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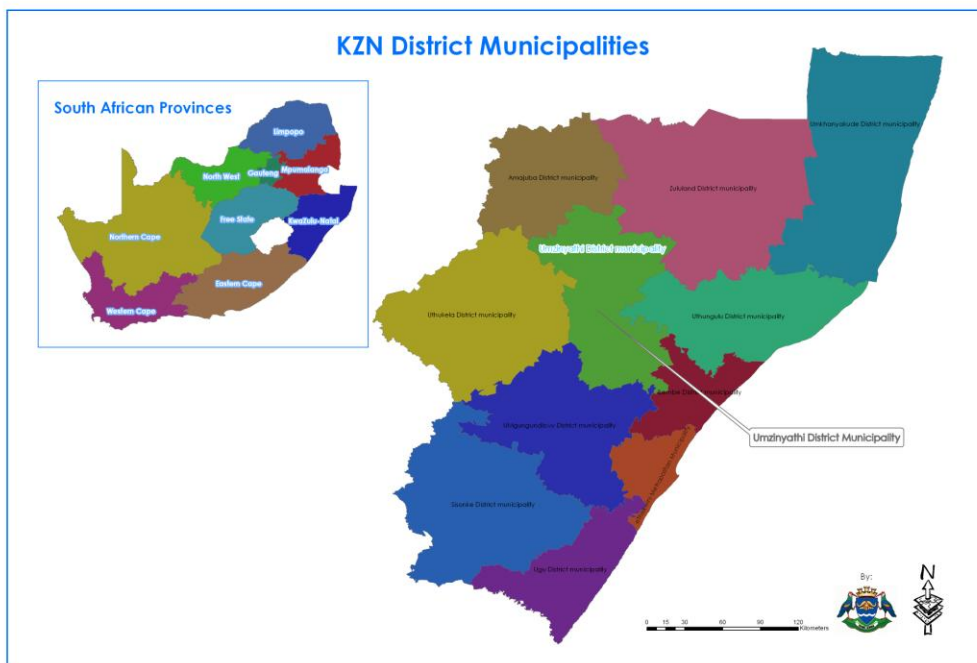
ANNEXURE J 1: SPATIAL DEVELOPMENT FRAMEWORK  
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## SECTION A: EXECUTIVE SUMMARY

### 1. Executive Summary

The uMzinyathi District Municipality (DC24) is one of the ten districts of KwaZulu-Natal. The Municipality is bordered in the north by the aMajuba Municipality, in the west by the uThukela Municipality, in the south west by the uMgungundlovu Municipality, in the south east by the iLembe Municipality and in the east by uThungulu District Municipality, as shown on the Map 1 below:

**Map 1: Provincial Context**



The district consists of four Local Municipalities, namely:

- eNdumeni (KZ 241)
- Nquthu (KZ 242)
- Msinga (KZ 244)
- uMvoti. (KZ 245)

The Map 2 below shows the location of the local municipalities within the district:

### Map 2: District Context



The municipal area is 8079 km<sup>2</sup> and has extensive grasslands in the north supporting the primary agricultural sector based on cattle ranching for beef, small scale sheep and mixed farming and maize cultivation. In the southern areas substantial forestry is prevalent. Sugar cane and smaller scale fruit farming such as avocado and kiwi fruit cultivation also occur.

Mineral deposits found in the district include coal and metal ores. Only coal was mined on a large scale in the eNdameni Municipality. The coal mining industry is undergoing a restructuring process. There is a decline in corporate interest in the industry, however there is interest in the small scale regeneration of the coal belt for SMME development. A small amount of stone quarrying occurs in the district. Within eNdameni Local Municipality, Dundee has the main economic activities ranging from retail trade, tourism and farming. Dundee is a centre from which tourism based on the cultural heritage of the Zulu Kingdom and “Battlefields” is emphasised and managed to some extent, and there is also Glencoe which serves as a secondary centre to Dundee.

uMzinyathi Municipality, in conjunction with its north western neighbour aMajuba Municipality, is branded as the “custodian” of the “Battlefields region of the Zulu Kingdom”. The “Battlefields of the Zulu Kingdom” are located in the hinterland and lie “in the shadow” of the majestic Drakensberg mountains spanning the western boundary of KwaZulu-Natal. This branding is of international and regional significance. In conjunction with the Beaches of the South and North Coast and Big Five Game attractions in the East of KwaZulu-Natal, the “Battlefields of the Zulu Kingdom” form a vital role in the spatial economy of the province from a tourism perspective. However, within uMzinyathi, the range of battlefields attractions is not adequately harnessed for their job creating opportunities across the municipality.

The main town in the uMvoti Municipality is Greytown. It is the agricultural centre of the district and contributes substantially to the economic viability of the district. Nquthu and Msinga Local Municipalities are rural based subsistence economies with cultural heritage areas that attract some tourists but need to be substantially developed. The main towns are Nqutu, Pomeroy and Tugela Ferry.

The topography of the district is characterised by extensive variation with deep river gorges, rolling grasslands, extensive wetlands, hills and valley bush-veld. These characteristics make the development of infrastructure difficult and costly particularly in the steep terrain. The general slope of the land is between 1:5 and 1:6 and it is susceptible to soil erosion where it is not carefully managed.

## **2. Overview of the Local Municipalities**

### **2.1 Endumeni**

This municipality is unique, its population is predominantly urbanised or based on commercial farms and unlike the other local municipalities there is no tribal authority land. The main town is the Commercial centre which is Dundee, it has most diversified economy, commercial cattle farming and dairy production and is the centre of the Battlefields tourist region

## 2.2 Nquthu

This municipality is typically rural and largely tribal authority where the population is largely previously disadvantaged and relatively dispersed and where services are scarce and often at rudimentary levels.

The main town is Nquthu and subsistence agriculture is the main activity in the area

## 2.3 Msinga

Owing to its rugged terrain Msinga's population is relatively dispersed and where services exist they are concentrated along road infrastructure and water sources such as the Tugela River. The main towns are Pomorey and Tugela Ferry, it's the rural region with subsistence farming.

## 2.4 Umvoti

This local municipality comprises of urban areas, commercial agricultural areas and tribal authority areas all of which exhibit typical characteristics associated with these settlement types. Service levels in urban areas are high except for informal areas, in commercial agricultural areas they are relatively high as farmers provide their own services and in tribal authority areas they are low to moderate. The main town is the commercial centre Greytown

## **3. Demographics Trends and Characteristics**

The comparative population figures for 2001 and 2007 at provincial, district and local municipality level is depicted in Table 1 below. This information indicates that although the district population has increased from approximately 480 412 in 2001 to 495 748 in 2007, the average annual growth rate of 0.53% over this period is significantly lower than the provincial average of 1.17%. Two of the local municipalities experienced a decrease in population i.e. Nquthu and Msinga Local Municipalities. The strongest population growth was evident in Umvoti LM with an average annual population growth rate of just over 4% between 2001 and 2007.



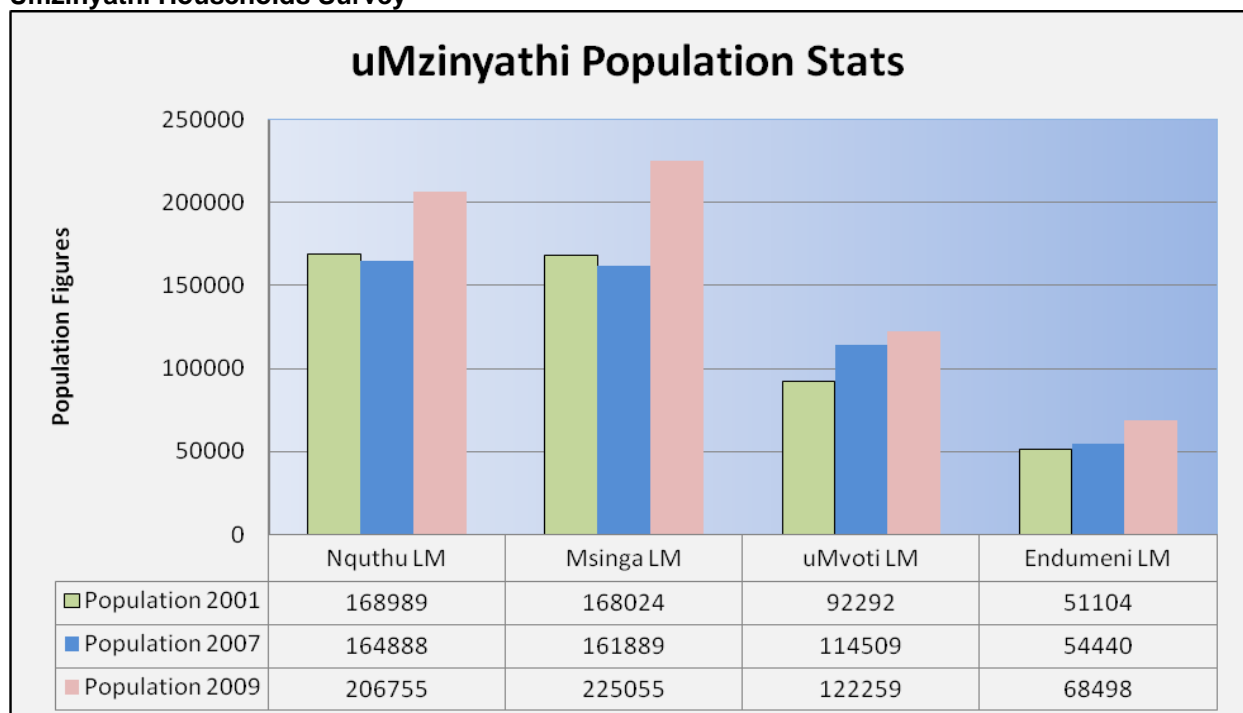
**Table No 1: Comparative population figures for 2001 and 2007**

AREA	POPULATION 2001	POPULATION 2007	HOUSEHOLDS 2001	HOUSEHOLDS 2007	AVERAGE ANNUAL GROWTH (%)
KwaZulu Natal	9 584 129	10 259 240	2,117,274	2,234,129	1.17
Umzinyathi DM	480 412	495 748	93,770	104,535	0.53
Nquthu LM	168 989	164 888	29,318	32,169	-0.40
Msinga LM	168 024	161 889	32,505	32,592	-0.61
Umvoti LM	92 292	114 509	19,669	26,019	4.01
Endumeni LM	51 104	54 440	12,278	13,755	1.09

Source : 1. Statistics SA, Census 2001  
2. Statistics SA, Community Survey 2007

Figure 1 provides comparative population figures for 2001 and 2007 STATS SA, and also 2009 Umzinyathi household survey. This information indicates that although the district population has increased from approximately 480,412 in 2001 to 495,748 in 2007, the 2009 household survey undertaken by the municipality to bridge the population gap, indicates that the population has increased substantially to 622 567.

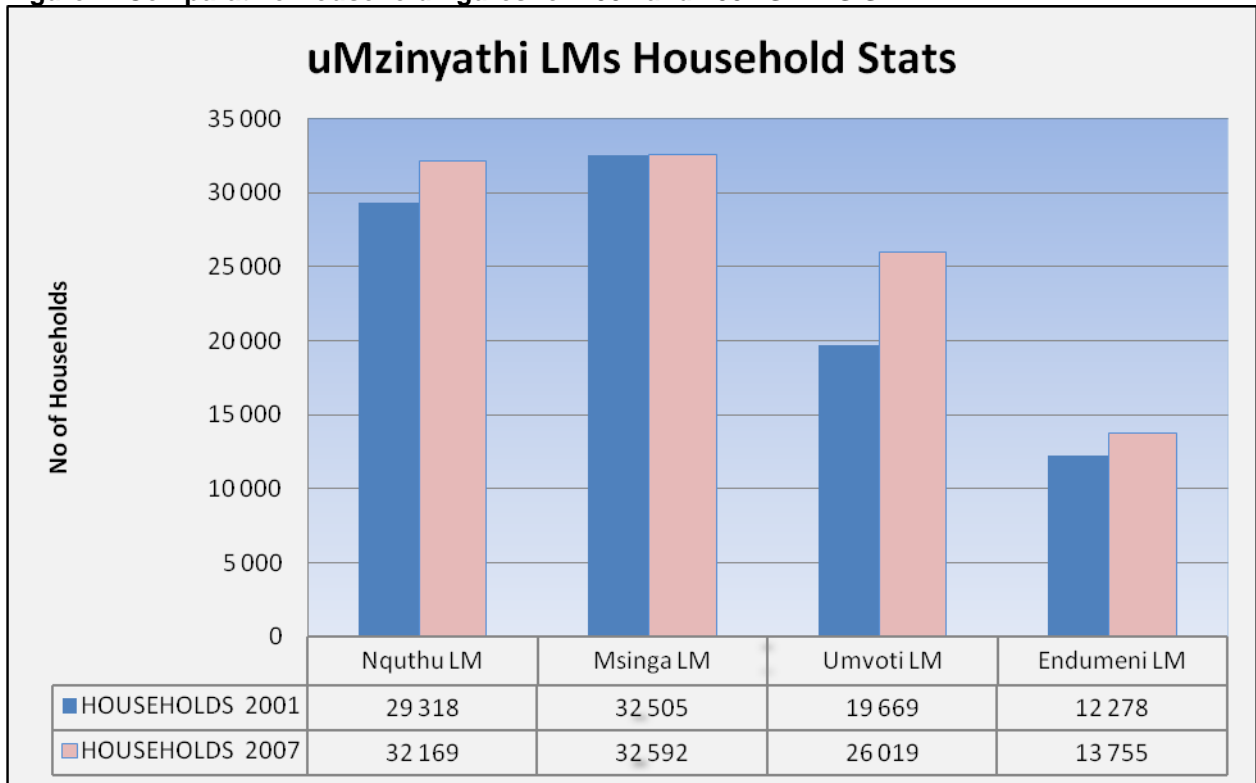
**Figure 1: Comparative Population figures for 2001 and 2007 STATS SA, and also 2009 Umzinyathi Households Survey**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007  
Umzinyathi DM: Household Survey 2009

The comparative household figures for 2001 and 2007, within the district municipality are depicted in Figure 2 below. This information indicates that the households within the district have increased substantially from 93,770 to 104,535 with Nquthu and Umvoti experiencing the highest household growth.

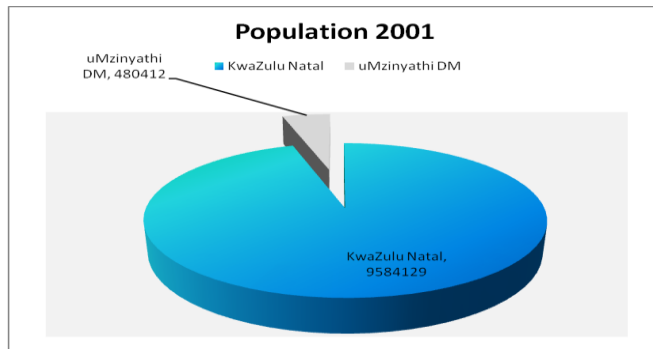
**Figure 2: Comparative Household figures for 2001 and 2007 STATS SA**



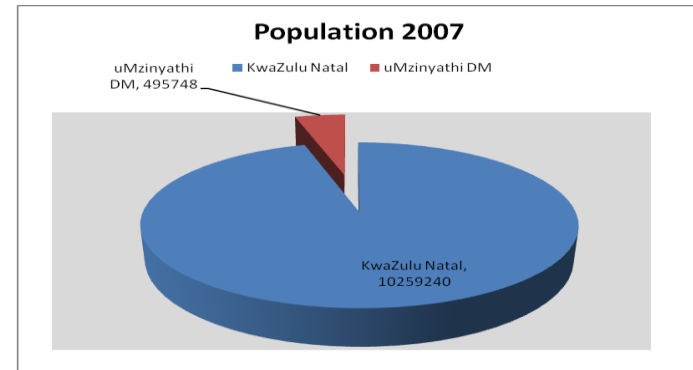
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

Figure 3 below provides the comparative population figures of the district in relation to the province between 2001 and 2007. During 2001, the population of the district represented 480,412 of 9,584,129 provincial population. During 2007, the the district population represented 495,748 of 10,259,240 provincial population.

**Figure 3: Comparative Population Figures of the district in relation to the Province**



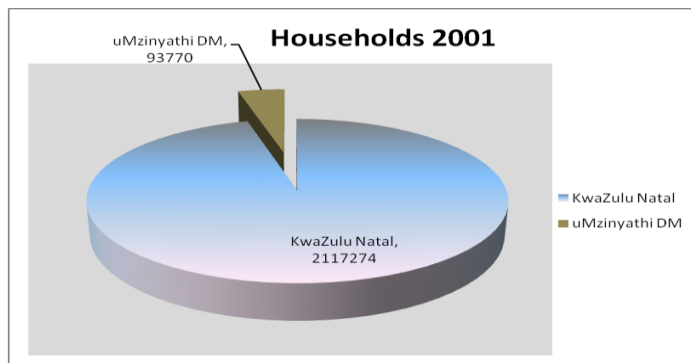
*Source: Stats SA: Census 2001*



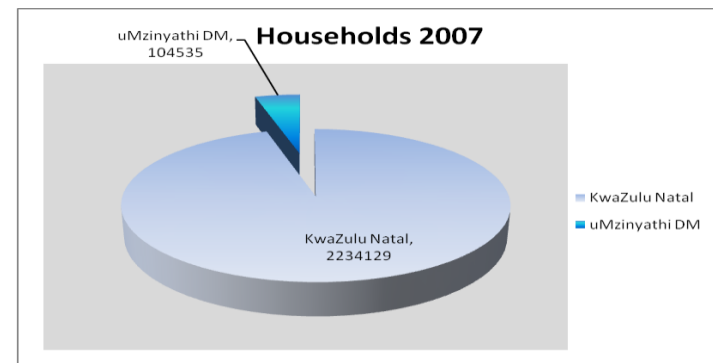
*Source: Stats SA: Community Survey 2007*

Figure 4 below provides the comparative households of the district in relation to the province between 2001 and 2007. During 2001, the households of the district represented 93,770 of 2,117,274 provincial households. During 2007, the the district households represented 104 535 of 2 234 129 provincial households.

**Figure 4: Comparative Household Figures of the district in relation to the Province**



*Source: Stats SA: Census 2001*



*Source: Stats SA: Community Survey 2007*

A graphical illustration of the distribution of the population, as well as the population densities in the district is depicted on the attached thematic maps. The density information clearly indicates that the highest population densities are prevalent in the areas immediately surrounding and in the vicinity of the main centers of the district such as Dundee and Greytown as the primary district centres, as well as Nquthu, Tugela Ferry and Keate's Drift.

## **SECTION B: SITUATIONAL ANALYSIS**

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### **1. INTRODUCTION AND BACKGROUND**

#### **1.1 INTRODUCTION**

Integrated Development Planning is a **process** through which municipalities prepare a strategic development plan, for a five year period. The Integrated Development Plan (IDP) is a **product** of the integrated development planning process. The IDP is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality. All municipalities (i.e. Metros, District Municipalities and Local Municipalities) have to undertake an integrated development planning process to produce integrated development plans (IDPs), as the IDP is a legislative requirement and its legal status supercedes all other plans that guide development at local government level.

Integrated development planning is a very interactive and participatory process which requires involvement of a number of stakeholders. Because of its participatory nature it takes a municipality approximately 6 – 9 months to complete an IDP and this timing is closely related to the municipal budgeting cycle. However, during this period delivery and development is not at a standstill, it continues. The IDP has to be reviewed on annually basis.

During 2007/08 financial year, Umzinyathi District Municipality prepared a 5 year Integrated Development Plan as required by Chapter 5, Section 32 of the Municipal Systems Act No 32 of 2000. This 5 year plan has been reviewed 4 times on annual basis as required by Section 34 of the Municipal Systems Act (No 32 of 2000). The 2011/12 IDP Review is the last review of this 5 year plan.

## **2. LEGISLATIVE FRAMEWORK**

### **2.1 Municipal Systems Act (No 32 of 2000)**

According to Section 32 of the Municipal Systems Act of 2000, all municipalities (i.e. Metros, District Municipalities and Local Municipalities) are required to undertake an integrated development planning process to produce integrated development plans (IDPs). In accordance with the requirements of Section 34 of the Municipal Systems Act No. 32 of 2000, municipalities are required to review their IDP's on annual basis for their areas of jurisdiction. A credible IDP is a single, inclusive strategic plan for the municipality that:

- is based on up to date and accurate statistics and empirical data that can inform strategic decision making;
- integrates, co-ordinates and facilitates service delivery, local economic development and wise land use management within the municipal area of jurisdiction;
- forms the general basis on which annual budgets are developed;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- assists a municipality in fulfilling its constitutional mandate as developmental local government; and
- facilitates the processes of democratisation and sustainability through vigorous public participation.

### **2.2 Constitution of the Republic of South Africa, Act 108 of 1996**

The Constitution requires municipalities to undertake developmental orientated planning to ensure that it:

- Strives to achieve the objectives of local government as indicated in Section 152;
- Gives effect to its developmental duties as required by Section 153;
- Together with other organs of state it contributes to the progressive realization of fundamental rights contained in Section 24, 25, 26, 27 and 29.

### **2.3 Municipal Structures Act (No 117 of 1998)**

The Municipal Structures Act No 117 of 1998 makes provision for the powers and functions between the districts and local municipalities. It mandates district wide functions to the district municipalities and critical day to day functions to the local municipalities.

## **2.4 Municipal Finance Management Act (No 56 of 2003)**

The annual Budget and the IDP have to be linked to one another and that has been formalised through the promulgation of the Municipal Finance Management Act (2004). Chapter 4 and Section 21 (1) of the Municipal Finance Management Act indicates that:

At least 10 months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for:

- a) The preparation, tabling and approval of the annual Budget;
- b) The annual review of:
  - a. The integrated development plan in terms of Section 34 of the Municipal Systems Act, and
  - b. The Budget related policies
- c) The tabling and adoption of any amendments to the integrated development plan and budget related policies, and
- d) The consultative processes forming part of the processes referred to in subparagraphs (a), (b) and (c).

## **2.5 Disaster Management Act (No 53 of 2002)**

The Disaster Management Act No 53 of 2002, Section 25 requires:

(1) Each municipality must, within the applicable municipal disaster management framework-

- (a) prepare a disaster management plan for its area according to the circumstances prevailing in the area;
- (b) co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players;
- (c) regularly review and update its plan: and
- (d) through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.

(2) A disaster management plan for a municipal area must-

- (a) form an integral part of the municipality's integrated development plan;
- (b) anticipate the types of disaster that are likely to occur in the municipal area and their possible effects;

- (c) place emphasis on measures that reduce the vulnerability of disaster-prone areas,
- (d) seek to develop a system of incentives that will promote disaster management in the municipality;
- (e) identify the areas, communities or households at risk;
- (f) take into account indigenous knowledge relating to disaster management;
- (g) promote disaster management research;
- (h) identify and address weaknesses in capacity to deal with possible disasters;
- (i) provide for appropriate prevention and mitigation strategies;
- (j) contain contingency plans and emergency procedures in the event of a disaster,

(3) A district municipality and the local municipalities within the area of the district municipality must prepare their disaster management plans after consulting each other.

(4) A municipality must submit a copy of its disaster management plan, and of any amendment to the plan, to the National Centre, the disaster management centre of the relevant province, and, if it is a district municipality or a local municipality, to every municipal disaster management centre within the area of the district municipality concerned.

## **2.6 Local Government: Municipal Planning and Performance Management Regulations, 2001**

In 2001, the Municipal Planning and Performance Management Regulations were issued to further provide guidelines and clarity on the issues of IDP and PMS. The Municipal Planning and Performance Management Regulations provide details on the requirements of the IDP and Performance Management System.

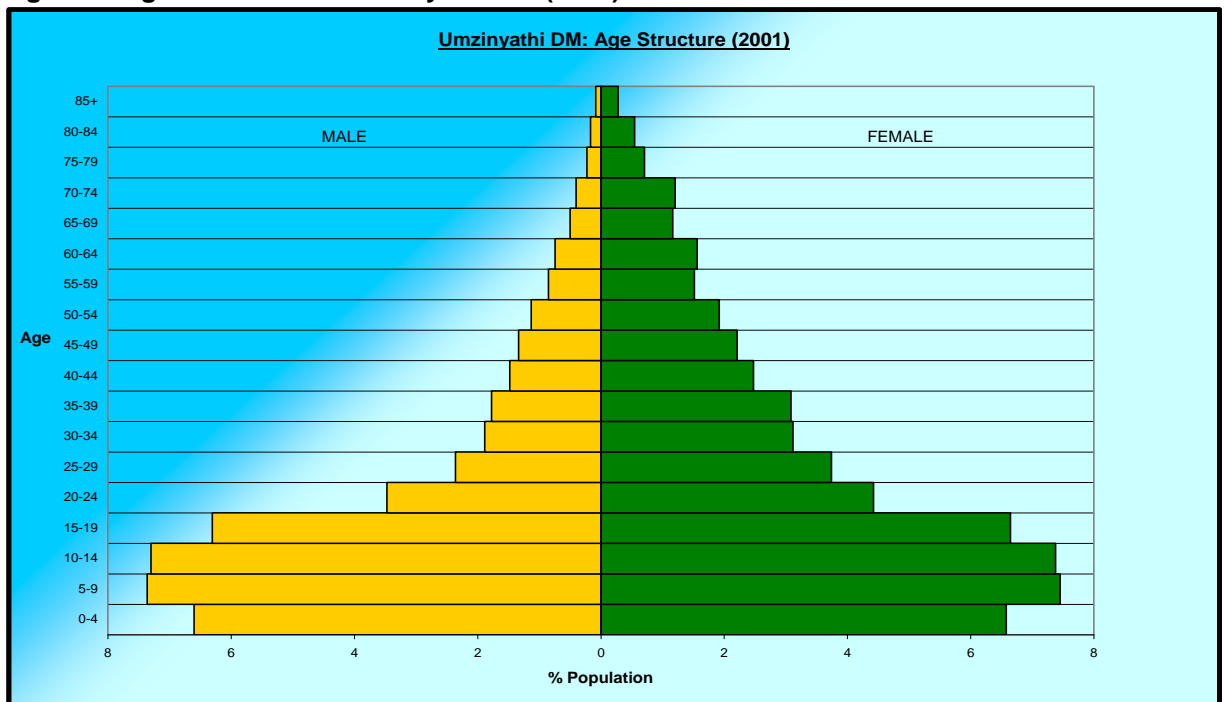


### 3. STATUS QUO ANALYSIS OF THE MUNICIPAL AREA

#### 3.1 Age Structure and Gender Composition

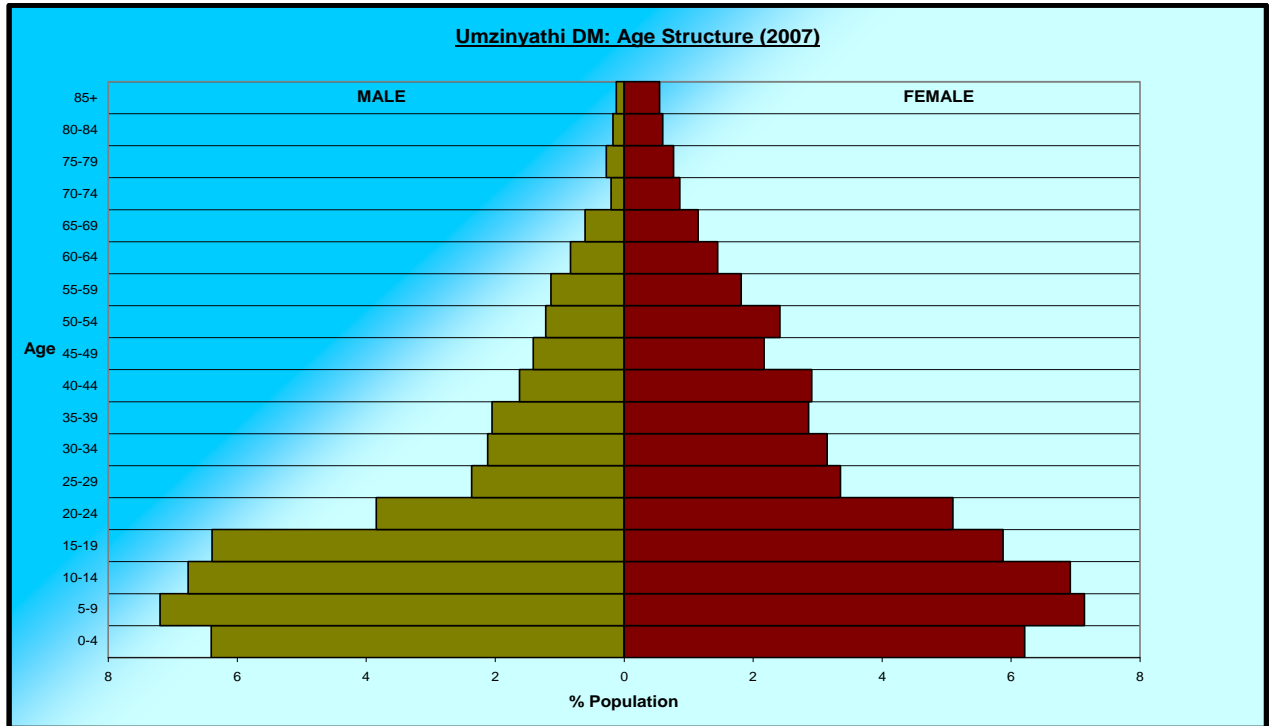
The overall age and gender structure and profile of the Umzinyathi District Municipality is graphically depicted in Figures 5 and 6. This information clearly indicates a very youthful age structure with the overall population profile dominated by the age cohorts of 5 -9 year of age and 10 -14 years of age respectively. These two age categories jointly nearly represent 30% of the total population. These statistics further indicates that that population structure is slightly female dominated. Although the gender profile has not changed significantly between 2001 and 2007, it is apparent that the female population is dominating the age categories from 25 years and older. One of the underlying reasons for this trend can possibly be male absenteeism from the district due to males seeking employment in other areas with comparatively lower unemployment rates than the Umzinyathi DM.

**Figure 5: Age structure for Umzinyathi DM (2001)**



*Source: Stats SA; Census 2001*

**Figure 6: Age structure for Umzinyathi DM (2007)**

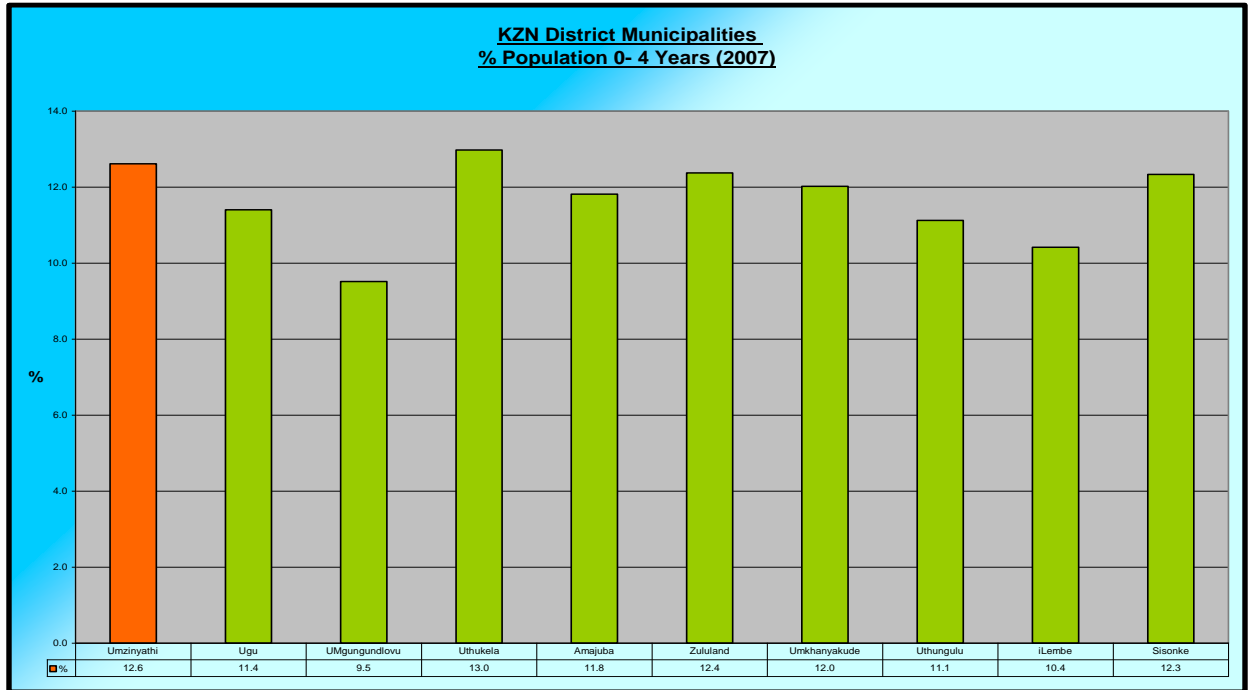


*Source: Stats SA; Community Survey 2007*

This age structure of the district population is contextualized against the other district municipalities in KwaZulu-Natal as portrayed in Figures 7 to 8 below. These statistics indicates the following aspects:

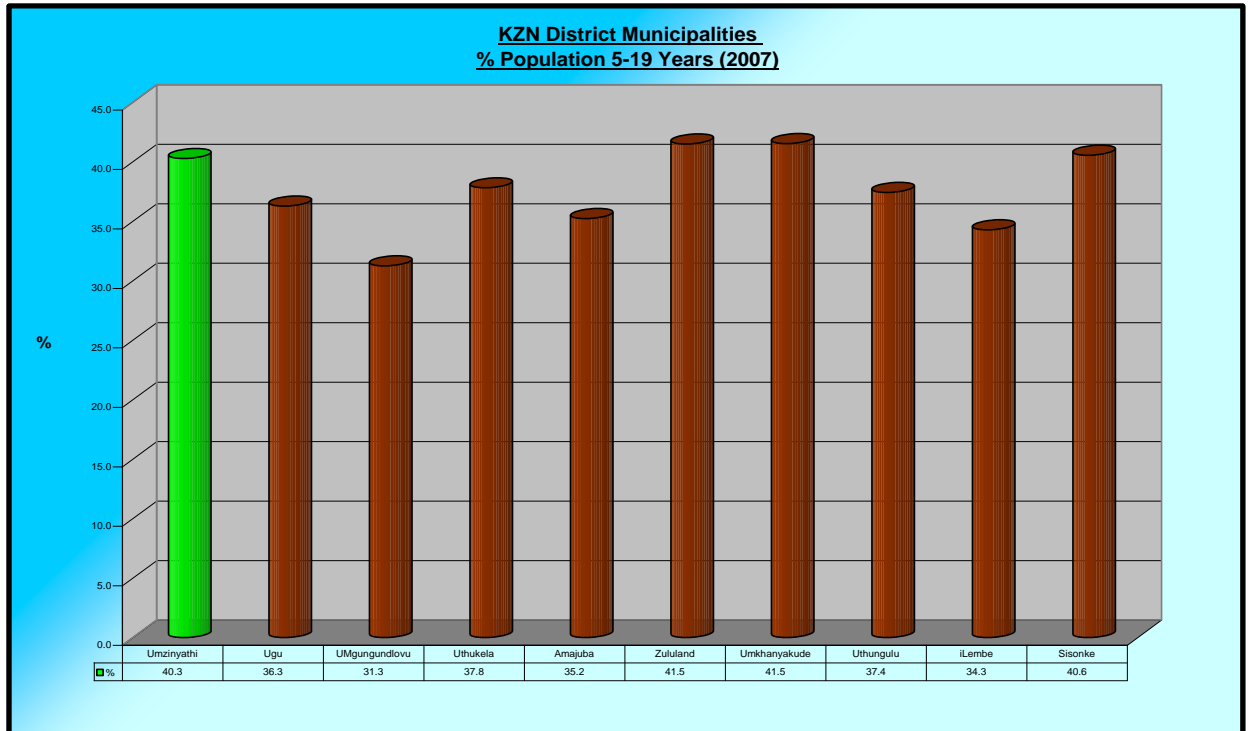
- The Umzinyathi DM has the second highest proportion of population younger than five years of age (12.6%) amongst the districts in KwaZulu Natal. Although a high figure, this is not unlike the norm for other districts in the province, with the proportion of population in this age category (above 11% of total population in most of districts in the province).
- A very high percentage of 40.3% of the district population is of a school going age (between five and nineteen years). This figure is again not dissimilar to the patterns in many other districts within the province.
- The gender structure of the Umzinyathi DM has the highest proportion female population amongst all district municipalities within the province (approximately 55.3% by 2007). This may be indicative of aspects such as male absenteeism due to temporary migration trends and looking for employment opportunities in areas with higher levels of economic activity.

**Figure 7: Percentage Population 0 – 4 years (2007)**



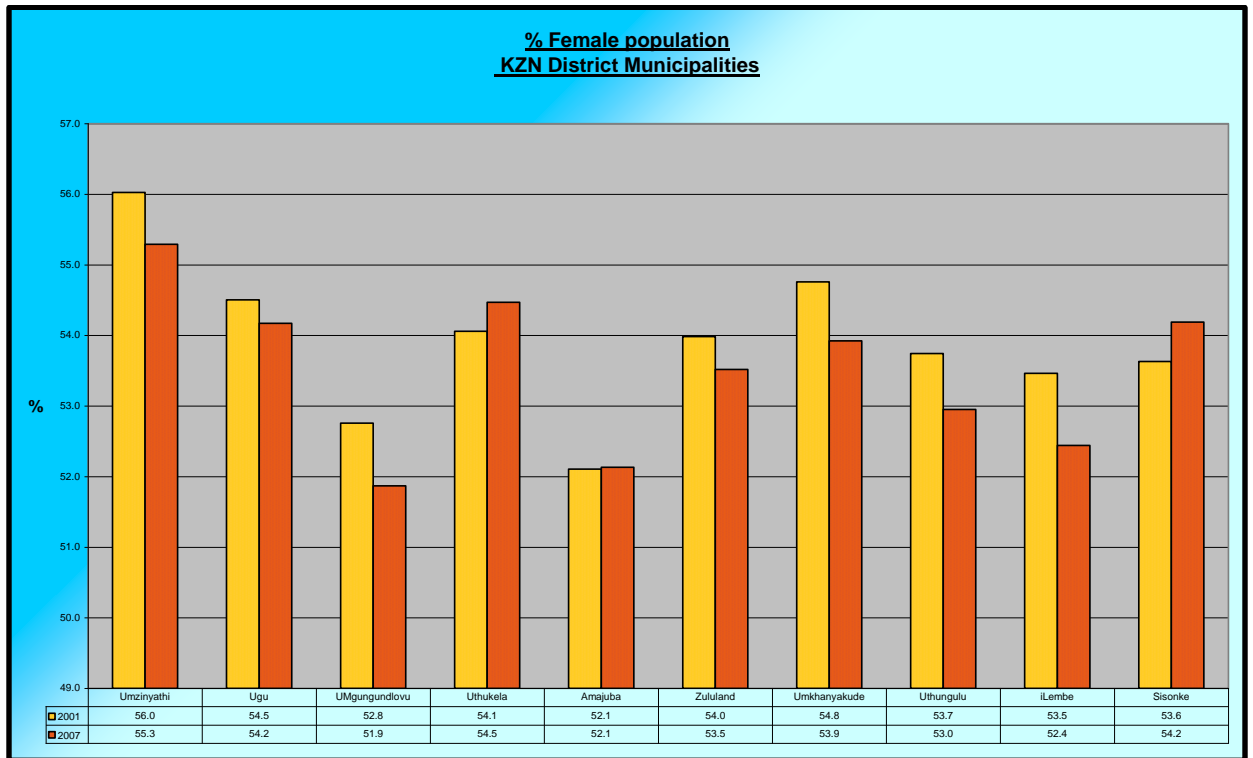
Source: Stats SA; Community Survey 2007

**Figure 8: Percentage Population 5 – 19 years of age (2007)**



Source: Stats SA; Community Survey 2007

**Figure 9: Percentage Female Population in the KwaZulu-Natal District Municipalities**



*Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007*

### 3.2 Municipal Level Comparison

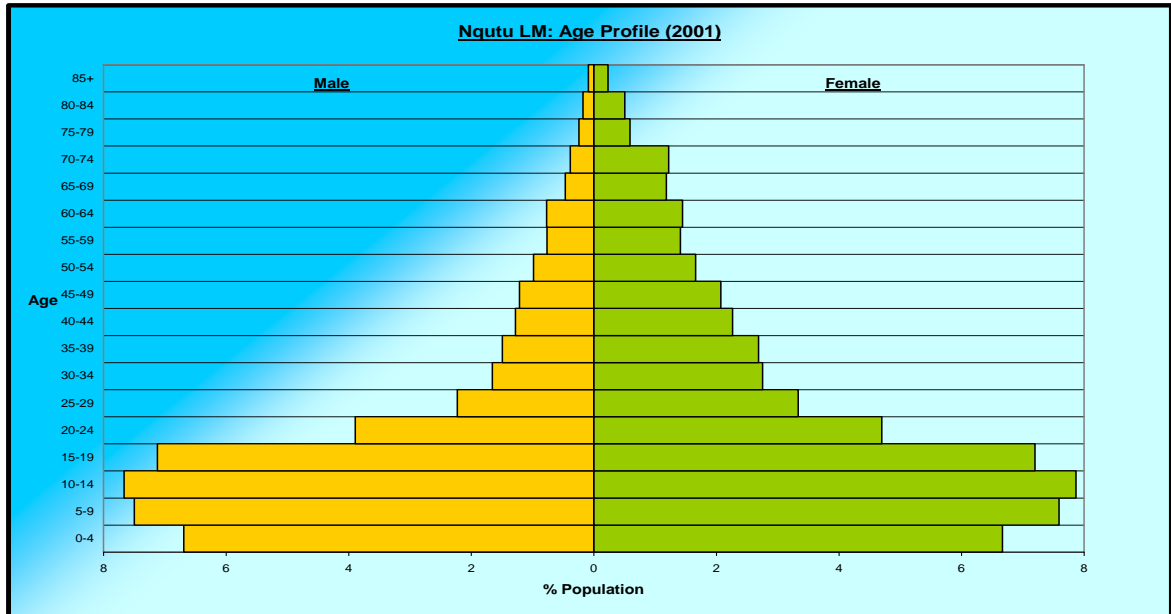
The comparative age and gender structures of the four local municipalities within Umzinyathi for 2001 and 2000 respectively are outlined in Figures 10 to 18. The summary characteristics from these comparisons include:

- The age profile of the Nquthu LM is very similar to the overall district figures with the majority of the population between five and nineteen year of age. In both 2001 and 2007, the proportion of the female population in age categories from 25 years and older significantly dominates the male population.
- The gender structure of the Msinga LM is significantly female dominated in the age categories of 25 years and older. Conversely, the population younger than 19 years of age is however somewhat male dominated.
- The age and gender profiles of the Umvoti LM in 2001 and 2007 respectively indicates that the very even distribution between male and female population in 2001, has been replaced by a more female dominated age structure in virtually all age categories, by 2007. Also notable is that the

proportion of the population in the 25 – 29 years age category have decreased significantly in proportional terms from 2001 to 2007.

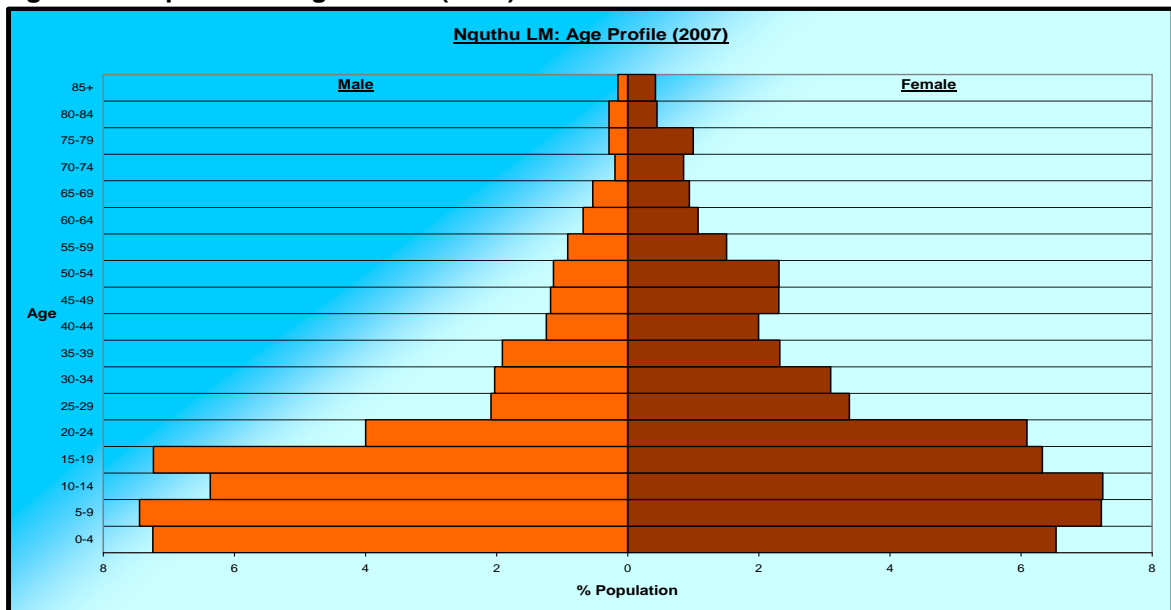
- The age structure of the eNdumeni LM is not as heavily dominated by the younger than 19 years of age category compared to the other three local municipalities. It is also the only local municipality within the district where the gender structure is dominated by male population.

**Figure 10: Nquthu LM: Age Profile (2001)**



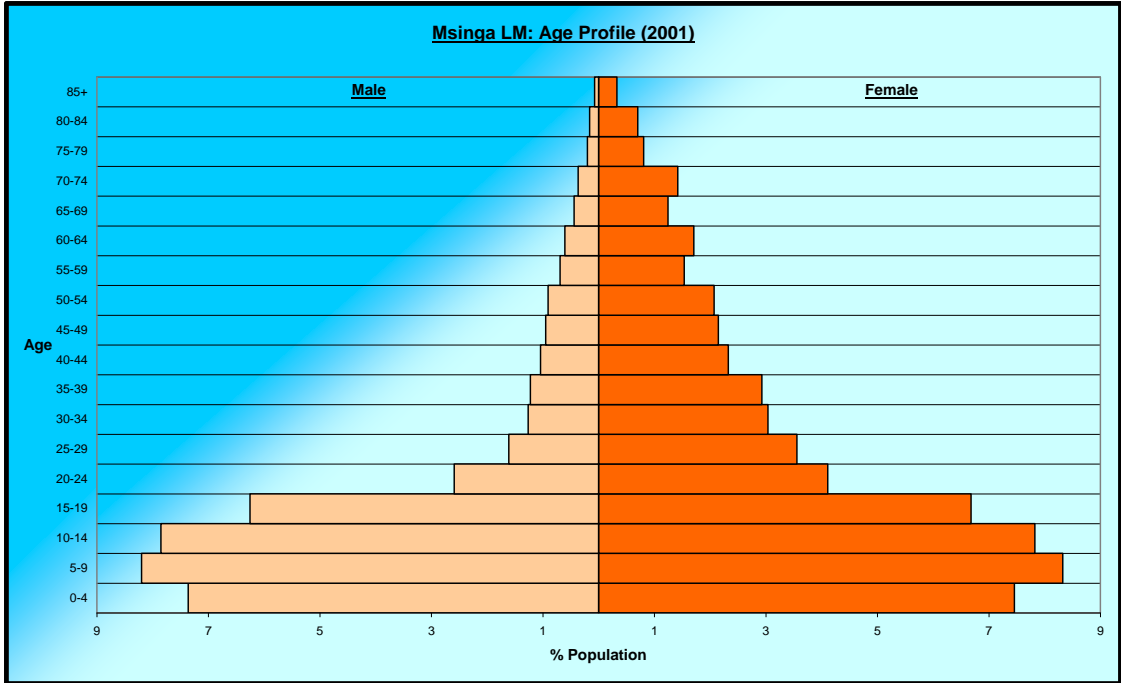
*Source: Stats SA: Census 2001*

**Figure 11: Nquthu LM: Age Profile (2007)**



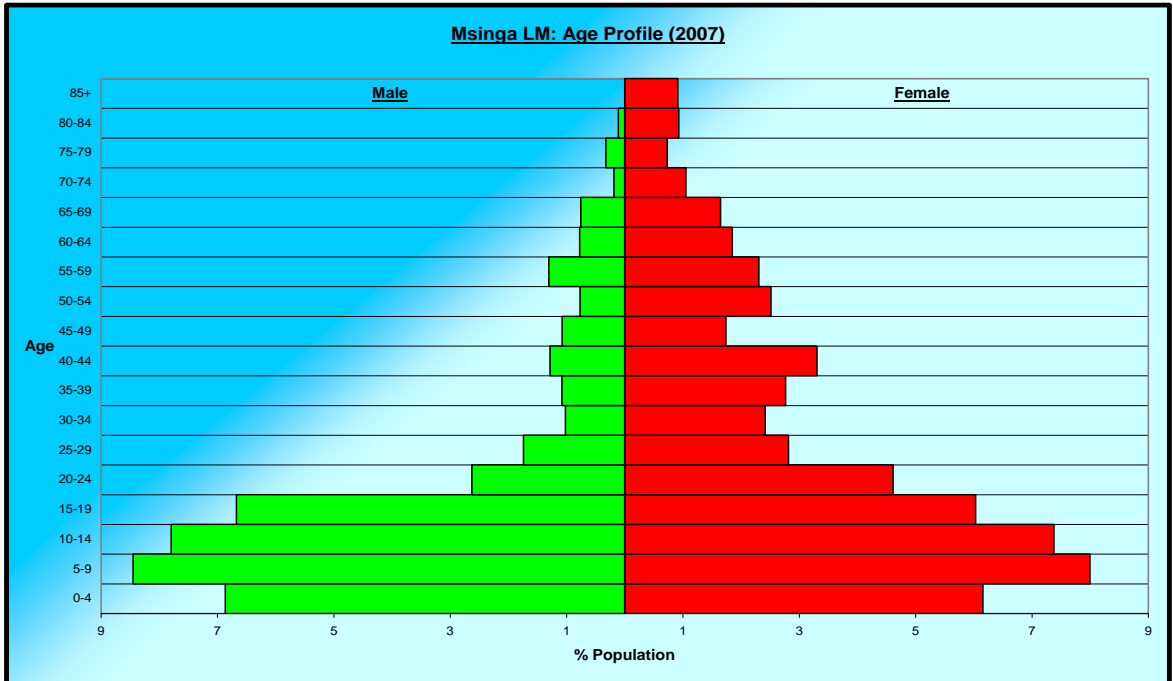
*Source: Stats SA; Community Survey 2007*

**Figure 12: Age Profile Msinga LM (2001)**



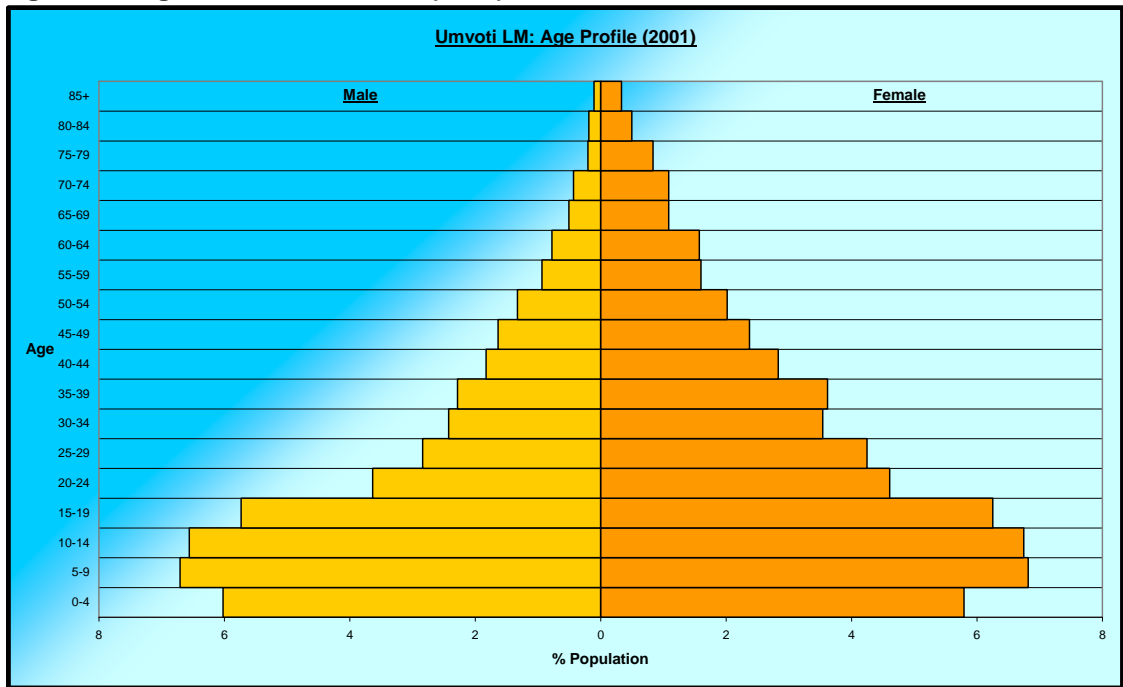
Source: Stats SA; Census 2001

**Figure 13: Age Profile Msinga LM (2007)**



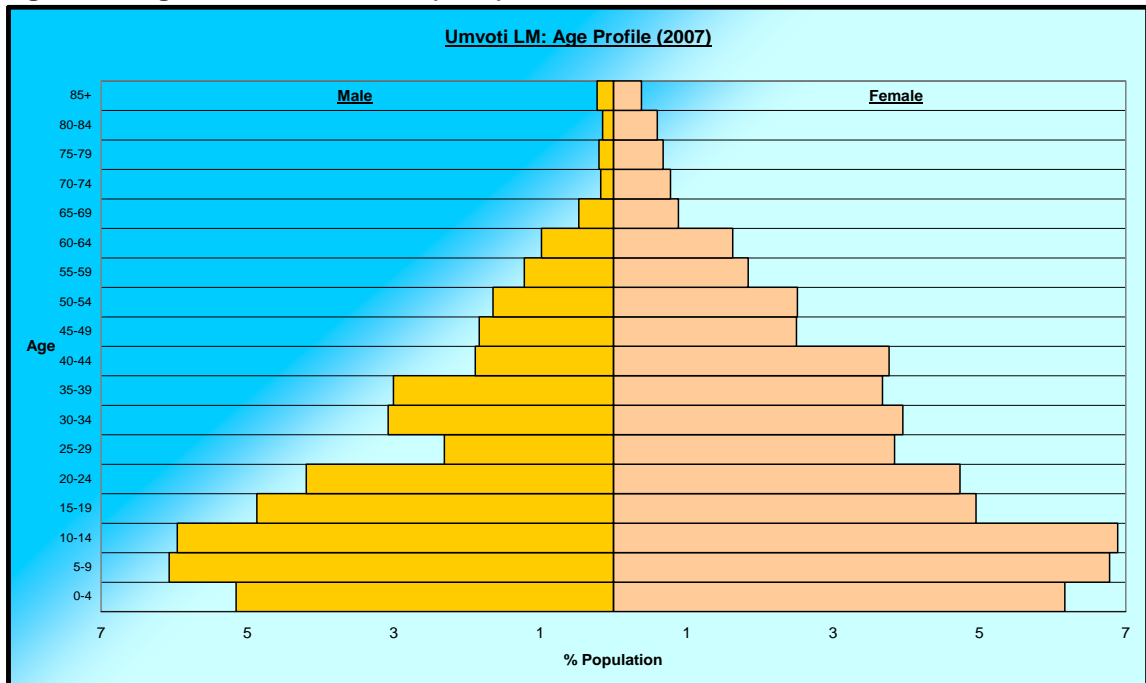
Source: Stats SA; Community Survey 2007

**Figure 14: Age Profile Umvoti LM (2001)**



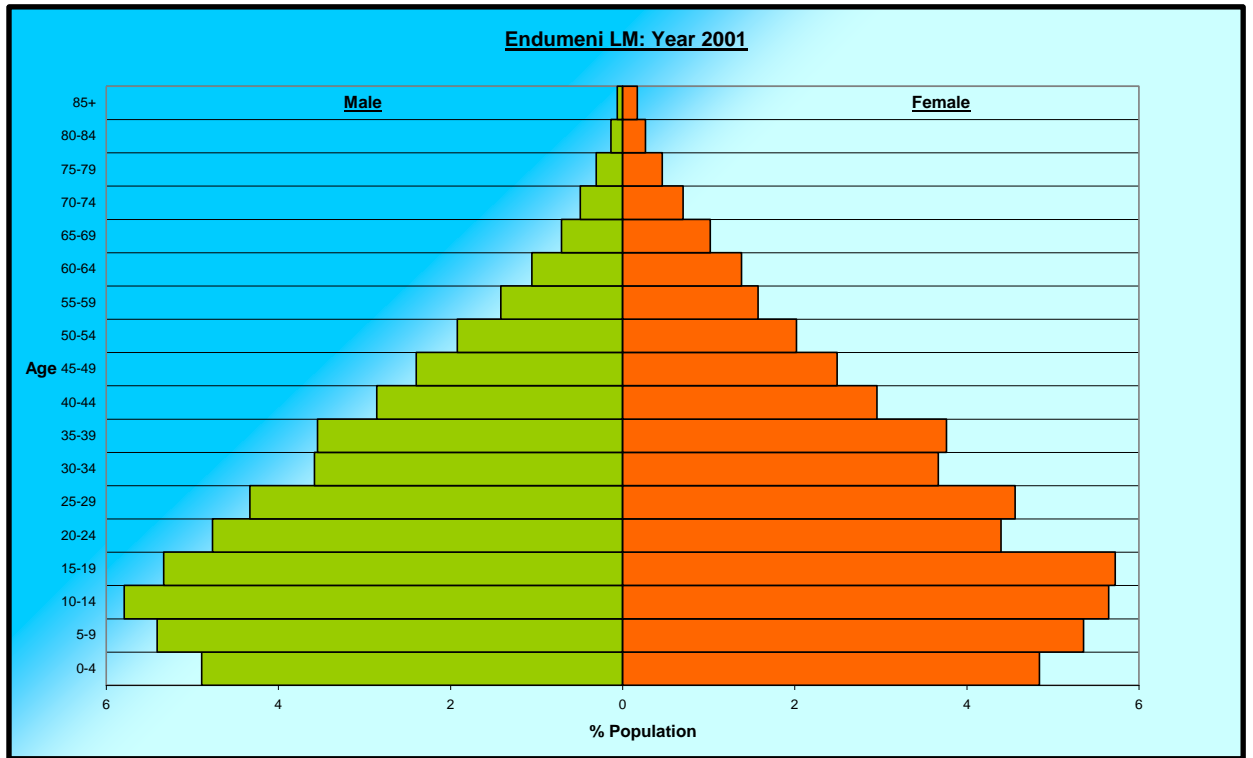
Source: Stats SA; Census 2001

**Figure 15: Age Profile Umvoti LM (2007)**



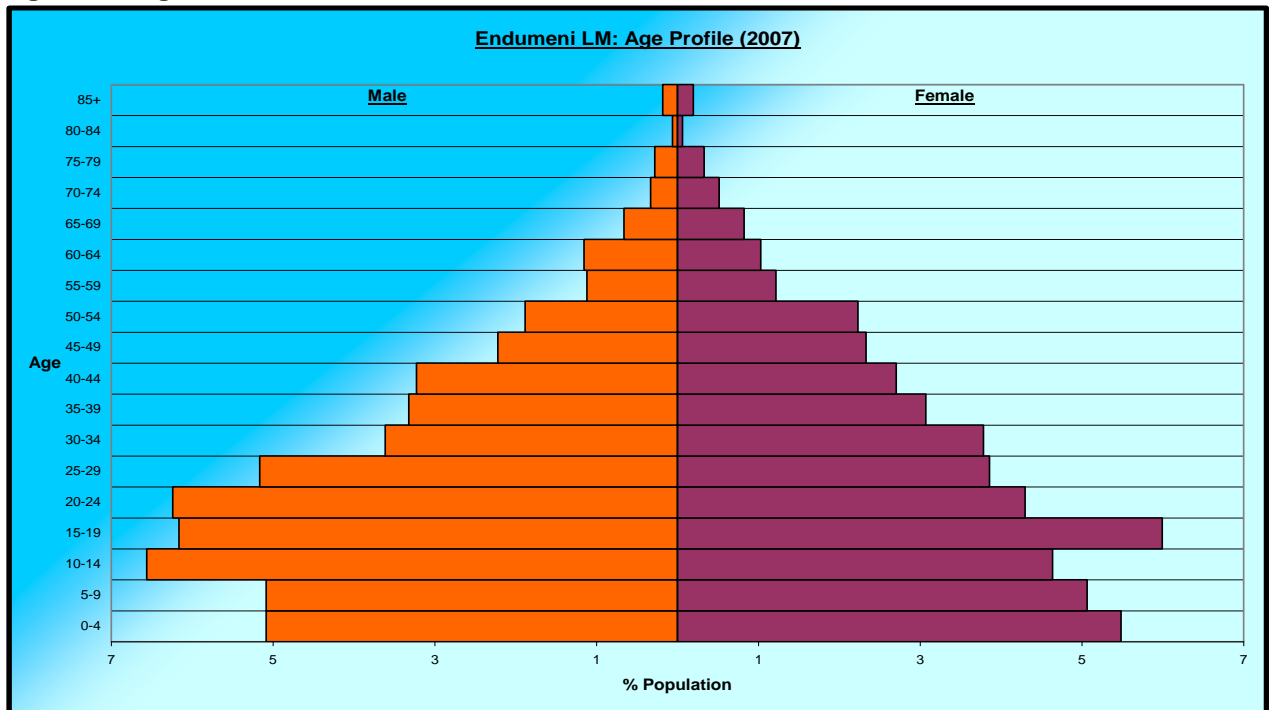
Source: Stats SA; Community Survey 2007

**Figure 16: Age Profile eNdumeni LM 2001**



Source: Stats SA; Census 2001

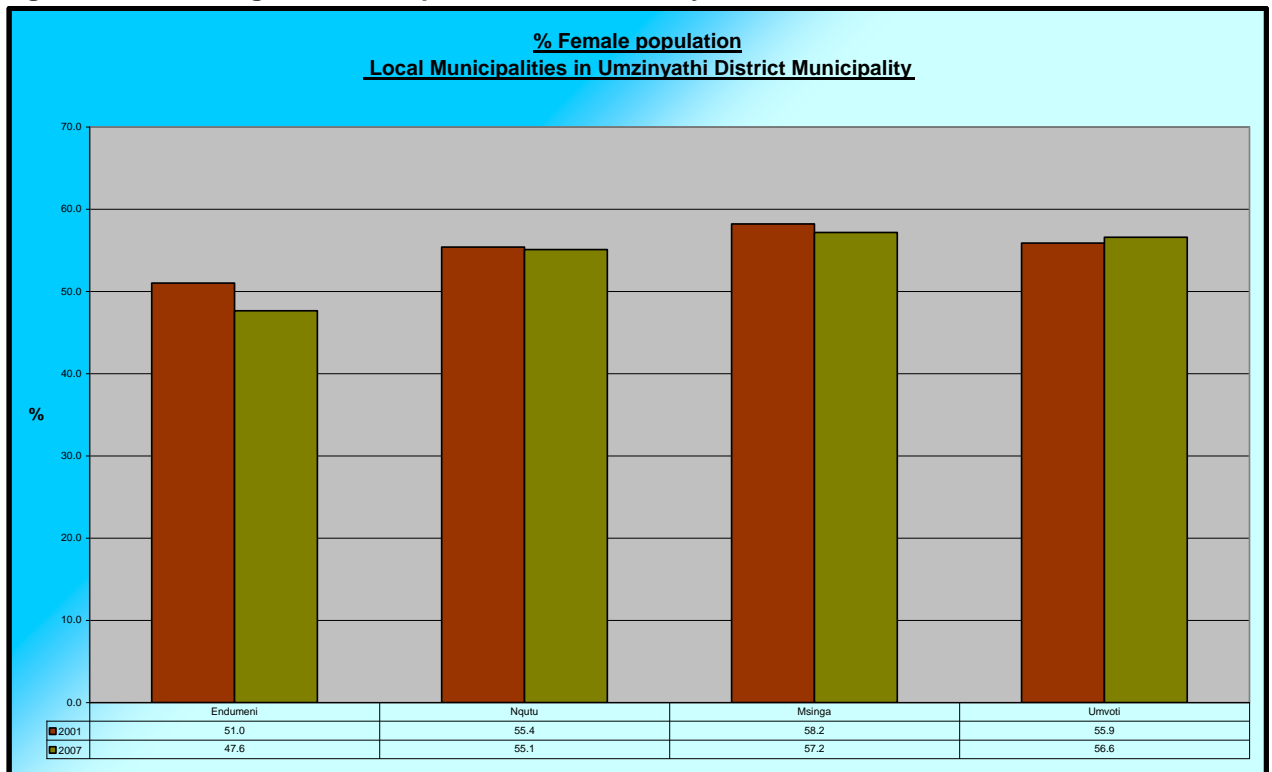
**Figure 17: Age Profile eNdumeni LM 2007**



Source: Stats SA; Community Survey 2007



**Figure 18: Percentage Female Population in the Umzinyathi DM**

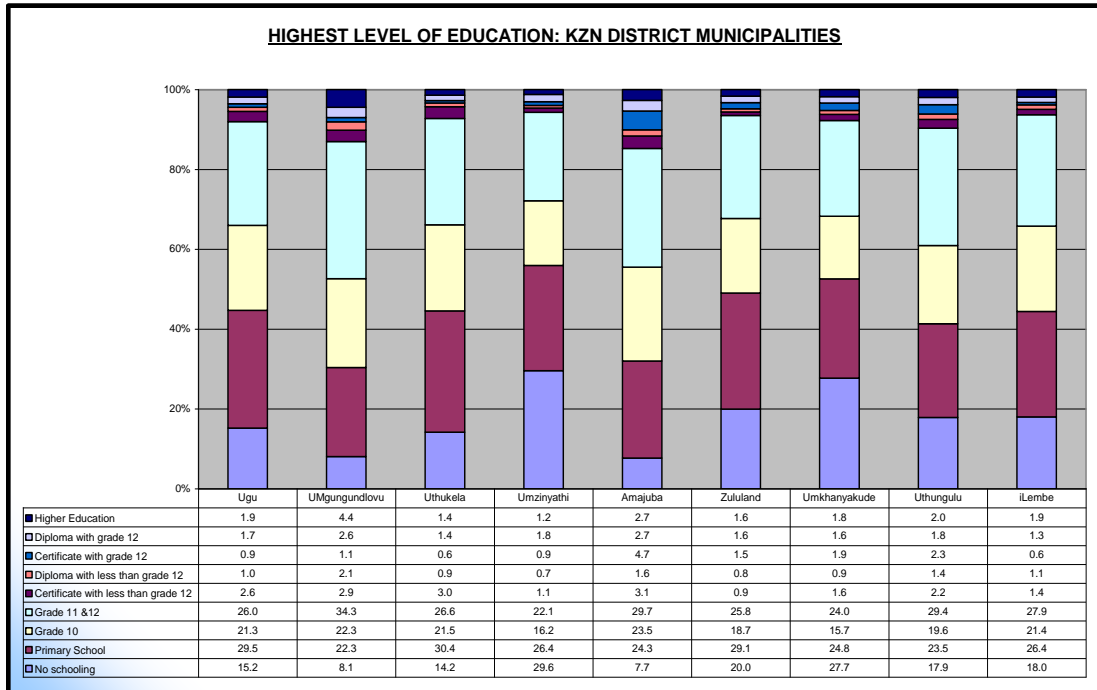


*Source:* Stats SA: Census 2001  
Stats SA; Community Survey 2007

### 3.3 Education Profile

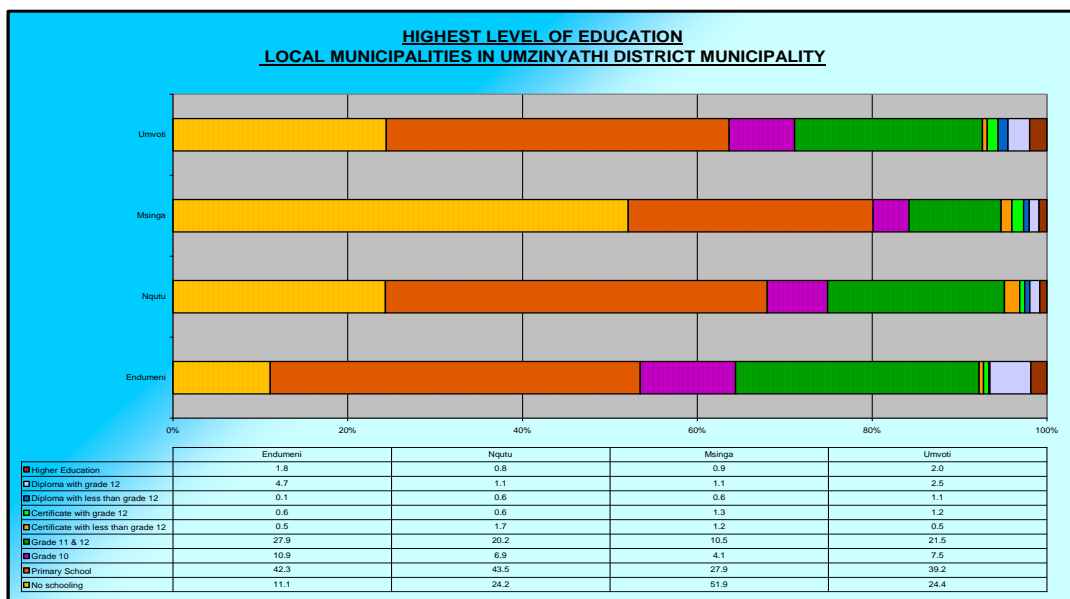
The challenge of low skills levels within the Umzinyathi DM is clearly depicted in Figure 19. These statistics indicate that the Umzinyathi DM has the highest level of illiteracy amongst these adult populations (29.6%) amongst all districts in KwaZulu-Natal. In addition, as much as 26.4% of the adult population has only completed primary school education. Moreover, the Umzinyathi DM is also the area in KwaZulu-Natal with the lowest proportion of its adult population who have completed some form of higher education (1.2%).

**Figure 19: Highest level of Education in the KwaZulu-Natal District Municipalities**



Source: Stats SA, Community Survey 2007

**Figure 20: Highest level of Education in Local Municipalities in the Umzinyathi District**



*Source: Stats SA, Community Survey 2007*

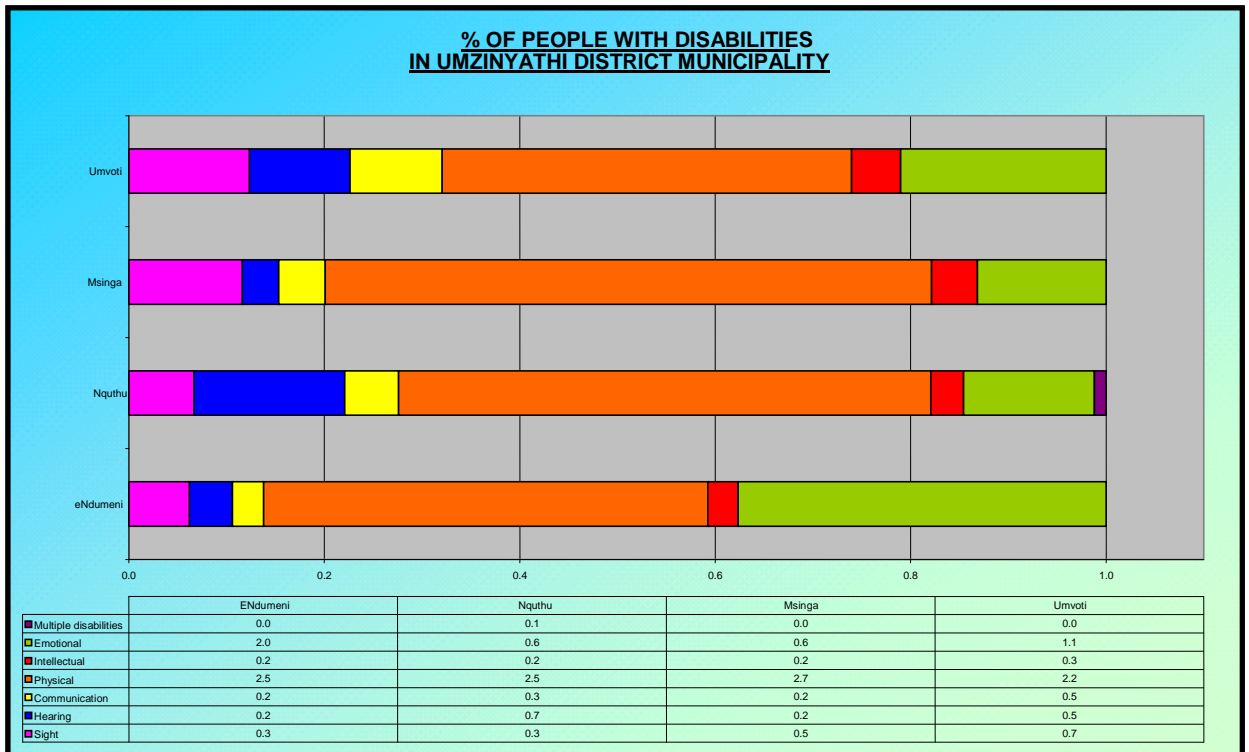
These trends are also prevalent at local municipality level as depicted in Figure 20 which indicates the following:

- The levels of adult illiteracy in the Msinga LM are extraordinary high at approximately 51.9%. The comparative figures in the Nquthu and Umvoti Local Municipalities are around 24%, and the figure for eNdumeni LM significantly lower at 11.1%.
- The proportion of adult population in the Nquthu and Msinga Local Municipalities who have completed Grade 12 and with some form of tertiary education is very low at less than 2%. The comparative figure in the Umvoti LM is somewhat higher at 4.5%, and 6.5% for the eNdumeni LM at 6.5%.
- The significant concentration of adult population without any form of education in the central parts of the district (specifically around Keates Drift, Tugela Ferry and Pomeroy) is clearly illustrated on the attached thematic map.

### **3.4 Disabilities**

A total of approximately 4.8% of the population of Umzinyathi are affected by some form of disability. The largest proportion of these individuals is affected by physical disabilities (2.5%). The information Figure 21 further also clearly illustrates that there are no significant differences in the extent of population affected by various types of disabilities in the four local municipalities in the district.

Figure 21: Percentage of people with disabilities in Umzinyathi District Municipality

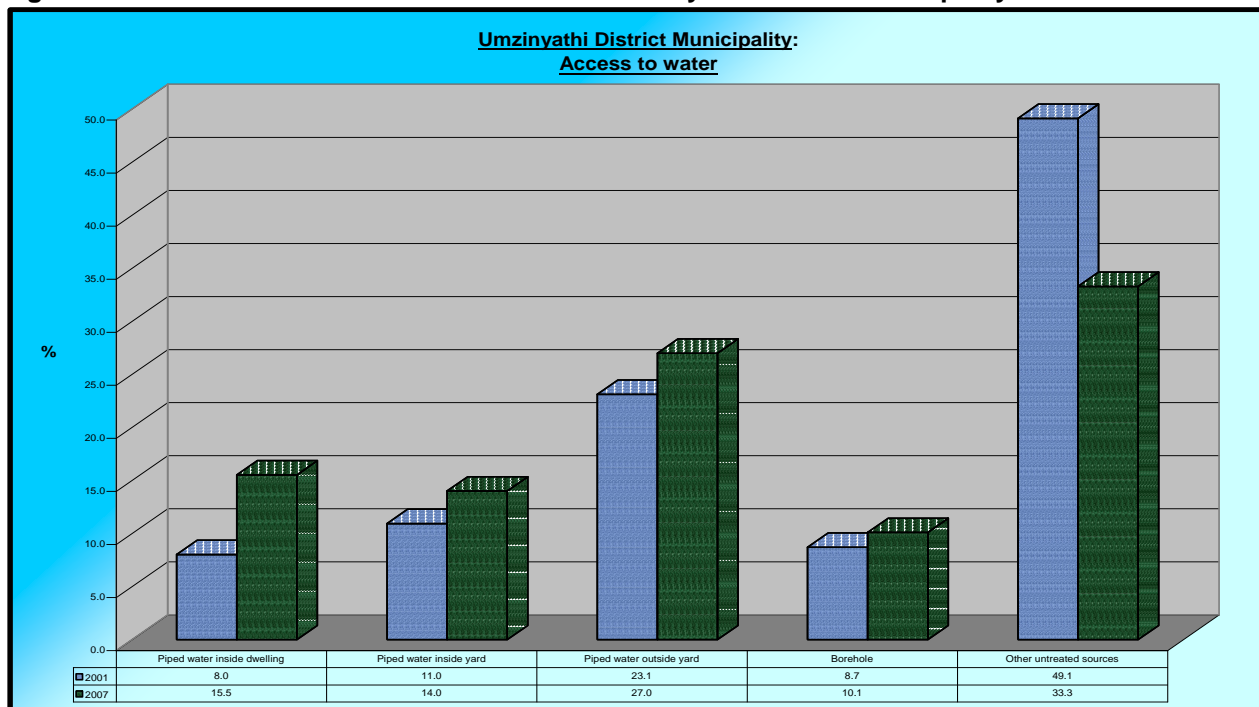


Source: Statistics SA, Community Survey 2007

### 3.5 Access to Water

The provision of basic water infrastructure within the Umzinyathi DM has shown significant improvements over the period 2001 to 2007. The proportion of households receiving piped water inside their dwellings nearly doubled from 8% in 2001 to 15.5% in 2007. The proportion of households with piped water inside their yards increased from 11% to 14%, and those with access to piped water outside their yards from 23.1% to 27%. Moreover, over the same period, the proportion of households reliant on other untreated sources of water decreased from 49.1% to 33.3% in 2007. Despite these significant improvements, it also implies that approximately one third of households are still reliant on untreated sources of water.

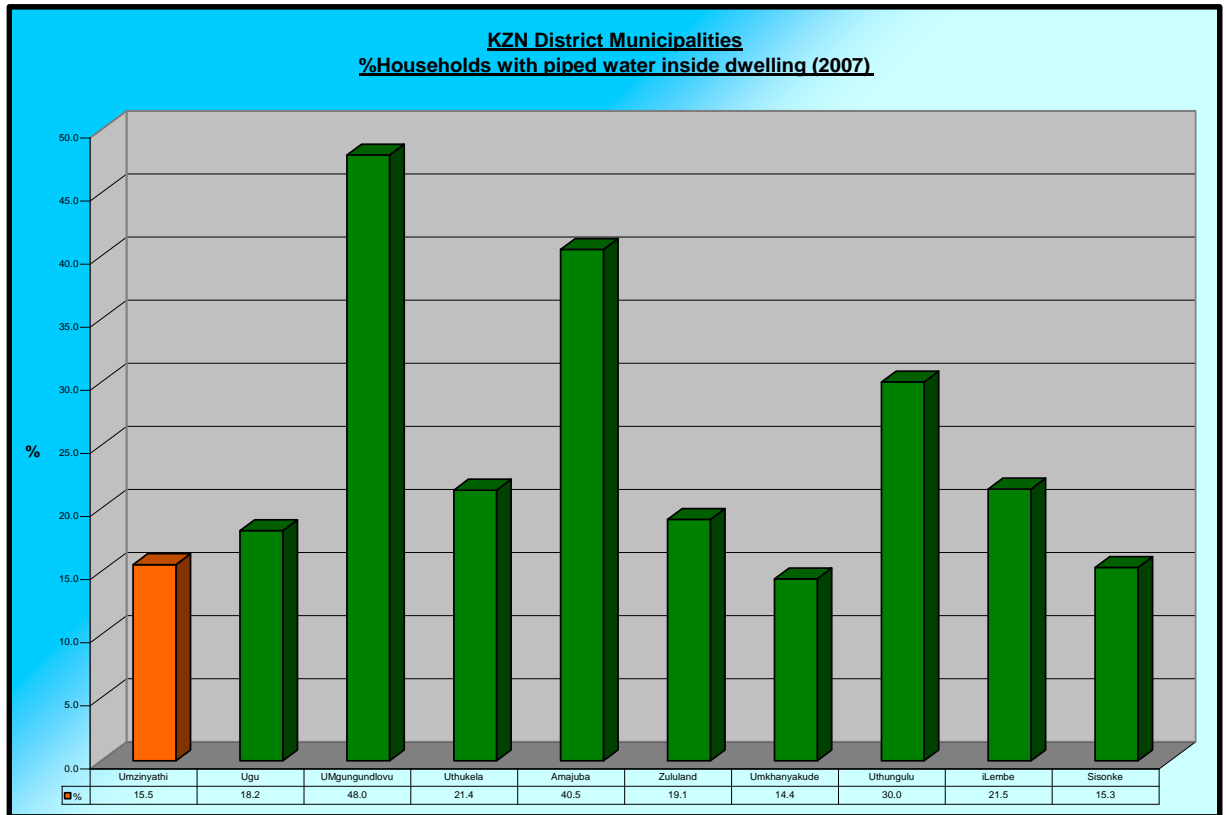
**Figure 22: Access to water infrastructure in the Umzinyathi District Municipality**



*Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007*

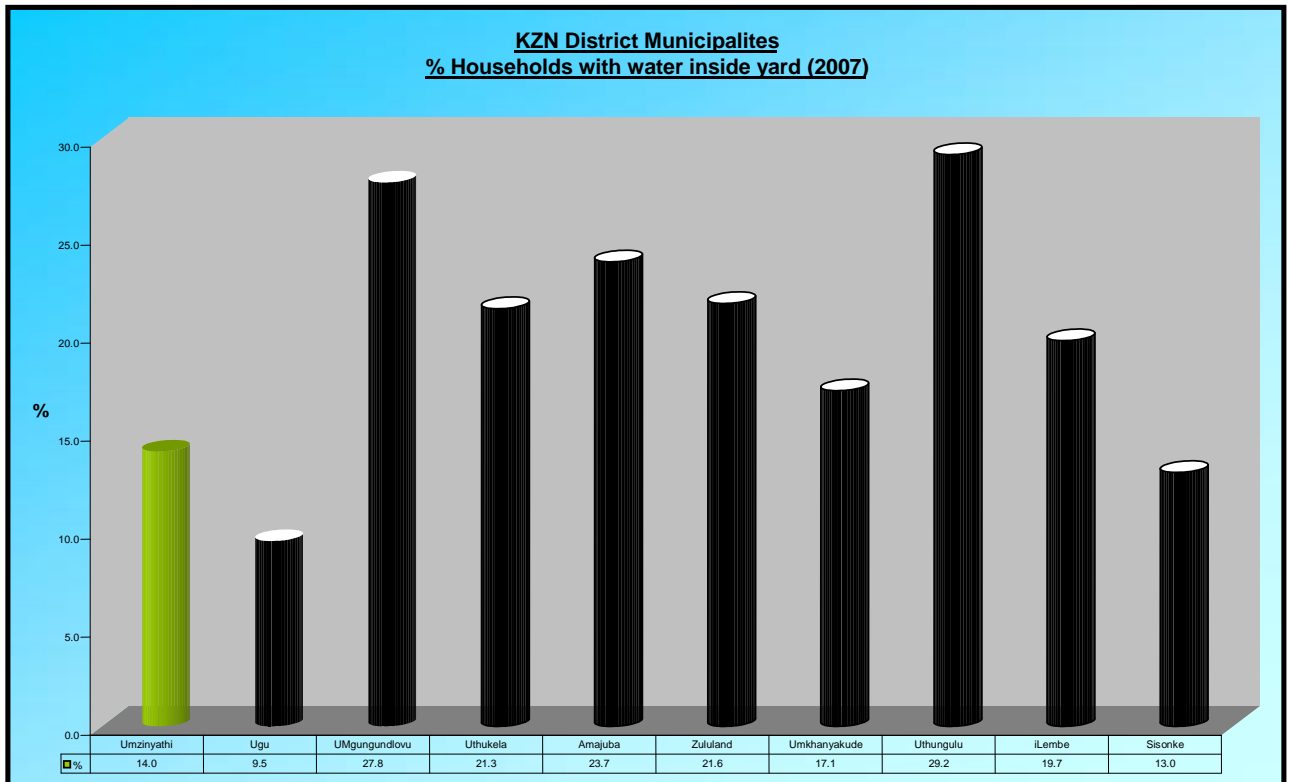
Despite the significant improvements in the delivery of basic water infrastructure in the Umzinyathi DM, the extent of the remaining challenges within a provincial context are clearly depicted in Figures 23 to 25. This information indicates that the 15.5% of households with piped water inside their dwellings in the Umzinyathi DM rates amongst the three lowest figures of the ten districts within the province. At the other end of the scale, the 33% of households in Umzinyathi DM which are still reliant on other untreated sources of water is the third highest figure in Kwazulu-Natal after the Zululand DM (41.8%) and the Sisonke DM (45.5%).

**Figure 23: Percentage households with piped water inside their dwellings (2007)**



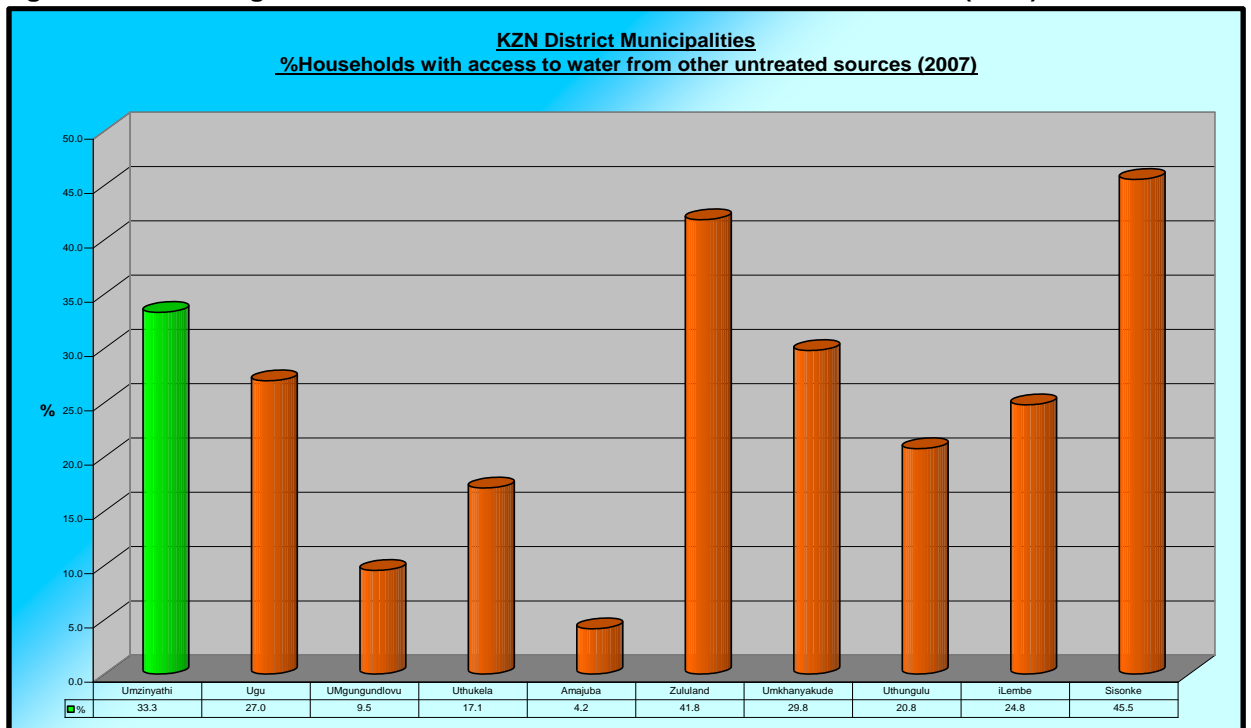
Source: Stats SA; Community Survey 2007

**Figure 24: Percentage households with water inside their yards (2007)**



Source: Stats SA; Community Survey 2007

**Figure 25: Percentage households reliant on other untreated water sources (2007)**



Source: Stats SA; Community Survey 2007

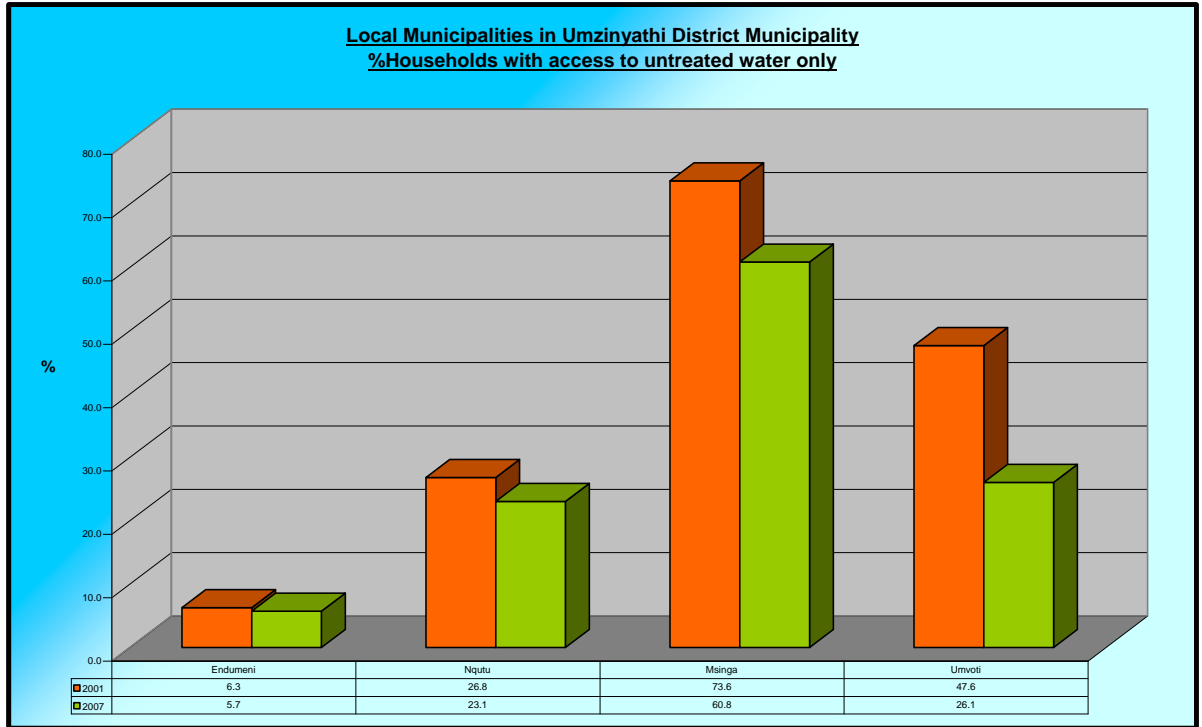
The significant differences in the level of basic water infrastructure in the various local municipalities across the district is clearly depicted on Figure 26 which shows the proportion of households reliant on untreated sources of water. This figure range from as low as 5.7% of households in the eNdumeni LM, to between 23% and 26% in the Nquthu and Umvoti LM's, and a very high figure of 60.8% in the Msinga LM.

The situation in the various Local Municipalities can be summarized as follows:

- The proportion of households in the eNdumeni LM with piped water inside their dwellings increased from 37.2% to 57.4% between 2001 and 2007.
- Only 3.7% and 12.6% of the households in Nquthu LM had access to piped water inside their dwellings and inside their yards respectively in 2007. However, as much as 51.3% of households did have access to piped water outside their yards. A high proportion of 23.1% still only had access to other untreated water sources.
- A total of 26.6% of households in the Umvoti LM have access to pipe water inside their dwellings and 24.7% to pipe water inside their yards. The proportion of households reliant on other untreated sources of water decreased from 47.6% in 2001 to 26.1% by 2007.
- Less than 1% of households in the Msinga LM had access to piped water inside their dwellings and only 1.5% to pipe water inside their yards by 2007. Conversely, as much as 60.8% of households were still reliant on other untreated sources of water (despite decreasing from 73.6% in 2001).
- The spatial distribution of different levels of access to water infrastructure is depicted on the attached thematic map. The very high concentration of households below the minimum level of water infrastructure provision in the Msinga and Nquthu Local municipalities is clearly evident.

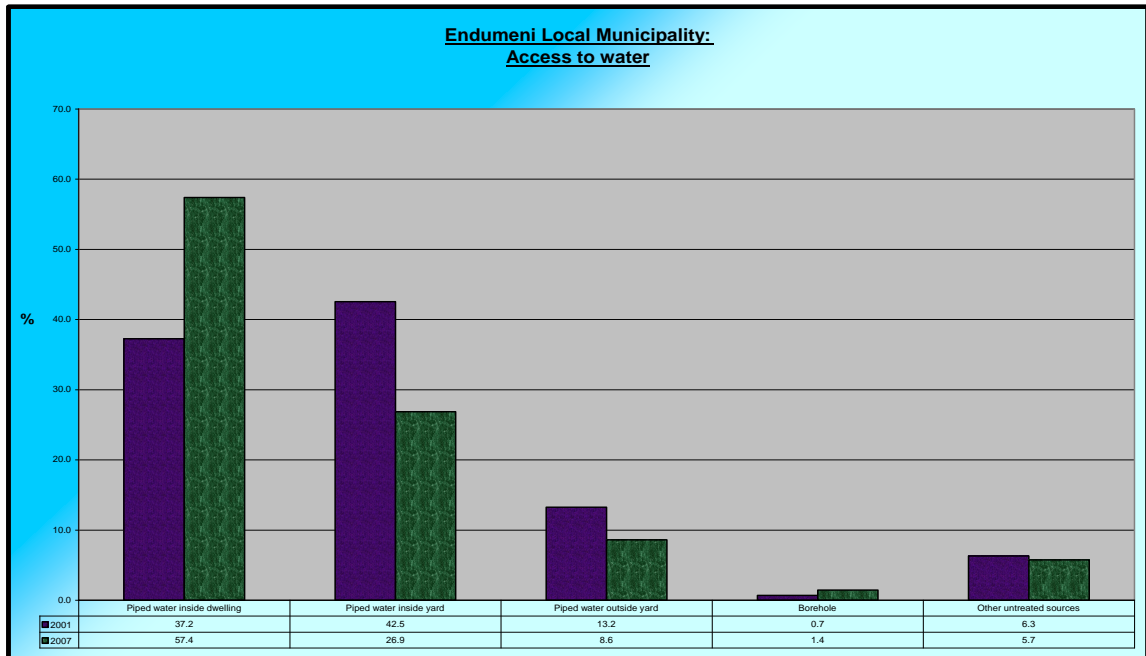


**Figure 26: Percentage of household with access to untreated water only in the Umzinyathi DM**



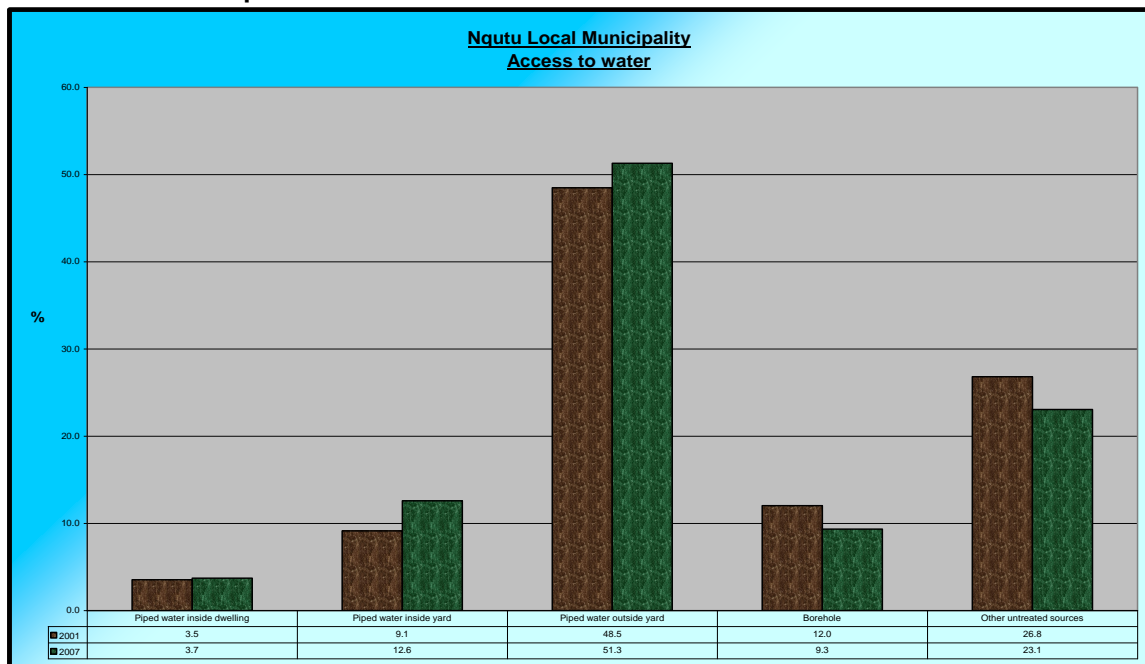
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 27: Percentage people with access to different levels of water infrastructure in the eNdumeni LM**



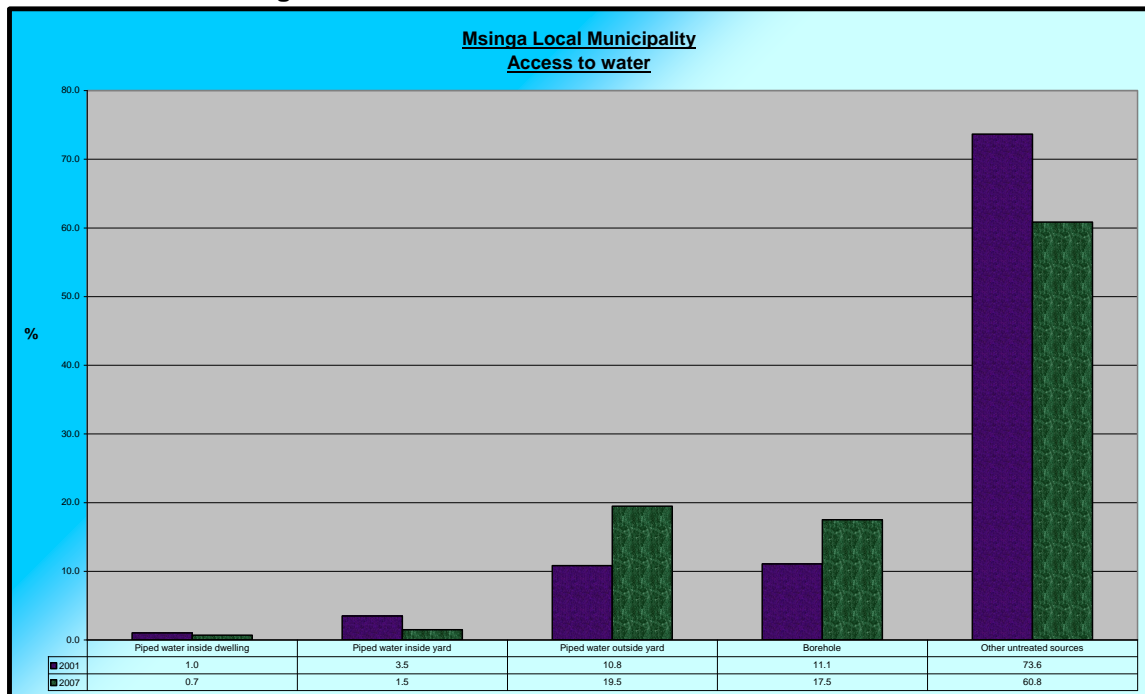
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 28: Percentage of population with access to different levels of water infrastructure in Nquthu LM**



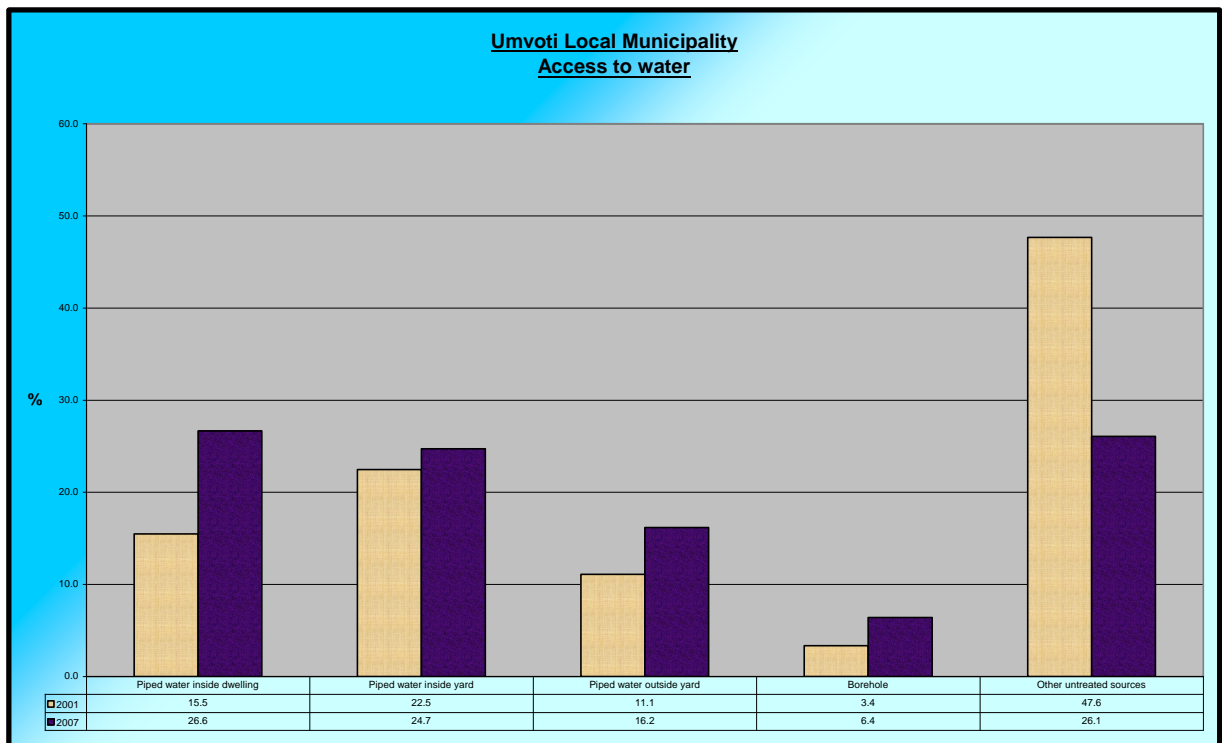
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 29: Percentage of population with access to different levels of water infrastructure in Msinga LM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 30: Percentage of population with access to different levels of water infrastructure in Umvoti LM**

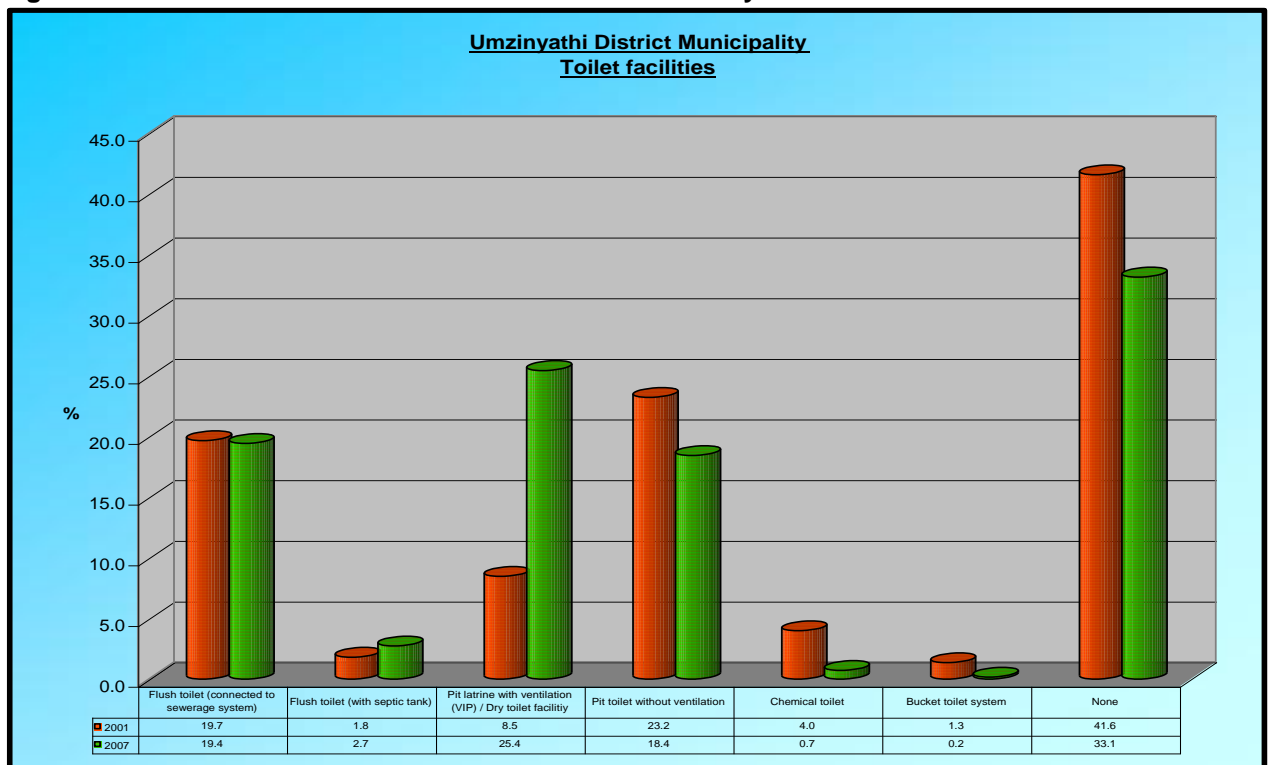


*Source:* Stats SA: Census 2001  
Stats SA; Community Survey 2007

### 3.6 Sanitation

A comparative overview of the availability of sanitation infrastructure in the Umzinyathi DM is outlined in Figure 31. This information indicates that the proportion of households with flush toilets (either connected to a water borne sewerage system or septic tank) is approximately 22.3%. This figure remained relatively unchanged between 2001 and 2007. A notable feature is the significant progress which has been made with the provision of basic sanitation facilities such as ventilated improved pit latrines (VIP's) and other dry toilet facilities. The proportion of households with access to these types of facilities increased from 8.5% to 25.4% between 2001 and 2007. Over the same period, the proportion of households with access to unimproved pit latrines decreased from 23.2% to 18.4% and those without access to any form of sanitation infrastructure from 41.6% to 33.1%. These figures also imply that as much 52% of all households in the district municipality still did not have access to sanitation facilities meeting the minimum required standards by 2007.

**Figure 31: Access to sanitation infrastructure in the Umzinyathi DM**



*Source:* Stats SA: Census 2001  
Stats SA; Community Survey 2007

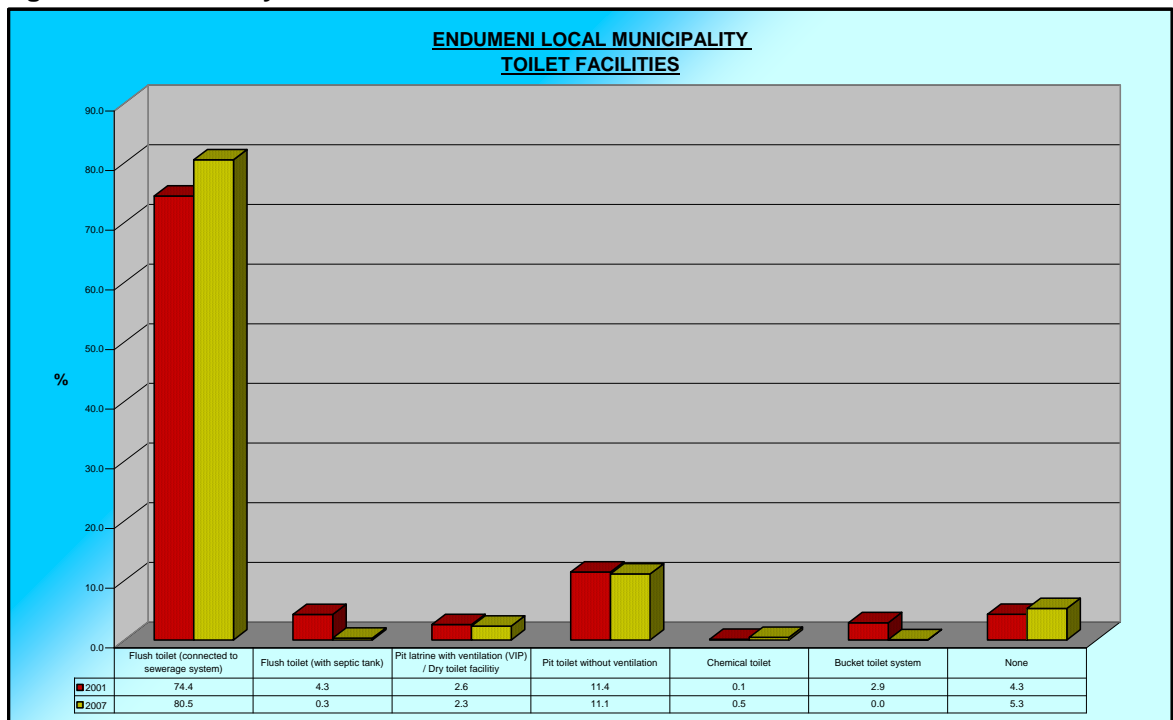
The availability of basic sanitation infrastructure in the various local municipalities within the Umzinyathi DM is summarized in Figures 32 to 35. This information indicates a number of important characteristics:

- More than 80% of households in the eNdumeni LM had access to a water borne sanitation system by 2007. Only 11% of households were reliant on unimproved pit latrines and a further 5% were without any form of sanitation facilities.
- The vast majority of households in the Nquthu LM did not have access to sanitation facilities at the minimum required standards by 2007. A total of 38.6% of households did not have any form of sanitation facilities, and a further 33.7% were utilizing unimproved pit latrines. A further notable trend has been the proportional increase in the number of households falling

within these two categories. Only 23.4% of all households had access to a Ventilated Improved Pit latrine or other dry toilet facility.

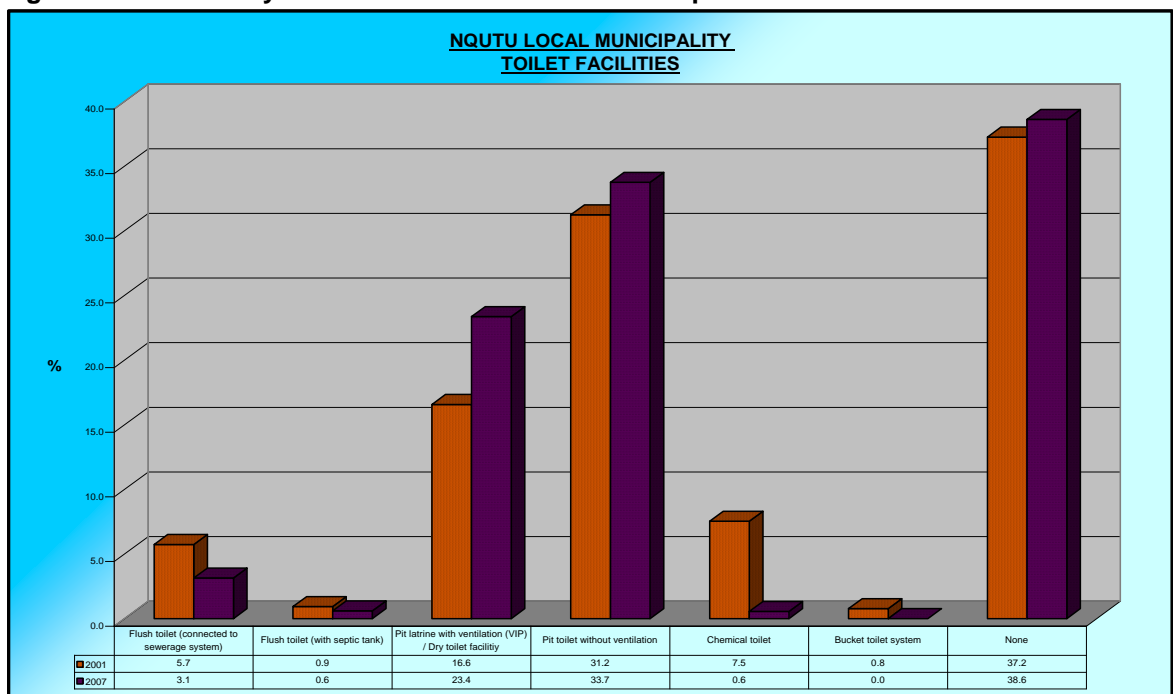
- Significant progress has been made with the provision of basic sanitation infrastructure in the Msinga LM. The proportion of households provided with Ventilated Improved Pit latrines or dry toilet facilities increased from 5.1% to 38% between 2001 and 2007. Over the same period, the proportion of households without any form of sanitation facilities decreased substantially from 70% to 48.9%.
- Substantial progress has also been made in the Umvoti LM with the provision of basic sanitation facilities between 2001 and 2007. The proportion of households with access to water a borne sanitation system increased from 30.8% to 40.3% over this six year period. The proportion of households with access to Ventilated Improved Pit latrines or other dry toilet facilities also increased markedly from 7.8% to 24.4%. Conversely, the proportion of households reliant on unimproved pit latrines decreased from 29.1% to 12.9%, and those without any form of sanitation from 26.3% to 21.3%.

**Figure 32: Availability of sanitation infrastructure in eNdumeni LM**



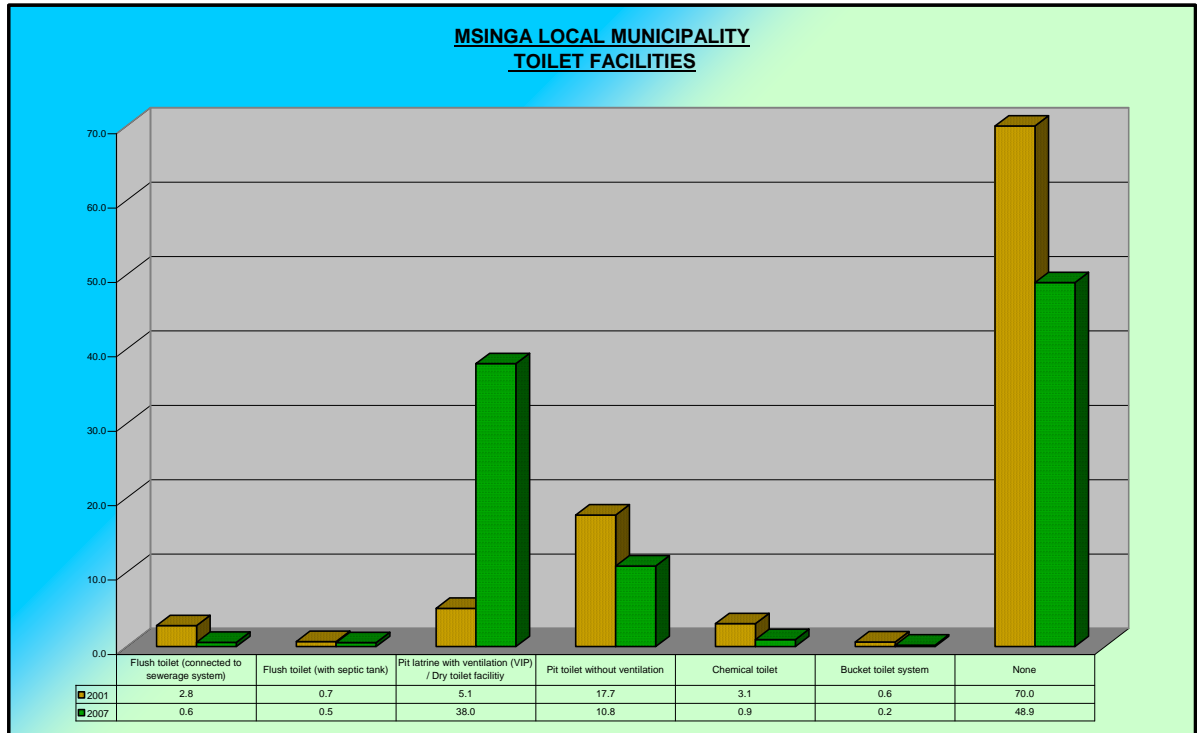
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 33: Availability of sanitation infrastructure in Nquthu LM**



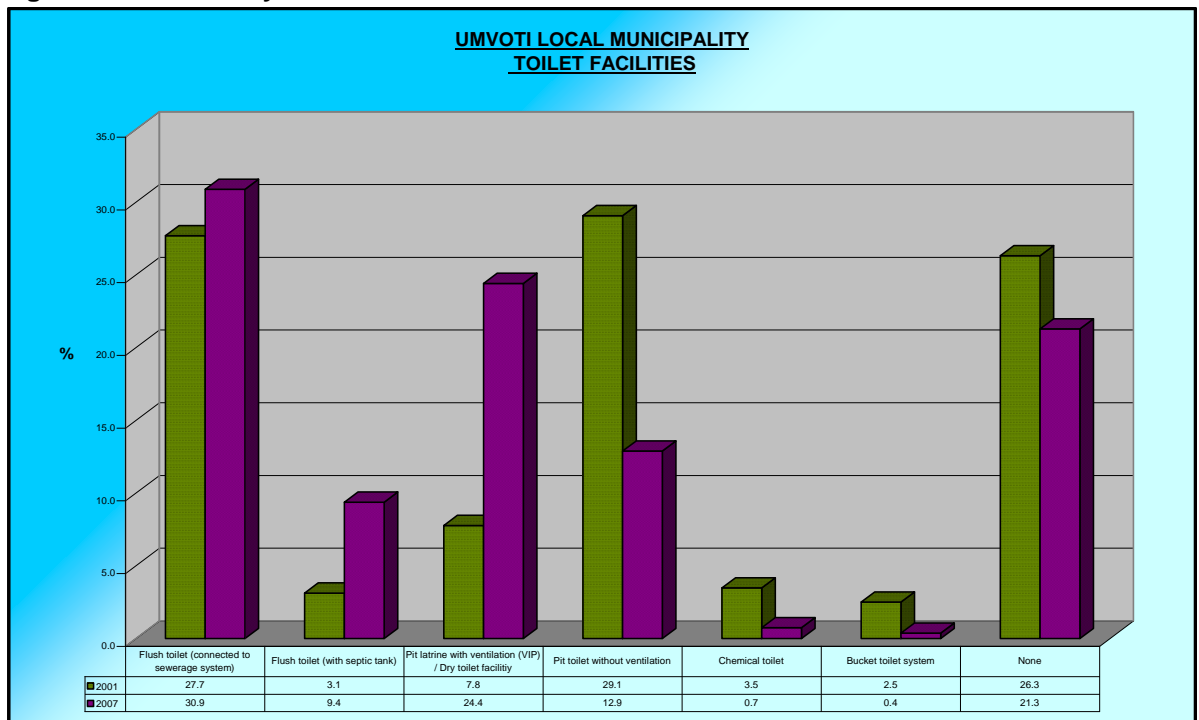
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 34: Availability of sanitation infrastructure in Msinga LM**



*Source:* Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 35: Availability of sanitation infrastructure in Umvoti LM**



*Source:* Stats SA: Census 2001  
Stats SA; Community Survey 2007

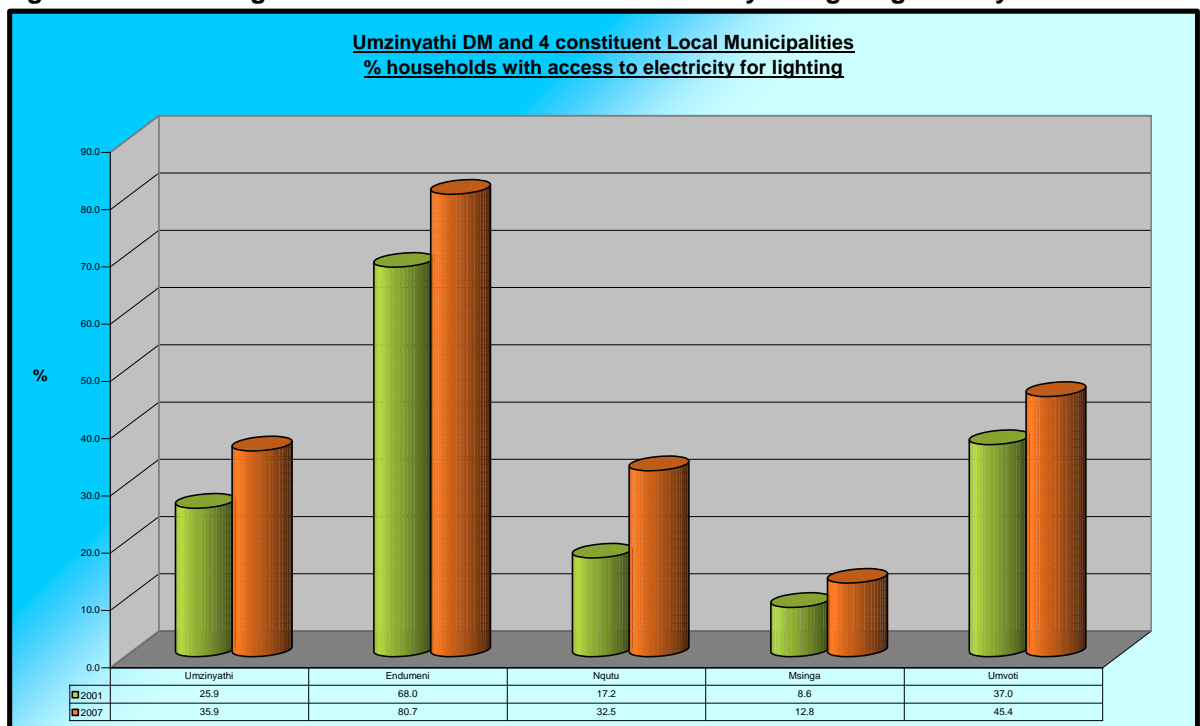
### 3.7 Electricity

The information depicted in the figure below indicates that significant progress has been made with electrification of the Umzinyathi district between 2001 and 2007. The percentage of households with access to electricity for lighting purposes, have increased from 25.9% to 35.9%. Despite this significant improvement, it still implies that nearly two thirds of the total population of the district does not have access to electricity.

Overall, the levels of electrification in Umzinyathi DM are very low compared to the other districts within KwaZulu-Natal (see Figure 36). This information indicates that the percentage of households electrified in Umzinyathi is the second lowest in the province after the 33.6% of Umkanyakude DM. In most other districts, in excess of 60% of households do have access to electricity for lighting purposes. Significant differences are also prevalent amongst the four local municipalities within the district. The municipal level characteristics can be summarized as follows:

- As much as 80% of households in the eNdumeni LM have access to electricity;
- Although significant progress has been made in both the Nquthu and Msinga LM's, only 32.5% and 12.8% of households did have access to electricity in 2007; and
- Approximately 45% of households in the Umvoti LM had access to electricity for lighting purposes.

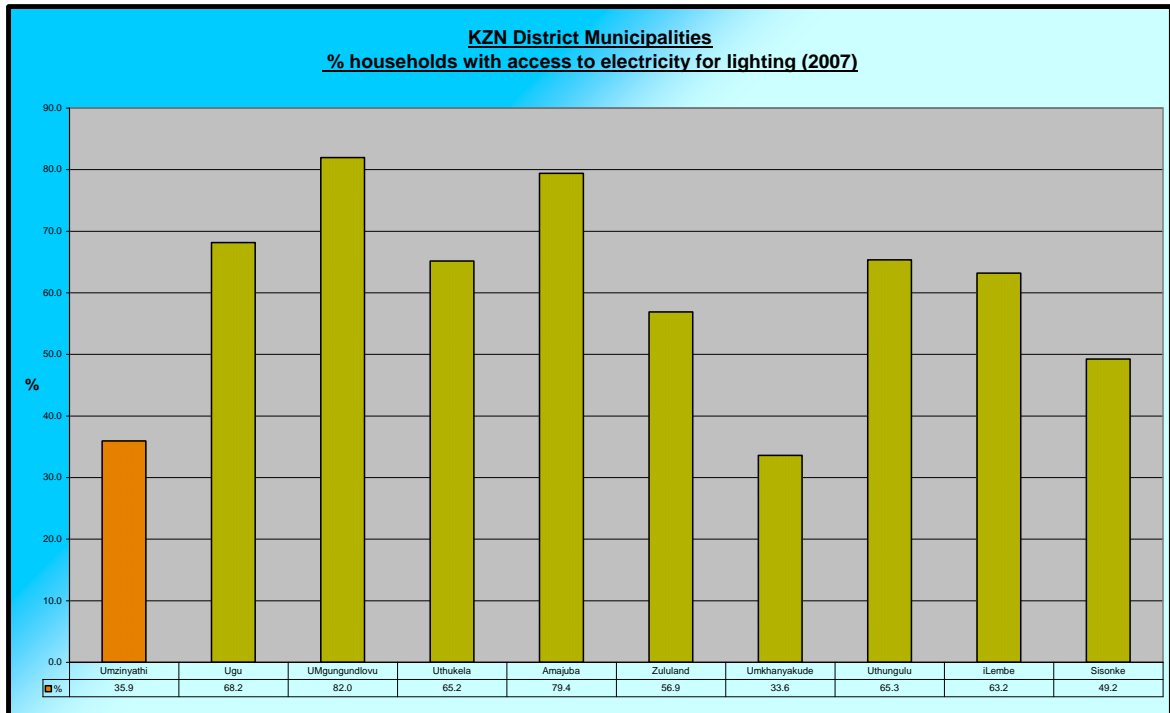
**Figure 36: Percentage households with access to electricity for lighting Umzinyathi DM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007



**Figure 37: Percentage households with access to electricity for lighting KZN District Municipalities (2007)**

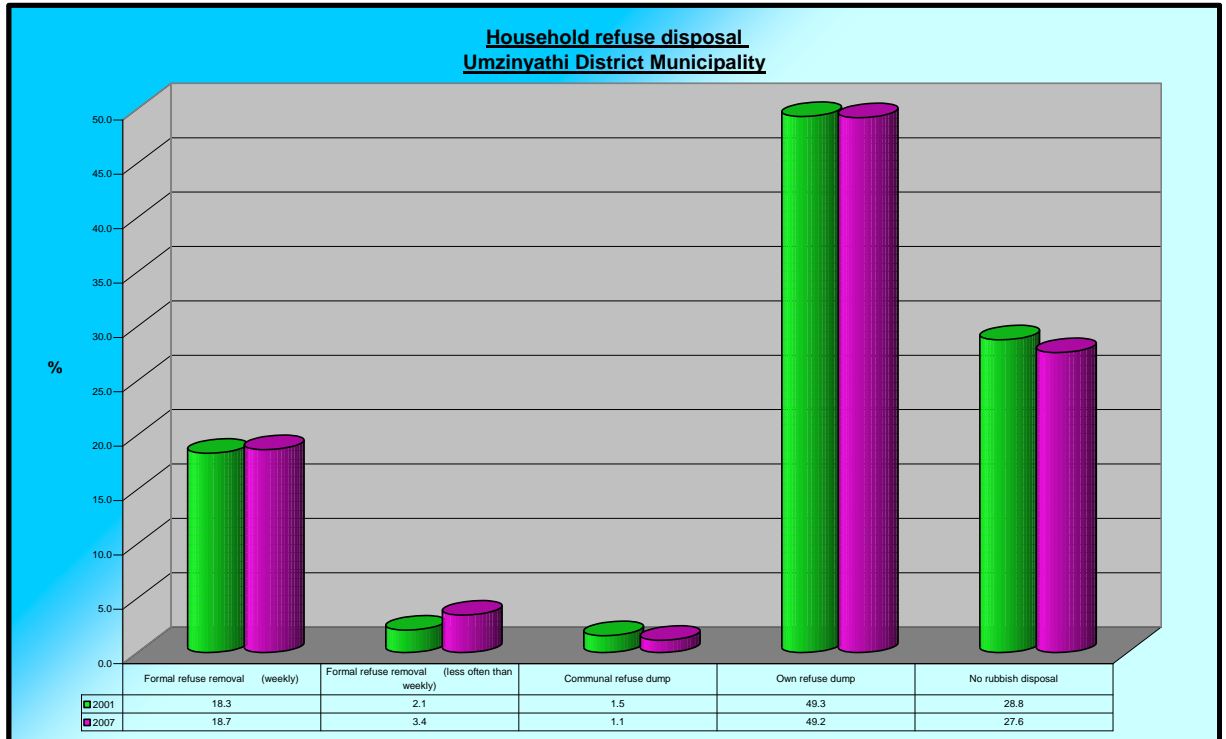


*Source: Stats SA; Community Survey 2007*

### 3.8 Waste Disposal

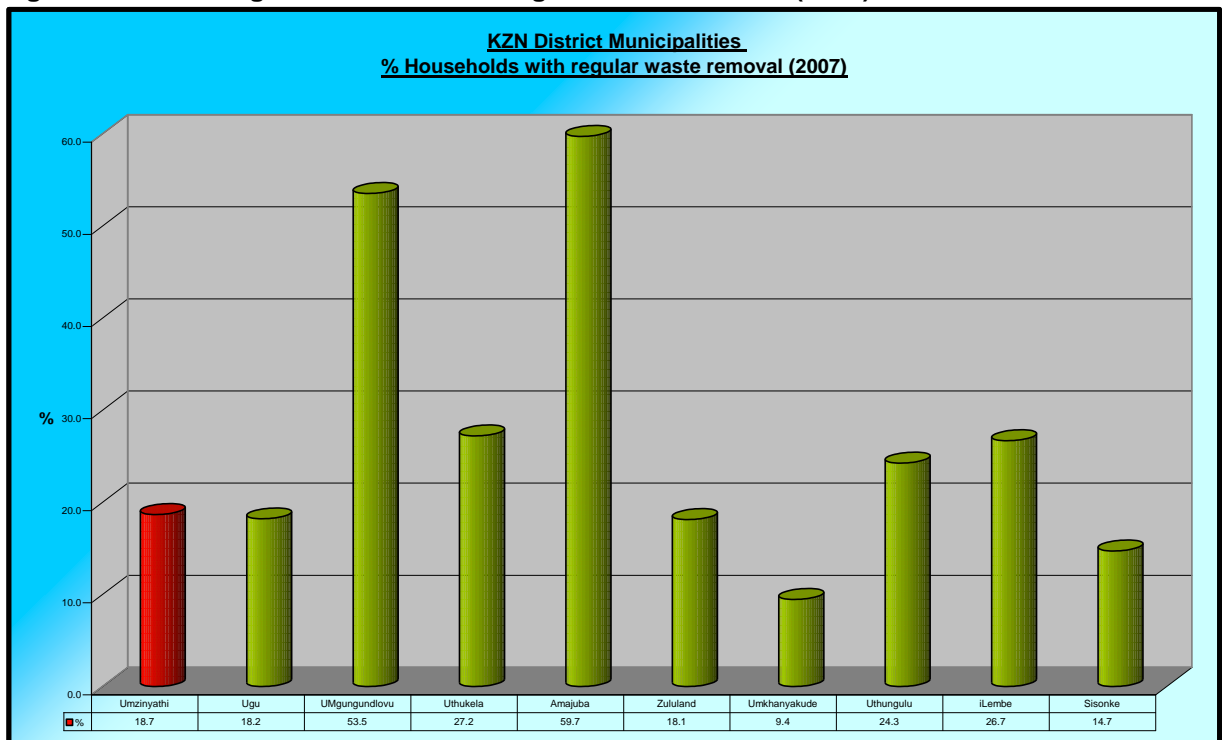
The provision of refuse removal services in Umzinyathi DM is very limited. According to the information in Figure 38 less than 20% of all households in the district receive a regular formal refuse removal service. As much as 49.2% of households make use of their own refuse dumps, and a further 27.6% does not have access to any form of waste disposal service. A further aspect of concern is that the availability of refuse removal services have not improved over the period 2001 to 2007. These low levels of services provision with regards to waste removal services in Umzinyathi DM are not unlike the situation in most other district municipalities within the province (see Figure 34), with figures very similar to those of Ugu, Zululand and Sisonke DM's. These statistics clearly highlights the challenges of providing an effective waste removal services in vast rural communities.

**Figure 38: Household refuse disposal Umzinyathi DM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 39: Percentage households with regular waste removal (2007)**

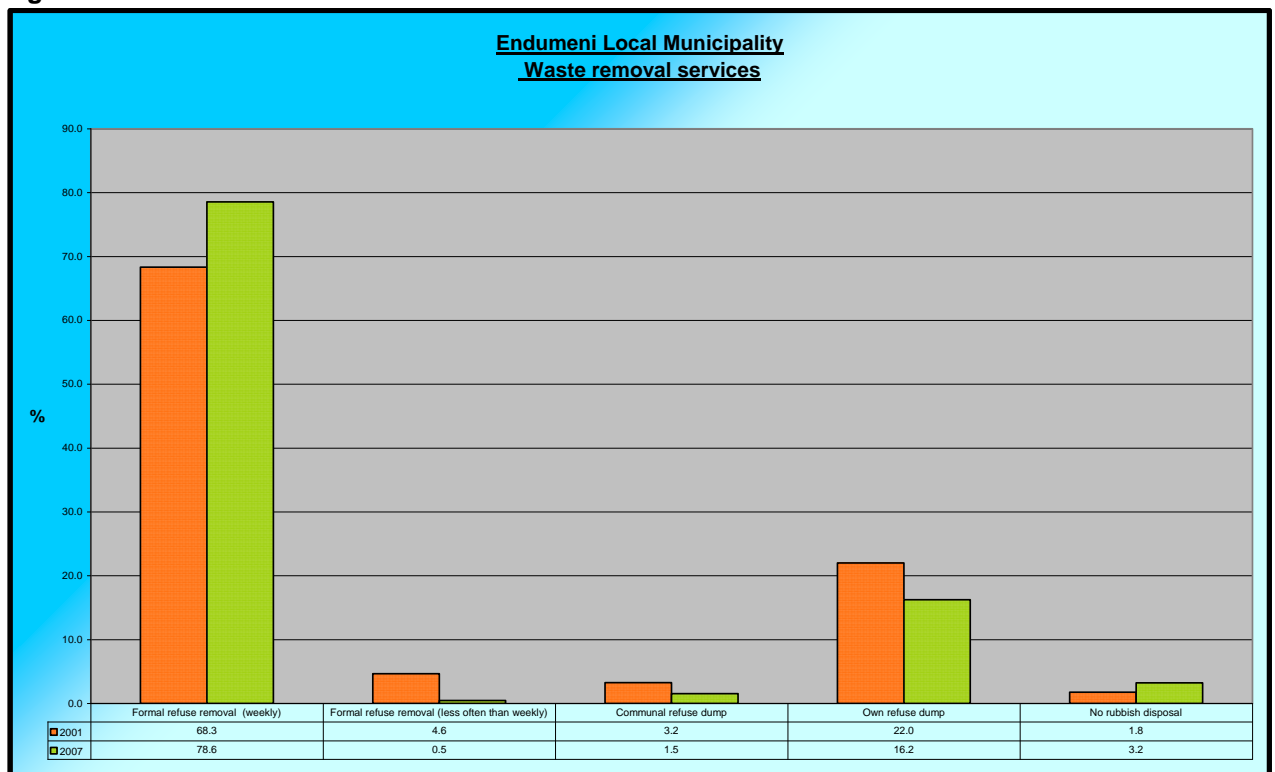


Source: Stats SA; Community Survey 2007

An overview of waste removal services at local municipality level is summarized in the subsequent graphs. This information indicates the following trends:

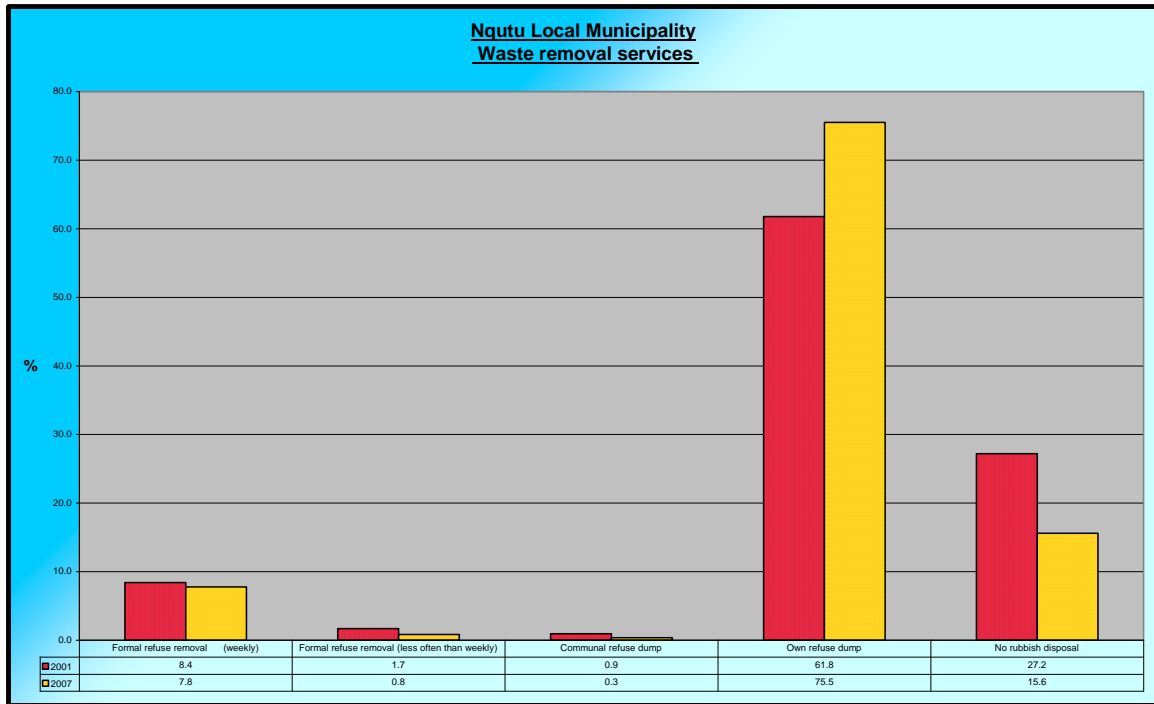
- The majority of households in the eNdumeni LM (78.6%) are provided with a regular formal refuse removal service. Only a small proportion of households makes use of their own refuse dumps or does not have access to any form of disposal.
- The provision of formal waste removal services in the Nquthu LM is very limited and as much as 75.5% of households make use of own refuse dumps, and a further 15.6% does not have access to any form of disposal.
- No formal refuse removal service is rendered in the Msinga LM. As much as 61.4% of households do not have access to any form of waste disposal, with a further 37% utilizing own refuse dumps.
- A total of 23% of households in the Umvoti LM receive a weekly formal refuse removal service. A further 12.3% has indicated a less frequent service. More than 62% of households utilize own refuse dumps or does not have access to any form of waste disposal service.
- The spatial distribution of the availability of municipal refuse removal services is depicted on the attached thematic map.

**Figure 40: Waste removal services in eNdumeni LM**



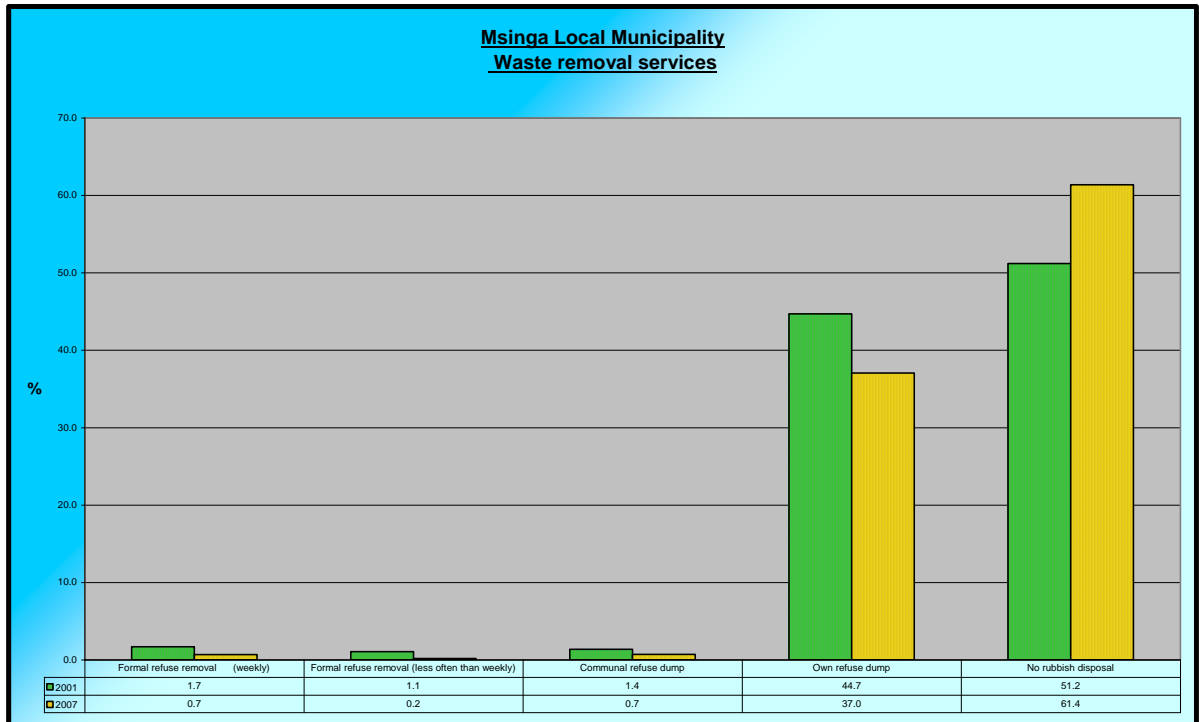
*Source:* Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 41: Waste removal services Nquthu LM**



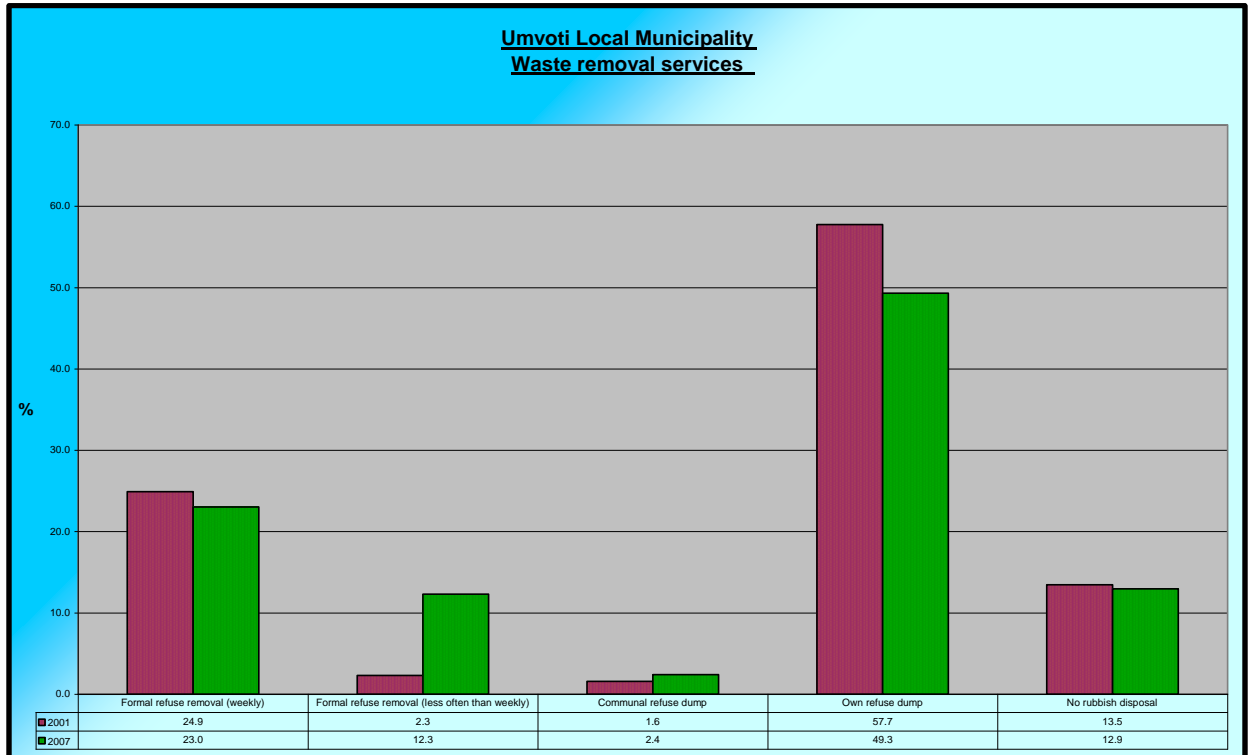
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 42: Waste removal services Msinga LM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

Figure 43: Waste removal services Umvoti LM

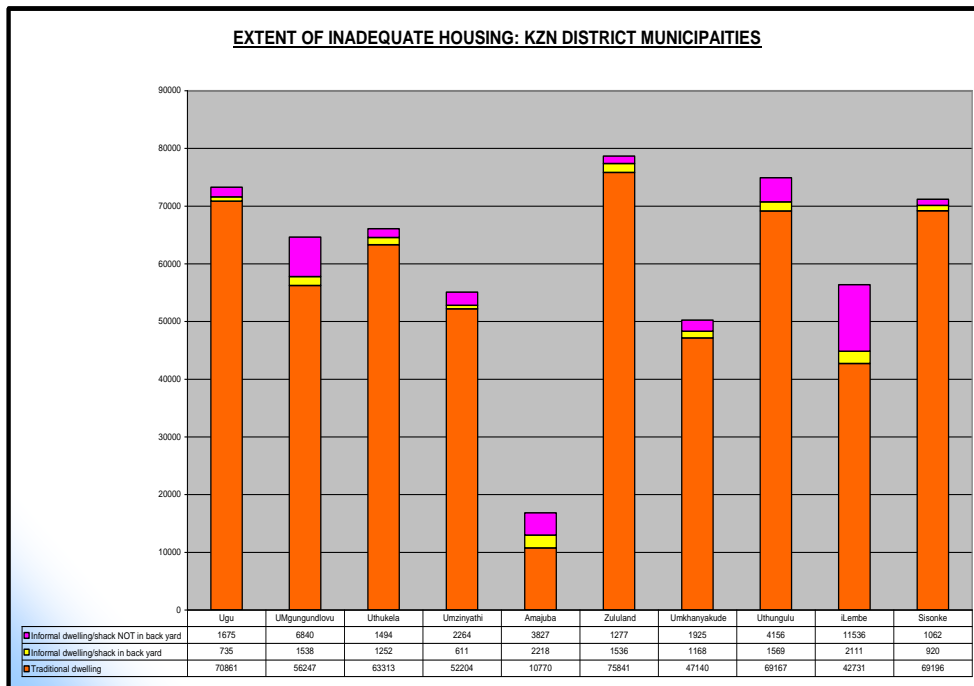


Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

### 3.9 Housing

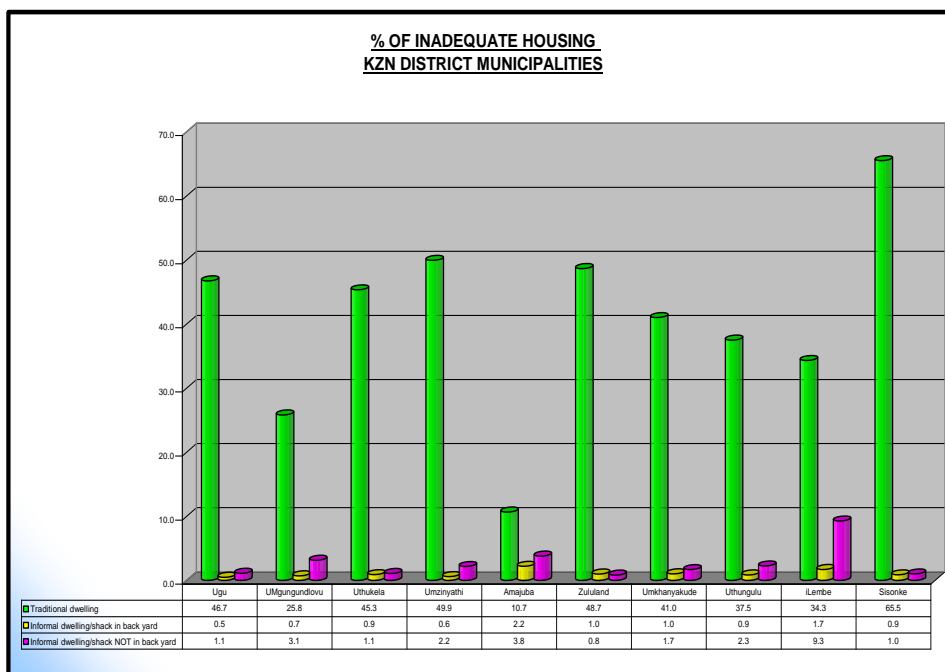
The extent of inadequate housing in Umzinyathi DM is approximately 55 000 units. This figure consists of around 52 000 households residing in houses constructed of traditional materials, approximately 2 200 housing in informal dwellings, and a further 600 in informal dwellings in backyards. There is thus a substantial need for appropriate housing provision across the entire district. The comparative analysis of the proportion of inadequate housing amongst the various districts in KwaZulu-Natal as depicted in Figure 44 indicates that the Umzinyathi DM has the second highest proportion of households residing in traditional dwellings (49.9%) in the province after the Sisonke DM.

**Figure 44: Extent of inadequate housing**



Source: Stats SA, Community Survey 2007

**Figure 45: Percentage of inadequate housing in KZN DM's**

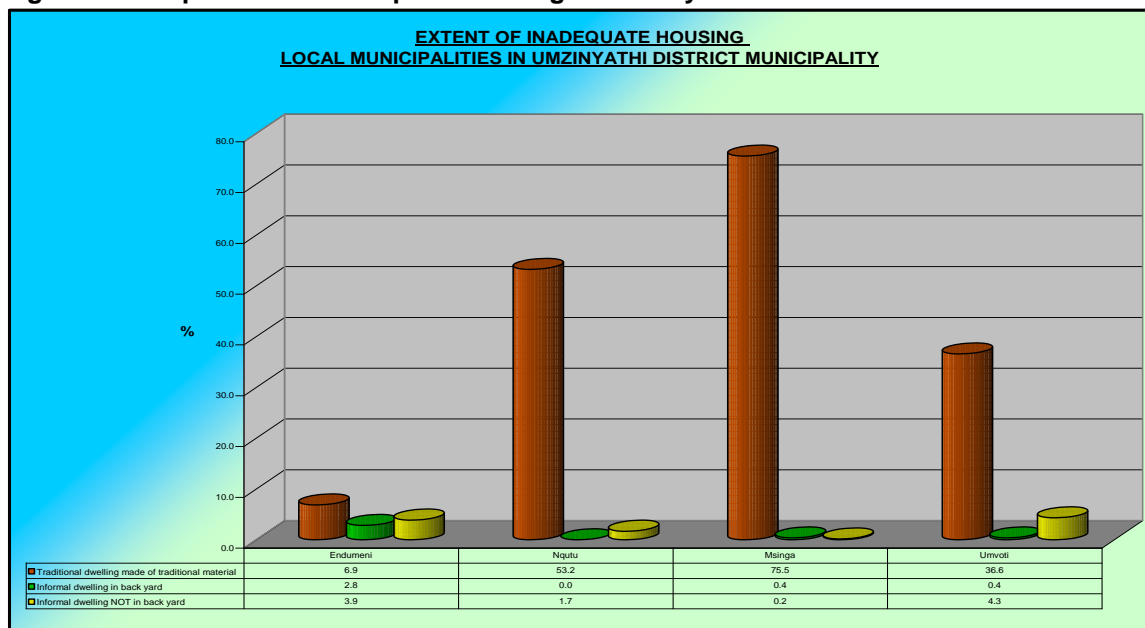


Source: Stats SA, Community Survey 2007

A comparative analysis of the extent of inadequate housing at local municipality level is depicted in Figures 46. This information clearly indicates that the largest proportional housing needs are in the Msinga LM where more than 75% of households are residing in traditional dwellings constructed of traditional materials. The detailed analysis at LM level identified the following key characteristics:

- The majority of households in the eNdumeni LM (68.2%) are residing in formal structures on separate stands. Only 6.9% of households are residing in traditional dwellings, 2.8% in informal dwellings in backyards, and 3.9% in informal settlements.
- As much as 53.2% of households in the Nquthu LM are residing in traditional dwellings constructed of traditional materials. No substantial occurrence of informal settlements or informal dwellings in backyards is prevalent in this area.
- The rural nature of the Msinga LM clearly depicted by the fact that more than 75% of households are residing in traditional dwellings constructed of traditional materials. No substantial occurrence of informal settlements or dwellings in backyards is prevalent in this municipality.
- A total of 36% of households in Umvoti are residing in traditional dwellings, and approximately 4.3% in informal settlements. A substantial proportion of 19.1% are classified in “other” housing categories which may also comprise part of the housing backlog in this area.

**Figure 46: Proportion of inadequate housing in Umzinyathi DM**

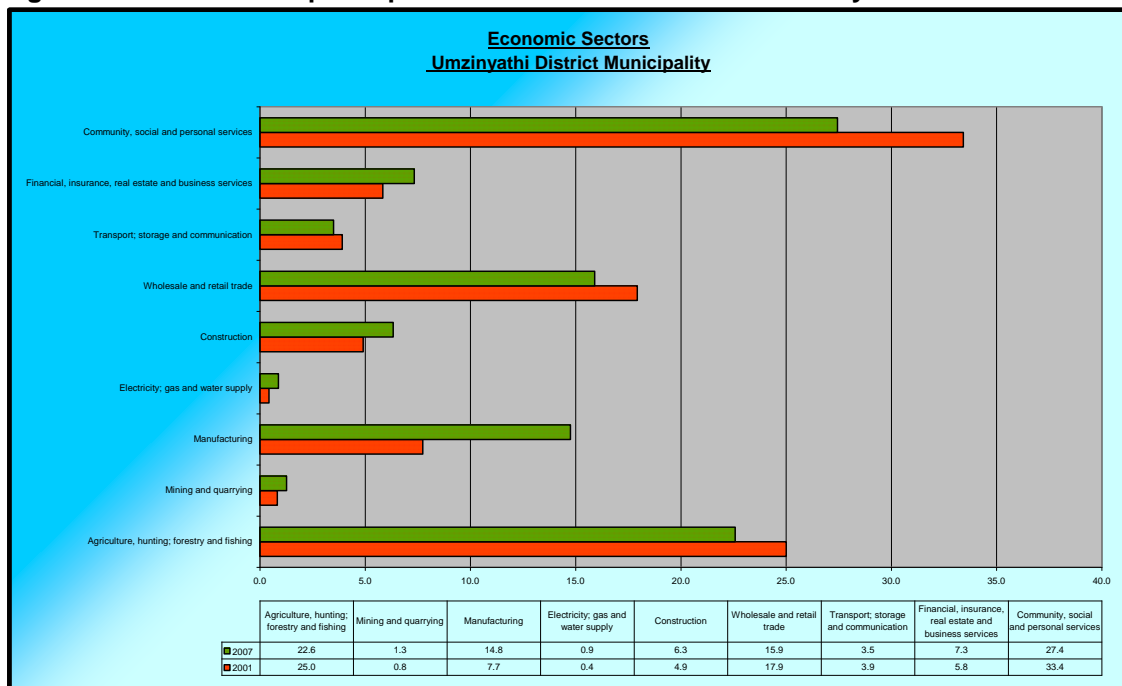


Source: Stats SA; Community Survey 2007

### 3.10 Economic Structure

The participation of the labour force in various economic sectors in the Umzinyathi DM is depicted in Figure 47. This information indicates that the main sources of employment in the district are the Community, Social and Personal Services Sector (33.4%); the Agricultural Sector (25%); and the Wholesale and Retail Trade Sector (17.9%). The contribution of the Community, Social and Personal Services Sector decreased somewhat from 33.4% to 27.4% between 2001 and 2007, and that of Agriculture from 25% to 22.6%. The contribution of the Manufacturing Sector as source of employment has increased notably from 7.7% to 14.8% over the same period.

**Figure 47: Labour force participation in economic sectors in Umzinyathi DM**

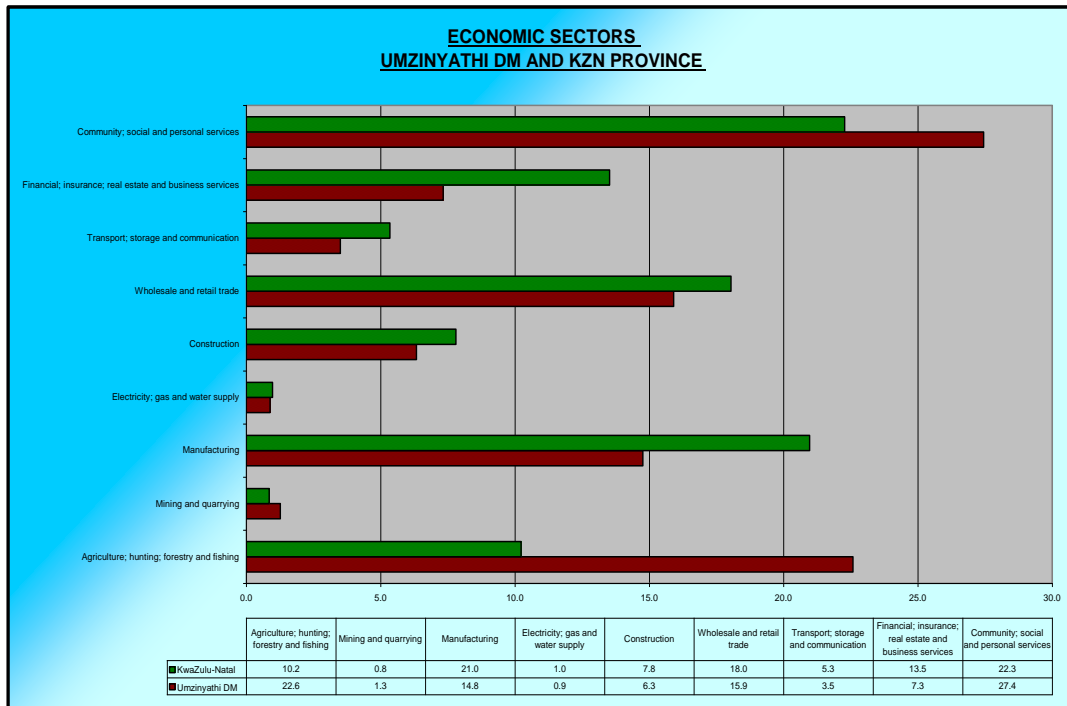


*Source: Stats SA; Census 2001  
Stats SA; Community Survey 2007*

The economic structure of the Umzinyathi DM compared to the overall provincial structure is reflected in Figure 48. The importance of the Agricultural Sector as source of employment in the district is clearly illustrated by the fact that 22.6% of the employed population in Umzinyathi DM is involved in the Agricultural Sector, compared to only 10.2% at provincial level. In view of the rural nature of the Umzinyathi DM it is clear that the role of the secondary and tertiary sectors is much less significant in Umzinyathi compared to the overall provincial figures. The importance of general governance services as source of employment in the district is also evident.



**Figure 48: Economic Structure of Umzinyathi compared to overall provincial structure**



*Source:* Stats SA; Community Survey 2007

The economic characteristics at local municipality level can be summarized as follows:

- The main sources of employment in the eNdumeni LM in 2007 was the Community, Social and Personal Services Sector (25.8%); the Agricultural Sector (17.6%); and Manufacturing Sector (14.7%). The largest proportional changes took place in the Community, Social and Personal Services Sector which decreased from 35.2% to 25.8% between 2001 and 2007, whereas the contribution of the Construction Sector increased from 5.3% to 11.6% and that of the Manufacturing Sector from 8.1% to 14.7% over the same period.
- The major contributors of the employment in the Nquthu LM in the Community, Social and Personal Services Sector (31.2%); the Agricultural Sector (21.2%); and the Wholesale and Retail Trade Sectors (19.1%). The largest proportional changes occurred in the Community, Social and Personal Services Sector where the contribution decreased from 36.1% to 31.2%. Over the same period the contribution of the Agricultural Sector improved significantly from 3.7% to 21.2%.
- The main contributors of employment in the Msinga LM are the Community, Social and Personal Services Sector (42.9%); and the Agricultural Sector (12.5%). The largest proportional changes between 2001 and 2007 occurred in

the Wholesale and Retail Trade Sectors (decreasing from 20.9% to 11.2%) and the Manufacturing Sector which increased from 3.9% to 9.7%;

- The importance of the Agricultural Sector in the economy of the Umvoti LM indicates that this sector accounted for more than 29% of employment in 2007. The other notable sectors in this local municipality include the Community, Social and Personal Services Sector; and the Wholesale and Retail Trade Sectors.

A comparative overview of the sectoral contribution to both Gross Domestic Product and employment in the district is summarized in Table 2 below. These figures indicate that the proportional contribution to the various sectors in terms of GDP and employment are very similar in most sectors. Most notable differences are in the agricultural sector which accounts for 22.6% of employment, but only 17% of GDP; as well as in the Construction Sector which accounted for 6.3% of employment and only 2.9% of GDP.

**Table No 2: Sectoral Contribution to GDP and employment**

ECONOMIC SECTOR	GDP % (2004) <sup>1</sup>	EMPLOYMENT % (2007) <sup>2</sup>
Community, social and other personal and general government services	26.5	27.4
Agriculture, forestry and fishing	17.0	22.6
Wholesale & Retail trade Catering & Accommodation	17.5	15.9
Manufacturing	13.0	14.8
Finance & insurance and Business services	10.9	7.3
Transport & Communication	6.7	3.5
Construction	2.9	6.3
Electricity & water	3.3	0.9
Mining	2.1	1.3
<b>TOTAL</b>	<b>100</b>	<b>100</b>

*Source:* 1. Quantec: Monitor Analysis (2004, Constant 2000 prices) as used in Umzinyathi LED strategy  
2. Statistics SA, Community Survey 2007

### 3.11 Tourism

Tourism development in Umzinyathi is focussed on the Battlefields route, heritage and cultural tours as well as scenery and biodiversity of the area. There are a number of major tourism attractions (resources) that have potential, namely:

#### **Battlefields**

- Bambatha Rebellion
- Fort Bengough
- Battle of Rorkes Drift
- Battle of Isandlwana
- Fugitives Drift
- Battle of Blood River

### **Zulu Heritage, Culture and History**

- Ambush Rock
- Arts and craft centres
- Talana Museum

### **Scenery and biodiversity**

- R 33 between Umvoti and eNdumeni
- Uthukela, Mooi, Umvoti and Umzinyathi River valleys
- Kwashushu and Lilani Hot Springs
- Ntumjambili view site
- Ngome Community Game Reserve

## **3.12 Agricultural Potential**

The cultivation in the Endumeni LM is mainly characterized by relatively large areas of commercial dry land activities and dispersed areas of irrigated agriculture. The Nquthu and Msinga Local Municipalities is virtually exclusively used for subsistence dry land type farming activities. The Umvoti LM is characterized by a mix of extensive forest plantations, commercial dry land farming and irrigation farming. There are also significant areas under sugarcane cultivation in the Umvoti area.

The most productive land occurs around Glencoe, while areas with high to moderately high productivity occur in the north western and southern parts of the district. Large areas of moderately high potential are afforested (plantations) and therefore unavailable for agriculture. A large proportion of subsistence farming activities is located on areas with very low agricultural potential due to steep slope and shallow soil profile. This place considerable pressure on the livelihood of these subsistence farmers, and greatly contributes to accelerated environmental degradation due to over-utilisation.

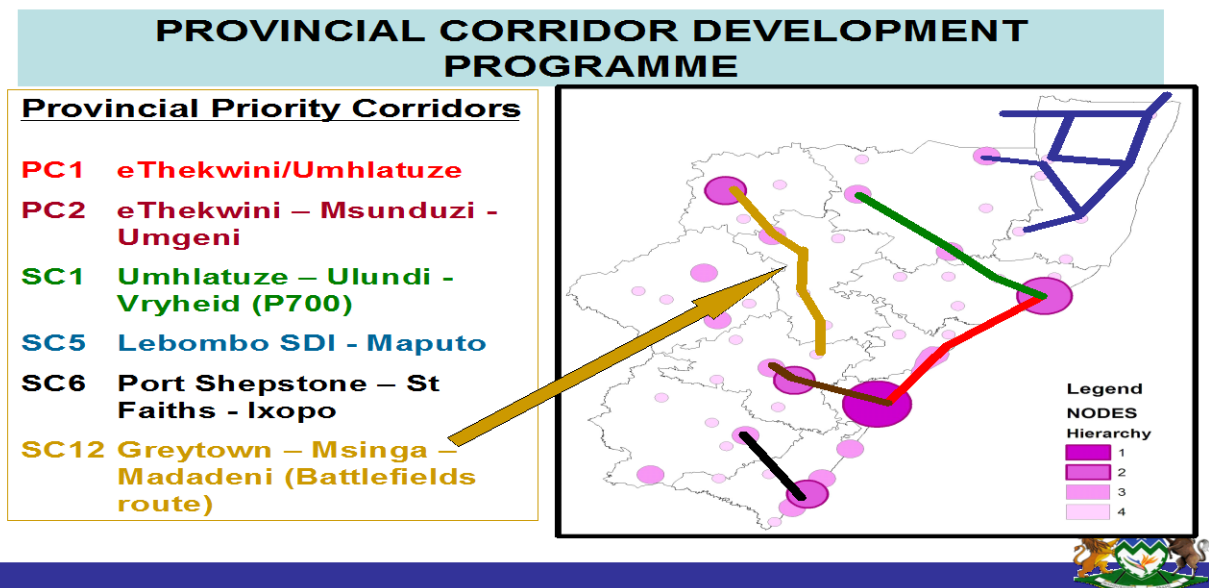
The area has very good grazing potential. This is mainly due to relative high rainfall, relative long growing season (mainly due to relative high temperatures during the rainy season) and favourable soil conditions. It is however important that livestock density should not exceed its limit in terms of carrying capacity. The following map indicate potential maize yield as an indication of crop production potential. Although most of the area has excellent crop production potential, intensive crop production are seldom practiced at a large commercial scale. This is because the area's main competitive advantage is with cattle production.

#### 4. CHALLENGES

Umzinyathi District Municipality is divided spatially and economically between North and south, which are quite distinct with their respective nodes (Dundee and Greytown) separated by a distance of 180 kilometres. The District does not fall within a primary economic corridor or node, it is thus not a priority investment destination for public or private sector in terms of KZN Spatial Economic Development Strategy (2005). It is however an Integrated Sustainable Rural Development node (ISRDP), priority secondary corridors which are economic activity corridors, and they are as follows:

- Greytown – Msinga – Madadeni (SC 12)
- Nkandla – Nquthu – Vryheid (SC 13)

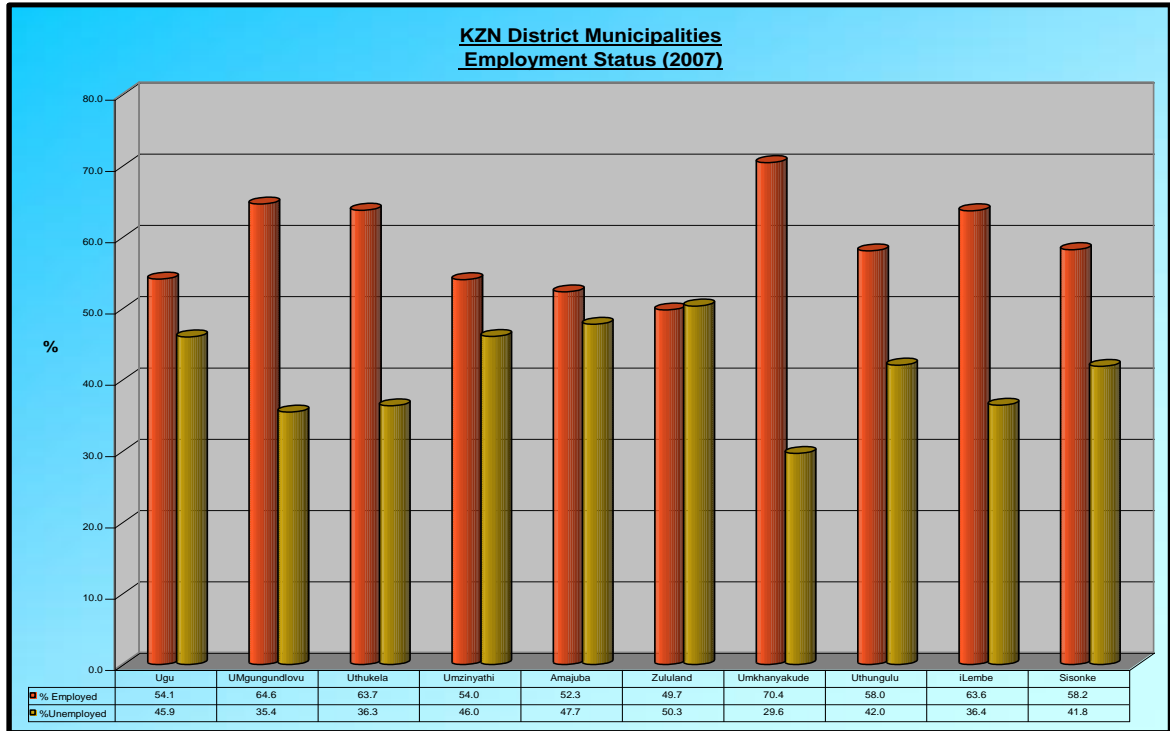
Figure No 49: Provincial Spatial Economic Development Strategy (2005)



#### 4.1 Unemployment

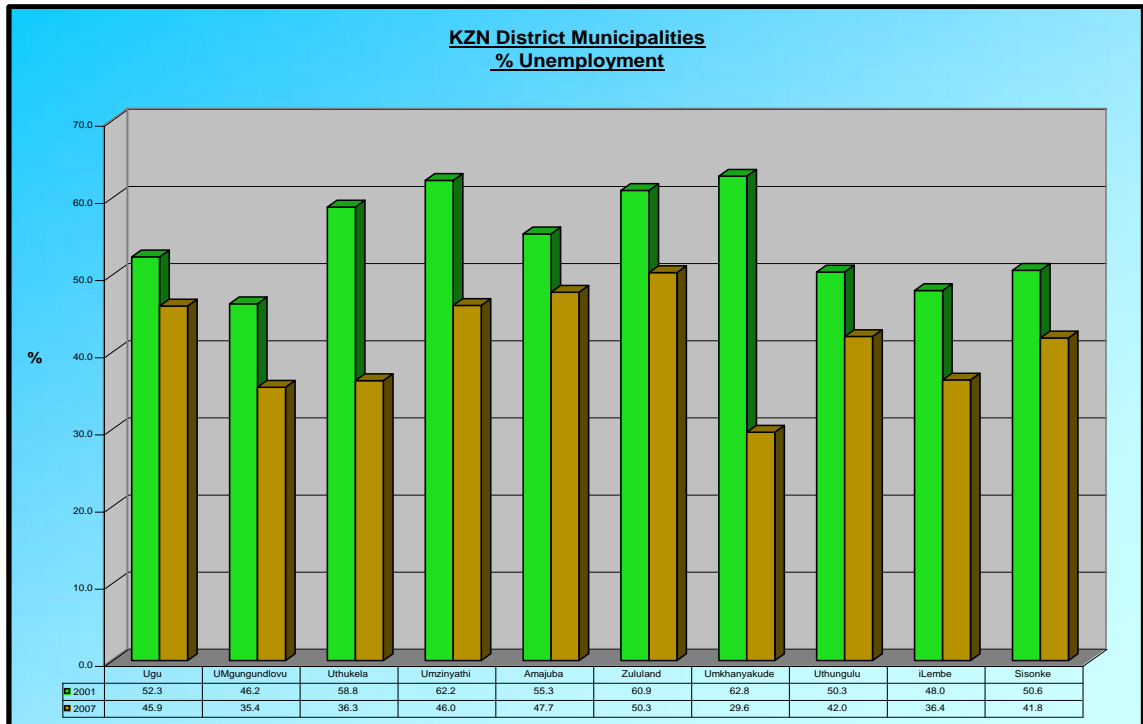
The unemployment challenge in the Umzinyathi DM is significant, with an estimated unemployment rate of around 46% in 2007. This figure rates amongst the highest unemployment rates of the district across KwaZulu-Natal. There are however also positive indications. As reflected on Figure 50, the unemployment rate in Umzinyathi has decreased from 62.2% in 2001 to the (still high) figure of 46% in 2007.

**Figure 50: Unemployment rate in KwaZulu-Natal DM**



Source: Stats SA, Community Survey 2007

**Figure 51: Percentage unemployment in the KwaZulu-Natal DM's**

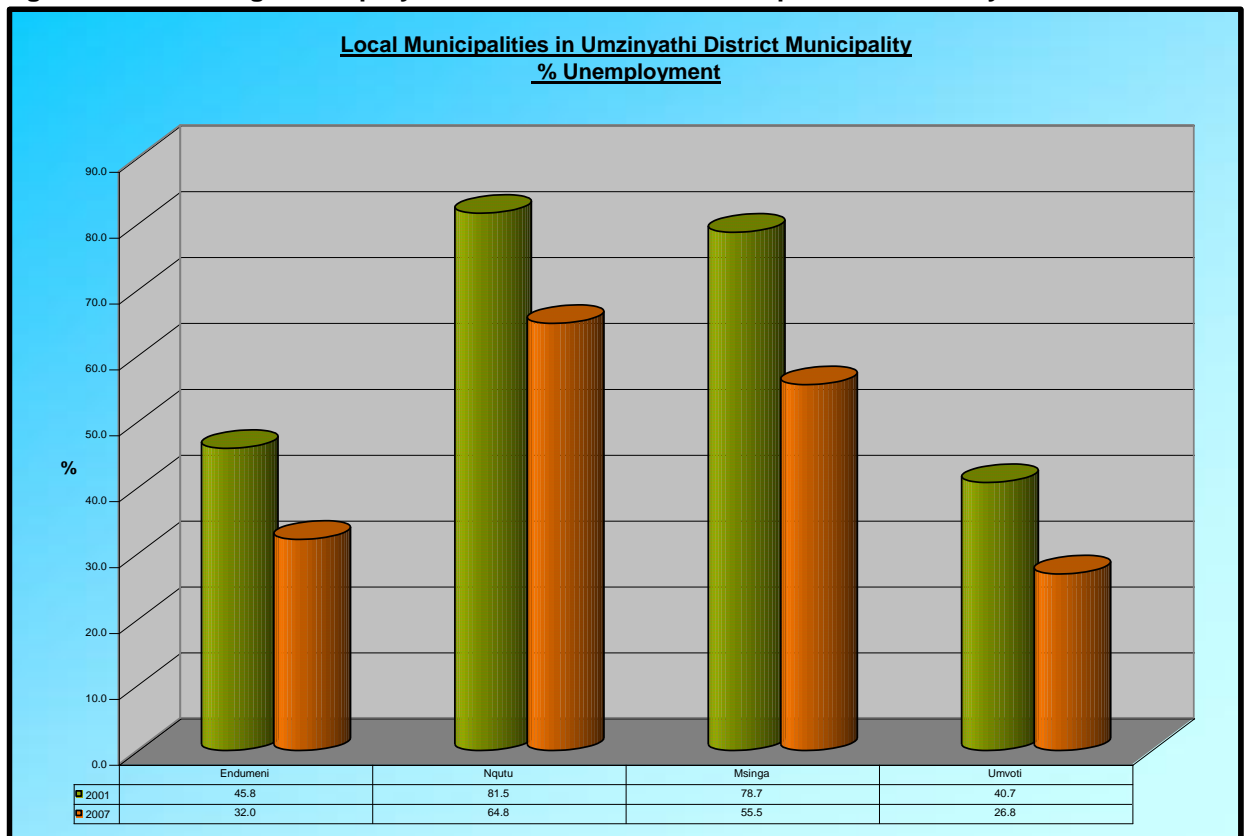


Source: Stats SA; Census 2001  
Stats SA; Community Survey 2007

The comparative figures for the various local municipalities are outlined in Figure 52. These statistics clearly indicate that the unemployment figures have improved notably between 2001 and 2007. There are however significant differences across the various local municipalities which can be summarized as follows:

- The unemployment rate in 2007 in the Umvoti and the eNdumeni LM's have been relatively low compared to the other local municipalities with rates of 26.8% and 32.2% respectively. In both these areas, the unemployment rate has decreased by approximately 14% between 2001 and 2007.
- The unemployment rate in the Msinga LM decreased substantially from a very high 78.7% in 2001 to 55% in 2007.
- The unemployment rate the Nquthu LM remains extraordinary high at 68.4% in 2007.

**Figure 52: Percentage unemployment in the four local municipalities in Umzinyathi DM**



*Source:* Stats SA: Census 2001  
Stats SA; Community Survey 2007

The dependency ratios (Number of dependents per employed person) for the district and its local municipalities 2001 and 2007 respectively are outlined in Table No 3. These figures indicate that the dependency ratios in the district have improved significantly between 2001 and 2007. The average dependency ratio for the district decreased from 13.4 to 7.5. The most notable improvements are apparent in the Nquthu DM where the dependency ratio decreased from an extraordinary 34.7 to 13.0, and in the Msinga LM where it decreased from 33.4 to 12.2 between 2001 and 2007. These decreases in dependency ratio can be contributed to two factors:

- An increase in the number of employed persons.
- A decrease in the number of dependants.

The information depicted in the figures outlined above clearly illustrated that the unemployment rates decreased significantly in all local municipalities between 2001 and 2007. The analysis of the age structure of the population also indicated that it is apparent that a substantial proportion of the younger economically active age category (between 25 and 35 years of age) may have left the district in search of better economic opportunities elsewhere.

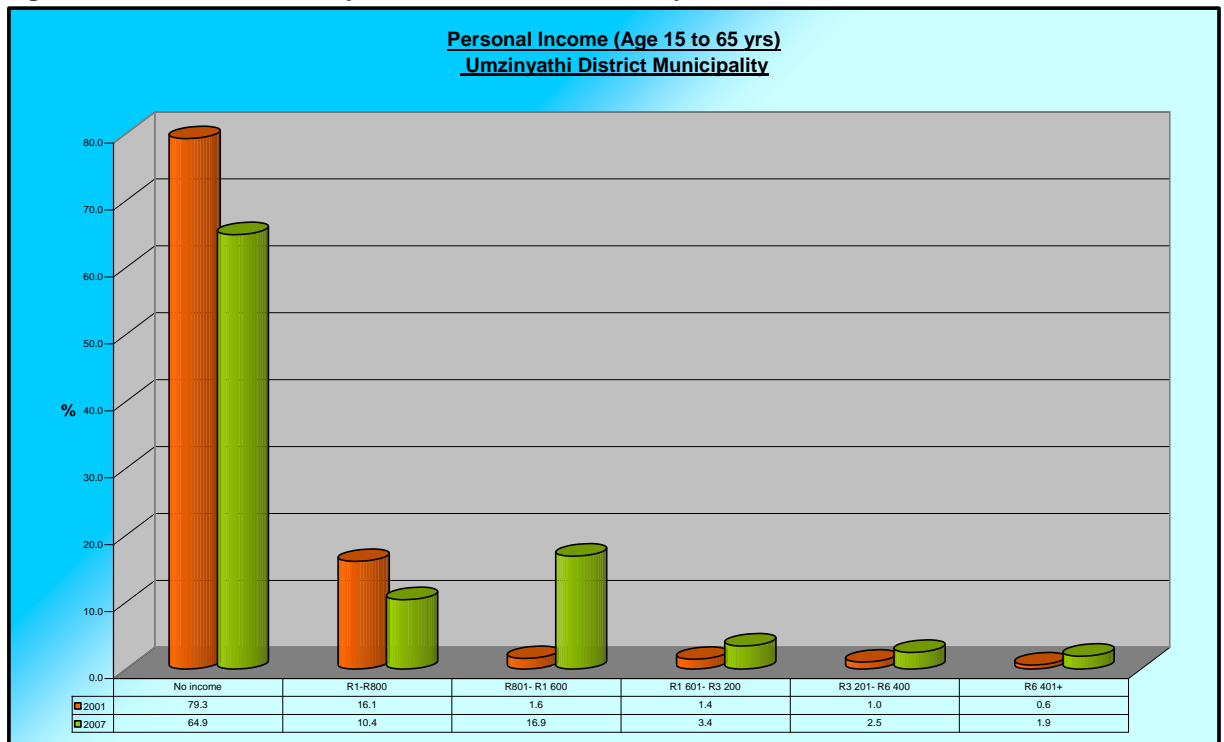
**Table No 3: Dependency Ratio**

Municipality	Year	Dependents per Person Employed
eNdumeni	2001	4.5
	2007	3.7
Nquthu	2001	34.7
	2007	13.0
Msinga	2001	33.4
	2007	12.2
uMvoti	2001	6.3
	2007	4.6
Umzinyathi	2001	13.4
	2007	7.5

## 4.2 Income and Affordability

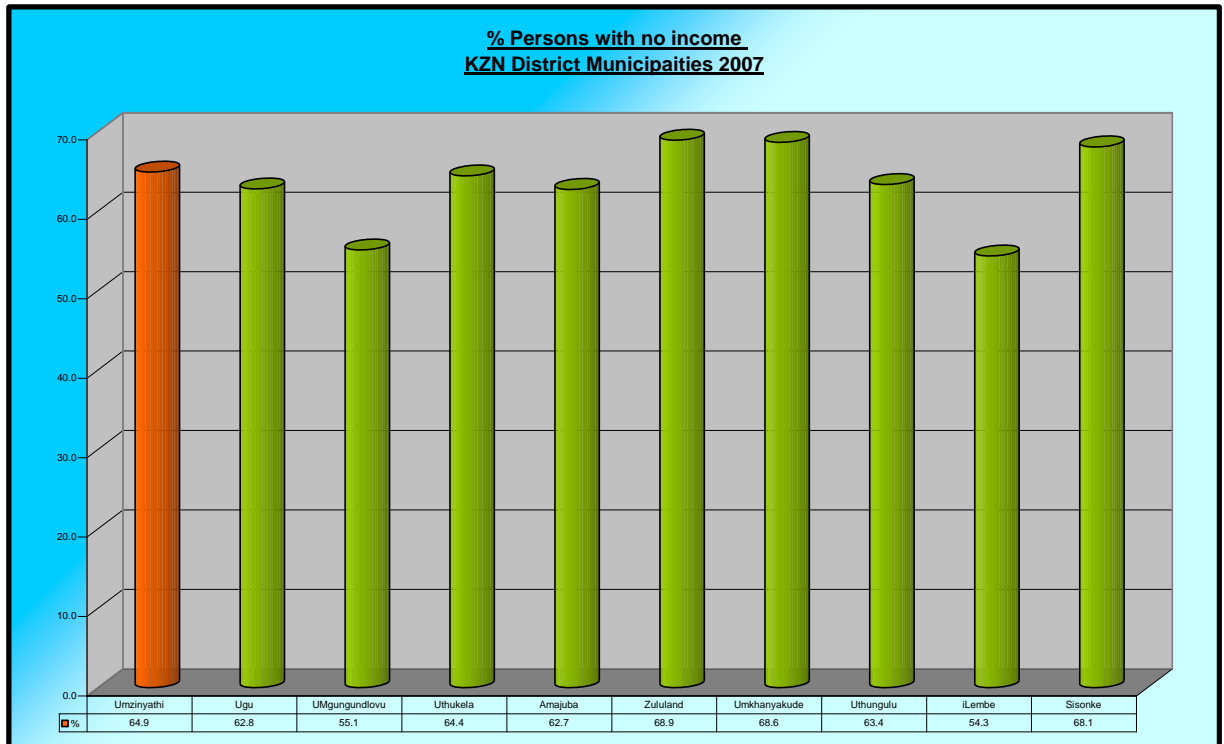
The low affordability levels in the Umzinyathi DM is clearly depicted on Figure 53 which indicates that nearly 65% of the population age between 15 - 65 years does not have any form of income. In addition, a further 10.4% earn less than R800.00 per month. Although these statistics reflect on a situation of extreme poverty, there have been signs of improvement, with the number of individuals without any income decreasing from 79.3% in 2001 to the 2007 figure of 64.9%. This high proportion of economically active individuals without any formal income is also not dissimilar to the pattern found across all districts within KwaZulu-Natal. .

**Figure 53: Personal monthly income levels for Umzinyathi DM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 54: Percentage people with no monthly income**



Source: Stats SA, Community Survey 2007



The individual income levels of the population between 15 and 65 years of age across the four Local Municipalities within the district are compared. The most prevalent characteristics include the following:

- The affordability levels in eNdumeni LM (although also characterized by high levels of poverty) are significantly higher compared to the other three local municipalities. The proportion of individuals earning no income is lower than the comparative figures in the other three municipalities, whereas the proportion earning in excess of R3200.00 per month is also comparatively much higher. In addition, the proportion of the population without any form of income decreased from 68.2% in 2001 to just over 50% by 2007. Conversely, the proportion of individuals earning more than R6400.00 per month increased from 1.9% to 3.9% over the same period.
- The extraordinary low affordability levels in the Nquthu LM is clearly depicted in Figure 5.14, which indicates that by 2007, nearly 73% of individuals still had no form of income (compared to as much as 87.4% in 2001). Moreover, less than 5% of the population in this municipality earned more than R1600.00 per month. The very low affordability levels of Nquthu LM are nearly mirrored in the Msinga LM with very similar figures across all income categories in this area.
- The Umvoti LM shows the large proportional improvement in affordability levels between 2001 and 2007. The proportion of the adult population without any form of income decreased from 73.7% in 2001 to 52.5% in 2007. Conversely, the proportion earning between R800.00 and R1600.00 per month increased from 2.8% to 23% and the percentage of individuals earning R1600.00 and the high income categories more than doubled in the same period.

### **4.3 HIV/AIDS, Poverty and Inequality**

In Umzinyathi District Municipality, the HIV/AIDS infection rate for 2005 was 23% (Monitor Group, 2006) which is lower than the national average of 27.9% and significantly lower than the 37.5% average for the province of Kwazulu Natal. The province has the highest HIV prevalence rate in South Africa.

#### **4.4 Education and Skills Levels**

The challenge of low skills levels within the Umzinyathi DM is eminent. The 2007 STATS Community Survey indicates that the Umzinyathi DM has the highest level of illiteracy amongst these adult populations (29.6%) amongst all districts in KwaZulu-Natal. In addition, as much as 26.4% of the adult population has only completed primary school education. Moreover, the Umzinyathi DM is also the area in KwaZulu-Natal with the lowest proportion of its adult population who have completed some form of higher education (1.2%).

These trends are also prevalent at local municipality level as follows:

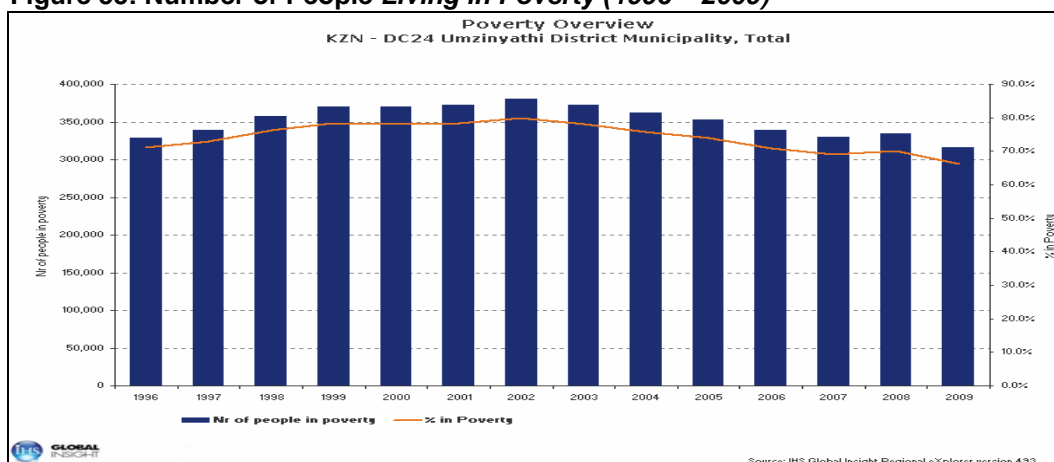
- The levels of adult illiteracy in the Msinga LM are extraordinary high at approximately 51.9%. The comparative figures in the Nquthu and Umvoti Local Municipalities are around 24%, and the figure for eNdumeni LM significantly lower at 11.1%.
- The proportion of adult population in the Nquthu and Msinga Local Municipalities who have completed Grade 12 and with some form of tertiary education is very low at less than 2%. The comparative figure in the Umvoti LM is somewhat higher at 4.5%, and 6.5% for the eNdumeni LM at 6.5%.
- The significant concentration of adult population without any form of education in the central parts of the district (specifically around Keates Drift, Tugela Ferry and Pomeroy) is clearly illustrated on the attached thematic map.

#### **4.5 Number of People Living in Poverty**

Poverty is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society. In 1996 the figure for the UDM stood at 328,661 people, while in 2009 the figure was 316,228 people.

In terms of percentages, in 1996 71.2% of residents of the UDM lived in poverty, while in 2009 66.3% lived in poverty. This figure peaked at 79.9% in 2002. The UDM in 2009 was well above the national average for the number of people living in poverty.

**Figure 55: Number of People Living in Poverty (1996 – 2009)**



Source: Global Insight of Southern Africa, 2009

The poverty gap can be defined as the amount of income that would be required to bring every poor person exactly up to the poverty line, thereby eliminating poverty. It can also be defined as the total income shortfall, expressed in proportion to the poverty line, of families with income below the poverty threshold, divided by the total number of families. For the Umzinyathi District Municipality, this figure stood at R327 million in 1996, and rose to R1,037 million in 2009.

#### 4.6 People living below \$1 and \$2 per day

In 1996 9% of the population lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 1.6% living below \$1 per day and 11.7% below \$2 per day in 2009. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number of people living below \$2 per day (33.8%).

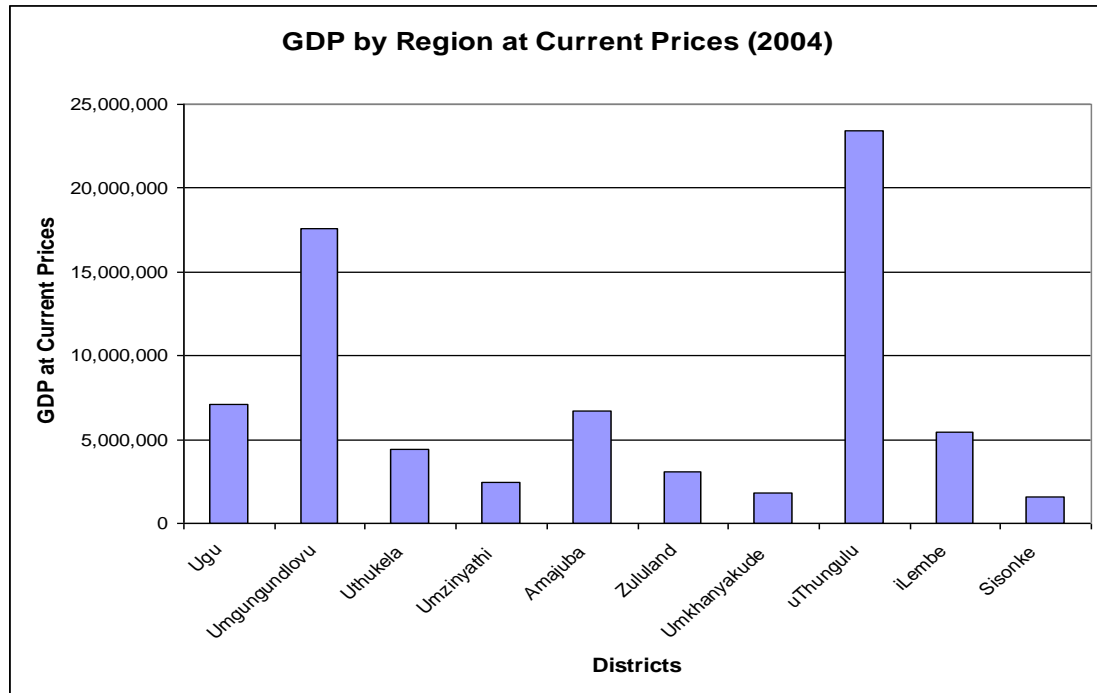
#### 4.7 Economic Status

The Umzinyathi District Municipality economy is the third smallest district economy in the province of KwaZulu-Natal with a Gross Domestic Product (GDP) of R 2,6 billion (Monitor Group 2006) and GDP per capita of about R 6600. (Urban-Econ Study 2004)

This is well below the Gross Domestic Product (GDP) average for the Province. When the Gross Domestic Product (GDP) of the District is compared to other District Municipalities, the GDP per capita for Umzinyathi District Municipality was the second

lowest in the province and GDP basic value the was the third lowest in 2004. In terms of economic performance over the period 1996-2004 the Umzinyathi District Municipality together with Zululand and Umkhanyakude were the poorest performers in the province in terms of growth. Gijima KZN, ROP Umzinyathi District Report Global Insight, 2005) The district economy has grown at an average rate of 3,1% per annum since 1995 (Quantec 2007).

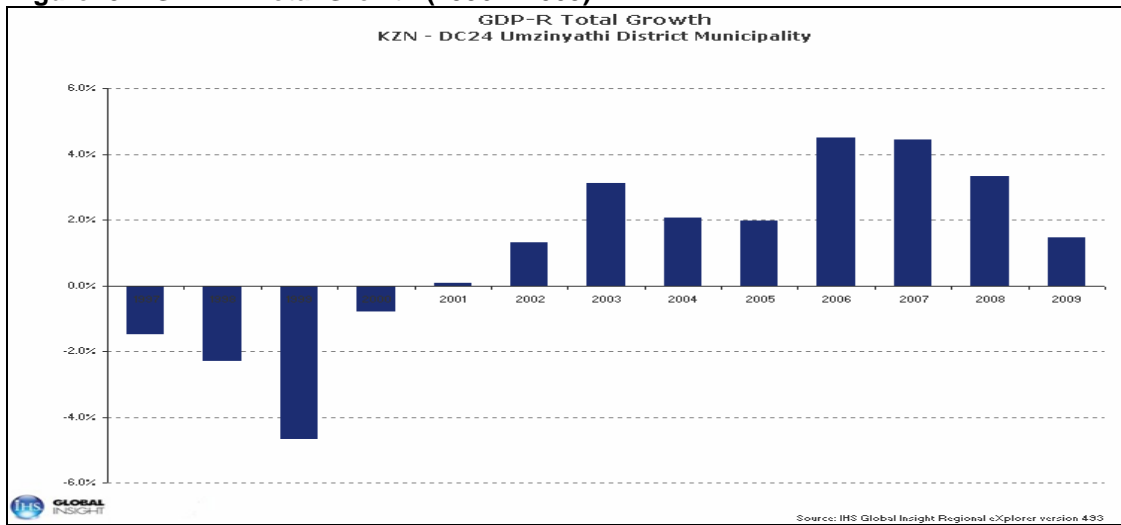
**Figure No 56: GDP by Region at Current Prices (2004)**



Source: (Urban-Econ Study 2004)

The Global Insight data indicates that the GDP- R for the UDM at current prices (R1000) rose from R1, 071,152 in 1996 to R3, 332,727 in 2009. The average annual growth rate for GDP- R for the UDM from 1996 to 2009 at constant prices for 2005 grew at 1.0%. The annual growth rate peaked at 4.5% in 2006 and had declined to 1.5% in 2009.

**Figure: 57: GDP- R Total Growth (1996 – 2009)**



#### **4.8 Service Backlogs**

Umzinyathi DM is the Water Services Authority (WSA) for the entire district in terms of Section 1 of the Water Services Act, 1997. In order to efficiently plan the development of water services in the DM's jurisdictional area. During the current financial year, Umzinyathi DM undertook the enhancement of the existing 2006 Water Services Development Plan. The Water Services Development Plan assists the municipality to align the projects set out by the Water Services Authority and that of the IDP in terms of providing water and sanitation services to the entire district. It also helps with understanding the water services requirements and to effectively plan and manage the projects.

As such Umzinyathi DM has a duty to all consumers or potential consumers in its area of jurisdiction to progressively ensure efficient, affordable, economical, and sustainable access to water services. This is achieved through the WSA functions of governing, regulating, planning and developing of water services.

The backlogs in terms of water, sanitation, electricity and refuse backlogs during the current financial year are as follows:

Backlogs	Percentage
Water	36%
Sanitation	21%
Electricity	64%
Refuse	80%

Source: Stats SA, Community Survey 2007

#### 4.8.1 Sources of capital income: water

The total estimated funding required to remove the water services backlog is approximately R350 million based on a cost of R6,000 per household.

The main source of capital income, or funding, for water projects in uMzinyathi DM is from the Municipal Infrastructure Grant (MIG). The projected and allocated funding over the next 3 years is about R 126 Million. At this funding level it will take about 8 years (till 2014) to alleviate the current water services backlog to within the national standards. The plan is therefore to utilise the capital income to the best advantage of the majority of the population, and to incrementally improve the quality of life.

#### 4.8.2 Sources of capital income: Sanitation

Funding for sanitation projects in the uMzinyathi DM is derived from the MIG. The projected and allocated funding over the next three years is about R 95 Million. At this funding level it will take about 8 years to alleviate the current sanitation services backlog to within the national standards. Umzinyathi DM requires approximately R 270 Million to provide sanitation services to the needy communities based on a cost of R4,000 per household. At the average annual funding rate this will take approximately 34 years (2041).

It follows that within uMzinyathi DM, the sanitation services backlog will not be addressed by 2010 based on the current funding allocation. In order to achieve this objective, funding levels need to be tripled for the next three years. However, implementing at this high rate would not be feasible with current engineering resources. The plan is therefore to utilise the capital income to the best advantage of the majority of the population, and to incrementally improve the quality of life.

#### 4.8.3 Sources of capital income: Electricity and Refuse Removal

In terms of addressing the electricity and refuse removal backlogs, the report compiled by Jeffares and Green (Pty Ltd in 2007, indicates that the municipality will need the budget indicated in Table No 5 below to deal with the concerned backlogs:

TABLE NO 5: COST OF ADDRESSING Electricity and Refuse Removal	
Electricity	R 320,462,750.00
Refuse Removal	R 73,824,435.00

Source: Jeffares and Green, Backlog Study 2007

#### 4.8.4 Operation and Maintenance

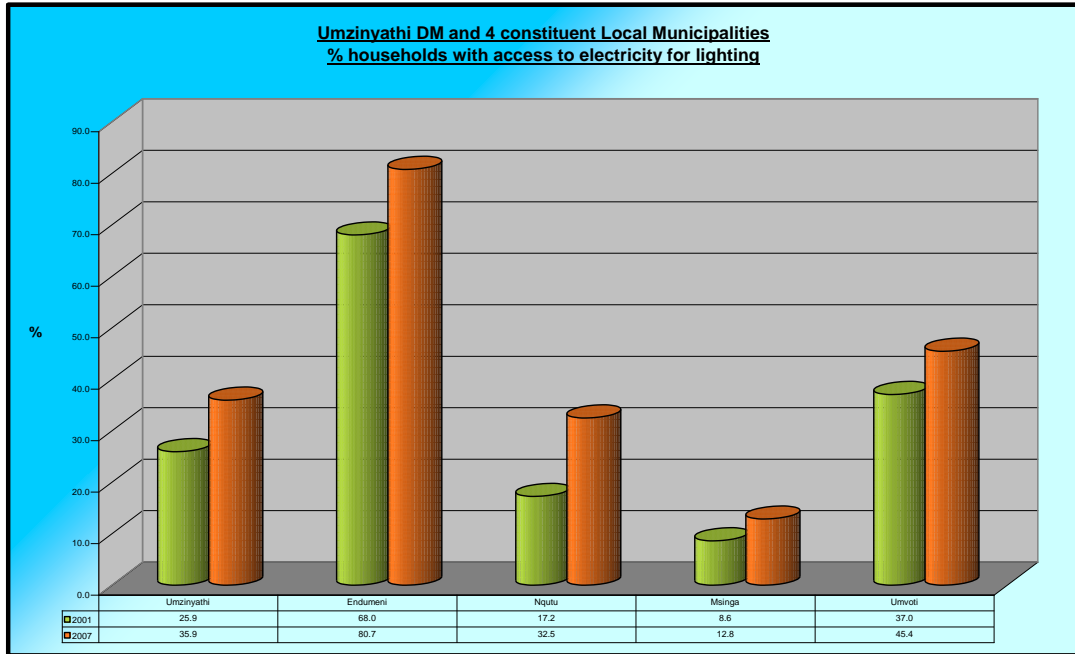
Of critical importance is the funding of Operation and Maintenance (O&M) of existing and future schemes as they are commissioned. Correct O&M of physical infrastructure is arguably more important than infrastructure construction because unless successful preventative maintenance procedures are instituted schemes will become inoperative. As a large proportion of expenditure relates to staff, competent personnel are required to ensure that the large investments in water services are not negated through dysfunction or dereliction. The municipality allocated about R 56,198,016 during the year under review for Operation and Maintenance, and budget provision will also be made available for this service during 2010/11 financial year.

#### 4.8.5 Energy

The percentage of households with access to electricity for lighting purposes, have increased from 25.9% to 35.9%. Despite this significant improvement, it still implies that nearly two thirds of the total population of the district does not have access to electricity. Overall, the levels of electrification in Umzinyathi DM are very low compared to the other districts within KwaZulu-Natal (see Figure 58). This information indicates that the percentage of households electrified in Umzinyathi is the second lowest in the province after the 33.6% of Umkhanyakude DM. In most other districts, in excess of 60% of households do have access to electricity for lighting purposes. Significant differences are also prevalent amongst the four local municipalities within the district. The municipal level characteristics can be summarized as follows:

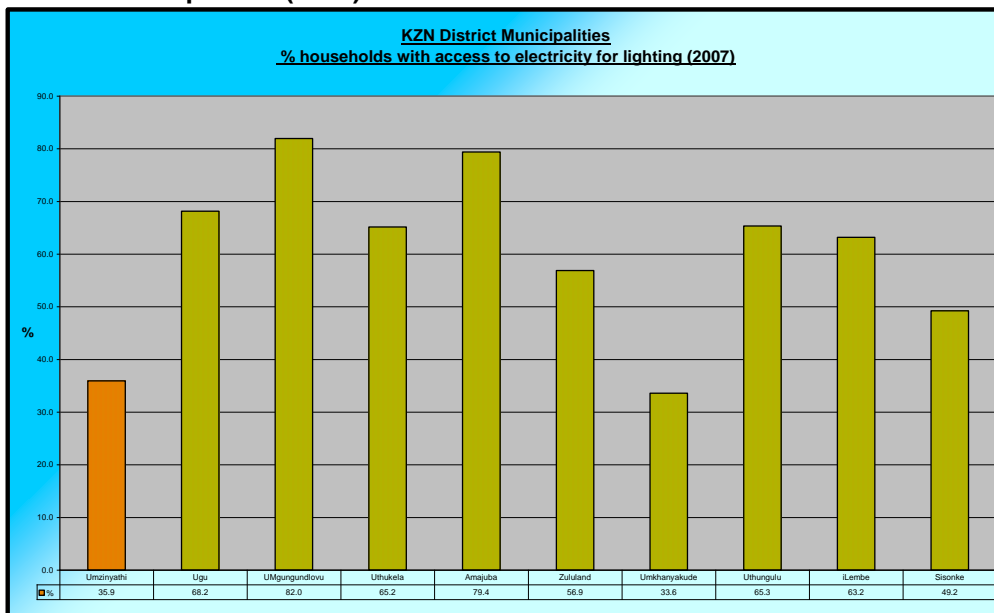
- As much as 80% of households in the eNdumeni LM have access to electricity;
- Although significant progress has been made in both the Nquthu and Msinga LM's, only 32.5% and 12.8% of households did have access to electricity in 2007; and
- Approximately 45% of households in the Umvoti LM had access to electricity for lighting purposes.

**Figure 58: Percentage households with access to electricity for lighting Umzinyathi DM**



Source: Stats SA; Census 2001  
 Stats SA; Community Survey 2007

**Figure 59: Percentage households with access to electricity for lighting KZN District Municipalities (2007)**



Source: Stats SA; Community Survey 2007  
 Stats SA; Community Survey 2007



## **SECTION C: STRATEGIC LOCAL GOVERNMENT AGENDA**

### **CHAPTER 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

#### **1.1 IDP REVIEW DEVELOPMENT PROCESS, PHASES AND KEY TIME FRAMES**

The following phases regarding the preparation of the 2011/12 IDP review were adhered to:

##### **Phase 0: Preparation:**

The purpose of this phase was to define the roles of various stakeholder and setting up an agreed process. The 2011/12 Framework and Process Plan were prepared during July 2010 and approved by the Executive Committee on the 15 July 2010, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs.

##### **Phase 1: Analysis**

A district-wide analysis was undertaken, the analysis was based on the strategic and in-depth statistical analysis covering the economic, development, social and labour statistics required for a “credible IDP”. Updated economic and social data was also purchased from Global Insight of Southern Africa to form part of the detail analysis for the 2011/12 IDP Review.

##### **Phase 2: Strategies**

The completion of this phase required the finalisation of the district vision, objectives, strategies and IDP projects in line with the Budget provisions. An IDP Representative Forum meeting was convened during November 2010 which served as the inter-sphere alignment session for integration / alignment issues and also key municipal priorities which required funding for 2011/12 financial year. Draft 2011/12 will be submitted to Council for inputs and approval on the 24 March 2011.

##### **Phase 3: Projects**

Objectives, strategies and projects have been developed being informed by the detail analysis undertaken for the district. The consolidated Implementation plan has been developed and integrated as part of the 2011/12 IDP Review.

#### **Phase 4: Integration**

The First IDP Representative Forum was held during 10 – 11 November 2010 which served as the inter-sphere alignment session for integration / alignment issues and also key municipal priorities which required funding for 2011/12 financial year. Municipal priorities were presented to the sector departments and private institutions for consideration during their Budget processes to be finalised by the end of March 2011. The second IDP Representative Forum will be held between 04 – 05 May 2011 to obtain feedback from the sector departments and private institutions on the priorities submitted during the first IDP Representative Forum, and also to finalise the alignment of programmes and projects.

#### **Phase 5: Approval**

The 2011/12 IDP / Budget public engagements were undertaken late March 2011 and early April 2011. The purpose of the IDP / Budget public engagements was to obtain inputs from the community on developmental issues that need to be addressed in the 2011/12 IDP Review as required by Chapter 4, Section 16 of the Municipal Systems Act (No 32 of 2000). The 21 days notice was also be placed in the newspapers for comments and inputs during late March 2011.

The draft 2011/12 IDP Review was submitted to the Department of Co-operative Governance and Traditional Affairs on the 25 March 2011 for assessment purposes. Council adopted the 2011/12 IDP Review on the 28 April 2011, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs.

#### **1.2 2011/12 IDP, Budget and PMS Process Plan Programme**

The 2011/12 IDP Review Process Plan was presented and approved by ExCo on the 15 July 2010 and submitted to the Department of Co-operative Governance and Traditional Affairs. The details of the activities for the process plan are as follows:

<b>ACTIONS</b>	<b>RESPONSIBLE PERSON / STRUCTURE</b>	<b>TARGET DATE</b>
Assist the Mayor in the preparation of time schedule for the Budget and related policies including community consultation	CFO	July 2010
Meeting with the IDP Managers of the local municipalities for the alignment of the process plans	Manager: IDP/PMS	20 July 2010

<b>ACTIONS</b>	<b>RESPONSIBLE PERSON / STRUCTURE</b>	<b>TARGET DATE</b>
Finalize Performance agreements and plans for Section 57 and middle Managers	Manager: IDP/PMS	30 July 2010
Council adopts the IDP, Budget and PMS Process Plan	CFO / Manager: IDP/PMS	July 2010
UDM to provide the notice to the public of the process to be followed for the IDP, Budget and PMS Review	IDP Manager	August 2010
Review and Update of the IDP Status, Identify Key Issues and address the MEC comments	Manager: IDP/PMS / CFO	September 2010
UDM Planning and Development Forum (Evaluating changed circumstances and address MEC comments)	Manager: IDP/PMS	September 2010
Planning Indaba / MEC Panel Feedback	Manager: IDP/PMS	September 2010
Quarterly performance assessment of Section 57 Managers as required by Section 28(1) of the Performance Regulations, and middle Managers	Manager: IDP/PMS	10 October 2010
1 <sup>st</sup> UDM IDP Representative Forum – inter-sphere alignment session (integration / alignment issues and also key municipal priorities which require funding for 2011/12 fy)	Manager: IDP/PMS	10 – 11 November 2010
Review budget related policies	CFO / Council	November 2010
Determine guidelines for 2011/12 Budget	CFO	November 2010
Mid year Budget review for 2010/11 and 2011/12 and obtain Council's Approval	CFO	December 2010
2 <sup>nd</sup> Quarterly performance assessment of Section 57 as required by Section 28(1) of the Performance Regulations, and middle Managers	Manager IDP/PMS	January 2011
Submission to the Audit Committee the performance mid-year report, and subsequently to Council	Manager IDP/PMS	January 2011
Presentation on the progress of the 2011/12 IDP / Budget Review	MANCO / EXCO	January 2011
Receive entity Budget from Uthukela water	Municipal Manager	January 2011
Meeting with HOD's to align programmes and projects	Manager IDP/PMS	February 2011
Provincial IDP Stakeholders meeting	Manager IDP/PMS	February 2011
UDM Planning and Development Forum (Alignment & integration of project lists, sector plans, finalizing implementation programmes & Spatial Dev Frameworks)	Manager IDP/PMS	March 2011
Alignment and integration of the IDP and Budget	MANCO	March 2011

<b>ACTIONS</b>	<b>RESPONSIBLE PERSON / STRUCTURE</b>	<b>TARGET DATE</b>
Council to consider the draft 2011/12 IDP and Budget and resolve to submit it to the Department of Co-operative Governance and Traditional Affairs, and Treasury for assessment	Council	24 March 2011
Advertisement of the IDP and Budget for a period of 21 days as required by the Municipal Systems Act	Manager IDP/PMS / CFO	March 2011
Public Consultation of the IDP and Budget in terms of Section 17 and 18 of Chapter 4 of the Municipal Systems Act, 2000 and Section 22 (a) (i) of the Municipal Finance Management Act, 2003 in all four Local Municipalities	CFO / Manager IDP/PMS	28 April 2011 – Nquthu Municipality 29 April 2011 – Endumeni Municipality 30 April 2011 – Msinga Municipality 05 April 2011 – Umvoti Municipality
UDM Planning and Development Forum - to finalize and align the programmes and projects, and key strategic issues	Manager IDP/PMS	April 2011
Finalise KPI and Targets	MANCO	April 2011
Finalize departmental and organisational scorecards	Manager: IDP/PMS	April 2011
Assess & incorporate comments - Adjust the draft municipal IDP and Budget as per the comments	MANCO	April 2011
Adoption of the final IDP and Budget by Council	Council	28 April 2011
Third Quarterly performance assessment of Section 57 as required by Section 28(1) of the Performance Regulations, and middle Managers	Manager IDP/PMS	10 April 2011
Submission of IDP and Budget to Provincial and National Treasury, and to the Department of Co-operative Governance and Traditional Affairs within 10 days after adoption.	CFO / Manager IDP/PMS	May 2011
2 <sup>nd</sup> UDM IDP Representative Forum – presentation of the draft IDP for comments and also to obtain feedback on key municipal projects submitted to Sector Departments and Private Sector.	Manager IDP/PMS	04 – 05 May 2011
Fourth performance assessment of Section 57 as required by Section 28(1) of the Performance Regulations, and middle Managers	Manager IDP/PMS	10 July 2011
Audit committee submits the annual performance assessment report to Council	Manager IDP/PMS	July 2011

<b>ACTIONS</b>	<b>RESPONSIBLE PERSON / STRUCTURE</b>	<b>TARGET DATE</b>
Commence with the implementation of the IDP and Budget, and monitor performance through PMS	CFO / Manager IDP/PMS	July 2011

### 1.3 2010/11 IDP REVIEW COMMENTS

The 2010/11 IDP Review was submitted to the Department of Co-operative Governance and Traditional Affairs for commenting purposes as required by Chapter 5, Section 25 of the Municipal Systems Act. The Department of Co-operative Governance and Traditional Affairs has submitted the comments on the 2010/11 IDP Review to the municipality for improvement measures of the 2011/12 IDP Review, the following comments pertaining to the municipal IDP were received, and the municipality has provided improvement responses:

<b>No</b>	<b>Key Performance Area</b>	<b>MEC comments on IDP matters of emphasis and observations</b>	<b>Municipal Response</b>
1.	Municipal Transformation and Institutional Development	<p>I note that there is a functional OPMS in place, and there is evidence that the IDP, Budget and Performance Management processes are linked. Improvement in the quality of your IDP can be achieved in terms of providing an indication of progress with regard to the previous year's targets and how they have influenced the setting of the 2010/11 IDP targets.</p> <p>You are reminded in terms of Section 34 of the Municipal Systems Act that your IDP review must be in accordance with the assessment of your performance measurements in terms of Section 41 of the MSA.</p> <p>Reflecting institutional capacity a detailed organogram has been included that indicates a greater percentage of filled posts. I note that you are in the process of filling your vacant posts. This is positive as the filling of posts is necessary in order to improve service delivery and meet the needs of your constituents.</p>	<p>As part of the improvement measure and quality of the IDP, the municipality has provided details regarding the progress made with the eradication of the currently financial year backlogs and how they have been used as a base in setting the new targets to be achieved during 2011/12.</p> <p>The 2011/12 IDP Review has been prepared in accordance with the assessment of our performance measurements as required in terms of Section 41 of the MSA.</p> <p>The municipality is progressing with the filling of critical vacant posts to improve service delivery and meeting the needs of our community.</p>

	Municipal Transformation and Institutional Development	I note that a number of policies / strategies have been developed and implemented including the Retention Strategy, Employment Equity plan and Workplace Skills plan. This is significant, as improvements in staff capacity and capability will ensure more effective and efficient functioning of your municipality.	The municipality is currently reviewing some of the policies to ensure more effective and efficient functioning of the.
<b>No</b>	<b>Key Performance Area</b>	<b>MEC comments on IDP matters of emphasis and observations</b>	<b>Municipal Response</b>
2.	Local Economic Development	<p>I note that the LED plan has been adopted (2009), and there is evidence of implementation. The LED plan incorporated to the IDP has taken a cognisance of competitive and comparative advantages that your municipality has in identifying an promoting opportunities presented for small, medium and macro enterprise (SMME),</p> <p>I therefore recommend that you continue to monitor progress on the implementation of the LED plan and that this be included and integrated to your IDP.</p>	<p>The progress monitoring of the LED projects is being done through the monthly and quarterly reports which are prepared and submitted to the Municipal Manager, Portfolio Committee, ExCo and Council.</p> <p>The municipality is also in the process of establishing a Development Agency that will serve as an engine to support the drive for economic growth and development in Umzinyathi District Municipality</p>
		<p>There is evidence that LED is institutionalised in terms of management arrangements that are in place to support LED, and LED structures have been established including the LED forum, Tourism Forum, Agricultural forum and Business forum.</p> <p>Implementation with regard to these structures has been identified as a challenge and needs to be addressed as a matter of urgency. Further, I note that the Department of Economic Development and Tourism is providing support with regard to local economic development.</p>	<p>The functionality of the LED structures has been identified as part of the Turnaround Strategy, the Department of Economic Development is in the process of providing LED technical support through the appointment of an LED Specialist for Umzinyathi District family of municipalities. Amongst the Key Performance Areas of the appointee will be the need to functionalise the existing LED Forums.</p>

No	Key Performance Area	MEC comments on IDP matters of emphasis and observations	Municipal Response
3.	Basic Service Delivery and Infrastructure Investment	<p>I note that your municipality has developed a number of Key Sector Plans, including Water Services Development Plan (WSDP), Integrated Transport Plan and Waste Management Plan (WMP). From the information provided in the IDP there is evidence of a commitment to the provision of the infrastructure and basic service delivery including water, sanitation, roads and electricity.</p> <p>The 2011/12 IDP needs to provide more detail with regard to the service delivery and infrastructure investment in terms of baseline information, how the Municipality is addressing backlogs and those geographical areas requiring special attention. In terms of Free Basic Services (FBS), I note your commitment to providing FBS to the relevant households in your Municipality.</p>	<p>The municipality is committed to ensure the eradication of backlogs thereby improving access to basic including water, sanitation, waste management etc.</p> <p>In order to ensure that the backlogs are eradicated, the municipality has applied for the loan funding from DBSA to the amount of R 330,000,000.00, and DBSA is still assessing the application, the loan funding only accounts to 10% of the 38 billion required to eradicate the backlogs.</p> <p>The details regarding the service delivery and infrastructure investment in terms of baseline information, and how the municipality is addressing backlogs have been provided as part of the 2011/12 IDP Review.</p>
4.	Financial viability and Financial Management	<p>I note that you have a Financial Plan with the budget projections for 3 years. Realistic financial planning is apparent in your Municipality with the receipt of an unqualified Auditor General's report for the 2008/09 financial year. However, this Key Performance Area could be improved with more consideration given to how your municipality could augment its current income source especially in light of the current economic crisis, as well as an analysis of your income and expenditure.</p> <p>Your Municipality is commended in terms of addressing the requirements of Municipal Finance Management Act, specifically in terms of Financial Policies.</p>	<p>The municipality obtained an Unqualified Audit Report for 2009/10 financial year. Detail consideration is being given on how the municipality can augment its income sources especially in light of the current economic crisis.</p>

No	Key Performance Area	MEC comments on IDP matters of emphasis and observations	Municipal Response
5.	Good Governance and Community participation	<p>Community Participation forms the core of the Good Governance Key Performance Area. There is evidence of community participation in the Municipality and a Communication Plan has been developed.</p> <p>In terms of the needs of special groups, further attention needs to be given to mainstreaming special groups such as gender issues, disabled, children, youth, HIV/AIDS and senior citizens. You are further commended on your focus on Intergovernmental Relations.</p>	<p>Communication Policy is in the process of being reviewed and will form part of the final 2011/12 IDP Review to ensure effective ways to enhance and sustain two-way communication between the municipality and its target audience.</p> <p>The municipality has sound programmes targeting special group issues like people living with disability, children, youth, women and HIV/Aids, and they form part of the 2011/12 IDP Review.</p> <p>The municipality will continue with the implementation of Intergovernmental relations to ensure effective coordination and integration of service delivery.</p>
6.	Spatial Development Framework	<p>A Spatial Development Framework (SDF) has been prepared. The full SDF has been included and fully integrated into the IDP. The SDF provides a detailed spatial analysis and identifies a desired spatial pattern. It is aligned with National and Provincial priorities including the National Spatial Development Perspective (NSDP) and a Provincial Spatial Economic Development Strategy (PSEDS). Further improvement in this Key Performance Area would result from incorporation of your Environmental Management Framework (EMF) and spatial representation of your Capital Investment Framework.</p> <p>A detailed analysis of the SDF's is currently being done by my department, and the outcome of that process will be communicated with you in due course.</p>	<p>The municipality has commenced with a process of enhancing the Water Services Development Plan to cater for the spatial infrastructural data of the projects (Capital Investment Framework). Once this process has been completed, the municipality will then review the Spatial Development Framework to integrate the spatial infrastructural data for the Capital Investment Framework.</p> <p>A detail assessment analysis report on our municipal SDF has been received from the Department of Co-operative Governance and Traditional Affairs, and will be sufficiently addressed as part of the SDF review to be undertaken during 2011/12 financial year.</p>



No	Key Performance Area	MEC comments on IDP matters of emphasis and observations	Municipal Response
7.	General Comments	Your IDP is well structured and makes use of the recommended Generic Guidelines as advocated by my Department.	The 2011/12 IDP Review has also been prepared in accordance with the guidelines advocated by the Department of Co-operative Governance and Traditional Affairs.
		With regard to your role in the District family, I recommend that you continue to drive the IDP's in terms of structure and content in line with National and Provincial requirements	Umzinyathi District Municipality will continue to drive structure and content of the IDP's within the district through the Planning and Development in accordance with the National and Provincial requirements.
8.	National Ten Priorities	As stated in my previous letter, the National ten priority areas identified in the Medium Term Strategic Framework (MTSF) (2009 to 2014) provide a clear indication of Government's intent to give effect to its strategic objectives and electoral mandate over the next five years. These priorities are:	The priorities falling within the municipal powers and functions have been aligned with the municipal programmes and projects as part of the draft 2011/12 IDP Review.  The municipality will ensure coordination and alignment of the priorities falling within the powers and functions of the other spheres of government through the IDP process.
		8.1 More inclusive economic growth, decent work and sustainable livelihoods;	
		8.2 Economic and Social infrastructure;	
		8.3 Rural development, food security and land reform;	
		8.4 Access to quality education;	
		8.5 Improved health care;	
		8.6 The fight against crime and corruption;	
		8.7 Cohesive and sustainable communities;	
		8.8 Creation of a better Africa and a better world;	
		8.9 Sustainable recourse management and use, and	
		8.10 A developmental state including improvement of public services.	
		These MTSF priorities should continue to inform your 2011/2012 IDP process, until such time as more details become available from the National and Provincial Planning Commission.	

No	Key Performance Area	MEC comments on IDP matters of emphasis and observations	Municipal Response
9.	Implications of Local Government Elections 2011	The Local Government elections are due to be concluded early in 2011, but this process should not affect the flow of the IDP process. In the event of the new Council wanting to make changes to the 2001/12 IDP, the new Council can follow the amendment procedures contained in the section 3 of the Local Government: Municipal Planning and Performance Management Regulations, 2001.	The municipality is aware about the Local Government elections, and would not affect the IDP Process.
10.	Municipal Turnaround Strategy	It is acknowledged that although you have included your Municipal Turnaround Strategy (MTAS) as an attachment, it needs to be incorporated to your IDP.	<p>The Municipal Turnaround Strategy (MTAS) will be integrated as part of the IDP.</p> <p>Quarterly reports regarding the implementation of the Municipal Turnaround Strategy are being prepared and submitted to ExCo, Council and Department of Co-operative Governance and Traditional Affairs.</p>
No	Key Performance Area	MEC comments on IDP matters of emphasis and observations	Municipal Response
11.	Implications of the KZN Planning and Development Act No 6 of 2008	The KwaZulu Natal Planning and Development Act, 2008 (Act 6 of 2008) came into effect on 1 May 2010 and the first Amendment the Act has been developed and is currently in the public comment stage. Currently, a draft KwaZulu Natal Planning and Development Act (KZNPPDA) Manual is available on the Department website and has been prepared to guide Municipalities in their successful implementation of the Act.	<p>In order to facilitate the implementation of the KwaZulu Natal Planning and Development Act, 2008 (Act 6 of 2008), the District has approved the development of a shared services which is at an advanced stage.</p> <p>Most vacancies have been filled except for the Chief Planner whose interviews will be conducted mid March 2011. Training for officials and Councillors has been lined up by COGTA to ensure effective implementation.</p>

## 1.4 COMMUNICATION POLICY

Umzinyathi District Municipality has a communication policy in place which has been adopted by Council, the purpose of the policy is to promote the objectives of Section 32 of the Constitution. The promotion of access to information Act (No 2 of 2000) provides that the public has the right to information held by the organs of state or a private body. It is therefore upon the premise that this Communication Policy is developed.

It also serves to safeguard the processes of communication, proper systems need to be in place hence ensuring that procedures as per the Municipal System Act (32 of 2000) are adhered to.

For Umzinyathi District Municipality to be accountable in terms of communication, it needs to have an understanding of its mandate. The policy is also crucial in communicating municipal plans like the IDP, Budget, PMS etc. The target groups for the policy are as follows:

- Internal Audience
  - Mayor, Speaker, ExCo, Council, Top management, Management, Staff
- External audience
  - Political parties, business people, NGO's, Media, Faith based organisations, general public, the local municipalities, government departments etc.

Some of the tools which are being utilised by the municipality in communicating the IDP / Budget are as follows:

- Public engagements – one in each of the four local municipalities;
- Quarterly external newsletter;
- Monthly radio talk show by the Mayor on Ukhozi FM;
- Umzinyathi Website;
- Annual Report – planned for March of each year
- IDP Rep Forum meetings;
- Planning and Development Forum;
- Municipal Managers Forum;
- District Mayors Forum; and
- Audit Committee.

## **1.5 PUBLIC PARTICIPATION**

During the year under review, Umzinyathi District Municipality in partnership with the Independent Development Trust undertook the preparation of Local Area Plans in the local municipalities to serve as a good base for the IDP's at a local and district level. The Local Area Planning serves to enhance the public participation in the IDP process, hence the plans get to be articulated in the IDPs of the municipalities.

The preparations of Local Area Plans in Nquthu and Endumeni Local Municipalities have been completed, information obtained has provided to the municipalities to utilise during the analysis phase of the IDP to make informed planning and budget decisions. Processes for the preparation of the Local Area Plans in Msinga and Umvoti Local Municipalities would be undertaken during the 2011/12 financial year.

## **1.6 CUSTOMER SATISFACTION SURVEY**

Effective and efficient service delivery to communities features high on the agenda of the South African government. Local government (municipalities) is one of the major delivery channels in the South African three-tiered governmental system that can impact positively on the daily lives of South Africans. Basic services and facilities such as water, electricity, a clean environment and secure living conditions are some of the basic needs provided by municipalities to their communities.

During 2008/09 financial year, the District undertook to prepare the customer satisfaction survey for the first time ever. The aim of the study was to conduct a survey among a sample of households and businesses located in the jurisdiction of the UMzinyathi to generate information to assess the perceptions of residents and businesses about service delivery, governance, development priorities and communication preferences

In the light of the survey findings, UMzinyathi District Municipality took a decision to formulate its own strategy that would seek to address community concerns thereby invest strongly in community confidence and trust towards council and its capacity to deliver necessary services. The municipality is in the process of preparing the second (2011) Customer Satisfaction Survey to determine whether community concerns from the first survey have been addressed in order to gain their confidence and trust towards council and its capacity to deliver necessary services.

## **CHAPTER 2: MUNICIPAL TRANSFORMARTION AND INSTITUTIONAL DEVELOPMENT**

### **2.1 POWERS AND FUNCTIONS**

In order to develop a functional capacity of the municipality, it is necessary to be aware of the powers and functions as they were Gazetted. The functional responsibilities applicable to uMzinyathi District Municipality in relation to the shared functions, which have a bearing on district responsibilities, are shown in the table 6 below.

**Table 6: Powers and Functions**

District Functions	Shared Functions
Water	Integrated Development Planning
Sanitation	Tourism
Integrated Development Planning	Municipal roads
Solid waste disposal sites	Fire fighting services
Tourism	Fresh produce markets and (abattoirs)
Municipal Roads	
Municipal airports serving the area of the District Municipality as a whole	
Municipal environmental health serving the area of the District Municipality as a whole	
Fire fighting services for district municipality including planning and co-ordination.	
Fresh produce markets and (abattoirs) serving the area of the District Municipality as a whole	
Municipal public works relating to any of the above functions and/ or other functions assigned to the District Municipality	

The receipt, allocation and, if applicable ,distribution of grants made to the District Municipality	
Air Pollution	

## 2.2 MUNICIPAL INSTITUTIONAL ANALYSIS

At present, the Municipality has a staff complement of 82 employees as opposed to 75 employees during 2009/10 financial year. The approved structure of the Municipality has 98 posts of which 16 of them are currently vacant but processes of getting the vacant posts filled are underway.

An analysis of the staff by gender, race and occupation has been undertaken. The analysis applies to the staff distribution excluding the new posts to be filled since gender and employment equity would need to be considered in relation to the potential candidates for the new positions. The distribution of staff by occupation, group and gender is shown below:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	05								4
Middle Management	11				01	01		01	14
Supervisor and Skilled Technical	14				13		01		28
Semi skilled	03			01	19		01	03	27
Elementary Occupation	05				04				9
<b>Grand Total</b>	<b>37</b>			<b>01</b>	<b>37</b>	<b>01</b>	<b>02</b>	<b>04</b>	<b>82</b>

**Note: A=Africans, C=Coloureds, I=Indians and W=Whites**

Umzinyathi District Municipality is currently in the process of filling in the vacant critical posts and employment equity through the employment equity plan would apply. As part of ongoing training for the employees, the municipality is currently reviewing the workplace skills development plan which will assist the employees with capacity development. The municipality is confident that with the current capacity, that it will be able to fulfil its developmental mandate in terms of performing the powers and functions, though processes of filling vacant posts are underway

### **2.2.1 Administrative Structure**

For the municipality to be able to perform the above mentioned powers and functions it has well organised administrative structure, which has four departments and the Office of the Municipal Manager:

- Department: Technical Services;
- Department: Financial Services;
- Department: Planning and Social Development; and
- Department: Corporate Services.

The breakdown of the Departments in terms of the functions which are being performed is as follows:

#### **2.2.1 Office of the Municipal Manager**

It is the responsibility of the Municipal Manager as “Accounting Officer” to:

- Promote sound financial management throughout the municipality;
- Be responsible for all income and expenditure, all assets and the discharge of all liabilities;
- Ensure compliance with the Municipal Finance Management Act (MFMA) No. 56 of 2003;
- Prevent fruitless and wasteful expenditure;
- Disclose all information on debts
- Integrated Development Plan / Performance Management System

#### **2.2.2 Department: Financial Services**

The Department: Financial Services consists of four sections:

- Income and Expenditure,

- Procurement;
- Budgeting;
- Financial Reporting; and
- Internal Auditing.

### **2.2.3 Department: Technical Services**

The Department: Technical Services consists of four sections:

- Municipal Infrastructure Implementation;
- Municipal Infrastructure Operations and Maintenance;
- Water Service Authority; and
- Community Facilitation

### **2.2.4 Department: Planning and Social Development**

The Department: Planning and Social Development consists of the following sections:

- Local Economic Development / Tourism;
- GIS
- Planning related issues; and
- Disaster Management / Environmental Health
- Supporting unit through Independent Development Trust and Department of Environment Affairs and Tourism.

### **2.2.5 Department: Corporate Services**

The Department: Corporate Services consists of the following sections:

- Public Relations;
- Human Resources;
- Legal Services;
- Administrative Services;
- Information Technology;
- Fleet Management; and
- Security for the building

## **2.3 Municipal Organogram**

The municipality has a fully fledged organogram in place, and is also divided into four departments and the Office of the Municipal Manager, it highlights the capacity of the municipality in terms of delivering on its developmental mandate, as per the departments responsibilities indicated above. Most of the critical posts required to make strategic decisions thereby enabling the municipality to deliver on its



developmental mandate have been filled.

The organizational and departments organograms are attached as Annexure J3.

## 2.4 Policies

The municipality has prepared policies which will enable the municipality to perform its powers and functions effectively; the policies which are in place are as follows as per the responsible implementing departments:

<b>Name of the Policy</b>	<b>Responsible Department</b>
Budget Policy	Finance
Transfer and Budget funds	Finance
Banking and Investment	Finance
Asset and Management	Finance
Fleet Management	Finance
Supply Chain Management	Finance
Grants and Donations	Finance
Indigent and Support	Technical Services
Land and Asset Disposal	Finance
Petty Cash	Finance
Tariffs	Finance
Credit card	Finance
Treatment and Valuation of Inventory	Finance
Risk Management	Finance
Financial Regulations	Finance
Information Technology and Security	Corporate Services
Information Technology Strategy	Corporate Services
Information Technology Disaster Recovery Plan	Corporate Services
Credit control	Finance
Cell phone	Finance
Bursary	Corporate Services
PMS Policy	Office of the Municipal Manager
Employment Practise	Corporate Services
Succession Planning	Corporate Services
Sexual Harassment	Corporate Services

Relocation	Corporate Services
Intoxicating and Substance Abuse	Corporate Services
Incapacity due to poor performance	Corporate Services
Incapacity due to ill health	Planning and Social Development
Housing	Corporate Services
Attendance and Punctuality	Corporate Services
Retention	Corporate Services
Leave	Corporate Services
Free basic Sanitation	Technical Services
Free Basic water	Technical Serves
Service level	Technical Serves

## **2.5 Employment Equity Plan**

In accordance with the Employment Equity Act (No 55 of 1998, the municipality has reviewed and implemented the 2009/10 Employment Equity Plan as required by the Employment Equity Act, the plans seeks to address the numerical goals in the terms of demographics within the municipality. The plan indicates significant progress made thus far by the municipality in addressing challenges relating to enhanced demographics. The 2011/12 Employment Equity Plan is in the process of being developed and then submitted to the Department of Labour on or before the 01 October 2011.

## **2.6 Workplace Skills Development Plan**

In accordance with the Skills Development Act and skills Levy Act, municipalities have to prepare and review the Workplace Skills Development Plan. The municipality is also in the process of reviewing the Workplace Skills Development Plan as required by the said Act, and implemented during 2011/12 financial year. The plan will seek to address employee's skills development, scarce skills and also skills audit of the municipality.

The municipality is a registered with the Local Government Sector Education and Training Authority (LGSETA), and skills development relating to all levels of employees functions have been undertaken and integrated into the plan.

## **2.7 Retention Strategy**

Municipalities located in rural areas are unable to retain skilled staff in their posts due to financial constraints, and they can't compete with well resourced municipalities. In order to address this challenge, the municipality needs to develop a retention strategy which will assist the municipality in retaining staff thereby ensuring effective in service delivery. The retention policy has been developed and approved by Council, and it will serve as good base for the preparation of the strategy.

## **2.8 The Intergovernmental Relations Structures**

The Intergovernmental Relations Framework Act (No 13 of 2005) stipulates that there must be a district Intergovernmental forum to promote and facilitate intergovernmental relations between the district and local municipalities within the district. Section 25 (1) of the legislation further indicates that:

A district intergovernmental forum consists of:

- a) the mayor of the district municipality;
- b) the mayors of the local municipalities in the district or, if a local municipality does not have a mayor, a councillor designated by the municipality; and
- c) the administrator of any of those municipalities if the municipality is subject to an interventions in terms of section 139 of the constitution.

In terms of Section 26 (1), the functions to be performed by the forum as stipulated in the legislation are as follows:

- a) draft national and provincial legislation relating to matters affecting local government interests in the district;
- b) the implementation of national and provincial policy and legislation with respect to such matters in the district;
- c) matters arising in the Premier's intergovernmental forum affecting the district;
- d) mutual support in terms of section 88 of the Municipal Structures Act (No 177 of 1998);
- e) the provision of services in the district;
- f) coherent planning and development in the district;
- g) the co-ordinations and alignment of the strategic and performance plans and priorities, objectives, strategies of the municipalities in the district;
- h) any other matters of strategic importance which affect the interests of the municipalities in the district.

Umzinyathi District Municipality has the following Intergovernmental Relations structures in place:

Intergovernmental Relations Forum	Objective of the Function	Functionality
<b>Umzinyathi District Coordinating Forum</b>	The objective of the forum is to promote and facilitate intergovernmental relations and cooperative government between the district and local municipalities, the forum meets on quarterly basis and is functioning properly. The forum was established on the 30 November 2007.	Yes
<b>Municipal Managers Forum</b>	The Municipal Managers Forum serves as a technical support to the District Coordinating Forum and implements their resolutions. The members of the technical support structure are the Municipal Managers of the district family of municipalities, or officials designated by them, and it also meets on quarterly basis and is functioning properly.	Yes
<b>IDP Representative Forum</b>	The purpose of the forum is to serve as a platform where the district family of municipalities meet with the sector departments, private organisations, business, NGO's and CBO's to discuss developmental issues that affect the district family.	Yes
<b>Planning and Development Forum</b>	The purpose of the forum is to co-ordinate planning and development within Umzinyathi District by ensuring improved and continued communication amongst the various planning sectors, and also to ensure that planning and development within the District is undertaken in a holistic way and that it takes place within the framework of all Municipalities' Integrated Development Plans.	Yes
<b>Disaster Advisory Forum</b>	The purpose of the forum is to implement, monitor and co-ordinate all disaster management related issues within Umzinyathi District by ensuring improved and continued communication. The forum consists of representatives from the district and local municipalities, SAPS, Traffic, emergency services etc.	Yes

<b>District Communicators Forum</b>	<p>The functions of the forum include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• To coordinate the sharing of information pertaining to all spheres of government;</li> <li>• To coordinate and organise a calendar of events for the district to ensure that these activities are streamlined across the district to avoid duplication and waste of resources; and</li> <li>• To provide support to local municipalities with regard to development of communication strategies.</li> </ul>	Yes
<b>Planning Cross border alignment Forum</b>	This forum ensures alignment and integration of functional areas on the IDP and Spatial development framework. It also assist the municipalities to align development issues in an efficient, effective and sustainable manner especially where there are shared and interdependent functional areas across the district.	Yes
<b>Disaster Cross border alignment Forum</b>	This forum ensures alignment and integration of functional areas on the Disaster Management.	Yes
<b>Chief Financial Officer Forum</b>	The purpose of the forum is to share information on financial management and also to provide advice to the Municipal Managers Forum on financial matters.	Yes
<b>Infrastructure Forum</b>	The purpose of the forum is to ensure integration and alignment of Infrastructure projects being implemented within the district.	Yes
<b>LED Forum</b>	The purpose of the forum is to coordinate and implement economic development programmes and projects, and also give effect on the alignment of the economic policies and strategies amongst the different spheres of government.	Not fully effective

<b>Tourism Forum</b>	Tourism is one the key economic sectors within the district. Therefore, the purpose of the forum is to coordinate and implement economic Tourism programmes and projects within the district.	Yes
<b>Agricultural Forum</b>	Agriculture is one the key economic sectors within the district. Therefore, the purpose of the forum is to coordinate and implement agricultural programmes and projects within the district.	Not fully effective

### 2.8.1 Challenges of Intergovernmental Relations Structures

Some the of the Intergovernmental Relations Structures that have been established by the municipality to ensure coordination and integration, are experiencing challenges and are not fully operational. The challenges being experienced are as follows but not limited to:

- Lack of participation of the sector departments and relevant stakeholders;
- Lack of human capacity from the local municipalities within the district; and
- Lack of consistency from the sector department and stakeholders in attending meetings.

## 2.9 AUDIT COMMITTEE

During 2008/09 financial year, the municipality established the Shared Services Audit Committee as required in terms of section 166(6)(a) of the Municipal Finance Management Act 56 of 2003 and Section 14(2)(a) of Municipal Planning and Performance Management Regulations 2001.

The broad objectives of the committee are as follows: -

- Maintaining oversight responsibilities of all financial and performance reporting;
- Seeking reasonable assurance that the operations of the Municipality are conducted efficiently and effectively;
- Seeking reasonable assurance that the Council has developed and complies with its policies, plans, procedures and internal controls.
- Seeking assurance that the Council complies with relevant legislation, regulations and professional pronouncements;

## 2.10 INTERNAL AUDITORS

In order for the Audit Committee to meet the broad objectives, the municipality established the Shared Services Internal Auditors to assist in attending to internal audit matters prior to submission to the Audit committee. The responsibilities of the Internal Auditors, amongst others are as follows:

- Review the Internal Audit Charter;
- Review the annual risk based plan and the internal audit program; and
- Ensure that all identified risk areas are prioritized and incorporated in the annual internal audit plan.

## 2.11 IDP INSTITUTIONAL ARRANGEMENTS

In order to ensure ownership of the process, the municipality continued to utilise the existing institutions as much as possible. The roles and responsibilities of participants in the planning process were defined in the 2011/12 IDP Review Process Plan. The institutional arrangements for the Comprehensive IDP are shown in table below:

MUNICIPAL STRUCTURE	RESPONSIBILITY
Council	As the ultimate political decision-making body of the municipality, the Municipal Council has to: <ul style="list-style-type: none"> <li>○ Consider, approve and adopt the Process Plan and the IDP Review.</li> </ul>
Executive Committee	The Executive Committee: <ul style="list-style-type: none"> <li>○ Delegate the overall management, co-ordination and monitoring of the process and drafting of the IDP to the Municipal Manager; and</li> <li>○ Approve nominated persons to be in charge of the different roles, activities and responsibilities of the process and drafting.</li> </ul>
IDP Steering Committee	Consists of the Municipal Manager, IDP Manager and the Municipal Heads of Departments, their functions are as follows: <ul style="list-style-type: none"> <li>○ Provide relevant technical, sector and financial information for priority issue analysis;</li> <li>○ Contribute technical expertise in the consideration of strategies and development of project;</li> <li>○ Provide departmental operational and capital budgetary information; and</li> <li>○ Be responsible for ensuring that project proposals are integrated with cross cutting dimensions such as Gender Equity, Employment Equity, BEE and addressing HIV/AIDS.</li> </ul>
IDP Representative Forum	Consists of steering committee members, sector departments, business, service providers, traditional leader's representatives, NGO's and civil society organizations. The role of the Representative forum is to: <ul style="list-style-type: none"> <li>○ Ensure alignment of programmes and projects with other spheres of government and private organizations; and</li> <li>○ Provide for public, private and civil society sector input to the IDP.</li> </ul>

MUNICIPAL STRUCTURE	RESPONSIBILITY
IDP Manager	<p>The role of the IDP manager is to assist the Municipal Manager in the co-ordination and management of the IDP process. This entails:</p> <ul style="list-style-type: none"> <li>○ Being responsible for secretarial services associated with the IDP meetings;</li> <li>○ Responding to comments on the draft IDP from the public;</li> <li>○ Horizontal alignment with other spheres of government to the satisfaction of the Municipal Council; and</li> <li>○ Ensuring proper documentation of the results of the planning process by the consultant team;</li> <li>○ Day to day management of the IDP.</li> </ul>

## 2.12 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

### 2.12.1 Individual Performance Management System

The 2010/11 performance agreements and employment contracts for all Section 57 Managers were signed timeously and submitted to the Department of Co-operative Governance and Traditional Affairs, two quarterly performance assessments have been undertaken and reports forwarded to the Internal Auditors, Audit Committee and ExCo. The performance agreements of the Section 57 Managers emanated from the Service Delivery and Budget Implementation Plan which links the organizational goals and targets of the organization.

The 2011/12 performance agreements for all Section 57 Managers will also be signed timeously, after the approval of the Service Delivery and Budget Implementation Plan, and then submitted to the Department of Co-operative Governance and Traditional Affairs.

### 2.12.2 Organisational Performance Management System

During 2008/09, the municipality developed a functional Organisational Performance Management System that addressed performance needs of the organization and also serve to promote a culture of performance management and to administer its affairs in an economical, effective, efficient and accountable manner as required by Section 38 of the Municipal Systems Act (No32 of 2000). The system has been functional since its development and is currently under implementation during 2010/11 financial year. In terms of measuring the performance of the municipality in implementing the 2011/12



IDP Review, the municipality has reviewed the entire system and developed the following:

- Organisational Scorecard;
- Four Departmental Scorecards;
- Performance Framework Plan; and
- Performance Policy.

The scorecards for 2011/12 have been developed and integrated into the 2011/12 IDP Review.

The organisational and departmental scorecards have been attached to the IDP as Annexure J 4.

## **2.13 ANNUAL REPORT**

Umzinyathi District Municipality has prepared the 2009/10 Annual Report as required by Section 121 (1) of the Municipal Finance Management Act No. 56 of 2003 and section 46 (1) of the Municipal Systems Act No. 32 of 2000. The annual report was tabled before Council on the 24 January 2011 for approval, and was subsequently approved.

Subsequent to the Council approval, the the Annual Report has been advertised for public comments, and submitted to the Department of Co-operative Governance and Traditional Affairs, Auditor General, Provincial and National Treasury for comments and inputs. The 2009/10 Annual Report complied with the provisions of Section 46 (1) of the Municipal Systems Act No. 32 of 2000, and those areas are as follows:

- Municipality's performance during the 2009/10 financial year along with the performance targets are reflected;
- Baseline of 2008/09 and 2009/10;

- General Key performance Indicators to relevant powers and functions;
- 2009/2010 IDP targets reflected;
- Corrective action reflected;
- Development and service delivery priorities and performance targets for 2010/2011;
- Financial statements for the 2009/10 financial year prepared according to generally recognised accounting practices; and
- Audit from the Auditor-General audit report.

On the 14 March 2011, the Standing Committee on Municipal Accounts performed an oversight function on behalf of Council on the 2009/10 Annual Report, and they have prepared an Oversight Report.

The 2009/10 Annual Report was approved by Council on the 24 March 2011.

## **2.14 DISASTER MANAGEMENT**

In terms of the Disaster Management Act (No 53 of 2002) section 25 states that each municipality within an applicable disaster management framework:

- Prepare a disaster management plan for its area according to prevailing circumstances;
- Co-ordinate and align the implementation of its plan with other organs of state and institutional role players; and
- Regularly review and update its plans.

Umzinyathi District Municipality adhered to the provisions of the Disaster Management Act (No 53 of 2002), and prepared a comprehensive Disaster Management Plan during 2008/09 financial year.

#### **2.14.1 Risk Assessment**

As part of the preparation of the Disaster Management Plan, risk assessment was undertaken to determine the type of risks prevailing in the municipal area in order to develop risk reduction methodologies. Through this process the following was taken into consideration:

- Identification of hazards;
- Risk consideration areas;
- Critical facilities analysis;
- Economical analysis;
- Environmental analysis; and
- Mitigating opportunity analysis.

Subsequent to the completion of risk assessment, a number of risks prevailing within the municipal area were identified which are as follows but not limited to::

- Fire (Veld, shack, structural, plantation);
- HIV/Aids;
- Floods;
- Lighting strikes;
- Road accidents;

- Droughts;
- High winds. Water shortage

The above identified hazards have been categorized for each local municipality and spatial represented in a map showing the vulnerable areas to different hazards.

#### **2.14.2 Mitigating measures**

The municipality has established project teams to implement projects aimed at mitigating the impact of the hazards and the projects have also been identified. The project teams comprises of multi-disciplinary team to play different roles in mitigating hazards. The roles to be performed by each stakeholder in relation to each hazard have been determined and they have also been workshoped on their roles.

#### **2.14.3 Contingency Plans**

As the risks prevailing within the municipality were identifies, the next step was then to develop the contingency plans for the identified. The contingency plans are developed to:

- Transfer contingency and scenario planning skills;
- To develop draft disaster management contingency plans that will address the identified hazards in a multidisciplinary and integrated manner
- To identify early warning systems, response and mobilisation mechanism.

Contingency Plans have been reviewed for the following hazards and potential risks associated with the Umzinyathi District Municipality area:

- Fires;
- Hazardours materials;

- Air craft incident;
- Epidemics;
- Weather related;
- Explosion

#### **2.14.4 Status of the Local Municipalities Disaster Management Plans**

The Disaster Management Plans for Umvoti and Endumeni Local Municipalities have been development and are in place. The district is to assist Nquthu and Msinga Local Municipalities to develop their Disaster Management Plans during the 2011/12 financial year.

#### **2.14.5 Disaster Management Volunteers Programme**

Umzinyathi District Disaster Management Volunteers Unit has been established to develop a support program for the community emergency service operations that will focus on helping the communities to deal with disasters or unusual circumstances.

#### **2.14.6 2011/12 Disaster Management Programmes**

Installation of the latest Disaster Management Console / System at the Umzinyathi District Disaster Management Centre in order to link with local municipalities within the District and KZN Provincial Disaster Management Centre.

Review and update of the Disaster Management Plan to update the risks and mitigating measures.

Disaster Management Plan is attached herewith as Annexure J 2.

## **2.15 MUNICIPAL TURNAROUND STRATEGY**

During 2009, National Department of Co-operative Governance and Traditional Affairs visited all 283 municipalities in the country to undertake provincial assessments. The purpose of the assessments was to determine the key challenges facing local government and to establish root causes for poor performance. From these assessments, the consolidated State of Local Government Report was compiled. Following the analysis of the results of these assessments and from the issues covered in the overview report, the LGTAS (Local Government Turnaround Strategy) was created. The LGTAS was approved by National Cabinet on 2 December 2009, and presented to a Cabinet Lekgotla in February 2010.

### **2.15.1 The objectives of the LGTAS are:**

- **Restore the confidence** of the majority of our people in our municipalities, as the delivery machine of the developmental state at a local level and make municipalities the pride of our people; and
- **Re-build and improve the basic requirements** for a functional, accountable, responsive, effective, efficient developmental local government

### **2.15.2 Umzinyathi District Municipal – Municipal Turn Around Strategy**

Umzinyathi District Municipality Turnaround Strategy was developed in partnership with the KZN Department of Co-operative Governance and Traditional Affairs on the 13 – 14 April 2010. Councillors, Administration, Ward Committees, Sector Departments, Business Community were part of the stakeholders that developed the Municipal Turnaround Strategy. The following ten priorities were developed as part of the turnaround strategy:

<b>No</b>	<b>Priority Projects</b>	<b>Responsible Portfolio Committee</b>
1.	Water	Technical Services
2.	Sanitation	Technical Services
3.	Access Roads	Technical Services
4.	Refuse Removal	Technical Services
5.	Revenue enhancement strategy	Finance
6.	Implementation of the LED Strategy	Planning and Social Development

7.	Capital expenditure / Cashflow management	Finance
8.	HIV/Aids and poverty alleviation programmes	Planning and Social Development
9.	Youth, women and people living with disability programmes	Planning and Social Development
10.	Energy / Electricity (preparation of the Electrification Development Plan)	Technical Services

As part of the monitoring process for the implementation of the above ten priorities through the turnaround strategy, quarterly reports are being prepared indicating progress made in reaching the targets, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs.

## **2.16 DEVELOPMENT PLANNING SHARED SERVICES**

### **2.16.1 Background to the Development Planning Shared Services**

The Department of Co-operative Governance and Traditional Affairs is currently rolling out the development planning shared services in all 10 district municipalities. The shared services is intended to:

- Optimise planning functions and resources in District families to increase efficiency and reduce costs of service;
- Create an environment of learning where junior and inexperienced staff can be mentored by more experienced staff;
- Promote continuity where the loss of one staff member should not disrupt services;
- Promote integration and alignment (IDP – Spatial Plans – Housing etc); and
- Replace previous DLGTA Capacity Building Programmes

### **2.16.2 Progress with Umzinyathi District Family Shared Services**

All four local municipalities and the district are part of the Development Planning Shared Services, and have signed the Business Plan and Service Level Agreement. The structure for Umzinyathi district family of municipalities has six posts, of which two of them, namely, the Chief Planner and GIS Specialist are located at the district level.

The two Senior Planners and GIS Technicians will be shared by the local municipalities, but will be located at Umvoti and Endumeni Local Municipalities, the sharing of the personnel will be as follows as outlined in the business plan:

- First Senior Planner will be shared by uMvoti and Msinga Local Municipalities on a ratio of 12 : 8 (i.e. 12 days per month for uMvoti, 8 days for Msinga);
- Second Senior Planner will be shared by Endumeni and Nquthu Local Municipalities on a ratio of 12 : 8 (i.e. 12 days per month for Endumeni and 8 days for Nquthu);
- First GIS Technician will be shared by uMvoti and Msinga Local Municipalities on an equal basis; and
- Second GIS Technician will be shared by the Endumeni and Nqutu Local Municipalities on an equal basis.

Five posts in the Shared Services have been filled, except the post of the Chief Planner which is in the process of being filled.

### **2.16.3 GIS Strategic Programmes**

Establishment of the Corporate GIS for UMzinyathi and family of Local Municipalities for the Corporate GIS purpose of enhancing Shared Services Initiative and also to assist Technical Services to digitally verify, capture and document water and sanitation infrastructure projects within the district, for the enhancement of the Water Services Development Plan and also the Spatial Development Framework.



## **CHAPTER 3: SPATIAL DEVELOPMENT FRAMEWORK AND ENVIRONMENTAL ANALYSIS**

### **3.1 SPATIAL DEVELOPMENT FRAMEWORK**

During 2008/09, Umzinyathi District Municipality successfully completed the review of the Spatial Development Framework; the municipality is currently integrating the spatial data relating to water and sanitation to enhance the spatial representation of the Spatial Development Framework to indicate Capital Investment made by the municipality over the past few years also future projects, and this process will be completed during the first quarter of 2011/12 financial year.

The Spatial Development Framework was prepared according to the following procedures:

#### **3.1.1 Review Status Quo**

The aim of this phase was to assess and access all existing data, identify gaps in information and obtain such information where available. The Status Quo report aimed to provide information in respect of the following:

- Overview of the Legal and Policy Environment
- Overview of the Umzinyathi Municipal Area
  - o Regional context
  - o Administrative entities
  - o Broad land use characteristics
  - o Demographic and socio-economic profile
  - o Main economic characteristics
- Overview of Existing Studies
  - o Overview of existing studies and sector plans
  - o District initiatives and projects
  - o Spatial locality of existing and committed projects
- The Natural Resource Base
  - o Environmental Analysis
  - o Natural Environment
  - o Open Space System
  - o Agriculture
- Infrastructure Assessment
  - o Housing Analysis
  - o Community Facilities Analysis
  - o Infrastructure Analysis
  - o Bulk Utility Services

- Roads and Transport Networks
- Key Spatial Planning and Development Issues

### **3.1.2 Review of Spatial Planning and Development Principles**

Apart from the principles contained in legislation such as the Development Facilitation Act (DFA), guiding principles were extracted from the following sources to provide guidance in this regard:

- Millennium Development Goals (MDG)
- Development Facilitation Act (DFA)
- National Spatial Development Perspective
- Provincial Spatial Economic Development Strategy

### **3.1.3 Analysis of Existing Spatial Pattern**

An analysis was undertaken of the spatial patterns of the Umzinyathi district municipality. The analysis had the following focus:

- Identification of areas of highest agricultural potential
- Accessibility mapping in respect of access to nodes
- Preparation of a poverty index
- Accessibility mapping in respect of infrastructure, i.e. electricity, sanitation, water and community facilities as well as the combined infrastructure needs
- Analysis of relation between land capability and areas of poverty
- Analysis of relation between population density and access to community facilities
- Analysis of population density distribution and location of environmentally sensitive areas
- Spatial relation between areas of highest population density that are also areas of high poverty

Consideration was also given to movement patterns as extracted from transportation investigations undertaken by the district.

### **3.1.4 Identification of desired Spatial Pattern and Spatial Intervention Areas**

The main focus of this phase of the project was to identify strategic areas, given the analysis undertaken, where strategic intervention is required, e.g. where conflicting land uses exist. Also, areas where priority spending is required to redress severe poverty, for example, were identified.

### 3.1.5 Spatial Development Framework Consolidation

Based on the results of the previous phase, the spatial development framework of the municipality was revised and SDF Implementation Plan prepared.

#### 3.1.5.1 Key Spatial Issues

Hereunder, is list of key spatial issues is provided as identified during the preparation of the SDF Review, notably the status quo and analysis components. In addition, a typical planning/development response is elicited for each issue:

<b>Key Issue</b>	<b>Typical Response</b>
Potential for agricultural growth in central parts of district.	<ul style="list-style-type: none"> <li>○ Create linkages between 1<sup>st</sup> and 2<sup>nd</sup> economy in respect of agriculture.</li> <li>○ Enable transformation of the sector.</li> </ul>
Western portion of district has distinct tourism potential.	<ul style="list-style-type: none"> <li>○ Support for cultural and heritage tourism initiatives.</li> </ul>
High occurrence of poverty in central parts of the district.	<ul style="list-style-type: none"> <li>○ Build on strengths and potential of particular area to address poverty.</li> </ul>
Existing agricultural and tourism activity corridors in the district as provided by the PSEDS.	<ul style="list-style-type: none"> <li>○ Harness potential provided by existing corridors.</li> </ul>
District borders five other district municipal areas.	<ul style="list-style-type: none"> <li>○ District has good accessibility and is centrally located in the province. The potential exists for forward and backward economic linkages between the districts should be explored.</li> </ul>
The vast majority of commercial activity is found in the north (Endumeni) and in the south (Umvoti).	<ul style="list-style-type: none"> <li>○ Economic opportunities of a commercial (value adding) nature that create opportunities to be identified in Nquthu and Msinga as well.</li> </ul>
Low levels of urbanization with approximately 82% of the people living in the rural areas.	<ul style="list-style-type: none"> <li>○ Plan for in-migration towards more formal urban areas. This is a natural process that takes place and provision should be made for maintenance of urban infrastructure.</li> </ul>
The district is characterized by large infrastructure backlogs, particularly in respect of water and sanitation and mainly in the rural areas.	<ul style="list-style-type: none"> <li>○ Backlog eradication needed in rural areas in particular to provide all with at least basic level of service.</li> </ul>
The topographic characteristics of the district make the development of infrastructure difficult and costly particularly in the steep terrain.	<ul style="list-style-type: none"> <li>○ Importance for well developed infrastructure planning and application of prioritization criteria.</li> </ul>

### 3.1.5.2 Spatial Planning and Development Principles

Apart from the principles contained in legislation such as the Development Facilitation Act (DFA), guiding principles were extracted from the following sources to provide guidance in this regard:

- Millennium Development Goals (MDG)
- Development Facilitation Act (DFA)
- National Spatial Development Perspective
- Provincial Spatial Economic Development Strategy

The Millennium Development Goals (MDG) note the following:

- Eradication of extreme poverty and hunger
- Achievement of universal primary education
- Promotion of gender equality and empowerment of women
- Reduction in child mortality
- Improvement of maternal health
- Combating HIV/Aids, malaria and other diseases
- Ensuring environmental sustainability

More details on the principles are provided hereunder:

The **Development Facilitation Act (DFA), No. 67 of 1995** contains general principles for land development and decision making. Some of these principles, as contained in section 3 of the Act, are summarized herewith.

- Provision should be made for urban and rural land development – including the development of formal and informal, existing and new settlements.
- Illegal occupation of land should be discouraged.
- Land development should take place effectively and in an integrated manner by:
  - Integrating social, economic, institutional, environmental and spatial aspects of land development.
  - Developing urban and rural areas in support of each other.
  - Providing areas of residence and job opportunities close together or integrated with each other.
  - Optimize the use of existing resources.
  - Permitting and encouraging diverse land uses.
  - Rectifying the distorted spatial patterns of the past.
  - Compaction of towns to discourage urban sprawl.
  - Ensuring a sustainable natural environment.
  - Promote conditions under which economic activities can flourish.
  - Create opportunities for small business at places of high accessibility and economic agglomeration.
  - Provide the basics for survival to all existing settlement and focus on places with economic potential to provide a higher level and wider range of services or facilities.
- Development within an area should take place within the limited resources, financial, institutional and physical of the area in order to create a viable

community and to protect the natural environment to enable economic growth.

The National Spatial Development Perspective (**NSDP**) prescribes a number of principles to guide spatial development. The NSDP principles have a number of spatial implications that need to be considered when preparing Spatial Development Frameworks, notably focused economic investment that has maximum benefit. Also, locating community and other services/facilities in such manners that as many people as possible benefit.

The KwaZulu-Natal Government prepared a Provincial Growth and Development Strategy (**PGDS**) and complemented it with the preparation of a **Provincial Spatial Economic Development Strategy (PSEDS)** to give effect to the PGDS. Other purposes of the PSEDS can be outlined as follow:

- Address spatial imbalances, curb urban sprawl and ensure sustainable interventions
- Identify priority areas and types of development
- Align to municipal spatial development frameworks
- Guide budgeting processes of the province and municipalities
- Influence investment decisions of the private sector

The **PSEDS is built on the principles of the National Spatial Development Strategy (NSDP)**, namely:

**Principle 1:** Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of poverty alleviation.

**Principle 2:** Fixed investment should be focused in localities of economic growth or economic potential.

**Principle 3:** Where low economic potential exists investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.

**Principle 4:** Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main centres.

In summary, the following is critical for the SDF review:

1. All communities are to be provided with at least a basic level of service.
2. Areas targeted for economic growth and development are provided with appropriate levels of infrastructure to attract investment interest – not only to address the immediate need, but also to provide for reasonable expansion and growth.

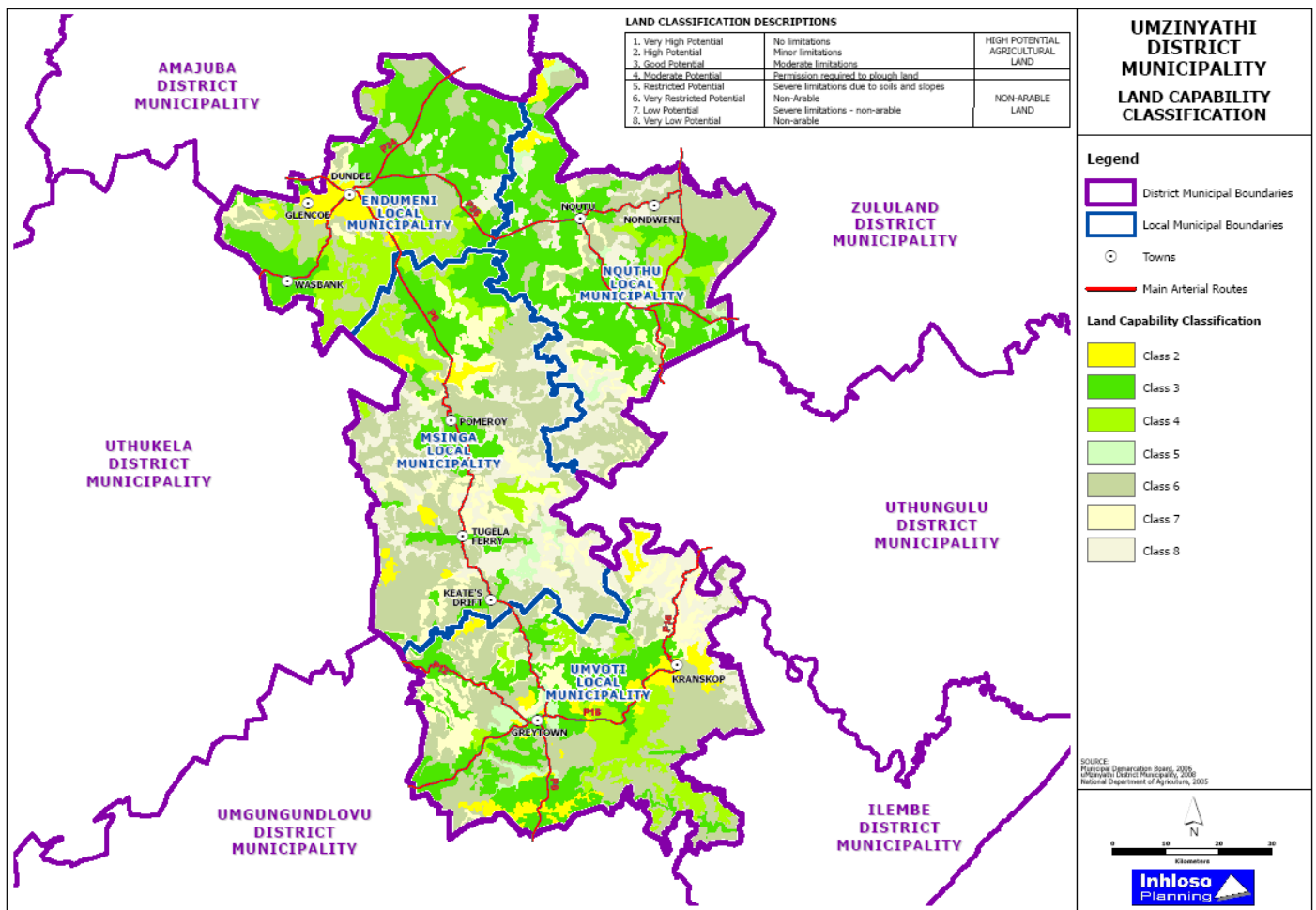
### **3.1.5.3 Outcomes of the Spatial Analysis**

The key focus areas of the spatial analysis component of the SDF Review have already been noted. Herewith a more detailed explanation of the process and results is provided:

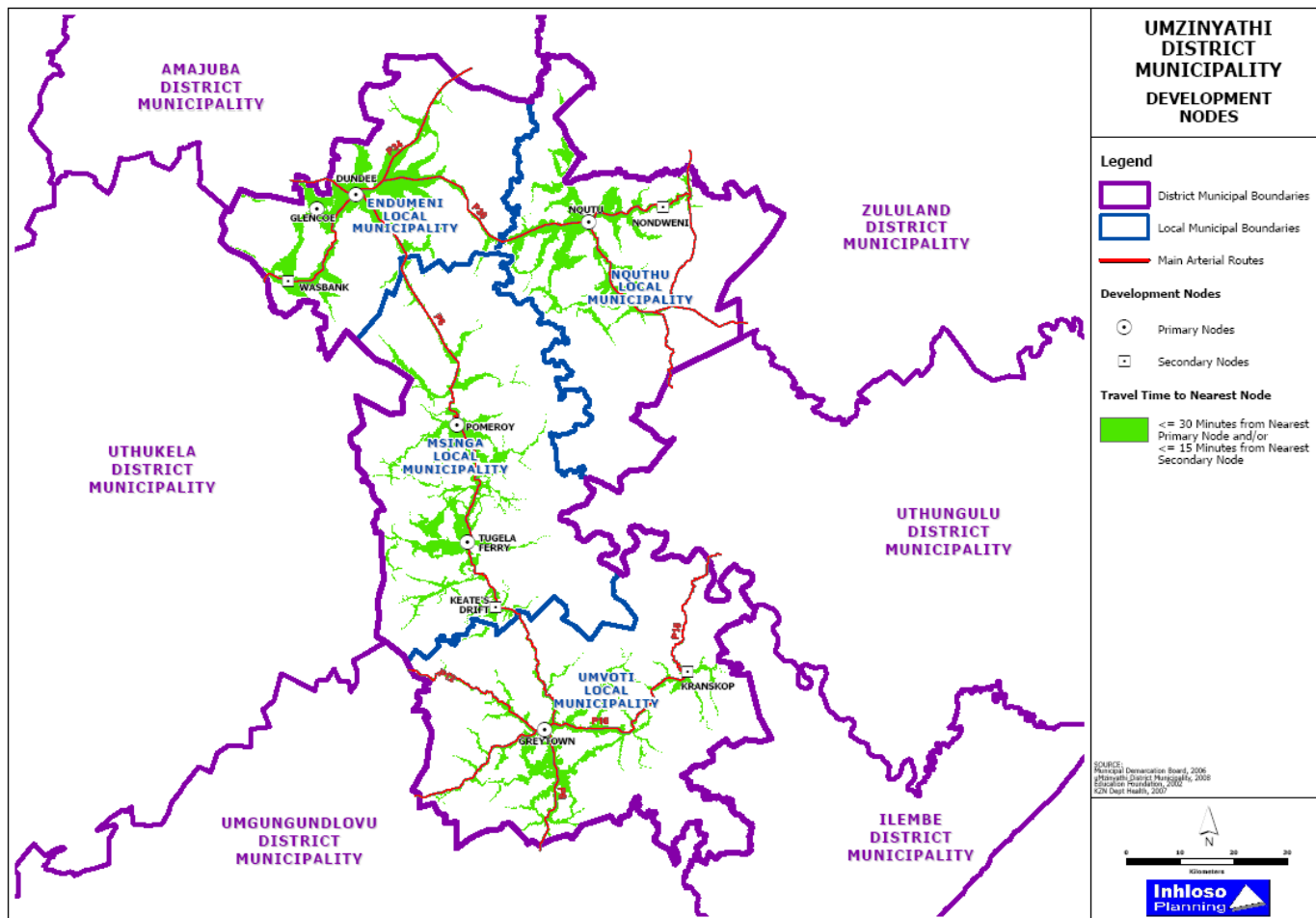
- The identification of areas of highest **agricultural potential** was informed mainly by the land capability information from the National Department of Agriculture, 2005. The following land classification descriptions are noted:

**LAND CLASSIFICATION DESCRIPTIONS**

1. Very High Potential 2. High Potential 3. Good Potential	No limitations Minor limitations Moderate limitations	HIGH POTENTIAL AGRICULTURAL LAND
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- Accessibility mapping in respect of **access to nodes** was produced and is shown at overleaf. Nodes being defined as follow: A connecting point at which several lines come together OR a concentration/centre of human, economic, social interaction/activity. The mapping produced in this regard is shown hereunder.

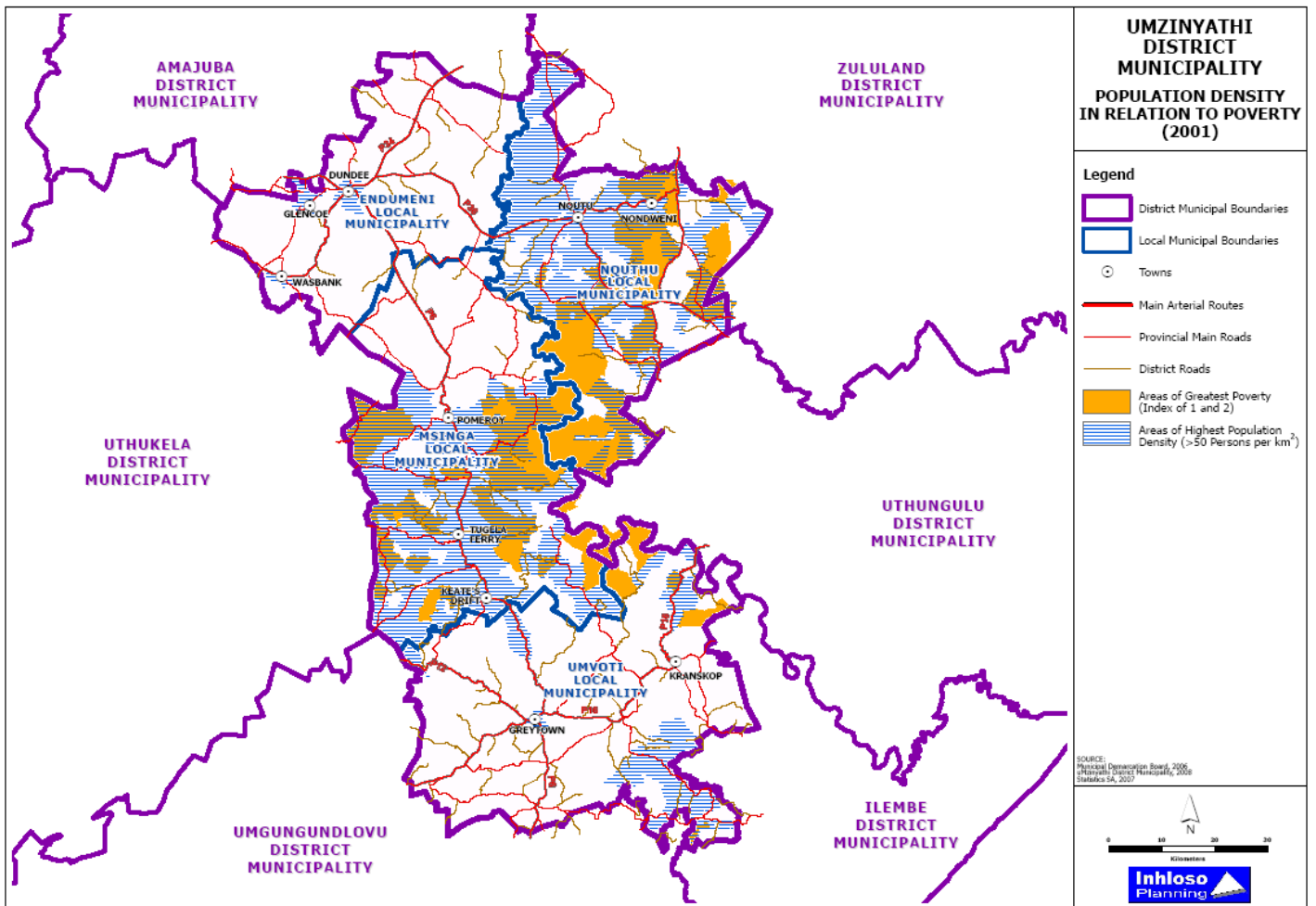


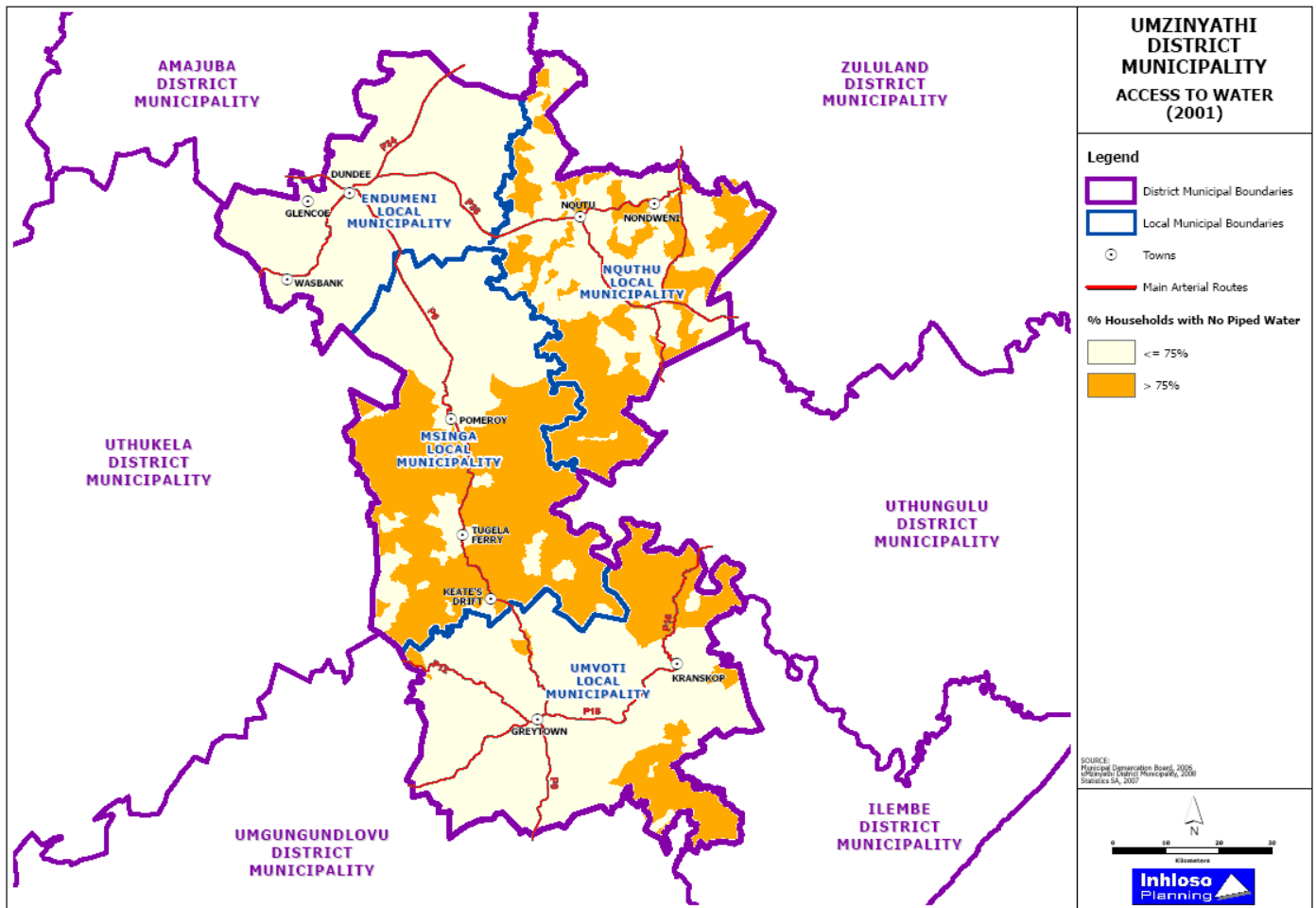
For the preparation of a poverty index the following methodology was applied and consideration was given to poverty levels based on four socio-economic criteria, namely income, unemployment, dependency and education (literacy).

- Income: the percentage of persons earning less than R400 per month (including those with no income).
- Unemployment: the percentage of the Labour Force that is unemployed.
- Dependency Ratio: the ratio of Dependents to Earners (i.e. people who are employed).
- Education: the percentage of persons over 20 years of age with no education.



The resultant poverty index map is shown hereunder:

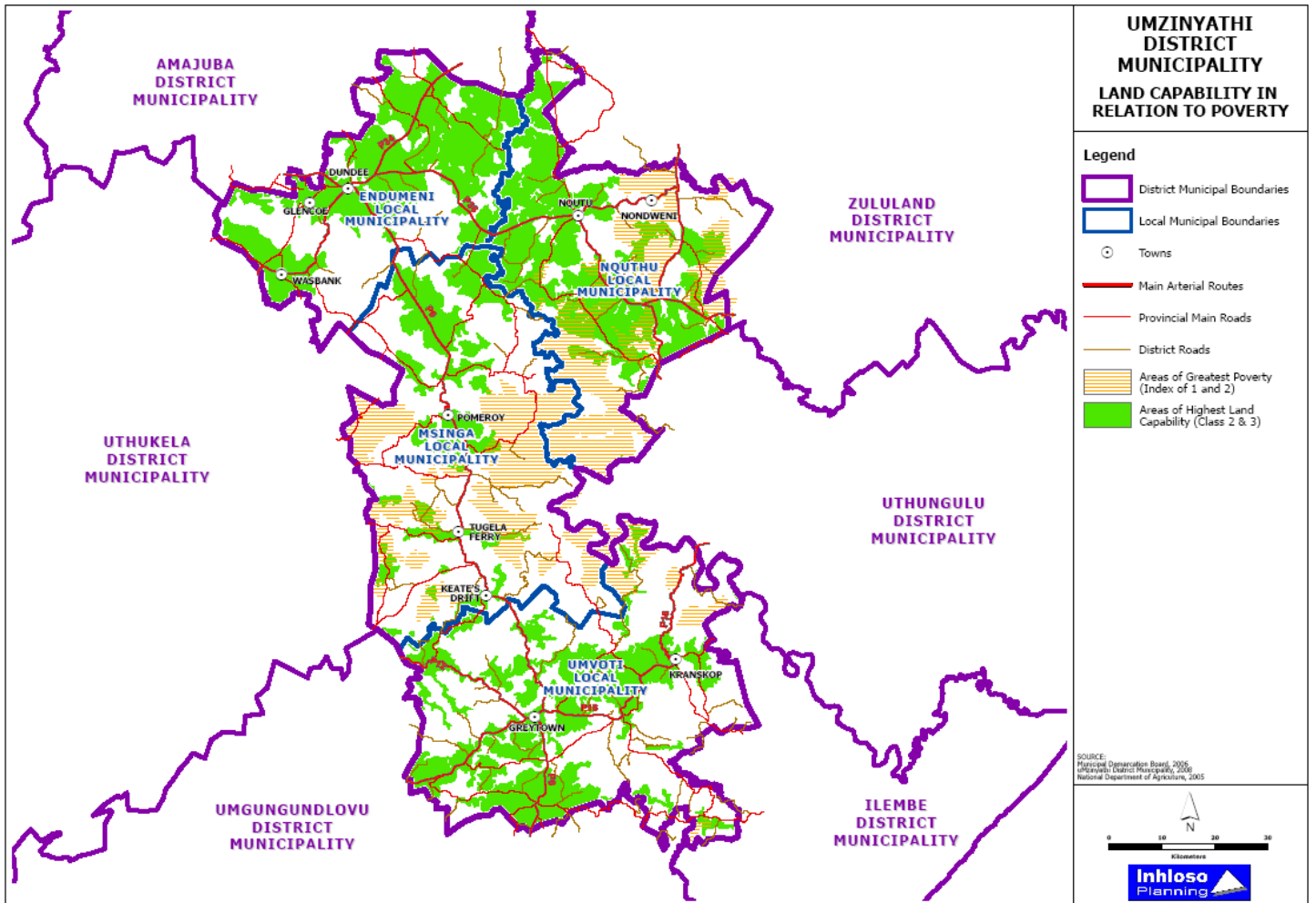




Accessibility mapping in respect of infrastructure, i.e. electricity, sanitation, water and community facilities as well as the combined infrastructure needs, the resultant combined infrastructure needs map provided herewith.

The mapping on the previous page and above is informing the district with regard to the identification of areas where the basic needs have to be met.

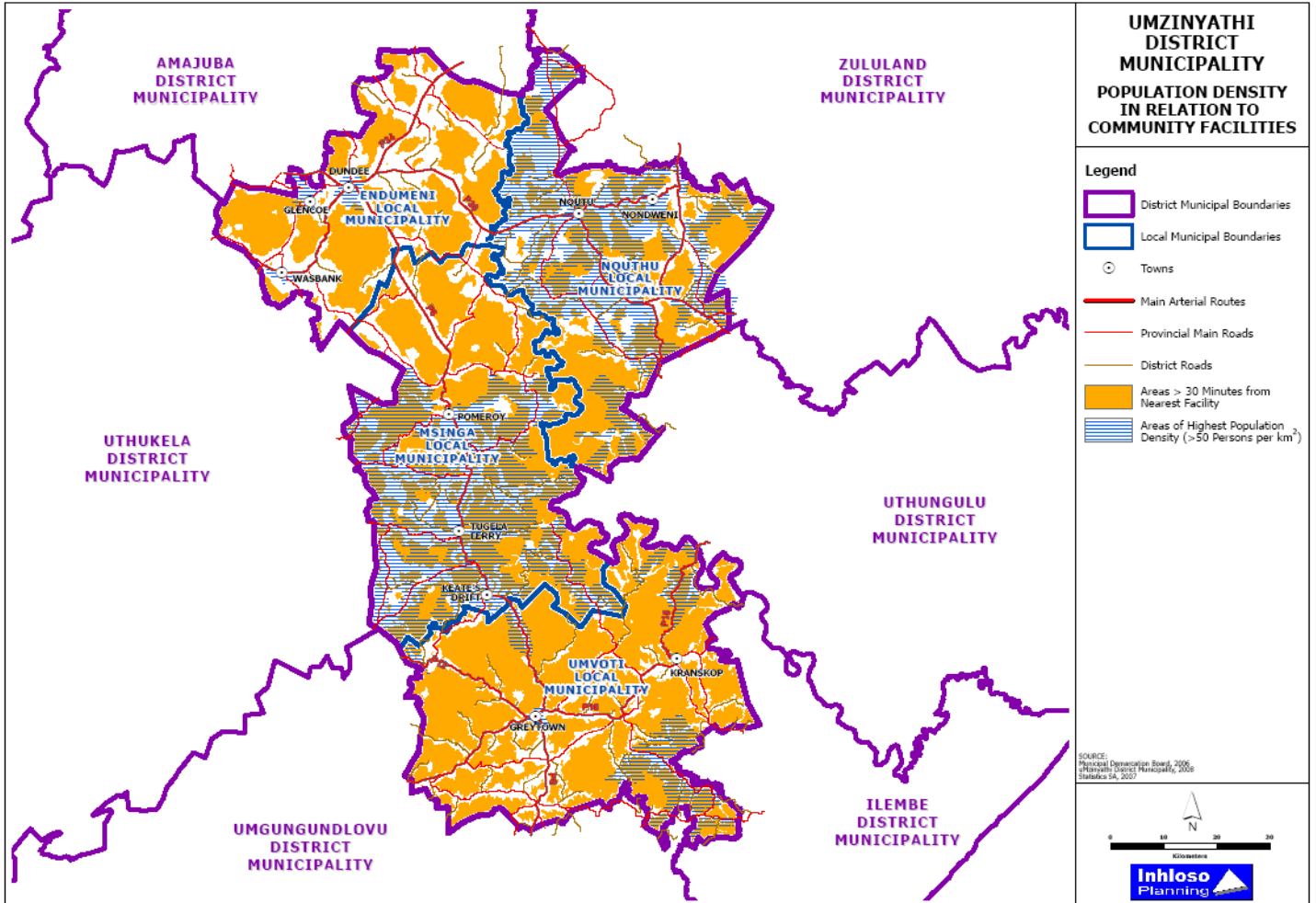
Analysis of relation between land capability and areas of poverty is shown herewith:



The above analysis is very important when considering the principle of need and potential. In this regard, any investment aimed at fostering the existing agricultural potential in an area that has a high poverty index has the potential to not only address the immediate need, but also to provide for reasonable expansion and growth.

Herewith, an analysis of the relation between population density and access to community facilities is provided. The rationale behind this analysis is that (1) areas that do have poor access to community facilities are shown that are (2) also densely populated.

Thus, any provision in community/social facility related needs has the potential to address the need of a relatively large beneficiary community.



The analysis of population density distribution and location of environmentally sensitive areas was also undertaken. The importance of this analysis is borne in the IDP that notes the wide variety of ecosystems and habitats in the district and the high conservation value of some areas due to the presence of endemic species. The IDP document also notes that indicators are present that inform authorities that something is happening which will make the natural environment 'change direction, often for the worse. These indicators can be simple things e.g. a change in the size of a wetland, a change in the number and type of species in an area, or even changes in the things people do. The following interesting indicators are relevant to the review of the SDF:

### 3.1.6 Identification of Intervention Areas and Consolidated SDF

In the previous sections of this report principles were discussed as well as the results of an extensive analysis process. Some more clarity is provided in respect of “desired spatial pattern” and “spatial intervention areas”.

The **desired spatial pattern** of an area is regarded as a situation rather than an environment with specific characteristics. Thus, the desired spatial pattern of an area should be measured as a situation of sustainability. Sustainability indicators will differ for various areas. In some areas the carrying capacity of the land can only support a minimum number of households while other areas, such as the urban areas, can support many thousands of households. The vision of the district is considered to be a good indicator of its desired state of sustainability.

**“Umzinyathi District Municipality shall be a self sustainable organization that promotes integrated development”**

Sustainability is also about reaching equilibrium. A stage will be reached when the migration patterns of communities stabilize and the following should be noted:

**Spatial intervention areas** refer to specific areas where deliberate actions from either the district municipality or any other tier of government can improve on a situation that prevails in the said area. Importantly, spatial intervention areas are identified and have to be benchmarked against an acceptable standard. The identification of spatial intervention areas can be considered as a step towards achieving a desired spatial pattern.

#### 3.1.6.1 Desired Spatial Pattern

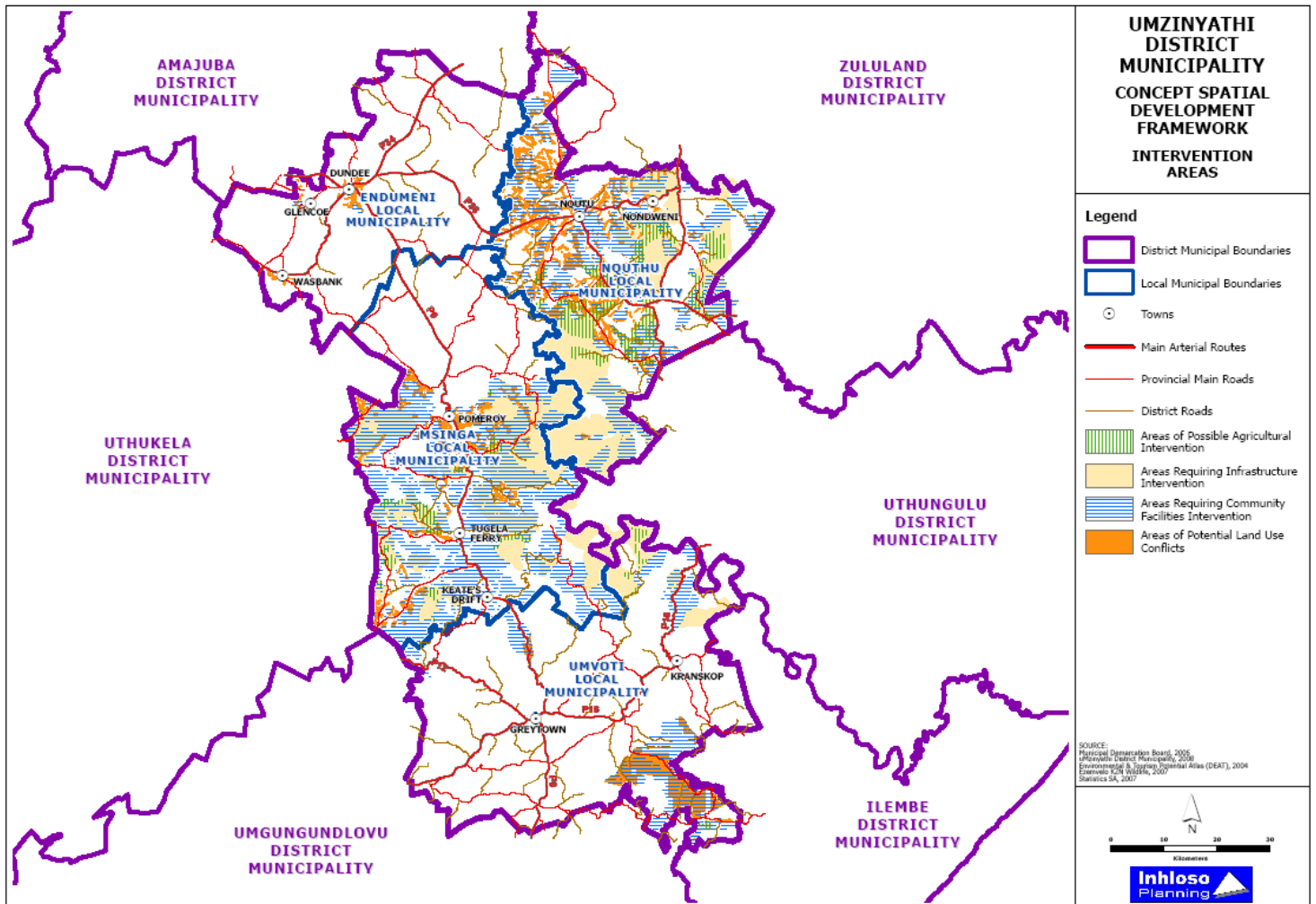
The desired spatial pattern is in essence the series of nodes and corridors as mooted in various provincial documents as well as in the SDFs of the respective LMs. In order to attain such a desired spatial pattern, a process of development within the district has to take place. This process of development entails investment in areas of potential and also in those areas of need. The latter areas are not necessarily along the identified nodes and corridors but the nodes and corridors and these listed areas will have a mutual impact on each other.

An ongoing movement of people from areas in the rural areas towards the urban areas is anticipated. It is therefore imperative that the necessary actions be taken to ensure that the urban centres of the district remain sustainable in terms of infrastructure provision – thus provision should be made for expansion and maintenance.

It is furthermore likely that people will move from areas that offer little opportunity to areas that offer more opportunity and services. Still, those communities in areas of lesser – albeit perceived lesser - opportunity should be afforded at least a basic level of service and investment should also be focused on people in those areas. This is imperative to ensure that the education and capacity of these people is developed so that, when they decide to move to a location of more opportunity, they can contribute to the development of the area in the form of a skill or trade. Entrance into the economy will also be improved. Thus, in those areas identified in the SDF that do not offer significant opportunities per se, specific attention should be given to FET and ABET related projects.

### 3.1.6.2 Spatial Intervention Areas

The determination of Spatial Interventions Areas is discussed in this section and has mainly been informed by the extensive analysis that was undertaken. The following map is a representation of the spatial intervention areas and a discussion is provided thereafter.



Areas indicating possible **agricultural intervention** are shown. These areas were determined by the analysis of areas of higher agricultural potential in relation to areas of higher population density. The intention with identifying such areas is to consider the promotion of agricultural activities in the area for both subsistence and commercial purposes. The latter will require some more detail investigations in order to identify viable crops and it is known that work is constantly done by the Department of Agriculture in this regard. Also, importantly, there are a number of factors that will also need localised investigations with regard to the land capability, i.e. soil acidity and

rainfall. It is also noted that the upgrade of the road to Msinga Top will create agricultural opportunities in the area due to the improved access. A further important consideration is that the areas shown to be of higher agricultural potential do not total a large area. As such, care should be taken when making development decisions of a non-agricultural nature in those areas.

The mapping provided on the previous page also indicates areas requiring **infrastructure intervention** and were essentially determined to indicate those areas where all of the following conditions prevail:

- Areas where more than 75% of the households do not have electricity for lighting
- Areas where more than 75% of the households do not have hygienic toilets
- Areas where more than 75% of the households do not have access to piped water.

It is important to note that a series of individual maps indicating the above have been prepared to inform sector specific interventions but that for the purpose of the intervention areas mapping, the areas with worst hardship in this regard have been indicated.

The intervention map indicates areas of **priority community facility investment** as well. Again, emphasis has to be placed that basic needs have to be met. The analysis undertaken as part of this SDF Review has indicated areas that do not have access to community facilities, i.e. those areas that are more than 30 minutes travel time from community facilities. The resultant mapping indicated vast areas of higher population density where community facilities are lacking. Thus, as a first priority, those areas that have a proven community facility need, and have a population density of more than 50 people/km<sup>2</sup> have been identified.

Some mapping has also been prepared in respect of tourism facilities and potential in the district. **Tourism** development needs support from a capital investment and mentoring perspective. As with agriculture, care should be taken when considering development in close proximity to areas of tourism potential to ensure that the comparative advantage of an area is not hindered. Also, such areas should be prioritized for Business Plan formulation in order to obtain implementation funding.

### 3.1.7 Alignment of the SDF to the Umzinyathi IDP

Given that an SDF is the visual representation of a municipal IDP it is imperative that the outcomes of the SDF have to be related to the issues, actions and strategies of the IDP. In this section, the main components of this alignment is noted:

- The Umzinyathi District Municipality is affected by **two secondary provincial corridors**, notably the SC 12 Greytown – Msinga – Madadeni as well as the SC 13 Nkandla – Nqutu – Vryheid. In addition, the Department of Local Government and Traditional Affairs has committed R1,5 million to the development of the SC 13 corridor. This includes the following initiatives:
  - District Tourism Strategy
  - District Signage Programme
  - Endumeni Craft and Food Market Stalls
  - Additions to the Msinga Curio Shop
  - Muden Arts and Craft Centre

The following is provided with regard to the Umzinyathi District strategies – that have a clear spatial implication and which have been developed in line with the Key Performance Areas of the Five Year Local Government Strategic Agenda.

KPA 1: Basic Service Delivery and Infrastructure Development
Strategy 1: Facilitate Effective Infrastructure and Sustainable Service Delivery
This strategy focuses on facilitating the provision of new infrastructure and also the maintenance of existing infrastructure to ensure sustainable service delivery within the district.
<u>Outcome</u> : The ultimate aim of the strategy is to reduce the water backlog which is 33% (33217) households by 8% (2618 households) and sanitation which is 18% (17772 households) by 21% (3800 households) for the 2011/12 financial year through the implementation of MIG projects.



KPA 4: Local Economic Development
Strategy 4: Promote Economically and Socially Sound District
The strategy aims to identify potential and feasible initiatives that will contribute to the alleviation of poverty within the District Municipality.
<u>Outcome:</u> Grown and diversified district's unique competitive advantage in heritage and potential for cultural tourism, grown district's competitive advantage in agricultural processing in those sectors, clusters and value chains in which the district already has a distinctive competence (dairy, maize-milling, vegetables, beef feedlots and timber), increased the service and commercial capacity of the nodal towns in the District (Dundee, Greytown, Pomeroy, Tugela Ferry and Nquthu); established targeted skills development programme and SMME business development services for competitive sectors, clusters and value chains and established District LED Institutional Arrangements (human resources, structures, processes and budgets) to drive the implementation of the UMzinyathi LED Strategy and Plan (2008 – 2011/12)

The integration of Capital Investment Plan into the SDF is still underway to indicate linkages between the SDF to the three years Capital Investment Plan. The Spatial Development Framework is attached herewith as Annexure J 1.

### **3.2 STRATEGIC ENVIRONMENTAL ANALYSIS**

During August 2009, Umzinyathi District Municipality identified the need to prepare a Strategic Environmental Assessment to ensure that these unique environmental features are appropriately considered within the context of sustainable development in its area of jurisdiction. The process is primarily aimed at ensuring that environmental sustainability aspects are considered in the Integrated Development Plan and the Spatial Development Framework of the municipality. The overall objectives of the Umzinyathi SEA are to:

- Pro-actively inform development plans and programmes of the UDM, specifically the SDF as the spatial expression of the District IDP;
- Identify opportunities and constraints which the environment places on development;
- Provide information on sustainability of envisaged development as described in the District IDP and SDF
- To maintain and/or enhance the level of environmental quality of the area

Strategic Environmental Assessment (SEA) is becoming an accepted and widely used instrument for integrating environmental issues into the formulation of plans and programmes. It is generally referred to as a *process to assess the environmental implications of a proposed strategic decision, policy, plan, and programme, piece of legislation or major plan*. SEA aims to integrate environmental (biophysical, social and economic) considerations into the earliest stages of policy, plan and programme development.

#### **3.2.1 Relationship between Strategic Environmental Assessment and Spatial Development Framework**

**Table 7** below describes some of the main steps in the SEA process that can be integrated into the SDFs, or be used to develop and refine these spatial frameworks in order to strengthen sustainability considerations.

**Table 7. The relationship between SEA and SDF**

<b>MAIN STEPS IN THE SDF PROCESS</b>	<b>TYPICAL ACTIVITIES</b>	<b>KEY ELEMENTS IN THE SEA PROCESS TO BE INTEGRATED</b>
<b>Development perspective</b>	<ul style="list-style-type: none"> <li>▪ Defining the scope and purpose of the study</li> <li>▪ Defining the spatial boundaries of the study</li> <li>▪ Considering the broader policy and planning context</li> <li>▪ Collecting, analyzing and evaluating relevant information</li> </ul>	<ul style="list-style-type: none"> <li>▪ Define objectives and purpose of SEA</li> <li>▪ Stakeholder engagement</li> <li>▪ Define scope, time and space boundaries</li> <li>▪ Determine policy and planning context and check consistency with laws, policies, plans, strategies</li> <li>▪ Gather and synthesis of existing information, and determine environmental <i>status quo</i> and trends</li> <li>▪ Identify environmental resource opportunities and constraints</li> <li>▪ Identify key strategic issues and effects</li> <li>▪ Consider future scenarios</li> </ul>
<b>Development strategy</b>	<ul style="list-style-type: none"> <li>▪ Deciding on a vision, goals and objectives for development;</li> <li>▪ Determining optimum spatial development and management zones</li> <li>▪ Formulating policies and strategies through which the goals and objectives can be realized</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure that the vision reflects the principles of sustainability</li> <li>▪ Ensure sustainability objectives are included</li> <li>▪ Determine sustainability criteria and associated indicators</li> <li>▪ Decide on levels of environmental quality</li> <li>▪ Ensure that the alternative strategies developed are consistent with the principles of sustainability and the sustainability objectives and criteria identified as part of the SEA process.</li> </ul>
<b>Implementation plan</b>	<ul style="list-style-type: none"> <li>▪ Considering spatial implications</li> <li>▪ Considering institutional and financial implications</li> <li>▪ Prioritizing actions, linked to budgets</li> <li>▪ Recommending monitoring and feedback to allow re-evaluation of priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Determine alternatives that best meet sustainability objectives</li> <li>▪ Develop a SEMP, including monitoring and management requirements</li> <li>▪ Define clear framework and criteria for 'downstream' impact assessment, guidelines, environmental control zones, mechanisms, parameters etc. (as appropriate)</li> </ul>

*Source: Adapted from DEAT, 2007*

### 3.2.2 Relationship between the Integrated Development Plan and Environmental Sustainability

The concept of environmental sustainability is not only relevant to the Environmental Management Plan and Spatial Development Framework of the municipality but also in terms of its overall contribution to the municipal **Integrated Development Plan**. Table 8 below summarizes the link between the required IDP sections and environmental sustainability.

**Table 8: Link between IDP requirements and environmental sustainability**

IDP Requirement	Link to environmental sustainability
Assessment of existing levels of development	Assessment of environmental assets upon which this development depends or will depend
	Assessment of environmental opportunities and constraints in terms of service provision and development
	Identification of causal factors of environmental degradation and environmental risks linked to current development
Development priorities and objectives, including local economic development aims	Major environmental problems and threats must be reflected in the objectives
Development strategies, which must be aligned with national and provincial plans and planning requirements	Specific strategies should be closely aligned with the goals of environmental strategies and guidelines and should meet the requirements of environmental legislation and policy

<p>Spatial development framework, including basic guidelines for land use management</p>	<p>An environmental sensitivity map which includes all environmental assets, problems and areas of environmental sensitivity should inform the SDF. The 'value' of various environmental assets should also inform the SDF</p>
<p>Operational Strategies</p>	<p>Certain operational strategies will require detailed environmental assessment, mitigation measures and even environmental management plans. Operational strategies to achieve the aims of environmental policies will also need to be developed and should be linked to environmental strategies, environmental policies and environmental management plans</p>
<p>Disaster Management Plans</p>	<p>Should include environmental risks and hazards</p>
<p>Financial Plan</p>	<p>Budget should be made available for specialist environmental studies and the use of environmental management tools and implementation environmental management plans. Budgets should reflect the real costs and value of environmental resources where possible.</p>

*Source: Identification of Local Level Responsibilities for the Environment, DEAT, 2004*

### **3.2.3 Strategic Management Recommendations**

The Strategic Environmental Assessment provides the sustainable development framework for the Environmental Management Plan and consists of objectives and management for each of the identified significant issues. These objectives and management recommendations are provided for each of the identified significant issues under the biophysical, social and economic components.

<b>AGE AND GENDER STRUCTURE</b>		
<b>ISSUES</b>	<b>OBJECTIVES</b>	<b>MANAGEMENT RECOMMENDATIONS</b>
The high unemployment rate resulting from a lack of economic activities and the limited economic base of the district results in many male household members leaving the district in search of employment and income generating activities in other areas.	<ul style="list-style-type: none"> <li>• Ensure sensitivity to gender issues in spatial and environmental planning</li> <li>• Ensure recognition of the role of women in environmental management and development processes</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that gender equity is recognised in the IDP process.</li> <li>• Ensure that local spatial and environmental policy frameworks are gender sensitive.</li> <li>• Define the impact of the IDP strategies and capital investment on women.</li> </ul>
The extent of the population in the school going age (more than 40%) implies a significant need for educational facilities and ensuring improved access to these facilities.	<ul style="list-style-type: none"> <li>• Ensure sufficient and strategically located educational facilities across the district</li> <li>• Upgrade the basic infrastructure at existing education facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of the Spatial Development Framework must improve access of the population to education facilities</li> </ul>
The erosion of the population in the economically active age categories (specifically between 25 and 35 years of age) implies that the district is losing part of its population which is normally regarded as the segment of the population making a significant contribution to the local economy	<ul style="list-style-type: none"> <li>• Prioritise the implementation of the local economic development strategy to contribute to the retention of the economically active population of the district</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritise programmes that will ensure the use of local labour for the implementation of capital projects, especially those identified in the IDP</li> <li>• Maximise involvement of the district in poverty alleviation and employment creation projects of the Expanded Public Works Programme</li> <li>• Identify opportunities for employment creation in environmental projects (eg working for water, land care projects, etc)</li> </ul>

Impact of HIV/AIDS on population structure	<ul style="list-style-type: none"> <li>• Intensify HIV/AIDS awareness and prevention campaigns in the district.</li> <li>• Ensure sufficient and appropriately located cemeteries</li> </ul>	<ul style="list-style-type: none"> <li>• Institute programme to monitor the level of community awareness.</li> <li>• Develop integrated programme for the provision of health facilities, including clinics, mobile clinics and HIV/Aids support centres</li> <li>• Undertake an audit of the capacity and status of cemeteries in the district</li> </ul>
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EDUCATION PROFILE		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
The very large proportion of adult illiterate population in the district limits the economic development potential and successful implementation of LED strategies in the district.	<ul style="list-style-type: none"> <li>○ To intensify the implementation of ABET initiatives in the district</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure sufficient access to basic services to enhance the educational opportunities of all individuals.</li> <li>• Ensure sufficient investment in ABET infrastructure</li> </ul>
Low illiteracy levels and limited proportion of population with tertiary education imply that the transfer of knowledge and skills relating to more environmental sustainable livelihood practices and technologies may be compromised	<ul style="list-style-type: none"> <li>• To identify sustainable basic infrastructure technologies, appropriate to rural areas that can be implemented in the district</li> <li>• To increase the general awareness of environmental issues and sustainable development concepts amongst the general population in the district, especially the youth</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake a study of all possible sustainable development technologies that could be considered for implementation in the district, specifically in the implementation of the IDP capital projects</li> <li>• Liaise with Department of Education and DAEA &amp; RD to introduce basic environmental awareness and sustainable development programs in schools</li> </ul>



ACCESS TO WATER AND SANITATION INFRASTRUCTURE		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
High number and proportion of households without access to basic water and sanitation infrastructure	<ul style="list-style-type: none"> <li>To provide all households with basic water infrastructure at the minimum required level of service</li> <li>To formulate a phased upgrading program for sanitation infrastructure based on the recommendations of the Spatial Framework and the IDP priorities</li> </ul>	<ul style="list-style-type: none"> <li>Provide basic water and sanitation infrastructure according to the proposals of the district SDF and the capital investment programme outlined in the IDP</li> <li>Determine the impact on total water demand of improved sanitation systems</li> <li>Institute a ground water quality monitoring system in areas with high density of unimproved pit latrines and borehole utilization</li> <li>Quantify the potential additional sewage volume if the existing sanitation infrastructure is to be upgraded and the ability of the existing treatment works to accommodate this additional flow</li> </ul>
Limited availability of bulk water infrastructure in many parts of the district, and impact of topography in the district on the development of water and sanitation infrastructure networks	<ul style="list-style-type: none"> <li>To quantify the expected future demand for water over a 10 year period for the entire municipal area and associated water requirements from existing bulk water sources</li> </ul>	<ul style="list-style-type: none"> <li>Water upgrading and supply must not have any detrimental impact on the local environment and therefore uncontrolled utilization of boreholes and over utilization of ground water will be detrimental to the environment in terms of sustainable utilization</li> <li>To identify potential alternative sources for the long term water supply to cater for potential future developments in the municipality</li> </ul>

Availability of water resources (both surface and ground water) to ensure provision of sufficient volume and quality of water at minimum level of basic services to all households.	<ul style="list-style-type: none"> <li>To protect surface and groundwater resources and implement catchment management strategies</li> </ul>	<ul style="list-style-type: none"> <li>Quantify the expected future demand for water over a 10 year period for the entire municipal area and associated water requirements</li> <li>Determine capacity of existing water resources to provide required volume of water</li> </ul>
Socio-economic and health impacts of large proportion of households without access to basic sanitation infrastructure.	<ul style="list-style-type: none"> <li>To reduce the occurrence of water borne disease</li> </ul>	<ul style="list-style-type: none"> <li>Consider the implementation of alternative environmentally friendly infrastructure options such as the "Lilliput " Enviro Loo system.</li> </ul>

<b>ACCESS TO ELECTRICITY</b>		
<b>ISSUES</b>	<b>OBJECTIVES</b>	<b>MANAGEMENT RECOMMENDATIONS</b>
Impact on ambient air quality resulting from the extensive use of fossil fuels for heating and cooking purposes.	<ul style="list-style-type: none"> <li>To institute a municipal wide electrification program to ensure all households have access to electricity for basic lighting, cooking and heating purposes</li> </ul>	<ul style="list-style-type: none"> <li>All settlements and areas currently without electricity should be clearly identified and targeted to form part of the electrification program as soon as possible</li> <li>Provide information on alternate cooking and food preservation methods (solar ovens, storing food below ground, dehydrating food for e.g.).</li> </ul>

<p>Environmental impact on natural vegetation resulting from the use of wood for heating and cooking purposes.</p>	<ul style="list-style-type: none"> <li>• To implement a phased implementation program to ensure that all households are provided with access to basic electricity for lighting and cooking purposes.</li> <li>• To implement the free basic electricity policy of the municipality</li> <li>• To develop and implement an information and capacity building campaign amongst local communities regarding the protection of indigenous trees and vegetation.</li> </ul>	<ul style="list-style-type: none"> <li>• All settlements and areas currently without electricity should be clearly identified and targeted to form part of the electrification program as soon as possible.</li> <li>• Training and capacity building programs should be undertaken, specifically in those communities without electricity, regarding the protection of indigenous trees and vegetation</li> <li>• Ensure that woodlots are located in close proximity to areas in which firewood and building materials are required.</li> <li>• Provide alternatives to wood as a fuel source – wind, solar, biogas, electricity, compacted newspaper.</li> <li>• Provide information on alternate cooking and food preservation methods (solar ovens, storing food below ground, dehydrating food for e.g.).</li> </ul>
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ACCESS TO WASTE DISPOSAL		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
Limited capacity of municipalities to provide refuse removal services in extensive populated rural areas.	<ul style="list-style-type: none"> <li>• To investigate the viability and feasibility of a community based municipal waste collection program and introduction of community waste management centres</li> <li>• Implement an awareness campaign to encourage efficiencies in resource use and waste reduction through education, recycling, reuse, waste recovering, and responsible disposal.</li> <li>• To quantify the exact human resource and equipment requirements of the municipality to deal with the total waste volume within the area</li> <li>• To prepare a business plan for acquiring and maintaining the necessary equipment and resources in line with the recommendations of the Integrated Waste Management plan</li> </ul>	<ul style="list-style-type: none"> <li>• Plan and implement a pilot community based waste collection and management program in a pilot area within the municipal currently not provided with waste collection services</li> <li>• Replicate this concept if the feasibility and viability thereof can be confirmed</li> <li>• Investigate the possibility of outsourcing the service by involving local entrepreneurs and residents in order to create business opportunities.</li> <li>• Development of partnerships with Community based Organisations and Non Government Organisations involved in environmental programmes.</li> <li>• Prepare a detailed business plan for waste collection and management within the municipality which details equipment and human resource requirements</li> </ul>

<p>Limited formalized and registered landfill sites in the district.</p>	<ul style="list-style-type: none"> <li>• To institute a process for identifying a potential new municipal landfill site or alternatively consider the viability of a district wide landfill site</li> <li>• To upgrade the facilities at existing landfill sites (e.g. fencing, access control etc.) to satisfy all legal requirements regarding the operation of municipal landfill sites</li> <li>• To initiate the necessary processes to permit informal waste disposal sites within the municipality where feasible</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and implement a basic waste information system within municipality to keep record of the volumes of waste collected and disposed of by the municipality at municipal landfill sites.</li> <li>• Keep a register of all waste related complaints received by the municipality.</li> <li>• Undertake a full audit of all formal and informal waste disposal sites within the municipality in terms of the various criteria required in terms of the legislative requirements for landfill sites.</li> <li>• Prepare an action program for the formalization of informal land fill sites or alternatively for the closure and rehabilitation thereof</li> <li>• Initiate a process to identify a new municipal land fill site for the municipal area</li> <li>• Formalise or close existing waste disposal sites that are not permitted</li> <li>• Develop a waste minimisation and recycling plan for the district</li> <li>• Provide recycling facilities for paper, glass, plastic, and tin at all major public institutions and commercial facilities. .</li> </ul>
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Negative impacts on ambient air quality resulting from burning of waste in informal waste dumps	<ul style="list-style-type: none"> <li>To strictly enforce all municipal bylaws relating to illegal dumping of waste within the municipality</li> </ul>	<ul style="list-style-type: none"> <li>Assist and evaluate existing municipal by-laws to determine whether waste management and illegal dumping is dealt with.</li> <li>Amend, or alternatively prepare, necessary by-laws and approve by council.</li> </ul>
Visual impact of informal disposal of waste.	<ul style="list-style-type: none"> <li>To implement a litter control programme.</li> <li>To strictly enforce all municipal bylaws relating to illegal dumping of waste within the municipality</li> </ul>	<ul style="list-style-type: none"> <li>Assist and evaluate existing municipal by-laws to determine whether waste management and illegal dumping is dealt with.</li> <li>Amend, or alternatively prepare, necessary by-laws and approve by council.</li> </ul>

<b>HOUSING</b>		
<b>ISSUES</b>	<b>OBJECTIVES</b>	<b>MANAGEMENT RECOMMENDATIONS</b>
Extent of housing structures in settlements located on steep slopes and within potential flood areas.	<ul style="list-style-type: none"> <li>To ensure appropriate location of housing development in terms of floodlines and topography</li> </ul>	<ul style="list-style-type: none"> <li>The location of wetlands and endangered species will be considered during the planning and design of housing developments.</li> <li>The quality of houses provided in housing will ensure environmentally and socially acceptable living conditions.</li> </ul>
Potential extent of land required for housing provision purposes.	<ul style="list-style-type: none"> <li>Inappropriately located developments will not be permitted.</li> </ul>	<ul style="list-style-type: none"> <li>Identify appropriately located land for housing purposes taking due cognisance of environmentally sensitive features and the housing needs identified in the IDP</li> </ul>
Relatively low residential development density and dispersed spatial structure resulting in larger development footprint area.	<ul style="list-style-type: none"> <li>Promote compact settlement patters and increased housing densities within the ambit of local circumstances</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that SDF's promote compact settlement patterns</li> </ul>

<b>CULTURAL &amp; HERITAGE RESOURCES</b>		
<b>ISSUES</b>	<b>OBJECTIVES</b>	<b>MANAGEMENT RECOMMENDATIONS</b>
Impacts of uncontrolled development on cultural and heritage resources of the district	<ul style="list-style-type: none"> <li>• Protect heritage resources and incorporate into management plans</li> <li>• To determine the restoration and protection/management requirements of each known cultural or heritage sites within the district</li> <li>• To prepare and enforce the necessary municipal bylaws for protection and management of known cultural or heritage sites</li> <li>• Liaise with Amafa and prepare the necessary agreements for the conservation, improvement and management of clearly defined heritage resources in the municipal area</li> <li>• To initiate a community liaison program to assist the local municipality with the identification of any further Class III heritage resources in the municipal area</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake a detailed study and assessment of all cultural and heritage resources in the district and the upgrading, restoration and management requirements of these.</li> <li>• Evaluate existing municipal by-laws and determine whether provision is made for the protection of cultural and heritage sites within existing by-laws. If not, prepare the necessary municipal by-laws and adopt by council</li> <li>• Municipalities should initiate a ward based community interaction program whereby further sites of cultural and heritage importance which could be classified as category 3 heritage resource within the municipality area can be identified</li> <li>• Explore opportunities in both cultural and ecological tourism in the region.</li> </ul>

LANDSCAPE & TOPOGRAPHY		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
<p>A complex topography (rolling hills and mountains) across large sections of the district has an aesthetic appeal and holds considerable tourism development potential.</p>	<ul style="list-style-type: none"> <li>• To introduce appropriate stormwater management and planning practices</li> <li>• To adhere to all flood line areas to ensure that residential and other development are located outside flood areas</li> <li>• The flood lines of water bodies must not only be respected from a flood precaution perspective, but these areas also contain sensitive species.</li> </ul>	<ul style="list-style-type: none"> <li>• Ridges and high lying areas should be regarded as sensitive area. Where possible, development should be limited.</li> <li>• Development on slopes greater than 8° should be avoided.</li> <li>• Developments on slopes and steep areas to be avoided where possible and to follow suitable mitigation measures as identified for high lying areas.</li> <li>• Tourism and agricultural activities in the mountainous areas must respect the limitations brought about by the topography. This aspect must be emphasized during the EIA process as the destabilization of slopes will be detrimental to the environment in terms of erosion and slope failure.</li> </ul>



<p>Steep topography, in combination with unsustainable farming practices causes accelerated erosion, especially in the central and southern parts of Msinga LM, and the central and northern parts of Nquthu LM. Gully formation (due to soil erosion) progressed to an advanced state across the district</p>		<ul style="list-style-type: none"> <li>• Erosion control measures should be implemented in the targeted areas by means of agricultural interventions (including agricultural extension programs and facilitation of transformation to sustainable agriculture).</li> <li>• Areas susceptible to erosion (such as slopes and steep areas) should be regarded as sensitive and development limited in these areas.</li> <li>• All developments in areas susceptible to erosion must consider appropriate stormwater runoff control measures.</li> <li>• Implement measures to control soil erosion from developments, particularly during the construction phase</li> </ul>
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<b>GEOLOGY AND SOILS</b>		
<b>ISSUES</b>	<b>OBJECTIVES</b>	<b>MANAGEMENT RECOMMENDATIONS</b>
<p>The presence of coal led to a variety of coal mining related impacts, including a variety of socio-economic problems, acid mine drainage, dust, silt pollution, and change of surface water flow patterns.</p>	<ul style="list-style-type: none"> <li>• Ensure that all appropriate environmental legislation are adhered to in prospecting and mining activities</li> <li>• Identify all known existing mineral deposits located within the high priority habitats and high biodiversity areas and recommend appropriate management measures</li> <li>• No mining activities will be allowed without the required permits and an environmental management plan</li> <li>• Compliance with specified regulations and EMP requirements will be enforced.</li> <li>• To identify and monitor all waste and by-products generated by existing mining operations to determine the impact thereof on soil, water and air quality within the municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Identification and prosecution of illegal mining and quarrying operations.</li> <li>• Ensure compliance with EMP requirements by establishing an effective monitoring body.</li> <li>• Strict monitoring of water quality downstream of operations (eg. dissolved oxygen, suspended sediment loads).</li> <li>• Monitor the rehabilitation of mining sites once operations are terminated</li> <li>• Monitor compliance with terms and conditions of mining permits and EMP's</li> <li>• The waste quantities must be specified and concurrent rehabilitation on impacted environment must be enforced and regulated.</li> <li>• EMPR's of mines must be pro-actively managed and updated and public input must be encouraged.</li> <li>• Representatives of the Umzinyathi LM must attend annual public meetings.</li> </ul>
<p>Loss of soil structure due to trampling and compaction caused mainly by agriculture and human activities</p>	<ul style="list-style-type: none"> <li>• To implement education and awareness programs regarding preventative measures that can be employed to prevent soil erosion.</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental awareness could be extended to farmers of the region. There is a large database of land quality and soil type for the different bioregions.</li> <li>• Identify more sustainable farming practices and thus possibly improve yield.</li> </ul>

<p>Loss of topsoil (erosion) and soil leaching.</p>	<ul style="list-style-type: none"> <li>• Rehabilitation of damaged and degraded areas.</li> <li>• Reduction and ultimately prevention of soil erosion in the district</li> </ul>	<ul style="list-style-type: none"> <li>• Protection and rehabilitation of soil resources (to support the range of agricultural activities in the area, and consequently food resources).</li> <li>• Areas susceptible to erosion (such as slopes and steep areas) should be regarded as sensitive and development limited in these areas.</li> <li>• All developments in areas susceptible to erosion must consider appropriate stormwater runoff control measures.</li> <li>• Implement measures to control soil erosion from developments, particularly during the construction phase</li> </ul>
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SURFACE WATER		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
Reduced runoff from forestry plantations occurs as a result of the high rainwater retention capability of large timber trees, as well as the ability of forest trees to abstract upper aquifer groundwater. Flow reduction is also caused by alien invasive plants in riparian areas.	<ul style="list-style-type: none"> <li>• Limit development or change in land use within a reasonable buffer zone of a water resource, including wetlands and drainage lines.</li> <li>• Reduce alien vegetation in riparian zones</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure implementation of sustainable forestry principles</li> <li>• Integrate the 'Working for Water Program' as part of the alien and invasive vegetation control management programs.</li> <li>• Include the local community in eradication programs as an economic empowerment project.</li> </ul>
Reduced water quality resulting from inadequate sanitation infrastructure	<ul style="list-style-type: none"> <li>• To implement an ongoing water quality monitoring system of all sewage effluent discharged by all treatment works</li> <li>• To formulate a phased upgrading program for sanitation infrastructure based on the recommendations of the Spatial Framework and the IDP priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Determine all the source points contributing to declining water quality and set target objectives to minimize the impact on the health of this system.</li> <li>• Bioaccumulation studies should be conducted on sediments, fish and birds hosted by the dam to derive benchmark values for contamination.</li> <li>• Support the implementation of basic sanitation infrastructure projects</li> </ul>
Increased runoff from urban and agricultural areas is caused by the absence of water retaining vegetation. The result is an increase in storm water peak flow intensity as well as increase in total annual stormwater runoff.	<ul style="list-style-type: none"> <li>• To monitor the potential impact of commercial agriculture activities in the river catchment areas</li> <li>• To manage all wetlands and riparian zones along the river system in the district, specifically relating to erosion and cutting of vegetation and trampling caused by cattle and goats</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of best practice environmentally sensitive storm water management systems.</li> <li>• Water utilization training initiative should be initiated to train the local communities on water utilization.</li> </ul>

<p>Impacts on wetlands resulting from various forms of development</p>	<ul style="list-style-type: none"> <li>• To develop appropriate guidelines for the management and development around all wetland areas</li> <li>• Develop a research and information management program for wetland areas in the district</li> <li>• Ensure proper protection of wetlands to reduce the effects of development pressures</li> </ul>	<ul style="list-style-type: none"> <li>• Wetlands and its tributaries act as environmental sieves and sponges and its value should be quantified. Set out research initiatives to locate all wetland systems in the district and do in depth biodiversity studies to determine the ecological value of these areas</li> <li>• Strict policy for protection of wetlands from development and rehabilitation of degraded wetlands to improve water quality, water flow regulation and habitat provision at a regional scale.</li> </ul>
<p>Physical barriers in rivers such as weirs and dams, which reduce runoff and act as a dispersal barrier to fish and other aquatic species.</p>	<ul style="list-style-type: none"> <li>• Limit physical barriers in all rivers and water courses</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that all legal requirements in terms of environmental authorization and water use licences are enforced for all infrastructure in water courses</li> </ul>

<b>GROUND WATER</b>		
<b>ISSUES</b>	<b>OBJECTIVES</b>	<b>MANAGEMENT RECOMMENDATIONS</b>
Groundwater pollution by diffuse sources such as human settlements (especially resulting from inadequate sanitation infrastructure), and to a lesser degree crop production; and pollution by point sources such as sewage works, coal mining areas and livestock concentration areas	<ul style="list-style-type: none"> <li>• To institute an ongoing ground water quality monitoring system, specifically in those areas utilizing boreholes for potable water supply</li> <li>• To implement a phased upgrading program for sanitation infrastructure, focusing specifically in those areas with a high concentration of boreholes used for potable water supply</li> </ul>	<ul style="list-style-type: none"> <li>• Water reticulation still a major priority in the area and efforts to supply potable water service to all communities should be a priority</li> <li>• All new developments must consider their impact on regional water quality.</li> <li>• Location of potentially polluting activities of infrastructure, especially waste disposal sites and cemeteries and settlement areas, should carefully consider geohydrological conditions during site selection.</li> <li>• Institute a long term monitoring program that allows specific identification of water pollution sources</li> </ul>
Groundwater abstraction for human, agricultural and industrial use.	<ul style="list-style-type: none"> <li>• To monitor the abstraction and utilization of all groundwater resources</li> <li>• To quantify the long term water demand of all consumers currently using boreholes</li> </ul>	<ul style="list-style-type: none"> <li>• Regulate the utilization of ground water in the area as allowed for by the specific permits adjudicated. Satellite technology can be applied to assess the groundwater utilization status in agricultural practices.</li> <li>• Develop contingency plans for periods of drought with emphasis on communities reliant on borehole water</li> <li>• Investigate different water availability scenarios for the next 20 years following rainfall, recharge and evaporation data and expected consumer pressure and plan realistically for future utilization</li> </ul>

CLIMATE AND AIR QUALITY		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
<p>Climate change may have important implications on all climatic variables, especially temperature and rainfall. Although the direction and degree of climate change and its impact at a local level is still unknown, it is expected that both temperature and rainfall may increase while the frequency and intensity of draughts and floods may also increase</p>	<ul style="list-style-type: none"> <li>• To monitor annual variances in rainfall and temperature and evaluate the impact thereof on agricultural activities within the municipal area</li> <li>• To assess the likely impact of severe climate conditions such as thunder storms, lightning and hail in summer periods viz-à-viz the disaster management plan of the municipality</li> <li>• Industries will be located in the best possible areas for particular emissions, and the emissions will be strictly curtailed and monitored according to the accepted protocols.</li> <li>• Use alternative energy sources where practical and feasible</li> </ul>	<ul style="list-style-type: none"> <li>• Scenarios of the possible impacts of climatological extremes on the current infrastructure, housing and response and emergency services should be analyzed</li> <li>• Development planning, agriculture practices and resource use should include actions to manage the existing and predicted effects on climate change, including impacts on temperature, rainfall and water availability.</li> <li>• Effective measures for the management of droughts and floods to be developed and implemented where required. Drought resistant crops to be investigated where needed.</li> <li>• Planning for future industrial development needs to consider meteorological conditions, the cumulative effects of adding emissions and the assimilative capacity of the atmosphere for additional air pollution loading when considering industry type and location</li> </ul>

<p>Impacts on ambient air quality resulting mainly human settlement air pollution, especially during winter (smoke), traffic (heavy metals, hydrocarbon breakdown products, Volatile Organic Compounds/VOC's), dirt roads (dust), and agricultural activities (dust resulting from seasonally exposed or bare soil surfaces, and from degraded areas).</p>	<ul style="list-style-type: none"> <li>• Use alternative energy sources where practical and feasible</li> <li>• To prepare an Air Quality Management Plan as required by National Environmental Management: Air Quality Act and include this plan as part of the municipal IDP</li> <li>• To institute a municipal wide electrification program to ensure all households have access to electricity for basic lighting, cooking and heating purposes</li> <li>• To initiate a process to determine and evaluate the ambient air quality in the municipal area</li> </ul>	<ul style="list-style-type: none"> <li>• Consider the impact of predominant wind direction on the location and development of land uses e.g. the provision of industrial areas, landfill sites and other facilities which may generate emissions or smells.</li> <li>• Air quality assessment must be conducted on a regular bases to derive benchmarks whereby air quality trends can be assessed. The assessment should be done at several random areas surrounding source points.</li> <li>• The municipality must prepare an Air Quality Management Plan for its area of jurisdiction and adopt it as part of its Integrated Development Plan</li> <li>• An official of the municipality should be identified and designated as municipal Air Quality Management Officer</li> </ul>
<p>Indoor air pollution is likely to stay problematic because of the proportion of households without electricity.</p>	<ul style="list-style-type: none"> <li>• Ensure access to basic electricity for all households</li> <li>• Use alternative energy sources where practical and feasible</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage the use of fuel efficient wood stoves and heaters to combat indoor air pollution amongst poorer households.</li> <li>• Rural electrification, including the potential use of solar photovoltaic systems for more isolated communities, to be evaluated.</li> </ul>



<b>BIODIVERSITY (VEGETATION AND FAUNA)</b>		
<b>ISSUES</b>	<b>OBJECTIVES</b>	<b>MANAGEMENT RECOMMENDATIONS</b>
Impact of land uses associated with land transformation, such as human settlement areas, crop production and infrastructure (especially roads) on natural vegetation and fauna	<ul style="list-style-type: none"> <li>• Prevent the loss of indigenous vegetation communities and habitats due to inappropriate land transformation activities</li> <li>• To formulate appropriate development and management guidelines for all areas classified as environmentally sensitive within the municipality</li> <li>• To confirm biodiversity information and where necessary, collect and verify data for the high priority habitats and high hyper diversity areas on an ongoing basis</li> <li>• To implement a system to monitor the actual occurrence of endangered, vulnerable and rare species ("key species" which indicate ecological integrity) in Umzinyathi</li> <li>• To formulate clear guidelines to consider endangered, vulnerable and rare species in all development application/proposals within the Umzinyathi DM</li> <li>• To provide a list of possible red data species per habitat type within the District for consideration in all planning and development applications</li> <li>• To identify the location and distribution of existing plants used for medicinal purposes</li> <li>• To prepare guidelines on the harvesting and utilization of medicinal plants</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a detailed strategy to preserve indigenous grasslands and consider in the identification of IDP project planning where possible.</li> <li>• The location of all projects identified in the IDP should consider the identified environmentally sensitive areas</li> <li>• Annual monitoring of fixed points as well as spot checks in the broader area. Mark all occurrences of rare and endangered species (GPS) (especially vegetation) and follow up its existence in following years</li> <li>• A program to cultivate rare and endangered vegetation species should be initiated and the community should be included.</li> <li>• An inventory of popular medicinal plants must be drawn up and efforts to commercially produce these species must be encouraged.</li> <li>• Training and education on the implication of overexploitation of medicinal plants must be conducted with the local communities.</li> <li>• All EIA's for developments to consider their potential impact on Red Data species.</li> <li>• Developments should be avoided in areas that contain Red Data Species.</li> </ul>

<p>Wetland destruction or drainage, as well as change in surface water flow patterns, and groundwater abstraction which may lead to reduced seepage or spring flow, have a destructive effect on wetland and riparian vegetation species.</p>	<ul style="list-style-type: none"> <li>• No development or transformation of land in or around wetlands</li> <li>• Decrease the risk of flooding, and ensuing damage to people and property, which results from loss of indigenous vegetation.</li> <li>• Reduce soil erosion and siltation of wetlands</li> </ul>	<ul style="list-style-type: none"> <li>• Compile an inventory of wetlands in the district</li> <li>• Compile guidelines for the protection of all wetland areas</li> <li>• Co-ordinate activities of water users and of water management institutions within its water management area.</li> </ul>
<p>Reduced vegetation cover leading to reduced primary productivity and land carrying capacity.</p>	<ul style="list-style-type: none"> <li>• Maintain and where possible increase natural vegetation cover</li> </ul>	<ul style="list-style-type: none"> <li>• A 'greening' programme in urban and rural areas to provide shade, erosion protection, and beatification</li> </ul>
<p>Alien invasive vegetation is well established and occurs widely in the district.</p>	<ul style="list-style-type: none"> <li>• Protect and enhance regional biodiversity.</li> <li>• Reduce loss of water resource through alien invasive vegetation.</li> <li>• To prepare a detailed plan indicating the spatial distribution and occurrence of alien weeds and invasive plant species across the municipal area</li> <li>• To prioritize areas for removal of alien plants and invader species</li> <li>• To prepare an invader species monitoring control and eradication plan for all municipal land in accordance with the requirements of the National Environmental Management: Biodiversity Act of 2004</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare and adopt an Invasive Species Monitoring, Control and Eradication Plan that is integrated and aligned with the IDP</li> <li>• Prioritize areas for eradication which is accessible and degrading tourism as well as agricultural value.</li> <li>• Integrate the 'Working for Water Program' as part of the alien and invasive vegetation control management programs.</li> <li>• Include the local community in eradication programs as an economic empowerment project.</li> <li>• Landowners educated and empowered considering their mandate to clear Category 1 invasives on their land.</li> </ul>

LAND USE AND ECONOMIC STRUCTURE		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
Impact of Inappropriate farming practices on the biophysical environment, including soil degradation, introduction and spread of alien and invasive species, habitat destruction, resource consumption, waste generation, and soil and water pollution.	<ul style="list-style-type: none"> <li>• Introduce an appropriate soil conservation and management program</li> <li>• To control the utilization of agricultural resources in terms of the conservation of Agricultural Resources Act to ensure the conservation of soil, water resources</li> <li>• To monitor the abstraction and utilization of ground water for commercial irrigation purposes</li> <li>• Implement region-wide knowledge and implementation of sustainable agricultural practices to include cropping practices, grazing methods, stocking density, burning regimes etc.</li> <li>• To introduce a support program for the appropriate management of subsistence farming activities</li> </ul>	<ul style="list-style-type: none"> <li>• Education and training on farming practices for subsistence farming must be addressed as a priority</li> <li>• A soil degradation priority index must be established and soil stabilization projects must be carried out following a program based on these priority areas</li> <li>• The suitability of soils for irrigation purposes and the water availability for this activity must be investigated and a report on the long-term viability there-of must be prepared.</li> </ul>
The most significant impacts of forestry as a land use in the district include habitat destruction and water consumption. Positive impacts include carbon sequestration, amenity value and positive aesthetic impact.	<ul style="list-style-type: none"> <li>• Confine forestry to designated areas outside environmental sensitive areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify potential areas for forestry development in district SDF taking due cognizance of environmental sensitive areas.</li> </ul>

<p>Settlement areas (towns and rural settlement areas) cause a variety of impacts on the environment, including soil erosion, increased stormwater flow and flood peak intensity, and habitat destruction and fragmentation.</p>	<ul style="list-style-type: none"> <li>• Promote compact settlement patterns in district and municipal SDF's.</li> </ul>	<ul style="list-style-type: none"> <li>• Urban densification to be encouraged in conjunction with the curtailment of urban sprawl.</li> <li>• Development on ridges and steep slopes to be discouraged where possible.</li> <li>• Buffer zones to be maintained in the vicinity of river, particularly along the riparian zones.</li> <li>• Avoid urban development within the identified environmental sensitive areas.</li> </ul>
<p>The Wholesale, Retail and Tourism Sector is one of the key contributors to economic production and employment in the district. The natural and cultural resource base of the district plays an important role in realizing this contribution.</p>	<ul style="list-style-type: none"> <li>• Continued growth and exploitation of the Tourism Sector will have to be sensitive to the use of available natural resources.</li> <li>• To conserve the unique historical/cultural significance of the area.</li> <li>• To enhance the educational potential of the district tourism sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Formulate and implement a tourism development strategy.</li> <li>• Identify skills required by the hospitality industry and supply skills development for local residents in this field, to improve service to tourists.</li> <li>• Establish a comprehensive tourism assets data base.</li> </ul>

<p>Environmental impacts (eg. air and water quality) resulting from manufacturing and mining activities</p>	<ul style="list-style-type: none"> <li>• Monitoring and control of air pollution as well as the implementation of education programmes to enlighten people regarding the potential threats that air pollution may have on both the environment and human health.</li> <li>• To ensure that all appropriate environmental legislation are adhered to in prospecting and mining activities.</li> <li>• To identify all known existing mineral deposits located within the high priority habitats and high biodiversity areas and recommend appropriate management measures.</li> <li>• Enforce compliance with specified regulations and EMP requirements.</li> <li>• To identify and monitor all waste and by-products generated by existing mining and manufacturing operations to determine the impact thereof on soil, water and air quality within the municipality.</li> </ul>	<ul style="list-style-type: none"> <li>• Strict monitoring of water quality downstream of mining and manufacturing operations (eg. dissolved oxygen, suspended sediment loads).</li> <li>• Monitor the rehabilitation of mining sites once operations are terminated.</li> <li>• Monitor compliance with terms and conditions of mining permits and EMP's.</li> <li>• The waste quantities must be specified and concurrent rehabilitation on impacted environment must be enforced and regulated.</li> <li>• EMPR's of mines must be pro-actively managed and updated and public input must be encouraged.</li> <li>• Representatives of the District and Local municipalities must attend annual public meetings.</li> <li>• Monitor the disposal of hazardous waste from mining activities. This must be disposed of at an appropriate landfill site, No hazardous landfill site occur in Umzinyathi DM.</li> </ul>
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UNEMPLOYMENT AND AFFORDABILITY		
ISSUES	OBJECTIVES	MANAGEMENT RECOMMENDATIONS
High levels of unemployment and limited economic activities prevalent across the district, especially in the central and north eastern rural areas.	<ul style="list-style-type: none"> <li>• Support SMME development</li> <li>• Maximise the use of local labour in implementation of IDP capital projects</li> <li>• To establish a partnership with the private business community with a view to expanding and enhancing local investment and development opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• The recruitment of local labour for implementation of IDP capital projects should be encouraged where possible.</li> <li>• Involvement in the poverty alleviation and job creation projects of the Expanded Public Works Programme, headed by the Department of Public Works, should be maximised</li> <li>• Encourage agri-industries and potential linkages between agriculture and the tourism industry.</li> <li>• Initiate urban agriculture projects in and around lower income areas.</li> <li>• In consultation with Department of Agriculture, set up and implement small farmers support and advice programme.</li> </ul>

## **CHAPTER 4: LOCAL ECONOMIC DEVELOPMENT**

### **4.1 LED STRATEGY**

During 2008/09 financial year, the municipality successfully prepared the LED strategy which served as a vehicle to stimulate the economic development within the district municipality; the primary aims and objectives of the LED strategy are as follows:

- Provide facilitation for partnership initiatives that exploit the district's competitive advantage;
- To develop a practical and implementable LED Strategy and Programme for the District; and
- To provide institutional support to the District and local LED units within the municipalities and to strengthen networking and co-ordination between local government, business chambers and sector business networks through a process of mentorship and support for institutional development.

### **4.2 SECTOR ANALYSIS AND PERFORMANCE**

The district economy remains heavily dependent on general government services, although its share has declined from 25 to 19.8 % by 2005. The second most prominent sectors in 2005 were wholesale retail, trade and accommodation (16.6%) which in 2005 was the second most important sector displacing agriculture and forestry into third place at 15.7%.

There has been a significant increase in the role of the tertiary sector in the local economy. Finance and business services (39.6 %) as well as wholesale, retail trade, catering and accommodation (37.6%) grew significantly between 2000 and 2005 when compared to other sectors in the economy, although from a low base. There has been a significant increase in employment between 2000 and 2005 in the retail, wholesale and accommodation sector (10.47%) as well as in Finance and Business services (59%). Agriculture (-12.46%) and Manufacturing (-11.49%) were the biggest job shedders between 2000 and 2005. Construction, although only accounting for 4.2% of GDP in the district, has grown by 114% between 2000 and 2005, and showed an employment growth of 18% over the same period.

#### 4.2.1 Agriculture Sector Analysis

Agriculture is well established but under-developed in terms of beneficiation (value added packaging and processing). District agricultural strength lies in dairy, feedlot beef and maize (Endumeni), forestry and sugar (Umvoti), and vegetable production (Msinga). The area has potential for Soya beans, but its full feasibility has yet to be established.

In Umvoti the agricultural weaknesses relate to: the lack of co-ordinated value added processes in timber, sensitivity of sugar to global markets and the poor performance relative to potential of vegetable production on the Mooi Irrigation scheme. In Msinga the weaknesses relate to land shortage, and as in Nquthu, overgrazing and poor dry land cropping. The Msinga vegetable growers are price takers and processing initiatives show limited progress because of management and co-ordination weaknesses. In Endumeni the established farmers deal with high input costs, high indebtedness and a struggle for markets and skills. Endumeni small farmers face generic challenges around finance, skills, land access and economies of scale.

The agricultural opportunities in the local areas within the district are:

<b>Umzinyathi District: Agricultural Opportunities per local municipal area based on Competitive Advantage.</b>	
Umvoti	<ul style="list-style-type: none"> <li>▪ Range of downstream forestry products from forestry waste.</li> <li>▪ Stewardship Certification products.</li> <li>▪ Vegetable Production and processing on Mooi River Valley.</li> </ul>
Msinga	<ul style="list-style-type: none"> <li>▪ Agricultural perishable products to local hospitals and general markets in nearby municipalities.</li> <li>▪ Chakalaka and other vegetable agro-processing opportunities.</li> </ul>
Nquthu	<ul style="list-style-type: none"> <li>▪ Production of legumes, irrigated maize, poultry and goats (Red meat processing) and chickens.</li> </ul>
Endumeni	<ul style="list-style-type: none"> <li>▪ Dairy and Dairy processing.</li> <li>▪ Beef Feedlot and Meat Processing.</li> <li>▪ Maize and maize processing and supply of chop to Beef Feedlots.</li> </ul>



Land Reform poses both a major opportunity and a threat to the agricultural sector and the district economy depending on how district stakeholders engage in its implementation.

A significant level of land reform is now taking place in the district. There is an estimated 57 000 hectares of land that has been transferred to 3 600 beneficiaries to date. This comprises:

- 32 140 hectares to 1273 beneficiaries through restitution.
- 25 132 hectares to 2372 beneficiaries through redistribution (LRAD).

#### **4.2.2 Tourism Sector Analysis**

The District's current marketable advantage is its Battlefields Tourism, but its unique selling point (USP) is the presence of six seminal historical battlefield sites of both national and international significance in close proximity to each other. The district can also gain a potential unique competitive advantage in linking this Battlefields Heritage and Zulu Cultural tourism.

Tourism KZN statistics estimate that 443 000 domestic tourists (7% of KZN domestic market) visited the Battlefields in 2005 on average at 2.77 trips per annum. Foreign tourism drew about 112 000 visitors (7% of KZN foreign Market). Both domestic and foreign tourism to the Battlefields is highly seasonal with the lowest number of visitors in the winter season (May – July).

The district's key (potential) competitive tourism strengths are: the uniqueness of the current battlefields and Heritage products in the area, the potential provided by strong Zulu Cultural assets particularly along the R33 between Greytown and Dundee through Msinga and along the R68 to Nquthu, the natural scenery and river bush valleys that provide potential for nature-based and adventure tourism.

The key weaknesses are: its distance from the province's key attractions and the fact that not many primary tourism attractions in the province are really accessible within a day, poor public tourism related infrastructure including poor roads, the lack of signage, the undeveloped airport and the lack of public toilet facilities at the battle sites, the lack of significant investment into tourism by both the private and public

sector, the lack of structured tourism marketing and training for the area and the absence of a tourism growth coalition between local government, the tourism business sector and civil society.

The district must diversify its tourism product mix and increase representivity to become more competitive. The two are interlinked. In terms of market opportunity, local tourism role players reported in 2006 a growing demand from domestic tourism, but that the market required more product diversification which included adventure products (quad biking, rafting etc), craft and culture and other activities that could complement or supplement the battlefields product.

#### **4.2.3 Manufacturing (including Agro-processing) Sector Analysis**

Total manufacturing accounted for 13,5% of the districts GDP in 2005, and has grown 18,7% between 2000 and 2005. A key competitive element of the manufacturing sector in Umzinyathi is its agro-processing activities where there are backward linkages into the local agricultural sector. These include maize milling, dairy beef feedlot linked meat processing (abattoirs and tanneries).

The key strengths of manufacturing relate to an existing local competence in Endumeni in milling and dairy processing. The key weaknesses and constraints to the manufacturing sector relate to the distance from major supplier industries and markets and the logistics costs of getting goods to market, the difficulty of attracting technical staff given the shortage of housing and opportunities for the youth in the locality. For these reasons the district is never likely to be a destination for major industrial investment.

The areas of potential market expansion and opportunity in the district are:

- Beef processing, and tannery (hides) linked to the strong local presence of the feedlot industry in Endumeni.
- Forestry and forestry-waste products in Umvoti.
- Dairy processing and distribution into Gauteng with Orange Grove as key champion.
- Maize, milling and marketing.
- Increased activity in the construction industry in Northern KwaZulu-Natal has

increased local demand for bricks, blocks and steel structures.

#### **4.2.4 Mining Sector Analysis**

Coal Mining has undergone a major contraction and now only accounts for 2.5% of the district GDP, and 1.5% of employment. Opportunities still exist in remnant mine reserves in Wesselbank, and Nkunzi for low technology manual mining which could create a significant number of jobs.

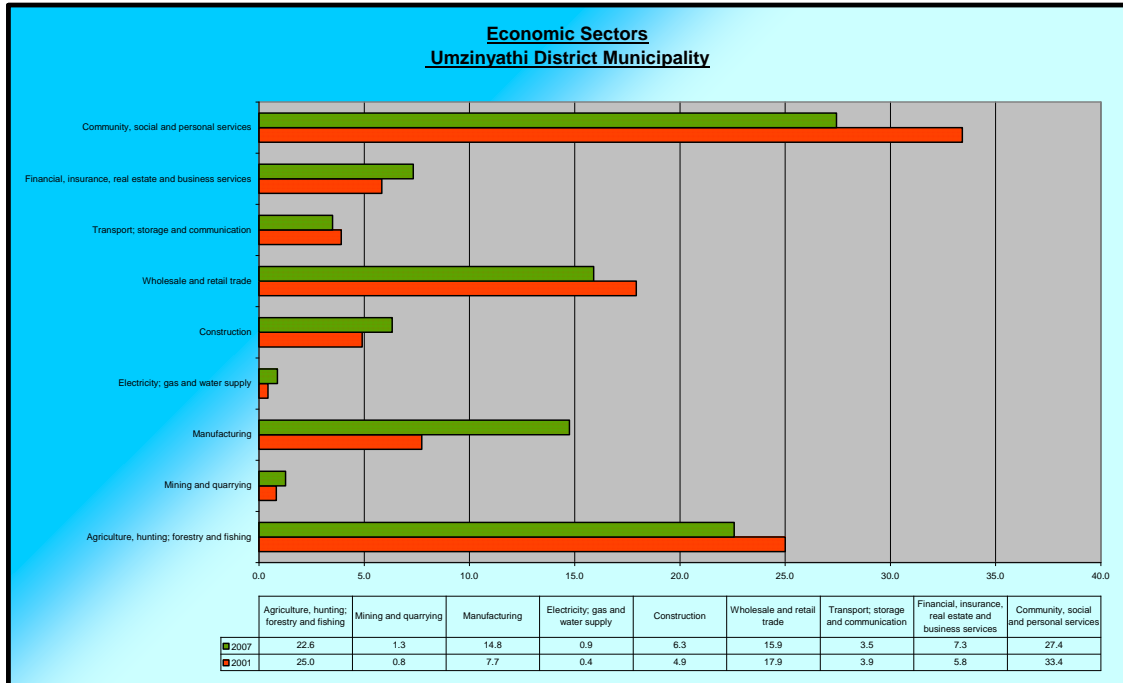
#### **4.2.5 Retail and Wholesale Sector Analysis**

The wholesale and retail sector has shown considerable growth both in terms of GDP share (37.6%) and in terms of job creation (10%) between 2000 and 2005. Wholesale and retail trade in Nquthu, grew by 28, 5% between 2000 and 2005. Further development of commercial activity in Nquthu and Msinga is constrained by the lack of progress on the formalisation of the towns, and the introduction of formal land tenure and land management arrangements and enforcement of municipal by laws on trading.

### **4.3 ECONOMIC STRUCTURE**

The participation of the labour force in various economic sectors in the Umzinyathi DM is depicted in Figure 60. This information indicates that the main sources of employment in the district are the Community, Social and Personal Services Sector (33.4%); the Agricultural Sector (25%); and the Wholesale and Retail Trade Sector (17.9%). The contribution of the Community, Social and Personal Services Sector decreased somewhat from 33.4% to 27.4% between 2001 and 2007, and that of Agriculture from 25% to 22.6%. The contribution of the Manufacturing Sector as source of employment has increased notably from 7.7% to 14.8% over the same period.

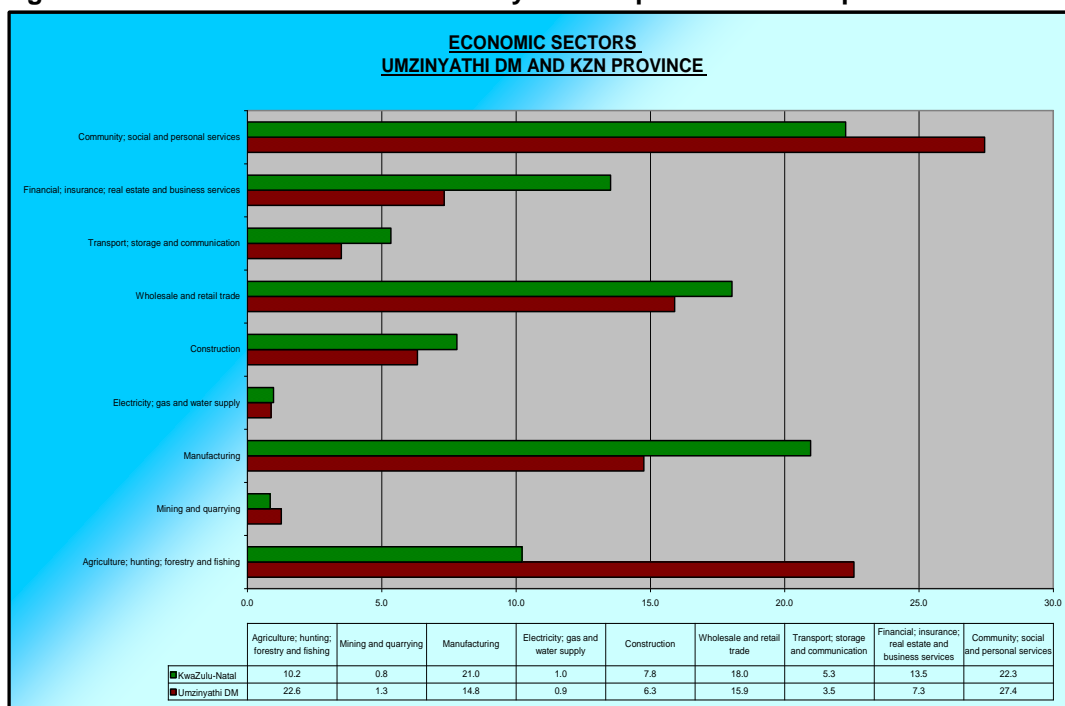
**Figure 60: Labour force participation in economic sectors in Umzinyathi DM**



*Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007*

The economic structure of the Umzinyathi DM compared to the overall provincial structure is reflected in Figure 61. The importance of the Agricultural Sector as source of employment in the district is clearly illustrated by the fact that 22.6% of the employed population in Umzinyathi DM is involved in the Agricultural Sector, compared to only 10.2% at provincial level. In view of the rural nature of the Umzinyathi DM it is clear that the role of the secondary and tertiary sectors is much less significant in Umzinyathi compared to the overall provincial figures. The importance of general governance services as source of employment in the district is also evident.

**Figure 61: Economic Structure of Umzinyathi compared to overall provincial structure**



Source: Stats SA; Community Survey 2007

#### 4.3.1 Sectoral Contribution to GDP and employment

A comparative overview of the sectoral contribution to both Gross Domestic Product and employment in the district is summarized in Table 9 below. These figures indicate that the proportional contribution to the various sectors in terms of GDP and employment are very similar in most sectors. Most notable differences are in the agricultural sector which accounts for 22.6% of employment, but only 17% of GDP; as well as in the Construction Sector which accounted for 6.3% of employment and only 2.9% of GDP.

**Table No 9: Sectoral Contribution to GDP and employment**

ECONOMIC SECTOR	GDP % (2004)1	EMPLOYMENT % (2007)2
Community, social and other personal and general government services	26.5	27.4
Agriculture, forestry and fishing	17.0	22.6
Wholesale & Retail trade Catering & Accommodation	17.5	15.9
Manufacturing	13.0	14.8
Finance & insurance and Business services	10.9	7.3
Transport & Communication	6.7	3.5
Construction	2.9	6.3
Electricity & water	3.3	0.9
Mining	2.1	1.3
<b>TOTAL</b>	<b>100</b>	<b>100</b>

Source: 1. Quantec: Monitor Analysis (2004, Constant 2000 prices) as used in Umzinyathi LED strategy  
2. Statistics SA, Community Survey 2007

## 4.4 ECONOMIC PROFILE

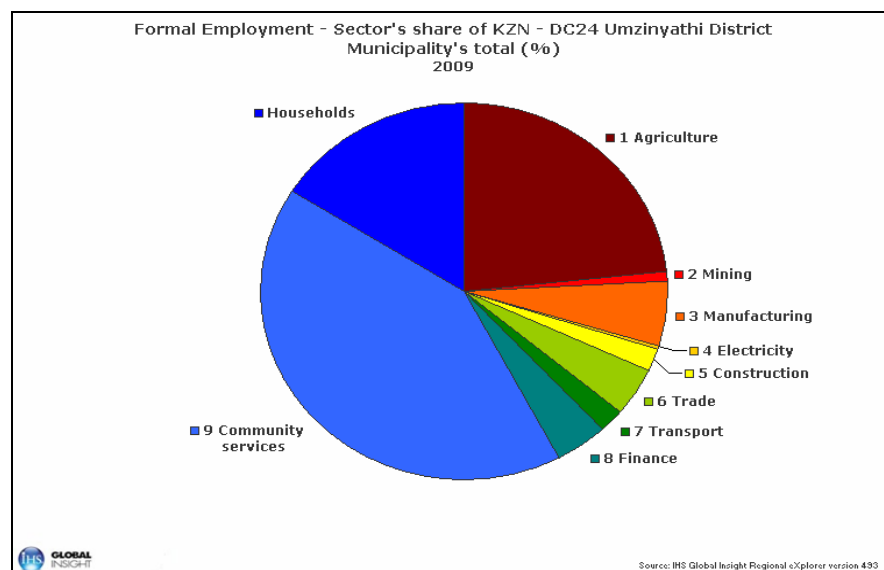
### 4.4.1 Economically Active Population

The Global Insight data indicates that in 2009 the economically active population (EAP) for the Umzinyathi DM represented 12.5% which was an improvement on the 10% in 1996. The 2009 Economically Active Population figures represented some 30,938 females and some 28,771 males. The Economically Active Population rate peaked in 2007 at 13.4%.

### 4.4.2 Employment

As can be seen from the graph below, in 2009 the Community Services sector employed the highest percentage of residents followed by Agriculture (30.3% or 4,052 people), Households (16.2% or 2,795 people), Manufacturing (5.7% or 990 people) and Trade (4.3% or 751 people).

Figure 62 : Formal Employment per Sector for 2009 (%)

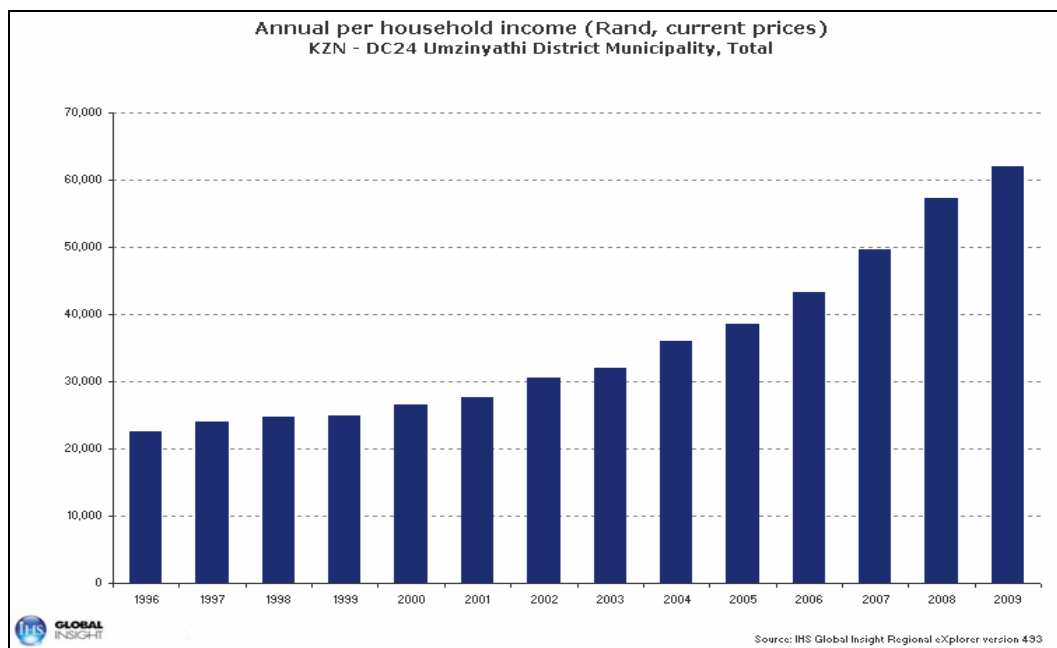


### 4.4.3 Income Levels

- **Annual Household Income**

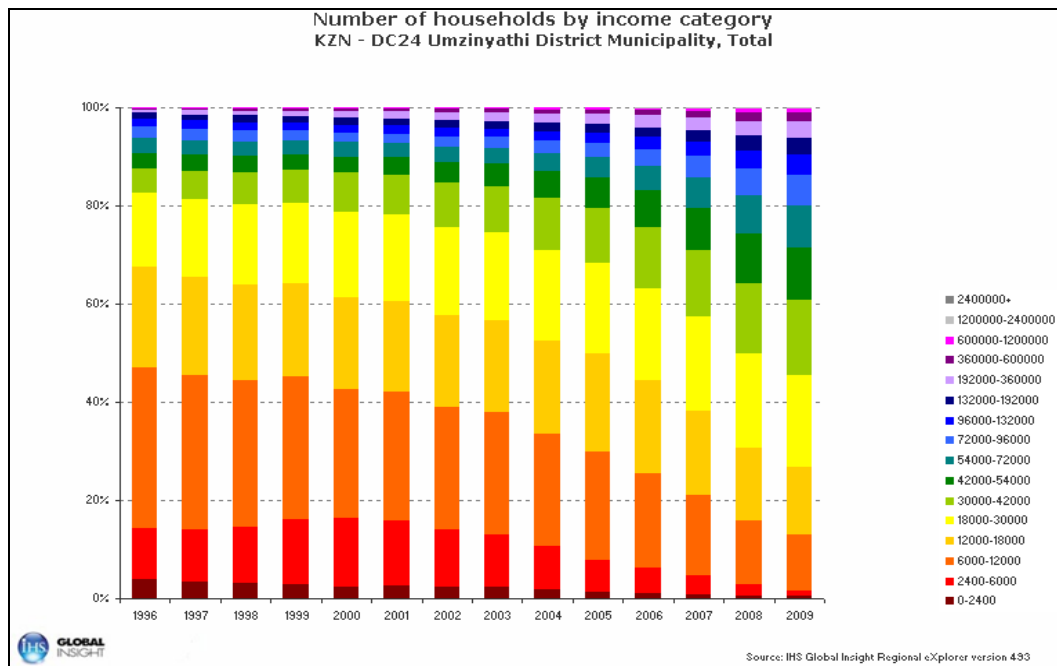
The following graph summarises the annual household income at current rand prices. As can be seen, there has been an improvement in the annual household income from 1996 to 2009. In 1996 households were earning an average of R22, 485.00 per annum which has improved to R61, 959.00 in 2009.

**Figure 63: Annual per Household Income (1996 – 2009)**



The following graph indicates the number of households per income category. As can be seen from this data, there has been a real decline in the households earning the lower income levels and an associated increase in the number of households earning the higher income levels.

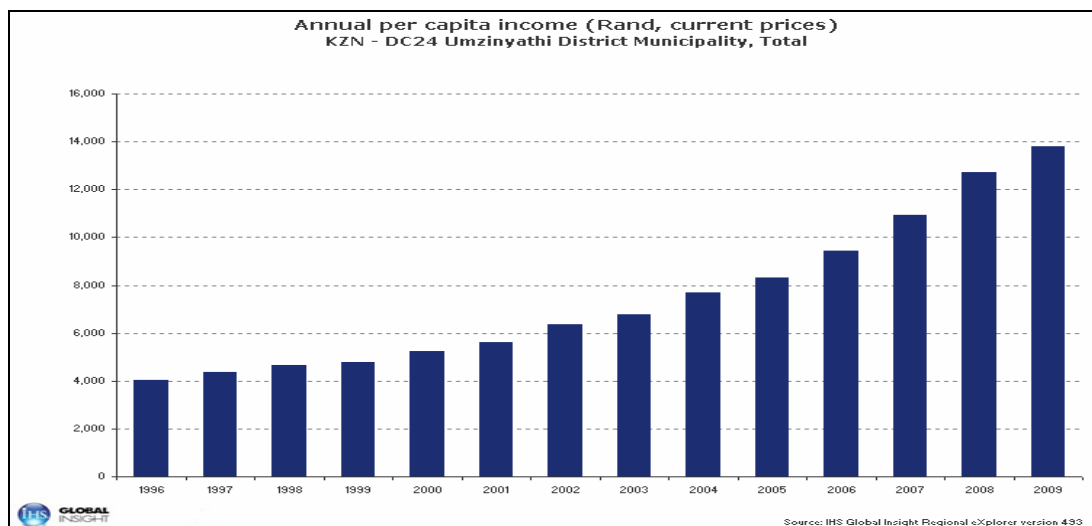
**Figure 64: Households per Income Category (1996 – 2009)**



#### 4.4.4 ANNUAL PER CAPITA INCOME

Annual per capita income has also improved during this period from R4, 041.00 in 1996 to just below R13, 808.00 in 2009.

**Figure 65: Annual per Capita Income (1996 – 2009)**



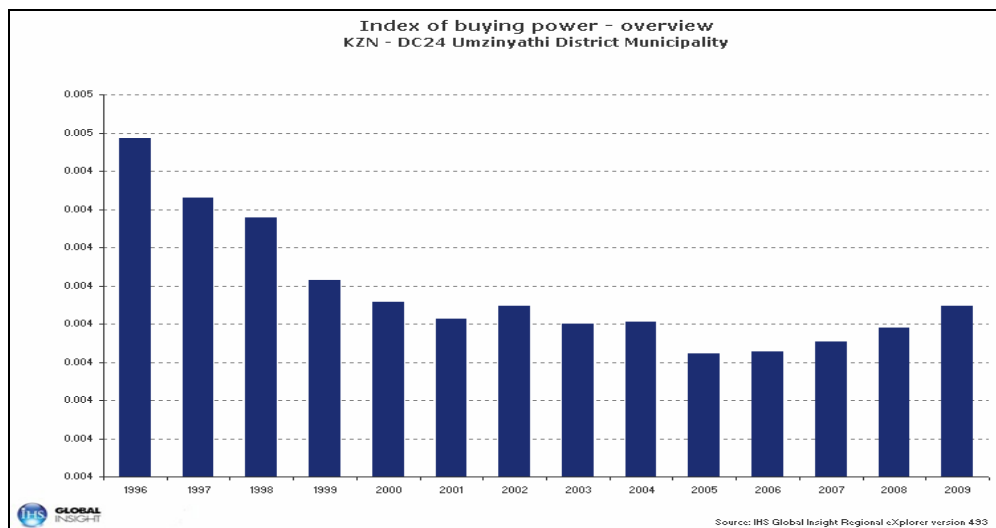


#### 4.4.5 Index of Buying Power

An Index of Buying Power is a popular indicator of a geographical area's relative consumer buying power. The index is calculated using weighted data for income, retail sales, and population in the area being evaluated. The index can be used by retailers when considering new store locations.

The Index of Buying Power for the Umzinyathi DM has decreased marginally from 0.005% in 1996 to 0.004% in 2009. The retail share of the national total has also decreased from 0.3% in 1996 to 0.2% in 2009. Income share of the national total has remained static at 0.4% for the period 1996 to 2009.

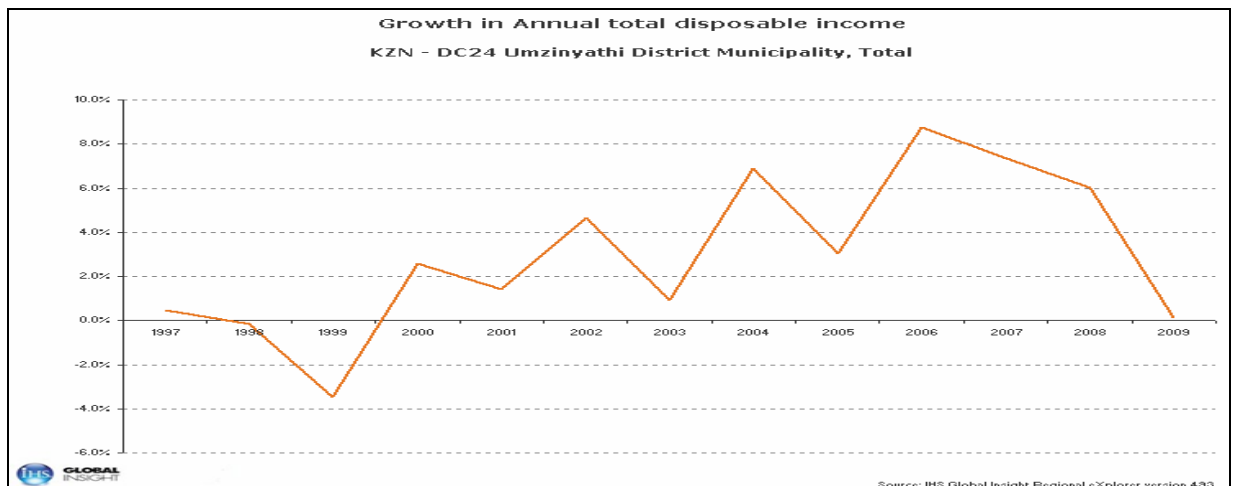
**Figure 66: Index of Buying Power (1996 – 2009)**



#### 4.4.6 Annual Disposable Income

The growth in the annual total disposable income is summarised in the graph below. As can be seen, 1998 until the end of 1999 saw a negative growth in total disposable income for the Umzinyathi DM. This was replaced by a period of positive growth from 2000 to 2009 with a peak in the growth in 2006. Although still positive, there has been a decline in the growth rate from 2006 to 2009 which corresponds with the Global Financial Crisis.

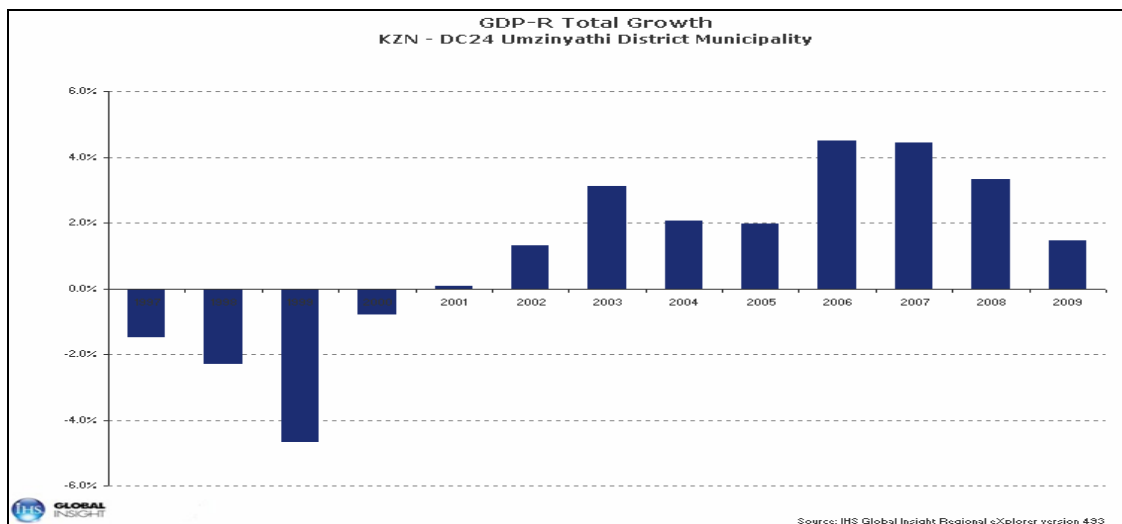
**Figure 67: Growth in Annual Total Disposable Income (1996 – 2009)**



#### 4.5 Gross Domestic Product per Region

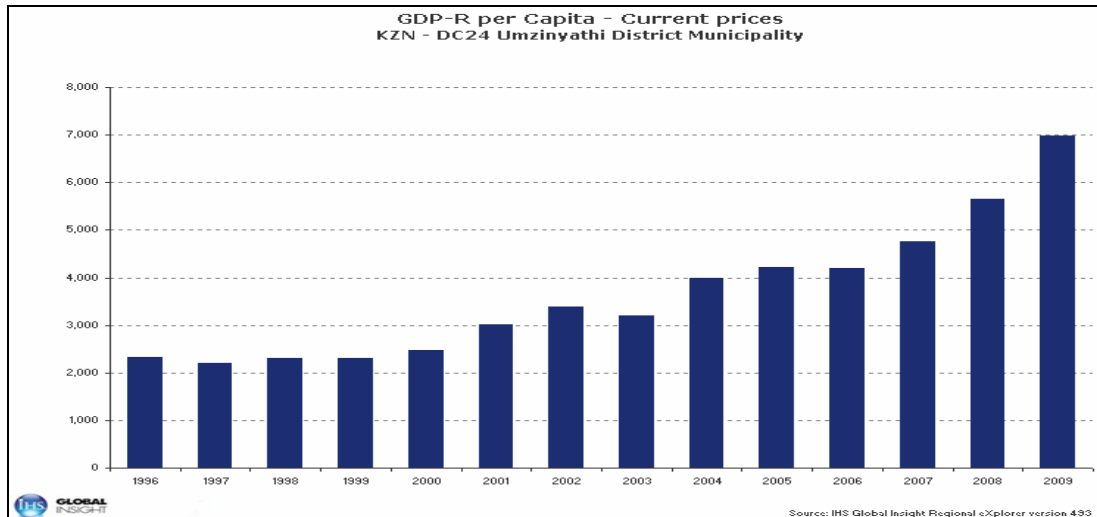
The Global Insight data indicates that the GDP- R for the Umzinyathi DM at current prices (R1000) rose from R1, 071,152 in 1996 to R3, 332,727 in 2009. The average annual growth rate for GDP- R for the UDM from 1996 to 2009 at constant prices for 2005 grew at 1.0%. The annual growth rate peaked at 4.5% in 2006 and had declined to 1.5% in 2009.

**Figure 68: GDP- R Total Growth (1996 – 2009)**



The GDP- R per capita at current prices was R2, 320 in 1996 and had risen to R6, 990 by 2009. This is summarised in the graph below.

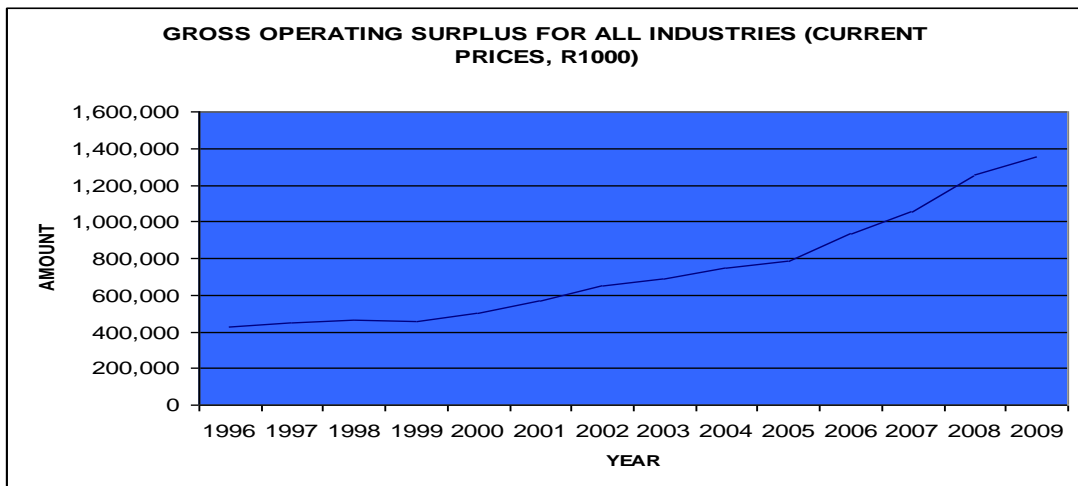
**Figure 69: GVA- R per Capita at Current Prices (1996 – 2009)**



#### 4.6 Gross Operating Surplus

The Gross Operating Surplus (GOS) can be defined in the context of national accounts as a balancing item in the generation of income account representing the excess amount of money generated by incorporated enterprises' operating activities after paying labour input costs. In other words, it is the capital available to financial and non-financial corporation's which allow them to repay their creditors, to pay taxes and eventually to finance all or part of their investment. The following graph summarises the Gross Operating Surplus (GOS) for the Umzinyathi DM and indicates a steady growth in GOS from R426, 254 in 1996 to R1, 355,267 in 2009.

**Figure 70: Gross Operating Surplus for All Industries in the UDM (Global Insight, 2009)**



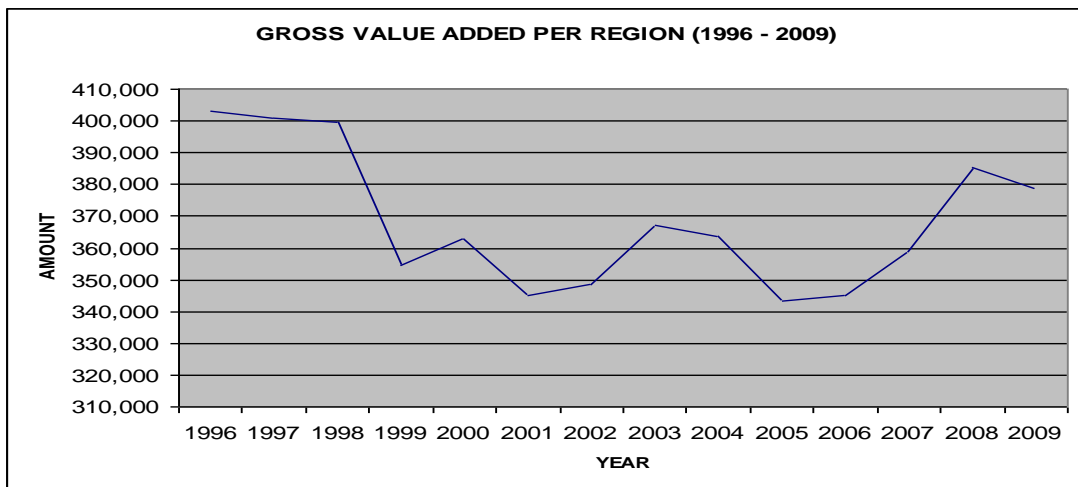
#### 4.7 Gross Value Added

Gross Value Added (GVA) is a measure of the value of goods and services produced in an area or sector of an economy. The information below has been extracted for the primary, secondary and tertiary sectors.

##### 4.7.1 Primary Sector

The following graph summarises the GVA per region for the primary sector for the years 1996 to 2009. As can be seen, the GVA- R for 1996 was R403, 126.00 which has declined to R378, 861.00 at constant 2005 prices (R1000).

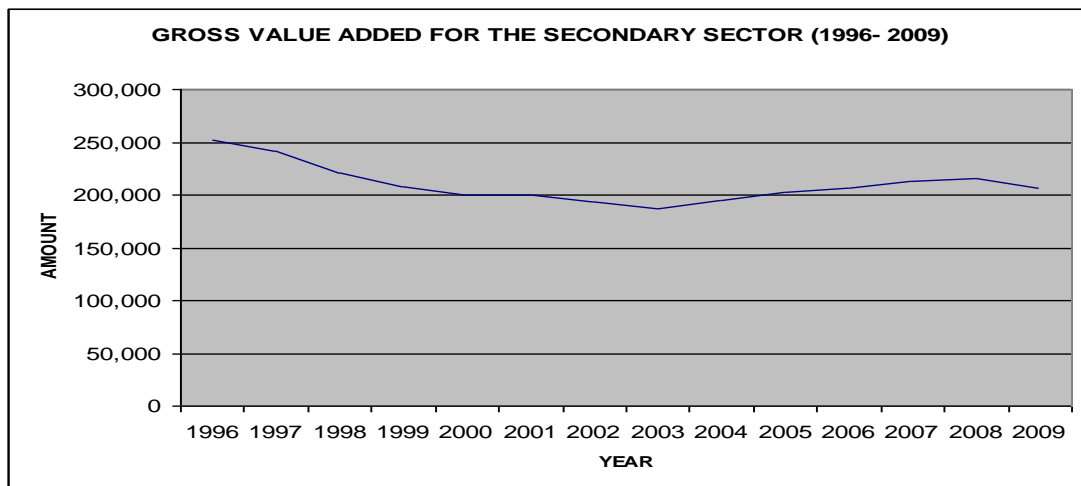
**Figure 71: Gross Value Added per Region for the Primary Sector (1996 – 2009) (Global Insight, 2009)**



#### 4.7.2 Secondary Sector

The secondary economy indicates a similar trend to the primary economy with a decline in the GVA- R from R252, 363.00 in 1996 to R206, 147.00 in 2009 at constant 2005 prices (R1000).

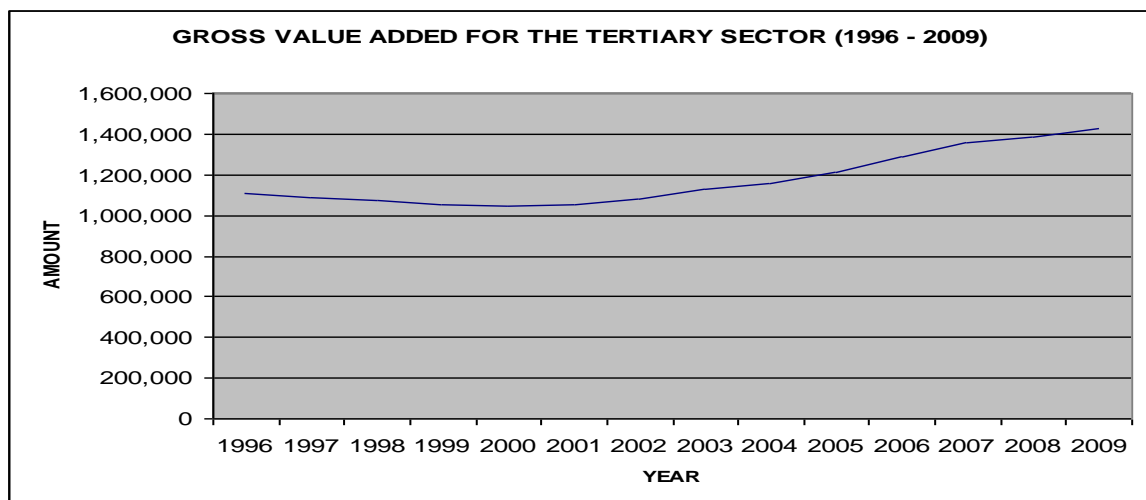
**Figure 72: Gross Value Added per Region for the Secondary Sector (1996 – 2009) (Global Insight, 2009)**



#### 4.7.3 Tertiary Sector

The tertiary sector differs from the primary and secondary sectors and indicates a steady growth in GVA from R1, 109,623 in 1996, to and amount of R1, 429,199 in 2009 at constant 2005 prices (R1000).

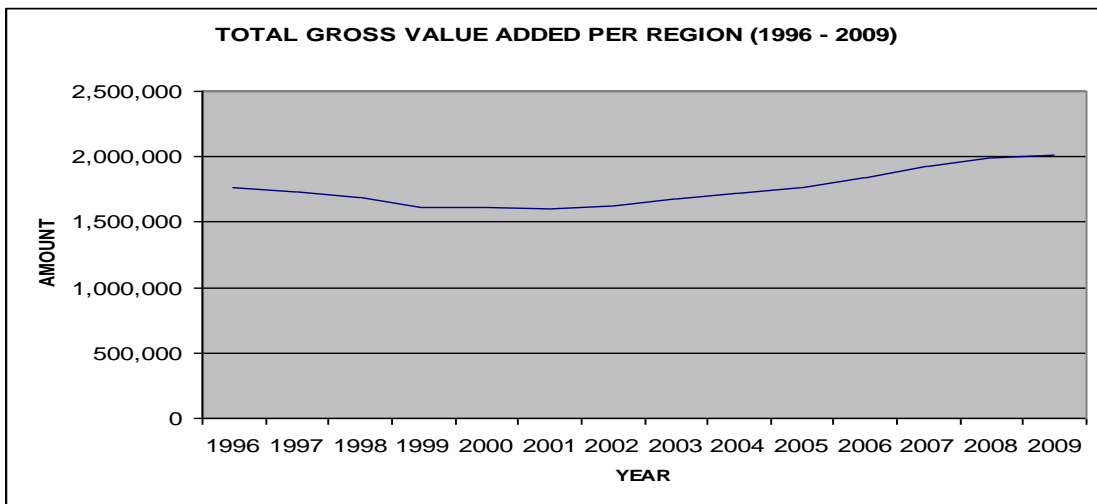
**Figure 73: Gross Value Added per Region for the Tertiary Sector (1996 – 2009) (Global Insight, 2009)**



#### 4.7.4 Total Gross Value Added per Region

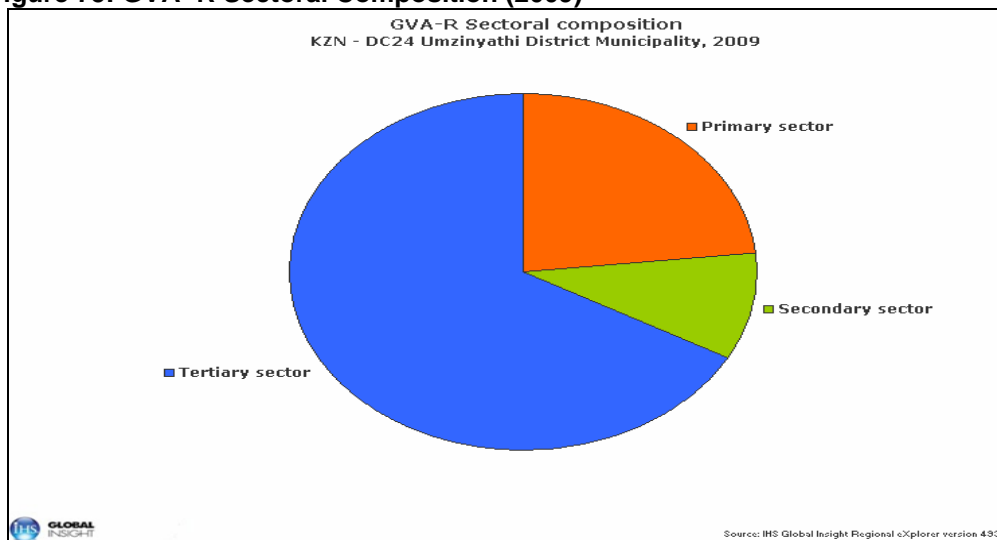
The following graph indicates the average GVA- R across all three sectors and indicates that although there has been a decline in the GVA- R for the primary and secondary sectors during this period, there has been an overall growth in the GVA- R for the UDM as a whole. In 1996 the total GVA- R was R1, 765,113 which grew to R2, 014,206 in 2009 at constant 2005 prices (R1000).

**Figure 74 : Total Gross Value Added per Region for the UDM (1996 – 2009) (Global Insight, 2009)**



The following graph summarises the GVA- R contribution for the three sectors in 2009 and clearly indicates that the Tertiary sector makes the largest contribution.

**Figure 75: GVA- R Sectoral Composition (2009)**



## 4.8 SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• In terms of agriculture, the district has a distinctive competence in beef feedlots, irrigated maize production and dairy in the north, vegetable production in Msinga and Umvoti on the Tugela and Mooi Rivers, and forestry in Umvoti. It has well established clusters of expertise, support services and marketing networks in these sectors except for vegetable production;</li> <li>• The area has a unique competitive advantage in terms of its Battle Fields (Heritage) Tourism products. There is however a need to improve the marketing and quality of the product through both public investment (signage, public infrastructure) and private investment. There is also a need to diversify the tourism product mix to include Zulu cultural, nature-based and adventure products;</li> </ul>	<ul style="list-style-type: none"> <li>• The district economy still remains too dependent on government and social services;</li> <li>• The GDP per capita value of the district economy is the second smallest in KwaZulu-Natal;</li> <li>• There is a weak social base, with the district having the highest levels of unemployment and illiteracy in KwaZulu –Natal, the second lowest Human Development Index of all the districts in KZN;</li> <li>• There are low levels of reinvestment into productive sectors. The service sector dominates the economy and there is limited investment in tourism and agriculture;</li> <li>• There has been a lack of progress around meaningful and practical growth and development partnerships between government, business and civil society to optimise the district economies strengths and deal with threats and weaknesses; and</li> </ul>

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• The lead performing growth sectors over the last 5 years have been trade and accommodation (tourism) (37,6%), financial services (39.6%) and construction (114%), although the latter of a very low base; and</li> <li>• The geographic position of Dundee means that it plays an important role as a central node in northern KwaZulu-Natal. It has the potential to further develop this role as a commercial, cultural, educational, sport, and administrative and retirement hub for Northern KwaZulu-Natal.</li> </ul>	<ul style="list-style-type: none"> <li>• The UMzinyathi family of municipalities compares poorly to other districts in terms of strategic management, budgetary and human resource commitment to LED.</li> </ul>



Opportunities	Threats
<ul style="list-style-type: none"> <li>• There is a high demand for processed agricultural products (beneficiation of primary products) both within the district and broader market. The areas of greatest opportunity include processed meat, irrigated maize, dairy products and processed vegetables (Msinga). There are opportunities for competitive partnerships with BBBEE investment companies and SMMEs in the following supply and value chains: <ul style="list-style-type: none"> <li>○ Maize – Milling – Marketing - Feedlots.</li> <li>○ Feedlots – Meat Processing - Leather Tanning.</li> <li>○ Dairy production - dairy packaging and processing – marketing.</li> <li>○ Forestry - wood products - forestry waste products.</li> <li>○ Vegetable production - vegetable packaging and processing - marketing.</li> </ul> </li>   <li>• The Bio fuel Initiative in Amajuba may provide significant opportunities in the medium term in Soya bean production, particularly on dry land, but it remains to be seen if this will materialise; and</li> </ul>	<ul style="list-style-type: none"> <li>• The agricultural sector has been based on primary production while opportunities and profits lie in processing. In addition, the sector has shown stagnation and job loss with lower profit levels due to rising costs of agricultural inputs;</li>   <li>• The land reform process is taking place as a reactive process in the district and will threaten sustained agricultural production unless there is a structured partnership between the established commercial farming sector, agricultural processors, suppliers and land reform beneficiaries and government (Department of Land Affairs, Agriculture and the Land Claims Commission) to fully integrate these initiatives into the agricultural and agri-processing supply and value chain;</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>There is potential to grow both the domestic and international share of the tourism market through improving both marketing and the experience of the existing Battlefields Heritage product and the development and marketing of complementary products in adventure tourism, nature-based tourism and Zulu cultural tourism. A unique opportunity exists to develop a District Tourism route through the district which would form the basis of a coherent tourism marketing and product development initiative for the district.</li> </ul>	<ul style="list-style-type: none"> <li>The tourism sector has not been able to develop a growth partnership between tourism associations and local and provincial government. The lack of engagement around integrating community based tourism enterprises and SMMEs into the tourism supply and value chain, will continue to constrain public sector investment and limit the necessary product mix for a competitive local tourism economy.</li> <li>The District and Local Municipalities have allocated little strategic management, human or financial resources to the implementation of LED in the past. The absence of a dedicated manager and unit with direct oversight over LED in the District Municipality means the district will continue to lack the capacity to undertake its critical economic governance role.</li> </ul>

#### 4.9 ECONOMIC PRIORITIES

The five key economic development priorities are:

- To grow and diversify the district's unique competitive advantage in heritage and potential for cultural tourism;
- To grow the district's competitive advantage in agricultural processing in those sectors, clusters and value chains in which the district already has a distinctive competence (dairy, maize-milling, vegetables, beef feedlots and timber);
- To increase the service and commercial capacity of the nodal towns in the District (Dundee, Greytown, Pomeroy, Tugela Ferry and Nquthu);
- To establish a targeted skills development programme and SMME business development services for competitive sectors, clusters and value chains; and
- Establish District LED Institutional Arrangements (human resources, structures,

processes and budgets) to drive the implementation of the UMzinyathi LED Strategy and Plan (2008 – 2011/12).

#### **4.10 LED TECHNICAL SUPPORT**

During the current financial year, the Department of Economic Development and Tourism together with the Umzinyathi District Municipality started the process of appointing a specialist to render technical support to the LED units within the District and Local Municipalities, to ensure the immediate intervention to realise economic growth and development. The intentions of the technical support are as follows:

- To set up functional LED Institutional Arrangements (support structures) such as the District LED forum, sector specific forums, LED units at Local Municipality level etc;
- To identify, package and leverage funding for implementation of catalytic projects which will have a significant impact in the growth and development of the local economy.

The technical support will be provided through the appointment of the LED specialist to assist the district family of municipalities for a period of two (2) years.

#### **4.11 LED AGENCY**

The lack of capacity within the district family of municipalities serves as a clear evidence of the need for immediate intervention in our endeavour to realise economic growth and development. The inability to execute high impact projects has encouraged the municipality to welcome the idea of the agency establishment and commit in ensuring its (agency) sustainability.

Furthermore, the municipality of Umzinyathi is committed in developing and supporting Small business and creation of job opportunities. It therefore, vehemently believed that the existence and the presence of LED Agency will assist in firstly implementation of anchor projects and also in providing support to the emerging business sector through coordination and facilitation of big-small business linkages, business skill development, supporting on BBBEE deals with investors, etc.

While the district municipality will concentrate on authority side of the LED function, the LED Agency will be tasked with the service provision which encompasses project packaging, feasibility assessments, stakeholder mobilisation, investor mobilisation and fund leveraging. The council of Umzinyathi will remain dependent on the agency with relevant economic advices of ever-changing and turbulent economic landscape.

In the light of the above summary, the Umzinyathi district and its family of local municipalities is committed in turning around the economic fortunes of the region through proper use of the economic development agency as the vehicle of prosperity.

#### **4.11.1 Envisaged Impact**

In the light of our strategic intent to establish the agency, we envisage the expeditious growth in packaging and assessment of feasible economic ideas. This will lead to development of marketable basket of economic opportunities. On the social front we are of the view that the agency will play a pivotal role in stimulating the regional economy thereby create much required economic activity that will revive the already dwindled sectors.

Furthermore, we view the agency as the vehicle that will have the ability to be focused, entrepreneurial, opportunistic and cost-effective, i.e. to function as an economic developmental catalyst. The Agency would typically involve the use of both private and public funds to catalyze innovation and to promote profitable ways of improving market access for the poor in the region.

The Agency will aim to stimulate private sector investment and to discover new ways of working, where the costs and risks of specific ventures may not be well known, and where the social impact may be significantly larger than through conventional approaches. The ultimate success or failure of the agency will be measured through the number of jobs created, amount of investment snared or attracted to the region, the number of entrepreneurs benefited from its initiatives and beyond. We are convinced of the positive impact that the agency will enjoy in our region.

#### **4.11.2 Bankable LED Projects**

The constantly persisting challenge in our LED endeavours has been the identification of strategic projects that are financially viable in the long run. This is undoubtedly emanated from the failure to craft convincing project identification, selection and evaluation criteria. Nevertheless, local municipalities LED plans and the district LED strategy have shed light on existing and potential projects, even though they are not well structured and packaged to attract or entice investors and funders. The shortcoming thus far to our project list relates to the inclusion of private sector initiated projects. However, the agency will be expected to strike meaningful relationship with the private sector in order to ensure that their projects are supported and in a position to attract outside investments.

To this end, the Umzinyathi District Municipality has attempted to identify projects of high socio-economic impact. Ultimately it has defined strategic projects as existing or potential projects that have the following characteristics:

- Projects that are strongly aligned to the mainstream economic process of a country or region and producing positive effects in terms of growth, exports, value added, employment and income.
- Projects that are functionally integrated with a commodity system of value chain (preferably orientated to exports), generating economies of scale.
- Projects that have positive profit rates in terms of Net Present Value, Internal Rate of Returns and Benefit/Cost Relationship.
- Projects that involve and support the final and intermediate target groups of UMzinyathi economic development programme.
- Projects that are environmentally friendly.

The LED Agency will be expected to distribute project portfolios, as well as regional profiles, to all possible role players seeking investments into our projects.

The highly prioritized strategic projects are as follows:

<b>Project Name</b>	<b>Project Location</b>	<b>Existing/ proposed</b>	<b>Estimated Budget</b>
Soya Beans Production	Dundee	Existing	R 17 million
Umlimi Green Houses Village	Msinga /Nquthu	proposed	R 150 million
Vegetable Pack house	Msinga	existing	R 10 million
Sandlwana Development Precinct	Nquthu Area	proposed	R 250 million
Umvoti Housing Project	Greytown	proposed	R 150 million
Umvoti Shopping Mall	Greytown	proposed	R 200 million
Poultry Farming	Msinga/Nquthu/Umvoti	proposed	R 30 million
Cattle Farming	Endumeni/Dundee	existing	R 10 million
Tannery	Msinga	proposed	R 50 million
Lake Methyl	Greytown	existing	R 20 million
<b>TOTAL INVESTMENT COST</b>			R 887 million

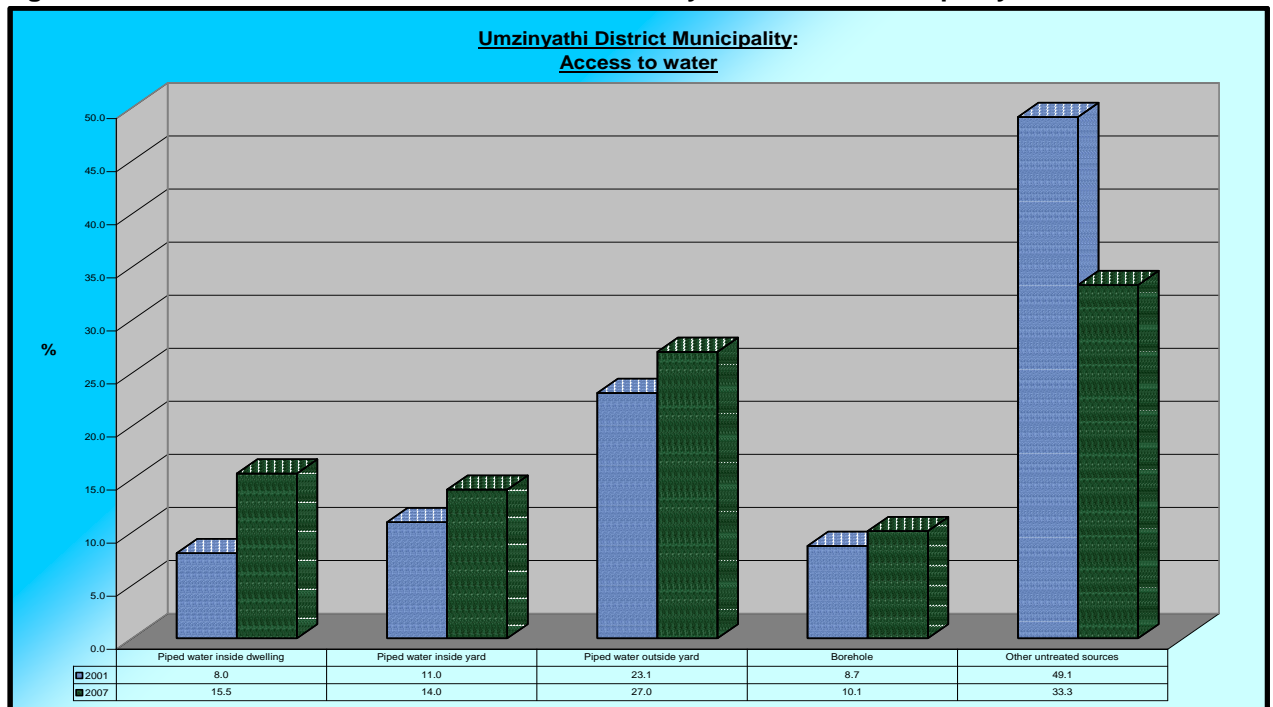
## **CHAPTER 5: BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT**

### **5.1 ACCESS TO INFRASTRUCTURE SERVICES**

#### **5.1.1 Access to Water**

The provision of basic water infrastructure within the Umzinyathi DM has shown significant improvements over the period 2001 to 2007. The proportion of households receiving piped water inside their dwellings nearly doubled from 8% in 2001 to 15.5% in 2007. The proportion of households with piped water inside their yards increased from 11% to 14%, and those with access to piped water outside their yards from 23.1% to 27%. Moreover, over the same period, the proportion of households reliant on other untreated sources of water decreased from 49.1% to 33.3% in 2007. Despite these significant improvements, it also implies that approximately one third of households are still reliant on untreated sources of water.

**Figure 76: Access to water infrastructure in the Umzinyathi District Municipality**

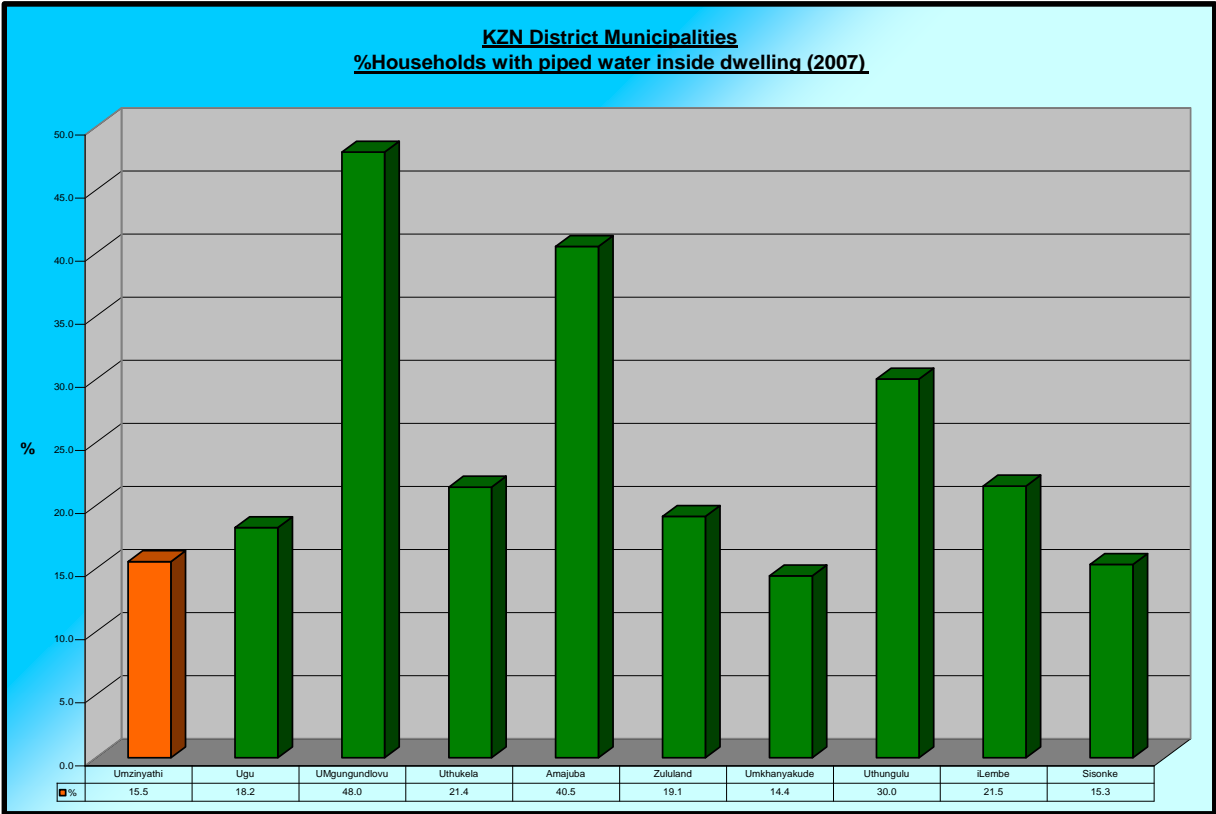


*Source: Stats SA: Census 2001  
Stats SA: Community Survey 2007*

Despite the significant improvements in the delivery of basic water infrastructure in the Umzinyathi DM, the extent of the remaining challenges within a provincial context are

clearly depicted in Figures 77 and 79 . This information indicates that the 15.5% of households with piped water inside their dwellings in the Umzinyathi DM rates amongst the three lowest figures of the ten districts within the province. At the other end of the scale, the 33% of households in Umzinyathi DM which are still reliant on other untreated sources of water is the third highest figure in Kwazulu-Natal after the Zululand DM (41.8%) and the Sisonke DM (45.5%).

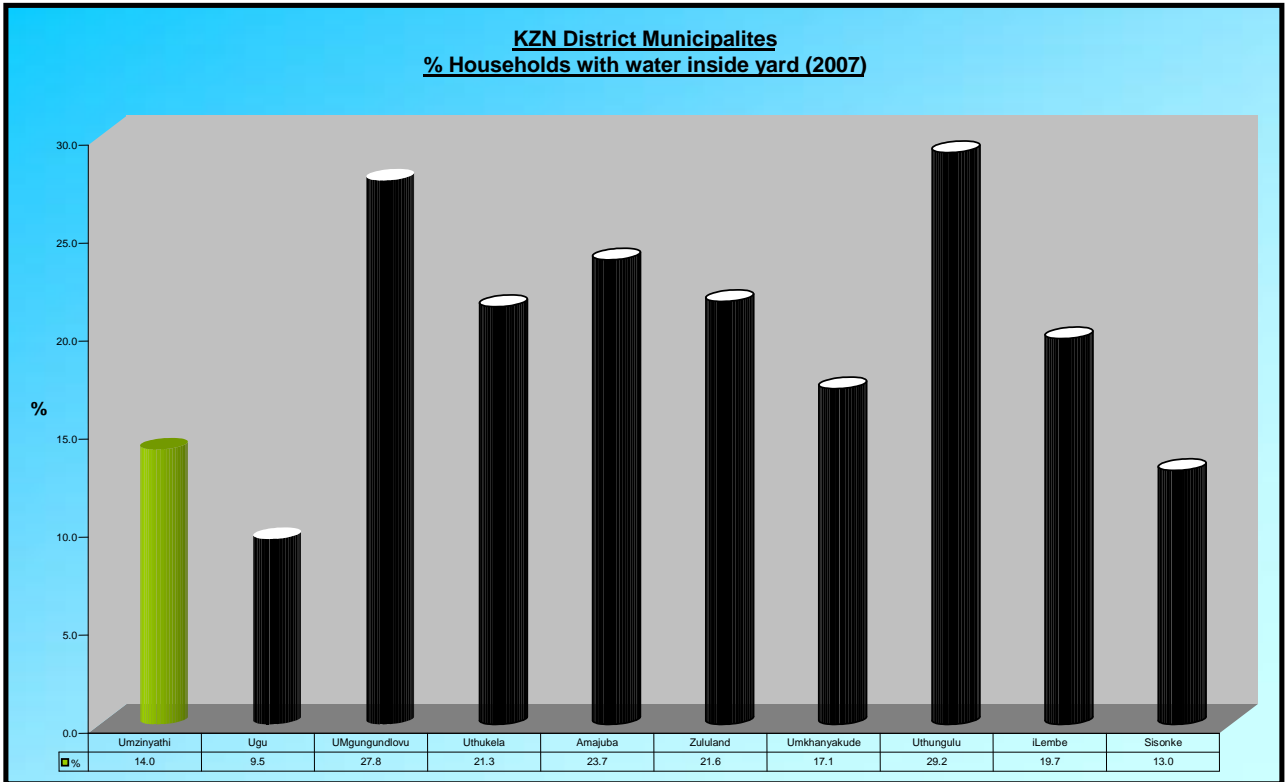
**Figure 77: Percentage households with piped water inside their dwellings (2007)**



Source: Stats SA; Community Survey 2007

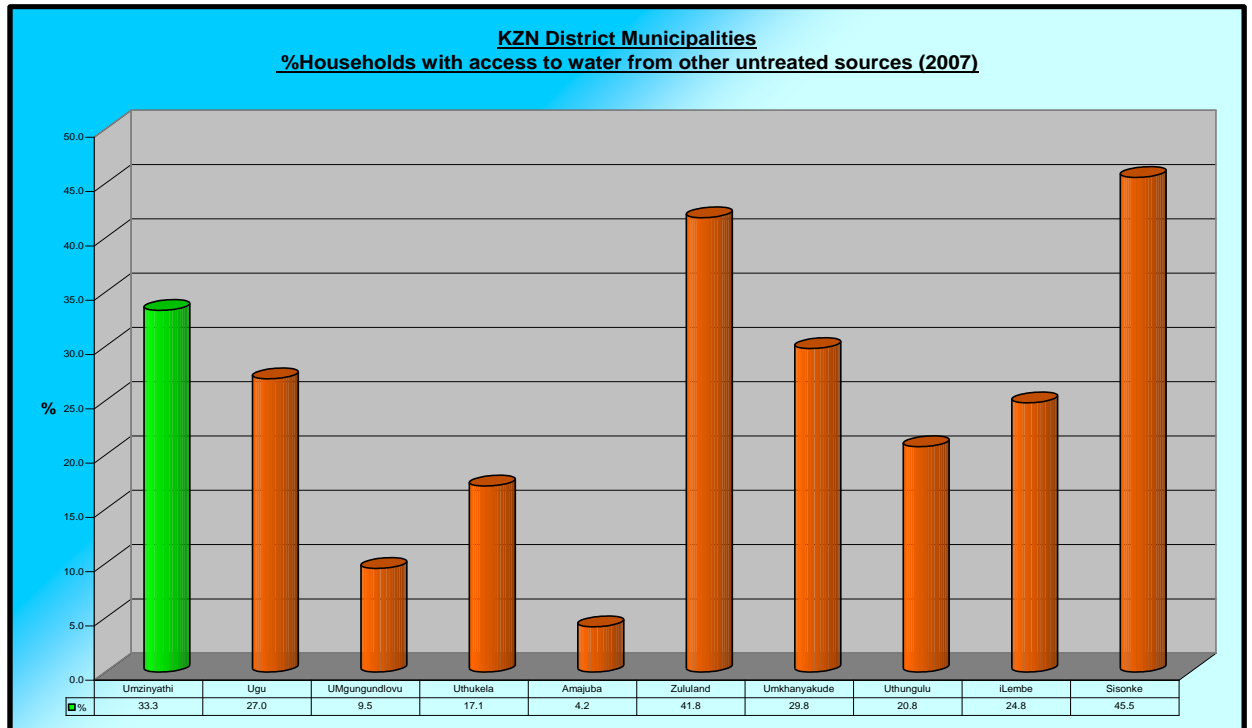


**Figure 78: Percentage households with water inside their yards (2007)**



Source: Stats SA; Community Survey 2007

**Figure 79 Percentage households reliant on other untreated water sources (2007)**



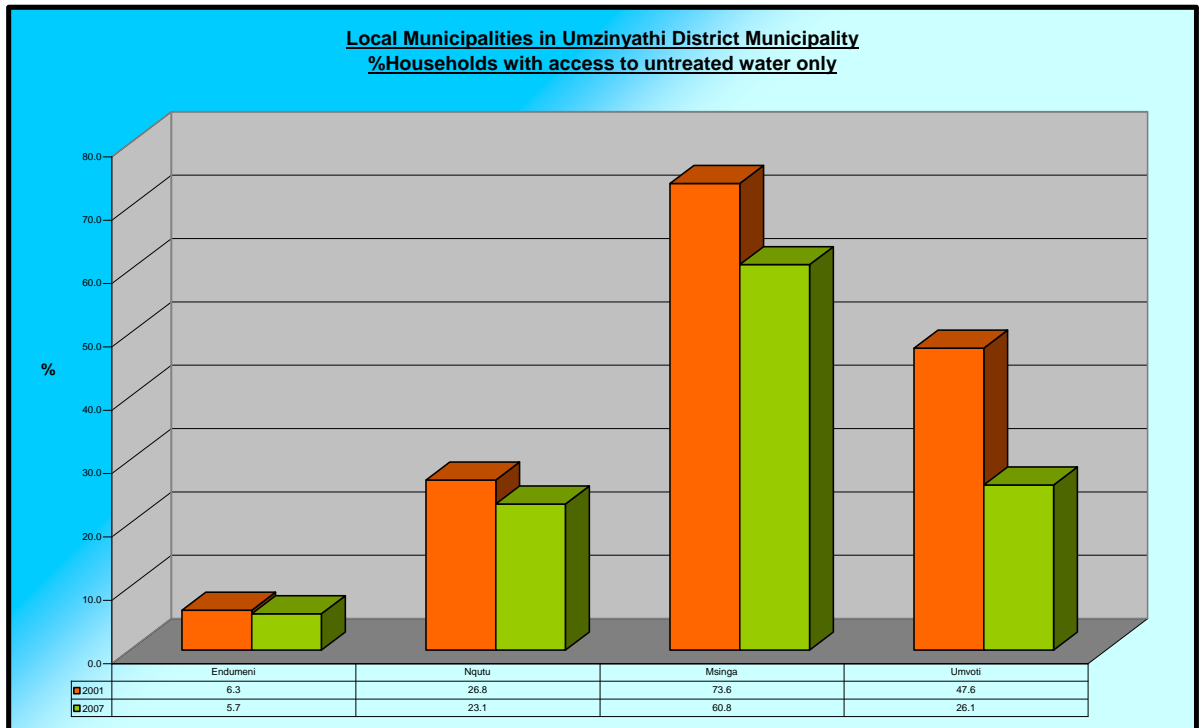
Source: Stats SA; Community Survey 2007

The significant differences in the level of basic water infrastructure in the various local municipalities across the district is clearly depicted on Figure 80 which shows the proportion of households reliant on untreated sources of water. This figure range from as low as 5.7% of households in the eNdumeni LM, to between 23% and 26% in the Nquthu and Umvoti LM's, and a very high figure of 60.8% in the Msinga LM.

The situation in the various Local Municipalities can be summarized as follows:

- The proportion of households in the eNdumeni LM with piped water inside their dwellings increased from 37.2% to 57.4% between 2001 and 2007.
- Only 3.7% and 12.6% of the households in Nquthu LM had access to piped water inside their dwellings and inside their yards respectively in 2007. However, as much as 51.3% of households did have access to piped water outside their yards. A high proportion of 23.1% still only had access to other untreated water sources.
- A total of 26.6% of households in the Umvoti LM have access to pipe water inside their dwellings and 24.7% to pipe water inside their yards. The proportion of households reliant on other untreated sources of water decreased from 47.6% in 2001 to 26.1% by 2007.
- Less than 1% of households in the Msinga LM had access to piped water inside their dwellings and only 1.5% to pipe water inside their yards by 2007. Conversely, as much as 60.8% of households were still reliant on other untreated sources of water (despite decreasing from 73.6% in 2001).
- The spatial distribution of different levels of access to water infrastructure is depicted on the attached thematic map. The very high concentration of households below the minimum level of water infrastructure provision in the Msinga and Nquthu Local municipalities is clearly evident.

**Figure 80: Percentage of household with access to untreated water only in the Umzinyathi DM**

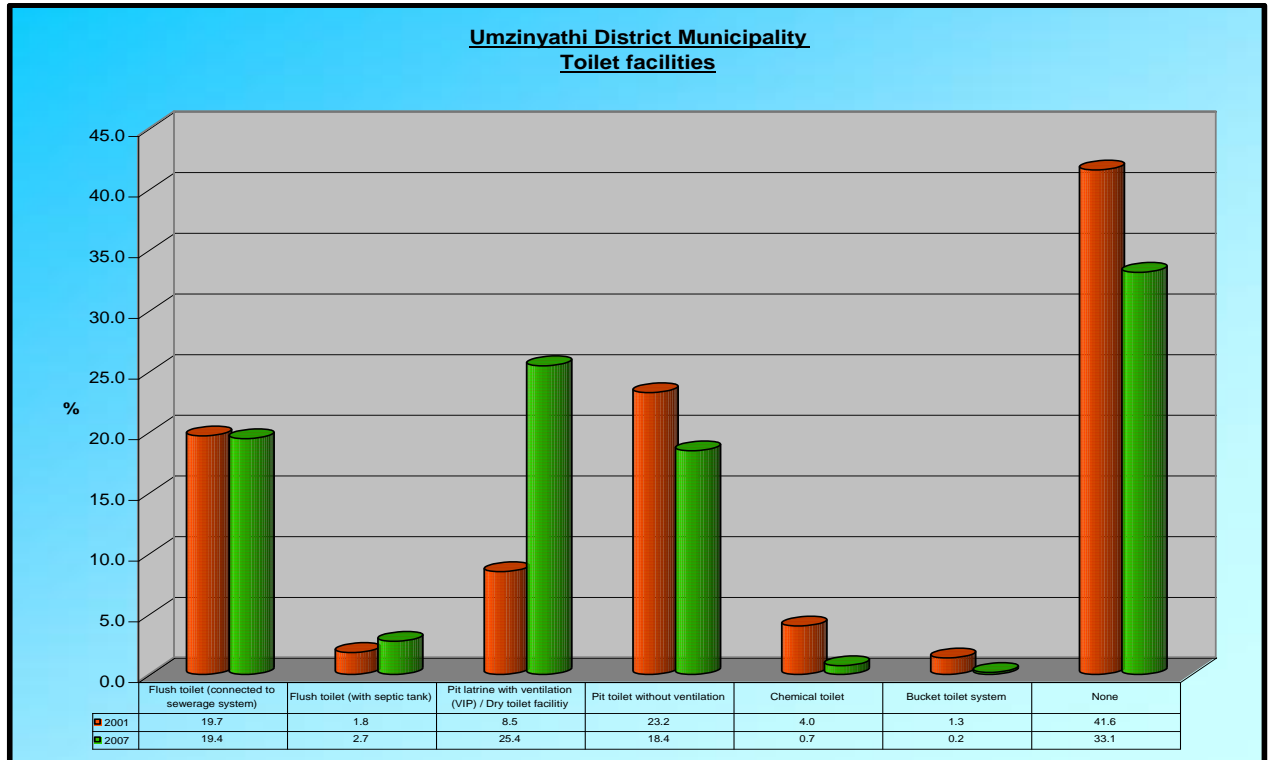


*Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007*

### 5.1.2 Access to Sanitation Facilities

A comparative overview of the availability of sanitation infrastructure in the Umzinyathi DM is outlined in Figure 81. This information indicates that the proportion of households with flush toilets (either connected to a water borne sewerage system or septic tank) is approximately 22.3%. This figure remained relatively unchanged between 2001 and 2007. A notable feature is the significant progress which has been made with the provision of basic sanitation facilities such as ventilated improved pit latrines (VIP's) and other dry toilet facilities. The proportion of households with access to these types of facilities increased from 8.5% to 25.4% between 2001 and 2007. Over the same period, the proportion of households with access to unimproved pit latrines decreased from 23.2% to 18.4% and those without access to any form of sanitation infrastructure form 41.6% to 33.1%. These figures also imply that as much 52% of all households in the district municipality still did not have access to sanitation facilities meeting the minimum required standards by 2007.

**Figure 81: Access to sanitation infrastructure in the Umzinyathi DM**



*Source:* Stats SA; Census 2001  
Stats SA; Community Survey 2007

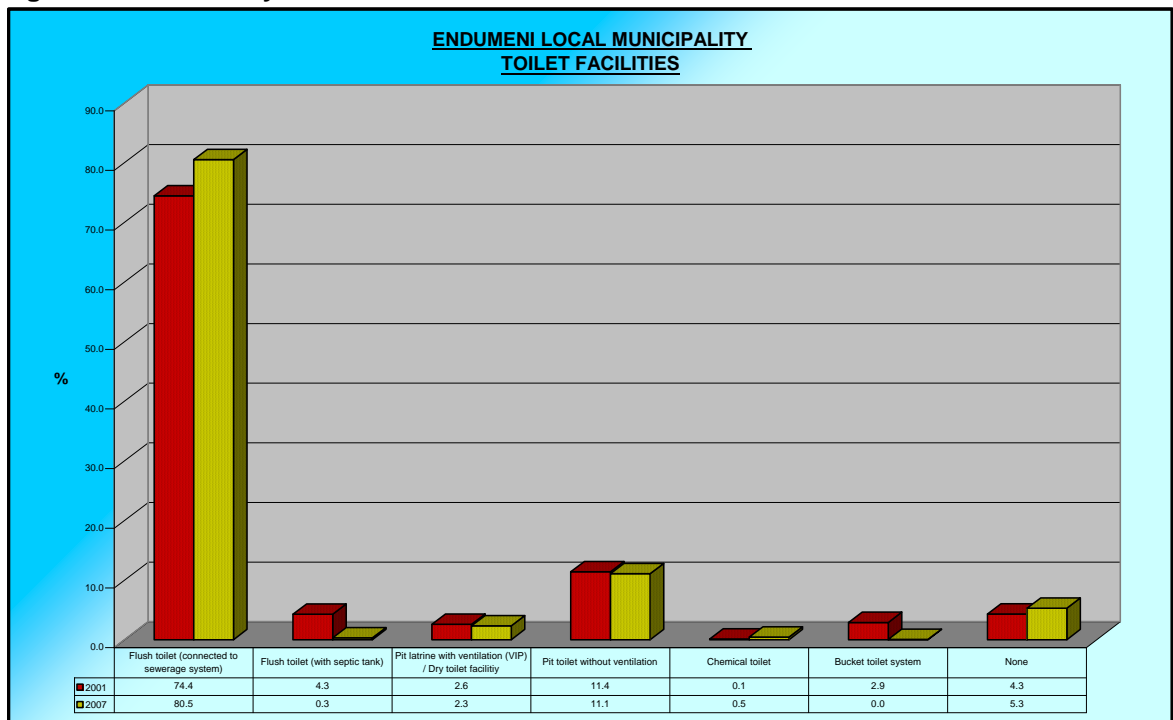
The availability of basic sanitation infrastructure in the various local municipalities within the Umzinyathi DM is summarized in Figures 82 to 85. This information indicates a number of important characteristics:

- More than 80% of households in the eNdumeni LM had access to a water borne sanitation system by 2007. Only 11% of households were reliant on unimproved pit latrines and a further 5% were without any form of sanitation facilities.
- The vast majority of households in the Nquthu LM did not have access to sanitation facilities at the minimum required standards by 2007. A total of 38.6% of households did not have any form of sanitation facilities, and a further 33.7% were utilizing unimproved pit latrines. A further notable trend has been the proportional increase in the number of households falling within these two categories. Only 23.4% of all households had access to a Ventilated Improved Pit latrine or other dry toilet facility.
- Significant progress has been made with the provision of basic sanitation infrastructure in the Msinga LM. The proportion of households provided with

Ventilated Improved Pit latrines or dry toilet facilities increased from 5.1% to 38% between 2001 and 2007. Over the same period, the proportion of households without any form of sanitation facilities decreased substantially from 70% to 48.9%.

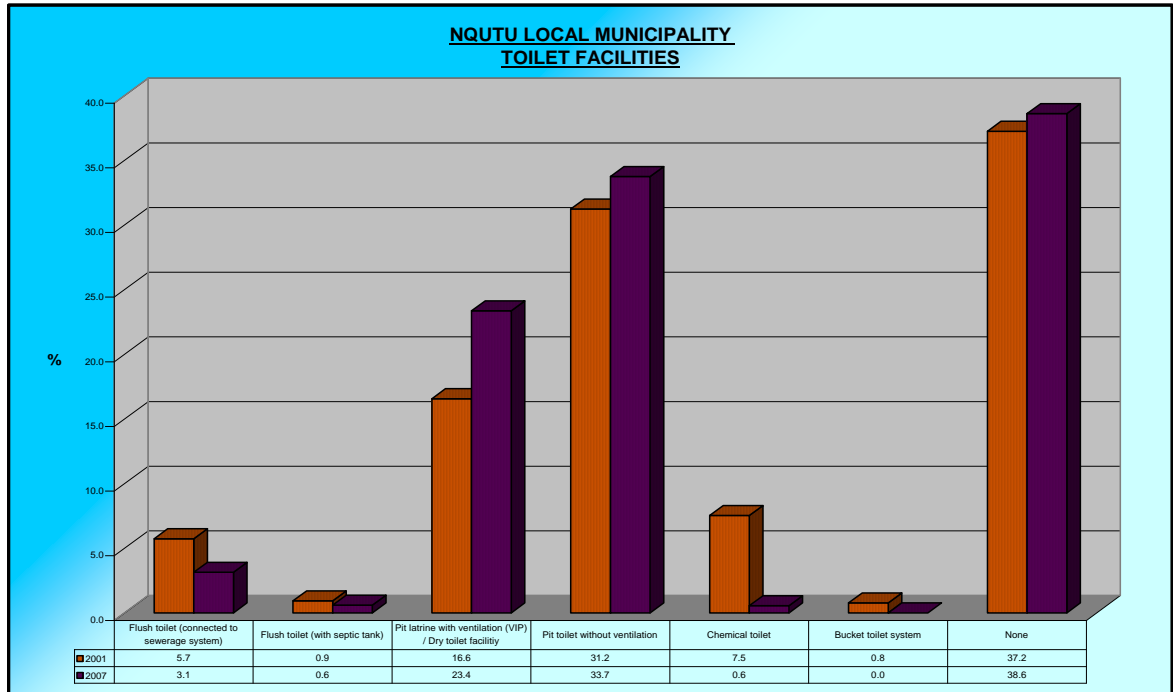
- Substantial progress has also been made in the Umvoti LM with the provision of basic sanitation facilities between 2001 and 2007. The proportion of households with access to water a borne sanitation system increased from 30.8% to 40.3% over this six year period. The proportion of households with access to Ventilated Improved Pit latrines or other dry toilet facilities also increased markedly from 7.8% to 24.4%. Conversely, the proportion of households reliant on unimproved pit latrines decreased from 29.1% to 12.9%, and those without any form of sanitation from 26.3% to 21.3%.

**Figure 82: Availability of sanitation infrastructure in eNdumeni LM**



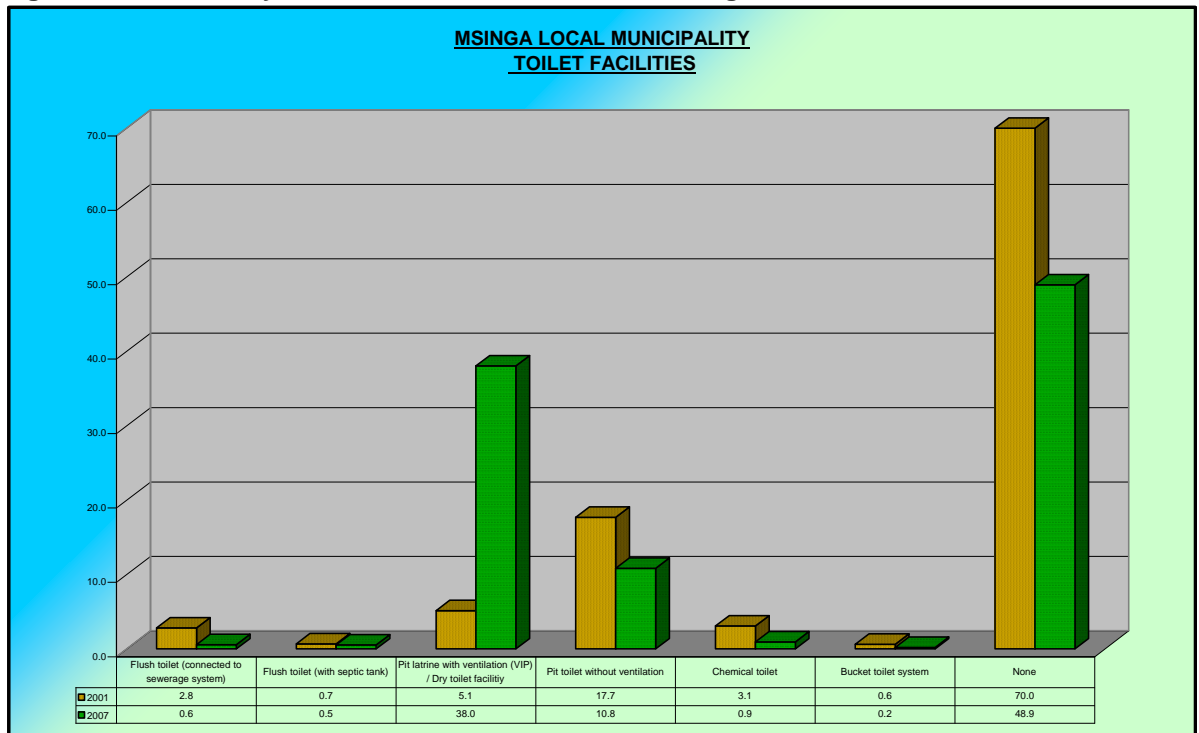
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 83: Availability of sanitation infrastructure in Nquthu LM**



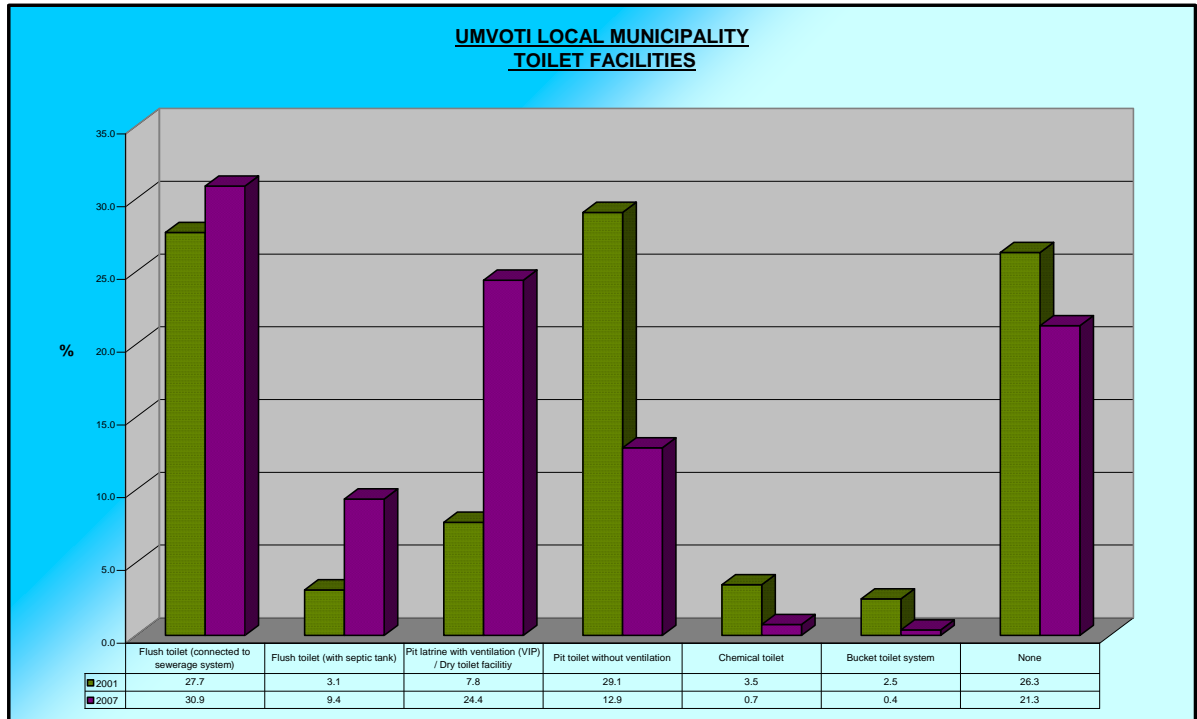
Source: Stats SA: Census 2001  
Stats SA: Community Survey 2007

**Figure 84: Availability of sanitation infrastructure in Msinga LM**



Source: Stats SA: Census 2001  
Stats SA: Community Survey 2007

**Figure 85: Availability of sanitation infrastructure in Umvoti LM**



*Source:* Stats SA; Census 2001  
Stats SA; Community Survey 2007

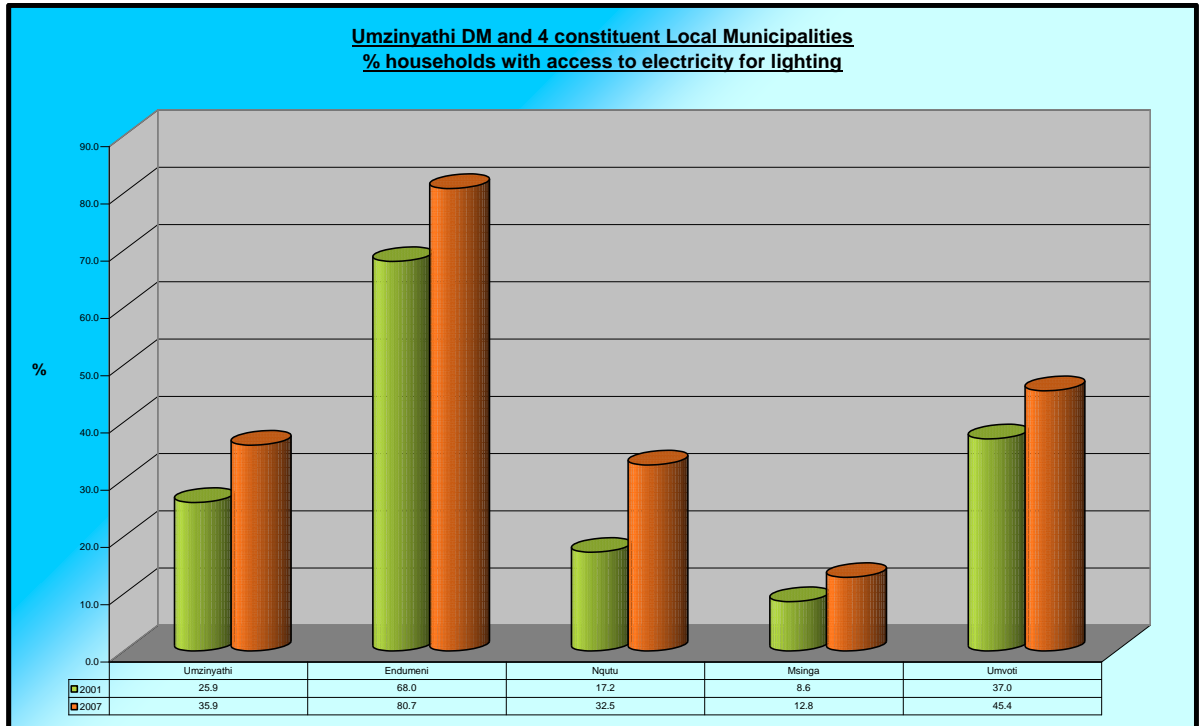
### 5.1.3 Electricity

The information depicted in the figure below indicates that significant progress has been made with electrification of the Umzinyathi district between 2001 and 2007. The percentage of households with access to electricity for lighting purposes, have increased from 25.9% to 35.9%. Despite this significant improvement, it still implies that nearly two thirds of the total population of the district does not have access to electricity.

Overall, the levels of electrification in Umzinyathi DM are very low compared to the other districts within KwaZulu-Natal (see Figure 86). This information indicates that the percentage of households electrified in Umzinyathi is the second lowest in the province after the 33.6% of Umkanyakude DM. In most other districts, in excess of 60% of households do have access to electricity for lighting purposes. Significant differences are also prevalent amongst the four local municipalities within the district. The municipal level characteristics can be summarized as follows:

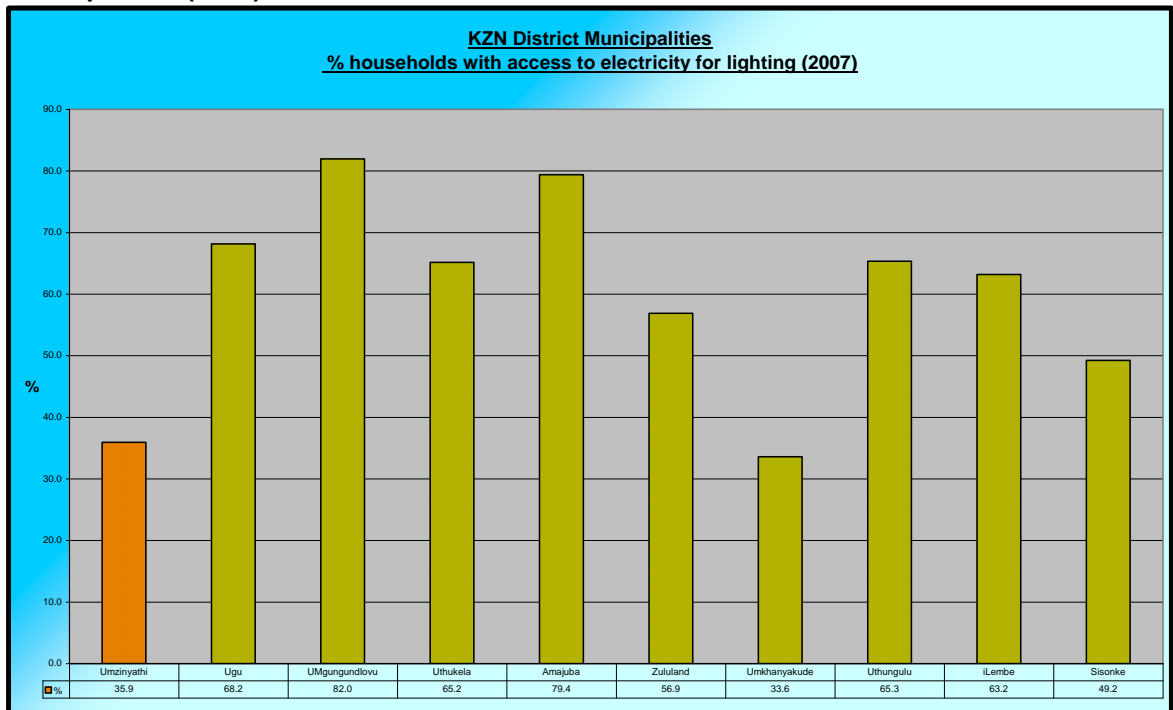
- As much as 80% of households in the eNdumeni LM have access to electricity;
- Although significant progress has been made in both the Nquthu and Msinga LM's, only 32.5% and 12.8% of households did have access to electricity in 2007; and
- Approximately 45% of households in the Umvoti LM had access to electricity for lighting purposes.

**Figure 86: Percentage households with access to electricity for lighting Umzinyathi DM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 87: Percentage households with access to electricity for lighting KZN District Municipalities (2007)**



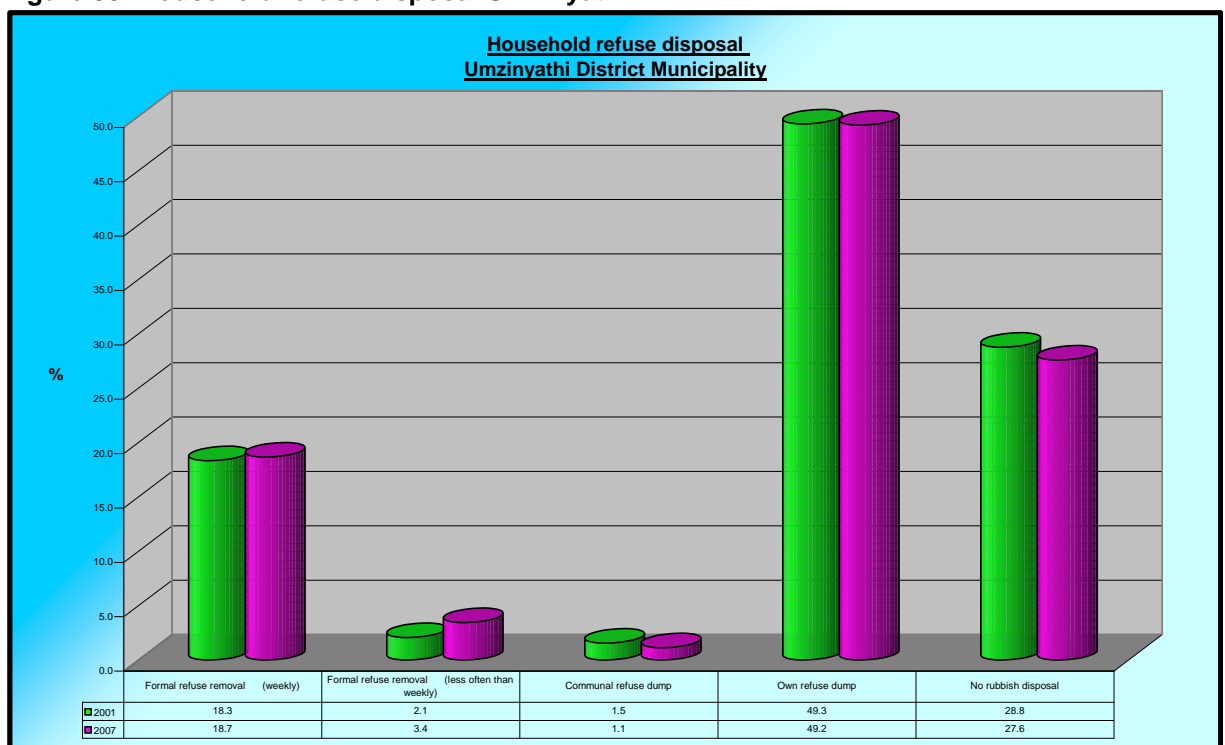
Source: Stats SA; Community Survey 2007



### 5.1.4 Waste Disposal

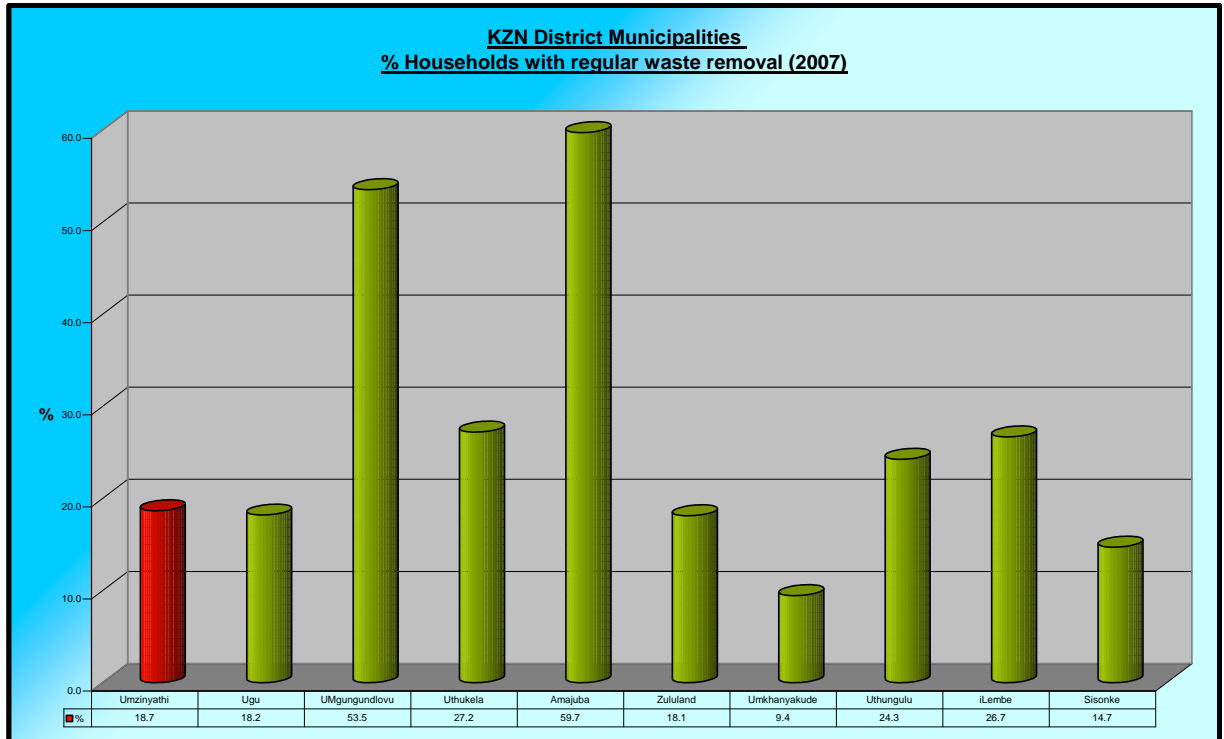
The provision of refuse removal services in Umzinyathi DM is very limited. According to the information in Figure 88 less than 20% of all households in the district receive a regular formal refuse removal service. As much as 49.2% of households make use of their own refuse dumps, and a further 27.6% does not have access to any form of waste disposal service. A further aspect of concern is that the availability of refuse removal services have not improved over the period 2001 to 2007. These low levels of services provision with regards to waste removal services in Umzinyathi DM are not unlike the situation in most other district municipalities within the province (see Figure 34), with figures very similar to those of Ugu, Zululand and Sisonke DM's. These statistics clearly highlights the challenges of providing an effective waste removal services in vast rural communities.

**Figure 88: Household refuse disposal Umzinyathi DM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 89: Percentage households with regular waste removal (2007)**

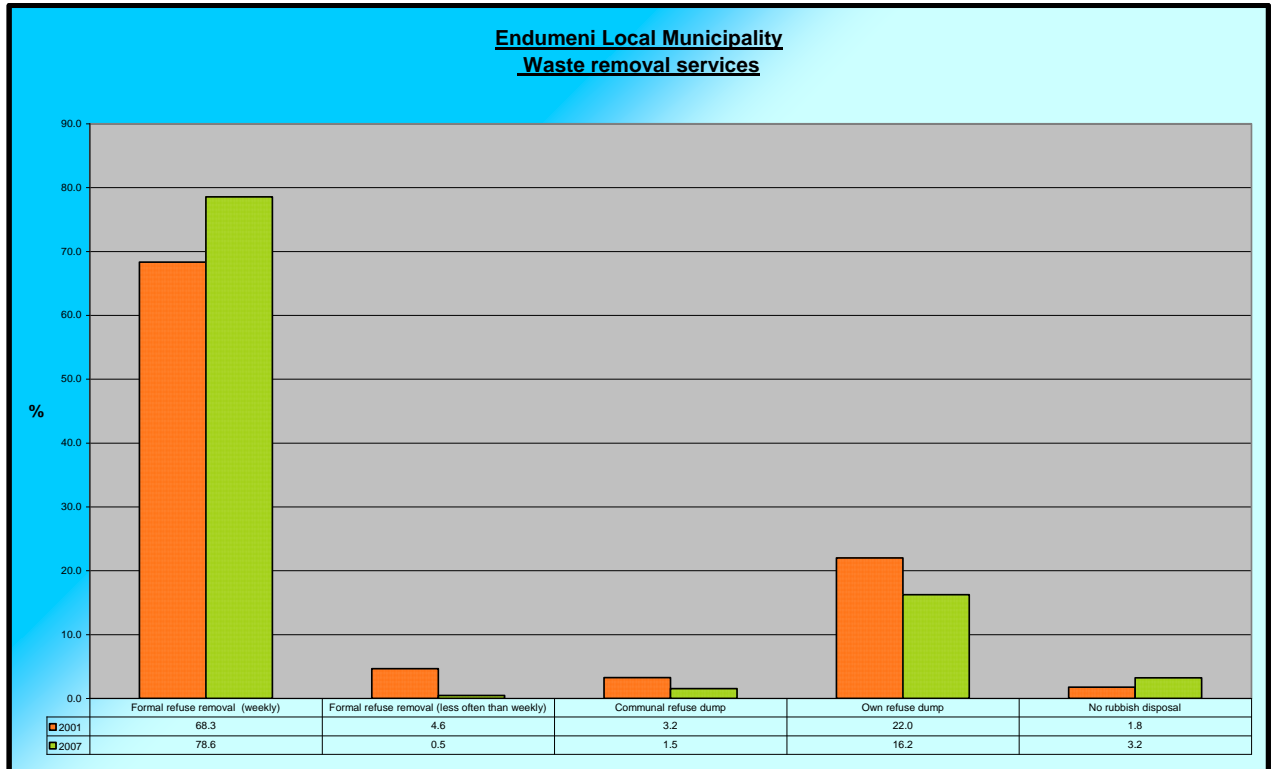


Source: Stats SA; Community Survey 2007

An overview of waste removal services at local municipality level is summarized in the subsequent graphs. This information indicates the following trends:

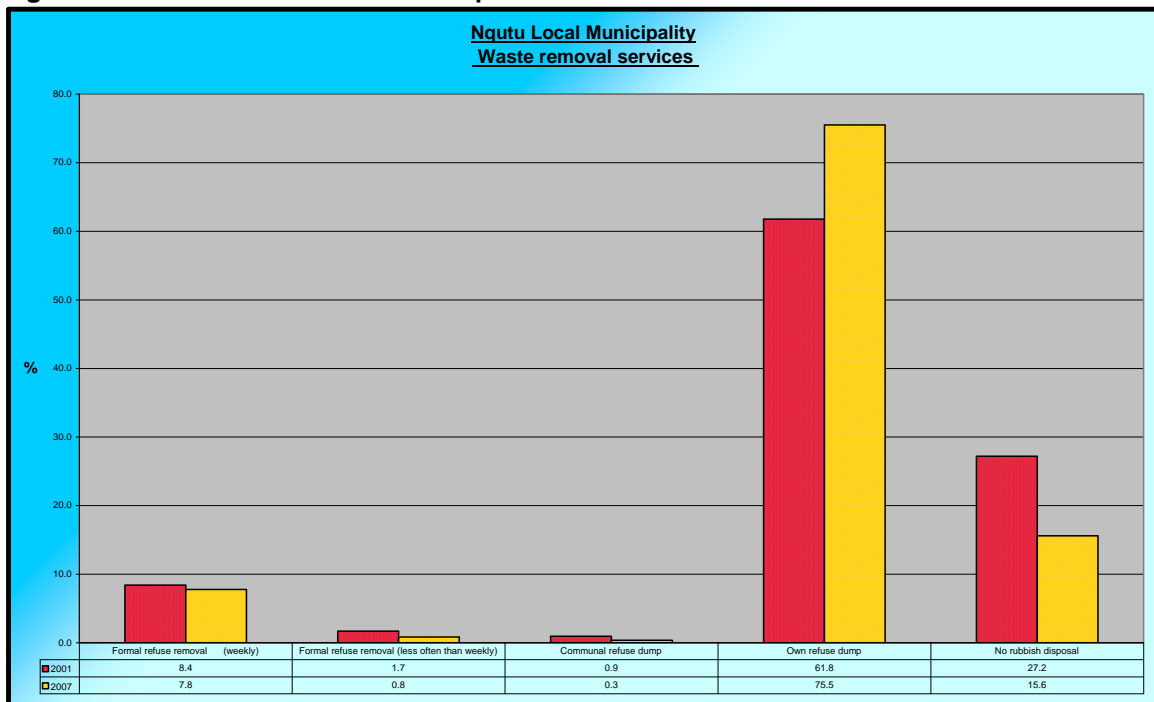
- The majority of households in the eNdameni LM (78.6%) are provided with a regular formal refuse removal service. Only a small proportion of households makes use of their own refuse dumps or does not have access to any form of disposal.
- The provision of formal waste removal services in the Nquthu LM is very limited and as much as 75.5% of households make use of own refuse dumps, and a further 15.6% does not have access to any form of disposal.
- No formal refuse removal service is rendered in the Msinga LM. As much as 61.4% of households do not have access to any form of waste disposal, with a further 37% utilizing own refuse dumps.
- A total of 23% of households in the Umvoti LM receive a weekly formal refuse removal service. A further 12.3% has indicated a less frequent service. More than 62% of households utilize own refuse dumps or does not have access to any form of waste disposal service.
- The spatial distribution of the availability of municipal refuse removal services is depicted on the attached thematic map.

Figure 90: Waste removal services in eNdumeni LM



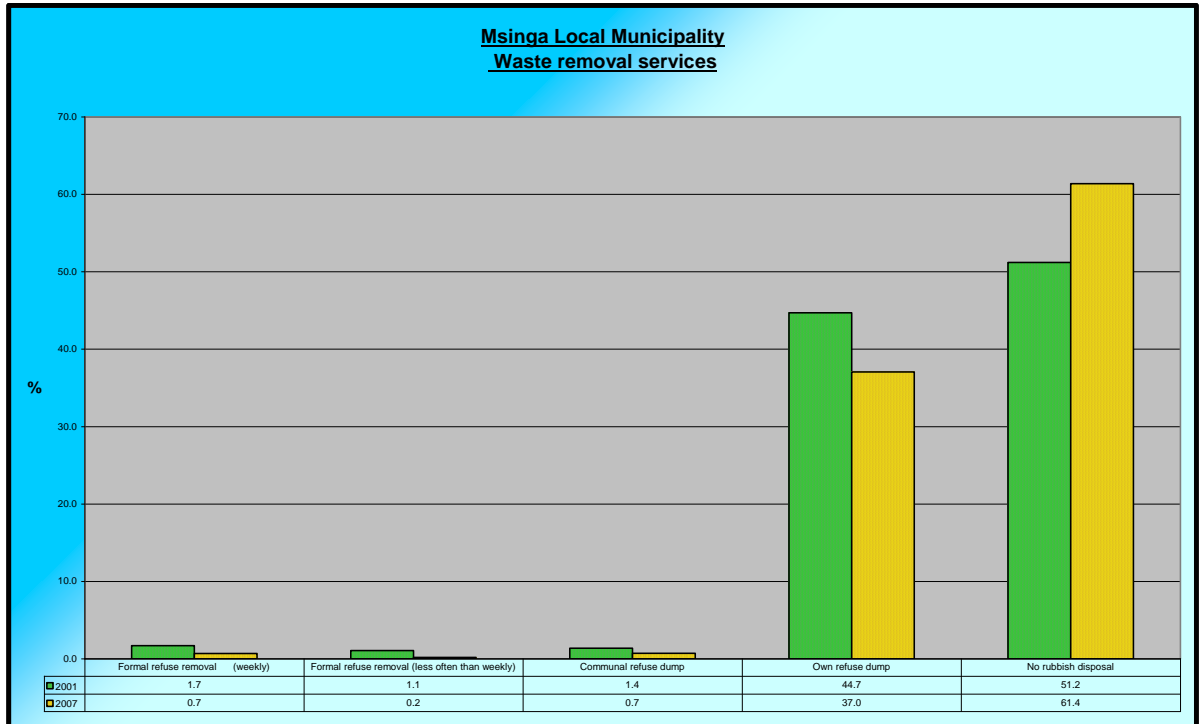
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

Figure 91: Waste removal services Nquthu LM



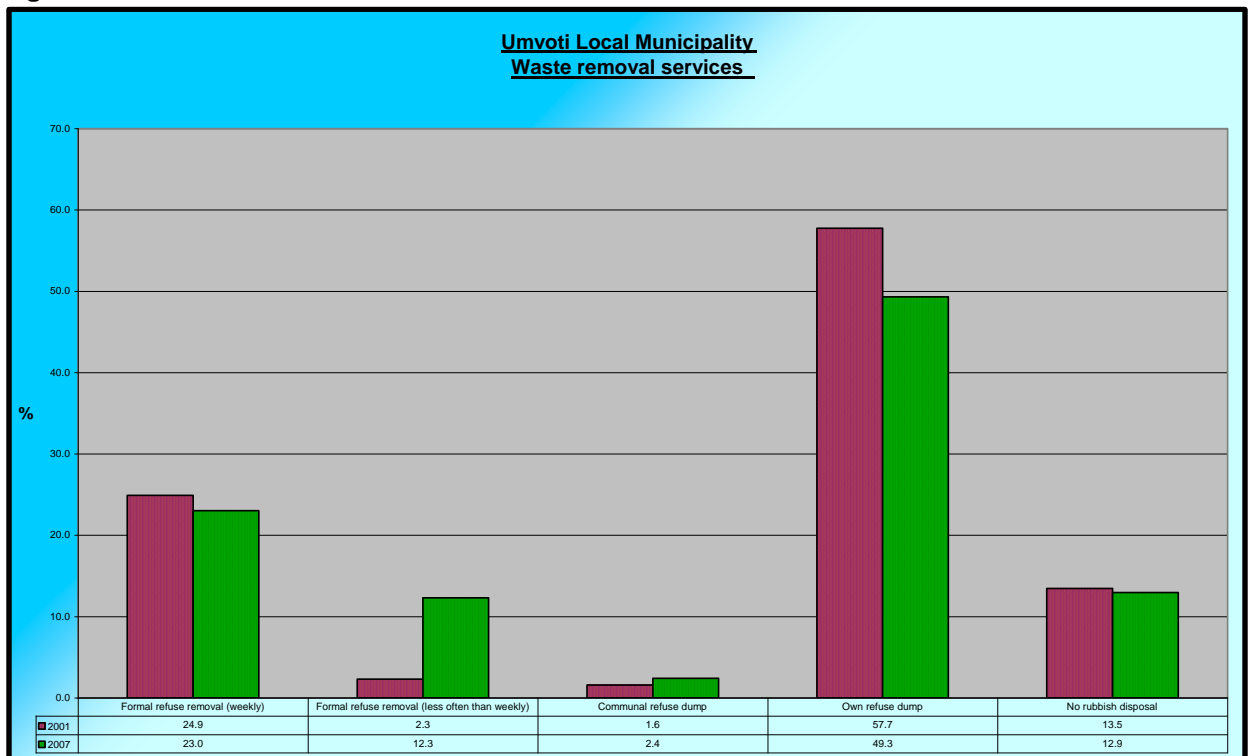
Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 92: Waste removal services Msinga LM**



Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

**Figure 93: Waste removal services Umvoti LM**

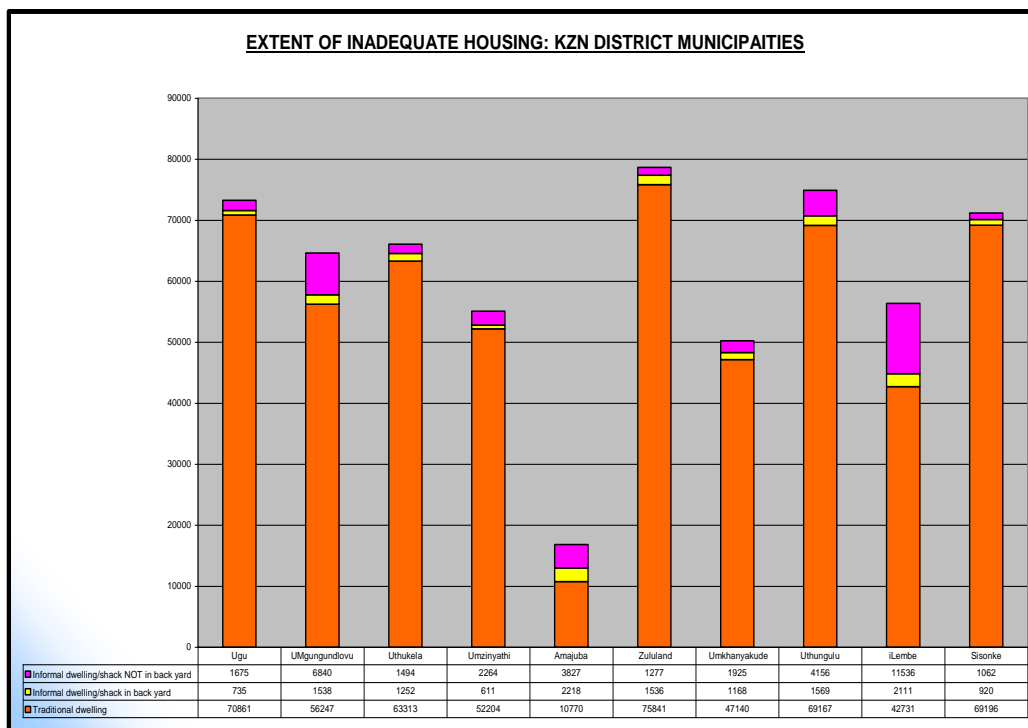


Source: Stats SA: Census 2001  
Stats SA; Community Survey 2007

### 5.1.5 Housing

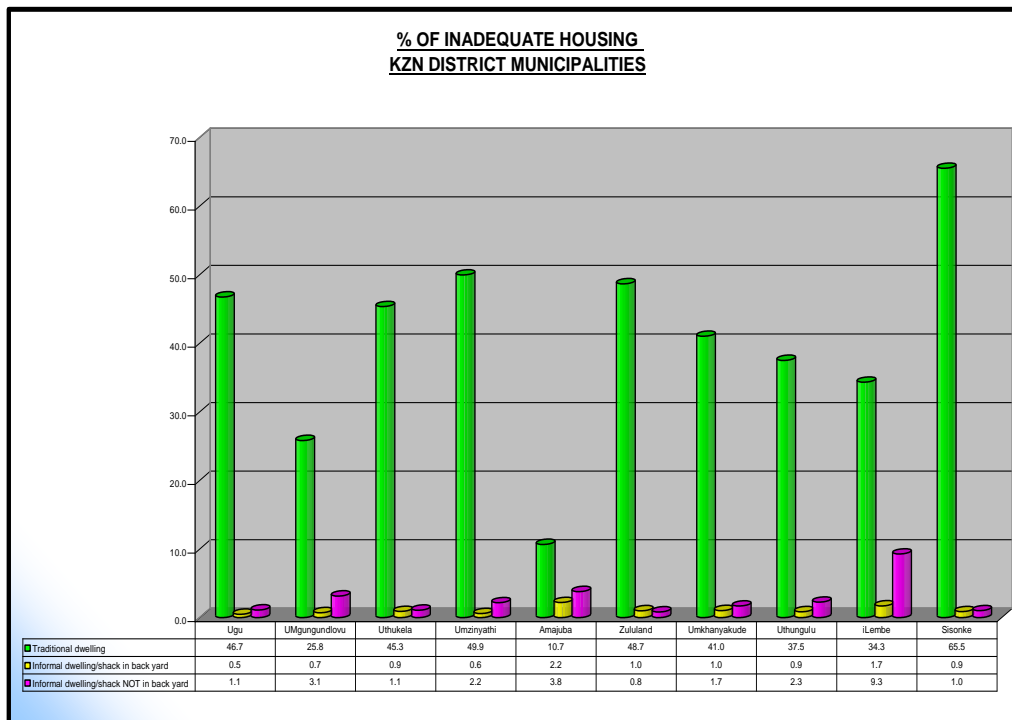
The extent of inadequate housing in Umzinyathi DM is approximately 55 000 units. This figure consists of around 52 000 households residing in houses constructed of traditional materials, approximately 2 200 housing in informal dwellings, and a further 600 in informal dwellings in backyards. There is thus a substantial need for appropriate housing provision across the entire district. The comparative analysis of the proportion of inadequate housing amongst the various districts in KwaZulu-Natal as depicted in Figure 94 indicates that the Umzinyathi DM has the second highest proportion of households residing in traditional dwellings (49.9%) in the province after the Sisonke DM.

**Figure 94: Extent of inadequate housing**



*Source: Stats SA, Community Survey 2007*

**Figure 95: Percentage of inadequate housing in KZN DM's**



*Source: Stats SA, Community Survey 2007*

## 5.2 INFRASTRUCTURE BACKLOGS

Umzinyathi DM is the Water Services Authority (WSA) for the entire district in terms of Section 1 of the Water Services Act, 1997. In order to efficiently plan the development of water services in the DM's jurisdictional area. During the current financial year, Umzinyathi DM undertook the enhancement of the existing 2006 Water Services Development Plan. The Water Services Development Plan assists the municipality to align the projects set out by the Water Services Authority and that of the IDP in terms of providing water and sanitation services to the entire district. It also helps with understanding the water services requirements and to effectively plan and manage the projects.

As such Umzinyathi DM has a duty to all consumers or potential consumers in its area of jurisdiction to progressively ensure efficient, affordable, economical, and sustainable access to water services. This is achieved through the WSA functions of governing, regulating, planning and developing of water services.

During the current financial year, the municipality aims to reduce the water backlog which is 36% (36217 households) by 9% (3000 households) thereby improving access to communities within the RDP standards. In terms of sanitation, the municipality aims to reduce the sanitation backlog which is 21% (21411 households) by 17% (3639 households) thereby improving access to communities within the RDP standards by the end of 2010/11 financial year.

By the end of the 2010/11 financial year, the backlogs for infrastructural services will be as follows:

Table No 10: Water, Sanitation, Electricity and Refuse Removal – 2011/12 backlogs	
Backlogs	Percentage
Water	33%
Sanitation	18%
Electricity	64%
Refuse	80%

Source: Stats SA, Community Survey 2007

### 5.2.1 2011/12 Plan for reduction of Backlogs

- **Water**

During 2011/12 financial year, the municipality aims to reduce the water backlog which will be 33% (33217 households) by 8% (2618 households) thereby improving access to communities within the RDP standards.

- **Sanitation**

The municipality aims to reduce the sanitation backlog which will be 18% (17772 households) by 21% (3800 households) thereby improving access to communities within the RDP standards.

- **Electricity**

The provision of electricity within the district lies with Eskom and the local municipalities, the municipal plan is to prepare the Electrification Plan which will provide a comprehensive approach in providing and managing electricity within the district.

- **Waste Disposal**

The municipality is in the process of developing two regional waste sites for waste management to be shared by the four local municipalities. Progress to date regarding this process is as follows:

EIA public participation process for the South site has been finalized and is currently being packaged.

The EIA public participation process for the two North sites has been delayed by the objections from the community members, and they are currently being addressed. A new site has been proposed in Nquthu and currently being assessed.

The municipality is also in the process of rehabilitating the existing waste sites which is Pomeroy, Nquthu and Glencoe and also to provide fencing.

### **5.3 OPERATATION AND MAINTANACE**

In terms of dealing with the issues regarding operation and maintenance, provision has been made through the budget to cater for Operation and Maintenance of water projects and schemes to ensure sustainability of the schemes thereby providing water to the communities for a longer period.

### **5.4 EXPANDED PUBLIC WORKS PROGRAMME**

Umzinyathi District Municipality is also committed in training and developing communities through the EPWP programme, thereby promoting economic growth and creating sustainable development. 25% of the MIG projects to be undertaken by the municipality are EPWP compliant.

### **5.5 SECTOR PLANS**

#### **5.5.1 Water Services Development Plan**

Umzinyathi DM is the Water Services Authority (WSA) for the entire district in terms of Section 1 of the Water Services Act, 1997. In order to efficiently plan the development of water services in the DM's jurisdictional area. During 2009/10 financial year, the municipality reviewed Water Services Development Plan. The Water Services Development Plan assists the municipality to align the projects set out by the Water Services Authority and that of the IDP in terms of providing water and sanitation



services to the entire district. It also helps with understanding the water services requirements and to effectively plan and manage the projects.

The Water Services Development Plan is in the process of being enhanced to also capture the spatial data spatial or digital documentation of utility infrastructure such as boreholes, reticulation, bulk water schemes for effective planning purposes.

### **5.5.2 Integrated Waste Management Plan**

Umzinyathi District Municipality has the Integrated Waste Management Plan which serves to address the waste management and disposal matters. The municipality is in the process of reviewing the plan in partnership with the Department of Environmental Affairs to ensure that it provides a holistic approach in dealing with waste management.

### **5.5.3 Public Transportation**

Umzinyathi District Municipality has finalized the preparation of the Integrated Public Transport Plan as required in terms of the National Land Transport Transition Act (Act 20 of 2000), and the plan will be approved by Council in due course. The plan will assist the district family of municipalities in making informed planning decisions regarding public transport.

## **5.6 SECTION 78 ASSESSMENT**

Umzinyathi District Municipality together with Amajuba District Municipality and Newcastle Local Municipality have a shared municipal entity known as Uthukela Water (Pty) LTD which is responsible to undertake the provision of water services in the region.

In December 2007, the MEC for the Department of Co-operative Governance and Traditional Affairs intervened in the operations of the municipal entity through the application of Section 139 (1) (b) of the Constitution. Since then the municipal entity reports to the MEC, and the municipality performs a supporting role to the municipal entity.

Section 78 assessment has been undertaken to provide a strategic direction regarding the potential structures for the Water Services Provider. Section 78 was undertaken based on the Uthukela Water Governance and regional service delivery issues. As a Water Services Authority, we are ultimately accountable for service delivery within the area of jurisdiction.

Recommendations based on the outcome of Section 78 assessment have been made available to the Water Services Authorities and the Department of Cooperative Governance for consideration.

## **CHAPTER 6: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

### **6.1 BUDGET OVERVIEW**

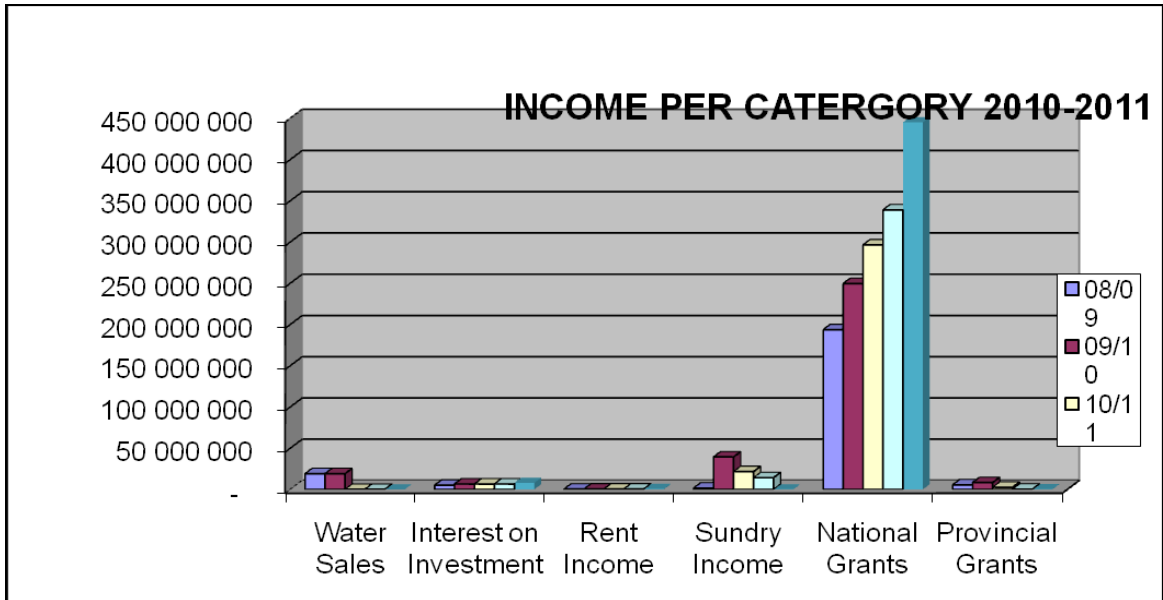
The Budget for 2011/12 has been finalised and incorporated into the 2011/12 IDP Review. The budget below is a budget for 2011/2012 and it also contains indicative figures for 2012/13 and 2013/14 and revised budget for 2010/11.

- The municipal income for 2010/11 was R 333,943,205.00 and it has increased to R 360,140,619.00 for 2011/12 financial year;
- The expenditure for 2010/11 was R 333,943,205.00 and it will be increasing to R 360,140,619.00 for 2011/12 financial year;
- The budget for operational programmes for 2010/11 was R 83,273,819.00 and it has been increased to R 99,814,852.00 for 2011/12 financial year;
- The budget for capital projects for 2010/11 was R 134,648,000.00 and it has been increased to R 161,942,000.00 for 2011/12 financial year; and
- The conditional grants and subsidies for 2010/11 was R 193,824,800.00 and it has decreased to R 185,576,018.00 for 2011/12 financial year as government is promoting self sustainable municipalities.

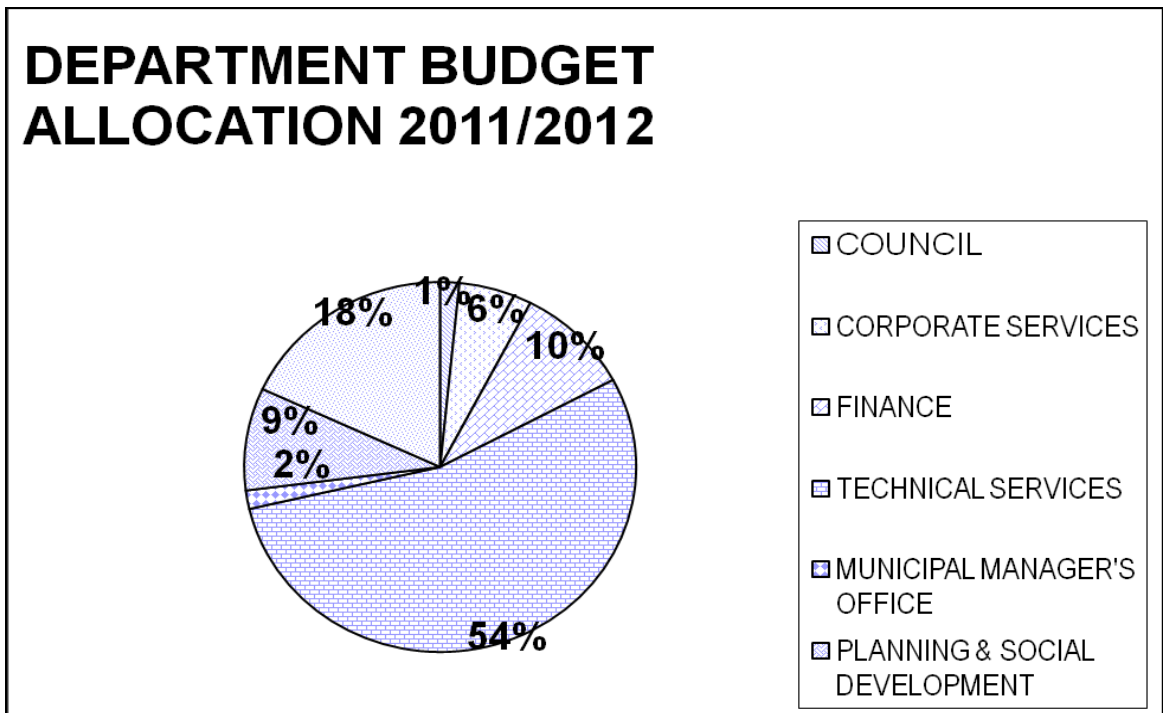
<b>INCOME</b>	<b>BUDGET 2009/10</b>	<b>REVISED BUDGET 2009/10</b>	<b>Approved Budget 10/11</b>	<b>Revised Budget 10/11</b>	<b>Proposed Budget 2011/12</b>	<b>Proposed Budget 2012/13</b>	<b>Proposed Budget 2013/14</b>
Water Sales	(19 000 000)	(19 000 000)	(19 000 000)	-	-	-	-
Interest on Investment	(6 500 000)	(6 500 000)	(6 483 500)	(6 483 500)	(6 500 000)	(7 150 000)	(7 865 000)
Rent Income	(363 000)	(363 000)	(399 300)	(399 300)	(439 230)	(483 153)	(531 468)
Sundry Income	(39 307 701)	(39 307 701)	(21 557 449)	(21 557 449)	(14 118 389)	(130 228)	(143 250)
National Grants	(249 551 000)	(249 551 000)	(283 991 356)	(296 429 356)	(338 864 000)	(415 348 000)	(445 215 000)
Provincial Grants	(8 255 000)	(8 255 000)	(2 511 600)	(2 511 600)	(219 000)	-	(200 000)
<b>TOTAL REVENUE</b>	<b>(322 976 701)</b>	<b>(322 976 701)</b>	<b>(333 943 205)</b>	<b>(327 381 205)</b>	<b>(360 140 619)</b>	<b>(423 111 381)</b>	<b>(453 954 719)</b>
	<b>BUDGET 2009/10</b>	<b>REVISED BUDGET 2009/10</b>	<b>Original Budget 10/11</b>	<b>Revised Budget 10/11</b>	<b>Proposed Budget 2011/12</b>	<b>Budget 2012/13</b>	<b>Budget 2012/13</b>
<b>OPERATING EXPENDITURE</b>							
Salaries, Wages & Allowances	29 755 226	29 882 132	35 973 494	30 600 262	40 484 314	44 237 289	48 099 413
General Expenses	88 937 231	95 909 087	103 121 452	98 398 195	118 985 333	114 976 838	116 587 209
Repairs & Maintenance	6 935 968	8 620 202	7 586 702	3 957 923	4 094 954	4 174 449	4 591 894
Capital Charges	953 277	167 960	184 756	25	11 000 000	11 000 000	11 000 000
Contribution to Capital Outlay	6 988 000	5 032 000	5 326 800	7 036 800	5 533 480	6 021 928	6 623 021
Contributions to Capital Project Fund	189 407 000	183 365 320	181 750 000	187 388 000	180 042 538	242 700 876	267 053 182
<b>TOTAL EXPENDITURE</b>	<b>322 976 701</b>	<b>322 976 701</b>	<b>333 943 205</b>	<b>327 381 205</b>	<b>360 140 619</b>	<b>423 111 380</b>	<b>453 954 719</b>
<b>NETT DEFICIT/- SURPLUS</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

<b>SALARIES AND WAGES AS A PERCENTAGE</b>	<b>9%</b>		<b>11%</b>	<b>9%</b>	<b>11%</b>	<b>10%</b>	<b>11%</b>
<b>TOTAL OPERATING BUDGET 2010/2011,2011/2012 and 2012/2013</b>							
	<b>BUDGET 2009/10</b>	<b>REVISED BUDGET 2009/10</b>	<b>Original Budget 10/11</b>	<b>Revised Budget 10/11</b>	<b>Budget 2011/12</b>	<b>Budget 2012/13</b>	<b>Budget 2012/13</b>
<b>INCOME</b>							
Water Sales	(19 000 000)	(19 000 000)	(19 000 000)	-	-	-	-
Interest on Investment	(6 500 000)	(6 500 000)	(6 483 500)	(6 483 500)	(6 500 000)	(7 150 000)	(7 865 000)
Rent Income	(363 000)	(363 000)	(399 300)	(399 300)	(439 230)	(483 153)	(531 468)
Sundry Income	(39 307 701)	(39 307 701)	(21 557 449)	(21 557 449)	(14 118 389)	(130 228)	(143 250)
National Grants	(61 411 000)	(69 408 680)	(99 426 156)	(104 516 156)	(153 506 982)	(166 625 196)	(171 738 797)
<b>TOTAL REVENUE</b>	<b>(126 581 701)</b>	<b>(134 579 381)</b>	<b>(146 866 405)</b>	<b>(132 956 405)</b>	<b>(174 564 601)</b>	<b>(174 388 577)</b>	<b>(180 278 516)</b>
Salaries, Wages & Allowances	29 755 226	29 882 132	35 973 494	30 600 262	40 484 314	44 237 289	48 099 413
General Expenses	88 937 231	95 909 087	103 121 452	98 398 195	118 985 333	114 976 838	116 587 209
Repairs & Maintenance	6 935 968	8 620 202	7 586 702	3 957 923	4 094 954	4 174 449	4 591 894
Cap ex Revenue	953 277	167 960	184 756	25	11 000 000	11 000 000	11 000 000
Loan Charges	0		0	0	0	0	0
Contributions	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>126 581 701</b>	<b>134 579 381</b>	<b>146 866 405</b>	<b>132 956 405</b>	<b>174 564 601</b>	<b>174 388 576</b>	<b>180 278 516</b>
<b>NETT DEFICIT/-SURPLUS</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>SALARIES AND WAGES AS A PERCENTAGE</b>	<b>24%</b>	<b>22%</b>	<b>24%</b>	<b>23%</b>	<b>23%</b>	<b>25%</b>	<b>27%</b>

The following graph provides a summary of income sources for the municipality, the most important element regarding the income is that more than 51% of the income for the municipality is being sourced from the grants.

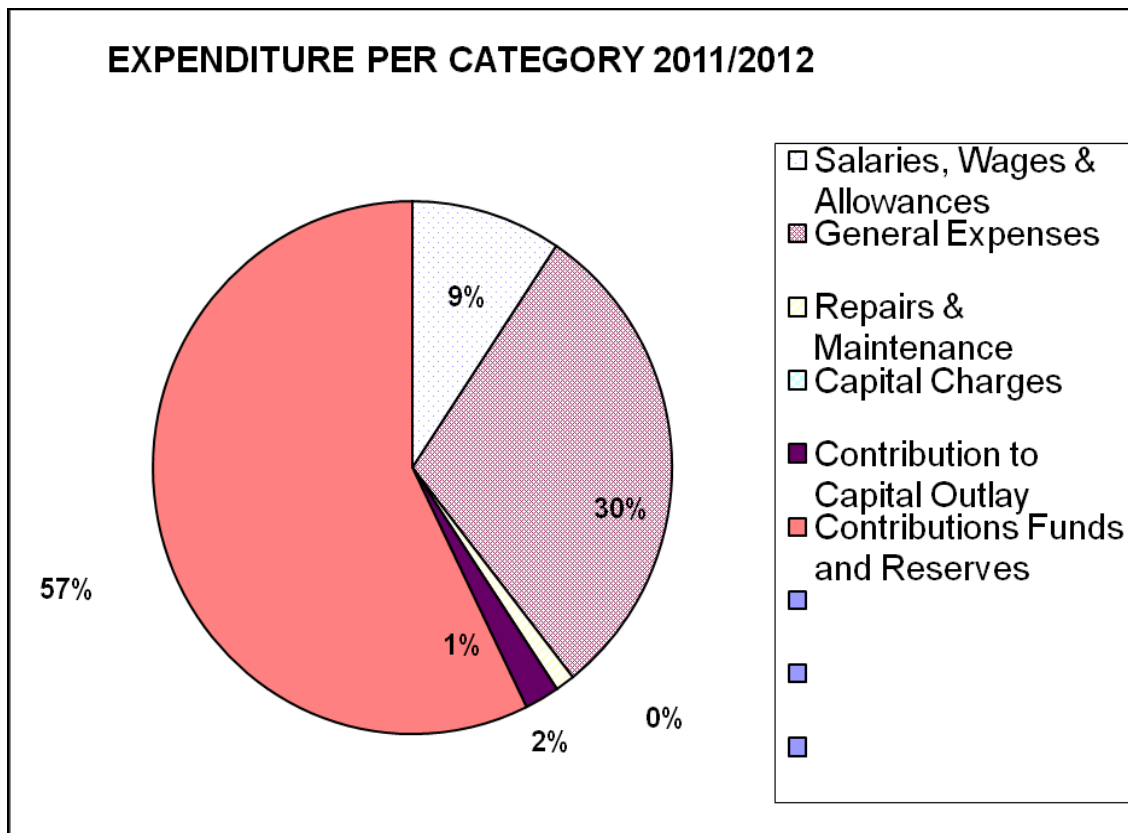


The allocation per department is shown in the graph below:



The largest allocation of the capital budget is provided for Technical Services with 54.16% (R 177,304,111.00) which deals with infrastructural projects followed by water with 18.07% (R 59,158,979.00), followed by Finance with 9.58% ( R31,348,523.00), followed by Planning and Social Development Department with 8.96% (R 29,320,803.00) which deals with LED and other social development projects, Corporate Services with 6.05% (R 19,810,684.00), Municipal Managers Office with 1.62% (R 5,292,443), and then Council with 1.57% (R 5,145,662.00).

The expenditure per category is shown in the graph below:



The expenditure in terms of the municipal categories during 2011/12 financial year will be as follows:

Salaries, Wages & Allowances	30 600 262
General Expenses	98 398 195
Repairs & Maintenance	3 957 923
Capital Charges	25
Contribution to Capital Outlay	7 036 800
Contributions Funds and Reserves	187 388 000
<b>Total</b>	<b>327 381 205</b>

## 6.2 FINANCIAL PLAN

Umzinyathi District Municipality reviewed the Financial Plan during 2010/11 for implementation in 2011/12 financial year, which includes the current status, future plans and the gaps, as well as a strategy on eliminating the gaps. The Financial Plan is regarded as one of the key plans towards the successful implementation of the IDP. It cuts across all IDP issues, strategies and programmes since all of them require funding input. The financial plan has an impact on all other development dimensions within the municipality. Hence, financial plan preparation would always seek to find better ways and means of sourcing funding and managing it efficiently while expediting the implementation of IDP priority issues.

### 6.2.1 Key Municipal Financial Challenges

- The district economy remains too dependent on government and social services;
- The GDP per capita value of the district economy is the second smallest in KwaZulu-Natal;
- Mining, manufacturing remain declining sectors but have some strength in their resilient remnants;
- There is a weak social base, with the district having the highest levels of unemployment and illiteracy in KwaZulu –Natal;
- Umzinyathi has the second lowest Human Development Index of all the districts in the province;
- There are low levels of local demand as a result of low household income;
- The southern municipal clusters in particular have an outward focus (towards the



Midlands in particular). There is substantial economic leakage from these economies;

- There are low levels of reinvestment into productive sectors. The service sector dominates the economy and there is limited investment in tourism and agriculture;
- The District is largely rural, with a low population density. This means that purchasing power is diluted and service costs are higher;
- There has been a lack of progress around meaningful and practical Growth and Development partnerships between government, business and civil society to optimise the district economies strengths and deal with threats and weaknesses;

In this regard, the financial response to the challenges facing the Umzinyathi District require that our limited resources are used strategically and that a focus be given to growing the revenue streams available to address current and future needs. Based on the Municipality's strategic focus areas, the allocation of resources in the Medium Term Expenditure Framework (MTEF) should strongly reflect a "Develop and Maintain" budget.

### **6.2.2 Financial Strategy Overview**

Plugging the holes by:

- Promoting effective expenditure to avoid recurring surpluses on operating budget and conditional grants;
- vigorously pursuing credit control policies; and
- increasing efficiencies by working smarter, managing performance and alternative service delivery mechanisms.

Increasing revenue by:

- Improving collections;
- Increasing rates base;
- Increasing share of intergovernmental grants to pay for unfunded/partially funded mandates;
- Vigorously pursuing cost cutting measures; and
- Pursuing public private partnerships at both programme and project level.

### **6.2.3 Debt Recovery**

Umzinyathi DM is the Water Services Authority (WSA) for the entire district in terms of Section 1 of the Water Services Act, 1997. The district has outsourced its WSP Function to Uthukela Water Pty (LTD). The debt collection is being done by the Water Services Provider on behalf of the municipality; hence the municipality has no debt collection policy in place.

### **6.3 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The 2011/12 Service Delivery and Budget Implementation Plan will be prepared once the IDP and Budget have been approved and adopted by Council, and will be prepared within 28 days after budget is adopted by Council.

The Service Delivery and Budget Implementation Plan will be prepared as required by the Municipal Finance Management Act (MFMA) using the National Treasury circular identifying key components as follows:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (Operating and Capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Ward information for expenditure and service delivery; and
- Detailed capital works plan broken down by ward over three years.

## **6.4 REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2010 REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the accompanying consolidated financial statements of the Umzinyathi District Municipality, which comprise the consolidated statement of financial position as at 30 June 2010, the consolidated statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 15.

### **Accounting officer's responsibility for the consolidated financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor-General's responsibility**

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Umzinyathi District Municipality as at 30 June 2010, and its consolidated financial performance and its consolidated cash flows for the year then ended are prepared in accordance with SA Standards of GRAP and in the manner required by the MFMA and DoRA.

### **Emphasis of matters**

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

### **Restatement of corresponding figures**

9. As disclosed in note 33, to the financial statements, the corresponding figures for 30 June 2009 have been restated as a result of an error discovered during 30 June 2010 in the financial statements of the Umzinyathi District Municipality at, and for the year ended 30 June 2009.

### **Significant uncertainties**

10. With reference to note 32 to the financial statements, the Umzinyathi District Municipality was served with a notice to settle a claim in respect of an intergovernmental dispute with the Endumeni Municipality. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

### **Additional matter**

11. I draw attention to the matter below. My opinion is not modified in respect of this matter:

### **Unaudited supplementary schedules**

12. The supplementary information set out on pages 44 to 51 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

13. As required by the PAA and in terms of *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the following key laws and regulations (MFMA and Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA )) and financial management (internal control).

### **Predetermined objectives**

14. Material findings on the report on predetermined objectives with respect to uThukela Water (Pty) Ltd (uThukela Water), as set out on pages xxx to xxx, are reported below:

### ***Non-compliance with applicable legislation***

#### **Lack of effective, efficient and transparent systems and internal controls regarding performance management**

15. The performance management system does not specifically provide for policies and procedures to take steps to improve performance with regard to those development priorities and objectives where performance targets were not met, as required by section 41(1) (d) of the MSA.

#### **No service delivery agreement**

16. Evidence could not be provided that a service delivery agreement had been entered into with uThukela Water, which had been linked to the municipality's key performance indicators, as required by section 87 of the MFMA.

#### **Proposed budget, priorities, objectives and recommendations not tabled and mutual agreement not in place**

17. Evidence could not be provided that the municipality had considered uThukela Water's proposed budget and assessed the priorities and objectives for any recommendations, and had tabled the proposed budget in council. Moreover, there was no evidence that the municipality had entered into a mutual agreement determining and regulating measures to ensure that annual performance objectives and indicators for uThukela Water were established by agreement and were included in uThukela Water's multi-year business plan, as required by regulation 9(2)(b)(ii) of the Municipal Planning and Performance Management Regulations, 2001.

### **Compliance with laws and regulations**

#### ***Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA)***

#### **No guidance on mid-year budgeting and performance assessment**

18. Contrary, to section 56(1)(a) the mayor of the municipality did not guide the municipality in exercising its rights and powers over the uThukela Water municipal entity with regard to mid-year budgeting and performance assessment, as prescribed in section 72(1).

#### **Irregular expenditure not presented to council**

19. Irregular expenditure had been incurred by uThukela Water as a result noncompliance with supply chain management regulations and was not reported to Umzinyathi District Municipality in terms of section 102(1). Moreover, this expenditure had not been presented to the council of Umzinyathi District Municipality for further action, as required by section 32(2)(b).

## **INTERNAL CONTROL**

20. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the following key laws and regulations (MFMA and MSA), but not for the purpose of expressing an opinion on the effectiveness of internal control.
21. The matters reported are limited to the significant deficiencies that gave rise to the findings on the report on predetermined objectives and the findings on compliance with laws and regulations in respect of uThukela Water.

### **Leadership**

22. The leadership did not exercise adequate oversight to ensure that management implemented adequate and effective internal controls over performance reporting compliance in respect of uThukela Water.

### **Financial and performance management**

23. Adequate processes were not developed, implemented and maintained to ensure that the performance management framework for reporting on uThukela Water was understood and considered in the annual performance report and budget of the municipality.

### **Governance**

24. Internal controls were not selected and developed to prevent, detect and correct non-compliance in respect of performance reporting on uThukela Water.

Pietermaritzburg

15 December 2010



**A U D I T O R - G E N E R A L**  
**S O U T H A F R I C A**

*Auditing to build public confidence*

## 6.5 ACTION PLAN FOR AUDIT QUERIES

For 2009/10 financial statements, the municipality obtained an Unqualified Audit Report with issues of emphasis. Therefore, the municipality has developed an action plan which will serve to address the issues raised by Auditor General in the audit report, and the implementation will be monitored on monthly and quarterly basis. The ultimate aim for the municipality in developing the action plan is to obtain a clean audit for 2010/11 financial statements with no matters on emphasis. The implementation of the action will be monitored on quarterly basis during 2011/12 financial year and it as follows:

<b>A : MATTERS ON THE AUDIT REPORT</b>							
<b>AR Para. No.</b>	<b>REPORT FINDING</b>	<b>PROPOSED ACTION TO BE IMPLEMENTED</b>	<b>RESPONSIBLE PERSON</b>	<b>TARGET DATE</b>	<b>PROGRESS AT 30/4/2011</b>	<b>PROGRESS AT 30/6/2011</b>	<b>PROGRESS AT 31/8/2011</b>
9	<b>Restatement of corresponding figures</b>	Annual Financial Statements will be reviewed by Internal Audit prior to submission to Auditor General	B.B. Mdletshe CFO	15 August 2011			
10	<b>Significant uncertainties – Endumeni Water Services Dispute</b>	Task Team lead by Municipal Manager has been set to resolve the claim by Endumeni Municipality.	SN Dubazana MM	31 March 2011			

14	<b>Predetermined objectives – Uthukela Water</b>	Performance agreement and Service Delivery agreement to be signed with UThukela Water Pty Ltd subject to the outcome of section 78.	SN Dubazana MM	30 June 2011			
15	<b>Predetermined objectives – UThukela Water</b>	Performance agreement and Service Delivery agreement to be signed with UThukela Water Pty Ltd subject to the outcome of section 78.	SN Dubazana MM	30 June 2011			
16	<b>No service delivery agreement - Uthukela Water</b>	Performance agreement and Service Delivery agreement to be signed with UThukela Water Pty Ltd subject to the outcome of section 78.	SN Dubazana MM	30 June 2011			
17	<b>Proposed budget, priorities, objectives and recommendations not tabled and mutual agreement not in place - Uthukela Water</b>	The budget of Umzinyathi District Municipality will be tabled to Council including UThukela Water budget priorities, objectives and recommendations	SN Dubazana MM	30 May 2011			



18	<b>No guidance on mid-year budgeting and performance assessment – Uthukela Water</b>	Performance agreement and Service Delivery agreement to be signed with UThukela Water Pty Ltd subject to the outcome of section 78.	SN Dubazana MM	30 June 2011			
19	<b>Irregular expenditure not presented to council by Uthukela Water</b>	Irregular Expenditure reporting will be included on the performance agreement to be signed with UThukela Water	SN Dubazana MM	30 June 2011			

<b>B : OTHER IMPORTANT MATTERS NOT ON THE AUDIT REPORT</b>							
<b>Management Letter Reference</b>	<b>REPORT FINDING</b>	<b>PROPOSED ACTION TO BE IMPLEMENTED</b>	<b>RESPONSIBLE PERSON</b>	<b>TARGET DATE</b>	<b>PROGRESS AT 30/4/2011</b>	<b>PROGRESS AT 30/6/2011</b>	<b>PROGRESS AT 31/8/2011</b>
<b>3</b>	<b>Head of Supply Chain management competency requirements not met.</b>	SCM Manager is currently enrolled for the Financial Management Diploma and is due for completion in December 2011.	<b>SMB Buthelezi EMCS</b>	<b>30 January 2012</b>			
<b>4</b>	<b>No Proof of adverts or request for quotations</b>	A filling system will be developed to ensure that all adverts are safely kept for reporting and audit purposes.	<b>BB Mdletshe CFO</b>	<b>1 Jan 2011</b>			
<b>5</b>	<b>Supplier database not updated</b>	The supplier database system will be reviewed to ensure that the types of goods and services rendered by service providers is included on the database	<b>BB Mdletshe CFO</b>	<b>1 Jan 2011</b>			
<b>6</b>	<b>No segregation of duties in supply chain management</b>	We have assigned the additions, amendments and removal of suppliers from database to SCM Admin Officer and the review of additions and amendments to the SCM Accountant.	<b>BB Mdletshe CFO</b>	<b>1 Jan 2011</b>			

7	<b>Audit committee meetings not adequately documented</b>	We will improve the record keeping for the discussion and resolutions taken at the audit committee meetings.	<b>SMB Buthelezi EMCS</b>	1 Jan 2011			
8	<b>Investment reconciliation not signed</b>	Review of investment portfolios and investment reconciliation will be done on a monthly basis.	<b>BB Mdletshe CFO</b>	1 Jan 2011			
9	<b>Service provider particulars incomplete</b>	We will conduct supplier awareness campaign to advice on basic requirements for quotations and invoices. We will set up controls to monitor all SCM processes.	<b>BB Mdletshe CFO</b>	1 Jan 2011			
10	<b>Rental lease agreements outdated.</b>	Rental agreements will be reviewed and fringe benefits will be accounted for on the payroll where applicable.	<b>SMB Buthelezi EMCS</b>	1 Jan 2011			
11	<b>No segregation of duties in petty cash</b>	Petty Cash Functions and Cashier Functions will be split / segregated amongst Staff in the Income and Expenditure Unit.	<b>BB Mdletshe CFO</b>	1 Jan 2011			
12	<b>Goods received vouchers not used</b>	The municipality will ensure that invoices are stamped with GRN stamp after the issue of the GRN.	<b>BB Mdletshe CFO</b>	1 Jan 2011			

<b>13</b>	<b>Assets not verified</b>	The municipality will ensure that controls over the movement of assets are strengthened. The pre-numbered asset movement register is in place, we will also conduct staff workshop on asset management and do a quarterly physical verification of assets.	<b>BB Mdletshe CFO</b>	<b>1 Jan 2011</b>			
<b>14</b>	<b>Municipal Manager's employment contract</b>	Adequate documentation for the extension of municipal manager's employment contract is available.	<b>SMB Buthelezi EMCS</b>	<b>1 Jan 2011</b>			
<b>15</b>	<b>Overtime policy not established</b>	The municipality will develop an overtime policy as per recommendation.	<b>SMB Buthelezi EMCS</b>	<b>1 Jan 2011</b>			
<b>16</b>	<b>Asset register not fully compliant with policy</b>	We will conduct investigation with the service provider of the asset management system to verify whether all fields required can be accommodated by the system. Asset management policy will be reviewed and aligned with requirements of GRAP 17 and asset register.	<b>BB Mdletshe CFO</b>	<b>1 Jan 2011</b>			

## **SECTION D: DEVELOPMENT STRATEGIES**

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### **1. VISION, MISSION AND CORE VALUES**

The Umzinyathi District Municipality reaffirmed the vision, core values and mission statements which were developed for the 2007/08 IDP. The vision and mission statements read as follows:

#### **1.1 VISION**

**“uMzinyathi District Municipality shall be a self sustainable organization that promotes integrated development”**

**The following principles are core to the vision:**

- The municipality is intent on making itself financially viable over the long term without relying to such a large degree on grant funding from National Government for operational purposes;
- The municipality is intent on coordinating, integrating and promoting all developmental initiatives both governmental and non-governmental for the benefit of the entire District; and
- The municipality is intent on becoming a developmental force and catalyst within the District, able to promote, coordinate and initiate development.

#### **1.2 MISSION STATEMENT**

**uMzinyathi shall be a dynamic and effective District which:**

- **Strives to achieve financial, eco - social sustainability;**
- **Supports co-operative governance through participation;**
- **Commits itself to deliver services according to its constitutional mandate;**
- **Supports poverty alleviation through job creation; and**
- **Preserves its cultural and natural heritage.**

The vision and mission statements need to be realised through development objectives, which in turn are made more specific through strategies, projects and project activities with their associated budget and KPI allocations. This process needs to be informed by localised strategic policy guidelines and the core values of the organisation.

### 1.3 CORE VALUES

- **Integrity;**
- **Transparency;**
- **Professionalism**
- **Co-operation;**
- **Innovation; and**
- **Accountability.**

### 2. PRIORITY ISSUES

The following are the priority issues structured according to the five year strategic local government agenda to be addressed by the municipality as part of the 2011/12 IDP Review:

#### **Basic Services Delivery and Infrastructure Development**

As a whole the provision of water and sanitation, is inadequate within the municipal area, huge backlogs exist which can only be eradicated, at a minimum standard level,

##### ▪ **Water supply**

The provision of potable water is a high priority need for within the municipal area. During 2011/12 financial year, 33% (33217 households) of the households would have no access to potable water supply and has to rely on natural resources such as rivers and streams.

##### ▪ **Sanitation**

The provision of sanitation facilities within the municipal area has also been identified as a priority need for communities. During 2011/12 financial year, 18% (17772 households) within the municipal area would have no access to sanitation facilities. The need to supply adequate sanitation facilities is determined by the density of the population, and health risks caused by inadequate sanitation facilities.

- **Electricity**

The provision of electricity within the municipality is amongst the priorities as sixty four (64%) percent of the households have no basic access to energy within the municipal area and have to rely on paraffin, coal etc.

### **Socio- Economic Development**

- **Local Economic Development**

Umzinyathi District Municipality has the LED strategy in place which serves to address most of the issues mentioned below and also economic development issues, opportunities and areas where feasible projects can be implemented to improve local economic development

- **Unemployment**

The unemployment challenge in the Umzinyathi DM is significant, with an estimated unemployment rate of around 46% in 2007. This figure rates amongst the highest unemployment rates of the district across KwaZulu-Natal. There are however also positive indications, the unemployment rate in Umzinyathi has decreased from 62.2% in 2001 to the (still high) figure of 46% in 2007.

- **Education and Skills**

The challenge of low skills levels within the Umzinyathi DM is a challenge. The 2007 statistics indicate that the Umzinyathi DM has the highest level of illiteracy amongst the adult populations (29.6%) amongst all districts in KwaZulu-Natal. In addition, as much as 26.4% of the adult population has only completed primary school education. Moreover, the Umzinyathi DM is also the area in KwaZulu-Natal with the lowest proportion of its adult population who have completed some form of higher education (1.2%).

- **HIV / Aids**

In Umzinyathi the antenatal HIV infection rate for 2005 was 23% which is lower than the national average of 27.9% and significantly lower than the 37.5 % average for the province of KwaZulu -Natal.

HIV/Aids affect businesses in terms of labour productivity and declining demand. It also has huge social cost factors in terms of the provision of effective education, health and social services.

### **Municipal Financial Viability**

The implementation of the 2011/12 IDP Review is reliant on an effective financial management system, and a strategy to enhance this capacity is necessary

### **Good Governance and Public Participation**

Constant interaction of the municipality with other spheres of government like National and Provincial is required since municipalities depend on financial, and institutional support from these tiers of government and also hold izimbizo to communicate the programmes to be undertaken by the municipality to the respective communities.

### **Municipal Transformation and Institutional Development**

Umzinyathi District Municipality must ensure that financial and capacity resources are provided to meet the needs of the communities, and that would also enable the adherence to the vision, objective and strategies.

## **3. ALIGNMENT WITH PROVINCIAL AND NATIONAL POLICIES**

### **Accelerated and Shared Growth Initiative – (ASGISA)**

ASGISA's goals are to accelerate economic growth greater than 4.5% between 2006 and 2009, and then greater than 6% from 2010 to 2014 and to halve poverty and unemployment by 2014.

The four intervention areas are:

Increasing the capacity of public infrastructure.

- Supporting investment-led growth in economic sectors with labour-intensive capacity, greater revenue generation potential and international competitiveness.
- Building comprehensive social development programmes that have the potential to enhance self-reliance in society.



- Revamping the delivery capacity and responsiveness of the public service sector.

Six spending areas have been identified which are:

- Infrastructure investment of R370 Billion over a three year period principally to develop the transport and power infrastructure.
- Sector strategies to diversify the economy through downstream activities and Broad-Based Black Economic Empowerment (BBBEE) through Business process outsourcing, Tourism, and the Bio-fuel sector. Other sectors identified include Chemicals, Metals beneficiation, Creative industries, clothing and textiles, Durable consumer goods, Wood, pulp and paper.
  - Skills and education in hard technical skills, maths, FET upgrades.
  - Second economy interventions to bridge the gap between the first and second economy through using the first economy to bridge the gap, targeting women and the youth, using public expenditure through targeted procurement and micro-finance (DTI initiatives such as SEDA etc).
  - Public administration to improve service delivery by state institutions which includes the capacity of local government to support local economic development.
  - Macro economic management issues beyond the scope of local stakeholders.

Under the ASGISA umbrella, the following micro- business support instruments are to be made available:

- A new partnership between Khula and Business Partners in a R150-million fund for business loans of between R10 000 and R250 000.
- Funds for women entrepreneurs, collaboration between the DTI, Eskom, Umsobomvu and the Women's Development Bank.
- The Financial Services Charter will release R5 billion for small business loans.
- The Apex (SAMAF) and Mafisa programmes will supply loans of under R10 000.

SMME support initiatives include the following:

- R1-billion programme from the Industrial Development Corporation (IDC) and the National Empowerment Fund's Venture Fund.
- Support from the Small Enterprise Development Agency based at the DTI which will provide operational support (particularly in manufacturing).
- A review of the regulatory environment for small businesses by Cabinet.

### **National Spatial Development Perspective (NSDP)**

The National Spatial Development Perspective (NSDP) guides government in implementing its programmes in order to achieve the objectives of ASGISA of halving poverty and unemployment by 2014. The NSDP is built on four basic principles. These are:

- Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation.
- Principle 2: Government spending on fixed investment should be focused on localities of economic growth and / or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
- Principle 3: Where low economic potential exists investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.
- Principle 4: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways to the global economy.

### **KZN Provincial Growth and Development Strategy and economic strategies**

The KZN government's growth and development strategy is aimed at transforming the structure of the economy and narrowing and eventually eliminating the gap between the first and second economies.

The four pillars on which this strategy rests are as follows:

- Increasing investment in the province;
- Skills and capacity building;
- Broadening participation in the economy; and
- Increasing competitiveness.

Programmes to boost growth include: promotion and attraction of Foreign Direct Investment, Investment in infrastructure, Dube Trade Port, Provincial Growth Fund, 2010 Soccer World Cup – investment in supporting infrastructure, sector development and corridor development.

To promote SMMEs and Black Economic Empowerment, the provincial government has created a series of funds, secured training through FET's and facilitated access to financing through Ithala Bank.

### **Provincial Spatial Economic Development Strategy (PSEDS)**

The KZN Provincial Spatial Economic Development Strategy (PSEDS) gives a spatial framework to the Provincial Growth and Development Perspective. To give effect to the fourth principle of the NSDP that settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres, the PSEDS has identified priority nodes and corridors.

In terms of nodal development, only primary and secondary nodes will be prioritised over the next 5 years. Umzinyathi District Municipality contains one tertiary node (Dundee) and three Quaternary Nodes (Greytown, Nquthu and Tugela Ferry).

The Provincial Spatial Economic Development Strategy has identified a series of prioritised Primary and secondary corridors. The corridors are defined as follows:

- **Primary Corridor (PC):** A corridor with very high economic growth potential within all three sectors which serves areas of high poverty densities.
- **Secondary Corridor (SC):** A corridor serving areas of high poverty levels with good economic development potential within one or two sectors.

Umzinyathi is not part of any primary corridors. In terms of secondary corridors, the priority corridors are indicated table below.

No.	Corridor	Classification
PC1	eThekwini - Umhlatuze	Primary Corridor
PC2	eThekwini – Msunduzi - uMngeni	Primary Corridor
PC3	eThekwini – Ugu	Primary Corridor
SC1	Umhlatuze – Ulundi - Vryheid	Secondary Corridor
SC2	Kokstad – Umzimkulu – Msunduzi	Secondary Corridor
SC3	Msunduzi – Nkandla - Ulundi	Secondary Corridor
SC4	Ulundi – Nongoma – Pongola	Secondary Corridor
SC6	Port Shepstone – St Faiths - Ixopo	Secondary Corridor
SC7	Maphumulo – Ndwedwe - Dube	Secondary Corridor
SC8	Ukhahlamba corridor	Secondary Corridor
SC9	Weenen – Nkandla – Eshowe	Secondary Corridor
SC10	Manguzi – Swaziland	Secondary Corridor
SC11	Makhatini flats corridor	Secondary Corridor
SC12	Greytown – Msinga – Madadeni	Secondary Corridor
SC13	Nkandla – Ngutu – Vryheid	Secondary Corridor
SC14	Mtubathuba – Nongoma	Secondary Corridor

**Table No 11: Priority Corridors.**

The implementation strategy for the PSEDS sets out the key interventions for the Provincial Government's economic cluster departments over the next five years (2007/2008 – 2011/2012) in each district municipality in order to achieve ASGISA objectives. The priority interventions defined for Umzinyathi in terms of provincial government departments include:

**DC24: Agriculture and Land Reform**

- Tugela & Mooiriver valleys: develop small scale intensive agriculture.
- Develop land and support land reform projects concerning livestock farming and the development of an abattoir.
- Development of livestock and game farming potential on Trust land
- Develop agri-processing in Tugela Ferry – vegetables & fish

**DC24: Tourism**

- Zulu heritage route: Develop cultural potential of Msinga, provide road links between Weenen, Msinga & Nkandla, improve R33.
- Battle fields routes: development of linkages to benefit previously disadvantaged

**DC24: Services**

- Formalise and plan Msinga & Nqutu to position for investment
- Provide adequate affordable housing and related services in nodes.

**Table No 12: Umzinyathi: Provincial Economic Cluster Departments: Priority Interventions**

Source: Provincial Spatial Economic Development Strategy (2006)

The Department of Cooperative Governance and Traditional Affairs has committed R1,5 million to the development of the SC 13 corridor. This includes the following initiatives

- District Tourism Strategy
- District Signage Programme
- Endumeni Craft and Food Market Stalls
- Additions to Msinga Curio Shop
- Muden Arts and Craft Centre

**Millennium Development Goals**

“The concept of a developmental state – which applies both to the country and the province – is rooted in the Millennium Development Goals (MDGs) adopted by the United Nations. Indeed both the national and provincial government’s development strategies and interventions should be viewed in the context of, and measured against, these international development goals which apply to all countries across the globe.

The MDGs which need to be achieved by 2015 are:

1. Eradication of extreme poverty and hunger
  - Halve the proportion of people with less than R6.00 per day
  - Reduce by half the proportion of people who suffer from hunger
2. Achievement of universal primary education
  - Ensure that all boys and girls complete a full course of primary schooling
3. Promotion of gender equality and empowerment of women
  - Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4. Reduction in child mortality
  - Reduce by two thirds the mortality rate among children under five
5. Improvement of maternal health
  - Reduce by three quarters the maternal mortality ratio
6. Combating HIV/AIDS, malaria and other diseases
  - Halt and begin to reverse the spread of HIV/AIDS
  - Halt and begin to reverse the incidence of malaria and other major diseases
7. Ensuring environmental sustainability
  - Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
  - Reduce by half the proportion of people without sustainable access to safe drinking water
  - Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
8. Developing a global partnership for development
  - Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction— Nationally and Internationally
  - In cooperation with the developing countries, develop decent and productive work for youth
  - In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
  - In cooperation with the private sector, make available the benefits of new technologies— especially information and communication technologies”

#### 4. ALIGNMENT WITH PROVINCIAL AND NATIONAL PRIORITIES

National Priorities	Provincial Priorities	Umzinyathi District Municipality Strategies
More inclusive economic growth, decent work and sustainable livelihoods;	Creating decent work and economic growth	Promote Economically and Socially Sound District
Rural development, food security and land reform;	Rural development/agrarian reform and food security	Agricultural development through the construction incubation programme
Access to quality education;	Education	Facilitation and coordination with the relevant sector departments
Improved health care;	Health	
The fight against crime and corruption;	Fighting crime	Promote Sound Financial Management and coordination with the relevant sector department
A developmental state including improvement of public services.	Nation-building and good governance	Promote Sound Financial Management
Economic and Social infrastructure;		Facilitate Effective Infrastructure and Sustainable Service Delivery
Cohesive and sustainable communities;		Promote Economically and Socially Sound District
Creation of a better Africa and a better world;		
Sustainable resource management and use, and		

## 5. ALIGNMENT OF THE MUNICIPAL TURNAROUND STRATEGY WITH THE OUTCOME 9

On the 13 – 14 April 2010, Umzinyathi District Municipality developed the turnaround strategy as a requirement through the Department of Co-operative Governance and Traditional Affairs, and ten priorities were developed. During September 2010, the National Government agreed to 12 outcomes as a key focus of work between now and 2014. Each of the 12 outcomes requires involvement of all spheres of government and other stakeholders outside government. The applicable outcome for local government is outcome 9 which has seven outputs, and local government has to deliver on these seven outputs by 2014, and they are as follows:

- Output one: Implementation of a differentiated approach to municipal financing, planning and support;
- Output two: Improving access to basic services;
- Output three: Implementation of the Community Programme;
- Output four: Actions supporting of the human settlement outcomes
- Output five: Deepen democracy through refined Ward Committee model;
- Output six: Administrative and financial capability; and
- Output seven: Single window of Coordination.

The municipality turnaround strategy and outcome 9 are both aimed at improving the living the quality of life for the communities. Therefore, the municipalities has aligned the two documents, and the alignment is based on the municipal powers and functions as follows:

MTAS Ten Pories	Outcome 9 Outputs
Water	Improving access to basic services
Sanitation	
Access Roads	
Refuse Removal	
Revenue enhancement strategy	Administrative and financial capability



Implementation of the LED Strategy	Implementation of a differentiated approach to municipal financing, planning and support
Capital expenditure / Cashflow management	Administrative and financial capability
HIV/Aids and poverty alleviation programmes	Implementation of a differentiated approach to municipal financing, planning and support
Youth, women and people living with disability programmes	
Energy / Electricity (preparation of the Electrification Development Plan)	

## 6. DEVELOPMENT STRATEGIES

Umzinyathi District Municipality developed strategies in line with the Key Performance Areas of the Five Year Local Government Strategic Agenda. The following strategies have been developed as part of the 2011/12 IDP Review:

### 6.1 KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#### Strategy One: Facilitate Effective Infrastructure and Sustainable Service Delivery

This strategy focuses on facilitating the provision of new infrastructure and also the maintenance of existing infrastructure to ensure sustainable service delivery within the community.

**Outcome:** The first priority is to provide water and sanitation to the communities that currently do not have access at a minimum RDP standard of 25 litres per day per person within 200 metres walking distance. Sanitation target is to provide a VIP latrine per household.

The ultimate aim of the strategy is to reduce the water backlog which will be 33% (33217 households) by 8% (2618 households) and sanitation backlog which will be 18% (17772 households) by 21% (3800 households) for 2011/12 financial year through the implementation of MIG projects.

The outcome of this strategy is informed by:

- 2009/10 Water Services Development Plan;
- 2008/09 Backlog study;
- 2007/08 Integrated Waste Management Plan
- Millennium Development Targets.

## **6.2 KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**

### **Strategy Two: Promote Sound Administration throughout the District**

This strategy focuses in promoting sound administration which is efficient and effective that will enable the municipality to meet its developmental needs.

**Outcome:** The municipality has to put necessary structures in place which will enable the organization to fill all posts and prepare key policies, plans and procedures to guide transformation and ensure appropriate capacity is being developed.

The outcome of this strategy is informed by the following:

- Policies (Recruitment policy etc)
- Workplace Skills Development Plan;
- Employment equity.

### **6.2.1 Umzinyathi DM Turn Around Strategy**

Umzinyathi District Municipality Turnaround Strategy was developed in partnership with the KZN Department of Co-operative Governance and Traditional Affairs on the 13 – 14 April 2010. Councillors, Administration, Ward Committees, Sector Departments, Business Community were part of the stakeholders that developed the Municipal Turnaround Strategy. Ten priorities were developed as part of the turnaround strategy.

As part of the monitoring process for the implementation of the above ten priorities through the turnaround strategy, quarterly reports are being prepared indicating progress made in reaching the targets, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs.

### **6.3 KPA 3: MUNICIPAL FINANCIAL VIABILITY**

#### **Strategy Three: Promote Sound Financial Management**

This strategy focuses on ensuring sound financial management and responsible budgeting as per the requirements of the MFMA that will ensure proper alignment with the municipality's IDP.

**Outcome:** Improve debt management processes, increase collection of revenue and tax, ensure that creditor's process is streamlined and reaches the finance department on time and improve annual receipt and utilisation of grant funding.

The outcome of this strategy is informed by the following:

- Financial Plan,
- Debt recovery plan;
- Credit Control Policy;
- Grant Allocation Policy;
- SDBIP.

### **6.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT**

#### **Strategy Four: Promote Economically and Socially Sound District**

The strategy aims to identify potential and feasible initiatives that will contribute to the alleviation of poverty within the District Municipality.

**Outcome:** Grown and diversified district's unique competitive advantage in heritage and potential for cultural tourism, grown district's competitive advantage in agricultural processing in those sectors, clusters and value chains in which the district already has a distinctive competence (dairy, maize-milling, vegetables, beef feedlots and timber), increased the service and commercial capacity of the nodal towns in the District (Dundee, Greytown, Pomeroy, Tugela Ferry and Nquthu); established targeted skills development programme and SMME business development services for competitive sectors, clusters and value chains and established District LED Institutional

Arrangements (human resources, structures, processes and budgets) to drive the implementation of the UMzinyathi LED Strategy and Plan (2008 – 2011/12)

## **6.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

### **Strategy Five: Promote Community Empowerment**

This strategy focuses mainly on accountability to the communities on developmental issues and also introducing systems, procedures and processes in place to allow maximum participation.

**Outcome:** The long term objective is to improve awareness of communities on municipal functions and developmental issues and have effective systems and controls in place to ensure proper accountability in relation to usage of public monies and other resources to deliver against community priorities.

## **SECTION E: PROGRAMMES AND PROJECTS**

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### **1. CAPITAL INVESTMENT PLAN – 2011/2014**

#### **1.1 Infrastructure Projects**

In terms of the infrastructure projects (water and sanitation), the municipality will be spending an amount to the value of R 566,586,000.00 for the next three years to reduce the water and sanitation backlogs.

The value of 2011/12 water projects is R 136,692,297.00 and R 25,249,703.00 for sanitation projects. The municipality is intending to reduce the water backlog which will be 33% (33217 households) by 8% (2618 households) and sanitation backlog which will be 18% (17772 households) by 21% (3800 households) at the end of the 2010/11 financial year through the implementation of MIG projects. A detail breakdown of infrastructure projects and municipal programmes is as follows:

<b>CAPITAL BUDGET 2011/2012, 2012/2013 AND 2013/2014</b>							
	<b>Municipal</b>	<b>APPROVED BUDGET</b>	<b>REVISED BUDGET</b>	<b>REVISED BUDGET</b>	<b>PROPOSED BUDGET</b>	<b>PROPOSED BUDGET</b>	<b>PROPOSED BUDGET</b>
<b>MUNICIPAL FUNDED CAPITAL PROGRAMMES</b>	<b>Area</b>	<b>2009/2010</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>
CCC Equipment	Umzinyathi D.M.	10 000	0	10 000	0	0	0
Office equipment and Furniture	Umzinyathi D.M.	450 000	220 000	450 000	619 000	616 000	742 500
Fire Engine Garage		-600 000	227 800				
Disaster Management Vehicle		300 000	300 000				
Vehicle - Office of the Mayor		500 000	500 000				
Vehicle - Corporate Services 1400 Bakkie		150 000	150 000				
Vehicle - Corporate Services Sedan		250 000	250 000				
Vehicles	Umzinyathi D.M.	0	0	600 000	1 200 000	1 320 000	1 386 000
Financial System (New)	Umzinyathi D.M.			2 000 000			
<b>Administration Assets</b>		1 060 000	1 647 800	3 060 000	1 819 000	1 936 000	2 128 500
Water & Sanitation Infrastructure Programme	Umzinyathi D.M.			7 000 000	1 410 538	4 763 876	11 184 182
Qhudeni Maxhili Sanitation	Nquthu Municipality	16 000 000	10 690 520	4 900 000	-	-	-
Othame Sanitation	Msinga Municipality	14 000 000	14 000 000	5 000 000			
Infrastructure Projects	Umzinyathi						
Water and Sanitation Projects	Umzinyathi						
<b>Water and Sanitation Projects</b>		<b>30 000 000</b>	<b>24 690 520</b>	<b>16 900 000</b>	<b>1 410 538</b>	<b>4 763 876</b>	<b>11 184 182</b>

Pomeroy Complex Phase 1	Msinga Municipality	5 088 000	3 376 800	2 456 000.00			
Agricultural Implements (4 x Tractor,trailer,Ploughs)	Umzinyathi D.M.	2 400 000	2 400 000	0			
Road Maintenance Equipment (Grader)	Umzinyathi D.M.	1 200 000	1 200 000	0			
Renovation of Princess Magogo Building	Umzinyathi D.M.			3 376 800	3 714 480	4 085 928	4 494 521
Suzafe Access Road				0			
Halodi Community Hall				0			
Nhlonga Community Hall				0			
Qhudeni Community Hall	Nquthu Munivipality			0			
Mbhele Community Hall				0			
Mahlaba Community Hall				0			
Enkamba Community Hall 1 - Msinga	Msinga Municipality			0			
Nyoni Road				0			
Stradford Farm				0			
Tafamasi				0			
Enseleni Community Hall 1 - Greytown	uMvoti Municipality						
Msinga Poutry Pan	Msinga Municipality						
Development of 2 Landfill sites	Two Regional Sites	480 000	0	1 000 000			
Halodi Road		1 400 000	1 400 000				
Nquthu Sewer		2 500 000	2 500 000				
Fan Parks							
Silonjane Nquthu Sportsfield				200 000	0		

<b>Community Services Infrastructure</b>		<b>13 068 000</b>	<b>10 876 800</b>	<b>7 032 800</b>	<b>3 714 480</b>	<b>4 085 928</b>	<b>4 494 521</b>
		<b>44 128 000</b>	<b>37 215 120</b>	<b>26 992 800</b>	<b>6 944 018</b>	<b>10 785 804</b>	<b>17 807 203</b>
<b>MUNICIPAL INFRASTRUCTURE GRANT PROGRAMMES</b>							
<b>Project Title</b>		<b>2009/2010</b>	<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>	<b>2010/2011</b>
<b>DWAF</b>							
Rudimentary - Umzinyathi	Umzinyathi D.M.	11 937 340	11 937 340	10 123 429	6 000 000	19 884 174	19 884 174
PMU	Umzinyathi D.M.	-	-				
<b>Sub Total</b>		<b>11 937 340</b>	<b>11 937 340</b>	<b>10 123 429</b>	<b>6 000 000</b>	<b>19 884 174</b>	<b>19 884 174</b>
Ruigtefontein Settlement Sanitation		36 036	36 036				
Glenco/Sithembile Bulk Water Services Upgrade	Endumeni Municipality	3 000 000	3 000 000	9 000 000	12 000 000	-	-
<b>Sub Total</b>		<b>3 036 036</b>	<b>3 036 036</b>	<b>9 000 000</b>	<b>12 000 000</b>	<b>-</b>	<b>-</b>
Othame Sanitation	Msinga Municipality	-	-		-	-	-
Pomeroy Sub-Regional Sanitation	Msinga Municipality	-	-		2 625 000	2 625 000	2 625 000
Pomery-Nkalane Sanitation	Msinga Municipality	-	-	11 700 000	12 000 000	11 500 000	12 000 000
Kwakopi-Mhangana Sanitation	Msinga Municipality	11 403 373	11 403 373	6 000 000	7 500 000	9 500 000	12 000 000
Mthembu West - Tugela Ferry Water	Msinga Municipality	9 771 231	9 771 231	-	12 000 000	10 000 000	-



Ngubukazi Water Scheme	Msinga Municipality	6 522 296	6 522 296	4 860 659	6 500 000	10 500 000	-
Pomeroy Sub-Regional Water Scheme	Msinga Municipality			-	-	3 000 000	-
Keates Drift Water Scheme	Msinga Municipality	-	-	-	12 500 000	14 500 000	16 200 000
Mbono Water	Msinga Municipality	11 031 050	11 031 050	22 685 717	13 038 024	12 500 000	13 038 024
Ndaya Water	Msinga Municipality	-	-	-	14 500 000	14 500 000	24 000 000
Othame/Msinga Top Water	Msinga Municipality	-	-	-	-	3 360 000	3 360 000
Douglas Water	Msinga Municipality	-	-	400 000	-	2 625 000	2 625 000
Mazabeko Water	Msinga Municipality	-	-	-	-	3 675 000	3 675 000
Mzweni Water	Msinga Municipality	-	-	-	-	-	-
Rorkes Drift Water	Msinga Municipality	-	-	-	-	-	2 100 000
<b>Sub Total</b>		<b>38 727 949</b>	<b>38 727 949</b>	<b>45 646 376</b>	<b>80 663 024</b>	<b>98 285 000</b>	<b>91 623 024</b>
<b>MUNICIPAL INFRASTRUCTURE GRANT PROGRAMMES</b>							
<b>Project Title</b>		<b>2009/2010</b>	<b>2009/2010</b>		<b>2010/2011</b>	<b>2010/2011</b>	<b>2010/2011</b>
Amangwe Buthanani - Isandlwana Phase 1&2 Sanitation	Nquthu Municipality	2 314 652	2 314 652				
KwaJama Household Sanitation	Nquthu Municipality	5 470 853	5 470 853	882 895			

Nondweni Town Sewage Disposal	Nquthu Municipality	-	-	200 000	-	10 000 000	11 000 000
Qhudeni- Manxili Sanitation	Nquthu Municipality	-	-	-	2 000 000	-	-
Hlazakazi Water Scheme Phase 1 - Isandlwana	Nquthu Municipality	5 567 172	5 567 172	3 663 434	10 000 000	15 137 826	19 825 689
Qhudeni Water Scheme	Nquthu Municipality	1 023 640	1 023 640	-	-	-	-
Ntinini Regional Water	Nquthu Municipality	-	-	5 000 000	-	1 000 000	3 455 025
<b>Sub Total</b>		<b>14 376 317</b>	<b>14 376 317</b>	<b>9 746 329</b>	<b>12 000 000</b>	<b>26 137 826</b>	<b>34 280 714</b>
Mbuba-Ward 9 Sanitation	uMvoti Municipality	1 922 688	1 922 688	-	-	-	-
Mbulwane/ Hlimbithwa Sanitation	uMvoti Municipality	-	-	1 050 000	5 124 703	3 000 000	1 050 000
Muden / Ophathe Sanitation	uMvoti Municipality	-	-	7 000 000	8 000 000	8 500 000	10 000 000
Muden Regional Water	uMvoti Municipality	5 500 000	5 500 000	12 000 000	11 054 273	14 500 000	10 799 088
Makhabeleni Sanitation	uMvoti Municipality	7 000 000	7 000 000	9 500 000	-	-	-
Makhabeleni Water Phase 4,5 and Bulk Upgrade	uMvoti Municipality	10 308 033	10 308 033	13 031 000	8 000 000	11 000 000	16 000 000
KwaSenge Sanitation	uMvoti Municipality	5 500 000	5 500 000	226 385	-	-	-
Ophathe - Water	uMvoti Municipality	10 341 348	10 341 348	14 824 481	8 000 000	13 500 000	22 000 000
Eshane Water Supply Scheme Phase 1	uMvoti Municipality	11 363 289	11 363 289	-	9 000 000	-	-

Sinyambothi Water				400 000	-	-	-
Mbulwane/ Hlimbithwa Water	uMvoti Municipality	-	-	2 100 000	2 100 000	2 100 000	2 100 000
Njengabantu Water	uMvoti Municipality	-	-	-	-	-	-
Mbuba Water	uMvoti Municipality	-	-	-	-	-	-
				-	-	-	-
<b>Sub Total</b>		<b>51 935 358</b>	<b>51 935 358</b>	<b>60 131 866</b>	<b>51 278 976</b>	<b>52 600 000</b>	<b>61 949 088</b>
<b>TOTAL PROJECT BREAK DOWN</b>		<b>120 013 000</b>	<b>120 013 000</b>	<b>134 648 000</b>	<b>161 942 000</b>	<b>196 907 000</b>	<b>207 737 000</b>
<b>MIG ALLOCATION AS PER DORA</b>		<b>134 648 000</b>	<b>134 648 000</b>	<b>134 648 000</b>	<b>161 942 000</b>	<b>196 907 000</b>	<b>207 737 000</b>
		14 635 000	14 635 000		0	0	0
<b>Water Projects</b>		<b>88 680 051</b>	<b>88 680 051</b>	<b>109 788 720</b>	<b>136 692 297</b>	<b>163 282 000</b>	<b>171 062 000</b>
<b>Sanitation Projects</b>		<b>31 332 950</b>	<b>31 332 950</b>	<b>24 859 280</b>	<b>25 249 703</b>	<b>33 625 000</b>	<b>36 675 000</b>
		<b>120 013 000</b>	<b>120 013 000</b>	<b>134 648 000</b>	<b>161 942 000</b>	<b>196 907 000</b>	<b>207 737 000</b>

## **1.2 Construction Incubation Programme**

During 2008/09, the municipality established a facility to service emerging contractors, particularly women in construction, and thirty (30) women contractors within the municipality were selected to be part of the Incubation programme. The main aim of the Incubation programme is to train and capacitate women in the field of construction for a period of three (3) years. SEDA Construction Incubator is implementing the programme and providing mentorship to the incubatees. The municipality aims to create jobs and also empower women through this programme. Once the three year period has been completed by the involved incubates, a new selection process will be embarked upon to identify new incubates which will also include men as well.

## **2. LOCAL ECONOMIC DEVELOPMENT**

During 2011/12 financial year, the municipality will be implementing a range of LED programmes which are aimed at promoting economic development thereby creating a conducive environment for economic growth. The programmes to be implemented are as follows:

### **2.1 LRAD farms profiling**

This is a new initiative which the municipality is aiming to implement during 2011/12 financial year. The rationale behind this project is the fact that there is great agricultural potential in most of the farms, however due to financial and management constraints, most of the farms are lying fallow. This therefore defeats the intended objectives of the Land restitution programme which entailed restoring land to the historically disadvantaged so that they can utilise it to create employment opportunities for themselves through commercial farming.

The project entails the undertaking of a profiling exercise of all the LRAD farms in the District in order to gather information on the resources available, their requirements, and the type of interventions required in order to revive farming activities. The expected outcome is a profile document which will be backed by extensive research and can be utilised by government to further assist these farms. The document can also be availed to potential investors who wish to partner or lease land from these farms.

## **2.2 Agricultural Incubation Programme**

The District was identified in 2001 as one of the Presidential nodes due to its status as one of the municipalities with the highest poverty rate sitting at 68%. During 2009/10, Umzinyathi Agriculture Incubation programme was established in partnership with Mpumalanga Agri-Skills Development and Training, after undertaking a detailed research on the agricultural potential of the district. The intention of the programme is to address the skills and knowledge shortcomings which include amongst others:

- Inability of SMME's to grow in a business sense;
- Lack of skills in managing small businesses;
- Absence of record keeping and financial management systems of SMME's;
- Lack of operational management systems; and
- Lack of production planning skills.
- Lack of market for their produce.

Thirty incubatees were selected across the district to be part of the incubation programme for a period of three years. To date, the incubatees are able to understand the farming practices, the technical and business skills. Once the three year period has been completed by the involved incubates, a new selection process will be embarked upon to identify new incubates.

## **3. SPECIAL PROGRAMMES**

### **3.1 Youth**

During 2011/12, the municipality aims to identify and develop youth initiatives and sustainable projects for Umvoti and Endumeni Local Municipalities Municipality. In the current financial year, sustainable agricultural and arts projects were supported in Msinga and Nquthu Local Municipalities.

### **3.2 Children**

Establishment of the district child care forum and development of sustainable programmes, and also to strengthen the awareness to children abuse, domestic violence, rights etc. During the current financial year, the municipality hosted the child protection week campaigns in all local municipalities.

### **3.3 Women**

Identification and development of sustainable agricultural projects for women to address poverty and income generation. The projects to be identified and developed will be in Endumeni Local Municipality. During the current financial year, three projects were identified in Msinga, Nquthu and Umvoti, and they are currently being implemented.

### **3.4 People Living with Disability**

Identification and development of self – help projects for people living with disability. Two agricultural projects have been identified during the current financial year and one is implementation. The other one will be implemented during the 2011/12 financial year.

### **3.5 Gender**

The municipality is intending to run awareness campaigns in all four local municipalities to address the gender issues. Gender forums have been established in two local municipalities, namely Msinga and Nquthu Local Municipalities.

## **SECTION F: SECTOR INVOLVEMENT**

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As part of the 2011/2 IDP, Budget and PMS process plan. Umzinyathi District Municipality planned to have two IDP Representatives Forums with the sector departments and private Sector for coordination, alignment and integration. The first IDP Representative Forum was held on the 10 – 11 November 2010 in partnership with the local municipalities.

The purpose of the first IDP Representative Forum was to discuss and present the district wide development priorities to the Sector Departments and private Sector for consideration during their budget processes.

The second IDP Representative Forum will be held between 04 – 05 May 211 to obtain feedback on the budget provision based on the priorities submitted during the first IDP Representative Forum. Secondly, to also obtain concrete Medium Term Expenditure Frameworks for alignment and integration for 2011/12 IDP Review.

The overall attendance of the IDP Representative Forum by the Sector Departments was not satisfactory and the municipality could not achieve the desired results. Assistance from the Department of Co-operative Governance and Traditional Affairs is being required to encourage and bring awareness to the attention of sector departments about the importance of alignment and integration for the IDP.

## **SECTION G: IMPLEMENTATION PLANS**

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Umzinyathi District Municipality has prepared the implementation plans according to the National Key Performance Areas of the Five Year Strategic Local Government Agenda and they are also aligned to the departments of the municipality in relation to their implementation. The implementation plans serve as the alignment between the IDP and Budget, and they also unpack the strategies in terms of their programmes. They also have the core functions aligned to each Key Performance Areas to be undertaken during the 2011/12, 2012/2013 and 2013/2014 financial years, these core functions are then aligned to the budget to facilitate the implementation. The implementation plans have committed human and financial resources to enable the municipality to achieve its developmental mandate.



National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Basic Service Delivery and Infrastructure Investment	Integrated Infrastructure Investment	To minimize the water backlog by 8% (2618 households) thereby improving access to communities within the RDP standards	<p>Implementation of new MIG water projects</p> <p>Rudimentary programme</p> <p>Protecting unprotected springs</p> <p>Extension of new water schemes</p> <p>Refurbishment of existing infrastructure</p> <p>Enhancement of WSDP</p>	<p>Implementation of new water schemes</p> <p>Extension of existing water schemes</p> <p>Rudimentary programme</p>	136,692,297,00	163,282,000.00	171,062,000.00	Executive Manager: Technical Services
		To enhance provision of water and sanitation	Water and sanitation provision through the agency	Agency Fees	70,500,000.00	57,750,000.00	63,525,000.00	Executive Manager: Technical Services

		To minimize the sanitation backlog by 21% (3800 households) thereby improving access to communities within the RDP standards	Implementation of new MIG sanitation projects	Construction of basic sanitation facilities per household	25,249,703.00	33,625,000.00	36,675,000.00	Executive Manager: Technical Services
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National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Local Economic Development	Economic Development	To establish the LED Agency which will serve as a vehicle in implementing the sustainable LED programmes and projects, and also facilitate the access of funding.	Implementation of the initiatives in the LED Strategy as part of the Economic Profile	Implementation of the Economic Profile through the LED Strategy				<p>Executive Manager: Planning and Social Development</p> <p>Economic profile has been submitted to the Independent Development Cooperation for funding consideration</p> <p>Awaiting funding confirmation from the Independent Development Cooperation</p>

National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Local Economic Development	Economic Development	To implement the projects aimed at addressing immediate poverty needs	Implementation of income generating projects	LED projects	2,500,000.00	2,750,000.00	3,025,000.00	Executive Manager: Planning and Social Development
		To provide effective tourism promotion within the district	Implementation of the Tourism strategy	Promotion of Tourism  Marketing and promotions for tourism	1,428,733.00  2,100,000.00	1,571,606.00  R 2,310,000	1,728,767  2,541,000	Executive Manager: Planning and Social Development
Local Economic Development	Socio – Economic Development	To implement HIV/Aids programmes in a holistic manner	Review and implementation of the HIV/Aids strategy	Implementation of the HIV/aids programmes and projects	605,000.00	665,500.00	732,050.00	Executive Manager: Planning and Social Development

National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Good Governance and Public Participation	Social Development	To contribute towards development of universal access to sports facilities by 2011	Access provision to sports facilities for all communities	Coordination of programmes for sports development	3,000,000.00	3,300,000.00	3,630,000.00	Executive Manager: Planning and Social Development
				Mayoral Cup Wards development	220,000.00	242,000.00	266,200.00	
				Mayoral Sports Tournament	500,000.00	550,000.00	605,000.00	
Good Governance and Public Participation		To promote Arts and Culture within the District	Undertaking of Arts and Culture programmes	District Cultural Events	495,000.00	544,500.00	598,950.00	Executive Manager: Planning and Social Development
Good Governance and Public Participation		To identify and develop sustainable that deal with children, youth and gender	Developing sustainable programmes that deal with children, youth and gender	Implementation of children, youth and gender sustainable programmes	1,200,000.00	1,320,000.00	1,452,000.00	Executive Manager: Planning and Social Development

National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Good Governance and Public Participation	Social Development	To develop sustainable programmes that deal with people living with disabilities	Developing sustainable programmes that deal with people living with disabilities	Implementation of sustainable programmes dealing with people living disabilities	423,500.00	465,850.00	512,435.00	Executive Manager: Planning and Social Development
Institutional Development and Transformation	Institutional Development	To promote sound administration throughout the Municipality through capacity development	Capacity development of employees	Capacity development programmes for the employees	800,000.00	880,000.00	968,000.00	Executive Manager: Corporate Services
Good Governance and Public Participation	Good Governance	To maintain good Corporate image for the institution through marketing	Marketing and promotions of the municipality	Marketing and promotion of the municipality	2,100,000.00	2,310,000.00	2,541,000.00	Executive Manager: Corporate Services

National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Good Governance and Public Participation	Good Governance	To undertake municipal project launches thereby bringing awareness to the community about municipal projects	Undertaking of municipal project launches thereby bringing awareness to the community about municipal projects	Project launches	1,500,000.00	1,650,000.00	1,815,000.00	Executive Manager: Technical Services
Good Governance and Public Participation	Good Governance	To undertake the Mayoral Imbizo thereby bringing awareness to the community about municipal achievements	Undertaking of the Mayoral Imbizo thereby bringing awareness to the community about municipal achievements	Mayoral Imbizo	1,000,000.00	1,100,000.00	1,210,000.00	Executive Manager: Corporate Services

National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Good Governance and Public Participation	Social Development	To develop sustainable programmes that deal with elderly and widows	Developing sustainable programmes that deal with elderly and widows	Elderly and Widows	600,000.00	660,000.00	726,000.00	Executive Manager: Planning and Social Development
Good Governance and Public Participation	Good Governance	To provide drought relief measures during drought seasons	Provision of drought relief measures during drought seasons	Drought Relief	5,206,857.00	5,206,857.00	5,727,542.00	Executive Manager: Technical Services



National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Good Governance and Public Participation	Strategic Planning	To review a Credible IDP based on up to date and accurate statistics	Obtain up to date and accurate statistics from companies such as Quantex, Global insight	Subscribe to private companies that updates population data and trends	250,000.00	275,000.00	302,500.00	Municipal Manager
		To strengthen relationship between the DM and LMs	Alignment meetings	Alignment meetings				Municipal Manager
		To enhance co-operation with other spheres of government and other private organizations	Develop mechanisms to engage sector departments and other service providers in the IDP processes	IDP representatives meetings / one on one meetings				Municipal Manager

National Key Performance Area(s)	Municipal Key Performance Area(s)	Objective	Strategy	Project	Project Budget			Responsible Department
					2011/12	2012/13	2013/14	
Good Governance and Public Participation	Strategic Planning	To undertake the Customer Satisfaction Survey to determine the community perceptions towards the municipality	Preparation of the Customer Satisfaction Survey to determine the community perceptions towards the municipality	Customer Satisfaction Survey	500,000.00	550,000.00	605,000.00	Municipal Manager

## **SECTION H: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM**

Performance Management is a strategic approach to management, which equip leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

Chapter 6, of the Municipal Systems Act (No 32 of 2000) requires municipalities to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

2001, Municipal Planning and Performance Regulations states that:

- Performance Management System must entail a Framework that describes and represent how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
- Performance Management System must inter alia comply with the requirements of the Systems Act, relates to the municipality's employee

performance management processes and be linked to the municipality's IDP.

During 2008/09, the municipality developed a functional Organisational Performance Management System that addressed performance needs of the organization and also serve to promote a culture of performance management and to administer its affairs in an economical, effective, efficient and accountable manner as required by Section 38 of the Municipal Systems Act (No32 of 2000). The system has been functional since its development and is currently under implementation during 2010/11 financial year. In terms of measuring the performance of the municipality in implementing the 2011/12 IDP Review, the municipality has reviewed the entire system of Performance Management System. The municipality also has the following documents that guide the review, implementation and monitoring of performance management system

- Organisational Scorecards;
- Departmental Scorecards;
- Performance Framework Framework; and
- Performance Policy.

The scorecards are attached herewith as Annexure J 4.

## SECTION I: ANNEXURES

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No	Sector Plans	Available		If Not Available
		Yes	No	Status
J 1	Comprehensive Spatial Development Framework	√		Spatial data for water and sanitation is currently being integrated to indicate capital investment made by Council
J 2	Comprehensive Disaster Management Plan	√		In the process of being reviewed to update risks and mitigating measures
J 3	Organizational and Departmental Scorecards	√		
J 4	Organizational and Departmental Organogram	√		
J 5	Umzinyathi Turn Around Strategy	√		

## SECTION I: APPENDIXES

Umzinyathi District Municipality has prepared a number of Sector Plans which are aimed at assisting the municipality in making well informed decisions to enable effective implementation thereby improving the quality of life for our respective communities. A table hereunder indicates the sector plans that have been prepared by the municipality to date:

No	Sector Plans	Available		If Not Available
		Yes	No	Status
K 1	2008/09 Annual Report	√		
K 2	Financial Plan	√		
K 3	Land Use Management Framework	√		
K 4	Integrated Waste Management Plan	√		
K 5	(a) Water Services Development Plan  (b) Backlog Study	√		
K 6	Integrated Transport Plan	√		
K 7	Local Economic Development Strategy	√		

K 8	Organizational PMS	√		
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K 9	IDP Process Plan / Framework	√		
K 11	Agricultural Strategy	√		
K 12	Strategic Environmental Assessment	√		
K 13	District Tourism Strategy	√		
K 14	District Signage Project	√		
K 15	Integrating SMME's into the local economy	√		