



From The Desk Of The CHIEF EXECUTIVE

Cyril Gamede

May 2016

Greetings, sanibona, dumelang. Welcome back to my blog. The world seems to have been in a tailspin since we last interacted, and the American Presidential election campaign has had much to do with it. It is intriguing how a radical shift from Barack Obama to Donald Trump has now become a possibility in a country regarded as the custodian of freedom and liberal values. A tidal wave of right-wing sentiment seems to be squarely behind Republican Donald Trump as Americans seek alternatives to their current war psychosis. And what is the trump card that Donald believes will get him into the White House for a 4-year term? Sadly, it is an eccentric mix of populist rhetoric that is resonating with White supremacists and Nazi sympathisers.



Barack Obama and Donald Trump
(source: www.eonline.com)

Ever imagined the possibility of a Trump administration? If the mood in the United States and endorsement by delegates are a measure of anything, it has to be that a triumphant Trump is

now in with a strong chance. The world will know in 6 months whether the land of the free will go White and Right or shatter its own record by choosing a Democrat woman as President. In the theatre of politics almost anything is possible and nothing is guaranteed.

Are we really polls apart?

In our home turf the battle for the hearts and minds of the electorate is also gaining momentum, but certainly not on the same scale as the US. Campaigning in the run-up to the Local Government poll has, however, been overshadowed by on-going and widespread protests, ostensibly over poor service delivery. Political killings of Councillors contesting for positions have also shown the ugly head of self-interest of some of our so-called leaders. Some of the presumed citizens' actions have occurred in the service area of our customers, who appear to be helpless in preventing or managing them. During numerous engagements with customers I repeatedly asked Mayors and Municipal Managers to identify areas for Umgeni Water's intervention and assistance that would result in the elimination of water supply-related problems, but there still has been no coherent response. The assistance would have certainly dampened the flames of discontent.

On 6th May 2016 I received feedback about a meeting with concerned citizens of Mandini that was facilitated by iLembe District Municipality. This meeting could have easily been mistaken for



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a platform to extract commitments that would win favour with the electorate of Mandini. The concerned citizens, comprising a Councillor and members of the Project Steering Committee for Lower Thukela Bulk Water Supply Scheme, arrived with a multitude of complaints and what they described as unfulfilled promises. Mixed with this potpourri of grievances and disappointment were subtle suggestions that the future security of Lower Thukela Bulk Water Supply Scheme and Umgeni Water staff who will be based there could be compromised if the expectations of Wards 3 and 4 residents were not met by Umgeni Water.



Lower Thukela Bulk Water Supply Scheme

Let's look at the issues at hand, which initially emerged at a meeting between an advisor of the Minister of Water and Sanitation and members of the Project Steering Committee. Umgeni Water was later requested by the Office of the Minister to deal with the matter at a formal meeting. Members of the Project Steering Committee and

the Councillor said at the meeting with Umgeni Water that they were echoing the sentiments of Wards 3 and 4 residents, although they were not representing them. They presented a list of 8 complaints and commitments that remain unresolved. Ironically, most of them have no relevance to Umgeni Water but should or ought to have been addressed by the contractors or sub-contractors on the project. Here is the list that was presented:

1. Documentation reflecting employment on the project have still not been received by some employees
2. Promises of skills development for locals have not been fulfilled by some contractors
3. Workers from Mandini were only provided menial jobs while skilled positions were given to people from outside of the area
4. No information was available about future employment opportunities on the scheme
5. A sports field apparently promised by a construction company has still not been provided
6. Two houses that developed cracks, apparently during blasting, have still not been repaired
7. Some small-scale farmers had lost cattle that died after being stuck in the mud at the weir. The weir, therefore, had to be relocated
8. Construction companies' Project Managers were no longer attending meetings of the Project Steering Committee





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After much deliberation and convincing, the Mandini attendees accepted that the issues they raised would have to be discussed with the construction companies and sub-contractors on the project. Umgeni Water offered to facilitate a meeting between the construction companies, their joint venture partners and the Mandini delegation and this was accepted.

This meeting was intended to resolve the issue of what had and had not been promised and in that way bring closure.

But this was not before the delegates' real agenda emerged. It became clear as discussions progressed that the delegates, ostensibly reiterating the views of communities of Wards 3 and 4, wanted work opportunities at the plant to be offered first to locals before others, including Umgeni Water's appropriately experienced staff, could be considered. They said the situation in Mandini was volatile and hinted that the communities of Wards 3 and 4 were agitated that they were not able to obtain jobs at the scheme. According to the delegates, there was an expectation of and entitlement to employment opportunities at the plant.

There was a veiled threat – again ostensibly a reflection of the feeling on the ground – that if jobs were not offered by Umgeni Water, future security of the scheme and staff could not be guaranteed. Mandini delegates offered to source curriculum vitae from the community and provide

this to Umgeni Water, despite being told about the recruitment process at Umgeni Water and the level of expertise that was required at the plant. The delegates then requested that Umgeni Water uses its staff at the plant while members of the local community are being trained in order to gain requisite skills that would allow them to take over the jobs of Umgeni Water's employees.

I was appalled. Almost R1, 5 billion was spent on this project to make access to a reliable supply of safe drinking easier for hundreds of thousands of people, and delegates at the meeting were willing to compromise this in pursuit of their narrow interest of securing jobs for a few. Lower Thukela Bulk Supply Scheme was not conceptualised, designed and constructed to be labour intensive. In fact, only 13 posts will be available – 3 of which will be advertised and the community of Mandini will be welcome to apply. The other 10 posts will be filled by experienced staff of Umgeni Water.

When completed, Lower Thukela Bulk Water Supply Scheme will begin supplying water where it is needed. The time for South Africans to collectively extricate themselves from a culture of entitlement is long overdue. These are the words of American author and academic Steve Maraboli which have a great deal of relevance: "When we replace a sense of service and gratitude with a sense of entitlement and expectation, we quickly see the demise of our relationships, society and economy." This also explains why comrades will kill each other for political leadership positions.



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Positioning Umgeni Water in the appropriate platforms

Our organisation has been quite active at 2 major events that took place in May. They were the biennial conference of the Water Institute of Southern Africa (WISA) and the International Commission on Large Dams (ICOLD). WISA's conference was held in Durban, and Umgeni Water was a major sponsor. Attendance, presentation of papers, exhibition and sponsorship allowed Umgeni Water a wonderful platform to engage and share thinking with peers from the water sector. There were also ample opportunities to position and brand Umgeni Water in the Southern African sector, which is facing its own challenges caused by a shortage of skills to enhance water services provision. At the gala dinner I was given a slot to address delegates.

Here is an extract from my message: "Before I begin I want to share with you these wise words by Simon Mainwaring in the hope that they will set the scene and provide the context for my message this evening.

"Mainwaring, an award-winning branding consultant and advertising specialist, said and I quote: 'Creating a better world requires teamwork, partnerships and collaboration as we need an entire army of companies to work together to build this better world within the next few decades. This means corporations must



WISA 2016 at ICC Durban
(source: twitter.com – YWP)

embrace the benefits of co-operating with one another'.

"These words amply illustrate the nature of relationship that exists between Umgeni Water, as a Patron Member, and WISA. At the inception, this relationship was founded on respect, mutual sharing of information for the advancement of the Southern African water sector and collaboration to ensure that stakeholders, customers and societies we serve are able to benefit from innovation, intellectual capacity, research and economies of scale in the execution of our core functions. The ties between Umgeni Water and WISA are still anchored by these values and objectives. Umgeni Water has a long and proud association with WISA, which was founded by common interests.



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“WISA’s biennial Conference and Exhibition 2016 is for Umgeni Water a ground-breaking occasion. Along with Mhlathuze Water, Umgeni Water decided to become the principal sponsor of the Gala Dinner. This decision was informed by the strong and burgeoning relationship it has with WISA and by our passionate role in water sector-related events that showcase the splendid work being done by the sector.

“The overarching theme of the conference – Water: the Ultimate Constraint – is also an interesting one that dovetails neatly with our thinking that water can be both an enabler and constraint for development. Enabler: when there is an abundance of it; constraint when there is a shortage of it. The latter situation is currently engulfing our country as a result of the drought, described as the worst in living memory. There is

on-going hardship being experienced by consumers and, similarly, Water Services Authorities and Water Services Providers have also been affected. We must all stand together to weather the effects of this drought through water conservation.”

At the International Commission on Large Dams, held in Johannesburg, Umgeni Water had an exhibition stand from which organisational literature was distributed. Hundreds of delegates visited the stand and were interested in the work, role and functions of Umgeni Water. This allowed Umgeni Water staff to create increased awareness of the organisation at a forum that is dedicated to sharing of professional information and knowledge about design, construction, maintenance and impact of large dams.



Umgeni Water’s stand at ICOLD 2016 in Sandton Convention Centre



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Living in the lap of luxury – and there’s spare cash in the pocket

There has been a great deal of debate in recent times about what the labour movement in South Africa describes as the widening wage gap between executives and non-managerial staff of major corporates. This debate is occurring in the context of revelations in surveys that South Africa has one of biggest pay gaps in the world. It is not difficult to conceptualise this because an estimated 60% of the population earn less than R2 500 per month. It gets scarier: 24 million of this 60% earn less than R322 per month. You may be asking if this is possible; the answer is “yes”. A significant portion of the South African population still lives in abject poverty and, as economic times get tougher, this situation will deteriorate.

Let’s put matters in context and then try to figure out why labour’s unhappiness persists over pay. I gleaned the following information relating to the 5 highest-paid Chief Executive Officers in South Africa. This is public information as it has already appeared in their companies’ annual reports.

Some of these companies are dual listed; therefore, their CEOs are paid in British pounds or United States dollars. This means that if the rand deteriorates against these foreign currencies, the CEOs’ pay improves – without having to earn a salary increase – and conversely if it improves, their pay packets shrink. The list contains highest

to lowest paid in rand terms, after conversions are done.

Name of Chief Executive Officer	Company	Annual Salary (Base Monthly Pay + Benefits + Perks x 12)
James Wellwood “Whitey” Basson	Shoprite	R49, 7 million
Johann Rupert	Richemont	R49, 4 million
Mark Jooste	Steinhof	R37, 5 million
Mark Cutifani	Anglo American	R26, 5 million
Nicando Durante	British American Tobacco	R24, 5 million

In rand value these figures seem excessively high, but the generally downward spiral in the value of the rand is giving them hefty increases that exceed their wildest imagination. The truth is that performance of the South African currency is beyond their control. If their income is converted into British pounds, US dollars or Euros, it will be market-related when benchmarked against the salaries of the bosses of major corporates in the United States and Europe. In justifying his pay, Johann Rupert once said executives’ salaries are justified based on the value they bring to the companies they manage. I would add to his view risks executives face; when things go wrong and poor performance impact on company revenue and image, guess on whom the axe will fall first?

I have resigned myself to accept that pay – or an insufficient amount of it – will never produce consensus in which all of us will agree on what is excessive and what is not.





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One consolation, though, is my name does not feature in the top 5 – which means I am not in the league of the super-rich.

A Blessing in Disguise?

One are days when the innocuous act of blessing someone or receiving a blessing was just that: innocuous. Today these Biblical terms have taken on a whole new meaning, and social media has gone agog. In one day alone, an estimated 296 000 South Africans entered social media sites to whet their appetites on what a “blesser” or “blessed” means. Or was it because they wanted to become “blessers” or be “blessed”? We’ll never know. Undoubtedly, though, they were not pursuing the divine values espoused in Luke 6: 28 “Bless those who curse you, pray for those who mistreat you”.

In a marked change from its spiritual association, to be a contemporary “blesser” makes one an elderly person looking for young love – at a price. A “blessed” person, on the other hand, is a young person seduced by the material comforts that are provided by the “blesser” – again at a price. This phenomenon has got KwaZulu-Natal’s MEC for Health, Dr Sibongiseni Dhlomo, in a tizz and he wants to educate both the “blessed” and potential “blessed” about the risks associated with unholy liaisons. I’ve been wondering whether the erstwhile “sugar daddy” has now become the “blesser” because of the impending Government tax that is to be imposed on those with a sweet



Cartoon by Findlay: The cost of being blessed (source: www.enca.com)

tooth. Whatever the reasons may be are inconsequential. What is important, though, is that the English language has certainly evolved, causing a great deal of confusion and ambiguity. Be careful: the next time somebody sneezes in your presence you may have to think twice before saying: “Bless you”.

Amen

Yours In Genuine Black Economic Empowerment

Cyril Vuyani Gamede
Chief Executive