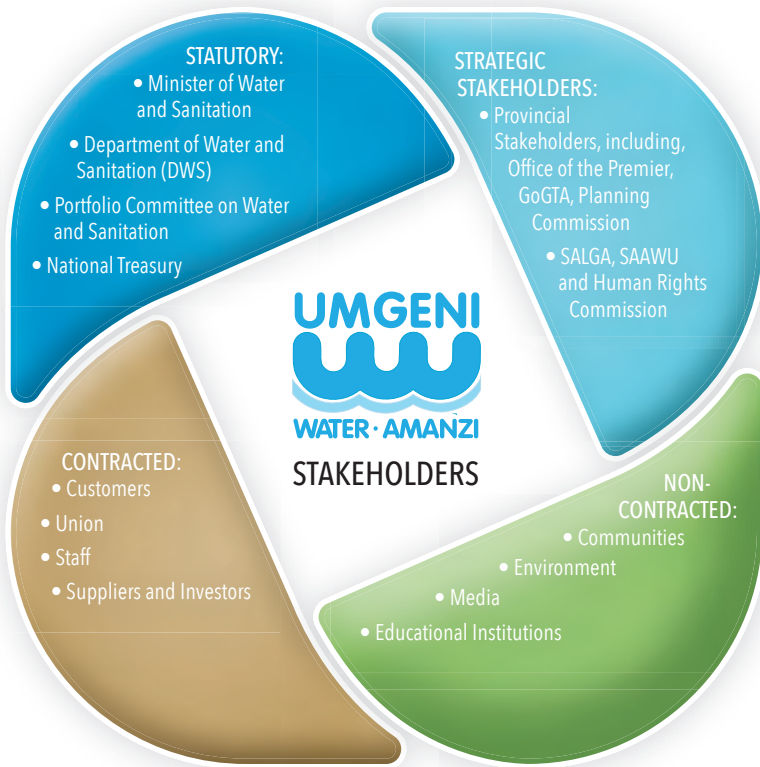


# 6.0

# Stakeholder Understanding and Support

## STAKEHOLDER INTERACTION

In the course of execution of its mandate, Umgeni Water interacts with a wide array of stakeholders who are impacted on or have an interest in the business activities of the organisation. These stakeholders have been categorised into four groups: Statutory, Strategic, Contracted and Non-Contracted.



8.0  
CREATING  
VALUE

PG 62-79

9.0  
CONSERVING  
OUR NATURAL  
RESOURCES

PG 80-89

10.0  
ENABLING  
OUR PEOPLE

PG 90-99

11.0  
IMPROVING  
RESILIENCY

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12.0  
FINANCIAL  
SUSTAINABILITY

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Umgeni Water strives to create a non-racial, non-sexist and inclusive society through water service delivery



**Table 6.1: Umgeni Water Stakeholders and Basis for Engagement**

<b>Statutory Stakeholders</b> <i>Stakeholders who have a regulatory or oversight function over Umgeni Water and with whom Umgeni Water, as a State-owned entity, is required to interact on a regular basis in order to ensure that statutory requirements are met and there is alignment with Government's objectives.</i>	
<ul style="list-style-type: none"> <li>Minister of Water and Sanitation</li> <li>Department of Water and Sanitation</li> <li>Portfolio Committee on Water and Sanitation</li> <li>National Treasury</li> </ul> <p><i>The Basis for Engagement: delivery on mandate, responsive to Water Services Act, Public Finance Management Act and other pertinent legislation and regulations, delivering strategy and plans aligned to Government outcomes and Executive Authority expectations, demonstrating adequate resource planning mobilisation, investing in water infrastructure, ensuring efficient water usage and conservation and water quality management, demonstrating a well-governed and efficiently run entity, ensuring performance with financial and predetermined objectives and plans to deliver long-term sustainability.</i></p>	
<b>Strategic Stakeholders</b> <i>Stakeholders to whom Umgeni Water provides information relating to organisational performance, capital infrastructure plans and assistance and expertise to assist vulnerable water boards and municipalities.</i>	
<ul style="list-style-type: none"> <li>Office of the Premier of KwaZulu-Natal</li> <li>KwaZulu-Natal Provincial Government departments and notably Cooperative Governance and Traditional Affairs</li> <li>KwaZulu-Natal Planning Commission</li> <li>South African Local Government Association (SALGA)</li> <li>South African Association of Water Utilities (SAAWU)</li> </ul> <p><i>The Basis for Engagement: affordable tariff, growth as a catalyst for economic expansion, delivery on mandate and alignment to policy, partner in service delivery, accelerated service delivery, corporate governance and alignment to Provincial Development Plan.</i></p>	
<b>Contracted Stakeholders</b> <i>Stakeholders with whom Umgeni Water has contracted for the provision of products, services and goods, including customers, suppliers and investors and, in the case of employees and organised labour, the provision of employment and accompanying service benefits.</i>	
<b>Existing Customers</b> <ul style="list-style-type: none"> <li>eThekweni Metropolitan Municipality</li> <li>iLembe District Municipality</li> <li>Ugu District Municipality</li> <li>Harry Gwala District Municipality</li> <li>uMgungundlovu District Municipality</li> <li>Msunduzi Local Municipality</li> </ul>	<b>Potential Customers</b> <ul style="list-style-type: none"> <li>Newcastle Local Municipality</li> <li>Amajuba District Municipality</li> <li>Umzinyathi District Municipality</li> <li>uThukela District Municipality</li> </ul>
<p><i>The Basis for Engagement with customers: Service delivery agreements, assurance of supply, both quality and quantity, care and support, responsive to needs, tariff consultation, partnerships in socio-development initiatives and new products and services.</i></p> <ul style="list-style-type: none"> <li>Employees of Umgeni Water</li> <li>National Education, Health and Allied Workers' Union (NEHAWU)</li> </ul> <p><i>The Basis for Engagement: Compliance with Collective Agreement, demonstrating relevance as an organisation that adds value to the sector, regular feedback and communication regarding sector issues and organisational performance, equitable jobs, fair labour practice, good working conditions, enabling work environment and communication, fair-market related compensation and service conditions and sound performance management and recognition system. Umgeni Water, in turn, expects engaged employees, productivity, delivery and return on investment.</i></p>	
<ul style="list-style-type: none"> <li>Suppliers and Service Providers</li> <li>Investors and other Financial Institutions</li> </ul> <p><i>The Basis for Engagement: Compliance with legislation for fair and equitable procurement, supplier development, transparency, business opportunities, integrity, fair treatment, fair pricing, fair payment terms, partnerships in BBBEE and capacity building towards more inclusive economic participation and Corporate Social Investment (CSI), environmental management and supplier footprint reduction – water, energy and materials.</i></p>	

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**Table 6.1: Umgeni Water Stakeholders and Basis for Engagement continued**

<b>Non-contracted Stakeholders</b>
<i>Stakeholders to whom Umgeni Water demonstrates its value as a socially responsible, efficient and high performing entity.</i>
<p><b>Community and Civil Society Institutions</b>  <i>The Basis for Engagement: Umgeni Water demonstrating conservation and responsible use of resources, providing a clean and safe environment, exercising responsible citizenship, demonstrating transparency in corporate governance, creating jobs, providing information and opportunities. In turn Umgeni Water solicits a social licence to operate, recognition for creating value, respect for property and collaboration in protecting remotely situated water assets.</i></p>
<p><b>Chambers of Business</b>  <i>The Basis for Engagement: Umgeni Water providing assurance of supply, both quality and quantity, information on tariff, demonstrating responsible citizenship. In turn Umgeni Water solicits recognition for creating value, pollution prevention and safe-guarding of water supply resources.</i></p>
<p><b>Media and general public</b>  <i>The Basis for Engagement: access to information, demonstrating accountability, transparency and good governance. In turn Umgeni Water expects responsible reporting and media integrity.</i></p>
<p><b>National Sector Institutions, among them, the Water Research Commission</b>  <b>International Sector Institutions, notably in Africa</b>  <i>The Basis for Engagement: exchange and expansion of water sector knowledge, partnerships and collaborative water and wastewater research, which in turn will enable organisational learning and growth.</i></p>

Umgeni Water interacted with all stakeholder groupings in the year under review and generally received positive and constructive feedback which informed future strategies, plans and programmes. There were occasions on which not-so-favourable responses were received, especially from some Civil Society representatives on the decision to cut back on potable water production at Hazelmere Dam in response to the prevailing drought.

Engagement with the Minister of Water and Sanitation, the Department of Water and Sanitation (DWS), National Treasury and SALGA took place throughout the year, including for formal appraisal of strategy, business plan implementation and performance indicators as per Shareholder Compact, as well as during regular Minister and DG forums and strategy sessions hosted by DWS. All statutory documents were timely submitted for the year and were of high quality.

Umgeni Water had opportunity in the year to engage with the Office of the Premier, KwaZulu-Natal (KZN) Provincial Cabinet and KZN CoGTA, as well as the President of the Republic of South Africa during a Presidential Imbizo in Pietermaritzburg.

The media coverage of the organisation during the year, in print, broadcast and online, was in the form of positive, balanced and neutral reports. Media coverage of Umgeni Water is monitored by an independent company and evaluation of media coverage is based on reports supplied quarterly by this company.

A large number of customer engagements took place in the year, including both strategic and operational engagements.

Engagements with Umgeni Water’s six customers focused on performance with bulk supply agreements, service delivery needs, infrastructure plans, bulk water tariff proposals and the application of water restrictions as a result of water shortages caused by the drought. Engagements also took place with customers to explore cost-effective means of mitigating the effects of the drought. In the year, a Branding Conference / Strategic Dialogue on Water Services, targeting customers, potential customers and other stakeholders, took place and was well attended. Similarly a Water Resources Management and Innovation Conference was organised by Umgeni Water as part of its 40<sup>th</sup> anniversary celebrations and attended by all major stakeholders. Other Umgeni Water 40<sup>th</sup> anniversary events that were attended by stakeholders were:

- Soccer and Netball tournaments featuring Umgeni Water and its customers,
- A Dam Safety Event held to prevent drowning in dams and rivers,
- A year-end function for Staff and Retirees,
- A banquet for major stakeholders, which included the Executive Authority,
- A Golf Tournament and networking dinner with customers and service providers,
- Community function to celebrate the completion of construction of Imvutshane Dam, and
- Stakeholder function for the commissioning of the Richmond Pipeline.

Umgeni Water is humbly aware of the importance of maintaining a healthy internal pulse and created opportunities during the year for active engagement with employees and employee union (NEHAWU). This included regular staff information sessions and meetings with employee union, executive site visits, annual staff awards session, commemoration of special days in the year, sport-fun days, induction of new employees and communiqués designed to inform employees of events and organisational and Ministerial announcements. In addition, the Chief Executive ensured employees were kept updated on key water sector developments through From the Desk of the CE.

Interaction with communities, together with customers and other key stakeholders were made possible in the year through the following:

- CSI initiatives, including the Maphephethwa block-making initiative, which will be owned by a community in Inanda, and sponsorship of school refurbishment projects,
- Umgeni Water disseminated water and environmental education to learners and other attendees and interacted directly with the public at the annual Royal Agricultural Show. Awareness of the role, functions, competencies, products and services of a water utility was created,
- The Umgeni Water Marathon further provided socialised interactions between employees of public sector entities and the public, and
- Special day / week events, including water week, environment and women's days, amongst several others, provided great opportunity for community outreach and awareness creation.

Umgeni Water kept abreast of water related knowledge through collaboration and knowledge exchange with water utilities in South Africa (including through SAAWU) and in Africa, including State-owned water provision entities from Tanzania and Lesotho. Exchanges with the Water Research Commission, the Durban University of Technology and the universities of KwaZulu-Natal, Stellenbosch, Pretoria, Cape Town and Western Cape were

made in areas of climate change, water infrastructure, water quality and for exchange of knowledge and best practices in water and sanitation.

Through active participation in the SABS Technical Committee on Water, Umgeni Water played a significant role in the development of the updated South African National Standard for Drinking Water, SANS 241: 2015. The objective of the revision was to align the South African standard with the World Health Organisation Guidelines for Drinking-water Quality and also to facilitate the provision of safe drinking water for the protection of public health.

Further opportunity to engage water sector peers was made possible through attendance of the Institute of Municipal Engineers of Southern Africa Conference and Exhibition and the African Ministers' Council on Water-organised Gender Water and Development Conference.

Suppliers, notably small, medium and micro enterprises, were engaged during a forum in the year, where Umgeni Water provided information to current and potential suppliers to help increase future BBBEE opportunities. In addition, Umgeni Water interacted with the Durban Chamber of Business and Commerce, Pietermaritzburg Chamber of Commerce and the National African Federated Chamber of Commerce and Industry and provided an overview of the entity's five-year capital infrastructure programme and tariff setting process.

Barring these, Umgeni Water engaged with stakeholders at its annual report launch where organisational performance was shared with the Executive Authority, customers, civil society and investors.

The relationship Umgeni Water has with its stakeholders is based on transparency, mutual respect and value added. The achievements and positive feedback received on how the entity has performed are testimony to the healthy stakeholder relations enjoyed by Umgeni Water.



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