



# Stakeholder Understanding and Support

## STAKEHOLDER INTERACTION

In keeping with the execution of its mandate, Umgeni Water interacts with 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.





## Umgeni Water Strategic Dialogue

**Table 7.1: Umgeni Water Stakeholders and Basis for Engagement**

### Statutory Stakeholders

Stakeholders who have a regulatory or oversight function over Umgeni Water, among them the Minister of Water and Sanitation, the Department of Water and Sanitation, the Portfolio Committee on Water and Sanitation and National Treasury. As a state-owned entity, Umgeni Water is required to interact with these stakeholders on a formal and regular basis in order to ensure that statutory requirements are met and there is alignment with Government's objectives, strategies and plans.

- ▶ Minister of Water and Sanitation
- ▶ Deputy Minister of Water and Sanitation
- ▶ Department of Water and Sanitation
- ▶ Portfolio Committee on Water and Sanitation
- ▶ National Treasury

**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, a partner that shows alignment with water sector communication strategy and plans, and a leader that contributes to establishing synergies in the value change and water sector.

**Umgeni Water and National Government both desire:** A high performing, well governed State-owned enterprise that mobilises resources in an equitable and cost-effective manner to advance key national objectives.

**Table 7.1: Umgeni Water Stakeholders and Basis for Engagement ...continued**

Strategic Stakeholders	
<p><i>Provincial and some National Stakeholders to whom Umgeni Water provides information relating to organisation performance, capital infrastructure plans, solutions to prolonged bulk water supply interruptions and expertise available to assist vulnerable water boards and municipalities.</i></p> <ul style="list-style-type: none"> <li>▶ Provincial Planning Commission</li> <li>▶ KwaZulu-Natal Provincial Government departments and notably Co-operative Governance and Traditional Affairs</li> <li>▶ Mhlathuze Water</li> <li>▶ uThukela Water Company</li> <li>▶ South African Local Government Association (SALGA)</li> <li>▶ South African Association of Water Utilities (SAAWU)</li> <li>▶ South African Human Rights Commission</li> </ul> <p><b>The basis for engagement:</b> Structured implementation plan to enhance assurance of supply and extend water services to previously un-served communities, affordable tariff, growth as a catalyst for economic expansion, delivery on mandate and alignment to policy and National and Provincial Development Plans, partner in service delivery, accelerated service delivery, corporate governance, benchmarking and strategic information exchanges, collaboration for major events and celebrations, and proactive measures to mitigate the effects of long periods of water shortages and supply interruptions.</p> <p><b>Umgeni Water, KZN Province and other Strategic Stakeholders desire:</b> Sound water services delivery partnerships, providing affordable services, contributing to regional economic growth and development and exchanging strategic information.</p>	
Contracted Stakeholders	
<p><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></p> <p><b>Water Service Authorities in KwaZulu-Natal comprise:</b></p> <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> <li>▶ uMkhanyakude District Municipality</li> <li>▶ Amajuba District Municipality</li> <li>▶ Newcastle Local Municipality</li> <li>▶ uMzinyathi District Municipality</li> <li>▶ uThungulu District Municipality</li> <li>▶ uThukela District Municipality</li> <li>▶ uMhlathuze Local Municipality</li> <li>▶ Zululand District Municipality</li> </ul> <p><i>The basis for engagement with customers: service agreements, assurance of supply, quality and quantity, care and support, responsive to needs, tariff consultation, partnerships in socio-development initiatives, partnerships in CSI initiatives.</i></p> <p><b>Umgeni Water and WSA Customers both desire:</b> a high performing, efficient, effective and responsive Water Services Provider.</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><b>The basis for engagement:</b> 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, regular information sharing and feedback on entity events planned and held, regular feedback regarding progress towards the dis-establishment of Umgeni Water and Mhlathuze Water and establishment of one regional entity equitable jobs, fair labour practice, good working conditions, enabling work environment and communication, fair market-related compensation and service conditions, sound performance management and recognition system, and engaged employees, productivity, delivery and return on investment.</p> <p><b>Umgeni Water Management, Union and Staff all desire:</b> An equitable company, whose policies, practices, systems and feedback create motivated, engaged and aligned employees.</p> <ul style="list-style-type: none"> <li>▶ Suppliers and Service Providers</li> <li>▶ Investors and other Financial Institutions</li> </ul> <p><b>The basis for engagement:</b> compliance with legislation for fair and equitable procurement, supplier development, transparency, business opportunities, integrity, fair treatment, fair pricing, fair payment terms, partnerships in B-BBEE and capacity building towards more inclusive economic participation and Corporate Social Investment (CSI), environmental management and supplier footprint reduction – water, energy and materials.</p> <p><b>Umgeni Water and Suppliers both desire:</b> An equitable company, whose policies, practices, systems and feedback create responsive and high performing suppliers delivering against contractual agreements.</p>	

**Table 7.1: Umgeni Water Stakeholders and Basis for Engagement ...continued**

Non-contracted Stakeholders Stakeholders to whom Umgeni Water demonstrates its value as a socially responsible, efficient and high performing entity
<p>▶ <b>Community and Civil Society Institutions</b></p> <p><b>The basis for engagement:</b> Umgeni Water's demonstration of conservation and responsible use of resources, provision of a clean and safe environment, exercising of responsible citizenship, demonstration of transparency in corporate governance, job creation and provision of 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.</p> <p><b>Umgeni Water and Communities / Civil Society desire:</b> A sustainable entity that adds value to society through a sound balance of economic growth, social development and environmental sustainability.</p>
<p>▶ <b>Chambers of Business</b></p> <p><b>The basis for engagement:</b> Umgeni Water's provision of assurance of supply, quality and quantity, information on tariff, demonstration of responsible citizenship and information sharing on infrastructure development projects. In turn, Umgeni Water solicits recognition for creating value, pollution prevention and safe guarding of water supply resources.</p> <p><b>Umgeni Water and Business both desire:</b> A sustainable entity that adds value to society through a sound balance of economic growth social development and environmental sustainability.</p>
<p>▶ <b>Media and general public</b></p> <p><b>The basis for engagement:</b> access to information, demonstrating accountability, transparency and good governance. In turn, Umgeni Water expects accurate reporting and media integrity.</p> <p><b>Umgeni Water and Media / Public desire:</b> A sustainable entity that adds value to society.</p>
<p>▶ National Sector Institutions, among them, the Water Research Commission</p> <p>▶ International Sector Institutions, notably in Africa</p> <p><b>The basis for engagement:</b> Information exchange and knowledge management, Collaboration in water research and development, Support to water centres of excellence. Student internships and experiential training and exposure, Study tours and site visits, Collaboration in major events, such as National Water Week and participation in international exhibitions, and Specifically in Africa: knowledge management, networking and responding to bi-lateral agreements between South Africa and other African countries and Water Utilities in partnership with national and provincial government.</p> <p><b>Umgeni Water and water sector - related institutions desire:</b> A partner and sector collaborator that contributes to knowledge and skills development for the country, province and region.</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 Water Treatment Works and at Water Treatment Works within the Mgeni system in response to the prevailing drought.

Engagement with the Minister of Water and Sanitation, the Director-General of Department of Water and Sanitation (DWS), National Treasury and SALGA took place on numerous occasions, 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. Engagements with the Minister of Water and Sanitation also took place on the subjects of drought relief and drought mitigation measures and during commissioning of Lower Thukela Bulk Water Supply Scheme.

Umgeni Water had opportunity to engage with the Office of the Premier, KwaZulu-Natal Provincial Cabinet and CoGTA.

Media coverage of the organisation, 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, including both strategic and operational engagements. Engagements with Umgeni Water's 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 and other stakeholders, took place and was well attended. Similarly, Umgeni Water participated in the Water Institute of Southern Africa's biennial conference and in the conference of International Commission on Large Dams. Other events that were either hosted by Umgeni Water or in which the entity participated were:

- ▶ Joint launch of the National Water Week (KZN), with the Department of Water and Sanitation and Mhlathuze Water,
- ▶ Community function communicating progress with construction of the Lower Thukela Bulk Water Supply Scheme,
- ▶ A Dam Safety Event held to prevent drowning in dams and rivers,
- ▶ Hosting of a Supplier Forum,
- ▶ Hosting of visiting water sector delegations from Dar-es-Salaam, Tanzania, and Lilongwe, Malawi
- ▶ Hosting of the Minister of Water and Sanitation during an address of Umgeni Water staff on impending changes in the KwaZulu-Natal water sector,
- ▶ Hosting of Portfolio Committee on Water and Sanitation for a site visit at Hazelmere Dam, and
- ▶ Launch of Umgeni Water's annual performance report, held for the media and other stakeholders.

Umgeni Water is aware of the importance of maintaining a healthy internal pulse and created opportunities during the year for 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 Ministerial announcements. In addition, the Chief Executive ensured employees were kept updated on key water sector developments through a monthly CE Blog.

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

- ▶ Corporate Social Responsibility initiatives,
- ▶ Dissemination of water and environmental education to learners and other attendees and interaction 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 and in Africa, including State-owned water provision entities from Tanzania, Burkina Faso and Malawi.

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 conference of International Commission on Large Dams.

Suppliers, notably small, medium and micro enterprises, were engaged during a forum, where Umgeni Water provided information to current and potential suppliers to help increase future B-BBEE opportunities. In addition, Umgeni Water interacted with the Durban Chamber of Commerce, Pietermaritzburg Chamber of Business and the South African National Civic Organisation and provided an overview of the entity's five-year capital infrastructure programme and progress with the disestablishment of Umgeni Water and Mhlathuze Water and the formation of one entity for KwaZulu-Natal.

In addition to these engagements, Umgeni Water interacted with stakeholders at its annual report launch where organisational performance was shared with the Executive Authority, customers, civil society, investors and the media.

The relationship Umgeni Water has with its stakeholders is based on transparency and mutual value creation. The achievements and feedback received in the year bear testimony to the healthy and robust stakeholder relations enjoyed by Umgeni Water.



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