



NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA

Neighbourhood Development Programme Unit



NEIGHBOURHOOD DEVELOPMENT & PARTNERSHIP GRANT PROGRAMME

“The Neighbourhood Development Partnership Grant (NDPG) was announced by the Minister of Finance in his budget speech on 15 February 2006. The primary focus of the grant is to stimulate and accelerate investment in poor, underserved residential neighbourhoods such as townships by providing technical assistance and grant financing for municipal projects that have a distinct private sector element in the project”
(National Treasury2006)

Draft Township Regeneration Strategy – Mpumalanga / Hammarsdale

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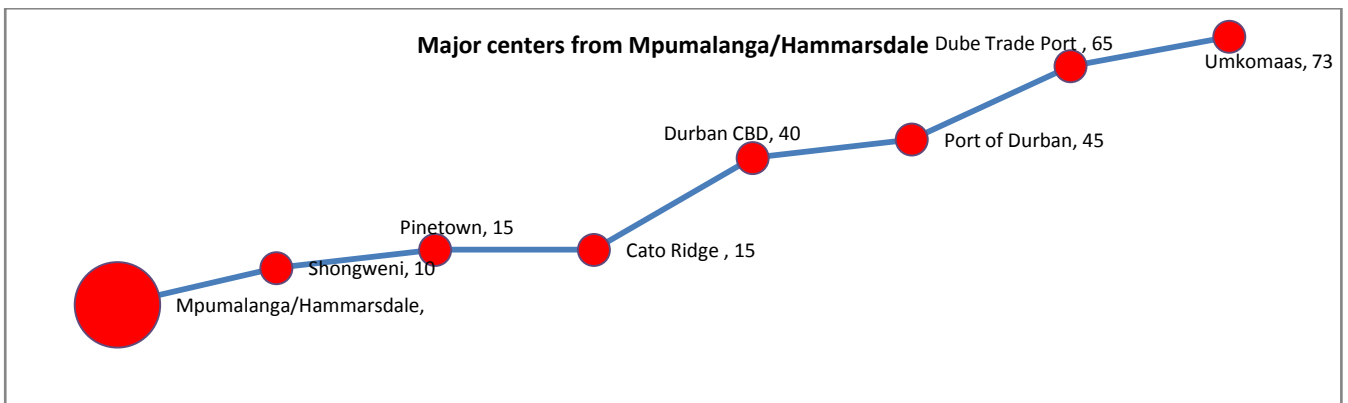
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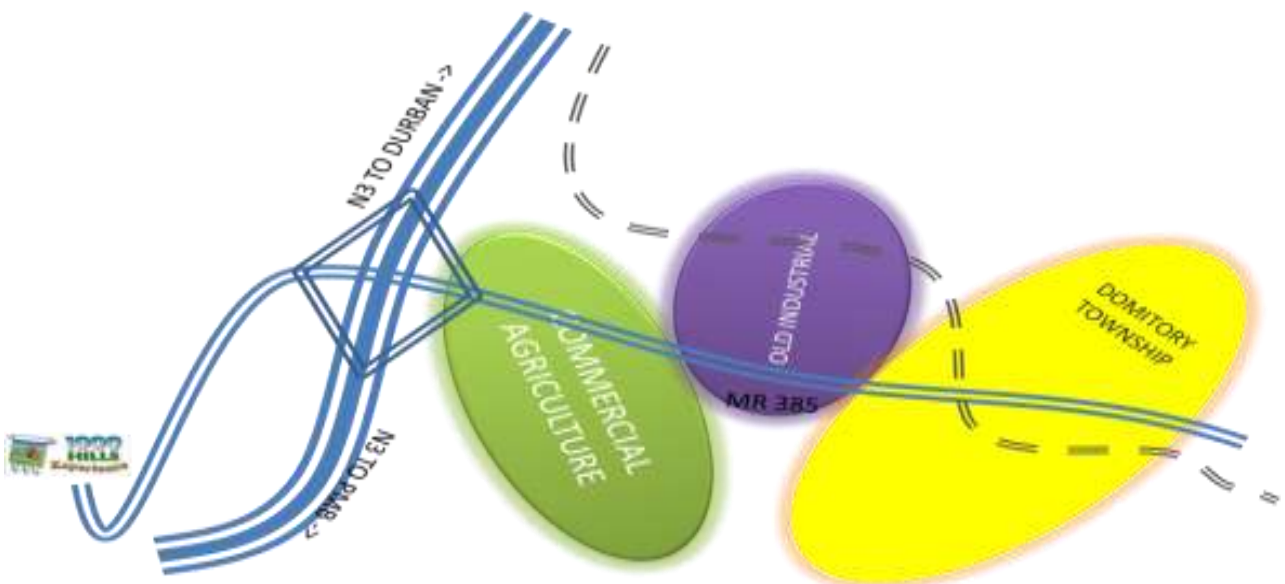
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1. LOCALITY

This area lies within the Outer West Operational Entity of the eThekweni Municipality, some 50km away from the Durban CBD. According to the eThekweni Municipality’s Integrated Development Plan (IDP) and Spatial Development Framework (SDF), this area has been identified as a “mixed investment node”. “However, economically it remains an underperforming area with high levels of unemployment and poverty”.



According to the Draft Outer West Spatial Development Plan, the study area needs to be reconceptualised and revitalised to play a significant role within the Outer West. The study area is comprised of three distinct nodes as follows:



2. Background to the town and township

Mpumalanga Township, located approximately 30km away from Durban, was established, by the local municipality in the late 1960s as a typical apartheid labour reserve. Mpumalanga was established “according to regulations laid down by the Department of Bantu Administration, to regulate the large squatter population renting on African-owned freehold land and to facilitate easy access for transport, surveillance and monitoring”¹. The township provided labour to subsidised industries located in Pietermaritzburg, Pinetown, and Durban, given its proximity to these three centres. However, the most important, was the employment afforded by Hammarsdale, an adjacent clothing and textile industrial zone. The Industrial Development Corporation (IDC), which was behind the establishment of Hammarsdale, argued that “a well-established textile industry would have tremendous employment potential for semi-skilled operatives, which meant that it could raise the standard of living of the Bantu”².

Apartheid policies facilitated the growth of manufacturing industries such as clothing and textiles, which have become major employers throughout the Province of KwaZulu-Natal. Past Government policies that promoted labour intensive industries through a process of industrial decentralisation led to the development and growth of industrial geographic zones such as Hammarsdale. Indeed, the idea of industrial decentralisation emerged years before the establishment of the townships, in 1940, as part of the Smuts government’s import substitution industrialisation programme. By the 1970s, there was a shift of location from reserves to border areas, and in the 1980s the state started to subsidise industrial decentralisation by giving direct cash subsidies instead of tax concessions. The first clothing factory, Hammarsdale Clothing, was established in the area in 1957. Within three years Hammarsdale had three textile factories and a manufacturer of sewing machines with a total labour force of 2,135. At the end of 1971 there were 13 factories and 8,500 workers were employed in the area. In the 1980s, nearly every second person was working in one of the factories in Hammarsdale, with a significant number of people continuing to work in clothing and textile factories in Pinetown, Pietermaritzburg and Durban. Hammarsdale became the industrial growth point and main source of employment for the residents of Mpumalanga Township.

The clothing and textile industry became the major employer in the township and indeed in the whole province. During the apartheid era, it became a protected industry through import substitution. However, an estimated 60 factories have closed down in the past few years, and 3 500 Mpumalanga residents have lost their jobs³. The majority of those who worked in the factories are now unemployed and new entrants in the labour market; the youth are joining their ranks. However, as early as 1980, import substitution industrialisation was becoming a less preferred apartheid government economic policy. The post-apartheid government radically took the trend forward. By 1982, many factories started relocating to other places deemed to be cheaper and politically stable. They referred to the political instability and violent history as a prime reason for the need to retrench and relocate. This was despite the fact that the violence had by that point subsided. Given their lax or absent trade union rights, homelands became the first “hide-away” places for many clothing and textile factories. The relocation of these factories signalled an era of job losses and unemployment in the townships. The Mpumalanga Township’s link to and reliance on Hammarsdale, posed a serious threat to the survival for many individuals, households and the entire community, all of which depended on clothing factories for wage employment. In the absence of clothing factories and the lack of alternative factories and employment opportunities, many families have had to resort to multiple livelihood strategies to survive. Given these trends of separation and apartheid, the South African dual economy was born. It is through this legacy of apartheid planning that South Africa and indeed KwaZulu-Natal continues to battle in bridging the gap between the existing first and second economies in a post-apartheid era.

BOX 1: The obvious legacies of apartheid are the spatial imbalances and economic inequalities of post-apartheid South Africa, epitomised by its townships.

Space was strategically controlled through forced removals and relocations from the land, the creation of townships and homelands, and the establishment of industrial zones. The racial character of this apartheid social and industrial geography was developed in such a way that affluent white people lived in the inner city or suburbs and working class and unemployed Africans were confined to townships or homelands. Even though there has been a radical move away from such spatial government engineering in the post-apartheid period, the legacies of apartheid are real in places like Mpumalanga.

1 SEE 1 ABOVE

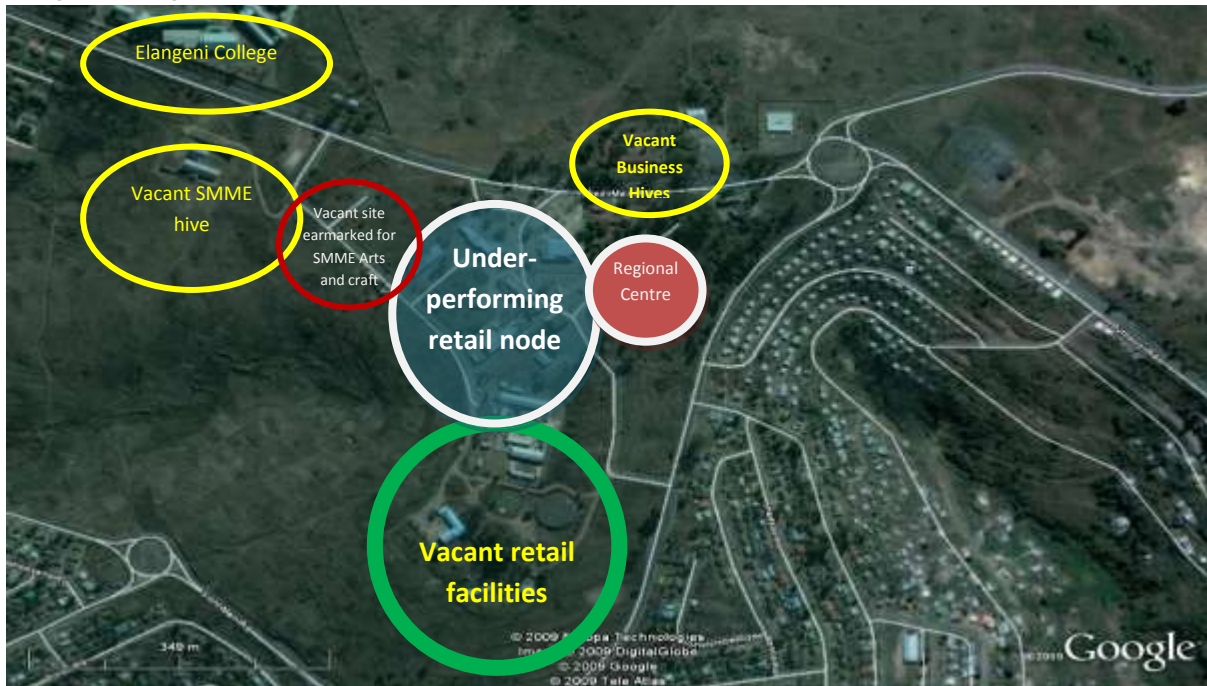
2 SEE 1 ABOVE

3 MOSOETSA, S. (2005). URBAN LIVELIHOODS AND INTRA-HOUSEHOLD DYNAMICS: THE CASE OF MPUMALANGA AND ENHLALAKAHE TOWNSHIPS, KWAZULU-NATAL, SOUTH AFRICA.

3. Legacy of industrial relocations on the SMME sector in Mpumalanga

The aftermath of political violence and industrial relocations in the area during the early 1980's has ensured a vacuum-effect on development of the SMME sector in the study area. Some of the sub areas exhibit 'burnt-down' neighbourhood shopping centres; vacant and dilapidated buildings, vacant business hives developed by the KZN Department of Economic Development in conjunction with ITHALA Development Corporation; and vacant sites of 'failed developments' geared towards providing additional stock of SMME type facilities.

Figure L1: Legacy of industrial decline on SMME facilities established by Ithala Bank within 1km of Elangeni College



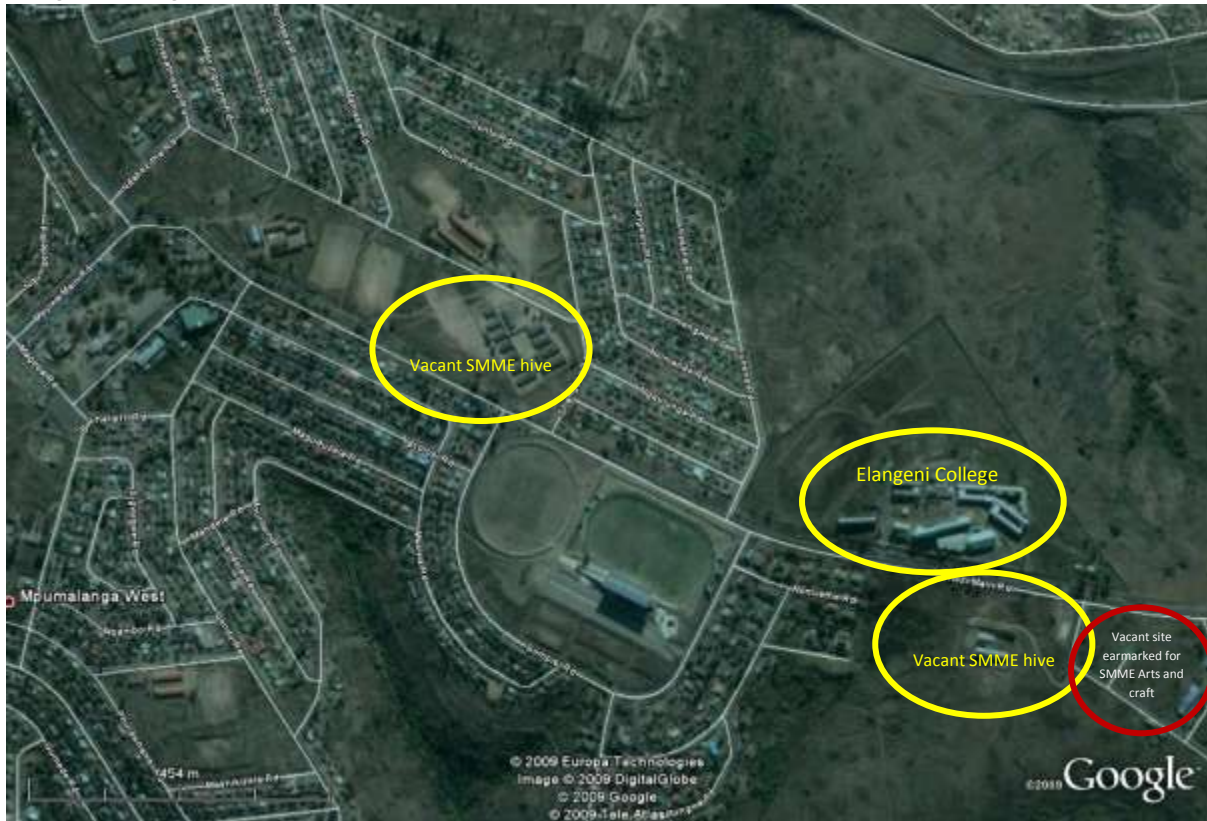
A variety of examples related to the impact of political violence and industrial relocations are found in the Ward 91 area which is in close proximity to the industrial area of Hammarisdale.

Figure L2: Legacy of industrial decline on SMME facilities established by Ithala Bank and the private sector within 1km of the KZN Dept. of Social Welfare and Development



From a generic and subjective observation on the nature of these SMME type facilities, one of the reasons for the further growth in stock of facilities provided by the provincial government during the 1980's could have been motivated around the perceived growth in clothing and textiles within Hammarsdale. Towards this, government provided adequate facilities for the community to establish smaller outsourced operations that would support the larger industrial concerns in the area during growth periods. Typical business operations would have been oriented around the Cut-make-and-trim sub sector, however government could not have anticipated the effect of political violence and greater industrial relocations on the SMME sector in the Mpumalanga community.

Figure L3: Legacy of industrial decline on SMME facilities established by Ithala Bank within 1km of Elangeni College (towards Boxer)

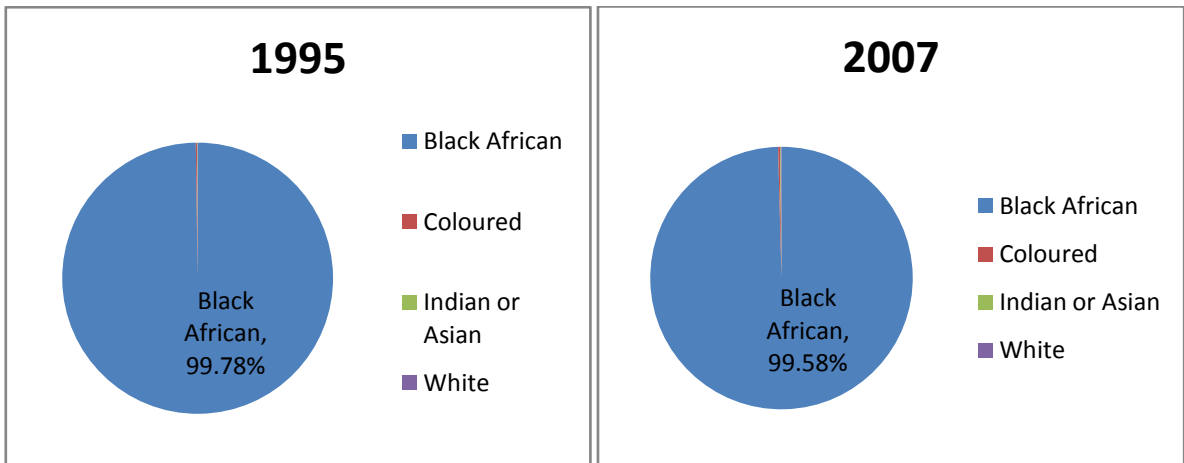
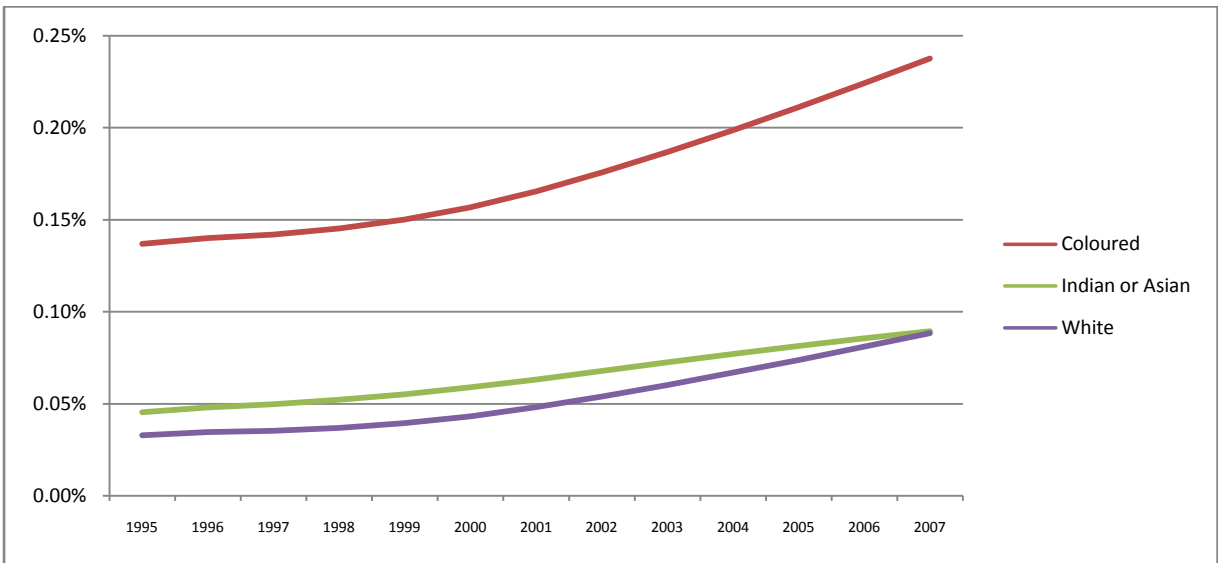
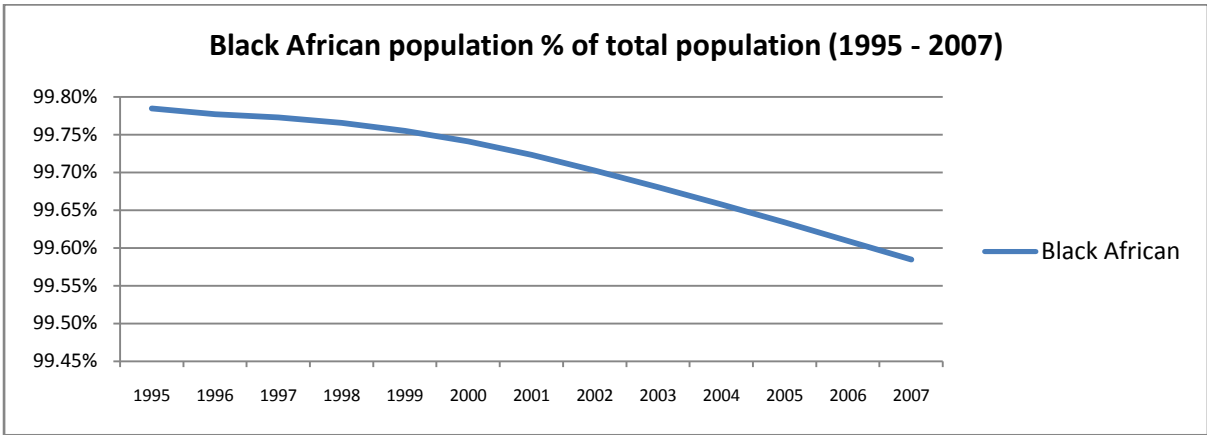


There are a number of smaller business unit type developments scattered across the community and most of these are being utilised for a diverse set of retail and service operations such as pure retail, storage; hair studios; driving school offices and so forth. In some examples, there are small manufacturing operations employing on average 5 people.

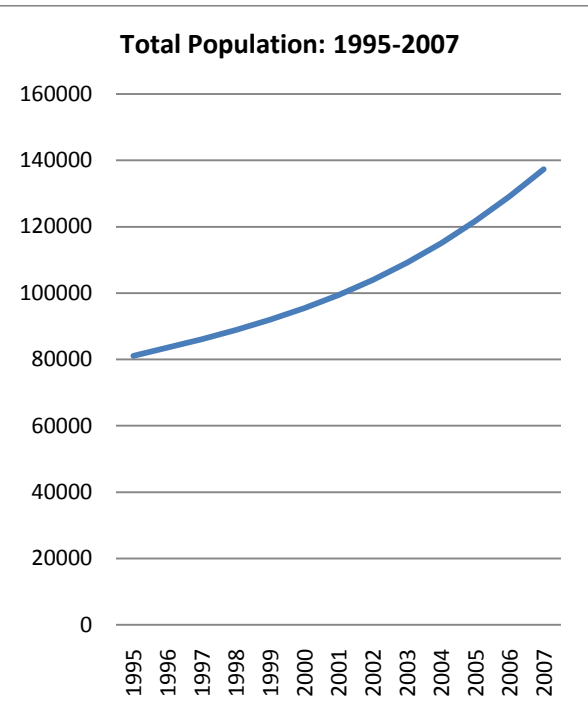
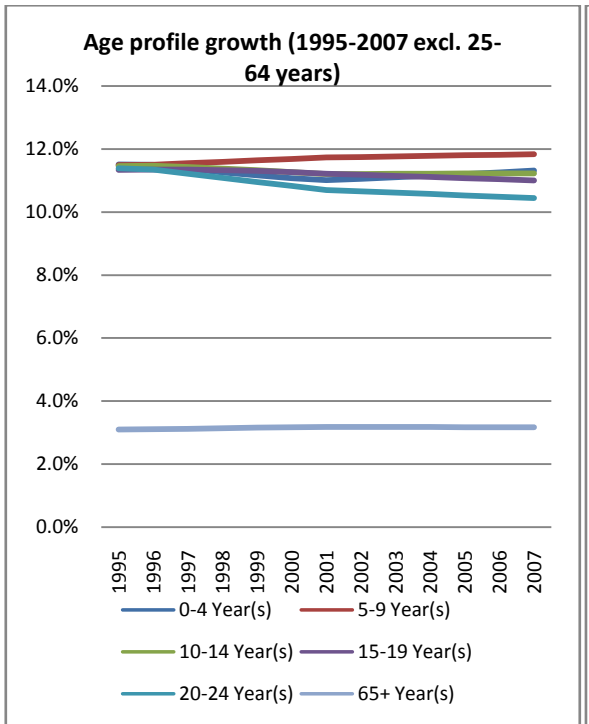
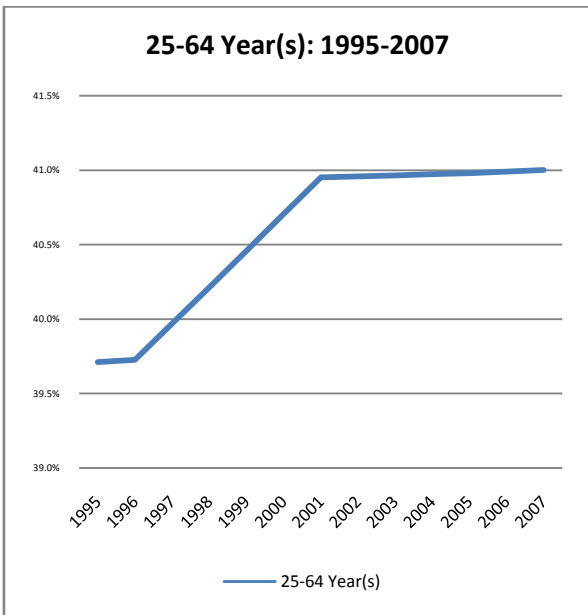
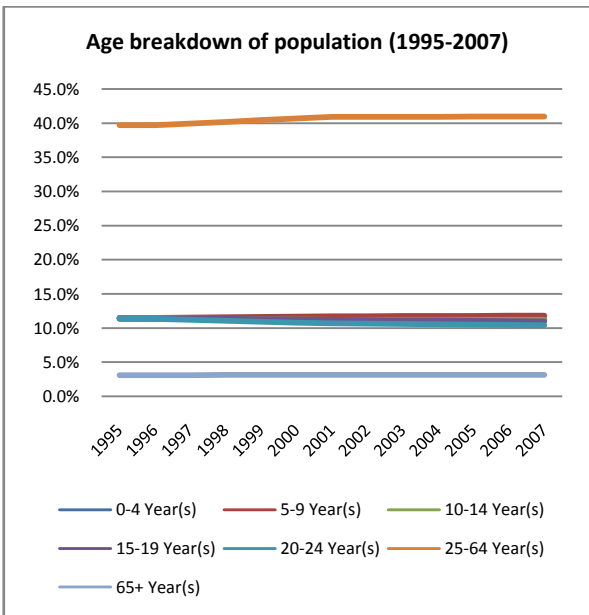
4. Legacy of apartheid on the demographic profile of the region

While the area was originally designed to fulfil the role of a dormitory township for the migrant Black African population during the apartheid era, the racial composition of the area has not changed over the last decade although the policy of racial segregation has been 'banned'. The Black African population has reduced by only 0.2% in composition in the last decade and the Coloured population grown from a low base of 0.14% in 1995 to 0.24% in 2007 or just under 500 individuals from the total population of Mpumanlaga in 2007.

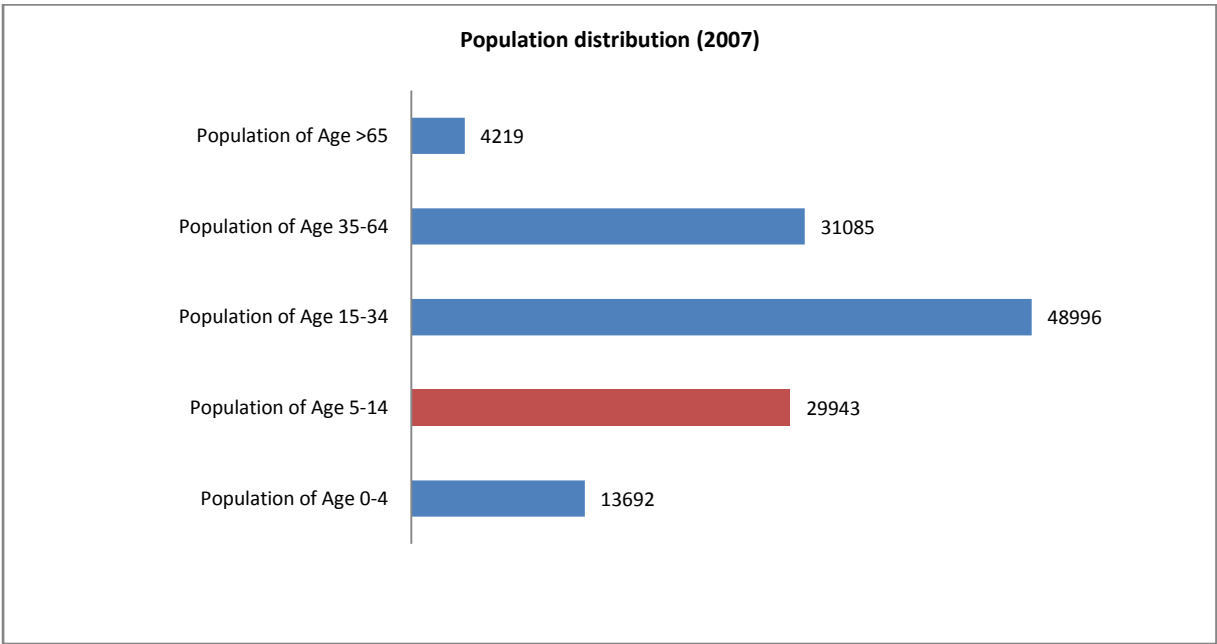
It is noted that racial integration has been slow to emerge in the loca area as in similar dormitory township establishments across the municipal area. The economically active population of the local is stands at 64% in 2007.



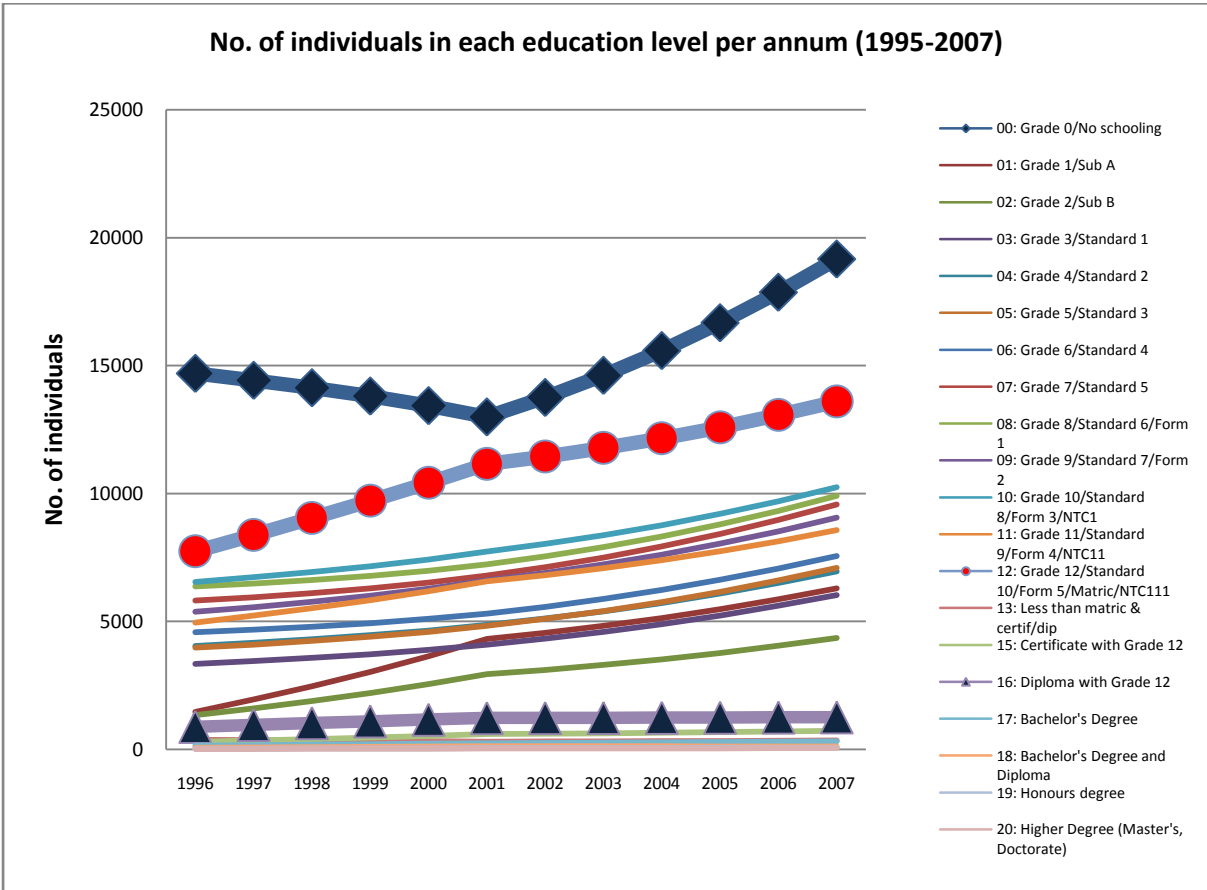
According to StatsSA (2007) estimates (in Quantec 2007), the population growth for the area over the last ten years is 5% average annual growth, which is considerably high in comparison to the entire eThekweni Municipal area over the same period (1.43% average annual growth rate).

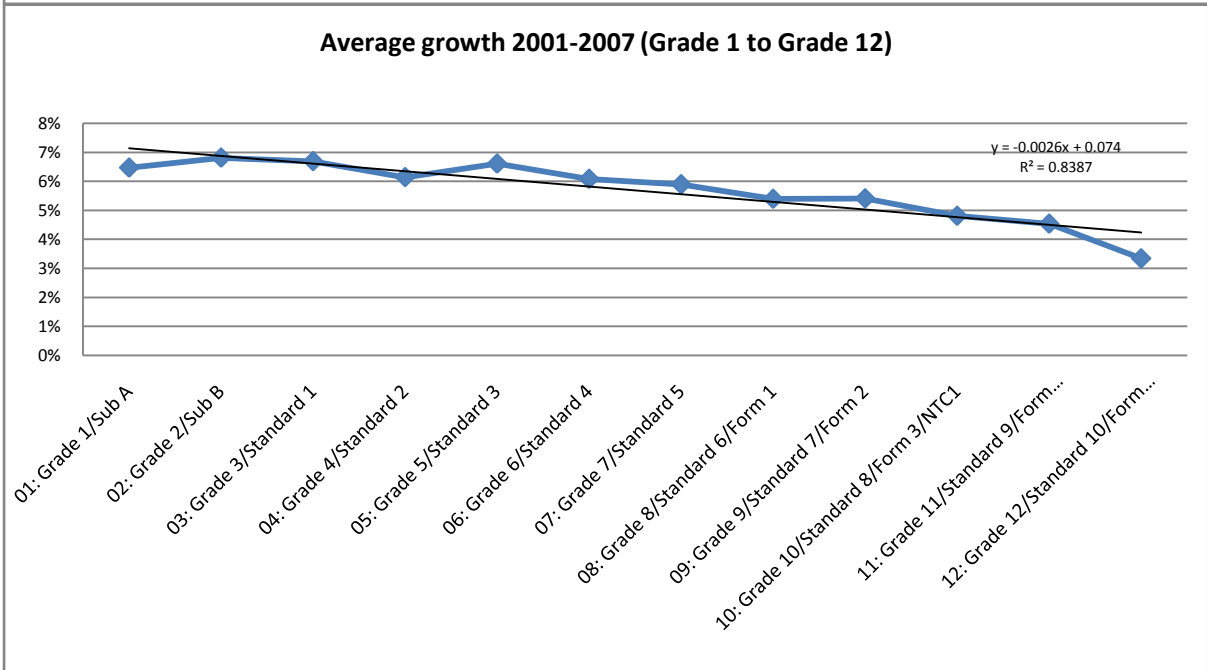
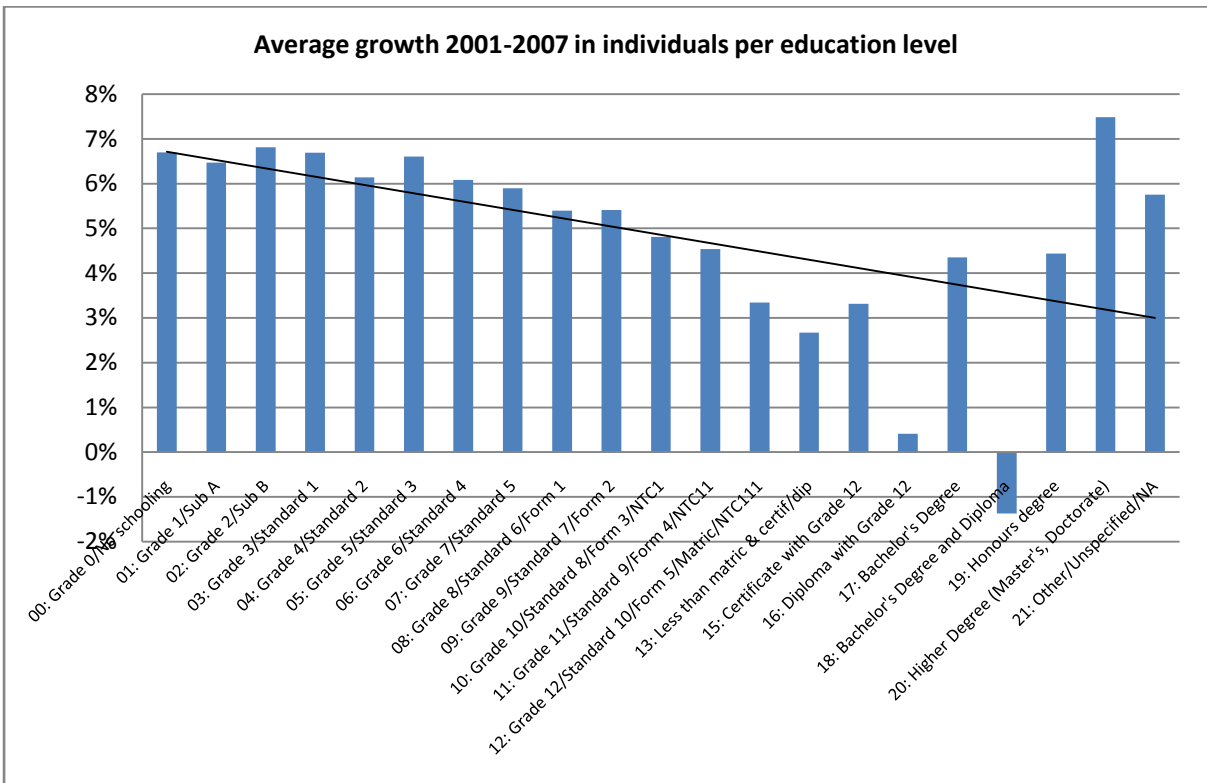


Upon closer inspection of the data provided by Quantec 2007, it is noted that a step-change in the growth of the 25-64 years age group occurred from 1996-2001. One possible explanation for this phenomenon is that of data collection related to Census 2001 and 1996, where the demarcations of municipal boundaries were also vastly different. Further to this, and due to a lack of information, data provided for the study area is project from the baseline data of 2001 to 2007 at an average growth rate of 6% per annum. In terms of age breakdown for the study in 2007, the following graph shows that the area has a large proportion of youth and that in the next 5-years an even greater population entering the economically active population group.



One of the main issues relating to the growth in economically active population is the level of skills within this core group that may be eligible for work within the window of opportunity (15-64 years). An analysis of education levels over a ten year period for the study area shows that there is a slow down in the number of people entering / reaching Grade 12/Matric.



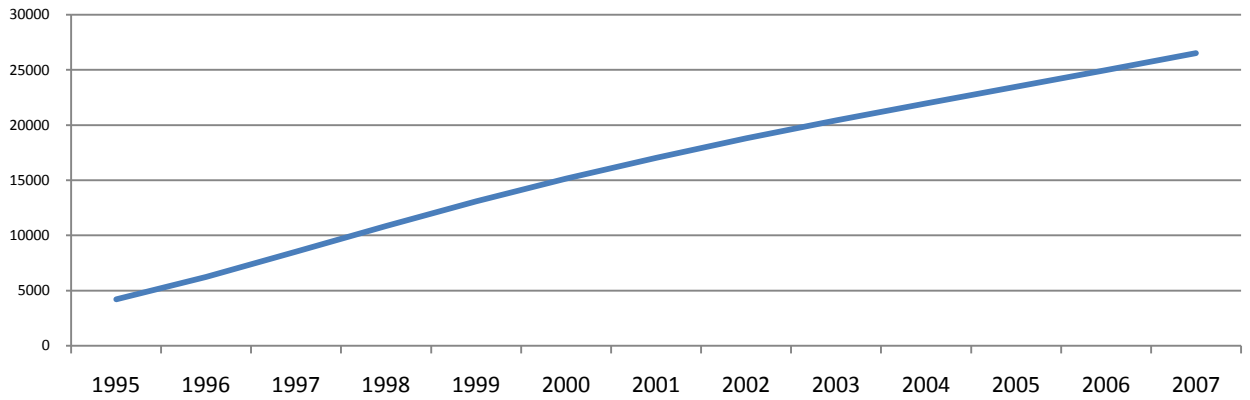


It is quite clear from the above analysis that the situation in Mpumalanga is quite daunting as the rate of individuals completing secondary education has decreased from 8% in 1997 to 4% in 2007.

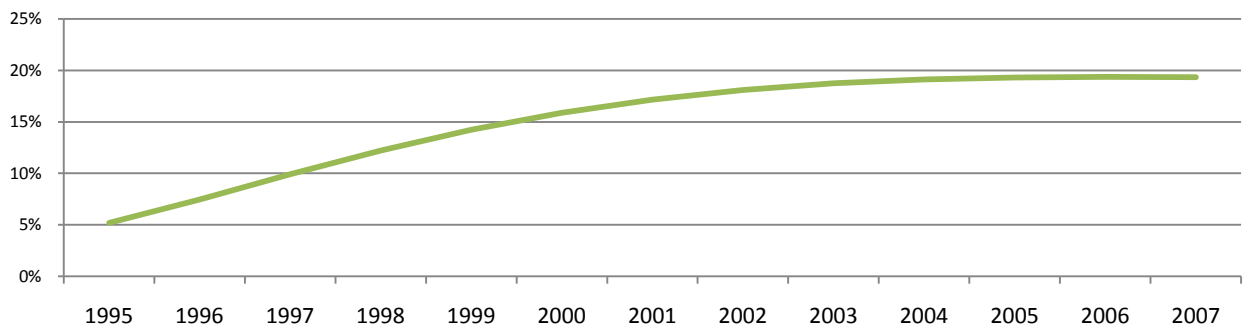
Another key concern is that of the improvement in health conditions since the dismantling of apartheid in 1994. A closer inspection of the HIV infection status of the study area population shows that whilst the situation is stabilising since 2001, approximately 20% of the population is still under threat from this dreaded disease.

HIV infection Growth	1995-2007	1997-2007	2001-2007	2006-2007
	17%	12%	8%	6%

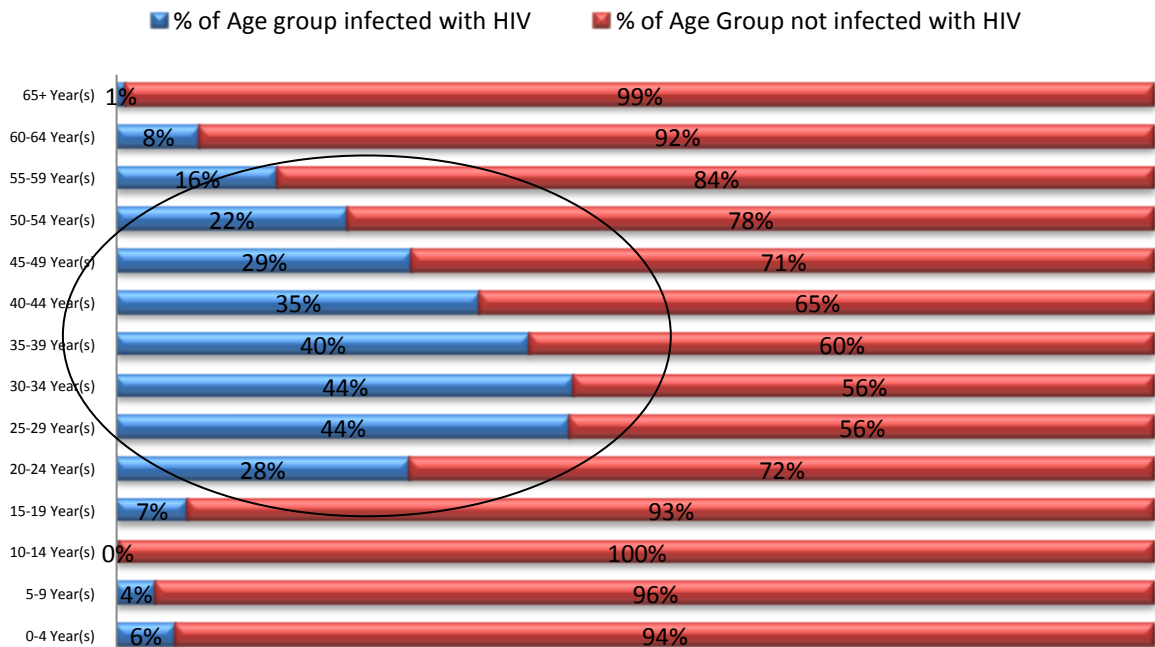
Mpumalanga: HIV positive growth 1995-2007

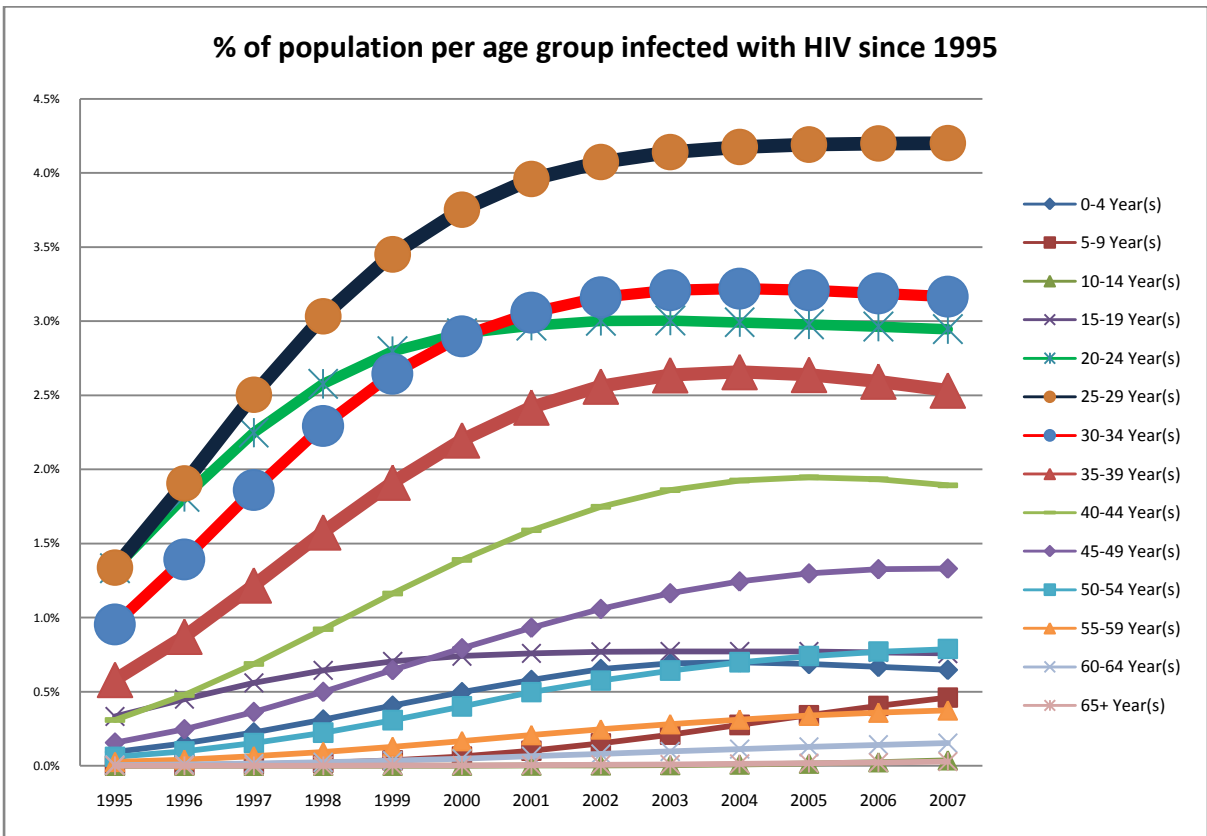


Percentage of population infected with HIV since 1995



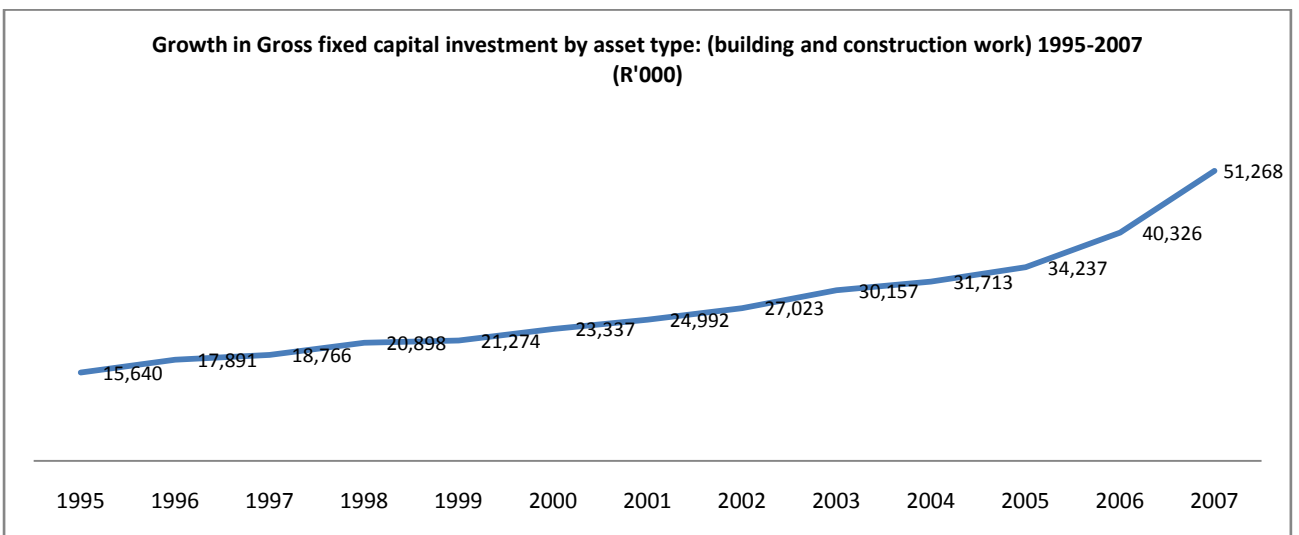
HIV infection per age group population



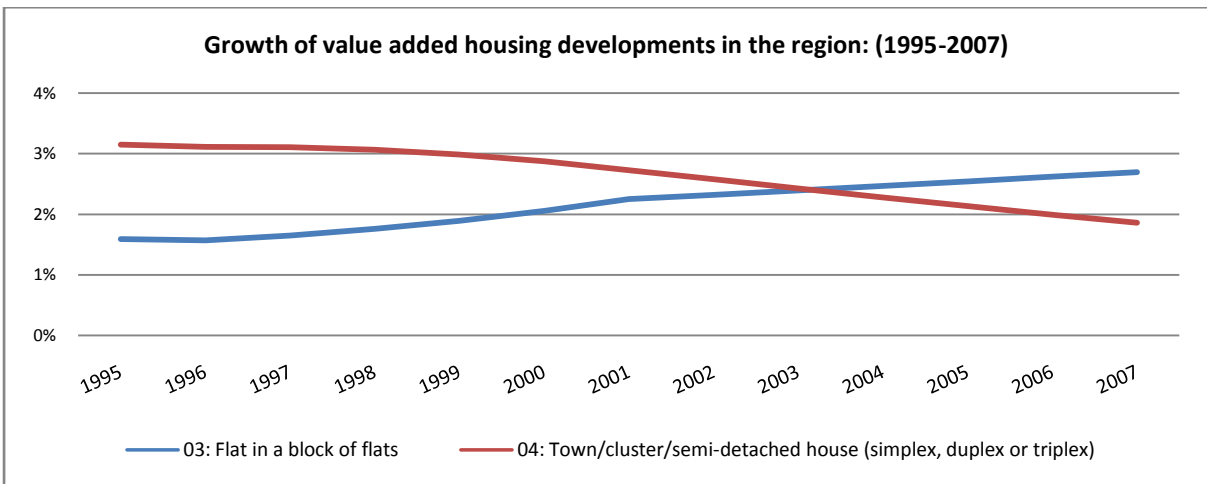
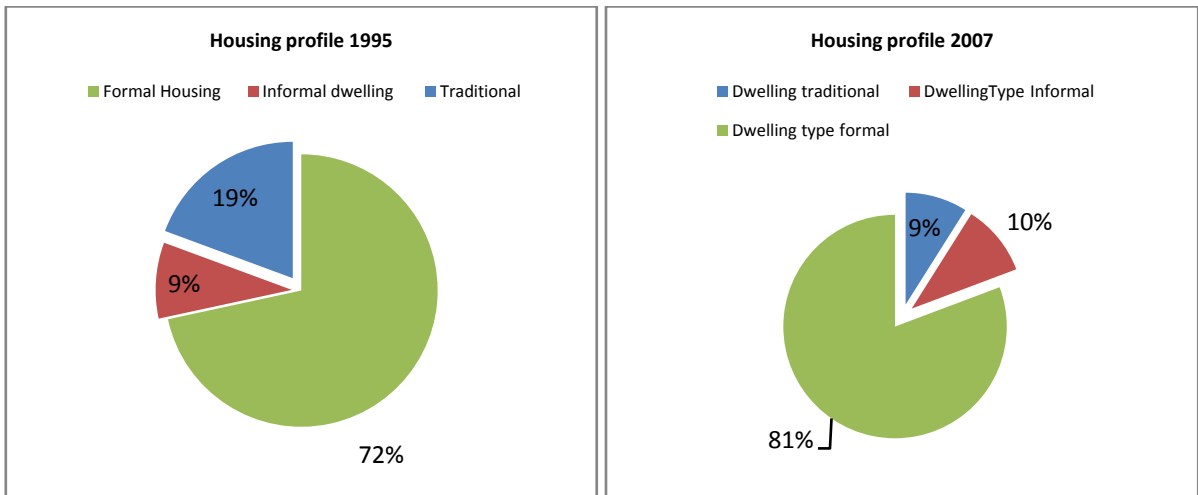


It is quite clear that the working age population is at the highest risk in terms of HIV infection, and a further breakdown of the age profile shows for example that in 1995 the number of individuals infected within the 25-29 year age group represented just under 1.5% of the total population for the area in comparison to over 4% of the total population in 2007.

Whilst the social challenges of the study area seem to have worsened, an analysis of the socio-economic standing of the local area seems to have improved over the last ten years. An inspection of the growth in gross fixed capital investment (specifically asset type building and construction works) shows a growth of approximately 11% in household, government and business investment over a ten year period.



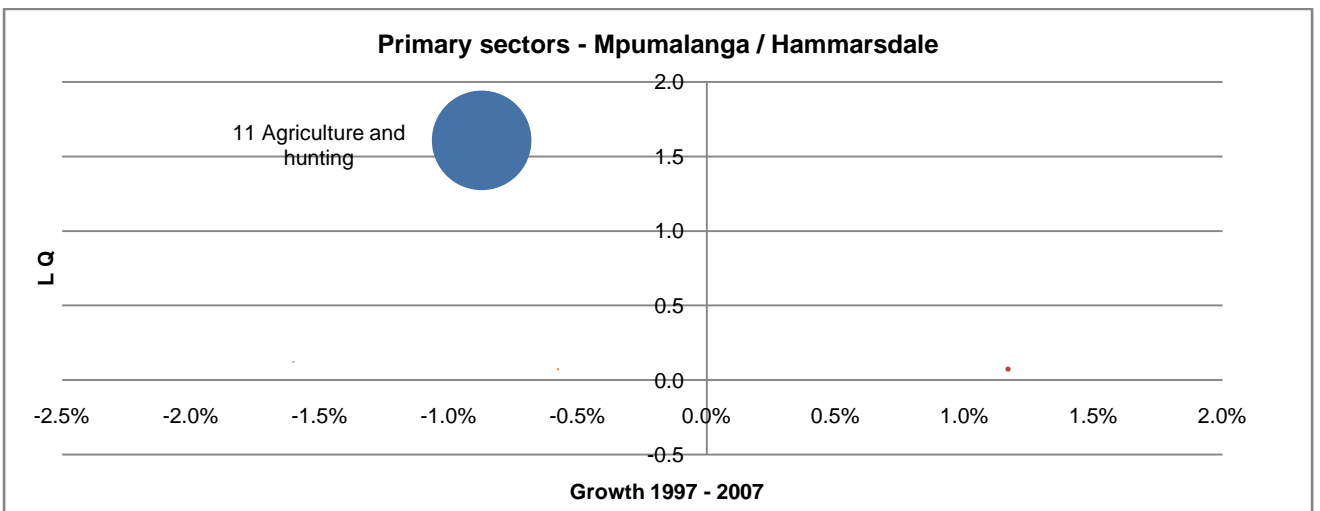
An inspection of housing development in the local area shows that there have been significant changes in the housing profile of the study area, however mainly the conversion of traditional dwelling units from 19% of total dwellings in 1995 to 9% of total dwelling units in the locality in 2007. The growth of formal housing has changed from 72% of total housing in 1995 to 81% in 2007.



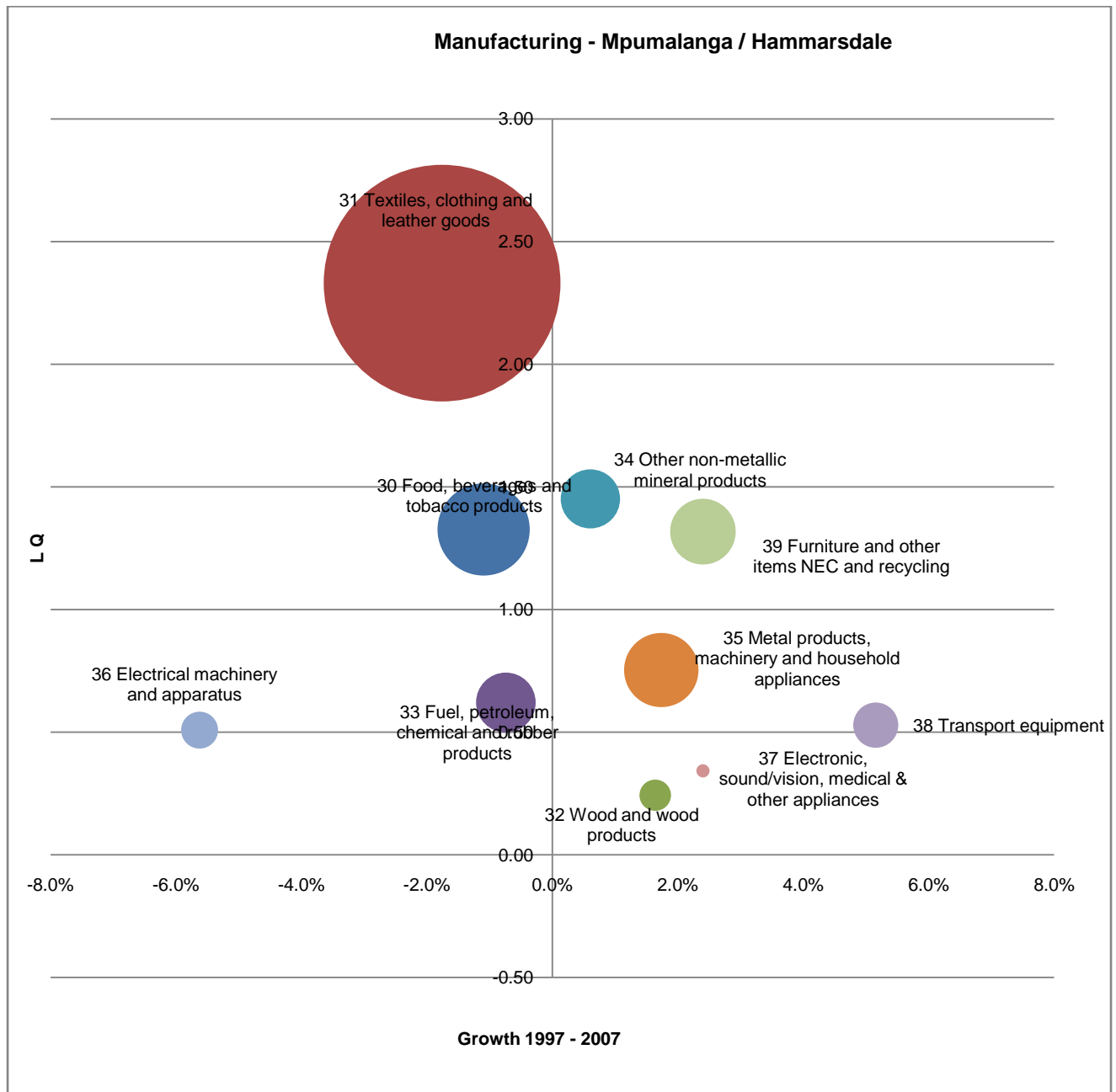
Whilst the abovementioned statistics illustrate a growth in fixed capital investment in the locality, an observation of growth in composition of value-added housing developments in the study area shows that multi-storey housing developments remain between 2-3% of total housing stock in the local area whilst the percentage composition of simplex, duplex and triplex developments is declining relative to other housing typologies in the study area. This trend suggests that a slow down or disinvestment of higher income housing developments in the region in comparison to lower income housing developments.

5. Township economic overview

A comparative advantage analysis of the local economy is presented below with some interesting results:



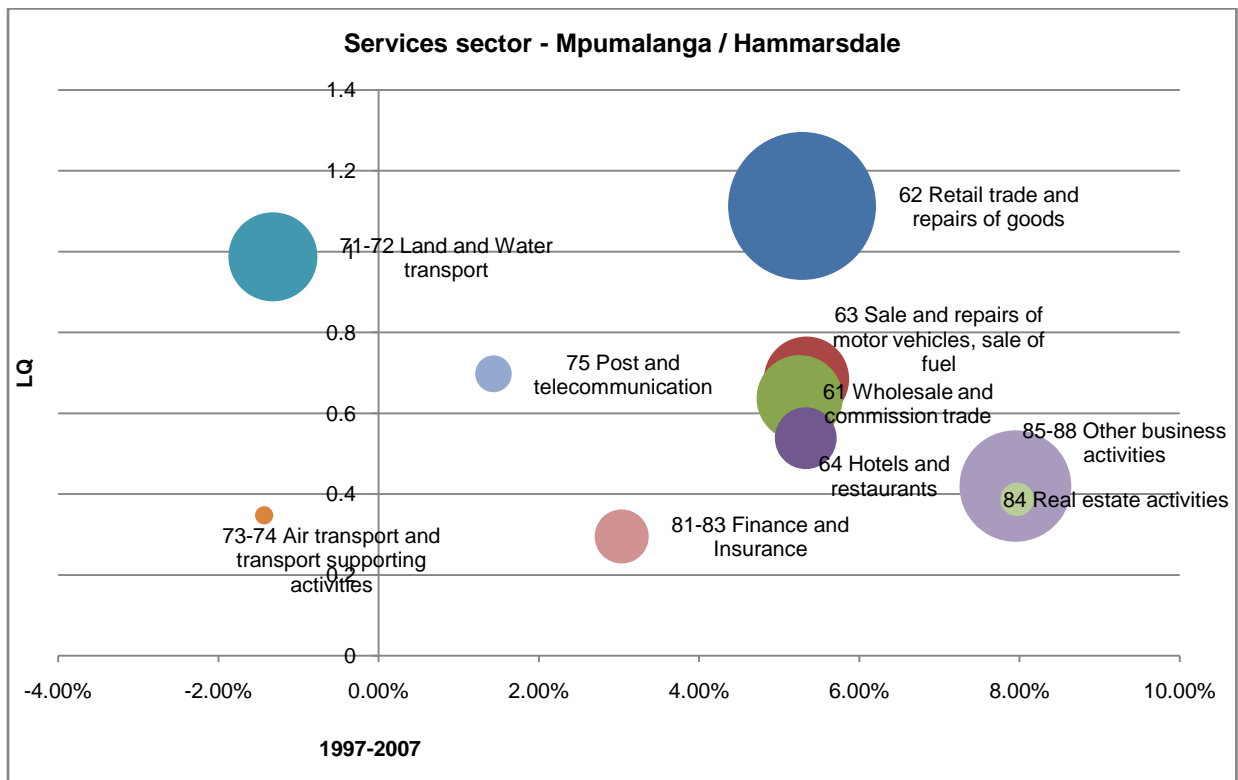
Agricultural activity is very important as a source of labour for the local community and the Outer West MPR, with other primary sectors non-existent in some cases. On the other hand, the sector is experiencing employment decline over the last ten years.



The largest employer in the area is the Clothing and textiles sector however it is threatened in terms of employment decline. The manufacturing sectors that are important to the local area including clothing and textiles are as follows:

- Furniture manufacturing and recycling
- Other non-metallic mineral products
- Food and beverages (also declining employment)

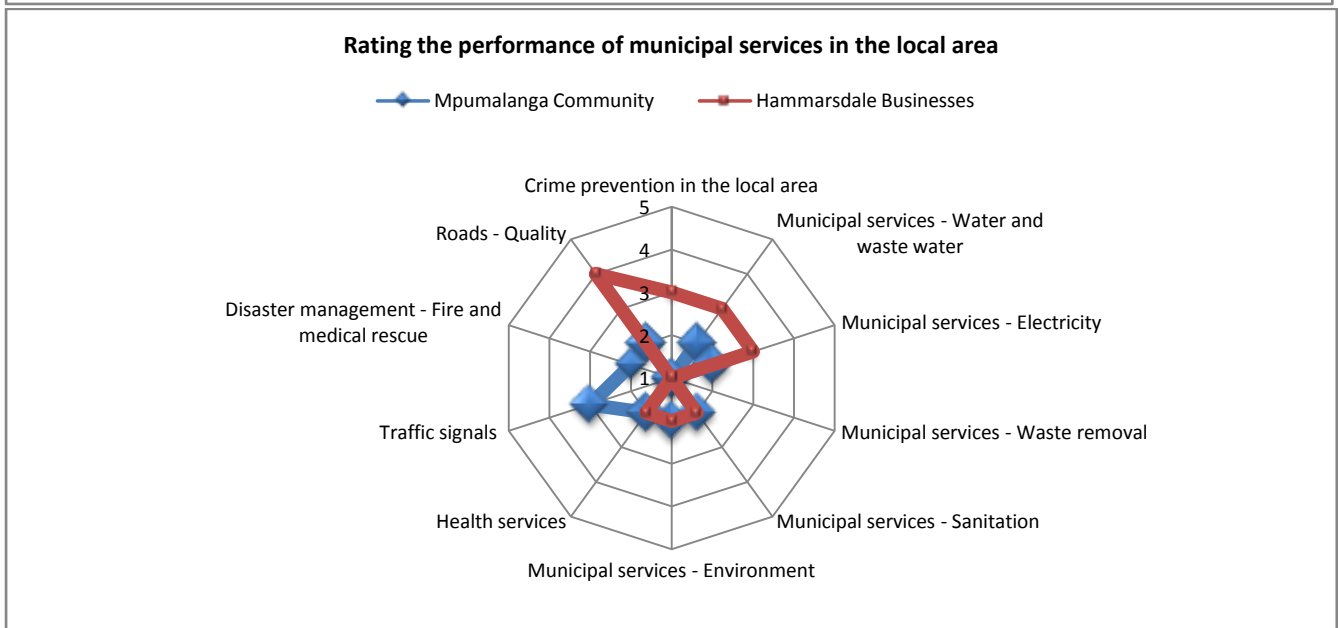
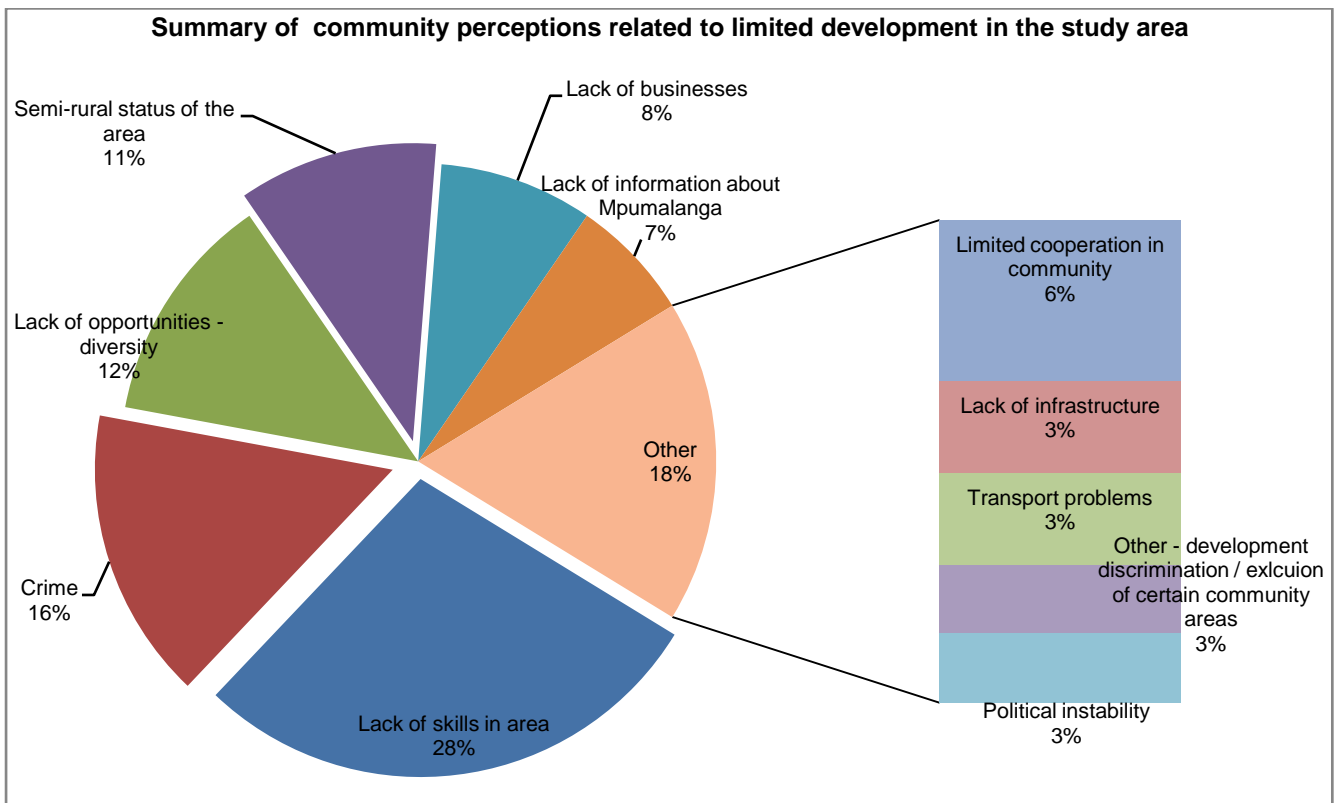
The fastest growing sector is Transport equipment (auto related) however it is relatively of low importance to the Outer West MPR and small in size. On the other hand, Metal Products is of noteworthy size in terms of employment, but relatively low in importance compared to other regions in the Outer West.



The region plays an important role in the West MPR in terms of its concentration of Land Transport sector employment and Retail trade sector employment. Land transport sector employment has been declining since 1997, however relatively slow. In terms of “Other Business Activities”, the rental of (various manufacturing and office) equipment is important in the area. An analysis of business concentrations in the Mpumalanga/Hammarsdale area shows that the Clothing and Textiles sector makes up approximately 24% of all firms in the region. According to the Braby’s Business database, there are approximately 16 firms out of a total 66 firms are contained within this sector. Approximately 56% of all firms are involved in manufacturing, and manufacturing clusters in the region are listed as follows:

- Furniture manufacturing – 12%
- Chemicals – 9%
- Food and Beverage – 3%
- Transport equipment – 3%
- Wood and wood products – 3%
- Metal products – 2%

It is quite clear that there are a limited number of formal large businesses in the immediate vicinity to supply the local area with employment. The community and business perception of the core problems affecting investment in the local area can be summarised as follows:

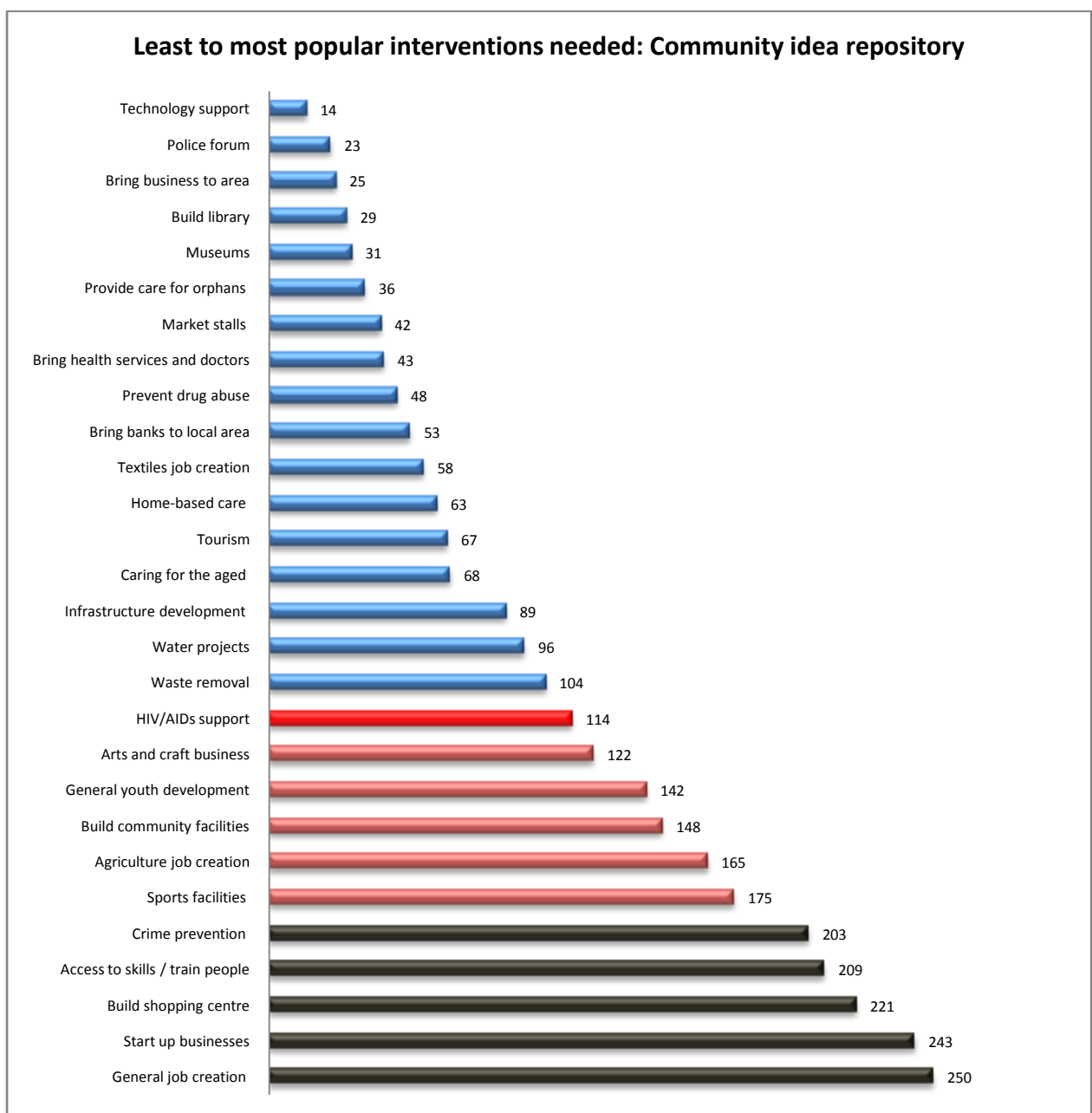


An assessment of community and business needs is further outlined below.

	Community	Local Business	Comment
Crime	Most pessimistic	Thought that crime was relatively better than most areas such as Pinetown and New Germany	Crime in the community could possibly be higher than in the business area / industrial area
Skills	Needed attention	Needed attention	Overall response on skills was that it was a threat to the area
Municipal services	Most pessimistic	Specific issues around cleanliness and traffic signals	Limited service provision in area

	Community	Local Business	Comment
Infrastructure	Noted backlogs as key obstacle	Electricity – conforming with ESKOM DSM Telecoms – extremely poor Sanitation – impeding growth prospects	Overall economic infrastructure assessment required - job creation opportunities for unskilled and unemployed
HIV/AIDs and health	Needs immediate attention	Needs attention	Needs attention
Job creation	Need for different opportunities	Firms were willing to employ more local people	Lack of diversity

The local community was asked to provide a set of solutions that would assist in township regeneration, and their responses were ranked from the highest to least popular set of interventions as follows:



6. Key socio-economic issues

This section provides a summary of the key issues facing the study area in terms of socio-economic development. The information is presented as an enquiry on the state of structural elements of the local economy.

- **What role did the study area play prior to 1994?**

The study area played a significant role in past as follows:

- Mpumalanga township played the role of a dormitory township for cheap / affordable labour within the clothing and textiles sub sectors
- Hammarsdale was developed as an industrial zone by the Industrial Development Corporation
- The rest of the area was zoned for agricultural purposes

- **What could have lead to the demise of Hammarsdale industrial and small business growth in Mpumalanga since 1980?**

Industrial relocations were a result of:

- As early as 1980, import substitution industrialisation was becoming a less preferred apartheid government economic policy. The post-apartheid government radically took the trend forward. By 1982, many factories started relocating to other places deemed to be cheaper and politically stable.
- Businesses referred to the political instability and violent history as a prime reason for the need to retrench and relocate. Given their lax or absent trade union rights, homelands became the first “hide-away” places for many clothing and textile factories.
- Small business establishments closed down in Mpumalanga as a result of limited value chain opportunities demanded by fewer industry in Hammarsdale
- Retail sector businesses in Mpumalanga were burnt down during a period of political violence in the area

- **What is the consequence of industrial relocations on employment; unemployment and poverty in the study area?**

Some of the key observations in the study area are as follows:

- Hammarsdale industrial concentrated with a few Textiles firms which have invested in major infrastructure although clothing firms have relocated
- A large proportion of the population that were dependent on the clothing and textiles sector employment are now unemployed
- A range of under utilised and vacant buildings for small businesses in Mpumalanga township
- The limited growth of business in the local area has impacted on unemployment and similarly on the growth of poorer households

- **How can the level of socio-economic services be best described in the study area?**

The impact of limited development has had the following effects up to present:

	Study area	Entire Outer West	eThekweni Total
% of Economically active Unemployed	45%	41%	45%
Formal and informal Employment % of regional population	24%	28%	35%
GDP	R1,85bn	R8,47bn	R131,3bn
GDP per capita	R14,431	R16,661	R36,570
Household income per capita	R4,927 p.a.	R13,125 p.a.	R18,370 p.a.
Household size	4.8	4.7	3.8
Household dependency ratio	4.1	3.5	2.84
% of population above the Minimum Living levels	5.2%	6.8%	11.0%
Literacy (% of literate population)	48%	45%	54%
% of population that has no schooling	14%	16.1%	10%
% of population that have Matric (Grade 12 and higher)	12%	14%	20%

- ***What are the key issues facing the unemployed in the study area?***

Some of the challenges experienced by job seekers in the study area are noted as follows:

- Approximately 30% of the total unemployed have had no previous work experience
- Approximately 60% have been unemployed for more than 1 year
 - Approximately 60% of people that have been unemployed for over 1 year have 'no previous work experience'
- Individuals have gained the most work experience in the domestic services sector
- Approximately 60% of the unemployed have less than Grade 12 (Matric)

In essence, approximately 1/3rd of the unemployed or approximately 17,000 people are 'not employable'.

- ***What are the key issues facing the youth in the study area?***

Some of the challenges experienced by youth in the study area are noted as follows:

- Over the last decade there has been a 2% decline in the number of individuals that have completed Grade 12 (Matric)
- High costs of tertiary education
- Limited variety of career path development support offered by local institutions
- Few primary and secondary schools
- Few sport and recreational facilities
- Few social networking opportunities
- Limited local business absorption of graduates
- More youth are entering domestic work sector
- Unemployed youth drawn to crime and drugs
- Youth that have better access to tertiary education often leave the area to study in cities such as Durban

In essence, youth are becoming despondent about their development in the study area.

- ***What are the key issues facing small business and entrepreneurs in the study area?***

Individuals with income experience the following challenges:

- Limited retail access
- Limited (value added) housing variety
- Limited higher paying job opportunities
- Limited public transport choices
- Lack of recreational facilities

- ***What are the key issues facing small business and entrepreneurs in the study area?***

Some of the challenges experienced by small businesses in the study area are noted as follows:

- Limited business support in close proximity
- Limited value chain and supply chain linkages
- Low buying from larger businesses
- Low skills of employees
- Low buying power in local area
- Lack of support for idea generation

In essence, local small businesses have had little success in further development of their enterprises

- ***What are the key issues facing the general economically active population in the study area?***

Some of the challenges experienced by eligible working age population in the study area are noted as follows:

- Impact of HIV on potential workforce
- Limited career development support
- High costs of training

- ***What are the key issues facing NGOs in the study area?***

Some of the challenges experienced by NGOs in the study area are noted as follows:

- Financial and human resources to combat crime and address health issues

- Space for counselling

- **What are the key issues facing larger businesses in the study area?**

The key issues facing industrialists within the Hammarsdale industrial area are noted as follows:

- Limited investment by other business typologies and sectors in local area
- Problems with communications services and infrastructure
- Lack of skills in overall study area
- Distance from major markets
- Quality of the public realm in certain areas
- Deteriorating spaces and poor urban management

- **What are the key issues facing government in the study area?**

The key issues facing government are noted as follows:

- Lack of human resource capacity to provide support to poor communities
- Limited ability to provide income generation and entrepreneurial support to community

- **What are the key issues facing new investment in the study area?**

The main constraints to growth can be summarised as follows:

- Limited availability of skilled and experienced labour
- Semi-rural status of area
- Lack of infrastructure on vacant and agriculture land
- Perception of high crime rates
- Poor region with limited buying power other than through increased population density
- Limited variety of land and buildings suitable for modern business practices
- Lack of value chain growth and development

The core problems of the study area, its causes and effects are outlined as follows:

Table 31: High-level problem tree for the study area

Core problem	Cause of problem	Effect of problem
High unemployment	<ul style="list-style-type: none"> ● Relatively unattractive business investment node 	Potential labour force migration
Low local business base	<ul style="list-style-type: none"> ● Income and skills levels are considerably low ● Historical stigma of crime ● Infrastructure supports Textiles and Intensive Agriculture (Waste water treatment) ● Distance from major urban centres 	Perceived to be a specialized node Limited employment opportunities
High poverty	<ul style="list-style-type: none"> ● Service delivery geared towards low income households ● Economically active impacted by HIV 	Increase in vulnerable groups such as young and very old
Low literacy	<ul style="list-style-type: none"> ● Affordability of education ● Youth are attracted to Urban Centres ● Variety of skills development initiative ● Individuals are not completing secondary education ● Limited business investment in skills 	Region becomes less attractive for investment at all levels
High fiscal burden	<ul style="list-style-type: none"> ● High income leakages ● Low income area ● Previously disadvantaged region 	Under-development

7. SWOT analysis

The analysis presented thus far provides a useful point of departure for the Mpumalanga / Hammarsdale Township regeneration strategy. Furthermore, the Draft Outer West Spatial Development plan highlights the need to reconceptualise and repackage the study area as it is currently under-development and experiencing a number of social challenges. Towards this, the Township regeneration strategy is derived from the following observations:

Labour	
<p><u>Strengths</u></p> <p><i>Availability of individuals for new employment opportunities within the local area, where development pressures exist for readily available supply</i></p>	<p><u>Weaknesses</u></p> <p>Large portion of available labour has limited previous work experience, mostly as a result of lack of opportunity in the local area as well as local skills base</p>
<p><u>Opportunities</u></p> <p>Retail sector employment has limited barriers to entry from a skills and remuneration demand perspective. This sector could easily absorb unemployed people from study area</p>	<p><u>Threats</u></p> <p>Limitations with regard to local preparation to respond to new development opportunities will result in employment being sourced from outside study area</p>

Location	
<p><u>Strengths</u></p> <p><i>Centrality within the Outer West</i></p>	<p><u>Weaknesses</u></p> <p>Poorly marketed and limited priority for investment</p>
<p><u>Opportunities</u></p> <p>Attraction of Outer West community to area for employment, retail, community and social services</p>	<p><u>Threats</u></p> <p>Semi-rural status and restrictive development by local municipality</p>

Land	
<p><u>Strengths</u></p> <p><i>Readily available serviced industrial and commercial land in local area. Non-performing agricultural land can be packaged to serve much wider economic needs for the region</i></p>	<p><u>Weaknesses</u></p> <p>Available land is not in the most suitable location, and developments on these parcels are dependent on other market conditions. Locations that are suitable for new investment are un-serviced.</p>
<p><u>Opportunities</u></p> <p>Flexibility to phase developments in different regions to ensure sustainable economic growth and to protect specific areas from being over-supplied unnecessarily</p>	<p><u>Threats</u></p> <p>Industrial land within the Mpumalanga area does not have the necessary market appeal for larger enterprises which can add greater value to local economy</p>

Lifestyle	
<p><u>Strengths</u></p> <p><i>Sufficient demand for value added community services, recreation and housing</i></p>	<p><u>Weaknesses</u></p> <p>Limited social and community facilities in local area, forcing individuals to leave locality on regular basis</p>
<p><u>Opportunities</u></p> <p>Immediate local demand exists for value-added goods and services such as housing and recreation</p>	<p><u>Threats</u></p> <p>Crime impacts on the ability to provide a value added service to a wider community – crime impacts on visitor numbers to the local area for other services</p>

Economy	
<p><u>Strengths</u></p> <p><i>Major expansion potential and unsaturated at present.</i></p>	<p><u>Weaknesses</u></p> <p>Specialised however insignificant in metropolitan context</p>
<p><u>Opportunities</u></p> <p>Diversification of economy and room for growth to provide regional source of employment</p>	<p><u>Threats</u></p> <p>Highest dependency on threatened sectors such as Textiles and commercial sugar cane farming</p>

Infrastructure	
<u>Strengths</u>	<u>Weaknesses</u>
<i>Waste water treatment expansion potential</i>	Road infrastructure not adequately planned to accommodate future growth
<u>Opportunities</u>	<u>Threats</u>
Development and developer partnerships towards infrastructure provision could unlock major investment and address unemployment	Lack of local government support to address high levels of poverty and unemployment in the region

Governance	
<u>Strengths</u>	<u>Weaknesses</u>
<i>Common understanding and willingness to contribute to economic growth within community and local business sector</i>	Lack of public-private participation in local economic development
<u>Opportunities</u>	<u>Threats</u>
There is a renewed interest from government in unlocking development in the region, which could provide the necessary catalyst for stakeholder support	Limited public sector interest in contributing to accelerated growth in the local area.

8. Township context, within and external to the municipality

The township regeneration context can be further understood through the following assessments:

- Provincial spatial development context
- Metropolitan spatial development context
- Outer West context for growth and development in the township
- Comparative assessment of township social services delivery standards
- Township economy benchmarking

8.1. Provincial (KZN) spatial integration context for Township regeneration in Mpumalanga

South Africa's socio-spatial challenges were purposefully orchestrated through the apartheid planning policies gazetted in 1948. The central feature of the policy was to separate the white and black population of the country and to further enrich the white citizens of South Africa. The Physical Planning and Utilization of Resources Act of 1967 and Group Areas Act of 1968 (orchestrated by H.F Verwoed⁴) ensured that separate areas were created for specific race groups, with more emphasis being placed on defining regions closest to key city centres for white settlement. The Utilization of resources Act of 1967, was devised to "co-ordinated environment planning and the utilization of the Republic's resources, and for those purposes to provide for control of the zoning and subdivision of land for industrial purposes; for the reservation of land for use for specific purposes; for the establishment of controlled areas; for restrictions upon the subdivision and use of land in controlled areas; for the compilation and approval of guide plans; and for restrictions upon the use of land for certain purposes unless reserved for use for such purposes; and for other matters incidental thereto." Apartheid policy contributed to semi-autonomous homelands (including KwaZulu Natal) or reservations for the black population of the region, to ensure that the population was not combined as part of the South African citizenship. In this way, the government of South Africa could not be responsible for the social and economic problems of these regions managed under Black local authorities.

⁴ H.F Verwoed was considered to be the architect of Apartheid planning in South Africa during the 1960's.

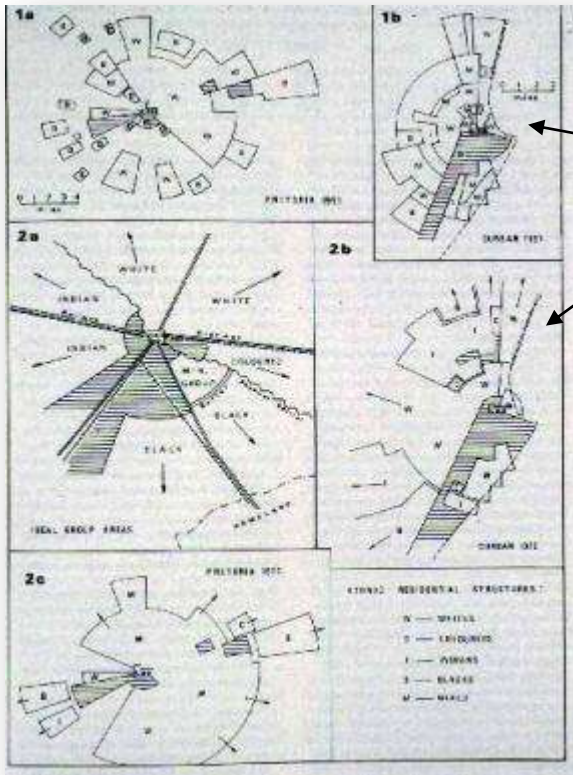


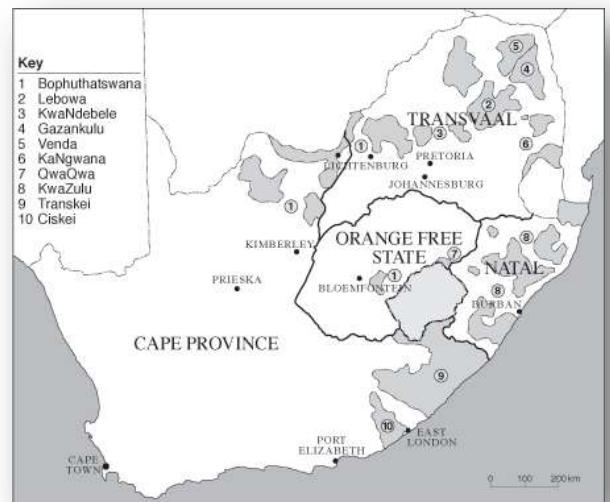
Figure: 1: Durban: segregation before and after Group Areas Act of 1968.

Notes:

- Figure 1b: Durban before policy
- Figure 2b: Durban after implementation
- Sharp landscape barriers between race groups:
 - CBDs
 - Railways
 - Highways
 - Other physical barriers
- Buffers
 - Coloured and Asian buffered whites against blacks
 - Blacks separated from Indians by industrial landscape
 - Blacks separated from Coloureds from physical landscape

Some of the key legislation that further entrenched the 'ideology of apartheid' includes:

- Prohibition of Mixed Marriages Act, Act No 55 of 1949
- Immorality Amendment Act, Act No 21 of 1950; amended in 1957 (Act 23)
- Population Registration Act, Act No 30 of 1950
- Group Areas Act, Act No 41 of 1950
- Suppression of Communism Act, Act No 44 of 1950
- Bantu Building Workers Act, Act No 27 of 1951
- Separate Representation of Voters Act, Act No 46 of 1951
- Prevention of Illegal Squatting Act, Act No 52 of 1951
- Bantu Authorities Act, Act No 68 of 1951
- Natives Laws Amendment Act of 1952
- Natives (Abolition of Passes and Co-ordination of Documents) Act, Act No 67 of 1952
- Native Labour (Settlement of Disputes) Act of 1953
- Bantu Education Act, Act No 47 of 1953
- Reservation of Separate Amenities Act, Act No 49 of 1953
- Natives Resettlement Act, Act No 19 of 1954
- Group Areas Development Act, Act No 69 of 1955
- Natives (Prohibition of Interdicts) Act, Act No 64 of 1956
- Bantu Investment Corporation Act, Act No 34 of 1959
- Extension of University Education Act, Act 45 of 1959
- Promotion of Bantu Self-Government Act, Act No 46 of 1959
- Preservation of Coloured Areas Act, Act No 31 of 1961
- Terrorism Act of 1967
- Bantu Homelands Citizens Act of 1970



Map: Homeland partition model

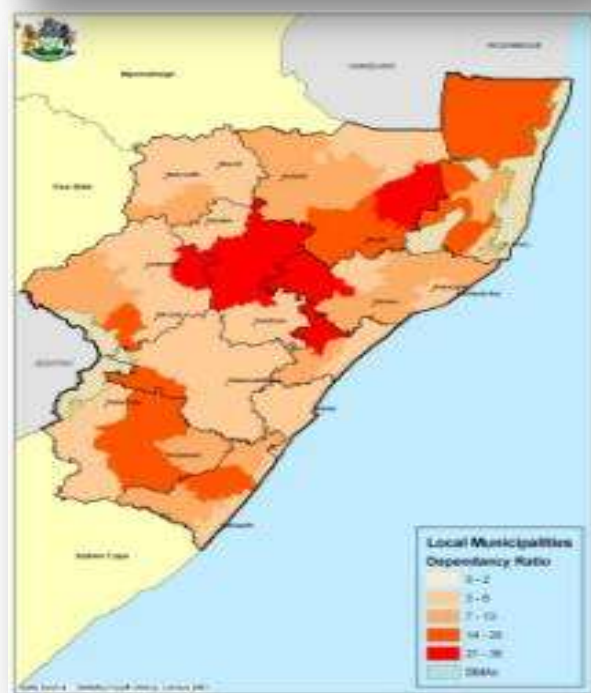
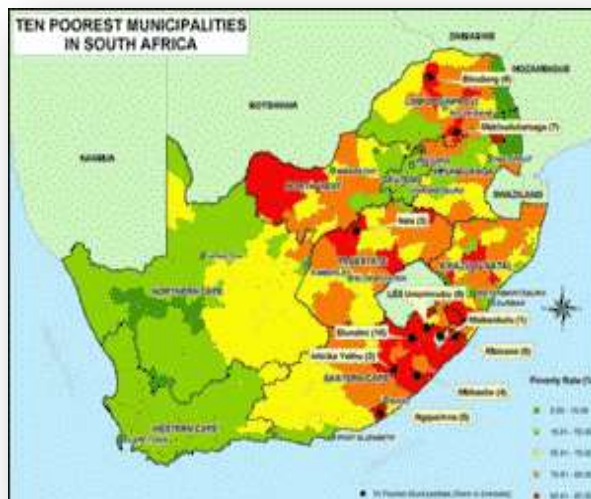
Source: Boshoff p39 (Monograph 81: 2003) 'Volk Faith and Fatherland: The Security Threat Posed by the White Right'

The most prohibitive controls related to economic generation of the African population (impacted by apartheid policies) include:

- Trading activities of Blacks in White urban areas were not considered as an opportunity for them
- Black traders and trading was limited to townships
- Trading was limited to daily essential domestic necessities
- Blacks were prohibited from acquiring land
- Land tenure for Blacks were limited to leasehold
- All trading rights were controlled through a permit system
- Capital investments and financial interests of Non-Bantu enterprises were prohibited in Black areas
- Black traders were limited to operating only one business
- The establishments of Bantu companies and/or partnerships in order to grow was prohibited
- Bantu-controlled financial, wholesale and industrial concerns were prohibited
- Local authorities had to buy-back land and buildings belonging to blacks prior to 1963 (Davies 1972, in Warrington 2001).

Due to these socio-spatial imbalances, the key problems that are characteristic of the province of KwaZulu Natal presently can be summarised as follows:

- Largest number of poor people in a province – approximately 5.7million people in KZN
- Largest poverty gap – R18billion
- Largest share of poverty in SA – KZN approximately 22.5%
- Per capita GDP in KZN is lower than the national average
- High poverty rate of approximately 54% with ultra-poverty rate closer to 32% of the provincial population
- GINI Co-efficient for KZN is 0.71 which is slightly higher than SA as a whole
- Approximately 80% of the total provincial GDP in concentrated in only 3 centres – eThekweni 61.5%; Umgungundlovu 10.8%; Uthungulu 7.2%
- 82% of the total KZN population is African
 - Only 11% of Africans in KZN reside in metropolitan areas (*Income and Expenditure Survey of 2000 in* Elsenburg 2005)
 - Approximately 60% of Africans reside in rural areas
 - Approximately 500,000 households are involved in home production for home consumption (HPHC) in KZN and roughly 97% of these are African households
 - African (non-agricultural households) have the lowest average household income amongst all race groups in South Africa and KZN
 - Approximately 64% of African population is poor
 - Inter-racial GINI suggests that the African population is slightly above the provincial and national average at 0.72 (HSRC 2004)
 - African workers are typically found in lower-skilled occupations
 - Approximately 85% of all semi & unskilled workforce
 - Approximately 50% of skilled workforce
 - Just over 30% high skilled workforce (*Income and Expenditure Survey of 2000 in* Elsenburg 2005)



Some of the key challenges and goals for the KZN province can be summarised as follows:

Indicator	2004 Baseline	Growth rate (pa)	2014 Future value	Target 2014
People in poverty (2004)	5,315,491	1.5	6,168,844	3,084,422
Illiteracy (2001)	1,100,291	3.0	1,615,814	807,907

Indicator	2004 Baseline	Growth rate (pa)	2014 Future value	Target 2014
HIV prevalence (2004)	1,364,030	2.3	1,712,302	856,151
Unemployment (2004)	987,000	-0.6	929,354	464,677
Indicator	Baseline 2004			Target 2014
Economic growth rate	4.9%			7.5%
Expected rate of Urbanisation	47.5%			65%
Access to computer (Census 2001)	148 315 people			400 000 people
HDI	0.57			0.78
Regional share of exports	18%			25%

Source: KZN Department of Local Government and Traditional Affairs 2007

Whilst the abovementioned indicators illustrate some of the social and economic challenges of the province, it does not provide an explicit rationale that these challenges have developed as a result of apartheid planning policies. On the other hand, these indicators have been utilised to demonstrate the impact of uneven development within the KZN province, and subsequently contributed to the planning directives of the provincial government in that these indicators assist provincial policy-makers of the provincial spatial economic development strategy (PSEDS) to:

- Focus where government directs its investment and development initiatives;
- Capitalise on complementarities and facilitate consistent and focused decision making; and
- Bring about strategic coordination, interaction and spatial alignment

The PSEDS is a localised product of the National Spatial Development Perspective (NSDP), which is based on the following needs:

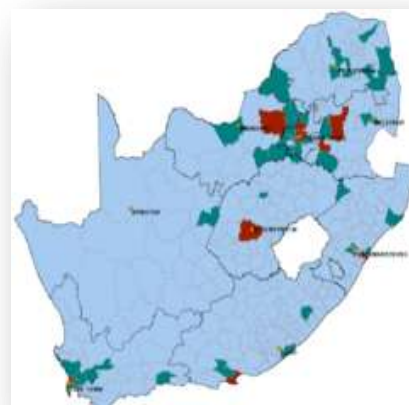
- A set of principles and mechanisms for guiding infrastructure investment and development decisions
- A shared understanding of the national space economy by describing the spatial manifestations of the main social, economic and environmental trends
- An interpretation of the spatial realities and the implications for government intervention

The main purpose of the NSDP is to address the poverty, inequality and deprivation challenges presented through spatial planning of the apartheid era, therefore a greater emphasis on the need for a better (and shared) appreciation of spatial challenges. It is further noted that:

- Spatial configuration of SA is not only the product of growth but also apartheid spatial planning – a disjuncture exist between where people live and where economic opportunities exist
- Apartheid spatial planning ensured that the mass of our people were located far from social and economic opportunities
- Spatial marginalisation from economic opportunities is still a significant feature of our space economy that need to be addressed in order to reduce poverty and inequality & ensure shared growth

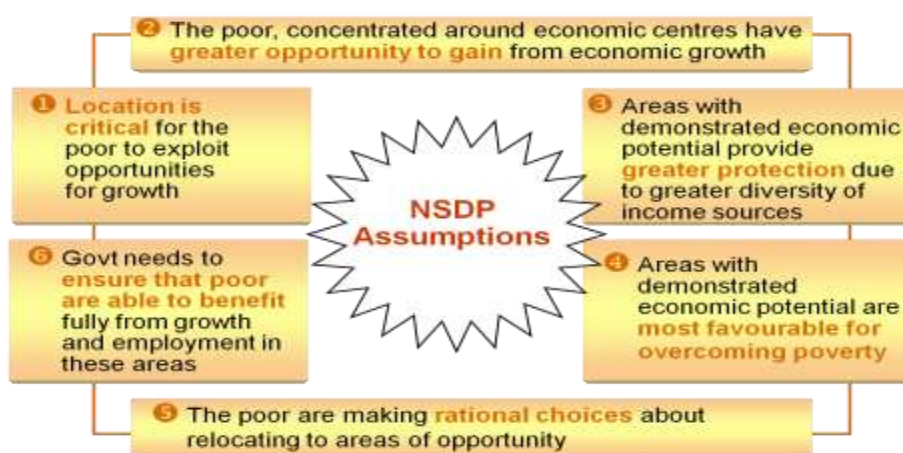
The NSDP guidelines aim to ensure that development will be coordinated through a principle-based approach that maximises overall social and economic impact of government spending. It is further recognised that national spatial guidelines are tools to better coordinate government action and alignment. The NSDP has been designed to assist government in answering "three important planning questions:"

- ✓ Where should government direct its investment and development initiatives to ensure sustainable and maximum impact?
- ✓ What kinds of spatial forms and arrangements are more conducive to the achievement of our objectives of democratic nation building and social and economic inclusion?
- ✓ How can govt as a whole:
 - Capitalise on complementarities and facilitate consistent decision-making?
 - Move beyond mere focusing on integration and coordination procedures to establishing processes and mechanisms that would bring about strategic co-ordination, interaction and alignment? (The Presidency 2006)



Source: The Presidency 2006: Economic profiles as defined by the NSDP 2003

It is further noted that **unfocused infrastructure spending and human resource development** doesn't improve GDP growth. The NSDP assumptions are best described by the following diagram:



Source: The Presidency 2006

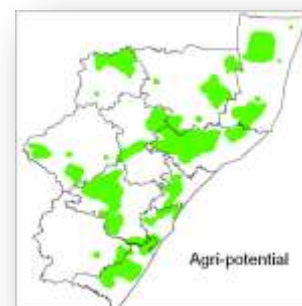
The NSDP principles are outlined as follows:

Principle 1	Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key
Principle 2	Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy health and educational facilities) wherever they reside
Principle 3	Beyond the constitutional obligation identified in Principle 2 above, Govt spending on fixed investment, should be focused on localities of economic growth and/or economic potential in order to: <ul style="list-style-type: none"> • gear up private sector investment • stimulate sustainable economic activities • create long-term employment opportunities
Principle 4	Efforts to address past and current social inequalities should focus on people not places <ul style="list-style-type: none"> • In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities • In localities with low development potential, Govt spending should focus on providing social transfers, human resource development and labour market intelligence which would enable people to become more mobile and migrate to localities that are more likely to provide sustainable employment or other economic opportunities
Principle 5	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 <ul style="list-style-type: none"> • Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy

Source: The Presidency 2006

The NSDP further identifies six categories of potential which cover the spectrum of economic functions in a modern economy

- Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing
- Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining
- Innovation and experimentation – research and development
- Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies
- Tourism – dependant on tourism attractions
- Public service and administration

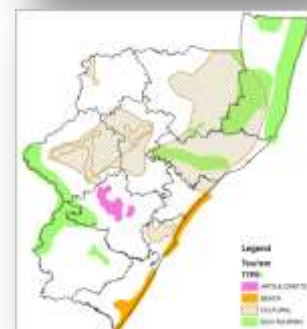
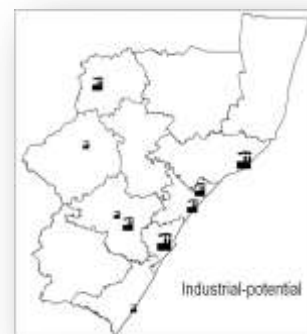


The nodes are defined as follows:

1. Primary Node (PN): An urban centre with very high existing economic growth and the potential for expansion thereof. Provides service to the national and provincial economy.
2. Secondary Node (SN): An urban centre with good existing economic development and the potential for growth. Services the regional economy.
3. Tertiary Node (TN): A centre which should provide service to the sub-regional economy.
4. Quaternary Node (QN): A centre which should provide service to the localised economy
5. 5th level Node (5N): A centre which provides service to a ward

As noted earlier, the KZN Department of Economic Development (KZNDED) published the Provincial Spatial Economic Development Strategy to align with the national objectives (of a uniform appreciation of spatial challenges and opportunities), however focussing on the provincial sectors of choice:

- Agricultural sector (including agri-processing) and land reform;
 - Massive potential for growth
 - Largest existing or potential employer in rural areas
 - Can make greatest impact on reducing poverty levels in rural areas
 - Require better linkages with 1st economy commercial agriculture to develop 2nd economy subsistence agriculture
 - The sector urgently needs transformation and land reform is the key lever of transformation of the sector
- Industrial sector;
 - Durban and Richards Bay harbours anchor industrial potential
 - Dube Trade Port creates huge opportunities
 - Corridor linking two nodes & extending to Howick form primary zone of industrial potential.
 - Newcastle, Ladysmith and Port Shepstone are important secondary nodes of industrial development potential
- Tourism sector; and Primary sectors of tourism potential are beach, cultural and eco-tourism.
 - Provincial tourism priorities are:
 - Greater Durban & Pietermaritzburg area
 - Drakensberg region
 - Greater St Lucia & surrounding big five reserves
 - South and north coast beach tourism
 - Zulu Heritage & Cultural Trail
 - Battlefields Route
- Service sector (including government services)
 - The tertiary sector is the largest contributor to the economies of all except for the Ilembe and Uthungulu district municipalities.
 - The tertiary sector comprises:
 - Wholesale / retail trade
 - Transport / storage
 - Communication
 - Financial / insurance
 - Real estate
 - Business / Community / social / personal services
 - Government services
 - This sector is vital in supporting development in poor rural areas.



Further to the sector potential analysis, the KZN provincial government prepared a composite map illustrating the areas with the highest potential for development in KZN. A list of nodal and corridor priorities as defined by the KZN provincial government is outlined below as follows.

Table 32: Categories of potential for primary and secondary nodes in KZN

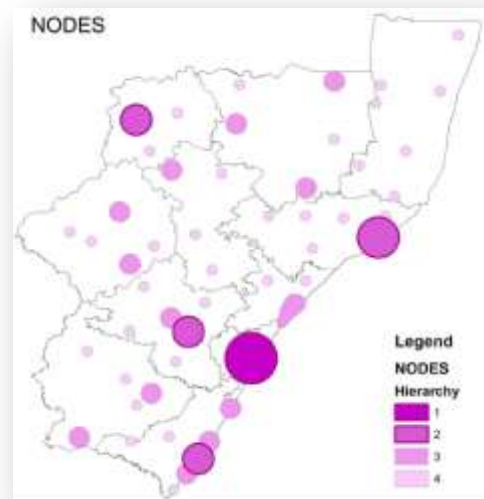
Code	Node	Classification	Main categories of potential
PN1	eThekweni	Primary node	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Innovation and experimentation – research and development - Retail and private sector services – large employer of skilled & semi

Code	Node	Classification	Main categories of potential
			<ul style="list-style-type: none"> - skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SN1	Richards Bay	Secondary node	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Innovation and experimentation – research and development - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SN2	Msunduzi	Secondary node	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Innovation and experimentation – research and development - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SN3	Newcastle	Secondary node	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SN4	Port Shepstone	Secondary node	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration

Source: KZNDED (PSEDS) 2006

Notes:

1. Data on the eThekweni nodal area is highly aggregated and limited
2. The priority economic sectors of the province as defined by the KZN Industrial development strategy may be dated and a review of the priority sectors may influence the priorities for eThekweni as defined by the PSEDS
3. Agricultural opportunities for eThekweni is viewed as high-value and linked to Dube Trade Port, whilst labour-intensive agricultural potential is viewed as insignificant in relation to other provincial regions.



Provincial 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

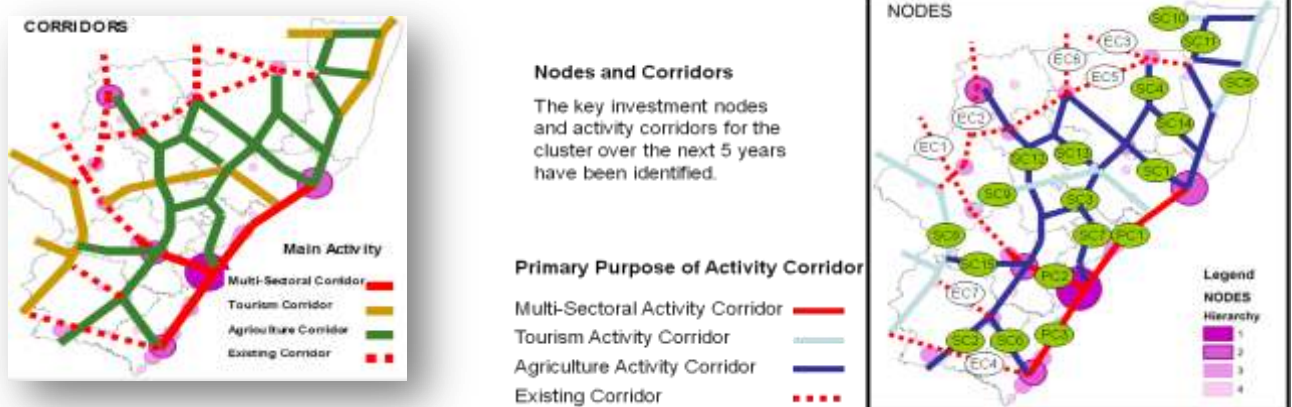
The list below outlines the significance of these corridors.

Table 33: Provincial priority corridors in KZN

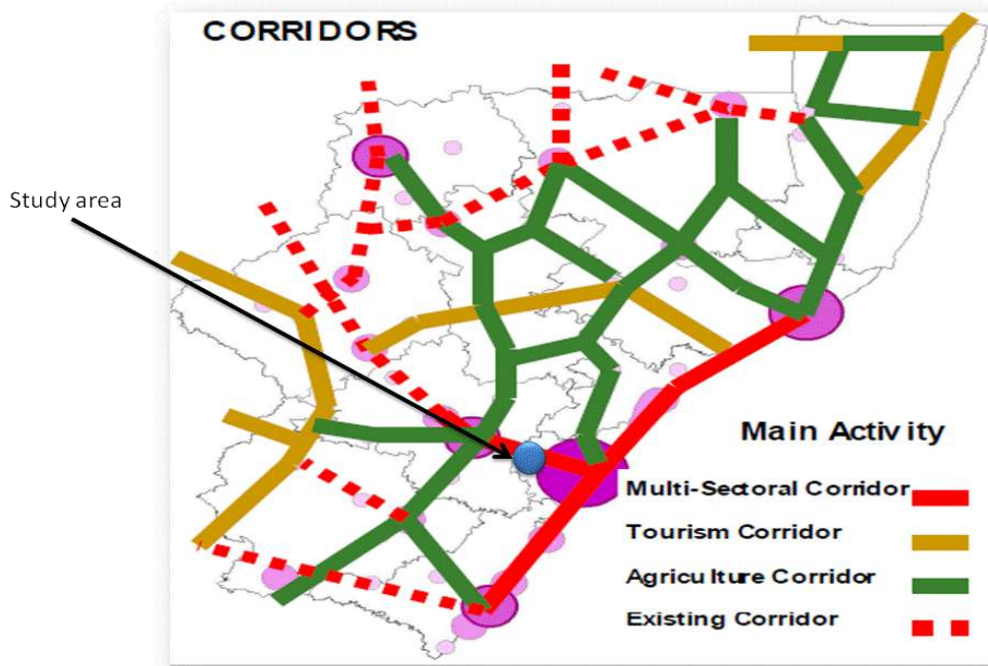
Code	Corridor	Classification	Main categories of potential
PC1	eThekwini Umhlatuze	– Primary corridor	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Innovation and experimentation – research and development - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions
PC2	eThekwini Msunduzi – uMngeni	– Primary corridor	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Innovation and experimentation – research and development - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
PC3	Ethekwini - Ugu	Primary corridor	<ul style="list-style-type: none"> - Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SC1	Umhlatuze – Ulundi - Vryheid	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SC2	Kokstad Umzimkulu Msunduzi	– Secondary – corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SC3	Msunduzi – Nkandla - Ulundi	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SC4	Ulundi – Nongoma – Pongola	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SC5	Lebombo SDI – Maputo	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Tourism – dependant on tourism attractions
SC6	Port Shepstone – St Faiths - Ixopo	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Tourism – dependant on tourism attractions

Code	Corridor	Classification	Main categories of potential
SC7	Maphumulo – Ndwedwe - Dube	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Tourism – dependant on tourism attractions
SC8	Ukhahlamba corridor	Secondary corridor	<ul style="list-style-type: none"> - Tourism – dependant on tourism attractions
SC9	Weenen – Nkandla – Eshowe	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SC10	Manguzi – Swaziland	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Tourism – dependant on tourism attractions
SC11	Makhatini corridor flats	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining
SC12	Greytown – Msinga – Madadeni	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions - Public service and administration
SC13	Nkandla – Nqutu – Vryheid	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions
SC14	Mtubathuba – Nongoma	Secondary corridor	<ul style="list-style-type: none"> - Production of labour intensive, mass produced goods more dependant on labour costs, affordable transport linkages – i.e. agriculture and mining - Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies - Tourism – dependant on tourism attractions

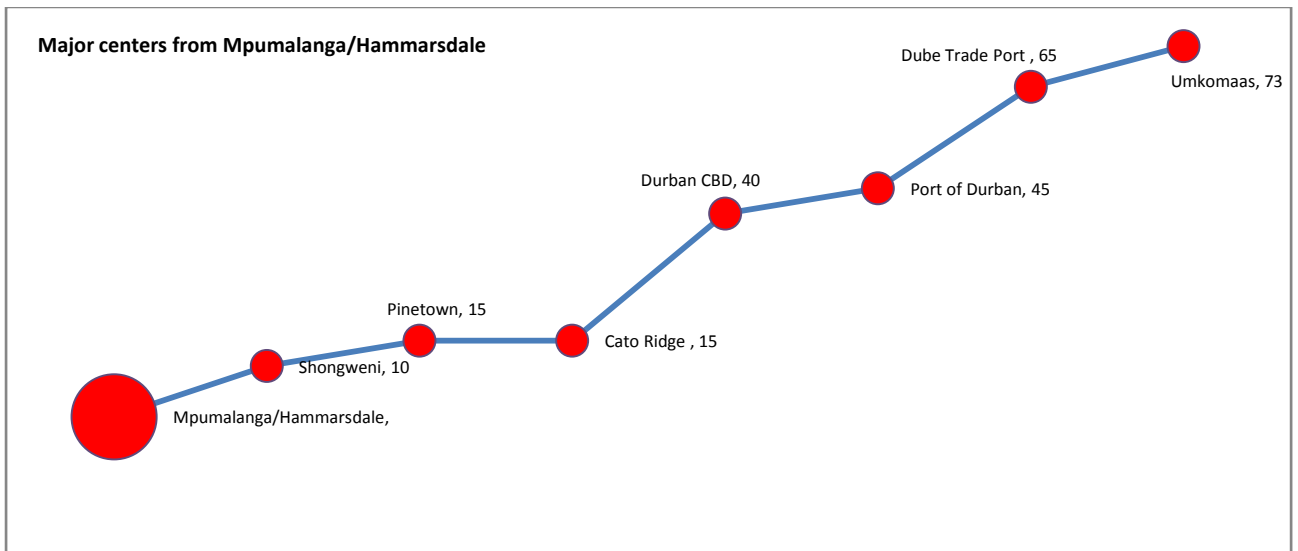
The priority nodes and corridors are outlined in the maps presented below.



In the case of Mpumalanga, the study area sits firmly between the two major Central Business Districts of Msunduzi and eThekwiini and also on the national freight corridor.



It is therefore important to note that the eThekweni – Msunduzi – Mngeni corridor has been identified as a multi-sectoral corridor and opportunities to align with this vision is of strategic importance to the study area. The study area is roughly equidistant between the Port of Durban and Pietermaritzburg CBD, and equidistant to both Pinetown and Cato Ridge which are both industrial clustering nodes.



From the above observation it is quite apparent that the study area could hold potential for a variety of opportunities which is a positive contrast from its current economic situation whereby the local economy is skewed towards the Textiles manufacturing and commercial sugar cane sectors.

8.2. Metropolitan (eThekweni) spatial integration context for Township regeneration in Mpumalanga

A recent investigation of the eThekweni Municipality’s spatial economy shows that whilst there has been progress towards addressing poverty in the local economy from 2001 to 2007; progress in this aspect of socio-economic

development has favoured the Central and Northern regions of the municipality, and parts of the South municipal planning region (MPR) and Outer West remain under-developed.

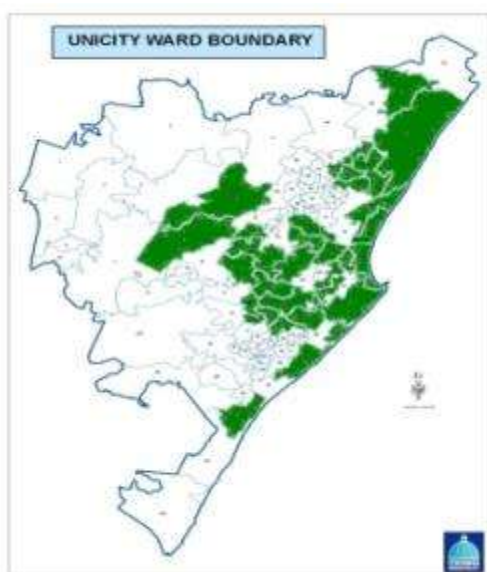


Figure 37: Location of progress in MLL since 2001 to 2007

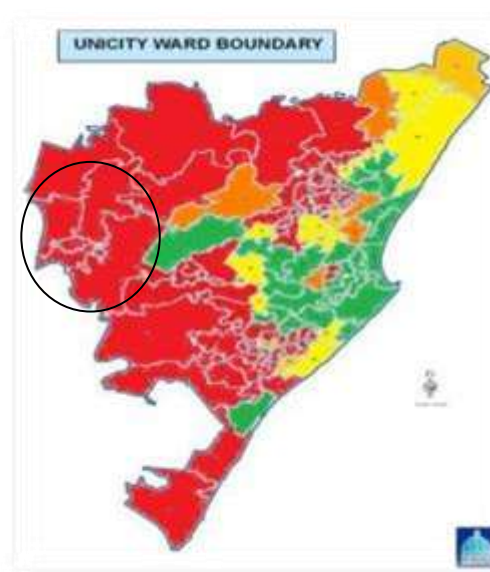


Figure 38: Location of threatened wards – socio economic perspective in 2007

Table 39: Summary of Socio-economic level of service in the EMA region (2007 estimates)

	Region population	Employment	% of HH living above MLL	Unemployment	Literacy Averages	HH incomes	HH dependency Averages	GDP per capita
	692,436	54% of region population	69%	18% of total EMA unemployment	67% of this region's population	12.4% of the EMA's poorest households	2.23	R69,613
	353,994	46% of region population	59%	18% of total EMA unemployment (combined two categories)	61% of this region's population	16.3% of the EMA's poorest households (combined two categories)	2.77	R52,525
	283,791	40% of region population	42%		57% of this region's population		2.38	R34,639
	2,259,946	27% of region population	28%	64% of total EMA unemployment	49% of this region's population	71.2% of the EMA's poorest households	3.31	R19,888

Figure 38 above, shows the location of the areas that are under-developed and where income distribution has been seriously limited to the extent that poor socio-economic conditions (prevail and) threaten the sustainability of households in specific areas of the municipal area whilst in other regions lifestyle, employment, and overall social well-being of the population is improving. The regions in "red" has a GDP per capita almost three times smaller than the rest of the EMA, and home to two times more unemployed people than the rest of EMA. Regions code in 'green' have the best socio-economic conditions in the EMA, followed by the regions in 'yellow', then 'orange' and finally the regions in 'red' are most threatened. A summary of key performance indicators for each region is provided in table 39.

A recent revision of growth targets for the EMA up to 2025 has been formulated based on the following policy choices:

- Policy choice 1. 50% Employment by 2025
- Policy choice 2. 1% poverty by 2025
- Policy choice 3. Double GDP per capita by 2025
- Policy choice 4. Reduce HH dependency to 1.0 by 2025
- Policy choice 5. 20% Unemployment by 2025**

These choices have been extended to 2025 (from 2014) based on the assumption of massive job losses during the unknown global economic recession period. The targets above are also based on a population growth rate of 1.1% per annum from 2008-2025. The key targets are outlined in detail as follows:

Table 40: Revised economic development targets for the EMA up to 2025

	Growth to 2025	2010 forecast	2014 forecast	2015 forecast	2020 forecast	2025 forecast
Population	1.1%	3709950	3875902	3918536	4138850	4371550
Economically active	1.58%	2418136	2574622	2615301	2828543	3059171
Employment (%)	6.550%	842173	1085463	1156561	1588312	2181238
Unemployment (%)	-3.5%	1575963	1489159	1458740	1240231	877933
Poverty %	-6.4%	150,948	116,042	108,658	78,216	56,303
GDP (R1000)	5.1%	154,288,734	188,033,138	197,564,740	252,979,109	323,936,496
GDP per capita (Rand)		41,588	48,513	50,418	61,123	74,101
HH dependency ratio		3.4	2.6	2.4	1.6	1.0

No. of jobs to be created per annum	84,672
No. of people to move out of poverty per annum	7,086
GDP to be added per annum	R10,6bn

From an analysis of the Mpumalanga / Hammarsdale area, it must be noted that the study area is contained within the most threatened regions of the eThekweni local economy, characteristic of extremely low employment; low household income and GDP per capita; and low employment. Furthermore, the study area plays an important role in the Outer West region, and any requirements for change to the Outer West economy depends on the strategies and plans for change in local areas such as Mpumalanga / Hammarsdale.

8.3. Outer West (eThekweni) spatial integration context for Township regeneration in Mpumalanga

Currently, the Outer West has the weakest economy in comparison to the North, Central and South MPRs in the municipal area. A recent assessment of each municipal planning region in terms of the concentration of economic clusters within these regions is shown in table 41 below:

According to the Draft Outer West Spatial Development Plan, the study area needs to be reconceptualised and revitalised to play a significant role within the Outer West. Furthermore, the (2009) analysis of the metropolitan economy summaries the core problems affecting growth and development in the Outer West as:

- Concentration of poor households and low disposable income
- Semi-rural and rural settlements



Figure 42: Draft Outer West Spatial Development concept

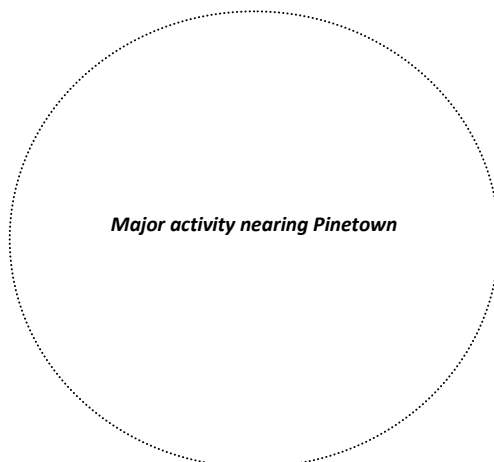
- Lack of modern infrastructure and business processes
- Distant from major complimentary economic regions
- Low skills base
- Major environmental constraints to development

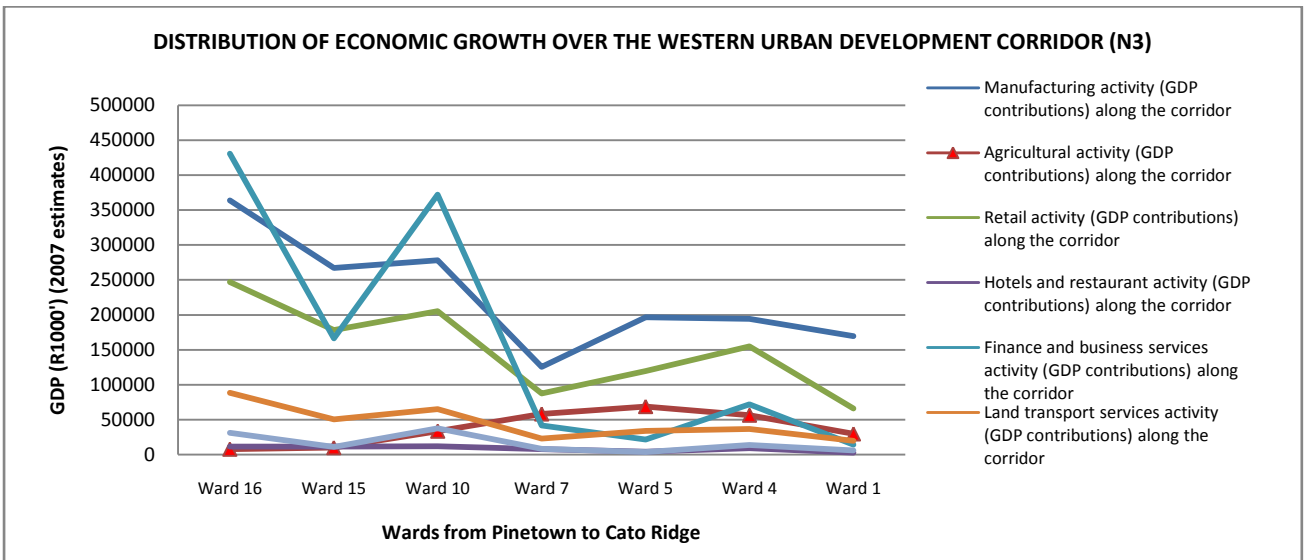
Table 41: Spatial economic development problem-tree for the Outer West MPR

Location factor	Core problem affecting spatial economic development		Effect of problem – if not addressed
Economically active population	62% of population 83% of Ec_A unemployed		Major poverty risk (HH income levels lowest)
Natural endowments (e.g., water availability, land quality, environmental amenities)	Environmental sensitivity (least sensitive)	Umhlatuzana Catchment	Catchment already saturated with investment (potential area in Ward 10). Limiting developments in other catchments.
	Land quality	Steep topography. Potential industrial land utilized for agricultural purposes. (Approximately 900ha available for immediate take-up)	Regulated development in areas that may not be economically viable. Increasing costs of doing business. Smaller fragmented developments most likely.
	Waste water issues	Min. 3 New treatment works required	
	Water availability	Major supply side interventions required	
Accumulated human capital (e.g., educational level of labour force)	45% of population literate 1.9% of EMA people with Grade 12 and higher		Least favourable labour force for quality employment.
Accumulated physical capital (e.g., road infrastructure constraints)	Major interventions required along N3 (Links: R103; MR385; M13)		Increased costs of investment. Investment may be re-directed to North and further exacerbating congestion in North
Factory space availability (manufacturing space benchmark 170sqm per job) [space planning]	Industrial land take-up: 547ha		Most labour intensive region, and labour intensive businesses. Future investment (more capital intensive) may require additional space per employee.
	Industrial employment: 97,560 jobs		
	Space utilisation per employee (as per benchmark): 56sqm (33% of space benchmark used)		
		Approx. 1,110ha short to meet optimal space requirements of existing employment	

In addition to the above analysis, the Outer West has been viewed as a key agriculture node within the metropolitan context, and in recognition of this, the Draft Outer West Spatial Development Plan regulates major investment and the conversion of agriculture land to other land uses that may provide an opportunity for further economic development in the local area. The figure 42 below shows that agricultural activity is a relatively low contributor to GDP in comparison to other sectors within the Western corridor (N3); however the sector does play a significant role to the GDP of Shongweni and the study area, when compared to the presence of other sectors in the same regions.

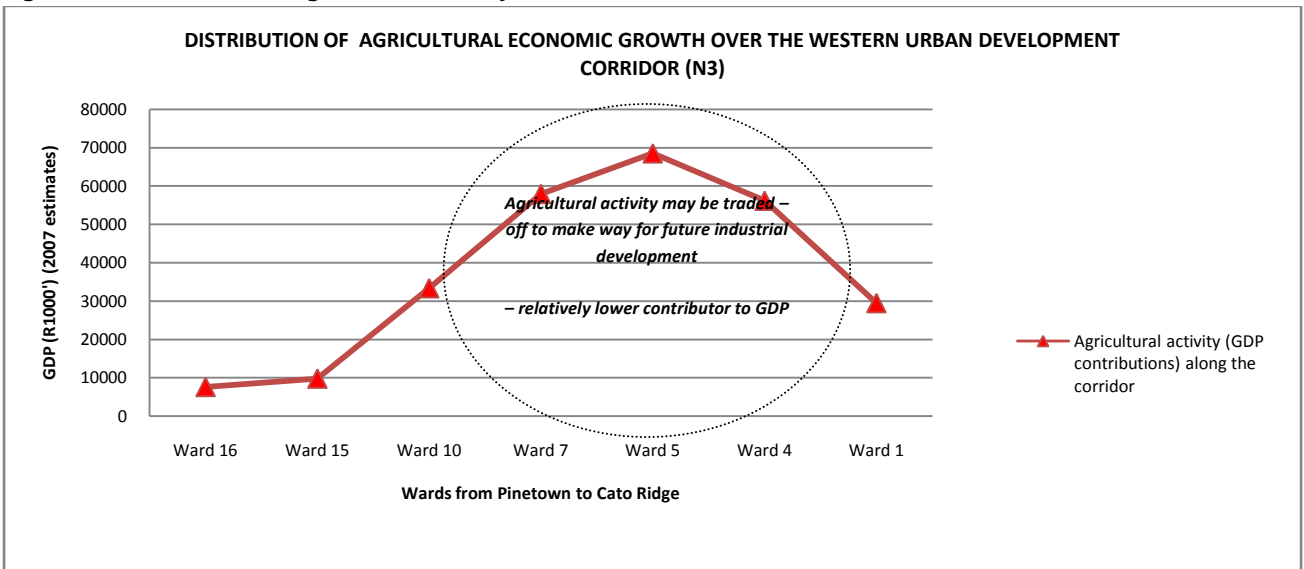
Figure 42: Graph depicting economic activity from Pinetown to Cato Ridge



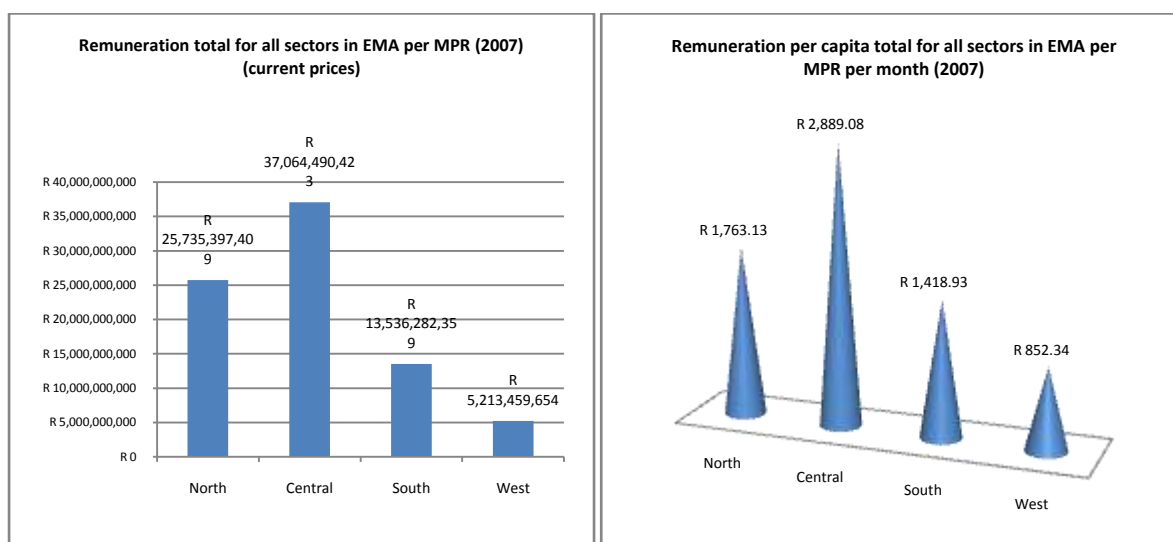


The figure 43 clearly shows that agricultural activity is relatively important between Pinetown and Cato Ridge, however within this region other economic activity is relatively weak.

Figure 43: Distribution of agricultural activity over the Western corridor



Some of the consequences of this phenomenon can be best understood by the level of remuneration per capita in the overall Outer West region, and an inspection of 'Remuneration' per MPR (for all employment (2007)) shows that the Outer West has the lowest formal employment earnings in the EMA. In addition to the lower income levels, the Outer West has the lowest per capita earnings per job per month in the EMA.



The recent spatial economic analysis of the metropolitan economy provides some guidance on the future direction for each MPR based on key economic indicators. The Outer West has been identified as a region with low growth prospects for the agriculture sector which requires additional land (which is not available in the region).

Table 46: Clustering choices for the EMA at a sub-regional level

Clusters in the EMA	North	Central	South	Outer West
Agriculture	Highest potential for growth and intensification of agri-business	No apparent potential	No apparent potential	No expansion potential
Manufacturing	Diverse and strong	Diverse and strong	Specialized in certain sectors and moderately weak sub-regional economy – need for growth and diversification	Specialized in certain sectors and weakest sub-regional economy – need for growth and diversification
Retail trade	Diverse and strong	Diverse and strong	Weak – need for growth and diversity	Weak – need for growth and diversity
Financial and business services	Diverse and strong	Diverse and strong	Weak – need for growth and diversity	Weak – need for growth and diversity

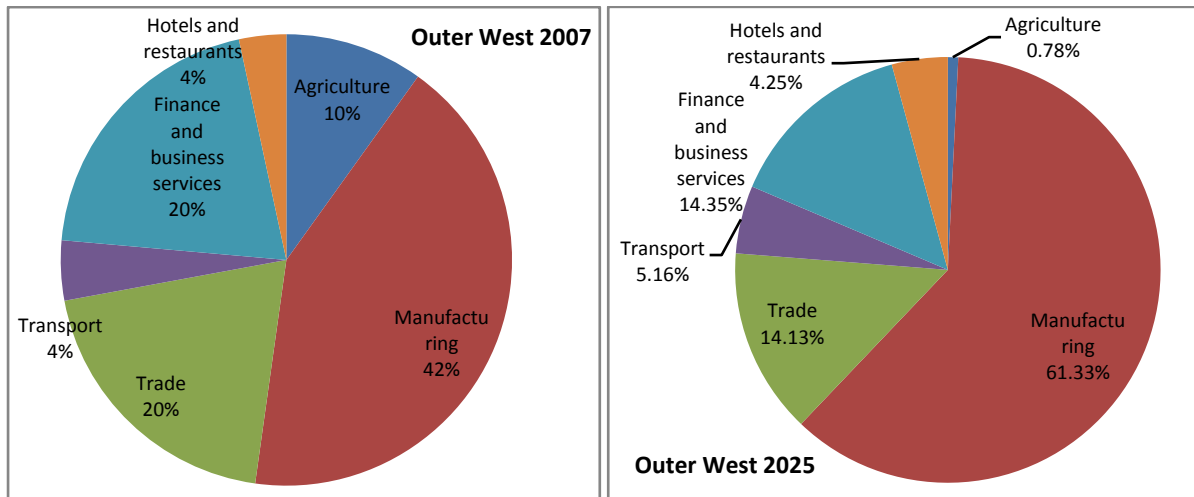
The spatial economic analysis further notes that in order to meet this growth and development targets for the EMA, the Outer West should grow employment from 10% of its population in 2007 to 64% by 2025. This translates as requiring approximately R2.4bn in GDP per annum; and approximately 19,000 jobs are needed per annum.

Table 47: Economic growth requirements for Outer West per annum

Indicators	Outer West	Total EMA
Population 2007	509,720	3,590,168
Population 2025	620,658	4,371,550
GDP 2007 (R1000')	8,467,378.90	131,297,503
GDP 2025 (R1000')	51,714,393.99	320,411,372
GDP per capita 2007 (R1000')	16.61	36.57
GDP per capita 2025 (R1000')	83.32	73.29
GDP growth	10.58%	5.08%
GDP added per annum (R1000')	2,402,612	10,506,326
Employment 2007	49,214	696,211
Employment 2025	397,870	2,181,238
Employment % of MPR pop (2007)	10%	19%
Employment % of MPR pop (2025)	64%	50%
EA_2025	434,460	3,060,085

Indicators	Outer West	Total EMA
Unemployment 2025		36,590
Unemployment % of MPR pop (2025)		878,847
		6%
		20%

According to the Draft Spatial Economic Strategy (2009), the Outer West is required to increase its share of manufacturing employment from 42% in 2007, to approximately 61% in 2025. In order to achieve this approximately 187ha of industrial land should be made available per annum over the next decade to cater for this growth.



Source: Draft Economic Spatial Plan 2009

From an analysis of the Mpumalanga / Hammarsdale area, it must be noted that the study area is contained within the region of agricultural importance as defined by the Draft Outer West Spatial Development Plan; however considering the future growth prospects of the sector, it must be noted that the study area may have reached its peak in terms of agricultural sector development therefore not providing additional employment opportunities. On the other hand, the study area does hold potential for additional manufacturing, retail and services sector growth as these sectors are identified as priorities for the Outer West; more specifically space within the existing Hammarsdale industrial area, land available within Mpumalanga Township and through the possible conversion of agricultural land.

Table 50: Economic Drivers of change per Municipal planning region

Drivers	Total economy – Major economic changes	Positive impacts	Negative impacts	Net effect on MPR economy
North	Air transport and airfreight capacity	Tourism, transport and manufacturing growth	Agricultural land reduced	New major growth region (diverse)
Central	Harbour efficiencies; 2010 Soccer Stadium	Tourism, transport and manufacturing growth	Limited land available; Loss of full port development impact	New investment shifts – land saturation (remain AS IS with productivity improvements); Lifestyle and recreation growth
South	Air transport relocation	Space for transport and manufacturing	Tourism and air transport	Manufacturing and port related industry investment
West	Agricultural trade-offs	Space for manufacturing	Agricultural land reduced	Manufacturing investment

Source: Draft Spatial Economic Plan 2009 page 17

Furthermore, the high-level constraints for economic development in the Outer West are noted in table 51.

Table 51: High-level constraints to spatial economic development in the Outer West

Outer West	
Infrastructure	Major infrastructure required between Shongweni and Cato Ridge
Labour force	Highest poverty threat – migration of skilled may threaten region
Environmental	Directing industry to outer-lying areas

Economic Land Accessibility Major constraint to growth	Most labour intensive manufacturing. Limited services potential
	Agricultural land trade-off. Most affected by capital intensive business investment
	Major constraints anticipated along N3 between Shongweni and Cato Ridge when development takes-off
	Industrial land availability, infrastructure costs and skills development

8.4. Comparative assessment with other township regions in eThekweni

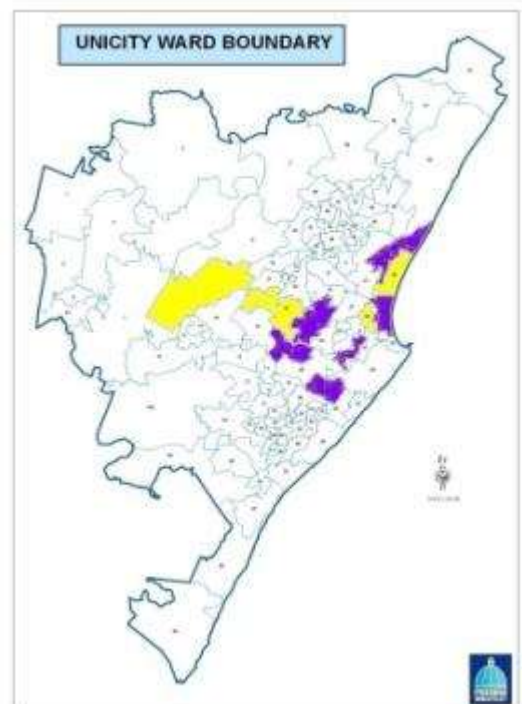
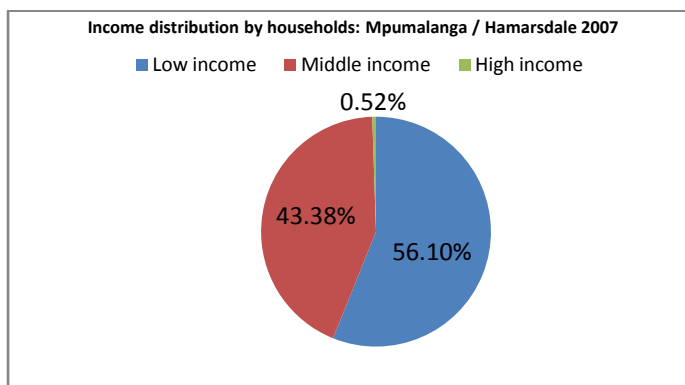
An inspection of comparative unemployment (as a percentage of ward population, per ward) shows that whilst unemployment in the study area is at 40%, other wards within the EMA do exhibit 'almost' ideal unemployment conditions.

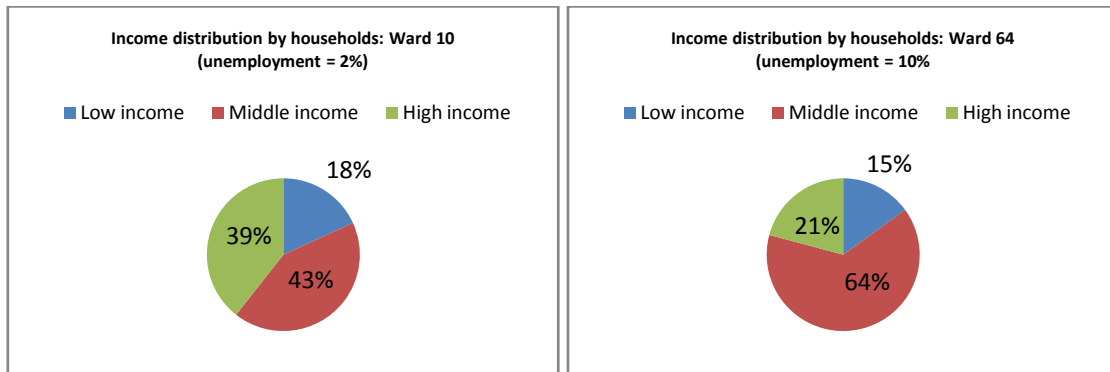
Table 52: Wards with unemployment at 10% or lower in the EMA

Ward no.	Ward population	Unemployment	Unemployment % of total unemployed	Unemployment % of ward population	HH	Size of area
10	23863.84621	477	0.05%	2%	7,998	62.5
18	26634.91698	1065	0.10%	4%	9,131	25.9
36	23901	956	0.09%	4%	8,051	14
28	26062	1303	0.12%	5%	11,045	5.9
35	28363.10829	1702	0.16%	6%	9,241	20.1
63	24783.92375	1487	0.14%	6%	7,094	15.1
27	26188	1833	0.18%	7%	12,235	11.9
33	26921	1884	0.18%	7%	10,661	7.6
24	31042.13694	2483	0.24%	8%	7,677	20.5
64	27267.00514	2727	0.26%	10%	8,178	13

The specific location of these wards are represented spatially in the adjacent figure, with the 'yellow regions' being the localities where unemployment is less than and equal to 5% of these ward population.

Upon inspection of the household income levels of the upper and lower end of the abovementioned spectrum, it is important to note that there are (consistently) a greater number of higher and middle income households in these regions in comparison to Mpumalanga/Hammersdale region.

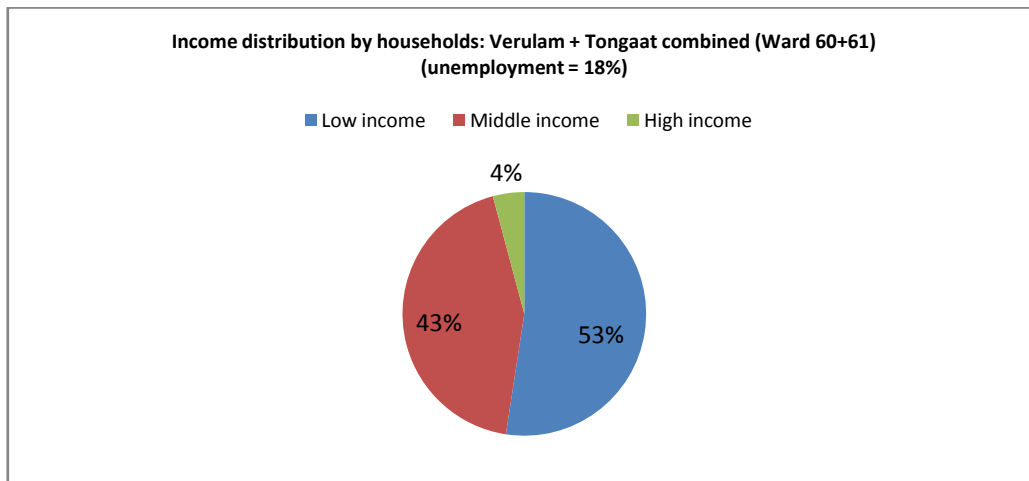


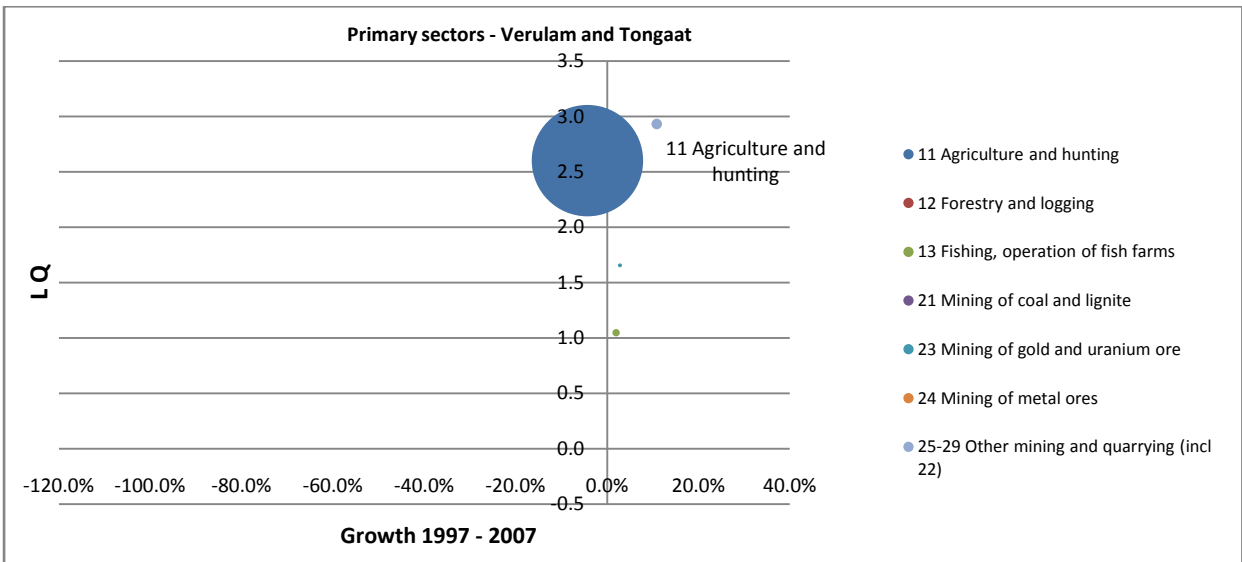
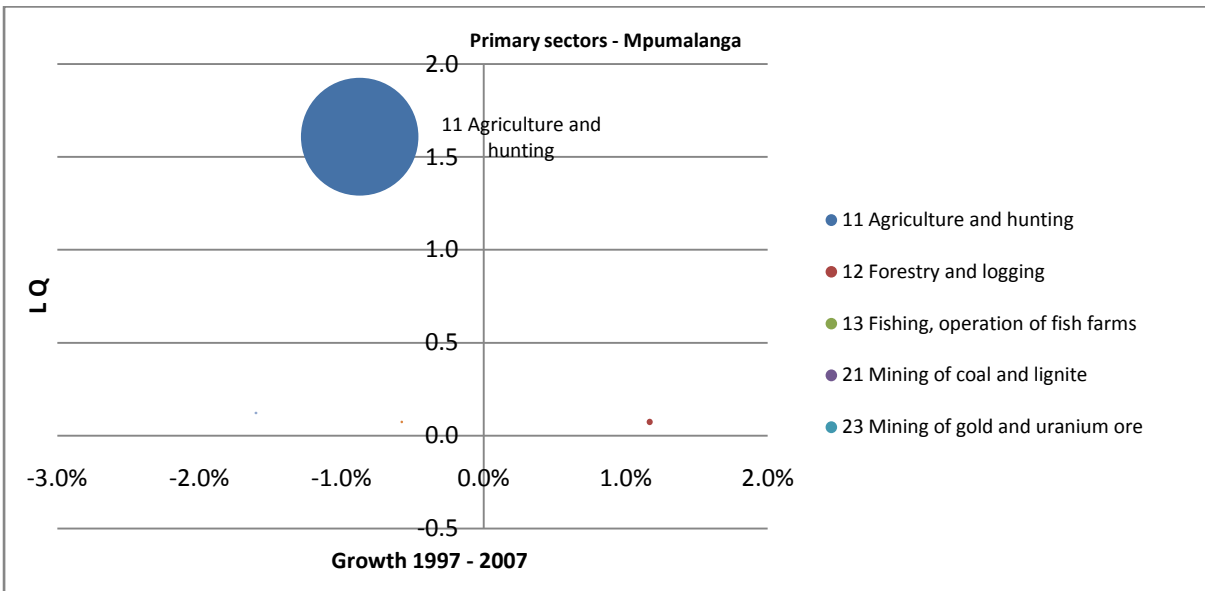


While Ward 10 is slightly smaller than the study area (by 5.5sqkm) it has 2/3 (two-thirds) less households than Mpumalanga/Hammarsdale. Ward 64, is 1/5th the size of the study area and only 40% of the total number of households in Mpumalanga/Hammarsdale. The main characteristic however of these two areas is the fact that there are considerably larger concentrations of middle and higher income groups residing in the local area. On the other hand, it will be very difficult in the short and medium term for Mpumalanga/ Hammarsdale to reach an employment level similar to Ward 10 (2% unemployment) and also reduce its unemployment from 40% to 10% (similar to that of Ward 64), but perhaps there may be opportunities for the study area to halve its unemployment levels to reach a **comparable level similar to the Verulam/Tongaat area.**

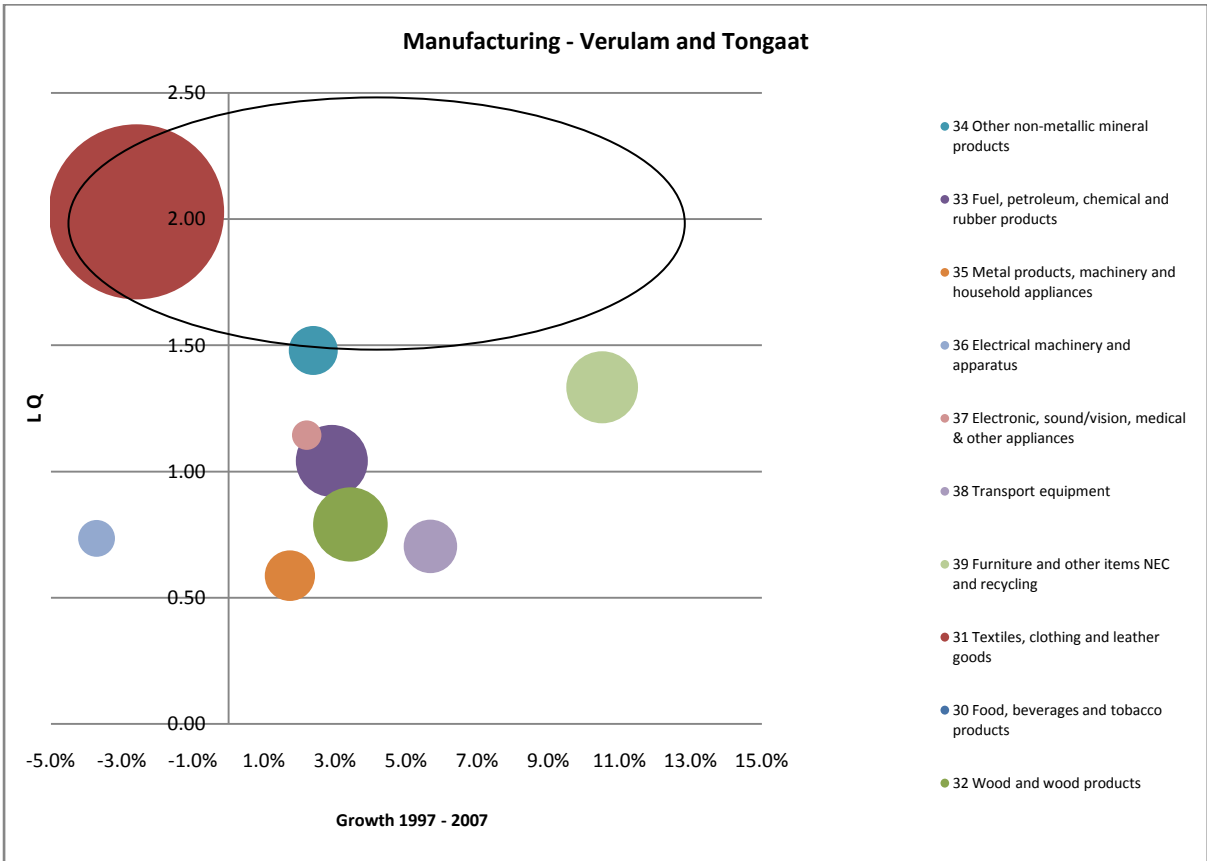
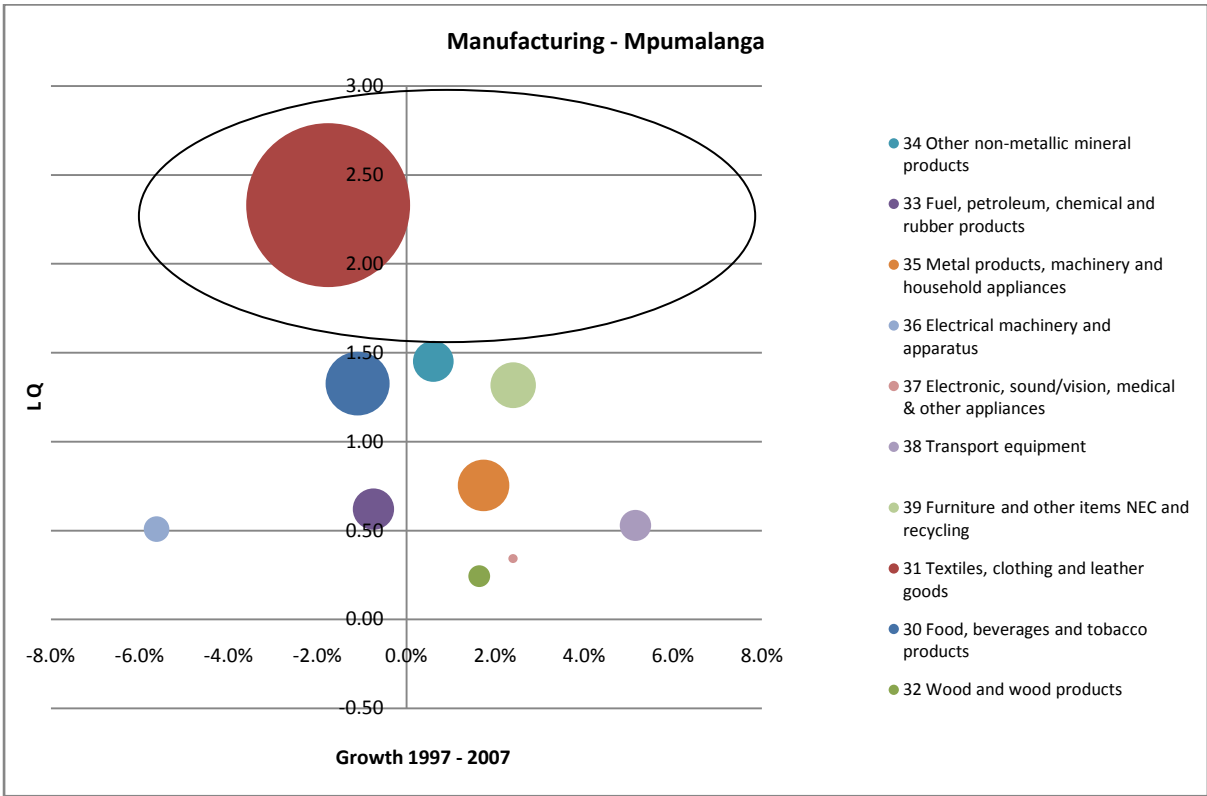
The **household income structure of the Verulam/Tongaat region is similar to Mpumalanga/Hammarsdale** in terms of low and middle income households, however there is a higher proportion of higher income households within the total household profile of these regions. The Verulam/Tongaat region has approximately 2/3rd of the households in the study area however it is about 1.2 times the size of Mpumalanga/Hammarsdale.

Both regions (study area and Verulam/Tongaat) have similar economic foundations in that both regions have strong links to the Sugar Industry as well as the Clothing and Textiles sub sectors.

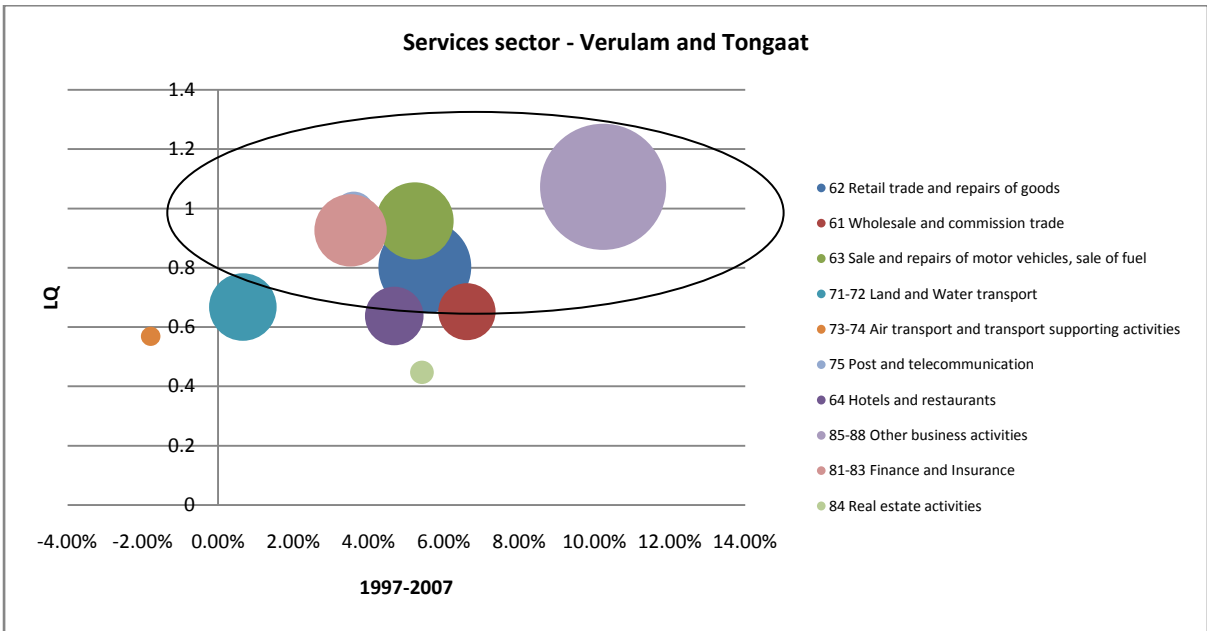
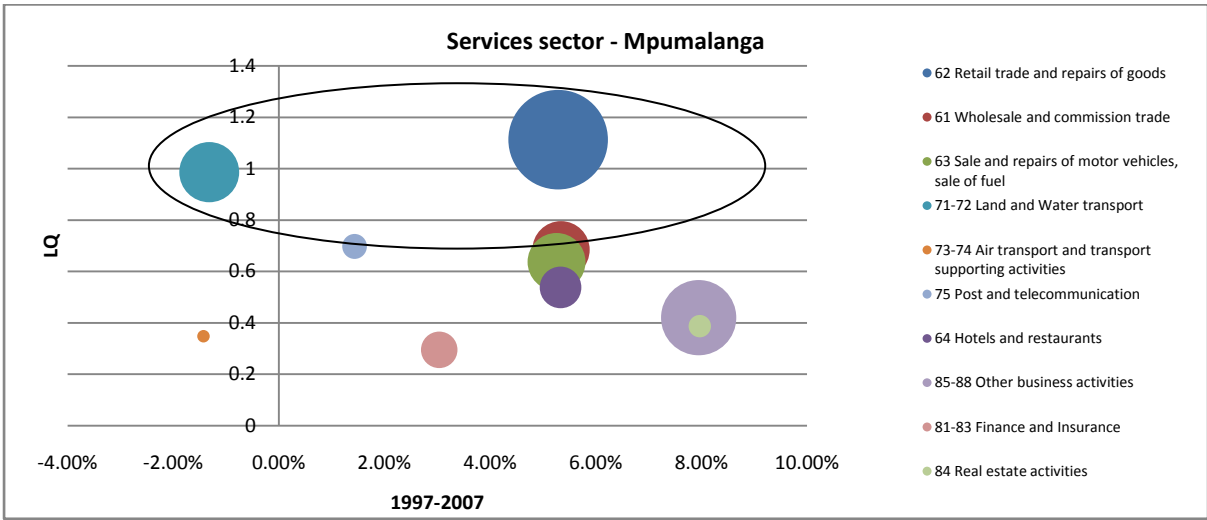




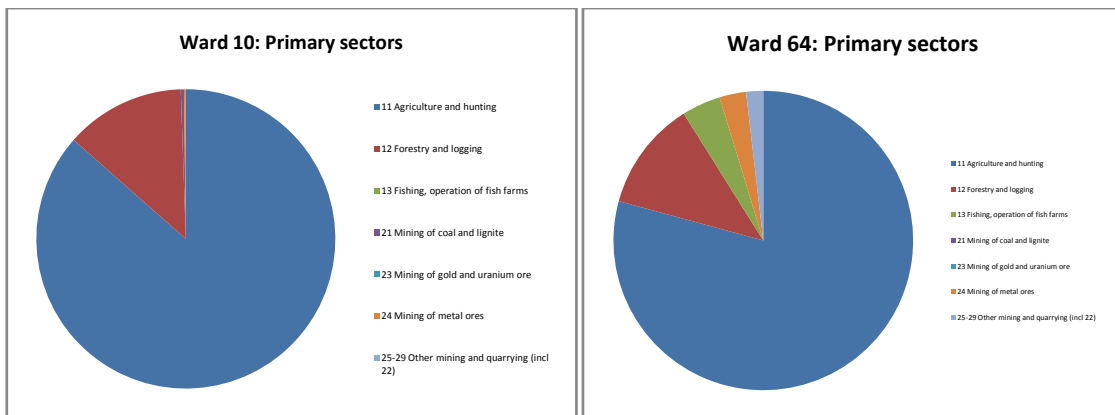
In comparison , it is noted that the commercial agricultural sector is performing better in the Northern Suburbs and its relative importance to the region is much higher than the same sector is to the Outer West. The study area's employment seems to be decreasing whereas in the Verulam/Tongaat region, is remains closer to sustainable 0% growth.

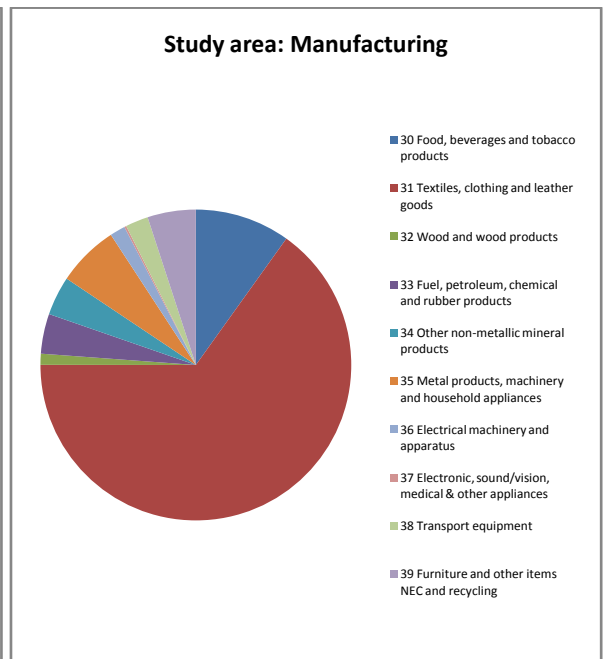
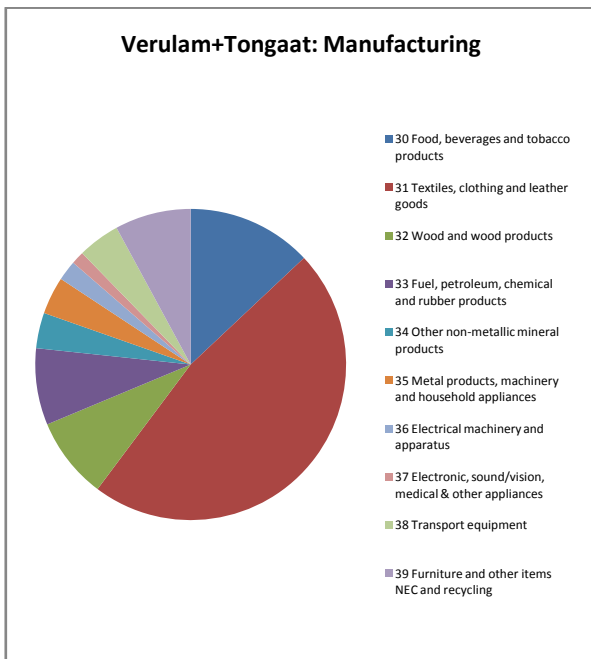
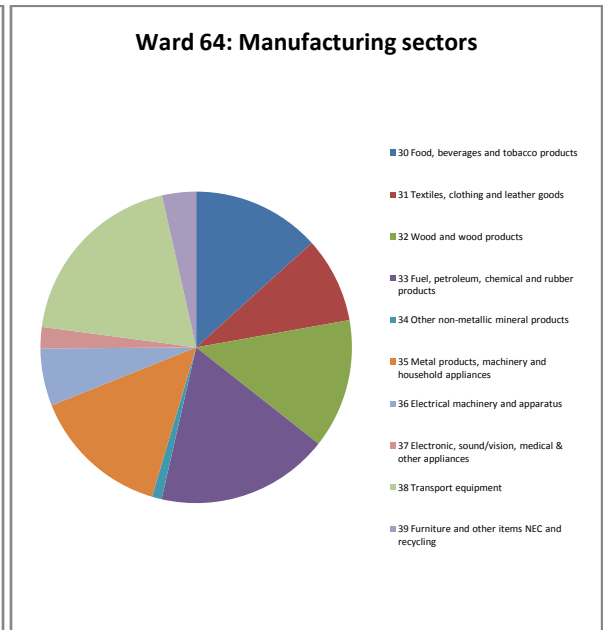
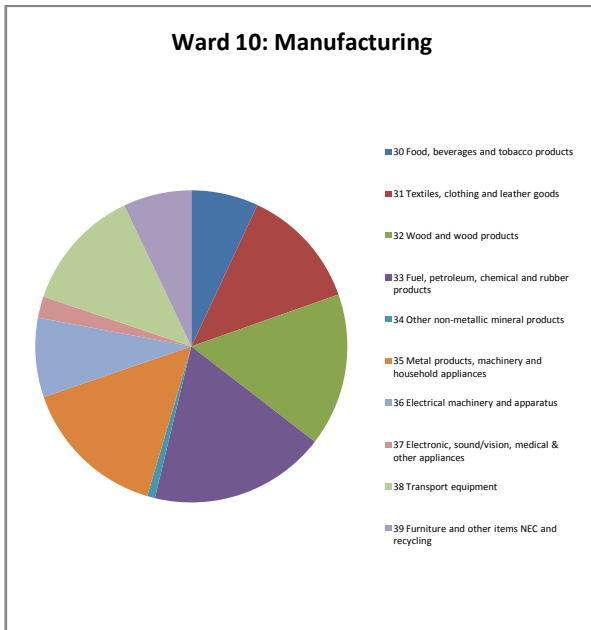
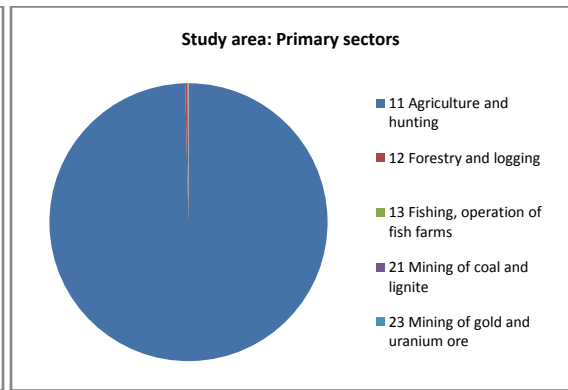
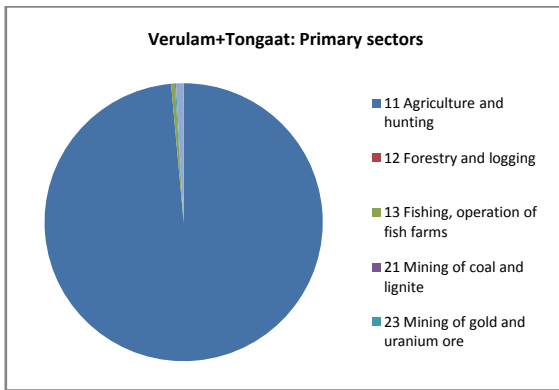


Both regions seem to have strong reliance on the clothing and textiles sector for the bulk of its employment, where the study area is seems to be performing slightly better (however both declining) since 1997. On the other hand, the Verulam and Tongaat region has more manufacturing sectors that are increasing uptake in employment in comparison to the study area. There also appears to be a greater level of manufacturing diversity in the Verulam/Tongaat region.



The services sector seems to be much more diverse and important to overall employment growth in the Verulam/Tongaat region, whilst the study area appears to be more specialized towards the retail and transport services sector. A closer comparative inspection of sectoral employment profiles of Wards, 10, 64, Verulam/Tongaat; and the study area shows interesting results.





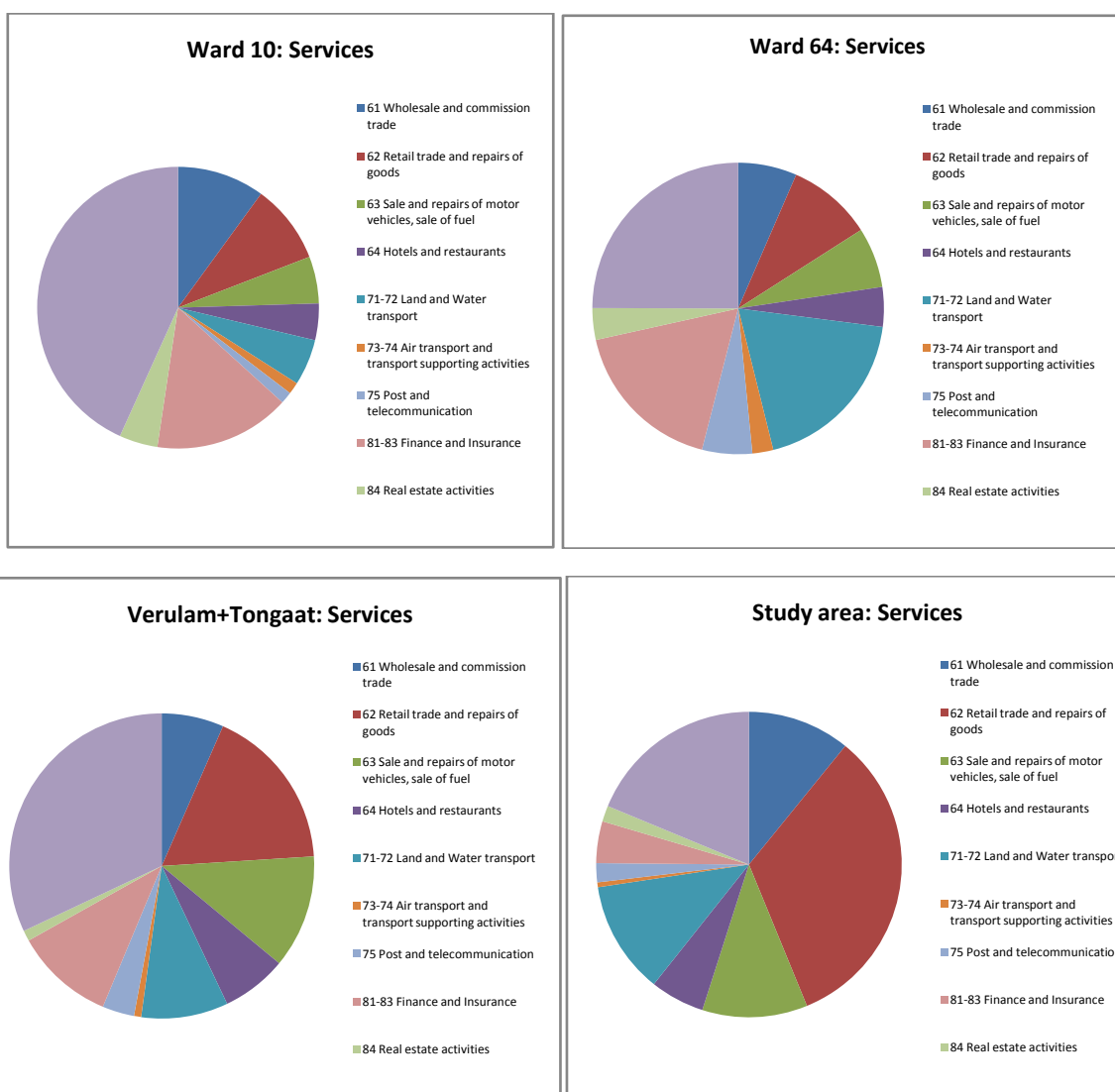


Table 75: Comparative township analysis

	Ward 10	Ward 64	Verulam/Tongaat	Study area
Population	23,864	27,267	58,426	127,935
No. of formal dwelling units	7,438	8,014	13,389	21,564
No. of formal dwelling units per population	3	3	4	6
Literacy levels	69%	66%	57%	48%
HH dependency ratio	1.5	1.7	2.3	4.1
GDP 2007				
	1,476,344	2,322,336	2,730,496	1,709,518
GDP per capita				
	61,865	85,170	46,735	13,362
HH income 2007 (total - potential⁵)				
	2,193,627,536	1,213,281,708	744,912,389	630,400,904
HH Income per capita				
	91,923	44,496	12,750	4,928
Assumed⁶ Gross Fiscal burden p.a. (selected items)	16,075,964	13,787,242	93,549,107	163,609,346
Gross Fiscal burden per capita p.a. (2007 estimates selected items)	674	506	1,601	1,279
Fiscal burden as % of total HH income per capita	0.73%	1.14%	12.56%	25.95%

⁵ ESTIMATED USING INFO PROVIDED BY CPU 2007 (IDP DATA)

⁶ SOCIAL GRANTS FOR LOWEST INCOME GROUPS + FREE BASIC SERVICES COSTS FOR ALL GROUPS + HEALTH COST PER CAPITA FOR LOWEST INCOME GROUPS (NATIONAL ESTIMATES IN 2005 – R101.7 PER CAPITA)

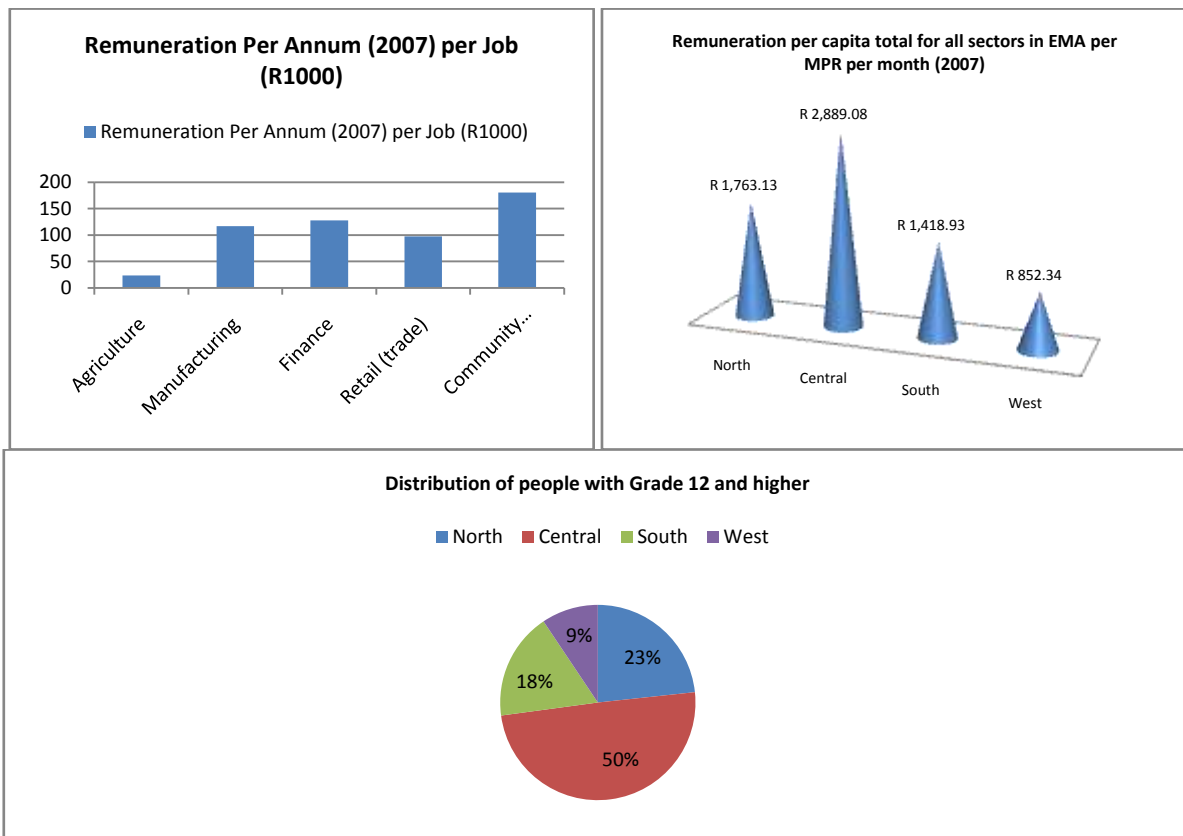
8.5. Analysis of Township context

The above analysis and observations provide some interest findings for the township regeneration of Mpumalanga as follows:

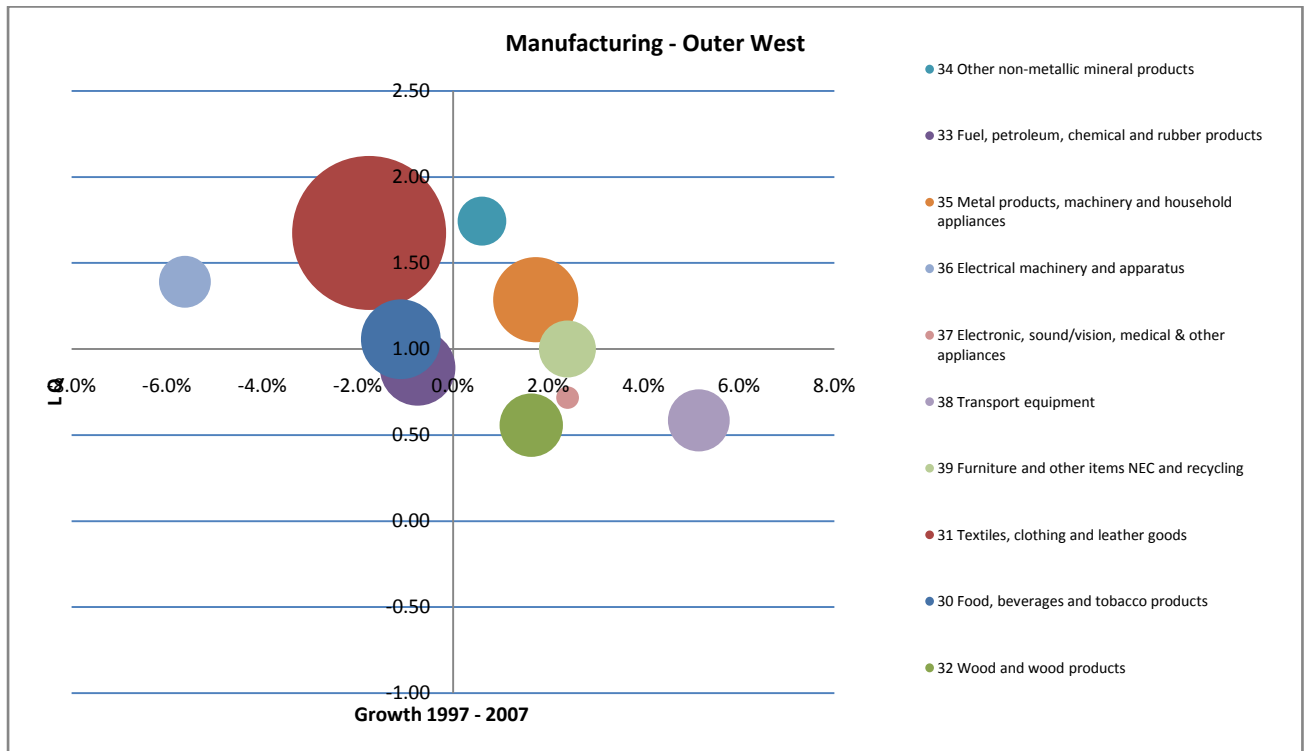
- Regions with lower unemployment levels
 - have a greater reliance on a greater diversity of sectors for employment growth
 - have a greater reliance on higher order (higher paying) services sector employment in comparison to other regions where services sector employment is linked to the retail sector
 - have a larger proportion of higher and middle income households than those areas with higher unemployment levels
 - have lower HH dependency levels
 - have a higher contribution to GDP of the region
 - have a lower fiscal burden on the state
 - have higher literacy levels
 - have a greater access to formal housing
 - have a higher household income levels
 - have a lower proportion of household income recycled towards addressing basic needs in the area, allowing resources to be invested in other value adding initiatives

By comparing the past spatial development policies with current frameworks for development planning in the EMA, a number of 'corrective' proposals could be generated to support the need for regeneration of the study area.

- **Increasing the proportion of higher income groups in the local area:** In 2005 the notion of inclusionary housing was mooted by national government to give effect achieving a better balance of race and class in new residential developments. One of the instruments available to government in ensuring that future developments are balanced and integrated, is that of the proposed "Town planning compliance (TPC)" policy for developers. In Ethekwini the draft policy framework for new residential developments states that, residential developments in excess of 10 high income units the minimum compulsory prescription for inclusionary housing will vary between 10% and 30%.
- **Attracting services sector employers into the study area:** It is assumed that the services sector provides greater / higher levels of remuneration when compared to manufacturing sector wages in the EMA. Furthermore, the services sector employs higher skilled individuals and encourages accommodation of higher skilled individuals in regions where the sector is developed.



- **Increasing economic diversity:** Where there exists a greater diversity of economic sectors there may be instances where performing sectors absorb job losses experienced in non-performing regions.



From the above indicators, the following points are important:

- To change the household income levels in the study area, there is a need to substantially increase the number of 'new' higher and middle income households
- To allow for services sector growth, there is a need to improve the skills levels in the study area
- To increase the diversity of the area, there is a need to grow all sectors in the local economy

9. Situation analysis - Township comparative advantages

A summary of the state of the Townships' comparative advantages are summarised below following a comprehensive assessment of development indicators; interviews with specialists and local entrepreneurs.

- **Commercial agriculture**

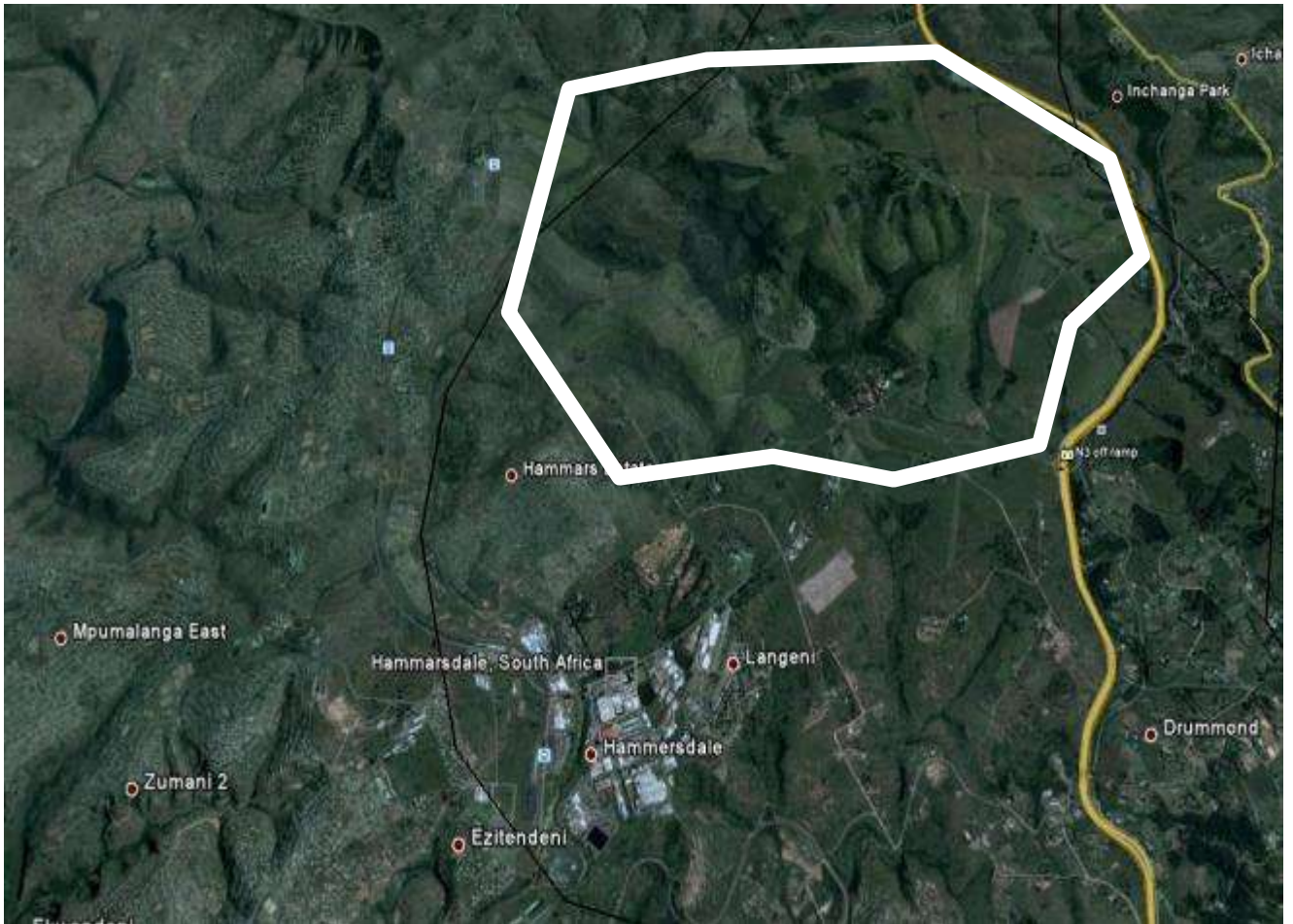
Indicators	Key aspects	Analysis	
State	Local Employment	Employs 1.1% of total study area population Most employees in local sector engaged in Sugar cane farming Typical sugar estate employs approximately 3 people per hectare up to 20 people in certain conditions (however on a causal basis)	
	Local value add	Represents approximately 8.5% of total value add in the study area	
	Land	Sugar cane farming optimized with no further expansion potential Steep topographies and shallow soils	Chicken farming at Rainbow Chickens Contained within industrial complex Requires industrial zoning for odour control and noise buffering
	Infrastructure	Rain-fed; limited transport infrastructure and bulk services	Requires most industrial services
	Accessibility to business opportunities	Monopolised industry; minimal value chain development within local area – limited to machinery repair, fertilizers and other essential services (outsourced)	Supplier development at minimal levels within locality Supply chain optimized including transport operations
	Skills	Three most important jobs per hectare:	Rainbow established a Maths and Science Incubator programme at

Indicators	Key aspects	Analysis	
		<ul style="list-style-type: none"> Fertilizing Weeding Cutting Not an employer of higher skills	Mpumalanga College to ensure that students in the local area can enter the engineering fields – future employees
	Income levels	Low wage sector – minimum incomes levels range from R1,090.00 – R2,500 per month	Higher paying skilled employment
	Comparative advantage	Sugar cane farming	Extensive clustering of Rainbow facilities and processing plant in Outer West
Drivers of change	Local Employment	Declining employment with increasing minimum wages – increasing casualisation	Poor education levels in local community impacts on the barriers to entry as employees of Rainbow
	Local value add	Increasing costs of fertilizers on shallow soil farming impacts on the profitability of the local sugar cane sector in the study area	Increasing demand for processing opportunities
	Land	Improvements in profitability dependent on increasing the land quantum which would decrease the input costs of production – size economies (spread of transactional costs over a larger area)	Increasing demand for land for additional production and chicken farming (see Annual Report and Investor presentation to understand Rainbow implications)
	Infrastructure	Future climatic conditions and rainfall shortages may raise the need for additional irrigation, which would further raise input costs	Increasing technology improvements to ensure World Class operations Odour and noise buffer control, waste water capacity.
	Accessibility to business opportunities	Low yields and impacted by transport distances to Sugar Mills	Linkages with EPOL, animal feed industry, and Unitrans transport
	Skills	Increasing competition in the global sugar industry driven by improvements in cultivating technology and cost of fertilizers. Improved mechanisation will lower labour requirements and lead to further job losses in the sector especially on flatter land	Requires higher skills levels and engineering related
	Income levels	Increasing wages will reduce the attractiveness of full-time workers.	As per AGRI-South Africa determinations for animal husbandry (minimum wages) More senior management levels and staff within these categories as compared with sugar cane farming
	Comparative advantage	Regions further away from processing plants that are experiencing input cost pressure will become less attractive as sugar cane farms in the future	Growth in national consumer demand
Development pressures	Local Employment	Increasing job losses and tension between retained employees and retrenched employees	Lack of skills in local area. Local labour impacted by HIV
	Local value add	Farms will be forced to seek alternative income generating opportunities to remain financially sustainable and resilient over the long term	Likely to grow in future
	Land	Increasing pressures from real Estate sector, conversion of agriculture land for commercial housing, industrial and office developments	Likely to demand additional land for farms
	Infrastructure	High costs of bulk services provision	Likely to place pressure on water; waste water; and electricity
	Accessibility to business opportunities	New opportunities within the real estate value chain (construction, building materials, maintenance, etc.)	May present downstream opportunities within the processing industry

Indicators	Key aspects	Analysis	
	Skills	Real estate opportunities to attract high, and middle income groups as residents, as well as jobs to the local area through industrial and office development	Need to empower local communities to take advantage of job opportunities
	Income levels	Pressures to improve employment levels and introduce higher income levels to the region	Improved skills likely to increase income levels
	Comparative advantage	Loss of sugar cane farming to industrial, office and residential activities	Further processing and downstream retail
Impacts in absence of any interventions (likely scenario)	Local Employment	Disruptions on farms, disputes and tension amongst employees. Major effort required to recruit employees with lower risk to farm operations.	Labour absorbed from outside regions
	Local value add	Farmers most likely to opt for real estate opportunities in local area – conversion of agricultural potential	No apparent threat to value add
	Land	Land will become less attractive for commercial sugar cane farming and reach sterilization with massive maintenance costs in terms of management of invasive species and vandalism	Expansion of farms may occur outside of region – possible outsourced contract farming
	Infrastructure	Currently minimal infrastructure with limited utilisation once farming operations are minimized	Infrastructure capacity to deteriorate over time
	Accessibility to business opportunities	Local service sector will be impacted by reduced farm operations	Outsourcing and downstream opportunities may occur outside of local area
	Skills	Lack of incentive for high skills development – lack of attractiveness as labour absorber	Labour attracted from outside of local area as a result of low skills base
	Income levels	Fewer income generating employment opportunities within the local area as a result of reducing profitability of farms in the future. Reported stock theft, vandalism of property and burning of cane.	Leakage through employment from outside regions
	Comparative advantage	Loss of sugar cane potential – need for diversification	Loss of opportunity for downstream clustering

In summary, commercial chicken farming remains viable and has a higher growth potential than sugar cane farming in the local area. The commercial chicken farming sector has the ability to employ additional individuals from the local area as it is able to expand in the Outer West where land may be made available. On the other hand, commercial agriculture has limited expansion potential and employment potential is rather limited. The local sugar cane farming sector may hold the potential for further business expansion of the commercial chicken farming industry, but not vice versa, i.e. the relinquishment of chicken farms for sugar cane farming is not a viable option. In essence, the commercial chicken farming sector may be preferred as a desirable agriculture sector over sugar cane in the local area as it employs additional people and has a greater potential for value adding (GDP) as well as opportunities for supplier development. The commercial chicken farming sector behaves similar to that of certain manufacturing sectors in terms of remuneration, skills requirements and sustainable employment. Furthermore, chicken farming can be viewed more as a more favourable food security product than that of sugar cane.





- **Subsistence agriculture**

Indicators	Key aspects	Analysis
State	Local Employment	Few individuals involved in retail of fruit and vegetables
	Local value add	Limited market gardening in local area however existence of small scale maize farming and food security related
	Land	Subsistence farming on freestanding residential plots and limited activities on vacant land
	Infrastructure	Some rain water harvesting tanks.
	Accessibility to business opportunities	Limited security / fencing Market provided in Hammersdale however operating conditions seem to be in derelict condition
	Skills	Provided by NGOs and CBOs at minimal levels
	Income levels	Food security related to household
	Comparative advantage	Availability of land at household and vacant sites within the local area
Drivers of change	Local Employment	Individuals forced to grow produce with low market value due to theft i.e. demand for high value produce will drive employment opportunities in the local area
	Local value add	Minimal observations in the local area, except for retail at taxi ranks i.e. greater demand for a diversity of products will drive value adding
	Land	Residential units on steep topographies and susceptible to erosion hence loss of productivity
	Infrastructure	Communal growing may drive changes in the local area i.e. poor land use management will drive changes to farming in the future Diverse crop production and livestock / chicken farming at household level determined by the level of infrastructure and security in area i.e. diversification

Impacts in absence of any interventions (likely scenario)	of produce will drive changes to infrastructure requirements	
	Accessibility to business opportunities	Fruit and vegetable market geared towards products that are not grown at household level however saturated with traders that retail limited products i.e. need for diversity will drive change in practices
	Skills	Limited opportunity to trade through specialisation within food security sector e.g. trade one product for another product. Food security and nutritional requirements will drive changes in skills.
	Income levels	Lack of income to develop / diverse products and protect high value crops/produce contributes to produce of low nutritional value; prone to pests and alien vegetation i.e. affordability drives change in area
	Comparative advantage	Encroachment of alien species and loss of agriculture potential, including increasing poverty and malnutrition will drive changes in household agriculture
	Local Employment	Lack of other employment opportunities in the local area and sector places pressures on the community to further engage in food security opportunities
	Local value add	Need to produce crops of nutritional and market value
	Land	Arable, safe and fenced areas
	Infrastructure	Water provision and fencing
	Accessibility to business opportunities	Market stalls, small business processing and food preparation facilities (juicing, herbal products, other)
	Skills	Need for better environmental management
	Income levels	Need for specialized produce for income generating activities
	Comparative advantage	Utilization of Ngoyama trust land; council vacant land; other private sector land donations
	Local Employment	Limited opportunities arising out of food security initiatives
	Local value add	Food security will remain at low nutritional levels and limited opportunity for value adding
	Land	Land degradation arising out of poverty and food security practices that are linked to over cultivation of low value crops. Soil erosion and loss of potential. Growth of pests.
	Infrastructure	Lack of infrastructure will further impact on food security productivity and mismanagement of rain water harvesting infrastructure
	Accessibility to business opportunities	Limited fruit and vegetable retail opportunities concentrated amongst few viable traders
	Skills	Poor farming practices at household level
	Income levels	Further loss of income potential. Poverty coupled with malnutrition
	Comparative advantage	Sterilized and vacant land invaded by alien vegetation

In summary, subsistence agriculture has a place within this local area based on the number of poor households in the local area and lack of income opportunities. On the other hand, subsistence agriculture is under extreme threat, in that opportunities to improve on the nutritional value of subsistence farming are discouraged by a lack of security in the local area. The general lack of security is caused through a growth in unemployment, poverty and the lack of livelihood generating skills in this sector by other individuals who are more likely to contribute towards livestock and vegetable theft in the area. Furthermore, informal retail trade of fresh produce in the local area is dependent on a supply of products from outside of the local area thereby discouraging the development and production of local market gardening. Another major threat to subsistence agriculture is the lack of environmental management, even at the household level. An observation of properties in the local area, especially within residential suburbs concentrated with low income (subsidy) housing shows that properties are not fenced; verges unkempt and overgrown; and the presence of informal footpaths leading to houses on slightly steeper properties have all contributed to poor drainage, further erosion and the encroachment of alien invasive species at the household level.



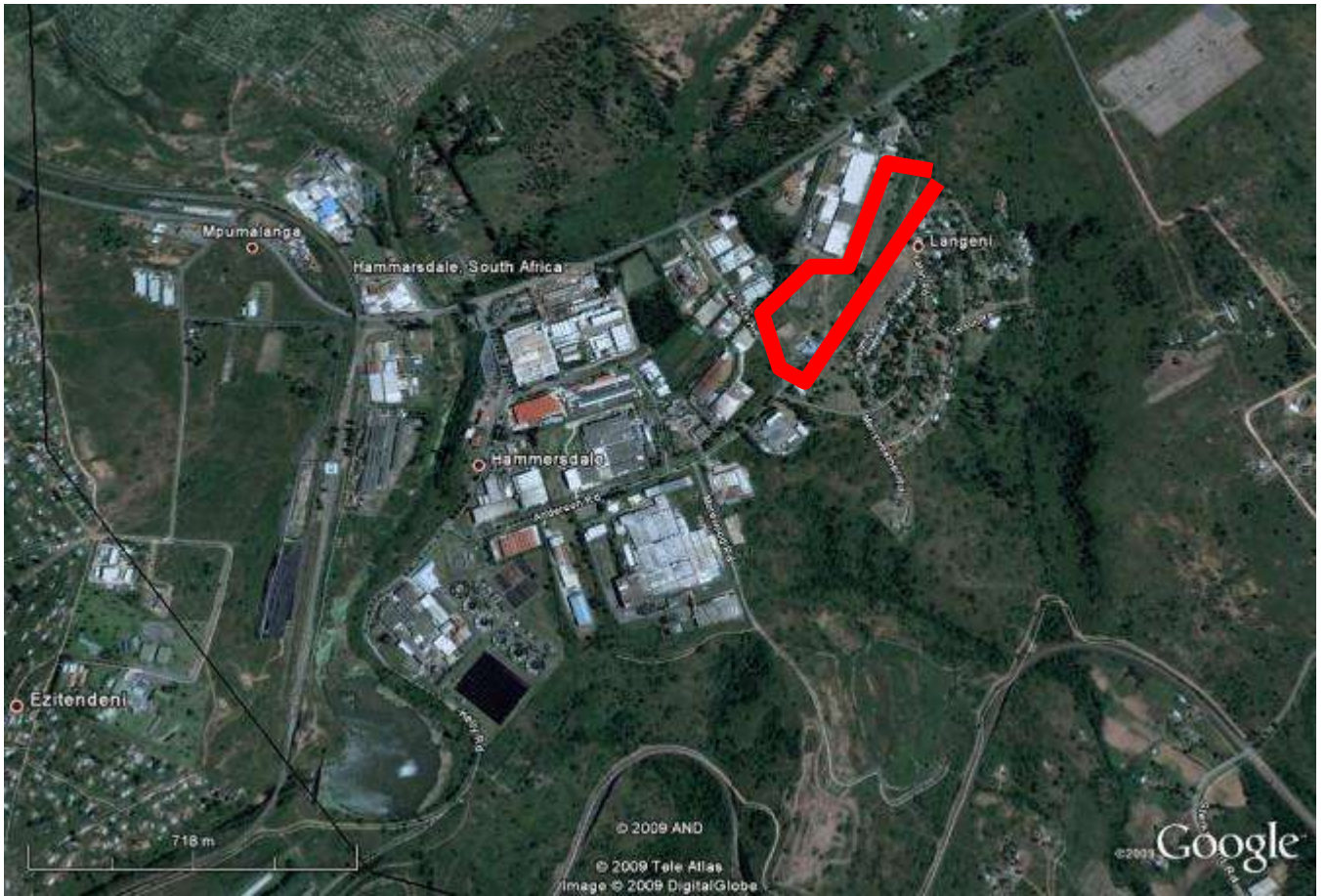
- **Manufacturing sectors**

Indicators	Key aspects	Analysis
State	Local Employment	Approximately 4% of total study area population
	Local value add	Concentrated within the Food production and Textiles sectors (with some metal, machinery and household appliance products)
	Land	Dedicated industrial complex within Hammarsdale with small business hives and specific sites zoned for General Business and Light industry within Mpumalanga Hammarsdale industrial has some spare industrial capacity of mixed proportions to accommodate approximately 190ha of industrial development. Small business hives in the township area are under utilised and in some cases vacant. Perception of high crime levels impacting on investment
	Infrastructure	Dedicated waste water treatment works. All other services intact. Landfill closed at Hammarsdale.
	Accessibility to business opportunities	Major concentration of Textile firms and a few clothing firms within locality, i.e. downstream industry. Food production linkages exist between EPOL and Rainbow Chickens. There are a few private sector driven community and social amenities and a few chemical and rental equipment firms in the local area.
	Skills	Narrowly dependent on the Textile mills in the local area.
	Income levels	Relatively high minimum wage levels
	Comparative	Textiles manufacturing

Indicators	Key aspects	Analysis
	advantage	
Drivers of change	Local Employment	Local employment highly dependent on threatened sectors such as Textiles
	Local value add	Region is highly dependent on threatened sectors
	Land	Region perceived to be specialized Textiles area. Limited development diversity. Comparatively lower land prices
	Infrastructure	Perceived to be geared towards Textiles industry only.
	Accessibility to business opportunities	Lack of industrial land / availability in Central regions of the municipal area may drive change in local area; however the level of specialisation and presence of threatened concentrations of Textiles firms limits further business opportunities from locating within locality. Need for suppliers to be closer to mainstream manufacturing operations.
	Skills	Future investment limited as a result of lack of diverse experience and skills in the local area
	Income levels	High household dependencies on specialised sectors may be impacted in situations where these sectors are further threatened
	Comparative advantage	Further global economic competition may impact on Textiles sector and contribute to further loss of comparative advantage
Development pressures	Local Employment	Need to spread dependencies to other sectors within manufacturing economy
	Local value add	Need for value chain diversity and strengthening in all sectors
	Land	Need to provide cleaner and safer business environments. Need to address air odour quality in the local industrial complex.
	Infrastructure	Need for additional waste water treatment capacity
	Accessibility to business opportunities	Need for additional income generating activities with high small business multiplier effects and downstream opportunities
	Skills	Need for skills with limited barriers to entry as education levels in local area are somewhat limited – foundation skills in all sectors required for future business investment / attraction
	Income levels	Need to diversify dependency on less threatened / more stable economic sectors
	Comparative advantage	Pressures to improve manufacturing diversity in local area
Impacts in absence of any interventions (likely scenario)	Local Employment	Brain-drain to other regions outside of the local area with further / higher household dependencies in township area
	Local value add	Region may become further specialised in food production centred around the few firms as textiles sectors decline
	Land	Land may be sterilised and encroachment of incompatible uses such as illegal dumping and bush encroachment
	Infrastructure	Limiting new investment in the region
	Accessibility to business opportunities	Region may remain stagnant and under-developed with very limited opportunities within the Mpumalanga area. Business services will continue to be provided from outside of local area
	Skills	Brain-drain to other employment attraction areas
	Income levels	Increasing household dependencies and poverty
	Comparative advantage	Region will be further threatened in situations where industry closes down and or relocates

In summary, the manufacturing sector in the study area has a number of limitations however the most apparent challenges exist due to a lack of adequate land within close proximity to the N3 and within a secure environment. The reality of future investment in the area is determined by the apparent negative perception of high crime rates within the Mpumalanga township area where there is a remaining stock of vacant industrial land.

Furthermore, the existing Hammarsdale industrial area is currently saturated with investment however rental space is available within this zone.



There may be opportunities for infill developments however most of these would be limited to small scale mini-factories varying in size from 350sqm to 800sqm. On the other hand, a recent report published by Rode and Associates (2007) notes that “there is a growing demand for larger stands and buildings among expanding corporates. An interesting anomaly is beginning to occur across a number of South Africa’s more popular industrial townships: larger industrial buildings are commanding higher rental rates per m² than their smaller counterparts”. It is further understood that major office developments are also demanding larger spaces, however within areas of high public visibility and improved transport accessibility. One of the major issues facing the study area is the lack of manufacturing diversity and employment choice.





A review of industrial location choices provides some guidelines for the optimal location of industry as follows:

- ✓ **Favourable market access**
- ✓ **Comparatively lower labour costs**
- ✓ **Proximity to a regional highway and or freeway**
- ✓ **Tendency to locate near new road transportation corridors**
- ✓ **Relatively flat land**
- ✓ **Access to high capacity electricity and water supplies**

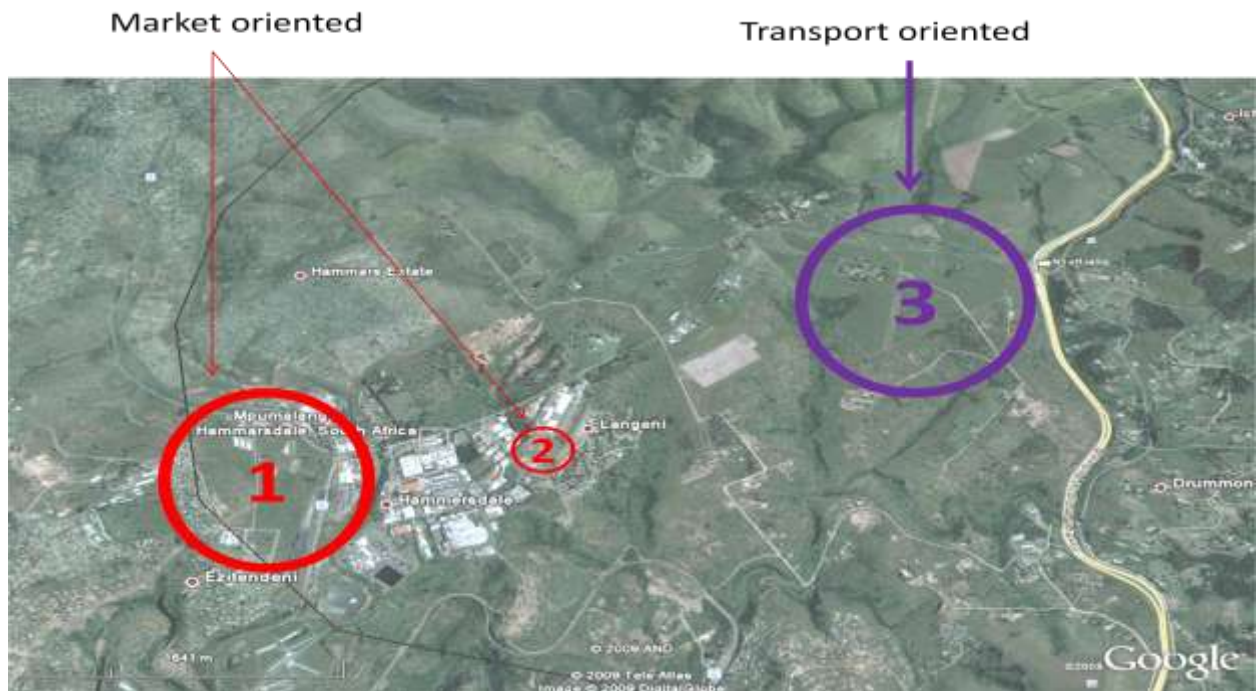
In terms of specific sub-sector requirements, the following facts are important:

- **Bulky Goods** - require frontage to arterial or sub-arterial roads.
- **Utilities sector** - no particular requirements with location often determined by compatibility with adjacent land uses.
- **Wholesaling** - requires close proximity to arterial roads, highway access and prefers lower cost industrial sites.
- **Transport** - prefers lower cost industrial land and reasonable access to arterial road network.
- **Communications** - location is usually determined in relation to access to telecommunications linkages particularly broadband cable and fibre optic cable location.

American researchers, Kinnard and Messner (1971) have identified five categories of users of industrial space on the basis of the dominant criteria used in their location selection process:

- i. market-oriented, which represents industrial space users located strategically with respect to the final consumers of their products
- ii. resource-oriented, which represent industrial space users located close to resource inputs required for their production activities, such as raw materials or specific types of energy sources
- iii. transportation-oriented, including industrial space users where transportation cost is the most important location consideration
- iv. labour-oriented, including industrial property users for which labour availability, proximity and/or costs are the major concern, and
- v. footloose, including industrial firms that are not restrained by any of the above factors in terms of choosing a location

In the case of study area, and the general eThekweni metropolitan area, the greatest demand for industrial land is derived from transport-oriented industrial space users, specifically owing to the logistics advantages presented by the Port of Durban and the future Dube Trade Port. Other industrial space users are market-oriented whereby their dependencies are closely aligned with the immediate demand of the vicinity. To this end, the following conclusions can be drawn:



- **Area 1:** Market oriented towards the local community and may hold opportunities for retail sector alignment and supply of products and services, which will be consumed by general population
- **Area 2:** Market oriented towards the local industrial sector's outsourcing and servicing requirements \
- **Area 3:** Transport oriented towards manufacturing and supplying to other manufacturers, assemblers, distributors in the municipal planning region, as well as for export purposes. There may also be opportunities for further processing of imported material, where land prices closer to the Port and Dube trade Port is relatively expensive.

Lastly, as the MR385 remains as a public transport corridor, larger transport oriented industrial land users would prefer to locate closer to the national freeway (N3) to ensure minimal conflict and congestion arising from retail and passenger transport closer to the residential areas of the study area.

- **Retail activity**

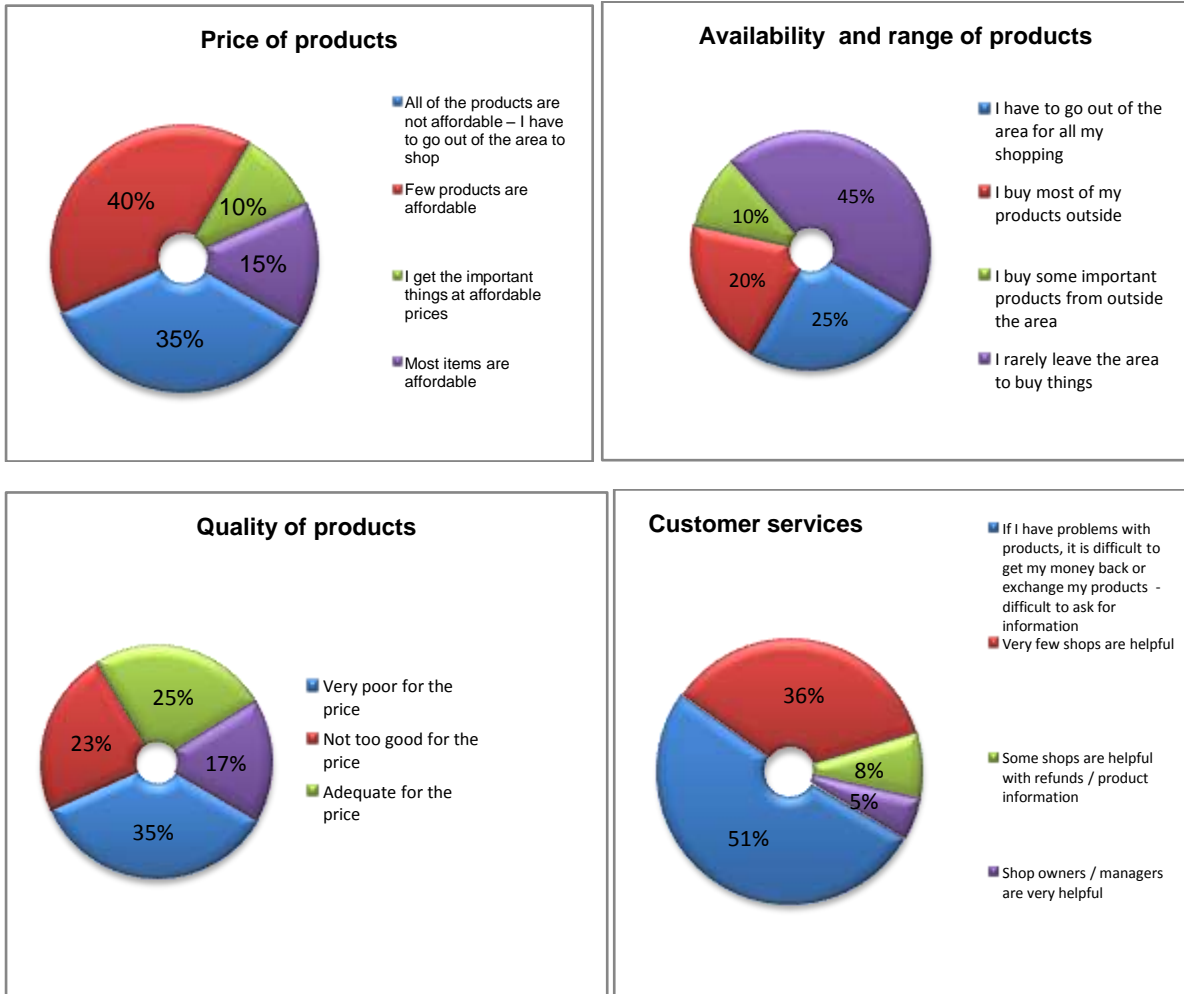
Indicators	Key aspects	Analysis
State	Local Employment	Limited opportunities exist in the local area. Two medium sized retail outlets in the study area and a number of neighbourhood / corner cafés. The vast proportion of retail sector employment is concentrated within the informal sector and within the container-spaza type outlet Existing retail / corner cafes are owner operated

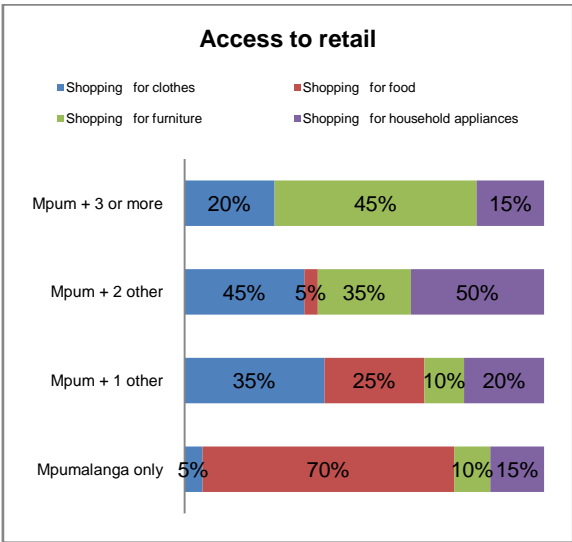
Indicators	Key aspects	Analysis
	Local value add	Limited local product development within study area that is being retailed – exceptions exist in the fresh produce and products prepared by Rainbow chicken. Existing retail / corner cafes are currently selling basic necessities such as bread, milk, cold drinks, and some groceries.
	Land	Currently a few dedicated sites for value shopping, however a future retail node is being developed within the New Town Centre project area. There are smaller developments that are being planned by the private sector within the Hammarisdale area. Current corner cafes are in derelict condition and within residential suburbs
	Infrastructure	Major retail nodes along the MR 385 with excellent accessibility through to Cato Ridge. Existing corner cafes are within walking distance of residential units and in most cases far from major / main taxi routes
	Accessibility to business opportunities	Currently business opportunities are quite limited with a few grocery outlets in the local area. The area is limited in terms of convenience food outlets and take-away facilities. On specific observation was that of a shipping container used as a burger and chips outlet within the residential area. Other opportunities remain as corner cafés and small liquor outlets. Two convenience stores are located within existing petrol filling stations along the MR 385. A community survey revealed that except for some groceries, most shoppers visited Durban and Pinetown at least once a month to purchase clothes; furniture and other food items. Existing retail / corner cafes have capacity and space to add on additional services and functions
	Skills	A community survey outlined the challenges experienced with local retail; such as poor quality services; limited marketing and product information; limited customer satisfaction and high costs for poorer quality products. Existing corner cafes are predominantly owned and operated by a single family and the skills are oriented towards the community retail market. There may be a limited understanding of electronic equipment in the retail sector such as operation of till points; public wireless phones and Lotto Machines, etc.
	Income levels	Buying / purchasing power was relatively low in the local area, hence the need to ensure that purchases were made on a sustainable basis. Individuals also pointed out that retail sector remuneration was considerably lower in the local area, in comparison to Durban and Pinetown. Existing retail / corner cafes are at survivalist stage
	Comparative advantage	The local retail sector is comparatively insignificant within the context of the retail economy for the Outer West. Retail trade jobs including the sale of fuel and motor vehicles is roughly 1600 jobs within the study area.
	Drivers of change	Local Employment
Local value add		There is a need for additional retail sector diversity related to convenience stores; furniture; clothing; food outlets; take-away, etc.
Land		Balancing the need for Township redevelopment through National Treasury as well as the restricted development policies of the eThekweni local council outside of urban core
Infrastructure		The need to meet the housing and social facilities backlog in the township drives the need for additional retail facilities in line with a growing population
Accessibility to business opportunities		Existing corner cafes may be driven to change their business models allowing more credit to community as well as adding on additional (diversified) services which may not be affordable and sustainable, e.g. computer access / internet café; hair salons; food outlets, etc.
Skills		Local corner cafes may need to employ skills for diversification of retail opportunities in response to competition from mainstream retailers.

Indicators	Key aspects	Analysis
	Income levels	<p>The sustainability of retail sectors within the local area depends on the growth of higher income groups in the local area. The introduction of middle income housing will undoubtedly drive further demand for value added retail.</p> <p>Local corner cafes may need to retain consumers within residential areas that have the least amount of income and where necessary those that purchase on credit.</p>
	Comparative advantage	Local corner cafes may be driven to target lowest income groups – and this may further threaten their existing advantage where there is currently a lack of retail opportunities in these nodes
Development pressures	Local Employment	<p>Pressures exist on the developers and retailers to employ from within the local community.</p> <p>Pressures exist on local corner cafes to close down in light of increased competition</p>
	Local value add	<p>Pressures exist on the developers and retailers to partner / provide platforms for retail opportunities linked to local beneficiation, especially products emanating from the community</p> <p>Pressures exist on local corner cafes to retain consumers within residential areas – foot traffic</p>
	Land	Corner cafes within walking distance of the proposed New Town centre may experience pressure to close-down as competition from new town centre grows
	Infrastructure	Pressures exist to ensure that the development of the Town Centre is prioritized as a catalyst for economic growth and overall township rejuvenation.
	Accessibility to business opportunities	Pressures exist to ensure a wide range of retail and services opportunities for local entrepreneurs and the unemployed.
	Skills	Pressures exist on the community to become available / prepared for future retail sector employment
	Income levels	Pressures exist on local corner cafés to retain cash customers
	Comparative advantage	Pressures exist on local corner cafés to retain their share of the pedestrian residential market
Impacts in absence of any interventions (likely scenario)	Local Employment	<p>Employment may be sourced from outside study area where future retail is planned / developed.</p> <p>Local corner cafés may be forced to close-down and increase in informal trade as a result of surplus stock</p>
	Local value add	<p>Limited product marketing for good produced in study area</p> <p>Local corner cafés may be forced to stock up on the lowest quality goods with marginal returns which will further depress their ability to maintain their buildings</p>
	Land	<p>Limited local access to business premises</p> <p>Local corner cafés may become vacant and derelict over time – turned into residential units to derive income</p>
	Infrastructure	<p>Limited captive market / lack of outside spending in local area</p> <p>Local corner cafés may lose pedestrian traffic to availability of taxi service</p> <p>Local corner cafés may experience further blight and property deterioration</p>
	Accessibility to business opportunities	<p>Limited multiplier effects and economic spillovers on to local community.</p> <p>Local corner cafés may be further threatened by taking on risks associated with products and services that they have no experience in retailing</p>
	Skills	<p>Opportunity costs of not providing adequate skills to take advantage of retail, services and construction sector employment</p> <p>Local corner cafés may require upskilling or employ skilled individuals to perform tasks associated with new service offering which will increase overheads (within a risky low income business environment)</p>
	Income levels	Further income leakages associated with employees from outside of study area
		Further depression of local corner cafés as their target markets change in reliance (to more credit based consumers within low income groups – credit crunch foreseeable as credit is provided to unemployed and lowest income

Indicators	Key aspects	Analysis
		groups)
	Comparative advantage	Heavy reliance on local consumer demand may threaten sustainability of local retail sector as the local area is predominantly lower income groups Local corner cafés will cease to exist in the future

In summary, a lack of value added retail will force people to seek products from outside of the local area as well as other recreational activities. This may impact on the amount of income that is retained in the local economy, recycled for further local investment and ensure overall sustainability of the local economy. Existing retail is further threatened by a lack of quality service provision and product differentiation for the poor. A number of surveys were undertaken to determine the local community's experiences with retail sector in the local area, the results of which are presented below.

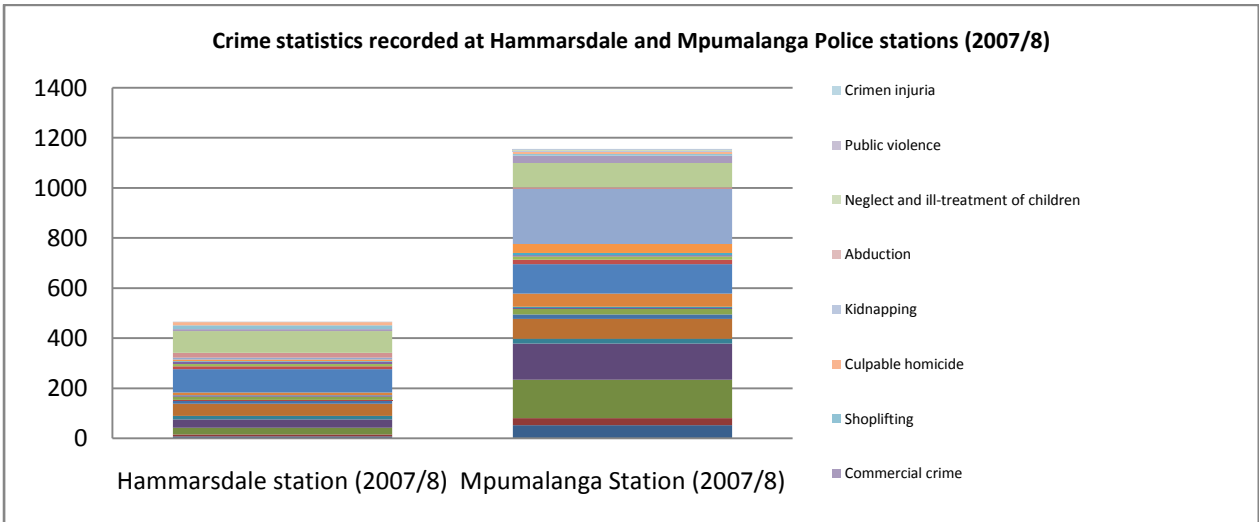


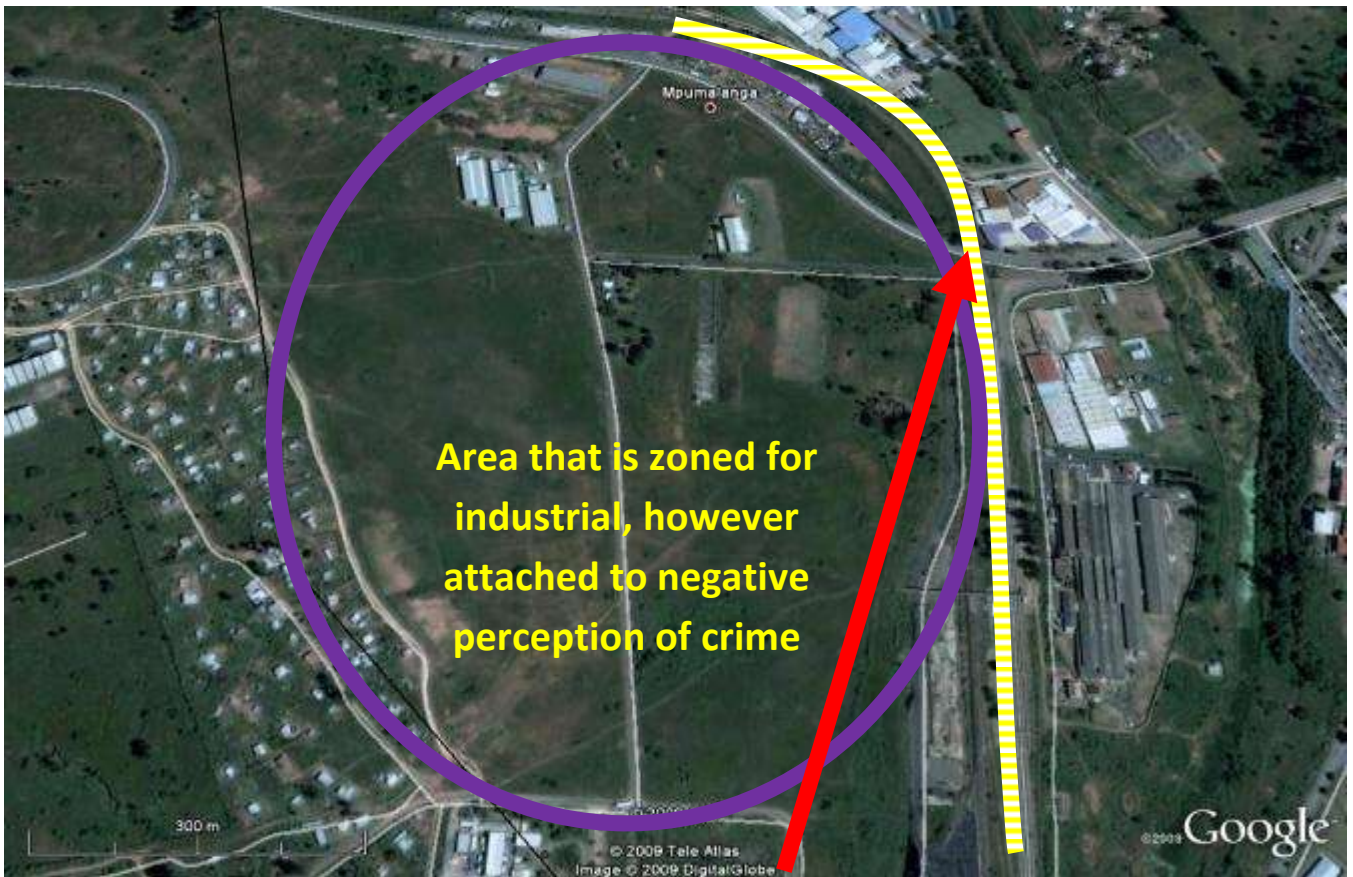
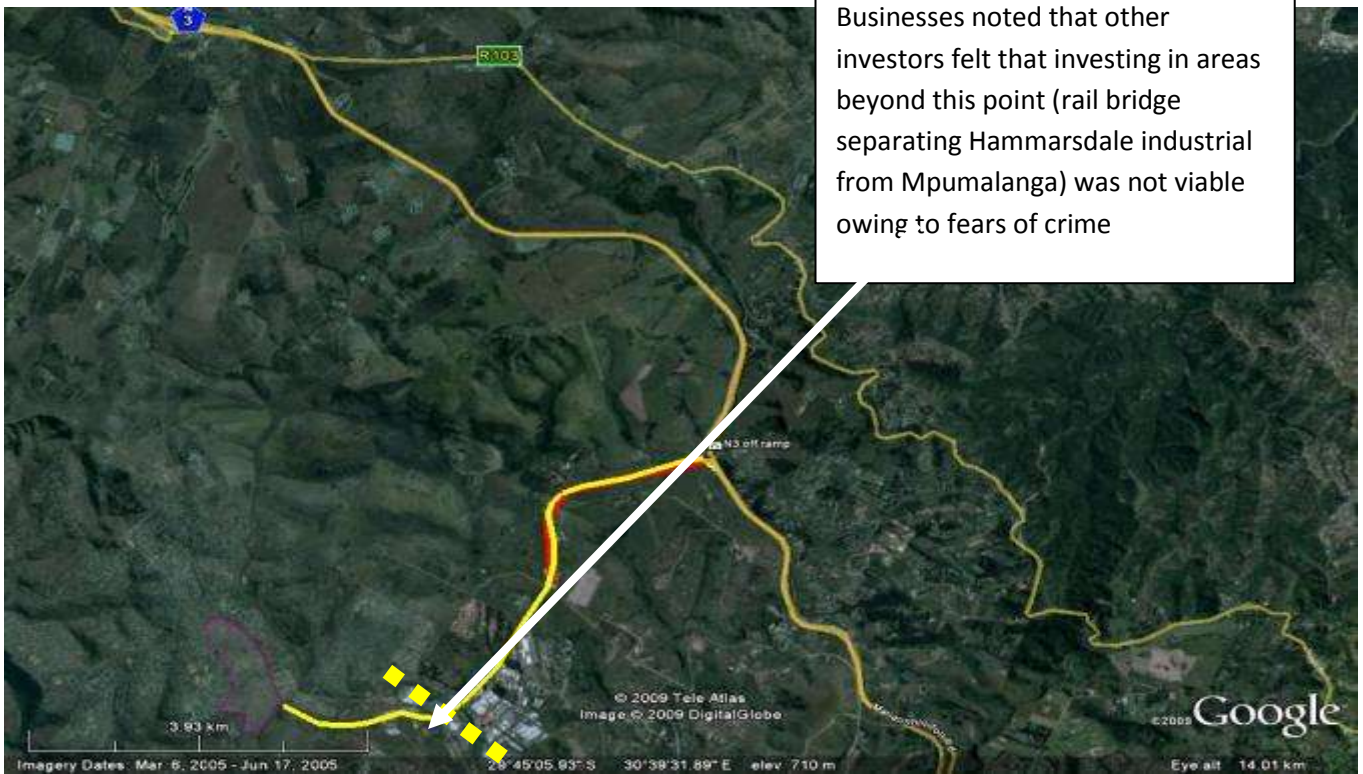


From the above analysis it is apparent that individuals often travelled to other centers for value added items, however for food and other day to day essentials they were most likely to stay in the study area.

10. Investment challenges – crime perception

An analysis of crime rates recorded in Hammarsdale versus the Mpumalanga areas are depicted by the graph below.





INVESTMENT PERCEPTION "EDGE"

Towards this, it is important to note that crime prevention interventions and safer design principles are required for the study area. Furthermore, it is important to ensure that major investment projects are located on the periphery of the township to give greater confidence to future investors.

11. Investment challenges – environmental issues that need to be addressed

An analysis of the environmental challenges to investment is summarised as follows:

- **Topographical** – the region is relatively undulating with large parcels of flat developable land. This topographical situation may allow for good drainage in the local area
- **Biodiversity** – Some of the areas have noticeable impacts of alien plant invasion and future developments will be required to implement a conservation management plan. In addition to this, the study area has occurrence of natural vegetation which is of a specialist type, i.e. Ngongoni Veld. It is important that where possible, this veld type be conserved as it also forms part of the eThekweni Open Space system. Other areas are cultivated as sugar cane plantations.
- **Road infrastructure** – currently the main road MR385 has limited capacity however it is currently operating below its potential. Furthermore, there may be a need to upgrade the diamond interchange linking the study area to the Inchanga area as well as the N3 eastbound to Durban and westbound to Pietermaritzburg
- **Electricity provision** – Notwithstanding the current energy crisis being experienced nationally, electricity supply would be required within any new areas identified for development. There are proposals for additional substations as developments are proposed in the Outer West
- **Water** – future supply to the study area will be provided through the Western Aqueduct
- **Sanitation** – The Waste Water and Sanitation Services Department indicates that there may be spare capacity at the Hammarsdale treatment works to cater for additional developments, however there needs to be a phased approach to priorities up to 2014
- **Stormwater** – there seems to be very little stormwater challenges in the local area
- **Solid waste** – DSW indicates that any future developments will be easily accommodated and there is sufficient capacity at the Shongweni landfill to transfer waste from the Hammarsdale transfer station
- **Heritage and cultural aspects** – There appears to be several grave sites in the area, however a proposal by the eThekweni municipality to establish a new cemetery may provide opportunity for the relocation of these sites. On the other hand, authority is required from AMAFA going forward.
- **Land claims** – all development proposals should undergo a land claim assessment, however there seems to be very limited challenges in the local area

Whilst it is not the focus of this study to prepare a set of mitigation strategies for environmental management, it is important to highlight the need for project specific Environmental Impact Assessments. This strategy does however motivate the need to assist future developers in fast tracking their applications in this regard.

12. The “low road” Township scenario for Mpumalanga / Hammarsdale

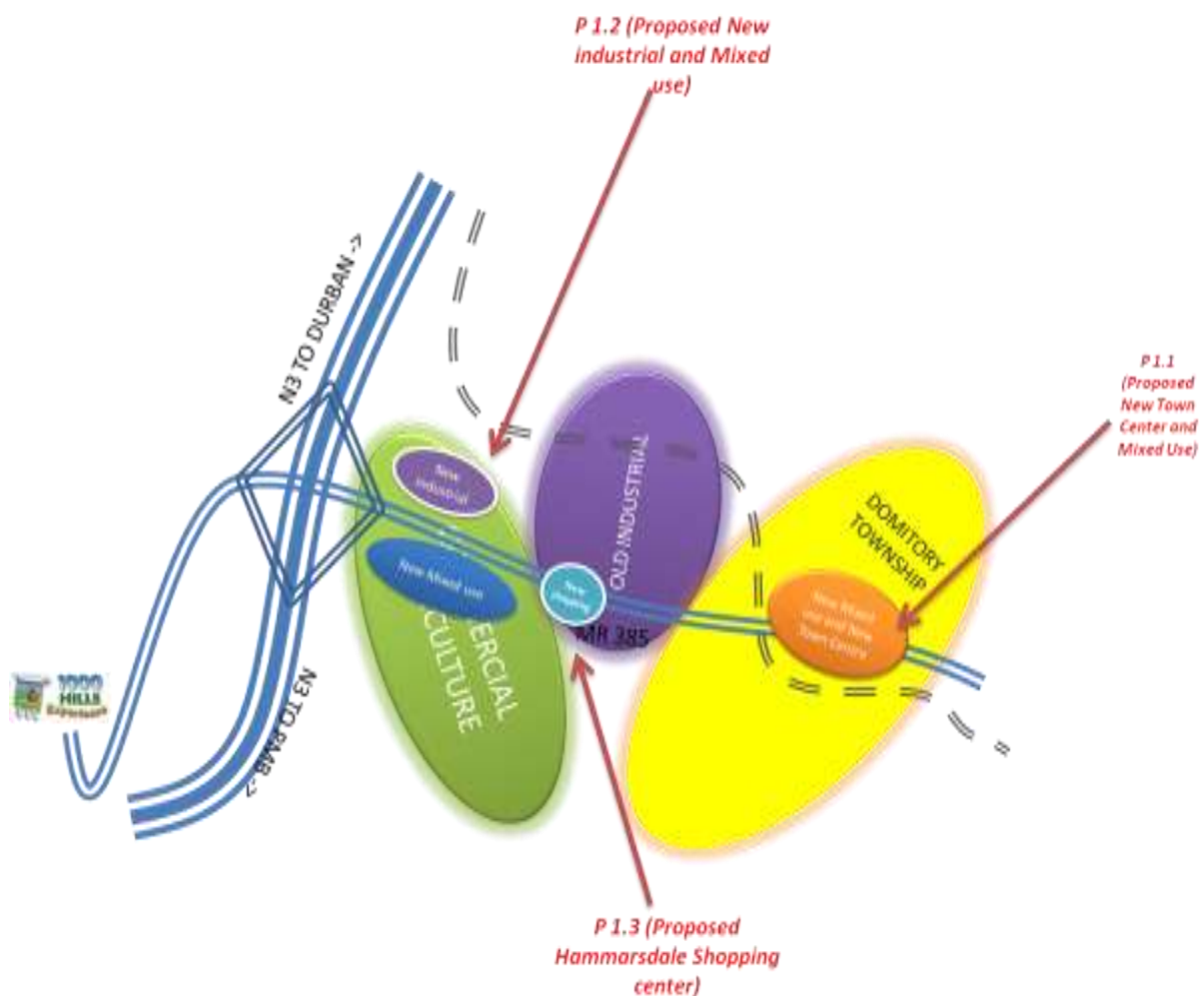
The analysis presented thus far provides some useful insight into the future of the study area in the case that ‘no change’ occurs with the local economy. A ‘low road’ Township situation can be described as:

Key elements of a local economy	Likely ‘low road’ scenario
Employment	Slow growth less than 1%
Unemployment	High unemployment reaching 50% of the population
Poverty	High poverty levels; low levels of food security and limited livelihoods
Household incomes	Remaining the worst affected township region in eThekweni – lowest buying power
GDP	Relatively weak and under threat if dependent on textiles sector
Skills and education	Brain drain to other areas offering better services and employment
Economically active population	Under threat from HIV and reduced employability
Youth	Despondent and vulnerable to low career development – better skilled will relocate outside of local area
Elderly	Increasing dependency on informal support offered by NGOs
Housing	Low income and low value add – low property values
Retail	Low quality, high prices, lack of convenience and contribute to further commuting and leakage
Manufacturing	Limited diversity and value chain development
Services	Mainly retail access related and few community services
Government	Mostly geared towards health, poverty and social development
Community and social services	Low value and dominated by the not-for-profit sector
Industrial land	Remain vacant and under-utilised
Agricultural land	May come under threat from international competitors and rising costs of fuel, fertilizer, pesticides, and other inputs

Key elements of a local economy	<i>Likely 'low road' scenario</i>
Infrastructure	Remain public sector oriented and discouraging investment. May force business away if telecoms and waste water not provided
Community and social facilities	Minimal provision and forcing community to seek opportunities outside of local area – income leakages
Overall impact on community / township lifestyle	<ul style="list-style-type: none"> A. Area will remain dormitory township (residential area for low income and unemployed people) eventually contributing to commuting between areas of work opportunity and residence on a daily basis B. Economically active may relocate to regions closer to employment areas and contribute to overcrowded settlements and squatting in these regions. They may be forced to sell or rent out their low income units to generate income C. Area will attract rural population seeking urban employment opportunities, as local community rents/sells their homes for income required to sustain their lifestyles when migrating to job centres D. Area will be a reserve for unemployed people

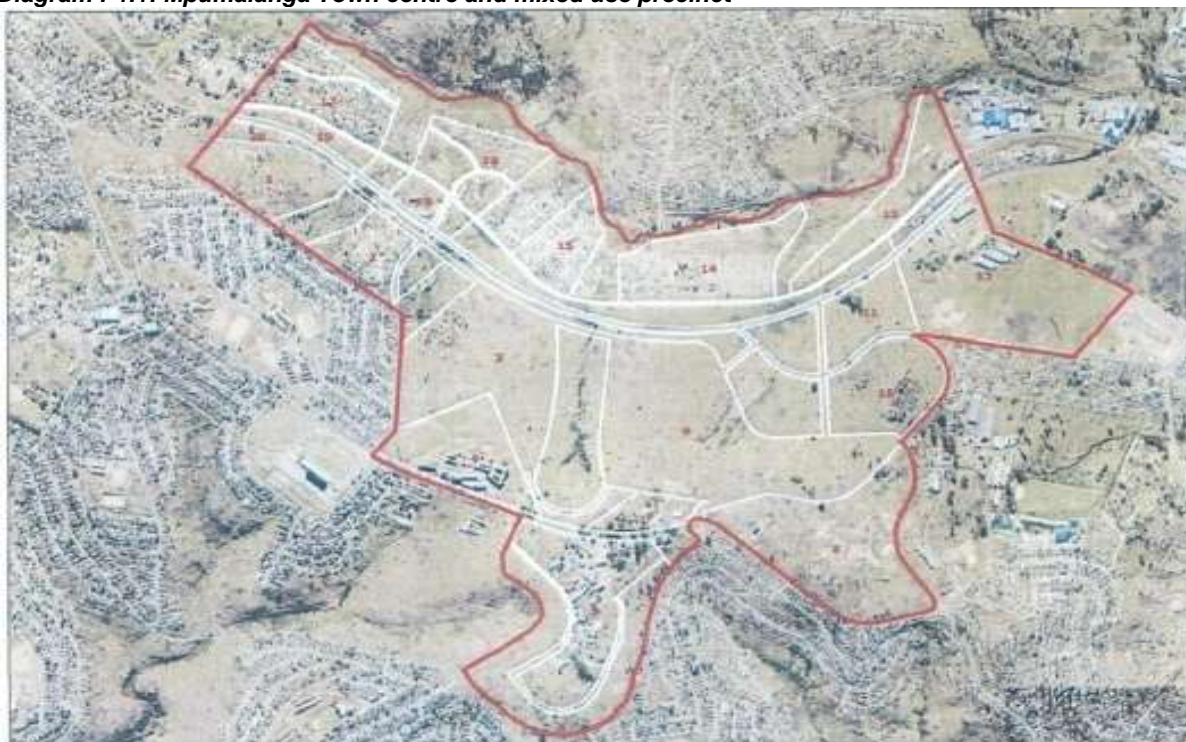
13. Township regeneration opportunities

While the presentation of initial findings have painted daunting and grim reality of “not doing anything” towards local economic development in the study area, a number of proposals have been tabled at the eThekweni Municipality, earmarking an period of renewed interest in the local area.



These proposals are described conceptually by diagram P1 and further detailed plans presented as P1.1 – P1.3 below.

Diagram P1.1: Mpumalanga Town centre and mixed use precinct



According to the Draft development concept report for the Mpumalanga Town Centre precinct, the project seeks to meet the following key objectives:

- A business and services centre which is the symbolic and thriving commercial and service hearth of the Mpumalanga functional district
- An identifiable character and environmental quality which provides identity, dignity and economic opportunity for all communities of Mpumalanga
- A destination for residents within, and visitors from outside of, Mpumalanga and the Outer West

Further to this, the economic values for development (which are contained with the key planning principles) are noted as follows:

1. Reinforce / expand / enhance the sustainability and attractiveness of existing clusters of activity
2. Promote and enable equal access to amenity and economic opportunity for all stakeholders in the greater Mpumalanga area
3. Encourage productive and sustainable use of existing land and infrastructure
4. Provide for both existing and future stakeholder needs in the mix of uses in the precinct
5. New developments should compliment and reinforce developments in surrounding residential and business neighbourhoods

<u>Zones proposed for precinct</u>	<u>Intention</u>	<u>Land uses</u>
Mixed use business	Creation of a zone that will accommodate mixed retail and form an urban business focus area for the precinct.	Mixed retail, Offices, Markets and associated public transportation and parking. May include medium/high density residential with business.
Mixed use civic	The creation of a zone that will provide for business uses, civic and social uses to compliment the character of the proposed new mixed used node of the precinct.	Limited Retail, Offices, Civic and Social Services. May include higher density residential above civic and social uses.
Mixed use residential	The creation of a zone that will provide for mixed density residential development but also permit special social facilities.	Medium and high density residential. Regional health and /or Education.
Residential 1	Creation of a zone to accommodate the low density residential areas located alongside the Sterspruit.	Special residential

Residential 2	Creation of a zone to accommodate new medium and high density residential development suitable to support and contribute to the new mixed use node of the precinct.	General Residential, Intermediate Residential and Special residential.
Industrial	Creation of a mixed use industrial zone to provide a suitable buffer between the hammarsdale Industrial area and proposed new residential areas.	Light and Service Industrial, Art and Crafts Workshops
Civic and social	Formalisation of the existing mixed administration and services node which caters for municipal, state and community facilities.	Place of Worship, Library, education, Limited Commercial, Community Hall, Clinic, Administration Offices, Police Station, Public Transportation Facilities.
Institution	Formalisation of the existing Tertiary Education node	Education and associated facilities for training, sport and recreation.
Public open space	Creation of a zone which provides for unrestricted but controlled use by the public.	Public parks, squares and recreation areas.
Conservation reserve	As per Outer West Consolidated Town Planning Scheme	Protection of Wetlands, floodplains and establishment of integrated open space system (DMOSS)
Amenity reserve	As per Outer Consolidated Town Planning Scheme	Protection of Wetlands, floodplains and establishment of integrated open space system (DMOSS)

In terms of proposal P1.2, which includes middle and upper middle income, residential, mixed use (ranging from medium density housing, to office, retail and light industrial) and industrial uses, the layout of the proposed development is outlined by diagram P1.2 below.

Diagram P1.2: Proposal to convert commercial agriculture to mixed use and industrial uses



Further to this, the proposal P1.3 is presented by diagram P1.3 and offers:

- 3500m² of Motor Retail
- 11 000m² of General Retail
- 7 000m² of Value Retail

- 50 965m2 of open areas, parking, roads and service areas

Diagram P1.3: Proposed Hammarsdale shopping centre – preliminary designs



In terms of future employment opportunities within the study area, the key proposals for development are assessed using an employment space benchmark model for the EMA:

<i>Major landuse category</i>	<i>Land utilisation</i>	<i>Jobs per hectare</i>	<i>Potential Job impact</i>
Industrial	1,035,000	59	17,542
Community and social	247,500	13	19,038
Retail	56,000	29	1,931
Other Services	195,000	20	9,750
	<i>Total</i>		48,262

According to the employment space benchmarks adopted for the EMA 2009 (in spatial economic plan); the operational phase of the abovementioned developments may contribute to approximately 48,262 jobs (sustained per annum). In order to calculate the construction sector employment, an analysis of the average building cost is determined for each development type and applied to the eThekweni Municipality's Construction sector multipliers (as determined for the Social Accounting Matrix). The analysis also adds the estimated infrastructure costs associated with these developments. The analysis indicates that approximately 78,000 jobs direct indirect and induced jobs will be created as a result of the construction programme. These impacts will be felt throughout the EMA and in all the sub sectors related to the construction sector. Approximately 54,800 jobs will be derived directly within the local construction sector over the duration of the project.

Sectors	Labour Multipliers				Direct + indirect + induced
	Direct	Indirect	Direct + indirect	Induced	
Building construction	6.62	2.18	8.79	0.60	9.39
Civil construction	6.51	1.34	7.85	0.67	8.52
Community & social services	1.40	0.43	1.82	1.20	3.02

Costs for total proposals	Direct	Indirect	Direct + indirect	Induced	Direct + indirect + induced
Building (cost Millions)	54,110.79	17,792.21	71,903.00	4,895.68	76,798.68
8180					
Sanitation (costs Millions)	281.08	85.81	366.89	241.25	608.14
201.4					
Solid Waste (costs Millions)	2.79	0.85	3.64	2.40	6.04
2					
Water (costs Millions)	82.34	25.14	107.48	70.67	178.15
59					
Electricity (costs Millions)	12.56	3.83	16.40	10.78	27.18
9					
Roads (costs Millions)	325.49	66.99	392.47	33.58	426.05
50					
Total jobs	54,815.06	17,974.83	72,789.88	5,254.36	78,044.24

In terms of the capital expenditure which also includes the residential development programme, the total bulk potential is estimated at 1,617,500sqm.

<u>Land use</u>	<u>Bulk (sqm)</u>	<u>Average building cost (BIFSA)</u>	<u>Approximate Cost of development</u>
Residential bulk - low income low density	54000	5941	320,814,000
Residential bulk - middle income high density	277500	7000	1,942,500,000
Commercial bulk	56000	7506	420,336,000
Industrial bulk	1035000	4020	4,160,700,000
Other - institutional bulk	195000	6848	1,335,360,000
Total bulk	1,617,500		8,179,710,000

14. Principles guiding development.

The key questions as posed by the National Spatial Development Perspective (NSDP) and relevant to the Township is answered as follows: .

- ✓ *Where should government direct its investment and development initiatives to ensure sustainable and maximum impact?*

From the analysis presented earlier it is quite apparent that government should be directing its investment in ensuring greater economic diversity in the local area and more specifically **providing access to alternative employment opportunities where existing sources are under threat:**

- **Commercial agriculture:** Ensuring that the threat posed by diminishing returns on commercial agricultural land does not further exacerbate the unemployment and poverty in the local area. Government should therefore seek alternative development options on increasingly non-viable commercial sugar cane farms to ensure future sustainability of the local economy. It is therefore recommended that government invest in opportunities that provide a longer term sustainable job creation alternative. ***In the case of the study area there is a need to trade-off the commercial sugar cane farming practices for longer term employment generating activities.***
- **Textiles manufacturing:** Ensuring that the local community has a lower reliance on a globally threatened economic sector which at the same time exists within a region where other sectors are limited and where the textiles sector itself is relatively small in metropolitan terms. In other words, government should seek alternative development options to encourage the growth and prominence of economic sectors that are not as vulnerable to global competition as textiles is, and where opportunities exist for sectors with lower barriers to job and market entry, especially in regions where communities have the ability to respond to these types of opportunities in the shortest space of time required to lift them out of deep rooted poverty. ***In the case of the study area there is a need to introduce the community to the formal local economy through sectors such as retail, community and social services, where local demand and barriers to entry are the lowest; and thereafter introduce higher value employment, business as well as higher remuneration opportunities to sustain these local economic development systems over the longer term.***
- **Retail services sector:** Ensuring that existing retail sector within the community, which has a higher ability to recycle income and limit income leakages, is not traded off for other retail activity which has the ability to drain / leak local income. Government should therefore contribute towards protecting smaller local retailers from the threats posed by major chain stores by facilitating access to other income generating activities for existing retailers. In other words, government should encourage the growth and development of other community and social services to be initialised within the existing retail system. ***In the case of the study area, community and social services provided to meet the immediate demands of the local community should be integrated with the existing small local retail sector to protect these entities from market failure. Further to this, government should ensure that these community and social services remain high intensity areas.***

- ✓ *What kinds of spatial forms and arrangements are more conducive to the achievement of our objectives of democratic nation building and social and economic inclusion?*

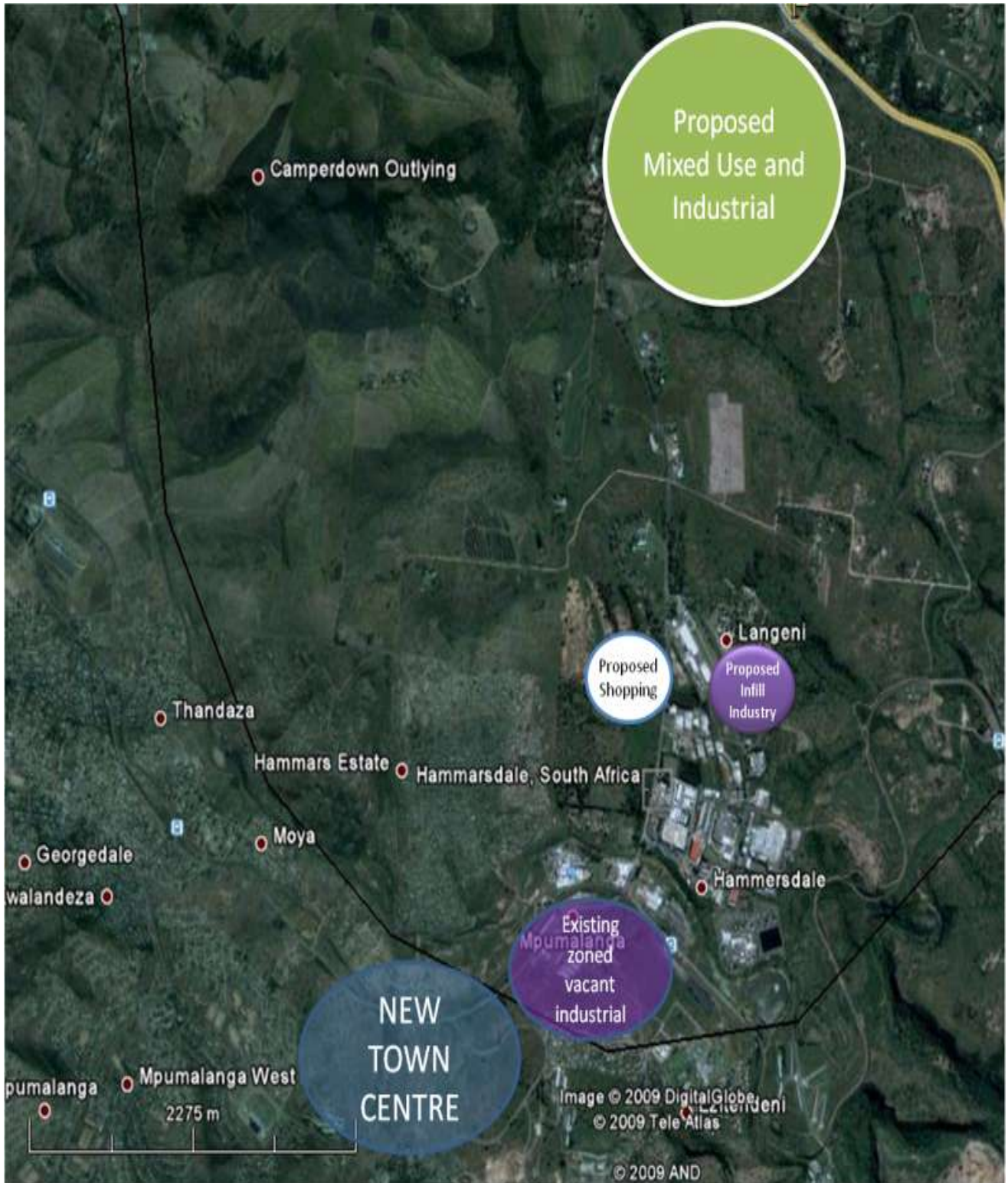
A comparative assessment of various economic regions within the eThekweni municipal area shows that regions with lower unemployment levels exhibit the following socio-economic conditions:

- have a greater reliance on a greater diversity of sectors for employment growth
- have a greater reliance on higher order (higher paying) services sector employment in comparison to other regions where services sector employment is linked to the retail sector
- have a larger proportion of higher and middle income households than those areas with higher unemployment levels
 - have lower HH dependency levels and higher HH income levels
 - have a higher contribution to GDP of the region
 - have higher literacy levels
 - have a greater access to formal housing
 - have a lower proportion of household income recycled towards addressing basic needs in the area, allowing resources to be invested in other value adding initiatives

Towards this, the following spatial conditions are important for the Township Regeneration in the study area:

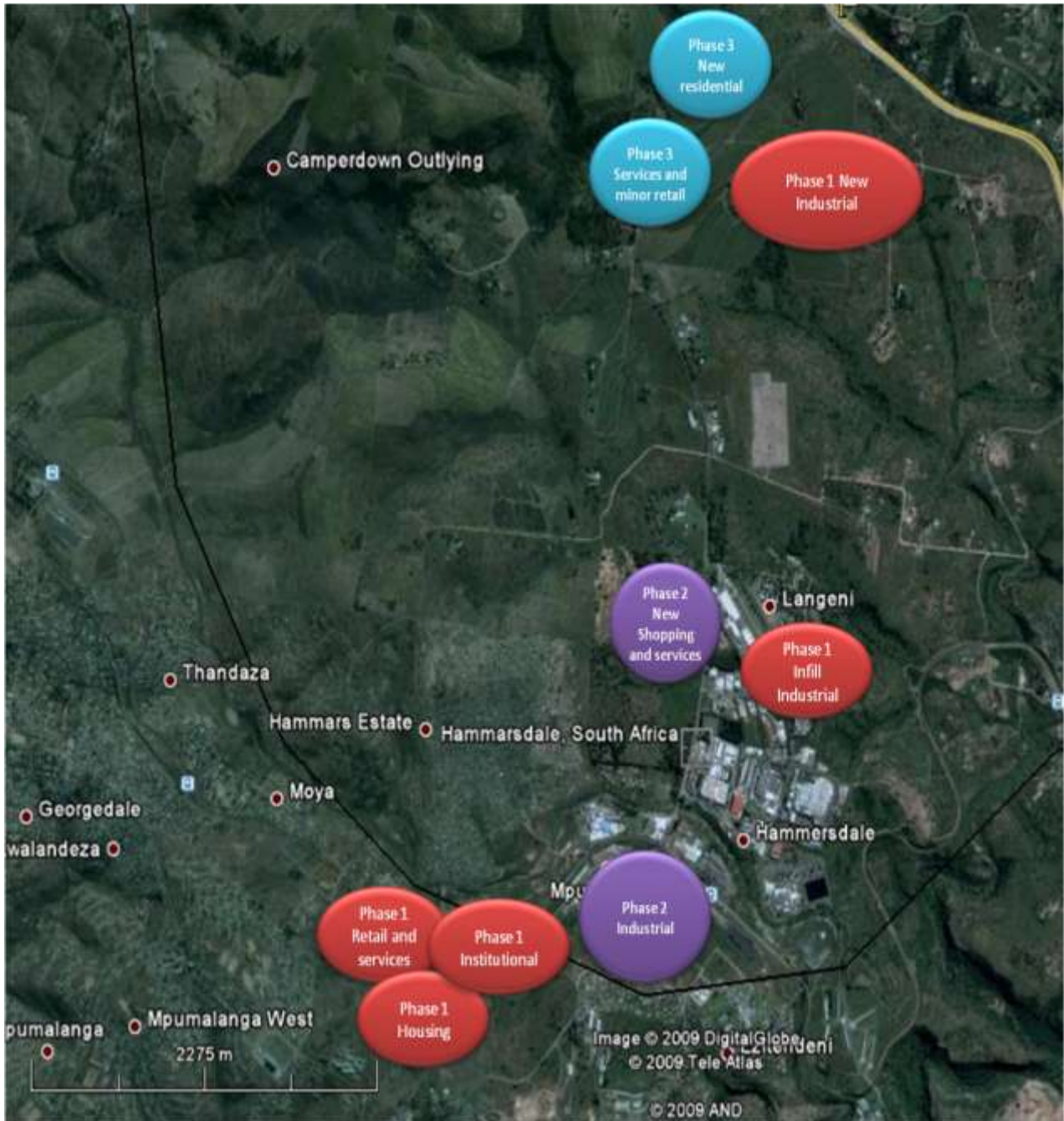
Development	Ability as sustainable stand-alone development	Complimentary development requirement	Options to ensure stand-alone sustainability	Key issue	Phasing probability
Town Centre Retail	No. Will lead to unsustainable retail system in local area	Other attractors of visitors to area, e.g. employees of neighbouring firms and government services	Reduction in size of retail zone provided within precinct and reduction in rights allocated to SMME zone (Block 2 and 18)	Prioritized over other developments in region, however dependent on other developments to ensure overall sustainability	Phase 1: Need for better retail access in local area
Town Centre Housing	No. requires higher income groups working in proximity (high remuneration opportunities)	Town Centre retail and other jobs in local area	Reduction in space provided for medium density relative to the reduced space for shopping centre	Depends on need to accommodate employees with sustainable income / jobs	Phase 1: Dependent on employees from infill; Bartlett farm and Town centre retail
Town Centre Institutional and Services	No. requires provision of Health and Education services to higher and larger number of middle income. Requires other complimentary activities such as retail	Other attractors of visitors to area, e.g. retail and employees of other business	Provision of regional facilities such as Public Hospital and University/ College for the Outer West	Depends on increase in visitors to local area	Phase 1: Coincide with retail visitors and employees of other business in local area
Proposed Hammarsdale shopping	No. Will impact on entire retail system and compete against Town Centre	Growth in higher income residential and employees from neighbouring business	Upgrade to perform function of a regional shopping centre for Outer West	Town centre will be prioritized (supported) by government	Phase 2: Drawcard for additional visitors to the local area and increasing demand from higher income employees in Hammarsdale and Bartlett farm developments
Existing vacant zoned Industrial	No. Primary market orientation towards Town Centre	Growth in Town Centre and secondary market in vicinity	Requires excessive demand by existing Hammarsdale industrialists for suppliers or expansion of existing	Location is unattractive and no apparent local demand – needs to be oriented towards retail supply and industrial services/suppliers	Phase 2: Growth of market-oriented SMMEs to service both retail nodes and some industrial of phase 1 (land suitable for mini-factories)
Infill industrial	No. Primary Market orientation towards Hammarsdale Industrial	Growth in Town centre and demand from Hammarsdale Industrial	Major growth required within textiles and clothing sector for infill development to be sustainable	No secondary market available for small manufacturers	Phase 1: Existing suppliers to Hammarsdale Industrialists will have a first mover advantage of a dual market (town centre and Hammarsdale)
Proposed Industrial on Bartlett farm	Yes. Transport oriented manufacturing, export support, and local linkages with other major industry outside of area	Improvement in road and other bulk infrastructure	Improvement in road and other bulk infrastructure	Lacks infrastructure	Phase 1: Stand alone sustainability
Proposed middle income on Bartlett farm	No. Requires a drawcard e.g. Employment in vicinity	Growth in industrial activity on Bartlett farm	Gated-communities	Needs to develop when employment increases	Phase 3: Increasing demand from higher income groups and entrepreneurs
Proposed office on Bartlett farm	No. Requires industrial expansion	Growth in industrial activity on Bartlett farm	No apparent sustainability potential	Needs to develop from industrial growth and residential demand increases	Phase 3: Growth in economy and overall residential and business demand

Spatial distribution of development proposals for the local area



In terms of the abovementioned spatial recommendations, the figure below provides a conceptual presentation of the phasing probability for these developments.

Phasing and or likelihood of market response to development in the local area



✓ **How can govt as a whole:**

- **Capitalise on complementarities and facilitate consistent decision-making?**

Based on the analysis presented, government should note that these developments have the potential to contribute to the overall economic goals for the eThekweni Municipality, in that, approximately 19,000 jobs are required per annum in the Outer West to meet the overall goal of halving unemployment by 2025. Towards this, the study area has the ability to contribute to the eThekweni's local economic development goals as follows:

- Meet approximately 16% or 3000 of the 19,000 jobs required for the Outer West per annum
- Take approximately 645 households out of extreme poverty per annum through these employment opportunities; which equates to approximately 44% of the total households that need to be taken out of poverty per annum for the entire metropolitan area.

In essence, the greatest impact of these developments would be felt within the poorest households in the metropolitan region. Towards this, government should capitalise on such developments as opposed to regulating these developments in the Outer West.

✓ **How can govt as a whole:**

- *Move beyond mere focusing on integration and coordination procedures to establishing processes and mechanisms that would bring about strategic co-ordination, interaction and alignment? (The Presidency 2006)*

It is recommended that government as a whole can effect change in the study area by prioritising these developments within the eThekweni Municipality's Phase 1 priorities, that is ensure that these proposals are implemented to some extent by 2014. In the event that this area is considered as a priority, then government should develop a mechanism that facilitates market opportunities in the study area.

15. Township vision

In response to the Draft Outer West Spatial development framework and the principles set out by the National Spatial Development Perspective (NSDP), the renewed VISION for the study area should be:

2014 Vision for the Study area

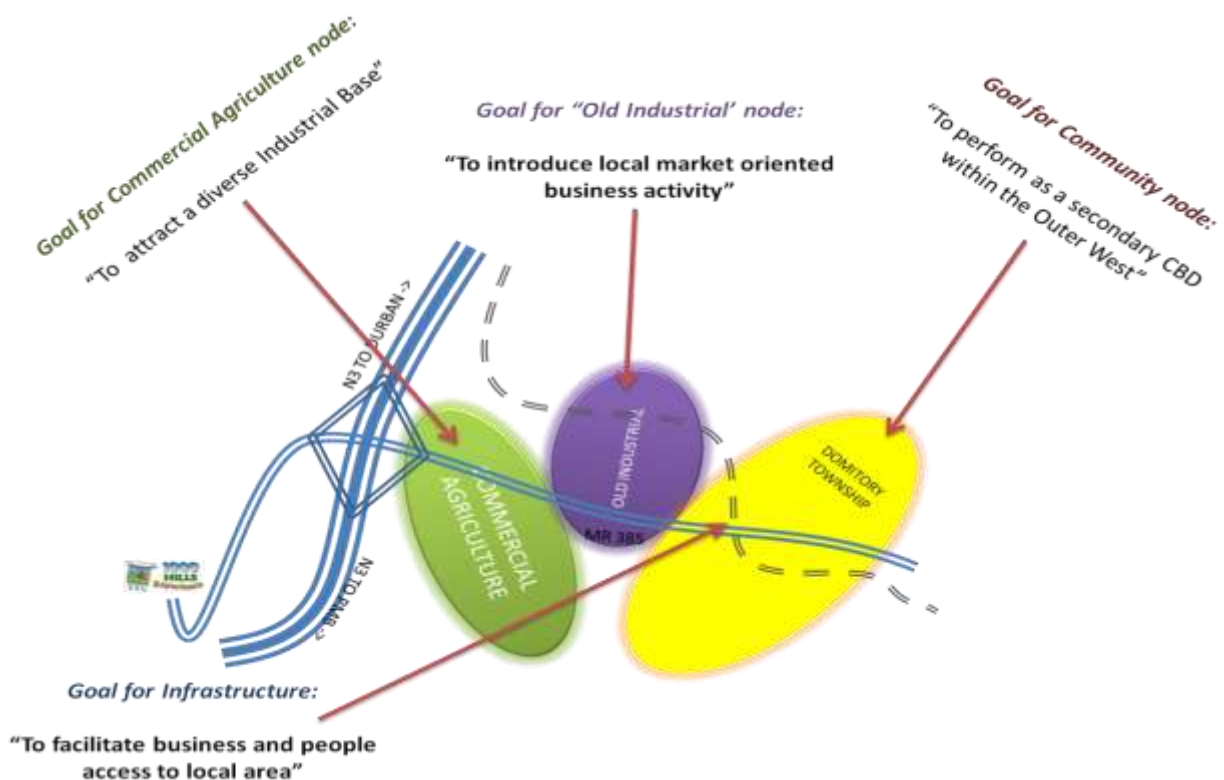
Mpumalanga will be a thriving Town Centre that provides an alternative and affordable source of lifestyle services to the majority of semi-rural communities within the Outer West whilst the industrial expansion and diversification of Hammarisdale provides a stimulus for social integration of the study area into the Outer West

2014 Mission for the Study area

To achieve this vision Mpumalanga must be a highly accessible and affordable point of interaction for the vast majority of Outer West's poor and emerging communities

To achieve this vision Hammarisdale must be prioritised as a new transport-oriented industrial node within the Outer West

Locality Goals



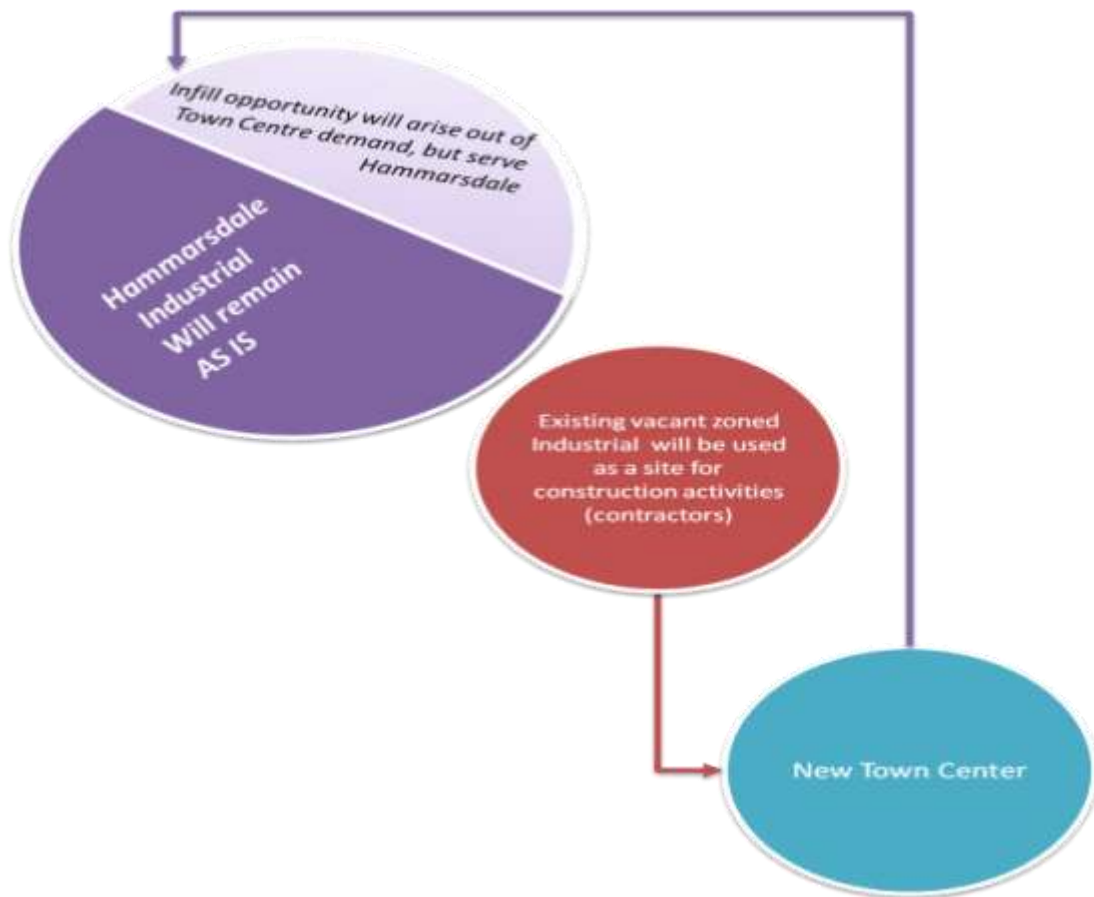
In order to achieve the 2014 vision, key stakeholders should adopt four key local economic development goals for Mpumalanga / Hammarsdale study area. These strategies should respond to the key targets as follows:

Goals for the study area	
Goal 1.	To attract a diverse industrial base
Goal 2.	To perform as a Secondary CBD within the Outer West
Goal 3.	To introduce local market oriented business to the study area
Goal 4.	To facilitate business and people access to the study area

16. Township regeneration plan

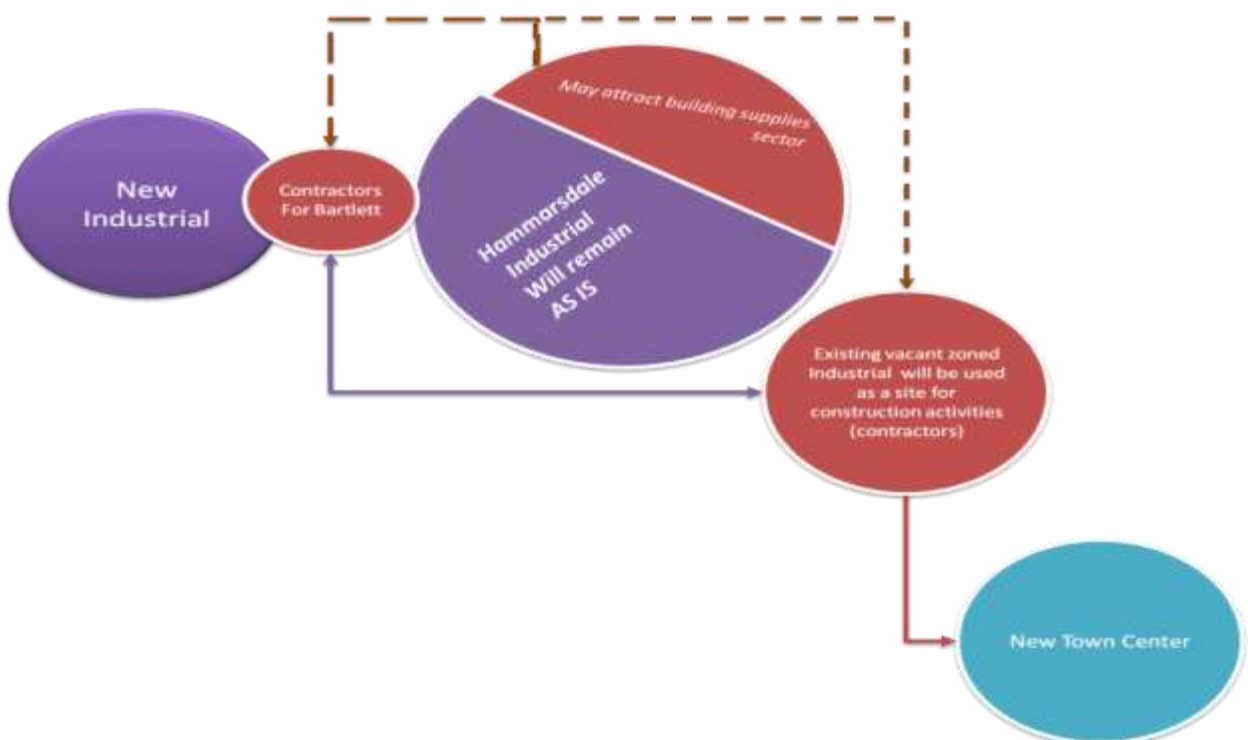
The impact of the Town Centre would bring about a significant number of employment opportunities however at the demise of other small business opportunities that currently co-exists with the residential sector and provides for the survival of several impoverished households. It is therefore recommended that the Town Centre be developed in its entirety however this opportunity should be complimented with other development proposals in the local area. A practical Township Regeneration scenario is unpacked further in the following key stages.

- **Stage 1.1: Town Centre establishment and provision of essential community services**
 - ⇒ The Town Centre project will stimulate usage of the existing vacant industrial land adjacent to the site; however for temporary activities such as contractor site offices, materials and construction vehicles storage and parking, and other construction related activities.
 - ⇒ Current suppliers of industry within the Hammarsdale Industrial area that frequent the area such as transport companies may establish small-scale operations within the existing Hammarsdale industrial node to ensure a first-mover on the Town Centre opportunities in the local area and to better serve the existing customers
 - ⇒ The existing parts of Hammarsdale Industrial area will remain AS IS



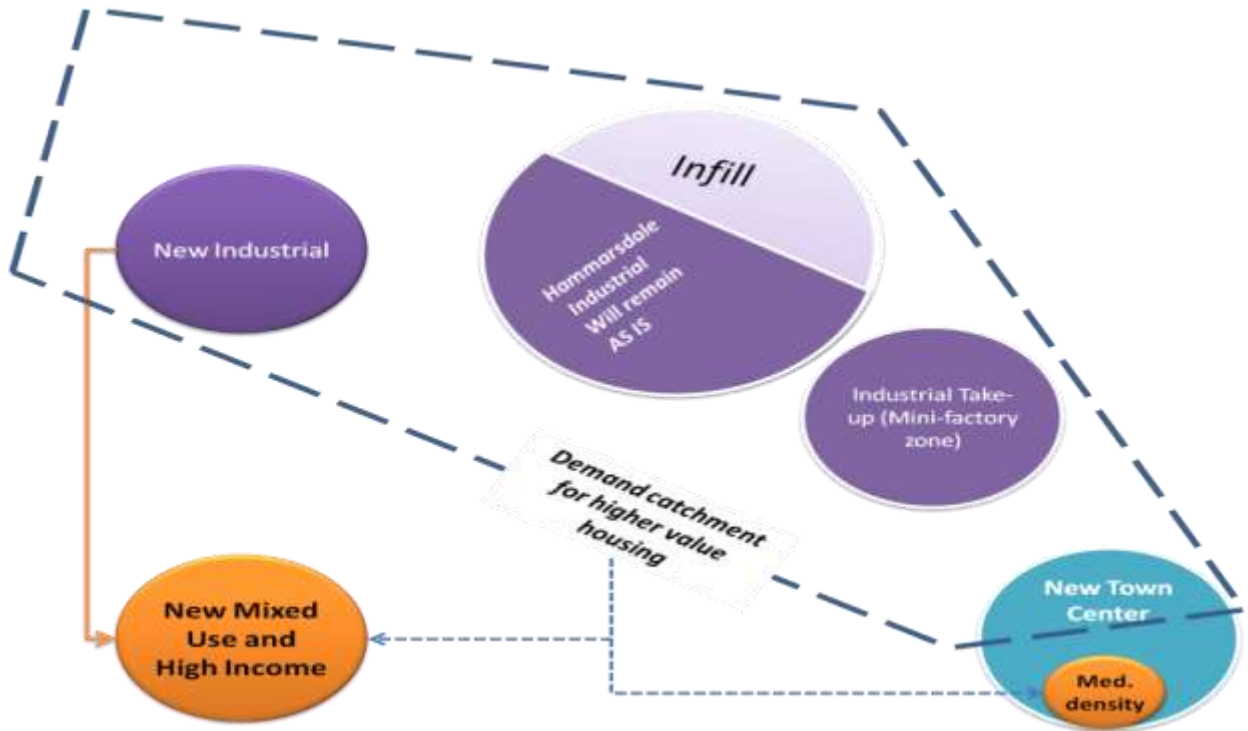
- **Stage 1.2: New Industrial area development**

⇒ The growth of construction activity on Bartlett farm and at Town centre may contribute to the growth of building supplies sector with the existing Hammarisdale Industrial



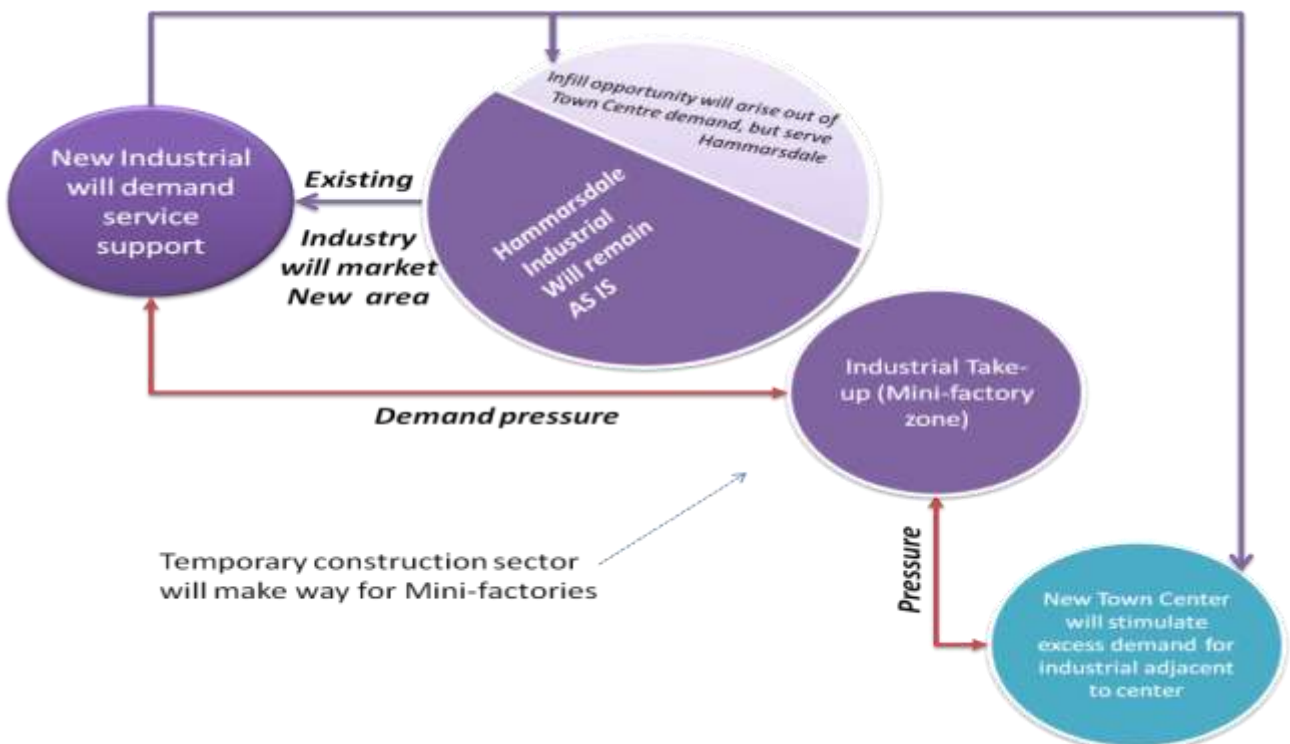
- **Stage 1.3: Existing vacant industrial will experience take-up (post-construction impact and Town centre growth)**

⇒ The growth of industrial activity and activity related to Town centre may contribute to the growth of Mini-factories within the existing vacant industrial area in Hammarsdale (adjacent to Town Centre)

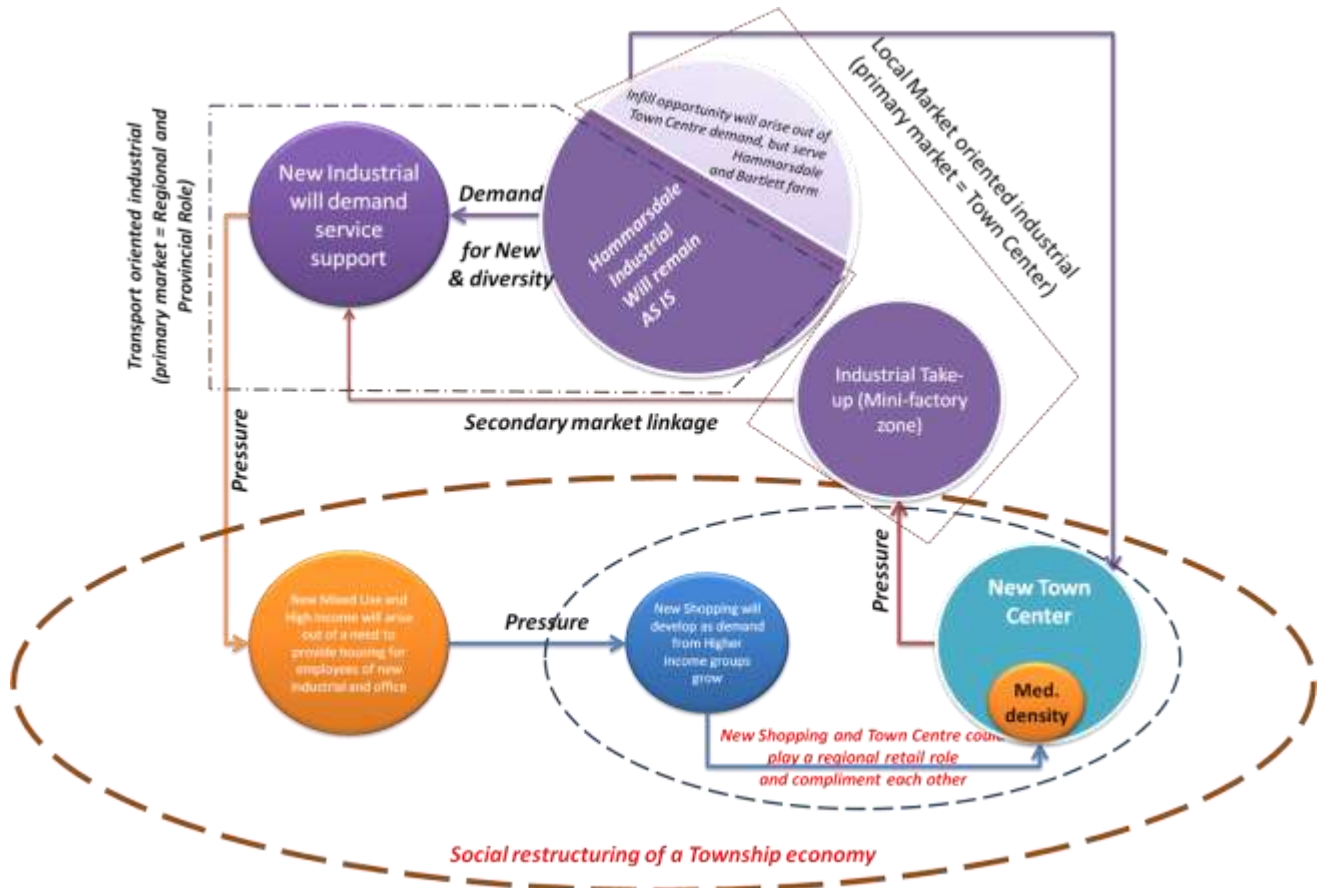


Stage 2: Employment and entrepreneurial growth will give rise to demand for value-added housing (middle income, upper middle income and medium density housing)

⇒ Employment growth and improvement in income levels will impact on the supply of medium density housing and upper middle income units



Stage 3: Mature economy developing and development of regional focus



- ⇒ Economic growth will enable services sector development and alternate (increased) retail demand
- ⇒ Combined retail supply will be equivalent to a regional shopping centre supply however catering for two distinct markets i.e. upper income (Hammarisdale) and middle-to-low income (Mpumalanga)
- ⇒ There will be sufficient activity within the study area to contribute towards a new social and economic structure for the local economy
 - High through to low income groups
 - Job diversity
 - Racial composition of society will change at an area and at a neighbourhood level

17. Regenerating the industrial economy through the conversion of agricultural land

In terms of the Greater Cato Ridge Subregion Agricultural Potential study undertaken by the Department of Agriculture Technical Services, Cedara (undated), the Bartlett Estate area, which is covered with commercial sugar cane plantations, has the following characteristics:

- Shallow soils
- Poorly drained land
- Land slope between 10 and 20 percent rendering the area highly susceptible to soil erosion
- Main agricultural potential is for sugar cane or forestry

In terms of other crop cultivation, the rainfall in the local area precludes other crop other than sugar cane, stoloniferous pasture species and timber. Furthermore, and in terms of grazing potential the area has very livestock production potential.

A recent economic analysis of the sugar cane and other commercial crop production potential of the area note the following production constraints:

- The sandy nature of the soils of the study area, and particularly the topsoil horizon, makes them susceptible to erosion. The sandy nature of these soils indicates that a high degree of management is necessary in order to optimise production.
- The area is currently situated on slopes that are generally too steep for the establishment of conventional crops or vegetables.

- Dryland sugarcane production is marginally profitable in this area, but yields of up to 60 t/ha can be expected over an 18-month ratoon under good management.
- A big constraint on production is the high costs of transporting the cane 37 km to the mill at Eston
 - Current transport costs for the estate are some R48/ton
- The study area is not suited to production of the major timber species (pine, wattle and eucalypt) due to suboptimal mean annual rainfall.

Figure 139: Locality of agricultural land that can be converted for industrial land use purposes



The Bartlett Estate property provides as one of the best possible areas within the Outer West to achieve some of the industrial activity targets where approximately 200ha of land can be made available for a mixed use development, of which approximately 50% should be utilised for industrial / manufacturing purposes.

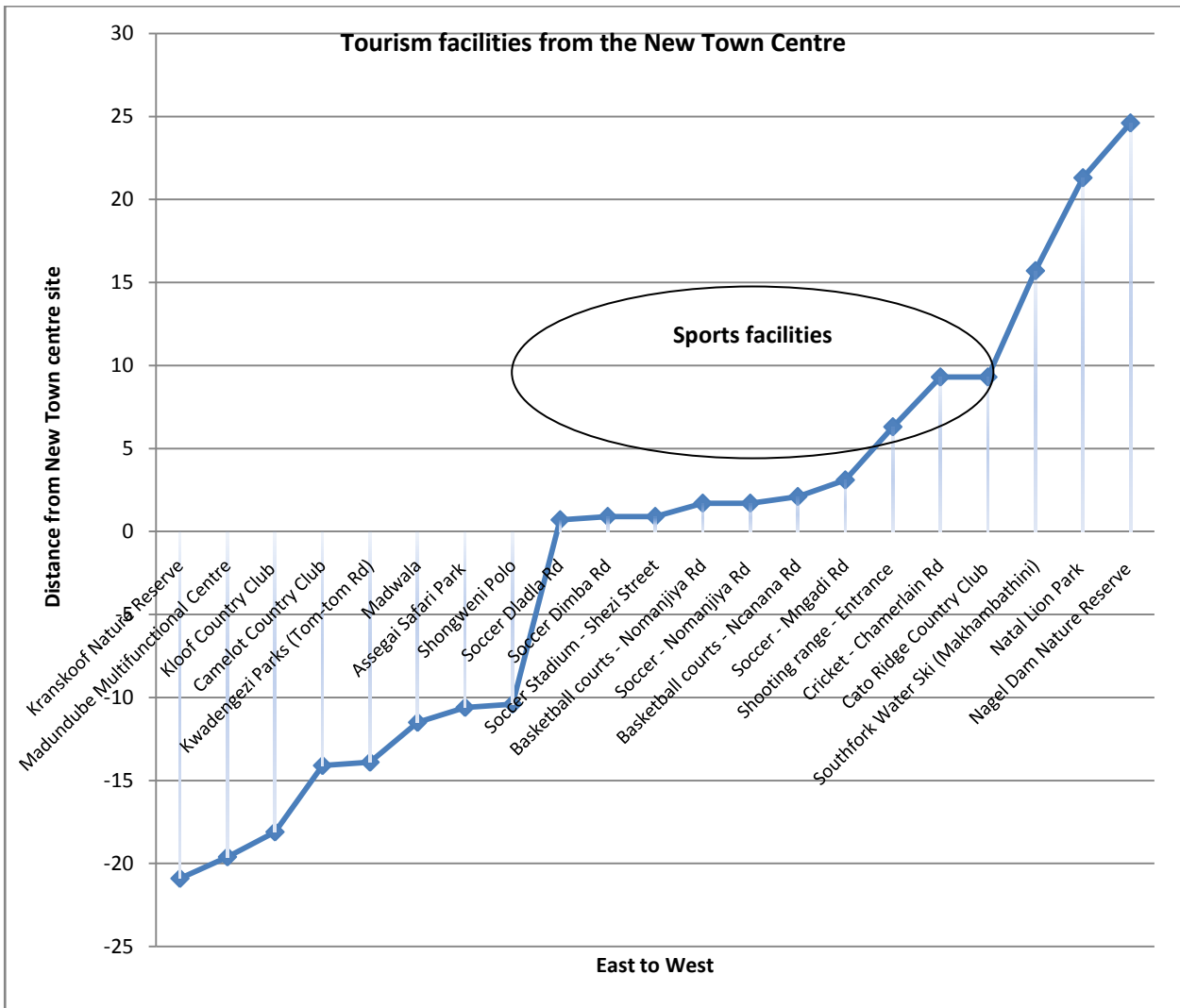
On the other hand, the landowner has provided a draft concept to include a logistics park on the proposed property, whereas there may not be an apparent demand for this land use typology in the immediate vicinity. It is important to note that although the site does have excellent accessibility to the N3, however at best it could perform as a truck holding area to regulate traffic along the N3. Other issues, related to this land use typology are the need for additional road and rail infrastructure, operational alignment with the Port Of Durban logistics strategy and plan; as well as buy-in from the major logistics operators in the sector. A recent survey undertaken by the Ethekekwini Transport Authority towards the development of logistics nodes in the EMA, notes that the area may not be suitable for a seamless logistics service between the Port of Durban and the Gauteng hinterland. Furthermore, there would be limited employment opportunities when compared to conventional manufacturing type activities per hectare. Towards this, it is recommended that the land owner consider reviewing the proposals for a narrowly defined land use typology such as a logistics park, to a more flexible zoning such as:

- General industrial (light to medium industry)
- General business
- Mixed use (entailing light industry and general business activities of commercial retail and office developments, combination of warehousing and storage)
- Mixed use (comprising commercial zones, mixed use areas, medium density residential, general residential, tourism, retail, leisure and conservation)

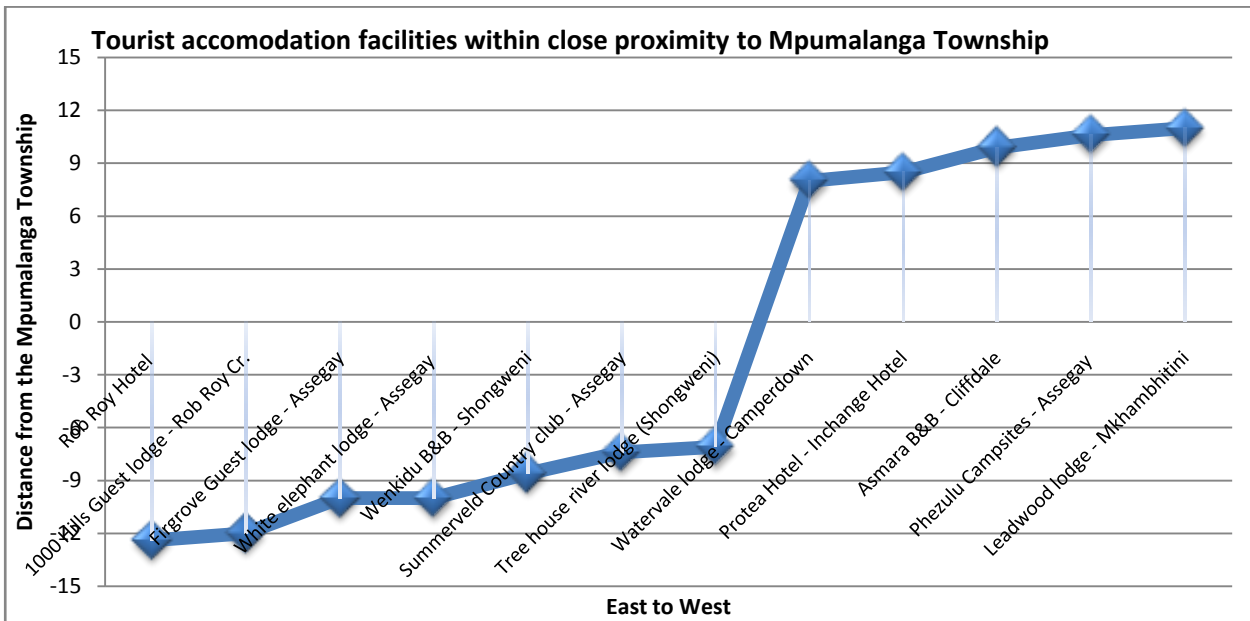
In essence, a mixed use scenario comprising the abovementioned land uses would be more favourable when compared to a narrowly defined project such as a logistics park.

18. Regenerating under-utilised spaces for the use as community recreation areas

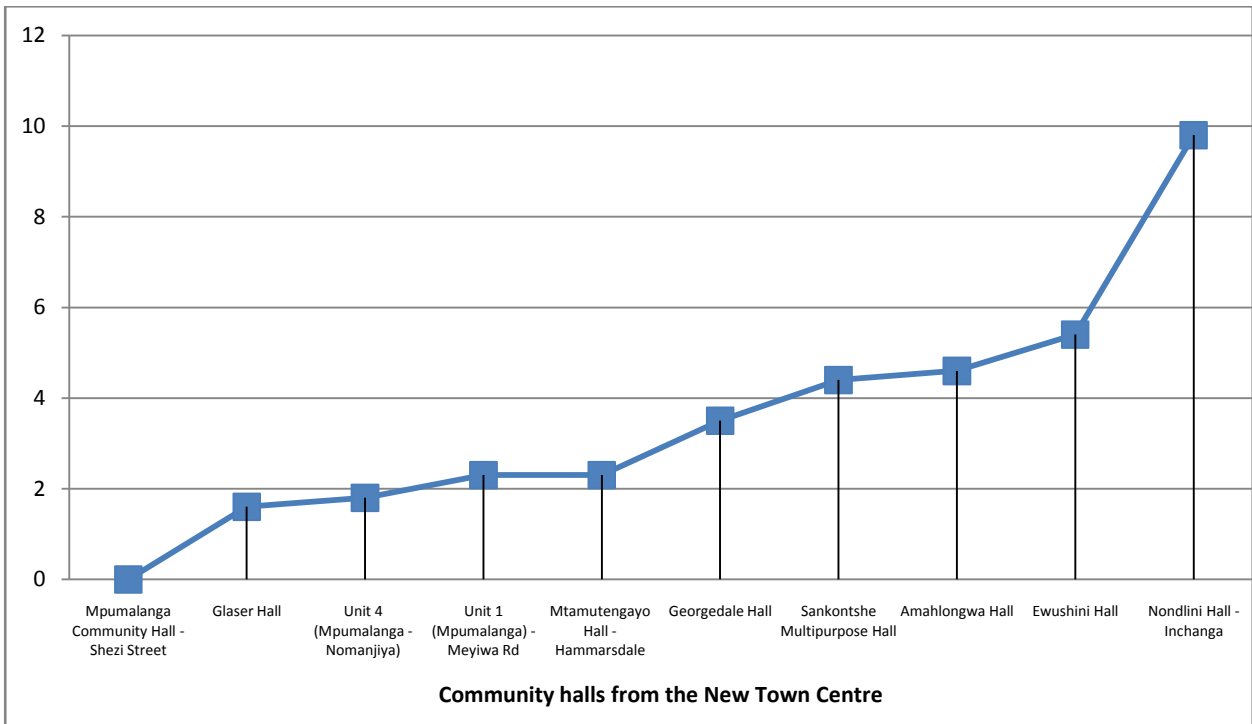
In terms of tourism facilities in proximity to the study, a locality assessment shows that other than sporting facilities, there are very few tourist facilities in the existing township.



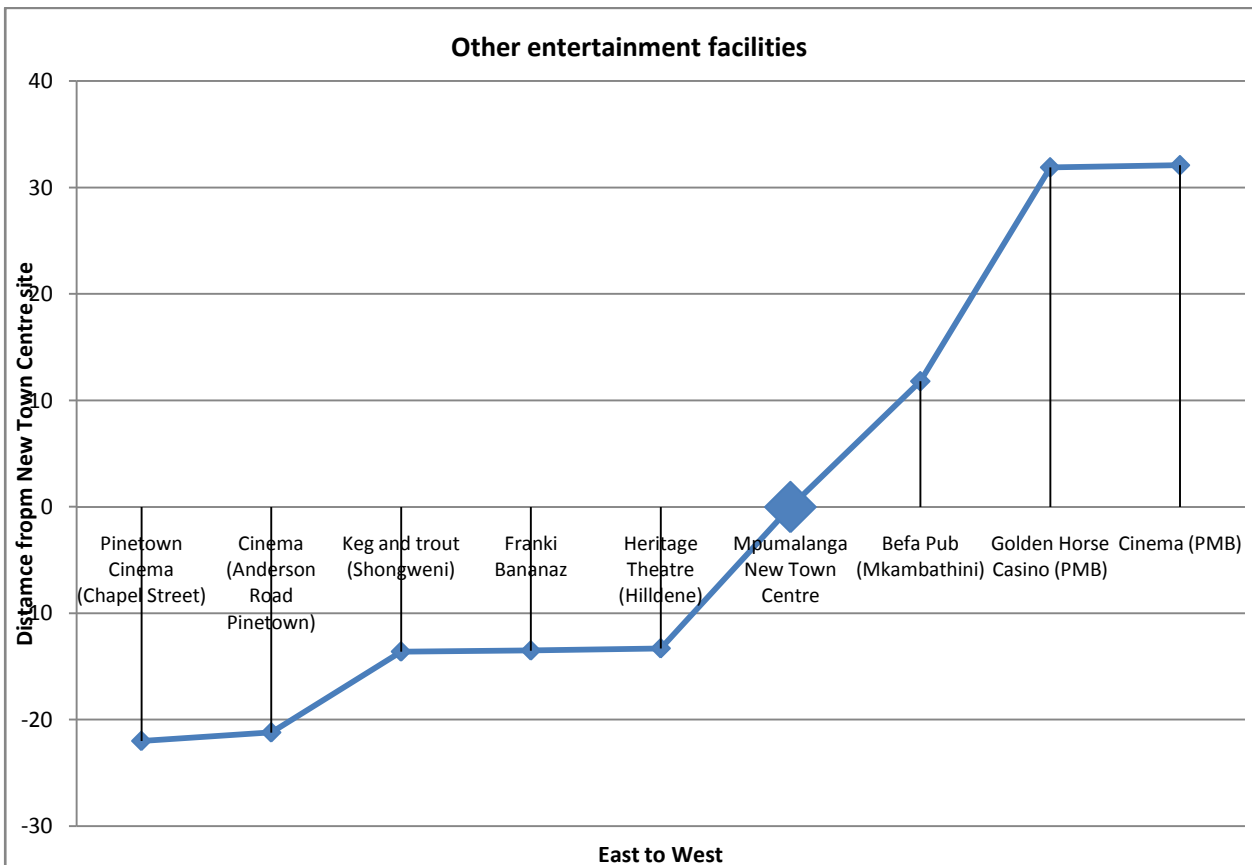
According to a site inspection, the closest tourism facility of high value is approximately 12km to the East of the study area in Shongweni. Furthermore, tourist accommodation facilities are limited with a 5km radius from the Mpumalanga Township.



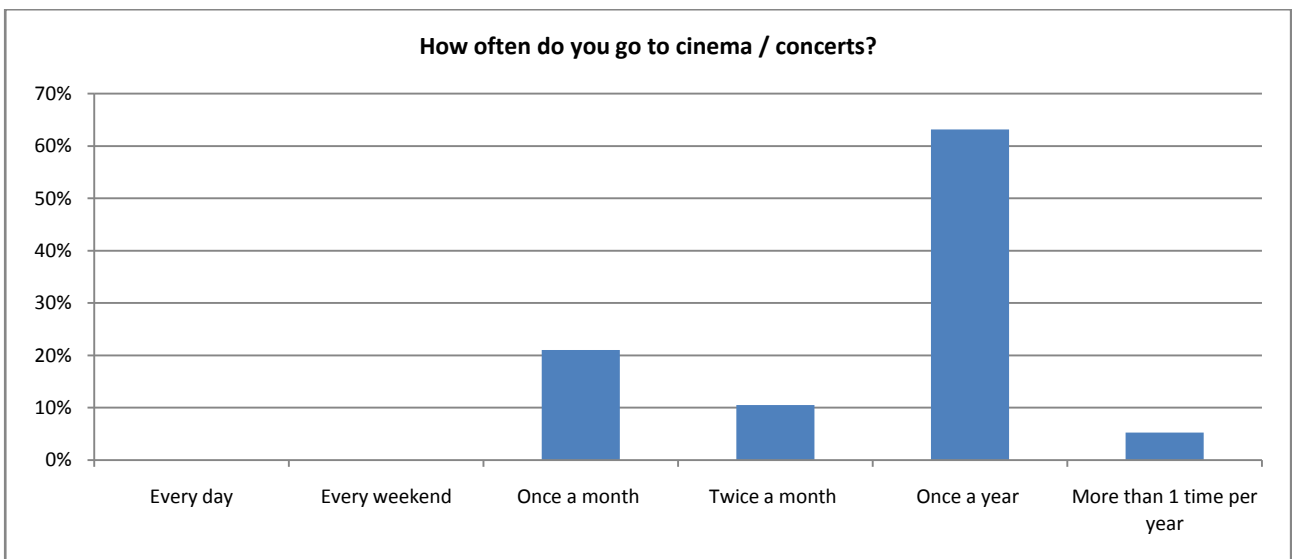
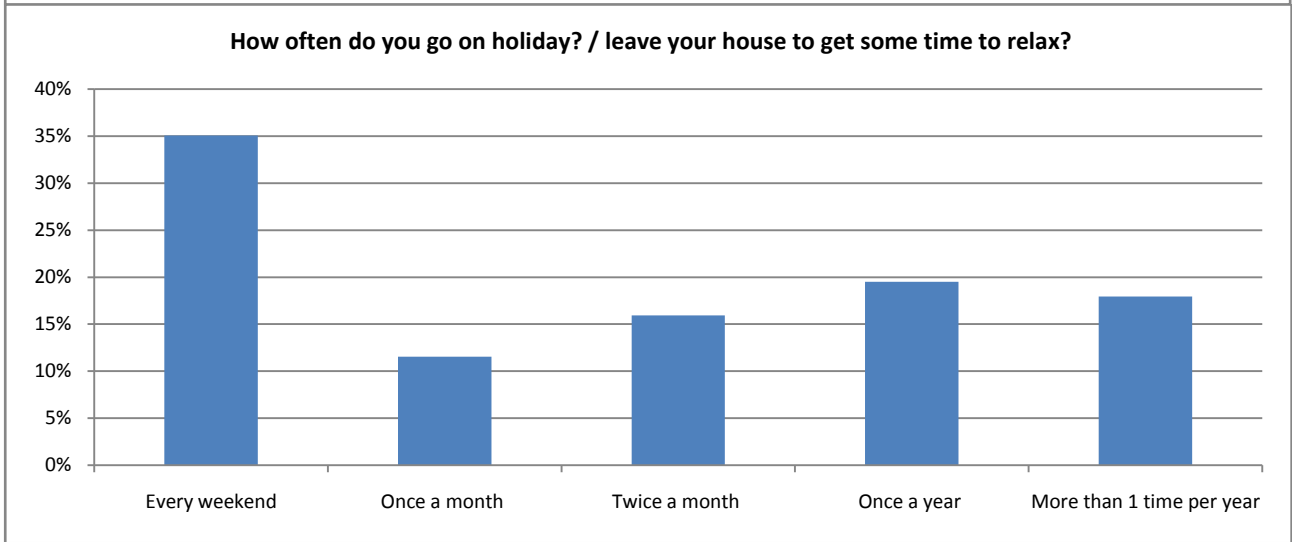
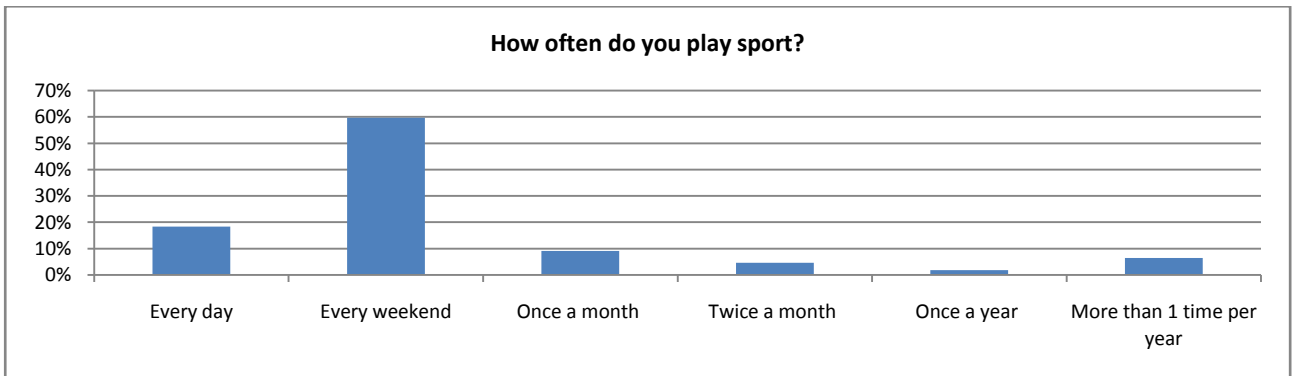
On the other hand, for local community usage there are a number of community halls in the study area which attract a fair amount of public activity.



Additionally, there are very few entertainment facilities such as cinemas, bars and restaurants in the immediate vicinity. The closest facilities are located approximately 10km in either direction of the study area.

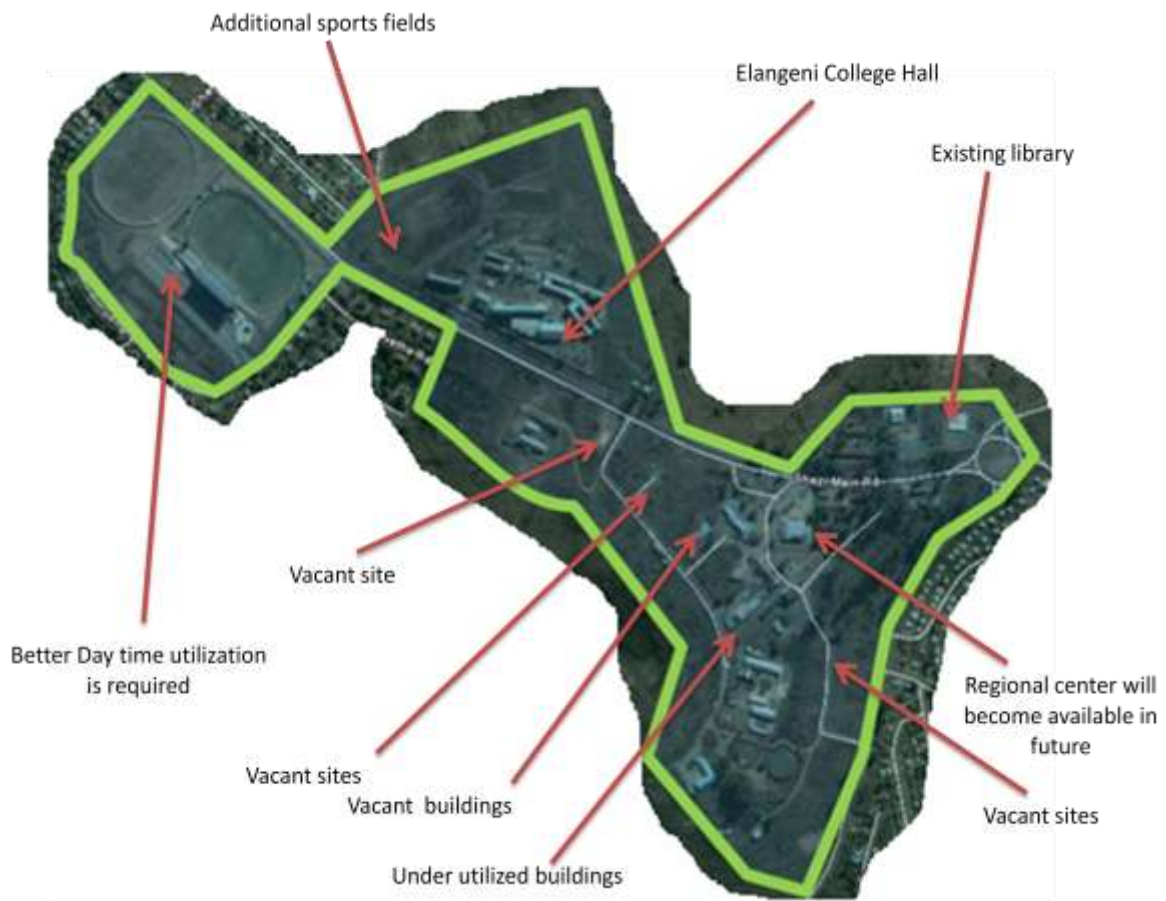


An assessment of the local communities recreational patterns show that individuals often leave the local area for activities other than sports. Also, due to the relative distance to other value added facilities, individuals seldom visit cinemas and attend concerts.



It is quite clear that additional opportunities exist for local community consumption, and that tourism development should be developed from the sporting facilities that are concentrated in the local area.

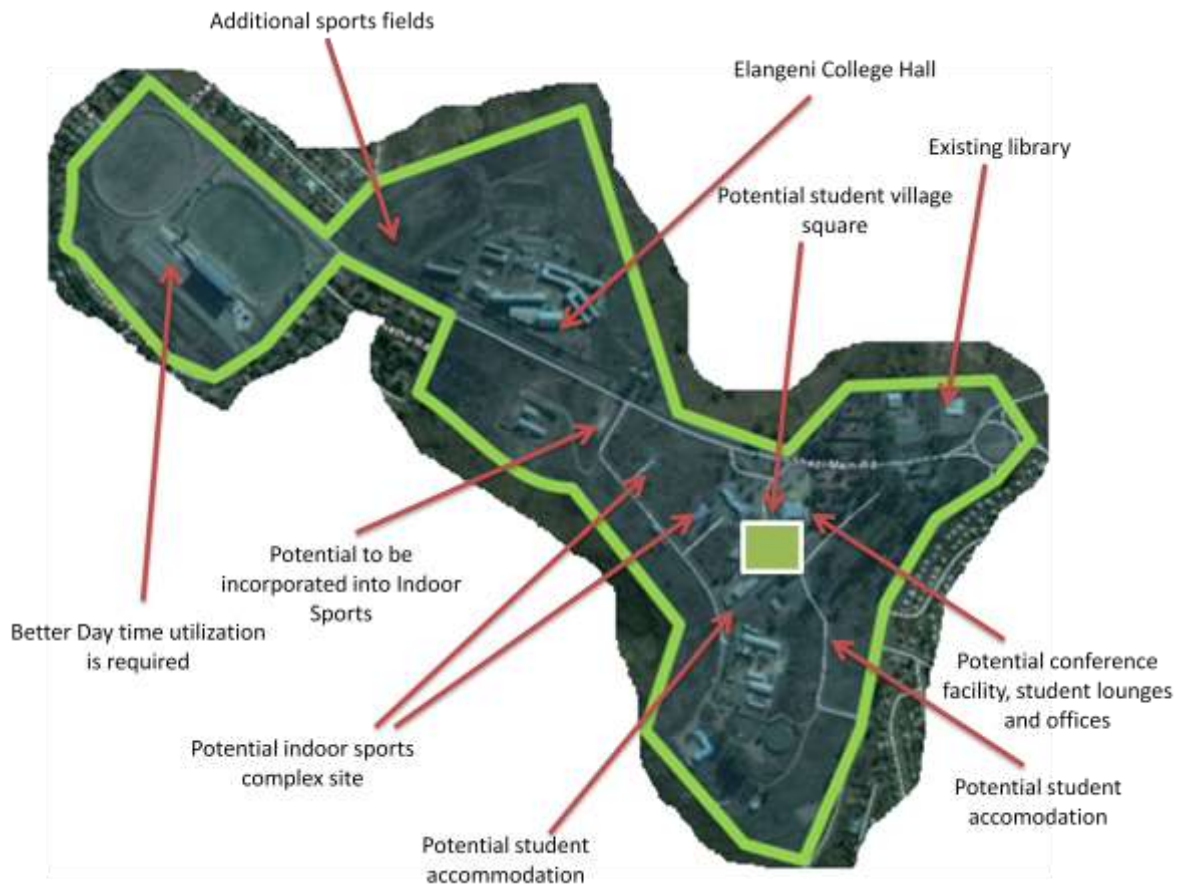
The LED research notes that facilities owned by Ithala Bank within the study area have been under-utilised and vacant for many years and these facilities could be used for community developmental purposes. In terms of community interaction nodes the Shezi Street complex provides an opportunity to integrate the needs of the education sector with sports and recreation opportunities.



It is anticipated that several opportunities exist with the Shezi Street complex, which can be further developed to perform the function of an integrated community recreation and student education precinct. Some of these opportunities are described by the figure 1 above, and the community needs which could be further developed are listed as follows:

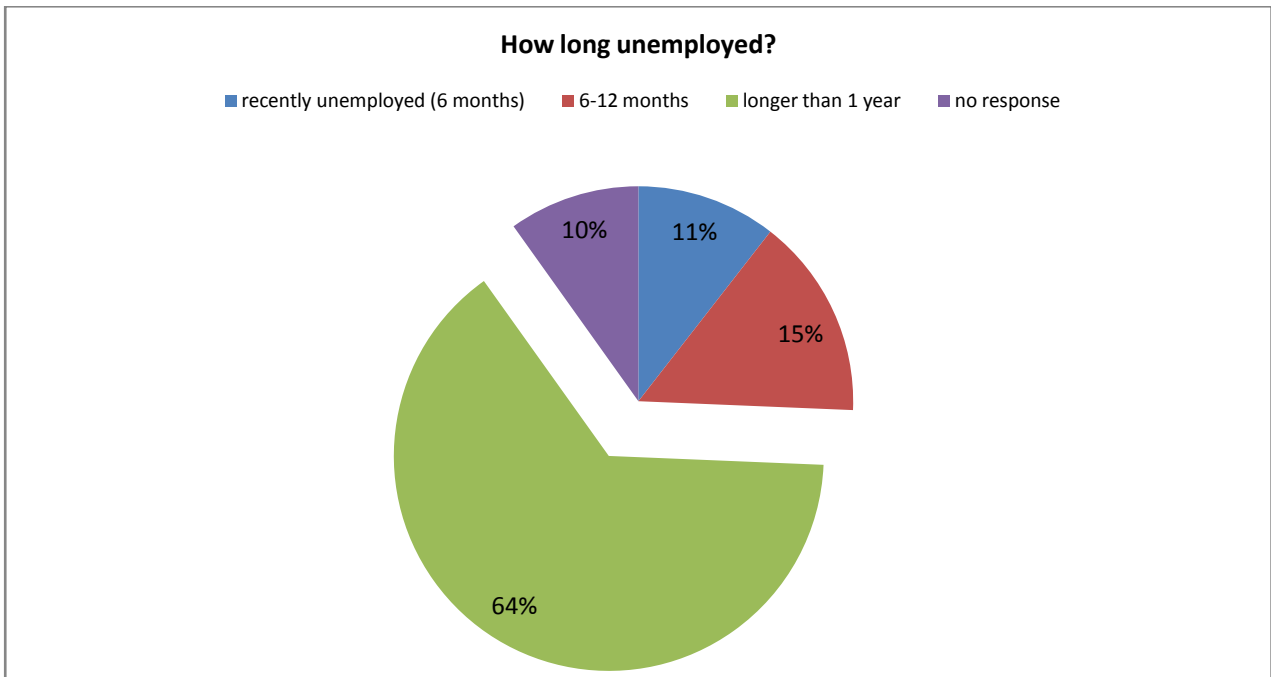
- Indoor-sports complex
 - Sports museum

- Sports academy
- Training facility and gymnasium
- Medical services
- Accommodation
- Canteen
- Student activity square
 - Youth centre
 - Internet café
 - Student flea market
 - Affordable offices for student businesses / youth business
 - Conference facility for youth organisations and businesses
 - Information centre and student lounges
 - Student accommodation
 - Small park
 - Performing arts and amphitheatre

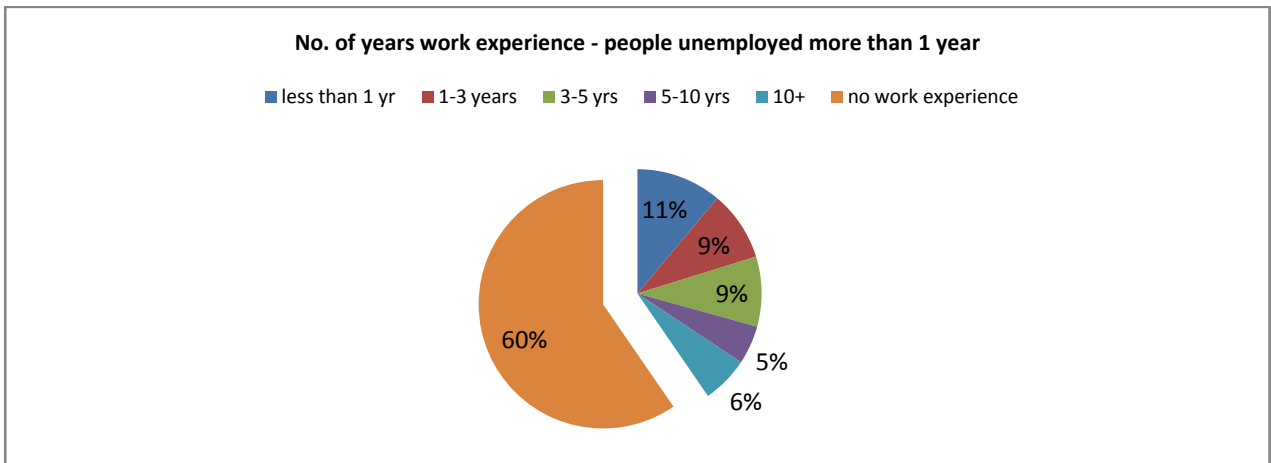


19. Regenerating skills and human resources for the poorest households

A recent LED assessment of the local community's unemployed population shows that over 60% of them were unemployed for longer than 12 months.



An examination of work experience of individuals that did not work for over one year shows that in that grouping approximately 60% had no previous work experience at all.



In terms of this analysis, it is quite evident that a number of individuals are not employable within the study area. According to the statistical analysis undertaken for the area, by 2014 there will be approximately 3000 households in extreme poverty, if there is no interventions in place. By 2020, this figure would increase to 5 500 households. As such, there is a need for LED interventions at the level of the household, which targets those households that are steeped in extreme poverty.

In order to prevent the slippage of these 5 500 households into poverty by 2020, the specific projects developed within this programme's business plan would need to assist approximately 900 households per annum.

Given that a significant proportion of the households in the area live in a state of poverty coupled with the low education levels of many of the members of the households, they have a very limited chance of gaining formal employment. Consequently, the thrust of the proposed projects is such that they will enable these households to engage in income generating activities that will ensure a sustainable livelihood for all members of the household without dependency on formal employment. As such, the projects considered to be the most relevant and viable for this area are suggested at three levels:

1. Projects that are targeted purely on the production of food and other necessities for the household level; and
2. Projects that are operated at the household or a community level that will provide income for the purchase of food and other necessities not directly available from the projects themselves.
3. Higher level projects that require particular skills sets and a range of positions i.e. from managerial to elementary.

This programme is conceptualised around the need for interventions targeting the most economically vulnerable population within the Hammarsdale/Mpumalanga area, specifically in areas such as Geogedale. The proposed interventions emerge from and are informed by an understanding that this specific proportion of the area's potentially economically active population is considered "unemployable" due to their limited education and skills levels.

The sustainable livelihoods idea was first introduced by the *Brundtland Commission on Environment and Development* as a means of linking socio-economic and ecological considerations in a cohesive, policy-relevant structure. The 1992 United Nations Conference on Environment and Development (UNCED) expanded the concept, especially in the context of Agenda 21, and advocated for the achievement of sustainable livelihoods as a broad goal for poverty eradication. It stated that sustainable livelihoods could serve as 'an integrating factor that allows policies to address development, sustainable resource management, and poverty eradication simultaneously'. Most of the discussion on SL has focused on rural areas and situations where people are farmers or make a living from some kind of primary self-managed production. In a classic 1992 paper, *Sustainable Rural Livelihoods: Practical Concepts for the 21st Century*, Robert Chambers and Gordon Conway proposed the following composite definition of a sustainable rural livelihood: *A livelihood comprises the capabilities, assets (including both material and social resources), and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.*

In developing these Pro-Poor LED initiatives, cognizance has been taken to align them to existing eThekweni Municipality Economic Development Policy Framework, Poverty Reduction initiatives, the Area Based and Rural Development framework, as well as, in cognizance of the nature of projects identified, the Provincial Priority Sectors and the Agricultural Development for Food Security Policy Framework. The Agricultural Development for Food Security model, for example, directly addresses the challenges of Poverty, Unemployment, Enterprise Development as well as Sustainable Development insofar as the different model intervention levels mitigate these social ills on the poor in the study area.

Table 152: Livelihood skills projects

PROJECT	DESCRIPTION
<p>Kitchen gardens for household consumption</p>	<p>The first step in ensuring food security for the household is the production of food for the household by the household. Through the production of basic, staple foods, fruits and additional local varieties (e.g. spinach and beetroot), the household will be nourished and able to engage in further economic activities. Members of the household must be trained in organic farming, and crop rotation and the growing of mixed crops in an area. The community must be trained in planting various crops at specific times of the year to ensure that the household will have a constant supply of fresh fruit and vegetable throughout the year. The Botanic Gardens Permaculture Development Centre will be able to provide this training.</p> <p>In addition, The KZN Department of Agriculture (DoA) has a programme in place (Xoshindlala – Chase Away Hunger), which assists households in getting started in the production of food. The Department provides the households with a starter kit of seeds for the household and support for the production of agricultural products. The municipality should ideally partner with the DoA in order to effectively enable households to produce food for their consumption.</p> <p>This project also encourages households to exchange their surplus products to neighbours for different products to vary their diet.</p> <p>However, it must be noted that during the waiting period (between the planting and the reaping) that households will not have food. Therefore, the Municipality should partner with the Department of Social Welfare to provide food parcels to these households for a specific period of time.</p>
<p>Preserving of local produce for household consumption</p>	<p>This project is targeted at the household level to preserve local produce for consumption at a later stage. Utilising the products produced through farming, the households can process these into higher value items for future use e.g. jams, pickles, preserves, and traditional Zulu beer and alcohol. They do not require any significant investment and are easy to make. These skills are passed on through generations and can be harnessed for the households use and can in future be developed for small business reasons.</p>
<p>Household clothing manufacturing skills (for personal use)</p>	<p>The main intention of this training project would be to create more dress-makers within the local community so as to provide for their immediate household needs in terms of clothing. Some of the skills would include lockstitch, interlocking, and basic sewing machine operating, where sewing machines could be sourced through donations. The programme aims to organise groups of disadvantaged women to give them access to future business opportunities, however firstly</p>

through basic livelihood skills.

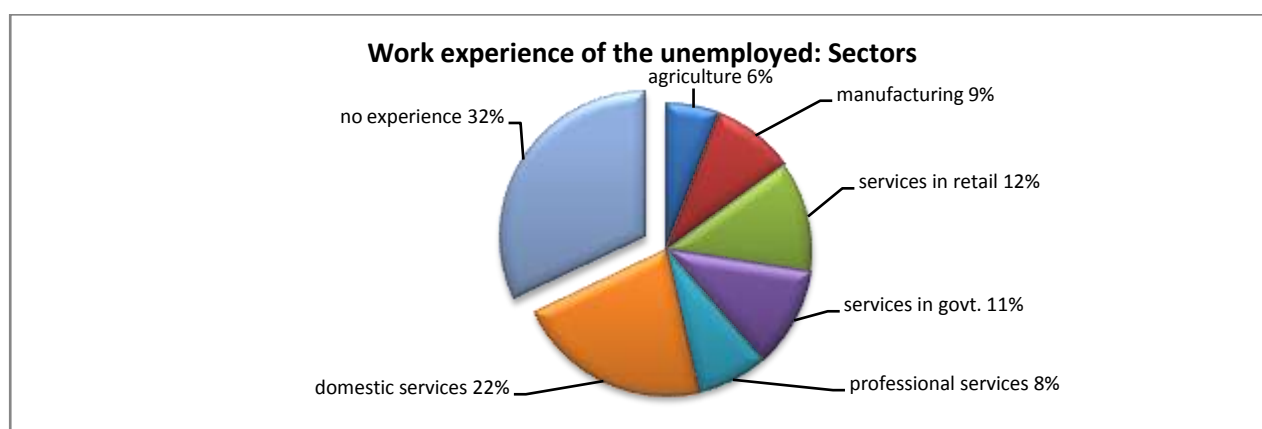
Each beneficiary will be expected to undertake the necessary activities to ensure that they are actively involved in meeting the requirements of their specific project. In the case of the agriculture related projects, there will be regular monitoring and evaluation of the gardens to ensure that the households are working at the optimal level. Each of these projects serves to establish a livelihood and a source of income in many households. As such, the duration of the project from a Government intervention point of view should not exceed 4-6 months, while the beneficiaries continue working on these projects in the long-term as livelihood generators and business opportunities.

Towards this overall project aim, the key objectives of this project are to:

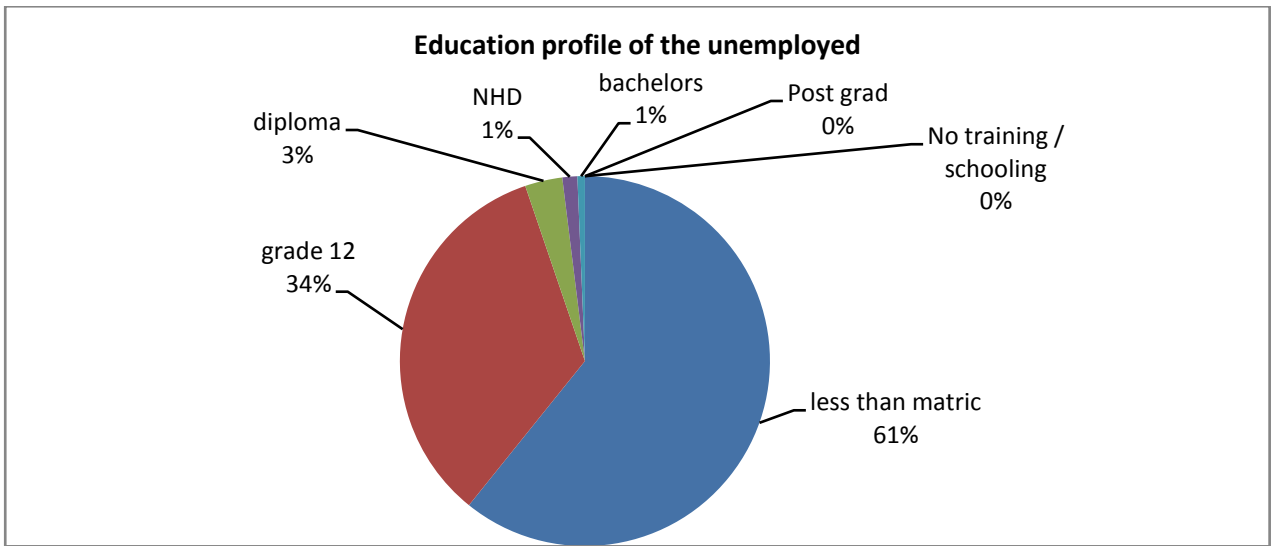
- Development and packaging of a comprehensive sustainable livelihoods skills programme for vulnerable groups
- Development of a multi-sectoral training programme to further stimulate cross-pollination of skills, products and human capacity
- Develop a cost-effective service delivery system for sensitive households
- Subsidized work spaces for sensitive households
- Subsidized material for subsistence farming, manufacturing and retail of surplus products
- Training to home-based work
- Subsidized capacity building programmes that accelerate human development
 - Assistance for survivalists
 - Stimulate an enterprise culture – low technology skills transfer that has lower capital outlay challenges
 - Guide households towards CSI opportunities
- Relationship pipelines into other programmes with
 - Other sector development programmes undertaken through industry clusters; KZNDED; and other governmental programmes
 - Other NGO, CBO, and faith based support programmes
 - Other corporate social responsibility programmes
 - Develop a programme of support with multi-stakeholder and widespread support for sustainable livelihoods development

20. Regenerating skills for new employment opportunities

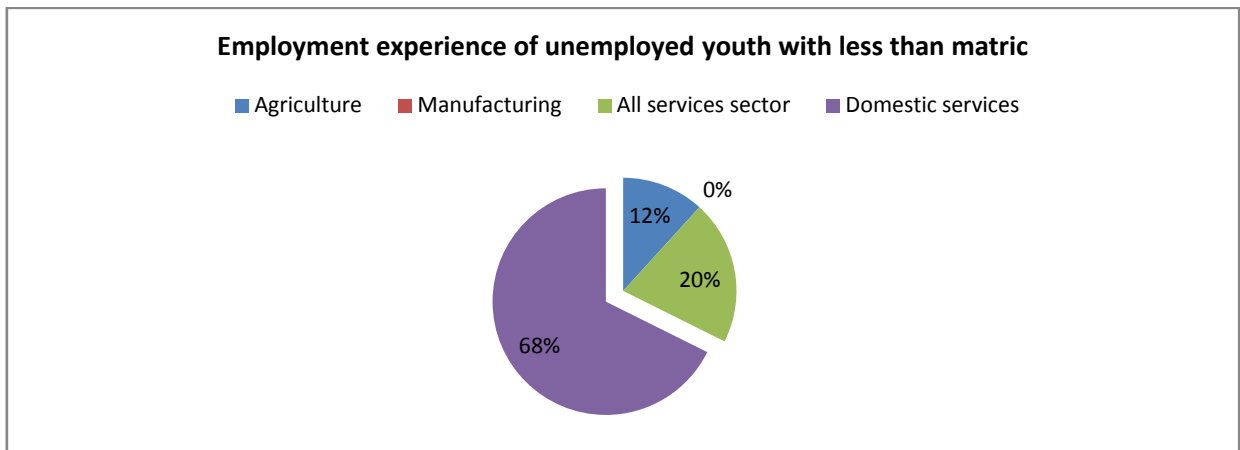
An analysis of unemployment at a community level showed that approximately 32% of the unemployed population had no previous work experience.



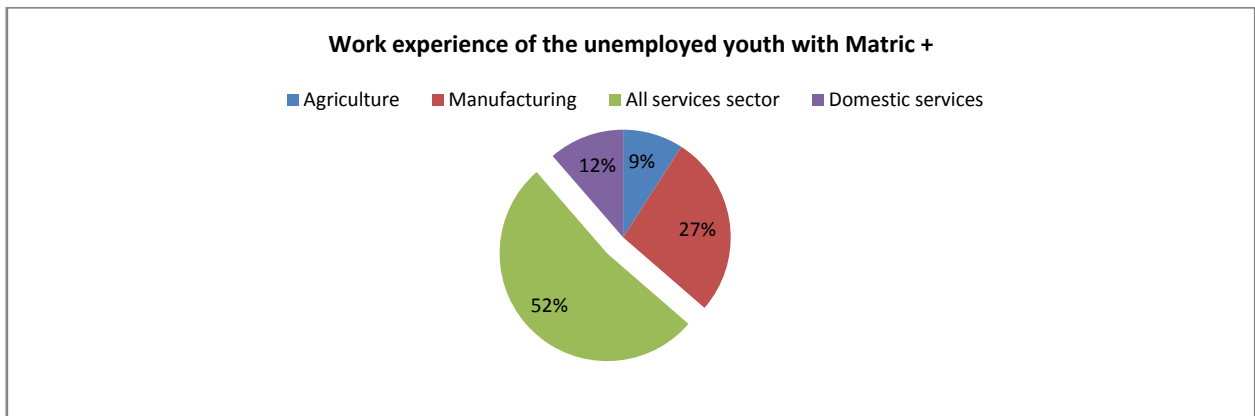
According to the community survey undertaken for the LED strategy process, approximately 61% of the unemployed did not complete secondary education, and this alone could be one of the reasons for the jobless and lack of employment experience in the study area. Furthermore, approximately 5% of the population only had a post-matric qualification.



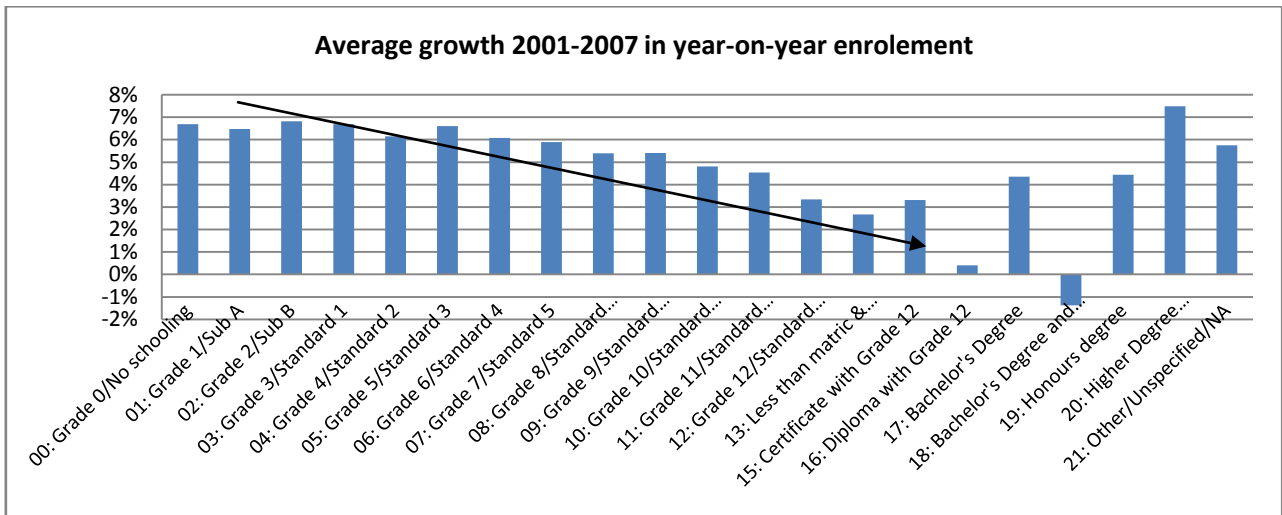
Another startling emerging trend in the study area is that of the lack of economic participation by the youth. The LED survey shows that most youth that did not complete their secondary education were drawn to the domestic services employment sector, and one of the lowest paying sectors in the local economy.



On a positive note, those that were better skilled were drawn to the manufacturing sector; however the greatest attraction was in the services sector, (not unfounded) considering the limited amount of manufacturing activity in the region.



An inspection of year-on-year growth in enrolment for all levels shows that there is a decline in enrolment towards the completion of the grade 12.



From the above basic analysis, it is quite clear that there needs to be a greater focus on sector skills development in order to improve the employability of individuals in the local area. On the other hand, this cannot be done without the requisite investment facilitation support for the proposed New Town Centre Development as well as the establishment of Industrial parks in the study area.

There is therefore a need to promote the acceleration of quality training for all in the workplace, to promote employability and sustainable livelihood through skills development and to improve the quality and relevance of the provision of skills development and promote economic growth in the Mpumalanga / Hammarsdale area.

Interventions should be undertaken within the Skills Development Act (SDA) which needs to be interpreted to give effect to its purposes and those of the South African Qualifications Authority (SAQA) Act No 58 of 1995.

“A skills programme can be considered a mini-qualification in that it comprises an agreed unit standard or cluster of unit standards (which constitute credits towards a registered qualification.) The design of the programme may specify the sequence in which the unit standard(s) must be achieved and the practical (workplace) experience that forms part of the programme. Where such specifications are made it shall be a mandatory requirement to adhere to the sequence specified. The sequencing shall be informed by the learning assumed to be in place as defined by the unit standards” (Merseta 2009).

It is further envisaged that the skills programme however has to be large enough to combine unit standards, to ensure that the learner is employable or can perform certain tasks within the workplace

The combination of unit standards could consist of fundamentals, core and elective unit standards. The emphasis being on leading to employable skills or to performing certain tasks and as such it is highly unlikely but not impossible that the fundamentals on its own would lead to employable skills or allowing the worker to perform a certain task.

Skills programmes are therefore a unit standards or clusters of unit standards within a qualification when combined provide employable skills or allow the learner to perform a certain task. They are the smallest exit unit, which signals either accomplishment of an economically useful skill or complete unit of knowledge. While they do not result in a qualification themselves they should be conceived to contribute towards achieving a qualification.

During the development phase the developer must decide how the skills programme must be organized (packed or combined). This programme however will be focused on the following option:

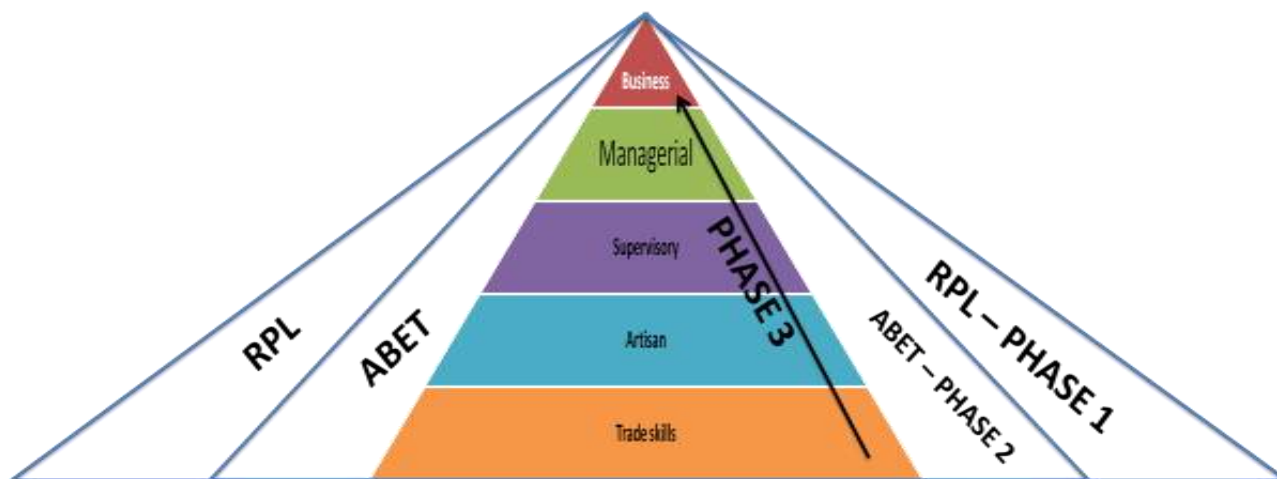
<p>Quick access income-generating activities:</p>	<p>This option comprises a selection of unit standards that are systematically planned which emphasise skills and underpinning knowledge rather than general education components.</p> <p>Despite its short-term functionality, it should also be located in an over-arching context of a qualification or learnership, thus it should be able to count as a credit towards a recognised qualification.</p>
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The provision of support to skills development in the Mpumalanga / Hammarsdale area should fall into 5 main categories, namely:

- Adult Basic Education and Training ABET

- Artisan Skills (Trade Skills)
- Supervisory Skills (for Services sector, SMMEs and NGOs)
- Managerial Skills (for Services sector, SMMEs and NGOs)
- Business skills (for Services sector, SMMEs and NGOs)

These skills categories are dependent to each other to the extent that ABET skills form the foundation upon which the rest of the skills rest, Artisan skills then form the foundation of supervisory skills and so on. The skills categories can then be arranged in a hierarchical manner.



It is envisaged that the majority of the skills programmes will be focussed on ABET programmes followed by Artisan programmes and so on. It is anticipated that existing SMMEs and NGOs may be eligible for managerial and business skills provision, however this also does not imply that they may not be eligible for ABET.

- [Construction skills development requirements](#)

Key Skills
Bricklaying
Carpentry
Concreting
Construction Formwork and Falsework Design
Document Control
Drainage and services
Draughtspersons
Driver - Operator
Earthmoving Plant Operator
Earthwork
Generic Construction Skills
Health and Safety Training
Laboratory and Soils
Operator - Earthmoving Equipment
Pipe Laying
Plastering skills
Plumbing Skills
Shuttering
Site Clerk/Administrator Skills
Steelfixing Skills
Surfacing

- [Manufacturing skills development requirements](#)

Key skills
Suspension fitter part 1
Suspension fitter part 2
Roll grinder
Plant Assistant
Introduction to vehicle assembly operations
Introduction to manufacturing environment
Production Machine Operator
Assembler
Gas welding and cutting skills

Key skills
Motor Sales and Intermediary Services
Managing a Parts Department
Controlling and Handling of Materials
Machinist (Level A)
Machinist (Level B)
Handling of Tools and Equipment
Certificate in manufacturing and assembly techniques
Refrigeration and Airconditioning Specialized Training Level 2
Assemble, cut and arc weld workpieces
Foundry team leader/operator training
Band Saw Operator
Vertical Boring Mill Operator
Refrigeration and Aircondition Specialized Training Level 3
Plastic Manufacturing
Selection, usage and maintenance of engineering tools
Assembly Processes in The Engineering Industry
Setting Production Machines
Prepare, assemble and arc weld workpieces
Prepare, assemble and gas weld workpieces
Quality performance in plastics manufacturing
Argon Welding
Calendering and Extrusion for tyre components manufacturing
Quality checking of tyre and tyre components
Safe assembling of tyres
Production and raw materials technology in plastics manufacturing
Vehicle check and first aid for service stations
Measure, cut and weld material in all positions
Pipe welding
Work safely with workshop tools
Maintain piping systems
Induction into manufacturing process
Principles and processes of warehousing
Preparation of raw material
Plastics processes
Conflict resolution in a diverse environment
plastics processes operations
Quality Assurance in Plastics Production Processes
Plastics process principles
Control expenditure
Use of Maintenance Engineering Equipment
Engineering processes in manufacturing
Use machinery for sheetmetal work
Quality Assurance in Manufacturing & Assembly Processes
Setting Plastics Production Equipment 1
Cutting and welding processes
Oxy Fuel Gas Welding
Service stations safety and security
Maintain and service vehicles
Complete post production and finishing operations
Automotive component pressing
Engineering & Assembly processes
Work with material in plastics production
Apply quality assurance systems
Read and interpret drawings
Production scheduling and logistics control
Determine material requirements
Apply Safety Procedures
Manufacturing principles and processes
tyre manufacturing process
CNC production process
Artisan assistant (Millwright)
Assistant automotive assembler
Artisan assistant (Fitting & machining)
Artisan assistant (Boilermaker & sheetmetal worker)

Key skills
Supply & commission air conditioners to vehicles
Work safely with air conditioning equipment
Service and maintain automotive air conditioning systems
Use of hand tools in fabrication
Welding process within fabrication
Basic spray painting
Basic Panelbeating
Integration of basic engineering skills
Maintain a coal fired boiler
Tool setting and trouble shooting
Perform first line maintenance
Adjusting and maintaining automotive components production machinery
Understand production processes and monitor quality in plastics manufacturing
Prepare polymer composite product for repair
Polymer composite hand skills
Conveyor belt systems solutions
Welding in thermoplastics fabrication
Automotive engine removal and installation
Introductory first line maintenance
Advanced first line maintenance
Advanced Pipe Welding
Calendering Operator
Extruder Operator
Curing Operator
Mixing Operator
Tyre Manufacturing Technical Quality Assistant
Cranes And Lift Trucks Operator
Toolsetting Assistant Within Mechanical Fitting
Toolsetting Assistant Within Engineering Fabrication
Basic electronics in motor vehicles
Diagnose, Test And Repair Automobile Systems
Advanced Stainless Steel And Aluminium Welding
Advanced Carbon Steel Pipe Welding
Parts sales and stock processing

- [Services sector skills development requirements](#)

Key Skills
Computer Training - (MS Office)
Conflict Management
Cross Cultural Functioning
Dispute Resolution and Mitigation
Management Skills
Negotiation Skills
Presentation Skills Training
Business Fundamental Skills
Business Management Skills
Business Processes, Systems and Procedures
E Business
Entrepreneurial Skills
Marketing Skills
Business skills for convenience store attendants
Fundamentals in motor sales
Motor sales & customer services 1
Auto Sales Management Programme
Auto Sales cadette Programme
Motor Components Sales And Support Services
Understanding retail finance and insurance
Customer service
Merchandising, Promotions and Displays

- [ABET skills development requirements](#)

Key skills
ABET (Personal Individual Development)
Communication Skills
English Literacy and Numeracy

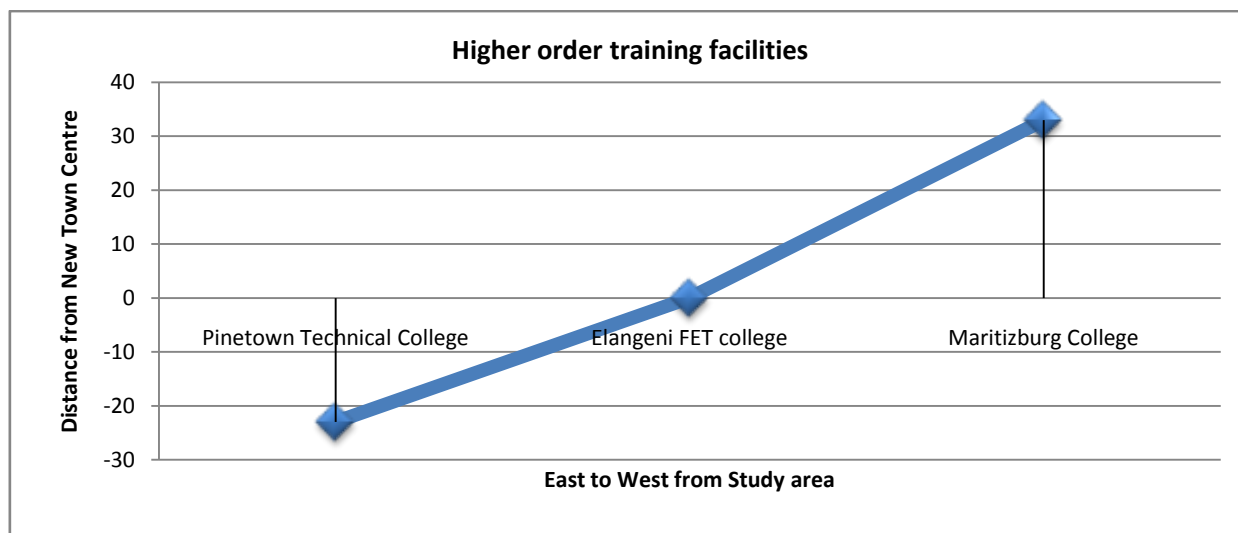
Key skills
Financial Skills
Written Communication Skills

- **NGO skills development requirements**

Key Skills
Computer Training - (MS Office)
Conditions of Contract
Conflict Management
Contract Law
Contract Specification and Documentation
Contracts Training
Cross Cultural Functioning
Dispute Resolution and Mitigation
Management Skills
Negotiation Skills
Presentation Skills Training
Risk Assessment
Business Fundamental Skills
Business Management Skills
Business Processes, Systems and Procedures
E Business
Entrepreneurial Skills
Joint Ventures, Consortiums, Subcontracts and Partnering
Marketing Skills
New Business Development

21. Regenerating derelict and under-utilised neighbourhood retail centres for skills development purposes

The closest higher order training facility is the Elangeni FET college in Mpumalanga; and towards the West the Maritzburg College 30km away, and Pinetown FET approximately 25km to the East of the New Town Centre.



An analysis of training requirements to meet the employment expectations of the study area indicate that approximately 3,000 individuals require manufacturing induction training and a further 2,000 individuals require induction into the services sector by 2014. In order to achieve this, there is a requirement to ensure that approximately 600 individuals are trained for manufacturing and construction sector employment per annum and 400 individuals for the services sector per annum. In order to accommodate these training programmes, a minimum of approximately 10,000sqm of space may be required within the study area.

Square meters per learners (benchmark for full time student)	17
No. of students	3000
No. of students per annum	600
Total annual space requirements	10000

It is further advised that training **should not be provided outside of the local area** as this will incur further logistics costs; lack of monitoring from community leadership; reasons for defaulters on attendance of programmes; and in extreme situations where training is provided for prolonged periods outside of the local area, there may exist a brain-drain as individuals seek residence and employment opportunities within proximity to these training centres.

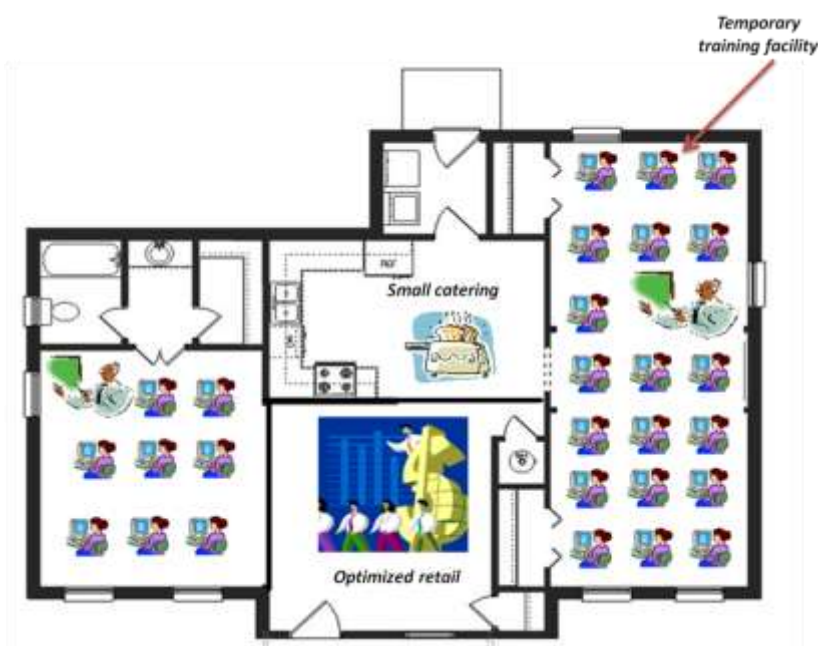
Towards this apparent need, the following projects are important to this initiative:

- Ithala Bank properties as a source of supply
- Elangeni FET college
- Neighbourhood retail centres

A significant revitalisation opportunity exists for Neighbourhood shopping centres, which are currently operating under survivalist conditions and could be further impacted by future shopping centre development in the local area. It is recommended that a turnaround strategy be devised for neighbourhood centres to ensure income diversity. The apparent need for training facilities may be opportunistic for these centres, only those that can implement a rationalised/optimized retail operation.



The primary intention of this project would be to identify premises and potential participants that would meet the needs for service sector training in the local area. These may range from simple lecture rooms with minimal office furniture to fully functional computer literacy centres. There may be other spin-offs for the property owner / retailer to provide a small catering service for learners during breaks and where the venue is used as a meeting room by officials and other operators. It may be in the next interest of the property owner to lease out the space to council who may further rehabilitate / renovate the building to meet the needs of the training programme. Further development of the exterior space may be possible to allow for disabled learners to access the site, as well as to create a generally acceptable aesthetic environment.



Further opportunities exist on termination of the skills development programme and therefore the lease between the council and the property owner. Depending on the type of facility that is developed, future opportunities may exist for the

property owner to buy-back the equipment related to the training facilities, and where possible this can be built into the initial lease agreement. Towards this, the property owner / operator may also be eligible for business and skills development support to provide commercial community services at a later stage.

Buy-back equipment from Council (where applicable) for other income generating activities



It may be possible to convert these facilities into multi-purpose centres accommodating the existing retail, additional catering, a future internet café, and perhaps small offices. It is therefore important for the eThekweni Municipality to undertake a comprehensive space planning exercise to ensure future sustainability of these retail centres.





22. Regenerating market gardening initiatives

The LED research shows that there is a limited presence of market gardening in the local area however existence of small scale maize farming which is food security related. On the other hand, subsistence agriculture is under extreme threat, in that opportunities to improve on the nutritional value of subsistence farming are discouraged by a lack of security in the local area. The general lack of security is caused through a growth in unemployment, poverty and the lack of livelihood generating skills in this sector by other individuals who are more likely to contribute towards livestock and vegetable theft in the area. Furthermore, informal retail trade of fresh produce in the local area is dependent on a supply of products from outside of the local area thereby discouraging the development and production of local market gardening. Another major threat to subsistence agriculture is the lack of environmental management, even at the household level. An observation of properties in the local area, especially within residential suburbs concentrated with low income (subsidy) housing shows that properties are not fenced; verges unkempt and overgrown; and the presence of informal footpaths leading to houses on slightly steeper properties have all contributed to poor drainage, further erosion and the encroachment of alien invasive species at the household level.



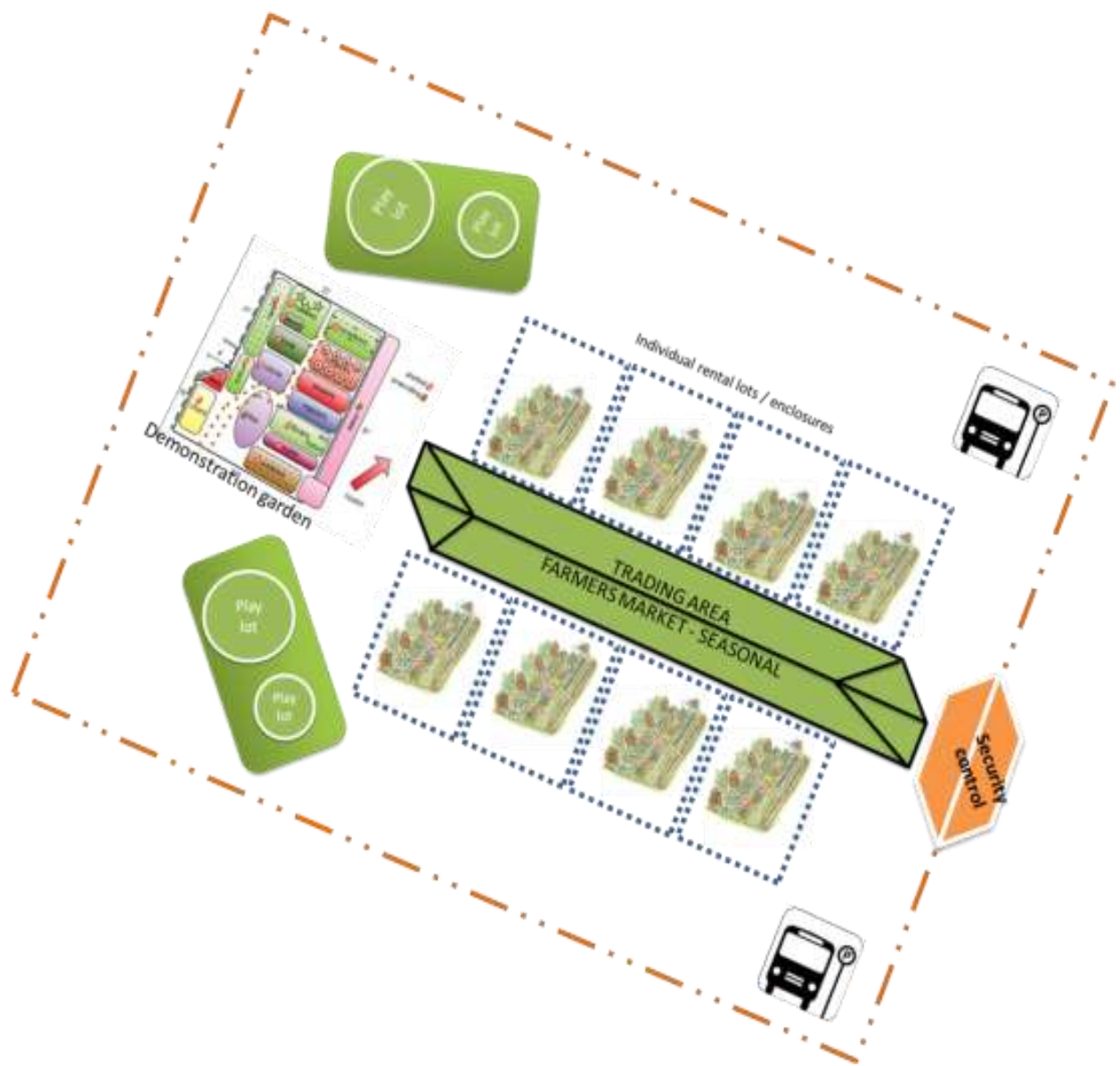
It is further recommended that in order for subsistence farming and food security initiatives to be successful, the following conditions should be made possible:

- Secure and fenced gardens with full time security
- On-site horticultural support and training
- Multiple product development / variety of produce
- Management and maintenance support
- Informal trade spaces for growers / trading of surplus produce
- Subsidized inputs / affordable inputs
- High passing trade and activity nodes

According to the rural agricultural policy for eThekweni, there is a need to develop rural agricultural services and marketing hubs within specific rural nodes aimed specifically at creating opportunities for rural entrepreneurs, supported by the established private sector service providers. Land for this purpose should be identified in the rural nodes.

This project therefore aligns with the policy imperative to provide services to rural nodes; however the primary focus is on sustainable livelihood activities as the first step. A simplified conceptual diagram is outlined below.







A number of sites, where these projects may be possible are outlined above; however the exact areas require further investigation on viability.

The need for a rental policy within these facilities is to ensure that individuals/cooperatives/households have security over the site/rental plots, however it is anticipated that the rental cost will be a minimal value not exceeding / equal to the existing rental costs associated with general informal trading facilities throughout the city. Some of the income from rental could however be utilised for administrative purposes, however the capital and operating expenses would need to be sourced from the public and private sector. Some of the opportunities that exist within this project are noted as follows:

- Weekends
 - Picnic areas and play lots
 - Horticultural lectures
 - Flea Market
 - Branded as a farmers market on weekends
 - Bus service from key nodes to market on weekends
- Weekdays
 - Subsistence farms
 - Management and technical training through demonstrations
 - Feeding schemes
 - Minimal retail
 - Senior citizens fitness

In essence, the facility can be utilised as a training area during the week and a commercial area on weekends, however this requires extensive marketing and management. There may be further opportunities to provide support through partnerships with the Botanical Society of South Africa and the Department of Agriculture.

The overall aim of this project should be on increasing productivity of 'unemployable and vulnerable individuals' through subsistence farming. The intention of this project is to bridge the gap between basic survival and informal entrepreneurship. In order to achieve this in a shorter period of time, this project could be established through existing support channels developed by the municipality and its strategic partners. Towards this overall project aim, the key objectives of this project are to:

- Development and packaging of a comprehensive food security support programme for vulnerable groups
- Development of a multi-sectoral training programme to further stimulate cross-pollination of skills, products and human capacity
- Develop a cost-effective service delivery system for sensitive households
- Subsidized work spaces for sensitive households
- Subsidized material for subsistence farming and retail of surplus products
- Subsidized capacity building programmes that accelerate human development
 - Assistance for survivalists
 - Stimulate an enterprise culture – low technology skills transfer that has lower capital outlay challenges
 - Guide households towards nutritional farming opportunities
 - Develop an enabling environment for informal businesses to gradually enter into the formal economy through a systematic support programme from pre-incubation through to incubation
- Subsidized shared services for sensitive households during support programme
- Relationship pipelines into other programmes with
 - Other sector development programmes undertaken through industry clusters; KZNDED; and other governmental programmes
 - Other NGO, CBO, and faith based support programmes
 - Other corporate social responsibility programmes
 - Develop a programme of support with multi-stakeholder and widespread support for sustainable livelihoods development

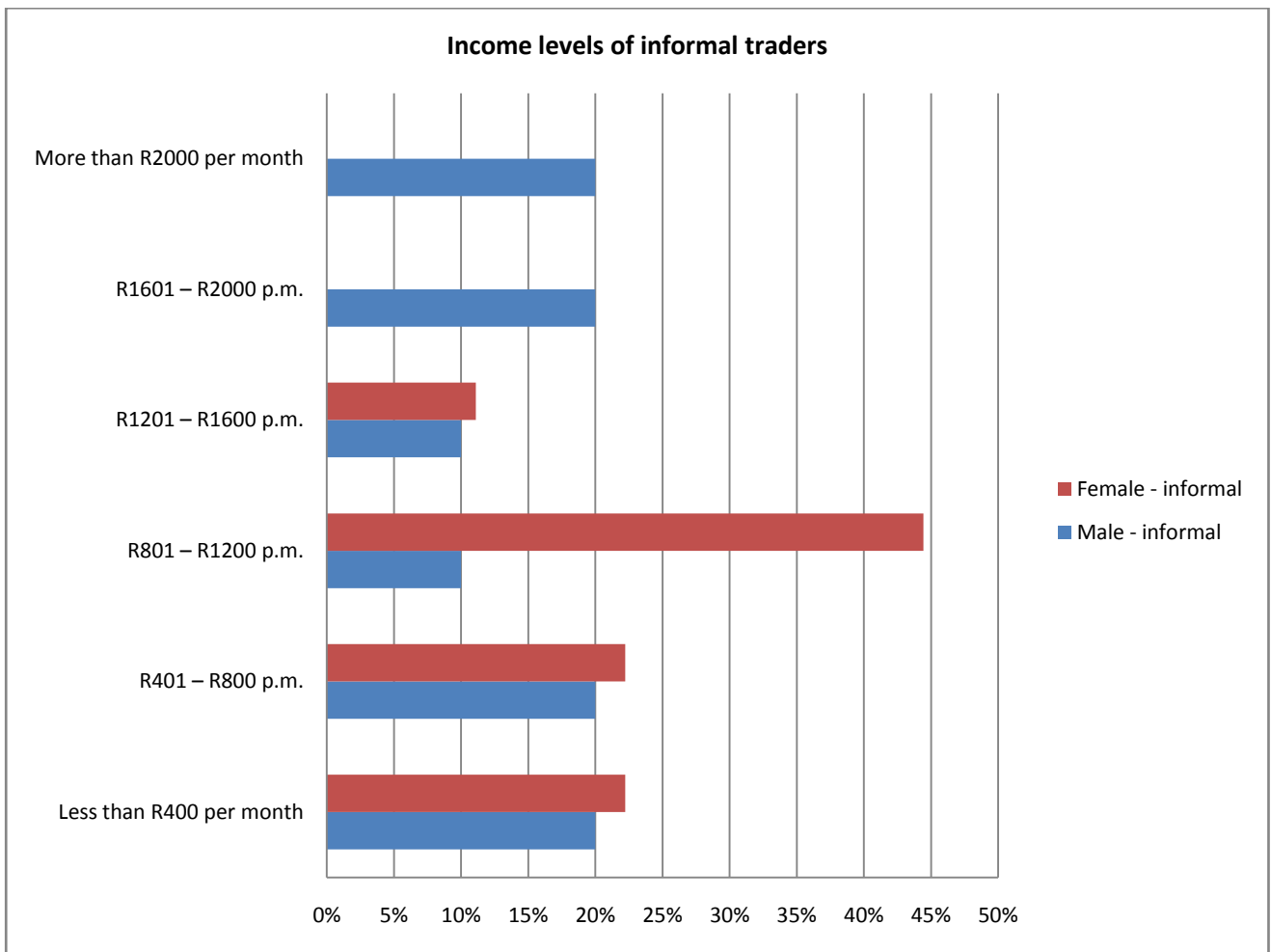


23. Regenerating informal trading areas

An assessment of informal sector activities in the local area shows that there are several localities where informal activities have developed without proper regulation and management.



Further to this women are more attracted to informal activities where they can double their monthly grant allocations, and this may be specifically true for female headed households in the study area.



As opportunities for formal employment become increasingly limited, especially in an area such as the study area, more people become involved in the informal economy. The informal sector plays a significant role in the economy and there is a need for this to be encouraged, but at the optimum locations, with careful planning, regulation and execution.

At present the informal trading is occurring at Waweba and these structures opposite the police station (in the vicinity of the Hammarsdale market) is currently being upgraded.

It can be argued that once there is a concentration of activity in an area, informal trading happens organically. As such, planning for future informal trade should be located around catalytic projects for the area. These should include around the:

- New Town Centre
- Station that is being upgraded in Geordedale
- Traffic circle in Hammarsdale where there were three buildings (old courts), which could be developed as SMME hives
- KwaMcoyi

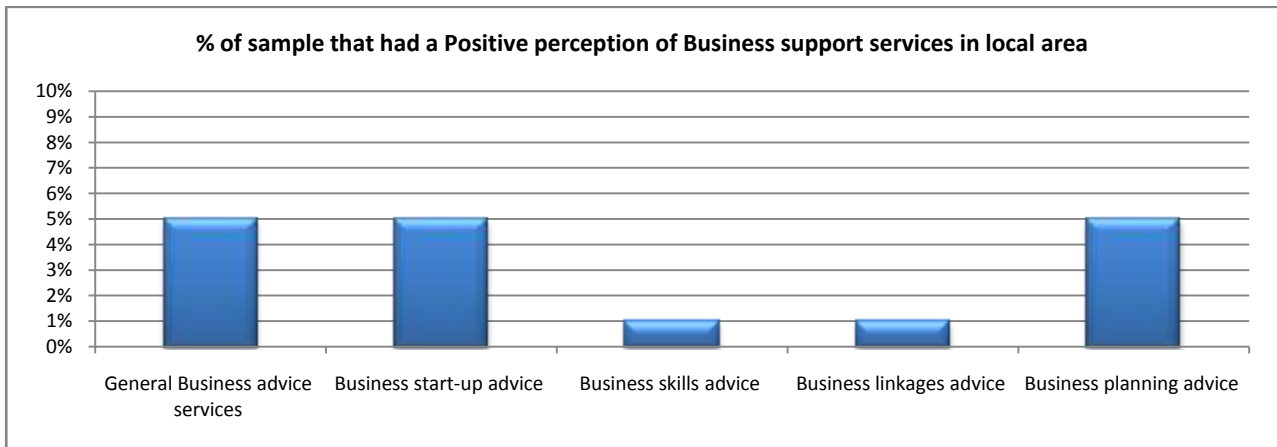
In the case of the rural parts of the study area, informal trader facilities should take the form of the agricultural rental units, however part of a wider demonstration garden project. The regulation of the informal trade areas would need to be in line with the policies of the Ethekwini Municipality and the rental of stalls would also apply in these areas. The existing rental structure applied by the Ethekwini Municipality per stall is as follows:

- Stall with a Council table: R 68.40 per month
- Stall without a Council table: R 39. 90 per month
- A stall in the business hive: R 188.10 per month and above (this is higher based on the higher number of square meters of the stall).

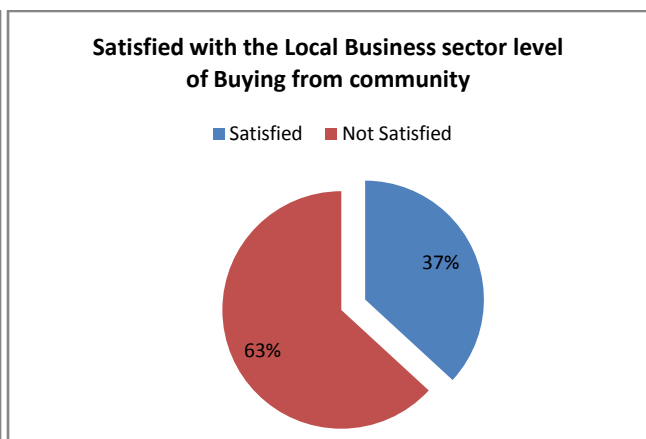
The first step in this project is the assessment of the needs of informal traders. This will provide an indication of the number of traders and what facilities they will need.

24. Regenerating vacant land for use as a business development node / facility

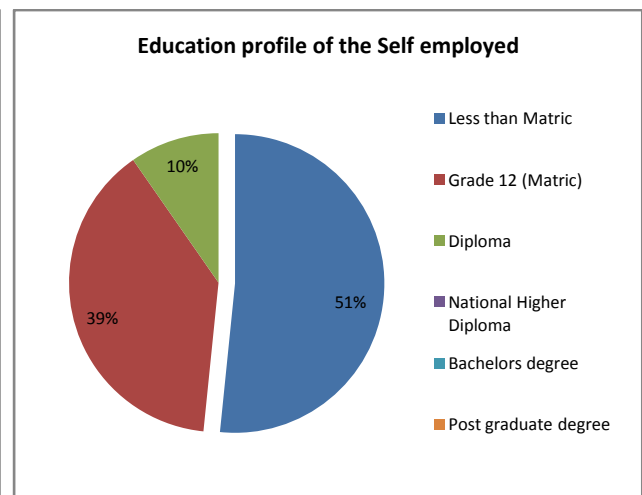
An estimate of the employment impacts of the proposed New Town Centre; New Industrial Park; and supporting activities show that approximately 400 manufacturing jobs will be created through the establishment of small businesses in the local area. On the other hand, the community survey undertaken indicates that business support to emerging entrepreneurs is limited in the locality.



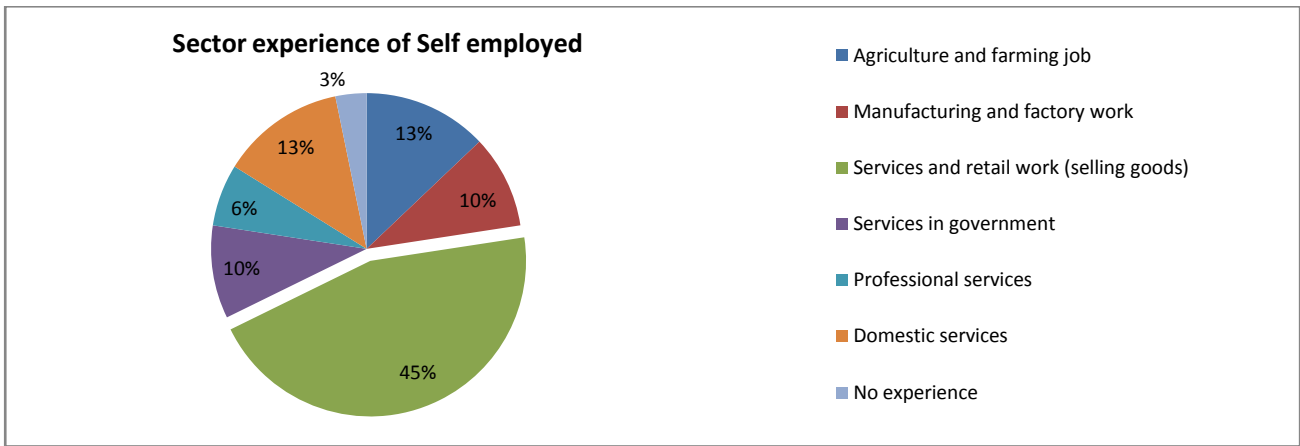
Generally, self employed individuals / local entrepreneurs were dissatisfied with the level of business support services in the local area. Approximately 40% had never received training / skills development support; and about 60% was dissatisfied with the level of business linkages and supply chain development in the local area.



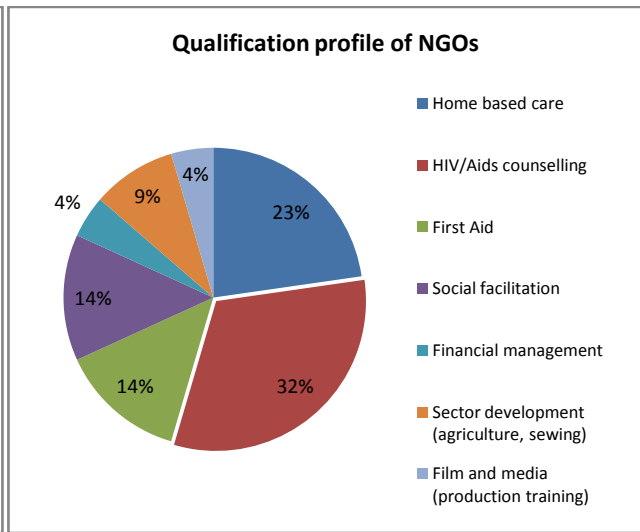
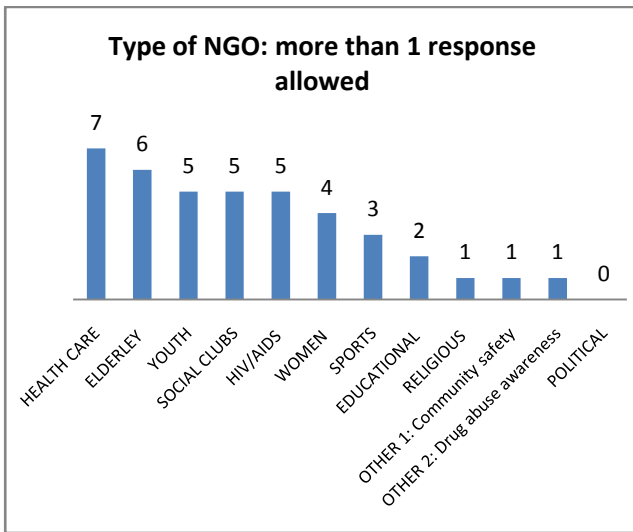
In terms of the business life-cycle, most (52%) of the self employed were at the start up phase (1-3 years), which is a vulnerable phase for small businesses in general. A further assessment shows that approximately 51% of self employed individuals have less than a matric education.



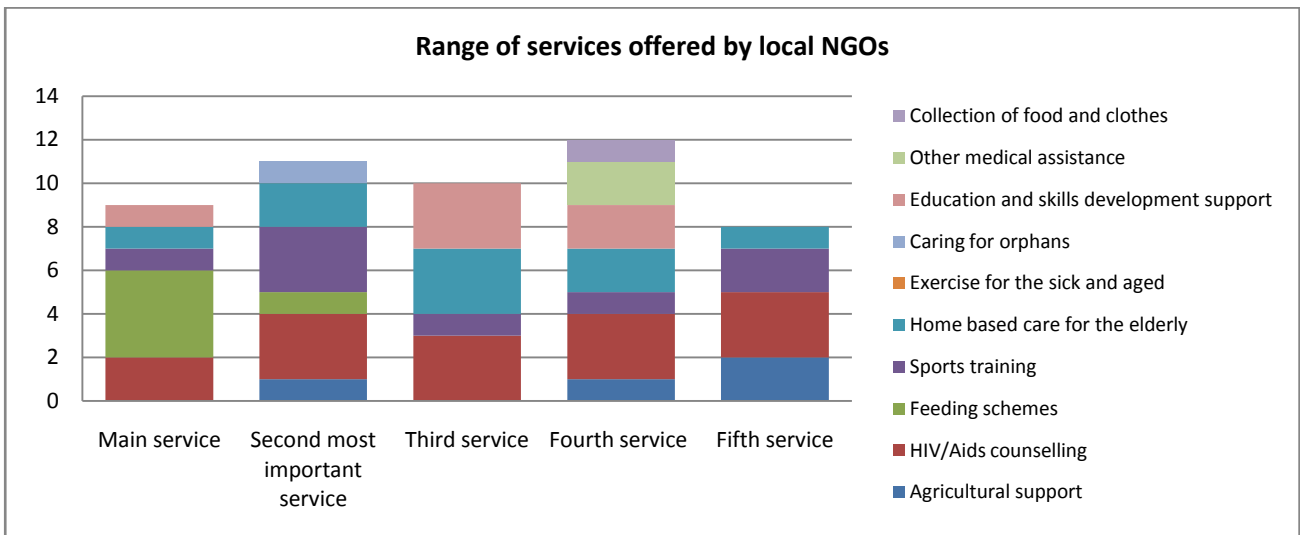
An analysis of the sectoral profile of the self employed shows that most entrepreneurs are operating within the services sector, specifically the retail of goods.



Another category of small business is that of the NGO/CBO sector in the study area, where most organisations were operated in the health care environment.



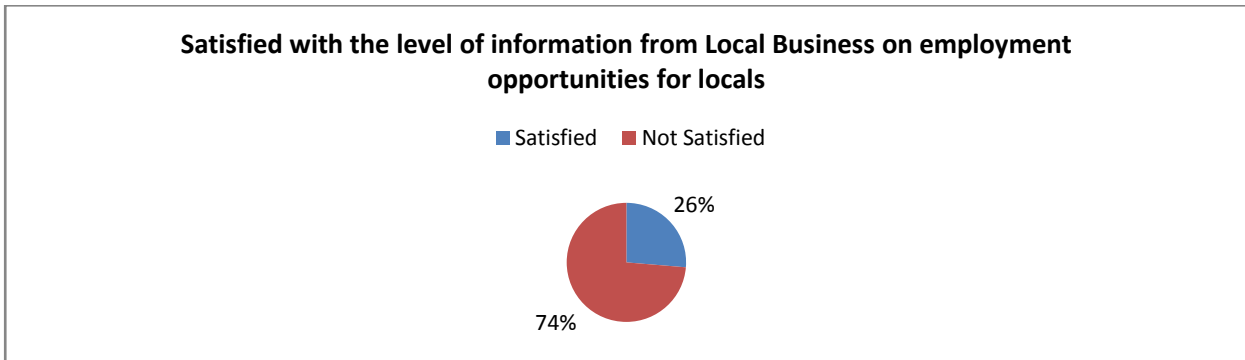
One of the key observations of the survey with CBO/NGOs was that there was limited market focus by organisations, where most of these offered more than five services at a time, and often competing against each other in the locality.



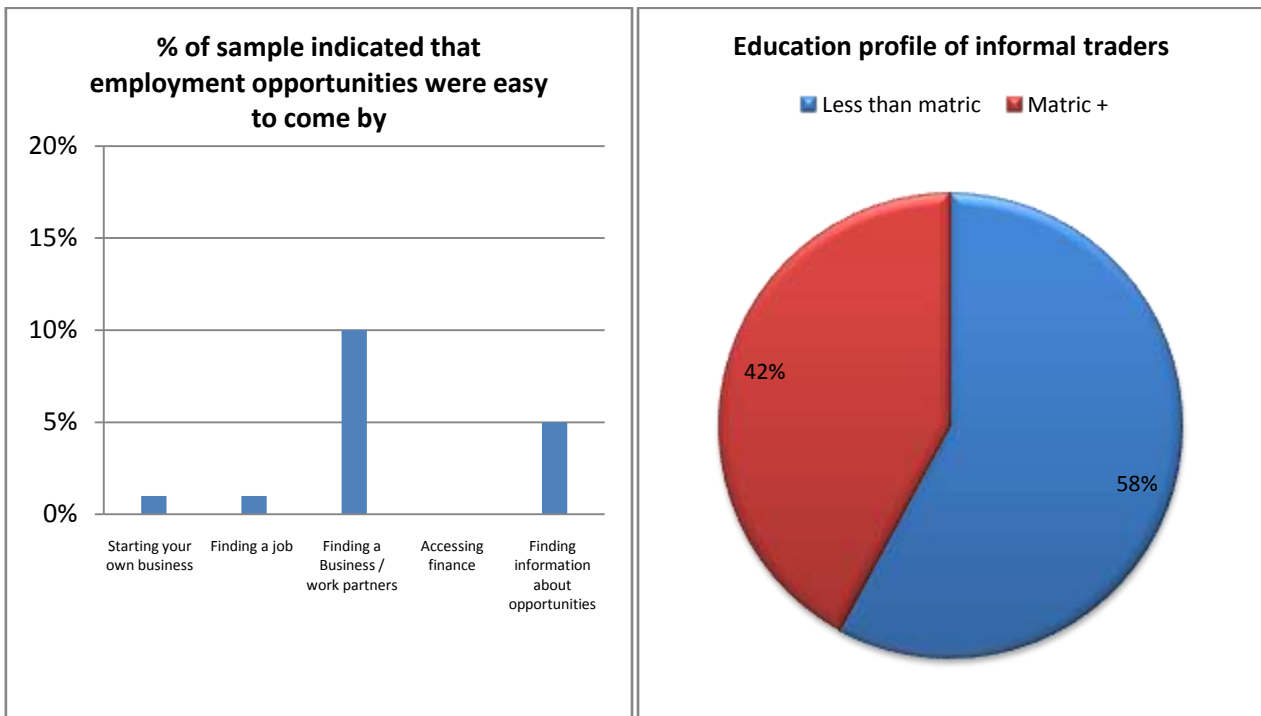
In terms of the top priorities noted by CBO/NGO sector the following table is important

Top 3 interventions identified by NGOs	
1	Need for additional training of staff
2	Need for additional space to care for sick and elderly
3	Need for information on accessing government funding

In addition to the small business sector analysis, an assessment of informal trader needs was undertaken in the study area, and approximately 74% were not satisfied with the level of information on employment opportunities for the local community.

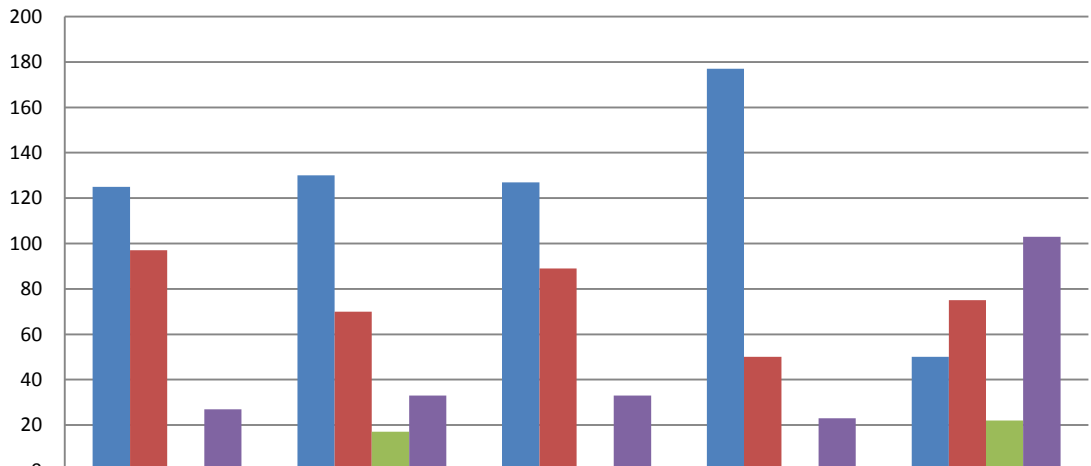


In general, most informal traders indicated that employment opportunities were extremely difficult in the study area, and therefore motivating their existence in the second economy. Approximately 58% had lower than matric qualification.



Informal traders also noted that CBO/NGO were not adequately equipped with providing LED support to the unemployed in the local area, on the other hand these CBO/NGOs did provide information on the availability of government assistance in that regard.

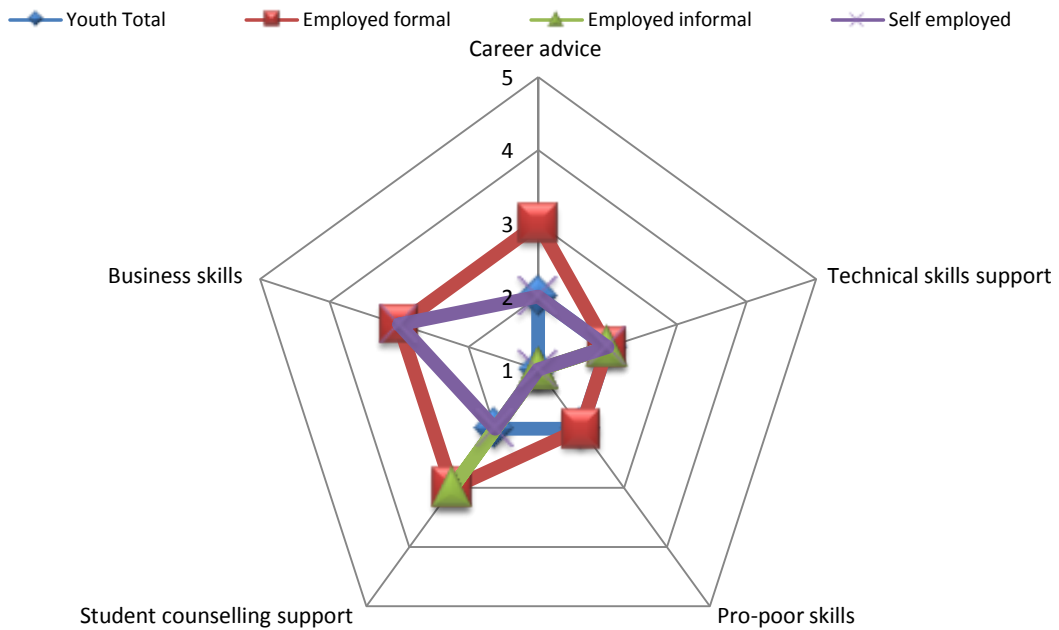
Perception of CBOs in LED type interventions



	Helping you find work	Helping you start a business	Helping you with a business idea	Helping you with career advice	Helping you to get support from government and or other
■ 1 (Poor)	125	130	127	177	50
■ 2 (Needs attention)	97	70	89	50	75
■ 3 (Adequate)	1	17	1		22
■ N/a	27	33	33	23	103

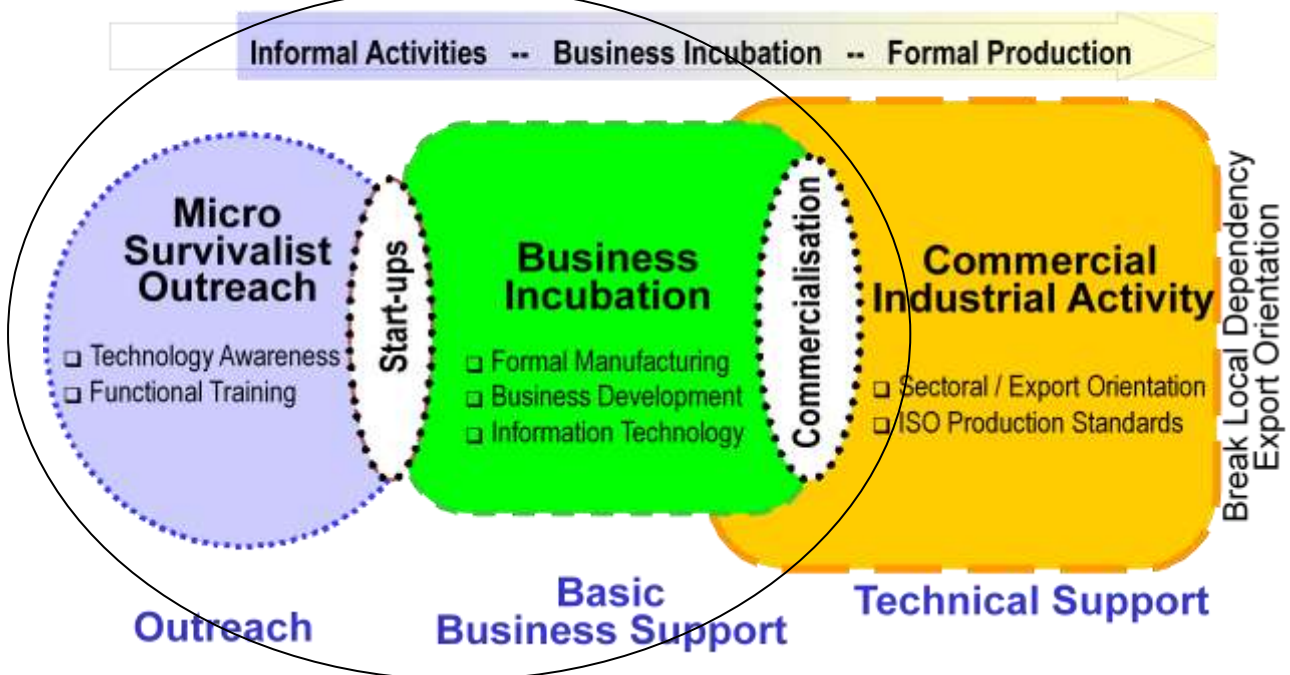
In summary, there was a general lack of satisfaction with business and development support by all economically active participants in the local community. The youth also seemed to be the most pessimistic with this aspect of development assistance.

Rating of skills development and some support services in the local area 1= poor; 5 = excellent



Based on these observations, it is quite clear that there is an urgent need to provide both outreach and basic business support services to the local community.

Phased Support for Emerging SMMEs



Source: Adapted from CSIR for the Cato Manor ESC

it is anticipated that a business incubation programme be established, however within a designated zone that is complimented with all the necessary support services required to ensure business and employment sustainability throughout the learning process. In order to accommodate these future small businesses in the local area, between 2-3 hectares of mini-factory space should be provided, along with a shared service centre; Business support services; conference facilities; and a training centre. It is also anticipated that NGOs could also be accommodated within this park and access the requisite support services to remain sustainable.



An example of a Small Business Park



The intention to bridge the gap between informal and formal entrepreneurship the municipality will be providing a higher level of support to previously disadvantaged individuals, and businesses to engage with markets through product and service sustainability. In order to achieve this in a shorter period of time, the delivery of cutting edge research and development services to stimulate local entrepreneurship and market access is a requirement. Towards this overall project aim, the key objectives of this project are to:

- Development and packaging of a comprehensive support programme for survivalists and informal businesses with greater integration into higher order business support programmes
- Development of a multi-sectoral training facility to further stimulate cross-pollination of skills, products and human capacity
- Develop a cost-effective service delivery system for sensitive entrepreneurs
- Subsidized work spaces for sensitive entrepreneurs
- Subsidized material for production training and enterprise product development and testing / application
- Subsidized capacity building programmes that accelerate human and business development
 - Assistance for survivalists – secure production training facility
 - Stimulate an enterprise culture – low technology skills transfer that has lower capital outlay challenges
 - Guide entrepreneurs towards formal opportunities with low barriers to entry through the provision of (accelerated) enabling skills
 - Develop an enabling environment for informal businesses to gradually enter into the formal economy through a systematic support programme from pre-incubation through to incubation, then through to post-incubation and finally into the formal economy – creation of sustainable businesses
- Subsidized shared services for sensitive enterprises during support programme
- Relationship pipelines into other existing business development programmes with
 - Other sector development programmes undertaken through industry clusters; KZNDED; and other governmental programmes
 - Other NGO, CBO, and faith based support programmes
 - Other corporate social responsibility programmes
 - Develop a programme of support with multi-stakeholder and widespread support for micro-enterprises
 - Key Sponsors of programmes and sub programmes – contractual and service level agreements

25. Regeneration of transportation and roads

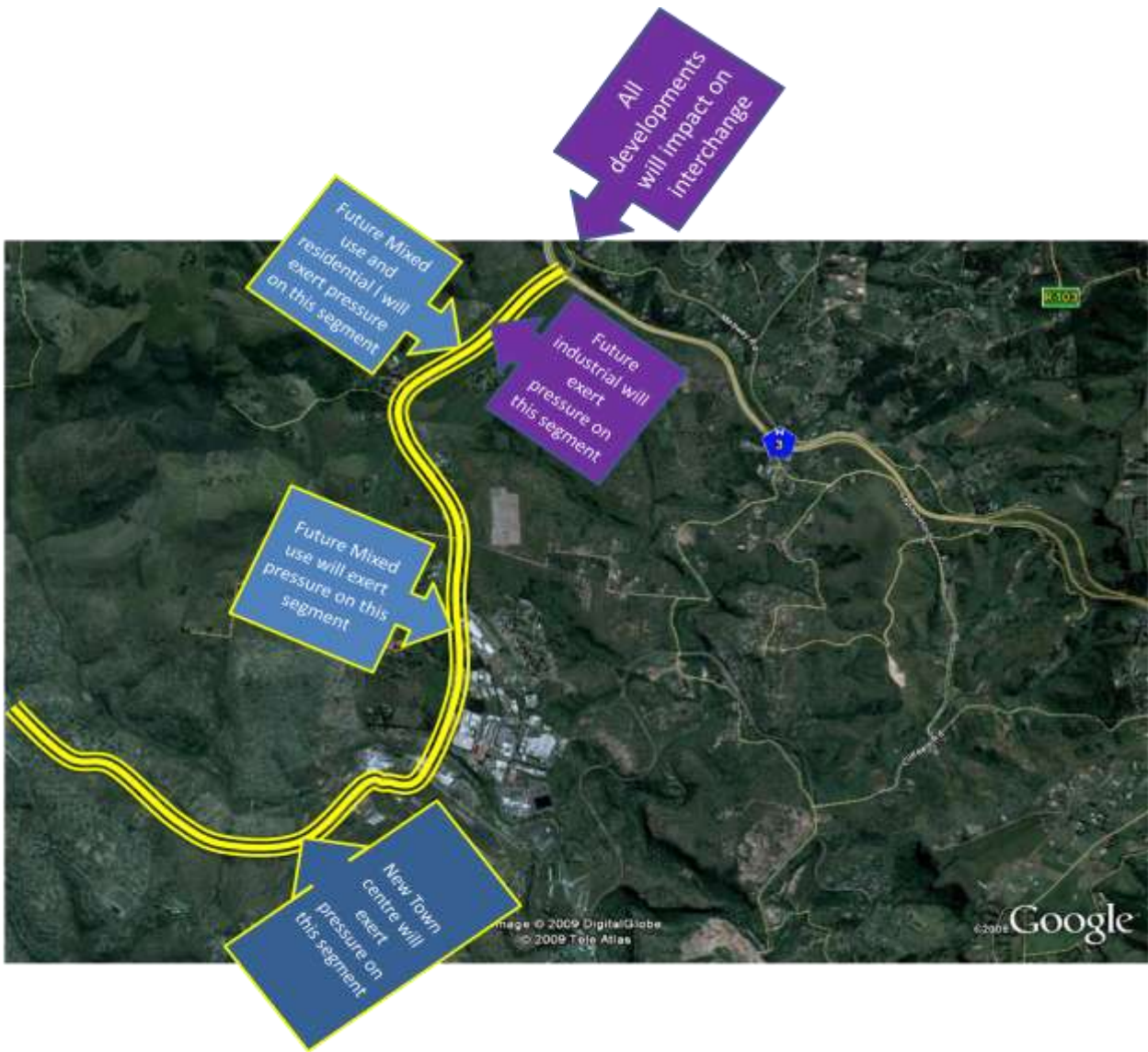
The major road infrastructure and transportation systems hinge on the capacity of the Hammarsdale Main Road MR385, which is a two and in some portions a three lane main road. This road links the greater Hammarsdale/Georgedale area with the N3 which integrates the region with the eThekweni region. Access to the N3 is provided by a conventional diamond interchange, which has single lane ramps however widen as they approach the constrained crossing lane (MR385). The MR385 does not have turning lanes.



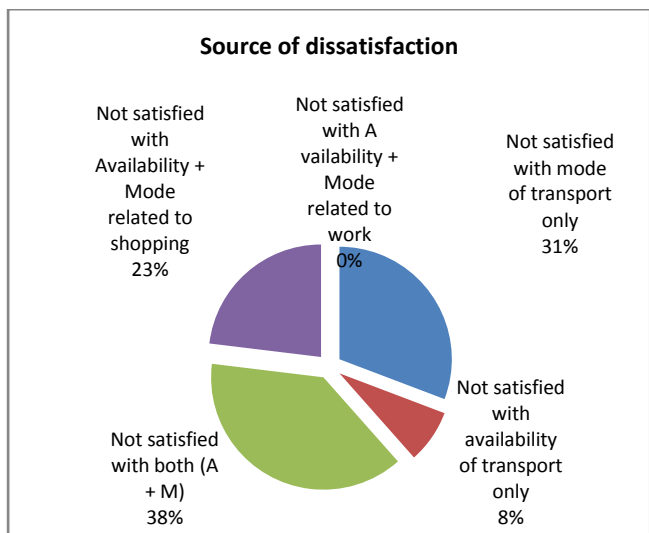
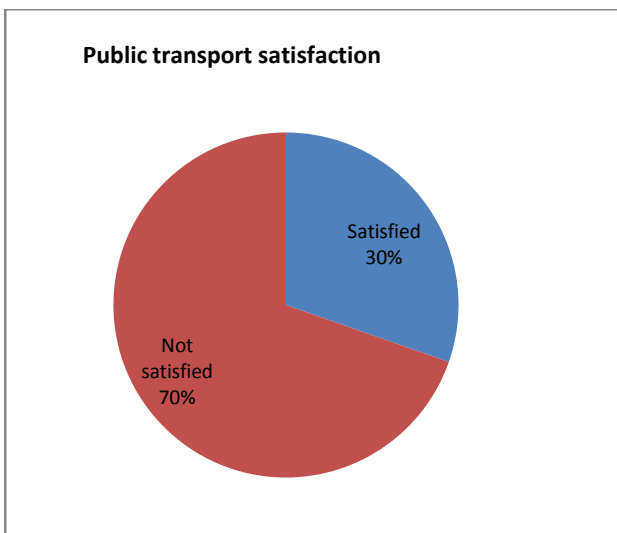
In absence of a detailed traffic assessment by the eThekweni Municipality, the MR385 seems to be a moderately busy corridor and the interchange segment is relatively free flowing. In terms of traffic flows for the interchange, the Northbound exit ramp; southbound exit ramp and MR385 crossing lane experience traffic flows ranging from a low 280 vehicles per hour south bound in the morning peak; through to 2,360 vehicles per hour in the afternoon peaks on the crossing lane. The crossing lane peaks can also be attributed to the Main Road 245 which leads eastwards towards the R103 and Harrison Station/Harrison Flats. It is a two lane road with climbing lanes.

In terms of the development proposals outlined / required for township regeneration, the following issues and interventions may be of importance to the study area:

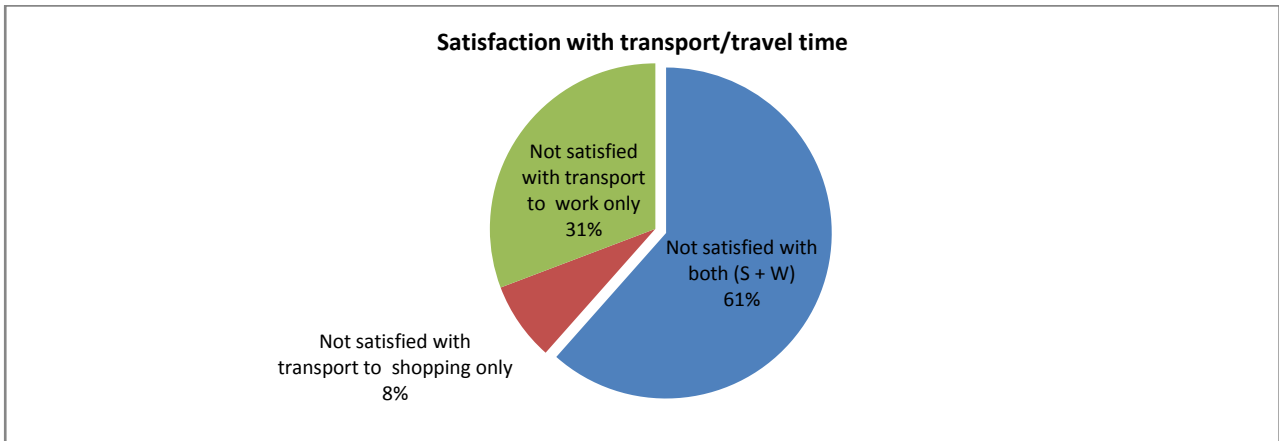
- Existing traffic conditions are satisfactory
- All road except for the Main Road 245 are in relatively good condition
- All of the new proposals cumulatively will impact on the existing road system and substantial upgrading may be required
 - MR385 requires upgrade to at least a four lanes through to the proposed New Town Centre
 - The interchange crossing lanes should accommodate additional turning lanes unto the N3
 - Entrance and exit ramps may require additional lanes particularly the northbound exit and southbound entrance lanes
 - Signalised intersections especially at interchange and New Town Centre



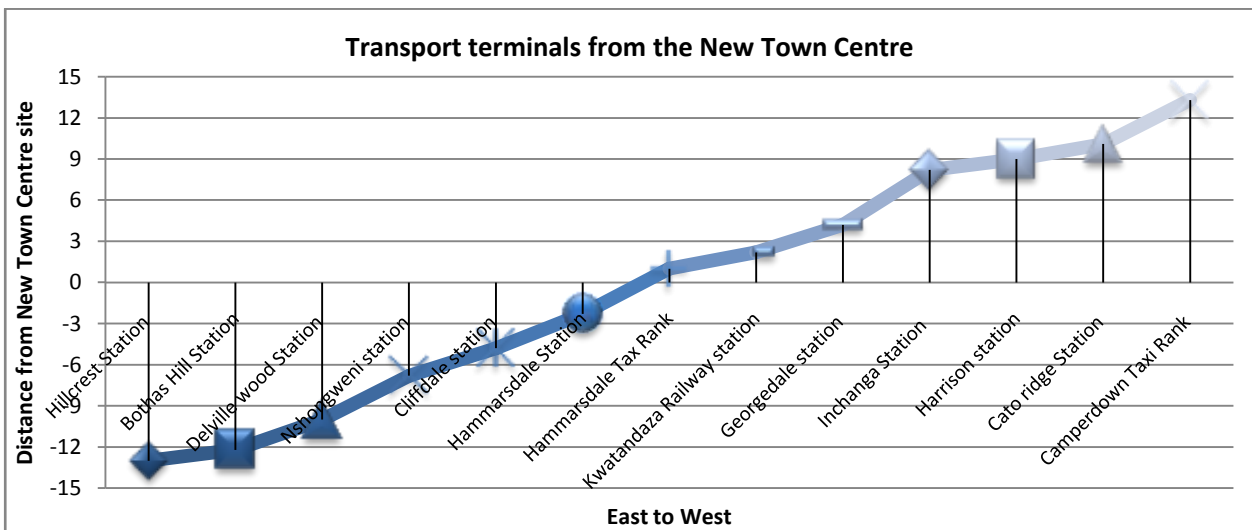
Additionally an assessment of community needs related to public transport provision in the local area shows that approximately 70% of the local community is dissatisfied with the existing public transport situation.



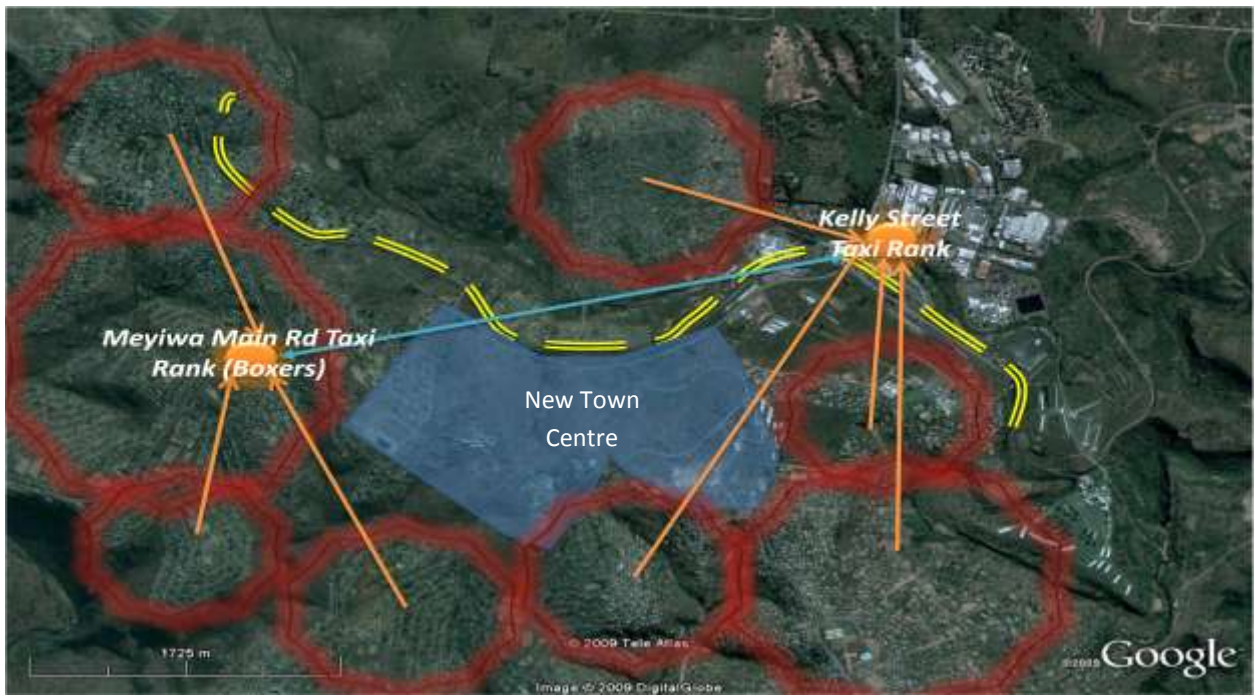
Approximately 38% were not satisfied with both availability and choice of mode in the study area. Over 60% were not satisfied with the travel time to both work and shopping centres.



A survey of existing transport facilities show that there are several railway stations and few taxi tanks in the locality, but more importantly, there are no multi-modal facilities comprising both taxi and rail services.

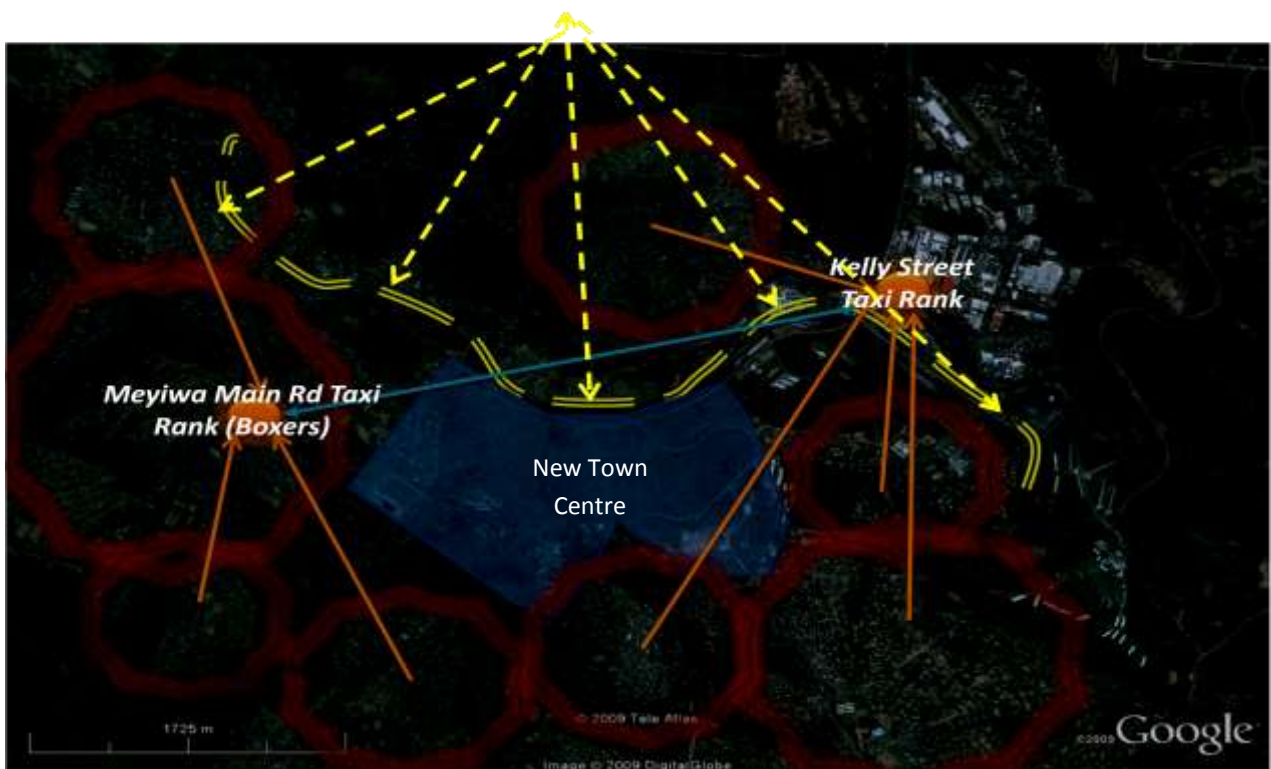


The Hammsdale Taxi rank is approximately 1km from the proposed New Town Centre site, and the next closest major taxi rank is in Camperdown some 13km away. There are limited taxi ranks in the local area for outside travel – i.e. from Mpumalanga to other areas. Both taxi ranks (Meyiwa Main Road and Kelly Street Taxi Ranks) split the community into two distribution zones, and communities between these zones have a long distance to travel (on foot) to get a taxi to surrounding regions.

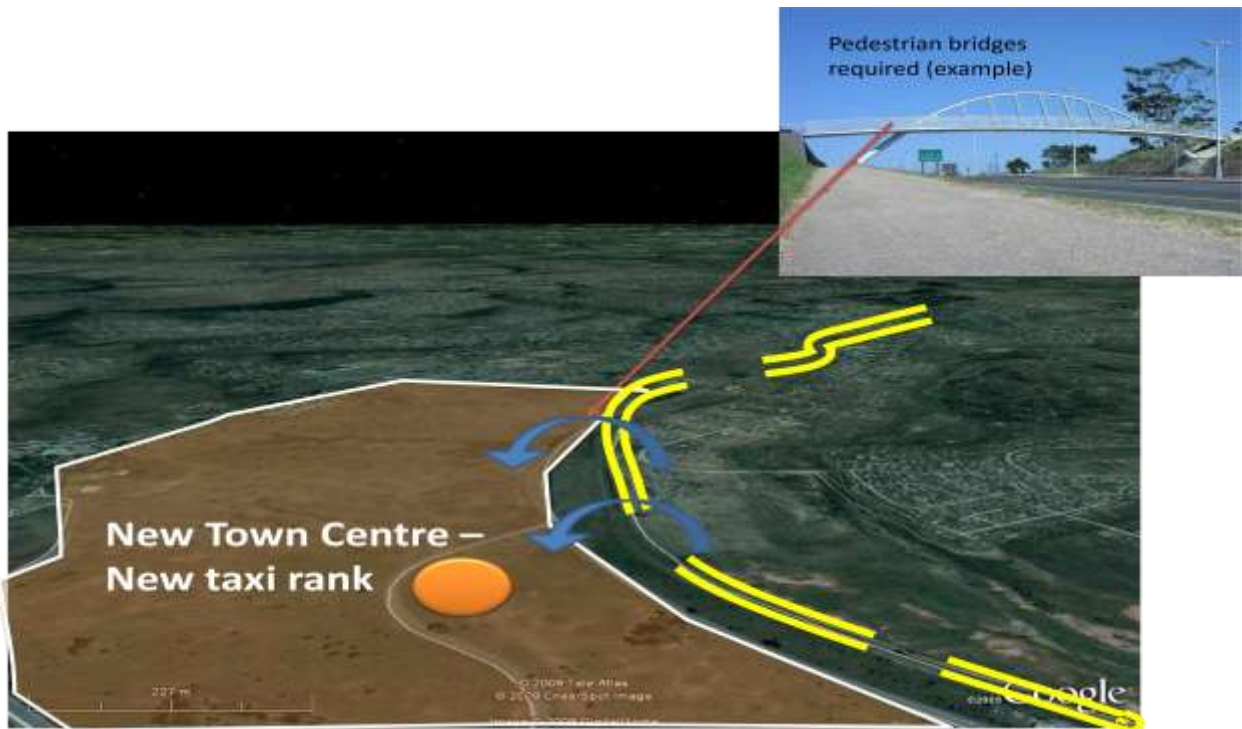


The rail line further separates the community and limits access to the main taxi ranks. In some cases commuters may take two taxis to get to surrounding areas, i.e. 1 taxi from their residential area to either Boxers or Hammarsdale and thereafter another taxi to leave the study area.

Rail line



A few possible solutions could be devised as part of the public transport plan such as new pedestrian bridges over the MR385 and rail line into the New Town Centre; as well as a new taxi rank which is central to the area and brings commuters directly through to the New Town Centre.



Other proposals should include improving access between Hammarsdale industrial and surrounding communities who have to travel long walking distances to get around the natural river system and the railway lines in order to get to work in the industrial area and at Rainbow Chicken farms.



There is also a need to link the Hammarsdale Industrial area with the New Town Centre as employees will be able to shop or use government services during breaks.

In terms of the property development proposals for the study area, there may be over 1,500,000 sqm GLA of mixed use development within the study area comprising of retail, industrial, residential and institutional land uses. Furthermore, there may be more than 18,000 visitors to the study area per day for purposes of work, shopping and government services. It is further envisaged that communities concentrated within various parts of the Outer West will be traversing the local area to access these employment and services opportunities.

Community concentration	Distance (estimates)
Georgedale	3km
Ekwandeni	3.3km
Macala-Gwala	4.7km
Dlwembe	5km
Mophela North	5km
Camperdown	6km
Cliffdale	6km
Ezibomveni	6km
Pinetown rural	7.5km
Ntshongweni	7.5km
Harrison	9km
Inchanga	9km
Drummond	9.5km
Cato Ridge / Kwaximba	11km
Dassenhoek	11km
Emangabazini	11.5km
Fredville	11km
Assegay	11.5km
Mkhambathini	11.5km

In terms of an improved public transport situation, the following needs are important for further testing:

- road based feeder/ distribution service that would link to the rest of Outer West
- an integrated road to rail modal interchange is required incorporating a new commuter rail station
- minibus taxi rank, commuter bus taxi rank and related commuter convenience facilities
- integration of the intermodal facility with an adjacent retail centre
- pedestrian access for neighbouring communities and disabled individuals

In the future the local area could service just over 50% of the Outer West population which implies approximately 300,000 people. Towards this, a detailed public transport and plan is required to meet the demands of the local area. To give effect to this need, a study should be undertaken to provide insight into public transport requirements as follows:

- confirmation of initial demand and estimate future ultimate demand
- assess feeder volumes and transfer to main transport systems
- design of system to integrate modes and with land uses
- multi-level facility planning and design (hierarchical)

26. Engineering infrastructure required for township regeneration

Township regeneration opportunities are directly linked to the construction and operation of approximately 5 ha of retail; 33ha of residential; 5.6ha of services sector; 100ha of industrial; and 20ha of institutional services, which may cumulatively double the household income levels, local GDP, bring unemployment down from 47% to 40% of the population, remove 3,000 households from extreme poverty as well as double local formal employment.

On the other hand, major constraints in terms of bulk infrastructure and services threatens the possibility of achieving this feat; where waste water treatment works needs to be supplied along with a major upgrade of the local distributor road, i.e. the MR385. In order for the local area to enhance its role as a key manufacturing and services centre; the number of new large enterprises should be doubled and over 18,000 local people are required to visit the Town Centre per day. It is anticipated that with the associated industrial developments in place, these visitors could be employees, however other opportunities could arise from attracting people to the local area. Some of these opportunities include the provision of regional health care facilities such as a provincial hospital and improving the public and private educational sector presence in the local area. The need to ensure that educational services are enhanced in the local area is based on the need to ensure that a 'brain-drain' does not affect the Outer West local economy in its entirety. It is noted, that the lack of

better quality, yet affordable tertiary education facilities has meant that potentially employable individuals are drawn to major economic centres such as Durban Central, where the education and employment opportunities further contribute to residential settlement of these local human resources.

The Township regeneration strategy further notes that if employment opportunities and income levels increase within the local area then so will the demand for higher income residential developments. This demand will contribute to the introduction of much needed higher income earners as well as the settlement of other race groups within the local area, and more importantly result in a social integration and restructuring of the local economy. Towards this, it is important that the provision of catalytic bulk infrastructure be facilitated within the study area.

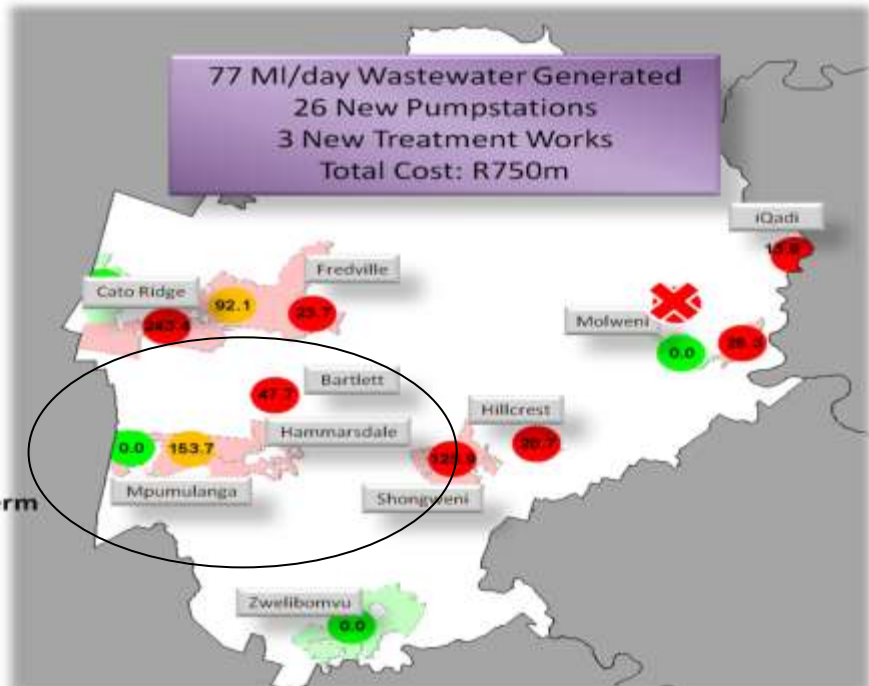
A recent assessment of the bulk infrastructure requirements for the study area is illustrated as follows:

Infrastructure Responses to SDPs
Evaluation of Phase 1 Priority Areas

Wastewater Outer West

Sanitation
Intervention Required
(with cost in Rm)

- None
- Simple / Short term
- Showstopper

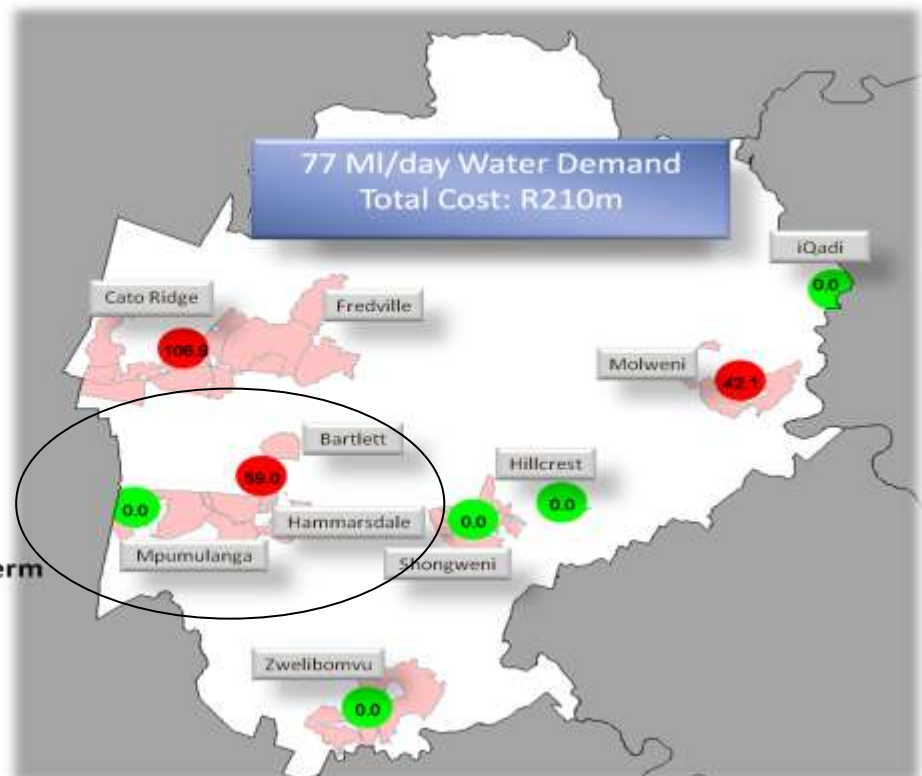


Infrastructure Responses to SDPs
Evaluation of Phase 1 Priority Areas

Water Outer West

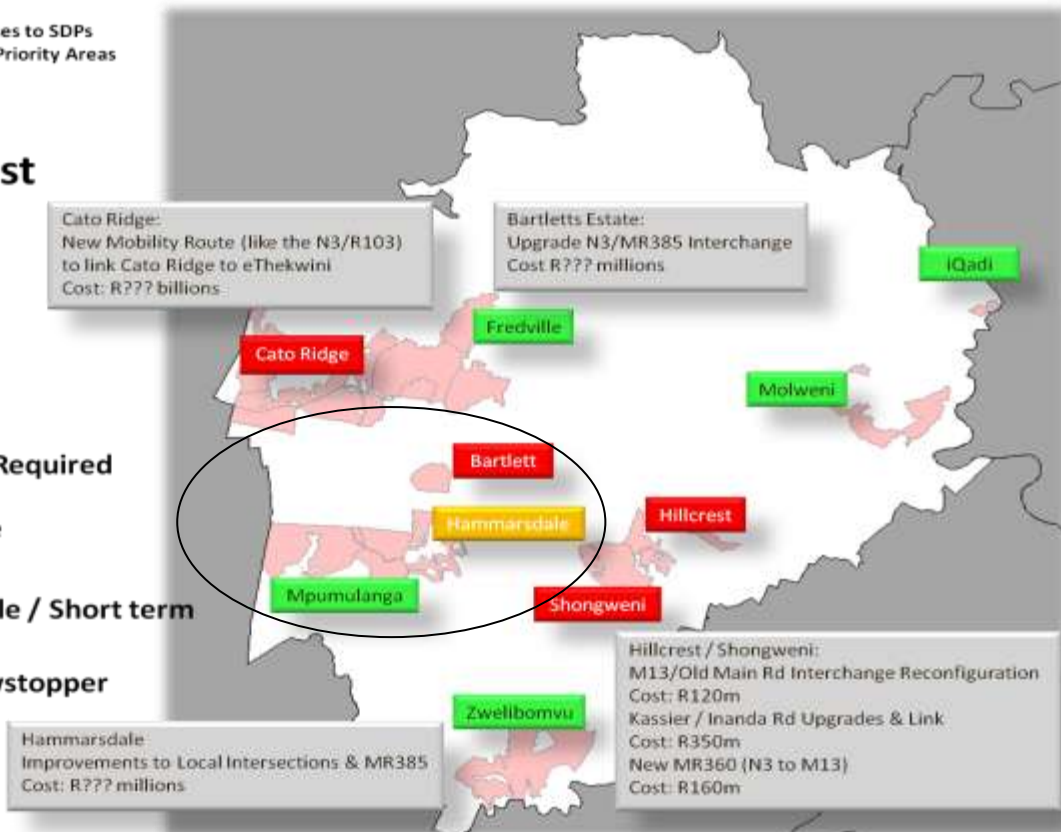
Intervention Required
(with cost in Rm)

- None
- Simple / Short term
- Showstopper



Roads Outer West

Intervention Required



Priority Area		Economic Index (from EDU)	Social (i.e. Low Cost Housing Opportunities)		Infrastructure Response			Annual Rates Return (Rm)	Annual Rates Return / Infrastructure Spend (%)	
ID	Description		No. of Sites	Index	Phase	Land Release (ha)	All Sectors Combined			
							Status			Cost (Rm)
W02	Bartlett's	4	0	N/A	All	148	SRWE	328	63.0	19
W05	Hammarsdale	10	870	16	All	193	SWE	187	23.5	13
W09	Mpumalanga	26	7,262	3	All	813	E	10	50.1	501
							525	137	26	

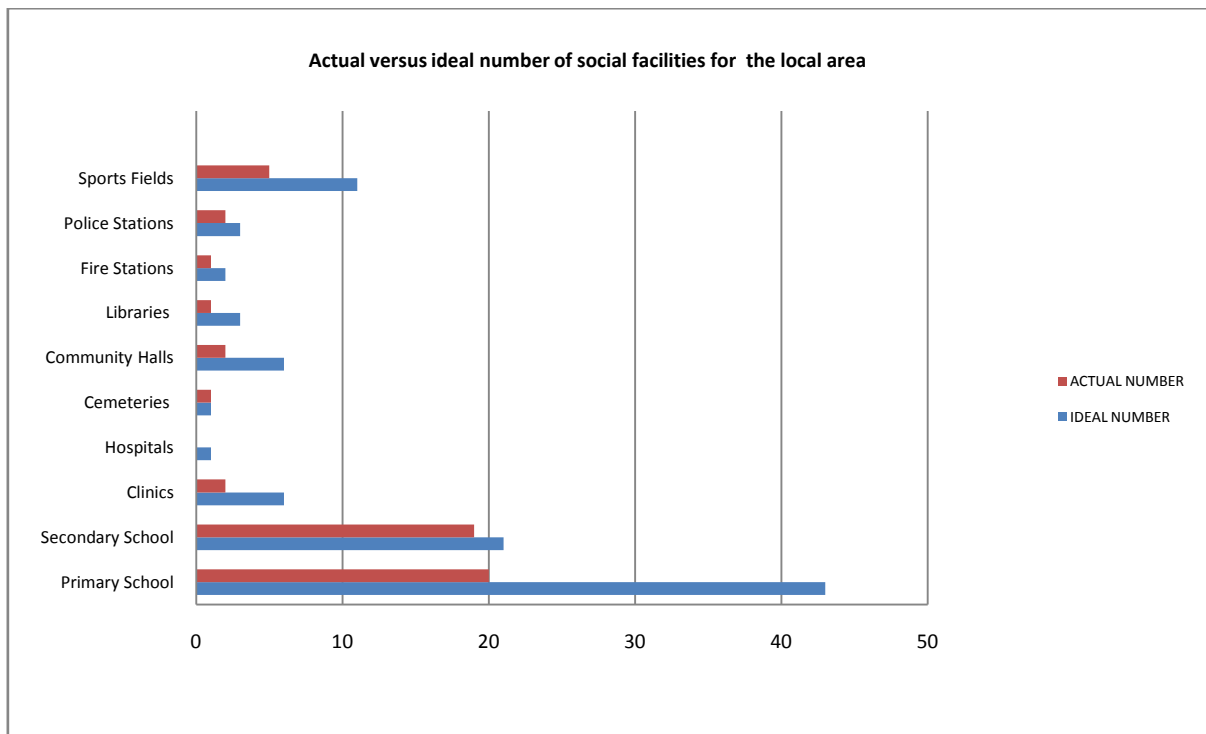
Infrastructure Responses by Sector											
Sewer			Roads			Water			Electricity		
Status	Cost (Rm)	Details	Status	Cost (Rm)	Details	Status	Cost (Rm)	Details	Status	Cost (Rm)	Details
	48	New Treatment Capacity & Gravity Trunk		250	Upgrade N3/MR385 Interchange		30	20MI Reservoir (R40m); 600ND Trunk (R19m) - shared with Hammarsdale		To determine	Eskom Supply Area: Insufficient Capacity
	147	New Treatment Capacity (probably a new works)		10			30	20MI Reservoir (R40m); 600ND Trunk (R19m) - shared with Bartlett's		To determine	Eskom Supply Area: Insufficient Capacity
	0			10			0			To determine	Eskom Supply Area: Insufficient Capacity
	195			270			60			0	

The overall aim of this project is to finalise the infrastructural needs of the local area to facilitate catalytic and local economic development in the study area. Towards this overall project aim, the key objectives of this project are to:

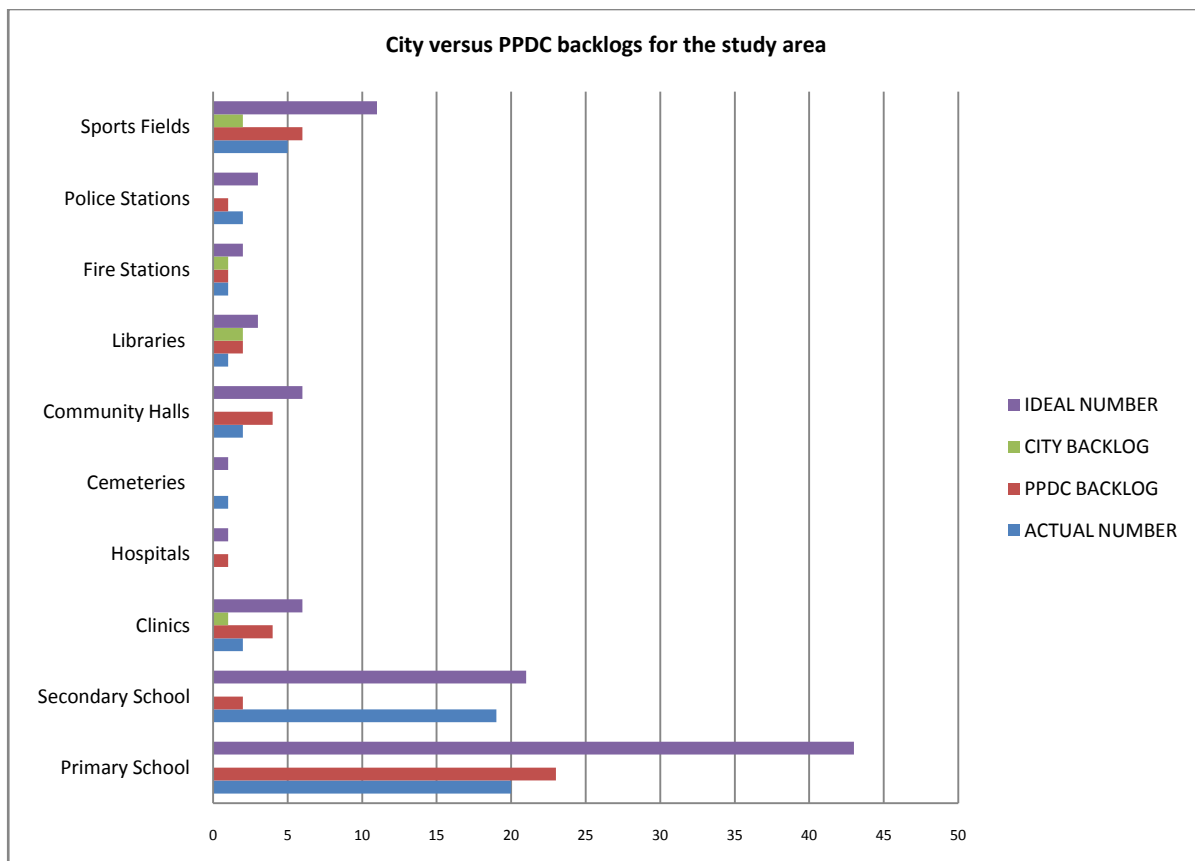
- Determine the infrastructure impacts/needs of each development proposal on the existing bulk services systems
- Determine the capacity improvements required to meet the needs of the developments
- Determine the capital and operating costs of the requisite infrastructure
- Determine the timing / implementation phasing of development and infrastructure priorities
- Prepare a funding motivation and services agreement between all roleplayers

27. Regeneration of government and social services

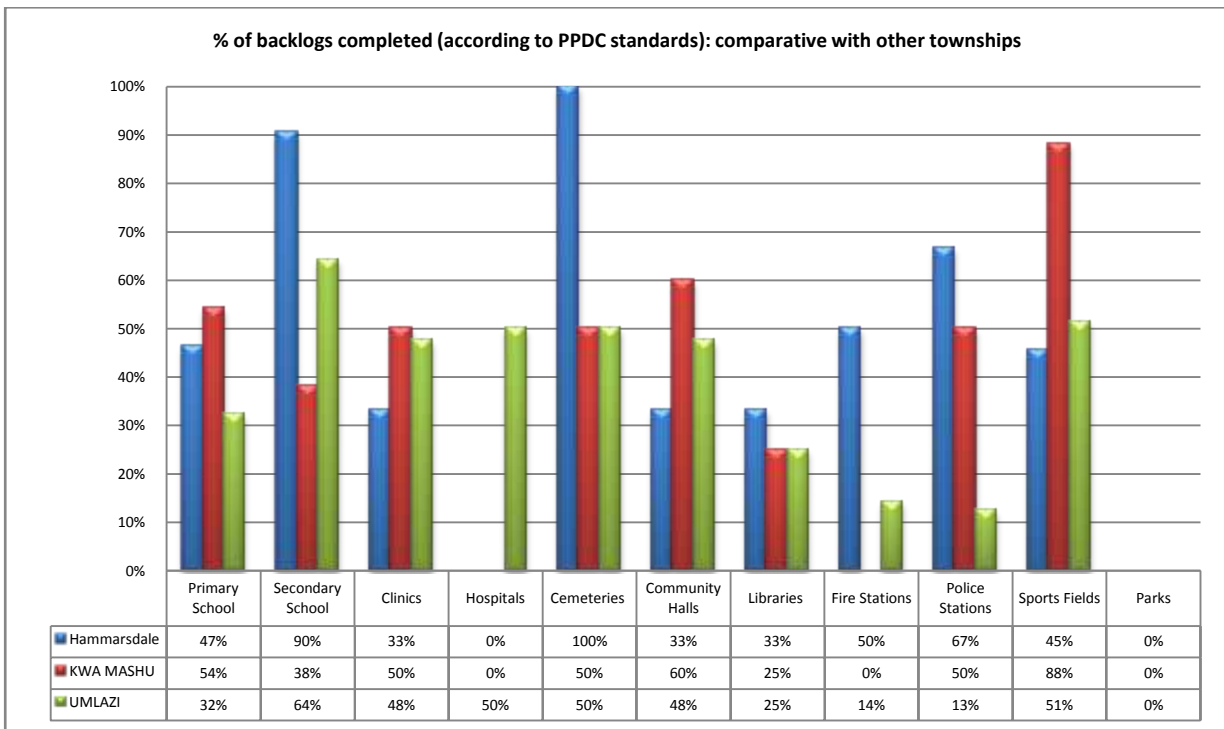
A review of the KZN Provincial Planning and Development Commission standards for the provision of social facilities in comparison to actual provision of community facilities in the area, shows that a number of gaps in service delivery remain a serious challenge to the overall development and well being of the local community.



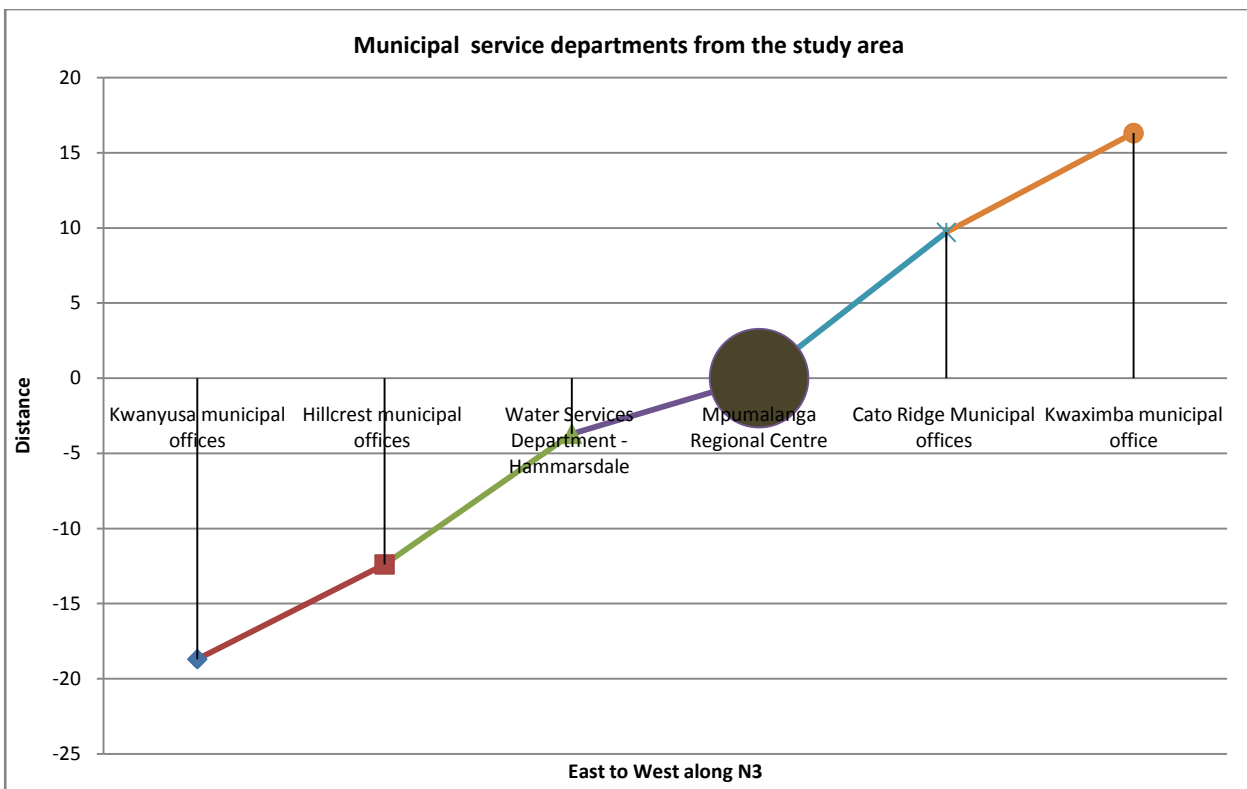
Some of the main challenges are concentrated around the education and health sectors – both being provincial mandates. When comparing these gaps with the current health and education profile of the study area (in previous section), it is important to highlight that government has made little impact in dealing with the structural problems associated with underdevelopment in the local area.



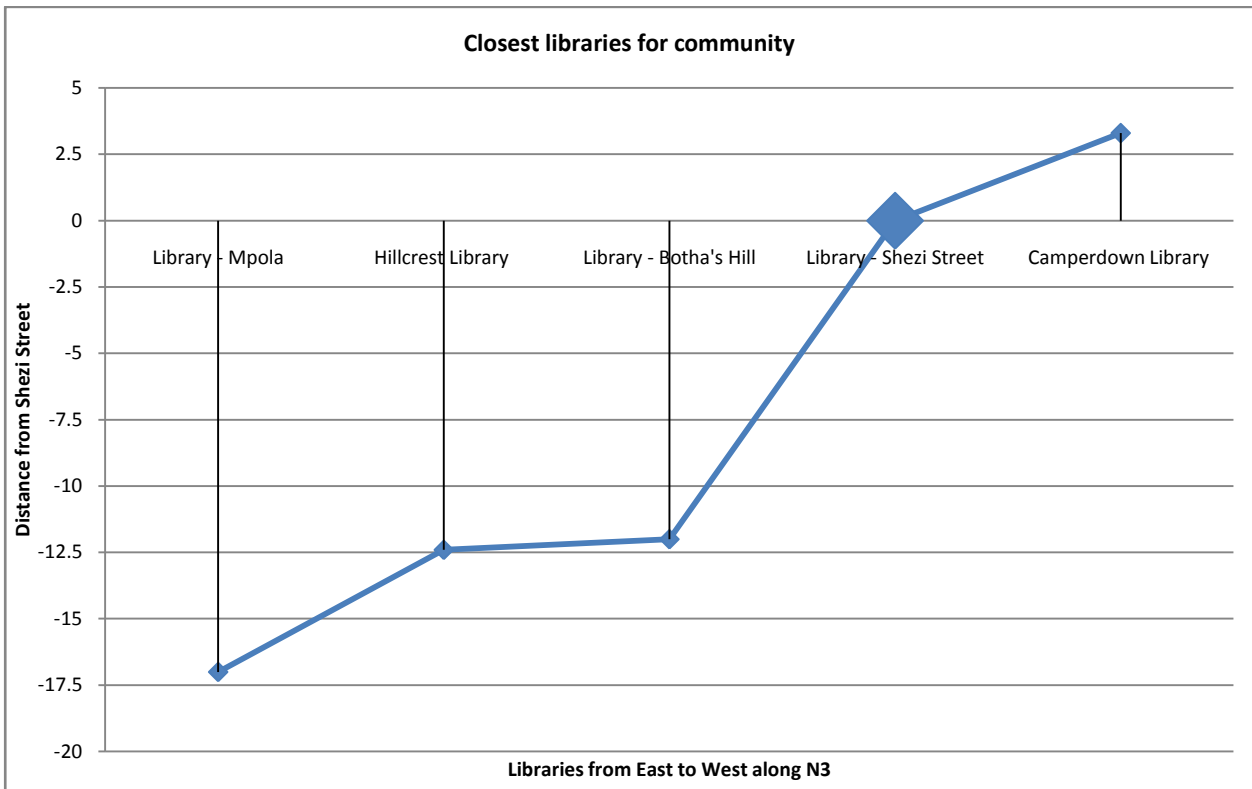
Further to the above issues, a comparative assessment of strides towards meeting the backlogs (as per PPDC standards) in three township areas show that the provision of primary education facilities, general health care and libraries remain as priorities in township areas.



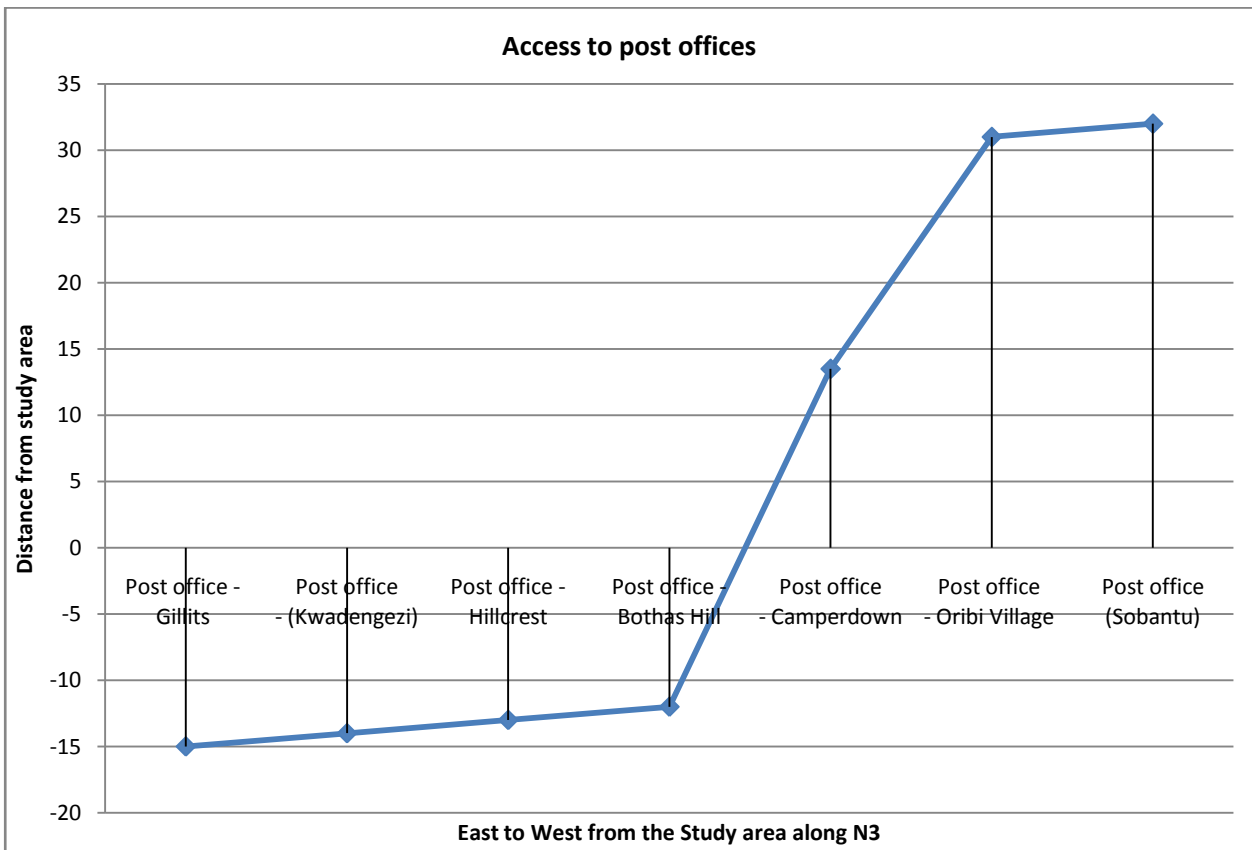
Additionally an analysis of the location of some of the core government services shows that there are a few municipal (customer) services departments within the Outer West serving the local population.



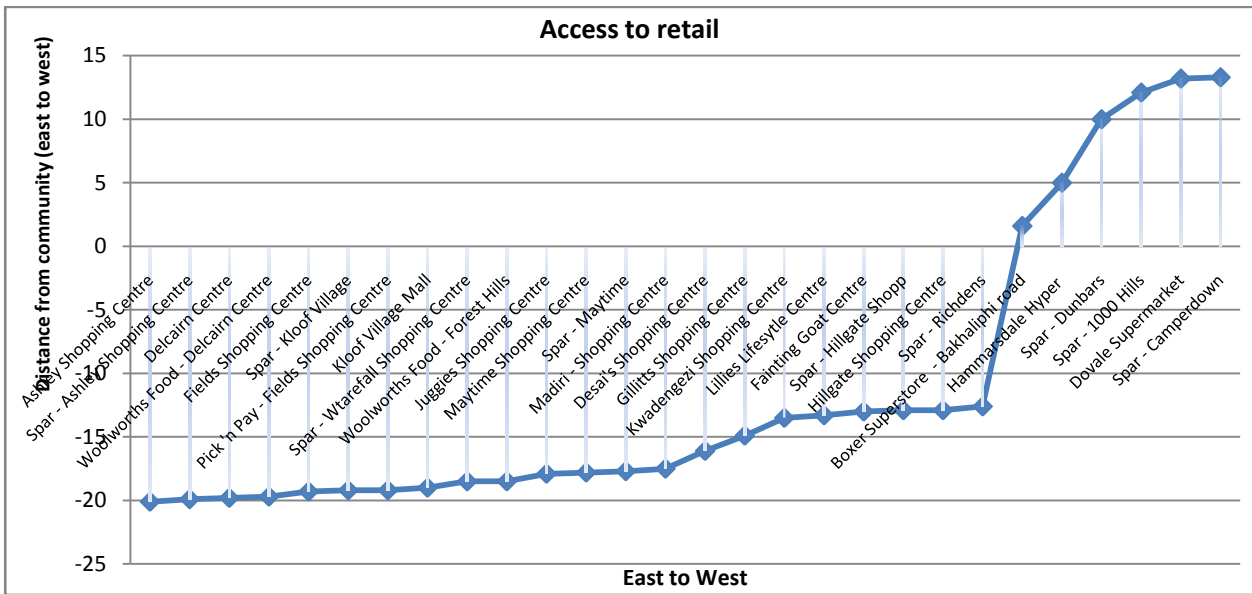
Further to this, there are only two libraries within a five kilometre radius from the community, i.e. one in Mpumalanga and another in Camperdown. Residents also noted that the most convenient Department of Home Affairs was located in Durban some 40km East of the study area.



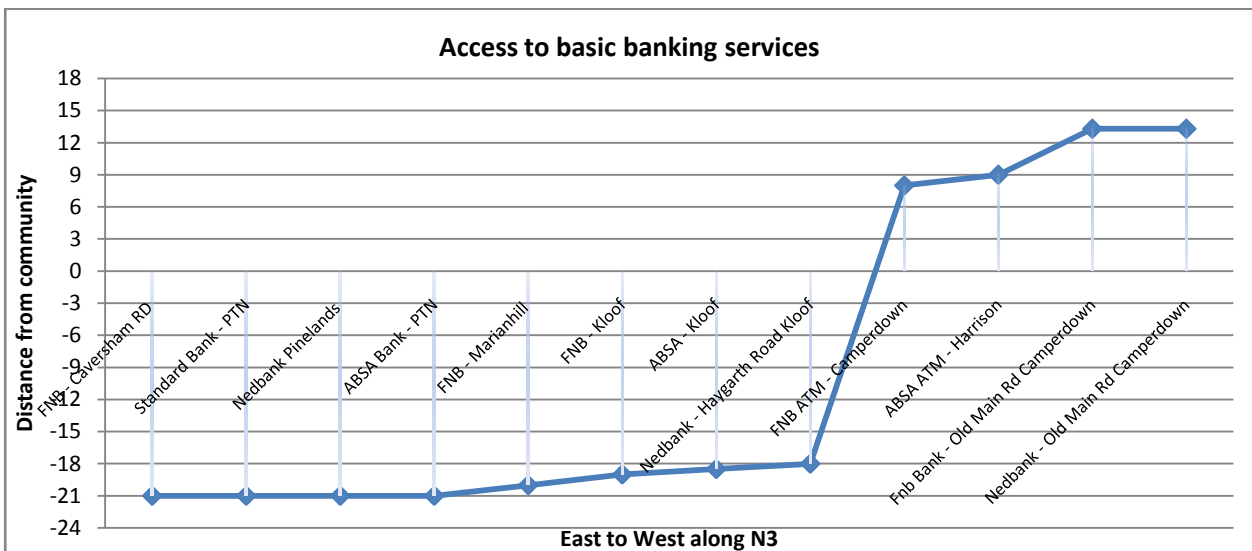
An inspection of the location of post offices (customer centres), shows that the closest centre to the Mpumalanga community is approximately 10km to the West in Camperdown, and 10km to the East in Botha's Hill.



According to the Mpumalanga Town Centre Precinct plan, the government one-stop-shop will be an integral part of the New Town Centre and more specifically linked to the provision of retail for community consumption. An assessment of existing retail clusters within close proximity to the study area shows that limited retail diversity exists within 5km of the township.



As can be expected, there are very few retail facilities towards further West and most of the retail activity is concentrated in areas such as Kloof, Hillcrest and Ashley some 20km (East towards Durban) away from the Mpumalanga Town Centre site.

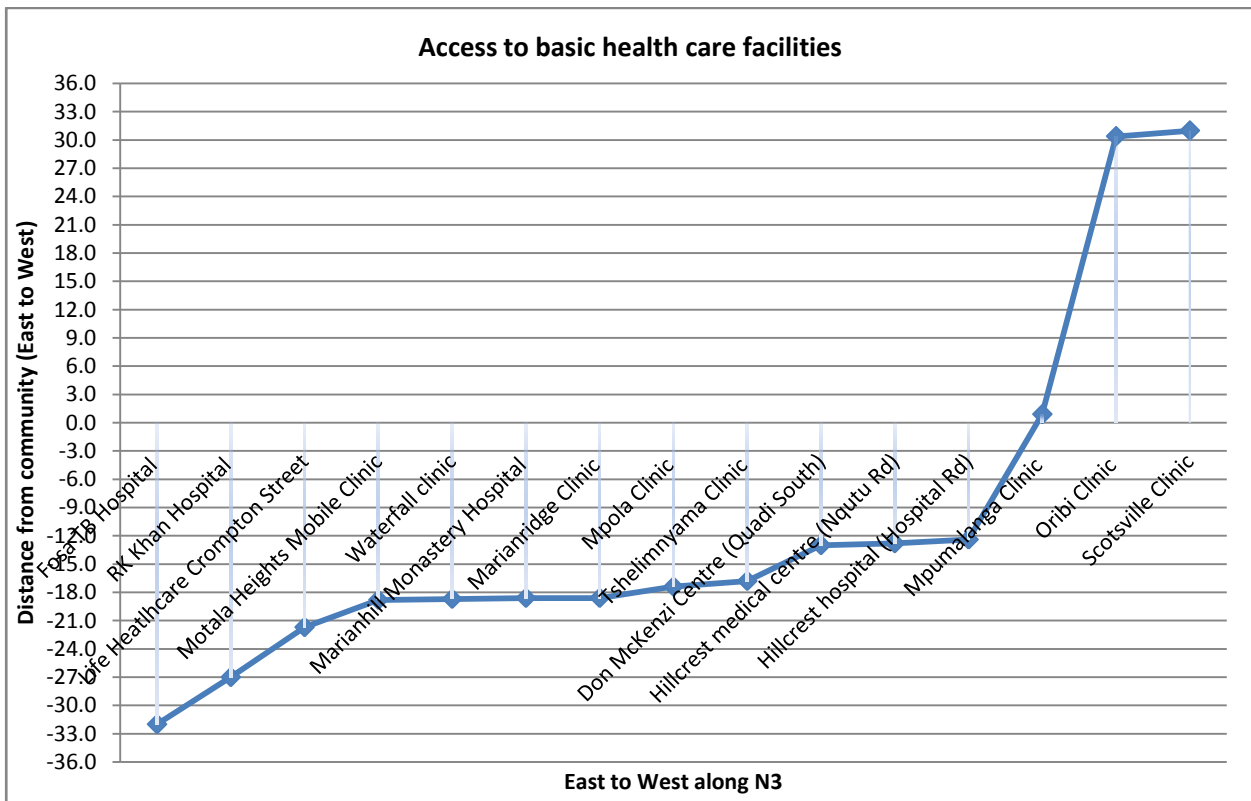


The closest ATM facility is also rather distant at approximately 9km to the West in Camperdown and this facility is a FNB ATM, leaving limited choice for other bank clients. The closest branch offices for major retail banks are just over 10km away in both directions (east and west of the study area).

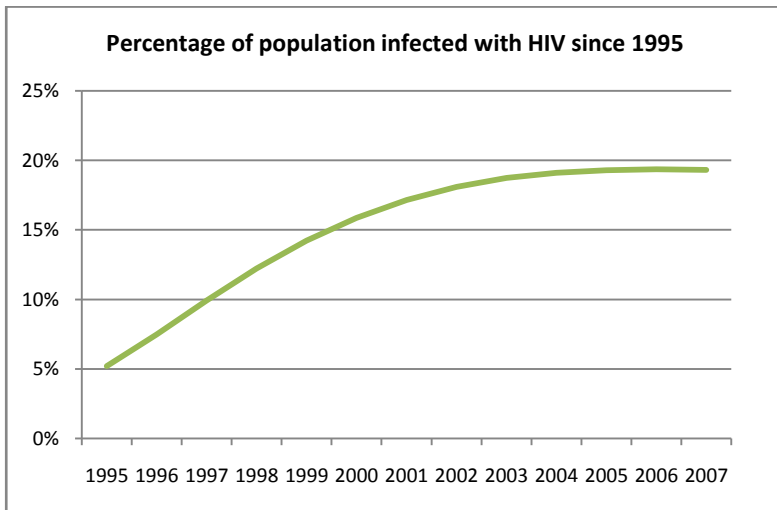


From the above analysis it is quite clear that there exists a need and desirability to cluster all of these facilities within the Mpumalanga New Town Centre.

An assessment of the locality of health facilities within close proximity to the study area shows that except for the Mpumalanga clinic, the next closest public clinic is approximately 13km away to the East in Quadi. The closest public hospital is some 15km away in Hillcrest and a state aided Hospital some 20km in Marian Ridge.



It is quite clear that the need for additional public health facilities within the Outer West be considered a priority for provincial government.



A further analysis of the National Transport Master Plan (2005 – 2050) notes that in eThekweni, “accident frequencies and severities are increasing; delays and congestion due to accidents, vehicle breakdowns, road works, and conflicts between light and heavy vehicle traffic are all giving cause for concern. The worst areas on the route are the sections from Marriannahill to Peacevale where accidents have been the cause of total road blockages for hours (and days), the sections between Ashburton and Hilton (around and through the city of Pietermaritzburg) and the section from Keeverfontein to Harrismith (the Van Reenen’s Pass) have all had significant problems, that are a growing year by year as traffic increases” (page 109).

According to the research undertaken by the National Department of Transport, traffic along this route has increased by 35% since 2005, the worst affected sections of the N3 are between the Port of Durban and the Lions Parks just past Cato Ridge.

A recent (26 May 2009) accident near Hammarsdale resulted in the death of 5 people where a truck and a bus had collided head-on in the early parts of the morning. Whilst accident response in the form of Netcare 911 ambulance; fire services, and provincial ambulances arrived at the scene, these support services took approximately one hour to free passengers from the wreckage. Four people were injured and had to be taken to R.K Khan hospital some 30km away from the study area.

A media report also noted that the South African Police Service Collusion Unit, from Pietermaritzburg, some 30km away responded to the scene, illustrating the relative distance of accident response services from the study area and the section of the N3.

While the need for a provincial hospital within close proximity to the study area may bring much needed accident response assistance within close proximity to the N3 and medical support to poorer communities, a number of opportunities could be further developed around this facility. A number of options exist in terms of further developing the concept for a hospital within the study area as follows:

Table 237: Hospital typologies

Level	Services	Referrals accepted from
District	Generalists only. Level 1 care	Clinics and GP's
Regional	General specialist services, mostly Level 2 care	District hospitals
Provincial tertiary	Super-specialist services, mostly Level 3 care	Regional hospitals
National central	Super-specialist services, mostly Level 3, high cost, multi-disciplinary care	Regional hospitals and inter-provincial referrals
Specialized chronic care	Specialized groups such as TB and chronic psychiatry	All levels

Source: National Data Dictionary

In terms of the economic impacts associated with the establishment of a hospital within the study area, a number of qualitative impacts are worth mentioning as follows:

- Purchasing of specialised equipment and the maintenance thereof could attract manufacturing and services related firms to the study area
- Pharmaceutical supplies and drug manufacturing
- Hospital employees are a major source of the economic impact in the local economy, turned consumers, spend large amounts of their income in local retail outlets, housing and other services. These consumer expenditures, in turn, support a large number of local resident service jobs such as mechanics, retail clerks, real estate agents and bankers.

In terms of the multiplier effect the following table 238 is important.

Table 238: Multiplier effect of hospitals

Multiplier Type	Direct Multiplier	Indirect Multiplier	Induced multiplier
Employment	Health care jobs	Health care supplier jobs	Local retail and service jobs related to health care employee spending
Income	Health care employee income	Health care supplier employee income	Local retail and service income related to health care employee spending
Sales or Output	Health care revenue	Health care supplier revenue	Local retail and service revenue related to health care employee spending
Value add	Hospital returns to labour, management and ownership	Hospital supplier returns to labour, management and ownership	Local retail and service returns to labour, management and ownership

Source: KY health works (2004)

In terms of other supporting facilities that would be easily packaged with a hospital precinct in the study area, the following activities are important to add further value to the study area:

- Childcare provision facilities – it is generally accepted that there is a need for early childhood development and the hospital could provide support in this regard
- Conference/Meeting & Training Facilities – it is generally accepted that there is a shortage of these facilities in the Outer West
- Shared resources for voluntary groups (one-stop access to NGOs)– there is a number of voluntary groups providing health care support to the local community and a shared services under the auspices of the health department could provide better management support and regulation to these NGOs
- Leisure facilities – the staff of the hospital would increase the demand for additional leisure facilities in the local area
- Nursing Homes – some of the land could be used for nursing of the elderly
- Residents for nurses – accommodation for training staff
- Other residential – need to live and work in the local area
- Community learning centre
- Alcohol drug rehabilitation services
- Healthy living centre
- Homeless drop in facility
- Counselling services
- Disability resource centre
- Multi-sports and fitness centre – sports clinic
- Library with ICT facilities

28. IMPLEMENTATION APPROACH

The implementation of Township regeneration strategies and related projects depends on the human and financial resource capability of the Ethekwini Municipality's Rural ABM. The implementation of projects depends on an optimized implementation approach whereby interventions are coordinated with the respective competent authorities for further delivery to project beneficiaries. The diagram below illustrates this project coordination role, which is required to give effect to the abovementioned strategies and can be best performed by a Local Economic development manager. From the illustration below, it is quite evident that the highest priority for the implementation of any intervention is the facilitation of stakeholder partnerships for the local area. The ranking of priorities for the implementation phase is listed as follows in table below.

Figure 239: LED coordination role

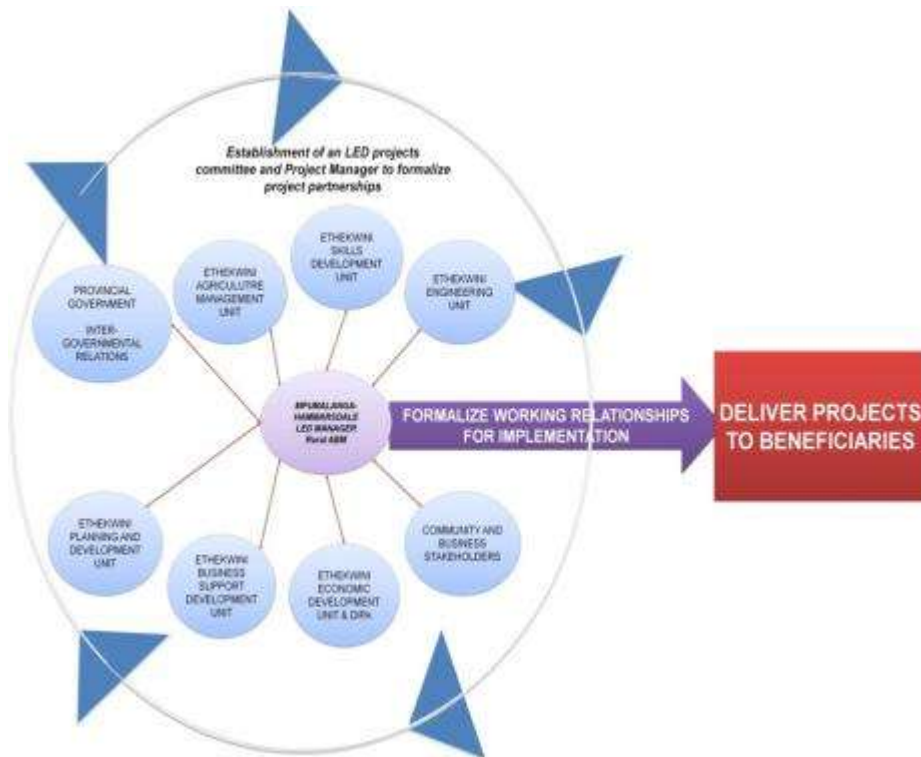
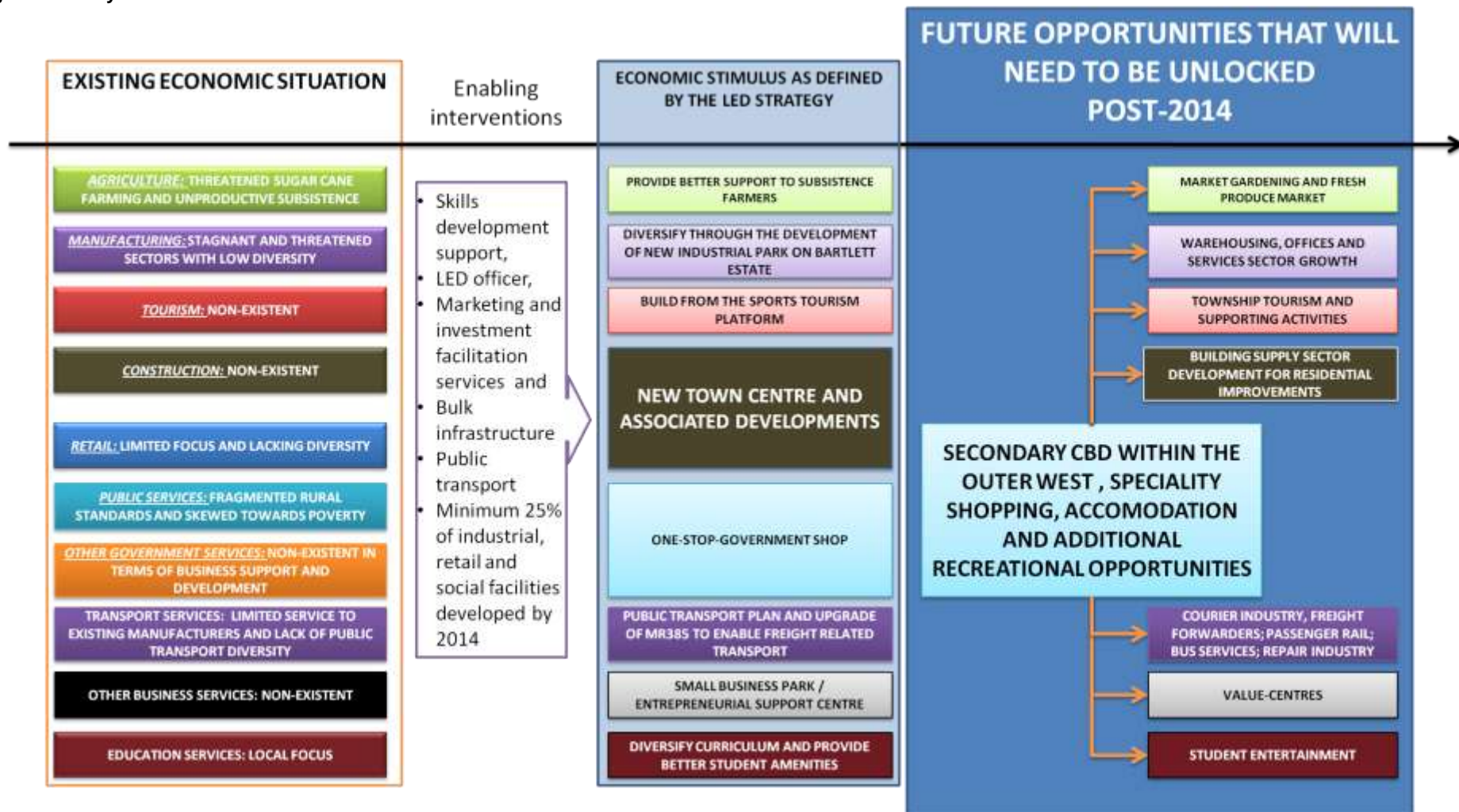


Table 240: Administration priorities for the implementation of the Mpumalanga / HammarSDale Township regeneration strategy (initiation phase (Order of importance: 1 = highest importance))

	Milestone	Purpose of achieving milestone	Target date for milestone	Role	
1	Appointment / allocation of dedicated LED specialist for study area	Stakeholder engagement and participation in the LED plan	Within 6 months	Economic Development Unit and Rural ABM	
2	Secure buy-in and funding from strategic partners for project roll-out	Coordinate the implementation of the plan and implement specific projects	Obtain commitment from strategic partners to implement the LED plan	Within 1 month from appointment of LED specialist	LED coordinator
3	Package projects for immediate implementation and formalise partnerships	Implement projects that require the least amount of planning and technical assistance	Within 3 months of finalising commitments	LED coordinator	
4	Establishment of LED FORUM and Joint operations working group to undertake	Monitor the progress of project implementation and to assist with minor technical requirements	Within 1 month of initiation for the first	LED coordinator	

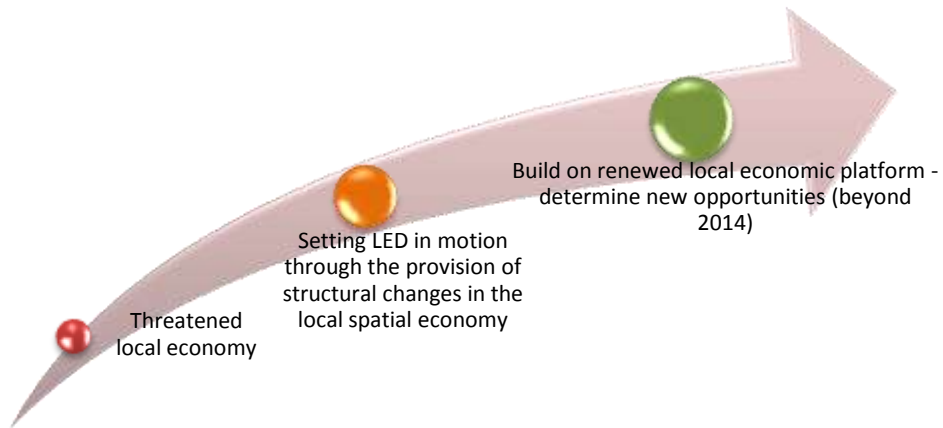
area maintenance and improvement projects of each project project

Figure 241: Key focus areas between 2009 and 2014



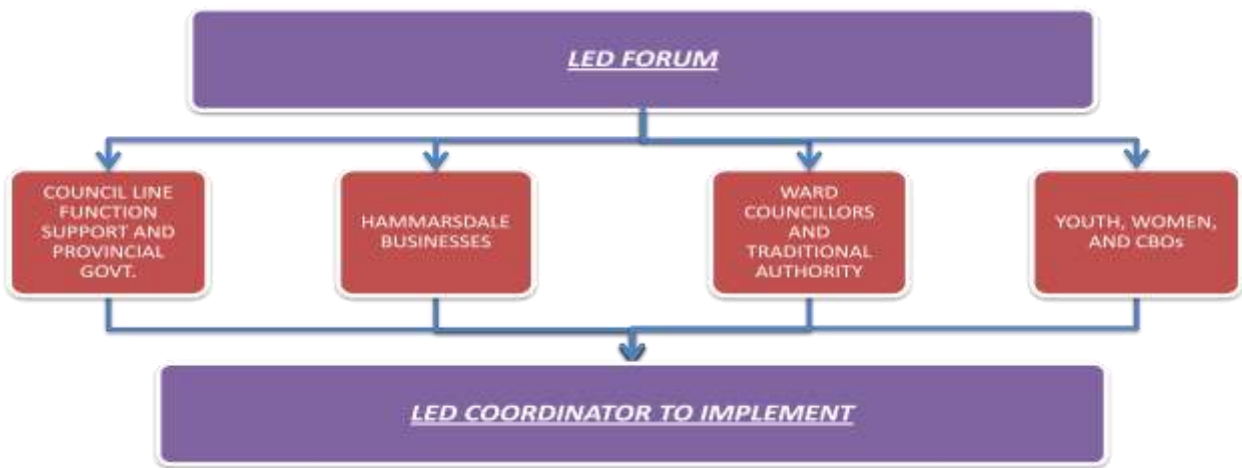
Further to this, the Mpumalanga / Hammarsdale Township regeneration plan for the next five years is based on facilitating sector specific stimuli rather than a range of community-based projects. It is anticipated that once these nodal stimuli are established within the study area, a range of other opportunities will be unlocked for community engagement and employment.

The implementation approach for the Mpumalanga / Hammarsdale area is therefore described as follows:



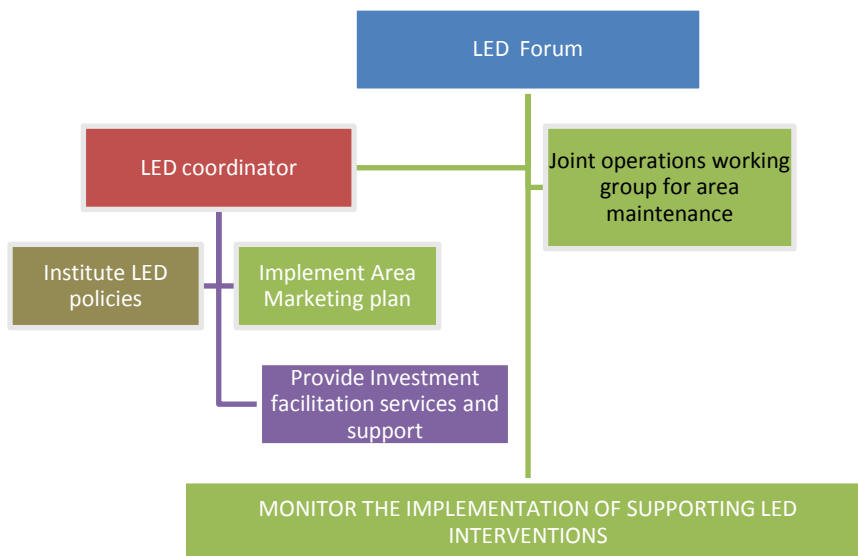
In order to implement the projects as defined by the LED plan, an LED FORUM should be established.

Figure 241: LED FORUM- COMPOSITION



In terms of the functionality of the LED forum, figure 243 has importance.

Figure 2.43: LED forum - FUNCTIONALITY



29. LOCAL ECONOMIC DEVELOPMENT POLICY TO SUPPORT TOWNSHIP REGENERATION

An analysis of the local economy shows that numerous challenges facing the local community remain as follows:

Table 244: LED challenges

Focus area	Challenges
<ul style="list-style-type: none"> Racial inequality 	The Black population remains the most threatened race group in the study area from a socio-economic development perspective
<ul style="list-style-type: none"> Spatial inequality 	The Mpumalanga / Hammarsdale area remains as a semi-rural planning area within the Ethekewini Municipal area
<ul style="list-style-type: none"> Economic diversity 	The local economy is highly specialized towards the threatened Textiles industry
<ul style="list-style-type: none"> Human resources 	The local community have some of the lowest literacy levels in the metropolitan area
<ul style="list-style-type: none"> Income inequality 	The local communities are some of the poorest communities in the metropolitan area

LED policy choice 1. Local economic empowerment by local business operators

In order to address these racial inequality challenges, the following empowerment policies should be put into effect by all stakeholders such as Developers (or its agents, nominees or successors-in-title in the Development, and each Contractor and Sub-Contractor appointed by the developer/purchaser); as well as existing employers in the study area for their contribution to Local Economic development as follows:

Empowerment focus area	By 2014
<ul style="list-style-type: none"> Broad-based Black Economic Empowerment 	<ul style="list-style-type: none"> BBBEE status of at least a Level 5 Contributor; Ensure that there is an appropriate demographic and local community representation of Black employees particularly in its technical, professional and skilled occupational levels
<ul style="list-style-type: none"> Preferential procurement and enterprise development 	<ul style="list-style-type: none"> At least 50% of the annual overall development procurement spend, including the overall contract procurement spend on all sub-contracts and contracts, must be with Suppliers, Contractors and Sub-Contractors and Professional Service Providers who have a BBBEE status of at least a Level 4 Contributor as set out in Code Series 000 in the Codes of Good Practice; At least 15% of the annual procurement spend must be derived from Qualifying Small Enterprises or Exempted Micro Enterprises as are defined in Code Series 800 in the Codes of Good Practices;
<ul style="list-style-type: none"> Socio-economic development 	<ul style="list-style-type: none"> Provide grant contributions, guarantees given or security provided for beneficiaries of developments in the local area; Provide development capital advanced to the local communities including capital advanced to community specific initiatives designed at participating in aspects of the construction and investment in the local area; Providing training or mentoring to the local beneficiary community – percentage of annual turnover; Provide support in terms of the alleviation of poverty amongst the communities of the beneficiary community; Make contributions to non-government organisations, religious institutions, civic organisations, medical claims, child care centres and other similar social organisations in the immediate vicinity of the study area – percentage of their annual turnover; Set a target of at least 0.8% of the annual payroll of each of the Contractors or Sub-Contractors or Professional Service Providers, accrued from services and or work performed in respect of the Development, must be directed and diverted to community based construction related activities designed to promote socio-economic development in the local community and this may also include sector specific projects;
<ul style="list-style-type: none"> Local procurement 	<ul style="list-style-type: none"> At least 30% of the total measured procurement (of any business operating in the local area) spend per annum must be expended on enterprises that supply goods which are manufactured in South Africa

LED policy choice 2. Urban status for Mpumalanga / Hammarsdale

In order to address these spatial inequality challenges, the following spatial (development) framework planning policies should be put into effect by the Ethekewini Municipality for its contribution to Local Economic development as follows:

- Urban development line
 - Encourage urbanisation of the Mpumalanga/Hammarsdale area and facilitate the expansion of infrastructure into the study area;
 - Absorb the study area into the urban development line of the city spatial development framework;
 - Encourage the conversion of agricultural land to a more productive zoning for employment generation and economic diversity
- Residential densities
 - Encourage higher residential densities to allow for the development of a Secondary CBD and residential compact;
 - Encourage the growth of residential development towards achieving a higher racial mix and social integration;
 - Encourage the provision of higher order community and social facilities aligned with a growing residential population
- Mixed use developments
 - Provide support to the further development of complimentary and supporting developments that balances the concentration of industrial, retail, residential and community facilities; such as the provision of mixed use nodes and precincts
- Public transport
 - Extension of the high priority public transport network into the study area to link the future Town Centre and industrial parks with the neighbouring communities to facilitate an improved live, work and play environment in the Outer West

LED policy choice 3. Sector targeting

In order to address these economic diversity challenges, the following sector development policies (which are aligned with the Draft Spatial Economic Plan 2009) should be put into effect by the Ethekewini Municipality for its contribution to Local Economic development as follows:

Sectors	By 2014
Agriculture and hunting	Higher Trade-off for industrial activity
Food, beverages and tobacco products	Non-target Intensify North close to DTP and agriculture
Textiles, clothing and leather goods	grow from threatened base
Wood and wood products	grow in Outer West
Fuel, petroleum, chemical and rubber products	grow new industry in Outer West; grow in north (towards boundary); grow in South at DIA and noxious furthest South
Metal products, machinery and household appliances	grow in Outer West and South MPR
Electrical machinery and apparatus	Increase Outer West Share
Transport equipment	Intensify South
Furniture and other items NEC and recycling	grow in Outer West and North
Retail	dependent on residential compaction and the provision of new industrial parks in the local area
Government	grow in Outer West (dependent on population growth)
Hotels and restaurants	grow in South, North and Outer West
Land and Water transport	grow in Outer West and South
Air transport and transport supporting activities	shift South and Central to North and grow in North; shift Outer West to South
Post and telecommunication	Dependent on the further growth of industrial activity in the Outer West and the provision of new industrial parks in the study area. Dependent on the growth of the New Town Centre into a Secondary CBD Status
Finance and Insurance	
Other business activities	

LED policy choice 4. Subsidized skills development

In order to address these racial inequality challenges, the following empowerment policies should be put into effect by all stakeholders such as Developers (or its agents, nominees or successors-in-title in the Development, and each Contractor and Sub-Contractor appointed by the developer/purchaser); as well as existing employers in the study area for their contribution to Local Economic development as follows:

<ul style="list-style-type: none"> • Skills development by business 	<ul style="list-style-type: none"> • Must implement programmes targeting the development of priority skills generally and specifically for Black employees and in particular those drawn from the local community • At least 0.3% of the leviable amount contributed to the Skills Development Levy Fund must be spent on learning programmes for Black disabled employees • At least 5%, of all learnerships undertaken for local community
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In order to address these racial inequality challenges, the following empowerment policies should be put into effect by government for its contribution to Local Economic development as follows:

<ul style="list-style-type: none"> • Skills development by government 	<ul style="list-style-type: none"> • Must implement programmes targeting the development of priority skills generally and specifically for Black employees and in particular those drawn from the local community • Must subsidize the provision of skills development initiatives for priority groups such as Black women, Black youth, disabled persons, and the poorest households in the local community
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LED policy choice 5. Minimum 25% local employment by all local business operators

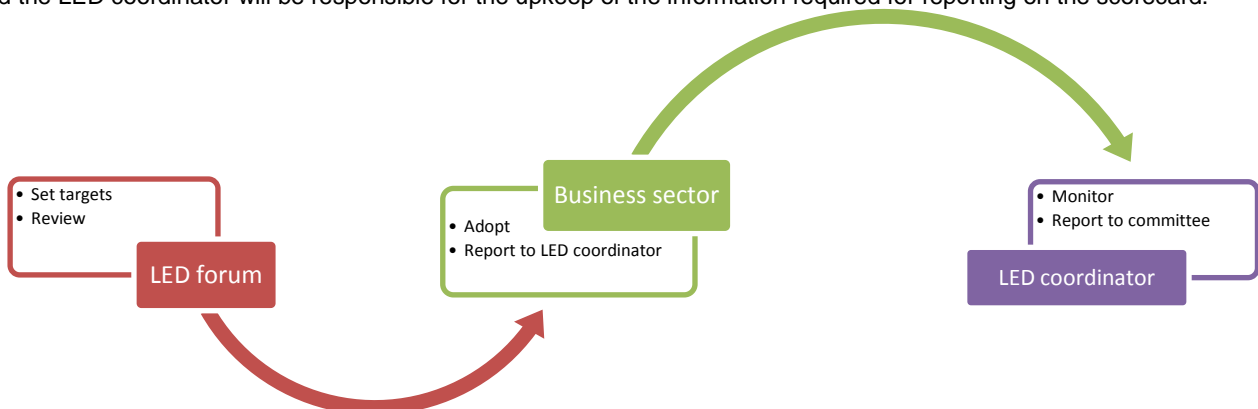
In order to address these racial inequality challenges, the following empowerment policies should be put into effect by all stakeholders such as Developers (or its agents, nominees or successors-in-title in the Development, and each Contractor and Sub-Contractor appointed by the developer/purchaser); as well as existing employers in the study area for their contribution to Local Economic development as follows:

<ul style="list-style-type: none"> • Job creation 	<ul style="list-style-type: none"> • Employ at minimum 25% of its labour force from the local community with specific reference to Black people and this must be broken down into specific categories of Black women, Black youth and disabled persons
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In order to address these racial inequality challenges, the following empowerment policies should be put into effect by government for its contribution to Local Economic development as follows:

<ul style="list-style-type: none"> • Job creation and marketing of local unemployed individual for job creation by government 	<ul style="list-style-type: none"> • Employ at minimum 25% of its labour force from the local community with specific reference to Black people and this must be broken down into specific categories of Black women, Black youth and disabled persons • Must provide marketing support through the establishment of a Job-Shop to link unemployed individuals with prospective employers and vice versa
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It is envisaged that the role of the LED coordinator would be to develop an LED policy scorecard for the adoption by local stakeholders. It is important to note that targets set against this scorecard should be developed through the LED forum and the LED coordinator will be responsible for the upkeep of the information required for reporting on the scorecard.



30. AREA MARKETING FOR TOWNSHIP REGENERATION

Mpumalanga shares its name with one of South Africa’s nine provinces and its derived from both the languages of Siswati and Zulu, meaning “**Place Where the Sun Rises**”.

Whilst this may seem *ironical* for the Mpumalanga region in Ethekeini where the major economic sector is the Textiles Industry which is in decline and considered a “sunset” industry sector; the Local Economic Development Strategy provides a renewed platform to revisit the cultural idiom which describes the local area.

The LED strategy promulgates a refreshed economic scenario for the Mpumalanga area and further highlights the goals for a vibrant local area by introducing new and diverse economic activity. Unlike the Mpumalanga province’s association with the slogan, “**Place Where the Sun Rises**”, in terms of the natural scenic beauty and abundance of wildlife in the North Eastern parts of South Africa; the Mpumalanga Townships association should be aligned to **economic and social renewal** from the period where the political turbulence and industrial relocations affected the image of the local area.

Towards this, it is important that the Mpumalanga / Hammarsdale area have its own unique brand name, slogan (catch phrase), and a logo to improve its image and marketing capabilities. Further to this, there is a need to adopt the following marketing objectives for the study area:

- Objective 1.** Integration of the local area into the 1000 Hills experience and as a supply of accommodation and amenities for tourists visiting the local area
- Objective 2.** Integration of Mpumalanga township into a Wider Township Marketing and Brand strategy for Ethekeini Municipality’s Township Tourism strategy
- Objective 3.** Target marketing for new industrial sectors and the locality’s physical accessibility comparative advantages along the N3; and to improve the diversity of the industrial base
- Objective 4.** Marketing of the New Town Centre to the wider Outer West rural population
- Objective 5.** Marketing of the Sports Tourism potential in terms of a municipal wide sports tourism and events strategy
- Objective 6.** Marketing of the area as a Tertiary education focal point for the Outer West
- Objective 7.** Marketing of the area improvements such as lowering of crime rates, improvement in community health, literacy and stewardship; as well as leadership approaches to development in the region

Currently, the local area does not have its own unique identity and marketing strategy, therefore a marketing strategy and plan for the local area is of high importance. In

order to achieve this, it is noted that a local marketing sub-forum be established as part of the overall LED forum to further develop the image of the local area. The key steps required to give effect to a comprehensive marketing strategy and plan is listed in table 245 below.

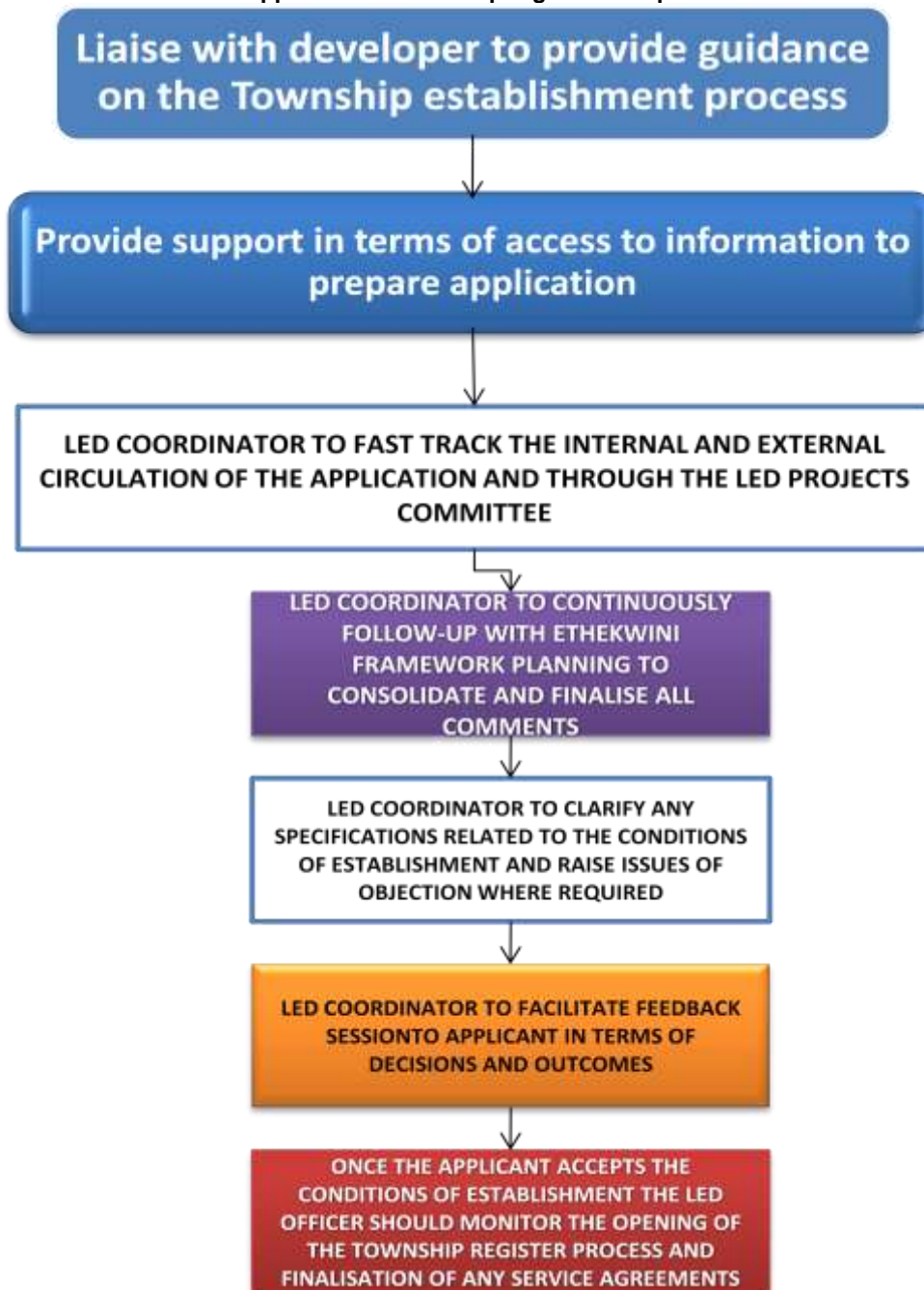
Table 245.: Marketing strategy development process

Milestone	Purpose of achieving milestone	Target date for milestone	Role
1 Establishment of a Marketing sub-forum	Stakeholder engagement and participation in the LED plan Finalise a terms of reference for a local area marketing strategy and plan	Within month	2 LED coordinator
2 Secure buy-in and funding from strategic partners for project roll-out	Obtain commitment from strategic partners to fund project	Within month from finalising TOR	1 LED coordinator
3 Appoint specialist service providers to develop new brand and marketing material, strategy and plan	Finalise strategy and plan	Within months of finalising commitments	3 LED coordinator
4 Launch the new marketing plan for the study area	Implement the marketing plan	Within months	3 LED coordinator

31. INVESTMENT FACILITATION REQUIREMENTS FOR TOWNSHIP REGENERATION

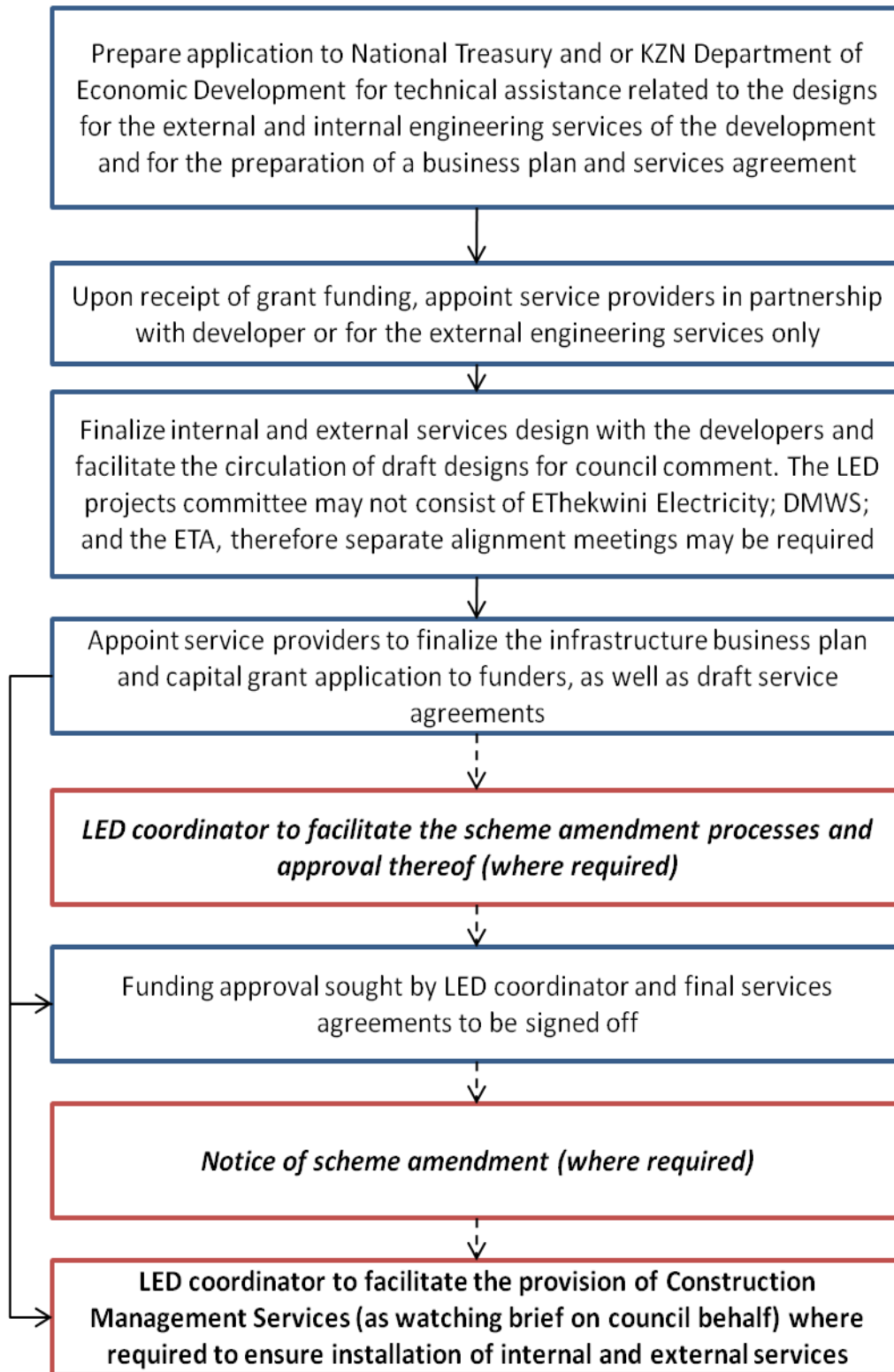
The need for investment facilitation support services is motivated by the need to accelerate the pace of catalytic property development projects in the local area. Further to this, it is important to ensure that these catalytic development projects are implemented within the desirable 2014 timeframe and allow for the doubling of employment in the study area. Towards this, the role of the LED coordinator is to assist developers with the processing of development applications by ensuring that the lead time for decision making processes within the council system is optimized. Some of the key responsibilities of the LED coordinator in regard to investment facilitation and town planning support is as follows:

Figure 246: Investment facilitation support to the Township regeneration process



In the case that infrastructure provision may be a major stumbling block in terms of unlocking development; the LED coordinator should follow the infrastructure investment support services, as outlined by figure 247 below.

Figure 247: Infrastructure investment support to the Township establishment and or rezoning process



32. PROJECT TIMEFRAMES

The project timeframes required for the implementation of each project is outlined for the Ethekwini Municipality in table 248. The following components constitute the standard project timeframe strategy:

Table 248: Initiation strategies

Township regeneration projects for Mpumalanga / Hammarsdale	Project type	Target period for project initiation	Initiation milestone / approval	June 2010 Outcome	June 2011 Outcome	June 2012 Outcome	June 2013 Outcome	June 2014 Outcome	Target period for project implementation	Target date for project completion	Target period for project exit
Project 1. Provision of bulk infrastructure to support development	Infrastructure planning and implementation	Nov 2009	ETA and DMWS approval	Infrastructure business plan	Services agreement with Conditions of establishment and or Zoning certificates	External and internal services provided to sites	All major bulk infrastructure in place	Minimum of 25% completion of real estate projects	Construction to commence by January 2011	June 2013	June 2011 to hand over to City Engineers Services Units
Project 2. Facilitate the rezoning of non-viable agricultural land to more productive land uses	Operational	March 2010	Application by land owner	Conditions of establishment / rezoning to be provided to land owner / developer	Removal of title conditions and Opening of the Township register / finalisation of services agreements. Notice of scheme amendments	Site development underway for industrial and mixed use	Implementation of industrial park project – 25%	Implementation of industrial park - 50%	Rezoning / Township establishment to commence by March 2010	Rezoning to be finalised by June 2011	August 2011 to be handed to LUMS for monitoring
Project 3. Livelihood skills development initiative	Operational	Feb 2010	Skills Dev. Unit approval of project and beneficiary database	Pilot programme to be complete (10% of target market)	30% of target market completed	50% of target market completed with training	75% of target market completed with training	100% of target market completed	March 2010	June 2014	July 2010 to be handed to SDU
Project 4. Agricultural rental gardens in priority areas – feasibility	Infrastructure planning and implementation	Feb2010	Agric.Man Unit and BSU approval	Feasibility study and allocation policy completed for further approval	Farm establishment and infrastructure in place – Demonstration garden in place	Rental farms in place	Market area for surplus goods retail in place	Facility management services in place	Feasibility to commence by Feb 2010	Farm to be operational June 2014	June 2010 to hand over to AMU
Project 5. Informal trader facilities	Infrastructure planning and implementation	Feb2010	BSU and Arch. approval	Design stage complete	100% occupation and permits provided	Monitoring and maintenance	Monitoring and maintenance	Monitoring and maintenance	March 2010	June 2011	BSU to take over by August 2011
Project 6. Area marketing strategy and plan	Operational	June 2010	DIPA approval	Scope of work finalised	Finalisation of marketing plan and launch of area branding	Implementation of plan	Implementation of plan	Implementation of plan	July 2010	June 2011	DIPA to take over by July 2011
Project 7. Public transport strategy and plan	Infrastructure planning and implementation	Feb2010	ETA approval and establishment of steercom	Surveys to be completed	Design stage to be complete for implementation approval – funding approved	Project roll-out and implementation of plan 10%	70% implementation	100% completion	March 2010	June 2014	July 2014 to be handed over to ETA
Project 8. One-stop-shop for government services	Infrastructure planning and implementation	Jan 2010	EDU approval	Concept stage and stakeholders in place	Finalise services agreements	External and internal services provided to sites Site development underway	Establishment of one-stop-shop	Fully functional facility	February 2010	June 2014	July 2011 to hand over to City Engineers Services Units
Project 9. Provincial hospital investment plan (feasibility)	Infrastructure planning and implementation	Jan 2010	EDU / City Health /KZNDED approval	Preliminary concepts developed	Feasibility study complete for stakeholder consideration	Finalise partnership arrangements for further work	Proceed based on outcomes	Proceed based on outcomes	February 2010	June 2011	July 2011 hand over to KZN Health
Project 10. Community development and recreation precinct	Infrastructure planning and implementation	Feb2010	Archi. approval	Preliminary concepts developed	Feasibility study complete for stakeholder consideration	Finalise partnership arrangements for further work	Proceed based on outcomes	Proceed based on outcomes	March 2010	June 2012	July 2012 hand over to City Architects

Project 11.	Sector specific skills development	Operational	July 2010	EDU / Skills Dev. approval	Scope of work finalised	Pilot programme to be complete (10% of target market)	30% of target market completed with training	60% of target market completed with training	100% of target market completed with training	August 2010	June 2014	July 2011 to hand over to Skills Unit
Project 12.	Neighbourhood skills development centres	Infrastructure planning and implementation	Feb 2010	Archi. approval	Preliminary concepts developed	Feasibility study complete for stakeholder consideration and MOAs	Implementation of project – 30% complete	60% complete	100% of project completed	March 2010	June 2012	July 2012 hand over to City Architects
Project 13.	SEDA small business park	Infrastructure planning	Feb 2010	Archi. / BSU / SEDA approval	Preliminary concepts developed	Feasibility study complete for stakeholder consideration and MOAs	Implementation of project – 30% complete	60% complete	100% of project completed	March 2010	June 2012	July 2012 hand over to City Architects
Project 14.	LED project manager	Operational	Dec 2009	EDU approval of temporary LED coordinator	Appointment of LED coordinator	Finalization of all feasibility studies and rezoning/township establishment processes	Finalization of all services and Service level agreements with project partners	Marketing Launch Government One-stop-shop and all other Catalytic projects	Close out 2009-2014 interventions and handover to project owners Review of LED projects for post-2014	January 2010	June 2014	June 2014 to hand over to EDU for review and further appointment
Project 15.	LED forum	Operational	March 2010	EDU approval	Establishment of LED forum	Establishment of Marketing sub-forum	Establishment of formal LED forum as Section 21	1 st AGM	2 nd AGM and review need to proceed with year 3	April 2010	June 2014	July 2014 to hand over to EDU for review

33. IMPLEMENTATION PROGRAMME

Table 249: Appointment of LED coordinator

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Appointment of LED coordinator (TK16)	-																			
Pre-approval to council																				
Draft Job description for HR approval and Post ID																				
Source funding from City Treasury and EDU																				
Obtain approval from Labour committee																				
Advertise post in print media																				
Interview candidates																				
Obtain approval from CM for appointment																				
Appoint LED coordinator		72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436
Finalise Annual Work plan with LED coordinator																				
Finalise performance plan for monitoring																				

Table 250: Establishment of Government One-stop shop (design and development including infrastructure supply to New Town Centre)

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design and development of the government One-stop-shop and New Town Centre (civils and bulks)	-																			
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Concept development																				
Site survey		100,000																		
Establish parameters/situation analysis		50,000																		
Review & refinement of desktop study		10,000																		
Architectural concept		350,000																		
Town planning status quo analysis		50,000																		
Environmental sensitivity analysis			50,000																	
Prepare development concept			100,000																	
Prepare infrastructure assessment & planning			10,000																	
Prepare rezoning/town planning report			25,000	25,000	25,000															
Present Architectural master plan to council and steercom for approval				350,000	350,000															
Prepare revised high level estimates					20,000	10,000														
Provisional feasibility					50,000	50,000														
Approval of master plan & High Level Budget						75,000	75,000													
Initiate Basic EIA scoping																				
Strategic Environmental Framework						15000	15000													
Draft plan of study scoping						15000	15000													
Submit for approval to DEA						5000	5000													
DEA review of submission						5000	5000													

Activities	Year 1				Year 2				Year 3				Year 4				Year 5				
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Start public participation process						5000	5000														
Prepare background info document						25000	25000														
Advertise IAP registration						15000	15000														
Registration period by IAP						15000	15000														
Hold group focus meetings						35000	35000														
Hold public meeting						35000	35000														
Prepare draft scoping report						15000	15000														
Implement internal review of scoping report							15000	15000													
Prepare scoping report							25000	25000													
Submit scoping report to DEA							25000	25000													
Record of decision							25000	25000													
30 calendar day appeal period							25000	25000													
Initiate Rezoning																					
Clarification of submission criteria							15000														
Obtain ratification of strategy							15000														
Prepare application							5000														
Submit application							5000														
Council comments period							5000														
Advertisement & response to comments							25000	25000													
Town planning approval							25000	25000													
Promulgation and issue of title							25000	25000													
Detailed Design Development																					
Professional team to provide detailed layouts								4,500,000	4,500,000												
Infrastructure studies and detailed design								1,800,000	2,025,000												
Approval of infrastructure working drawings design and business case (remaining 20% of fees upon approval)								1,440,000	1,620,000												
Finance approval- Civils & bulk services - Services agreement with council and National Treasury								25,000	25,000												
Civils and Bulk services (Project management/admin)																					
Submit application for power									50,000	50,000	50,000										
Prepare tender documentation									50,000	50,000	50,000										
Obtain approval to proceed to tender									50,000	50,000	50,000										
Tender period for all packages									50,000	50,000	50,000										
Award civils contracts									67,000,000	66,000,000	65,000,000										
Possible site handover for building works											50,000	50,000									
Construction project management support (site supervision and overall programme management for One-stop-shop and site supervision for other New Town Centre projects during timeframe)													198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000

Table 251: Provincial hospital feasibility

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Provincial hospital feasibility																				
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Concept development																				
Site survey		50,000																		
Market research		150,000																		
Establish parameters/situation analysis		50,000																		
Review & refinement of desktop study		10,000																		
Architectural concept		250,000																		
Town planning status quo analysis		50,000																		
Environmental sensitivity analysis			50,000																	
Prepare development concept			100,000																	
Prepare infrastructure assessment & planning			10,000																	
Prepare rezoning/town planning options			25,000	25,000	25,000															
Present Architectural master plan to council and steercom for approval				250,000	250,000															
Prepare revised high level estimates					20,000	10,000														
Provisional feasibility					50,000	50,000														
Approval of master plan & High Level Budget						25,000	25,000													

Table 252: Establishment of LED FORUM and Joint operations Committee

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Establishment of LED Forum																				
Pre-approval to council																				
Draft Articles of association and Memorandum of Understanding (MOU)																				
Advertise to stakeholders for nominations																				
Short list candidates																				
Interview candidates																				
Appoint forum and joint operations committee																				
Obtain approval from CM for appointment																				
Draft Annual workplan and forum meetings schedule																				
Finalise performance plan for monitoring																				
Host meetings (refreshments)			500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500

Table 253: SEDA Small business park feasibility

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEDA Small business park feasibility	-																			
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Concept development																				
Site survey		50,000																		
Market research		150,000																		
Establish parameters/situation analysis		50,000																		
Review & refinement of desktop study		10,000																		
Architectural concept		150,000																		
Town planning status quo analysis		50,000																		
Environmental sensitivity analysis			50,000																	
Prepare development concept			70,000																	
Prepare infrastructure assessment & planning			10,000																	
Present Architectural master plan to council and steercom for approval				75,000	75,000															
Prepare revised high level estimates					20,000	10,000														
Provisional feasibility					25,000	25,000														
Approval of master plan & High Level Budget						15,000	15,000													

Table 254: Neighbourhood skills development facilities - feasibility

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Neighbourhood Skills development centres feasibility																				
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Concept development																				
Site survey		50,000																		
Market research		150,000																		
Establish parameters/situation analysis		50,000																		
Review & refinement of desktop study		10,000																		
Architectural concept		150,000																		
Town planning status quo analysis		50,000																		
Environmental sensitivity analysis			50,000																	
Prepare development concept			70,000																	
Prepare infrastructure assessment & planning			10,000																	
Present Architectural master plan to council and steercom for approval				75,000	75,000															
Prepare revised high level estimates					20,000	10,000														
Provisional feasibility					25,000	25,000														
Approval of master plan & High Level						15,000	15,000													

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Neighbourhood Skills development centres feasibility																				
Budget																				

Table 255: Community development and recreational precinct - feasibility

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Community development and recreational precinct feasibility	-																			
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Concept development																				
Site survey		50,000																		
Market research		175,000																		
Establish parameters/situation analysis		50,000																		
Review & refinement of desktop study		10,000																		
Architectural concept		250,000																		
Town planning status quo analysis		50,000																		
Environmental sensitivity analysis			50,000																	
Prepare development concept			100,000																	
Prepare infrastructure assessment & planning			10,000																	
Prepare rezoning/town planning options			25,000	25,000	25,000															
Present Architectural master plan to council and steercom for approval				350,000	350,000															
Prepare revised high level estimates					20,000	10,000														
Provisional feasibility					50,000	50,000														
Approval of master plan & High Level Budget						25,000	25,000													

Table 256: Rezoning on non-viable agricultural land for industrial purposes

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rezoning of non-viable agricultural land - support to landowners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-approval to council																				
Liaise with landowners and developers to submit application for Township establishment / rezoning																				
Provide relevant information related to the city policies, strategies and plans that could assist developers in alignment of plans																				
Initiate Rezoning																				
Provide relevant information related to the city policies, strategies and plans that could assist developers in alignment of plans																				
LED coordinator to fast track the internal and external circulation of the application																				
LED coordinator to continuously follow-up with eThekweni framework planning to consolidate and finalise all comments																				
Circulate comments to internal council officials on Record of decision																				
LED coordinator to facilitate feedback session to applicant in terms of decisions and outcomes																				
Once the applicant accepts the conditions of																				

establishment the led officer should monitor the opening of the township register process and finalisation of any service agreements																				
LED coordinator to facilitate the scheme amendment processes and approval thereof (where required)																				
Notice of scheme amendment (where required)																				

Table 257: Provision of bulk infrastructure to support developments (other property developments)

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Provision of Bulk infrastructure and town planning support to facilitate growth in Mpumalanga / Hammarsdale - other property developments such as Bartlett Estate																				
Pre-approval to council																				
Liaise with landowners and developers to submit application for Township establishment / rezoning																				
Provide relevant information related to the city policies, strategies and plans that could assist developers in alignment of plans																				
LED coordinator to fast track the internal and external circulation of the application																				
LED coordinator to continuously follow-up with eThekweni framework planning to consolidate and finalise all comments																				
Liaise during EIA process																				
Circulate comments to internal council officials on Record of decision																				
Initiate Rezoning																				
Town planning approval																				
Liaise throughout issue of title process																				
Obtain high-level infrastructure estimates from developer to assist with Capital and technical Grant application to National Treasury and City Treasurer																				
Provide technical assistance for Detailed Design Development stage																				
Obtain detailed layouts and submit to internal line function for comments																				
Infrastructure studies and detailed design finalisation																				
Prepare Draft Services Agreement with developers for final grant approvals																				
Finance approval- Civils & bulk services - Services agreement with developer, council and National Treasury																				
Appoint Construction Management team																				
Civils and Bulk services (Project management/admin)																				
Submit application for power																				
Prepare tender documentation																				
Obtain approval to proceed to tender																				
Tender period for all packages																				
Award civils contracts in partnership with developers for external works																				
Possible site handover for building works (and internal services)																				

Table 258: Livelihood skills development programme

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Livelihood skills development programme																				
Workshop and agreement with Skills Development Unit to undertake skills programme																				
Engage with Skills on the specific requirements for each programme																				
Engage with Department of Labour and relevant SETAs to determine project requirements and preferred training providers																				
Undertake a full costing exercise to determine costs per programme																				
Engage with other sources of funding and delivery agents such as KZNDED, KZN Cluster programmes, etc																				
Prepare programme for RPL																				
Obtain council approval for budgets																				
Establish skills steering committee to assess potential candidates																				
Programme planning workshops																				
Advertisement for service providers																				
Adjudicate proposals																				
Recruitment of beneficiaries for the skills development project																				
Undertake a full selection process with the assistance of key representatives of municipality's skills development unit																				
Final screening and selection of the individuals for the project																				
Devise a training schedule for relevant beneficiaries																				
Administer the training programmes																				
Allocate stipend (subsistence and travel allowance) to beneficiaries																				
Provide technical training to beneficiaries (pilot project 300 HH) (R2500 budget per HH for training, and for 3000 HH in study area)				750,000																
Develop a monitoring an evaluation mechanism for the project																				
Assess the impact of the project for future rollout																				
Roll out phase for remaining beneficiaries						450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000

Table 259: Agricultural rental gardens – feasibility

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agricultural rentals gardens - feasibility																				
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Concept development																				
Site survey - geotech		50,000																		
Market research		120,000																		
Review & refinement of desktop study		10,000																		
Engineers specification and concept		50,000																		
Environmental sensitivity analysis		30,000																		
Prepare development concept		30,000																		
Prepare infrastructure assessment & planning			30,000																	

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agricultural rentals gardens - feasibility																				
Present agricultural master plan to council and steercom for approval			100,000																	
Prepare revised high level estimates			30,000																	
Provisional feasibility			15,000																	
Approval of master plan & High Level Budget			25,000																	

Table 260: Public transport strategy and plan

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Public transport strategy and plan																				
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners - Technical assistance application to NDPG																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Definition of survey area / zoning: • Review of current land use planning initiatives and assumptions - Review of the current and assumed land use controls, densities, re-zoning initiatives as well as planning policies or frameworks for the study area to establish its traffic demand			75,000																	
Inventory of existing transport facilities			75,000																	
Inventory of existing travel patterns			100,000																	
Inventory of existing planning parameters			50,000																	
Transport modelling set-up				20,000																
Trip generation studies -				75,000																
Traffic assignment studies - New traffic counts, and screen line counts may be required at key locations				75,000																
Forecasting analysis					50,000															
Future planning parameters					50,000															
Future transport facilities					50,000															
Future policies					50,000															
Master plan development and design																				
Model updating exercises						150,000														
Public transport strategy development						150,000														
Prepare development concept						150,000														
Prepare infrastructure assessment & planning						150,000														
Present Public Transport master plan to council and steercom for approval							150,000													
Prepare revised high level estimates							150,000													
Provisional feasibility							150,000													
Approval of master plan & High Level Budget								50,000												

Table 261: Area marketing strategy and plan

Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Area marketing strategy and plan																				
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding																				
Advertise tender in print media																				
Appoint Service providers and finalise SLAs																				

Activities	Year 1				Year 2				Year 3				Year 4				Year 5				
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Area marketing strategy and plan																					
Competitiveness study					10000																
Branding strategy						10,000															
Brand development and marketing collateral . Material						25000															
Stakeholder targeting strategy							25000														
Marketing plan development							25000														
Marketing plan financial assessment							25000														
Plan readiness and implementation plan							25000	25000													
Strategic marketing events									50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000

Table 262: Sector specific skills programme

Activities	Year 1				Year 2				Year 3				Year 4				Year 5				
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sector specific skills development programme																					
Workshop and agreement with Skills Development Unit to undertake skills programme																					
Engage with Skills on the specific requirements for each programme																					
Engage with Department of Labour and relevant SETAs to determine project requirements and preferred training providers																					
Undertake a full costing exercise to determine costs per programme																					
Engage with other sources of funding and delivery agents such as KZNDED, KZN Cluster programmes, etc																					
Prepare programme for RPL																					
Obtain council approval for budgets																					
Establish skills steering committee to assess potential candidates																					
Programme planning workshops																					
Advertisement for service providers																					
Adjudicate proposals																					
Recruitment of beneficiaries for the skills development project																					
Undertake a full selection process with the assistance of key representatives of municipality's skills development unit																					
Final screening and selection of the individuals for the project																					
Devise a training schedule for relevant beneficiaries																					
Administer the training programmes																					
Allocate stipend (subsistence and travel allowance) to beneficiaries																					
Provide technical training to beneficiaries (pilot project 300 ppl) (R15000 budget per HH for training, and for 3000 people in							4,500,000														

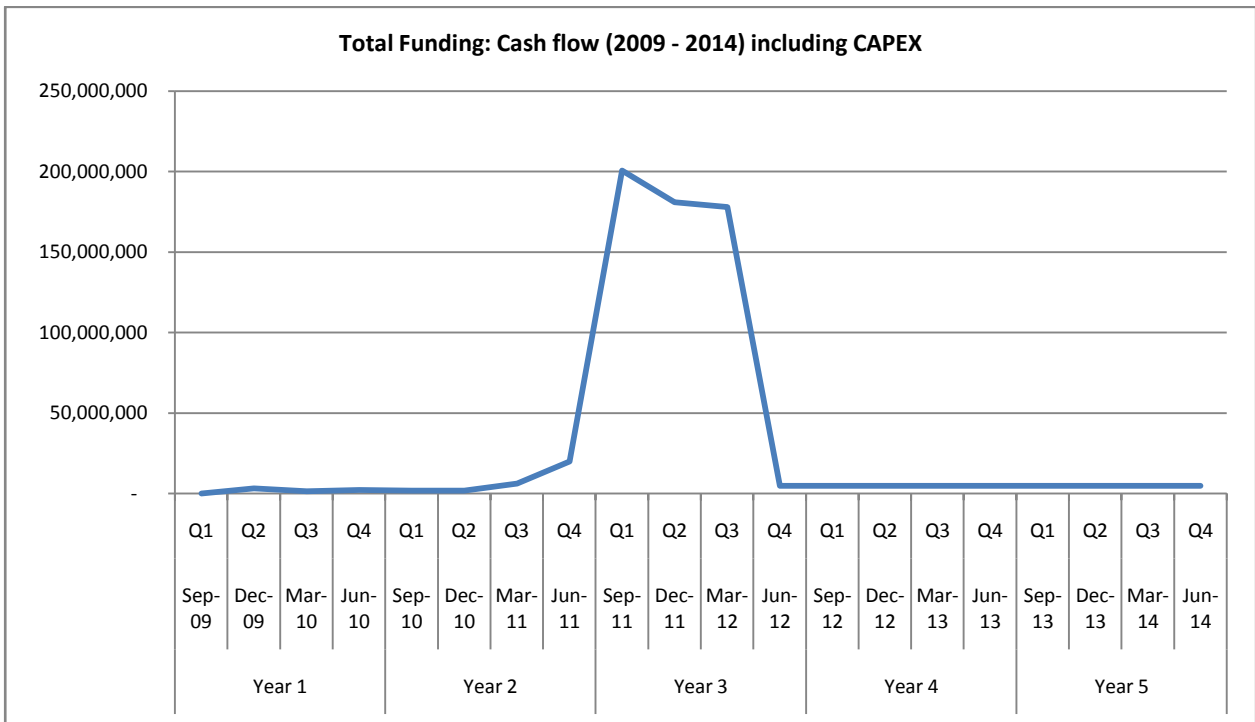
Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sector specific skills development programme																				
study area)																				
Develop a monitoring an evaluation mechanism for the project																				
Assess the impact of the project for future rollout																				
Roll out phase for remaining beneficiaries									3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000

Table 263: Informal trader facilities – feasibility

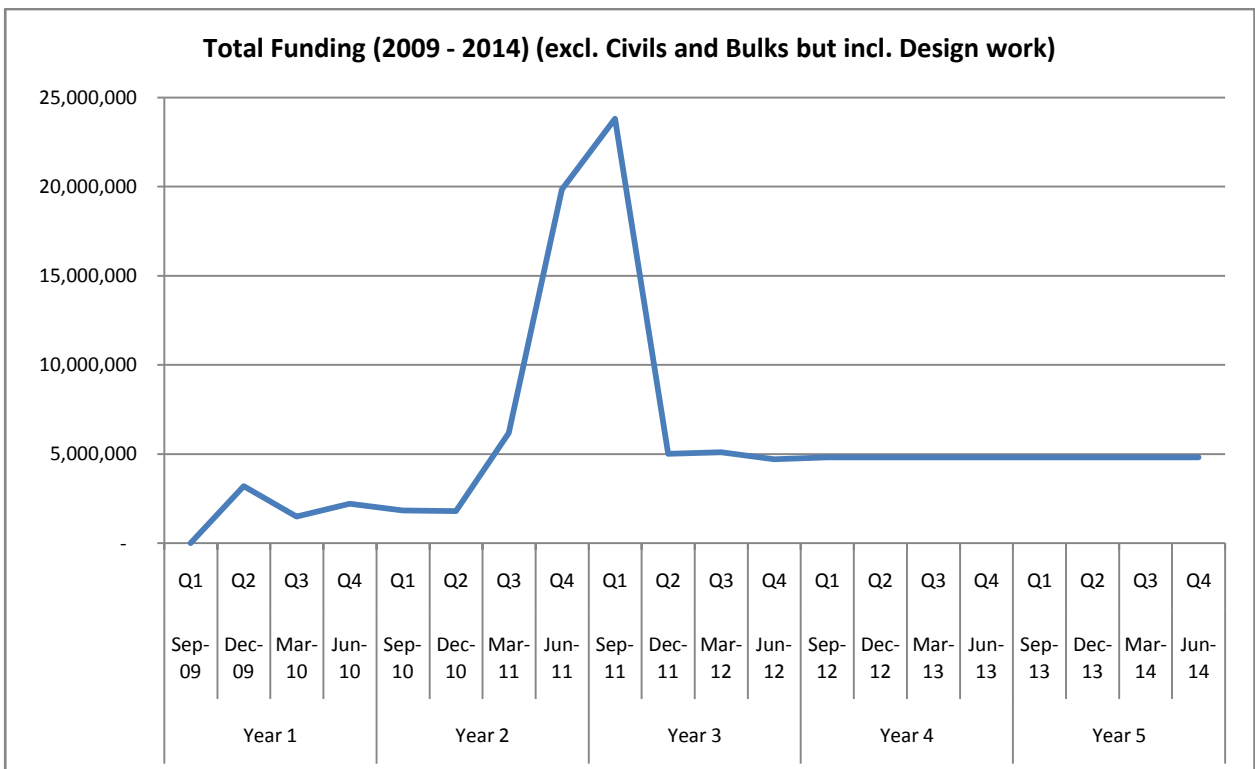
Activities	Year 1				Year 2				Year 3				Year 4				Year 5			
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Informal trader facilities feasibility																				
Pre-approval to council																				
Establish Steercom and finalise TOR																				
Source funding from project partners																				
Advertise project in print media																				
Appoint Service providers and finalise SLAs																				
Concept development																				
Site survey		15,000																		
Market research		120,000																		
Establish parameters/situation analysis		20,000																		
Review & refinement of desktop study		10,000																		
Architectural concept		40,000																		
Town planning status quo analysis		10,000																		
Environmental sensitivity analysis			20,000																	
Prepare development concept			30,000																	
Prepare infrastructure assessment & planning			50,000																	
Present Architectural master plan to council and steercom for approval				35,000	35,000															
Prepare revised high level estimates					20,000	10,000														
Provisional feasibility					20,000	20,000														
Approval of master plan & High Level Budget						20,000	20,000													

34. FUNDING REQUIREMENTS AND FUTURE INVESTMENT LEVERAGE POTENTIAL

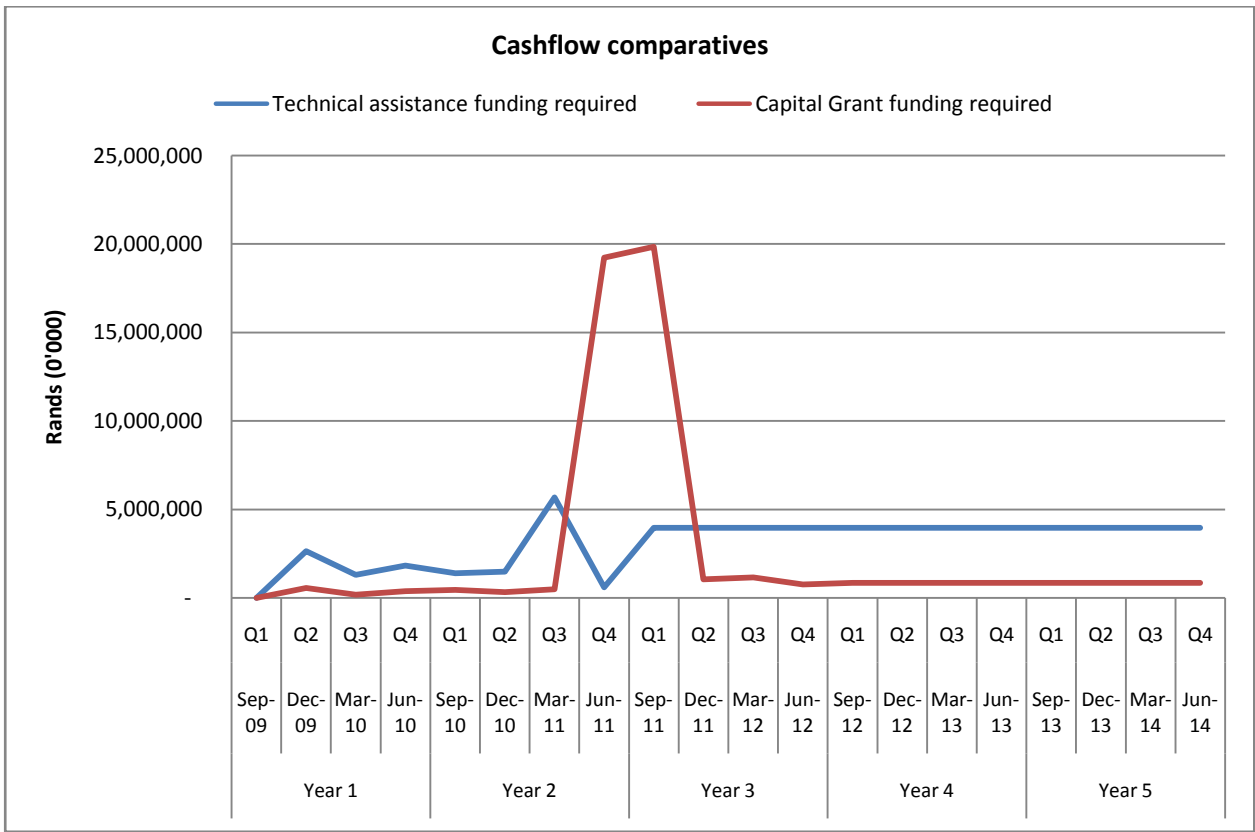
The total budget inclusive of both operation and capital costs for the plan over the next five years is illustrated as follows:



The following chart shows cashflow requirements excluding the provision of Civils and Bulk service however includes allocation for design stage work related to these projects.



A comparative is provided as follows:



In terms of the operating budget, approximately 80% is required for skills development programmes alone.

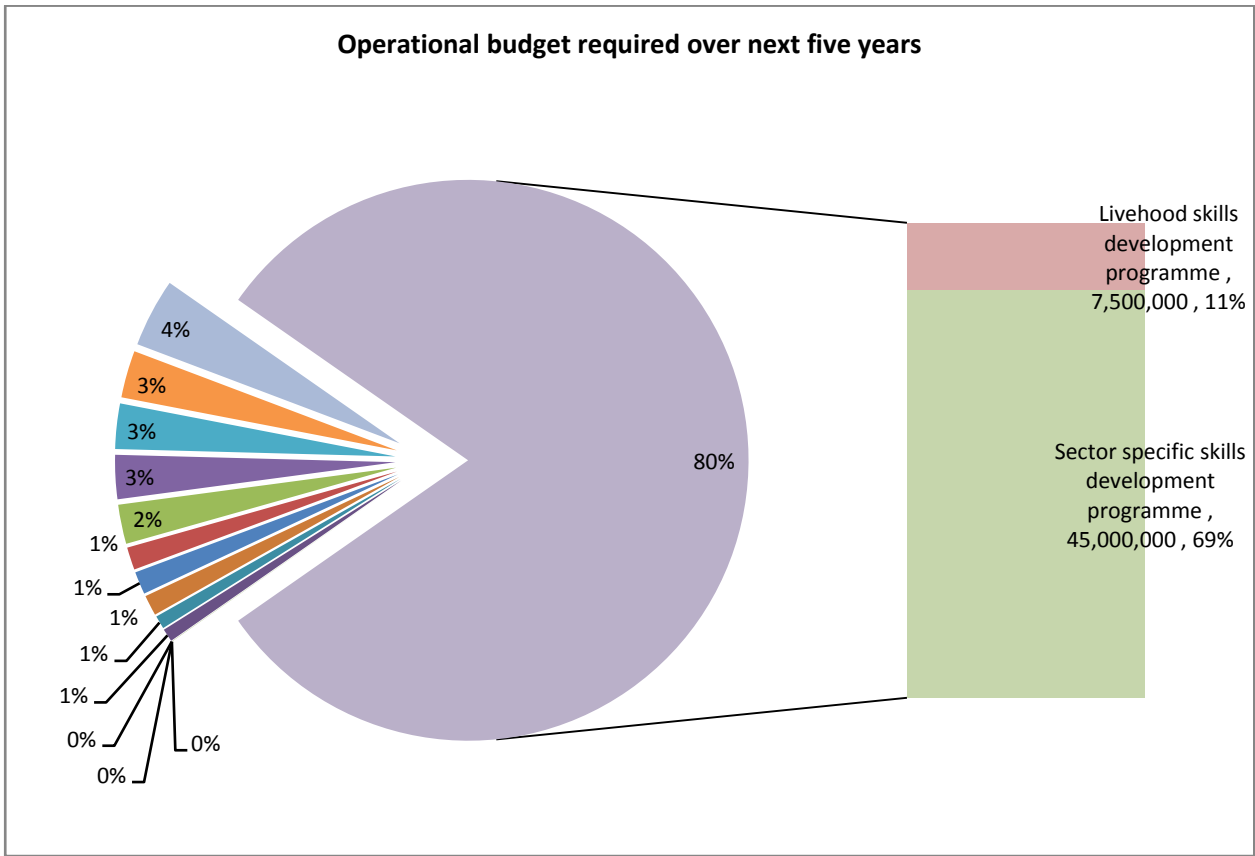
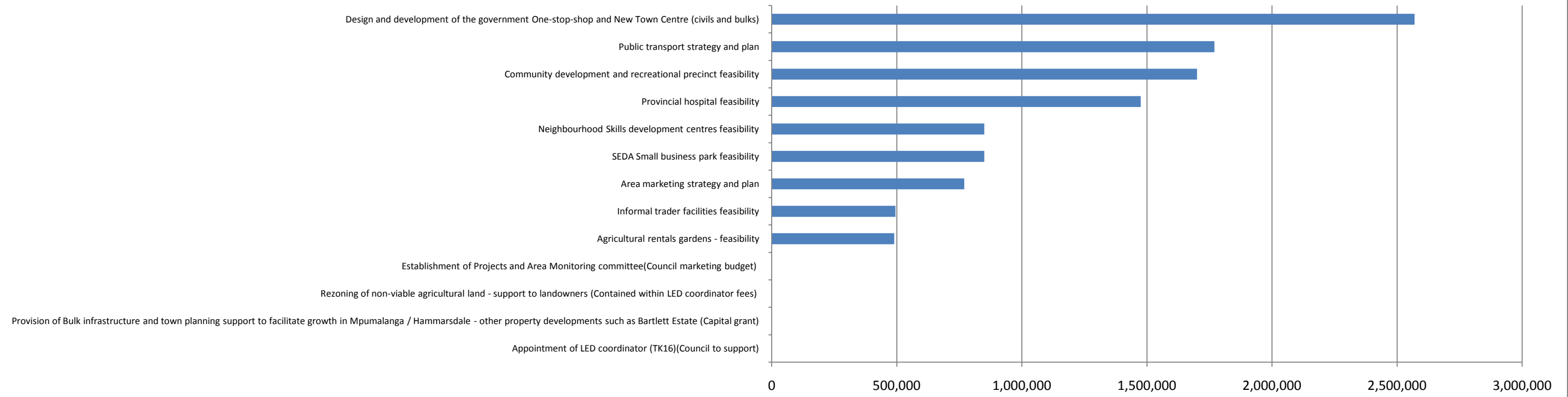


Table264: Budget consolidated

Projects	2009-2014 Budget		Year 1				Year 2				Year 3				Year 4				Year 5			
	Operational budget required	Capital budget required	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Appointment of LED coordinator (TK16)</i>	1,651,538	-	-	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436	72,436
<i>Design and development of the government One-stop-shop and New Town Centre (civils and bulks)</i>	2,570,000	216,219,000	-	560,000	185,000	375,000	445,000	320,000	495,000	7,955,000	75,370,000	66,200,000	65,250,000	50,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000
<i>Provincial hospital feasibility</i>	1,475,000	-	-	560,000	185,000	275,000	345,000	85,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>SEDA Small business park feasibility</i>	850,000	-	-	460,000	130,000	75,000	120,000	50,000	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Neighbourhood Skills development centres feasibility</i>	850,000	-	-	460,000	130,000	75,000	120,000	50,000	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community development and recreational precinct feasibility</i>	1,700,000	-	-	585,000	185,000	375,000	445,000	85,000	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Provision of Bulk infrastructure and town planning support to facilitate growth in Mpumalanga / Hammarsdale - other property developments such as Bartlett Estate</i>		358,478,000	-	-	-	-	-	-	-	11,281,000	121,481,000	110,856,000	108,906,000	706,000	656,000	656,000	656,000	656,000	656,000	656,000	656,000	656,000
<i>Rezoning of non-viable agricultural land - support to landowners</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Livelihood skills development programme</i>	7,500,000	-	-	-	-	750,000	-	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
<i>Agricultural rentals gardens - feasibility</i>	490,000	-	-	290,000	200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Public transport strategy and plan</i>	1,770,000	-	-	-	300,000	170,000	200,000	600,000	450,000	50,000	-	-	-	-	-	-	-	-	-	-	-	-
<i>Sector specific skills development programme</i>	45,000,000	-	-	-	-	-	-	4,500,000	-	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	3,375,000	
<i>Area marketing strategy and plan</i>	770,000	-	-	-	-	-	10,000	35,000	100,000	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<i>Informal trader facilities feasibility</i>	495000	0	0	215000	100000	35000	75000	50000	20000	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Establishment of LED forum</i>	9000	0	0	0	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500

Funding requirements (Technical assistance)



The graph above and table below outline the technical assistance requirements for the plan.

Table 265: Technical assistance requirements

Projects requiring Technical assistance	Funding requirements (February 2010 - June 2011)	Ethekwini Contribution	Line function	Potential funding partner	Value of grant required
<i>One-stop-shop and New Town Centre (Concept only)</i>	2,570,000	771,000	EDU	National Treasury	1,799,000
<i>Provincial hospital feasibility</i>	1,475,000	442,500	EDU	National Treasury	1,032,500
<i>SEDA Small business park feasibility</i>	850,000	255,000	BSU/EDU	SEDA/KZNDEDT	595,000
<i>Neighbourhood Skills development centres feasibility</i>	850,000	255,000	Architecture / EDU	KZNDEDT	595,000
<i>Community development and recreational precinct feasibility</i>	1,700,000	510,000	Architecture / EDU	National Treasury	1,190,000
<i>Agricultural rentals gardens - feasibility</i>	490,000	147,000	AMU/EDU	KZNDEDT	343,000
<i>Public transport strategy and plan</i>	1,770,000	531,000	ETA/EDU	National Treasury	1,239,000
<i>Area marketing strategy and plan</i>	770,000	231,000	DIPA/EDU	KZNDEDT/TIKZN/National Treasury	539,000
<i>Informal trader facilities feasibility</i>	495,000	148,500	BSU/EDU	National Treasury/KZNDEDT	346,500
Total	10,970,000	3,291,000			7,679,000

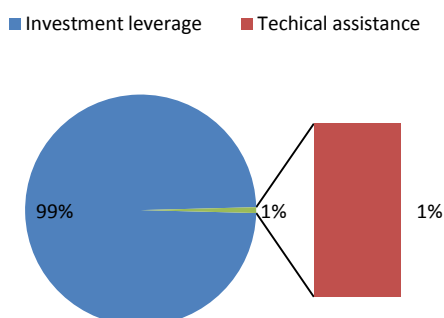
*Excludes fees for

- professional fees for implementation phase
- LED coordinator
- LED FORUM
- Skills programme

Table 266: Potential to leverage further investment in region

Projects requiring Technical assistance	Potential bulk (land use sqm)	Potential investment that will be leveraged	Potential investor
<i>Design and development of the government One-stop-shop and New Town Centre (civils and bulks)</i>	150,000	825,000,000	Public-private
<i>Provincial hospital feasibility</i>	40,000	220,000,000	Public-private
<i>SEDA Small business park feasibility</i>	15,000	82,500,000	Public-private
<i>Neighbourhood Skills development centres feasibility</i>	10,000	35,000,000	Public-private
<i>Community development and recreational precinct feasibility</i>	20,000	110,000,000	Public-private
<i>Agricultural rentals gardens - feasibility</i>	10,000	25,000,000	Public sector
<i>Public transport strategy and plan</i>	5,000	37,500,000	Parastatal-public
<i>Informal trader facilities feasibility</i>	2,000	15,000,000	Public sector
	252,000	1,350,000,000	

Technical assistance requirements (2009 - 2014) to further develop the concepts of the plan



35. PROJECT EXIT STRATEGIES (HIGH-LEVEL)

Projects for Mpumalanga / Hammarsdale	Project concept development and feasibility management	Source of funding for research	Project implementing agent	Hand over date to implementing agent	Hand over / exit stage activities for feasibility study	Funding source: implementation (roll-out)	Project funding arrangement	Monitoring and evaluation requirements / project review	Summary
Project 1. Provision of bulk infrastructure to support development	Economic development unit	National Treasury	Development Engineering; ETA, DMWS	June 2011 to hand over to City Engineers Services Units	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with National Treasury/ EThekwini / Developers	Infrastructure services agreement	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury. Estimated CAPEX is R525m, however a services agreement is requirement between stakeholders to unlock development phase 2 is dependent on funding of infrastructure
Project 2. Facilitate the rezoning of non-viable agricultural land to more productive land uses	Rural ABM	No funding required	Rural ABM	August 2011 to be handed to LUMS for monitoring	New scheme amendments to be managed by Ethekwini Planning and development (LUMS)	No funding requirement	No requirement (funded through salary)	Monthly between January 2010 and August 2011	Project is dependent on developer interest in the study area. Developer interest may be dependent on the availability of funding by council to support the infrastructure and rezoning of commercial sugar cane to industrial and mixed uses.
Project 3. Livelihood skills development initiative	Rural ABM	Department of labour, SETA, Ethekwini Skills	Ethekwini Skills Unit	July 2010 to be handed to SDU	Individuals with further development potential / entrepreneurial potential will be referred to SEDA for further assistance	Skills development unit (OPEX)	Application to Department of Labour and corporate social investment	June 2010	Phase 1 of this project is a pilot study to determine the community responsiveness to the livelihood skills initiative and further roll-out is based on the success of the initiative and access of funding from corporate social investment initiatives. Phase 1 is therefore a demonstration project.
Project 4. Agricultural rental gardens in priority areas	Rural ABM	Ethekwini Agriculture Management Unit / National Treasury	Ethekwini Agriculture Management Unit	June 2010 to hand over to AMU	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with Agriculture management unit and National treasury	Infrastructure services agreement	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury and ethekwini municipality.
Project 5. Informal trader facilities	Rural ABM	National Treasury / Ethekwini Business support	Business support Unit	BSU to take over by August 2011	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with Business support unit and National Treasury	Infrastructure services agreement	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury and ethekwini municipality
Project 6. Area marketing strategy and plan	Rural ABM	National Treasury / DIPA	Durban Investment promotion agency (DIPA)	DIPA to take over by July 2011	Establishment / development of marketing material and plan Approval by DIPA to include in Business retention and expansion programme	DIPA (OPEX)	DIPA projects budget	June 2011	This project can be added on to the DIPA programme however depends on the development of a marketing plan and strategy, which is also based on the development readiness of the local area.
Project 7. Public transport strategy and plan	Economic Development unit	ETA / Development planning / EDU	ETA	July 2014 to be handed over to ETA	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with National Treasury/ EThekwini / other	Infrastructure services agreement	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury and ethekwini municipality.

Projects for Mpumalanga / Hammarsdale	Project concept development and feasibility management	Source of funding for research	Project implementing agent	Hand over date to implementing agent	Hand over / exit stage activities for feasibility study	Funding source: implementation (roll-out)	Project funding arrangement	Monitoring and evaluation requirements / project review	Summary
Project 8. One-stop-shop for government services	Economic Development unit	EDU / National Treasury	EDU	July 2011 to hand over to City Engineers Services Units	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with National Treasury/ EThekwini / other	Infrastructure services agreement / PPP	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury, ethekwini municipality and other government departments.
Project 9. Provincial hospital investment plan (feasibility)	Economic Development unit	EDU / National Treasury	KZN Department of Health	July 2011 hand over to KZN Health	Handed over to KZN department of health for further consideration and approval	CAPEX in partnership with KZN Department of Health	Infrastructure services agreement / PPP	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury, ethekwini municipality and KZN department of Health
Project 10. Community development and recreation precinct	Rural ABM	EDU / National Treasury	EDU / National treasury / Ithala / Elangeni FET	July 2012 hand over to City Architects	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with National Treasury/ EThekwini / other e.g. IThala; Elangeni FET	Infrastructure services agreement / PPP	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury, ethekwini municipality and other developers
Project 11. Sector specific skills development	Rural ABM	Department of labour, SETA, Ethekewini Skills	Ethekewini Skills	July 2011 to hand over to Skills Unit	Individuals will be marketed and linked up with local businesses and investors for future employment	Skills development unit (OPEX)	Application to Department of Labour	June 2011	Phase 1 of this project is a pilot study to determine the community responsiveness to the sector skills initiative and further roll-out is based on the success of the initiative and the ability of the Job Shop to promote and link with local businesses, as well as the investment in the local area which will be required to subscribe to the LED policy employment targets
Project 12. Neighbourhood skills development centres	Rural ABM	EDU / National Treasury / KZNDEDT	City Architects / city Real Estate / EDU	July 2012 hand over to City Architects	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with National Treasury/ EThekwini / other e.g. IThala; neighbourhood retailers	Infrastructure services agreement / PPP	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury, ethekwini municipality and other government departments.
Project 13. SEDA small business park	Rural ABM	EDU / National Treasury / KZNDEDT / SEDA / BSU	City Architects / city Real Estate / EDU / SEDA / BSU	July 2012 hand over to City Architects	Design approvals are obtained for the services to be constructed from the relevant line departments which will then be taken over for continued maintenance if constructed in accordance with the approvals granted.	CAPEX in partnership with National Treasury/ EThekwini / other e.g. IThala; SEDA	Infrastructure services agreement / PPP	Feasibility review within 6 months CAPEX review – monthly from date of commencement	Phase 1 of this project is the preparation of a infrastructure business plan for CAPEX / Capital grant approval from national treasury, ethekwini municipality and other government departments.
Project 14. LED project manager	Economic Development unit	Economic Development unit	Economic development unit	June 2014 to hand over to EDU for review and further appointment	Contract renewal based on a detailed review of further project requirements	Economic Development unit	EDU operating budget	March 2014	This project is a temporary employment position to augment institutional capacity within the Economic development unit.
Project 15. LED forum	Rural ABM	Economic development unit	Rural ABM	July 2014 to hand over to EDU for review	Further requirement based on a review of the LED strategy and plan in 2014	Economic development unit	EDU marketing and catering budget	March 2014	This project is based on the need to form a local reference group to monitor the implementation of projects. It is therefore valid for the period of the LED plan and a review of the plan may result in the need to extend the term for the LED forum