Steve Tshwete Local Municipality

BUSINESS PLAN FOR MHLUZI

APRIL 2010

Prepared for:	Prepared by:
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1. PROJECT RATIONALE: THE BUSINESS CASE

1.1. INTRODUCTION

The business plan case report set out the key inputs that need to be addressed to illustrate that a sound concept was developed by STLM toward building a strong business case for the Neighbourhood Development Partnership Grant (NDPG). This phase involved considerable engagement with the Municipality in order to develop the business case.

The report is divided into five sections:

1. Project rationale: The business case
2. Project context (in relation to the township)
3. Project plan
4. Stakeholder relationships and roles
5. Project risks

1.2. BACKGROUND

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 NDPG is to stimulate and accelerate investment in poor, underserved residential neighbourhoods by providing technical assistance and capital grant financing for municipal projects that have either a distinct private sector element or an intention to achieve this.

The NDPG has its genesis in the recognition that strategic public sector investment in community facilities and places can provide the impetus for sustainable private sector investment and improvement in the collateral value of township properties. Thus the NDPG focuses not just on the nature of the community facility or place, but specifically on how this investment can lead to the sustained improvement in the investment desirability of the township. The funding should thus play a key role in unlocking the resources and initiating the property developments required to transform NDPG target areas into vibrant and economically functional neighbourhoods that are pleasant to live in and provide residents with access to shops, markets, recreational and community facilities, and public transport. In order to maximize the impact of the NDPG funding, township nodes in particular are seen as key localities to initiate this transformation.

1.3. THE NDPG VISION

The NDPG is driven by the notion that public investment and funding can be used creatively to attract private and community investment to unlock the social and economic potential within the targeted neglected townships and

neighbourhoods (NDPG target areas) and that this in turn will contribute to South Africa's macro-economic performance and improve quality of life among its citizens.

1.4. NDPG OBJECTIVES

The NDPG represents a part of government's commitment to achieving the outcomes of the various sector Charters. The NDPG is a resource available to Municipalities that will enable them to negotiate, and partner, with the private sector in investing in, and developing properties as the targeted location for, township businesses and economic activity. The NDPG would thus enable municipalities to put human, physical and environmental resources and infrastructure in place that would enable the private sector to invest with reduced risk and in a positive physical setting. Beyond that, it will also assist the Municipality to work with local businesses and entrepreneurs in jointly developing investment opportunities.

Physically the NDPG can support the creation of a variety of viable economic nodes. In many of the largest and most significant townships, many primary nodes are already being developed as a result of Urban Renewal and municipal investment strategies. The NDPG would seek to invest in community facilities that will enable marginalised communities to get better access to services.

Through redressing imbalances in the provision of community facilities and quality places, the NDPG aims to address economic underdevelopment that will contribute directly to the economic prospects of the country as a whole. The aim is thus to:

- Leverage private and community investment into NDPG target areas
- Enhance the collateral value of properties in NDPG target areas
- Create the conditions for the broadening of Black capital formation and business development
- Achieve efficiency in the movement of goods and people by restructuring the spatial form of neighbourhoods by introducing mixed land uses and supporting the introduction of activity nodes and movement corridors
- Create vibrant public and economic spaces
- Build institutional and developmental capacity that will contribute to social and economic cohesion
- Inject a new economic and social vitality into the predominantly residential nature of the target areas
- Make lessons learnt (positive and negative) available so processes can be replicable

1.5. NDPG RATIONAL

It is anticipated that the NDPG can achieve its goals by accelerating investment in community amenities in the target areas by providing a combination of technical support and capital financing for municipal projects that will leverage private sector investment at scale.

The NDPG aims at building on current good practice that is emerging. For example in urban nodes where investment in high quality infrastructure and clustering of quality public facilities have proven to be a successful

model for attracting private investment and stimulating economies in townships. The NDPG's aim is to support and accelerate this model, particularly given the notion of cities are engines for growth and the need for government to be pro-active in creating opportunities and stimulating growth through investment in neglected areas.

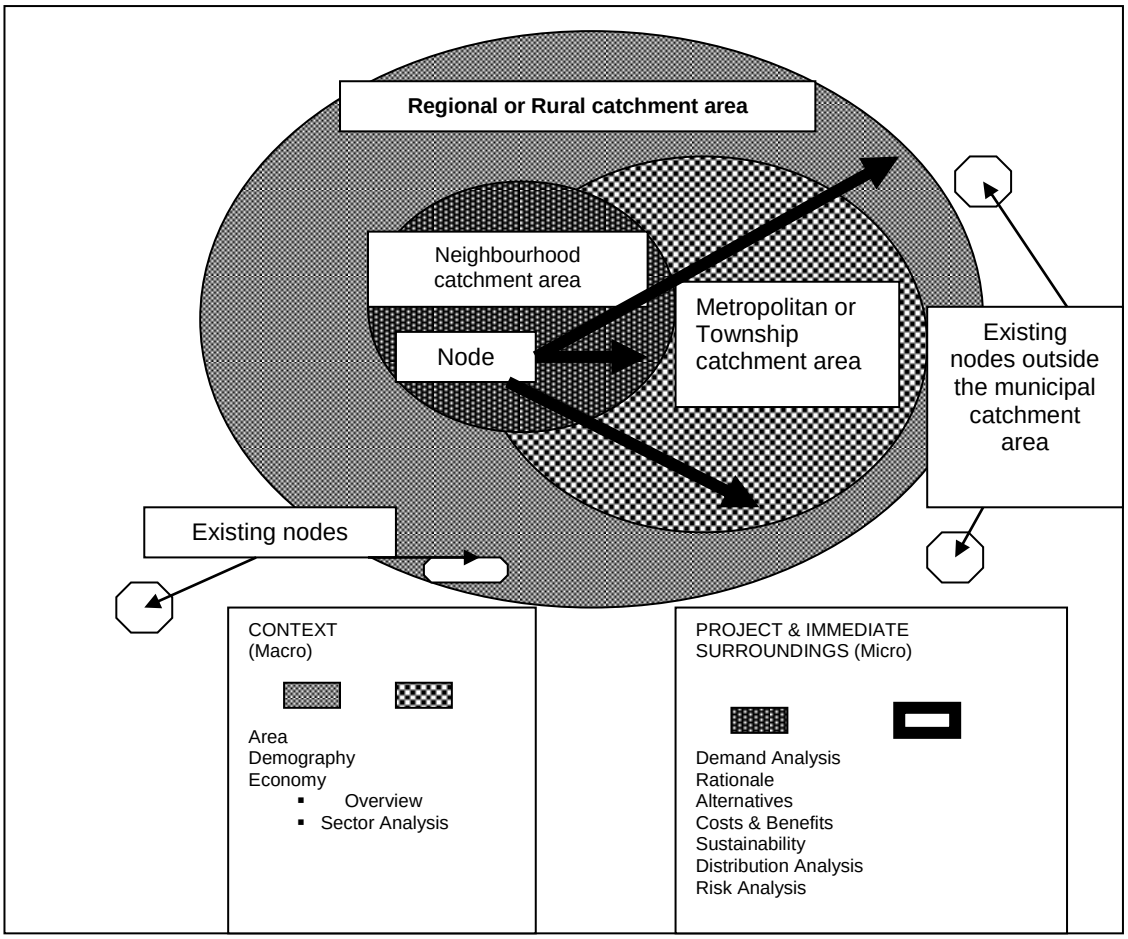


Figure 1: NDPG Rational

1.6. DEVELOPMENT FRAMEWORK / CONCEPT PLAN

1.6.1 VISION

Based on the NDPG's own vision, the vision for the upgrade of Mhluzi is as follow:

"The upgrade of Mhluzi through the notion that public investment and funding can be used creatively to attract private and community investment to unlock the social and economic potential within the township and improve quality of life amongst its citizens."

1.6.2 OBJECTIVES

The following objectives where set for the NDPG project:

- The proper integration of Mhluzi into the urban envelope of Middelburg by focusing on improved physical and other linkages.
- To create through planning and investment, processes and opportunities that will induce private and community investment in Mhluzi and surroundings
- To reduce the risk of investments in areas that is targeted for improved human, physical and environmental resources and infrastructure
- To invest in community facilities that will enable marginalized communities to get better access to services.
- Enhance the collateral value of properties in Mhluzi
- To build an current best practice where investment in high quality importance and clustering of quality public facilities have proven to be a successful model for attracting private investment and stimulating economics in townships.

1.6.3 CHALLENGES

The challenges in general could be summarized as follow:

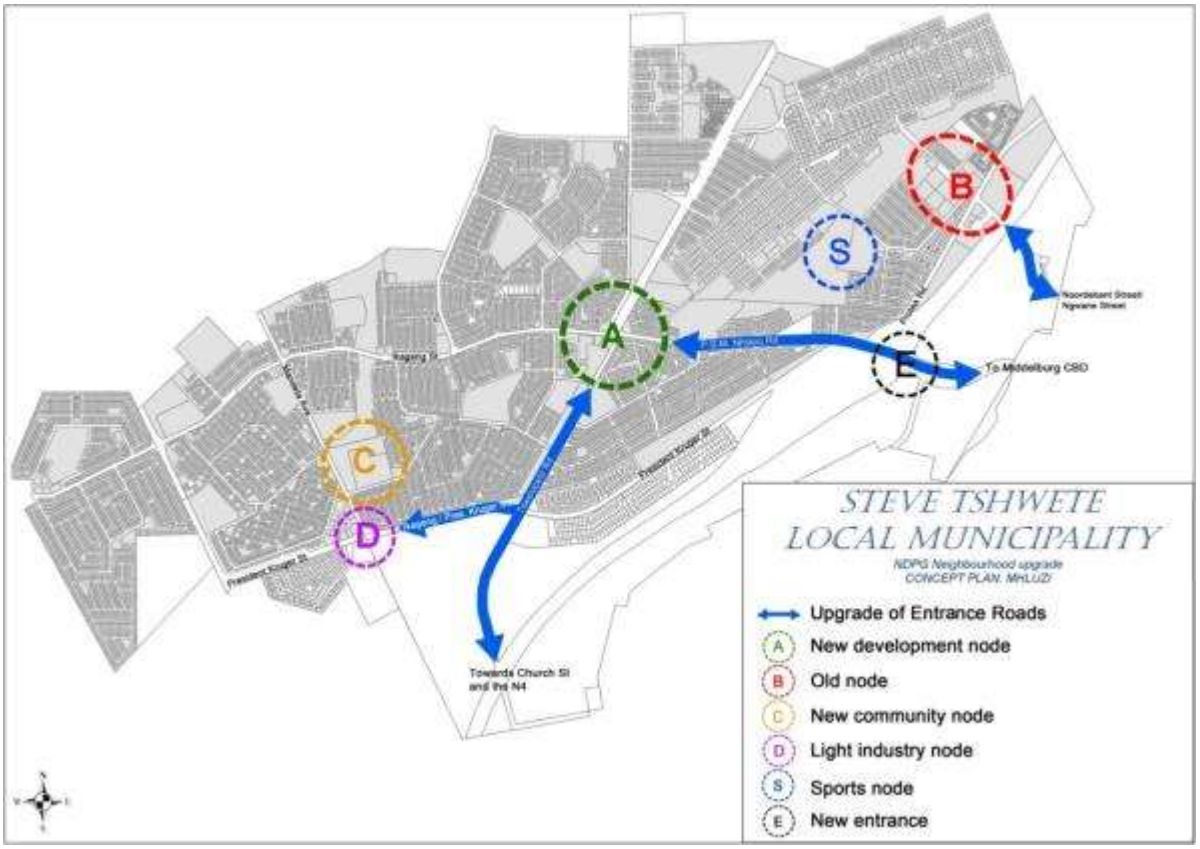
- The absence of nodal development plans and limited municipal capacity to develop integrated projects contributing to the economic growth of these areas.
- Limited funding for capital works for public facilities and places that unlock collateral value of fixed investment and investment potential. Improve the quality of public facilities and environment.
- Low levels of private sector investment / leveraging of private sector investment
- Limited municipal capacity to assemble and align multiple funding sources in a single large-scale multi-faceted property development project
- Risk of mismatch between capital investment made and maintenance and operational budgets of municipalities
- Job creation
- Inequitable focus on inner city metropolitan areas and established business centres where private investment is easier to attract
- Appropriate technical advice and business support
- Improving access to property and security of tenure.

1.6.4 CONCEPTUAL FRAMEWORK

Through preliminary investigation and meetings held with the steering committee, various areas (nodes) were identified for concentrated development investment.

These areas are:

Area A : A central development node
Area B : Upgrade of the existing Mhluzi node
Area C : Development and expansion of the new social/community node
Area D : Light industrial node
Area S : Sports node
Area E : New entrance



1.7. NDPG PROJECT SUMMARY OF COST AND LEVERAGE POTENTIAL

PROJECT	PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE A: CENTRAL DEVELOPMENT NODE		
SOCIAL HOUSING: Approximate value of Project based on footprint area (needs significant interrogation during next phase)		R58,800,000
TAXI RANK: value of construction of shelters for commuters, civic works excluded.		R2,040,000
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office	R4,125,000	
RETAIL MALL: Private client - no value attached		R10,000,000
CHURCH SITE - Private client - no value allocated		R2,000,000

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
VEHICLE SERVICE STATION: Private client - no value allocated			R6,000,000
CRECHE: Value of project including allowance for siteworks, infrastructure, etc			R2,925,000
SOCCER FIELD		R962,500	
BASKETBALL court with floodlighting		R224,400	
ABLUTIONS		R700,000	
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,		R8,000,000	
Sub-Total		R 14,011,900	R 81,765,000
Planning Cost	12%	R 1,681,428	
TOTAL		**R 15,693,328**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE B: UPGRADE OF THE EXISTING MHLUZI NODE			
TAXI RANK: value of construction of shelters for commuters, civic works excluded.			R225,000
HARD LANDSCAPING: Including maintenance of broken paving, tree-grids, kerbing, rumble strips, speed control textures, etc		R910,000	
SOFT LANDSCAPING: Creation of new park space/public square, including large trees, signage, etc		R437,500	
ABLUTION FACILITY: Public ablution facility including a 40 sqm residence for manager		R900,000	
GENERAL: Allowance for external environment upgrade items - lighting, bins, street furniture		R375,000	
Sub-Total		R 2,622,500	R 225,000
Planning Cost	18%	R 472,050	
TOTAL		**R 3,094,550**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE C: DEVELOPMENT AND EXPANSION OF THE NEW SOCIAL/COMMUNITY NODE			
CIVIC BUILDING: extension of existing facilities		R7,650,000	
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office		R4,125,000	
POLICE STATION: New satellite facility included 10% amount for site works etc. (funded by DOW?)			R2,400,000
RETAIL BUILDING 1: Private client - no value attached			R3,000,000
RETAIL BUILDING 2: Private client - no value attached			R3,000,000
ABLUTIONS		R1,000,000	
CLUBHOUSE: Value of project including allowance for site works, infrastructure, etc		R1,575,000	
SOCCER FIELD		R1,925,000	
BASKETBALL COURT: no floodlighting		R149,600	
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,		R4,000,000	
Sub-Total		20,424,600	R 8,400,000
Planning Cost	12%	R 2,450,952	
TOTAL		**R 22,875,552**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE D: LIGHT INDUSTRIAL NODE			
REZONING OF LAND		R750,000	
CIVIL ENGINEERING SERVICES			R2,000,000
HIVE WORKSHOP FACILITIES: value of construction of hive shelters for SMME-type light-industrial manufacturing spaces, with power, light, wet services. Ave dim 3 x 6m = 18 sqm		R2,246,400	
HARD LANDSCAPING: Including earthworks, parking spaces, bellmouth entrance, garbage yard, etc.		R2,835,000	
SOFT LANDSCAPING: Buffer strip against main road, side boundaries, etc.		R75,000	
FENCING: Boundary fencing and access control.		R450,000	
SERVICE CONNECTION: Electrical substation (req to be confirmed)		R280,000	
Sub-Total		R 6,636,400	R 2,000,000
Planning Cost	18%	R 1,194,552	
TOTAL		**R 7,830,952**	

PROJECT	PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE S: SPORTS NODE (PHASE 1)		
Demolition of the existing stadium, clubhouse and tennis courts	R100,000	
Boundary fencing repair and replace, installation of new pedestrian gates, vehicle gates	R2,400,000	
Installation and maintenance of service infrastructure	R 500,000	
Parking and landscaping, rehab embankment seating where required	R3,000,000	
Construction of a new West Pavilion of 10,000 seats spread in two tiers of 5,000 each, change-rooms, field preparation, irrigation, drainage, access control, PA, and floodlighting, superstructure partial		R100,000,000
Partial roof covering West Pavilion phased construction	R15,000,000	
Seating main stand and VIP's		R5,000,000
Athletics field and infrastructure upgrade; sealed surface i.e. tartan	R1,760,000	
External environment upgrade – pedestrian walkways, landscaping, lighting, pause areas	R7,000,000	
Mini-sub for lighting	R280,000	
Sub-Total	R 30,040,000	R 105,000,000
Planning Cost 12%	R 3,604,800	
TOTAL	**R 33,644,800**	

PROJECT	PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE S: SPORTS NODE (PHASE 2)		
Site works, landscaping and rehab of open space edge and extended pedestrian areas surrounding stadium	R2,500,000	
Vehicle slipways, taxi drop-off etc	R600,000	
Reconstruction of tennis courts, basketball court and clubhouse and change rooms and ablutions with floodlighting	R900,000	
Secondary practice fields	R1,920,000	
Field lighting for practice fields	R700,000	
Future East pavilion (upgrade existing embankment seating with secondary tier of 5,000 seats and partial roof covering)		R37,500,000
Access control and fencing of practice fields, embankments and landscaping	R2,000,000	
Sub-Total	R 8,620,000	R 37,500,000
Planning Cost 15%	R 1,293,000	
TOTAL	**R 9,913,000**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE E: NEW ENTRANCE			
Pedestrian walkways (hard landscaping, incl. street furniture)		R441,000.00	
Pedestrian landscaping		R22,050.00	
Traffic calming element (To be confirmed by further investigation)		R100,000.00	
Intersection landscaping		R20,180.00	
Land mark/sign		R80,000.00	
Sub-Total		R 663,230.00	R 0
Planning Cost	12%	R 79,588	
TOTAL		**R 742,818**	

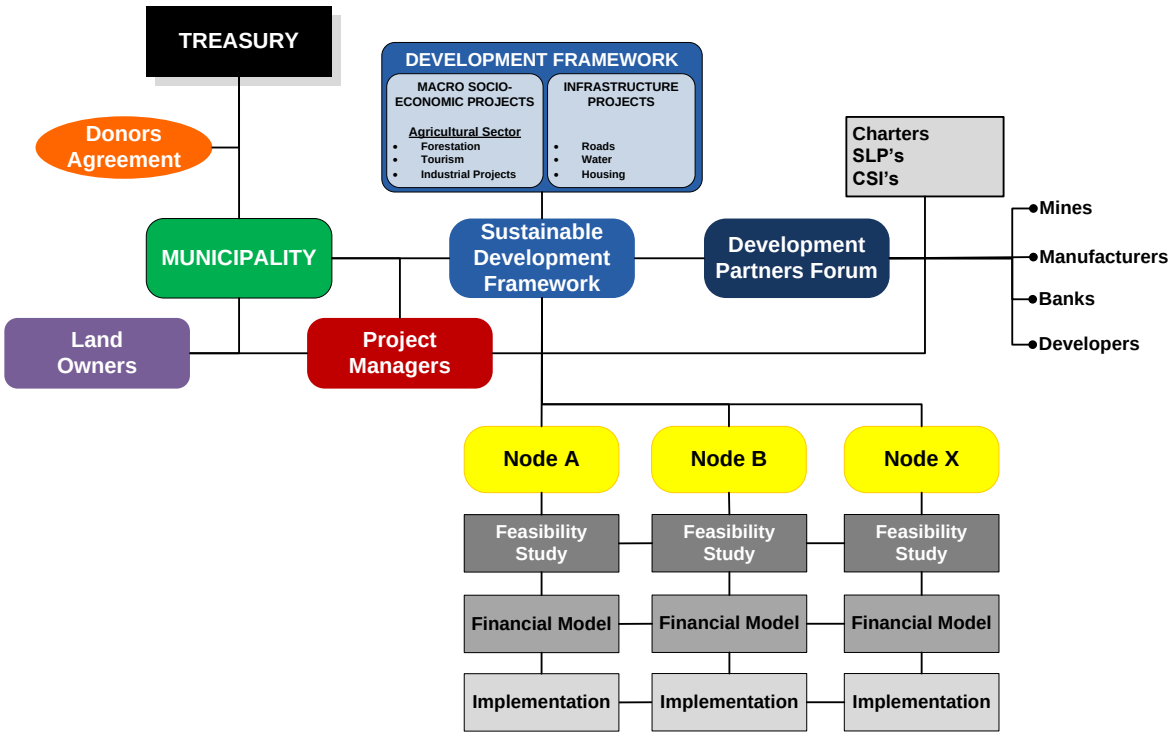
PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE R: NEW RETAIL NODE			
Zoning of land		R500,000	
Bulk Engineering Services			R10,000,000
Land availability agreement		R100,000	
Preparation of tender documents		R1,500,000	
Project Management		R200,000	
Retail Centre			R100,000,000
Sub-Total		R 2,300,000	R 110,000,000
Planning Cost	12%	R 276,000	
TOTAL		**R 2,576,000**	

TOTAL	**R 96,371,000**	**R 344,890,000**

The total estimated cost for the integrated development approach will be R96,371,000. The successful implementation of the identified projects will have the potential to unleash an estimated additional amount of R344,890,000 investment funded by the private sector and other external resources.

Steve Tshwete Local Municipality is committed to contribute to the development process by making available its technical, administrative and financial expertise. It will also make available land for the upgrade of social facilities, sport facilities as well as land for commercial and industrial development.

NDPG STEVE TSHWETE LOCAL MUNICIPALITY
INTEGRATED DEVELOPMENT PARTNERSHIP MODEL



One of the main objectives of the NDPG is the establishment of development partnerships. The above diagram illustrates an integrated development and partnership model. The main stakeholders identified in this process could be:

- STLM
- National Treasury
- Provincial Government Departments
- Private Sector:
  - Mines Manufacturers
  - Banks
  - Developers
- The proposed vehicle to drive the development process will be the establishment of a Development Partnership Forum

SECTION 2: PROJECT CONTEXT

2. PROJECT STATUS QUO

2.1. SOCIO-ECONOMIC PROFILE

The purpose of this chapter is to outline the salient features of the Steve Tshwete Local Economy in terms of selected time series economic indicators; most notably the economic profile and growth trends within the local economy.

Subsequent paragraphs provide a demographic profile of the Steve Tshwete Local Municipal Area, with specific reference towards the Mhluzi sub-area.

2.1.1. POPULATION

An estimated **158 312 or 40 171 households** reside within the Steve Tshwete Local Municipality area in 2009 (refer to Table 1). The average household size amounts to 3.6 members per household. Note that findings in this chapter are a representation of the total households within the Steve Tshwete Local Municipality area. Map 1 shows the location of the Steve Tshwete Local Municipality

Table 1: Steve Tshwete Local Municipality Population Indicators

	Population	Households	Average Household Size	Population Density (people/km2)	Household Density (Households per km2)
Steve Tshwete Local Municipality					
Doornkop	1,317.3	321.608442	4.1	329.3	82.3
Hendrina	979.1	285.87417	3.4	425.3	127.2
Kranspoort Dorp	169.7	113.699954	1.5	30.3	20.8
Kwazamokuhle	14238	3373	4.2	6980.8274	1693.557
Mhluzi	51,022.9	13325	3.9	11,292.1	3,074.8
Middelburg Part 1	33,083.9	9791	3.1	3,906.6	1,135.1
Middelburg Part 2	43,683.4	8794	5.0	12.800334	2.638698
Nazareth	3,936.4	793	5.0	5765.4279	1188.815
Townlands	9,331.0	3180	2.9	15013.902	5240.146
Total	**158,312.6**	**40 171.8**	**3.6**	**4,379.6**	**1,258.0**
Mhluzi Sub-Area					
Mhluzi SP	12356	3059	4.0	6,537.6	1,618.6
Chromeville	835	225	3.7	16,699.4	4,504.7
Mathaydine	3089	904	3.4	4,119.0	1,205.6
Mhluzi	1134	286	4.0	12,604.0	3,176.4
Mhluzi Ext 1	1007	234	4.3	7,191.7	1,670.7
Mhluzi Ext 2	6415	1743	3.7	6,109.3	1,660.4
Mhluzi Ext 3	2713	709	3.8	9,690.6	2,533.1
Mhluzi Ext 4	3106	801	3.9	6,338.6	1,635.3
Mhluzi Ext 6	1409	408	3.5	20,133.7	5,832.0

	Population	Households	Average Household Size	Population Density (people/km2)	Household Density (Households per km2)
Steve Tshwete Local Municipality					
Mhluzi Ext 7	578	153	3.8	14,442.9	3,817.1
Mhluzi Ext 8	6675	1861	3.6	9,674.4	2,697.7
Mountain View	3483	801	4.3	5,804.9	1,335.5
Rockville	1131	244	4.6	10,282.1	2,214.9
Thembisa	7091	1895	3.7	8,754.5	2,339.5
Crossroads	574	157	3.7	4,786.6	1,308.5
Federal Brick Works	924	360	2.6	7,697.3	2,995.9
Middelburg Ext 4	1960	479	4.1	15,080.5	3,681.7
Middelburg Ext 7	2258	717	3.1	7,282.7	2,312.4
Middelburg South	5612	1814	3.1	794.9	256.9
Newtown	9331	3180	2.9	13,142.3	4,479.4
Total	**71,682**	**20,031**	**3.6**	**187,166.8**	**51,276.2**

Source: DEMACON, 2009

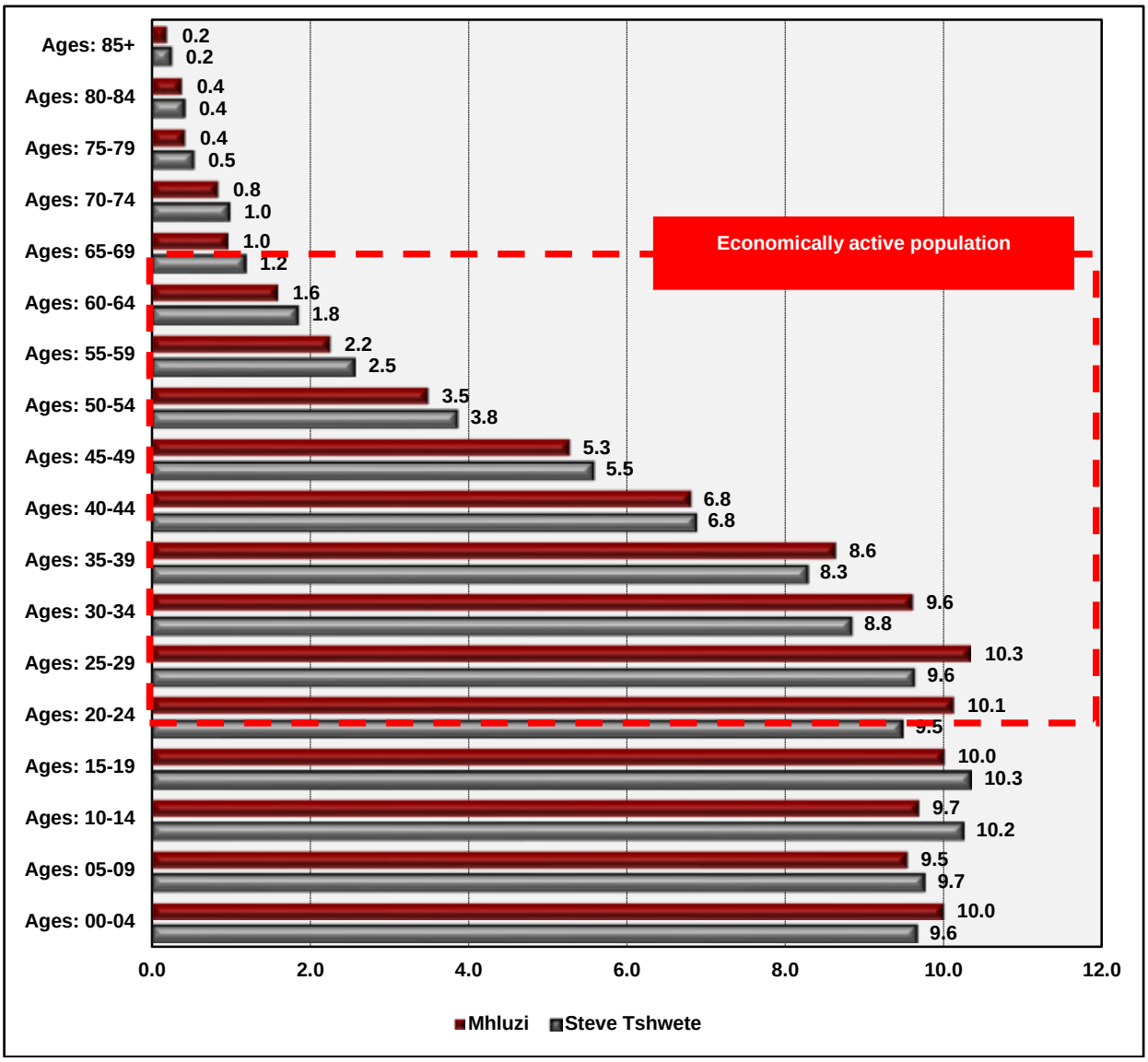
2.1.2. AGE PROFILE

The age distribution of a specific area also serves as an important indicator, with reference to the working population. The dominant age group directly impacts on the availability of labour in a community. Figure 2 indicates the age distribution of the population within the Steve Tshwete Local Municipality and the Mhluzi area.

Findings (Figure 2)

- From the figure it is clear that the majority of the population in the Steve Tshwete Municipality and the Mhluzi area are relatively young with a notable peak of **10.3%** 15-19 years and **10.2%** being between **10 and 14 years**.
- **29.5%** of the Mhluzi population is between **0 and 14 years**.
- **20.6%** of the Steve Tshwete population is between **15 and 25 years** while **19.8%** of the Mhluzi population is between **15 and 25 years**.
- **35.6%** of the population in the Steve Tshwete Municipality are between **25 and 39 years** while **26.7%** of the Mhluzi population is between **25 and 39 years**.
- In the Steve Tshwete Municipality, **15.3%** of the population falls in the category of **ages 40 to 54** and **15.1%** of the population in the Mhluzi area falls within this category.
- Smaller percentages make up the age categories from **55+ years**.
- **4.3%** of the Steve Tshwete population are between **55 and 69 years** while **5.5%** of the Mhluzi are falls within this category.
- Only **1.8%** of the Steve Tshwete population are older than **69 years** and **2.1%** in the Mhluzi area
- From this figure it is clear the majority of the population fall between the ages of **19 and 39** which reflects a young and upcoming population.

Figure 2: Age profile



Source: DEMACON, 2009

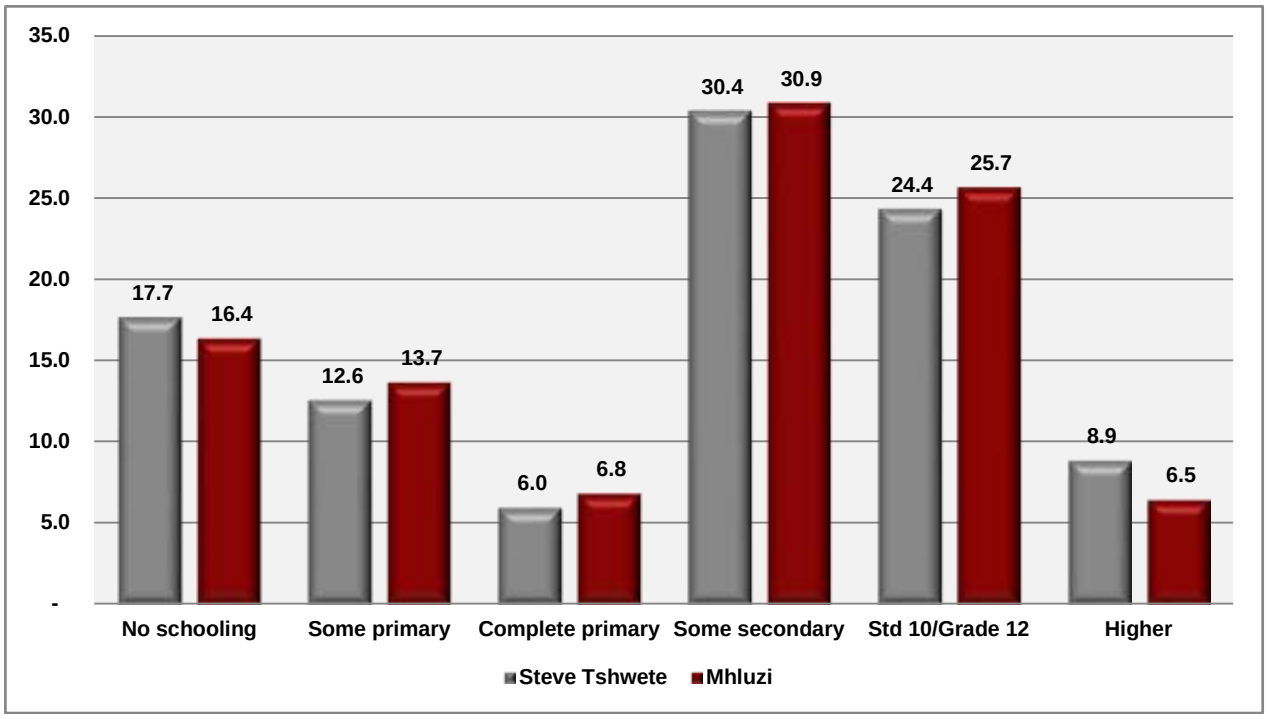
Development Implications

The municipal population is characterised by a young population segment, supported by a maturing population of between 25 and 50 years of age. It was found that a significant percentage of the population is below the age of 15, this indicates a high dependency ratio and a need for new and sustainable projects to ensure growth and development within the area.

2.1.3. HIGHEST LEVEL OF EDUCATION

The highest level of education achieved by the population is indicative of the level of human development. It furthermore serves as proxy for the potential to be absorbed in the local economy. Figure 3 indicates the highest level of education for the Steve Tshwete Area.

Figure 3: Highest Level of Education

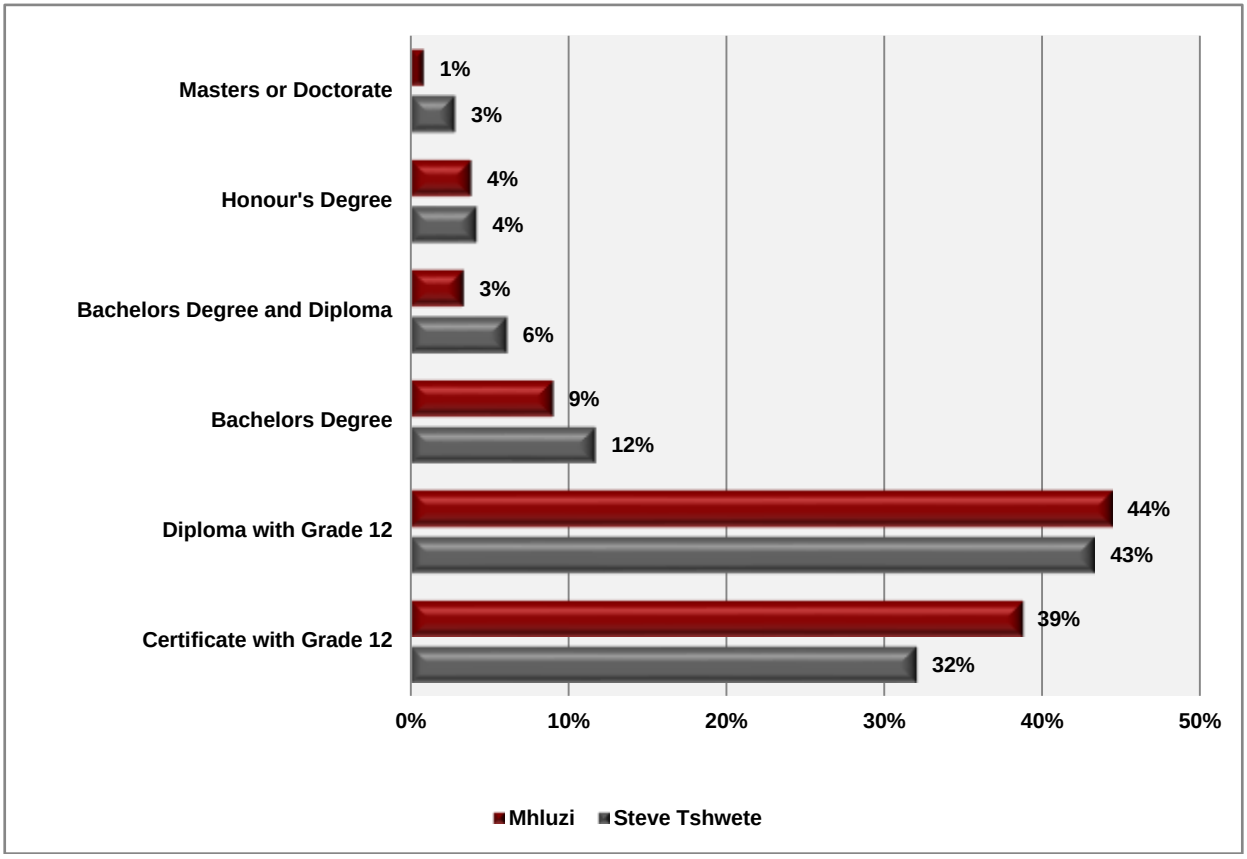


Source: DEMACON, 2009

Findings: (Figure 3)

- Figure 3 shows the level of education for the population in the Steve Tshwete Municipality and the Mhluzi area.
- **17.7%** of the population in the Steve Tshwete Municipality have **no schooling** while **16.4%** of the Mhluzi area's population also has no schooling.
- **12.6%** and **13.7%** have **some primary education** in the Steve Tshwete and Mhluzi area respectively.
- **6.0%** of the Steve Tshwete Municipality has a **complete primary education** and **6.8%** of the Mhluzi area has a complete primary education.
- In the Steve Tshwete area, **30.4%** of the population has some secondary education while **30.9%** of the Mhluzi population has **some secondary education.**
- A fairly significant percentage of the population has a Std10/Grade 12 education.
- **24.4%** of the Steve Tshwete population and **25.7%** of the Mhluzi population has a Std 10/**Grade 12 education.**
- **8.9%** of the Steve Tshwete Municipality and **6.5%** of the Mhluzi population has a **higher education.**
- This figure indicates that the education levels among the Steve Tshwete Municipality and more specifically the Mhluzi area are fair as a significant proportion of the population has a Std 10/Grade 12 education.

Figure 4: Breakdown of the Population with Higher Education



Source: DEMACON, 2009

Findings (Figure 4)

- Figure 4 shows the breakdown of the population in the Steve Tshwete area and the Mhluzi area with a higher education.
- From the figure it is clear that the majority of the population in the **Steve Tshwete** area, **43%** have a **diploma with a grade 12 education**.
- **44%** of the population in the **Mhluzi** area has a **diploma and a grade 12 education.**
- **32%** of the **Steve Tshwete** Population has a **certificate with a grade 12** education while the same goes for **39%** of the **Mhluzi** population.
- **12%** in the **Steve Tshwete** Municipality has a **Bachelors Degree** and **9%** in the **Mhluzi** area has a Bachelors Degree.
- Only **6%** and **3%** has a **Bachelors Degree** and a **Diploma** for **Steve Tshwete** Municipality and **Mhluzi** area respectively.
- Only **4%** of the population in the **Steve Tshwete** Municipality has an **Honours degree** and only **3%** has a **Masters of Doctorate**.
- **4%** of the population in the **Mhluzi** area has an **Honours Degree** and only **1%** has a **Masters or Doctorate.**
- This figure shows that the **majority** of the **higher educated population** group either have a **certificate with grade 12 or a diploma with grade 12.**
- This in turn reflects a **relatively good higher education** base.

a) Steve Tshwete Municipality Education Environment

Currently, the provision of educational facilities in the urban areas of the Steve Tshwete Municipality is regarded to be of an acceptable standard. Despite the fairly good provision of educational facilities, several previously disadvantaged schools still lack many basic resources like computers, stationary etc.

Schools in rural areas are often located a distance from households which results in long walking distances. The Department of Education is addressing the issues and is working on providing scholar transport for learners in rural area. Poor educational resources, multi-grade classes are some of the challenges still prevalent in schools in rural areas.

Library facilities are provided by the Municipality especially in urban areas where they can serve the majority of the municipal population. The Mhluzi area has several schools and there is currently only one library within the area which is not sufficient enough to adequately carter for the reading community. A library is planned in ward 8 which will help alleviate the condition.

Rural areas do not have libraries at all and have to rely on those situated in the town areas. This discourages library users since the distance and cost involved becomes problematic.

Table 2: Education Facilities in the Middelburg and Mhluzi area

Name	Type	Location
Middelburg Part 1		
CVO School Middelburg	Combined School	Middelburg Part 1
Middelburg Muslim School	Combined School	Middelburg Part 1
Eastdene Combined School	Combined School	Middelburg Part 1
Middelburg Combined School	Combined	Middelburg Part 1
Hoerskool Middelburg	Secondary	Middelburg Part 1
HTS Middelburg	Secondary	Middelburg Part 1
Steelcrest High School	Secondary	Middelburg Part 1
Hoerskool Kanonkop	Secondary	Middelburg Part 1
Injabulo Primary School	Primary	Middelburg Part 2
Middelburg Primary School	Primary	Middelburg Part 2
Maholome Primary School	Primary	Middelburg Part 1
Evergreen Primary School	Primary	Middelburg Part 2
Laerskool Staatspresident CR Swart	Primary	Middelburg Part 1
Laerskool Middelburg	Primary	Middelburg Part 1
Junior School Soetdoring	Primary	Middelburg Part 1
Laerskool Kanonkop	Primary	Middelburg Part 1
Laerskool Dennesig	Primary	Middelburg Part 1
Mhluzi		
Sofunda Secondary School	Secondary	Mhluzi
Ekwazini Secondary School	Secondary	Mhluzi

Name	Type	Location
Mphanama Secondary School	Secondary	Mhluzi
Sozama Secondary Schools	Secondary	Mhluzi
Mphanama Secondary School	Secondary	Mhluzi
LD Moetanalo Secondary School	Secondary	Mhluzi
Mvozo Primary School	Primary	Mhluzi
Mthombeni Primary School	Primary	Mhluzi
Zikuphule Primary School	Primary	Mhluzi
Reategile Primary School	Primary	Mhluzi
Elsundisweni Primary School	Primary	Mhluzi
Tshwenyane Combined School	Combined	Mhluzi
Mhluzi Primary School	Primary	Mhluzi
Manyano Primary School	Primary	Mhluzi
Makhathini Primary School	Primary	Mhluzi
Total Schools : 15		

Source: DEMACON, 2009

From Table 2, it is clear that there are a number of schools in the Mhluzi area. Although there are several schools within the area, they are however not sufficient to cater for the growing population of Mhluzi. In addition to schools, library facilities are vital since libraries not only serve learners but the entire reading community. Table 3 shows the number of libraries in the Mhluzi and Middelburg area.

Table 3: Libraries

Name	Location	Type
Columbus Stainless Library	Middelburg Part 1	Library
Middelburg Public Library	Middelburg Part 1	Library
Mhluzi Library	Mhluzi	Library
Total Libraries: 3		

From the table it is seen that there are only three libraries in the entire Middelburg and Mhluzi are of which only one is located in Mhluzi. This is not adequate enough to cater for the reading community of Mhluzi.

b) Challenges

- Lack of adequate library facilities in urban and rural areas
- Library facilities are not conveniently accessible to users
- Lack of resources in libraries and schools
- Travelling distance from rural areas
- Shortage of teaching equipment and furniture

c) Development Implications

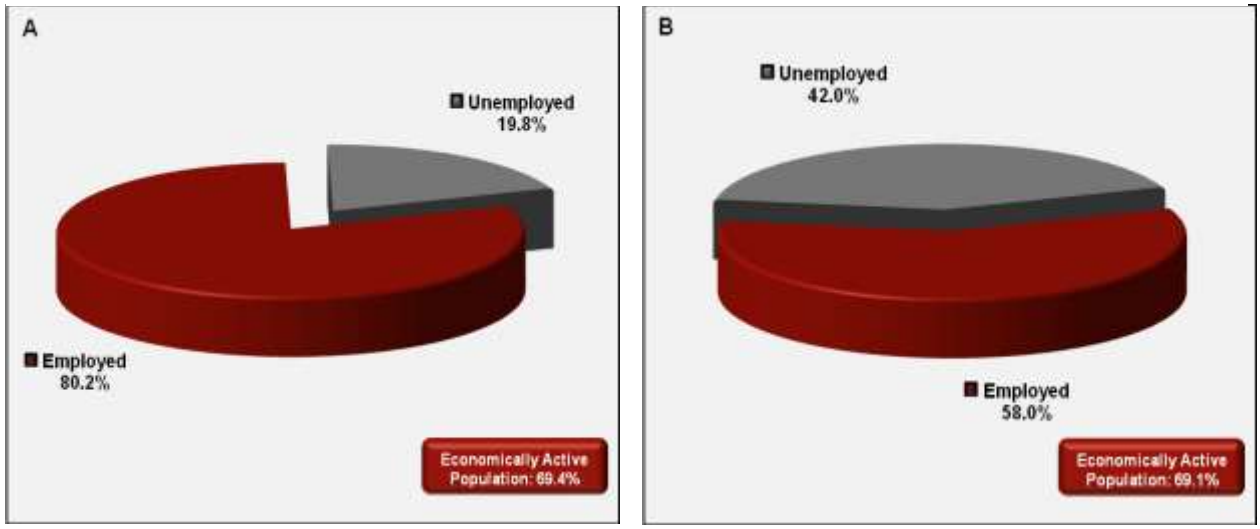
The majority of people in the study area are relatively under-educated. A number of factors contribute to the general success of economic developments in a specific geographical area among them the level of education. New projects will have to be cognisant of the status of education in the municipal area.

2.1.4. EMPLOYMENT AND UNEMPLOYMENT

This section briefly investigates the employment and unemployment levels for the Steve Tshwete Municipality and the Mhluzi area. Figure 5 indicates the employment and unemployment status of the municipal area which impacts on disposable income patterns. It also indicates the percentage of the trade area population not economically active. Level of employment, coupled to household size is also indicative of dependency ratios.

Figure 5 A shows the level of employment and unemployment for the Steve Tshwete Area while figure 5 B shows the level of employment and unemployment in the Mhluzi area.

Figure 5: Level of unemployment and employment for Steve Tshwete (a) and Mhluzi (b)



Source: DEMACON, 2009

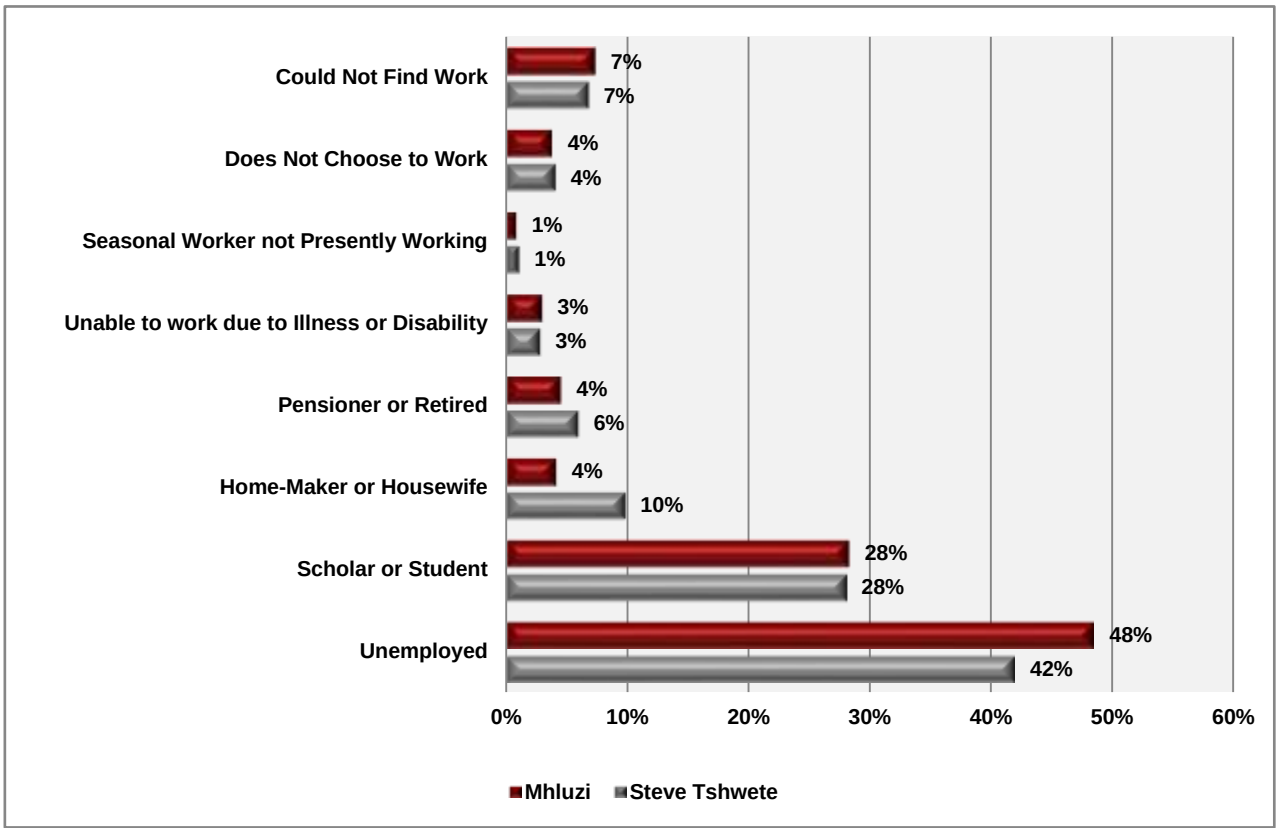
Findings (Figure 5 A and B)

- Figure 5 shows the level of unemployment for the Steve Tshwete Local Municipality and the Mhluzi area respectively.
- **69.4%** of the total population in the Steve Tshwete Local Municipality fall within the **economically active population category**.
- **69.1%** of the total population in the Mhluzi area fall within the **economically active population category.**
- The **Steve Tshwete** Local Municipality has an employment rate of **80.2%** which is a **19.8% unemployment rate.**
- The municipal area has an **economically active population** level of **69.4%.**
- The Mhluzi area has a high **unemployment** rate at **42.0%** of the economically active population and **employment** at **58%.**

- The municipality and the Mhluzi area therefore has a relatively high economically active population which is indicative of the availability of labour.
- Although the figures indicate a relatively high economically active population and the availability of labour, there are not sufficient employment opportunities.
- In addition, the available labour pool often lack the skills needed to create their own opportunities or make use of the opportunities available.
- This indicates that there is an urgent need for job creation in the local environment.

The reason for individuals being unemployed varies. Figure 3.5 on the following page illustrates the reasons for unemployment in the Steve Tshwete Municipality and the Mhluzi area.

Figure 6: Reasons for Unemployment



Source: DEMACON, 2009

Findings: (Figure 6)

- Figure 6 shows the reason why residents of the Steve Tshwete Municipality and the Mhluzi area are not working.
- The majority of the population in the Steve Tshwete Municipality and the Mhluzi are do not work because they are **unemployed.**
- The second most popular reason is because the resident is a **student or a scholar.**
- Other notable reasons include individuals who are **housewives or house makers and people who could not find work**.
- The Mhluzi are has a **high unemployment** rate.

- This can be attributed to the lack of accessible employment opportunities.
- The dependency ratio in the study area is high and this puts some strain on the incomes of the working population as well as exerting downward pressure on standard of living.
- The majority of the population in the Steve Tshwete Municipality as well as Mhluzi are unemployed due to the lack of employment opportunities.
- The figure is also indicative of the urgent need for sustainable job creation in the local area as a significant proportion of the non-working economically active population is unemployed.

a) Steve Tshwete Unemployment and Employment

The Steve Tshwete Local Municipality has recognised the problem of unemployment and has identified the problem of unemployment as a challenge to development. The priority is to create long term sustainable employment opportunities in the local area.

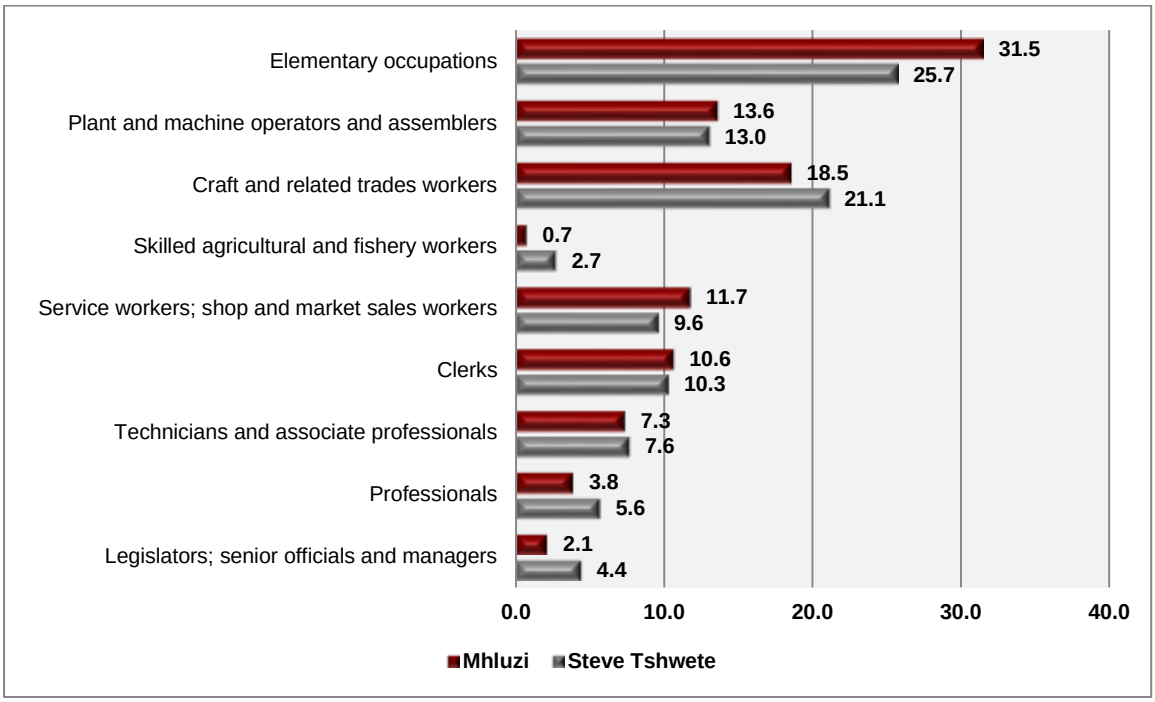
The small scale agriculture and farming and the mining sector has been identified as one of the key sectors that will assist in creating employment. The Ikageng gardens initiative has been initiated in July 2007 and not only creates employment but assists in greening the area as well.

2.1.5. OCCUPATION PROFILE

This section investigates the occupation profile of the Steve Tshwete Municipality and the Mhluzi area. The occupation profile is an important indicator, not only of anticipated community income, but also of the relative skills and sector employment available in the area.

Figure 7 on the following page indicates the occupation profile of the Local Municipality and the Mhluzi area while figure 8 shows the occupation by industry.

Figure 7: Occupation Profile



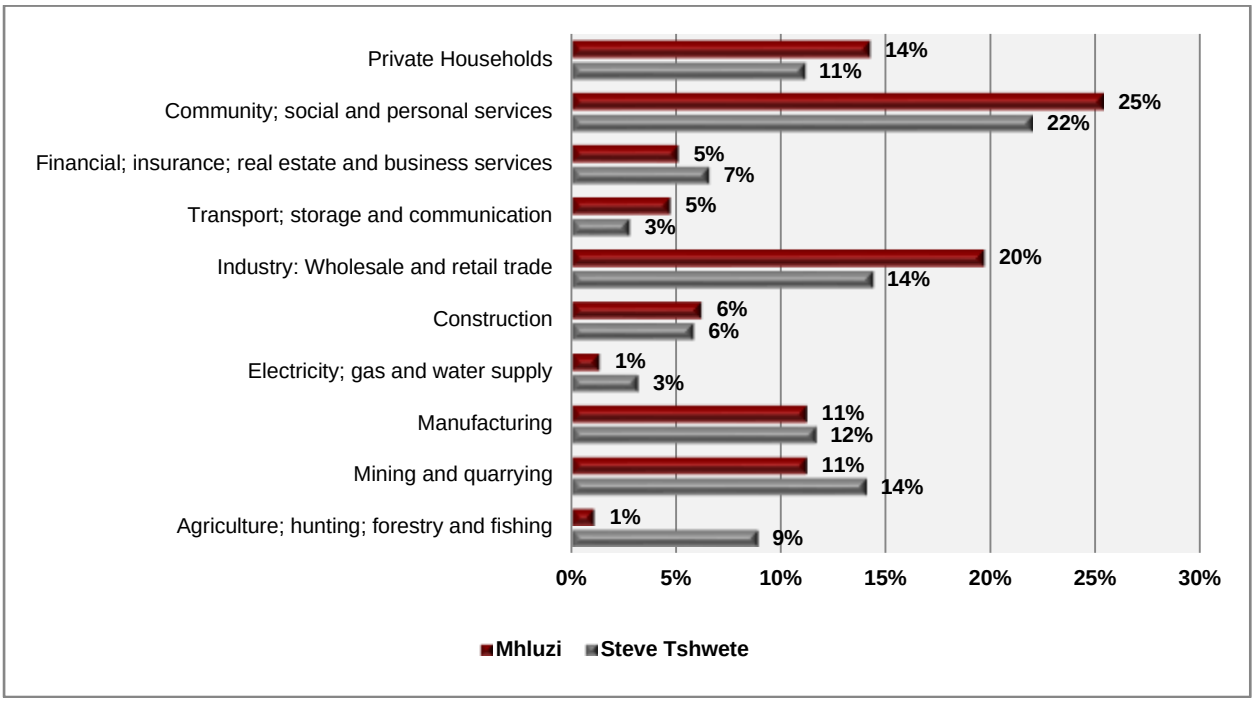
Source: DEMACON, 2009

Findings: (Figure 7)

- Figure 7 shows the occupation profile for the Steve Tshwete Municipality and the Mhluzi area.
- From this figure it can be determined which opportunities are available in the area .
- The figure also provides some insight into the level of skills available and which skills should receive priority.
- The majority of residents are employed in **elementary occupations**.
- **31.5%** of the **Mhluzi** working class is employed in **elementary occupations.**
- **25.7%** of the **Steve Tshwete** Municipality's population are employed in **elementary occupations**.
- The elementary occupation sector is followed by the craft and related traded workers sector.
- **18.5%** and **21.1%** of the working are employed in the craft and related trades workers sector for Mhluzi and Steve Tshwete Municipality respectively.
- Other notable sectors include plant and machine operators and assemblers, service workers, shop and market sales workers and clerks.

The following figure shows the occupation by industry for the Steve Tshwete and Mhluzi area. The figure indicates which industry sectors provide the highest level of employment in the area.

Figure 8: Occupation by Industry



Source: DEMACON, 2009

Findings (Figure 8)

- Figure 8 shows the employment by sector for the Steve Tshwete Municipality and the Mhluzi area.
- From the figure it is clear that the majority of the economically active, employed individuals are employed in the **community, social and personal services sector.**
- **22%** of the **Steve Tshwete** employed population and **25%** of the **Mhluzi** population are employed in the community, social and personal services sector.
- The second largest employment sector is the **wholesale and retail trade sector** with **14%** and **20% employed** in the Steve Tshwete and Mhluzi area respectively.
- Other notable sectors include the mining and quarrying sector, manufacturing, private households and agriculture sector.

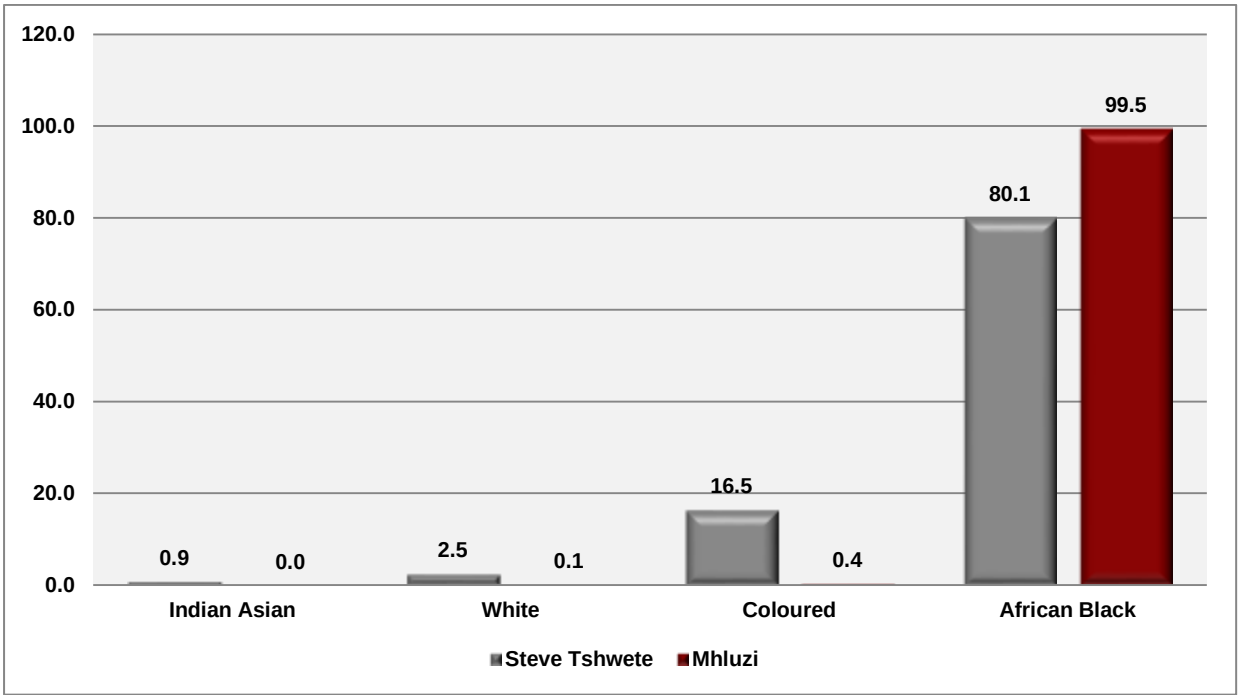
a) Development Implications

It is evident that there is a fair distribution of the workforce across all the occupations with a relatively more dominant component of the consumer market employed in low to middle wage occupations Prospective projects should consider forward and backward linkages to these industries.

2.1.6. RACIAL AND LANGUAGE PROFILE

The race distribution in an area coupled with income and employment profiles provide an indication of the distribution of wealth and help inform on the decisions relating to investment in projects similar to the one under consideration. Figure 9 illustrates the race distribution of Steve Tshwete.

Figure 9: Racial Profile of Steve Tshwete Municipality and the Mhluzi area



Source: DEMACON, 2009

Findings: (Figure 9)

- Figure 9 shows the racial profile of the Steve Tshwete Municipality as well as the Mhluzi area.
- From the figure it is clear that the majority of the population in the Steve Tshwete Municipality and the Mhluzi area is African/Black.
- **99.5%** of the population in **Mhluzi** are **African/Black** while **80.1%** of the population in the **Steve Tshwete** Municipality are **African/black**.
- **16.5%** of the population in the **Steve Tshwete** Municipality is **coloured** and **0.4%** of the **Mhluzi** population is **coloured**.
- Other racial groups contribute to a very small section of the population in the **Steve Tshwete** Local Municipality and the Mhluzi area.

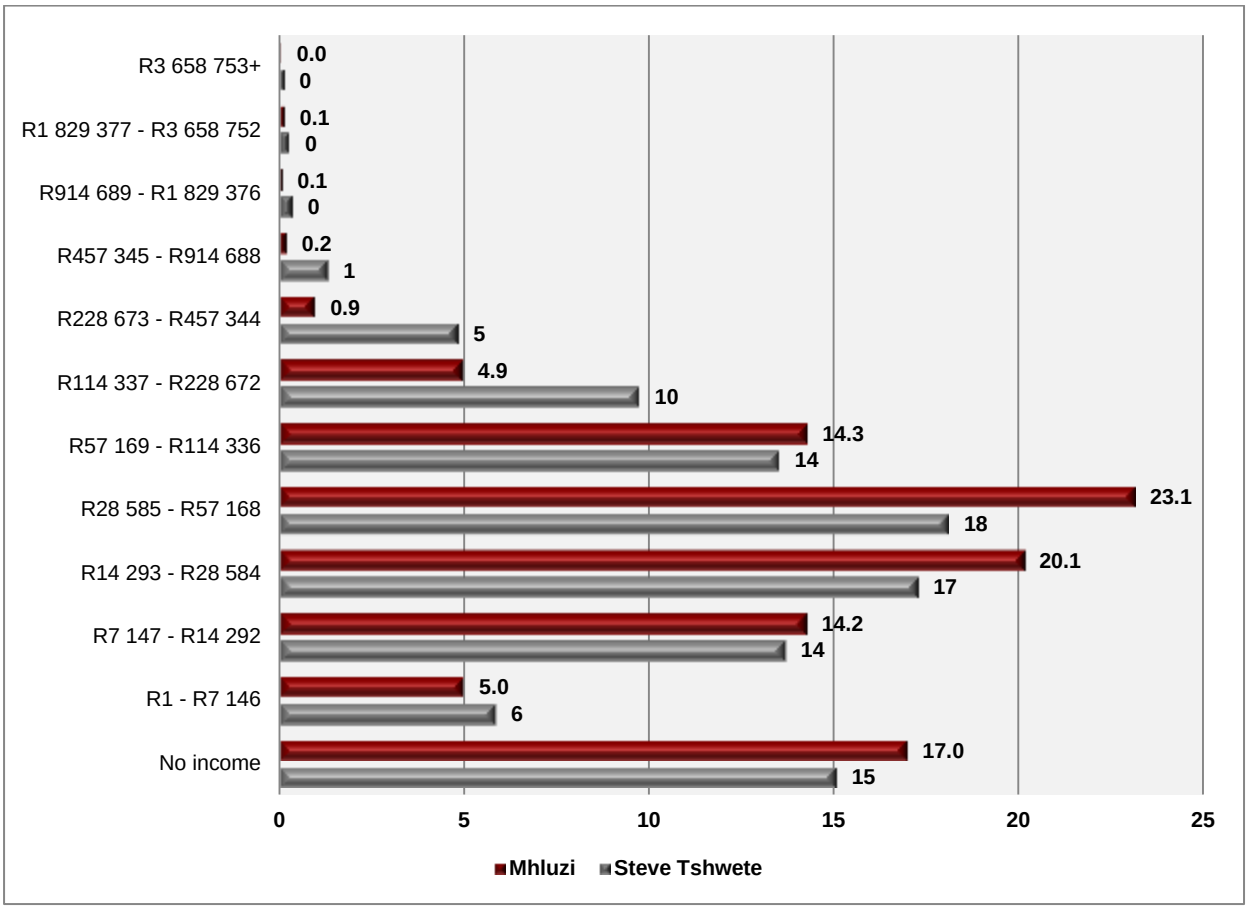
a) Development Implications

The majority of households in the area are black/African, representing a populace from previously disadvantaged communities. This typically reflects a population in which high unemployment rates are prevalent.

2.1.7. AVERAGE ANNUAL HOUSEHOLD INCOME

Annual household income represents the dominant demand indicator within the retail and housing market and thus indirectly determines the possible sustainability of new businesses within the municipal area. The annual household income is indicated in Figure 10.

Figure 10: Average Annual household Income



Source: DEMACON, 2009

Findings: (Figure 10)

- The majority of households in the **Steve Tshwete** Local Municipality (**18%**) and the **Mhluzi** area (**23.1%**) earns an annual income of between **R28 585 to R57 168**.
- **24.4%** of households in the municipal working population earn between **R12 978 and R 51 908** per annum.
- **9.2%** of households within the municipal area earn incomes between **R51 909 and R 207 632** per annum.
- **1.5%** of the households earn between **R207 634 and R830 529** per annum.
- **Only 0.2%** of the local municipality households earn an access of **R830 530** per annum.
- The weighted average annual household income for the market area is **R32 220 per annum or R2 685 per month (**calculated for 2009).
- The weighted average annual household income for the target market LSM 4 to 10+ amount to **R104 295 per annum or R8 691 per month** (2009).

a) Development Implications

The income profile reflects a populace characterised by low to medium household income levels, with the largest number in the low income group. These are income levels in relatively poor communities and further support the

findings of the occupation profile which is dominated by low paying professions. The income profile reveals the need for sustainable investment projects targeting employment creation and thus raising standards of living.

2.1.8. LIVING STANDARD MEASUREMENT

The LSM index is an internationally recognised instrument designed to profile a market in terms of a continuum of progressively more developed and sophisticated market segments. The LSM system is based on a set of marketing differentiators, which group consumers according to their standard of living, using criteria such as degree of urbanisation and ownership of assets (predominantly luxury goods).

Essentially, the LSM system is a wealth measure based on standard of living, rather than income alone. The market segmentation continuum is divided into ten LSM segments, where LSM 1 signifies the lowest living standard and LSM 10+ signifies the highest living standard. The LSM categories are defined and weighted in terms of the following 29 variables (Refer to Table 3.3). It is important to note that the LSM system is widely applied internationally for marketing and branding purposes, and that it is therefore not an instrument developed locally to label or stereotype certain market segments.

GRANTS

The social grants by national government impact mainly households within the LSM 1 to 3 categories. It is expected that the impact of subsidies would contribute to an additional 3% to 5% increase in household's disposable income. Social grants from the government provide a key income support for many poor households in South Africa. A number of our households receive monthly grants for child support (R220), old age (R940), disability (R740) and foster care (R530). It is possible that a segment of households in the LSM 3 category could move into LSM 4 due to the increase in subsidies.

Table 4: Living Standard Measurement (LSM) Variables

1	Hot running water	16	Less than 2 radio sets/household
2	Fridge/freezer	17	Hi-Fi/music centre
3	Microwave oven	18	Rural outside
4	Flush toilet in/outside house	19	Built-in kitchen sink
5	No domestic in household	20	Home security service
6	VCR	21	Deep freezer
7	Vacuum cleaner/floor polisher	22	Water in home/plot
8	No cell phone in household	23	M-net/DSTV subscription
9	Traditional hut	24	Dishwasher
10	Washing machine	25	Electricity
11	PC in home	26	Sewing machine
12	Electric stove	27	DVD player
13	TV set	28	1 cell phone per household
14	Tumble dryer	29	Motor vehicle in household
15	Home telephone		

Table 4 summarises the current status of the consumer market in terms of the LSM index.

Essentially, the LSM index summarises the net result of market indicators discussed in preceding paragraphs.

Table 5: Living Standard Measurement Indicator

Income category (R/month)	LSM Status	Steve Tshwete (% of households)	Mhluzi (% of households)
Super A income	LSM 10+	3.91	0.8
A Income	LSM 10	2.89	0.6
B Income	LSM 9	6.81	3.5
C Income high	LSM 8	2.92	1.5
C Income low	LSM 7	12.17	12.8
D Income	LSM 6	12.21	15.3
D Lower top	LSM 4 to 5	14.15	17.3
D lower end	LSM 1 to 3	44.94	48.3

Source: DEMACON calculations, 2009

a) Development implications

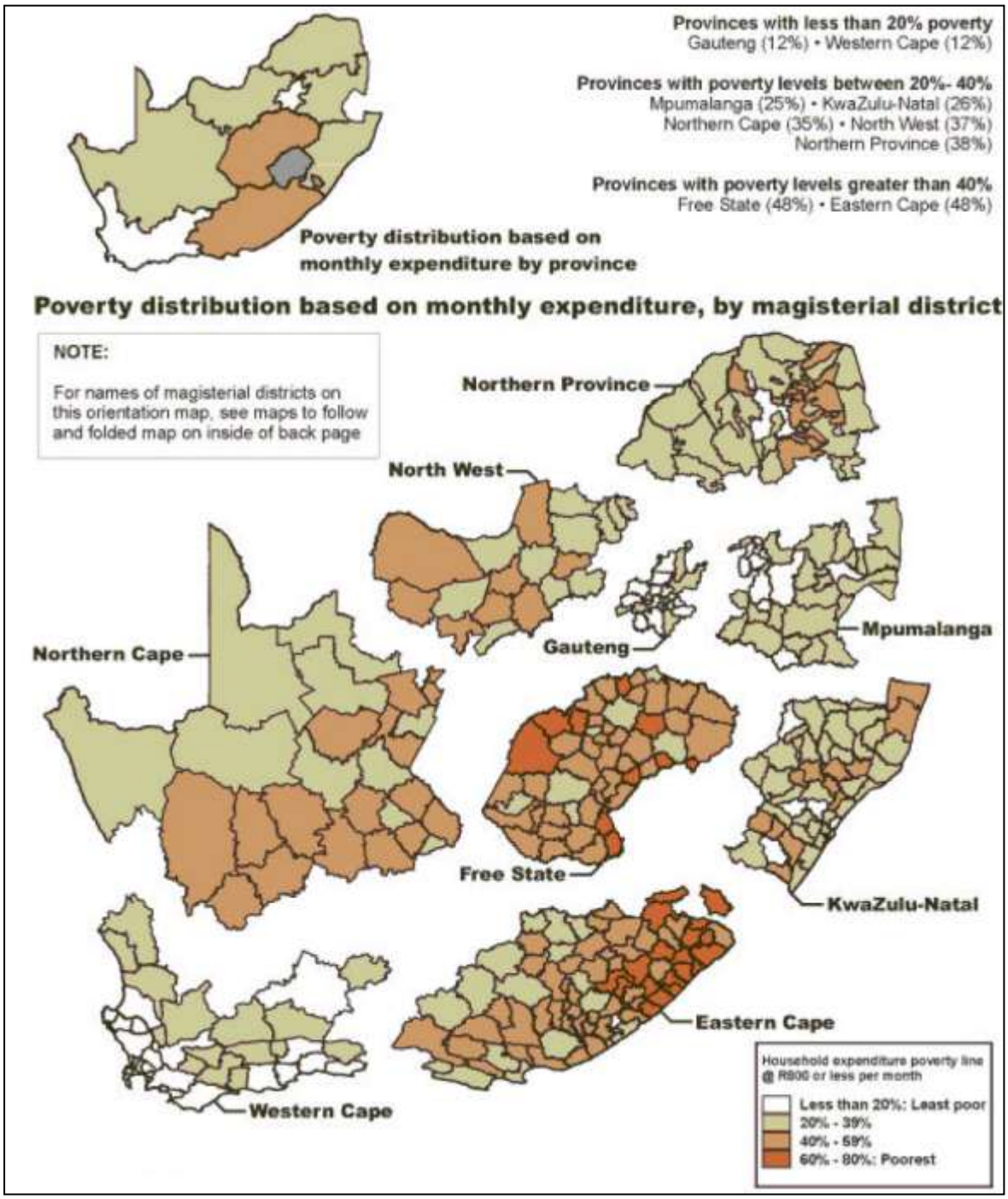
As seen in Table 5, **44.94%** of the **Steve Tshwete** Municipality households falls within LSM categories of 1 to 3.and **48.3%** of households in the **Mhluzi** area fall within this category Of the **Steve Tshwete** Municipality population, **55.06%** can be categorised as **LSM 4 to 10+** and **51.7%** of the population in **Mhluzi** falls within the category. Only **3.91%** of the population in the **Steve Tshwete** Municipality can be classified as **Super A income** and only **0.8%** in the **Mhluzi** are **super A income** households. The LSM profile provides a condensed summary of market characteristics and affirms the findings of preceding paragraphs.

As seen above a significant proportion of the population falls within the LSM 1 to 3 categories, which consist lower income households While household income is taken as an important component of poverty, a variety of other variables are related to this income levels, with regard to both individuals and households for example, type of housing, access to clean water and sanitation, education and employment. Poverty is seen can be seen as "the denial of opportunities and choices most basic to human development to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others".

Map 1 on the following page illustrates poverty in South Africa whereas Map 3.4 illustrates the distribution of poverty based on monthly expenditure in the Mpumalanga Province by magisterial district. Map 3.3 shows that the province with the highest proportion of households in the lowest income is the

Eastern Cape and the Free State (32% of households had an income of R200 or less per month). Moreover, Statistics South Africa (Stats Sa) found that households with low income levels were less likely to have access to adequate housing or to infrastructure or services, compared to those with higher income levels. It was further found that the vast majority of households with white or Indian heads had access to formal housing, as well as to services such as electricity and clean water whereas African-headed and coloured-headed households, however, access to formal housing, or to infrastructure, was directly related to their income category.

Map 1: Poverty in South Africa (Household poverty line based on consumption expenditure at R800 or less per month)

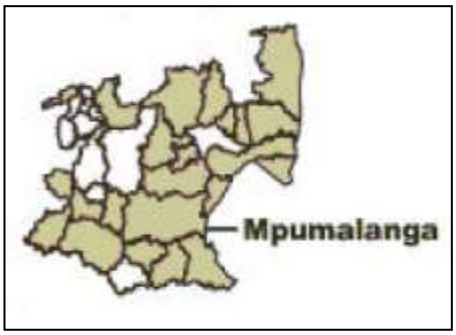


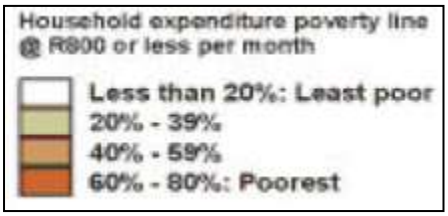
Source: StatsSA, 2008

b) Poverty in Mpumalanga

Mpumalanga government has spent more than R60 million over the last three years in a program that is offering support to targeted poor families and communicates through the provision of basic support infrastructure and instruments to initiate small scale family level farming.

From the figure it is shows that the Mpumalanga Province has a household expenditure poverty line of between 20% and 39% of households which is lower that compared to other provinces.





Poverty and vulnerability are two issues that need to be addressed in Mpumalanga. It is evident from the indicators that the provinces development, while not lagging behind national development levels, could be improved.

The province is affected by disease such as malaria, tuberculosis and HIV/AIDS.

The Provincial Government has identified six priority areas of intervention as part of the Provincial growth and development strategy. These priorities include:

- Economic Development – investment, job creation, business and tourism development as well as SMME development
- Infrastructure development – urban / rural infrastructure, housing and land reform
- Human resource development – adequate education opportunities for all
- Social development – access to full social infrastructure
- Environmental development – protection of the environment and sustainable development
- Good governance – effective and efficient public sector management and service delivery

2.1.9. HOUSING AND SERVICES IN STEVE TSHWETE LOCAL MUNICIPALITY

The following issues have been identified as priority area in the Steve Tshwete Local Municipality IDP:

- Water
- Sanitation
- Electricity
- Refuse removal
- Roads and storm water
- Housing
- Cemeteries
- Land use management
- Land ownership
- Environmental management
- Health
- Local economic development
- Safety and security
- Emergency services
- Social welfare
- Parks and playing equipment
- Sports and recreation
- Arts and culture
- Education and libraries
- Institutional
- Transport
- Post and telecommunication
- Community halls

The IDP identifies a set of objectives and a series of strategies developed to address the issue of housing in the area. Table summarises the set objectives and the series of strategies developed.

Table 6: Objectives and Strategies for Housing Development

Objective	Project
To provide housing to residents according to their needs / choices	• Encourage self build schemes where only serviced land will be provided • Investigate availability of land at Eskom Towns and mine Villages • Provide RDP and affordable housing
To establish rural villages with small-scale farming for farm workers	• Involve all role players (Farmers Unions, Land Affairs, Department of Housing) • Determine strategy for resettlement of evicted farm workers • Request Provincial Departments to Provide funds
Form a task team to investigate needs	• Involve all role players (Farmers Unions, Land Affairs, Department of Housing) • Determine a strategy regarding resettlement of evicted farm workers • Request provincial departments to provide funds
To attend to structural problems at RDP housing schemes	• Compile a list of all problems • Budget for repairs • Ensure quality building methods are used
To do a proper audit of all beneficiaries to ensure that only those who qualify receive houses	• Do a screening of all beneficiaries • Discuss problems with Department of Housing
To upgrade the status of Newtown to that of a proclaimed and permanent township	• Do a feasibility study

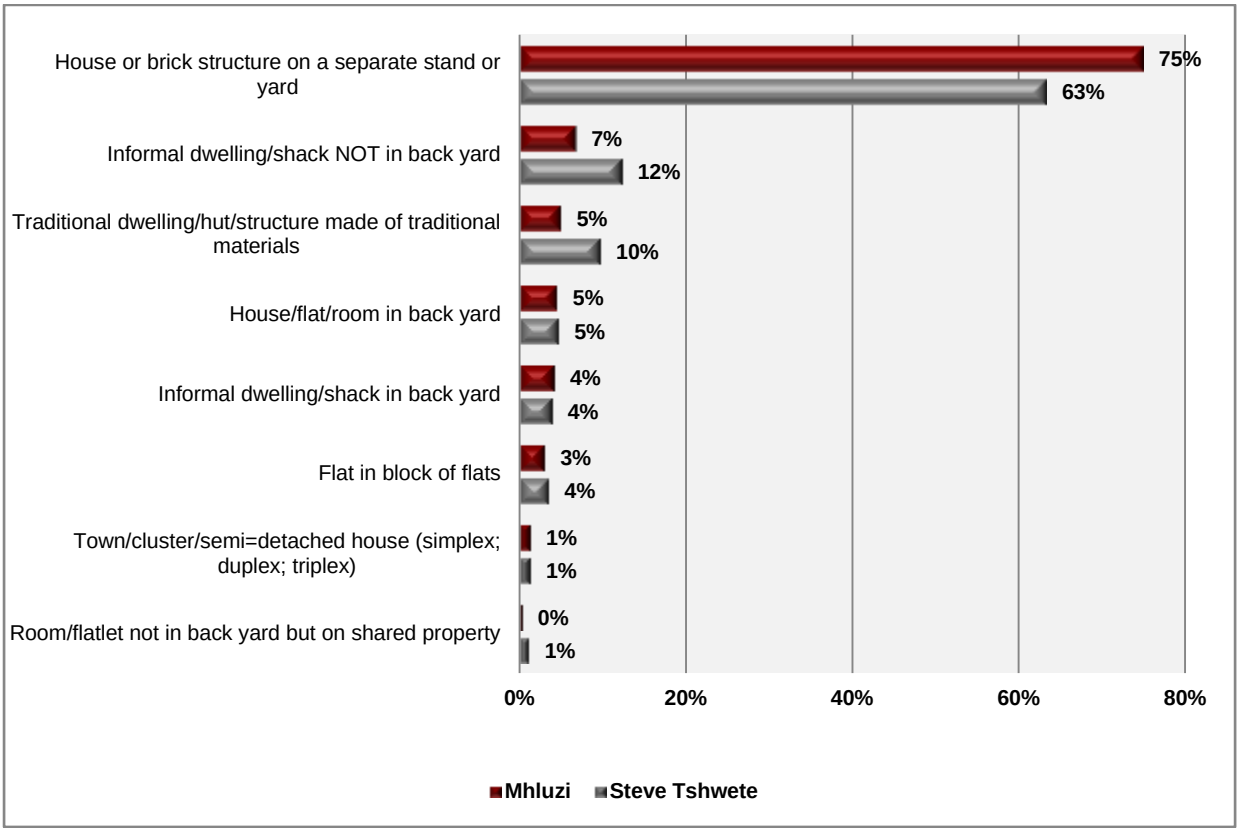
Source: Steve Tshwete Local Municipality IDP, 2006

2.1.9.1. HOUSING PROFILE BY DWELLING TYPE

According to the IDP, the current housing backlog in the Steve Tshwete Local Municipal area is 21 000 units. The main challenges in the area is the informal settlements of Kwazamokuhle, Newtown, Uitkyk and Rondebosch. The provision of houses in the rural areas has been delayed by the challenge of landownership but the municipality is purchasing land for communities in rural area and it is expected that the need for housing will be addressed. It is predicted that R844 million would be needed to wipe out the backlog to comply with vision 2014.

The structural make-up of the houses coupled to the factors analysed reflects the living standards of the municipal area. This also gives an indication of the likely level of socio- economic development in the area. The housing profile in the Steve Tshwete Area is depicted in Figure 11.

Figure 11: Household Dwelling Type



Source: DEMACON, 2009

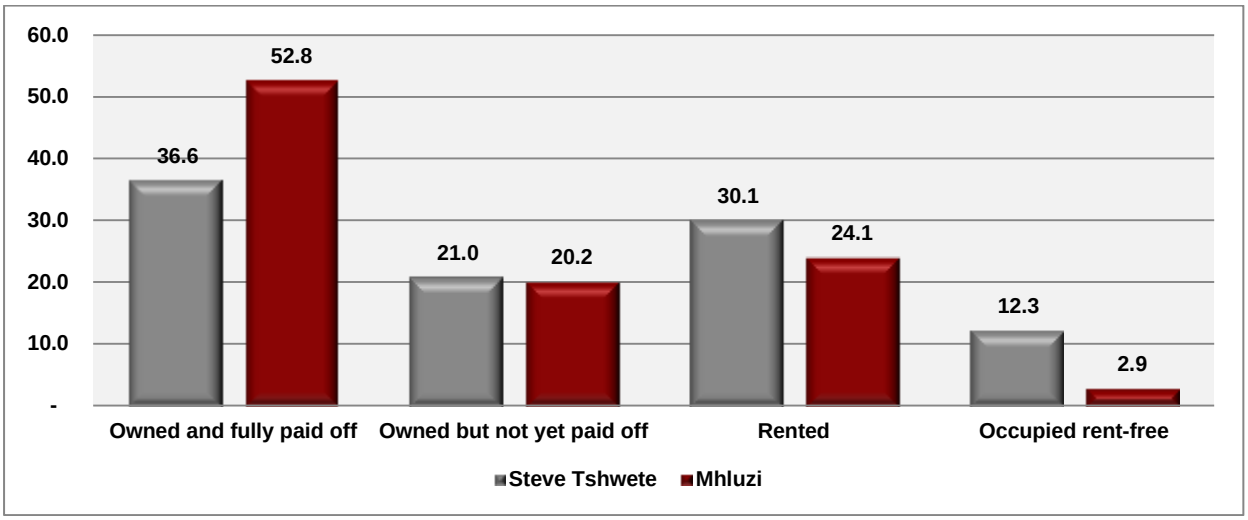
Findings (Figure 11):

- Figure 11 shows the dwelling types in Steve Tshwete Municipality and the Mhluzi area
- From the figure it is clear that the majority of the dwelling units are house or brick structures on a separate yard or stand.
- **63%** of dwelling units in the Steve Tshwete Municipality and **75%** of the dwelling units in Mhluzi are **houses or brick structure on a separate stand or yard**.
- **12%** of dwelling units in the Steve Tshwete Municipality are **informal dwelling/shack not in a backyard**.
- **7%** of dwelling units in the Mhluzi area are **informal dwelling or shacks not in a back yard**.
- The findings from the figure shows that the majority of the dwelling units in the Steve Tshwete Municipality and the Mhluzi area are houses or brick structures on a separate stand or yard which also be an indication of the level of well-being of the population in the area

2.1.9.2. TENURE STATUS

The tenure status of a household indicates not only the level of wealth but also the stability in the demand for goods and services. Figure 12 illustrates the tenure status of the municipal area.

Figure 12: Tenure Status of the Steve Tshwete Municipal Area



Source: DEMACON, 2009

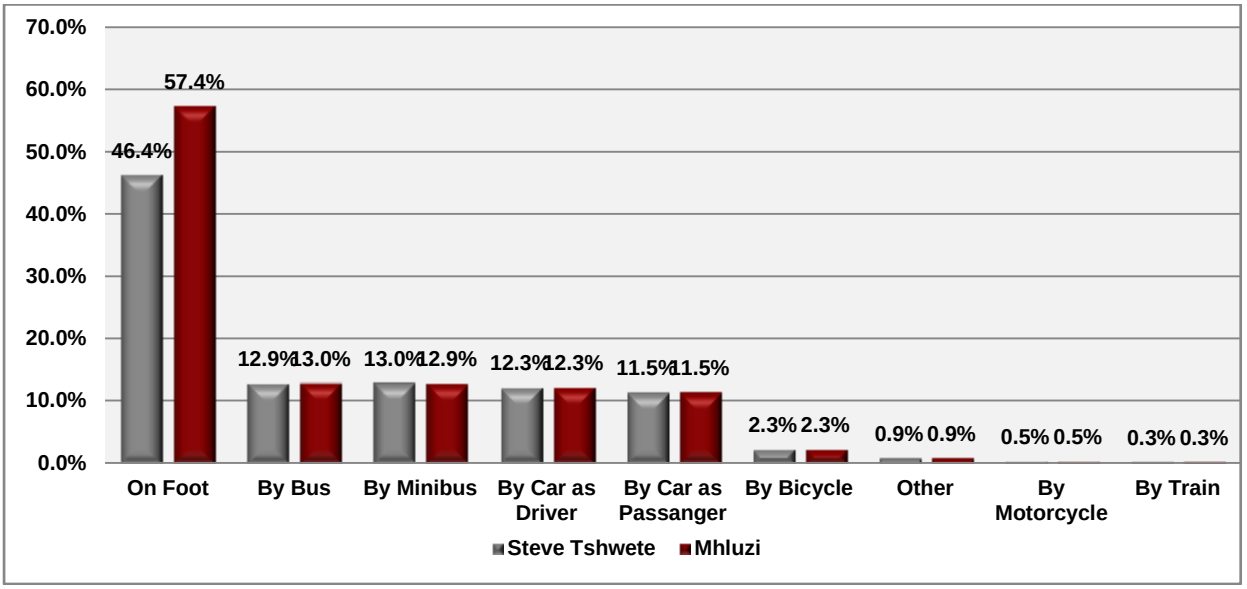
Findings (Figure 12)

- Figure 12 shows the tenure status of Steve Tshwete Municipality and the Mhluzi area.
- **36.6%** of households in the Steve Tshwete Municipality own a house that is **fully paid off** and **52.8%** in Mhluzi also own their house that is **fully paid off**.
- **30.1%** of the population in the Steve Tshwete Municipality and **24.1%** of the Mhluzi population **rents** their dwelling unit.

2.1.9.3. MODE OF TRANSPORT

The mode of transport used for travel to work or school in the Steve Tshwete area is illustrated in Figure 13.

Figure 13: Mode of Transport to work and school



Source: DEMACON, 2009

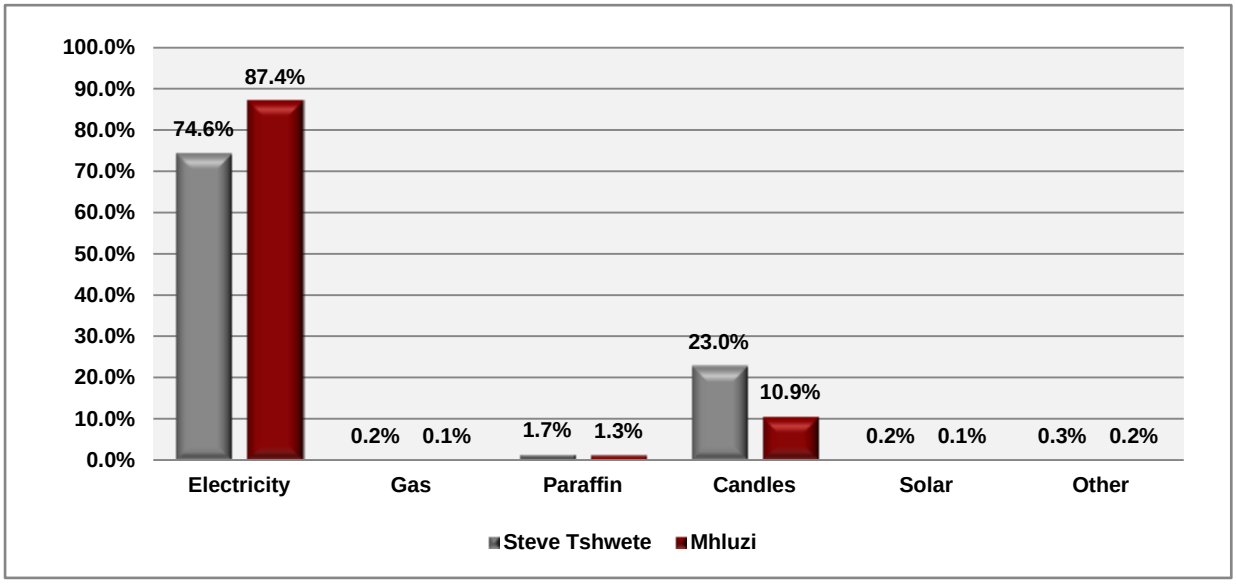
Findings (Figure 13):

- The majority of the population in the Steve Tshwete Municipality travel by foot (**46.4%**)
- The majority of the population in the Mhluzi area travel by foot (**57.4%**)
- The remainder of the population make use of bus, minibus and cars.

2.1.9.4. ACCESS TO ENERGY

Figure 14 illustrates households in the Steve Tshwete and the Mhluzi area that has been supplied with energy.

Figure 14: Access to energy in the Steve Tshwete area



Source: DEMACON, 2009

Findings (Figure 14)

- Figure 14 shows the access to energy of households in the Steve Tshwete Municipality and the Mhluzi area
- The majority of households have **access to electricity** with **74.6%** of the Steve Tshwete household and **87.4%** of the Mhluzi households have access to electricity
- **23%** of households in the Steve Tshwete municipality **utilises candles** as a source of lighting and **10.9%** of households in the Mhluzi area **utilise candles for lighting**.
- A very small segment of households utilises paraffin, solar and gas as a source of lighting.

The IDP of the Steve Tshwete Municipality states that the provision of electricity to households in the urban areas, mine village and Eskom towns has been achieved to a large extent. Households in the informal settlement of Newton have also been supplied with electricity. This has enabled the Municipality program of providing destitute households with free electricity in accordance with the indigent Policy. A massive program of erecting high mast light in Kwazamokuhle, Mhluzi and Doornkop completed recently has almost eliminated the problem of street lighting in these areas.

According to the IDP of the Steve Tshwete Local Municipality, the following objectives have been set, each with a set of projects designed to address particular problem areas and reach the objective.

Table 7: Priorities for Electricity Provision

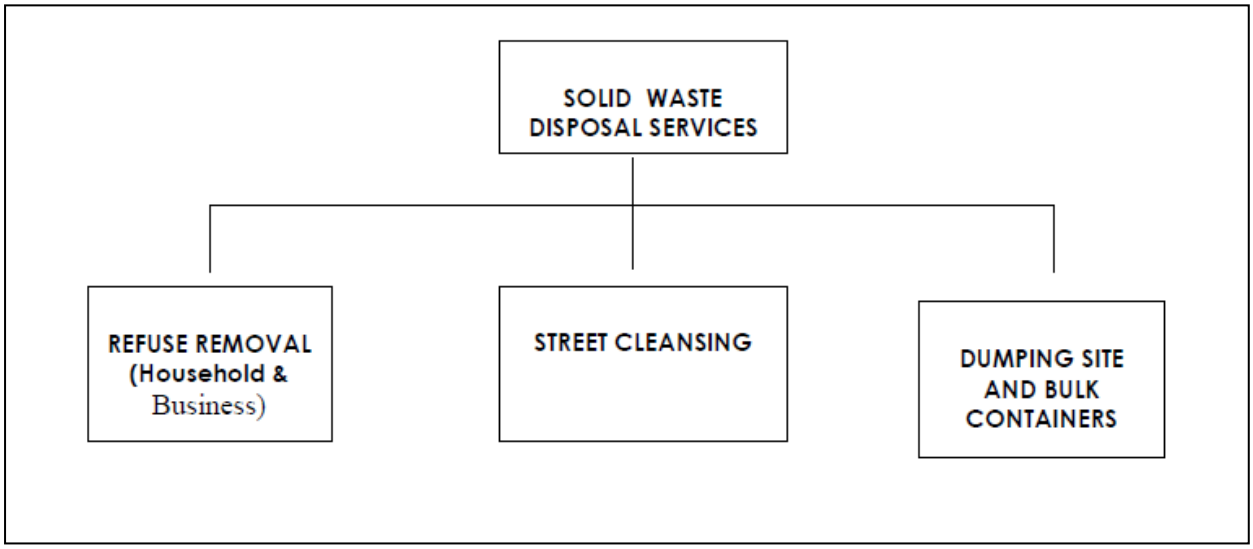
Objective	Project
To maintain and upgrade the existing networks	• Investigate installation of a firm power supply to Hendrina and Kwazamokuhle. A possible alternative supply between Mafred and Kwazamokuhle • Implement an effective 24 hour Client Service Centre • Develop a comprehensive database of all electrical features • Propose to support National Holding Company with the appointment of a consultant to draw up an asset register and ring fencing of electrical business in terms of the National structure • Maintain existing machinery and equipment • Upgrade inadequate networks and redundant equipment
To improve the street lighting in the urban areas	• Implement and effective 24 hour Client Service Centre • Develop a comprehensive database of all street light failures • Replacement of all fittings that are older than 20 years on a replacement program • Cables are problematic and needs to be replaced on a replacement program • An inspection program on a monthly basis • It is proposed that an amount be budgeted to improve areas and street lighting in Middelburg • It is proposed that an amount be budgeted to improve area and street lighting at Hendrina and Kwazamokuhle
To provide electricity to each house in the urban area	• Electrification of 450 housed in Ext 24 during 2005 / 2006 financial year • Electrification of 250 houses in Phase 2 Doornkop during 2005 /2006 financial year
To start with the provision of electricity to houses in the rural areas	• An application was submitted to the National Development Program for funding of 500 rural houses. The following were identified: o Naledi o Kwa-Makalane o Sulinyembezi o Pullenshope Farms o Doornkop o Pan o Arnot
To provide electricity to all new development in the municipal area	• New developments excluding RDP are for the cost of the developer. The link services are subject to purchase of the ground and the land availability agreement
To implement free basic electricity to all consumers	• The implementation of a management system for both prepaid meters and conventional meters • The software of the System Master Station, Self Service Terminals and Credit Dispenser Units must be upgraded • A programme upgrade must be done to manage the conventional meter sales • The subsidy will be recovered from kWh sales excluding TOU tariff

Source: Steve Tshwete IDP, 2006

2.1.9.5. ACCESS TO REFUSE REMOVAL

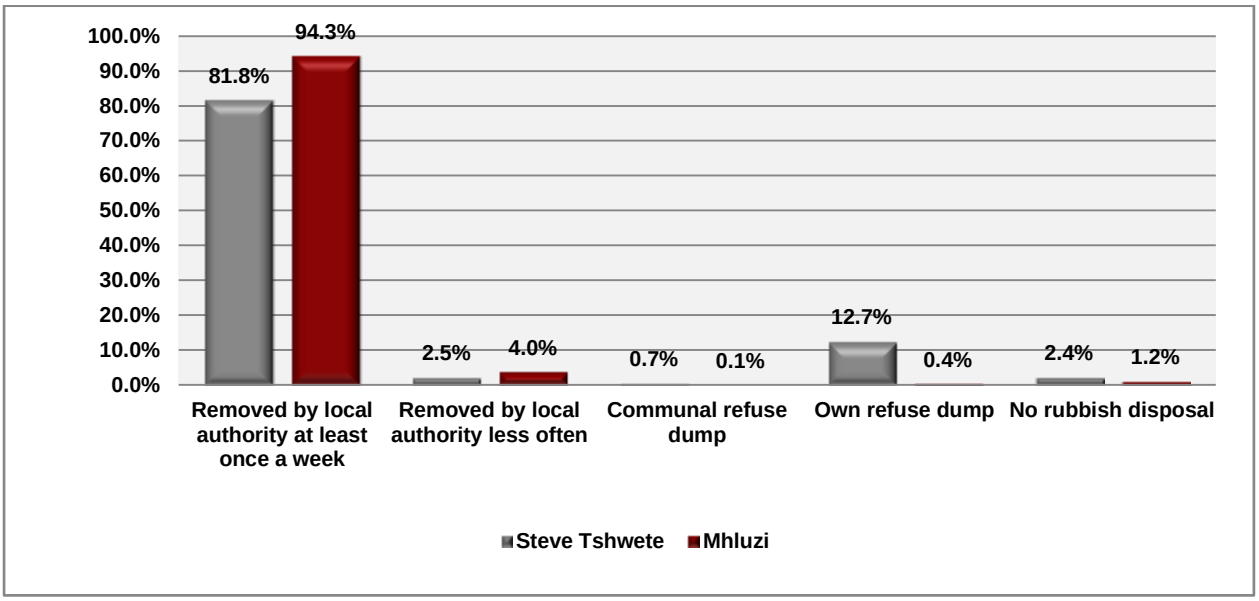
Figure 15 illustrates how many households in the Steve Tshwete area have access to refuse removal. Diagram 1 shows the structure of the waste management system in the Steve Tshwete Local Municipality. Overall waste management includes solid waste disposal services, refuse removal from households and businesses, street cleansing, dumping site and bulk containers.

Diagram 1: Waste Management in Steve Tshwete Local Municipality



Source: Steve Tshwete Local Municipality, IDP, 2006

Figure 15: Access to Refuse Removal in the Steve Tshwete Area



Source: DEMACON, 2009

Findings (Figure 15):

- Figure 15 depicts the household access to refuse removal in the Steve Tshwete area as well as for the Mhluzi area

- From the figure it is clear that the majority of households in the area have their refuse removed by the local authority at least once a week.
- **81.8%** of households in the Steve Tshwete Municipal area and **94.3%** of households in the Mhluzi area have their refuse removed by the **local authority at least once a week.**
- **12.7%** of households in the Steve Tshwete Municipal area utilise their **own refuse dump**, **2.4%** have **no rubbish disposal** and **0.1%** utilise a **communal refuse dump** to dispose of their refuse.
- Only **2.5%** and **4.0%** of households have their refuse removed by the **local authority less often** in the Steve Tshwete Municipal area and the Mhluzi area respectively.
- The figure shows that refuse removal service in the Steve Tshwete area is generally good and very few households have no rubbish disposal at all.
- This does not mean that the matter should be neglected.

The IDP of the Steve Tshwete area identified waste removal as one of the priority areas. Table summarises the objectives and various projects concerned with improving waste removal in the area.

Table 8: Objectives and Projects for Waste Removal

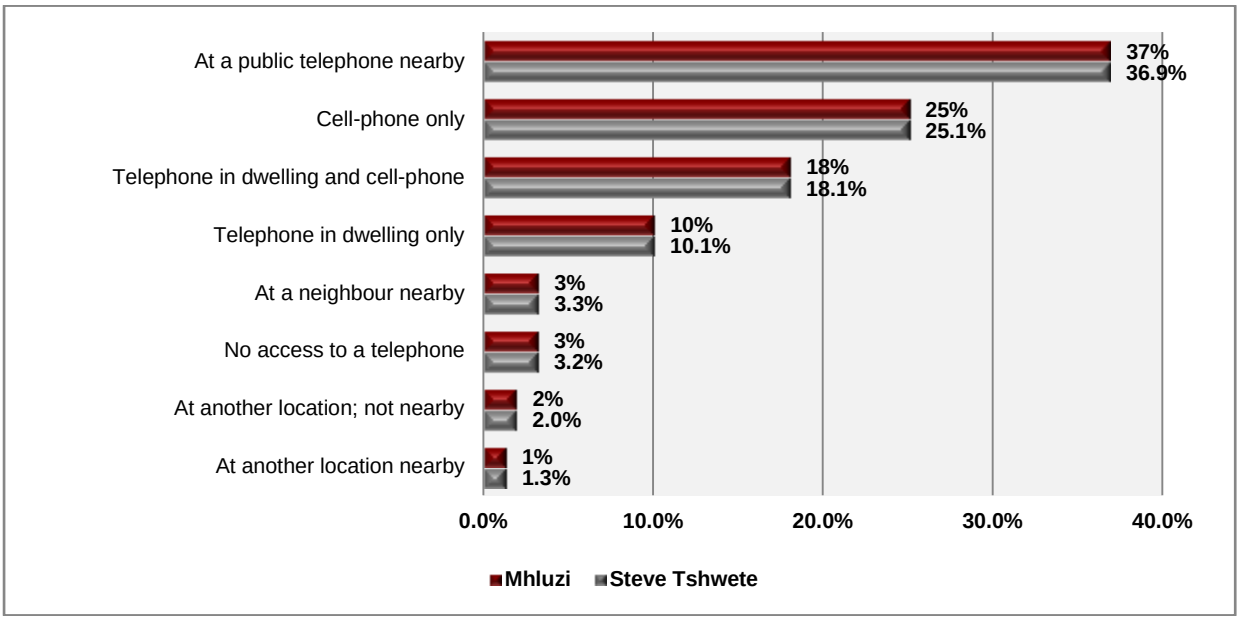
Objective	Project
To provide containers / collection point for garden refuse at strategic points throughout all the townships	• Establish garden refuse disposal sites at each rural town • Garden refuse transfer station • Private contractors • Investigate the forming of Public-Private-partnerships
To ensure that each household is in possession of a dustbin	• Facility approved by Council for residents to purchase 85L dustbins at a cost price over six months pay off • Residents purchase 85L dustbins from businesses • Educate residents to utililise service provided
To clean and maintain areas on the outskirts of town where illegal dumping occurred.	• Steve Tshwete Municipality has insufficient capacity • Appoint private contractor – once off cleaning of area • Education of residents • Law enforcement by squatter control officers • Community participation – provide incentives to those who participate • Review the fines that can be given to offenders • Investigate creation of keeping Middelburg Clean Association
To manage the landfill site according to the conditions prescribed in the permit	• Steve Tshwete Municipality – insufficient capacity / equipment available • Appoint private contractors – 5 year contract • Nkangala District Municipality – Regional landfill site for more than one town
To ensure that the refuse removal and street cleansing services are properly operated and managed at the most cost effective rates	• Restructuring of the service in view of the bigger area to be serviced • Strict supervision • Extension of the service • Additional personnel • Redeployment of personnel • Purchase of additional equipment • Purchase of additional equipment

Source: Steve Tshwete IDP 2006

2.1.9.6. ACCESS TO TELEPHONE FACILITIES

Figure 16 illustrates how many households in the Steve Tshwete area have access to telephone facilities.

Figure 16: Access to Telephone Facilities in the Steve Tshwete area



Source: DEMACON, 2009

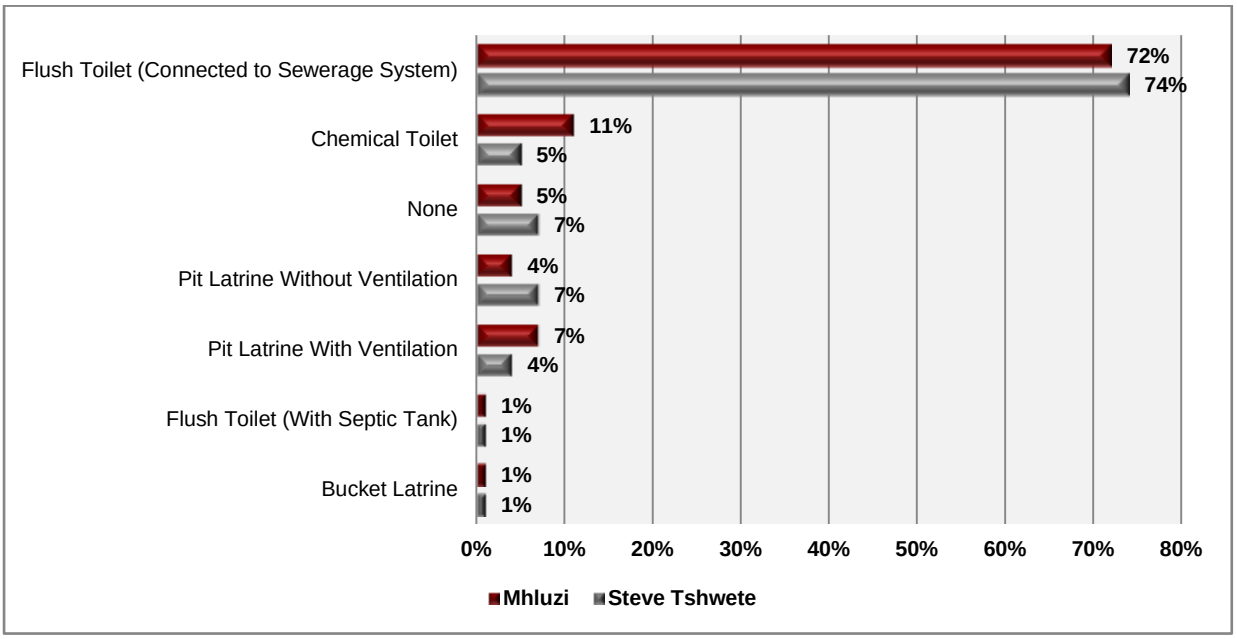
Findings (Figure 16):

- Figure 16 illustrates that **50.3%** of households in the Steve Tshwete area only have access to a **public telephone** nearby and **19.8%** have access to a **cell-phone only**.
- **6.3%** of households have **no access** at all to a telephone followed by **5.8%** have access to a **telephone nearby**.
- **Only 5.1%** of households have access to a **telephone in their dwelling**.
- This illustrates that the access to telephone facilities in the Steve Tshwete area are relatively poor.

2.1.9.7. SANITATION FACILITIES

Figure 17 shows the level of access to sanitation facilities in the Steve Tshwete and Mhluzi area.

Figure 17: Access to sanitation facilities in the Steve Tshwete area



Source: DEMACON, 2009

Findings (Figure 17):

- Figure 17 illustrates that only **7%** and **5%** of households in the Steve Tshwete Municipality and the Mhluzi area respectively **don't have access** to sanitation facilities;
- **74%** of households in the Steve Tshwete Municipality have access to a **flush toilet** which is connected to a **sewerage system 72%** of households in the Mhluzi area have access to a flush toilet connected to a sewerage system.
- **11%** of households in the Mhluzi make use of chemical toilets while only **5%** of households in the Steve Tshwete have access to **chemical toilets**.
- Very few households in the Steve Tshwete and Mhluzi area make use of Pit latrines, flush toilets with septic tanks and bucket latrines
- Overall, figure 17 shows that access to sanitation facilities is relatively good with the majority of households having access to a flush toilet connected to a sewerage system

According to the IDP of the Steve Tshwete Local Municipality the Municipality have made a significant improvement in providing the basic service to urban areas, mine village, Eskom towns and in newly developed town areas and they all have access to proper sanitation facilities. The need is greatest in farm informal settlements like Vaalbank (Evergreen) and Uitkyk areas and on individual farms. (IDP)

The IDP of the Steve Tshwete Local Municipality identified the issue of access to sanitation facilities as a priority. Table summarised the objective and strategies proposed in the IDP for improvement of access to sanitation.

Table 9: Objectives and Strategy for Improvement of Access to sanitation facilities

Objective	Strategy
To maintain existing networks in urban areas	• Funds to upgrade and maintain existing sewer networks in urban areas are provided by Council on an ongoing basis • Pollution prevention form an integral part of Council Policies
To provide infrastructure for new development	• In the development of new townships, existing infrastructure are continuously being monitored to cope with increased demands • Upgrading existing infrastructure and providing new infrastructure on a continuous basis
To address the problems regarding sanitation experienced on the farms in the rural areas	• The use biological toilet systems on farms is being investigated to minimize the contamination of water sources and the spreading of disease • Consultation with all role players to be undertaken by the task team to be formed

Source: Steve Tshwete Local Municipality IDP, 2006

Discussion

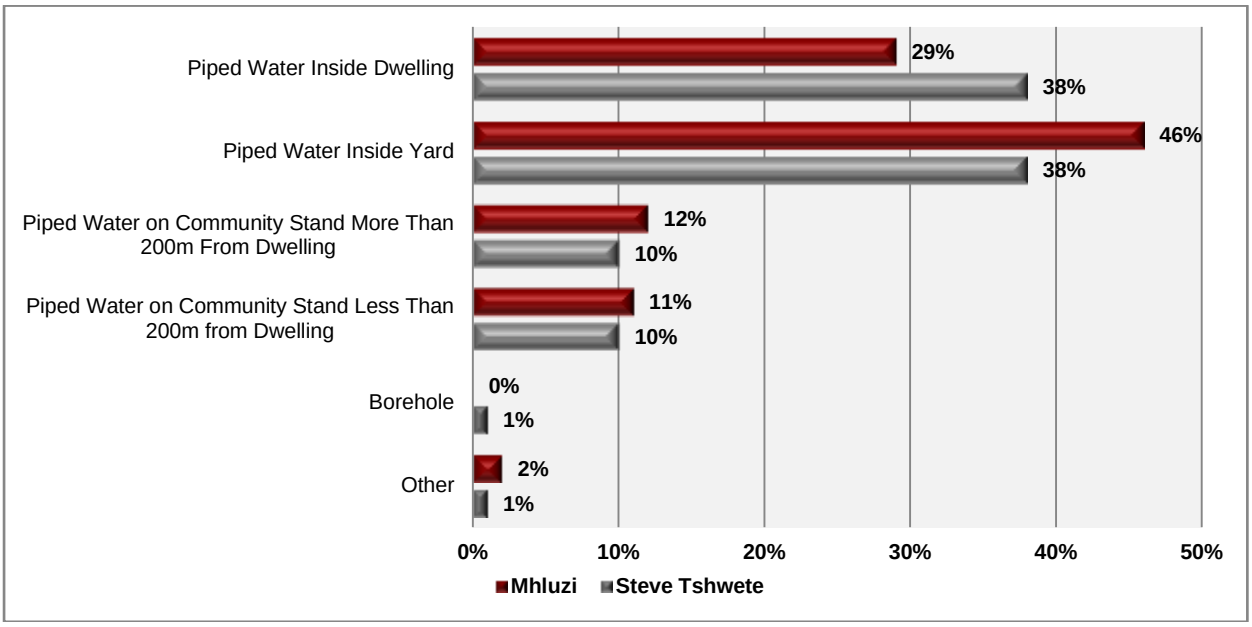
In terms of the Department of Water Affairs and Forestry's Rural Sanitation Program, provision would need to be made for sanitation awareness and construction of VIPs (Pit Latrine with ventilation).

2.1.9.8. WATER SUPPLY

According to the Steve Tshwete IDP, all communities in urban areas including those in the mine villages, Eskom towns and newly developed town areas have access to clean drinking piped water. Informal settlements have limited access to water. Informal areas such as Uitkyk and Vaalbank, water is provided through tanks while Newtown and Kwazamokuhle have access through shared water points situated about 50m from households. There is therefore still need to focus on providing clean, piped water to these settlements.

Figure 18 on the following page illustrates the proportion of households in the Steve Tshwete and Mhluzi that access water through various means.

Figure 18: Access to water in the Steve Tshwete area



Source: DEMACON, 2009

Findings (Figure 18):

- **38%** and **46**% of households in the Steve Tshwete Municipality and the Mhluzi area respectively, have access to **piped water inside their own yard.**
- **38%** of households in the Steve Tshwete Municipality and **29%** of households in the Mhluzi are have access to **piped water inside their dwelling**.
- **10%** of households in Steve Tshwete access water on a community stand more than 200m from their dwelling and **10%** of households also access water from a **community stand less than 200m from their dwelling**.
- **12%** of households in the Mhluzi area have access to piped water on a community stand more than 200m from their dwelling and **11%** access water from a **community stand less than 200m from their dwelling**.
- Very few households in the Steve Tshwete and Mhluzi are utilise **boreholes as their main source of water and rely on other sources**.

Table summarised the objectives and strategies set out in the IDP for addressing the issue of water provision.

Table 10: Objectives and strategies for water provision improvement

Objective	Strategy
To provide drinking water to all households in the urban areas	• Lay stand pipes drinking water within 150m to all households in Newtown
To provide drinking water to people residing on farms / informal settlements	• Drill boreholes in farm areas
To maintain the existing water infrastructure	• Constant upgrading and maintenance of existing infrastructure to continue • Implement a water management programme of networks and bulk infrastructure

Objective	Strategy
To provide infrastructure to new development including bulk supply and reservoirs	• In the development of new townships, existing infrastructure are continuously being monitored to cope with increased demands • The upgrading of existing infrastructure as well as the provision of new infrastructure to be done on a continuous basis
To provide the service at affordable tariffs	• Ensuring that all households receive a six kiloliter of water per month.

Source: Steve Tshwete IDP 2006

Table provides a summary of backlogs in the Steve Tshwete Local Municipal area. The table shows that there are still several backlogs in housing and electricity provision, refuse removal, sanitation and water services. .

Table 11: Summary of Backlogs in the Mhluzi Area

Area (Wards) Service	Housing	Electricity	Refuse Removal	Sanitation	Water
Mhluzi (Wards 1-10)	5 4 01	4 545	770	4 190	963
Middelburg (Wards 12-16)	535	559	530	223	266
Hendrina and Kwazamokuhle (Wards 18-19)	932	1 244	619	685	452
Rural (Wards 11,17 & 20-240)	2 601	2 826	3 425	272	1 722
Total (Households)	9 469	9 174	5 344	5370	7 125

Source: Steve Tshwete IDP, 2006

2.1.10. SYNTHESIS

The socio-economic standing of a society determines its needs and requirements both in terms of human well-being and standard of living as well as the future developmental prospects. Hence, the current level and depth, as well as the desired future growth in the local economy are a function of the local socio-economic profile.

The purpose of this chapter was to delineate the municipal area to provide a concise overview of the local socio-economic profile. Table 12 provides a summary of the key socio-economic variables characterising the municipal area.

Table 12 summarises the population for the Steve Tshwete Municipality and the Mhluzi area according to the various suburbs in the area.

Table 12: Key Socio-Economic Variables of the Study Area

Variable	Steve Tshwete Local Municipality	Mhluzi
Population	✓ 180 858	✓ 91 932
Households	✓ 46 995	✓ 26 306
Average Household Size	✓ 3.6	✓ 3.7
Age Profile	✓ 0 – 9 years – 19.4% ✓ 10 -19 years – 20.6% ✓ 15 – 65 years – 67.1 ✓ 20 – 39 years – 36.1% ✓ 40 – 59 years – 18.8% 60+ years – 5.2%	✓ 0 – 9 years – 19.5% ✓ 10 – 19 years – 19.7% ✓ 15 – 56 years – 68% ✓ 20 – 39 years – 38.7% ✓ 40 – 59 years – 17.8% 60+ years – 4.4%
Level of Education	✓ None – 17.7% ✓ Some Primary – 12.6% ✓ Complete Secondary – 6.0% ✓ Some Secondary – 30.4% ✓ Std 10 / Grade 12 – 24.4% ✓ Higher – 8.9%	✓ None – 16.9% ✓ Some Primary – 13.4% ✓ Complete Secondary – 7.0% ✓ Some Secondary – 31.0% ✓ Std 10 / Grade 12 – 25% ✓ Higher – 6.7%
Level of Employment	✓ Employment – 80.2% ✓ Unemployed – 19.8% ✓ Economically Active – 69.4%	Employment – 59.3% Unemployment – 40.7% Economically Active – 69.9%
Reason for Unemployment	✓ Unemployed – 42% ✓ Scholar or Student – 28% ✓ Home-Maker or Housewife – 10% ✓ Pensioner or Retired – 6%	✓ Unemployment – 48% ✓ Scholar or Student – 28% ✓ Home-Maker or Housewife – 4% ✓ Pensioner or Retired – 4%
Occupation Profile	✓ Elementary occupations – 31.8% ✓ Craft and related trades workers – 21.4% ✓ Plant and machine operators and assemblers – 13% ✓ Clerks – 10.3% ✓ Service workers, shop and market sales workers – 9.6%	Elementary occupations – 31.8% Craft and related trades workers – 19.3% Plant and machine operators and assemblers – 12.3% Service workers, shop and market sales workers – 11.6%
Occupation by Industry	✓ Community, social and personal services sector – 22% ✓ Wholesale and retail trade – 20% ✓ Mining and Quarrying – 14%	Community, social and personal services sector – 25% Wholesale and retail trade 20% Mining and quarrying – 11%
Race Profile	✓ Black – 80.1% ✓ Coloured – 16.5% ✓ White – 2.5%	✓ Black – 99.5% ✓ Coloured – 0.4% ✓ White – 0.1%
Weighted Average Annual Household income (2009) All LSMs	✓ R79 811 per annum ✓ R6 651 per month	✓ R34 898 per annum ✓ R2 908 per month
Weighted Average Annual Household income (2009) LSM 4 – 10+	✓ R158 079 per annum ✓ R13 173 per month	✓ R110 207 per annum ✓ R9 184 per month
Dwelling Type	✓ House or brick structure on a separate stand or yard – 63% ✓ Informal dwelling/shack not in back yard – 12% ✓ Traditional dwelling/hut/structure made	✓ House or a brick structure on separate stand or yard – 75% ✓ Informal dwelling/shack not in back yard – 7% ✓ Traditional dwelling/hut/structure made of traditional material – 5%

Variable	Steve Tshwete Local Municipality	Mhluzi
	of traditional material – 10%	
Tenure Status	✓ Owned and fully paid off – 36.6% ✓ Rented – 30.1% ✓ Owned by not fully paid off – 21%	✓ Owned and fully paid off – 52.8% ✓ Rented – 24.1% ✓ Owned by not fully paid off – 20.2%
Transport Mode	✓ On foot – 46.4% ✓ By bus – 12.9% ✓ Minibus – 13% ✓ Car as driver – 12.3% ✓ Car as passenger – 11.5%	✓ On foot – 57.4% ✓ By bus – 13% ✓ Minibus – 12.9% ✓ Car as driver – 12.3% ✓ Car as passenger – 11.5%
Access to water supply	✓Piped water in dwelling – 38% ✓Piped water in yard – 38% ✓Community stand less than 200m from dwelling – 10% ✓Community stand more than 200m from dwelling – 10%	✓ Piped water in dwelling – 29% ✓ Piped water in yard – 46% ✓ Community stand less than 200m from dwelling – 12% ✓ Community stand more than 200m from dwelling
Sanitation Facilities	✓Flush toilet connected to sewerage system – 74% ✓Chemical toilet – 5% ✓None – 7% ✓Pit latrine without ventilation – 7% ✓Pit latrine with ventilation – 4%	✓ Flush toilet connected to sewerage system – 72% ✓ Chemical toilet – 11% ✓ None – 5% ✓ Pit latrine without ventilation – 4% ✓ Pit latrine with ventilation – 7%
Access to telephone facilities	✓ At a public telephone nearby – 36.9% ✓ Cell-phone only – 25.1% ✓ Telephone in dwelling and cell-phone – 10%	✓ At a public telephone nearby – 37% ✓ Cell-phone only – 25% ✓ Telephone in dwelling and cell phone – 10%
Access to refuse removal	✓ Removed by local authority once a week – 81.8% ✓ Removed by local authority less often – 2.5%	✓ Removed by local authority once a week – 94.3% ✓ Removed by local authority less often – 4%

Source: DEMACON, 2009

Summary of main findings

South Africa is a country where there have been much concerns over the past decade on alleviating poverty. The country is also characterised by significant spatial inequalities in terms of the economic quality of life, as measured by per capita income. There is also little evidence of convergence in per capita incomes between poorer and richer municipalities (Naudé and Krugell, 2003; 2006) and evidence that the poverty gap has widened between 1996 and 2001 in South Africa (Schwabe, 2004).

Whilst it is important to note income disparities, it remains necessary to find broader measures of development outcomes if the ultimate aim of human development is improvements in the quality of life. In this context, Møller and Schlemmer (1983) have argued that quality of life studies have an immediate and obvious significance in South Africa, given that its society is characterised not only by contrasts in terms of income inequalities, but also with regards to "cultural meanings and socio-political perspectives".

The meaning of quality of life has developed from concerns about income poverty to human capabilities, to an emphasis on development as human right (Sumner, 2003). It is recognised that income per capita cannot alone reflect quality of life and that growth in per capita income may fail to translate into general increases in human well-being (Qizilbash, 1996).

The main objective of this chapter was to analyse the socio-economic indicators of the Steve Tshwete Municipality in order to reflect the quality of life of households within the municipality. Firstly, the basic socio-economic indicators were analysed, such as age profile, education, employment and unemployment and households income. It was found that approximately 69% of the population is economically active, of this; a significant proportion is employed in low income / wage occupations. Another concern was the age profile, more than half of the population is below the age of 20. Some may argue that in the long run the economy may benefit from this as it reflects a young and upcoming labour market. However, this indicates a high dependency ratio and a need for new and sustainable projects to ensure growth and development.

Furthermore, education contribute to the general success of economic development in areas, however, the majority of people in Steve Tshwete are relatively under-educated. As for income levels, the area is characterised by low to medium income levels and this further support the above findings of the occupation profile, age profile and education levels.

It was found that approximately 51.47% of the population falls within the LSM 1 to 3 categories, which is the lower income category. This surely causes concern in terms of poverty. While household income is taken as an important component of poverty, a variety of other variables are related to this income levels, with regard to both individuals and households for example, type of housing, access to clean water and sanitation, education and employment. Poverty is seen can be seen as “the denial of opportunities and choices most basic to human development to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others”.

In terms of the quality of life and standard of living of households in the Steve Tshwete municipality, access to basic services and general well-being is a cause for concern. It was found that a significant proportion of the population of the area resides in a house or brick structure with access to electricity, have good access to refuse removal, sanitation facilities and water.

One of the goals identified in the IDP for the Steve Tshwete Local Municipality include the attempt to alleviate and improve current living conditions in the area, the IDP addresses:

- HIV/AIDS
- Implementation and monitoring programmes
- Internal workplace policy
- Local HIV/AIDS council
- Public Health services initiatives
- Health services and maintenance of existing infrastructure
- Upgrading of clinics
- PHC key performance areas
- Clinic services
- Mother and child health care
- Free basic services
- Refuse removal
- Sanitation
- Electricity
- Water

Growing the local economy to create jobs and wealth is a necessary condition towards the sustainable development in Steve Tshwete. The importance of creating jobs and wealth is derived from the fact that it directly impacts the quality of life, self-reliance, the distribution of resources and empowerment. Improved access to technology and knowledge-based activities is a necessary condition towards an information society. The platform for increased economic growth is based on the ability of the society to compete provincially. The local as well as provincial government shall enhance traditional constituency of manufacturing activities by creating incentives for these activities. It is therefore essential to unlock the knowledge in tertiary institutions within the area and establish centres of excellence; an important intervention in the form of policies to address issues related to intellectual property and indigenous knowledge systems.

2.2. SPATIAL ANALYSIS

2.2.1. STEVE TSHWETE SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The SDF for Steve Tshwete LM was revised and finalized during the first quarter of 2009. It serves as a component of the Municipality's IDP and was prepared and submitted in fulfilment of the Local Government: Municipal Systems Act (32/2000) and the Local Government's Municipal Planning and Performance Management Regulations, 2000.

2.2.1.1. Vision and Mission

The vision and mission for the Steve Tshwete Municipality as adopted as part of its IDP revision process (2003) are as follows:

VISION FOR THE STEVE TSHWETE MUNICIPALITY

To remain the Masakhane leaders of South Africa.
Simply the best in service delivery.

MISSION

To consolidate and build on the achievements since 1994 in improving the delivery of services to all our communities irrespective of where they are situated and focus on working in partnership with our stakeholders to ensure affordable, efficient, accessible and quality services to the majority of the community.

2.2.1.2. Development Principles

The desired spatial form for the study area is based on the following principles:

- The need to conceptualise the hierarchy, importance and sustainability of settlements in the region;
- The need to focus on what is achievable in development terms and how this relates to spatial development proposals;
- The need to direct investment towards areas of highest impact and return and to distinguish between different levels of investment;
- To accept the need for cost effective investment on all levels;
- To accommodate urban development and population growth in the most cost effective and sustainable way possible;
- To adequately prioritise investment of scarce resources;
- Stimulate and focus on developing nodes and corridors where economic opportunities and resources exist;
- Link, integrate and co-ordinate investment to maximise benefit and achieve a co-ordinated effort; and
- To link spatial expenditure (basic infrastructure) with spin-offs from economic development wherever possible.

2.2.1.3. Development Objectives

- Efficient and Integrated Land Development
- Sustainable Development
- Protection and Enhancement of the Environment
- Discourage Illegal Land Use
- Efficient Public Participation and Capacity Building
- Facilitating Developer Interaction with the Municipality
- Clear Guidance, Procedures and Administrative Practice
- Speedy Land Development
- No one land use is more important than any others
- Security of Tenure
- Co-ordination of Land Development
- Promotion of Open Markets and Competition

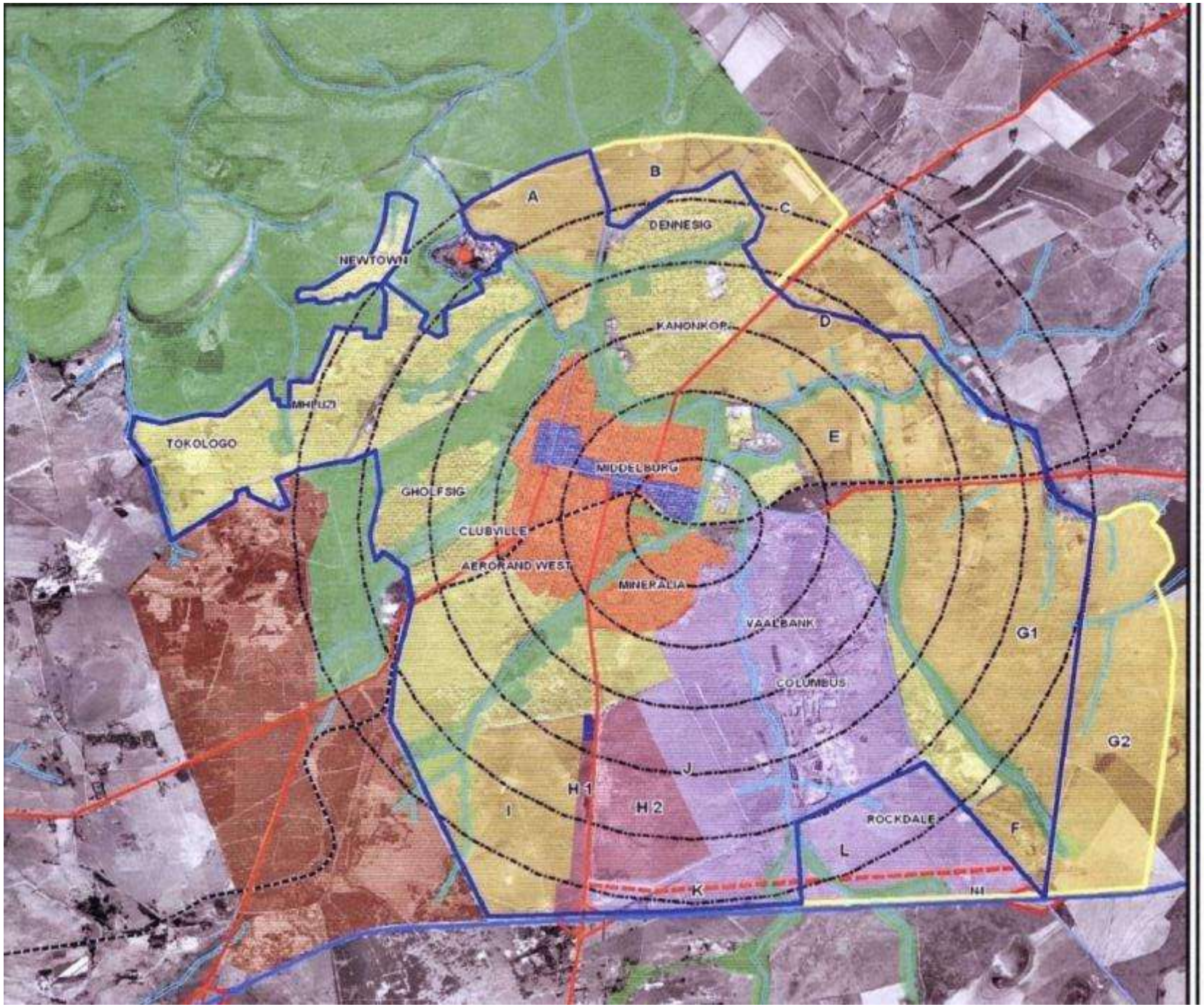
2.2.1.4. Development Proposals

The proposed Urban Structure is indicated on **Map 1a, 1b and 1c**.

STEVE TSHWETE LOCAL MUNICIPALITY

MIDDELBURG TOWN

Map 1a

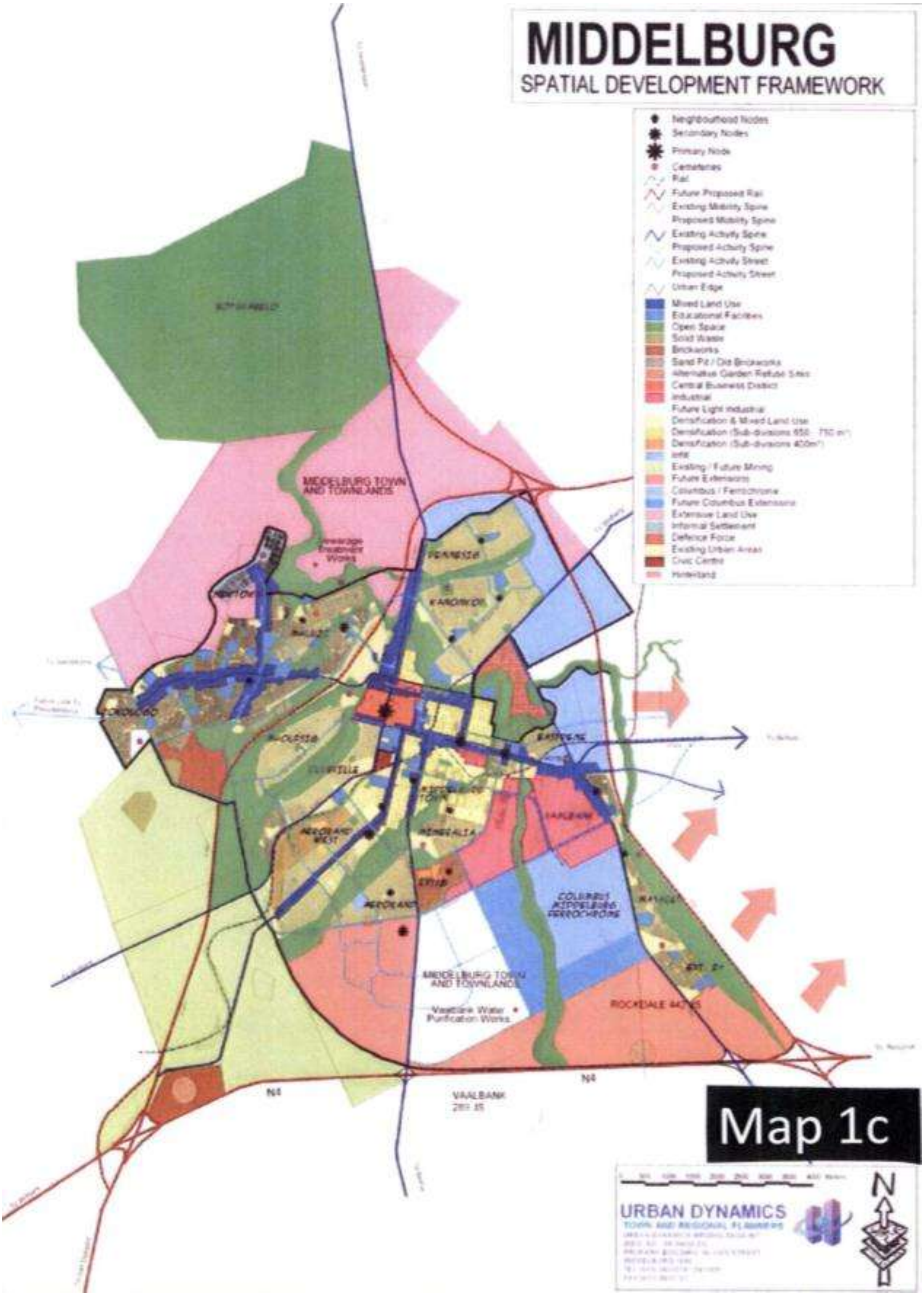


STEVE TSHWETE LOCAL MUNICIPALITY

MIDDELBURG TOWN SPATIAL DEVELOPMENT FRAMEWORK

Legend
- Residential
- Open Space
- Mining
- CBD
- Industrial
- Expansion Areas
- Light Industrial / Commercial
- Densification
- STW
- river line
- radius
- Railway
- Roads
- Road
- N4
- Urban Edge (next 15 years)
- Urban Edge (15 year +)

Map 1b


MIDDELBURG
SPATIAL DEVELOPMENT FRAMEWORK
Neighbourhood Nodes
Secondary Nodes
Primary Node
Cemeteries
Rail
Future Proposed Rail
Existing Mobility Spine
Proposed Mobility Spine
Existing Activity Spine
Proposed Activity Spine
Existing Activity Street
Proposed Activity Street
Urban Edge
Mixed Land Use
Educational Facilities
Open Space
Solid Waste
Brickworks
Sand Pit / Old Brickworks
Alternative Garden Refuse Sites
Central Business District
Industrial
Future Light Industrial
Densification & Mixed Land Use
Densification (Sub-divisions 650 - 750 m²)
Densification (Sub-divisions 400m²)
Infill
Existing / Future Mining
Future Extensions
Columbus / Ferrochrome
Future Columbus Extensions
Extensive Land Use
Informal Settlement
Defence Force
Existing Urban Areas
Civic Centre
Hinterland
MIDDELBURG TOWN AND TOWNLANDS
Sewerage Treatment Works
COLUMBUS MIDDELBURG FERROCHROME
Vaalbank Water Purification Works
N4
VAALBANK
URBAN DYNAMICS
TOWN AND REGIONAL PLANNERS

Map 1c

The major form giving elements are corridor/spine and nodal development.

2.2.2. ACTIVITY SPINES

East-West Activity Spines

It is proposed that this activity spine be extended eastwards as future urban development expands in an easterly direction.

a) President Kruger/Ikageng Streets

This proposed east-west activity spine is situated to the north and parallel to the N4 mobility spine. This spine would in future serve as a link road facilitating movement between two of the proposed north-south stretching activity spines (the P220-1 and P51-2) and between the proposed Mhluzi Activity Node and the existing Middelburg Central Business District.

b) P154-4

This proposed activity spine serves as a link road facilitating movement between all the proposed north south stretching activity spines and between the following activity nodes/areas:

- Middelburg Central Business District;
- Twin City Secondary Activity Node;
- Eastdene Secondary Activity Node;
- High density residential areas (proposed densification); and
- Industrial areas (employment areas).

North-South Activity Spines

a) P127-2

This activity spine would serve as a link road between the two proposed east-west activity spines and would facilitate movement between the Middelburg Central Business District and the urban areas to the north and south.

b) Keiskamma / Coetzee Street and the P30-1

These activity spines would facilitate movement between the southern urban areas and the Middelburg Central Business District.

c) P51-2

The P51-2 activity spine would form a connection between the two east-west activity spines and would link the urban areas to the north of the P154-4 with the Twin City Secondary node.

d) P49-1

This activity spine provides a linkage between the south easterly urban areas and the areas of employment (Industrial), and though its connection with the proposed P154-4 activity spine, with the Eastdene and Twin City Secondary Nodes and the Middelburg Central Business District.

2.2.3. ACTIVITY STREETS

The primary functions of activity streets are providing access and connection between the different activity spines. Activity streets are thus regarded as streets of more local nature and importance, providing access to activity spines and nodes as well as to inter-modal transfer facilities.

The areas along these streets are characterised by lower levels of current development including most of the smaller development nodes (neighbourhood nodes) within the study area. Streets that have been identified to fulfil an activity street function include the following:

- Ring Road: Tswelopele, Tafelberg & Kilo streets
- Protea Street
- Samekoms Road
- Van Riebeeck Street
- H.F. Verwoerd Street
- Sipres Street
- Renoster Road
- Hendrik Potgieter Street
- Long Street
- Zuid Street
- Verdoom Street
- Orange Street
- Hex River Road
- Philodia Street

2.2.4. ACTIVITY NODES

The hierarchy of Activity Nodes/Areas within the Steve Tshwete Local Municipality area can be described as follows:

Primary Node

The Middelburg Central Business District is the primary activity node of Middelburg. Retail development, offices, government buildings and municipal offices are located here.

Secondary Nodes

Secondary Activity nodes consist of two existing and two proposed nodes namely:

a) Existing nodes:
The Twin City and Eastdene nodes in Jan van Riebeeck Street to the east of the CBD.

b) Proposed nodes:
- The Middelburg Mall development in Aerorand to the south of Tafelberg Drive and west of the Fontein street extension.
- The Ngwako node in Mhluzi.

2.2.5. NEIGHBOURHOOD NODES

Local neighbourhood nodes compliment the primary and secondary nodes and should be located in such a way as to serve all suburbs. There are currently ten nodes of neighbourhood importance throughout the Steve Tshwete Local Municipality area. Future development of these nodes should be promoted in order to realise their full potential. Only one new neighbourhood node is proposed.

Existing neighbourhood nodes:
- Dennesig
- Kanonkop
- Tosca
- Merino
- Ermbee
- Middelburg Extension 18
- Aerorand
- Middelburg Extension 22
- Nasaret
- Mhluzi
- Kwazamokuhle

2.2.6. PROPOSED NEIGHBOURHOOD NODE:

A neighbourhood node is proposed in Mhluzi on the south western corner of the Ikageng Street and Ring Road crossing. This area was previously earmarked as the Mhluzi CBD.

2.2.7. MIXED LAND USE

A mixed land use zone is proposed along those sections of the identified activity spines where a tendency towards mixed land uses, i.e. parks, schools, residential, retail etc., already occur. These mixed land use zones should be limited to various densities residential, retail, entertainment, offices and other uses deemed compatible with the adjacent areas, i.e. residential, open space or industrial.

The location of mixed land uses and higher residential development adjacent to activity spines would promote a clear logic in terms of urban structure and a decreased separation of employment and place of residence.

2.2.8. RESIDENTIAL DEVELOPMENT

The spatial structure of Middelburg still portrays some elements of development facilities of a previous dispensation. Eastdene and Nasaret are closely situated on the eastern perimeter of Middelburg. Mhluzi

accommodates the bulk of low-income group citizens and is situated on the north western sector of town, thus the furthest away from the major employment nodes.

The density in Mhluzi is also considerably higher than the rest of the town, followed by Nasaret and Eastdene.

Areas for infill development and densification have been identified in order to promote integration and the optimal utilization of existing urban infrastructure (i.e. engineering services and social facilities) in the short to medium term.

2.2.9. SOCIAL INFRASTRUCTURE

In terms of the Key Leverage Areas and Objectives no specific reference will be made to specific social facilities in the spatial development framework. It is envisaged that future social facilities will be accommodated in Multi-Purpose Service Delivery Centres to ensure equitable access to community facilities for all communities. These centres should be one stop service centres providing basic services required on a regular basis and include inter alia:

- Shops;
- Pay points for water, electricity and telephone bills;
- Satellite post office
- Welfare offices (Pensions pay-out points, social work services);
- Clinics / Community Health Centres;
- Police Stations;
- Adult Basic Education and Training Facilities;
- Small business hives/job creation programmes;
- Recreational and sport facilities, and libraries/information centres;
- Offices of civil society structures (Civic Organisation, Community/Local Development Forums, etc.);
- Housing Information Centres;
- Planning Zone Forums; and
- Arts and Cultural Facilities.

2.2.10. INTEGRATED DEVELOPMENT PLAN

The Steve Tshwete IDP identified the following development priorities that are applicable to Mhulizi / Middelburg:

- Proclamation of Newtown;
- RDP houses, also closer to town;
- Police station in Nasaret/ Eastdene/ Mhluzi Extensions;
- Church sites;
- Sports fields/facilities: Swimming pool Eastdene & Nasaret, Cricket/netball/tennis/volley ball courts in Nasaret,& Eastdene various sports facilities in Newtown;

- Post office;
- Opened passage ways;
- Trading stalls;
- Availability of erven;
- Bus & taxi shelters;
- Park development;
- Satellite pension pay point;
- Rural villages as per rural study;
- Decentralized shopping facilities;
- Home for the disabled;
- Library in Mhluzi;
- Ambulance & Fire station;
- Public toilets at netball grounds;
- Primary school in Newtown;
- Establish ABET centre;
- School of industry for children with deviant behaviour;
- Skills training centre;
- Technical school in Nasaret;
- Build crèches;
- Extend Ndebele village;
- Finalize Botshabelo land claim;
- Old age home;
- HIV/AIDS Care centre;
- Youth centre & gymnasium;
- Building an orphanage;
- Pension pay points;
- Enlarge residential erven in Mhluzi;
- Manage undeveloped town lands;
- Environmental and land use management systems to be developed;
- Relocate small farmers and kraals further from Mhluzi;
- Building of information centre;
- Provide local shopping facilities; and
- Build community hall Newtown/Tokologo;

2.2.11. MHLUZI SPATIAL ANALYSIS

2.2.11.1. Locality

Mhluzi is located east to north-west of Middelburg (across the ridge on the north western side towards Botshabelo). Access to the suburb is obtained from three main roads:

- Tswelopele Road

- President Kruger Street / Ikageng Street; and
- Noordkant Street / Ngwake Street

2.2.11.2. Urban Character

Mhluzi developed mainly as a dormitory town with little business facilities except for informal traders, house shops and spaza shops. Residence has to commute to Middelburg and adjacent areas for job opportunities.

The area is further characterized by high-density, low-income housing.

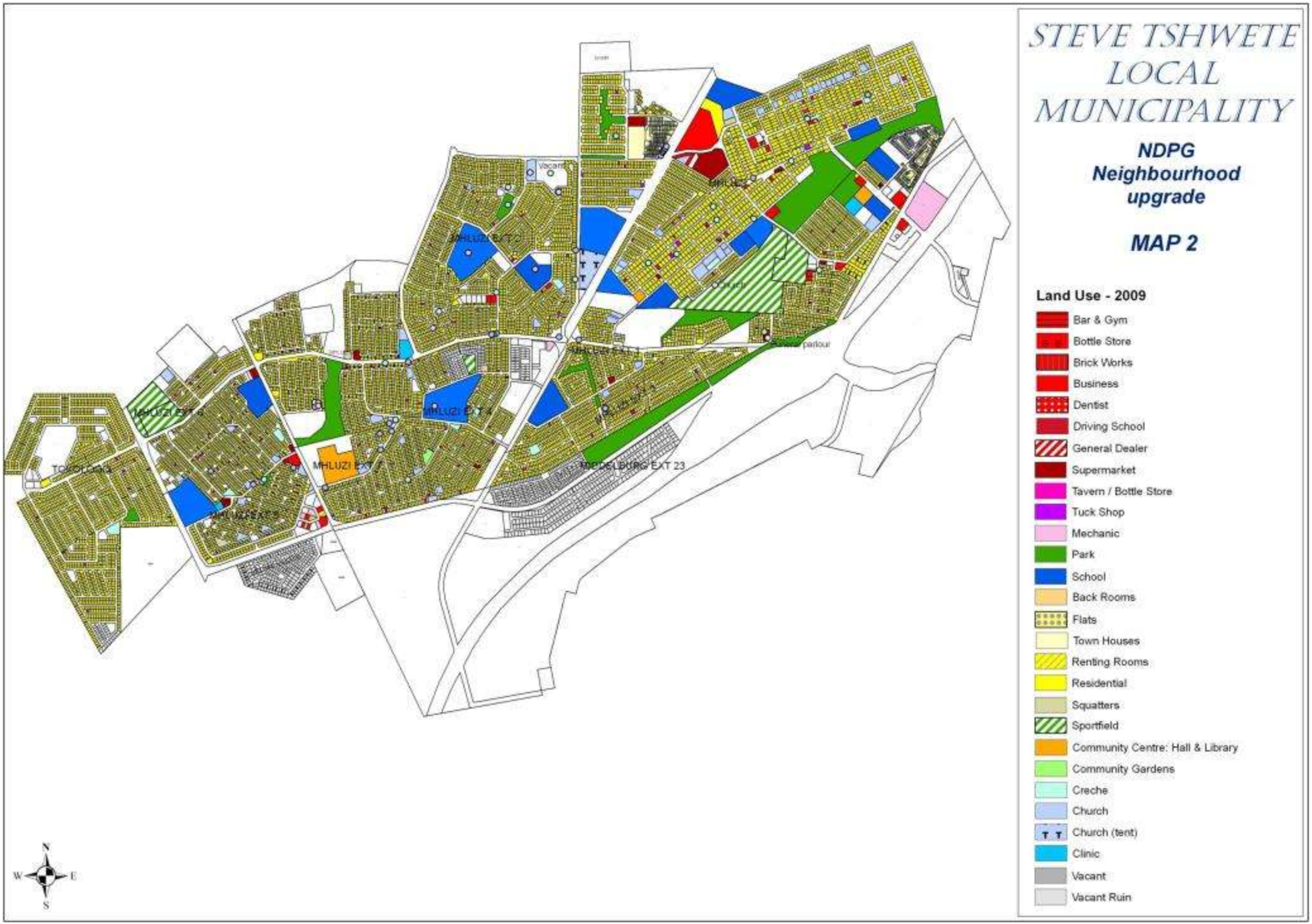
2.2.11.3. Layout

Mhluzi proper, situated on the eastern side of the town of Mhluzi, is characterized by a typical gridiron layout pattern. In some of the areas, the gridiron pattern was amended. A socio-economic node developed at the entrance to the town along Ngwake Street. This node consists of some business sites, community hall, clinic and a school. A garage site was added later at the entrance to Mhluzi proper. Within Mhluzi proper there is also a large open space which is developed to some extend: retention dams were build and recreational facilities provided in this area. Mhluzi Proper also has a sport stadium which serves the town of Mhluzi. A detailed land use survey was done for Mhluzi which is illustrated on **Map 2** and **Table 13**.

2.2.11.4. Residential

New extensions were added with stands getting smaller and smaller and residential densities higher. A road network of collector roads divide the town into various neighbourhoods that is identifiable, each with its own schools and small business distributed through the area.

Presently there are 13,306 residential 1 stands in Mhluzi, and 137 townhouses. According to the SDF there is a housing shortage of approximately 6,883. According to a land use survey that was done, only 218 stands were vacant. This excludes Middelburg Extension 23 (which is a proclaimed township) and Mapope village (which is not proclaimed).


STEVE TSHWETE LOCAL MUNICIPALITY
NDPG Neighbourhood upgrade
MAP 2
Land Use - 2009
Bar & Gym
Bottle Store
Brick Works
Business
Dentist
Driving School
General Dealer
Supermarket
Tavern / Bottle Store
Tuck Shop
Mechanic
Park
School
Back Rooms
Flats
Town Houses
Renting Rooms
Residential
Squatters
Sportfield
Community Centre: Hall & Library
Community Gardens
Creche
Church
Church (tent)
Clinic
Vacant
Vacant Ruin
MHLUZI EXT 7
MHLUZI EXT 4
MIDDELBURG EXT 23
N
W
E
S

2.2.11.5. Business

Presently there is no central business district in the area. However, for some time, a site was identified in the centre of Mhluzi for this purpose. Although not build yet, the indication is there that this development will take place soon.

The only nodes that exist are situated along Ngwako Street in Mhluzi Proper and in the North-western parts of Mhluzi. A number of small business, home shops, spaza's etc. are distributed through the area.

Table 13: Mhluzi Land Use

LAND USE	NUMBER OF SITES
Business	
Bar & Gym	1
Bottle Store	3
Business	8
Cafe	3
Car Wash	1
Driving School	2
Filling Station	2
Funeral Parlour	2
General Dealer	20
Hair Salon	10
Supermarket	18
Tavern	12
Tavern & Bottle Store	3
Residential	
Back Rooms	2
Flats	151
Renting Room	7
Guest House	1
Residential	13 306
Town Houses	137
Vacant	219
Squatters	20
Social Facilities	
Church	56
Church (tent)	1
Clinic	3
Community Hall & Library	2
Public Phones	3
Open Space	
Community Gardens	1
Park	14
Sportfield	5
Health	
Dentist	1

LAND USE	NUMBER OF SITES
Medical centre	1
Surgery	1
Education	
Crèche	15
Primary Schools	10
Secondary Schools	5
Municipal	
Substation	1
Taxi	
Taxi-rank	1
Industrial	
Brick works and Cole	1
Manufacturing	1
Mechanic	22
Upholstery	1

2.2.11.6. Implications of existing spatial structure and land use

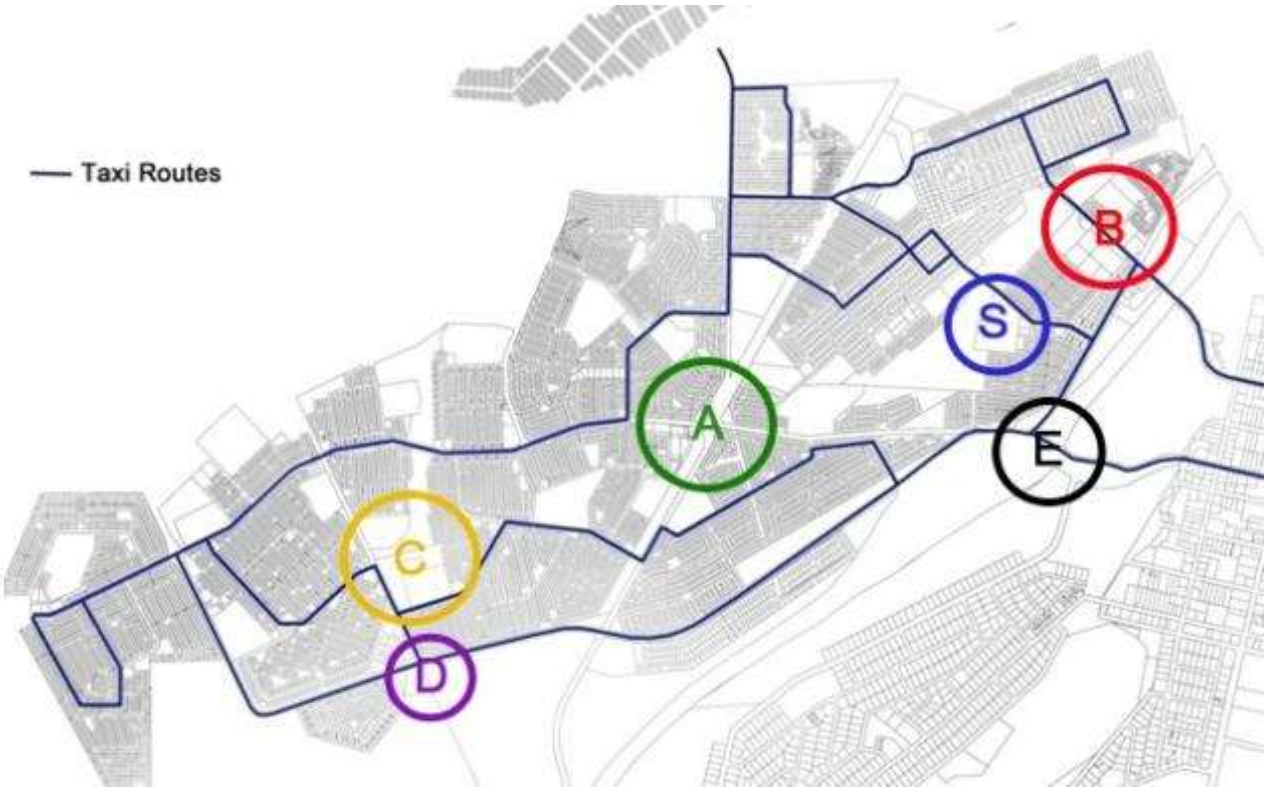
The implications of the existing spatial structure and land use for this urban design input can be summarised as:

- Provide a local retail node at an accessible locality for the residents of Mhluzi. A locality along the main access road to Mhluzi was identified as having a greater regional market as the original retail proposal in the centre of Mhluzi needed to be revised.
- The intersection of the two activity spines in the centre of the neighbourhood is the most convenient in terms of public transport and walking distances to serve the entire population of the neighbourhood and it is proposed that a local convenience centre be provided in this locality.
- It is proposed to strengthen this node and to address the housing shortage by proposing the development of social housing (rental housing).
- The Economic Gap analysis indicated the need for a multi-purpose community centre as well the need for a police station and educational facilities. It is proposed that the exiting library and community hall that was developed in the western part of Mhluzi be extended to accommodate further community facilities.
- It is proposed to provide an alternative locality for a number of light industrial uses that have established illegally within the residential neighbourhood. For this purpose a light industrial business park is proposed to facilitate the relocation of these uses.
- The eastern part of Mhluzi accommodates the older retail and community facilities of the neighbourhood as well as the Sports Stadium. This urban design input proposes to upgrade and improve the existing facilities.
- The municipality has expressed the need for soccer facilities on a PSL standard and this urban design input aims to propose upgrading to the existing facilities in a phased approach to achieve a PSL standard, while retaining the current athletics and other sports facilities.

- A new access road was constructed through the extension of DPM Nhlapo Street. This access road accommodates high traffic and pedestrian volumes and it is proposed to define this access as a prominent entrance to Mhluzi. The urban design input makes some suggestions regarding the improvement of pedestrian access along this road as well as signage to indicate it as the formal entrance to Mhluzi.

2.2.11.7. Taxi Routes

A circular Taxi route serves the neighbourhood and acts as a link between the various nodes. There is no municipal bus service and public transport opportunities are limited. Residents use taxis or walk to various destinations because private vehicle ownership is very low.



2.2.12. COMMUNITY FACILITIES

There are two community halls in Mhluzi, one in Ngwako Street in Mhluzi Proper and the new community hall and library in Mhluzi Extension 4.

2.2.13. TAVERNS

A number of taverns are distributed through the industrial areas. In some cases the sites are used for taverns only, but in other it is combined with a bottle store (3) or tuckshop (2).

2.2.14. INDUSTRIAL

Presently some Kwazi-industrial land uses are grouped together in the south-eastern part of the town in Mhluzi Extension 5. However, a large number (±25 sites) are distributed throughout the town. These sites impact negatively on the image of the town and disturb the otherwise quiet neighbourhood character.

2.3. ENGINEERING SERVICES

2.3.1. WATER SUPPLY

Mhluzi is served by a full water reticulation that supplies water to each stand. Sections of the reticulation in the immediate vicinity of the proposed development nodes are shown on **Drawings 5030.02.AA.01.U002 to 5030.02.AA.01.U005**.

Sections of the reticulation comprise asbestos-cement pipes that have been installed some 50 years ago. These pipes are well beyond their design life and breakages do occur on a regular basis. Where such breakages do occur, the pipes are replaced with uPVC pipes. The Municipality has also embarked on a network replacement programme to address the problem.

A live network analysis does not exist, i.e. it is not possible to easily check the effect of rezoning and the creation of new facilities as proposed for the Mhluzi Neighbourhood Upgrade on the network supply.

The proposed facilities will not have high water demands, except maybe the facilities that may be created at the Kwazi-Industries Node (Node D), and the time of peak supply to these facilities is expected to be different from the time of peak supply to the rest of Mhluzi, which is mainly residential in nature. The proposed facilities will classify in a higher fire-fighting category than the existing surrounding residential area would be, and as such will increase the flow in the reticulation for fire-fighting purposes. For this reason a network analysis should be performed to ensure that no problems will be incurred.

Fairly large pipes (450mm diameter and 250mm diameter) traverse Mhluzi in close proximity to the proposed New Central Development Node (Node A), and it is most likely that the existing infrastructure may cope with the water demand of the proposed development.

The water treatment works does operate at capacity from time to time. The Municipality is considering the possibility of augmentation with recycled water obtained from mining operations. Because the proposed developments will have a relative low water demand it is not foreseen that the supply of purified bulk water will restrict the developments.

AS-BUILT RECORD			
CONTRACT No.	DESCRIPTION	CERTIFIED BY	DATE

CERTIFIED AS-BUILT FOR CONTRACT :

ENGINEER DATE

VERSION/AMENDMENTS			
No.	DATE	DESCRIPTION	AUTHORISED BY

BIGEN AFRICA Services (PTY) LTD

PROJECT TITLE

MHLUZI NEIGHBOURHOOD UPGRADE

DRAWING TITLE

WATER SUPPLY AND SEWERAGE NETWORKS: NEW CENTRAL DEVELOPMENT NODE: NODE A

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ORIGINAL DRAWING SCALE	N.T.S.	ORIGINAL DRAWING SHEET SIZE	A1

APPROVED:

CLIENT OR ASSIGNEE: DATE:

CLIENT DRAWING No: CLIENT REF No:

SURVEYED		DESIGNED	
DRAWN	J. MALLAT	CHECKED	G.J. PIENAAR
CO-ORDINATE SYSTEM		DATE	MARCH 2008

APPROVED ON BEHALF OF BIGEN AFRICA:

ENGINEER: DATE:

DRAWING No: 5030.02.AA.01.U002

VERSION: A.0

AS-BUILT RECORD

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CERTIFIED AS-BUILT FOR CONTRACT :

ENGINEER DATE

VERSION/AMENDMENTS

No.	DATE	DESCRIPTION	AUTHORISED BY

BIGEN AFRICA Services (PTY) LTD

PROJECT TITLE: MHLUZI NEIGHBOURHOOD UPGRADE

DRAWING TITLE: WATER SUPPLY AND SEWERAGE NETWORKS: UPGRADE EXISTING NODE: NODE B

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ORIGINAL DRAWING SCALE: N.T.S. ORIGINAL DRAWING SHEET SIZE: A1

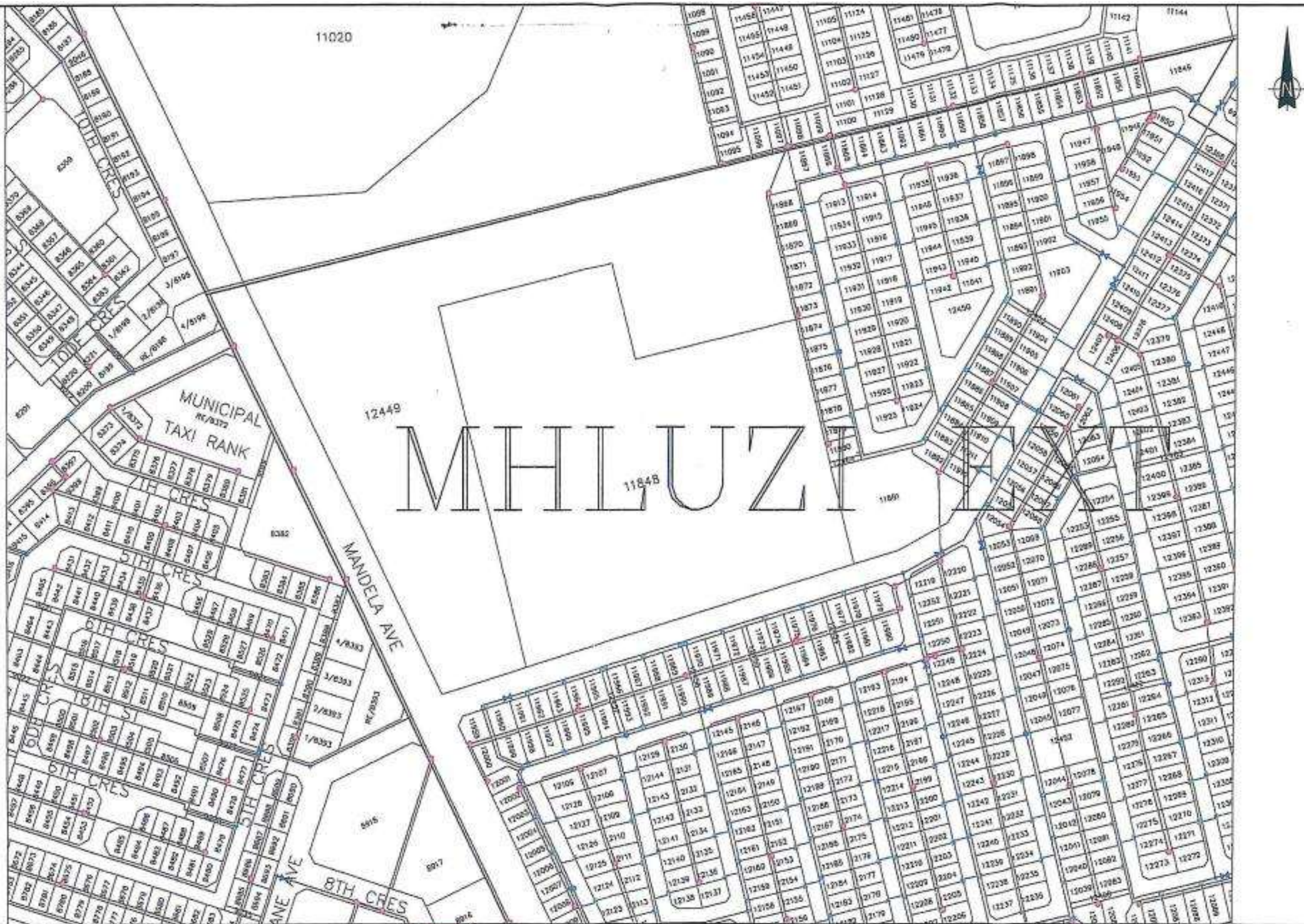
DRAWN: J. HALLATT CHECKED: G.J. PIENAAR

DATE: MARCH 2008

APPROVED ON BEHALF OF BIGEN AFRICA:

ENGINEER: DATE:

DRAWING No.: 5030.02.AA.01.U003 VERSION: A.0



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CONTACT No.	DESCRIPTION	CERTIFIED BY	DATE

CERTIFIED AS-BUILT FOR CONTRACT :

ENGINEER DATE

VERSION/AMENDMENTS

No.	DATE	DESCRIPTION	AUTHORISED BY

MHLUZI NEIGHBOURHOOD UPGRADE

WATER SUPPLY AND SEWERAGE NETWORKS: DEVELOPMENT OF SOCIAL NODE: NODE C

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ORIGINAL DRAWING SCALE:	N.T.S.	ORIGINAL DRAWING SHEET SIZE:	A1
DRAWN	J. HALLATT	CHECKED	C.J. FERRAR
		DATE	MARCH 2009

APPROVED:

CLIENT OR AGENCY: ______ DATE: ______

DRAWING No.: 5030.02.AA.01.U004

VERSION: A.0

AS-BUILT RECORD

CONTRACT No.	DESCRIPTION	CERTIFIED BY	DATE

CERTIFIED AS-BUILT FOR CONTRACT :

VERSION/AMENDMENTS

No.	DATE	DESCRIPTION	AUTHORISED BY

BIGEN AFRICA Services (PTY) LTD

PROJECT TITLE: MHLUZI NEIGHBOURHOOD UPGRADE

DRAWING TITLE: WATER SUPPLY AND SEWERAGE NETWORKS: KWAZI-INDUSTRIES NODE: NODE D

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ORIGINAL DRAWING SCALE: N.T.S. ORIGINAL DRAWING SHEET SIZE: A1

APPROVED:
CLIENT OR NOMINEE: ____ DATE: ____
CLIENT DRAWING No.: CLIENT REF No.:

SURVEYED		DESIGNED	
DRAWN	J. MALLAT	CHECKED	C.J. PIENAAR
CO-ORDINATE SYSTEM		DATE	MARCH 2009

APPROVED ON BEHALF OF BIGEN AFRICA
ENGINEER: ____ DATE: ____

DRAWING No.: 5030.02.AA.01.U005 VERSION: A.0

2.3.2. ELECTRICITY

Mhluzi is served by a combination of underground and overhead electricity networks. Generally high voltage infrastructure has been installed underground whilst low voltage infrastructure has generally been installed overhead. Supply in the area is apparently not problematic and no problems are foreseen in this regard.

2.3.3. SOLID WASTE REMOVAL

A full waterbourne sewer system discharges sewage from each stand in Mhluzi to the sewage treatment works. The internal sewers of Mhluzi are in a fairly good condition. Sections of the network in the immediate vicinity of the proposed development nodes are shown on **Drawings 5030.02.AA.01.U002 to 5030.02.AA.01.U005**.

The existing sewers will have to be checked for capacity to make sure that they will be able to discharge the increased sewage generated by the proposed developments. In this case it is also so that the volumes discharged will be relatively low and peak at a different time of day that the discharge of the surrounding residential areas peak.

The sewage treatment works is operating at capacity and the Municipality does not allow new developments for this reason. However, consultants have been appointed for the upgrading of the sewage treatment works and the programmes of this upgrading and the proposed developments will most probably coincide.

The Municipality is in the process of upgrading the outfall sewers and no problems are foreseen in this regard.

2.3.4. ROADS

Surfaced roads were most probably designed based on the layout and land-use of Mhluzi at the time that they were designed. The proposed developments will significantly increase the volume of traffic, and more importantly the volume of heavy vehicles.

Information on the existing pavement layers and the condition thereof is not available, but it is unlikely that these layers will be able to withstand the increased traffic volume. It is proposed that a geotechnical investigation be undertaken to obtain this information.

Upgrading of the layer works of selected access routes is foreseen. At the very least the surfacing of the roads will have to be attended to.

2.3.5. STORM WATER DRAINAGE SYSTEM

Storm water is discharged from Mhluzi through a formal storm water drainage system which is reportedly functioning well in the areas where the proposed developments will take place. No upgrading other than work associated with roads that may be upgraded, is foreseen.

SECTION 3: PROJECT PLAN

3. DEVELOPMENT FRAMEWORK / CONCEPT PLAN

3.1. VISION

Based on the NDPG's own vision, the vision for the upgrade of Mhluzi is as follow:

"The upgrade of Mhluzi through the notion that public investment and funding can be used creatively to attract private and community investment to unlock the social and economic potential within the township and improve quality of life amongst its citizens."

3.2. OBJECTIVES

The following objectives where set for the NDPG project:

- The proper integration of Mhluzi into the urban envelope of Middelburg by focusing on improved physical and other linkages.
- To create through planning and investment, processes and opportunities that will induce private and community investment in Mhluzi and surroundings
- To reduce the risk of investments in areas that is targeted for improved human, physical and environmental resources and infrastructure
- To invest in community facilities that will enable marginalized communities to get better access to services.
- Enhance the collateral value of properties in Mhluzi
- To build an current best practice where investment in high quality importance and clustering of quality public facilities have proven to be a successful model for attracting private investment and stimulating economics in townships.

3.3. CHALLENGES

The challenges in general could be summarized as follow:

- The absence of nodal development plans and limited municipal capacity to develop integrated projects contributing to the economic growth of these areas.
- Limited funding for capital works for public facilities and places that unlock collateral value of fixed investment and investment potential. Improve the quality of public facilities and environment.
- Low levels of private sector investment / leveraging of private sector investment
- Limited municipal capacity to assemble and align multiple funding sources in a single large-scale multi-faceted property development project

- Risk of mismatch between capital investment made and maintenance and operational budgets of municipalities
- Job creation
- Inequitable focus on inner city metropolitan areas and established business centres where private investment is easier to attract
- Appropriate technical advice and business support
- Improving access to property and security of tenure.

3.4. CONCEPTUAL FRAMEWORK

Through preliminary investigation and meetings held with the steering committee, various areas (nodes) were identified for concentrated development investment.

These areas are:

Area A : A central development node
Area B : Upgrade of the existing Mhluzi node
Area C : Development and expansion of the new social/community node
Area D : Light industrial node
Area S : Sports node
Area E : New entrance

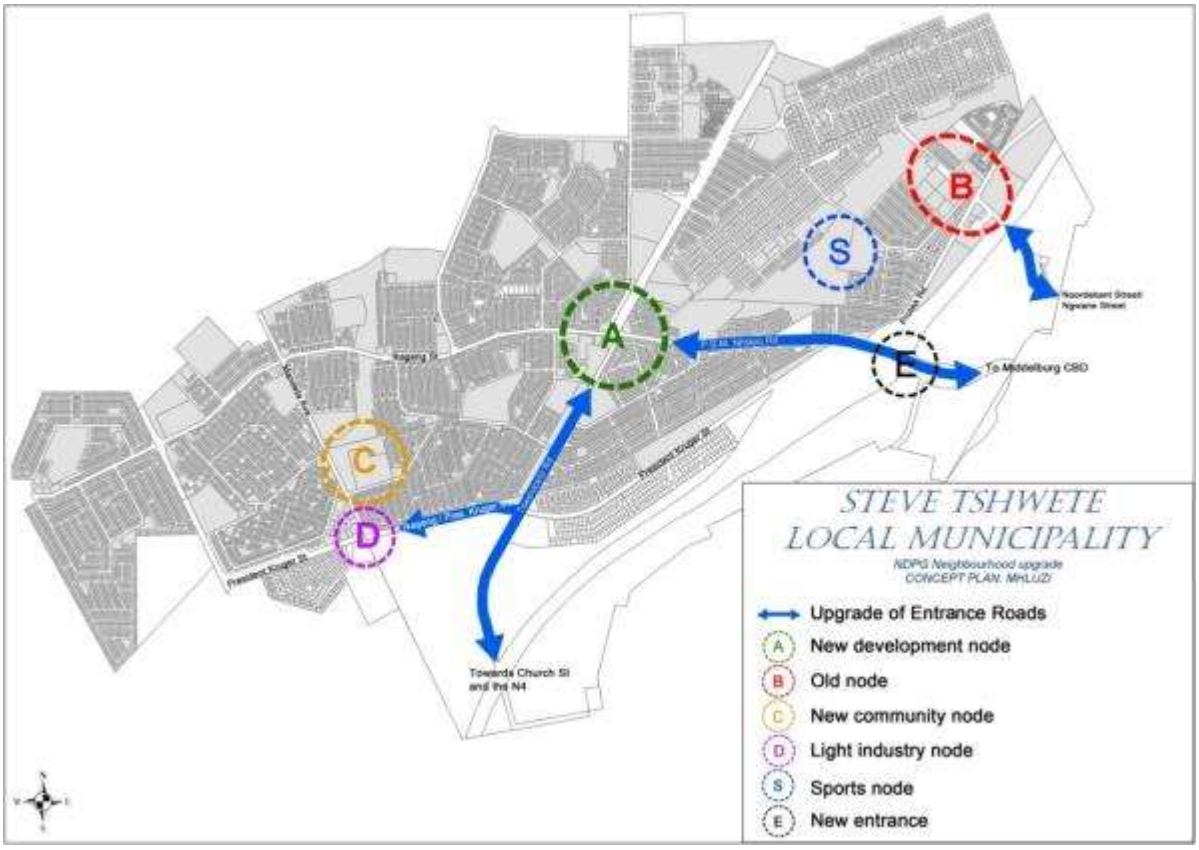

Figure 19: Concept Plan Mhluzi

The improvement of the image of the town could be enhanced through the upgrade of strategic entrance and collector roads that are used by most of the inhabitants.

3.4.1. DEVELOPMENT AREA A: Proposed Central Development

3.4.1.1. Background

Mhluzi has a population of approximately 50,000 – 60,000 people. However, there is no well developed and well defined central business district in Mhluzi. Although the Neighbourhood Development Grant was envisaged to induce private sector development or even PPP's in this case, the aim of the Grand could be to support existing private sector initiatives in order to ensure the viability of projects.

The "Central Development Node" was already earmarked and zoned for business purposes to establish a business centre, eMhluzi Mall, approximately 14,000m² - 18,000m². According to the Middelburg Observer of Friday 21 September 2007, the project was supposed to be completed in 2008/2009.

The project is the brainchild of NAFCOC and the boarder business community in Mhluzi. A positive aspect mentioned is the fact that 51% share belongs to a BEE entity. The scope for a project of this kind is due to a growing middle class and the relative increase in income in the local community.

The potential of the centre lies in its strategic and central location within Mhluzi. The site also enjoys good accessibility, visibility and enough space is available for parking. A large portion of the population will be able to visit the shopping centre per foot.

3.4.1.2. Proposal

The NDPG project envisages supporting the development of a central node order to establish a socio-economic core area within Mhluzi. Support could include the following activities:

- Enhance proper accessibility along proper collector roads
- The provision of community facilities in the form of a multi-purpose centre, including a library
- The development of a taxi-rank
- Proper landscaping and integration of major land uses in the node.

A concern might be that the area is too small to accommodate present and perhaps future developments in the area. The development and efficiency of this area will be dependent on the following:

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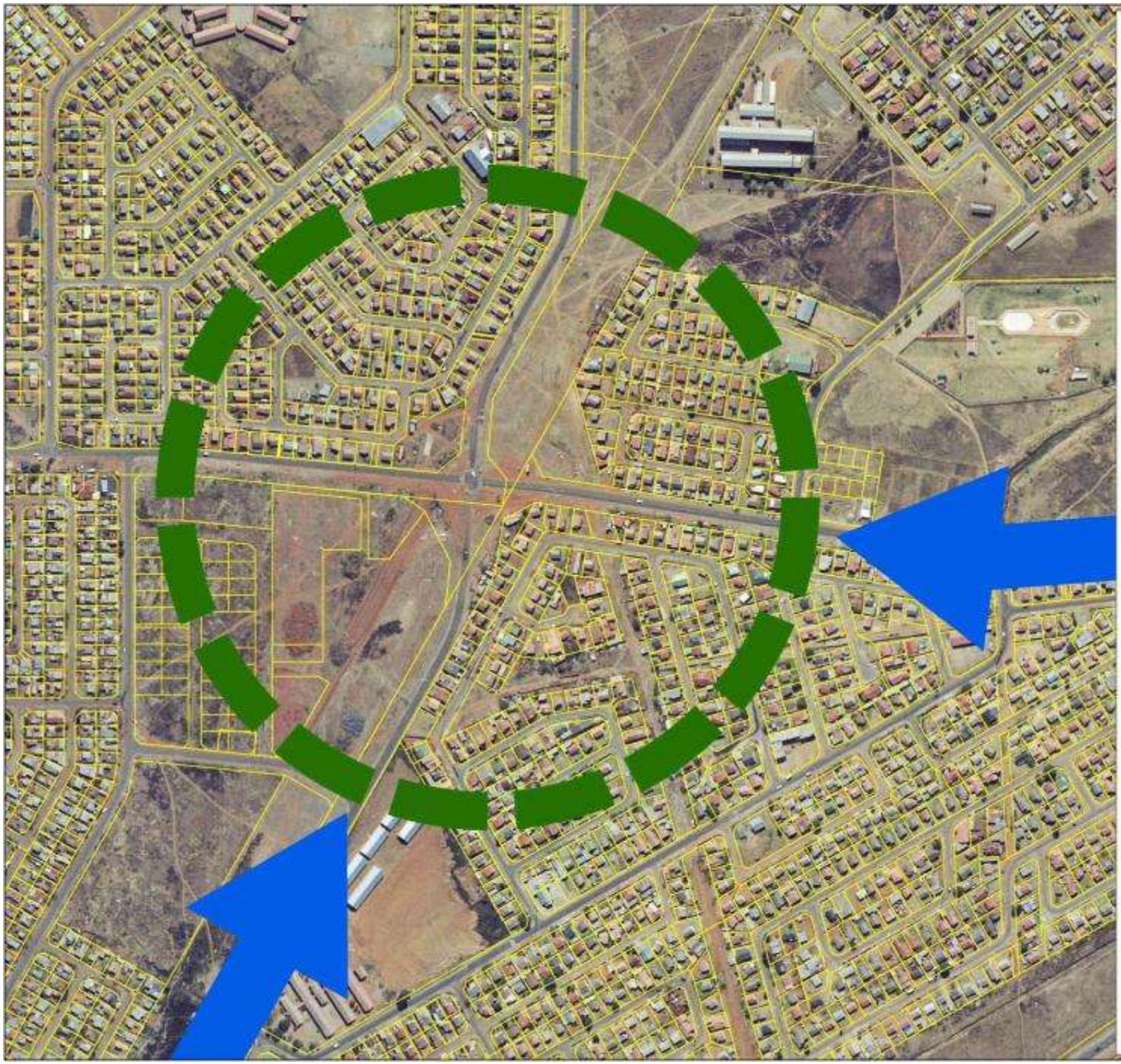
NDPG Neighbourhood upgrade

MAP 4a

Development Area A

New Central Development Node

- New Business Node
- New Multi-purpose centre / Library
- Taxi - Rank
- Landscaping for improved land use integration
- Upgrade collector road / accesibility



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NDPG Neighbourhood upgrade

MAP 4b

Development Area A

New Central Development Node

- New Business Node
- New Multi-purpose centre / Library
- Taxi - Rank
- Landscaping for improved land use integration
- Upgrade collector road / accesibility

- The reservation of existing residential sites for development of housing till the viability and planning of this central development node is finalized.
- The viability of the prospective commercial centre is been verified and quantified with market research studies. These studies will also serve as a marketing tool for the developers of the centre[1].
- The viability of the prospective multi-purpose centre in close proximity of the shopping complex should be verified and quantified.
- Because a large portion of the population will be able to access the centre by foot or bicycle, proper provision for these modes of transport together with the development of a taxi-rank, is essential.

(Map 4a and Map4b)

3.4.2. DEVELOPMENT AREA B: Upgrading of the existing Mhluzi Node

3.4.2.1. Background

A socio-economic node developed over the years in Mhluzi proper along Ngwako Street, which serves as the main entrance of this part of the town.

The original village of Mhluzi is characterized by large, functional open spaces, a socio-economic core as well as a sport stadium. This part of Mhluzi will become even more accessible once the new by-pass road is constructed. The old area is also going through a process of renewal with the old hostel unit being transformed into full title unit developments. A high income residential area is also developing close to the entrance to town on the south-eastern side of the town.

Although this node is quite established and consists of business and community facilities including, schools, community hall, police station, churches and a clinic, there is little coherence between land uses. There is a lack of urban design and the potential for social and business development has not been exploited to its full.



[1] The market research study identified a new node for the development of a commercial centre. This node are discussed in paragraph 3.9.5

3.4.2.2. Proposal

The focus of the NDPG project in this development node is mainly the upgrading and integration of existing facilities in a well designed and landscaped environment.

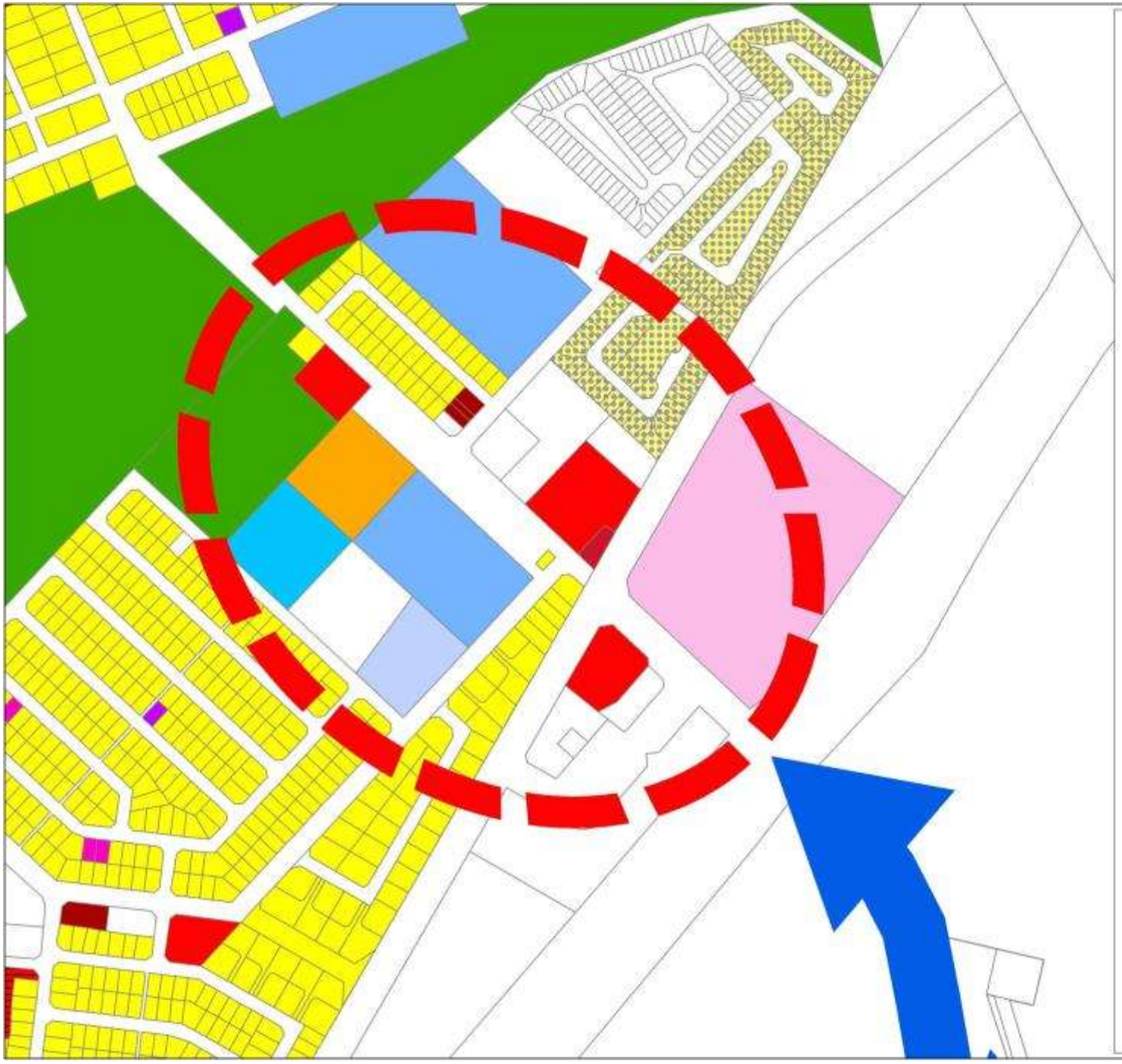
New initiatives in this established area therefore could include the following:

- The upgrading of the existing community hall and the building of a new library in close proximity thereof. The community hall is a strategic focus point in the area and should be properly integrated with adjacent land uses in a well landscape – low maintenance area.
- Proper lighting along well paved pedestrian ways crossing the existing open space area just north of this node.
- The upgrading and expansion of the existing sport stadium and facilities to the benefit of the total population of Mhluzi. This upgrade could include inter alia:
    - Expansion of the existing pavilion
    - Upgrade of the entrance and ablution facilities
    - Stadium Lighting

- Upgrade of Ngwako Street including street furniture, lighting, paving and landscaping where necessary.

The proposed upgrade could induce new interest in business development in this area. The existing business site, which is municipal owned, could be put out on tender to test the market in order to strengthen the existing neighbourhood centre as is envisaged in the SDF.

(Map 5a and Map 5b)



STEVE TSHWETE LOCAL MUNICIPALITY

NDPG Neighbourhood upgrade

MAP 5a

Development Area B

Upgrading of Existing Node

- New Business Opportunities
- Multi purpose Upgrade / Library
- Upgrade of Road / Landscaping
- Development of green space
- Upgrade of Sport Stadium

STEVE TSHWETE LOCAL MUNICIPALITY

NDPG Neighbourhood upgrade

MAP 5b

Development Area B

Upgrading of Existing Node

- New Business Opportunities
- Multi purpose Upgrade / Library
- Upgrade of Road / Landscaping
- Development of green space
- Upgrade of Sport Stadium

3.4.3. DEVELOPMENT AREA C: Development and expansion of existing Social/Community Node

3.4.3.1. Background

A large site was identified in Mhluzi Extension 4 for the development of a multi-purpose centre. The site is adjacent to a natural open space and vacant land. It is also in close proximity to a municipal pay point and centrally located within the eastern part of the town.

The existing development consists only of a community hall and library. However, this site was earmarked to accommodate a full fledge multi-purpose centre including business and office space for various government departments.

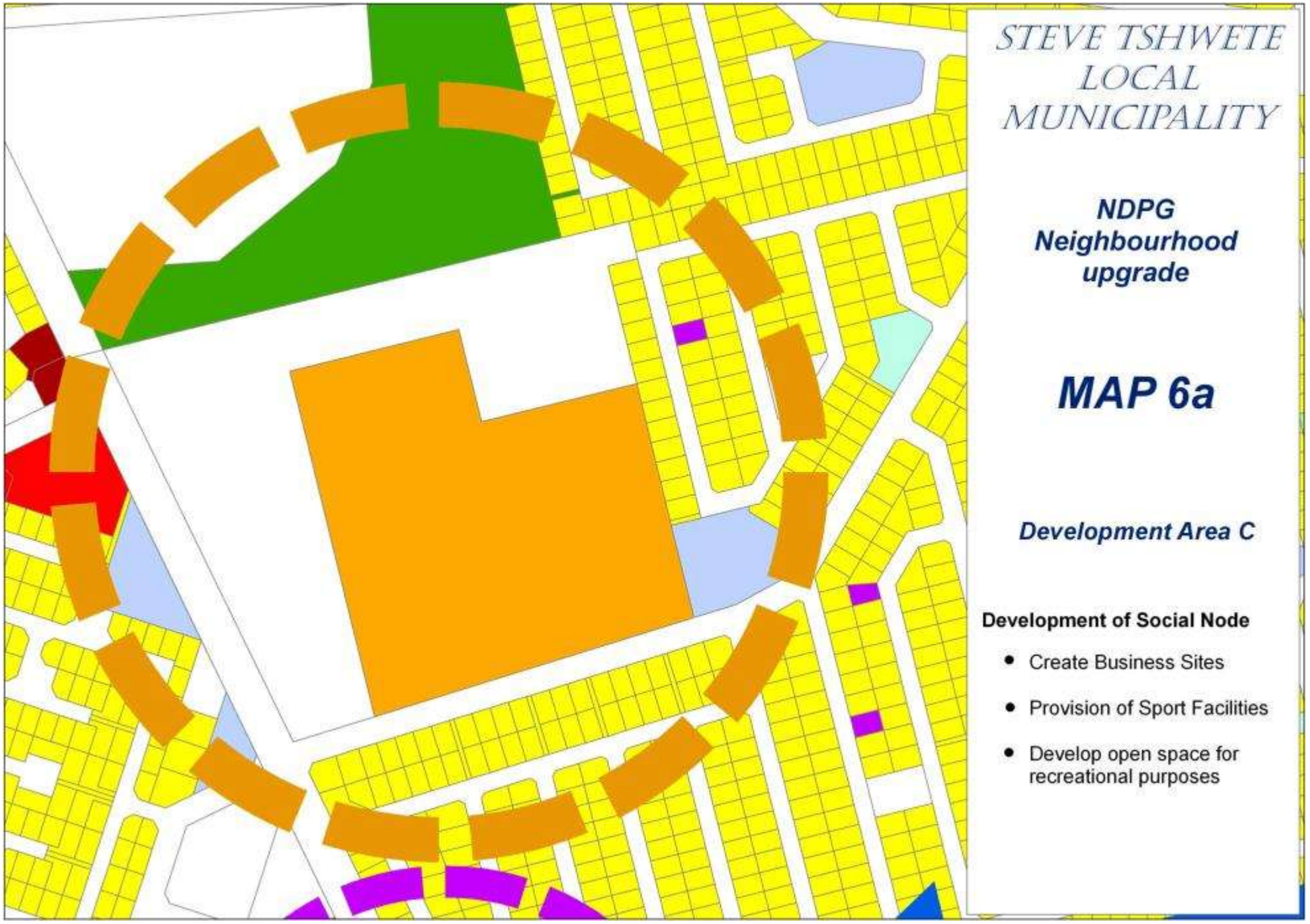
3.4.3.2. Proposal

It is proposed that this development should still function as an important nodal point to provide basic social and other facilities. However, this development (based on its locality and accessibility via collector roads) should not be earmarked to accommodate a large business complex or multi-purpose site, but that these facilities rather being developed, as already proposed, in the central development node (development area A).

The area does have the advantage of large portions of vacant land that is available for development. Therefore the opportunity still exists to allow for:

- the development of a small neighbourhood business centre
- the provision of sport facilities such as soccer or other facilities
- the development of the natural open space for recreational purposes.

(Map 6a and Map 6b)



STEVE TSHWETE LOCAL MUNICIPALITY

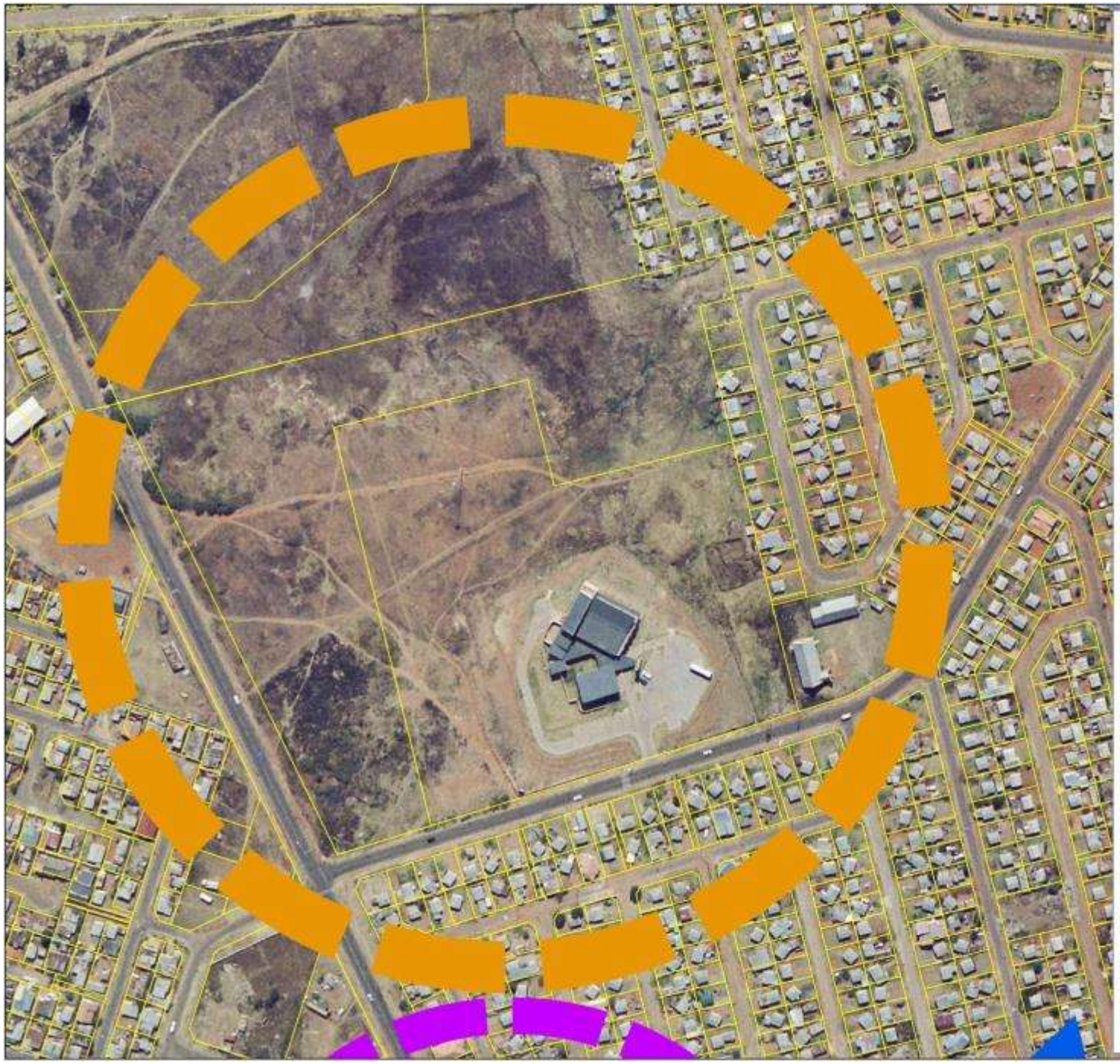
NDPG Neighbourhood upgrade

MAP 6a

Development Area C

Development of Social Node

- Create Business Sites
- Provision of Sport Facilities
- Develop open space for recreational purposes



STEVE TSHWETE LOCAL MUNICIPALITY

NDPG Neighbourhood upgrade

MAP 6b

Development Area C

Development of Social Node

- Create Business Sites
- Provision of Sport Facilities
- Develop open space for recreational purposes

3.4.4. DEVELOPMENT AREA D: Light Industrial Node

3.4.4.1. Background

The occurrence of informal service industrial sites which are distributed all over Mhluzi, impact negatively on the neighbourhood environment in terms of noise pollution, safety and visual impact.

Presently there are areas located in Mhluzi Extension 5 where industrial activities take place. Industrial activities include the following:

Brick works	1
Brick works and coal	1
Manufacturing	1
Mechanics	22
Upholstery	1

3.4.4.2. Proposal

Industrial activities should not be allowed within the neighbourhood and should be restricted through proper land use management.

A Kwazi industrial site should be developed to create alternative location for these activities and to upgrade the living conditions and image of neighbourhoods.

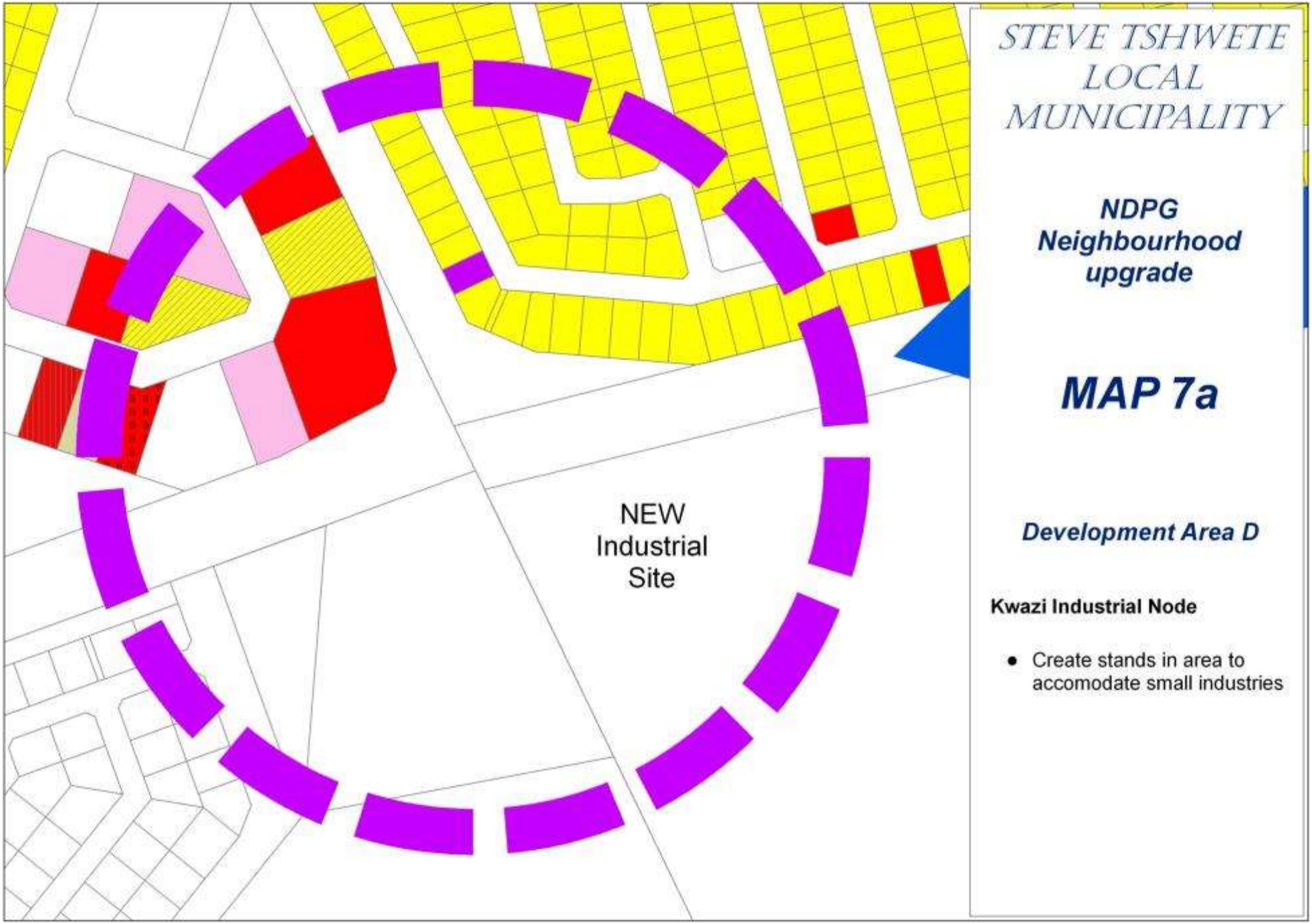
The site identified for Kwazi industries is situated in close proximity of the existing site in Mhluzi Extension 5. The site is ideal for this type of land use because of:

- Good accessibility via higher order collector roads (no unnecessary vehicles through neighbourhood)
- Its locality on the periphery of the township
- Its locality in close proximity of existing industrial sites
- Adjacent residential stands that only have access from lower order roads, therefore facing away from this site.

However, in order to enhance good neighbourhood-ship and the proper integration of the Kwazi industrial development site with neighbouring land uses, it is proposed that:

- The development should allow for a landscape buffer strip
- The development is based on the concept of bee-hive industries that are clustered together.
- That a structure be provided, and not only stands, to accommodate the small industries.

(Map 7a and Map 7b)



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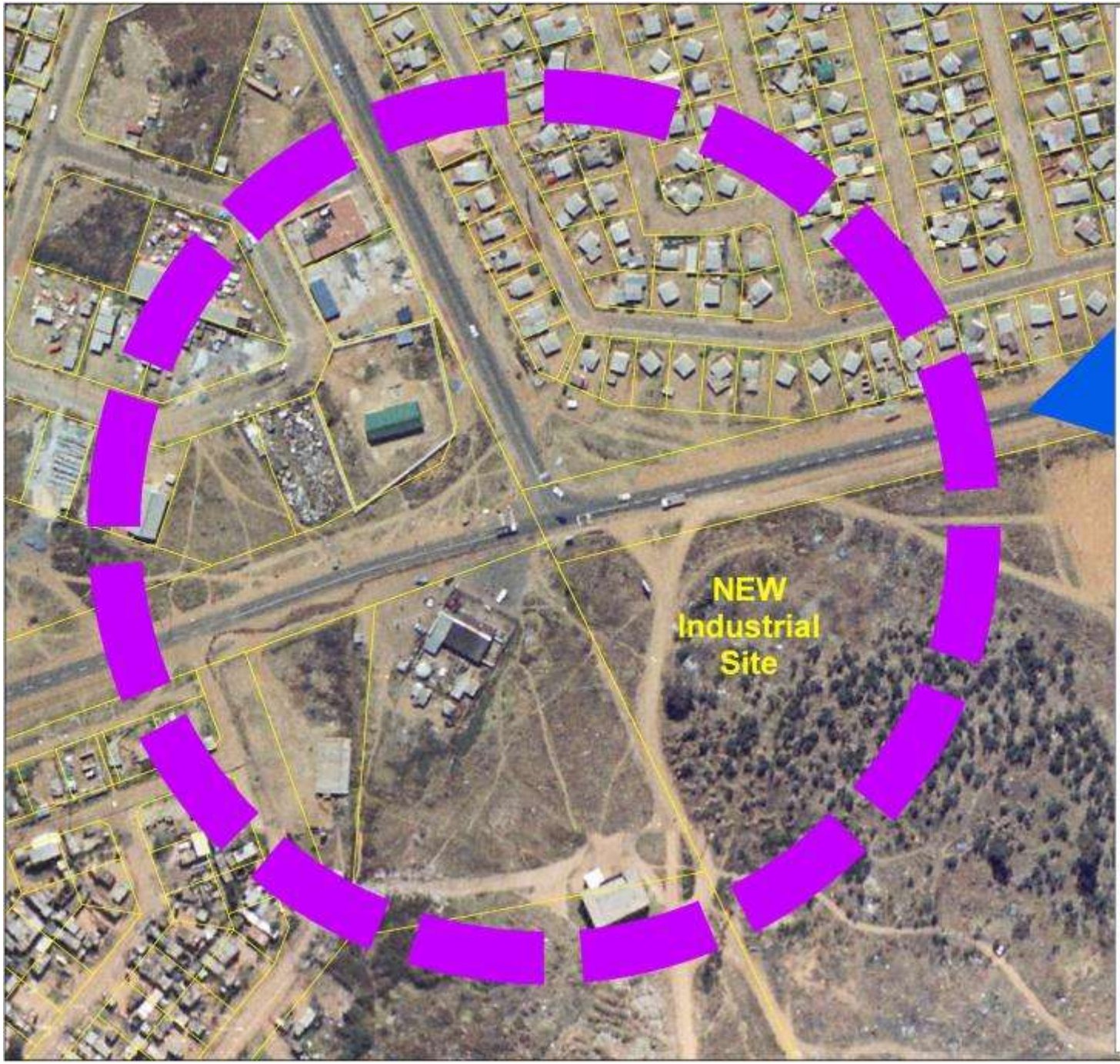
Neighbourhood
upgrade

MAP 7a

Development Area D

Kwazi Industrial Node

- Create stands in area to accomodate small industries



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MUNICIPALITY

NDPG
Neighbourhood upgrade

MAP 7b

Development Area D

Kwazi Industrial Node

- Create stands in area to accomodate small industries

3.4.5. IMAGE ENHANCEMENT OF TOWN: Upgrading of collector roads

Enhance the image of the town through upgrading of collector roads that gives access to the town and major land uses.

3.4.5.1. Background

Although Mhluzi is properly linked via collector roads with Middelburg CBD, this infrastructure could be upgraded to improve the address and image of Mhluzi as an important residential area that accommodates high, middle and low-income households. Although the largest portion of the community falls in the low-income category, road reserves do not make provision for pedestrian of cyclists. There is also a lack of storm water management and road reserve maintenance.

3.4.5.2. Proposal

It is proposed that the major collector roads be upgraded in order to:

- Improve the image and address of Mhluzi
- Make provision for cyclists and pedestrians within paved and landscaped areas.

3.5. URBAN DESIGN CONCEPT MHLUZI

3.5.1. NODE A: CENTRAL DEVELOPMENT NODE

3.5.1.1. Development Needs

The location of Node A is on the cross road of two entrance roads of Mhluzi, making it an important Node in both the visual and functionality thereof. The specific focus in terms of needs can be listed as:

- Convenience retail
- Taxi facilities
- Social housing
- Social facilities
- Street upgrading

These facilities and upgrading will assist in reaching the potential of the site and strengthening the community fabric as well as servicing the community itself.

3.5.1.2. Land Use

The current land use surrounding Node A indicates that it is mostly a residential area, with little to no business in the immediate neighbourhood.

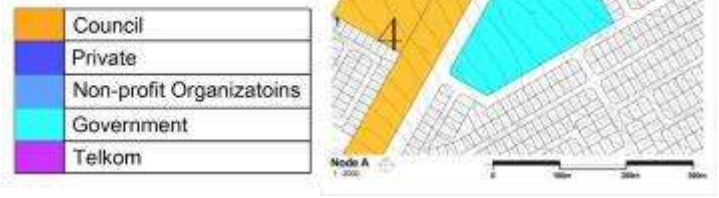
There are schools in the vicinity.

The proposal of a local convenience centre, taxi facilities, social housing and facilities will therefore be a sensible addition to this area.

3.5.1.3. Ownership

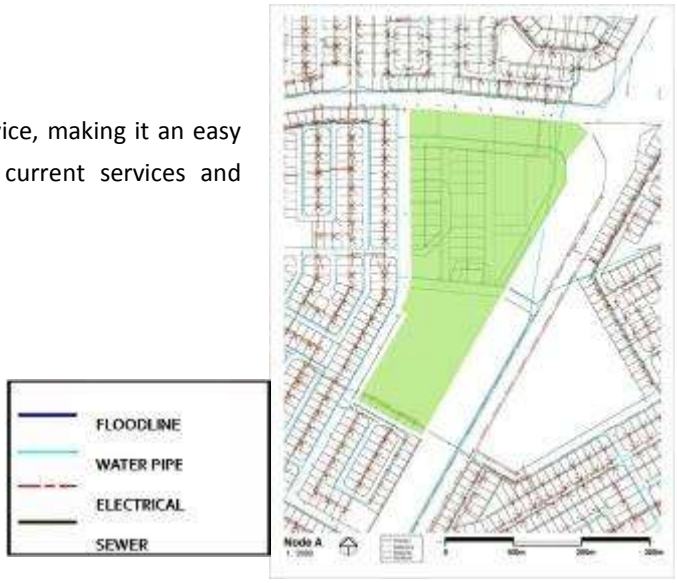
The ownership of this Node is divided between Council ownership and private owners. This has implications in the execution and implementation of the Node Design that must be taken into consideration.

The private owners of the proposed retail site will have to co-operate with the municipality in providing appropriate facilities.



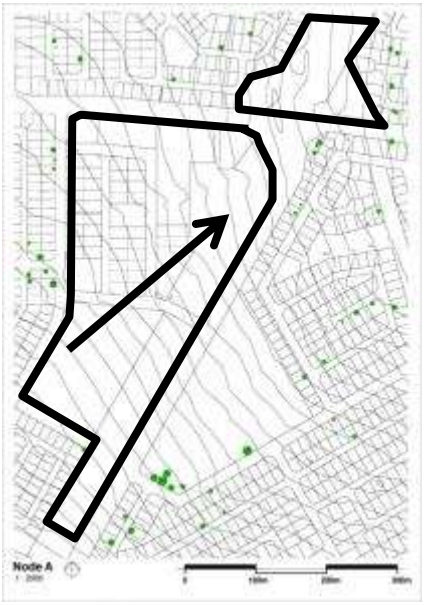
3.5.1.4. Services and Utilities

This Node is well serviced with all the necessary service, making it an easy process to integrated new development into the current services and utilities.



3.5.1.5. Natural Context

This area has an even topography with a slope in the north eastern direction. There are no flood lines in the vicinity.

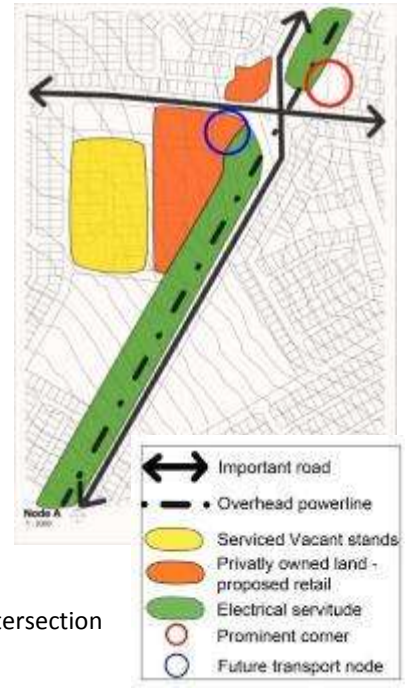


3.5.1.6. Urban Form

In terms of urban form, Node A represents large undeveloped open spaces surrounded by very fine grain of structures (residential). The surrounding residential structures are small single storey buildings.

3.5.1.7. Photo's

3.5.1.8. Development Challenges



- The overhead power line is a restricting element in terms of buildable area, but it has great landscape potential and can be used as an element to make this node both recognizable and beautiful.
- The proposed retail element is situated on the portion of land that is currently in private ownership. This means that owners must cooperate with the municipality to provide appropriate facilities.
- The proposed shopping centre layout is not favourable for the greater development of this node and will need adjustment. The municipality will need to discuss the proposals of this UDF with the proposed developers to come to a satisfactory solution.
- The future transport node must be integrated in the shopping centre area, and be easily accessible.
- The prominent corner must have a special use that makes this intersection identifiable. The design of a landmark building is proposed.
- The Demacon market study indicated that the available area is not sufficient to accommodate the required space of a shopping centre. However the node should accommodate some form of retail. Even if it is only a local convenience shop.

3.5.1.9. Concept Plan

The concept for the development at Node A can be summarised in the following points (this will be discussed in more detail in the following text):

- The provision of supporting social and community services to the community on site.
- The current proposal for a shopping centre on the site will have to be amended.
- The inclusion of a taxi drop-off on the corner site opposite the garage, making the area more accessible for taxi users.
- To introduce social housing to the node to help with the housing shortage.
- A tree grid in the parking area of the shopping centre.
- The introduction of active open space to serve the social housing component as well as the broader community.
- Landscape the power line area to make this area user friendly and beautiful.

a) Shopping Centre

In terms of urban design, the proposed convenience centre must be orientated in such a way that a taxi drop-off area on the corner would be possible. The layout must be amended so that it is possible to provide services and deliveries along the northern road.

The interface that the shopping centre share with the proposed social housing site, must be sensitive to this development and take it into consideration. Both the rear access to the building and the connectivity to the social housing must be taken into account in the design.

A tree grid in the parking area will help to soften the hard landscape and

provide shade. This will also help to integrate the parking area with the proposed landscaping under the power line.

Examples:



b) Social Housing Component

The social housing component that is introduced in Node A, would typically be walk-up apartments, arranged on the site in such a way that the placement of community facilities (pay point, post office, clinic) along the north road are possible. The layout of the housing must allow pedestrian permeability, and it must be linked in such a way to the shopping centre that residents would be able to gain access to the shopping centre.

c) Active Open Space

The active open space area in Node A is created with the idea to give the residents of the social housing component an area for recreational use. This would include a soccer field, basket ball fields, shelter with ablutions, and an area for a crèche as well as site for a church. These facilities must be incorporated with the power line servitude landscaping, where the creation of pedestrian/ cycle paths along the main road (with the placement of appropriate street furniture) would make this area more inviting and useful to the community.

d) Corner Uses

The importance of the intersection must be accentuated with the buildings that are to be erected on the corner sites: a possible future magistrates court (or other official building) must be designed as a "landmark building". The other corner has been earmarked for the development of a garage site with a 24 hour shop.

The landscaping of the corner sites must be done in such a way that it is integrated in both the landmark use and the landscaping of the power line reserve. Pedestrian walkways and designated cycle paths must be provided along the main roads for pedestrian and cyclists using this area.

3.5.1.10. Development Framework

a) Taxi drop off facilities

The Taxi Drop-Off Facilities provided in this node must take the following into consideration:

- Integrate the taxi drop-off facilities with the proposed retail facilities
- Separate the taxi area from other vehicle circulation on site
- Provide shelters for passengers
- Provide drinking water fountain for passengers
- Provide a water point to clean surface area
- Provide dustbins

b) Informal trade facilities

The informal trade facilities must include the following:

- The informal trade facilities must be integrated into the taxi site
- Provide robust shelter for trading
- Provide lockable facility at a nominal rental
- Provide dustbins

c) Social housing

In terms of the social housing component in Node A, the following must be taken into consideration with the design thereof:

- Residential buildings with a maximum height of 2 storeys must be provided in a number of perimeter blocks.
- Private open space and entertainment areas must be provided in a private court yard.
- Entrances to ground floor units must be accessible from the street level.
- The design must incorporate elements to protect the privacy of single residential units.
- Pedestrian access must be provided through the development.
- The residential buildings must be set back along the street interface with the community facilities.

- The street interface with the community facilities must be landscaped to link with the community facilities.

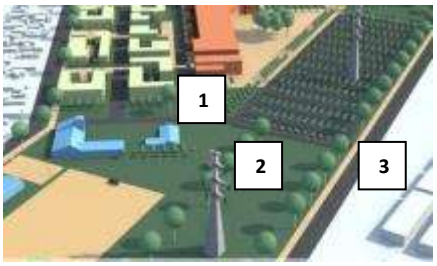
d) Social and community facilities

The social and community facilities provided in Node A should have:

- An opportunity for the private sector to develop a church and a crèche along the edge of the social housing development.
- Both facilities must be integrated with the open space proposed to the rear.
- The street interface of these facilities must permit visual surveillance. Fencing must therefore not be solid.
- Active open space including a soccer field, basketball fields and public ablutions as an integral part of the open space and social facilities.

e) Power line servitude

The proposed landscaping of the area under the power lines should:

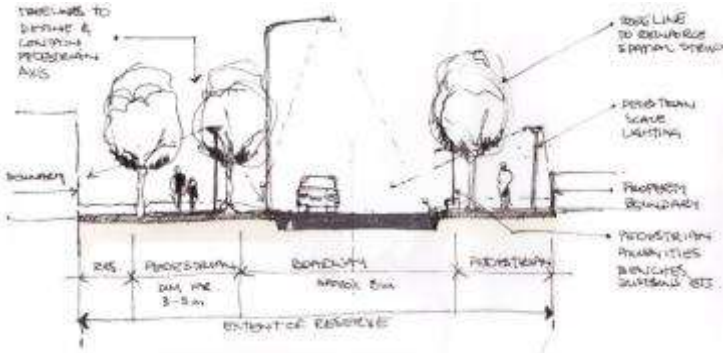


- Be landscaped to form part of the adjacent open space.
- Have trees planted along the outside edges of the physical overhead lines.
- Provide a pedestrian walkway along the street following the guidelines provided

f) Street upgrading for pedestrians

The proposed upgrading of the street for pedestrian use should:

- Have a definite pedestrian defined perimeter marked by trees to contain the pedestrian axis.
- Contain pedestrian amenities such as benches, dustbins, etc. to make the areas user friendly.
- Be supplied with sufficient lighting to make the area safe to use during the night as well.
- Have pedestrian-minded street crossings as part of the road layout.

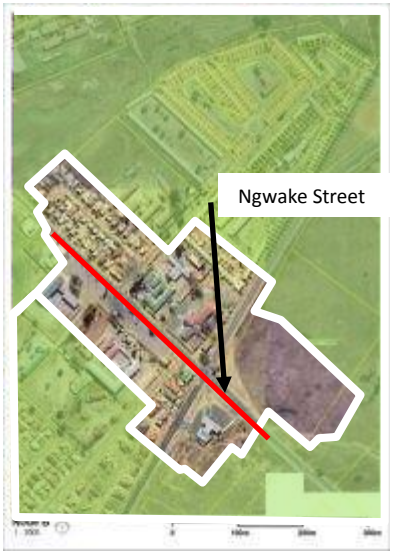


3.5.2. NODE B: UPGRADE OF EXISTING MHLUZI NODE

3.5.2.1. Development needs

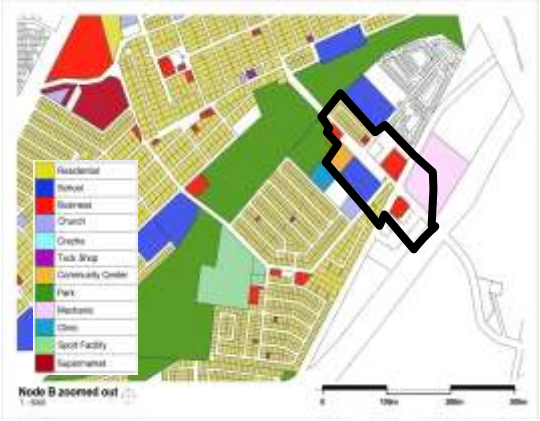
The location of Node B is on Ngwake Street. The specific focus in terms of needs can be summarised as the **upgrading of the public spaces**.

These upgradings will assist in bringing new energy into this node well as servicing the community by making its public spaces more user friendly. This in turn will give this node a new lease on life, and bring in new users.



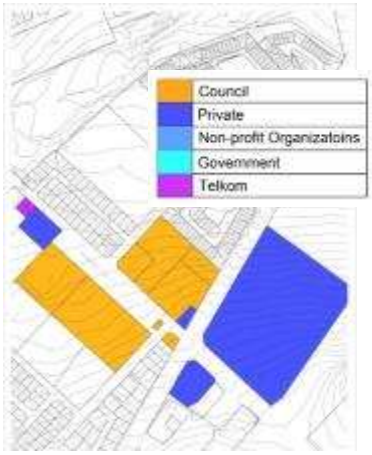
3.5.2.2. Land use

Currently the land uses include a school, a police station, a clinic, library and some businesses as well as a residential component. All of these users would benefit from upgrading of the public spaces as it will contribute to improving the urban quality.



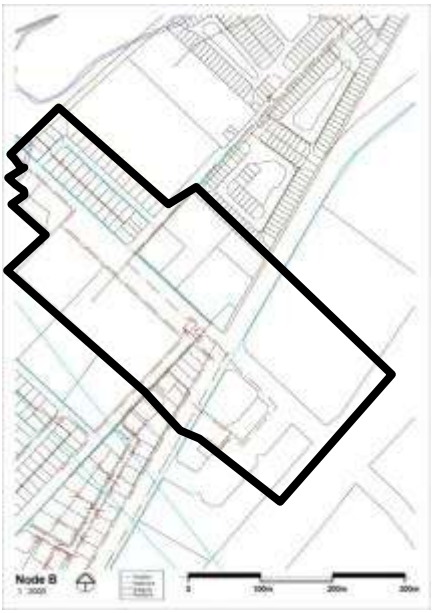
3.5.2.3. Ownership

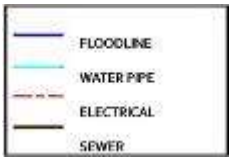
The ownership of this Node is divided between Council ownership and private owners. As most upgrading will be on Council property the private owners will benefit from the spin-offs created by this investment.



3.5.2.4. Services and Utilities

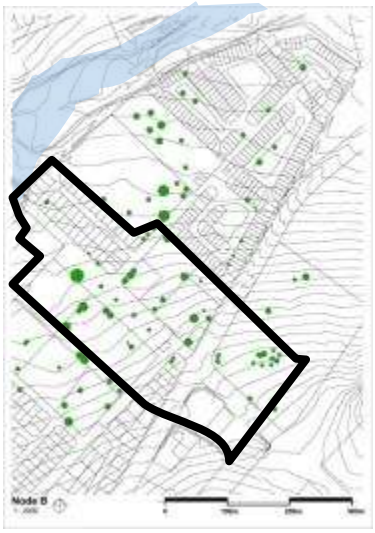
This Node is well serviced with all the necessary service, making it an easy process to integrate new development into the current services and utilities.





3.5.2.5. Natural Context

This site has a steep downward slope in the direction of the flood line area. Fortunately, the flood lines itself falls outside the indicated development area. However, the direction of the drainage of storm water should always be taken into account during the design of this Node.



3.5.2.6. Urban Form

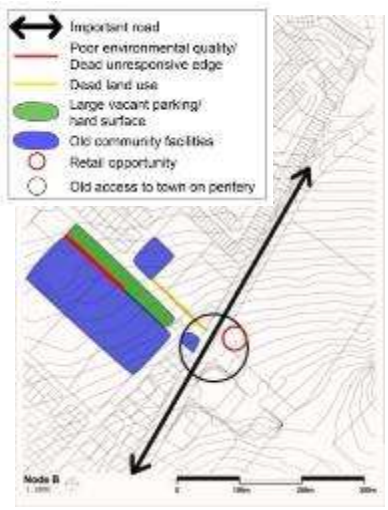
In terms of urban form, Node B is surrounded by large undeveloped open spaces and very fine grain of residential structures.

The Urban quality is not very high and the Node needs maintenance to the streetscape elements, but the main issue is that the locality is not central to Mhluzi and thus not suited as a retail node.

3.5.2.7. Photo's

3.5.2.8. Development Challenges

- It is a 'tired node' - there is no 'energy' in terms of development.
- This is reflected in the older population of the surrounding area.
- Its location is peripheral to the rest of Mhluzi and therefore not central to serve the wider community.
- Current land uses do not conform to modern requirements in terms of functionality, aesthetics and human needs and will deteriorate over time if not upgraded.
- There are large underutilized hard public spaces that do not contribute to a village feeling and remind of previous era politics.



3.5.2.9. Concept Plan

To create a new flow of energy in Node B, the following plans must be implemented:

- Existing corner shop will follow suit in terms of revitalization, but with certain guidelines to be provided.
- Taxi drop-off facilities must be provided for this node.
- The public spaces must be softened and made user friendly through landscaping, shelter etc.

Maintenance of old structures (painting, etc.) would also give them a new lease on life.

3.5.2.10. Development Framework

a) Street Interface of Police Station and existing Retail

In terms of the street interface of the police station and the existing retail component the following should be implemented:

- The current screen wall along the street interface should be replaced with a palisade fence or removed if possible to permit visual access from the street and to improve the urban quality.
- The retail component of the node should respond to proposed retail development on the opposite corner and should face towards that development.

b) Public Square

The public square should be divided into three sections:

- A taxi drop-off facility could be provided opposite the existing retail component of the node and integrated with an informal trading facility. Alternatively, this could be retained as a parking area.
- A landscaped section should be introduced with shade trees and seating facilities.
- The larger hard parking space in front of the library and community hall should be softened by replacing dead trees and introducing people friendly seating area with dustbins.

c) Taxi-drop-off and Informal facilities

The new taxi drop-off and informal facilities must:

- Integrate taxi drop-off facilities into the public square, to create a buffer space between school and street.
- Provide an access to the taxi facility from the side road and the main road.
- Move road closure further back.
- Provide shelters for passengers that are integrated with a facility for informal traders.
- Provide lock-up facilities for informal traders to be managed by the caretaker.
- Provide dinking water fountain for passengers in central landscaped area.
- Provide a water point for surface cleaning and dustbins.

d) Community Hall

In terms of the community hall's revitalization, the following need to be done:

- The public facade of the community hall should be improved:
  - Introduce a canopy to the community hall supported by columns
  - Create a veranda edge
  - Incorporating disabled access.
- Replace dead tree in parking lot.
- Activate dead wall facing onto the square by incorporating a landscaped edge with seating.

e) Tree Median and Pedestrian Walkway

The existing median should be retained, but the following must be done:

- Do maintenance of paving.
- Replace dead trees.

3.5.3. NODE C: DEVELOPMENT AND EXPANSION OF THE NEW SOCIAL/COMMUNITY NODE

3.5.3.1. Development needs

Node C is located along Mandela Avenue. The development needs for Node C were identified as:

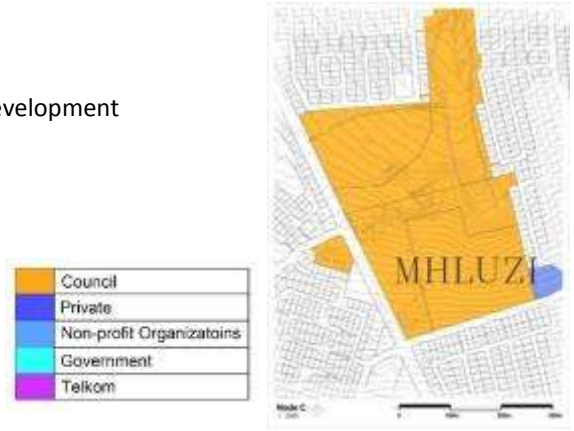
- Government offices
- Electronic learning centre
- Police station
- Retail facilities
- Soccer fields
- Upgrading of open space

3.5.3.2. Land use

The main land uses in Node C consist of an open space, taxi facility, municipal pay point, a community centre, library and vacant areas. It is surrounded by residential uses.

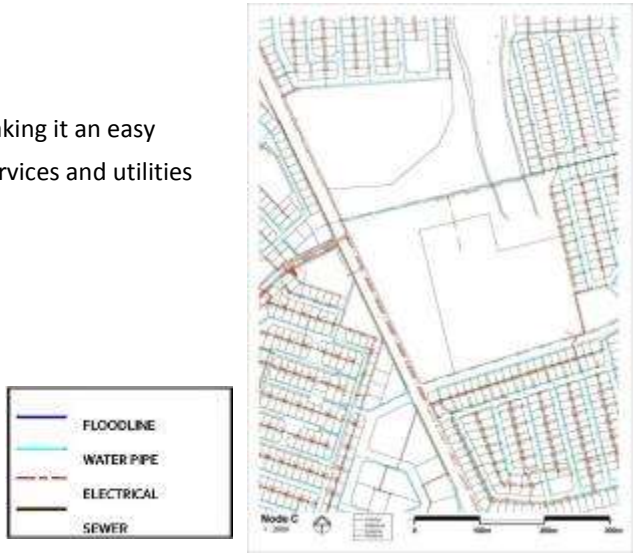
3.5.3.3. Ownership

The land in this node is owned by municipality that simplifies development implementation.



3.5.3.4. Services and Utilities

This Node is well serviced with all the necessary service, making it an easy process to integrated new development into the current services and utilities



3.5.3.5. Natural context

The site has a steep slope in the northern direction, with flood lines that are present on the site. The management of storm water and the direction of drainage should always be taken into consideration.

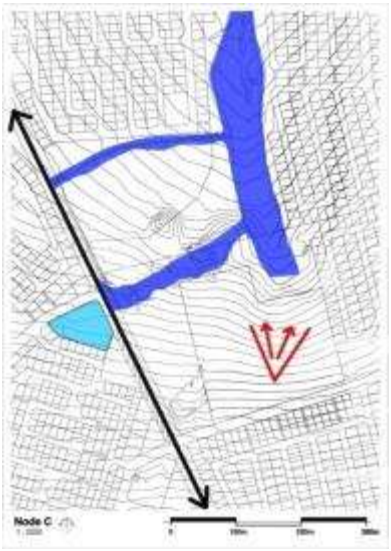
3.5.3.6. Urban Form

This node is largely vacant space surrounded by fine grain development and a low urban quality.

3.5.3.7. Photo's

3.5.3.8. Development challenges

- Solid waste management
- Erosion
- Distance from the centre of the village
- Feasibility of possible retail facilities
- Integration with existing taxi facility



3.5.3.9. Concept Plan

To resolve the issues as described above, the following plans are to be implemented:

- Strengthen new community centre by making it a real place of interest (put more complementary uses alongside)
- Provide government offices, electronic learning facilities
- Provide a satellite police station
- Introduce small retail/take-away facilities
- Provide active sports facilities with parking and public ablutions
- Landscaping of flood area and provision of picnic area
- Pedestrian/cycle paths

In terms of the community centre, the satellite police station and the open space development, the following concepts should be adhered to:

a) Community Centre

- Group other public buildings around the parking area
- Offices, adult and electronic learning facilities, skills development centre
- Pedestrian/ cycle path along main roads with appropriate street furniture

b) Satellite Police Station

- Introduce facilities on the most accessible corner
- Separate parking and vehicle storage area

c) Open Space Development

- Develop two soccer fields
- Embankment for spectators
- Public ablutions
- Basketball fields with separate toilets
- Provide small retail/ take-away facilities close to existing taxi facilities (support for picnic area)
- Picnic area with playground equipment, baby pool and barbeque facilities combined parking facilities for all activities

3.5.3.10. Development Framework

a) Community Facilities

To strengthen the community centre, cluster buildings for community facilities around the existing library/community hall, making use of the same parking area.

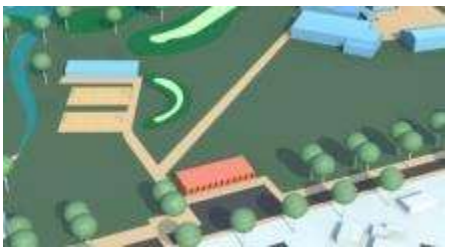
b) Satellite Police Station

The design of the satellite police station should take the following into consideration:

- Release a site on the intersection for the development of a police station.
- Comply with the design requirements of SAPS, but try to guide design to incorporate a friendly streetscape.
- Create a publically accessible arcade along the street interface, securing the facility without creating dead street interfaces.

c) Retail Facilities

For the placement and design of the retail facilities, the following must be adhered to:



- Release a site for the development of a small retail facility opposite the existing taxi drop-off and municipal pay point.
- The entire street could become an activity street with mixed uses facing the community facilities.
- Provide parking and loading facilities in an area directly off the road.
- Low parking ratio of 2 per 100m² as it will serve a pedestrian population.

- The side facing the open space must be activated through the provision of a coffee shop or similar use to encourage high level maintenance of the rear side of the building.
- Screening of the service area is a requirement.

d) Sports Facilities

The sports facilities should:

- Provide two soccer fields and two basketball fields.
- Provide a small clubhouse with public ablution facilities for the soccer fields.
- Provide ablution facilities for the basket ball fields to be able to function separately form the soccer.
- Provide breams along the sides and between the fields for elevate spectator seating.

e) Picnic Site

The design and layout of the picnic site should:

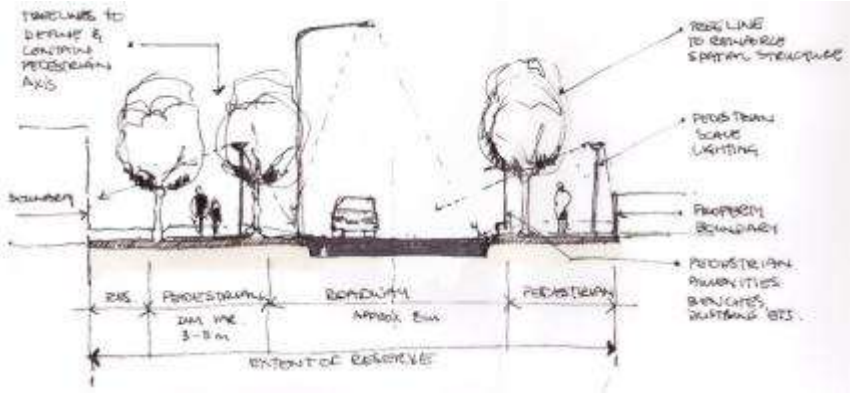
- Shape and landscape the flood line area to accommodate a public park and protect facilities against flooding.
- Provide pockets with playground equipment and barbeque facilities to function as a picnic area for the local community.
- Place these pockets along the residential edge to permit visual surveillance and a sense of community ownership.
- Provide adequate lighting and dustbins.
- The area could include a baby pool that must be fenced in such a way that it permits visual access.

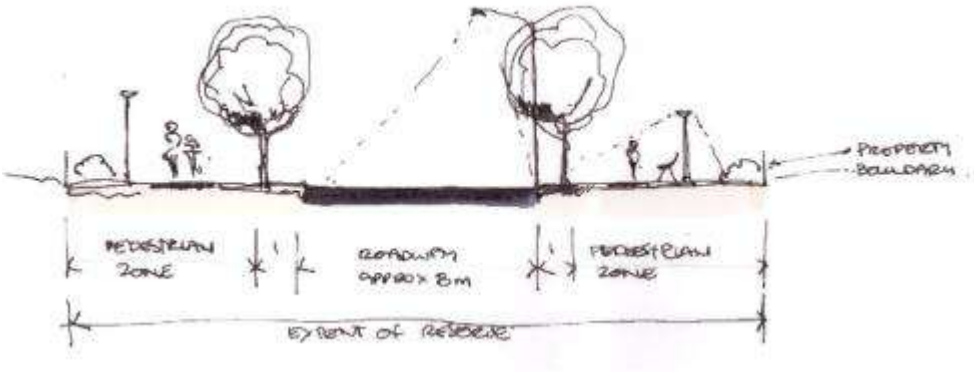


3.5.3.11. Road and Pedestrian Upgrade

The road and pedestrian upgrade must consist of the following:

- Upgrade the intersection by inserting a raised section to cause traffic calming.
- Introduce a wide pedestrian path within a double lane of trees (see guideline sketch B) along the eastern edge of the road.
- Introduce a narrower pedestrian walkway (see guideline sketch C) along the residential edge of the road to the south of the community node.
    - The path must be lit with streetlights spaced to provide even coverage but at a pedestrian scale.
    - Provide a bench for resting and dustbins, at least every 300m





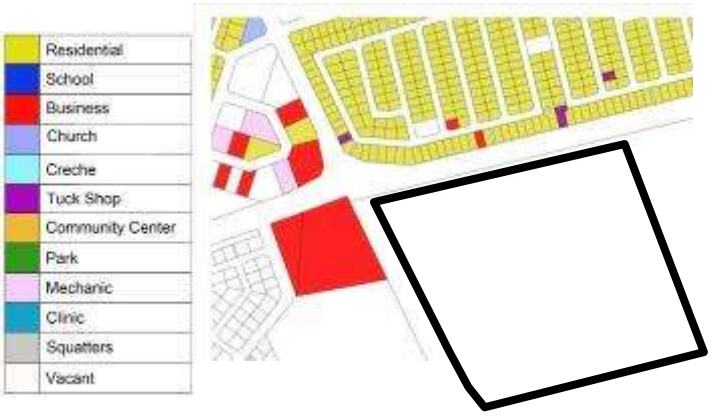
3.5.4. NODE D: LIGHT INDUSTRIAL NODE

3.5.4.1. Development needs

The purpose of the development of Node D is to provide an alternative locality for light industrial uses currently occupying residences illegally. The node will be accessible to the market and can later be incorporated into a formal industrial area for the town.

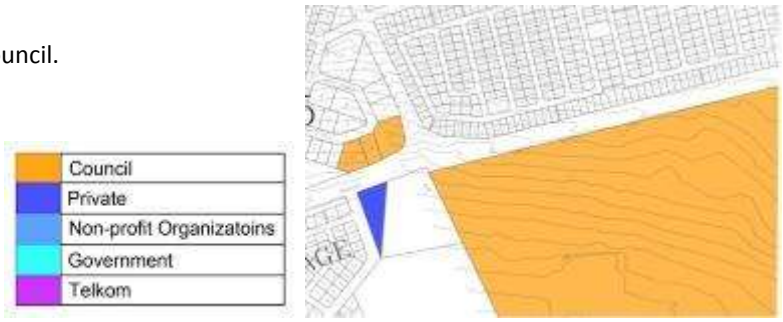
3.5.4.2. Land use

This node is currently vacant, but its neighbouring uses include business and residential use.



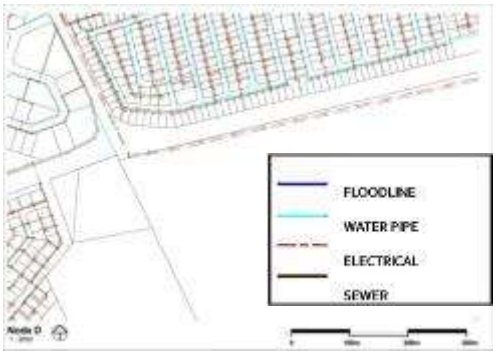
3.5.4.3. Ownership

The land in this Node is owned by the Council.



3.5.4.4. Services and Utilities

This Node is not yet provided with services, but it is close to major connections and can therefore easily be serviced with all the necessary utilities, making it an easy process to integrated new development into the current services and utilities



3.5.4.5. Natural context

Node D has an even topography with no flood lines. The direction of drainage is north-easterly and should be taken into consideration.

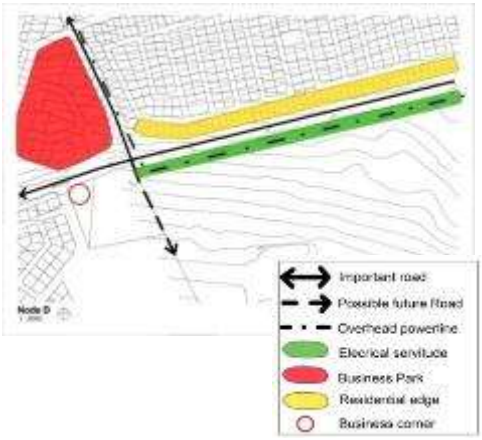
3.5.4.6. Urban Form

The urban form surrounding Node D is coarse in grain, with some large structures scattered around the area separated by large, undeveloped open spaces. On the northern boundary of the site, a residential development presents its rear to this node, as well as facing onto a busy road (President Kruger Street)

3.5.4.7. Photo's

3.5.4.8. Development challenges

The main concern at Node D is the lack of concentration of business activities, which could also compromise future development opportunities.

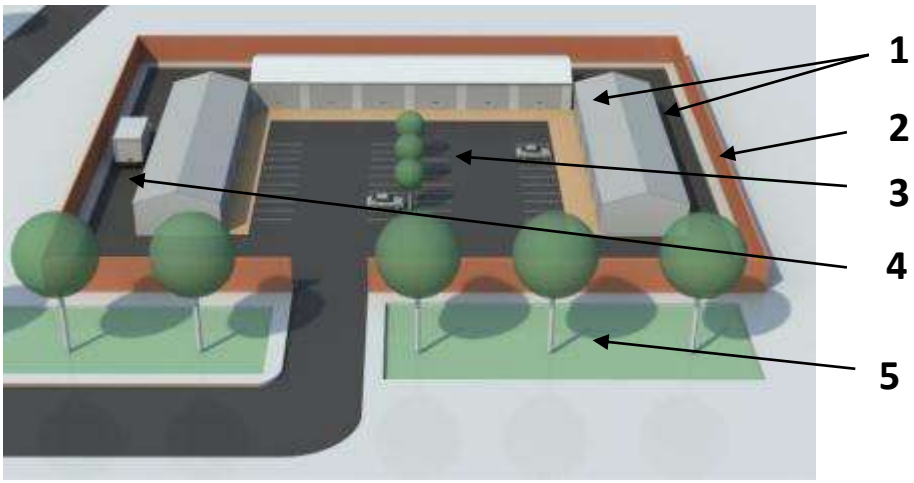


3.5.4.9. Concept Plan

The concept plan for Node D consists of a new light industrial development.

3.5.4.10. Development Framework





For the design and layout of the new light industrial development, the following must be adhered to:

1 Provide roller doors on both sides of the building for easy access and ventilation
2 Erect palisade fencing along the street interface.
3 Provide customer parking in the centre of the development
4 Create a loading and goods lane along the rear of the development
5 Include a landscaping strip with trees along the street interface

3.5.5. NODE S: SPORTS NODE

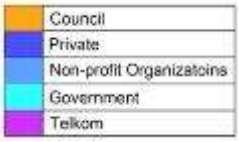
3.5.5.1. Development needs

The development needs of the Sports Node are to demolish the existing pavilion and redevelop a new pavilion as well as the upgrading of the rest of the facilities to meet PSL standards.

3.5.5.2. Land use

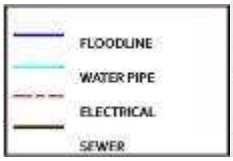
3.5.5.3. Ownership

The municipality owns all land in the node, simplifying implementation.



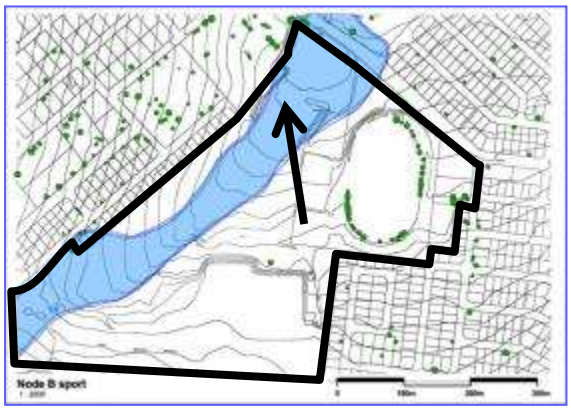
3.5.5.4. Services and Utilities

This Node is well serviced with all the necessary service, making it a easy process to integrated new development into the current services and utilities



3.5.5.5. Natural context

The site has a slope in the northern direction, with flood lines that are present on the site. The management of storm water and the direction of drainage should always be taken into consideration



3.5.5.6. Urban Form

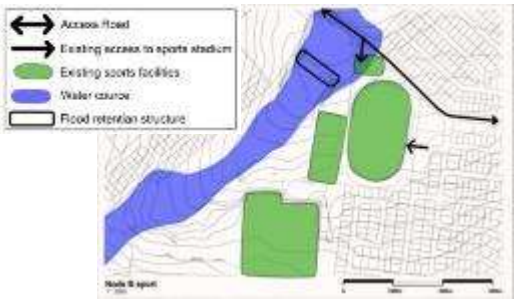
The urban form of the Sports Node consists of a coarse grain urban fabric, and with already developed and established open spaces. However, these open spaces are very poorly connected with the main access routes in the vicinity.

3.5.5.7. Photo's




3.5.5.8. Development challenges

- Poor access routes to and from the current sport stadiums.
- Stability of pavilion is not very good, it must be demolished and redeveloped.
- PSL requirements for soccer field measurements must be incorporated.

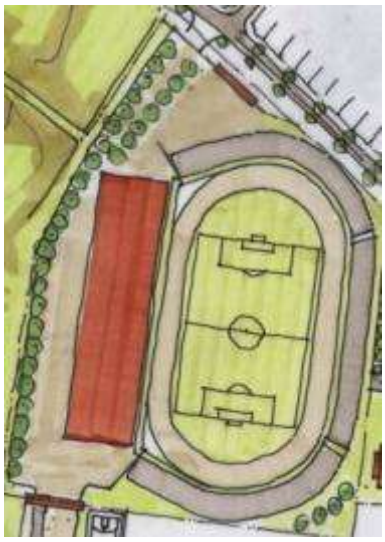


3.5.5.9. Concept Plan

1 The concept plan is to design the stadium in such a way that it can accommodate a variety of sports.
2 A multiple-use athletics field used for track and field events.
3 The existing field area can accommodate PSL pitch dimensions of 110mx75m

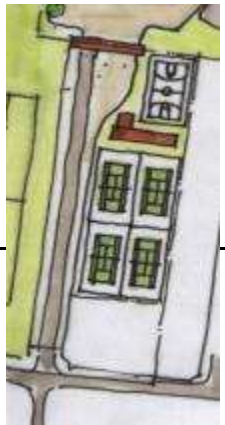
A standard pitch size for athletics track and field can be accommodated, though sightlines and seating distance from playing area will fall outside FIFA spec.

a) New Pavilion, Athletics and Tennis courts field



The new concept for the Sports Node implies:

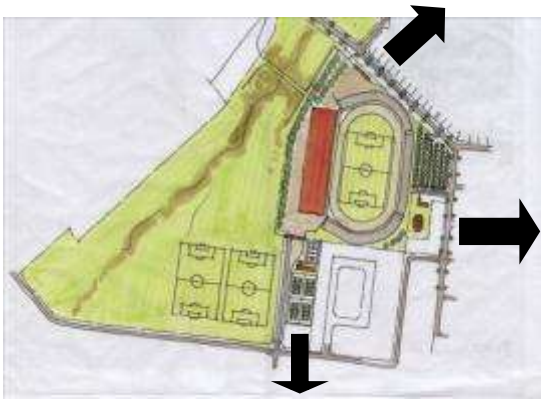
- Existing stadium demolished to make way for new stadium.
- Seating capacity ±10000 - for two tier system
- Existing embankment seating re-used and upgraded to increase seating with 5000
- Athletics field:
  - Minor adjustment required at NW & SW to allow space for 100m & 110m hurdles event starting area & run-out area behind finishing line in front of main pavilion.
- Stand footprint width 20m + future moat + vehicle circulation, possible between track & Eastern boundary
- Cost between R20000-R30000 per seat.
- New main stand has larger footprint, and requires demolition of existing tennis courts and clubhouse;



- Tennis courts and basketball courts lost due to circulation area required in front of Main stand, replaced on portion of land accessible from Mankge Street
- 4 x tennis courts
- 1 x basketball
- Dual Clubhouse facility in between.

b) Entrances and Exits

- Additional exits for vehicles and pedestrians, located East in Thabethe Street (Main parking area), South in Mankge Street, and North in Lekoko Street.
- Two entrances must provide vehicle access to main stand.



c) Storm Water Retention

- Storm water retention area could be reconditioned to serve the irrigation function to stadium and emergency pedestrian overflow (stadium should empty in 8 min);
- Existing open space North of Mankge street to be reconditioned to serve as warming up and practice fields for stadium.

3.5.5.10. Development Framework

a) Soccer and Athletics

- A multiple-use athletics field -for track and field events is indicated.
- The centre portion of the field can accommodate a PSL standard field.
- Existing field areas to be upgraded with the addition of facilities such as irrigation, lighting, drainage, and fencing.
- Field lighting to be moved to roof edge over second tier on main stand.

b) New Pavilion

- West pavilion: Construct a new pavilion for 10000 seats over two tiers of 5000 each.

- Other facilities can be accommodated under seating including: management offices, change rooms, reception areas, restaurants, gymnasiums, medical facilities, security, storage, maintenance workshops, VIP seating and reception, etc.

c) Spatial Implications of New Pavilion

The new West Pavilion has a larger footprint and circulation space is required in front of the main stand.
This will require the relocation of the existing tennis courts and clubhouse.

Exiting stadium and tennis courts and club house indicated in red.

d) Embankment Seating

- At least 5000 - 7500 seats can be accommodated on the embankments.
- If required, an additional 5000 seats can be accommodated in a future two-tier East pavilion.
- Total possible capacity can be increased to approximately 20 000-22 000.
- Minor adjustment to the embankments will be required at the NW & SW to allow space for 100m & 110m hurdles event starting area & run-out area behind finishing line in front of main pavilion.

e) Tennis, Basket Ball and Practice Fields

The tennis courts and basketball courts lost in the construction of the new pavilion must be replaced as indicated.

- Develop 4 tennis courts and 1 basketball court and dual clubhouse facility in between.
- Combine facilities if possible.
- Existing open space linked to the stadium area, North of Mankge Street to be reconditioned to serve as warming up and practice fields for stadium.

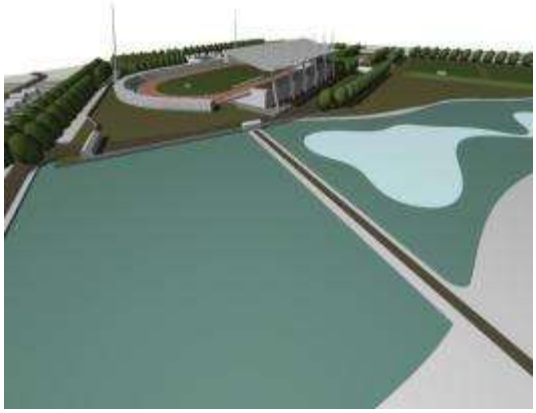
View from Mankge Street

f) Stadium Access

- Additional exits must be created for vehicles and pedestrians.
- Two entrances must provide vehicle access to main stand.
- Additional pedestrian only access to be located to the West onto the open space to link to Ngcobo Street across the open space.
- Separated pedestrian control is required (turnstiles) related to each seating block located at the N,W,S,E

g) VIP / Main stand Entrance

- Area to the rear of the main stand can be use for VIP parking and servicing.
- Must have two entrances to permit fast evacuation.

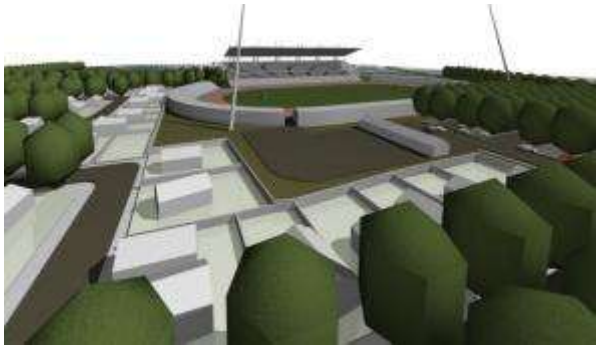


h) Stormwater Retention Area

Storm water retention area could be reconditioned to serve an irrigation function to stadium and emergency pedestrian overflow (stadium should empty in 8 min).

i) Main parking area along Thabethe Street

- Plant a tree grid in the parking area off Thabethe Street .
- Provide turnstiles and milling area for pedestrians to access embankment seating only.



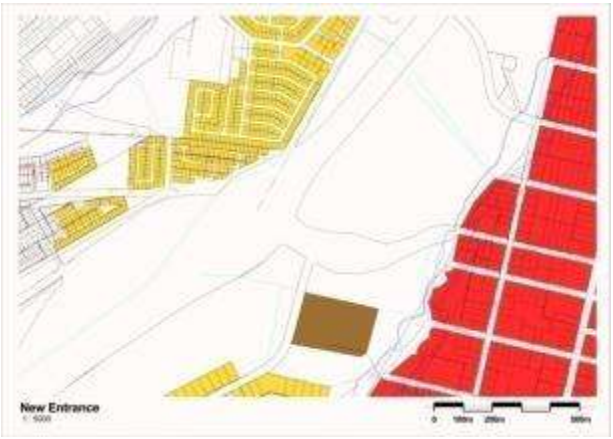
3.5.6. NODE E: NEW ENTRANCE

3.5.6.1. Development needs

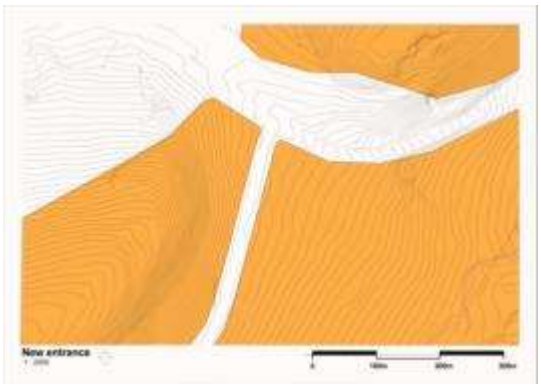
The entrance to Mhluzi is located at the T-junction of Tswelopela and President Kruger Streets. The development needs at the new entrance can be summarized as:

- Signage
- Pedestrian facilities
- Lighting

3.5.6.2. Land use



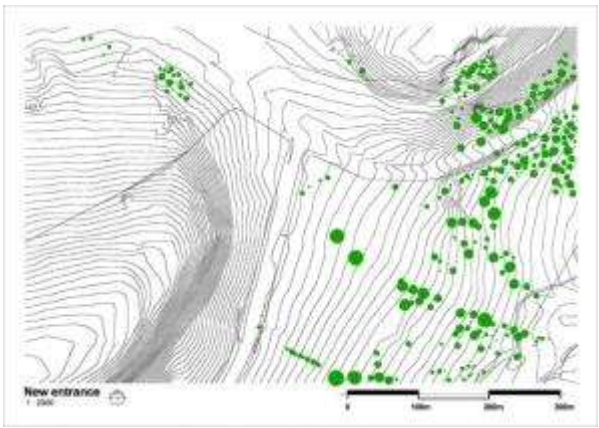
3.5.6.3. Ownership



3.5.6.4. Services and Utilities

This Node is well serviced with all the necessary service, making it an easy process to integrated new development into the current services and utilities.

3.5.6.5. Natural Context

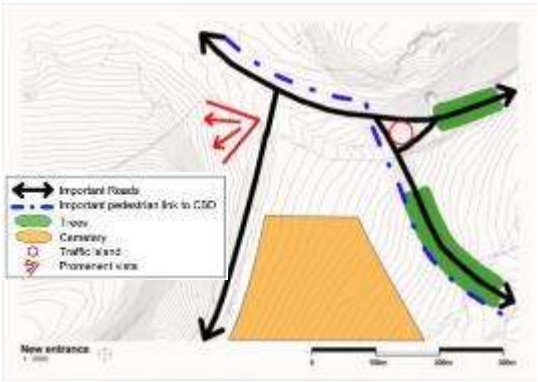


3.5.6.6. Photo's

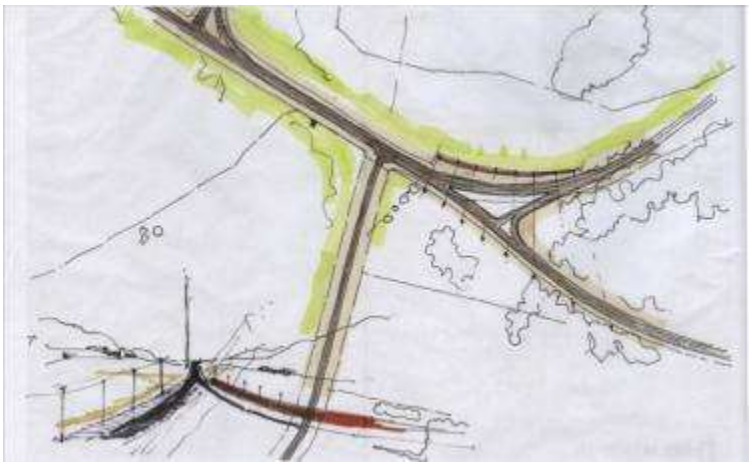



3.5.6.7. Development challenges

- This road is the entrance to the township, but it does not 'celebrate' the fact the motorist has 'arrived' at a specific destination. There is also a definite pedestrian usage of the area, which is currently not part of the infrastructure.
- Prominent vistas, groves of trees and traffic islands must be taken in consideration with the design of a new entrance.

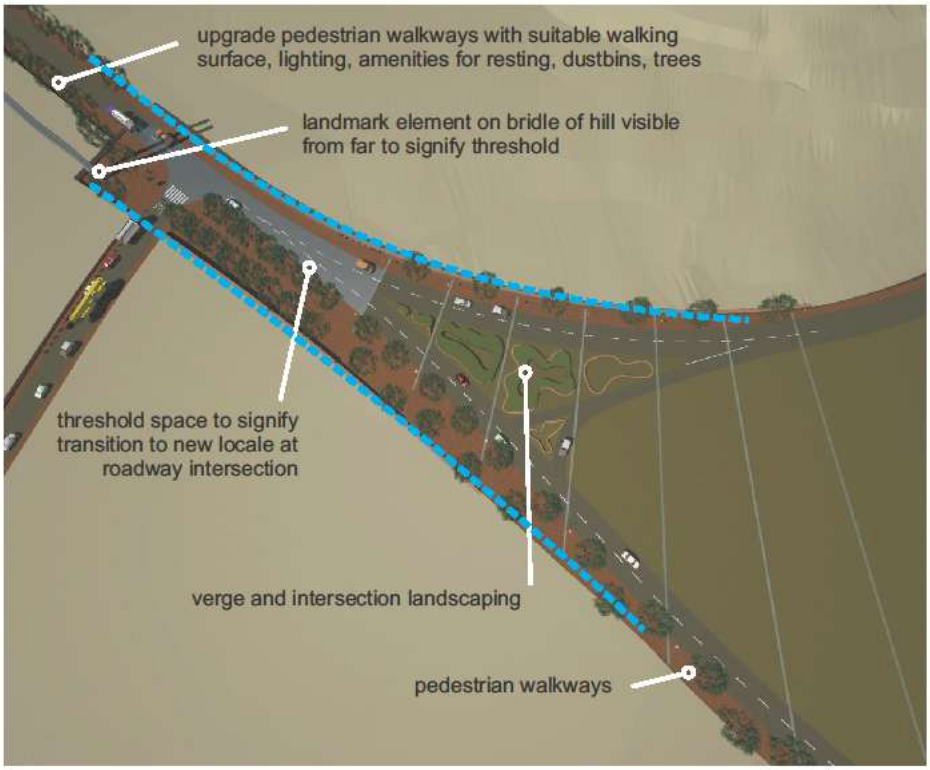


3.5.6.8. Concept Plan



To celebrate the entrance into the township we propose a landmark element or sign that can be seen from a distance, announcing that you are entering the township. The proposals therefore made provision for the construction of a feature on the prominent hillside on the approach to the town. The design of this sign could be the subject of a competition for architectural submissions or branding specialists. This road is used by pedestrians moving between Mhluzi and Middelburg, thus requiring walkways on either side of the road. It is proposed that sidewalks be upgraded with suitable walking surfaces, pedestrian lighting and other street furniture elements (dustbins and benches).

Landscaping of the traffic island will add to the celebration of the entrance furthermore it is proposed that traffic calming elements are introduced at the intersection of the various access roads to permit safe pedestrian crossing and to announce the access.



3.6. INSTITUTIONAL ASPECTS

Three levels of institutional arrangements could be identified through the lifespan of the identified projects:

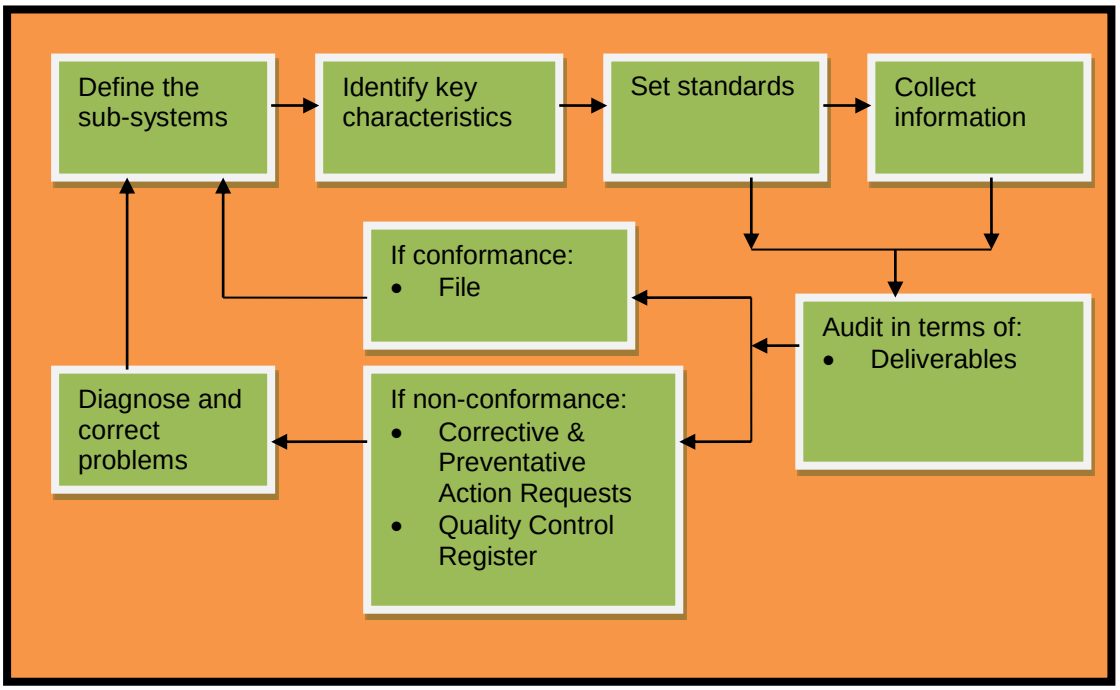
- Interim project management
- Implementation project management
- Management and maintenance post-implementation for each project.

With small adjustments the same model for management could be used during the interim phase as well as for the implementation phase.

3.6.1. INTERIM PROJECT MANAGEMENT AND IMPLEMENTATION

The corrective control model is the proposed process for detecting and eliminating or reducing deviations from the established standards.

Figure 20: The Corrective Model



3.6.2. AUDIT POLICY

a) Introduction

The Project Steering Committee will task specific specialists to do regular audits on all the sub-systems to ensure the quality objectives are being adhered to and non-conformance is addressed.

b) Quality Control

- The Project Manager will prepare and issue an Audit Schedule.
- Audits will be conducted by him/herself or a delegated representative to ensure a peer review process is applied.
- The audit will be conducted with the Project Manager or his delegated representative for all subsystems implemented.
- Findings will be recorded on the relevant Quality Control Plan (QCP).
- Non-conformances will be addressed in specific Corrective and Preventative Action Requests (CPAR).
- All Corrective and Preventative Action Requests (CPAR) will be recorded in the Quality Control Register (QCR).
- Non-conformances not rectified within the agreed time period will be reported to the Project Manager, who will in his/her sole discretion refer cases to the Project Steering Committee for further action.

c) Audit Procedure

The Project Manager will schedule project audits. Project audits will be scheduled on an Audit Schedule which will reflect the date and time of the audit as well as the projects to be audited. The project audit will be lead by the Project Manager for all sub-systems implemented.

In a case of a deliverable not being met, the Project Manager will revert back to the conditions as are stated in the different contractual agreements, between the different parties.

d) Sub-Systems

The following sub-systems are identified:

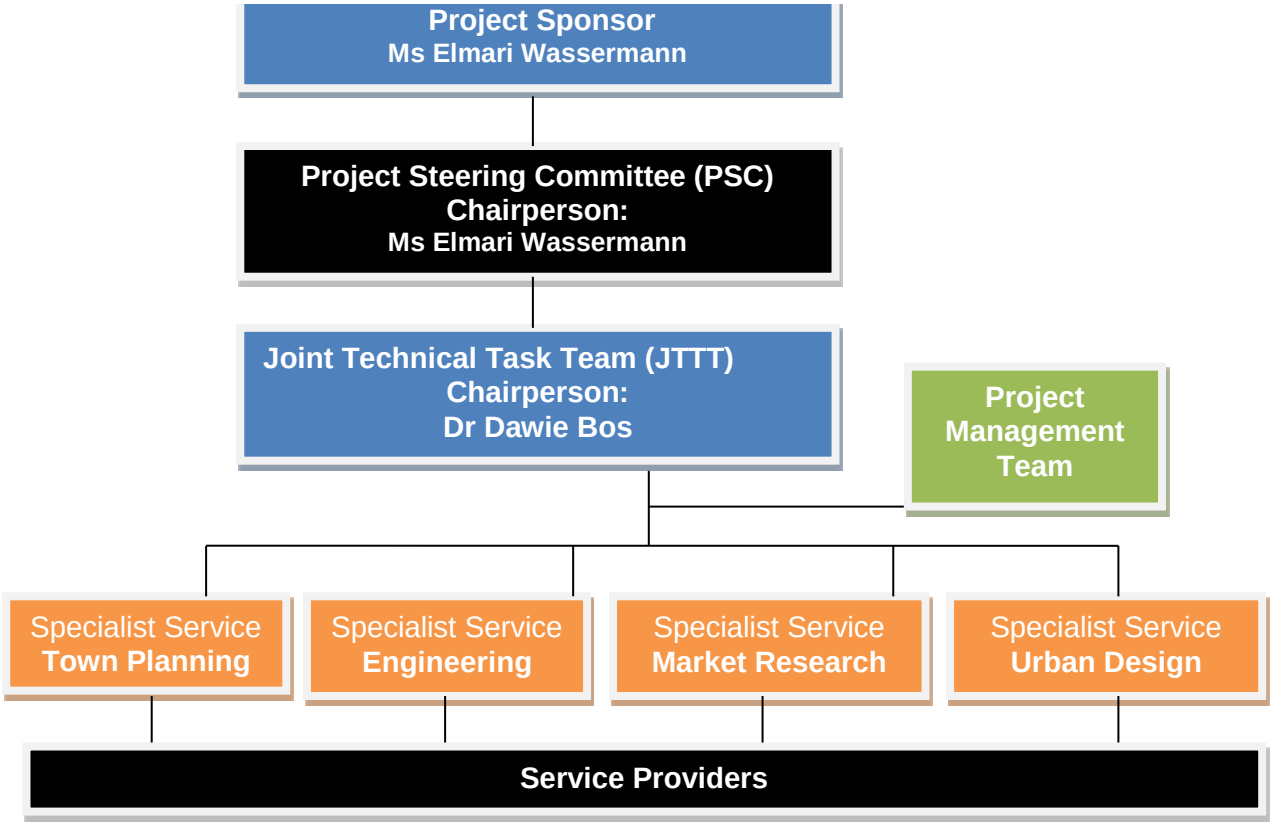
- Project initiation
- Contract administration
- Financial administration
- Town Planning
- Bulk Services Investigation
- Market Research
- Urban Design
- Reporting
- Project close out

3.6.3. HUMAN RESOURCE MANAGEMENT

a) Project Organization

The structure of the envisaged project organization is depicted in Diagram 2 below. The project sponsor will appoint individuals to fulfil the various roles as indicated.

Diagram 2: Project Organization



b) Project Steering Committee Members (PSC)

For the purposes of developing the Project Management Plan, the individuals as indicated in Table 14 below served on the PSC. The PSC will be revised as seen fit by the Project Sponsor for the implementation phase of the project.

Table 14: PSC Committee Members

Name	Company	Primary Role
Willie D Fouche	STLM	MM
Elmari Wassermann	STLM	Project Co-ordinator
Sibongile N	STLM	Member
D Lambrecht	STLM	Member
E Warambwa	STLM	Member
MT Masango	STLM	Member
M Mahamba	STLM	Member
Dawie Bos	Bigen Consortium	Senior Project Co-ordinator
Dirk Kleingeld	Bigen Consortium	Project Leader
Jakes Louw	Bigen Consortium	Senior Project Manager
Ansia de Jager	Bigen Consortium	Project Manager

c) Joint Technical Task Team Members (JTTT)

For the purposes of developing the Project Management Plan, the individuals as indicated in Table 15 below served on the JTTT. The JTTT will be revised as seen fit by the newly appointed Project Manager (serving on the PSC) for the implementation phase of the project.

Table 15: JTTT Committee Members

Name	Company	Primary Role
Dawie Bos	Bigen Consortium	Senior Project Manager
Jakes Louw	Bigen Consortium	Senior Project Manager
Ansia de Jager	Bigen Consortium	Project Manager
Rudi West	Bigen Consortium	Engineer
Gerrit Jordaan	Holm Jordaan	Urban Design
Hein du Toit	Demacon	Market Researcher

3.6.4. COMMUNICATION MANAGEMENT

a) Communication planning

Primary communication lines for the project are summarised below (also see Figure 19: Project organisation):

Line 1 - Project Sponsor - PSC: The Project Sponsor, Elmari Wassermann, will have an open, direct line of communication with the PSC.
Line 2 - PSC – JTTT: The PSC will meet on a monthly basis to obtain feedback from the JTTT regarding project progress and/or important project developments
Line 3 - JTTT – Specialist Groups: The JTTT will convene monthly to report back on progress pertaining to each of its four specialist focus areas:

- Town planning
- Bulk engineering services
- Urban Design
- Market Research

It will be the responsibility of the JTTT to coordinate activities between the various service providers appointed for each of the above-mentioned specialist focus areas.

b) Communication Events

Primary communication events are summarised in Table 16 in the following page:

Table 16: Communication Events

Event	Purpose	Frequency	Participants	Feedback required	Feedback medium
Specialist group meetings	Activity-based progress reporting and decision making	Ad-hoc, as and when required	Relevant specialists	• Progress reports • Recommended corrective action • Recommended preventative action	Written reports
JTTT meetings	Operational progress reporting and decision making	Monthly	All JTTT committee members (see Table 15 JTTT Committee Members)	• Progress reports • Approved corrective action • Approved preventative action • Recommended cope/programme/ budget changes	In writing
PSC meetings	Strategic progress reporting and decision making	Monthly	All PSC committee members (see Table 14: PSC committee members)	• Progress reports • Approved scope/programme/ budget changes	Verbally and/or in writing
Project sponsor feedback meetings	High level progress reporting and principle decision making	Ad-hoc	Project Sponsor and other relevant parties on invitation	• Report to COUNCIL as and when required	Verbally and/or in writing

3.7. POST-IMPLEMENTATION MANAGEMENT

The sustainability of the proposed projects will depend mostly on the viability of the projects and managing structures.

3.7.1. GENERAL OBJECTIVES

The objectives for proper post implementation management are:

- To ensure viable options are available for sustainable use of facilities/services.
- To create opportunities for public-private-partnership.
- To ensure proper management and maintenance.

It is foresee that the proposed NDPG projects will each have its own managing structures. This will involve the following:

3.7.2. MANAGEMENT COMPONENTS

3.7.2.1. NODE A: CENTRAL DEVELOPMENT NODE

The following management guidelines for the three main components (taxi facilities, shopping centre and sports facilities) of the development at Node A must be included in the final management of these components:

a) Taxi facilities

- Taxi facilities must be managed by the **retail centre managers** to ensure high quality environment
- **No vehicle storage, washing or servicing** must be permitted
- Taxi area and informal trade area **must be cleaned** to the satisfaction of the municipality
- Informal traders' lockup **facilities must be managed by the shopping centre management** to ensure a controlled environment.

b) Shopping Centre

- The residential interface of the shopping centre must be **kept clean and neat by the shopping centre management** to the satisfaction of the municipality.

c) Sport facilities

- Public **ablutions must be attached to a residential unit for a permanent caretaker**.
- An **incentive scheme for the caretaker** must be designed for example- free rental on condition that the ablutions' are kept clean and in working order.

3.7.2.2. NODE B: UPGRADE OF THE EXISTING MHLUZI NODE

The following management guidelines for development at Node B must be included in the final management of these components:

- If taxi facilities are introduced to the node, it must be managed by the municipality to ensure a high quality environment.
- This will require the appointment of a caretaker that will be responsible for management and maintenance of the facilities in the square.
- Taxi facilities shall not include vehicle storage, washing or servicing of vehicles.
- Taxi area and informal trade area must be cleaned to the satisfaction of the municipality.
- Informal traders' lockup facilities must be managed by the caretaker to ensure control.
- Ideally taxi facilities should be incorporated in the design of a shopping centre on opposite side of the road to be developed by the private sector.
- The appearance of the existing library and community hall can be improved if the face brick buildings are scrubbed down and obvious maintenance and repairs to structures and paving are implemented.



3.7.2.3. NODE C: DEVELOPMENT AND EXPANSION OF THE NEW SOCIAL/COMMUNITY NODE

The following management guidelines for the development at Node must be included in the final management of these components:

- The open space left over between the different uses must be grassed and maintained by the municipality.
- Public ablutions must be attached to a residential unit for a permanent caretaker.
- An incentive scheme for the caretaker must be designed for example- free rental on condition that the ablutions are kept clean and in working order.
- The clubhouse could be rented to a soccer group who must take responsibility for the maintenance of the clubhouse and ablutions.
- The same can be done with the basketball fields and ablution facilities.

3.7.2.4. NODE D: LIGHT INDUSTRIAL NODE

The following management guidelines for the development at the Node must be included in the final management of these components:

- Only light industrial uses must be permitted.
- Relocate illegal light industrial uses in residential area to new facilities.
- Rental agreements with tenants for control purposes only to be managed by the local authority.

3.7.2.5. NODE S: SPORTS NODE

The following management guidelines for the development at Node must be included in the final management of these components:

- Large volumes of vehicles must be accommodated at a stadium,
- A range of types must be accommodated, from private vehicles, taxi's and busses.
- This has not been accommodated in planning, due to the following:
- Budget implications - high cost for little return on capital investment;
- Space constraints;
- The negative impact of accommodating a large number of vehicles within the neighbourhood;

- It can be expected that vehicle use patterns should be sporadic, and demand linked to occurrence of large events only.
- Pattern of movement is largely pedestrian.
- Therefore it is recommended that a park-and-ride system be implemented during events, and vehicles be accommodated outside the township boundaries.

PHASING OF SPORTS NODE DEVELOPMENT

PHASE 1

- Demolition of existing stadium, tennis courts and club house
- Boundary fencing repair and replace, installation of new pedestrian gates, vehicle gates.
- Installation and maintenance of service infrastructure.
- Parking & landscaping, rehab embankment seating where required;
- Construction of a new West pavilion of 10000 seats spread in two tiers of 5000 each (can be phased), change-rooms, field preparation, irrigation, drainage, access control, PA, and floodlighting.
- Partial roof covering West pavilion phased construction
- Seating main stand and VIP's
- Athletics field and infrastructure upgrade;
- External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,
- Mini-sub for lighting

PHASE 2

- Site works, landscaping and rehab of open space edge and extended pedestrian areas surrounding stadium
- Vehicle slipways, taxi drop-off, etc
- Reconstruction of tennis courts, basketball court and clubhouse and change rooms,& ablutions with floodlighting
- Secondary practice fields
- Field lighting for practice fields
- Future East pavilion: upgrade existing embankment seating with secondary tier of 5000 seats and partial roof covering.
- Access control and fencing of practice fields, embankments & landscaping

3.7.2.6. NODE E: NEW ENTRANCE

- Normal maintenance of road infrastructure, street lighting and street furniture
- Maintenance of landscaped areas

3.8. INVESTMENT LEVERAGE POTENTIAL

3.8.1. INTRODUCTION

One of the main aims of NDPG project is to leverage additional investments. The proposed projects do have the potential to leverage private, community and other public investments.

3.8.2. ANALYSIS OF LEVERAGE POTENTIAL

The following leverage potential exists for the various projects identified:

3.8.2.1. NODE A: CENTRAL DEVELOPMENT NODE

PROJECT ITEM	Leverage Potential
Social Housing	Department of Local Government & Housing
Taxi drop off facilities	Taxi Association
Civic Buildings (pay-points, clinic, municipal office)	STLM
Retail Mall	Private Sector
Church Site	Private Sector
Vehicle Service Station	Private Sector
Crèche	Private Sector / Provincial Government
Soccer field	SLP's
Basketball court with floodlighting	SLP's
Ablutions	SLP's
External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas	STLM / SLP's

3.8.2.2. NODE B: UPGRADE OF THE EXISTING MHLUZI NODE

PROJECT ITEM	Leverage Potential
Taxi rank (shelters for commuters, civic works excluded)	Taxi Association
Hard landscaping (Including maintenance of broken paving, tree-grids, kerbing, rumble strips, speed control textures, etc)	STLM / SLP's
Soft landscaping (new park space/public square, including large trees, signage, etc)	STLM / SLP's
Ablution facility (Public ablution facility including a 40 sqm residence for manager)	STLM / SLP's
General (external environment upgrade items - lighting, bins, street furniture)	STLM / SLP's

3.8.2.3. NODE C: DEVELOPMENT AND EXPANSION OF THE NEW SOCIAL/COMMUNITY NODE

PROJECT ITEM	Leverage Potential
Civic building (Extension of existing facilities)	NDPG
Civic buildings	NDPG
Police Station (New satellite facility)	Department of Safety
Retail buildings	Private Sector
Ablutions	STLM / SLP's
Clubhouse	STLM / SLP's
Soccer field	STLM / SLP's
Basketball court (no floodlighting)	STLM / SLP's
General (External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas)	STLM / SLP's

3.8.2.4. NODE D: LIGHT INDUSTRIAL NODE

PROJECT ITEM	Leverage Potential
Rezoning of Land	SLP's / STLM
Civil Engineering Services	SLP's / STLM / MIG
Hive workshop facilities (hive shelters for SMME - type light-industrial manufacturing spaces, with power, light, wet services)	SLP's / STLM
Hard landscaping (Including earthworks, parking spaces, bellmouth entrance, garbage yard, etc.)	SLP's / STLM
Soft landscaping (Buffer strip against main road, side boundaries, etc.)	SLP's / STLM
Fencing (Boundary fencing and access control)	SLP's / STLM
Service connection (Electrical substation)	SLP's / STLM

3.8.2.5. NODE S: SPORTS NODE

PROJECT ITEM	Leverage Potential
PHASE 1	
Demolition of the existing stadium, clubhouse and tennis courts	NDPG / STLM / SLP's
Boundary fencing repair and replace, installation of new pedestrian gates, vehicle gates	NDPG / STLM / SLP's
Installation and maintenance of service infrastructure	NDPG / STLM / SLP's

Parking and landscaping, rehab embankment seating where required	NDPG / STLM / SLP's
Construction of a new West Pavilion of 10,000 seats spread in two tiers of 5,000 each, change-rooms, field preparation, irrigation, drainage, access control, PA, and floodlighting, superstructure partial	NDPG / STLM / SLP's
Partial roof covering West Pavilion phased construction	NDPG / STLM / SLP's
Seating main stand and VIP's	NDPG / STLM / SLP's
Athletics field and infrastructure upgrade; sealed surface i.e. tartan	NDPG / STLM / SLP's
External environment upgrade – pedestrian walkways, landscaping, lighting, pause areas	NDPG / STLM / SLP's
Mini-sub for lighting	NDPG / STLM / SLP's
PHASE 2	
Site works, landscaping and rehab of open space edge and extended pedestrian areas surrounding stadium Vehicle slipways, taxi drop-off etc	NDPG / STLM / SLP's
Reconstruction of tennis courts, basketball court and clubhouse and change rooms and ablutions with floodlighting	NDPG / STLM / SLP's
Secondary practice fields	NDPG / STLM / SLP's
Field lighting for practice fields	NDPG / STLM / SLP's
Future East pavilion (upgrade existing embankment seating with secondary tier of 5,000 seats and partial roof covering)	NDPG / STLM / SLP's
Access control and fencing of practice fields, embankments and landscaping	NDPG / STLM / SLP's

3.8.2.6. NODE E: NEW ENTRANCE

PROJECT ITEM	Leverage Potential
Pedestrian walkways (hard landscaping, incl. street furniture)	STLM / NDPG
Pedestrian landscaping	STLM / NDPG
Traffic calming element (To be confirmed by further investigation)	STLM / NDPG
Intersection landscaping	STLM / NDPG
Land mark/sign	STLM / NDPG

3.8.2.7. NODE R: NEW RETAIL NODE

PROJECT ITEM	Leverage Potential
Zoning of land	STLM
Bulk Engineering Services	Private Sector
Land availability agreement	STLM
Preparation of tender documents	STLM
Project Management	STLM
Retail Centre	Private Sector

3.8.3. MUNICIPAL CONTRIBUTION

The Steve Tshwete Municipality is committed to the upliftment and development of the Mhluzi area. During the past two years several projects have already been initiated by the Municipality for the benefit of the Mhluzi community. These projects are directly linked to the development of the proposed nodes and include inter alia the following:

PERIOD	NODE	DESCRIPTION	VALUE
Completed 2008	Node C	Construction of a Multi Purpose Community Centre with Library Facilities	R5,6 million
2008/2009	Node E	Upgrade of the road intersection and pedestrian bridge	R 1.7 million
2009/2010	Node B	Development of Park 410 behind the existing Mhluzi Node and community hall	± R2 million
2009/2010	Node S	Upgrading of stadium and construction of new ablutions	R3 million

The municipality is also willing to contribute their expertise in various fields of development in order to reach the goals as set by National Treasury.

3.9. VIABILITY, COST AND FUNDING

3.9.1. INTRODUCTION

The following serves the purpose of highlighting the global, national average growth rates within the Steve Tshwete Local Municipality economy followed by a concise indication with regards to the trade area indictors as well as a market potential analysis of the various identified nodes.

3.9.2. ECONOMIC OVERVIEW (MACRO AND LOCAL ECONOMIC FUNDAMENTALS)

3.9.2.1. NATIONAL ECONOMIC OVERVIEW

South Africa is the economic powerhouse of Africa, leading the continent in industrial output and mineral

production and generating a large proportion of Africa's electricity. The country has abundant natural resources, well-developed financial, legal, communications, energy and transport sectors, a stock exchange ranked among the top 20 in the world, and a modern infrastructure supporting efficient distribution of goods throughout the southern African region.

South Africa has a world-class and progressive legal framework. Legislation governing commerce, labour and maritime issues is particularly well developed, and laws on competition policy, copyright, patents, trademarks and disputes conform to international norms and conventions.

The country's financial systems are sophisticated and robust. The banking regulations rank with the best in the world, and the sector has long been rated among the top 10 globally. Not only is South Africa itself an important emerging economy, it is also the gateway to other African markets. The country plays a significant role in supplying energy, relief aid, transport, communications and investment on the continent. Its well-developed road and rail links provide the platform and infrastructure for ground transportation deep into Africa.

South Africa's economy has been in an upward phase of the business cycle since September 1999 - the longest period of economic expansion in the country's recorded history. During this upswing (working on data for the period up to the fourth quarter of 2007), the country's annual economic growth rate has averaged over 4%. In the decade prior to 1994, economic growth averaged less than 1% a year.

South Africa's real gross domestic product (GDP) rose by 3.7% in 2002, 3.1% in 2003, 4.9% in 2004, 5% in 2005, 5.4% in 2006 - the highest since 1981 - and 5.1% in 2007. South Africa’s real Gross Domestic Product (GDP) rebounded in the second quarter of 2008 and expanded at an annualised rate of 4,9%, following sluggish growth at a rate of only 2,1% in the first quarter.

This improvement in growth in the second quarter of 2008 reflected strong increases in the real value added by the primary and secondary sectors, which comfortably offset a further moderation in real output growth of the tertiary sector over the period.

a) Agriculture Sector

South Africa’s dual agricultural economy comprises a well-developed commercial sector and a predominantly subsistence-oriented sector in the rural areas. About 12% of South Africa’s surface area can be used for crop production. High-potential arable land comprises only 22% of total arable land. Some 1.3 million hectares (ha) are under irrigation. This amounts to about 1.5% of South Africa’s agricultural land.

The most important factor limiting agricultural production is the availability of water. Rainfall is distributed unevenly across the country. Almost 50% of South Africa’s water is used for agricultural purposes. Agricultural activities range from intensive crop production and mixed farming in winter-rainfall and high summer-rainfall areas, to cattle ranching in the bushveld and sheep farming in the more arid regions. Owing to its geographical location, some parts of South Africa are prone to drought.

There are strong backward and forward linkages into the economy, so that the agro-industrial sector is estimated to comprise about 12% of the GDP. Although South Africa has the ability to be self-sufficient in virtually all major agricultural products, the rate of growth in exports has been slower than that of imports.

The only increase in agricultural export volumes occurred during the period of exchange rate depreciation in 2002 and came to about nine million tons (mt). Major import products include wheat, rice, vegetable oils and poultry meat. Despite the farming industry's declining share of GDP, it remains vital to the economy and the development and stability of the southern African region.

The largest export groups are wine, citrus, sugar, grapes, fruit juice, wool and deciduous fruit such as apples, pears and quinces. Other important export products are non-alcoholic beverages, avocados, pineapples, groundnuts, preserved fruit and nuts, hides and skins.

b) Mining Sector

South Africa produces 10% of the world's gold, and has 40% of the world's known resources. It is estimated that 36 000 tons (t) of undeveloped resources – about one third of the world's unmined gold – still remains. These ores are increasingly difficult to exploit due to the great depths where they are situated and their fairly low-grade quality.

South Africa's mineral wealth is found in diverse geological formations, some of which are unique and extensive by world standards. Some of the country's minerals include:

- Gold – the unique and widespread Witwatersrand Basin yields some 96% of South Africa's gold output.
- Diamonds (in kimberlites, alluvial and marine deposits) – the country is among the world's top producers.
- Titanium – heavy mineral-sand occurrences containing titanium minerals are found along the coastline.
- Manganese – enormous reserves of manganese are found in the sedimentary rocks of the Transvaal Super Group.
- Platinum-group metals (PGMs), chrome and vanadium – these minerals occur in the Bushveld Complex in Mpumalanga, Limpopo and North West. More than half of the world's chrome and platinum reserves are in this deposit.
- Bituminous coal and anthracite seams occur in the Karoo Basin in Mpumalanga, KwaZulu-Natal, the Free State, Limpopo and the Eastern Cape.
- Copper, phosphate, titanium, iron, vermiculite and zirconium are found in the Phalaborwa Igneous Complex in Limpopo.
- South Africa's reserves of the following commodities are globally the highest, namely:
    - manganese
    - chromium
    - PGMs
    - gold
    - alumino-silicates
    - vanadium.

South Africa's mineral industry is export-oriented as a result of the relatively small domestic market, but emphasis is now placed on encouraging local value addition to raw and semi-processed minerals. South Africa is the world's greatest exporter of gold, PGMs, chromite and ferro-chrome, manganese ores and ferro-manganese, vanadium and antimony products, as well as vermiculite and zirconium.

- Other important export commodities include coal and titanium slag.
- South Africa is largely self-reliant with regard to raw minerals, but coking coal, sulphur, potash and soda ash are among those imported.

Anglo Platinum sold a majority stake in the Lebowa Platinum Mines to Anooraq, the third-largest producer of platinum in South Africa. Furthermore, Anglo Platinum sold its 22% shareholding in Northam to Mvelaphanda Resources, making Northam a black-owned and -controlled mine. Anglo Platinum also sold 50% of its stake in the De Brochen Project to Mvelaphanda, making this project 100% black-controlled.

In relation to coal, Anglo Operations through Anglo Coal, facilitated the creation of a new coal company Anglo Inyosi Coal, wherein historically disadvantaged South Africans (HDSAs) own 26% of its equity. Kalagadi Manganese is 80% owned by an empowerment company.
A number of community projects have been approved, wherein communities are holders of mining rights. Some examples of these are the following: Itereleng Bakgatia Resources, Marula Platinum and Lesizwe Platinum.

c) Manufacturing Sector

South Africa has developed an established and diversified manufacturing base that has demonstrated resilience and the potential to compete in a global economy. The manufacturing sector provides a locus for stimulating the growth of other activities, such as services and achieving specific outcomes, such as value addition, employment creation and economic empowerment. This platform of manufacturing presents an opportunity to significantly accelerate growth and development.

d) Challenges: Energy Supply and Unemployment

The biggest immediate threat to South Africa's continued economic growth is a capacity constraint that has arisen precisely because of the country's strong economic performance in recent years. This growth, coupled with the rapid industrialisation and mass electrification programme of the last decade, finally led, in January 2008, to demand for electricity outstripping supply.

The resulting power cuts prompted the government to move quickly to address the crisis. The response plan includes spending about R343-billion over five years to fund a new generation of power stations, as well as a raft of measures to reduce residential and industrial demand.

The International Monetary Fund (IMF), in its 2007 annual country assessment, identified the long-standing issue of unemployment as one of the biggest challenges to economic growth in the country, along with poverty, large wealth disparities and a high incidence of HIV/Aids.

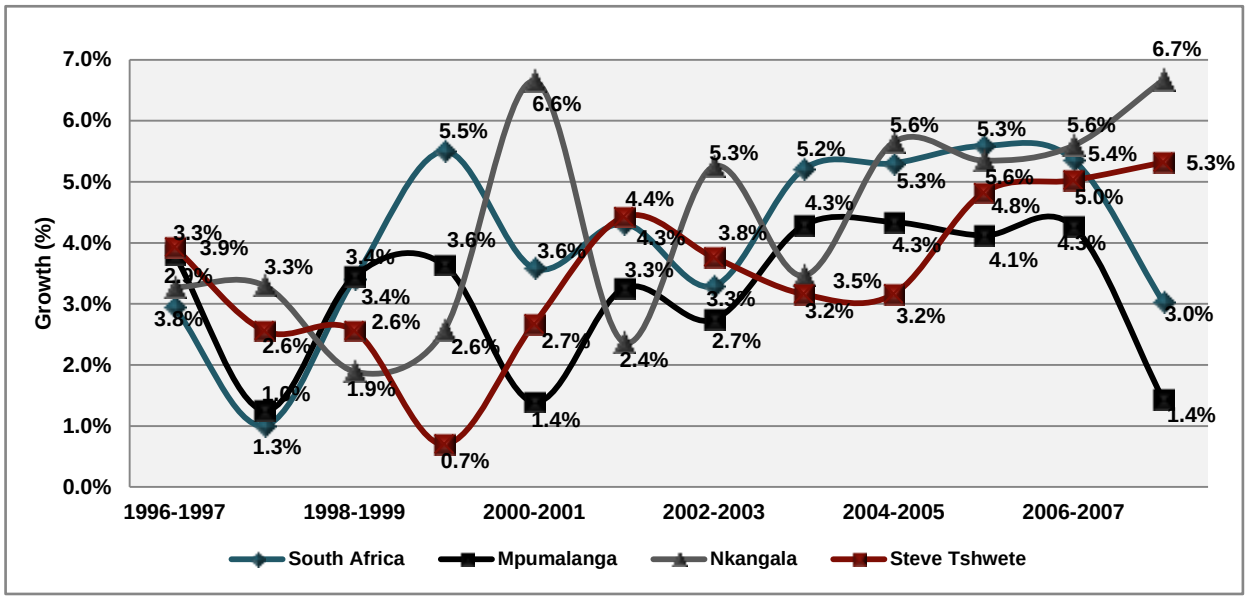
But the report also came out in support of the SA authorities' approach to these problems, with policies aimed at raising economic growth in a stable economic environment and initiatives to reduce unemployment and improve social conditions. The IMF said this strategy could be bolstered by labour market reforms and further trade liberalisation.

Key to overcoming the challenges identified by the IMF will be the economic integration of South Africa's previously disadvantaged majority. South Africa's economy has a marked duality, with a sophisticated financial and industrial economy having grown alongside an underdeveloped informal economy.

While SA's financial and industrial "first economy" has an established infrastructure and economic base with great potential for further growth and development, its informal "second economy" presents both untapped potential and a developmental challenge for the country.

3.9.3. ECONOMIC GROWTH

Figure 21: Economic Growth Performance, 1996 to 2008 (GVA constant 2000 values)



Source: DEMACON, 2009

- Economic growth in the local, district and provincial economies reflect a somewhat lagged cyclical trend that correlates with growth trends experienced in the South African domestic economy over the same period of time
- Most notable negative impacts that had a lagged effect on domestic demand and consumer expenditure includes the 1997/1998 Asian Crisis (more commonly referred to as the Asian Flu), followed by record high prime lending rates of 25.5% in August 1998 and all time high exchange rates in January 2002 (R16.64:1 and R11.61:1$)
- The above trends had a direct impact on the SA economy as a whole, as well as on consumer behaviour at

a localised level. Hence affecting local economies as well

- As seen from the above figures, growth in the economies peaked in the 1999-2000 period, mainly due to the beneficial effect of the weakening Rand on export earnings – in particular export based manufacturing firms
- Improvement in growth since 2002 is vested in the strong performance of the real value added by the primary and secondary sectored, which resulted in a further moderation in real output growth of the tertiary sector
- South Africa's growth is being affected by electricity shortages and a slowdown in consumer demand
- Power shortages and rising interest rates affected economic growth. South Africa's economy experienced a decline– growth over the first three months in 2008 was less than half of the growth rate experienced during the previous quarter. This was also the lowest quarterly growth rate in six years.
- Power cuts had a substantial impact, unsurprisingly given that they are estimated to have cost the economy some R50billion between November 2007 and January 2008 alone. The mining sector has been particularly hard-hit
- The impact of power shortages on key industries is being accompanied by a slowdown in household demand
- Strong consumer demand has played a major role in driving economic growth in recent years, resulting in an increase in CPIX. The SARB also believes that CPIX will remain above the national target until 2010 because of factors including the persistent strength of food and oil prices, the spread of price pressures throughout the economy and the weakening rand. In an attempt to combat this, the SARB has increased its repo rate on numerous occasions since June 2006.
- However, this trend has moved into a more positive trajectory with the SARB Monetary Policy Committee (MPC) reducing its policy repo rate a number of occasions to reach 7.5% in May 2009, this resulted in a drop in prime rate to 11%. From an inflation point of view, the more aggressive interest rate reduction could be justified by the SARB, while from the interest rate-sensitive property market's point of view it provides some welcome relief
- Economic growth will subside in the national economy and electricity supply will remain a key variable in the growth equation. It is anticipated that economic growth will grow more modestly with preparation for the 2010 Football World cup gathering momentum and new infrastructural projects are undertaken or brought on stream
- It is evident that the average annual growth rate over the specified time period amounted to 3.6% for the national and provincial economies, 4.4% for the district economy and 4.9% for the local economy

Table 17 illustrates the growth performance of the primary, secondary and tertiary sectors for the various economies, supported by Figure 3.5 illustrating the growth profile for the local economy.

Table 17: Sectoral Economic Growth Performance, 1995-2008 (GVA constant 2000 values)

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
National Primary	1.3	-2.7	2.4	1.8	-1.7	3.7	1.0	1.3	3.8	-3.7	1.4	6.2
National Secondary	2.7	-0.2	0.6	8.1	3.2	2.8	-1.4	4.7	4.6	4.9	4.5	1.2
National Tertiary	3.3	0.5	3.3	5.5	3.2	4.9	4.9	5.7	6.1	7.2	7.0	4.4
Mpumalanga Primary	-0.4	2.0	7.4	3.6	-7.2	9.0	-0.2	2.1	4.8	-4.1	1.3	12.1
Mpumalang Secondary	2.8	2.0	2.1	9.4	3.0	4.9	(0.7)	4.6	3.1	4.5	4.9	2.6
Mpumalanga Tertiary	5.2	1.7	2.3	-0.8	4.0	4.1	4.4	5.0	5.2	7.1	6.9	2.8
Steve Tshwete Primary	(1.8)	0.9	4.8	1.4	(8.1)	10.9	1.5	4.0	7.4	(3.0)	3.5	13.5
Steve Tshwete Secondary	(1.7)	(2.9)	(1.9)	5.9	1.0	6.9	2.1	8.1	7.0	8.1	8.4	6.1
Steve Tshwete Tertiary	3.0	(0.0)	0.6	(1.7)	2.5	2.8	3.2	3.5	3.6	5.3	5.3	2.1

Source: DEMACON, 2009

- The average annual growth for the primary sectors amounts to 1.2% for the national economy, 2.5% for the provincial economy and 2.9% to the local economy
- The average annual growth for the secondary sectors amounts to 3.0% for the national economy, 3.6% for the provincial economy and 3.9% for the local economy
- The average annual growth for the tertiary sectors amounts to 4.7% for the national economy, 4.0% for the provincial economy and 2.5% for the local economy
- It is evident that the local economy is experiencing positive growth figures in these sectors., exceeding that of the provincial and national economies

3.9.4. COMPETITIVE AND COMPARATIVE ADVANTAGE ANALYSIS

Competitive Advantage Analysis (CAA) is an assessment of the structure and performance of the economy of an area, to identify local strengths (competitive advantage) and potential for economic development. Actually, a full competitive advantage analysis would include an examination of local infrastructure, markets, labour force, amenities, acce4ss to transportation routes etc. The approach outlined here doesn't go that far. Instead, it focuses on examining local industries/sectors to identify leading and lagging sectors and their prospects for employment growth.

a) Location Quotient

A location quotient identifies the level of specialization in a geographic region. In simple terms it measure the concentration certain industry sectors in the region relative to the national or reference economy

LQ= (Local Employment in Industry/Total Local Employment) / (National Employment in Industry/Total National Employment)

The interpretation of local quotients is not particularly complex, we are simply measuring employment concentration in the region. Industry groups that dominate in the region will have higher location quotients and ones that are relatively scarce will have lower location quotients.

Table 18 shows the range of possible location quotients arising from the formula and their suggested interpretation. Note that a low (or high) location quotient doesn't necessarily mean the industry group is small (or large), unimportant (important) in the region, just that it is less so (or more so) than in the reference economy as a whole.

Table 18: Interpretation of Location Quotient

Location Quotient	Label	Interpretation
Less than 0.75	Low	Local needs are not being met and goods and services are imported
0.75 to 1.24	Medium	Most local needs are being met by the sector. The region will probably be both importing and exporting goods and services in this sector
1.25 to 4.99	High	Sector is servicing the needs that extend beyond the boundaries of the municipality – likely to export goods and services
More than 5.00	Very High	High level of local dependence on the sector – Typically a single industry community

Source: SASK Trends Monitor, March 2007

Table 19 indicates the Location Quotient for the Steve Tshwete Local Economy with reference to the National Economy for 2002 and 2007. It is evident that three of the main economic sectors are classified as high including wholesale and retail trade, catering and accommodation, water and electricity as well as community and other personal services.

Three sectors are classified as medium and include construction, transport and communication as well as the finance and business services sector. The remaining three sectors are classified as low and include agriculture, forestry and fishing, mining as well as manufacturing.

Table 19: Location Quotients, 2002 and 2007

	2002	Classification	2007	Classification	Change
Agriculture, forestry and fishing	0.9	Low	0.8	Low	Decline
Mining	3.5	Low	4.2	Low	Increase
Manufacturing	1.0	Low	1.0	Low	Same
Food, beverages and tobacco	0.6	Medium	0.5	Medium	Decline
Textiles, clothing and leather goods	0.1	Low	0.2	Low	Increase
Wood and paper, publishing and printing	0.4	Low	0.4	Medium	Same
Petroleum products, chemicals, rubber and plastic	0.6	Low	0.5	Low	Decline
Other non-metal mineral products	2.1	High	2.2	High	Increase
Metals, metal products, machinery and equipment	2.8	Low	2.3	Low	Increase
Electrical machinery and apparatus	0.8	Low	0.8	Low	Same
Radio. TV, instruments, watches and clocks	0.6	Medium	0.6	Medium	Same
Transport equipment	0.4	Low	0.4	Low	Same
Furniture and other manufacturing	0.6	Low	0.6	Low	Same
Electricity and water	4.3	High	4.0	High	Increase
Electricity	5.7	Medium	5.4	Medium	Increase
Water	0.3	High	0.3	High	Same
Construction	0.9	Medium	1.0	Medium	Increase
Wholesale and retail trade, catering and accommodation	1.0	High	1.0	High	Same
Wholesale and retail trade	1.1	High	1.0	High	Decline
Catering and accommodation	0.7	Medium	0.7	Medium	Same
Transport and communication	0.6	Medium	0.5	Medium	Decline
Transport	0.5	Medium	0.5	Medium	Same
Communication	0.9	Medium	0.8	Medium	Decline
Finance and business services	0.7	Medium	0.6	Medium	Decline
Finance and insurance	0.6	Medium	0.5	Medium	Decline
Business services	0.7	Medium	0.6	Medium	Decline
Community, social and other personal services	0.9	High	0.8	Medium	Decline
Community, social and other personal services – other	0.9	Medium	0.8	Medium	Decline
General government services	0.8	High	0.8	High	Same

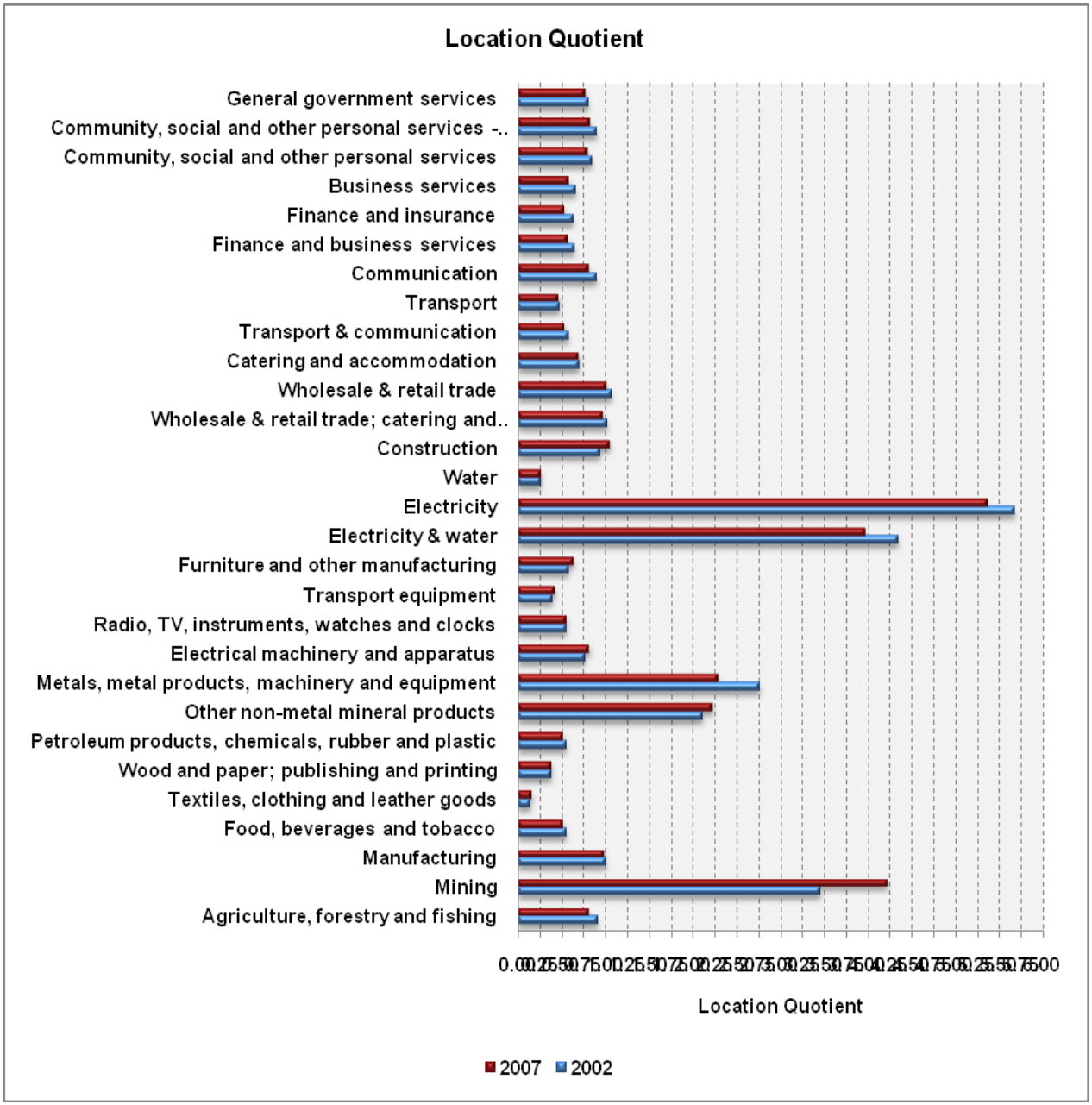
Source: DEMACON, 2009

Five of the main sectors experienced a decline in their location quotient – agriculture, forestry and fishing, electricity and water, transport and communication, finance and business services and the community, social and

other personal services sector- while two sectors experienced an increase in their location quotient – Mining and construction. Two of the main sector's location quotient remained constant – Manufacturing as well as wholesale and retail trade, catering and accommodation.

Three sub-sectors are classified as high including other non-metal mineral products, water, wholesale and retail trade and general government services. In terms of the sub-sectors, it is evident that merely two of the sectors experienced an increase in the location quotient, including textiles, clothing and leather goods as well as the other not metal mineral products sub-sector. Figure 22 indicates the location quotient and classification graphically.

Figure 22: Location Quotient, 2002 and 2007



Source: DEMACON, 2009

3.9.5. VIABILITY OF PROJECTS

3.9.5.1. INTRODUCTION

The purpose of the Neighbourhood Development Partnership Grant is to develop settlements into sustainable liveable settlements characterised by opportunity generation, access to opportunities and facilities and place-making (creation of a unique sense of place).

Fragmentation that has occurred on local level should be addressed in order to generate a shift from the mono-functional dormitory nature of these areas into residential areas underlined by interventions that will facilitate and support local entrepreneurial activities.

The purpose of this section is to integrate the market research findings into a set of development recommendations that will guide the transformation of these identified nodes into sustainable liveable settlements.

3.9.5.2. NODAL DEVELOPMENT

Development recommendations are provided for each of the individual nodes – however, there are some overarching guidelines applicable to all. This section will firstly address the issues of nodal hierarchy and provide development guidelines. This is followed by a discussion on the development opportunities underlying each of the individual nodes.

This section provides the necessary background to of property and development and the dynamics of investment and growth.

Nodal development is a complete compact, mixed-use community that includes places to live, work, learn, play, shop and access services. These communities are called nodal development because they act as nodes or hubs for both the residents living in the centre itself and for people in nearby communities.

Like old-fashioned village centers, good nodal development include a mix of residential, commercial and service elements in a small, walkable area. They are linked to surrounding areas by transit, bicycle and pedestrian connections so people do not have to rely on using a car to get around.

Nodal developments have a number of social, environmental, health and economic benefits Community benefits: Nodal developments encourage people to walk by placing shopping, services and housing in close proximity to one another. This revitalizes community life by helping streets, public spaces and pedestrian-oriented retail to become places where:

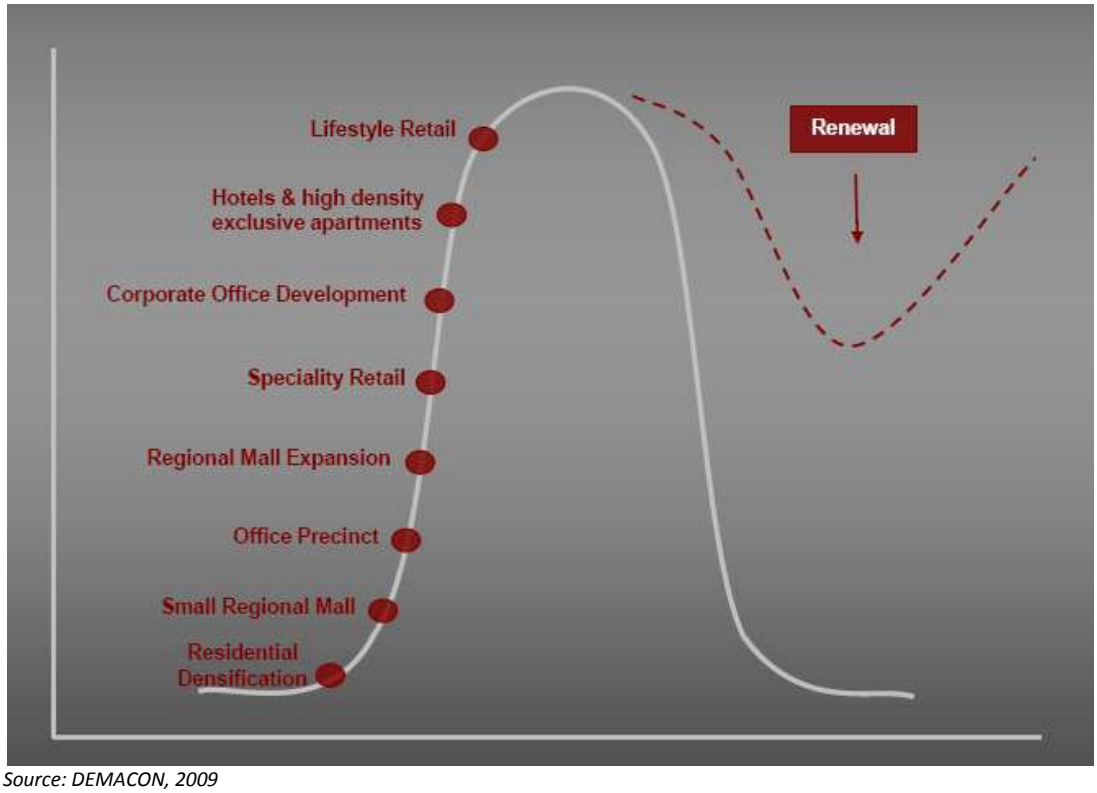
- People meet, shop and gather. Enhancing neighbourhood life can boost the perceived security of an area by increasing the number of people on the street
- Environmental benefits: Noda development is compact development. It reduces sprawl and traffic, and preserves precious open spaces and environmentally sensitive areas. In addition, natural features such as

streams or remnant forest lands can be integrated in nodal developments and used as recreation areas and greenways

- Agricultural benefits: Compact development helps preserve important agricultural lands and reduces development pressures on them. Maintaining regional farmland improves local food security and generates tax revenue and employment for the larger community
- Public health benefits: With shops, services and housing in such close proximity to one another, nodal development helps make active transportation options like walking or biking more realistic for a broader range of community members. This helps reduce the number of automobile trips residents have to make, which results in cleaner air for everyone.
- Economic benefits: Nodal development has substantial fiscal and economic benefits for municipalities, developers, community businesses and residents. By concentrating growth in areas that are already serviced with community water and sewer services, municipalities are able to reduce infrastructure servicing costs, while diversifying and growing the tax base. Nodal development also reduces cost of infrastructure development.

Nodal development is smart growth and is a collection of development strategies that will reduce sprawl that are physically, environmentally and socially responsible. Figure 23 illustrates the general process of nodal development within urban areas – evidently residential development and densification takes place, followed by the development of a retail centre, supported by office precinct and speciality retail. This is furthermore supported by the development of office parks, hotel and high density exclusive apartments and lifestyle retail.

Figure 23: The nodal development cycle



Source: DEMACON, 2009

a) Second Economy Commercial Nodes

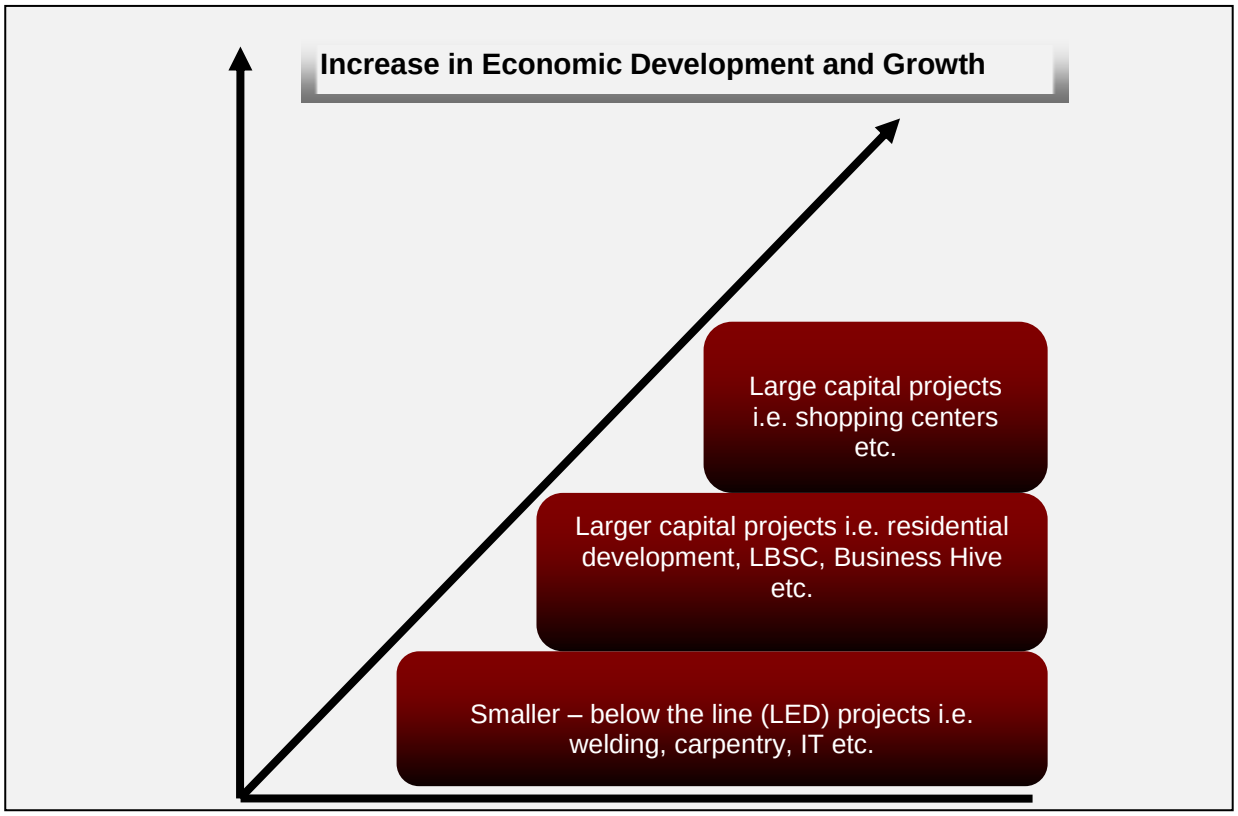
There is a strong focus on development of high density commercial nodes. These developments typically consist of retail centers supported by office space (private & public sector), community as well as intermodal facilities and surrounded by higher density residential developments. Nodes were originally based on public sector investment but since the late 1990's second economy commercial nodes received increasing levels of input from the private sector. Since the late 1990, townships emerged as new markets for national retailers, specifically various supermarket chains which led to a substantial increase in shopping mall developments to movement of retailer chains. This trend is also attributed to the changed perceptions regarding black consumer market.

Over the past decade, second economy consumer markets disposable income grew rapidly and in many instances also artificially. Retailers acknowledged consumer expenditure relates to LSM (lifestyle) profile as opposed to specific race or culture. Changes in LSM levels gave rise to rising black middle class consumer demand. Initial commercial developments of 5 000m2 to 10 000m2 expanded to 30 000m2 + and larger since the late 1990 (10 000m2 regarded as the absolute minimum)

In a South African context, certain investment groups have developed a highly simplified (though pragmatic) model which enables them to perform an initial first round filtering (scoping / screening) exercise and eliminate projects with unappealing risk profiles.

- 100 000 people within a 10 kilometre radius (or at the very least 60 000 – 70 000)?
- Can the site accommodate a development of 15 000m2 or more (or at the very least 10 000m2)?
- Can the site accommodate future expansion?
- Is the site controlled by a limited number of private entities?
- Is the site controlled by a tribal authority? Do they support the project? Absence of a land claim? Is the local tribal authority agreeable to an equity stake of between 3% and 7.5% in the project? Does this correlate to the approximated cost of providing developable land for the project?
- Is the site located along a main provincial route or freeway?
- Is there an existing agglomeration of business activities, social services and / or a taxi rank in the vicinity & is the site sufficiently far enough from the closest 'Old Town' CBD (10km)?
- Is it a 'Greenfields' development OR is demolition and redevelopment required?
- Absence of any onerous obligations that may increase the project risk, including complex / cumbersome site assembly (multiple land owners – private or public); inappropriate zoning and the need to rezone; social obligations and political expectations.
- Will the project be in a position to dominate the local market?
- Do local conditions allow for a modern design and national tenant driven mix?
- Could an initial Year 1 minimum income yield of at least 9%-10% be achieved?

Figure 24: Increase in Economic Development and Growth



Source: DEMACON, 2009

Figure 24 shows the relationship between the size of the capital investment of a project compared to the increase in economic development and growth.
Projects can essentially be categorized ad either below the line projects or above the line projects.

Below the line projects are typically characterised by being:

- Less capital intensive
- Driven by the local government
- Aimed at creating skills and capacity of the unemployed

Above the line projects are typically:

- Large investments and capital intensive
- Profit maximizing and profit driven
- Mostly driven by the private sector
- Skills level required is high, depending on the type of work

Below the line or social developments are the building blocks from where economic projects can be built upon as well as the economic growth that goes with it.

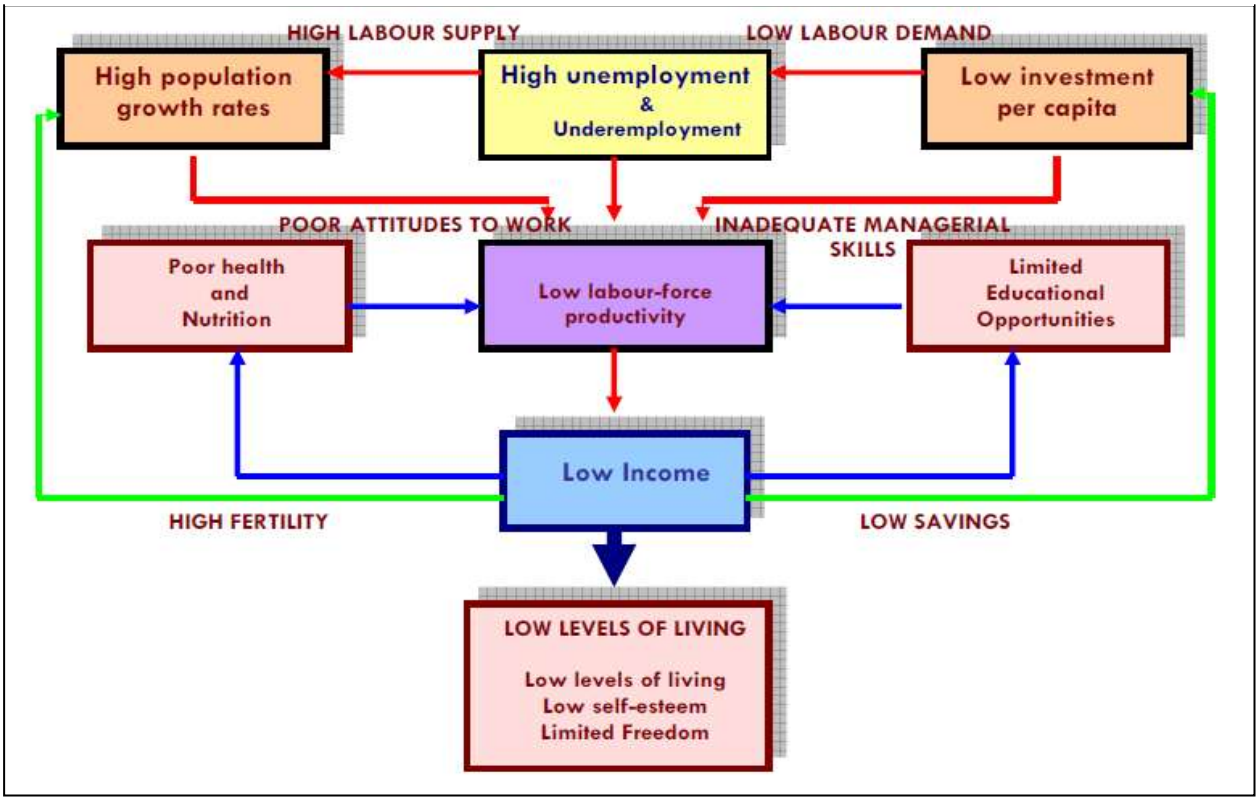
The proposals and recommendations in this report addressed each level of capital investment, from smaller below

the line projects to larger capital projects such as LBSC development as well as large capital investment projects such as a shopping centre. The next section will set out the various development proposals and recommendations in greater detail.

3.9.5.3. DEVELOPMENT CHALLENGES

As with any new development, there are a number of challenges that should be noted. Diagram depicts the relationship of various challenges that could complicate development.

Diagram 3: Development Challenges



Source: DEMACON, 2009

Diagram 3 illustrates the interconnectivity of the various challenges of development of which the main challenges include:

- High population growth rates
- High unemployment and underemployment
- Low investment per capita
- Poor health and nutrition
- Low labour-force productivity
- Limited educational opportunity
- Low income
- Low levels of living
    - Low levels of self-esteem

- Limited freedom

All these issues are interconnected and impact upon each other. These issues make the process of development more complicated. The ideal is therefore to develop initiatives to address the various issues challenging development in order to create an environment conductive of development which means that physical conditions as well as social conditions and overall well-being of the population is crucial for development.

For development to be successful good overall societal conditions are needed to ease the process of development and initiatives should therefore not only focus on the physical environment but also the social well-being and social conditions in the area. Map 2 shows the direction of growth in the Middelburg and Mhluzi area.

Map 2: Direction of Growth

Map 2 shows the direction of growth for the Mhluzi and Middelburg area. The Middelburg area is expanding along one of the main entrance routes to the area and is developing south east in the direction of the N4 national road. Mhluzi is located within close proximity to the Middelburg are and the area is rapidly developing in the direction of the peripheral regions of the Middelburg area. The Mhluzi area is developing in a south-easterly direction and toward the south west.

3.9.5.4. AREA OVERVIEW AND DEVELOPMENT RECOMMENDATIONS

a) Retail Supply And Development

There are limited formal retail centers in the Mhluzi area. The largest centre in the area is the Ceza Centre which is approximately 3 500m2 with a sports bar, a cash and carry, road house, liquor store a Midas and an ABSA ATM. The two other centers of Mhluzi are very small and both are smaller than 1 000m2 and mostly host small scale businesses such as grocery stores, liquor stores etc.

The following section provides an overview of the centers in the Mhluzi area and includes:

- Ceza Centre
- Dukuza Centre
- Mountain View Centre

Ceza Centre

- Midas
- Masakhane Sports Bar
- Sizanai Cash and Carry
- Road House
- Liquor Store
- ABSA ATM

Total Centre Size: +-3 500m2

Dukuza Centre

- Dukuza Supermarket
- Dukuza Liquor Store
- Standard Bank Auto Cash
- Dukuza Meat
- Surgery Udokotela

Total Centre Size: +-750m2

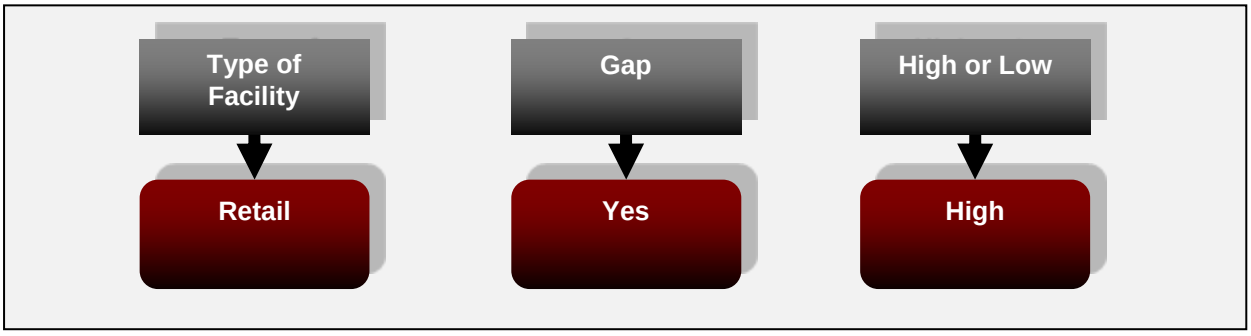
Mountain View Centre

- Supermarket and Take Away
- Vodashop

Total Centre Size: +-350m2

From this analysis it is clear that there is a need for a more formal retail centre with a greater variety of tenants and shops to serve the community's needs. Diagram 4 illustrates the retail gap analysis for the Mhluzi area.

Diagram 4: Retail Gap Analysis



Source: DEMACON, 2009

From this analysis it is clear that there is a gap for a new retail development. A new retail centre should be significantly larger than the existing centers in order for the retail development to be competitive and have the potential to capture the current income expenditure leakage of 80%+. The retail development should form part of the proposed energy node and the size will add to the potential of the centre to attract anchor tenants which are vital for success.

Table 20 shows the shopping centre development figures. From the table it can be seen that the optimum centre size will be 9 381m2 and will have an annual sales potential of R180.7 million. The capital investment will be approximately R71 million with parking infrastructure and landscaping cost at R10 million. The rates and taxed generated by the development that will form part of the municipal fiscus will be R956.9 million per annum. The optimum point of market entry will be 2011 Q4 or 2012 Q2.The development will create approximately 313 permanent on site employment.

Table 20: Retail Development

Market size (NPV)	R 232 million
Retail GLA (m² GLA)	4,805m^2
Banking and related Services (m² GLA)	1,201m^2
Optimum centre size (m² GLA)	**6,006m^2**
Annual sales potential (R million)	R115.7 million
Optimum point of market entry (OPME)	2011 Q4 / 2012 Q2
Employment (on-site)	200
Capital Investment (R million)	R45 million
Parking infrastructure & landscaping cost (R million)	R6 million
Rates & Taxes towards municipal fiscus (annual)	R956.9m

Source: DEMACON, 2009

b) Retail and Mixed Commercial Node Development

A mixed commercial node is proposed for the area to address both social and economic needs. The node is suggested to host retail, hardware, automotive, commercial and light industrial activities as well as a local business service centre and a small business hive. Table 21 provides a summary of the land requirements for the development of the mixed commercial node.

Table 21: Land Requirements for Mixed Commercial Nodal Development

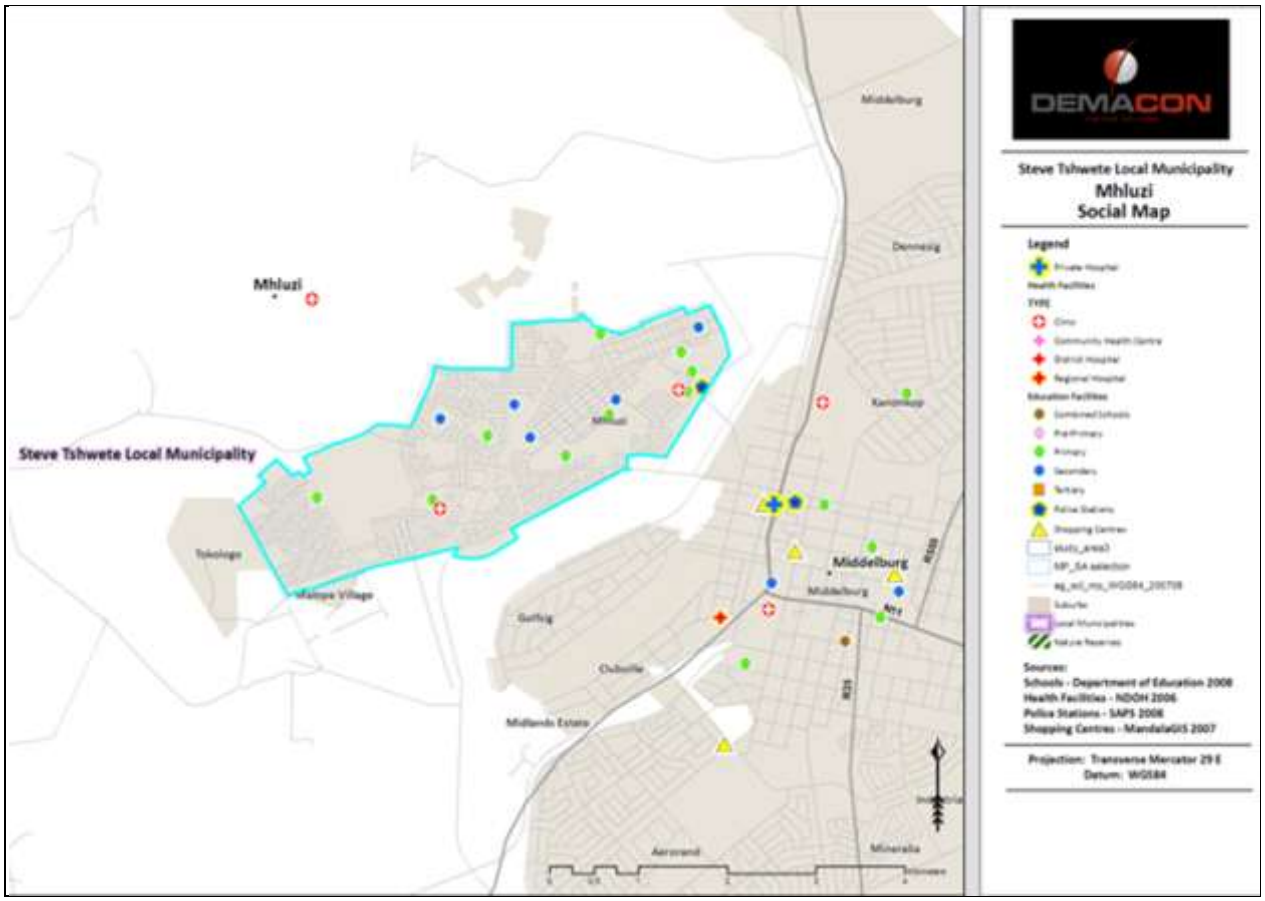
Component	GLA	Site Size (+room for future expansion)
Retail (Shopping centre)	±10 000m²	±4.0 ha
Hardware and related store	±3 000 – 4 000m²	±1.6 ha
Automotive and related	±3 000 - 3 500m²	±1.4 ha
Commercial / Light Industrial	±8 000m²	±3.0 ha
LBSC & Small Business Hive	10 000m^2	±4.0ha

In order to accommodate all the activities associated with the proposed mixed commercial node, the optimum nodal land requirement is therefore 14 to 18 ha.

3.9.5.5. SOCIAL FACILITIES GAP ANALYSIS

This section of the report investigates the social facilities within the Mhluzi and Middelburg area. Map 3 shows the various social facilities within the Mhluzi area including education, healthcare, and libraries, polices stations as well as retail centers.

Map 3: Social facilities in Mhluzi



a) Medical Care Facilities in Mhluzi

There are four medical care facilities within the Mhluzi area two of which are clinics and two are dental clinics. An additional facility in the form of a mobile clinic also services the area. The medical care facilities within the Mhluzi area are summarized in table 22. Table 23 shows the market gap for the particular social facility.

Table 22: Medical Care Facilities in Mhluzi

Medical Care Facilities		
Name of Facility	Location	Type of Medical Facility
Mhluzi Municipal Clinic	Mhluzi	Clinic
Simunye Municipal Clinic	Mhluzi	Clinic
Mhluzi Dental Clinic	Mhluzi	Dental Clinic
Middelburg Prison Dental	Mhluzi	Dental Clinic
Mhluzi Municipal Mobile Clinic	Mhluzi	Mobile Clinic
Total Medical Care Facilities: 5		

Facilities that are not available to residents within the direct Mhluzi environment will require them to travel to Middelburg where more social facilities are available.

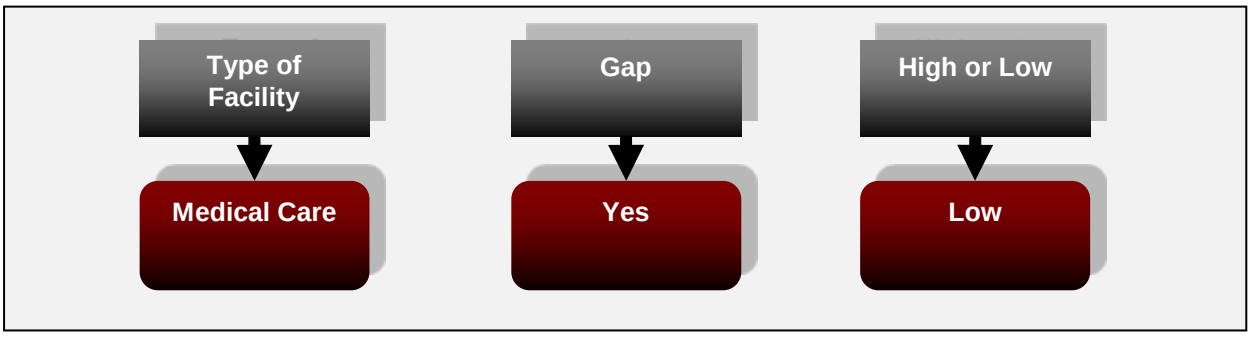
Table 23: Gap Supply, Demand and Gap for Facility

Public Facility	Number of Facilities Currently Available	Population	Demand per One Facility	Demand for Facility	Market Gap
Clinic	**5**	**91 932**	**20 000**	**7**	**2**

Source: DEMACON, 2009

Diagram 5 provides an illustrated gap analysis for medical care facilities in the Mhluzi area.

Diagram 5: Gap Analysis



Source: DEMACON, 2009

From the analysis it is determined that the current supply of medical facilities is not enough to adequately service the community of Mhluzi. From Table 23 it can be seen that there is a demand for at least 7 medical care facilities in the area.

b) Police Station

The community of the Mhluzi area is currently services by only one police station. With the rapidly growing population of the Mhluzi are, one police station cannot meet the safety, security and other community needs of the community of Mhluzi.

Table 24: Police Stations in Mhluzi

Police Station		
Name of Facility	Location	Type of Medical Facility
Mhluzi SAPS	Mhluzi	Police Station
Total Police Stations: 1		

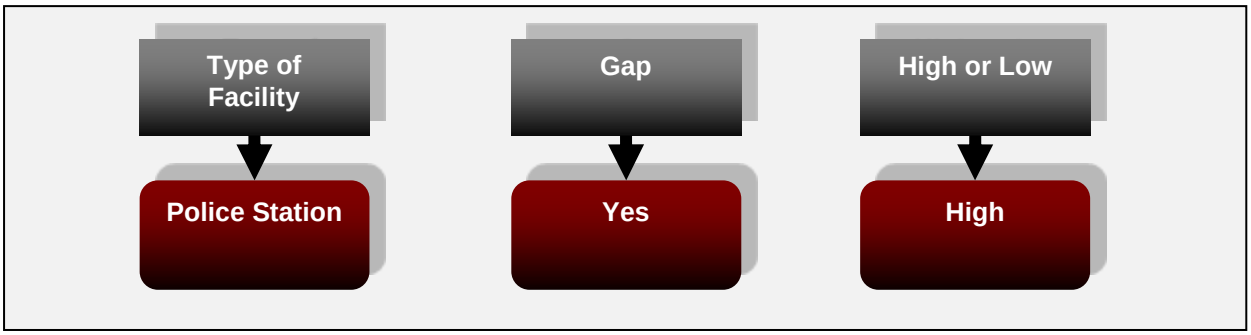
Table 24 summarises the supply, demand and market gap for police stations in the Mhluzi area. It is accepted that one police station can effectively service a population of 25 000.

Table 25: Supply, Demand and Market Gap for Police Stations in Mhluzi

Public Facility	Number of Facilities Currently Available	Population	Demand per One Facility	Demand for Facility	Market Gap
Police Station	**1**	**71 682**	**25 000**	**3**	**2**

Source: DEMACON, 2009

Diagram 6: Gap Analysis for a Police Station



Source: DEMACON, 2009

Diagram 6 diagrammatically illustrates the gap analysis for a police station in the Mhluzi area. Table 25 shows that there is a demand for at least three police stations in the Mhluzi area which means there is a market gap of three police stations.

c) Education Facilities

Several schools are located in the Mhluzi area and the impression is that there is a relatively good supply of secondary and primary schools in the area. The table shows that there are six secondary schools, eight primary schools and one combined school in the area.

Table 26: Schools in the Mhluzi area

Name of School	Type	Location
Mhluzi		
Tshwenyane Combined School	Combined	Mhluzi
Sofunda Secondary School	Secondary	Mhluzi
Ekwazini Secondary School	Secondary	Mhluzi
Mphanama Secondary School	Secondary	Mhluzi
Sozama Secondary Schools	Secondary	Mhluzi
Mphanama Secondary School	Secondary	Mhluzi
LD Moetanalo Secondary School	Secondary	Mhluzi
Mvozo Primary School	Primary	Mhluzi
Mthombeni Primary School	Primary	Mhluzi
Zikuphule Primary School	Primary	Mhluzi
Reategile Primary School	Primary	Mhluzi
Elsundisweni Primary School	Primary	Mhluzi

Name of School	Type	Location
Mhluzi Primary School	Primary	Mhluzi
Manyano Primary School	Primary	Mhluzi
Makhathini Primary School	Primary	Mhluzi
Total Schools: 15		

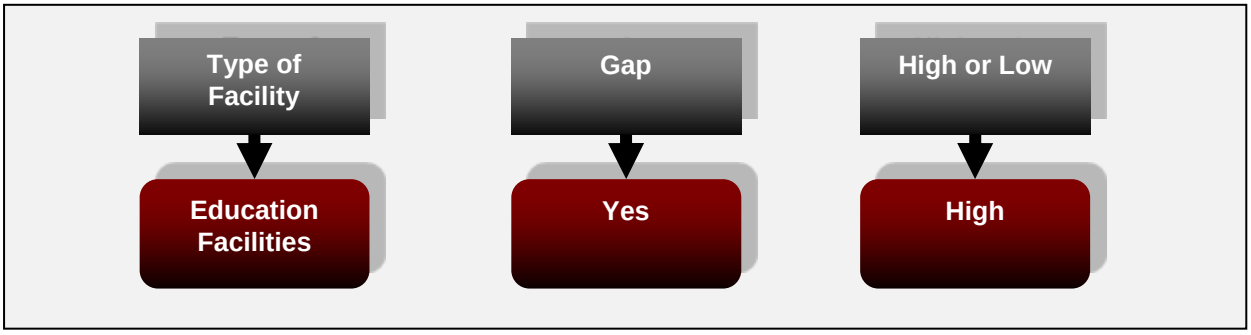
Table 27 summarised the supply, demand and market gap for primary and secondary schools in the Mhluzi area.

Table 27: Supply, Demand and Market Gap for School Facilities in Mhluzi

Public Facility	Number of Facilities Currently Available	Population	Demand per One Facility	Demand for Facility	Market Gap
Primary Schools	**8**	**71 682**	**4 000**	**18**	**10**
Secondary Schools	**6**	**71 682**	**10 000**	**7**	**1**

Source: DEMACON, 2009

Diagram 7: Gap Analysis for Education Facilities



d) Concluding Remarks

On average the provision of educational facilities in the urban areas, mine and Eskom towns is of an acceptable standard. However, the previously disadvantaged schools still lack many basic resources like computers, sports facilities etc.

Schools in the rural areas are located far from households which means that learners have to walk long distances before receiving an education. This unfavourable situation has, to a large extent been addressed by the Department of Education through the provision of scholar transport for learners. Poor educational resources and multi-grade classes area some of the challenges still prevalent in schools in the rural areas.

Library facilities are provided by the Municipality especially in the urban areas and Eskom towns. These are not adequate for the reading community. In Mhluzi there are 15 schools and other members of the reading community there is currently only one library. The planned library in Ward 8 will help alleviate the problem. The libraries in the area are also not adequately resourced.

Rural areas do not have libraries at all and have to rely on those situated in the town area. This discourages would be library users and is also costly. It is hoped that the rural villages once established, will reduce this problem.

From the detailed analysis above, it is clear that there is a market gap for various social facilities in the Mhluzi area. Table 28 summarises the demand gap and gap for various social facilities.

Table 28: Demand Gap for Social Facilities

Type of Facility	Demand Gap	Gap
Medical Care	**2**	**Yes**
Police Station	**2**	**Yes**
Primary Schools	**16**	**Yes**
Library	**1**	**Yes**
Multi-Purpose Community Centre	**1**	**Yes**
Formal Retail Centre	**1**	**Yes**

From the table it is clear that there is a market gap for various social facilities in Mhluzi. The most significant market gap exists for Primary schools (demand gap of 16 facilities) and police stations (demand gap of 3 facilities).

The development proposal is therefore to initiate planning efforts to eventually provide for the most needed social facilities in the Mhluzi area.

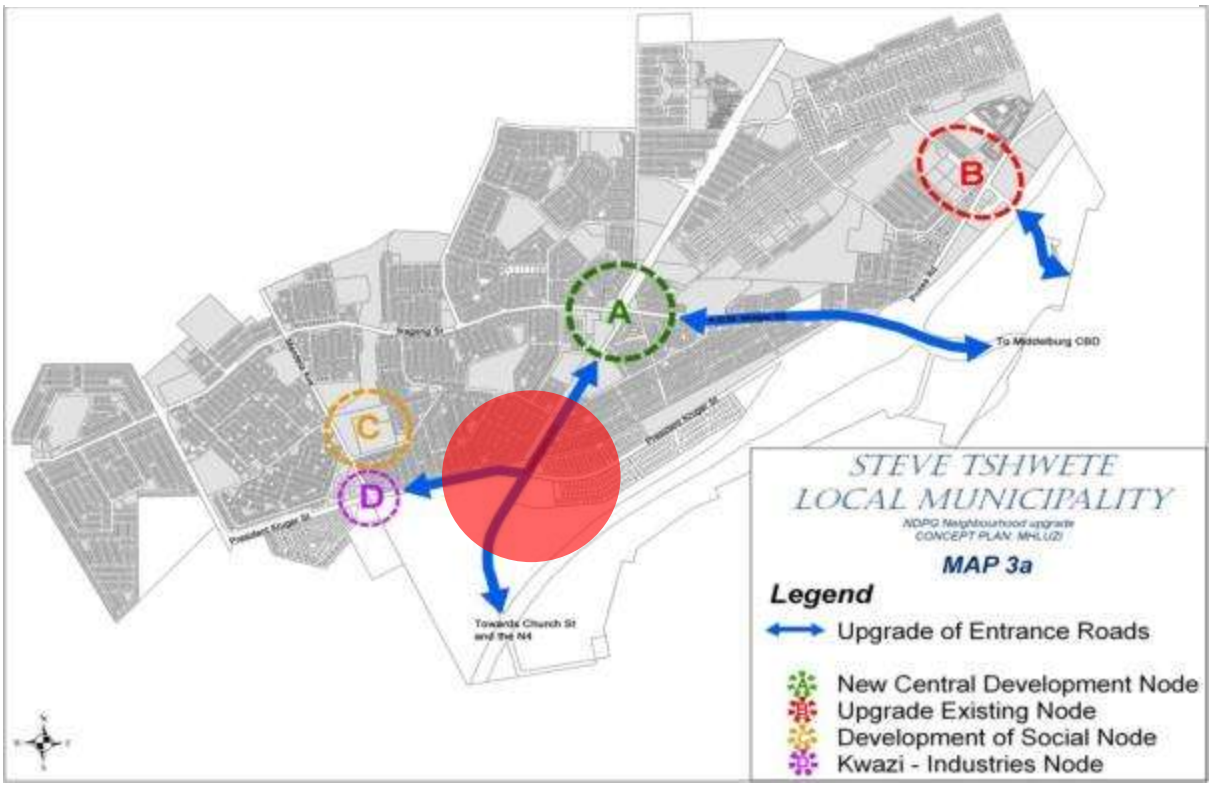
Providing the need for various social facilities in the area will have a direct impact on the well being of residents in the community. Some of the benefits include:

- Greater access to retail goods and various services
- Improved access to education
- Greater community safety and security
- Less demand for travelling to neighbouring Middelburg for goods and services
- Employment creation
- Creates an environment with opportunity for further development

e) Proposed New Energy Node

In addition to addressing the social needs of the Mhluzi community, it is proposed that economic conditions be addressed. The first major project proposed for the Mhluzi area is the establishment of a new “energy node” around the intersection located at the entrance to Mhluzi. The location of the new node is shown on Map 4. This node is proposed as an alternative location to the commercial development of Node A located toward the centre of Mhluzi. This aim of the proposed new energy node is to establish a vibrant and diverse business hub in the area that will ultimately lead to the diversification of the local economic base.

Map 4: Proposed New Energy Node



f) Rationale

The location proposed for the development of Node A was selected to host a proposed retail development. The land on which the development is proposed to take place is too small and unsuitable for a proper retail development of significant size. The strengths and constraints of the site reserved for Node A are summarized in table 29.

Table 30 shows the site rating for the location proposed for Node A. The table shows that the site has a rating of 64.36% which indicates that some of the vital components for a successful development are lacking

Node A is therefore not the optimal and sustainable location for a mixed nodal development since future expansion is limited and additional costs will be needed to develop the site.

Table 29: Strengths and Constraints

Strengths	Constraints
• Centralised location • Good access by pedestrians • Promotes social integration	• Site does not form part of the existing taxi route in Mhluzi • Development on the site will require the moving of overhead power-lines which would increase cost • Development potential of the site is limited – limited space • Location is not as easily accessible to visitors to the area

Table 30 provides detail on the site rating for the location of Node A. The table analyses various location factors that impacts on the suitability of the particular site for the proposed development. The particular factor is graded according to a scale of 1 to 10 and each carries a particular weight. The total points are then processed to give a particular percentage which provides an indication of how suitable the site is for the particular development.

Table 30: Site Rating for the Location of Node A

Location Factors	Grade 1-10	Weight 1-5	Points
Consumer volumes	9	5	45
Accessibility and visibility	6	4	24
Income level and income growth	6	5	30
Population growth	7	5	35
Age factor	7	3	21
Proximity to competition	7	3	21
Condition of premises	5	2	10
Directional Growth of the area	6	4	24
Functionality and complimentary uses / rights	6	4	24
Area improving or deteriorating	6	4	24
Proximity to labour	8	3	24
Proximity to suppliers	5	2	10
Public transport accessibility	6	3	18
Address value	6	4	24
Future expansion potential	5	4	20
		Total points	**354**
		Score	**64.36%**

Source: DEMACON, 2009

Note: *80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for successful shopping centre development are in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.*



Although the location of Node A limits the development potential of Node, the site can still be utilized for other types of development but it is not the optimal location for a retail centre.

g) Site Rating- New Economic Node

Table 32 shows the site rating for the proposed new node at the intersection located at the entrance to the Mhluzi area while Table 31 shows the various strengths and constraints of the site for the proposed node.

From the table it is shown that the site achieved a rating of 74.0% which indicates that the site is highly suitable for a development of this nature.

Table 31: Strengths and constraints

Strengths	Constraints
• Good access by residents and visitors • Good visibility • Good expansion potential • Potential to link with node C and D • Falls within the existing taxi route • Allows for Greenfield development • Located at the main entrance to Mhluzi	• Land ownership • Land claims

Table 32: Site rating for Location of the Proposed New Energy Node

Location Factors	Grade 1-10	Weight 1-5	Points
Consumer volumes	9	5	45
Accessibility and visibility	9	4	36
Income level and income growth	6	5	30
Population growth	7	5	35
Age factor	7	3	21
Proximity to competition	8	3	24
Condition of premises	6	2	12

Location Factors	Grade 1-10	Weight 1-5	Points
Directional Growth of the area	7	4	28
Functionality and complimentary uses / rights	7	4	28
Area improving or deteriorating	7	4	28
Proximity to labour	8	3	24
Proximity to suppliers	6	2	12
Public transport accessibility	8	3	24
Address value	6	4	24
Future expansion potential	9	4	36
		Total points	407
		Score	74.00%

Source: DEMACON, 2009

Note: *80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for successful shopping centre development are in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.*

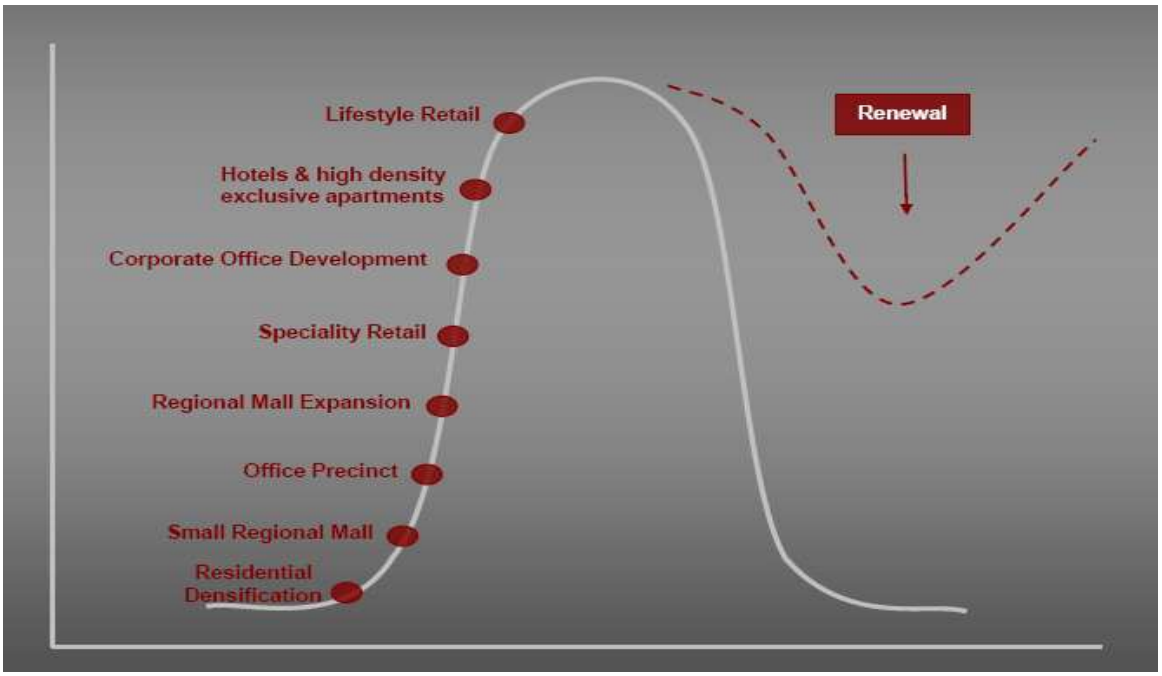
The site identified for the development of the new energy node is ideal and allows for mixed development which creates and environment for the diversification of the local economic base.

h) Recommendations for mixed use Economic Nodal Development

The proposed mixed use energy node is suggested to host a series of complementary activities including retail, commercial, office, light industrial, residential etc. The goal is to create a convenient, accessible and functional point at which residents can conduct all their activities at one destination.

The aim is for the various government spheres to create an environment that will attract private sector investment to the area. Figure 25 shows the nodal development cycle.

Figure 25: Nodal Development Cycle



i) Activities

From the analysis in the previous chapter, it was discovered that Mhluzi has no formal shopping centre aside from three small centre developments (none larger than 4 000m2) and they offer limited retail and service choice. Table 33 provides a summary of the three centers in Mhluzi.

Table 33: Summary of centers in the Mhluzi area

Centre Name	Size	Activities
Ceza Centre	+- 3 500m^2	• Midas • ATM • Liquor Store • Supermarket • Road House • Sports bar
Dukuza Centre	+-750m^2	• ATM • Supermarket • Meat Market • Doctor
Mountain View Centre	+-350m^2	• Supermarket and take away • Vodashop

It is proposed that a retail centre of 6 006m2 be established as the nodal anchor in the proposed new nodal development. Table 34 summarized the development details for a retail development of this nature.

Table 34: Retail development

Market size (NPV)	R 232 million
Retail GLA (m² GLA)	4,805m^2
Banking and related Services (m² GLA)	1,201m^2
Optimum centre size (m² GLA)	**6,006m^2**
Annual sales potential (R million)	R115.7 million
Optimum point of market entry (OPME)	2011 Q4 / 2012 Q2
Employment (on-site)	200
Capital Investment (R million)	R45 million
Parking infrastructure & landscaping cost (R million)	R6 million
Rates & Taxes towards municipal fiscus (annual)	R956.9m

Source: DEMACON, 2009

The retail component of the development will be the anchor of the node and will attract related and supporting activities including:

- Automotive related activities
- Hardware related activities
- Commercial / light industrial
- LBSC and small business hive

Business hives or business information centers are institutions that compile a database of local and regional companies and acts as a hub in the local and regional, even national and global business network. Here information is gathered and distributed to local businesses to assist and inform business choices, linkages, opportunities, etc. These information centers play a vital role in the local business environment by distributing valuable information and technology news to local businesses, keeping them up to date with the latest development and opportunities.

Business information centers therefore provide any information needed to manage and operate a business, ranging from legal matters to management issues, contacts and opportunities.

Basic information needs by SMME's and other local businesses include:

- Financial information
- Marketing information
- Sources of raw material
- Technical information
- Production information
- Training information
- Policy issues regarding SMME development
- Regulations and standards
- Other types of business information

Informal business owners mainly access business information through the following sources:

- Informal sources
- Personal search efforts
- Trade partners
- Customers
- Media
- Internet

Local business support centers

- Training that promotes entrepreneurship and sustainable SMME's
- Assistance to SMME's to secure finance for starting or growing business ventures
- On the job skills training to improve the skills and experience of jobseekers
- Supporting the incubation and growth of new business ventures and the development and business ideas
- A labour brokering service that includes maintaining a skills database of all jobseekers in the township
- Identifying employment opportunities in local industries and matching the requirements with trained personnel

The following LED projects are typically coordinated by developmental hubs

- Agribusiness projects (including herbs and vegetables)
- Brick making plant to supply bricks to the housing sector
- Dairy farming
- Livestock breeding ranch
- Nursery and instant lawn
- Bakery project
- SMME development
- Training and capacity building for local beneficiaries

Accredited training and capacity building for local beneficiaries

- Construction management training
- New venture creation and management training
- Computer skills training
- Life skills training
- Adult Basic Education and Training (ABET) programme

The aim of an incubation centre is to support emerging SMME's through the provision of basic financial, managerial and marketing services as well as specialist technical services and training. The goal is to get individuals skilled enough to independently manage their own business.

The retail and other suggested activities can be supplemented with additional activities as the node expands, gains investor confidence and attracts more private sector investment. Table 35 provides a summary of the land requirements pertaining to the various proposed nodal activities.

Table 35: Nodal components and expected land take-up

Component	GLA	Site Size (+room for future expansion)
Retail (Shopping centre)	±10 000m²	±4.0 ha
Hardware and related store	±3 000 – 4 000m²	±1.6 ha
Automotive and related	±3 000 - 3 500m²	±1.4 ha
Commercial / Light Industrial	±8 000m²	±3.0 ha
LBSC & Small Business Hive	10 000m^2	±4.0ha

Source: DEMACON, 2009

The optimal land requirement for such a development will therefore be 14 to 18 hectares and should have good visibility and accessibility. The ideal is for the new economic node to expand to such an extent that it links with Node C and D, the social and industries nodes. This will provide even greater opportunity for future expansion of the new economic node, diversification of the local economy as well as improving the social environment.

An opportunity exists for a compact residential development on the land available between Mhluzi and the neighbouring residential area toward the south-east. This available space should ideally be utilized for mixed typology residential development. Table 36 shows the various positive and negative aspects of nodal development.

Table 36: Arguments for and Against Nodal development

Arguments in favour of Nodal Development	Arguments against Nodal Development
• Nodal and corridor development enhance the principles of the DFA by promoting sustainable and integrated development • Expedite the restructuring of a city or settlement • Reduce overall expenditure on transport and use of non-renewable resources • Improve efficiency of infrastructure by integrating land-use and transport • Maximize mobility and accessibility • Facilitates accelerated economic growth and increased the threshold level of local markets • The provision of public amenities and utilities is more economically feasible within nodes • Nodal development promotes compact urban form and infill development	• High densities of nodal and corridor activities are often beyond the carrying capacity of local infrastructure • High land prices in nodes contribute to economic stratification and limited opportunities for SMME's • If not efficiently planned, then it results in traffic congestion • The original population is replaced with a large amount of out-migration and a change of demographics in consumers / residents • Living quality could decrease with congestion, pollution and 24 hour noise

Map 5 indicates the location of the new economic node as well as Node C and D with which the new node will ultimately link. The map also shows the area suggested to be utilised for mixed typology residential development.

Map 5: New Economic node

j) Social Node (Node C)

Node C is proposed to form the social node of the Mhluzi area. The general area in and around Node C consist of open field and residential areas. The Multi-Purpose Community Centre (MPCC) is also located in Node C. Node C and D are located within close proximity to the location of the proposed new energy node. This means that Node C and D can play a role in the expansion of the proposed new node in future.

The MPCC is a vital element in this node as it provides communities access to various social services and information.

This areas is underdeveloped and neglected and the following projects are suggested for this node



Table 37: Proposed projects for social node (Node C)

Theme	Project
Additional anchors	• Establish further education and training centers (FET centers) to compliment the function of the MPCC
Informal economy	• Provide trader facilities on the western side of the road to compliment activities of the FET centre and the MPCC
Pedestrianisation	• Since the majority of the population travel on foot, proper pedestrian walkways should be established • Proper lighting should be provided • Street furniture such as benches should be provided
Landscaping	• Upgrade landscaping around the MPCC and along pedestrian routes
Linkages	• Improve linkages with the proposed energy node • Upgrade road and pedestrian links

k) Industries Node (Node D)

Due to the proximity of Node C and D to each other and to the proposed new node, they are suggested to host activities supporting the proposed new node.

Currently, Node D host informal activities such as welding, motor mechanical works, tyre repairs etc. The primary road that runs through the node is tarred while secondary connecting roads are mostly gravel roads. The area is neglected but vacant space provides opportunity for further development.



The main objective for proposed projects in the industries node is to integrate node D with the proposed new

energy node located close to the node. Table 38 summarises the proposed projects for the area.

Table 38: Proposed Projects for the Industries Node (Node D)

Theme	Project
Business Encouragement	• Establish a local business support centers • Establish business hive
Physical Upgrades	• Improve road quality • Provide proper landscaping • Provide pedestrian walkways • Provide trading space for informal businesses
Linkages	• Improve linkage with surrounding nodal components by upgrading the existing road network • Upgrading pedestrian facilities • Providing formalized taxi routes for the area

l) Central Node (Node A)

Node A is centrally located within the residential areas of the Mhluzi area. The site is currently undeveloped and creates opportunity for informal trade and dumping.

A shopping centre has been proposed to be developed at Node A. The development is however not materializing. There are numerous challenges, including:

- No prominent project champion / development partner
- Site size and limited expansion potential
- Limited agglomerative qualities
- Power lines on site is a major constraint

The suggested use for this site is to develop the site for residential purposed or housing infill since the site is not the optimal location for nodal development. .

m) Existing Node (Node B)

Node B is located at the north-eastern section of Mhluzi. The node hosts several small businesses and community buildings. The built environment is very dated and neglected.

It is proposed that this node be upgraded by means of a series of interventions.

The proposed interventions for node B will predominantly be concerned with physical and aesthetic upgrades. Proposed interventions for this node include:

- Signage and branding
- Streetscape improvements
- Development of a public square

Table 39: Proposed projects for Node B

Theme	Project
Building Upgrade	• Upgrading and maintaining existing buildings • New paint and fixing of broken windows etc. • Clearing of overgrown fences and buildings
Street side Upgrade	• Landscaping • Litter and rubble collection • Provide pedestrian walkways • Formal signage • Adequate lighting

The most likely market response will include low-key commercial activities, residential densification with limited national tenants

n) Sport and Recreation

The Mhluzi area has several public open spaces scattered throughout the area. Certain open spaces are relatively well maintained while others are in dire need of upgrading and proper maintenance.

The goal is to functionally integrate space (sports node and park) and combine active and passive recreation.

Upgrade of the stadium in Mhluzi although the PSL standard for the stadium is unfeasible. An events management team is suggested in order to actively manage the use of the stadium and to attract activity to the stadium to ensure it is optimally utilized.

3.9.5.6. BRANDING THE MHLUZI AREA

Successful branding demands a thoughtful, sequenced approach and if appropriate implemented can assist the Mhluzi area to become an even more notable node in the Eastern Cape economy. The development of a brand master plan for the Mhluzi area can be addressed in three phases.

The first aspect of the master plan is the development of a Position Strategy, defining what it stands for, then, takes action to express itself uniquely through the Brand Design phase and then ultimately communicate itself strategically through the Brand Communication phase.

Phase 1: Brand Positioning Strategy

The aim of this strategy is to define the essence, the soul of the brand. Leading brands make use of powerful techniques in order to establish core values in the mind of its target markets. Although an urban brand is in most cases defined by more than one value, all these values should support the main value.

Many cities struggle with undefined and cluttered urban brand communication. In most cases it originates from the fact that planning and communication departments do not combine their efforts. Cities also want to be all things to all people.

The more focused the urban brand identity and communication is the effortless it will be able to penetrate the mind of the target market. A practical analogy is the way one enters a building. Although there is more than one door in a building one can only enter through one door at a time. But when you are inside the building you are able to explore the other doors opening up new opportunities. To further enhance the entering experience, the front entrance is augmented to make it easier for guests to know where they should enter. The most important entrance is singled out to cut down confusion.

Strong urban brands should narrow the brand focus. The more variations that are attached to a brand, the more the target will lose focus. Gradually, the brand comes to complicated and people are not able to understand how to interact with the brand. Focus will enable the George CBD to put a sharp point on its marketing effort that will quickly drive the brand into the mind of the target market.

The Mhluzi area will each be the respective leading brands, while the planned precincts that were identified will

be the sub-brands that support the leading brand. The Mhluzi area as a brand is defined by the combined value system of each of the sub-brands. Branding should capture the essence or value of the respective CBD's that differentiates the Mhluzi area from other nodes or City CBD's.

To enable the development of a long term holistic approach to branding the CBD, it is critical to analyse all aspects that will have an impact on the brand. Analysis could be done through workshops with stakeholders as well as the development of a detail band positioning strategy.

Once the brand positioning strategy is completed, it will direct the brand design phase during which a unique brand identity needs to be created for the leading and sub-brands. The brand identity must become the face or experience of the Mhluzi area renewal strategy.

Phase 2: Brand Design

The development of a unique brand identity for the CBD and its sub-brands will become the greatest differentiator, but it is important to realise that design should not only be about pretty pictures, it should include a strategy for effective communication to the target markets.

The brand needs to be obvious. Make sure all communication material, signage and gateways reflect the brand. Start from the freeway with signage that fits and promotes the brand, events should concentrate on and resolve around the brand, the logo, slogan and marketing materials (including website) need to fit the brand.

By developing and successfully marketing a brand image for the CBD, all partners and overall business climate stand to benefit from a unified, coherent message that communicates the quality of the urban environment.

Developing and adopting a distinctive brand image of values will be fundamental in the effort to position the Mhluzi area as a quality business, residential and tourism destination. The destination's brand must be based on a creative theme line and accompanying icons that will symbolise the brand. During the brand design phase a unique holistic brand identity for the brand and sub brands should be developed.

Phase 3: Brand Communication

This phase consist of getting the brand into the minds of the target market. If you have the look, the 'feel' is something the municipal team must create over time. Apart from communicating the brand through advertising and promotions it is critical to create a holistic brand experience: the way in which the administrative, planning and marketing teams delivers products and services; approach to the sales process; style of communication; and the value placed on people, all should present the brand. All these expressions of the brand must be supported by work done in phase 1 and 2 and they are just as vital, if not more so, than the brand's visual packaging.

Brands take years to build. By developing a communication master plan will ensure sustainable communication programmes for the CBD and precinct branding. Public relations build the brand; advertising is used to maintain your position. Publicity is much more valuable that advertising – but both are needed. It is recommended that a

professional public relations campaign be implemented. This will built the brand, improve the image since it has more credibility and will provide a greater return on your investment than advertising alone.

Electronic marketing is a powerful branding icon. It is a cost effective way to educate and communicate national and international with potential customers.

Branding is a team sport; everyone needs to be a spokesperson for the brand and thus support from the business community is imperative. Branding should always begin as a grass route effort, with leadership coming from the business community.

3.9.5.7. SYNTHESIS

This report went through the whole process of assessing the current status quo and development potential of each of the identified settlement nodes. It provides for recommendations in terms of quick win projects, social and economic development opportunities pertaining to each of the settlement areas.

This is furthermore supported by specific overarching economic projects that have been rated according to a set of evaluation criteria, from which the high priority projects were identified and discussed in more depth.

The development of these settlements into sustainable entities will be a timeous process. Therefore focus should be turned towards incremental planning in order to ensure that long-term benefits to the community and local economy will be yielded, by means of effective planning and implementation. Table 40 provides a summary of the proposed projects and recommendations for the Mhluzi area.

Table 40: Summary of Proposed Projects and Recommendations

Area of Intervention	Projects and Recommendations
Social Development Projects	• Medical Care Facility • Police Station • Primary Schools • Library • Retail Centre
New Energy Node	• Quick-Win Projects • New Nodal Establishment • Retail Centre as Nodal Ancor • Supporting Activities
Node A	• Housing infill development
Node B	• Upgrading of built environment • Street Side Upgrade
Node C	• Additional Anchors • Informal economy • Pedestrianisation • Landscaping • Linkages

Area of Intervention	Projects and Recommendations
Node D	• Business Encouragement • Physical Upgrades and Maintenance • Linkages
Sport and Recreation	• Functionally integrate space and combine active and passive recreation • Upgrade of stadium in Mhluzi to PSL standard is unfeasible

Agriculture	• Commercial Agriculture
	  ○ Greenhouse agriculture
	  ○ Production with permanent crops
	  ○ Cattle ranching
	  ○ Dairy project
	  ○ Game project
	  ○ Feed lots
	• Urban Agriculture
	• Software Program

Branding and Marketing	• Brand Positioning Strategy • Brand Design • Brand Communication

The various projects and recommendations proposed were identified to collectively work toward uplifting the social and economic conditions of the Mhluzi area. Physical improvement will create a more attractive and functional environment which ultimately contributes to the performance of the economic environment. The proposed recommendation for establishing a new economic node at an alternative location to Node A has the potential to initiate notable change in the area and has the capacity to encourage additional growth and development. This new economic node has the potential to generate economic development in the area and establish a vibrant, prosperous social and economic environment. Table 41 provides a brief SWOT analysis of the Mhluzi area, indicating the various strengths, weaknesses, opportunities and threats of the area.

Table 41: SWOT Analysis

Strengths	**Weaknesses**
• In spite of relatively high unemployment, the area is relatively well developed and informal settlements are limited • Relatively good access • Strong manufacturing and mining sector • Educational vase • Large labour pool • Several small businesses in Mhluzi	• Limited social and economic opportunities • Limited further education and training facilities • Limited formal retail – leakage of disposable income (80%+) • Predominantly a dormitory town – lack of diverse and vibrant economic base
Opportunities	**Threats**
• Latent commercial potential • Potential for social facilities and amenities to enhance factors and area appeal • Optimise entrances and taxi routes	• Dispersed nodal structure • Fragmenting the commercial base and diluting the demand threshold • Limited facilities for formalized local trade • Infrastructure challenges – flash floods • Inadequate / inappropriate market / investor

	exposure to the area – loss of momentum

The proposed new energy node will create several new social and economic opportunities to ultimately uplift the Mhluzi area. The proposed node will establish greater confidence in the area and with time attract more businesses and activities, broadening the economic base of the area and ultimately resulting in sustainable economic development. Table provides an analysis of the strengths, weaknesses, opportunities and threats in for the Mhluzi area.

The process of establishing a vibrant community and economic environment will take time. These interventions and proposed activities should be executed with thorough understanding and comprehension to ensure sustainable outcome. Continued investigation should be undertaken to ensure that the projects are executed effective and efficiently in order to lay the groundwork and provide proper guidance for ongoing improvement and upliftment of the area.

3.9.6. REQUIRED TECHNICAL ASSISTANCE

There is no additional technical assistance and funding needed to finalize the business plan.

Technical assistance and funding needed as part of the implementation phase and project cost.

3.9.7. ESTIMATED PROJECT COST[2]

3.9.7.1. NODE A: CENTRAL DEVELOPMENT NODE

ITEM	UNITS	STO	FOOTPRINT	TOTAL	COST R/m²	VALUE
SOCIAL HOUSING: Approximate value of Project based on footprint area (needs significant interrogation during next phase)	8	2	1,050	16,800	R3,500	R58,800,000
TAXI RANK: value of construction of shelters for commuters, civic works excluded.	1	1	510	510	R4,000	R2,040,000
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office	3	1	275	825	R5,000	R4,125,000
RETAIL MALL: Private client - no value attached	1	1	8,000			
CHURCH SITE - Private client - no value allocated	1	1	600			
VEHICLE SERVICE STATION: Private client - no value allocated	1	1	417			
CRECHE: Value of project including allowance for siteworks, infrastructure, etc	1	1	650	650	R4,500	R2,925,000
SOCCER FIELD	1	70	110	7,700	R125	R962,500

[2] Budgets provided should only be used as high level indicative figures for municipal budgeting purposes. Marked items are typical municipal projects.

ITEM	UNITS	STO	FOOTPRINT	TOTAL	COST R/m²	VALUE
BASKETBALL court with floodlighting	2	22	34	1,496	R150	R224,400
ABLUTIONS	1	1	200	200	R3,500	R700,000
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,	1	2	20,000	40,000	R200	R8,000,000
SUBTOTAL PER PHASE						**R77,776,900**
PLANNING COSTS					12%	R9,333,228
CONTINGENCY COST AND UNFORSEEN					10%	R7,777,690
TOTAL PRELIMINARY ESTIMATED BUDGET						R94,887,818
COST ITEMS FOR GRANT APPLICATION						**R12,125,000**

3.9.7.2. NODE B: UPGRADE OF EXISTING MHLUZI NODE

ITEM	FOOTPRINT	COST R/m²	VALUE
TAXI RANK: value of construction of shelters for commuters, civic works excluded.	50	R4,500	R225,000
HARD LANDSCAPING: Including maintenance of broken paving, tree-grids, kerbing, rumble strips, speed control textures, etc	1400	R650	R910,000
SOFT LANDSCAPING: Creation of new park space/public square, including large trees, signage, etc	175	R2,500	R437,500
ABLUTION FACILITY: Public ablution facility including a 40 sqm residence for manager	200	R4,500	R900,000
GENERAL: Allowance for external environment upgrade items - lighting, bins, street furniture	50	R7,500	R375,000
SUBTOTAL PER PHASE			**R2,847,500**
PLANNING COSTS		18%	R512,550
CONTINGENCY COST AND UNFORSEEN		15%	R427,125
TOTAL PRELIMINARY ESTIMATED BUDGET			**R3,787,175**

3.9.7.3. NODE C: DEVELOPMENT AND EXPANSION OF NEW SOCIAL/COMMUNITY NODE

ITEM	UNITS	STO	FOOTPRINT	TOTAL	COST R/m²	VALUE
CIVIC BUILDING: extension of existing facilities	3	1	850	2,550	R3,000	R7,650,000
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office	3	1	275	825	R5,000	R4,125,000
POLICE STATION: New satellite facility included 10% amount for site works etc. (funded by DOW?)	1	1	400	400	R6,000	R2,400,000
RETAIL BUILDING 1: Private client - no value attached	1	1	750			
RETAIL BUILDING 2: Private client - no value attached	1	1	750			
ABLUTIONS	1	1	250	250	R4,000	R1,000,000
CLUBHOUSE: Value of project including allowance for site works, infrastructure, etc	1	1	350	350	R4,500	R1,575,000
SOCCER FIELD	2	70	110	15,400	R125	R1,925,000
BASKETBALL COURT: no floodlighting	2	22	34	1,496	R100	R149,600
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,	1	2	10,000	20,000	R200	R4,000,000
SUBTOTAL PER PHASE						**R22,824,600**
PLANNING COSTS						**R2,738,952**
CONTINGENCY COST AND UNFORSEEN					12%	R2,282,460
TOTAL PRELIMINARY ESTIMATED BUDGET					10%	R27,846,012
COST ITEMS FOR GRANT APPLICATION						**R8,125,000**

3.9.7.4. NODE D: LIGHT INDUSTRIAL NODE

ITEM	UNITS	STO	FOOTPRINT	TOTAL	COST R/m²	VALUE
REZONING OF LAND						R750,000
CIVIL ENGINEERING SERVICES						R2,000,000
HIVE WORKSHOP FACILITIES: value of construction of hive shelters for SMME-type light-industrial manufacturing spaces, with power, light, wet services. Ave dim 3 x 6m = 18 sqm	32	1	18	576	R3,900	R2,246,400
HARD LANDSCAPING: Including earthworks, parking spaces, bellmouth entrance, garbage yard, etc.	1	1	6,300	6,300	R450	R2,835,000
SOFT LANDSCAPING: Buffer strip against main	1	1	300	300	R250	R75,000

ITEM	UNITS	STO	FOOTPRINT	TOTAL	COST R/m²	VALUE
road, side boundaries, etc.						
FENCING: Boundary fencing and access control.	1	1	300	300	R1,500	R450,000
SERVICE CONNECTION: Electrical substation (req to be confirmed)	1	1	1	1	R280,000	R280,000
SUBTOTAL PER PHASE						**R8,636,400**
PLANNING COSTS					18%	R1,554,552
CONTINGENCY COST AND UNFORSEEN					15%	R1,295,460
TOTAL PRELIMINARY ESTIMATED BUDGET						**R11,486,412**

3.9.7.5. NODE S: SPORTS NODE

ITEM	QTY	COST	VALUE
PHASE 1			
Demolition of the existing stadium, clubhouse and tennis courts	1	R100,000	R100,000
Boundary fencing repair and replace, installation of new pedestrian gates, vehicle gates	1,200	R2,000	R2,400,000
Installation and maintenance of service infrastructure	1		
Parking and landscaping, rehab embankment seating where required	1	R3,000,000	R3,000,000
Construction of a new West Pavilion of 10,000 seats spread in two tiers of 5,000 each, change-rooms, field preparation, irrigation, drainage, access control, PA, and floodlighting, superstructure partial	10,000	R10,000	R100,000,000
Partial roof covering West Pavilion phased construction	10,000	R1,500	R15,000,000
Seating main stand and VIP's	10,000	R500	R5,000,000
Athletics field and infrastructure upgrade; sealed surface i.e. tartan	8	R220,000	R1,760,000
External environment upgrade – pedestrian walkways, landscaping, lighting, pause areas	4	R1,750,000	R7,000,000
Mini-sub for lighting	1	R280,000	R280,000
SUBTOTAL PER PHASE			**R134,510,000**
PLANNING COSTS		12%	16,144,800
CONTINGENCY COST AND UNFORSEEN		10%	R13,454,000
TOTAL PRELIMINARY ESTIMATED BUDGET			R164,138,800

ITEM	QTY	COST	VALUE
PHASE 2			
Site works, landscaping and rehab of open space edge and extended pedestrian areas surrounding stadium	1	2,500,000	R2,500,000
Vehicle slipways, taxi drop-off etc	4	150,000	R600,000
Reconstruction of tennis courts, basketball court and clubhouse and change rooms and ablutions with floodlighting	6	150,000	R900,000
Secondary practice fields	2	960,000	R1,920,000
Field lighting for practice fields	4	175,000	R700,000
Future East pavilion (upgrade existing embankment seating with secondary tier of 5,000 seats and partial roof covering)	5,000	7,500	R37,500,000
Access control and fencing of practice fields, embankments and landscaping	1,000	2,000	R2,000,000
SUBTOTAL PER PHASE			**R46,120,000**
PLANNING COSTS		15%	R6,918,000
CONTINGENCY COST AND UNFORSEEN		10%	R4,612,000
TOTAL PRELIMINARY ESTIMATED BUDGET			**R57,650,000**

3.9.7.6. NODE E: NEW ENTRANCE

ITEM	m² / ITEM	COST R/m²	VALUE
Pedestrian walkways (hard landscaping, incl. street furniture)	2,205	200	R441,000.00
Pedestrian landscaping	2,205	10	R22,050.00
Traffic calming element (To be confirmed by further investigation)	1	100,000	R100,000.00
Intersection landscaping	2,018	10	R20,180.00
Land mark/sign	1	80,000	R80,000.00
SUBTOTAL PER PHASE			**R663,230.00**
PLANNING COSTS		12%	R 79,587.60
CONTINGENCY COST AND UNFORSEEN		10%	R 66,323.00
COST ITEMS FOR GRANT APPLICATION			**R 809,140.60**

3.9.7.7. NODE R: NEW RETAIL NODE

ITEM	m² / ITEM	COST R/m²	VALUE
Zoning of land			R500,000
Bulk Engineering Services			R10,000,000
Land availability agreement			R100,000
Preparation of tender documents			R1,500,000
Project Management			R200,000
Retail Centre			R100,000,000
SUBTOTAL PER PHASE			**R112,300,000**
PLANNING COSTS		12%	R13,476,000
COST ITEMS FOR GRANT APPLICATION			**R 125,776,000**

3.9.8. FUNDING SOURCES

The following possible funding resources exist for project implementation:

3.9.8.1. NODE A: CENTRAL DEVELOPMENT NODE

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
SOCIAL HOUSING: Approximate value of Project based on footprint area (needs significant interrogation during next phase)	R58,800,000	Dept Local Government & Housing / Private Developers	To be sourced
TAXI RANK: value of construction of shelters for commuters, civic works excluded.	R2,040,000	SANRAL / MIG / STLM / Department of Transport	To be sourced
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office	R4,125,000	National Treasury STLM	Secure To be sourced
RETAIL MALL: Private client - no value attached		Private Sector	To be sourced
CHURCH SITE - Private client - no value allocated		Privately funded	To be sourced
VEHICLE SERVICE STATION: Private client - no value allocated		Privately funded	To be sourced
CRECHE: Value of project including allowance for site works, infrastructure, etc	R2,925,000	Privately funded	To be sourced
SOCCER FIELD	R962,500	National Treasury SLP's	Secure To be sourced
BASKETBALL court with floodlighting	R224,400	National Treasury SLP's	Secure To be sourced

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
ABLUTIONS	R700,000	National Treasury SLP's	Secure To be sourced
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,	R8,000,000	National Treasury SLP's	Secure To be sourced

3.9.8.2. NODE B: UPGRADE OF EXISTING MHLUZI NODE

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
TAXI RANK: value of construction of shelters for commuters, civic works excluded.	R225,000	SANRAL / MIG / STLM / Department of Transport	Secure
HARD LANDSCAPING: Including maintenance of broken paving, tree-grids, kerbing, rumble strips, speed control textures, etc	R910,000	National treasury STLM / SLP's	Secure To be sourced
SOFT LANDSCAPING: Creation of new park space/public square, including large trees, signage, etc	R437,500	National treasury STLM / SLP's	Secure To be sourced
ABLUTION FACILITY: Public ablution facility including a 40 sqm residence for manager	R900,000	National treasury STLM / SLP's	Secure To be sourced
GENERAL: Allowance for external environment upgrade items - lighting, bins, street furniture	R375,000	National treasury STLM / SLP's	Secure To be sourced

3.9.8.3. NODE C: DEVELOPMENT AND EXPANSION OF NEW SOCIAL/COMMUNITY NODE

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
CIVIC BUILDING: extension of existing facilities	R7,650,000	National Treasury STLM	Secure To be sourced
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office	R4,125,000	National Treasury STLM	Secure To be sourced
POLICE STATION: New satellite facility included 10% amount for site works etc. (funded by DOW?)	R2,400,000	Department of Safety	To be sourced
RETAIL BUILDING 1: Private client - no value attached		Private Developer	To be sourced
RETAIL BUILDING 2: Private client - no value attached		Private Developer	To be sourced
ABLUTIONS	R1,000,000	National Treasury STLM / SLP's	Secure To be sourced
CLUBHOUSE: Value of project including allowance for site works, infrastructure, etc	R1,575,000	National Treasury STLM / SLP's	Secure To be sourced
SOCCER FIELD	R1,925,000	National Treasury STLM / SLP's	Secure To be sourced
BASKETBALL COURT: no floodlighting	R149,600	National Treasury	Secure

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
		STLM / SLP's	To be sourced
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,	R4,000,000	National Treasury STLM / SLP's	Secure To be sourced

3.9.8.4. NODE D: LIGHT INDUSTRIAL NODE

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
REZONING OF LAND	R750,000	National Treasury / STLM	Secured
CIVIL ENGINEERING SERVICES	R2,000,000	MIG / STLM	To be sourced
HIVE WORKSHOP FACILITIES: value of construction of hive shelters for SMME-type light-industrial manufacturing spaces, with power, light, wet services. Ave dim 3 x 6m = 18 sqm	R2,246,400	National Treasury / STLM	Secured
HARD LANDSCAPING: Including earthworks, parking spaces, bellmouth entrance, garbage yard, etc.	R2,835,000	National Treasury / STLM	Secured
SOFT LANDSCAPING: Buffer strip against main road, side boundaries, etc.	R75,000	National Treasury / STLM	Secured
FENCING: Boundary fencing and access control.	R450,000	National Treasury / STLM	Secured
SERVICE CONNECTION: Electrical substation (req to be confirmed)	R280,000	Eskom / STLM	To be sourced

3.9.8.5. NODE S: SPORTS NODE

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
PHASE 1			
Demolition of the existing stadium, clubhouse and tennis courts	R100,000	National Treasury STLM / SLP's	Secured To be sourced
Boundary fencing repair and replace, installation of new pedestrian gates, vehicle gates	R2,400,000	National Treasury STLM / SLP's	Secured To be sourced
Installation and maintenance of service infrastructure		National Treasury STLM / SLP's	Secured To be sourced
Parking and landscaping, rehab embankment seating where required	R3,000,000	National Treasury STLM / SLP's	Secured To be sourced
Construction of a new West Pavilion of 10,000 seats spread in two tiers of 5,000 each, change-rooms, field preparation, irrigation, drainage, access control, PA, and floodlighting, superstructure partial	R100,000,000	National Treasury STLM / SLP's	Secured To be sourced
Partial roof covering West Pavilion phased construction	R15,000,000	National Treasury STLM / SLP's	Secured To be sourced
Seating main stand and VIP's	R5,000,000	National Treasury STLM / SLP's	Secured To be sourced
Athletics field and infrastructure upgrade; sealed surface i.e. tartan	R1,760,000	National Treasury STLM / SLP's	Secured To be sourced
External environment upgrade – pedestrian walkways, landscaping, lighting, pause areas	R7,000,000	National Treasury STLM / SLP's	Secured To be sourced

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
Mini-sub for lighting	R280,000	National Treasury STLM / SLP's	Secured To be sourced
PHASE 2			
Site works, landscaping and rehab of open space edge and extended pedestrian areas surrounding stadium	R2,500,000	National Treasury STLM / SLP's	Secured To be sourced
Vehicle slipways, taxi drop-off etc	R600,000	National Treasury STLM / SLP's	Secured To be sourced
Reconstruction of tennis courts, basketball court and clubhouse and change rooms and ablutions with floodlighting	R900,000	National Treasury STLM / SLP's	Secured To be sourced
Secondary practice fields	R1,920,000	National Treasury STLM / SLP's	Secured To be sourced
Field lighting for practice fields	R700,000	National Treasury STLM / SLP's	Secured To be sourced
Future East pavilion (upgrade existing embankment seating with secondary tier of 5,000 seats and partial roof covering)	R37,500,000	National Treasury STLM / SLP's	Secured To be sourced
Access control and fencing of practice fields, embankments and landscaping	R2,000,000	National Treasury STLM / SLP's	Secured To be sourced

3.9.8.6. NODE E: NEW ENTRANCE

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
Pedestrian walkways (hard landscaping, incl. street furniture)	R441,000.00	National Treasury / STLM	Secure
Pedestrian landscaping	R22,050.00	National Treasury / STLM	Secure
Traffic calming element (To be confirmed by further investigation)	R100,000.00	National Treasury / STLM	Secure
Intersection landscaping	R20,180.00	National Treasury / STLM	Secure
Land mark/sign	R80,000.00	National Treasury / STLM	Secure

3.9.8.7. NODE R: NEW RETAIL NODE

PROJECT ITEM	ESTIMATED COST	FUNDING SOURCE	SECUREMENT OF FUNDING
Zoning of land	R500,000	National Treasury STLM	Secured To be secured
Bulk Engineering Services	R10,000,000	Private Sector	To be secured
Land availability agreement	R100,000	National Treasury STLM	Secured To be secured
Preparation of tender documents	R1,500,000	National Treasury STLM	Secured To be secured
Project Management	R200,000	National Treasury STLM	Secured To be secured
Retail Centre	R100,000,000	Private Sector	To be secured

3.10. PROJECT PHASING AND MILESTONES

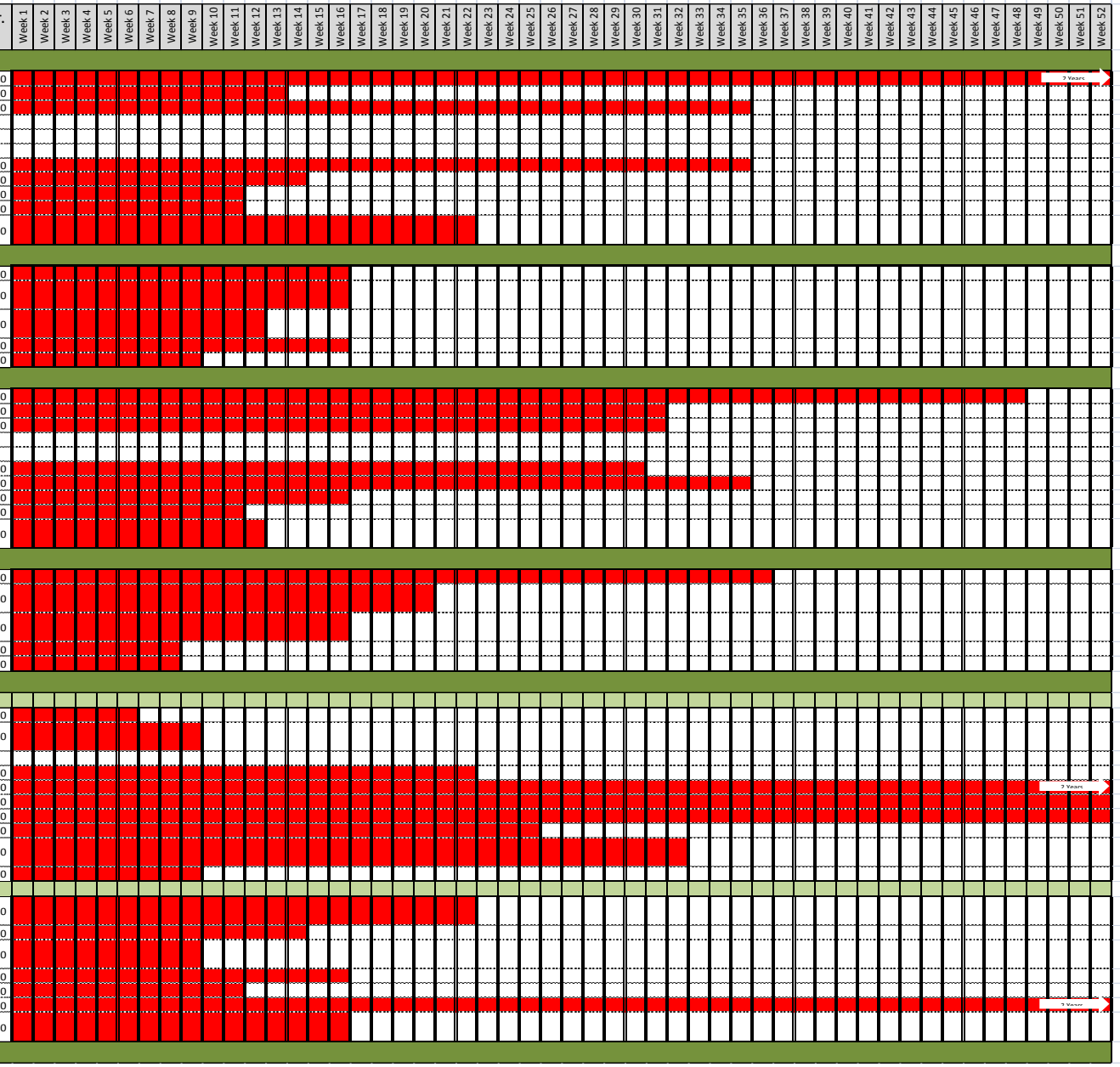
Priority should be given to the upgrade of Ikageleng access road as a "quick win" and first project to be implemented. The remaining projects all need detailed planning, which could commence after the approval of the business plan.

The following figure provides an estimated timeframe for the proposed projects.

MLHUZI NDPG PROJECT

PLANNING AND MILESTONES

PROJECT DELIVERABLES	FOOTPRINT AREA	RATE	CASHFLOW - EST. BUDGET
DEVELOPMENT NODE A: CENTRAL DEVELOPMENT NODE			
Social housing	16,800	R 3,500.00	R 58,800,000
Taxi rank	510	R 4,000.00	R 2,040,000
Civic buildings	825	R 5,000.00	R 4,125,000
Retail mall			
Church site			
Vehicle service station			
Crèche	650	R 4,500.00	R 2,925,000
Soccer field	7,700	R 125.00	R 962,500
Basketball court	1,496	R 150.00	R 224,400
Ablutions	200	R 3,500.00	R 700,000
External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas	40,000	R 200.00	R 8,000,000
DEVELOPMENT NODE B: UPGRADE OF EXISTING MHLUZI NODE			
Taxi rank	50	R 4,500.00	R 225,000
Hard landscaping (maintenance paving, tree-grids, kerbing, rumble strips, speed control textures, etc.)	1,400	R 650.00	R 910,000
Soft landscaping (new park space/public square, inclu. Large trees, signage, etc.)	175	R 2,500.00	R 437,500
Ablution facility	200	R 4,500.00	R 900,000
External environment upgrade (lighting, bins, street furniture)	50	R 7,500.00	R 375,000
DEVELOPMENT NODE C: DEVELOPMENT AND EXPANSION OF NEW SOCIAL/COMMUNITY NODE			
Civic building (extension existing facilities)	2,550	R 3,000.00	R 7,650,000
Civic buildings	825	R 5,000.00	R 4,125,000
Police station	400	R 6,000.00	R 2,400,000
Retail building 1			
Retail building 2			
Ablutions	250	R 4,000.00	R 1,000,000
Club house	350	R 4,500.00	R 1,575,000
Soccer field	15,400	R 125.00	R 1,925,000
Basketball court	1,496	R 100.00	R 149,600
External environment upgrade (pedestrian walkways, landscaping, lighting, pause areas)	20,000	R 200.00	R 4,000,000
DEVELOPMENT NODE D: LIGHT INDUSTRIAL NODE			
Hive workshop facilities	576	R 3,900.00	R 2,246,400
Hard landscaping (earthworks, parking spaces, bellmouth entrance, garbage yard, etc.)	6,300	R 450.00	R 2,835,000
Soft landscaping (buffer strip against main road, side boundaries etc.)	300	R 250.00	R 75,000
Fencing and access control	300	R 1,500.00	R 450,000
Service connection (electrical substation)	1	R 280,000.00	R 280,000
DEVELOPMENT NODE S: SPORTS NODE			
PHASE 1			
Demolition of the existing stadium, clubhouse and tennis courts	1	R 100,000.00	R 100,000
Boundary fencing repair and replace, installation of new pedestrian gates, vehicle gates	1,200	R 2,000.00	R 2,400,000
Installation and maintenance of service infrastructure	1		
Parking and landscaping, rehab embankment seating where required	1	R 3,000,000.00	R 3,000,000
Construction of a new West Pavilion	10,000	R 10,000.00	R 100,000,000
Partial roof covering West Pavilion phased construction	10,000	R 1,500.00	R 15,000,000
Seating main stand and VIP's	10,000	R 500.00	R 5,000,000
Athletics field and infrastructure upgrade; sealed surface i.e. tartan	8	R 220,000.00	R 1,760,000
External environment upgrade – pedestrian walkways, landscaping, lighting, pause areas	4	R 1,750,000.00	R 7,000,000
Mini-sub for lighting	1	R 280,000.00	R 280,000
PHASE 2			
Site works, landscaping and rehab of open space edge and extended pedestrian areas surrounding stadium	1	R 2,500,000.00	R 2,500,000
Vehicle slipways, taxi drop-off etc	4	R 150,000.00	R 600,000
Reconstruction of tennis courts, basketball court and clubhouse and change rooms and ablutions with floodlighting	6	R 150,000.00	R 900,000
Secondary practice fields	2	R 960,000.00	R 1,920,000
Field lighting for practice fields	4	R 175,000.00	R 700,000
Future East pavilion	5,000	R 7,500.00	R 37,500,000
Access control and fencing of practice fields, embankments and landscaping	1,000	R 2,000.00	R 2,000,000
DEVELOPMENT NODE E: NEW ENTRANCE			



SECTION 4: STAKEHOLDER RELATIONSHIPS AND ROLES

4. STAKEHOLDER MANAGEMENT

4.1. THE STAKEHOLDERS FOR THIS PHASE

The stakeholders in this project will most probably differ during the various phases of this project. For this reason, the stakeholders were identified for the planning, Implementation as well as the maintenance phase of the project.

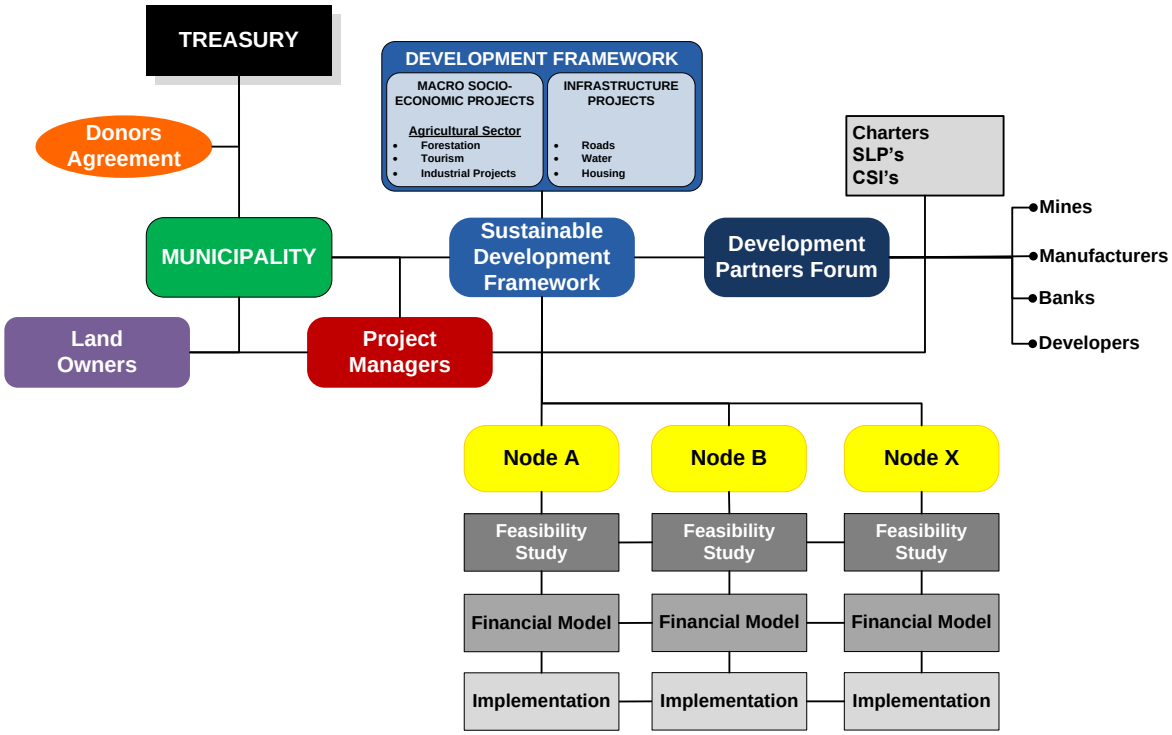
Planning:

The stakeholders for this phase are as follows:

Stakeholder	Institution	Involvement
IDP Manager	Steve Tshwete Local Municipality	To ensure the inclusion and alignment of the project to the IDP. The IDP Manager will also be responsible for the communication to Council
Ward Councillors	Steve Tshwete Local Municipality	To ensure community awareness of the proposed projects
Neighbourhood Development Partnership Grant	National Department of Treasury	Technical assistance funding of the planning of the project
Project Director / Town Planner	Maxim Planning Solutions	To determine land use, location of proposed nodes and to plan project
Project Manager	Bigen Africa	To plan project
Urban Designer	Holm Jordaan	Urban design and costing of the proposed nodes
Market Researcher	Demacon	To determine viability of proposed project

4.2. IMPLEMENTATION

NDPG STEVE TSHWETE LOCAL MUNICIPALITY
INTEGRATED DEVELOPMENT PARTNERSHIP MODEL



One of the main objectives of the NDPG is the establishment of development partnerships. The above diagram illustrates an integrated development and partnership model. The main stakeholders identified in this process could be:

- STLM
- National Treasury
- Provincial Government Departments
- Private Sector:
  - Mines Manufacturers
  - Banks
  - Developers
- The proposed vehicle to drive the development process will be the establishment of a Development Partnership Forum

4.3. MAINTENANCE

The stakeholders for the maintenance are as follows:

Stakeholder	Institution	Involvement
Neighbourhood Development Partnership Grant	National Department of Treasury	Technical Assistance as part of the review of the project
Technical Department	Steve Tshwete	To maintain the MPCC, Social and the Sport Node
Private Developer	To be determined	To maintain the retail centres and industrial area
Taxi Association	To be determined	To maintain all taxi ranks
Parks	STLM	To maintain landscaped areas and road reserves

SECTION 5: PROJECT RISKS

5. PROJECT RISKS

No	Description	Probability *	Impact*	Risk**	Mitigation actions	Responsible party	Relevant documentation
1	Finding the right partners problematic	H	H	M	Establishment of Development Forum	Project Management	Stakeholder Agreements
2	Possibility of lack of appropriate project finance may delay project	H	H	M	Link projects to financial years of institutions/private sector	Project Management	Cover letters from NDPG to motivate initiatives
3	Integrating community info Institutional model	M	M	M	Communication Model	Project Management	Communication Model
4	Asset Management after implementation	M	H	M	Update Asset Register	Project Management	Management/Maintenance Plan linked with IDP
5	Integrating various nodal programmes	H	H	M	Link projects plans / ongoing process	Project Management	Link projects with IDP
6	Provincial / State Department not committed to project	M	H	M	Consultation with stakeholders to explain the benefits of the project and for the community	Project Management	Rental contracts
7	Total cost to high for implementation of all projects	H	H	H	Application for extension of NDPG funding Municipality to contribute to funding of projects Prioritization of projects	Project Management	Funding application submitted to National Treasury. Council resolution of availability of financial support
8	Possibility that services to be provided by consultant might not meet output specifications of Municipality	L	H	L	Clear output specifications, SLA	Project Manager	SLA / Mile-Stone Payment Schedule
9	Possibility that completion of works might be delayed and the next deliverable will start late and expenditure will increase	L	L	L	Project still in planning phase and deliverables are not all interdependent	Project Manager / Municipality	Gantt Chart / Mile-Stone Payment Schedule
10	Risk that specialists might not be available	L	H	L	Contract the right specialists at start of project to ensure availability	Project Manager	Contracts for consultants
11	Cost over-run – project costs will be exceeded	L	H	L	Project still in planning phase and the Mile-Stone Payment Schedule is maintained every month	Project Manager	Mile-Stone Payment Schedule

No	Description	Probability *	Impact*	Risk**	Mitigation actions	Responsible party	Relevant documentation
12	Force Majeure	L	H	L	Service Level Agreement between Contractor and Municipality	Project Manager	SLA
13	Inflation to run up costs	L	M	L	Project still in planning – no products are needed now	Project Manager	Project Management Plan
14	Possibility that lack of capacity and coordination may compromise effective delay of project	L	H	M	Regular Steering Committee Meetings and Feedback the National Department of Treasury	Project Manager	Meeting documentation

SECTION 6: NDPG PROJECT SUMMARY

6. NDPG PROJECT SUMMARY OF COST AND LEVERAGE POTENTIAL[3]

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE A: CENTRAL DEVELOPMENT NODE			
SOCIAL HOUSING: Approximate value of Project based on footprint area (needs significant interrogation during next phase)			R58,800,000
TAXI RANK: value of construction of shelters for commuters, civic works excluded.			R2,040,000
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office		R4,125,000	
RETAIL MALL: Private client - no value attached			R10,000,000
CHURCH SITE - Private client - no value allocated			R2,000,000
VEHICLE SERVICE STATION: Private client - no value allocated			R6,000,000
CRECHE: Value of project including allowance for siteworks, infrastructure, etc			R2,925,000
SOCCER FIELD		R962,500	
BASKETBALL court with floodlighting		R224,400	
ABLUTIONS		R700,000	
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,		R8,000,000	
Sub-Total		R 14,011,900	R 81,765,000
Planning Cost	12%	R 1,681,428	
TOTAL		**R 15,693,328**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE B: UPGRADE OF THE EXISTING MHLUZI NODE			
TAXI RANK: value of construction of shelters for commuters, civic works excluded.			R225,000
HARD LANDSCAPING: Including maintenance of broken paving, tree-grids, kerbing, rumble strips, speed control textures, etc		R910,000	
SOFT LANDSCAPING: Creation of new park space/public square, including large trees, signage, etc		R437,500	
ABLUTION FACILITY: Public ablution facility including a 40 sqm residence for manager		R900,000	
GENERAL: Allowance for external environment upgrade items - lighting, bins, street furniture		R375,000	
Sub-Total		R 2,622,500	R 225,000
Planning Cost	18%	R 472,050	
TOTAL		**R 3,094,550**	

[3] Costs excludes contingency and unforeseen expenses between 10% and 18%.

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE C: DEVELOPMENT AND EXPANSION OF THE NEW SOCIAL/COMMUNITY NODE			
CIVIC BUILDING: extension of existing facilities		R7,650,000	
CIVIC BUILDINGS: value of project for structures accommodated in small-scale buildings i.e. pay-points, clinic, municipal office		R4,125,000	
POLICE STATION: New satellite facility included 10% amount for site works etc. (funded by DOW?)			R2,400,000
RETAIL BUILDING 1: Private client - no value attached			R3,000,000
RETAIL BUILDING 2: Private client - no value attached			R3,000,000
ABLUTIONS		R1,000,000	
CLUBHOUSE: Value of project including allowance for site works, infrastructure, etc		R1,575,000	
SOCCER FIELD		R1,925,000	
BASKETBALL COURT: no floodlighting		R149,600	
GENERAL: External environment upgrade - pedestrian walkways, landscaping, lighting, pause areas,		R4,000,000	
Sub-Total		20,424,600	R 8,400,000
Planning Cost	12%	R 2,450,952	
TOTAL		**R 22,875,552**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE D: LIGHT INDUSTRIAL NODE			
REZONING OF LAND		R750,000	
CIVIL ENGINEERING SERVICES			R2,000,000
HIVE WORKSHOP FACILITIES: value of construction of hive shelters for SMME-type light-industrial manufacturing spaces, with power, light, wet services. Ave dim 3 x 6m = 18 sqm		R2,246,400	
HARD LANDSCAPING: Including earthworks, parking spaces, bellmouth entrance, garbage yard, etc.		R2,835,000	
SOFT LANDSCAPING: Buffer strip against main road, side boundaries, etc.		R75,000	
FENCING: Boundary fencing and access control.		R450,000	
SERVICE CONNECTION: Electrical substation (req to be confirmed)		R280,000	
Sub-Total		R 6,636,400	R 2,000,000
Planning Cost	18%	R 1,194,552	
TOTAL		**R 7,830,952**	

PROJECT	PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE S: SPORTS NODE (PHASE 1)		
Demolition of the existing stadium, clubhouse and tennis courts	R100,000	
Boundary fencing repair and replace, installation of new pedestrian gates, vehicle gates	R2,400,000	
Installation and maintenance of service infrastructure	R 500,000	
Parking and landscaping, rehab embankment seating where required	R3,000,000	
Construction of a new West Pavilion of 10,000 seats spread in two tiers of 5,000 each, change-rooms, field preparation, irrigation, drainage, access control, PA, and floodlighting, superstructure partial		R100,000,000
Partial roof covering West Pavilion phased construction	R15,000,000	
Seating main stand and VIP's		R5,000,000
Athletics field and infrastructure upgrade; sealed surface i.e. tartan	R1,760,000	
External environment upgrade – pedestrian walkways, landscaping, lighting, pause areas	R7,000,000	
Mini-sub for lighting	R280,000	
Sub-Total	R 30,040,000	R 105,000,000
Planning Cost 12%	R 3,604,800	
TOTAL	**R 33,644,800**	

PROJECT	PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE S: SPORTS NODE (PHASE 2)		
Site works, landscaping and rehab of open space edge and extended pedestrian areas surrounding stadium	R2,500,000	
Vehicle slipways, taxi drop-off etc	R600,000	
Reconstruction of tennis courts, basketball court and clubhouse and change rooms and ablutions with floodlighting	R900,000	
Secondary practice fields	R1,920,000	
Field lighting for practice fields	R700,000	
Future East pavilion (upgrade existing embankment seating with secondary tier of 5,000 seats and partial roof covering)		R37,500,000
Access control and fencing of practice fields, embankments and landscaping	R2,000,000	
Sub-Total	R 8,620,000	R 37,500,000
Planning Cost 15%	R 1,293,000	
TOTAL	**R 9,913,000**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE E: NEW ENTRANCE			
Pedestrian walkways (hard landscaping, incl. street furniture)		R441,000.00	
Pedestrian landscaping		R22,050.00	
Traffic calming element (To be confirmed by further investigation)		R100,000.00	
Intersection landscaping		R20,180.00	
Land mark/sign		R80,000.00	
Sub-Total		R 663,230.00	R 0
Planning Cost	12%	R 79,588	
TOTAL		**R 742,818**	

PROJECT		PROJECTED COST	PROJECTED INDUCED DEVELOPMENT VALUE
DEVELOPMENT NODE R: NEW RETAIL NODE			
Zoning of land		R500,000	
Bulk Engineering Services			R10,000,000
Land availability agreement		R100,000	
Preparation of tender documents		R1,500,000	
Project Management		R200,000	
Retail Centre			R100,000,000
Sub-Total		R 2,300,000	R 110,000,000
Planning Cost	12%	R 276,000	
TOTAL		**R 2,576,000**	

TOTAL	**R 96,371,000**	**R 344,890,000**

The total estimated cost for the integrated development approach will be R96,371,000. The successful implementation of the identified projects will have the potential to unleash an estimated additional amount of R344,890,000 investment funded by the private sector and other external resources.

Steve Tshwete Local Municipality is committed to contribute to the development process by making available its technical, administrative and financial expertise. It will also make available land for the upgrade of social facilities, sport facilities as well as land for commercial and industrial development.