1. PREPARATION

The Municipal Systems Act No 32 of 2000, regulation (5)28 requires that "Each municipal Council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan."

The process must be reviewed annually before commencing the annual IDP Review Process. A local municipal Process Plan is informed by the District Framework Plan as described in the following paragraphs.

PROCESS PLAN

The IDP Review process is staggered into the following parts:

- Preparation Phase
- Physical Review
- Budget Review
- Performance Management Review

In addition, the following processes that take place in parallel to the IDP Review Processes above that provide crucial information to the Integrated Development Plans:

- Budget Review Process
- Water Service Development Plan Review
- Performance Management Review Process

1.1 PREPARATION PHASE

This phase comprises the drafting of the IDP Framework and individual IDP Process Plans by the Zululand District Family of Municipalities. The period is **01**st July **2011 to 30** August **2011**.

1.2 PHYSICAL REVIEW

This stage comprises of five stages namely:

Table 5: 5 Stages of the IDP Preparation

Phase	Proposed Timeframe
Situational Analysis	04 Aug 2011 – 05 Oct 2011
Development Strategies	11 Oct 2011 – 25 Nov 2011
Projects	11 Oct 2011 – 17 Nov 2011
Integration	10 Jan 2012– 17 Feb 2012
Approval	06 Feb 2012 – 11 Jun 2012

More specifically, the **Situational Analysis** entails that IDP Managers and Planners liaise with stakeholders in their area of jurisdiction to verify the situational analysis of each sector. The output of this phase is a **District Wide Situational Analysis Report** which informs Municipal Councils and Management on developing relevant strategies (next phase of IDP Review). The Planning and LED Forum will co-ordinate, monitor and consolidate the information into a single report.

Two approaches are proposed for the compilation of **development strategies**.

- The first is that the District-Wide Analysis Report will be tabled at all respective Executive Council Meetings whereafter the Municipal Councils will hold individual Strategic Planning Sessions to develop long term local key performance areas, objectives, strategies, indicators and targets. The weakness of this approach is that it is devoid of a uniform agreement on a unified strategic direction mapped out by the district political leadership.
- The second approach involves the tabling of the District-Wide Situational Analysis Report at the respective Executive Councils for information. A District Wide Council Strategic Workshop is co-ordinated by the District

Municipality and chaired by the Mayor of the District Municipality. A facilitator will assist in guiding the session towards the desired outcome. The objective of the workshop is to map out a long term strategic framework from which all municipalities will develop their individual long term local strategic workshop. The benefit of this option is that there is district wide consensus on a long term strategic framework which can be monitored. It also offers an opportunity for high level district political intervention in terms of fastracking strategic programmes and or projects in each of the municipalities' thereby improving the lives of communities.

Once developed, the district and local long term strategic plans must be translated into implementable **projects**. Projects identified at ward committee meetings by the community will be combined with newly identified projects by the IDP Managers. The Planning and LED Forum will investigate the development of a district wide project prioritization model which will assist in prioritizing unfunded projects for implementation either individually or jointly between municipalities. The Planning and LED Forum will also reconcile and group projects to package Regional Projects.

It is also possible that Sector Departments will be invited to participate in project planning.

Integration may be combined with the Project Planning phase above in order to ensure that there is consensus on projects that will be implemented in the municipalities. Sectoral integration is also crucial through Sector Plans.

Approval includes Municipal approval alone and Municipal plus Sector Department Approval. Municipalities must approve the draft IDP document by 29th February 2012 and submit it to the MEC by 09th March 2012. The District IDP Representative Forum will approve the final Integrated Development Plan by 09th May 2012 effectively recommending the document to the Executive Council. It is proposed that the Local Municipality Representative Forum approve their documents before or in parallel to that of the District. All Municipalities must adopt the final IDP document by 29th May 2012 for timeous submission to the MEC by 08th June 2012.

1.3 BUDGET REVIEW PROCESS

The budget process is critical in lending implementability to the Integrated Development Plan. It is linked with the physical IDP Review where performance measures are developed. Projects are identified, prioritized and a budget allocated for implementation.

All identified capital projects must be identified and submitted to the Chief Financial Officer by **28**th **October 2011** in order to inform the budget.

1.4 PERFORMANCE MANAGEMENT REVIEW PROCESS

This is an on-going mechanism that enables the municipality to measure its ability to deliver on targeted service delivery goals. It is closely linked with the physical IDP Review through the development strategies and project identification phase which form the basis for development of key performance measures. It is also linked with Budget phase where a budget is allocated to implement the identified strategies and projects.

The phase stretches **04 July 2011 to 10 November 2011.** Reviews take place on a quarterly basis in line with the Monitoring and Review.

FRAMEWORK PLAN

Each district municipality, within a prescribed period after the start of its elected term and after following a consultative process with the local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole.

The Framework binds the Zululand Family of Municipalities in order to ensure that the Integrated Development Plan Review Process is carried out jointly, is consultative and therefore aligned. It involves setting a joint time schedule identifying critical milestones for approvals and adoption. The Framework has to be prepared by the District Municipality (DM) and adopted by the Local

Municipalities (LMs). Thereafter the Framework becomes the basis for the DM and LMs to draft their Process Plans.

The respective Process and Framework Plans contain, amongst others, details of the consultation process and key dates as outlined hereunder.

CONSULTATION PROCESS

3.1 IDP PLANNING AND LFD FORUM

Chaired by the District this forum is a key alignment structure between municipalities and other relevant stakeholders. The forum enables the district to play a co-ordinatory role in the planning and implementation processes between the district stakeholders to limit duplication, conflict and promote sharing of resources and best practices.

The terms of reference of the District Planners Forum are as follows:

- support the IDP Manager in preparing for the IDP review and throughout its process
- provide terms of reference for specific planning activities
- commission research studies
- consider and comment on inputs from any sub-committees, study teams, consultants, provincial sector departments, or service providers
- make content recommendations
- process, summarize and document outputs
- prepare, facilitate and document meetings
- consider Development Planning Shared Services matters
- consider Planning and Development Act (PDA) ramifications
- configure spatial information and strategies on Geographical Information Systems (GIS)

3.2 DISTRICT GROWTH AND DEVELOPMENT SUMMIT

While establishing a strategic direction, the summit prepares the foundation for continuous alignment and integration by means of a joint planning dialogue between all development stakeholders in the district. Key issues include factors inhibiting economic growth in all sectors

Further, the summit forges a link with all IDPs by setting the theme for critical issues that will be dealt with in the Review process. The core composition of role-players for the summit includes:

- Executive Councils of the District and Local Municipalities
- Municipal Section 57 and 56 Managers
- Provincial and National Sector Department Managers
- Traditional Councils

3.3 IDP REPRESENTATIVE FORUM

The IDP Representative Forum is the main institutional mechanism for consultation in the IDP process. In each municipality, an IDP Representative Forum is to be nominated by the respective EXCO and chaired by the Mayor or a member of EXCO.

Terms of reference for the forum are as follows:

- represent the interests of the community
- provide an organizational mechanism for discussion, negotiation, and decision-making between the stakeholders, including municipal government
- ensure communication between all stakeholder representatives
- monitor the performance of the planning and implementation process

The composition of the IDP Representative Forum is as follows:

- Members of the EXCO
- Selected Councilors
- Traditional Leaders
- Ward Committee chair persons

- Heads of Departments / senior officials
- Representatives of national and provincial sector departments
- Stakeholder representatives (organised groups)
- Advocates (un-organised groups)
- Resource persons
- Community representatives
- Other stakeholders as identified, and which responded to advertisements

Each municipality (DM and LMs) will need to decide on the actual composition of its IDP Representative Forum and to specify how these institutional arrangements have been, or are to be, set up.

3.4 ROLES AND RESPONSIBILITIES

The following outlines the roles and responsibilities of the main roleplayers in the IDP process:

The **IDP Manager** is an official of the municipality assigned the responsibility of championing the IDP process. Amongst other, the following responsibilities have been allocated to the IDP Manager for the IDP Review Process:

- To ensure that the Process Plan is finalized and adopted by Council
- To adjust the IDP according to the proposals of the MEC
- To identify additional role-players to sit on the ZDM Representative Forum, Planning Forum and Steering Committee
- To monitor the participation of role players
- To ensure appropriate procedures are followed
- To ensure documentation is prepared properly
- To carry out the day-to-day management of the IDP process
- To respond to comments and enquiries
- To ensure alignment of the IDP with other IDP's within the Zululand District Municipality
- To co-ordinate the preparation of the Sector
- Plans/operational plans and their inclusion into the IDP documentation

To submit the reviewed IDP to the relevant authorities

Table 6: IDP Preparation – Roles & Responsibilities

Role Player	Roles and Responsibilities
	Manage drafting of the IDPAssign responsibilities to the Municipal
Council	Manager
	Adoption of IDP
	Linking the IDP process with their
Councilors	constituencies
	Organizing the public participation
	Recommend IDP to council for adoption
	Decide on the process plan.
	Responsible for the overall management,
Mayor	coordination and monitoring of the process
	and drafting of the IDP Review
	documentation, or delegate this function.
Municipal	Provide technical/sector expertise.
Officials	Prepare selected Sector Plans.Prepare draft progress proposals.
Municipal	Decide on planning process.
Manager	Monitor process.
ivialiagei	Overall Management and co-ordination.
	Information "GAP" identification.
	Oversee the alignment of the planning
Managamant	process internally with those of the local
Management Committee	municipality areas.
Committee	Co-ordinate, identify and prioritize plans.
	Make recommendation to the executive
	committee.

Role Player	Roles and Responsibilities
	Determine actions to be taken in the review
Planning and	process.
LED Forum	Commission sub-committees for identified
	action.
	Provide guidance to the IDP Planning Forum.
	Methodological guidance.
Planning	Facilitation of planning workshops.
Professional	Support with guidance on Sector Plans
	(sources of funding and guidelines).
	Documentation.
	Coordination roles for local municipalities.
	Ensuring horizontal alignment of the IDP's of
	the municipalities in the district council area.
	Ensuring vertical alignment between the
	district and local planning.
	Facilitation of vertical alignment of IDP's with
Municipality	other spheres of government and sector
	departments.
	Provide events for joint strategy workshops
	with local municipalities, provincial and
	national role players and other subject matter
	specialists.
ZDM Rep	Representing stakeholder interest and
Forum	contributing knowledge and ideas.
	Provide data and information.
	Budget guidelines.
Departments	Alignment of budgets with the IDP.
	Provide professional and technical support.

Role Player	Roles and Responsibilities		
Consultants		Providing the required specialist services for various planning activities as and when	
		needed.	

3.5 MATTERS REQUIRING ALIGNMENT

Within the five phases of the physical IDP Review there must be vertical and horizontal alignment. The proposed alignment areas in relation to proposed IDP phases are as follows:

Table 7: Vertical & Horizontal Alignment processes

Phases	Alignment Activity	District/Local	Local	
		Municipality	Government	
			/ Provincial/	
			National	
	Key Development			
Phase 1: Analysis	Priorities	Х	Х	
	District Strategic			
Phase 2: Strategies	Workshop	X	x	
	Project Planning Co-			
Phase 3: Projects	ordination	х	х	
	Integration of Sector			
Phase 4: Integration	Programmes	х	X	
Phase 5: Approval	Submission of draft			
	IDP	х		
	Comments on draft			
	IDP	х		
	Compilation of District			
	Summary of LM IDPs	Х		

The following details the 5 Year Integrated Process as adopted by the Zululand District Municipality.

Table 8: Integrated IDP process

INTEGRATED PROCESS	PERIOD		
Activity	Dates		
Prepare for 2012/2013 IDP Review	01 Jul 2011 - 30 Aug 2011		
Drafting and Approval Framework Plan	01 - 25 Jul 2011		
Drafting and Approval of Process Plans	01 Jul 2011 - 17 Aug 2011		
Submit draft Process Plans to MEC	27-Jul-11		
Incorporate comments from MEC(where applicable)	26 - 30 Sept 2011		
Physical IDP review			
Phase 1: Analysis	04 Aug 2011 - 05 Oct 2011		
Consultation (PLED) (re-scheduled to 23	03-Aug-11		
Aug 2011)			
Institutional Analysis	09 - 18 Aug 2011		
Financial Analysis	09 - 18 Sept 2011		
Consultation (PLED)	23-Aug-11		
Technical Analysis	01 - 09 Sept 2011		
Economic Analysis	01 - 09 Sept 2011		
Consultation (PLED)	14-Sep-11		
Consultation (Growth and Development	21-Oct-11		
Forum)			
Environmental Analysis	12-23 Sept 2011		
Consolidation of In Depth Analysis	03-06 Oct 2011		
Consultation (PLED)	07-Oct-11		
Phase 2: Strategies	11 Oct 2011 - 25 Nov 2011		
Vision, Mission and Values	10 Oct - 14 Oct 2011		
Gap Analysis and Strategies (District	21 Oct 2011		
Council Wkshop/Rep Forum)			

INTEGRATED PROCESS	PERIOD		
Activity	Dates		
Develop Performance measures (KPA's,	25 Oct - 04 Nov 2011		
KPI's, targets)			
Link KPAs and objectives to Sectoral	07 - 11 Nov 2011		
Functions			
Phase 3: Projects	11 Oct 2011 - 17 Nov 2011		
Identify Capital Projects	11 Oct - 04 Nov 2011		
Identify Sector Plans/ Programmes	01 -11 Nov 2011		
Sectoral Operational Business Plans	07 -17 Nov 2011		
Link Sectoral Operational Business Plans	14 -17 Nov 2011		
with Key performance measures			
Consultation (PLED)	25-Nov-11		
Phase 4: Integration	10 Jan - 17 Feb 2012		
Integration of Processes	10 - 27 Jan 2012		
Institutional Restructuring (where	10 - 27 Jan 2012		
applicable)			
Integrated Communication Plan	01-10 Feb 2012		
Approval			
Phase 5: Approval	06 Feb 2012 - 11 Jun 2012		
Draft Approval	29-Feb-12		
District Alignment (District Rep Forum)	09-May-12		
	07 - 24 Feb 2012 (draft)		
Public Comments/Advertising	01 - 21 Jun 2012 (final)		
Final Approval	29-May-12		
POST APPROVAL COMPLIANCE	05-29 MAY 2012		
REQUIREMENTS			
Submission of draft IDP to MEC	05 - 09 Mar 2012		
Physical Assessment of draft IDPs	26 - 29 Mar 2012		
Incorporate Assessment Feedback	09 - 20 Apr 2012		
Submission of final IDP to MEC	08-Jun-12		

INTEGRATED PROCESS	PERIOD		
Activity	Dates		
Annual Implementation	01 Jul 2011 - 30 Jun 2012		
Operational Business Plans	01 Jul 2011 - 30 Jun 2012		
Municipal Budget			
Monitoring, evaluation and review (11/12)	01 Sept 2011 - 13 Jul 2012		
Quarter 1	01 - 09 Sept 2011		
Quarter 2	06 -13 Jan 2011		
Quarter 3	06 -13 April 2011		
Quarter 4	06 -13 Jul 2012		
Budget Review Process	01 Aug 2011 - 25 May 2012		
Prepare&Table budget schedule to EXCO	23-Aug-11		
Schedule and requirements workshopped	25-Aug-11		
at Management Comm/Capex			
HODs prepare budget inputs	01 Sept - 28 Oct 2011		
Submitt budget inputs for CFO	31-Oct-11		
Draft budget discussed at Management	14-Nov-11		
Comm			
Incorporate proposed national and	14 - 23 Jan 2011		
provincial allocations			
Revise budget allocations in line with	02-Feb-11		
proposed budget			
Draft budget & SDBIP tabled to Council	29-Mar-11		
LMs informed of the projected allocations	05-Apr-11		
Incorporate additions and comments of	10 - 20 Apr 2011		
draft budget			
Prepare budget for tabling to Council	01-May-11		
Revise SDBIP &Performance Contracts in	08-May-11		
line with approved budget			
Table revised SDBIP & Perf Contracts to	29-May-11		
Council			

INTEGRATED PROCESS	PERIOD	
Activity	Dates	
Performance Management Review		
Preparation Phase	04 Jul 2011 - 26 Aug 2011	
Drafting of Performance Management	04 - 15 Jul 2011	
Framework		
Table draft PMS Framework at MANCO	25 - 29 Aug 2011	
Incorporate HOD Comments	01 - 15 Aug 2011	
Table PMS Framework to EXCO for	25-Aug-11	
adoption		
Physical Review (2012/2013)	10 Oct - 05 Nov 2011	
Council Strategies developed (Council	21-Oct-11	
Strategic Session)		
Planning circulate scorecard template to	24 - 28 Oct 2011	
HODs (web systems)		
HODs draft performance measures (KPAs,	26 Oct - 04 Nov 2011	
KPIs, targets)		
HODs submitt departmental scorecards to	07 - 11 Nov 2011	
planning		
Planning develops council scorecard	14 - 17 Nov 2011	
Council scorecard tabled to Council	21 - 25 Nov 2011	
Performance Agreements signed by	02 - 06 Jul 2011	
Section 57 Managers		
WSDP Review Process	01 Aug 2011 - 25 May 2012	

3.6 CONSULTATION AND ALIGNMENT MEETINGS AND DATES

The table below reflects the Consultation and Alignment Meetings and the dates when these took place:

Table 9: Actual Consultation and Alignment Meetings

ZDM Consultation and Alignment Meetings			
ZDM Roadshows: Draft IDP, Budget and LED 2011/2012			
Municipality Visited	Date		
uPhongolo	19-Oct-11		
eDumbe	20-Oct-11		
Abaqulusi	21-Oct-11		
Ulundi	22-Oct-11		
Nongoma	18-Oct-11		
ZDM Roadshows: Draft IDP, Budget and LED 201	2/2013		
Municipality Visited	Date		
uPhongolo	09-Apr-12		
eDumbe	10-Apr-12		
Abaqulusi	11-Apr-12		
Ulundi	12-Apr-12		
Nongoma	13-Apr-12		
Planning and LED Forum	Date		
	08-Jul-11		
	23-Aug-11		
	23-Nov-11		
	26-Jan-12		
	09-Mar-12		
IDP Representative Forum	Date		
	25-Apr-12		

2. SITUATIONAL ANALYSIS

LEGISLATIVE, POLICY AND STRATEGY CONTEXT

1.1 THE MUNICIPAL SYSTEMS ACT, 2000 (ACT NO. 32 OF 2000) (MSA)

The key legislation in terms of the preparation of IDPs is the **Municipal Systems Act (Act 32 of 2000) (MSA).** Section 26 of the MSA compels all municipalities to prepare an Integrated Development Plan (IDP) as the primary and overriding management tool. In terms of Section 26 of the MSA, some of the core components that an integrated development plan must reflect are:

- The municipal council's vision for the long term development of the municipality.
- An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services.
- The council's development priorities and objectives, including its local economic development aims and its internal transformation needs.
- The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation.
- A Spatial Development Framework which must include the provision of basic guidelines for a land use management system for the municipality.
- Key performance indicators and targets determined through an organizational performance system based on the priorities identified in the IDP
- Chapter 5 of the MSA gives guidance as to the preparation of IDPs by Municipalities. This is a strategic plan for the municipality which aligns the development goals of the municipality with the financial resources that the municipality has. As part of the IDP, the municipality should assess the

levels of existing development, formulate strategies for development and align its strategies with the financial plan of the Municipality. The MSA provides that the planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution.

1.2 PRINCIPLES OF THE DEVELOPMENT FACILITATION ACT, 1995 (ACT NO. 67 OF 1995)

The DFA contains general principles for land development and decision making. Some of these principles, as contained in section 3 of the Act, are summarized at overleaf.

- Provision should be made for urban and rural land development including the development of formal and informal, existing and new settlements.
- 2. Illegal occupation of land should be discouraged.
- 3. Land development should take place effectively and in an integrated manner by:
 - a. Integrating social, economic, institutional, environmental and spatial aspects of land development.
 - b. Developing urban and rural areas in support of each other.
 - c. Providing areas of residence and job opportunities close together or integrated with each other.
 - d. Optimize the use of existing resources.
 - e. Permitting and encouraging diverse land uses.
 - f. Rectifying the distorted spatial patterns of the past.
 - g. Compaction of towns to discourage urban sprawl.
 - h. Ensuring a sustainable natural environment.
 - i. Promote conditions under which economic activities can flourish.
 - j. Create opportunities for small business at places of high accessibility and economic agglomeration.

- k. Provide the basics for survival to all existing settlement and focus on places with economic potential to provide a higher level and wider range of services or facilities.
- 4. Development within an area should take place within the limited resources, financial, institutional and physical of the area in order to create a viable community and to protect the natural environmental to enable economic growth.

1.3 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE (NSDP)

The Policy Co-ordination and Advisory Services (PCAS) in the Presidency produced a National Spatial Development Perspective (NSDP) that was endorsed by Cabinet in March 2003.

Ultimately, all government programmes and activities find expression in space. The spatial dispensation and the nature of the space economy of a country/region have important implications for meeting the social, economic and environmental objectives of a government. For instance, in cases where human settlements are scattered and fragmented over vast distances, servicing becomes expensive, both in terms of initial capital investment and subsequent maintenance. On the other hand, well connected settlements, with sufficient densities to enable better public transport, are far more conducive to spatial targeting of investment in nodes along such routes to facilitate the creation of jobs that are accessible to all.

The NSDP puts forward a set of five normative principles:

Principle 1:

Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, among which poverty alleviation is key.

Principle 2:

Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.

Principle 3:

Beyond the constitutional obligation identified in Principle 2 above, government spending on fixed investment should be focused on localities of economic growth and/or economic potential, in order to gear up private-sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 4:

Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low demonstrated economic potential, government should, beyond the provision of basic services, concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes. It should also reduce migration costs by providing labour-market intelligence to give people better information, opportunities and capabilities, to enable them to gravitate - if they choose to to localities that are more likely to provide sustainable employment and economic opportunities.

Principle 5:

In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres. Infrastructure investment should primarily support localities that will become

major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

In areas of low or no economic potential, the path of development and poverty reduction should be through a focus on investment in human capital development (education, training, social welfare, sound rural development planning, aggressive land and agrarian reform and the expansion of agricultural extension services, etc.).

The NSDP supports the view that states that poverty is prevalent in some areas because "economic and social dynamism is at such low ebb in those areas and is unlikely to improve under any feasible scenario of intervention by government or donors". It is more beneficial to engage in activities such as education and healthcare, etc. that provide "valuable momentum to increasing human capital, knowledge and the capability of individuals to make decisions from a broader set of alternatives".

In terms of poverty eradication the NSDP is underpinned by the following assumptions:

- Location is critical for the poor to exploit opportunities for growth;
- The poor, who are concentrated around vibrant and active junction points or activity corridors, have greater opportunity to gain from higher rates of economic growth and to improve their welfare;
- Areas of demonstrated economic potential give greater protection to the poor against adverse effects of economic shock because of greater opportunities to diversify income sources;
- Areas with demonstrated economic potential are the most favourable for overcoming poverty;
- Migration studies conclusively prove that the poor are making rational choices about locating to areas of employment and economic opportunities; however
- Government must ensure that policies and programmes are in place to ensure the poor are able to benefit fully from growth and development opportunities in such areas.

In opting for sustainable development, spatial interventions and impacts have to be designed and monitored for the broader economy and human settlements, for specific sectors in the economy (e.g. water and energy consumption, air pollution and waste management, brick making, etc) and at household level (e.g. exploring renewable energy alternatives, reducing and re-using waste, and efficient public transport use).

The NSDP places a lot of emphasis on the presence of institutional capacity to realize the developmental impact of any given area or identified resource that has developmental potential. As such, it distinguishes between the following categories of potential: (1) innovation and experimentation, (2) the production of high-value differentiated goods, (3) labour intensive mass-production, (4) public service and administration, (5) tourism and (6) commercial services and retail.

1.4 THE DRAFT SPATIAL PLANNING AND LAND USE MANAGEMENT BILL, 2011

The draft Spatial Planning and Land Use Management Bill, 2011, sets out the following spatial planning and land use management principles:

The principle of spatial justice, whereby-

- past spatial and other development imbalances are redressed through improved access to and use of land;
- Spatial Development Frameworks and policies at all spheres of government address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterized by widespread poverty and deprivation;
- spatial planning mechanisms, including land use schemes, include provisions that enable redress in access to land and property by disadvantaged communities and persons;

- land use management systems are inclusive of all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
- land development procedures will include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and
- where a planning tribunal considers an application before it, the planning tribunal's exercise of discretion may not be impeded or restricted on the ground that the value of land or property is affected by the outcome of the application;

The <u>principle of spatial sustainability</u>, whereby spatial planning and land use management systems must-

- promote land development that is within the fiscal, institutional and administrative means of the country;
- ensure protection of the prime and unique agricultural land, the environment and other protected lands and the safe utilization of land;
- promote and stimulate the effective and equitable functioning of land markets;
- consider all the current and future costs to all parties for the provision of infrastructure and social services in land developments;
- promote land development in locations that are sustainable and limit urban sprawl;
- result in communities that are viable;

The principle of efficiency whereby-

land development optimizes the use of existing resources and infrastructure;

- decision-making procedures are designed with a view to minimizing negative financial, social, economic or environmental impacts; and
- development application procedures are efficient and streamlined and time frames are adhered to by all parties;

The <u>principle of spatial resilience</u> whereby flexibility in spatial plans, policies and land use management systems is accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks; and

The principle of good administration whereby:-

- all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- no government department may withhold their sector input or fail to comply with any other prescribed requirements during the preparation or amendment of Spatial Development Frameworks;
- the requirements of any law relating to land development and land use are met timeously;
- the preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, to include transparent processes of citizen participation and all parties to have the opportunity to provide inputs on matters affecting them; and
- policies, legislation and procedures must be clearly set out and inform and empower citizens.

1.5 THE NEW GROWTH PATH: THE FRAMEWORK

There is growing consensus that creating decent work, reducing inequality and defeating poverty can only happen through a new growth path founded on a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth. The Government is committed to forging such a consensus and leading the way by

- Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally.
- Developing a policy package to facilitate employment creation in these areas, above all through:
- A comprehensive drive to enhance both social equity and competitiveness;
- Systemic changes to mobilise domestic investment around activities that can create sustainable employment; and
- Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities.

In essence, the aim is to target our limited capital and capacity at activities that maximise the creation of decent work opportunities. To that end, we must use both macro and micro economic policies to create a favourable overall environment and to support more labour-absorbing activities. The main indicators of success will be jobs (the number and quality of jobs created), growth (the rate, labour intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes.

The state must coordinate its efforts around core priorities rather than dispersing them across numerous efforts, however worthwhile, that do not contribute to a sustained expansion in economic opportunities for our people. These are the core characteristics of a developmental state.

The requisite policy stability and coherence will be supported by effective social dialogue that helps establish a broad consensus on long-run policy goals

and a vision for the country, and facilitates the necessary tradeoffs and sacrifices by ensuring a visibly fair distribution of the benefits from growth. Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective strategies that are realised without endless debates and delays. That, in turn, means government must both strengthen its own capacity for engagement and leadership, and re-design delivery systems to include stakeholders meaningfully.

The growth path therefore proposes strategies:

- To deepen the domestic and regional market by growing employment, increasing incomes and undertaking other measures to improve equity and income distribution, and
- To widen the market for South African goods and services through a stronger focus on exports to the region and other rapidly growing economies.

The measures in the New Growth Path, taken together, constitute a key means to address the income inequalities in our society. They place decent work (more and better jobs) at the centre of the fight against inequality but also include measures such as skills enhancement, small enterprise development, wage and productivity gain-sharing policies, addressing the excessive pay gap between top and bottom, progressive taxation and support for the social wage, meaning public services targeted primarily at low-income households.

The connection between economic and social measures needs to be further strengthened. In addition to their important social goals, basic and secondary education plays a critical role in long-run equality, access to employment and competitiveness. So does investment in health, including effective measures to address HIV/AIDS. Government has prioritised health and education investment and delivery. While the detailed measures are not spelt out in the New Growth Path, these services are critical success factors for this employment-rich strategy.

Jobs Drivers

If we can grow employment by five million jobs by 2020 (around three million more than the anticipated growth if we extrapolated from 2002 to 2009), over half of all working-age South Africans would have paid employment and narrow unemployment would drop by 10 percentage points from 25% currently to around 15%.

The jobs drivers we have identified are:

- Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.
- Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services.
- Taking advantage of new opportunities in the knowledge and green economies.
- Leveraging social capital in the social economy and the public services.
- Fostering rural development and regional integration.

In each of these areas, we will have to make a special effort to generate opportunities for young people, who face the highest unemployment rate.

As a first step, we will prioritise efforts to support employment creation in the following key sectors:

- infrastructure
- the agricultural value chain
- the mining value chain
- the green economy
- manufacturing sectors, which are included in IPAP2, and
- tourism and certain high-level services.

1.6 "BREAKING NEW GROUND": FROM HOUSING TO SUSTAINABLE HUMAN SETTLEMENTS

Poverty is understood to involve three critical dimensions: *income, human capital* (services and opportunity) and *assets*. Housing primarily contributes towards the alleviation of asset poverty.

"Sustainable human settlements" refer to:

"well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity".

The present and future inhabitants of sustainable human settlements, located both in urban and rural areas, live in a safe and a secure environment and have adequate access to economic opportunities, a mix of safe and secure housing and tenure types, reliable and affordable basic services, educational, entertainment and cultural activities and health, welfare and police services. Land utilization is well planned, managed and monitored to ensure the development of compact, mixed land-use, diverse, life-enhancing environments with maximum possibilities for pedestrian movement and transit via safe and efficient public transport in cases where motorized means of movement is imperative. Specific attention is paid to ensuring that lowincome housing is provided in close proximity to areas of opportunity. Investment in a house becomes a crucial injection in the second economy, and a desirable asset that grows in value and acts as a generator and holder of wealth. Sustainable human settlements are supportive of the communities which reside their, thus contributing towards greater social cohesion, social crime prevention, moral regeneration, support for national heritage, recognition and support of indigenous knowledge systems, and the ongoing extension of land rights.

In line with the NSDP and the Draft National Urban Strategy, the Department will enhance its contribution to spatial restructuring by:

Progressive Informal Settlement Eradication

Informal settlements must urgently be integrated into the broader urban fabric to overcome spatial, social and economic exclusion.

Promoting Densification and Integration

The new human settlements plan includes the following interventions:

- Densification policy
- Residential development permits

It is proposed that 20% of all residential development would constitute low cost to affordable housing and would be prescribe through the permit.

Fiscal incentives

The Department, in conjunction with Treasury and SARS, will investigate the development of fiscal incentives to promote the densification of targeted human settlements and whilst introducing disincentives to sprawl.

Enhancing Spatial Planning

Greater coordination and alignment of various planning instruments and economic policies lies at the heart of sustainable human settlements.

Enhancing the location of new housing projects

The new human settlements plan envisages the following interventions:

- Accessing well-located state-owned and para-statal land
- Acquisition of well-located private land for housing development
- Funding for land acquisition
- Fiscal incentives

The Department will engage with SARS and Treasury to investigate the introduction of fiscal incentives (and disincentives) to support the development of well-located land.

Supporting Urban Renewal and Inner City Regeneration

Urban renewal is a targeted intervention by government to resuscitate declining urban areas.

The new human settlements plan will support this by:

- Encouraging Social (Medium-Density) Housing
- Increasing effective demand

Developing social and economic infrastructure

There is a need to move away from a housing-only approach towards the more holistic development of human settlements, including the provision of social and economic infrastructure. The new human settlements plan proposes that:

Construction of social and economic infrastructure

A multipurpose cluster concept will be applied to incorporate the provision of primary municipal facilities such as parks, playgrounds, sport fields, crèches, community halls, taxi ranks, satellite police stations, municipal clinics and informal trading facilities.

New funding mechanism

A New funding mechanism be introduced to fund the development of the primary social/community facilities, which will focus on informal settlement upgrading projects, completed housing projects still lacking social facilities and new housing projects.

Municipal implementation

Municipalities will be the primary implementation agencies and will submit business plans for approval to Provincial Housing Departments.

Enhancing the Housing Product

There is a need to develop more appropriate settlement designs and housing products and to ensure appropriate housing quality in both the urban and rural environments. The new human settlements plan accordingly proposes the following:

Enhancing settlement design

The Department will investigate the introduction of enhancing measures and incentives to include design professionals at planning and project design stages, and will develop design guidelines for designers and regulators to achieve sustainable and environmentally efficient settlements.

Enhancing housing design

Within the rural context, there is a need to make housing interventions more effective, to enhance the traditional technologies and indigenous knowledge which are being used to construct housing in rural areas and to improve shelter, services and tenure where these are priorities for the people living there.

Within the urban context, there is a need to focus on "changing the face" of the stereotypical "RDP" houses and settlements through promotion of alternative technology and design.

Addressing housing quality.

1.7 COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME (CRDP)

The National Department of Rural Development and Land Reform (DRDLR) has been given the mandate by the President of South Africa to develop a

Comprehensive Rural Development Programme (CRDP) throughout the country. To achieve this mandate the DRDLR embarked on developing a fresh approach to rural development. The CRDP is focused on enabling rural people to take control of their destiny, with the support from government, and thereby dealing effectively with rural poverty through the optimal use and management of natural resources. This will be achieved through a coordinated and integrated broadbased agrarian transformation as well as the strategic investment in economic and social infrastructure that will benefit the entire rural communities. The programme will be successful when it becomes apparent that "sustainable and vibrant rural communities" are succeeding throughout South Africa.

Below is a three pronged strategy to ensure that the Department achieves its objective (Agrarian transformation, Rural development and Land reform):

The Agrarian transformation includes, but is not limited to the following:

- Increased production and the optimal and sustainable use of natural resources including land, grass, trees, water, natural gases, mineral resources etc;
- livestock farming (cattle, sheep, goats, pigs, chickens, turkey, game, bees, fish, etc), including the related value chain processes;
- cropping (grain, vegetables, fruit, spices, medicines, etc), including the related value chain processes;
- the establishment and strengthening of rural livelihoods for vibrant local economic development;
- the use of appropriate technology, modern approaches and indigenous knowledge systems; and
- food security, dignity and an improved quality of life for each rural household.

Rural development includes, but is not limited to the following:

Improved economic infrastructure:

- Roads, railways, ports;
- shearing sheds;
- dipping tanks;
- milk parlours;
- community gardens;
- production/marketing stalls;
- fencing for agricultural purposes;
- storage warehouses;
- distribution and transport networks;
- electricity networks;
- communication networks (land lines, cell phones, radio, television, etc);
- irrigation schemes for small scale farmers;
- water harvesting, water basin and water shed management systems (dams etc);
- post office services and internet cafes;
- rural shopping malls.

Improved social infrastructure:

- Social mobilization to enable rural communities to take initiatives;
- establish savings clubs and cooperatives for economic activities, wealth creation and the productive use of assets;
- communal sanitation and ablution systems to improve health conditions;
- access to resourced clinics;
- sport and recreation facilities especially for women and youth development;
- rural libraries to promote a reading culture;
- rehabilitation and development of schools as centres of excellence;
- community halls and museums;
- non-farming activities to strengthen rural livelihoods;
- ABET centres for capacity building and appropriate skills development;
- leadership training, social facilitation and conscientious awareness for CRDP and socio-economic independence;

- democratise rural development, participation and ownership of all processes, projects and programmes;
- co-ordination, alignment and cooperative governance (local municipalities, traditional councils, provincial government);
- participation of NGOs, including faith-based organisations, community-based organizations and other organs of civil society;
- social cohesion and access to human and social capital.

Land reform includes, but is not limited to the following:

Increasing the pace of land redistribution:

- Provide increased access to land for previously disadvantaged people, through the redistribution of 30% of white-owned agricultural land;
- review the land reform products and approaches (LRAD, SPLAG, LASS, PLAS, ABP, LARP, etc) for greater effectiveness and relevance to the CRDP, including the implementation of related policies (use-it-or-lose-it, leasing, post settlement support, etc);
- review land acquisition processes (value for money for each hectare of land bought, proposal for a special land commission for an audit of privately owned agricultural land, the productive use of land transferred to the landless, the effective development and beneficiation of the land reform beneficiaries.

Increasing the pace of land tenure reform:

- Fast-track the settlement of labour tenant claims, especially in KwaZulu-Natal and Mpumalanga;
- facilitate secure access to land by farm dwellers;
- protect the land rights of farm workers and create decent jobs on farms;
- deal effectively and promptly with illegal evictions;
- establish agri-villages for local economic development on farms;
- provide basic needs for farm dwellers, including water, sanitation, electricity, housing, etc;

- implement CLARA to stimulate economic growth in traditional communities in the former homeland areas, while promoting efficient use of land and the sustainable use of natural resources;
- deal effectively with State land administration;
- provide support and capacity building to farm dwellers.

Speeding up the settlement of outstanding land restitution claims:

- Provide an analysis of outstanding claims (nature and type), indicate related challenges and how these should be addressed to speed up the finalization of claims and indicate clearly what is possible by the year 2011 (including what will be still outstanding, if any);
- adopt a developmental approach to the settlement of restitution claims to demonstrate a contribution to the CRDP:
- develop a strategy to deal with land claims in the Land Claims Court, to ensure that these are "winnable strong cases" setting good precedent and appealing cases that may set a bad precedent;
- ensure sustainability, beneficiation and contribution to poverty eradication, economic growth and the creation of employment opportunities, as well as the vibrancy of land restitution projects, going forward.

Effective support to all land reform programmes through land planning and information:

- Provide a reliable and efficient property/deeds registration system; improving it by modernizing and digitizing the cadastres (e-cadastre);
- contribute to economic growth and housing development by providing government and private agents with essential land information to engage in planning as well as economic transactions;
- provide a basis for the design of a land value tax, land valuation and sustainable land management;
- provide surveys and mapping services to various clients for different needs;

provide spatial planning information and services to local municipalities and other public or private institutions that may need these services for developmental purposes.

1.8 DRAFT NATIONAL STRATEGY ON SUSTAINABLE DEVELOPMENT AND ACTION PLAN

Sustainable development recognizes the interdependencies between economic growth, social equity and environmental integrity. Although definitions vary, an internationally accepted definition emphasizes the need for a long term planning horizon, and the adoption of a development path that improves the quality of life of current generations, while leaving future generations with at least the same capacity and options for development, the importance of enhancing horizontal linkages and promoting co-ordination across sectors, and in particular for recognizing synergies and tensions across sectors; the importance of vertical spatial linkages, so that local, provincial, national and global development efforts and governance are mutually supportive; and the role of partnership between government, business, non-government and community and voluntary organizations.

Sustainability and Sustainable Development

<u>Sustainability</u> is the overall goal while sustainable development is the process by which we move towards the goal. Sustainable development implies the selection and implementation of a development option which allows for the achievement of appropriate and justifiable social and economic goals (based on meeting basic needs and equity) without compromising the natural system on which it is based.

The South African Vision as outlined in the National Framework for Sustainable Development ("NFSD")

South Africa's vision of a sustainable society: "South Africa aspires to be a sustainable, economically prosperous and self-reliant nation state that safeguards its democracy by meeting the fundamental human needs of its

people, by managing its limited ecological resources responsibly for current and future generations, and by advancing efficient and effective integrated planning and governance though national, regional and global collaboration."

The vision is underpinned by a number of principles:

<u>Fundamental principles</u>: these are related to the fundamental human rights guaranteed in the Constitution, namely:

- Human dignity and social equity;
- Justice and fairness; and
- Democratic governance

<u>Substantive principles</u>: these are based on sustainable development principles already enshrined in South African law and underscoring a system approach to achieving sustainable development:

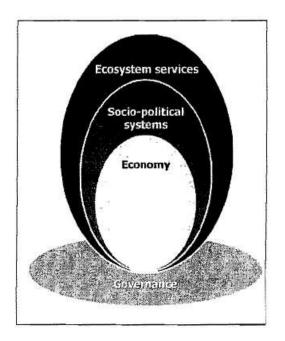
- Efficient and sustainable use of natural resources;
- Socio-economic systems are embedded within, and dependant on, ecosystems; and
- Basic human needs must be met to ensure resources necessary for longterm survival are not destroyed for short term gain.

<u>Process principles</u>: these apply to the implementation of the NFSD, namely;

- Integration and innovation;
- Consultation and participation; and
- Implementation in a phased manner.

Due to the complex development considerations, that include the worrying increase in the gap between the rich and poor populations in the country, a simple "triple bottom line" approach to sustainable development is insufficient. This realisation led to the broader definition of sustainable development. The country's approach accepts that social, economic and ecosystem factors are embedded within each other, and are underpinned by a system of governance.

The approach presents a systems approach to sustainability where the economic system, socio-political system and ecosystem are embedded within each other, and then integrated through the governance system that holds all the other systems together within a legitimate regulatory framework. Sustainability implies the continuous and mutually compatible integration of these systems over time; sustainable development means making sure that these systems remain mutually compatible as the key development challenges are met through specific actions and interventions to eradicate poverty and severe inequalities.



<u>Purpose of the Draft National Strategy on Sustainable Development and Action Plan</u>

It provides the Strategy and Action Plan to support the implementation of the NFSD.

The Strategy sets out what is needed to shift South Africa onto a new development path.

The Action Plan has been formulated in the context of the aforementioned strategy and sets out the strategic goals and interventions required in respect of the strategic priorities identified in the NFSD. The strategic priorities given in the NFSD are:

- Priority 1: Enhancing systems for integrated planning and implementation;
- Priority 2: Sustaining our ecosystems and using natural resources efficiently;
- Priority 3: Economic development via investing in sustainable infrastructure;
- Priority 4: Creating sustainable human settlements; and
- Priority 5: Responding appropriately to emerging human development, economic and environmental challenges (including climate change, rising oil prices, globalization and trade)

The Strategy

The elements of the strategy are therefore as follows:

- Directing the development path towards sustainability;
- Changing behaviour, values and attitudes; and
- Restructuring the governance system and building capacity.
- Directing the development path towards sustainability

South Africa's current economic development path is based primarily on maximizing economic growth as measured by the gross domestic product (GDP), particularly through mining, manufacturing and agricultural activities. This has resulted in an energy-intensive economy and an erosion of the resource base, a situation which is clearly unsustainable.

Historically, most of South Africa's towns and cities have been characterized by urban sprawl, with the predominant housing model being of detached, single family houses. Moreover, largely as a consequence of apartheid policies, communities are not integrated, with low-income housing and informal settlements generally located on the outskirts of urban areas, far removed from job opportunities and community services, while, at the same time, safe and efficient public transport is generally lacking. There are also massive inequalities between the lifestyles of those living in informal settlements — where there are limited or no basic services — and the high levels of consumption which characterize the wealthy suburbs. This lack of access to modern services often forces the poor to engage in practices which are detrimental to both their health and the environment — for example, the indoor burning of solid fuels for cooking. Again, this situation is not consistent with a sustainable society.

The need to put in place new socio-economic objectives, particularly around issues of equity, is clearly central to the policies of the democratic government.

Strategic Goals:

- To reduce resource use as well as the carbon intensity of the economy;
- To provide equal access to resources and a decent quality of life for all citizens: and
- To ensure effective integration of sustainability concerns into all policies, planning and decision-making at national, provincial and local levels.
- Changing values and behaviour

A key component of moving towards a sustainable society is to change people's perceptions of what constitutes "well-being" and, based on this, to develop new social goals. In support of this, efforts should also be made to increase awareness and understanding of the value of ecosystems and natural resources to human wellbeing, and to introduce incentives/disincentives to encourage environmentally responsible behaviour. The current structure of society often prevents people from behaving in a manner which is sustainable, even when they would like to — for example, the lack of safe the efficient public transport, the shortage of recycling facilities etc.

Strategic Goals:

- To develop and promote new social and economic goals based on sustainability;
- To promote environmentally responsible behaviour through incentives and disincentives;
- To build a culture that recognizes that socio-economic systems are dependent on and embedded within ecosystems; and
- To increase awareness and understanding of the value of natural resources (ecosystem services) to human wellbeing.
- Life expectancy;
- Literacy gross enrolment ratio;
- Standard of living, natural logarithm gross domestic product per capita.
- Restructuring and governance system and building capacity

Strategic Goals:

- To ensure effective integration and collaboration across all functions and sectors within government;
- To demonstrate commitment in changing the development focus to one based on sustainable programmes;
- To adopt a long-term view to development planning and implementation that takes cognizance of intergenerational equity;
- To adhere to and exercise principles of good and ethical governance; and
- To monitor, evaluate and report performance and progress in respect of sustainability goals.
- 1.9 KWAZULU-NATAL PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)

1.9.1 INTRODUCTION AND PURPOSE

The Provincial Growth and Development Strategy recognizes that environmental vulnerability, social need and economic development are not evenly distributed and spatial disparities will always exist due to the spatial distribution of natural resources, historical imperatives and cultural factors.

These spatial disparities have often been aggravated by past spatial planning. This has resulted in a disjuncture between where people live and where social and economic opportunities are concentrated. This spatial marginalization from economic opportunities of the majority of the population needs to be addressed in order to reduce poverty and inequality and ensure shared growth and the protection of vulnerable bio-resources.

The strategic and targeted nature of the Provincial Growth and Development Strategy implies that specific interventions will be undertaken within key geographical areas of Need and Potential.

1.9.2 SPATIAL RATIONALE

1.9.2.1 SPATIAL VISION AND APPROACH

The envisaged spatial vision for KwaZulu-Natal could be summarised as follow:

"Optimal and responsible utilisation of human and environmental resources, building on addressing need and maximising opportunities toward greater spatial equity and sustainability in development."

1.9.2.2 SPATIAL PRINCIPLES

1.9.2.2.1 Principle of Environmental Planning

The Principle of Environmental Planning (Bioregional Planning) refers to understanding and respecting the environmental character (potential and vulnerability) and distinctiveness of places and landscapes and promoting balanced development in such areas.

1.9.2.2.2 Principle of Economic Potential

The Principle of Economic Potential aims to improving productivity and closing the economic performance gap between the various areas of KwaZulu-Natal towards economic excellence of all areas. Rapid economic growth that is

sustained and inclusive is seen as a pre-requisite for the achievement of poverty alleviation.

The principles further promotes the consideration of spatial needs for Economic Competitiveness (Potential) by proposing an asset based spatial approach based on unique advantages and opportunities within various areas.

1.9.2.2.3 Principle of Sustainable Communities

The Principle of Sustainable Communities promotes the building of places where people want to live and work. Again the sense of Quality of Living refers to the balance between environmental quality, addressing social need and promoting economic activities within communities.

Often communities within the rural context of KwaZulu-Natal are not located in the areas with perceived highest economic potential. Where low economic potential exists planning and investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities towards building sustainable communities.

1.9.2.2.4 Principle of Local Self-Sufficiency

The Principle of Local Self-Sufficiency promotes locating development in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency.

1.9.2.2.5 Principle of Spatial Concentration

The Principle of Spatial Concentration aims to build on existing concentrations of activities and infrastructure towards improved access of communities to social services and economic activities. In practical terms this promotes concentration along nodes and corridors with multi-sectoral investment i.e.

roads, facilities, housing etc. This is envisaged to lead to greater co-ordination of both public and private investment and result in higher accessibility of goods and services to communities while ensuring more economic service delivery.

This principle will further assist in overcoming the spatial distortions of the past. Future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways.

1.9.2.2.6 Principle of Sustainable Rural Livelihoods

The Principle of Sustainable Rural Livelihoods considers rural areas in a way which is integrated with other decision making associated with the Sustainable Livelihoods framework. This principle requires that spatial planning consider the locality and impact of human, physical, natural, financial and social capitals of an area and spatially structure these in support of each other.

Another aspect of this principle is promoting spatial planning in a continuum where rural areas are not addressed as completely separate entities to urban centres, but rather a gradual change in landscape with the potential progression of rural areas to more closely resemble the service standards and quality of living achieved in some urban contexts.

1.9.2.2.7 Principle of Balanced Development

The Principle of Balance Development promotes the linking of areas of economic opportunity with areas in greatest need of economic, social and physical restructuring and regeneration at all spatial scales. In practical terms the principles sought to find a balance between the potentially competing land uses by understanding the relationship and integration between major dimensions within the province and promoting a synergetic mixture of land uses in support of each other at various spatial scales.

1.9.2.2.8 Principle of Accessibility

The Principle of Accessibility simply promotes the highest level of accessibility to resources, services, opportunities and other communities. This is intrinsically linked to transportation planning and should consider localised needs for the transportation of people and goods by various modes of transport as guided by the scale and function of a region. At a provincial level there is a strong correlation between the most deprived areas and poor regional accessibility to those areas. In addressing accessibility at provincial and local level, the need for possible new linkages, the upgrade in the capacity of existing linkages and the suitable mix of modes of transport should be considered.

1.9.2.2.9 Principle of Co-ordinated Implementation

The Principle of Co-ordinated Implementation actually projects beyond spatial planning and promotes the alignment of roleplayer mandates and resources with integrated spatial planning across sectors and localities. Essentially the principle suggests that planning-implementation becomes a more continuous process and that government spending on fixed investment should be focused on planned key interventions localities.

This principle ultimately also proposes a move towards more developmental mandate definitions of the various departments away, from single mandates to enable the spatial alignment of growth and development investment.

1.9.3 SPATIAL VARIABLES

- Environmental Sensitivity
- Economic Potential
- Social Need
- Urban Accessibility

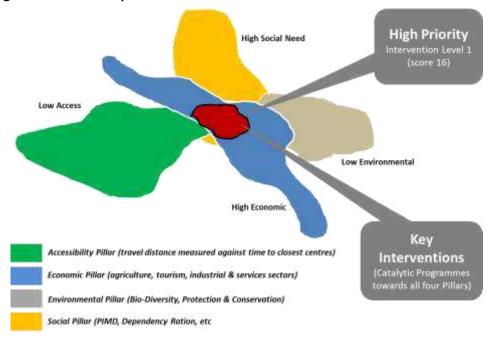
In order to effectively combine these four variables into a single map of key intervention areas, the categories/level of each variable was weighted and ranked into five similarly described categories to allow for effective overlaying

comparisons. The various weighting and categories used per variable is briefly illustrated below:

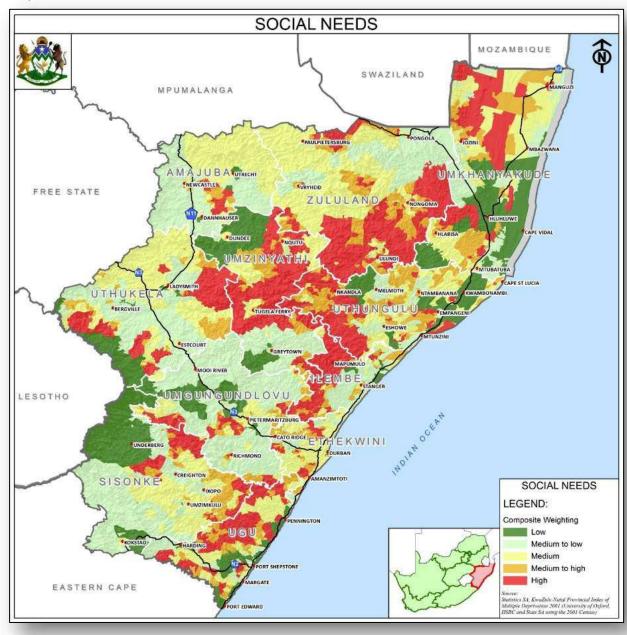
Social Need		Economic Potential		Environmental Vulnerability		Accessibility	
Highest	4	Highest	4	Low	4	Low	4
Moderate-High	3	Moderate-High	3	Moderate-High	3	Medium-Low	3
Moderate	2	Moderate	2	Moderate	2	Medium-Low	2
Moderate-Low	1	Moderate-Low	1	Moderate-Low	1	Medium-High	1
Low	0	Low	.0	Highest	0	Highest	0

An area with high social need, high economic potential, low environmental vulnerability and low accessibility would score a maximum of 16 variable weighted points and be identified as a high priority intervention area as graphically illustrated:

Figure 1: KZN PGDS Spatial Variables

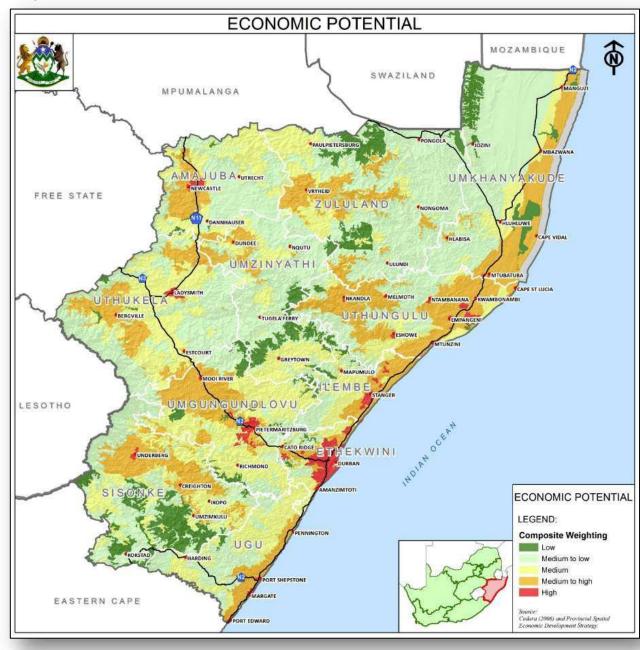


Map 1: KZN Social Needs



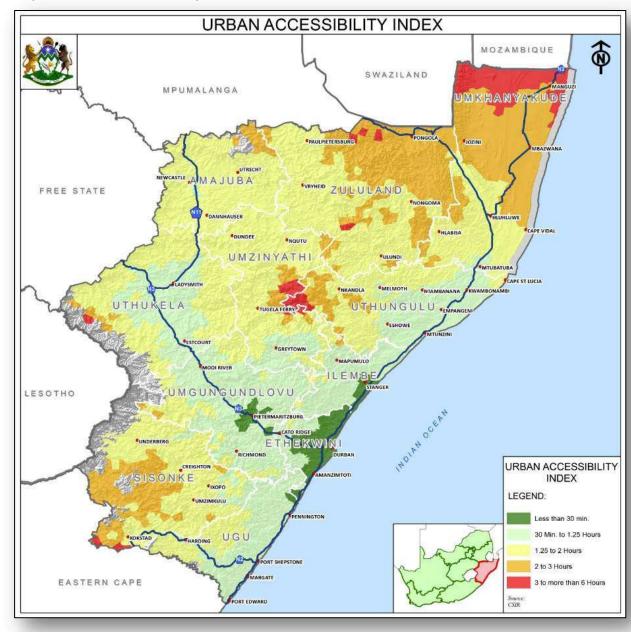
As can be seen from the adjacent map, the social needs of people residing in in the southern and southern, southeastern parts, as well as a portion to the north-east of Paulpietersburg, is considered to be high.

Map 2: KZN Economic Potential



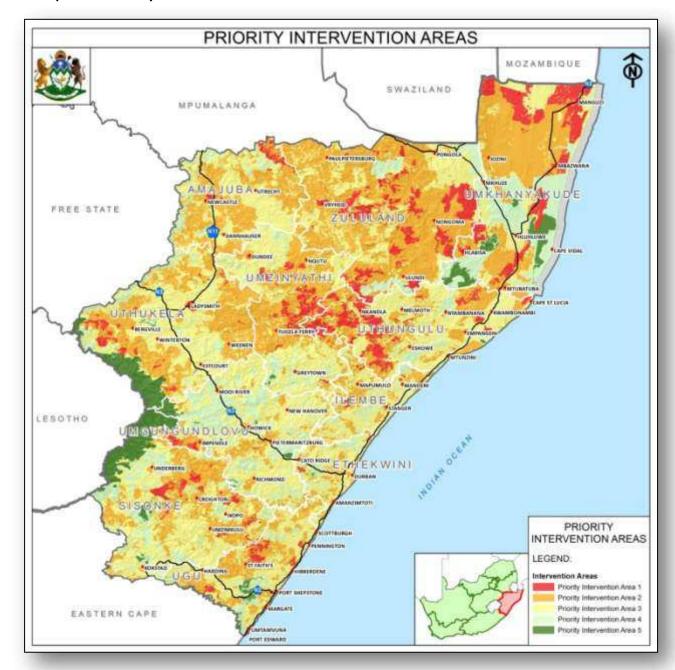
As can be seen from the adjacent map, the only significant area which is considered to have medium to high economic potential, is the Vryheid and surrounding areas.

Map 3: KZN Urban Accessibility Index



As can be seen from the adjacent map, at least 40% of the ZDM north-eastern areas are considered to be 2 to 3 hours travel time to the closest main urban centre in KwaZulu-Natal — notably Richards Bay and Newcastle.

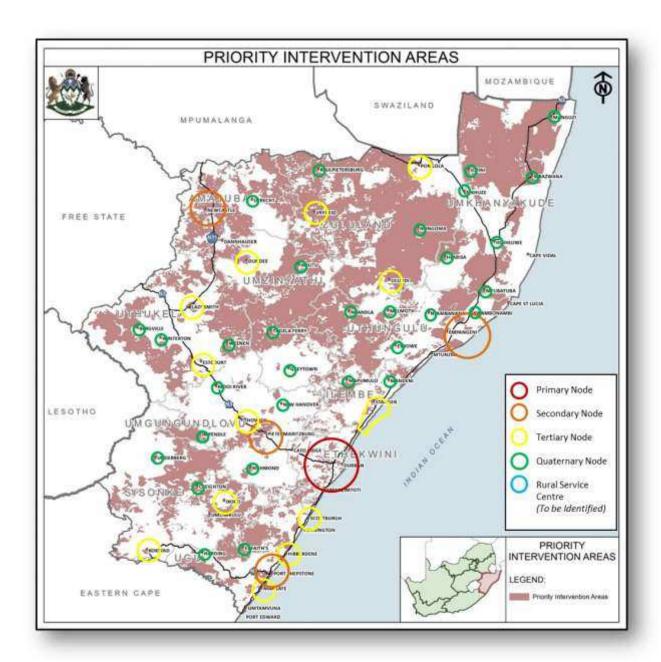
Map 4: KZN Priority Intervention Areas



Although the classification criteria used defines core areas, especially within the interior of the province, it should be noted that it is not the intention of the PGDS or the provincial spatial framework that only these core areas benefit form strategic interventions. Rather as a minimum, the Level 1 and Level 2 areas are identified as where urgent areas short term concentration and co-ordination of public interventions are required, with other intervention areas systematically being attended to. The type and extent the interventions which would be targeted at these areas, would be formulated jointly with the various district municipalities against the framework of the PGDS, its objectives goals, and envisaged interventions.

It should be noted that virtually the whole of the ZDM area is considered to be "Priority Intervention Area 1 & 2".

Map 5: KZN Nodal Hierarchy



Given the urbanisation trends as well as the already significant contribution which major urban centres such as eThekwini, Msunduzi and Richards Bay make to the regional economy of the province, as well as the fact that these areas also accommodated concentrations of poverty stricken areas, these centres should not be neglected. The Provincial Spatial Economic Development Strategy (PSEDS) has identified a hierarchy of provincial nodes which contribute strategically to the provincial, regional and local economies as well as service as vital service centres to communities. These nodes, in relation to the Level 1 and 2 Priority Interventions areas, are illustrated on the adjacent map.

It noted that 3 towns within the ZDM area are considered as Provincial Tertiary Nodes, namely Ulundi, Vryheid and Pongola.

The various nodes and their broad intended function and possible interventions are described by the table below:

Intervention Node	Broad Intended Function		
Primary Node	Only eThekwini is classified as a Primary Node within the Provincial Context as an urban centre with very high existing economic growth and the potential for expansion thereof. Provides service to the national and provincial economy. The main categories of potential within this node includes:		
	 Production of high value, differentiated goods, Production of labour intensive, mass produced goods, Innovation and experimentation, Retail and private sector services, Tourism, Public service and administration 		
Secondary Nodes	Richards Bay, Msunduzi, Newcastle and Port Shepstone has been identified as provincial Secondary Nodes and thus urban centres with good existing economic development and the potential for growth and services to the regional economy. Key strategic interventions specifically targeted at these nodes might include:		
	 Primary Economic Growth Area Priority Socio-Economic Development Spending Promote as Primary Node in support of Corridor Development Promote Compact Urban Development & Combat Urban Sprawl Promote Focused Investment & Managed Growth 		

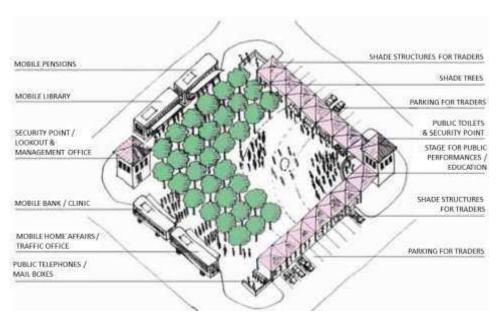
Intervention Node	Broad Intended Function	
	 Promote Densification (Brown Agenda) and Infill Development Provide Economies of Scale for Effective & Affordable Service Delivery Infill where High Levels of Services are Available (Restructuring Nodes) Increased Residential Density (number of dwellings) Promote provision of sufficient Bulk Infrastructure Services (Demand & Supply) Priority spending on Infrastructural Upgrading Needs (New & Maintain) Promote Effective & Efficient Public Transportation Systems linked to Multi Modal Facilities Single Land Use Management System (Township Formalization) 	
Tertiary Nodes	These nodes are mainly centres which should provide service to the sub-regional economy and community needs and is represented by the following towns: Pongola Vryheid, Ulundi, Dundee, Ladysmith, Estcourt, Howick, Kwadukuza, Ixopo, Scottburgh,	

Intervention Node	Broad Intended Function	Intervention Node	Broad Intended Function
	Hibberdene,	_	
	Kokstad,	Quaternary	These nodes are mainly centres which should provide service to
	Margate.	Nodes	the local economy and community needs and is represented by 31 towns, including but not limited to:
	Key strategic interventions specifically targeted at these nodes		Navasana
	and their directly surrounding areas might include:		Nongoma,
			Nkandla,
	Secondary Economic Growth Areas		Bergville,
	Promote as Secondary Node in support of Corridor		Greytown,
	Development		Underberg,
	Promote Compact Urban Development & Combat Urban Sprawl		uMzimkulu
	Promote Focused Investment & Managed Growth		Key strategic interventions specifically targeted at these nodes
	Promote Densification (Brown Agenda) & Infill Development		and their directly surrounding areas might include:
	Provide Economies of Scale for Effective & Affordable		Focused investment in areas of Poverty Concentrations
	Service Delivery		Promote Integration (Green Agenda)
	Infill where High Levels of Services are Available		Integration in terms of Mixed Densities & Uses
	(Restructuring Nodes)		Improve Transportation linkages to Nodes
	Increased Residential Density (number of dwellings)		Promote Social-economic Integration
	Promote Socio-Economic Upliftment		Eradicate Backlogs & Promote Basic Service Infrastructure &
	Promote provision of sufficient Bulk Infrastructure Services		Delivery
	(Demand & Supply)		Promote Socio-Economic Upliftment
	Priority spending on Infrastructural Upgrading Needs (New & Maintain)		Promote provision of sufficient Bulk Infrastructure Services (Demand & Supply)
	Promote Effective & Efficient Public Transportation Systems		Priority spending on Infrastructural Upgrading Needs (New
	linked to Multi Modal Facilities		& Maintain)
	Single Land Use Management System (Township		Rural Service Delivery Point
	Formalisation)		Promote & Establish PPP's
	Social inclusion Areas focus Investment in People rather		Promote Cultural & Community Based Tourism
	than Places	L	,

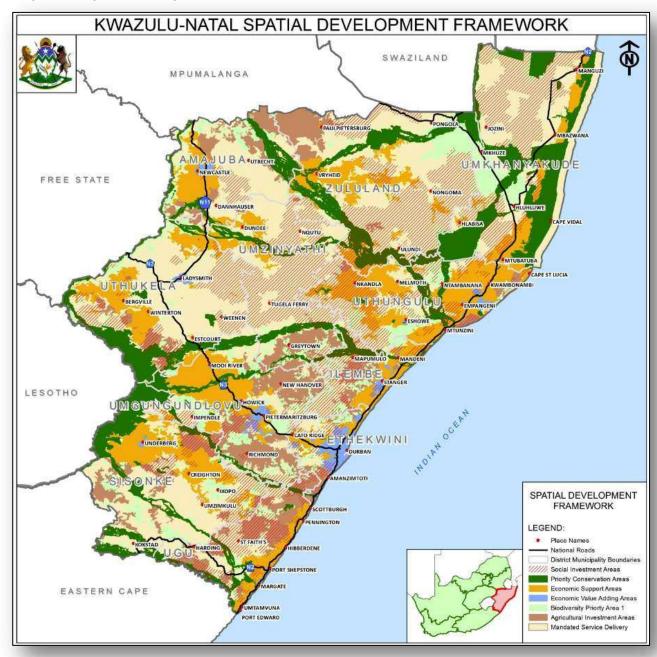
Intervention Node	Broad Intended Function
Rural Service Centres	The proposed rural service centres are envisaged to serves as the lowest level of provincial nodes and could typically be established around existing traditional administration centres as well as other accessible rural points identified as periodic markets. These will be identified in consultation with the district municipalities and should serve as first access to basic services within rural areas. These rural service centres will include, as some have already emerged to include, a combination of the following activities: Traditional administration centre, Taxi/ bus stop, Informal trading / market area, Social facility (clinic, library etc), Skills development centre (mainly local schools), Mobile services point (mobile clinics, pension pay points, mobile library etc) Small commercial facility Recreational facility such as a sport field.

A conceptual model of these rural service centres will guide the formulation of a provincial implementation strategy towards the implementation of the proposed Rural Service Centres. An important aspect of these envisaged Rural Service Centres are the provision of periodical / mobiles services, as illustrated below:

Figure 2: Conceptual Model of a Rural Service Centre



Map 6: KZN Spatial Development Framework



The southern, south-western and northern corridors along the ZDM boundaries, have been demarcated as provincial "Priority Conservation Areas". This is quite significant if compared to the rest of the province.

The central and south-eastern parts of the ZDM area have been demarcated as "Social Investment Areas", whilst the area surrounding Vryheid and to the east thereof, have been demarcated as "economic Support Areas.

The Broad Provincial Spatial Planning Categories (BPSPCs) which are indicated within the above illustrated provincial spatial development framework should be interpreted as follow:

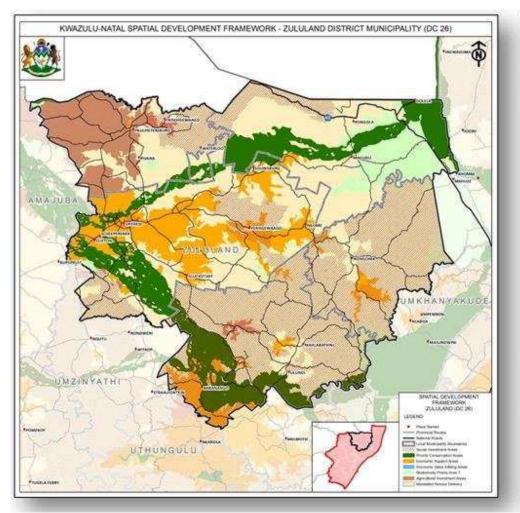
Spatial Planning Category	Broad Intended Land Use and Interventions
Conservation Corridors	Proposed regional critical conservation areas which are linked in a continuous system of ecosystems and bioregions traversing the province between the Drakensberg and the Indian Ocean. These areas were identified combining existing environmentally protected areas as well as conservation corridors proposed by Ezemvelo KZN Wildlife, through combining extensive environmental research into bioresources throughout the province as part of the formulation of a Critical Biodiversity Plan for the province. These Conservation Corridors are not suggested as absolute "no-go" areas, but rather highlighted as areas of environmental significance to the sustainable development of the entire province. Where economic opportunity (such as tourism development) and high social need exist within these Conservation Corridors, it implies both that the rich natural environment should contribute to the address such needs and potential, and further that any interventions in these areas need to consider the impact on such important regional ecological corridors. These corridors are however perceived as areas where extensive densification would be discouraged and sensitive development promoted.
Biodiversity Priority Areas	Areas with a significantly high biodiversity value expressed in the number of species and sensitive environments as

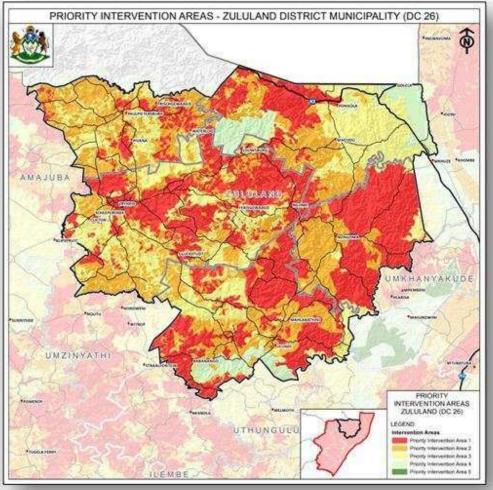
Spatial Planning Category	Broad Intended Land Use and Interventions
	identified through extensive research by Ezemvelo KZN Wildlife. These areas are most often located in close proximity to the identified Conservation Corridors and may serve as an additional buffer to these corridors. These areas too are not (at a provincial level) proposed as absolute "no-go" areas, but are identified to indicate areas where extensive densification would be discouraged and sensitive development promoted.
Areas of Economic Value Adding	The key economic centres and areas where all of the variety of economic sectors (Agriculture, Tourism, Manufacturing, Services) are prevalent and perceived to have good potential to be further expanded on. These areas are visibly linked to high accessibility areas with existing bulk infrastructure and relatively high population densities which would both contribute to the economic expansion and benefit from interventions in these areas. Due to these factors, further economic processing and value adding at a provincial level, are mainly proposed within these identified areas.
Areas of Economic Support	A number of regions resembled areas of good economic potential in more than just one of the key provincial economic sectors. Due to the fact that these areas represent a larger distribution across the entire province than the core areas of economic value adding, these zones are considered important areas of Economic Support. Typical interventions in these areas would include economic prioritisation of development, labour force interventions (e.g. skills development), key economic infrastructure investment and area promotion.

within these areas. As example where high social need is identified within an area earmarked as a conservation corridor, this firstly provides a reference to the fact that social conditions of communities will need to be addressed if any conservation is to be promoted within such areas. Further it suggests that the effective utilisation of the high biodiversity within such areas might be harnessed towards addressing

Spatial Planning Category	Broad Intended Land Use and Interventions	Spatial Planning Category	Broad Intended Land Use and Interventions
Areas of	Relatively high agricultural production areas, which are not		social need through example conservation tourism.
Agricultural Development	located within biodiversity areas of combined with other potential economic sectors are highlighted by this category to identify and promote areas with the potential to make a significant contribution through agricultural production. Although successful farming practices are already occurring on some of these areas, it is proposed that underutilized agricultural land within these zones are more effectively utilized for sustainable agricultural production. Associated interventions may include agriculture specific infrastructure, skills development, market access interventions etc.	Mandated Service Delivery Areas	The areas which are not representative of any of the above mentioned categories are classified as undifferentiated areas. It is acknowledged that these areas also have communities residing on them with economic potential and environmental resources, however, based on the approach followed these areas weren't differentiated to the same degree as the identified preceding categories. It is therefore important that this category is not neglected from public and private interventions and as the various departmental programmes are inclusive in nature, these areas should also benefit from it.
Areas of High Social Need	The highest ranges of combined social need when considering the population density, dependency ratio as the provincial index of multiple deprivation is illustrated by this category of high social need. These area broadly the areas where the most intensive social interventions area required and this category is further overlayed above all other categories to provide a spatial reference to the types of interventions which might be pursued towards addressing the concentrated social need		It is anticipated that the intensity of such programmes and total portion of resource allocation to these areas would less than the identified categories as well as the k intervention areas identified previously.

Map 7: Zululand District Municipality – Priority Intervention Areas (as per the KZN PGDS)





In promoting growth and development within the Zululand District as well as supporting the proposed spatial structure and areas in need of intervention, the following provincial catalytic projects are envisaged within the district:

- P700 Road Linkage
- Airport Development (Ulundi)
- Nature Based Tourism (P700)
- Eco, Battlefields & Cultural Heritage Tourism Routes
- Agro-Processing incorporating Bio-Fuels
- Industrial Regeneration
- Small Town Regeneration
- Regional Airports
- Rural Service Centers
- ECD Centre Development
- Centres for the Disabled
- Centres for Senior Citizens
- Substance abuse Rehabilitation Centres
- Cultural Villages
- School Greening
- Rural Waste Management Units

1.10 PLANNING AND DEVELOPMENT PRINCIPLES

- Development / investment must only happen in locations that are sustainable.
- Balance between urban and rural land development in support of each other.
- The discouragement of urban sprawl by encouraging settlement at existing and proposed nodes, whilst also promoting densification.
- The direction of new development towards logical infill areas.
- Rural settlements should be developed to an acceptable standard of services and infrastructure.
- Compact urban form is desirable.

- Development should integrate social, economic, institutional and environmental aspects.
- Sensitive, vulnerable, highly dynamic or stressed ecosystems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.
- Development should be within limited resources (financial, institutional and physical). Development must optimise the use of existing resources and infrastructure in a sustainable manner.
- Stimulate and reinforce cross boundary linkages.
- Basic services (water and sanitation) must be provided to all households.
- Development / investment should be focused on localities of economic growth and/or economic potential.
- In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes.
- Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres.
- Land development procedures must include provisions that accommodate access to secure tenure.
- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised.
- Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development
- If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity.
- During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy , must be promoted.
- Environmentally responsible behavior must be promoted through incentives and disincentives
- The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique

competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency.

Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities.

1.11 STATUS OF SECTOR PLANS AND POLICIES

The table overleaf sets out the current status of Sector Plans and Policies within the ZDM:

Table 10: Status of Sector Plans and Policies within the ZDM

A		Focus Area Spatial and Environmental Planning	Existing? (Y/N)	Date of last review?	Completion of next review?	Comments	Directorate
	1	Spatial Development Framework	Υ	Jun-09	Apr-13	na	Planning
	2	Land Use Management Framework	Υ	Jun-09	Apr-13	na	Planning
	3	Housing Sector Plan	N	-	na	Not a DM Function; co- ordination	Planning
	5	Current Public Transport Record	Υ	Jun-10	Jun-14	na	Planning
	6 7	Energy Sector Plan Environmental Management Plan (SEA)	N Y	- Jun-09	- Jun-14	Not a DM Function; co- ordination	Planning Planning
	8	Environmental Management Framework	N	-	- -	DEAT to consider funding in 2013/14	Planning
В		Infrastructure Development &Municipal Services					
	1	Water Services Development Plan	Υ	Jun-11	Jun-12	na	Planning
	2	Social Cohesion Strategy	N	Jun-09	Sep-12	na	Planning
	3	Water Bylaws	Υ	Jun-11	Jun-12	na	Planning
	4	Disaster Management Plan	Υ	Aug-05	Jun-12	na	Planning
	5	Telecommunications Plan	Υ	May-06	-	To be determined	Planning
	6	Water Services Bylaws	Υ	May-10	-	To be determined	Planning
	7	Water Loss Strategy	Υ	May-11	-	Will be reviewed on a needs basis	Planning
	8	Occupational Health and Safety Policy	Υ	May-11	-	Will be reviewed on a needs basis	Community Services
	9	Cemeteries	Y	Jun-05	-	Regional Cemeteries not found to be feasible	Planning
	10	Community Facilities	Υ	Jun-07	-	Will be reviewed on a needs basis	Planning
С		Economic Development					

	Focus Area	Existing? (Y/N)	Date of last review?	Completion of next review?	Comments	Directorate
						Local Economic
1	Regional/Local Economic Development Plan	Υ	Jun-03	Jun-13	na	Development
	Finance			ı		
					Will be reviewed on a needs	
1	Fraud Prevention Strategy	Υ	Jun-10	-	basis	Finance
2	Financial Management Plan	Υ	Jun-11	Jun-12	na	Finance
3	Supply Chain Management Policy	Υ	Jun-11	Jun-12	na	Finance
4	SDBIP	Υ	Jun-11	Jun-12	na	Finance
5	Cash Management and Investment Strategy	Y	May-11	_	Will be reviewed on a needs basis	Finance
3	Cash Management and investment strategy	Ţ	IVIAY-11	-		Fillatice
6	Credit Control and Tarriff Policy	Υ	May-11	-	Will be reviewed on a needs basis	Finance
					Will be reviewed on a needs	
7	Insurance Policy	Υ	May-11	-	basis	Finance
					Will be reviewed on a needs	
8	Travel, subsistence and entertainment policy	Υ	May-11	-	basis	Finance
					COGTA approached to assist in	
9	Revenue Enhance Strategy	N	-	-	March 2012	Finance
10	Funding and Reserves Policy	N	-	-	Lack of Funding	Finance
	Human Resource Management					
1	Workplace Skills Plan	Υ	Jun-11	Jun-12	na	Corporate Services
2	Employment Equity Plan	Υ	Jun-11	Jun-12	na	Corporate Services
					Will be reviewed on a needs	
3	Policy and Procedure Manual	Υ	Jun-08	-	basis	Corporate Services
					Will be reviewed on a needs	
4	Human Resource Strategy	Υ	Jun-10	-	basis	Corporate Services
					Will be reviewed on a needs	
5	Fleet Management Policy	Υ	Jun-10	-	basis	Corporate Services
					Will be reviewed on a needs	
6	Records Policy	Υ		-	basis	Corporate Services

	Focus Area	Existing? (Y/N)	Date of last review?	Completion of next review?	Comments	Directorate
- 1	Youth Strategy	Υ	Jun-10	-	na	Community Services
- 2	2 Gender Strategy	Υ	Jun-10	-	na	Community Services
3	B HIV/AIDS Strategy	Υ	Jun-11	Jun-12	na	Community Services
G	Good Governance					
	Performance Management Framework	Υ	Jun-09	Jun-12	na	Planning
- 2	Performance Agreements	Υ	Jul-11	Jun-12	na	Planning
	Municipal Scorecard	Υ	Jul-11	Jul-12	na	Planning
4	1 Delegations	Υ	Jul-11	Aug-12	na	Corporate Services
į	Indigent Policy	N	-	Jun-13	Under review	Finance
н	Institutional Transformation					
	Risk Management Policy	Υ	May-11	-	Will be reviewed on a needs basis	Finance
2	2 Use and Application of IT Technology	Υ	May-10	-	Will be reviewed on a needs basis	Finance
	Policy and Procedure Management	Υ	May-08	-	Will be reviewed on a needs basis	Corporate Services
4	Asset Management Policy	Υ	May-11	May-12		Finance

REGIONAL CONTEXT

The Zululand District is located on the northern regions of the KwaZulu-Natal Province and it covers an area of approximately **14 810 km²**. Approximately half of the area is under the jurisdiction of traditional authorities while the remainder is divided between commercially-owned farms and conservation areas. The District comprises the following five local municipalities:

eDumbe	(KZ 261)
uPhongolo	(KZ 262)
Abaqulusi	(KZ 263)
Nongoma	(KZ 265)
Ulundi	(KZ 266)

Vryheid and Ulundi are the major towns and the seat of Zululand is Ulundi. Vryheid is a commercial and business centre, while Ulundi is an administrative centre with the seat of the District Municipality and a well-equipped airport. Zululand has a population of 964 005 people living in isolated rural settlements and six urban areas. Most of the rural settlements are small, making service delivery costly. The potential for economic growth in Zululand lies in tourism and agriculture. The district experiences high levels of poverty and has a high incidence of HIV/AIDS infection. Another major setback is poor accessibility to basic services and facilities. Zululand remains one of the poorest districts in South Africa in part due to its history as a marginalized homeland area. Zululand is surrounded by: Amajuba, Gert Sibande in Mpumalanga, the kingdom of Swaziland, uMkhanyakude, uMzinyathi and uThungulu.

The map herewith shows the district in its locality context while the following map sketches the topographical context of the Zululand District Municipality.

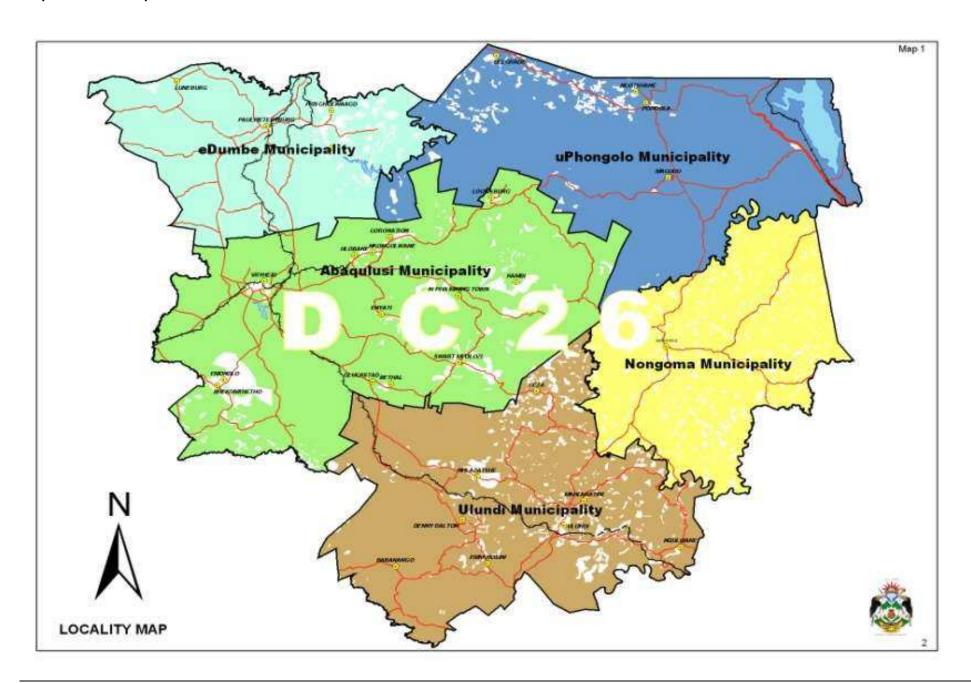
The District has a lack of large **economic** investments to boost the local economy. Up to the late 1990's the District's economy was dependant on heavy coal mining. As a result of the open markets on coal mining (and agriculture) the economy of the area has declined. The potential for economic growth in Zululand lies in tourism and agriculture. The former has started to

play a larger role in the economy of the area, this by no means fills the gap caused by the closure of mines. The mines had significant forward and backward linkages on all the economic sectors, particularly in Vryheid and surrounding areas.

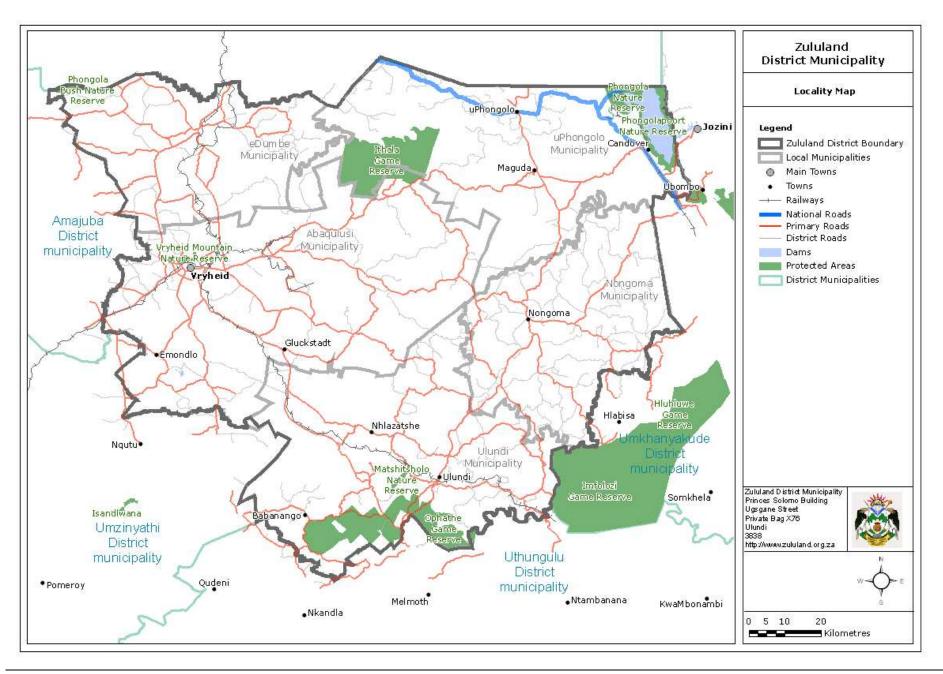
The high agricultural potential of the land is considered to be the key to the future development of the region and should be protected for long term sustainability; this however does not mean that it should be excluded from consideration in projects that relate to land reform and commercial farming ventures. The high population numbers and livestock concentrations in the freehold settlements highlight the need for additional land, and create possible opportunities for the development of commonage schemes. In addition tenure upgrade projects could be considered for tenants presently living on portions of the freehold land.

A large percentage of the district is communal land. Within these areas there is considerable pressure to extend grazing rights into adjoining areas. Strategies to deal with the need to accommodate the increasing demands for grazing land need particular attention. This will require extensive consultation between all key role players in the region.

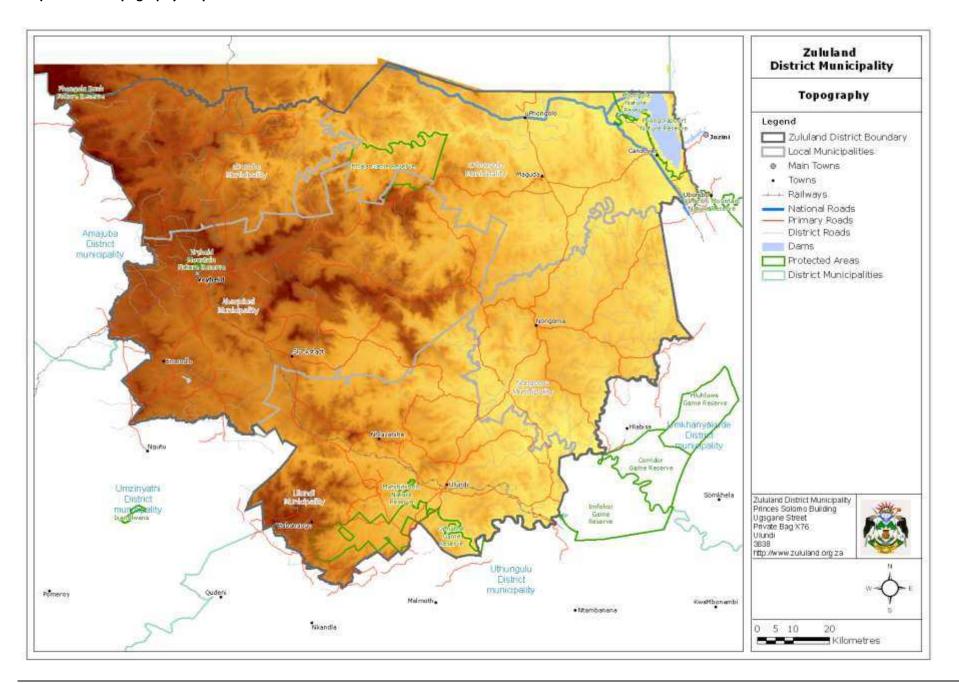
Map 8: Local Municipalities within the ZDM Area



Map 9: ZDM Locality Map



Map 10: ZDM Topography Map



DEMOGRAPHIC CHARACTERISTICS

3.1 **DEMOGRAPHIC INDICATORS**

In recent years, the Zululand District Municipality applied 2001 Census data and the results of their internal analysis of 2007 Aerial Photography to provide the following:

Table 11: 2007 Aerial Photography Analyses

			Hengen	u needs	2,31,	3 10 12	230220	0000			
INDICATOR	DR ZULULAND		Ulundi	KZ266	KZ266 27957 3		238862	7362			
			uPongol	a KZ262	16289	22112	149543	5823			
Area	14 810 km²				116116	142541	964005	26425			
Population (2007)	964 005 people										
Households	142 541		The abo								
People per Household	6,763		househo	household. It should further be noted that:							
% Urban Households	25,4%		The Ulundi LM had the highest percentage increase in househo								
% Rural Households	74,6%			bers, i.e. 28%.	_						
Gender breakdown	Males 46,5 %		was	observed in Nong	oma (23%) follo	owed by uPongo	la (22%).				
	Females 53,5 %			•		district, i.e. 36044 the					
Age breakdown	0 – 14 38,9%		Ulun								
	15 – 64 56,9%		Graph 1:	Annual Growth	per LM from 20	05 to 2010					

Data derived from 2001 Census and 2007 Aerial Photography

A recent study (2011) from the Department of Economic Development and Tourism indicates that the Zululand District had the highest average annual population growth rate (1.8%) in the province between 2004 and 2010. eThekwini has the next highest growth rate of 1.7%. Zululand's growth rate is more likely determined by a relatively high birth rate rather than a high degree of 'in-migration'

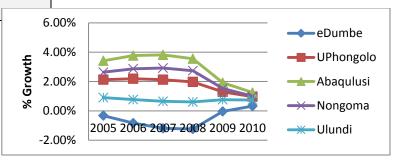
65 +

4,2%

Changes in household counts for the ZDM and its Local Municipalities between 2001 and 2007 were determined by the ZDM as indicated herewith.

Table 12: Total Household count per Local Municipality (2007)

	Total Household count per Local Muncipality										
		2001	2001 2007								
LMName	LM	Households	Households	Population	Growth						
Abaqulusi	KZ263	32312	36044	243766	3732						
eDumbe	KZ261	11611	15024	101607	3413						
Nongoma	KZ265	27947	34042	230226	6095						
Ulundi	KZ266	27957	35319	238862	7362						
uPongol a	KZ262	16289	22112	149543	5823						
		116116	142541	964005	26425						



Source: DEDT calculations based on Quantec data (2011)

Possible causes of declining population growth rates include:

- Ongoing development of the economy internationally it has been observed that as countries develop their population growth rates tend to stabilize around a lower rate.
- High level of HIV-Aids related deaths
- Migration out of the district to fast-growing urban centres (while the average growth rate in eThekwini is lower than in Zululand, in the past two years it has experienced greater growth)
- The impact of the recession Population growth rates for all the municipalities decreased in 2009. This may be because the decision to have children was negatively impacted by considerations of job losses as a result of the recession.

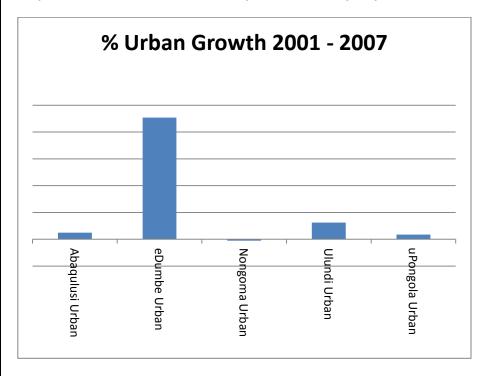
A further breakdown is provided in respect of the rural and urban components of the LM populations as shown in the table hereunder:

Table 13: Household count per Local Municipality per category

Total Hous	Total Household count per Local Muncipality per category									
		2001	2007							
LMName	CATEGORY	Households	Households							
Abaqulusi	Rural	18666	15714							
Abaqulusi	Urban	13646	20330							
eDumbe	Rural	11097	9843							
eDumbe	Urban	514	5181							
Nongoma	Rural	27105	33289							
Nongoma	Urban	842	753							
Ulundi	Rural	25260	29268							
Ulundi	Urban	2697	6051							
uPongola	Rural	13359	18165							
uP ong ola	Urban	2930	3947							
		116116	142541							

The following two graphs show urban and rural percentage household growth per LM in the district between 2001 and 2007.

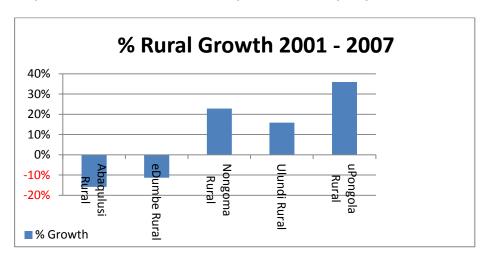
Graph 2: % Urban Household Growth per Local Municipality



Data derived from 2001 Census and 2007 Aerial Photography

Data derived from 2001 Census and 2007 Aerial Photography

Graph 3: % Rural Household Growth per Local Municipality



Data derived from 2001 Census and 2007 Aerial Photography

The previous figures illustrate a tendency for a reduction in the rural population in Abaqulusi and eDumbe with significant growth in the urban areas. The other municipalities have all experienced rural growth with only Ulundi showing significant urban growth as well. When comparing household data from aerial photography in 2001 to aerial photography in 2007 there appears to be some migration from rural households to the various urban centers in the district, which is consistent with the reality that can be seen in the field. The map at overleaf illustrates the migration of households between 2001 and 2007, as was seen from the different sets of aerial photography.

The following is further noted:

- In terms of geographic area, Abaqulusi is the largest (4184 km²), followed by Ulundi (3250 km²), uPongola (3239 km²), Nongoma (2184 km²) and eDumbe (1942 km²).
- Low levels of urbanization, approximately 75% of the people in the District are located in rural areas.

- A female population (54%) that is significantly higher than the male population (46%) which could be attributed to migration patterns in the province in general.
- The negative urban growth in Nongoma and the 100% positive urban growth in eDumbe can be attributed to the re-determination of urban boundaries.

The age characteristics of the District's population are shown in the table herewith:

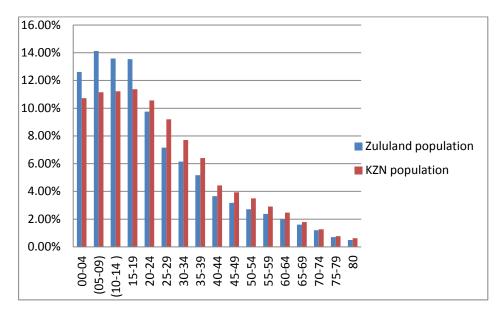
Table 14: Percentage Age Breakdown

Age Breakdown for the ZDM (2001 census)	%
Age: 0 – 4 years	14%
Age: 5 – 9 years	15%
Age: 10 – 14 years	15%
Age: 15 – 19 years	12%
Age: 20 – 24 years	9%
Age: 25 – 29 years	6%
Age: 30 – 34 years	5%
Age: 35 – 39 years	5%
Age: 40 – 44 years	4%
Age: 45 – 49 years	3%
Age: 50 – 54 years	2%
Age: 55 – 59 years	2%
Age: 60 – 64 years	2%
Age: 65 – 69 years	2%
Age: 70 – 74 years	1%
Age: 75 – 79 years	1%
Age: 80 – 84 years	0%
Age: 85+ years	0%
Age: unspecified	1%

Source: 2001 Census

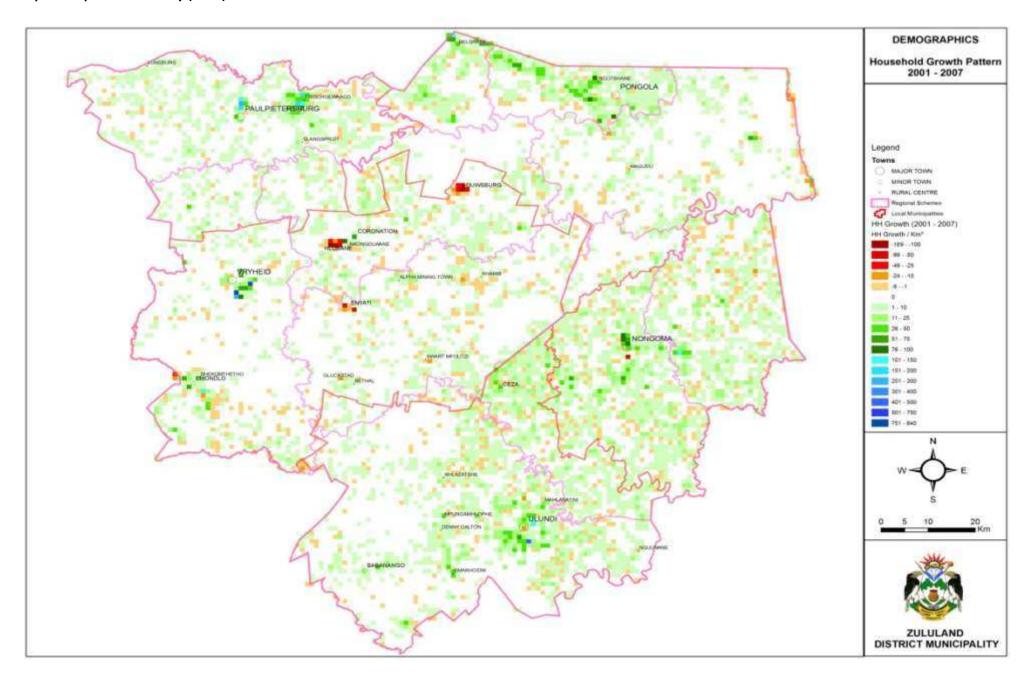
The following graph of population age distribution has also been extracted from the 2011 Department of Economic Development and Tourism study and provides a comparison between the ZDM and KwaZulu-Natal.

Graph 4: ZDM Population Age Distribution (2011)



Source: DEDT calculations, Quantec data (2011)

Map 11: Population Density (2001)



The following table and figure provides a comparative breakdown of the annual household income in the Zululand District Municipality.

Table 15: Household Income Breakdown for the ZDM

Household Income Breakdown for the ZDM	%	Number
Derived household income: none	21%	22709
Derived household income: R1 – R2 400	12%	12358
Derived household income: R2 401 – R6 000	22%	23222
Derived household income: R6 001 – R12 000	14%	15086
Derived household income: R12 001 – R18 000	7%	7618
Derived household income: R18 001 – R30 000	6%	6532
Derived household income: R30 001 – R42 000	3%	3186
Derived household income: R42 001 – R54 000	2%	2207
Derived household income: R54 001 – R72 000	2%	1941
Derived household income: R72 001 – R96 000	1%	1319
Derived household income: R96 001 – R132 000	1%	1005
Derived household income: R132 001 – R192 000	0%	520
Derived household income: R192 001 – R360 000	0%	304
Derived household income: R360 001 or more	0%	150
Derived household income: n/a: institution/hostel	0%	328
Derived household income: unspecified/dummy	8%	8547

Source: 2001 Census

Employment levels are shown in the following table:

Table 16: Levels of Employment

Employment Breakdown for the ZDM (2001 census)					
Employment status: employed	38%				
Employment status: unemployed, looking for work					
Employment status: not working – not looking for					
work	13%				
Employment status: unspecified	1%				

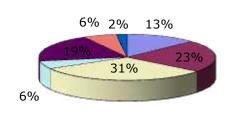
Employment Breakdown for the ZDM (2001 census) %
100%

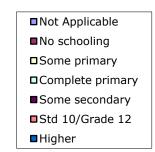
Source: Census 2001

The following graph represents the education levels of the Zululand population. There is a correlation between income, employment and education levels.

Graph 5: Levels of Education

Zululand District: Level of Education





3.2 KEY FINDINGS

- Zululand District had the highest average annual population growth rate (1.8%) in the province between 2004 and 2010.
- Zululand's growth rate is more likely determined by a relatively high birth rate rather than a high degree of 'in-migration'.
- Tendency for a reduction in the rural population in Abaqulusi and eDumbe with significant growth in the urban areas.

- When comparing household data from aerial photography in 2001 to aerial photography in 2007 there appears to be some migration from rural households to the various urban centers in the district.
- Irrespective of the above, the district has low levels of urbanization, with approximately 75% of the people in the District living in rural areas.
- A female population (54%) that is significantly higher than the male population (46%) which could be attributed to migration patterns in the province in general.
- The ZDM has low employment and high unemployment levels that, coupled with low education levels poses significant challenges to growth and development.

4. INSTITUTIONAL & GOVERNANCE ANALYSIS

4.1 INSTITUTIONAL

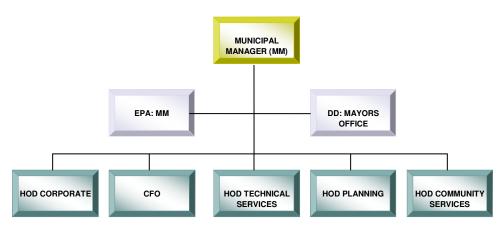
4.1.1 ORGANISATIONAL STRUCTURE

The municipality consists of six (6) departments namely:

- Municipal Manager's office
- Finance Department
- Technical Services Department
- Planning Department
- Corporate Services Department
- Community Development Department

These departments are headed by Officials appointed in terms of Section 57. The responsibilities and functions of each of these departments are explained in further in this report.

Figure 3: ZDM High-level Organogram



The most recent published information (as contained in the current Annual Report) provides the following details on occupational levels:

Table 17: ZDM Occupational Levels

Occupational Levels	Male			Female				Total	
	Α	С	ı	W	Α	С	ı	w	
Top management	19			1	15				35
Senior management	8			1	4				13
Professionally qualified									
and experienced									
specialists and mid-									
management	4			2	1				7
Skilled technical and									
academically qualified									
workers, junior									
management, supervisors,									
foremen, and									
superintendents	138			2	67	1		1	209
Semi-skilled and									
discretionary decision	126				31				158

Occupational Levels	Male			Female				Total	
	Α	С	ı	W	Α	С	ı	w	
making									
Unskilled and defined									
decision making	2								2
TOTAL PERMANENT	297			6	118	1		2	424
Temporary employees	209			2	22	1			233
GRAND TOTAL	506			8	140	1		2	657

4.1.2 DECISION-MAKING PROCESSES

- The Council of the Zululand District Municipality consists of 34 Councilors, 40% of which are proportionally elected and 60% elected to the district municipality from respective local municipalities. The Council is chaired by the Speaker, The Honourable Cllr. N J Mjaja.
- The Executive Committee is chaired by His Worship the Mayor Cllr MB. Gwala.
- In order to ensure that there is synergy, and adequate monitoring and control in the performance of the municipality towards achieving the strategic goals that Council set itself; the Council established Portfolio Committees, with each one chaired by an EXCO Member. These Committees meet regularly to track the progress made from time to time in the implementation of the Integrated Development Plan (IDP) of the Municipality.
- The following portfolio committees are operational in the District:
 - Disaster Management, Health and Safety
 - Finance and Budgeting
 - LED and Tourism
 - Community and Social Development
 - Capex and Water Provision
 - Planning and GIS
 - Local Labour

The financial year 2010/2011 was the year in which the Municipality established its Oversight Committee and started to carry out its founding mandate.

4.1.3 COMMUNICATION

The ZDM has a Communication Plan that is regularly reviewed. In addition to the above, alignment between the ZDM and its Local Municipalities and respective Service Providers is attained via IDP Alignment meetings.

The Council of Zululand District is committed to the creation of a people centered customer care center that is efficient, effective and truly accessible to all communities serviced by the municipality. To this end, the Council procured a Customer Query Logging System (SIZA) to ensure that all communication with the citizens is recorded and that there are proper and adequate mechanisms to monitor the progress being made from time to time, in resolving issues raised by the community.

4.1.4 DEPARTMENTAL OVERVIEW

As already noted, the municipality consists of the following six (6) departments:

- Municipal Manager's office
- Finance Department
- Technical Services Department
- Planning Department
- Corporate Services Department
- Community Development Department

A more in-depth overview of the respective departments will be provided in this section.

4.1.4.1 CORPORATE SERVICES

The Corporate Services department is the organizational Supplement Nerve Centre of the Municipality which is people centric, strategy focused and result driven department. In order to ensure that the department is enabled to efficiently and effectively provide the necessary support to its client departments and other internal customers within the municipality; the department is structured into five broad thrusts, namely: Management Services, Auxiliary Services, Communications Services, Airport and Disaster Management. A brief description of these sections/thrusts is provided herewith:

Management Services

The responsibility of the Management Division is to ensure provision of the necessary Human Capital, ensuring professional Labour Relations; Employee Assistance Programme; the development of Municipality's Human Capital through relevant Training and Development Strategies, which captures critical training interventions; Efficient Secretariat Support to the Municipal Council and its committees, ensuring a people centric Customer Care, that is efficient, effective and accessible to the community. In addition, to ensure that Council policies are observed including the standing rules of order, and that if there are amendments to the policies they are put through the correct policy processes of the Council.

Auxiliary Services: Records

Since the implementation of the Electronic Records Management System (EDMS) in 2006 the Council has made considerable progress in modernizing and improving its Records system. The installation of Collaborator has resulted in quick and easy cross-referencing and improved service delivery and transparency when it comes to information management, accessing important documents such as tenders as well as the benefit of having fast workflow distribution to all relevant departments, sharing and searching for

information and finally providing feedback rapidly and effectively. The main benefit of this system is the minimization of paper copies and the provision of an audit trail on all documents and correspondence.

The second phase of the EDMS system - the committee management subfunction - has also become up and running to its full capacity and is used for submitting items, generating agendas and the filing of minutes. .

Auxiliary Services: Buildings and Maintenance

The function of managing the buildings and maintenance of the Zululand District Municipality consists of overseeing the head offices, the Queen Silomo Centre, the Prince Mangosuthu Buthelezi Airport, Princess Mandisi Health Care Centre as well as the 3 satellite offices situated in Vryheid, Phongolo and Nongoma. Other buildings include those used by the Technical Departments in water works and waste water works.

To manage the risk of water cuts in the area which tend to occur on a regular basis, the municipality has installed its own borehole. The backup generator is also being serviced regularly after every 250 hrs of usage. This generator is useful when power is off and it kicks in so as to allow work to continue as we have been experiencing an increase in power outages in the area. Fire equipment servicing is done regularly to ensure readiness for usage at any given time.

Auxiliary Services: Fleet Management

The Zululand District Municipality has a total of 66 vehicles which are operating within our satellite offices, water plants, head office and the Prince Buthelezi airport in Ulundi. The municipal council approved the Fleet Management Policy which serves as a Management guide on the utilization of the council vehicles.

Airport

The main objective is to make the airport a catalyst and key driver of the District's IDP and LED programmes. A Strategy document outlining strategies and objectives that need to be implemented to ensure viability of the airport was produced and it is the yardstick according to which progress and achievements made are measured.

Airport operations are governed by the Civil Aviation Regulations of 1997 as amended from time to time. An Aerodrome Emergency Management System has been developed as per Regulation 139.02.6 and approved by the South African Civil Aviation Authority (SACAA) as the legislating body monitoring operations of airports in South Africa. A Full-scale Emergency Exercise has also been performed successfully thereby convincing the SACAA Inspector that the airport is capable of responding to an emergency of that specific magnitude.

An Aerodrome Operations Manual has also been developed according to Regulation 139.02.3 and is currently being reviewed by the SACAA accordingly. Parallel to this, a process of replacing obsolete navigation instruments has also been initiated since these form part of the prerequisites for upgrading to the required level.

The Airport Strategic Objectives are:

- Airport Management
- Building and site maintenance
- Local and regional tourism development and marketing

Disaster Management

The core function of Disaster Management Division is to address the following issues, namely:

- Conducting Disaster Awareness throughout the district
- Attending to all disaster incidents in the district

Among the types of disasters, common disasters that normally hit the people in the district are the natural disasters such as the storm and strong winds.

4.1.4.2 COMMUNITY SERVICES

The Community Services Department comprises the following sections:

- Local Economic Development
- Municipal Health
- Tourism
- Youth, Sport and Recreation
- Gender and Disability
- Indonsa Arts and Crafts Centre
- Princess Mandisi Health Care Centre

Local Economic Development

Local Economic Development is a unit in the Community Services Department. The fundamental focus of this directorate is promoting the Social and Economic Development of the municipality by implementing the Siyaphambili programme which is a strategic document for economic development in the municipality.

The Local Economic Development Forum forms part of the overarching Institutional structure of the IDP Process. Apart from sharing information on future economic activities, the purpose of the forum is to jointly agree on a direction and guidance with all stakeholders and experts in the field of economic development in the district. Sub-forums under the Local Economic Development Forum include Tourism and the recently established General Business and Agricultural forums.

Some achievements of the LED Directorate include:

Ukuzakha Nokuzenzela Program: This programme was established to assist the pro-poor communities within the District.

- P700 Local Area Development: The following projects are under implementation with the partnership from COGTA:-
 - Ulundi Tourism Hub
 - P700 Nodal Development
 - Laundromat Center
 - Mona Market Regularization
 - Informal traders facilities within Nongoma Town
- Ulundi Integrated Energy Center
- The following Business Plans were completed, ZDM is looking for potential investors/partners for their implementation:-
 - Cengeni Gate Community Tourism Project
 - Phongola Private Public Partnership
 - Nongoma Poultry Project
 - Louwsberg Agro-processing Initiative
 - Aloe processing facility and
 - District Nursery

Municipal Health

Municipal Health function is preventative in nature and seeks to protect humans from contracting diseases from the environment they live in. The National Health Act, 2003 (Act No.61 of 2003) defines Municipal Health Services As

- Water Quality Monitoring
- Food Control
- Waste Management
- Health Surveillance of Premises
- Surveillance and Prevention of Communicable diseases, excluding immunizations
- Vector Control
- Environmental Pollution Control
- Disposal of the dead, and
- Chemical Safety

The transfer of Provincial Environmental Health Practitioners is still outstanding and the service delivery is still fragmented and it will remain like that until the transfer is concluded.

Some achievements of the Directorate include:

- Food Monitoring (Mass Functions)
- Disposal of the Dead: The number of people buried as pauper in the past year has significantly increased.

Tourism



All studies done on district level clearly indicated that for Zululand, tourism is a key factor. It is one of the two legs on which development in Zululand stand the other being agriculture. The Zululand Tourism Office is now comfortably settled in the Ulundi Airport Centre. Looking ahead at tourism development in the future the Airport complex in Ulundi is ideal.

Local Tourism Structures are in place and getting these to run more efficiently remains a main objective. In Ulundi where a local tourism office has been lacking for some 2 years a post has been created and we trust that Ulundi will shortly join the other 4 municipalities each having its local tourism office.

Key Tourism Events in Zululand are growing year by year and these include i.e.

- Zulu Royal Reed Dance at Enyokeni
- Monthly Mona Market outside of Nongoma
- Annual Mayfair in Vryheid
- Tiger fishing Bonanza on the Pongola Poort Dam
- Ithala Canoe Challenge starting at the oBivane Dam
- Annual Innie Rietfees in uPhongolo
- The Ulundi Nongoma Marathon

KwaZulu-Natal has 5 Tourism Gateways entering the province and of these 2 are on the Zululand border ie Golela Border Post and the Piet Retief Gateway. At the Golela Border Post a huge brand new multi million Border Gate project is in progress. Tourism Routes in and into Zululand got an important addition when Route 66 (The Zululand Heritage Route) was launched. This adds a key third leg to the existing KZN Battlefields Route and the Zululand Birding Route which have been operational for several years. One facet of the Route 66 project that calls for urgent attention is to get the short stretch of road (some 21 km) between uPhongolo and Nongoma tarred as soon as possible. Currently this un-tarred portion effectively blocks all tourism bus traffic from entering Zululand from the north, causing the tourism industry to lose out immensely.

Youth, Sport and Recreation

Sports Development is one of the community's activities that cut across racial, gender and culture. It promotes development, personal discipline, leadership, team work skills and entertainment through sporting activities. It also contributes to the development and empowerment of local communities and encourages interest of learning and gaining more skills. Zululand District Municipality held a very successful and developmental Mayoral Cup Games.

The Zululand District Municipality 56 km Marathon competition races from Nongoma (KwaGqikazi) to Ulundi (Ulundi Regional Stadium). Hundreds of runners from all over the country of South Africa as well as other African Countries took part in this event.

From 2008 Zululand District Municipality has managed to create good relationship with KZN based PSL team (Amazulu). As a result some of Amazulu home games are played in Ulundi Regional stadium, and some of the PSL competitions are played in Ulundi.

Gender and Disability

Zululand District Municipality has gone extra mile to ensure that widows, orphans and people living with disabilities are in the map and are fully recognized and involved in all social and economic development programmes by providing them with a platform and a budget to cater for their projects and moreover, have their special celebration day known as widows, orphans and disability day. Typical activities include:

- Women's Summit and Women's Day
- Youth Summit
- Quality of Life Forum

Indonsa Art and Culture Centres and the Princess Mandisa Centre

Zululand District Municipality has a commitment to improve the lives of its citizens. Our commitment as the municipality is to ensure that all communities of Zululand are taken care of holistically, which means that we are also concerned about people's health and welfare while implementing our core mandates as the municipality. The ZDM Social Programmes Unit is housed at the municipal health centre known as Princess Mandisi Health Care Centre. This was the ZDM initiative of addressing the serious increase rate of HIV and AIDS in the District. Princess Mandisi Health Care Centre has the following intervention programmes:

- HIV and Aids Programmes
- Care and Support Programmes
- Lovelife Programme
- Orphans and Vulnerable Children

The Indonsa Arts and Crafts Centre isbased in Ulundi and has been voted as the best community arts centre in the KZN province has grown from strength to strength; helping the young and old acquire skills in fashion design, music (instruments) and visual arts at almost no cost. Six months training is offered upon application and trainees are offered intensive training.

4.1.4.3 PLANNING AND WATER SERVICES AUTHORITY

The Planning Department comprises of the following sections:

- Planning Administration
- Water Service Authority
- Geographic Information Systems
- Development Planning Shared Services

As such, the following functions of council are performed within the department:

- Integrated Development Planning
- Water Service Authority
- Solid Waste Management Services
- District Cemeteries

Planning Administration

The Planning Administration Section comprises of 4 staff members excluding the Development Planning Shared Services Chief GIS Officer, GIS Officer and District Environmental Manager. The section is responsible for the following functions:

Integrated Development Planning, including Regional Planning

- Environmental Planning
- Cemeteries
- Solid Waste Management
- Public Transport Planning
- Geographic Information Systems (GIS)
- Performance Management

Geographic Information Systems

The section comprises of a GIS expert who captures and manipulates and presents data in a form that enables enhanced decision making in terms of strategic planning and service delivery.

Without this unit, the Planning Department and the municipality as a whole would have a difficult time studying and translating the spatial and socio economic trends of the Zululand area.

Maps are printed on a daily basis for the Planning Department, Sector Departments, Political Office Bearers, Professionals and other stakeholders, at no cost.

Development Planning Shared Services

In response to the new statutory function allocated to municipalities in terms of the new Planning and Development Act, a new unit of called Development Planning Shared Services (DPSS) was established to capacitate and support municipalities in the Zululand area in terms of Development Planning and Geographic Information Systems. Funding contribution are staggered over a 3 year period with financial support from Co-Operative Governance and Traditional Affairs. Thereafter, the Shared Services will be funded in total by the Zululand Family of Municipalities.

Divided into two Directorates of Planning and GIS, the section consists of 8 staff including Planners, Geographic Information Systems Officials, Administrators and Secretary.

In terms of an arrangement between the Zululand Family of Municipalities, the Planning Directorate is placed at Abaqulusi Local Municipality owing to its central location.

The key objective of the Planning Directorate is to assist and capacitate local municipality planners in terms of the new Planning and Development Act, Statutory and Strategic Planning. The key objective of the GIS Directorate is to assist local municipalities and the district to manage and upgrade technical GIS capacity.

Water Services Authority

The section consists of 3 civil engineers and a secretary in the planning and management of the Water Service Authority function. The responsibility of a Water Services Authority (WSA) is to ensure that water is adequately provided to every single individual households falling within its area of jurisdiction. The provision of water to consumers should be in accordance with the minimum quality and quantity standards set by The Department of Water Affairs (DWA). The Water provision should be sustainable, affordable and efficient.

The Services Authority has the following Duties:

- Duty to provide access to water services:
 - This duty is subject to-
 - the availability of resources;
 - the need for an equitable allocation of resources to all consumers and potential consumers within the authority's area of jurisdiction;
 - the need to regulate access to water services in an equitable way, with any prescribed norms and standards for tariffs for water services;
 - the duty of consumers to pay reasonable charges, which must be in accordance with any prescribed norms and standards for tariffs for water services;
 - the duty to conserve water resources;

- the nature, topography, zoning and situation of the land in question;and
- the right of relevant water services authority to limit or discontinue the provision of water services if there is failure to comply with reasonable conditions set for provision of such service.

In ensuring access to water services, a water services authority must take into account among other factors:

- alternative ways of providing access to water services;
- the need for regional efficiency;
- the need to achieve the benefit of scale;
- the need for low costs;
- the requirements of equity and
- the availability of resources from neighbouring water services authorities.

4.1.4.4 TECHNICAL DEPARTMENT

The strategic objective for the Technical Services Department is to progressively provide cost effective, reliable water services of good quality to all potential consumers in the district. The core function of the Technical Department is therefore:

- To implement the new infrastructure (Water and Sanitation)
- Operation and Maintenance of the secondary bulk and reticulation
- Management, Operation and Maintenance of Bulk Water and Waste Water Infrastructure

The key issues were noted to be:

- To improve on the percentage of households with access to basic level of water.
- To improve on the percentage of households with access to basic level of sanitation.

- To improve on the number of required water quality tests conducted (samples).
- To reduce number of plant days down time.
- To improve on percentage of households earning less than R1100 pm with access to free water (Note: Rudimentary LOS included).
- To improve on percentage of households earning less than R1100 pm with access to free sanitation.
- To improve on communication with customers on planned interruptions before disruptions occur.
- To ensure that 100% of MIG grant fund is spent within the financial year.

Water and Sanitation Provision

Water Service Authority

In terms of the proclamation dealing with the division of powers and functions in 2003 the ZDM was allocated the Water Services Authority function for the entire District.

A Section 78 Assessment (Municipal System Act No 32 of 2000) was undertaken by the Zululand District Municipality in 2004.

The aim of the project was to develop;

- an accurate database of assets, staff and finance in order to ring fence the water sector.
- provide the basis for a comprehensive management system for the operational aspects of the service.

Options Considered

Option 1 - Internal Option

ZDM performing the full services provision function (bulk and reticulation) on an in-house basis (internal Department);

Option 2 - External Option 1

Outsourcing the bulk and reticulation function to Local Municipalities in the northern supply areas of the district with the ZDM performing both functions in the southern areas

Option 3 - External Option 2

Outsourcing the reticulation function to Local Municipalities in the northern supply areas of the district with the ZDM performing the reticulation function in the southern areas. In this option the ZDM takes over the bulk function for the entire district

In terms of the findings of this Section 78 assessment, option (1) was adopted by the then Council as it provided the best option for services provision in the Zululand District;

The option was accompanied by the identification of core functions and the outsourcing of non-core aspects of the water business.

Natal Spa Agreement

In terms of the proclamation dealing with the division of powers and functions in 2003 the ZDM was allocated the Water Services Authority function for the entire District.

At that time an agreement was entered into by all services providers in the District (ie. Local Municipalities) with the Water Services Authority called the Natal Spa agreement.

In terms of this agreement the assets and staff were transferred to the District as WSA and then shifted back to the Local Municipalities until such time as the Section 78 (1-3) was reviewed and completed.

In the period which followed this decision, 4 of the 5 Local Municipalities voluntarily handed the provision function back to the ZDM leaving only Abaqulusi Local Municipality performing the provider function. On the expiry of the Natal Spa agreement, an executive decision was taken to extend the period of the provider function for Abaqulusi Local Municipality, based on the terms of the Natal Spa Agreement, until such time as a suitable agreement is reached.

Institutional Structuring And Alignment

Water Services Development Plan Steering Committee

The Water Service Development Plan Steering Committee is a planning and alignment structure meeting at least four times a year.

Composition of the committee:

- Zululand District Municipality
- Abaqulusi, Nongoma, Ulundi, eDumbe and uPhongola Local Municipalities
- Relevant Sector Departments
- Contracted Service Providers

The purpose of the Steering Committee is to advise respective Councils on the review, implementation and implementation monitoring of the Water Services Development Plan.

Water Service Provider Meetings

This structure is a working committee which steers the technical work of Water Service Providers and Contracted Service Providers. Meetings are held monthly and comprise of the Zululand District, Service Providers and the Water Service Providers.

Policies and Bylaws

Water Services Development Plan

The Zululand District Municipality has developed a Water Service Development Plan in terms of the Water Act. The plan profiles communities, identifies areas of supply and maps out the water and sanitation roll out with costs over a multi-year period.

The plan is reviewed annually and tabled to Council for adoption.

Water Loss Strategy and Bylaws

One of the challenges of a Water Service Authority is to account for all water moving in and out of the system. Various mechanisms are used to monitor this activity. However, there are various factors which beat monitoring activities which means that the authority must constantly evolve in order to account for all water. In certain instances, outdated infrastructure or burst pipes may contribute to water loss which is picked up quickly. However, in certain instances water loss is due to criminal behavior. In order to manage water loss effectively, a water loss strategy has been developed and is regularly reviewed. In order to combat criminal behavior it is community awareness via political intervention and application of the water services bylaws which the municipality has at its disposal.

Project Management Unit

The Project Management Unit is basically responsible for the implementation of all the capital projects within the district. The unit has a total of 6 technical officers, two Institutional Social Development Officers (ISDO) and a Senior Project Administrator.

In the 2010-2011 financial year an allocation of R 188 million was received from MIG and was successfully spent 100% by the end of June 2011. The

largest percentage, 77%, was spent on water, 20% was spent on sanitation and 3% on sporting facilities. The large amount of money is currently spent in the development of bulk infrastructure and as the bulk line passes through communities, reticulation networks are installed. Where the communities are experiencing acute shortage of water, the rudimentary programme is in place to bring temporal relief and where there are no reliable sources, water tankering is taking place.

Zululand District Municipality, for sustainable water supply, is divided into ten (10) regional schemes with reliable water sources.

Water Services Provision: Urban and Rural Reticulation

The main function of the "Urban and Rural Reticulation Section" division is to operate and maintain the water and sanitation networks in both urban and rural areas within the Local Municipalities that make up the Zululand District Municipality. This section further manages the provision of Emergency Water under the Drought Relief Programme.

At present all urban areas are serviced with water and sanitation which is metered and they also receive the 6 kilolitre Free Basic Water per month.

The Zululand District Municipality has ten Regional Schemes which are still in progress in terms of construction. Within these regional schemes there are further small stand-alone rural schemes:

Table 18: Regional Schemes

Regional Water Supply Scheme	Number of Water Supply Schemes
Nkonjeni RWSS	33
Usuthu RWSS	39
Mandlakazi RWSS	31

Regional Water Supply Scheme	Number of Water Supply Schemes					
Gumbi/Candover RWSS	2					
Simdlangentsha East RWSS	20					
Simdlangentsha Central RWSS	12					
Simdlangentsha West RWSS	27					
Corronation RWSS	2					
Khambi RWSS	23					
Hlahlindlela RWSS	23					

Source: WSDP 2012

Zululand District Municipality is currently utilizing the water-management devices (WMD's) in urban areas that were introduced to enable the municipality to measure and control the quantities of water consumed or preferred by the consumer. Those who want to be limited to FBW can also be provided on daily or monthly bases. The schemes in the rural areas are not metered as they are considered to be consuming water less than the FBW. Zone meters have been installed to monitor the above situation and if the consumption indicate viability of metering water, that will be considered in the due course.

Currently there are eight reaction teams and contract ZDM 799/2009 is in place with a roster of service providers to provide emergency repairs to water infrastructure.

Despite the rudimentary programme that is in progress, water tankers had to be deployed to those areas with acute shortage of water.

4.1.4.5 FINANCE DEPARTMENT

The Budget and Treasury Office is responsible for providing financial services for the municipality including performing the budgeting, revenue collection, accounting analysis, financial reporting, cash management, debt management, payroll, accounts payable, expenditure functions and supply chain management, risk management.

Management of the municipality is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the municipality are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of annual financial statement in conforming with the Generally Recognized Accounting Practice (GRAP). The internal controls are designed to provide reasonable but not absolute, assurance that fraudulent and irregular transactions will be detected by the controls.

Financial Report

The 2010/2011 financial statements were submitted on time. The challenge faced was the preparation of GRAP compliant financial statements in house. But the experience attained throughout the process is invaluable. All other reports required in terms of the Division of Revenue Act were submitted on time.

Viability of ZDM

ZDM has a total budget of R532, 862, 683. It comprises the operating budget of R306, 824, 411 and a capital budget of R226,038, 272. The salary cost is 27% of the operating budget.

With regards to the shortage of resources, it is a known fact that the backlogs are substantial and financial resources are modest. There are no adequate financial resources to maintain the capital infrastructure that is installed on an annual basis. As a result, it was proposed as part of turn turnaround strategy that MIG should allow a maintenance portion say 20% of

the MIG funding. To date, no major policy change has been effected. This could go a long way to ensuring that the infrastructure is adequately maintained for it to achieve its expected useful life.

Risk Management

The risk assessment has been conducted in conjunction with Provincial Treasury. A risk register has been developed and presented to the Audit Committee for approval. Internal Audit used the risk register to prioritize the areas of attention in the 2010/2011 financial year. The municipality is exposed to various risks of loss including theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. The municipality generally obtains insurance to mitigate the risks associated with possible losses but has chosen to retain the risks associated with underground infrastructure i.e. water and sewer pipes networks.

Audit

We have had eleventh consecutive unqualified audit reports including the last three financial years. ZDM has an Internal Audit Plan and the Internal Audit unit is outsourced to a firm of Accountants. The Internal Audit recommendations are implemented by Council.

GRAP

The GRAP conversion was completed in the 2008/2009 financial year. The staff members are conversant with these accounting standards and they attend refresher courses were deemed necessary.

Budget Management

The new budget and reporting regulations have been implemented. The budget reports are credible and of good quality. The Mayor is part of the Budget Steering Committee and the budget is presented to the Finance Portfolio Committee, EXCO and finally approved by the full council.

Supply Chain Management

The committee system is in place i.e.

- The Bid Specification Committee
- Bid Evaluation committee
- Bid Adjudication Committee

Councilors and senior management declare their interests. However, declaration of interest does not mean that the municipality can trade with these individuals.

MFMA Compliance

The MFMA implementation plan is in place and there are no outstanding MFMA returns. The compliance checklist is in place. However, full compliance is still a challenge.

4.1.5 MUNICIPAL TURN-AROUND STRATEGY

<u>Note</u>: The Municipal Turn-around Strategy has been fully incorporated into the current 5-Year Municipal Strategic Plan.

Table 19: MUNICIPAL TURN-AROUND STRATEGY

Priority Turn Around Focal Area	Capacity	March 2010	Target	Municipal	Unblocking	Human	Budget	
	Assessment Findings	(Current Situation Baseline)	Changed Situation)	hanged	Action Needed from other Spheres and Agencies	Resource Allocation	Allocated	Projected
Basic Service Delivery								
Access to water and sanitation	It is in line with the funding allocated to ZDM.	Water-53% Sanitation-42%	Water-55% Sanitation-45%	Continue to implement new infrastructure	N/A	Funding constraints	R161.3m	R188m
Management and maintenance	Lack of funding, the communities served are mostly in the rural areas they depend on FBS	Spent R70m	R110m	Apply to MIG for O&M funding	DWA & MIG	Funding constraints	R110m	R137.2m
Access to electricity management and maintenance	N/A							
Refuse removal and solid waste disposal	N/A							
Access roads(new) and maintenance of municipal roads	N/A							
Formalisation of informal settlements (what is required i.r.o. Township formalisation basic services	N/A							
Public Participation								
Broader public participation policies and plans (implemented framework)	The development of the plan is in progress	Plan not yet available	Final plan will be available for implementation	Develop the plan	None	In place		
Public Communication strategy	Refer to 2.1 above							

Priority Turn Around Focal Area	Capacity	March 2010	Target	Action Action Need from othe Spheres an	Unblocking	Human Resource Allocation	Budget	
	Assessment Findings	(Current Situation Baseline)	December 2010 (Changed Situation)		Action Needed from other Spheres and Agencies		Allocated	Projected
Complaints management system and	Community	Mechanism	Siza to be in		None	In place		
Front dest interface	satisfaction survey conducted	system(SIZA) not functioning well	Action					
Municipal Year Planner	Plan for the full year not determined	Year planner ends in April	Year Planner to be in place	None	None	In place		
Budget framework	The budget is prepared in accordance with the Municipal Budget and Reporting regulations. MFMA circular 51 is also complied with.	The tabled budget is ready for tabling to Portfolio, Exco and Full council on 25 March 2010	Prepare a mid- year budget and expenditure assessment.	Prepare a mid- year budget and expenditure assessment.	none	none	none	none
Ratio of CDW's to wards	N/A							
Functionality of ward committees. 1. A policy must in place 2. There must be Committee Database 3. There must be a skill audit for ward committees. Members must be trained. 4. Ward Committee plans must be developed for each ward and must be aligned to the IDP process.(IDP process plans must be implemented	N/A							

Priority Turn Around Focal Area	Capacity	March 2010	Target	Municipal	Unblocking	Human	Budget	
	Assessment Findings	(Current Situation Baseline)	Oecember 2010 (Changed Situation)	Action	Action Needed from other Spheres and Agencies	Resource Allocation	Allocated	Projected
5. Ward Committee meetings must be taking place with the minimal of 4 meetings a year. 6. There must be a Strategic Agendas, Minutes of meetings and must be recordings of meetings taking place 7. The existence of sub structure ward committee Monitoring and evaluation mechanism in place: The Dept has a tool that measures functionality. From the tool you see the functionality indicators								
Progress on implementation of framework	Council							
incorporated in the annual report	determine							
Governance								
Political Management and Oversight								
Stability of Council	Dates of Council functions are resolved at the Council meetings and all Councillors irrespective of political parties partake in the process	Nothing	Nothing	None	None	In place		
Delegation of functions between political and administration	Adopted written delegations in place	Delegations of functions in place	to be reviewed	to approve the reviewed delegations of functions	None	In place		

Priority Turn Around Focal Area	Capacity	March 2010	Target	Municipal	Unblocking	Human	Budget	
	Assessment (Current Findings Situation Baseline)	(Changed Situation)	Action	Action Needed from other Spheres and Agencies	Resource Allocation	Allocated	Projected	
Training of Councillors	Council determined training needs	Training for EXCO members on IT was postponed	EXCO members will be trained on IT	Ensure participation of councillors during Training	None	In place	R 38, 000	R 38 000
Councillor Oversight Framework (functioning SCOPA)	No formal oversight framework adopted. Systems and procedures in place for reporting	Oversight committee appointed to exercise the oversight role over the Annual Report.	Oversight committee will be in place in accordance with Treasury guidelines	Appoint oversight committee	None	None	None	None
Feedback to communities (ward councillor to ward committee and vice versa)	N/A							
Administration								
HR Policies availability, adoption and implementation	HR Policies are in place	Implemented	None	None	None required	in place	None	None
Vacancies (S57) Status of filling of vacant positions	No vacancies	None	None	None	None	none	None	None
% vacancies in other levels Status of filling of critical vacant positions	1.3% vacancies	1.3% advertised	vacancies will be filled	None	None			
S57 appointed with signed Performance Agreements	All six(6) appointed S57 signed performance agreements	All signed	None	None	None	in place		
Has Skills Audit been conducted for all employees	Yes	Skill Audit conducted	None	None	None	In place	None, used MIG Funding and DPLG Consultants	
Does the municipality have a Workplace Skills Plan	Yes	None	None	None	None	In place		

Priority Turn Around Focal Area	Capacity	March 2010	Target	Municipal Action	Unblocking Action Needed from other Spheres and Agencies	Human	Budget	
	Assessment Findings	· ·				Resource Allocation	Allocated	Projected
Labour Relations								
Functionality of LLF	LLF does not meet regularly	No meetings set	LLF will meet quarterly	To ensure that LLF will meets regularly	None	In place	R 5 000.00	R 5 500.00
Employment Equity Plan	Employment Equity Plan in Place				None	In place	None	None
Financial Management								
Revenue enhancement strategies	The district is predominantly rural with the majority residing in rural areas. Revenue base is a critically low.	Grants dependence ratio is high	No change expected	None	National government to allocate accelerated level of funding to eradicate water and sanitation backlogs by 2014.			
Debtors management	Level of indigent debtors is very high. Water leaks inside the private properties are not fixed in time	debtor collection level stands at 73 percent	Improved collection level to 80%	Inform communities regarding the need to pay for services	None		none	none
Cash Flow management	Council adheres to planned cash flows	100% of capital grants spent	Planned cash flow met	none	none	none	none	none

Priority Turn Around Focal Area	Capacity		Target December 2010 (Changed Situation)	Municipal Action	Unblocking	Human Resource Allocation	Budget	
					Action Needed from other Spheres and Agencies		Allocated	Projected
Repairs and maintenance provision	The Repairs and maintenance: Fixed assets ratio is critically low	Repairs: Assets= 3%	Repairs: Assets= 3%		National government to incorporate Repairs and maintenance funds into MIG or else Infrastructure assets will not achieve the expected useful lives due to poor maintenance	none	none	none
Capital expenditure	100% of allocated funds are spent. Main categories of capital budget is Water and Sanitation	MIG and DWA grants fully spent	MIG and DWA grants fully spent	none	none	none	none	none
Clean Audit	8 consecutive unqualified audit reports. Reconciliations done on a monthly basis. Bank reconciliation done on a daily basis.	2008/2009 AFS unqualified	2009/2010 shall have been audited	none	none	none	none	none

Priority Turn Around Focal Area	Capacity	March 2010	Target	Municipal	Unblocking	Human	Budget	
	Assessment Findings	,		Action	Action Needed from other Spheres and Agencies	Resource Allocation	Allocated	Projected
Submission of Annual Financial Statements	Annual Financial Statements are submitted to the Auditor General in time	2008/2009 AFS were submitted in time	2009/2010 AFS submitted in time	none	none	none	none	none
% MIG expenditure	N/A							
Asset Management	Fixed Assets Register in place	FAR being updated to check for impairment and to include additions and remove disposals.	Updated GRAP compliant Fixed Assets Register in Place	none	none	none	none	none
Credibility, and transparency of Supply	Supply Chain	Supply Chain	Supply Chain	none	none	none	none	none
Chain Management	Management Policy and procedures fair, transparent, equitable, competitive and cost effective	Management Policy and procedures fair, transparent, equitable, competitive and cost effective	Management Policy and procedures fair, transparent, equitable, competitive and cost effective					
Capacity Building	Training on GRAP standards is ongoing	Training on GRAP standards is ongoing	Training on GRAP standards is ongoing	none	none	none	none	none
LED								
LED Strategy adopted by Council	The plan was adopted by council	Implementation	Review	Provision of budget	Through IDP forums	out sourced	R 0.00	R 200 000.0

Priority Turn Around Focal Area	Capacity	March 2010	Target	Municipal	Unblocking	Human	Bud	get
	Assessment	(Current	December 2010	Action	Action Needed	Resource	Allocated	Projected
	Findings	Situation	(Changed		from other	Allocation		,
		Baseline)	Situation)		Spheres and			
					Agencies			
LED Plan aligned to the PGDS and adopted	It is aligned	Review			Through IDP	in place	R 0.00	R 0.00
by Council	with PGDS				forums			
	through IDP							
	Process							
LED Manager appointed	Appointed					in place	R 0.00	R 0.00

4.1.6 INSTITUTIONAL: SWOT ANALYSIS

Strengths/Opportunities

- Well functioning Portfolio, EXCO and Council structures.
- Communication Plan and IDP Alignment processes in place.
- MTAS in place.
- implementation of the Electronic Records Management System (EDMS) since 2006 has made considerable progress in modernizing and improving ZDMs Records system.
- Sub-forums under the Local Economic Development Forum include Tourism and the recently established General Business and Agricultural forums.
- LED Directorate's achievements created further opportunities for growth and development.
- Functional GIS section.
- Planning Shared Services in place.
- Compliance with financial requirements and submission deadlines

Weaknesses/Threats

- Support and buy-in from government departments and local municipal structures cannot be ensured.
- Limited functioning Council oversight committee.
- LLF (Local Labour Forum) does not meet regularly.

4.2 GOVERNANCE

4.2.1 IGR

In an attempt to ensure co-ordinated service delivery from all service providers, the ZDM intends to prepare and implement an Infrastructure and Services Provision Communication Strategy which details the roles and responsibilities of all service providers in the district, as well as assist with the

co-ordination of such service delivery. Various forums have been established to ensure coordination of service delivery e.g. Growth and Development Summit, Planners forum, LED forum and Representative forum.

In order to cater for the social development needs of youth, women, the disabled and the aged members of communities a relevant Participation Strategy is being prepared inclusive of government departments, NGOs, local municipalities and other relevant stake holders. In addition, an IGR Plan will also be developed.

4.2.2 RISK MANAGEMENT

The risk assessment has been conducted in conjunction with Provincial Treasury. A risk register has been developed and presented to the Audit Committee for approval. Internal Audit used the risk register to prioritize the areas of attention in the 2010/2011 financial year. The municipality is exposed to various risks of loss including theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. The municipality generally obtains insurance to mitigate the risks associated with possible losses but has chosen to retain the risks associated with underground infrastructure i.e. water and sewer pipes networks.

The Audit and Risk Management Committee will, in terms of its authority delegated by Council, facilitate the development of a formal Risk Management Framework and Strategy. The results of the risk assessments should be used to direct internal audit efforts and priorities, and to determine the skills required of managers and staff to improve controls and to manage these risks.

Management has formed an Operational Risk Management Committee (Risk Sub Committee) chaired by the Chief Financial Officer. The aim of the Risk Sub Committee is to implement the risk management strategies and give feedback to the Audit and Risk Management committee on a regular basis

.The risk register will be updated regularly with identified and new emerging risks including mitigating responses and action plans.

4.2.3 FRAUD AND CORRUPTION

Fraud and Corruption can surface at a number of levels in any organization. A number of actions or procedures are in place to assist in countering acts of fraud and corruption. More specifically, compliant procurement processes, contract management and controls of the municipality should ensure a fair, equitable, transparent, competitive and cost-effective supply chain management (SCM) system that complies with legislation and minimises the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

Management of the municipality is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the municipality are protected from loss, theft or misuse. The internal controls are designed to provide reasonable, but not absolute, assurance that fraudulent and irregular transactions will be detected by the controls.

Without a comprehensive IT security policy, users do not have any rules and procedures to follow to minimize the risk of errors, fraud and the loss of data confidentiality, integrity and availability.

4.2.4 PUBLIC PARTICIPATION

Apart from the public participation processes pursued as part of the IDP preparation, communication with constituents is achieved in the municipal area by way of newsletters, radio and other media forms.

More specifically, the following organization arrangements are in place for the IDP preparation process:

IDP **Steering Committee** was resolved by the Council to act as a support to the ZDM Municipal Forums, the Municipal Manager and the IDP Manager.

- The ZDM **Representative Forum** is the participation forum that has to recommend the IDP for adoption to the Zululand District Municipality Council.
- IDP **Planners Forum** is a technical forum that supports the IDP Steering Committee and consists of planners and IDP experts from within the District. The coordination of alignment of interaction with sector Departments and Local Municipalities.
- The **LED Forum** is a technical forum consisting of three sub-forums namely agriculture, business and tourism. The LED forums reports and give input to the IDP Steering committee. These sub-forums are used as a platform for interaction with the private sector.

It should also be noted that the IDP and its implementation for the ZDM will start focusing on international alignment with the district international neighbour, i.e. Swaziland. At the district alignment level, worksessions have been held with neighbouring district while an Intermunicipal Forum (IMUF) has been established as part of the Pongolapoort Dam Development Initiative.

Some of the tools used for communicating the IDP include:

- Road shows during the IDP comment phase
- Advertisements in local and provincial newspapers as required
- Local Service Providers/Stakeholders Alignment meetings

4.2.5 GOVERNANCE: SWOT ANALYSIS

Strengths/Opportunities

- Intention to prepare and implement an Infrastructure and Services Provision Communication Strategy.
- Various forums have been established to ensure coordination of service delivery.
- To cater for the social development needs of youth, women, the disabled and the aged, a relevant Participation Strategy is being prepared.

- The Audit and Risk Management Committee to facilitate the development of a formal Risk Management Framework and Strategy.
- Comprehensive IT security policy in place to minimize the risk of errors, fraud and the loss of data confidentiality, integrity and availability.
- Numerous organizational arrangements are in place for the IDP preparation process.

Weaknesses/Threats

- The municipality is exposed to various risks of loss including theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters.
- Fraud and Corruption can surface at a number of levels in any organization.

5. SOCIAL AND COMMUNITY DEVELOPMENT ANALYSIS

5.1 DEVELOPMENT INDICATORS

5.1.1 SOURCE

The following is a profile of selected development indicators of KwaZulu Natal. They are derived from 2001 Statistics and 2007 Community Census. The source document is the State of the Population Report of 2010. They are divided into four categories namely; General Demographic, Mortality, Education, Social and Economic, Disability and Household Headship.

5.1.1.1 GENERAL DEMOGRAPHIC

5.1.1.1.1 Population Size and Distribution

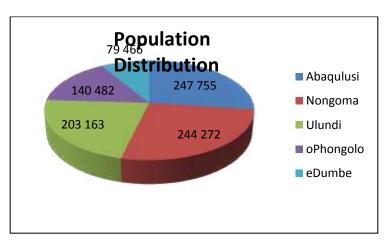
Approximately 9% of the population in KwaZulu is in the Zululand District. Zululand is one of the most populous districts next to eThekwini, uMgungundlovu and uThungulu.

Table 20: Population Size and Distribution

Geographic Area		Population	
	Males	Females	Total
KwaZulu Natal	4,873,623	5,386,605	10,260,228
Zululand	432,613	482523	915,137
Abaqulusi	120,029	127,726	247,755
Nongoma	112,672	131,599	244,272
Ulundi	96,662	106,501	203,163
uPhongola	67,435	73,047	140,482
eDumbe	35,815	43,650	79,466

Source: Quantec 2011

Graph 6: Population Size and Distribution



Source: Zululand District Municipality GIS

The top 3 most populated local municipalities in the district are: Abaqulusi (247,755), Nongoma (244,272) and Ulundi (203,163). The smallest population is recorded as 79,466 in 2010 for eDumbe. Abaqulusi contributes the highest percentage (27.1%) towards Zululand's population, followed by Nongoma and Ulundi with 26.7% and 22.2%, respectively.

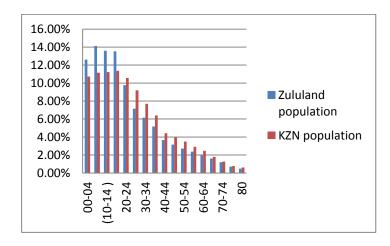
5.1.1.1.2 Age Profile

The age summary statistics show a Mean age of 28 years the country of South Africa, 26 years for KwaZulu Natal. In comparison, the Zululand District Municipality has a Mean age of 23.6, a Median age of 18 leading to an average of 19.3 which is below the national and provincial average.

In terms of Strategic Planning, this means that there is a need to increase investment and support in infrastructure plus human development such as education, health and employment.

The table below demonstrates population age distribution in Zululand in comparison to the KZN Province.

Graph 7: Comparison of population age distribution for Zululand and KZN



Source: DEDT calculations, Quantec data (2011)

A large percentage of the population is between the ages of one to 19. Young adults continue to dominate the age statistics which has implications on the municipality to continue to increase Social Support and upliftment programmes. Greater interaction with stakeholders in the Social Development environment is also required to respond to the existing situation. Social Development has been prioritized in the Strategic Development Plan of Council(refer to Strategic Plan).

5.1.1.1.3 Population Growth

Zululand District had the highest average annual population growth rate (1.8%) in the province between 2004 and 2010 which may be a result of high birth rate and a degree of in-migration. Further studies are required to understand this phenomenon.

5.1.1.1.4 Race composition

The black population group constitutes the largest(over 95%) proportion of the population in all five local municipalities in Zululand while Asian people constitute the least. Nongoma has the highest number of Black people, 243,969 followed by Abaqulusi with 239,607. The highest concentration of White people is found in Abaqulusi, with 6,937 and the second highest concentration is found in eDumbe with 2,345.

Abaqulusi, uPhongola, and Ulundi have the biggest concentration of the Asian population possibly to explore possible business potential in these towns.

Table 21: Zululand District population by race 2010

Local Municipality	Black	Coloured	White	Asian	Total Population
eDumbe	77,031	43	2,345	48	79,467
uPhongolo	138,064	341	1,743	334	140,482
Abaqulusi	239,607	589	6,937	622	247,755
Nongoma	243,969	163	95	44	244,272
Ulundi	201,960	464	550	189	203,163
Total	900,631	1,600	11,670	1,237	915,139

Source: Quantec 2011

5.1.1.1.5 Gender composition of Zululand's population

Gender proportions in Zululand indicate that there is as higher proportions of females as compared to males. The highest number of females (131,599) is found in Nongoma and the majority of males are concentrated in Abaqulusi

Local	Male	Male	Female	Female
Municipality		Proportion (%)		Proportion (%)
eDumbe	35,815	45	43,650	55
uPhongolo	67,435	48	73,047	52
Abaqulusi	120,029	48.5	127,726	51.5
Nongoma	112,672	46.13	131,599	53.9
Ulundi	96,662	47.6	106,501	52.4

Source: Quantec 2011

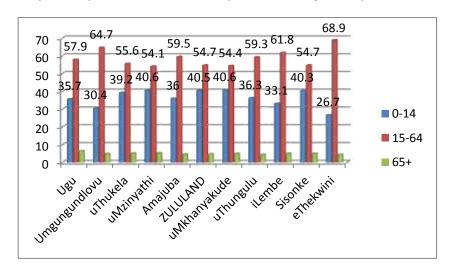
Gender proportions for each municipality and from the table demonstrate that there is significant variation among the municipalities. Nongoma (53.9%) and eDumbe (55%) have relatively high proportions of females in their respective populations.

5.1.1.2 SOCIAL AND ECONOMIC

5.1.1.2.1 Population distribution by functional age group

Functional age groups indicate the level of the potential work force in the region. Therefore, the key age group relates to individuals aged 15 to 64 years.

Graph 8: Population Distribution by Functional Age Group



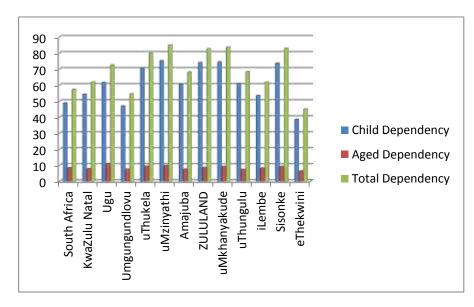
Source: Global Insight 2010

The table above is a comparison across all District Councils which demonstrates the difference between functional age groups against other age groups. Zululand is clearly on par with other District Councils in terms potential workforce in the region. This indicates an opportunity to empower these individuals in terms of job creation and skills development to maximize their benefit and that of the economy.

5.1.1.2.2 Age dependency ratio

With the graph below it is evident that the Zululand District Municipality has one of the highest dependency ratios between children and adults respectively. This demonstrates a need to sustain social development programmes and support to such communities by the municipality and its stakeholders.

Graph 9: Age Dependency Ratio



Source: Global Insight 2010

5.2 ACCESS TO COMMUNITY FACILITIES

During 2004, the ZDM commissioned the preparation of an Education, Health and Community Service Sector Plan and the plan has since been reviewed. As part of this Review phase, an updated backlog determination was undertaken for selected social infrastructure components as reflected in this section. More specifically, access to education, health and community halls/centres is discussed in more detail under this heading.

5.2.1 EDUCATION

Backlog determination for education purposes is informed by the following:

- The Department of Education applied a travelling distance of 7 km to the nearest school
- The teacher: learner ratio is acceptable at 35
- Schools, particularly secondary schools, which have less than 250 learners, are considered less viable as they are restricted in terms of teacher allocations and therefore limited subject choices are available to the learners.

A backlog analysis (households at a distance further that 5km from a primary school were considered to be a backlog and every 3500 people constituting the need for a another primary school) was undertaken that indicates the backlog as per the following table and the mapping at overleaf indicates the distribution of primary schools as well as the backlog mapping with regard to **access** to primary schools.

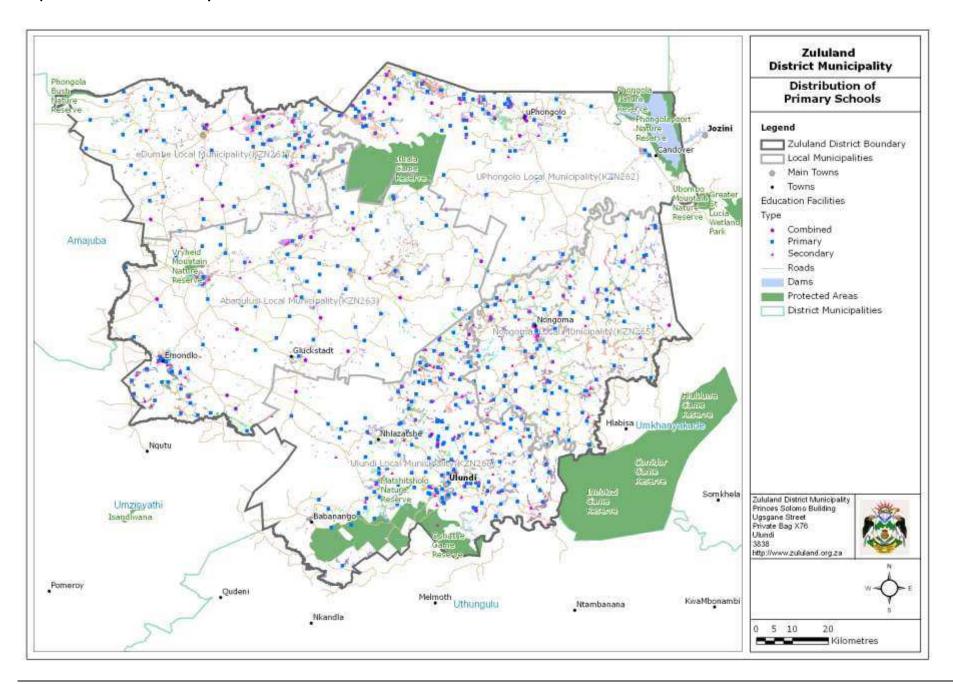
Table 22: Primary Schools

Local Municipality	Required	Existing
Abaqulusi Municipality	25	104
eDumbe Municipality	10	71
Nongoma Municipality	33	98
Ulundi Municipality	27	158
uPhongolo Municipality	15	101

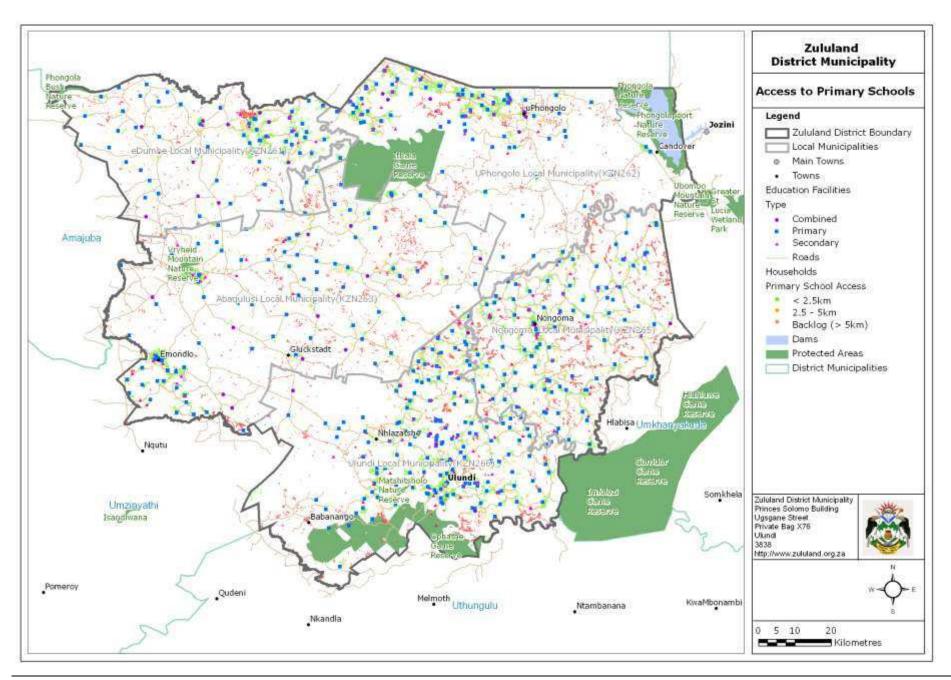
Table 23: Access to Primary Schools

	0 - 2.5km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	23231	157111	64%
eDumbe Municipality	9808	66332	65%
Nongoma Municipality	16908	114349	50%
Ulundi Municipality	21081	142571	60%
uPhongolo Municipality	15185	102696	66%
	2.5km - 5km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	9064	61300	25%
eDumbe Municipality	3493	23623	23%
Nongoma Municipality	10264	69415	30%
Ulundi Municipality	9792	66223	28%
uPhongolo Municipality	4965	33578	22%
	> 5km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	3730	25226	10%
eDumbe Municipality	1896	12823	12%
Nongoma Municipality	6874	46489	20%
Ulundi Municipality	4439	30021	13%
uPhongolo Municipality	2797	18916	12%

Map 12: Distribution of Primary Schools within ZDM



Map 13: Access to Primary Schools



With regard to secondary schools the following information is reported with regard to the number of facilities (existing) and the required (additional) number of facilities:

Table 24: Secondary Schools

Local Municipality	Required	Existing
Abaqulusi Municipality	7	45
eDumbe Municipality	3	27
Nongoma Municipality	12	49
Ulundi Municipality	7	66
uPhongolo Municipality	5	42

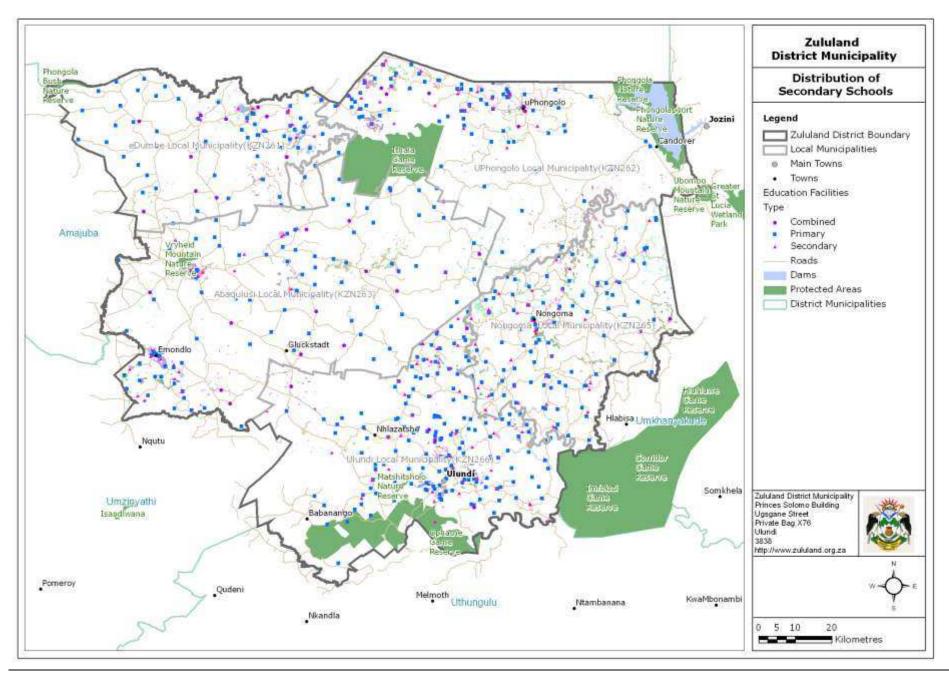
A backlog analysis (households at a distance further that 5km from a secondary school were considered to be a backlog and every 8000 people constituting the need for a another secondary school) was undertaken that indicate the backlog as per the following table above. The table hereunder indicates the distribution of secondary schools as well as the backlog mapping with regard to **access** to secondary schools:

Table 25: Access to Secondary Schools

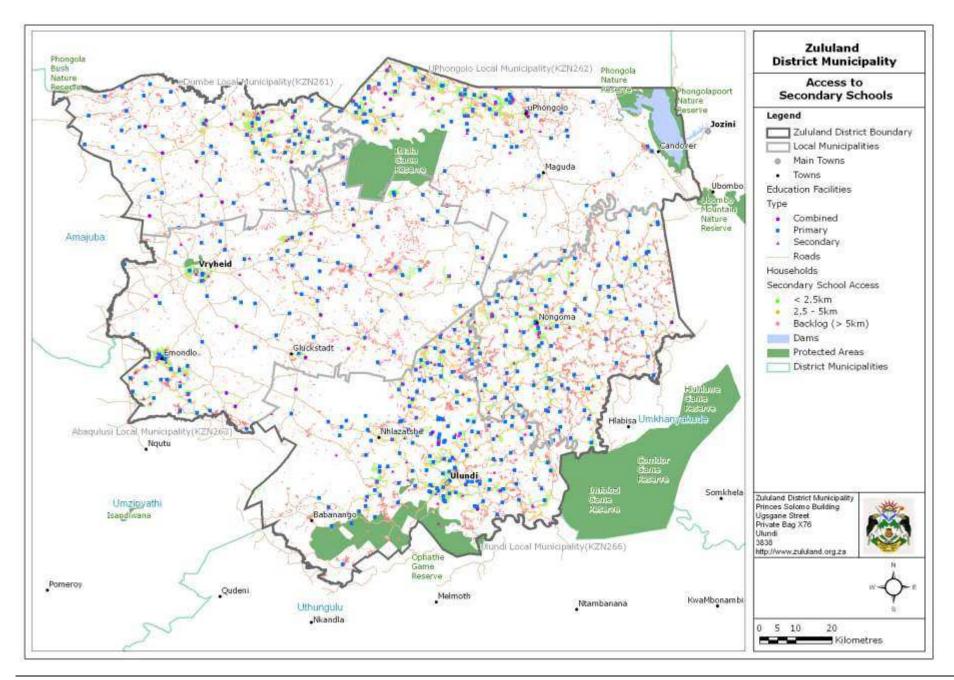
	0 - 2.5km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	20157	136322	56%
eDumbe Municipality	8058	54496	53%
Nongoma Municipality	10509	71072	31%
Ulundi Municipality	13938	94263	39%
uPhongolo Municipality	10818	73162	47%
	2.5km - 5km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	7124	48180	20%
eDumbe Municipality	3863	26125	25%
Nongoma Municipality	9804	66304	29%

Ulundi Municipality	13169	89062	37%
uPhongolo Municipality	5877	39746	26%
	> 5km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	8744	59136	24%
eDumbe Municipality	3276	22156	22%
Nongoma Municipality	13733	92876	40%
Ulundi Municipality	8205	55490	23%
uPhongolo Municipality	6252	42282	27%

Map 14: Distribution of Secondary Schools



Map 15: Access to Secondary Schools



5.2.2 HEALTH FACILITIES

The Department of Health provides a range of health facilities to the communities as outlined in the table hereunder.

Table 26: Department of Health Standards and Facilities

Population	Recommended Facility	Estimated Attendees
		(per month)
Scattered <5000	Mobile Point	100
Clustered 5000	Health Station	400 – 600
5000 – 10000	Small Clinic	2000
5000 – 10000	Small Clinic with	2000 (20 deliveries)
	maternity	
10000 – 20000	Medium Clinic	3000
10000 – 20000	Medium Clinic with	3000 (20 deliveries)
	maternity	
30000 – 50000	Large Clinic	4000 – 5000
30000 - 50000	Large Clinic with	4000 – 5000 (30 – 50
	maternity	deliveries)
60000 – 70000	Extra Large Clinic	6000 – 10000
60000 - 70000	Extra Large Clinic with	6000 – 10000 (30 – 50
	maternity	deliveries)
70000 - 100000	Community Health	10000 – 30000
	centre	

Source: Department of Health (2008)

For the purpose of this report, a distance further than 5km from a clinic was considered as a backlog while the standards of 1 hospital for every 100 000 people was used as a standard for determining backlogs. The distribution of medical facilities is indicated on the map attached at overleaf while analysis

mapping depicts the access of households to clinics and hospitals in the district. The said information is summarized in the following tables:

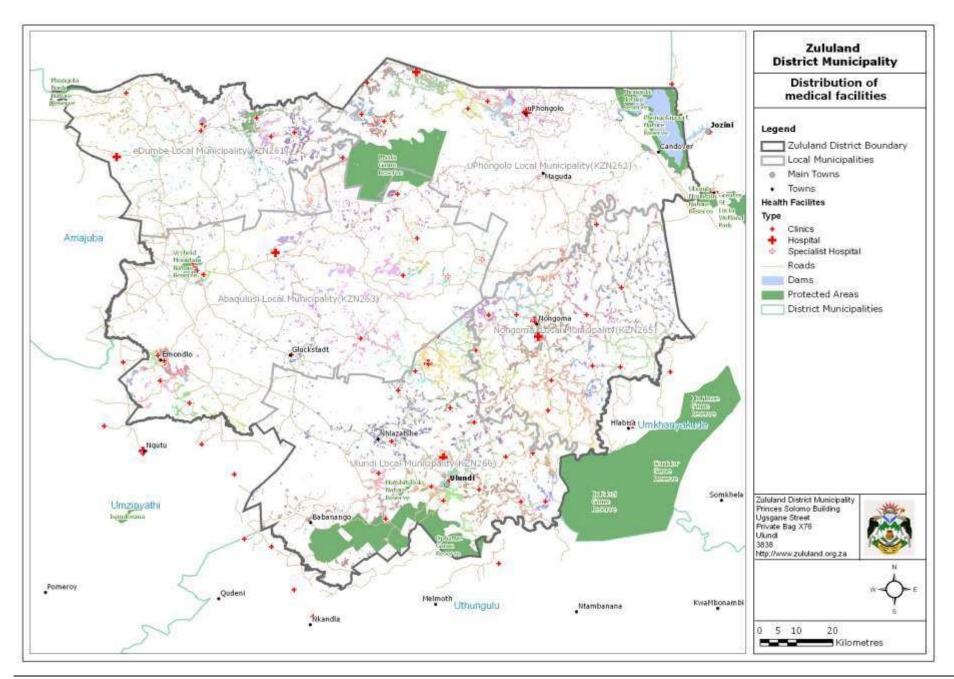
Table 27: Clinics Distribution

Local Municipality	Required	Existing
Abaqulusi Municipality	21	26
eDumbe Municipality	8	13
Nongoma Municipality	33	18
Ulundi Municipality	27	26
uPhongolo Municipality	19	15

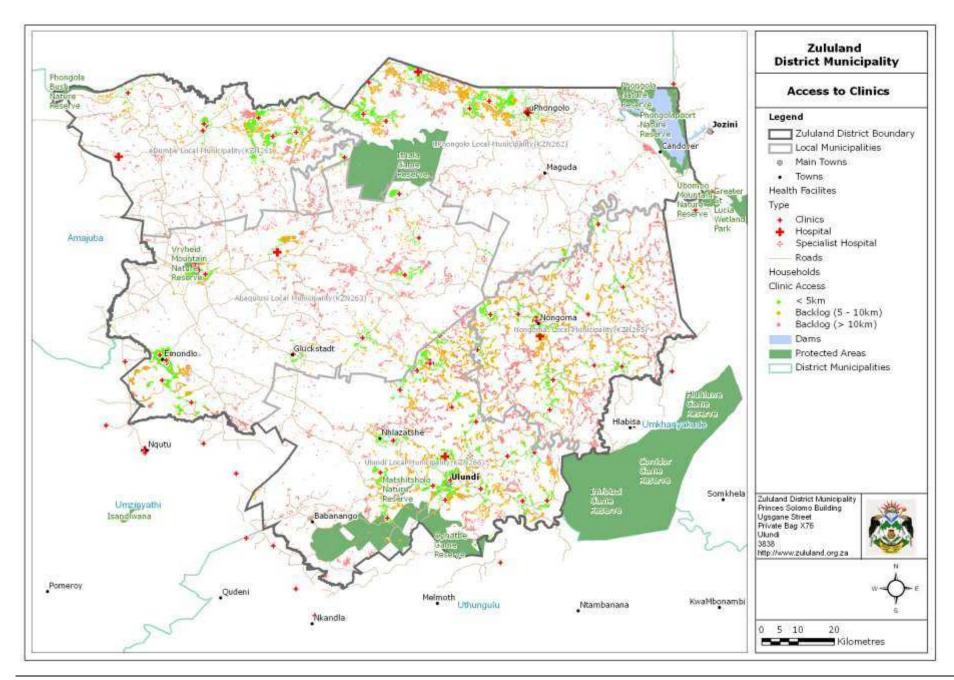
Table 28: Access to Hospitals

Local Municipality	Existing	Required
Abaqulusi Municipality	3	2
eDumbe Municipality	2	1
Nongoma Municipality	2	2
Ulundi Municipality	2	2
uPhongolo Municipality	1	2

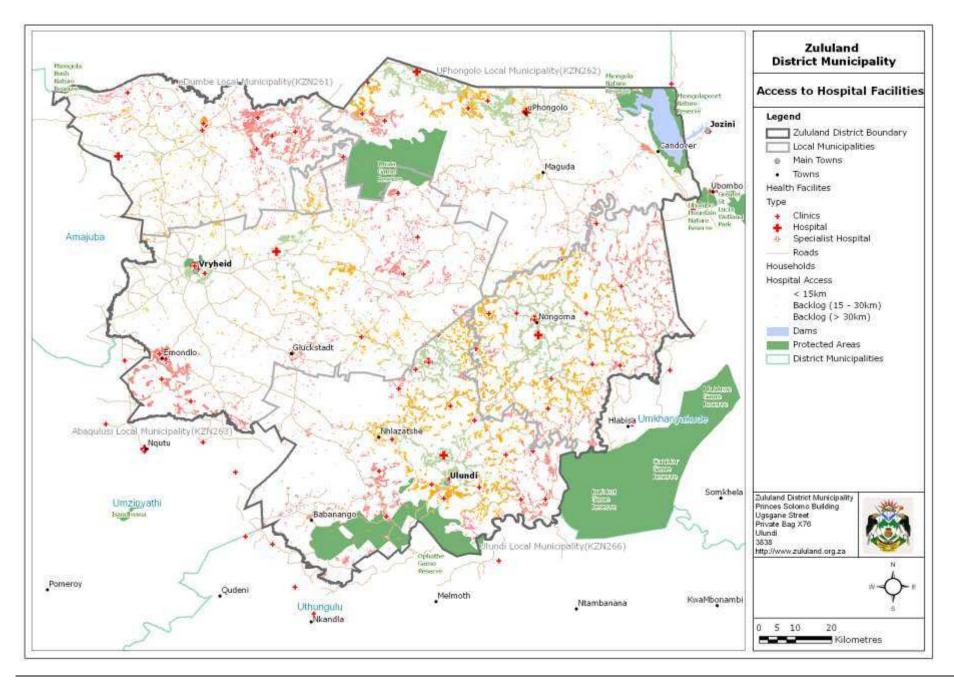
Map 16: Distribution of Medical Facilities



Map 17: Access to Clinics



Map 18: Access to Hospital Facilities



5.2.3 COMMUNITY HALLS

Details on the number of **community halls/centres** in the ZDM area as noted hereunder:

Table 29: Community Halls/Centres in the District

Local Municipality	Required	Existing
Abaqulusi Municipality	17	8
eDumbe Municipality	9	3
Nongoma Municipality	26	2
Ulundi Municipality	14	10
uPhongolo Municipality	6	6

Accessibility to community halls/centres with regard to travelling distance is shown in the following table.

Table 30: Accessibility to Community Halls/Centres

	0 - 10km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	15122	102270	45%
eDumbe Municipality	4307	29128	30%
Nongoma Municipality	4381	29629	13%
Ulundi Municipality	19033	128720	56%
uPhongolo Municipality	13873	93823	67%
	10km - 20km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	6408	43337	19%
eDumbe Municipality	7547	51040	53%
Nongoma Municipality	11534	78004	35%
Ulundi Municipality	9840	66548	29%

	> 20km		
Local Municipality	Households	Population	Percentage
Abaqulusi Municipality	12442	84145	37%
eDumbe Municipality	2336	15798	16%
Nongoma Municipality	17432	117893	52%
Ulundi Municipality	5415	36622	16%
uPhongolo Municipality	3953	26734	19%

In addition, it was noted that at least one such a facility was needed in every Traditional Authority area.

The following provides details of the Traditional Councils that have and do not have community halls:

Traditional Councils with Community Halls

- Mthethwa
- Mavuso
- Msibi
- Ndlangamandla
- Ntshangase
- Simelane
- Hlahlindlela
- Matheni
- Usuthu
- Buthelezi
- Mbatha
- Mlaba
- Ndebele
- Nobamba
- Mpungose

Traditional Councils without Community Halls

- Ndlangamandla Ext
- Disputed Area
- Khambi
- Khambi Ext
- Mandhlakazi
- Zungu

There are no set servicing standards for **Tribal Courts**. However, it is considered important that all communities do have access to tribal courts. The ZDM Community Facilities Plan that was prepared in 2004 noted that at least 1 tribal court facility would be needed for every 20 000 people.

5.3 IMPACT OF HIV/AIDS & POVERTY

It is very important to consider the prevalence of **HIV/Aids** and the impact it has on the socio-economic conditions of the District. HIV/Aids will have a significant negative impact on the whole South African society, Zululand being no exception.

KwaZulu-Natal's present share of the South African population is about 21%. However, KZN has the highest recorded HIV-positive rate in the country indicating that the impact is likely to be more severe than in the rest of South Africa, rather than less so. It is further noted that the prevalence appears to be higher among women than among men.

As Table 2.8 indicates the highest number of deaths occurred in the two municipalities with the highest populations, namely Nongoma and Abaqulusi. Abaqulusi has the highest number of HIV infected people and the highest HIV prevalence rate of over 17%. The district as a whole has an HIV prevalence rate of just under 16%. Nongoma has the lowest HIV prevalence rate of all the municipalities. The high prevalence of HIV in the district poses a severe challenge for future development as HIV/AIDS inhibits economic growth by reducing the availability of human capital. The labour force decreases as

more people fall sick and/or die. This may result in a young labour force that lacks experience, leading to reduced productivity and a smaller skilled population.

With this in mind, the IDP for Zululand District Municipality needs to ensure that the issue of HIV/Aids is taken into consideration when doing financial and physical planning for the District.

Table 31: Zululand population health 2010

Municipality	Number	Total	HIV	AIDS	Other
	of	Population	Population Infected		deaths
	Household				
eDumbe	16,419	79,466	12,022	969	634
uPhongolo	26,700	140,482	23,605	1,792	1,049
Abaqulusi	41,208	247,755	42,129	3,235	1,986
Nongoma	56,834	244,272	35,104	2,744	1,953
Ulundi	41,962	203,163	31,911	2,518	1,640
Zululand	183,122	915,139	144,770	11,258	7,261

Source: Quantec 2011

<u>Note</u>: It is important to note that the above data source does not have the same population and household figures than the ZDM data source. The figures should therefore be considered in their context as indicative of trends.

5.4 COMMUNITY DEVELOPMENT

One of the social development IDP Objectives of the ZDM is the social upliftment of communities in the ZDM. It entails to reduce poverty by implementing community development projects. One of the indicators of this objective is the number of people participating in Capacity Building

Programmes. Community Development is further embedded in many ways in the Community Services Department.

5.5 MARGINALISED GROUPS

Zululand District Municipality has gone extra mile to ensure that widows, orphans and people living with disabilities are in the map and are fully recognized and involved in all social and economic development programmes by providing them with a platform and a budget to cater for their projects and moreover, have their special celebration day known as widows, orphans and disability day. Typical activities include:

- Women's Summit and Women's Day
- Youth Summit
- Quality of Life Forum

5.6 HOUSING

The Provincial Department of Housing has been engaged in a number of housing projects throughout the Zululand District. It should be noted that in the past, the focus has solely been in providing housing in urban areas as shown by the completed and current housing projects in the District. However, a shift has been made recently to provide housing in rural areas in light of poverty prevalence that exists in these rural areas. It should be noted that the Department of Housing requires of local municipalities to prepare Municipal Housing Plans. The importance of including housing in a district IDP is borne in the fact that housing, albeit a local function, is dependent on bulk infrastructure that is planned, coordinated and implemented at the district level.

5.6.1 DETERMINING THE HOUSING DEMAND

In order to quantify the demand for housing, agreement has to be reached on what is considered to be a housing backlog. There are number of opinions on this matter. Some people consider a ratio of more than 5 people per household as overcrowding and indicative of a backlog. Other sources are of the opinion that any housing structure that is not formal (constructed of brick and mortar) is a backlog.

There are three main ways of determining housing demand/need within municipal areas, these are:

- using statistical calculations captured through the census or other relevant studies;
- through the analysis of housing waiting lists; and
- through the provincial housing database.

The Department of Housing and a number of municipalities have initiated the process of establishing municipal housing demand data bases. It is hoped that, once all of the municipalities have established their databases, the information from these municipal databases can be aggregated upward to create a provincial housing database. The establishment of this data base is supported by the DOH's Capacity Building component which is in the process of rolling this programme out throughout KZN. However this pilot municipal database has as yet not been compiled in any of the Municipalities in Zululand District area.

The Constitution of South African details the right of access to adequate housing when considering backlogs. The following criteria are used to clarify what adequate housing means:

- Legal security of tenure: Is fundamental to the right of access to adequate housing and protects people against arbitrary evictions, harassment and other threats.
- Affordability: The amount a person or family pays for housing should not compromise the attainment of other basic needs.
- Availability of services, materials, facilities and infrastructure: An adequate house contains facilities essential for health, security, comfort and nutrition.

- Habitability: Inhabitants must be ensured adequate space and protection against the weather and disease.
- Accessibility: Disadvantaged groups should be assured some degree of priority consideration in housing.
- Location: Adequate housing must be situated so as to facilitate access to employment opportunities, health care services, schools and other social facilities.
- Cultural adequacy: Building materials and design must enable the expression of cultural identity and diversity without compromising modern technological facilities.

The census data base was used to determine the demand for housing. This is because some beneficiaries may put their names in more than one municipality's database thereby inflating the waiting list of several municipalities.

According to the 2001 Census, 45% of the households in Zululand live in traditional dwellings. The distribution is shown in the table hereunder indicating an increasing need for rural housing projects throughout the district.

Table 32: Households by main type of dwelling (%)

Percentage distribution of households by ty	pe of main buil	ding
	Census 2001	CS 2007
House or brick structure	37.3	37.8
Traditional dwelling	44.6	48.7
Flat in block of flates	10.2	4.8
Town/cluster/semi-detached house	1.6	0.5
House/flat/room in back yard	2.3	0.9
Informal dwelling/shack in back yard	0.7	1
Informal dwelling/shack not in back yard	2	0.8
Room/flatlet on a shared property	1.1	0.9
Caravan or tent	0.3	0.3
Private ship/boat	0	0.1
Workers' hostel	0	4.1
Other	0	0.2

Source: 2001 Census and CS 2007

The above table indicated that the housing situation has remained relatively static in the district. The following table has a positive aspect in that the number of households that own and have paid for their dwellings has increased.

Table 33: Tenure Status

Tenure Status						
	Census 2001	CS 2007				
Owned and fully paid for	46.4	67.8				
Owned but not yet paid for	9.4	5				
Rented	9.2	8.9				
Occupied rent-free	35.1	18				
Other	0	0.02				

Source: 2001 Census and CS 2007

5.6.2 DEPARTMENTAL HOUSING PROJECTS

A list of confirmed housing projects, sourced from the Department of Housing is indicated in the Projects section:

Table 34: Departmental Housing Projects per Local Municipality

Project Name	Local	Project Type	Instrument	Total
	Municipality			Units
Bhekumthetho	Abaqulusi M	Rural	Rural	1 000
Bhekuzulu Phase 6-B	Abaqulusi M	Urban	PLS	1 078
Coronation	Abaqulusi M	Urban	PLS	1 200
Coronation Aids	Abaqulusi M	Institutional	PLS	500
Frischgewaagd	Abaqulusi M	Urban	PLS	3 094
Mzamo	Abaqulusi M	Urban	PLS	500
		Conditional		
Vryheid Ext 16	Abaqulusi M	Approved	PLS	1 016

FINAL: ZULULAND DISTRICT MUNICIPALITY IDP 2012 TO 2016

Project Name	Local	Project Type	Instrument	Total
	Municipality			Units
Baxedene	Nongoma M.	Rural	Rural	1 400
Holinyoka	Nongoma M.	Rural	Rural	1 100
Maye/Dabhasi	Nongoma M.	Rural	Rural	1 000
Siyazama	Nongoma M.	Rural	Rural	1 000
Ekudubekeni	Ulundi M	Rural	Rural	1 600
Ekushumayeleni	Ulundi M	Rural	Rural	1 600
KwaXimba	Ulundi M	Rural	Rural	2 000
Nsukazi	Ulundi M	Rural	Rural	1 000
Ntsabekhuluma	Ulundi M	Rural	Rural	2 000
Ulundi HIV / AIDS	Ulundi M	institutional	PLS	1 000
Ulundi L ext	Ulundi M	urban	Pls	954
Zondela	Ulundi M	Urban	PLS	873
Ncotshane Pongola	Pongola	Urban	PLS	1 100
Dumbe lindelani	Dumbe M	Urban	PLS	200

From the above table it is noted that a total of 22942 housing units are approved by the Department of Housing. Furthermore, all the Local Municipalities have completed or are nearly complete with the preparation of their Housing Sector Plans. A process has been initiated by the ZDM to map both the confirmed and the proposed projects in order to ensure sustainable infrastructure planning and alignment.

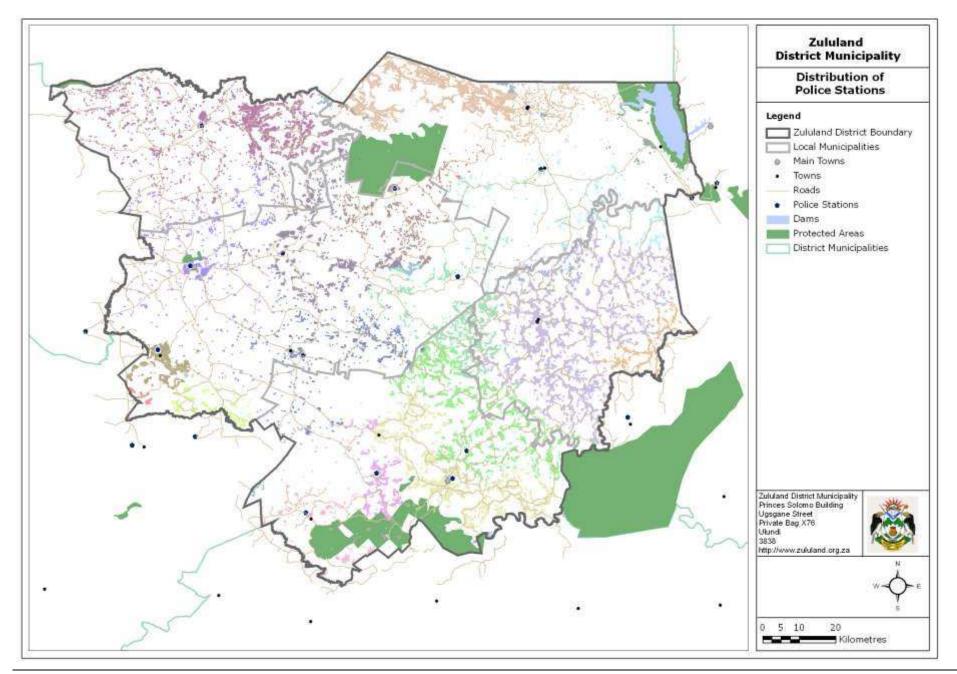
5.7 SAFETY AND SECURITY

The distribution of **police stations** is provided in the following map. A backlog analysis map indicating the accessibility of households to police stations is also shown. The standards that were applied were each household further than a distance of 20km from a police station was considered not to be accessible to such a facility with every 25000 cumulative people not accessible to a police station indicating the need for a facility as shown in the table herewith:

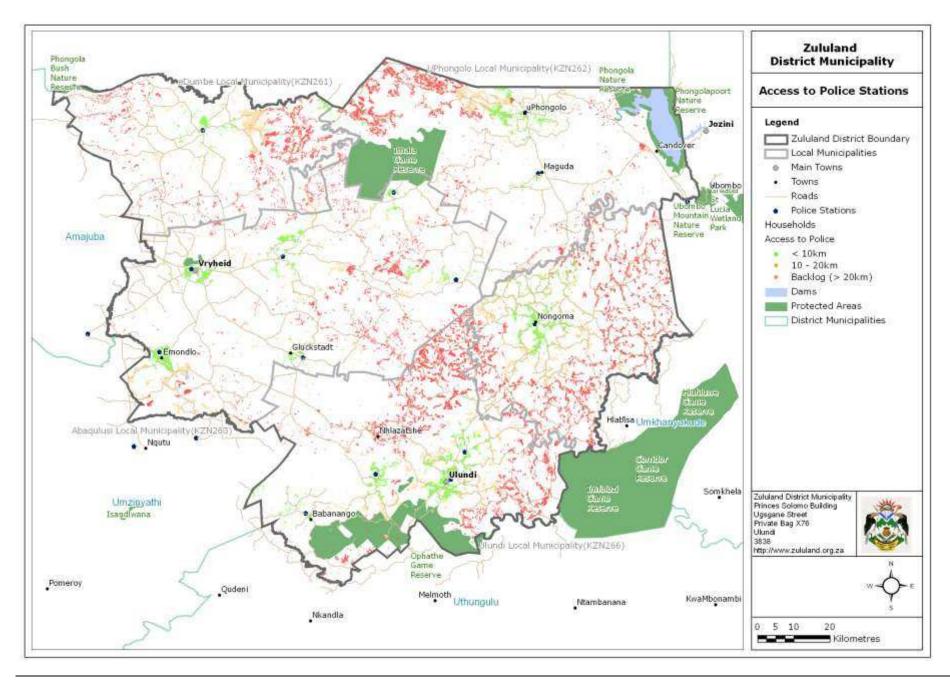
Table 35: Police Stations

Local Municipality	Required	Existing
Abaqulusi Municipality	14	6
eDumbe Municipality	13	1
Nongoma Municipality	49	1
Ulundi Municipality	41	4
uPhongolo Municipality	32	2

Map 19: Distribution of Police Stations



Map 20: Access to Police Stations



5.8 SOCIAL AND COMMUNITY DEVELOPMENT: SWOT ANALYSIS

5.8.1 STRENGTHS/OPPORTUNITIES

- Education, Health and Community Service Sector Plan in place although it required a review.
- Concerted effort to involve widows, orphans and people living with disabilities in social and economic development programmes.

5.8.2 Weaknesses/Threats

- Backlog in the provision of primary and secondary education facilities.
- Significant backlog with the distribution of clinic facilities.
- Poor accessibility to community halls.
- The high prevalence of HIV in the district poses a severe challenge for future development as HIV/AIDS inhibits economic growth by reducing the availability of human capital.
- Alignment of housing projects with other social and infrastructure requirements remains a challenge.
- Backlog with the provision of police stations.

6. ECONOMIC ANALYSIS

6.1 ECONOMIC INDICATORS

6.1.1 GVA PER CAPITA

The table hereunder shows the relative share of total provincial GVA for each of the districts in the province. What is immediately obvious is that eThekwini is by far the largest contributor to economic output in the province, contributing over 53% in 2010. Umgungundlovu and uThungulu at

11.7% and 7.6% respectively are the next biggest contributors. Zululand ranks 6th out of the 11 districts, contributing 4.1% to provincial GVA. Zululand is ranked lower for economic output for the province than it is for total population, wherein it is ranked 4th. This indicates that GVA per capita within Zululand is comparatively low in the provincial context.

Table 36: GVA per Capita per District Municipality

District	2003	2005	2007	2009
Ugu	4.20%	4.20%	4.30%	4.40%
Umgungundlovu	12.00%	11.90%	11.80%	11.70%
Uthukela	3.90%	4.10%	4.40%	4.70%
Umzinyathi	1.80%	1.80%	2.00%	2.10%
Amajuba	3.80%	3.60%	3.60%	3.50%
Zululand	3.50%	3.50%	3.70%	4.10%
Umkhanykude	1.80%	2.00%	2.20%	2.40%
Uthungulu	8.10%	7.80%	7.80%	7.50%
iLembe	4.00%	4.00%	3.90%	3.80%
Sisonke	1.90%	2.00%	2.00%	2.30%
eThekwini	54.90%	55.10%	54.30%	53.40%

Source: DEDT calculations based on Quantec data (2011)

Total GVA for Zululand in 2010 was estimated at R10.9 billion. In the same way that provincial GVA is not evenly split between districts, district GVA is not evenly split between municipalities. Abaqulusi and Ulundi municipalities contribute the majority of economic output for the district, between them contributing almost 63%. Abaqulusi Municipality contains the town of Vryheid, which is the district's business and economic hub, while the town of Ulundi within Ulundi Municipality was formerly the seat of provincial government and remains a town of significant regional importance. It is not surprising that eDumbe Municipality contributes the least to GVA as the municipality also has the smallest population in Zululand. It is concerning,

however, that Nongoma, which has the second highest population of all the Zululand municipalities, only contributes 13.6% to economic output.

6.1.2 LABOUR INDICATORS

High unemployment undermines the equitable distribution of income and underpins poverty. Employment is one of the main desired outcomes of economic growth and is currently a major focus of government policy at the national level. The table hereunder summarizes some critical labour market indicators for Zululand in 2009.

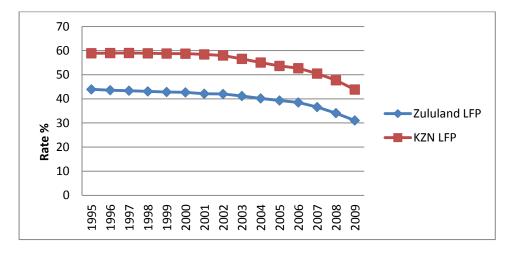
Table 37: ZDM General labour indicators 2009

Indicator	eDumbe	uPhongolo	Abaqulusi	Nongoma	Ulundi	Zululand
Employed	7,918	19,864	36,873	14,033	24,294	102,983
Unemployed		10,846	11,886	14,536	12,017	51,842
Not Economically active	32,131	48,015	93,759	97,070	72,794	343,768
Labour force participation rate	24.60%	39.00%	34.20%	22.70%	33.30%	31.10%
Unemployment rate	24.40%	35.30%	24.40%	50.90%	33.10%	33.50%

Source: DEDT calculations based on Quantec data (2011)

A large degree of economic inactivity is borne out by the labour force participation rate, which indicates that only 31.1% of the working age population are engaged in actual employment or are actively seeking work. This level of labour force participation is very low and is significantly lower than the provincial rate of 43.9%. The implication of this finding is that there are probably a large number of discouraged work-seekers in the economy. This is typical of an economy in which there are high and persistent rates of unemployment. At 33.5%, on the strict definition of unemployment, compared to 23.2% for the province, unemployment in Zululand is unsustainably high and is having the negatively impact of discouraging people from spending the time and money to actively search for jobs.

Graph 10: Comparison of labour force participation trends (1995-2009)



Source: DEDT calculations based on Quantec data (2011)

The figure above depicts a downward sloping trend in labour force participation both for Zululand and for the entire province. This then puts the declining strict unemployment rate into perspective. Evidently one of the major causes of a declining strict unemployment in Zululand is decreasing labour force participation and not rapidly expanding employment. This must be seen as a severe challenge for the district, as decreasing labour force participation is not so much a product of a decreased desire to work but rather of the discouraging impact of long-term unemployment on the search activities of individuals.

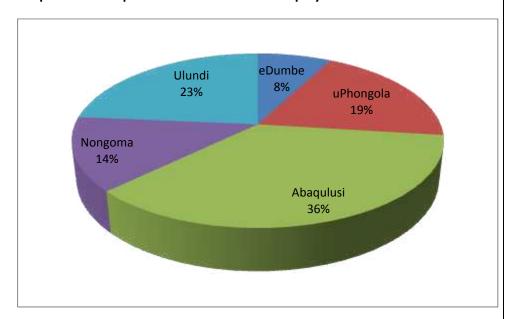
Table 38: Employment by municipality

Municipality	2003	2005	2007	2009
eDumbe	10,959	10,102	9,311	7,918
uPhongolo	21,665	21,194	21,117	19,864
Abaqulusi	30,369	32,472	35,808	36,873
Nongoma	9,005	10,149	12,185	14,033
Ulundi	17,131	18,856	21,780	24,294
Zululand	89,129	92,773	100,201	102,983

Source: DEDT calculations based on Quantec data (2011)

Employment has increased by just over 13,000 people between 2003 and 2009. This is insufficient in the light of population growth of over 106,000 in the same period. The low total employment growth is partly a result of declining employment in eDumbe and uPhongolo municipalities. The figure hereunder depicts the share of each municipality in total employment for Zululand. Abaqulusi is by far the biggest employer in the district, while eDumbe has the least employed individuals. This corresponds with the GVA share findings presented earlier.

Graph 11: Municipal share of total district employment



Source: DEDT calculations based on Quantec data (2011)

6.1.3 POVERTY AND INEQUALITY

More than 5.2 million people or 49% of the province's population is considered to be living in poverty. Zululand contributes 602,895 or 11.5% to that figure, and has a poverty rate of 65.8%. Poverty in Zululand and in the broader province was on a decreasing trend until 2008, when the recessionary global climate pushed the incidence of poverty back up again. The majority of Zululand's impoverished population can be found residing in Abaqulusi and Nongoma municipalities.

The Gini coefficient is perhaps the best known inequality measure and can be derived from the Lorenz curve. Mathematically the Gini coefficient varies between zero and one, although in reality values usually range between 0.20 and 0.30 for countries with a low degree of inequality and between 0.50 and 0.70 for countries with highly unequal income distributions.

Table 39: Gini Coefficient for Zululand (2003-2008)

Municipality	2003	2004	2005	2006	2007	2008
eDumbe	0.6	0.6	0.59	0.59	0.6	0.6
uPhongolo	0.6	0.6	0.59	0.6	0.6	0.6
Abaqulusi	0.66	0.66	0.65	0.65	0.66	0.66
Nongoma	0.6	0.6	0.6	0.6	0.6	0.6
Ulundi	0.61	0.62	0.62	0.62	0.62	0.62
Zululand	0.62	0.62	0.62	0.62	0.62	0.63
KZN	0.67	0.67	0.67	0.67	0.67	0.67

Source: Global insight 2009

Zululand, on average is less unequal than the province as a whole, with a Gini Coefficient of 0.63. This may be because there are less high-earning individuals in Zululand, and so the scope for inequality, although high, is not as great. Interestingly Abaqulusi is the most unequal of the municipalities in Zululand. This is no doubt attributable to the greater degree of economic activity taking place in the district's biggest municipal economy, providing greater scope for inequality to exist.

The dependency ratio measures the proportion of the population that is outside the labour force and is dependent on the economic activity of those working. In South Africa, this is typically calculated as the proportion of the population between the ages of 0 to 14 plus those over 64 to those between the ages of 15-64. It is used to measure the pressure on productive population.

A high dependency ratio can cause serious problems for a country. A high dependency ratio implies that a large proportion of the government's expenditure is on health, pension, social security and education which are most used by old and young population. Generally, there has been a declining trend in the dependency ratio for South and the regional economies during the period under review primarily due to a number of developmental programmes that were introduced by the government since the advent of the new democratic South Africa post-1994. Some of these programmes include, *inter-alia*, social grants, economic transformation, a myriad of poverty reduction programmes and the high economic growth trajectory observed since 1994. The decline in the dependency ratio, however, depends on a number of other factors such fertility rate, death rate, working and retirement ages.

The dependency ratio can be interpreted as a crude measure of poverty. This argument is correct in the sense that only a handful of people in the labour force are sustaining a large proportion of dependents.

Nongoma and Ulundi posted the highest average dependency ratios, 112.9% and 105.4% respectively during the period 1995-2002. The same is true for the period 2003-2010, in which the two local municipalities recorded dependency ratios of 99% and 89.9%, for Nongoma and Ulundi respectively. In both periods, the dependency ratios were higher than the district average of 99% and 86.4% for 1995-2002 and 2003-2010 respectively.

6.2 MAIN ECONOMIC CONTRIBUTORS

Gross Value Added is the total of all production or services from every sector within the period of a year. It is useful, however, to know the main economic drivers within an economy, namely, which sectors add the most value to the local economy. The following table displays the relative contributions of each industry to Zululand's Gross Value Added. In 2010. General Government was the greatest contributor to value added/economic output, accounting for 22.5% of district GVA. This is not unusual for developing and relatively impoverished local economies, as government attempts to act as a catalyst for future private investments. In addition to general government, manufacturing; and wholesale and retail trade are important sectors. The share of both of these sectors is growing. This is particularly encouraging to see in the manufacturing sector, as this sector is targeted at national government level as an engine of economic growth and employment creation for the South African economy. Both agriculture and mining have experienced falling shares over the past 8 years. This is reflective of the larger national and provincial trend in these sectors which has seen a steady decline in their economic contribution.

Table 40: Sector/Industry share of GVA (2003-2010)

Sector	2003	2004	2005	2006	2007	2008	2009	2010	Ave
									share
Agriculture and	12.4%	11.9%	10.9%	9.9%	9.3%	10.0%	9.5%	9.4%	10.4%
forestry									
Mining and quarrying	7.0%	6.8%	5.7%	5.3%	5.4%	5.1%	7.1%	6.7%	6.1%
Manufacturing	9.5%	10.4%	11.4%	12.5%	13.3%	13.8%	13.1%	13.4%	12.2%
Electricity, gas and	2.4%	2.4%	2.4%	2.3%	2.2%	1.9%	1.9%	1.9%	2.2%
water									
Construction	2.0%	2.2%	2.5%	2.6%	2.9%	3.1%	3.1%	3.1%	2.7%
Wholesale and retail	12.8%	13.4%	14.1%	14.8%	15.0%	14.7%	14.5%	14.6%	14.2%
trade									
Transport and	11.0%	11.0%	11.2%	11.1%	11.1%	11.0%	10.7%	10.8%	11.0%
communication									
Finance	12.1%	11.8%	11.9%	12.1%	12.0%	12.1%	11.8%	11.8%	12.0%
Community, social	7.6%	7.4%	7.4%	7.3%	7.2%	7.0%	6.8%	6.7%	7.2%
and personal services									
General government	23.1%	22.6%	22.6%	22.1%	21.5%	21.3%	21.4%	21.7%	22.1%

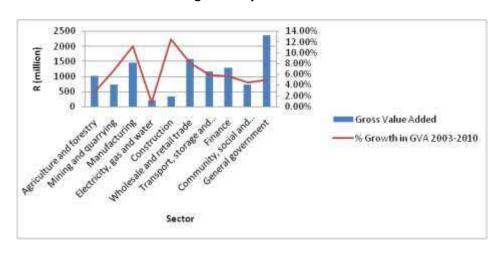
Source: DEDT calculations based on Quantec data (2011)

Changes in the GVA share of each sector is perhaps more clearly seen in the growth rates for each sector over the past 8 years. As expected, considering the low GVA growth in 2010 for the district, all sectors recorded relatively low growth rates in 2010. General Government sustained the highest growth rate at 3%, further highlighting the fact that government spending is often not as sensitive to prevailing economic conditions as private sector spending is. In fact, Government spending often operates counter-cyclically, spending more in times of economic downturns, in order to stimulate the economy and retain employment. This trend, however, does not appear to be represented in the data, and even government spending has been constrained by the general post-recession slump in Zululand.

The following graph provides a graphic representation of the importance of each sector to district economic output, as well as showing the average growth of each sector. It is evident that the district's largest contributors to GVA are not necessarily the fastest growth sectors. While General

Government yields the highest in terms of Gross Value Added, it is one of the lower growth sectors. Construction, on the other hand, contributes relatively little in terms of GVA, but is a high growth sector, averaging 12.5% per annum, over an 8 year period, despite registering very little growth (1.1%) in 2010. This indicates that significant construction and development activities have taken place in Zululand, over the period under review. Unusually Electricity, Gas and Water, has grown very little, despite increased construction taking place. Wholesale and Retail Trade has reflected relatively strong growth over the period. This is in accordance with the expanding needs of a growing population and increasing levels of wealth (GVA per capita).

Table 41: Total GVA and GVA growth by economic sector



Source: DEDT calculations based on Quantec data (2011)

6.2.1 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is a unit in the Community Services Department. The fundamental focus of this directorate is promoting the Social and Economic Development of the municipality by implementing the Siyaphambili programme which is a strategic document for economic development in the municipality. The Local Economic Development Forum

forms part of the overarching Institutional structure of the IDP Process. Apart from sharing information on future economic activities, the purpose of the forum is to jointly agree on a direction and guidance with all stakeholders and experts in the field of economic development in the district.

Sub-forums under the Local Economic Development Forum include Tourism and the recently established General Business and Agricultural forums.

Achievements of the LED Directorate include the following:

- Ukuzakha Nokuzenzela Program: This programme was established to assist the pro-poor communities within the District. ZDM is assisting the organized groups through ward Councilors. There are five tractors that are ploughing the fields for the communities and seeds are given.
- The following projects are under implementation with the partnership from COGTA:
 - Ulundi Tourism Hub
- Construction of New Office Block
- Restaurant
- Kitchen
- Toilet Block, and External works
- P700 Nodal Development
- Servicing twenty nine (29) commercial sites i.e. Sewer reticulation, water and electrification.
 - Laundromat Center
 - Mona Market Regularization
- Fencing the entire market
- Construction of informal traders facilities
- Informal traders facilities within Nongoma Town
- Ulundi Integrated Energy Center
- Sasol Filling Station
- Bakery
- Community Library

- Internet Café
- Hydrophonics
- The following Business Plans were completed, ZDM is looking for potential investors/partners for their implementation:-
 - Cengeni Gate Community Tourism Project
 - Phongola Private Public Partnership
 - Nongoma Poultry Project
 - Louwsberg Agro-processing Initiative
 - Aloe processing facility and
 - District Nursery

6.2.2 SMME

One of the development objectives of the ZDM is to identify and develop economic opportunities for the rural population in the District in order to reduce poverty. The promotion of SMME development in the district is an action from this and this has also been identified in the LED Plan, i.e. development and support opportunities for business development have been identified.

SMME should be considered in relation to LED initiative in the district.

6.2.3 AGRICULTURE ANALYSIS

The Zululand Agricultural Sector Plan (prepared by PR Africa in 2006) provides the following summary in terms of the agricultural potential in the District.

Good agricultural potential exists in the western highlands and the eDumbe Municipality has very high potential as has most of the Abaqulusi municipality. High potential in the Phongola valley is as a result of irrigation opportunities that have been developed in this area. Current land cover reflects these potentials.

The communal areas of Ulundi and Nongoma are however not as fortunate and the agricultural potential is marginal to poor except for the high lying plateaus in each district. However, these make up a small portion of the total area. Valley bushveld of the two Umfolozi Rivers does provide considerable potential for the development of irrigation. Given the high temperatures in these valleys and the moderate winters, these areas are perfectly suited for the production of vegetables in the winter or off-season. Moreover, the deep low altitude river valleys of Pongolo and Mfolozi Rivers provide an excellent opportunity for intensive agricultural production where irrigation is available where sugar cane and out of season vegetables and sub-tropical fruits can be planted. Agricultural potential outside these valleys is limited to stock and game farming.¹

The said document tabled interventions that need to be employed in order to develop the agricultural sector and these include:

- Institutional structuring for agriculture
- Sustainable land reform
- Visible delivery in agriculture sector
- Improved market access for agricultural products

The agricultural sector is presently under strain throughout the country. Some of the key concerns to the sector are:

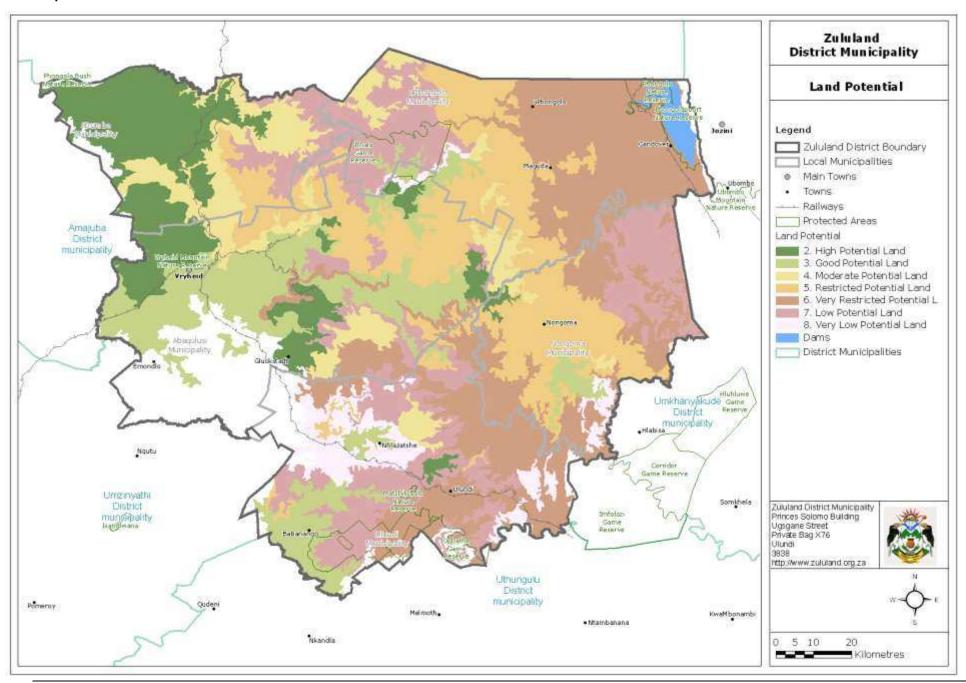
- Uncertainty that is caused by land reform
- Lack of imagination on what can be done with the land once the claimants have received the land and in some instances the land is not productively utilized
- Increasing input costs
- Rising interest rates

It has been argued that, in order for the agriculture sector to be developed, opportunities for tapping into the international markets need to be created

and in the case of Zululand, these opportunities can be linked to the Dube Trade Port Developments. Where possible, major co-operates will need to be involved and focus should be paid to various areas of opportunity in the District. The need for improved railway infrastructure in the District was also identified.

¹ Zululand Agriculture Sector Plan: (2006); pg. 17.

Map 21: Land Potential



6.2.4 TOURISM ANALYSIS

The District finalized its Tourism Sector Plan in 2006. The report paints the following picture as to the state of the sector in the District:

"While the Zululand District has a wealth of attractions that are authentic and different, the key obstacles to tourism growth lie in lack of awareness and information, lack of accessibility and the failure to package these assets in an attractive way that distinguishes from the other two districts forming the greater Zululand: uThungulu and Umkhanyakude. These two districts currently attract the overwhelming majority of tourists traveling north of the Tugela.

While there are a number of notable developments in the pipeline, individual land owners are battling to attract investment because of the reasons above. There is an urgent need to develop a high powered presentation and prospectus which will outline the actions planned by Zululand District Municipality to solve the infrastructural and information problems so that outside investors would be more confident to consider development in the district."²

A number of hindrances to the growth of the tourism sector have been identified, notably:

- Lack of facilities
- Lack of private investment
- Poor road infrastructure
- Lack of coordinated effort in the development of the sector and poor marketing of facilities/destinations

The following critical steps in developing and promoting the sector in the District are noted:

Need to market the District as a favoured destination

- Need for creation of authentic cultural experiences
- Need of opening up the Royal Palace to tourists
- Need to capacitate and create awareness among the previously disadvantaged communities
- Need to co-ordinate efforts of tourism development within the District
- Need to set standards for accreditation and grading to take place

In response to the above, the Siyaphambili Local Economic Development Strategy (2003) proposed some development strategies which include:

- The development and upgrading of game reserves, dams and nature reserves
- The establishment and marketing of arts and craft centres
- The need for tourism information tools, e.g. brochures, information offices and signage
- Development of festivals and events
- A travelers' centre at Ulundi 19
- The development of the Emakhosini Valley
- The upgrade of roads

It has been noted that a number of developments are in the pipeline or being implemented. Most notably and related to tourism are the Pongolapoort Dam Proposals as well as the Emakhosini Ophathe Development Proposals. The significance of these projects are reflected in the district SDF as presented in section D of this report.

There are a number of very interesting tourism options that need to be pursued or warrant further investigation in the district. In addition, there are some critical projects needed to boost tourism development. These include:

The uQweqwe area, approximately 25km from Babanango attracts substantial French interest every year understood to be the site where Prince Glenn Flanagan was captured. The site does not provide any basic facilities to tourists.

² Zululand Tourism Sector Plan: 2006, pg. 20

- Every year the Zulu Reed Dance is celebrated at Nsibaya/Enyokeni. There are a number of tourism development options that could be pursued with the annual celebration. Providing tourists with a better understanding of the Zulu Royal Family is only one of the opportunities presented.
- Development funding to the value of about R20 million has been allocated for the further development of the Emakhosini project, including a new entrance area as well as an amphitheatre. These still require implementation. The Emakhosini project at present does not provide accommodation facilities to visitors.
- The road between Nongoma and Pongola (R66) has to be tarred (only about 27 km) to open up the district to tourism. It is understood that more than 30 tour buses enter the district at Golela every day that do not spend time and money in the district.
- The linkage between Nongoma and Ulundi via the R66 (Tangami Spa, Swart Umfolozi and Vryheid) should be improved.
- Access road to Ithala Game Reserve, via the Klipwal Mine. The Klipwal Mine (the only Gold Mine in KZN) is only about 3 km from the northern boundary of the Ithala Reserve.
- The R69 (Rooirante Road) between Magudu and the Pongolapoort dam is another very important link road.
- The P700 link to Empangeni/Richards Bay.
- An important link between Paulpietersburg, Wakkerstroom and Luneburg.
- About 20km of untarred road between Nongoma and Vryheid.

Apart from the road priorities listed above, a number of important themes have also been identified:

- Heart of the Zulu Kingdom and the Emakhosini project.
- Possible Zulu cultural museum at Ondini linked to the P700 development.
- Accommodation facilities in the ZDM in the traditional Zulu Cultural style.
- The Isibaya/Enyokeni annual reed dance.

- The monthly Mona craft and cattle sale (as well as traditional medicine) in Nongoma. This event lasts for 4 days but there is no market facility available.
- Proposals have already been prepared for the Ngome forest development.

6.2.5 BUSINESS SECTOR ANALYSIS

The Zululand District finalized its Business Sector Plan in May 2006. The document gives an overview of the different financial sectors and offers some suggestions on interventions that need to be made in order to improve the sector.

Commercial Sector: The commercial sector is well established in the towns of the District. However, it is not easily accessible for the majority of the rural population that currently account for 75% of the district population. A number of potential commercial markets exist. The lack of business support services will, however, limit entry of emerging entrepreneurs into these markets. Some of the opportunities that are presented in this sector include:

- Developing the commercial sector in the Rural Services Centres that are being developed in the District and to utilise the supporting infrastructure of these Rural Services Centres such as taxi ranks to tap into the markets that these draw.
- Commercial enterprises focused on tourism market through sale of locally produced goods, the restaurant industry, travel agencies/services and others.

Manufacturing Sector: Manufacturing activity within the District is low, at an estimated 11% contribution to the GGP for the area. The only agriprocessing of note in the District is the Illovo sugar mill in the uPhongola Municipality. Despite the lack of large scale manufacturing in the District a number of interesting ventures have been, or are in the process of being, established. These activities generally relate to the raw materials and skills

available in the District. The ventures include (1) arts and crafts production and marketing, (2) taxidermy, (3) mineral water and (4) charcoal manufacturing for export.

Some of the opportunities that are presented by this sector include:

- Opportunities generally promoted in the region in terms of agriprocessing include traditional medicines, venison production for export, leather production as well as vegetable and fruit processing. The diversification of agricultural production in the District will lead to further potential for agri-processing.
- Opportunities exist for the diversification of the products of the district and the improvement of marketing systems that will open up new local, national and international markets. Other markets for arts and crafts include curio shops in national parks, curio shops in private game reserves, arts and craft centres in the District, as well as established marketing agents focusing on the national and international markets.
- Opportunities relating to timber product manufacturing should continue to be investigated. Timber construction relating to specifically the tourism industry may present opportunities for local contractors in future.
- Development of clothing and textile as well as building materials sector in the District.

Construction Sector: The sector has experienced growth in recent years. Some of the major recent and current construction activities in the District would include:

- The general residential market.
- Major infrastructure construction, e.g. the Paris Dam, major roads such as the P700 and other strategic linkages.
- The building of lodges and tourism facilities, e.g. lodges to be built at Emakhosini, in areas surrounding the Pongolapoort Dam and on private game farms.

- The provision of basic services to the previously disadvantaged urban and rural communities within the District municipality.
- The provision of low income housing to the urban and rural communities of the District.
- Building of municipal and public sector buildings, e.g. the offices of the District Municipality.

Transportation Sector: In the transport industry in the Zululand District Municipality distinction can be made between various sub-sectors, viz. road freight transport, public road transport, (dominated by the taxi industry) air transport and rail freight transport. In terms of the "informal" sector stakeholders also identify the so-called "bakkie" industry responsible for the transport of goods from distributors/wholesalers to a range of retailers located in the rural areas. Some of the opportunities that are presented in this sector include:

- Rural road maintenance and upgrading of rural roads which will continue to establish better linkages between settlements, rural nodes and municipal centres, thus increasing access to economic opportunities whilst increasing access to job opportunities.
- The proposed petrol filling station and information centre (Ulundi "19") is viewed as a lead project impacting on both the transport and tourism sector in the District. This strategically located development will increase the attractiveness of this alternative route between Gauteng and the KwaZulu-Natal coast. It will also provide an opportunity for informing people passing through the area of the attractions which the area has to offer.
- The need for establishing a stop-over point for trucks in the Vryheid area has been identified in various planning studies.

Mining Sector: As it has been noted earlier in this document, mining activities in the district have decreases in the mid 1990's mainly due to closure of mines as a result of open market in coal mining and agriculture. Opportunities still exist for small scale mining. These opportunities include:

- Mine rehabilitation
- Engineering support
- Equipment maintenance and support
- Preparing Environmental Management Plans

6.3 ECONOMIC: SWOT ANALYSIS

6.3.1 STRENGTHS/OPPORTUNITIES

- It is evident that the district's largest contributors to GVA are not necessarily the fastest growth sectors.
- A number of tourism developments are in the pipeline or being implemented, notably the Pongolapoort Dam Proposals as well as the Emakhosini Ophathe Development Proposals.
- The commercial sector is well established in the towns of the District.
- Opportunities generally promoted in the region in terms of agriprocessing include traditional medicines, venison production for export, leather production as well as vegetable and fruit processing. The diversification of agricultural production in the District will lead to further potential for agri-processing.
- The diversification of the products of the district and the improvement of marketing systems that will open up new local, national and international markets.
- Opportunities relating to timber product manufacturing should continue to be investigated. Timber construction relating to specifically the tourism industry may present opportunities for local contractors in future.
- Opportunities exist for the development of clothing and textile as well as building materials sector in the District.
- Rural road maintenance and upgrading of rural roads which will continue to establish better linkages between settlements, rural nodes and municipal centres, thus increasing access to economic opportunities whilst increasing access to job opportunities.

- The proposed petrol filling station and information centre (Ulundi "19") is viewed as a lead project impacting on both the transport and tourism sector in the District. This strategically located development will increase the attractiveness of this alternative route between Gauteng and the KwaZulu-Natal coast. It will also provide an opportunity for informing people passing through the area of the attractions which the area has to offer.
- Opportunities still exist for small scale mining relating to mine rehabilitation as well as equipment maintenance and support.

6.3.2 THREATS/WEAKNESSES

- Zululand is ranked lower for economic output for the province than it is for total population indicating that the GVA per capita within Zululand is comparatively low in the provincial context.
- Abaqulusi and Ulundi municipalities contribute the majority of economic output for the district, between them contributing almost 63% being indicative of an economy that is not diversified throughout the district.
- Nongoma, which has the second highest population of all the Zululand municipalities, only contributes 13.6% to economic output.
- Only 31.1% of the working age population are engaged in actual employment or are actively seeking work.
- Unemployment in Zululand is unsustainably high and is having the negatively impact of discouraging people from spending the time and money to actively search for jobs.
- Employment has increased by just over 13,000 people between 2003 and 2009. This is insufficient in the light of population growth of over 106,000 in the same period.
- Zululand DM has very high dependency ratios. The dependency ratio can be interpreted as a crude measure of poverty.
- Uncertainty relating to the roll-out or implementation of the Land Reform programme has impacted negatively on agricultural development and growth.

- The commercial sector is not easily accessible for the majority of the rural population that currently account for 75% of the district population.
- Manufacturing activity within the District is low, at an estimated 11% contribution to the GGP for the area.

ENVIRONMENTAL ANALYSIS

7.1 ENVIRONMENTAL PRINCIPLES

The guiding principle for development in the ZDM is that it should be conducted in a sustainable manner. It is important to consider what the concept of sustainable development means for the ZDM and how this concept should be taken forward. The definition of sustainable development which has become the best known and most widely used is that of the Bruntland Report which defines sustainable development as:

'Development which meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission on Environment and Development, 1987).

Hence, the following principles apply:

- Development must not degrade biophysical, built, social, economic resources or the system of governance on which it is based;
- Current actions should not cause irreversible damage to natural and other resources, as this may preclude future development options;
- In cases where there is uncertainty of the impacts of an activity on the environment, caution should be exercised in favour of the environment;
- The cost of pollution should be paid by the party causing the pollution;
- The needs of land use, environment and economic planning need to be integrated;
- A development framework and paradigm which promotes resource generation rather than resource degradation must be created;

- Immediate and long term actions need to be identified and planned for, to address urgent needs while still progressing towards longer term sustainable solutions;
- Resources must be utilized more effectively through each sector applying its resources to support other sectors rather than acting in an uncoordinated or competitive manner.

7.2 ENVIRONMENTAL VISION

The environmental vision for the Zululand District Municipality is therefore, in short, "the conservation of biodiversity to enhance the well being of the people in Zululand".

In order to achieve this vision, priority actions for planning and management authorities are to:

- Protect and restore indigenous vegetation and terrestrial ecosystems and associated processes;
- Protect and restore freshwater ecosystems and associated processes;
- Protect and restore endemic and threatened species;
- Reduce waste generation and disposal and improve solid waste sites and management;
- Promote better water use and conservation;
- Control alien invasive species;
- Promote ecologically sustainable grazing, crop and forestry production systems;
- Ensure that all citizens have access to formal sanitation facilities, housing and medical advice and assistance where possible; and
- Minimize the impacts of climate change on biodiversity

7.3 ENVIRONMENTAL ASSESSMENT

The main Issues within the municipality were identified within the following categories: Housing, Soil, Water, Waste, Biodiversity and Tourism. The Fundamental Tools to be considered when contemplating each issue and acting on these issues are: Awareness, Regulation and Enforcement, Sustainability, and Delivery. Some of the Main Issues fall under more than one category, for example, "Wetland Degradation" might fall under Water, Soil and Biodiversity and even Tourism and Housing, as it is quite often housing developments that damage wetlands, and loss of the wetland systems could affect tourism.

The environmental assessment informed the identification of key issues and priority actions.

7.4 ENVIRONMENTAL KEY ISSUES

Table 42: EMP/SEA Key Issues

	Brief Description			
Key Issue				
Wetland Degradation	Wetland degradation is especially evident near			
	urban or built up areas and occurs mainly as a			
	result of inappropriate formal and informal			
	development.			
Soil Erosion	Soil erosion occurs throughout the region, but			
	especially in the rural areas and in association			
	with roads, pathways and subsistence agriculture.			
Low Cost Housing Problems	Typical low cost housing related problems are			
	subsidence, sewage problems and collapsing of			
	houses.			
Poor Sewage System	Instances of overflowing sewage treatment plants			
Maintenance/Infrastructure	or emergency overflows as a result of failed,			
	incorrectly installed, or vandalised pump houses.			
Over Utilization of Soils	Over utilisation of soils in some areas (no crop			

Key Issue	Brief Description
	rotation) results in reduced agricultural potential, and eventually soil erosion and subsidence.
Sand Winning	Illegal sand winning without permits.
Mining and Mine Rehabilitation	Several mines within the Zululand District Municipality have not been rehabilitated, and this is leading to severe environmental degradation, especially in terms of erosion, leaching, proliferation of alien invasive plants, collection of standing water and the associated diseases which result.
Alien Invasive Weeds	Proliferation of alien invasive plants throughout the region in rural and urban areas, in watercourses, wetlands, and especially around or on the edges of forests and afforested areas.
Family Planning and Poverty	While the national population growth rate is currently estimated at around 0%, with possible increases only resulting from influxes of immigrants, the impact of poor family planning on the families involved and their surrounding environment is considerable.
Personal Wealth and Environmental Sustainability	It must be noted that financially wealthy families, more often than not, have a tremendous impact on the environment in terms of their rates of consumption of numerous resources, and this issue should be addressed.
Management of Water Resources	Incorrect citing of high-impact developments (such as low cost housing with poor sewage, wastewater and storm water management) in close proximity to wetlands, drainage lines, rivers and dams is resulting in water pollution. There is a need to protect water resources as a means to prevent waterborne diseases and ensure adequate supply of quality water for household consumption.
Threat from Forestry to the	The municipality is located in an area well suited

Key Issue	Brief Description
Natural Environment	to commercial forestry, but a forestry threat to the natural environment is evident – especially in terms of encouraging unchecked alien invasive plant growth within or on the borders of afforested areas, and in the utilisation of high priority ecological / biodiversity and tourism areas for forestry.
Veld Fires	The veld is currently considerably over-burnt and this is resulting in soil erosion, damage to soil conditions and nutrients and the proliferation of: alien invasive plants; undesirable, less-palatable grass species; and woody species, which in turn create impenetrable thickets and further soil erosion.
Requirement for a Municipal Open Space System	A clearly defined municipal open space system (for the entire municipal area, but especially in the 'urban' areas of Vryheid, Ulundi, Paulpietersburg, Louwsburg, and Pongola, and later in the more rural areas (but still built up) of eDumbe, Hlobane and Emondlo etc.) is required for the protection of wetlands, associated rivers, streams and catchments and areas of natural beauty.
Amenity and Shelter Planting	Amenity and shelter planting (in all built up areas) is required to improve the residential and commercial centres and the general 'feel' or amenity of the area. This will improve the quality of life for all residents, as well as enhancing the natural environment, and could even attract tourists and business.
Solid Waste Management	Address waste disposal issues - solid waste management is a critical issue for the municipality. Almost all the landfill sites within Zululand need upgrading in order to comply with the legal requirements related to waste

Kaylaaya	Brief Description					
Key Issue						
	management.					
Environmental Accounting	Environmental issues and impacts are often not					
	addressed in developments and projects.					
	Environmental accounting needs to be become					
	more integrated into the development planning					
	process and must be considered in the very initial					
	phases of planning any new development or					
	upgrade, prior to any costly mistakes being made.					
High Tourism Potential	The region has a high tourism potential, which has					
	not been properly exploited, environmentally or					
	otherwise. Numerous sites of tourism significance					
	are being ignored or insufficiently marketed.					
Illegal Muthi Harvesting	Excessive / illegal muthi harvesting – damages					
	indigenous populations of plants and animals,					
	without restocking (See Ngome, Swart Umfolozi,					
	State Forest).					
Unsustainable Agricultural	Loss of agricultural land due to development					
Practices/Management	pressure, in which hard surfaced developments					
	use up agricultural land is a serious issue, as this					
	land is usually permanently lost to agriculture					
	once covered over. Only land with low agricultural					
	potential should be utilised for these types of					
	developments.					
Loss of Indigenous Vegetation	Loss of indigenous vegetation communities and					
Communities	habitats due to:					
	 Afforestation 					
	 Poor farming practices 					
	 Alien plant invasion 					
	 Poor catchment management 					
	■ Informal housing					
Conservation of Biodiversity	Active protection of valuable environmental					
	resources is regarded as critical (wetlands,					
	indigenous forests, grasslands, and bushveld).					
	Community involvement in viable tourism					
	enterprises, which conserve the environment					

	Brief Description				
Key Issue	·				
	while providing employment and /or income,				
	should be fostered and encouraged.				
Rehabilitation of Damages and	Rehabilitation of damaged and degraded areas				
Degraded Areas	does not ordinarily occur, as there was not				
	previously any legislation to enforce it, (this has				
	now changed), and the municipality could begin				
	to enforce this legislation.				
Management of Cemeteries	Upgrade and institute proper management of				
	cemeteries (according to National Legislation				
	guidelines).				
Management of Biodiversity	Critical pieces of land (as identified by Ezemvelo				
outside Protected Areas	KZN Wildlife) are required to sustain the natural				
	resource base outside Protected Areas; these				
	should be managed under appropriate protection				
	measures.				
Community Benefits from the	Communities who value biodiversity should be				
Environment	able to share in the benefits of natural resources				
	and community-based tourism initiatives.				
	Environmental management plans should				
	incorporate social issues in order to get 'buy in'				
	from affected communities, including decision				
	makers.				

7.5 PRIORITY ACTIONS

Vegetation and Terrestrial Ecosystems

There will be a balance between the need for development and environmental needs.

Freshwater Resources

There will be pollution free water for all. There will be clean water systems, achieved by proper management of the river catchments and appropriate treatment of sewerage.

Wetlands and Watercourses

No developments will be permitted in or on flood plains, watercourses or wetlands.

Endemic and Threatened Species

Harvesting of indigenous species for firewood and muthi will be monitored and controlled, and will be sustainable.

Waste Generation, Disposal and Management

To cater for waste disposal, both domestic and industrial, there will be properly sited and managed dumpsites and recycle bins. Implement a waste management system, which contributes to sustainable development and a measurable improvement in the quality of life.

Formal Sanitation Facilities

Efforts shall be made to provide all residents of Zululand will be provided with formal sanitation facilities (whether as VIP Latrines, or as water borne sewage, or any of the new low water use designs on the market) by 2010.

Water Use and Conservation

There will be region-wide acknowledgement of the scarcity of water in South Africa, and respect for his valuable resource from all, demonstrated through individual protection and conservation of the water resource.

Invasive Species

There will be region-wide knowledge of alien invasive species and acknowledgement of the negative effects that these plants have on the environment. Compliance with the Conservation of Agricultural Resources Act, No. 43 of 1983.

Sustainable Grazing and Cropping (Farming) and Aforestation

There will be region-wide knowledge and implementation of sustainable agricultural practices, to include cropping practices, plantation / exotic forest management, grazing methods, stocking density, burning regimes etc.

Climate Change and Biodiversity

Industries will be located in the best possible areas for particular emissions, and the emissions will be strictly curtailed and monitored according to the accepted protocols.

Tourism

There should be sustainable 'exploitation' / use of the high tourism potential of the region.

Mining and Sand Winning

Erosion - Reduce, remedy and ultimately prevent soil erosion in the region.

Housing

Housing, especially low cost and informal housing will be appropriately located in all instances, and residents will not be permitted to occupy areas which are environmentally or socially unsuitable or unsustainable.

Health and Social Welfare

A concerted and honest effort will be made to tackle the problems of HIV / Aids and other communicable disease prevention.

Planning

Planning will adopt a holistic approach and include adequate planning for people with disabilities and environmental constraints. Inappropriately located developments will not be permitted. Fertile agricultural land will be set aside for farming purposes only, and will not be lost due to development pressure.

General: Governance

Promote co-operative Governance and capacity building.

8. INFRASTRUCTURE ANALYSIS

Large disparities are apparent in terms of the nature and structure of the built environment with the most significant disparity between the level of services and development in the rural and urban areas of the District. The towns have comparatively good levels of infrastructure and services.

With regard to service provision the following should be noted:

- The ZDM has an indigent policy in place.
- Free Basic Services (FBS) in respect of water is provided to all by the ZDM, i.e. 6KL free per household per month.
- The ZDM is not an electricity service provider.

8.1 WATER AND SANITATION PROVISION

The Zululand District Municipality has conducted a Section 78 assessment for the water and sanitation sector in terms of the requirements of the Municipal Systems Act (32 of 2000). The aim of this assessment being to develop options to enable the District Council to make balanced decisions as to which is the most appropriate services provider option to pursue.

The following tables demonstrate the current, and percentage, water and sanitation backlogs:

Table 43: Water and Sanitation Backlogs

			Communal	Yard	
	None or	Rudimentary	standpipes	connections	TOTALS
Water	Inadequate	<rdp< th=""><th>RDP</th><th>>RDP</th><th></th></rdp<>	RDP	>RDP	
AbaQulusi LM	0	0	0	20,350	20,350
eDumbe LM	0	0	0	6,162	6,162
Nongoma LM	0	0	0	957	957
Ulundi LM	0	0	0	6,980	6,980
uPhongolo LM	0	0	0	4,135	4,135
Total (urban)	0	0	0	38,584	38,584
AbaQulusi LM	5,647	3,200	264	6,608	15,719
eDumbe LM	2,521	1191	1104	4,033	8,849
Nongoma LM	11,792	9,606	9,107	2,594	33,099
Ulundi LM	5,487	6,808	7,810	8,224	28,329
uPhongolo LM	3,123	1216	1247	12,377	17,963
Total (rural)	28,570	22,021	19,532	33,836	103,959
Total (households)	28.570	22.021	19.532	72,420	142.543

	None or	VIP	Septic tank	Waterborne	
Sanitation	Inadequate	RDP	RDP	>RDP	TOTALS
AbaQulusi LM	0	0	0	20,350	20,350
eDumbe LM	0	0	595	5,567	6,162
Nongoma LM	0	0	0	957	957
Ulundi LM	0	0	0	6,980	6,980
uPhongolo LM	0	0	0	4,135	4,135
Total (urban)	0	0	595	37,989	38,584
AbaQulusi LM	6,714	8,968	37	0	15,719
eDumbe LM	765	7,940	144	0	8,849
Nongoma LM	21,808	11,291	0	0	33,099
Ulundi LM	17,395	10,892	42	0	28,329
uPhongolo LM	5,953	11,684	326	0	17,963
Total (rural)	52,635	50,775	549	0	103,959
Total (households)	52.635	50.775	1.144	37.989	142.543

Source: WSDP 2012

Table 44: Percentage Backlogs

	TOTAL			% OF TOTAL
WATER	HOUSEHOLDS	BACKLOGS	% BACKLOGS	BACKLOGS
AbaQulusi LM	36,069	8,847	24.53%	17.49%
eDumbe LM	15,011	3,712	24.73%	7.34%
Nongoma LM	34,056	21,398	62.83%	42.30%
Ulundi LM	35,309	12,295	34.82%	24.30%
uPhongolo LM	22,098	4,339	19.64%	8.58%
Total	142,543	50,591	35.49%	100.00%
	TOTAL			% OF TOTAL
SANITATION	HOUSEHOLDS	BACKLOGS	% BACKLOGS	BACKLOGS
AbaQulusi LM	36,069	6,714	18.61%	12.76%
eDumbe LM	15,011	765	5.10%	1.45%
Nongoma LM	34,056	21,808	64.04%	41.43%
Ulundi LM	35,309	17,395	49.27%	33.05%
B1 1 1 1 1 1	00.000	E OEO	26.94%	11.31%
uPhongolo LM	22,098	5,953	20.34 /0	11.51/6

Details of the planned **water** and **sanitation** related investment into the district is provided hereunder. As such, a summary table is provided indicating the extent of the capital requirements for water and sanitation provision in the ZDM:

Table 45: Capital Requirements for Water from 2012/13 to 2016/17

WATER	ı	Capital requirements		2012/13		2013/14		2014/15		2015/2016		2016/2017		>2017
Regional bulk	R	1,744,257,962	R	261,833,460	R	252,013,825	R	122,947,376	R	141,194,771	R	105,133,211	R	861,135,319
Secondary bulk	R	1,088,374,123	R	122,088,842	R	95,981,010	R	57,291,804	R	44,491,516	R	26,385,475	R	742,135,476
Reticulation	R	130,622,400	R	14,061,980	R	13,741,600	R	5,743,680	R	3,829,120	R	2,613,220	R	90,632,800
Total capital (new)	R	2,963,254,485	R	397,984,282	R	361,736,435	R	185,982,860	R	189,515,407	R	134,131,906	R	1,693,903,595
Regional bulk		TBA		TBA		TBA		TBA		TBA		TBA		TBA
Secondary bulk		TBA		TBA		TBA		TBA		TBA		TBA		TBA
Reticulation		TBA		TBA		TBA		TBA		TBA		TBA		TBA
Total capital (refurbishment)		TBA		TBA		TBA		TBA		TBA		TBA		TBA
Total capital	R	2,963,254,485	R	397,984,282	R	361,736,435	R	185,982,860	R	189,515,407	R	134,131,906	R	1,693,903,595

Source: WSDP 2012

Table 46: Capital Requirements for Sanitation from 2012/13 to 2016/17

SANITATION	re	Capital equirements		2012/13		2013/14		2014/15		2015/2016	2	2016/2017		>2017
Bulk infrastructure	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Reticulation	R	-	R	-	R	-	R	-	R	-	R	-	R	-
VIP toilets	R	315,820,000		59,668,000		61,884,000		59,190,000		59,402,000		60,750,000		14,926,000
Total capital (new)	R	315,820,000	R	59,668,000	R	61,884,000	R	59,190,000	R	59,402,000	R	60,750,000	R	14,926,000
Bulk infrastructure		TBA		TBA		TBA		TBA		TBA		TBA		TBA
Reticulation		TBA		TBA		TBA		TBA		TBA		TBA		TBA
VIP toilets		TBA		TBA		TBA		TBA		TBA		TBA		TBA
Total capital (refurbishment)		TBA		TBA		TBA		TBA		TBA		TBA		TBA
Total capital	R	315,820,000	R	59,668,000	R	61,884,000	R	59,190,000	R	59,402,000	R	60,750,000	R	14,926,000

8.1.1 APPROACH TO WATER AND SANITATION PROVISION

Water provision is a key development issue in the Zululand District Municipality. The Zululand District Municipality, in terms of the Water Services Act³, is the Water Services Authority in respect of its area of jurisdiction. A Water Services Plan⁴ has been developed and is reviewed on an annual basis. The RDP standard for water supply (and the ultimate goal for water provision) is 25l/person/day within 200m walking distance. However, a rudimentary water supply process is currently underway to expedite the supply of water to all by ensuring that every settlement has access to a minimum of 5 l/person/day within 800 m of the home.

Zululand District Municipality has adopted a Free Basic Water Services policy, as part of the WSDP, as follows:

- All households will receive six kilolitres of potable water free of charge for domestic use.
- Industrial, commercial and institutional consumers do not qualify for free basic services.
- All water supplied from standpipes and rudimentary systems will be free.

The following table defines this policy further:

Table 47: Water Services Policy

Service Level Number	Level of Water Service	Definition	Free Basic Water Policy				
DW1	Full pressure conventional house connection	Direct unrestricted full pressure (24m) connection to the reticulation system, metered and billed	Stepped block tariff (with first block at zero charge free to all households)				
DW2	Yard tank (RDP	Restricted (to 200l per day)	All water at no				

³ Act 108 of 1997 Section II G

Service Level Number	Level of Water Service	Definition	Free Basic Water Policy		
	standard)	individual erf connection with tank in yard	charge		
DW3	Communal street tap (RDP standard)	Unrestricted full pressure standpipe not further than 200m from dwellings (shared by a number of consumers)	All water at no charge		
DW4	Rudimentary system	Formalised supply: Borehole equipped with hand pump Protected spring Communal standpipe further than 200m from dwellings	All water at no charge		

Table 48: Free Basic Sanitation Policy

Service Level Number	Level of Sanitation Service	Definition	Free Basic Sanitation Policy
DS1	Water borne sewage	Unrestricted connection to municipal sewerage system	Included in free basic water allocation
DS2	Septic tank or similar facility	On-site disposal (self treatment)	No charge
DS3	Conservancy tank	Localized sewage temporary storage facility	No charge to selected households in specific areas as determined by the municipality, aligned to free basic water policy for service level DW4
DS4	Ventilated improved pit	Dry pit with sufficient capacity on-site disposal	No charge

⁴ Water Services Act Section 12.

Service Level Number	Level of Sanitation Service	Definition	Free Basic Sanitation Policy
	(VIP) latrine	based on set standards	

Source: WSDP 2012

The developmental approach and motivation for the various levels of service offered by the municipality is explained in the policy. This free basic services policy is based on the same approach and is also subject to affordability and economic viability, so the municipality may review the policy based on practical realities with regard to consumption and financial viability of metering and billing from time to time.

The municipality is aware that consumption in rural areas is steadily increasing. To measure consumption in unmetered zones, the municipality uses the water balance to determine consumption. Although the free basic water policy is implemented and no metering is intended in these zones immediately, the financial viability threshold (based on consumption and costs) will determine whether and when metering and/or billing may be introduced.

The Zululand District Water Services Plan gives a clear indication as to where and when water infrastructure will be provided in the District. It provides a clear indication of what amount of water capital infrastructure will be provided when and at what cost and during which year.

There are two main programmes that are utilized for the implementation of water and sanitation services. The Department of Water Affairs and Forestry provides funding for specifically water and sanitation infrastructure development. The Municipal Infrastructural Grant funds various infrastructure projects, not only limited to water and sanitation, but will exclusively be utilized by the ZDM for water and sanitation infrastructure provision during the next 5 years.

There are 10 regional water schemes that have been developed to roll-out water supply to the whole district. The schemes are listed hereunder and shown in the following image:

Coronation

Simdlangentsha East

Hlahlindlela

Simdlangentsha Central

Khambi

Simdlangentsha West

Mandlakazi

Usuthu

Nkonjeni

Candover

Each regional scheme footprint as a sustainable water source from where infrastructure is progressively being rolled out to all households within the supply area. The supply footprints have been identified such that water can be provided to all households within the area in a sustainable manner and at the lowest possible cost (R/kl).

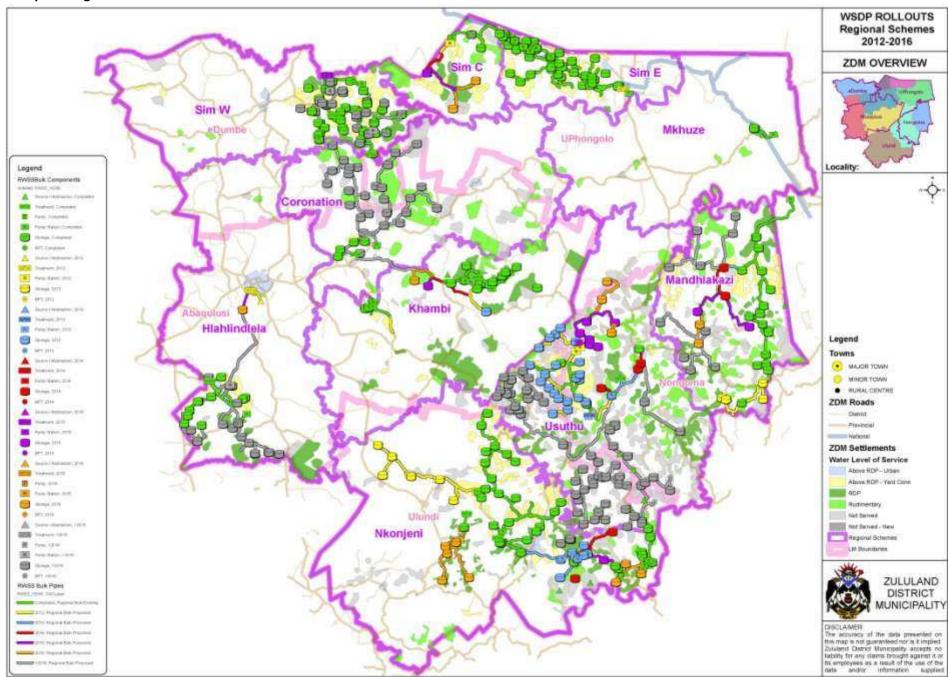
Sanitation in the rural areas is being provided in the form of dry-pit VIP toilets and the strategy is to implement these simultaneously with the roll-out of water services. This ensures a more effective impact with health and hygiene awareness training.

The following should be noted:

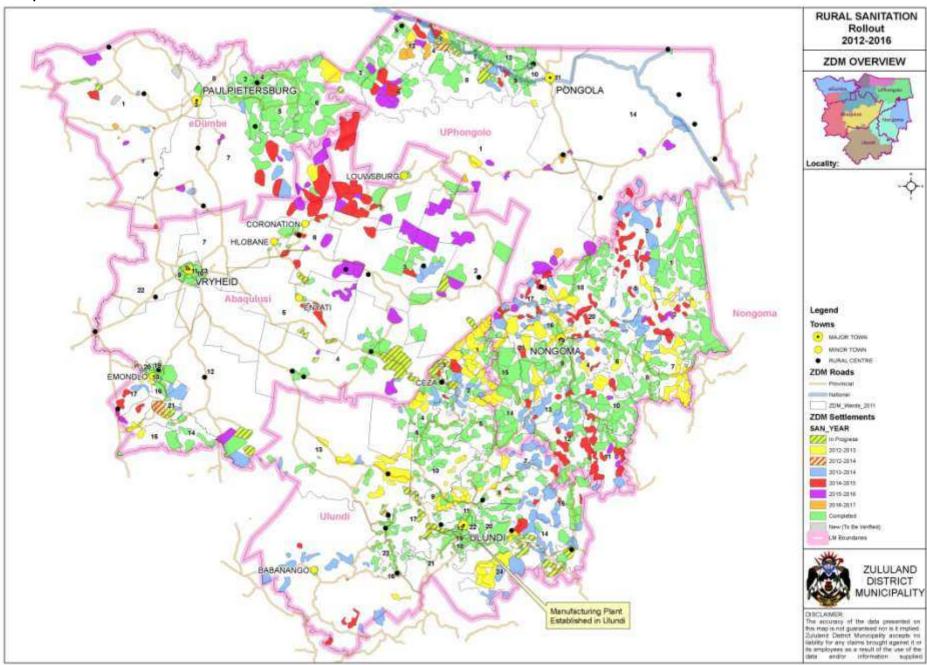
- Rudimentary water supply provides 5l per capita per day within a distance of 800m.
- RDP water supply roll-out (Regional Water Supply). Provides for 25l per capita per day within a distance of 200m.
- Rural Sanitation to the RDP standard of 1 dry-pit VIP per household.

The following series of maps illustrate the roll-out of the Regional Schemes, Sanitation and Rudimentary Water over the next five years.

Map 22: Regional Schemes Rollout 2012 - 2016



Map 23: Rural Sanitation Rollout 2012-2016



Map 24: Rudimentary Rollout 2012-2016

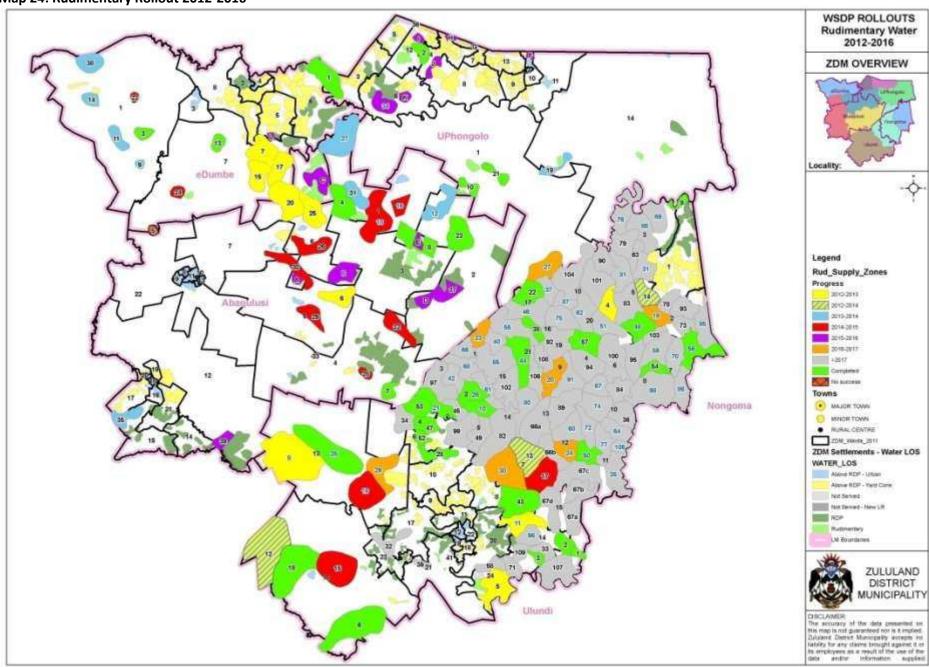


Table 49: Sources of Capital Income: Water

WATER		Ex	pected Funding		2012/13		2013/14		2014/15		2015/2016		2016/2017	>2017
MIG		R	1,104,528,000	R	220,905,600	unknown								
DWAF		R	142,700,000	R	72,700,000	R	70,000,000	R	-	R	-	R	-	unknown
Housing		R	-	R	-	R	-	R	-	R	-	R	-	unknown
Other grant funding		R	-	R	-	R	-	R	-	R	-	R	-	unknown
Loans		R	-	R	-	R	-	R	-	R	-	R	-	
	TOTAL	R	1,247,228,000	R	293,605,600	R	290,905,600	R	220,905,600	R	220,905,600	R	220,905,600	
Capital requirements		R	2,963,254,485											
	Shortfall	R	-1,716,026,485											

Source: WSDP 2012

Table 50: Sources of Capital Income: Sanitation

SANITATIO	N	Ехр	ected Funding		2012/13		2013/14		2014/15		2015/2016	:	2016/2017	>2017
MIG		R	276,132,000	R	55,226,400	unknown								
DWAF		R	-	R	-	R	-	R	-	R	-	R	-	unknown
Housing		R	-	R	-	R	-	R	-	R	-	R	-	unknown
Other grant funding		R	-	R	-	R	-	R	-	R	-	R	-	unknown
Loans		R	-	R	-	R	-	R	-	R	-	R	-	
	TOTAL	R	276,132,000	R	55,226,400									
Capital requirements		R	315,820,000											
	Shortfall	R	-39,688,000											

8.1.2 OPERATION AND MAINTENANCE

The Technical Department is divided into three main divisions, namely:

- Project Management Unit (PMU)
- Bulk Water and Wastewater Management
- Rural and Urban Reticulation

The strategic objective for the Technical Services Department is to progressively provide cost effective, reliable water services of good quality to all potential consumers in the district.

The core functions of the Technical Department are therefore:

- To implement the new infrastructure (Water and Sanitation).
- Operation and Maintenance of the secondary bulk and reticulation.
- Management, Operation and Maintenance of Bulk Water and Waste Water Infrastructure.

The key issues faced by the Department are linked with the key performance indicators, which also happen to be linked with the National Key Performance Indicators, to ensure that the relevant aspects of service delivery are addressed, measured and improved. Please refer to the OPMS section.

Project Management Unit

The Project Management Unit is responsible for the implementation of all the capital projects in the district. The unit has a total of 6 technical officers, two Institutional Social Development Officers (ISDO) and a Senior Project Administrator.

The current total Business Plans approved by the Municipal Infrastructure Grant (MIG) is in excess of R 1,541,959,888.40 and this makes Zululand District Municipality to be at least having committed projects for more than

eight (8) years ahead, considering the current rate of MIG fund allocation which is approximately R180,000,000.

A large amount of money is currently spent in the development of bulk infrastructure and as the bulk line passes communities, reticulation networks are installed. Where the communities are experiencing acute shortage of water, the rudimentary programme is in place to bring relief and where there are no reliable sources, water tankering is taking place.

Zululand District Municipality, for sustainable water supply, is divided into ten (10) regional schemes with reliable water sources.

Rural and Urban Reticulation

This division deals with the reticulation of water from bulk services, attending to all operation and maintenance of the water infrastructure in both urban and rural areas. It also manages the emergency water/drought relief programme.

Currently all urban areas are serviced with water and sanitation. They are mostly metered and also receive the 6 kilolitre Free Basic Water.

Water Control and Management

In the financial year 2008/9, utility meters were introduced so that water required by the consumer could be measured either on daily or monthly quantities as preferred by the consumer. Those who want to be limited to FBW can also be provided on daily or monthly basis.

The schemes in the rural areas are not metered as they are considered to be consuming water less than the FBW. Zone meters have been installed to monitor the above situation and if the consumption indicate viability of metering water, that will be considered in the due course.

There are six reaction teams managed via a roster of service providers to provide emergency repairs to infrastructure.

8.1.3 BULK WATER SUPPLY AND WASTEWATER MANAGEMENT

The core function for Water Services Provision Bulk is to ensure that water and wastewater infrastructure is managed properly in order to produce a cost effective and class one (1) quality of water that meets stringent compliance while adequately addressing communities. It also addresses Operation and Maintenance of Bulk Infrastructure in order to minimize down time.

The above is carried out in all Local Municipalities with the exception of Abaqulusi Municipality's urban water and waste infrastructure.

8.2 SOLID WASTE

The 2001 Census reported that more than half the households in Zululand dispose of waste in their own dumps. Only 20 % have access to a formal waste disposal system, and these will be in urban areas. Please see the table hereunder:

Table 51: Method of Waste Disposal

Method of disposal	% households
Municipal weekly	29,959
Municipal less often	2,034
Communal dump	975
Own dump	87,104
No disposal	30,918

Source: 2001 Census

The District has commissioned and completed the preparation of a Waste Management Strategy.

New facilities were proposed and the following issues addressed:

- Positioning of facilities
- Sizing of facilities (numbers and land requirement)
- Timing and priorities
- Tariffs
- Management: Local Municipalities or District Municipality
- Legal Responsibilities (Environmental and Water Acts)
- Rural Cultural Practices
- Groundwater Pollution control
- Health Aspects
- Cost estimates were done on the CAPEX for infrastructure as well as the operational and maintenance cost of facilities.

Recommendations were made on the following:

- Procedures to be followed for the development of new Waste Disposal
- Site facilities and how to maintain the service at a satisfactory level at all times in line with the Minimum Requirements of DWAF (1998).
- Additional services required, e.g. geotechnical investigation, environmental impact assessment, etc.
- Cost recovery.
- Operational Control local or district. Both alternatives to be evaluated and discussed.

8.3 CEMETERIES

Burial arrangements are closely bound with cultural and religious traditions. In most cases burial sites are needed in relatively close proximity to settlements. Accordingly to the Zululand Cemeteries Master Plan, approximately 700 ha of land will be required in the Zululand District Municipality by the year 2020 to accommodate approximately 800 000 cumulative deaths at that time. The table below shows the breakdown of the land requirements per Municipality for cemetery requirements:

Table 52: Estimated Cemetery Land Requirements (2020)

Municipality	Projected Population	Cumulative Deaths up to 2020	Recommended Land Required (ha)
EDumbe (KZ 261)	67 583	52 723	46
UPongolo (KZ 262)	113 149	88 274	78
Abaqulusi (KZ 263)	230 191	179 558	156
Nongoma (KZ 265)	253 114	197 479	171
Ulundi (KZ 266)	366 677	286 044	249
ZDM	1 030 714	804 078	700

Source: Cemetery Master Plan

The Districts Cemetery Plan (2003) provides the following information:

- In the urban centres, cemeteries are provided by the Municipalities, who provide gravesites at specified tariffs and keep records of burials.
- Cemeteries are provided and maintained by some religious congregations like the Anglican Church, Catholic Church and Lutheran Church.
- Where land is set aside for cemeteries on tribal land, the cost of burial sites are included in the general fees payable to the tribal authority.
- In selected rural areas with a low population density, burials are allowed near family homesteads.
- On some commercial farms, burial sites are provided for staff, but these provisions are now resisted by farmers as a result of the promulgation of the Extension of Security of Tenure Act.
- Because of the low demand for cremations, there are at present no crematoria in the Zululand District. The nearest crematoria are situated in Newcastle and Eshowe.

8.4 MUNICIPAL ROADS & PUBLIC TRANSPORTATION

Transport infrastructure includes road, rail, and air. Transport infrastructure in the District has an urban bias, such that the urban areas are accessible whilst the rural areas face problems of inaccessibility and poor infrastructure maintenance. With respect to transport infrastructure, the following district responsibilities have to be noted:

- Public transport infrastructure provision; and
- Public transport planning

Road Infrastructure

Road infrastructure is under pressure particularly from heavy vehicles. The responsibility between Local and District municipalities as well as the Department of Transport (DOT) for road provision and maintenance still needs to be finalized and has been flagged as a key development issue.

There are a number of roads in order of priority that are of strategic importance to the Municipality, and that should receive priority as far as the Municipality is concerned.

- Nongoma uPhongola link road: A section of this road between Nongoma and uPhongola (about 35km) need to be upgraded to blacktop.
- Nongoma Vryheid link road: There is a portion of road between Nongoma and Vryheid, from Nongoma to Vryheid that need to be upgraded to blacktop standard.
- 3. **Ceza R66 road:** A section of the road need to be upgraded to blacktop.

The National Roads Agency together with the Department of Transport provides funding for roads infrastructure development. This funding is however not channeled through the Municipality, but is directly channeled down from Provincial level to implementation in the different Municipalities.

The priorities from Municipalities as identified in the IDP are however taken into account in the funding process.

In addition to the strategic roads listed above (that are also reflected in some way in the SDF) the ZDM has drafted a Public Transport Plan (PTP). The PTP has as its primary objective to provide an appraisal of the public transport system (based on the results of the CPTR) that should assist decision makers in their efforts to improve the public transport system.

The following 2 maps have been derived from the PTP that depict:

- Vehicle Trips
- Vehicle Volumes

The significance, in terms of vehicle trips and volumes of a number of routes become clear, notably the Vryheid - Emondlo route from the following maps.

The backlog determination methodology referred at the start of this section has been applied to determine backlogs to roads and outlined in the table hereunder and also mapped at overleaf:

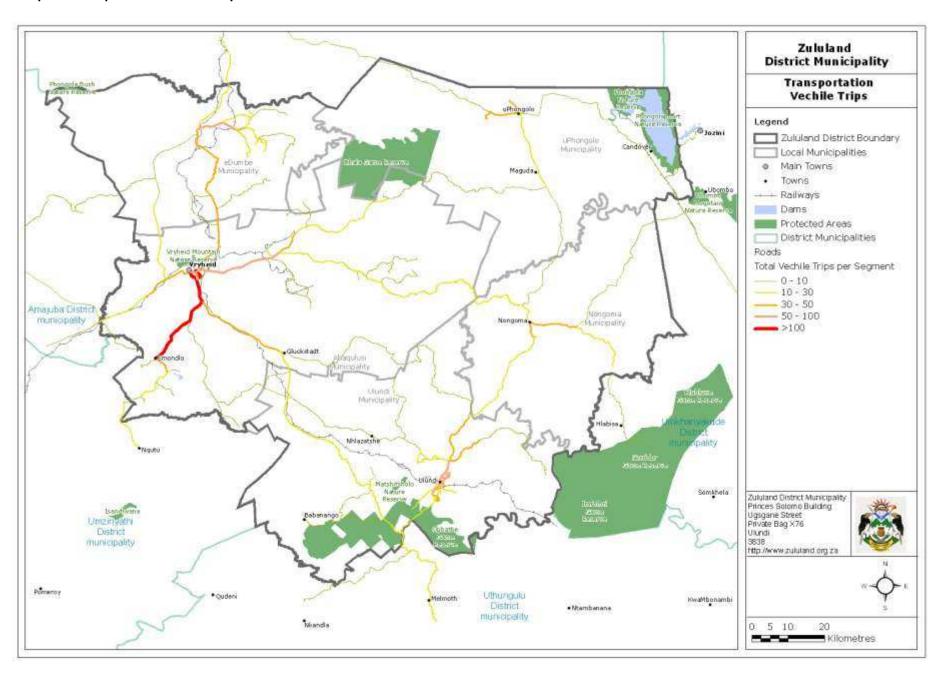
Table 53: Road Access Backlog Determination

	< 1km					
Local Municipality	Households	Population	Percentage			
Abaqulusi Municipality	30645	207252	95%			
eDumbe Municipality	12124	81995	89%			
Nongoma Municipality	30726	207800	99%			
Ulundi Municipality	28166	190487	94%			
uPhongolo Municipality	20056	135639	95%			

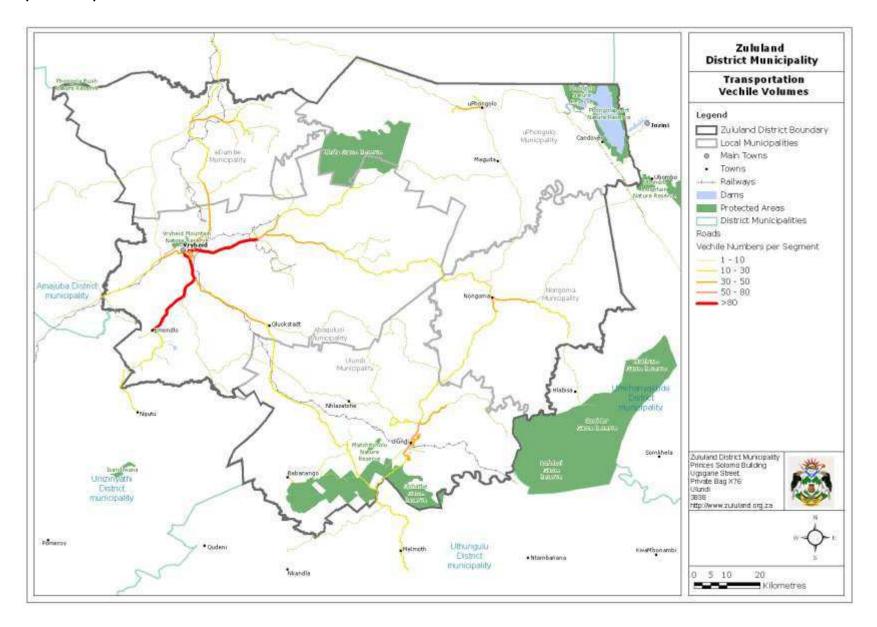
	1km - 2.5km					
Local Municipality	Households	Population	Percentage			
Abaqulusi Municipality	173	1170	1%			
eDumbe Municipality	1121	7581	8%			
Nongoma Municipality	114	771	0%			
Ulundi Municipality	379	2563	1%			
uPhongolo Municipality	541	3659	3%			

	>2.5km					
Local Municipality	Households	Population	Percentage			
Abaqulusi Municipality	1484	10036	5%			
eDumbe Municipality	333	2252	2%			
Nongoma Municipality	174	1177	1%			
Ulundi Municipality	1392	9414	5%			
uPhongolo Municipality	412	2786	2%			

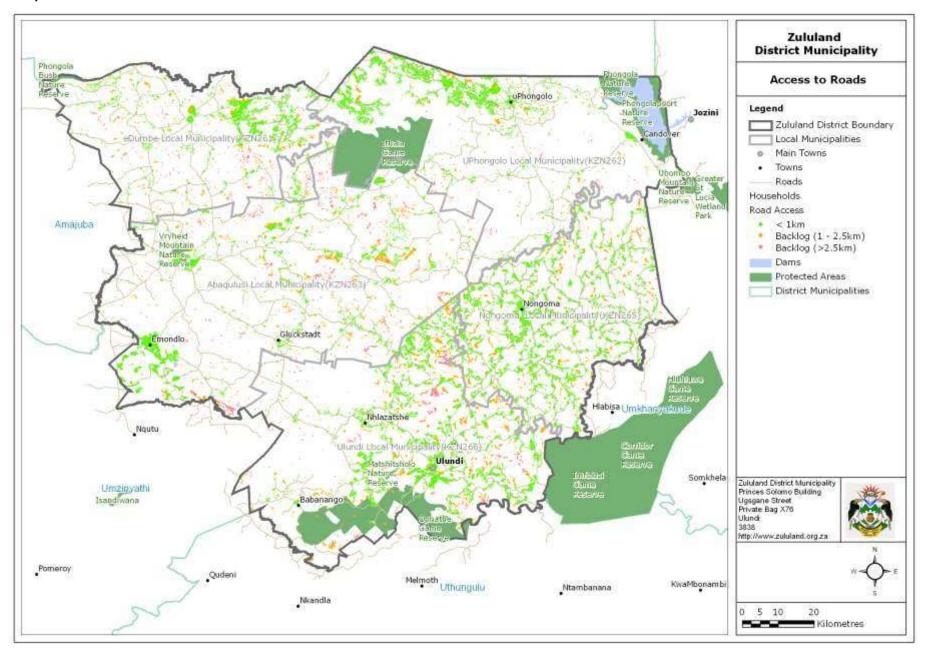
Map 25: Transportation Vehicle Trips



Map 26: Transportation Vehicle Volumes



Map 27: Access to Roads



The following transport related issues should be noted:

- Zululand District Municipality will be required to plan a co-ordination role in the provision and maintenance of roads within the District. The responsibility of roads (excluding Municipal roads) within the district remains the responsibility of the Department of Transport. The planning responsibility is with the district.
- An identification of the road network within the district and their classification has been undertaken based on the Districts GIS information. The classification includes:
 - National and Provincial Roads
 - District Roads
 - Municipal Roads
 - Roads in the Ingonyama Trust area
 - Roads on State land
- Rural Access roads have the most important impact for future development of the district. It is thus essential that the District be given opportunity to provide input into the Department of Transport planning for the District.
- The Provincial department utilizes the Rural Road Transportation Forums (RRTF) and Community Road Safety Committee (CRSC) to determine the road priorities.

Rail Infrastructure

The most important **rail** link is the coal line from Mpumalanga Province through Vryheid to Richards Bay Coal Terminal from where the product is exported. However, railway traffic is generally on the decline, as is the case throughout the province and rest of South Africa.

"The Coal Line, which started operations in 1976, links 44 coal mines in Mpumalanga to the bulk export port of Richards Bay. The line runs from Witbank through Piet Retief, Paulpietersburg, Vryheid East, Ulundi to Richards Bay. Although initially designed to convey 21 million tons of coal exports per annum the route was upgraded in 1989 and in 1997 it conveyed

62 million tons of coal to Richards Bay (Robinson 1999). This was expected to increase to 70 million tons by the year 2000. Importantly, the Coal Line Study notes that the 200 truck dedicated coal trains (of which there are 23 per day) "do not stop at stations within the corridor except to changes crews. All these trains return empty".

Further to this it was found that there is approximately 17 general freight trains on the line, transporting 30 000 tons of goods to Richards Bay, including fero-chrome, granite, chrome, steel and timber. Although most of the freight is loaded north of Zululand substantial amounts of timber is loaded in the eDumbe and Vryheid areas. The trains are reported to return with approximately 10 000 tons of goods (Robinson 1999)."⁵

Air Transport Infrastructure

According to the Zululand Business Sector Plan (May 2006: pg 19), the District has two airports of note, viz. the Ulundi Airport and the Vryheid Airport.

The KZN Provincial Government resolved to transfer the management and ownership of the **Ulundi Airport** to the Zululand District Municipality and representative Joint Task Team was established to (1) facilitate the process and (2) to develop a strategy to ensure the future sustainable operation of the facility.

- The main objective is to make the airport a catalyst and key driver of the District's IDP and LED programmes. A Strategy document outlining strategies and objectives that need to be implemented to ensure viability of the airport was produced and it is the yardstick according to which progress and achievements made are measured.
- Airport operations are governed by the Civil Aviation Regulations of 1997 as amended from time to time. An Aerodrome Emergency Management System has been developed as per Regulation 139.02.6

⁵ ZDM Business Sector Plan, May 2006: pg 19

and approved by the South African Civil Aviation Authority (SACAA) as the legislating body monitoring operations of airports in South Africa. A Full-scale Emergency Exercise has also been performed successfully thereby convincing the SACAA Inspector that the airport is capable of responding to an emergency of that specific magnitude.

The following progress on Implementation of the Airport Strategic Objectives:

Airport Management

- An organizational chart has been drawn as the proposed Management structure which is yet to be approved by the council. The most critical post that is mandated by the SACAA regulations have been filled in compliance with ICAO Doc 9137-AN/898 PART 1 on Rescue and Fire Fighting i.e. the Chief Fire Officer.
- An operation Manual has been developed though still under SACAA scrutiny but staff members have started operationalising this document.
- Most staff members have attended a radio communication course i.e. PARTEK and two has already passed with others still having to do their practical examination. A Dangerous Goods Course has also been presented to most airport staff members.
- A Full scale Aerodrome Emergency Exercise has been performed successfully with all stake holders. The SACAA Inspector was impressed by the enthusiasm shown by participants who diligently illustrated different scenarios and thoroughness of Nkonjeni Hospital and EMRS as he found that the patient treatment was realistically simulated, to the point where patient cards were opened; treatments recorded and even some patients with X-Ray request forms, in wheelchairs.

Building and Maintenance

The airport has deteriorated tremendously i.e. the infrastructure and buildings received minimal attention. Navigation equipment has been

- repaired while the DME and one NDB (SMH) that have been identified as obsolete are in the process of being replaced.
- Electrical and drainage systems are receiving minimal attention on ad hock bases also due to financial constrain, with the drainage system posing constant problems denoting a need for major overhaul.
- Local and Regional Tourism Development and Marketing
- Top management of an airline that is readily available to provide scheduled flights, has visited the District's airport and surrounding Tourists Attraction Venues with an aim of confirming viability of scheduled flights and a proposal is expected.
- A company specializing in the provision of flight schools has visited the airport with an aim of gathering information towards developing a proposal for presentation to the Zululand District Municipality.
- A marketing video has been prepared and shown to the senior management team of one of the prospective carriers who were hosted by the Zululand District Municipality at Umfolozi/ Hluhluwe Game Reserve.

The **Vryheid airport** is no longer licensed as scheduled flights to Vryheid were discontinued in the mid-1980s partly because of a change in the operating company and partly because of the closure of major coal mines in the Vryheid area. The municipal parks department maintains the airport.

8.5 ELECTRICITY / ENERGY

In the Zululand District Municipality electricity is provided by way of connections to the Eskom grid or by way of non-grid electricity. It is important to note that the **electricity network** in the southern portions of Zululand has very limited capacity and, as such, no new projects are being commissioned in this part of the District. In the northern portions of the district, notably Edumbe, Ulundi and Abaqulusi, a few projects are proposed.

The calculated backlog for the provision of electricity, in terms of planned grid and non-grid supply is as follow:

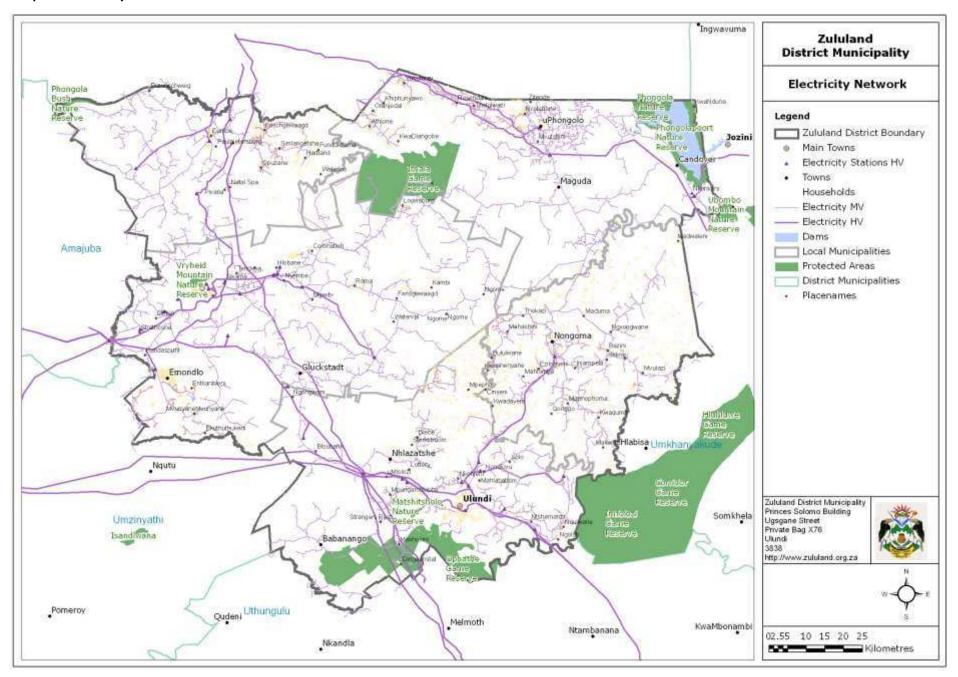
- 55237 still to be connected to grid supply this equates to approximately 39% of the total households
- 13175 still to be connected to non-grid supply this equates to approximately 9% of the total households

More details on the electricity network and accessibility to it as shown in the following table and the maps at overleaf:

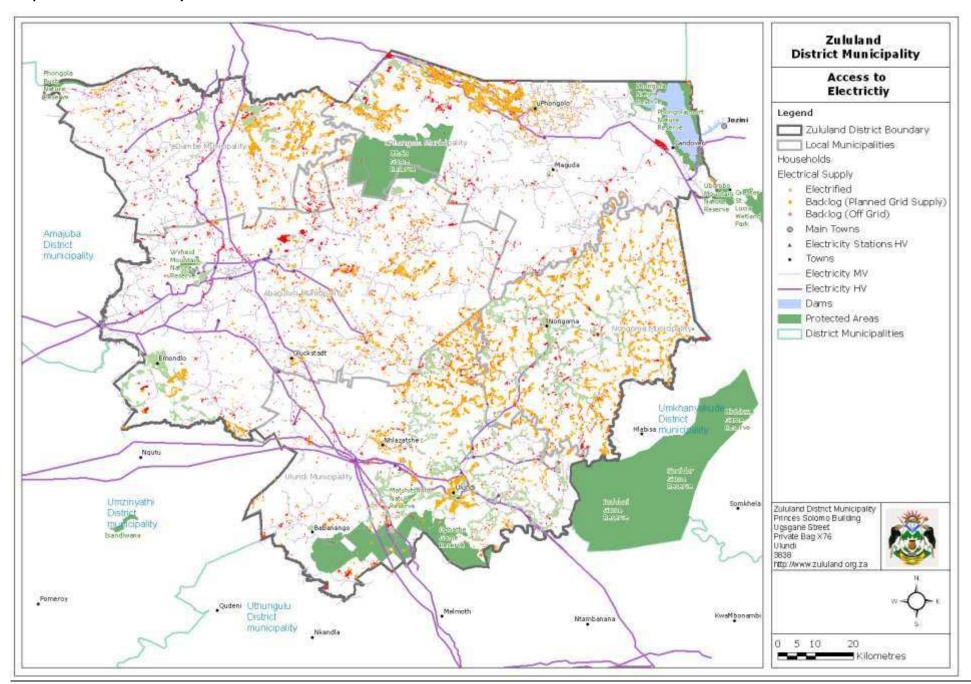
Table 54: Status of Electrification

	Electrified					
Local Municipality	Households	Population	Percentage			
eDumbe Municipality	8596	58135	57%			
uPhongolo Municipality	5306	35884	24%			
Nongoma Municipality	25102	169765	70%			
Abaqulusi Municipality	15308	103528	45%			
Ulundi Municipality	19817	134022	56%			
	BACKLOG	i				
	Pla	anned Grid Sup	ply			
Local Municipality	Households	Population	Percentage			
eDumbe Municipality	4492	30379	30%			
uPhongolo Municipality	14127	95541	64%			
Nongoma Municipality	6803	46009	19%			
Abaqulusi Municipality	16366	110683	47%			
Ulundi Municipality	13449	90956	38%			
		Off Grid Supply	,			
Local Municipality	Households	Population	Percentage			
eDumbe Municipality	1930	13053	13%			
uPhongolo Municipality	2680	18125	12%			
Nongoma Municipality	4131	27938	11%			
Abaqulusi Municipality	2378	16082	7%			
Ulundi Municipality	2056	13905	6%			

Map 28: Electricity Network



Map 29: Access to Electricity



8.6 DISASTER MANAGEMENT

8.6.1 VISION: DISASTER RISK MANAGEMENT

The Zululand District Municipality's vision is to build informed and resilient communities and ensure a safe and healthy environment in the Zululand District Municipality.

8.6.2 MISSION STATEMENT: DISASTER RISK MANAGEMENT

The Zululand District Municipality's mission is to develop and implement holistic and integrated planning and practice in a cost-effective and participatory manner to reduce vulnerabilities and build resilient communities through sustainable development and service delivery.

The aim of the Integrated Development Plans (IDP) of the Zululand District Municipality is to promote sustainable development and uses the spatial development framework (SDF) to visualize future development.

In terms of Section 26(g) of the Municipal Systems Act, 200, Act 32 of 2000, a Municipality's IDP must contain a disaster management plan. Development projects in the Municipality, as contained in the Municipality's IDP, is thus interlinked with disaster management planning and activities. Risk reduction projects identified as part of disaster risk management planning, such as those identified in this plan and the contingency plans developed and risk assessments should be included into the Municipal IDP.

The Zululand District Municipality prepared this Level 1 Disaster Risk Management Plan which establishes the arrangements for disaster risk management within the Zululand District Municipality and has been prepared in accordance with the requirements of the Disaster Management Act, 57 of 2002 (the Act).

8.6.3 INSTITUTIONAL ARRANGEMENTS

The disaster risk management function and DMC in the municipality resort under the Corporate Services Department of the Zululand District Municipality. The Municipal Disaster Offices are also located in the Protection Services Departments under Corporate Services.

<u>The Disaster Management Centre has the following personnel:</u>

- 1. District Disaster Manager
- 2. Disaster Management Officers per Local Municipality

Disaster Management Advisory Forum

Section 44(1)(b) of the Disaster Management Act No. 57 of 2002 (Act) calls for an integrated and coordinated approach to disaster risk management in municipal areas. Such a committee is in the final stages of establishment.

Local Municipal Disaster Management Committees

Local Municipalities have established local offices to manage and or discus disasters and response to local disasters.

District Technical Advisory Committee

This committee was established at the District level and comprises of local and district political and administrative officials and identified sector departments

Municipal Inter-Departmental Disaster Risk Management Committee

This committee is to be established.

Ward Structures

Ward Structures are a key community awareness and important communication and information link between the municipality and the communities on the ground. Ward structures are operational in all of the municipalities.

8.6.4 CAPACITY TO DEAL WITH AND MITIGATE DISASTERS

The table below is an analysis of summary of challenges that prevent the Disaster Offices from operating optimally.

Municipality	Challenge
uPhongola	Funding, Response, Prevention
Abaqulusi	Vehicles, Funding, Response
Ulundi	Equipment, Funding
Nongoma	Staff, vehicles, equipment, facilities
eDumbe	Vehicles, facilities, prevention, response

Municipality	Challenge
Zululand	Equipment, funding

Source: Disaster Management Plan 2011

A detailed analysis can be found in the attached Disaster Management Plan.

Table 55: Summary of Disaster Risk Profile per Local Municipality

eDumbe LM, uPhongola and Abaqulusi					
Hydro-meteorological Hazards - Severe Storms(Wind, Hail, Snow, Lightning, Fog)					
Fire Hazards - Formal & Informal Settlements/Urban Area					
Fire Hazards - Veld/Forest Fires					
Disease / Health - Disease: Human (HIV/AIDS & TB)					
Disease / Health - Disease: Human (Other Disease)					
Hydro-meteorological - Drought					
Infrastructure Failure / Service Delivery Failure -Water					
Hydro-meteorological Hazards - Floods (River, Urban & Dam Failure)					

eDumbe LM, uPhongola and Abaqulusi		Nongoma LM
Infrastructure Failure / Service Delivery Failure -Electrical		Infrastructure Failure / Service Delivery Failure -Electrical
Civil Unrest - Crime	-	
		Civil Unrest - Crime
Nongoma LM		
		Ulundi
Disease / Health - Disease: Human (HIV/AIDS & TB)		
Hydro-meteorological Hazards - Severe Storms (Wind, Hail, Snow, Lightnin Fog)	ng,	Hydro-meteorological Hazards - Severe Storms (Wind, Hail, Snow, Lightning, Fog)
105)		Disease / Health - Disease: Human (HIV/AIDS & TB)
Disease / Health - Disease: Human (Other Disease)		Fire Hazards - Formal & Informal Settlements / Urban Area
Fire Hazards - Formal & Informal Settlements / Urban Area		
		Fire Hazards - Veld/Forest Fires
Fire Hazards - Veld/Forest Fires		Disease / Health - Disease: Human (Other Disease)
Hydro-meteorological Hazards - Floods (River, Urban & Dam Failure)		
		Hydro-meteorological - Drought
Hydro-meteorological - Drought		Infrastructure Failure / Service Delivery Failure - Water
Infrastructure Failure / Service Delivery Failure -Water		Hydro-meteorological Hazards - Floods (River, Urban & Dam Failure)

Ulundi

Infrastructure Failure / Service Delivery Failure - Electrical

Civil Unrest - Crime

A full analysis of the implications and measures that must be adopted in these areas are profiled fully in the Disaster Management Sector Plan, attached at Annexure.

Attached overleaf is the Disaster Management Strategic Plan:

Table 56: ZDM Disaster Management Strategic Plan

	MAIN KEY PERFORMANCE INDICATORS KEY PERFORMANCE AREA ESTABLISH INTEGRATED IN CAPACITY	1:	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
1.1	Establish functionally effector the development and a integrated policy for Disast	doption of an	Disaster Management Centre	The District Disaster Management Policy Framework has to be updated.	2012	R 80 000
1.2	Establish functionally effector integrated direction and the Disaster Management the provincial and district DMF	d implementation of Act, 2002; the NDMF;	Disaster Management Centre, all departments, external stakeholders	The DMC need to be fully established (housed), staffed and equipped. The Head of the Centre has been formally appointed; The DMAF and committees have been established and will be furthered; An MIDRMC will be established; All Local Municipalities must establish their own disaster management function with staff and equipment.	2012	R 5 000 000
1.3	Establish functionally effec Management Centre arran stakeholder participation a of technical advice in disass planning and operations	gements for nd the engagement	Disaster Management Centre, all municipal departments and Municipal Entities	Stakeholders are constantly being invited to planning and input sessions pertaining to disaster risk assessments and planning.	Constant	
1.4	Establish functionally effector national, regional and in cooperation for and internation for disaster risk management Management Centre	nternational ational cooperation	Disaster Management Centre	The DMC is working in close collaboration with Provincial and National and Namibian Disaster Management Centres and institutions, as well as neighbouring municipalities and provinces and the private sector. Memoranda of understanding / mutual assistance agreements with main stakeholders need to be identified and finalised.	2012	
	KEY PERFORMANCE AREA	2:	RESPONSIBLE	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
	CONDUCT DISASTER RISK OF MONITOR DISASTER RISK OF DISASTER RISK MANAGEM DISASTER RISK REDUCTION ORGANS OF STATE AND OF IMPERATIVE	TO INFORM IENT PLANNING AND N UNDERTAKEN BY	DEPARTMENT/INSTITUTION			
2.1	Conduct comprehensive di assessments to inform disa management and risk redu planning and programming	ster risk ction policies,	Disaster Management Centre	A scientific disaster risk assessment has been conducted in 2010-2011 and the results of the updated assessment are available at the DMC.	Completed in 2011. To be reviewed in 2013	R 500 000
2.2	Generate an Indicative Disa		Disaster Management Centre	A disaster risk profile has been generated in 2011 and the results of the assessment are available at the DMC.	Completed in 2011. To be reviewed in 2013	R 500 000

	MAIN KEY PERFORMANCE AREAS AND INDICATORS	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
	KEY PERFORMANCE AREA 1:				
	ESTABLISH INTEGRATED INSTITUTIONAL CAPACITY				
2.3	Identify and establish effective mechanisms to monitor, update and disseminate disaster risk information	Disaster Management Centre	This is being executed by the Disaster Management Centre	Constant	
	Identify and apply mechanisms to conduct quality control committees comprising the relevant specialist scientific and technical expertise in the relevant sphere to assist with monitoring standards and progress of disaster risk assessments and with the validation and/or interpretation of findings. The methodology and results of the disaster risk assessments have been subjected to an independent technical review process and external validation.	Disaster Management Centre	The municipal disaster risk management centre need to appoint technical advisory	2012	
3	KEY PERFORMANCE AREA 3: DEVELOP AND IMPLEMENT INTEGRATED AND RELEVANT DISASTER RISK MANAGEMENT PLANS AND RISK REDUCTION PROGRAMMES IN ACCORDANCE WITH APPROVED FRAMEWORKS	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
3.1	Compile and implement integrated and relevant disaster risk management plans	Disaster Management Centre, all municipal departments and Municipal Entities	This Disaster Management Plan has been drafted. All local municipalities and municipal departments and municipal entities still need to draft / update their disaster management plans.	2012	
3.2	Determine municipal priority disaster risks and priority areas, communities and households	Disaster Management Centre	A disaster risk profile has been generated in 2011 and the results of the assessment are available at the DMC.	Completed in 2011. To be reviewed in 2013	R 500 000
3.3	Scope and develop disaster risk reduction plans, projects and programmes	Disaster Management Centre, all municipal departments and Municipal Entities	This has been executed as part of the development of this plan, but still need to be executed by all municipal departments and Municipal Entities	2012	

	MAIN KEY PERFORMANCE AREAS AND INDICATORS KEY PERFORMANCE AREA 1: ESTABLISH INTEGRATED INSTITUTIONAL	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
3.4	Incorporate disaster risk reduction efforts into strategic integrating structures and processes .	Municipal Management, Disaster Management Centre, all municipal departments and Municipal Entities	This Disaster Management Plan will be incorporated into the Municipal IDP. Risk-related information will be incorporated into spatial development and environmental management frameworks. Mechanisms to disseminate experience from pilot and research projects that explore the vulnerability reduction potential, appropriateness, costeffectiveness and sustainability of specific disaster risk reduction will be further established. Case studies and best-practice guides in disaster risk reduction, facilitated by the municipal disaster risk management centre, will be generated and disseminated. Disaster risk reduction initiatives to be implemented by municipal departments the DMA(if applicable), local municipalities and any other municipal entities. Regulations, standards, minimum criteria, by-laws and other legal instruments that encourage riskavoidance behaviour need to be constantly enforced by municipal departments and other entities and documented in annual reports to the municipal disaster risk management centre, the NDMC and the provincial disaster risk management centre concerned.	2012	Constant
4	KEY PERFORMANCE AREA 4: DEVELOP MAIN KEY PERFORMANCE AREAS AND INDICATORS	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
4.1	Identify and implement mechanisms for the dissemination of early warnings	Disaster Management Centre, all municipal departments and Municipal Entities	Effective and appropriate early warning strategies will be further developed and implemented and the information communicated to stakeholders to enable appropriate responses. Strategic emergency communication links will be further established in high-risk areas and communities.		

	MAIN KEY PERFORMANCE AREAS AND INDICATORS	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
	KEY PERFORMANCE AREA 1:				
	ESTABLISH INTEGRATED INSTITUTIONAL CAPACITY				
4.2	Develop and implement mechanisms for the assessment of significant events and/or disasters for the purposes of classification and declarations of a state of disaster to ensure rapid and effective response	Disaster Management Centre	Uniform methods for the assessment and costing of significant events or disasters, which are consistent with national requirements, will be developed and adopted. Mechanisms for the rapid and effective classification of a disaster and the declaration of a state of disaster have been established. Mechanisms for conducting disaster reviews and reporting, including mechanisms to enable assessments that will comply with the provisions of sections 56 and 57 of the DM Act, have been developed and implemented. Research reports on significant events and trends are routinely submitted to the municipal disaster risk management centre, the NDMC and the relevant provincial disaster risk management centre, and are disseminated to stakeholders. Review reports on actual disaster risk management centre, the NDMC and the relevant provincial disaster risk management centre, the NDMC and the relevant provincial disaster risk management centre, the NDMC and the relevant provincial disaster risk management centre, the NDMC and the relevant provincial disaster risk management centre, and are disseminated to stakeholders.	2012	
4.3	Develop and implemented mechanisms to ensure integrated response and recovery efforts	Disaster Management Centre, all municipal departments and Municipal Entities	The municipal departments, local municipalities and any other entities that should bear primary responsibility for contingency planning and the coordination of known hazards have been identified and allocated such responsibility. Stakeholders who must bear secondary responsibility for contingency planning and the coordination of known hazards have been identified and allocated such responsibility. Contingency Plans for certain known hazards need to be developed and implemented by all municipal departments, local municipalities and any other municipal entities.	2012	

		MAIN KEY PERFORMANCE AREAS AND INDICATORS KEY PERFORMANCE AREA 1:	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
		ESTABLISH INTEGRATED INSTITUTIONAL CAPACITY				
				Response and recovery plans are reviewed and updated annually. Field Operations Plans (FOPs) for the various activities associated with disaster response and recovery need to be developed, each significant event and/or disaster. Multi-agency responses need to be constantly managed in accordance with national regulations and directives and the relevant provincial disaster risk management policy framework, and are reviewed and updated annually. Policy and directives for the management of disaster response and recovery operations need to be developed and gazetted or published and need to be adhered to.		
4.4		Develop and adopt mechanisms for the management and distribution of disaster relief in accordance with national regulations and directives and the provincial DMF	Disaster Management Centre, Housing	Disaster relief measures are managed in accordance with national regulations and directives and are progressively monitored and reviewed annually. Recommendations are made to the municipal disaster risk management centre, the NDMC and/or the provincial disaster risk management centre concerned, on any adjustments according to lessons learnt	Constant	
4.5		Develop and implement mechanisms to ensure that integrated rehabilitation and reconstruction activities are conducted in a	Disaster Management Centre, Infrastructure & Development, Housing & Land	Post-disaster technical task teams for rehabilitation and reconstruction projects need to be established and operate effectively. Mechanisms for the developmental manner monitoring of rehabilitation and reconstruction projects have been established and regular progress reports are submitted to the municipal disaster risk management centre, the NDMC and the provincial disaster risk management centre concerned.		
	4.5.1	Enabler 1: Mechanisms have been identified and developed to ensure that all relevant data in respect of the information management system is gathered and captured simultaneously in the process of developing and implementing disaster risk management plans and risk reduction programmes procured and is being used and updated.	Disaster Management Centre	A Disaster Management Information System and communication need to be	Constant	

	MAIN KEY PERFORMANCE AREAS AND INDICATORS KEY PERFORMANCE AREA 1: ESTABLISH INTEGRATED INSTITUTIONAL CAPACITY	RESPONSIBLE DEPARTMENT/INSTITUTION	CURRENT STATUS AND OUTSTANDING ACTIONS	TARGET DATE POSSIBLE	BUDGET
4.5.2	Enabler 2: Education, training, public awareness and research (knowledge management) needs in respect of disaster risk reduction planning and implementation have been analysed, and appropriate mechanisms have been identified and implemented to address the relevant needs	Disaster Management Centre	Education, training, public awareness and research (knowledge management) needs in respect of response and recovery planning and operations have been analysed and appropriate mechanisms need to be identified and implemented to address the relevant needs.	Constant	
4.5.3	Enabler 3: A business plan and a budget for the development and implementation of disaster risk management plans and risk reduction programmes have been prepared, submitted and approved for the current and ensuing financial year	Disaster Management Centre, all municipal departments and Municipal Entities	A business plan and a budget for the development and implementation of response and recovery operational plans is prepared, submitted and approved for the current and ensuing financial year.	Annually	
				Preliminary Total	R 6 580 000

8.7 INFRASTRUCTURE: SWOT ANALYSIS

8.7.1 STRENGTHS/OPPORTUNITIES

- The ZDM has an indigent policy in place.
- To measure consumption in unmetered zones, the municipality uses the water balance to determine consumption.
- The Zululand District Water Services Plan gives a clear indication as to where and when water infrastructure will be provided in the District. It provides a clear indication of what amount of water capital infrastructure will be provided when and at what cost and during which year. MIG business plans in excess of R1,5 billion have already been approved.
- The following forums are in place to attend and align disaster management responses:
- Disaster Management, Health and Safety Portfolio Committee
- Disaster Management Advisory Forum
- Provincial Disaster Management Advisory Forum
- The ZDM has finalized the preparation of its Disaster Management Plan and procurement processes are underway to ensure the implementation of the said plan.

8.7.2 THREATS/WEAKNESSES

- Large disparities are apparent in terms of the nature and structure of the built environment with the most significant disparity between the level of services and development in the rural and urban areas of the District.
- Only 20 % have access to a formal waste disposal system, and these are in urban areas.
- According to the Zululand Cemeteries Master Plan, approximately 700 ha of land will be required in the Zululand District Municipality by the

- year 2020 to accommodate approximately 800 000 cumulative deaths at that time.
- Road infrastructure is under pressure particularly from heavy vehicles.
- The responsibility between Local and District municipalities as well as the Department of Transport (DOT) for road provision and maintenance still needs to be finalized and has been flagged as a key development issue.
- The electricity network in the southern portions of Zululand has very limited capacity.

SPATIAL DEVELOPMENT FRAMEWORK

9.1 PURPOSE OF THE SDF

Section 35(2) of the MSA No. 32 of 2000, stipulates that an SDF, as contained in the IDP, will prevail over a plan defined in Section 1 of the Physical Planning Act No. 125 of 1991, alias the old guide plans. The SDF therefore has statutory power once the IDP is adopted by Council and will guide all land use management within the municipal area.

The purpose of an SDF is not to infringe existing land rights but to guide future land uses. No proposals in this plan create any land use right or exempt anyone from his/her obligation in terms of any other Act controlling land use. The mapping should be used as a schematic representation of the desired spatial form to be achieved by the municipality in the long term.

9.2 GUIDING PRINCIPLES

The Zululand District Municipality SDF has been prepared taking due cognizance of a number of principles that are borne in legislation and policies. These principles are summarized hereunder:

Development/investment must only happen in locations that are sustainable.

- Balance between urban and rural land development in support of each other.
- The discouragement of urban sprawl by encouraging settlement at existing and proposed nodes, whilst also promoting densification.
- The direction of new development towards logical infill areas.
- Rural settlements should be developed to an acceptable standard of services and infrastructure.
- Compact urban form is desirable.
- Development should integrate social, economic, institutional and environmental aspects.
- Sensitive, vulnerable, highly dynamic or stressed ecosystems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.
- Development should be within limited resources (financial, institutional and physical). Development must optimise the use of existing resources and infrastructure in a sustainable manner.
- Stimulate and reinforce cross boundary linkages.
- Basic services (water and sanitation) must be provided to all households.
- Development / investment should be focused on localities of economic growth and/or economic potential.
- In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes.
- Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres.
- Land development procedures must include provisions that accommodate access to secure tenure.
- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised.

- Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development
- If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity.
- During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted.
- Environmentally responsible behavior must be promoted through incentives and disincentives
- The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competency towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency.
- Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities.

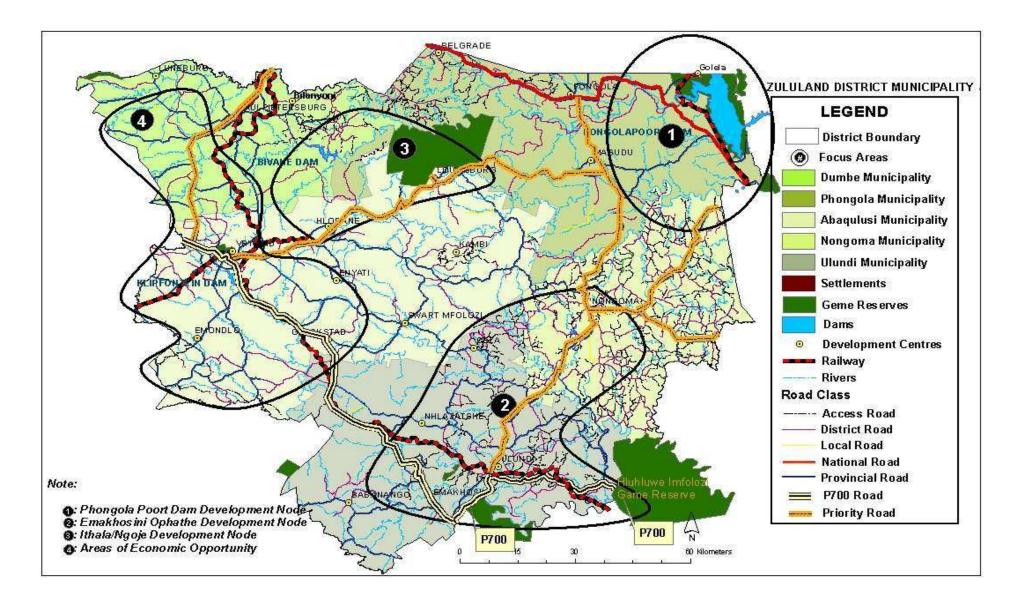
The current district SDF attached on the following page has the following key components:

- District Spatial Focus Areas have been identified and are shown, notably:
 - Pongolapoort Dam Development Node
 - Emakhosini Ophathe Development Node
 - Ithala/Ngoje Development Node
 - The area of economic opportunity identified along the western boundary of the district
- The existence of a number of areas of conservation importance, notably the Ithala Game Reserve as well as the neighbouring Hluhluwe Imfolozi Game Reserve.

- Major water bodies in the district, i.e. Pongolapoort Dam, Bivane Dam and Klipfontein Dam.
- The existence of a number of development centres.
- Main transport corridors and priority roads that provide access to and within the district. The N2 as well as the P700 corridor are of significant in this regard.

More details on some of the above are provided in the remainder of this section:

Map 30: Spatial Development Framework



9.3 PONGOLAPOORT DAM DEVELOPMENT NODE

The Pongolapoort Dam represents a major, substantially underutilized, economic asset in northern KwaZulu-Natal and is recognized for its potential in the Provincial Spatial Economic Framework for KwaZulu-Natal. The Dam is well-located on the N2 between Gauteng and KwaZulu-Natal, with potential for easy air access through the Mkuze Regional Airport.

In terms of the current corridor development programme of CoGTA, the Dam and its surroundings form part of the Lubombo Corridor. At present, from a private and public sector investment perspective, the dam and surroundings provides capital development opportunities for:

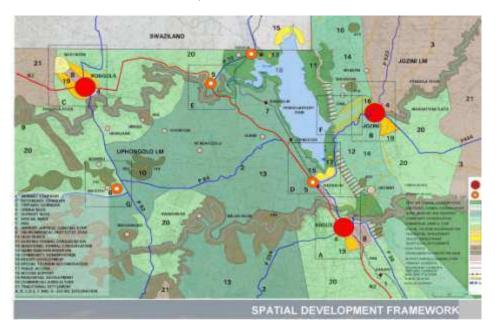
- at least 10 water-based public-private partnerships each with a potential value of more than R5 million each and employing between ten and 15 people;
- two major multi-million resort developments, one in the north and one to the south of the dam, providing a range of accommodation facilities and attracting both local and international tourists;
- the development of a range of other tourism accommodation establishments, including lodges on traditional council land; and
- various public works type projects aimed at addressing the dire needs of local communities, as well as the particular needs of tourists.

Within the above context the Implementation Plan for the Pongolapoort Dam Local Development Plan provides guidelines to facilitate implementation. Key components of the Plan are:

- an overview of strategic direction;
- a clear development process that should unfold over the next 10 years;
- a total of 80 projects / activities to be implemented as part of the process;
- recommendations for an institutional environment within which the projects / activities can be successfully implemented;

- land use guidelines and development application guidelines which establishes an environment conducive to attracting investment; and
- lastly, but importantly, a monitoring and evaluation system through which the progress and impact of all components can be measured.

The successful implementation of the Local Development Plan for the Pongolapoort Dam will require the incorporation thereof into the respective IDPs of the five affected municipalities.



Detailed land use management guidelines and development projects have also been prepared for the Pongolapoort dam area. It should also be noted that an inter municipal forum has been established given the cross border nature of the initiative, three local municipalities and two district municipalities are involved.

9.4 EMAKHOSINI/OPHATHE DEVELOPMENT

The Zululand District Municipality has extensively engaged in discussion with the management of the Emakhosini/Ophathe Heritage Park in progress with the development as well as possible assistance that can be rendered to the park from and within the Zululand District Municipality. The project consists of a number of projects as summarized herewith:

1. Wit Foloos Resettlement Project

This project has a historical connection with the Department of Land Affairs. The Land was originally brought by the old KZN Development Trust and incorporated into KwaZulu. Land Affairs is in the process of transferring the land, and once the issues between Amafa and Department of Land Affairs are resolved a total of eight families will move onto the farm.

2. Doringkop Farm

This portion of the Doringkop will be fenced out from Emakhosini/Ophathe Heritage Park and ± 15 Families will be transferred to the land. The families will own the land as part of a communal land structure; water and sanitation will be required on this land for the current (± 15) as well as possible extension of families.

3. Vaalbank Development

The ZDM assisted the Ophathe/Emakhosini Development committee with the demarcation of 15 sites on this farm, for the purposes of relocation of people from the Park to the piece of Land. The Layout of the sites was agreed with all affected, and resettlement can start as soon as demarcation of the sites is completed. The ZDM is investigating the possibility of potable water and sanitation provision.

4. Welgekosen Farm

Four families were given 10Ha each, and it was agreed that they will not form part of the Emakhosini/Ophathe Heritage Park. There is adequate water available for the families.

5. Mgungundlovu Development Initiative

The initiatives involves the development of a museum, interpretation centre, restaurant and open air theatre to the value of R20 million. Architects were appointed to manage the project, and the ZDM Technical staff has been in contact with them to discuss provision of water and sanitation as well as the possibility of including additional families to possible water provision options.

6. The Mission at Umgungundlovu

At this stage the mission belongs to the NG church and is a self sustainable entity. The Mission was historical used to train black preachers, and some discussion has been going on regarding the transfer of the mission to the local community. At this stage Amafa and the Mission is still negotiating possible partnerships and management options for the mission.

7. Schroonstroom

Lotto funding to the amount of R2 Million will be utilized for the construction of a multi use centre. The architect appointed to design the centre was instructed to ensure that the cripple care facility can be moved from the mission to the centre. ESKOM electrical and limited water is available at the proposed site. The expansion of a sustainable water network to the proposed development must be investigated by the ZDM.

8. Tourism Site

Overlooking the Umfolozi Plains this site was identified by Amafa as well as by the Ulundi Municipality as development site for a hotel/lodge. It was agreed by both parties that this is a high potential site given a water connection running adjacent to the site towards the Ophathe. The ZDM need to include this site in a tourism/marketing brochure to expose it to possible development opportunities.

9. Nick Steele House

Gooderson Leisure co-operation was interested in the development of this house as an upmarket lodge. A shortage of funds has however hampered progress with the development and Amafa decided to apply to Gijima KZN to make good the shortfall of funds that is existing. The aim is to finalise the application for funding by December 2006. Water provision to the house need to be investigated by the ZDM.

10. Pandas Grave

This site is another high potential site identified by Amafa, but with little interest shown by any tour operators. The idea from Amafa is to develop a lodge with a Voortrekker theme and to utilize traditional oxen transport and travel from Piet Retief's grave to the lodge. Access to the site has however proven problematic, and may hamper any future Development. It is suggested that the Zululand District Municipality include this project/potential site in a marketing document for the District.

11. Welgekonzen farm

Also one of the original developments proposed by Amafa, but the detailed investigation has shown it too costly to construct a river crossing over to the

site. Funding from the Zululand District Municipality to allow for the river crossing, and possible further investigation in to the costs associated therewith can only benefit the development of the park.

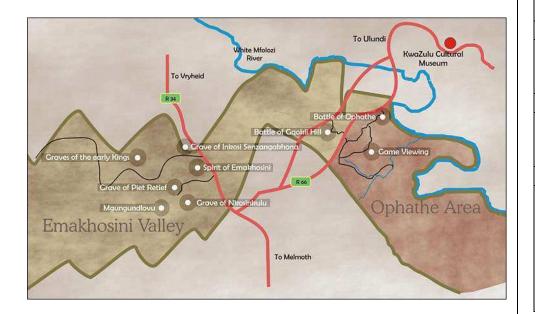
12. Strydplaas

The last of the sites earmarked for tourism development. Opinion is that it is properly not the most feasible site for tourism lodge development, but still has potential.

13. Gelykwater Farm House

Ideal for development near Babanango, and one of the last natural habitats for Oribi in the district. It is essential that this site must be included as an environmental sensitive area in the Zululand DM Environmental Management Plan.

The spatial location of the above initiative is indicated on the map herewith. Image obtained from www.emakhosini.co.za



A scoping exercise was undertaken during the latter part of 2006 on the P700 road development. The following issues have been extracted from the report:

Economic Issues

Tourism

- Establishing tourism business
- Tourism opportunities relating to improved access
- Impact of tourism on local communities
- Role of the airport in facilitating tourism development

Agriculture

- Need to identity agriculture potential in the study area
- Identify opportunities related to the Dube Trade Port and local markets

Commerce

- Identification of economic activity and to determine the most appropriate location for future development
- Identify opportunities presented by construction of P700

Socio-Economic Issues

- Level of access of communities to community facilities
- Impact of HIV/AIDS on communities

Infrastructure Issues

- Impact of P700 in the infrastructure provision and settlement planning
- Provision of access to the P700 for settlements

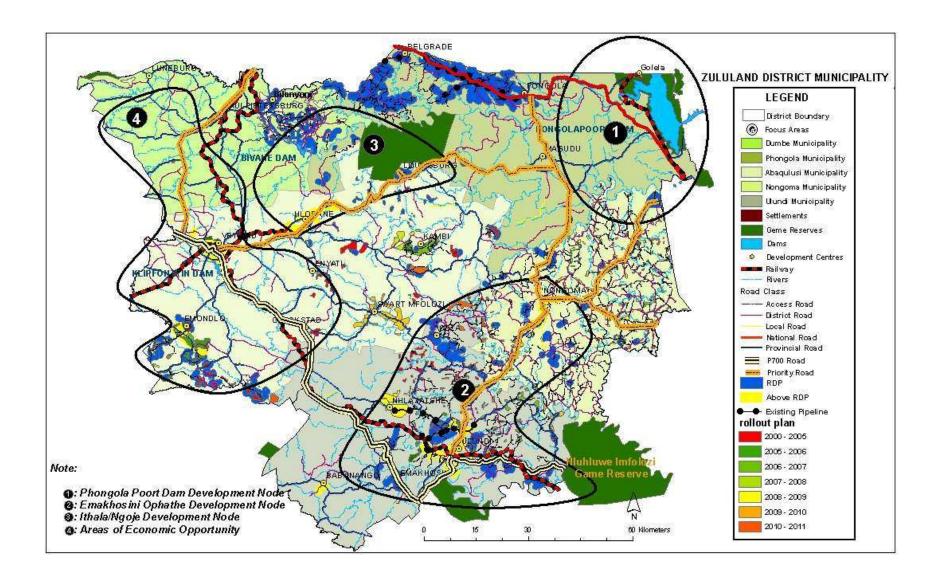
Spatial Development Issues

- Managing future growth of settlements
- Identifying locations of higher order services
- Identification of appropriate land for agriculture and conservation linkages
- Balancing the role of tourism corridor with that of mobility corridor
- Impact of densification on the tourism corridor

A further critical issue that provides direction to spatial development is the roll-out of water provision and the eradication of servicing backlogs. The roll-

out of water services in the district is a critical factor that will impact on the spatial form and development of the area. This roll-out has been mapped in relation to the development nodes identified as part of the ZDM strategic approach and is attached at overleaf:

Map 31: Water and Sanitation Rollout on SDF



10. FINANCIAL ANALYSIS

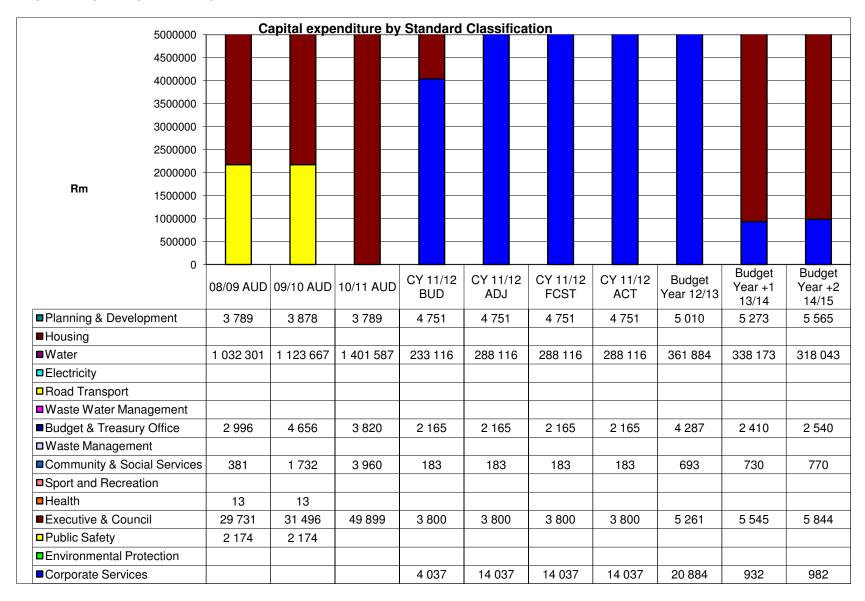
10.1 CAPITAL BUDGET ANALYSIS (2008/2009 TO 2014/2015)

Table 57: Capital Expenditure by Standard Classification (2008/2009 to 2014/2015)

Capital Expenditure by Standard Classification	08/09 AUD	09/10 AUD	10/11 AUD	CY 11/12 BUD	CY 11/12 ADJ	CY 11/12 FCST	CY 11/12 ACT	Budget Year 12/13	Budget Year +1 13/14	Budget Year +2 14/15
Corporate Services				4 037	14 037	14 037	14 037	20 884	932	982
Environmental Protection										
Public Safety	2 174	2 174								
Executive & Council	29 731	31 496	49 899	3 800	3 800	3 800	3 800	5 261	5 545	5 844
Health	13	13								
Sport and Recreation										
Community & Social Services	381	1 732	3 960	183	183	183	183	693	730	770
Waste Management										
Budget & Treasury Office	2 996	4 656	3 820	2 165	2 165	2 165	2 165	4 287	2 410	2 540
Waste Water Management										
Road Transport										
Electricity										
Water	1 032 301	1 123 667	1 401 587	233 116	288 116	288 116	288 116	361 884	338 173	318 043
Housing										
Planning & Development	3 789	3 878	3 789	4 751	4 751	4 751	4 751	5 010	5 273	5 565
TOTAL	1 071 383	1 167 616	1 463 056	248 052	313 052	313 052	313 052	398 019	353 063	333 745

From the above table, and the graph overleaf, it is evident that the bulk of all capital expenditure is to address the backlogs in water provision. However, it is also noted that there has been a significant drop in budget provision for this, following the 3-year period from 2008/2009 to 2010/2011.

Graph 12: Capital Expenditure by Standard Classification (2008/2009 to 2014/2015)



10.2 OPERATIONAL BUDGET ANALYSIS (2008/2009 TO 2014/2015)

Table 58: Revenue by Major Source (2008/2009 to 2014 to 2015)

Revenue by Major Source	08/09 AUD	09/10 AUD	10/11 AUD	CY 11/12 BUD	CY 11/12 ADJ	CY 11/12 FCST	CY 11/12 ACT	Budget Year 12/13	Budget Year +1 13/14	Budget Year +2 14/15
Dividends received										
Agency services										
Contributions	70									
Contributed assets										
Licences and permits										
Gains on disposal of PPE	61		23							
Service charges - sanitation revenue	5 204		7 447	4 796	4 796	4 796	4 796	7 820		
Interest earned - outstanding debtors	272		574							
Service charges - other		17 692								
Rental of facilities and equipment	83		84							
Service charges - refuse								392		
Other revenue	461	2 792	1 411	48 803	60 053	60 053	60 053	81 540	65 032	65 091
Fines										
Interest earned - external investments	21 195	9 351	12 317	12 067	12 067	12 067	12 067	12 567	13 246	13 961
Transfers recognised	350 874	193 327	418 603	238 063	252 063	252 063	252 063	271 333	290 097	311 448
Service charges - water revenue	18 322		16 239	15 105	15 105	15 105	15 105	24 952		
Transfers recognised - capital		216 688	195 741	248 052	293 788	293 788	293 788	378 363	338 670	318 575
Service charges - electricity revenue		_		_				_	_	
Property rates										
TOTAL	396 472	439 851	652 439	566 886	637 872	637 872	637 872	776 966	707 045	709 075

As evident from the above table, and the graph overleaf, the bulk of Municipal Revenue is via Transfers, whilst virtually no income is derived from rates of service charges.

Graph 13: Revenue by Major Source (2008/2009 to 2014/2015)

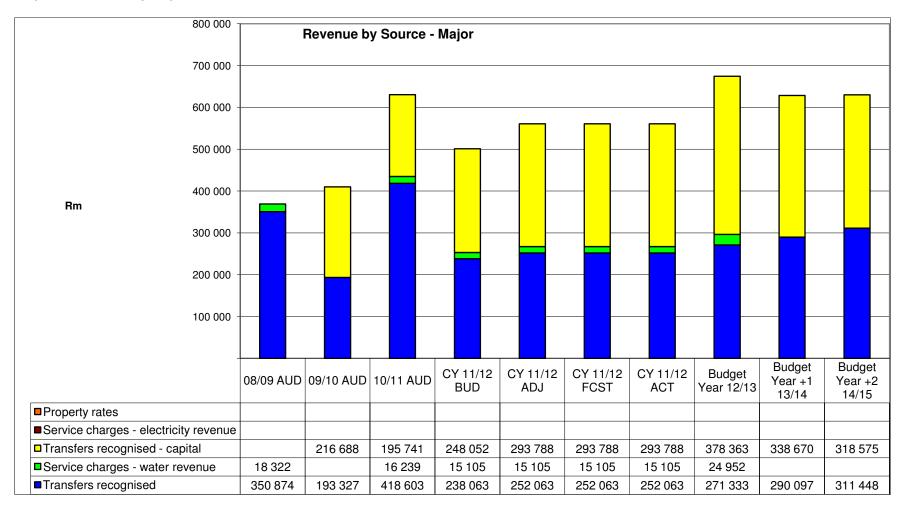
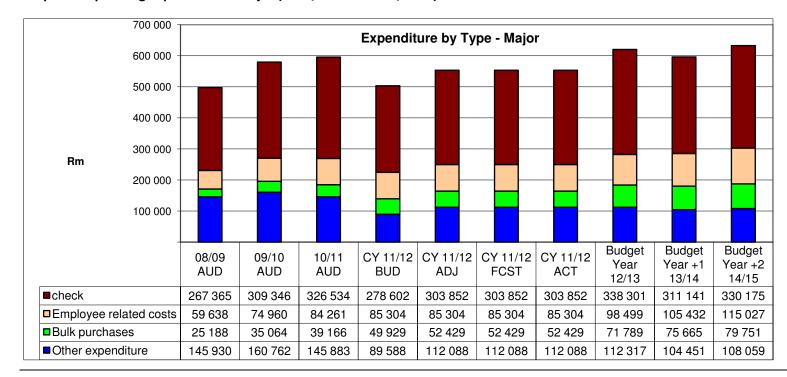


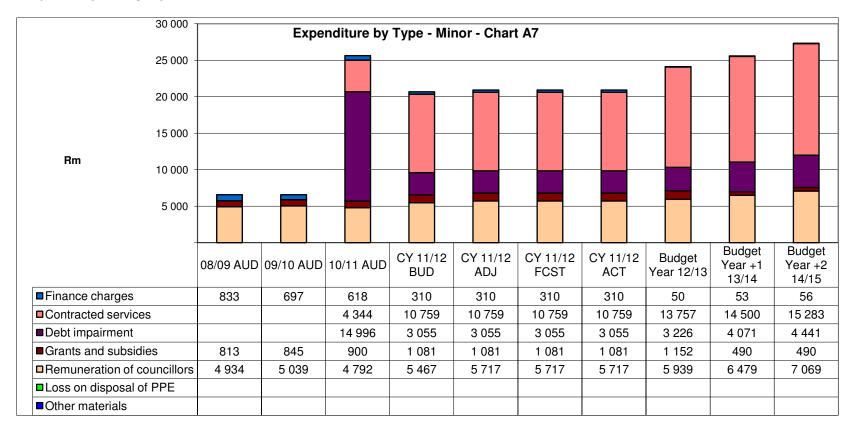
Table 59: Operating Expenditure by Major & Minor Type (2008/2009 to 2014/2015)

Operating Expenditure by Major & Mino Other materials										
Loss on disposal of PPE										
Remuneration of councillors	4 934	5 039	4 792	5 467	5 717	5 717	5 717	5 939	6 479	7 069
Grants and subsidies	813	845	900	1 081	1 081	1 081	1 081	1 152	490	490
Debt impairment			14 996	3 055	3 055	3 055	3 055	3 226	4 071	4 441
Contracted services			4 344	10 759	10 759	10 759	10 759	13 757	14 500	15 283
Finance charges	833	697	618	310	310	310	310	50	53	56
Depreciation & asset impairment	30 029	31 979	31 574	33 108	33 108	33 108	33 108	31 574		
Other expenditure	145 930	160 762	145 883	89 588	112 088	112 088	112 088	112 317	104 451	108 059
Bulk purchases	25 188	35 064	39 166	49 929	52 429	52 429	52 429	71 789	75 665	79 751
Employee related costs	59 638	74 960	84 261	85 304	85 304	85 304	85 304	98 499	105 432	115 027
TOTAL	267 365	309 346	326 534	278 602	303 852	303 852	303 852	338 301	311 141	330 175

Graph 14: Operating Expenditure – Major (2008/2009 to 2014/2015)



Graph 15: Operating Expenditure – Minor (2008/2009 to 2014/2015)



In terms of Major Operating Expenditure (see Graph 10), there has been a steady increase in both bulk purchases and Employee related costs.

In terms of Minor Operating Expenditure, there has been a steady increase in contracted services and remuneration of councilors.

10.3 AUDITOR-GENERAL REPORTS AND RESPONSES THERETO (2010/2011))

10.3.1 AUDITOR-GENERAL'S REPORT

Introduction

1. I have audited the accompanying financial statements of the Zululand District Municipality, which comprise the statement of financial position as at 30 June 2011, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages ... to ...

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

- As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
- I conducted my audit in accordance with International Standards on Auditing and General Notice No.1111 of 2010 issued in Government Gazette No.33872 of 15 December 2010. Those standards require that I

- comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.
- 5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Zululand District Municipality as at 30 June 2011 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material losses

9. As disclosed in note 34.7 to the financial statements, the municipality suffered a significant water loss of 5 605 191 kilolitres with a value of R24,662 million during the year under review.

Restatement of corresponding figures

10. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of an error discovered during 30 June 2011 in the financial statements of the Zululand District Municipality at, and for the year ended, 30 June 2010.

Additional matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

12. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and in terms of *General Notice* No.1111 of 2010, issued in *Government Gazette* No.33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages ... to ... and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Usefulness of information

- 14. The reported performance information was deficient in respect of the following criteria:
- Consistency: The reported objectives, indicators and targets are not consistent with the approved integrated development plan.
- Relevance: There is no clear and logical link between the objectives, outcomes, outputs, indicators and performance targets.

Measurability: The indicators are not well defined and verifiable, and targets are not specific, measurable and time bound.

The following audit findings relate to the above criteria:

The content of the integrated development plan is incomplete

15. The integrated development plan did not include the key performance indicators and performance targets set in accordance with its performance management system, as required by sections 26(i) and 41(1)(b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations, 2001.

Reliability of information

- 16. The reported performance information was deficient in respect of the following criteria:
- Validity: The reported performance did not occur and does not pertain to the entity.
- Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.

The following audit findings relate to the above criteria:

Reported performance against targets is not accurate when compared to source information

17. For the selected objectives, 25% of the reported targets were not accurate based on the source information or evidence provided.

Reported performance against targets is not valid when compared to source information

18. For the selected objectives, 40% of the reported targets were not valid based on the source information or evidence provided.

Compliance with laws and regulations

Annual financial statements

19. The financial statements submitted for audit did not comply with section 122(1)(a) of the MFMA. Material misstatements were identified during the audit; all of these were corrected by management.

INTERNAL CONTROL

20. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

21. The accounting officer did not ensure that an adequate system of internal controls existed to produce valid, accurate and complete financial information relating to trade creditors, accruals, capital commitments and work-in-progress.

Financial and performance management

22. Systems and controls were not designed in a manner to prevent, detect and address risks that impact on financial and performance reporting. In this regard, the accounting officer did not ensure that regular, accurate and complete financial reports were prepared, which were supported and evidenced by reliable information. This resulted in material corrections in financial statements.

OTHER REPORTS

Investigations

23. Five investigations into allegations of financial misconduct and non-compliance with municipal SCM regulations were in progress at the date of the report.

10.3.2 MUNICIPAL RESPONSE TO THE AG REPORT (2010/2011)

Action Plan To Address Issues Raised By the Auditor General in the Audit Report

Material Losses:

 A water loss reduction strategy is currently being implemented by the Project Management Unit. A budget of 3 million in the current financial year was approved for the implementation of the water loss strategy.

o Responsible Person: S L Khumalo

Position: HOD: TECHNICAL SERVICES

Action Date: 30 June 2012

Restatement of corresponding figures:

 Reconciliations are done on a monthly basis to prevent major adjustments to the submitted Annual Financial Statements. Deputy Chief Financial Officer has been assigned to this function.

o Responsible Person: T D Sibiya

Position: Deputy Chief Financial Officer

Action Date : 30 June 2012

Pre-Determined Objectives:

 A compliance checklist will be developed to address the predetermined objectives shortcomings.

o Responsible Person: S Landman

Position: Acting HOD: Planning

o Action Date: 30 April 2012

11. COMBINED SWOT ANALYSIS

11.1 STRENGTHS/OPPORTUNITIES

- Well functioning Portfolio, EXCO and Council structures.
- Communication Plan and IDP Alignment processes in place.
- MTAS in place.
- Implementation of the Electronic Records Management System (EDMS) since 2006 has made considerable progress in modernizing and improving ZDMs Records system.
- Sub-forums under the Local Economic Development Forum include Tourism and the recently established General Business and Agricultural forums.
- LED Directorate's achievements created further opportunities for growth and development.
- Functional GIS section.
- Planning Shared Services in place.
- Compliance with financial requirements and submission deadlines.
- Intention to prepare and implement an Infrastructure and Services Provision Communication Strategy.
- Various forums have been established to ensure coordination of service delivery.
- To cater for the social development needs of youth, women, the disabled and the aged, a relevant Participation Strategy is being prepared.
- The Audit and Risk Management Committee to facilitate the development of a formal Risk Management Framework and Strategy.
- Comprehensive IT security policy in place to minimize the risk of errors, fraud and the loss of data confidentiality, integrity and availability.
- Numerous organizational arrangements are in place for the IDP preparation process.
- Education, Health and Community Service Sector Plan in place although it required a review.

- Concerted effort to involve widows, orphans and people living with disabilities in social and economic development programmes.
- It is evident that the district's largest contributors to GVA are not necessarily the fastest growth sectors.
- A number of tourism developments are in the pipeline or being implemented, notably the Pongolapoort Dam Proposals as well as the Emakhosini Ophathe Development Proposals.
- The commercial sector is well established in the towns of the District.
- Opportunities generally promoted in the region in terms of agriprocessing include traditional medicines, venison production for export, leather production as well as vegetable and fruit processing. The diversification of agricultural production in the District will lead to further potential for agri-processing.
- The diversification of the products of the district and the improvement of marketing systems that will open up new local, national and international markets.
- Opportunities relating to timber product manufacturing should continue to be investigated. Timber construction relating to specifically the tourism industry may present opportunities for local contractors in future.
- Opportunities exist for the development of clothing and textile as well as building materials sector in the District.
- Rural road maintenance and upgrading of rural roads which will continue to establish better linkages between settlements, rural nodes and municipal centres, thus increasing access to economic opportunities whilst increasing access to job opportunities.
- The proposed petrol filling station and information centre (Ulundi "19") is viewed as a lead project impacting on both the transport and tourism sector in the District. This strategically located development will increase the attractiveness of this alternative route between Gauteng and the KwaZulu-Natal coast. It will also provide an opportunity for informing people passing through the area of the attractions which the area has to offer.
- Opportunities still exist for small scale mining relating to mine rehabilitation as well as equipment maintenance and support.

- The ZDM has an indigent policy in place.
- To measure consumption in unmetered zones, the municipality uses the water balance to determine consumption.
- The Zululand District Water Services Plan gives a clear indication as to where and when water infrastructure will be provided in the District. It provides a clear indication of what amount of water capital infrastructure will be provided when and at what cost and during which year. MIG business plans in excess of R1,5 billion have already been approved.
- The following forums are in place to attend and align disaster management responses:
- Disaster Management, Health and Safety Portfolio Committee
- Disaster Management Advisory Forum
- Provincial Disaster Management Advisory Forum
- The ZDM has finalized the preparation of its Disaster Management Plan and procurement processes are underway to ensure the implementation of the said plan.

11.2 THREATS/WEAKNESSES

- Large disparities are apparent in terms of the nature and structure of the built environment with the most significant disparity between the level of services and development in the rural and urban areas of the District.
- Only 20 % have access to a formal waste disposal system, and these are in urban areas.
- According to the Zululand Cemeteries Master Plan, approximately 700 ha of land will be required in the Zululand District Municipality by the year 2020 to accommodate approximately 800 000 cumulative deaths at that time.
- Road infrastructure is under pressure particularly from heavy vehicles.
- The responsibility between Local and District municipalities as well as the Department of Transport (DOT) for road provision and maintenance

- still needs to be finalized and has been flagged as a key development issue.
- The electricity network in the southern portions of Zululand has very limited capacity.
- Support and buy-in from government departments and local municipal structures cannot be ensured.
- Limited functioning Council oversight committee.
- LLF (Local Labour Forum) does not meet regularly.
- The municipality is exposed to various risks of loss including theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters.
- Fraud and Corruption can surface at a number of levels in any organization.
- Backlog in the provision of primary and secondary education facilities.
- Significant backlog with the distribution of clinic facilities.
- Poor accessibility to community halls.
- The high prevalence of HIV in the district poses a severe challenge for future development as HIV/AIDS inhibits economic growth by reducing the availability of human capital.
- Alignment of housing projects with other social and infrastructure requirements remains a challenge.
- Backlog with the provision of police stations.
- Zululand is ranked lower for economic output for the province than it is for total population indicating that the GVA per capita within Zululand is comparatively low in the provincial context.
- Abaqulusi and Ulundi municipalities contribute the majority of economic output for the district, between them contributing almost 63% being indicative of an economy that is not diversified throughout the district.
- Nongoma, which has the second highest population of all the Zululand municipalities, only contributes 13.6% to economic output.
- Only 31.1% of the working age population are engaged in actual employment or are actively seeking work.

- Unemployment in Zululand is unsustainably high and is having the negatively impact of discouraging people from spending the time and money to actively search for jobs.
- Employment has increased by just over 13,000 people between 2003 and 2009. This is insufficient in the light of population growth of over 106,000 in the same period.
- Zululand DM has very high dependency ratios. The dependency ratio can be interpreted as a crude measure of poverty.
- Uncertainty relating to the roll-out or implementation of the Land Reform programme has impacted negatively on agricultural development and growth.
- The commercial sector is not easily accessible for the majority of the rural population that currently account for 75% of the district population.
- Manufacturing activity within the District is low, at an estimated 11% contribution to the GGP for the area.
- Wetland degradation occurs mainly as a result of inappropriate formal and informal development.
- Instances of overflowing sewage as a result of failed or incorrectly installed, vandalised pump houses.
- Over utilization of soils results in reduced agricultural potential.
- Environmental degradation due to mines that have not been rehabilitated.
- Proliferation of alien invasive weeds.
- Soil erosion and damage due to over-burning.
- Excessive or illegal muthi harvesting damages natural indigenous species.

12. KEY CHALLENGES

For the purpose of this section it is noted that a key challenge is informed by:

- Action to build upon strengths of municipality
- To address a weaknesses

- To tap into opportunities
- To counter the threats or plan around them

12.1 KEY CHALLENGES FACED BY LOCAL MUNICIPALITIES WITHIN ZDM

12.1.1 ABAQULUSI LM

- Apartheid spatial planning footprints: The challenge of the IDP is two separate developments which were caused by historical planning or apartheid planning. This requires AbaQulusi to plan and provide time-balance for the provision of basic infrastructure services to rural areas and to maintain and upgrade existing services in urban areas with due regard to limited financial resources. This need to be part of a holistic approach to achieve social upliftment and a better quality of life for all the citizens of AbaQulusi. Specific projects need to integrate social, infrastructural and economic development.
- Declining economic sectors: The AbaQulusi area is facing the challenge of economic development after the close down of mining sector, which was a major boost for the regional economy. This challenge left many ghost town and hostels in the area, which also requires infrastructure development and maintenance today. As a result, the municipality is required to pull all various resources which, too date have not yet been fully developed. The IDP challenge is to draw on those resources and through creative and visionary means implement measures that will result in the economic regeneration and upliftment of the population. Hence, the AbaQulusi Local Municipality need to create an enabling environment that will stimulate investment interest.
- Lack of skills and high rate of functional illiteracy: In terms of the sectoral departments and municipal own competencies there is a need

to address skills training, adult education and increased access to job opportunities. This in turn means implementing the necessary educational programmes as well as encouraging local economic activity. From a sectoral point of view the extension of the primary sector and the development of a secondary sector in conjunction with this need to be emphasised. Existing opportunities presented through the development of the Zululand Corridor should be embraced. Finally, the role of tourism and its growing contribution to the local economy should be explored and developed.

- Settlement pattern: Spatially the IDP must respond to the need for the development of hierarchy of settlements/ nodes, which will rationalise the regional distribution of investment in basic infrastructure and community services. The development of a Rural Service Centres may go a long way in achieving a more equitable development and investment pattern and spatial integration. There is a need to formalise the rural settlements surrounding the urban areas through the implementation of Framework Plans or precinct plans and for consistency in policies, land use management and by-laws.
- Poor access to social facilities: Urban areas within the AbaQulusi Local Municipality are reasonably well developed with social facilities and services. However, the standards do need to be maintained and such facilities need to be expanded to reach the urban population due to high rate of urbanization and migration. The real challenge lies in creating similar standards of provision of facilities in the rural areas in order to achieve social upliftment and a general improvement of socioeconomic conditions. Addressing this need becomes even more critical, however the creation of regional sport centres may go a long way to achieve the desired outcome if one consider the dimensions that social facilities need to be accessible and should be provided at convenient locations.

- Service backlog: One of the main elements of socio-economic wellbeing is the access to basic services. The status of the physical and economic development level of a community such as that of AbaQulusi is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electricity, water and sanitation. These are found to be a huge challenge for AbaQulusi Municipality whereas the Vryheid town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the AbaQulusi Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in eMondlo and rural areas. This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of AbaQulusi and deserves some attention in the planning efforts of the municipality.
- Land Claims: About 80% of the land within AbaQulusi Municipality belongs to White group. The national government has got a target of 30% of the land must be transferred to Black communities by 2014. This makes AbaQulusi area to be considered under huge land claims by the Department of Land Affairs (DLA). This poses huge challenges to AbaQulusi Municipality due to lack of internal capacity, skills and adequate financial resources to deal with new infrastructure in the areas under land redistribution by Department of Land Affairs.
- HIV and AIDS: The number of individuals infected with HIV/AIDS continues to be major challenge for all spheres of government, and an attempt to stabilize the pandemic, is reflected in terms of budget allocations and programmes for implementation by the Department of health. The survey done at District level by the DOH in 2005 for pregnant women reflected 37.8% of infected persons in the Zululand District Municipality. The figures are very sensitive considering that AbaQulusi has a highest population in the whole district. The AbaQulusi municipality has participated in the development of a District HIV/AIDS

Sector plan, and has developed HIV/AIDS Strategies through the establishment of an HIV/AIDS Council chaired by the District Mayor.

12.1.2 ÉDUMBE LM

- A large rural population that depends on the nearby urban area of Paulpietersburg for commercial and public services (e.g. health, social welfare, police services etc) places pressure on the primary node because of the lack of social and economic services within the rural areas.
- Most of the rural settlements are small thus making service delivery costly, this effect is compounded by the aspect that only 35% of the municipality's population lives in an urban area while 65% lives in the rural hinterland of the municipality. The spatial development pattern of the municipality will have to be addressed.
- 53% of the population of the municipality are women. Women are assumed to be acting as household heads in the absence of partners seeking employment in other urban centres. It is also accepted that these women are more disadvantaged in terms of resources. Strategies need to be developed in order to create security for women and their dependent children.
- Close to half of the population are children, placing pressure on the need for educational and social facilities. Many of these children will be orphaned as a result of HIV/AIDS. At least 17% of the population is already infected with HIV. The severe impact on the need for health, social and welfare services over the next 20 years will have to be accommodated in the Municipalities strategy for service delivery.
- Income levels in èDumbe tend to be quite low with 69% of the population earning less than R800 a month. The traditional and rural areas are the most poverty stricken.
- The majority of the population relies on public transport facilities. This is primarily taxi based. The quality and efficiency of the public transport sector still needs attention.

Although a large portion of the population has access to household electricity the low income levels in the municipality puts a severe restriction on the number of people actually using electricity as a primary means of energy. Electricity provision at schools and health facilities are especially critical. In the wake of the looming energy crises faced by this country it is vital that the Municipality adopts policy embracing the use of alternative energy sources for new residential and commercial development.

12.1.3 UPHONGOLA LM

- A large rural population that depends on the nearby urban areas such as the Pongola town for Commercial and public services (e.g. health, home affairs, etc) places pressure on the primary node because of the lack of services and facilities within the rural areas. Service delivery in the rural areas will need to be attended to.
- The uPhongolo population is characterised by significantly more women than men. 47% households are headed by women in the absence of partners seeking employment in other urban centres. It is accepted that these women are more disadvantaged in terms of resources. Strategies need to be developed in order to create security for women and their dependant children.
- Close to half of the population are children, placing pressure on the need for educational and social facilities. Many of these children will be orphaned as a result of HIV/AIDS. At least 11.7% of the population is already infected with HIV. The severe impact on the need for health, social and welfare services over the next 20 years will have to be accommodated in the Municipalities strategy for service delivery.
- Income levels are low with 66% of households receiving no income or less than R2 400 per month. The traditional and rural areas are the most poverty stricken.
- Unemployment levels are relatively high and with only 13.43% of the population being formally employed. Dependency levels are also high with every employed person having to support 6.5 persons of which 3

are over 15 years of age. The farming sector employs a significant number of people, indicating the importance of the agricultural sector in the economy of the area. The local economic development strategy needs to build on this strength.

- The majority of the population relies on public transport facilities. This is primarily taxi based. The quality and efficiency of the public transport sector needs attention.
- Most of the urban communities have access to clean water with severe shortcomings in this respect as far as rural communities are concerned and have access to less than 5 liters of water per day. People rely on natural resources for water and are considered to live at survival levels.
- The larger urban areas have sanitation systems, but the rural areas rely on septic tanks, pit latrines or no system at all. This places tremendous strain on the environment.
- The population in the urban areas has access to household electricity, but few or the rural settlements have this service. Electricity provision at schools and health facilities are especially critical. In the wake of the looming energy crises faced by this country it is vital that the Municipality adopts policy embracing the use of alternative energy sources for new residential and commercial development.

Please note that at the time of finalisation of the ZDM IDP, the Key Challenges faced by Nongoma and Ulundi LMs were not yet available.

12.2 KEY CHALLENGES FACED BY ZDM

- Maintain functionality of Council structures
- Ensure MTAS is complied with
- Maintenance of EDMS system thereby ensuring accurate record keeping.
- Ongoing support to the LED sub-forums to continue functioning.
- Maintenance and continual improvement of GIS system.
- Ensure continued compliance with legal financial requirements.

- Improve vertical and horizontal alignment thereby ensuring coordinated service delivery by all spheres of government.
- Prioritization of needs of marginalized groups.
- Formulation and compliance with Risk Management Framework and Strategy.
- Maintain functionality of IDP organizational arrangements internally and externally.
- To further diversify the district's economy.
- Ongoing support of tourism initiatives.
- Harness agri-processing opportunities in the district, notably venison production, leather processing and traditional medicines.
- Foster timber product ion opportunities.
- Improve rural road network to ensure improve linkages between settlements, rural nodes and municipal centres.
- Harness opportunities relating to small scale mining.
- Ensure indigent policy remains updated and relevant.
- Ensuring ongoing monitoring of water balance in rural areas.
- Commit and implement approved MIG business plans for roll-out of water and sanitation services in the district.
- Ensure disaster management forums remain functional.
- Redress disparities between levels of services and development in the urban and rural areas.
- Improve access to formal waste disposal system.
- Provision of adequate land to cater for anticipated required burial space.
- Ongoing efforts to clarity the responsibilities between Local and District Municipality as well as the Department of Transport in respect of road maintenance and construction.
- Improve the limited capacity of the electricity network in the southern portions of the District.
- Improve functionality of Council oversight committee in particular.
- LLF (Local Labour Forum) to meet more regularly.
- Risk reduction strategies and actions to be defined and implemented.



Seek clarification in respect of the land reform programme rollout/implementation.