

STEVE TSHWETE LOCAL MUNICIPALITY ECONOMY DOCUMENT

By the
Middelburg Chamber of Commerce and Industry
(Compiled by Valerie Venter)



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ABBREVIATIONS

AAGR	Average Annual Growth Rate
AIDS	Acquired Immune Deficiency Syndrome
AMD	Acid Mine Drainage
ANC	African National Democracy
ARD	Acid Rock Drainage
ARV	Anti-Repro Viral
BEE	Black Economic Empowerment
BIC	Business Investment Climate
BLC	Business Linkage Centre
Busmid	Business Middelburg
CBD	Central Business District
CBPWP	Community Based Public Works Programme
CCTV	Closed-circuit television
CEO	Chief Executive Offices
Chamber	Middelburg Chamber
CLLR	Counsellor
CPF	Community Police Forum
CSS	Cascading Style Sheets
DME	Department of Minerals and Energy
dti	Department of Trade and Industry
ECOM	Economic
ED	Enterprise Development
EME	Exempted Micros Enterprise
Eskom	South Africa's national electricity provider
EST	Estimation
GDP	Gross Domestic Product
GGP	Gross Geographic Product
GTZ	German Development Co-operation
GVA	Gross Value Added
HIV	Human Immunodeficiency Virus
HRD	Human Resource Development

ICT	Information and Communication Technology
IDP	Integrated Development Plan
IDP	Integrated Development Plan
KM	Kilometres
KPA	Key Performance Area
LED	Local Economic Development
LEDF	Local Economic Development Forum
LM	Local Municipality
LMV	Light Motor Vehicles
M	Million
MIG	Municipal Infrastructure Grant
MPCC	Multi Purpose Community Centre
NDM	Nkangala District Municipality
NEMA	National Environmental Management Act
PEA	Preliminary Endangerment Assessment
PH	measure of the acidity or alkalinity of a solution
PTY LTD	Propriety Limited
QSE	Qualified Small Enterprise
R	Rand
R&D	Research and Development
RDP	Reconstruction Development Programme
RM	Rand in Million
SA	South Africa
SA	South-Africa
SACCI	South African Chamber of Commerce and Industry
SANAS	South African National Accreditation System
SAQA	South African Qualifications Authority
SIC	Standard Industrial Classifications
SMME	Small, Medium and Micro Enterprises
ST LM	Steve Tshwete Local Municipality
STATS SA	Statistics South Africa
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection

SWOT	Strengths, Weaknesses, Opportunities, Threats
TB	Tuberculosis
UST	Underground Storage Tank
VA	Verification Agencies
VIP	Ventilated Improved Pit Latrines

EXECUTIVE SUMMARY

The Steve Tshwete Local Municipality is the host of the District Municipality (i.e. the seat). This local economy is one of the largest economies in the district context and is, similar to the Emalahleni economy, dominated by the mining and manufacturing sector. The local economy is also characterized by the location of various Eskom power stations in the area.

The Steve Tshwete Local Municipality is situated in the heart of the Mpumalanga Province (Nkangala). This Local Municipality is situated 1 492 metres above sea-level on the main road to the Mpumalanga Lowveld and the Kruger National Park and has a population of 142 771 (2001 Census).

Geographically, the Steve Tshwete economy is dominated by the main town, Middelburg. Other spatial economy areas include the rural agricultural areas as well as Mhluzi. The main economic sectors in the area are: agriculture, general business services, manufacturing, mining and power generation.

According to Business Middelburg's Business Guide: 2007/08, the strongest economic sector is manufacturing. In the manufacturing sector, you will find Columbus Stainless the world's fifth largest stainless steel producer that anchors the stainless steel cluster. The Mpumalanga Stainless Steel Incubator was created for the beneficiation of local raw materials and to develop entrepreneurs.

There are strong coal, copper and platinum (Sheba's Ridge) mining activities in the area supported by the large mining concerns as well as independent operators, some of the local mines in alphabetical order: Anglo Coal; Anker Coal; Arnot Colliery; Bank Colliery; BHPbilliton; Black Wattle Colliery; Douglas Colliery; Elcoal Colliery; Euro Coal; Goedehoop Colliery; Graspan Colliery; Ilanga Colliery; Isiswe Mine; Kilbarchan Colliery; Koornfontein Mines; Middelburg Mine; New Clydesdale Colliery; Optimum Colliery; Polmaise Colliery; Shanduka Coal; Sumo Colliery; Woestalleen Colliery and Xstrata Mine.

Maize and cattle farming (Kanhym Estates, S.I.S Farming, Beestepan, Schoeman's Farming, Erickson Farming, Alzu, Koornfontein Farming, etc.) that form part of the agricultural sector are also strong and active participants in the local economy, with supporting businesses such as millers and a strong regional co-operative. Please see Appendix C for a detailed list of farms in the Steve Tshwete Local Municipality.

Three of Eskom's power generating plants are within the municipal boundaries: Arnot Power Station; Hendrina Power Stations, with Komati Power Station being re-commissioned (Return to service).

The businesses in the municipal area have easy access to Mozambique, Swaziland and Gauteng province and have also developed strong trade relations with their neighbours.

Businesses have capitalized on the strong medical, technical, retail and specialists manufacturing strengths. Another growing sector is tourism, with well-established resorts, well-known tourist attractions and other world-class accommodation as well as breakaway wildlife or adventure excursions.

The purpose of this paper is to supply in one document various studies that have been conducted on the Steve Tshwete Local Municipality economy. Various studies from the Nkangala District Municipality, Steve Tshwete Local Municipality, German Development Co-operation and Business Middelburg will be discussed in this document.

The importance and benefits of this document is that in one complete document one can have a better understanding of what is happening in the Steve Tshwete's environment as well as what is going to happen and what can be expected in the near future with this tremendous growing economy.

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1 INTRODUCTION

The purpose of this paper is to supply in one document various studies that were conducted on the Steve Tshwete Local Municipality economy. Various studies from the Nkangala District Municipality, Steve Tshwete Local Municipality, German Development Co-operation and Business Middelburg are combined in this document and will be discuss. Also to provide an update of the various municipal level profiles throughout the district area but the main focus will be on Steve Tshwete Local Municipality.

Please note that this is not alone the work of the Middelburg Chamber, various studies are combine in this document to provide information for future investors as well as current business development. This document is only compiled by the Middelburg Chamber.

The outline of this document will be as follows: firstly one will have a look at past economic trends as well as all sectors growth and sectoral employment. Discussion on the updated profiles from the local municipality focussing on the two dimensions, economic dimension and socio-economic features. The pillars of the local economic development and strategic recommendations will follow. Supply background on the social development aspects. Explain the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of Steve Tshwete Local Municipality. The overview of the business investment climate will be briefly explained as well as the budget of Steve Tshwete Municipality will be discussed. Then lastly the purpose of the business linkage centre (BLC) will be explained.

1.1 Past Economic Trends

The following economic trends have been identified from the business investment climate study between 1995 and 2004, as well as between 2004 and 2006. The economic trends have been identified and provide a broad background to the survey process.

The total annual average economic growth over the past ten years has been approximately 2, 6%, or almost 1% less than the national average of 3.5%.

For the purpose of this document only the questionnaire will be briefly discussed in this section just to provide one with the economic background in the different sectors.

In the following tables, the largest sectors and fastest growing sectors in the Steve Tshwete Local Municipality are marked in blue. Declining sectors in Steve Tshwete Municipality area are marked in pink. Please also note the tables are clearly marked in which year the information was collected. The gross value added by sectors in million rand will be indicated in the following tables from 1995 – 2005.

Table 1: GVA by sectors, million Rand, 1995-2005

Sector	1995	2005	Annual Average % change
Agriculture, forestry and fishing	77 921	101 823	2.7
Mining	1 746 221	2 000 564	1.4
Manufacturing	1 093 679	1 690 945	4.5
Electricity & water	550 601	677 681	2.1
Construction	85 210	70 315	-1.9
Wholesale & retail trade; catering and accommodation	364 631	482 295	2.8
Transport & communication	125 083	238 545	6.7
Finance and business services	430 079	557 879	2.6
Community, social and other personal services	186 519	283 803	4.3
General government services	258 703	245 785	-0.5
Total	4 918 647	6 349 635	2.6

(Source: Quantec Regional Statistics using StatsSA, 2005)

Table 2: GVA by sectors, million Rand, 2004- 2006

Sector	2004	2005	2006	Annual Average % change
Agriculture, forestry and fishing	102 437	103 931	92 157	-5.2
Mining	1 946 846	1 983 643	1 966 072	0.5
Manufacturing	1 512 595	1 586 765	1 711 285	6.4
Electricity & water	669 594	686 941	716 021	3.4
Construction	77 099	79 209	75 300	-1.2
Wholesale & retail trade; catering and accommodation	457 369	471 351	488 881	3.4
Transport & communication	236 974	245 970	256 398	4.0
Finance and business services	551 197	571 311	578 100	2.4
Community, social and other personal services	276 344	293 187	308 321	5.6
General government services	244 733	251 220	254 775	2.0
Total	6 075 187	6 273 527	6 447 310	3.0

(Source: Quantec Regional Statistics using StatsSA, 2006)

Table 3: GVA for manufacturing sectors, million Rand, 1995-2005

Sector	1995	2005	Annual Average % change
Food, beverages and tobacco	106 119	302 381	11.0
Textiles, clothing and leather goods	2 780	3 702	2.9
Wood and paper; publishing and printing	62 280	124 676	7.2
Petroleum products, chemicals, rubber and plastic	65 950	99 436	4.2
Other non-metal mineral products	40 433	47 766	1.7
Metals, metal products, machinery and equipment	731 658	958 079	2.7
Electrical machinery and apparatus	12 774	22 063	5.6
Radio, TV, instruments, watches and clocks	2 227	2 463	1.0
Transport equipment	17 970	38 184	7.8
Furniture and other manufacturing	51 487	92 195	6.0
Total	1 093 679	1 690 945	4.5

(Source: Quantec Regional Statistics using StatsSA, 2005)

Table 4: GVA for manufacturing sectors, million Rand, 2004-2006

Sector	2004	2005	2006	Annual Average % change
Food, beverages and tobacco	241 727	290 865	27 657	7.2
Textiles, clothing and leather goods	3 421	3 619	3 640	3.2
Wood and paper; publishing and printing	76 435	75 308	90 402	8.8
Petroleum products, chemicals, rubber and plastic	126 879	128 317	134 770	3.1
Other non-metal mineral products	40 457	41 417	44 469	4.8
Metals, metal products, machinery and equipment	896 042	904 304	1 001 013	5.7
Electrical machinery and apparatus	19 197	21 653	20 059	2.2
Radio, TV, instruments, watches and clocks	2 012	2 105	2 113	2.5
Transport equipment	29 565	33 026	40 151	16.5
Furniture and other manufacturing	76 861	86 151	97 011	12.3
Total	1 512 595	1 586 765	1 711 285	6.4

(Source: Quantec Regional Statistics using StatsSA, 2006)

Employment trends at a sectoral level show significant decline in the agricultural, mining and manufacturing sectors over the past 10 years. **Employment growth** has been experienced in the wholesale and retail trade, as well as the finance and business service sectors.

Table 5: Change in formal employment, 1995-2005

Sector	1995	2005	Change in Employment from 1995-2005
Agriculture, forestry and fishing	4 505	1 950	-2,555
Mining	9 016	7 114	-1,902
Manufacturing	6 988	5 126	-1,862
Electricity & water	1 308	1 107	-201
Construction	2 210	1 685	-525
Wholesale & retail trade; catering and accommodation	4 909	5 864	955
Transport & communication	838	756	-82
Finance and business services	2 206	4 280	2,074
Community, social and other personal services	4 892	4 662	-230
General government services	5 425	5 119	-306
Total	42 297	37 663	-4 634

(Source: Quantec Regional Statistics using StatsSA, 2005)

Employment trends at a sectoral level show significant decline in the agricultural, mining, finance and business services as well as in the manufacturing sectors over the past two years. **Employment growth** has been experienced in the construction sector, government services sector as well as in the wholesale and retail trade sector.

To calculate the change in formal employment in units one can take 2005's amount minus 1995's amount that will show you the change from 1995 – 2005. The same can be done with the change in formal employment in 2006 and 2004.

Table 6: Change in formal employment: 2004-2006

Sector	2004	2005	2006	Change in Employment from 2004-2006
Agriculture, forestry and fishing	3 010	2 147	2 308	-702
Mining	8 460	7 226	7 236	-1 224
Manufacturing	5 664	5 942	5 612	-52
Electricity & water	888	930	926	38
Construction	1 579	1 800	1 891	312
Wholesale & retail trade; catering and accommodation	6 763	6 952	7 085	323
Transport & communication	821	836	852	31
Finance and business services	4 790	4 786	4 440	-351
Community, social and other personal services	5 245	5 324	5 168	-77
General government services	4 986	5 225	5 345	359
Total	42 205	41 168	40 861	-1 344

(Source: Quantec Regional Statistics using StatsSA, 2005)

Employment trends at a manufacturing sectoral level show significant decline in the metals, metal products, machinery and equipment, other non-metal mineral products, as well as the petroleum products, chemicals, rubbers and plastics sectors over the past 10 years. **Employment growth** has been limited to the transport equipment and furniture and other manufacturing sectors.

Table 7: Change in formal employment by manufacturing sub-sector: 1995-2005

Sector	1995	2005	Change in Employment from 1995-2005
Food, beverages and tobacco	543	420	-123
Textiles, clothing and leather goods	132	104	-28
Wood and paper; publishing and printing	228	220	-8
Petroleum products, chemicals, rubber and plastic	473	328	-145
Other non-metal mineral products	821	550	-271
Metals, metal products, machinery and equipment	4 293	2 853	-1 440
Electrical machinery and apparatus	149	138	-11
Radio, TV, instruments, watches and clocks	50	40	-10
Transport equipment	126	225	99
Furniture and other manufacturing	173	248	75
Total	6 988	5 126	-1 862

(Source: Quantec Regional Statistics using StatsSA, 2006)

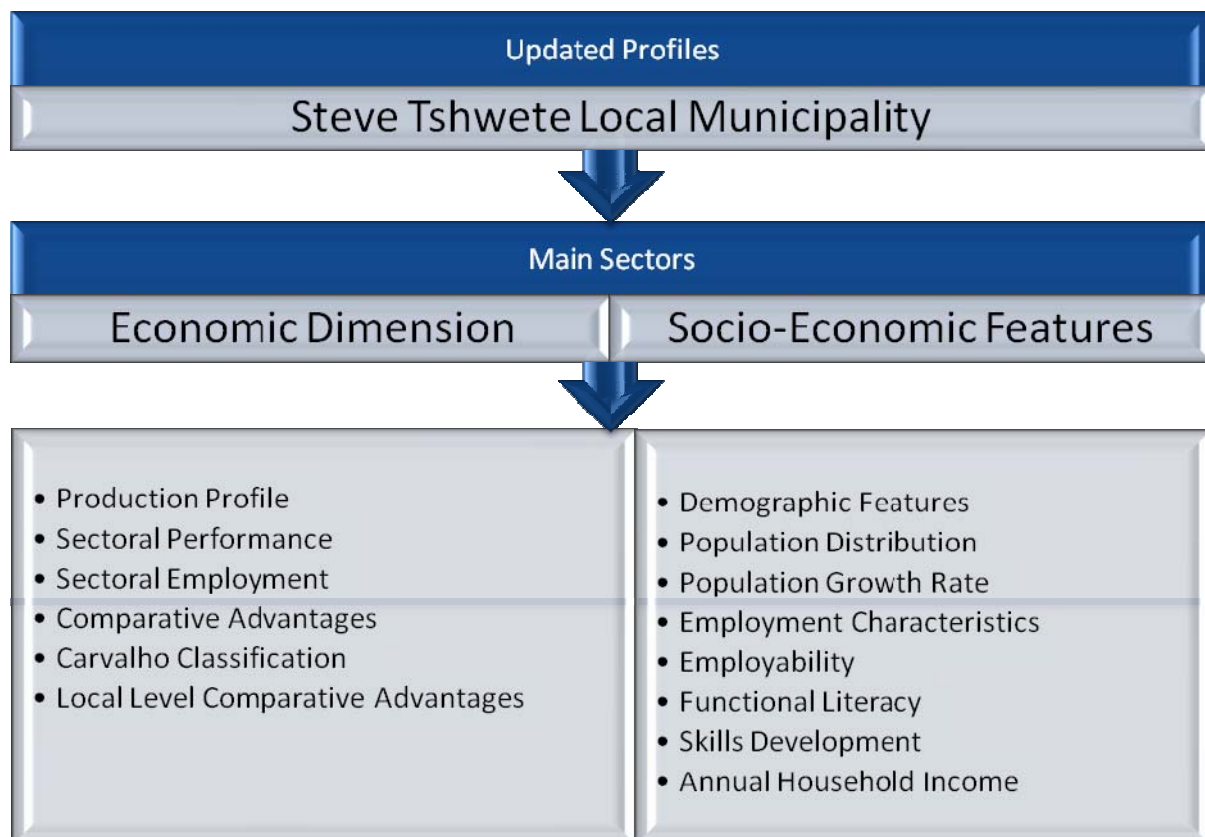
The above-mentioned table shows the change in formal employment by manufacturing sub-sector from 1995 to 2005.

As part of this update, the dominant two dimensions economic and socio-economic characteristics are presented. The structure of the chapter is informed by the two key dimensions associated with the development of updated profiles of this nature. It will consist of two main segments: economic dimension and socio-economic features.

2 STEVE TSHWETE UPDATED PROFILES

This section will discuss the updated profiles of the Steve Tshwete Local Municipality and which consist of 2 dimensions. Figure 1 shows the outline for the next section.

Figure 1: Outline of first section: Updated Profiles



The two main sectors of the updated profiles will now be discussed with the specific sub-sections underneath the two main dimensions.

2.1 ECONOMIC DIMENSION

This section was researched by the Steve Tshwete and Nkangala District Municipality in order to facilitate a situation whereby the individual activities throughout the district can be measured, a standardised classification is utilized. The main categories as identified by a study done through the Nkangala District Municipality of the South African Standard Classification of all Economic Activities (SIC) of 1993 (CSS, 1993) are utilised for this purpose.

A total of 9 sectors are distinguished in alphabetical order:

- Agriculture
- Construction
- Financial and business services
- Mining
- Manufacturing
- Social and community services
- Trade
- Transport, storage and communication
- Utilities (generally referred to as “electricity”)

Now where does Tourism fit into – a frequently asked question. The tourism industry generally spans across the economic sectors, ranging from accommodation and catering (SIC no: 6410 and SIC no: 6420), retail and wholesale SIC no: 61221 and SIC no: 6220), manufacturing (Arts and Crafts) is SIC no: 39299, business services and social services. Activities such as sport are included under the community services’ sector under SIC no: 9641. Tourism is one of the cross-cutting pillars in the strategic recommendations but for the purpose of this document it will be discussed under the pillar section of Steve Tshwete Local Municipality.

2.1.1 Production Profile

The Gross Geographic Product (GGP) is utilized to provide an indication of the economic performance of the respective areas.

Gross Geographic Product (GGP) is defined as the total value of all the goods produced in a specific area during a specific period. In other words, total output for a specific period in Rand values is employed. The definition takes formal business' outputs as the primary indicator.

The Steve Tshwete Local Municipality is the host of the District Municipality (i.e. the seat). This local economy is one of the largest economies in the district context and is, similar to the Emalahleni economy, dominated by the mining sector. The Second largest sector is the manufacturing sector. The local economy is also characterized by the location of various Eskom power stations in the area.

The following sectors are not dominant but comparatively large:

- Trade sector
- Finance sector

The remaining sectors are in local economic context small and generally tend to play a supportive role. With reference to the overall structure of the economy as indicated through the proportional sectoral contributions, the primary change that occurred in the local economy is the increase in the relative importance of the manufacturing sector and the decline of the mining sector.

The following section investigates the performance of the various sectors on an individual basis. In other words, the growth/decline trends encountered by the sectors from a local perspective are reviewed.

2.1.2 Sectoral Performance

The following table will give clear indication on the sectoral performance from 1998 until 2004. The performance of the various sectors is equated to the average annual growth rate (AAGR) for the selected period. Therefore the AAGR has been determined for the following three periods:

- 1998-2001
- 2001-2004
- 1998-2004

Table 8: Sectoral Performance for Steve Tshwete

Sector	1998-2001 (%)	2001-2004 (%)	1998-2004 (%)
Agriculture	(1.7)	1.6	(0.1)
Mining	1.2	(5.9)	(2.4)
Manufacturing	3.1	4.4	3.8
Electricity	(1.8)	2.2	0.2
Construction	(6.5)	2.1	(2.3)
Trade	3.9	2.3	3.1
Transport	6.0	5.6	5.8
Finance	(0.4)	0.9	0.3
Community Services	5.1	4.9	5.0
Government Services	0.2	(0.7)	(0.4)
Total	1.4	0.2	0.8

Overall highlights on the sectoral performance for Nkangala District Municipality:

- The manufacturing sector recorded positive levels of expansion for all the periods under review in all the localities, with the strongest growth (over the long term) occurring in the Steve Tshwete area.
- It is however also necessary to take the base (relative size) of the local economies into consideration i.e. the relative size from where the growth is taking place. The various economies have been ranked according to their size in GGP output in 2004 (at constant prices): Emalahleni; Steve Tshwete; Delmas; Thembisile; Dr. JS Moroka and Emakhazeni.

On a sectoral basis, the following sectors were the highest performances at a municipal level for the period of 1998-2004.

Table 9: Sectors with highest performances at Municipal level: 1998 – 2004 period

Sector	Municipality	Percentage (%)
Agriculture	Delmas	71
Mining	Emakhazeni	2.9
Manufacturing	Steve Tshwete	3.8
Electricity	Emalahleni	0.6
Construction	Emakhazeni	5.9
Trade	Emakhazeni	7.1
Transport	Steve Tshwete	5.8
Finance	Emakhazeni	3.7
Comm. services	Steve Tshwete	5.0
Govt. services	Emakhazeni	3.7
Total	Emakhazeni	3.7

Electricity – Eskom Development

The Steve Tshwete Local Municipality is host to a number of large industries as well as various government departments. The most notable industrial concerns located in this local economy are:

- Columbus Steel
- Eskom (power generation)

Power stations that will be re-commissioned in the near future are: Camden Power Station; Grootvlei Power Station and Komati Power Station.

The focus of the Eskom Development Foundation is the same as in any other strategic area where Eskom is involved in currently. One of the main objectives is to capacitate SMME's not only on the Eskom database but to bridge the gap between the first and second economy. IDP's will be used to establish other needs in the communities.

The Eskom Development Foundation would not only consider SMME's who can render a specific service to the power stations, but any other service that can generate income.

Mining Development

As mentioned earlier in this document the Steve Tshwete Local Municipality is the host of the District Municipality (i.e. the seat). This local economy is one of the largest economies in the district context and is, similar to the Emalahleni economy, dominated by the mining sector.

As mentioned, this local economy is dominated by the mining sector. However this sector experienced significant levels of contraction in the short term (2001-2004). Conversely, the second largest sector, the manufacturing sector experienced noteworthy increases in its levels of output. The local economy is also characterized by the location of various Eskom power plants in the area.

Mining activities with the Steve Tshwete Local Municipality are predominantly located in areas south of the N4. The current activities as well as future mining activities will play an important role in the economic development and employment creation within the region and province.

Platinum (Sheba's Ridge) and Copper mines have been identified just outside of the border of the Middelburg area (Please refer to Appendix B for exact location).

Mafube Coal Mining (PTY) LTD is investigating the feasibility of extending current mining operations near Middelburg by constructing facilities for and installing an underground storage tank (UST) for bulk storage of petrol for light motor vehicles (LMV). The proposed site is located on the farm Springboklaagte 416 JS situated off the Middelburg-Belfast (old N4) road, approximately 30KM from Middelburg. The surrounding land use is predominantly mining.

2.1.3 Sectoral Employment

The recent growth in the South African economy has direct implications for formal employment levels.

The focus of the subsequent discussion is on the underlying trends in the rate at which employment is being created i.e. the relative position of the sectors on the employment creation cycle. In other words, the following discussion aims to unveil the recent movement or characteristics of the rate at which employment is being created. In contrast to the information presented and discussed, the discussion regarding the focus on the short term trends comparing the 1998-2001 and 2001-2004 periods.

The Steve Tshwete economy is one of the dominant economic areas and it is therefore expected that a significant number of employment opportunities are being provided in this area. The main employing sectors in alphabetical order are:

- Community services
- Government services
- Mining
- Manufacturing
- Trade

In addition to the preceding highlights of the comparative performance of the individual sectors to create employment, the local trends need to be highlighted. Table 10 provides indication of formal employment levels of the various sectors at a municipal level.

Table 10: Formal Employment Levels

Sector	1998	2001	2004
Agriculture	4 027	3 515	2 952
Mining	8 702	7 408	7 473
Manufacturing	6 135	5 155	5 005
Electricity	1 261	1 066	941
Construction	1 841	1 492	1 248
Trade	5 133	5 499	5 548
Transport	630	564	539
Finance	2 653	2 883	3 243
Community Service	4 874	4 978	4 987
Government Service	5 422	4 885	4 798
Total	40 679	37 444	36 732

To calculate the movement in formal employment one can minus 2004-1998, for example: Agriculture 2.952 (2004) - (1998) 4.027 = - 1.075. By doing this calculation one can determine each sectors movement.

Table 11: Movement in Formal Employment (1998 – 2004)

Sector	Movement
Agriculture	-1.075
Mining	-1.229
Manufacturing	-1.130
Electricity	-320
Construction	-593
Trade	415
Transport	-91
Finance	590
Community Service	113
Government Service	-624
TOTAL	-3.944

Source: Quantec Research

The trends in this local economy regarding sectoral employment reflect similar movements as the immediate neighbour (Emalahleni) with the main sectors employment being:

- Agriculture -1.075
- Mining -1.229
- Manufacturing -1.130

Table 12: Formal Employment Levels – Growth Rates

Sector	1998-2001	2001-2004	1998-2004
Agriculture	(4.4)	(5.7)	(5.0)
Mining	(5.2)	0.3	(2.5)
Manufacturing	(5.6)	(1.0)	(3.3)
Electricity	(5.4)	(4.1)	(4.8)
Construction	(6.8)	(5.8)	(6.3)
Trade	2.3	0.3	1.3
Transport	(3.6)	(1.5)	(2.6)
Finance	2.8	4.0	3.4
Community Service	0.7	0.1	0.4
Government Service	(3.4)	(0.6)	(2.0)
Total	(2.7)	(0.6)	(1.7)

Approximately 3 950 formal employment opportunities were lost during the 1998-2004 periods. This translates into a negative growth rate of 1.7% on an average annual basis.

However during the 2001-2004 period, the rate at which employment was shed had stabilized by moving from -2.7% (1998-2001) to -0.6%. Table 12 will show the sectors that contributed towards the decline (1998-2004):

Table 13: The sectors that contributed towards this decline were (1998-2004)

Agriculture	-5.0%
Electricity	-4.8%
Construction	-6.3%
Manufacturing	-3.3%
Mining	-2.8%

2.1.4 Comparative Advantages

The purpose of this section is to utilize the information presented in the preceding sections to add value to this “existing knowledge” and to define the local level comparative advantages. The approach followed in this section, to identify the local level comparative advantages, is informed by international best practice. More specifically the Carvalho Equation is applied. Subsequent to the discussion of the local level comparative advantages, the implications for the LED alignment activities are highlighted.

2.1.5 Carvalho Classification

As indicated above, the point of departure for this section relates to the provision of a theoretical foundation of the classification system utilized.

2.1.6 Local Level Comparative Advantages

The identification of the local level comparative advantages has been undertaken through the application of a customised excel model. In order to ensure that the local level comparative situation and the associated implications for LED are suitably discussed, each municipal area is dealt with separately. The following table presents a comprehensive indication of the classification of the various municipal areas.

Table 14: Local Level Comparative Advantages between Municipalities

Sector	Delmas	Emalaheni	Steve Tshwete	Emakhazeni	Thembisile	Dr. JS Moroka
Agriculture	Promising	Modest	Accelerating	Promising	Yielding	Modest
Mining	Marginal	Transitional	Transitional	Marginal	Moderate	Marginal
Manufacturing	Accelerating	Yielding	Promising	Modest	Modest	Modest
Electricity	Moderate	Vulnerable	Vulnerable	Moderate	Moderate	Moderate
Construction	Transitional	Vulnerable	Transitional	Challenging	Evolving	Challenging
Trade	Evolving	Yielding	Yielding	Yielding	Promising	Promising
Transport	Transitional	Yielding	Modest	Promising	Promising	Promising
Finance	Yielding	Yielding	Yielding	Yielding	Accelerating	Accelerating
Community Service	Transitional	Yielding	Yielding	Promising	Promising	Driving
Government Service	Transitional	Marginal	Transitional	Challenging	Challenging	Evolving

As from above mentioned table the following can be concluded:

The agriculture sector showed accelerating which means that the area is neither highly specialized nor under-specialized in this sector, which is growing provincially and growing at an even higher rate locally.

With transitional it is meant that the average specialization in a sector which grew provincially at a slower rate than overall growth; local growth exceeded provincial growth in this sector and the sectors of Steve Tshwete Local Municipality that are categorised in this section are the mining sector, construction sector and government services sector.

The promising sector is manufacturing (high local specialization in a sector which grew provincially; local growth was slower than provincial growth in this sector).

The vulnerable sector is the electricity sector and that means industries have an average concentration.

The trade sector, finance sector and community service sector is in the yielding category and the means of that is the average specialization in a sector which grew provincially; local growth was slower than provincial growth in this sector.

The transport sector is in the modest category which means relatively low specialization in a sector which grew provincially; local growth was slower than provincial growth in this sector.

2.2 SOCIO-ECONOMIC FEATURES

The following section will include both the studies from the Steve Tshwete Municipality as well as the study from Nkangala District Municipality. The first dimension was the economic dimension now the second dimension will be discussed the socio-economic features.

In order to provide updated benchmarks profiles, the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (HIV/AIDS) population status by municipality are taken into consideration in determining the demographic characteristics of the areas.

For the purposes of this analysis the data used was obtained from the municipal demarcation board. There are 24 wards within the Steve Tshwete Local Municipality and the Wards were grouped homogenously as follows:

- Wards 1-10 Mhluzi
- Wards 12-16 Middelburg
- Wards 18-19 Hendrina and Kwazamokuhle
- Wards 11,17 and 20-24 Rural area

2.2.1 Demographic Features

2.2.1.1 Population

Out of a total population of 142 771-146 978 within the area of jurisdiction of the Steve Tshwete Local Municipality, the Mhluzi area has a total population of 59 578 thus 41.23% of the total population of the municipality.

Population per ward

Ward 1-10 which comprises of the Mhluzi area has the highest concentration of africans in excess of 90% in each of the wards. Within wards 1-10 the coloured population comprises of 0.43%, indians 0.01 and whites 0.05%.

Ward 2 has the highest population amongst the wards comprising at 19.76% of the total population of wards 1-10. This figure can be prescribed to smaller stand sizes in newer townships resulting in a higher density. Ward 5 has the lowest population figure of 2 805 representing only 4.71% of the total population amongst the wards. This low figure can be attributed to large vacant areas (accommodating park areas and school sites) within the ward.

Ward 3 is the ward with the second highest population density at 15.64%. This ward includes Mhluzi “Extension 5”, “Tokologo” and the “Federale Stene” in-situ upgrading area (“Federaal”).

The Middelburg area has a total population of 24 915 of which amounts to 17.24% of the total population of the Municipality.

Ward 15 has the highest population with the above mentioned wards comprising of 28.40%. The area comprises of areas such as “Bloekomsig”, “Mineralia” and “Extension 18” where smaller stands and a resulting higher density are prevalent.

Amongst the wards the highest concentration of white people is encountered in ward 12 with 27.61%. The lowest concentration of white people 11.15% and highest concentration of indian people 84.54% is found in ward 16, where Eastdene is situated. The highest concentration of coloured an african person amongst the wards is in ward 15 at 82.03% and 50.19% respectively. Ward 16 also has the lowest total population density amongst the wards at 15.02%, which can be attributed to larger stands in the residential areas.

The Hendrina and Kwazamokuhle area has a total population of 16 398 and thus 11.35% of the total population of the municipality.

Ward 18 and 19 which comprises of Hendrina and Kwazamokuhle are the other urbanized settlements within the area of jurisdiction of the Steve Tshwete Local Municipality. The split of the total population amongst these wards between Hendrina and Kwazamokuhle are nearly equal.

Out of the total population of 144 518, within the area of jurisdiction of the Steve Tshwete Local Municipality the rural areas have a total population of 43 627 thus 30.18% of the total population of the municipality. When looking at the rural ward it should be noted that wards such as ward 21, which includes Dennesig and ward 23 which include Kanonkop as well as Ward 17 (Hlalamandi, Nasaret and Middelburg Extension 24) are urbanised areas which contribute to the nearly one third of the population which resort under the rural wards. When looking at the geographical area of the wards the wards seem to be rural but contain a significant percentage of urbanised population.

Amongst these wards africans make up 79.77% of the total population: coloured persons 3.69%; indians 0.24% and whites 16.30%. Ward 20 has the highest concentration of africans at 21.45% whilst ward 17 has the highest concentration of coloured people at 85.75% amongst the wards. Ward 21 and 23 include areas such as Dennesig and Kanonkop which are predominantly white residential areas.

Table 15: Population and Household 2005/2006

Total Population	128 816
Number of households on formal sites	33 034
Number of households in informal settlements	4 246
Number of households in backyards	1 540
Total Households	38 820

2.2.1.2 Age

It is important to understand the categories used by Statistics South-Africa for age distribution. The age-group 0-4 years is seen as pre-school, whilst the age group between 5-14 years of age is deemed to be the compulsory school going age. In terms of current legislation it is compulsory for children to attend school between the ages of 7-15 years. A discrepancy therefore exists in the 5-14 year age group, because a 5 year old is not of school going age yet. The age groups 15-34 and 35-64 are difficult to interpret because a large number of people between 15 and 18 might still be attending secondary school. A breakdown of the age groups between 19 and 64 would have been meaningful because this would give a more realistic figure of the economic active population.

Ward 2 has the highest occurrence of children aged 0-4 within the ward at 11.88%; this is also the highest occurrence amongst the wards at 22.84%. Ward 6 has the lowest occurrence of children between the ages of 0-4 years at 7.77% of the total population in this ward. This is also the lowest figure amongst wards 1-10 at 4.86%

Wards with higher concentration of children can be lined to newer residential areas where young parents established themselves.

Typically wards where a higher percentage of older people are encountered are older residential areas in the wards where people have been residing for a number of years. Due to the fact that no old age homes or retirement villages exist in these wards no specific concentration of persons over 65 is encountered as might be the case in other wards in the Municipal area.

The majority of the population amongst these wards is between the ages of 15-34. In all the wards this age group comprises of approximately 40% of the population in each of the wards. The age group 36-64 comprises of between 24% and 31% of the population within the respective wards. It can therefore be seen that cumulatively 60%-70% of the population in wards 1-10 are from school going age till retirement age.

Persons aged 65 and over range between a minimum of 1.15% in ward 10 and a maximum of 6.68% in ward 6. The persons in this age group make up only 2.44% of the total population amongst the wards.

Wards 12 and 14 have the highest percentage of persons over 65 amongst the wards at 27.17% and 26.49% respectively. Out of the total population amongst the wards, persons over 65, however only attribute to 5.86% of the total population. As mentioned previously in some wards the concentration of persons over 65 might be higher due to the existence of retirement resorts or old age homes.

Wards 12-16 show a much smaller percentage of persons aged between 0-4 years of age with figures ranging from the lowest at 4.69% in ward 12 to the highest of 9.14% in ward 15. These figures are in most cases nearly half of that encountered in other wards. These figures can possibly be attributed to better family planning as well as a difference in tradition and education. A possible decline in population growth might also be encountered in these wards. This figure is indicative of pressure on schools in the adjacent ward 14 such as Laerskool C.R.Swart, Laerskool Middelburg and Middelburg Primary.

Persons ranging in age between 5-14 years of age make up a total of 15.81% of the total population within these wards. Persons making up the economically active population which range between the ages of 15-64 years of age make up 71.42% of the total population within these wards.

As previously seen wards 18 and 19 have a relatively low population figure and when looking at the age distribution the largest number of people 63.44% is between the ages of 15-64. Areas like Hendrina and Kwazamokuhle base their existence mainly on surrounding mining activities and power stations which draw economically active population. Areas like these might function in a state of equilibrium if the status quo is maintained, but the municipality should monitor these areas carefully in the event of rapid expansion of employment opportunities.

Out of the total population within these wards, 64.47% are between the ages of 15 - 64 years of age. This is deemed to be the economically active population if the percentage of the persons between 15-34 years 37.08% and persons between 35-64 years of age 27.39% are added together. Persons between 0 and 4 years of age make up 10.08% of the total population within the wards, whilst persons between the ages of 5-14 years of age, which is deemed to be the compulsory school going age, make up 22.10% of the total population. Persons over the age of 65 only make up 2.98% of the total population within these wards.

A factor that must not be left unaccounted is that wards 17,21 and 23 comprises of a significant proportion of urbanised population with areas such as Nasaret, Middelburg Extension 24, Dennesig and Kanonkop, where persons aged between 5-14 years are higher in numbers due to the areas being established residential areas with a higher population density.

Steve Tshwete study

Table 16: Age Percentage

Age 0-14	29.6%
Age 15-29	29.3%
Age 30-49	29.3%

2.2.1.3 Gender

The underlying trends of the gender profiles dimension regarding the district are clarified:

The female population is comparatively greater in numbers than their male counterpart.

The gender proportion for the NDM in 2004 was:

Male 48.6%

Female 51.4%

Table 17: Age and Gender distribution in Steve Tshwete

Age/Gender	Male (%)	Female (%)
0-14	29.5	29.6
15-29	29.5	29.0
30-49	29.6	29.0
50-64	8.9	8.6
>65	2.5	3.7
Total	100.0	100.0

2.2.1.4 Dwelling Type (Housing) - Infrastructure and Service

Ward 1 which is the Newtown area has the highest incidence of informal structures at a figure 95.01%. Ward 4 has the lowest percentage of informal structures at 4.69%, which can be attributed to the fact that it is a formally planned older township. When looking at the total figures within wards 1-10, there exist almost a 70/30 split between formal and informal structures, with 67.68% of structures within these wards being formal and 27.47%, being informal a need for at least 5 401 formal structures within these wards exist when subtracting the total number of formal structures from the total amount of structures within these wards.

Within ward 12-17, 92.52% of all structures are formal. The 3.12% informal and 4.19% traditional structures out of the total percentage of structures within these wards can be attributed to a large portion of wards 13 and 15 that has a rural character or structures such as “Wendy Huts” utilized for servant’s quarters in urban areas and builders huts in areas where construction is in progress. The largest number of informal and traditional structures exists within ward 15. This fact is affirmed by the large number of dwellings units under construction in areas such as Middelburg extension 18, Bloekomsig and Mineralia as well as the surrounding small holding with informal settlements.

The need for formal structures within these wards accounts for 535 units.

Within wards 18-19, 75.18% of structures are formal and 15.53% are informal. The highest percentage of formal structures 79.12% occurs in ward 18 which is the

Kwazamokuhle area. This can be attributed to funding directed towards formalization of informal areas or the creation of new townships. A total number of 932 formal structures are needed in this particular area.

Within the rural wards 71.63% of structures are formal and only 5.61% are informal. It is however interesting to note that 22.43% of structures are traditional within these wards. This can be attributed to rural or farm villages. Ward 24 has the highest percentage of formal structures within the wards of 80.08%. This is due to the formalized settlement at Blinkpan/Koornfontein and Komati. Wards 17, 21 and 23 are also partially urbanised which attributes for higher figures of formal structures.

Within the jurisdiction of the Steve Tshwete Local Municipality a total need for 9 459 formal housing units exist.

Building plans for houses to the value of R443 540 000 and for industrial business buildings for R82 890 000 have been approved over the past calendar year – substantial economic growth has been experienced in the Steve Tshwete Local Municipality area.

Table 18: Economic Growth

SUBSTANTIAL ECONOMIC GROWTH				
Year	Amount	Residential Value (R)	Non-residential NO	Value (R)
2001	2196	73 494 000	24	10 118 000
2002	792	82 764 000	48	27 450 000
2003	1092	112 032 000	60	32 028 000
2004	1464	123 456 000	24	11 625 000
2005	1646	422 928 000	69	67 803 000
2006	993	324 455 000	18	34 421 000
2007	1422	443 540 000	26	82 890 000

Projected household and economic growth rates: the following rates were used linked to a 5% inflation rate over the programme period.

Table 19: Households and Economic Growth

	2006 (%)	2011 (%)	2016 (%)	Average (%)
Households growth 1 – households with water	0.8	0.8	0.8	0.8
Households growth 2 – households with electricity	0.8	5.0	1.0	3.1
Local Economic Growth	3.6	3.6	3.6	3.6

Steve Tshwete – average annual economic growth 1996 – 2004 = 3.63%

2.2.1.5 Roads and Storm water - Infrastructure and Service

A vigorous process of tarring roads in the past few years has left most of the roads in urban areas tarred. Every financial year an amount is allocated to the tarring of a certain number of kilometres of roads. New developments have also had their main roads tarred and the plan is to continue tarring more roads in urban areas.

Roads in the rural areas are gravelled ones and are maintained regularly.

2.2.1.6 Source of Energy for Lighting - Infrastructure and Service

In ward 1, 81.73% of households make use of candles for lighting. This fact is confirmed when taking into consideration that more than 95.01% of the structures in the area are informal. Only 12.43% of the households have been electrified in ward 1. Within these wards a total of 72.80% of households are provided with electricity, whilst 24.61% of households still make use of candles as a source of lighting and the remaining percentage of households make use of sources such as gas, paraffin, solar or other means. A total number of 4 545 households are not electrified in the above mentioned wards.

Out of the total number of households in the Middelburg area 92.19% are electrified. The percentage of households (559 households in total) that does not use electricity as a source of energy for lighting can be attributed to rural or informal settlements being part of wards 13 and 15.

In ward 18, 62.33% of households are electrified whilst in ward 19, 71.99% of households receive electricity. In total 66.84% of households utilize electricity as a source of energy for lighting and 31.05% still use candles. The figure of nearly one third of households within these wards who are not electrified can be attributed to RDP standards for housing where electricity is not a pre-requisite for houses of this nature. A total of 1 244 households are not electrified.

Within the rural wards 65.63% of households are electrified. The remaining percentage of households not electrified can be attributed to 28.37% of households not being formal, and this amount to a backlog of 2 826 households.

A total of 9 174 dwelling units are in need of electricity within the municipal area which correlates with the number of informal housing units of 9 496. The difference in these figures can be attributed to a small percentage of 3.1% of dwellings on farms that already receive electricity directly from Eskom.

2.2.1.7 Refuse Removal - Infrastructure and Service

The figures of importance in this instance are where no refuse removal exist or where households are making use of own or communal dumping sites. This percentage is derived from subtracting the 92.51% and 3.88% of households receiving municipal refuse removal from the total percentage which leaves 4.61% or 770 households without any form of municipal refuse removal. The highest incidence where no form of refuse removal occurs or a personal or communal dump site is utilized occurs in ward 2 where 271 households are affected.

In the Middelburg wards, 92.25% of households receive weekly refuse removal and 0.35% of households receive another form of municipal refuse removal. A total of 7.41% or 530 households have other means of refuse removal. This can once again be attributed to informal or traditional settlements around the urban areas such as the informal settlement at “Hoëveld Stene” in ward 13 and settlements such as “Everglades” and “Blackwattle Squatters” and agricultural holdings in ward 15.

In Hendrina and Kwazamokuhle, 83.01% of households receive weekly refuse removal and 0.51% of households receive alternative refuse removal by the municipality. A figure that however needs to be addressed is the remaining 16.48% or 619 households that do not receive refuse removal. The highest incidence is in ward 19 which can be attributed to informal areas.

Due to the sheer geographical size of the rural wards, weekly refuse removal proves to be difficult. Only 63.08% of households receive weekly refuse removal, whilst 29.72% of all households make use of their own dumps. Wards 20 and 21 have the highest percentage of households receiving weekly refuse removal at 75.18% of all households. Ward 23 has the lowest percentage at 33.46%. Factors that cause discrepancies in these areas are once again urbanized areas in certain wards. The figures indicate that a total of 3 425 households do not receive refuse removal.

The total numbers of households within the municipal area that do not receive refuse removal amounts to 5 344. Once again it must be re-iterated that the majority of municipal area has a rural character which escalates this figure.

2.2.1.8 Cemeteries - Infrastructure and Service

There are no Municipal developed cemeteries in the rural areas and in the mines and Eskom towns such as Pullenshope, Rietkuil, Komati/Blinkpan and Doornkop. In some cases bereaved families have to travel for more than twenty kilometres to bury their lost ones. The envisaged rural villages some of which are near mines and Eskom towns should address this urgent need.

The provision of cemeteries in the urban areas is given sufficient attention and there has been no complaint regarding availability of space for burying and related services. Upgrading of the graveyards is done on an ongoing basis.

2.2.1.9 Sanitation – Infrastructure and Service

The municipality has made great advances in providing this basic service to communities. All communities in the urban areas including those in the mine villages, Eskom towns and in newly developed town areas have access to proper sanitation.

Rural areas: only 64% have access to pit latrines and 1% ventilated improved pit latrines (VIPs), 11% of the settlements which have access to septic tanks and only 4% to water borne system leaves 20% of the settlements without any form of sanitation.

Sanitation per ward

Within wards 1-10, 74.93% of households have flush toilets which are connected to the Municipal sewer system, whilst 1 740 (10.41%) of households make use of chemical toilets which are temporary and expensive. A further 1 064 (6.37%) households make use of ventilated improved pit latrines (VIP) and 90 (0.54%) use flush septic tanks. A total of 739 (4.42%) of households in these wards are not connected to the municipal sewer system yet.

Within wards 12-16, 93.64% of households have flush toilets that are connected to the municipal sewer system. 223 households (3.12%) that have no form of sanitation which may be attributed to backyard dwellings or informal settlements or farms that are reside within wards 13 and 15.

In Hendrina ward 18, 13.27% of households have no form of sanitation. This may be attributed to newly created erven that have not been connected to the municipal sewer system yet. In ward 19 a total of 83 4.73% of households have no form of sanitation which can be attributed to informal settlements that still have to be serviced or are not connected yet. The number of households not connected to the municipal sewer system accumulates to 685 households.

As previously stated due to the geographical size of the rural wards, service delivery is at the best of times difficult. 11.7% or 1 001 households within these wards have no

form of sanitation. The highest incidence is in ward 23 with 272 households having no form of sanitation.

A total of 5 370 households in the municipal area are not connected to the municipal sewer system.

2.2.1.10 Water – Infrastructure and Service

Steve Tshwete Local Municipality has made great strides in providing this basic service to its communities. All communities in the urban areas including those in the mine villages, Eskom towns and newly developed town areas have access to clean drinking piped water.

The situation in farm areas and in informal settlements however is somewhat different in that not all communities have access to this service. According to a study on rural communities completed recently 70% of all settlements obtain their water from boreholes while 16% obtain theirs from rivers, streams and springs. These are normally shared with cattle – a situation not acceptable for reasons of health. In the Uitkyk and Vaalbank informal settlements water is provided through tanks which constitute 2.5% of the settlements that receive their water in this manner.

At Newtown and Kwazamokuhle the residents have access through shared water points situated at about \pm 50 meters from households. The need to provide clean, drinking and piped water is therefore still great in these areas.

In terms of the Reconstruction and Development Programme (RDP) the acceptable level of water provision is either water inside a dwelling house, inside a yard or a communal stand pipe less than 200 meters from a dwelling. Although a borehole can be also be seen as an acceptable means of water provision, the sustainability of boreholes especially during dry times are questionable. Boreholes are more often than not, not supplied by a municipality as a primary means of water provision.

The RDP acceptable level of access to water for a household is to have a communal standpipe less than 200 meters from a dwelling type. 4 685 households do not have the above mentioned level of water service, of which ward 3 has the highest backlog with 963 households. This figure is calculated by subtracting the number of households who have water inside, a dwelling, yard or a communal stand pipe closer than 200 meters from the dwellings from the total percentage.

The figures in Middelburg area indicates that 72.89% of households have water within dwelling houses, whilst 18.60% of households have water inside the erven. A total of 266 households do not have RDP standard water.

In the case of Hendrina a similar pattern as in the case of Middelburg emerges. Only 21.99% of households have water within dwellings but 59.72% have water provided to individual stands. A total number of 452 (12.05%) of households within wards 18 and 19 do not have access to RDP acceptable standard of water.

If the RDP acceptable standard of water provision (inside dwelling, inside yard and communal stand pipe less than 200 meters from dwelling) are added together 81.65% of households within these wards have acceptable water provision. In ward 11, 1 722 households do not have access to RDP standard water, which is the highest incidence within the wards. This is mainly due to the fact that farm workers and informal settlements have not been reticulated.

A total of 7 125 households still do not have access to RDP level of water provision.

2.2.1.11 Summary of Backlogs

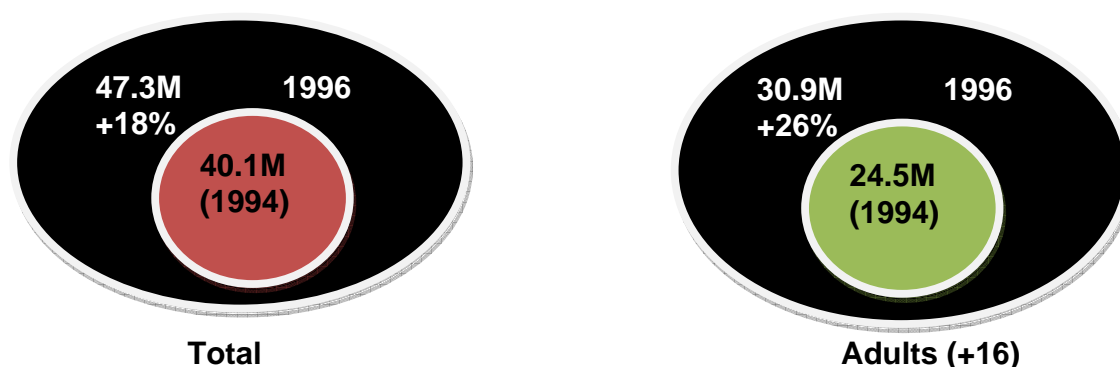
Table 20: Summary of Backlogs

Area (Wards)/Service	Housing	Electricity	Refuse Removal	Sanitation	Water
Mhluzi (Wards 1-10)	5 401	4 545	770	4 190	963
Middelburg (Wards 12-16)	535	559	530	223	266
Hendrina & Kwazamokuhle (Wards 18-19)	932	1 244	619	685	452
Rural (Wards 11, 17 & 20-24)	2 601	2 826	3 425	272	1 722
Total (Households)	9 469	9 174	5 344	5 370	7 125

2.2.2 Population Distribution

Nkangala District Municipality (NDM) is one of the three district municipalities for the Mpumalanga province. The district consists of six local Municipalities i.e. Delmas, Dr. J.S Moroka, Emakhazeni, Emalahleni, Steve Tshwete and Thembisile. NDM is the largest district in the province, representing about 33% of the 3 12 299 994 provincial population.

Figure 2: The Total Population of SA according to SAARF AMPS 2006



(% shows population growth)

Table 21: SA population: Gender

	Male	%	Female	%	Mid-year pop Est. 2006 (Millions)
Total	23 328	49	24 063	51	47 391
Black	18 559	79.6	19 104	79.4	37 663
Coloured	2 060	8.8	2 139	8.9	4 199
Indian	570	2.4	594	2.5	1 164
White	2 139	9.2	2 226	9.3	4 365

Table 22: SA population by Age and Race

	Black	Coloured	Indian	White	Total
0-14	34	32	23	20	33
15-39	44	42	47	37	43
40-64	17	22	25	32	19
65+	5	4	5	11	5
Total	100	100	100	100	100

Figure 3: SA's diverse Cultures and Language Groups (Language spoken at home)

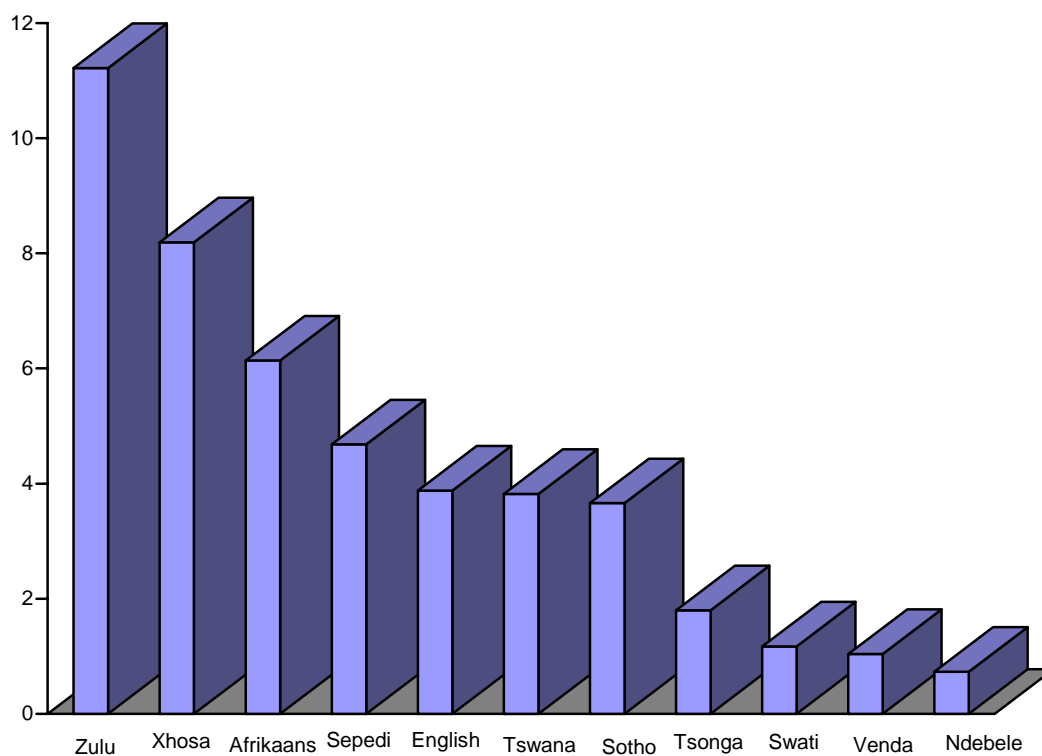


Table 22 will show the age distribution of the population in the Nkangala District.

Table 23: Nkangala Population Distribution

Age group	0-14	15-64	Over 65	Total
1998	349 033	625 420	39 915	1 014 368
2001	346 947	646 090	40 434	1 033 470
2004	347 135	653 760	42 294	1 043 189

2.2.3 Population Growth Rate

As part of the investigation into population profile, the relative growth rates i.e. the average annual growth rates have been determined. The aim of this section is to provide a key indication of the rate at which the population as a whole is expanding. In order to provide population benchmarks, the 2001 official data and 2004 projected data provided by Stats Sa has been utilized. The statistics of the mentioned period incorporated the effects of HIV/AIDS in analysis. Table 24 is employed the present growth rate associated with various age categories during the selected timeframes.

The statistics offered provides a suitable point of departure in discussing the population growth rates experienced in the LM areas. With reference to the table, it is observed that four municipal areas have (including the effects of migration) experienced a population marginal growth rate fluctuating between 0.6% and 1.7% while the two remaining local areas have experiences a negative annual growth rate during 2001-2004.

Table 24: Population growth rate 2001-2004

Categories	Delmas	Emalahleni	ST	Emakhazeni	Thembisile	Dr. J.S. Moroka
Age 0-14	1.1	1.1	0.5	0.9	(0.2)	(1.2)
Age 15-29	(0.4)	1.8	1.7	1.2	(0.7)	(2.6)
Age 30-49	0.4	1.3	0.5	1.3	0.2	(1.6)
Age 50-64	2.6	4.1	3.4	3.0	2.7	1.2
Age > 65	1.9	3.0	2.6	1.9	1.3	0.6
Total	0.6	1.7	0.9	1.3	(0.0)	(1.4)

(Source: Urban Econ calculations based on Quantec Research Data)

While the aggregate population has experienced growth in these areas, the net effect of the individual age categories reflects differing relative growth rates. With reference to Table 24 this information is revealed:

- The population of both Emalahleni and Emakhazeni municipal areas is growing at a comparatively faster rate than Delmas and ST.
- The negative growth rate in the younger age categories in both Thembisile and Dr. JS Moroka will translate into a decline (in future) of the PEA and therefore the overall population and the labour force.
- The highest population expansion throughout the district is experienced in the 50-64 age categories.

As a result of the population growth experienced in the municipal areas, a range of development issues will manifest at the local level. This implies that the formal economic base of the areas needs to create additional employment opportunities in order to maintain the current proportional employment levels and improve the delivery of basic social amenities.

Table 25: Population Steve Tshwete Local Municipality

	1996	2001	2006
Population ST LM	135 330	142 793	146 978

Source: DBSA Mpumalanga Socio Economic profile 2005

Table 26: Steve Tshwete Local Municipality Population and Household Growth

Key growth rates	1991	1996	2001	2006
Number of households	29 825	34 948	36 843	38 372
Household growth per annum		3.4%	1.1%	0.8%
Population	124 639	137 804	141 561	146 978
Population growth per annum		2.1%	0.5%	0.8%
Household size	4.18	3.94	3.84	3.83

2.2.4 Employment Characteristics

In order to provide updated employment and unemployment profiles per municipal area, projections for 2004 was undertaken. The projections take Stats SA's 2004 projected total labour force i.e. the proportion of the population aged between 15 and 65 years. The Census 2001 statistics are utilized as base year from where to perform the projections. As such the relative size of the labour force and the magnitude of employment and unemployment rate experienced throughout the district for 2004 are determined.

Table 27: Unemployment within Local Municipalities

Delmas	43%
Emalaheni	38%
Steve Tshwete	35%
Emakhazeni	30%

Table 28: Highest employment opportunities provided within following areas

Emakhazeni	70%
Steve Tshwete	65%
Emalaheni	62%

Table 29: Employment and Unemployment

Area	1996	%	2001	%
Employed	47 423	80.4	41 678	64.6
Unemployment	11 574	19.96	22 798	35.4
Not economically active	-	-	31 619	-
Total labour force	58 997	100	64 476	100

Source; 2001 Census data

The economic active population decreased by approximately 15.8% from 1996-2001 and the total labour force increased by 9.3%

Based on the preceding statistics, it is evident that within Nkangala District, Emakhazeni and Steve Tshwete Local Municipalities has outperformed other local areas in terms of the proportion of the labour force provided with employment.

2.2.5 Employability

Employability of the local population is a function of the overall literacy levels. This section investigates the literacy levels of the population under the following dimensions:

2.2.5.1 Functional Literacy

The aim of this section is to provide the functional literacy level throughout the district. In this section a functional individual is a person aged 20 years and above and has obtained Grade 7. It is therefore evident that this definition excludes persons who are between the ages of 15-20 years who are included in the definition of “potentially economically active” population.

It is important to indicate that the benchmark profiles provided are based on the Census 1996 and 2001 statistics.

However Emakhazeni municipal area has improved its proportion in this regard. In terms of functional literacy, the local areas can be ranked as follows during 2001:

- Emalahleni 58%
- **Steve Tshwete 57%**
- Emakhazeni 47%
- Dr. JS Moroka 45%
- Delmas 44%
- Thembisile 44%

2.2.5.2 Skills Development

The skills profile is defined as a portion of the population with varying levels of educational qualifications and practical or technical experience in a particular field. The purpose of this section is to investigate the educational profile of the district and its local municipal areas. The rationale for the investigation into the skills profile relates to the global movement towards higher skilled labour. However a critical shortcoming of the baseline information is that the official data include the individuals younger than 20 years. Furthermore, the skills profile provides an indication of formally obtained qualifications and does not take practical or technical training into consideration.

During 1996-2001 there has been an increase in the proportion of the local population that obtained senior certificates. However the only municipal area where this situation did not exist is Delmas, where its proportion remained relatively constant during the period under review. The movements in Grade 12 were recorded as follows:

Emalahleni	4% points
Emakhazeni	4% points
Steve Tshwete	3% points
Thembisile	3% points
Dr. JS Moroka	1% points

The comparative analysis revealed that Emalahleni and Emakhazeni localities are the leaders in terms of the positive proportional movements in awarding senior certificates. The last feature of the municipal skills levels relates to the tertiary education qualifications (certificate/diploma/bachelor degree/post-graduate degree) the salient features regarding this issue is that Emakhazeni, Thembisile and Dr. JS Moroka areas have increased their proportions in the “tertiary” category, while the remaining areas have experienced a decline in this regard. The declining trends in this dimension for respective areas were as follows:

Steve Tshwete	2% points
Delmas	1% points
Emalahleni	1% points

2.2.6 Annual Household Income

Table 30: Annual income for households (R'000)

Rand	Number of Households	% of Households
No income	5 562	15.0
1 – 4 800	2 155	5.8
4 801 – 9 600	5 120	13.8
9 601 – 19 200	6 390	17.3
19 201 – 38 400	6 700	18.1
38 401 – 76 800	5 005	13.5
76 801 – 153 600	3 616	9.8
153 601 – 307 200	1 752	4.7
307 201 – 614 400	495	1.3
614 401 – 1 228 800	122	0.3
1 228 801 – 457 600	91	0.2
2 457 601 and more	33	0.1
Totals	37 041	100

From Table 28 it can clearly be seen that the income bracket R19 201 – R38 400 is the highest percentage of annual income per household with an 18.1% thus total of 6 700 households within the local area. And the second highest income bracket R90 601 – R19 200 does have a percentage of 17.3 or 6 390 households.

2.2.7 Level of Education

Table 31: Education

Persons	2001	Percentage (%)
None	15 769	27.8
Pre-School	2 063	3.6
School	37 243	65.6
College	958	1.7
Technikon	319	0.6
University	226	0.4
Adult Education Centre	48	0.1
Other	132	0.2
Total	56 758	100

Source: 2001 Census data

From Table 29 it can be concluded that the dominant sector of 65.6% (37 243) are still at school and that 27.8% or 15 769 persons do not have any form of education.

- Only 3% of the population has a tertiary or higher qualification
- 27.8% of the population have no qualification. It is noted that infants and children less than 5 years are excluded from this figure.
- Access to farm schools and the availability of schools for specially the rural population have been highlighted as part of the IDP prioritisation process. The high levels of illiteracy reflect the need for education facilities and after school learning.

3 PILLARS OF STEVE TSHWETE

Figure 4: Outline for next section: Pillars of Steve Tshwete Local Municipality



The purpose of this chapter is to identify and delineate the specific elements of the NDM economic development strategy that has specific relevance for the individual local municipalities. A critical consideration that must be taken into consideration relates to the various cross cutting pillars:

1. Governance
2. Tourism Development
3. HR Development

While the mentioned cross cutting pillars imply that the pillar as a whole need to be implemented, the underlying rationale relating to this review is to ensure that the various local municipalities LED activities are aligned. Two fundamental issues are addressed:

- Ensuring that local level LED activities are aligned with and informed by the NDM LED plan
- That the six local municipalities have LED guidelines to incorporate into the IDP's to initiate the LED activities at a local level

3.1 GOOD GOVERNANCE AND CAPACITATION

The re-alignment and building of capacity of the institutional structures, especially local government can only be performed through a systematic approach to the problems being experienced. Currently not all the positions created for LED officers have been filled.

The following programmes are recommended:

3.1.1 Economic Infrastructure Maintenance

The maintenance of economic infrastructure as well as other infrastructure such as roads, storm water and water reticulation systems is the core focus of this development programme.

A number of elements are central to the deployment of this development programme, namely:

- The delivery of this service in a manner that is visible to the private sector
- Directly benefiting the private sector through appropriate investment into infrastructure
- Employing infrastructure delivery as a mechanism to stimulate BEE and SMME development
- The establishment of a contingency budget to fund emergency capital expenditures

3.1.2 Regulatory Reform

In order to successfully reform and re-deploy the regulatory reformation, it is necessary to ensure that the reform is implemented in ways that will definitely fast track the process. Only through the comprehensive transformation of the regulatory environment will the investment climate of the region be enhanced. All aspects affected by the regulatory activities of the local government must be investigated, reviewed and where applicable amended. The five policies to be put in place as a first step are:

- LED
- SMME
- Procurement
- Human Resources
- Indigent

As part of the regulatory reform programme, an organisational re-alignment should be established as a project. The project consists of the following:

- Creation and maintenance of “culture of service”
- Enforcement of “code of conduct”
- Revision of by-laws and other regulations

3.2 HUMAN RESOURCES DEVELOPMENT AND COMMUNITY DEVELOPMENT

Human resources is viewed as one of the key resources or potential strengths within the region and as such specific guidelines need to be determined to guide the formulation of specific strategies and objectives for the optimal development of this resource (goals and objectives to develop and optimise the education and training systems and infrastructure within the study area as a primary function and outcome to be achieved by the integrated development strategy - IDP).

A critical issue that is affecting the economic development system is the narrow skills base. More specifically the focus of human resource development in this project is on skills developments which is about the process of deepening individuals' specialised capabilities in order that they are able to access incomes through formal sector employment, through small micro enterprises or community projects which in turn positively contribute to the economic success and social development of a region. This learning process must also enable people to continue learning and adapting to the constantly changing environment.

The six core components of a human resource development strategy should include at least the following:

- Information for strategic planning
- A system of learnerships
- Employment services
- Enhancing provision
- Skills development intermediaries and provincial coordination
- The funding of skills development

The improvement of the labour force is integrated with the improvement of skills and literacy levels of the aggregate community. These skills include all related aspects being:

- Academic knowledge
- Technical knowledge

- Technical know-how
- Technical experience
- General life skills

The development programmes associated with this pillar include:

3.2.1 Tertiary institutions

3.2.2 Internal business skills

3.2.3 HIV/Aids care taking

3.2.4 Community based public works programme (CBPWP)

3.3 INDUSTRIAL AND “BIG BUSINESS” DEVELOPMENT

This pillar includes the activities that must be undertaken to support the development of firstly the existing business concerns as well as potential business developments throughout the district.

It should be emphasised that although the focus is on manufacturing, the implementation of the specific development programmes are of such nature that all the remaining sectors will benefit from their implementation. This pillar is formulated in a manner that will provide the foundation of such improvement.

The elements of the pillar can be classified as being on a project level, the immediate implementation of these activities should be viewed as a critical building block for economic development. More specifically these blocks relate to the following:

- The timeous provision of information requested to investors relating the development procedures and criteria through the establishment of a single point of contact
- The linking of investors with business opportunities
- The provision of attraction mechanisms

An extraction out of the budget speech for Steve Tshwete Municipality regarding the La Roca Mall – a new development:

“The development of the gigantic La Roca Mall is continuing in spite of challenges post by competing developers who do not necessarily have the interest of the municipality at heart. When the mall is completed it will have its own spin-offs which will add to the growth and development of the corridor” says Counsellor I.M.T. Mahlangu.

The two programmes associated with this pillar are:

3.3.1 Business retention and expansion

Business retention and expansion is a central component of the strategy. It is acknowledged that the establishments of new businesses typically receive more attention than the existing business. However international experience indicates that the growth of existing businesses creates higher volumes of employment. The business retention and expansion development programme incorporates a number of projects which are aimed at:

- Encouraging existing businesses to remain in the area
- Increase existing levels of efficiency
- To grow current performance levels

The following programme elements should be undertaken by the NDM LED department:

- Visitation programme
- Single point of contact
- Networking and partnership
- Land release project

3.3.2 Marketing

Attributes

Steel manufacturing dominates; awards winner (Cleanest town & skills development facilitation); N4 Maputo corridor; good infrastructure; Umsombovu youth advisory centre; skilled workforce; Eco-tourism centre; Favourable tariffs.

Benefits

Access to export markets; employment and business opportunities; home of big corporate in the steel industry; affordable lifestyle; serviced land available; efficiency and service driven

Values

Dignity and respect; customer focus – Batho Pele; honesty and teamwork

Personality

I am winner, I am an achiever, I am vibrant, I set the benchmark, I am a leader, I am proud.

Brand Essence

A place of excellence in manufacturing.

Current brand identity: Steve Tshwete – “Masakhane” and also referred to as the “home of steel”.

3.4 SMME DEVELOPMENT AND SUPPORT

The National Government has identified SMME’s as a vehicle to drive employment throughout the country. It is acknowledged that SMME’s have high employment creation characteristics and measured against these criteria, this business model is appropriate to address the high unemployment rate in the district. The support for SMME’s can be classified into two primary focus areas, firstly the support provided to the existing SMME’s and secondly the support provided to the emerging entrepreneur in the start-up or initial phases of the business life cycle.

The core activities and the respective activities were the following:

- To make the service of economic promotion more transparent and more accessible to the enterprises through enterprise visits, round tables, newsletters and intensification of public relations
- To enforce the exchange of experiences among enterprises and to create a basis for enterprise co-operation through the organisation of focus groups working on cross-cutting or sector specific topics, initiation of workshops and regular meeting for new entrepreneurs or technical and management staff of existing enterprises, creation of an internet data base to inform on services offered and requested on free production capacities.
- To intensify the co-operation with the municipalities and to strengthen their promotional capacities through the creation of a special training and capacity enhancement programme for local officers responsible for economic promotion, the organisation of working groups
- To make the administration more responsive to the needs of the business community and to facilitate access to NDM administrative services through an institutionalised exchange of experiences.

The specific activities that should be undertaken by the local municipality are discussed in the following section:

3.4.1 Establishment Services - (See BLC)

The establishment of SMME's is a vital element of the overall strategy process. This development programme intends to provide a spectrum of planning related services to SMME's prior to and sub-sequent to the start-up phase. Similarly the various projects associated with this development programme is of such nature that through its delivery, the following cornerstones of SMME development will be fitted together in a manner that is conducive to sustainable establishments. The cornerstones are:

- The opportunity
- The resources (financial and other)
- The entrepreneur or management team (of the envisaged business)

Other interventions included in this development programme include:

- Entrepreneurial competitions
- Business plan formulations
- Entrepreneurial inventory and matchmaking activities

3.4.2 SMME Expansion

Virtually all countries, at whatever stage of economic development recognise the importance of SMME's and the need to support their development. In some cases the enthusiasm for SMME's becomes excessive giving enterprises privileges, which may distort market forces to the point that the SMME's fail to achieve the very objectives for which the sector was supported in the first place. Over zealousness for small enterprises making them sole producers of certain items and providing subsidised finance at substantially less than commercial rates, only contributes in the end to the maintenance of uncompetitive SMME's.

The specific projects associated with this development programme, and the level of activity that the local municipality should undertake with each project is:

- Access to venture capital
- Technology utilisation: assisting SMME's during the take-up of appropriate technology
- Linkages with BRAIN and FRAIN: dti programmes in the form of networks that can be accessed by SMME's
- Accreditation drive and tender advise services for quality assurance

3.4.3 Linkages with large Businesses

The development programme strives to facilitate the creation of strategic alliances on the one hand and to provide the local municipality and entrepreneurs the necessary information that can be turned into business/LED value. A major constraint to economic development is the lack of co-operation between the enterprises because of insufficient information on co-operation opportunities. Additionally a lack of information at SMME level with reference to the application criteria required to access and exploit the business opportunities presented in the non-core activities of large business is constraining SMME development.

3.4.4 SMME Clearing house Project

From the SMME commission it is evident that a complete spectrum of SMME support services needs to be provided. Against the background of the limited municipal resources and the variety of SMME support services and activities being implemented from national and provincial government level it is proposed that the establishment of the SMME clearing house project can be investigated. In other words, afore any resources are committed toward the actual establishment of the clearing house a detailed due-diligence study should be conducted. The due-diligence should address the following:

- An inventory of SMME support services and activities by government services
- The current availability of these services in the Steve Tshwete area
- The reasons for the current non-availability of these services throughout the area
- Potential activities that could address and reverse the current lack of SMME support (non-municipal) in the area
- The qualifying criteria of the various programmes and the approaches required (whether by the municipality or by the SMME) to access the services

The second element of the due-diligence study relates to the determination of the specific cost, resources and time frames required to establish a SMME clearing house in the area.

3.5 AGRICULTURAL DEVELOPMENT

Agricultural development has been identified as an important dimension in stimulating development. It offers an opportunity to develop poor people's livelihoods within a coherent framework. The poor are influenced by many factors and seek financial security through a wide range of activities. The resource base on which the poor build their livelihoods includes:

- Natural resources – arable land, water, forest, pastureland, biodiversity
- Physical resources – infrastructure, drinking water, sanitation
- Capital in various forms – savings, credit
- Human resources – education, knowledge, health, nutrition
- Social resources – networks, membership of organisations, access to intuitions, negotiation position
- Political influences

Just some of the names in the farming industry in the area of Steve Tshwete Local Municipality: Kanhym Estates, S.I.S Farming, Beestepan, Schoeman's Farming, Cane-Berman Farming, Erickson Farming, Alzu, Koornfontein Farming, etc. Please refer to Appendix C for a detailed list of registered farms.

At Nkangala District Municipality there are several objectives set out for the agriculture summit. The following are the identified objectives:

- Increase household food production and trading
- Increased income generation and household food production
- Improved nutrition and food safety nets and foodstuff emergency management systems
- Improved analysis of food mix system and food insecurity

- Engage in the stakeholder dialogue of which the summit is of paramount importance
- Seek cause and suggestion on the ever increasing food prices
- Identified opportunities presented by agriculture in the district
- Identify opportunities in respect of the extent to which finance is accessible for agriculture entrepreneurial initiatives
- Enhancing land and agrarian reform
- Challenges of land tenure upgrading
- The extent to which skills and capacity development is critical to agriculture in the district
- Capture a comprehensive view on the progress of the land claim (access to land by the PDI's) in the Province and in particular Nkangala District
- The role of the land restitution: settlement support and development programme e.g. "Project Masihlanyele"
- Come up with comprehensive recommendations and implementation mechanisms

Agricultural development is expanded to not only focus on emerging farming but also on agro-processing and therefore the development programmes included in this pillar are:

3.5.1 Emerging Farmer Support

3.5.2 Commercial Farming

3.5.3 Agricultural Land availability Project

3.6 ENVIRONMENTAL CONSERVATION – TOURISM DEVELOPMENT

Tourism products and their foundations are far more perishable than manufactured products. For example, if a manufacturer of gearboxes discovered that the demand for the product has increased in a certain region the manufacturer can supply products to these areas. However, when a new hotel is developed in a region and a large capital investment was made and the travel market decides to go elsewhere, it is costly if not impossible to move the physical plan. The development programmes are clustered together in a manner that clarifies the specific sub-system within the tourism system as a whole.

Tourism Products in the ST LM area:

Accommodation, Bed & Breakfast, Guest House	-	40
Hotels	-	2
Lodges	-	9
Resorts	-	11 (8 Forever Resorts)

Attractions in the area:

Loskop Dam

Middelburg Dam for fine sailing and fishing

Kruger Dam which offers water sports

Loskop Dam Nature Reserve

Rondebosch Dam

Bothsabelo Mission Station and Ndebele open-air museum.

Number of Beds Available \pm 2 000

The main categories of the South African Standard Classification of all Economic Activities (SIC) of 1993 (CSS, 1993) are utilised for this purpose. The 9 economic sectors are defined as follows (CSS, 1993: 3):

There are many definitions and descriptions of tourism. While some specialists restrict tourism to trip distances (i.e. over 50 or 100 km from home), others require that a person stay overnight to be counted as a tourist.

More traditional definitions include only vacations or pleasure trips. Today, however, the trend is to use tourism and travel as synonymous terms. According to Gunn (1994) probably the best working definition is:

“Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations and the facilities created to cater to their needs.”

It is in this light that the local as well as the DM, together with the local product owners, proactively drive the implementation of the tourism development activities. Therefore the development programmes are discussed in the following sequence:

3.6.1 Product development

The work and objective of product development is the bringing a site or a destination of interest and potential, for purposes of attraction or hosting of visitors, to a condition such that it is visited and that, during the visit, the visitors experience learning and enjoyment.

Further the visitor should preferably take away memories, ideas and gifts with them. For all this to happen the product must be physically easily accessible have requisite facilities with appropriate aesthetics and generally be attractive to the target market. The visitors should also experience, quality hospitality services when at the site for example be well received and guided through the experience, if they need this. They should be able to enjoy a full experience and, most importantly spend money on food, gifts and arts, entertainment and learning.

New products must be initiated within an integrated tourism development framework. Issues such as training and capacity building, marketing and the provision of infrastructure must be addressed in a co-ordinated fashion if unnecessary duplication and wastage of resources, financial and other, is to be avoided. It is recommended that

a specialist tourism product development consultant be appointed to work with the NDM staff for a short period to provide experience and on-the-job training. The programme is aimed at the following:

1. Extend tourist spending in the area
2. Complement and extend existing products
3. Identify new products to stimulate tourism growth, investment and maximise benefits for the public sector, private sector and community-based entrepreneurs\identify a range of tourism product interventions
4. Broaden participation in product development to include all stakeholders and communities
5. Create opportunities for local SMME's (small, medium and micro enterprises)

It is imperative that the NDM work with all stakeholders through the proposed stakeholder forums, to plan, develop and implement new products as well as to upgrade existing attractions. NDM with its six local municipalities should be the main driver for the facilitation and implementation of the proposed project.

3.6.2 Development of “key icons”

The development icons such as gateways, nodes, precincts (areas) and routes offer an opportunity to focus product development and marketing resources as well as a system of spatial organisation for the area. These concepts are:

1. A tourism gateway is a key entry point into the region or into a route. A tourism gateway should serve as both a marker and a point of information and can be accommodated in or by a number of tourism related attractions or service points. Gateways can also be linked to visitor centres. Gateways should be accessible, visible, user-friendly, informative and enabling, interactive, well maintained, safe and secure.
2. A tourism node is an area with a high concentration of diverse tourism products, normally branded, in a specified spatial region.

3. A tourism precinct includes a number of related and complementary attractions, linked to a specific focus of interest in a demarcated area. Generally tourism precincts evolve from a particular social and cultural fabric that shapes a unique identity and character. Tourism precincts have a clear identity, reinforced by a structured urban planning framework, and branded street furniture, lighting, signage and facilities. Tourism areas should be accessible, user-friendly, of a suitable scale, safe and secure, well maintained, integrated and contain a diverse mix of activities and attractions intended to draw and keep visitors in the area.
4. A tourism route is defined as a linear path intended to lead visitors to a number of thematically linked destinations or attractions. Routes may be sequential or based on a clearly defined narrative, or may simply lead a traveller through a particular landscape or environment.

The development of the four key icons is intended to:

- Create four clearly identifiable and unique tourism products in the region
- Provide a focus for integrated tourism development by bringing a range of stakeholders together around a common task
- Allow for processes and strategies to be tested within clearly defined parameters

The potential tourism icons should be identified so as to promote and create a unique tourism environment in Nkangala District. This will be followed by the development plans to support and motivate those tourism icons, and cost estimates on the development and establishment of each icon. It is then that sources of funding can be acquired with the information on the above factors. Matchmaking of projects will also be done together with the implementation.

3.6.3 Environmental Conservation

An effective environmental management system is crucial for sustaining the renewable and non-renewable resources and eco-system services that underpin South Africa's economy and that protect human health and well-being. Certain environmental goods and services can be readily valued where they underpin a discrete economic sector.

A significant proportion of the economic value of environmental goods and services, however, falls outside of the formal economy and typically fails to be appropriately valued. For example firewood, generally not from sustainable woodlots, is still the primary source of energy for heating and cooking in a high percentage of households across the country.

The relationship between environmental management and human well-being is particularly significant in rural areas and for the informal sector where dependence of people on the natural resources base is more direct (National State of Environment Report 2006).

Tourism is currently the fastest growing sector of the economy and in recent years the contribution of tourism to the economy has overtaken that of agriculture, with its contribution to GDP increasing from 4.6 per cent in 1993 to 8.3 per cent in 2006. Wildlife and eco-tourism are an important component.

The current rapid expansion of infrastructure nationally is imposing pressures on the environment and requires constant oversight to ensure that environmental resources are suitably protected.

The largest single environmental problem facing the mining industry today is the acid mine drainage. The upper Olifants River above Loskop Dam is presently subjected to a severe prevalence of this phenomenon.

Acid mine drainage (AMD), or acid rock drainage (ARD), refers to the outflow of acidic water from abandoned and active metal mines or coal mines. However, other areas where the earth has been disturbed (construction sites, subdivisions, transportation corridors) may also contribute acid rock drainage to the environment. In many localities the liquid that drains from coal stocks, coal handling facilities, coal washeries, and even coal waste tips can be highly acidic and in such cases it is treated as acid rock drainage. Acid rock drainage occurs naturally within some environments as part of the rock weathering process but the process is exacerbated by large-scale earth disturbances characteristic of mining and other large construction activities, usually within rocks containing an abundance of sulphide minerals.

Control of AMD

Prevention: Controlled placement of overburden or management of water to prevent AMD involves methods to minimize or neutralize the formation of AMD. According to the generally accepted chemical equations for pyrite oxidation, oxygen and water are necessary to initiate acid information. Exclusion of either reactant should preclude or inhibit acid production.

Mitigation methods:

- Carbonate Neutralization

Generally limestone or other calcareous strata that could neutralize acid are lacking or deficient at sites that produce ARD. Limestone chips may be introduced into sites to create a neutralizing effect. Where limestone has been used, the positive impact has been much less than anticipated because of the creation of an insoluble calcium sulphate layer on the limestone chips, blinding the material and preventing further neutralization.

- Ion Exchange

Potential treatment for AMD with cation exchange processes was also investigated by some. Not only would ion exchangers remove potentially toxic heavy metals from mine runoff, there was also the possibility of turning a profit on the recovered metals. However, the cost of ion exchange materials compared to the relatively small returns, as well as the inability of current technology to efficiently deal with the vast amounts of mine discharge, renders this solution unrealistic at present.

- Constructed wetlands

Constructed wetlands systems have shown promise as a more cost-effective treatment alternative to artificial treatment plants. A spectrum of bacteria and archaea, in consortium with wetland plants, may be used to filter out heavy metals and raise pH. Anaerobic bacteria in particular are known to be capable of reverting sulphate ions into sulphide ions. These sulphide ions can then bind with heavy metal ions, precipitating heavy metals out of solution and effectively reversing the entire process. Interestingly enough, *T. ferrooxidans* - the very bacteria which appears to be the problem - has also been shown to be effective in treating heavy metals in constructed wetland treatment systems.

The attractiveness of a constructed wetlands solution lies in its passivity - building an artificial wetlands is a relatively cheap one-time investment, which continuously works to reduce acidity and heavy metal concentration. Although promising, constructed wetlands take much time to completely cleanse an area, and are simply not enough to deal with extensively polluted discharge. Constructed wetland effluent often requires additional treatment to completely stabilize pH. Also, the products of bacterial processes are unstable when exposed to oxygen, and require special disposal to ensure no further contamination. Other issues include seasonal variation in the activity of cleansing organisms, as well as the lack of a practical passive means of moving mine discharge through the most efficient regions of purification.

4. SOCIAL DEVELOPMENT

4.1 Health

The health services in the urban areas are provided through hospitals and clinics. There is still however a need for additional clinics in areas such as Mhluzi due to the ever growing population. The municipality has one provincial hospital (Middelburg Provincial Hospital) and one private hospital (Midmed).

4.2 Social Welfare

There is a lack of amenities in urban areas (Mhluzi and Kwazamokuhle in particular) to cater for those of the community who are disabled in various forms including those who are affected by HIV/AIDS. Facilities for the physically disabled and mentally ill are not available, even though there is a great need for such facilities. Homes for the aged are also not adequate to meet the needs of the community.

There are no pension pay points for the elderly in the rural areas other than those in the town areas. This means that the elderly have to travel long distances to reach main roads where they can get public transport and in most cases the elderly are extremely poor.

4.3 Education and Libraries

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

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

Library facilities are provided by the Municipality especially in the urban areas and Eskom towns. These are not adequate for the reading community. For instance in

Mhluzi with more than thirteen schools and other members of the reading community there is currently only one library. The planned library in ward 8 will help alleviate the problem. The libraries are also not adequately resourced.

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

4.4 Safety and Security

The need for additional policing facilities has been repeatedly raised in the IDP community meetings over the past 5 years. Not much has however been achieved in this regard.

Areas such as Mhluzi Extensions, Rietkuil, Nasaret, Doornkop and KwaMakalane have raised this issue in almost all IDP meetings held. Participation in the Community Policing Forums by members of the community such as in Mhluzi and Middelburg is good but not adequate to effectively combat crime, vandalism, use of drugs, illegal land use and illegal connections to services. Communities believe that the provision of policing facilities such as police stations will help eliminate their menacing problems.

Middelburg do have the CPF (community Police Forum) that meets once a month to discuss issues and safety of the Middelburg area. One of the projects that the CPF was responsible for was the micro light (Project Ndisa meaning flying), which flies over the Middelburg area repeatedly and on a continuous basis. The future project will include the CBD, to install CCTV cameras through the whole of the CBD to make that area safe and secure.

4.5 Sports and Recreation

The Steve Tshwete LM does not have a unit that is dedicated to Sports and Recreation. This function is currently managed by the Department of Parks and Recreation. Provision for the commonly practiced sporting codes like rugby, soccer, tennis, cricket etc. is at a reasonably acceptable level in the urban areas. In the rural areas only

graded soccer fields are provided. The need for the provision of sporting facilities in both the urban and rural areas is still great as has been indicated at most IDP meetings with communities.

The department of parks and recreation is currently engaged in a process that will eventually lead to the establishment of a unit dedicated to sports and recreation.

4.6 Arts and Culture

Arts and Culture in the municipality has over the past few years been focused on the Botshabelo cultural village. With the conclusion of the land claim and the expected takeover of Botshabelo by a community structure this year, the municipality will withdraw from this area or play a minimal role. There are other art and culture activities carried out by private individuals such as Indlovencane and "Something out of nothing".

Little elephants/Ndlovu Encane art and craft market which offer traditional Ndebele beadwork, clothing and paintings to market these items to tourists.

4.7 Emergency Services

The municipality has well established emergency services for fire and rescue. The main station is in Middelburg with Hendrina having a new station built during the previous IDP term. An additional fire station is envisaged for Mhluzi in the not so distant future while satellite stations are also envisaged in Kranspoort and in the industrial area in Middelburg to comply with the regulations of SA national standards, which require arrival at the scene of an emergency within at most 15 minutes. The Middelburg Fire station department is rated number one in the world.

A medical emergency service which handles ambulances is a function of Province. Ambulances servicing the Municipal area are stationed in Middelburg.

Currently the Municipality is utilizing a previously drawn up contingency plan. A disaster management plan is to be drawn up as soon as the Nkangala District has completed theirs.

4.8 Environmental Management

Great strides have been made towards complying with the National Environmental Management Act (NEMA). As prescribed in the Act, an Integrated Development Committee has been established to ensure that the municipality protects and conserve its environment in a sustainable manner. More details on this aspect are contained in the Integration Development Phase.

Table 32: IDP

Municipality	NDM	Delmas	Emalahleni	Steve Tshwete	Emakhazeni	Thembisile	Dr. JS Moroka
Gross value added (RM)	35935	1362	17212	14539	893	1020	908
Primary sector Agriculture Mining	37.5	51.2	46.1	29.6	44.8	5.9	6.6
Secondary sector Manufacture, Construction, Electricity, Gas, Water	39.3	8.2	33.1	53.3	21.1	15.9	25.3
Tertiary Sector Services, Financial, Business, Accommodation, Government	23.2	40.6	20.9	17.1	34.0	78.1	68.2
% contribution to NDM 2000-2003	47.4	1.8	22.7	19.2	1.2	1.3	1.2
Average growth % 2000-2003	2.4	0.4	2.5	2.5	4.6	2.4	1.5

Source: Steve Tshwete IDP

5. SWOT ANALYSIS OF STEVE TSHWETE LOCAL MUNICIPALITY

Table 33: SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Home of coal mining and energy companies • Account for 27% of NDM's population • Skilled manpower in place • A city by nature with many industries and mines • Located on the strategic N4 route • Unemployment rate is lower than that of the district's • Ranked 18 out of the 50 best performing government local municipalities • Close proximity to Gauteng – a great tourism source market and export opportunities 	<ul style="list-style-type: none"> • Success stories not broadly communicated to all target markets (use of local media limit exposure to broader market) • LED unit capacity a concern • Available land not serviced • Tourism opportunities not recognised • Current positioning not differentiated enough • Coal mining is a diminishing resource
Opportunities	Threats
<ul style="list-style-type: none"> • Focused an targeted marketing approach to effectively reach target segments • Economic development environment permissive in terms of nature, industrial and agricultural endowment • Spatial development integration • The N4 route • Development of SMME's • Key LED anchor projects to be located in the LM (Catalytic Converter, truck and logistics hub and MPCC's great opportunities to attract investors into the LM and improve job opportunities • An investment promotions agency to focus on LED marketing 	<ul style="list-style-type: none"> • HIV/AIDS • Pollution is a threat to the environment • Insufficient skills to exploit existing opportunities lack of shared focus among stakeholders • Informal land invasion and undermined area's not rehabilitated • Closure of mines (merges, downsizing)

For the purpose of this document only one opportunity and one threat will be discussed. Under the opportunity, local economic development will be discussed with the objectives and strategies. Under the threat section, HIV/AIDS will be discussed

5.1 Opportunities

5.1.1 Local Economic Development - Job Creation

Table 34: LED

OBJECTIVE	STRATEGY
To introduce job creating projects within the municipal area	<ul style="list-style-type: none"> • Identify projects that create jobs and benefit community at the same time • Set up job creation centre in co-operation with the private sector (BLC) • Provide assistance to existing centres • Arrange a job summit • Ensure that all parties participate in LEDF
To create advisory centres where people can be assisted with possible projects	<ul style="list-style-type: none"> • Investigate possible funding sources
To develop a marketing strategy that will attract industrial investment which in turn will create additional job opportunities	<ul style="list-style-type: none"> • Focus and prospecting of all minerals on the municipal property • Providing and developing appropriate land for investors • Provide affordable tariffs through incentives and possible discounts on erf prices • Promote local business through a Middelburg website (Middelburg Chamber) • Investigate the possibility of privatization of certain services • Develop a plan to market Middelburg as a tourism and investment location • Develop new cultural and leisure activities and tourist attractions • Develop intensive marketing strategy to bring Middelburg's potential to attention of all investors • Appoint marketing specialists to assist with the development of the strategy
To assist with capacity building regarding the tender process of the Municipality	<ul style="list-style-type: none"> • Set up an information sessions in respect of tenders to ensure that all prospective tenderers will be aware of what is expected of them (BLC)

5.2 Threats

5.2.1 HIV/AIDS

Background:

- The HIV/AIDS epidemic does not have colour, age and sex and it is not a health problem alone. The monster has a massive impact on the socio-economic status of the country.
- Later they said breadwinners who are supposed to maintain the families and pay the rates in Municipality fail to do so in the long run. Many families are now headed by children due the impact of HIV/AIDS
- The poverty existing in the community has increased leading to the mushrooming of commercial sex workers.
- People die in silence due to the stigma attached to HIV/AIDS sufferers.
- The sexually transmitted infections lead to HIV/AIDS if not treated in time.

Policy principles:

Prevention

- Awareness campaigns
- Safe and clean environment
- Barrier methods for both sexes (male and female condoms)
- Draw a draft plan and implement a plan

Stigmatisation and openness

- Ensure the culture of creation of openness
- Ensure protection of human rights regarding confidentiality

Testing and counselling

- Provide facilities for voluntary counselling and testing

Management of the infected and affected

- Availability of treatment
- Provision for victims unable to pay rates
- Provision of sites for poverty alleviation projects
- Support the home base care and peer educators groups
- Allocate adequate budget to implement health programmes
- Interaction with the community to fight the epidemic by utilizing all available strategies and approaches for support and care.
- Interaction with the other governmental and non-governmental structures in the battle of HIV/AIDS, STI and TB

Way forward

- Continuity of community and staff awareness formal and informal
- Continuity in the capacity building in the service providers
- Interaction with governmental and non-governmental structures through HIV/AIDS, STI and TB
- Monitoring of health programmes with support of the National, Provincial Department of Health
- Participation of clinics in the rolling out of ARV drugs

OBJECTIVE	STRATEGY
To ensure that the Middelburg Provincial Hospital is upgraded and well provisioned	<ul style="list-style-type: none"> • Report problems to Health Department • Encourage people to use Provincial Hospital (Funds can then become available) • Encourage business to invest in the Hospital • Arrange a meeting with role players to discuss the problems
To provide well equipped and sufficiently staffed additional clinics/mobile clinics in distant areas	<ul style="list-style-type: none"> • Investigate availability of building at Eskom towns • Provide at least 4 mobile clinics to cover the whole area • Place clinics near schools or multi-purpose service centres • Establish a working committee to discuss health issues with the relevant departments
To extend the operating hours of the clinics to ensure that the service is available for emergencies	<ul style="list-style-type: none"> • Investigate the optimal operating hours for clinics • Determine staff financial implications if operating hours are extended • Safety of staff should hours be extended
To ensure adequate supply of medicine, equipment and staff at the existing clinics	<ul style="list-style-type: none"> • Educate communities about preventative, curative and rehabilitative services • Encourage shops to sell basic medicines for self treatment • Discuss provision of medicine with Health Department
To tackle HIV/AIDS, STI and TB	<ul style="list-style-type: none"> • Organising and conducting awareness campaign/workshops • Implementing a workplace health program • Providing information on the prevention of transmission of HIV/AIDS from mother to child • Ordering and distributing of condoms
To improve child health throughout the Municipality	<ul style="list-style-type: none"> • Provision of immunization to all children under the age of five

The remainder of this document will briefly explain the Business Investment Climate; the Steve Tshwete budget speech and the purpose of the Business Linkage Centre will be discussed and then the conclusion will follow with the list of references.

6. BUSINESS INVESTMENT CLIMATE

In May 2007, Business Middelburg in partnership with Steve Tshwete Local Municipality has engaged in an initiative to improve the Business and Investment Climate in the municipal area. The overall process consists of a survey on the constraints to the Business Investment Climate, followed by a number of targeted improvement processes and an implementation plan. The overall process is supported by the South African-German Strengthening Local Governance Programme, implemented by GTZ.

The survey was implemented by Silimela Services between October and November 2007. The results of the survey are available in this report, which is not intended to contain detailed survey results and analysis but rather to provide a general overview of the most important results.

The survey results are presented according to the following themes:

6.1 Overview of obstacles to business growth

6.1.1 Constraints to business operations and growth

Overall assessment: a maximum of 79% (236 businesses) of business indicated the issues below as moderate to very severe constraints to growth and operations. At least 21% (64 businesses) of businesses did not see these issues as constraints.

6.1.2 Top constraints (Geographical):

- Constraints in Middelburg: local government basic services 88% of total responses and public transport system 88% of total responses.
- Constraints in Mhluzi: supportive municipal regulations 33% of total responses and supportive local and development regulations 28% of total responses.

6.1.3 Constraints (Sectoral):

Table 36: Sectoral Constraints

Labour force skills	Manufacturing	33%
	Construction	14%
Cost efficient local government basic service	Mining/Quarrying	29%
	Tourism	25%
Cost and availability of premises	Agriculture, Forestry and Fishing	43%
	Construction	36%
Cost and availability of land	Mining/Quarrying	29%
	Construction	22%
Supportive local and development regulations	Mining/Quarrying	14%
	Manufacturing	8%
Environmental quality/systems	Electricity/Gas/Hot water supply	33%
	Wholesale/Retail/Hotels/Restaurants	4%
Water supply	Mining/Quarrying	43%
	Agriculture, Forestry and Fishing	29%
Public transport	Tourism	25%
	Manufacturing	17%
Local government basic services	Mining/Quarrying	29%
	Tourism	25%

6.2 Municipal services and governance

6.2.1 Rating of municipal processes

A maximum of 22%, 65 businesses find some municipal processes unacceptable, whereas at least 78%, 235 businesses find these services acceptable (services such as: time to respond to queries; time to approve building plans; ease of locating responsible official; time to inspect business premises; time to approve re-zonings; attitude of officials; building plan approval processes; effectiveness of billing systems; time to issue rates clearance certificates; time to receive new electricity connection; provision of a reason for decisions taken; time to receive new water connection; other procedures/regulations).

6.2.2 Interaction with the municipality – rating of speed

A total of 19% (68 businesses) reported and rated interactions with the municipality.

6.2.3 Interaction with the municipality – rating of cost

Overall, 44% (132 businesses) rated the time cost as high and 56% as low. 54% of businesses rated customer service time cost as high

6.2.4 Interaction with the municipality – rating of attitude

On average 75% of businesses reported a good attitude of officials and 24% of businesses reported a poor attitude. 68 out of 300 businesses responded to this question.

6.2.5 Corruption and access to municipal information

Regarding municipal communication about 80% of respondents felt that local government does not communicate their activities sufficiently. 10% of respondents felt that it is difficult to obtain information from government, whereas the questions were not applicable for about 90% of respondents. All businesses answered this question. Regarding municipal corruption in relation to tender processes 96.35% of respondents indicated that they did not know of instances involving corrupt activities with regards to tenders and contracts. However, 11 businesses were aware of corrupt activities.

6.2.6 Impact of municipal by-laws

Only 1% (3 businesses) reported that municipal by-laws have a negative impact on their business operations. All businesses answered this question, but 295 out of 300 businesses answered “don’t know” to this question.

6.2.7 Possible municipal interventions contributing to business growth

29 out of 300 businesses answered this question. The main response clusters in order of frequency:

More support including tenders and financial assistance (note that the latter is not a function of the municipality) – 11 businesses

Reduce crime – 3 businesses

Public transport/roads/toll fees – 3 businesses

Land and housing – 2 businesses

More information – 10 businesses

6.3 Infrastructure and ICT

6.3.1 Future infrastructure investments with impact on business growth

All businesses answered this question. The main infrastructure constraints to business operations and growth water supply 4% of businesses and public transport 10% of all businesses.

Main infrastructure that could help grow business in the area per sector is as follows:

Advertising boards: electricity and water sector	67%
More development/investments: transport and telecommunications	16%
Marketing/investment opportunities, promotion: agriculture	14%
Less crime: public admin/social services sector	14%
More and affordable land: manufacturing	8%
More and bigger premises: financial/real estate/professional services	4%

6.3.2 Access to ICT

About 83% of the total respondents have access to telephones and 80% of the total respondents don't have websites for their businesses. All businesses answered this question.

Table 37: Middelburg – Access to ICT

Access to telephone	89% of total responses
Access to fax	73% of total responses
No access to computer	35% of total responses
No access to internet	49% of total responses
No access to website	74% of total responses

Table 38: Mhluzi – Access to ICT

Access to telephone	65% of total responses
Access to fax	39% of total responses
No access to computer	71% of total responses
No access to internet	86% of total responses
No access to website	94% of total responses

6.4 Market issues

6.4.1 Labour force training

The availability of labour force skills has been mentioned by 16%, or 48 businesses as having a moderate to severe impact on business operations and growth. About 96% of skilled workers did not receive formal training and 94% of unskilled workers did not receive formal training. All businesses answered this question.

6.4.2 Skills shortages and respective challenges

As 294 out of 300 respondents answered “don’t know” to this question, the key findings have a limited validity.

The most frequently mentioned skills set shortages by the few respondents were as follows:

Product knowledge/design/tertiary technical skills	6.0%
Finance/accounting	3.3%
Communication/sales/marketing	2.7%
Customer relations/service	2.3%
Business management/admin	2.0%

6.4.3 Innovation, R&D, Accreditation and Exporting

Between 5% and 15% of businesses indicated to have undertaken respective activities in the past three years – to identify future economic growth prospects and sustainability.

6.4.4 Business collaboration and networks

The majority of businesses interviewed are not involved in formal or informal networks. Only 15% of businesses do joint purchasing and 22% of businesses take part in business workshops. All businesses answered this question.

6.4.5 Formal business networks

All of the businesses being part of these organizations reported being satisfied with the services received. All businesses answered this question.

Table 39: Proportion of businesses belonging to business networks

Business Middelburg	16.3%
Fabcos	0.7%
Nafcoc	2.3%
AHI	1.3%
Other	3.3%
Member of at least one	24.0%

6.4.6 Business services

51 out of 300 businesses answered this question. The perceived service provider non-affordability ranges between 8% and 19%, ineffectiveness between 8% and 17%.

6.4.7 Supplier satisfaction

All businesses answered this question. Overall, dissatisfaction with suppliers is relatively low, reaching a maximum of 4% of respondents. It is to be noted that 70% or more respondents indicated that they cannot judge supplier satisfaction or that the question is not applicable.

6.4.8 Business relocation

A wide range of reasons were given for possible relocation outside ST LM area including: legislation, impact of shopping mall, no recognition, business not viable, staff problems and selling the business.

Table 40: Possible relocation destinations as indicated by businesses

Witbank	28.6%
Mall within Middelburg	14.3%
Don't know	14.3%
Another Province	7.1%
Township	7.1%

7. STEVE TSHWETE BUDGET SPEECH

On 19 June 2008 at the mayoral function after the Council Meeting the budget speech for the financial year 2008/2009 were discussed by the Executive Mayor Counsellor I.M.T. Mahlangu.

The following points are extractions out of the original document:

- La Roca Mall – please see p. 85
- Rolling-out of water infrastructure to provide water for all in the province in a sustainable manner, Nkangala District commissioned a study to have a blue print for water and sanitation provision in the District. From this blue print as Steve Tshwete are developing a Water Services Development Plan which informs on current and future water needs.
- Revitalization of tourism by sponsoring the restoration, preservation and packaging of the heritage and the greening of Mpumalanga, which includes the following milestones: pollution and waste management; spatial planning and development; environment awareness and planning; and biodiversity planning and management.
- Steve Tshwete was judge on the overall first runner-up in the 2007 Mpumalanga Cleanest Town Competition, very closely missing the first place by a mere 0.3%.
- The money that was won will be address to further create and stimulate awareness of our people about environmental issues and how that issues affect our lives. The Environmental Status Quo report of Nkangala District will be the starting point.
- House delivery, 2006 October the Department of Local Government and Housing allocated 3 778 subsidies to us for the building of low cost housing units across Steve Tshwete. 322 houses have been completed during the past financial year.
- Multi Purpose Community Centre (MPCC) in Mhluzi Extension 7 is completed.

- Service Delivery: Second Best Town in the coveted 2007 National Vuna Awards in respect of Category B Municipalities. In respect of the KPA called financial viability we are indeed the National Vuna Champions.
- Restructuring of Mhluzi Township will result in enormous positive changes to and new opportunities for the township and its people.

7.1 Outcomes that were achieved

- Tarring of urban roads
- Installation of street lights and high masts in various places
- Water and sanitation networks
- Fully utilize the Municipal Infrastructure Grant (MIG)
- Officially handed over Ikageng gardens
- Officially handed over MPCC in Extension 7
- New clinic in Extension 6 officially opened
- Established a Gender and Social Development Unit.
- HIV/AIDS council was re-launched
- Successful women in mining summit was held
- A fenced off community transfer waste site was created in Mhluzi
- ZK Mathews Award by the African National Congress
- Salga Excellence Municipal Award

7.2 Youth Affairs

- Will continue with the rendering of a comprehensive youth advisory and development service in association with the Umsombovu Youth Fund.
- An amount of R150 000 has been budgeted for this financial year for youth activities.
- In co-operation with Nkangala undertake two major projects whereby our unemployed youth will be meaningfully accommodated in expanded public works programmes for skills transfer which will benefit our young people.
- Another project is the waste management project which is aligned with the Mpumalanga “Big 5” projects – the Greening of Mpumalanga.

- Youth summit is aimed at developing an integrated youth development strategy that will coin the adoption of a youth policy by council.

7.3 Local Economic Development

- Local economy benefited over the past year through property development. An improved investment in industrial and commercial property can be attributed to the spin-offs of increased mining activity in and around the municipal area. The well-known sale of the fine “mall erven” to the south of Aerorand is a good indication of the confidence of investors in the local economy.
- One of the toughest tests that continue to plaque scores of would-be entrepreneurs with the jurisdiction of the Steve Tshwete Local Municipality is to get their businesses successfully off the ground and accessing available financial resources.
- Business Linkage Centre was launched (please refer to page 54 for more information)
- Official handing over of the Ikageng Community Gardens

7.4 Popular mandate for local development

- Service delivery
- Participation democracy
- Transformation of apartheid landscape
- Effective management in municipalities
- Maximization of revenue base
- Capacity building of municipalities for effective service delivery
- Local Economic Development (LED)
- Fighting crime, corruption and abuse of women and children
- Job creation, development of small, medium and micro enterprises
- Skills development

7.5 Sustainable Livelihood

- The Integrated Development Plan was approved in March
- The residents informed us of their concerns about affordable residential accommodation, the availability of potable water, electricity, basic sanitation and quality roads as well as the addressing the curse of poverty, HIV and AIDS.
- The municipality has strived to utilise all its financial and administrative capacity to achieve its mandates on these priorities
- 2010 Soccer World Cup, technical and political committees have been established.
- LED manager will co-ordinate all the activities and that the Department of Corporate Services provide administrative and secretariat support.

As part of the three-year rolling budget process, the budget framework for the next three years sees total expenditure increasing from 444.4 million rand in 2007/2008 to 548.9 million rand in 2010/2011.

The municipality total allocation in terms of equitable share, which supplements own revenue to deliver free basic services will amount to 173.2 million rand over the next three years.

The bulk of operating expenditure is allocated to the infrastructure-related votes of electricity (28.2%), water (5.7%), and sanitation, including solid waste disposal (10.1%) and roads and storm water (8.1%). This accounts for just over 52.1% of total operating expenditure. Community safety and health and social development votes are allocated 6.3% and 4.9% respectively of the operating budget.

Employee cost increase by 14.0% compared to a total of 36% of the total operating budget.

The capital budget amounts to 277.4 million rand which is an increase of 21.5 million rand from the previous year and for the two outer financial years expenditure is planned for 192.7 million rand and 143.8 million rand respectively. Approximately 86% of the capital budget will be earmarked for infrastructure and residential related projects over the next three years to address backlogs, rehabilitate existing infrastructure and create much needed jobs through the use of labour intensive methods wherever possible. 86% of the capital budget will be financed from the council's own financial sources.

Steve Tshwete is earmarked to receive a significant support from the Municipal Infrastructure Grant (MIG) and the Nkangala District Municipality's contribution for the respective three years is R21.1 million, R24.8 million and R26.8 million rand. The proposed tariff increases will yield additional revenue of R29.9 million in the next financial year.

Local government is tasked with the delivery of services to the local communities residing in its area of jurisdiction. Through the enactment of the Municipal Systems Act of 2000 and the Municipal Structures Act of 2000, local government was given a mandate to deliver apart from the traditional engineering services, economic development in the local area.

7.6 Key service Delivery Targets

- Continue to build new roads in urban areas and improve the maintenance of roads in the urban and rural areas.
- Further improvement of the quality of electricity supply.
- Build a banquet hall.
- Create additional serviced stands in the whole of Steve Tshwete Municipality.
- Resume with the phase 2 of the multi-purpose community centre in extension 7 (Thusong Centre) and proceed with phase 2 of Doornkop and develop two in addition.
- Provide more and upgrade existing sport facilities.

- Assist with provision of RDP housing within budget limits.
- Ensure sufficient and stable water and electricity supply for future generations.
- Improve traffic flow and upgrade traffic signals through Middelburg and Mhluzi.
- Improve disaster management arrangements.
- Improve sanitation in Ward 1 whereby each household will now have access to toilets.
- Establish four rural villages.
- Encourage community gardens, one to be launched soon in Extension 24.

8. BUSINESS LINKAGE CENTRE

It became apparent over a period of time, that there is insufficient linkage between large corporate companies, established independent businesses and small, medium and micro enterprises (SMMEs), with specific emphasis on the emerging SMMEs.

The Middelburg Chamber of Commerce & Industry (Chamber) started investigating in 2002, as to how they could create a link between the different sectors in our local economy and decided to develop a Business Linkage Centre (BLC). This proposal was submitted to the Steve Tshwete Municipality at the Local Economic Development Forum in the beginning of 2007.

The centre commenced its activities in February 2008 and with much dedication and drive the Business Linkage Centre was launched on Friday 23 May 2008. The launch was hosted in the Business Middelburg (Busmid) auditorium.

The objective of the BLC is to improve the economic growth in the Mpumalanga region by means of improving the quality of the products and services offered by the SMME's (emerging SMME's and established SMME's) and making them more successful through their business contacts with public and private sectors. The tools the BLC will be using are:

- Matching systems between corporate companies and SMME's;

- Training for the SMME's;
- Linking SMME's to third parties and
- Assisting SMME's in obtaining BEE accreditation.

The current role players are Columbus Stainless, Eskom, the German Development Cooperation, Middelburg Chamber and the Steve Tshwete Municipality.

The advantages to be part of the BLC for companies like mentioned above are the following:

- Enterprise development
- Preferential procurement
- Socio-Economic development (Residual)
- Speeding up the tender process from the SMME side
- Reducing time consuming activities
- Verifying suppliers
- Referencing of supplier detail
- Input in BLC
- Aftercare service
- Annual report for BEE scorecard

Eskom Foundation invested in auditorium chairs for the training as well as infrastructure for the BLC – all forming part of the Foundations mandate to support development and sustainability of black owned small, micro and medium enterprises (SMME's). Ayanda Nakedi (CEO from Eskom Foundation) said that "It is important that we do not lose sight of the significant role that SMME's play in improving the quality of life of historically disadvantaged South Africans, which is why sponsorships such as these are vital".

Advantages for the SMME party to be part of the BLC are the following:

- Tender Service
- Viability/Diversity
- Cash Flow
- Track Record
- Continuity
- BEE Compliance

- Linkages
- Assessment

The BLC address the LED strategy from ST LM and are aligned with Provincial level strategies as well as the Codes of Good Practice from the DTI. The transitional period for the Codes of Good Practice with the BEE scorecard ends 31 August 2008, just note that there are no accredited verification agencies yet and the BEE Codes of Good Practice does not make verification mandatory and is not gazetted as yet.

Underneath is information from dti regarding accreditation of verification agencies (VA).
Extract out of letter “Progress of accreditation of verification agencies” dated 31 May 2008 written by Mrs. L. Ntshangase (SACCI – Policy and Advocacy Director) replied by Mr. S. Zikode (dti – acting DDG: EIDD) dated 18 June 2008 ... “the accreditation of verification agencies is one of the most important institutional mechanisms to be implemented by the dti post gazetting of the Codes in February 2007. As a result, the dti is committed to ensure that the accreditation of verification agencies is conducted in a dignified, transparent and credible manner. The dti is aware that there has been some confusion and frustration in the market regarding this process. We are working closely with SANAS to ensure that the accreditation process is speeded up and it is the intention that this process must be finalized before the end of the transitional period. The dti appreciates the support and commitment of the Chamber and in this regard we will be engaging with SACCI for further discussions around this process”.

8.1 The BEE Facts

Exempt Micro Enterprise (EME)

Enterprises in this category have an annual turnover or revenue of R5 million or less. These entities are deemed to have BBBEE status of Level 4 contribution with procurement recognition of 100%. If the entity is more than 50% black owned then the recognition level is 110% and thus a Level 3. No score card required.

Qualified Small Enterprise (QSE)

Enterprises that qualify for this category are enterprises with an annual turnover of between R5-35 million. QSE's are evaluated in terms of any 4 of the 7 elements of the scorecard. QSE scorecard is applicable.

Large Enterprise

Enterprises will qualify with an annual turnover of over R35 million. Large enterprises score on all seven elements to calculate their level of compliance. The generic BEE scorecard applies.

Specialised Enterprise

Enterprises wholly owned by organs of state, higher education, institutions, Section 21 companies, non-profit organisation and public benefit organisations, with amended scores per category and an omission of the ownership elements. An adjusted scorecard (scorecard for specialised enterprises) applies.

The BLC can currently assist and support on the following:

- Code 500 Enterprise Development
- Code 600 Preferential Procurement
- Code 700 Socio-Economic Development

8.2 Enterprise Development

What is Enterprise Development (ED)?

It is the business strategy whereby a company invests outside of its operation in order to get a return. Traditionally most companies have attempted to grow by improving sales, investing in marketing or reducing costs. ED allows a company to invest in other companies in order to achieve growth within their own business. ED must be seen as an investment.

Contributors can benefit from return on investment as well as the associated points earned on their BEE scorecard. Participants benefit from the financial and non-financial support to build their businesses.

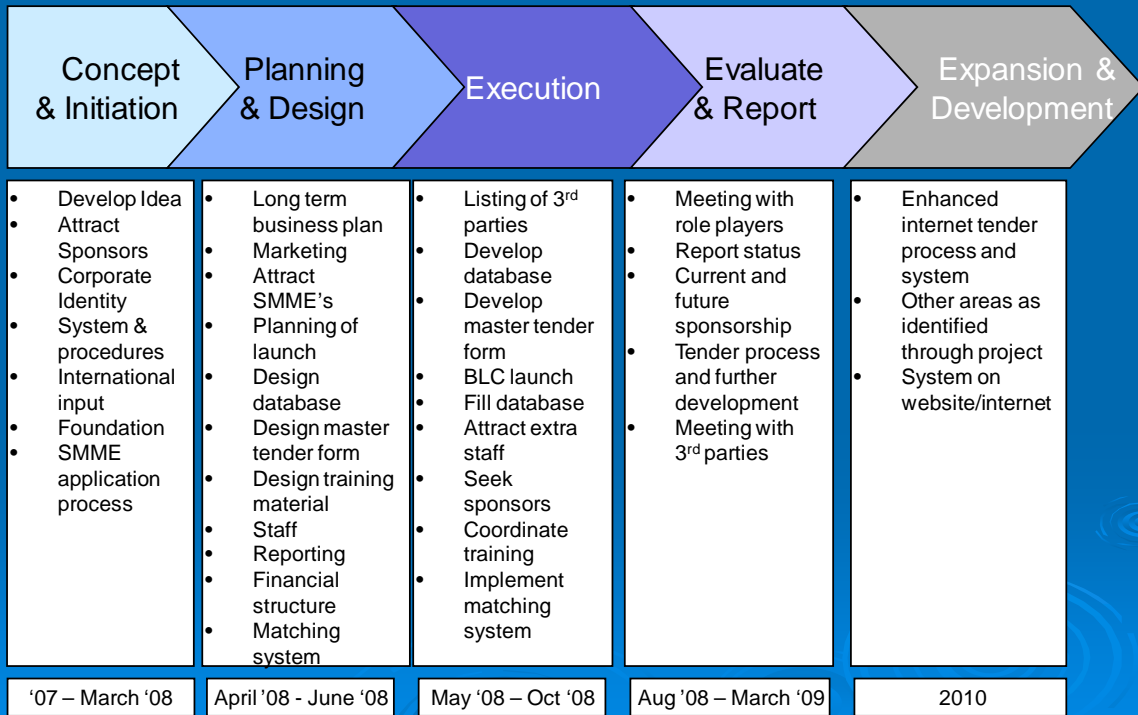
For the last party of the BLC the independent or medium size companies it is important to take care of the BEE score card. The qualifying companies are having an annual turnover of between R5 and R35 million.

An Annual report will be submitted to each participant in the BLC as proof of the different scores met.

8.3 Implementation Plan

Figure 5: Business Linkage Centre Implementation Plan

Implementation Plan



The BLC is in line with the local municipality LED programme for SMME development and support one of the main concern is to establish a link between the SMME and the large businesses. The other concerns or programmes focus on the establishment of services of which the BLC provide business assistance and linking to 3rd parties which can help with financial needs and creation of the business plan. With the other focus on SMME expansion the BLC provide procurement information as well as tender advice.

In order for the Investment climate of the region to be enhanced there are five policies: LED; SMME; Procurement; Human Resources and Indigent.

The BLC is a project for the Steve Tshwete Local Municipality Local economic development, it is a service for the emerging and established SMME as the centre provide procurement information and do have tenders available for the SMME exposure of what's currently going on in the large businesses.

The BLC current status is in between Phase 2 (Planning and Design) and Phase 3 (Execution) phase. 80% of the phase 2 is completed and phase 3 is now at 60%.

9. CONCLUSION

The local municipality is facing increased pressure from an economic and socio-economic perspective. It is vitally important to base the various LED interventions on the comparative advantages that are manifesting at the local level. Therefore, the packaging of the existing District level LED plan into disaggregated, local level, LED strategies must incorporate the following dimensions:

- An indication of the sectoral focus areas
- Facilitate alignment with the various other areas LED activities
- Integrate existing LED frameworks and plans into a comprehensive strategy
- To develop an “integrated LED implementation assistance plan”

From the preceding, it is evident that the final outcome of the preceding will be a guide that contributes towards the implementation of the districts LED, through the facilitation of alignment of local level LED activities. Additionally it is important to contribute towards the creation of a shared and common LED approach in the district as a whole.

The representation of the various activities to be undertaken from the different levels of government is clearly indicated in the preceding sections. It is critically important to emphasise that the implementation should not be undertaken from an “insulator” position but rather through the application of suitable institutional option. The various activities should therefore also be linked with the institutional options. Additionally the outcomes of the overall study should also be incorporated with the IDP of the municipality.

Through integration with the institutional arrangements the objectives of LED throughout the district will be transformed into specific feedback systems that will act as a mechanism through which progress can be monitored. It is critically important to understand that the re-packaging associated with this preceding table, focuses mainly on the various local municipalities.

As out of this document with the various studies compiled, one can conclude that the growing sectors in the Steve Tshwete Local Municipality are the mining sector, manufacturing sector and electricity sector. The overall declining sectors are agriculture;

forestry and fishing as well as construction. The trade sector and the finance sector are not dominant but relatively large.

The main employing sectors are: community services; government services; mining sector; manufacturing sector and the trade sector. The formal employment growing sectors are mining, manufacturing and general government. Change in formal employment showed growth in the wholesale, retail trade; catering and accommodation as well as finance and business service and a decline in all the other sectors.

The total annual average economic growth over the past ten years has been approximately 2.6%, 1% less than the national average of 3.5%.

The Carvalho classification comparative analysis showed that the agriculture sector is accelerating, the mining sector, construction sector and the government services sector is transitional. The manufacturing sector is promising with the electricity sector being vulnerable. The trade sector, finance sector and the communication services sector is yielding with the transport section in the modest category.

The socio-economic features presented that 41.23% of the population consist out of Mhluzi, 2.44% of the total population if above 65 years of age. The building plans for the value of R443 540 000 and for the industrial business building for R82 890 000 have been approved for the past calendar year.

A total of 9 174 dwelling units are in need of electricity and 5 344 households do not have refuse removal. A total of 5 370 are not connected to the municipal sewer system and a total of 7 125 households do not have access to RDP level of water provision.

The current unemployment rate for Steve Tshwete area is 35.4% still below the district. Steve Tshwete is rated 2nd with the functional literacy percentage standing at 57%. The skills development point level at 3 points for grade 12 movement was recorded. The highest percentage of annual household income is the category between R19 201 – R38 400 at 18.1%. The level of education is currently the main category at 65.6% is at school and only 3% of the population has a tertiary or higher qualification.

With Komati Power station being re-commissioned, new mall and the coal, copper and platinum mines there will be more growth in the area for investment opportunities.

Now that the budget speech of Steve Tshwete is included one can have a clear understanding of what is planned within the local environment and it is also a tremendous achievement to be voted 1st runner-up in the 2007 Mpumalanga Cleanest Town Competition and to be rated second best town in the National Vuna Awards of 2007.

The six pillars of the Steve Tshwete Local Municipality strategies are: Pillar 1 good governance and capacitation with programmes like: economic infrastructure and regulatory reform; Pillar 2 human resource development and community development do have four development programmes: tertiary institutions; internal business skills; HIV/AIDS care taking and community based public works programme (CBPWP) . Pillar 3 the industrial and big business development have two programmes: the business retention expansion and marketing. Pillar 4 SMME development and support consist of four programmes: establishment services; SMME expansion; linkages with large businesses and SMME clearing house project. Pillar 5 the agricultural development contains the following programmes: emerging farmer support; commercial farming; and agricultural land availability project. Pillar 6 the tourism and environmental conservation have 3 programmes: product development; development of “key icons” and environmental conservation.

The social development section showed that there is a great need for more medical clinics, libraries and facilitation for sport and recreation.

SWOT analysis of Steve Tshwete Local Municipality gave a clear indication that Local Economic Development is an opportunity and HIV/AIDS are a threat that section discussed the objectives with relevant strategies for the future.

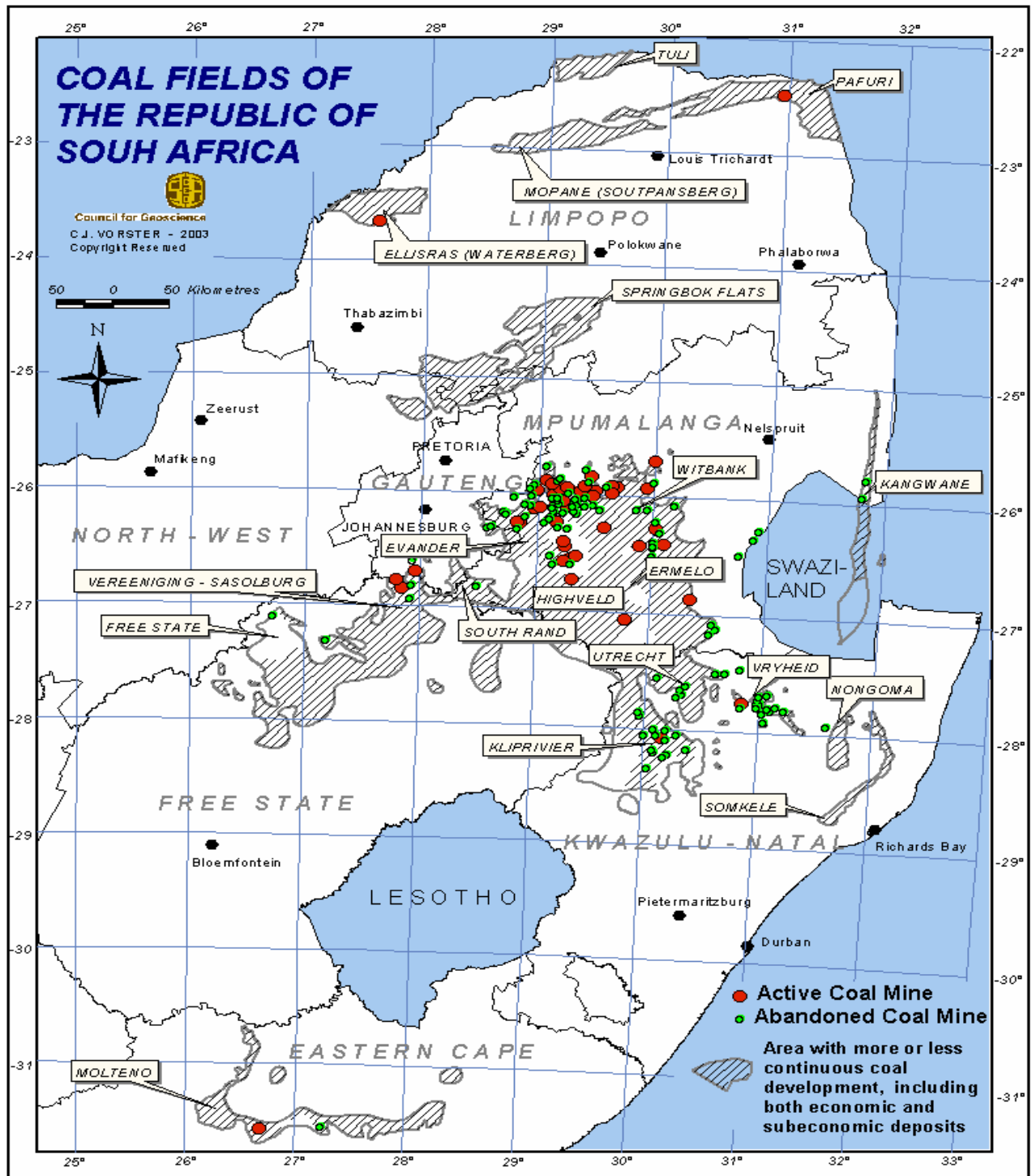
BIC, the business investment climate study showed that the availability of labour force skills has been mentioned by 16%, or 48 businesses as having a moderate to severe impact on business operations and growth. About 96% of skilled workers did not receive formal training and 94% of unskilled workers did not receive formal training.

BLC is currently satisfying a need of the community to assist and develop the SMME. The BLC will provide procurement information as well as assistance. The training that will be provided will be in line with SAQA (South-Africa qualifying association) standards. The BLC will also assist medium size companies with their BEE scorecard. The BLC can assist on enterprise development/preferential procurement and socio-economic development (residual). Skills development will be a future prospect. In conclusion, Anna-Marth Ott stated, "At the end the BLC must provide easy access to procurement information, access to business information assistance, and measured growth of the SMME's. The BLC must offer a sustainable service to the business community, with a central referral point for enquiries and assistance. It is very important to develop and maintain a linking mechanism and to be a training centre for the business community".

10. REFERENCE

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- Nkangala District Municipality: LED Forum 2008 (30 May 2008)
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- Steve Tshwete Local Municipality: Integrated Development Plan 2007/2008
- Steve Tshwete Local Municipality: Local Economic Development Plan 2006.
- <http://www.stevetshwetelm.gov.za/>
- NDM Agriculture Summit 2008 working document
- Background information document for Mafube Colliery

APPENDIX A
- Map of Coal Fields -



APPENDIX B
- Geographical Map -

APPENDIX C

- Farms in the Steve Tshwete Local Municipality -

Aberdeen	158	IS
Abraham's farm	566	IS
Alfa	144	JS
Amsterdam	489	JS
Arendsfontein	464	JS
Arm	161	IS
Bankfontein	264	JS
Bankfontein	340	JS
Bankfontein	375	JS
Bankplaats	239	JS
Bankvallei	160	IS
Beta	116	JS
Bezuidenhoutshoek	274	JS
Birmingham	197	IS
Blesbokfontein	487	JS
Blesboklaagte	488	JS
Blesbokvlakte	24	IS
Bliksem	461	JS
Bloemfontein	196	IS
Bloemhof	200	IS
Boschfontein	447	JS
Boschkloof	251	JS
Boschmansfontein	182	IS
Boschmansfontein	562	IS
Boschmanskop	154	IS
Boschmanskraal	184	IS
Boschmanskrans	22	IS
Boschmanspoort	159	IS
Bosmanspan	180	IS
Bosmanslaagte	181	IS
Bosmansspruit	459	JS
Bothashoek	475	JS
Braamspruit	465	JS
Brakpan	163	IS
Brokkie	243	JS
Broodboomkrans	362	JS
Broodsneyersplaats	25	IS
Brummerheim	409	JS
Bultfontein	187	IS
De Groote Rietpan	479	JS
De Paarl	560	IS
De Voetpadskloof	113	JS
Donkerhoek	103	JS
Doornboom	248	JS
Doornkop	245	JS
Doornkop	246	JS
Doornkop	273	JS
Draaihoek	271	JS
Driefontein	153	IS

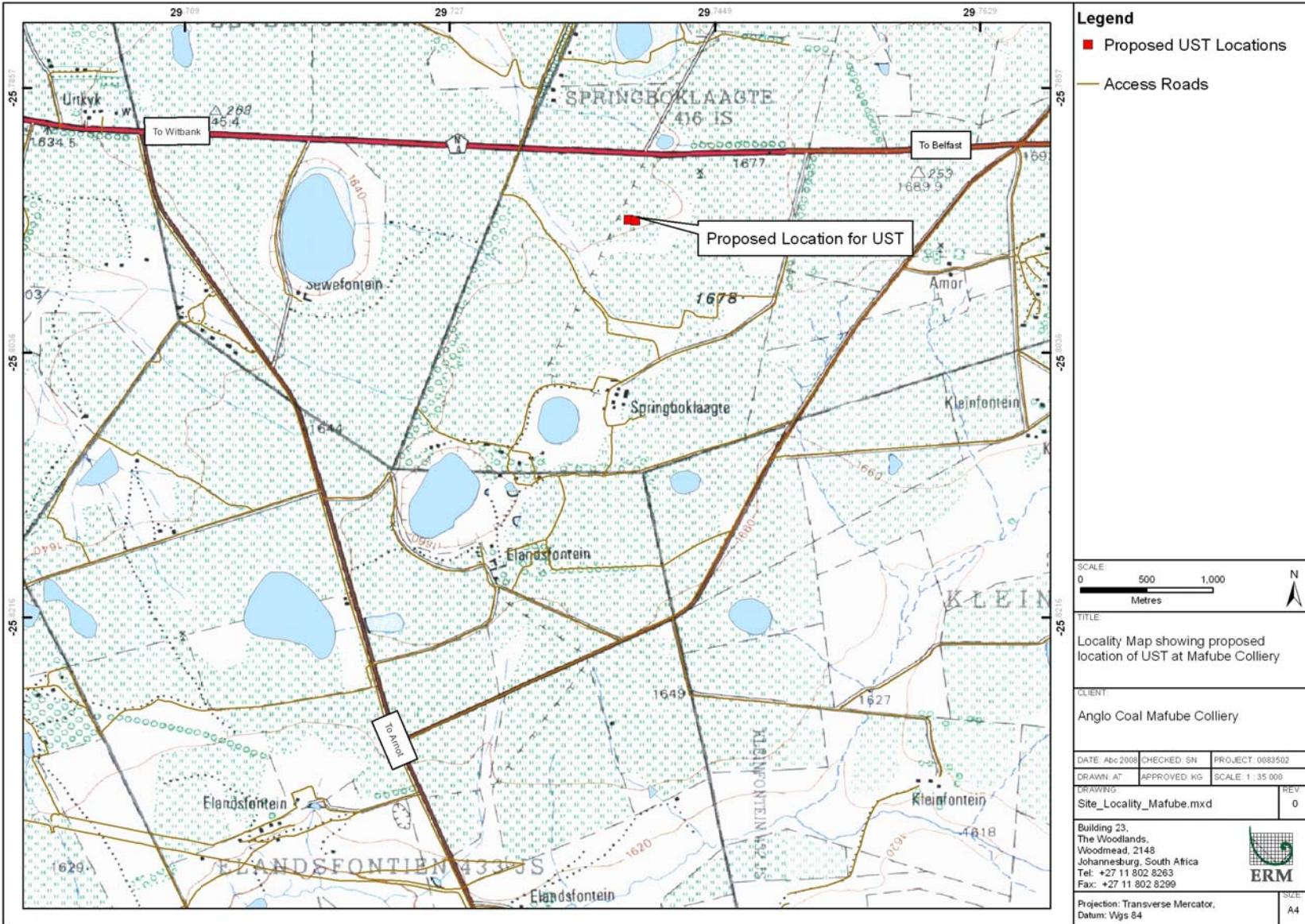
Driefontein	240	JS
Driefontein	338	JS
Driefontein	372	JS
Driefontein	398	JS
Driefontein	434	JS
Driehoek	472	JS
Driepan	156	IS
Dunbar	189	IS
Duvha Kragstasie	337	JS
Ede	463	JS
Eden Valley	473	JS
Eikeboom	476	JS
Elandsfontein	433	JS
Elandslaagte	368	JS
Elandspruit	291	JS
Erfdeel	446	JS
Fontein Sonder End	104	JS
Gamma	117	JS
Geluk	26	IS
Gemsbokfontein	411	JS
Gloria	186	IS
Goedehoop	244	JS
Goedehoop	315	JS
Goedehoop	46	IS
Grasfontein	199	IS
Grasfontein	591	IS
Groenfontein	266	JS
Groenfontein	440	JS
Groenkraalfontein	369	JS
Groot Drakenstein	157	IS
Grootlaagte	449	JS
Haasfontein	28	IS
Hamelfontein	462	JS
Hartbeesfontein	241	JS
Hartbeestfontein	339	JS
Hartbeesthoek	393	JS
Hartebeestkuil	185	JS
Hartebeestplaat	105	JS
Hartogshof	413	JS
Hartogshoop	410	JS
Hendrina power station	162	IS
Kafferstad	195	IS
Keerom	374	JS
Klein Drakenstein	183	IS
Klein Leeuwfontein	563	IS
Kleinfontein	432	JS
Kleinfontein	49	IS
Klipbank	467	JS
Klipfontein	238	JS
Klipfontein	316	JS
Klipfontein	470	JS

Kliprivier	341	JS
Koelenhof	268	JS
Komati power station	56	IS
Koornfontein	27	IS
Kopermyn	435	JS
Kromdraai	486	JS
Kwaggafontein	460	JS
Langkloof	265	JS
Leeuwfontein	48	IS
Leeuwpoortje	267	JS
Lemoenfontein	436	JS
Luipaardfontein	444	JS
Luipaardfontein	445	JS
Middelburg Town and Townlands	287	JS
Mooifontein	285	JS
Mooifontein	448	JS
Mooikopje	237	JS
Mooiplaats	165	IS
Mooiplaats	242	JS
Mooiwater	247	JS
Murray	974	JS
Myburgh	404	JS
Noodhulp	474	JS
Nooitgedacht	371	JS
Nooitgedacht	417	JS
Nooitgedacht	493	JS
Noordhoek	333	JS
Olifantslaagte	378	JS
Optimum	554	IS
Optimus	480	JS
Oranje Vallei	201	IS
Panplaats	395	JS
Patattafontein	412	JS
Platfontein	406	JS
Polfontein	118	JS
Pullenshope	155	IS
Rietfontein	286	JS
Rietfontein	314	JS
Rietkuil	491	JS
Rietspruit	402	JS
Rietspruit	441	JS
Rietvallei	78	JS
Rietvlei	397	JS
Rockdale	442	JS
Rondevalley	482	JS
Rondebosch	403	JS
Rondebosch	405	JS
Rondeboschje	468	JS
Rondefontein	485	JS
Roodepoort	151	IS
Roodepoort	418	JS

Schoonoord	164	IS
Slaghoek	250	JS
Speculatie	483	JS
Springboklaagte	416	JS
Sterkfontein	270	JS
Sterkstroom	400	JS
Sterkwater	317	JS
Suikerboschplaat	252	JS
Swartfontein	492	JS
Teutfontein	407	JS
Toevlugt	269	JS
Toevlugt	320	JS
Tweefontein	106	JS
Tweefontein	203	IS
Tweefontein	236	JS
Tweefontein	370	JS
Tweefontein	458	JS
Uitgezocht	194	IS
Uitkyk	290	JS
Vaalbank	177	IS
Vaalbank	289	JS
Vergelegen	80	JS
Vlakfontein	166	IS
Vlakfontein	176	IS
Vlakfontein	179	IS
Voetpadkloof	993	JS
Vooruitzicht	437	JS
Vrischgewaagd	198	IS
Wanhoop	443	JS
Waterval	109	JS
Weltevreden	193	IS
Weltevreden	367	JS
Welverdiend	23	JS
Wilmansrust	47	JS
Woestalleen	477	JS
Woestalleen	478	JS
Wolvenfontein	471	JS
Wonderboom	249	JS
Wonderhoek	376	JS
Zaaiplaats	439	JS
Zeekoegat	115	JS
Zenzele	986	JS
Zevenfontein	415	JS
Zevenfontein	484	JS
Zonnebloem	396	JS
Zululand	469	JS

APPENDIX D

- Mafube Mine -



Legend

- Proposed UST Locations
- Access Roads

SCALE
0 500 1,000
Metres

TITLE
Locality Map showing proposed location of UST at Mafube Colliery

CLIENT
Anglo Coal Mafube Colliery

DATE: Abc 2008	CHECKED: SN	PROJECT: 0083502
DRAWN AT:	APPROVED: KG	SCALE: 1:35 000
DRAWING Site_Locality_Mafube.mxd	REV 0	

Building 23,
The Woodlands,
Woodmead, 2148
Johannesburg, South Africa
Tel: +27 11 802 8263
Fax: +27 11 802 8299

ERM

Projection: Transverse Mercator,
Datum: Wgs 84

SIZE
A4

Path: F:\Project\0083502_Anglo_Coal_Mafube_Colliery\Maping\MOQ\Site_Locality_Mafube.mxd