



## COMMENTS, DISCUSSIONS, etc.

# 1st uMHLATHUZE DEVELOPMENT & PLANNING SUMMIT

held in  
CITY of uMHLATHUZE  
on  
24 JULY 2007

Summit hosted by

**uTHUNGULU STRATEGIC DEVELOPMENT COMMITTEE  
(USDC)**

being an initiative supported by

**uMHLATHUZE DEVELOPMENT ASSOCIATION,  
AHI ZULULAND  
and  
ZULULAND CHAMBER of BUSINESS**

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Venue :

**KINGFISHER HALL**

at

**Zululand Chamber of Business Foundation Community Park, Richards Bay**

# COMMENTS, DISCUSSIONS, etc.

## 1st uMHLATHUZE DEVELOPMENT & PLANNING SUMMIT

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## COMMENTS, DISCUSSIONS, etc.

# 1st uMHLATHUZE DEVELOPMENT & PLANNING SUMMIT

## 1. Background & Purpose of Summit (Frans van der Walt)

Questions held back and combined with that of the next presenter.

## 2. uMhlatuze Development Update (Garth Macartney)

### Question 2.1: Impact of 2010 on uMhlatuze

Question from the floor directed to Frans van der Walt was a request as to whether a local study on the impact of 2010 has been carried out and how the city could capitalize on this event.

Response : Frans: Referred to a talk given by Gary Bailey that spelt out the substantial pro's and con's of the event and its perceived impact on the country. Frans also intoned that a sub-committee of the USDC will be mobilized, under the leadership of Paul Alvarez of PriceWaterhouse Coopers (PWC), to investigate the issue and the impact on the region. (PWC is nationally very close to the Local Organizing Committee and provides us the benefit of up-to-date information.) Frans added that the positive spin-offs from 2010 would continue for many years thereafter – if we need to plan for that now and capitalize, otherwise the region may lose out big time.

Response : Garth: Garth indicated that fuel could/would be a big problem in four years time. He told the audience that Gauteng consumed 65% of all SA's fuel supply which would lead to huge problems in future.

Response : Frans: Added that our hopes to garner support from footballers to use the sport complex would be hamstrung by the poor condition of our road infrastructure. He specifically singled out the fact that the MR231 (northbound Mtubatuba link-road) that would feed the complex needs to be upgraded as soon as possible, not only in the interest of 2010 opportunities, but also for commercial, agricultural, etc. and tourism purposes.

### Question 2.2: Perceived environmental risks

Chris Potgieter (Fluoride Plant). Stated that the perceived and real environmental risks associated with industry are poles apart. To bridge this gap, he suggested that all relevant information must be made available to developers before they commit themselves to real development.

Response : Frans: The USDC have not done much in this regard due to their formation only a few weeks ago. However, the UDA and USDC have started, and would continue, to investigate this critical aspect to the delivery of development. The UDA and USDC is moving towards a position to assist developers in this regard with all information – statutory,

planning, contacts, etc.. Frans directed the summit-goers to the database that had been set up by the UDA and to visit the ZCB website for information on relevant support players and development matters. (the intention being to continuously update the information)

Response : Garth: Informed the audience that when new developers initiated projects, the project very seldom looked at the social impacts that are associated with new developments. Things like schools and clinics for the large workforce are seldom part of the planning process. Garth re-iterated that the USDC were committed to include all aspects of development in their consultations and deliberations when assisting new developments.

Response : Frans: Supported Garth's stand on the need for more schools and all logistics associated with development. uMhlathuze has seen a 47% growth in population in a short space of time, yet no new schools are being planned for Empangeni or Richards Bay. He strongly suggested that strategic studies must be conducted concerning the need for modern schools to rather focus on technical disciplines rather than the purely academic schooling that is currently the norm. He also pleaded for the construction of larger centralised schools rather than current scattered placement of small schools. The reality is that each school require principal, administrative staff, etc., access roads, water, electricity, etc., etc. which is a big burden on already scarce human - and financial resources. Schools should be built in densely populated, formalized areas to curb this problem. Frans requested that inputs and comments would be welcomed that would assist in getting this line of thinking carried over to the decision-makers.

### **Question 2.3: CBD Campus of University of Zululand**

Johan Davel : Is the City allowing UNIZUL to build a campus in the middle of the CBD, or is the university going to relocate elsewhere?

Response : Garth: He reiterated that the CBD should not host academic developments of this nature. However, the decision to settle in the CBD has not been cast in stone and that an open debate is still ongoing. He pointed out that better, and already existing, facilities can be found at the ZCB campus. The ZCB will be meeting with the Mayor in the foreseeable future on this issue.

## **3. uThungulu IDP and District Strategic Master Plan (Danie Lubbe)** *District IDP, District Master Plan, 2010 Development Planning*

### **Question 3.1: Education and development**

NAFCOC: Stated that ignorance is a great enemy of education and development. We need skills development in uMhlathuze and that the school system needs to be changed to foster a more technical approach. (strengthening Frans's sentiment expressed)

Response : Danie: He informed the floor that the UDM's mandate does not allow them to get involved with education. This is primarily the Provincial and Central government's domain. The Education Department will indicate to the UDM where they wish to build a school. The UDM will then approve (or disprove) the location, bearing in mind that it's construction and need must fit in with the IDP.

**Question 3.2: 2010**

A question/comment from the floor concerning the 2010 issue. The speaker informed the floor that skills and expertise would be brought into the district by European advisors to FIFA. This is a common undertaking during the build-up to the Football World Cup.

**4. uMhlathuze City IDP and SEA (Neil Muller)**

***City IDP, Strategic Environmental Assessment, Implementing Programme***

**Question 4.1: MR231 upgrade**

Mike Patterson: Mike reiterated that the R231 must be upgraded before any noteworthy expansion can take place.

Response : Neil: He implored the floor that this issue needs to be addressed by all. He already had negotiations with the Provincial Government on this issue and that they would also be looking at the upgrading of the P700 – Empangeni/Vryheid link. He mentioned that is a semblance of synergy between the City and the Government on these issues.

**Question 4.2: Stakeholder involvement**

Mr. Dlamini (NAFCOC): The floor thanked the USDC for initiating the move to better understanding between stakeholders. However, he was concerned about representation and made the point that invitations did not reach the communities. He suggested that communities also need to be involved in such deliberations. Their greatest problems were crime and poverty alleviation – these issues are not included in the agenda of summit and must be included in any long term development plans.

Response : Ray Chirwa: He informed the floor that the USDC were specifically tasked to look at the big picture of strategic infrastructure development planning and that the social aspects of development would indeed feature prominently in all future deliberations. He explained that the first summit was organised in a short space of time and that future summits would include all stakeholders.

**Question 4.3: Global Warming (Climatic changes, sea level changes, etc.)**

Eugene Naudé (DBSA): Questioned actions/planning concerning Global Warming and posed the question because of known climate and sea level changes, what plans are afoot to counteract such natural phenomena.

Response : Frans: Mentioned that this issue was one of the first priorities of the USDC and showed the meeting a plan of the CSIR indicating development set-back lines and flagged their report and what actions have been taken since the report as a matter of concern. He added that at the time (+- October 2006) the City mentioned the possibility of the construction of a beach road and its attendant seawall infrastructure as a safeguard against the landward intrusion of the sea.

Frans added that to his information, Drako Oil was one of the prospective industries considering relocating their operation due to the threat of flooding of their intended development site. Frans said that the region, in fact no economy, can afford to lose a

developer such as the refinery due to insufficient planning and a lack of accurate available information.

Frans said that we should prepare ourselves for a wetter climate in years to come, mentioning the eThekweni City's studies into the climate changes for the province. (this indicated that inland KZN would become dryer and coastal KZN wetter – both obviously having impacts on planning, and if ignored, potentially catastrophic. Amongst others, the report indicated that in the next 30 years 6 cities the size of Durban would need to be developed in KZN.

#### **Question 4.4: Land ownership**

The representative from the floor suggested that a single entity be tasked with the issue of land ownership and who's responsibility it would be to also release such land, in what way and in what form such releases should take place

Response : Neil: Answered that Trust Land must be taken care off by the Amakhosi. The Municipality cannot and will not grab such land. The City will look at development requirements in a holistic way, and if need be, will enter into a dialogue with tribal authorities if infrastructural developments need to encroach on tribal land.

### **5. National Ports Authority – Harbour Development Plan (Jimmy Hills)** ***Harbour Development Plan, Implementation Programme***

#### **Question 5.1: Passenger terminal**

Mike Patterson: Requested that a time-frame be put on the development of a passenger terminal

Response : Jimmy: Of the opinion that a passenger terminal cannot be a stand-alone initiative due to the economic constraints it would entail. It should rather be linked to other commodity presentations, including warehousing and cold storage, cement imports, etc. A Passenger terminal facility needs to be looked at in terms of its return on investment (ROI) for Transnet. Passenger ships need a deeper harbour with a new quay wall. This is estimated to cost in the region of R180 million.

#### **Question 5.2: Impact/threat of the Maputo Port**

The speaker inquired on methods of reversing the trend of Gauteng using Maputo as a preferred import/export facility.

Response : Jimmy: The Port of Richards Bay, according to him, makes a profit for Transnet. However, service delivery and facilities of the port need to be improved. He mentioned that steel and granite are exported through Maputo, but that the volumes were much smaller that locally. Also, it is important to remember that the Maputo port does not entertain road transport goods – only railway goods.

**Question 5.3: IDZ – Quo Vadis?:**

The speaker mentioned that the IDZ were in a perpetual cycle of engagement, but with no conclusion. The speaker requested that a clear message be sent out regarding the status of decisions on the issue of the container facility.

Response : Jimmy: A facility with a 100,000 TEU capacity is being planned. The programme is currently at the design stage. However, no Business Plan has been done and Transnet needs to be convinced as to the feasibility of the venture. A sum of R300 million is estimated for the facility. However, the concept must be marketed properly to shipping companies and importers/exporters who are currently using Durban as their gateway. The question of the alternative of road transport cost must be used as a lever in the marketing bid.

**Question 5.4: Liquid Terminal**

During his presentation, Jimmy Hill mentioned the construction of a “Liquid Terminal”. The floor wanted to know whether this was intended for shipment of the Oil Refinery materials and products.

Response : Jimmy: The terminal was intended to handle all bulk liquids – Ammonia, Liquid Air, etc., but was not planned to handle the refinery’s products. They would probably require and have to prove the feasibility to Transnet of their own terminal.

**Question 5.5: Off-shore terminal for refinery**

The floor enquired whether there was a possibility that the Oil Refinery would make use of an Off-shore Terminal.

Response : Jimmy: The Oil Refinery would be responsible for their own berthing developments. These would be stand-alone developments and are not part of the Port’s current plans.

**6. Richards Bay Industrial Development Zone Dr. Syd Kelly  
*Development Concepts/Plans, Shareholders Agreement, Implementation Programme***

**Question 6.1: Hot metal road**

Mike Patterson: Has the Hot Metal Road been put on hold?

Response : Dr. Kelly: This project is still on-line, although it has faltered along the way. BHP Billiton are now in the process of taking the project on board and will initiate the Hot Road themselves.

**Question 6.2: Involvement of SMME’s**

An enquiry from the floor as to the inputs and status of involvement of SMME’s.

Response : Dr. Kelly: Quite a bit of work has been done in this regard. This has been initiated in conjunction with the ZCB and includes aluminium beneficiation on a small scale.

Products included for beneficiation are: aluminium furniture, window frames, fittings and doors. The export of these finished products is also being investigated.

**Question 6.3: Your involvement**

A speaker from the floor inquired about youth involvement, especially in the Tata Steel project.

Response : Dr. Kelly: The inquirer was referred to ZCB and advised to contact them for information.

**Question 6.4: Shortage of Pine Wood for furniture manufacturing**

NAFCOC: The representative had a question concerning the shortage of Pine Wood for furniture manufacturing in the region.

Response : Dr. Kelly: Pine production was not a priority in the area. There was a higher premium placed on aluminium products and furniture manufacture from aluminium and Saligna wood.

**7. Richards Bay Clean Air Association (Quentin Hurt)  
*Report (Air-shed Quality, etc.), Development Planning Projections***

**Question 7.1: Effects of increased traffic in City on pollution**

A question from the floor inquired about the effects of increased traffic in the City on the levels of pollution.

Response : Quentin: Nitrous oxides and carbon monoxide were the chief constituent compounds in vehicle exhaust fumes. However, the RBCAA have not been monitoring these compounds. He indicated that exhaust monitoring may be looked at in the near future.

**Question 7.2: Enforcement structures/powers**

A question from the floor was directed at the issue of enforcement structures/powers within the RBCAA.

Response : Quentin: Enforcement was not part of the RBCAA's mandate. They were purely tasked with monitoring and data gathering and the reporting thereof for further evaluation.

**8. Environmental Report (Richard Ngcamu)**

***Environmental Report (EIA's, etc.)***

**Question 8.1: Discrepancies in application**

The inquirer wanted to know whether there was any discrepancies in policy application between the National Department of Environment Affairs and the Provincial Department of Agriculture and Environment

Response : Richard: Both contained the "Environment" entity and that they were concurrent functions that operated in a synergistic fashion. The policies and application of environmental laws and regulations were therefore represented by both departments through liaison.

**Question 8.2: Lengthy delays in approvals**

The question of authorisation was brought up due to the somewhat lengthy delays and applicants being unsure of where to lodge the applications.

Response : Richard: All authorisation for the region was done through the Richards Bay office of the department.

**Question 8.3: Validity of decisions due to capacity**

A question from the floor inquired as to the validity of decisions if linked to gaps in capacity within the department

Response : Richard: If an officer was not confident in handling an inquiry/application, he would seek advice from environmental peer groups and consultants. The department is confident that this system gives acceptable outcomes.

**Question 8.4: USDC and UDA partnerships with RBCAA and DAEA**

Frans van der Walt commented that all IAAP's should remain in communication with one another and the USDC. This process must be ongoing. The USDC and UDA pledged their support and willingness to participate and work with the RBCAA and DAEA in matters affecting the environment and delivery of development and appealed that continuous engagement with all be high on everybody's agendas.

**9. General Discussion (Frans van der Walt)**

**GENERAL 1: Strategic**

Frans: Kicked off the discussion with a few comments and presented items which should be seen as strategic and has not been adopted or confirmed by the USDC and should be seen in that light.

**GENERAL 2: Invitations and BEE representation**

Many questions were asked as to the invitation and relative absence of BEE entities at the summit and the floor was concerned that very few of them had PC's and even less has access to the Internet.

Response: Frans: The USDC took note of the comments/concerns. A conscious decision was taken by the USDC to pre-identify role-players to target and invite, due the fact that this was the First Summit. The invite was for authorities and parties involved in planning and development decision making, and as such, were targeted. In future we would look at alternative ways of communicating the message to role-players and representatives - bearing in mind that the intended participants are to be restricted to being those specifically representing organizations and the community and directly involved in strategic development planning and decision making. The community should give a mandate to, and be represented by, those attending. The City and District's IDP processes are there for community participation and input.

**GENERAL 3: Ingonyama Trust**

The floor demanded that entities such as the Ingonyama Trust should be present at these functions.

**GENERAL 4: BEE**

NAFCOC: The issue of BEE was raised. Success stories include the John Ross where site training and skills transfer is happening. Encouraged the continuation with 60% BEE model. The speaker enquired about the budget of municipalities.

Response : Frans: The USDC took note. The reality in South Africa according to the SA Association of Consulting Engineers (SAACE) is that less than 6% of all registered engineers in the country is black. It is impossible for 6% to handle all the work that needs to be done, bearing in mind that training and transferring skills needs to happen at the same time. The same probably apply to all Built-environment professions. Frans then quoted a recent presentation by the National President of the National Association of Real Estate Agencies (NAREA) that less than 8% of registered estate agents are black. This presents a massive market for any entrepreneurial person if one realizes that the Black Diamonds is growing at 30% per annum. There are currently approximately 2,6 million Black Diamonds whose buying power is almost the same as the total white population at approximately R9 billion. The growth in this market and the fact that most of those that have not done so, and the new-comers, would in all probability buy property very soon. This creates a fantastic opportunity for entrepreneurs – similar to those presented in various other industries by only the growth in buying power of the Black Diamonds.

### **GENERAL 5: Conditions of roads and infrastructure**

The floor referred to the “horrible” condition of the region’s roads and lack of maintenance and development of new infrastructure. They also indicated that this was due to the Provincial Government “not having budget” for maintenance and upgrading of the road infrastructure. Similarly water supply is a critical concern. (concern again raised by DBSA)

Response : Frans: We should be focussing on ensuring sustainable water sources for the region if we wanted future development to materialize and succeed.

He quoted the example of the Vaal-Tugela system. The economic reality is that should the Gauteng region for whatever reason run dry or out of water, they may cut of the supply to the Tugela, leaving us with an obvious problem if we do not address this.

The floor then asked if this mean that we had to retard or stop development because of our water needs ?

A recommendation was made that Mhlathuze Water and DWA&F be invited in future and Frans confirmed that both have indeed be invited, but would in future need to be encouraged to participate.

### **GENERAL 6: Representation by Councillors and officials**

Mr. Zwane (NAFCOC): Questioned the non-attendance of the Summit by City Councillors and Municipal officials, - planners, etc. The reason for this is that policy decisions were made at their level and because most of them were ignorant of the discussions at this kind of function, they could not make valid inputs into development – “Ignorance is the main enemy of development”. We need to organise a workshop to deliberate with these officials.

Response : Frans: Invitations was sent to certain National and all KZN Government Departments, District Municipality, uMhlathuze Municipality, Neighbouring Municipalities and various other identified role-players. AHI Zululand and ZCB both also circulated the invitations twice to their vast membership which includes Municipalities, etc.

The USDC fully appreciate and realize the absolute necessity to have Government -, City -, District officials, councillors, etc. present at the summit. The USDC would address this aspect with the assistance of the Private Sector. (UDA, AHI and ZCB, etc.)

### **GENERAL 7: Comments / Concerns by Mayor Moffat**

Denny Moffat:

- Questioned the name of USDC (“ID crisis”) – uThungulu vs. uMhlathuze.
- Intoned that the IDP’s of both the UDM and the City must be resolved and that the USDC should align themselves with these. We need to streamline all our efforts. The community (Private Sector) should get to know the budgeting system of the City and initiate their “coordination” with that in mind. (Very few people attend the budget presentations.)
- He felt that there were too many forums and committees and said that there was a duplication in functions.
- He questioned if this “was the New Chamber of Business”?

Response : Frans:

- The ID issue was addressed in “Background” presentation and by more than one speaker.
- The function of the USDC and UDA were primarily to act as a catalyst to kick-start and facilitate / coordinate strategic development planning initiatives. The USDC were not intended to be just another discussion forum such as that which the Mayor may have been referring to. The intention is to ensure effective, efficient coordinated strategic development planning.

Response : Garth: We should strive to talk with one voice and to engage in meaningful dialogue to ease the bottlenecks that arise from time to time in our development initiatives.

### **GENERAL 8: Closing**

Frans: Thanked everybody for their attendance and encouraged continuous comments and input by all role-players to the USDC to ensure that we can address and prioritize issues raised.

The presentations of the Summit is available to order should anybody require this.