

2.5 ECONOMIC

The year-on-year and quarter-on-quarter growth rates for GDP for South Africa and KZN are shown in **Figures 2.20** and **2.21**.



Figure 2.20 Year-on-year growth for GDP in South Africa and KZN (Coetzee 2010: Economic Presentation).

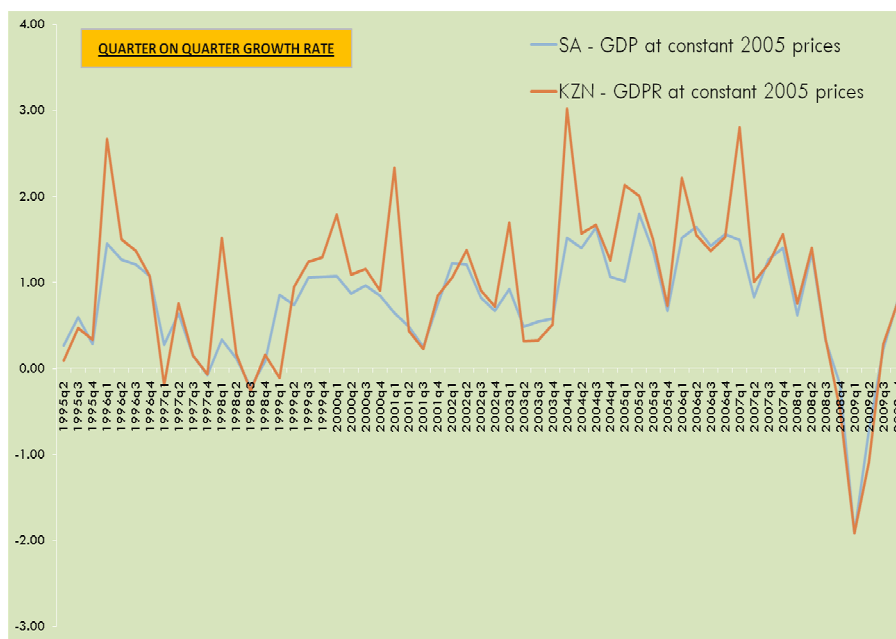


Figure 2.21 Quarter-on-quarter growth for GDP in South African and KZN (Coetzee 2010: Economic Presentation).

South Africa was in a period of recession (IMP 2009: 27) and this is demonstrated by **Figures 2.20** and **2.21**. However, as shown in **Figure 2.21**, South Africa began to emerge from the recession in the third quarter. Reuters identified that “South Africa registered positive annualised growth of 0.9% in the third quarter of 2009 after three quarters of contraction, but the economy may have shrunk close to 2% for the whole year” (Reuters 2010: Engineering News website). The Bureau for Economic Research (BER) indicated that “while South Africa was likely to see GDP growth of about 2.7% this year and 3,5% in 2011... the global economy could suffer a growth relapse at the end of this year or early in 2011” (Pringle 2010: Economic Outlook website).

No recent information on the contribution of each local municipality to KZN’s total GDP has been identified (**Figure 2.22**). However, Coetzee’s analysis does identify the percentage contribution of the major KZN urban nodes (Durban, Pietermaritzburg, Richards Bay, Newcastle and Port Shepstone) to the KZN GDP. The percentage contribution of the urban nodes within Umgeni Water’s supply area is shown in **Table 2.9**.

Table 2.9 Percentage contribution of the major urban nodes to KZN’s GDP (Coetzee 2010: Economic Presentation).

As a % of GDP	Urban	Durban	Pietermaritzburg	Port Shepstone
2008q1	78.74	58.45	8.20	2.94
2008q2	78.54	58.55	7.57	2.82
2008q3	78.21	58.10	7.73	2.83
2008q4	76.91	56.32	8.15	3.25
2009q1	76.09	56.11	8.02	3.21
2009q2	75.93	56.08	8.06	3.08
2009q3	77.65	57.42	8.05	3.02
2009q4	77.61	57.42	8.05	3.04

The trends for each of the urban nodes are similar to the trends experienced by the province and the country (Coetzee 2010).

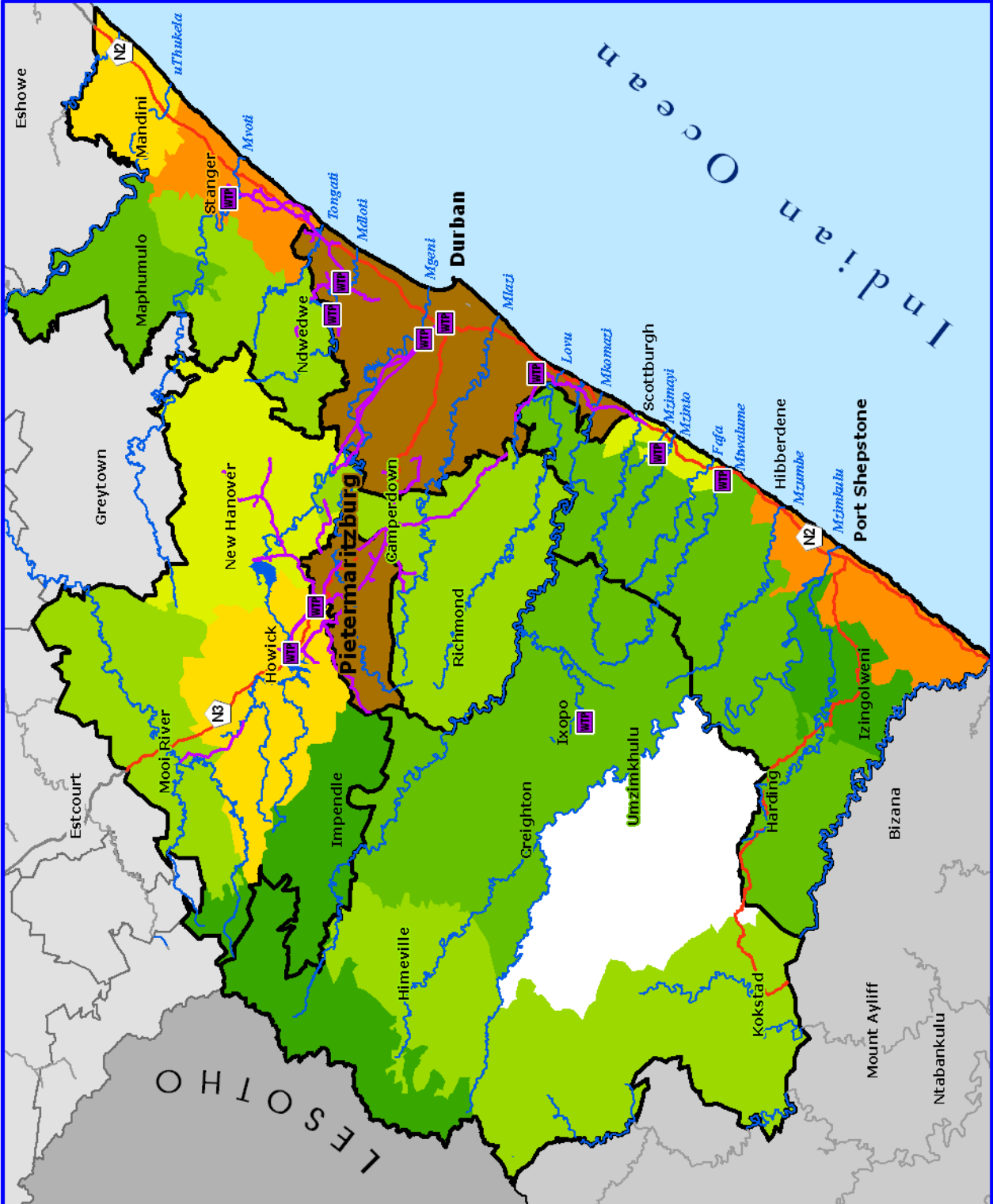


Figure 2.22 Local Municipal Contribution to KZN's Total GDP (2004)

Legend

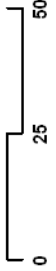
- UW Operated WTPs
 - UW Pipelines
 - Rivers
 - National Roads
 - UW Operated Dams
 - WSAs for whom UW is BWSP
- Contribution to Total GDP (2004)
- 0.0 - 0.1 %
 - 0.1 - 0.3 %
 - 0.3 - 0.5 %
 - 0.5 - 0.8 %
 - 0.8 - 1.5 %
 - 1.5 - 3.0 %
 - 3.0 - 7.5 %
 - 7.5 - 62.0 %

Source:

- DRDLA
- Department of Water Affairs
- KZN Department of Transport
- Municipal Demarcation Board
- Umgenti Water



Original Scale on A4 at 1 : 1 500 000



The downward trend is also evident in the number of development applications that have been received by CoGTA, as shown in **Figures 2.23 and 2.24**.

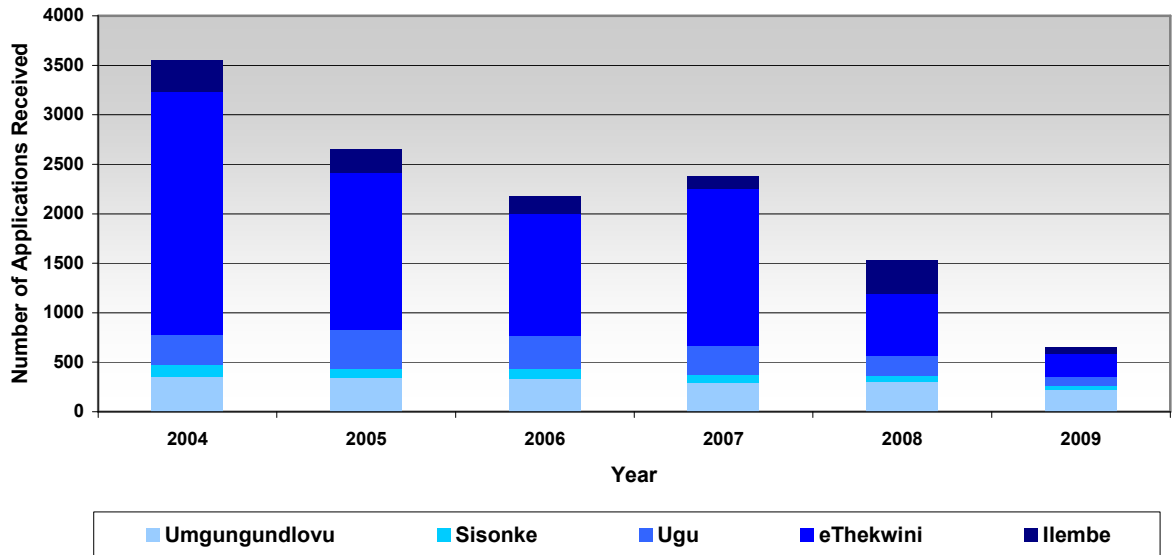


Figure 2.23 Number of development applications received per year per district municipality (CoGTA's Development Administration Database 2010).

Majority of these applications are located on the T-junction of the N3 and N2 corridors. A comparison of **Figure 2.24** with that of **Figures 2.4, 2.5** and **2.19** shows that majority of these applications are located in the higher performing municipalities and in the urban areas.

Figures 2.25 – 2.28 show that the recorded number of building plans passed by the larger municipalities in KZN by building type, have also been decreasing. Statistics SA state that the “value of recorded building plans passed by larger municipalities (at current prices) during January 2010 decreased by 17,4% (-R644,3 million) compared with January 2009... the biggest contributor to the decrease of 17,4% was KwaZulu-Natal (contributing -8,6 percentage points or -R318,1 million)...” (Stats SA 2010: 3).

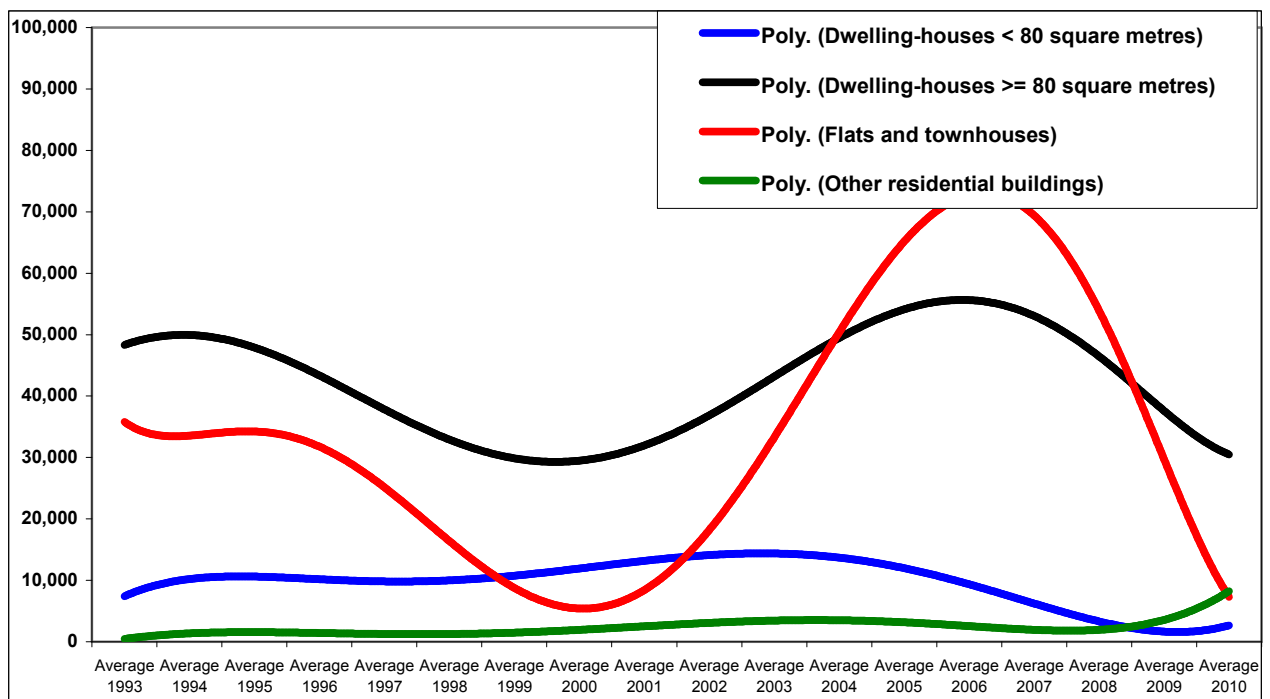


Figure 2.25 Recorded area of building plans passed by the larger KZN municipalities by residential building type per area (Coetzee 2010: Economic Presentation).

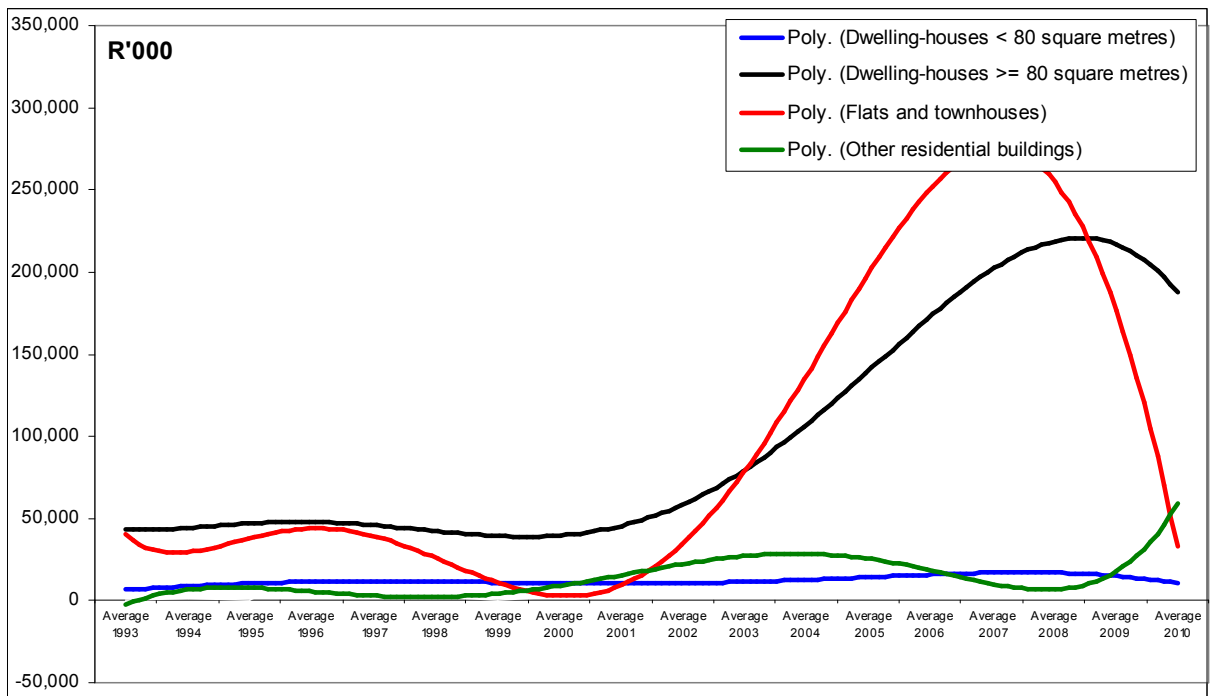


Figure 2.26 Recorded Rand value of building plans passed by the larger KZN municipalities by residential building type per cost (Coetzee 2010: Economic Presentation).

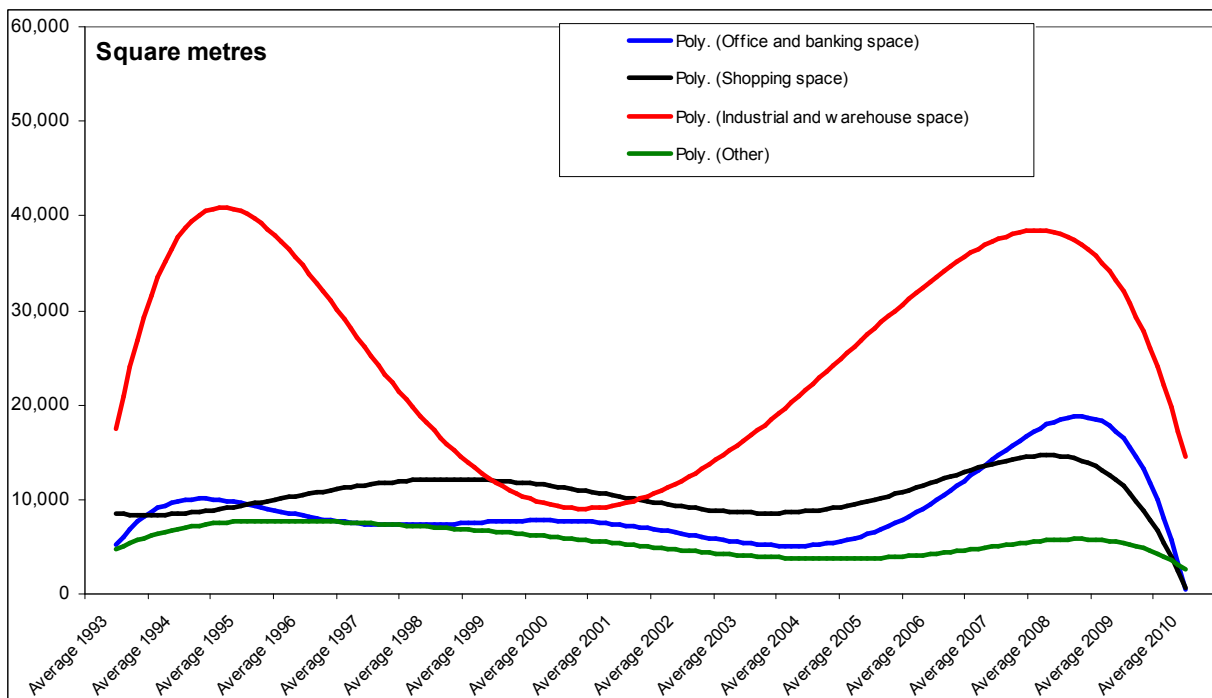


Figure 2.27 Recorded area of building plans passed by the larger KZN municipalities by non-residential building type per area (Coetzee 2010: Economic Presentation).

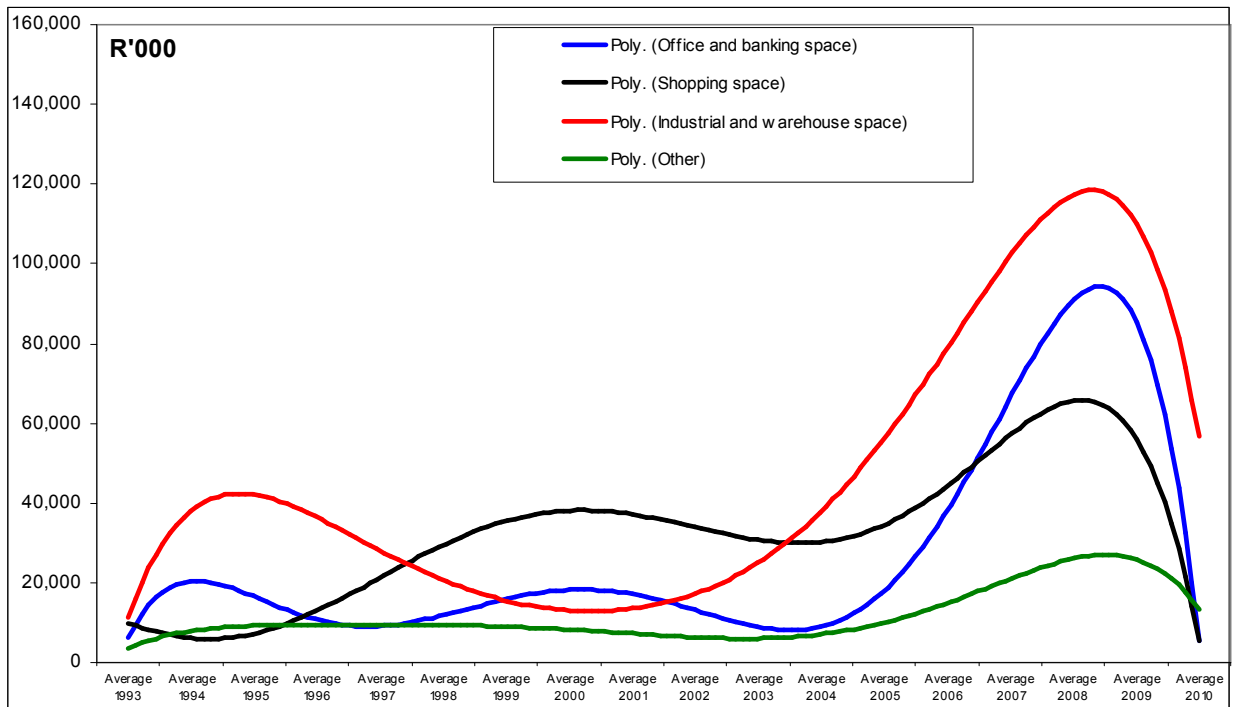
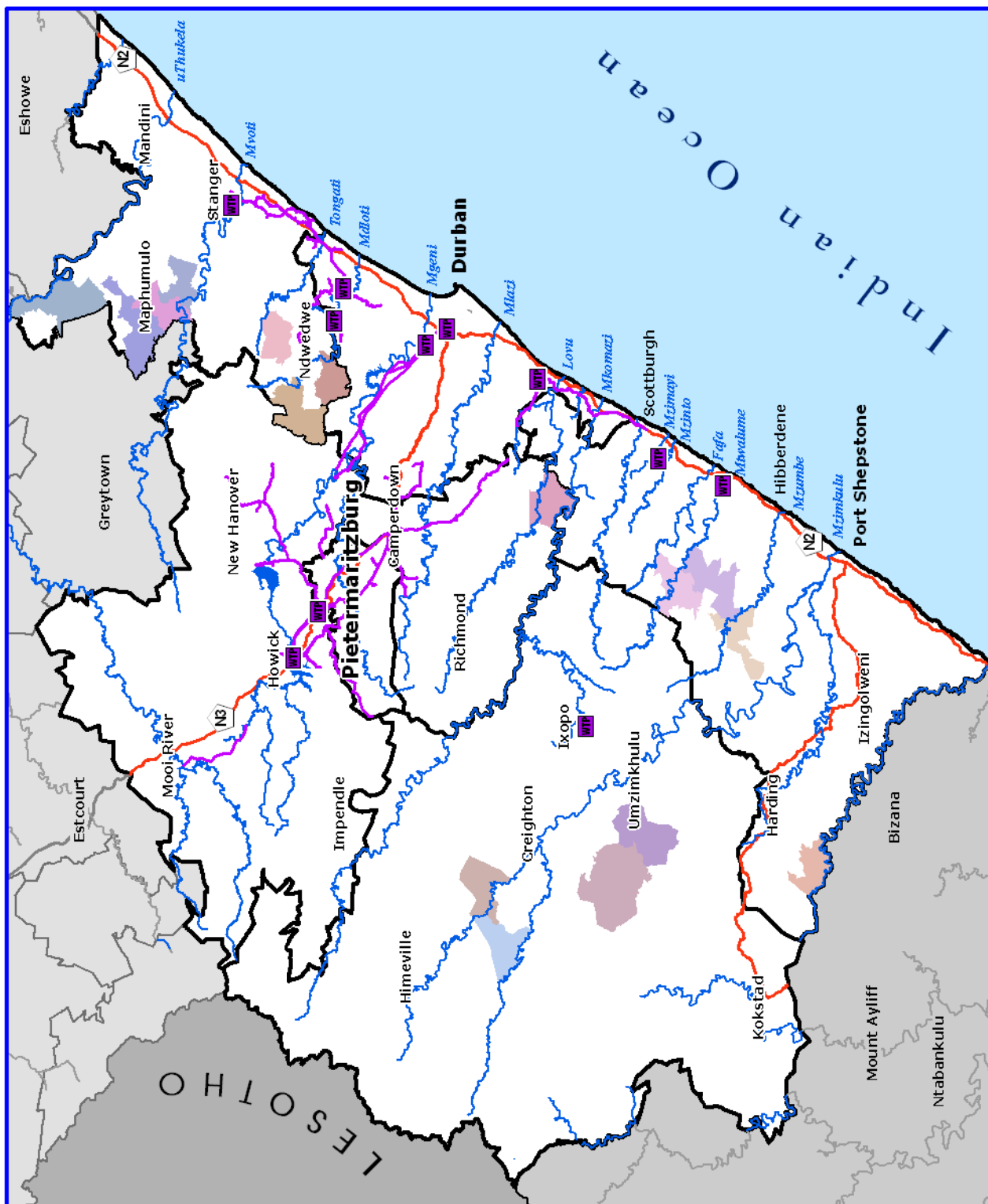
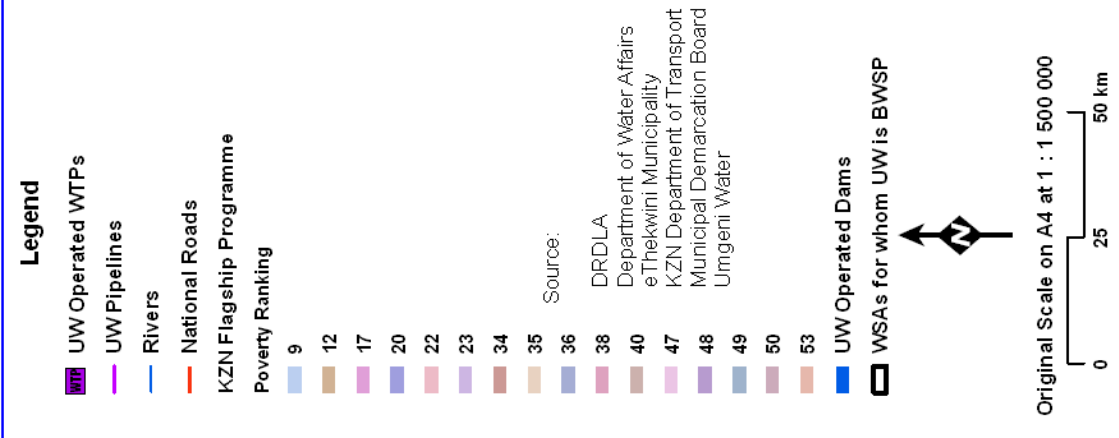


Figure 2.28 Recorded Rand value of building plans passed by the larger KZN municipalities by non-residential building type per cost (Coetzee 2010: Economic Presentation).

2.6 POVERTY

Section 2.3 referred to the “Flagship Programme”. The Flagship Programme is a “joint cluster flagship programme” which was initiated by the KZN Premier’s Office and is KZN’s “intervention to create healthy and sustainable communities through a multi-pronged approach involving all government departments” (KZN MEC 2009: speech). The 57 most deprived wards (where “1” is the most deprived ward) that were identified for the first phase of this programme are illustrated in **Figure 2.29**.

Figure 2.29 Flagship Programme Wards (2010)



2.7 WATER SERVICES

The number of people with access to water below RDP levels per WSA (2004 – 2009) as per the WSNIS is shown in **Figure 2.30**, whilst the density of the backlogs is shown in **Figure 2.31**. A comparison of **Figure 2.31** with **Figure 2.16** of the **IMP 2009** shows that there has been a significant change in the central area of eThekweni Municipality. This is a result of DWA updating the spatial coverage of the settlement footprints within eThekweni Municipality. The difference between the two coverages is illustrated in **Figure 2.32**.

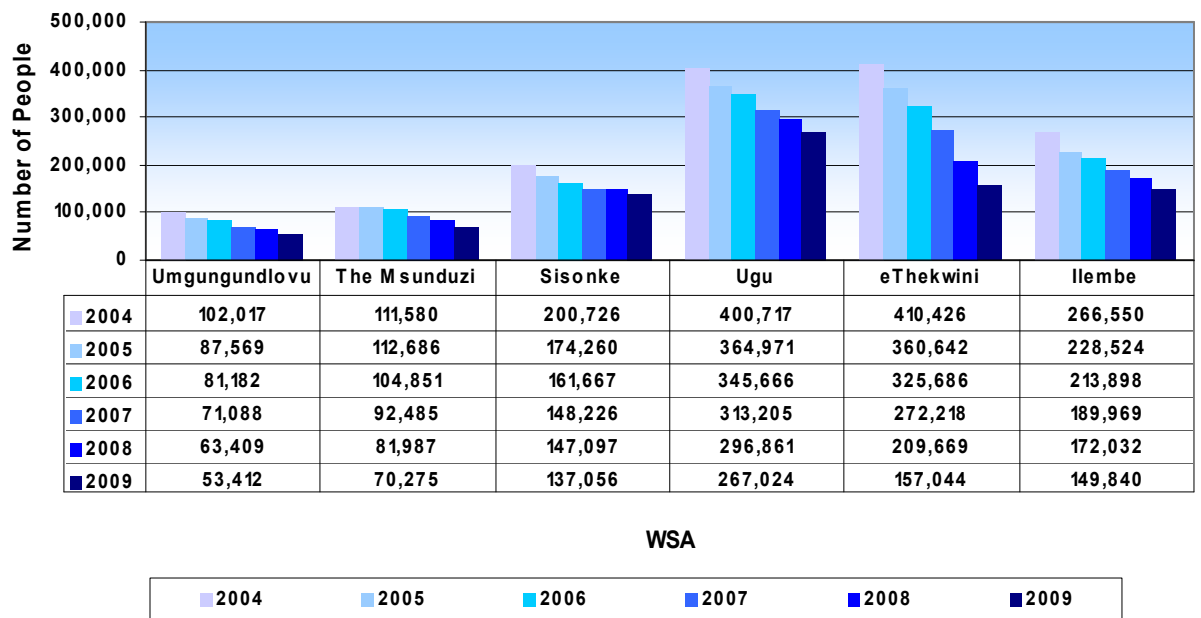


Figure 2.30 Number of people with access to water below RDP levels per WSA (2004 – 2009).

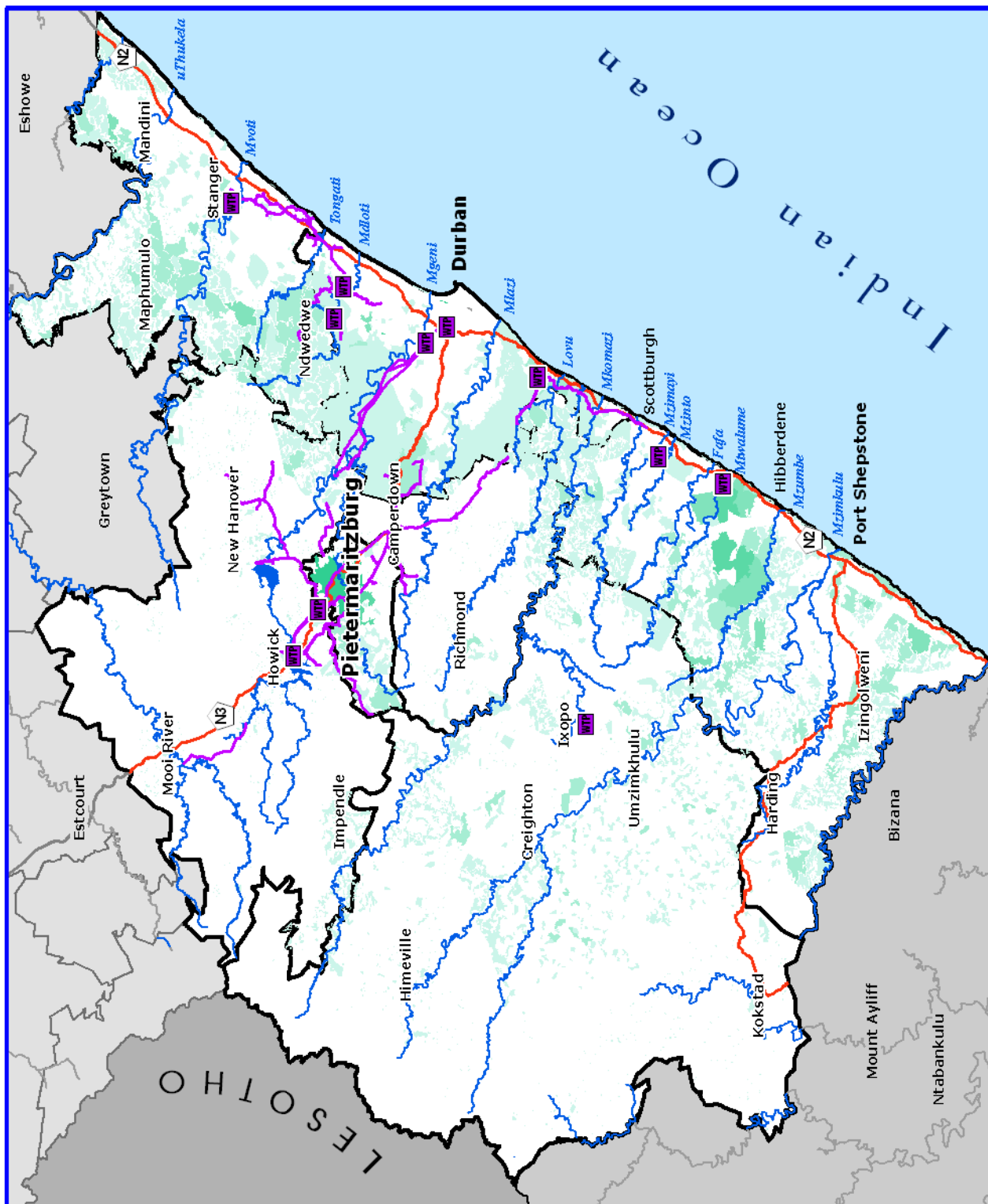


Figure 2.31 Water Backlogs (2009)

- Legend**
- UW Operated WTPs
 - UW Pipelines
 - Rivers
 - National Roads
 - Number of People Below RDP (2009)**
 - 0 - 1000
 - 1001 - 5000
 - 5001 - 10000
 - 10001 - 25000
 - 25001 - 61572
 - UW Operated Dams
 - WSAs for whom UW is BWSP

Source:

- DRDLA
- Department of Water Affairs
- eThekweni Municipality
- KZN Department of Transport
- Municipal Demarcation Board
- Umgenti Water



Original Scale on A4 at 1 : 1 500 000



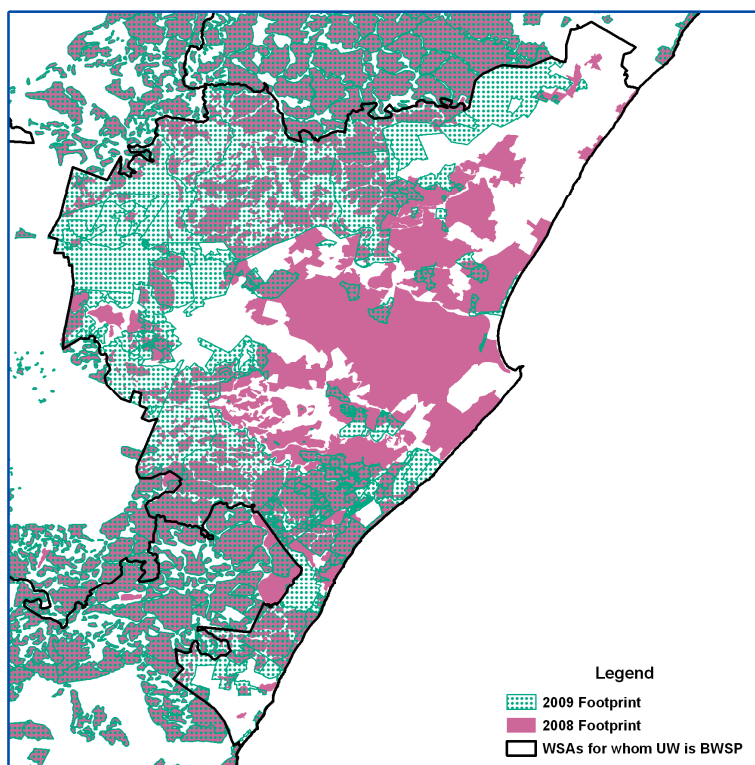


Figure 2.32 Comparison of the 2009 and 2008 settlement footprints for eThekweni Municipality.

2.8 PLANNING

2.8.1 NATIONAL SPHERE

Section 2.1 identified that the national and provincial elections occurred in April 2009 and one of the results of this was the establishment of new national departments (**Table 2.1**). One such department in The Presidency is the National Planning Commission. The Presidency explains the Commission as follows:

The National Planning Commission is a new initiative of government. Chaired by the Minister in The Presidency for National Planning, the NPC will be responsible for developing a draft long term vision and strategic plan for South Africa. The process of developing this draft plan will include discussion and engagement across our country and will also provide opportunities for people to come forward with ideas and suggestions. This draft will be considered by Cabinet and accepted, amended or rejected. The Commission will also advise on cross-cutting issues that impact on South Africa's long term development.

Cabinet approved the release of the Green Paper: National Strategic Planning in August 2009. The Green Paper was publicly released in September alongside a discussion paper on Performance Monitoring and Evaluation. Both documents were officially tabled in Parliament.

The National Assembly and NCOP solicited comments and representations as part of a broader public engagement process. A report was presented to the National Assembly and after extensive debate the report was noted. The main recommendation is that Parliament supports the Green Paper and recognizes the primacy of Cabinet as the final arbiter and ultimate collective decision-making body responsible for all major policies and plans. The NCOP report was also supportive of the broad thrust of the Green Paper and the substantive content of the proposals.

In December 2009 Cabinet resolved that the Minister in The Presidency: National Planning will drive the process towards the establishment of the NPC and that the President is tasked with the appointment of the Commissioners and establishment of the Ministerial Committee on Planning.

(The Presidency 2010: website)

The Presidency continues to explain that the functions of the Commission will be:

- Lead the development (and periodic review) of a draft Vision 2025 (“South Africa Vision 2025”) and long –term national strategic plan for approval by Cabinet (first plan 2010).
- Lead investigations into critical long term trends under the supervision of the Minister in the Presidency for the National Planning Commission, with technical support from a Secretariat and in partnership with relevant other parties.
- Advise on key issues such as food security, water security, energy choices, economic development, poverty and inequality, structure of the economy, human resource development, social cohesion, health, defence capabilities and scientific progress.
- Assist with mobilizing society around a national vision and other tasks related to strategic planning.
- Contribute to reviews of implementation or progress in achieving the objectives of the National Plan.
- Contribute to the development of international partnerships and networks of expertise on planning.

(The Presidency 2010: website)

The revised Green Paper on the National Planning Commission was published in General Notice 101 of 2010 in Government Gazette Number 32928, 2nd February 2010. It is noted that when the first draft of the green paper was published in September 2009, it was called the “Green Paper: National Strategic Planning” whilst the gazetted second draft is entitled the “Revised Green Paper: National Planning Commission”. Also published by The Presidency in September 2009, was the performance management, monitoring and evaluation paper entitled “Improving Government Performance: Our Approach”. This paper will be implemented by the Minister for Performance Management, Monitoring and Evaluation, The Presidency.

A call for nominations for experts to sit on the Commission as well for members of the Secretariat was made in January 2010. The current status on the establishment of the Commission is that the short-listed names of those nominated to be commissioners have been submitted to the President (Director-General for The Presidency 2010: speech).

The thematic issues that the National Planning Commission will be undertaking “focussed investigations” into and which are of relevance to Umgeni Water are:

- Long-term macro social and demographic trends.
- Long-term availability of water.
- Conservation, biodiversity and climate change mitigation and adaptation.
- Local economic development and spatial settlements trends.

(Minister in The Presidency: National Planning Commission 2010: 5)

In terms of co-ordination between the different role-players, the Green Paper explains as follows:

Each department, sphere of government and state agency should therefore have planning capacity. The outcomes of their planning would feed into the development of the national strategic plan. The national strategic plan would, in turn, define high level outcomes and impacts. Sector plans would take account of the national plan and define what role sectors would play in achieving the outcomes defined in the national plan. This however does not mean that the planning horizons of all sectors should be the same. It is acknowledged that planning timeframes may differ from sector to sector with some sectors long-term

plans going beyond the envisaged 15 year horizon of the national long-term strategic plan.

(Minister in The Presidency: National Planning Commission 2010: 6)

The National Planning Commission does not seek to “re-invent the wheel” but instead, builds on existing initiatives e.g. the Medium-Term Strategic Framework (MTSF) (IMP 2008). The key difference with the National Planning Commission is that it seeks to create an “overall long-term vision for the country” (Minister in The Presidency: National Planning Commission 2009: 14).

The Medium-Term Strategic Framework for the 2009 – 2014 period was published by the Minister in The Presidency Planning in July 2009. The strategic priorities to which Umgeni Water directly contributes are (out of 10 strategic priorities):

- Strategic Priority 2: Massive programme to build economic and social infrastructure (Minister in The Presidency Planning 2009: 11 – 13).
- Strategic Priority 9: Sustainable resource management and use (Minister in The Presidency Planning 2009: 26 – 27).

Strategic Priority 2 includes:

- “Continuing with the programme to build and maintain water infrastructure to improve reticulation, prevent wastage and ensure reliable and safe supply for human consumption, industrial activity and for agriculture, including special irrigation projects such as Mokolo River Augmentation Project, and the Vaalharts/Taung and Makathini irrigation schemes” (Minister in The Presidency Planning 2009: 12).
- “Finalising and implementing the programme to ensure universal access to electricity, water and sanitation by 2014 by not only expanding infrastructure but modifying and repairing aging or inappropriate infrastructure to reduce wastage, contamination of natural systems and service disruptions” (Minister in The Presidency Planning 2009: 12).
- “Developing physical infrastructure in rural areas: to address the specific development needs of different rural localities, government will invest in agricultural infrastructure and production services in association with land redistribution and restitution and social infrastructure such as schools, health,

water, energy, as well as sports and other recreational infrastructure” (Minister in The Presidency Planning 2009: 13).

- “Even while new investments are being undertaken, government will ensure proper and appropriate investment in and an ongoing programme for the maintenance of existing infrastructure” (Minister in The Presidency Planning 2009: 13).

Strategic Priority 9 includes:

- “Implementing the Water for Growth and Development Strategy: strengthening institutional capacity for water management so that water scarcity is not exacerbated by ineffectual management, and finding the right mix of mechanisms to effect change in behaviour, including regulatory, self-regulatory, market-based instruments and awareness and education. Projects such as the Mokolo River Augmentation Project and the Lower Sunday’s River aimed at improving water availability and irrigation, especially for poor farmers and providing previously disadvantaged users access to user rights will continue” (Minister in The Presidency Planning 2009: 27).

The water sector however, only has two development indicators allocated to it in the framework viz. development indicator number 27, potable water; and development indicator number 28, sanitation, under the theme “household and community assets” (Minister in The Presidency Planning 2009: 32).

Ugu District Municipality is one example using the MTSF priorities in their Integrated Development Plan (IDP) and where Umgeni Water submitted their projects under the Strategic Priorities of 2 and 9.

The “Strategic Planning of Water Resources in South Africa A Situation Analysis 2009” was published by DWA in September 2009. DWA explains the objective of this report as follows:

This document provides an expression of the thinking and planning of the Department, and includes a summary of the water resource situation for all the identified growth areas in the country as at 31 March 2009. It is the intention of the Department to update this knowledge base annually.

The objective is to provide information on the Department of Water Affairs' strategic level planning activities aimed at ensuring adequate water supplies in support of economic growth and development in the country. The plans of the Department are set against an understanding of water resource requirements, availability, and the limitations and challenges facing the water sector.

(DWA 2009: 1)

DWA is using the National Spatial Development Perspective (NSDP; IMP 2008 and IMP 2009) as the basis of its planning and the report provides a “short description of water resource planning initiatives for each for 26 growth points” (DWA 2009: 4) as identified by the NSDP. One of the growth points is the Durban-Pietermaritzburg region and the water resource planning study initiated at the national level for this region is the “Water Reconciliation Strategy Study for the KwaZulu-Natal Coastal Metropolitan Areas” (IMP 2008 and IMP 2009). At the time of publication of the “Strategic Planning of Water Resources in South Africa A Situation Analysis 2009” report, the “Water Reconciliation Strategy Study for the KwaZulu-Natal Coastal Metropolitan Areas” had not been completed.

The “Strategic Planning of Water Resources in South Africa A Situation Analysis 2009” report summarises the challenges facing the water sector as follows:

i. Water resources are limited

Every sector and every individual needs to recognise South Africa's water resource limitations. Bringing all South Africans up to an acceptable standard of water related service and delivery is a tough challenge given these limitations. Recognising and adjusting to the limits of what is possible is one of the adaptations that water-scarce areas are going to have to accept; becoming more efficient, using less water, and in some cases moving water from traditional uses such as agriculture into urban and industrial development. The reliance on even further exploitation of surface water will have to be replaced with a respect and acceptance of all resources – with groundwater and the re-use of water playing an increasing role in the future.

ii. The cost of water

Water is going to get more and more expensive and cost will in future determine the location of water-demanding industries. It is critical that the cost and availability signals are recognised early in planning industrial expansion. So, for example, while desalination has energy costs, new

technology is fast turning this into a viable option, offering long-term water security at coastal sites.

The relative cost of different supply schemes, both current and future, have not been dealt with in this document but will be a focus in future strategic analyses.

iii. Meeting the needs of the environment

The National Water Act demands that environmental standards of rivers be upheld for the sustainability of water resources, and this water requirement must be understood and accepted.

iv. Water quality

Water quality deterioration from agricultural, industrial, mining and settlement pollution, may be the country's most serious threat to water resources. The decanting of mine-polluted groundwater into surface systems is one of the greatest challenges, and will have to get focussed attention. Re-use of this water suggests an opportunity to solve a supply as well as a quality problem.

v. Skills and long planning horizons

Technical and management skills in the water sector are needed in both local and national government. Above all things, neither the Department nor the country can afford to slip on the long planning horizons, and must retain the skill and capacity that will allow the identification and implementation of necessary measures in good time.

(DWA 2009: 15)

The conclusions identified by the report are:

i. Adaptive planning is essential

Water resource planning is structured but flexible, with the Department guided by national policies, plans and programmes. Rapid growth, and particularly urbanisation, has required rapid adaptation to secure supplies to a mixed and growing economy and meeting the needs of all people. Flexible reconciliation strategies have been developed, and will ensure water for the large metropolitan areas – but only if implemented on time.

ii. Surface and groundwater use

In terms of surface water, a number of new dams have been built, or are at least in the planning stages, so that the country's major metropolitan areas are secure into the immediate future. The next phase of the Lesotho Highlands Project has been approved, and further utilisation of the Thukela is a longer-term prospect. The Mzimvubu is a major resource although logistically very difficult to utilise economically. Significant opportunity can be unlocked by increasing the use of groundwater in conjunction with surface water. This will increase total water availability in large measure by improving overall resource use efficiency.

iii. Water Conservation, Demand Management, and the re-use of water

Much of the country is using all the water it has and the only way to get more from the resource is to demand less and conserve more – using water more efficiently, and using it over and over again. Both Water Conservation and Demand Management and the re-use of water are critical new strategies for many areas. Implementation is urgent and immediate.

iv. Forward Planning – Strategy Steering Committees

Water security requires continuous forward planning. The Department will rely on the Strategy Steering Committees now being set up to oversee the implementation of the reconciliation strategies for the metropolitan areas. These Committees will keep the strategies relevant, monitor the situation and the implementation of interventions, and recommend adaptations – always with a 25-year planning horizon.

v. There is a need to monitor and update

In the light of rapid growth, increasing water requirements, changing expectations, and a changing climate it is important to measure and monitor water availability and use continuously. Hydrological and climate monitoring networks must be maintained and improved.

(DWA 2009: 16)

The objective of the “Water Reconciliation Strategy Study for the KwaZulu-Natal Coastal Metropolitan Areas” study was to develop a strategy that will identify, prioritise and confirm the interventions that will be required to reconcile the water requirements with the available water resources for the next twenty-five years (DWA 2007). This strategy was built on the existing planning initiatives of Umgeni Water and the relevant WSAs. The study concluded that:

“...the whole study area is running a risk of water shortages soon. This near crisis situation is masked by recent good rainfall which kept dams full. It is not possible to lower this risk with water resource development projects in the short-term. As a result immediate water management measures as well as urgent resource extension investigations are required. “

(DWAF 2008a)

Specific recommendations from this study included the following:

- Urgently implement the Mooi-Mgeni Transfer Scheme (Spring Grove Dam and transfer system).
- Implement the Raising of Hazelmere Dam without delay.
- Implement the North Coast Pipeline for short-term support to KwaDukuza and long-term support to the Mdloti System (bi-directional pipeline). Undertake planning and implement water treatment and related infrastructure to utilise the additional yield from the raised Hazelmere Dam.
- Proceed with the Feasibility Study of the Mkomazi River Transfer Scheme.
- Commission a feasibility study of the Thukela and Mvoti systems for supply to the Northern Areas.
- Commission a feasibility study for water reuse options for supply to the Mgeni River System and the North Coast).
- Commission a feasibility study for the desalination of sea water for supply to the Mgeni River System and the North Coast.
- eThekweni and the other municipalities implement further WC/WDM measures.

(DWA 2009: 17 – 20)

DWA is also currently busy with a study entitled the “Reconciliation Strategies for All Other Towns”. The objective of this study, which began in June 2008, is to “develop strategies for all towns in South Africa within the study period of approximately three years to ensure adequate future reconciliation of water requirements and water availability” (DWAF 2007: 1). This study is scheduled to be completed in 2011.

Another important initiative undertaken by DWA was the release of the 2010 version of the WSDP Guidelines. A concept document of the 11th version of the guidelines was released in February 2009 and the approved version in March 2010. This version sees the WSDP simplified with all required information being directly populated into Excel spreadsheets which are available for download from the DWA

website (in Excel 2007 format at http://www.dwa.gov.za/dir_ws/wsdp/). One significant shortcoming of the 2010 version of the guidelines is the definition of time-frames: a short time-frame is said to be one year, a medium time-frame three years and a long time-frame five. This is in stark contrast to what was identified by the Green Paper on the National Planning Commission where the duration for long-term is 25 years. This duration of 25 years is also referred to by the “Strategic Planning of Water Resources in South Africa A Situation Analysis 2009”. The “State of Local Government Report” mentioned in **Section 2.1** also refers to durations, stating:

Currently, the Five Year Strategic Framework (referred to as the “Medium-Term Strategic Framework” in this report and discussed above) guides government’s programmes over the medium term. The planning function will now be a process that coordinates the development of a three-tiered planning product: long-term (15 years) the current MTSF, and then the annual programme of action.

(CoGTA 2009: 36)

The purpose of the “State of Local Government Report” was to “determine the key problem statement in different thematic areas and to establish the root causes for poor performance, distress or dysfunctionality in municipalities” (CoGTA 2010: 3). The analysis of this report led to the development of the “Local Government Turn-Around Strategy” (LGTAS) which was approved by Cabinet on the 2nd December 2009 (CoGTA 2010: 3).

The LGTAS implementation framework states:

- A short-term focus up to March 2011 (CoGTA 2010: 3) and
- A medium-term focus from March 2011 to 2014 (CoGTA 2010: 3).

From the actions identified for each of the focus periods, the following will impact on Umgeni Water’s planning:

- Short-term focus: “National and provincial commitments in IDPs” (CoGTA 2010: 4).
- Short-term focus: “Differentiated responsibilities and simplified IDPs (agreement with each municipality on the ideal scope of functions to be provided and how best the State can support service delivery through inter-governmental agency arrangements)” (CoGTA 2010: 4).

- Short-term focus: “Funding and capacity strategy for municipal infrastructure (funding and capacity strategy for municipal infrastructure in rural areas including extending MIG grant to 2018 and utilising annual allocations to municipalities for repayment of loans in order to accelerate delivery” (CoGTA 2010: 4).
- Medium-term focus: “A single election for national, provincial and local government (benefits: single manifesto, one financial year, single public service, common five year medium-term planning, aligned human resource and budgeting frameworks” (CoGTA 2010: 4).
- Medium-term focus: “All citizens must have access to basic services” (CoGTA 2010: 4).
- Medium-term focus: “Infrastructure backlogs should be reduced significantly” (CoGTA 2010: 4).
- Medium-term focus: “All schools, clinics and hospitals and other public facilities have access to water, sanitation and electricity” (CoGTA 2010: 4).

The LGTAS short-term focus interventions are currently in progress with both national and provincial CoGTA assisting the municipalities in arranging LGTAS meetings with all stakeholders. To date, Umgeni Water has only been invited by Ugu District Municipality to participate in the process.

An interesting point made by the “State of Local Government report” on service delivery protests is:

Municipal IQ has pointed out that it is not easy to predict the likelihood of the occurrence of protests, given that protests do not necessarily take place in the poorest municipalities in South Africa. Protests do not necessarily occur in municipalities or wards with the worst service delivery backlogs. Population growth and urbanisation are key determinants from which a link with protests can be made.

(CoGTA 2009: 12)

Current emphasis is on alleviating backlogs in rural areas and in some municipalities, the service delivery backlogs in the urban areas are being neglected. CoGTA has identified that it is important to not neglect the backlogs in one area in favour of another.

At the beginning of this year i.e. 2010, the Municipal Demarcation Board issued the following tenders:

- “Sizes of Municipalities” – the objective of this project is to investigate and provide recommendations on “the challenges faced by the new local government system in South Africa towards realising the vision of developmental local government, particularly those challenges that come with large, inclusive municipalities” and “the relationship between municipal size and the efficiency of the delivery of municipal services. Is there an optimal size or range of sizes for a municipality in the South African context, from the standpoint of efficiency and to minimise duplication of efforts” (MDBa 2010: 1).
- “Review of Capacity Assessment Model” – the goal of this project is to examine and give recommendations on “a comprehensive review of the current Municipal capacity Assessment Model as employed by the Municipal Demarcation Board, its appropriateness and usefulness to contribute to the effectiveness of developmental local government in South Africa”; “a comprehensive review of the contents of reports as produced by the Board, their appropriateness and usefulness to contribute to the effectiveness of developmental local government in South Africa”; “a comprehensive assessment of how the Board’s Capacity Assessment Model and its reports are received and perceived by major stakeholders who have an interest in supporting and improving the efficiency and effectiveness of local government , such as the National and Provincial Departments of Local Government, National Treasury and relevant parastatals” and “full recommendations on an alternative model, as well as improvements to reports contents” (MDBb 2010: 1).
- “Criteria for Demarcation” – the aim of this project is to explore and offer recommendations on “unpacking, clarifying and expanding on the meaning and application of sections 24 and 25 of the Local Government: Municipal Demarcation Act (Act 27 of 1998, as amended) which set out the criteria for demarcation and, more specifically, the objectives of demarcation and factors to be taken into account by the Board when it determines a municipal boundary” and “unpacking, clarifying and expanding on the meaning and application of section 2 of the Local Government: Municipal Structures Act (Act 177 of 1998, as amended), which provides the criteria for an area to be regarded as a metropolitan area, and that it must therefore have a metropolitan municipality” (MDBc 2010: 1).

The progress on these three projects will need to be monitored and the results of these studies evaluated as there could be a change in municipal form which could denote a change in the institutions to whom Umgeni Water provides water services.

2.8.2 PROVINCIAL SPHERE

A key initiative at the provincial sphere is the KZN Planning and Development Act (PDA) which came into effect on the 1st April 2010. The KZN PDA replaces the KZN Town Planning Ordinance and the Development Facilitation Act. The KZN Town Planning Ordinance has been repealed and the Development Facilitation Act is being phased out. With the PDA, all development applications have to be approved by the local municipality within which they are located. This is in contrast with the Town Planning Ordinance where the KZN CoGTA gave the approval and with the Development Facilitation Act where the DFA Tribunal gives the approval.

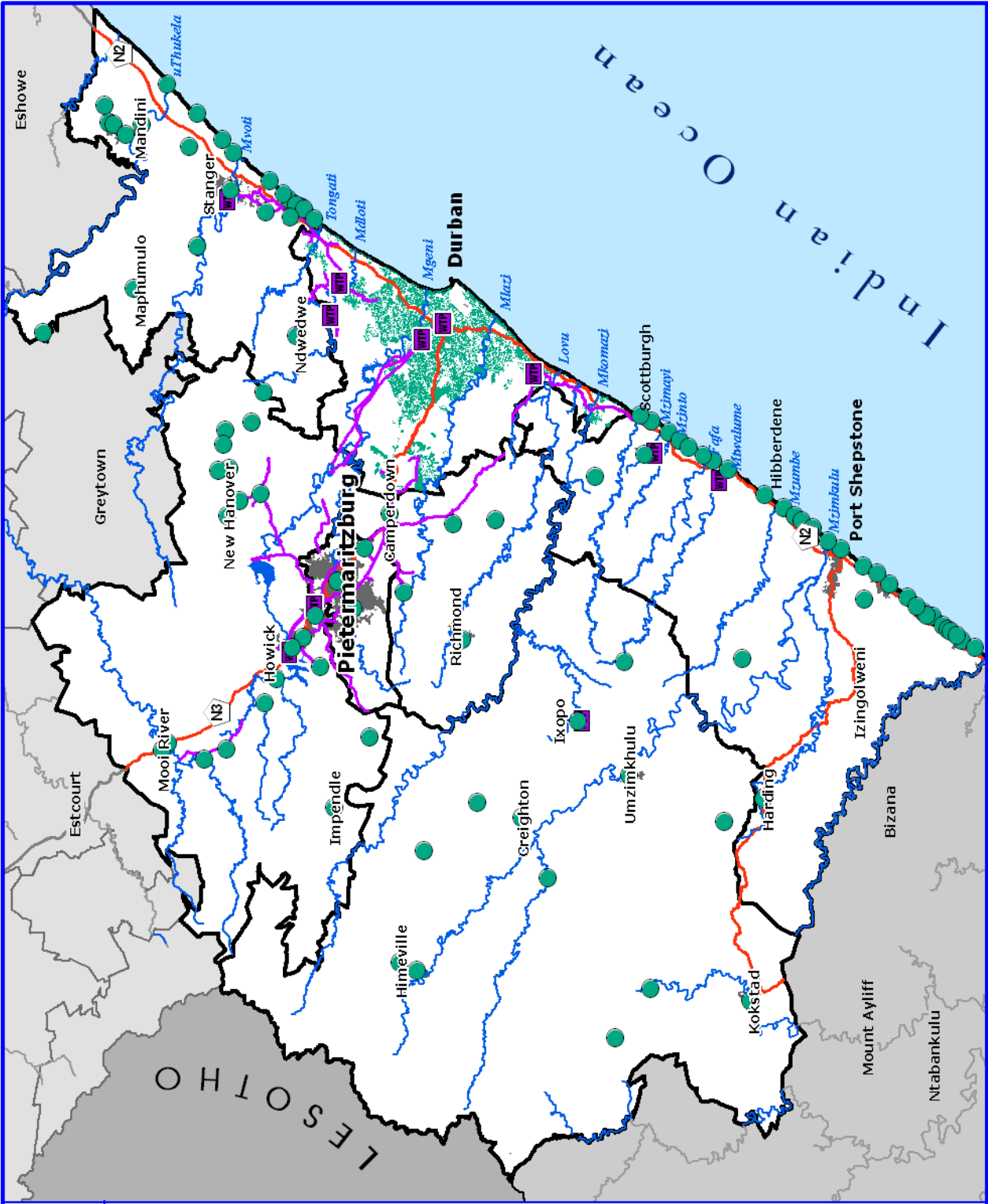
The most important impact this Act has on Umgeni Water is that from now, Umgeni Water has to submit development applications for all its projects. If the proposed project is located within a land use management system (LUMS; or if the LUMS is still being developed, a town planning scheme), then Umgeni Water will need to submit a development application to the respective municipality (those areas with existing town planning schemes are shown in **Figure 2.33**). It is important to note that with the PDA process, all development projects will go through two public consultation processes and two appeal processes viz. one via the environmental impact assessment process and one via the PDA process. If the applicant is unhappy with the decision reached by the municipality on the development proposal, the applicant may lodge an appeal with the PDA Tribunal. The PDA Tribunal is currently being established.

If the proposed project is located outside a “scheme area” and if the proposed project is listed in the relevant municipality’s IDP, an application does not need to be submitted. However, if the proposed project is not listed in the IDP and is outside a “scheme area”, then an application has to be submitted.

The KZN CoGTA held workshops for the municipalities and the private sector in March 2010 to indicate how the PDA will be implemented. A separate workshop for sector departments was held in April 2010.

Figure 2.33 Existing Land Use Schemes

- Legend**
- Existing Land Use Schemes
 - UW Operated WTPs
 - UW Pipelines
 - Rivers
 - National Roads
 - UW Operated Dams
 - WSAs for whom UW is BWSP



Source:
 DRDLA
 Department of Water Affairs
 eThekweni Municipality
 KZN Department of Transport
 Municipal Demarcation Board
 Umgeni Water

Original Scale on A4 at 1 : 1 500 000

0 25 50 km

Table 2.3 in **Section 2.2** stated that the impact of the bioregional plans will be discussed in this section. The bioregional plans are undertaken on a district municipality basis and will be gazetted. All development planning by law will need to consider the applicable bioregional plan/s for their particular study area, therefore these bioregional plans will be need to be considered in Umgeni Water's planning. EKZNW have already prepared a bioregional plan for uThukela District Municipality (June 2009) and the next bioregional plan they are planning to prepare is for Umgungundlovu District Municipality. The relationship between the different plans and the bioregional plans is summarised in **Figure 2.34**

As shown in this figure, the bioregional plan will inform the municipal IDPs and SDFs and therefore will also inform Umgeni Water's planning.

2.8.3 LOCAL SPHERE

The Provincial Spatial Economic Development Strategy (PSEDS; IMP 2008 and IMP 2009) continues to inform spatial planning within the province with reference being made to the PSEDS in the different IDPs and specific initiatives arising to investigate some of the recommendations put forward in the PSEDS. One such example is uMngeni Municipality's N3 Corridor Study.

The N3 corridor was also the subject of discussion at the Msunduzi Innovation and Development Institute's (MIDI) Summit held in October 2009. One outcome of this summit was the establishment of a task team to "investigate unlocking the development potential of the N3 Corridor". Also, at the same time, a "Municipal Inter-Corridor Forum" was established to coordinate the development along the N3 Corridor. Development currently has been occurring in a haphazard manner (**Figure 2.24**) which is counter-productive to the developmental objectives of the greater region. This forum consists of uMngeni Municipality, The Msunduzi Municipality, Mkhambathini Municipality, Umgungundlovu District Municipality, eThekweni Municipality and KZN CoGTA. The Forum has prepared a terms of reference for a planning study to look at the corridor from Nottingham Road to Pinetown with a 2km buffer on either side of the highway. The terms of reference were advertised in April 2010 and consultants are anticipated to be appointed soon. The duration of the project is anticipated to be one year.

Other key initiatives that have occurred in the local sphere are:

- All municipalities submitted their 2009/2010 IDPs, the MEC provided comments and the IDPs were adopted as per schedule. Of importance is that the KZN CoGTA have updated the IDP guidelines which comprise the list of sector plans to be included in the IDP. This list includes a "water resource sector plan" where it is relevant in addition to the legislated requirement of the WSDP.
- The Msunduzi Municipality completed the review of their SDF and this was adopted by their Council in October 2009.
- The Msunduzi Municipality completed the final draft of their Strategic Environmental Assessment in March 2010 and this was released for public comment. The method used is innovative with a catchment approach and a refinement of the C-Plan. eThekweni Municipality are said to be keen in applying a similar approach in their area.

- KZN DAEARD is preparing to commence with an SEA and EMF for the N3 Corridor within Mkhambathini Municipality.
- KZN DAEARD is initiating the process of producing the Integrated Water Resource Management Plan for Spring Grove Dam (see **Section 2.8.3 of IMP 2008**).
- uMshwathi Municipality are preparing an EMF for the Albert Falls Dam region within their municipality.
- The Thornville-Baynesfield-Hopewell Land Use Plan (in Richmond Municipality) is in preparation.
- eThekweni Municipality completed their Spatial Development Plans and released them for public comment in October 2009. This is at a finer level of detail than that of the SDF and informs the LUMS.
- eThekweni Municipality are currently preparing their Outer West Corridor Plan which includes the proposal making Cato Ridge a heavy industrial node.
- Ugu District Municipality have commenced with the review of their SDF and the first Project Steering Committee (PSC) meeting was held in March 2010.
- Ugu District Municipality have commenced with an infrastructure audit and capacity assessment study.
- Ugu District Municipality are investigating the development of cross-border water schemes.
- Umgungundlovu District Municipality are still preparing their WSDP (see **Section 2.8.3 in IMP 2009**).
- Ilembe District Municipality completed an update to their WSDP which was dated 2008.
- KZN DWA commenced with a groundwater potential study for the Mvoti-Mzimkulu WMA in March 2010.

2.8.4 UMGENI WATER'S PLANNING

Umgeni Water's bulk water infrastructure planning is guided by the national, provincial and local objectives and strategies, as outlined in the preceding sections, by the organisation's own mission and strategies, as well as by changes and trends in the external environment. Priorities and future requirements are established by maintaining close liaison with all parties. The process loop is closed through the incorporation of this planning into the various WSDPs and IDPs of the WSAs, into the PSEDS planning process and into the KZN PWSP.

In its planning for bulk water provision, Umgeni Water has promoted a regional bulk supply approach (initially referred to as the KZN Bulk Water Strategy), which focuses on improving access to water services through partnerships with other government entities. A guiding principle in this approach is the importance of the long-term sustainability of the schemes, and the need to consider the 'big' picture first, such that this can be taken into account when planning and developing the smaller schemes. It is recognised that although large-scale regional schemes may be ideal to implement at the onset, this is generally not practically possible, and therefore the smaller schemes should be implemented in stages as funding and needs dictate with the 'big' picture in mind as the final goal. The benefits of this approach far outweigh the limited redundancy that may ultimately be introduced into some of the schemes as they are expanded and linked.

Comprehensive planning can establish what infrastructure is required, the configuration and sizing necessary, and when it will be required to be operational. However, it is important to note that the implementation of these plans are influenced, and driven, by a host of other factors such as financial constraints, corporate strategy, politics, and priorities. All of which carry their own weight in the decision making process and cannot be ignored. Close liaison at the executive and political level between all affected parties is therefore necessary to ensure that there is agreement on the decisions taken.

Planning by Umgeni Water, for both water resource and water supply development, is based on the principles of integrated resource planning. Integrated resource planning considers the elements of supply management and demand management concurrently to establish the appropriate combination which will provide a sustainable long term solution at the lowest cost where benefits to society are maximised and impacts to the environment are minimised. In this regard, Umgeni Water is currently undertaking investigations to assess the potential of the supply options of seawater desalination (**Section 4.6**) and waste water reclamation (**Section 4.5**). These will be assessed against the conventional supply option of surface water development to determine whether they are viable substitution or supplementary options. Potential climate change impacts on water supply availability are also being determined (**Section 4.3**) such that appropriate adaptation controls can be assessed and developed. Water Demand Management continues to remain a key component of the overall reconciliation of supply and demand within the Umgeni Water area of supply.