

**Local and sub-regional socio-economic and environmental impact of
large-scale resort development**

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***Thesis presented in partial fulfilment of the requirements for the
degree of Master of Arts at the University of Stellenbosch.***



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DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety, or in part, submitted it at any university for a degree.

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December 2006

SUMMARY

The problem addressed in this research is that large-scale estate developments in the Western Cape generally have, up to now, apparently not fulfilled their potential as primary economic drivers, thus, failing to contribute in a significant manner to addressing the primary challenges facing the present-day South Africa, namely poverty, inequality, and environmental degradation.

This research focused on the recently-formulated project-based Sustainable Development Initiative (SDI) approach as a strategy to optimally unlock the potential benefits of large-scale development as a primary economic driver. In the research, the potential of the SDI approach in this regard was tested by comparing the envisaged performance of an SDI to be implemented in the Hoogekraal area near George in the South Cape with the performance of five selected large-scale estate developments that have been planned and developed in terms of the 'conventional' approach as it was defined for this research.

The over-arching purpose of the research was to determine whether the project-based SDI approach, as demonstrated by the pre-development condition of the proposed Hoogekraal SDI, could make a meaningful contribution to the alleviation of poverty, inequality and environmental degradation and whether it presents an improvement in this regard on the 'conventional' planning, implementation and management approach for large-scale estate developments.

The SDI approach, in its current, conceptual format, does not profess to be flawless. The research has left a number of questions unanswered pertaining to, in particular, the mobilisation, involvement, and required participation capacity of the communities that would be affected by an SDI. The research has indicated that the proponents of the SDI approach still have a long way to go to bridge the divergent views and evident opposition against large-scale estate development of conservation-orientated NGOs and community groups, and factions within government departments.

However, the research has indicated that the SDI approach holds the promise to be an innovative strategy through which the benefits of large-scale development could be optimised for both people and the environment. The SDI approach, at least, represents an

honest response to the national goals for sustainable development put forward in, amongst others, the South African Constitution.

It is therefore concluded that there is merit in the claim of the SDI proponents that the SDI approach to large-scale development presents, to a larger extent than the 'conventional' approach, a mechanism through which this development typology can contribute to the eradication of poverty, inequality and environmental rehabilitation in partnership with local communities and other stakeholders.

It is believed that this research can contribute as:

- a) an input in the drafting of regional and municipal development policy aimed at promoting sustainable development, for example, the spatial development frameworks prepared by municipalities in terms of the Local Government Municipal Systems Act 32 of 2000 (South Africa 2000);
- b) a basis for the planning and implementation of large-scale estate developments in a manner that would, on balance, improve the state of any given condition in a sustainable, integrated, holistic and practical manner and in partnership with those who would be affected by the developments and those who support the ethos of sustainable development; and
- c) a basis for further research pertaining to the implementation and long-term management of the SDI approach at the project level, the objective being to promote the continual improvement of the approach.

OPSOMMING

Die probleem wat in hierdie navorsing aangespreek is, is dat grootskaalse landgoedontwikkelings in die Wes-Kaap in die algemeen, tot op hede, klaarblyklik nie hulle potensiaal as primêre ekonomiese drywers vervul het nie en dus nie 'n beduidende bydrae tot die oplos van die primêre probleme van die hedendaagse Suid-Afrika, naamlik, armoede, ongelykheid en omgewingsagteruitgang gelewer het nie.

Die navorsing het gefokus op die onlangs-geformuleerde projek-gebaseerde Volhoubare Ontwikkelingsinisiatief benadering as 'n strategie om die potensiële voordele van grootskaalse ontwikkeling, as primêre ekonomiese drywer, optimaal te ontsluit. In die navorsing is die Volhoubare Ontwikkelingsinisiatief benadering se potensiaal in dié verband, getoets deur die verwagte voordele van 'n Volhoubare Ontwikkelingsinisiatief wat in die Hoogekraalgebied naby George in die Suid-Kaap beoog word, te vergelyk met die prestasie van vyf geselekteerde grootskaalse landgoedontwikkelings wat beplan en ontwikkel is ingevolge die 'konvensionele' benadering soos wat dit vir hierdie navorsing gedefinieer is.

Die oorhoofse doel van die navorsing was om te bepaal of die Volhoubare Ontwikkelingsinisiatief benadering, soos in die beplande Hoogekraal Volhoubare Ontwikkelingsinisiatief in die vooruitsig gestel, beduidend kan bydra tot die verligting van armoede, ongelykheid en omgewingsagteruitgang en of dit, in dié opsig, 'n verbetering is op die 'konvensionele' benadering tot die beplanning, implementering en bestuur van grootskaalse landgoedontwikkelings.

Daar word nie voorgegee dat die Volhoubare Ontwikkelingsinisiatief benadering, in sy huidige konseptuele formaat, foutloos is nie. Die navorsing het verskeie vrae onbeantwoord gelaat, veral wat betref die mobilisering, betrokkenheid en vereiste deelname van die gemeenskappe wat deur 'n Volhoubare Ontwikkelingsinisiatief geraak sou word. Die navorsing het aangedui dat daar 'n lang pad voorlê vir die voorstellers van die Volhoubare Ontwikkelingsinisiatief benadering om bewaringsgerigte nie-regeringsorganisasies en gemeenskapsgroepe, en faksies in staatsdepartemente, se uiteenlopende menings en ooglopende teenstand teen grootskaalse landgoedontwikkeling te oorbrug.

Die navorsing het egter getoon dat die Volhoubare Ontwikkelingsinisiatief benadering die belofte inhou om 'n innoverende strategie te wees waardeur die voordele van grootskaalse ontwikkeling vir mense, sowel as die omgewing, geoptimaliseer kan word. Dit is duidelik dat die benadering, ten minste, 'n goedbedoelde reaksie is op die nasionale doelwitte vir volhoubare ontwikkeling soos beskryf in, onder meer, Suid-Afrika se Grondwet.

Die gevolgtrekking is dat daar meriete is in die standpunt van die voorstellers van die Volhoubare Ontwikkelingsinisiatief benadering, naamlik dat dié benadering tot grootskaalse landgoedontwikkeling, in 'n groter mate as die 'konvensionele' benadering, 'n meganisme bied waardeur dié ontwikkelingstipe kan bydra tot die verligting van armoede, ongelukheid en omgewingsrehabilitasie in vennootskap met plaaslike gemeenskappe en ander belanghebbendes.

Die navorsing kan van nut wees vir, onder meer;

- a) die opstel van streeks- en munisipale ontwikkelingsbeleid wat poog om volhoubare ontwikkeling te bevorder, byvoorbeeld, die ruimtelike ontwikkelingsraamwerke wat ingevolge die Wet op Munisipale Stelsels 32 van 2000 (Suid Afrika 2000) deur munisipaliteite opgestel word;
- b) die beplanning en implementering van grootskaalse landgoedontwikkeling sodat dit, op balans, enige gegewe toestand sal verbeter op 'n volhoubare, geïntegreerde, holistiese en praktiese wyse, en in vennootskap met diegene wat deur die ontwikkelings geraak word en die etos van volhoubare ontwikkeling ondersteun; en
- c) verdere navorsing wat verband hou met die implementering en langtermynbestuur van die Volhoubare Ontwikkelingsinisiatief benadering op projekvlak, met die doel om die benadering deurlopend te verbeter.

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CHAPTER 1: INTRODUCTION

1.1 PERPETUAL POVERTY AND INEQUALITY IN SOUTH AFRICA

Poverty¹ and inequality are recognised as main stumbling blocks for sustainable socio-economic development in South Africa and throughout the rest of the world. Communities suffering under these phenomena are generally characterised by a lack of pride and self-esteem, a low value base, and have little or no vision for the future. From the current situation in South Africa it is clear that such communities tend to progressively fall deeper into the poverty trap, with government and society apparently not being able to relieve the situation to a meaningful extent.

The South African Government recognises the fundamental importance of addressing the key aspects of poverty and inequality as a requirement for a sustainable future. The State President has spelt out a national agenda during his State of the Nation Address in February 2004 (The Presidency 2004), emphasising the importance of:

- a) promoting a single vision of a people-centred society and the eradication of poverty and inequality;
- b) the implementation of legitimate programs that serve this vision;
- c) addressing the key question of where resources are to be found to fund development programs;
- d) recognising that development programs cannot be carried out by government alone – it is a national task that calls for effective partnerships;
- e) recognising that development programs must achieve visible benefits regarding the improvement of the quality of life of all people;
- f) recognising that development programs should promote urban renewal and rural development, support for micro-credit and small enterprises, education and modern skills training, and development of social and economic infrastructure; and

¹ Govender (1998) defines poverty as the inability to attain a minimal standard of living, measured in terms of basic consumption needs, or the income required to satisfy them. Poverty includes alienation from the community, food insecurity, crowded homes, using of unsafe and insufficient forms of energy, lack of adequately paid and secure jobs, and fragmentation of the family.

- g) addressing the challenges of both the First Economy² and the Second Economy³ and transforming the Second Economy through building and growing a strong First Economy.

The national agenda is a clear set of goals and directives which are very much do-able and which serve as a basis, or premise, for the planning of large-scale developments and the evaluation of the ultimate performance of such developments against the objectives and obligations of, in particular, the South African Constitution, Act 108 of 1996 (South Africa 1996)⁴ (further referred to as the Constitution).

1.2 THE CONSTITUTION AND SUSTAINABLE DEVELOPMENT

Of particular relevance for this research, is that the Constitution places an obligation on all to ensure that sustainable development is promoted and that the integrity of the natural environment is respected.

With regard to the protection of the integrity of the natural environment, Section 24(b)(iii) of the Bill of Rights chapter of the Constitution, states that 'everyone has the right to have the environment protected for the benefit of present and future generations, through reasonable legislative and other measures that secure ecologically sustainable development and use of natural resources, whilst promoting justifiable economic and social development'.

It is clear that a decisively important principle which underlies sustainable development is the broadening of the economic base of the region where such development is undertaken. Optimum development originates in sound and sustainable economic performance (economic efficiency), which requires the optimal utilization of the

² First Economy is an advanced, sophisticated economy, based on skilled labour, which is becoming more globally competitive. It is modern, integrated with the global economy, and produces the bulk of the country's wealth (The Presidency 2004).

³ Second Economy is mainly an informal, marginalized, unskilled economy, populated by the unemployed, and those unemployable in the formal sector. It is underdeveloped, isolated from the first and global economies, contains a large percentage of people including urban and rural poor, and contributes little to the country's wealth (The Presidency 2004).

⁴ The South African Constitution is the highest or supreme law in the country and sets out the rules pertaining to how the country should be governed.

comparative economic advantages⁵ of the region where development is undertaken (Case & Fair 1999).

An integrated and holistic approach to development planning is promoted in the Constitution. This implies that the interrelationship between economic activities and other development dimensions such as social, demographic, institutional, infrastructure, financial and environmental aspects should be considered in a balanced manner in development planning. As is contemplated in the Constitution, the social fabric of society (with special emphasis on the basic needs of human resource development) must be recognised as an integral part of any development strategy.

From the above, it is clear that the Constitution promotes sustainable development based on sound economic, social and environmental principles as a mechanism to grow the economy and address the challenges facing the present-day South Africa. However, the current reality in the country and in the Western Cape, in particular, seems to indicate that the above constitutional obligations are either not well understood, or not adhered to.

1.3 CURRENT ROLE OF DEVELOPMENT IN THE ECONOMY

Although South Africa's goals pertaining to the promotion of sustainable development are clearly stipulated in the Constitution and other enabling legislation, the current reality in the country and in the Western Cape tells a different story.

Despite being one of the country's richest provinces and probably having the highest potential for undertaking lucrative large-scale developments, the Western Cape is plagued by poverty (Woolard & Leibbrandt 2001). It seems as if very little is being achieved with regard to the eradication of poverty as a main priority of the South African government (Oosthuizen & Nieuwoudt 2003).

The Western Cape is South Africa's fifth most populous province, with more than 4,5 million residents (Oosthuizen & Nieuwoudt 2003) and with an average population density of over 30 people per km² (Statistics South Africa 2001). This emphasises the

⁵ Case & Fair (1999) defines comparative economic advantage as *the advantage in production of a product enjoyed by one place over another when that product can be produced at a lower cost in terms of other goods than it could be produced by another place or country.*

responsibility resting on the Provincial Government of the Western Cape to ensure that provision is made for the basic needs of all its inhabitants.

The level of urbanisation in the province is approximately 87% compared to the 50% of the rest of South Africa (Oosthuizen & Nieuwoudt 2003). This statistic may be a reflection on the inability of development in rural areas to create a meaningful number of permanent employment opportunities. It is, however, acknowledged that the high urbanisation level could largely be attributed to the influx of people from primarily the Eastern Cape to, in particular, the Cape Metropolitan Area.

The level of poverty experienced in the Western Cape as a whole in 2001 was demonstrated by the average annual household income of approximately R13 300 per person and an average annual household expenditure of about R13 050 per capita (Statistics South Africa 2001). From the studies of Landman et al (2003), it is evident that poverty is reflected in the great inequalities found in the distribution of economic resources. According to recent studies (Statistics South Africa 2001) the richest 20% of South African households retains 65% of all household income. These statistics reiterate that the country faces a dual challenge, namely poverty and inequality.

These problems are also evident in the George Municipality, where the case study that formed an integral part of this research was undertaken. In 2005, 9% of the employed people in this municipality earned less than R400 per month, while 48% earned less than R1 600 per month and therefore lived in poverty. Approximately 1% (i.e. 1 325 persons) of the people who fall in the economically active age group had no income whatsoever (Urban–Econ 2005).

As stated in the national agenda, government realises that partnerships between the key stakeholders are a crucial strategy in fighting poverty and inequality. It is believed that poverty can only be eradicated through meaningful economic growth which should not be at the expense of the environment. What is needed is development that promotes a balance between economic efficiency, human well-being and environmental integrity (Dennis Moss Partnership 2004).

With regard to inequality, South Africa is known for having had a very high Gini coefficient⁶ for many years. For example, in 1993/94 the Gini coefficient was 0,593 and in 1995 it was 0,6 (World Bank 2001) (Leibbrandt et al 2001). In South Africa, the gap between the rich and the poor is one of the largest in the world (World Bank 2001).

In the Western Cape Province, conflicting messages are communicated by factions of government and society pertaining to how the objectives for the eradication of poverty and inequality and environmental rehabilitation are to be achieved. For example, since the end of 2004 a debate has evolved between government officials, conservationists, developers, Non-Governmental Organisations (NGOs) and community groups pertaining to the real and perceived impacts of large-scale estate developments (refer to Appendix B1 and B2). During this debate, little recognition was given to the potential positive impacts and the role such developments can play in the eradication of poverty and inequality and the rehabilitation of the environment.

This debate has led to the undertaking of a 'rapid review' on golf course and polo field development by the Provincial Government of the Western Cape (PGWC), the purpose of which was to provide a basis for the preparation of a policy to regulate such developments. Government officials, conservation-orientated NGOs and factions of the media tried to use the rapid review to motivate a moratorium placed on golf course and polo field developments. Developers and prospective investors viewed this as an anti-development message which caused significant uncertainty and reluctance to consider large-scale investments in golf-related property development (Dennis Moss Partnership 2004).

Development is considered by economists as a potential primary economic driver that could play a determining role in generating funds for the co-subsidisation of programs for the eradication of poverty and inequality and rehabilitation of the environment (Urban-Econ 2005). Measured against this view, the perceived anti-development message and consequent reaction from prospective investors are ill-affordable considered in context of the evident need for meaningful private sector investment in development that builds upon, and supports the comparative economic advantages of the Western Cape.

⁶ A commonly-used measure of inequality (of income) derived from the Lorenz Curve (graph of the distribution of income). It can range from zero (equality) to a maximum of one (inequality) (Case & Fair 1999).

In this regard, evidence exists to support the notion that regions throughout the Western Cape (in particular, the Garden Route of the South Cape) enjoy such a comparative economic advantage and consequently have development opportunities that should be utilised. According to Trade and Investment South Africa (TISA 2003) South Africa as a whole has become one of the world's favourite tourist destinations and receives the highest number of foreign visitors in Africa. Tourism is currently the third-largest foreign exchange earner and job creator and contributes more than R25 billion to the country's economy (8.2% of the GDP) per year. The Western Cape Province, in particular, has a growing comparative advantage in the tourism sector (TISA 2003).

However, in spite of the apparent economic potential vested in the tourism sector and the stated good intentions and declarations, it is evident that little has been achieved over the past 12 years of democratic government with regard to the use of development as a primary economic driver to help eradicate poverty and inequality and rehabilitate the environment.

Clear guidance and innovative strategies are required to give effect to the goals and objectives of national government regarding the promotion of sustainable development and the eradication of poverty and inequality. It is evident that such strategies have to be implemented through strong partnerships that involve all stakeholders, in particular, the poor and previously disadvantaged.

1.4 PROBLEM STATEMENT, RESEARCH FOCUS AND OBJECTIVES

Considering the high levels of poverty, inequality, and urbanisation in the Western Cape that exist in spite of the strong comparative economic advantage of the province vested in, amongst others, the tourism sector, and the subsequent potential of tourism-related development to serve as a primary economic driver, it is evident that there are problems and challenges that need to be addressed through innovative strategies that are supported, through strong partnership, by all stakeholders. The aspects addressed in this section are the:

- research problem;
- research focus; and the
- research objectives.

1.4.1 Research problem

The problem addressed in this research is that large-scale estate developments in the Western Cape generally do not fulfil their potential as primary economic generators outside their own boundaries, thus failing to contribute in a meaningful manner to addressing the primary challenges facing the present-day South Africa, namely poverty and inequality, and environmental degradation.

Evidence in this regard, is that in many parts of the Western Cape, in particular the South Cape, poverty, inequality and environmental degradation are unfolding against the backdrop of large-scale estate developments that build upon the comparative economic advantages of the region (Urban-Econ 2005). It can therefore be deduced that the potential of development as an economic driver and a mechanism through which both socio-economic development and environmental rehabilitation can be promoted is not utilized to a meaningful extent. In particular, the shortcomings are:

- a lack of meaningful private sector intervention in the form of partnerships to help address the problems associated with poverty and inequality; and
- inefficiency, or inadequacy, of governmental strategies for resolving poverty and inequality as primary stumbling-blocks for socio-economic growth and environmental sustainability.

Various key aspects that are of relevance to the above problem statement are listed in the Rapid Review Report on Golf Estates and Polo Fields (MCA Planners 2004) that was prepared for the Department of Environmental Affairs and Development Planning. These include public concerns regarding investment in the high-end of the property market, particularly in the form of various types of estates. The primary concerns are the perceived impact of such developments in terms of the:

- a) depletion and pollution of water resources (surface and groundwater) and wetlands;
- b) impact on biodiversity, dune systems and pristine ecosystems;
- c) absorption and fragmentation of valuable agricultural land;
- d) negative impacts on the aesthetic and scenic landscapes and routes, especially along the Garden Route;
- e) degradation of heritage resources and cultural sites;

- f) displacement and division of, especially, rural communities;
- g) impacts on access to resources such as the coast and associated recreational areas;
- h) contribution towards urban sprawl and ribbon development; and
- i) the perpetuation of divisive patterns of development through the segregation of communities created by security measures (i.e. gated communities and security villages).

A primary problem that is generally a result of poverty and inequality is the over-exploitation and subsequent degradation of the natural environment and its resources. The environment is indeed the material basis for development. The economies of the African continent are based on the environment as a sustenance base and, because of that, environmental, economic and social health is inevitably connected (Stock 1995). Although not part of the main focus of the research, the current state of the environment in the case study area and the performance of the relevant authorities and conservation agencies in addressing environmental rehabilitation were addressed.

1.4.2 Research focus

This research focused on the performance of five selected golf estates in the Western Cape and the envisaged role of the recently-formulated project-based Sustainable Development Initiative (SDI) approach as a strategy to unlock the benefits of development as a primary economic driver.

In the research, the potential of the SDI approach to give effect to the national agenda and constitutional imperatives and obligations is tested by using the SDI to be implemented at Hoogekraal near George in the South Cape as a case study, and comparing the latter with the 'conventional' approach manifested in the five large-scale estate developments that have been selected for this research. The research is comparative in nature in that it compares the performance of the five 'conventional' large-scale estate developments with the potential and calculated benefits of the Hoogekraal SDI.

For the purpose of this research, the term 'conventional', as it relates to a planning, implementation and management approach for large-scale estate developments, refers to an approach based upon the standard procedural requirements put forward in the relevant

legislation, including the Environment Conservation Act 73 of 1989 (South Africa 1989), the National Environmental Management Act 107 of 1998 (South Africa 1998), and the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985).

For the purposes of this research, the term 'large-scale estate' is defined as an estate that consists of a minimum of 250 housing units, an 18-hole golf course together with clubhouse amenities, a hotel, and resort-related commercial facilities, e.g. a restaurant and resort shop.

1.4.3 Research objectives

The over-arching aim of the research was to determine whether the project-based SDI approach (demonstrated by the pre-development condition of the Hoogekraal SDI) presents a solution for the problems described previously and presents an improvement on the 'conventional' planning, implementation and management approach adopted for the five selected estates.

In the context of the problems and research focus stated above, the primary overarching objectives of this research were to:

- a) analyse the key aspects and impacts of the 'conventional' approach to large-scale estate development;
- b) analyse the project-based SDI approach to development;
- c) analyse the practical implementation and impact of the SDI approach at project level; and
- d) compare, in terms of a set of criteria formulated for this purpose, the performance of the 'conventional' development approach and the SDI approach.

1.5 STUDY AREAS

The aspects addressed in this section are the:

- sites of the five 'conventional' estates selected for the research; and the
- location of the Hoogekraal SDI area.

1.5.1 Sites of the selected five 'conventional' estates

Figure 1.1 illustrates the location of the five 'conventional' large-scale estates that formed part of this research, namely:

- a) De Zalze Winelands Golf Estate near Stellenbosch;
- b) Arabella Country Estate near Kleinmond;
- c) Pinnacle Point Beach and Golf Club near Mossel Bay;
- d) Fancourt Hotel and Country Club near George;
- e) Pezula Golf Estate near Knysna.

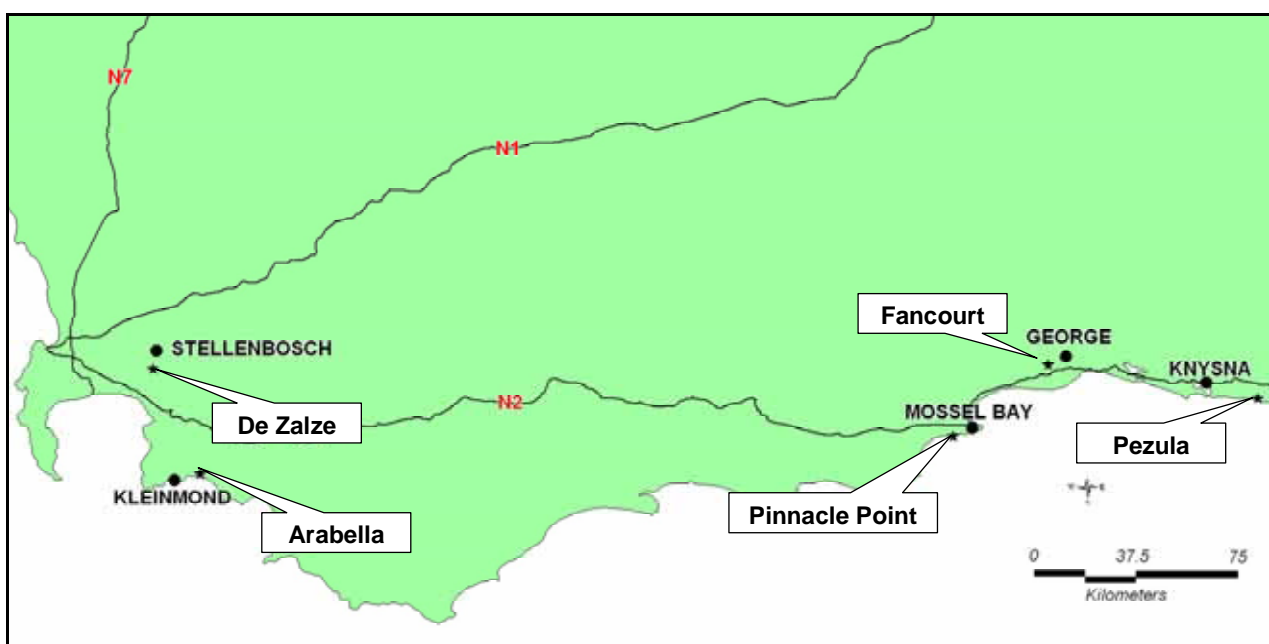


Figure 1.1: Location of the surveyed estate developments

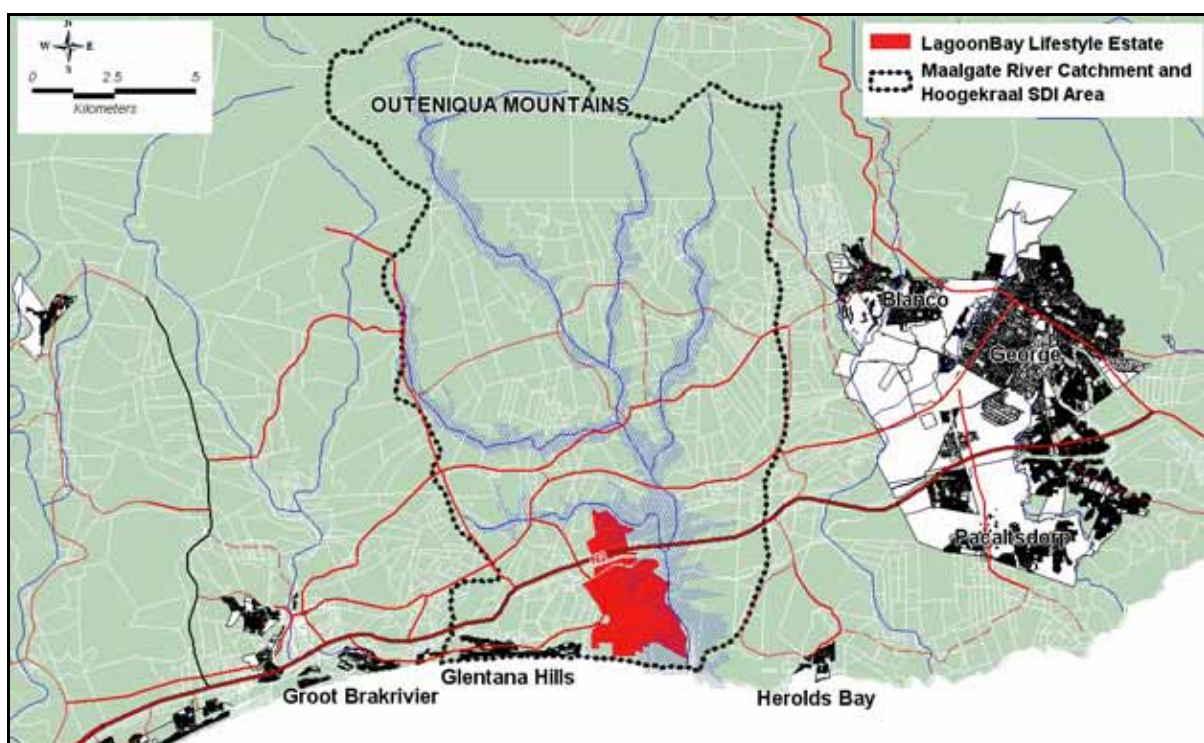
The respective 'conventional' estates were selected for the research due to their:

- (i) location in the regions that have been identified as the primary tourism destinations in the province (MCA Planners 2004);
- (ii) compliance with the definition of a 'conventional' development;
- (iii) compliance with the definition of a 'large-scale development';
- (iv) location within an area that is subject to severe poverty and where opportunities for meaningful contributions to the alleviation of the situation consequently exist;
- (v) location within an area of ecological and visual significance and where opportunities for meaningful contribution to the rehabilitation and conservation of the environment consequently exist; and
- (vi) prominence and status in both the local and regional context.

1.5.2 Location of the Hoogekraal SDI area

The case study for this research focussed on the Hoogekraal SDI together with the proposed LagoonBay Lifestyle Estate (also referred to in this report as the LagoonBay development), as its first core project.

As illustrated by Figure 1.2, the Hoogekraal SDI area consists of the catchment of the Maalgate River which has its origin in the Outeniqua Mountains west of George.



(Source: Adapted from Dennis Moss Partnership 2004:3)

Figure 1.2: Location of the Hoogekraal SDI area and the LagoonBay development

The LagoonBay landholdings form an integral part of the SDI area and are located near the mouth of the Maalgate River near the coastal village of Glentana, ± 15 km south-west of George.

1.6 RESEARCH DESIGN AND METHODS

The research followed a sequential process comprising a number of components and steps as summarised in Figure 1.3. The sequence commences with Component 1 in a logical deployment of actions from a benchmark analysis of the 'conventional' development approach in the form of several case studies to evaluate their ability to deliver on development goals. In Step 2 the concept and principles of the SDI approach are stipulated. In Step 3 the Hoogekraal SDI is evaluated as an SDI case study to demonstrate the potential value and efficiency of the approach in reaching development goals. The research is concluded by Step 4 which constitutes a comparison between the two development approaches.

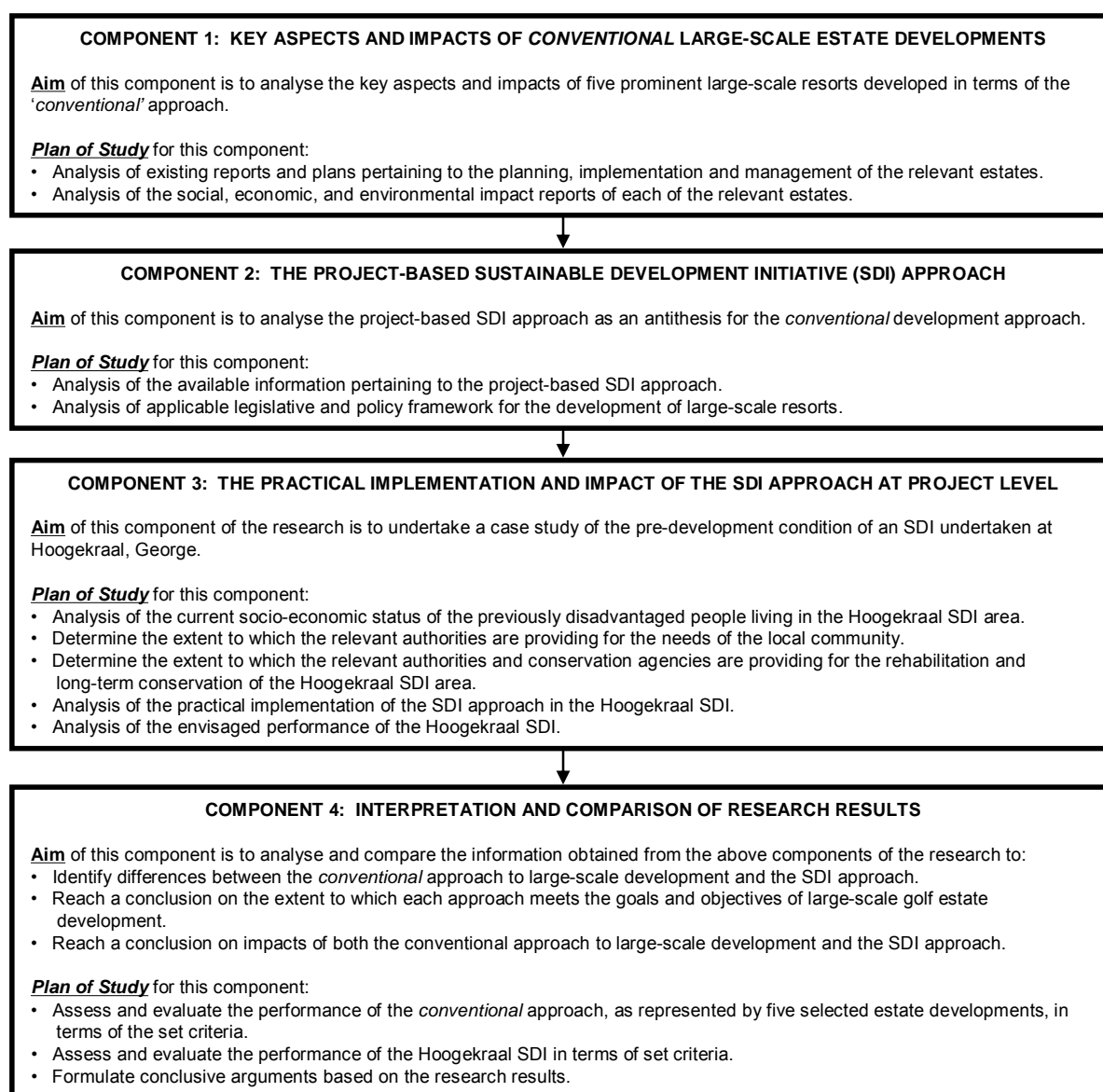


Figure 1.3: Synopsis of the research design

The individual components of the research and the methodologies followed in each case are described in detail in the following sections.

1.6.1 Component 1: Key aspects and impacts of ‘conventional’ large-scale estate developments

The aim of this component was to analyse the key aspects and impacts of the five ‘conventional’ large-scale estates selected for this research in terms of their:

- a) planning, implementation and management approach adopted (for the various estates);
- b) contribution to and involvement of the local communities in terms of a co-operative partnership approach; and
- c) the economic, social and environmental impact of the development both on-site and in a broader sub-regional context.

The plan of study for this component was to:

- (i) analyse the available reports and plans pertaining to the planning, implementation and management of the relevant estates;
- (ii) have a questionnaire (Appendix A4) completed by representatives of the various developments, the purpose of which was to collect the information needed to assess and evaluate the impact of the relevant development according to the criteria formulated for this purpose;
- (iii) conduct interviews and consultation with representatives of the five ‘conventional’ type developments pertaining to the aspects listed in the questionnaire; and to
- (iv) undertake a site inspection and survey of each of the selected ‘conventional’ developments.

1.6.2 Component 2: The project-based Sustainable Development Initiative (SDI) approach

The aim of this component was to analyse the project-based SDI approach that is being implemented at Hoogekraal near George as an alternative for the ‘conventional’ development approach that is generally followed by developers throughout the Western Cape. The SDI approach is perceived by those that formulated and adopted the concept

as a mechanism that will give practical effect to national, provincial and local goals and objectives pertaining to the eradication of poverty and inequality and environmental rehabilitation.

The plan of study for this component was to:

- a) analyse the available information pertaining to the project-based SDI approach, with specific reference to its goals and objectives, rationale, and suggested practical application. The purpose of the analysis was to determine how, and to what extent, the SDI approach aims to address the real and perceptual shortcomings of large-scale estate developments referred to. This component included:
 - (i) a study and analysis of literature pertaining to the concept of sustainable development with specific reference to the requirements and imperatives in this regard;
 - (ii) a study and analysis of the available documentation on the SDI approach;
 - (iii) interviews and consultation with the urban, regional, and environmental planners at Dennis Moss Partnership who were responsible for the formulation and development of the SDI approach;
 - (iv) an analysis of the Constitution and other legislation and policy that are of relevance to socio-economic development and, in particular, the enhancement of human well-being through the eradication of poverty and inequality; and
 - (v) an analysis of the national agenda as spelt out by the President during his State of the Nation Address in February 2004.
- b) analyse the provincial policies pertaining to the development of large-scale estates and the implementation of the SDI approach, namely the:
 - (i) Manual for the application of Bioregional Planning in the Western Cape (PGWC 2004);
 - (ii) Provincial Spatial Development Framework (PSDF) (Chittenden Nicks De Villiers Africa 2005);
 - (iii) Policy for Golf Course and Polo Field developments in the Western Cape (PGWC 2005); and
 - (iv) the Draft Coastal Zone Policy for the Western Cape (PGWC 2003).

1.6.3 Component 3: The practical implementation and impact of the SDI approach at project level

The aim of this component was to undertake a case study of the pre-development condition of an SDI undertaken at Hoogekraal, George, with the purpose to determine:

- a) the current socio-economic status of the previously disadvantaged community living in the Hoogekraal SDI area;
- b) the extent to which the relevant municipalities and other authorities meet the needs of this community;
- c) the extent to which the relevant authorities and agencies provide for the rehabilitation of the environment associated with the Hoogekraal SDI area;
- d) how the SDI approach has been adopted in the Hoogekraal SDI and its first core project, the LagoonBay development; and
- e) the socio-economic and environmental impact of the Hoogekraal SDI with specific reference to how the SDI will meet those needs identified and analysed above.

The plan of study for this component was to:

- (i) analyse the current socio-economic status of the previously disadvantaged people living in the Hoogekraal SDI area, the purpose of which was to determine the extent of existing needs as a basis for determining the potential impact of the Hoogekraal SDI in this regard using:
 - a questionnaire (Appendix A1) completed in consultation with 78 previously disadvantaged households living in the Hoogekraal SDI area (key aspects addressed during this demographic and socio-economic profiling include age, gender, education level, income, dwelling type, service delivery, healthcare and transportation); and
 - comparison of the results obtained from the questionnaires and interviews with the available census data for Greater George Municipality (Statistics South Africa 2001).
- (ii) determine the extent to which the relevant authorities are providing for the needs of the local community by way of:
 - questionnaires completed by representatives of the George Municipality and the Eden District Municipality (Appendix A2 and A3), the purpose of which

- was to collect information pertaining to the extent of municipal service delivery; and
- interviews held with the relevant municipal officials with regard to the questionnaires.
- (iii) determine the extent to which the relevant authorities and conservation agencies are providing for the rehabilitation and long-term conservation of the Hoogekraal SDI area through the following:
- questionnaires completed by representatives of the George Municipality and the Eden District Municipality (Appendix A2 and A3);
 - interviews pertaining to the questionnaire held with representatives of the Eden District Municipality and George Municipality both of which have a responsibility regarding the rehabilitation of land adjoining the Maalgate River within the Hoogekraal SDI area;
 - interview held with a representative of CapeNature, the statutory provincial conservation agency that has been mandated to facilitate the rehabilitation of conservation-worthy ecosystems on both public and private land, (the purpose of this interview was to determine what is being done by this institution in the Hoogekraal SDI area); and
 - interview held with a representative of the Sub-Tropical Thicket Ecosystem Plan (STEP) which is a three-year project co-funded by the Global Environmental Facility to identify priority areas for conservation actions in the thicket biome (within which the Hoogekraal SDI area is located) and to ensure that a conservation plan is implemented by national, provincial and local authorities (the purpose of this interview was to determine the extent to which STEP has achieved its stated objectives in the Hoogekraal SDI area).
- (iv) analyse the practical implementation of the SDI approach in the Hoogekraal SDI;
- (v) analyse the envisaged performance of the Hoogekraal SDI and its core project (the LagoonBay development) in context of the national agenda, and provincial, regional and local goals for economic development and environmental rehabilitation (in particular, the performance was assessed against the theoretical premise provided by the identified imperatives for sustainable development described in Section 3.2.2).

The analysis referred to under (iv) and (v) were undertaken through:

- interviews with key figures, namely:
 - the Chief Executive Officer of the LagoonBay Lifestyle Estate;
 - Dennis Moss Partnership of Stellenbosch, the urban, regional and environmental planners and architects of the LagoonBay development;
 - the Chairperson of the Interim Community Forum representing the communities and other stakeholders in the planning and implementation of the Hoogekraal SDI; and
 - Urban-Econ of Pretoria, the development economist that has undertaken the economic studies, planning, and assessment for the Hoogekraal SDI and the LagoonBay development.
- a study of documents pertaining to the:
 - Hoogekraal SDI and the LagoonBay development prepared by Dennis Moss Partnership;
 - envisaged socio-economic impact of the LagoonBay development prepared by Urban-Econ; and
 - the envisaged environmental, cultural and visual impact of the LagoonBay development prepared by Hilland Associates.

1.6.4 Component 4: Interpretation and comparison of the research results

The aim of this component was to analyse and compare the information obtained from Component 1, 2 and 3 of the research in order to:

- a) identify differences between the 'conventional' development approach and the SDI approach; and
- b) reach a conclusion on the extent to which each approach meets the goals and objectives strived for by the large-scale estate development typology as it relates to fulfilling a meaningful role as a primary economic driver.

The plan of study for this component was to:

- (i) assess, evaluate and summarise the relevant research results pertaining to the 'conventional' development approach, as represented by the five selected 'conventional' estate developments;
- (ii) assess, evaluate, and summarise the relevant research results pertaining to the SDI approach, as represented by the pre-development condition of the Hoogekraal SDI;

- (iii) compare the two development approaches in terms of the set criteria which are based on the relevant literature and the findings of the research described in this document; and
- (iv) formulate defensible conclusions based on the evidence obtained from (iii) above.

1.7 DOCUMENT STRUCTURE

The report comprises six chapters together with a reference inventory and a number of supporting or supplementary appendices.

- a) Chapter one (Introduction) includes:
 - (i) general background for the research;
 - (ii) the problem addressed in the research;
 - (iii) a summary and comparative description of the study areas that formed part of the research; and
 - (iv) the design of the research and methodology followed.
- b) Chapters two to four report the research results and form the bulk of the research. The results are grouped under three main headings, namely:
 - (i) an analysis of the key aspects and impacts of 'conventional' large-scale estate developments;
 - (ii) a description of the project-based SDI approach analysed in the research; and
 - (iii) a case study of the practical implementation and impact of the SDI approach at project level.
- c) Chapter five compares the development approaches and includes:
 - (i) a comparison of the five 'conventional' estates that formed part of the research and the Hoogekraal SDI.
- d) Chapter six concludes the thesis with:
 - (i) concluding statements pertaining to the findings of the comparison between the five 'conventional' estates and the Hoogekraal SDI;
 - (ii) supporting arguments for the findings and concluding statements; and
 - (iii) a summary of the value and potential use of the research findings.

CHAPTER 2: KEY ASPECTS AND IMPACTS OF THE 'CONVENTIONAL' LARGE-SCALE ESTATE DEVELOPMENTS

The aim of this component of the research was to serve as a benchmark analysis of the 'conventional' development approach as demonstrated by the five 'conventional' large-scale estates selected for this research namely:

- a) De Zalze Winelands Golf Estate near Stellenbosch;
- b) Arabella Country Estate near Kleinmond;
- c) Pinnacle Point Beach and Golf Club near Mossel Bay;
- d) Fancourt Hotel and Country Club near George; and
- e) Pezula Golf Estate near Knysna.

The summarised research results strive to address the problem statement put forward in Section 1.4. As previously stated, this component of the research included:

- (i) an analysis of available reports and plans pertaining to the planning, implementation and management of the respective estates;
- (ii) a questionnaire completed by representatives of the respective estates (refer to Appendix A4);
- (iii) interviews held with representatives of the respective estates pertaining to the aspects listed in the questionnaire; and
- (iv) a site inspection, observation and photographic survey undertaken of each of the estates.

In the sections that follow, the research results pertaining to the identified key aspects of the various estates are documented, namely:

- the planning, implementation and management approach adopted for the estate;
- key community and social aspects, with specific reference to the contribution to, and formal involvement of, the local communities in terms of a co-operative partnership approach; and
- the economic and environmental impact of the development both on site and in a broader sub-regional context.

All results reported were generated from the surveys conducted at the various estates, as well as from related documents.

2.1 DE ZALZE WINELANDS GOLF ESTATE

2.1.1 General background of De Zalze

De Zalze Winelands Golf Estate (further referred to as De Zalze) is situated on the south-western boundary of Stellenbosch in the Western Cape as depicted in Figure 2.1.

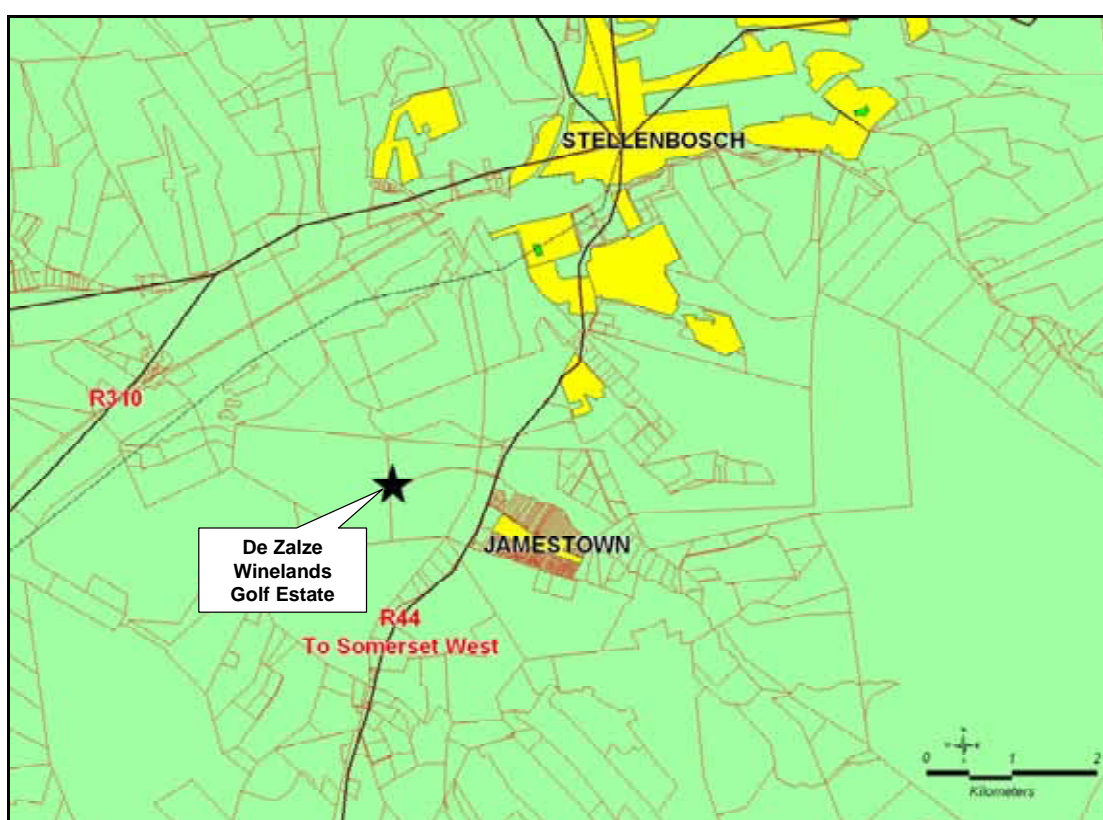


Figure 2.1: Location of the De Zalze Winelands Golf Estate

De Zalze is approximately 1 000ha in extent, which is the largest private landholding in the Greater Stellenbosch Municipality being developed and managed as an integrated and sustainable agricultural estate enterprise.

The De Zalze golf course is generally acknowledged as one of the top golf courses in the Western Cape and is a popular venue for both amateur and professional golfers. The 2005 South Africa edition of Golf Digest ranked the golf course 31st in the country. De Zalze hosted the World Amateur Team Championships 'Eisenhower Trophy' in 2006.

The recorded history of the property goes back to 12 years prior to 1692 when Simon van der Stel granted Nicolaas Cleef ownership of 57 morgen (\pm 49ha) of land referred to as Grootte Zalze. This land was subsequently cleared and cultivated by Cleef.

De Zalze comprises an 18-hole golf course, clubhouse and associated amenities, and a total of 558 residential erven. The erven range in size from 500m² to 1 700m² and are clustered in a number of independent 'villages' or developmental nodes. In terms of the zoning and subdivision approvals, a 250-room hotel together with 'estate-orientated' commercial facilities may be developed on the property. The estate includes a network of productive vineyards which serve both a commercial and a landscaping purpose.

De Zalze has existing water rights on the Blaauwklippen River which runs through De Zalze. However, in terms of the zoning conditions set by the Stellenbosch Municipality, this water may only be used for the irrigation of the vineyards that form part of De Zalze. Potable water is provided by the Stellenbosch Municipality.

De Zalze is linked to the municipal sewerage disposal system and electricity is provided by Eskom. No recycling of any waste resources is currently undertaken.

2.1.2 Planning, implementation and management aspects of De Zalze

The planning of De Zalze and preparation of the relevant applications were undertaken in accordance with the standard processes stipulated in the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985), Environment Conservation Act 73 of 1989 (South Africa 1989), Subdivision of Agriculture Land Act 70 of 1970 (South Africa 1970), and the National Heritage Resources Act 25 of 1999 (South Africa 1999).

The project was implemented in accordance with a Construction Phase Environmental Management Plan and a comprehensive set of Environmental Management Specifications, which were required by the Stellenbosch Municipality as a condition of approval. All construction and other implementation activities were undertaken under the supervision of an Environmental Control Officer. Compliance of the implementation process with the specified guidelines and conditions of approval is monitored by the

Environmental Control Officer on a regular basis and audited by an auditing committee on an annual basis. The auditing committee comprises representatives of the:

- developer;
- De Zalze Home Owners Association;
- Department of Environmental Affairs and Development Planning; and
- CapeNature.

De Zalze is managed by a Home Owners Association that was established in terms of Section 29 of the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985).

In terms of the constitution of the Home Owners Association, De Zalze is managed as a Special Management Area (SMA), which is defined as an area of excellence and good practice where landowners take responsibility for supporting sustainable land-use (PGWC 2003). An SMA is further described as a geographical area (such as the De Zalze Estate), which is formally recognised and managed as an area where environmental sustainability is promoted through management practices stipulated in a contractual agreement between the developer and the municipality or in terms of the zoning conditions (PGWC 2003).

As required in the guidelines for the establishment and management of SMAs (PGWC 2003), De Zalze is managed in terms of an *Environmental Management System* (EMS) which includes:

- a) an environmental policy;
- b) detailed plans for all developmental and operational aspects;
- c) implementation and operation guidelines for proposed programs and projects;
- d) a framework for regular monitoring and corrective action; and
- e) guidelines for management review.

The Home Owners Association is supported in its management functions by a Trust, which does not have any executive functions (Dennis Moss Partnership 2002a). The primary responsibilities of the Trust are to:

- (i) support the Home Owners Association in respect of the environmental management of De Zalze in accordance with the EMS;
- (ii) administer the trust fund, including the implementation of strategies to obtain funds;

- (iii) ensure that the overarching goals and objectives of the developer and the Home Owners Association for the proposed developments are achieved; and
- (iv) as curator of De Zalze, fulfil a 'watchdog' role in respect of its environmental management.

The management of De Zalze as an SMA is funded through a trust fund that is supported by, amongst others, levies paid by residents.

2.1.3 Community and social aspects of De Zalze

The involvement of local communities in the planning, implementation and management of De Zalze was limited to those aspects required in terms of the applicable legislation. There is no formal, or structured, forum in place through which continuous community involvement is facilitated and no formal public-private-community partnerships have been established. There are no dedicated programs in place for economic empowerment of the local communities.

A total of 850 employment opportunities were created during the construction phase and 450 permanent employment opportunities have been created.

2.1.4 Economic aspects of De Zalze

No economic studies have been undertaken since implementation. This aspect could therefore not be evaluated.

2.1.5 Environmental aspects of De Zalze

A number of conservation-worthy natural systems and habitats have been rehabilitated and are being protected on De Zalze, including:

- a) tributaries of the Eerste River, namely the Blaauwklippen River and the Bonte River;
- b) small pockets of critically endangered West Coast Renosterveld; and
- c) unique granite outcrops which provide a habitat for a rare vegetation type which includes various endangered plant species.

De Zalze has not undertaken and is not directly involved in any conservation activities outside its boundaries.

2.2 ARABELLA COUNTRY ESTATE

2.2.1 General background of Arabella

Arabella Country Estate (further referred to as Arabella) is located in the Overstrand Municipality approximately 8 km from Kleinmond and 30 km from Hermanus as illustrated by Figure 2.2.

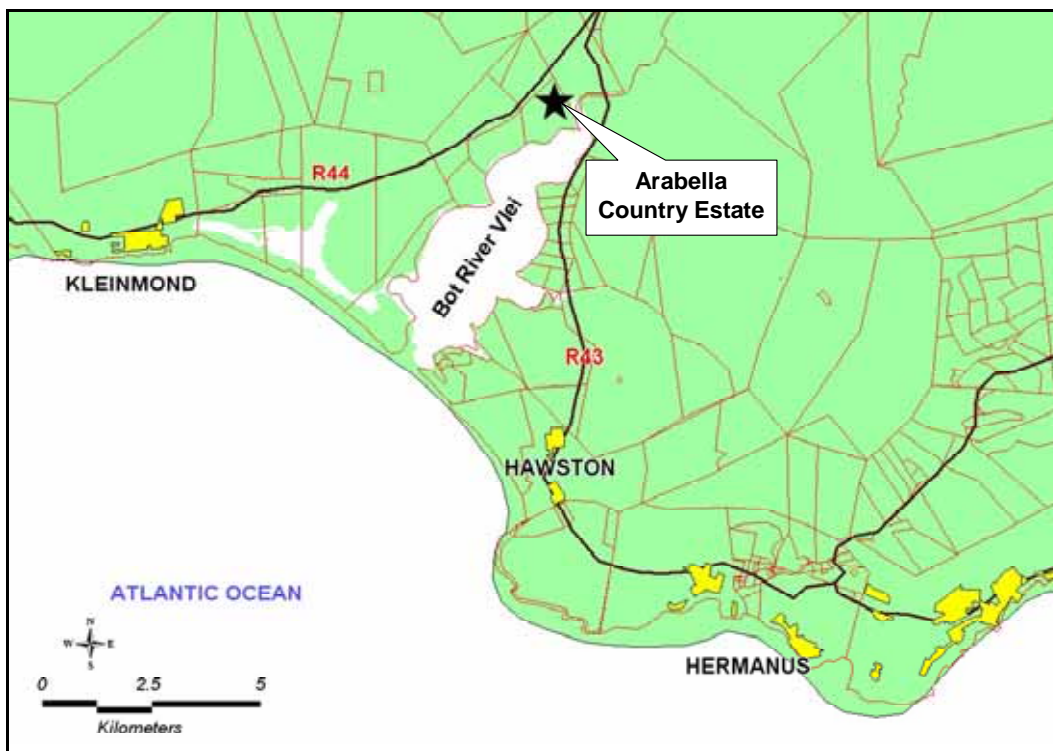


Figure 2.2: Location of the Arabella Country Estate

The Arabella golf course is one of the top golf courses in the Western Cape and is a popular venue for both amateur and professional golfers. The 2005 South Africa Golf Digest ranked the Arabella golf course 2nd in the country. Arabella annually hosts the Nelson Mandela Invitational Tournament. Arabella was also nominated by the 2005 South Africa Golf Digest as the 'most environmentally-friendly' golf estate in the country.

The estate includes the well-known *Western Cape Hotel and Spa*, an 18-hole championship golf course together with golf club amenities, and 250 estate houses.

Arabella is approximately 540ha in extent, 113ha of which have been used for the development of the golf course, the hotel and spa and the housing component.

The residential erven cover approximately 12% of the estate. The erven vary in size from 550m² to 1050m². There are no physical demarcations, such as fences, between the erven. All houses follow an architectural theme that is both contemporary and organic, a theme that strives to embody 'respect for the environment'. This style was derived and influenced by the use of natural earth forms and materials and natural, muted colours.

Water for the estate is obtained from bore-holes and the Hermanus River in terms of existing rights. Further drilling, pump testing, and abstraction monitoring is undertaken as part of an on-going aquifer management program in accordance with the conditions of the Department of Water Affairs and Forestry. The department has issued a Water Transfer Permit for 293 000m³ per annum of raw water from these boreholes. This represents approximately 30% of the calculated sustainable groundwater resource of 900 000m³ per annum potentially available from the two production boreholes. The borehole water has a high iron content, which is rectified by a filtration plant. Water conservation measures are mandatory throughout the estate. In the hotel and estate houses, such measures include low-volume, or 'dual-flush', toilets and 'water-efficient' shower-heads (using less than 9,5ℓ per minute).

The sewage generated in Arabella (calculated as 0,19Mℓ per day) is treated in on-site sewage treatment works. Treated sewage water is used for irrigation on the golf course. Electricity is supplied by Eskom via a reticulation system that has the potential to provide for peak loads. The reticulation system is installed under-ground.

2.2.2 Planning, implementation and management aspects of Arabella

The planning of Arabella and preparation of the relevant applications were undertaken in accordance with the standard processes stipulated in the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985), Environment Conservation Act 73 of 1989 (South Africa 1989), Subdivision of Agriculture Land Act 70 of 1970 (South Africa 1970), and the National Heritage Resources Act 25 of 1999 (South Africa 1999).

The project was implemented in accordance with a Construction Phase Environmental Management Plan, which was required by the Provincial Government of the Western Cape as a condition of approval. All construction and other implementation activities were undertaken under the supervision of an Environmental Control Officer.

Compliance of the implementation process with the specified guidelines and conditions of approval is monitored by the Environmental Control Officer on a regular basis and audited by an auditing committee on an annual basis. The auditing committee consists of representatives of:

- Arabella Country Estate;
- Arabella Home Owners Association;
- Department of Water Affairs and Forestry;
- Department of Environmental Affairs and Development Planning;
- CapeNature;
- Friends of the Bot River; and
- the Kleinmond Conservation Society.

Arabella is managed by a Home Owners Association that was established in terms of Section 29 of the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985). The management function is undertaken in terms of an ISO⁷14001 *Environmental Management System* (EMS). Of fundamental importance in this regard is that Arabella was the first of its kind in South Africa to be granted ISO 14001 accreditation.

2.2.3 Community and social aspects of Arabella

The involvement of the local communities in the planning, implementation and management of Arabella is ensured through:

- representation in the monitoring and auditing committee referred to under Section 2.2.2; and
- representation in the Kogelberg Community Forum that was established by the local community.

⁷ International Standards Organisation.

With the exception of the contractual arrangement regarding the Rooisand Nature Reserve described in Section 2.2.5, there are no formal public-private-community partnership arrangements in place.

With regard to social and economic empowerment, the estate has created a significant number of new employment opportunities, most of which have been occupied by previously disadvantaged people from Kleinmond, Bot River and Hawston. Arabella provided 1 700 job opportunities during the construction phase, and 750 permanent opportunities during the operational phase.

Arabella has initiated a host of projects for the local community, including:

- a) training in the hospitality industry;
- b) a vocational training program;
- c) renovation of school grounds at Kleinmond and Bot River; and
- d) sports training and support for children in Kleinmond and Bot River.

Proceeds from the annual Nelson Mandela Invitational Tournament hosted by Arabella are donated to child well-fare.

2.2.4 Economic aspects of Arabella

Arabella has had a huge positive impact in the local economy through:

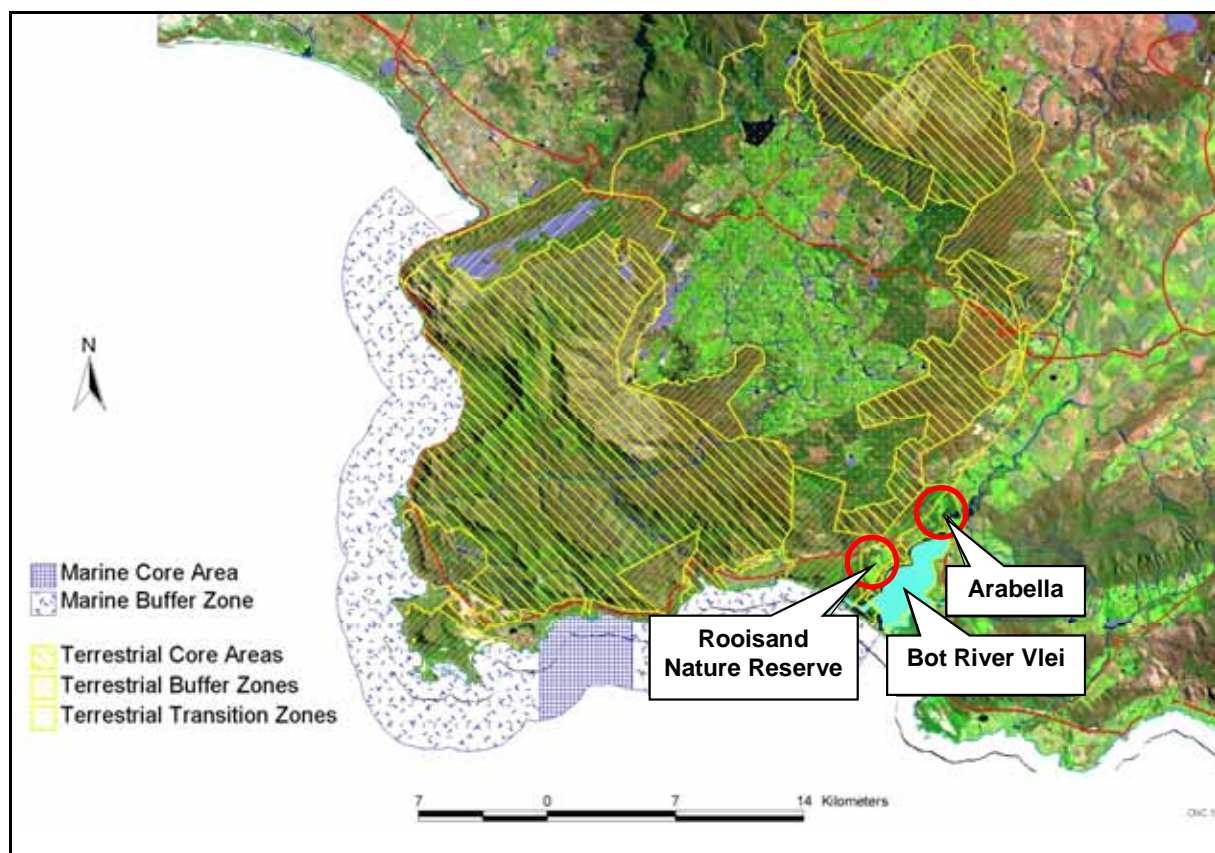
- a) a capital investment of R687 million;
- b) estimated total business sales of R268 million;
- c) an estimated increase to the *Gross Geographical Product* (GGP) of R57 million; and
- d) estimated new business sales of R48 million.

2.2.5 Environmental aspects of Arabella

As illustrated by Figure 2.3, Arabella is located in the buffer zone of the Kogelberg Biosphere Reserve. The biosphere reserve was registered with UNESCO⁸ to protect the

⁸ United Nations Educational, Scientific and Cultural Organisation.
Schalk W.J. van der Merwe, 13566792

Kogelberg as a most important portion of the Cape Floral Kingdom. The Cape Floral Kingdom is internationally recognised as one of the six Floral Kingdoms of the world⁹.



(Source: Adapted from Dennis Moss Partnership 2003a:18)

Figure 2.3: Location of the Arabella Country Estate in context of the Kogelberg Biosphere Reserve

Arabella abuts the sensitive Bot River Vlei which is defined as a relatively shallow coastal estuarine lake fed by the Bot River and the Afdaks River (Rogers 1985). Massive long-term changes are believed to have occurred in the Bot River Vlei over time. In geological times the vlei varied from a completely closed coastal vlei to a wide-open estuary. At present, the vlei is speculated to be reaching the end stage of its life cycle, with a bar isolating it from the sea (Rogers 1985). Arabella supports and co-funds conservation and research activities undertaken in the Bot River Vlei by, amongst others, CapeNature.

⁹ The Cape Floral Kingdom is the smallest floral kingdom, covering a mere 0,06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country. The Cape Floral Kingdom covers only 4% of South Africa, but contains 45% of all plant species occurring in the country. 75% of all plants in the South African Red Data Book occur in the Cape Floral Kingdom (Cowling et al 1999).

Arabella also abuts the Provincial Rooisand Nature Reserve which is renowned for its unique flora. A new species of the *Ixia* genus (Family: Iridaceae; the irises etc.) was recently discovered at Rooisand by a local amateur botanist (Arabella 2005). Arabella has entered into an agreement with CapeNature in terms of which Arabella is responsible for the rehabilitation and long-term management of the Rooisand Nature Reserve. As part of the agreement, Arabella is allowed to utilise the reserve for recreational and educational purposes.

All remaining natural areas within the estate have been cleared of alien vegetation and a network of eco-corridors has been established. These corridors have been established through the planting of locally indigenous plants. Approximately 4 million indigenous plants have been planted.

An innovative, and expensive, drainage system has been constructed to prevent polluted water from reaching the Bot River Vlei. The purpose of this system is to collect water that drains from the estate in a cut-off drain, from where such water is pumped to a purification system, and recycled as irrigation water.

Arabella's on-site conservation activities have won them a prestigious ISO14001 International Standards Award for environmental management in 2004.

2.3 PINNACLE POINT BEACH AND GOLF CLUB

2.3.1 General background of Pinnacle Point

Pinnacle Point Beach and Golf Club (further referred to as Pinnacle Point) is located approximately 5 km west of the town of Mossel Bay in the South Cape as illustrated by Figure 2.4. The town and port of Mossel Bay were originally developed primarily to export wool, ochre and ostrich feathers produced in the South Cape and the adjoining Karoo areas.

The Pinnacle Point site is 479ha in extent, which includes a coastal fynbos conservation area of approximately 110ha. The development will ultimately consist of 500 residential units, 120 Cape Cod style golf lodges, and 113 villas, together with a casino, 2 hotels, 5 restaurants, a clubhouse and a health spa.



Figure 2.4: Location of the Pinnacle Point Beach and Golf Club

Potable water for Pinnacle Point is provided by the Mossel Bay Municipality with an allowable use of 1.0Mℓ per day. No waste water is currently being recycled, but Pinnacle Point is planning to construct a R26 million wastewater works for the municipality that will have the capacity to recycle 3.7Mℓ of water per day.

Upon completion, Pinnacle Point will generate in the order of 0.25Mℓ to 1.0Mℓ of sewage per day. Pinnacle Point is linked to the municipal sewerage disposal system. Electricity is provided by Eskom.

2.3.2 Planning, implementation and management aspects of Pinnacle Point

The planning of Pinnacle Point and preparation of the relevant applications were undertaken in accordance with the standard processes stipulated in the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985), Environment Conservation Act 73 of 1989 (South Africa 1989), Subdivision of Agriculture

Land Act 70 of 1970 (South Africa 1970), and the National Heritage Resources Act 25 of 1999 (South Africa 1999).

The project was implemented in accordance with a Construction Phase Environmental Management Plan which was required by the Provincial Government of the Western Cape as a condition of approval.

All construction and other implementation activities were undertaken under the supervision of an Environmental Control Officer. Compliance of the implementation process with the specified guidelines and conditions of approval is continuously monitored by the Environmental Control Officer and annually audited by an auditing committee. The auditing committee comprises representatives of the:

- developer;
- Pinnacle Point Home Owners Association;
- Department of Environmental Affairs and Development Planning; and
- CapeNature.

Pinnacle Point is managed by a Home Owners Association that was established in terms of Section 29 of the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985).

The management function is funded through a trust fund that is supported by, amongst others, levies paid by residents. Management is undertaken in terms of an Operational Phase Environmental Management Plan that was approved by the Department of Environmental Affairs and Development Planning.

2.3.3 Community and social aspects of Pinnacle Point

The involvement of the local communities in the planning, implementation and management of Pinnacle Point was facilitated in terms of the applicable statutes referred to in Section 2.3.2. The local community was, amongst others, consulted and involved in decisions pertaining to the provision of public access to the coast via two access roads to be constructed by the developers and to be registered as a public servitude.

The community trust has been established for the estate. This trust consists of representatives of Pinnacle Point and the Mossel Bay Municipal Council and is, amongst others, responsible for the management of a community trust fund that was established by Pinnacle Point. This trust fund receives an unspecified percentage of the turnover of the casino on the estate and provides funds for specific projects (e.g. projects pertaining to social upliftment and environmental rehabilitation).

During 2004/05, Pinnacle Point created 1700 employment opportunities (1200 in the construction phase and 500 in the operational phase). It is estimated that the development will create approximately 800 permanent jobs when it is in full operation. The policy is to make available 80% of the employment opportunities created on Pinnacle Point to the local labour market (i.e. the Mossel Bay area) and the remaining 20% to community-supporting enterprises.

2.3.4 Economic aspects of Pinnacle Point

No economic studies have been undertaken since implementation. This aspect could therefore not be evaluated.

2.3.5 Environmental aspects of Pinnacle Point

Approximately 120ha (i.e. 25%) of the property is designated for development while the remaining 360ha (i.e. 75%) is being rehabilitated and managed as a permanent conservation area. Prior to the development, approximately 42% of the property had been extensively transformed mainly through agriculture. The historic St Blaze nature hiking trail along the coastline was restored and is maintained by Pinnacle Point.

Pinnacle Point is in the process of acquiring an adjoining area of approximately 170ha which will be conserved and managed in partnership with the Mossel Bay Municipality. This conservation area will include an archaeological museum and environmental centre.

2.4 FANCOURT HOTEL AND COUNTRY CLUB

2.4.1 General background of Fancourt

Fancourt Hotel and Country Club (further referred to as Fancourt) is situated on the south western edge of the town of George in the South Cape. Figure 2.5 illustrates the location of Fancourt in relation to George and Blanco.

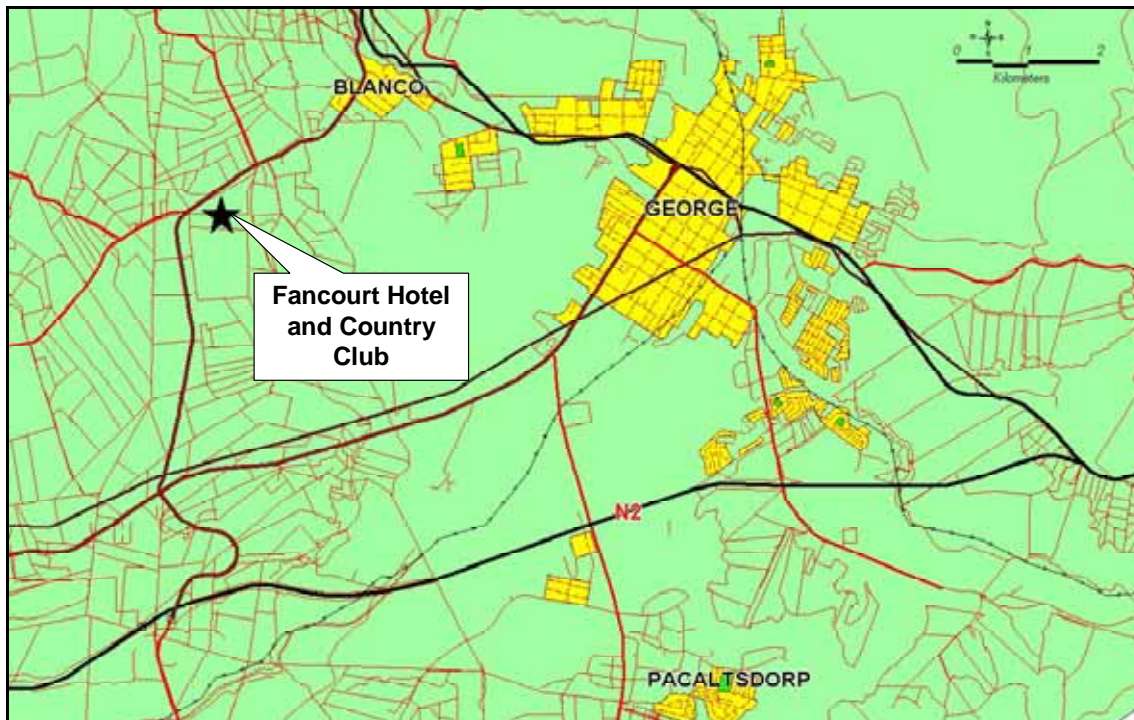


Figure 2.5: Location of the Fancourt Hotel and Country Club Estate

Fancourt is approximately 536ha in extent. It comprises 362 units of which 251 are houses and 111 lodges. A further 196 houses and 36 lodges are planned. Fancourt is characterised by Contemporary Cape Dutch architecture. The erven reach up to 7 000m² in extent.

Fancourt has four 18-hole championship golf courses, namely the Montague, Outeniqua, Links and Bramble Hill courses. The Links has hosted, amongst others, the Ladies' World Championship of 2005 and the President's Cup of 2004, which is generally referred to as the biggest golfing event that has, as yet, taken place in South Africa.

In 1994, a German couple, Mr. and Mrs. Plattner, bought the Fancourt estate out of liquidation and developed it to its present state. Currently, Fancourt is Southern Africa's only member of Preferred Hotels and Resorts Worldwide¹⁰.

The peak water demand of Fancourt is 85 000m³ of water per month. The mean annual water required for domestic use is 240 000m³ and the annual demand for irrigation purposes is 780 000m³. Fancourt obtains its water from the George Municipality, on-site irrigation dams and the Malgas River, which flows through the estate. No waste water is recycled. The water demand of the estate has increased by approximately 50% as a result of the construction of two additional golf courses during 1998-2001.

Approximately 12 000m³ of sewage is generated annually by the development. The development does not recycle any sewage. It is linked to the municipal sewage works, which is situated approximately 5km from the site. Solid waste generated on Fancourt is disposed of at the municipal dump site.

Fancourt uses approximately 1850Kw of electricity per month. Electricity is supplied by Eskom through the George Municipality. No alternative energy sources are used on the estate.

2.4.2 Planning, implementation and management aspects of Fancourt

The planning of Fancourt and preparation of the relevant applications were undertaken in accordance with the standard processes stipulated in the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985), Environment Conservation Act 73 of 1989 (South Africa 1989), Subdivision of Agriculture Land Act 70 of 1970 (South Africa 1970), and the National Heritage Resources Act 25 of 1999 (South Africa 1999).

¹⁰ Preferred Hotels and Resorts Worldwide, Inc. is a global brand of independently owned luxury hotels and resorts that provide the highest standards of quality and extraordinary service. To qualify as a preferred hotel or resort, each property must pass an exhaustive quality assurance program that includes an annual, unannounced inspection, which consists of a 1 600 line-item, 5 800-point standards and practice audit. Only a select few hotels offer top-notch service, first-class amenities and luxurious surroundings that are required to pass this inspection.

The project was implemented in accordance with a Construction Phase Environmental Management Plan which was required by the George Municipality as a condition of approval. All construction and other implementation activities were undertaken under the supervision of a Project Manager and an Environmental Control Officer. Compliance of the implementation process with the specified guidelines and conditions of approval is monitored by the Environmental Control Officer and audited by an independent auditor on an annual basis.

Fancourt is managed by a Home Owners Association that was established in terms of Section 29 of the Land Use Planning Ordinance, No. 15 of 1985 (Government of the Western Cape 1985). Management is undertaken in accordance with a comprehensive Operational Phase Environmental Management Plan and is funded through a trust fund that is supported by, amongst others, levies paid by residents.

2.4.3 Community and social aspects of Fancourt

The involvement of the local communities in the planning, implementation and management of Fancourt was limited to those aspects required in terms of the applicable legislation referred to above. Continuous communication is maintained with community organisations. There are, however, no formal public-private-community partnership arrangements in place.

Fancourt is renowned for its contributions to the social upliftment of the previously disadvantaged communities of George. In this regard, reference is made to the:

- a) annual amount of R1.5 million made available for social responsibility projects;
- b) annual hosting, since 1998, of an average of 5 special events for the local community in the form of golf days and spring balls;
- c) focus of the Fancourt Foundation on children and education, in respect of which two trusts have been established for education and community projects;
- d) projects funded by the Fancourt Foundation:
 - (i) fencing of the Imizamo Yethu Secondary School in the Thembaletu township;
 - (ii) provision of two computer labs for the Tyholora Primary School in Thembaletu;

- (iii) support for Captain Crime Stop - a nationwide awareness campaign for school children regarding the role of the SA Police Services;
- (iv) golf development at the Fancourt Golf Academy (Since the establishment of the Golf School in 1997, children from schools in previously disadvantaged communities attend golf lessons on a rotational basis. A development team has been chosen and this team now competes in local competitions);
- (v) assistance with refurbishment of George Horse Riding Club;
- (vi) building and equipment of an ultra modern crèche, namely the Nikiwe Educare Centre - at Thembaletu township, near George;
- (vii) sponsorship for three previously disadvantaged learners at York High School in George; and
- (viii) support for the George Child Welfare Society (R2 million was raised for the George Child Welfare through the annual Spring Ball at Fancourt).

2.4.4 Economic aspects of Fancourt

No economic studies have been undertaken since implementation. This aspect could therefore not be evaluated.

2.4.5 Environmental aspects of Fancourt

The estate falls within the Malgas River catchment. To enhance the catchment and its natural functions Fancourt is clearing alien trees from the section of the river that runs through the property. No dedicated conservation measures have been implemented in the residential component of the estate. On the golf courses a computerised irrigation system has been installed to minimise water consumption. Fancourt has not undertaken and is not directly involved in any conservation activities outside its boundaries.

2.5 PEZULA COUNTRY ESTATE

2.5.1 General background of Pezula

Pezula Country Estate (further referred to as Pezula) is situated south east of the town of Knysna in the Garden Route of the South Cape as illustrated by Figure 2.6.

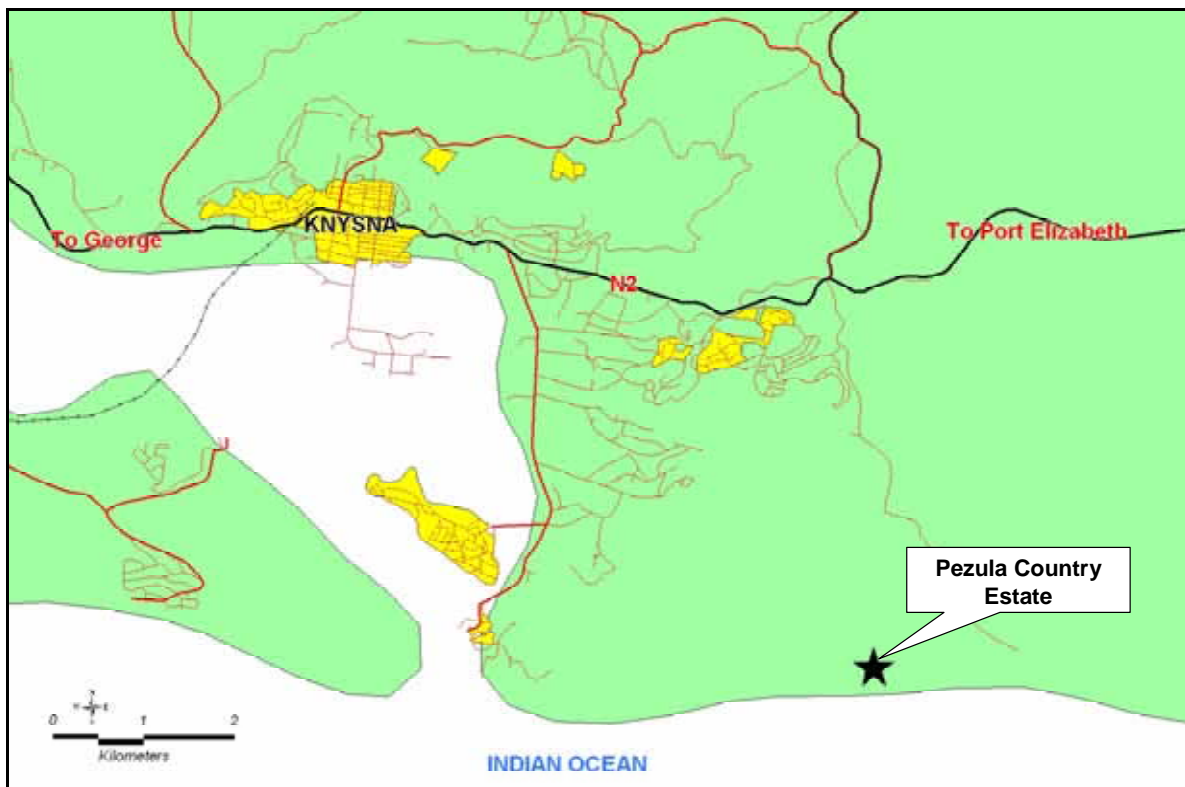


Figure 2.6: Location of the Pezula Country Estate

Pezula consists of a private estate of 612ha with 255 homes (erf size ranging between 2 000m² and 4 000m²), an 18-hole championship golf course and club facilities, a luxury estate hotel and spa, and the 'Field of Dreams' sporting facility. The latter is a multi-functional sporting complex with an international-standard sports oval, outdoor tennis courts, a PGA golf driving range, a 25m indoor swimming pool, a clubhouse, and a fitness centre.

Various international sporting stars have purchased property in Pezula, including tennis aces Roger Federer, Jonas Bjorkman and Thomas Johansson, golfer Nick Price and South African cricket captain, Graeme Smith.

Pezula achieved international recognition as the 'Most Environmentally Aware Development in the World' as well as the 'Best Development in South Africa' at the Home Owners Awards¹¹ in London in February 2005.

¹¹ The Homes Overseas Magazine Awards are judged by an independent panel of 52 experts, including members of the Royal Institute of Chartered Surveyors (RICS), the Royal Institute of British Architects (RIBA) and UK-based international property journalists. The competition is sponsored by GB Airways, The Daily Telegraph and Moneycorp.

Potable water is supplied by the Knysna Municipality. Irrigation water is obtained from the Knysna Sewerage Works and is supplemented with recycled sewage water generated on site. Sewage is treated on site through individual biological filter treatment units. Electricity is provided by Eskom through the Knysna Municipality in terms of a service agreement.

2.5.2 Planning, implementation and management aspects of Pezula

Pezula is described in its brochures as a 'unique development designed around the concept of a nature residential estate with the emphasis being to establish a limited number of homes within a complete natural environment, without the introduction of unnecessary manmade structures, excessive earth movement, disturbance of natural habitat, or in any way, negatively impacting the current environmental status'.

Prior to the establishment of Pezula, approximately 417ha of the property were used for commercial timber production. The development was mainly constructed on the former forestry land.

The planning of Pezula and preparation of the relevant applications were undertaken in accordance with the standard processes stipulated in the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985), Environment Conservation Act 73 of 1989 (South Africa 1989), Subdivision of Agriculture Land Act 70 of 1970 (South Africa 1970), and the National Heritage Resources Act 25 of 1999 (South Africa 1999).

The project was implemented in accordance with a Construction Phase Environmental Management Plan which was required by the Provincial Government of the Western Cape as a condition of approval.

All construction and other implementation activities were undertaken under the supervision of an Environmental Control Officer. Compliance of the implementation process with the specified guidelines and conditions of approval is monitored by a monitoring committee. The monitoring committee consists of the Environmental Control Officer and representatives of:

- the Knysna Municipality;

- the Department of Environmental Affairs and Development Planning;
- Cape Nature; and
- NGOs.

Pezula is managed by a Home Owners Association that was established in terms of Section 29 of the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985). Management is undertaken in terms of an Operational Phase Environmental Management Plan that was approved by the Department of Environmental Affairs and Development Planning. The management function is funded by, amongst others, levies paid by residents.

2.5.3 Community and social aspects of Pezula

The involvement of the local communities in the planning, implementation and management of Pezula was achieved through the actions required in terms of the applicable statutes referred to in Section 2.5.2. With the exception of the monitoring committee, there is no formal or structured forum in place through which continuous community involvement is facilitated. There are no formal public-private-community partnership arrangements in place.

With regard to the social and economic empowerment of the local communities, Pezula has created a significant number of direct employment opportunities, namely:

- a) during 2002/03, an estimated 260 employment opportunities were created of which 39 were permanent;
- b) during 2003/04, 337 employment opportunities were created of which 50 were permanent;
- c) during 2004/05, 422 employment opportunities were created of which 71 were permanent; and
- d) during 2005, 484 employment opportunities were created of which 101 are permanent.

2.5.4 Economic aspects of Pezula

No economic studies have been undertaken since implementation. This aspect could therefore not be evaluated.

2.5.5 Environmental aspects of Pezula

The key activities undertaken on site are the eradication of alien plants and establishment of fynbos and indigenous forest elements in those areas that have been designated as open spaces or nature areas.

The rehabilitation of the property led to a contribution of approximately 500ha towards the goals and targets of the CAPE (Cape Action for People and the Environment) project. Pezula has not undertaken and is not directly involved in any conservation activities outside its boundaries.

CHAPTER 3: THE PROJECT-BASED SUSTAINABLE DEVELOPMENT INITIATIVE APPROACH

This component of the research constitutes an analysis of the available information on the project-based SDI approach. Unless otherwise specified, the information regarding the SDI approach was obtained from documents prepared by, and interviews held with, Dennis Moss Partnership (urban, regional and environmental planners, urban designers, architects and landscape architects from Stellenbosch) who formulated and developed the SDI approach (Dennis Moss Partnership 2003a; 2003b; 2004; 2005).

The sections that follow provide a comprehensive description of the SDI approach, with reference to its:

- founding principles;
- theoretical premise;
- fundamental principles or 'pillars';
- primary strategic characteristics; and
- implementation and functioning.

3.1 THE SDI APPROACH IN PRINCIPLE

The SDI approach is based on the principles of the Franschhoek Empowerment and Development Initiative (FEDI), which is considered a national model of private/public sector empowerment co-operation. The purpose of FEDI is to unlock benefits for all participants through the synergies created (Dennis Moss Partnership 2002c).

According to the Franschhoek Country Club Estate Development Company (Dennis Moss Partnership 2002b), FEDI is a unique new approach to land reform, provision of housing, and provision of previously disadvantaged people with access to the mainstream economy. The initiative includes the development of the former Franschhoek municipal commonage by the private sector in co-operation with the municipality. FEDI is underpinned by the philosophy that:

- private sector investment in a free market environment is the true creator of wealth, opportunity and social advancement; the community must therefore find and lock in reliable private sector partners to serve as a locomotive for development; and

- communal assets must be put to best use in support of these objectives.

Dennis Moss Partnership (2002b) states that FEDI is focussed on:

- a) addressing the problem of housing for previously disadvantaged people in Franschhoek;
- b) creating sustainable employment and entrepreneurial opportunities for these people;
- c) finding a local solution for the land claims issue;
- d) advancing community integration; and
- e) conserving the natural and cultural environment and turning these into building blocks of a vibrant tourism sector.

A fundamentally important aspect of FEDI is the extent of the community's involvement in, and support for, the initiative (Dennis Moss Partnership 2002b).

FEDI has benefited significantly from the direct and indirect support of government and of development/upliftment institutions such as the Industrial Development Corporation (IDC), Khula, KWV, Land Bank, and the Development Bank of Southern Africa (DBSA) (Dennis Moss Partnership 2002b). The French Government has made available a soft loan of R22 million to the DBSA, specifically for Franschhoek. The DBSA has also awarded a planning grant of R1 million to Frandevco as contribution to the planning costs of the empowerment activities on the commonage land. The Nelson Mandela Foundation and Mr. Nelson Mandela, in person, expressed his appreciation and support for FEDI.

The principle framework provided by FEDI was subsequently supplemented by a broad theoretical background as a premise for the further development of the SDI approach. The key aspects of this theoretical premise is summarised in the following section.

3.2 THEORETICAL PREMISE FOR THE SDI APPROACH

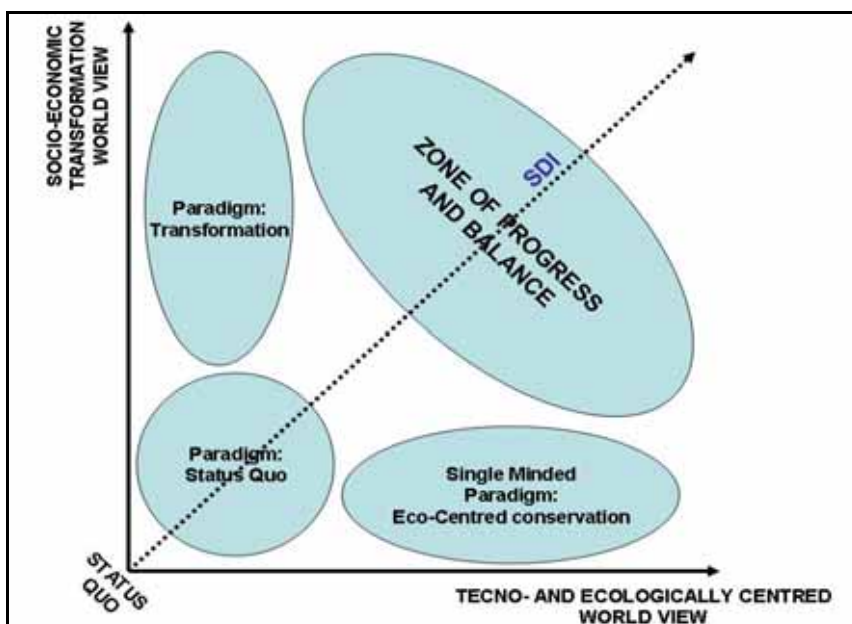
The SDI approach is an uncomplicated and pragmatic approach premised on sound economic and systems management principles, in stead of a complicated theoretical base. The theoretical premise for the approach focuses primarily on the views of those affected by the changes associated with development and, in particular, on the principles of sustainable development.

3.2.1 Divergent world views on development

In the formulation of the SDI approach, it was recognised that change in the living environment, circumstances, and future expectations, and therefore transformation, brings with it perceived and real threats and tension for individuals, communities and interest groups. It was also recognised that change has practical, social and cultural implications and that transformation often affects entrenched and appreciated normative patterns. For a society in process of change it is therefore necessary to promote the achievement of common ideals and objectives through participation and collective decision-making (Hopwood et al 2005). According to Hopwood et al (2005), individuals, interest groups and communities approach change (such as is caused by development) from various perspectives. In this regard, differentiation is made between three world views, namely:

- a view favouring the maintenance of the status quo;
- a view favouring socio-economic transformation; and
- a view favouring a techno- and eco-centric approach.

Complex overlaps and areas of integration between these world views occur. In order to achieve sustainable development and effective transformation it is imperative that a balance be achieved between the various world views (Hopwood et al 2005). Figure 3.1 illustrates the disparities between these divergent world views as well as the ideal situation of reconciliation and balance, which the SDI approach aims to promote.



(Adapted from Hopwood et al 2005:16)

Figure 3.1: World views affecting development

The research included an analysis of the public comments on the LagoonBay development that were raised during the Environmental Impact Assessment (EIA) undertaken for the project in terms of the relevant regulations of the Environment Conservation Act 73 of 1989 (South Africa 1989) (Hilland Associates 2005). This analysis has confirmed that the divergent views referred to previously are relevant in the present-day situation and that they play an important role in the evaluation of applications of projects such as LagoonBay.

It is evident that the divergent views and subsequent stakeholder reactions regarding the proposed LagoonBay development are underpinned by, amongst others, deep-rooted mistrust, personal agendas, political difference, and opportunism and opposing interpretation of what is required to improve the current socio-economic and environmental situation.

A strategy is required through which agreement can be reached between various groupings regarding the necessity of change and how to manage, or use, such change to the benefit of all. In essence, an approach is required that would ensure that social, environmental and infrastructural capital (finance and land) is employed to give practical effect to sustainable development (Dennis Moss Partnership 2004). In this regard, Urban-Econ (2005:23) states that 'sustainable development requires positive economic intervention within a framework of an integrated development strategy where all stakeholders work together to promote the objectives of the Constitution'.

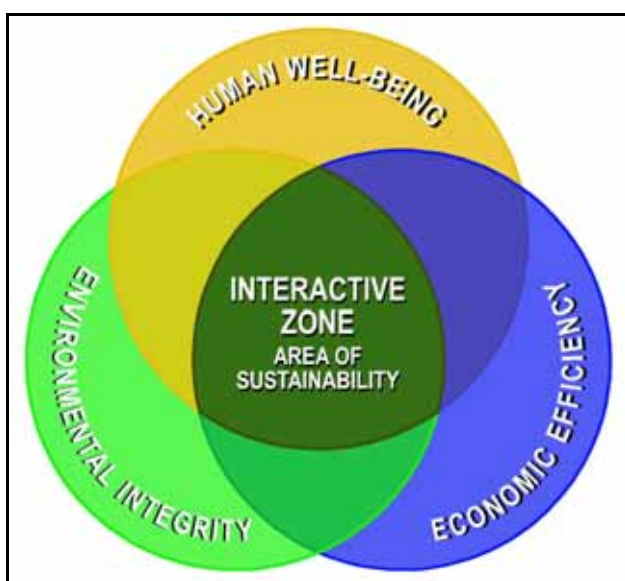
The proponents of the SDI approach claim that this approach is such a strategy and that it can facilitate the required agreement between divergent views (Dennis Moss Partnership 2005). It is the stated objective of the SDI approach to promote sustainable development (Dennis Moss Partnership 2004). In this regard the SDI approach is claimed to be a response to the call put forward in the Constitution and national agenda, the key aspects of which were summarised in Sections 1.1 and 1.2. The SDI approach is therefore based upon a broad understanding and interpretation of the concept of sustainable development.

3.2.2 The concept of sustainable development

Due to South Africa's status as a developing country, both the public and the private sector generally refer to sustainable development as a top priority in the quest to address the socio-economic and environmental challenges of the country. However, when one considers the reality of inappropriate development, misuse of natural resources, general inefficiency of service provision, etc., which is evident throughout the country, serious questions arise regarding the manner in which sustainable development is understood and applied in practice.

The concept of sustainable development embodies a concern for both social justice and ecological health (De Beer & Swanepoel 2000). The 1992 Earth Summit (Wynberg 1993) and its subsequent treaties, especially Agenda 21, emphasised that approaches to sustainable development require an overarching philosophy that would satisfy social, economic and political needs of people without degradation of natural resources.

The International Institute for Sustainable Development (IISD) (1995) states that sustainable development occurs at the intersection of three global imperatives, namely human well-being, environmental integrity and economic efficiency as illustrated by Figure 3.2.



(Adapted from Mebratu 1998:54)

Figure 3.2: The interactive model of sustainability

The IISD furthermore states that if these imperatives were not balanced, sustainable development cannot be achieved. In this regard, the interactive model of sustainability described by Mebratu (1998) illustrates that sustainable development occurs where the three imperatives interact within an 'interactive zone'. Development outside this 'interactive zone' will not be sustainable.

The three imperatives for sustainable development are described in the following sections.

3.2.2.1 Human well-being

Human well-being refers to both material and spiritual well-being. Material well-being refers to the absence of poverty. Spiritual well-being refers to a state where individuals and communities have a physical and moral space where they can work together to maintain and improve the continuity of such a space (IISD 1995). This, especially, entails creating the conditions for developing the individual to become richly connected to place and to obtain new powers, emotionally, intellectually and physically, so as to enable the individual, as a member of society, to play his, or her, rightful role in promoting and achieving sustainable development.

It is recognised that, in post-apartheid South Africa, special consideration has to be given to address historical inequalities that have undermined human well-being in the past (PGWC 2003).

3.2.2.2 Environmental integrity

Environmental integrity refers to the 'wholeness' of the environment. In the National Environmental Management Act 107 of 1998 (South Africa 1998) 'environment' is defined as the aggregate of all external conditions and influences affecting the life of an organism. In terms of this definition, 'environment', in particular, refers to the surroundings within which humans exist and that are made up of:

- a) the land, water and atmosphere of the earth;
- b) micro-organisms, plant and animal life;
- c) any part or combination of (a) and (b) and the interrelationships among and between them; and

- d) the physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence human health and well-being.

Environmental integrity is determined by the value of the environment or place (natural or human-made) with specific reference to its intrinsic, systemic, and/or instrumental value (Rolston 1994).

The manner in which human settlements are developed generally has an impact on the integrity of the environment as a totality. It is therefore imperative that the human-made environment be planned, designed and developed in a manner that promotes the maintenance of the values referred to previously (Rolston 1994).

From a natural environmental perspective, it is clear that ecological integrity is a key factor in the sustainable development equation. Ecological integrity, amongst others, requires that biodiversity is protected and that essential ecological processes and services (e.g. water yield and quality, soil conservation, decomposition, etc.) are maintained (De Beer & Swanepoel 2000).

3.2.2.3 Economic efficiency

Economic efficiency refers to making the best use of available resources, including human resources, funds, land, infrastructure, etc. It is also understood as the optimisation of benefit at the lowest cost for valued things (PGWC 2003).

It is important to note that the unconditional optimisation of benefit, regardless of its social and environmental cost, has the potential to create serious conflict between various interest groups. For example, the construction of a road through a settlement may imply efficiency in that it would limit construction costs and save time for the road-user. On the other hand, such a road may prove to be largely inequitable due to its environmental and social impact (e.g. endangering the lives of local inhabitants, and resulting in emotional stress for individuals living in the proximity of the road, as well as users of the road). Efficiency should therefore never be considered separately from justice (both environmental justice and social justice) (PGWC 2004).

3.2.3 Supplementary theoretical information on the concept of sustainable development applicable to the SDI approach

The SDI approach builds upon the understanding of the three imperatives of sustainable development. However, in order to obtain a broader understanding of the concept of sustainable development and also to obtain a certain measure of cross-referencing for the statements summarised in Section 3.2.2, the research included a supplementary analysis of relevant literature.

One of the aspects that emerged from this analysis is that various authors provide an almost similar description of sustainable development as the IISD (1995). In particular, Angus MacIntosh (2005:83) states that 'the manner to understand sustainable development is to realise that there are three interlinked concepts of sustainability. These are environmental sustainability, which relates to climate change and pollution of air, water and ground we build on; economic sustainability, which is concerned with creating sustained demand for the products we create, with assessment of investment performance; and social sustainability, which is concerned with culture, respect for people, a sense of place, and the creation of enjoyable working and living environment'.

Organisational structures and the participation of interested and effected groups and communities play a decisive role in achieving the goals of sustainable development (Midgley 1986). Recently the *Alcan Prize for Sustainability*⁹ was awarded to Heiko Leideker, executive director of Forest Stewardship Council, the first recipient of the prize. According to Schweitzer (2005:46), 'the story of the prize and it's recipient highlights effective practices for identifying useful cross-sector networks, facilitating ongoing relationships, and thinking more strategically about sustainability of organisations, their environments and the planet as a whole'. This statement is supported by Pim Martens and Jan Rotmans in their article, *Transition in a globalising world* (Martens & Rotmans 2005), namely that 'the increasing complexity of global society means that sustainable development cannot be addressed from a single perspective or scientific discipline'.

Robert Stock (1995:8) states that the sustainability of development takes on a particular significance in the African context. The continuing depletion of the natural resource base,

⁹ Annual prize of \$1 million to the non-profit organization that most exemplifies the principles of sustainability.

especially soil, forests, water supplies and wildlife is of growing concern (Stock 1995:9). The same author, furthermore, states that the consequence for those directly affected by environmental decay may well include poverty, famine¹⁰, ill health and forced migration.

The statements pertaining to sustainable development are encapsulated by the notion put forward in the preamble of the National Environmental Management Act, 1998 (Act 107 of 1998) that: 'The State must respect, protect, promote and fulfil the social, economic and environmental rights of everyone and strive to meet the basic needs of previously disadvantaged communities'. Inequality in the distribution of wealth and resources and the resultant poverty are among the important causes as well as the results of environmentally harmful practices.

Sustainable development requires the integration of social, economic and environmental factors in the planning, implementation and evaluation of decisions to ensure that development serves present and future generations. The foregoing arguments emphasise that sustainable development as contemplated by the Constitution is of fundamental importance and that it is imperative that innovative strategies be formulated and implemented to ensure that sustainable development is achieved wherever possible. The SDI approach is claimed to represent such a mechanism as is demonstrated in the following sections.

3.3 FUNDAMENTAL ASPECTS OF THE SDI APPROACH

3.3.1 Definition and rationale

An SDI refers to an integrated large-scale socio-economic development and environmental rehabilitation initiative that occurs as a result of property development, primarily funded by the private sector. In terms of SDI principles, the planning, design and implementation of such property development should always be undertaken in a spirit of partnership with the local communities and others that can help to promote sustainable development in a manner consistent with government policy and the sustainable development ethos of the present-day South Africa as is contemplated in the Constitution.

¹⁰ Famine, according to the Oxford Advanced Learner's Dictionary of Current English (Hornby 1974), is the extreme scarcity of food in a region.

The rationale of the project-based SDI is to undertake property development projects as part of, and within the context of, a larger overarching development initiative for a defined area within the framework of local, regional and national planning policy aimed at promoting and giving practical effect to sustainable development. Government and other institutions have implemented and support many programs and projects to promote and give practical effect to public-private-community partnerships which can help facilitate the engagement of a wide spectrum of role players in the planning and development process. The SDI approach places the focus on the responsibility of private sector investors in property development to give effect to such programs and projects.

In terms of the SDI approach, sustainable development is a process that improves the state of any given situation within the context of the constitutional imperative of promoting both human well-being and environmental integrity. The SDI approach subscribes to the principles of sustainable development and puts forward policies and strategies that give practical effect thereto.

Project-driven development undertaken in terms of the SDI approach can be measured and audited in order to assess its value in terms of promoting the sustainable development imperatives of human well-being, environmental integrity and economic efficiency. In order to address the overarching goal of sustainable development, the SDI approach aims to achieve the objectives listed in the following section.

3.3.2 Objectives of the SDI approach

The objectives of the SDI approach are to:

- a) build upon, and promote the comparative economic advantages of the region within which the SDI is located;
- b) utilize the natural resource base in a sustainable manner;
- c) merge ecological and economic considerations in decision-making;
- d) make a meaningful contribution to the eradication of poverty and inequality;
- e) ensure an acceptable return on capital invested by the core project investors;
- f) ensure that local communities, especially those who had been disadvantaged by historic injustices, are recognised as stakeholders in the planning and development process;

- g) ensure that development projects generate meaningful financial benefits that could be invested in economic empowerment of local communities and environmental rehabilitation; and
- h) to give practical effect to the transformation of the South African society envisaged in the Constitution.

The research will test the compliance of the stated objectives with the key principles of the national agenda and the constitutional goals and obligations referred to previously. The SDI approach aims to support the various objectives through the three 'pillars' upon which the approach is based.

3.4 'PILLARS' OF THE SDI APPROACH

The SDI approach builds upon and supports the three fundamental principles, or 'pillars', described in the following sections.

3.4.1 Pillar 1: Development as primary economic driver

The SDI builds on the premise that property development can serve as a primary economic driver that unlocks funds to support, in a meaningful and sustainable manner, economic growth, social development, and environmental rehabilitation. Development can only be optimised through positive economic intervention within a framework of an integrated development plan and strategy (Urban-Econ 2005).

In order to optimise the potential of property development to serve as an efficient economic driver, the SDI approach builds upon the principle that an SDI, for any given area, must be supported by a core project, or a number of core projects, and must utilise and promote the comparative economic advantages of the region within which the SDI is undertaken (Urban-Econ 2005).

3.4.2 Pillar 2: Community participation, inclusivity, and human well-being

The SDI approach builds on the principle of inclusivity. This implies that the planning, implementation and management of an area should be an ongoing inclusive process that gives meaningful consideration to the changing and dynamic interests, needs and values of the people that live in the area and that have an interest in ensuring a prosperous future for the area. In this regard, it is important that the SDI should result in:

- a) continued participation, representation, and involvement of all stakeholders in the SDI area;
- b) creation of adequate and appropriate opportunities during the inception phase of the SDI planning, and thereafter, for community participation in decisions that may affect the area;
- c) consideration of, and agreement on, the values which would form the basis of the SDI and the associated core projects;
- d) development and utilisation of the skills and capabilities of the people living in the SDI area (especially previously disadvantaged individuals, and women) in the planning and implementation of the SDI and its core projects;
- e) encouraging on-going involvement of local people in the programs identified for the SDI; and
- f) recognition that historic injustices need to be addressed in a practical and sustainable manner as a matter of high priority. In particular, recognition needs to be given to the rights of local previously disadvantaged people to share in the benefits that development brings to the area in a spirit of partnership.

The SDI approach provides for the participation and involvement of local communities in the planning, implementation and management of the initiative through an appropriate organisational structure such as described later. Participation in the SDI by stakeholders, who purchase property in the core projects, or who may have a direct interest in the core projects, should ideally be formalised through a *participation agreement*.

3.4.3 Pillar 3: Environmental rehabilitation and conservation

The IISD (1995) highlights two key aspects pertaining to sustainable development, namely the concept of need (in particular, the essential needs of the poor, to which overriding

priority should be given) and the environment's ability to meet present and future needs. The latter aspect should be considered in context of the reality of the current state of the environment and the limitations posed by the general lack of funds and resources to rehabilitate and conserve the natural environment to the extent that it can indeed meet present and future human needs.

The SDI approach recognises and supports the principle that biodiversity conservation is a prerequisite for sustainable development. It accepts that, for biodiversity conservation to succeed, the maintenance of environmental integrity (as defined by ecological, economic and social criteria) must be one of the primary determinants of land-use planning and development.

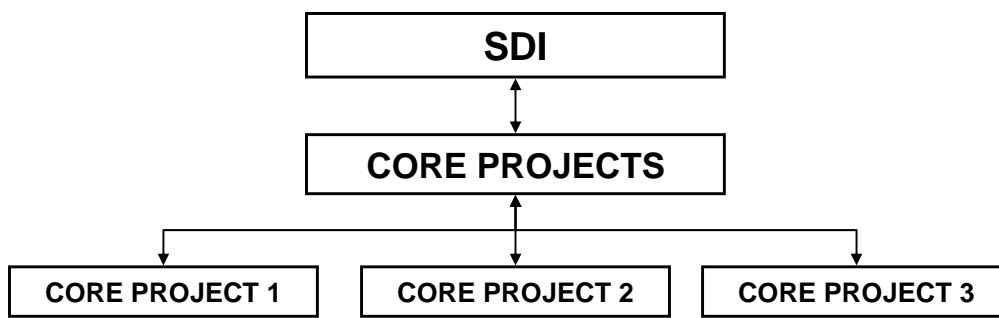
These 'pillars' provide a sound foundation for the planning of an SDI. However, it is important to recognise that the primary challenge lies in the practical implementation and long-term management of the SDI and that strong guidance is required in this regard. The following section describes the implementation and management guidelines that have been proposed as part of the SDI approach.

3.5 IMPLEMENTATION AND FUNCTIONING OF AN SDI

The proponents of the SDI approach are convinced that it is primarily dependent upon adequate and sustainable funding, and effective management in terms of a strong public-private-community partnership approach. The key requirements in this regard are summarised in the following sections.

3.5.1 Core projects as economic drivers of the SDI

Effect is given to an SDI by core projects primarily funded by the private sector. The core projects serve as the primary economic driver(s) of the SDI. Figure 3.3 illustrates the relationship between an SDI and its core projects.



(Source: Dennis Moss Partnership 2004:6)

Figure 3.3: An SDI and its core projects

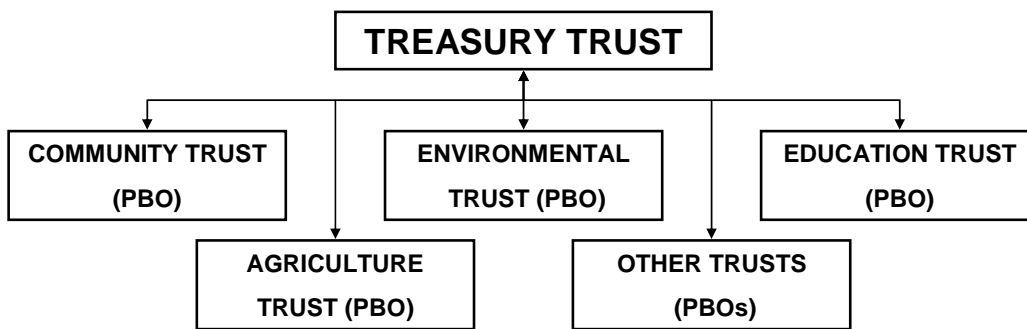
An SDI is usually undertaken for an area such as a neighbourhood, a municipal ward, an ecosystem, or any other natural system such as a catchment area. This implies that the area within which an SDI is undertaken is usually significantly larger than the land required for the core projects which support the SDI. The SDI builds upon the principle that long-term sustainability of a particular area would be better served if an optimal number of projects were undertaken in the area and that, ideally, all property development undertaken in that area should be undertaken as core projects of the SDI.

A key aspect that determines the ultimate success of an SDI is the manner in which the initiative is managed by the various stakeholders. A practical and uncomplicated management and organisational structure, such as is summarised in the following section, is therefore of fundamental importance.

3.5.2 Suggested organisational structure for an SDI

It is proposed that an organisational structure consisting of a hierarchy of trusts, or Public Benefit Organisations (PBOs), or other appropriate organizational entities, be established for an SDI. A Treasury Trust is to be established as the overarching and governing entity of the organisational structure (Dennis Moss Partnership 2004).

The suggested organisational structure is to be established by the relevant stakeholders, including the local communities affected by the SDI. Figure 3.3 illustrates the suggested structure and the relationship between the Treasury Trust, as over-arching entity, and the various subsidiary trusts or PBOs.



(Source: Dennis Moss Partnership 2004:18)

Figure 3.4: Suggested SDI organisational structure

The research has shown that the creation of an organisational structure for the SDI is a primary challenge that will determine the ultimate success of the initiative. Key aspects to be addressed in this regard include:

- a) the identification of the various stakeholders, in particular the communities that will be affected by the SDI;
- b) building the capacity of the identified stakeholders to fulfil their functions and obligations as part of the SDI;
- c) identification and development of the programs through which the SDI will facilitate socio-economic development and environmental rehabilitation; and
- d) the formulation and implementation of mechanisms to promote effective management of the SDI programs.

The research indicated that the aspects referred to under (a)-(d) have not been conclusively addressed in the Hoogekraal SDI.

The key aspects of the suggested SDI organisational structure illustrated by Figure 3.4 are expounded in the following section.

3.5.2.1 The Treasury Trust

The main purpose of the Treasury Trust is to serve as the funder and principal decision-maker that ensures that funds flow to the various trusts, or PBOs, and that the programs of the SDI are appropriately implemented, managed and co-ordinated. The Treasury Trust should also ensure that benefits devolve to the various beneficiaries and stakeholders in a transparent manner and in a spirit of partnership.

The Treasury Trust is to operate under strict financial and audit supervision. It is considered imperative that the long-term financial interest of the Treasury Trust be secured by investing a substantial percentage (e.g. 50%) of the funds of the Treasury Trust in low risk investments of sound commercial and good governance principles.

The Treasury Trust is to ensure that funds are made available in accordance with the objectives of the SDI and that the implementation of the SDI programs gives effect to sustainable development as is contemplated in the trust deed. It is imperative that the funds of the Treasury Trust be invested in a manner that ensures its long-term sustainability.

The trustees of the Treasury Trust should ideally initially consist of an equal number of representatives of the core project developers and the identified stakeholders in the SDI area. Such trustees are to be selected for their proven status, administrative skills and applicable knowledge. It is envisaged that large SDIs will require an executive officer and permanent support staff that would report to the Treasury Trust and the PBOs.

A key function of an SDI is to enable and facilitate the unlocking of latent financial resources to serve, amongst others, economic transformation, economic growth, biodiversity conservation, and agricultural development. In order to achieve these objectives it is imperative that the Treasury Trust be appropriately funded through, in particular, the core projects of the SDI. This fundamentally important aspect is analysed in the following section.

3.5.2.2 Funding and supporting the Treasury Trust

The SDI approach is based on the principle that a percentage of the revenue upon sale of properties, or other forms of revenue generated by the core projects, will accrue to the Treasury Trust. As such, the Treasury Trust will be funded through:

- a) a contribution made by the core projects of the SDI of a pre-determined percentage of both first and subsequent sales of property; and
- b) other forms of funding, including contributions from government and NGOs.

Both the quantum of the funds to be transferred to the Treasury Trust and the transfer procedure are to be stipulated in the sales agreements and are to be linked to the title deed of each erf or property that is sold in a core project of the SDI. In addition, a participation agreement should ideally be signed by those who purchase fixed property in the core project. This agreement will legally and morally bind such purchasers to the goals and objectives, obligations and principles of the SDI.

It would be important for the Treasury Trust and the various PBOs to seek the support of major development funding institutes like the Development Bank of Southern Africa (DBSA), Department of Trade and Industry (DTI) and the Industrial Development Corporation (IDC) to promote programs that are of common interest and to provide project finance on a partnership basis. It would furthermore be important to invite commercial banks to, in partnership with the PBOs, grant loan finance to newly-established Small, Medium and Micro Enterprises (SMMEs), assist with due diligence studies, facilitate the preparation of business plans, and ensure that good practice pertaining to corporate governance and the granting and repayment of loan finance is adopted and maintained. In this regard, reference is made to the significant grants and soft loans that have been made available by funding institutions to the Franschhoek Empowerment and Development Initiative (FEDI) documented in Section 3.1.

As stated previously, the function of the Treasury Trust is to ensure that the available funds are appropriately managed and made available to the identified beneficiaries of the SDI.

3.5.2.3 Beneficiaries of the SDI

The trusts or PBOs (these entities could also be in the form of Section 21 companies or other formal associations) that form part of the organisational structure illustrated by Figure 3.3 would be the primary beneficiaries of the SDI. These entities are to be established in partnership and in close co-operation with the relevant stakeholders, the objective being to ensure that benefits are delivered to the rightful beneficiaries and be managed in a transparent and equitable manner. The various trusts or PBOs will have the responsibility to ensure that the funds are invested through the various programs that have been identified by the beneficiaries of the SDI. These trusts or PBOs are to ensure that the various programs are implemented in accordance with defined objectives and strategies.

Whilst discretionary funds could be made available for humanitarian purposes, the main purpose of the Treasury Trust is to make funds available to the beneficiaries, specifically to help grow the local economy through the establishment of new enterprises. It is also meant to help promote environmental conservation, and agricultural development in a manner consistent with the ethos of sustainability. A primary objective of the Treasury Trust is to help establish SMMEs and support Black Economic Empowerment (BEE) in terms of government policy through the trusts or PBO structures created for this purpose. It is imperative that SMME development be supported by mentorship programs, skills training and stewardships (Urban-Econ 2005).

The research will show how important the apportioning, or allocation, of funds is to the functioning of the Treasury Trust, as it will ultimately determine the long-term sustainability of the SDI.

3.5.2.4 Procedures for allocation of funds

It is envisaged that the Treasury Trust would make funds available in terms of different types of arrangements. For example, the Treasury Trust could donate funds to a Community PBO to help fund a school. Alternatively, the Treasury Trust could loan funds to an Agricultural PBO for the establishment of, for example, a commercial nursery by a newly established SMME. In terms of the relevant procedures, the loan amount, together with a portion of the proceeds from such a commercial enterprise, should then be paid back to the Treasury Trust by the shareholders of the enterprise that owns the nursery.

In terms of the relevant procedures an applicant would have to submit an application and motivation (including a business plan) to the relevant PBO for consideration. The Treasury Trust would then disburse funds to that PBO in terms of specific agreements between the two parties. The PBO will support SMME and BEE enterprises and individuals at both the financial and the managerial level.

3.5.3 SDI implementation programs

Implementation of the SDI is to be facilitated through integrated programs identified by the various stakeholders. As stated previously, the various trusts or PBOs are to assist with

the funding, management and implementation of the programs which they are responsible for. The SDI programs usually relate to land development, sustainable agriculture, tourism and hospitality, sport and recreation, social development, environmental management, heritage conservation and education. For each program clear objectives are to be set and strategies for implementation are to be formulated in partnership with the relevant stakeholders. Such strategies should include business plans and funding requirements.

The analysis of the SDI approach and its manifestation through the Hoogekraal SDI will determine what levels of innovative and integrated planning of all aspects of the SDI and its core projects are required for the implementation of the approach, while ensuring that the principle of inclusivity is adhered to throughout the planning process.

3.5.4 Planning process for SDI core projects

A key characteristic of the planning process proposed for SDI core projects, which distinguishes it from the 'conventional' project planning process, is that it includes a distinct inception phase. This phase comprises a number of unofficial steps and allows the developer and its professional team the opportunity to communicate with all stakeholders and to seek their input regarding all aspects of the proposed SDI prior to entering into the statutory application process, which is regulated by strict procedural directives. A primary objective of the inception phase is to enable the project proponent and its professional team to prepare an application that supports of the SDI objectives, has integrity and the support of key stakeholders, and that can be justified in terms of applicable societal values and commitments.

A key requirement is to ensure that the planning and development policies of the SDI and its core projects are aligned and consistent with constitutional imperatives and the relevant planning legislation and policy and that the project proposals are financially viable. Sound financial gearing of the core project(s) is therefore imperative because it would not be possible to achieve the ideals of government, and meet the aspirations of local people, if the proposed core projects were not financially viable. It is therefore important that the viability of the core projects be tested in the market at a very early stage so as to determine if they would indeed be able to support the SDI to the extent committed to (Urban-Econ 2005).

In this regard, it is imperative that a thorough economic impact assessment be undertaken at an early stage to identify and quantify the economic benefits that could result from the implementation of the core projects. Such economic impacts are usually measured in terms of the core projects' contribution to local Gross Geographic Product, additional business sales and employment opportunities that will occur due to the proposed SDI projects. Such economic impacts are to be determined for both the construction phase and the long-term operational phase of each core project.

3.5.5 Synopsis of the SDI approach research results

From the documents of the SDI proponents (Dennis Moss Partnership 2004; 2005) it is evident that:

- a) the SDI approach builds on the principle of inclusivity and aims to provide a framework for reaching understanding and agreement between divergent views on development and ways to address challenges of the present-day South Africa;
- b) the over-arching goal of the approach is to ensure that large-scale estate development contributes, in a sustainable manner, to socio-economic development and environmental rehabilitation on a sub-regional scale, in order to give effect to relevant national, provincial and local policy and goals;
- c) the SDI is project-driven and its main aim is to, on balance, improve the state of any given situation in a sustainable manner and in a spirit of partnership with those who support the ethos of promoting sustainable development in an integrated, holistic and practical manner; and
- d) the SDI approach provides for the establishment of an organisational structure through which constructive community involvement and empowerment will be ensured and benefits that will be generated from the associated core projects will be utilised to support socio-economic growth and environmental rehabilitation in a defined area of influence or 'gravitational field' (i.e. the SDI area).

The proponents of the SDI approach state that one of the primary challenges that will determine the ultimate success of an SDI is the establishment and management of the Treasury Trust by the communities associated with the SDI (Dennis Moss Partnership 2004). Urban-Econ (2005) suggests that long-term training and mentorship would have to be maintained in order to enable the selected community representatives to fulfil their functions as trustees of the Treasury Trust and the associated organisational entities. With

the exception of the above suggestions of Urban-Econ, no further strategies could be identified through the research as to how the aspect of building the capacity of stakeholders to fulfil their functions as custodians and managers of the various programs should be addressed.

In order to obtain an understanding of the practical implementation of the SDI approach, this research includes an analysis of the SDI proposed for the Hoogekraal area.

CHAPTER 4: THE PRACTICAL IMPLEMENTATION AND IMPACT OF THE SDI APPROACH AT PROJECT LEVEL

This component of the research focussed on the practical implementation of the SDI approach at Hoogekraal near George and the proposed LagoonBay development as its first core project.

It is important to note that the implementation of the Hoogekraal SDI is subject to approval being granted by the relevant authorities for the proposed LagoonBay development which is to be the first project that would 'kick-start' the SDI. Applications in this regard have been submitted to the George Municipality and the Department of Environmental Affairs and Development Planning (Dennis Moss Partnership 2005).

An EIA has been completed for the project. The various applications and EIA reports include, amongst others, the commitments made by the LagoonBay developers, agreements between the latter and the relevant authorities, local communities, NGOs and other stakeholders, and the planning reports that have been prepared with regard to the proposed LagoonBay development (Hilland Associates 2005).

Approval of the LagoonBay development application would imply that all of the stipulations put forward in the application documentation and the EIA report would be imposed as conditions of approval. Therefore, if the approvals were granted, the LagoonBay development would be in the form presented in the application. This research was based upon this assumption.

A key aspect of the case study undertaken as part of the research was to develop an understanding of the environment within which the LagoonBay SDI was to be implemented, with specific reference to the:

- a) socio-economic status of the previously disadvantaged Hoogekraal community;
- b) provision of municipal services in the study area; and the
- c) provision of environmental services in the study area.

An empirical information base was needed to determine the desirability of an intervention such as the Hoogekraal SDI and to enable an assessment of the value that could be

unlocked upon approval of the LagoonBay development as core project of the SDI. This was achieved through an assessment of the following aspects, each reported under subsequent chapter headings:

- performance of the municipalities;
- performance of the relevant conservation agencies;
- planning and envisaged implementation of the Hoogekraal SDI;
- key aspects of the proposed LagoonBay development; and
- envisaged impacts of the Hoogekraal SDI.

In order to undertake such assessment of the desirability and envisaged benefits of the SDI, the availability and efficiency of alternative strategies also had to be determined and analysed.

4.1 SOCIO-ECONOMIC STATUS OF THE PREVIOUSLY DISADVANTAGED HOOGEKRAAL COMMUNITY

A total of 78 households were included in the survey, representing approximately 50% of the previously disadvantaged people that currently live in the Hoogekraal SDI area. The survey was based upon a questionnaire completed by, or on behalf of, representatives of the relevant households, and supplementary interviews held with these individuals.

The results in Table 4.1 hold key indicators of the desirability of an intervention such as the Hoogekraal SDI and the value that could be unlocked upon approval of the LagoonBay development as core project of the SDI.

The need for, and the desirability of, implementing a stimulus for socio-economic growth and economic empowerment in the SDI study area was emphasised by the research as it relates to, in particular, the following key aspects that were identified:

- a) The gender and age distribution shows a typical profile of an under-developed community, with female preponderance due to absentee migrant worker males, and a high dependency ratio (two-thirds non-active group).
- b) Education level of the economically active age group is low. This can be ascribed to lack of opportunities in the past, inability or unwillingness to make use of available opportunities, or the possibility that educated individuals have migrated from the study area due to a lack of local employment opportunities for educated workers.

Table 4.1: Socio-economic conditions in the Hoogekraal community

| Gender | Male | | Female | | Total | | | | | |
|---|------------------------|-------|-----------------------------------|--------------------------|------------------------------------|-----------------------------|---|-------|----------------|-------|
| Number | 220 | | 342 | | 562 | | | | | |
| % | 39.1 | | 60.9 | | | | | | | |
| Age | < 20 | 21-30 | 31-40 | 41-50 | 51-60 | >61 | Economically active age group (18-60 years) | | | |
| Number | 313 | 42 | 48 | 60 | 39 | 60 | 185 | | | |
| % | 55.7 | 7.5 | 8.5 | 10.7 | 7.0 | 10.7 | 32.9 | | | |
| Education | Illiterate | | Primary | | Secondary | | Tertiary | | | |
| Number | 156 | | 280 | | 123 | | 3 | | | |
| % | 27.7 | | 49.8 | | 21.8 | | 0.5 | | | |
| Skills training level | No skills training | | Agriculture (In-service training) | | Construction (In-service training) | | House-keeping (In-service training) | | Other | |
| Number | 65 | | 75 | | 11 | | 22 | | 12 | |
| % | 35.1 | | 40.5 | | 5.9 | | 11.9 | | 6.6 | |
| Sectoral employment | Agriculture | | Construction | | House-keeping | | Other | | Total employed | |
| Number | 96 | | 10 | | 21 | | 22 | | 149 | |
| % | 64.4 | | 6.7 | | 14.1 | | 14.8 | | | |
| Inside / Outside SDI area | % In | % Out | % In | % Out | % In | % Out | % In | % Out | % In | % Out |
| | 76 | 24 | 0 | 100 | 60 | 40 | 0 | 100 | 73 | 27 |
| Monthly income | Unem- ployed | <R400 | R401- R1000 | R1001- R1500 | R1501- R2500 | R2501- R4500 | >R4500 | TOTAL | | |
| Number | 36 | 54 | 47 | 38 | 5 | 3 | 2 | 185 | | |
| % | 19 | 29 | 25 | 21 | 3 | 2 | 1 | | | |
| Dwelling type | Total Formal Dwellings | | | Total Informal Dwellings | | | TOTAL | | | |
| | 55 | | | 23 | | | 78 | | | |
| % | 70.5 | | | 29.5 | | | | | | |
| Sewage service | Flush Toilet | | Chemical Toilet | | Pit Latrine | | Bucket Latrine | | | |
| Households | 15 | | 0 | | 48 | | 15 | | | |
| % | 19.2 | | 0 | | 61.5 | | 19.2 | | | |
| Water reticulation | Tap In Home | | Tap On Site | | Public Tap <200m | | Public Tap >200m | | | |
| Households | 22 | | 43 | | 11 | | 2 | | | |
| % | 28.2 | | 55.1 | | 14.1 | | 2.6 | | | |
| Refuse removal | Local Authority 1/Week | | Local Authority 1/Monthly | | Communal Refuse Dump | | Own Refuse Dump | | | |
| Households | 0 | | 0 | | 63 | | 15 | | | |
| % | 0 | | 0 | | 80.8 | | 19.2 | | | |
| Energy source | Gas & Paraffin | | Wood | | Electricity | | | | | |
| Households | 30 | | 33 | | 15 | | | | | |
| % | 38 | | 42 | | 20 | | | | | |
| Communication service | Land-line in house | | Cell-phone | | Public telephone < 1km | | Public telephone > 1km | | | |
| Households | 8 | | 8 | | 28 | | 34 | | | |
| % | 10.2 | | 10.2 | | 35.9 | | 43.7 | | | |
| General Aspects | | | | | | | | | | |
| Average distance to primary school | | | | | | 5km | | | | |
| Average distance to high school | | | | | | 13km | | | | |
| Public transport available | | | | | | None | | | | |
| Primary modes of transport | | | | | | Taxis, employers' transport | | | | |
| Formal in-service skills training programs in place | | | | | | None | | | | |
| Legal ownership of dwelling or other fixed property | | | | | | None | | | | |
| Sports and recreational facilities available | | | | | | None | | | | |
| SMMEs or other entrepreneurial enterprise opportunities | | | | | | None | | | | |
| Formal BEE implementation | | | | | | None | | | | |
| Land reform / formal support for emerging farming enterprises | | | | | | None | | | | |

The negative relationship between poverty and education level (Oosthuizen & Nieuwoudt 2003) emphasises the need for the establishment of appropriate educational opportunities in close proximity (5-10 km) to the community.

- c) Likewise, the skills training level of the economically active age group is low. These low levels can be ascribed to similar factors, including inadequate training opportunities, inability or unwillingness to make use of available training opportunities, the fact that a high level of training skills is not required in the agricultural sector which is the main provider of employment, or that trained individuals have migrated from the study area due to a lack of employment opportunities for skilled workers. Thus, for human well-being to be enhanced as an imperative for sustainable development, employment opportunities have to be created and a diversity of skills training opportunities has to be provided to enable the local community to respond efficiently.
- d) The type and location of available employment opportunities show that agriculture is the main provider of employment in the study area. Urban-Econ (2005) indicates that the agricultural sector has a relatively small impact in the local economy, contributing less than 4% of the Gross Geographical Value Added¹¹ (GGVA). This narrow sectoral employment profile is one of the main reasons for poverty and socio-economic inequality evident in the study area (Urban-Econ 2005). In order to improve this situation, it is imperative that the local economy and associated employment opportunities be diversified and aligned with the local human resource base. Calthorpe & Fulton (2001:18) underline this imperative in their statement that 'the single most important component of economic success is access to networks of all kinds, job networks, money networks, idea networks and networks of vendors and services. The only way to operate successfully in the network economy is to be physically located in a region where all these networks are close enough so that they can remain lively and active without heavy investment and long distance travel'.
- e) The monthly income of the economically active age group, measured as mean annual income, is significantly lower than that of the George Municipality as a whole. For example, in the study area, 29% of the relevant group earns less than R400 per month, compared to 11% in the municipality as a whole. This is attributed to the low-paying agricultural sector being the main source of employment,

¹¹ Total value of goods and services produced for a specific time period within a defined geographical area (Urban-Econ 2005).

emphasising the need for diversification in the economy and a meaningful increase in sustainable employment opportunities.

- f) Housing and essential domestic services are rudimentary. Property and home ownership is absent and many live in informal housing. Access to properly managed household services such as running water, electricity, sewerage and solid waste removal, communication facilities, recreational amenities and public transport is poor. It is clear that a significant intervention is required to provide access to such services.
- g) Recourse in developmental and land reform opportunities such as SMME or other entrepreneurial opportunities, BEE, or support for emergent farming enterprises, is non-existent. This implies that no effect can be given to, amongst others, the national agenda or goals of the Constitution referred to previously. Clearly a significant intervention is required through the creation of:
- opportunities and support for SMMEs;
 - AgriBEE enterprises;
 - entrepreneurial opportunities; and
 - sustainable land reform projects.

The question now arises, how, and to what extent, socio-economic challenges are addressed by the responsible authorities in the region. The research, subsequently, focussed on this question. The results of this component of the research are summarised in the following sections.

4.2 MUNICIPAL SERVICES IN THE STUDY AREA

The issue pertaining to how, and to what extent, socio-economic challenges are addressed by the responsible authorities in the region, with reference to the previously disadvantaged community of the Hoogekraal SDI area, was addressed through:

- a questionnaire survey of the George Municipality and the Eden District Municipality (refer to Appendix A2 and A3); and
- interviews held with the management entities of George Municipality and the Eden District Municipality.

For ease of reference the questions posed during the interview and the results obtained are listed in Table 4.2. The questions relate to the key categories of:

- household services;
- social services;
- funding sources;
- land use management;
- local economic development; and
- environmental rehabilitation.

Table 4.2: Performance of the Eden District Municipality and George Municipality pertaining to the rendering of social and environmental rehabilitation services

| QUESTION | EDEN DISTRICT MUNICIPALITY | GEORGE MUNICIPALITY |
|---|--|--|
| Category: Household Services | | |
| a) Do you provide potable water in the study area? | No | No |
| b) Do you provide sewerage services in the study area? | No | No |
| c) Do you provide electricity in the study area? | No | No |
| d) Do you provide solid waste removal services in the study area? | No | No |
| Category: Social Services | | |
| e) Do you have a housing program for the study area? | No | No |
| f) Do you provide a public transport system for the study area? | No | No |
| g) Do you provide a primary health care program for the study area? | Yes | No |
| Category: Funding Sources | | |
| h) Do you have the required funds and other resources to provide for the identified needs of the community? | Not applicable to the District Municipality. | Funds are apportioned through the George IDP in terms of set priorities. The relevant aspects have not been listed as a high priority. |
| i) Are there strategies in place to obtain such funds? | Not applicable to the District Municipality. | Funds are apportioned through the George Integrated Development Plan (IDP) in |

| | | |
|--|--|---|
| | | terms of set priorities. These aspects have not been listed as a high priority. |
| Category: Land Use Management | | |
| j) Are there specific strategies in place to promote the sustainability and profitability of land use on the area? | Strategies have been identified in the Eden Spatial Development Framework (SDF). The current Eden IDP however does not make provision for the implementation of such strategies. | Strategies have been identified in the draft George Spatial Development Framework (SDF). The George IDP however does not currently provide for such strategies. |
| k) Are there strategies in place to involve the previously disadvantaged community of the SDI area in the long-term development of the area and the use of its resources? | Not applicable to the District Municipality. | Not applicable to the George Municipality. |
| Category: Local Economic Development | | |
| l) Are there strategies in place to: <ul style="list-style-type: none"> • promote urban renewal and rural development; • micro-credit and small enterprises; • education and modern skills; and • development of social and economic infrastructure in the SDI area? | None applicable to the District Municipality. | None applicable to the George Municipality. |
| Category: Environmental Rehabilitation | | |
| m) Are there specific strategies in place for the rehabilitation of <i>inter alia</i> the Maalgate River and its catchment, conservation-worthy habitats occurring in the | Strategies have been identified in the Eden Spatial Development Framework (SDF). The current Eden IDP however does not make provision for the implementation of such | Strategies have been identified in the draft George Spatial Development Framework (SDF). The George IDP, however, does not currently provide for such strategies. |

| | | |
|--|-------------|--|
| study area, the cultural heritages, and the aesthetic integrity of the area? | strategies. | |
|--|-------------|--|

The research indicated that no direct actions are currently being taken by the respective municipalities with regard to the social upliftment of the previously disadvantaged community of the study area. Key findings of the research in this regard are that:

- no municipal utility services are delivered;
- there are no socio-economic services provided;
- funding mechanisms are absent or given low priority; and
- policies and programs for long-term upliftment are embedded in overarching plans without direct relevance to the study area.

Presumably, municipal benefits are to reach the relevant community through the so-called 'trickle-down effect' in the local economy. As indicated by Table 4.1, limited positive effects of this are evident in the study area.

Likewise, the municipalities are currently not doing anything with regard to the rehabilitation of the natural environment associated with the study area. This is in spite of ambitious regional environmental rehabilitation plans put forward in, amongst others, the Eden District Spatial Development Framework (Eden District Municipality 2003) and the draft George Spatial Development Framework (George Municipality 2005). The reason offered is a lack of funds.

These research results have highlighted the importance of addressing the focal points of the national agenda with particular reference to:

- (i) resources to fund development programs;
- (ii) the need for effective partnerships between national government and local institutions and communities;
- (iii) recognising that development programs must achieve visible benefits regarding the improvement of quality of life of all people, alleviation of poverty and eradication of inequality; and
- (iv) ensuring that development programs include urban renewal and rural development, micro-credit and small enterprises, education and modern skills, development of social and economic infrastructure.

4.3 ENVIRONMENTAL SERVICE PROVISION IN THE STUDY AREA

Since sustainable development is not possible in a degraded environment with dysfunctional ecosystems, poor biodiversity, poor provision of water and oxygen, and poor recreational opportunities, the research also addressed this aspect. Specifically, the need for intervention in the state of the natural environment and the efficiency of rehabilitation and management programs were probed. In this regard, the research focussed on the performance and capacity of conservation agencies such as CapeNature and the Sub-Tropical Thicket Ecosystem Plan (STEP) to create an environment that gives effect to Section 24(b)(iii) of the Bill of Rights chapter of the Constitution (South Africa 1996), namely that 'everyone has the right to have the environment protected for the benefit of present and future generations, through reasonable legislative and other measures that secure ecologically sustainable development and use of natural resources, whilst promoting justifiable economic and social development'.

From the EIA reports and associated environmental specialist study reports prepared for the proposed LagoonBay development (Hilland Associates 2005), it is evident that the natural environment of the Hoogekraal SDI area has been degraded to the extent that it has lost its ability to support sustainable development and its natural visual integrity. According to the relevant specialist reports, the primary degrading factors are the infestation of alien plants and non-sustainable agriculture.

In order to determine if an innovative intervention, such as the Hoogekraal SDI, is needed to enable meaningful rehabilitation of, amongst others, the Maalgate River and other highly conservation-worthy natural habitats in the area, the research included an assessment of the functions and efficiency of the institutions responsible for the implementation of such programs and plans, namely CapeNature (the primary conservation agency) and STEP (which has proposed a comprehensive conservation plan for the region). The research findings in this regard are summarised in the following sections.

4.3.1 CapeNature conservation plan implementation and management

CapeNature has been mandated to facilitate the rehabilitation of conservation-worthy ecosystems on both public and private land. The extent to which CapeNature fulfils its

functions in the study area was determined through an interview held with a representative of the agency. For ease of reference the questions posed during the interview and the results obtained are listed in Table 4.3.

Table 4.3: Performance of CapeNature pertaining to the rehabilitation and long-term conservation of the Hoogekraal SDI area

| QUESTION | CAPENATURE'S RESPONSE |
|---|---|
| a) Why is the Hoogekraal SDI area considered to be a conservation-worthy area? | The Maalgate catchment is an important ecosystem which has a significant socio-economic function. Also part of a sensitive coastal zone. |
| b) What strategies have been proposed for the rehabilitation and long-term management of the area? | <ul style="list-style-type: none"> • Awareness programs for authorities and landowners. • Implementation of stewardship options which imply various forms of co-operative agreements between CapeNature and the landowner. • Implementation of the Conservation Farming Project. • Implementation of the Landcare Program. • Implementation of the Working for Water program. • Implementation of the Working for Fire program. • Provision of information to be incorporated into SDFs. • Provision of a capacity building service in GIS-based conservation planning. |
| c) Have any such strategies been implemented in the Hoogekraal SDI area? | Not directly. |
| d) Where will funds for such rehabilitation and management be found? | Private landowners to be co-funded by international donors. |
| e) Who will implement such strategies? | Private landowners in collaboration with, CapeNature and the various programs. |
| f) Have any partnerships been established with private landowners in the Hoogekraal SDI area pertaining to the implementation of environmental rehabilitation strategies? | No |

The research results confirmed that:

- a) most of the study area, in particular the Maalgate River with its associated riparian area and eco-corridors, is of high conservation significance;
- b) almost the entire LagoonBay landholdings which, according to CapeNature, constitute a most important part of the Maalgate catchment, is in a severely degraded condition;
- c) nothing has been done in practice by CapeNature to redress this situation; and
- d) there is an urgent need for innovative private sector intervention to enable meaningful and sustainable rehabilitation and effective long-term management of the environment.

CapeNature has launched a Stewardship Program to promote conservation outside of formally protected reserves and provide more support to private conservation initiatives (CapeNature 2004). The stewardship approach model allows for varying degrees of engagement and provides a clear framework for the provision of incentives in accordance with the length of commitment and the biodiversity value of the land. The intention is that the stewardship agreements would eventually replace existing designations such as Private Nature Reserves and Natural Heritage Sites. CapeNature has, however, not succeeded in entering into a stewardship agreement with any of the landowners in the Hoogekraal study area.

CapeNature, furthermore, evidently relies on the obligations of private landowners to undertake environmental management in the form of combating veld, forest and mountain fires in terms of the National Veld and Forest Fire Act 101 of 1998 (South Africa 1998), and the eradication of listed alien vegetation¹² in terms of the Conservation of Agricultural Resources Act 43 of 1983 (South Africa 1983). There is, however, no evidence that landowners in the Hoogekraal study area are giving effect to these legal obligations.

¹² Regulations promulgated under section 29 of the Conservation of Agricultural Resources Act 43 of 1983 list all plants that are declared invader plants and weeds, and which may not occur on any and or inland water surface other in biological control reserves or demarcated areas.

4.3.2 Sub-Tropical Thicket Ecosystem Plan implementation

An interview was held with a representative of STEP¹³ with the objective to determine how, and to what extent, the organisation was achieving its stated objectives in the study area. For ease of reference the questions posed during the interview and the results obtained are listed in Table 4.4.

Table 4.4: Performance of STEP pertaining to the rehabilitation and long-term conservation of the Hoogekraal SDI area

| QUESTION | STEP RESPONSE |
|--|---|
| a) Why is the Hoogekraal SDI area considered as a conservation-worthy area? | The Maalgate River which flows through the SDI area has been classified as 'critically endangered' while adjoining portions have been classified as 'endangered' and 'vulnerable'. |
| b) What strategies have been proposed for the rehabilitation and long-term management of the area? | <ul style="list-style-type: none"> • Awareness programs for authorities and landowners. • Promotion of tax concessions for landowners who rehabilitate and conserve sensitive habitats. • Provision of information to be incorporated into SDFs. • Provision of a capacity building service in GIS-based conservation planning. |
| c) Have any such strategies been implemented in the Hoogekraal SDI area? | Indirectly. |
| d) Where will funds for such rehabilitation and management be found? | Private landowners to be co-funded by international fund donors. |
| e) Who will implement such strategies? | Private landowners in collaboration with, for example, the Working for Water program. |
| f) Have any partnerships been established with private landowners pertaining to the implementation of conservation strategies? | No |

¹³ STEP is a three-year project co-funded by the Global Environmental Facility to identify priority areas for conservation actions in the thicket biome within which the study area is located and to ensure that the conservation plan is implemented by national, provincial and local authorities. STEP is held in high regard with the conservation fraternity and the relevant authorities. It is generally regarded as a major role-player in the long-term conservation of the environment.

The research results confirmed that:

- a) most of the study area (the LagoonBay landholdings, in particular) is recognised by STEP as being of high conservation importance;
- b) a number of innovative international best-practice strategies have been formulated by STEP to facilitate the rehabilitation and long-term protection of conservation-worthy sites;
- c) STEP has, however, not implemented, or funded, any rehabilitation projects in the study area; and
- d) private landowners are regarded by STEP as being solely responsible for the conservation of their land in terms of the Conservation of Agricultural Resources Act 43 of 1983 (South Africa 1983) which requires land-owners to eradicate alien vegetation on their land.

From the current degraded situation in the Hoogekraal SDI area it is evident that the owners of the properties that constitute the Hoogekraal SDI area, either do not have the required financial resources for environmental rehabilitation and management, or do not deem such actions imperative to sustain their livelihood. It is clear that the Conservation of Agricultural Resources Act 43 of 1983 (South Africa 1983), on its own, will not achieve meaningful results, and that the relevant municipalities and conservation agencies are not in a position to undertake or support the required actions.

This implies there is an urgent need for innovative private sector intervention to help address the primary aspects of the national agenda as it relates to the rehabilitation and conservation of the study area, with specific reference to:

- the key question of where resources are to be found to fund such programs; and
- recognising that government cannot carry out environmental programs alone – it is a national task that calls for effective partnerships.

Against the results of the research pertaining to the current socio-economic and environmental status of the study area, and the extent to which the responsible authorities and other institutions are addressing the identified needs, the research then focussed on the planning and proposed implementation of the Hoogekraal SDI as a strategy to help remedy the situation. The research findings in this regard are summarised in the following sections.

4.4 PLANNING AND IMPLEMENTATION OF THE HOOGEKRAAL SDI

The Hoogekraal SDI and the LagoonBay development have received extensive media coverage which, amongst others, illustrated the divergent public and institutional views on development (see Appendix C1, C2 and C3). The pre-implementation condition of the Hoogekraal SDI and the proposed LagoonBay development, together with the aspects that emerged from the media coverage of the initiative, were adopted as a case study of the implementation of the SDI approach at the project level. This component of the research comprised:

- a) an analysis of the reports and plans prepared for the Hoogekraal SDI and the LagoonBay development, as its first core project, with the aim to identify the key aspects, goals and objectives and envisaged impacts of the initiative;
- b) an analysis of the envisaged performance of the Hoogekraal SDI and the LagoonBay development in context of the national agenda and provincial, regional, and local goals for socio-economic growth and environmental rehabilitation; and
- c) interviews with key figures associated with the SDI and the proposed development, namely:
 - (i) Dr. Werner Roux, Chief Executive Officer of the proposed LagoonBay development;
 - (ii) Mr. Dennis Moss, Managing Director of Dennis Moss Partnership of Stellenbosch, the urban, regional and environmental planners and architects of the LagoonBay development, and formulators of the SDI approach;
 - (iii) Reverend Chris Jeneker, Chairperson of the Interim Community Forum representing the communities and other stakeholders in the planning and implementation of the Hoogekraal SDI; and
 - (iv) Dr. Judex Oberholzer, Managing Director of Urban-Econ of Pretoria, the development economist who undertook the economic studies, planning, and economic impact assessment for the Hoogekraal SDI and the proposed LagoonBay development.

The results obtained from the case study pertaining to the practical implementation of the SDI approach (as described in Chapter 3) in the Hoogekraal SDI area are documented in the following sections. The Hoogekraal SDI builds upon and gives effect to the three 'pillars' of the SDI approach summarised in Section 3.4. All of the commitments made by the LagoonBay developers in this regard are summarised in the sections below. All of

these have been documented in the various planning documents, applications and EIA report of the LagoonBay development and would, consequently, be imposed as conditions of approval if the applications were approved by the relevant authorities.

4.4.1 Pillar 1: Development as a primary economic driver

The Hoogekraal SDI is based on the philosophy that in order for the economy to grow, the broad community needs to grow in parallel (Urban-Econ 2005). This implies that any project undertaken as part of the SDI must have meaningful benefits for the affected community as a whole and not only for a selected few. This also implies that economic benefits should not rely on the discredited 'trickle-down' theory of economic development over time, but rather support the unlocking of tangible benefits for all stakeholders from the onset of the SDI. In this regard, the SDI approach supports the establishment of lasting relationships based on trust and delivery, instead of promises of benefits in the distant future (Dennis Moss Partnership 2005).

An important development principle underlying the Hoogekraal SDI is to broaden the economic base of the George region within which the SDI is located. According to Urban-Econ (2005), in addition to a generally higher level of output, this also implies the:

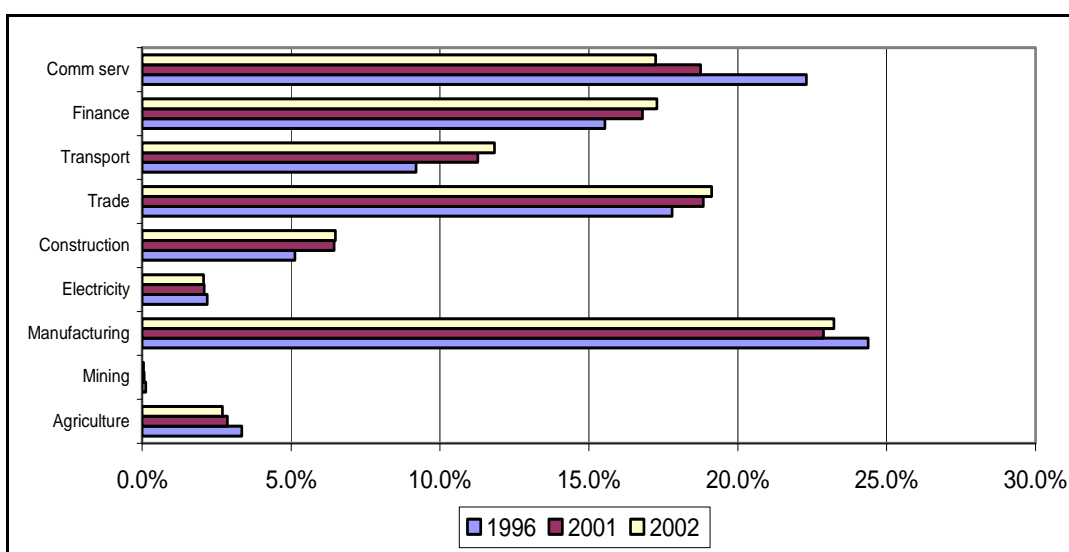
- a) introduction of new activities, which are not currently operational in the SDI area (e.g. the tourism and sports activities associated with the proposed LagoonBay development);
- b) application of new technologies that are not being applied in existing production processes and which should make the local economy more competitive;
- c) development of SMMEs to have a broader representative participation base, especially if it is earmarked for BEE;
- d) broadening of formal ownership to include all members of the affected community (e.g. home ownership and ownership in agricultural and commercial enterprises to be established as part of the LagoonBay development) ; and
- e) meaningful representation of women in the local economic sectors and in all levels of the labour market.

A fundamental principle of the Hoogekraal SDI is to build upon and promote the comparative economic advantages of the local economy. In this regard, it is recognised that optimum development originates from sound and sustainable economic performance

(economic efficiency), which requires the optimal utilization of the comparative economic advantages of the region (Dennis Moss Partnership 2005).

Due mainly to its environmental and aesthetic attributes, the Garden Route has a natural comparative advantage in the tourism industry. In this regard, the region seems well positioned to strengthen its comparative economic advantages by ensuring that it is promoted as one of the world's greatest tourism destinations. However, an analysis of economic trends indicates that the George region is not optimally building upon this evident comparative economic advantage. Indications are that the economy could indeed be drifting away from its comparative economic advantages (Urban-Econ 2005). Fortunately this situation can still be turned around if the comparative economic advantages of the area were unlocked and if appropriate economic drivers were implemented to finance environmental rehabilitation and support the eradication of poverty and inequality as the core obstacle to environmental sustainability (Urban-Econ 2005).

The proposed LagoonBay development would be located on land that is currently zoned for agriculture. In order to assess the desirability of such change of land-use, the economic impact study undertaken by Urban-Econ (2005) focussed on key aspects of the George economy, including the profile of the local economy. A focal point in this regard was the contribution of the various economic sectors expressed in the Gross Geographical Value Added (GGVA). Figure 4.1 illustrates the George GGVA sectoral contribution in 1996, 2001 and 2002.



(Source: Urban-Econ 2005:1)

Figure 4.1: George GGVA sectoral contribution in 1996, 2001 and 2002

Urban-Econ (2005) states that the Standard Industrial Classification does not define tourism as a separate sector. Its GGVA contribution accrues through sectors such as trade, financial and business services and transport. The dominant nature of these sectors within the George economy, as illustrated here, can therefore be partly attributed to the growing tourism industry. The current growth in the tourism industry can be ascribed to the golfing industry that has been an attraction factor for both domestic and foreign tourists and their associated investments. Due to the region's comparative advantage vested in tourism, potential economic growth through development should be based on the sustainable, effective exploitation of this market.

As illustrated by the figure, the George economy largely relies on the manufacturing and service sectors, both of which have a large multiplier effect and are characterised by diverse forward and backward linkages. The LagoonBay development will largely support tourism and, as such, will form part of the services sector. It can thus be postulated that tourism-related development undertaken in accordance with the principles of sustainability, will outperform agriculture, which has low multipliers and is a smaller contributor to the GGVA (Urban-Econ 2005).

With regard to the promotion of economic efficiency, it is noted that the soil survey undertaken on the LagoonBay landholdings indicates that 'due to the lack of suitable soils, commercial agriculture, with specific reference to crop cultivation, is not a financially viable land-use in the LagoonBay landholdings' (Schloms & Lambrechts 2005:14). It is therefore submitted by the LagoonBay proponents that the use of relatively low potential agricultural land for a major tourism enterprise such as the LagoonBay development is justified.

In the relevant planning documentation and applications (Dennis Moss Partnership 2005; 2006) it is suggested that a sustainable estate development such as LagoonBay, which depends upon the environmental attributes of the region, will have a stronger incentive to rehabilitate and care for the environment than, for example, the low-key agriculture that is currently practiced in most of the Hoogekraal SDI area.

4.4.2 Pillar 2: Community participation, inclusivity, and human development

It is the intention of the Hoogekraal SDI to ensure that the affected people are not only *included* in the initiative, but that they are also properly *consulted* in the setting up of schemes and projects that would affect or benefit them. Such setting up of schemes and projects has occurred through a participative process directly involving the affected people, or credible and true community leaders selected by the communities (Hilland Associates 2005).

To ensure that the opportunities presented by the LagoonBay development are optimised for the long-term benefit of the Hoogekraal SDI area and the George region as a whole, total commitment and participation from all stakeholders are vital. The key requirements in this regard are that:

- the proposed partnership structures described in Section 4.5 must provide for previously disadvantaged people to acquire ownership in the assets and liabilities of land and enterprises; and
- the LagoonBay development, and other core projects that may to be undertaken, must be efficient in terms of ensuring an acceptable return on capital and a sustained income to give effect to the commitments made to the SDI as is described in Section 4.5.4.

In the Hoogekraal SDI, effect would be given to the 'pillar' of community participation, inclusivity, and human development through the implementation of a set of principles that promote the well-being of the people of the SDI area and the George Municipality as a whole, namely to:

- a) support the eradication of poverty and inequality as an ethical, social, and environmental imperative;
- b) ensure that economic activities at all levels promote human development in an equitable and sustainable manner;
- c) affirm gender equality and equity as a prerequisite to sustainable development;
- d) ensure access to education, health care, and economic opportunity; and
- e) uphold the right of all, without discrimination, to a natural and social environment that supports human dignity, bodily health, and spiritual well-being.

The research results suggest that poverty and inequality stand in the way of human development in the Hoogekraal SDI area and it needs to be recognized that the only way to reduce poverty is to grow the economy. However, as pointed out by Landman et al (2003), the danger is that, whilst a growing economy will reduce poverty, it will inevitably lead to an increase in inequality. Apart from a moral dilemma created by such a situation, it also gives rise to social instability, which negatively affects investment in key sectors of the economy. Such a negative impact will, in turn, undermine efforts to roll back poverty and the implementation of environmental conservation programs - a vicious circle that needs to be broken.

In this regard, Urban-Econ (2005) suggests that, in order to reduce poverty and inequality, whilst also undertaking effective environmental rehabilitation in the Hoogekraal SDI area, the economy has to be grown and the efficiency of the use of resources such as the available land, water and biodiversity products must be increased meaningfully. According to Landman et al (2003) such efficiency can be considerably enhanced through public-private-community partnerships. The proponents of the Hoogekraal SDI suggest that the initiative presents an immensely important opportunity to establish effective partnerships that would benefit all stakeholders.

The research results suggest that there is a need in the Hoogekraal SDI area to provide for the social development and economic empowerment of, in particular, the previously disadvantaged. The objective of the Hoogekraal SDI in this regard is to develop and nurture entrepreneurship and to increase the production capacities of the local community. This objective is based on the premise that, although being essential, tangible assets tend to be overweighed in economic development. Recent research and experience has confirmed that intangible assets, such as human resources, skills, and technology are of utmost importance for sustainable economic development (Landman et al 2003).

The Hoogekraal SDI builds on the notion that sustainable development requires specific human capacity (Landman et al 2003). For the SDI to be successful, the relevant communities must ultimately have the capabilities to manage and maintain their own development programs. In the Hoogekraal SDI it is proposed that this capacity be structured and developed through a robust community institution such as the organisational structure proposed for the SDI. The proposed organisational structure is described in Section 4.5.3.

The Hoogekraal SDI is to create opportunities for the SMME sector through the empowerment of local entrepreneurs. Support measures and incentives would be established to promote participation in SMME development. This implies that an enabling and empowering environment would have to be created for appropriate technology transfer supportive of SMMEs (Urban-Econ 2005).

According to Urban-Econ (2005), the value of a strong SMMEs sector as part of the Hoogekraal SDI could:

- lead to the broadening of the local economic base in accordance with government SMME policies; and
- promote and build on the comparative advantages of the George region, which implies that the concept of agglomerated advantages would be utilised and high multiplier effects could be realised.

4.4.3 Pillar 3: Environmental rehabilitation

The Hoogekraal SDI builds on the notion of the IISD (1995) that sustainable development is considered to be a set of tools and strategies, which respond to five broad requirements, namely the:

- integration of conservation with development;
- satisfaction of basic human needs;
- achievement of equity and justice;
- provision of social self-determination and cultural diversity; and
- maintenance of ecological integrity.

The Hoogekraal SDI also supports the notion that sustainable development will not be achieved by only conserving natural areas. The World Research Institute (WRI) et al (1992) states in the Global Biodiversity Strategy that conservation strategies must be aimed at accommodating cultural, economic, and political circumstances at local and regional levels. The Hoogekraal SDI aims to be a strategy that improves the well-being of the local and regional communities through the implementation of conservation strategies both inside and outside the boundaries of its core projects (e.g. the proposed LagoonBay development).

The Hoogekraal SDI is set to build upon these statements and, in particular, supports the notion that biodiversity conservation is a prerequisite for sustainable development, and that for biodiversity conservation to succeed, the maintenance of the integrity of the SDI area has to be one of the primary determinants of the planning, implementation and management of the proposed LagoonBay development and any other future core projects of the SDI.

In the planning of the proposed LagoonBay development, it was recognised that the estate would be located within, and 'contained' by, a unique natural environment. The manner in which the estate is to be developed would, therefore, have an immense impact on the quality and integrity of the environment as a totality (Dennis Moss Partnership 2004). In this regard, the LagoonBay developers aim to implement a number of strategies to restore and conserve the environment both inside and outside the boundaries of the proposed estate.

The planning and design of the LagoonBay development reflect a strong sense of appreciation for the rich cultural heritage of the George sub-region and the Hoogekraal SDI area in particular. It is evident that the proposed development was planned and designed in a manner that would ensure the maintenance of intrinsic, systemic, and instrumental value of the area. In this regard, it was noted that the protection of the ecological integrity of the Hoogekraal SDI area would be reflected in, amongst others, the management and use of the available land and other natural resources, custodianship of the land as it is developed, and the re-use of waste that would demonstrate practical ways of reconciling the needs of the future inhabitants of the estate with the requirements of other organisms and the carrying capacity of the environment.

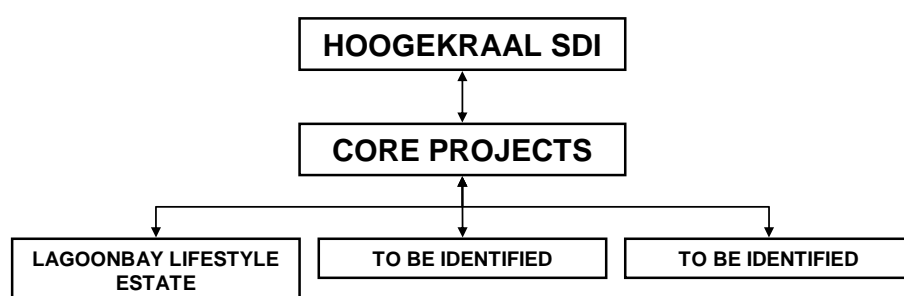
In order to achieve the goals and objectives summarised under the various 'pillars' of the SDI, the initiative would be implemented in accordance with procedures and strategies described in the following section.

4.5 ORGANISATIONAL AND OPERATIONAL ASPECTS OF THE HOOGEKRAAL SDI

Effect would be given to the Hoogekraal SDI through core projects, the first of which is the LagoonBay development.

4.5.1 Core projects of the Hoogekraal SDI

The LagoonBay development would be the initiator and primary economic driver of the Hoogekraal SDI. Figure 4.2 illustrates the simple relationship between the Hoogekraal SDI and the LagoonBay core project and any other core projects that may be undertaken in the future as part of the SDI. The Hoogekraal SDI builds upon the principle that long-term sustainability in the SDI area would be better served if an optimal number of projects were undertaken in the area and that, ideally, all property development undertaken in that area should be undertaken as part of the SDI (Dennis Moss Partnership 2004).



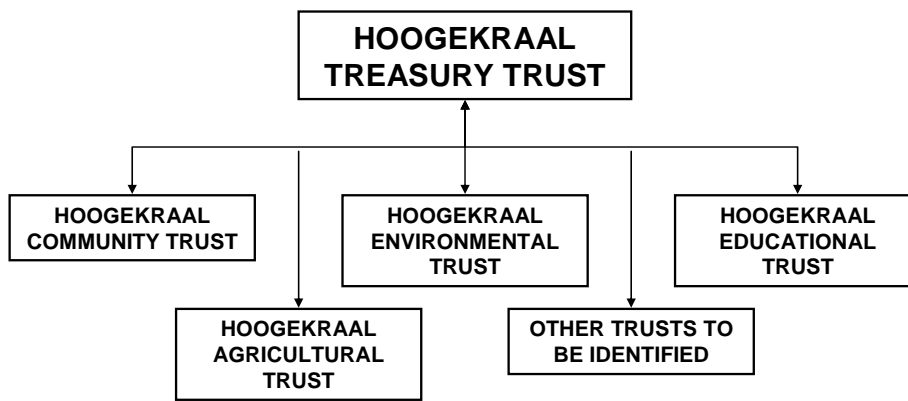
(Source: Dennis Moss Partnership 2004:6)

Figure 4.2: Envisaged relationship between the Hoogekraal SDI and its core projects

It is recognised that a key aspect that would determine the ultimate success of the Hoogekraal SDI is the manner in which the initiative is managed by the various stakeholders. The management or organisational structure proposed for the SDI is summarised in the following section.

4.5.2 Organisational structure of the Hoogekraal SDI

The organisational trust illustrated by Figure 4.3 was proposed by the communities and NGOs associated with the Hoogekraal SDI to facilitate the establishment, implementation and management of the SDI. During the inception phase of the SDI referred to in Section 3.5.4, the various stakeholders had defined community development, environmental rehabilitation, education and skills training of both adults and children, and sustainable agriculture and agri-industry as their main focal areas. Provision was therefore made in the organisational structure for Public Benefit Organisations (PBOs) to address these focal areas.



(Source: Dennis Moss Partnership 2004:18)

Figure 4.3: Envisaged organisational structure of the Hoogekraal SDI

It is envisaged that all the entities, including the Hoogekraal Treasury Trust will be registered in terms of Section 13(5) of the Non-profit Organisations Act 71 of 1997 (South Africa 1997) and that they will apply, in their capacity as PBOs, for exemption from income tax in terms of Section 30 of the Income Tax Act 58 of 1962 (South Africa 1962). This is to ensure that as much of the donated funds as possible would be available for the benefit of the ultimate beneficiaries.

4.5.3 The Hoogekraal Treasury Trust

The Hoogekraal Treasury Trust is the over-arching entity of the SDI which would act as the funder and as a mechanism which would ensure that the programs of the SDI are appropriately implemented, managed, and co-ordinated in a spirit of partnership.

It is envisaged that the trustees of the Treasury Trust will initially consist of an equal number of representatives of the LagoonBay development and stakeholders from the SDI area. A judge of the High Court has been requested by the identified stakeholders to head the establishment and initial functioning of the Treasury Trust.

The primary aspect that will determine the long-term viability of the Hoogekraal SDI is the funding of the Treasury Trust through the proposed LagoonBay development. The research results in this regard are summarised in the following section.

4.5.4 Funding of Hoogekraal Treasury Trust

The funding of the Hoogekraal SDI is based on the principle that a percentage of the revenue upon sale of properties, or other forms of revenue generated by the LagoonBay development, would accrue to the Treasury Trust.

The funding of the treasury trust would be achieved through:

- a) a contribution made by the LagoonBay development of 2,5% of both first and subsequent sales of property in the estate (Urban-Econ has calculated that the initial contribution to the Treasury Trust would be in the order of R50 million, while the subsequent sales would generate an annual income in the order of R10 million for the Treasury Trust);
- b) a portion of land (\pm 10ha) made available by the LagoonBay development for the development of a commercial centre (it is envisaged that this development would be undertaken in conjunction with the Treasury Trust and that a percentage of 2,5% of the sale of property within the commercial centre would accrue to the Treasury Trust); and
- c) a portion of land (\pm 140ha) made available by the developers for the implementation of the agricultural projects proposed for the SDI (the income from these projects would accrue to the Treasury Trust).

During the debate and controversy on the merits of golf estate developments, developers of such estates have been accused of not fulfilling their promises made during the pre-approval phase of their applications. In order to address this aspect, the proponents of the LagoonBay development have decided to provide legal assurance regarding the proceeds of sales to accrue to the Treasury Trust. In this regard, it is noted that the commitments would be stipulated in each sales agreement and that it would also be noted against the title deed of each erf in the LagoonBay development. In this regard, it is also noted that each buyer would sign a participation agreement, which would legally bind the buyer to the goals and objectives, and principles of the Hoogekraal SDI and the associated obligations.

The research, subsequently, focussed on the aspects of **who** would benefit from the Hoogekraal SDI and **how** the SDI would be implemented. The research results in this regard are summarised in the following sections.

4.5.5 Beneficiaries of the Hoogekraal Treasury Trust

The trusts and PBOs illustrated by Figure 4.3 would be the main beneficiaries of the Treasury Trust. These PBOs are to be established in partnership and in close co-operation with the relevant stakeholders, the objective being to ensure that benefits delivered to the rightful beneficiaries, be managed in a transparent and equitable manner.

The stakeholders and potential beneficiaries of the Hoogekraal SDI were identified through an intensive process of advertising and consultation with community representatives and groupings. A series of presentations and meetings were held in the SDI area and in the neighbouring towns of George, Glentana and Great Brak River. This consultation process culminated in the establishment of the Interim Community Forum, the signing of a community resolution, which expresses the commitments of the relevant stakeholders, and various press statements in this regard (refer to Appendix C1, C2 and C3). The task of the Interim Community Forum is to deal with matters such as the appointment of trustees and the establishment of PBOs.

4.5.6 Implementation programs of the Hoogekraal SDI

The implementation of the Hoogekraal SDI would take place through integrated programs¹⁴, a number of which have been identified by the Interim Community Forum, namely:

- a) land development (of which the LagoonBay development would be the first project);
- b) tourism and hospitality (which would, amongst others, promote the establishment of tourist amenities on farms in the SDI area that will be linked to the LagoonBay development);
- c) sport and recreation (the objective in this regard would be to establish amenities both within and outside the LagoonBay estate);

¹⁴ In terms of the SDI approach, a program is defined as a strategic cluster of related activities that together achieve a specific goal (Dennis Moss Partnership 2004).

- d) social development (the objective in this regard is, amongst others, to address the social needs listed in Section 4.1);
- e) sustainable agriculture (this, amongst others, refers to the establishment of community-based agricultural projects on the land that would be made available to the Treasury Trust by the LagoonBay development as described in Section 4.5.4); and
- f) environmental management (this refers to the rehabilitation and long-term conservation of the Maalgate catchment as a whole).

As stated previously, the various PBOs have the responsibility to ensure that the identified programs are implemented in accordance with agreed-to objectives and strategies. As illustrated by Figure 4.4, the programs are to be implemented within the parameters posed by the three imperatives for sustainable development (i.e. environmental integrity, human well-being, and economic efficiency).

The research has indicated that clear objectives would be set by the Treasury Trust and the relevant PBO for each program and strategies for implementation would be formulated in a comprehensive development framework to be prepared for the SDI. The development framework would include business plans and funding requirements.



(Source: Dennis Moss Partnership 2004:26)

Figure 4.4: Envisaged implementation programs of the Hoogekraal SDI

As stated previously, the LagoonBay development would be the primary initial economic driver of the Hoogekraal SDI. The components of the project are summarised in the following section.

4.6 KEY ASPECTS OF THE PROPOSED LAGOONBAY DEVELOPMENT

The development would consist of:

- a) two championship golf courses;
- b) golf clubhouse and associated amenities;
- c) approximately 820 estate housing units;
- d) approximately 100 villas;
- e) 150-room 5-star international hotel together with spa and wellness centre;
- f) conference facilities for 200-300 people;
- g) a lagoon restaurant and conference facility for 50 people;
- h) a chapel;
- i) community village that includes 40 houses, community hall, church, sports field, and a school; and
- j) a commercial centre which includes a food outlet, restaurants, shops and offices.

It is claimed that the LagoonBay development would be the largest estate development, as yet, to be undertaken in the Western Cape. The development is therefore expected to have a huge impact in economic, social and environmental terms. The research results pertaining to the envisaged and calculated impact of the development are documented in the following section.

4.7 ENVISAGED IMPACT OF THE HOOGEKRAAL SDI

As described previously, the aim of this component of the research was to analyse the envisaged performance of the Hoogekraal SDI as a mechanism through which poverty and inequality, and environmental rehabilitation can be funded and supported in context of the national agenda and the relevant provincial, regional and local goals and objectives. This research component included:

- a) interviews held with the key figures listed in Section 4.4 (c); and
- b) a study of the relevant documentation, namely the:

- (i) planning reports pertaining to the Hoogekraal SDI and the proposed LagoonBay development as its first core project (Dennis Moss Partnership 2004);
- (ii) rezoning and subdivision application for the LagoonBay development (Dennis Moss Partnership 2005);
- (iii) Socio-Economic Impact Report prepared during the planning of the SDI and the LagoonBay development (Urban-Econ 2005); and the
- (iv) Environmental Impact Report (EIR) prepared as a result of the EIA that was undertaken for the proposed LagoonBay development (Hilland Associates 2005).

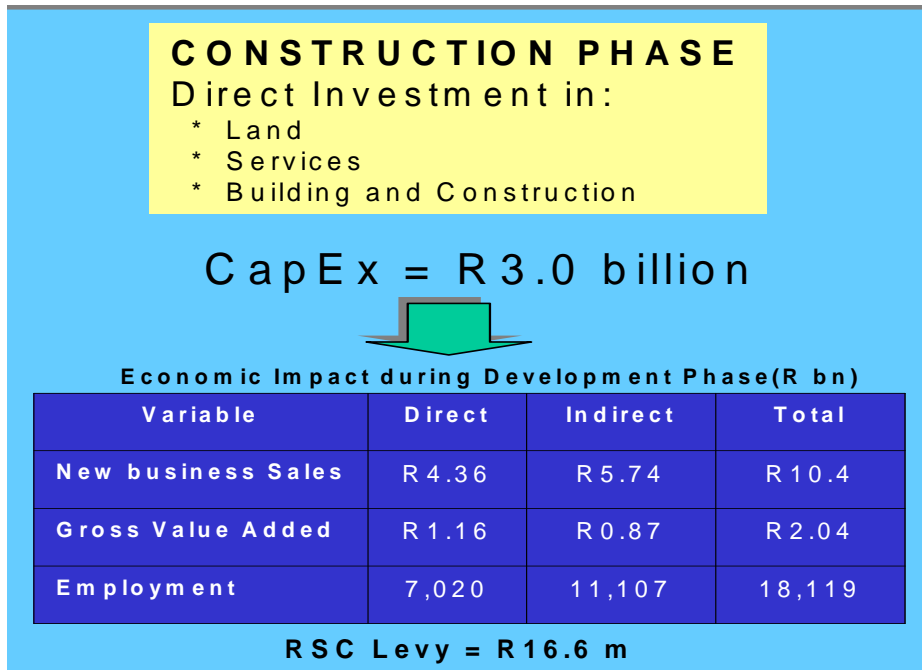
The component is evaluated with reference to the economic, social and environmental impacts of the development.

4.7.1 Economic impact

The envisaged economic impact of the LagoonBay development was assessed by Urban-Econ (2005). Distinction is made between the impact during the construction phase and the impact during the long-term commercialisation phase. The direct and indirect impacts were measured in terms of the following categories:

- a) **New Business Sales:** This refers to the value of all inter- and intra-sectoral business sales generated in the economy as a consequence of the introduction of and exogenous change in the economy. In simplistic terms, new business sales equates to additional business turnover as a result of the change in the economy.
- b) **Effect of Construction Spending:** This refers to the capital expenditure involved in the actual construction of the development.
- c) **Total Employment Generation:** This reflects the number of additional employment opportunities defined as one person employed for one year.
- d) **Gross Value Added:** This refers to a broader measure of the full income effect, including the sum of wage income and corporate profit generated as a result of the exogenous change in the economy.
- e) **Municipal Levy:** This refers to the additional benefits to local government. This levy represents a tax that is paid by new businesses and consists of two components, namely an establishment income (annual turnover) and service income (salaries and wages).

The primary results of the assessment are illustrated by Figure 4.5 and Figure 4.6. As illustrated by Figure 4.5, the construction phase of the development is expected to have

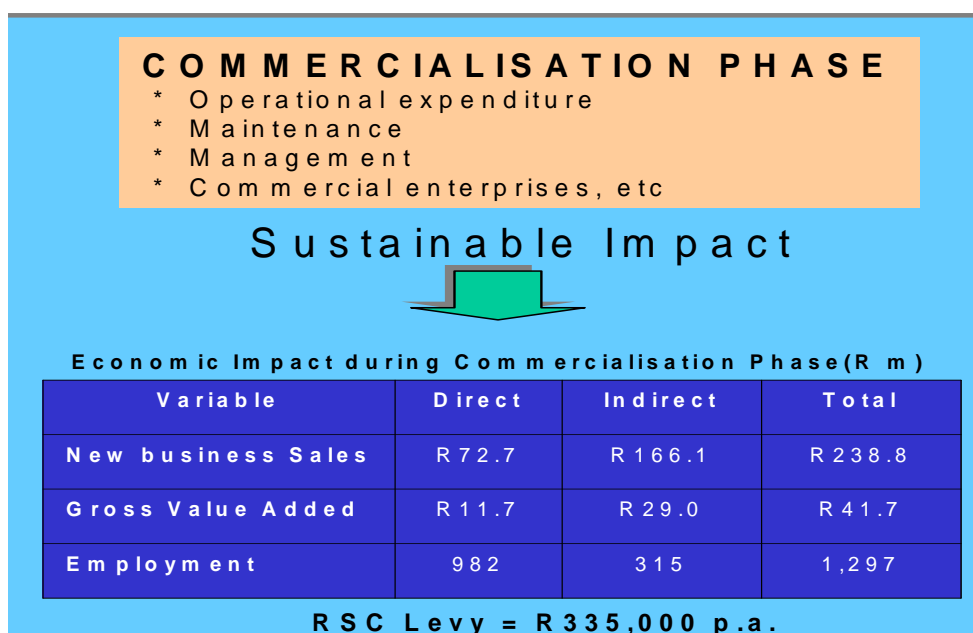


(Source: Urban-Econ 2005:13)

Figure 4.5: Envisaged economic impact of the proposed LagoonBay development during the construction phase

direct and indirect economic impacts totalling approximately R12 million. It is envisaged that the development would create more than 18 000 employment opportunities. It is important to note that the employment opportunities to be created as a result of the development will not only be within the study area. The figures include the opportunities to be created wherever the development will have an impact, for example, in distant industrial areas where building material for the development is to be manufactured (Urban-Econ 2005).

Figure 4.6 illustrates the research results pertaining to the envisaged economic impacts of the long-term commercialisation phase of the proposed LagoonBay development.



(Source: Urban-Econ 2005:17)

Figure 4.6: Envisaged economic impact of the proposed LagoonBay development during the commercialisation phase

It shows that the development would have direct and indirect long-term investment impacts totalling approximately R280 million in terms of the key economic assessment criteria of new business sales and gross value added to the local economy. The development is expected to create more than 1 000 new permanent employment opportunities on site. Also important is that the development would pay an annual levy of R335 000 to the municipality. The rates and taxes to be paid to the municipality were not included in the economic impact assessment (Urban-Econ 2005).

From these figures it is evident that the LagoonBay development would have a significant cumulative social impact through the creation of new employment opportunities. The research has indicated that the proposed development would also have general impacts such as those listed in the following sections.

4.7.2 Social impact

The envisaged social impacts of the Hoogekraal SDI together with the LagoonBay development would accrue in terms of houses and services, employment, land reform, and education and training.

4.7.2.1 Provision of housing and services for local previously disadvantaged people

A community village is to be developed for the 40 previously disadvantaged families who currently live on the LagoonBay landholdings and/or would be working on the estate in the future. This village would be referred to as the Hoogekraal Village and is to include 40 houses, sports facilities, community hall, church and school. The houses to be built in the village would be co-funded by the LagoonBay development (the community members involved are to apply for the standard housing subsidy provided by government). A fundamentally important aspect is that the relevant individuals would obtain formal ownership of their new homes.

The envisaged Hoogekraal Village would not only provide shelter but would also facilitate the expression of the community's cultural values and the maintenance of traditional lifestyles as advocated by Stock (1995). The village is to be developed on a site selected by the community members and would form an integral part of the LagoonBay estate. The planning and design of the village is similar to that of the remainder of the estate, the primary objective in this regard being to create an urban environment where the inhabitants would be able to live with dignity and pride (Dennis Moss Partnership 2004).

All the houses in the community village would be provided with the services generally associated with high quality settlements, including electricity, water borne sewage removal, solid waste removal, and security services such as controlled access and fire prevention. As such, the proposed Hoogekraal Village would effectively address a number of the social needs listed in Section 4.1.

4.7.2.2 Provision of employment opportunities

The LagoonBay development would be able to provide employment for all persons in the economically active age group currently living within the study area and in close proximity to the area. The research has shown that the minimum wages required by the relevant legislation would be exceeded significantly in the LagoonBay development (namely, all employees will earn more than R1600 per month). This should make a significant contribution to combating poverty and inequality in the study area.

4.7.2.3 Provision for land reform and economic empowerment

The LagoonBay development would make available a tract of 140ha of high potential agricultural land for various community-based BEE projects. As such, the objectives of land reform would also be served. It is envisaged that the BEE projects to be undertaken in this area would include the establishment of:

- a) a commercial indigenous plant nursery that will serve the Hoogekraal SDI rehabilitation program to be undertaken throughout the catchment of the Maalgate River, the landscaping in the LagoonBay development, and the commercial market. Urban-Econ has calculated the potential turn-over of the nursery to be in the order of R15 million per year (Urban-Econ 2005);
- b) a disease-free buffalo breeding program. Urban-Econ has calculated the potential turn-over of this project would be in the order of R18 million per year (Urban-Econ 2005); and
- c) an organic vegetable farming enterprise utilizing the compost generated on the site. Urban-Econ has calculated the potential turn-over of this enterprise in the order of R12 million per year (Urban-Econ 2005).

4.7.2.4 Provision of education and training

The research has shown that the LagoonBay development would serve the objectives of education and training through the:

- a) establishment of an additional school and provision of funds for the upgrading of the existing school;
- b) establishment of a culinary school in collaboration with the Sun International Hotel that is to be developed on the estate;
- c) implementation of adult training programs; and
- d) provision of training with the aim to enable the establishment of:
 - (i) SMMEs;
 - (ii) catering and house-keeping services for the estate;
 - (iii) environmental rehabilitation services in the study area;
 - (iv) hospitality services throughout the study area; and
 - (v) construction and maintenance services on the estate and elsewhere in the study area.

A skills audit was undertaken as a basis for the human development program. The Hoogekraal SDI would respond to the challenge to improve the skills base, production capacity, technological skills, and literacy levels of the people of the area through training, technical assistance and capacity building. These activities would be supported by a mentorship program to be facilitated by development economists (Urban-Econ 2005).

De Beer & Swanepoel (1998) stress the importance of, especially, community participation in matters that affect them, such as education, training, general human development, and the required funding of such aspects in their book entitled *Community Development and Beyond*. De Beer & Swanepoel (1998) also emphasize the use of local resources and the need for an integrated approach towards development. Against this background, the envisaged performance of the Hoogekraal SDI together with the LagoonBay core project could be considered an exemplary strategy for sustainable community development. The research indicated that there is justification in the claim of the proponents of the Hoogekraal SDI that the initiative is a model for participatory development, defined by Gran (1983:327) as 'a self-sustaining process to engage free men and women in activities that meet their basic needs and, beyond that, realize individually defined human potential within socially defined limits.'

4.7.3 Environmental impact

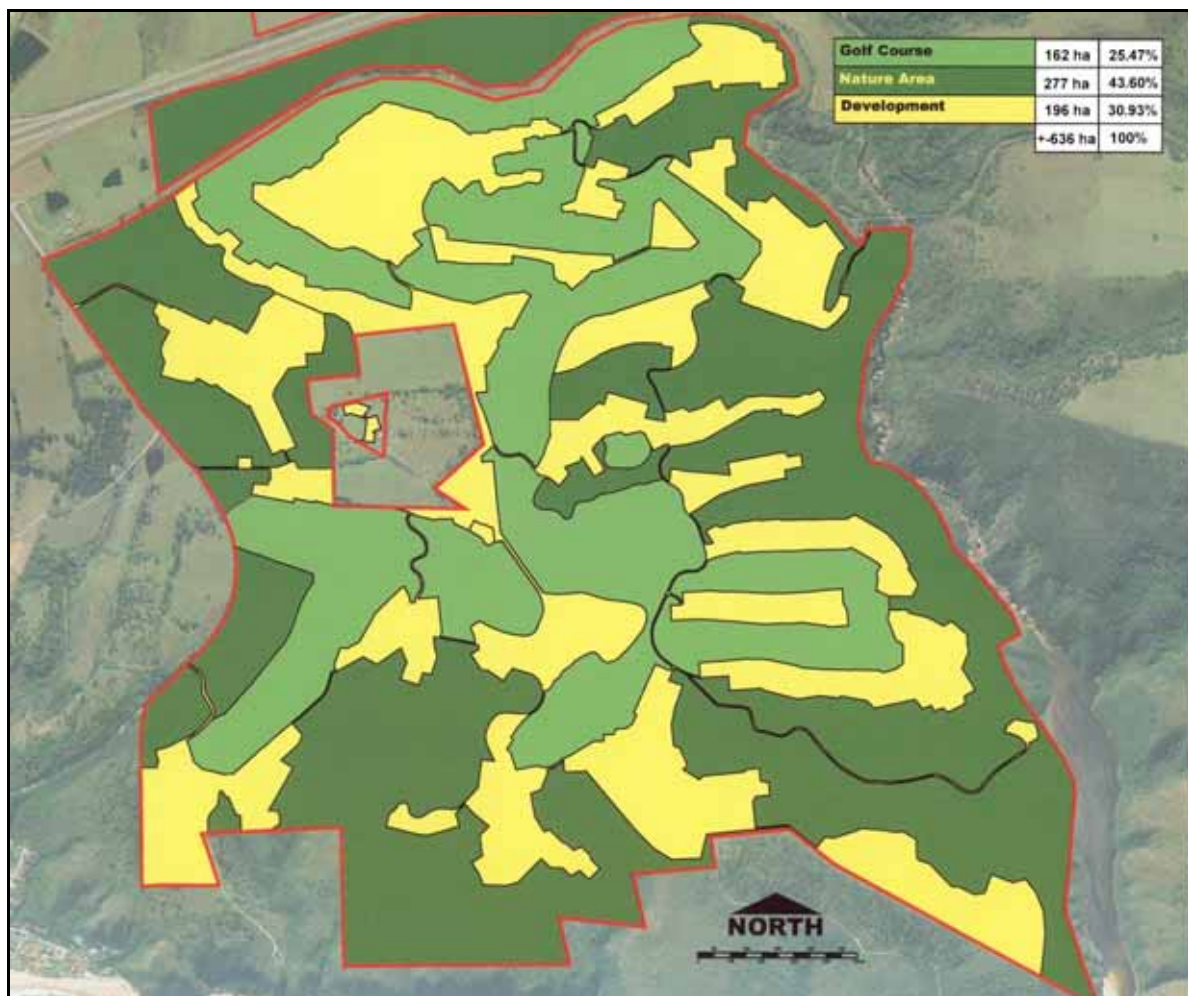
Much of this system has been severely degraded due to alien plant infestation, non-sustainable agriculture, and forestry. However, throughout the SDI area, remnants of conservation-worthy riverine and wetland vegetation, fynbos, and indigenous forest still occur (Hilland Associates 2005).

The research results suggest that the Hoogekraal SDI would have a significant positive impact on the conservation-worthy ecosystems and habitats that form part of the SDI area, namely the Maalgate catchment, from its source in the Outeniqua Mountains, down to the coast. The envisaged positive impacts of the Hoogekraal SDI include the:

- a) rehabilitation of the Maalgate River catchment;
- b) rehabilitation of all wetlands and eco-corridors that are essential for effective functioning of the ecosystem; and

- c) support for the existing Eden Conservancy program through assistance for the establishment of a major continuous conservation area in collaboration with existing institutions and forums.

The LagoonBay development would be placed on areas that have been transformed by agriculture to the extent that they no longer have conservation value (Dennis Moss Partnership 2005). Approximately 277ha (44%) of the LagoonBay landholdings have been designated for rehabilitation and permanent conservation (refer to Figure 4.7).



(Source: Dennis Moss Partnership 2005:44)

Figure 4.7: Future land use of the LagoonBay development landholdings

The conservation areas would include a network of corridors that have been identified by specialist environmental consultants as being of potential ecological value. These eco-corridors would consist of a continuous network of fynbos and dry coastal thicket and would include all existing wetlands and seepages. The corridors would be rehabilitated to

the extent that they would contribute in a meaningful manner to on-site biodiversity conservation (Dennis Moss Partnership 2005).

The research results obtained from the case study of the implementation of the Hoogekraal SDI and its LagoonBay core project (summarised in this chapter) were, subsequently compared with the key aspects of the five 'conventional' estates that formed part of the research. The results in this regard are documented in the following chapter.

CHAPTER 5: COMPARISON OF THE DEVELOPMENT APPROACHES

The aim of this component of the research was to analyse and compare the results and information documented in the previous three chapters in order to:

- a) identify differences between the 'conventional' approach to large-scale estate development and the SDI approach; and
- b) reach a conclusion regarding the extent to which each approach meets the goals and objectives strived for by the large-scale estate development typology, with specific reference to fulfilling the role of primary economic driver in the local economy.

The methodology adopted for this component of the research include:

- (i) assessing, evaluating and summarising the research results pertaining to the 'conventional' development approach, as represented by the five selected 'conventional' estate developments that formed part of this research;
- (ii) assessing, evaluating, and summarising the research results pertaining to the SDI approach, as represented by the pre-development condition of the Hoogekraal SDI;
- (iii) comparing the two development approaches in terms of the criteria that were formulated for this purpose; and
- (iv) formulating conclusive arguments based on the evidence obtained from the comparison.

These four themes determine the discussion structure in this chapter.

5.1 SUMMARY AND INTERPRETATION OF RESEARCH RESULTS

The purpose of this section is to provide a summary and interpretation of the research results. Primarily those results that could contribute to an objective comparison of the two development approaches were assessed. The assessment was undertaken in accordance with the sequence adopted for the research under four subsections constituting:

- a) a benchmark assessment of the 'conventional' development approach as represented by the five 'conventional' estates selected for the research;
- b) an assessment of the concept and principles of the SDI approach;
- c) assessment of the case study results regarding the:

- (i) current socio-economic status of the previously disadvantaged people of the study area;
 - (ii) state of the environment in the study area; and
 - (iii) the extent to which these aspects are addressed by the relevant authorities and conservation agencies; and
- d) the potential value and efficiency of the SDI approach in reaching development goals as demonstrated by the pre-development condition of the Hoogekraal SDI and the LagoonBay development.

5.1.1 Key aspects and impacts of the ‘conventional’ estate developments

For ease of reference the research results pertaining to the five ‘conventional’ estate developments are summarised under four distinct sections dealing with:

- Planning, implementation and management aspects;
- Community and social aspects;
- Economic aspects; and
- Environmental aspects.

5.1.1.1 Planning, implementation and management aspects

All of the ‘conventional’ estate developments were planned and applied for in accordance with the standard procedures stipulated in the Land Use Planning Ordinance, No. 15 of 1985 (Provincial Government of the Western Cape 1985), Environment Conservation Act 73 of 1989 (South Africa 1989), Subdivision of Agriculture Land Act 70 of 1970 (South Africa 1970), and the National Heritage Resources Act 25 of 1999 (South Africa 1999).

The involvement of the local communities in the planning of the various estates was limited to those elements and aspects required in terms of the legislation referred to previously. In the planning of Pinnacle Point, the local community was involved in the planning and associated decisions pertaining to the provision of access to the coast and the rehabilitation of the environment.

All of the estates were implemented in accordance with a Construction Phase Environmental Management Plan, which was required by the relevant authority as a condition of approval.

Construction and other implementation activities were undertaken under the supervision of an Environmental Control Officer. Compliance of the implementation process with the specified guidelines and conditions of approval was monitored by the Environmental Control Officer and audited by a committee comprising similar representatives:

- the developer;
- Home Owners Association;
- Department of Environmental Affairs and Development Planning;
- CapeNature;
- NGOs; and
- Community-based organisations.

All of the estates are managed in accordance with an Operational Phase Environmental Management Plan, which was required by the relevant authority as a condition of approval. In all of the estates, the management is undertaken by a Home Owners Association that was established in terms of Section 29 of the Land Use Planning Ordinance, No. 15 No. (Provincial Government of the Western Cape 1985).

Arabella is exemplary in this regard in that the estate is managed in terms of an ISO¹⁵14001 Environmental Management System (EMS). Of importance is that the estate is the first of its kind in South Africa to have been granted ISO 14001 accreditation.

De Zalze is also unique in that it is managed as a Special Management Area (SMA), which is defined as an area of excellence and good practice where landowners take responsibility for supporting sustainable land-use (PGWC 2003). As such, the De Zalze Home Owners Association is supported in its management functions by a trust, which does not have any executive functions. The primary responsibilities of the trust are to:

- a) support the Home Owners Association in respect of the environmental management of De Zalze in accordance with the EMS;
- b) administer a trust fund, including the implementation of strategies to obtain money for the fund;
- c) ensure that the overarching goals and objectives of the developer and the Home Owners Association for the proposed developments are achieved; and

¹⁵ International Standards Organisation

- d) to fulfil a 'watchdog' role with regard to the environmental management of the estate.

With the exception of the monitoring and auditing committee associated with each of the estates, there are no formal structured forums in place through which continuous community involvement in the management of the estates could be achieved.

5.1.1.2 Community and social aspects

Although all of the estates, to a varying extent, collaborate with the communities living in the adjoining areas, no formal and structured public-private-community partnerships have been adopted. There are also no formal forums in place at any of the estates through which continuous communication with the relevant communities is undertaken.

Significant contributions are made to the local communities by most of the estates. In this regard, Fancourt and, to a lesser extent, Arabella, are exemplary. As summarised under Section 4.4.3, the contributions made by Fancourt through the Fancourt Foundation is exceptional. The contributions made by the various estates are, however, generally in the form of *ad hoc* grants, or donations, with no definite *quid pro quo*¹⁶ required in terms of a partnership arrangement. An important aspect in this regard, is that there are no formal legal agreements or structures in place that ensure that the flow of contributions, or benefits, from the various estates to the relevant communities is maintained in the long-term.

The available information pertaining to the impact of the various estates in terms of the creation of direct and indirect employment opportunities and other forms of indirect economic empowerment of the local communities is speculative. This is mainly due to the fact that no social impact studies have been undertaken since the commencement of the operational phase of the various estates. However, it appears as if all of the estates have created a significant number of permanent employment opportunities during both the construction phase and the operational phase, and that the minimum remuneration of employees has been significantly higher than the minimum wage of R1600 specified by government.

¹⁶

Something for something.

All of the estates have policies in place regarding:

- a) the appointment of employees from the local communities;
- b) in-service skills training;
- c) empowerment of women and disabled people on site;
- d) support for BEE on site;
- e) establishment of a trust that supports community programs; and
- f) community representation on the estate's trust.

None of the estates have a formal program or strategies in place to cater for primary needs of previously disadvantaged people on the site in the form of:

- housing and the associated basic services;
- security of tenure and formal ownership;
- essential social services, including a HIV program, basic health care, and care for the elderly;
- child and adult education; and
- opportunities for land reform.

In addition, none of the estates forms part of a formal partnership arrangement with the communities of a defined area adjoining, or surrounding, the estate in terms of which a functional organisational structure and appropriate funding and social support systems were established.

5.1.1.3 Economic aspects

The available information pertaining to the impact of the various estates in terms of the creation of direct and indirect benefits is speculative. This is mainly due to the fact that, with the exception of Arabella, no economic impact studies have been undertaken since the commencement of the operational phase of the relevant estates. However, from the available data it is evident that all of the estates have had a significant impact during both the construction and the operational phase. The results obtained from the economic impact studies undertaken for Arabella and the proposed LagoonBay development indicate that large-scale estate developments of this nature have significant direct and indirect impacts on the regional economy.

Each of the 'conventional' estate developments falls within an area, or region, that has a natural comparative advantage in the tourism industry due to, in particular, the presence of unique natural and cultural attractions, and exceptional aesthetic qualities. In this regard, reference is made to the unique attributes of the Garden Route, where Pinnacle Point, Fancourt and Pezula are located, the Kogelberg/Groenland area, where Arabella is located, and the Stellenbosch Winelands, which is the home of De Zalze.

With regard to the diversification of land-use on the various estates to ensure the optimal use of resources, and the use of suitable land within the estate for sustainable agriculture, De Zalze is exemplary. The estate includes a network of viable vineyards, the proceeds of which are used to co-fund the management of the estate.

5.1.1.4 Environmental aspects

Pezula, Pinnacle Point and Arabella, in particular, are located in unique natural environments where development could have a significantly detrimental impact on both the biodiversity and the aesthetic quality of the area. The research has shown that all of the 'conventional' estates are managed in accordance with an Environmental Management Plan that was approved by the relevant authorities. The management activities on all of the estates are subject to regular monitoring and auditing undertaken by an independent auditor or a committee comprising representatives of, amongst others, the developer, relevant authorities, NGOs and the communities affected by the relevant development.

With regard to environmental management, Arabella has an exemplary Environmental Management System in place that complies with ISO14001 standards and covers all aspects of environmental management in accordance with international best practice for environmental care. Arabella's on-site conservation activities have won the estate a prestigious ISO14001 International Standards Award for environmental management in 2004.

Pezula has been awarded the 'Best Development in South Africa' nomination at the Home Owners Awards in London in February 2005. However, the nature and status of this award in a South African context is uncertain.

With the exception of Arabella, none of the estates have undertaken significant environmental rehabilitation activities outside their boundaries, or have been influential in the establishment of, and support for, a formal program in this regard. The partnership between Arabella and CapeNature for the rehabilitation and long-term conservation of the Rooisand Provincial Nature Reserve which abuts the estate is unique in the Western Cape.

With regard to the sustainable use of natural resources on site, Arabella is exemplary in that the estate has instituted effective measures to deal with:

- a) recycling of water, sewage and solid waste;
- b) prevention of pollution and eutrophication of water bodies (refer to the Bot River Vlei, in particular); and
- c) water conservation measures both on the golf courses and in the built environment.

In accordance with the research design and methods described previously, the next step of the research was an assessment and interpretation of the key aspects of the SDI approach.

5.1.2 The project-based Sustainable Development Initiative approach

The research results indicate that the SDI approach aims to support the creation of an empowering environment within which the affected communities are empowered to work towards improving their socio-economic circumstances, whilst also catering for the rehabilitation of the natural environment within which they live. As such, the SDI approach strives to facilitate the planning, implementation and long-term maintenance of a self-sustaining sub-regional management system (Urban-Econ 2005).

In order to achieve this, the SDI approach provides for the establishment of an organisational structure, funding mechanisms, and implementation programs through which effect could be given to the approach. In this regard, the research results indicate that:

- a) the over-arching goal of the approach is to ensure that large-scale estate development contributes, in a sustainable manner, to socio-economic growth and environmental rehabilitation on a sub-regional scale, thereby giving effect to relevant national, provincial and local policies and goals;

- b) the SDI is project-driven and its main aim is to, on balance, improve the state of any given situation in a sustainable manner and in a spirit of partnership with those who support the ethos of promoting sustainable development in an integrated, holistic and practical manner; and that
- c) the SDI approach provides for the establishment of an organisational structure through which constructive community involvement and empowerment will be ensured and the available resources will be utilised in a manner that supports socio-economic growth and environmental rehabilitation in a defined area of influence (i.e. the SDI area).

The research focussed on the pre-development condition of the Hoogekraal SDI and the LagoonBay development as a case study for the practical implementation of the SDI approach. To be able to assess the desirability for, and the potential impacts of innovative private sector economic intervention in the study area, the current socio-economic status of the inhabitants of the study area and the state of the environment first had to be determined.

5.1.3 Current socio-economic status and state of the environment in the Hoogekraal SDI area

The research findings in this regard can be summarised with reference to the:

- a) socio-economic status of previously disadvantaged people in the area;
- b) state of the environment; and the
- c) performance of the relevant authorities and other stakeholders in the area in addressing the basic needs of the people and the evident environmental requirements of the area.

5.1.3.1 Socio-economic status of previously disadvantaged people in the Hoogekraal SDI area

The majority of the previously disadvantaged people in the Hoogekraal SDI area is subject to abject poverty and has an urgent need for, in particular, the:

- a) creation of permanent employment opportunities that provide a sustainable income;
- b) improved education and adult skills training;
- c) creation of opportunities and support for SMMEs;

- d) establishment of AgriBEE enterprises;
- e) creation of and support for entrepreneurial opportunities;
- f) provision of appropriate housing and ownership of such housing;
- g) provision of affordable basic household services such as clean water, sewage systems, electricity, and communication systems;
- h) sustainable land reform projects; and
- i) development of sports and recreational facilities.

5.1.3.2 Current state of the environment in the Hoogekraal SDI area

Areas that are of high conservation significance occur in the Hoogekraal SDI area. These include the Maalgate River together with its tributaries, highly irreplaceable fynbos habitats, and pockets of unique indigenous coastal forest. All of these areas have, however, been severely degraded due to agriculture, forestry and, in particular, uncontrolled infestation of alien invasive plants. According to the specialist environmental reports studied as part of the research, such degradation has been so severe that these areas can no longer function as a natural ecosystem. Meaningful support for rehabilitation is evidently much-needed.

5.1.3.3 Performance of authorities and other stakeholders in the Hoogekraal SDI area

The research indicated that little is being done by the respective municipalities with regard to the social upliftment of the previously disadvantaged community of the Hoogekraal SDI area. The flow of benefits to the community depends upon the standard and discredited 'trickle-down effect' in the local economy (Urban-Econ 2005).

The research has also indicated that there are no strategies in place to enable, or empower, the communities to work together on a partnership basis with current land-owners towards improving their current condition.

Both the Eden District Municipality and the George Municipality and (naturally) the Department of Agriculture support the notion that land reform and subsistence farming should be promoted as a strategy to enhance human well-being (Dennis Moss Partnership 2003b). However, the research has indicated that land reform and subsistence farming alone are not a viable option. In this regard, reference is made to the low contribution of

agriculture to the economy of the George region, which implies that agriculture, on its own, will not be able to co-fund socio-economic growth and environmental rehabilitation in the SDI area. In addition, the poor quality of the soils, particularly in the proposed LagoonBay development site, prevents agriculture from being adopted as a strategy that could make a meaningful contribution to the enhancement of the well-being of the previously disadvantaged people living in the area.

With regard to the rehabilitation of the natural environment associated with the Hoogekraal SDI area, the municipalities are also not making a meaningful contribution. This is in spite of ambitious regional environmental rehabilitation strategies put forward in, amongst others, the Eden District Spatial Development Framework (Eden District Municipality 2003) and the Draft George Spatial Development Framework (George Municipality 2005).

Evaluation of the performance of the primary conservation agencies, namely CapeNature and STEP, has shown that a host of innovative strategies have been proposed to facilitate the rehabilitation and long-term conservation of the SDI area. However, nothing is currently being done in practice by these institutions, the primary reasons apparently being a lack of funds. Partnership arrangements in this regard are being short-circuited by, in particular, a lack of incentives for the relevant private landowners to undertake or fund the required rehabilitation and long-term management of the environment. The final step was to assess the results regarding the practical implementation of the SDI approach as demonstrated by the pre-development condition of the Hoogekraal SDI and the LagoonBay development.

5.1.4 Practical implementation of the Hoogekraal SDI

The research results indicate that the Hoogekraal SDI would:

- a) build upon and give effect to the three 'pillars' of:
 - development as a primary economic driver;
 - community participation, inclusivity, and human development; and
 - environmental rehabilitation;
- b) on balance, improve the state of the given socio-economic and environmental situation in the Hoogekraal SDI area in terms of a formal partnership with key stakeholders. In the latter regard, the SDI provides for the establishment of an

organisational structure through which constructive community involvement and empowerment would be ensured; and

- c) provide for the establishment of the Hoogekraal Treasury Trust as the over-arching entity in the organisational structure that would effectively serve as a 'community bank' which is to serve as the 'driver' of a self-sustaining sub-regional management system within which all inhabitants of the SDI area, in particular the previously disadvantaged community, are to be beneficiaries.

The research furthermore indicated that the Hoogekraal SDI aims to:

- (i) provide opportunities for previously disadvantaged people to acquire ownership in the assets and liabilities of land and enterprises;
- (ii) promote the eradication of poverty and inequality as an ethical, social, and environmental imperative through a number of programs;
- (iii) lead to the broadening of the local economic base in accordance with government SMME policy; and
- (iv) promote and build on the comparative advantages of the Garden Route, which implies that the concept of agglomeration advantages would be utilised and significant multiplier effects would be realised.

5.2 COMPARISON IN TERMS OF COMPLIANCE CRITERIA

To facilitate an objective and empirical comparison of the status and performance the five 'conventional' estate developments against the Hoogekraal SDI and its LagoonBay core project, a set of criteria was developed. The criteria were designed to be functional to collectively address a number of key objectives. The criteria formulation and their application are described in this final section.

5.2.1 Criteria formulation

The comparison criteria were formulated to assess and compare the:

- a) extent to which sustainable economic growth is supported in the region where the respective estates are located;
- b) extent to which long-term environmental rehabilitation and conservation are supported by the respective estates;

- c) implementation of innovative strategies in a spirit of partnership to ensure that the relevant estates are utilised as a catalyst for long-term socio-economic growth and environmental rehabilitation in a defined area associated with each estate;
- d) instruments in place to ensure that the affected communities (especially the previously disadvantaged) are not only *included* in the initiative, but are also properly *consulted* in the setting up of schemes and projects that would affect them;
- e) manner in which an empowering environment is created within which the communities affected by the estates would be able to participate in the management of a self-sustaining sub-regional economic system;
- f) key issues identified as part of the real and perceived shortcomings of large-scale estate developments; and the
- g) primary aspects of the SDI approach as a strategy to counter the real and perceived shortcomings of large-scale estate developments.

5.2.2 Criteria categories

In order to facilitate a coherent recording and comparison process, the relevant criteria were grouped into the four categories of impact used extensively in this research:

- Planning, implementation and management aspects
- Community and social aspects
- Economic aspects
- Environmental aspects

The criteria were formulated and structured in a manner that facilitates an uncomplicated and empirical comparison between the five selected 'conventional' estate developments and the Hoogekraal SDI.

5.2.3 Application of the criteria

The purpose of the comparison was to illustrate the extent to which each approach complies with and gives effect to strategies for addressing the research problem. Numerical counts were generated to afford a measure of objective comparison. The comparison is illustrated in the following tables, where an affirmative answer is indicated with a ✓ symbol. A positive rating value is only allocated where full compliance with the relevant criterion was confirmed by the research results. The final tabling and numerical

count amounts to a Boolean valuation system. The comparison of the two approaches in terms of the set of criteria is illustrated in Tables 5.1 to 5.4 and a synopsis of the comparison results is provided in Table 5.5.

Table 5.1: Performance of the various developments against the criteria pertaining to planning, implementation and management aspects

| 1 | PLANNING, IMPLEMENTATION AND MANAGEMENT ASPECTS | De Zalze | Arabella | Pinnacle Point | Fancourt | Pezula | Hoogekraal SDI |
|-----|--|----------|----------|----------------|----------|----------|----------------|
| 1.1 | Compliance with local planning policy and guidelines, e.g. SDF | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.2 | Compliance with site-specific planning and design guidelines | ✓ | ✓ | | | | ✓ |
| 1.3 | Undertaken in accordance with comprehensive development framework | ✓ | ✓ | | ✓ | | ✓ |
| 1.4 | Implementation of a development framework for the adjoining area | ✓ | | | | | ✓ |
| 1.5 | Creation of meaningful green buffer along the periphery of the development | | ✓ | ✓ | | ✓ | ✓ |
| 1.6 | Compliance with development policy pertaining to nodality, continuity, density | ✓ | ✓ | ✓ | | | ✓ |
| 1.7 | Structured I&AP participation in planning design and management | | | | | | ✓ |
| 1.8 | Compliance with national agenda for socio-economic development | | | | | | ✓ |
| 1.9 | Support for Local Agenda 21 ¹⁷ | | | | | | ✓ |
| | Total positive | 5 | 5 | 3 | 2 | 2 | 9 |

The comparative values in Table 5.1 show the SDI clearly outperforming the ‘conventional’ developments. In fact, prestigious developments like Fancourt fall short on many criteria, while De Zalze and Arabella came fairly close.

¹⁷ National sustainable development plan supporting the following themes (PGWC 2003):

- Promoting sustainable use of resources.
- Preventing pollution.
- Conserving biodiversity.
- Meeting the basic needs of local communities.
- Providing access to the skills, knowledge and information needed to enable people to play a meaningful role in society.
- Providing opportunities for culture, leisure and recreation to all.
- Developing human settlements that have appropriate scale and form.
- Establishing appropriate links with other parts of the world.

Also with reference to the 25 social criteria evaluated in Table 5.2, the SDI emerges as the clear winner. In fact, the SDI approach shows itself to be almost 100% responsive to social and community needs, while all 'conventional' cases perform almost equally dismally on this set.

Table 5.2: Performance of the various developments against the criteria pertaining to community and social aspects

| 2 | COMMUNITY AND SOCIAL ASPECTS | De Zalze | Arabella | Pinnacle Point | Fancourt | Pezula | Hoogekraal SDI |
|------|--|----------|----------|----------------|----------|--------|----------------|
| 2.1 | Sustainable employment for local people on the estate | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.2 | Strategy for empowerment of women and disabled on site | | ✓ | | ✓ | | ✓ |
| 2.3 | Provision of housing for PDIs on site | | | | | | ✓ |
| 2.4 | Provision of basic services (including water, electricity) for PDIs on site | | | | | | ✓ |
| 2.5 | Health care for PDIs on site | | | | | | ✓ |
| 2.6 | Child education for PDIs on site | | | | | | ✓ |
| 2.7 | Adult education for PDIs on site | | | | | | ✓ |
| 2.8 | Skills audit undertaken in sub-region to provide basis for employment, training, education | | | ✓ | ✓ | | ✓ |
| 2.9 | Skills training for employees on site | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.10 | Support for BEE on site | ✓ | ✓ | ✓ | ✓ | | ✓ |
| 2.11 | Support for land reform on site | | | | | | ✓ |
| 2.12 | Security of tenure for PDIs on site | | | | | | ✓ |
| 2.13 | Direct support for sub-regional housing program | | | | | | ✓ |
| 2.14 | Direct support for sub-regional health program | | | | ✓ | | ✓ |
| 2.15 | Direct support for sub-regional land reform | | | | | | ✓ |
| 2.16 | Promotion of public-private-community partnerships for economic growth | | | | | | ✓ |
| 2.17 | Existence of trust and trust fund that belongs to the estate | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.18 | Community representation in the estate's trust | ✓ | ✓ | ✓ | ✓ | ✓ | |

| | | | | | | | |
|------|--|----------|----------|----------|----------|----------|-----------|
| 2.19 | Existence of a trust that belongs to the community (established due to the estate) | | | ✓ | | | ✓ |
| 2.20 | Estate funding for the community trust | | | ✓ | | | ✓ |
| 2.21 | Auditing and due diligence of community trust and associated PBOs | | | | | | ✓ |
| 2.22 | Legal obligation pertaining to long-term support for community trust | | | | | | ✓ |
| 2.23 | Support for entrepreneurship development and SMMEs through the community trust | | | | | | ✓ |
| 2.24 | Direct involvement of local communities in planning, implementation and management of the estate | | | | | | ✓ |
| 2.25 | Strategies to combat segregation of communities resulting from security measures | | | | | | ✓ |
| | Total positive | 5 | 6 | 8 | 8 | 4 | 24 |

Regarding the economic aspects (Table 5.3) the gap between the two approaches narrows distinctively. However, it remains clear that the SDI is far superior in terms of innovative sustainability initiatives and regional enhancement.

Table 5.3: Performance of the various developments against the criteria pertaining to economic aspects

| 3 | ECONOMIC ASPECTS | De Zalze | Arabella | Pinnacle Point | Fancourt | Pezula | Hoogekraal SDI |
|----------|---|-----------------|-----------------|-----------------------|-----------------|---------------|-----------------------|
| 3.1 | Utilization of comparative economic advantages of the region | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3.2 | Promotion of comparative economic advantages of the region | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3.3 | Support for sustainable agriculture on the estate | | | | | | ✓ |
| 3.4 | Support for sustainable agriculture outside the estate | | | | | | ✓ |
| 3.5 | Meaningful use of locally manufactured products | | ✓ | ✓ | | ✓ | ✓ |
| 3.6 | Consolidated profit, after tax, providing an acceptable return on capital | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3.7 | Long-term financial feasibility and sustainability of the estate | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3.8 | Providing for the establishment of a self-sustaining sub-regional management system | | | | | | ✓ |
| 3.9 | Legal assurance pertaining to long-term support for this economic system | | | | | | ✓ |

| | | | | | | | |
|------|--|----------|----------|----------|----------|----------|-----------|
| 3.10 | Legal assurance pertaining to quantum of long-term support for this economic system | | | | | | ✓ |
| 3.11 | Organisational structure to facilitate appropriate allocation of funds to identified beneficiaries | | | | | | ✓ |
| 3.12 | Appropriate procedures for allocation of funds to identified beneficiaries | | | | | | ✓ |
| | Total positive | 4 | 5 | 5 | 4 | 5 | 12 |

It is only with reference to environmental responsiveness, as shown by Table 5.4, that the gap between the two approaches virtually disappears. Here Arabella draws almost equal with the SDI, while the other four “conventionals” perform halfway up the scale.

Table 5.4: Performance of the various developments against the criteria pertaining to environmental aspects

| 4 | ENVIRONMENTAL ASPECTS | De Zalze | Arabella | Pinnacle Point | Fancourt | Pezula | Hoogekraal SDI |
|------|--|----------|----------|----------------|----------|--------|----------------|
| 4.1 | Construction phase environmental management plan implemented | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4.2 | Operational phase environmental management plan implemented | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4.3 | Environmental policy determined and being complied with | ✓ | | | | | ✓ |
| 4.4 | Compliance of environmental management plans with international standards (e.g. ISO 14001) | | ✓ | | | | ✓ |
| 4.5 | Formal status as sustainable management area (e.g. <i>Special Management Area</i>) | ✓ | | | | | ✓ |
| 4.6 | Accreditation of estate with local conservation agencies or programs | | ✓ | ✓ | | ✓ | ✓ |
| 4.7 | Regular auditing undertaken of environmental management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4.8 | Community representation in auditing and monitoring | | ✓ | ✓ | | ✓ | ✓ |
| 4.9 | Direct support for environmental rehabilitation and conservation outside estate | | ✓ | ✓ | | | ✓ |
| 4.10 | Regular auditing of environmental health of area surrounding the estate | | ✓ | | | | ✓ |
| 4.11 | Protection of cultural heritage on site | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4.12 | Strategies for continual improvement of management actions | ✓ | ✓ | | | | ✓ |
| 4.13 | Use of alternative potable water resources (i.e. not directly from natural sources) | | | | | | ✓ |

| | | | | | | | |
|------|--|----------|-----------|----------|----------|-----------|-----------|
| 4.14 | Recycling of water | | ✓ | | | ✓ | ✓ |
| 4.15 | Recycling of sewage | | ✓ | | | ✓ | ✓ |
| 4.16 | Recycling of solid waste | | ✓ | | | | |
| 4.17 | Water conservation measures on golf course | | ✓ | | ✓ | | ✓ |
| 4.18 | Water conservation measures in the built environment and landscaping | | ✓ | | ✓ | | ✓ |
| 4.19 | Use of treated sewage water for irrigation on the golf courses and landscaping | | ✓ | | | ✓ | ✓ |
| 4.20 | Measures to prevent eutrophication and pollution of water bodies | ✓ | ✓ | | | | ✓ |
| 4.21 | Mitigation of negative impacts on aesthetic and scenic landscapes and routes | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Total positive | 9 | 18 | 8 | 7 | 10 | 20 |

Table 5.5 comprises a synopsis of the comparison results, the purpose of which is to serve as a more concise and summary indication of the performance of each of the developments in terms of the identified key categories.

Table 5.5: Synopsis of the comparison results

| | CATEGORY | De Zalze | Arabella | Pinnacle Point | Fancourt | Pezula | Hoogekraal SDI |
|---|---------------------------------------|-----------|-----------|----------------|-----------|-----------|----------------|
| 1 | Planning, implementation & management | 5 | 5 | 3 | 2 | 2 | 9 |
| 2 | Community and social aspects | 5 | 6 | 8 | 8 | 4 | 24 |
| 3 | Economic aspects | 4 | 5 | 5 | 4 | 5 | 12 |
| 4 | Environmental aspects | 9 | 18 | 8 | 7 | 10 | 20 |
| | Total positive | 23 | 34 | 24 | 21 | 21 | 65 |

Here it is evident that the Hoogekraal SDI out-performs the five 'conventional' estates in all the categories, but especially so in terms of:

- community and social aspects;
- economic aspects; and
- environmental aspects.

Aspects falling in these categories have been identified as the primary problems and challenges, namely poverty, inequality and environmental degradation. These categories also coincide, or include, the primary aspects in terms of which large-scale estate developments have apparently failed to produce a meaningful improvement of the current condition. The comparative results, furthermore, clarify performance in key development aspects, namely:

- a) Planning, implementation and management aspects in terms of which it is indicated that:
 - (i) all of the 'conventional' estates have complied with the standard legal requirements for the planning, implementation and management of enterprises of this nature; and
 - (ii) none of the estates is associated with a formal public-private-community partnership in terms of which full inclusivity and meaningful community participation in the planning of the estates could be ensured.
- b) Community and social aspects in terms of which it is indicated that:
 - (i) the 'conventional' estates, to varying extents, contribute to the improvement of the well-being of the communities living in their vicinity, primarily in the form of employment, in-services skills training for employees, and support for BEE;
 - (ii) all of the estates have a separate trust fund (or a '*foundation*' in the case of Fancourt), which belongs to the various estates and the funding of which is subject to the goodwill of the developer and the Home Owners Association; and
 - (iii) none of the estates have initiated or promoted the establishment of a structured partnership to ensure full inclusivity and meaningful community participation in the management of programs and projects that affect the relevant communities.
- c) Economic aspects in terms of which it is indicated that:
 - (i) all of the 'conventional' estates are located in areas with a natural comparative advantage in the tourism industry and that the estates, subsequently, build upon and generally promote this comparative economic advantage;
 - (ii) the long-term financial feasibility and sustainability of the various estates, under their current ownership, seem to be ensured;

- (iii) all of the estates have created significant economic benefits, probably surpassing the economic impact of the previous land-uses on the sites where the estates were developed;
 - (iv) the economic benefits resulting from the estates are generally channelled to the communities via the relevant municipality (i.e. through the 'trickle-down effect' of the economy) or in the form of grants and donations that are largely *ad hoc*;
 - (v) none of the estates provides legal assurance pertaining to the permanency and quantum of the estate's support for socio-economic development; and
 - (vi) none of the estates has promoted the establishment of a self-sustaining sub-regional economic system in partnership with the local communities through which the benefits from the various estates can be utilised in an optimal manner in the long-term.
- d) Environmental aspects in terms of which it is indicated that:
- (i) all of the estates have implemented effective environmental management on-site and their performance in this regard is monitored and audited to a varying extent; and
 - (ii) with the exception of Arabella, none of the estates has undertaken, or has been instrumental in establishing, any partnership arrangements pertaining to meaningful environmental rehabilitation and management outside its boundaries.

The final step of this research was to formulate defensible conclusions and to describe the potential value and contribution of this research. The final chapter summarises the relevant conclusive arguments.

CHAPTER 6: CONCLUSION

The problem addressed in this research was that large-scale estate developments in the Western Cape generally do not fulfil their potential as primary economic generators outside their own boundaries, thus failing to contribute in a meaningful manner to addressing the primary challenges facing the present-day South Africa, namely poverty and inequality, and environmental degradation.

Evidence in this regard is that in many parts of the Western Cape, in particular the South Cape, poverty, inequality and environmental degradation are unfolding against the backdrop of large-scale estate developments that build upon the comparative economic advantages of the region (Urban-Econ 2005). It can therefore be deduced that the potential of development as an economic driver and a mechanism through which both socio-economic development and environmental rehabilitation can be promoted is not utilized to its full extent.

The over-arching purpose of the research was to determine whether the project-based SDI approach (as demonstrated by the pre-development condition of the Hoogekraal SDI) presents a solution for the stated problems and presents an improvement on the 'conventional' planning, implementation and management approach adopted by the five large-scale estate developments evaluated in this research.

The SDI approach, in its current, conceptual format does not profess to be flawless. In this regard, the research has left a number of questions unanswered pertaining, in particular, to how:

- a) affected target communities are to be identified and mobilised to participate in the planning and implementation of an SDI;
- b) the fears, suspicions and perceptions of communities regarding the potential impact of large-scale resort development would be allayed in order to establish a spirit of trust, goodwill and good faith which is imperative for an SDI to succeed;
- c) community members are to be included in the treasury trust and public benefit organisations which are an integral part of an SDI;
- d) the capacity of the relevant community representatives are to be developed to fulfil their functions and responsibilities in the public benefit organisations; and how

- e) the SDI would be kept a-political and free from political opportunism.

The research has indicated that the proponents of the SDI approach still have a long way to go to bridge the divergent views and evident opposition of conservation-orientated NGOs and community groups, factions within government departments, and individuals, against large-scale estate development. In this regard, specific examples of the divergent media coverage of the SDI approach are attached as Appendices B and C. Appendix B shows balanced media reports that sketch the broad golf estate controversy (Hood 2005; Richards 2005), while Appendix C documents reports supporting the SDI approach (Taljaard 2004; Van Dyk 2004; Duvenhage 2004).

On balance, the research has indicated that the SDI approach holds the promise to be an innovative strategy through which the benefits of large-scale development could be optimised for both people and the environment. It is evident that the approach, at least, represents an honest response to the national goals and objectives for sustainable development put forward in, amongst others, the Constitution.

It is therefore concluded, that there is adequate evidence to confirm that the SDI approach to large-scale estate development improves, to a large extent, on the 'conventional' approach as a mechanism through which development can contribute to the eradication of poverty and inequality and environmental rehabilitation in partnership with local communities.

6.1 SUPPORTING ARGUMENTS

The supporting arguments for this conclusion documented in the following sections are strictly based upon the research results summarised and analysed in the analytical chapters. For ease of reference and to promote coherency, the arguments are described under the standard headings used throughout:

- planning, implementation and management aspects;
- community and social aspects;
- economic aspects; and
- environmental aspects.

6.1.1 Planning, implementation and management aspects

A key characteristic of the SDI planning process, which distinguishes it from the 'conventional' planning process, is that it includes a distinct Inception Phase. This phase comprises a number of unofficial steps and allows the developer and its professional team an opportunity to identify and communicate with all stakeholders and to seek the input of all stakeholders regarding all aspects of the proposed SDI prior to entering into the statutory application process, which is regulated by strict procedural directives. The Inception Phase of the SDI planning process enables the proponent and its professional team to prepare an application that supports the SDI objectives, has integrity and the support of key stakeholders, and that can be justified in terms of applicable values and commitments. As such, it gives effect to the first key aspect of the national agenda, namely to promote a single vision of a people-centred society and the eradication of poverty and inequality.

6.1.2 Community and social aspects

The SDI approach builds on the principle of inclusivity. This implies that the planning, implementation and management of an SDI would be an ongoing inclusive process that gives meaningful consideration to the changing and dynamic interests, needs and values of the people that live in the SDI area and that have an interest in ensuring a prosperous future for the area. In this regard, the SDI approach aims to ensure:

- a) continuing participation, representation and involvement of all stakeholders in the SDI area;
- b) creation of adequate and appropriate opportunities for community participation in decisions that may affect the SDI area;
- c) consideration of, and agreement on, the values which would form the basis of the SDI and the associated core projects;
- d) development and utilisation of the skills and knowledge of the people living in the area during the planning and implementation of the SDI and its core projects;
- e) provision for the on-going involvement of local people in the programs identified for the SDI; and
- f) recognition that historic injustices need to be addressed in a practical and sustainable manner as a matter of high priority. In particular, recognition needs to

be given to the rights of the local previously disadvantaged people to share in the benefits that development brings to the area in a spirit of partnership.

The SDI approach supports the Constitutional notion that sustainable development will not be achieved without competent, effective and representative local government working in partnership with citizen groups, business, and voluntary organisations. The SDI approach therefore builds upon the creation of strong and lasting partnerships between the affected communities, the developer of the core projects, and the relevant authorities.

With regard to the status of the relevant communities as 'partners', the SDI approach builds on the notion that an SDI cannot function without the support, input and, in particular, active contribution of the affected communities to utilising the opportunities presented by the SDI to improve their own well-being and the state of the environment. In this regard, it is noted that the SDI approach does not imply a one-sided granting, or transfer, of funds or other benefits to beneficiaries. Significant grants or donations are generally made by 'conventional' estate development units as part of a social responsibility program, a situation which implies that there are generous donors and receivers that should be grateful for whatever is granted to them. According to Dennis Moss Partnership (2005), such a situation is not supportive of the sustainable development imperative of human well-being in that it generally fails to promote the dignity of, and a sense of responsibility in, the receiving communities.

Contrary to the 'conventional' approach, the SDI approach not only strives to promote the social and economic empowerment of the affected communities. It, in particular, strives to create an empowering environment within which the communities are enabled to work towards improving their socio-economic circumstances, whilst also catering for the rehabilitation of the environment within which they live. The SDI approach strives to create conditions for developing the individual to obtain new powers - emotionally, intellectually and physically (Dennis Moss Partnership 2004). These powers enable individuals, as members of society, to play a constructive role in promoting and achieving sustainable development (PGWC 2003).

It is recognised that there may be substance to scepticism regarding the ability of previously disadvantaged communities to contribute constructively to the management of

structures and programs that form part of an SDI. The building of the required leadership capabilities is a primary challenge (Dennis Moss Partnership 2005).

With regard to the aspects of inclusivity, community involvement, and human development as imperatives for achieving the primary sustainable development goal of the SDI, the approach strives to give effect to the key aspects of the national agenda to:

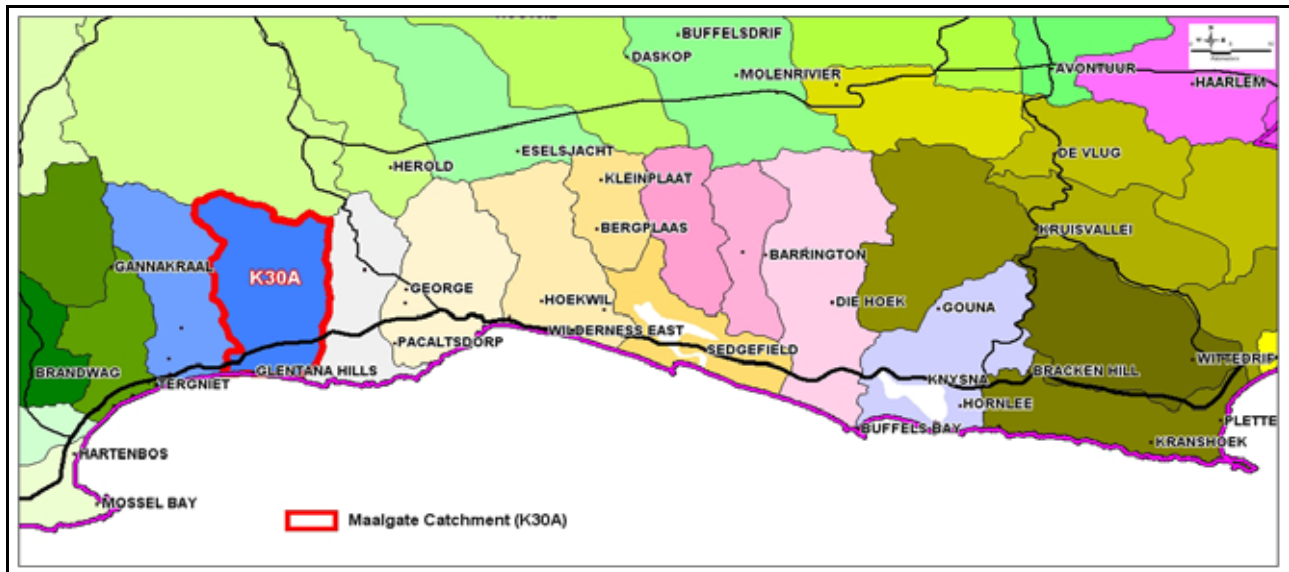
- implement legitimate programs that serve the vision of a people-centred society and the eradication of poverty and inequality;
- recognise that development programs must achieve visible benefits regarding the improvement of the quality of life of all people; and
- recognise that development programs should promote urban renewal and rural development, support for micro-credit and small enterprises, education and modern skills training, and development of social and economic infrastructure.

6.1.3 Economic aspects

Contrary to the 'conventional' approach to large-scale estate development, the SDI approach strives to create a self-sustaining economic system that will optimise the use of benefits generated by the core projects of the initiative. In this regard, the premise of the SDI approach is that development, as a primary economic driver, can only be optimised through positive economic intervention within a framework of an integrated development plan and strategy (Urban-Econ 2005).

The SDI approach, amongst others, makes provision for the subsidisation of, for example, sustainable agricultural enterprises that would not have occurred if an SDI were not implemented. Such enterprises would, in turn, give effect to viable land reform and BEE, and the establishment of SMMEs wherever possible in the SDI area.

In many parts of the Western Cape, in particular the South Cape, poverty, inequality and environmental degradation are unfolding against the backdrop of large-scale estate developments that build upon the comparative economic advantages of the region (Urban-Econ 2005). The research results indicate that in each of the 23 catchments associated with the Garden Route of the South Cape (refer to Figure 6.1) at least one large-scale estate development has been undertaken, or an application has been submitted to the relevant authorities for approval of a new resort.



(Source: Adapted from PGWC 2003:42)

Figure 6.1: Catchments and potential SDI areas along the Garden Route

If the SDI approach were adopted for each of the existing and proposed estate developments, a 'wall to wall' SDI coverage could be achieved. This would ensure that the opportunities presented by such developments are utilised optimally through positive economic intervention within a framework of an integrated development plan and strategy, and in a spirit of public-private-community partnership as is contemplated in the Constitution and the national agenda.

Considering the substantial potential financial benefit for the local communities associated with the proposed LagoonBay development as first core project of the Hoogekraal SDI (the calculated initial contribution would be in the order R50 million and the annual income would be in the order of R10 million), a series of SDIs associated with the existing and proposed large-scale estate developments throughout the Garden Route could make a huge contribution to the local economic development programs of the various municipalities of the region.

Contrary to the 'conventional' approach, the SDI approach implies that the minimum quantum and permanency of the benefits and other forms of support that would flow from the core projects to the relevant community structure would be a legal requirement in terms of, amongst others, a formal agreement and a notation on the title of each property in the estate. This would ensure that such benefits and support are not subject to, for

example, the goodwill and financial status of the developers of the estate. Therefore, it is important to note that, under the 'conventional' approach, a change in ownership of the estate may imply a completely different approach to the granting of donations. Inverted examples in this regard are Fancourt (which was under liquidation prior to being purchased by its current owners) and Arabella (which was under severe financial pressure before being bought by its current owners). It is arguable that neither of these estates would have been able to support any socio-economic programs under their previous ownership.

6.1.4 Environmental aspects

The authorities and conservation agencies involved in the region do not have the resources and mechanisms at their disposal to rehabilitate and manage the environment to the extent that it can maintain any community-supporting services in the long-term. Reference is made to, for example, the intervention needed to clear the dense infestations of alien plants that limit the capacity of catchment areas to provide a sustained flow of high-quality water for the dependent human communities. The SDI approach aims to provide a viable solution in this regard.

By design, an SDI is implemented through a number of programs, which will always include a program for environmental rehabilitation and conservation. In this regard, one of the 'pillars' of the SDI approach is the maintenance of the integrity of the environment as a whole. Large-scale estate developments in the Western Cape are generally dependent upon the ecological, cultural and aesthetic attributes of the environment within which they are located. It is therefore in the interest of such developments to ensure that the integrity of the broader environment within which they are located is enhanced to the largest extent possible.

Contrary to the 'conventional' approach, the SDI approach makes provision for the rehabilitation and restoration of the environment as a totality in an extended area around the development (the defined SDI area) and in terms of a dedicated program.

There is a need in the Western Cape, and in the country as a whole, for innovative strategies to address the challenges of poverty, inequality and environmental degradation. This research has indicated that the SDI approach can be instrumental in this regard.

6.2 VALUE AND CONTRIBUTION OF THE RESEARCH

There are wide-ranging concerns regarding the impact of large-scale estate developments, both on the environment and on the communities living in close proximity to such developments. These concerns led to the undertaking of the rapid review on golf estates and polo fields and the subsequent preparation of a policy guideline document for this purpose (PGWC 2005). This policy report, however, fails to recognize the potential positive impacts of large-scale estate developments and does not provide effective strategies to unlock such potential.

The research has shown that the 'conventional' large-scale estate developments evaluated for this research have had a significant positive impact on the economy and on the communities of the areas where they are located. However, it is questionable whether such benefits have been optimised and whether the key problems of poverty and inequality and environmental degradation have been addressed to a significant extent since the implementation of the estates. The research has not been able to determine whether the various 'conventional' estates have had a recognisable impact with regard to the creation of a self-sustaining economy in the sub-regions within which they are located.

The research has indicated that the SDI approach to large-scale estate development has the potential to serve as a strategy through which the short-comings of the 'conventional' approach can be rectified and through which the potential of large-scale estate development can be unlocked in an optimal manner.

Approval was granted for the LagoonBay development by George Municipality (George Municipality 2006) and the Department of Agriculture (Department of Agriculture 2006). The conditions of approval imposed by both these institutions imply that the LagoonBay development was approved only because of it having been planned and presented as part of the Hoogekraal SDI. As such, the approvals imply that a precedent and a benchmark have been set against which future applications for large-scale estate development in the area will be measured.

In addition, the Eden District Spatial Development Framework (Eden District Municipality 2003) has incorporated the SDI approach as a strategy to promote local economic

development in its area of jurisdiction. This implies that the local municipalities that form part of the Eden District Municipality are expected to also incorporate the SDI approach in their spatial development frameworks prepared in terms of the Local Government Municipal Systems Act 32 of 2000 (South Africa 2000). The George Municipality has adopted the approach in the draft George Spatial Development Framework (George Municipality 2005). It is therefore believed that this research can contribute as an input in the:

- drafting of regional and municipal development policy aimed at promoting sustainable development, for example, the spatial development frameworks; and
- the planning and implementation of large-scale estate developments in a manner that would, on balance, improve the local development conditions in a sustainable, integrated, holistic and practical manner, and in partnership with those who would be affected by the developments and those who support the ethos of sustainable development.

This research addressed the pre-implementation condition of the Hoogekraal SDI and the pre-development condition of the proposed LagoonBay core project. In order to assess the long-term performance of the approach and facilitate its continual improvement in the long-term, further research needs to be undertaken on key aspects such as the:

- a) identification of the communities that should be the primary beneficiaries of the SDI and the key participants in its planning and implementation;
- b) strategies to build the capacity of stakeholders to fulfill their functions and responsibilities as custodians and managers of the various programs of an SDI;
- c) practical aspects of the management of an SDI, especially the functioning of the organizational structure;
- d) response of community representatives and groups to the responsibilities and social and economic empowerment associated with an SDI;
- e) long-term socio-economic impact of an SDI, especially the extent to which the SDI has contributed to the creation of a self-sustaining economy in the sub-region within which it is located;
- f) long-term environmental impact of an SDI, with specific reference to its enhancement of biodiversity in accordance with area-wide conservation strategies and plans promoted by government and the conservation agencies;

- g) long-term performance of an SDI in context of the stated objectives of the national agenda spelt out by the President during his State of the Nation Address in February 2004;
- h) long-term use of the authorities and political fraternity of the SDI approach as a strategy to promote local economic development and address the key aspects of poverty and inequality; and
- i) strategies to bridge the divergent views of individuals and groups regarding the SDI approach and the associated core property development projects, and the building of a spirit of trust, goodwill and good faith which is imperative for an SDI to succeed.

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APPENDIX A1

QUESTIONNAIRE TO LOCAL COMMUNITY

Purpose of the questionnaire is to collect the information needed to determine the socio-economic status and perceptions of the local community living on the Hoogekraal property.

1 How old are you?

.....

2 Gender:

| | |
|------|--------|
| Male | Female |
|------|--------|

3 What is your highest formal qualification?

.....

.....

.....

4 Any other technical/skills/training?

.....

.....

.....

.....

5 Where do the children in your household attend school?

(Primary).....

(Secondary).....

6 Describe your current job?

.....

.....

.....

.....

7 Which of these employment opportunities would interest you?

| | | |
|---|---------------|--|
| Eradication/hacking of alien vegetation | | |
| Golf course maintenance | Lawn mowing | |
| | Green keeping | |
| Caddie | | |

| | | |
|--|-----------------|--|
| Site maintenance/gardening/cleaning | | |
| Plant nursery | | |
| Field/ranger/tourist guide on site | | |
| Security | | |
| Hotel service | Cook | |
| | Waiter/Waitress | |
| | Cleaner | |
| | | |
| | | |
| Agriculture (growing of products for use on the development) | | |
| Management | | |
| Administration | | |

8 How much do you earn per month?

| | | | | | |
|-------|------------|-------------|-------------|-------------|--------|
| <R500 | R501-R1000 | R1001-R1500 | R1501-R2500 | R2501-R4500 | R4501> |
|-------|------------|-------------|-------------|-------------|--------|

9 With how many people do you share a home/shelter?

.....

10 Do you live in a:

| | | | | | | |
|-----------------|------|------------------------|------|-------|------|-------|
| House of bricks | Flat | House-flat in backyard | Room | Shack | Tent | Other |
|-----------------|------|------------------------|------|-------|------|-------|

.....

11 How is your sewage removed?

| | | | | |
|--------------|-----------------|-------------|----------------|----------------|
| Flush toilet | Chemical toilet | Pit latrine | Bucket latrine | None installed |
|--------------|-----------------|-------------|----------------|----------------|

12 What is the status of your water reticulation?

| | | | | | | |
|-------------|-------------|--|---|-----------------|-----------------|------|
| Tap in home | Tap on site | Public tap closer than 200m to the shelter | Public tap further than 200m to the shelter | Bore hole pump? | Natural stream? | None |
|-------------|-------------|--|---|-----------------|-----------------|------|

13 Where do you obtain water for domestic use?

.....

14 How do you dispose of your household waste?

| | | | | | |
|------------------------------|---------------------------------|-----------------------------------|---------------------------|------------------|-------|
| Local authority 1/week | Local authority 1/monthly | Communal refuse dump ad hoc | Own refuse dump ad hoc | None regular? | Other |
|------------------------------|---------------------------------|-----------------------------------|---------------------------|------------------|-------|

15 Which is your main source of energy for:

a) Lighting

| | | | | |
|-----|----------|------|-------|------------------|
| Gas | Paraffin | Wood | Solar | Other (describe) |
|-----|----------|------|-------|------------------|

b) Cooking

| | | | | |
|-----|----------|------|-------|------------------|
| Gas | Paraffin | Wood | Solar | Other (describe) |
|-----|----------|------|-------|------------------|

16 Where do you access a telephone?

| | | | | | | |
|------------------|----------------|---------------------------------|-----------|--------|---------------------------|---------------------|
| Dwelling only | Cell- phone | Both dwelling and cell-phone | Neighbour | Public | Other nearby irregular | Other not nearby |
|------------------|----------------|---------------------------------|-----------|--------|---------------------------|---------------------|

17 Where do you go to obtain household essentials/groceries?

18 What mode of transport do you use for your daily needs?

a) To work.....

b) To town.....

c) To shops (groceries).....

d) Other.....

19 Where do you go to obtain health service?

20 Where do you go to church?

21 What is your opinion/feeling (perception):

a) Life chances the development will have on you and your household

.....

.....

.....

.....

b) Having to move to a newly constructed settlement

.....

.....

.....

c) Change in income the development will bring

.....

.....

.....

d) The education opportunities the development will bring

.....

.....

.....

APPENDIX A2

QUESTIONNAIRE TO THE EDEN DISTRICT MUNICIPALITY

Purpose of the questionnaire is to collect the information needed to assess and evaluate the sustainable development performance of the LagoonBay Lifestyle Estate according to comparable criteria.

1 GENERAL

1.1 Position in the municipality

.....

2 PLANNING ASPECTS

2.1 Has a Spatial Development Framework (SDF) been prepared in the municipality?

.....

2.2 Has a Spatial Development Framework (SDF) been implemented in the municipality?

.....

2.3 How does the SDF guide the development of resort developments?

.....

.....

.....

.....

Which of the following are provided?

| | | |
|-------------------------------------|--------------------|--|
| Spatial guidelines | | |
| Planning and design guidelines | | |
| Environmental management guidelines | | |
| Services development guidelines | | |
| Impact mitigation guidelines | | |
| General guidelines regarding: | Nodality | |
| | Urban edge | |
| | Urban sprawl | |
| | Linear development | |

| | |
|------|--|
| None | |
|------|--|

2.4 Do the SDF provide guidelines for the implementation of stipulations of Local Agenda 21 through resort development?

.....

2.5 Do the SDF provide guidelines for the implementation of stipulations of the National Agenda through resort development?

.....

2.6 How do they do this?

.....

.....

.....

2.7 Do the SDF provide guidelines for the encouragement/enforcement of establishment of public/private/ community partnerships?

.....

2.8 How do they do this?

.....

.....

.....

2.9 How does the municipality monitor and audit the performance of the development?

.....

.....

2.10 How does the municipality monitor and audit a development's compliance with commitments and conditions of approval?

.....

.....

2.11 To what extent does the municipality monitor and audit the performance of the development and is compliance with commitments and conditions of approval?

.....

.....

.....

.....

3 PLANNING POLICY

- 3.1 What is the policy of the municipality regarding the establishment of public/private/community partnerships?

.....

.....

.....

- 3.2 What is the policy of the municipality regarding the establishment of community-based treasury trusts?

.....

.....

.....

- 3.3 What is the policy of the municipality regarding the contribution of resort development to local economic development and environmental rehabilitation?

.....

.....

.....

4 FUNDING MECHANISMS

- 4.1 Is there a development agency in the Eden District Municipality?

.....

- 4.2 If yes, how does it support local economic development and environmental rehabilitation?

.....

.....

.....

.....

- 4.2 To what extent does it support local economic development and environmental rehabilitation?

.....

.....

.....

.....

APPENDIX A3

QUESTIONNAIRE TO THE GEORGE MUNICIPALITY

Purpose of the questionnaire is to collect information needed to assess and evaluate the sustainable development performance of the resort developments according to set criteria.

1 GENERAL

1.1 Position in the municipality

.....

1.2 Involvement with the development

.....

.....

2 PLANNING ASPECTS

2.1 Has a Spatial Development Framework (SDF) been prepared in the municipality?

.....

2.2 Has a Spatial Development Framework (SDF) been implemented in the municipality?

.....

2.3 How does the SDF guide the development of resort development?

.....

.....

Which of the following are provided?

| | | |
|-------------------------------------|--------------------|--|
| Spatial guidelines | | |
| Planning and design guidelines | | |
| Environmental management guidelines | | |
| Services development guidelines | | |
| Impact mitigation guidelines | | |
| General guidelines regarding: | Nodality | |
| | Urban edge | |
| | Urban sprawl | |
| | Linear development | |

| | |
|------|--|
| None | |
|------|--|

2.4 Does the SDF provide guidelines for the implementation of the stipulations of the Local Agenda 21 through resort developments?

.....

2.5 Does the SDF provide guidelines for the implementation of the stipulations of the National Agenda through resort developments?

.....

2.6 How do they do this?

.....

.....

.....

2.7 Does the SDF provide guidelines for the establishment of public/private/ community partnerships?

.....

2.8 How does the municipality monitor and audit the performance of the development?

.....

.....

2.9 How does the municipality monitor and audit the development's compliance with commitments and conditions of approval?

.....

.....

2.10 To what extent does the municipality monitor and audit the performance of the development and its compliance with commitments and conditions of approval?

.....

.....

3 PLANNING POLICY

3.1 What is the policy of the municipality regarding the establishment of public/private/ community partnerships?

.....

.....

.....

3.2 What is the policy of the municipality regarding the establishment of community-based treasury trusts?

.....

.....

.....

3.3 What is the policy of the municipality regarding the contribution of resort developments to local economic development and environmental rehabilitation?

.....

.....

.....

4 SOCIAL SERVICES

4.1 To what extent can the municipality provide the following essential services to the development?

.....

| Service | Yes/No | Extent (%) |
|----------------------|--------|------------|
| Water | | |
| Sewage disposal | | |
| Solid waste disposal | | |
| Emergency | | |

5 KEY ASPECTS OF SERVICES INFRASTRUCTURE

5.1 SOLID WASTE

5.1.1 Dump site that will service the development

.....

5.1.2 Expected lifespan of the site

.....

5.2 SEWAGE

5.2.1 Sewage works that will service the development

.....

5.3 WATER

5.3.1 Water works that will service the development

.....

5.3.2 Calculated capacity of the resources

.....

5.4 GENERAL

5.4.1 How does the municipality support a housing program in the study area?

.....
.....

5.4.2 To what extent does the municipality support a housing program in the study area?

.....
.....

5.4.3 How does the municipality offer health care services in the study area?

.....
.....

5.4.4 To what extent does the municipality offer health care services in the study area?

.....
.....

5.4.3 How does the municipality support educational programme in the study area

.....
.....

5.4.3 To what extent does the municipality support educational programme in the study
area

.....
.....

5.4.4 Does the municipality provide potable water in the study area?

.....
.....

5.4.5 Does the municipality provide a sewage network in the study area?

.....
.....

5.4.6 Does the municipality offer solid waste removal services in the study area?

.....
.....

5.4.7 Frequency of solid waste removal in the study area?

.....
.....

5.4.8 To what extent does the municipality support a public transport system and facilities
in the study area?

.....
.....

6 FUNDING MECHANISMS

6.1 Is there a development agency in the George Municipality?

.....
6.2 If yes, how and to what extent does it support local economic development and
environmental rehabilitation?

.....
.....
.....
.....

APPENDIX A4

QUESTIONNAIRE TO THE ESTATE DEVELOPMENTS

Purpose of the questionnaire is to collect the information needed to assess and evaluate the sustainable development performance of the estate according to set criteria.

1 GENERAL

1.1 Name of the development

.....

1.2 Years in operation (since beginning of construction phase)

.....

1.3 Extent of property (ha)

.....

1.4 Scale of the development

| | |
|-------------------------------|--|
| Total units planned | |
| Units sold | |
| Units unsold | |
| Number of permanent residents | |

| | | Number | Total extent (m ² /ha/km) |
|-----------------------|------|--------|--------------------------------------|
| Restaurants | | | |
| Hotels | | | |
| Club houses | | | |
| Residential units | | | |
| Golf courses | | | |
| Roads | | | |
| Shops/ retail outlets | | | |
| Health spa | | | |
| Sports Academy | Type | | |
| | | | |
| | | | |

| | | | |
|-------------------------------|------|--|----------------|
| Walking/ hiking/ horse trails | | | |
| Sports facilities | Type | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Swimming pools | | | m ³ |
| Open space | | | |
| Formal conservation areas | | | |
| Other (specify) | | | |
| | | | |
| | | | |

2 PLANNING ISSUES

2.1 How does the development comply with national obligations and protocols e.g. Local Agenda 21 and the National Agenda?

.....

.....

.....

.....

.....

2.2 To what extent does the development comply with national obligations and protocols e.g. Local Agenda 21 and the National Agenda?

.....

.....

.....

.....

.....

2.3 How does the development give effect to provincial and regional development policy and guidelines put forward in the Provincial Spatial Development Framework?

.....

.....

.....

.....

2.4 How does the development give effect to provincial and regional development policy and guidelines put forward in the Coastal Zone Policy for the Western Cape?

.....

.....

.....

2.5 How does the development give effect to provincial and regional development policy and guidelines put forward in the Bioregional Planning Manual for the Western Cape?

.....

.....

.....

2.6 How does the development give effect to local development policy and guidelines put forward in *inter alia* the local Spatial Development Framework?

.....

.....

.....

2.7 To what extent does the development give effect to local development policy and guidelines put forward in *inter alia* the local Spatial Development Framework?

.....

.....

.....

2.8 How does the development give effect to site-specific planning, design and management criteria, e.g. does it reflect the regional sense of place, sense of history, sense of nature, sense of craft, and sense of limits?

.....

2.9 To what extent does the development give effect to site-specific planning, design and management criteria, e.g. does it reflect the regional sense of place, sense of history, sense of nature, sense of craft, and sense of limits?

.....

.....

.....

.....

2.10 Has a comprehensive Development Framework for the district been prepared that guides the development in context of existing legislation and policy and documents?

.....

2.11 Compiled by whom?

.....

2.12 What are the developer's commitments in this regard?

.....

.....

.....

2.13 How does the development represent an antithesis for the problems of urban sprawl and linear development that characterize large portions of the province?

.....

.....

.....

.....

2.14 To what extent does the development represent an antithesis for the problems of urban sprawl and linear development that characterize large portions of the province?

.....

.....

.....

.....

2.15 How does the development protect the tangible heritage represented both within and outside the development?

.....

.....

.....

.....

2.16 How does the development protect the intangible heritage represented both within and outside the development?

.....

.....

.....

2.17 How was the local community involved in the planning and design of the development?

.....

.....

.....

2.18 To what extent was their knowledge incorporated into the planning and design of the development?

.....

.....

.....

2.19 What are the comparative economic advantages of the region?

.....

.....

2.20 What role did the comparative economic advantages of the region where the development is located play in the planning and design of the development?

.....

.....

.....

.....

2.21 What was the site used for prior to the development?

| | | | |
|-------------|-------------------|--------------|-----------------|
| Agriculture | Public open space | Conservation | Other (specify) |
|-------------|-------------------|--------------|-----------------|

2.22 What is the extent of the agricultural land that was lost due to the development?

.....

2.23 What was the cumulative impact of the loss of agricultural land?

.....

.....

.....

.....

3 SERVICES AND INFRASTRUCTURE

3.1 WATER

3.1.1 Peak water demand/use of the development (m³)

.....

3.1.2 Mean annual water demand/use of the development

| Purpose | Volume (m ³) |
|--------------------|--------------------------|
| Domestic use | |
| Outdoor Irrigation | |
| Other | |

3.1.3 Current water sources of the development

.....

3.1.4 How much from where?

.....

.....

.....

3.1.5 Is water recycled?

.....

3.1.6 How is such recycling undertaken?

.....

.....

3.1.7 What is the development's annual expenditure (R) on water recycling?

.....

3.1.8 Where and with what technology do the development recycle its water?

.....

.....

.....

3.1.9 How does the estate manage/monitor its water quality (intake and outlet)?

.....

.....
.....
3.1.10 How frequently does the estate manage/monitor its water quality (intake and outlet)?.....
.....

3.1.11 Within which catchment is the development located?
.....

3.1.12 What is the development doing to enhance the catchment and its functions?
.....
.....
.....

3.1.13 Water conservation measures implemented on the golf courses
.....
.....
.....

3.1.14 Water conservation measures implemented in the built environment
.....
.....
.....

3.1.15 Volume of water saved by the various measures
.....
.....

3.2 SEWAGE MANAGEMENT

3.2.1 Volume of sewage annually generated in the development
.....

3.2.2 Is sewage recycled?
.....

3.2.3 How is such recycling undertaken?
.....

3.2.4 What is the development's annual expenditure (R) on water recycling?
.....

3.2.5 Is the development linked to the municipal sewage network?
.....

3.2.6 Distance to the municipal sewage works
.....

3.3 WASTE MANAGEMENT

3.3.1 Volume/Mass (tons) of solid waste generated in the development

.....

3.3.2 Location of recycling plant

| | |
|---------|----------|
| On site | Off site |
|---------|----------|

If onsite – describe it's a) nature, b) location and c) management

a).....

.....

b).....

.....

c).....

.....

3.3.3 Where is the solid waste disposed of?

| | |
|---------------------|-----------|
| Development/On site | Municipal |
|---------------------|-----------|

3.3.4 What is the expected lifespan of the landfill(s) currently used?

.....

3.3.5 Method of transportation of solid waste and frequency

.....

3.3.6 What is the development's annual expenditure (R) on the transportation of solid waste?

.....

3.4 ELECTRICITY/ENERGY

3.4.1 Mean consumption per month (Kw)

.....

3.4.2 Are alternative energy sources utilized?

.....

.....

3.4.3 Cumulative impact of utilizing alternative sources

.....

3.4.4 Total annual saving through use of alternative sources

.....

4 HUMAN RESOURCES

4.1 Were any farm workers/communities previously located on the premises where the development is located today?

| | |
|---------------------|--|
| Total | |
| Male | |
| Female | |
| 16 Years and older | |
| 15 Year and younger | |

4.2 Were people displaced by the development?

4.3 How were they compensated?

4.4 Where were they relocated?

4.5 Measures taken by the developer to ensure security of tenure for the displaced people?

4.6 How did they accept the development and the translocation arrangements?

4.7 What is the developer's ongoing commitment to them?

4.8 Employment opportunities created by the development

| | |
|-------|---------------------------|
| Total | Number of local community |
|-------|---------------------------|

| | | members employed |
|--------------------|--|------------------|
| Construction phase | | |
| Operational phase | | |
| Temporary | | |

4.9 Type of employment created

| | Construction phase | Currently permanent | Temporary |
|--------------|--------------------|---------------------|-----------|
| Professional | | | |
| Managerial | | | |
| Technical | | | |
| Labourer | | | |
| Casual | | | |
| Other | | | |

4.10 Training programs

| Types of training programs presented by the estate | | | |
|--|---|---|-----------------------------------|
| a) | | | |
| b) | | | |
| c) | | | |
| d) | | | |
| e) | | | |
| f) | | | |
| Program | Number of persons that completed the training | Number of persons employed after training | Number of local community members |
| a) | | | |
| b) | | | |
| c) | | | |
| d) | | | |
| e) | | | |
| f) | | | |

4.11 Average annual budget for training programs

4.12 How and to what extent does the development support BEE (black economic empowerment)?

4.13 How and to what extent does the development support other community-based programs?

| Program (how) | Contribution (extent) |
|---------------|-----------------------|
| | |
| | |
| | |
| | |
| | |
| | |

4.14 Does the development support any community trusts?

4.15 Extent of the developer's support

4.16 Please describe the following key aspects of the trust supported by the estate

| Aspect | Description |
|----------------------------|-------------|
| Leadership | |
| Organisational structure | |
| Community representation | |
| Funding | |
| Functions | |
| Beneficiaries | |
| Support programs | |
| Auditing and due diligence | |
| Permanency | |
| Procedures for funding | |

4.17 How does the development support entrepreneurship development?

.....

.....

.....

4.18 To what extent does the development support entrepreneurship development?

.....

.....

.....

4.19 How does the development support SMME (Small, medium and macro enterprises) development?

.....

.....

.....

4.20 To what extent does the development support SMME (Small, medium and macro enterprises) development?

.....

.....

.....

4.21 How does the development support land reform both inside and outside the estate?

.....

.....

.....

4.22 To what extent does the development support land reform both inside and outside the estate?

.....

.....

.....

4.23 How does the development support the empowerment of women and disabled?

.....

4.24 To what extent does the development support the empowerment of women and disabled?

.....

4.25 How and to what extent does the development support regional health programs?

.....

4.26 How and to what extent does the development support regional educational programs?

.....

4.27 Average annual expenditure on social responsibility programs?

.....

4.28 Total expenditure since start-up on social responsibility programs?

.....

4.29 Does the development support any low income housing programs?

.....

| Type of support | Extent of support |
|-----------------|-------------------|
| | |
| | |
| | |
| | |

4.30 Was the development responsible for any other concrete advantage/advancement of the local community?

.....

| Type of support | Extent of support |
|-----------------|-------------------|
| | |
| | |
| | |

4.31 How does the estate promote the establishment of public/private/community partnerships?

.....

.....

.....

5 ENVIRONMENTAL MANAGEMENT

5.1 Does the development have an officially approved Environmental Management System (EMS)?

.....

5.2 Compiled by whom?

.....

5.3 Does the EMS comply with international standards for environmental care (e.g. ISO 14001)?

5.4 Is the development accredited to an international standards organisation (e.g. ISO 14001)?

5.5 Is the development accredited to a regional or local conservation organisation or programs?

5.6 Has an ECO (environmental control officer) been appointed to oversee the implementation of the EMS?

5.7 Who has been appointed and what is his/her qualification?

5.8 How has the local communities been involved in the preparation and on-going implementation of the EMS?

5.9 To what extent have the local communities been involved in the preparation and on-going implementation of the EMS?

5.10 How are the local communities involved in the monitoring and auditing of performance?

5.11 To what extent are the local communities involved in the monitoring and auditing of performance?

5.12 % of the property under rehabilitation?

5.13 % of the property designated for permanent biodiversity conservation?

5.14 Contribution to environmental research

5.15 Contribution to environmental education

.....

.....

5.16 Does the development support any environmental programs outside its boundaries?

.....

| Type of support | Extent of support |
|-----------------|-------------------|
| | |
| | |
| | |
| | |

5.17 Conservation status of the site

.....

5.18 Endangered species occurring

.....

.....

.....

5.19 Endemic species occurring

.....

.....

.....

5.20 Are there any cultural heritage sites on the property?

.....

5.21 How are they managed?

.....

.....

.....

5.22 What management plan (drafted by whom)?

.....

5.23 Certified by SAHRA

.....

6 ECONOMIC EFFICIENCY

6.1 Capital investment – Construction phase

.....

6.2 Capital investment – Operational phase

.....

6.3 New business sales – Construction phase

.....

6.4 New business sales – Operational phase

.....

6.5 Contribution to GGP - Construction phase

.....

6.6 Contribution to GGP – Operational phase

.....

6.7 Annual Municipal tax and levies

.....

6.8 Extent of agricultural land lost due to development

.....

6.9 Cumulative impact of the conversion of agricultural land

.....

.....

6.10 Number of tourists per annum

.....

6.11 Income generated from tourism

.....

6.12 Special events hosted

.....

.....

6.13 Cumulative impact of special events

.....

.....

6.14 Describe on-site recreational opportunities

.....

.....

.....

6.15 Describe contribution to regional Recreation Opportunity Spectrum (ROS)

.....

.....

.....

6.16 How does the estate promote the comparative economic advantages of the region?

.....

.....

.....

6.17 Extent to which local products and materials have been used in the construction phase and the operational phase

.....

.....

.....

APPENDIX B1

THE GOLF COURSE CONTROVERSY - WHAT DO YOU THINK?



For some time now there has been considerable controversy regarding the impacts which golf courses (and polo fields to a lesser extent) have on the environment. Criticism has been levelled mainly at new golf estates in the western and southern Cape and on the Garden Route, where these developments seem to have proliferated.

This has elicited a detailed review of the situation by Minister Tasneem Essop, Department of Environmental Affairs and Development Planning in the Western Cape. Her call for tenders to investigate the sustainability of golf courses, their water usage, their contribution to job creation and their socio-economic impacts has been backed by national government, which has in turn announced that the Department of Environmental Affairs and Tourism will fund a strategic assessment of the Garden Route to identify ecologically sensitive areas in order to protect them from future developments.

Her review and investigation will lead to the formulation of policy guidelines and parameters for any future golf course construction, "helping investors, developers, consultants and the authorities to follow a sustainable course in future." The policy will be ready at the end of March 2005 after the findings of the investigation have been debated.

There are two sides to this intricate issue: on the one hand, the argument goes that there is no concrete proof that golf courses create jobs, are environmentally sensitive and sustainable and have value for tourism. The 'anti' campaign also emphasises the excessive use of water to irrigate golf courses and the fact that fertilisers and pesticides contaminate the environment. On the other hand, golf course architects, constructors and developers claim that golf estates certainly do benefit the environment "not only by improving degraded, unsustainable agricultural lands, but by funding enormous conservancies such as the Eden example spearheaded by Oubaai Estate, a former kikuyu pasture," according to golf course designer Sean Quinn of Golf Data (*).

Quinn goes on to say that:

- The Eden Conservancy eradicated all alien trees and surrounding natural areas are linked to each other and kept alien free;
- Scientific findings from the US Golf Association show that well-maintained turfgrass is second only to pristine forest as a bio-filter;
- Irrigation systems today have computers linked to weather stations which manage water usage to the last drop and re-circulation systems allow the re-use of rain and excess run-off water; as well as preventing environmental contamination by fertilisers and pesticides;
- By the time all the houses are built on a 500-home golf estate, more than a billion rand would have been contributed to the local economy, whereas the average non-golfing estate would require more than 1000 homes to have the same benefit;
- South Africa's environmental laws are among the strictest in the world – it is not permissible to construct a golf course on pristine unspoilt land.

Landscape SA will publish the outcome of this investigation when it becomes available, but in the meantime the jury is still out, so write and tell us what you think and we will forward the green industry's views to Minister Essop.

It goes without saying that we all want to protect the environment – it's what this industry is about, but at the same time we don't want to stifle development – it's what economic progress is about. What we need in the midst of this furore is a sense of fair-mindedness, accurate facts and above all, a balanced approach.

(*) Extracted from Quinn's article entitled "Golf Estates are Unfairly Knocked" which appeared in *Golf Digest* magazine, October 2004. John Yeld, environment writer for the *Cape Argus*, is also acknowledged for information extracted from his article "Impact of Golf Estates Under Scrutiny", which appeared in the *Weekend Argus*, August 14, 2004.

Karyn Richards
Editor

(Richards 2005:1)

APPENDIX B2

TOM HOOD ON PROPERTY

ANYONE FOR GOLF ?

Residential golf estates continue to spring up all over the country but I gather that about two thirds of the residents at many of them don't even own a golf club, let alone swing one. It's the peace and quiet and opportunity for a safe morning or evening stroll, as well as the quality of the houses, you don't usually get much for under R3 million that attract them

Even Scotland, the home of golf, has residential golf estates springing up all over. Considering that every seaside village there seems to have at least one golf course, you would think no more are needed. Places like Edinburgh have about 30 courses in and around the city. Yet as in South Africa, Scottish developers are building championship courses and selling posh houses to finance the projects. The prices charged are getting prohibitive and fears are growing that the number of courses could exceed the number of players needed, but like here, it's the ambience that draws house buyers to golf estates, especially the non golfers.

I wonder what the old kings of Scotland would have thought of golf estates. About 500 years ago one actually banned the sport because his soldiers were neglecting their archery practice to swing at the wee white ball

The Western Cape government is worried about the number of courses, their sustainability, the benefits to the community at large, and their effect on the environment, as well as the huge amounts of water needed to sustain them. In some places they cut off

people's access to the sea and they've been blamed for using up to a million and a half litres of water a day - more if there are houses on the estate. Someone worked out that the area has 40 golf courses and another 13 are on the cards.

The Western Cape Minister of Environmental Affairs is currently considering pleas to place a moratorium on golf course development along the Garden Route, where water shortages for household use are becoming a critical issue. Noises coming from Cape Town indicate that he would find supporters among Western Cape politicians and environmentalists who would applaud a ban on new golf courses and golf estates especially along the southern Cape coast.

One of the most recent golf projects to go ahead was at Hermanus, where the municipality put 333 plots next to the golf course on the market in December. So many people wanted to buy them that a lottery was organised and about 1 550 bidders from all over the country flocked to the seaside resort. All the plots were snapped up at prices from R550 000 to R1 5 million - raising over R260 million such is the interest in living beside a golf course, especially one

that's got security. The municipality will benefit not only from the sale of the raw land, but also from the ongoing effects of the development, which it estimates, will bring R1 billion in investments to Hermanus, as well as provide hundreds of jobs. It will also extend the golf course by nine holes to create one of the few 27 hole courses in South Africa. Not all developments are as kosher as Hermanus's. Sometimes they have no approval, no course, no clubhouse, and no fixed time frame for the development.

Shock waves went round the golf estate business in December when developers with an impeccable reputation were ordered by the Western Cape Government to halt work on Lagoon Bay golf estate at Glentana near George. They were also ordered to rehabilitate indigenous forest and fynbos damaged when they decided to upgrade existing roads on the estate without getting required departmental approval thus breaking the law.

This golf estate involves an investment of R10 billion

and is to have two championship golf courses 820 residential stands priced from R900 000 to R15 million. It will also have a five star hotel boutique retail outlets a golf academy an art and craft village and other community-based business facilities. Over 10 000 jobs were promised.

It's supported by international golfer Relief Goosen and certain struggle veterans who are now political heavyweights including to the former Ambassador Washington Franklin Sonn who chairs the Lagoon Bay Lifestyle Estate Company.

Two judges and Alan Boesak played roles in convincing communities around George to support the development. But in spite of its powerful ANC backing, the Western Cape's ANC government did not hesitate to stymie the project and order the company to appoint an environment control officer to oversee the rehabilitation.

Among other new estate developments I see going ahead is York Manor at George a few minutes away from Fancourt Golf Estate. Also near Fancourt is the new Mont Fleur Lifestyle Estate where a stand will set you back R627 000.

In KwaZulu Natal Selbome Golf Estate the country's first golf estate is to build 38 apartments with prices starting at R1 2 million.

Up near the Kruger National Park bush lodges are on the market at the Hans Merensky Golf Estate with thatched lodges going for R990 000. Apart from special golf club rates residents get a year's free access to the Kruger Park.

If you wish to avoid golf there is always the Cape's first residential game reserve at Gondwana near Mossel Bay. Eighty houses will be built with plots priced from R820 000. Animals include the Big Five.

(Hood 2005:104)

APPENDIX C1

Gholfprojek werk vir ryk én arm

HENNIE DUVENHAGE

'n Nuwe ontwikkelingsmodel, bekend as die Hoogekraal Volhoubare Ontwikkelingsinisiatief, wat as eerste projek die Lagoonbay-gholflandgoed op die historiese plaas Hoogekraal buite George het, kan die standaard wees waaraan alle toekomstige groot ontwikkelings gemeet gaan word.

Met die model word 'n omvattende balans gevind tussen die behoeftes van beleggers, die plaaslike gemeenskap en die omgewing.

Die ontwikkeling van nog 'n gholflandgoed kom te midde van groot kommer dat dié soort projekte enersyds geweldige druk op die land se skaars waterhulpbronne plaas en andersyds luukse elite-ontwikkelings vestig te midde van toenemende armoede van die plaaslike bevolking.

Dr. Franklin Sonn, voorsitter van die Lagoonbay-projek, sê hy glo die konsep waarvolgens die projek ontwikkel is, sal aan die regering en gemeenskapsleiers se behoefte aan volhoubare vooruitgang voldoen.

Die gemeenskap van George is deur middel van die Community Leader's Consultative Forum by die projek betrek en is in die ontwikkeling geken voor dat daar met enige beplanning begin is.

Die finansiële voordeel vir die gemeenskap is dat die ontwikkelaars deur die Hoogekraal Tesourie Trust daartoe verbind is om 2,5% van die opbrengs met die verkoop van die geraamde R1,6 miljard se eiendom aan die trust te skenk.

Kopers van eiendom in die ontwikkeling word ook kontraktueel verbind om by die verkoop van hul eiendom weer 2,5% van die verkoopprijs aan die trust te skenk. Dr. Werner Roux, uitvoerende hoof van die Lagoonbay-projek, sê hul navorsing by soortgelyke projekte dui daarop dat nagenoeg 8% van die eiendom jaarliks van eienaar verwissel.

Daar word beraam die trust sal aanvanklik gevoed word met R40 miljoen en dan nog R8 miljoen tot R10 miljoen per jaar namate aanvanklike eienaars hul eiendom herverkoop.

Die trust word deur die gemeenskap beheer en sal onder meer geld beskikbaar stel vir opvoeding en landbou.

Die huidige inwoners op die grond word ook nie gedwing om elders 'n heenkome te vind as hulle op die grond wil aanbly nie.

Mnr. Dennis Moss, hoof van Dennis Moss Venootskap wat die projek beplan het, sê uitgebreide velde fynbos in die omgewing gaan gerehabiliteer word en daar word gewerk aan 'n projek om gesuiwerde rioolwater van die George-munisipaliteit te bekom vir gebruik vir die baan self.

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(Duvenhage 2004)

APPENDIX C2

Slim plan vir Suid-Kaapse ontwikkeling

Gemeenskap sal ook voordeel trek uit gholfpark by George

JAN TALJAARD

GEORGE. – 'n Unieke ontwikkelingsmodel – wat moontlik as 'n voorbeeld vir gholfpark en soortgelyke ontwikkelings in die Suid-Kaap en die res van die land kan dien – is gister hier bekend gestel.

Die sogenaamde Hoogekraal Volhoubare Ontwikkelingsinisiatief (VOI) word in samewerking met die plaaslike gemeenskap aangepak. Dit sal 'n gholfpark as een van sy kernprojekte bedryf wat ekonomiese stukrag aan die plan verleen. Terselfdertyd sal gemeenskapsprojekte uit die oorhoofse inisiatief tot stand gebring en bedryf word.

Daar word voorsien dat die gholfpark, Lagoon Bay Lifestyle Estate, die grootste residensiële gholfontwikkeling in sy soort sal wees. Dit sal op die plaas Hoogekraal tussen George en Mosselbaai gebou word en sal 'n gebied van bykans 1 000 ha beslaan.

Die gholfbaan word deur Retief Goosen ontwerp. Die gebied sal eendelik uit sowat 50% inheemse en gerehabiliteerde plantegroei bestaan.

Mnr. Thys Roux van die ontwikkelaars het gister op 'n nuuskonferensie gesê dat 'n trust met onafhanklike trustees as deel van die inisiatief in die lewe geroep word. Altesame 2,5% van die verkoopprijs van nuwe eenhede word in die fonds

gestort, wat die inkomstebron vir gemeenskapsprojekte sal wees.

Om die volhoubaarheid van die projekte en die fonds te verseker, sal heryverkope ook aan dieselfde bepaling onderhewig wees. Dit beteken dat die fonds binne die eerste jaar tot sowat R40 miljoen sal groei en daarna jaarliks met sowat R8 miljoen aangevul kan word.

'n Tweede uitvloeisel van die ontwikkeling is dat voormalige plaaswerkers van Hoogekraal in die VOI opgeneem sal word en dat voorsiening ook vir hulle gemaak is om op die plaas, of in 'n gemeenskap naby die ontwikkeling, aan te bly.

Mnr. Andy Kleynhans, woordvoerder van die plaaslike gemeenskap, het aan die nuuskonferensie gesê Hoogekraal is waarskynlik die enigste van die nuwe ontwikkelings in die omgewing wat daadwerklik probeer om die gaping tussen ryk en arm te oorbrug.

Volgens hom beplan hulle om die Hoogekraal-model met die Wes-Kaapse premier, mnr. Ebrahim Rasool, te bespreek en dit as 'n vertrekpunt vir ontwikkelings elders in die provinsie voor te stel.

Kleynhans het gesê dat hulle reeds die gedagte geopper het om 'n ontwikkelingstrust vir die hele Suid-Kaapse streek te stig. Hy glo so 'n trust sal duidelike riglyne vir toekomstige ontwikkelings kan stel.

(Taljaard 2004)

APPENDIX C3

Só moet leefstylorde lyk, sê beplanner

CAREL VAN DYK

KAAPSTAD. – Indien 'n nuwe model vir volhoubare ontwikkeling vir onder meer leefstylorde in die bedryf aanvaar word, sal eienaars van eiendom in sulke oorde 'n persentasie van die verkooppryswaarde ten gunste van die plaaslike gemeenskap moet opdok.

Mnr. Dennis Moss, 'n direkteur van Dennis Moss Vennootskap argitek en stadsbeplanners, het vandeeweek die projek-gebaseerde model van stapel gestuur waarin die plaaslike gemeenskap gouer en meer insae in ontwikkelingsprojekte kry as wat tans vereis word.

Moss het by 'n aanbieding in die Mount Nelson Hotel gesê die model gaan vanuit die veronderstelling dat al die betrokkenes in die projek saam besin hoe die waarde wat 'n betrokke stuk grond inhou, volhoubaar ontsluit kan word.

“Dit gaan oor wat die grond kan bied. Die ontwikkelaar gaan niks gee nie, maar die ontsluiting van die grond deur die ontwikkeling gaan geld vir albei partye inbring.”

Verder moet die mees mededingende eienskappe van die streek in ag geneem word asook die vermenigvuldigingseffek wat die ontwikkeling op die plaaslike ekonomie gaan hê.

Volgens Moss behels die nuwe model 'n aanvangsfase waar die gemeenskap van meet af in die projek geken en eers hul goedkeuring en samewerking verkry word voor die omgewingsimpakstudies en hersoneringsaansoeke gedoen word.

'n Trust word ook aan die beginfase gestig wat geldelik sal baat by die kernbedrywighede wat op die stuk grond gaan plaasvind.

Tans is dit praktyk om eers by openbare deelnameproses, wat deel van die omgewingsimpakstudie



Mnr. Dennis Moss, direkteur van die argitek en stadsbeplanners Dennis Moss Vennootskap, by 'n voorstelling van hoe die beoogde Lagoon Bay-gholfoordontwikkeling daar kan uitsien.
Foto: DENVOR DE WEE

vorm, die publiek te betrek.

Die model word tans vir die voorgenome R1,6 miljard Lagoon Lake-gholfontwikkeling, wat buite George gebou gaan word, ingespan.

Die ontwikkelaars het onderneem om 2,5% van die verkoopprys met elke erfoordrag aan die trust te gee. Dié bedrag sal uiteindelik sowat R40 miljoen beloop.

Daarna word eienaars verplig om 2,5% van die verkoopprys aan die trust oor te betaal elke keer as die eiendom verkoop word.

Volgens dr. Werner Roux, wat saam met sy pa, mnr. Thys Roux, die ontwikkelaars van die voorge-

nome gholflandgoed gaan doen, het hul maatskappy by 10 gholflandgoedere gaan kyk hoeveel van die wonings jaarliks van eienaarskap verwissel. Daar is gevind dat die gemiddeld 8% is.

Indien 'n woning by Lagoon Bay vir R4 miljoen verkoop word, word R100 000 aan die trust oorbetal wat beteken die trust kan jaarliks sowat R9 miljoen sê bekom.

Volgens Roux het die maatskappy ook reeds opsies begin verkoop in 'n poging om die nuwe 2,5%-klousule in die mark te toets en is opsies vir 60% van die voornemende eiendomme reeds verkoop.

Volgens Moss gaan hy binnekort die hersoneringsaansoek by die George Munisipaliteit indien.

Die Lagoon Bay-ontwikkeling kom in 'n tyd waarin daar groeiende kommer bestaan oor die aantal gholfoorde wat langs die Suid-Kaapse kus gebou word.

Me. Tasneem Essop, Wes-Kaapse minister van omgewingsake en ontwikkelingsbeplanning, het in Junie vanjaar aangekondig die regering gaan ondersoek na dié ontwikkelings instel. 'n Konsortium het reeds die kwessie van volhoubaarheid van gholfbane en polovelde in die Suid-Kaap begin ondersoek.

(Van Dyk 2004)