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TOURISM
KwAZULU-
NATAL



A DEVELOPER'S GUIDE TO INVESTING IN TOURISM PROJECTS IN KwAZULU-NATAL

7th Edition | J. Seymour, M. Stolk and K. Kohler

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Important Notice

South Africa is a country which is in a state of change. Changes in national and provincial levels are always existent.

While the authors of this guide have endeavoured to include the most recent information, it may nevertheless soon become outdated. Although the publisher intends to update and revise this Developers' Guide on a regular basis, the authors will be hard pressed to keep up with the fast pace of change in the new South Africa.

Disclaimer

Every effort has been made to ensure the accuracy of this publication at the time of production. The KwaZulu-Natal Tourism Authority, the publisher, the authors, the editors and the printers do not accept responsibility for any omission, act, cost, loss, damage nor for the consequence thereof occasioned by reliance of any person or corporate entity upon the contents of this publication.

Executive Summary

The purpose of this *Developer's Guide to Investing in Tourism Projects in KwaZulu-Natal* is to introduce the prospective investor to:

- The economy and geography of the province. The reader is given an introduction to the province which highlights some of the competitive advantages enjoyed by the province.
- The key characteristics of the domestic and international tourism industry in South Africa and KwaZulu-Natal. This includes an introduction to the national and provincial tourism authorities, in addition to looking at accommodation, food and beverage, casinos and gambling, and sports-, cultural- and ecotourism sectors of the market.
- The business environment in South Africa and KwaZulu-Natal. The Developer's Guide addresses taxation issues and labour relations in detail and specifically with regards to KwaZulu-Natal.
- The procedures involved when making land development applications. This section also includes a review of existing, recently introduced and proposed new legislation affecting land development, whether it be in a rural, urban or conservation area.
- Key role players and stakeholders in the province, especially those involved in the tourism industry. The appendices of this guide book include a list of contact names and addresses.

This Developer's Guide does not claim to be a comprehensive step-by-step manual for investors in tourism in the province. Rather it provides an introduction to the many facets of the tourism industry. In these changing times, information can quickly become dated, hence the prudent investor will make use of the contact list provided in this guide, in order to communicate ideas and discuss intentions with consultants, tourism experts and government officials, and to learn of new developments.

Abbreviations

ANC	-	African National Congress
ASGISA	-	Accelerated And Shared Growth Initiative South Africa
BMR	-	Bureau of Market Research
COSATU	-	Congress of South African Trade Unions
DA	-	Democratic Alliance
DFA	-	Development Facilitation Act
DIT	-	Durban Institute of Technology
DNC	-	Directorate of Nature Conservation
DO	-	Designated Officer
DT	-	Development Tribunal
DTLGA	-	Department of Traditional and Local Government Affairs
DTR	-	Development Tribunal Registrar
EIA	-	Environmental Impact Assessment
ESTA	-	Extension of Security of Tenure Act
GATT	-	General Agreement on Tariffs and Trade
GDP	-	Gross Domestic Product
IAP	-	Interested and Affected Parties
IDC	-	Industrial Development Corporation
IEM	-	Integrated Environmental Management
ISCOR	-	Iron and Steel Corporation
KZN	-	KwaZulu-Natal
KZNV	-	KwaZulu-Natal Wildlife
LDA	-	Land Development Applicant
N&D	-	Need and Desirability
NCOP	-	National Council of Provinces
NPB	-	Natal Parks Board
PDA	-	Planning and Development Act
PPDC	-	Provincial Planning and Development Commission
PTO	-	Permission To Occupy
RDP	-	Reconstruction and Development Program
SA	-	South Africa
SADT	-	South African Development Trust
SASOL	-	South African Coal Oil and Gas Corporation
SARB	-	South African Reserve Bank
SARS	-	South Africa Revenue Service
SAT	-	South African Tourism
SBDC	-	Small Business Development Corporation
SMME	-	Small, Medium and Micro-Enterprises
SSA	-	Statistics South Africa
STATSSA	-	Statistics South Africa
TKZN	-	Tourism KwaZulu-Natal
UDM	-	United Democratic Movement
UK	-	United Kingdom
VAT	-	Value-Added Tax
VFR	-	Visiting Friends and Relatives
WSAB	-	Water Services Advisory Board
WTO	-	World Tourism Organization

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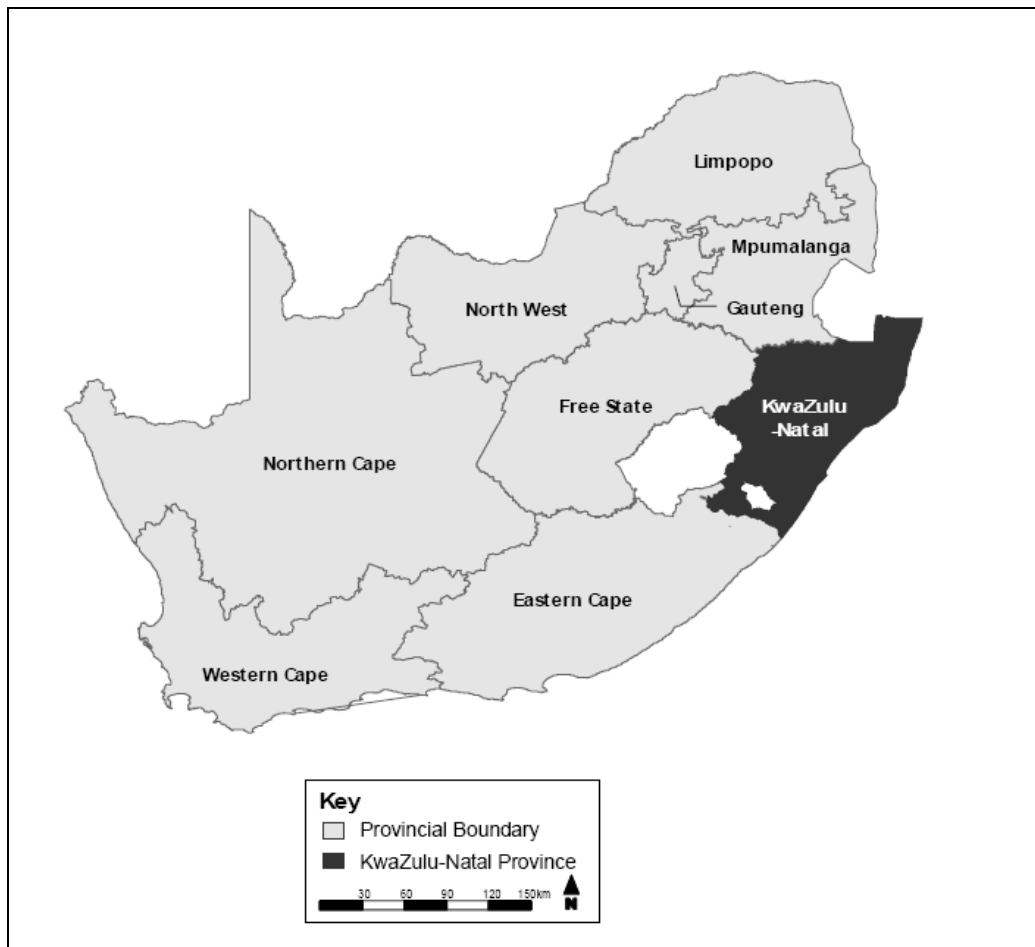
Chapter 1: An Introduction to KwaZulu-Natal

Area	94 361 km ² (7.7% of South Africa)
Coastline	600kms
Climate	Sub-tropical. Summer 17-28 °C, Winter 11-25 °C
Population	9 924 000 (20.6% of South Africa) 2007
Population Density	105 people per square kilometer 2007
Capital	Pietermaritzburg
Languages	Mainly Zulu and English
Holidays	1 January, 21 March, 24 March, 27 April, 28 April, 1 May, 2 May, 16 June, 9 August, 24 September, 16 December, 25 December, 26 December.
Time Zone	GMT +2
Currency	The Rand made up of 100 cents
GDP 2006	R206,8 billion or 16,5 percent of South Africa's GDP
Electricity	220 Volts
Harbors	Durban, Richards Bay
Airport	Durban International Airport, Oribi, Richards Bay, Margate.
Literacy Rate	88.6%
Employment rate	Between 62.5% - 72.1% (using strict and expanded definitions)

1.1 Physical Geography

South Africa lies at the southern tip of the African continent, between 22° and 35° south. Physically it is larger than Germany, France, Italy, Belgium and Holland combined. The country is dominated by a plateau of over 1 200 meters and a narrow coastal belt washed by the cold Benguela current on the west and the warm Mozambique current on the east. The country covers an area of 1.2 million square kilometers, and has a coastline of over 2 900 kilometres, from the Indian Ocean on its eastern shores to the Atlantic on the west. Within its borders, the large variety of climatic zones allows a wide diversity of plant and animal kingdoms to flourish.

The province of KwaZulu-Natal, on the eastern side of the country, is bordered by the warm Indian Ocean to the east and the escarpment of the Drakensberg, separating it from the mountain kingdom of Lesotho, to the west. It covers almost 8% of the country's geographic area. The relatively low lying coastal strip rises to rolling hills in the Midlands before reaching the high altitudes of the mountains and escarpment. The province boasts two of the country's major natural harbours at Durban and Richards Bay. It also boasts two World Heritage Sites – iSimangaliso Wetland Park, formerly The Greater St Lucia Wetland Park, and the uKhahlamba Drakensberg Park.



1.1.1 Climate, Temperature and Rainfall

The wide expanse of surrounding ocean generally provides South Africa with a temperate climate, although weather patterns vary widely. The Cape has a Mediterranean climate with hot, sunny summers and cold, rainy winters, while for most of the rest of the country summer rains are the norm. Rainfall decreases westwards with about 1 000mm annually in KwaZulu-Natal, to less than 250mm in the west. South Africa is a dry country with an average annual rainfall of under 500mm. Summers are generally warm to hot with temperatures averaging 23° , while winters rarely experience temperatures below 10° . Only the high escarpment is regularly subject to snowfalls, and frost is a phenomenon which occurs only in the interior of the country. The interior has fewer than 80 days of rain a year with an average of 8,5 daily hours of sunshine.

KwaZulu-Natal has a warm, sub-tropical, maritime climate, with temperatures moderated by the expanse of the Indian Ocean. Summers are hot and humid, averaging 28° and experience the majority of the annual rainfall, while winters, with average temperatures of 23° , are warm, dry and clear with occasional frost in the interior. Winter sunshine averages almost 7 hours a day, some of the highest in the country. The province boasts an all-year tourism friendly climate. Sea temperatures are also relatively stable, averaging 21°C around the year providing possibilities for a diversity of aquatic activities in any season, including diving, fishing, swimming, boating and surfing.

1.1.2 Rivers and Lakes

Although there are many rivers and lakes in the country, none of them are navigable due to the paucity of rainfall and lack of perennial snows. There are many man-made dams with resort

facilities and in the north the natural lakes and estuaries of Maputaland and iSimangaliso Wetland Park, formerly the St Lucia Wetland Park, constitute a World Heritage Site.

1.1.3 Vegetation

Due to the varied climate of the country, South Africa's vegetation is one of the most diverse in the world, ranging from sub-tropical forest to desert scrub. South Africa is also the only country to contain an entire floral kingdom, the Cape *fynbos*, within its borders.

KwaZulu-Natal's vegetation varies from tropical and subtropical types at the coast, through rolling grasslands, to tundra types in the high Drakensberg. As the best-watered province, vegetation tends to be lush along the coastal strip. Enormous coastal forests are found on some of the highest sand dunes in the world along the coast north of Richards Bay.

1.1.4 Resources

South Africa is the world's largest producer of gold, platinum, chromium, vanadium, manganese and aluminosilicates. Kimberley's Big Hole, where diamonds were mined, is the largest hand-dug excavation on earth. The Western Deep Levels gold mine is the world's deepest, at 3 777 meters.

KwaZulu-Natal has an abundance of coal in the north of the province as well as a variety of other minerals, and the combination of its soils and climate make it ideal farming country. Sugar production within the province is a significant industry.

1.2 Demographics

1.2.1 Lifestyle

The province of KwaZulu-Natal offers a relaxed lifestyle, with access to virtually every major type of sporting, recreational and cultural facility. Sophisticated urban facilities, including music, art and theatre, are found close to the natural attractions of Africa, including game reserves, mountain scenery and endless beaches. As a whole, the province provides every possible resource for the tourist and is, indeed, geared for this industry.

1.2.2 Demographics

The census 2001 figures indicated that the population is estimated at 46,6 million (mid-2004), the census 2007 figures placed the population at 47.9 million (mid-2007). The rate of growth for the South African population has been decreasing steadily between 2001 and 2007:

Table 1: Estimated annual population growth rates, 2001-2007

	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Male	1.27	1.24	1.21	1.20	1.09	1.00
Female	1.23	1.20	1.16	1.14	1.02	0.93
Total	1.25	1.22	1.19	1.17	1.06	0.97

(South African Yearbook 2007/8)

Women outnumber men, particularly in rural areas. Statistics South Africa (STATSA) reports that approximately 24.3 million (51%) of the population is female. It is estimated that one quarter of the people live in the KwaZulu-Natal area, i.e. approximately 10 million.

Table 2: Mid-year estimates for South African population group and sex, 2007

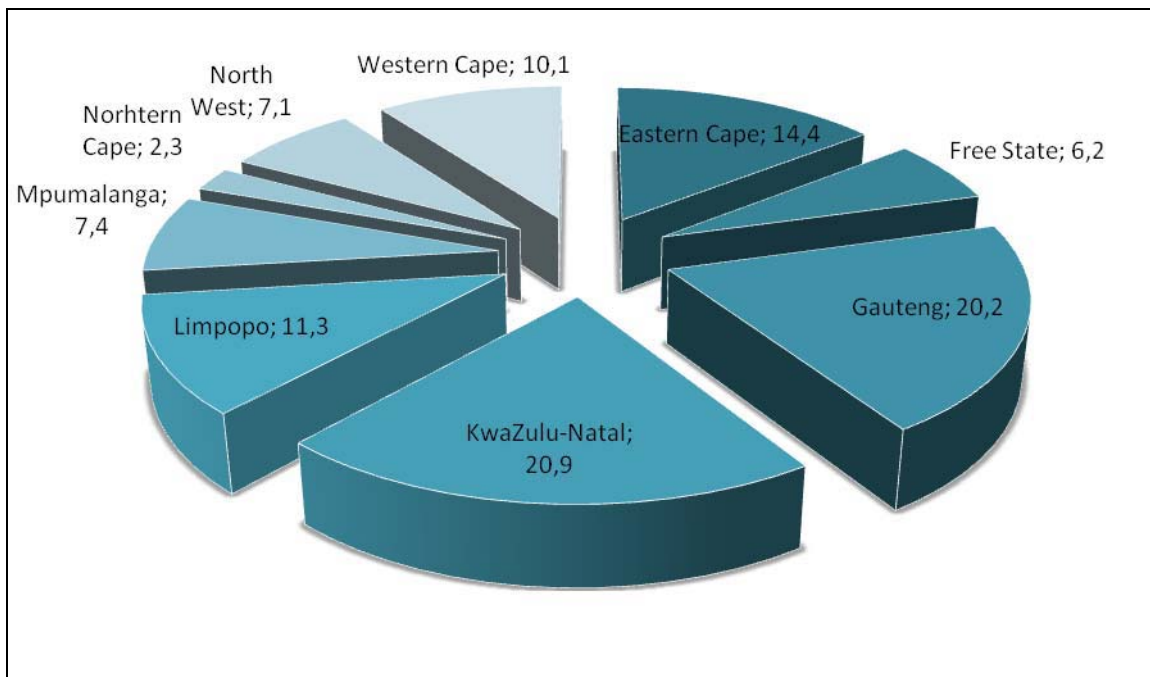
Population Group	Male		Female		Total	
	Number	% of total population	Number	% out of total population	Number	% out of total population
African	18 775 600	79.7	19 304 300	79.5	38 079 900	79.6
Coloured	2 081 500	8.8	2 163 500	8.9	4 245 000	8.9
Indian/Asian	574 900	2.4	598 800	2.5	1 173 700	2.5
White	2 130 600	9.1	2 221 500	9.1	4 352 100	9.1
Total	23 562 600	100.0	24 288 100	100.0	47 850 700	100.0

(STATSA 2007)

KwaZulu-Natal has the largest population of South Africa's nine provinces at 10 million (South African Yearbook 2007/8), which is about 21%. KwaZulu-Natal's growth rate is 0.97% per year according to South African Yearbook 2007/8.

Of this total, approximately 2,1 million people (September 2004) in KwaZulu-Natal fall into the economically active category consisting of those aged between 15 and 65 years. Approximately 3,3 million aged 15 – 65 years were not economically active in September 2006 (STATSA). Within South Africa, the economically active population was estimated at 17.2 million in 2006 (STATSA September 2006).

Figure 1: Percentage distribution of the estimated provincial share of the total population, 2007



(South African Yearbook 2007/8)

Several general demographic trends have been identified for the country as a whole - continuing urbanisation, rapid population growth, and a youthful population. However, there has also been a notable decrease in the work force as a result of the devastating effects of HIV/AIDS and

high fertility rates. The largest proportion of HIV/AIDS deaths are being found to occur in KZN. The HIV prevalence rate among pregnant women in this province was 33.5% in 2004.

For 2007, life expectancy at birth is estimated at 48.4 years for males and 51.6 years for females. This number assumes a mother-to-child transmission rate (the proportion of babies born to HIV-positive mothers who will also become HIV-positive) of 32% if no HIV treatment program is followed and 11% if such treatment is in place. The median time lapse from becoming HIV-positive until death due to AIDS is estimated to be 10 years for both males and females and a female-to-male HIV prevalence ratio of 1:2 was assumed for 2007. The estimated adult HIV-prevalence rates (the proportion of adults who are infected with HIV) are shown below:

Table 3: Estimated adult HIV-prevalence rates, percentages, 2007

Women 15-49	Women 20-64	Men 20-64	Adults 20-64	Adults 15-49	Total population
20.4	18.1	17.7	17.9	18.8	11.1

(South African Yearbook, 2007/8)

The total HIV prevalence rate was estimated at 11% in 2007 and the HIV-positive population at 5.3 million.

1.2.3 Political and Economic Profile, Socio-Economic Infrastructure

Almost a decade ago South Africa undertook a transition from minority to majority rule, with a fully democratic election taking place in April 1994 for the first time. Nelson Mandela, of the African National Congress, was elected President, and his party obtained a large majority (62,6%) of the votes. In the second democratic elections of the country in June 1999, the ANC again obtained a large majority and Thabo Mbeki was elected President. In 2003, the ANC again gained the majority and Thabo Mbeki took up a second term of office as President.

South Africa has multiparty parliamentary democracy in which constitutional power is shared between the president and the parliament. The parliament consists of two houses, the National Assembly and the National Council of Provinces, which are responsible for drafting laws of the republic. The National Assembly also has specific control over bills relating to monetary matters.

Currently the National Assembly consists of 400 members and was retained under the 1997 constitution. The Assembly is elected by a system of "list proportional representation".

Each of the parties appearing on the ballot submits a rank-ordered list of candidates. The voters then cast their ballots for a party.

Seats in the Assembly are allocated based on the percentage of votes each party receives. In the 2004 elections, the ANC won 279 seats in the Assembly, the Democratic Alliance (DA) won 50, the IFP 28, the New National Party (NNP) 7, The United Democratic Movement (UDM) 9, and other groups won the remaining 27. In the 2004 electoral campaign, the ANC aligned with the NNP, and the DA aligned with the IFP. In August the NNP and ANC merged.

The National Council of Provinces (NCOP) consists of 90 members, 10 from each of the nine provinces. The NCOP replaced the former Senate as the second chamber of Parliament and was created to give a greater voice to the provincial interests. It must approve legislation that involves share national and provincial competencies as defined by an annex to the constitution. Each provincial delegation consists of six permanent and four rotating delegates.

The president is the head of the state. Following the April 14, 2004 elections, the National Assembly re-elected Thabo Mbeki as President. The president's constitutional responsibilities

include assigning cabinet portfolios, signing bills into law, and serving as commander in chief of the military.

South Africa has a two-tiered economy; one rivaling other developed countries and the other with the only most basic infrastructure. It therefore is a productive and industrialized economy that exhibits many characteristics associated with developing countries, including a division of labour between formal and informal sectors, and uneven distribution of wealth and income. The formal sector, based on mining, manufacturing, services, and agriculture, is well developed.

The country has rich mineral sources and is the world's largest producer and exporter of gold and platinum and also exports a significant amount of coal. South Africa's diverse manufacturing industry is a world leader in several specialized sectors, including railway rolling stock, synthetic fuels, and mining equipment and machinery.

The Government has also committed itself to disciplined fiscal and monetary policies and the pursuit of a mixed market economy. It is active in forging multi-lateral and bi-lateral agreements and in seeking regional and international linkages designed to promote the country's development. South Africa is a signatory to the General Agreement on Tariffs and Trade (GATT), and efforts are being directed at increasing local industrial competitiveness.

Furthermore, in 2004, the government set out objectives of halving poverty and unemployment by 2014. A growth rate exceeding 5% a year on average between 2004 and 2014 is necessary to achieve these targets.

South Africa has a sophisticated financial structure with a large and active stock exchange that ranks 17th in the world in terms of total market capitalization.

KwaZulu-Natal has until very recently been administered jointly from Pietermaritzburg and Ulundi. During 2002 Pietermaritzburg was decided upon as the sole administrative capital of the province. However, this was only enacted in 2004 when the ANC gained control over KwaZulu-Natal which had previously been under the control of the IFP.

The province has a monarch, King Goodwill Zwelithini, the King of the Zulu people. The provincial government is run by a Premier and 10 Cabinet Ministers who represent major parties which enjoyed success in provincial elections. The KwaZulu-Natal Regional Legislature consists of 81 members elected by voters in a system of proportional representation from regional party lists. In terms of Schedule 6 of Act 200 of 1983 (as amended) the province will have executive and legislative competence within its region over: agriculture, casinos, cultural affairs, education, environment, health services, housing, language policy, local government, nature conservation, police, provincial public media, public transport, regional planning, roads, road traffic regulations, tourism, trade and industrial promotion, traditional authorities, urban and rural development and welfare services.

The Premier of KwaZulu-Natal is Mr S'bu Ndebele, and the provincial cabinet ministers with their respective portfolios as of April 2004, are:

Agriculture and Environmental Affairs:	Mr Mtholephi Mthimkhulu
Economic Development and Provincial Treasury:	Dr Z L Mkhize
Education:	Ms C I Cronje
Arts, Culture and Tourism:	Mrs Weziwe Thusi
Health:	Ms N P Nkonyeni
Housing:	Mr M Mabuyakhulu
Community Safety and Liaison:	Mr B H Cele
Social Welfare and Population Development:	Dr Meshak Radebe
Sport and Recreation:	Mr Amichand Rajbansi
Transport:	Mr Bheki Cele
Traditional and Local Government Affairs:	Mr M Mabuyakhulu

Key strengths of the KwaZulu-Natal province are its trade and transport infrastructure. Furthermore, benefits include good telecommunications. South Africa is a leader in ICT development in Africa and the 20th largest consumer of information technology products and services in the world. Also KwaZulu-Natal has a large and growing tourism sector. With over 500 kilometers of coast line, the province attracts millions of tourists a year.

“Foreign direct investment into KwaZulu-Natal is increasing exceptionally”, said Zweli Mkhize, provincial minister for Finance and Economic Development, in his 2007/8 budget speech. “Between 2000 and 2005, over R27 billion was invested in the province by foreign companies.

The province boasts several universities, universities of technology and other educational institutions, including the University of KwaZulu-Natal and the Durban Institute of Technology.

The languages most widely used in KwaZulu-Natal are Zulu and English.

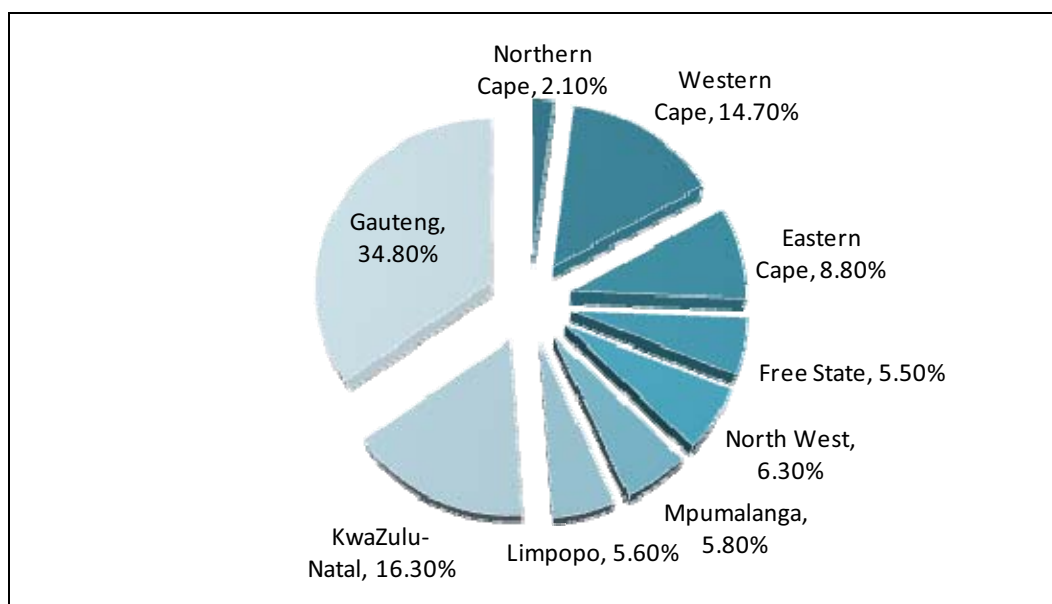
1.2.4 Economic Indicators

South Africa’s economy grew by 5% in 2006, representing the highest economic growth in 25 years. After years of rising unemployment, the unemployment rate has declined to three years in a row, with over a million jobs created in this period.

The Gross Domestic Product (GDP) growth rate grew from 1% in 1999 to 5.3% in 2005, suggesting it would reach its potential of 10% by the year 2014. The GDP at current prices in 2004 was R231 616 million, 16.7% of the total GDP of the country (South African Yearbook 2007/8). The manufacturing industry had the highest contribution to the KwaZulu-Natal economy (22%), but with a low growth rate. Construction is among the smallest in terms of contribution to the province GDP, but it grew the fastest (12%).

Gauteng is even more dominant in terms of personal income than previously. Almost 35% of the total South African income of R1 232 billion (South Africa had a per capita income of R 19 478 in 2006 (STATSSA) accrued to Gauteng in 2006 (BMR, 2007), followed by KwaZulu-Natal with 16.3%, and the Western Cape with 14.7%.

Figure 2: Personal income by province, February 2007



(BMR)

KwaZulu-Natal is a large province, both in population size as well as in terms of land area. It consists of large rural areas, large parts of which previously formed part of the fragmented KwaZulu homelands areas that were dotted across the province. The province also has a relatively large rural population, many of whom, broadly speaking, are involved in agricultural activities (up to 37.6% of the provincial population, August 2005). However, for many of these households, agriculture does not represent significant income, with only 15.3% of the population living in strictly defined agricultural-dependent households. The *per capita* income of the people of KwaZulu-Natal does not compare badly with that of the rest of South Africa, but this income seems to be less equally divided among the people. In particular, African and coloured agriculturally-dependent households are worse off than their non-agricultural household neighbors. Furthermore, average household incomes of whites, and to a lesser extent Asian households, are much higher than those of African and coloured households. The province has relatively high poverty rates (54.3% in 2005), especially in the former homeland areas. This implies that Africans (64.4% in 2005) in rural areas, often living in agricultural household, are mostly affected.

The unemployment rate is the proportion of the economically active that is not employed. The Eastern Cape, in 2004 according to SSA's Labour Force Survey, had the highest unemployment rate (29.6%), followed by KwaZulu-Natal (28.7%) and Free State (28.6%). As of December 2008, KwaZulu-Natal's unemployment rate was between 27.9 and 37.5%, using the expanded and strict definitions respectively.

1.3 Economic Sector Overview

1.3.1 The KwaZulu-Natal Economy

KwaZulu-Natal has the second largest provincial economy after Gauteng. Economic activities in KwaZulu-Natal are centred in the Durban-Pinetown metropole, Pietermaritzburg, Empangeni and Richards Bay.

Durban has become the gateway to Southern Africa, and is the major port city on the African continent and is ideally located to access international shipping routes between East and West. The port of Durban is an exciting hub of economic activity and the largest of South Africa's seven ports. It handles in excess of 31.4 million tons of cargo per year, with a value in excess of R100 billion per annum – approximately 65% of the value of all cargo going through South African ports.

Durban's International Convention Centre (ICC) has been voted the best in Africa on 7 occasions in the past 8 years. It is also among the top 10 in the world.

The part of Richards Bay handles in excess of 85 million tons of cargo a year and is South Africa's premier bulk cargo handling port. It is well situated to serve KwaZulu-Natal and the Mpumalanga coal fields and has expanded into other bulk and break bulk cargos including timber and granite. This industrial area is one of the fastest growing.

The KwaZulu-Natal manufacturing sector is the second largest in the country, after Gauteng. It is a key sector in the provincial economy, growing stable and steady, generating 20% of the provincial employment.

The three largest manufacturing industries are pulp and paper products (19%), chemicals and petrochemicals (17%), and food and beverages (16%).

The motor vehicle manufacturing industry has created a considerable multiplier effect in component and service providers. In recent times, the province has undergone rapid

industrialization owing to its abundant water supply and labour resources. Nowadays there are some changes going on. KwaZulu-Natal, and especially the north, is lacking in terms of water supply which has a strong effect on the business sector.

Due to reliable rainfall and fertile soils, the region's agricultural sector is very productive, and is known for its specialist capability in several types of farming. The province has a total of 6.5 million hectares of land for farming purposes of which 82% is suitable for extensive livestock production and 18% is arable land. Dairy farming is very important. Milk is produced near Durban and Pietermaritzburg, butter and cheese are produced inland. The north west region is mostly used for raising cattle.

The most important agricultural area lies along the coast, where sugarcane is the major crop. The production of sugarcane has grown significantly in the past 25 years.

Timber production accounts for 6.5% of KwaZulu-Natal's agricultural output and the forestry and paper industry had seen a huge inflow of foreign direct investment, amounting R2.7 billion.

1.3.2 Tourism Nodes

The KwaZulu-Natal region has 8 well-defined tourism destinations, nodes and sites in which tourism-specific development projects have been successful and new ones are encouraged. These are:

- Battlefields
- Drakensberg
- North Coast
- Durban
- Elephant Coast
- Pietermaritzburg and Midlands
- South Coast
- Zululand



1.3.2.1 Battlefields

Witness to decisive events in the annals of three imperious, yet vastly disparate nations, our Kingdom of the Zulu's easily accessible Battlefields exude power and unmistakable presence...infusing the visitor with an inescapable sense of momentous occasion.

The legacy of our Zulu Kingdom's critical, blood-soaked conflicts today lives peacefully-reconciled in this fascinating region's myriad Battlefield Sites, Historic Towns, National Monuments and Museums - and in HQs of the British regiments that make 'pilgrimage' to these fields of bravery and supreme sacrifice.

The Battlefields region has the climate, scenery, wildlife, cultural diversity, cuisine and hospitality to make your visit unique and memorable. Maps and brochures of this area are obtainable from tourist associations.

1.3.2.2 Drakensberg (including East-Griqualand)

The Drakensberg Mountains of South Africa, also sometimes called *uKhahlamba* (the Barrier of Spears), is a 200-kilometre-long mountainous wonderland and world heritage site. The largest proportion of the Drakensberg area falls in the province of KwaZulu-Natal.

The Drakensberg Mountain area is also the province's second World Heritage Site and is easily accessible by road although many of the roads in the higher or more remote areas are not sealed. In some areas, use of 4 x 4 vehicles is advised. There are many small airfields and air strips throughout the area. The area is generally well provided with electricity, telephone and water services. Cellphone reception is obtainable in most of the region including many places on the high escarpment.

The area is very attractive for the scenery, hiking, mountain climbing and other outdoor activities. The Battlefields were perhaps one of the least supported of the attractions in the area and limited in their contribution to tourism revenue.

One of the key tourism assets of this area is the N3, as well as the N11, pass through the northwestern region. They are some of the busiest tourism transit routes in the country.

1.3.2.3 North Coast

Ballito, Salt Rock, Dolphins, Shaka and Zimbali are some of the terms associated with this up-market beach tourism Mecca of the 'Zulu Kingdom', KwaZulu-Natal.

The North Coast consists of about 50 to 70 kilometers of superb beaches and coastline, which has already been identified as probably having the best prospects for re-attracting higher income domestic and international tourism, given careful environmental management.

1.3.2.4 Durban

Durban, sophisticated and cosmopolitan, has always had a special charm, something that adds an extra to the meeting of the warm Indian Ocean, golden sands and nature. The city offers a wide range of attractions and experiences, from a wonderful environments and cultural wonders of the Valley of a Thousands Hills, to long and tranquil beaches of the South and the ambience of history and cultural in Umhlanga. Furthermore it is South Africa's premier holiday playground.

Durban's harbour is the largest, busiest, safest and most sheltered harbour on the African continent, and the ninth largest in the world. Plans are at present afoot for major further development of the port including the widening of the harbor mouth by some 90 meters and deepened by 6 meters so as to allow the entry of newer, larger ships. The harbour at Richards Bay, in the north of the province, is the country's second busiest harbour.

The province has an international airport at Durban as well as numerous hardened/surfaced and grass light aircraft fields near most of the major population centres. A new international airport is being planned to the north of the city at La Mercy, as part of a new development zone, the Dube Tradeport (see chapter 2).

1.3.2.5 Elephant Coast

About 250 kilometers of mostly pristine beaches, including those of the iSimangaliso Wetland Park World Heritage Site, and stretching up to Kosi Bay. Wildlife areas of Mkhuze, Phinda, Tembe, Ndumu, Pongolo, Itala and Hluhluwe-iMfolozi are included in this destination. These all contribute to the potential of creating a world class, unique, coastal and wildlife destination.

It is well provided with transport routes in the form of freeways, national roads, toll roads and other smaller, tarred roads. The main road between Hluhluwe and Kosi Bay has been substantially upgraded and many other roads in the area will soon also be upgraded allowing easier access to the north east of the province. There are railway lines for passengers and freight running along both the north and south coasts.

1.3.2.6 Pietermaritzburg and Midlands

Visits by the likes of Gandhi, Mandela and Twain, the Comrades and Dusi Marathons, museums, art galleries, rolling hills, waterfalls and a special style of country living are some of the things that make this region of South Africa famous.

The Midlands provides a wealth of tourism resources based more on crafts, culture and history than is the case in the other areas. An area of scenic rolling hills, it provides tourists with a wide range of possibilities, from game reserves, resorts based on dams and fly fishing in the same dams and also in the many rivers, to tourism adventures such as the Battlefields Route based on the Anglo-Boer and Anglo-Zulu wars in the Battlefields area.

1.3.2.7 South Coast

Margate, Port Shepstone, Scottburgh, Port Edward, sardines, golf, whales, dolphins, the Oribi Gorge, hibiscus flowers and golden beaches are some of the terms which people associate with this magnificent region of South Africa and the Zulu Kingdom.

The South Coast comprises approximately 100 kilometers of sandy beaches, bays and lagoons stretching from Amanzimtoti to the Wild Coast. A variety of activities exists and have potential for further development.

1.3.2.8 Zululand

Zulu, Zulu History, King Shaka, Ulundi, Eshowe and Richards Bay are some of the terms associated with this world renowned region of KwaZulu-Natal.

Zululand offers the mystique of the Zulu Kingdom with its rich history and wealth of culture. The Kingdom of Zululand and the associated monarchy draws people from all parts of the globe and the 'Zulu' icon, world recognized, is the basis of Tourism KwaZulu-Natal's brand of the Zulu Kingdom.

1.3.3 Spatial Development Nodes

The following diagram illustrates the specific tourism development nodes that have been identified in KZN in terms of the PGDCS.

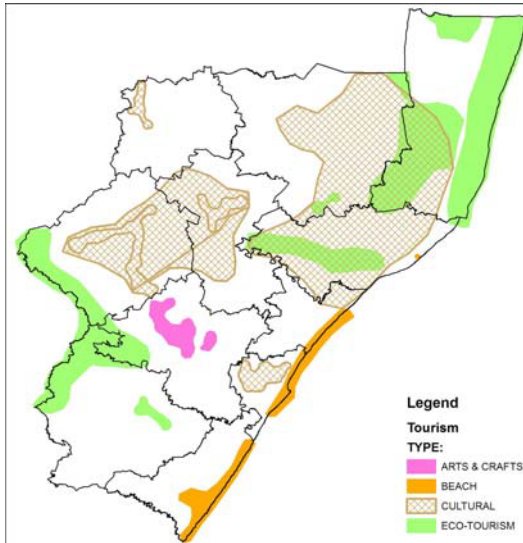
PROVINCIAL SPATIAL ECONOMIC DEVELOPMENT STRATEGY

Tourism:

Primary sectors of tourism potential are beach, cultural and eco-tourism.

Provincial tourism priorities are:

- Greater Durban & Pietermaritzburg area
- Drakensberg region
- Greater St Lucia & surrounding big five reserves
- South and north coast beach tourism
- Zulu Heritage & Cultural Trail
- Battlefields Route



1.3.4 Key Consumer Segment Profiles

Confidential

Relative Market Potential

Input - Key Consumer Segment Profiles

0 1 2 3 4


Key Consumer Segments	Natural Beauty	Viewing Wildlife	Exploring the Culture	Visiting Mountains	Visiting Big Cities	History of Apartheid	Relaxing on the Beach	Hiking	Adventure Sports	Shopping	Business
1 German Wanderlusts											
2 German NSSA											
3 French Wanderlusts											
4 French NSSA											
5 UK Wanderlusts											
6 UK NSSA											
7 US Wanderlusts											
8 US NSSA											
9 Chinese Wanderlusts											
10 Chinese Upcoming Wanderlusts											
11 Japanese Wanderlusts											
12 Japanese NSSA											
13 Kenya ALL											
14 Nigeria ALL											
15 SADC Well To Do Leisurers											
16 SADC Shopping Brigade											
27 SADC Young and Up Coming											
18 Domestic Young and Up-Coming											
19 Domestic Striving families											
20 Domestic Well off homely couples											

Source: The key segments were identified by SAT

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The diagram above indicates the segmentation of the South African market to allow identification of those segments most likely to be pursued profitably. Obviously those with the fully dark pie graphs are the segments likely to be pursued with the greatest degree of success.

The core segments which SAT will be focussing on, are the NSSAs (Next Stop South Africa) and the Wanderlusts. The major differentiator between these two segments is age. The Wanderluster is a more 'youthful' segment, while the NSSAs are more 'mature'. However, they both know and are positive about South Africa and have a desire to travel here. They travel abroad regularly. However, they have several destination choices. The challenge is to switch them from other destinations to South Africa.

Chapter 2: The South African Tourism Sector - Key Characteristics

2.1 International Travel

2.1.1 World

The position of the tourism sector in the world economy continues to be an exceptionally important and strong one, and is perhaps underestimated in terms of its contribution to the world GDP.

With 903 million international tourist arrivals, corresponding to an increase of 6.6% over the previous year, 2007 exceeded expectations (World Tourism Organization, 2007). The 900 million arrivals currently estimated represent an additional 52 million over 2006 numbers marking a new record year for the industry. The additional 52 million arrivals were split in 19 million for Europe, 17 million for Asia and the Pacific, 6 million for the Americas, 5 million for the Middle-East and 3 million for Africa. All the different regions registered increases above their long-term average with the Middle-East leading the regional growth ranking, with an estimated 13% rise to 46 million international visitors.

Africa (+8%) was again the star performer in 2007, Africa has confirmed its good momentum sustaining the growth of 2006, and has now averaged 7% growth a year since 2000. The Americas (+5%) did much better than last year, achieving 142 million arrivals, driven by the good performance in North America as the USA doubled its growth rate. Europe, the world's largest destination region, with a share of over 50% of all international tourist arrivals, grew by 4% to reach 480 million.

UNWTO estimates that worldwide receipts from international tourism reached US\$856 billion in 2007. This corresponds with an increase of 5.6% on 2006.

Asia and the Pacific improved their results by US\$32 billion, to US\$189 billion, while the Americas recorded an absolute increase of US\$17 billion to US\$171 billion. In terms of the absolute volume of receipts, the biggest winner last year (2007) was still Europe, which gained an additional US\$56 billion, representing a growth of 3%, increasing receipts to US\$433 billion (51% of the worlds total). Africa added US\$4 billion, increasing the total to US\$28 billion (3% share). Meanwhile, estimates based on available data point to an increase of US\$4 billion to US\$34 billion for the Middle East (4% share).

The top 10 in terms of international tourist arrivals can be seen in the table below.

Table 4: Top 10 international tourist arrivals

		Full year					
		Series	1995	2000	2005	2006	2007*
		(million)					
World			536	683	803	847	903
1	France	TF	60.0	77.2	75.9	78.9	81.9
2	Spain	TF	34.9	47.9	55.9	58.2	59.2
3	United States	TF	43.5	51.2	49.2	51.0	56.0
4	China	TF	20.0	31.2	46.8	49.9	54.7
5	Italy	TF	31.1	41.2	36.5	41.1	43.7
6	United Kingdom	TF	21.7	23.2	28.0	30.7	30.7
7	Germany	TCE	14.8	19.0	21.3	23.5	24.4
8	Ukraine	TF	3.7	6.4	17.6	18.9	23.1
9	Turkey	TF	7.1	9.6	20.3	18.9	22.2
10	Mexico	TF	20.2	20.6	21.9	21.4	21.4

(WTO 2008)

For 2008, the increase in international tourist arrivals is projected to be around 3-4%, some percentages points lower than in 2007, but still close to the anticipated long-term growth rate of 4.1% a year through 2020.

UNWTO's Tourism 2020 Vision forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 378 million will be long haul travelers.

2.1.2 Africa

In 2007, Africa was one of the best regional performers in terms of growth in international tourist arrivals with the full year at a 8% increase (+9% for North Africa and +8% for Sub-Saharan Africa). North Africa's growth is primarily due to Morocco's stellar performance (+14%), attributable among other factors to dedicated investment in tourism infrastructure; focus on market and product diversification and to the liberalization of air transport and the subsequent entry of low-cost airlines. Tunisia, on the other hand, had a slightly lower than average results (+2%) due to market volatility and problems with air transport. Among the major sub-Saharan African destinations that have provided data for 2007, Mauritius (+16%), Seychelles (+14%), Kenya (+13%) in visitor arrivals), Mozambique (+11%) and South Africa (+8%), turned in some of the best results.

Africa benefited last year from the devaluation of the rand and increased marketing spending in core generating markets, with a focus on niche market segments like sports and adventure tourism, and cultural activities. Awareness of South Africa has continued to grow in the build-up to the country's hosting of the FIFA Soccer World Cup in 2010, but the country has also hosted a number of other important events.

2.1.3 South Africa

Southern Africa is the fastest growing sub region in Africa. South Africa is a tourist paradise, offering scenic beauty, diverse wildlife, a kaleidoscope of cultures and traditions, and endless opportunities to explore the outdoors through sport and adventure activities. In 2006, South Africa

received nearly 9.1 million tourists. Tourism created 947 530 jobs in 2006, representing an increase of 9,6% over 2005 (South African Yearbook 2007/8).

Tourism's estimated contribution to gross domestic product (GDP) increased from 4,6% in 1993 to 8,3% in 2006. It is expected to increase to 12% by 2014 (South African Yearbook 2007/8).

South Africa is following the global trend with a rise in travel and tourism to the country. Overall, foreign arrivals grew by 10% from January to May 2007. The positive trend in foreign arrivals is reflected in arrivals at airports, which increased by 4,4% during the first five months of 2007 compared with the same period in 2006, and across all regions which South African Tourism (SAT) markets (South African Yearbook 2007/8).

Tourism has been identified as one of the key economic sectors with excellent potential for growth. Tourism is the only sector nationally that has managed to grow jobs (currently half a million and rising) while increasing its contribution to the GDP. For every 12 new tourists to the country, one new job is created. By 2010, South Africa plans to accommodate 10 million foreign visitors annually.

2.1.4 International Market

In 2006 the South African Tourism Picture was as follows:

Table 5: South African tourism picture

	2004	2005	2006	2007
Numbers of Foreign Tourists	6,67 mn	7.369 mn	8.396 mn	9.1 mn
Spend – Per day	R1 532	R1 536	R1 000	R880
Average Length of Stay	9 nights	8 nights	8 nights	7.9 nights
Main Overseas Source Markets	UK, Germany, USA	UK, Germany, USA	UK, Germany, USA	UK, Germany, USA

(SAT 2007)

The SAT 2007 survey shows the purpose of travel of all foreign visitors to South Africa:

Table 6: Purpose of travel, SAT 2007

Holiday	27.9%
VFR	22.4%
Shopping	24.9%
Business Travel	8.9%
Other	10.4%
Business Tourism	5.6%

(SAT 2007)

The amount of time that foreign tourists spend in South Africa decreased from ten to nine days in 2004, and to 7.9 days in 2007, with this decline coming from business travellers and those visiting the country for other purposes. The length of stay also varied considerably according to both the country of origin and the purpose of visit. Unlike many other destinations, South Africa attracts business tourists who stay for more than a few days (South African Yearbook 2007/8, SAT 2007).

The leading source countries from the African mainland in 2007 were Lesotho (2 170 074); Swaziland (1 039 233); Botswana (818 403); Zimbabwe (964 027); Mozambique (1 084 157); Namibia (220 535) and Zambia (183 056) (STATSA 2008).

During 2006, as many as 5 961 451 (70.1%) foreign travelers arrived in South Africa by road, followed by air arrivals of 2 317 826 (27.2%). In addition, 1 731 (0.02%) arrived by rail and 6 714 (0.1%) by sea. Of the total number of foreign travellers arriving by air, 1 799 325 (77.6%) came through Johannesburg International Airport (currently known as OR Tambo International Airport); 501 603 (21.6%) arrived through Cape Town International Airport; 5 272 (0.2%) came through Durban International Airport and 11 626 (0.5%) through other airports (STATSA 2006).

There were 2 175 518 air arrivals from overseas in 2007. This compared favourably with the 1 885 012 air arrivals from overseas in 2006 which accounted for 87.2% of all overseas arrivals. The number of overseas travellers arriving by road was 260 125 (12.0%) and the number arriving by sea, rail and unspecified mode of travel was 15 644 (0.8%). The total number of travellers who arrived by road during 2006 from mainland Africa was 5 690 856 (90.2%). The number arriving by air was 422 001 (6.7%) and those arriving by sea, rail or unspecified mode of travel was 195 779 (3.1%) (STATSA 2006).

Road transport, 5 270 845 (70.3%), was the most common mode of travel used by foreign travellers departing South Africa, an indication that most were from bordering countries. This was followed by air travel, 2 167 810 (28.9%). Of the total number of foreign travellers departing by air, 1 670 941 (77.1%) left through Johannesburg International Airport; 480 688 (22.2%) departed through Cape Town International Airport; 4 512 (0.2%) through Durban International Airport and 11 669 (0.5%) through other airports (STATSA 2006).

From January to July 2005, the international airports at Johannesburg, Cape Town and Durban welcomed 1.75 million, 326,000 and 8,000 passengers respectively, giving a seven-month total of 2.084 million.

In the lead up to the 2010 Soccer World Cup, ASCA are planning to invest R5.2 billion in the expansion, upgrading and improvement at South Africa's airports, with 88% (R492 million) of the funding going to the three international airports. Developments at Johannesburg International Airport include a new Central Terminal, a Gautrain Rapid Rail Link, a new Northern International Pier designed to handle Airbus 380 aircraft, an additional 4 000 car parking spaces and an increase in the number of aircraft aprons. Cape Town International Airport will benefit from improved car parking facilities and additional aprons, as well as a new domestic terminal building.

2.1.5 KwaZulu-Natal

Marketed as the 'Zulu Kingdom', KwaZulu-Natal is a many-splendored interaction of natural wonders, ultra-modern facilities, fascinating cultural imprints and reminders of a dynamic history in a breathtakingly beautiful and varied setting.

In 2004, 2005, 2006 and 2007 the KwaZulu-Natal foreign tourism picture was as follows:

Table 7: KwaZulu-Natal foreign tourism picture

	2004	2005	2006	2007
Numbers of Visitors	1.3mn	1.6mn	1 435mn	1 400mn
Average Spend per Visitor	R5 000	R5 220	R6 132	R6 131
Average Length of Stay	10 nights	6 nights	6.4 nights	6.4 nights
Main Overseas Source Markets	UK, Germany, USA & Canada, France, Netherlands	UK, Germany, USA & Canada, France, Netherlands	UK, Germany, USA & Canada, France, Netherlands	UK, Germany, USA & Canada, France, Netherlands

(SAT 2005, 2006, 2007, 2008)

In 2005, the numbers of visitors increased by 0.3 million compared to the previous year, while the average length of stay decreased by approximately 4 nights. Tourists made shorter trips to KwaZulu-Natal, probably travelling around and visiting areas other in South Africa, rather than KwaZulu-Natal (SAT 2005, 2006, 2007).

In terms of purpose of visit, the foreign tourist market in KwaZulu-Natal displays a similar profile to that detailed for South Africa in the preceding section with the exception that holiday assumes a greater importance and business a lesser importance.

2.2 Domestic Travel

2.2.1 KwaZulu-Natal

In 2006, domestic tourists made 11.9 million trips to KwaZulu-Natal. Those who visited or considered KZN as a travel destination in 2007 did so mainly to visit friends, colleagues or family members (VFR travel). The same applied to Durban and other tourism regions in the province. The other important reasons for people who visited KZN, were that they had been to the area before for business purposes, or they were visiting for a specific event. The other most important reasons, for people who considered KZN as a travel destination, were that they read an article about the region, saw an advertisement in a magazine or saw a television commercial (February Omnibus 2008).

Some 86.6% of the South African population who visited KZN in 2007 did not request any information to make arrangement for their last domestic holiday on-line but obtained it from other sources. And 76.6% of the respondents in the Omnibus survey noted that they had seen the KZN logo before, mostly on television (35.3%), or on billboards (31.4%) (February omnibus 2008).

The people who visited KZN in 2007 mostly spend 1 or 2 nights in the province. Approximately 52.6% of these people spend at least 1 night in Durban, 21.8% visited in Pietermaritzburg, 29.1% went to the South Coast, 22.3% to the North Coast, 22.8% to Zululand, 11.2% to the Drakensberg, 4.5% to the Elephant Coast and 11.1% to the Battlefields (February Omnibus 2008).

KZN visitor's activities mostly consisted of: going to the beach (65.5%); going to a live show, theatre or concert (19.3%) or; watching a live sports event (18.4%) (February Omnibus 2008).

In 2003, 2005 and 2006 the KwaZulu-Natal domestic tourism picture was as follows:

Table 8: KwaZulu-Natal domestic tourism picture, SAT 2003, 2005, 2006

	2003	2005	2006
Numbers of Trips	13.9 mn	11.6 mn	11.9 mn
Average Spend per Trip	R 1 492	R 583	R 444
Average Length of Stay	7.5 nights	4.1 nights	4.1 nights
Main Source Markets	KwaZulu-Natal, Gauteng, Eastern Cape	KwaZulu-Natal, Gauteng, Eastern Cape	KwaZulu-Natal, Gauteng

(SAT 2005, 2006, 2007)

The most important domestic tourism markets are KwaZulu-Natal, Gauteng, Eastern Cape, Mpumalanga and Western Cape.

Of all informants in South Africa 2007 the main purpose for taking a trip to KZN was visiting friends and relatives (VFR) (56.3%), the second reason was to have a holiday (34.4%) and thirdly was for business (7.6%) (February Omnibus 2008). These people stayed an average of 7.61 nights in KZN, with most people staying between 8 and 14 nights (February Omnibus 2008).

South African traveler's activities in KZN in 2007 consisted of: going to the beach 37.8%); visiting a museum, art gallery or historical building (11.4%) or; going to a live show, theatre or concert (10.5%) (February Omnibus 2008).

2.3 National Tourism Policy

Based on the government white paper (1996), the national government has several roles to play in the development and promotion of the tourism sector. These are:

- Facilitation and implementation
- Co-ordination
- Planning and policy making
- Regulation and monitoring, and
- Development promotion

Any investor in the South African tourism sector would be advised to take note of these points.

At a provincial level, provincial government takes on similar functions to those at the national level although there are three major thrusts which are concentrated under the control of the provincial authorities. First, the focus is much more on the implementation and application of national principles, objectives and policy guidelines appropriate to local conditions. Second, the provinces play an important role in facilitating and developing the local tourism product at the provincial level. Third, the responsibility for marketing and promoting tourism destinations falls to each provincial authority.

At a local level, similar functions exist but there is a greater emphasis on specific aspects of the local tourism product.

2.3.1 South African National Tourism Organisation

The South African Tourism Organisation, now referred to as SA Tourism, is a statutory, parastatal body responsible for the marketing, and promotion of the country internationally. It also has offices outside the country. SA Tourism's functions are:

- International marketing and promotion
- Research, market intelligence and information management
- Industry standards setting
- Product development, and
- Human resource development

Provincially, SA Tourism has been replaced by a number of different provincial organizations, direct marketing organizations, or interim tourism bodies, or such organizations are taking on a number of responsibilities which previously fell under SATOUR, eg the registration of tour guides.

2.4 KwaZulu-Natal Provincial Tourism Authority

The provincial government has a critically important role to play in the development and promotion of the tourism sector in the province. Both provincial and private tourism bodies are currently undergoing transformation. Provincial tourism organisations are specifically provided for in the Constitution. In KwaZulu-Natal the Interim Provincial Tourism Steering Committee became the KwaZulu-Natal Tourism Authority. Latterly operating as Tourism KwaZulu-Natal (TKZN), it has been responsible for producing the tourism development strategy for the province initially under the auspices of the KwaZulu-Natal provincial Ministry of Economic Development and Tourism, but since 2004, under the Ministry of Arts, Culture and Tourism.

The public sector has a critical role to play in the development of tourism, but the private sector also provides significant impetus to the industry. The private sector bears both the risks of investment as well as a large part of the responsibility for successful development and marketing. Specific functions of the private sector include:

- Industry investment;
- Efficient and profitable operation of tourism plant;
- Advertising and promotion of individual tourism services;
- Capacity building;
- Development and promotion of socially and environmentally responsible tourism; and
- Community participation in tourism development.

Other bodies involved in the development of the industry in KwaZulu-Natal include, for example, Tourism Durban, formerly known as Durban Africa, which has as its specific task the marketing and promotion of the Durban Metropolitan Area (DMA), now known as the Ethekewini Municipality. There is a loose agreement between the two bodies and TKZN undertakes some tourism research projects for as well as together, with Tourism Durban.

In March of this year (2008) the KZN White Paper on the Development and Promotion of Tourism was developed. The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal was commissioned by the KwaZulu-Natal Department of Arts, Culture and Tourism to develop a provincial strategic policy that is going to provide foundation and competitive strategies for KwaZulu-Natal linked to existing and provincial strategies. For more information see section 7.7.5.

2.5 Tourism Sectors

2.5.1 Accommodation Sub-Sector

The accommodation sector is perhaps the most important sector of the tourism sector, and one which contributes significantly to the GDP. For 2007, the average room occupancy for KZN increased to 72.3%. Average hotel room occupancies in the Durban and Umhlanga area for 2007 were higher than the provincial average at 76.1% .

In November 2008, KwaZulu-Natal supplied:

Table 9: KwaZulu-Natal Supply Statistics

Hotels	203
Guest Houses	320
Bed and Breakfasts	827
Caravan and Camp Sites	135
Conference Venues	278
Tourist Guides	820
Tour Operators	424

(TKZN November 2008)

2.5.2 Transport Sub-Sector

The transport sector is the principal infrastructural backbone of the tourism sector. The total income for the transport sector in 2006 amounted to R159 551 million. The largest contributor to the total income was 'Air transport' with R33 772 million or 21.2%. The total number of persons employed in the transport industry at end June 2006 was 235 444. Freight transport by road employed the largest number of people with 63 514 or 27% (The Transport, Post and Telecommunications Industry 2006).

South Africa has its own national carrier - South African Airways - which carried 16.5 million passengers during the 2007 financial year. The service is complemented by over 80 other international airlines flying into the country. Durban's international airport is currently situated 15 kilometres south of the city, and is the smallest of South Africa's three major international airports. The following are the most important characteristics of Durban's current international airport:

Operator: Airports Company of South Africa

Elevation: 9m or 26ft

Coordinates: Longitude (x) 30.944744; Latitude (y) -29.967649

Passengers served in 2008: Approximately 4,5mn

Length of runway and nature: 2,439m paved
(ACSA, 2009)

The current price (20 January 2009) of Jet Fuel (A1) in Durban is R5.7664 per litre, which is about 13 cents a litre cheaper than at OR Tambo International Airport in Johannesburg. The current demand for foreign air tickets out of Durban to a foreign destination or for a foreign destination to Durban as an end point is estimated to be as follows:

According to the South African Advertising Research Foundation's All Media and Product Survey (2008) some 85,759 KwaZulu-Natal adult residents undertook at least one air trip to a destination outside South Africa in 2007. Some 67,038 were from the Greater Durban area and 7,753 from Pietermaritzburg. In contrast 171,698 undertake such trips from the province of Gauteng and 82,845 from the Western Cape.

IATA figures indicate that the total ticket sales for Durban as a point of origin or destination for a 'foreign trip' (including those via Oliver Tambo International Airport and Cape Town International Airport) is in the order of 600,0000.

A survey which The Durban Chamber of Commerce and Tourism KwaZulu-Natal undertook over the period November 2008 – January 2009, amongst a representative sample of corporates that have a head office in Durban or have substantial operations in this metropolitan area, indicated that these entities purchase in the order of 15 000 air tickets to destinations outside South Africa, and of these more than 50% are business class tickets.

The cost of hosting an air crew in Durban is between R800 and R950, substantially less than to do so in Johannesburg, according to FEDHASA.

According to the STR Global Hotel Survey for September 2008, the cost of 4 star hotels rooms in Durban average R852, while in Johannesburg they average R831. Five star hotel rooms in Durban cost R1095, which in Johannesburg they cost in the order of R1 467 per night, and R1 626 in Cape Town.

A new international airport and tradeport is being built at La Mercy some 30km north of Durban. This is major project of the provincial government. It is a development which creates a unique opportunity to increase international air arrivals. It will be a gateway unique to the African continent. The tradeport will facilitate the export, import and transshipment of products, an initiative which will allow the positioning of KwaZulu-Natal and South Africa to participate in export-driven activities and international trade.

Most of the international visitors to KwaZulu-Natal arrive via Johannesburg International Airport and to a lesser degree through Cape Town International Airport. However, this scenario is expected to change with the development of the new King Shaka International Airport. This airport is expected to be completed by December 2009 and operational by May 2010, and will cost some R6.8 billion.

Some of the key characteristics of the new international airport will be:

- A runway length of 3,7km which will be able to accommodate the latest 'New Generation Large Aircraft' (NGLA, including the A380 Airbus). Space has also been provided for the lengthening of the runway to 4km. In addition, the master plan for the airport makes provision for a second runway.
- An initial 19 500 square metre domestic and international passenger terminal, complete with retail concession opportunities, will provide for an initial 18 passenger aircraft stands, with capacity at the outset allowing for the throughput of some six million passengers per annum, with opportunities for significant future expansion.
- The airport will be developed to handle 7,5 million passengers per annum on commissioning and more than 45 million passengers by 2060.
- A significant freight component is being designed and developed as the airport is part of the Dube Tradeport concept.
- In addition, the airport will provide comprehensive facilities for police, the military, VIPs, and general aviation and aircraft maintenance operations.
- The new development will become a commercial and trade hub that will facilitate the movement of goods and products to sub-Saharan Africa.

The tradeport will stretch over some 2 000 hectares and will be linked with the ports of Durban and Richards Bay by the N2 freeway. A dual-line rail link completes this development. This development will contribute economically to the province, and especially to Durban. The core features of this tradeport other than the airport will be a:

- Trade Zone – 36ha of net developable land and 180 000 square metres of floor-space, comprising:
 - A cargo terminal, providing warehousing and handling capacity for a variety of sectors, from electronics and automotive to clothing and textiles;
 - A perishables centre, offering specialised cold storage, handling capacity, value addition, inspection and technical support for the perishables sector;
 - Warehousing;
 - Light manufacturing facilities; and
 - Office facilities for related business services.
- Support Zone – 12ha of net developable land and 55 000 square metres of floor-space, comprising:
 - Office complexes;
 - Business parks;
 - Commercial enterprises; and
 - Hotels.
- Agri-Zone – 80 ha of developable land, comprising:
 - An extensive area for the growing of perishables of export quality;
 - Packing facilities; and
 - Associated training facilities.
- IT Platform – comprising:
 - An electronic trading platform, together with a range of value adding services designed to facilitate efficient technology-enabled transactions, trade and transport.

Surface transportation will be provided by bus and coaches, road, minibus taxis and trains.

Durban is linked to the national road network via the N3 to Johannesburg/Pretoria and the N2 to Richards Bay and Port Elizabeth/Cape town.

The state of the provincial roads is constantly being upgraded. The African Renaissance Road Upgrading Program (ARRUP) aims at fast tracking rural development in KwaZulu-Natal. As a result

the department's investment of R724 million over 5 years in the ARRUP is the biggest investment ever, by provincial government, in rural infrastructure. ARRUP facilitates the promotion of cultural and eco tourism, diversified local economy, improve access to markets and open new markets, create new types of employment, raise living standards in rural areas, change consumer patterns and reduce rural/urban migration. Efficient road networks support planning for tourism distribution in the province.

Spoornet's Shosholoza Meyl travels between Johannesburg and Durban daily. The beautiful landscape of KwaZulu-Natal offers the tourists a great railway experience. The only passenger trains that cross an international border to enter South Africa are luxury tours operated by Rovos Rail and Shongololo Express. The state-run luxury train, the Blue Train, also makes chartered journeys into Botswana and Zimbabwe.

Bus services are run by 194 operators of which 5 are subsidized services and use about 900 busses. The largest operator, Durban Transport, has 670 busses.

2.6 Hotel and Non-Hotel Accommodation

A complete range of accommodation welcomes visitors to South Africa, from five-star hotels, game lodges, guest houses, bed and breakfasts, to youth hostels. As at December 2009, there were 2 726 accommodation options available in the province, from tiny B&Bs to large, luxurious hotels.

Bed and breakfasts, guest houses and game lodges lead the sector in terms of growth in South Africa. The number of accommodation facilities increased from 5 045 in 2001 to 5 763 in 2002, a 14% increase. Game lodges showed exceptional growth of 32%, from 397 in 2001 to 524 in 2002. KZN accounted for 208 of these in 2008.

2.6.1 Hotel Accommodation

Hotel accommodation falls into two broad categories - graded and ungraded. Hotels used to be graded into five divisions based on the SATOUR star grading system, from one to five stars, with five stars being the most luxurious. That system became largely non-functional in about 1993. However, a new star grading system is presently being run by the Tourism Grading Council of South Africa.

The Tourism Grading Council South Africa was established in September 2000 by the Minister of Environmental Affairs and Tourism. Its primary role is to provide a framework and process for grading across all relevant sector of the tourism sector in South Africa. Grading is important to increase South Africa's image as a quality tourism destination, improve overall quality in the South African tourism sector, to help to improve service levels in this sector and to continue developing South Africa as a leading global tourism destination.

In Durban the occupancy rates for hotels for April 2008 were 69.5%, as compared with the average occupancy for the whole of KwaZulu-Natal for April 2008 which was 66.7 and the average occupancy rates in South Africa in April 2008 which was 70.2%. The occupancy rates decreased slightly compared to April 2007, for Durban the rates decreased with 8.4%, for KwaZulu-Natal with 5.0%, while for the whole of South Africa the occupancy rates increased with 3.6%. For Cape Town hotels the occupancy rate in April 2008 was 71.2% and for Johannesburg these was 75.0%. Both of the occupancy rates for these towns increased compared to April 2007 (STR Global Hotel Benchmark Survey).

Achieved room rates in the Durban area for April 2008 were R737. For KwaZulu-Natal and South Africa the average room rates were respectively R718 and R785 for April 2008. For Cape Town hotel the average room rate in April 2008 was R893 and for Johannesburg this was R820 (STR Global Hotel Benchmark Survey).

2.6.2 Backpacker and Hostelling

A backpacker and/or hostelling establishment is an accommodation facility that provides communal facilities, including dormitories, yet many offer a range of alternative sleeping arrangements. They accommodate travelling guests, many of whom stay in the country for long periods, far longer than the usual international visitor, and travel widely.

2.6.3 Timeshare

This form of accommodation grew in popularity with hotel developers as an innovative way to fund new investments. Holidaymakers pay upfront to the developer which guarantees them an annual holiday at a timeshare resort and assuring the developer of income to build and develop the resort.

The timeshare industry is dominated by Resort Condominium International (RCI), which was bought by the car rental company, Avis, in 1998. The industry has seen massive growth. Between 1987 and 1996, RCI's turnover increased 100 times. During that time RCI's timeshare resorts increased from four to 158 and the number of "timeshare exchanges" (clients buying into timeshare) increased from 2000 to 160 000. During 1997, the industry experienced growth of 26%.

2.6.4 Guest House

A Guest House is either a converted house, manor, etcetera adapted to accommodate overnight guests or it may be a purpose built facility with between 4 and 18 rooms. A Guest House is run as a commercial operation and is often owner-managed. A Guest House has public areas which are for the exclusive use of the guest.

2.6.5 Bed and Breakfast

Bed and Breakfast accommodation is usually provided in a family (private) home and the owner/manager lives in the house or on the property. Breakfast is usually served. Bathroom facilities may or may not be en-suite and/or private. Bed and Breakfasts usually have 1 to 3 rooms.

2.6.6 Conference, Convention and Exhibition Sector

The conference, convention and exhibition sector – also known as the 'MICE' sector, for Meetings, Incentives, Conferences and Exhibitions - is currently undergoing rapid growth. Durban's International Convention Centre, the largest in the southern hemisphere, began operating during 1997. Most hotels and many non-hotel accommodation venues offer conference facilities of some sort. By the end of 2003, KwaZulu-Natal alone offered 250 conference venues. In 2008 this has increased to 278.

2.6.7 Parks Boards

The two most important conservation agencies in South Africa are the South African National Parks Board and Ezemvelo KZN Wildlife.

A lodge is an accommodation facility located in natural surrounding. The rates charged are usually inclusive of an experience offered at the lodge such as a game drive or walk or battlefield tours. In general, food and beverages services are provided for all meals.

KZN Wildlife accommodation options account for a large and varied proportion of the accommodation available throughout KwaZulu-Natal, from caves high up in the Drakensberg, to the luxurious and extremely comfortable Hilltop Camp in the Hluhluwe Imfolozi Park.

2.7 Food and Beverage Sector

After accommodation, the food and beverage sector provides a substantial contribution to the income of the tourism sector as a whole. The total income generated by the food and beverage sector in the first quarter of 2008 amounted to R7 627.6 million, indicating an increase of 16.7% compared with the first quarter of 2007. The reported increase of 16.7% is partly a reflection of rising prices with food inflation having risen strongly in the reported period.

2.8 Casinos, Gambling and Gaming

The gaming sector, a few years ago, was a relative newcomer to the industry in South Africa, due to previously conservative legislation restricting the operation of casinos to former 'homeland' areas. However, with substantial changes in legislation regarding gaming since 1994, the operation of legal casinos has become an accepted part of the tourism sector.

The National Gambling Boards (NGB) was established in terms of the National Gambling Act, 1996 (Act 33 of 1996), which was repealed on the first of November 2004 by the National Gambling Act, 2004 (Act 7 of 2004). The Act provides for oversight of matters relating to casinos, gambling, betting and wagering, and promotes uniform norms and standards in relation to gambling throughout South Africa. In December 2006, Cabinet approved the publication of the draft National Gambling Amendment Bill for broader consultation. The Bill established the legislative basis for gambling in South Africa.

2.9 Sports Tourism

Since the re-entry into the world of international sports, South Africa has hosted a variety of major sporting events, as well as taken part in such events at a wide range of international destinations. The Kingsmead Cricket Grounds in Durban and the Absa Stadium are well known and well used venues for provincial, national and international events. The Durban Beachfront hosts the Beach Africa and the Mr Price Surfing Classic. In 2003 the first event became the Vodacom Beach Africa event while the latter has remained sponsored by Mr Price.

The province is also host to five of the country's premier endurance events, the Pietermaritzburg-Durban "Dusi" canoe marathon, the Comrades ultramarathon road race, the Mont-aux-Sources 50km Mountain Challenge, the Giant's Challenge 80km mountain bike race and the Midmar Mile (swimming). The Amashovashova is a well-attended cycle race from Pietermaritzburg to Durban, and the well-known Midmar Mile swim is also beginning to attract an increasing number of international contestants to the extent that the event is now swum over several days.

Pietermaritzburg is home to the Scottsville Race Course. Durban offers two horseracing tracks, Clairwood Park and Greyville, home of the July Handicap - South Africa's premier horse race.

2.10 Ecotourism

The term ecotourism is defined in the government *White Paper on The Development and Promotion of Tourism in South Africa* as "environmentally and socially responsible travel to natural or near natural areas that promotes conservation, has low visitor impact and provides for beneficially active socio-economic involvement of local people" (1996). The fastest-growing segment of tourism in South Africa is ecological tourism (ecotourism), which includes nature photography, birdwatching, botanical studies, scuba diving, snorkelling, hiking and mountaineering.

South Africa's diverse climates range from tropical in the south-east to desert in the central region. The scenery runs the gamut from spectacular mountain ranges to vast grass plains, from coastline to meandering rivers to desert dunes. The country's wildlife is far more varied than just the celebrated "Big Five", and is supported by an extraordinary biological diversity.

Three of South Africa's eight Unesco World Heritage sites are natural sites, while one is a mixed cultural/natural site. These are the Cape Floral Region, the iSimangaliso Wetland Park, the Vredefort Dome, and the uKhahlamba Drakensberg Park.

South Africa is leading the way in one of the boldest cross-border initiatives currently unfolding in southern Africa, the development of transfrontier parks.

The country's own national parks - including the world-famous Kruger National Park - have grown to 21 in number, and the government is committed to increasing the country's terrestrial protected areas from the current 5.4% to 8%, and its marine protected areas from 11% to 20%, by 2010 (SAT 2007).

KZN Wildlife provides a broad spectrum of eco-accommodation facilities catering for most income groups. Such facilities include camping, huttled accommodation, luxury lodges and bush camps. These facilities are scattered throughout the KZN Wildlife reserves with two dominant spatial concentrations, namely the Drakensberg and the northeast Zululand/St Lucia area.

The annual occupancy rates vary between different accommodation facilities and different reserves. Seasonal fluctuations, marketing, popularity of locality and visitor preferences also influence occupancy rates. Therefore, an across the board annual occupancy rate does not provide a true reflection of the use of KZN Wildlife accommodation. When the accommodation is divided according to type, the picture becomes clearer and occupancy rates for 2002/2003 are:

- Camping and caravanning (R30 – R60 per person per day): 45%
- Huttled accommodation (R65 – R250 per person per day): 60%
- Luxury huttled accommodation (R300 – R600 per person per day): 85%

The tourism boom is expected to continue, generating higher occupancy rates throughout the spectrum of possible accommodation. Of interest is the high occupancy rate for luxury huttled accommodation, illustrating a high demand for that standard of accommodation which, for KZN Wildlife, helps in sustaining rustic accommodation facilities and so providing a wide range of accommodation facilities. This was also part of the reason for the proposals by KZN Wildlife to develop at least two new camps in their areas during the 1999/2000 period. In this regard, the Giant's Castle Camp was enlarged, upgraded to include a restaurant, and refurbished. It is now known as the 'Flower of the Drakensberg', with each of the thatched huts decorated according to a particular plant or flower, including original paintings of these and, where possible, live plants outside relevant huts. The new 213-bed camp, Didima, at Cathedral Peak, was completed in 2003 and includes a San Art and history interpretive centre.

2.11 Cultural Tourism

Cultural tourism is defined in the government *White Paper on The Development and Promotion of Tourism in South Africa* as "cultural aspects which are of interest to the visitor and can be marketed as such, including the customs and traditions of people, their heritage, history and way of life" (1996).

South Africa is home to diverse cultures, ranging from the Zulus who resisted European conquest to the nomadic San of the Karoo desert. Each culture has evolved its own distinctive art forms, music and traditional rituals, while the descendants of colonial settlers have evolved variations of their European roots.

South Africa's history has been one of confrontation, but more recently one of reconciliation. Since 1994, a number of world-class sites have been established to commemorate the country's past and celebrate its new unity, while the number and quality of cultural villages, community and township tours has grown dramatically.

KwaZulu-Natal is in a unique position in the country with regards to cultural tourism and offers a wealth of possibilities in this regard. As home to the Zulu nation and its king, as well as the location of the Battlegrounds of the Zulu and Boer Wars, the variety of cultural attractions within the

province is enormous. The value of the concept of *Zululand* as a unique resource is being developed and related support industries are increasing.

As well as being home to the Zulu nation, KwaZulu-Natal provides enormous diversity in terms of culture with its unique African/Asian/European mix. The province is home to the largest number of Indian people outside of India and Durban has the highest Indian population of any city in South Africa - almost one million people. The city was, for a time, the home of Mahatma Gandhi who influenced history in the area, and the Gandhi Settlement in Phoenix outside Durban is becoming increasingly well known. Durban also has the largest mosque in the southern hemisphere, the Grey Street Mosque, whose golden domes can be seen from most parts of the city and whose *muezzin* can be heard calling the faithful to prayer five times a day. Attractions such as the Indian Market in Victoria Street with its spices, curries and saris provide further flavour to the city.

The city exhibits further non-African influence with its Edwardian industrial architecture along Point Road, a row of English Terrace houses in the area dating back to the early days of the century, and a host of art deco-styled hotels, homes and buildings throughout the city.

Durban offers a range of Art Galleries, Museums and Music Centres with a variety of themes - Maritime and Local History Museums; Modern, Traditional and African art galleries; traditional jazz, African jazz, symphony concerts, Indian music events and popular music concerts hosting international and local musicians.

Durban acts as gateway city to the hinterland of the KwaZulu-Natal province which offers a further range of attractions in terms of cultural tourism from the Battlefields of Blood River and the Tugela, to craft centres at Rorke's Drift and the Midlands Meander.

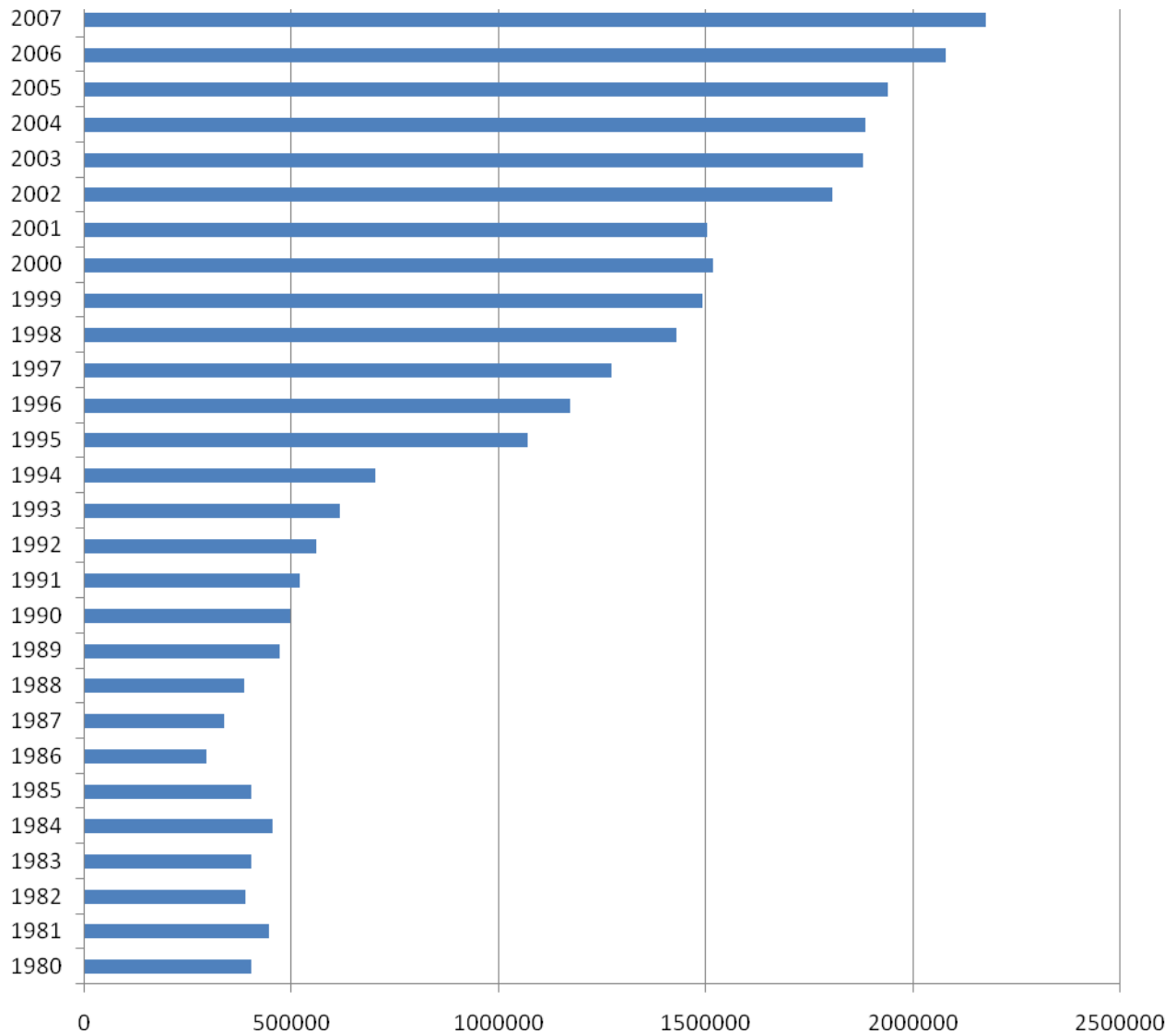
Over 600 kilometres of KwaZulu-Natal coast north and south of Durban offer even more in terms of culture and history. From Portuguese explorers to Indian Ocean pirates, ivory traders, shipwrecks and battlegrounds, the possibilities for cultural tourism development are endless.

Chapter 3: Tourism Principles and Practice

3.1 Tourism Demand

Demand for the tourism product in South Africa as well as in KwaZulu-Natal has shown significant increases, particularly since 1994, although a slowdown in the rate of these increases has been experienced since the turn of the century. The decrease in overseas visitors for 2001 has been well-documented but the upsurge in travel and tourism began once more towards the end of 2001 and has continued throughout 2002 onto 2007.

Figure 3: South Africa's annual overseas visitors 1980-2007



(SAT 2007)

The present offerings are under substantial pressure from these increases and, for example, bedstock is having to undergo critical growth in order to cope. This, in part, is the reason for the unprecedented growth in the bed and breakfast industry.

Increasing demand for the tourism product is due to a variety of factors including increases in foreign arrivals, population increases within the country, and increasing disposable income and leisure time. The media have also played a part in increasing the numbers of people who have entered the tourism market.

Lately South Africa is suffering from extensive increases in fuel prices, which leads to increases in food prices. This means citizens (domestic tourists) in South Africa have a less disposable income. With the money they used to have “left over” after paying the bills and buying necessities, these people either saved or spent on luxury items like a holiday. Now, because of the increases in fuel and food prices, these people have less disposable income and thus less money to spend on luxury items like holidays. This will probably result in a decrease in domestic trips.

3.1.1 Demand Measurement and Analysis

Measurement of demand is calculated in several ways. The occupancy rates of the present number of tourism beds available in an area depend on a range of features to provide high, medium and low growth rate scenarios. Thus, the point at which the demand for beds exceeds their supply can be calculated. This is also done according to the star rating of beds available, so that the demand of a particular level of supply might be calculated even.

Analysis

An analysis of tourism demand should take into account the volatile nature of tourism, particularly international tourism. Such tourists are quick to abandon a formerly popular destination because of threats to health or security - a lesson important to the South African, and specifically the KwaZulu-Natal industry (Lea, 1993). Trends in tourism, including tourism destinations, include changing demands for the type of tourism product required. As tourists become more sophisticated their requirements develop and change, as can be noted by the increasing numbers of people involved in adventure tourism and in specialised tourism throughout the world.

3.1.2 Demographic Influences

Demographic influences on the supply of the tourism product are also critical. The negative influence of HIV/AIDS is to be fully felt, KwaZulu-Natal has the largest proportion of deaths of HIV/AIDS of the country. The rate of growth for the South African population has been decreasing steadily over the past years and is now estimated at 0.97% (South African Yearbook, 2007/8).

3.1.3 Economic Influences

Changes in the economic environment on a global scale affect not only the numbers of people involved in the tourism sector, but also the type and duration of the holidays they take. With the reduced cost of the Rand South Africa is an attractive and relatively low-cost destination option for many international travellers. Due to the increase in fuel prices indicated above, the domestic market is decreasing. For these people it is too expensive to travel. This has a highly negative effect on the tourism market, since the domestic market is the largest market for South Africa as well as for KwaZulu-Natal.

Salaries and wages throughout South Africa have increased substantially over the past decade such that disposable income, that money available for spending after all necessities have been paid for, has increased, or for many, become available for the first time. That, coupled with the increase in leisure time available to many - paid leave etc. - has encouraged an enormous sector of the previously non-engaged market to begin to take part in the industry. Unfortunately because of increases in prices for necessities and fuel this picture is changing and likely to change more dramatically in the future.

Access to the media, also a widely increasing phenomenon, has encouraged a consideration of travel and holidays amongst this sector of the domestic population. These benefits have to be

weighed against the rising costs within the country which have had the effect of reducing domestic tourism.

3.1.4 Travel Propensity

The propensity for people to travel is influenced by a number of factors amongst the most important of which are economic climate, availability of travel options, access to information regarding travel options and destinations, and education regarding benefits of such travel. Sophisticated promotion of the tourism product can create a demand which did not previously exist. In part this involves the marketing of packaged tours but tourism promotion also means creating the image of a destination in the mind of the potential traveller.

In countries where there exists a high percentage of domestic travellers within the population, there also exist high and rising incomes, increased leisure time, good education and new and cheaper forms of transport. Such well-developed countries are usually also the suppliers of travellers to less developed countries. Examples of the important source countries are the UK, Germany, the Netherlands and France.

The decision to travel goes through five sequential phases:

- 1. Travel desire**

The initial period when a need to travel is felt and when the pros and cons are weighed up

- 2. Information collection and evaluation**

- Involves the process of finding out about the trip from travel agents, books, and acquaintances
- Information is evaluated against cost and time constraints, alternative possibilities and other factors

- 3. Travel decisions**

Covers the destination, way of travelling, accommodation, and activities involved

- 4. Travel preparations and experience**

Involves tickets, bookings, travel money and documents, clothing and travel itself

- 5. Travel satisfaction evaluation**

The whole experience is constantly evaluated before, during and after completion and the results used to influence future decisions

Opportunities to influence decision-making in destination countries are limited although an ability to do this could greatly increase tourist traffic.

3.2 Supply Dynamics

3.2.1 Sustainable Tourism

In view of the importance of ecotourism and the role this sector plays in the industry, the sustainability of associated resources is paramount. New legislation (see Chapter 7) promotes the necessity of Environmental Impact Assessments for any new tourism development project. It is believed that negative impacts from tourism on surrounding communities begin to be felt when over 30% of receipts from local business originate from tourists.

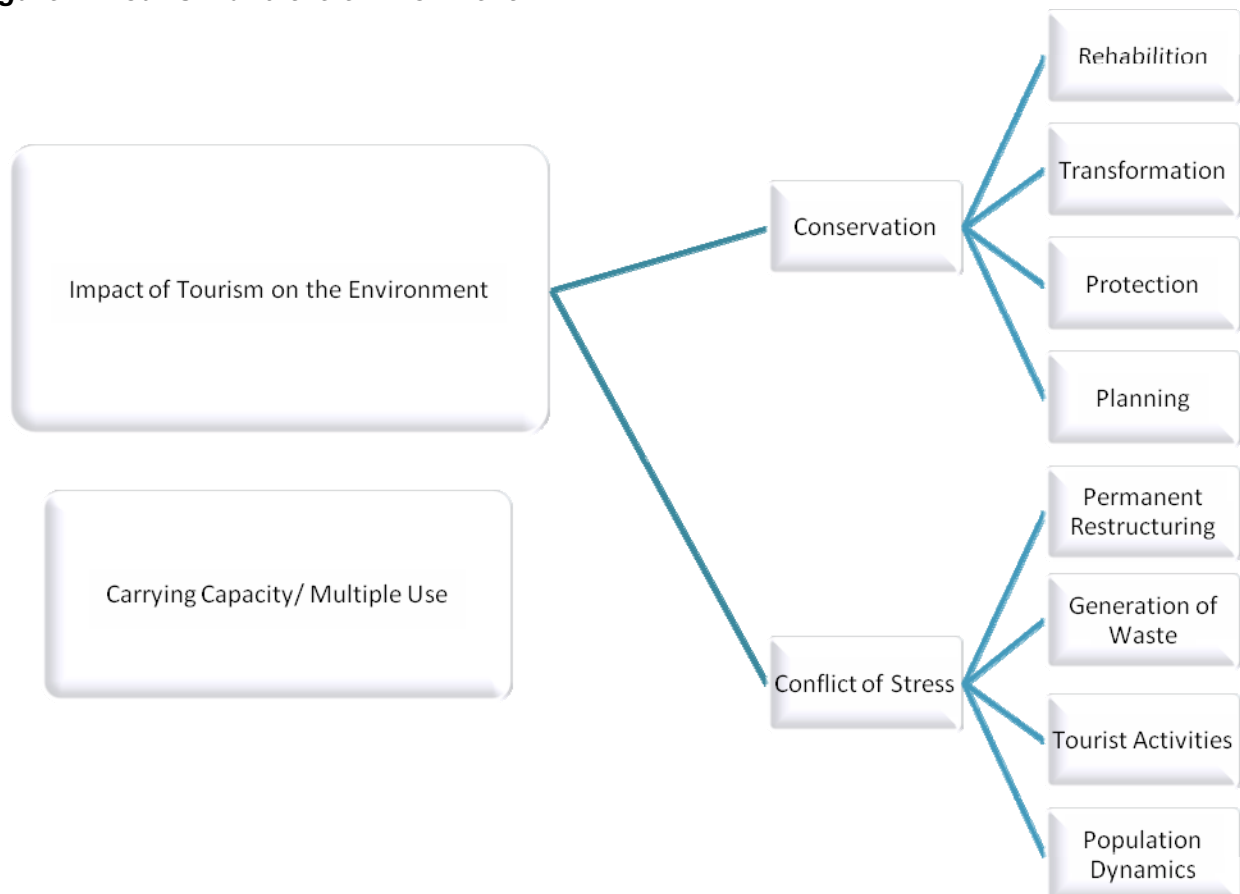
3.2.2 Carrying Capacity

The capacity for any area to absorb tourists without negative effects on the host area varies according to a multiplicity of factors. Environmentally sensitive areas and wilderness areas have a lower carrying capacity than do urban areas. This, however, is a controversial concept and not necessarily one which is generally accepted. It is viewed as being out of date.

3.2.3 Environmental Impacts

The tourism sector has a range of effects on the environment as illustrated below:

Figure 4: Tourism and the environment



(Developer Guidebook, 5th edition)

In order that the negative effects of tourism developments on the environment are kept to a minimum, Environmental Impact Assessments (EIAs) must be carried out on any large, new projects i.e. where there is a change in land use, and constant monitoring of effects on environment and other sectors must be conducted.

3.2.4 Socio-Cultural and Economic Impacts

The economic impacts of the tourism sector tend to be positive in the locations where development is taking place. However, the same cannot be said, on the whole, for socio-cultural impacts or environmental with the one often occurring at the expense of the other.

3.2.5 Infrastructural Investment in the Tourism sector

Developments in the tourism sector also tend to be many and varied, according to a wide range of factors. Even in one sector such as accommodation, there might be greater investment in hotels than in game lodges, or greater investment in Zululand than in the South Coast. Research was undertaken recently to obtain an understanding as to the status quo of tourism investment in KwaZulu-Natal and the report is available from the offices of Tourism KZN (Tourism Rapid Scan report).

The findings of the research revealed the following:

- Approximately R70.1 billion was invested in the tourism sector in KZN in 3 years, 2005 – 2007.
- This took various forms – acquisition of property, businesses mergers, new development, additions, renovations, refurbishment and the acquisition of special equipment.
- Stats SA's figures indicate that income from accommodation added to almost R1.3-billion in 2006, a 17.7% increase compared to 2005

Chapter 4: Tourism Business Environment

Several points underlie the positive nature of the tourism sector in South Africa and in KwaZulu-Natal in particular:

- Full international recognition offers opportunities for growth
- Stimulatory government policies encourage industry development
- Developed legal system allows for flexibility in choice of business entity within the industry

4.1 Climate of the Tourism Sector

During the 1980s South Africa was subjected to international economic sanctions due to its political policies. This severely restricted foreign investment in the country and economic growth was hampered severely as a direct consequence of these restrictions.

Since 1994, however, and the election of a fully representative government, South Africa has gained full international recognition with the result that it is now able to trade freely with the world and receive foreign investment. Rapid and sustained growth in GDP and in per capita income appear to be a reality. Such growth would lead to the development of stronger local markets and a stronger local tourism sector. Limiting factors are the shortage of development capital and both the perception and reality of the prevailing high crime rate, as well as of issues of health and grime.

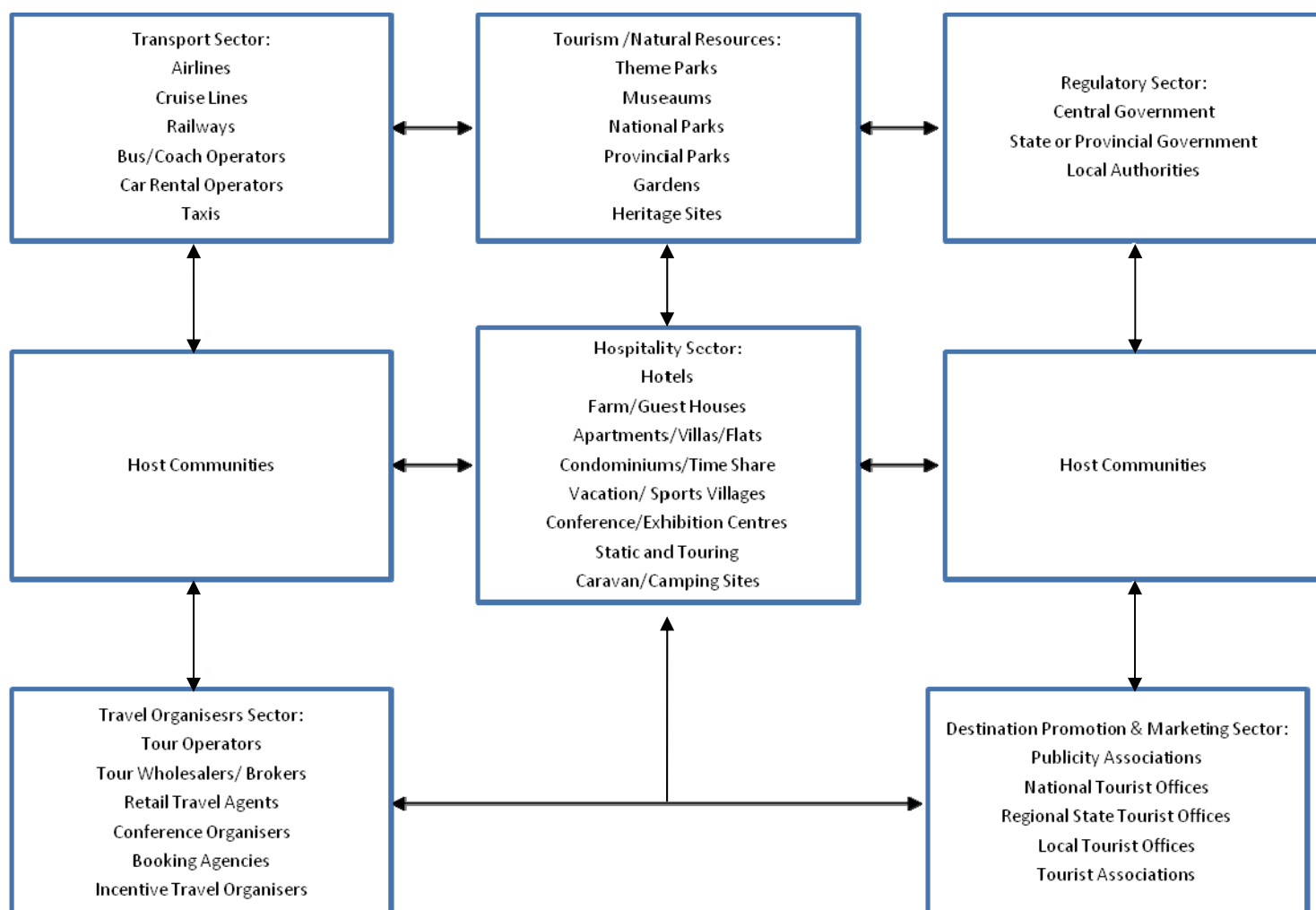
South Africa has a sophisticated, modern economy based primarily on primary and secondary industry, but the service sector is growing rapidly. Industrial development has centred around the largest cities, mainly Johannesburg, Durban and Cape Town. Besides the efficient and well developed infrastructure allowing rapid communication and transport, the financial and commercial sectors are also well developed. Professional services such as banking, accounting, financial and legal services are highly sophisticated and on par with those on offer in other parts of the developed world. Free enterprise has increased in recent years due to the conversion of several large state-controlled corporations to fully corporate organisations. These include the South African Coal Oil and Gas Corporation (SASOL) and the Iron and Steel Corporation (ISCOR). Privatisation of certain state-controlled corporations is set to continue.

4.2 Framework of the Tourism Sectors

Manufacturing, mining and major service industries are dominated by public listed corporations, although close corporations and family enterprises are also common. The tourism sector is largely dominated by private organisations and a few public listed companies such as Kersaf and Leisurenet. Within each sector certain companies hold significant interests.

The tourism sector can be usefully divided into the following sub-sectors:

Figure 5: The tourism sectors and sub-sectors



(Developers' Guidebook, 5th edition)

Each of these sectors has its major role players. The accommodation sector is dominated by several large chains of hotels. These include Protea Hotels, Holiday Inn, Karos and City Lodge. Outside of the company-owned hotels, a plethora of privately owned hotels and other types of accommodation - bed and breakfasts, guest houses, self-catering establishments, holiday homes - exist, and the number grows daily.

Besides the accommodation providers listed above, the National Parks Board and KZN Wildlife offer considerable amounts of accommodation, in terms of both and variety of types and of bed numbers. The privately-run Conservation Corporation Africa also plays an important role in the accommodation sector.

In the transport sector, the car hire firms are dominated by several large chains - Budget, Imperial, Hertz, Avis - but there are over 30 other car hire firms. Coach transport companies include Greyhound, Springbok-Atlas and Intercity Coaches and there are also many privately owned fleets.

There are also firms which hire out combi-campers, 4x4 vehicles, caravans, mobile homes and other specialised vehicles.

Besides the national carrier, South African Airways, and the array of smaller local airlines, most airports hire out small planes and helicopters.

There is no national cruise line although South Africa does act as an agent for several lines. Smaller craft are available for hire in most of the harbours.

In the food and beverage sector, catering companies such as Kagiso, Kulani and Leisurenet represent the larger firms. Many smaller, privately run profitable concerns also exist.

4.3 Government Policy, National Treasury and ASGISA

South Africa's government approach to policy could be described as a 'Social Democratic Approach'. This is clearly illustrated by its policies with respect to Accelerated And Shared Growth Initiative South Africa (ASGISA) and tourism product development.

ASGISA focuses the energy of government and its partners to halve poverty and unemployment by 2014. Two sectors have been identified in terms of this policy for special priority attention. Tourism is one of these sectors, and business process outsourcing the other.

The key issues to be addressed by tourism include:

- Marketing
- Air access
- Safety
- Skills development (SA Government On Line, 2007)

The promotion of ecotourism and of South Africa's cultural and political heritage is a priority. There is an emphasis on community involvement and partnerships with emerging black firms in the industry. Tourism is required to be integrated into provincial and local-level development programmes. As tourism could be a major industry, it should receive greater priority and support at national and provincial levels (The RDP, 1994).

The National Treasury is responsible for managing South Africa's national government finances. Supporting efficient and sustainable public financial management is fundamental to the promotion of economic development, good governance, social progress and a rising standard of living for all South Africans.

Over the current medium-term expenditure framework period (2007 – 2009) the National Treasury will focus on sustaining growth and macroeconomic stability, while accelerating development and the creation of employment opportunities. The National Treasury will also work to ensure that government meets its deadlines in preparation for hosting a successful 2010 FIFA World Cup, and the associated strengthening of South Africa's public transport and communications systems. As mandated by the executive and Parliament, the National Treasury will continue to support the optimal allocation and utilisation of financial resources in all spheres of government to reduce poverty and vulnerability among South Africa's most marginalised.

Over the next 10 years National Treasury priorities include increasing investment in infrastructure and industrial capital; improving education and skills development to raise productivity; improving the regulation of markets and public entities; and fighting poverty and inequality through efficient public service delivery, expanded employment levels, income support and empowerment.

Government policy is directed towards stimulating economic growth, particularly in rural areas, so as to absorb the rapidly growing population, reduce the black/white wage gap, and contain inflation.

The government encourages foreign investment, actively identifying international business possibilities. The form of such foreign investment is largely unrestricted.

4.3.1 Labour-Management Relations

Although there is an abundant supply of unskilled and semi-skilled labour, skilled and managerial personnel are in short supply in all areas and sectors of the industry. Staff training and service skills development remain high on the list of priorities for the tourism sector.

4.3.2 Incentives

In line with government policy regarding foreign investment, some development assistance incentives exist to attract international investors. Tax incentives include:

- Tax write-offs in the form of annual depreciation allowances
- Exported goods are zero-rated in terms of value-added tax (VAT) and a full input credit is granted on the acquisition of capital and intermediate goods
- Income tax for companies as well as individuals is only imposed on South African income sources. Remuneration for services abroad or income generated outside the country are exempt from South African tax.

Regional and local incentives also exist, mainly in the form of tax-free cash payments, and only in certain circumstances. These include establishment grants, output incentives and relocation grants of up to R1 million.

Incentives are also offered to new small businesses - small, medium and micro enterprises (SMMEs) and help is frequently obtained from Business Partners (formerly the Small Business Development Corporation or SBDC) and from Business Advice Centres countrywide.

4.3.3 Funding

The funding of tourism enterprises is dependent upon a wide variety of factors and perhaps even a wider variety of options. The Industrial Development Corporation (IDC) produced a set of outlines for their funding schemes. According to them, the development of the South African tourism sector holds major benefits for economic progress, job creation and foreign exchange earnings. From this basis they support the tourism sector through providing finance for the development, improvement and/or expansion of tourist facilities, the development of new accommodation facilities and a variety of other capital intensive tourism projects.

The IDC has two specific financing schemes - one for General Tourism and one for Ecotourism - aimed at developments in conservation areas and also in private game parks or reserves. The scheme is aimed at the provision of additional accommodation and, in some cases, the financing of related infrastructure. Such financing will not generally be considered for the acquisition of land by private sector applicants, conservation authorities could be considered. Private game parks and nature reserves are required to have their management plans approved by the relevant conservation authority (IDC, 2001; www.idc.co.za/eco/intro.html).

The IDC's general Tourism Scheme aims at providing financing to institutions offering accommodation to tourists and other capital intensive tourism projects that have the potential to affect the growth of the tourism sector, requiring medium to long term financing.

The IDC also provides information on the creation of business plans, loan application procedures, and how income statements and balance sheets should be constructed.

The IDC's ecotourism scheme also provides financing for the development of new projects as well as the expansion and improvement of existing facilities. It is primarily aimed at the provision of additional accommodation but the financing of related infrastructure will also be considered. Financing for the acquisition of land by private sector applicants is not usually considered although conservation authorities could be assisted, and funding for the acquisition of game will not be considered. Owners, members or shareholders should, in the case of these developments, finance at least 40% of total assets.

Finance for either of these schemes will be considered only on a project-by-project basis, but the maximum IDC funding per project is not limited.

The Ithala Development Finance Corporation, recently Ithala Bank, also provides finding for tourism development projects. Such finding is frequently available on special terms and with special conditions beneficial to tourism development.

Where the tourism project has a community development aspect, funding is often considered and provided by the KwaZulu-Natal Tourism Authority, the Regional Councils and sometimes, where appropriate, by the provincial and even national departments.

4.4 Taxation

- A comprehensive system of direct and indirect taxation is in place
- Company income tax on net income at 28%
- Secondary tax of 10% imposed on companies distributing dividends
- Value-added tax system in operation - 14%

4.4.1 Income Tax – Companies

Figure 6: Income tax companies 2008

Type	Rate of Tax
Companies	28%
Small business corporations	
R0 – R46 000	0%
R46 001 – R300 000	10%
R300 001 and above	28%
Employment companies	33%
Foreign resident companies which earn income from a source in South Africa	33%
Secondary tax on companies (STC) on dividends declared after being reduced by dividends receivable during a dividend cycle (South African branches of foreign resident companies are exempt from STC)	10%

(SARS 2008/9)

4.4.1.1 Companies and Shareholders

Corporate taxable income is subject to normal tax in the hands of the company without any deduction for dividends declared or distributed. Companies are liable to a secondary tax on dividends distributed. Dividends received are exempt from tax. Dividends distributed to shareholders with a foreign address are not subject to withholding tax.

Small Business Corporations are liable for 10% tax on income exceeding R46 000 but not exceeding R300 000 and taxable income in excess of R300 000 is liable for R25 400 plus 28% of the amount by which the taxable income exceeds R300 000.

4.4.1.2 Taxable Entities

The corporate tax system applies to all associations (other than partnerships), corporations and companies incorporated in South Africa and to similar bodies incorporated outside South Africa that carry on business or have an office or place of business in South Africa and derive income from any source within or deemed to be within South Africa.

4.4.1.3 Source of Income

Under the definition of gross income, only income that arises from a source within or deemed to be within South Africa is taxable.

Actual or real 'source' is a concept that has been developed in court decisions. It has been held to refer to the originating cause of the income which has to be identified at a separate enquiry before determining its geographical location. Deemed sources are listed in the Income Tax Act.

South Africans are taxed on their world-wide income as from 1 January 2001.

4.4.1.4 Gross Income

Gross income is defined as the total amount, in cash or otherwise, received by or accrued to any person (including a company) from a source within or deemed to be within South Africa, excluding items of a capital nature but including certain specified items, whether they are of a capital nature or not. This presently includes income to South Africans from any sources world-wide.

4.4.1.5 Tax Rates

Rates of tax are fixed annually for years of assessment ending during the twelve months to March 31 of the following year. The present rates of tax are as follows:

- For companies other than mining and insurance companies: 28%
- Secondary tax on the net amount of dividends distributed: 10%

Tax rates for branches of foreign companies are as follows:

- Normal tax on branch income: 33%
- Secondary tax on dividends declared on or after 13 March 1996 - no tax is payable

4.4.1.6 Tax Credits

Where income that is deemed to arise from a source within South Africa has been subject to a foreign tax, a credit will be available to the lesser of the foreign tax payable or the South African tax liability attributable to the income in question.

4.4.1.7 Consolidation

Group tax returns are not acceptable, and group tax relief allowances are not available.

4.4.2 Income Tax - Individuals

Figure 7: Income tax individuals

2007/08		2008/09	
Taxable Income (R)	Rates of Tax (R)	Taxable Income (R)	Rates of Tax (R)
R0 - R112 500	18% of each R1	R0 - 122 000	18% of each R1
R112 501 - R180 000	R20 250 + 25% of the amount above R112 500	R122 001 - R195 000	R21 960 + 25% of the amount above R122 000
R180 001 - R250 000	R37 125 + 30% of the amount above R180 000	R195 001 - R270 000	R40 210 + 30% of the amount above R195 000
R250 001 - R350 000	R58 125 + 35% of the amount above R250 000	R270 001 - R380 000	R62 710 + 35% of the amount above R270 000
R350 001 - R450 000	R93 125 + 38% of the amount above R350 000	R380 001 - R490 000	R101 210 + 38% of the amount above R380 000
R450 001 and above	R131 125 + 40% of the amount above R450 000	R490 001 and above	R143 010 + 40% of the amount above R490 000
Rebates		Rebates	
Primary	R7 740	Primary	R8 280
Secondary	R4 680	Secondary	R5 040
Tax Thresholds		Tax Thresholds	
Primary	R43 000	Primary	R46 000
Age 65 and over	R69 000	Age 65 and over	R74 000

(SARS 2008/9)

4.4.2.1 Territoriality and Residence

Individuals are subject to tax in respect of income arising from sources world-wide, and are entitled to claim any permissible deductions in calculating taxable income and any rebates (personal credits) in determining the amount of tax payable. More recently, with the relaxing of exchange controls, South Africans are entitled to invest up to R750 000 off-shore. Income on this amount is taxable.

4.4.2.2 Taxation of Spouses

There is a separate taxation of spouses, which is a departure from the earlier joint taxation system. Income earned by a woman independently of her husband is taxed separately.

4.4.2.3 Gross Income

As in the case of companies, gross income includes all amounts not of a capital nature from sources within or deemed to be within South Africa during a year of assessment.

4.4.2.4 Double Tax Relief

Individuals qualify for a credit for double tax on the same conditions as companies.

4.4.2.5 Non-taxable Income

Exempt income includes the following:

- Interest and Dividends:
 - Interest and otherwise taxable dividends earned by any natural person under 65 years of age, up to R19 000 per annum, and persons 65 and older, up to R27 500 per annum, are exempt from taxation. Foreign interest and foreign dividends are only exempt up to R3 200 out of the total exemption.

- Interest is exempt where earned by non-residents who are physically absent from South Africa for 183 days or more per annum and who are not carrying on business in South Africa.

4.4.2.6 Deductions

- Current pension fund contributions
 - The greater of:
 - 7,5% of remuneration from retirement funding employment, or
 - R1 750.
- Arrear pensions fund contributions
 - Maximum of R1 800 per annum. Any excess over R1 800 may be carried forward to the following year of assessment.
- Current retirement annuity fund contributions
 - The greater of —
 - 15% of taxable income other than from retirement funding employment, or
 - R3 500 less current deductions to a pension fund, or
 - R1 750.
 - Any excess may be carried forward to the following year of assessment.
- Arrear retirement annuity fund contributions
 - Maximum of R1 800 per annum. Any excess over R1 800 may be carried forward to the following year of assessment.
- Medical and physical disability expenses
 - Taxpayers 65 and older may claim all qualifying expenditure
 - Taxpayers under 65 are not taxed on, or may deduct, monthly contributions to medical schemes up to R570 for each of the first two dependants on their medical scheme and R345 for each additional dependant. In addition they can claim a deduction for medical scheme contributions above the caps and any other medical expenses limited to the amount which exceeds 7,5% of taxable income
 - Taxpayers under 65 may claim all qualifying medical expenses, where the taxpayer or the taxpayer's spouse or child is a handicapped person. (This rule will be reviewed during 2008.)

4.4.3 Other Taxes - Individuals

4.4.3.1 Wealth Tax (Capital Gains Tax)

Capital gains on the disposal of assets are included in taxable income.

Figure 8: Wealth Tax 2008

Maximum effective rate of tax	
Individuals	10%
Companies	14%
Trusts	20%

(SARS 2008/9)

Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration.

The following are some of the specific exclusions:

- R1,5 million gain/loss on the disposal of a primary residence
- most personal use assets
- retirement benefits
- payments in respect of original long-term insurance policies
- annual exclusion of R16 000 capital gain or capital loss is granted to individuals and special trusts

- instead of the annual exclusion, the exclusion granted to individuals is R120 000 during the year of death.

4.4.3.2 Donations (Gift) Tax

Deductions in respect of donations to certain public benefit organizations are limited to 10% of taxable income before deducting medical expenses.

Donations tax is levied at a flat rate of 20% on the value of property donated.

- The first R100 000 of property donated in each year by a natural person is exempt from donations tax.
- In the case of a taxpayer who is not a natural person, the exempt donations are limited to casual gifts not exceeding R10 000 per annum in total.
- Dispositions between spouses, and donations to certain public benefit organisations are exempt from donations tax.

4.4.3.3 Estate Duty (Inheritance Tax)

Estate duty is levied at a flat rate of 20% on all property of residents and South African property of non-residents. A basic deduction of R3,5 million is allowed in the determination of an estate's liability for estate duty as well as deductions for liabilities, bequests to public benefit organisations and property accruing to surviving spouses.

4.4.4 Tax Treaties

South Africa's tax treaties can be divided into two categories:

- those that are comprehensive and deal with all taxes on income; and
- those limited to income arising from the business of sea and air transport.

The latter category generally determines that each contracting state may not tax residents of the other state on such income. As it concludes trade arrangements with a greater number of nations, the country's net of tax treaties is broadening.

4.4.4.1 Relationship to Domestic Law

Treaties are specifically incorporated in the Income Tax Act. A treaty may not authorise any additional tax. It may only provide relief from South African tax. A treaty will only retain its legal effect as long as it is being honoured by the other country.

4.4.4.2 Withholding Taxes

Withholding taxes are levied on royalties to non-residents at 12%.

In respect of dividends, withholding tax does not apply with effect from October 1, 1995. In respect of royalties, the obligation of the payer to withhold tax may be relieved by the Commissioner if he is satisfied that arrangements have been made to pay any tax due thereon by other means.

4.4.4.3 Permanent Establishment

A permanent establishment is usually defined, on the lines of the OECD model treaty, as a fixed place at, or through, which business is carried on. The definition is expanded by specific inclusions and exclusions.

4.4.4.4 Personal Services

In the absence of a tax treaty, all income earned for personal services performed in South Africa is attributable to a South African source and subject to tax.

The treatment of personal service income in the treaties varies. Some have a 183-day rule, others provide for taxation in the country where the services are performed, irrespective of the country of residence.

4.4.4.5 Elimination of Double Taxation

As a result of the source principle, income arising outside South Africa is not taxable unless it is caught by one of the deemed-source provisions.

4.4.4.6 Anti-abuse Provisions

There are no specific anti-abuse provisions apart from the normal provision limiting treaty protection where interest payable between related parties is fixed at an excessive rate, and the provision enabling either state to readjust the profits of related enterprises or persons where conditions affecting their commercial or financial dealings differ from those which would apply in an arm's-length relationship.

4.4.4.7 Exchange of Information

Most treaties provide for the exchange of information as far as is necessary to carry out the provisions of the treaty and to prevent the avoidance of tax.

4.4.5 Indirect Taxes

4.4.5.1 Value-added Tax

Value Added Tax (VAT) is a tax on the value added by each registered vendor in the production/distribution chain and is imposed each time a taxable supply of goods or services takes place. The VAT legislation requires each registered vendor in the production/distribution chain to account for VAT on the value added by him. This tax presently stands at 14% (and 0% for some fresh or basic foodstuffs).

VAT is a multi-stage tax that avoids tax cascading. VAT is payable each time a taxable supply takes place, and registered vendors are therefore required to bear VAT on purchases of goods or services from other registered vendors.

However, the VAT paid by a registered vendor is recoverable from Revenue as an input tax. The VAT to be accounted for by the supplier on taxable sales made by him is referred to in the Act as an output tax. The Act provides that a vendor is entitled to deduct from the sum of the amounts of output tax for which he is liable to Revenue in relation to a specified tax period, the sum of the amounts of input tax incurred by him during the same tax period.

The excess of input tax paid by a vendor over output tax over a specified period is recoverable from the Revenue authorities. The net effect of this is that registered vendors do not in fact bear any VAT unless they make exempt supplies or are denied input tax incurred.

4.4.5.2 Stamp and Transfer Taxes

4.4.5.2.1 Stamp Tax

Most legal documents and agreements executed in South Africa are subject to stamp duty.

Stamp duty is imposed on:

- Lease agreements of fixed property (exemption for agreements for a rental period 5 years or shorter): 0,5 per cent
- Registration of transfer and cancellation of unlisted marketable securities (exemption for interest-bearing securities): 0,25 per cent until 30 June 2008.

4.4.5.2.2 Transfer Tax

Transfers of immovable property are subject to transfer tax administered by the Commissioner for Inland Revenue.

Transfer duty is payable at the following rate on transactions which are not subject to VAT:

- Acquisition of property by persons other than natural persons: 8% of the value
- Acquisition of property by natural persons:

Figure 9: Transfer Tax 2008

Value of property (R)	Rate
0 – 500 000	0%
500 001 – 1 000 000	5% of the value above R500 000
1 000 001 and above	R25 000 + 8% of the value exceeding R1 000 000

(SARS 2008/9)

4.4.5.3 Excise Tax

Excise taxes are levied on a limited range of locally manufactured goods, such as alcoholic beverages, tobacco products, office machines, computer equipment, etc.

4.4.5.4 District Municipality Levies

There are two services levies:

- A regional establishment levy based on turnover, the rate of which is usually between 0,10% and 0,15%.
- Regional services levy based on payroll and, in the cases of partnerships or sole traders, on drawings. The rate is usually between 0,25% and 0,35%.

Both levies are a deductible expense for purposes of income tax.

4.4.5.5 Property Taxes

Municipalities and other local authorities assess rates (real estate tax) on owners (but not occupiers) based on the rateable value of land and/or buildings. Rates are levied on all properties, including undeveloped and unoccupied land and buildings as well as agricultural properties.

4.4.5.6 Wealth Tax, Net Assets Tax

South Africa does not currently levy such taxes but this is presently under consideration.

4.4.5.7 Vehicle Tax

An annual vehicle licensing fee is payable to the municipality or local authority in which the vehicle is registered. The amount payable depends on the particular local authority and on the class of vehicle.

Other Levies

Various other levies exist, portions of which are retained within the province. There is a tourism bed levy, a hotel levy and a casino levy.

Chapter 5: Foreign Investment

5.1 Government Attitude towards Foreign Investment

Although foreign investment is encouraged, currency flows are subject to exchange controls although these have been severely relaxed in recent years. It is government policy to offer encouragement to foreign companies wanting to establish branches in the country. Growth in the South African economy was slow during the 1980s and this factor, as well as subsequent restraints on the economy, encourage South Africa to consider foreign investment as a significant means to increase economic growth and stability.

5.1.1 Restrictions on Foreign Investment and Investors

Exchange control exists as a measure to protect South African currency. The Exchange Control Act and Treasury regulations define the range of transactions that may take place in South Africa or may be carried out with the permission of the Treasury by residents of South Africa. These regulations are broadly stated and are managed by the exercise of discretionary powers. The Treasury has delegated authority to deal with most exchange control matters to the Reserve Bank which, in turn, has delegated authority to the commercial banks as the authorised dealers. Applications to the Reserve Bank involving matters outside the authority given to the commercial banks must still be made through the applicant's bankers. The Reserve Bank adjusts its controls according to the prevailing economic situation.

5.1.2 Restrictions on Foreign Ownership

There are no restrictions on foreign nationals investing or buying real estate in South Africa. Indeed, for generations, foreign nationals have been very active in the real estate market in South Africa.

5.2 Exchange Controls

5.2.1 Inward Investment

There are no restrictions on foreign firms wishing to invest in share capital. Exchange control in South Africa is administered by the South African Reserve Bank's (SARB) Exchange Control Department and through commercial banks that have been designated as "authorized dealers" in foreign exchange.

5.2.2 Registration of Foreign Capital

5.2.2.1 Capital

No exchange control permission is required for the inward transfer of equity share capital.

5.2.2.2 Foreign Loans

The policy is to require a minimum debt to equity ratio of 3:1. Loans should usually be fixed for a minimum period of 6 months. Foreign loans that are not for property development, consumer credit or speculative purposes will be considered by the authorities. Repatriation is subject to submission of an application prior to repayment.

5.2.2.3 Local Borrowings

A South African company that is 75% or more foreign owned is restricted in the amount that it may borrow or access from South African lenders, and is known as an "affected company". The borrowing or facility limit, known as local financial assistance, is based on a pre-set formula. For companies that are 100% foreign owned, the local financial assistance limit is 100% of the effective capital of the South African company. Effective capital includes paid-up equity capital, preferential shares, undistributed earned profit; shareholders' loans from abroad and, in certain instances, the hard core shareholders' trade credit.

The percentage of effective capital that may be borrowed is:

$$\frac{100\% + (\% \text{ South African interest})}{(\% \text{ Non-resident interest})} \times \frac{100\%}{1}$$

5.2.2.4 Other Types of Non-Resident Investment

Funds may be remitted to and from South Africa.

5.2.2.5 Technology Agreements

Royalty and technology agreements require the prior approval of the Exchange Control. Once approved, royalty payments and technical service fees are freely transferable.

5.2.3 Repatriation of Capital and Earnings

5.2.3.1 Dividends and Branch Profits

There is no restriction on the transfer of dividends or profits of local branches of foreign parents, provided such transfers are made out of trading profits and are financed from available cash funds without resorting to excessive local borrowings.

5.2.3.2 Interest, Royalties and Service Fees

Interest payments are freely transferable, provided the rate is reasonable with regard to the nature of the loan, current interest rates and past practices. Payment of service fees by wholly owned subsidiaries to their foreign parents comes under particularly close scrutiny as the Exchange Control prefers to see foreign investors withdrawing their profits from South Africa in the form of dividends.

5.2.3.3 Imports and Exports

Some imports are subject to permit but most goods may be imported without restriction. Export licenses are required only for strategic goods, some foodstuffs and a few other categories. For all exports, the necessary forms and documentary evidence must be filed with Customs and with the exporter's bank. The proceeds from exports must be remitted to South Africa within six months of the date of export.

Also to be considered here is the issue of incentives. The Tourism Enterprise Partnership (or TEP) offers a range of incentives for the location, starting up and managing of tourism or tourism-related businesses in KZN. Similarly, Ithala Bank provides loans for tourism or tourism-related businesses. The Department of Trade and Industry also provides a range of incentives for tourism and tourism-related initiatives.

Chapter 6: Labour Relations

6.1 Labour Relations

Points of note regarding the labour situation in South Africa are:

- There is an abundant supply of unskilled labour
- South Africa currently has a shortage of skilled labour
- There is an active and highly politicised trade union movement
- No comprehensive social security scheme exists at present although some issues are being considered at a national level
- Most retirement benefits are provided through self-administered funds
- There are no restrictions on the number of foreign personnel employed

6.1.1 Availability of Labour

South Africa presently has a population of some 47.9 million people. Within South Africa, the economically active population was estimated at 17.2 million in 2006 (STATSA September 2006).

In KwaZulu-Natal about 2,1 million people (September 2004) in KwaZulu-Natal fall into the economically active category consisting of those aged between 15 and 65 years. Approximately 3,3 million aged 15 – 65 years were not economically active in September 2006 (STATSA). Within South Africa, the economically active population was estimated at 17.2 million in 2006 (STATSA September 2006).

The white population group had the largest percentage of employed people (63,8%), followed by the Indian/Asian (49,0%), black African (31,6%) and coloured (30,9%) population groups (CID Working Paper No. 134, October 2006).

Regarding unemployment, 17,1% of the coloured people of working age were unemployed, followed by 15,5% of the black African, 9,5% of the Indian/Asian and 2,4% of the white population group (CID Working Paper No. 134, October 2006).

6.1.2 Categories of Employment

Table 10: National and Provincial Categories of Employment

Category	South Africa	KwaZulu-Natal
Agriculture, hunting, forestry and fishing	9.1	10.0
Mining and quarrying	3.5	0.2
Manufacturing	14.7	18.3
Electricity, gas and water supply	0.8	0.6
Construction	6.3	5.4
Wholesale and retail trade	22.2	21.5
Transport, storage and communication	4.5	5.9
Financial intermediation insurance, real estate and business service	9.8	7.5
Community, social and personal service	19.5	18.8
Private households with employed persons	10.4	11.8

(STATSSA Labour Force Survey September 2004)

6.1.3 Skills Profile

There is a very low level of unemployment amongst South Africa's skilled labour force. Unskilled labour is freely available in both the non-metropolitan industrial areas and in urban industrial zones, but there is a severe shortage of housing. This issue remains inadequately dealt with

despite the attempts of the RDP to increase the number of houses substantially. As there is currently a skilled worker shortage, prospective investors should be aware of the potential work force when surveying the labour market for the particular skills they will require.

The skills profile is illustrated in the table below.

Table 11: National and Provincial Skills Profile

Main Occupation	KwaZulu-Natal		South Africa	
	N ('000)	%	N ('000)	%
Legislator, senior officials and managers	172	8.2	910	7.8
Professionals	89	4.2	458	3.9
Technical and associate professionals	208	10.0	1 149	9.9
Clerks	174	8.3	1 169	10.0
Service workers and shop and market sale workers	265	12.6	1 453	12.5
Skilled agricultural and fishery workers	98	4.7	329	2.8
Craft and related trade workers	258	12.3	1 538	13.2
Plant and machine operators and assemblers	216	10.3	1 113	9.6
Elementary occupations	407	19.5	2 619	22.5
Domestic workers	203	9.7	881	7.6
Total	2 092	100.0	11 643	100.0

(STATSSA Labour Force Survey September 2004)

6.1.4 Employee Training Programmes

Education and industrial training facilities are being expanded. For training in the catering and accommodation sectors of the industry, courses are available at a variety of tertiary institutions. The ML Sultan Campus of the Durban Institute of Technology (DIT), for example, has a Hotelier and Caterer course and is about to embark upon offering a BTech in Ecotourism Management. The University of KwaZulu-Natal, Durban campus, is presently instituting degree courses in tourism. The Pietermaritzburg campus of the University already has several under and post-graduate courses in tourism within the Geography Department. The University of Zululand has an entire institute aimed at offering tourism-related programmes and courses. DUT has instituted a BTech in Tourism Management. Several local colleges, such as Damelin and Varsity College, have courses available on Travel and Tourism, aimed for the most part at tour operators.

6.2 Labour Legislation

The Labour Relations Act aims to establish the fundamental environmental regulating the relationship between employers and labour.

KwaZulu-Natal has comprehensive legislation relating to the environmental, training and social security conditions of employment. A summary of the principal enactments is provided below:

- **Basic Conditions of Employment Act:** Sets out all conditions of employment, except for the hours and days on which shops may be open, which fall within the jurisdiction of the provincial administration.
- **Machinery and Occupational Safety Act:** Provides for the registration of factories, the regulation of hours and the health and conditions of work, as well as the supervision and use of machinery including precautions against accidents.
- **Apprenticeship Act:** Provides for the registration, training and employment of persons in certain trades that require a high degree of skill, and the protection of minors in certain trades.
- **Wage Act:** Provides for the establishment of wage boards to lay down conditions of employment in fields not covered by the above-mentioned Acts.
- **Labour Relations Act:** This is the major Act governing labour relations and it has essentially two purposes: the establishment of collective bargaining machinery for employers and employees, and the orderly resolution of disputes. Provision is made for collective bargaining with registered trade unions at industry level through the voluntary establishment of industrial councils. Registered employer and employee bodies are equally represented on industrial councils, which provide a platform for industrial self-government through collective bargaining regarding wages and conditions of employment. Agreement once reached is published in the Government Gazette and as such has statutory force and is binding on all parties.

6.3 Trade Unions

There is an active and growing trade union movement in South Africa, but only in national terms.

Trade Unions have an important role in determining the evolution of wages because of their sizeable membership and substantial economic and political power in South Africa. According to surveys by the Bureau of Market Research (BMR) 2.5% of African workers in urban areas of South Africa were unionized in 1975, 5.5% by 1980, and after officially legalizing African unions in the early 1980s, 19% were by 1985 (Moll, 1993). The Congress of South African Trade Unions (COSATU) estimates that the rate of unionization grew to 37% in 1993.

In the table below the share of employees that were union member in 1993, 1995, 1998, 2000 and 2004 are presented:

Table 12: Share of employees that are union members

Industrial Sector	1993	October 1995	October 1998	September 2000	February 2004
Agriculture	4.5	6.9	9.5	8.7	6.7
Mining	73.1	70.7	72.9	70.0	78.5
Manufacturing	48.0	45.7	45.6	41.5	40.2
Electricity and water	36.8	41.6	41.7	36.0	32.3
Construction	23.5	18.5	15.0	12.1	10.9
Wholesale, retail, hotel and restaurants	26.4	23.7	22.7	18.3	19.1
Transport, communication and finance	29.8	30.8	30.0	23.8	23.6
Educational, medical and legal	30.4	45.2	60.2	63.2	62.0
Domestic and other	12.0	12.8	7.8	5.6	7.1
All industries	29.8	33.2	32.8	29.6	29.6

(CID Working Paper No. 134)

Currently (July, 2006) there are 21 trade unions listed to COSATU, with a combined membership of just over 1.8 million.

6.4 Profit Sharing

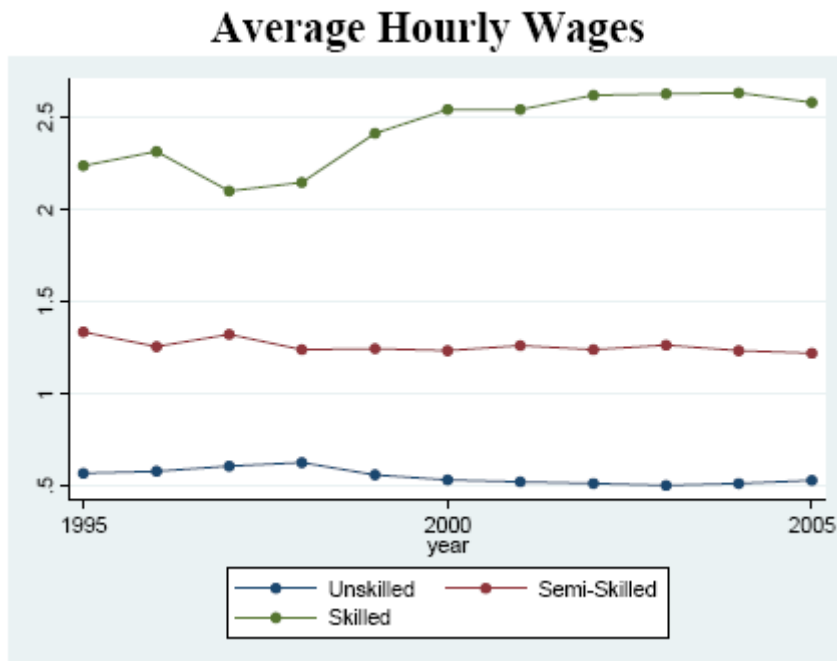
There are few profit-sharing schemes in operation in South Africa except for those for top executives, and these schemes vary considerably.

6.5 Working Conditions

Minimum wage rates are laid down for certain industries and occupations in terms of industrial council agreements or other labour legislation. Wages and salaries in the more densely industrialised areas are generally higher than the minimum rates and higher than the rates in less densely industrialised areas. More information in minimum wages and salaries as well as on working conditions can be obtained from the Department of Labour's website (www.labour.gov.za).

The average real wages in South Africa have been stable or decreased slightly between 1995-2005. Estimated is that real wages decreased by approximately 10% during this time, as a result of a decline from 1995-1998 and a recovery at the end of the period. Burger and Yu (2006) estimate a rise of 4% over the same period.

Figure 9: Average hourly wages, October 2006



(CID Working Paper No. 134)

6.5.1 Wages and Salaries

Wages and salaries in the tourism industry can be divided according to category of work.

Salaries within the tourism industry are extremely difficult to ascertain join an updated and reliable basis due to lack of data. Below are tables with at least an indication of these, according to Statistics South Africa (STATSA) December 2007.

Table 13: Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants industry

Year and month	Including bonuses and overtime	Excluding bonuses and overtime
	Average Monthly earning (Rand)	Average Monthly earning (Rand)
May 2006	5 265	5 098
August 2006	5 431	5 244
November 2006	5 466	5 205
February 2007	5 456	5 225
May 2007	5 571	5 357
August 2007	5 698	5 489
November 2007	5 849	5 643

(STATSSA 2007)

6.5.2 Fringe Benefits

In many cases workers in the tourism industry receive benefits as well as their salaries. Such benefits take the form of meals provided while at work, uniforms, transport, and in some cases, staff housing. These benefits are in addition to pension, medical aid and unemployment insurance.

6.5.3 Hours Worked

An employer may not require or permit an employee to work more than:

- 45 hours in any week
- 9 hours in any day if the employee works 5 days or fewer in a week
- 8 hours in any day if the employee work on more than five days in a week

Generally a workweek consists of 40 hours of work a week and 8 hours of work per day.

In case of overtime, an employer may not require or permit an employee to work:

- Overtime except in accordance with an agreement, this agreement may not require or permit an employee to work more than 12 hours on any day
- More than 10 hours overtime a week
- An employer must pay an employee at least one and one-half times the employee's wage for overtime work

These working hours does not apply to:

- Workers in senior management
- Sales staff who travel and regulate their own working hours
- Workers who work less than 24 hours a month
- Worker who earn more than R115 572 per year
- Workers engaged in emergency work are excluded from certain provisions

6.5.4 Paid Holidays and Vacations

South Africa has 13 official public holidays. Workers must get annual leave of at least:

- 21 consecutive days, or
- 1 day for every 17 days worked, or
- 1 hour for every 17 hours worked

6.5.5 Termination of Employment

Employers and employees wishing to terminate employment must give notice of their intention to do so, although the time periods for such termination vary with both position and company. In general termination has to be noticed:

- 1 week, if the employee has been employed for 6 months or less
- 2 weeks, if the employee has been employed for more than 6 months but not more than 1 year
- 4 weeks, if the employee has been employed for one year or more, or is a farm worker or domestic worker who has been employed for more than 6 months.

On termination of employment employees are entitled to payment in cash for any vacation earned but not taken. Under the Labour Relations Act severance pay is compulsory in certain circumstances.

6.6 Social Security

South Africa presently has no comprehensive social security scheme. Workmen's Compensation and Unemployment insurance contributions are payable in respect of certain categories of employees.

6.6.1 Pensions

The government provides minimal pensions to retired persons, subject to a means test. Most businesses in South Africa provide pension benefits for their employees through either self-administered pension funds or through schemes administered by insurance companies. Membership of a pension scheme is frequently a condition of employment and contributions are generally shared between the employer and the employee with the employee's contribution equal

to approximately 5% of his gross salary. All pension schemes are subject to government control through the Pension Act.

6.6.2 Unemployment

Unemployment insurance for lower-paid employees is provided by the state-controlled Unemployment Insurance Fund, which is funded by government grants and a compulsory contribution by employers and employees. Employer must pay unemployment insurance contributions of 2% of the value of each worker's pay per month. The employer and the worker each contribute 1%.

The Unemployment Insurance Act and Unemployment Insurance Contributions Act apply to all employers and workers, but not to:

- Workers working less than 24 hours a month for an employer
- Learners
- Public servants
- Foreigners working on contract
- Workers who get a monthly state (old age) pension
- Workers who only earn commission

6.6.3 Health and Medical Care

Medical and health insurance coverage is provided by most employers for all employees. Coverage is either through non-contributory insurance schemes or more often through membership in non-profit medical aid societies to which both employer and employee contribute equally on a sliding scale, depending on the employee's income and number of dependants.

6.6.4 Sickness Benefits

The employer is liable under the various Acts governing labour conditions to grant an employee full pay should illness result in the employee being unable to work. The maximum number of days for which such benefits must be given is usually limited to 10 working days per annum.

6.7 Foreign Personnel

Foreigners seeking employment in South Africa should visit the South African Embassy or Consulate-General in their own country as all applications must be submitted from outside South Africa. Additional information can be obtained from the Department of Home Affairs, Private Bag X54311, Durban, 4000.

6.7.1 Work and Residence Permits

Foreigners need to obtain a temporary work permit or a permanent residence permit to work in South Africa. If an employee expects to work for a period of more than six months, it is advisable that he apply for permanent residence, although temporary permits can be extended for four further periods of six months each.

The temporary resident, permanent resident or his employer will be required to provide the cash equivalent or a bank guarantee equal to the cost of a two-way air ticket to his homeland for repatriation purposes. The funds are refundable on departure from South Africa.

If a temporary resident is unable to pay the costs of his repatriation, the employer will be held liable for such costs.

Holders of permanent residence permits are considered immigrants. No customs deposits are necessary on furniture and personal effects, and the immigrant is allowed to import one car per family free of duty, although VAT will be payable.

A foreign driver's license is valid in South Africa for a period of six months, provided the license is in English and contains a photograph of the license holder. The holder of a foreign license may within the six-month period exchange it for a South African driver's license.

6.7.2 Restrictions on Employment

Foreign personnel may be employed subject to the following main criteria:

- There is no South African citizen available capable of performing the position's tasks
- The foreign person has the required qualifications and experience
- The foreign person's skill shall be transferred to local personnel and the foreign person shall thereafter (and within two years) depart South Africa

No restrictions exist on the number of foreign personnel employed on a company's payroll.

Costs of Work Permits and Permanent Residence:

- Work permit: R1 520 (US\$ 214)
- Permanent residence

Chapter 7: Land Development Application Procedures

7.1 Introduction

The purposes of this chapter are threefold:

- To guide the developer through the various land development application procedures
- To familiarise the developer with the current legislation affecting land development
- To introduce the developer to the proposed changes in legislation affecting land development

For the purposes of this chapter, land development application procedures have been divided into four different categories, namely:

- Rural freehold

This category comprises predominantly agricultural land within the former Natal, and excludes areas of KwaZulu which were set aside for settlement of 'black persons', South African Development Trust (SADT) land, *Japie Uys* towns and informal settlements.

- Rural community

This category includes all areas, outside of proclaimed R293/63 townships, comprising the former self-governing state of KwaZulu.

- Rural conservation

This category includes all areas falling into formally proclaimed conservation areas in KwaZulu-Natal. These conservation areas are now managed by KwaZulu-Natal Wildlife.

- Urban freehold

This category comprises the former white owned areas of Natal, and excludes all land areas under comprising the former self-governing state of KwaZulu.

7.1.1 Existing Legislation and Procedures

Land development application procedures have, in the past few years, become increasingly complicated due to the introduction of new legislative procedures. For example, applications within the former Natal, concerning both urban and rural areas, are based on the requirements of the Town Planning Ordinance No.27 of 1949. In addition, the Development Facilitation Act (DFA) No.67 of 1995 can now be applied where the extraordinary powers of the Development Tribunal are required. Thus at present, the developer is faced with two different development application scenarios. More details regarding the DFA and the Development Tribunal can be found later in this chapter.

The KwaZulu-Natal Planning and Development Act No. 5 of 1998 (PDA) was due to come into operation in May 2001, and was to provide an additional dimension in terms of land development procedures but delays occurred during the compilation of the KwaZulu-Natal Planning and Development regulations. It appears that this piece of legislation has been superseded by the Land Use Management System or LUMS (TRPC, 2002).

Land use management is the combination of all the tools and mechanism used by a municipality to manage the way in which land is used and developed, and includes:

- Land Use Schemes
- By-laws
- Licensing

- Rates
- General Property information

A municipality prepares a Land Use Schemes for all the land under its jurisdiction. The scheme consists of a plan and document, which regulates land in two ways:

- It deals with what uses are permitted on each piece of land or site
- It guides or controls the shape, size and position of buildings

Although this review of legislative changes could be interpreted as being simplistic, it does serve as an introduction to the complexities involved in planning tourism developments. It is therefore strongly recommended that prospective developers familiarise themselves with all the different application procedures and legislation presented in this chapter, or contact their local or district municipalities for further detail.

In order to guide the developer through the maze of legislation, Figure 11 (next page) can be used to identify the procedures and legislation associated with each of the four land development categories, namely; urban freehold, rural freehold, rural community and rural conservation.

In demonstrating the use of Figure 11, it is assumed that a prospective developer has identified an area of land that has potential for a tourism development, and is located in a rural freehold area (see section 7.1 for the definition of rural freehold).

According to Figure 11, rural freehold developments are subject to the provisions of either:

- the Town Planning Ordinance No. 27 of 1949 and
- the Development Facilitation Act No. 67 of 1995

The diagram also highlights the relevant section to which the reader should refer.

7.2 The Town Planning Ordinance No. 27 of 1949

In terms of the above ordinance, applications for development can be divided into two types:

- Developments which fall within an area covered by an existing town planning scheme
- Developments which do not fall within an existing town planning scheme

Where the proposed development falls outside of a town planning scheme, there are a further three possibilities to consider:

- Developments where no sub-division will be required i.e. developments consisting of only one lot
- Developments where subdivision will be required
- However, where a development consists of ten or more units or subdivisions, N&D application is required

The first part of this section deals with developments which do not fall within an existing town planning area i.e. outside of a local authority boundary.

7.2.1 Development Procedures Outside a Town Planning Scheme

Where the proposed development falls outside a town planning scheme area and comprises more than ten lots i.e. requiring more than 10 sub-divisions, the developer must submit a need and desirability application to the Provincial Planning and Development Commission (PPDC), in compliance with section 11*bis* of the Ordinance. In addition, land development and sub-division applications must be submitted in compliance with sections 11(2) and 12 (or 33) of the Ordinance respectively. Where the proposed development comprises between two and ten lots, the developer can proceed directly with the land development and sub-division applications. However, if the development is likely to have a significant impact on its surroundings, the PPDC can still insist upon the submission of a need and desirability application. Furthermore, if the development consists of more than 10 buildings or structures on one lot, it is usually necessary to submit a need and desirability application. Where no sub-division is required, the applicant can proceed directly with a development application.

7.2.1.1 The Need and Desirability Application

Background

The purpose of the Need and Desirability (N&D) Application is to demonstrate the need for, and the desirability of, the proposed development from the general public's perspective.

The Provincial Planning and Development Commission

All N&D applications are submitted to the Implementation Office of the PPDC in Pietermaritzburg, from where they are distributed to all interested and affected parties (IAPs), including the regional offices of the Directorate of Development Planning and the local municipality.

Contents of the Need and Desirability Application

In terms of motivating the need for, and the desirability of the proposed development, the N&D Application must address the following issues:

- Type and scale of proposed facilities
- Locality and extent of the application site, and proximity to existing settlements
- Present land use of the site
- Location, proximity and adequacy of existing similar facilities and others, approved or proposed.
- The market to be catered for i.e. interest group or socio-economic group
- The customer area to be catered for i.e. local, regional, provincial, national or international

- Existing plans, policies or development guidelines prepared by relevant authorities i.e. regional development plans, proposed roads and dams
- Assessment of demand for proposed development
- Site accessibility and provision of basic services i.e. electricity and water
- Agricultural value of site and possible impact on surrounding agricultural uses
- Environmental awareness and the assessment of the anticipated impact thereon, both bio-physically and socially. The Integrated Environmental Management (IEM) approach should be used in this regard

The Submission Process

The N&D Application is submitted by the PPDC for comment to adjacent property owners and all IAP's e.g. Roads Department and Water Affairs. These individuals and organisations are given one month in which to submit their comments to the PPDC. Applications are also advertised in the provincial gazette, and in one English and one Afrikaans daily newspaper. In most instances this is done by the PPDC. The cost of advertising is included in the application fee. Members of the public are invited to view the N&D Application and to submit comments.

Assuming there are no objections to the development, the PPDC is able to recommend to the Minister: Local Government and Housing, that the proposed development be approved.

If objections to the proposed development are lodged with the PPDC, a sub-committee of the PPDC will facilitate a site inspection and public hearing, where the applicant is required to present the proposal, and answer questions from IAP's. After the hearing, this sub-committee then reports back to the PPDC as to whether or not the project should be recommended for approval to the Department of Traditional and Local Government Affairs (you may wish to send the document for checking – DTLGA – Private Bag X9123, Pietermaritzburg, 3200).

The whole N&D application process usually takes not less than 6 months. If a site inspection and hearing are necessary, it can take much longer. It is advisable to employ the services of a specialist planning consultant, as this may substantially reduce the processing time.

Other Information

It is important to note that while the proposed project may be recommended by the PPDC, they are not empowered to approve project proposals. Sole responsibility for this rests with the DTLGA.

With very few exceptions an Environmental Impact Assessment (EIA) will be requested. Developers, or their consultants, are advised to communicate with staff from the PPDC, in order to determine the exact requirements pertaining to their application.

For further information contact:

Provincial Planning and Development Commission

Phone: (033) 395 3067

7.2.1.2 The Development Application

Background

In terms of section 11(2) of the Town Planning Ordinance No.27 of 1949, it is necessary to submit a development application to the Department of TLGA, in every instance where a developer proposes to erect buildings, or commence with a construction project on a property (but only if the property falls outside a town planning scheme i.e. a local authority area). In fact, even if no building occurs, but the nature of the property will be changed by means of some activity or alternative land use i.e. the establishment of a bed and breakfast in a farming or residential area, the owner is required to submit a development application for approval. The prospective developer must note however, that the above criteria represent a very simplified interpretation of the requirements of the Town Planning Ordinance. It is therefore recommended that prospective developers communicate

their intentions to the appropriate official in the DTLGA in order clarify the exact requirements of each different situation.

Note If the proposed development comprises ten or fewer lots, the developer can proceed with a development application as detailed below, but where the proposed development comprises more than ten lots, the prospective developer must submit a Need and Desirability Application before proceeding with the development application (see previous section). Where the development consists of more than one lot it will also be necessary to submit an application for sub-division. Although a separate application is necessary, this can be done at the same time as the development application.

If the proposed development falls under a local authority area, where there is a town planning scheme in place, and the proposed use of the land is in conflict with this scheme, the applicant must submit a rezoning application to the relevant local authority. This procedure is dealt with in a later section.

The Development Application

The following items are required in respect of the development application:

- Application form
- Twenty copies of the site/layout plan
- Photocopy of the title deed, and any deed of servitude
- Photocopy of Surveyor-General's diagram showing property boundaries
- The bondholder's consent, if bonded
- A certified copy of the Board resolution authorising the application, if the owner of the property is a company
- A letter of consent/Power of Attorney authorising the application, if the property is held in trust
- Power of Attorney authorising the application, if the applicant is not the owner
- Approval of Minister: Local Government and Housing where an N&D Application is required
- Comprehensive statement of motivation (where the submission of a Need and Desirability Application is not required)
- Copy of floor plan

The comprehensive statement of motivation should explain in as much detail as possible:

- The need for the proposed development
- Desirability of the proposed development in terms of:
 - its location on the property and in the area
 - service to the area, i.e. will it prove to be an inconvenience to others?
- Benefits of the proposed development to the local/regional/national community
- Impact of the proposed development, such as:
 - its scale
 - number of people benefiting from the development
 - present use of the property
 - possible change to the character of the neighbourhood
- Traffic implications
- Past site history
- Future proposals
- Other non-agricultural uses in the immediate area

Until August 1997, an Environmental Impact Assessment (EIA) was not always required by law. However, as an interested and affected party (IAP), KwaZulu-Natal Wildlife (former KwaZulu-Natal Nature Conservation) received a copy of all development applications and could, at any stage, request an EIA. However, with the promulgation of the EIA regulations in August 1997, EIAs

became compulsory for almost all development applications. It is therefore strongly recommended that the prospective developer read the section of this chapter which deals with EIAs in detail.

There are strict requirements in terms of the layout of the plans for the proposed development. These are given in the application form.

The Approval Process

The development application will be judged according to the following criteria:

- Provision of services
- Land tenure
- Environmental considerations
- General planning considerations
- Impact on IAP's
- Integration into the broader resource base

Once the application has been submitted to the relevant authority, it will be circulated to all interested and affected parties (IAP's) i.e. Roads Department, Eskom, Transnet, NCS and Health Department. The applicant is asked to inform all immediate neighbours, in writing, of the proposal, and to obtain their signatures as proof. All IAP's are given 30 days to comment.

All comments are compiled and submitted, with the application, to a Standing Committee which is chaired by DTLGA.

The Standing Committee meets weekly. The Standing Committee can approve the application, with or without conditions, but cannot refuse the application. Only the DTLGA can do this. If the Standing Committee intends to recommend that the Minister refuse permission for the application, they will inform the applicant, who is then given a chance to remotivate for the development.

In the event of there being serious objections to the application, the Standing Committee can call for a hearing and site inspection, where the applicant presents the case for development and answers questions from IAPs. The Standing Committee can then recommend its approval/refusal to the Minister.

Irrespective of whether or not a hearing and site inspection are necessary, once approval (in principle) has been granted for the development, a copy of the health department certificate (i.e. the health department's comments about the proposed development) is forwarded to the Water Services Advisory Board (WSAB). The WSAB then have to make final comments regarding the proposed development. If the WSAB give their consent, then the final approval for the project is granted.

Assuming no serious objections, the application process takes 3-4 months. In the event of a hearing, it can easily take twice as long.

For further information on the development application process, contact:

The Directorate of Development Planning

Inland Office	Mr N Fox	Phone: (033) 355 6425
Coastal Office	Mr T Bhengu	Phone: (031) 204 1957
Northern Office	Mr M Povall	Phone: (035) 874 2726

7.2.1.3 The Sub-division Application

Where it is necessary to sub-divide land for non-agricultural purposes, and where there is no town planning scheme in place, the developer must submit an application to the Directorate of Development Planning, in terms of either section 12 or section 33 of the Town Planning Ordinance. Where the number of sub-divisions exceeds 20 in number, the application is made in terms of

section 12. Where the number of sub-divisions does not exceed 20, the application can be submitted in terms of section 33 of the Ordinance, which grants exemption from the requirements of section 12. In reality, it is unlikely that any tourism development will require more than 20 sub-divisions, therefore this guide will only refers to section 33 applications.

Each application must be accompanied by a plan conforming to the requirements of the Surveyor-General's office, and which illustrates the proposed sub-division. It is therefore advisable to employ the services of a land surveyor.

The application and plan are submitted to the relevant regional office of the DTLGA. It is almost certain that some kind of EIA will also be required, and the provincial officials can advise on this.

The DTLGA will forward the application to IAPs, mostly relating to service provision, and the Department of Agriculture and Environmental Affairs for comment. If no objections are raised, the regional office then issues a set of draft conditions which must be complied with before the sub-division can be approved. The applicant has 6 months in which to accept these. If the conditions are accepted, the Department will issue a set of final conditions. These are of 2 types:

- A conditions: The applicant must provide certificates from the various service providers stating that they are willing and able to provide the services which are indicated in the final conditions of approval; and
- B conditions: The applicant must provide certificates stating that the required services have actually been supplied.

Once these conditions have been complied with, the Directorate will issue a section 28(1) certificate which will enable the applicant to register the sub-division with the Registrar of Deeds. The whole procedure will take between 4 and 5 months, providing there are no objections to the proposed sub-division.

For further information on the sub-division application process, contact:
The DTLGA

Inland Office	Mr N Fox	Phone: (033) 355 6425
Coastal Office	Mr T Bhengu	Phone: (031) 204 1957
Northern Office	Mr M Povall	Phone: (035) 874 2726

7.2.2 Development Procedures within a Town Planning Scheme

Where a developer has identified an area of land with development potential which falls within an area which is covered by a town planning scheme, and the intended use of the land is prohibited in terms of the scheme, the developer must submit a rezoning application to the relevant local authority. The procedures for the submission of a rezoning application are detailed in section 47*bis* of the Town Planning Ordinance No.27 of 1949.

If the intended use of the land is not prohibited in terms of the town planning scheme, the developer must gain the consent of the local authority through submission of a development application to that local authority.

While the procedures for rezoning and special consent are, to a degree, standardised for all local authorities, regional differences do exist. Hence, the developer is advised to approach the relevant local authority in order to clarify the necessary procedures within any particular town planning scheme.

If the proposed development requires a sub-division of the property, the application must conform to the requirements of sections 12 and 33 of the Town Planning Ordinance, and be submitted through the local authority.

7.2.2.1 The Rezoning Application

Procedure

The first point of contact for the developer is with the local authority in order to determine the requirements and scope of the rezoning application. Assuming then that the developer has submitted this application, the responsibility for further action lies with the local authority.

The Local Authority

In terms of section 47*bis* (1)(b), the local authority must advertise the application once a week, for two consecutive weeks, in the press and in the provincial gazette. The application must also be displayed on a notice board on site. A period of not less than 21 days must be given, after the date of publication, for objections to be lodged. The local authority must also serve a copy of such notice on every property owner who, in the opinion of the local authority, would be adversely affected by the proposal.

Within 12 weeks of the closing date for lodging objections, the local authority must decide whether or not to approve, and thus proceed with the application. If the local authority decides to proceed forthwith, it must notify the PPDC and forward copies of the relevant documentation to the Commission. If the local authority decides not to proceed further with the application, the PPDC is not advised. However, if the developer feels aggrieved by the decision of the local authority, he/she can appeal to the PPDC.

The Provincial Planning and Development Commission

The PPDC must communicate their opinion as to the decision of the local authority, within a period of 8 weeks, although this period of time can be extended in terms of the provisions of the Ordinance.

The Local Authority

Having considered the opinion of the PPDC, the local authority may resolve to:

- adopt the proposed rezoning application, with or without modifications; or
- disapprove the application.

If the local authority decides to proceed with the application and this is contrary to the opinion of the PPDC, the resolution adopted by the local authority shall not become effective until such time as the PPDC resolves not to further contest the issue. The PPDC must communicate its decision to the local authority within 2 months, although the Ordinance makes provision for this period of time to be extended.

If the PPDC confirms its initial decision, the local authority may appeal to the DTLGA for a resolution of the matter.

Note: Where the rezoning application is of minor impact and no objections are raised, the local authority may, after approving the development, notify the Directorate of Development Planning instead of the PPDC.

Exempted Local Authorities

Certain local authorities and metropolitan councils may, by virtue of their capacity, approve and adopt rezoning applications without obtaining approval from the PPDC. They must, however, inform the Commission about the rezoning. The Commission then has the right to intervene if it disagrees with the decision of the local authority. Exempted local authorities include the cities and towns of Durban, Pietermaritzburg, Hilton and Newcastle.

7.2.2.2 Special Consent

As with rezoning applications, the procedures for gaining special consent for a proposed development vary between local authorities. The prospective developer is advised to approach their local authority for clarification of the procedures.

7.2.2.3 Sub-division

The application procedure for sub-division within a town planning scheme is almost exactly the same as the procedure for sub-division outside of a town planning scheme (see section 7.2.1.3). Where there are 20 or fewer lots, the application is submitted in terms of section 33 of the Ordinance. However, the application must be submitted to, and be approved, by the local authority. Furthermore, the application does not require the approval of the Department of Agriculture and Environmental Affairs.

For further information on development procedures within a town planning scheme, contact the relevant Metropolitan or Local Council.

7.3 Ezemvelo KwaZulu-Natal Wildlife

This section provides guidance to prospective developers who wish to become involved in tourism developments in areas which fall within a proclaimed conservation area and are managed by the KwaZulu-Natal Nature Conservation Service, now KwaZulu-Natal Wildlife (KZN Wildlife).

KZN has some of the finest ecotourism destinations in the world, visited by more than 1 000 000 visitors annually. KZN has a dedicated agency, Ezemvelo KZN Wildlife, taking care and managing its natural resources. It has regularly achieved local, national and international acclaim for its continued outstanding contribution to conservation and ecotourism. It has achieved the declaration of the iSimangaliso Wetland Park, and the Ukhahlamba Drakensberg Park as a World Heritage Sites.

Ezemvelo KZN Wildlife is the forerunner of successful private conservation initiatives and traditional community involvement in the business of conservation and tourism. Approximately a third of KwaZulu-Natal is under some form of private conservation initiative. Traditional communities benefit directly from the protected areas through managed natural resource use, craft markets, partnerships in ecotourism developments and through a tourism levy.

KwaZulu-Natal Wildlife's conservation and use objectives are captured in the KwaZulu-Natal Biodiversity Conservation Spatial Framework. It serves as a planning tool at the level of the Provincial Spatial Development Framework (PSDF) designed to promote the sustainable development of the province's natural resources and minimise conflict with other proposed economic activities while attempting to comply with international and national agreements and obligations. The planning outcomes serve to ensure that the ecosystems are not threatened. Any threat to the system would render the biodiversity assets, and therefore the tourism assets, at risk.

7.3.1 Background

Prior to 1 April 1998, all proclaimed conservation areas in KwaZulu-Natal fell under the jurisdiction of either the Natal Parks Board (NPB) or the Directorate of Nature Conservation (DNC). After 1 April 1998, the two groups merged to become the KwaZulu-Natal Nature Conservation Service. The name was changed after the transformation and re-structuring of the organisation in 2000/2001 to Ezemvelo KwaZulu-Natal Wildlife.

Prior to the merger, both the NPB and the DNC provided scope for private sector involvement in tourism developments in conservation areas. The NPB provided opportunities for the private sector to contribute funds in a 'joint venture' scheme with the NPB, aimed at developing a particular lodge or camp in an area of need identified by the NPB. However, ownership and responsibility for the operation of the lodge rested with the NPB. In return for the investment, the private sector entity obtained a number of free nights of accommodation at that particular lodge or camp. With the advent of KZN Wildlife, this joint venture scheme has been modified slightly in that these user rights, or free nights of accommodation, can now be sold to the private sector i.e. to tour operators.

The DNC provided scope for the private sector to become involved in developments on proclaimed conservation land under its jurisdiction through Isivuno. Isivuno was created in the 1980s when it

became apparent that owing to its status as a government department, the DNC was not sufficiently empowered to take on the roles of lodge developer and operator, in addition to that of being a conservator. As a result, a Section 21 company, Isivuno, was created and those conservation sites which were identified as being of high tourism potential, and therefore likely to be of interest to developers, were leased by the KwaZulu-Natal government, through the DNC to Isivuno. Isivuno became responsible for the administration, and the facilitation, of tourism developments by third parties on these high potential tourism sites. It was reasoned that with this structure in place, the development process would be streamlined and would proceed more efficiently.

The Board of Directors of Isivuno comprises members of KZN Wildlife (and its Board), the Department of Agriculture and Environmental Affairs, and individuals from the private sector.

Owing to its status as a parastatal, the NPB was empowered to borrow money, develop ecotourism sites and retain revenues derived from its operations, and therefore had no need of a development vehicle such as Isivuno. The recently transformed KZN Wildlife continues to exist as a parastatal.

7.3.2 Current Scope for Private Sector Development

7.3.2.1 KZN Wildlife Areas

The Board of KZN Wildlife has agreed upon a model for ecotourism development which is best explained graphically:

Figure 12 illustrates the manner in which the efforts and inputs of KZN Wildlife, private sector and local communities are co-ordinated by a development company, which in turn provides a concession to an operating company. Provision has been made whereby the three shareholders in the development can also be shareholders in the operating company, which may or may not outsource its operations to an independent tourism manager.

Thus, the new KZN Wildlife development model makes provision for a more significant and commercially orientated involvement from the private sector (at a variety of different levels) than the previously mentioned joint venture scheme, and it must be emphasised that the model promotes flexibility in terms of the degree of involvement of KZN Wildlife, private sector and local community. For instance, the model makes provision for either KZN Wildlife, or the private sector, to be the sole developer and operator, but it is more likely that future developments will comprise some degree of involvement from both parties.

The ecotourism development section of KZN Wildlife has been given the responsibility of identifying potential development sites and preparing concept development plans for each reserve. Where such development opportunities are identified, and the appropriate degree of private sector KZN Wildlife local community involvement has been determined, prospective developers will be invited to tender for the opportunity.

Although it is anticipated that most opportunities for private sector involvement will be identified and initiated by KZN Wildlife, through a tender process, prospective developers are also invited to discuss their ideas and proposals with KZN Wildlife. In such instances, and if agreement is reached between all parties, KZN Wildlife will respect the intellectual capital of the private sector developer who initiated the development and award the project without going to tender.

Apart from new developments, opportunities for private sector involvement also exist through the privatisation and outsourcing of existing camps, or certain operations within these camps.

A third tier of development opportunities may arise, in the future, within the iSimangaliso Wetland Park. As part of the Lebombo Spatial Development Initiative (SDI), an exercise which aims to identify tourism development opportunities within the park is currently underway.

Contact Number

KZN Wildlife
(033) 845 1999

7.4 KwaZulu Land Affairs Act NO.11 OF 1992

Land development applications concerning areas of the former self-governing territory of KwaZulu are subject to the provisions of the KwaZulu Land Affairs Act No.11 of 1992.

Background

In 1972, the former self-governing territory of KwaZulu was created, on land previously vested in the South African Development Trust (SADT). Together with the control of land within their jurisdiction, this self-governing territory inherited the regulations, in terms of Proclamation R.188 of 1969, whereby these land areas were administered. The KwaZulu Legislative Assembly was empowered, by the Self-governing Territories Constitution Act No.21 of 1971, to make its own laws in regard of matters such as land control and administration.

Subsequent legislation, in the form of the Amakhosi and Iziphakhanyiswa Act No.9 of 1990 then prohibited any person from settling permanently in the area of a tribe or community, of which he was not a member, without first obtaining the permission of the inkosi (or iziphakanyiswa) in both the area which the person is departing, and the area in which the person wishes to settle. In addition, the Chief Minister was empowered to establish tribal, community and regional authorities. These bodies were responsible for allocating land to persons residing within their area of

jurisdiction, and advising the KwaZulu government on matters relating to development and improvement of land areas within their control.

In terms of Proclamation R188 of 1969, there were three forms of land tenure; commonage, quitrent and permission to occupy (PTO). With the introduction of the KwaZulu Land Affairs Act, Regulation 188/1969 was repealed but the new Act made provision for the PTO and even detailed regulations regarding its issue.

Permission to Occupy

Permission to Occupy (PTO) means permission in writing, granted in the prescribed form, to any person, to occupy a specified area of SADT land, for a specified purpose. The concept of a PTO is based on customary law and tribal ownership of land. The KwaZulu Land Affairs Act No.11 of 1992 sets out the procedure for acquisition of a PTO. However, for practical purposes the procedure detailed below is based more on current practices, than on the procedures documented in the Act. PTOs are not granted in the R293 townships. Instead, the instrument which is used is the Deed of Grant. However, for reasons given at the beginning of this chapter, details of the procedures for acquiring a Deed of Grant are not covered in this guide.

Obtaining a Permission to Occupy Certificate/Authority to Develop a Site

- **Community Approval**

In a municipal area, the process for obtaining authority to develop a site is first to obtain the support from the local Ward Councillor and Ward Committee and obtain their comments. The development proposal is then sent to the local Council for approval, as the proposal may require the provision of services to be supplied by the municipality. The initial step is of such fundamental importance to the process that the developer is well advised to be patient and to spend as much time as necessary in order to secure the total support of the community. Although this procedure may take many months, or even years, it is time well spent.

Often the community is represented by an elected development committee which is given a mandate to negotiate on behalf of the community. This facilitates easier communication between the developers and the community. However, since the local *inkosi* is the true custodian of the land, it is vitally important to obtain his written approval, in addition to that of the development committee.

The prospective developer should be aware that this community approval process will entail repeated visits to the proposed development site, and protracted discussions and negotiations with the *inkosi*, development committee and the community. Only by spending time with the community will the developer be able to identify the key role players, stakeholders and institutional bodies which are critical to the approval process.

- **Tribal Authority Approval**

Once written approval from the community and the *inkosi* has been obtained, the developer must seek the approval of the Tribal Authority. At a meeting with the Tribal Authority, the developer will present the concept plan and written approval of the community. If successful in gaining their support, the developer will be issued with a written approval from the Tribal Authority, and a copy of the minutes of the meeting.

- **Regional Authority**

At this point the developer can apply to the Regional Authority, or Magistrate, for the official PTO application forms, which when completed must be returned to the magistrate. At this point, the developer must organise and pay for the proposed site to be surveyed. At this point, it is also a good idea to communicate with the (KZN Wildlife), and to arrange for an Environmental Impact Assessment (EIA) scoping exercise.

- **Department of Agriculture and Environmental Affairs**

The completed application forms and accompanying documentation, are submitted to the Department of Agriculture and Environmental Affairs at their regional offices. The application is then circulated, for comment, within the Departments of Agriculture, Public Works and Planning. If all departments are in agreement with the proposal, the developer is issued with a PTO certificate.

- **Tourism Development Working Group**

The Tourism Development Working Group has the task of co-ordinating and guiding tourism developments within the province. During the PTO application procedure developers are obliged to communicate their intentions to this body.

- **Duration**

The developer can expect the whole PTO application process to last approximately two years.

The KwaZulu-Natal Ingonyama Trust Act No. 3 of 1994

In terms of the Ingonyama Trust Act, land which was transferred to the Government of the former self-governing state of KwaZulu in terms of Proclamation R232 of 1986, and all land acquired thereafter by the Government of KwaZulu, was vested in the Ingonyama Trust. However, the KwaZulu Land Affairs Act which conferred upon the KwaZulu government the power to administer, and issue tenure rights, on government land, was not amended. As such, the KwaZulu Land Affairs Act conferred no rights upon the Government to issue tenure rights on land now vested in the Ingonyama Trust.

Since PTOs are issued in terms of the KwaZulu Land Affairs Act, developers were understandably reluctant to invest in land in areas which were vested in the Trust.

This problem has been addressed by the KwaZulu-Natal Ingonyama Trust Amendment Act No. 9 of 1997 and Proclamation R63 of 1998. The proclamation changes the definition of government land in the KwaZulu-Natal Land Affairs Act, to include land vested in the Ingonyama Trust, while the Amendment Act provides that any land tenure arrangement issued by any person or authority, in good faith between the commencement of the original Ingonyama Trust Act, and the commencement of the amending Act, be deemed to have been effected by the Ingonyama. From the date of commencement of the amending Act, tenure forms i.e. the PTO, authorised in terms of the KwaZulu-Natal Land Affairs Act, may be issued in respect of land vested in the Ingonyama Trust.

Furthermore, the KwaZulu-Natal Planning and Development Act, and the Development Facilitation Act both have effect on land vested in the Ingonyama Trust.

7.5 Environmental Impact Assessment

7.5.1 Environmental Impact Management

Prior to the promulgation of environmental impact assessment (EIA) regulations in August 1997, EIAs were not compulsory in terms of the Environment Conservation Act No. 73 of 1989. However, in KwaZulu-Natal, pressure from interested and affected parties (most notably the former Natal Parks Board) would prompt most developers to embark on an EIA exercise. In most instances the scope of the exercise was determined by the nature, scale and intended location of the proposed development, and a high level study by environmental management consultants was not required. Very often, a simplified Integrated Environmental Management (IEM) plan would meet the requirements of the all interested and affected parties, and if the scope of the proposed IEM plan was sufficiently limited, developers would even undertake this exercise themselves.

This status quo changed quite dramatically during 1997, when the Department of Environmental Affairs and Tourism announced a number of amendments to section 21 of the Environment Conservation Act. Each of these amendments had far reaching consequences for developers.

Compulsory Environmental Impact Assessments

In the first instance (Regulation 1182), the Act now stipulates that an EIA exercise must be conducted where the proposed development involves the construction or upgrading of:

- roads, railways, airfields and associated structures outside the borders of town planning schemes
- marinas, harbours and all structures below the high water mark of the sea
- cableways and associated structures
- racing tracks for motor powered vehicles and horse racing, excluding indoor tracks
- canals and channels, including diversions of the normal flow of water in a river bed, and water transfer schemes between water catchments and impoundments
- dams, levees or weirs affecting the flow of a river
- public and private resorts and associated infrastructure

A further amendment also provides for a compulsory EIA where the proposed development involves a change of land use from:

- residential to industrial or commercial use
- agricultural, or undetermined use, to any other land use
- use for grazing to any other form of agricultural use
- use for nature conservation, or zoned open space, to any other land use

The above lists are not conclusive and only draw attention to those items which are most likely to have an impact on tourism development.

Responsibilities of Applicant and Authority

The second amendment (Regulation 1183) to the Environment Conservation Act lists the responsibilities of the applicant and the relevant authority i.e. Minister, provincial authority or local authority. Here it is stated that where an EIA is deemed compulsory in terms of Reg.1182, the applicant:

- must appoint an independent consultant
- is solely responsible for all costs incurred in connection with the employment of a consultant
- must ensure that the consultant has no financial or other interest in the undertaking
- must ensure that the consultant has:
 - expertise in the specific area of environmental concern
 - the ability to perform all tasks as stipulated in these regulations
 - the ability to manage a public participation process
 - the ability to timeously produce thorough, readable and informative documents
 - adequate recording and reporting systems
 - a good working knowledge of all relevant policies, legislation, guidelines, norms and standards
- must ensure that the consultant provides the relevant authority with access to, and the opportunity for review of, all procedures, reports, data and interviews
- is responsible for the public participation process regarding all interested parties

The relevant authority must, in turn, ensure that its representatives have equal capabilities. Before detailing the EIA application process, there follows a brief discussion as to the purpose of an EIA.

Purpose of an Environmental Impact Assessment

The primary purpose of an EIA is to aid decision-making by providing comprehensive and detailed information on the environmental consequences of development. An EIA is a process to gather

and evaluate environmental information, so as to provide sufficient supporting arguments to evaluate the overall impacts, consider alternative options, and make a value judgement in choosing one development alternative instead of another. The drafting of an environmental impact report is merely a stage in the EIA process wherein the information, arguments, impacts and alternatives are documented. It can, however, not serve this purpose if the document is not open for review and scrutiny. Thus all interested and affected parties should be involved in reviewing the document.

The EIA Application Process

In terms of the new regulations, an environmental impact assessment will consist of a number of separate phases, each of which is detailed below.

- **Consultation**

A pre-application consultation with the provincial department responsible for environmental management is not compulsory, but it may serve to clarify the requirements of the regulations and the procedures which have to be followed. This step is followed by the submission of an application form. The provincial authority must then inform the applicant whether or not the application must be advertised, and if so, the manner in which this must be done.

- **Plan of Study for Scoping**

After considering the application, the relevant authority may request the applicant to submit either a scoping report, or a plan of study for scoping. A plan of study for scoping must include:

- a brief description of the activity to be undertaken
- a description of all tasks to be performed during scoping
- a schedule for completion of the above tasks
- an indication as to the stages at which the relevant authority will be consulted
- a description of the proposed method of identifying the environmental issues and alternatives

- **Scoping Report**

Assuming the relevant authority has either waived the requirement of, or accepted, a plan of study for scoping, the applicant must submit a scoping report which must include:

- a brief description of the project
- a brief description of how the environment may be affected
- a description of environmental issues identified
- a description of all alternatives identified
- an appendix containing a description of the public participation process followed, including a list of interested parties and their comments

Upon receipt of the scoping report, the relevant authority may decide that the information contained in the scoping report is sufficient for the consideration of the application without further investigation. Alternatively, the relevant authority may decide that the scoping report should be supplemented by an environmental impact assessment.

- **Plan of Study for Environmental Impact Assessment**

The applicant must submit a plan of study for the EIA, which must include:

- a description of the environmental issues, identified during the scoping, that may require further investigation and assessment
- a description of the feasible alternatives identified during scoping, which may be further investigated
- an indication of additional information required to determine the potential impacts of the proposed activity on the environment
- a description of the proposed method of identifying these impacts

- a description of the proposed method of assessing these impacts

Submission of Environmental Impact Report

After the plan of study for the environmental impact assessment has been accepted, the applicant must submit an environmental impact report, which must contain:

- a description of each alternative, including particulars on:
 - the extent and significance of each identified environmental impact
 - the possibility for mitigation of each identified impact
- a comparative assessment of all the alternatives
- appendices containing descriptions of :
 - the environment concerned
 - the activity to be undertaken
 - the public participation process followed, including a list of interested parties and their comments
- any media coverage given to the proposed activity
- any other information included in the accepted plan of study

- **Record of Decision**

The relevant authority must issue a record of the decision that was taken in respect of the environmental impact report. This record of decision will stipulate any conditions attached to the acceptance of the environmental impact report.

- **Manner of Appeal**

Any appeals against decisions of the relevant authority must be made to the Minister or provincial authority, in writing, within 30 days of the date upon which the record of decision was issued.

7.6 The Development Facilitation Act

Background

The multiplicity of existing planning and development laws, and the time taken to approve certain applications has resulted in a rather user-unfriendly development process.

The Development Facilitation Act No.67 of 1995 (DFA) is intended to facilitate and speed up the development process, particularly in the delivery of housing and other Reconstruction and Development Programme (RDP) benefits. The DFA therefore provides a nationally acceptable process for approving developments, with the following features:

- a faster mechanism for obtaining approval
- a new policy framework for integrated development
- a mechanism for accessing end-user finance earlier in the development process

General Principles of the DFA

The DFA is structured around the establishment of a Development Tribunal, which comprises approximately equal numbers of private and public sector representatives in each of the provinces. The primary function of a Development Tribunal is to consider and approve, or disapprove, development applications made in terms of the DFA. The Development Tribunal will be supported by Designated Officers drawn from local and provincial government, and by a Registrar and Deputy Registrars. Their various roles will be discussed in a separate section below.

The Development Tribunals will facilitate the delivery of an improved and faster service to developers for the following two reasons:

- the application process has been designed to be as rapid as possible. For example, the Development Tribunals can subpoena anyone, including government departments, to either object to, or approve of a development within 60 to 120 days of the application being made
- the Development Tribunals have major legal powers to make sure that appropriate development goes ahead. For example, Development Tribunals can override existing plans and ensure rapid approval for a development. No longer will applications have to follow a chain of authority leading to ultimate approval from the Minister: Local Government and Housing - as is the case at present with some of the larger developments. The DFA provides for a 'one stop shop' with ultimate authority resting with the Development Tribunal

The benefits which the DFA provides for KwaZulu-Natal include:

- the establishment of a uniform set of norms and standards for land development
- the creation of a fast track procedure for land development applications
- the creation of a transparent system of regulations for land development
- the opportunity for people to obtain quicker ownership and occupation of land
- the promotion of a range of tenure options to accommodate different communities
- the development of provincial planning and development legislation
- the provision for many of the old laws which previously inhibited development to be by-passed if necessary

7.6.1 Institutional Structures

The Planning and Development Commission

In terms of the DFA, the functions of the Town and Regional Planning Commission (so influential in terms of development under Ordinance No.27 of 1949), are supplemented by a Planning and Development Commission which exists at both a provincial and a national level.

At a national level, the Planning and Development Commission will consist of at least one representative from each of the corresponding provincial commissions. Members are appointed by the National Minister of Land Affairs, and the primary function is to advise the Minister on various aspects of land planning and development.

The Development Tribunal

The primary function of the Development Tribunal is to make decisions on land development applications submitted to it in terms of the DFA. The tribunal can approve in whole, or in part, postpone or impose conditions on any land development application brought before it. It has the same powers as a Magistrates Court in that it can request information from any department which has bearing on the application, and it can subpoena any official or person to produce any information relevant to its deliberations. It can also suspend almost any law deemed to stand in the way of any land development application.

In making its decisions, the tribunal is guided by national, provincial and local development policies, as well as the principles of the DFA, precedents and local development plans.

The Development Appeal Tribunal

The DFA also makes provision for the establishment of a Development Appeal Tribunal which has the responsibility for hearing appeals by developers against decisions of the Development Tribunal. If appropriate, the Appeal Tribunal can overturn decisions taken by the Development Tribunal. If the developer still feels aggrieved by the decision of the Appeal Tribunal, the matter may be referred to the Supreme Court for review.

The Development Tribunal Registrar

The Tribunal Registrar is an officer of the Provincial Administration, who is appointed by the Minister: Traditional and Local Government Affairs to assist the Development Tribunal and the Development Appeal Tribunal. Provision is made for the Registrar to have one or more deputies.

The Registrar's function is to manage and co-ordinate the logistical functioning of the Development Tribunal and the Development Appeal Tribunal. This official provides the link between the Designated Officers and the two Development Tribunals.

The Designated Officers

The Designated Officers are people in the employ of any local government body, or the KwaZulu-Natal Provincial Administration, who are designated by the Minister: Traditional and Local Government Affairs to serve as the first link between the developer (or applicant), and the Development Tribunal. This person is responsible for ensuring that the procedures for submitting and processing of an application are followed correctly.

Land Tenure Matters

The DFA provides the land development applicant with two options for transferring ownership of a site to an end user.

The conventional route

The Registrar of Deeds registers a deed of transfer for a site once the following requirements of the Act have been met:

- the land development application has been approved
- the general plan has been approved, or provisionally approved
- the sub-division register has been opened
- the relevant conditions of establishment have been complied with
- the engineering services have been installed

The accelerated route

The accelerated option allows for the applicant to apply to the Development Tribunal for a registration arrangement which will permit the transfer of *initial ownership* once:

- the land development application has been approved
- beacons of the lots have been placed by a land surveyor
- there is a Surveyor-General approved diagram for the outside figure of the group of lots to be registered
- suitable guarantees are in place to cover the cost of completing all outstanding procedures
- the consent of the owner and mortgagee of the underlying properties are in place
- a condition of establishment suspending servitudes or restrictive conditions is in operation
- the surveyor and conveyancer have satisfied the tribunal that they have sufficient insurance to issue the necessary certificates
- if the State or a local government body is to become the owner of the land but has not yet taken transfer, that the land has been expropriated by a competent authority

Initial ownership is a concept provided for in the DFA which enables people to obtain ownership of a property before all the land development steps have been completed. This is done through a special deed of transfer. Initial ownership must eventually be converted to full ownership.

The principle advantage of initial ownership is that registered ownership can be secured far earlier in the process thereby providing faster access to subsidy funding and mortgage bonds.

The Different Land Development Application Processes

The DFA does not replace all existing laws and development procedures. Instead the DFA will operate alongside the existing procedures, but will offer developers a faster route to achieving their goal. As previously mentioned, the KwaZulu-Natal Planning and Development Act No.5 of 1998 has already passed through parliament, and after implementation which is scheduled for 1 July 1999, it will complement the DFA in a manner which is detailed in the section dealing with the Planning and Development Act.

The implications for land developers, of these different legislative acts, is that in the short term they will be able to choose the process which best suits their needs. In reality, due to the number of land development applications, and the limited resources of Development Tribunal, only the more complex applications will be channelled through the DFA.

There now follows a description of the detailed process to be followed in the event of each of several different types of land development applications.

Application for the Establishment of a Land Development Area in Terms of Sections 31 and 49 of the Development Facilitation Act No. 67 of 1995

The following application procedure is used for all land development brought through the DFA, including applications for small-scale farming. The procedure is set out in Regulation 17.

Step 1	Land Development Applicant (LDA)	LDA lodges an application with the Designated Officer (DO).
Step 2	Designated Officer (DO)	DO acknowledges receipt of LDA in writing. DO informs LDA of additional information required DO informs and advises LDA of persons/bodies to be given notice of application, and how notice should be given. DO requests the Development Tribunal Registrar (DTR) to provide the date for the hearing by the Development Tribunal (DT). <i>To be performed within 7 days</i>
Step 3	Development Tribunal Registrar (DTR)	DTR provides date and venue of hearing to DO within 2 days.
Step 4	Designated Officer	DO notifies LDA of hearing date which is 80-120 days after date of request to DTR.
Step 5	Land Development Applicant	LDA shall, within 65 days of the hearing, notify interested and affected parties (IAP's) as directed. Notice given in terms of Annexure C of Regulations shall be for 14 consecutive days LDA to publish plan once a week for 2 consecutive weeks in the Provincial Gazette and daily newspapers (in at least 2 official languages). Objections and replies shall be lodged with the DO.
Step 6	Designated Officer	Objections to be lodged with DO no later than 21 days after publication of notice. LDA to provide proof of notification to DO. DO to send LDA copies of written or recorded submissions and representations within 7 days of receipt.
Step 7	Land Development Applicant	LDA to submit written reply to DO regarding objections and representations within 14 days. LDA may amend application as DO may instruct regarding service or notification relating to amendment.
Step 8	Designated Officer	DO submits report to DTR and LDA within 14 days.
Step 9	Development Tribunal Registrar	DTR receives application and report and refers it to the DT.
Step 10	Development Tribunal	DT receives documents, holds hearing, and makes decision.
Step 11	Development Tribunal Registrar	DTR has 7 days in which to inform the DO of the DT's decision.
Step 12	Designated Officer	DO has 7 days to notify the LDA and other parties of the decision. IAP's have 28 days from the completion of the hearing to request the DTR to furnish reasons for the DT's decision.

Step 13	Development Tribunal Registrar	DTR has 14 days in which to furnish reasons for the DT's decision.
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Application for Exemption from Provisions of Chapters 5 and 6 Of The DFA in Terms of Sections 30 or 48

Under the circumstances detailed in Section 30 (1) (a) and (b) of the DFA, a land development applicant, or prospective land development applicant, may apply to the tribunal for an exemption from any, or all, of the provisions of Chapters 5 and 6 in respect of a land development area. The following procedure for applying for exemption is set out under Regulation 20.

Step 1	Land Development Applicant (LDA)	LDA lodges written application for exemption to the Designated Officer (DO).
Step 2	Designated Officer (DO)	DO applies for a hearing from the Development Tribunal Registrar (DTR).
Step 3	Development Tribunal Registrar (DTR)	DTR notifies DO of date of hearing within 2 days of DO's application.
Step 4	Designated Officer	DO immediately notifies the LDA. The hearing date is not to be later than 30 days after the receipt of the application by the DTR.
Step 5	Development Tribunal Registrar	DTR may require LDA to give notice of hearing to any interested or affected person (IAP).
Step 6	Development Tribunal	DT hearing.
Step 7	Development Tribunal Registrar	DTR informs DO of the decision of the DT not more than 7 days after the hearing has been completed.
Step 8	Designated Officer	DO informs LDA, and all objectors, of the decision as soon as possible.
Step 9	Land Development Applicant	Any person may request the DTR to furnish written reasons for the DT's decision within 28 days after the DO has informed them of the decision.

Investigation by Designated Officer of Non-Statutory Land Development Process in Terms of Section 42 or 57 of the DFA

Under Sections 42 or 57 of the DFA, when an applicant is of the opinion that development is taking place contrary to procedures prescribed in the DFA, or when it will be beneficial for an exemption to be granted in terms of Section 30 (1) to people already residing, or proposing to reside, on land, an investigation can be instituted using the following procedure set down under Regulation 21.

Step 1	Land Development Applicant (LDA)	LDA requests Designated Officer (DO) to investigate a non-statutory land development process.
Step 2	Designated Officer (DO)	Within 7 days of receipt of request, DO shall request any additional information from applicant.
Step 3	Designated Officer	Within 14 days of receipt of request, DO submits report to the Development Tribunal Registrar (DTR), and gives a copy to the LDA.
Step 4	Development Tribunal	Development Tribunal (DT) hearing
Step 5	Development Tribunal Registrar	Within 2 days, DTR informs DO in writing of DT's decision.
Step 6	Designated Officer	Within 7 days, DO notifies applicant, and any other person as directed by the DT.
Step 7	Land Development Applicant	Within 28 days, any interested person shall, on request, be provided with reasons for the DT's decision

Application for Approval of Registration Arrangement

This section (see Regulation 23) is used when an applicant wishes to obtain approval for a registration arrangement independently of a full land development application in term of Sections 31 and 49 of the DFA. If, however, an applicant wishes to obtain approval for a registration arrangement as part of a full land development, then the procedures set out in Regulation 17 should be used.

Step 1	Land Development Applicant (LDA)	LDA lodges an application with the Designated Officer (DO) NB. Application may be submitted with the land development application.
Step 2	Designated Officer (DO)	Within 7 days, DO acknowledges receipt of application and advises LDA on additional information or requirements.
Step 3	Designated Officer	DO applies to Development Tribunal Registrar (DTR) for hearing date.
Step 4	Development Tribunal Registrar	Within 2 days, DTR notifies DO of date.
Step 5	Designated Officer	DO informs LDA of hearing date. Hearing to be held within 80-120 days if request is submitted with application, otherwise within 60 days.
Step 6	Designated Officer	DO has 14 days after lodging of application in which to submit a report to DTR.
Step 7	Development Tribunal	Development Tribunal (DT) hearing.
Step 8	Development Tribunal Registrar	Within 7 days, DTR notifies DO of DT decision.
Step 9	Designated Officer	DO notifies LDA, and any other person as directed by the DT.

Application to Compel by Land Development Applicant

If the Designated Officer, Tribunal Registrar or any other government body or official, excluding the Development Tribunal, fails to perform any duty or function required of it in terms of the Regulations of the DFA, within a reasonable time after the due date of the performance, the land development applicant shall be entitled to apply to the Tribunal for an order compelling such compliance. The following procedure is set out in terms of Regulation 24 of the DFA.

Step 1	Land Development Applicant (LDA)	LDA applies to development Tribunal (DT) by lodging a substantiated application to compel with the Development Tribunal registrar (DTR).
Step 2	Development Tribunal Registrar (DTR)	Within 7 days, the DTR shall acknowledge, in writing, receipt of the application.
Step 3	Development Tribunal Registrar	DTR informs LDA in writing of the date and venue of the hearing. The hearing shall not be later than 30 days after the date of receipt of the application.
Step 4	Land Development Applicant	LDA to issue notice to DTR, DO and any other government body or official whose performance it is sought to compel.
Step 5	Development Tribunal (DT)	Development Tribunal (DT) holds a hearing and considers the application to compel.
Step 6	Development Tribunal Registrar	DTR informs DO of the DT's decision within 7 days after the hearing has been completed.
Step 7	Designated Officer (DO)	DO informs LDA and any other persons as directed by the DT.
Step 8	Land Development Applicant	Interested persons or bodies have 28 days within which to request the DTR to furnish the reasons for the decision by the DT. Such reasons will be provided as soon as is reasonably possible.

Appeals in Terms of Section 23 of the DFA

Section 23 of the DFA makes provision for any party in dispute with the Development Tribunal, to be allowed to take the matter on appeal to the development Appeal Tribunal. The following procedure for lodging an appeal is set out in Regulation 13 of the DFA.

Step 1	Land Development Applicant	An appellant must deliver a written notice of appeal to the Development Tribunal Registrar (DTR) within 14 days: (a) of the date of the decision of the Development Tribunal (DT), or (b) of the date on which the DT's written reasons for its decision are filed with the DTR pursuant to a request for such reasons by an interested person, whichever is the later. The appellant shall serve a copy of the notice of appeal on any interested persons who were party to the DT proceedings.
Step 2	Interested and Affected Parties	Within 10 days of the serving of the above notice of appeal, any person receiving an appeal, may note a cross-appeal and serve such notice on the party that noted the appeal.
Step 3	Development Tribunal	Within 14 days of the delivery of a notice to appeal, the DT may supplement any reasons already given. The DTR must provide copies of the additional information to each interested party.
Step 4	Interested and Affected Parties	Within 21 days of receipt of the supplementary reasons, any party to the appeal may supplement or amend the notice of appeal or cross-appeal. The amended appeal or cross-appeal must be given to the DTR and any other parties to the appeal.

Sub-division of Land

In terms of section 54 of the DFA, an application for the subdivision of land shall be submitted as part of the land development application.

Contact Persons

The Directorate of Development Planning

Inland Office	Mr N Fox	Phone: (033) 355 6425
Coastal Office	Mr T Bhengu	Phone: (031) 204 1957
Northern Office	Mr M Povall	Phone: (035) 874 2726

A full copy of the DFA can be viewed in the Government Gazette Vol. 364, No. 16730, dated 4 October 1995.

7.7 Other Relevant Information

7.7.1 Other Important Legislation

Depending on the nature and chosen location of the development, the following acts may also have a bearing on the application, and the need for their compliance may be brought to the attention of the developer through comments and objections from interested and affected parties.

These acts include:

- The Conservation of Agriculture Resources Act No. 43 of 1983
- The Water Act No. 54 of 1956
- The Seashore Act No. 21 of 1935
- The Environment Conservation Act
- The Mountain Catchment Areas Act No. 63 of 1970
- The National Parks Act
- The Physical Planning Act No. 125 of 1991

- The Share Block Control Scheme of 1980
- IMAFA Act
- Mineral Affairs legislation
- Prevention of Illegal Eviction From and Unlawful Occupation of Land Act 19 of 1998
- Restitution of Land Rights Act 3 of 1996
- Extension of Security of Tenure Act 62 of 1997 (ESTA)
- Informal Protection of Informal Lands Rights Act 31 of 1996
- Communal Property Associations Act 28 of 1996
- Amendment of the Upgrading of Land Tenure Rights Act 112 of 1991
- Distribution and Transfer of certain State Land Act 119 of 1993
- Land Titles Adjustment Act 111 of 1993
- White Paper on the Development and Promotion of Tourism in KwaZulu-Natal (March 2008)

In addition to the above, any proposed developments in the Drakensberg, or other environmentally sensitive areas, should address the following policies and research:

- Drakensberg Approaches Policy (Martin, 1990)
- Development Control Scheme for Natal Drakensberg Babangibone and Garden Castle Development Nodes (W van der Riet, 1992)
- The Wetlands of Natal and KwaZulu (Begg, 1990 (4 parts))
- The Special Case Area Plan for the Drakensberg (Metroplan, 2001)

7.7.2 Coastal Management Policy Programme

The Coastal Management Policy Programme was revealed during October 1997.

The aim of the project is to produce a policy which will guide the development and management of the South African coast, and in particular:

- promote environmentally friendly development which will contribute to economic development and enhance the quality of life of coastal communities
- reduce the costs of coastal land use conflicts
- enhance the capacity of communities and both local and regional authorities to effectively participate in coastal management policy formulation and implementation
- contribute to the education of coastal zone managers regarding coastal management issues, thereby increasing their commitment to coastal management
- result in a broadly acceptable policy which can be effectively implemented

The Coastal Management Office falls within the national Department of Environmental Affairs and Tourism, and a national policy was in place by May 1999.

The entire South African coastline has been divided into 6 management areas, two of which are in KwaZulu-Natal, namely Southern KwaZulu-Natal and Durban metro, and Northern KwaZulu-Natal.

7.7.3 KwaZulu-Natal Tourism Act 1996 (as amended, including No. 2 of 2002)

The KZN Tourism Act provides for the establishment of bodies to develop, promote and market tourism in KwaZulu-Natal within the framework of government policy.

Section 30 of the Act sets out that the “Functions of Provincial Tourism” must be specified in provincial tourism policy including, but not limited to, the following core areas:

- international tourism marketing
- national tourism marketing
- planning, development and promotion of tourism products for the Province
- implementation of national and provincial tourism policies
- integrated marketing and development of the tourism industry in the Province

Provincial Tourism Priorities

- Greater Durban & Pietermaritzburg area
- Drakensberg region
- Greater St Lucia & surrounding big five reserves
- South and north coast beach tourism
- Zulu Heritage & Cultural Trail
- Battlefields Route

7.7.4 Trade and Investment

The province has a dedicated Investment agency in Trade and Investment KZN (TIKZN). TIKZN provides the link with Investment South Africa, the country's Trade and Investment structure. Some of the key services provided by TIKZN to be leveraged for Tourism include:

- facilitating joint ventures
- facilitate business linkages between small and big business
- timeously provide relevant and reliable information to potential and existing investors and traders
- assist existing and new investors with applications for investment incentives and export marketing incentives
- assist foreign investors with applications for work permits
- negotiate local government incentives on behalf of investors
- provide project support and aftercare services to investors
- assist investors to secure project and operational financing

7.7.5 White Paper on the Development and Promotion of Tourism in KwaZulu-Natal (March 2008)

The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal was commissioned by the KwaZulu-Natal Department of Arts, Culture and Tourism to develop a provincial strategic policy that is going to provide foundation and competitive strategies for KwaZulu-Natal linked to existing and provincial strategies.

Integrated Development Planning

Local municipalities in South Africa have to use "integrated development planning" as a method to plan future development in their areas. Apartheid planning left South Africa with cities and towns that:

- Had racially divided business and residential areas
- Were badly planned to cater for the poor - with long travelling distances to work and poor access to business and other services
- Had great differences in level of services between rich and poor areas

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development. Tourism must, at a local level, engage in this process. An Integrated Development Plan is a master plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions and problems and resources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected. All municipalities have to produce an Integrated Development Plan (IDP). The municipality is responsible for the co-ordination of the IDP and must draw in other stakeholders in the area who can impact on and/or benefit from development in the area.

Once the IDP is drawn up all municipal planning and projects should happen in terms of that IDP. The annual council budget should be based on the IDP. Other government departments working in the area would also be well-advised to take the IDP into account when making their own plans.

Chapter 8: Major Towns of KwaZulu-Natal

8.1 Introduction

The purpose of this chapter is to provide an overview of and information about the major towns of the garden province, KwaZulu-Natal.



8.2 The Major Towns and Cities of KwaZulu-Natal

8.2.1 The Capital – Pietermaritzburg

The town of Pietermaritzburg, founded in 1838, is the capital of KwaZulu-Natal, and is home to an estimated 521 805 people. It is also home to one of the main campuses of the University of KwaZulu-Natal.

At 596m above sea level, it has more extreme temperatures than Durban, with an average of daily maximum of 26° and a daily minimum of 11°, and the city has an average annual rainfall of 844mm.

Pietermaritzburg, Maritzburg, or even just PMB, is also known as the 'City of Choice'. City management summarizes the high points of the city as:

- only 45 minutes by road from Durban, Africa's Busiest port;
- one hour by air from Pietermaritzburg Airport to OR Tambo International Airport (Johannesburg) ;
- only 90 minutes from the central Drakensberg resorts ;
- the new capital of South Africa's most popular province, KwaZulu-Natal;
- city's economy grew by an incredible 30% in 2003-2004 and continues to grow at an exceptional rate;
- an educational centre of excellence;
- home to great international events, such as the Comrades Marathon, the Duzi Marathon, the Midmar Mile, the Royal & Garden Show, Art & Cars in the Park and International cycling events;
- here one can walk in the footsteps of Gandhi, Mandela and Paton, and many other truly great South Africans, and
- the generous and flexible incentives offered by the Municipality to investors.

For further information see the website - <http://www.msunduzi.gov.za/site/home>.

Pmb, or the Pmb and Midlands area, attracts some 2.2 million domestic visitor trips each year, and a further 364 000 foreign visitors.

Prominent among Pietermaritzburg's industries are those producing furniture, rubber, processed foods, and aluminum. The Pietermaritzburg area is also known for farming, dairy and crops, as well as for forestry.

8.2.2 Durban

The largest city of KZN, and home to 3 468 086 people, this sub-tropical, ocean side, holiday destination attracts some 12 million domestic visitors and a further 1.4 million international ones annually. Durban's land area of 2 292 square kilometres is comparatively larger than other South African cities, resulting in a somewhat lower population density of 1 513 inhabitants per square kilometre.

The city has an average daily maximum temperature of 25° and a daily minimum of 17°, and an average of 1009mm of rain falls annually.

The northern boundary is made up of the Umgeni River, although the suburbs continue sprawling further, to Umhlanga Rocks. The vast majority of the city's black population lives in a collection of dormitory suburbs around the city including Cato Manor, Richmond Farm, KwaMashu, Lindelani, Ntuzuma, Inanda and Umlazi.

Durban also has the largest number of people of Indian descent outside of India, giving the city and surrounds a uniquely eastern flavor.

Durban boasts the biggest harbor in Southern Africa and the 9th busiest in the world. It is surrounded by rolling green fields of sugar cane, the major crop of the coastal region, and pillar of the local economy. This is followed by tourism.

In terms of industries, manufacturing tops the list in the Durban area. There are several car manufacturing plants, the most notable of which is the Toyota plant at Prospecton near the present airport.

A new airport is presently being built at La Mercy on the North Coast (see chapter 2).

8.2.3 Richards Bay

Richards Bay and Empangeni are jointly called Umhlatuze, and consist of a population of 115 000 people.

The city has an average daily maximum temperature of 26° and a daily minimum of 17°, and an average of 1228mm of rain falls annually.

The port of Richards Bay handles over 1 000 containers per month. Combined with Durban, the two ports handle about 79% of South Africa's cargo. It is also the current center of operations for South Africa's aluminium industry. The Richards Bay coal terminal is instrumental in securing the country's position as the second-largest exporter of steam coal in the world. Richards Bay Minerals is the largest sand-mining and mineral-processing operation in the world.

8.2.4 Ladysmith

The town of Ladysmith, situated just 11kms from the N3 to Johannesburg, is a town of 225 452 people. It is 230 kilometres north-west of Durban and 365 kilometres south of Johannesburg.

The Ladysmith Emnambithi industrial is one of the most important of the KZN inland industrial areas of the province. Important industries in the area include food processing, textile and tyre production. Tyres are produced by Dunlop near to Steadville.

8.2.5 Newcastle

Newcastle, a moderately industrial town located in the North West corner of the province along the Ncandu River, is a town of 413 000 people. Population density in Newcastle was some 67.7 people per km² in 2001

The town was founded in 1864. From the 1880s, Newcastle experienced rapid economic growth. Today, Newcastle has the largest concentration of industry in the north western KwaZulu-Natal region. The area has considerable coal mining, steel production, and a massive synthetic rubber plant, as well as a range of manufacturing industries and over a hundred textile factories.

The town also serves the surrounding dairy, livestock and maize farmers.

8.2.6 Port Shepstone

A lively little South Coast town, in the heart of the coastal visitor district, 'Sheppie' is a very well known coastal destination as far as tourism is concerned, both foreign and domestic. It is particularly popular with the domestic market.



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GENERAL NOTICE

NOTICE 1813 OF 2007

AIRPORTS COMPANY SOUTH AFRICA LIMITED

AIRPORTS COMPANY ACT, 1993 (ACT No. 44 OF 1993), AS AMENDED

PUBLICATION OF AIRPORT CHARGES

In terms of section 5 (2) (f) of the Airports Company Act, 1993 (Act No. 44 of 1993), as amended, it is hereby published for general notice that as from 1 April 2008, the Airports Company South Africa Limited, Reg. No. 1993/04149/06, will levy the airport charges set out in the Schedule by virtue of a permission granted in terms of section 12 of the said Act.

M.W. HLAHLA
Managing Director

SCHEDULE

AIRPORT CHARGES

1. Liability to pay airport charges

- (1) Subject to the provisions of these rules, airport charges shall be payable by the operator of an aircraft to the Company.
- (2) Airport charges consist of :-
 - (a) a landing charge, payable at the company airport where a flight terminates;
 - (b) a parking charge, payable at the company airport where an aircraft is parked;
 - (c) a passenger service charge collected by the operator and payable at the company airport where a flight commences.
- (3) Subject to the provisions of these rules, the tariff of landing, parking and passenger service charges shall be as set out in Annexures A, B and C, respectively.

2. Notification of movement of aircraft and payment of charges

- (1) Immediately after an aircraft has landed on a company airport the operator of that aircraft shall give notice to the airport manager, in the form provided by the latter for the purpose, of the time of arrival of that aircraft together with such other information as such operator is required by the airport manager to furnish when completing the notice in the said form.
- (2) Immediately before an aircraft is to take off from a company airport the operator of that aircraft shall give notice to the airport manager, in the form provided by the latter for the purpose, of the expected time of departure of that aircraft, supply such other information as such operator is required by the

airport manager to furnish when completing the notice in the said form and pay all airport charges payable to the airport manager, unless such operator has previously entered into an agreement with the Company for payment.

- (3) The aircraft operator who has in terms of sub rules (1) and (2), given notice to the airport manager of the arrival or expected departure of that aircraft, shall, as soon as such operator becomes aware of any variation in the information furnished by him in the said notice advise the airport manager of such variation.
- (4) The operator shall pay the appropriate charges for the landing, taking-off and parking of an aircraft, as set out in the schedules of charges. The operator shall also pay for any supplies, services or facilities provided to him or to the aircraft at the airport by or on behalf of the Company at the charges determined by the Company. All charges referred to in this paragraph shall accrue on a daily basis and shall become due on the day they were incurred and shall be payable to the Company on demand and in any event before the aircraft departs from the airport unless otherwise agreed to by the Company (which agreement may be withdrawn at any time at the sole discretion of the Company) or unless otherwise provided for in terms for payment included in the invoice for such charges.
- (5) Payment shall be made without deductions (including taxes or charges). If the applicable law requires any tax or charge to be deducted before payment the amount shall be increased so that the payment made will equal the amount due to the Company as if no such tax or charge had been imposed.
- (6) All sums due which are not paid on the due date shall bear interest from day to day at prime overdraft rate from the date when such sums were due until date of payment (both dates inclusive).
- (7) Where an aircraft operator has not used the airport in the previous 12 months (as calculated from the date that the operator proposes to commence operations), the airport manager will, require a deposit to be lodged with the Company before any flights by that operator commence. Any such deposit shall be paid to the Company and shall be in such a sum as the airport manager shall consider to be equivalent to the anticipated charges that the aircraft operator shall incur (based on the anticipated frequency and type of aircraft used and type of flight planned) for 3 months by that operator. Such deposit or the balance then remaining shall be refunded to the operator when the operator ceases to operate any flights from the airport subject to the right of the Company (which is hereby reserved) to set off against any such deposit any appropriate charges that have not been settled in accordance with the above provisions.
- (8) The operator shall not without the express written consent of the Company be entitled in respect of any claim he/she may have against the Company or otherwise to make any set off against or deduction from the charges provided for in this notice. He/she must pay such charges in full pending resolution of any claim
- (9) Any queries relating to invoice should be logged with the credit control department at the relevant airport in writing within ten days of the invoice date. Contact numbers are shown on all invoices and statements.

3. Data

- (1) The operator or its designated agent shall furnish on demand, in such form as the Company may from time to time determine:
 - a. Information relating to the movements of its aircraft or aircraft handled by the agent at the airport of the Company within 24 hours of each of these movements. This will include information about the total number of

- passengers per category, embarked and disembarked at the airport, total freight and mail carried in kilograms, IATA/ICAO prefix and local airport SITA address of the operator who is to be invoiced.
- b. Details of the maximum design take off weight in respect of each aircraft owned or operated by the operator.
 - c. Any changes in the maximum design take-off weight of each aircraft owned or operated by the operator
- (2) The operator or its designated agent shall also provide to the Company details of all aircraft operators by timely transmission of complete and accurate operational data preferably by automatic electronic means using (and conforming to) IATA messaging and communications standards.
- (3) The required operational data includes:
- a. aircraft registration (including aircraft substitutions)
 - b. variation to schedule (including flight number, aircraft type, route and scheduled time of operation)
 - c. estimated times of operation
 - d. actual times on and off stand
 - e. stand departure delays greater than 15 minutes
- (4) The Company may request in writing, within 60 days, copies of aircraft load sheets to enable verification of all details with respect to the passengers carried on any or all flights departing from that airport during a specified period and extracts from aircraft flight manuals to enable verification of aircraft weight. The operator shall, following a request in writing made by the Company, supply it with the original copies of such documents.
- (5) The operator shall inform the Company of details regarding the configuration of their aircraft and to notify the Company when any changes to these configurations occur.
- (6) Where the operator, or its handling agent, fails to provide the information required in paragraph 3(1) within the period stipulated herein, the Company shall be entitled to assess, at its sole discretion the charges payable hereunder by the operator by reference to the maximum take off weight and the maximum passenger capacity of the aircraft type.

4. Landing Charges

- (1) The landing charges set out in paragraph 2 of Annexure A shall only apply to an aircraft engaged in a flight which commenced at an airport within one of the States or territories mentioned in that paragraph and:-
- (a) where the operator of such aircraft has the right, granted by the South African aeronautical authority, to take on passengers, cargo or mail at the said airport of departure and to discharge those passengers or at that cargo or mail at the company airport where the flight terminated; or
 - (b) where, notwithstanding the provisions of sub rule (2), the flight immediately preceding such flight commenced at an airport within the Republic, irrespective of whether or not the right referred to in subparagraph (a) has been granted to the operator of such aircraft.
- (2) If an aircraft is engaged in a flight between an airport within one of the States or territories mentioned in paragraph 2 of Annexure A and a company airport, and the operator of that aircraft does not have the right referred to in sub rule (1), then the previous airport from where such aircraft took off and where such right has been granted to such operator, shall be deemed to be the airport of departure for the purpose of calculating the appropriate landing charge when landing at that company airport.

- (3) A landing charge in respect of a helicopter shall be 20 per cent of the appropriate landing charge prescribed and set out in Annexure A, for an aircraft of equal maximum certificated mass.
- (4) When a landing is carried out solely for the purpose of aircrew training, the landing charge shall be 20 per cent of the appropriate charge set out in Annexure A.
- (5) When a landing is carried out solely for the purpose of military training, the landing charge shall be 10 per cent of the appropriate charge set out in Annexure A.

5. Parking charges

- (1) A parking charge shall be payable after an aircraft has been parked at a company airport for a period exceeding four hours: Provided that the parking charge payable shall be doubled if such aircraft has been parked at any company airport at a parking bay where a passenger loading bridge is in operation.
- (2) A parking charge shall be calculated for any period of 24 hours or any part thereof from 4 hours for which an aircraft has been parked.

6. Passenger service charges

- (1) The passenger service charge collected and payable by the operator shall be calculated on the basis of the number of embarking passengers on an aircraft and the appropriate tariff applicable to each passenger as set out in Annexure C.
- (2) The following passengers shall not be regarded as embarking passengers:
 - (a) a passenger who does not disembark from an aircraft after such an aircraft has landed at a company airport and who remains on board that aircraft until such aircraft takes off from that company airport; or
 - (b) a passenger who is not older than two years of age. (How do we stop Airlines from charging airport taxes for this category)

7. General rules

- (1) Airport charges shall be payable in respect of South African and foreign state aircraft unless other provision has been made by means of an agreement with the Company.
- (2) No airport charge shall be payable in respect of:-
 - (a) an aircraft engaged in any flight for the calibration of any air navigation infrastructure;
 - (b) an aircraft engaged in search and rescue operations; and
 - (c) an aircraft engaged in a test flight, when such flight is required by the Commissioner for Civil Aviation in terms of the regulations made under the Aviation Act, 1962 (ACT No. 74 of 1962), for the purpose of issuing or rendering effective a certificate of airworthiness or after any major modification to an aircraft.

8. Interpretation

For the purposes of these rules, unless the context otherwise indicates:-

- (a) "aircraft" means an aircraft as defined in section 1 of Aviation Act, 1962;
- (b) "air navigation infrastructure" means air navigation infrastructure as defined in section 1 of the Air Traffic and Navigation Services Company Act, 1993 (Act No. 45 of 1993);

- (c) "airport" means an airport as defined in section 1 of the Aviation Act, 1962, and includes a company airport;
- (d) "airport charge" means a landing charge, a parking charge and a passenger service charge;
- (e) "airport manager" means a person designated by the Company for the purpose of these rules;
- (f) "Company" means the Airports Company South Africa Limited.
- (g) "company airport" means a company airport as defined in section 1 of the Airports Company Act, 1993 (Act No. 44 of 1993);
- (h) "crew member" means a person assigned by an operator to do duty on an aircraft during flight time;
- (i) "flight" means a flight as defined in regulation 1.3 of the Air Navigation Regulations, 1976, as amended;
- (j) "helicopter" means a helicopter as defined in regulation 1.3 of the Air Navigation Regulations, 1976, as amended;
- (k) "international flight" means a flight which commences or terminates at an airport outside the Republic;
- (l) "maximum certificated mass" means a maximum certificated mass as defined in regulation 1.3 of the Air Navigation Regulations, 1976, as amended;
- (m) "operator", in relation to an aircraft, means:-
 - 1. a licensee as defined in section 1 of the Air Services Licensing Act, 1990 (Act No. 115 of 1990), or an air carrier as defined in section 1 of the International Air Services Act, 1949 (Act No. 51 of 1949);
 - 2. any airline of another State which operates a scheduled international air transport service in terms of a bilateral agreement as contemplated in section 2 (2) (a) of the International Air Services Act, 1949; or any person who uses an aircraft under an authorisation by the Commissioner for Civil Aviation as contemplated in section 2 (2A) of the said Act;
 - 3. the owner of such aircraft;
- (n) "owner", in relation to an aircraft, means the person in whose name such aircraft is registered and includes any person who is or has been acting as agent in the Republic for a foreign owner, or a person by whom such aircraft is hired at the time;
- (o) "passenger" means any person other than a crew member on board an aircraft in flight;
- (p) "state aircraft" means any state aircraft as contemplated in article 3 of the Convention of International Civil Aviation signed at Chicago on 7 December 1944.

ANNEXURE A**AIRPORT CHARGES: LANDING CHARGES**

1. The landing charge in respect of an aircraft which lands at a company airport and which has been engaged in a flight where the airport of departure of the that aircraft was within the Republic:

Maximum Take off Weight (MTOW) in kg of the aircraft up to and including:-	Per single landing	
	VAT	
	Exclusive R	Inclusive R
500.....	28.00	31.92
1 000.....	41.51	47.32
1 500.....	53.07	60.50
2 000.....	64.09	73.07
2 500.....	75.64	86.23
3 000.....	87.19	99.40
4 000.....	121.69	138.72
5 000.....	155.26	177.00
6 000.....	189.20	215.68
7 000.....	224.22	255.61
8 000.....	258.00	294.12
9 000.....	290.29	330.94
10 000.....	326.05	371.69
and thereafter, for every additional 2 000 kg or part thereof.....	49.30	56.20

2. The landing charge in respect of an aircraft which lands at a company airport and which has been engaged in a flight where the airport of departure of that aircraft was within Botswana, Lesotho, Namibia or Swaziland:

Maximum Take off Weight (MTOW) in kg of the aircraft up to and including:-	Per single landing	
	VAT	
	Exclusive R	Inclusive R
500.....	31.57	35.99
1 000.....	48.92	55.77
1 500.....	69.13	78.81
2 000.....	87.55	99.80
2 500.....	106.33	121.22
3 000.....	125.63	143.22
4 000.....	171.13	195.08
5 000.....	216.11	246.37
6 000.....	260.69	297.18
7 000.....	306.36	349.26
8 000.....	350.76	399.87
9 000.....	395.37	450.72
10 000.....	441.03	502.77
and thereafter, for every additional 2 000 kg or part thereof.....	73.30	83.56

3. The landing charge in respect of an aircraft which lands at a company airport and which has been engaged in a flight where the airport of departure of that aircraft was within the State or territory other than those mentioned in paragraph 1 and 2:

Maximum Take off Weight (MTOW) in kg of the aircraft up to and including:-	Per single landing	
	VAT	
	Exclusive	Inclusive
	R	R
500.....	35.22	40.15
1 000.....	56.50	64.41
1 500.....	85.03	96.93
2 000.....	110.66	126.15
2 500.....	136.85	156.01
3 000.....	163.73	186.65
4 000.....	220.96	251.89
5 000.....	276.76	315.50
6 000.....	331.99	378.47
7 000.....	388.15	442.49
8 000.....	443.19	505.23
9 000.....	499.53	569.46
10 000.....	556.03	633.87
and thereafter, for every additional 2 000 kg or part thereof.....	97.29	110.91

ANNEXURE B

AIRPORT CHARGES: PARKING CHARGES

Maximum Take off Weight (MTOW) in kg of the aircraft up to and including:-	Per 24 hours or part thereof	
	VAT	
	Exclusive	Inclusive
	R	R
2 000.....	21.17	24.13
3 000.....	43.53	49.62
4 000.....	61.98	70.66
5 000.....	85.10	97.02
10 000.....	125.30	142.84
15 000.....	164.76	187.83
20 000.....	207.69	236.76
25 000.....	247.91	282.62
50 000.....	327.95	373.86
75 000.....	408.19	465.33
100 000.....	489.39	557.91
150 000.....	615.66	701.86
200 000.....	742.93	846.94
300 000.....	849.40	968.31
400 000.....	1069.82	1,219.60
And thereafter, for every additional 100 000 kg or part thereof.....	164.76	187.83

ANNEXURE C**AIRPORT CHARGES: PASSENGER SERVICE CHARGES**

	VAT	
	Exclusive	Inclusive
	R	R
1. Passenger service charge per embarking passenger where such passengers will disembark from the aircraft at an airport within the Republic.....	35.96	41.00
2. Passenger service charge per embarking passengers where such passengers will disembark from the aircraft at an airport within Botswana, Lesotho, Namibia or Swaziland.....	74.56	85.00
3. Passenger service charge per embarking passenger where such passengers will disembark from the aircraft within any State or territory other than those mentioned in paragraphs 1 and 2.....	98.25	112.00

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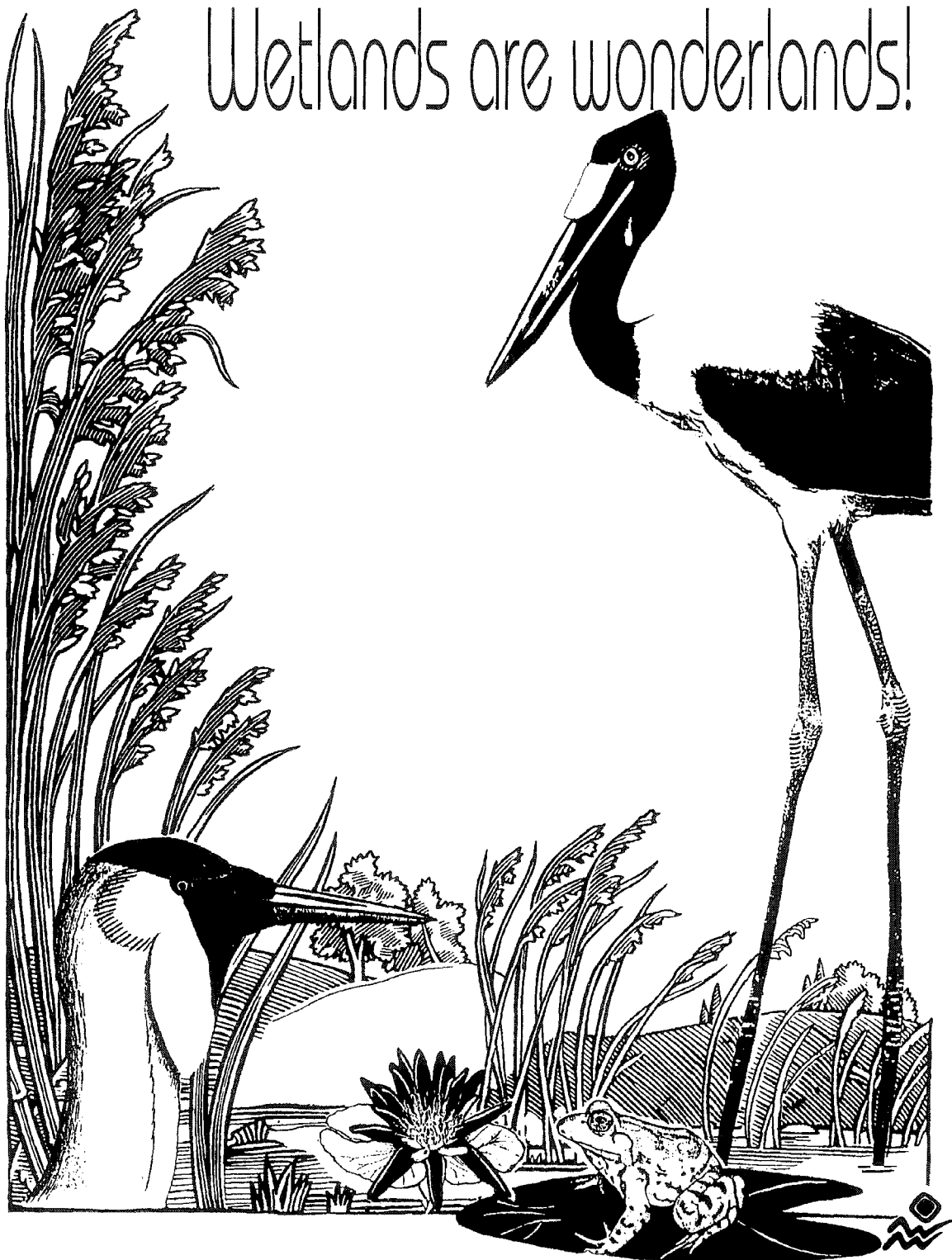
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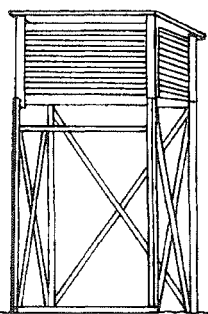
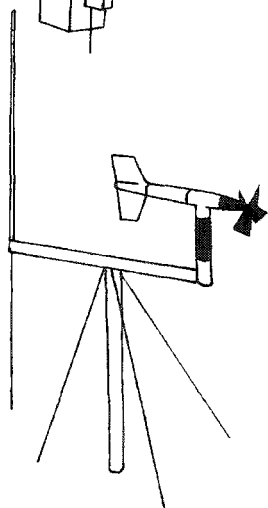
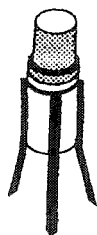
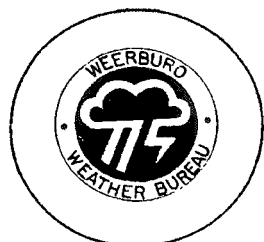
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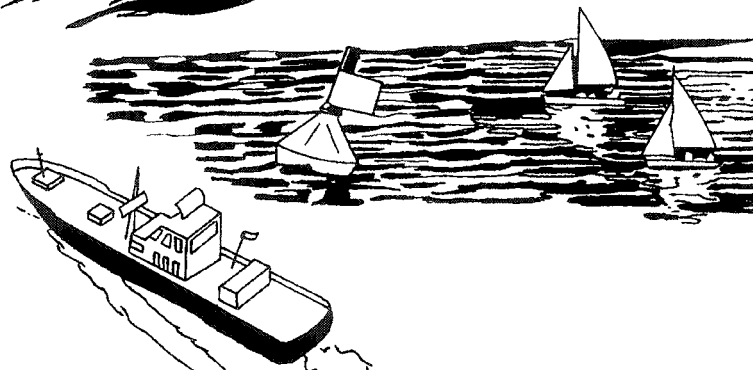
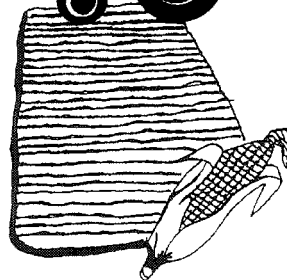
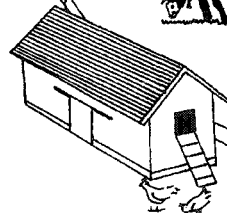
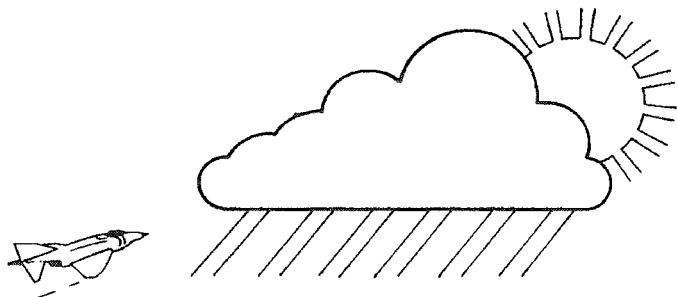


Department of Environmental Affairs and Tourism

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EFFECTIVE 01 APRIL 2008									
AIRPORT CHARGES : LANDING CHARGES									
WEIGHT CATEGORY	DOMESTIC			REGIONAL			INTERNATIONAL		
	L/FEES	VAT	INC VAT	L/FEES	VAT	INC VAT	L/FEES	VAT	INC VAT
500	R 28.00	R 3.92	R 31.92	R 31.57	R 4.42	R 35.99	R 35.22	R 4.93	R 40.15
1000	R 41.51	R 5.81	R 47.32	R 48.92	R 6.85	R 55.77	R 56.50	R 7.91	R 64.41
1500	R 53.07	R 7.43	R 60.50	R 69.13	R 9.68	R 78.81	R 85.03	R 11.90	R 96.93
2000	R 64.09	R 8.97	R 73.06	R 87.55	R 12.26	R 99.81	R 110.66	R 15.49	R 126.15
2500	R 75.64	R 10.59	R 86.23	R 106.33	R 14.89	R 121.22	R 136.85	R 19.16	R 156.01
3000	R 87.19	R 12.21	R 99.40	R 125.63	R 17.59	R 143.22	R 163.73	R 22.92	R 186.65
4000	R 121.69	R 17.04	R 138.73	R 171.13	R 23.96	R 195.09	R 220.96	R 30.93	R 251.89
5000	R 155.26	R 21.74	R 177.00	R 216.11	R 30.26	R 246.37	R 276.76	R 38.75	R 315.51
6000	R 189.20	R 26.49	R 215.69	R 260.69	R 36.50	R 297.19	R 331.99	R 46.48	R 378.47
7000	R 224.22	R 31.39	R 255.61	R 306.36	R 42.89	R 349.25	R 388.15	R 54.34	R 442.49
8000	R 258.00	R 36.12	R 294.12	R 350.76	R 49.11	R 399.87	R 443.19	R 62.05	R 505.24
9000	R 290.29	R 40.64	R 330.93	R 395.37	R 55.35	R 450.72	R 499.53	R 69.93	R 569.46
10000	R 326.05	R 45.65	R 371.70	R 441.03	R 61.74	R 502.77	R 556.03	R 77.84	R 633.87
12000	R 375.35	R 52.55	R 427.90	R 514.33	R 72.01	R 586.34	R 653.32	R 91.46	R 744.78
14000	R 424.65	R 59.45	R 484.10	R 587.63	R 82.27	R 669.90	R 750.61	R 105.09	R 855.70
16000	R 473.95	R 66.35	R 540.30	R 660.93	R 92.53	R 753.46	R 847.90	R 118.71	R 966.61
18000	R 523.25	R 73.26	R 596.51	R 734.23	R 102.79	R 837.02	R 945.19	R 132.33	R 1,077.52
20000	R 572.55	R 80.16	R 652.71	R 807.53	R 113.05	R 920.58	R 1,042.48	R 145.95	R 1,188.43
22000	R 621.85	R 87.06	R 708.91	R 880.83	R 123.32	R 1,004.15	R 1,139.77	R 159.57	R 1,299.34
24000	R 671.15	R 93.96	R 765.11	R 954.13	R 133.58	R 1,087.71	R 1,237.06	R 173.19	R 1,410.25
26000	R 720.45	R 100.86	R 821.31	R 1,027.43	R 143.84	R 1,171.27	R 1,334.35	R 186.81	R 1,521.16
28000	R 769.75	R 107.77	R 877.52	R 1,100.73	R 154.10	R 1,254.83	R 1,431.64	R 200.43	R 1,632.07
30000	R 819.05	R 114.67	R 933.72	R 1,174.03	R 164.36	R 1,338.39	R 1,528.93	R 214.05	R 1,742.98
32000	R 868.35	R 121.57	R 989.92	R 1,247.33	R 174.63	R 1,421.96	R 1,626.22	R 227.67	R 1,853.89
34000	R 917.65	R 128.47	R 1,046.12	R 1,320.63	R 184.89	R 1,505.52	R 1,723.51	R 241.29	R 1,964.80
36000	R 966.95	R 135.37	R 1,102.32	R 1,393.93	R 195.15	R 1,589.08	R 1,820.80	R 254.91	R 2,075.71
38000	R 1,016.25	R 142.28	R 1,158.53	R 1,467.23	R 205.41	R 1,672.64	R 1,918.09	R 268.53	R 2,186.62
40000	R 1,065.55	R 149.18	R 1,214.73	R 1,540.53	R 215.67	R 1,756.20	R 2,015.38	R 282.15	R 2,297.53
42000	R 1,114.85	R 156.08	R 1,270.93	R 1,613.83	R 225.94	R 1,839.77	R 2,112.67	R 295.77	R 2,408.44
44000	R 1,164.15	R 162.98	R 1,327.13	R 1,687.13	R 236.20	R 1,923.33	R 2,209.96	R 309.39	R 2,519.35
46000	R 1,213.45	R 169.88	R 1,383.33	R 1,760.43	R 246.46	R 2,006.89	R 2,307.25	R 323.02	R 2,630.27
48000	R 1,262.75	R 176.79	R 1,439.54	R 1,833.73	R 256.72	R 2,090.45	R 2,404.54	R 336.64	R 2,741.18
50000	R 1,312.05	R 183.69	R 1,495.74	R 1,907.03	R 266.98	R 2,174.01	R 2,501.83	R 350.26	R 2,852.09
52000	R 1,361.35	R 190.59	R 1,551.94	R 1,980.33	R 277.25	R 2,257.58	R 2,599.12	R 363.88	R 2,963.00
54000	R 1,410.65	R 197.49	R 1,608.14	R 2,053.63	R 287.51	R 2,341.14	R 2,696.41	R 377.50	R 3,073.91
56000	R 1,459.95	R 204.39	R 1,664.34	R 2,126.93	R 297.77	R 2,424.70	R 2,793.70	R 391.12	R 3,184.82
58000	R 1,509.25	R 211.30	R 1,720.55	R 2,200.23	R 308.03	R 2,508.26	R 2,890.99	R 404.74	R 3,295.73
60000	R 1,558.55	R 218.20	R 1,776.75	R 2,273.53	R 318.29	R 2,591.82	R 2,988.28	R 418.36	R 3,406.64
62000	R 1,607.85	R 225.10	R 1,832.95	R 2,346.83	R 328.56	R 2,675.39	R 3,085.57	R 431.98	R 3,517.55
64000	R 1,657.15	R 232.00	R 1,889.15	R 2,420.13	R 338.82	R 2,758.95	R 3,182.86	R 445.60	R 3,628.46
66000	R 1,706.45	R 238.90	R 1,945.35	R 2,493.43	R 349.08	R 2,842.51	R 3,280.15	R 459.22	R 3,739.37
68000	R 1,755.75	R 245.81	R 2,001.56	R 2,566.73	R 359.34	R 2,926.07	R 3,377.44	R 472.84	R 3,850.28
70000	R 1,805.05	R 252.71	R 2,057.76	R 2,640.03	R 369.60	R 3,009.63	R 3,474.73	R 486.46	R 3,961.19
72000	R 1,854.35	R 259.61	R 2,113.96	R 2,713.33	R 379.87	R 3,093.20	R 3,572.02	R 500.08	R 4,072.10
74000	R 1,903.65	R 266.51	R 2,170.16	R 2,786.63	R 390.13	R 3,176.76	R 3,669.31	R 513.70	R 4,183.01
76000	R 1,952.95	R 273.41	R 2,226.36	R 2,859.93	R 400.39	R 3,260.32	R 3,766.60	R 527.32	R 4,293.92
78000	R 2,002.25	R 280.32	R 2,282.57	R 2,933.23	R 410.65	R 3,343.88	R 3,863.89	R 540.94	R 4,404.83
80000	R 2,051.55	R 287.22	R 2,338.77	R 3,006.53	R 420.91	R 3,427.44	R 3,961.18	R 554.57	R 4,515.75
82000	R 2,100.85	R 294.12	R 2,394.97	R 3,079.83	R 431.18	R 3,511.01	R 4,058.47	R 568.19	R 4,626.66
84000	R 2,150.15	R 301.02	R 2,451.17	R 3,153.13	R 441.44	R 3,594.57	R 4,155.76	R 581.81	R 4,737.57
86000	R 2,199.45	R 307.92	R 2,507.37	R 3,226.43	R 451.70	R 3,678.13	R 4,253.05	R 595.43	R 4,848.48
88000	R 2,248.75	R 314.83	R 2,563.58	R 3,299.73	R 461.96	R 3,761.69	R 4,350.34	R 609.05	R 4,959.39
90000	R 2,298.05	R 321.73	R 2,619.78	R 3,373.03	R 472.22	R 3,845.25	R 4,447.63	R 622.67	R 5,070.30
92000	R 2,347.35	R 328.63	R 2,675.98	R 3,446.33	R 482.49	R 3,928.82	R 4,544.92	R 636.29	R 5,181.21
94000	R 2,396.65	R 335.53	R 2,732.18	R 3,519.63	R 492.75	R 4,012.38	R 4,642.21	R 649.91	R 5,292.12
96000	R 2,445.95	R 342.43	R 2,788.38	R 3,592.93	R 503.01	R 4,095.94	R 4,739.50	R 663.53	R 5,403.03
98000	R 2,495.25	R 349.34	R 2,844.59	R 3,666.23	R 513.27	R 4,179.50	R 4,836.79	R 677.15	R 5,513.94
100000	R 2,544.55	R 356.24	R 2,900.79	R 3,739.53	R 523.53	R 4,263.06	R 4,934.08	R 690.77	R 5,624.85
102000	R 2,593.85	R 363.14	R 2,956.99	R 3,812.83	R 533.80	R 4,346.63	R 5,031.37	R 704.39	R 5,735.76
104000	R 2,643.15	R 370.04	R 3,013.19	R 3,886.13	R 544.06	R 4,430.19	R 5,128.66	R 718.01	R 5,846.67
106000	R 2,692.45	R 376.94	R 3,069.39	R 3,959.43	R 554.32	R 4,513.75	R 5,225.95	R 731.63	R 5,957.58
108000	R 2,741.75	R 383.85	R 3,125.60	R 4,032.73	R 564.58	R 4,597.31	R 5,323.24	R 745.25	R 6,068.49
110000	R 2,791.05	R 390.75	R 3,181.80	R 4,106.03	R 574.84	R 4,680.87	R 5,420.53	R 758.87	R 6,179.40
112000	R 2,840.35	R 397.65	R 3,238.00	R 4,179.33	R 585.11	R 4,764.44	R 5,517.82	R 772.49	R 6,290.31
114000	R 2,889.65	R 404.55	R 3,294.20	R 4,252.63	R 595.37	R 4,848.00	R 5,615.11	R 786.12	R 6,401.23
116000	R 2,938.95	R 411.45	R 3,350.40	R 4,325.93	R 605.63	R 4,931.56	R 5,712.40	R 799.74	R 6,512.14
118000	R 2,988.25	R 418.36	R 3,406.61	R 4,399.23	R 615.89	R 5,015.12	R 5,809.69	R 813.36	R 6,623.05

120000	R 3,037.55	R 425.26	R 3,462.81	R 4,472.53	R 626.15	R 5,098.68	R 5,906.98	R 826.98	R 6,733.96
122000	R 3,086.85	R 432.16	R 3,519.01	R 4,545.83	R 636.42	R 5,182.25	R 6,004.27	R 840.60	R 6,844.87
124000	R 3,136.15	R 439.06	R 3,575.21	R 4,619.13	R 646.68	R 5,265.81	R 6,101.56	R 854.22	R 6,955.78
126000	R 3,185.45	R 445.96	R 3,631.41	R 4,692.43	R 656.94	R 5,349.37	R 6,198.85	R 867.84	R 7,066.69
128000	R 3,234.75	R 452.87	R 3,687.62	R 4,765.73	R 667.20	R 5,432.93	R 6,296.14	R 881.46	R 7,177.60
130000	R 3,284.05	R 459.77	R 3,743.82	R 4,839.03	R 677.46	R 5,516.49	R 6,393.43	R 895.08	R 7,288.51
132000	R 3,333.35	R 466.67	R 3,800.02	R 4,912.33	R 687.73	R 5,600.06	R 6,490.72	R 908.70	R 7,399.42
134000	R 3,382.65	R 473.57	R 3,856.22	R 4,985.63	R 697.99	R 5,683.62	R 6,588.01	R 922.32	R 7,510.33
136000	R 3,431.95	R 480.47	R 3,912.42	R 5,058.93	R 708.25	R 5,767.18	R 6,685.30	R 935.94	R 7,621.24
138000	R 3,481.25	R 487.38	R 3,968.63	R 5,132.23	R 718.51	R 5,850.74	R 6,782.59	R 949.56	R 7,732.15
140000	R 3,530.55	R 494.28	R 4,024.83	R 5,205.53	R 728.77	R 5,934.30	R 6,879.88	R 963.18	R 7,843.06
142000	R 3,579.85	R 501.18	R 4,081.03	R 5,278.83	R 739.04	R 6,017.87	R 6,977.17	R 976.80	R 7,953.97
144000	R 3,629.15	R 508.08	R 4,137.23	R 5,352.13	R 749.30	R 6,101.43	R 7,074.46	R 990.42	R 8,064.88
146000	R 3,678.45	R 514.98	R 4,193.43	R 5,425.43	R 759.56	R 6,184.99	R 7,171.75	R 1,004.05	R 8,175.80
148000	R 3,727.75	R 521.89	R 4,249.64	R 5,498.73	R 769.82	R 6,268.55	R 7,269.04	R 1,017.67	R 8,286.71
150000	R 3,777.05	R 528.79	R 4,305.84	R 5,572.03	R 780.08	R 6,352.11	R 7,366.33	R 1,031.29	R 8,397.62
152000	R 3,826.35	R 535.69	R 4,362.04	R 5,645.33	R 790.35	R 6,435.68	R 7,463.62	R 1,044.91	R 8,508.53
154000	R 3,875.65	R 542.59	R 4,418.24	R 5,718.63	R 800.61	R 6,519.24	R 7,560.91	R 1,058.53	R 8,619.44
156000	R 3,924.95	R 549.49	R 4,474.44	R 5,791.93	R 810.87	R 6,602.80	R 7,658.20	R 1,072.15	R 8,730.35
158000	R 3,974.25	R 556.40	R 4,530.65	R 5,865.23	R 821.13	R 6,686.36	R 7,755.49	R 1,085.77	R 8,841.26
160000	R 4,023.55	R 563.30	R 4,586.85	R 5,938.53	R 831.39	R 6,769.92	R 7,852.78	R 1,099.39	R 8,952.17
162000	R 4,072.85	R 570.20	R 4,643.05	R 6,011.83	R 841.66	R 6,853.49	R 7,950.07	R 1,113.01	R 9,063.08
164000	R 4,122.15	R 577.10	R 4,699.25	R 6,085.13	R 851.92	R 6,937.05	R 8,047.36	R 1,126.63	R 9,173.99
166000	R 4,171.45	R 584.00	R 4,755.45	R 6,158.43	R 862.18	R 7,020.61	R 8,144.65	R 1,140.25	R 9,284.90
168000	R 4,220.75	R 590.91	R 4,811.66	R 6,231.73	R 872.44	R 7,104.17	R 8,241.94	R 1,153.87	R 9,395.81
170000	R 4,270.05	R 597.81	R 4,867.86	R 6,305.03	R 882.70	R 7,187.73	R 8,339.23	R 1,167.49	R 9,506.72
172000	R 4,319.35	R 604.71	R 4,924.06	R 6,378.33	R 892.97	R 7,271.30	R 8,436.52	R 1,181.11	R 9,617.63
174000	R 4,368.65	R 611.61	R 4,980.26	R 6,451.63	R 903.23	R 7,354.86	R 8,533.81	R 1,194.73	R 9,728.54
176000	R 4,417.95	R 618.51	R 5,036.46	R 6,524.93	R 913.49	R 7,438.42	R 8,631.10	R 1,208.35	R 9,839.45
178000	R 4,467.25	R 625.42	R 5,092.67	R 6,598.23	R 923.75	R 7,521.98	R 8,728.39	R 1,221.97	R 9,950.36
180000	R 4,516.55	R 632.32	R 5,148.87	R 6,671.53	R 934.01	R 7,605.54	R 8,825.68	R 1,235.60	R 10,061.28
182000	R 4,565.85	R 639.22	R 5,205.07	R 6,744.83	R 944.28	R 7,689.11	R 8,922.97	R 1,249.22	R 10,172.19
184000	R 4,615.15	R 646.12	R 5,261.27	R 6,818.13	R 954.54	R 7,772.67	R 9,020.26	R 1,262.84	R 10,283.10
186000	R 4,664.45	R 653.02	R 5,317.47	R 6,891.43	R 964.80	R 7,856.23	R 9,117.55	R 1,276.46	R 10,394.01
188000	R 4,713.75	R 659.93	R 5,373.68	R 6,964.73	R 975.06	R 7,939.79	R 9,214.84	R 1,290.08	R 10,504.92
190000	R 4,763.05	R 666.83	R 5,429.88	R 7,038.03	R 985.32	R 8,023.35	R 9,312.13	R 1,303.70	R 10,615.83
192000	R 4,812.35	R 673.73	R 5,486.08	R 7,111.33	R 995.59	R 8,106.92	R 9,409.42	R 1,317.32	R 10,726.74
194000	R 4,861.65	R 680.63	R 5,542.28	R 7,184.63	R 1,005.85	R 8,190.48	R 9,506.71	R 1,330.94	R 10,837.65
196000	R 4,910.95	R 687.53	R 5,598.48	R 7,257.93	R 1,016.11	R 8,274.04	R 9,604.00	R 1,344.56	R 10,948.56
198000	R 4,960.25	R 694.44	R 5,654.69	R 7,331.23	R 1,026.37	R 8,357.60	R 9,701.29	R 1,358.18	R 11,059.47
200000	R 5,009.55	R 701.34	R 5,710.89	R 7,404.53	R 1,036.63	R 8,441.16	R 9,798.58	R 1,371.80	R 11,170.38
202000	R 5,058.85	R 708.24	R 5,767.09	R 7,477.83	R 1,046.90	R 8,524.73	R 9,895.87	R 1,385.42	R 11,281.29
204000	R 5,108.15	R 715.14	R 5,823.29	R 7,551.13	R 1,057.16	R 8,608.29	R 9,993.16	R 1,399.04	R 11,392.20
206000	R 5,157.45	R 722.04	R 5,879.49	R 7,624.43	R 1,067.42	R 8,691.85	R 10,090.45	R 1,412.66	R 11,503.11
208000	R 5,206.75	R 728.95	R 5,935.70	R 7,697.73	R 1,077.68	R 8,775.41	R 10,187.74	R 1,426.28	R 11,614.02
210000	R 5,256.05	R 735.85	R 5,991.90	R 7,771.03	R 1,087.94	R 8,858.97	R 10,285.03	R 1,439.90	R 11,724.93
212000	R 5,305.35	R 742.75	R 6,048.10	R 7,844.33	R 1,098.21	R 8,942.54	R 10,382.32	R 1,453.52	R 11,835.84
214000	R 5,354.65	R 749.65	R 6,104.30	R 7,917.63	R 1,108.47	R 9,026.10	R 10,479.61	R 1,467.15	R 11,946.76
216000	R 5,403.95	R 756.55	R 6,160.50	R 7,990.93	R 1,118.73	R 9,109.66	R 10,576.90	R 1,480.77	R 12,057.67
218000	R 5,453.25	R 763.46	R 6,216.71	R 8,064.23	R 1,128.99	R 9,193.22	R 10,674.19	R 1,494.39	R 12,168.58
220000	R 5,502.55	R 770.36	R 6,272.91	R 8,137.53	R 1,139.25	R 9,276.78	R 10,771.48	R 1,508.01	R 12,279.49
222000	R 5,551.85	R 777.26	R 6,329.11	R 8,210.83	R 1,149.52	R 9,360.35	R 10,868.77	R 1,521.63	R 12,390.40
224000	R 5,601.15	R 784.16	R 6,385.31	R 8,284.13	R 1,159.78	R 9,443.91	R 10,966.06	R 1,535.25	R 12,501.31
226000	R 5,650.45	R 791.06	R 6,441.51	R 8,357.43	R 1,170.04	R 9,527.47	R 11,063.35	R 1,548.87	R 12,612.22
228000	R 5,699.75	R 797.97	R 6,497.72	R 8,430.73	R 1,180.30	R 9,611.03	R 11,160.64	R 1,562.49	R 12,723.13
230000	R 5,749.05	R 804.87	R 6,553.92	R 8,504.03	R 1,190.56	R 9,694.59	R 11,257.93	R 1,576.11	R 12,834.04
232000	R 5,798.35	R 811.77	R 6,610.12	R 8,577.33	R 1,200.83	R 9,778.16	R 11,355.22	R 1,589.73	R 12,944.95
234000	R 5,847.65	R 818.67	R 6,666.32	R 8,650.63	R 1,211.09	R 9,861.72	R 11,452.51	R 1,603.35	R 13,055.86
236000	R 5,896.95	R 825.57	R 6,722.52	R 8,723.93	R 1,221.35	R 9,945.28	R 11,549.80	R 1,616.97	R 13,166.77
238000	R 5,946.25	R 832.48	R 6,778.73	R 8,797.23	R 1,231.61	R 10,028.84	R 11,647.09	R 1,630.59	R 13,277.68
240000	R 5,995.55	R 839.38	R 6,834.93	R 8,870.53	R 1,241.87	R 10,112.40	R 11,744.38	R 1,644.21	R 13,388.59
242000	R 6,044.85	R 846.28	R 6,891.13	R 8,943.83	R 1,252.14	R 10,195.97	R 11,841.67	R 1,657.83	R 13,499.50
244000	R 6,094.15	R 853.18	R 6,947.33	R 9,017.13	R 1,262.40	R 10,279.53	R 11,938.96	R 1,671.45	R 13,610.41
246000	R 6,143.45	R 860.08	R 7,003.53	R 9,090.43	R 1,272.66	R 10,363.09	R 12,036.25	R 1,685.08	R 13,721.33
248000	R 6,192.75	R 866.99	R 7,059.74	R 9,163.73	R 1,282.92	R 10,446.65	R 12,133.54	R 1,698.70	R 13,832.24
250000	R 6,242.05	R 873.89	R 7,115.94	R 9,237.03	R 1,293.18	R 10,530.21	R 12,230.83	R 1,712.32	R 13,943.15
252000	R 6,291.35	R 880.79	R 7,172.14	R 9,310.33	R 1,303.45	R 10,613.78	R 12,328.12	R 1,725.94	R 14,054.06
254000	R 6,340.65	R 887.69	R 7,228.34	R 9,383.63	R 1,313.71	R 10,697.34	R 12,425.41	R 1,739.56	R 14,164.97
256000	R 6,389.95	R 894.59	R 7,284.54	R 9,456.93	R 1,323.97	R 10,780.90	R 12,522.70	R 1,753.18	R 14,275.88
258000	R 6,439.25	R 901.50	R 7,340.75	R 9,530.23	R 1,334.23	R 10,864.46	R 12,619.99	R 1,766.80	R 14,386.79
260000	R 6,488.55	R 908.40	R 7,396.95	R 9,603.53	R 1,344.49	R 10,948.02	R 12,717.28	R 1,780.42	R 14,497.70

262000	R 6,537.85	R 915.30	R 7,453.15	R 9,676.83	R 1,354.76	R 11,031.59	R 12,814.57	R 1,794.04	R 14,608.61
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264000	R 6,587.15	R 922.20	R 7,509.35	R 9,750.13	R 1,365.02	R 11,115.15	R 12,911.86	R 1,807.66	R 14,719.52
266000	R 6,636.45	R 929.10	R 7,565.55	R 9,823.43	R 1,375.28	R 11,198.71	R 13,009.15	R 1,821.28	R 14,830.43
268000	R 6,685.75	R 936.01	R 7,621.76	R 9,896.73	R 1,385.54	R 11,282.27	R 13,106.44	R 1,834.90	R 14,941.34
270000	R 6,735.05	R 942.91	R 7,677.96	R 9,970.03	R 1,395.80	R 11,365.83	R 13,203.73	R 1,848.52	R 15,052.25
272000	R 6,784.35	R 949.81	R 7,734.16	R 10,043.33	R 1,406.07	R 11,449.40	R 13,301.02	R 1,862.14	R 15,163.16
274000	R 6,833.65	R 956.71	R 7,790.36	R 10,116.63	R 1,416.33	R 11,532.96	R 13,398.31	R 1,875.76	R 15,274.07
276000	R 6,882.95	R 963.61	R 7,846.56	R 10,189.93	R 1,426.59	R 11,616.52	R 13,495.60	R 1,889.38	R 15,384.98
278000	R 6,932.25	R 970.52	R 7,902.77	R 10,263.23	R 1,436.85	R 11,700.08	R 13,592.89	R 1,903.00	R 15,495.89
280000	R 6,981.55	R 977.42	R 7,958.97	R 10,336.53	R 1,447.11	R 11,783.64	R 13,690.18	R 1,916.63	R 15,606.81
282000	R 7,030.85	R 984.32	R 8,015.17	R 10,409.83	R 1,457.38	R 11,867.21	R 13,787.47	R 1,930.25	R 15,717.72
284000	R 7,080.15	R 991.22	R 8,071.37	R 10,483.13	R 1,467.64	R 11,950.77	R 13,884.76	R 1,943.87	R 15,828.63
286000	R 7,129.45	R 998.12	R 8,127.57	R 10,556.43	R 1,477.90	R 12,034.33	R 13,982.05	R 1,957.49	R 15,939.54
288000	R 7,178.75	R 1,005.03	R 8,183.78	R 10,629.73	R 1,488.16	R 12,117.89	R 14,079.34	R 1,971.11	R 16,050.45
290000	R 7,228.05	R 1,011.93	R 8,239.98	R 10,703.03	R 1,498.42	R 12,201.45	R 14,176.63	R 1,984.73	R 16,161.36
292000	R 7,277.35	R 1,018.83	R 8,296.18	R 10,776.33	R 1,508.69	R 12,285.02	R 14,273.92	R 1,998.35	R 16,272.27
294000	R 7,326.65	R 1,025.73	R 8,352.38	R 10,849.63	R 1,518.95	R 12,368.58	R 14,371.21	R 2,011.97	R 16,383.18
296000	R 7,375.95	R 1,032.63	R 8,408.58	R 10,922.93	R 1,529.21	R 12,452.14	R 14,468.50	R 2,025.59	R 16,494.09
298000	R 7,425.25	R 1,039.54	R 8,464.79	R 10,996.23	R 1,539.47	R 12,535.70	R 14,565.79	R 2,039.21	R 16,605.00
300000	R 7,474.55	R 1,046.44	R 8,520.99	R 11,069.53	R 1,549.73	R 12,619.26	R 14,663.08	R 2,052.83	R 16,715.91
302000	R 7,523.85	R 1,053.34	R 8,577.19	R 11,142.83	R 1,560.00	R 12,702.83	R 14,760.37	R 2,066.45	R 16,826.82
304000	R 7,573.15	R 1,060.24	R 8,633.39	R 11,216.13	R 1,570.26	R 12,786.39	R 14,857.66	R 2,080.07	R 16,937.73
306000	R 7,622.45	R 1,067.14	R 8,689.59	R 11,289.43	R 1,580.52	R 12,869.95	R 14,954.95	R 2,093.69	R 17,048.64
308000	R 7,671.75	R 1,074.05	R 8,745.80	R 11,362.73	R 1,590.78	R 12,953.51	R 15,052.24	R 2,107.31	R 17,159.55
310000	R 7,721.05	R 1,080.95	R 8,802.00	R 11,436.03	R 1,601.04	R 13,037.07	R 15,149.53	R 2,120.93	R 17,270.46
312000	R 7,770.35	R 1,087.85	R 8,858.20	R 11,509.33	R 1,611.31	R 13,120.64	R 15,246.82	R 2,134.55	R 17,381.37
314000	R 7,819.65	R 1,094.75	R 8,914.40	R 11,582.63	R 1,621.57	R 13,204.20	R 15,344.11	R 2,148.18	R 17,492.29
316000	R 7,868.95	R 1,101.65	R 8,970.60	R 11,655.93	R 1,631.83	R 13,287.76	R 15,441.40	R 2,161.80	R 17,603.20
318000	R 7,918.25	R 1,108.56	R 9,026.81	R 11,729.23	R 1,642.09	R 13,371.32	R 15,538.69	R 2,175.42	R 17,714.11
320000	R 7,967.55	R 1,115.46	R 9,083.01	R 11,802.53	R 1,652.35	R 13,454.88	R 15,635.98	R 2,189.04	R 17,825.02
322000	R 8,016.85	R 1,122.36	R 9,139.21	R 11,875.83	R 1,662.62	R 13,538.45	R 15,733.27	R 2,202.66	R 17,935.93
324000	R 8,066.15	R 1,129.26	R 9,195.41	R 11,949.13	R 1,672.88	R 13,622.01	R 15,830.56	R 2,216.28	R 18,046.84
326000	R 8,115.45	R 1,136.16	R 9,251.61	R 12,022.43	R 1,683.14	R 13,705.57	R 15,927.85	R 2,229.90	R 18,157.75
328000	R 8,164.75	R 1,143.07	R 9,307.82	R 12,095.73	R 1,693.40	R 13,789.13	R 16,025.14	R 2,243.52	R 18,268.66
330000	R 8,214.05	R 1,149.97	R 9,364.02	R 12,169.03	R 1,703.66	R 13,872.69	R 16,122.43	R 2,257.14	R 18,379.57
332000	R 8,263.35	R 1,156.87	R 9,420.22	R 12,242.33	R 1,713.93	R 13,956.26	R 16,219.72	R 2,270.76	R 18,490.48
334000	R 8,312.65	R 1,163.77	R 9,476.42	R 12,315.63	R 1,724.19	R 14,039.82	R 16,317.01	R 2,284.38	R 18,601.39
336000	R 8,361.95	R 1,170.67	R 9,532.62	R 12,388.93	R 1,734.45	R 14,123.38	R 16,414.30	R 2,298.00	R 18,712.30
338000	R 8,411.25	R 1,177.58	R 9,588.83	R 12,462.23	R 1,744.71	R 14,206.94	R 16,511.59	R 2,311.62	R 18,823.21
340000	R 8,460.55	R 1,184.48	R 9,645.03	R 12,535.53	R 1,754.97	R 14,290.50	R 16,608.88	R 2,325.24	R 18,934.12
342000	R 8,509.85	R 1,191.38	R 9,701.23	R 12,608.83	R 1,765.24	R 14,374.07	R 16,706.17	R 2,338.86	R 19,045.03
344000	R 8,559.15	R 1,198.28	R 9,757.43	R 12,682.13	R 1,775.50	R 14,457.63	R 16,803.46	R 2,352.48	R 19,155.94
346000	R 8,608.45	R 1,205.18	R 9,813.63	R 12,755.43	R 1,785.76	R 14,541.19	R 16,900.75	R 2,366.11	R 19,266.86
348000	R 8,657.75	R 1,212.09	R 9,869.84	R 12,828.73	R 1,796.02	R 14,624.75	R 16,998.04	R 2,379.73	R 19,377.77
350000	R 8,707.05	R 1,218.99	R 9,926.04	R 12,902.03	R 1,806.28	R 14,708.31	R 17,095.33	R 2,393.35	R 19,488.68
352000	R 8,756.35	R 1,225.89	R 9,982.24	R 12,975.33	R 1,816.55	R 14,791.88	R 17,192.62	R 2,406.97	R 19,599.59
354000	R 8,805.65	R 1,232.79	R 10,038.44	R 13,048.63	R 1,826.81	R 14,875.44	R 17,289.91	R 2,420.59	R 19,710.50
356000	R 8,854.95	R 1,239.69	R 10,094.64	R 13,121.93	R 1,837.07	R 14,959.00	R 17,387.20	R 2,434.21	R 19,821.41
358000	R 8,904.25	R 1,246.60	R 10,150.85	R 13,195.23	R 1,847.33	R 15,042.56	R 17,484.49	R 2,447.83	R 19,932.32
360000	R 8,953.55	R 1,253.50	R 10,207.05	R 13,268.53	R 1,857.59	R 15,126.12	R 17,581.78	R 2,461.45	R 20,043.23
362000	R 9,002.85	R 1,260.40	R 10,263.25	R 13,341.83	R 1,867.86	R 15,209.69	R 17,679.07	R 2,475.07	R 20,154.14
364000	R 9,052.15	R 1,267.30	R 10,319.45	R 13,415.13	R 1,878.12	R 15,293.25	R 17,776.36	R 2,488.69	R 20,265.05
366000	R 9,101.45	R 1,274.20	R 10,375.65	R 13,488.43	R 1,888.38	R 15,376.81	R 17,873.65	R 2,502.31	R 20,375.96
368000	R 9,150.75	R 1,281.11	R 10,431.86	R 13,561.73	R 1,898.64	R 15,460.37	R 17,970.94	R 2,515.93	R 20,486.87
370000	R 9,200.05	R 1,288.01	R 10,488.06	R 13,635.03	R 1,908.90	R 15,543.93	R 18,068.23	R 2,529.55	R 20,597.78
372000	R 9,249.35	R 1,294.91	R 10,544.26	R 13,708.33	R 1,919.17	R 15,627.50	R 18,165.52	R 2,543.17	R 20,708.69
374000	R 9,298.65	R 1,301.81	R 10,600.46	R 13,781.63	R 1,929.43	R 15,711.06	R 18,262.81	R 2,556.79	R 20,819.60
376000	R 9,347.95	R 1,308.71	R 10,656.66	R 13,854.93	R 1,939.69	R 15,794.62	R 18,360.10	R 2,570.41	R 20,930.51
378000	R 9,397.25	R 1,315.62	R 10,712.87	R 13,928.23	R 1,949.95	R 15,878.18	R 18,457.39	R 2,584.03	R 21,041.42
380000	R 9,446.55	R 1,322.52	R 10,769.07	R 14,001.53	R 1,960.21	R 15,961.74	R 18,554.68	R 2,597.66	R 21,152.34
382000	R 9,495.85	R 1,329.42	R 10,825.27	R 14,074.83	R 1,970.48	R 16,045.31	R 18,651.97	R 2,611.28	R 21,263.25
384000	R 9,545.15	R 1,336.32	R 10,881.47	R 14,148.13	R 1,980.74	R 16,128.87	R 18,749.26	R 2,624.90	R 21,374.16
386000	R 9,594.45	R 1,343.22	R 10,937.67	R 14,221.43	R 1,991.00	R 16,212.43	R 18,846.55	R 2,638.52	R 21,485.07
388000	R 9,643.75	R 1,350.13	R 10,993.88	R 14,294.73	R 2,001.26	R 16,295.99	R 18,943.84	R 2,652.14	R 21,595.98
390000	R 9,693.05	R 1,357.03	R 11,050.08	R 14,368.03	R 2,011.52	R 16,379.55	R 19,041.13	R 2,665.76	R 21,706.89
392000	R 9,742.35	R 1,363.93	R 11,106.28	R 14,441.33	R 2,021.79	R 16,463.12	R 19,138.42	R 2,679.38	R 21,817.80
394000	R 9,791.65	R 1,370.83	R 11,162.48	R 14,514.63	R 2,032.05	R 16,546.68	R 19,235.71	R 2,693.00	R 21,928.71
396000	R 9,840.95	R 1,377.73	R 11,218.68	R 14,587.93	R 2,042.31	R 16,630.24	R 19,333.00	R 2,706.62	R 22,039.62
398000	R 9,890.25	R 1,384.64	R 11,274.89	R 14,661.23	R 2,052.57	R 16,713.80	R 19,430.29	R 2,720.24	R 22,150.53
400000	R 9,939.55	R 1,391.54	R 11,331.09	R 14,734.53	R 2,062.83	R 16,797.36	R 19,527.58	R 2,733.86	R 22,261.44

EFFECTIVE 01 APRIL 2008			
AIRPORT CHARGES :PARKING CHARGES			
WEIGHT CATEGORY	DOMESTIC		
	P\FEES	VAT	INC VAT
2000	R 21.17	R 2.96	R 24.13
3000	R 43.53	R 6.09	R 49.62
4000	R 61.98	R 8.68	R 70.66
5000	R 85.10	R 11.91	R 97.01
10000	R 125.30	R 17.54	R 142.84
15000	R 164.76	R 23.07	R 187.83
20000	R 207.69	R 29.08	R 236.77
25000	R 247.91	R 34.71	R 282.62
50000	R 327.95	R 45.91	R 373.86
75000	R 408.19	R 57.15	R 465.34
100000	R 489.39	R 68.51	R 557.90
150000	R 615.66	R 86.19	R 701.85
200000	R 742.93	R 104.01	R 846.94
300000	R 849.40	R 118.92	R 968.32
400000	R 1,069.82	R 149.77	R 1,219.59

EFFECTIVE 01 APRIL 2008								
AIRPORT CHARGES : PASSENGER SERVICE CHARGES								
DOMESTIC			REGIONAL			INTERNATIONAL		
PAX FEES	VAT	INC VAT	EXC VAT	VAT	INC VAT	EXC VAT	VAT	INC VAT
R 35.96	R 5.03	R 41.00	R 74.56	R 10.44	R 85.00	R 98.25	R 13.76	R 112.00