

A STRATEGIC INFRASTRUCTURE PLAN FOR THE WESTERN CAPE

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ABSTRACT

It is vital to the Western Cape's future that our existing businesses have the environment to grow, prosper and adapt; that we pursue every opportunity to add value to our natural resources and the products of our businesses; that we encourage the creation of new industries which support the formation of SMME's and the principles of BEE and job creation. A clear vision of how the Province's businesses will be able to access efficient, competitively priced infrastructure has a central role to play in defining this future. The quality and extent of infrastructure are primary determinants of the efficiency of business activities and the degree to which the social fabric of our communities is improved to the benefit of all. Given its importance in supporting business operations and influencing business viability, there is obviously scope for the provision of infrastructure to catalyse economic and social development. The Western Cape Provincial Government has developed its vision of *iKapa elihlumayo*, the "Growing Cape Strategy". This paper outlines the development of a Strategic Infrastructure Plan which seeks to provide the context within which both the public and private sector may make investment decisions that will improve economic and social development in the Province.

1. INTRODUCTION

The Province of the Western Cape is home to more than four and a half million people, according to Census '01⁽¹⁾. This equates to 10.1% of South Africa's population. Of the 4,524,264 people in the Province, 64% live in the urbanised City of Cape Town, while the Cape Winelands District has the second highest population in the Province, with just less than 630,000 people.

Census '01 indicates that of the 1,489,722 economically active people in the Province, approximately 430,000 have elementary occupations, 173,000 are clerks and 240,000 are professionals and technicians. 37,000 people are employed as skilled agricultural and fishery workers.

The Western Cape State of the Environment Report (SoE)⁽²⁾, 2004 indicates that the Province has a diverse, balanced and comparably stable economy. There is no single industrial sector which dominates the regional economy. Almost 15% of the country's Gross Domestic Product (GDP) is contributed by the Western Cape.

Table 1 shows the number of people employed in the various sectors of the economy. Apart from agriculture, a further primary sector which plays a pivotal role in the Western Cape, and the country as a whole, is the fishing industry. The Western Cape is the centre of South Africa's fishing industry and 85% of both tonnage and value of fish in South Africa

comes from the Western Cape. The service industry has also grown in the Province over the last few years – of particular note is the tourism sector. The Western Cape enjoys a 55% share of South Africa’s international tourist market, while Cape Town has become the second largest financial centre for many business and financial institutions.

Table 1: Population Employed in Each Economic Sector

Economic Sector	Population in	
	Western Cape	South Africa
Agriculture, hunting, forestry and fishing	206 176	960 489
Mining and quarrying	4 593	383 495
Manufacturing	207 152	1 206 845
Electricity, gas and water supply	7 404	71 626
Construction	102 626	520 486
Wholesale and retail trade	242 599	1 454 446
Transport, storage and communication	64 596	442 730
Financial, insurance, real estate and business services	156 025	904 568
Community, social and personal services	259 799	1 841 851
Other and not adequately defined	230	2 524
Private households	93 358	940 323
Undetermined	145 164	854 378
Total	1 489 722	9 583 762

Given the above context, it is vital to the Western Cape’s future that our existing businesses have the environment to grow, prosper and adapt; that we pursue every opportunity to add value to our natural resources and the products of our businesses; that we encourage the creation of new industries which support the formation of Small Medium and Micro Enterprises (SMME’s) and the principles of Black Economic Empowerment (BEE) and job creation. Economic growth and provincial prosperity require dynamic, competitive expanding businesses, successful entrepreneurs and strategic firms that drive innovation and economic clustering. A clear vision of how the Western Cape Province’s businesses will be able to access efficient, competitively priced infrastructure has a central role to play in defining this future. It is with this in mind that the need for a Strategic Infrastructure Plan for the Western Cape became apparent.

2. CONTEXT OF THE STRATEGIC INFRASTRUCTURE PLAN

2.1 Locating the Strategic Infrastructure Plan Within *iKapa elihlumayo*

The Western Cape Provincial Government developed its vision of *iKapa elihlumayo*, within which its broad policy and spending priorities have been outlined. The vision has four primary goals as follows:

- Increasing economic growth;
- Increasing employment and economic participation;
- Reducing geographical and socio-economic inequality; and
- Providing a sustainable social safety net.

iKapa elihlumayo is based upon three critical paradigm shifts which are:

- To move from welfare dependence to economic self-reliance;
- To grow the economy, increase employment and broaden ownership; and
- To fight poverty, reduce disparity and improve living standards

The Strategic Infrastructure Plan (SIP) forms one of the eight components of *iKapa elihlumayo*. Others include a Provincial Spatial Development Framework (PSDF), Micro Economic Development Strategy (MEDS), Human Resource Development with an Emphasis on the Youth and Improved Co-ordination and Communication. All strategies have been developed in parallel and initial linkages between them have been formed. However, future work will require such links to be strengthened and formalised.

Infrastructure has many important influences on the operation of an economy. The quality and extent of infrastructure are primary determinants of the efficiency of business activities and the degree to which the social fabric of our communities is improved to the benefit of all. Given its importance in supporting business opportunities and influencing business viability, there is obviously scope for the provision of infrastructure to catalyse economic and social development.

As a result, the goal of the Strategic Infrastructure Plan (SIP) is to provide the planning framework within which the physical infrastructure that supports growth, labour market participation and general well being in the Western Cape, is to be provided in the Province.

2.2 Principles Underpinning the Strategic Infrastructure Plan

The SIP will inform and support established planning processes by providing better information on provincial economic and social opportunities and development priorities so that these can be reflected in the strategic plans and budgetary processes of the various infrastructure providers in the Western Cape. Six key principles were identified which underpinned the manner in which the SIP was developed, namely:

- The promotion of both economic and social development, and an understanding of the relationship which exists between the two;
- The need to leverage further investment by key roleplayers and the related budget alignment;
- Service delivery must be promoted through better understanding of the business of Client Departments of the Provincial Department of Transport and Public Works;

- Approach to projects such that maximum job creation is achieved;
- The promotion of BEE in the manner in which infrastructure projects are delivered; and
- A bias towards underdeveloped areas which is in line with other principles outlined in the Provincial Spatial Development Framework⁽³⁾ and the Micro-economic Development Strategy⁽⁴⁾.

2.3 Objectives of the Strategic Infrastructure Plan

Five objectives of the SIP were established in order that clear, measurable targets may be set. These objectives were:

- To improve the co-ordination and targeting of public sector infrastructure investment;
- To ensure that areas of economic and social potential, which are being hampered by the lack of effective and efficient infrastructure, are noted and realistically located within a specific plan with timeframes and budgets to realise their true potential;
- Reach consensus on the policy framework, principles and priorities which underpin government and other public sector spending in the Province;
- The development of a Total Asset Management Strategy in order to better manage the property portfolio of the Provincial Government; and
- The leveraging of private sector investment.

3. STATUS QUO OF INFRASTRUCTURE

The SIP identifies that all infrastructure may be classed as economic, social or environmental infrastructure.

Economic infrastructure comprises the following sub-types:

- Energy or electricity;
- Information and communication technology;
- Transport, which includes public transport, non-motorised transport, freight transport and logistics, airports, ports and roads; and
- Land and property.

Social infrastructure encompasses the following:

- Health facilities and infrastructure;
- Education facilities;
- Housing;
- Community Safety; and
- Recreational and Cultural facilities.

Environmental infrastructure encapsulates that which is provided for the

- Carrying of potable water;
- Removal of sewerage; and
- Removal of solid waste.

Status quo information, on each of the abovementioned types of infrastructure is captured in the SIP.

4. KEY DRIVERS FOR INVESTMENT IN INFRASTRUCTURE

The SIP is required to have strong links with the PSDF and the MEDS, in that it has to provide for infrastructure which is placed in the correct spatial context, whilst ensuring that specific sectors of the economy are served. Although initial linkages with these strategies have been identified at this stage, further interaction and interrogation between them is required. Key drivers of the SIP over the next five years were identified to be the following:

- Restructuring of public transport to effect the implementation of the Mobility Strategy for the Province through the transformation of subsidised bus contracts, roll-out of activity corridors especially in the City of Cape Town and George, and the integration of the different modes including commuter rail services. A well-functioning public transport system is critical to successfully host the World Cup 2010.
- Investment in freight logistics to improve the competitiveness of the Province's industries in the global markets, and to take advantage of the strategic location of the Province relative to some of the countries on the West Coast of the African continent.
- Investment in social infrastructure to support the implementation of the Health Care 2010 Strategies of the Western Cape Province, and the development of sustainable communities.
- The need to address backlogs in the construction and maintenance of road and social infrastructure.
- Links to other lead strategies especially the PSDF and MEDS to identify and unlock development potential in the Province; as well as to the Formation of Social Capital Strategy through the Department of Transport and Public Works understanding the role which the built environment plays in the creation of positive/negative social capital. In addition, the requirement to pay increased attention to the needs of special needs passengers in the built environment has been highlighted as key in building social capital.

A brief discussion on each of the abovementioned drivers follows.

4.1 Restructuring of Public Transport

During July 2004, a National Travel Survey was undertaken by the Department of Transport to determine the usage of public transport and problems associated therewith in each province. Within the Western Cape, the following were identified as the most important public transport problems:

- 38.3% of the responses indicated that public transport is not available or it is too far away;
- 26.3% indicated that safety and driver behaviour was a problem; and
- public transport is too expensive and crime is an issue.

The SIP highlights that problems with these individual modes relates primarily to the infrastructure provided, such as a lack of rolling stock leading to over-crowding on the trains; and dissatisfaction with respect to the facilities provided at stations, bus stops and taxi ranks. However, security at these locations, as well as safety while in transit on the vehicle was also highlighted as critical.

It is noted within the SIP that the manner in which the restructuring of public transport will occur will differ depending on the area in which it is taking place. Figure 1 below depicts this graphically.

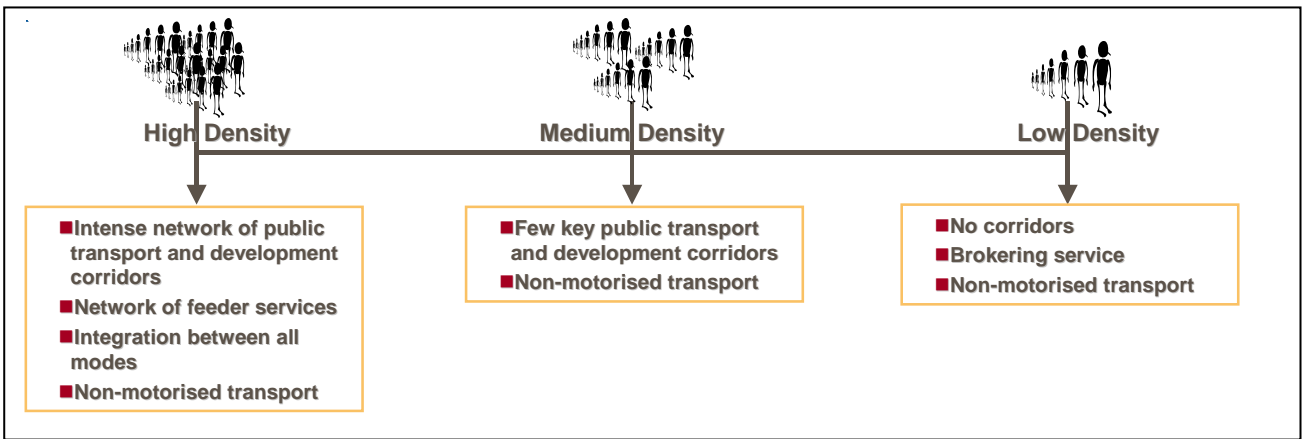


Figure 1: Generic Model Underpinning Public Transport Interventions

Within the City of Cape Town, for example, it is the intention that there would be an extensive network of public transport and development corridors, a network of feeder services, integration between all modes, and provision for non-motorised transport. The proposed public transport network, as decided upon by the City of Cape Town is shown in Figure 2.

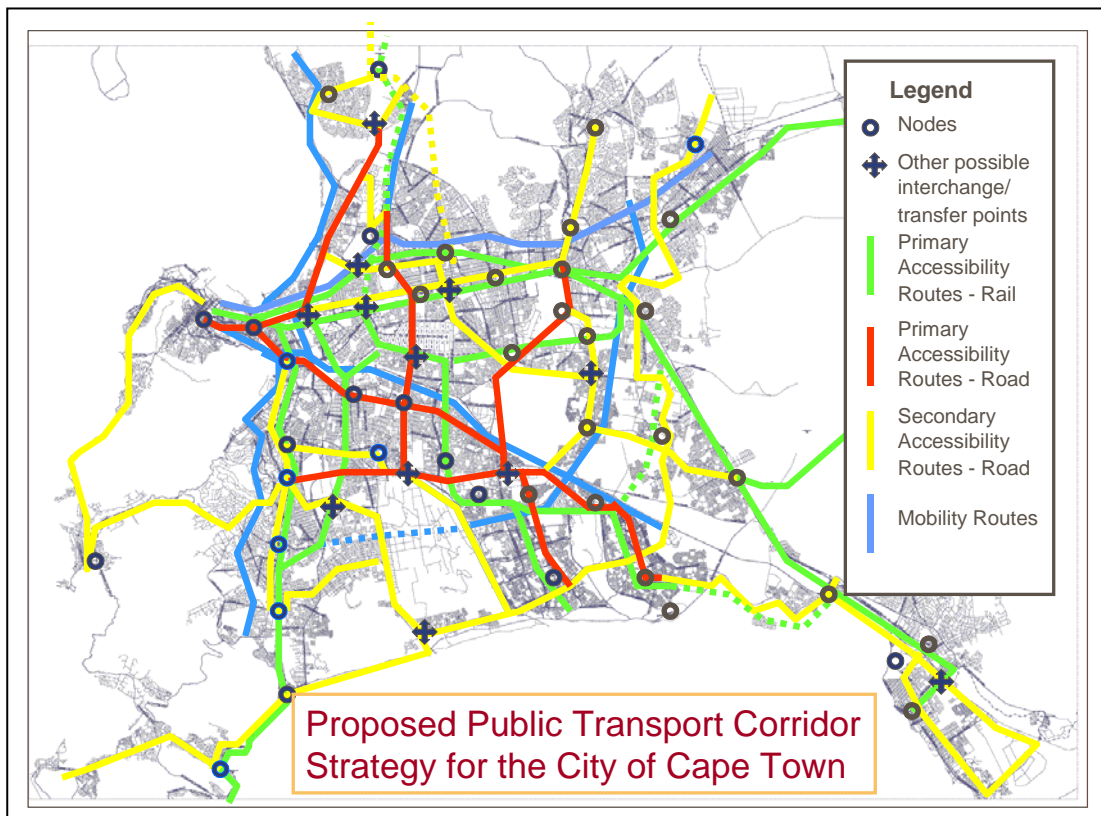


Figure 2: Proposed Public Transport Corridor Strategy for the City of Cape Town

George, as a medium density area, would have a few key public transport and development corridors and an increased emphasis on non-motorised transport as communities generally live closer to the economic hub of the town. Figure 3 shows two key corridors from the residential township areas of Pacaltsdorp and Thembaletu which link to George CBD.

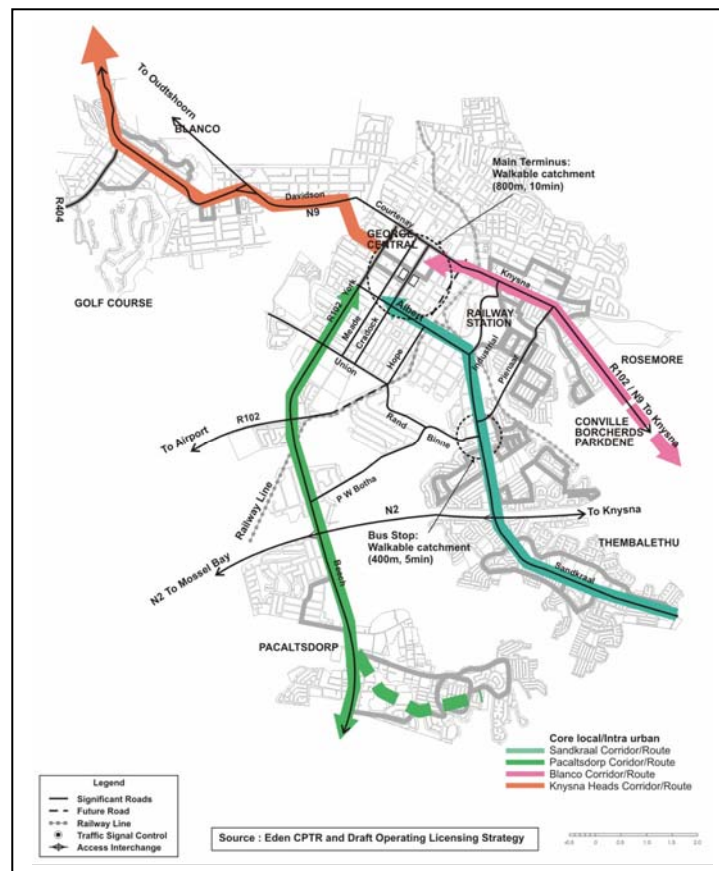


Figure 3: Proposed Corridors in George

Further opportunities exist to create linkages with longer distance public transport services operating between Knysna and George and Oudtshoorn and George. The infrastructure which has to be constructed in order for such a system to benefit the communities is minimal, but will have a large impact on the communities. The SIP indicates that the development of non-motorised pathways, ie cycle and pedestrian paths, will be a priority in such an area.

The Central Karoo District, which has the largest land area in the Western Cape, has the lowest population with only 60,478 people. As such, the low density of development in the area provides a unique challenge with respect to public transport and the degree to which infrastructure is provided in areas with little or no development potential. The National Rural Transport Strategy⁽⁵⁾ proposes a transport brokering service which allows a number of trip typologies to be combined eg a health trip with shopping and the delivery of small freight. The SIP considers that this option of restructuring public transport needs to be fully explored and tested within this context. In addition, many residents cannot afford public transport and as a result walk or cycle. Non-motorised forms of transport would be encouraged in such cases.

Furthermore, the SIP proposes a new manner in which public transport may be managed in future. The proposed management structure will require legislative amendments and

substantial interaction between many stakeholders. However, it is considered that the benefits which will accrue to the Province will outweigh the increased risks it will be required to take. Preliminary concepts are being more fully explored at present.

4.2 Investment in Freight Logistics

The Department of Transport is in the process of developing a National Freight Strategy. The efficient movement of goods on both road and rail is crucial in assisting businesses to reduce the cost of their services and/or products, ie efficiency gains. From a national perspective, two key freight corridors have been identified, namely the Sishen-Saldanha Rail Line and the N1 between Cape Town and Johannesburg.

The SIP captures the need to develop a freight databank for the Province, which will allow planners to track the commodity flows within the boundaries of the Western Cape and beyond. Specific roads which are of strategic importance for a specific sector of the economy have been identified and priority given to these roads to ensure that a core, strategic network is maintained to acceptable standards.

Linkages with both Cape Town and Saldanha Bay Ports are critical to ensure optimal and efficient use of these facilities. Relevant road and rail infrastructure is identified in the SIP and discussions with various roleplayers to ensure budget alignment for the delivery of such infrastructure are captured.

4.3 Investment in Social Infrastructure and Development of Sustainable Communities

Development during the last decade, has generally reinforced the apartheid planning, given the lower cost of development on the outskirts of a town. Within the City of Cape Town, specifically, the result is that poor people are constantly located far from economic opportunities and social facilities and incur high transport costs to access such services. In addition, this reinforces the high public transport subsidy levels as the poorer members of the population have to travel the longest distances.

Changes in mindsets are required when computing the cost of siting a residential development on the outskirts of an urbanised area. Although the land is cheaper and a short-term gain is realised, the SIP notes that there are longer-term, on-going costs which include the need to provide motorised public transport (most possibly subsidised), increased costs of providing bulk infrastructure due to the longer distances and so forth.

It is further highlighted that when housing developments take place, social infrastructure such as sporting facilities, clinics and schools need to be allowed for within the area. Economic opportunities must also be integrated into the area of development to ensure that the communities become sustainable and a sense of well-being and pride is developed.

4.4 Addressing Backlogs in Social and Road Infrastructure

Due to budget cuts over the last few years and the increasing cost of maintaining infrastructure, the backlog for upgrading and maintaining infrastructure – both social and economic – is rising. Some people argue that the existing asset base should be protected and prevented from further deterioration, prior to improving the facilities. However, the National Spatial Development Perspective⁽⁶⁾ argues that there should be no large infrastructure investment in areas of low development potential. The road network and social infrastructure facilities are to be critically analysed to determine their linkages with

economic and social development and whether they are located within areas of high or low development potential.

4.5 Linkages with Other Lead Strategies

iKapa elihlumayo is an overarching, holistic approach to growing the Western Cape. All strategies previously identified are linked with one or more in various ways. Besides the linkages already explained with the PSDF and the MEDS, a further key linkage exists with the strategy for building social capital.

The building of social capital focuses on the need to invest in our communities with youth programmes, crime prevention programmes and so forth and to improve the dignity of our people. The manner in which infrastructure is provided has a role to play in ensuring feelings of dignity, pride and safety are engendered in our communities. Furthermore, hospitals are to be designed to provide a feeling of well-being rather than a feeling of cheerlessness.

The SIP identifies that there is a further linkage between providing safe roads and public transport which in turn reduce the number of traffic accidents, and the burden that is placed on the state to provide medical assistance.

5. CONCLUSION

The Western Cape Provincial Department of Transport and Public Works is responsible for developing the Strategic Infrastructure Plan on a continual basis. It will be the instrument for improving the planning for, and provision of infrastructure by public sector agencies to support economic growth, labour market participation and general well-being of the Province. It is an integrated plan, which involves a number of provincial and national departments, local authorities and parastatals in its development and execution. The SIP forms the basis on which decisions on infrastructure investment by the Department will be made.

6. REFERENCES

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