

Provincial Government: Western Cape

Witzenberg Municipality: Investigation into the status of Kluitjieskraal and Waterval

May 2002

1. Background

- 1.1 Kluitjieskraal and Waterval are two small settlements within the jurisdiction of Witzenberg Municipality on “private” land. These settlements form part of a group of similar settlement in the Western Cape which is characterised by a lack of formal township establishment, a single owner in the form of parastatal, state department or church and municipal service delivery; insofar it exists, delivered privately or through contract.
- 1.2 The communities living in such areas have an expectation; after the re-demarcation of municipal boundaries, of improved municipal service delivery. Municipalities, however, are prohibited to deliver services on private land without proper authorisation in the form of a services contract or conclusion of formal township establishment procedures.
- 1.3 A noticeable trend is the withdrawal of parastatal owners from their responsibility with regard to the services and communities living in these settlements. Spoornet and SAFCOL, for example, are in the process of rationalising their operations and do not longer require the maintenance of all of their worker settlements. Since the land is often owned by the state, the responsibility for maintenance and service delivery shifts onto the Department of Public Works, with several other role-players’ involvement; i.e. Departments of Land Affairs and Welfare, Local government and the local municipality.

- 1.4 Three interrelated developmental challenges face Kluitjieskraal, Waterval and other similar settlements:
- a) **Security of tenure:** Formalising ownership or other tenure mechanisms on state land; and
 - b) **Provision, upgrade and maintenance of services and facilities:** Establishing measures to provide effective minimum municipal services through township establishment or contract
 - c) **Affordability:** Arrangements for the payment for and subsidisation of basic municipal services.

- 1.5 ODA was requested by the Department of Local Government to investigate the status of Kluitjieskraal and Waterval within Witzenberg Municipality and make recommendations with regard to the future of these areas. ODA cooperated with ChittendenNicksdeVilliers for the collection of information informing this report. The result of this investigation is attached:

Attachment A: Investigation Brief

Attachment B: Kluitjieskraal

Attachment B: Waterval.

2. Contextual description and overview

2.1 Kluitjieskraal (Swanebergpark) Wolseley

- 2.1.1 The residential area at the Kluitjieskraal Forestry Station, known as Swanenbergpark, is situated adjacent to the Pine Valley residential area to the east of Wolseley. Kluitjieskraal was one of the first forest stations to be established as a labour and housing node for the Department of Forestry and subsequently became the property of SAFCOL. The residential village grew over the years to the current extent of some 80 units. The residents have always had lessee status only. Most of the existing residents have always lived at

- Kluitjieskraal and have expressed their wish to obtain ownership of the housing units. An initiative is currently underway to transfer ownership to eligible participants.
- 2.1.2 Kluitjieskraal consists of 80 timber houses (34 three bed roomed and 46 two bed roomed). The conditions of the houses vary from reasonable to a state of disrepair. The settlement reflects a fairly high level of services with developed health, community hall and sport facilities.
- 2.1.3 There are 75 families living in Kluitjieskraal and the majority of applicants are current or former employees of SAFCOL and or Department of Water Affairs. There are also some private lessees who moved to Kluitjieskraal as employees of contractors to SAFCOL.
- 2.1.4 The average household income is less than R1500 per month. Many of the residents are unemployed or under-employed and thus affordability levels are very low. Women are the main breadwinners for 11 of the 75 households.
- 2.1.5 Municipal services and administration: Water is obtained from two reservoirs where a connection to the system of Wolseley has been installed. There is a connection to a local waste-water plant, but the plant does not conform to the relevant regulations and is situated below the 50-year floodline. It should be decommissioned. Pre-paid Eskom meters have been installed but are not activated. The roads are gravel. . It has been determined by V3 engineers that the service needs of Swanebergpark can be accommodated by the systems of Wolseley.
- 2.1.6 In 1999/2000, R169 800 was spent on services and maintenance and R103 762.03 (Eskom bills) + R746.47 (Witzenberg refuse removal) in 2000/2001. Some rent and service payments was received in 199/2000 (R114 249) but no income was generated in 2001.

2.1.7 Based on the 2000 figures, a household at Kluitjieskraal will need approximately R175 per month for services, a great concern in the context of the high rate of under-employment and unemployment.

2.2 Waterval: Tulbach

2.2.1 Waterval is situated approximately 8, 5 km southwest of Tulbagh and 4 km southeast of the Tulbaghweg railway station. This settlement was established as a housing node for Cape Nature Conservation (CNC) employees.

2.2.2 The residential village consists of 26 houses, a two-classroom school and a small clinic. The school is currently used as an office and training centre. The clinic has not been used recently and has fallen into a state of disrepair. Mobile clinic services are rendered to the residents. Another house and church building are situated about 500m north of the core settlement. While most of the current residents are employed by CNC, while some houses are rented to individuals not employed by CNC.

2.2.3 The Department of Land Affairs (DLA) has appointed Ceres Development Consultants (CDC) to investigate the future of the Waterval settlement. The residents have expressed a wish to obtain ownership of the housing units and some 93 ha of farming land through the establishment of a trust. This project will be funded by means of the settlement grants provided by the DLA.

2.2.4 Waterval consists of 17 timber houses and 9 brick houses. There is running water in the houses and mountain water from a fountain supplies three houses and the school building; a borehole supplies the rest of the settlement. There are flush toilets in the houses, a connection to a local disposal plant (capacity unknown). The plant is sufficient for the settlement and conforms to the relevant regulations (CDC, 2002). Eskom pre-paid meters have been installed and CNC is responsible for the Eskom account. The roads are gravel.

2.2.5 The majority of the residents have never had ownership rights. Some of the residents are unemployed or under-employed and affordability levels are very low.

2.2.6 The household service cost is estimated at between R300 and R400 per month.

3. Overview of Findings and Issues

3.1 Waterval:

Discussions with the community at Waterval favour the transfer of houses -about 100 ha of land to a trust for farming purposes. A similar request is now coming for the Swanebergpark residents. The communities are set on becoming community farmers and due to the distance of the settlements from towns (Tulbagh and Woseley); the settlements will not be able to be incorporated without a great cost to the Municipality.

The Waterval settlement is situated too far from Tulbagh town to be incorporated into the town's services system (service delivery and transport costs would be prohibitively high). The settlement of 25 houses is by far too small to constitute viable settlement on its own. It is removed from the main formal and informal activities of Tulbagh. Consequently, service delivery will be highly inefficient.

The current process points towards a future of an agri-village type of settlement for the Waterval community. This seems to be the only viable option for the settlement. In the event that this model does not materialise, there would be no viable alternative than to close the settlement and to allow the residents to move to a better-located site within Tulbagh or Wolseley.

The Waterval settlement is owned by the CNC and its zoning status is likely to be Open Space Zone III in terms of the Section 8 scheme regulations of the Land Use Planning Ordinance. The establishment process will require the subject land to be subdivided from

the nature reserve and rezoned to Agricultural zone II in terms of the Section 8 Scheme Regulations. The community wants the ownership of the land in the form of a trust. This process is still in the conception and consultative stages.

The following farming model has been proposed:

- A trust is to be established constituting of equal shares for the participants
- A farm manager and two section managers will form the management team
- CNC employees will keep their jobs, but will contribute after hours and at weekends towards farming and management.
- Only participants in the scheme will be eligible for permanent employment by the trust.

3.2 Kluitjieskraal (Swanebergpark)

The township layout of Wolseley is typical of the expensive and inefficient urban form brought about by past practise to separate residential townships for different population groups. The town therefore does not reflect a compact urban form, nor does it reflect the vision of integrated towns and cities encoded in the White Paper on Local Government and legislation. Kluitjieskraal; and similar peri-urban settlements puts the commitment to create compact and integrated towns clearly in the spotlight. The high service cost and ongoing subsidy requirement that comes with the continuance of these types of settlements needs to be carefully weighed against the short-term social implications of allowing these settlements to close down.

The key question is whether Kluitjieskraal/Swanebergpark constitutes a viable settlement. It is located relatively far from Wolseley (2 km -twice the acceptable walking distance) which negatively affects service delivery and transport costs. It is also removed from the main formal and informal activities of Wolseley. From a town planning perspective, service delivery will be highly inefficient and the integration of the settlement with Wolseley will remain a very long-term possibility. This raises the question whether the settlement should be gradually closed down and demolished and the residents allowed moving to better

located sites within Witzenberg Municipality. The ongoing operating deficit incurred by the current settlement needs to be considered against the capital investment in infrastructure and housing in the settlement. It is clear that the service inefficiency due to the peri-urban location and low affordability levels from the community makes Kluitjieskraal inherently unviable without ongoing and inequitable subsidisation (why should Witzenberg have to subsidise Kluitjieskraal at a far higher level than other low income areas?) However, the social implications of requiring people to move weigh heavily against relocation.

If the decision is taken not to allow Kluitjieskraal to remain and develop, then the settlement can be gradually phased out as leases expire or people move out by their own accord. In this scenario the municipality, when the owner of the land, may opt to close down the settlement over time.

A further possibility is to integrate Swanebergpark with Pine Valley through infill housing development. This option is not realistic in the short and medium term as urban development at this scale is not envisaged in Wolseley. A related question is that, should urban development be planned, where then should it be located within Wolseley and Witzenberg as a whole. The Pine Valley – Kluitjieskraal location may not be optimal in relation to infrastructure costs and the need to create a more compact urban form.

The physical, social and economic integration of Swanebergpark with Wolseley should be high on the urban development agenda if this peri-urban settlement is to contribute rather than dilute available resources.

In the **short-term solutions** are required to formalise the relationship between the responsible authority, the Department of Public Works, and the Witzenberg Municipality. A service agreement is proposed by the Department of Public Works, based on a decision of the previous Wolseley Municipality to manage the village on behalf of the State pending the transfer of the land to the municipality. The proposed service agreement is structured so as to:

- a) Mandate Witzenberg Municipality to manage and administer the area without compensation from the DoPW up to the point where the land are transferred to the Municipality;
- b) Place the responsibility to charge and collect rental income and service fees from the residents to cover its expenses; and
- c) Transfer the land to the municipality, effectively disallowing the municipality to collect or claim any subsidies or rates from the Department in the future.

The **proposed service agreement** is clearly not in the interest of Witzenberg Municipality which is expected to incur expenses, forfeit income and increase its obligations in relation to Kluitjieskraal.

An **alternative** agreement would be to compensate Witzenberg Municipality for its services at actual cost up to the point of township establishment. The land ownership of the subdivided erven should remain with the state up to the point where land can be transferred to a trust or individual owners. The Municipality should be able to levy rates and services charges from the point of township establishment, treating Kluitjieskraal exactly on the same basis as any other low income development in its jurisdiction. Such an agreement will be more balanced and will still secure municipal service delivery.

4. Overview of current status

	Waterval	Kluitjieskraal (Swaneberg Park) Wolseley
Land portion references	<p>Waterval consists of one cadastral unit: the Farm Waterval Outspan No. 214 situated in the District of Tulbagh.</p> <p>Located +/- 8.5 km SW of Tulbagh +/- 4 km SE of Tulbaghweg railway station</p> <p>The total land area covers 271 4038 Ha.</p>	<p>Wolseley consists of one cadastral unit: Portion 4, an unregistered portion of the Farm Kluitjieskraal Forest Reserve No. 312 situated in the District of Tulbagh.</p> <p>It is located +/- 2 km SE of Wolseley and is 22.5232 Ha in total.</p>
Zoning	Zoning is undetermined, but as part of a nature reserve it would be zoned as Open Space Zone III in terms of the Section 8 scheme regulations of the Land Use Planning Ordinance.	Zoning is undetermined.
History of land transfers	<p>Waterval is located on an Outspan.</p> <p>The ownership and responsibility for Waterval (as an outspan) rests with Provincial Government: Western Cape through CNC.</p> <p>Transfer of land into a trusts is being investigated.</p>	<p>The land has been released as a state forest in terms of the National Forest Act.</p> <p>SAFCOL will donate the houses to the community on condition that the local authority will take over service delivery. The community facilities and vacant portions of land will be transferred to the municipality.</p>
Current Ownership	RSA, with the Cape Nature Conservation being the responsible authority	RSA, with the National Department of Public Works being the responsible authority.
Current Tenure	Lease agreement	Lease agreement
Proposed Tenure	Agricultural trust	Individual ownership
Status of township establishment	<p>No steps have been taken towards township establishment.</p> <p>The establishment of an agricultural village with surrounding agricultural land of approximately 93 ha is being investigated by the CDA (appointed by the Department of Land Affairs). The establishment process will require the subject land to be subdivided from the nature reserve and rezoned to Agricultural zone II in terms of the Section 8 Scheme Regulations. The community wants the ownership of the land in the form of a trust. This process is still in the conception and consultative stages.</p>	<p>The Council of Wolseley, and thus its successor, has accepted the incorporation in principle.</p> <p>Subdivision plan completed and general plan registered.</p> <p>Subdivision and transfer of ownership: pending.</p> <p>Rezoning required, but no rezoning steps have yet been taken.</p> <p>Incorporation into Witzenberg Municipality as part of Wolseley: pending.</p> <p>Proposed service agreement by Department of Public Works cedes land ownership to Witzenberg Municipality on condition that the</p>

		<p>municipality would manage and administer the area for its own account up to the point of transfer of ownership to the municipality. The subject land has been excised from the State Forest and deproclaimed. Portion 4 has been surveyed but remains unregistered. (As a proclaimed State forest Area, the area was exempt from township establishment procedures)</p>
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5. Recommendation

Waterval	Kluitjieskraal
<ol style="list-style-type: none"> 1. Township establishment is not recommended due to the small size and distance from established infrastructure. 2. Rezoning is required. 3. Witzenberg Municipality's role is purely to facilitate establishment of trust, but should not take any direct service delivery responsibility. 	<ol style="list-style-type: none"> 1. Township establishment process to be completed. 2. Service agreement and financial compensation should be arranged in the interim period leading up to township establishment to allow Witzenberg Municipality to legally provide services. 3. Tenure should be addressed, first through lease agreements, and then as proposed, to transfer ownership to residents. 4. Alternative tenure options should be investigated. Due to low levels of affordability of residents, transfer of ownership will be meaningless due to subsidisation requirement.

6. The way forward

- 6.1 The Department of Local Government needs to carefully consider its role in the resolution of the processes unfolding in Kluitjieskraal and Waterval. In both settlements processes are seemingly well established to take the tenure matters forward. However, it does not seem if service provision and financial issues have been adequately resolved. These unresolved issues clearly are a matter between the land owners, represented by the Department of Public Works and Cape Nature Conservation, and the Witzenberg Municipality. The decision to enter into service agreements with land owners remains

- ultimately a political decision which cannot be prescribed to the Municipality. However, organs of the state could be advised to tone down the shifting of obligations to the municipality.
- 6.2 The Depart of Local Government can play a role in the facilitation of the process at Waterval since this land is under PGWC control. At the moment there is no need to proceed with township establishment or to transfer service responsibility to the Witzenberg Municipality. However, this scenario may have to be reviewed if the creation of an agricultural trust is deemed to be unviable or fail.
- 6.3 The resolution of Kluitjieskraal is less clear. There is already a negotiation process with regard to the establishment of service agreement between the Department of Public Works and the Witzenberg Municipality. The ability/authority of the PGWC to intervene in this process is limited. Yet, the Department may advise the Municipality and address policy matters pertaining to similar processes in a more generic manner.

Annexure A: The investigative Brief

1.1 To collect the following cadastral and land information of Kluitjieskraal and surrounding land units:

- a) Cadastral units and erf no's;
- b) Title deeds;
- c) Ownership;
- d) Zoning status;
- e) Township establishment process status (if any).

1.2 To collect the following service delivery and demographic information:

- a) Tenure status;
- b) Municipal services and administration being delivered, including copies of any service contracts;
- c) Type of housing;
- d) Number of housing units;
- e) Number of families;
- f) Copies of planning and service planning documentation.

1.3 Financial information:

- a) Expenditure information;
- b) Income information;
- c) Sources of subsidies;
- d) Status of arrears.

1.4 Developmental information

- a) An assessment of the developmental issues;

- b) Identification of relevant legal matters; and
- c) Suggestions on how to address these within the current legislative framework.

Annexure B: Kluitjieskraal

Annexure C: Waterval