KwaZulu-Natal
GAMING & BETTING BOARD

SATURATION STUDY

UNDERTAKEN BY KWAZULU-NATAL GAMING AND BETTING BOARD
JULY 2019

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CHAPTER 1: EXECUTIVE SUMMARY

1.1 INTRODUCTION

During 2018 the KZN Gaming and Betting Board requested management to undertake an analytical analysis of the saturation of the municipal areas of the Province as input to a framework to establish licensing criteria for all gambling modes in KwaZulu-Natal.

After the legalisation and initial roll out of gambling in KwaZulu-Natal there is no existing formally documented and publicly consulted rationale for determining numbers of gambling licences and / or positions. Currently Board makes its determination on a case by case basis. The Wiehahn Commission in 1995 recommended a total number of casino licences but this limitation has never extended to the number of positions to be made available or to other legal gambling modes in the country like Limited Pay-out Machines Sites, Bingo Halls, Bookmaker premises or Totalisator premises.

Individual reports on saturation submitted by Licensees in compliance with the requirements of the Act have been focused on singular modes of gambling only and often have not given an holistic picture of the status of gambling saturation in the Province.

Information for the study has been extracted from the Government Information Services maps developed for tracking locations of all sites for all modes of gambling in the Province as well as from databases maintained within the entity.

1.2 PURPOSE

This analysis is an attempt to provide rationale for the number of gambling positions, sites or agencies for the Province of KwaZulu-Natal. It must of necessity take into account gambling positions, sites and agencies which are already in existence or licenced but yet to roll out in the Province.

The Saturation Study will serve as a strategic framework to guide the Board on the potential for new gambling initiatives or additional positions, sites or agencies in the Province and where it would be irresponsible to allow further gambling site roll out. An understanding of the current levels of saturation and potential development areas for gambling will have the following benefits for the Board:

a) Facilitates decision making with regard to the desirable location of potential gambling sites,

b) Assist to determine if the relocation of a current licensees premises is permissible or not,

c) Facilitates an understanding of the socio-economic impact that licensed sites are already having in certain areas of the province,

d) It serves as a framework for the determination of further positions or premises.

e) It guides private sector investment, and

f) Assists the Board to achieve its mandate to protect the public from the potential harm of gambling.

The Saturation Study and associated licensing criteria can support transformation initiatives. With the focus on saturation it guides the location of future development in a manner that addresses the spatial imbalances of the past. It enables the Board to manage the roll out of gambling in a sustainable manner that does not cause harm to the public and provides an analysis of the roll out needs and issues and provides a strategy to address these challenges.

CHAPTER 2: RESEARCH METHODOLOGY

2.1 QUANTITATIVE RESEARCH STRATEGY

2.1.1 Quantitative Study

In order to assess the levels of saturation a quantitative survey methodology has been adopted. The total population of operational gambling sites was used in this purposive sampling. Quantitative information was collected from data available at the Board which has assisted in providing the basis of the findings. Primary and Secondary information was used for conducting various calculations.

When determining potential sites, purposive sampling was used to determine potential areas desirable for gambling.

2.1.2 Desktop Analysis

The information that was sourced to assess levels of saturation was from the following:

- Data of licensees registered with the Board in all 11 municipal districts including all 5 Casinos, 535 LPM Sites, 106 Bookmaking Rights, 108 Tote Outlets, 8 Operational Bingo Sites, 1 Operational Racecourse Operator and Totalisator Operators;

- Gross Gaming Revenue for the period April to December 2018 for each licensee;

- IDP's from the various Municipal Districts

- Gambling handle for the period April to December 2018 for each licensee.

- Illegal gambling statistics

- Gambling sites closed in the past three years

- Some non-operational sites were mentioned and considered in the study

2.1.3   Assumptions

The analysis also factored in approved gaming sites that have not yet been rolled out namely 17 ISOs and 14 Bingo Operators and Closed Bookmaking Sites awaiting Relocation and 1 Racecourse Operators and Totalisator Operator. It excluded Information on Rural Horse Racing as Research still to be undertaken on the nature and size of that industry at the time of the study.

Assumptions are made that the gambling sites are used by the local people closest to gaming venue but it is known that people outside a town do also travel to gamble at venues and not restricted to local users.

In addition, the gambling handle for both casinos (Sibaya and Suncoast) has been included in all but one (KwaMashu) of the areas of Ethekwini. This has been done as we are unable to determine the origin of punters at casinos and it is assumed that some of the population in each area spend their money at both of the casinos. While this elevates the handle for each area it would not be appropriate to allocate the entire handle to the immediate surrounds of each casino.

2.2   DATA COLLECTION INTRUMENTS

The following were the Data Collection Instruments:

- Census 2011 data from Statistics South Africa

- KZN Social Impact Study 2018

- National Gambling Boards Social Impact Study, 2017

- Demographic Studies undertaken by industry operators

- IDP's

- GIS Maps of municipal districts depicting location of sites

- Licensee data available to the Board

2.3 RESEARCH LIMITATIONS

- Only towns / townships which have existing gambling venues were analysed, not all towns in municipal areas analysed.

- Tourist data not included and disposable income of the persons in the sub-area was used although gaming venues also used by tourists or visitors that do not reside in the gaming area.

2.4 SOCIO ECONOMIC IMPACT STUDY VS SATURATION STUDY

2.4.1 The Socio-Economic Impact Study

The social Impact Study undertaken by SANRGF deals with the impact of the increase in the various gambling modes (both illegal and legal) on KZN and the impact of gambling on the KZN Community. It assesses:

- Levels of gambling between different population groups and the geographical coverage of various gambling modes

- Potential growth for different gambling modes (high level)

- Consequences of gambling on employment

- Assess the consequences of gambling on social welfare of individuals and communities

- Aims to understand the people who wish to gamble within the Province

- The level of public awareness of problem gambling

- The propensity for gambling in the Province

2.4.2 The Saturation Study

The saturation study will look at:

- Determining the levels of saturation of gambling within the province.

- The number of gambling sites and gambling positions that exist

- The areas that are oversaturated and no more gambling can take place

- The areas where there may be opportunities for new gambling sites.

- Potential growth for different gambling modes

- The propensity to gamble within each local Municipality (where relevant data is available)

For effective decision making on how to take gambling forward it would be prudent for both reports to be read together.

CHAPTER 3: SOCIAL IMPACT AND GAMBLING PROPENSITY

3.1   INTRODUCTION

This chapter analyses the KZN gambling environment and considers various factors in an aim to determine whether the existing areas where gambling is located in KZN are over-saturated or whether there exist new gambling opportunities. The analysis keeps in mind negative social and behavioural effects of gambling or society especially lower income areas as well as seeks to see if opportunities exist for small and medium business development.

This analysis reviews larger towns / suburbs / townships or sub-areas within each municipal district. Each town / suburb / sub-area is evaluated based on the following criteria:

a) Population size and growth,

b) Size and growth of economy,

c) Household Income and gambling spend,

d) Employment levels;

e) Number of existing licenced gambling operations in the area

f) Known illegal gambling activities

g) Social environment

h) Business development and potential investment

i) Long term development initiatives / growth prospects

j)   Gambling propensity is also considered when determining if the area is over saturated.

k)   Number of Gambling sites per km

The above factors will assist in determining whether:

a)   The area is *over saturated* and <u>no</u> more gambling should be allowed; or

b)   The area is *potentially saturated* and minimal new opportunities should be motivated by demographic studies; or

c)   The area *is not saturated* and some gambling can be introduced & types of gambling that are proposed for consideration.

The outcome of the KwaZulu Natal Socio-economic Impact Study, 2018 and the "Socio-Economic Impact of Gambling in South Africa" commissioned by the National Gambling Board in 2017, have also been considered.

3.2   ANALYSIS OF GAMBLING POPULATION

The gambling population from a National perspective (NGB, 2017) is:

- 30.6% of respondents gambled

- 69.4% abstained from gambling

The incidence of gambling have declined from 56.8% of South Africans 18+ years in 2002 to 49.8% in 2005, 34.9% in 2009 and 30.6% in 2017.

Problem Gambling for the past 12 months

Gambling Modes frequented by problem gamblers nationally are below:

MODE	%
National Lottery	70.4%
Illegal modes	59.2%
Scratch cards	28.2%
Casinos	26.8%
Lucky draws	23.9%
Legal horse/sports betting	22.5%
Bingo	14.1%

3.3   GAMBLING MODES

The most sought after gambling mode identified in the various socio-economic impact studies is lottery gambling. **81%** of the gambling population gambles on the lottery, followed by **27.0%** illegal Gambling. The table below is from the NGB Socio-Impact Study, 2017.

MODE	%
Bought lottery tickets	81.3%
Participated in illegal gambling	27.0%
Participated in lucky draws	14.3%
Participated in casino gambling	14.2%
Bought scratch cards	13.9%
Participated in licensed horse/sports betting	12.6%
Played bingo	2.4%
Played LPMs	2.0%

3.4   FREQUENCY OF GAMBLING PARTICIPATION

40% of gamblers indicated that they take bets on a weekly basis on horse racing or sports. **52%** of punters indicated they gamble less than once a month in a casino.

MODE	DAILY	WEEKLY	MONTHLY	LESS THAN MONTHLY
National Lottery	3.3%	44.2%	23.2%	29.3%
Lucky draws	7.8%	31.3%	27.1%	33.7%
Scratch cards	4.3%	34.2%	25.5%	36.0%
Licensed horse/sports betting	12.9%	40.7%	25.0%	21.4%
Fafi	38.3%	22.4%	13.1%	26.2%
Slot machines at licensed casinos	2.0%	13.7%	32.4%	52.0%
Card games for money – not at a licensed casino or on the Internet	25.6%	21.1%	17.8%	35.6%

3.5   PROPENSITY TO GAMBLE

Propensity to gamble is the considered to be the percentage of household income allocated to gambling expenditure. In 2017 the National Gambling Board reported that the KZN Provincial Propensity was 3.52%. This was higher than that reported in a previous study conducted in 2009 which was 3.24%. The provincial propensity to gamble is higher than the estimated national gambling propensity which was measured at 0.97 in 2017.

KZN Gambling Propensity

According to the National Gambling Board (NGB) and the Bureau of market Research (BMR), propensity to gamble is defined as 'the percentage of household expenditure allocated to gambling", ie: the amount of money that individual households allocated to gambling activities over a defined period of time.

Propensity has been calculated by dividing the gross gambling revenue by the number of people who gamble in a particular area (26.7% of the population of that area) as a percentage.

The National Socio-Economic Impact Study 2017 indicated that in casinos in KZN, the gambling propensity was 2.27% which is above the National norm. For Bookmakers and Totalisators the gambling propensity was 0.53% which is below national norms of 1.12% and the lottery gambling propensity was 0.27%. If we take 1.12% as the ideal Gambling Propensity percentage this would indicate there is opportunity for growth in all sectors with the exception/exclusion of Casinos which have exceeded this percentage.

International Gambling Propensity:

Gambling Propensity	Country
3.1% (1997/8)	Australia
0.97% (2017)	South Africa
1% (1997)	New Zealand
0.6% (2000)	USA
Source : AIGR 1998, Evans Group 1996, VCGA 1997, Ligthelm 2002	

3.7 MOST PREFERRED MODE OF GAMBLING

MODE	%
Preferred National Lottery	67.8%
Preferred licensed horse/sports betting	5.4%
Preferred fafi	4.4%
Preferred card games not at a casino or on the Internet	3.8%
Preferred lucky draws	3.2%
Preferred slot machines at a licensed casino	3.2%
Preferred scratch cards	3.1%
Preferred dice games not at casinos or on the Internet	2.8%
Preferred illegal horse/sports betting	2.0%

3.8 NUMBER OF GAMBLING OUTLETS

21.9% of persons tested in the NGB Study 2017 indicated that there are not enough gambling venues and only 16.9% indicated that there are too many gambling venues.

33.2%	Indicated that there are enough
28.0%	Don't know
21.9%	Indicated that there are not enough outlets
16.9%	Indicated that there are too many

3.9   CONCLUSION

The Gambling Industry is often seen as having a negative impact on household welfare levels especially in vicinities near gambling venues. Often economic impact studies of gambling are undertaken but these should be supported by studies undertaken to determine levels of saturation as well to provide a more well-rounded insight into the effect of gambling on household welfare levels, expenditure displacements as well as positive impacts such as job creation.

CHAPTER 4: ETHEKWINI REGION - MARKET ANALYSIS AND FEASIBILITY

4.1   INTRODUCTION

This Chapter analyses the data and sets out research outcomes. The first region to be analysed is the Ethekwini Region.

4.2   ETHEKWINI METROPOLITAN AREA

Ethekwini is a metropolitan Municipality and as part of the assessment of saturation the Municipal area has been divided into four functional areas, namely the Central Ethekwini Region (CER), Southern Ethekwini Region (SER), Outer West Ethekwini Region (OWER), and Northern Ethekwini Region (NER). The functional boundaries of the regions is defined by the Umgeni River, the Umlazi River and the Kloof Ridge and are catchment based.

Durban is a metropolitan city situated on the East Coast of South Africa. Durban was established in 1835 by King Shaka in 1818, Durban is the largest port and popular holiday destination. Tourist destinations include hotels along the beachfront, uShaka Marine, the Moses Mabhida Stadium, the Durban ICC and other destinations that attract visitors. The Area comprises predominantly formal housing and is a node for economic hubs and has major transportation corridors.

4.2.1   ETHEKWINI DEMOGRAPHIC PROFILE

4.2.1.1 Population

In order to provide the Metropolitan population totals in the 10 years between the Censuses there are official 5 year short term demographic forecasts for eThekwini which are undertaken by Statistics South Africa (SSA). The forecasts use the following demographic assumptions: fertility rate, life expectancy, mortality rates, HIV/AIDS and migration. The forecast in the table below indicates that the population of eThekwini will grow by 175 thousand between 2016 and 2020 when the population total will be 3.85 million.

Table 1: Population Forecast eThekwini

	2016	2017	2018	2019	2020
Population Total	3,677,575	3,723,435	3,767,939	3,811,167	3,853,278

In addition to the short term demographic forecasts SSA undertakes a Community Survey at the midpoint between Censuses and this survey estimated the 2016 eThekwini population at 3.7 million just over one third of the population of KwaZulu-Natal (Stats SA 2011).

In terms of population spread, the figures below depict the total population, race profile and the population breakdown per region in the Municipality. The greatest population concentrations occur in the central and north regions. The central region is the Urban Core of the municipality and is home to approximately 1.18 million people (34.54%). It is followed by the northern region which is home to approximately 1, 15 million people (33.61%). The south accommodates approximately 758 000 people (22.03%) and the outer west region accommodates the least number of people with a total population of approximately 338 000 people (9.82%) (Census 2011). The main source of income as per the Community Survey 2016 is 70% from salaries, 10% from other sources and 18% from grants, with a further 2% from pensions.

The people who reside within the municipal area consist of individuals from different ethnic backgrounds. Majority of the population come from the African community (74%) followed by the Indian community (18%), White community (6%), Coloured community (2%) and other nationals (0.4%).

4.2.1.2 Population Projection

The population number is projected to rise to approximately 3.8million by 2021 (eThekwini Municipality IDP Review 2014/2015). According to Stats SA (2011) eThekwini has experienced an average annual growth in population of 1.13% from 2001 to 2011 as against 2.34% from 1996 to 2001. The growth of the population is likely to be driven by the general trend of migration and natural growth.

4.2.1.3 Age Profile

According to SSA Forecast 2016 the eThekwini population profile is young with 63% of the population below the age of 35 years. Individuals within the 0-14 year's old group comprise 29% and the 15-34 age group 33% of the population. The 35 to 59 age group comprises 28% and those 60 and over 9%. The economically active age group from 15 to 59 years includes 62% of the population. The population dependency ratio is 52 / 100 and this indicates that 52 persons either young or old depend on 100 persons of working age between 15 and 64 years. However, it must be noted that when employment rates are low the economic dependency of young, old and unemployed on each working person will be higher than the population dependency rate.

4.2.1.4 Vulnerable Groups

Within the eThekwini Municipality, reside groups of people with specific needs. These groups are referred to as Vulnerable Groups. The following groups have been identified as vulnerable:

- People with disabilities

- Children

- Elderly

- Homeless

- Refugees

- People suffering from incurable diseases like HIV/AIDS

- Youth

- Women

4.2.1.5 Employment Profile

An extremely high percentage of the population is not economically active. This also means high dependency ratios on household heads with low income levels. Despite the diversified nature of the local economy, unemployment in the

municipal area is of concern as only 992560 of the total labour force are employed. The unemployment rate is currently estimated at 430319 of the population while 873583 of the total labour force are not economically active.

4.2.1.6 Migration and Urbanisation Trends

The eThekwini Municipality, like all developing world cities, is subject to high rates of in-migration from rural areas and small towns in KZN, other parts of South Africa and other parts of Southern Africa. This has resulted in a rate of urbanisation and population increase that is difficult to project, and a large number of new residents requiring housing and services.

The eThekwini City Density Strategy (2013) estimated that "at a growth rate of 1.1% p.a. the population of the EMA will grow to 4.4 million by 2030, an additional 775,000 people. However, global trends indicate that a projection of 1.1% annual growth might be too low. "Cities across the world now accommodate 3.5 billion people or fifty percent of the worlds' population. By 2050 they will accommodate 6.4 billion people or over 70% of the world's population." (City of Melbourne, 2010; quoted in the Built Environment Performance Plan, eThekwini 2015) (reference)

African Cities are generally dynamic and have fast-growing populations, and eThekwini is no exception with the majority of this growth happening on the urban periphery where it is easier to access land. Migration of population to eThekwini is an important contributing factor to population growth.

Growth in the north of the Ethekwini Municipal Area reflects the trend of the physical divide between employment and population density: Most jobs in the manufacturing, warehousing and transport industry are located in the centre, south and west of the municipality but a large number of workers live in the north. Future economic and residential growth in the North of eThekwini has been planned for around the Dube Trade Port, however it is also critical that growth anticipates and aligns with the needs of the city's immediate municipal neighbours to the north; Ndwedwe and KwaDukuza. A significant component of the northern labour pool exists in the form of migrant labour from these municipalities. The same is true of many residents of the city's southern and western neighbours, many of whom have secondary economic dependencies in the metro or are migrating between a rural home and the city of Durban on a weekly basis.

All of the above is relevant to the analysis of each sub area in the greater metropolitan functional areas. The analysis is divided into the 4 regions of Ethekwini Namely Northern, South, Central and Outer West.

4.3 CENTRAL ETHEKWINI REGION

The study considers the following areas as part of the Central Ethekwini Region: Durban Central Business District, Berea/Overport, Springfield/ Umgeni Business Park, Reservoir Hills and Durban North.

4.3.1 DURBAN CENTRAL BUSINESS DISTRICT

Central Durban is broadly defined as Durban CBD, CBD Fringe, Kingsmead, Point, South Beach, North Beach (Suncoast Casino).

Durban CBD is not only great for leisure makers. The Durban International Convention Centre(ICC) is a world class exhibition centre for events, functions, and conferences. The ICC has placed Durban on the map and attracts business travellers from all over the world.

Other popular Durban CBD attractions include the uShaka Marine World, Funworld Durban, Suncoast Casino and the Durban Playhouse. Durban is home to sporting facilities which include the Moses Mabhida Soccer Stadium which hosts various matches and concerts, as well as the Big Rush Swing and Sky Car which offer an unbeatable view of the city and coastline. Kings Park Rugby Stadium, home of the Sharks and the Sahara Cricket Stadium Kingsmead also hold numerous sports matches with the Dolphins as the host team.

The Durban CBD remains easily accessible via private or public transport. Motorists can enter the CBD using the N3, if coming from inland, or the M4 along the coast. Public taxis, Durban Transport Buses and the Metro Rail all service the CBD.

The Durban CBD's close proximity to the port makes it a preferred node for shipping, logistics and maritime companies and related services, such as maritime legal practices or insurance companies. The CBD also attracts several large

educational institutions and call centres due to the availability of public transport and easy access to outer lying areas. Lower rentals, better public transport for staff, access to amenities, its central location to the large population centres in the south and west of the city, and more recently, improved perceptions of the CBD continue to be the main drivers of businesses moving into or remaining in the CBD.

(extracted from https://www.broll.com/area-profiles/durban-cbd/ on 1 July 2019)

Table 1: Details of Durban		
Area	**Population**	**Households**
15,51 km²	64,383 (4151,06 per km²)	22,918 (1477,63 per km²)

4.3.1.1 Population

Population **595,061**

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 – 64**	**Age 65+**
19,4%	73,7%	6,9%

Table 2 above depicts the population eligible to gamble which is **80,3%.**

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	51,12%
Coloured	8,59%
Indian/Asian	24,03%
White	15,33%
Other	0,93%

Table 3 above reflects a community predominantly comprising of the African followed by Indian/Asian Ethnic group.

4.3.1.2 Household Income

The table below reflects the average household income for the Durban City Centre and the sub areas (Overport, Berea, Greyville, Springfield, Reservoir Hills). The households were classified as low income groups (up to LSM 4). According

to the table below, 16,6% of persons and households receive no income at all (including discouraged work seekers and persons who are not economically active) and 46,2% of persons are in the category of low to no income (R0 to R38,200). It is expected that persons within these households require job training, jobs, and possible social support services (Census 2011). Middle-income households account for approximately 52,4% (R38201 to R1,228,800) of the households *residing* in this area. The remaining 1.4% earn (R1,228,801 upwards) which is upper income. Durban is therefore mostly a middle-income market with some sub areas that are more affluent than others.

Table 4: Average Household Income		
Income	Percentage	Category
No income	16,6%	**Low Income**
R1 - R4,800	2,9%	**(LSM 1-4)**
R4,801 - R9,600	3,9%	
R9,601 - R19,600	10,5%	
R19,601 - R38,200	12,3%	
R38,201 - R76,400	11,9%	**Medium Income**
R76,401 - R153,800	13,4%	**(LSM 4-8)**
R153,801 - R307,600	13,8%	
R307,601 - R614,400	9,7%	
R614,001 - R1,228,800	3,6%	
R1,228,801 - R2,457,600	0,9%	
R2,457,601+	0,5%	

The spending power of the Durban Central also includes those people that work in the area as well as tourists that visit the area. Just in the 2018 festive season over 800 000 tourists made their way to Ethekwini. Durban beaches had 3,9million visitors with a direct spend of R2.3billion at gambling venues.

4.3.1.3   Number of Gambling Activities in the Area

Total legalized gambling in Durban Central area consists of 111 Sites: 1 Casino, 79 Type A LPM Sites, 1 Bingo, 15 Bookmaker Outlets, 1 Race Course Operator and 14 Tote Agents. Gambling handle for the past year is R7,070,749,877 (including casino). Gambling spend per person per annum is R 397,910.30 (incl. Casino handle) and the gambling spend per person per month is R33 159. The average distance between gambling sites is 1 site every 0.13kms.

The type of gaming activities are not major and are supplementary to existing businesses often a gambling venue or a liquor outlet (excluding the casino). The preferred gambling activity for the less affluent is often those who participate in the lottery. No illegal gambling sites have been identified by the Board in the past 5 years in the area.

4.3.1.4 Employment

The area is characterised by an unemployment rate which is lower than other parts of South Africa. The quarterly labour force survey, quarter 2: 2018 indicates as follows:

- Employment increased when compared to quarter 2:2017. It had the 3rd largest increase after Western Cape and Limpopo.

- The unemployment rate is 19,3%, Employed/population ratio (absorption) rate is 50,4% and labour force participation rate is 62,4% (Q2: 2018 Labour Force Survey- Statistics South Africa)

4.3.1.5 Social Context

The area is characterised by high unemployment and a low skills base. The inner city has attracted students at established FET colleges. There are higher levels of crime and insecurity but there is a revitalisation project underway for the inner city decay on Durban beach front.

4.3.1.6 Business and Tourism

Durban Central has many major businesses, professional service businesses, banks, shopping malls and shopping complexes, large hotels, conference venues, major liquor outlets, the harbour (exports and import businesses). There are also manufacturing, construction, transport and finance businesses in the area.

Durban central has a transportation hub, with trains, buses and taxis. The community living around the town centre have relatively moderate income levels and there are many home-based businesses, from professional services to backyard trades. Elementary occupations include domestic workers, street traders, office cleaners, security guards, government workers and many of the occupants working in the service industry, or as shop assistants/ sales personnel.

The 2017 Tourism Report published by Stats SA August 2018 indicates:

- A total of 10 285 197 tourists came to South Africa in 2017.

- Kwa-Zulu Natal is the second most visited province for overnight stays. Over 3million day visitors to KwaZulu Natal in 2017 a great percentage of which visit Durban. 4,3 million overnight visitors for social events. Most of the tourist spend is on leisure (20.4%) and retail (19.5%).

4.3.1.7 Recommendation

> **Recommendations:**
>
> - Opportunities exist for new gambling or increasing existing gambling positions in licenced gambling venues for the following reasons:
>   - the area attracts a significant number of tourists
>   - it is predominantly a Middle to Upper Income Area
>   - there is a potential for revenue growth

4.3.2 BEREA (INCLUDING OVERPORT)
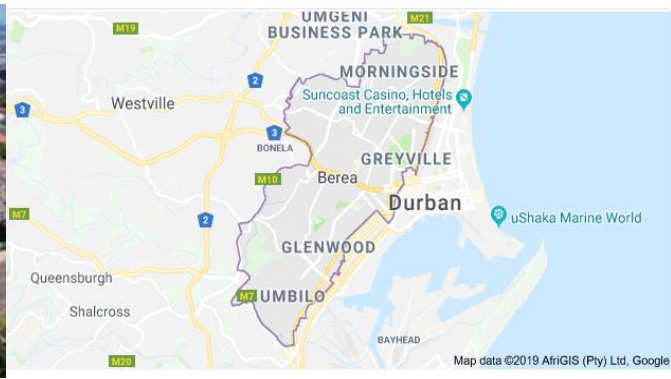
Berea borders the Durban CBD and the study has considered the following to be part of this area, namely,,,,,,. It is bordered by Essenwood, Glenwood, Carrighton Heights and Stamford Hill. The area comprises predominantly formal housing and is a node for economic hubs and has major transportation corridors.

4.3.2.1 Population

Table 1: Details of Berea – Overport		
Area	**Population**	**Households**
24,68 km²	102,920 (4,170.18 per km²)	38, 282 (1, 551.14 per km²)

Population 102 920

Table 2: Population by Age Demographic		
Age 0 – 14	Age 15 – 64	Age 65+
23.6%	73.4%	3%

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	Percentage
Black African	41,27%
Coloured	4,63%
Indian/Asian	26,10%
White	26,49%
Other	1,50 %

Table 3 above indicates a community predominantly compromising of the Black African, Indian & white Ethnic groups.

4.3.2.2 Household Income

(Included in Durban Central Statistics)

4.3.2.3 Number of Gambling Activities in the Area

Total legalized gambling in Berea / Overport area consists of 7 Type A LPM Sites, 2 Bookmakers and 1 Totalisator Outlet. Gambling handle for the past year is R 2,959,758,479.00 including casino handle. Gambling spend per person per annum is R104,195 (incl casino) and the gambling spend per month is R8682 (incl casino) per month per person. The type of gaming activities are not major and are supplementary to existing businesses often a gambling venue or a liquor outlet. The preferred gambling activity for the less affluent is often those who participate in the lottery. No illegal gambling sites have been identified by the Board in the past 5 years in the area.

4.3.2.4 Employment

(Included in Durban CBD Statistics)

4.3.2.5 Social Context

The Berea area has mixed urban decay and some development. Shopping malls continue to attract retail spend and support the local residents. A lot of the local residents attend the high quality secondary schools in the area. The two major hospitals support a large number of KZN residents and one is being upgraded and refurbished.

4.3.2.6   Business and Tourism

The main retailers are large and small shops and liquor outlets (bars), night clubs, informal street vendors have a thriving trade, with many house shops, restaurants, takeaways and tuckshops.

4.3.2.7   Household buying power:

Elementary occupations include domestic workers, street traders, office cleaners, security guards, government workers, workers in the service industry, shop assistants/ sales personnel.

4.3.2.8   Surrounding catchment area:

Morningside, Durban CBD, Umbilo

4.3.2.9   Recommendations

Comments:
- Limited opportunities exist for gambling:
  - Restricted to Type A LPM Sites, Bookmakers or Tote Outlets.

4.3.3   SPRINGFIELD

Springfield is area alongside the Umgeni River and our study has incorporated the information for the Umgeni Business Park Area. The area comprises predominantly formal housing and is a node for economic hubs and is situated major transportation corridors.

4.3.3.1 Population

Table 1: Details of Springfield		
Area	Population	Households
3.63 km²	18,228 (5021.48 per km²)	5563 (1532.5 per km²)

Population   **18228**

Population by Ethnic Demographic:

Table 2: Number and Ethnic Comparison	
Group	Percentage
Black African	54.69%
Coloured	6.37%
Indian/Asian	37.66%
White	0.30%
Other	0,98 %

Table 2 above reflects a community predominantly comprising of the African and Indian Ethnic group.

4.3.3.2 Household Income

(Included in Durban CBD Statistics)

4.3.3.3 Number of Gambling Activities in the Area

Total legalized gambling in Springfield area consists of 9 sites: 5 Type A and 2 Bookmaker outlets, 2 Tote outlets. Gambling handle for the past year is R 3,161,144,556. Gambling spend per person per annum was R 628,342 and the gambling spend per person per month is R 52,361. (incl. casino portion) The average distance between gaming sites is approximately 1 site every 0,4 kms. The type of gambling businesses are not major but secondary businesses to existing entertainment businesses, there has been no illegal gambling reported to Board over the past 5 years.

4.3.3.4 Employment

(Included in Durban CBD Statistics)

4.3.3.5 Social Context

The area is a combination of low to middle income households, major retail complexes and small to middle size industrial parks. Crime in the area is similar to that of the rest of Durban. A few informal settlements can be found near the highway which traverses the area.

4.3.3.6   Business and Tourism

Factory shops, Industrial areas, business parks, coffee shops, retail & grocer, light manufacturing

4.3.3.7   Household buying and Spending Power

Elementary occupations include domestic workers, street traders, office cleaners, security guards, government workers, service industry worker, shop assistants/ sales personnel.

4.3.3.8   Recommendation

Recommendation:

- Few opportunities exist for new gambling sites due to high number of gambling venues per kilometre and income levels
- Any new application to be accompanied by demographic study.

4.3.4   RESERVOIR HILLS
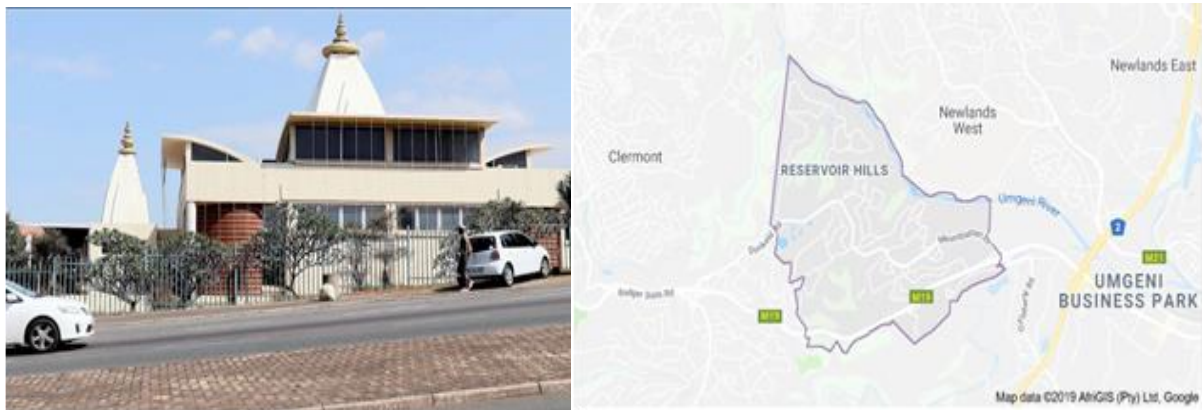
This area is situated west of the N2 highway. It borders Newlands West and Cleremont.

4.3.4.1   Population

Table 1: Resevoir Hills		
Area	Population	Households

9,51km²	19, 143 (2,012.71 per km²)	6,553 (688.99 per km²)

Population 19,143

Population Dynamic by Race Demographic:

(Included in Durban CBD Stats)

4.3.4.2 Number of Gambling Activities in the Area

Total legalized gambling in Reservoir Hills area consists of 7 Sites: 5 Type A LPM Sites and 1 Bookmaker. 1 Tote Outlet. There is 1 site for every 1.36 kms). Gambling handle for the past year is R 3,047,373,295 including casino handle. The type of gaming activities are not major and are supplementary to existing businesses often a gambling venue or a liquor outlet. The preferred gambling activity for the less affluent is often those who participate in the lottery. The approximate gambling spend per person per annum is

R 576,775. The average gambling spend per person per month is R 48064. No illegal gambling sites have been identified by the Board in the past 5 years in the area.

4.3.4.3 Employment

The area is predominantly residential and a low income earning area. Informal settlements can be found although there remain some upper income households.

4.3.4.4 Business and Tourism

The main retailers are small shops and liquor outlets (bars), religious buildings, service industries, computer businesses, tutoring colleges and retail. There are also local traders' associations, informal business across the area and service industries.

4.3.4.5 Surrounding catchment area.

Westville, Ntuzuma, Inanda and Phoenix

4.3.4.6 Recommendation

> **Recommendation:**
>
> - Limited opportunities still exist for some additional gambling sites, including new Type A LPM Sites, expansion of Type B LPM Sites, a Bookmaker and a Tote Outlet. '

4.3.5 DURBAN NORTH

Durban North is situated north of the Umgeni River and extends from the Umgeni Park to Glen Anil. Virginia, Glen Hill, Glen Ashley, Red Hill, Broadway, Parkhill, Greenwood Park, Beachwood Mangroves, Prospect Hill, Athlone, Briardene and Sea Cow Lake have been considered in the study of this area.

4.3.5.1 Population

Table 1: Details of Durban North		
Area	**Population**	**Households**
30.91 km²	68,274 (2208.79 per km²)	24,314 (786.61 per km²)

Population   **68,274**

(Race Demographic and household income is Included in Durban CBD Stats)

4.3.5.2 Number of Gambling Activities in the Area

Total legalized gambling in Durban North area consists of 11 Sites: 7 Type A LPM Sites and 2 Bookmaking Outlets, 2 Tote Operators. Gambling handle for the past year is R 3,142,403,904 including casino handle Gambling spend per person per annum was R 243,181 and the gambling spend per person per month is R 20,265. (incl. casino portion) The type of gaming activities are not major and are supplementary to existing businesses often a gambling venue or a liquor outlet. The preferred gambling activity for the less affluent is often those who participate in the lottery. One illegal gambling site was identified by the Board in the past 5 years in the area.

4.3.5.3 Social Context

The Durban North area is considered predominantly a Middle to Upper Income market area with some light industrial parks closer to the highway, formal residences with a few informal settlements in between.

4.3.5.4 Business and Tourism

The main retailers are large and small shops, shopping complexes, restaurants, liquor outlets (bars).

4.3.5.5 Surrounding Catchment Areas

La Lucia, Umhlanga and Morningside

4.3.5.6 Recommendations

> **Recommendation:**
>
> - Opportunities exist for new gambling to support B&B's, pubs and taverns. This would be limited to Type A, Type B Site or Bookmaking, Tote Outlets.

4.4 SOUTHERN ETHEKWINI

The Southern Ethekwini Region includes Chatsworth, Isipingo, Amanzimtoti, Umlazi, Bluff, Kingsburgh and Umkomaas. The Southern Ethekwini Region abuts in the north onto both the central and western metropolitan regions. In the west the south shares a common border with UMgungundlovu and UGu District Municipalities.

The Southern EThekwini Region is the industrial hub of Durban. It stretches from the Port of Durban and is home to industries such as petrochemical refineries, a large paper mill, motor manufacturers and other businesses. It includes areas with major gaming activities.

4.4.1 AMANZIMTOTI (INCLUDING KINGSBURGH)
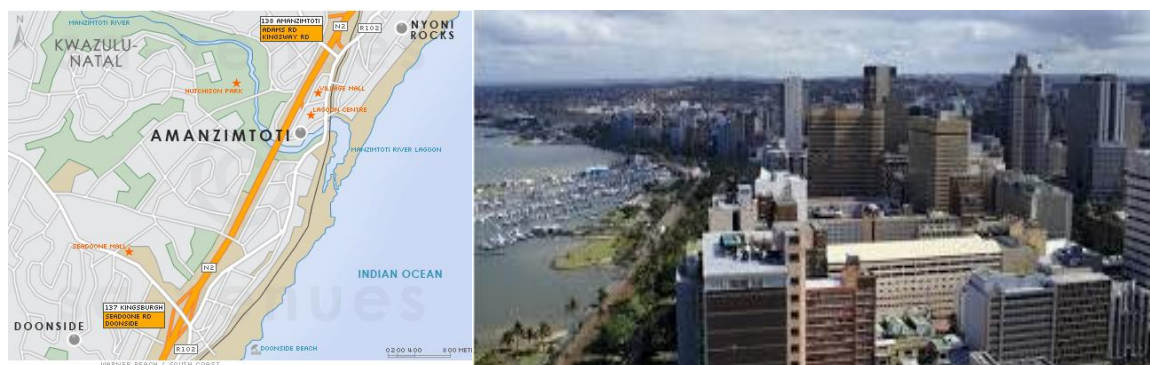
4.4.1.1 Population

Table 1: Details of Amanzimtoti		
Area	**Population**	**Households**
20.84 km²	30,181 (1451 km²)	9,363 (450.14 per km²)

Population

 30,181

Table 2: Population Dynamic

Group	Percentage
Black African	22,1%
Coloured	1,9%
Indian/Asian	8,2%
White	67,3%
Other	0,5 %

The table above reflects a community comprising of a predominantly white Ethnic Group.

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 – 64**	**Age 65+**
23.6%	73.4%	3%

4.4.1.2 Household income

The table below reflects the average household income for Amanzimtoti. According to the table below, 10.4% of persons and households receive no income at all (including discouraged work seekers and persons who are not economically active) 20,5% are households that can be classified as low-income in terms of household spend. 77.4% of the household income is between R38, 201 and R614,600 and 2% are Upper Income households. As such it's a predominantly middle income to upper income area. A majority of the population work in Durban and surrounding regions.

Table 4: Average Household Income		
Income	Percentage	Category
No income	10.4%	**Low Income**
R1 - R4,800	0.6%	**(LSM 1-4)**
R4,801 - R9,600	1.2%	
R9,601 - R19,600	3.4%	
R19,601 - R38,200	4.9%	
R38,201 - R76,400	8.8%	**Medium Income**
R76,401 - R153,800	18%	**(LSM 5-8)**
R153,801 - R307,600	24.4%	
R307,601 - R614,400	18.6%	
R614,001 - R1,228,800	7.6%	
R1,228,801 - R2,457,600	1,2%	**Upper Income**
R2,457,601+	0,8%	**(LSM 9+)**

Household Income Profile:
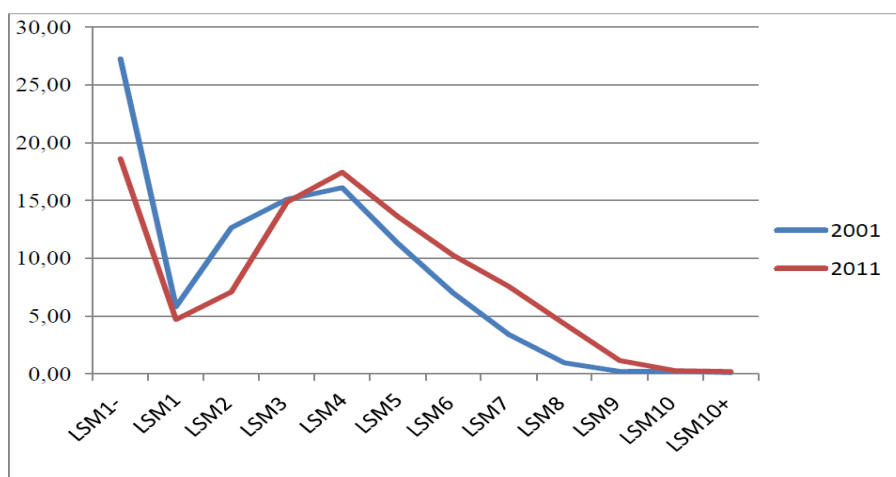
Figure 3: Household Income Profiles

4.4.1.3 Number of Gambling Activities in the Area

Total legalized gambling in Amanzimtoti (Kingsburgh) area contains 20 Sites: 15 Type A, 2 Bingo halls, 1 Bookmaker, 2 Tote Outlet. Gambling handle for past year Gaming handle R3,867,653,416 (including casino handle). The average distance between gaming venues is approximately 1 site for every 1 km. The approximate gambling spend per person per annum is R464,306 and the average monthly spend is R38,692 per month. (Bingo Amanzimtoti is one of the biggest revenue earners in South Africa.) There were no Illegal gambling sites identified over the past 5 years in this area.

The type of gambling activities include a major gambling venue (Bingo Hall) and a number of Type A sites. The Board has received a number of enquiries regarding an interest in social Bingo for the area. The aging population is slightly higher than usual at 11.6%. There has only been 1 LPM site that has been closed since 2015. It should be noted that this is an area that also attracts seasonal tourists because of its beaches and close proximity to Durban and the South Coast.

4.4.1.4 Household Buying Power

Income/Expenditure	Total
Total Income	**R 16,46 billion**
Disposable Income	**R 14,52 billion**
Recreation, Entertainment, Miscellaneous	**R 1 036 million**

Propensity to Gamble: With a total population of 30,181, if only 26.7% of this population gamble and based on the average gross gaming revenue for this area including casino GGR the propensity has been calculated at 2.99% (and

without casino GGR it is 0.53%). The propensity including casino GGR exceeds the preferred maximum threshold of 1.25% but without casino GGR it remains well below the minimum threshold of 1.12%.

4.4.1.5 Social Context

The area was characterised by a high crime rate, vandalism some abandoned buildings. 0,5% of the population residing in the Amanzimtoti sub area have no schooling, 32,3% have completed higher education.

4.4.1.6 Business

This area is a commercial, retail and tourist node and is a dormitory town for the greater Durban area. It also has large shopping malls in the area.

4.4.1.7 Surrounding Catchment Areas

KwaMakhutha, Illovo and Umlazi

4.4.1.8 Recommendations

Recommendation:

- Opportunities exist for new gambling but limited to Type A & B Sites, Bookmaking or Tote Outlets based on properly motivated applications supported by impact studies
- Saturation levels need to be monitored.
- As a tourist area it may support more gaming.

4.4.2 UMLAZI

Umlazi is a township on the East Coast of KwaZulu Natal, located to the South of Ethekwini. It is the 4th largest township in South Africa after Soweto.

4.4.2.1 Population

Table 1: Details of Umlazi		
Area	**Population**	**Households**
47,46 km²	404,811 (8,529.91 per km²)	104,914 (2,210.68 per km²)

Population

 404,811

Table 2: Population Dynamic

Group	Percentage
Black African	99,4%
Coloured	0,1%
Indian/Asian	0,2%
White	0,1%
Other	0,1 %

.

Population Dynamic by AGE Demographic

Table 3: Population by Age Demographic		
Age 0 – 14	**Age 15 – 64**	**Age 65+**
25,8%	71,2%	3%

4.4.2.2 Household Income

The table below reflects the average household income for the uMlazi. The households were classified as low income groups (up to LSM 4). According to the table below, 22% of persons and households receive no income at all (including discouraged work seekers and persons who are not economically active) and 69,5% of households fall in the category of is lower income in spending power. 30.4% of households fall in the category of middle income in terms of spending power. 0.2% of the population are Upper Income Households.

Table 4: Average Household Income		
Income	Percentage	Category
No income	22%	**Low Income**
R1 - R4,800	5.6%	**(LSM 1-3)**
R4,801 - R9,600	7.9%	
R9,601 - R19,600	15.5%	
R19,601 - R38,200	18.5%	
R38,201 - R76,400	13,7%	**Medium Income**
R76,401 - R153,800	9,1%	**(LSM 4-8)**
R153,801 - R307,600	5.1%	
R307,601 - R614,400	2,2%	
R614,001 - R1,228,800	0.3%	
R1,228,801 - R2,457,600	0.1%	**Upper Income**
R2,457,601+	0,1%	**(LSM 9+)**

4.4.2.3 Number of Gambling Activities

Total legalized gambling in Umlazi consists of 8 Sites: 5 Type A LPM Sites, 2 Bookmakers and 1 Tote. Gambling Handle for the past year R 2,943,984,861 (including casino handle). Annual gambling spend R26349 per person and the monthly spend per person is R 2195. The average distance between gaming venues is approximately 1 site for every 5.9 kms. 5 Illegal gambling operations were identified in the past 5 years, indicating a demand and a prevalence of illegal gambling. The Social Impact Study did identify instances of illegal gambling in KwaZulu-Natal as a whole.

4.4.2.4 Development

There are a number of trading activities clustered in the area, some of them. The community living around the town centre has relatively high income levels and there are many home-based businesses, from professional services to backyard trades. This suggests there would be a good foundation for commercial success.

4.4.2.5   Social Context

The area is characterised by high unemployment and a low skills base. There are severe housing shortages, major informal settlements, minimal economic development and a high crime rate. There are communal residential units.

4.4.2.6   Businesses

The main retailers are small shops (spaza shops) and liquor outlets (bars or shebeens), greengrocers, butcheries, house shops, restaurants, takeaways and tuckshops. The King Zwelethini Stadium and Umlazi Mega City Shopping Centre attract visitors to the area.

4.4.2.7   Long Term Development Initiatives

- SME business park , Mega City (Retail)
- Umlazi Regeneration Plan

4.4.2.8   Surrounding Catchment Area

KwaMashu near Ntuzuma and Inanda

4.4.2.9   Recommendations

Recommendations:

- Opportunities exist for new gambling to support small pubs and taverns. This would be limited to Type A Site or a Bookmaking/Totalisator Outlet.

4.4.3   ISIPINGO
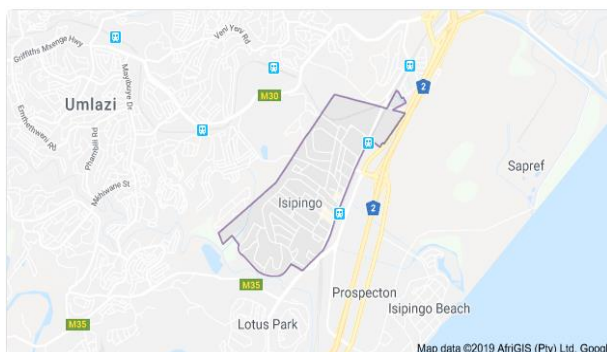
Isipingo is 2 kms South of Durban, incorporates Isipingo Rail, Isipingo Hills, Lotus Park, Orient Hills, Malakazi and Isipingo beach.

4.4.3.1 Population

Table 1: Details of Isipingo		
Area	**Population**	**Households**
5.19 km²	16,683 (3,214 per km²)	50,683 (2,360.89 per km²)

Population

 16 683

Population Dynamic:

Group	Percentage
Black African	15.6%
Coloured	36.63%
Indian/Asian	30.15%
White	17.08%
Other	0.55%

The table above reflects a community comprising of a predominantly African, Asian and Coloured Ethnic Group.

4.4.3.2 Household Income

31% of households receive no income at all. It is expected that persons within these households require job training, jobs, and possible social support services. (Census 2011) 54% of population is lower income. 46% middle income. The area is a lower to middle income area.

Table 4: Average Household Income		
Income	Percentage	Category
No income	31%	**Low Income**
R1 - R4,800	4%	**(LSM 1-3)**
R4,801 - R9,600	5%	

R9,601 - R19,600	14%	
R19,601 - R38,200	18%	**Medium Income**
R38,201 - R76,400	14%	**(LSM 4-8)**
R76,401 - R153,800	9%	
R153,801 - R307,600	4%	
R307,601 - R614,400	1%	
R614,001 - R1,228,800	0.%	**Upper Income**
R1,228,801 - R2,457,600	0%	**(LSM 9+)**
R2,457,601+	0%	

4.4.3.3 Number of Gambling Activities

Total legalized gambling in Isipingo area consists of 15 Sites: 11 Type A, 2 Bookmaker, 2 Tote Outlet. There is 1 site every 0.34 kms. Gambling handle for past year is R 3,118,821,534 including casino handle. Gambling spend R 677,340 per person per annum and R 56445 per person per month (including casino handle). Two illegal gambling operations have been reported in the past 5 years.

4.4.3.4 Social Context

The area is characterised by industrial warehousing and is considered to be predominantly lower income. It is a daily transit area for persons working in Durban.

4.4.3.5 Businesses

Manufacturing businesses rail centre and retail. The main retailers are small shops, pubs, car part sales, and liquor outlets etc. There are also local traders' associations, informal businesses, small-scale manufacturing and service industries.

4.4.3.6 Long Term Development Initiatives

- Restoration of Isipingo town centre as part of the city's program to revamp and upgrade secondary towns.

4.4.3.7 Surrounding Catchment Area

Umlazi and Bluff.

4.4.3.8 Recommendations:

> **Recommendations:**
>
> - No new gambling sites are recommended as there is a concern about the levels of saturation
> - Any applications must include a full motivation and a demographic report;

4.4.4   CHATSWORTH (INCLUDING SHALLCROSS)

4.4.4.1 Population

Table 1: Details of Chatsworth		
Area	**Population**	**Households**
42.73 km²	196 580 (4600Km2)	54,497 (1,274.48 per km²)

Population   **196 580**

Population Dynamic:

Table 2: Population	
Group	**Percentage**
Black African	38,2%
Coloured	1,2%
Indian/Asian	60,0%
White	0,1%
Other	0.5%

The table above reflects a community comprising of a predominantly Indian Ethnic group.

Population Dynamic by AGE Demographic

Table 3: Population by Age Demographic		
Age 0 – 14	Age 15 – 64	Age 65+
20,6%	72,5%	6,9%

4.4.4.2   Household Income

The table below reflects the average household income for Chatsworth. The households were classified as low income groups (up to LSM 4). According to the table below, 14,4% of persons and households receive no income at all (including discouraged work seekers and persons who are not economically active) and 53,8% of persons are in the category of low to no income (R0 to R38,200). It is expected that persons within these households require job training, jobs, and possible social support services (Census 2011). Middle-income households account for approximately 45,8% (R38201 to R1,228,800) of the households *residing* in this area. The remaining 0,4% earn (R1,228,801+) which is upper income. Chatsworth is therefore mostly a lower to middle-income market in terms of spending power.

Average Household Income		
Income	Percentage	Category
No income	14,7%	Low Income
R1 - R4,800	2,9%	(LSM 1-4)
R4,801 - R9,600	4,6%	
R9,601 - R19,600	14,8%	
R19,601 - R38,200	16,8%	
R38,201 - R76,400	16%	Medium
R76,401 - R153,800	14,5%	Income
R153,801 - R307,600	9,7%	(LSM 4-8)
R307,601 - R614,400	4,7%	
R614,001 - R1,228,800	0,9%	
R1,228,801 - R2,457,600	0,2%	Upper Income
R2,457,601+	0,2%	(LSM 9+)

4.4.4.3   Number of Gambling Activities

Total legalized gambling in Chatsworth area consists 52 Sites: 32 Type A LPM Sites, 1 Bingo, 10 Bookmakers 9 Tote Outlets. Gambling handle for the past year is R 3,883,595,549 (including casino handle). There are 1.1 Site per 0.82 km2. The gambling spend per person is R 71578 per person per annum and R 5964 per person per month. The type of gaming activities are not major and are supplementary to existing businesses often a gambling venue or a liquor outlet. The preferred gambling activity for the less affluent is often those who participate in the lottery. No illegal gambling sites have been identified by the Board in the past 5 years in the area.

4.4.4.4 Development
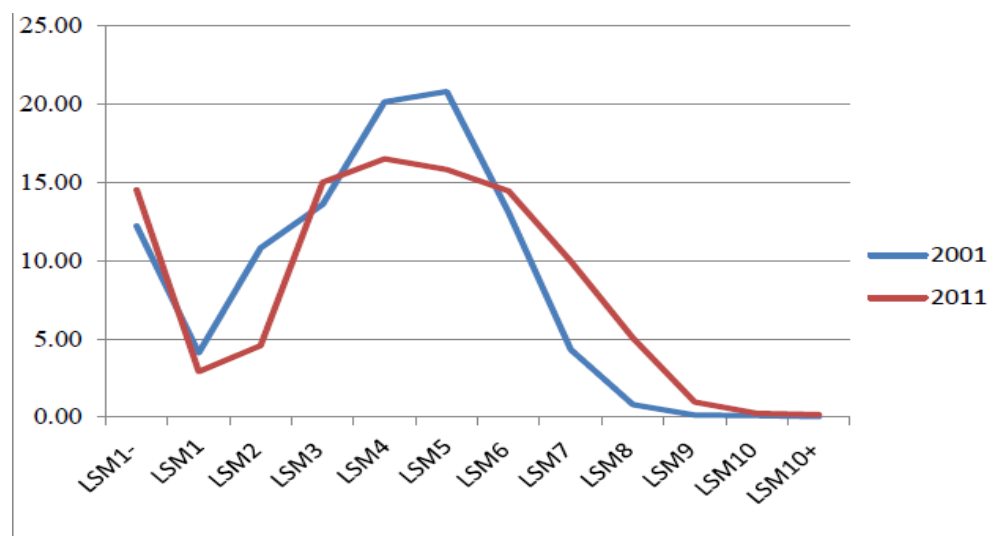
4.4.4.5 Social Context

The area is characterised as residential with retail and small local business.

4.4.4.6 Businesses

The main retailers are small shops (spaza shops) and liquor outlets (bars or shebeens), greengrocers, butcheries, house shops, restaurants, takeaways and tuckshops.

4.4.4.7 Long Term Development Initiatives

There has been a decrease in the unemployment rate from 31.58% in 2001 to 28.17% in 2011. It is thus now slightly below the national average of 29%.

4.4.4.8 Household Income and Spending Power

The estimated market value for selected categories is highlighted by the table below. .

Spending Power

Income/Expenditure	Total
Total Income	**R 14.04 billion**
Disposable Income	**R 12.43 billion**
Recreation, Entertainment, Miscellaneous	**R 895 million**

Propensity to Gamble: With a total population of 196,580, if only 26.7% of this population gamble and based on the average gross gaming revenue for this area including casino GGR the propensity has been calculated at 3,47% (and without casino GGR it is 0.60%). The propensity including casino GGR exceeds the preferred maximum threshold of 1.25% but without casino GGR it remains well below the minimum threshold of 1.12%.

4.4.4.9 Surrounding Catchment Area

Ntuzuma, Inanda and Phoenix

4.4.4.10 Recommendations

Recommendation:
- No opportunities exist for new gambling sites in this area because of the high propensity to gamble, the predominantly lower income households and the large number of gambling sites already operating
- Increase in existing gambling businesses to be motivated fully and supported by an independent demographic study.

4.4.5   BLUFF

The Bluff is situated to the south of central Durban from the harbour downwards. The area incorporates Brighton beach, Grosvenor, Kings Rest, Ocean View, Finland, Treasure Beach, Merebank, Merewent and Wentworth.

4.4.5.1 Population

Table 1: Details of Bluff		
Area	**Population**	**Households**
21.68km²	68,124 (3,100 per km²)	18,331 (845.43 per km²)

Population Dynamic:

Group	Percentage
Black African	15,60%
Coloured	36,63%
Indian/Asian	30,15%
White	17,08%
Other	0,55%

The table above reflects a community comprising of a predominantly Indian Ethnic group.

4.4.5.2 Household Income

The table below reflects the average household income for the Bluff. The households were classified as low income groups (up to LSM 4). According to the table below, 7 % of persons and households receive no income at all (including discouraged work seekers and persons who are not economically active) and 22% of persons are in the category of low to no income (R0 to R38,200). It is expected that persons within these households require job training, jobs, and possible social support services (Census 2011). Middle-income households account for approximately 63% (R38201 to R614,600) of the households *residing* in this area.. Bluff therefore mostly a middle- income market in terms of spending power.

Household Income		
Income	**Percentage**	Category
No income	7%	**Low Income**
R1 - R4,800	1%	**(LSM 1-4)**
R4,801 - R9,600	1%	
R9,601 - R19,600	5%	
R19,601 - R38,200	8%	
R38,201 - R76,400	13%	**Medium Income**
R76,401 - R153,800	21%	**(LSM 4-8)**
R153,801 - R307,600	21%	
R307,601 - R614,400	7%	
R614,001 - R1,228,800	1%	
R1,228,801 - R2,457,600	1%	**Upper Income**
R2,457,601+	0	**(LSM 9+)**

4.4.5.3 Number of Gambling Activities

Total legalized gambling in Bluff area contains 41 Sites: 32 Type A, 1 Bingo, 4 Bookmaker, 5 Tote Outlet. Gambling handle for past year Gaming handle inclusive of casino handle, R 3,420,384,169. 1 site per 0,528 kms (approximately 2 Sites per 1km). Gambling spend per annum per person is R 181,913 and R 15,159 per month per person. 1 Illegal Gambling Site was identified in the past five years.

4.4.5.4 Social Context

The area was characterised by some unemployment and a low skills base. Bluff is residential, and it is a transit area.

4.4.5.5 Businesses

The main business is manufacturing and transport and storage. Real Estate agents as residential, fast foods, business spares.

4.4.5.7 Surrounding Catchment Area

The main business is manufacturing and transport and storage. Real Estate agents as residential, fast foods, business spares.

4.4.5.8 Recommendations

> **Recommendation:**
>
> - In the absence of new growth and development in the region, no new gambling sites recommended because the area just sustains existing gambling operations based on the figures and concern exists in terms of over saturation

4.5   OUTER WEST ETHEKWINI

The Outer West Ethekwini Region is approximately 78 438ha in extent, representing 34% of the municipal region. A large part (50%) of the Outer West region comprises traditional areas. The study considered the areas of Pinetown (including New Germany), Cleremont, and Hillcrest.

4.5.1   PINETOWN
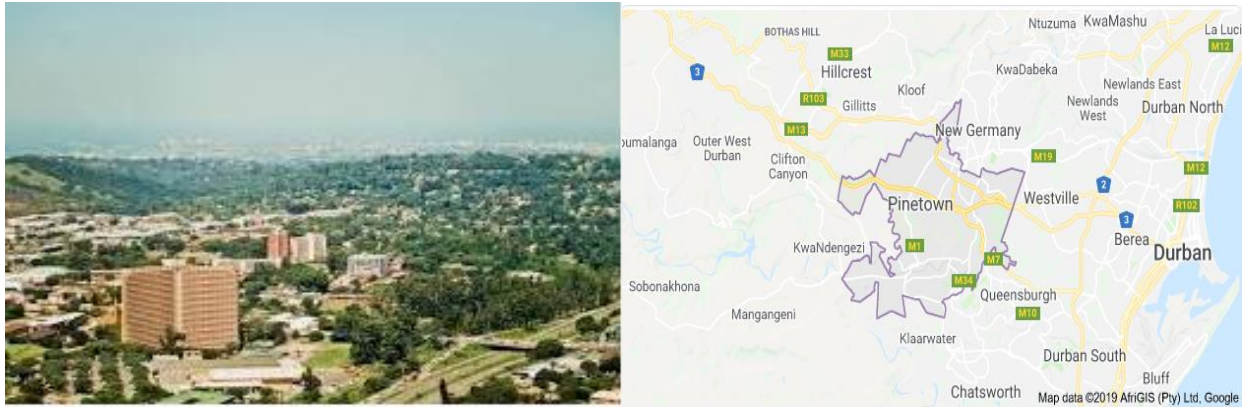
Pinetown is a town situated approximately 16kms west of Durban CBD.

4.5.1.1   Population

Table 1: Details of Pinetown		
Area	**Population**	**Households**
86.15km²	144,026 (1,671.71 per km²)	43,293 (502.50 per km²)

Population   144 026

Pinetown CBD is part of an accessible retail, commercial and entertainment hub to a predominant middle-income urban population.

Table 2: Population Dynamic by Age Demographic		
Age 0 – 14	**Age 15 – 64**	**Age 65+**
24.5%	70.1%	5.4%

Table 2 above depicts the gambling population age which is 75.4% and is eligible to gamble legally.

Population Dynamic by Race Demographic:

Group	Percentage
Black African	67.76%
Coloured	4.35%
Indian/Asian	9.29%
White	17.97%
Other	0,63%

5.5.1.2 Household Income

The table below reflects the average household income for Pinetown. According to the table below, 14,5% of persons and households receive no income at all (including discouraged work seekers and persons who are not economically active) and 47,6% of persons are in the category of low to no income (R0 to R38,200). It is expected that persons within these households require job training, jobs, and possible social support services (Census 2011). Middle-income households account for approximately 51% (R38201 to R614,600) of the households *residing* in this area. The remaining 1,4% earn R 1228801+ (Upper income). Pinetown is therefore both a lower and a middle-income market with some sub areas that are more affluent than others.

Average Household Income		
Income	**Percentage**	**Category**
No income	14,5%	**Low Income**
R1 - R4,800	3,3%	**(LSM 1-4)**
R4,801 - R9,600	4,8%	
R9,601 - R19,600	10,5%	
R19,601 - R38,200	14,5%	
R38,201 - R76,400	12,4%	**Medium Income**
R76,401 - R153,800	11,7%	**(LSM 5-8)**
R153,801 - R307,600	12,9%	
R307,601 - R614,400	10,4%	
R614,001 - R1,228,800	3,6%	
R1,228,801 - R2,457,600	0,9%	**Upper Income**
R2,457,601+	0,5%	**(LSM 9+)**

(Census, 2011)

5.4.1.3 Number of Gambling Activities in the Area

Total legalized gambling in Pinetown/Sarnia area consists of 26 Sites: 20 Type A LPM Sites, 1 Bingo and 3 Bookmaker Outlets, 2 Tote Outlets. There is an average of 1 gambling site per 3.31kms. Gambling handle for the past year is R 3,602,297,097 including casino handle. The average total gambling spend per annum per person is R 90621 and R 7551 per person, per month. The type of gaming activities range from major (Bingo) to minor and are supplementary to existing businesses often a gambling venue or a liquor outlet or restaurant or hotel. 1 illegal gambling machine site has been identified by the Board in the past 5 years in the area.

5.4.1.4 Social Context

The area is characterised by some unemployment and a low skills base. There are also social issues in the lower income and areas such as taxi ranks.

Household Income Profile
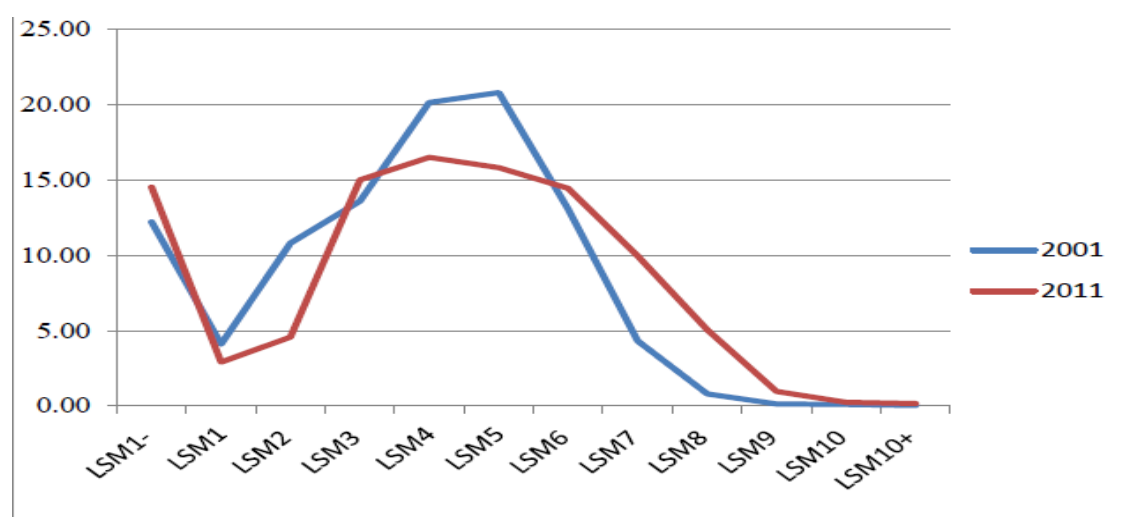
5.4.1.5 Businesses

Pinetown is a light industrial town, there are some residential areas, factories and light manufacturing, motor vehicle car dealerships several shopping centres. Retailers include small shops (spaza shops) and liquor outlets (bars or shebeens), greengrocers, butcheries, house shops, restaurants, takeaways and tuckshops. New Germany has a large industrial area (Shepstone). There are also local traders' associations, informal businesses across Pinetown and informal businesses in the small-scale manufacturing and service industries.

5.4.1.6 Employment

There has been a decrease in the unemployment rate from 31.58% in 2001 to 28.17% in 2011. It is thus now slightly below the national average of 29%.

5.4.1.7 Household Income and Spending Power

The spending power potential was calculated by means of an income expenditure ratio model (researched by various organisations including the Bureau of Market Research and StatsSA) and formulated by Warrington (2001). The model is calibrated for 2011 census data, which acts as the base year for future projections. The estimated market value for selected categories is highlighted by the table below.

Spending Buying Power

Income/Expenditure	Total
Total Income	R 14.04 billion
Disposable Income	R 12.43 billion
Recreation, Entertainment, Miscellaneous	R 895 million

Including casino GGR the gambling propensity to gamble is 3.52 % and excluding casino GGR it is 0.65%. When reference is had to the national gambling propensity of 1,12% (Minimum Threshold) as well as 1.25% (Maximum Threshold) these figures indicate that there may be some room for new gambling in the area.

5.4.1.8 Long Term Development Initiatives

- Go Durban Project aimed at de-congesting and enhancing infrastructure and transport in Durban.
- Pinetown is a growing area (Outer Ring Road)

5.4.1.9 Surrounding Catchment Area

Cleremont, Westville, Cowies Hill and Queensburgh

5.4.1.10 Recommendations

Recommendations:

- Opportunities exist for new gambling to support small pubs and taverns. Depending on the area this would include all forms of gambling excluding Casino's. e.g Bingo, to Type A or B Site or Bookmaking rights or Tote Agency.
  - o Not yet over saturated as people work in Pinetown industrial and retail, government and service employees do not necessarily live there.
  - o 3 closed LPM sites since 2015 indicate that the market might be static for LPMs.

4.5.2   CLEREMONT

Cleremont is a township of Durban KwaZulu-Natal situated between New Germany and Reservoir Hills. It was set up as residential Black middle income township. Two sub places include Chris Hani and Cleremont Emngeni.

4.5.2.1 Population

Table 1: Details of Clermont		
Area	Population	Households
6.94km²	52, 075(7500.83 per km²)	22 688 (3,267.96 per km²)

Population   52, 075

Population Dynamic by Race Demographic Clermont:

Table 2	
Group	Percentage
Black African	99,52%
Coloured	0,15%
Indian/Asian	0,07%
White	0,05%
Other	0,22 %

Table 2 above reflects a community predominantly comprising of the African Ethnic Group.

5.5.2.2 Household Income

The table below reflects the average household income for Clermont. According to the table below, 22,6% of persons and households receive no income at all (including discouraged work seekers and persons who are not economically active) and 80% of persons are in the category of low to no income (R0 to R38,200). It is expected that persons within these households require job training, jobs, and possible social support services (Census 2011). Middle-income households account for 19.9% (R38,201 to R614,600) of the households in this area. Clermont is considered to be mostly a low-income market in spending power.

Average Household Income		
Income	Percentage	Category
No income	22,6%	Low Income (LSM 1-4)
R1 - R4,800	7,8%	
R4,801 - R9,600	9,7%	
R9,601 - R19,600	19%	
R19,601 - R38,200	20,9%	
R38,201 - R76,400	12,8%	Medium Income (LSM 5-8)
R76,401 - R153,800	4,8%	
R153,801 - R307,600	1,6%	
R307,601 - R614,400	0,7%	
R614,001 - R1,228,800	0%	
R1,228,801 - R2,457,600	0%	Upper Income (LSM 9+)
R2,457,601+	0%	

5.4.2.3 Number of Gambling Activities in the Area

Total legalized gambling in Clermont area consists of 3 Type A LPM Sites. Gambling handle including casino handle pro-rated for the area for the past year is, R 3,074,094,198**.** Excluding casino handle the gambling handle from the three sites is R 182,281,070. Gambling spend per person per annum (excluding casino handle) is R 12682 and per person per month R 1056. The number of gambling sites is 1 site for every 2.3Kms. The type of gaming activities are not major and are supplementary to existing businesses often a gambling venue or a liquor outlet. The preferred gambling activity for the less affluent is often those who participate in the lottery. No illegal gambling sites have been identified by the Board in the past 5 years in the area.

5.4.2.4 Social Context

The area was characterised by some unemployment and a low skills base.

5.4.2.5 Businesses

There are small shops (spaza shops) and liquor outlets (bars or shebeens), informal trading and tuckshops

There are also local traders' associations, informal business across Clermont and informal, in the small-scale manufacturing and service industries.

5.4.2.6 Long Term Development Initiatives

- Cleremont Urban Renewal.

5.4.2.7 Surrounding Catchment Area

KwaDabeka , Reservoir Hills, New Germany

5.4.2.9 Recommendations

> **Recommendations:**
>
> - Limited opportunities exist for new gambling to support micro-enterprises shops such as Type A LPM Sites
> - Type B Sites would not be recommended due to the low income spending power of the area.
>   - This is a growing development area.
>   - 1 closed LPM site since 2015

4.5.3 HILLCREST

Hillcrest is a predominantly residential area with a number of schools, and shopping complexes. The study considered the following sub places Hillcrest Park, Costwold Downs, Hilldene, Albany and Plantations

4.5.2.1 Population

Table 1: Details of Hillcrest		
Area	**Population**	**Households**
21.44 km²	13,329 (621,75 per km²)	5,231 (244.01 per km²)

Population   👤👤👤👤👤 **13,329**

It is estimated that **the Hillcrest** catchment population of 13,329**.**

Population Dynamic by Race Demographic:

Group	Percentage
Black African	11.37%
Coloured	0.83%
Indian/Asian	2.97%
White	84.27%
Other	0,56%

5.5.2.2 Household Income

14% of the areas households earn no income at all. 36% are households that can be classified as low-income. 47% of the households earn income between R19, 601 and R614,400 and as such are middle income and 3% are Upper income. It is a middle income area. A majority of the population work in Durban and surrounding regions.

Average Household Income		
Income	**Percentage**	**Category**
No income	14%	**Low Income**
R1 - R4,800	3%	**(LSM 1-4)**
R4,801 - R9,600	5%	
R9,601 - R19,600	14%	
R19,601 - R38,200	19%	
R38,201 - R76,400	12%	**Medium Income**
R76,401 - R153,800	8%	**(LSM 5-8)**
R153,801 - R307,600	8%	
R307,601 - R614,400	8%	

R614,001 - R1,228,800	5%	
R1,228,801 - R2,457,600	2%	**Upper Income**
R2,457,601+	1%	**(LSM 9+)**

5.4.2.3   Number of Gambling Activities in the Area

Total legalized gambling in Hillcrest area contains 9 Sites: 7 Type A, 1 ISO, 1 Tote Outlet. Gambling handle (including casino handle) for the past year is R3,019,048,470. Gambling spend per annum per person is R 820,660 and per person per month is R 68388. 1 sites per 2.3 km's. 0 Illegal Gambling machine sites were identified in the past five years.

5.4.2.4   Social Context

This is characterised as a middle income area

5.4.2.5   Businesses

There are high end retail shopping complexes, some professional practices including attorneys, doctors and financial services.

5.4.2.8   Long Term Development Initiatives

- Private Medical Centres
- Restaurants and Entertainment Developments.

5.4.2.9   Surrounding Catchment Area

Kloof, Gillits, Botha's Hill

5.4.2.10 Recommendations

Recommendation:

- 0pportunities exist for new gambling to support small pubs and taverns. Depending on the area this would include all forms of gambling excluding Casino's. e.g Bingo, to Type A or B Site or Bookmaking right or Tote Agency.
  - o   Not yet over saturated
  - o   No closed LPM Sites since 2015

4.6   NORTHERN ETHEKWINI

This region stretches from north and west of La Lucia northwards up to an including Tongaat in the North, from the coast line in the east to UMzinyathi, Inanda and borders with the ILembe District Municipality in the West and North. This is a total area of 59,764 ha which represents approximately 26% of the EThekwini Municipal Area.

The area has approximately 3.4% of eThekwini's total population (Stats SA Community Survey, 2011. Major areas included KwaMashu, Phoenix, Tongaat, Umhlanga, Durban North, Resevoir Hills and Newlands.

4.6.1   KWAMASHU
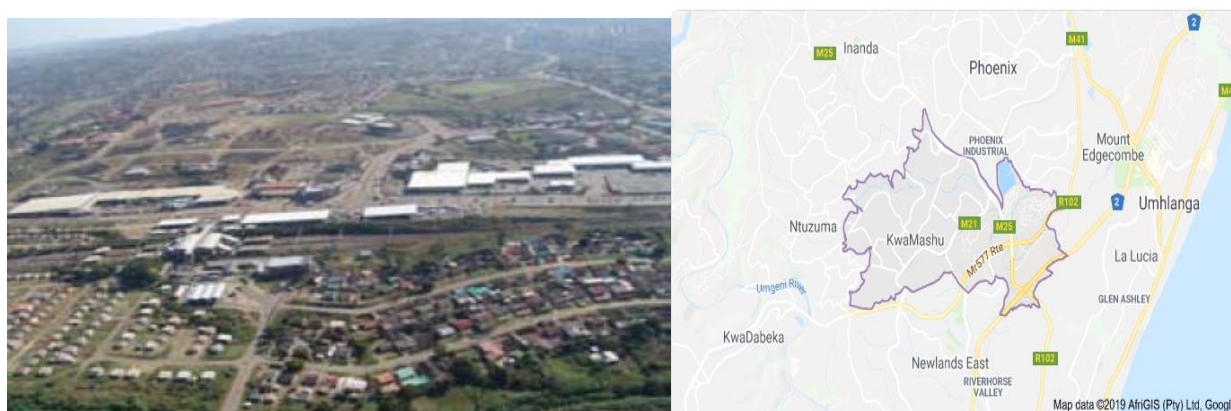
KwaMashu is a township situated 12kms North of Durban CBD. It is bordered by Newlands, Ntuzuma and Phoenix, Mt Edgecombe and Durban North. KwaMashu originally came into existence as a "dormitory township" to serve the labour pool for Durban City. The area comprises predominantly formal housing and is a node for economic hubs and has major transportation corridors

4.6.1.1 Population

Table 1: Details of Kwa Mashu		
Area	**Population**	**Households**
21.47 km²	175,663 (8,182.66 per km²)	50,683 (2,360.89 per km²)

Population   **175 663**

Table 2: Population by Age Demographic		
Age 0 – 14	Age 15 – 64	Age 65+
23.6%	73.4%	3%

Table 1 above depicts the gambling population which is 76.4%.

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	Percentage
Black African	98,8%
Coloured	0,2%
Indian/Asian	0,8%
White	0,1%
Other	0,1 %

Table 3 above reflects a community predominantly comprising of the African Ethnic group.

4.6.1.2 Household Income

The table below reflects that 25,2% of persons and households receive no income at all. It is expected that persons within these households require job training, jobs, and possible social support services (Census 2011). 73.2% of households are classified as low income (R0 to R38,200). 26.8% receive between (R38,201 to R614,600) which is middle income and 0.2% earn (R1,228,801+) which is upper income. This makes KwaMashu a lower income area.

Table 4: Average Household Income		
Income	Percentage	Category
No income	25,2%	**Low Income**
R1 - R4,800	5,6%	**(LSM 1-4)**
R4,801 - R9,600	7,2%	
R9,601 - R19,600	15,7%	
R19,601 - R38,200	19,5%	
R38,201 - R76,400	13,8%	**Medium Income**
R76,401 - R153,800	7,8%	**(LSM 5-8)**
R153,801 - R307,600	3,5%	
R307,601 - R614,400	1,5%	
R614,001 - R1,228,800	0,2%	
R1,228,801 - R2,457,600	0,1%	**Upper Income**
R2,457,601+	0,1%	**(LSM 9+)**

4.6.1.3 Number of Gambling Activities in the Area

Total legalized gambling in KwaMashu area consists of 5 Sites: 4 Type A LPM Sites and 1 Bookmaker. Gambling Gambling handle for the past year (excluding casino handle) is R 34,562,438. Gambling spend per person per annum is R 712 and the gambling spend per month is R59 per month per person. The average distance between gaming sites is 1 site every 5.36kms. The type of gaming activities are not major and are supplementary to existing businesses often a gambling venue or a liquor outlet. The preferred gambling activity for the less affluent is often those who participate in the lottery. No illegal gambling sites have been identified by the Board in the past 5 years in the area.

4.6.1.4 Employment and Social Context

The area was characterised by high unemployment and a low skills base.

- Around 40% of the population is unemployed and 33% not economically active.
- About 37% are employed

4.6.1.5 Businesses

The main retailers are small shops (spaza shops) and liquor outlets (bars or shebeens), greengrocers, sellers of meat and poultry products, house shops, restaurants, takeaways and tuckshops. There are also local traders' associations, informal businesses in the small-scale manufacturing and service industries. KwaMashu is an urban area with a basic town centre and some small economic areas. It has a transportation hub, with trains, buses and taxis. The community living around the town centre have relatively moderate income levels and there were many home-based businesses, from professional services to backyard trades

4.6.1.6 Household Buying Power

Elementary occupations include domestic workers, street traders, office cleaners, security guards, government workers and 28% in the service industry. 14% are shop assistants/ sales personnel in crafting and related trades

4.6.1.7 Long Term development Initiatives

- SME business park , Bridge City
- KwaMashu Regeneration Plan

4.6.1.8 Surrounding Catchment Area

Ntuzuma, Inanda and Phoenix

4.6.1.9 Recommendations

> **Recommendations:**
>
> - The analysis confirms that limited opportunities exist for new gambling sites. These can support small pubs, taverns & B and B's. This would be limited to Type A Sites or Bookmaking right.
>   - Not saturated but don't want to take too much gambling there limit to higher income sub location (eg kwa D)
>   - Currently no gaming in neighbouring Inanda and Ntuzuma.
>   - 2 Illegal gambling machine sites were identified in Inanda region showing a demand for gaming.
>   - There has been 3 closed sites in Inanda between 2016 - 2018

4.6.2   PHOENIX

Phoenix is located in the North Western Ethekwini Region of KwaZulu-Natal. Phoenix includes some of the following sub places: Brookedale, Cane Side, Forest Haven, Westham and Eastbury.

4.6.2.1   Population

Area	Population	Households
30.2 km² (5,868/km²)	176,989 (176, 989 (5,900 km²)	44, 550 (1,477.00 per km²)

Population   **176 989**

Table 2: Population Dynamic by Age Demographic		
Age 0 – 14	**Age 15 – 64**	**Age 65+**
20.5%	73.6%	5.9%

Population Dynamic by Race Demographic:

Table 2: Number and Ethnic Comparison	
Group	Percentage
Black African	12,1%
Coloured	1,8%
Indian/Asian	85,0%
White	0,2%
Other	0,9 %

Table 2 above reflects a community predominantly comprising of the Indian &African Ethnic groups (97,1%)

4.6.2.2 Household Income

The Table below indicates that 8.3% of households earn no income at all. 35.3% of the households were classified as low-income groups and medium income households make up 64.2%. 0.5% are classified as Upper income households.

Table 3: Household Income		
Income	Percentage	Category
No income	8.3%	**Low Income**
R1 - R4,800	1%	**(LSM 1-4)**
R4,801 - R9,600	1,6%	
R9,601 - R19,600	10,5%	
R19,601 - R38,200	13,9%	
R38,201 - R76,400	20,1%	**Medium Income**
R76,401 - R153,800	22%	**(LSM 5-8)**
R153,801 - R307,600	15,2%	
R307,601 - R614,400	6%	
R614,001 - R1,228,800	1%	
R1,228,801 - R2,457,600	0,3%	**Upper Income**
R2,457,601+	0,2%	**(LSM 9+)**

4.6.2.3 Number of Gambling Activities in the Area

Living Standards Measure
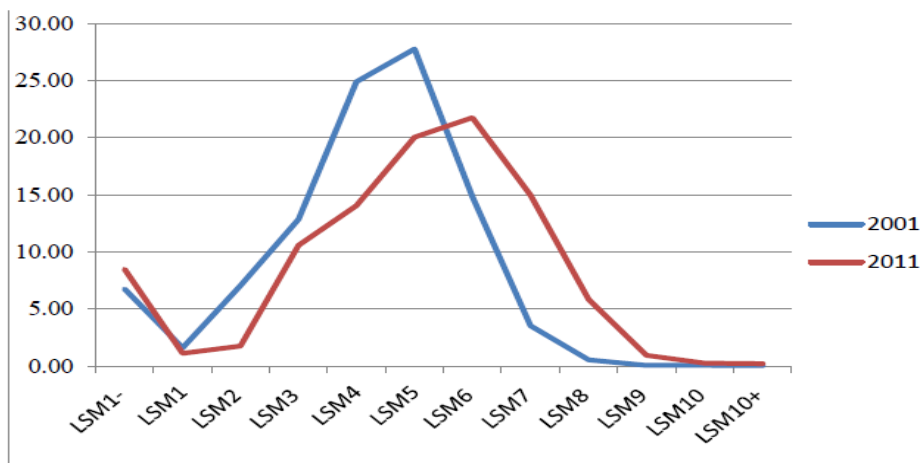
4.6.2.4 Employment and Social Context

Licenced gambling activities include 29 Sites: 16 Type A LPM Sites, 1 Bingo Hall, 6 Bookmakers and 6 Tote Outlets. Gambling handle including casino handle is R3,464,180,858 per annum. This is R 70916 per person per annum and R 5909 per person per month. There is 1 gambling site for every 1 km². The type of gaming includes major gaming (Bingo Site and EBT site) and smaller gaming and betting outlets

Phoenix as a township built on apartheid's strict social problems of poverty, low literacy levels, alcoholism, drug abuse, prostitution, sexual abuse, gangsterism.

4.6.2.5 Household Buying Power

Household Buying and Spending Power:

Income/Expenditure	Total
Total Income	R 10.176 Billion
Disposable Income	R 8. 969 Billion
Recreation, Entertainment, Miscellaneous	R 662 Million

Propensity to gamble including casino GGR is 4.6% which exceeds the National maximum threshold and excluding casino GGR it is 0.64% which is below the minimum threshold national gambling propensity of 1,12%.

4.6.2.6 Businesses

Phoenix is also home to a number of taverns and shebeens – hives of activity especially during the weekends. Other chill spots include the local shopping centres and the nearby Gateway Theatre of Shopping.

The giant Bridge City development is currently underway on Phoenix's border with KwaMashu. With residential, retail, government, medical and other components, this Presidential Lead project is expected to be a catalyst for significant economic growth in the Phoenix, Inanda, Ntuzuma and KwaMashu region.

4.6.2.6 Long Term development Initiatives

- SME business park , Bridge City
- Phoenix Industrial park
- Cornubia Mall, Gem City, Parthenon mall

4.6.2.7 Surrounding Catchment Area

Verulum, Mt Edgecombe, KwaMashu, Umhlanga , Ntuzuma and Inanda

4.6.2.8 Recommendations

> **Recommendation:**
>
> - Opportunities exists for growth of existing gambling sites
>   - Motivation based on current socio-economic impact study to support application
>   - Similar propensity levels as Pinetown.
>   - There are currently a high number of gaming operations per km² (approximately 1 gambling site per km²
>   - 10 machine sites and 2 internet Café's high number of illegal gambling sites which talks to demand
>   - Population household income lower and moderate
>   - No reported closed sites in past 3 years

4.6.3 TONGAAT

Tongaat is an Indian township, north of central Durban in KwaZulu-Natal. Tongaat is located in one of the highest growth potential areas in KZN as it is found between the Durban and Richards Bay corridor development. This area includes Maidstone. This strategic location coupled with its proximity to the Dube Trade Port, means that Tongaat may be considered a growth area.

4.6.3.1 Population

Area	Population	Households
11.72 km² (5,868/km²)	42,554 (3,631.33 km²)	12,375

Population   42,554

Table 1: Population Dynamic by Age Demographic		
Age 0 – 14	Age 15 – 64	Age 65+
20.8%	73.1%	6.1%

Population Dynamic by Race Demographic:

Table 2: Number and Ethnic Comparison	
Group	Percentage
Black African	41,1%
Coloured	1,2%
Indian/Asian	56,0%
White	0,44%
Other	0,55 %

Table 2 above reflects a community predominantly comprising of the Indian &African Ethnic groups (97,1%).

4.6.3.2 Household Income

The table below indicates that 13.2% of households earn no income at all. 52.3% of the households are classified as low-income and medium income group made up 47.1% of households. The area is classified as a low income household area predominantly.

Table 3: Household Income		
Income	Percentage	Category
No income	13.2%	**Low Income**
R1 - R4,800	3.8%	**(LSM 1-4)**
R4,801 - R9,600	4.7%	
R9,601 - R19,600	14.3%	
R19,601 - R38,200	16.3%	
R38,201 - R76,400	14.7%	**Medium Income**
R76,401 - R153,800	14.7%	**(LSM 5-8)**
R153,801 - R307,600	11.1%	
R307,601 - R614,400	5.5%	
R614,001 - R1,228,800	1.1%	
R1,228,801 - R2,457,600	0,3%	**Upper Income**

R2,457,601+	0,2%	(LSM 9+)

(Census, 2011)

4.6.3.3 Number of Gambling Activities in the Area

Licenced gambling activities consist of 10 Sites: 6 Type A LPM Sites, 2 Bookmakers and 2 Tote Outlets. Gambling handle (including casino handle) is R 3,236,755,690 in the past year. This is R 275588 per person per annum and R 22965 per person per month. There is 1 gambling site for every 1 km². The type of gaming includes smaller gaming and betting outlets. Excluding casino handle gambling spend per person per annum is R 29369 and the monthly gambling spend is R2447.

4.6.3.4 Employment and Social Context

The employment levels on average per sub area in Tongaat centred around 53.6%. Those not economically active in comparison are 33.3% on average per sub area, whilst others seeking work fell into 13.3% category.

4.6.3.5 Businesses

Retail and commerce: Tongaat CBD serves as the commercial centre of Tongaat town. A number of commercial activities are concentrated in the CBD with a few in Maidstone. Tongaat CBD is an established shopping area that provides a range of facilities to shoppers.

Informal Economy and SMMEs are more developed in the CBD than in the rest of the Greater Tongaat area. Major activities include the following: retail and light industrial with a large number of street vendors.

4.6.3.6 Long Term development Initiatives

- Tongaat Industrial
- Tongaat Local Development Strategy

4.6.3.7 Surrounding Catchment Area

Umdloti, Ballito, Hambanathi

4.6.3.8 Recommendations

> **Comments:**
>
> - Limited opportunities exist for Type A LPM Sites and Small Bookmakers
>   - Not necessarily oversaturated concern is the low income and informal trading
>   - Possible growth node in Dube-Trade Port, Airport, expansion of neighbouring towns
>   - No reported closed Site.

4.6.4 UMHLANGA

Umhlanga is a major suburb of Northern Durban, in South Africa, KwaZulu Natal.

4.6.4.1 Population

Area	Population	Households
16.75km square	24,238 (1,446.16 KM sq	9256 (552.44)

Population   **24, 238**

Table 2: Population Dynamic by Age Demographic		
Age 0 – 14	Age 15 – 64	Age 65+
17,3%	69,2%	13,5%

Population Dynamic by Race Demographic:

Group	Percentage
Black African	17,1%
Coloured	2,1%
Indian/Asian	26,2%
White	53,3%
Other	1,2 %

4.6.4.2 Household Income

Average Household Income

Income	Percentage	Category
No income	7,1%	**Low Income**
R1 - R4,800	0,8%	**(LSM 1-3)**
R4,801 - R9,600	1,1%	
R9,601 - R19,600	3,6%	
R19,601 - R38,200	7%	**Medium**
R38,201 - R76,400	5,1%	**Income**
R76,401 - R153,800	9,8%	**(LSM 4-8)**
R153,801 - R307,600	17,4%	
R307,601 - R614,400	23,1%	
R614,001 - R1,228,800	16%	
R1,228,801 - R2,457,600	6,3%	**Upper income**
R2,457,601+	2,7%	**(LSM 9+)**

7.1% of households in the area earn zero income at all. 12.6% of households are considered to be low income households. Middle-income households account for 78.4**%** of households in this market and 9% are classified as Upper-income, however their combined disposable income value account for 87.4% of market value. It is thus a predominant middle to high-income market in terms of spending power

Living Standards Measure
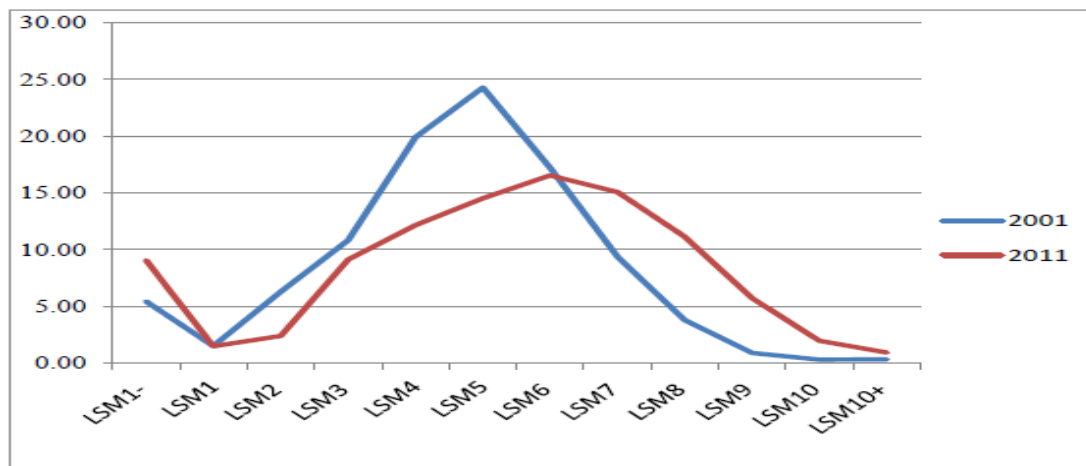
4.6.4.3 Number of Gambling Activities in the Area

Licenced gambling activities consists of 10 Sites: 6 Type A LPM Sites, 1 Casino, 1 Bingo Hall, 1 Bookmaker Outlet and 1 Tote Outlet. Gambling Handle including casino handle is R 4,305,112,563 in the past year. There is 1 gambling site for every 1 km². The type of gaming includes smaller gaming and betting sites. Gambling spend per person per annum is R643544 and the monthly gambling spend is R53628.

4.6.4.4 Employment and Social Context

Umhlanga is an affluent residential, commercial and resort town north of Durban on the coast of KwaZulu-Natal, South Africa.

4.6.4.5 Businesses

- Gateway Mall
- La Lucia Mall

4.6.4.6 Surrounding Catchment Area

La Lucia, Phoenix, Verulam, Durban North, Ballito

4.6.4.7 Recommendations

> **Recommendation:**
>
> - Opportunities exist for all types of gambling except for casinos
>   - Tourism, local and international, high income
>   - Wealthy, upper class population
>   - 1 closed Site at La Mercy (near catchment area)

4.6.5   VERULAM

4.6.1.1 Population

Area	Population	Households
18,13 km²	37,273 (2056.16per km²)	10,896 (601.08 per km²)

Population   **37, 273**

Table 2: Population Dynamic by Age Demographic		
Age 0 – 14	Age 15 – 64	Age 65+
21,2%	73,1%	5,6%

Table 2 above depicts the gambling population age which is 78,7%

Population Dynamic by Race Demographic:

Group	Percentage
Black African	98,8%
Coloured	0,2%
Indian/Asian	0,8%
White	0,1%
Other	0,1 %

4.6.1.2 Household Income

25.2% of households earn no income at all. It is expected that persons within these households require job training, jobs, and possible social support services (Census 2011). 53.7% receive less than R19 601 and are considered low income households while 46.1% receive between R19, 601 to R614,400 (Middle Income Households). 0.2 % are considered Upper Income households.

Average Household Income		
Income	Percentage	Category
No income	25,2%	**Low Income (LSM 1-3)**
R1 - R4,800	5,6%	
R4,801 - R9,600	7,2%	
R9,601 - R19,600	15,7%	
R19,601 - R38,200	19,5%	
R38,201 - R76,400	13,8%	**Medium Income (LSM 4-8)**
R76,401 - R153,800	7,8%	
R153,801 - R307,600	3,5%	
R307,601 - R614,400	1,5%	
R614,001 - R1,228,800	0,2%	
R1,228,801 - R2,457,600	0,1%	**Upper Income (LSM 9+)**
R2,457,601+	0,1%	

4.6.1.3 Number of Gambling Activities in the Area

Total legalized gambling in Verulam area consists of 9 Sites: 5 Type A LPM Sites and 2 Bookmaker and 2 Tote Outlets (1 site for every 2 km²). Gambling handle for the past year is R3,210,424,351 (including casino handle) . Gambling spend per person per annum is R 312075 and per person per month is R 26006. The type of gaming activities are not

major and are supplementary to existing businesses often a gambling venue or a liquor outlet. The preferred gambling activity for the less affluent is often those who participate in the lottery. No illegal gambling sites have been identified by the Board in the past 5 years in the area.

4.6.1.4 Businesses

The area has informal businesses, factories and small scale manufacturing. The community living around the town centre have relatively moderate income levels and there were many home-based businesses, from professional services to backyard trades.

4.6.1.5 Long Term development Initiatives

- There is a multi-million investment by Chinese anticipated in textile industry
- Dube-Trade port may also impacts growth in transport industry

4.6.1.6 Surrounding Catchment Area

Ntuzuma, Inanda and Phoenix

4.6.1.7 Recommendations

Recommendations:

- Opportunities exist for new gambling sites to support small pubs and taverns. This would be limited to Type A Site, possible 1 Type B or Bookmaking or Tote Outlet.
  - Not considered to be over saturated
  - 3 closed sites between 2015 - 2018

CHAPTER 5: KING CETSHWAYO REGION - MARKET ANALYSIS AND FEASIBILITY

5.1 INTRODUCTION:

This chapter analyses the data and sets out research outcomes for the King Cetshwayo Region.

5.2 KING CETSHWAYO DISTRICT AREA

The King Cetshwayo District Municipality (previously uThungulu District Municipality) is a Category C municipality and is located in the North-Eastern region of the KwaZulu-Natal Province. It covers the area from the uMfolozi River in the north, to KwaGingindlovu (previously Gingindlovu) in the South, and inland to Nkandla. The district is home to five local municipalities, namely: City of uMhlathuze, uMlalazi, Mthonjaneni, Nkandla and uMfolozi (Ntambanana was disestablished and merged into City of uMhlathuze). The N2 highway links the district to significant economic centres, such as Durban and Johannesburg. It also offers a direct route to Maputo in Mozambique. The development of the Richards Bay Industrial Development Zone has potential to boost economic activity and attract investment.

5.2.1 KING CETSHWAYO DISTRICT PROFILE

5.2.1.1 Population

In order to provide the King Cetshwayo District totals, in the 10 years between the Censuses, there are official 5 year short term demographic forecasts for King Cetshwayo District which have been undertaken by Statistics South Africa (SSA) and these are also used in the data.

SSA undertakes a Community Survey at the midpoint between Censuses and this survey estimated the 2016 King Cetshwayo District population at 907 519 just over one third of the population of KwaZulu-Natal ("Statistics by Place": Stats SA, 2016)

In terms of population spread, the figures below depict the total population and race profile and the population breakdown per region in the Municipality. The greater population concentrations occur in the central and north regions. The central region is the Urban Core of the municipality and is home to approximately 142 048 (70%) people. It is followed by the traditional region which is home to approximately 54 380 people (26.8%) and the informal areas accommodate the least number of people with a total population of approximately 4754 people (Stats SA, 2011). The main source of income as per the Community Survey 2001, is salaries, other sources (10%) and 2% from grants with and pensions.

5.2.1.2 Population Projection

According to Stats SA (2011) King Cetshwayo District has experienced an average annual growth in population 0.9% from 2001 to 2011 as against 2.6% from 1996 to 2001. The growth of the population is likely to be driven by the general trend of migration as well as natural growth amongst other factors. (IDP, 2017)

5.2.1.3 Age Profile

According to SSA Forecast the King Cetshwayo District population is young, with 74.2% of the population below the age of 35 years. Individuals within the 0-14 year's old group comprise 28% and the 15-35 age group 46.2% of the population. The 36 to 60 age group comprises 19.23% and those 60 and over 6.45%. The economically active age group from 15 to 59 years includes 55% of the population. The population dependency ratio per 100 is 64.7%. However, it must be noted that when employment rates are low the economic dependency of young, old and unemployed on each working person will be higher than the population dependency rate. (Stats SA, 2011)

5.2.1.4 Vulnerable Groups

Within the King Cetshwayo District Municipality, resides groups of people with specific needs. These groups are referred to as Vulnerable Groups. The following groups have been identified as vulnerable:

- People with disability
- Children
- Elderly
- Homeless
- Refugees
- People suffering from incurable diseases like HIV/AIDS
- Youth
- Women

5.2.1.5 Employment Profile

An extremely high percentage of the population is not economically active. This also means a high dependency ratio on household heads with low income levels. Despite the diversified nature of the local economy, unemployment in the municipal area is of concern as only 140 045 of the total labour force are employed. The number of unemployed citizens is currently estimated at 77 301 of the population while 189 515 of the total labour force are not economically active. (IDP, 2017)

The unemployment rate in 2015 was:

- KwaZulu-Natal -   21.95%
- King Cetshwayo -   26.5%
- uMfolozi -   31.3%
- uMhlathuze -   24.6%

- uMlalazi -   26.7%
- Mthonjaneni -   28.0%
- Nkandla -   32%

(Stats SA, Labour Report, 2015)

5.2.1.6 Main Economic Sectors

In the King Cetshwayo District the main economic sectors include: Manufacturing (40.9%), Mining (15,2%), Community Service (11,9%), Finances (8,7%), Transport (8.5%) Trade (6,5%), Agriculture (5.3%), construction (2,1%). (IDP, 2017)

5.2.1.7 Migration and Urbanisation Trends

The King Cetshwayo District Municipality (KCDM), like all developing world cities, is subject to high rates of in-migration from rural areas and small towns in KZN, other parts of South Africa and parts of Southern Africa. This has resulted in a rate of urbanisation and population increase that is difficult to project, and a large number of new residents requiring housing and services.

African Cities are generally dynamic and have fast-growing populations, and the King Cetshwayo District is no exception with the majority of this growth happening on the urban periphery where it is easier to access land. The migration of people to King Cetshwayo District is an important contributing factor to population growth in the District.

5.2.1.8 Cities/Towns:

The main cities and towns include Melmoth, Eshowe, Richards Bay, Empangeni, KwaGingindlovu, Kwa Mbonambi and Nkandla.

5.3   LOCAL MUNICIPAL DISTRICT: MTHONJANENI

5.3.1   MELMOTH
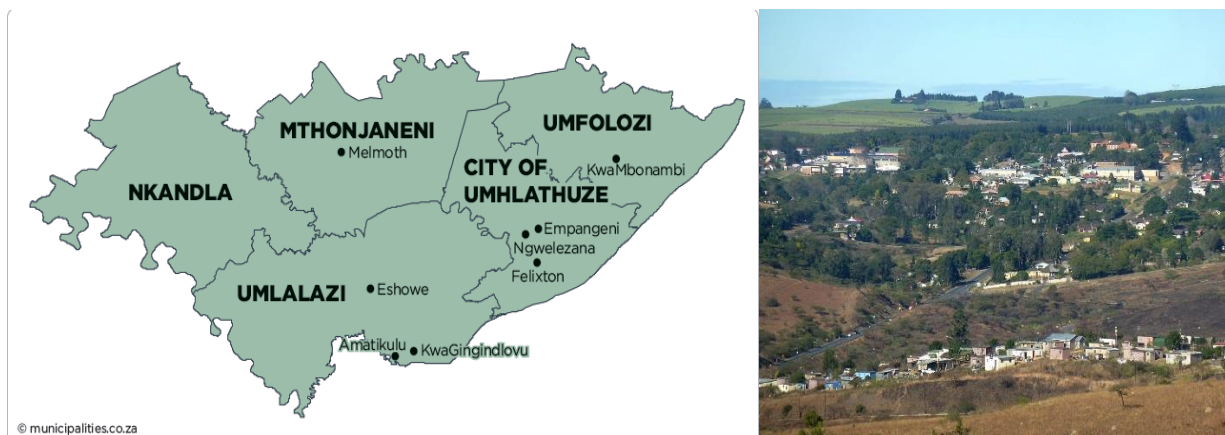
Melmoth is a small town situated 200 km north east of Durban and 90 Km from the coastal town of Mtunzini in KwaZulu-Natal, South Africa. The town was established in the Mthonjaneni District after the annexation of Zululand by the United Kingdom in 1887 and was named after Sir Melmoth Osborn. Large wattle plantations were set up and a wattle bark factory was established in 1926. The district is also planted with sugar cane from the outskirts of the town and into the surrounding villages. Melmoth is known as the gateway to the Zulu Highlands. The Matatane Crocodile Ranch, on the banks of the White Umfolozi River, is a popular place for hikers and those wanting to experience crocodiles first hand, particularly as lion cubs have recently been introduced.

The local tea plantations produce some of South Africa's finest teas, solely for export. They were established in 1987 and are one of the biggest employers in the region.

(*"Melmoth Information | Tourism Guide"*. www.wheretostay.co.za. Retrieved 2015-08-31).

5.3.1.1 Population

Table 1: Details of Melmoth		
Area	Population	Households
13.36 km	7,814 (584.88 per km2)	2683 (200.82 per km 2)

Population: 7,814

Table 2: Population by Age Demographic		
Age 0 – 14	Age 15 - 64	Age 65+
37%	58%	5%

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	95%
Coloured	1.43%
Indian/Asian	0.82%
White	2.64%
Other	0.12%

(IDP, 2011)

The people who reside within the municipality area consist of individuals from different ethnic backgrounds. The majority of the population come from the African community (95%) followed by the White community (2.64%), Indian community (0.82%), Coloured community (1.43%) and other nationals. (Stats SA, 2011)

5.3.1.2 Household Income:

The table below reflects that 17,4% of persons and households receive no income at all. It is expected that persons within these households require jobs and possible social support or are grant recipients. The analysis of the household income reflects that 67,4% of persons are in the category of *low to no income* (R0 to R38,200). 32.3% fall within the category of medium income (R38,29 to R1,228,800) and 0,3% fall into the category of household earning an upper income (1,228,801 +). Melmoth has the majority of its population earning household income in the lower income category.

Table 4: Average Household income		
Income	**Percentage**	**Category**
No income	17,4%	**Low Income**
R1 – R 4,800	4,2%	**(LSM 1- 4)**
R 4,801 – R 9,600	8,9%	
R 9,601 – R 19,601	17%	
R 19,601 – R 38,200	19,9%	
R 38,201 – R 76,400	11,5%	**Medium Income**
R 76,401 - R153, 800	9,3%	**(LSM 4 – 7)**
R 153,801 – R 307,600	7,5%	
R 307,601 – R 614,400	3%	
R 614,401 – R 1,228,800	1%	

| R 1,228,801 – R 2,457,600 | 0,1% | **Upper Income** |
| R 2,457,601 + | 0,2% | **(LSM 8+)** |

(Stats SA, 2011)

The above indicates that more than half the population falls within the low income categories and issues of affordability would need to be considered.

5.3.1.3 Number of Gambling Activities in the Area:

The total legalized gambling in the Melmoth area consists of 2 Type A LPM Sites. Gambling handle for the past year from these two sites is approximately R22,143,099.35. The gambling spend per person per annum is approximately R 10267 and the average gambling spend per month is R855.00 per person. This indicates that not many people are gambling and this could be attributable to the limited number of sites. The average distance between gambling sites is 1 site every 6,68kms. The type of gaming activities are not major and are supplementary to existing businesses which might often be a liquor outlet. The preferred gambling activity for the less affluent is often participation in the lottery. One illegal gambling site, an internet café has been detected which indicates demand for gambling exceeds that available from the licenced sites in the area.

5.3.1.4 Household Buying Power:

During the period 1996 to 1998, the Mthonjaneni economy grew at an average rate of 2.53% per annum which is below the uThungulu District Municipality (UDM) average for the same period of 3.2% and the provincial average of 3.28%. As with other municipalities, a large number of residents, almost 20%, are dependent on child support grants, followed by old age pensions. The majority of residents (approximately 69%), however, are not dependant on any form of grant. It is estimated that 6.7% of the Mthonjaneni population is unemployed which is below the 27.3% Uthungulu District Municipality average, and 26.3% provincial average. (IDP, 2012)

5.3.1.5 Employment:

The majority of respondents in the Community Survey (STATSSA, 2007) indicated that they participated in undetermined or unspecified categories of work. One can deduce that these people are largely involved in the informal sectors. As can be seen, approximately a quarter of the population is employed and sustaining the remainder of the population. (IDP, 2012)

5.3.1.6 Social Context:

Melmoth has 78 884 community members distributed in six wards. (WaziMaps 2019) The growth rate is -0.52% and the unemployment rate is 28.5% (Census, 2011). 9.6% of the municipality's population over the age of 20 have no formal education, 59.2% have completed Grade 9, 31.2% have a Grade 12 qualification and only 4,5% have a higher education. 42% of people live in informal dwellings. There is a high dependency rate in the Municipality (Stats SA, 2011)

5.3.1.7 Businesses:

The agricultural (33.5%) sector dominates the economy of the municipality, followed by the community services (20.9%), then manufacturing (14%), and the finance sectors (10.9%). Limited levels of manufacturing are practiced in the municipality and are largely focussed on agro-processing

The agricultural sector in the municipality has a dual nature with both commercial and traditional farmers contributing to this sector. Interest in northern KZN has been increasing particularly from overseas visitors. New identified markets include bird watching, cruise tourism, and educational tourism. It is noted that all these areas can increase tourism development in the region. As a whole Melmoth is an important emerging node within the District Municipality and offers retail and a limited mix of services.

5.3.1.7 Long Term Development Initiatives:

The following are designated as development initiatives for the Municipality: Agriculture and land reform, Eco tourism and cultural tourism, development on the service industry, a Multi-purpose Community Centre, Jewellery Project, Essential Oils Project, Melmoth Industrial Park, Pending Tourist Craft Centre, Hawkers Stalls and Simunye Lodge Municipal Library.

Growth in the north of the King Cetshwayo District reflects the trend of the physical divide between employment and population density: Most jobs in the manufacturing, warehousing and transport industry are located in the centre, south and west of the municipality but a large number of workers live in the north. Future economic and residential growth in the North of King Cetshwayo District has been planned for around the Richards Bay Trade Port, however it is also critical that growth anticipates and aligns with the needs of the city's immediate municipal neighbours. A significant component of the northern labour pool exists in the form of migrant labour from these municipalities. (IDP, 2012)

5.3.1.8 Surrounding Catchment Area:

– Richards Bay and Mandeni
– Eskhawini

5.3.1.9 Recommendations

Recommendations:

- The analysis confirms that very little opportunity exists for new gambling initiatives in Melmoth, it being a low income area with limited spending power.
  - **67,4%** of persons are in the category of *low to no income*
- Limited potential for Type A LPM Site gambling only to support pubs and taverns.
  - Though the area is not oversaturated, concerns exists due to lower income population of Melmoth.
  - The existence of illegal gambling machine sites indicate there is some demand but this should be limited to Type A LPM Sites .

5.4   LOCAL MUNICIPAL DISTRICT: UMLALAZI

Eshowe, Mtunzini and kwaGingindlovu form the three main towns of the uMlalazi Municipality. The Umlalazi Local Municipality covers one of the largest land areas in the Uthungulu district and is characterised by commercial farming areas from the west of Eshowe to Gingindlovu and to the north of Mtunzini, with the farming of sugar cane and timber dominating the economy within the municipality. The Umlalazi Local Municipality has a number of important transport routes, some of which are in need of maintenance given the large number of heavy duty vehicles using the roads on a regular basis. The Umlalazi agricultural sector has grown over the years, with a focus on traditional farming methods to enhance local economic development. The local municipality is reliant on the agricultural sector for its economic wellbeing with the sector employing the majority of the workforce in the area. A constraint to the expansion of these initiatives is the poor road conditions in the region, as well as accessibility.

5.4.1   ESHOWE

Background:

Eshowe is the oldest settlement town in Zululand. Eshowe's name is said to be inspired by the sound of wind blowing through the more than 4 km² of the indigenous Dlinza Forest, the most important and striking feature of the surrounds which is an ideal tourist destination. Eshowe is a market town, with a 100 km radius catchment area, two shopping centres, a main bus station serving the hinterland, a major hospital, and several schools.

Eshowe Town is also considered as the administrative and service centre of the uMlalazi Municipality.

5.4.1.1 Population

Table 1: Details of Eshowe		
Area	**Population**	**Households**
18.23 kms	14,744 (808.97 per km²)	4,986 (273.57 per km²)

Population

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
27.6%	67.7%	4.8%

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**

Black African	82.67%
Coloured	4.99%
Indian/Asian	4.56%
White	7.41%
Other	0.35%

The people who reside within the municipality area consist of individuals from different ethnic backgrounds. Majority of the population come from the African community (82.67%) followed by the White community (7.41%), Indian community (4.56%), Coloured community (4.99%) and other nationals. (Stats SA, 2011)

5.4.1.2 Household Income:

12.6% of households across the municipalities have no form of income. The majority (77%) of the uMlalazi towns population, comprising Eshowe, Mthunzini and Gingindlovu, are Lower Income earners. 22.7% of the population are Middle Income households, whilst only 0.3% earn above R1,1228,801 per annum.

Table 4: Average Annual Household Income		
Income	**Percentage**	**Category**
No income	12.6%	**Low Income**
R1 – R 4,800	5,1%	**(LSM 1- 3)**
R 4,801 – R 9,600	8,8%	
R 9,601 – R 19,601	26,7%	
R 19,601 – R 38,200	23,8%	
R 38,201 – R 76,400	10,5%	**Medium Income**
R 76,401 - R153, 800	5,6%	**(LSM 4 – 8)**
R 153,801 – R 307,600	3,7%	
R 307,601 – R 614,400	2,3%	
R 614,401 – R 1,228,800	0,6%	
R 1,228,801 – R 2,457,600	0,2%	**Upper Income**
R 2,457,601 +	0,1%	**(LSM 9+)**

5.4.1.3 Number of Gambling Activities in the Area:

The total legalized gambling in Eshowe consists of 3 Type A sites (as at December 2018). The gambling handle for the past year for these three sites is R 13,219,494. The gambling spend per person annum is R 3248 and approximately R 270 per month. (No disposable income figures available to determine propensity for this area)

The average distance between each site is 1 site for every 6.07 Km. The type of gambling activities are minor and supplement small businesses which are licenced pubs.

5.4.1.4 Employment:

The low levels of affordability and extensive occurrence of poverty is closely correlated with the economic status of the municipal population. Approximately 64.8% of the uMlalazi Local Municipality population is employed.

The proportion of the economically active population classified as unemployed various between 23.4% and 36% in the various local municipalities. A total of 35.42% of the unemployed population is between 15 and 24 years of age and a further 35.23% between 25 and 34 years. This implies that as much a 70.65% of the unemployed population in the municipality is younger than 35 years of age. Moreover, 67.70% of the discouraged work seekers falls within this young economically active age category. From the economically active population that are employed, 72.73% are in formal employment, 16.76% are active in the informal sector, and a further 10.51% are employed by private households. 59% of the total population is not economically active. 9% are discouraged work seekers and not economically active. 11% of the population are unemployed. Only 2% of the population is employed (Stats SA, 2011).

5.4.1.5 Social Context (entire uMlalazi Municipality):

Eshowe is a small town within uMlalazi Municipality with 26 wards. Approximately 55.29% of houses within the uMlalazi Local Municipality are headed by females and 44.71% by males. One of the potential explanations for this pattern of female headed households may be the high levels of unemployment resulting in significant numbers of the male population seeking employment in other areas of real or perceived economic activity and providing remittances to the rest of the remaining households. (Stats SA, 2011, Umlalazi Housing Sector Plan Review, 2017/2018)

5.4.1.6 Businesses:

The distribution of economic output and activities in the municipality is highly concentrated within the Eshowe and Mtunzini area. Manufacturing (Industrial), Business Services and Mining form the basis of the economic activity in the district. The manufacturing sector in uMlalazi is largely influenced by the agricultural sector. This is because of the

sugar mill located at Amatikulu. The manufacturing sector is currently the second biggest contributor to Gross Value Add (GVA) in the uMlalazi Municipality with a contribution of 18.5%, while the sector is the biggest contributor at a district level with a contribution of 26.8% to the King Cetshwayo District Municipality.

The business services sector is a big contributor to the total Gross Value Add in the uMlalazi Municipality with a contribution of 16.7%.

Mining currently makes large business investments in the King Cetshwayo District Municipality with mining of the mineralized sand dunes in an area just north of Mtunzini, KwaZulu Natal.

5.4.1.7 Long Term Development Initiatives:

The uMlalazi Local Municipality experienced a negative net migration, resulting in more people leaving the Municipality than moving into the municipality. However, recent developments within the municipality specifically in terms of new mining operations might change this pattern over the next couple of years.

- Pristine coastline of approximately 19 kms
- Excellent biodiversity, natural rain forest (fewest in the country)
- Goedertrouw/Phobane Dam offering adventure tourism/water sports
- Potential for Mining in identified specific areas
- uMlalazi Coastal Reserve (the uMlalazi Reserve and the Amatikulu Reserve) – potential blue flag status
- Four Conservation Areas (Ntumeni Nature Reserve, Mbongolwane Wetland, Ongoye and Dhlinza Forests)
- N2 National Road traverses through the Municipal Area along its south-eastern boundary connecting two of KZN biggest commercial hubs/ports.
- The R66 Main Road traverses through the center of the municipal area from south to north, providing a road link between Durban, Ulundi and Vryheid.
- The municipality is located adjacent and to the south of one of the fastest growing urban centers in South Africa, namely Richards Bay – Empangeni.
- The municipal area is rich in historical and cultural assets.
- Abundant development space in strategic areas within the municipality
- PGDS and the DGDP have identified uMlalazi as a high agriculture potential area.

5.4.1.8 Surrounding Catchment Area:

Mtunzini, Gingindlovu

5.4.1.9 Recommendations

> **Recommendations:**
>
> - There are no new opportunities for larger gambling in this area as the existing approved ISO Site is still to be rolled out.
>   - Concern about new gambling initiatives as it is a lower income area so demographic study of area to determine actual potential and impact would be required before granting new licences
>   - Currently there is 1 Independent Site Operator (ISO) that has not yet rolled out its LPM Site.

5.4.2 KWA-GINGINDLOVU

kwaGingindlovu is a village 21 km south-east of Eshowe. The name was first applied to one of Cetshwayo's military kraals nearby. Of Zulu origin, it is said to mean 'place of the big elephant' or, more possibly, 'swallower of the elephant', referring to Cetshwayo's victory over his brother Mbulazi in 1856.

Just 15 minutes' drive from Eshowe, kwaGingindlovu is the site of the 1879 battle between the British forces and Cetshwayo's army. These battle sites are popular tourist destinations. kwaGingindlovu is close to the Amatikulu Game Reserve, one of the few places in South Africa where one can view wildlife feeding on forested dunes overlooking the sea. Stretching between the Tugela and the Amatikulu River mouths and only 10 minutes' drive from kwaGingindlovu, this reserve's coastal forest grasslands and rivers attract an array of birdlife and animals. The reserve is a popular fishing destination and canoeing on the Amatikulu Estuary is a wonderful escape. The two beautiful, indigenous forests of Dlinza and Entumeni are within easy reach of kwaGingindlovu and both are renowned for their bird and plant life. Bird watchers from all over the world come to catch glimpses of the rarer species that occur in the forests and both have hiking trails, which during the heat of summer offer cool respite. The Entumeni forest's trails are set on steep terrain. However, the waterfalls and sightings of blue duiker and bushbuck make it worthwhile. The Miller's Tiger, a rare moth thought to have been extinct, has been re-discovered in the grasslands of the Entumeni Forest.
(Retrieved from Wikipedia: May 2019)

5.4.2.1 Population

Table 1: Details of kwaGingindlovu

Area	Population	Households
2.39 km²	1,109(464.35 per km²)	293 (122.68 per km²)

5.4.2.2   Number of Gambling Activities in the Area:

The total legalized gambling in kwaGingindlovu consists of 3 Sites: 2 Type A site and 1 Tote outlet. The average distance between each site is I site for every 1.15 kms. The type of gambling activities are minor and supplement small businesses which are licenced pubs.

Gambling handle for the two sites for the past year is R 487,919,367. The amount spent on gambling is R 1,594,070 per person per annum and R 132,839 per person per month.

5.4.2.3   Employment:

Tourism, farming and forestry are the main sources of employment in kwaGingindlovu. The municipal area consists of commercial farming areas in a broad, continuous band from the west of Eshowe to KwaGingindlovu (previously Gingindlovu) and to the north of Mtunzini. The rest of the area consists of tribal authority land, where land management has been poor.

Main Economic Sectors: Agriculture (33%), tourism (10.1%), manufacturing (5%).

5.5   LOCAL MUNICIPAL DISTRICT: UMHLATUZE

Towns in Umhlatuze include Richards Bay, Empangeni, Esikhaweni, Dlangezwa. uMhlathuze is situated on the north-east coast of the province of KwaZulu-Natal, about 180 kilometers north-east of Durban. The uMhlathuze land area covers 123 359 ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton, Vulindlela, Bhucanana and Heatonville as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza (Bhejane), Zungu (Madlebe), Somopho (Mthembu), Obuka (Biyela) and Obizo (Cebekhulu). The population is estimated at 410 456 as per the Community Survey 2016, although in terms of Census 2011 the total population was estimated at 334 459. The number of households also increased from 86 609 in 2011 to 110503 in 2016. The municipality borders a coastline that spans approximately 45 kilometres. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. It effectively forms a division between Empangeni and Richards Bay. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze, Nsezi and Ntambanana.

The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddle the N2. Railway lines are prevalent in the municipal area but do not provide a passenger service. Only a commercial/industrial service is provided. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area. In 2016 uMhlathuze was contributing 48% towards GDP within the King Cetshwayo District. (IDP, 2018)

5.5.1   RICHARDS BAY (or UTHUNGULU DISTRICT MUNICIPALITY)

Background:

Richards Bay is a town in KwaZulu-Natal, South Africa. It is situated on a 30 square kilometre lagoon of the Mhlatuze River, which gives it one of the country's largest harbours. Richards Bay also has the deepest natural harbour in the continent. Richards Bay is the second largest city in KwaZulu-Natal and the seventh largest city in South Africa and forms part of the spatial economic development zone for the Province. It has an access road which links the harbour with the N2 toward Mpumalanga Province, Swaziland and Mozambique to the North and Durban to the South. It has a water port, the Richards Bay Industrial Development Zone (which attracts local and foreign direct investment).

It is a growing economic hub and economic sectors include manufacturing, mining and quarrying, financial services and real estate, trade, forestry and fisheries.

5.5.1.1 Population

Table 1: Details of Richards Bay		
Area	**Population**	**Households**
142.78 kms	57,387 (401,91 per km²)	15,758 (110,36 per km²)

Population:

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
0 – 34	74,19%	2.73

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	48,01%
Coloured	3.25%
Indian/Asian	18.22%
White	30.10%
Other	0.42%

Table 3 above reflects a mixed community comprising of black and white population and also a relatively substantive Indian ethnic group. The majority of the population come from the African community (48.01%) followed by the White community (30.10%), Indian community (18.22%), Coloured community (3.25%) and other nationals

5.5.1.2 Household Income:

The table below reflects the household income for Richards Bay. According to the table 11,6% of households receive no income at all (discouraged work seekers and persons not economically active). The households that were classified as low income were 27.6%, Medium income was 70.2% and Upper income 2.1%.

Table 4: Average Household income		
Income	**Percentage**	**Category**
No income	11,6%	**Low Income**
R1 – R 4,800	1,3%	**(LSM 1- 4)**
R 4,801 – R 9,600	2,4%	
R 9,601 – R 19,601	5,6%	
R 19,601 – R 38,200	6,7%	
R 38,201 – R 76,400	8,7%	**Medium Income**
R 76,401 - R153, 800	14,4%	**(LSM 4 – 8)**
R 153,801 – R 307,600	21,1%	
R 307,601 – R 614,400	19,1%	
R 614,401 – R 1,228,800	6,9%	
R 1,228,801 – R 2,457,600	1,3%	**Upper Income**
R 2,457,601 +	0,8%	**(LSM 9+)**

(Stats SA, 2011)

The above indicates that more than half of the population fall within the medium income to upper income categories, indicating a higher level of income and affordability per household.

Living Standards Measure:
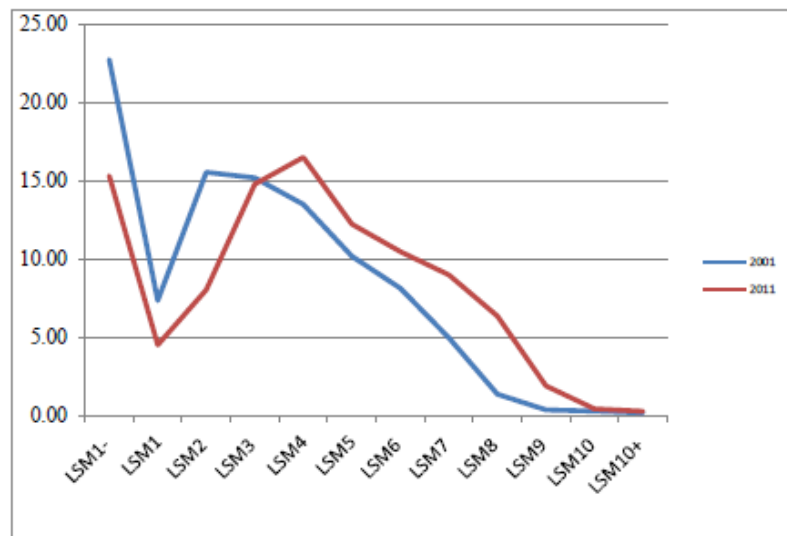
Figure 3: Household Income Profiles

Table from Richardsbay Demographic Report

5.5.1.3 Number of gambling Activities in the Area:

Licensing gambling activities include 10 Sites: 4 Type A LPM sites, 1 Bingo hall (not yet operational), 2 Bookmaker sites and 3 Tote Agencies. The average distance between the gaming venues is approximately 1 site for approximately every 14.2kms. Gambling handle for the past year including casino handle is R 3,246,257,258. Gambling spend per person per annum is R 204,955 and R 17079 per person per month.

5.5.1.4 Gambling Propensity:

The gambling propensity with a total population of 57,387 including casino GGR is 1.17% (below the National Maximum threshold of 1.27% and excluding casino is 0.19% (below the National minimum threshold of 1.12% but). The average disposable income per person is R 21.577 billion per annum.

5.5.1.5 Household Buying Power

Income/Expenditure Category	Total
Total Income	R 21.577 billion
Disposable Income	R 18.723 billion
Recreation, Entertainment, Miscellaneous (local market)	R 1.371 billion

5.5.1.6 Employment:

Notwithstanding the above, the Richards Bay area has high levels of unemployment and poverty. Unemployment has been estimated at forty percent and an undefined number of people live below the poverty line. The local government have made efforts to implement projects aimed at poverty reduction and unemployment rate.

5.5.1.7 Social Context:

Richards Bay is a city in the uMhlatuze, a district with 30 wards. The current high levels of poverty in the municipality reflect the national status quo. This is exacerbated by lack of skills, unemployment and sluggish economic growth. Aging municipal infrastructure results in continuous service failures and breakdowns thus affecting effective and efficient delivery of services to communities. The growing demand for water by industries and residents coupled with limited water sources is a major challenge for the municipality. The Municipality faces a challenge of reacting to urban sprawl, which, in turn, results in increased informal settlement, overcrowded schools, ill health, marked spatial disparities, higher cost of providing infrastructure and services. High levels of crime have a negative impact on the municipality's quest to become an investment destination of choice. There is also there is no clear system of financial

support by government for municipalities whose boundaries have been re-demarcated to incorporate additional wards. (IDP, 2018)

Growth in number of households, 2001 to 2011

Households	2001	2011	Annual Rate	2018	2020	2025
Total	77 794	102 819	+2.83%	125 021	132 197	151 992
Avg household size	4.39	3.99		3.74	3.67	3.5

5.5.1.8 Businesses:

The Port of Richards Bay contains what was once the largest coal export facility in the world. It has a catchment population of the dominant trade area (between 18km) of 467 223 (Stats SA, 2011.)

Two aluminium smelters, Hillside Aluminium and Bayside Aluminium operating in Richards Bay employ a significanyt number of people in the area. Local exports include coal, aluminium, titanium and other heavy minerals, granite, ferrochrome, paper pulp, woodchips and phosphoric acid. Richards Bay is, alongside Rustenburg, South Africa's fastest-developing city. It is a fast-growing industrial centre that has been able to maintain its ecological diversity.

The John Ross Parkway links Richards Bay to Empangeni and the N2 highway. This is a busy route and supports the local industry and tourism. Apart from the mining industry, tourism is a major part of the economy, with Richards Bay seen as a gateway to Zululand, and area popular with foreign tourists because of its large game parks and the diverse wildlife on offer.

The Richards Bay Industrial Development Zone is one of two Industrial Development Zones within the province of KwaZulu-Natal. It is a fully serviced industrial land comprising heavy, medium and light industries linked to the adjacent Port of Richards Bay

5.5.1.9 Long Term Development Initiatives:

The Municipality has identified key development interventions within its nodes. The main objective of these current and planned interventions is to address social, economic and infrastructure challenges. In the primary nodes, the main objectives to the revitalize the urban centres in order to attract investment.

- Agro-processing (pulp, horticulture and meat production)
- Port Optimization (containerization, ship and Rig building and repairs)
- Roll out of the Agricultural Development Plan
- King Cetshwayo District Fresh Produce Market

- Strategic Support to small scale farmers - investment in strategic economic infrastructure

- Implementation of catalytic projects "game changers"

- One stop shop for youth development

- Richards Bay Industrial Zone

- Investment in SMME Business support centers and incubation

- Roll out support infrastructure for SMME (Market Stalls, Trading facilities)

- Implementation of Integrated Urban Development Framework (CoU as Secondary Cities pilot project)

- Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards Bay Techno hub)

- Industrialisation through special economic zones (RIBDZ) and Port Expansion

- ICT Techno and innovation hub

5.5.1.10 Surrounding Catchment Area:

Empangeni, Mandeni

5.5.1.11 Recommendations

Recommendations:

- Opportunity exists for new gambling types in Richards Bay. (Type A and B Sites to support pubs, taverns and restaurants, Tote Outlets)
    - The Bingo hall is not yet operational.
- Gaming positions to be monitored in respect of non-operational sites. (limit EBT, ISO and LPM positions)
    - Affordability in the population - area not yet saturated
    - Mushrooming illegal gambling - 3 illegal gambling operations and internet café indicated a demand for gambling in the area.
    - Richards Bay services the Northern KZN region and is the gateway to Mozambique [New Highway opened – Tourism potential]

5.5.2 EMPANGENI

Background of Empangeni:

Empangeni is a medium size town in KwaZulu-Natal, South Africa. It is approximately 157 kilometres north of Durban, in hilly countryside, overlooking a flat coastal plain and the major harbour town of Richards Bay, 16 kilometres away. The N2 freeway runs east from Empangeni intersecting John Ross Highway (R34) which connects Empangeni and Richards Bay. Empangeni is a commercial hub, with Nseleni being its largest suburb.

5.5.2.1 Population

Table 1: Details of Empangeni		
Area	**Population**	**Households**
154.47 per km²	110,340 (714,30 per km²)	29,292 (189,62 per km²)

Population:

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
28,2%	68,2%	3,6%

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	91.32%
Coloured	0.81%
Indian/Asian	1.73%
White	5.91%

Other	0.24%

Table 3 above reflects a mixed community comprising of black and white population and also a relatively substantive Indian ethnic group. Majority of the population come from the African community (91,32%) followed by the White community (5.91%), Indian community (1.73%), Coloured community (0.81%) and other nationals.

5.5.2.2   Household Income:

The table below reflects the average income of Empangeni. 6% of persons and households receive no income at all. (including the discouraged work seekers and persons who are not economically active) and 21% are persons in the category of Low Income households. It is expected that persons within these households need jobs and possible social support services. Medium income households account for approximately 74% (R38.201 to R1, 228,801) of households residing in Empangeni, the remaining 2% earn between (R 1,228,801 +) which is upper income. Empangeni can therefore be classified as lower to middle income area.

Table 4: Average Household income		
Income	**Percentage**	**Category**
No income	6%	**Low Income**
R1 – R 4,800	1%	**(LSM 1- 4)**
R 4,801 – R 9,600	2%	
R 9,601 – R 19,60	5%	
R 19601 – R 38,200	7%	
R 38,201 – R 76,400	10%	**Medium Income**
R 76,401 - R153, 800	17%	**(LSM 4 – 8)**
R 153,801 – R 307,600	23%	
R 307,601 – R 614,400	19%	
R 614,401 – R 1,228,800	7%	
R 1,228,801 – R 2,457,600	1%	**Upper Income**
R 2,457,601 +	1%	**(LSM 8+)**

(Stats SA, 2011)

The above indicates that more than half the population fall within the medium income category.

 Living Standards Measure
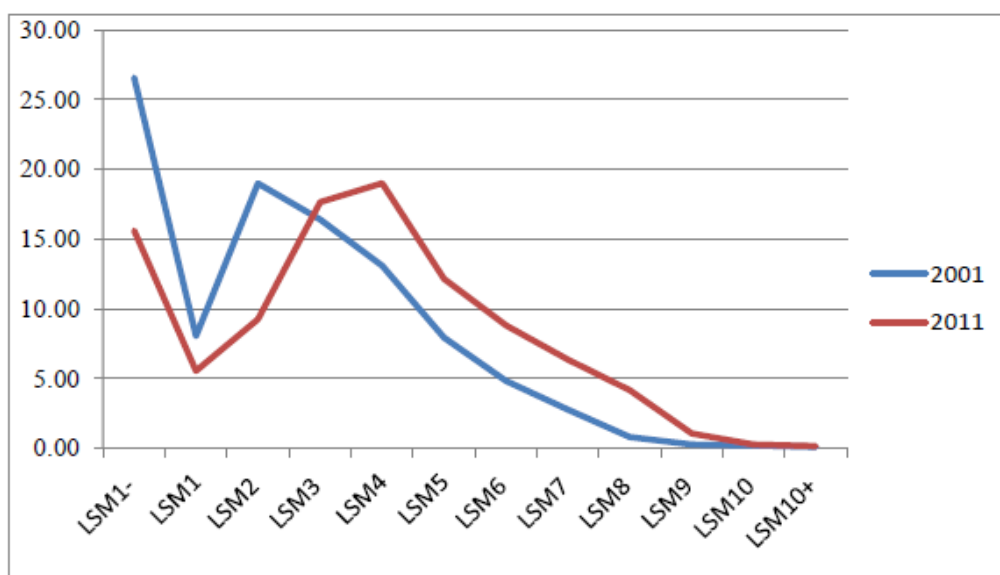
Figure 3: Household Income Profiles

5.5.2.3 Number of gambling Activities in the Area:

Total legalized gambling in Empangeni area consists 10 Sites: 1 Casino, 4 Type A LPM sites, 1 Bingo site, 2 Bookmakers, 2 Tote Agencies. There is on average approximately 1 site every 15.4 km². The gambling handle for the past year is R 2,917,906,306. The approximate gambling spend per person per annum is R 95814 and R 7984 per person, per month. There was 1 Illegal Gambling Site – internet café found in the area.

5.5.2.4 Household Buying and Spending Power:

With a total population of 110,340 the average disposable income is R 10.060 billion per annum. The propensity to gamble is 1.9% including casino GGR. Excluding casino GGR it is 0.08% which is below the national gambling propensity of 1.25% (min threshold) as well as 1.25% (max threshold)

Income/Expenditure Category	Total
Total Income	R 11.338 billion
Disposable Income	R 10.060 billion
Recreation, Entertainment, Miscellaneous (local market)	R 706 million

5.5.2.5 Businesses:

The area around Empangeni has sugarcane plantations. It is only 15 km away from Richards Bay on the coast and these two towns, together with Esikhawini, Vulindlela, Felixton, Nseleni and Ngwelezane make up the City of uMhlathuze. The town is a centre for sugar, cotton, cattle and timber and despite its development into a modern town, it has retained its small town charm and locals are hospitable in true Zululand style.

5.5.2.6 Long Term Development Initiatives:

Tourism is a developmental area with the Enseleni Nature Reserve is about 13 km north of Empangeni. There is also an18-hole golf course for golf enthusiasts. Empangeni forms the gateway to the reserves of Hluhluwe and Umfolozi and is a good stopover before venturing further a field.

5.5.2.7 Surrounding Catchment Area:

Ngwelezane is a township on the outskirts of Empangeni. The township is home to the Ngwelezane Hospital, which services the area with 554 beds. Richards Bay is situated 15 kms away.

5.5.2.8 Recommendations

Recommendations:

- There is limited opportunity for new gambling sites.
- A limited increase in the number of gaming positions for major gaming not yet rolled out may be feasible. [ISO, Type B and EBT's]
    - o The Bingo hall is not yet operational.
    - o Affordability in the population of the area is not problematic as it is a middle income area

5.5.3 ESIKHAWINI

Background of Esikhawini:

Esikhawini is a town in the King Cetshwayo District Municipality in the KwaZulu-Natal Province of South Africa. Esikhawini is located 2km off the N2 route. Richards Bay and Empangeni are the closest towns, being both located 15-20 km away. It was established in 1976 as a black township consisting of middle income residents.

5.5.3.1 Population

Table 1: Details of Esikhawini		
Area	**Population**	**Households**
5.9 kms^2	30 922 (5241.01 per km^2)	8466 (1 434.74 per km^2)

Population:

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
34.7%	62.0%	3.3%

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	99.8%
Coloured	0.15%
Indian/Asian	0.01%
White	0.02%
Other	0

5.5.3.2 Household Income

Included in Richards Bay Stats

5.5.3.3 Number of gambling Activities in the Area:

Total legalized gambling in Esikawini area consists 2 Sites: 1 Independent Type B Site, not yet rolled out due to litigation and 1 Type A LPM Sites. The Gambling handle is R2,885,010,653 and the approximate gambling spend is R338042 per person, per annum and R28170 per person per month. There was 1 Illegal Gambling Site – an internet cafe

5.5.3.4 Household Buying and Spending Power:

With a total population of 30 922 the average disposable income is R 10.060 billion per annum. Propensity to gamble is 1.87% (incl Casino GGR) is above the maximum threshold and 0.04% (excl casino) is below the minimum threshold. The incl the national gambling propensity of 1.25% (min threshold) as well as 1.25% (max threshold).

This means that Esikhawini is potentially oversaturated and there are limited prospects for new major gaming initiatives.

5.5.3.5 Recommendations

> **Comments:**
>
> - There is limited opportunity for new major gaming types.
> - Opportunities for a Bookmaker, Tote and Type A sites still exist
> - A limited increase in the number of gaming positions for major gaming not yet rolled out is feasible. [ISO, Type B and EBT's]
>   - The Bingo hall is not yet operational.
>   - Area not yet over saturated but this may change with roll out of approved sites

5.6   SUMMARY FOR KING CETSHWAYO

Management is of the view that there is opportunity for new gaming in all gambling types in some of the rural towns in the King Cetshwayo District with the exception of casinos. This District has been marred with concerns about ebt roll out and limited market share. Our analysis, however, indicated that there is still potential for more gambling evidenced by the high number of illegal gambling sites/internet cafes in the area as well as the low propensity figures notices in some of the towns which would indicate room for expansion of the market.

King Cetshwayo is a tourist destination as well as an industrial hub, agricultural/farming area and there is ample opportunity and population to support additional and existing gambling demands. The Gross Domestic Product for King Cetshwayo is approximately R7.7 Billion (Stats SA, 2015). King Cetshwayo forms part of Zone 2 in the Exclusivity publication that was issued by the Minister to determine where Casino's were to be located in an effort to service the Province. This area includes lower Umfolozi, Mthunzini, Eshowe, Hlabisa, Mahlabathini, Nkandla, Babanango, Ingwavuma, Mthonjeneni.

5.6.1   Gambling overview:
Currently the towns with existing gambling include:

- Melmoth, Eshowe, Richards Bay, Esikhaweni and Empangeni.

Currently the towns with no or limited gaming include:

- KwaGingindlovu, Mthunzini, Nkandla.

Towns where concerns around levels of saturation in the King Cetshwayo District exist:

- Empangeni

Towns where concerns regarding affordability by residents or business viability and little or no gaming is recommended: (These areas are supported by Operation Sukuma Sakhe and participate in integrated service delivery initaitives and 'Back to Basics")

- Umfolozi, kwaMbonambi.

Towns where concerns regarding affordability by residents or business viability and no gaming is recommended: (Access to services like electricity is limited (45.9%), largely rural and tribal areas- an area where we would not encourage gambling within the district)

- Nkandla,

Cities or towns where potential opportunities still exist for Type A and Type B LPM Sites as well as Independent LPM Site Operators:

- Melmoth, Eshowe, Richards Bay, Esikhawini, KwaGingindlovu.

5.6.2   Recommendation:

It should be noted that the rolling out of further legalized gambling in King Cetshwayo District should align to the following objectives:

- Creation of employment opportunities, with care being taken not to divert consumer spending to the extent that the new initiatives will result in decline in jobs
- Creation of SMME Development and new jobs for persons in the King Cetshwayo District to create new opportunities within the sector;
- Uplift, advance and economically empower Black Persons previously excluded from participation in the industry. Economic empowerment;
- Grow tourism and investment in the King Cetshwayo District;
- Rural community development
- Grow Provincial fiscus.

6.1   INTRODUCTION

This chapter analyses the data and sets out research outcomes for the uMgungundlovu Region.

6.2   UMGUNGUNDLOVU DISTRICT AREA

The uMgungundlovu District Municipality is a Category C municipality located in the KwaZulu-Natal Midlands. The district is comprised of the following seven local municipalities, which are based in the accompanying towns: Impendle, Mkhambathini (Camperdown), Mpofana (Mooi River), Msunduzi (Pietermaritzburg), Richmond (Richmond), uMngeni (Howick), and uMshwathi (New Hanover/Wartburg).

The uMgungundlovu District Municipality area of jurisdiction covers seven local municipalities. The District covers about 9513 square kilometres and it has a population of 1,017,763 (one million, 17 thousand, seven hundred and sixty three) according to Census 2011. The District constitutes about 10% of the Province of KwaZulu-Natal and it is number two in size after Ethekwini Metro. uMgungundlovu is surrounded by these municipalities: eThekwini to the southeast (Durban), iLembe to the east, Sisonke to the southwest, Ugu to the south, Umzinyathi to the north and Uthukela to the northwest.

The main city of the area is Pietermaritzburg, which is both the capital city and the legislative capital of KwaZulu-Natal.

The district offers respected education facilities and is a significant retirement destination for senior citizens. It also offers excellent sporting, commercial and health facilities. It is an important industrial, timber, dairy and agricultural hub

that has a modern, sophisticated infrastructure with easy access to airports, the N3 arterial, and railway stations. (IDP, 2017)

6.2.1   Demographic Profile

6.2.1.1 Population

Table 1: Details of uMgungundlovu		
Area	**Population**	**Households**
9,512.92 km²	1,017,763 (106.99 per km²)	272,666 (28.66 per km²)

Population:

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
31.4%	63.84%	5.02%

(Stats SA, 2011)

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	84.75%
Coloured	2.02%
Indian/Asian	6.68%
White	6.28%
Other	0.27%

(Stats SA, 2011)

6.2.1.2 Household Income:

Table 4: Average Household income		
Income	**Percentage**	**Category**
No income	15%	**Low Income**
R1 – R 4,800	4%	**(LSM 1- 3)**
R 4,801 – R 9,600	7%	
R 9,601 – R 19,601	20%	

R 19,601 – R 38,200	19%	
R 38,201 – R 76,400	12%	**Medium Income**
R 76,401 - R153, 800	9%	**(LSM 4 – 8)**
R 153,801 – R 307,600	7%	
R 307,601 – R 614,400	5%	
R 614,401 – R 1,228,800	1%	
R 1,228,801 – R 2,457,600	0%	**Upper Income**
R 2,457,601 +	0%	**(LSM 9+)**

(Stats SA, 2011)

6.2.1.3   Employment Profile

A total of 36.5% of the district population is employed. This figure is slightly higher than the average rate in KwaZulu-Natal: 31.51% and a little less than the average employment rate in South Africa: 38.87%. The average annual income per individual is R30 000, which is about the same as the rest of KwaZulu-Natal.

6.2.1.4   Main Economic Sectors in UMgungundlovu

The main economic sectors in the District include agriculture, mining, manufacturing, provision of utilities, construction, trade, transport, storage, communication, financial and business services, social and community services as well as tourism.

6.2.1.5   Cities/Towns

Umgungundlovu has the following cities, towns and villages located within the district:

- Balgowan
- Boston
- Byrne
- Hilton
- Howick
- Merrivale
- Mooi River
- New Hanover
- Pietermaritzburg - Capital

- Richmond

- Wartburg

- Dalton

6.3 LOCAL MUNICIPAL DISTRICT: MSUNDUZI

The Msunduzi Local Municipality is a Category B municipality situated within the uMgungundlovu District in KwaZulu-Natal. It is the smallest of the seven municipalities in the district. Category B local municipalities, have shared municipal executive and legislative authority between the district municipality and the district family of local municipalities and are sub-categorised into four categories as follows: B1 – secondary cities and local municipalities with larger budgets; B2 – having a large town as the core of the municipality; B3 – small populations residing in small urban towns but no large town as the core; B4 – mainly rural with small towns in the area.

Msunduzi encompasses the city of Pietermaritzburg, which is the capital of the province and the main economic hub of the district.

Msunduzi Municipality is situated on the N3 highway at the junction of an industrial corridor (from Durban to Pietermaritzburg) and an agro-industrial corridor (stretching from Pietermaritzburg to Estcourt). On a regional scale, it is located at the cross-section of the N3 Corridor and the Greytown Road Corridor to the east, a tourist route to the Drakensberg, and Kokstad Road to the south.

Pietermaritzburg is the 'City of Choice' because it is only 45 minutes by road from Durban (Africa's busiest port), one hour away by road to King Shaka Airport, one hour by air from Pietermaritzburg Airport to OR Tambo International Airport (Johannesburg), and 90 minutes from the central Drakensberg resorts. It is also hosts some great international events such as the Comrades Marathon, the Duzi Canoe Marathon, the Midmar Mile and more recently, Mountain Bike events.

Main Economic Sectors: Community services (29%), finance (24%), transport (13%), trade (12%), manufacturing (12%)

6.3.1 Population

Table 1: Details of Msunduzi		
Area	**Population**	**Households**
634.01 km²	618 536 (975.59 per km²)	164 772 (259.88 per km²)

(Stats SA, 2011)

Population:

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
31.5 %	64.7 %	3.9 %

(Stats SA, 2016)

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	81.08 %
Coloured	2.87 %
Indian/Asian	9.80 %
White	5.96 %
Other	0.29 %

(Stats SA, 2011)

The recent Census (2011) indicates that the population for the uMsunduzi municipality has risen from a total of 552 837 people in 2001, to 618 536 people in 2011, which represents an average annual growth rate of 1.12% per annum. The 2016 census information also indicated that the population has continued to rise and is currently 682 000. Census also indicates that the number of households has risen from 130 292 in 2001, to 163 993 in 2011, to 182 000 in 2016 although the average household size has decreased from 4.0 people per household in 2001 to 3.6 in 2011. Wards with the highest populations include wards 13, 16, 17, 18, 28, 30, and 34, each with more than 20,000 people per ward.

(Msunduzi IDP, 2017)

Key issues in relation to population:

- A growing population with a growing number of households, but with a decreasing average household size.
- A population that is predominantly within the economically active age groups, and one where people within the working age groups are less dependent on those who are employed.

- A population that is improving in levels of skills development and literacy shown by the improving levels of schooling and post schooling qualifications.
- A population with the highest level of HIV/Aids infection in the province.
- A population with a relatively high level of child headed households.

6.3.2   Household Income

Table 4: Average Household income		
Income	**Percentage**	**Category**
No income	9 %	**Low Income**
R1 – R 4,800	3 %	**(LSM 1- 3)**
R 4,801 – R 9,600	6 %	
R 9,601 – R 19,601	15 %	
R 19,601 – R 38,200	17 %	
R 38,201 – R 76,400	15 %	**Medium Income**
R 76,401 - R153, 800	15 %	**(LSM 4 – 8)**
R 153,801 – R 307,600	10 %	
R 307,601 – R 614,400	3 %	
R 614,401 – R 1,228,800	3 %	
R 1,228,801 – R 2,457,600	2%	**Upper Income**
R 2,457,601 +	2%	**(LSM 9+)**

Table 4 indicates that 50**%** of the households were classified as low-income groups (up to LSM 4) in 2011. Such markets are price sensitive and spending will focus more on basic commodities. 46% of the households are classified as medium-income (LSM 4 to 8) and 4% are classified as upper income (LSM 9 upwards).

6.3.3   Household Income and Spending Power

Table 5: Household Income and Spending Power	
Total income	R 33.1 billion
Disposable income	R 31.0 billion
Recreation, Entertainment, Miscellaneous (Local Market)	R 2.2 billion

6.3.4   Employment

The census 2011 figures showed that the Majority (68,4%) of the Population fall within the economically active age charts (15 to 64 years). This was also the case in 2016 Msunduzi Municipality's actual Economically Active Population was approximately 273 000 which is 40,02% of its total population and roughly 65,48% of the total Economic Active Population of the uMgungundlovu District Municipality. (Msunduzi IDP, 2017))

In 2016, the unemployment rate in Msunduzi Local Municipality (based on the official definition of unemployment) was 22.27%, which is a decrease of -8.43 percentage points. The unemployment rate in Msunduzi Local Municipality is higher than that of uMgungundlovu. Comparing to the KwaZulu-Natal Province the unemployment rate for Msunduzi Local Municipality was lower than that of KwaZulu-Natal which was 22.61%. The unemployment rate for South Africa was 26.15% in 2016, which is a increase of -0.381 percentage points from 25.77% in 2006.

6.3.5   Economy

The Msunduzi municipality continues to be the main driving force behind the economy of the uMgungundlovu District, contributing GDP-R of R39.7 billion to the district economy, which represents 69.5% of the district's economy, during 2015. Whilst the city's economic growth has been sluggish, the growth rate marginally exceeded that of the KZN Province for 2015 – 1.03% compared to 0,98%. The national growth rate for the period was 1.28%.

The economic outlook from 2016, however, remains bleak as the economy tries to withstand the effects of increasing prices, including electricity tariffs which have the potential to impact on business investment within the municipality, rising interest rates, a stagnating housing market and the eroding of disposable incomes levels. There has been a modest increase in per capita income, with GDP-R per capita in 2015 reaching R53 500 compared to R39 000 in 1996.

Key issues relating to the economy:

•   A positive GDP and GVA for the municipal economy with an upward trend curve.

•   Unemployment figures, although relatively high, are improving and showing a downward trend.

•   The Municipality has a number of sectors that have a competitive and comparative advantage and require further support and assistance from the Municipality and other government sectors.

•   LED Studies for the Municipality show that there are opportunities in agriculture, agri-process, wood and wood products, tourism, logistics, ICT, and manufacturing to varying degrees. This is summarized as follows:

o   **Agriculture-** adding value to local produce taken from the surrounding rural areas and municipalities.

o   **Tourism-** Increasing events and improving business tourism numbers.

- o **Logistics-** growing Msunduzi as a logistics centre for breaking bulk between inland and the coast as well as supply chain management services, especially the cold chain with links to Dube Trade Port.

- o **Manufacturing-** linked to agriculture and tourism, for example agricultural chemicals, and to automotive components, as well as wood and wood products

6.3.6   Social Context

The people who work in uMsunduzi don't necessarily live there. It is considered a transit area. PMB has government's central offices and is the seat of the Parliament. Only 54% of the population have obtained a matric. 657 households are headed by a person under the age of 18 and 6.9% of these reside in informal dwellings (shacks). Census (2011) indicates that the number of households with landline telephones has dropped from 45 471 in 2001 to 35 779 in 2011. Households with cell phones, on the other hand, have almost trebled from 43 593 in 2001 to 146 407 in 2011. 62 701 households also indicated that they now have access to the internet (Census, 2011).

History has significantly shaped the city, evidenced by the apartheid city model which is still manifest even 23 years after achieving democracy. Linked to this is the clear disparity of wealth, employment opportunities, plot sizes, levels of neighbourhood planning and access to basic services (especially sanitation) which needs to be corrected in the West, East, South-West of the CBD main (Edendale, Vulindlela, Imbali, Northdale, Shenstone and Ambleton etc).

These areas reflect both a high concentration of informal settlements and traditional settlements. While there are some areas in the municipality were recreational spaces, public services and amenities have been provided, the quality, maintenance and accessibility to the communities they are intended to serve in these areas is questionable. Because development has been so visibly concentrated in the previously white areas (e.g. (Northern region, CBD, Ashburton & Eastern region)), the Greater Edendale/ Imbali area has recently been earmarked for an Urban Network Strategy project.

The trend for the Vulindlela area however indicates that it is becoming more of a forgotten space in terms of development from both a public and private investment point of view. The SDF proposes step-wise ways of integrating Vulindlela with municipal spatial and socio-economic structure such as increasing accessibility through enhanced transport corridors, new sustainable urban centres in key areas and generally improved service provision.

The dominant presence of educational institutions within the municipality is noteworthy. Much like social facilities, the status quo analysis has revealed that services are not evenly distributed/ supplied across the municipality. Once again the more formal and urban areas of the municipality are better serviced and generally more connected than the more

informal, rural and peri-urban areas. New technological improvements to water, electricity, waste management and sanitation provision are on the horizon and pose significant opportunities for future uptake.

6.3.7 Businesses

The economic state of Msunduzi Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring local uMgungundlovu District Municipality as the Msunduzi Local Municipality does not function in isolation from uMgungundlovu.

In 2016, the Msunduzi Local Municipality achieved an annual growth rate of 1.36% which is a significantly higher GDP growth than the KwaZulu-Natal Province's 0.44%, but is higher than that of South Africa, where the 2016 GDP growth rate was 0.28%. Similar to the short-term growth rate of 2016, the longer-term average growth rate for Msunduzi (3.20%) is also significantly higher than that of South Africa (2.12%). The economic growth in Msunduzi peaked in 2007 at 5.39%.

The key economic drivers within the municipality in 2015 were Community Services (28%), Finance (17%), Manufacturing (15%) and Trade (13%). Community services amounts for 28% of the Gross Domestic product of the Msunduzi Municipality it has remain consistent from 2011. The city is the capital of the KwaZulu-Natal and therefore houses a number of provincial government departments. These are mainly located in the CBD and the Municipality has a plan to leverage on this as part of the city development strategy.

The financial sector of the Msunduzi economy is the second largest sector in terms of GDP and accounts for 17% down from 24% in 2011. The fact that it is second largest can be associated with a large number of commercial banks being located in the Municipality, as well as other financial institutions. The location of government departments within the Municipality, together with their financial transactions, reinforced this trend.

6.3.7 Number of Gambling Activities in the Area

Currently there are there are 51 gambling sites operating within the Msunduzi District Municipality. There are 21 Type A LPM Sites, 3 Bingo Sites (not yet operational) 1 casino, 1 Independent Site Operator LPM Site (Not yet operational), 9 Bookmakers, 15 Tote Outlets and 1 Race Course where betting is offered by the Totalisator. The gambling handle inclusive of Casino handle is R 11 068 707 346 for the past year. The spend per person per annum is R 1 472 802, and the spend per person per month is R 122 733. The gambling handle excluding Casino handle is R 1 002 872 016 for the past year. The spend per person per annum is R 5 874 and the spend per person per month is R 489. The propensity to gamble including Casino GGR is 2.19% (above maximum acceptable threshold) and excluding Casino GGR is 0.31% (below minimum threshold).

6.3.8 Long Term Development Initiatives:

Vulindlela is situated to the west of Pietermaritzburg, northwest of the Greater Edendale area. The majority of the land belongs to the Ingonyama Trust (Traditional Authority areas). The area is predominantly rural and underdeveloped. The Vulindlela area covers a vast area (approximately 28 000 ha in extent). The area is made up of 10 wards.

6.4 PIETERMARITZBURG

Pietermaritzburg is a vibrant South African city in the Kingdom of the Zulus. It is rich in history and heritage. It is the capital city of KwaZulu-Natal and the economic hub of uMgungundlovu District Municipality.Pietermaritzburg boasts some excellent academic institutions and is the home of the Comrades Marathon, the Duzi Canoe Marathon, a host to the Midmar Mile, the Royal Agricultural and Garden Shows as well as international Mountain Biking Events. It offers a range of architectural heritage sites and close association with individuals such as Mohandas Gandhi, Nelson Mandela, Alan Paton and many more.

It's location has a strong influence on regional channels of investment, movement and restructuring of the Provincial Spatial Framework for growth and development. Despite all the above competitive advantages, the City is challenged with growing unemployment, poverty and uneven development and infrastructural backlogs owed to apartheid spatial planning in the urban, peri-urban and rural areas.

Topography and river corridors play a major part in structuring growth and development within the area. The area has major valleys and steep topography, particularly those areas closer to Vulendela. These serve as structuring elements and constrains development in certain parts. The majority of the population in the Greater Edendale and Imbali areas are located to the east and south east of Edendale Road. Older areas on either side of Edendale Road comprise a mix of both formal and informal settlement patterns. Settlements to the south and east are a mixture of traditional and formal settlements. The residential areas in the central and eastern portions are dominated by more recent formal settlement patterns. Undeveloped land, with great potential for development, lies to the east of Vulindlela and adjacent to Ashburton.

The northern areas of the Municipality consist of portions of the CBD, Clarendon, Montrose, Chase Valley, Woodlands, Northdale, Raisethorpe, and Bishopstowe. The N3 corridor traverses this area but it is largely a movement corridor between the dominant urban cores of Johannesburg and Durban. Due to the limited access nature of this road, opportunity points exist at key intersections or off-ramps along its route.

The CBD also functions as the primary market place for the Municipality, a place of concentration of power (financial, economic, and political), an investment location, a rates revenue generator, and provides an opportunity for social

interaction and integration. It also serves as the gateway city to the surrounding tourist destinations, it in itself being a tourist destination. The confirmation of the Capital City Status, and subsequent relocation of the various Provincial Departments, has contributed to the growth and stability of the area. Its declaration as the Provincial Legislative Capital has had a strong influence on the "City of Choice's" economic and development growth. This Municipality is the major employer of the city's working population, with the majority of people being employed in government departments, mainly in the central areas, while others are employed in the city's industries in Mkhondeni, Pelham, Willowton, and on the periphery of Northdale, spilling over to Mountain Rise. The city's major education institutions are also within this Municipality, and include the University of KwaZulu-Natal and Durban University of Technology in Scottsville, and UNISA and FET College/s in the central area.

As part of ensuring that development is suitable crafted to fit challenges being experienced around the City, the City has embarked on the preparation of detailed plans for designated spatial areas. It is envisaged that these plans will guide public and private development through the identification of priority areas and interventions; support decisions regarding investment in services infrastructure and associated phasing; and give clarity and direction to developers and land owners in the area with respect to the type and intensity of development.

6.4.1   Surrounding Catchment Area:

Impendle, Mkhambathini, Mpofana, Richmond, Umngungundlovu, Umgeni and Umshwati.

6.4.2   Recommendations

Recommendations:

- Potential for Type A and new or relocated Bingo Site in Raisethorpe/Northdale;
- Potential for new sites in Pietermaritzburg Central, Edendale and Raisethorpe/Northdale
- Potential for Type A and smaller Bookmaker and Tote in upper areas of Edendale.
- Potential for Type B LPM Site in Edendale support and existing spaza shop, restaurant, shebeen or tavern etc
- No potential in Imbali, Sobantu

6.5   LOCAL MUNICIPAL DISTRICT – MKHAMBATHINI

Mkhambathini is a Zulu word and is derived from eMkhambathini meaning a place of acacia trees. Mkhambathini Local Municipality is one of seven Local Authorities within the uMgungundlovu District Municipality, which is situated within south west KwaZulu-Natal. Mkhambathini Local Municipality consists of 7 wards with a large part of the municipality being rural in nature and underdeveloped. Towns within the municipal boundaries include Camperdown, Eston and Mid Illovo. Mkhambathini Local Municipality is located along the south-eastern boundary of Umgungundlovu District Municipality. It covers an area of approximately 917km2 and is the second smallest municipality within Umgungundlovu District Municipality.

Mkhambathini is 24.1 Km away from Pietermaritzburg the Capital city of KwaZulu-Natal , 23.6 Km from the Oribi airport and 81.4 Km from King Shaka International Airport.

6.5.1   CAMPERDOWN

Background of Camperdown:

Camperdown is a settlement in Umgungundlovu District Municipality in the KwaZulu-Natal province of South Africa. The town is approximately 60km by road north-west of Durban and it was laid out in 1865 on the farm Camperdown.

6.5.1.1 Population

| Table 1: Details of Camperdown |

Area	Population	Households
6.2 km²	2,101 (338.84 per km²)	722 (116.44 per km²)

Population:

(Table 2: Population by Age Demographic)

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
31.68%	63.47%	4.85%

The table above indicates the municipality age profile. It is evident that the majority of Camperdown Population is in the adult age group (between 15 - 64 years).

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	51.4%
Coloured	2.57%
Indian/Asian	19.09%
White	26.42%
Other	0.57%

6.5.1.2 Household Income

Table 4: Average Household income		
Income	**Percentage**	**Category**
No income – R 19,601	48.4%	**Low Income** **(LSM 1- 3)**
R 19,601 – R 307,600	47.1%	**Medium Income** **(LSM 4 – 8)**
R 307,601 – 2,457,601 +	4.6%	**Upper Income** **(LSM 9+)**

6.5.1.3 Social Context

The table above reflects that the majority of the population living in Camperdown are lower income (48.4%) to middle income earners (47.1%).

6.5.1.4 Number of Gambling Activities in the Area

There is 1 Type A LPM Site situated in Camperdown Village. The gambling handle for the past year was R 6 000 025. The gambling spend per person per annum was R 10 347 and spend per person per month was R 862. The propensity could not be calculated for this area.

6.5.1.5 Long Term Development Initiatives

Mkhambathini has several comparative advantages. It is well located in relation to Durban and Pietermaritzburg and adjoins Cato Ridge, a potential industrial node. The N3, which is identified in the Spatial Growth and Development Strategy as a Provincial Corridor, runs east-west through the central part of the municipal area. Significant portions of the municipality fall within the Valley of a Thousand Hills (with Table Mountain a major landmark), an area with high potential for ecotourism, and in the Midlands Mist Belt, which has a well-established agricultural economy.

The N3 route between Durban and Gauteng is an established national route and especially significant for the logistics and distribution of goods to and from the Port of Durban and the industrial and commercial centres of Gauteng. The strategic importance of this route has been highlighted in a number of industrial strategies at both a national and provincial level. The Provincial Spatial Economic Development Strategy (PSEDS) identified the N3 Corridor as the Primary Provincial Corridor and this was further strengthened through the significance placed on the corridor within the Provincial Growth and Development Strategy (PGDS) and its associated Provincial Spatial Development Strategy. Within the uMgungundlovu District the corridor is elevated to one of the most important economic linkages and opportunities within the district. A recent investigation of the spatial economic significance of the corridor to the district stated that "the N3 Corridor is strategically the most significant movement corridor in the country and the Province of KwaZulu-Natal" and could lead to a future of prosperity for the district. Therefore the development around this route would need to further address or should consider the following Goals and Strategic Objectives of the KZN Provincial Growth and Development Strategy and specifically job creation, industrial development through trade, investment and exports, development of strategic infrastructure road and rail networks. For Mkhambathini Municipality, the potential strategic impact of the corridor is seen as essential for the economic future growth of the municipality. Not only does the N3 route provide access to the only formalized town (Camperdown) within the municipality, but it also plays a significant role in the municipality tourism development potential and continued capacity for agricultural production and distribution. The mere location of the town along this route and its strategic position between Durban and

Pietermaritzburg has led to increasing interest in logistics and warehousing related industries wanting to position themselves near Umlaas Road.

The N3 corridor between the Port of Durban, traversing a portion of the Free State and ending in Gauteng is identified as the SIP2 initiative in this regard and is more commonly known and referred to as the "SIP 2: Durban-Free State-Gauteng Logistics and Industrial Corridor". Due to their close proximity to each other, the dynamic interaction between Umlaas Road and Cato Ridge towards a combined strategic node along the SIPS2 Corridor will be crucial for the development of both areas. Cato Ridge is acknowledged as one of the major strategic investment areas within the eThekwini SDF and the recently completed Cato Ridge Local Area Plan (LAP) has illustrated the strategic significance of the areas on confluence between the NATCOR Rail System and the N3 at Cato Ridge. The LAP however further illustrates that the area will require major infrastructure investments in order to fully unlock the development potential of the node. The current investigations around and proposal towards potential bypass routes around Pietemartizburg all follow different alignments, but converge at the Umlaas Road Intersection. Umlaas Road also has access to the rail network and recent private sector developments within the area have unlocked service industrial land, immediately available for investment. It is however important to indicate that the success of both these nodes arguably depends on the dynamic balance in the different types of industrial and logistic development within these two areas.

6.5.1.6 Surrounding Catchment Area

Pietermaritzburg, Ashburton, Cato Ridge, Hammarsdale.

6.5.1.7 Recommendations

Comments:

- Opportunities exist for new gambling initiatives including Bookmakers, Tote Agencies, Type A and 1 Type B LPM Site

6.6   LOCAL MUNICIPAL DISRICT – UMNGENI

6.6.1   HOWICK

Background of Howick:

Howick is a town located in the uMgungundlovu District Municipality of KwaZulu-Natal Province, South Africa. The town is 1050 m above sea level, and about 88 kilometres from the port city of Durban. It enjoys warm summers and cool dry winters. A snappy chill descends upon Howick when snow falls on the nearby Drakensberg which bring local and national tourists to see these vistas. The town is located on the N3 freeway, connecting it with the rest of South Africa.

The town is the location of Howick Falls, which is a large waterfall that occurs when the Umgeni River falls 95 metres (311 feet) over dolerite cliffs on its way to the Indian Ocean. The waterfall was known as kwaNogqaza or "The Place of the Tall One" by the original Zulu inhabitants. There are several other waterfalls in the vicinity and all of them have claimed human lives. Near Howick are Cascade Falls (25 m) and Shelter Falls (37 m), while Karkloof Falls (105 m) is 16 km to the east.

Howick has become a significant retirement destination with a number of developments at sites known as 'the Ambers"

6.6.1.1   Population

Table 1: Details of Howick		
Area	**Population**	**Households**
29.32 km²	21 639 (7.40/ km²)	10 927
1521 km² (Umgeni Muncipality)	109 868 (72.2 / km²)	37 942

Population:

Table 2: Population by Age Demographic		
Age 0 – 14	**Age 15 - 64**	**Age 65+**
32%	50%	18%

Population by Ethnic Demographic:

Table 3: Number and Ethnic Comparison	
Group	**Percentage**
Black African	46.95 %
Coloured	4.04 %
Indian/Asian	13.48 %
White	35.08 %
Other	0.34 %

6.6.1.2 Household Income

Average annual household income is a median estimate. R29 400 is the average annual household income which is about the same as the amount in Umgungundlovu and for the whole KwaZulu-Natal.

Table 4: Average Household income (Umgeni Municipality)		
Income	**Percentage**	**Category**
No income	13%	**Low Income**
R1 – R 4,800	3%	**(LSM 1- 3)**
R 4,801 – R 9,600	19%	
R 9,601 – R 19,601	20%	
R 19,601 – R 38,200	13%	**Medium Income**
R 38,201 – R 76,400	10%	**(LSM 4 – 8)**
R 76,401 - R153, 800	7%	
R 153,801 – R 307,600	6%	
R 307,601 – R 614,400	2%	**Upper Income**
R 614,401 – R 1,228,800	1%	**(LSM 9+)**
R 1,228,801 – R 2,457,600	0%	
R 2,457,601 +	0%	

6.6.1.3   Number of Gambling Activities in the Area

There are 2 Type A LPM Sites, 1 Independent Type B LPM Sites (note yet rolled out) and 1 Tote Agency. The gambling handle for the past year was R 28 769 403. The gambling spend per person per annum was R 4 817 and per person per month it was R 401.

6.6.1.4   Long Term Development Initiatives

The areas of Howick, Merrivale and surrounding smallholdings, Hilton, Winterkloof, Cedara, and Worlds View are considered the Primary Node of the uMngeni Municipality. These areas are largely urban in nature and incorporate the major economic and administrative activities. Howick accommodates the municipal offices, provincial departments, major schools, police stations, a magistrate court and a large variety of commercial and retail outlets.

The three residential areas are separated by farms and smallholdings, but linked by the Primary Transportation Route (N3) and the Boston Bulwer Road (R617), providing a high degree of accessibility. It is likely that the link between Howick and Mpophomeni will be developed as mixed use development area. A more detailed planning of the corridor in the form of a local area development plan needs to be undertaken, taking into account the proximity of Midmar Dam and issues such as water quality, landscape quality and compatibility with tourism objectives.

Midmar Dam is a hugely underutilized recreation and tourist resource and the current host to the internationally renowned open water race, the Midmar Mile. In future it will serve as the green core and be an integral part of the urban area. Its primary function is to continue providing high quality water to the downstream urban areas and Metropolitan Durban, but its recreation and tourism usage can be significantly enhanced without having a detrimental effect on its primary function. Midmar has been incorporated into the primary node, that the Municipal Council has already initiated a master planning exercise for the area.

The areas of Nottingham Road and Lidgetton have been identified as Secondary Nodes. These areas play an important role as service centres to farmers in the western and central portions of the municipality, providing housing and a smaller range of commercial and social services than what is offered in the Primary Node. The tourism role of Nottingham Road is considered to be very important.

A Tertiary Node provides for low order level of goods and services as compared to the secondary node. The type of services rendered include Police Station, Community Policing Forum, Community Health Centre, Schools, Community Halls, and Comprehensive Sport Facility, Local Commercial and Industrial Centre. Mpophomeni has been identified as a tertiary node.

Rural Service Nodes serve as a convenient service to the village community of Lidgetton and Curry's post with the type of services rendered includes Satellite Police Station, Community Policing Forum, Clinic, Schools, Community Halls, Basic Sport Facility, Local Commercial and Industrial Centre.

The area of Karkloof has been identified as Long Term Future Node with the aim of providing convenient services to the community with a requirement of services such Mobile Clinic, Schools, MPCC, Basic Sport Facility, Shops and workshops.

The 'urban edge' is a clearly demarcated boundary between urban development and the valuable rural/agricultural hinterland. The primary purpose of urban edge is to limit and control urban expansion thus containing 'urban sprawl'. The area covered by the urban edge is approximately 263sqkm in extent and covers areas such as Howick, Hilton, Mpophomeni and Winterskloof which are within the primary node of the municipality.

Nottingham Road and Lidgetton have also been demarcated with an urban edge and the area covered outside the urban edges is approximately 1256sqkm and are the rural hinterlands of the municipality.

(Umgeni Muncicipality IDP, 2017 – 2021)

6.6.1.5 Surrounding Catchment Area

Midmar, Mphophomeni, Midlands, Merrival, Karkloof

6.6.1.6 Recommendations

Recommendations:

- **Potential for an Independent Type B LPM Site and Bingo, a Type A LPM Sites, Bookmaker and Tote Outlet**
    - **The large scale retirement villages are clamouring for a Bingo Site.**

6.7   SUMMARY FOR UMGUNGUNDLOVU DISTRICT MUNCIPALITY

Management is of the view that there is opportunity for new gaming in all gambling types in rural towns with exclusion of casinos within the district. Our analysis indicates that there is still potential for more gambling in the area.

Umgungundlovu is a busy thoroughfare/corridor between Johannesburg and the coastal region. It also has great advantage as tourist destination due to the number of sporting events which are run in the Municipal District, such as the Comrades Marathon, the Duzi Canoe Marathon, the Midmar Mile, the Nelson Mandela Marathon, the UCI Marathon Mountain Bike Championships and the Royal Show as well as the beauty of the Midlands Meander.

Pietermaritzburg is centrally situated as an industrial hub, agricultural/farming area with the population to support additional and existing gambling demands. The GDP for uMgungundlovu is approximately **R1.04 Billion (2015)**. uMgungundlovu forms part of Zone 4 in the Exclusivity publication that was previously issued by the Minister to determine where Casino's were located in an effort to service the Province.

6.7.1   Gambling Overview:

Currently the towns with gaming include:

- Pietermaritzburg, Howick, Camperdown, Wartburg, Richmond…

Currently the towns with-out or with limited gaming include:

- KwaGingindlovu, Mthunzini, Nkandla, Ntambazana.

Towns where concerns around saturation in the uMgungundlovu:

- None

*Towns where concerns regarding affordability by residents or business viability and **no gaming** is recommended*:

- Richmond, Wartburg, Dalton,

Cities or towns where potential opportunities still exist:

- Pietermaritzburg, Howick, Camperdown, Mphophomeni.

Types of Gaming:

- Type A LPM's, Type B LPM's, Bingo, Independent Site Operators, Bookmakers and Tote Agencies

6.7.2   Recommendation

It should be noted that the rolling out of further legalized gambling in uMgungundlovu should align to the following objectives:

- Creation of employment opportunities, with care being taken not to divert consumer spending to the extent that the new initiatives will result in decline in jobs
- Creation of SMME Development and new Jobs for persons in the uMgungundlovu region to create new opportunities within the sector;
- Up-liftment and advance and economically empower Black Persons previously excluded from participation from the industry. Economic empowerment;
- Not negatively divert or collapse existing gambling businesses;
- Grow Tourism and new investment in the uMgungundlovu;
- Grow Provincial fiscus.

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8. **ANNEXURES**

1. Spread sheets reflecting all gambling areas, sites, gross gambling revenue and propensity where available for:
1.1 Ethekwini
1.2 Umgungundlovu
1.3 King Cetshwayo
2. KZNGBB Socio-Economic Impact Study 2019
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