## CHAPTER 6: SUMMARY

### THEME NO 3: ROLE AND FUNCTION OF TOWNS AND RURAL SETTLEMENTS

**GOAL:**
Rationalise the role and function of urban nodes and rural settlements.

### Objectives
1. Establish a co-ordinated pattern of urban and rural nodes/settlements on a regional/municipal level to ensure the equitable and efficient distribution of resources between nodes.
2. Allocate functions towards the urban nodes consistent with the identified hierarchy of the node.
3. Integrate the LED strategy with the spatial development strategy.
4. Correlate land use requirements with the role and function of urban nodes.

### Policy statements

<table>
<thead>
<tr>
<th>Policy name</th>
<th>Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Hierarchy of Towns</td>
<td>P6.1</td>
</tr>
<tr>
<td>4.2 Comparative Advantage of Towns</td>
<td>P6.2</td>
</tr>
</tbody>
</table>

### 4.3 Growth potential of Towns

Prioritise growth and development in the towns with the highest development potential index, namely Grabouw and Caledon. Caledon should be regarded as the highest priority in this category.

### 4.4 Comparative Advantage of Towns

Prioritise investment in human needs in towns with the highest (most desperate) needs, namely Grabouw, Villiersdorp and Genadendal. Genadendal should be regarded as the highest priority in this category.
4.4 The Theewaterkloof Local Economic Development Strategy

P6.5 Facilitate the spatial integration between towns with growth potential and those regarded as areas of market avoidance.

P6.6 Prioritise investment in locations identified as catalysts for new economic growth.

4.5 Urban Transport Corridors and Rural RDA areas

P6.7 Caledon should be regarded as the main administrative node of the municipality and development of commercial and institutional functions further enhanced. The town is also further the agricultural centre of the wheat and grain production area.

P6.8 Grabouw should be regarded as the agricultural and agri-industrial service node of the horticulture and viticulture production area. Tourism development opportunities should be further enhanced here.

P6.9 Botrivier is the gateway centre to the Röens and gateway to the coastal resort towns and should be promoted as a major industrial development node for servicing the sub region.

P6.10 Investment in rural areas should be directed to four main rural growth focus areas, namely Vyeboom, Theewaterkloof Dam, Kromco and the Velaphi Environs.

CHAPTER 6 ROLE AND FUNCTION OF TOWNS AND RURAL SETTLEMENTS (THEME NO 3)

6.1 BACKGROUND

The approach towards the formulation of a strategic economic growth and development vision of towns and rural settlements is to establish a functional hierarchy between all towns and the interregional and intraregional relationships between these locations. Understanding the functional linkages between towns contributes towards identifying their economic strengths and to optimise the relationships that exist to extract economic growth and development potential. A central question that needs to be answered is: What type of development should be promoted at which (where) location?

The pattern of development in the municipality can broadly be described as follows:

- Development consists of two main categories, namely urban nodes and rural settlements.
- Urban nodes are mainly located within a linear development pattern along the N2 and the Sonderend River.
- Rural settlements are randomly located through the hinterland and also along the Sonderend River.

6.2 KEY SPATIAL POLICY CONCERNS / ISSUES: SUMMARY

- To ensure that nodes are not developed at the expense of other, a balanced development pattern between urban nodes shall be promoted.
- Caledon has been determined as the urban node with the largest services area and the node that provides the highest order services in the municipality.
- All rural settlements are dependant upon urban nodes for basic services and community facilities and therefore are largely unsustainable entities.
- 14 rural settlements were identified in the municipality, mostly private settlements. Should these settlements become public settlements, (i.e. off-farm settlements) the Council will be responsible to provide the necessary services often at a relatively higher cost per erf, compared to existing urban settlements.
The desirability to establish new rural settlements should therefore be carefully considered including the need to select sustainable nodes where off-the-farm settlements for farm workers or other purposes could be established. The need exist for the integration of development projects for rural settlements with the proposed spatial ordering, hierarchy and function of urban and rural settlements.

### 6.3 OBJECTIVE AND STRATEGIES

**Goal:** Rationalise the role and function of urban nodes and rural settlements

**Objective 1:** To allocate functions towards the urban nodes that is consistent with the identified hierarchy of the node.

**Objective 2:** Integrate the LED strategy with the spatial development strategy.

**Objective 3:** Correlate land use requirements with the role and function of urban nodes.

### 6.4 HIERARCHY OF TOWNS (REFER PLAN 6.1)

**P6.1 Establish a hierarchy of nodes to optimise the role and function of each node.**

#### (i) Background

Classification of urban nodes and settlements provides an understanding of their role and function. The functions that a town performs also reflect the hierarchy of the settlement. A higher order function is associated with a greater number of people utilising that node.

#### (ii) The proposed hierarchy

The proposed hierarchy of nodes in Theewaterskloof as identified in Volume I of the Theewaterskloof SDF (refer Volume I Section 9.2.1) is as follows:

<table>
<thead>
<tr>
<th>Hierarchy</th>
<th>Order</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional node</td>
<td>1st</td>
<td>Caledon,</td>
</tr>
<tr>
<td>Sub-regional node</td>
<td>2nd</td>
<td>Grabouw, Villiersdorp</td>
</tr>
<tr>
<td>Local node</td>
<td>3rd</td>
<td>Genadendal, Greyton, Botrivier, Riviersonderend</td>
</tr>
<tr>
<td>Rural node</td>
<td>4th</td>
<td>Tesselraadsdal, Bissitsdrift, Selandra, Cromco</td>
</tr>
<tr>
<td>Rural settlements</td>
<td>5th</td>
<td>Velaphi; Kaimansgat; Rietpoel; Kiuge station; Helderstroom Prison, Lebanon Forest Station; Nuweberg Forest Station; Elandskloof; Dennekruin/ De Wetsdorp in Villiersdorp area; Kromvlei; Highlands</td>
</tr>
</tbody>
</table>

#### Table 6.1: Hierarchy of Settlements

The positive effects of a well-managed development pattern are varied, and include, amongst others:

- to ensure a well balanced development pattern and to promote economies of scale;
- to guide decision making for the equitable distribution of development to promote the sustainability of nodes and settlements;
- to increase employment by maximizing development opportunities;
- to protect sensitive environmental areas, prime and unique agricultural land and thereby broadening the municipality’s economic base;
- to reduce unnecessary duplication and gaps in the provision of community facilities and services.

### 6.5 COMPARATIVE ADVANTAGE OF TOWNS (REFER PLAN 6.1)

**P6.2** To improve the level of sustainability of nodes and settlements, developments should be guided to locate within nodes and settlements where a comparative advantage for a specific land use exists and which complements the function of the node or settlement.

#### (i) Background

Locational investment and local economic (LED) development decisions should also be informed by the existing development content and function of the town. Such an
approach should ensure that development capitalises on existing investment, infrastructure and services that already exist to avoid duplication and to encourage economics of scale.

Each node therefore has a comparative advantage relative to another which may exist as a result of historic development reasons, the character of the node and the function / level of specialisation that already exist compared to other nodes.

(ii) Town comparison proposals

It is therefore proposed that in addition to Section 5.4, locational decisions should also be informed by the comparative and competitive advantages and functions between settlements, as illustrated below.

<table>
<thead>
<tr>
<th>Location</th>
<th>Main Function</th>
<th>Comparative locational advantage</th>
<th>Competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caledon</td>
<td>Administrative and agricultural service centre</td>
<td>Existing corporate and government (head) offices, Local authority decision making centre, Provincal and regional tourism destination (casino), Historic precinct, Provincial hospital and healthcare facilities, Railway access, Tertiary educational institutions</td>
<td>Hospital and Casino</td>
</tr>
<tr>
<td>Grabouw</td>
<td>Agricultural and industrial service centre</td>
<td>Fruit packaging and related export services, Agri–industries and industrial economic base, Proximity to Cape Town and linkages to that economy via N2, Natural setting, tourism, Railway access, Education</td>
<td>Agricultural export hub</td>
</tr>
<tr>
<td>Villiersdorp</td>
<td>Agricultural service centre</td>
<td>Tourist destination, Fruit packaging and related export services, Natural setting (Pearl of Overberg), Country town character, Resorts (nearby)</td>
<td>Theewaterskloof dam</td>
</tr>
<tr>
<td>Riviersonderend</td>
<td>Agricultural service centre</td>
<td>Stop-over between South Cape and Cape Town via N2, Country town character, Direct exposure of CBD to N2 traffic</td>
<td>N2 Stop-over</td>
</tr>
</tbody>
</table>

Table 6.2: Comparative and competitive advantage of nodes

(iii) Spatial projects proposed for inclusion in the IDP

To stimulate economic growth, certain key projects should be identified within each town, based on the economic comparative advantage of each town as a catalyst for further economic development. The following serves as typical examples of such projects.

<table>
<thead>
<tr>
<th>Location</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caledon</td>
<td>CBD revitalisation plan, redevelopment of Donkin Street and surrounding precinct</td>
</tr>
<tr>
<td>Grabouw</td>
<td>Implementing Grabouw Sustainable Development Initiative projects, such as Development of Eikenhof Dam as the gateway to the great outdoors</td>
</tr>
<tr>
<td>Villiersdorp</td>
<td>Identification of land and development of GAP and middle income housing</td>
</tr>
<tr>
<td>Botrivier</td>
<td>Promote and develop Botrivier as a major industrial hub for the Overberg</td>
</tr>
<tr>
<td>Riviersonderend</td>
<td>Locate and develop a new resort along the Sonderend River</td>
</tr>
</tbody>
</table>
6.6 GROWTH POTENTIAL OF TOWNS (REFER PLAN 6.2)

(i) Background

Through implementation of the findings of the study of the Growth Potential of Tourism in the Western Cape (2005) by the University of Stellenbosch: Centre for Geographic Analysis, it is proposed that a growth and development approach should be followed based on the economic growth potential of the towns. According to this study, a qualitative analysis was undertaken of the growth potential of towns based on 82 indicators for 131 towns in the Western Cape. The intention was to measure the required criteria of urban growth potential.

(ii) Resources Index

Variables were categorised into two main groupings, namely composite development index and the human need index. A summary of the main categories of indicators is presented in the following Table 6.3.

<table>
<thead>
<tr>
<th>Category</th>
<th>Composite Resource Potential index</th>
<th>Composite Development Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and Communications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Sectors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Sectoral Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Potential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Vitality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Development Needs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6.3: Summary of Main Categories of Indicators

Greyton
Promote tourism development in combination with Genadendal.

Genadendal
Successfully complete the process prescribed in the Transformation of Certain Rural Act 1998 (No. 94 of 1998) and the implementation of the projects according the Genadendal Transformation process (i.e. agri-industry development) (refer also section 18.7.5).

Tesselaarsdal
Promote tourism development (refer also section 18.7.11).

Tesselaarsdal
Promote tourism development (refer also section 19.7.11).

P6.3 Prioritise growth and development in the two towns with the highest development potential index, namely Grabouw and Caledon. Caledon should be regarded as the highest priority in this category.

P6.4 Prioritise investment in human needs in towns with the highest (most desperate) needs, namely Grabouw, Villiersdorp and Genadendal. Genadendal should be regarded as the highest priority in this category.
CHAPTER 6: ROLE & FUNCTION OF TOWNS AND RURAL SETTLEMENTS

- those with a proven track record of growth, but wish to retain their present character and therefore rejecting major development (i.e. Greyton);
- those towns with limited economic and human resources, devoid of the potential to stimulate the urban economy (i.e. Genadendal, Riiversonderend, Tesselarsdal and Botrivier).

- "Medium" growth potential

Consistent and moderate growth prevails in these towns and certain sectors of the economy show signs of growth, or have the potential for it (Caledon, Grabouw).

- "High" and "very high" growth potential

These towns experience sustainable growth and have already established a proven track record to operate as "regional leaders". They have the potential to grow at a sustainable and higher growth rate and given the capacity of their resources, they have the potential to operate as service providers to a relatively extensive hinterland.

According to the results of the study, not one of the towns in Theewaterskloof have been allocated the “high” or “very high” category of according to the qualitative development index. Within the Overberg District, it is only Hermanus and Onrusrivier who qualify for the “High” status.

(iii) Town Profiles

The study also attempts to interpretate the dominant trends that emerged from the analysis. This is presented in qualitative and quantitative composite indices in the following table. The economic base and place identity of each town provides a better understanding and appreciation of the town’s development potential. For a town such as Greyton, where its economic development potential does not warrant investment, it’s unique sense of place merits preserving and enhancement.

According to the town profiles, only Caledon and Grabouw were rated with a medium development potential index and all other towns rated as low. Human needs were the highest in Grabouw and Villiersdorp.

In the summary the findings of the study for the towns in this municipality were:

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### Table 6.3: Summary of indicators grouping (source: Growth potential of Towns in the Western Cape, University of Stellenbosch, 2005)

<table>
<thead>
<tr>
<th>Name of Town</th>
<th>Resources</th>
<th>Infrastructure</th>
<th>Economic</th>
<th>Development Potential</th>
<th>Human Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caledon</td>
<td>X (29)</td>
<td>X (35)</td>
<td>X (57)</td>
<td>X (58)</td>
<td>X (32)</td>
</tr>
<tr>
<td>Grabouw</td>
<td>X (24)</td>
<td>X (42)</td>
<td>X (66)</td>
<td>X (75)</td>
<td>X (111)</td>
</tr>
<tr>
<td>Villiersdorp</td>
<td>X (34)</td>
<td>X (42)</td>
<td>X (78)</td>
<td>X (75)</td>
<td>X (111)</td>
</tr>
<tr>
<td>Botrivier</td>
<td>X (34)</td>
<td>X (42)</td>
<td>X (78)</td>
<td>X (75)</td>
<td>X (111)</td>
</tr>
<tr>
<td>Greyton</td>
<td>X (100)</td>
<td>X (81)</td>
<td>X (32)</td>
<td>X (100)</td>
<td>X (108)</td>
</tr>
<tr>
<td>Caledon</td>
<td>Very High and High (rank 1-50)</td>
<td>X</td>
<td>Very Low A (rank 106 - 131)</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

### Table 6.4: Growth potential of Towns in the Western Cape - University of Stellenbosch, 2005 (Numbers in brackets indicate ranking position between 1 and 131)

The index indicates the following in respect of each town:

- Caledon and Grabouw are the towns with the highest composite development potential (index positions 34 and 42).
- The highest placing for all towns is the human need index of Caledon (nr. 18 out of 131 towns).
- The lowest placing of all towns within the infrastructure index is Botrivier (nr. 111 out of 131 towns).
- Genadendal has the lowest position on the index for development potential (nr. 100).
- Grabouw has the lowest position on the human needs index (nr. 121).

Applying the results of the abovementioned strategy, five categories of development potential were assigned for each of the 131 towns, to determine its prospects for further growth or decline, namely:

- "Very low" and "low" growth potential

Two types of towns were identified, namely:
The PSDF then propose according to policy HR 14, that settlements that show high economic growth potential and have high population thresholds, should be prioritised as locations for fixed infrastructure investment, using a minimum of 5000 people as a benchmark and threshold to sustain tertiary community facilities (eg. primary school or clinic). The priority fixed investment towns are:

- Grabouw
- Villiersdorp
- Caledon

The priorities for investment proposed for each town according to 5 indexes are indicated in the following Table 6.6.

<table>
<thead>
<tr>
<th>Town</th>
<th>Population</th>
<th>Human Need</th>
<th>Quantitative Development Composite Index</th>
<th>Economic Base</th>
<th>Place identity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caledon</td>
<td>11 148</td>
<td>Very low</td>
<td>Medium</td>
<td>Agricultural service centre</td>
<td>Hot springs and casino</td>
</tr>
<tr>
<td>Grabouw</td>
<td>21 587</td>
<td>High</td>
<td>Medium</td>
<td>Agricultural service centre</td>
<td>The apple town</td>
</tr>
<tr>
<td>Villiersdorp</td>
<td>7 569</td>
<td>High</td>
<td>Low</td>
<td>Agricultural service centre</td>
<td>Fruit and scenic mountains</td>
</tr>
</tbody>
</table>

Table 6.5: Town Profiles

Table 6.6: Integrated Town Profiles (Source: Growth Potential of Towns in the Western Cape; University of Stellenbosch Centre for Geographic Analysis: 2005)

(iv) Strategies: Spatial Economy

A differentiated approach towards economic development is therefore proposed for the Municipality. This approach is founded on the NSDP guidelines, (refer Section 3.3) namely:

- Future economic growth should primarily be exploited in those areas with medium to high value resource base and medium to high human needs, where there may be economic potential to be exploited.
- Economic activity should be encouraged and supported by infrastructure capital investment where there is already a medium to high level of economic activity and where natural and human resource potential is medium to high.
- It is also proposed in the Growth Potential Study (US:2005) that “in order not to discriminate against people who are currently locationally disadvantaged, that the government seek to redress these inequalities by monitoring the current distribution of fiscal resources to these areas, but that the investment be shifted to fewer fixed assets. This could mean that only a very basic level of infrastructural services can be provided and that an additional amount of money goes into social capital investment such as, skills development, labour market information and other resources that will enable those living in these areas to become more mobile”.
- The proposed overarching growth strategy for all towns in the municipality is based on exiting data and reports available. Given its economic focus and reliance on economic sector data, especially employment and contribution to GDP, the economic growth strategy herein proposed should be updated. The main informants therefore of the proposed overarching growth strategy as shown in Table 6.7 for each town are:
  - Role and function of nodes (Section 7.6)
- Growth potential and towns profiles according to the PSDF (sections 2.4 iii and 6.7 iii).
- Located within or outside the proposed transport corridor (section 7.8).
- Highest economic sector contribution to employment.

The overarching growth and development strategy statement is based on a high-level interpretation of the above mentioned informants.

The overarching development strategy therefore is presented in the following Table 6.7.

<table>
<thead>
<tr>
<th>Location</th>
<th>Role and Function</th>
<th>Growth potential</th>
<th>Located within Transport Corridor</th>
<th>Employment: Main Economic Sector</th>
<th>Overarching Growth and Development Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caledon</td>
<td>1st order node Administrative and agricultural service centre</td>
<td>High development potential; Low human need</td>
<td>Yes</td>
<td>Services</td>
<td>Growth node; Leader town; Fixed investment priority</td>
</tr>
<tr>
<td>Grabouw</td>
<td>2nd order local node agricultural and industrial service centre</td>
<td>High development potential; High human need</td>
<td>Yes</td>
<td>Agriculture</td>
<td>Growth node; Leader town; Fixed investment priority</td>
</tr>
<tr>
<td>Villiersdorp</td>
<td>2nd order local node agricultural service centre</td>
<td>High development potential; High human need</td>
<td>No</td>
<td>Agriculture</td>
<td>Growth node; Supporting node; Fixed investment priority</td>
</tr>
<tr>
<td>Botrivier</td>
<td>3rd order local node rural centre</td>
<td>Low development potential; High human need</td>
<td>Yes</td>
<td>Agriculture</td>
<td>Growth node; Supporting node; Human resource development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Role and Function</th>
<th>Growth potential</th>
<th>Located within Transport Corridor</th>
<th>Employment: Main Economic Sector</th>
<th>Overarching Growth and Development Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riviersonderend</td>
<td>3rd order local node</td>
<td>Low development potential; High human need</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greyton</td>
<td>3rd order local node rural village/tourism centre</td>
<td>Low development potential; Low human need</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Genadendal</td>
<td>3rd order local node missionary centre</td>
<td>Low development potential; High human need</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Role and Function</th>
<th>Growth potential</th>
<th>Located within Transport Corridor</th>
<th>Employment: Main Economic Sector</th>
<th>Overarching Growth and Development Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Supporting node;</td>
<td>Low development potential;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Human resource development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Whole wholesale</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In summary then, the proposed investment strategies for each town are as follows:

**Category 1:** Towns with high development potential
- Type of investment: infrastructure
- Towns: Caledon, Grabouw, Villiersdorp, Botrivier
- Highest priority: Caledon

**Category 2:** Towns with low development potential and high human need
- Type of investment: basic level of infrastructure investment; skills development
- Towns: Genadendal, Greyton, Riviersonderend, Tesselarsdal
- Highest priority: Genadendal

### 6.7 THE THEEWATERSKLOOF LOCAL ECONOMIC DEVELOPMENT STRATEGY

**P6.5** Facilitate the spatial integration between towns with growth potential and those regarded as areas of market avoidance.

**P6.6** Prioritise investment in locations identified as catalysts for new economic growth.

This section presents a summary of the main findings of the LED strategy adopted by the municipality in March 2009. Emphasis is placed on the spatial relevance of these proposals.
Background

• The purpose of local economic development (LED) is to enhance the economic capacity of Towns and to improve the economic future and quality of life of all the residents.
• The development of a LED strategy is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. World Bank

www.worldbank.web.org

Key spatial economic issues

• Lack of a clear spatial growth strategy for the municipality;
• Major infrastructure backlogs limits development potential of the municipal area;
• High level of unemployment and poverty;
• Shortage of suitable housing stock;
• Losing a growing market share of retail, education and leisure to neighbouring districts due to inadequate town and business centres and industrial parks.

The economic vision

Vision
A prosperous economy that:
• Sustains the natural environment and agricultural character of the area;
• Creates opportunities and meets the needs of all residents;
• Enables a financially viable Municipality.

LED: 5 Economic drivers
A draft Local Economic Development Strategy for the Theewaterskloof municipal area was finalised in March 2009. The strategy identified five inter-related economic drivers for the municipality i.e.:
• Sustainability with the focus on “green” industries and developments;
• Agriculture as the major economic sector but with a need to renew and increase its competitiveness;
• Tourism development that will enhance the tourism potential of the municipal area;
• Light Industrial development to add value to the agricultural sector and create a competitive advantage in the sustainability sector;
• Human Capital investments to increase the skills base of the local people.

Existing spatial economic pattern (Refer Figure 6.1)

The spatial pattern of economic development consists of the following:

Existing Economic core areas

• Grabouw
  A key economic node, mainly consisting of agri-industries and agricultural activities
• Caledon
  Sub-regional node located strategically adjacent to the N2; Economic activities include sub-regional government head offices; agriculture and agri-industries, Caledon casino, hot water springs.
• Greyton and Genadendal
  A key tourism node within the municipality.

Transport Corridor

• N2 – national road and Cape Town/Bredasdorp Railway line (industrial, tourism, transport).

Key economic sectors

• Agriculture: High value agricultural land that covers large areas of the municipality;
• Industrial: Industrial activities mainly relate to the agricultural sector and are located in Grabouw, Villiersdorp and Caledon.
• Tourism: Many local, provincial and national nature reserves are situated in the municipal area;
Genadendal / Greyton is the tourism "node" of the municipality
- Caledon Casino and hot springs

(v) Strategies: Spatial economic growth according to LED strategy

• Economic Integration

The main economic urban growth points within the Theewaterskloof Municipal area i.e. Grabouw, Caledon, and Greyton need to be spatially linked with those areas of market avoidance i.e. Villiersdorp, Riviersonderend, Botrivier, Genadendal and Tesselaaardsdal.

Economic integration is proposed in the LED Strategy as follows:

- Develop a tourism development route (corridor) that will link Theewaterskloof Dam, Greyton/Genadendal and Riviersonderend.
- Prioritise Botrivier as an industrial node located within the N2 growth corridor.
- Maximise the economic potential of the under utilised railway line.
- Develop rural growth "corridors" around anchor towns and hamlets.

• Future Economic Growth areas

Specific locations are identified with high potential to become catalysts and focus points of new economic growth. They are:

- Theewaterskloof Dam (Resort development);
- Eikenhof Dam (Resort development);
- Botrivier (Industrial); (Refer section 15.7.7)
- Riviersonderend (Tourism) (Refer section 16.7.11)
- Rural development centred on rural RDA’s; (Refer section 6.8.2)

(vi) Input / output analysis

Urban–Econ conducted a study in (February 2012) to quantify the economic impact of investments according to projects and proposals identified in:

- TWK vision 2030
- TWK LED strategy 2000

For this purpose an Input / Output (I/O) matrix for the Western Cape Province was used. An I/O model is a comprehensive, economy-wide database that contains information about the flow of resources that takes place between the different economic agents within an economy and between the different sectors (Urban–Econ: February 2012). Using the I/O model methodology, various anticipated direct and indirect economic impacts of the TWK policy interview have been quantified.

Space demand models have been utilized to determine the potential demand for specific land uses, namely:

- residential market
- retail market
- industrial market
- office market
- retirement market
- short-staying accommodation market
- institutional / educational market

The results of the space demand modeling is summarized in the following table:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Market (low income units)</td>
<td>+14,651</td>
<td>+16,501</td>
<td>+17,797</td>
</tr>
<tr>
<td>Residential Market (middle income units)</td>
<td>-3,617</td>
<td>-3,040</td>
<td>-2,636</td>
</tr>
<tr>
<td>Residential Market (high income units)</td>
<td>-3,960</td>
<td>-3,931</td>
<td>-3,910</td>
</tr>
<tr>
<td>Commercial (ha)</td>
<td>-42.4</td>
<td>-38.1</td>
<td>-37.1</td>
</tr>
<tr>
<td>Industrial (ha)</td>
<td>-0.5</td>
<td>+49.1</td>
<td>+69.4</td>
</tr>
<tr>
<td>Short-stay Accommodation (bed nights per annum)</td>
<td>-31,685</td>
<td>+12,305</td>
<td>+73,500</td>
</tr>
<tr>
<td>Institutional Market (Pupils)</td>
<td>+3,084</td>
<td>+941</td>
<td>+6,961</td>
</tr>
</tbody>
</table>

**TABLE 6.8: SYNTHESIS OF SPACE NET DEMAND MODELLING RESULTS**

The implications of the demand modelling (summarised) are:

- Residential
  The analysis shows a demand for residential property that will result in positive economic implications.
• Industrial
  A substantial net demand for industrial space is anticipated.

• Commercial (including offices)
  There is sufficient zoned commercial land for current and future retail and office space.

• Short stay accommodation
  The need for more short stay accommodation facilities is identified and encouragement of development in this niche sector of the tourism industry is proposed.

• Institutional
  The need exist for more educational facilities, especially the establishment of tertiary educational facilities such as FET colleges.

The specific implications of demand modeling (per town) for spatial planning purposes to ensure that sufficient land is earmarked for future development, are hereby presented together with a reference to the specific proposals in the SDF for each town.

### PROPOSED LAND USE NEED

<table>
<thead>
<tr>
<th>PROPOSED LAND USE NEED</th>
<th>CORRESPONDING PLANNING PROVISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grabouw</td>
<td></td>
</tr>
<tr>
<td>1.1 Subsidy housing and GAP housing.</td>
<td>Section 13.7.4; Human Settlement Strategy</td>
</tr>
<tr>
<td>1.2 Agro-processing.</td>
<td>Section 13.7.7; Industrial Development Strategy</td>
</tr>
<tr>
<td>1.3 Training hub for tourism and hospitality.</td>
<td>Section 13.7.11; Tourism Strategy</td>
</tr>
<tr>
<td>1.4 Training facility for ELF.</td>
<td>Section 13.7.8; Community facility development strategy and section 10.10.2(iv).</td>
</tr>
<tr>
<td>1.5 Mountain bike trials (tourism offerings).</td>
<td>Section 10.10.2(iii): Initiative no 6; other tourism routes.</td>
</tr>
<tr>
<td>1.6 Niche Hotel development.</td>
<td>Section 10.10.2(iii): Initiative no 6; Theewaterskloof dam and environs resort.</td>
</tr>
<tr>
<td>1.7 Tourism facility at Eikenhof dam.</td>
<td>Section 6.4(iii); Tourism and heritage destination.</td>
</tr>
<tr>
<td>2. Villiersdorp</td>
<td></td>
</tr>
<tr>
<td>2.1 Farm worker housing.</td>
<td>Section 8.6(i) RDA1: Vygeboom and environs.</td>
</tr>
<tr>
<td>2.2 High income housing around the Theewaterskloof dam.</td>
<td>RDA 4: Section 10.10.2(iii): Initiative no 6; Theewaterskloof dam and environs resort.</td>
</tr>
<tr>
<td>2.3 Tourism development / facilities at the Theewaterskloof dam.</td>
<td>Section 10.10.2(iii): Initiative no 6; Theewaterskloof dam and environs resort.</td>
</tr>
<tr>
<td>3. Caledon</td>
<td></td>
</tr>
<tr>
<td>3.1 Retirement</td>
<td>Section 12.7.4; Human settlement Strategy.</td>
</tr>
<tr>
<td>3.2 Rail, wagon route and cycle route for tourism.</td>
<td>Section 12.7.11; Tourism.</td>
</tr>
<tr>
<td>4. Greyton</td>
<td></td>
</tr>
<tr>
<td>4.1 Educational facilities. Need for a high school.</td>
<td>Section 17.9.8: Community facilities.</td>
</tr>
<tr>
<td>5. Botrivier</td>
<td></td>
</tr>
<tr>
<td>5.1 Light industrial</td>
<td>Section 15.7.7; Industrial Development Strategy.</td>
</tr>
<tr>
<td>5.2 Rail, wagon and cycle route for tourism.</td>
<td>Section 15.7.11; Tourism Strategy</td>
</tr>
<tr>
<td>6. Tesselaarsdal</td>
<td></td>
</tr>
<tr>
<td>6.1 Lifestyle residential units.</td>
<td>Section 19.7: Substitution scheme</td>
</tr>
<tr>
<td>6.2 Short stay farm</td>
<td>Section 19.8.11; Tourism Strategy</td>
</tr>
</tbody>
</table>
7. Genadendal

7.1 Educational facilities focusing on artisan training and performing arts.

Section 18.7.5: Local economic development strategy.

8. Rivieronderend

8.1 Nature based tourism

Section 16.7.11: Tourism Strategy

(vii) Spatial projects proposed for inclusion in the IDP

- Compile business plans for key catalyst projects to kick-start economic growth in selected locations; i.e. vintage rail and freight rail; Eikenhof dam resort; Botrivier industrial node (refer section 6.5 (iii)).

6.8 URBAN TRANSPORT CORRIDORS AND RURAL RDA’S AREAS (REFER PLAN 6.2)

P6.7 Caledon should be regarded as the main administrative node of the municipality and development of commercial and institutional functions further enhanced. The town is also further be regarded as the agricultural node of the wheat and grain production area.

P6.8 Grabouw should be regarded as the agricultural and agri-industrial service node of the horticulture and viticulture area. Tourism development opportunities should also be further enhanced here.

P6.9 Botrivier is the gateway node to the Rûens and gateway to the coastal resort towns and should be promoted as a major industrial development node for servicing the sub region.

FIGURE 6.1: SCHEMATIC INDICATION OF OVERARCHING SPATIAL ECONOMIC GROWTH STRATEGY
Investment in rural areas should be directed to four main rural growth focus areas, namely Vyeboom, Theewaterkloof dam, Kromco and the Velaphi environs.

The economy of towns does not function in isolation, but are linked into corridors of growth, linking the towns with its rural hinterland. At the centre of these corridors, are main connecting transports routes which ensure resources, services and products are transported on a daily basis to nearby nodes.

The urban and rural economy is interrelated and therefore the spatial manifestation of economic growth corridors should be founded on the economic realities of the towns and their linkages with the rural hinterland. Economic relationship and interdependency between urban and rural have established over time and where these are the most active, urban-rural development economic linkages have evolved.

To ensure that the already functional urban-rural linkages continue to receive further economic stimulus, it is important to spatially identify these, their importance and future opportunities for growth.

6.8.1 N2 (Grabouw to Caledon) Business and industrial transport corridor

(i) Background

This is the primary transport corridor, located along the N2, which link the main urban towns of Grabouw, Botrivier, Caledon and Riviersonderend. Apart from the fact that the economic base of the towns are largely based on their role as an agricultural service centre, these towns have also developed over time a stronger dependence on the high volume of road based transport to various destinations, mainly the coastal resorts (Hermanus and environs and Cape Agulhas and nearby coastal towns).

The future spatial economy will be centred along the N2 transport corridor and the nodes located along the route. The main economic anchors / nodes within the corridor are:

- Caledon
- Grabouw
- Botrivier

(ii) Caledon Strategy: Proposed main agricultural and administrative service centre

Caledon is the main commercial and administrative centre of the municipality. This is evident from the variety of national, provincial and local authority offices located in the town, such as:

- Department of Agriculture
- National and Provincial roads / traffic
- Correctional services
- Provincial hospital
- Theewaterskloof municipality head offices
- SAB etc.
Further localisation advantages include its central location relative to its administrative jurisdiction and good linkages that exist to nearby towns.

(iii) **Grabouw Strategy: Proposed agricultural, industrial services and tourism**

Grabouw lies at the entrance from the Cape Metropolitan area and is the closest town to the metro region. It’s proximity to Cape Town, natural setting and production capacity as the centre of the horticultural and viticultural production areas, contributes towards its major importance as a centre for growth, particularly for agriculture, agri-industries and tourism. Grabouw is close to markets for its produce and only 45 minutes drive from export hubs, namely Cape Town international airport and the Cape Town harbour.

(iv) **Botrivier Strategy: Proposed major Industrial and anchor node**

Given its gateway location on the proposed north-south and east-west transport corridor (refer section 3.4.6.2) and the availability of vacant land towards the south and in the direction of Velaphi, Botrivier has the untapped potential as an anchor for industrial, agri-industrial and business services related development. The town lies at the interface between high intensity horticultural and viticultural production areas to the west and the dry land production areas to the east. The relative shortage in supply of land for large scale industrial land uses in Grabouw and Villiersdorp, including in surrounding towns such as Kleinmond, Hawsonton, Vermont, Sandbaai and Hermanus, contributes towards its locational significance.

6.8.2 **Rural Development Growth Points (also refer Chapter 8)**

(i) **Background**

The rural development issues and recommendations of IDP’s and SDF’s have generally been neglected in the past. Lack of resources and the priority given to urban development within urban nodes, have contributed thereto. The new Provincial Rural Land Use Planning and Management Guidelines (May 2009: DEA & DP) have now provided a new approach towards rural development. The strategy here-in proposed therefore aims to apply these new guidelines for the SDF.

Rural development pattern consist of the following main categories of building complexes and land use developments (refer Table 6.8), namely:

- the farm homestead and associated building complex
- on-farm worker accommodation
- off-farm farm worker accommodation and villages located along the main movement routes.
- hotel, resorts and tourism accommodation establishments

The objective of the rural growth strategy will be to identify priority locations for rural development. Rural growth would be centred on principal movement routes connecting urban nodes with rural villages. The focus is placed on land use categories by identifying:

- no-go areas
- areas possibility suitable for development
- villages where rural development could be considered

Two main categories of building complexes have emerged, namely on-farm:

- worker accommodation and
- agri-industrial investments (warehouses, packaging and production plants, wineries)

Another category of building complexes, have developed into settlements, also described as off-farm and on-farm rural settlements.

- Off-farm settlements (or hamlets) have established as a result of the location of other non-residential land uses namely: commercial, community infrastructure and agri-industrial developments
- rural settlements are nodes that have established to accommodate farm workers
CHAPTER 6: ROLE & FUNCTION OF TOWNS AND RURAL SETTLEMENTS

(ii) Strategies for Rural Development Areas (RDA’s)

Rural growth RDA’s are proposed in selected areas. These are areas that typically exemplify a relatively higher intensity of land use activity as a result of high population density, a mix of urban and rural / agricultural related uses and that have a principle movement route at its centre.

Rural RDA’s are identified for a number of reasons, namely:

- To implement land use management guidelines to guide development.
- To provide the necessary services and facilities to the surrounding community.
- To identify rural nodes in the rural environment that may become the focus of non–agricultural activity.
- To stimulate local economic development.
- To protect surrounding areas from the proliferation of unsuitable land use practice.
- To protect high agricultural potential land.

Based on the criteria according to Table 6.10, 4 rural areas have been identified as rural development areas (RDA’s). The proposals for these areas are contained in Section 8.6.

<table>
<thead>
<tr>
<th>Typical on-farm settlement land uses</th>
<th>Typical off-farm settlement land uses</th>
<th>Settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>farm worker accommodation</td>
<td>shops / tourist shops</td>
<td>farm worker accommodation</td>
</tr>
<tr>
<td>agri-industrial building complex</td>
<td>school</td>
<td>church</td>
</tr>
<tr>
<td></td>
<td>post office / police station</td>
<td>hotel; holiday accommodation</td>
</tr>
<tr>
<td></td>
<td>church</td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 6.9: Typical on-farm settlement land uses and off-farm settlement land uses**

The four rural activity routes (refer Plan 6.1) that service a range of off-farm and on-farm settlements and rural land uses are:

- Vyeboom rural activity route
- Viljoenshoop–valley rural activity route
- Theewaterskloof dam resort route
- Velaphi / Selandra rural activity route

The proposed rural RDA’s are:

(i) **RDA no 1**: Vyeboom and environs
(ii) **RDA no 2**: Viljoenshoop and environs
(iii) **RDA no 3**: Theewaterskloof dam and environs
(iv) **RDA no 4**: Velaphi / Selandra and environs

<table>
<thead>
<tr>
<th>Criteria Used to Identify Rural (RDA’s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>High density population (&gt;10 people / km²)</td>
</tr>
<tr>
<td>Located further than 10 km from practical community distance of towns.</td>
</tr>
<tr>
<td>Pattern of non-agricultural land uses concentrated within a 5km range.</td>
</tr>
<tr>
<td>The area is served with a major mobility route connection nearby towns and / or is characterised by a shift towards tourism, agri-industry and other non-agricultural land use developments</td>
</tr>
<tr>
<td>The frequency of non-agricultural land use activity along the mobility route is such that the route is categorised as a rural activity route.</td>
</tr>
</tbody>
</table>

**TABLE 6.10: Criteria Used to Identify Rural (RDA’s):**