



SOUTHERN AFRICA'S PREMIER
AIR LOGISTICS PLATFORM

DUBE TRADEPORT CORPORATION

STRATEGIC PLAN

For the fiscal years
2015/16 – 2019/20

KwaZulu-Natal
January 2015

FOREWORD

With the launch of the Dube Tradeport Industrial Development Zone (DTP IDZ) in October 2014, at which His Excellency, President Jacob Zuma, handed over the IDZ operator permit to Dube Tradeport Corporation (DTPC), what was already a major infrastructural project for the province, became even more strategically important for the realisation of KwaZulu-Natal's vision of becoming a gateway to Africa and the world. This designation, together with the incentives available under the IDZ, and soon, the SEZ programme as well as DTP's unique location, centred around the King Shaka International Airport (KSIA) and in close proximity to the sea-ports of both Durban and Richards Bay, will significantly enhance the good work DTPC has already begun in attracting direct foreign investment as well as national and local investment to the province.

With Phase 1 of Dube Tradeport's 50-year master plan largely completed, DTPC looks forward to the implementation of Phase 2 which will see the expansion of the AgriZone and the launch of TradeZone 2, both of which are now encompassed within the DTP IDZ. Tenants locating within these zones stand to benefit, as do the surrounding communities, from the linkages created by the IDZ / SEZ, as well as the job creation opportunities that the new investment and increased levels of infrastructural development will bring. Further construction is also expected at Dube City, with expansion of this zone to be undertaken based on market demand.

In line with its economic development mandate, DTPC will continue to facilitate the growth of cargo exports and imports through the Dube Cargo Terminal, the increase in air traffic and the routes available through KSIA, as well as continuing to work with its strategic partners on the establishment of the province's aerotropolis master plan, ensuring that this key development is economically and environmentally sustainable.

In developing this five year Strategic Plan, DTPC has attempted to align its objectives not only with those of its parent Department of Economic Development, Tourism and Environmental Affairs, but also with those of the IDZ / SEZ programme, facilitated by the Department of Trade and Industry, and the wider provincial and national development plans.

As the MEC for Economic Development, Tourism and Environmental Affairs, and on behalf of the Government of KZN, I fully endorse DTPC's strategy, programmes and targets as contained in this five year Strategic Plan, and have no doubt that they reflect the policies, strategies and goals of the province.

Mr. Michael Mabuyakhulu, MPP

MEC for Economic Development, Tourism & Environmental Affairs

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Dube TradePort Corporation under the guidance of the Chief Executive Officer;
- Takes into account all the relevant policies, legislation and other mandates for which the Dube TradePort Corporation is responsible; and
- Accurately reflects the strategic outcome oriented goals and objectives which the Dube TradePort Corporation will endeavour to achieve over the period 2015/16 to 2019/20, given the resources made available in the budget and within the constraints and opportunities of the market conditions.

Ms. A.B. Swalah
Chief Financial Officer (CFO)

Signature: _____

Mr. H. Erskine
Accounting Officer (Acting CEO)

Signature: _____

Dr. B. Gasa
On behalf of the Accounting Authority

Signature: _____

Approved by:

Mr. M. Mabuyakhulu
Executive Authority (MEC)

Signature: _____

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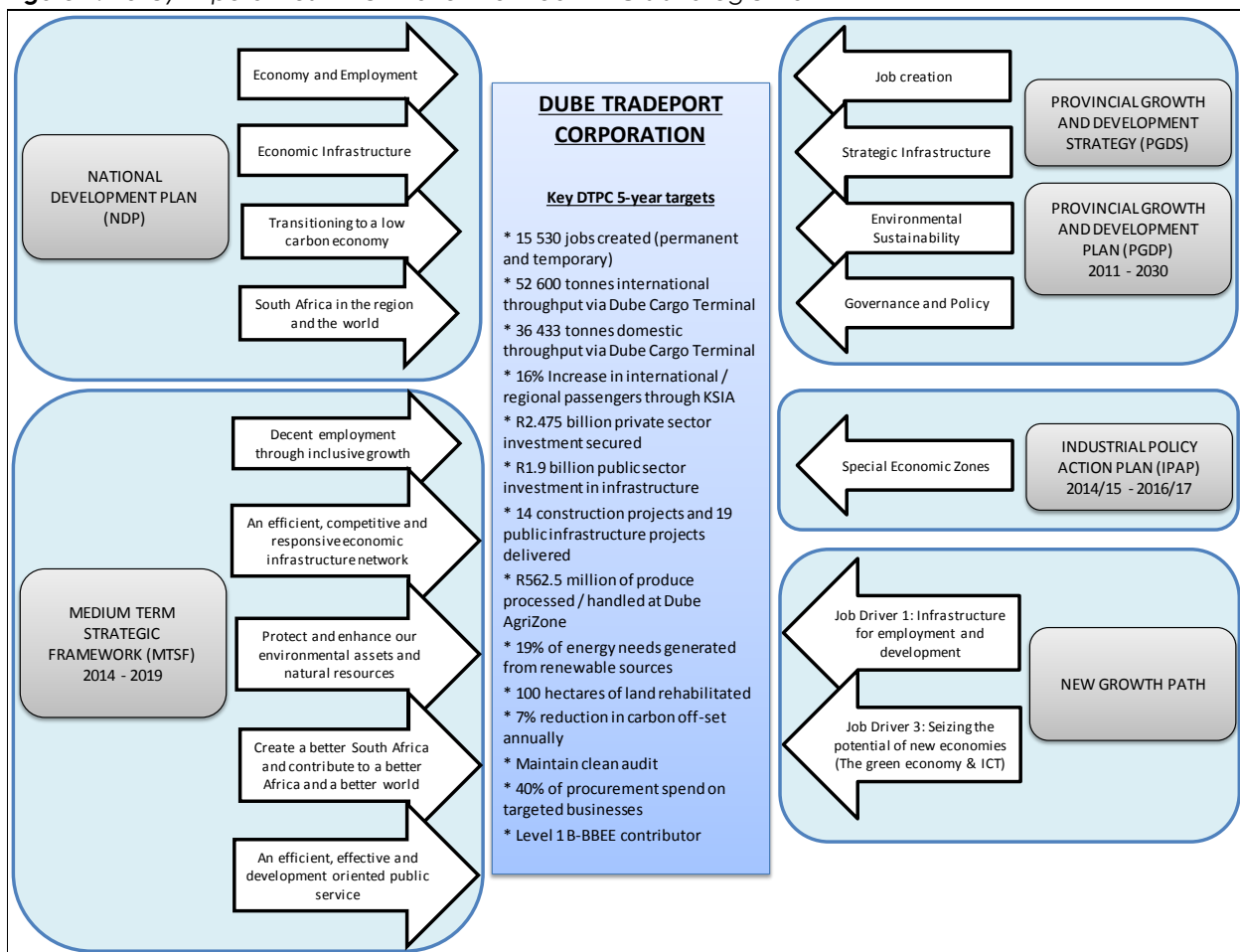
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PART A: STRATEGIC OVERVIEW

1. DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The process of formulating Dube TradePort Corporation's (DTPC) 2015/16 to 2019/20 Strategic Plan began with an analysis of the mandate set out for DTPC in the KwaZulu-Natal Dube TradePort Corporation Act together with relevant national and provincial priorities as described below. These were considered by the DTPC Board in re-defining the vision and mission statements as well as the key outcomes that DTPC aims to achieve.

Figure 1: Policy imperatives which have informed DTPC's Strategic Plan



After taking into account the pertinent targets and goals of government, as shown in figure 1 above, DTPC's vision and mission were clearly defined and strategic outcome-oriented goals compiled. The strategic goals for the previous five year period were considered and re-focused to ensure that operations remained streamlined and best-positioned to achieve the vision and mission. From these goals, key deliverable areas

were identified and targets set for each. A meeting was then held between DTPC's Board and the MEC of EDTEA where the objectives and key deliverables of the entity were discussed, negotiated and revised to ensure alignment with the goals and objectives of DTPC's parent department as well.

Once overall direction for the entity was set, strategic objectives were then crafted for each programme by the executives in charge of the divisions in consultation with his / her teams to define and enable the achievement of these objectives. Key performance indicators and targets were defined and analysed to ensure that each indicator is specific, measurable, achievable, relevant and time-bound. The inputs from each division were then consolidated and circulated for review and any discrepancies, overlaps or misalignments corrected.

Throughout the process, DTPC's Board was consulted and their recommendations communicated to internal management for inclusion in the final document. These efforts have resulted in DTPC's Board-approved Strategic Plan for the 2015/16 to 2019/20 fiscal years.

2. VISION

To be the leading global air logistics platform in Southern Africa, seamlessly integrated with inter-modal road, rail and sea infrastructure.

3. MISSION

- To enable the development of an aerotropolis by providing leading edge spatial planning and infrastructure;
- To attract investment through the creation and operation of a special economic zone and related commercial zones; and
- To grow business and trade through enabling new regional and international air services.

4. VALUES

In executing its business activities, DTPC is committed to adhering to a clear set of values:

Core Values / Principles	
Professional Excellence	Being passionate about value-adding professionalism
Ubuntu	Creating open, honest relationships, built on trust, mutual respect, dignity and fairness
Empowerment	Actively embracing the economic transformational and developmental agenda of stakeholders
Innovation and Creativity	Succeeding through innovative, creative and adaptable teams
Service Excellence	Providing unsurpassed service excellence of which our clients may be proud

5. LEGISLATIVE AND OTHER MANDATES

DTPC is a Schedule 3C public entity established by the KwaZulu-Natal provincial government to develop the Dube TradePort (DTP). Schedule 3C public entities are created as specific strategic, economic or social interventions of the State or to address strategic risks or dangers that the State or society faces to its security, health, prosperity or wellbeing. Such entities are usually created as an extension of a department which shares a similar mandate and, while these entities are often reliant on government funding to achieve their objectives, they may adopt commercial and business principles in ensuring service delivery.

DTPC was formed under the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) and, as such, its mandate speaks primarily to facilitating economic growth and attracting long term investment to the Province. DTPC plays a multi-faceted role in both enabling and driving the development of the air logistics business. On one hand, it acts as master developer of the precinct, guiding and facilitating the appropriate uses of land for property development, light manufacturing and assembly, agricultural production and ensuring that infrastructure planning and development keeps pace with growth. On the other hand, it acts as an investor, aimed at enabling strategic economic investment from the private sector that supports volume growth and international connectivity to enhance the competitive position of the provincial economy in the global supply chain.

5.1. CONSTITUTIONAL MANDATES

Section 24(b)(iii) of the Constitution states that *'Everyone has the right to have the environment protected, for the benefit of present and future generations, through*

reasonable legislative and other measures that secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.' The design, construction, operation and management of DTP are being carried out in such a way as to be environmentally sustainable while continuing to achieve the economic development mandate laid out for the entity in the KZN Dube TradePort Corporation Act.

5.2. LEGISLATIVE MANDATES

In Terms of the KZN Dube TradePort Corporation Act (KZN DTPC Act), the objects of DTPC are:

- to develop the Dube TradePort;
- to undertake or invest in projects associated with the Dube TradePort;
- to facilitate economic growth in the Province;
- to attract long term investment to the Province; and
- to facilitate export and import through the Dube TradePort.

In order to achieve this, the Board of DTPC, which is the Accounting Authority of DTPC as contemplated in Section 49(2)(a) of the Public Finance Management Act (PFMA), must ensure the strategic planning, establishment, design, construction, operation, management and control of the Dube TradePort, and should give effect to the Master Plan for the economic growth of the region and Province. In doing so, it should identify, develop, market and promote investment opportunities in the Dube TradePort.

In August 2013, DTPC successfully completed its transition from a Non-Profit Company (Section 21 Company) to a Schedule 3C public entity, and as such, it now falls fully within the ambit of the PFMA, its related Treasury Regulations, and National and Provincial guidelines. The legislation and government policy frameworks applicable to DTPC include the following:

Legislation		
Agricultural Pests Act, 1983	Appropriation Act, 2011	Atmospheric Pollution Prevention Act 45, 1965
Basic Condition of Employment Act 75 of 1997	Broad Based Black Empowerment Act 53 of 2003	Certificate of Competency Regulations, 1990
Civil Aviation Act No 13 of 2009	Companies Act (Act 71 of 2008)	Companies Act, Retention and Preservation of Company Records Regulations, 1983
Compensation for Occupational Injuries and Diseases Act, 1993	Competition Act, 1993	Constitution of the Republic of South Africa (Act 108 of 1996)
Construction Industry Development Board Act, 2000	Construction Regulations 2003	Consumer Protection Act, 2008
Control of Access to Public Premises and Vehicles Act 53 of 1985	Council for the Built Environment Act, 2000	Credit Agreements Act

Criminal Procedure Act 51 of 1977	Currency and Exchanges Act 9 of 1933, (updated 2012/07/04)	Customs and Excise Act 91 of 1964
Designs 195 of 1993	Development Facilitation Act 67 of 1995	Division of Revenue Act 12 of 2009
Driven Machinery Regulations 1998	Electrical Installation Regulations 2009	Electronic Communications Act 2005
Electronic Communications and Transactions Act 25 of 2002	Electrical Machinery Regulations 2011	Employment Equity Act 55 of 1998
Environment Conservation Act 1989	Environmental Regulations for Work Places 1987	Explosives Act, 2003
Facilities Regulations, 1990 (sanitation, drinking water)	Firearms Control Act, 2000	Finance Act, 2007
Framework for Supply Chain Management Gazette 25767	General Administration Regulations, 2003	General Intelligence Law Amendment Act 66 of 2000
General Machinery Regulations 1988	Genetically Modified Organisms Act, 1997	General Safety Regulations
Generally Recognised Accounting Principles	Government immovable Assets Management Act 19 of 2007	Hazardous Biological Agents Regulations 2001
Hazardous Chemical Substance Regulations 1995	Income Tax Act 58 of 1962	King Report on Governance for South Africa 2009
KwaZulu-Natal Archives and Record Service Act 8 of 2011	KwaZulu-Natal Dube TradePort Corporation Act, 2010	KwaZulu-Natal Land Administration Act, 2003
KwaZulu-Natal Planning and Development Act 5 of 1998	KwaZulu-Natal Guideline Norms and Standards for Biodiversity Offsets, 2010	Land Survey Act 8 of 1997
Labour Relations Act 66 of 1995	National Archive Act 43 of 1996	National Building Regulations and Building Standards Act, 1977
National Credit Act, 2005	National Empowerment Fund Act 105 of 1998	National Environmental Management Act 107 of 1998
National Environmental Management: Air Quality Act 39 of 2004	National Environmental Management: Biodiversity Act 10 of 2004	National Environment Management: Waste Act 59 of 2008
National Environmental, Integrated Coastal Management Amendment Bill, 2013	National Gender Policy Framework, 2001	National Key Point Act 102 of 1980
National Small Enterprises Act	National Spatial Planning Land-Use Management Bill	National Water Act 36 of 1998
Noise Induced Hearing Loss Regulations 2003	Occupational Health and Safety Act 85 of 1993	Patent Acts 57 of 1978
Plant Breeders' Rights Act 15 of 1976	Planning and Development Act, 2008	Preferential Procurement Policy Framework Act 5 of 2000
Pressure Equipment Regulations, 2009	Prevention of and Combatting of Corrupt Activities Act 12 of 2004	Project and Construction Management Professions Act, 2000
Promotion to Access to Information Act 2 of 2000	Protected Disclosures Act, 2000	Protection of information Act 84 of 1982
Public Audit Act	Public Finance Management Act No 1 of 1999	Public Service Act 103 of 1994
Quantity Surveying Profession Act, 2000	Regulation Against the Interception of Communications Act 70 of 2002	Remuneration of Public Office Bearers Act
Skills Development Act 97 of 1998	Spatial Development Framework	Spatial Planning and Land Use Management Bill, 2012
State Information Technology (SITA) Act	Subdivision of Agricultural Land Act 70 OF 1970	Trade Marks Act, 1993

Town Planning Ordinance Act 27 of 1949	Treasury Regulations	Trespass Act 6 of 1959
Unemployment Insurance Act, 2001	Value Added Tax Act 89 of 1991	Water Services Act 108 of 1997
Manufacturing Development Act 187 of 1993	Industrial Development Zone Regulations	Special Economic Zone Act 16 of 2014

In July 2014, DTPC was granted an operator's permit to operate the Dube TradePort Industrial Development Zone (DTP IDZ). As an IDZ operator, DTPC is bound to comply with the requirements of its Operator Permit, issued by the Department of Trade and Industry (DTI) in terms of Regulations 57(e) and 17 of the IDZ Programme, as well as all provisions of the IDZ Programme, issued in terms of the Manufacturing Development Act no. 187 of 1993, and its accompanying guidelines.

The overall regulatory framework for the IDZ programme comprises of:

- The Manufacturing Development Act no. 187 of 1993;
- The IDZ Regulations and subsequent amendments;
- Section 21A of the Customs and Excise Act and relevant provisions of the Value Added Tax Act; and
- Report no. 14 promulgated by the International Trade Administration Commission in accordance with the Customs and Excise Act.

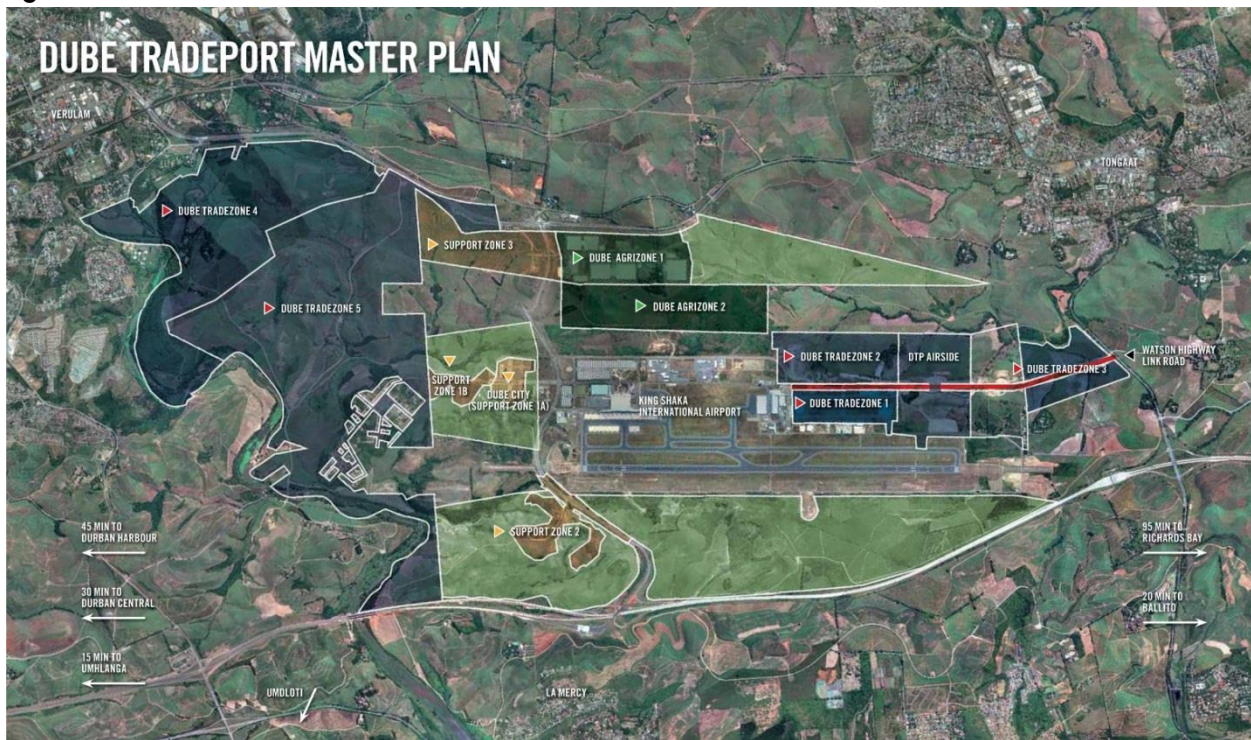
Once the SEZ regulations are officially adopted, the DTP IDZ will be converted to a Special Economic Zone (SEZ) and the SEZ Act no. 16 of 2014, which was signed into law in May 2014, will become effective. This Act provides for a three year transition period for an IDZ operator to convert to an SEZ, during which time DTPC will evaluate which of the models provided for in the SEZ Act will be most beneficial to the achievement of its overall goals. These models include:

- **Industrial Development Zones** – purpose built industrial estates that leverage domestic and foreign direct investment in value-added and export-oriented manufacturing industries and services;
- **Free Ports** – duty free areas adjacent to a port of entry where imported goods may be unloaded for value-adding activities within the SEZ for storage, repackaging or processing, subject to customs import procedures;
- **Free Trade Zones** – duty free areas offering storage and distribution facilities for value-adding activities within the SEZ for subsequent export; and
- **Sector Development Zones** – focused on the development of a specific sector or industry through the facilitation of general or specific industrial infrastructure, incentives, technical and business services primarily for the export market.

6. SITUATIONAL ANALYSIS

As far back as 2002, the South African government took the decision to strategically invest in a new international airport to the north of Durban. This gave rise to the formation of Dube TradePort (DTP), a 2840 hectare greenfield site at La Mercy, master-planned to become a multi-modal development and world-class aerotropolis (or airport city), centred around the King Shaka International Airport (KSI). It is, however, the proximity of DTP to the two largest sea-ports in Southern Africa – Durban and Richards Bay – which gives DTP its edge as a transport and logistics hub and this initiative, which will ultimately include commercial, residential and production activities, will greatly expand the capacity of KwaZulu-Natal to import and export goods.

Figure 2: 2060 Master Plan of Dube TradePort



Phase 1 of DTPC's 50-year Master Plan consists of 4 main development zones aimed at driving the development of air logistics business and attracting investment to the province. With this goal in mind, DTPC has developed an Investment Plan to provide the framework within which DTPC will target and secure private sector investment in DTPC's existing and future development zones. The four existing development zones are:

- **Dube TradeZone:** This 26 hectare site occupies prime, fully-serviced airside real estate ideal for new-generation warehousing, manufacturing, assembling, air-related cargo distribution, electronics, pharmaceuticals, high-tech aerospace

services, automotive industries, clothing, textiles and cold storage activities. **Dube TradeHouse**, adjacent to the Dube Cargo Terminal, is home to a number of well-known freight forwarders and shippers and enjoys a direct connection to the Cargo Terminal via an elevated cargo conveyor-system Airbridge.

By September 2014, 43 of the 47 sites available in Phase 1 of Dube TradeZone had either been let, were under construction or, having been built, had become operational, while Dube TradeHouse was fully let. Due to the high level of interest in this zone, an additional 4.5 hectares will be offered to the market in 2015, earlier than expected, and Phase 2 of Dube TradeZone, which will ultimately encompass 51 hectares, is expected to be launched in 2016 for occupation by 2017.

Phase 3 of Dube TradeZone will be prepared for eventual development near the end of this five year strategic planning period. This development, currently known as uShukela Business Park, will be undertaken jointly by DTPC and Tongaat Hulett Developments and will comprise primarily of business park usage, with Phase 4, the “Mega Integrated Industrial Town” (MIIT), intended to provide an opportunity for BRICS investors to be located at DTP. Both of these future developments are expected to incorporate industrial sectors targeted by the DTP IDZ / SEZs, as well as airfreight industries, support and logistics.

- **SupportZones:**

- **Dube City Phase 1a:** The first phase of this world-class business and leisure area, known as Dube City, comprises 12 hectares and provides level, fully-serviced stands. As Africa's first purpose-planned airport city, Dube City follows sustainable development principles, creating an ultra-modern urban “green” hub and proposed land uses include a mix of hotel, conference, entertainment, retail and knowledge-intensive activities. Dube City is supported by fully-reticulated fibre-optic cabling from which all tenants may access voice and data services at competitive rates.

DTPC's building, 29° South, has been constructed and is now fully occupied. An agreement has been concluded with an international private sector investor to build a 21 500m² office complex and this development will be preceded by the construction of a double underground basement over the full site. DTPC will undertake the development of the basement with work due to start in February 2015 and be completed by March 2016. The office complex will then be built in 3 phases over 3 years. DTPC has also concluded a free hold purchase of 55% of the sites in Dube City from its subsidiary, La Mercy JV Property

Investment (Pty) Ltd, with ACSA, the other shareholder in the JV company, purchasing the other 45%. DTPC is now in a position to actively drive the realisation of the full vision for Dube City.

- **Dube City Phase 1b** will see the area being extended by an additional 12 hectares to a total of 24 hectares. It is included in Special Zone 10 so all development rights are already in place and bulk infrastructure for this phase will be developed based on take-up and demand for Dube City Phase 1a.
- **Dube Cargo Terminal:** This 14 000m² state-of-the-art facility is owned and partially occupied by DTPC and is one of the most technologically advanced cargo facilities in the world. Dube Cargo Terminal, capable of handling 100 000 tonnes of cargo annually, is one of the most secure facilities of its kind in Africa with an impressive security track-record of 0% cargo loss since inception.
- **Dube AgriZone:** With 16 hectares of greenhouses, Dube AgriZone hosts Africa's largest climate-controlled growing area under glass. It focuses on the production of short shelf-life vegetables and cut flowers requiring immediate post-harvesting airlifting, thereby creating Africa's first integrated perishables supply chain. Dube AgriZone comprises greenhouses, packhouses, a distribution centre, a nursery and **Dube AgriLab**, a highly specialised tissue culture laboratory, all off-set by a range of "green" initiatives, such as rainwater harvesting, solar energy usage, on-site waste management and the growth of indigenous plants for site-wide rehabilitation activities.

Phase 1 of Dube AgriZone is fully developed, with Phase 2 due to be operational towards the end of 2016. Phase 2 is located adjacent to Phase 1 and will be developed for additional greenhouses and related agricultural uses.

Each of the above zones is serviced by **Dube iConnect**, a world-class IT and telecommunications platform which digitally links precinct-based businesses with each other and the world. Over the past few years, the global IT industry has seen the emergence and adoption of commercial IT services based in the cloud, with a worldwide trend of consolidating IT resources and infrastructure into a single environment (data centre) which provides economies of scale which can be passed on to companies as significant cost savings in respect of IT. As an economic development agency with the primary objective of job creation, economic development and the provision of enabling infrastructure, Dube iConnect has made the strategic decision to focus its business on offering services in the cloud. Dube iConnect, therefore, provides superior service solutions, including voice and

broadband, virtual computing platforms, secure virtual storage, back-up and recovery, IT security, hosted call-centre services, media services and dark fibre.

In addition to this, **Dube AiRoad** provides a seamless air-to-road and road-to-air logistics solution for time-sensitive deliveries. This dedicated logistics fleet collects and delivers cargo directly to Dube Cargo Terminal and prides itself on its continuous quest for improved airfreight transport solutions, effectively fulfilling customer needs in an ever-changing airfreight environment.

Another important aspect of DTP is the **rehabilitation and restoration** of the environment. This project is primarily aimed at offsetting the environmental impacts of Phase 1 of DTP and KSIA's developments, in compliance with the Environmental Impact Assessment (EIA) concluded in 2007 and the Record of Decision (ROD) issued in 2008. These activities comprise alien clearing, fauna and flora species rescue and planting / recreation, thus creating an environment in which nature and industry can co-exist.

DTP Special Economic Zone:

Following the launch of the DTP IDZ by His Excellency President Jacob Zuma on 7 October 2014, and the establishment of the DTP SEZ expected before the end of the 2015/16 financial year, DTPC's economic development focus is set to strengthen as its ability to attract key foreign direct investment and local market-players to the area is enhanced. The DTP IDZ will focus on the following sectors:

- Aerospace and aviation-linked manufacturing and related services;
- High-value, niche agricultural and horticultural products;
- Electronic manufacturing and assembly;
- Medical and pharmaceutical production; and
- Clothing and textiles.

The 2014/15 – 2016/17 Industrial Policy Action Plan (IPAP) identifies SEZs as key contributors to economic development and drivers of government's strategic objectives of industrialisation, regional development and job creation. In this regard, EDTEA seeks to develop Industrial Economic Hubs as a means to drive industrial development and thereby create a globally sustainable and resilient regional economy. The establishment and effective operation of the DTP SEZ forms a key component of this plan as it will drive backward and forward economic linkages between the enterprises located in the SEZ and district industrial hubs throughout KZN, thus assisting DTPC to deliver on its mandate over the next five years and beyond.

6.1. PERFORMANCE ENVIRONMENT

KZN's 2030 vision is to become a prosperous province with a healthy, secure and skilled population, acting as a gateway to Africa and the world. As one of the province's primary infrastructure projects, DTPC has an important role to play in the achievement of this vision. Additionally, government's programme of radical economic transformation which aims to place the economy on a qualitatively different path to achieve rapid, sustainable growth, higher investment, increased employment, reduced inequality and deracialisation of the economy has informed the strategic direction of DTPC's goals.

In an increasingly globalised world, the role of airports as attractors for investment and growth is increasing. This has given rise to the concept of an aerotropolis, which recognises the role that airports play in driving growth. The KZN Provincial Growth and Development Plan (PGDP), which was developed in response to and in alignment with the National Development Plan (NDP), has therefore, listed the development and implementation of Durban's aerotropolis as a key intervention to facilitate the development of airports and thereby achieve its 4th strategic goal of providing strategic infrastructure for the social and economic growth and development of KZN. This intervention provides a framework to assist in attracting foreign direct investment, as well as national and local investment to maximise growth opportunities in the region.

Linked to this, is DTPC's on-going commitment to increase air-connectivity into and out of KSIA as the availability of additional routes through this airport will naturally improve the region's growth. With global economic conditions strengthening, albeit slowly, DTPC aims to capitalise on the steady growth in international trade by targeting key international and regional routes to grow cargo volumes, thus stimulating economic development throughout the province. Assisting with this is one of the most prominent and critical Strategic Infrastructure Projects (SIPs) for KZN – SIP 2 – which relates to the development of the Durban-Free State-Gauteng logistics and industrial corridor, which includes as one of its main components the development of a cargo node at DTP.

Job creation remains a key objective of DTPC, in line with government's 14 Key Outcomes: *Decent employment through inclusive economic growth*, the 1st priority of the NDP: *Economy and Employment*, and the 1st strategic goal of the PGDP. DTPC is in the process of developing an Enterprise Development Strategy which will assist in ensuring that the opportunities created at the precinct achieve the radical economic transformation objectives targeted. With DTP now established as an IDZ and expected to be converted to an SEZ in 2015/16, DTPC is ideally situated to facilitate the generation of new employment by enhancing sectoral development through trade and industry.

In recognition of the Constitutional imperative of the need “to secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development”, DTPC aims to provide all of the above in an environmentally sustainable manner.

DTPC's performance delivery environment clearly demands the provision of strategic infrastructure, economic development and competitiveness, job creation and environmental sustainability. DTPC has therefore identified the following key deliverable areas, along with the targets set for the next 5 years. These targets include DTPC's and the DTP IDZ / SEZ's activities.

Key Deliverable areas	Targets					
	2015/16	2016/17	2017/18	2018/19	2019/20	
KEY DELIVERY AREA 1: STRATEGIC INFRASTRUCTURE						
% increase in international/regional passengers through KSIA	3.5%	3.6%	3.3%	3.1%	2.8%	
No. of new international/regional routes (additional frequency or new route) using KSIA	2	2	2	2	2	
Tonnage throughput from Dube Cargo Terminal annually (international)	8 300	9 100	10 200	11 700	13 300	
Value produced and processed at the Dube AgriZone annually	R80.4 million	R87.6 million	R95.5 million	R124 million	R175 million	
% Occupancy of available AgriZone facilities	75%	85%	85%	90%	90%	
KEY DELIVERY AREA 2: ECONOMIC DEVELOPMENT AND COMPETITIVENESS						
Private sector investment committed	R192 million	R174 million	R723 million	R1.348 billion	R2 billion	
Public sector investment committed	R213 million	R276 million	R306 million	R276 million	R291 million	
Total revenue generated	R59 million	R76 million	R86 million	R95 million	R107 million	
KEY DELIVERABLE AREA 3: JOB CREATION						
Number of direct jobs created	Temporary	718	798	1 824	2 879	4 061
	Permanent	300	405	815	840	2 890
KEY DELIVERABLE AREA 4: ENVIRONMENTAL SUSTAINABILITY						
Contribution to carbon offset	7% reduction from baseline	7% reduction from revised baseline	7% reduction from revised baseline	7% reduction from revised baseline	7% reduction from revised baseline	
No. of hectares of land rehabilitated annually	100ha	100ha	80ha	60ha	60ha	

The achievement of these targets is reliant upon a number of factors, including the following assumptions:

Assumption	Potential Impact	Mitigation
All allocated funding will remain intact over the period.	<ul style="list-style-type: none"> Re-prioritisation of infrastructure projects resulting in delayed implementation of the Master Plan. 	Refer to section 8.4
Environmental authorisations will be received timeously.	<ul style="list-style-type: none"> Delays in construction projects resulting in delayed service delivery and implementation of the Master Plan. 	Refer to section 13.4
The market's investment appetite will continue as is.	<ul style="list-style-type: none"> Difficulties in attracting private sector investment as well as customers for other services offered. 	Refer to section 10.4
The current economic climate will either remain as it is or improve.	<ul style="list-style-type: none"> Challenges in retaining tenants and other customers and in maintaining high levels of revenue collection. 	Refer to section 10.4
IDZ / SEZ incentives available will prove to be attractive to the investment market.	<ul style="list-style-type: none"> Less interest by the market in locating at the DTP IDZ resulting in low occupancy rates and an inability to increase revenues or to develop the area. Potentially turning away good potential tenants because of their incompatibility with the DTP IDZ targeted sectors. 	Refer to section 14.4

All of the above factors could potentially delay DTPC's revenue generation and thereby increase the length of time for which DTPC is reliant on the fiscus for funding.

6.2. ORGANISATIONAL ENVIRONMENT

DTPC is controlled by its Board which serves as the Accounting Authority and is accountable to the MEC for the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA) in his capacity as the Executive Authority. DTPC's Board is made up of individuals drawn from both the public and private sectors and is specifically structured to provide a diverse mix of skills and experience pertinent to DTPC's business operations and the diverse environment in which it operates. In terms of the KZN DTPC Act, board members are appointed by the Executive Authority.

In order to effectively carry out its mandate, DTPC operates a 7-programme structure which is detailed in Part B of this document.

7. STRATEGIC OUTCOME ORIENTED GOALS OF DTPC

DTPC's strategic outcome oriented goals are as follows:

- To maintain effective corporate governance;
- To ensure the efficacy of Supply Chain Management (SCM) for radical economic transformation;
- To act as a catalyst for targeted private sector investment;
- To plan and enable the development of a sustainable aerotropolis, cargo and air services;
- To provide infrastructure and service the development and operational needs of DTP; and
- To establish and effectively operate the DTPC IDZ/SEZ.

7.1. STRATEGIC OUTCOME ORIENTED GOAL 1

Strategic Outcome Oriented Goal 1	To maintain effective corporate governance
Goal statement	To facilitate and maintain effective corporate governance, risk management and human resource management, as well as sound corporate practices and efficient financial administration of DTPC.
Justification	Organisations which have good corporate governance practices entrenched within them have proved to be more successful, fair, accountable, transparent and responsible. Effective corporate governance and financial administration will ensure accountability and transparency and will contribute towards more efficient and effective service delivery.
Links	This goal ties in with the requirements of the PFMA, links to Strategic Goal 6 of the PGDP which relates to Governance and Policy and requires the implementation of effective and efficient governance systems across all sectors, but particularly the government sector, in order to improve the level of client satisfaction. In addition to this, the 14 priority outcomes defined in the Medium-Term Strategic Framework (MTSF) includes an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

7.2. STRATEGIC OUTCOME ORIENTED GOAL 2

Strategic Outcome Oriented Goal 2	To ensure the efficacy of Supply Chain Management (SCM) for radical economic transformation
Goal statement	To provide a SCM function that is efficient and effective in providing for DTPC's procurement needs, while advancing the government's radical economic transformation programme.
Justification	The efficiency of SCM directly impacts on DTPC's ability to deliver on its mandate. It is critical that this function operates effectively and, in so doing, ensures that DTPC does its part in driving economic transformation by promoting increased opportunities for women and youth and supporting broad-based black economic empowerment and local procurement.
Links	This goal is aligned the key objective of the MTSF of improving government's procurement systems so as to obtain better value for money, reduce corruption and promote B-BBEE and local procurement, as well as the NDP's key priority area of fighting corruption and enhancing accountability.

7.3. STRATEGIC OUTCOME ORIENTED GOAL 3

Strategic Outcome Oriented Goal 3	To act as a catalyst for targeted private sector investment
Goal statement	To provide attractive investment opportunities to the private sector.
Justification	Providing a catalyst for tenants and developers (local, national and international) and encourage property investment to meet DTPC's developmental objectives for economic development, employment creation and social upliftment.
Links	This goal is aligned to Chapter 3 of the NDP – Economy and employment, and National Government's 6th of 14 priority outcomes as defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that compete on global markets.

7.4. STRATEGIC OUTCOME ORIENTED GOAL 4

Strategic Outcome Oriented Goal 4	To plan and enable the development of a sustainable aerotropolis, cargo and air services
Goal statement	To plan and enable an integrated sustainable urban environment whose layout, infrastructure and economy is centred around the King Shaka International Airport.
Justification	Dube TradePort is the hub of an aerotropolis initiative which will ultimately include commercial, residential and production activities and will greatly expand KZNs capacity to import and export goods. The planning and enabling of this aerotropolis is central to achieving the greater growth and development objectives of the province and the success of this is largely dependent on air connectivity to key regional and global destinations.
Links	This goal links to National Government's 6 th of 14 priority outcomes defined in the MTSF as it will lead to an efficient, competitive and responsive economic infrastructure. It is also directly linked to Strategic Goal 4 of the PGDP: Strategic Infrastructure, which includes as one of its key objectives the development of airports, with the tonnage through the Dube Cargo Terminal as one of its primary indicators and the development of the aerotropolis as a key intervention necessary to achieve this objective. In addition, this objective links to Strategic Goal 5 of the PGDP: Environmental Sustainability as the entire Dube TradePort is being developed with the principles of environmental sustainability in mind.

7.5. STRATEGIC OUTCOME ORIENTED GOAL 5

Strategic Outcome Oriented Goal 5	To provide infrastructure and service the development and operational needs of DTP
Goal statement	To provide sufficient infrastructure to enable DTP to operate efficiently and create a conducive environment for public utilization of the precinct.
Justification	The construction of bulk infrastructure enables private and public sector investment in DTP. The effective and efficient operation of all zones within DTP creates customer satisfaction which attracts further investment.
Links	This goal is linked to Strategic Goal 4 of the PGDP: Strategic Infrastructure in that the provisioning of infrastructure and the development of DTP will assist in maximizing growth opportunities within KZN and will attract foreign direct investment and national and local investment through the growth of new businesses. This goal is also aligned to Chapter 4 of the NDP – Economic Infrastructure and National Government's 6 th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that compete on global markets.

7.6. STRATEGIC OUTCOME ORIENTED GOAL 6

Strategic Outcome Oriented Goal 6	To establish and effectively operate the DTPC IDZ/SEZ
Goal statement	To establish the DTPC IDZ/SEZ and ensure that it operates in a manner that effectively drives private sector investment, job creation and economic growth, as envisioned by the DTI, while complying with all relevant legislation and regulations.
Justification	DTP has been designated as one of the Industrial Economic Zones in KZN, and will be converted into an SEZ as per the provisions of the SEZ Act. This will encourage private sector investment in DTP and drive job creation.
Links	This goal is linked to Strategic Goal 1 of the PGDP: Job Creation, as the development of SEZs and Industrial Hubs is intended to enhance sectoral development through trade and investment and ultimately expand provincial economic output and employment. It is also linked to IPAP2 which identifies SEZs as a key component for the achievement of government's strategic objectives of industrialization, regional development and job creation, as well as the policies and objectives of the DTI which is responsible for overseeing the implementation of all IDZ / SEZs, the development of Provincial Industrial Economic Hubs and the key priority of the NDP which focuses on Economy and Employment.

PART B: STRATEGIC OBJECTIVES

In order to efficiently carry out its mandate, DTPC operates a 7-programme structure. The seven programmes and their associated sub-programmes are summarised below:

Programmes	Sub-programmes
1. Administration	1.1 Office of the CEO
	1.2 Finance
	1.3 Corporate Services
2. Cargo Development	2.1 Cargo Operations
	2.2 Air Cargo Business Development
3. Property	3.1 Commercial
	3.2 Operations
4. AgriZone	4.1 AgriZone Services
	4.2 Sustainable Farming Initiatives
	4.3 Tissue Culture Facility
	4.4 Landscaping and Rehabilitation
	4.5 AgriZone Expansion
5. Information Communication and Technology (ICT)	5.1 Commercial
	5.2 Operations
6. Development Planning and Infrastructure	6.1 Planning
	6.2 Environment
	6.3 Infrastructure and Development
7. DTP Industrial Development Zone / Special Economic Zone	7.1 DTP Industrial Development Zone / Special Economic Zone

8. PROGRAMME 1: ADMINISTRATION

Programme 1: Administration provides support to the other programmes that make up DTPC thereby allowing them to focus on the development and operations of DTP with a view to creating jobs, mobilizing private sector investment and increasing competitiveness. The support offered by the Administration programme takes many forms, including strategic direction, integration and co-ordination, financial and budgetary support, performance monitoring and evaluation, occupational health and safety, quality management, information management, human resource management and development, marketing and communication services. Due to the transversal nature of this programme, effective and efficient operation thereof is critical to ensure that DTPC's strategic plans remain relevant, are well-implemented and effectively monitored. The Administration programme consists of administrative staff and seasoned professionals at various levels and the staff turnover rate of these seasoned professionals, in particular, is monitored to ensure retention of valuable institutional knowledge.

Sub-programme 1.1 – Office of the CEO: The Office of the CEO provides strategic direction and leadership to DTPC, ensuring alignment across all operational programmes and is responsible for the effective management of DTPC, the implementation of strategy, policy and directives of the Board, increasing brand awareness and building confidence in all of DTPC offerings and programmes within targeted audiences. This sub-programme consists of Risk and Governance, internal ICTG, Marketing and Air Services.

Because of the strategic importance the establishment of new Air Services plays for DTPC as a whole, cutting across many, if not all, of the development zones and operational areas of the entity, this function had been relocated to the Office of the CEO. Air Services focuses on increasing connectivity between KZN, the region and the world by identifying regional and global commercial points of origin / destination based on DTPC's Air Services Strategy and ultimately securing new routes flying into and out of King Shaka International Airport.

Sub-programme 1.2 – Finance: This sub-programme provides supply-chain management, contract management, financial management, entity performance monitoring, reporting and budgetary support to all programmes within DTPC in a transparent, accountable manner as envisaged by the PFMA. It is also responsible for the development of internal controls to ensure sound financial processes and compliance with the PFMA and Treasury Regulations, thus ensuring that all management and financial reports produced are valid, accurate and complete.

Sub-programme 1.3 – Corporate Services: Corporate Services includes human resources management and development, safety, health, environment and quality (SHEQ) management, information management, office support, fleet and travel management services and corporate social investment (CSI). This sub-programme also facilitates the implementation of DTPC's B-BBEE strategy.

8.1. PROGRAMME 1 – STRATEGIC OBJECTIVES

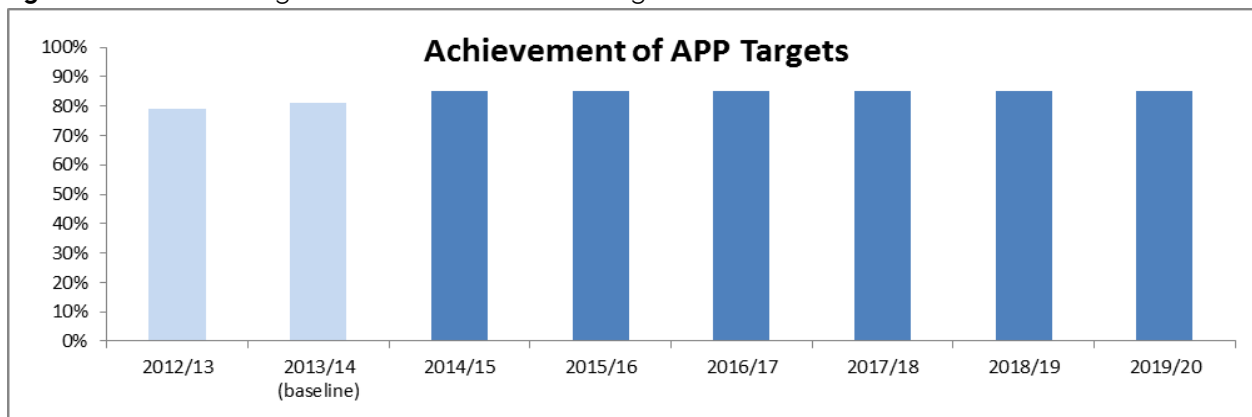
8.1.1. SUB-PROGRAMME 1.1: OFFICE OF THE CEO

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
1.1.1	To maintain effective corporate governance	To provide strategic direction and leadership to DTPC	% Achievement of APP targets	R66.7 billion cumulative contribution to KZN GDP from 2015 to 2020
1.1.2		To secure beneficial partnerships for DTPC	No. of partnerships secured	10 partnerships secured
1.1.3		To promote sound corporate governance to DTPC and its Board	Board effectiveness as determined by comparison to the appropriate recommendations of King III	Board effectiveness measured at 90%
1.1.4	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To facilitate new international and regional air services	% increase in international / regional passengers through KSI A	17.6% total increase in international/regional passengers through KSI A from 2015/16 to 2019/20

8.1.1.1. STRATEGIC OBJECTIVE 1.1.1

Strategic Objective 1.1.1	To provide strategic direction and leadership to DTPC
Objective statement	To provide a means by which the direction and achievements of the organization may be qualified, monitored and communicated.
Baseline	81% of the APP targets were achieved in 2013/14
Justification	Responsible leaders direct organizational strategy with a view to achieving sustainable economic, social and environmental performance. Strategic direction and effective leadership will ensure accountability, transparency and contribute to efficient and effective service delivery.
Links	This objective is linked to Section 50 of the PFMA and to Strategic Goal 6: Governance and Policy, of the PGDP which aims to improve the level of satisfaction of the KZN population with the levels of government service delivery.

Figure 3: Baseline vs Targeted achievement of APP targets

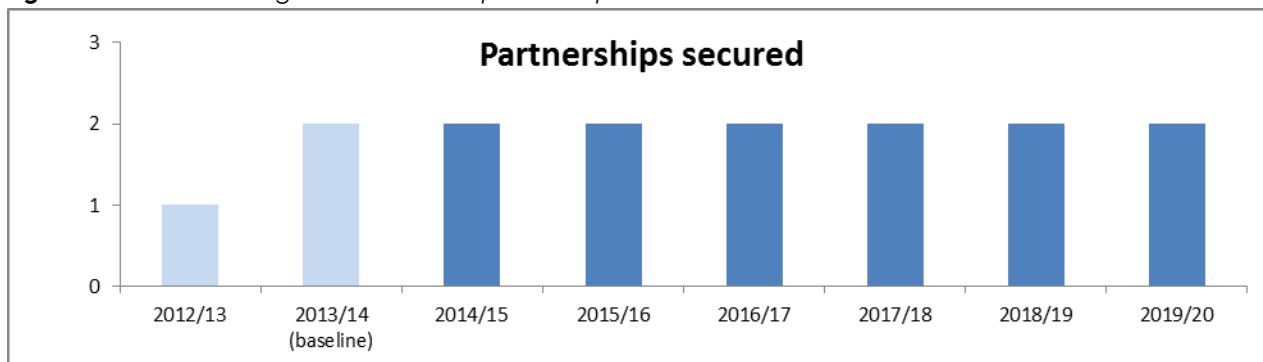


The percentage of APP targets met is expected to increase from 81% in 2013/14 to 85% by 2019/20.

8.1.1.2. STRATEGIC OBJECTIVE 1.1.2

Strategic Objective 1.1.2	To secure beneficial partnerships for DTPC
Objective statement	To achieve and expand DTPC's vision of a multi-model development, DTPC will identify and partner with appropriately skilled organisations to advance the mutual interest of both parties in such a manner as to increase the likelihood of all parties achieving their individual objectives.
Baseline	2 Partnerships were secured in 2013/14 and agreements signed.

Figure 4: Baseline vs Targeted number of partnerships secured



2 new partnerships are expected to be secured each year.

Justification	DTPC may require access to highly specialized resources which it currently does not possess or have access to. Entry into partnerships which possess these resources may be a cost-effective method of gaining access to them, thereby assisting DTPC to achieve its objectives.
Links	This objective is aligned to Section 4(2)(a)(ii) of the DTPC Act and to Strategic Goal 6: Governance and Policy, of the PGDP which includes the number of active partnerships between government and business as an indicator of participative, facilitative and accountable governance.

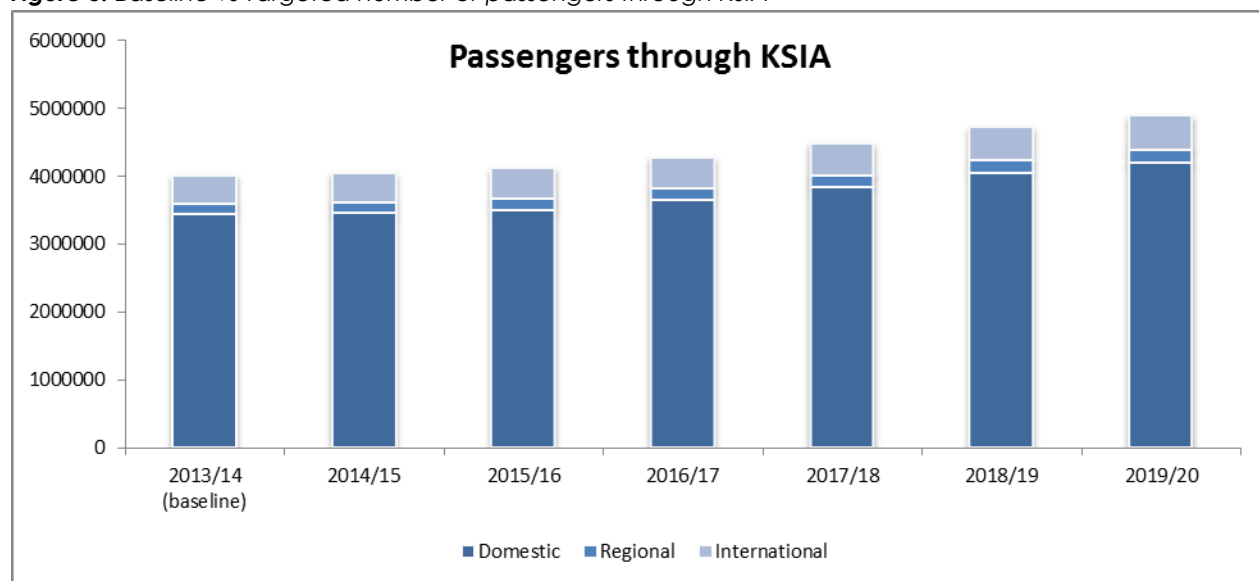
8.1.1.3. STRATEGIC OBJECTIVE 1.1.3

Strategic Objective 1.1.3	To promote sound corporate governance to DTPC and its Board
Objective statement	To entrench a culture of good governance based on best practice throughout the organization and to support the Board in conducting its business in a manner that complies with all applicable legislation and the recommendations of King III.
Baseline	DTPC and its Board are compliant with the legislation applicable to it, as indicated by a clean audit in 2012/13 and 2013/14, and follow the recommendations by King III applicable to the Board and its sub-committees.
Justification	Organisations which have good corporate governance practices entrenched in them have proved to be more successful corporate citizens and to be more fair, accountable, transparent and responsible.
Links	This objective links to the King III report on Corporate Governance and to Strategic Goal 6: Governance and Policy, of the PGDP.

8.1.1.4. STRATEGIC OBJECTIVE 1.1.4

Strategic Objective 1.1.4	To facilitate new international and regional air services
Objective statement	To target specific carriers and routes, as indicated by air traffic and passenger statistics and research, with the goal of securing additional air services into King Shaka International Airport. Increase numbers of passengers travelling through KSIA will indicate greater air connectivity.
Baseline	In 2013/14, 144 317 passengers travelled regionally and 425 435 internationally from KSIA. Passengers travelling from KSIA to other African countries is forecasted to reach 150 821 in 2014/15, an increase of 5%, and to grow by a further 3% in 2015/16. Passengers travelling internationally from KSIA is forecasted to reach 435 310 in 2014/15, an increase of 2%, and 451 106, a 4% increase, in 2015/16.
Justification	Increased air connectivity will ensure that Durban is recognized as a global destination for both business and tourism and will drive economic development in the province, increase direct foreign investment and contribute to KZN's vision of becoming a gateway to Africa and the world by 2030.
Links	This objective is linked to National Government's 6 th of 14 priority outcomes defined in the MTSF in that it will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade, especially those that compete in global markets. It is also aligned to National Government's New Growth Path that sites public sector investment and tourism as two of five job drivers or economic sectors identified for job creation, and to Strategic Goal 4: Strategic Infrastructure, of the PGDP which sites the development of airports and consequently the increase in passengers and cargo throughput as a strategic objective identified to achieve growth and development in the province.

Figure 5: Baseline vs Targeted number of passengers through KSIA



The number of passengers travelling internationally and regionally via KSIA is expected to increase by an average of 3.25% annually. This is a total increase of 17.6% from 2015/16 to 2019/20.

8.1.2. SUB-PROGRAMME 1.2: FINANCE

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
1.2.1	To maintain effective corporate governance	To provide effective, efficient and transparent financial management	External audit opinion	Maintained clean audit
1.2.2	To ensure the efficacy of Supply Chain Management (SCM) for radical economic transformation	To promote radical economic transformation through the adoption of relevant supply chain management practices.	Procurement spend on targeted businesses	40% of procurement spend over the 5 year period on targeted businesses

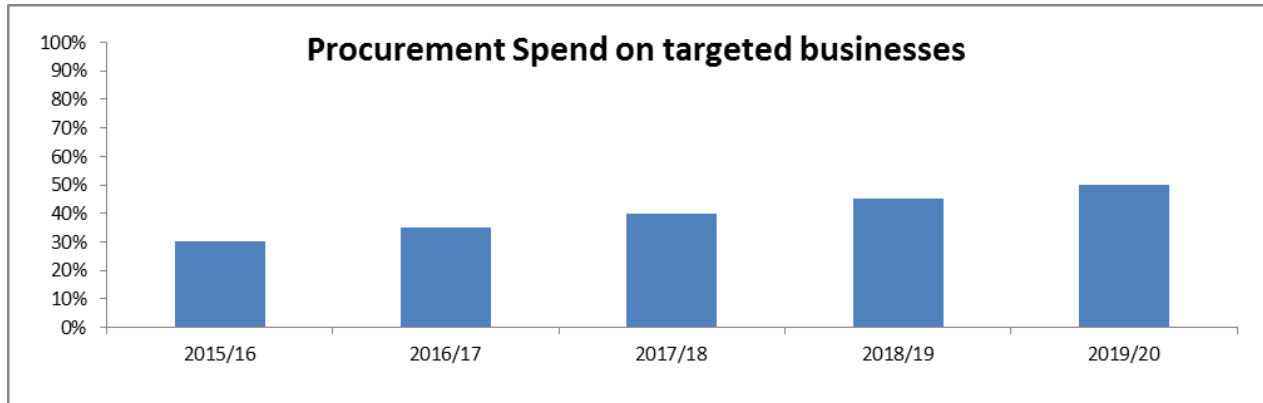
8.1.2.1. STRATEGIC OBJECTIVE 1.2.1

Strategic Objective 1.2.1	To provide effective, efficient and transparent financial management
Objective statement	To provide effective, efficient and transparent financial management (including SCM, contracts management, financial accounting and reporting) to DTPC and its subsidiary.
Baseline	Clean audit in 2012/13 and 2013/14.
Justification	Since DTPC is a public entity, it is important that its financial resources are managed in a transparent and effective manner that complies with the PFMA and Treasury Regulations.
Links	This objective is linked to Section 2 of the PFMA and to Strategic Goal 6 – Governance and Policy – of the PGDP which aims to effectively and efficiently deliver infrastructure and services to the population of KZN through effective financial management as indicated by a clean audit for all provincial public entities.

8.1.2.2. STRATEGIC OBJECTIVE 1.2.2

Strategic Objective 1.2.2	To promote radical economic transformation through the adoption of relevant supply chain management practices
Objective statement	To provide opportunities to historically excluded and vulnerable groups through the adoption of SCM practices which are both PFMA compliant and promote the objectives of B-BBEE.
Baseline	PFMA-compliant SCM policies are in place. Procurement spend is monitored on a quarterly basis against supplier's B-BBEE levels.

Figure 6: Targeted percentage of procurement spend on targeted businesses



On average, 40% of procurement spend over the next 5 years is expected to be spent on targeted businesses (black-owned, women-owned or youth).

Justification	An effective and efficient SCM function will enable DTPC to better achieve its mandate in line with government priorities.
Links	This objective is aligned the key objectives of the MTSF of improving government's procurement systems so as to obtain better value for money, reduce corruption and promote B-BBEE and local procurement, as well as the NDP's key priority area of fighting corruption and enhancing accountability. It is also aligned to the objectives of DTPC's parent department, EDTEA.

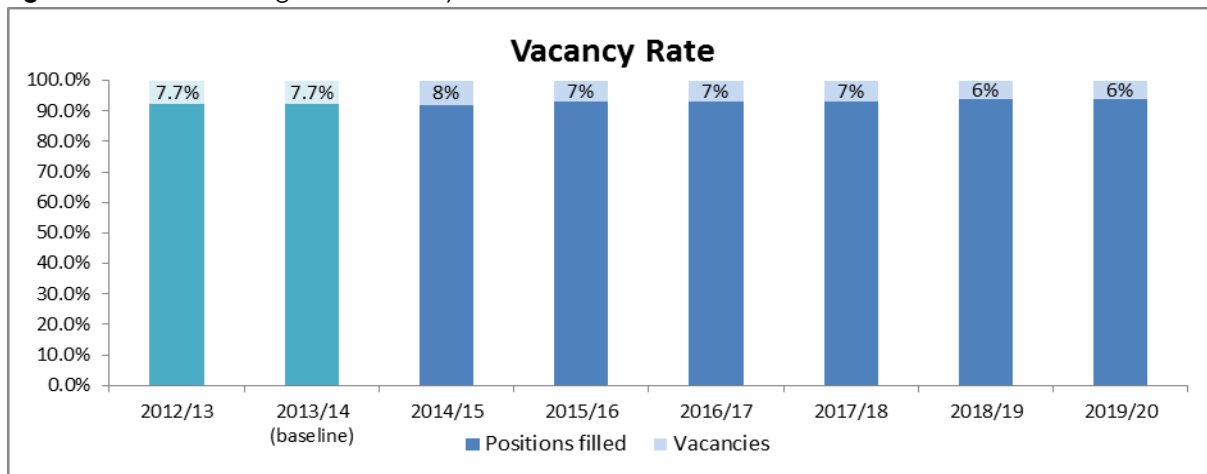
8.1.3. SUB-PROGRAMME 1.3: CORPORATE SERVICES

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
1.3.1	To maintain effective corporate governance	To effectively manage human resource recruitment, learning and development and corporate support services	No. of vacant positions as a percentage of total staff requirement	94% of vacant positions filled
			% of employee costs spent on learning and development	2% of employee cost spent on learning and development
1.3.2		To facilitate DTPC's B-BBEE Strategy and manage Corporate Social Investment	DTPC's B-BBEE level	Level 1

8.1.3.1. STRATEGIC OBJECTIVE 1.3.1

Strategic Objective 1.3.1	To effectively manage human resource recruitment, learning and development and corporate support services
Objective statement	To manage human resources in a manner that ensures all programmes have the human resources necessary to achieve their strategic objectives. This includes timeous recruitment, retention of key skills and enhancing skills through learning and development programmes. Corporate support services will also be managed effectively to enable efficient operations.
Baseline	The vacancy rate was 7.7% in 2013/14. Personal development plans are completed for each employee each year and the implementation of these plans is continuously monitored.
Justification	Human resources need to be managed in line with each programme's resource requirements and vacancy rates should be minimized. Learning and development will ensure that all employees have the necessary skills to meet their programme's strategic objectives and other corporate support services support their operations.
Links	This objective will contribute towards a skilled and capable workforce in KZN to support an inclusive growth path, as set out in the 5th of Governments 14 priority outcomes defined in the MTSF. In addition, Section 195 of the Constitution calls for the cultivation of good human resource management and career development practices to maximize human development.

Figure 7: Baseline vs Targeted vacancy rate

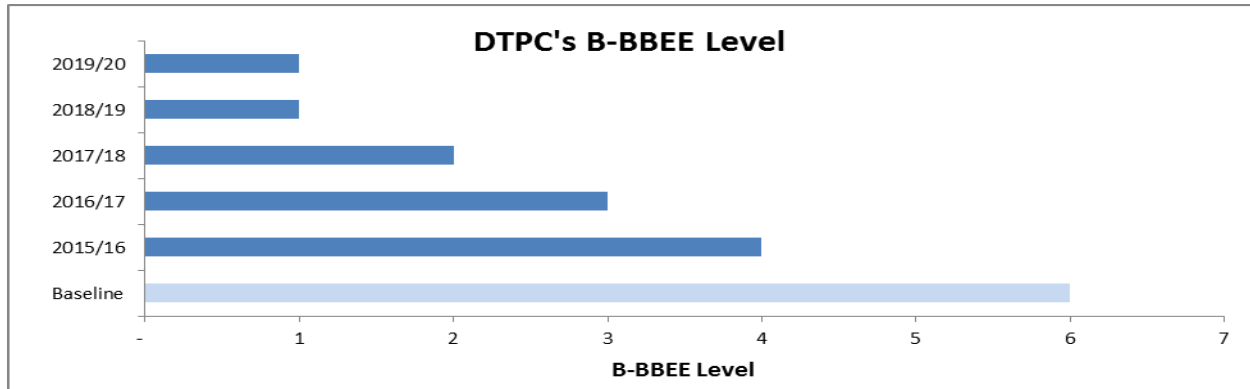


DTPC's vacancy rate is expected to decrease from 7.7% in 2013/14 to 6% by 2019/20.

8.1.3.2. STRATEGIC OBJECTIVE 1.3.2

Strategic Objective 1.3.2	To facilitate DTPC's B-BBEE Strategy and manage Corporate Social Investment
Objective statement	To manage Corporate Social Investment (CSI) so as to enhance enterprise development opportunities in the communities serviced by DTPC, and to guide the entity towards achieving its B-BBEE strategy.
Baseline	DTPC is a level 6 B-BBEE contributor, as measured using 2012/13 data.

Figure 8: Baseline vs Targeted B-BBEE Level



DTPC is expected to improve from a Level 6 B-BBEE contributor to Level 1 by 2019/20

Justification	Promoting enterprise development and economic empowerment is a crucial element in Government's plans to grow the economy and create jobs. In terms of the PGDP, all provincial government departments, and by extension, the public entities that report to them, should be Level 2 B-BBEE Compliant by 2020 and Level 1 Compliant by 2030.
Links	This objective is linked to Goal 1: Job Creation of the PGDP which aims to promote SMMEs and entrepreneurial development and includes a balance B-BBEE scorecard as a measure of progress in this area.

8.2. PROGRAMME 1 – KEY PERFORMANCE INDICATORS AND TARGETS ¹

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
SUB-PROGRAMME 1.1: OFFICE OF THE CEO							
Strategic Objective: To provide strategic direction and leadership to DTPC							
1.1	% Achievement of APP targets	85%	85%	85%	85%	85%	85%
Strategic Objective: To secure beneficial partnerships for DTPC							
1.2	No. of partnerships secured	10	2	2	2	2	2
Strategic Objective: To promote sound corporate governance to DTPC and its Board							
1.3	Board effectiveness as determined by comparison to the appropriate recommendations of King III	90%	70%	75%	80%	85%	90%
Strategic Objective: To facilitate new international and regional air services							
1.4	% increase in international / regional passengers through KSIA	3.25% (average per annum)	3.5%	3.6%	3.3%	3.1%	2.8%
SUB-PROGRAMME 1.2: FINANCE							
Strategic Objective: To provide effective, efficient and transparent financial management							
1.5	External audit opinion	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit
Strategic Objective: To promote radical economic transformation through the adoption of relevant supply chain management practices.							
1.6	Procurement spend on targeted businesses	40% (average)	30%	35%	40%	45%	50%
SUB-PROGRAMME 1.3: CORPORATE SERVICES							
Strategic Objective: To effectively manage human resource recruitment, learning and development and corporate support services							
1.7	No. of vacant positions as a percentage of total staff requirement	6%	7%	7%	7%	6%	6%
1.8	% of employee costs spent on learning and development	2%	2%	2%	2%	2%	2%
Strategic Objective: To facilitate DTPC B-BBEE Strategy and manage Corporate Social Investment							
1.9	DTPC's B-BBEE level	Level 1	Level 4	Level 3	Level 2	Level 1	Level 1

¹ As far as possible, indicators relate to actual numbers rather than percentages. However, it is not always practically (or in some cases, mathematically) possible to do so. Where DTPC makes use of percentages, it is a result of not being able to measure a particular indicator otherwise.

8.3. PROGRAMME 1 – RESOURCE CONSIDERATIONS

The Finance and Marketing sub-programmes are expected to be fully staffed by the end of the 2014/15 financial year and this should enable them to deal adequately with the volume of transactions, compliance and marketing requirements as DTPC's operations expand. More specialized skills are currently being recruited for Corporate Services, most notably in the areas of remunerations and benefits management, as well as within the Office of the CEO where senior ICTG specialists are required and an Air Services specialist has recently been employed. It is expected that once these key skills are acquired, resources within the Administration programme will remain relatively static as sufficient provision has been made to ensure that this programme can effectively support the growth expected within the entity over the next few years.

Continued skills development and retention of specialist skills will remain a focus area over the next five years to ensure continuity and a high level of performance within the entity to enable the achievement of the strategic and operational objectives of DTPC.

Expenditure trends for this programme are expected to remain constant over the next five years, with possible increases in marketing expenditure if needed to drive further growth in DTPC's investment and income-generating operations.

8.4. PROGRAMME 1 – RISK MANAGEMENT

The key strategic risks which may affect the realisation of the strategic objectives stated for this programme are:

Strategic Risks	Mitigation
Inadequate corporate governance	Drafting and implementation of policies that is compliant with legislation, regulations and best practice.
Insufficient funding to adequately execute the objectives of the organisation	Budgeting and financial modelling processes employed.
Inability to attract and retain senior management and specialist skills	Sound recruitment practices, implementation of a retention strategy, robust performance management system and implementation of learning and development programmes.
Inability to attract private sector investors and strategic partners	Competitive land and bulk lease terms and investment in strategic infrastructure. Designation of DTPC IDZ / SEZ.

9. PROGRAMME 2: CARGO DEVELOPMENT

Cargo Development is fundamental to achieving DTPC's vision of becoming the leading global seamlessly integrated air logistics platform in Southern Africa, in line with its Air Services Strategy to increase direct international and regional air services to and from KZN.

While the responsibility for establishing new air routes flying via KSIA now lies primarily within the Office of the CEO, Cargo Development remains responsible for developing air cargo volumes being flown to key regional and global destinations. By increasing the levels of international trade in KZN, DTPC positively contributes to job creation and economic development in the province and forms the critical link between airside and landside which facilitates cargo movement from DTP and the wider KZN export-orientated manufacturing base to the rest of the world.

Cargo Development consists of the following sub-programmes:

- Cargo Operations
- Air Cargo Business Development

Sub-programme 2.1 Cargo Operations: aims to ensure that the Dube Cargo Terminal is operated in line with international standards and to the requirements of tenants and clients. It aims to do this through efficient processing of cargo, ensuring high levels of security, trained staff and the required capital & IT requirements for the facility, supported by direct linkages to major commercial centers by the Dube AiRoad trucking service.

Sub-programme 2.2 Air Cargo Business Development: aims to build growth of volumes through the terminal by forming strategic partnerships, marketing the facilities and the region as a gateway to KZN and building relationships with key role players in the logistics supply chain including shippers, agents, air cargo charter operators and logistics service providers.

9.1. PROGRAMME 2 – STRATEGIC OBJECTIVES

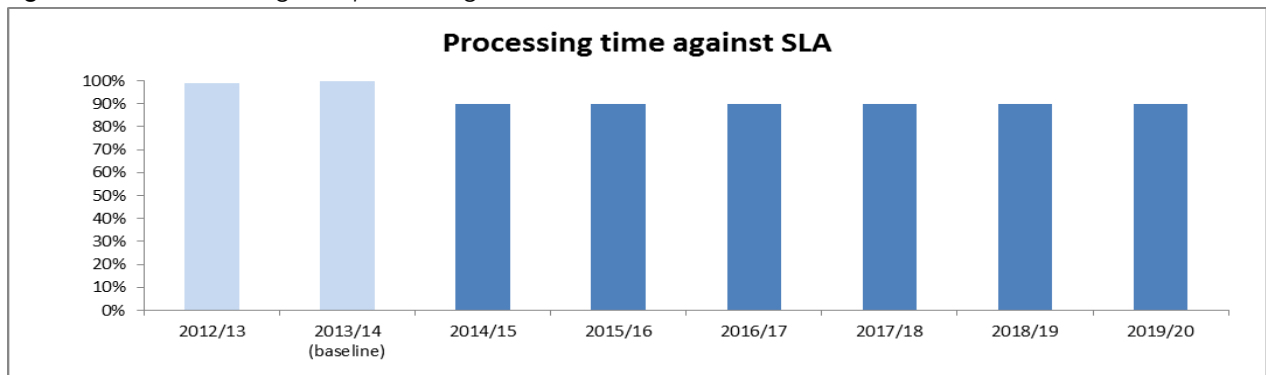
9.1.1. SUB-PROGRAMME 2.1: CARGO OPERATIONS

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
2.1.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To ensure cargo handling equipment, resources and systems are reliable and functioning optimally to meet user needs	Processing time against SLA's	90% of SLA standards
2.1.2		To facilitate effective air cargo security measures in line with national and international standards	Results of Annual SACAA audit: Dube Cargo Terminal	Part 108 accreditation / status as regulated agent maintained

9.1.1.1. STRATEGIC OBJECTIVE 2.1.1

Strategic Objective 2.1.1	To ensure cargo handling equipment, resources and systems are reliable and functioning optimally to meet user needs
Objective statement	The provisioning of efficient, safe and cost effective cargo services to the industry through the integration of the airside and landside facilities and services with the terminal operations measured on internationally benchmarked standards.
Baseline	The Dube Cargo Terminal is operational and the Dube AiRoad trucking business established. A key missing link is the availability of ramp handling equipment for wide bodied freighters. DTPC needs to ensure that ramp handling equipment is available for handling targeted freighter services.

Figure 9: Baseline vs Targeted percentage of SLA standards met



The SLA requirements relating to time taken to process cargo through the Dube Cargo Terminal are required to be met 90% of the time.

Justification	Without air services to regional/global markets, DTP will not be connected to key markets linking KZN to the global economy. The success of the DTPC vision and focus is dependent on air connectivity to key regional and global destinations and the growth of air cargo.
Links	This objective is aligned with National Government's 6 th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that participate in global value chains.

9.1.1.2. STRATEGIC OBJECTIVE 2.1.2

Strategic Objective 2.1.2	To facilitate effective air cargo security measures in line with national and international standards
Objective statement	To assist in ensuring that Dube Cargo Terminal and Dube Valuable Cargo Terminal are positioned as the most safe and secure facilities in Africa.
Baseline	Dube Cargo Terminal has been designed and operated to be compliant with SACAA standards & international safety standards. There is expansion of CCTV surveillance and the terminal has met standards set by regulatory agencies.
Justification	A safe and secure cargo facility ensures the security of the industry's goods and products which contributes to making the Dube Cargo Terminal the facility of choice. One of the principal criteria for choosing cargo terminals for the processing of goods by the industry is based on the guarantee of safety of consignment. If DTP can lay claim to housing the most secure cargo terminal in the region, it will become the facility of choice to the industry and indirectly contribute to the provinces economic growth directly and indirectly.
Links	This objective is aligned to National Government's 6 th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that compete on global markets.

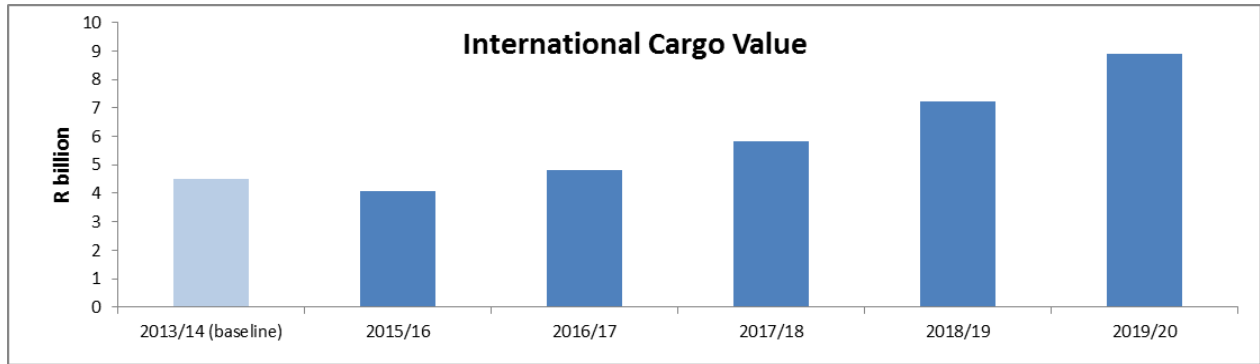
9.1.2. SUB-PROGRAMME 2.2: AIR CARGO BUSINESS DEVELOPMENT

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
2.2.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To grow the volume of cargo through the Dube Cargo Terminal	Tonnage throughput from Dube Cargo Terminal – International	52 600 tonnes throughput via Dube International Cargo Terminal
			Tonnage throughput from Dube Cargo Terminal - Domestic	36 433 tonnes throughput via Dube Domestic Cargo Terminal
			Value of international goods through Dube Cargo Terminal	R30.6 billion of international cargo moved through Dube Cargo Terminal

9.1.2.1. STRATEGIC OBJECTIVE 2.2.1

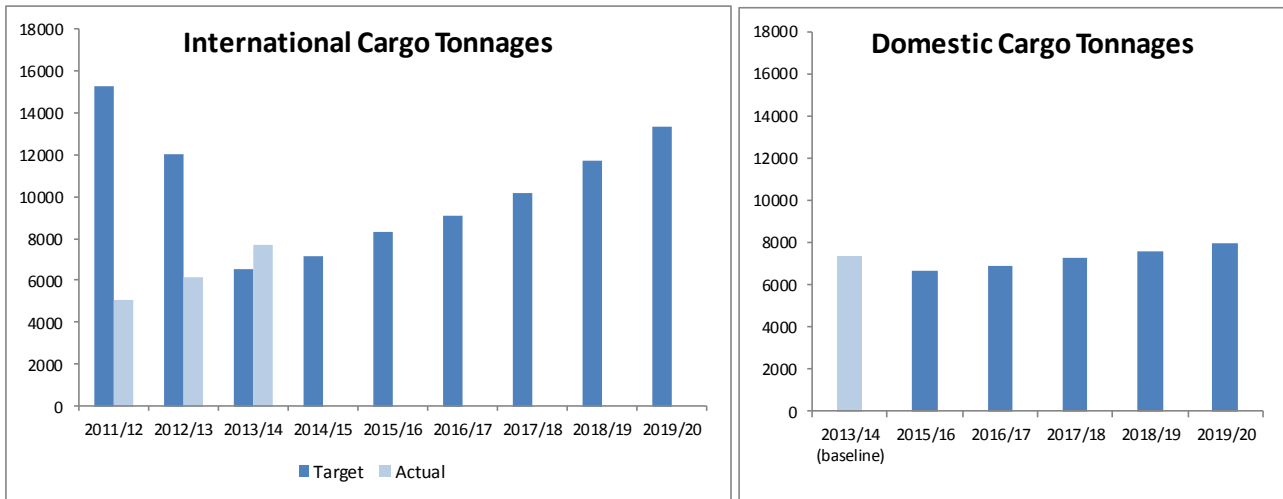
Strategic Objective 2.1.1	To grow the volume of cargo through the Dube Cargo Terminal
Objective statement	To assist in developing DTP as a major trade gateway to Southern Africa.
Baseline	DTPC Cargo terminal has experienced growth in volumes to handling approximately 7600 tonnes of international cargo per annum.

Figure 10: Baseline vs Targeted value of international cargo through Dube Cargo Terminal



R4.4 billion of international cargo was handled at the Dube Cargo Terminal in 2013/14. A further R30.6 billion is expected to be handled over the next 5 years

Figure 11: Baseline vs Targeted tonnes of cargo processed through the Dube Cargo Terminal



7681 tonnes of international cargo and 7 335 tonnes of domestic cargo were processed in 2013/14. 52 600 tonnes of international cargo and 36 433 tonnes of domestic cargo are expected to be processed over the next 5 years.

Justification	Growth in volumes through the terminal would be a sign of DTTC moving towards its goal of improving the competitiveness of sectors that have high value components in the economy.
Links	This objective is aligned to the PGDP Strategic Goal 4 – Strategic Infrastructure and the related Strategic Objective: Development of Airports, which includes as one of its indicators the tonnage throughput from Dube Cargo Terminal. The PGDP targets between 8 000 and 12 000 tonnes internationally through the Dube Cargo Terminal by 2020. This is further linked to National Government's 6 th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that participate in global value chains. It is also linked to the NDP's 1 st strategic priority of Economy and Employment as it promotes growth in export volumes.

9.2. PROGRAMME 2 – KEY PERFORMANCE INDICATORS AND TARGETS ²

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
SUB-PROGRAMME 2.1: CARGO OPERATIONS							
Strategic Objective: To ensure cargo handling equipment, resources and systems are reliable and functioning optimally to meet user needs							
2.1	Processing time against SLA's	90%	90%	90%	90%	90%	90%
Strategic Objective: To facilitate effective air cargo security measures in line with national and international standards							
2.2	Results of Annual SACAA audit: Dube Cargo Terminal	Part 108 Certification received	Part 108 Certification received	Part 108 Certification received	Part 108 Certification received	Part 108 Certification received	Part 108 Certification received
SUB-PROGRAMME 2.2: AIR CARGO BUSINESS DEVELOPMENT							
Strategic Objective: To grow the volume of cargo through the Dube Cargo Terminal							
2.3	Tonnage throughput from Dube Cargo Terminal - International	52 600 (total over 5 years)	8 300	9 100	10 200	11 700	13 300
2.4	Tonnage throughput from Dube Cargo Terminal - Domestic	36 433 (total over 5 years)	6 645	6 911	7 257	7 620	8 000
2.5	Value of international goods through Dube Cargo Terminal	R30.6 billion	R4 billion	R4.8 billion	R5.8 billion	R7.2 billion	R8.8 billion

² As far as possible, indicators relate to actual numbers rather than percentages. However, it is not always practically (or in some cases, mathematically) possible to do so. Where DTPC makes use of percentages, it is a result of not being able to measure a particular indicator otherwise.

9.3. PROGRAMME 2 – RESOURCE CONSIDERATIONS

This programme has most of the resources required to achieve its operational requirements in place. These may need to be adjusted in line with cargo growth trends over the next five years, and further resourcing will be necessary on the business development side to strengthen this sub-programme's ability to continue to grow air cargo volumes. The link with Air Services, which now resides in the office of the CEO, is vital to ensure that resources are used efficiently in a manner that reinforces both air services and air cargo growth objectives.

The majority of the financial resources allocated to this programme will be used to meet the operational needs of the business over the next five years. Recent changes in the electricity tariff structures are expected to contribute towards ensuring that utility cost escalations are effectively managed.

9.4. PROGRAMME 2 – RISK MANAGEMENT

The key strategic risks which may affect the realisation of the strategic objectives stated for this programme are:

Strategic Risks	Mitigation
Low cargo volume due to market conditions	Competitive pricing and business development to meet targets
Lack of air services that increase cargo capacity	Work with relevant role players both externally and internally to ensure we attract the necessary services
Continued use of hub and spoke strategy that relegates KSIA to a domestic feeder	Engage with the government authorities to ensure that KSIA is promoted as an alternative point of entry into SA for new air services
Lack of direct control over security measures and operations in the Domestic section of the Dube Cargo Terminal	Engage the SACAA in order to develop and implement comprehensive solution

10. PROGRAMME 3: PROPERTY

Programme 3 consists of 2 sub-programmes i.e. Property Commercial and Property Operations.

Sub-Programme 3.1 Property Commercial: The Property Commercial sub-programme broadly focuses on the marketing and leasing of DTP land to potential investors and developers, and facilitates development on land controlled by DTPC. It is critical to the success of DTPC as it serves as a catalyst for DTPC's other business offerings, thus ensuring long term sustainability as well as the creation of jobs.

Investment:

The target market is both foreign and domestic investors. In the case of international companies DTPC's intention is to focus on providing an attractive platform for these companies to establish manufacturing and assembly operations, both for the African and global markets. The objective is to increase the deployment of new technologies and manufacturing processes and increase South Africa's industrial value addition activities. Domestic companies within DTPC's priority sectors wishing to expand production or build new capacity, and operations are also a priority target, particularly those that are export and/or airfreight focused.

Additionally, DTPC's investment strategy has a clear objective to achieve a rapid increase of the participation of black African investors and industrialists into the various development zones. This focus will include property development opportunities as well as investment in manufacturing, agri-industry, assembly, warehousing and logistics.

Within this context the primary focus of Property Commercial is on the development of existing zoned serviced sites i.e. Dube TradeZone (Phase 1) and Dube City (Phase 1). Investors are targeted based on the approach defined in DTPC's Investment Plan. All sites are subject to land leases of 49 years with a first option to renew the lease when it expires. DTPC has provided bulk infrastructure for the land including roads, sewerage, water and electricity and intends to encourage development on key sites by putting in appropriate infrastructure (e.g. parking) and creating development products to ensure a broader range of investment products for the private sector. Once the developer has agreed pertinent terms and the land lease is concluded, the developer is obligated to build within an agreed timeline.

DTP consists of two main property zones:

The first is **Dube TradeZone** which is industrial land surrounding Dube Cargo Terminal, now incorporated into DTP's Industrial Development Zone. The TradeZone provides infrastructure and transportation linkages which assist manufacturers and logistics companies in terms of price and time access to markets. Preference is therefore given to businesses operating in targeted sectors which import or manufacture for export,

logistics and support companies that would benefit from close proximity to KSIA and Dube Cargo Terminal, the freight forwarders on site and DTPC's trucking division Dube AiRoad, or from being located in an IDZ / SEZ. Leases have been concluded over the majority of the TradeZone with the balance of the sites under reservation agreements with lease agreements being finalized, and focus is now shifting to bringing future phases on-line (TradeZone Phase 1b, 2 and uShukela). Tenants already established in the zone include Samsung, DB Schenker, Retractable and Brenco-Reelin.

The second is **Dube City** which is currently in its first phase of development. It comprises a 12 hectare site, increasing to 24 hectares on completion, with DTPC's own headquarters, 29° South, at its heart. DTPC has concluded a lease for an office development on Block D with retail on the ground floor and offices above, totaling around 21 500m² of bulk in its final phase, and a 3-star 120 bed hotel development is also planned for Block D. DTPC continuously markets Dube City to multinational and national companies interested in sites for head offices. Companies may either develop for themselves or link in with a current developer looking to put a project together.

Sub-Programme 3.2 Property Operations: Two key aspects to property operations are managing and maintaining DTPC's property zones, infrastructure, buildings, and facilities. This includes managing occupancy levels, lease management, security, leivable services as well as facilities, maintenance and asset management. DTPC's strategy is to utilize a mix of own staff as well as service providers with the right skills and capacity to provide the best level of facilities support to ensure that property assets are maintained to a high standard. This involves all aspects of asset maintenance including planned (and unscheduled) maintenance, waste removal, pest control, maintenance of generators, HVAC, lift maintenance, general maintenance and cleaning services. Service level agreements are signed with all service providers and managing these contracts is a key requirement in ensuring the best levels of service are provided to tenants and end users. Occupancy and lease management are key elements of the property programme to ensure that competitive and market related rentals are obtained, and that rentals are collected timeously and arrears properly managed in terms of the lease agreements. Looking after DTPC's property zones and ensuring the precinct is secure, well managed and maintained is critical.

10.1. PROGRAMME 3 – STRATEGIC OBJECTIVES

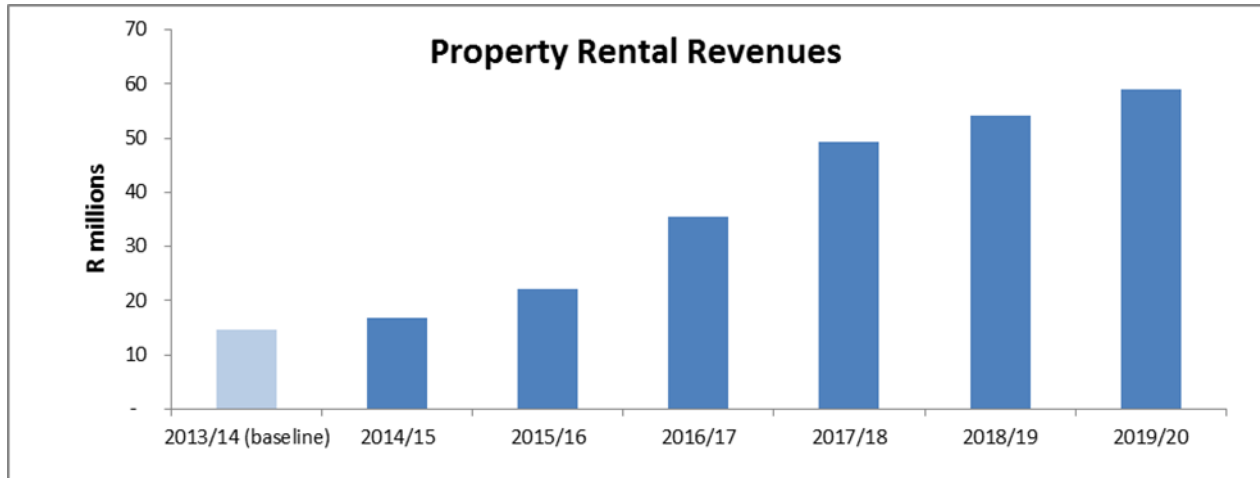
10.1.1. SUB-PROGRAMME 3.1: COMMERCIAL

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
3.1.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To increase long term property rental revenues for DTPC	Total revenue from all DTPC Properties	R219million of property rental revenue generated
3.1.2	To act as a catalyst for targeted private sector investment	To secure private sector investment in DTPC's property zones	Total value of new private sector investment (buildings and capital equipment) committed in all of DTPC's property zones	R2,475 billion of private sector investment secured
			Total value of new investment (buildings and capital equipment) by black owned and/or black empowered companies. (Including IDZ investments)	R1.184 billion investment by black owned and black empowered companies.

10.1.1.1. STRATEGIC OBJECTIVE 3.1.1

Strategic Objective 3.1.1	To increase long term property rental revenues for DTPC
Objective statement	To achieve sustainability of DTPC's Property Zones through the generation and growth in revenue from DTPC's land and building assets to support the operations of existing zones and establishment of new sites and facilities.
Baseline	R16,8 million property rental revenues achieved in 2014/2015
Justification	In order for DTPC to continue to offer a world class property environment which can attract and retain private sector investment, DTPC must achieve financial sustainability for each of its property zones. This will reduce the requirement for ongoing grant funding and free up capital for investment in new zones.
Links	This objective is aligned to National Government's 6th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that compete on global markets. This is achieved through creating revenue streams which provide for ongoing high quality operations and investment in new infrastructure. It is also linked to the NDP's strategic objective of improving infrastructure as private sector investment in economic infrastructure crowds in private sector investment.

Figure 12: Baseline vs Targeted property rental revenues

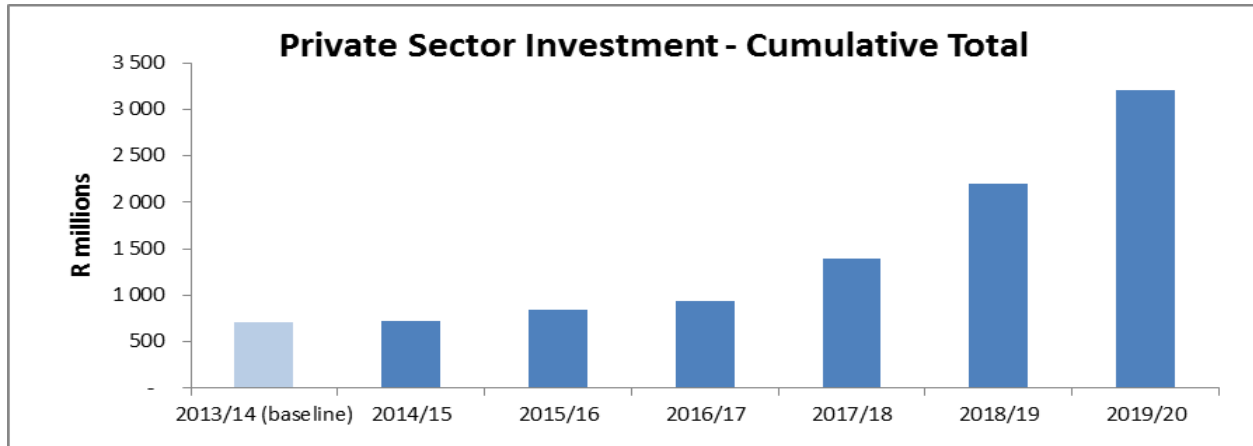


R14.5 million was earned from property rentals in 2013/14. This is expected to increase to R59 million by 2019/20

10.1.1.2. STRATEGIC OBJECTIVE 3.1.2

Strategic Objective 3.1.2	To secure private sector investment in DTPC's property zones
Objective statement	To provide attractive investment opportunities to international and domestic private sector investors in support of DTPC's investment strategy, the DTP IDZ, integrated logistics platform and air cargo growth. A specific objective is to achieve a rapid increase of the participation of black investors and industrialists into the various development zones. This focus will include a strong prioritization of black ownership in property developments, as well as ownership in companies locating their operations at DTPC.
Baseline	R709 500 000 cumulative investment achieved by March 2014
Justification	Providing a catalyst for tenants and developers (local, national and international) and encourage property investment to meet DTPC's developmental objectives for economic transformation, economic development, employment creation and social upliftment. To provide opportunities to historically excluded and vulnerable groups through the promotion of investment opportunities in DTPC's development zones in line with the objectives of B-BBEE.
Links	This objective is aligned to National Government's 6th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that compete on global markets. It is also linked to the NDP's strategic objective of improving infrastructure as private sector investment in economic infrastructure crowds in private investment.

Figure 13: Baseline vs Targeted private sector investment



R709 million private sector investment was secured prior to 2014/15. An additional R2.4 billion is expected to be secured over the next 5 years.

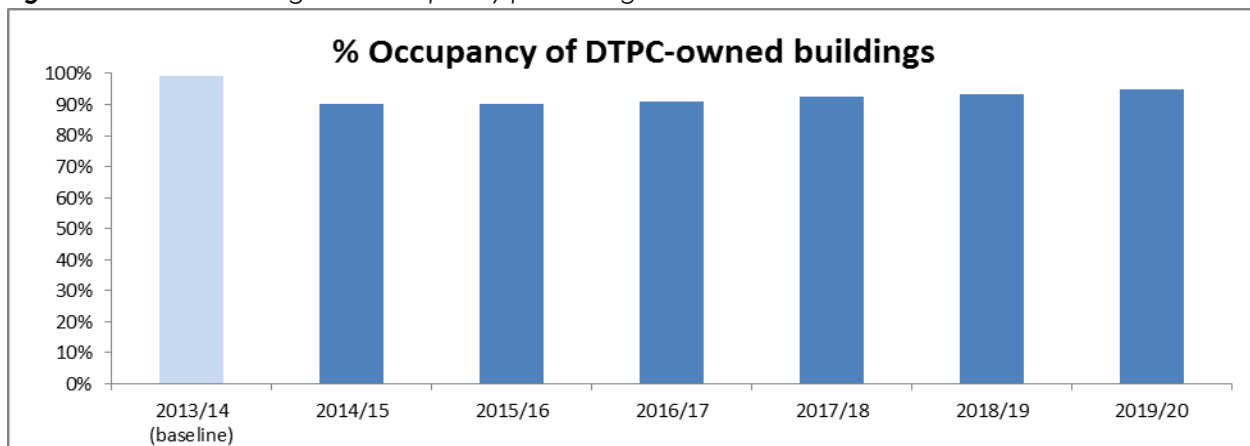
10.1.2. SUB-PROGRAMME 3.2: OPERATIONS

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
3.2.1	To provide infrastructure and service the development and operational needs of DTP	To efficiently manage DTPC's property zones and buildings	% Occupancy of DTPC's owned buildings	95% occupancy of all DTPC owned buildings
			% of sites leased to private sector developers levied	100% of leased sites levied.
3.2.2		To effectively maintain DTPC's infrastructure, buildings, and facilities	% Completion of planned maintenance programmes	95% of planned maintenance programmes completed
			% Completion of tenant logged job cards	99% of tenant logged jobs completed.

10.1.2.1. STRATEGIC OBJECTIVE 3.2.1

Strategic Objective 3.2.1	To efficiently manage DTPC's property zones and buildings
Objective statement	A key aspect to an efficient property operation is the management of DTPC's buildings and precincts, and the tenants and operators within these.
Baseline	Current buildings include Dube TradeHouse, Dube Cargo Terminal VCB, TCB, AgriHouse, AgriZone Greenhouses, SCB and 29°South. Precincts include Dube City, Dube AgriZone and Dube TradeZone.
Justification	Managing DTPC's buildings and precincts effectively will contribute towards achieving DTPC's broader, over-arching objectives of job creation and enterprise development. It will also ensure that its ultimate long term objective of becoming sustainable is achieved.
Links	This objective is aligned to National Government's 6th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that compete on global markets.

Figure 14: Baseline vs Targeted occupancy percentage

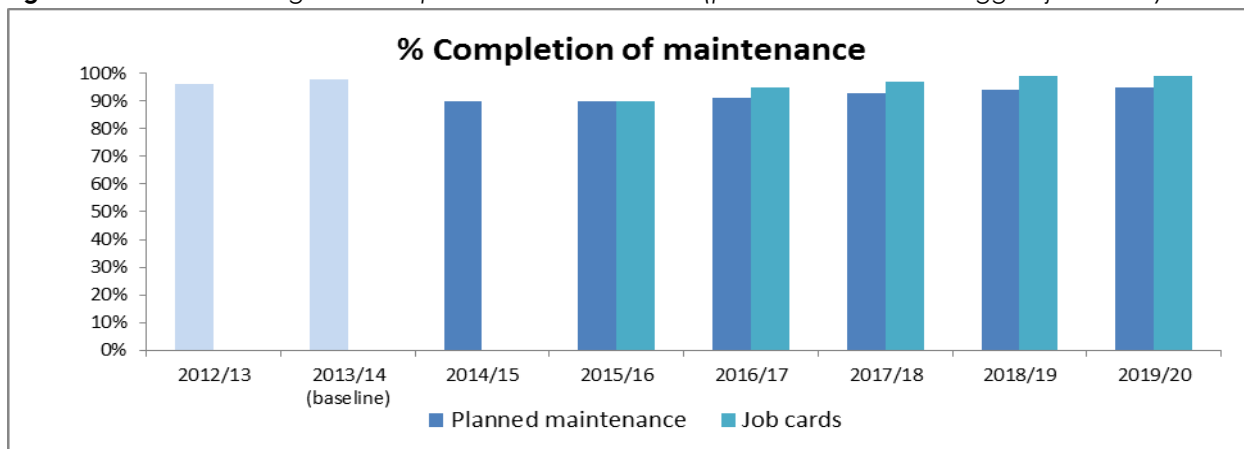


Occupancy of DTPC-owned buildings is expected to be maintained at 95% over the next 5 years.

10.1.2.2. STRATEGIC OBJECTIVE 3.2.2

Strategic Objective 3.2.2	To effectively maintain DTPC's infrastructure, buildings, and facilities
Objective statement	To provide a full maintenance services for all DTPC owned facilities, infrastructure and assets after construction.
Baseline	DTPC has established an internal maintenance team with a help desk and reporting system. There is a contract management system in place to manage outsourced service providers, maintenance services and contracts.

Figure 15: Baseline vs Targeted completion of maintenance (planned and tenant logged job cards)



98% of planned maintenance was completed in 2013/14. By 2019/20, at least 95% of all planned maintenance and 99% of logged job cards are expected to be completed.

Justification	DTPC has a duty to secure and protect its assets funded through public money which ensures long term sustainability and longer term returns through planned and preventative maintenance programs.
Links	According to the New Growth Path, expanded maintenance of state-owned energy, transport, water and communications infrastructure forms part of Job Driver 1 (i.e. infrastructure). This objective seeks to maintain DTPC-owned assets and infrastructure so as to protect the value of Government's investment.

10.2. PROGRAMME 3 – KEY PERFORMANCE INDICATORS AND TARGETS ³

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
SUB-PROGRAMME 3.1: COMMERCIAL							
Strategic Objective: To increase long term property rental revenues for DTPC							
3.1	Total revenue from all DTPC Properties	R219 million	R22 million	R35 million	R49 million	R54 million	R59 million
Strategic Objective: To secure private sector investment in DTPC's property zones							
3.2	Total value of new private sector investment (buildings and capital equipment) committed in all of DTPC' property zones	R2.475 billion	R115 million	R96 million	R455 million	R808 million	R1 001 million
3.3	Total value of new investment (buildings and capital equipment) by black owned and /or black empowered companies (Including IDZ investments)	R1.184 billion	R44 million	R40 million	R200 million	R400 million	R500 million
SUB-PROGRAMME 3.2: OPERATIONS							
Strategic Objective: To efficiently manage DTPC's property zones and buildings							
3.4	% Occupancy of DTPC's owned buildings	95%	90%	91%	92.5%	93.5%	95%
3.5	% of sites leased to private sector developers levied	100%	35%	50%	70%	90%	100%
Strategic Objective: To effectively maintain DTPC's infrastructure, buildings, and facilities							
3.6	% Completion of planned maintenance programmes	95%	90%	91%	93%	94%	95%
3.7	% Completion of tenant logged job cards	99%	90%	95%	97%	99%	99%

³ As far as possible, indicators relate to actual numbers rather than percentages. However, it is not always practically (or in some cases, mathematically) possible to do so. Where DTPC makes use of percentages, it is a result of not being able to measure a particular indicator otherwise.

10.3. PROGRAMME 3 – RESOURCE CONSIDERATIONS

As the programme evolves and becomes more operational in nature the resource requirements will grow over the five year period.

10.3.1. Maintenance and Management

The greatest input cost will relate to maintenance of new infrastructure and buildings, security of DTP precincts and other property related functions including waste management and cleaning services. Once warranties on various assets expire, maintenance agreements will be concluded with relevant service providers to ensure assets are adequately maintained and safeguarded. Security is also a key requirement in line with growth in development in the various precincts. Other large input costs are rates, taxes and bulk services which have continued to rise nationally and make up a large portion of monthly operating costs.

Management of tenants and leases within these buildings and precincts is critical to ensuring recovery of a portion of the above costs by on-charging operating costs to tenants or by instituting levies.

10.3.2. Staffing

The main areas of responsibilities include sales, facilities maintenance, security and property administration. These responsibilities are the core of the Property Programme and are currently achieved by the 15 staff members of the Property Programme (2 in Property Commercial, 2 in Property Administration, 4 in Security, 1 in Contracts management and 6 in Maintenance). These numbers will increase in line with the development of the precincts and are expected to reach 20 by 2016.

Skills training directed at existing staff will ensure they keep abreast of the latest trends, legislation and technology to enable them to meet the demand of their responsibilities.

10.4. PROGRAMME 3 – RISK MANAGEMENT

The key strategic risks which may affect the realisation of the strategic objectives stated for this programme are:

Strategic Risks	Mitigation
Delays in release of developments	Any delays in the planning and environmental process as well as bulk infrastructure provisioning with regards to the release of all future and current land parcels and precincts affects future marketing and leasing of land as well as investor confidence.
Continued downturn in economy	The ongoing economic downturn in the economy in general and in the property market in general will have an ongoing impact in terms of (1) Attracting private sector investment given the uncertainties of global market conditions and general risk averseness to new projects and (2) Retaining and attracting tenants as well as ensuring rentals are paid on time. In order to mitigate this negative sentiment, DTPC will need to offer building and land lease rates that reflect the current conditions in the market such as lower land lease rates and other benefits such as cost effective ICT solutions as well as to invest in certain infrastructure to stimulate development
Lack of public transport	Key to take up of land at DTP is a viable and cost effective public multi modal transport network which will service routes from the major suburbs in Durban (Umlazi, Kwa Mashu, Phoenix and Chatsworth) to DTP. Currently areas such as Riverhorse Valley and, soon to be developed, Cornubia are on major routes serviced mainly by taxi but also metro rail. The additional cost of transport to DTP (a 40 kilometer a day round trip) will add significant costs to businesses looking to relocate as they would have to compensate staff for their additional costs.
Design and Construction Flaws	Poor design and / or construction of DTPC properties and infrastructure as well as specification of materials could result in higher than anticipated maintenance costs, potential loss of investors' and tenants' confidence and possible litigation. Detailed assessments are being undertaken on key infrastructure that may pose such risks. Based on the assessments remedial work is being pursued either through the original contractor (latent defects) or through DTPC contracts.
Failure of equipment due to poor maintenance	HVAC, Lifts, generators, fire systems, roller shutter doors and access control are key items of equipment that, should they fail, could cause major financial loss, possible injury and reputational damage. A detailed planned and preventative maintenance schedule has been put in place and resourced to ensure that all systems are monitored and maintained. A reactive maintenance programme is also in place to deal with urgent and emergency issues.

11. PROGRAMME 4: AGRIZONE

The purpose of this programme is to develop and operate a cluster of facilities to support the stimulation of the perishables sector in KZN. This is important to DTPC as it operates within a labour intensive sector. The AgriZone is a potential catalyst for the development of a perishables sector in the province which serves to boost air cargo exports and contributes to the development of a more efficient supply chain for perishables. The programme consists of the following:

- Greenhouses and Packhouses operated by the private sector;
- A tissue culture facility operated and managed by DTPC;
- Management of operational systems – water for irrigation, energy, electrical supply, etc.;
- Maintenance of common facilities and infrastructure through Programme 3: Property and specialized services by AgriZone personnel and contractors; and
- Administration of AgriZone activities.

Sub-Programme 4.1 Dube AgriZone Services: This sub-programme is aimed at providing reliable, effective and efficient services (water, electricity, fuel, waste management, maintenance, etc.) to AgriZone tenants / operators to enable their businesses to function well and grow, thereby generating revenue and potentially increasing cargo volumes through the Cargo Terminal.

Sub-Programme 4.2 Dube AgriZone Sustainable Farming Initiatives: This sub-programme is aimed at ensuring that DTPC implements a number of environmentally sustainable projects in order to decrease its carbon foot print and contribute to the goal of developing a “Green Aerotropolis” based on a balance between ecological, social and economic factors.

Sub-Programme 4.3 Tissue Culture Facility: The intention is to ensure that this facility has appropriate skills and resources to implement its business plan thereby delivering good quality plant material to the KZN agricultural sector and growers elsewhere in the SADC region.

Sub-Programme 4.4 Landscaping and Rehabilitation: The nursery sub-programme is aimed at enabling DTPC to fulfill its rehabilitation and restoration obligations through indigenous species' propagation, planting these out and maintaining the rehabilitated areas. This will be achieved through maintenance of the open space system with emphasis on quality rather than size.

Sub-Programme 4.5 AgriZone Expansion: This sub-programme relates to the construction of the second phase of the AgriZone. This will entail obtaining more growers, finalizing the draft Master Plan and the design of infrastructure and facilities. This will be followed by the construction of various facilities and supporting infrastructure which will be done through Programme 6: Development Planning and Infrastructure.

11.1. PROGRAMME 4 – STRATEGIC OBJECTIVES

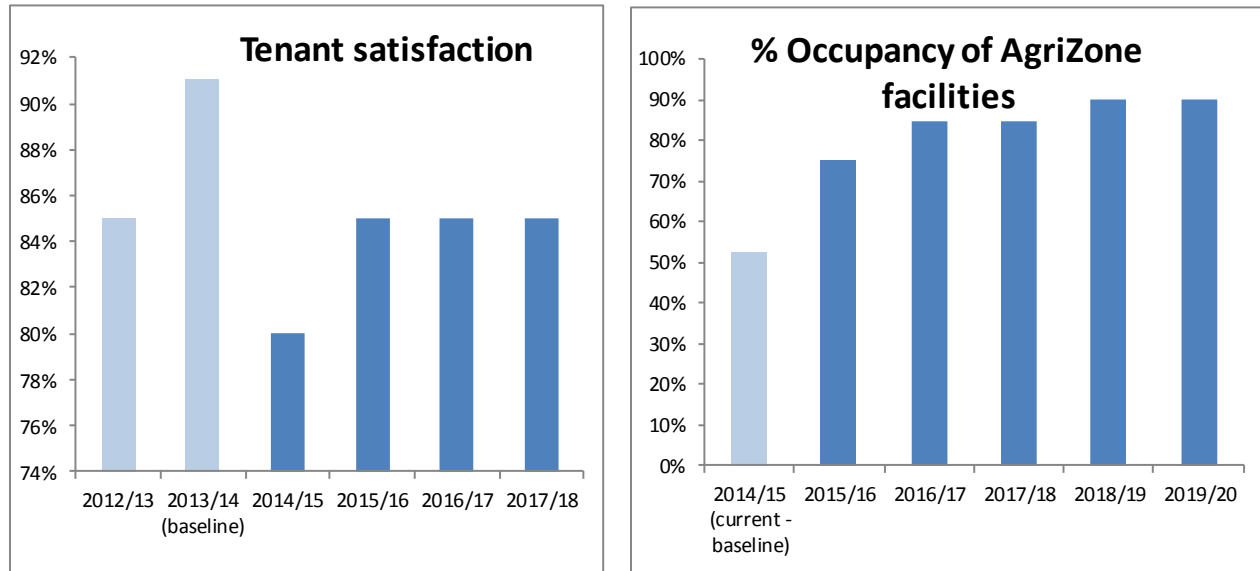
11.1.1. SUB-PROGRAMME 4.1: AGRIZONE SERVICES

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
4.1.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To provide reliable, effective and efficient AgriZone services	Value produced and processed / handled at Dube AgriZone	R562.5million of produce processed / handled at Dube AgriZone
			% Occupancy of available AgriZone facilities	90% of AgriZone facilities occupied

11.1.1.1. STRATEGIC OBJECTIVE 4.1.1

Strategic Objective 4.1.1	To provide reliable, effective and efficient AgriZone services
Objective statement	The AgriZone has to provide services to all its tenants to enable their businesses to function effectively and grow
Baseline	All key service level agreements are in place. The operational team has been established over the last 3 years and the target for tenant satisfaction has been achieved each year since operations began. The level of tenant satisfaction achieved thus far is shown below.

Figure 16: Baseline vs Targeted occupancy of AgriZone facilities and levels of tenant satisfaction



While occupancy of AgriZone facilities was close to 100% in 2013/14, this dropped to 52% in 2014/15 and is expected to increase to at least 75% in 2015/16 and 90% by 2019/20.

Justification	This objective is important because keeping tenants satisfied through effective and efficient services is important for the success of the project
Links	In National Government's New Growth Path, the agricultural value chain has been identified as a key sector to support employment creation. This objective is aligned in that it focuses on increased perishable production and the promotion of locally produced produce in highly-competitive global value chains - giving rise to job creation and food security.

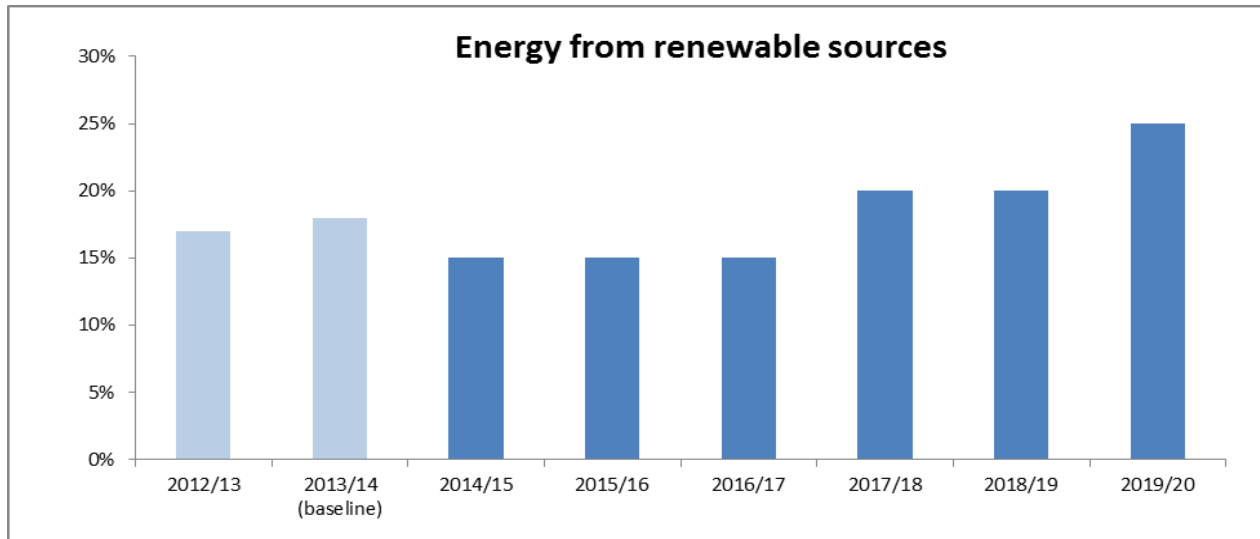
11.1.2. SUB-PROGRAMME 4.2: SUSTAINABLE FARMING INITIATIVES

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
4.2.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To ensure that the AgriZone is used to initiate and promote sustainable farming initiatives and businesses	Percentage of energy derived from renewable sources	19% of energy needs generated from renewable (cleaner & greener) sources to reduce reliance on the grid

11.1.2.1. STRATEGIC OBJECTIVE 4.2.1

Strategic Objective 4.2.1	To ensure that the AgriZone is used to initiate and promote sustainable farming initiatives and businesses
Objective statement	The objective is to assist DTP in becoming a carbon neutral development as far as possible.
Baseline	A number of initiatives have been implemented and additional new initiatives are being investigated. Renewable Energy generation has been the main initiative using solar panels. The actual percentages generated for the past two years are shown below.

Figure 17: Baseline vs Targeted percentage of energy derived from renewable sources



18% of Dube AgriZone's energy needs were provided by renewable energy sources in 2013/14. On average, 19% of Dube AgriZone's total energy requirements for the next 5 years will be provided by renewable sources.

Justification	This objective is important because it links to DTPC's intention to be a responsible developer with environmental sustainability as a key principle. Such initiatives also improve the competitiveness of the tenants' businesses.
Links	This objective is linked to the intentions of the New Growth Path, the National Development Plan and Provincial Development and Growth Strategies which are aimed at encouraging industries that improve environmental sustainability and promote the "green economy"

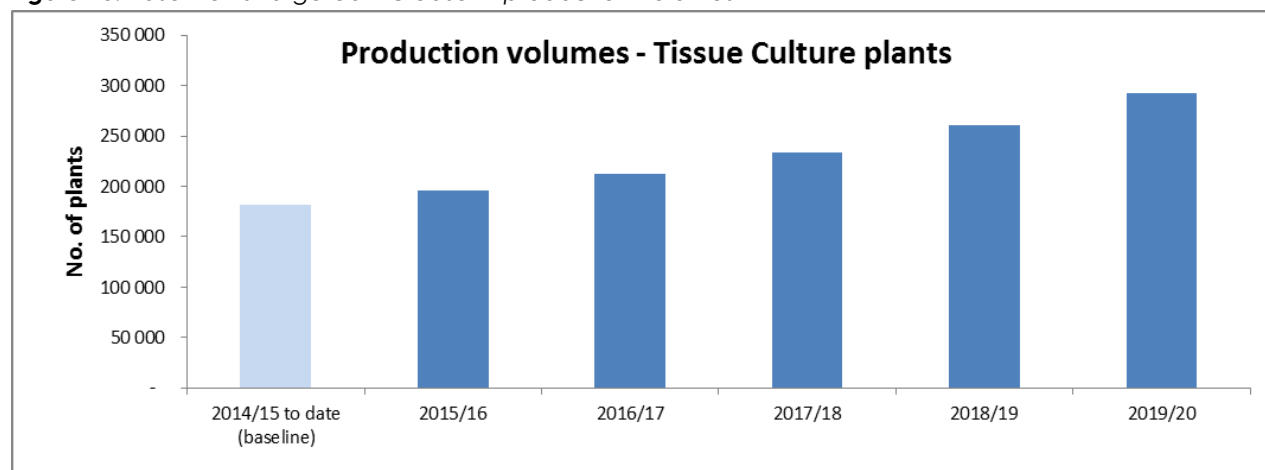
11.1.3. SUB-PROGRAMME 4.3: TISSUE CULTURE FACILITY

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
4.3.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To manage, operate and maintain the tissue culture facility	% increase in production volumes	61% increase in production volumes

11.1.3.1. STRATEGIC OBJECTIVE 4.3.1

Strategic Objective 4.3.1	To manage, operate and maintain the tissue culture facility
Objective statement	The objective is to ensure that the tissue culture facility provides quality material to the agricultural sector in KZN
Baseline	The tissue culture facility was launched in 2013 and is currently in the start-up phase with the aim of being established within the next two years.

Figure 18: Baseline vs Targeted increase in production volumes



The tissue culture lab began operating in 2012/13. 181 574 plants have been produced in the first three quarters of 2014/15 and it is expected that production will increase to around 300 000 plants by 2019/20.

Justification	DTPC has invested in a state of the art facility in line with one of its objectives to boost the competitiveness of the agribusiness sector in KZN.
Links	This objective links to Job Driver 3 in National Government's New Growth Path i.e. seizing the potential of - among others - knowledge-intensive sectors (such as biotechnology) through research, development and tertiary education linked to growth potential and developing South Africa as the higher education hub for the continent. This objective would clearly assist in skills development efforts and potentially add to young entrepreneurs in KZN.

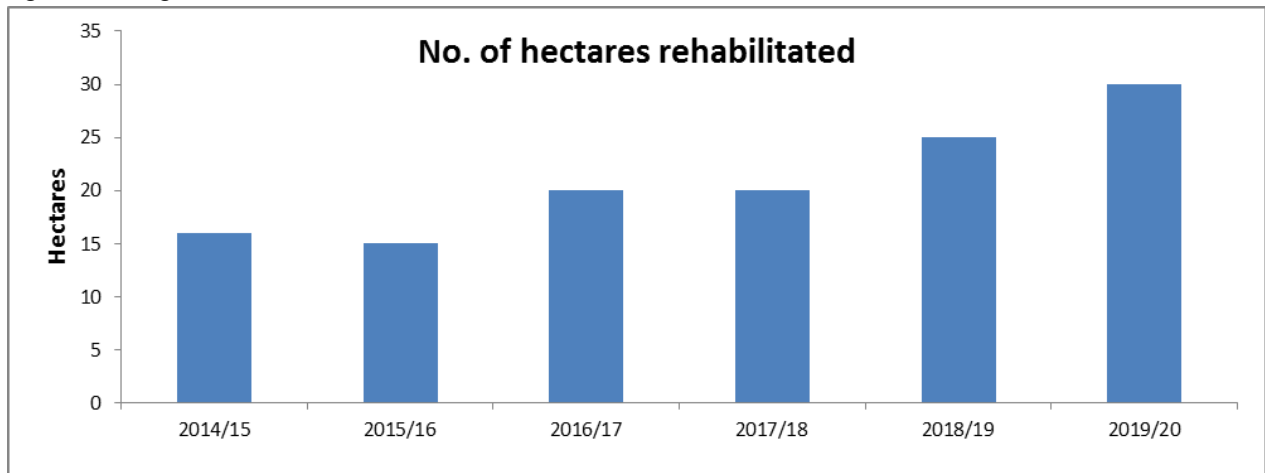
11.1.4. SUB-PROGRAMME 4.4: LANDSCAPING AND REHABILITATION

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
4.4.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To assist in providing rehabilitation and maintenance services for DTPC's ROD requirements	Number of hectares rehabilitated	100 additional hectares rehabilitated

11.1.4.1. STRATEGIC OBJECTIVE 4.4.1

Strategic Objective 4.4.1	To assist in providing rehabilitation and maintenance services for DTPC's ROD requirements
Objective statement	To compensate for the loss of areas affected by development through creating off sets elsewhere to enhance the environment in order to comply with ROD obligations and give effect to the goal of being a responsible developer.
Baseline	The initial ROD obligations regarding rehabilitation in the zone have been achieved and exceeded. In the 2013/2014 year, 75.4 hectares were rehabilitated.

Figure 19: Targeted number of hectares rehabilitated



16ha are expected to be rehabilitated in 2014/15 and a further 100ha over the following 5 years.

Justification	DTPC has obligations to comply with the Record of Decision. Furthermore, this will assist DTP in achieving a "green" aerotropolis status. More importantly, DTPC has invested in a nursery and aims to ensure that it is used optimally wherever possible.
Links	This objective is aligned with National Government's 10th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - involves environmental assets and natural resources that are well protected and continually enhanced. This objective will contribute towards environmental sustainability of the aerotropolis development and links to the National Spatial Planning Land-Use management Bill; KZN Planning and Development Act; and National Environmental Management Act. It also links to the PGDP's 5 Goal of Environmental Sustainability in that it improves the productivity of land in a sustainable fashion.

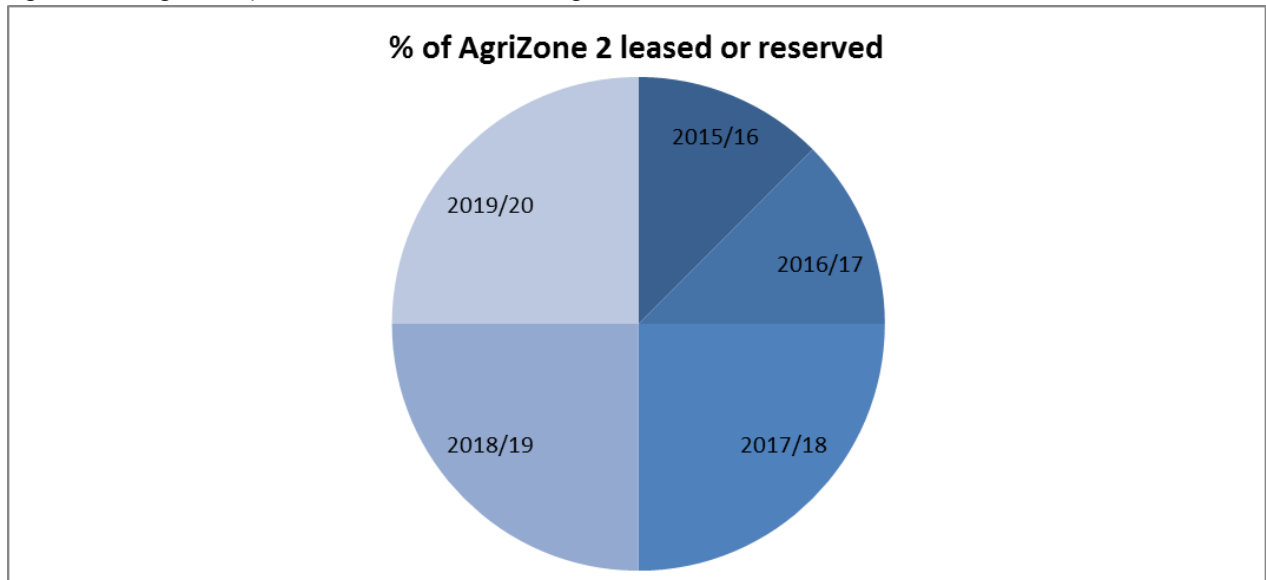
11.1.5. SUB-PROGRAMME 4.5: AGRIZONE EXPANSION

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
4.5.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To identify and conclude agreements with suitable operators and producers	Number of hectares leased to or reserved by operators and/or tenants	40 hectares (100%) of sites in AgriZone Phase 2 reserved

11.1.5.1. STRATEGIC OBJECTIVE 4.5.1

Strategic Objective 4.5.1	To identify and conclude agreements with suitable operators and producers
Objective statement	To ensure that the AgriZone develops further guided by a master plan.
Baseline	A master plan for phase 2 has been drafted, a lease agreement for phase two land has been developed and a Call for Proposals has been issued.

Figure 20: Targeted uptake of sites available in AgriZone Phase 2



By 2019/20, it is expected that 100% of the sites available in AgriZone Phase 2 will be leased or reserved.

Justification	This will capitalize on the investment made in creating an agricultural precinct that aims to be a centre of excellence for the horticulture sector.
Links	In National Government's New Growth Path and the KZN PGDP, the agricultural value chain has been identified as a key sector to support employment creation. This objective is aligned in that it focuses on increasing perishable production and the promotion of locally produced produce in highly-competitive global value chains - giving rise to job creation, enterprise development and food security.

11.2. PROGRAMME 4 – KEY PERFORMANCE INDICATORS AND TARGETS ⁴

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
SUB-PROGRAMME 4.1: AGRIZONE SERVICES							
Strategic Objective: To provide reliable, effective and efficient AgriZone services							
4.1	Value produced and processed / handled at Dube AgriZone	R562.5 Million	R80.4 million	R87.6 million	R95.5 million	R124 million	R175 million
4.2	% Occupancy of available AgriZone facilities	90%	75%	85%	85%	90%	90%
SUB-PROGRAMME 4.2: SUSTAINABLE FARMING INITIATIVES							
Strategic Objective: To ensure that the AgriZone is used to initiate and promote sustainable farming initiatives and businesses							
4.3	% of energy derived from renewable sources	25%	15 %	15 %	20%	20%	25%
SUB-PROGRAMME 4.3: TISSUE CULTURE FACILITY							
Strategic Objective: To manage, operate and maintain the tissue culture facility							
4.4	% increase in production volumes	10% (average per annum)	8%	8%	10%	12%	12%
SUB-PROGRAMME 4.4: LANDSCAPING AND REHABILITATION							
Strategic Objective: To assist in providing rehabilitation and maintenance services for DTPC's ROD requirements							
4.5	Number of hectares rehabilitated	100 hectares	15 hectares	20 hectares	20 hectares	25 hectares	30 hectares
SUB-PROGRAMME 4.5: AGRIZONE EXPANSION							
Strategic Objective: To identify and conclude agreements with suitable operators and producers							
4.6	Number of hectares leased to or reserved by operators and/or tenants	40	5	5	10	10	10

⁴ As far as possible, indicators relate to actual numbers rather than percentages. However, it is not always practically (or in some cases, mathematically) possible to do so. Where DTPC makes use of percentages, it is a result of not being able to measure a particular indicator otherwise.

11.3. PROGRAMME 4 – RESOURCE CONSIDERATIONS

The team for achieving the objectives above is largely in place. There should not be major changes in any of the occupational areas. Clear teams have been established and will continue to be responsible for:

- Nursery operation, alien vegetation clearing and rehabilitation in line with ROD requirements;
- Technical operations – responsible for first line and specialized support to tenants on-site including greenhouses, packhouses, etc.;
- Water quality management – for ensuring there is management of water resources to meet the standards needed for production including testing, water balance management and water treatment where necessary; and
- Tissue Culture operations and management – for overseeing the production, research and marketing of the Agrilab services in order to give support to the regional agriculture sector and beyond.

When AgriZone 2 becomes operational, there will be a need to increase the assistance provided by DTPC for maintenance and other services offered to tenants e.g. water quality assistance. Continuous skills development will be required for the people providing this assistance to tenants and operators, especially if different systems are established for AgriZone 2, although it would be ideal to standardize across the zone.

11.4. PROGRAMME 4 – RISK MANAGEMENT

The key strategic risks which may affect the realisation of the strategic objectives stated for this programme are:

Strategic Risks	Mitigation
Tough market conditions for agricultural sector could lead to loss of tenants and failure to attract new ones or achieve sales targets	Ensure DTPC provides cost effective and reliable services and utilities to assist in competitiveness of tenants and operators. Effective market development strategies also need to be in place to attract new clients
Lack of direct Air services to stimulate exports	Lack of appropriate international air services (markets & rates) may limit the ability of producers to enter international markets. This will limit the market of the tenants. An air services strategy aimed at attracting airlines can mitigate this.
Quality of services offered that may affect operations of tenants	Ensure good operation and maintenance systems are in place and utilized consistently

12. PROGRAMME 5: INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

Programme 5: ICT defines DTPC's requirement and/or demand for information technology infrastructure, services and systems to support the overall growth strategy of the business. The ICT Programme develops and provisions commercial ICT services to DTPC customers including onsite tenants, developers, investors, and off-site resellers. This programme is also referred to as Dube iConnect, and is different from DTPC's Office of the CEO IT team (under Programme 1), which caters for DTPC's internal IT needs.

As an economic development agency with the primary objective of job creation, business development and the provision of enabling infrastructure, Dube iConnect has made the strategic decision to focus a large part of its business on offering IT services in the cloud. The last two years of operations have demonstrated and supported this trend and has led to Dube iConnect refocusing its efforts on the following:

- Infrastructure and software services;
- Backup services;
- Disaster recovery services;
- Hosting services for key cloud based business applications;
- Internet and fixed line access; and
- Aggregation and leased cost routing of Voice services.

It is expected that the trend towards Cloud will continue and will gain tremendous movement by 2015 with a large number of companies leveraging services in the Cloud. Dube iConnect's current network investment includes two tier-2 data centres that utilize the latest generation of virtualization technologies to provide high availability business continuity services and these data centre services (Value Added Services) are now offered to on-site and off-site resellers. This infrastructure is sufficient to support growth for the next two to three years, however, beyond that Dube iConnect will look to expand both its real-estate and infrastructure capacity with a third, larger data centre to best position Dube iConnect to leverage its growing brand and to meet future demand, thus positioning Dube iConnect as a strategic regional service provider in the market. This programme's budgets and targets have been aligned with these objectives.

Another critical role played by Dube iConnect is supporting on-site customers with voice and internet access services, and ensuring that all new developments are incorporated into the network. DTPC has also installed a fully reticulated fibre optic network and IT platform which serves all property development zones, sites and buildings within the precinct, offering the most advanced metro Ethernet network in the country. These services are provided under ICASA ECS and ECNS licenses, allowing

Dube iConnect to provide cost competitive voice and internet access services through wholesale reseller agreements with Tier 1 service providers, including Neotel, Internet Solutions, MetroConnect and Telkom.

This full suite of ICT services provides DTPC with the ability to offer investors, developers, tenants and users an unparalleled and proactive set of turnkey IT solutions. Dube iConnect's bundle of services aims to give businesses located at DTP a cost and operating edge which includes:

- An operationally tested and proven environment deploying some of the most advanced technologies;
- Infrastructure investment architected to scale on demand;
- A highly available IT environment with multiple levels of redundancy and failover capability;
- Onsite international gateway(s) that scale on demand;
- A highly skilled team of onsite and offsite resources to support the environment;
- The highest levels of security, integration and on-site support;
- A geographically well positioned Disaster Recovery location;
- A highly available, completely redundant environment to cost effectively provision services;
- Real-time data replication; and
- Strategic partnerships with various ICT telecom companies through which DTPC can ensure the highest quality of service management interconnectivity.

In support of these services and objectives the ICT programme is structured into 2 sub-programmes:

- **Sub-Programme 5.1 Commercial:** This sub-programme focuses on the development of ICT Strategy and Planning of new commercial services, generating revenue from commercial ICT services, ensuring compliance with ICASA and other regulatory bodies and policies and working with marketing to identify, plan and implement campaigns, sales plans and marketing collateral.
- **Sub-Programme 5.2 Operations:** This sub-programme's functions include operations planning and IT maintenance, managing voice services, managing uptime of systems, ongoing evaluation of the existing environment, capacity building and managing the procurement of services, upgrades and new products.

Dube iConnect, through its operations and commercial sub-programmes, focuses on providing sustainable, high quality commercial IT services in line with DTP's property and business growth ensuring ongoing capacity planning and technology advancement.

12.1. PROGRAMME 5 – STRATEGIC OBJECTIVES

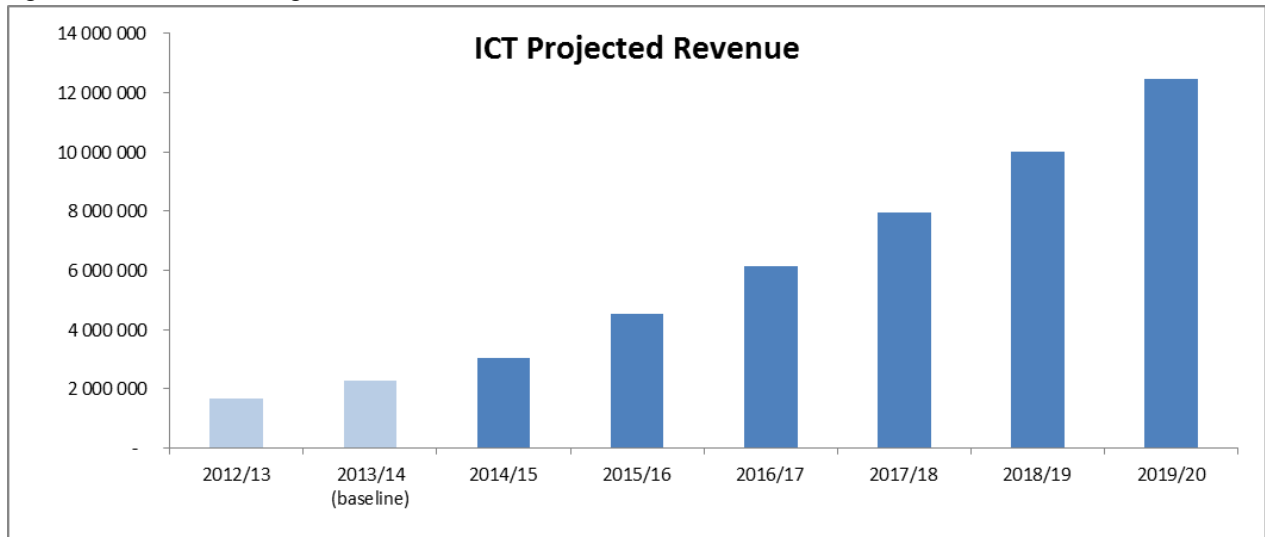
12.1.1. SUB-PROGRAMME 5.1: COMMERCIAL

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
5.1.1	To act as a catalyst for targeted private sector investment	To develop and provision cost competitive and reliable commercial ICT services to DTPC clients.	Total iConnect revenue.	R41.11 million of iConnect revenue generated

12.1.1.1. STRATEGIC OBJECTIVE 5.1.1

Strategic Objective 5.1.1	To develop and provision cost competitive and reliable commercial ICT services to DTPC clients
Objective statement	DTPC's strategic objective is to increase operational and business efficiency for companies and enterprises investing in or utilizing DTPC through the provision of specific commercial ICT services. These will be developed and provisioned to customers with the objective of providing levels of service and technology not widely available in the market. These services must offer specific commercial value to the customer.
Baseline	A full fibre metro Ethernet network is fully operational and providing stable and reliable voice and internet services to the full precinct. Primary bulk service agreements are in place which provide cost competitive internet access and/or voice services at wholesale rates. Dube iConnect continuously manages bandwidth capacity to ensure responsiveness to changing user requirements. Two tier-2 Data Centres are commissioned and operational and offer the following commercial ICT services to resellers and customers: Virtual computing platforms, Co-location services, secure storage, backup and recovery, disaster recovery, business continuity and IT security. Additional services offered by Dube iConnect are dark fibre services, internet access and media services.

Figure 21: Baseline vs Targeted ICT revenue



ICT revenue is expected to grow from R2.2 million in 2013/14 to R12.45 million in 2019/20.

Strategic Objective 5.1.1	To develop and provision cost competitive and reliable commercial ICT services to DTPC clients
Justification	The overall objective is to add value to DTPC's property developments by reducing cost of ICT services for tenants and pre-enabling these services for each new development.
Links	This goal is aligned with National Government's 6th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that participate in global value chains. In addition, this objective is linked to Goal 4 of the PGDP – Strategic Infrastructure – which aims to develop ICT infrastructure for the growth and development needs of KZN, and the 2 nd priority of the NDP of Economic Infrastructure which targets the improvement of internet broadband capacity.

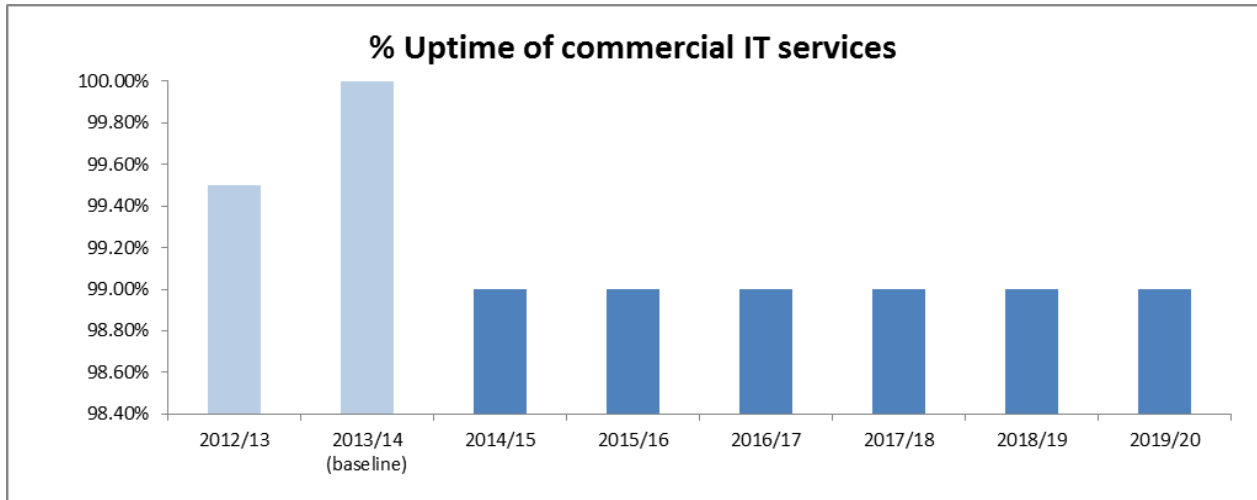
12.1.2. SUB-PROGRAMME 5.2: OPERATIONS

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
5.2.1	To provide infrastructure and service the development and operational needs of DTP	To operate and maintain Dube iConnect IT infrastructure and commercial IT services.	% uptime of commercial IT services	99% uptime on commercial IT services

12.1.2.1. STRATEGIC OBJECTIVE 5.2.1

Strategic Objective 5.2.1	To operate and maintain Dube iConnect IT infrastructure and commercial IT services
Objective statement	To provide a highly skilled team of in-house resources with the capacity to support and maintain the Dube iConnect ICT infrastructure in order to ensure the highest possible service levels and availability of commercial services.
Baseline	Dube iConnect has established an internal IT operations team. Outsourced support agreements for service management, onsite monitoring services and fault resolution are also in place.
Justification	In order for Dube iConnect to sell commercial IT services it must be able to provide an operational and maintenance environment which can achieve the service level commitments contracted with customers.
Links	This goal is aligned with National Government's 6th of 14 priority outcomes defined in the MTSF and - as per the outcome statement - will lead to the establishment of an efficient, competitive and responsive economic infrastructure network that will enhance the competitive edge of local business and trade - especially those businesses that participate in global value chains. In addition, this objective is linked to Goal 4 of the PGDP – Strategic Infrastructure – which aims to develop ICT infrastructure for the growth and development needs of KZN.

Figure 22: Baseline vs Targeted uptime of commercial IT services



DTPC aims to ensure 99% uptime of all commercial IT services offered.

12.2. PROGRAMME 5 – KEY PERFORMANCE INDICATORS AND TARGETS ⁵

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
SUB-PROGRAMME 5.1: COMMERCIAL							
Strategic Objective: To develop and provision cost competitive and reliable commercial ICT services to DTPC clients.							
5.1	Total iConnect revenue	R41,11m	R4.53m	R6.13m	R7.97m	R10.03m	R12.45m
SUB-PROGRAMME 5.2: OPERATIONS							
Strategic Objective: To operate and maintain Dube iConnect IT infrastructure and commercial IT services.							
5.2	% uptime of commercial IT services	99%	99%	99%	99%	99%	99%

⁵ As far as possible, indicators relate to actual numbers rather than percentages. However, it is not always practically (or in some cases, mathematically) possible to do so. Where DTPC makes use of percentages, it is a result of not being able to measure a particular indicator otherwise.

12.3. PROGRAMME 5 – RESOURCE CONSIDERATIONS

12.3.1. FINANCIAL

The ICT programme is structured to achieve commercial sustainability over the medium to long term and the correct planning, allocation and management of resources is critical to achieving this goal. The programme generates revenue through the provision of the following services:

- The aggregation and sale of internet access services;
- Aggregation and leased cost routing of Voice services;
- Data Centre / Value Added Services including; and
- Dark fibre rental (onsite point-to-point connections) and fixed line access (offsite point-to-point connections).

In order to provide for these commercial services the following ongoing resourcing is required:

Activity	Resource
SUB-PROGRAMME 5.1: COMMERCIAL	
Voice and Internet Access	Wholesale purchase of bulk voice and data services for resale. ICASA license fees.
Data Centre Services	Project development of new services. Software and hardware licenses.
Sales and Account Management	Human Resources
SUB-PROGRAMME 5.2: OPERATIONS	
Capital Investment	Infrastructure expansion in line with DTP property growth (switches, fibre, phones); Infrastructure expansion driven by demand for services (Servers, Storage, Licenses)
Maintenance	Parts, spares and equipment
Support	On-site human resources; On-site support

The main capital expenditure programme to establish the full IT platform is now complete. Future capital spend will be linked to the growth in DTP property developments and the expansion of data centre capacity driven by demand. Wholesale voice and internet access agreements include discounting and price review mechanisms to ensure that the cost of services remains competitive and incentivizes volume growth. iConnect's onsite team currently provides first level maintenance support on the IT infrastructure. iConnect has outsourced its service management function and it is intended that this be incorporated as an internal activity over time which will require that additional internal capacity is developed.

12.3.2. HUMAN RESOURCES

The Dube iConnect programme is highly dependent on the continual availability of skilled personnel to manage and operate both the commercial and infrastructural environments. iConnect has recruited and built a core team of highly experienced and qualified staff members and staff retention and professional progression are critical for ICT's long term sustainability.

iConnect will need to continually ensure that it adequately resources its commercial and network teams as the client base expands. The original network support team of 3 resources has been deployed into managerial positions and a new base team of network and data centre engineers has been created to take over their responsibilities and to support the growing operations requirement. It is expected that there will be a requirement to expand the commercial team as the client base further expands.

The iConnect human resource requirements are expected to grow in line with the following triggers:

- New buildings and facilities;
- Demand for Value Added Services;
- Platform services development; and
- Customer growth.

12.3.3. SKILLS DEVELOPMENT

Driven by the need to keep up with technology advancements iConnect, will be required to ensure continuous investment in the skills development of personnel. In order to operate and support new versions of equipment and software IT staff needs to regularly gain additional accreditation and/or undertake specialist training courses. Staff will also be expected to expand their formal qualifications in their relevant support areas. The cost of supporting skills development is expected to be higher for ICT staff than for other staff and therefore will be planned, resourced and implemented with the intention of ensuring staff retention and career development.

12.4. PROGRAMME 5 – RISK MANAGEMENT

The key strategic risks which may affect the realisation of the strategic objectives stated for this programme are:

Risk	Mitigation
SUB-PROGRAMME 5.1: COMMERCIAL	
Failure to sustain growth in value added services business due to insufficient visibility and incorrect perceptions in the market.	Improve visibility by attending as many relevant, market related events in addition to hosting iConnect events with tenants, resellers and end users.
Failure of Tier 1 service providers to meet SLA uptime and availability commitments resulting in a degraded service. This directly impacts on DTPC's ability to meet its own SLA targets.	Create internal service provider independence by utilizing system architecture and operational processes to automatically use most available service and reduce dependence on a single service provider.
Changes in market pricing and services resulting in iConnect services becoming uncompetitive.	Undertake regular pricing reviews and benchmarking. Continuous product redefinition and repackaging based on market analysis.
Penalties incurred for non-compliance with vendor hardware and software license conditions.	Create license compliance register and monitoring system to ensure that licenses are valid and up to date.
SUB-PROGRAMME 5.2: OPERATIONS	
Failure of back-up power generators to data centres and network cores. The consequence of this is an inability of DTPC to meet SLA uptime commitments and major operational disruption.	Develop regular maintenance schedule and operational testing programme for all generators; Initiate plan to commission the existing generators to run redundant to one another by working with the DTPC facilities team to cable between the two generator sites. Accelerate the implementation of secondary UPS's in each of the communications buildings.
Failure on network due to assigned routes on physical infrastructure.	Work with upstream service providers to create a clustered routing environment in order to provide network resilience.
Failure on primary connectivity between the data centres.	Initialise procurement of secondary F1 cards to improve resilience in the inter data centre routing.

13. PROGRAMME 6: DEVELOPMENT PLANNING AND INFRASTRUCTURE

Programme 6 is pivotal to DTPC's sustainable growth and existence well into the future, providing meaningful contribution to the infrastructure fabric of Kwa-Zulu Natal. It is the backbone and the lifeblood for the development of this urban establishment and its overall purpose is to plan for and create an enabling environment for the vision of Durban's Aerotropolis precinct. The overarching objective is to deliver and improve infrastructural facilities, to create a durable public asset and quality-oriented service within DTP. The roll-out of the DTP development is guided by DTPC's 10-year Infrastructure Plan which is based on the 2060 Master Plan and influenced by various studies undertaken relating to DTP's establishment

Programme 6 consists of the following sub-programmes:

Sub-Programme 6.1 Planning: This sub-programme focuses on the establishment and implementation of an aerotropolis as a strategic spatial planning tool in order to guide development within the region well into the future. The concept of an aerotropolis argues that a city can benefit substantially through structuring the use of land surrounding an airport in such a manner that the efficiency of the spatial dynamics of such an area is increased. An airport presents obvious opportunities for businesses to tie into global markets, particularly where quick and easy access to and from the airport for business and passengers is of critical importance. In addition an airport also acts as an attractor for a range of aviation and non-aviation related activities, including offices, retail, leisure, service industries, etc., which offers opportunities that can stimulate economic growth. The other focus area of this sub-programme is to secure statutory right and to define the urban fabric of DTPC's precincts.

Sub-Programme 6.2 Environment: The Environmental sub-programme is aimed at ensuring that all development planning practices are environmentally sustainable through minimizing and preventing environmental impacts by setting policy related objectives and targets. It also recognizes the benefits and importance of developing innovative measures to ensure the long term protection of the environment. It gives the company's operations and products a competitive advantage and production efficiency in the modern and global economy through benchmarking international best practice.

Sub-Programme 6.3 Infrastructure and Development: This sub-programme provides a service to other DTPC programmes through the provisioning of infrastructure required to enable the DTP precinct to operate efficiently and effectively. The following three categories define its main strategic roles and responsibilities:

- Public Infrastructure - Roads, water, energy, sewers systems, public transport infrastructure, etc.;

- DTPC's own property developments - Ranges from DTPC's buildings for own utilization to properties built for rentals by third parties; and
- Third party owned properties constructed on DTPC's land.

Programme 6's role in each of these categories is varied and is defined by the needs of the stakeholders involved.

13.1. PROGRAMME 6 – STRATEGIC OBJECTIVES

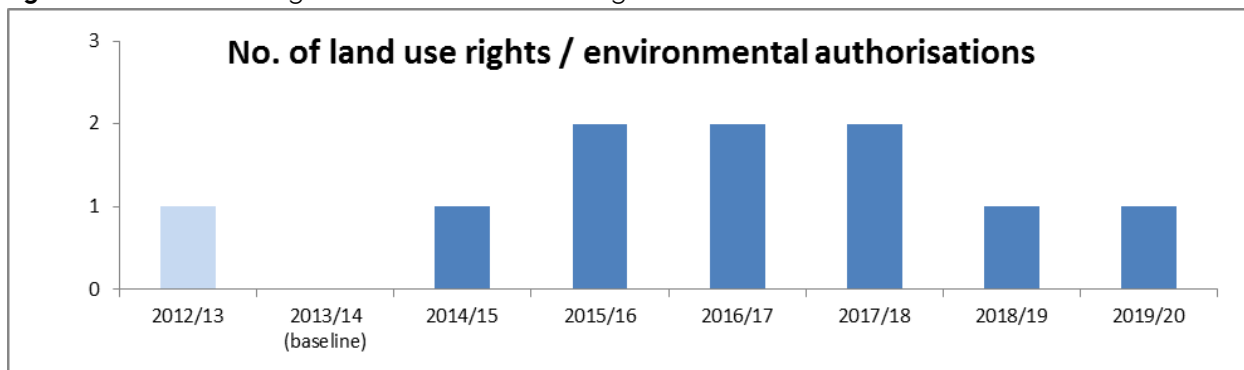
13.1.1. SUB-PROGRAMME 6.1: PLANNING

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
6.1.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To ensure the availability of land for future expansion in support of the establishment of the aerotropolis	No. of land use rights acquisitions and environmental authorisations obtained	8 land use rights / environmental authorisations obtained
6.1.2		To identify and acquire strategic land parcels for future developments	No. of hectares acquired in terms of signed agreements	700 ha of land acquired

13.1.1.1. STRATEGIC OBJECTIVE 6.1.1

Strategic Objective 6.1.1	To ensure the availability of land for future expansion in support of the establishment of the aerotropolis
Objective statement	For construction to proceed without delays all statutory requirements must be met and land-use rights and environmental authorisations obtained to enable the planned expansion of the DTP precincts to continue.
Baseline	DTPC secured the Watson Highway Link road environmental Records of Decision in 2012/13. Approvals for a number of DTPC's EIAs remain outstanding as the Department of Environmental Affairs has either rejected or delayed ruling on these requests. This has a direct impact on the progress of planned construction projects.
Justification	It is vital for the continued development of the aerotropolis that land is made available timeously.
Links	This objective links to the National Spatial Planning Land-use Management Bill, the KZN Planning and Development Act and the National Environmental Management Act. It is also closely aligned to Strategic Goal 4: Strategic Infrastructure, of the PGDP which intends to facilitate the development of airports through the development of an aerotropolis, and to the 6 th of National Government's 14 priority outcomes defined in the MTSF as it will lead to the establishment of an efficient and responsive economic infrastructure network.

Figure 23: Baseline vs Targeted number of land use rights or environmental authorisations obtained.

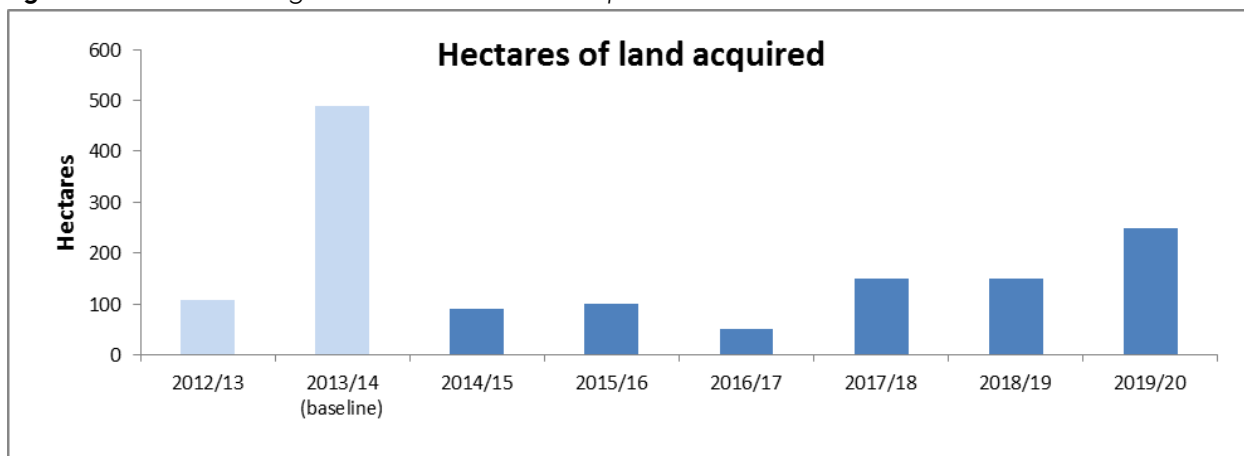


Approval was obtained in 2012/13 for the MRO platform and a further 8 approvals are expected to be obtained over the next 5 years.

13.1.1.2. STRATEGIC OBJECTIVE 6.1.2

Strategic Objective 6.1.2	To identify and acquire strategic land parcels for future developments
Objective statement	To identify suitable land parcels and acquire available portions within a 5 kilometer radius of DTP for development in order to achieve DTPC's long term strategic development objectives.
Baseline	913 hectares have been purchased since 2010.

Figure 24: Baseline vs Targeted hectares of land acquired



913 ha of land have been acquired since 2010 and a further 700 ha are expected to be acquired over the next 5 years.

Justification	Joint co-operation with neighbouring land owners will enable DTPC to achieve its long term goal of developing an Aerotropolis, however, to ensure sustainable development and growth for DTPC, sufficient and adequate land ownership is a key requirement.
Links	This objective is aligned to Strategic Goal 4: Strategic Infrastructure, of the PGDP which intends to facilitate the development of airports through the development of an aerotropolis. It also links to the 6 th of National Government's 14 priority outcomes defined in the MTSF as it will lead to the establishment of an efficient and responsive economic infrastructure network that will enhance the competitive edge of local business and trade, especially those which compete in global markets.

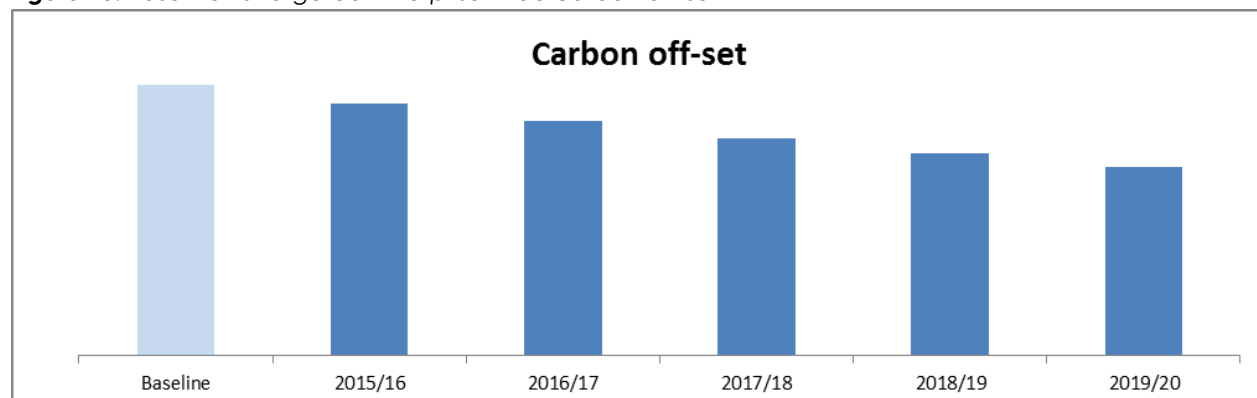
13.1.2. SUB-PROGRAMME 6.2: ENVIRONMENT

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
6.2.1	To plan and enable the development of a sustainable aerotropolis, cargo and air services	To ensure that the aerotropolis is environmentally sustainable	% of enterprise-wide carbon off-set	30% reduction from baseline

13.1.2.1. STRATEGIC OBJECTIVE 6.2.1

Strategic Objective 6.2.1	To ensure that the aerotropolis is environmentally sustainable
Objective statement	To regularly test DTPC's impact on the environment and thereby ensure that the development of the aerotropolis takes place in an environmentally sustainable manner.
Baseline	An Environmental Strategy and Policy encompassing all aspects of DTPC has been developed and a carbon calculator tool has been developed.

Figure 25: Baseline vs Targeted Enterprise-wide carbon off-set



DTPC expects to reduce its carbon emissions by 7% per annum, resulting in a 30% drop from the current baseline by 2019/20.

Justification	The growth and development of DTP and the province is strongly dependent on the extent to which development activities advance the principles of environmental sustainability. It is therefore imperative that the development of the aerotropolis and the natural resources therein are managed in an environmentally responsible manner
Links	This objective is aligned to the National Environmental Management Plan and to job driver 3 in the National Government's New Growth Path which includes seizing the potential of the green economy to create new jobs. It is also aligned to Chapter 5: Transitioning to a low carbon economy, of the NDP, Strategic Goal 5: Environmental Sustainability, of the PGDP and to Section 24(b)(iii) of the Constitution in that it serves the need "to secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development."

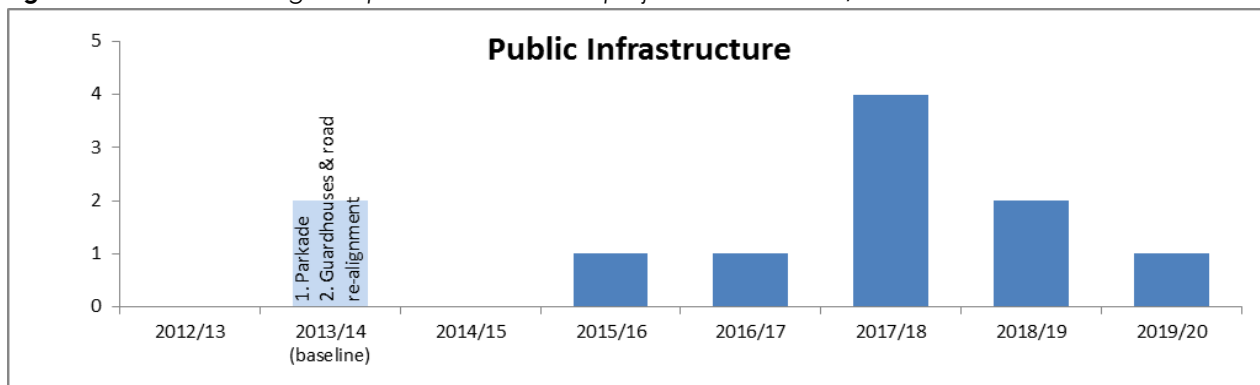
13.1.3. SUB-PROGRAMME 6.3: INFRASTRUCTURE AND DEVELOPMENT

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
6.3.1	To provide infrastructure and service the development and operational needs of DTP	To adequately plan for DTP's public infrastructure requirements	No. of public infrastructure projects delivered	19 public infrastructure projects delivered
6.3.2		To procure, manage and monitor DTP infrastructure provisioning	No. of construction (top structures) projects delivered	14 construction projects delivered
			No. of construction jobs created	6 799 construction jobs created
		To provide technical support and manage the roll-out of services to all DTPC programmes	Construction expenditure on SMMEs	R475 million spent on SMMEs
Public sector investment in infrastructure			R1.362 billion invested in infrastructure	

13.1.3.1. STRATEGIC OBJECTIVE 6.3.1

Strategic Objective 6.3.1	To adequately plan for DTP's public infrastructure requirements
Objective statement	To conduct sufficient needs analysis to adequately plan for the public infrastructure needs of DTP, in particular transport infrastructure and public amenities. Public infrastructure is defined as bulk infrastructure which DTPC constructs and hands over to the municipality for public use, as well as other facilities for public benefit.
Baseline	The 1 st phase built provided key public infrastructure amenities which includes the following: three access roads, through N2, Watson highway and R102; bulk electrical supply of approximately 20 MVA, as well as the street lighting, sewer infrastructure connecting to two packaged sewerage treatment plants, internal road networks linking Supportzone 1, the AgriZone, the TradeZone and the aeronautical precinct; water supply, drainage infrastructure, telecommunication infrastructure as well the fibre optic connectivity. Public transport infrastructure amenities have also been built. Further studies are being conducted into public transport solutions for entire development of the Dube TradePort development.
Justification	Unlocking DTP's potential for economic growth and job creation is dependent on the availability of public infrastructure so as to attract on-going public and private sector investment.
Links	This objective is linked to National Government's 6 th of 14 priority outcomes defined in the MTSF in that it will provide an efficient, competitive and responsive economic infrastructure network, and to Strategic Goal 4: Strategic Infrastructure, of the PGDP. It is also linked to the New Growth Path which identifies a lack of necessary infrastructure as a core constraint to growth and the NDP which identifies Economic Infrastructure as a strategic priority for improving South Africa's economy.

Figure 26: Baseline vs Targeted public infrastructure projects undertaken / delivered



Key public infrastructure projects were undertaken as part of the first phase built and a further 19 are expected to be delivered over the next 5 years

13.1.3.2. STRATEGIC OBJECTIVE 6.3.2

Strategic Objective 6.3.2	To procure, manage and monitor DTP infrastructure provisioning
Objective statement	To facilitate and provide the infrastructure and buildings required by DTPC's programmes. This includes defining the requirements, procuring, contracting and managing service providers and ensuring that the infrastructure and buildings delivered meet the set requirements.
Baseline	DTPC has constructed some key projects which include security fencing, serviced sites in the TradeZone and the SupportZone, AgriZone facilities, warehousing facilities in the TradeZone and other such facilities.

Figure 27: Baseline vs Targeted number of construction projects undertaken / delivered



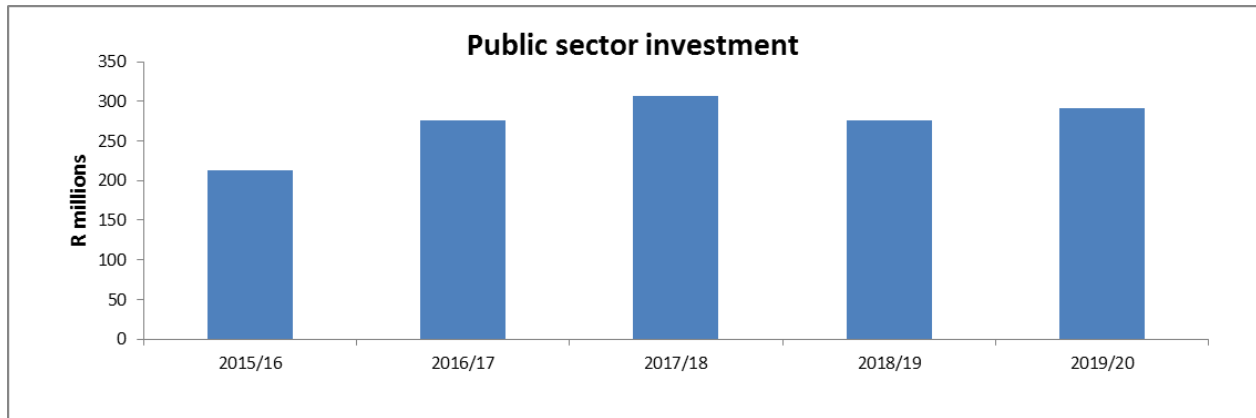
3 construction projects were undertaken in 2013/14 and a further 14 are expected to be delivered over the next 5 years.

Justification	Continued delivery of infrastructure and developments is necessary for DTP to achieve the economic growth and job creation goals expected of the entity.
Links	This objective is linked to National Government's 6 th of 14 priority outcomes defined in the MTSF in that it will provide an efficient, competitive and responsive economic infrastructure network, and to Strategic Goal 4: Strategic Infrastructure, of the PGDP. It is also linked to the New Growth Path which identifies a lack of necessary infrastructure as a core constraint to growth and the NDP which identifies Economic Infrastructure as a strategic priority for improving South Africa's economy.

13.1.3.3. STRATEGIC OBJECTIVE 6.3.3

Strategic Objective 6.3.3	To provide technical support and manage the roll-out of services to all DTPC programmes
Objective statement	To provide the technical information and skills required by DTPC's programmes to undertake the feasibility, scoping and management of various projects, and to provide the infrastructure required by DTPC's Infrastructure Plan that will ultimately lead to the development of the aerotropolis and contribute towards increased private sector investment and job creation.
Baseline	More than 15 projects have been scoped, including the Multi-storey parkade, double basement at Dube city, Facilities maintenance building, workshops, Block F IT building and AgriZone hardening facility. Some of these projects are currently undergoing feasibility assessments, whilst others are under construction

Figure 28: Targeted value invested by the public sector in infrastructure



DTPC expects to add to its current asset-base of over R3 billion through investment of an additional R1.36 billion over the next 5 years.

Justification	Technical skills related to engineering, construction and project management reside in this programme making it ideally positioned to assist with the technical needs of all DTPC programmes. Alignment across programmes will also assist in ensuring that all developments are undertaken in the most cost-effective and efficient manner possible,
Links	This objective is linked to National Government's 6 th of 14 priority outcomes defined in the MTSF in that it will provide an efficient, competitive and responsive economic infrastructure network, and to Strategic Goal 4: Strategic Infrastructure, of the PGDP.

13.2. PROGRAMME 6 – KEY PERFORMANCE INDICATORS AND TARGETS ⁶

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
SUB-PROGRAMME 6.1: PLANNING							
Strategic Objective: To ensure the availability of land for future expansion in support of the establishment of the aerotropolis							
6.1	No. of land use rights acquisitions and environmental authorisations obtained	8	2	2	2	1	1
Strategic Objective: To identify and acquire strategic land parcels for future developments							
6.2	No. of hectares acquired in terms of signed agreements	700ha	100ha	50ha	150ha	150ha	250ha
SUB-PROGRAMME 6.2: ENVIRONMENT							
Strategic Objective: To ensure that the aerotropolis is environmentally sustainable							
6.3	% of enterprise-wide carbon offset	7% reduction from revised baseline annually	7% reduction from baseline	7% reduction from revised baseline	7% reduction from revised baseline	7% reduction from revised baseline	7% reduction from revised baseline
SUB-PROGRAMME 6.3: INFRASTRUCTURE AND DEVELOPMENT							
Strategic Objective: To adequately plan for DTP's public infrastructure requirements							
6.4	No. of public infrastructure projects delivered	19	2	3	4	5	5
Strategic Objective: To procure, manage and monitor DTP infrastructure provisioning							
6.5	No. of construction (top structures) projects delivered	14	5	3	2	2	2
6.6	Number of construction jobs created	6 799	581	659	1 349	1 922	2 287
Strategic Objective: To provide technical support and manage the roll-out of services to all DTPC programmes							
6.7	Construction expenditure on SMMEs	R475 million	R74 million	R96 million	R107 million	R97 million	R101 million

⁶ As far as possible, indicators relate to actual numbers rather than percentages. However, it is not always practically (or in some cases, mathematically) possible to do so. Where DTPC makes use of percentages, it is a result of not being able to measure a particular indicator otherwise.

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
6.8	Public sector investment in infrastructure	R1.362 billion	R213 million	R276 million	R306 million	R276 million	R291 million

13.3. PROGRAMME 6 – RESOURCE CONSIDERATIONS

Over the past year, a number of key resources have been recruited to this programme to ensure that the critical skill sets required to achieve its objectives are obtained and, in so doing, reduce the programme's reliance on outside contractors. The majority of key positions are expected to be filled by the end of the 2014/15 financial year. Key skills include Spatial Planning, Engineering, Project Management, GIS and Quantity Surveying. Over the next five years, the focus will shift to skills development and ensuring that the qualified and registered professionals employed are able to maintain their registrations with professional bodies by staying up-to-date with the latest technology and best practice available.

In the budget for the 2014/15 year, Programme 6 was expected to utilize two thirds of DTPC's total budget and this trend of the greater part of the budgetary allocation being directed towards this programme is expected to continue and ultimately increase, as those programmes which generate income strive to grow their income bases. The expenditure needs of this programme are driven by the infrastructure and development plans for the precinct and the majority of the allocation is directed towards capital expenditure and professional fees in support of these projects. Professional fees are usually incurred in areas where independent studies or assurance is required and internal resources therefore cannot be utilised. They include items such as Traffic Impact Assessments, Environmental Audits, Town-planning applications and market studies.

13.4. PROGRAMME 6 – RISK MANAGEMENT

The key strategic risks which may affect the realisation of the strategic objectives stated for this programme are:

Strategic Risks	Mitigation
Inability to obtain or delays in statutory approvals prior to land being developed.	Interaction with the appropriate local government agencies and, where no resolution can be found, legal action over open space issues is considered.
Non-alignment with stakeholders.	Participation in various initiatives and amendments to ROD applications.
Impact on environment of DTP developments.	Continuous monitoring with key environmental indicators and implementation of corrective measures where required.
Lack of bulk infrastructure.	Interaction with relevant authorities (I.e. Municipality and Department of Transport).
Project delays which then impact on service delivery targets for DTPC	Proper planning and realistic timelines are critical to ensuring adequate resources are available and progress is monitored.
Funding and budgetary cuts	Budgeting and financial modelling processes employed, objectives aligned to Government's primary objectives and regular engagement with relevant stakeholders.

14. PROGRAMME 7: DTP INDUSTRIAL DEVELOPMENT ZONE / SPECIAL ECONOMIC ZONE

In 2011, the Department of Trade and Industry (DTI) recommended that all Industrial Development Zones (IDZs) be re-designated as Special Economic Zones (SEZs), along with additional areas within each province that exhibited the potential to stimulate economic growth and create jobs. DTP was put forward by KZN EDTEA as an area that would benefit from SEZ status and DTPC was therefore invited to interact, along with KZN EDTEA, on the proposed SEZ.

In May 2014, the SEZ Act no. 16 of 2014 was signed into law, pending implementation on formal adoption of the regulations. The SEZ Act provides for the designation, promotion, development, operation and management of SEZs, as well as establishing the SEZ Advisory Board, the SEZ Fund and regulating all aspects of the issuing and withdrawal of SEZ operator permits and the functions of SEZ operators.

On 1 July 2014, DTPC was granted an operator permit by the DTI to operate the Dube TradePort Industrial Development Zone, consisting of two zones within DTP – Dube AgriZone and Dube TradeZone. The IDZ programme is aimed at promoting the competitiveness of South African enterprises through leveraging investment in export-oriented manufacturing industries and through the export of value-added manufacturing products. The DTP IDZ is currently operational and, as legislated and prescribed in the SEZ Act, DTPC will be converted to an SEZ operator as soon as the regulations are gazetted.

SEZs are viewed as a significant part of an overall regional development strategy designed to enhance industrial development through the provision of suitably located, affordable, and serviced land for development and are intended to encourage a value-chain or clustered approach to industrial development. The main objectives of establishing the DTP SEZ are to:

- Accelerate the pace of industrial and cluster development in the province;
- Create an industrial eco-system (one stop shop centre);
- Promote beneficiation and value addition;
- Develop world-class infrastructure required to support the development of the targeted industrial activities;
- Attract relevant foreign and domestic direct investment required to support the mastery of the targeted industrial capabilities; and
- Accelerate economic growth and the creation of much needed jobs.

The establishment and effective operation of the DTP SEZ has been identified as a key focus area for DTPC over the next five years as it is a key component of its ability to

deliver on its mandate to facilitate economic growth and attract long-term investment to the Province. Because of this, a separate programme has been established to oversee the operation of the DTP IDZ / SEZ.

14.1. PROGRAMME 7 – STRATEGIC OBJECTIVES

14.1.1. SUB-PROGRAMME 7.1:

No.	Strategic Goal	Strategic Objective	Key Performance Indicators	Output
7.1.1	To establish and effectively operate the DTP IDZ / SEZ	To establish a world class IDZ / SEZ operated in an effective and compliant manner	% of compliance with conditions of IDZ / SEZ Operator permit	90% of IDZ / SEZ Operator permit conditions
7.1.2		To attract relevant foreign and domestic direct investment in support of the targeted industrial activities of the DTP IDZ / SEZ	Value of private sector investment committed in the DTP IDZ / SEZ	R1 964 million private sector investment committed
			No. of investors established at the DTP IDZ / SEZ	14 investors
			No. of new jobs created - Permanent	2 399 permanent jobs created
			No. of new jobs created – Temporary (during construction)	3 482 temporary jobs created

14.1.1.1. STRATEGIC OBJECTIVE 7.1.1

Strategic Objective 7.1.1	To establish a world class IDZ / SEZ operated in an effective and compliant manner
Objective statement	To put in place adequate infrastructure and controls to effectively operate the DTP SEZ in a manner than complies with all applicable SEZ legislation.
Baseline	IDZ Operator license has been issued to DTPC. The SEZ Act No. 16 of 2014 was promulgated in 2014 and, once the accompanying regulations have been issued, the DTP IDZ will be converted into an SEZ. This is expected to take place during the 2015/16 financial year.
Justification	DTPCs designation as an SEZ is an important component of its ability to deliver on its economic development mandate. It is essential that, once the DTP SEZ is established, that it is well-managed and complies with all applicable legislation.
Links	This goal is linked to Strategic Goal 1 of the PGDP: Job Creation, as the development of SEZs and Industrial Hubs is intended to enhance sectoral development through trade and investment. It is also linked to IPAP which identifies SEZs as a key component for the achievement of government's strategic objectives of industrialization, regional development and job creation, as well as the policies and objectives of the DTI which is responsible for overseeing the implementation of all IDZ / SEZs.

14.1.1.2. STRATEGIC OBJECTIVE 7.1.2

Strategic Objective 7.1.2	To attract relevant foreign and domestic direct investment in support of the targeted industrial activities of the DTP IDZ / SEZ
Objective statement	To accelerate economic growth and create employment through the attraction of increased foreign and domestic direct investment.
Baseline	More than R700 million private sector investment has been made in the DTP precinct prior to the establishment of the area as a SEZ.
Justification	One of the main objectives of establishing the DTP SEZ is to attract relevant foreign and domestic investment to the region.
Links	This goal is linked to Strategic Goal 1 of the PGDP: Job Creation, as the development of SEZs and Industrial Hubs is intended to enhance sectoral development through trade and investment, and the 1 st priority area of the NDP which identifies job creation as necessary for a more inclusive and dynamic economy. It is also linked to IPAP which identifies SEZs as a key component for the achievement of government's strategic objectives of industrialization, regional development and job creation, as well as the policies and objectives of the DTI which is responsible for overseeing the implementation of all IDZ / SEZs.

14.2. PROGRAMME 7 – KEY PERFORMANCE INDICATORS AND TARGETS ⁷

Key Performance Indicator		5-year Strategic Plan Target	2015/16	2016/17	2017/18	2018/19	2019/20
SUB-PROGRAMME 7.1: DTP INDUSTRIAL DEVELOPMENT ZONE / SPECIAL ECONOMIC ZONE							
Strategic Objective: To establish a world class IDZ / SEZ operated in an effective and compliant manner							
7.1	% of compliance with conditions of IDZ / SEZ Operator permit	90%	75%	80%	85%	90%	90%
Strategic Objective: To attract relevant foreign and domestic direct investment in support of the targeted industrial activities of the DTP IDZ / SEZ							
7.2	Value of private sector investment committed in the DTP IDZ / SEZ	R1 964 million	R77 million	R78 million	R268 million	R540 million	R1 001 million
7.3	No. of investors established at the DTP IDZ / SEZ	14	1	1	3	4	5
7.4	No. of new jobs created - Permanent	2 399	120	181	302	351	1 445
7.5	No. of new jobs created – Temporary (during construction)	3 482	137	138	475	957	1 775

⁷ As far as possible, indicators relate to actual numbers rather than percentages. However, it is not always practically (or in some cases, mathematically) possible to do so. Where DTPC makes use of percentages, it is a result of not being able to measure a particular indicator otherwise.

14.3. PROGRAMME 7 – RESOURCE CONSIDERATIONS

Currently resources from within DTPC's existing structure are being utilized for this programme, and further dedicated resources will be recruited via the DTI. Feasibility studies relating to the DTP SEZ are in progress and, once these are completed, the full resource requirements of this programme will be reassessed. This programme is funded by the DTI.

14.4. PROGRAMME 7 – RISK MANAGEMENT

The key strategic risks which may affect the realisation of the strategic objectives stated for this programme are:

Strategic Risks	Mitigation
Uncertain impact of the adoption of IDZ and SEZ legislation.	Participation and feedback in legislative process and feasibility study in progress.
Possible limitations imposed by the preferred categories for the DTP SEZ may limit investment attraction.	Once the value chain and property demand studies have been completed, the theme and industrial clusters will be finalized, with DTPC Board approval.
DTPC Organisational structure may need to be revised / tailored to meet the requirements of the SEZ.	Feasibility studies are underway. Once these are finalized, changes may be required, based on the results.
The SEZ Act requires SEZ Operators to be designated as 3D entities.	The DTI awarded DTPC IDZ operator status while still operating as a Schedule 3C entity. The provisions of the IDZ programme allow for a three year transition period from an IDZ to an SEZ and, during that period, DTPC will request permission to operate the DTP SEZ as a Schedule 3C entity. Alternatively, once DTPC has achieved financial sustainability, the possibility of transitioning from a S3C to S3D entity will be presented to the Board for their consideration.

PART C: LINKS TO OTHER PLANS

15. LINKS TO LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

No.	Project name ⁸	Prog.	Municipal location	Project description	Output	Est. Project cost	Exp. To date	Start	End
New and replacement assets (R'000)									
1	TradeZone – Airchefs	6	Ethekwini	Warehouse facilities	Warehouse	R32 000	n/a	2014/15	2015/16
2	TradeZone – Gift of the Givers	6	Ethekwini	Warehouse facilities	Warehouse	R30 000	n/a	2014/15	2015/16
3	TradeZone Guard houses	6	Ethekwini	Guardhouses and road re-alignment	Roads and Guard houses	R16 000	n/a	2013/14	2015/16
4	TradeZone 1b	6	Ethekwini	Bulk services	Serviced land	R16 000	n/a	2014/15	2015/16
5	TradeZone 2	6	Ethekwini	Municipal infrastructure	Serviced land	R190 000	n/a	2016/17	2017/18
6	TradeHouse 2	6	Ethekwini	Warehouse facilities	Warehouse	R35 000	n/a	2017/18	2018/19
7	Dube City – Block D	6	Ethekwini	Double basement below Hotel	Parking	R190 000	n/a	2014/15	2016/17
8	Dube City – Block D	6	Ethekwini	Hotel	Hotel	R120 000	n/a	2017/18	2018/19
9	Dube City – Block F	6	Ethekwini	Office block in the Dube City	Offices	R90 000	n/a	2018/19	2019/20
10	SupportZone 2	6	Ethekwini	Bulk services	Serviced land	R95 000	n/a	2017/18	2018/19
11	SupportZone 3	6	Ethekwini	Bulk services	Serviced land	R75 000	n/a	2019/20	2020/21
12	Multi-storey parkade 1	6	Ethekwini	Parking facilities for the SupportZone	Parking	R155 000	n/a	2018/19	2019/20
13	AgriZone 2	6	Ethekwini	Greenhouses and other top structures	Greenhouses & Packhouses	R200 000	n/a	2016/17	2018/19
14	AgriZone 3	6	Ethekwini	Greenhouses and other top structures	Greenhouses & Packhouses	R100 000	n/a	2019/20	2021/22
15	Mt Moreland	6	Ethekwini	Road to Mt Moreland	Road	R15 000	n/a	2015/16	2015/16
16	Hlawe River Trunk Sewer	6	Ethekwini	Northern sewer pipeline	Trunk sewer pipeline	R50 000	n/a	2016/17	2016/17
17	Ushukela (TradeZone 3)	6	Ethekwini	Bulk services	Serviced land	R107 500	n/a	2016/17	2017/18
18	Cottonlands (TradeZone 4)	6	Ethekwini	Bulk services	Serviced land	R250 000	n/a	2017/18	2019/20
19	DTP Airside	6	Ethekwini	Expansion of aprons	Airside facilities	R60 000	n/a	2018/19	2019/20

⁸ Many of these projects encompass one or more Public Infrastructure projects.

No.	Project name	Prog.	Municipal location	Project description	Output	Est. Project cost	Exp. To date	Start	End
20	DTP Internal public transport	6	Ethekwini	Public Transport assets	Public Amenities	R30 000	n/a	2017/18	2019/20
Maintenance and repairs (R'000)⁹									
1	Billboards	1	Ethekwini	Billboard maintenance	Billboards	R34			
2	Dube City (SupportZone 1a)	3	Ethekwini	Building maintenance	Offices, Communications Building	R928			
3	TradeZone	3	Ethekwini	Building and equipment maintenance	Access control system, warehouse and other buildings	R600			
4	Dube Cargo Terminal	2	Ethekwini	Building and equipment maintenance	Cargo Terminal and equipment	R1 827			
5	AiRoad trucks	2	Ethekwini	Truck maintenance	Trucks	R364			
6	AgriZone	4	Ethekwini	Building and equipment maintenance	Office Building and equipment	R785			
7	Tissue Culture Lab	4	Ethekwini	Building and equipment maintenance	Tissue Culture Lab, Hardening facility and equipment	R1 312			
8	Greehouses & Packhouses	4	Ethekwini	Specialised maintenance	Greenhouses	R3 723			
9	Nursery	4	Ethekwini	Specialised maintenance	Nursery, misting tunnel and equipment	R303			
10	Water Treatment Works	4	Ethekwini	Building and equipment maintenance	Water Treatment Works	R1 569			
11	Landscaping	2, 3 & 4	Ethekwini	Landscape maintenance	Landscaping	R7 500			
Upgrades and additions (R'000)									
No major upgrades or additions are expected over the next 5 years as the original construction has only recently come to an end.									
Rehabilitation, renovation and refurbishments (R'000)									
No major refurbishments will be needed over the next 5 years as the original construction has only recently come to an end.									

⁹ Maintenance and repairs costs are not capitalized but expensed in the year in which they are incurred. Costs included are for one year only, but will be incurred on an on-going basis.

PART D: APPENDICES

16. APPENDIX A: 50-YEAR MASTER PLAN (2010 – 2060)



Ultimate Development. The first phase of the airport, Cargo Terminal, AgriZone, TradeZone and SupportZone (Dube City) has been completed and is fully operational.

17. APPENDIX B: LIST OF ABBREVIATIONS

ABBREVIATION	DESCRIPTION
ACSA	Airports Company South Africa
APP	Annual Performance Plan
B-BBEE	Broad-based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CCTV	Closed-Circuit Television
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSI	Corporate Social Investment
DPI	Development Planning and Infrastructure
DTI	Department of Trade and Industry
DTP	Dube TradePort
DTPC	Dube TradePort Corporation
ECNS	Electronic Communications Network Services
ECS	Electronic Communications Services
EDTEA	Department of Economic Development, Tourism and Environmental Affairs
EE	Employment Equity
EIA	Environmental Impact Assessment
EPCM	Engineering, Procurement and Construction Management
GA	General Aviation
GDP	Gross Domestic Product
HVAC	Heating, Ventilation and Air Conditioning
IATA	International Air Transport Association
ICASA	Independent Communications Authority of South Africa
ICT	Information Communication and Technology
ICTG	Information Communication and Technology Governance
IDZ	Industrial Development Zone
IMF	International Monetary Fund
IPAP	Industrial Policy Action Plan

IT	Information Technology
KSIA	King Shaka International Airport
KZN	KwaZulu-Natal
MEC	Member of the Executive Committee
MIIT	Mega Integrated Industrial Town
MRO	Maintenance Repair and Overhaul
MSP	Multi-Storey Parkade
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGP	New Growth Path
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
RFID	Radio Frequency Identification
ROD	Record of Decision
SACAA	South African Civil Aviation Authority
SADC	Southern African Development Community
SARS	South African Revenue Service
SCB	SupportZone Communications Building
SCM	Supply Chain Management
SEZ	Special Economic Zone
SIP	Strategic Infrastructure Project
SLA	Service Level Agreement
TCB	TradeZone Communications Building
UPS	Uninterrupted Power Supply
VAS	Value Added Services
VCB	Valuable Cargo Building