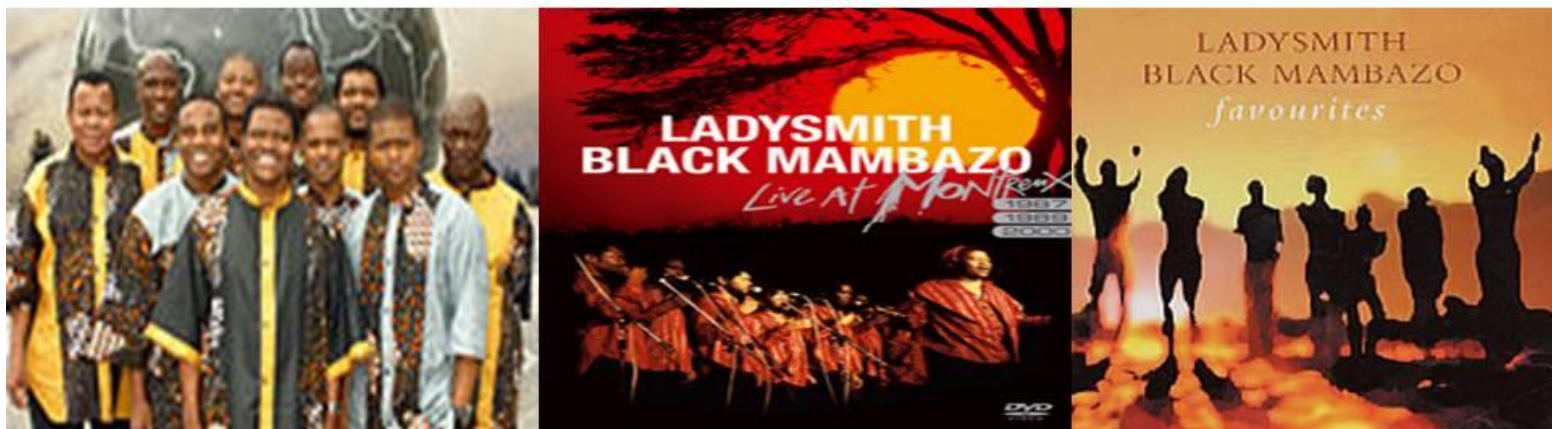


# BUSINESS PLAN



## LADYSMITH BLACK MAMBAZO INDIGENOUS MUSIC ACADEMY



**October 2007**

**Submitted to:**

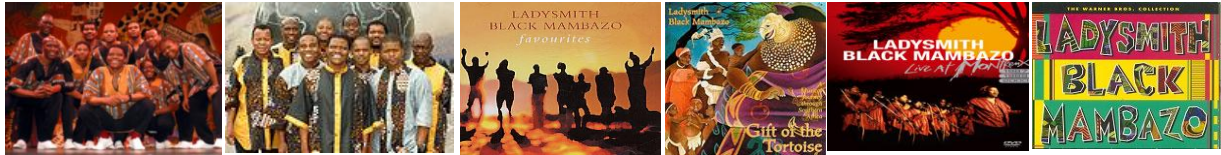
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**Ladysmith Black Mambazo Indigenous Music Academy**

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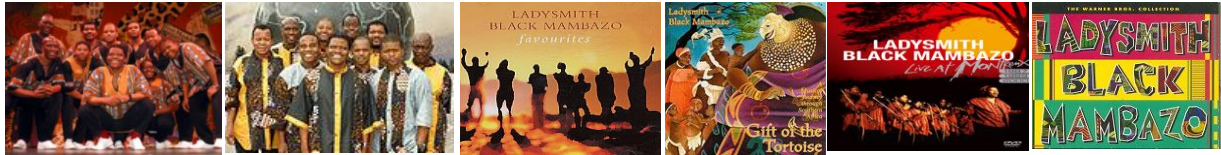
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## Ladysmith Black Mambazo Indigenous Music Academy

### 1. Background

The Department of Economic Development initiated the project by commissioning a feasibility study for the establishment of a Ladysmith Black Mambazo Indigenous Music Academy in the municipality of Ladysmith/eMnambithi. The initial idea for the Academy originated from Mr Joseph Shabalala, the leader of the world renowned music group, Ladysmith Black Mambazo.

The Department of Economic Development and Finance is mandated to promote economic strategies that articulate the overarching development strategies of KwaZulu-Natal. In particular, is the identified need to focus upon the creative industries in alignment with the focus on the Department's Sector Sub-Programme. This project is envisaged as a promoter of economic sustainability via the creation of opportunity for SMME and BEE development, community beneficiation, a driver of economic development in the area and ultimately poverty alleviation in the province.

**In the words of the Department of Economic Development's Terms of Reference for the study:**

**"Music is a fast growing industry with limitless potential. As one of South Africa's most significant cultural industries, the music industry is a powerful means enhancing the country's identity and distinctiveness, while simultaneously creating employment, developing human skills and generating social capital and cohesion. The music industry, however, like any South African Industry, is infused with the legacy of apartheid's political economy. As a cultural industry, the music industry suffered additional setbacks because indigenous culture was actively suppressed and distorted by the apartheid regime. One of the most devastating aspects of this legacy is that local music is not developing as fast as it should. Eighty percent of the music sold in South Africa is international. While international music is thriving in the South African markets, the development of local music is not keeping pace, ASAMI and MITT report. Likewise, live music venues and productions are not thriving in South Africa. It is with the above background that the Department realized the importance of establishing the indigenous music hub in order to promote the competitiveness, skills and talent of the KwaZulu-Natal indigenous musicians".**

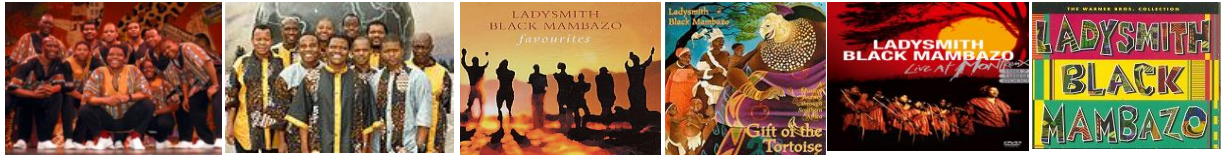
Education has always been at the forefront of the development debate, indeed, over a decade ago, the Reconstruction and Development Programme's (RDP) Strategy Document drawn up in Kempton Park [1994] made reference to the national education curriculum, it stated that it should "[put] the arts firmly into the curriculum". Western arts and culture have been mainstays in the curriculum however, there was (and remains) a clear dearth of education about indigenous musical systems, belief systems, culture, practises or philosophies. While focus has thus far been made on the inclusion of the arts within the general schooling curriculum, indigenous arts, including music, remain under resources and hence, under taught. Indeed, there appears to be a severe lack of materials and facilities for training of educators available. Without such in place, the educating of learners is made virtually impossible.

To fulfil this mandate, the proposed establishment of the indigenous Music Academy in Ladysmith/eMnambithi will serve as an outstanding opportunity to trail-blaze the serious consideration of the actual teaching of indigenous musical styles in the classroom situation. Music teachers in schools must not only train music pupils the western notational systems but also oral, aural and philosophical notational systems inherent in our indigenous styles as exemplified in isicathamiya music and other local styles.

Indeed, the Academy presents a unique opportunity meet the following objectives:

- To promote competitiveness and growth of the indigenous music sector;
- To establish viable and sustainable business opportunities in the music industry, in particular for SMME and BEE;
- To entice local investment in the eMnambithi municipality by industry stakeholders and other sectors.



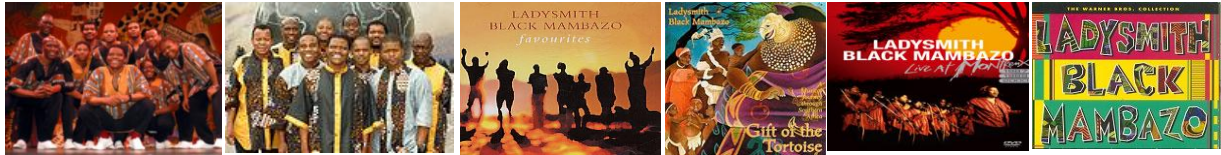


### **Ladysmith Black Mambazo Indigenous Music Academy**

- To provide skills development for indigenous musicians that will translate into the ability to create sustainable livelihoods and job opportunities within the music industry;
- To preserve the traditional music theatre such as *Isicathamiya* and *Maskandi* music; and
- Academic, theatrical and practical training in indigenous musical categories.

This document serves as the follow up to the feasibility and business plan that were initiated in 2005 and completed in 2006. The report details the likely income and expenditure to be experienced by the Academy as it begins operation. Built into the costing model is a 5% increase in inflation. Income is discussed in section 5 and each component of the Academy is individually costed and described in section 6.

This project is unique: no other indigenous music academy exists in KwaZulu-Natal and considerable opportunities exist for inter-departmental cooperation and mutual benefit to occur from its development. The Department of Education, Department of Arts and Culture, Department of Economic Development and private sector all have a role to play and can all reap considerable benefit from this kind of coordination.



## Ladysmith Black Mambazo Indigenous Music Academy

## 2. Overview of Indigenous Music Sector in KwaZulu-Natal

KwaZulu-Natal boasts of a host of song and dance styles, some which are lying dormant, and have never been formally researched or recorded. Most of these styles reside in the heads of the 'grey-hairs' who may die with this treasure trove before it is transmitted or captured through modern ways of preservation. Since traditions and cultures change with the tide of modernity, very few social functions still persist to enliven these styles. There is a definite lethargy of music companies to record them, as they are perceived not to be in the mainstream of popular music that generates revenue. Consequently, these styles are shunned and resented by both the practitioners and the recording industry. It is precisely for the aforementioned reasons that there should be a precipitate renaissance of these styles, through the proposed Indigenous Music Academy in Ladysmith/eMnambithi.

### a. Performing Groups and Statistics

Indigenous music styles are as diverse as the landscape of the province. *Isicathamiya* practitioners are drawn from Ladysmith, Newcastle, Colenso, Glencoe, Dundee, Bergville, Hlobane, others herald from Mahlabathini, Ulundi, Nongoma, Eshowe, Empangeni and Stanger. Music flourishes in both the urban and rural setting, transported by the processes of urbanisation and the migration of labour.

Many styles arose as result of labour migration and industrialization, especially in all the coal-mining districts of Natal in the 1920's. Although these styles first appeared in the 1920's, their origins go back a century ago to the 1880. Between the 1920s and 1930s appears to mark a watershed in urban black performing arts because the people of Natal were the first to be exposed to mines and compounds.

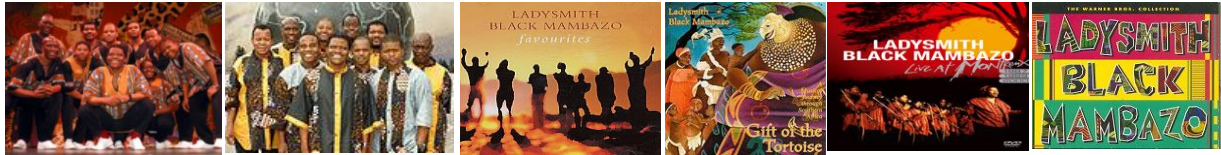
Groups of indigenous musicians are present in all major towns and cities, indeed those living in hostels take part in night vigils every Saturday evening. Although there is much vibrancy in this competition culture, groups do not participate for financial gain, but to *please* themselves. Those that are trying to pursue a more commercial trajectory fast become frustrated by recording companies who do not regard this idiom as commercially viable. This could be consequent to the fact that even groups themselves are not trying hard enough to cross-fertilize this idiom with other musics, say with *umasikanda*, for modernity's' sake and merchantability. They continue to mimic Joseph Shabalala's Ladysmith Black Mambazo, or still cling tenaciously to the *Mbube* or *Bombing* styles of the 1930 and early 1940, thus warding off mainstream listenership that is looking for a more modernistic sound.

While the initial proponent of this music academy, Joseph Shabalala and his world renown group Ladysmith Black Mambazo are *isicathamiya* musicians this does not dictate that the Academy should limit itself to focussing solely on this style of music, rather it should embrace the full spectrum of local indigenous music.

The South African Traditional Music Association (SATMA) has 25 *Gospel* groups listed in KwaZulu-Natal, 15 *Isicathamiya* groups as well as 5 *Imdlamu* and 2 *Maskandi* groups registered as members of the Association. These figures do not reflect the full spectrum of indigenous practitioners as a recent competition (Senze-nje 2003) held under the auspices of the Durban Playhouse (figures from the Playhouse) and incorporating all nine district municipalities indicates a far greater number of active practitioners.

**Figure 1: Number of Participant Groups from each District Municipality per Music Genre**

	Amahubo	Imbongi	Gospel	Isicathamiya	Indlamu	Umaskandi
Uthukela	50	20	60	55	15	15



### Ladysmith Black Mambazo Indigenous Music Academy

Amajuba	75	30	88	75	50	30
Umkhanyakude	55	25	85	72	40	45
Ilembe	53	18	65	60	35	30
Sisonke	65	20	70	70	45	50
Ugu	70	35	90	80	65	60
Ethekwini	85	45	98	90	70	75
Umzinyathi	52	25	60	60	20	25
Zululand	65	40	80	85	80	75
<b>TOTAL</b>	<b>570</b>	<b>258</b>	<b>642</b>	<b>577</b>	<b>420</b>	<b>405</b>

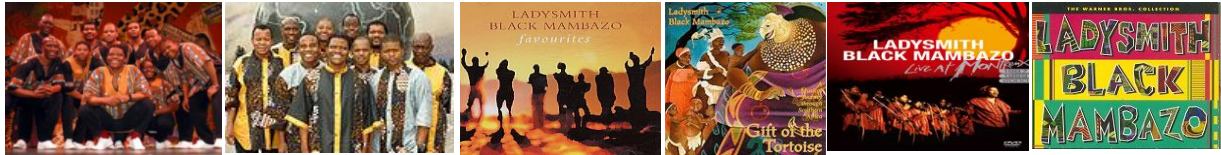
The number of participants is not further disaggregated from the number of groups that took part in the province wide competition, however, if we take the genres of *Amahubo* and *Indlamu*, with an average size of 60 musicians per group then the figures that are able to be extrapolated are 59400 performers in the province, participating in these styles in this single competition.

Interestingly, the participation of women in indigenous genres is well distributed with the exception of *Isicathamiya*, which remains a predominantly male genre. Further disaggregations are available in the table below.

**Figure 2: Estimated percentage of women participation in indigenous music at District level.**

	Amahubo	Imbongi	Gospel	Isicathamiya	Indlamu	Umaskandi
Uthukela	20%	5%	15%	0%	20%	5%
Amajuba	35%	10%	35%	1%	30%	7%
Umkhanyakude	25%	8%	20%	2%	25%	7%
Ilembe	15%	5%	18%	1%	22%	5%
Sisonke	10%	6%	25%	0%	25%	6%
Ugu	18%	9%	28%	0%	20%	6%
Ethekwini	45%	20%	65%	10%	45%	15%
Umzinyathi	20%	4%	20%	0%	22%	6%
Zululand	50%	30%	40%	0%	35%	7%

The number of youth participating in indigenous music is also substantial, as is indicated in Table 3 below. Remembering that these figures are only representative of district level competition, it follows that at local

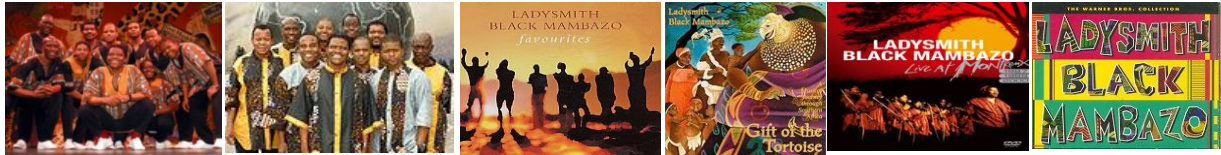


### Ladysmith Black Mambazo Indigenous Music Academy

level the number of participants would have been far greater, and likely that the level of female and youth participation higher.

**Figure 3: Estimated percentage number of youth participated at local and district level.**

	Amahubo	Imbongi	Gospel	Isicathamiya	Indlamu	Umaskandi
<b>Uthukela</b>	35%	25%	35%	60%	80%	50%
<b>Amajuba</b>	50%	40%	70%	60%	85%	45%
<b>Umkhanyakude</b>	50%	35%	60%	60%	75%	60%
<b>Ilembe</b>	40%	35%	55%	55%	60%	45%
<b>Sisonke</b>	50%	40%	65%	60%	70%	42%
<b>Ugu</b>	55%	40%	70%	40%	80%	45%
<b>Ethekwini</b>	65%	45%	88%	45%	82%	55%
<b>Umzinyathi</b>	40%	30%	35%	38%	60%	40%
<b>Zululand</b>	45%	47%	60%	9%	80%	55%



### Ladysmith Black Mambazo Indigenous Music Academy

## 3. Music as a Priority Sector

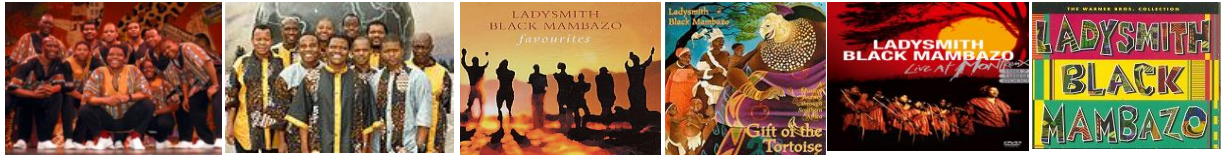
The Provincial Department for Economic Development in alignment with the sector specific strategies outlined in the Industrial Development Strategy, which focuses on the creative arts as a priority sector has identified the potential of the Ladysmith/eMnambithi Music Academy as an economic driver for the creative industries. The economic importance of this sector as an agent for local development can be ascribed to the strategic benefits associated. Relative to other economic activities there are few formal barriers to entry, low levels of capital investment are required for start-up and access to new technologies greatly expands the available market, on both the supply and demand sides and finally products are easily differentiated on the global market by both “cultural and geographic uniqueness” (CIGS: 1998).

The music sector in particular is ideally positioned to take advantage of this ease of market access by providing a specific, distinct product. Department of Economic Development’s support of the cultural economy in KZN allows significant provincial and national wide linkages to be forged through a series of shared initiatives with Tourism, Heritage and Education strategies. Identifying potential strategies form part of this feasibility study.

The focus on the social impact and deriving a living income from cultural based activities has prompted the Department of Economic Development to incorporate this focus in the strategic plans for KZN. The Department of Economic Development has also set out broad based parameters for measuring the effectiveness of such activities by looking at the employment creation; equity share; small business development as well as locally developed exports. Promoting the growth of performance venues, securing practitioner livelihoods and formal skills development are all linked sector development strategies for the KZN Music Sector.

The development of the Ladysmith/eMnambithi Music Academy will help enable these strategies by providing a centralised service provider for training and skills development, as well as a venue for performance. The cultural tourism and sustaining of local heritage remain as linked strategies with their own associated economic development potential. When encompassed with the development of an Academy designed for the furthering of indigenous ethnic music the prospective growth in local economic development is formidable.





## Ladysmith Black Mambazo Indigenous Music Academy

### 4. STRATEGIC PLAN

The strategic plan for the initiative is based on the results of the research undertaken and the responses solicited in the workshop as well as the feedback from the project's steering committee.

The strategic plan is intended to further Joseph Shabalala's vision and enable it to become a reality.

#### 4.1 Purpose of Academy

The purpose of the Ladysmith/eMnambithi Music Academy is to:

- Generate economic development (job creation, skill development, BEE development, improved tourism linkages, entrepreneurial opportunities) throughout the local (provincial and national) indigenous music industry;
- Enhance heritage status of indigenous music through tourism and education initiatives;
- Bolster Ladysmith/eMnambithi's economic growth opportunities and be a driving factor in community beneficiation;
- Encourage research and development in the indigenous music sector to enhance our cultural heritage knowledge.

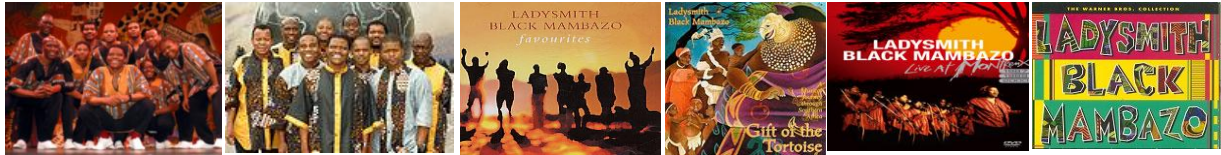
This will be achieved by increasing the economic opportunities available to participants in the indigenous music industry and 'capturing' economic benefits locally rather than allowing the seepage to other regions and overseas. Increasing the skill levels of music sector participants will also enhance the standing of the sector and encourage the development of future generations of practitioners, thus enhancing the development of our cultural heritage. The choice of location, in Ladysmith/eMnambithi, is a major bonus for the project, as not only is this KZN town centrally placed between major tourism catchments areas, and is in its own right the very centre of the 'battlefields' tourism initiative' it also has fostered one of SA's most recognized indigenous music exports' Ladysmith Black Mambazo. Trading on 'brand name' *association* is a major marketing strategy for this project.

The local community is likely to benefit economically in a variety of ways from the establishment of the Music Academy; local builders will be utilized to transform the existing structure into a workable building; service industries in the town – catering, drapers, cleaning services, banking etc will be made use of, development of bed and breakfasts establishments, as well as local artisans, and of course local musician. This in turn links into the following sub section.

#### 4.2 Defining objectives and outcomes

Using the technique of developing a Logical Framework allows a project of this size to be strategised from overarching vision through to the practical actions that need to be undertaken. This methodology also engenders strategic planning decisions by allowing for scenario building and discounting.

The **overall objectives** of the project can be summed up thus: promoting economic development in KwaZulu-Natal, South Africa and Ladysmith/eMnambithi through the promotion of music as a component of cultural economics and diversifying economic opportunities in KZN, SA and Ladysmith/eMnambithi. This is to be achieved by having a formal facility where focus can be placed on developing the performance and entrepreneurial skills of local indigenous musicians through the establishment of a Music Academy. The centre will serve to enhance awareness of primarily KZN's, then extending to Southern Africa's unique cultural heritage through education and culture training activities. Linked to these education and heritage outcomes is aligned the opportunity to enhance KZN tourism via the focus on cultural tourism in the region. These



## Ladysmith Black Mambazo Indigenous Music Academy

opportunities all present a chance for greater BEE development in the area as well as the creation of community beneficiation strategies.

These overall objectives can then be broken down into **specific objectives** that would enable the overall objectives attainment. Strategic objectives of the Academy include:

- Design suitable skill development and music enhance programs for indigenous musicians
- Create a cohesive integrated academy of business units that service the cultural economic needs of the area
- Provide unique educational training opportunity for teachers
- Develop cultural heritage as part of the economic priorities of the province
- Create an avenue for the generation of income for local artists via performance opportunities
- Provide opportunities for BEE SMME involvement in cultural economic activities
- Link into KZN cultural tourism's strategy
- Increase benefits to local communities

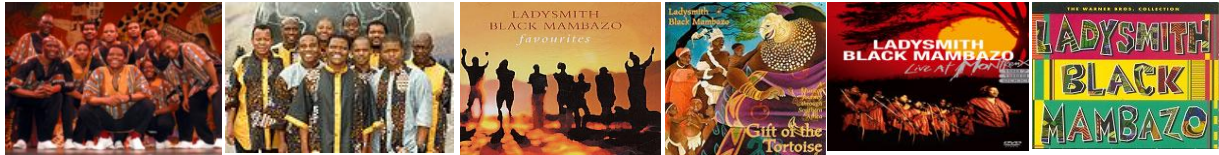
From these strategic objectives we are able to further disaggregate expected results and from there identified required activities in order to generate these results.

**Expected results** include:

- Monthly performances as well as scheduled events.
- Teacher training extends Cultural Heritage knowledge
- Skill development classes allows for Musician Cooperatives to form
- Business units are sustainable
- Learners expand interest in cultural heritage
- BEE Businesses are drawn to the area
- Create Ladysmith/eMnambithi as the niche in KZN Cultural Tourism
- HIV/Aids awareness to be improved

The **activities** that would enable these results to become attainable are the following:

- The registration of a Trust to administer grant funding for the Academy's and the formalisation of the Section 21 Company to oversee operational aspects of the Academy
- Utilise existing building structures where possible
- Create business units for formal education of teachers and learners as well as skills development for indigenous musicians in accordance with the Mapp-Seta programme and indigenous music performance training
- Marketing
- Hold performances
- Develop regional tourism initiatives
- Establish amphitheatre
- Establish additional facilities



### **Ladysmith Black Mambazo Indigenous Music Academy**

The logical framework technique allows for the overall objectives of the Music Academy to be unpacked into actionable steps. These overall objectives were discussed in much detail at the first workshop, the steps that follow in the framework have been refined and re-refined in order to be able to develop the scenario building activity outlined below.

These scenarios take into account the overall objectives, strategic objectives as well as the expected results and necessary activities described in the logical framework and aid in the selection of the ‘best way forward’ by discounting those scenarios which cannot be aligned to the logical framework.

#### **4.3 Development Scenarios**

Scenario building is a necessary intermediary tool in the development of actionable project plans for the Music Academy, allowing a vision to move into the realm of actuality.

Scenario building takes into account the available resources, constraints and desired outcomes of a project. The scenario building exercise allows us to identify potential pitfalls as well as maximise potential positives with correct planning.

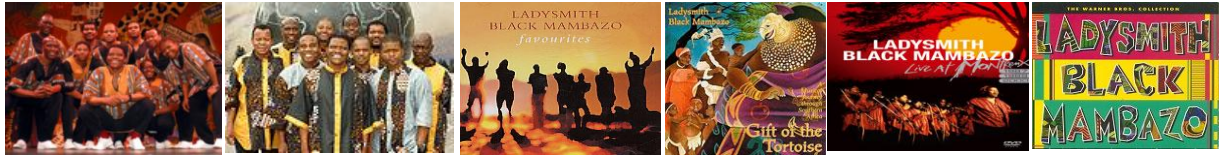
The development scenarios identified below present the realistic and strategic options available to the development of the Music Academy. For clarity, the building in question, the Shute Building, is owned by the Municipality, and space will be made available in the building for the Music Academy. The Greenfields refers to an undeveloped plot of land on the outskirts of the town, currently there is no infrastructure present on the plot, but it is centrally located close to the major road network.

**Figure 4: Development Scenario for the Music Academy**

	<b>Positives</b>	<b>Negatives</b>
<b>Option 1: Utilise Existing Building</b>	Start operations quickly as the building is available immediately; central; easily locatable; rental from the Municipality; no additional building required; limited outdoor space available.	<b>Requires some revamp; fittings needed; space constraints for performances.</b>
<b>Option 2: Utilise Existing Building and Greenfields Site</b>	Available immediately; central; easily locatable; rental arranged; no building required; outdoor space at existing building. Opportunity to design ideal performance structures at new site to complement existing building facilities. Sooner new site development is started the sooner it is available.	<b>Land has to be transferred into Trust and requires surveying; design and zoning as well as tendering process for building; costs of development unknown.</b>
<b>Option 3: Utilisation of Greenfields Site</b>	<b>Made to measure site.</b>	<b>If delays are experienced in planning and construction it will delay final take up of the site.</b>

In Option 1 the physical structure is available immediately with minor alterations and the additions to fixed fittings. There are some envisaged constraints to space, but these would not pose an immediate threat to the operations of the Music Academy as this is the initiation phase and new growth would be accommodated with the development of the greenfields site.

In Option 2, there is a possibility of using both the existing building as well as beginning development on the Greenfield site simultaneously. The development of facilities on the greenfields site will take approximately 3



### **Ladysmith Black Mambazo Indigenous Music Academy**

years (pre-planning, planning and construction are all detailed in the cost infrastructure from page 16 onwards in this report).

Option 3 sees a delay in establishment, as operations only begin once the greenfields site is developed.

Option 2 was perceived as the most suitable alternative in the feasibility and business plan report and this costing exercise focuses upon this option.

## **4.4 Specific Goals for the Establishment of the Music Academy**

The establishment of the Music Academy has definite short term and long term goals. These goals can be further split into three discernible sub groups, infrastructure, operational and outcome based goals. In the short term (up until end 2007) the project will bolster access by indigenous musicians to a wider market, increase educational access to indigenous music and help grow the service sector in Ladysmith/eMnambithi. In the long run the Academy will be a major centre of performance; a regional tourist attraction and a progenitor of local infrastructure development. The goals of establishment, operation and outcome are indicated below in the three tables.

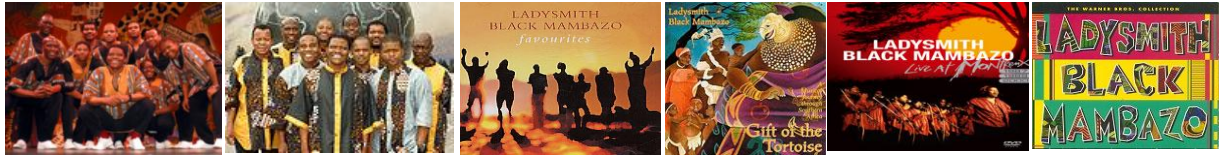
**Figure 4: Establishment Goals**

Goals	Actions Required
Utilise Existing Building to form the physical establishment of the Academy (Short –term)	<ul style="list-style-type: none"> <li>• Upkeep of general structure</li> <li>• Redesign space to suit individual business units</li> <li>• Repairs to parking area and lighting</li> <li>• Create performance venue.</li> </ul>
Create performance venue (Medium – term)	Build an amphitheatre on the donated open land
Have accommodation available for performers/ tourists (Long – term)	<ul style="list-style-type: none"> <li>• Build dormitory style accommodation on the donated open land.</li> <li>• Encourage the establishment of B+B's in the area</li> </ul>
Have food facilities/recreation close by (Long – term)	Establish a selection of eateries close to the performance venue

**Figure 5: Operational Goals**

Goals	Actions Required
Create viable business units for Education; Performance; Skills Development; Cultural Archive; Indigenous Instruments (Short – term)	<ul style="list-style-type: none"> <li>• Source seed monies financing</li> <li>• Create linkages with MAPP-SETA, DAC and Dept of Education</li> </ul>
Hold regular indigenous music events (Short –term)	Marketing and promotional initiatives
Become a driver for regional tourism (Long –term)	Link into the KZN Tourism Product Development Strategy
Grow the facilities of the Academy (Long –term)	Be self-sustaining income generator





## Ladysmith Black Mambazo Indigenous Music Academy

**Figure 6: Outcome Goals**

Goals	Actions Required
Develop Soft Infrastructure (Short-term)	<ul style="list-style-type: none"> <li>• Improve human capital of musicians,</li> <li>• Performance skills,</li> <li>• Business skills,</li> <li>• Legal literacy, and</li> <li>• Promotion development</li> </ul>
Successful Music Academy (Long-term)	Utilise space, create need and demand
Improve Cultural Awareness of Indigenous Music (Long-term)	<ul style="list-style-type: none"> <li>• Education initiatives and material development</li> <li>• Tourism initiatives</li> </ul>
Community Beneficiation via Poverty Reduction and HIV/Aids Awareness Strategies (Long-term)	<ul style="list-style-type: none"> <li>• Increase access to commercial ventures that will serve as income generators for local musicians.</li> <li>• Improve opportunities for local residents to interact with economic opportunities, i.e. in construction and service provision.</li> <li>• Incorporate HIV/Aids Awareness Campaigns</li> </ul>
Create Tourism Initiatives (Long Term)	Emphasise the uniqueness of the Academy as well as location within KZN tourism map
Improve local BEE participation (Short and Long term)	Encourage the incorporation of BEE service providers in all phases of the Academy's development.

### 4.5 Development thus far of the Academy

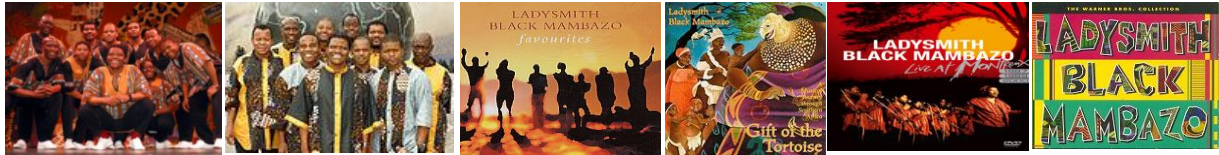
Both the Trust and Section 21 Company have been formed to administer finances and operational aspects respectively. Joseph Shabalala serves as a director of the Trust, and his vision continues to provide guidance for the project. Koos Breedts, the current owner of the greenfields site also serves as a director of the Trust as does Bongani Pearce, Ladysmith Black Mambazo's South African representative. A detailed directorship list is provided for both the Trust and the Section 21 Company in the annexures.

Negotiations have been formally entered into for the use of the Shute Building, and eMnambithi Municipality has indicated that they are willing to offer a reduced rental rate on the Shute Building facility.

Decision has been taken not to seek accreditation as a training facility with Mapp-Seta, but rather to make use of registered trainers to provide course material and lecturers as this is a more accessible route for establishment.

Formal marketing will be undertaken with the development of a school learner aimed competition in indigenous music, private sector sponsorship is being sort.

Appointing a director, secretary and fundraiser are the immediate staffing concerns facing the Academy, as once these core staff members have been appointed physical aspects of establishment can be undertaken.



## Ladysmith Black Mambazo Indigenous Music Academy

### 5. Expenditure Projections

The expenditure projections indicate the cost of the establishment of the Music Academy in the Shute Building, administration costs, personnel costs, classroom and performance room costs as well as the costing for the development of the Greenfield site. Each of these is dealt with on the following pages.

Table 5.1 provides a summary of the expenditures and sources of income.

Table 5.2 provides the details of the expenditures.

Table 5.3 provides the details of the sources of income.

Table 5.1 indicates that the total estimated expenditure over the next three year is R 13,6 million of which R 2,9 million is required in the 2007/2008 financial year. It also summarises the sources of funding for the 2007/2008 financial year indicating that R 1,1 million could be forthcoming from the Department of Economic Development.

**Table 5.1 Summary of the Expenditures and Sources of Income for 2007/8**

EXPENDITURE ITEMS MAIN CATEGORIES	EXPENDITURE				2007/2008 SOURCES OF FUNDING			
	2007/2008	2008/2009	2009/2010	TOTAL OVER THREE YEARS	Dept of Economic Dev	eMnambithi Municipality	Other incl Dept of Arts and Culture	TOTAL
SHUTE BUILDING	157,300	78,750	82,688	318,738	97,300	60,000	0	157,300
ADMINISTRATIVE COSTS	260,400	273,420	287,091	820,911	237,600	6,000	16,800	260,400
PERSONNEL COSTS	1,200,000	1,260,000	1,323,000	3,783,000	420,000	72,000	708,000	1,200,000
CLASSROOM	599,800	599,800	574,907	1,774,507	0	0	599,800	599,800
PERFORMANCE TRAINING ROOM	39,200	2,520	2,646	44,366	0	0	39,200	39,200
RESOURCE CENTRE	301,100	262,500	275,625	839,225	0	0	301,100	301,100
GREENFIELDS DEVELOPMENT	360,000	261,000	5,352,050	5,973,050	360,000	0	0	360,000
Opex Total	1,794,000	1,883,160	1,977,885	5,655,045	895,200	144,000	754,800	1,794,000
Capex Total	1,123,800	854,830	5,920,122	7,898,752	219,700	-6,000	910,100	1,123,800
Total	2,917,800	2,737,990	7,898,007	13,553,797	1,114,900	138,000	1,664,900	2,917,800



**Ladysmith Black Mambazo Indigenous Music Academy**

**TABLE 5.2 BUDGET OVER THREE YEARS**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	EXPENDITURE				TOTAL OVER THREE YEARS
				2007/2008	2008/2009	2009/2010		
<b>SHUTE BUILDING</b>								
Rent	1	Operating	Negotiated rates	60,000	63,000	66,150	189,150	
Computers/modems and network connections	2	Capital	Once off cost	15,000			15,000	
Desks, chairs and office hardware	3	Capital	Once off cost	20,000			20,000	
Filing cabinets, dividers and general office furniture	4	Capital	Once off cost	5,000			5,000	
Printer Photocopier/scanner/fax (2)	5	Capital	Rental agreement	15,000	15,750	16,538	47,288	
Telephone Handsets (4)	6	Capital	Once off cost	1,800			1,800	
Laptops (2)	7	Capital	Once off cost	28,000			28,000	
Software	8	Capital	Once off cost	10,000			10,000	
Coffee/tea sets/urn/other	9	Capital	Once off cost	2,500			2,500	
<b>Sub-total</b>	<b>10</b>			<b>157,300</b>	<b>78,750</b>	<b>82,688</b>	<b>318,738</b>	



**Ladysmith Black Mambazo Indigenous Music Academy**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	EXPENDITURE				TOTAL OVER THREE YEARS
				2007/2008	2008/2009	2009/2010		
<b>ADMINISTRATIVE COSTS</b>								
Advertisements and promotion/Marketing	11	Operating	Monthly	1,000	12,000	13,230	37,830	
Audit fees	12	Operating	Annual	15,000	15,750	16,538	47,288	
Bank charges	13	Operating	Monthly	250	3,150	3,308	9,458	
Cleaning materials (offices)	14	Operating	Monthly	200	2,400	2,646	7,566	
General maintenance/expenses for depreciation	15	Operating	Monthly	500	6,300	6,615	18,915	
Insurance	16	Operating	Monthly	1,000	12,600	13,230	37,830	
Reimbursement of Directors	17	Operating	Monthly	1,000	100,800	105,840	302,640	
Municipal services (water and lights)	18	Operating	Monthly	500	6,300	6,615	18,915	
Office Stationary	19	Operating	Monthly	600	7,560	7,938	22,698	
Printer and photocopier toner and service	20	Operating	Monthly	400	5,040	5,292	15,132	
Student intake and registration	21	Operating	Quarterly	6,000	25,200	26,460	75,660	
Training materials and stationary	22	Operating	Monthly	4,000	50,400	52,920	151,320	
Telephone	23	Operating	Monthly	1,500	18,900	19,845	56,745	
Toiletries	24	Operating	Monthly	500	6,300	6,615	18,915	
<b>Sub-total</b>	25				<b>260,400</b>	<b>287,091</b>	<b>820,911</b>	





**Ladysmith Black Mambazo Indigenous Music Academy**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	EXPENDITURE				TOTAL OVER THREE YEARS
				2007/2008	2008/2009	2009/2010		
PERSONNEL COSTS	26	Operating	Monthly	25,000	300,000	315,000	330,750	945,750
	27	Operating	Monthly	5,000	60,000	63,000	66,150	189,150
	28	Operating	Monthly	6,000	72,000	75,600	79,380	226,980
	29	Operating	Monthly	22,000	264,000	277,200	291,060	832,260
	30	Operating	Monthly	12,000	144,000	151,200	158,760	453,960
	31	Operating	Monthly	20,000	120,000	126,000	132,300	378,300
	32	Operating	Monthly	10,000	120,000	126,000	132,300	378,300
	33	Operating	Monthly	10,000	120,000	126,000	132,300	378,300
	<b>Sub-total</b>				<b>1,200,000</b>	<b>1,260,000</b>	<b>1,323,000</b>	<b>3,783,000</b>
	CLASSROOM	35	Capital	Once off Cost	5,300	5,300		
36		Capital	Once off Cost	6,000	6,000			12,000
37		Capital	Once off Cost	8,000	8,000			16,000
38		Capital	Annual	60,000	60,000	63,000		183,000
39		Capital	Once off Cost	4,500	4,500			9,000
40		Capital	Once off Cost	3,500	3,500			7,000
41		Capital	Once off Cost	500	500			1,000
42		Capital	Once off Cost	1,200	1,200			2,400



**Ladysmith Black Mambazo Indigenous Music Academy**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	EXPENDITURE				TOTAL OVER THREE YEARS
				2007/2008	2008/2009	2009/2010		
	43	Operating	Monthly	500	6,000	6,615	18,615	
	44	Operating	Monthly	400	4,800	5,292	14,892	
	45	Capital	Once off Cost	250,000	250,000	250,000	750,000	
	46	Capital	Once off Cost	250,000	250,000	250,000	750,000	
	47			<b>599,800</b>	<b>599,800</b>	<b>574,907</b>	<b>1,774,507</b>	
	48	Capital	Once-off Cost	500			500	
	49	Operating	Monthly	200	2,400	2,646	7,566	
	50	Capital	Once-off Cost	3,500			3,500	
	51	Capital	Once-off Cost	2,500			2,500	
	52	Capital	Once-off Cost	25,000			25,000	
	53	Capital	Once-off Cost	5,300			5,300	
	54			<b>39,200</b>	<b>2,520</b>	<b>2,646</b>	<b>44,366</b>	
	55	Capital	Once off cost	30,000			30,000	
	56	Capital	Once-off Cost	6,000			6,000	
	57	Capital	Once off cost	4,000			4,000	
	58	Capital	Once-off Cost	7,000			7,000	
	59	Capital	Once-off Cost	3,500			3,500	
<b>PERFORMANCE TRAINING ROOM</b>								
<b>RESOURCE CENTRE</b>								



**Ladysmith Black Mambazo Indigenous Music Academy**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	EXPENDITURE				TOTAL OVER THREE YEARS
				2007/2008	2008/2009	2009/2010		
CD player	60	Capital	Once-off Cost	600				600
Resource Purchases	61	Capital	Annual	250,000	262,500	275,625		788,125
<b>Sub-total</b>	62			<b>301,100</b>	<b>262,500</b>	<b>275,625</b>		<b>839,225</b>
Land Surveying and Town planning	63	Capital	Once-off cost	200,000				200,000
Environmental Impact Assessment	64	Capital	Once-off cost	65,000				65,000
Transport assessment	65	Capital	Once-off cost	25,000		800,000		825,000
Legal Costs	66	Capital	Annual	20,000	21,000	22,050		63,050
Architects	67	Capital	Once-off cost	50,000		100,000		150,000
Non-civil Engineering (sound, light)	68	Capital	Once-off cost		120,000	120,000		240,000
Civil Engineering	69	Capital	Once-off cost		120,000	210,000		330,000
Amptitheatre Construction incl prof fees	70	Capital	Once-off cost	5,500,000				3,000,000
Office and Classroom Construction incl prof fees	71	Capital	Once-off cost	1,200,000		600,000		600,000
Ablutions Construction incl prof fees	72	Capital	Once-off cost	1,000,000		500,000		500,000
<b>Sub-total</b>	73			<b>360,000</b>	<b>261,000</b>	<b>5,352,050</b>		<b>5,973,050</b>
<b>Total</b>	75			<b>2,917,800</b>	<b>2,737,990</b>	<b>7,898,007</b>		<b>13,553,797</b>
<b>Opex Total</b>	76			<b>1,794,000</b>	<b>1,883,160</b>	<b>1,977,885</b>		<b>5,655,045</b>
<b>Capex Total</b>	77			<b>1,123,800</b>	<b>854,830</b>	<b>5,920,122</b>		<b>7,898,752</b>
<b>GREENFIELDS DEVELOPMENT</b>								



**Ladysmith Black Mambazo Indigenous Music Academy**

**TABLE 5.3 SOURCES OF FUNDING FOR 2007/2008**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	2007/2008 SOURCES OF FUNDING			TOTAL
				Dept of Economic Dev	eMnambithi Municipality	To be fundraised from other sources	
<b>SHUTE BUILDING</b>	1	Operating	Negotiated rates		60,000	0	60,000
	2	Capital	Once off cost	15,000		0	15,000
	3	Capital	Once off cost	20,000		0	20,000
	4	Capital	Once off cost	5,000		0	5,000
	5	Capital	Rental agreement	15,000		0	15,000
	6	Capital	Once off cost	1,800		0	1,800
	7	Capital	Once off cost	28,000		0	28,000
	8	Capital	Once off cost	10,000		0	10,000
	9	Capital	Once off cost	2,500		0	2,500
	<b>Sub-total</b>	<b>10</b>			<b>97,300</b>	<b>60,000</b>	<b>0</b>





**Ladysmith Black Mambazo Indigenous Music Academy**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	2007/2008 SOURCES OF FUNDING				TOTAL	
				Dept of Economic Dev	eMnambithi Municipality	To be fundraised from other sources			
ADMINISTRATIVE COSTS	11	Operating	Monthly	1,000			0	12,000	
	12	Operating	Annual	15,000			0	15,000	
	13	Operating	Monthly	250			0	3,000	
	14	Operating	Monthly	200			0	2,400	
	15	Operating	Monthly	500			0	6,000	
	16	Operating	Monthly	1,000			12,000	12,000	
	17	Operating	Monthly	1,000			0	96,000	
	18	Operating	Monthly	500		6,000	0	6,000	
	19	Operating	Monthly	600			0	7,200	
	20	Operating	Monthly	400			4,800	4,800	
	21	Operating	Quarterly	6,000			0	24,000	
	22	Operating	Monthly	4,000			0	48,000	
	23	Operating	Monthly	1,500			0	18,000	
	24	Operating	Monthly	500			0	6,000	
		25						<b>16,800</b>	<b>260,400</b>
		26	Operating	Monthly	25,000			0	300,000
	ONN								
	EL								
	COS								



**Ladysmith Black Mambazo Indigenous Music Academy**

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	2007/2008 SOURCES OF FUNDING			TOTAL
				Dept of Economic Dev	eMhambithi Municipality	To be fundraised from other sources	
	27	Operating	Monthly	5,000		60,000	60,000
	28	Operating	Monthly	6,000	72,000	0	72,000
	29	Operating	Monthly	22,000		264,000	264,000
	30	Operating	Monthly	12,000		144,000	144,000
	31	Operating	Monthly	20,000		120,000	120,000
	32	Operating	Monthly	10,000		120,000	120,000
	33	Operating	Monthly	10,000		120,000	120,000
	34				72,000	708,000	1,200,000
					420,000		
CLASSROOM	35	Capital	Once off Cost	5,300		5,300	5,300
	36	Capital	Once off Cost	6,000		6,000	6,000
	37	Capital	Once off Cost	8,000		8,000	8,000
	38	Capital	Annual	60,000		60,000	60,000
	39	Capital	Once off Cost	4,500		4,500	4,500
	40	Capital	Once off Cost	3,500		3,500	3,500
	41	Capital	Once off Cost	500		500	500
	42	Capital	Once off Cost	1,200		1,200	1,200
	43	Operating	Monthly	500		6,000	6,000
	44	Operating	Monthly	400		4,800	4,800



## Ladysmith Black Mambazo Indigenous Music Academy

EXPENDITURE ITEMS	Row No	TYPE OF COST	NOTES AND ASSUMPTIONS	2007/2008 SOURCES OF FUNDING			TOTAL
				Dept of Economic Dev	eMhambithi Municipality	To be funded from other sources	
Development of Course Material (Education)	45	Capital	Once off Cost	250,000		250,000	250,000
Development of Course Material (Skills Development)	46	Capital	Once off Cost	250,000		250,000	250,000
<b>Sub-total</b>	47			0	0	599,800	599,800
White board	48	Capital	Once-off Cost	500		500	500
Stationery	49	Operating	Monthly	200		2,400	2,400
Tv/Dvd	50	Capital	Once-off Cost	3,500		3,500	3,500
Storage Cupboard	51	Capital	Once-off Cost	2,500		2,500	2,500
Chairs	52	Capital	Once-off Cost	25,000		25,000	25,000
Development of Course Material	53	Capital	Once-off Cost	5,300		5,300	5,300
<b>Sub-total</b>	54			0	0	39,200	39,200
Shelving	55	Capital	Once off cost	30,000		30,000	30,000
Computers	56	Capital	Once-off Cost	6,000		6,000	6,000
Tables (5)	57	Capital	Once off cost	4,000		4,000	4,000
Chairs (20)	58	Capital	Once-off Cost	7,000		7,000	7,000
TV/DVD	59	Capital	Once-off Cost	3,500		3,500	3,500
CD player	60	Capital	Once-off Cost	600		600	600
Resource Purchases	61	Capital	Annual	250,000		250,000	250,000





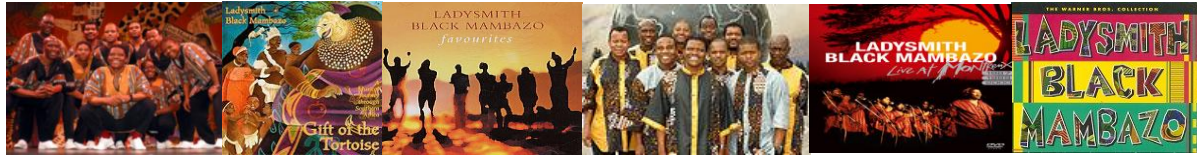
### Ladysmith Black Mambazo Indigenous Music Academy

## 6. Conclusion: Recommended Action Programme

The following steps are recommended:

- The finalisation of the institutional structure for the Academy needs to be completed. The Section 21 Company has been registered and the Trust is due to be registered in August 2007. Detailed list of directors of both bodies can be found in the annexure.
- The hiring of key personnel, director, fundraiser and secretary is a priority so that physical establishment of the Academy can be driven and formalised by this staffing complement. Funding will need to be made available for this staffing cost, staffing in 2007/8 is estimated at R1.114m and the Department of Economic Development may assist the Section 21 Company in sourcing these funds.
- The eMnambithi Municipality committed the use and rental of the Shute Building. Rental and its refurbishment will be donated by the municipality.
- With reference to the Greenfield site, a land surveyor for the subdivision of the land and the environmental impact assessment needs to be appointed. The land transfer to the Trust must be managed and architects and engineers need to be appointed to begin work on the site is R360000 and may be covered by the Department of Economic Development.
- The school competition will need to be managed in conjunction with the Department of Education and funded (R1m) by an external private sector sponsor, some options have been discussed at steering committee meetings and this must be followed up upon.
- A fundraiser will need to be appointed to identify and manage external non-public sector funding.





**Ladysmith Black Mambazo Indigenous Music Academy**

# ANNEXURES

Details of directors on Section 21 Company

(1).

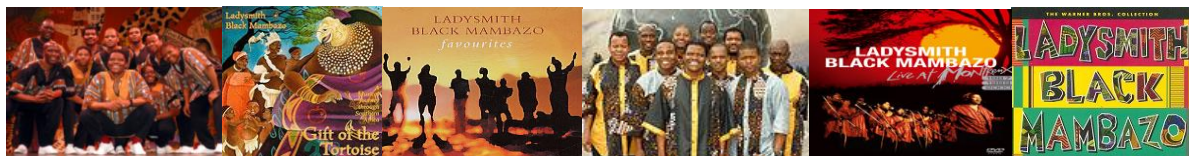
1. Title	Mr.
2. Surname :	Pearce
3. Full fore Names ;	Bongani
4. Identity Number :	7208295633089
5. Residential Address:	187 Houghton Road, Clairwood, Durban , 4052
6. Business Address:	187 Houghton Road, Clairwood, Durban , 4052
7. Postal Address	P.O. Box 333168, Montclair, 4061
8. Nationality:	South African
9. Occupation:	C.E.O of JikVest Group

(2).

1. Title	Dr.
2. Surname :	Shabalala
3. Full fore Names ;	Joseph Bhekizizwe
4. Identity Number :	4008285381082
5. Residential Address:	39 St Mary's, Kloof,
6. Business Address:	39 St Mary's, Kloof,
7. Postal Address	39 St Mary's, Kloof,
8. Nationality:	South African
9. Occupation:	Leader of Ladysmith Black Mambazo Choir

(3).

1. Title	Mr.
2. Surname :	Shabalala
3. Full fore Names ;	Msizi Innocent
4. Identity Number :	6408125345081



### Ladysmith Black Mambazo Indigenous Music Academy

5. Residential Address:	806A Oldmain Road, Cowies Hill, 3610
6. Business Address:	39 St Mary's, Kloof,
7. Postal Address	806A Oldmain Road, Cowies Hill, 3610
8. Nationality:	South African
9. Occupation:	Musician (Vocalist Ladysmith Black Mambazo Choir)

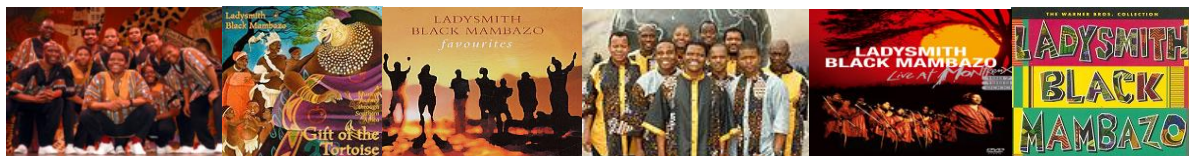
(4).

1. Title	Mr.
2. Surname :	Mazibuko
3. Full fore Names ;	Mdletshe Albert
4. Identity Number :	4804165297087
5. Residential Address:	F 1972 Indlovu Grove, Ntuzuma, Durban, 4359
6. Business Address:	39 St Mary's, Kloof,
7. Postal Address	F 1972 Indlovu Grove, Ntuzuma, Durban, 4359
8. Nationality:	South African
9. Occupation:	Musician (Vocalist Ladysmith Black Mambazo Choir)

(5).

1. Title	Mr.
2. Surname :	Dicks
3. Full fore Names ;	Maurice
4. Identity Number :	671210 5080 083
5. Residential Address:	DBCS, Central Drakensberg, Champaign Valley, Winterton
5. Business Address:	Drakensberg Boys Choir School
7. Postal Address	P/Bag x20, Winterton, 3340
6. Nationality:	South African
8. Occupation:	Rector of Drakensberg Boys Choir High School

(6).



### Ladysmith Black Mambazo Indigenous Music Academy

1. Title	Dr.
2. Surname :	Mnculwane
3. Full fore Names ;	Nhlanhla Pius
4. Identity Number :	561217 5777 082
5. Residential Address:	2 Thomas Holstead Street, Amanzimtoti, 4126
6. Business Address:	72B Mercury House,320 Smith Street, Durban, 4001
7. Postal Address	72B Mercury House,320 Smith Street, Durban, 4001
8. Nationality:	South African
9. Occupation:	Lawyer

(7).

1. Title	Mrs.
2. Surname :	Mkhize- Ndlovu
3. Full fore Names ;	Thokozani
4. Identity Number :	671014 0502 087
5. Residential Address:	83 Colwin Road, Bluff, 0452
6. Business Address:	SABC KZN 100 Old ford Road, Durban, 40001
7. Postal Address	83 Colwin Road, Bluff, 0452
8. Nationality:	South African
9. Occupation:	SABC Education Manager

(8).

1. Title	Mrs.
2. Surname :	Breedt
3. Full fore Names ;	Annemarie
4. Identity Number :	570602 0076 088
5. Residential Address:	46 Park lane, Ladysmith, 3370
6. Business Address:	Macaulay and Riddell Attorneys
7. Postal Address	P.O. Box 107, Ladysmith, 3370
9. Nationality:	South African
10. Occupation:	Attorney