



Western Cape Government
Provincial Treasury

Socio-economic Profile
Hessequa Municipality

2015

Working Paper

To obtain additional information of this document, please contact:

Western Cape Provincial Treasury
Local Government Budget Office
Private Bag X9165
7 Wale Street
Cape Town
tel: +27 21 483 3386 **fax:** +27 21 483 4680

This publication is available online at www.westerncape.gov.za

Contents

Hessequa: At a Glance	
Introduction	1
1. Demographics	2
2. Education	4
3. Health	7
4. Poverty	12
5. Safety and security	13
6. Basic services	15
7. Economy	19
8. Labour market	22
9. Environment	25
10. Broadband penetration	32
11. Concluding remarks	33
Annexure: Hessequa: Ward specific access to basic services, 2011	35

Tables

Table 1	Eden District: Household estimates, 2011 - 2015	4
Table 2	Eden District municipalities: Education indicators	5
Table 3	Eden District municipalities: Education facilities, 2012 and 2014	6
Table 4	Eden District: Education outcomes, 2013 - 2014	7
Table 5	Eden District: Healthcare facilities, 2015	8
Table 6	Western Cape: Healthcare personnel, 2015	8
Table 7	Eden District: HIV, AIDS and Tuberculosis prevalence and care, 2015	9
Table 8	Eden District: Child and maternal health, 2014/15	10
Table 9	Eden District: Community based services, 2015	12
Table 10	Eden District: Household income, 2011	12
Table 11	Eden District: Per capita income, 2011 - 2013	13
Table 12	Eden District: Access to water, 2014	16
Table 13	Eden District: Access to refuse removal, 2014	17
Table 14	Eden District: Access to electricity, 2014	18
Table 15	Eden District: Access to sanitation, 2014	18

Table 16	Eden District: Types of housing structures, 2014	19
Table 17	Eden District: GDPR growth, 2000 - 2013	20
Table 18	Eden District; Sectoral growth, 2005 - 2013	21
Table 19	Eden District: GDPR growth vs net employment, 2005 - 2013	24
Table 20	Eden District municipalities: Employment per skills sector, 2005 - 2013	24

Figures

Figure 1	Eden District municipalities: Population projections, 2015 - 2020	2
Figure 2	Hessequa: Population age cohort, 2015	3
Figure 3	Hessequa: Population age distribution, 2015 and 2020	3
Figure 4	Hessequa: Crime statistics, 2005/06 - 2014/15	14
Figure 5	Eden District: Crime statistics per 100 000, 2014/15	15
Figure 6	Eden District: GDPR growth, 2005 - 2013	20
Figure 7	Hessequa: Sectoral composition, 2013	21
Figure 8	Eden District municipalities: Municipal GDPR vs municipal employment, 2013	22
Figure 9	Eden District: Municipal GDPR vs municipal employment, 2005 - 2013	23
Figure 10	Hessequa: Employment by sector, 2013	23
Figure 11	Eden District: Internet access, 2011	32

Hessequa: At a Glance

Demographics, 2015



Population

54 351



Households

17 278

Education



Matric Pass Rate 2014 85.9%

Literacy Rate 2011 78.5%

Poverty



Households earning less than R400 in 2011 9.6%

Per Capita Income 2013 R19 749

Health, 2015



Primary Health Care Facilities

4

Immunisation Rate

81.0%

Maternal Mortality Ratio
(per 100 000 live births)

0.0

Teenage Pregnancies -
Delivery rate to women U/18

11.3%

Safety and Security Actual number of crimes in 2014/15 year



Residential Burglaries

308

DUI

140

Drug-related

1 311

Murder

13

Sexual Crimes

59

Access to Basic Service Delivery, 2014 Minimum service level



Water

97.8%

Refuse Removal

78.7%



Electricity

94.8%



Sanitation

90.2%



Economy

GDP Growth
2005 - 2013

0.8%

Labour

Employment Growth
2005 - 2013

-3.6%



Broadband



Percentage of HH with access
to Internet 2011

30.3%

Wi-Fi Hotspots by 2017

8

Largest 3 Sectors, 2013

Finance, Insurance and
Business Services

19.5%

Manufacturing

16.3%

Agriculture, Forestry and Fishing

15.2%

Introduction

Regional profiles provide the Western Cape municipalities with valuable data and information which assist in planning, budgeting and the prioritisation of municipal services. It is acknowledged that municipalities across the Western Cape have different capacities and therefore will use the information in this publication to suit their own needs.

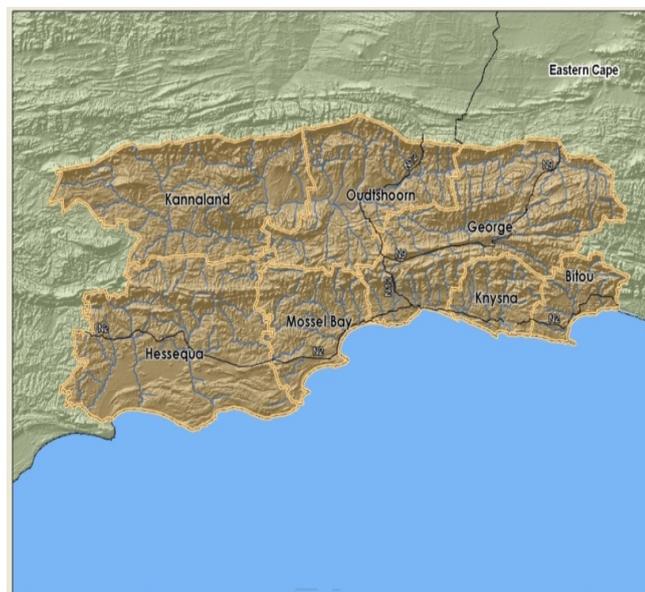
The 2015 Socio-economic Profiles builds upon the success of previous editions by providing updated information relating to demographics, education, health, poverty, safety and security, basic service delivery, economy, labour market and environmental management. New information has also been added in the form of ward specific basic service delivery statistics, broadband penetration rates as well as municipal specific Wi-Fi roll-out data.

The profile furthermore complements the socio-economic performance analysis of the Municipal Economic Review and Outlook (MERO) 2015 which was published in October 2015.

In all, the profile reflects the socio-economic reality of municipalities. As such, valuable insight can be gained as to the developmental challenges faced by communities residing within a specific geographical area.

This profile primarily uses data sourced from Statistics South Africa, administrative data from sector departments, the 2015 MERO and Quantec. The data sourced from sector departments are the most recent that is available. The latest survey data available at municipal level from Statistics South Africa includes the 2011 Census. The updated population forecasts by the Department of Social Development will assist municipalities with future planning.

The information contained in this profile therefore highlights information for the **Hessequa Municipality** in relation to the broader Western Cape Province.



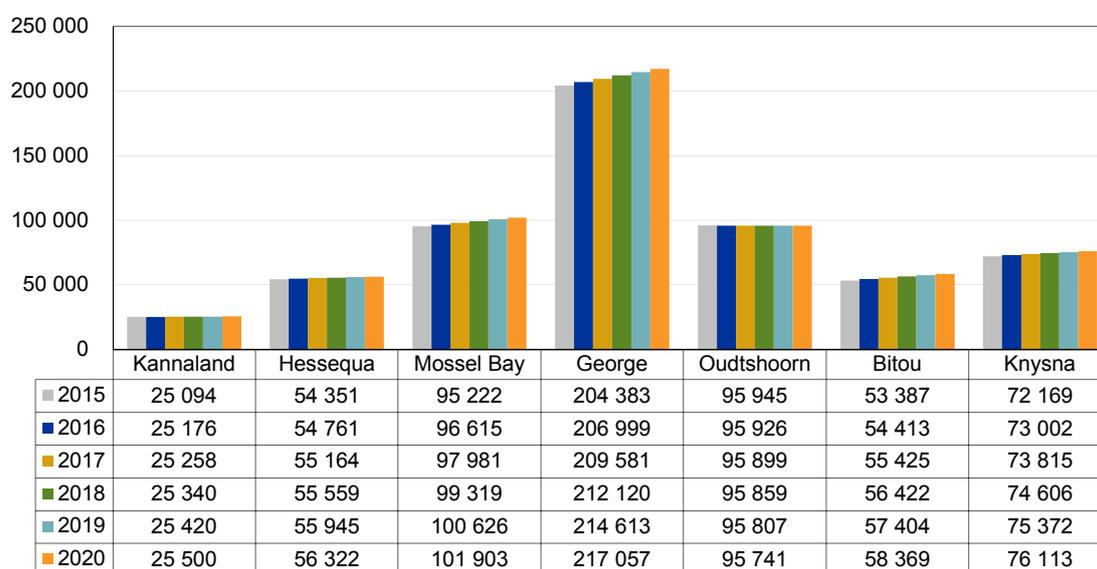
1. Demographics

1.1 Population

According to Census 2011 data, the Western Cape population grew at a rate of 2.6 per cent per annum between 2001 and 2011. This rate, which was higher than the national population growth rate of 1.5 per cent, can largely be attributed to an influx of individuals from other provinces that move to the Western Cape in search of job opportunities.

From this strong growth base, the Western Cape Department of Social Development was able to make accurate population growth estimates for each municipality for the period 2015 - 2020. These projections will assist municipalities to align their budget allocations with basic service delivery priorities.

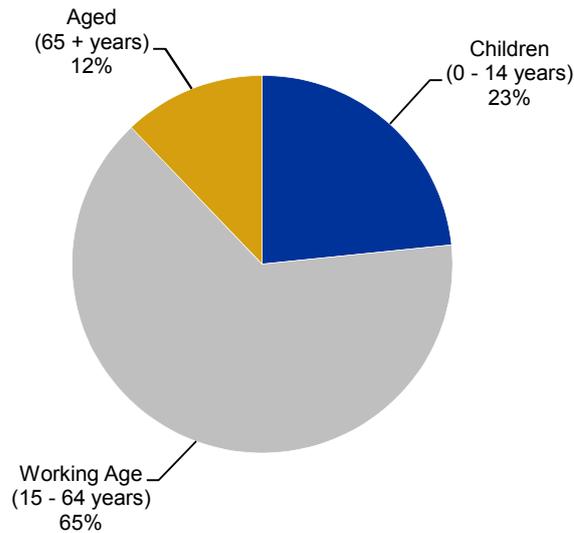
Figure 1 Eden District municipalities: Population projections, 2015 - 2020



Source: Western Cape Department of Social Development, 2015

Of the seven local municipalities within the Eden District, approximately 9.1 per cent (or 54 351) of the District's inhabitants reside in Hessequa. This total gradually increases across the 2015/16 MTREF years and is projected to reach 56 322 by 2020. This total equates to an approximate 3.6 per cent growth off the 2015 base estimate.

Figure 2 Hessequa: Population age cohort, 2015

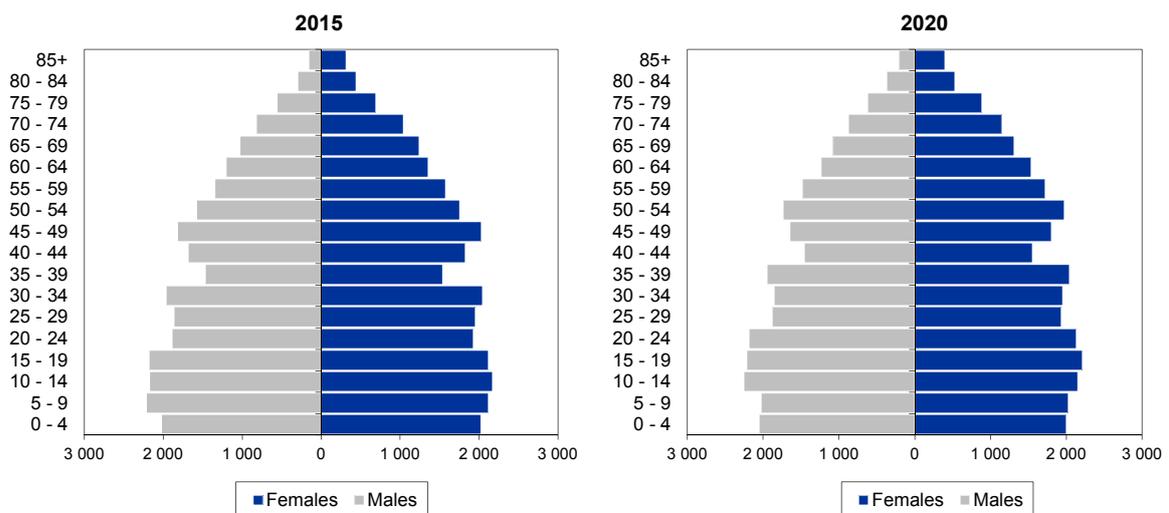


Source: Western Cape Department of Social Development, 2015

Figure 2 reflects the population age distribution of Hessequa for 2015 and reveals that approximately 65 per cent of the 54 351 inhabitants of the Municipality are currently considered to be within the working age category.

These figures also reveal that Hessequa has a total dependency ratio of 55.0 which is slightly lower than the 2013 total of 55.2 per cent. Note however that the dependency ratio still remains very high. As lower dependency ratios imply less strain on the working age to support their economic dependants (children and aged), this decrease bodes well for improved social security and enhanced economic growth.

Figure 3 Hessequa: Population age distribution, 2015 and 2020



Source: Western Cape Department of Social Development, 2015

A population pyramid is a visual representation of a society's age and sex distribution and provides policymakers and scholars alike with valuable insight as to fertility, mortality and immigration rates.

Figure 3 suggests that there is a high birth rate in the Municipality. With the number of children aged 0 to 14 it further reiterates the high dependency ratio within Hessequa. The lower number of those aged 20 to 29 compared to those under twenty is an indication of out-migration in these age groups. The triangular shape of the pyramid is also an indication of low life expectancy in the Municipality.

1.2 Households

In addition to population projections, the projections on the number of households form the basis of municipal service delivery planning and essentially inform budget allocations towards basic services such as water, electricity, sanitation and refuse removal. It is therefore vital that for budget planning and implementation purposes a municipality rely on credible and accurate household estimates.

Table 1 Eden District: Household estimates, 2011 - 2015

Municipality	2011	2012	2013	2014	2015
Eden District	166 516	169 027	171 567	174 177	176 815
Kannaland	6 425	6 506	6 585	6 667	6 749
Hessequa	16 558	16 731	16 909	17 092	17 278
Mossel Bay	28 025	29 495	29 938	30 393	30 852
George	53 591	54 411	55 236	56 090	56 949
Oudtshoorn	22 683	22 976	23 274	23 574	23 878
Bitou	15 529	15 843	16 160	16 485	16 814
Knysna	22 667	23 065	23 465	23 876	24 295

Source: Quantec Research, 2015

As per Table 1, the total number of households in the Hessequa Municipality was estimated to be 17 278 in 2015 (which equates to growth of 1.1 per cent, or 186 households, from 2014). As a proportion of the total number of households in the Eden District, Hessequa represents 9.8 per cent.

2. Education

Education and training improves access to employment opportunities and helps to sustain and accelerate overall development. It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through having indirect positive effects on health and life expectancy, the level of education attained by an individual influences that individual's welfare.

2.1 Literacy

Literacy is used as a benchmark to measure some minimum level of educational attainment. *Literacy* is broadly defined as the ability to read and write; it is more strictly defined as the successful completion of a minimum of 7 years of formal education. Since most learners start school at the age of 7 years, the literacy rate is calculated as the proportion of those 14 years and older who have successfully completed a minimum of 7 years of formal education. The literacy rate in Hessequa was 78.5 per cent in 2011, which is below the Provincial average of 87.2 per cent.

2.2 Learner enrolment, the learner-teacher ratio and learner dropout rate

Population dynamics, which include knowledge of the current population profile and projected learner growth, provide a basis for sound educational planning. Knowledge of the number of learners enrolled at schools in a municipality (both at present and in the past) enables the Western Cape Education Department (WCED) to determine the extent of the demands placed on schools in the current year, as well as the demand anticipated in future years and plan accordingly. Having a sense of the exit points allows the WCED to plan more effectively with respect to Further Education and Training (FET). The learner-teacher ratio is very important as it is closely related to the amount of money spent per child and has a significant impact on learner educational outcomes.

Table 2 Eden District municipalities: Education indicators

Municipality	Learner enrolment		Dropout rate		Learner-teacher ratio	
	2013 (Gr 1 - 12 + LSEN)	ASS 2014	Average dropout rate 2012	Crude dropout rate using Yr 2013 - Gr 10 and Yr 2015 - Gr 12	Average learner-teacher ratio 2012	ASS 2014: ALL state+sgb+ substitutes teachers excl. practitioners and other
Kannaland	4 810	4 685	47.20%	39.40%	25.30	27.70
Hessequa	8 475	8 520	33.90%	21.20%	24.30	28.20
Mossel Bay	15 388	15 679	40.40%	29.00%	26.10	29.50
George	34 643	34 158	37.90%	31.60%	28.50	29.70
Oudtshoorn	18 836	18 860	26.60%	23.10%	29.00	30.00
Bitou	7 476	7 535	36.00%	26.70%	29.40	31.40
Knysna	11 946	11 728	36.50%	32.00%	24.50	31.10

Source: Western Cape Department of Education, Annual Survey of public and independent Schools (ASS) 2014

According to the Annual Survey of Public and Independent Schools (ASS) done by the WCED in 2014, **learner enrolment** in Hessequa has increased slightly from 8 475 in 2013 to 8 520 in 2014. The average school **dropout rate** in Hessequa was 33.9 per cent in 2012. The dropout rate measured amongst Grade 10 learners (in 2013) and Grade 12 learners (at the start of 2015) was 21.2 per cent and is the lowest in District. The average **learner-teacher ratio** in the Municipality has increased from 24.3 in 2012 to 28.2 in 2014. Given the slightly higher learner enrolment in 2014, the increase in the

learner-teacher ratio may be due to factors including, but not limited to, higher failure rates and supply-side challenges in the market for educators.

2.3 Education facilities

The availability of adequate education facilities such as schools, FET colleges and schools equipped with libraries and media centres could have a positive influence on academic outcomes. Hessequa had 26 schools in 2014 which had to accommodate 8 520 learners. The proportion of no fee schools has decreased from 76.9 per cent in 2012 to 73.1 per cent in 2014. The high proportion of no fee schools indicates that, given the challenging economic climate, there may be an upsurge in the number of parents being unable to afford school fees. In an effort to alleviate some of these funding challenges, the WCED offered certain fee-paying schools the option of becoming no fee schools.

Hessequa has a limited three (3) Public FET Colleges whose mandate is to ensure that education, training and skills development initiatives respond to the economy, rural development challenges and an informed and critical citizenry.

The number of schools in Hessequa with libraries or media centres decreased from 12 in 2012 to 11 in 2014. Of the 26 schools in the Municipality, 15 remain without a library and/or media centre.

Table 3 Eden District municipalities: Education facilities, 2012 and 2014

Municipality	Total number of schools	Number/proportion of no fee schools		Public FET colleges - main + sat	Education facilities: Number of schools with libraries/media centres	
	2014 Dec	2012	2014 Dec	ASS 2014 Lib	2012	2014
Kannaland	18	77.70%	94.40%	3	3	3
Hessequa	26	76.90%	73.10%	3	12	11
Mossel Bay	26	50.00%	65.40%	5	15	15
George	51	66.60%	70.60%	8	32	30
Oudtshoorn	39	87.00%	87.20%	6	22	23
Bitou	10	80.00%	80.00%	6	6	6
Knysna	20	65.00%	80.00%	4	15	15

Source: Western Cape Department of Education, Annual Survey of public and independent Schools (ASS) 2014

2.4 Educational outcomes (matric pass rate)

Education remains one of the key avenues through which the state participates in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction initiatives can be realised. The 2014 matric results for the Municipality showed a significant decline from 96.5 per cent in 2013 to 85.9 per cent in 2014. This may partly be attributed to the increase in the learner-teacher ratio and the phasing in of the Curriculum Assessment Policy Statements (CAPS curriculum). However, Hessequa still remains the Municipality with the highest matric pass rate in the District.

Table 4 Eden District: Education outcomes, 2013 - 2014

Municipality	Education outcomes: Matric pass rate	
	2013	2014
Western Cape	84.70%	82.20%
Eden District	88.20%	81.50%
Kannaland	88.60%	85.30%
Hessequa	96.50%	85.90%
Mossel Bay	92.60%	83.00%
George	89.20%	81.90%
Oudtshoorn	89.40%	84.50%
Bitou	74.00%	73.90%
Knysna	81.10%	72.20%

Source: *Western Cape Department of Education, Annual Survey of public and independent Schools (ASS) 2014*

3. Health¹

Good health is vital to achieving and maintaining a high quality of life. A diverse range of factors play a role in ensuring the good health of communities and that disease, especially preventable and contagious/communicable ones, are kept at bay. Some of the factors include lifestyle features that depend on the provision of high quality municipal services, such as clean water, sanitation and the removal of solid waste.

The information provided by the Department of Health as detailed in this section, pertains only to public sector healthcare institutions. Any privately provided facilities or services are not reflected in the information below.

3.1 Healthcare services: Facilities and personnel

Access to healthcare facilities is directly dependent on the number and spread of facilities within a geographic space. South Africa's healthcare system is geared in such a way that people have to move from primary, with a referral system, to secondary and tertiary levels.

The Eden District has a range of primary healthcare facilities which includes 38 fixed clinics, 35 mobile/satellite clinics, 7 community day centres, 6 district hospitals and 1 regional hospital.

¹ Information received from the Western Cape Department of Health including information from the Department's 2015/16 Annual Performance Plan and the Department's website.

Table 5 Eden District: Healthcare facilities, 2015

Municipality	Number of PHC clinics - fixed	Number of PHC clinics - non-fixed (mobile/satellite)	Community Health centres	Community Day centres	Total number of PHC facilities (fixed clinics, CHCs and CDCs, excluding non-fixed)	Number of district hospitals	Number of regional hospitals	Emergency medical services: Number of operational ambulances per 100 000 population
Eden District	38	35	0	7	80	6	1	0.50
Kannaland	4	5	0	0	9	1	0	1.17
Hessequa	4	5	0	0	9	1	0	0.92
Mossel Bay	3	11	0	1	15	1	0	0.32
George	10	6	0	3	19	1	1	0.45
Oudtshoorn	8	3	0	1	12	1	0	0.40
Bitou	4	2	0	1	7	0	0	0.39
Knysna	5	3	0	1	9	1	0	0.56

Source: Western Cape Department of Health, 2015

Of these facilities, 4 fixed clinics, 5 mobile/satellite clinics and 1 district hospital is situated within the Hessequa municipal area. There are no regional hospitals situated within the Hessequa municipal area.

Due to rural distances between towns and health facilities being much greater than in the metropole, combined with the relatively lower population per square kilometre in rural areas, ambulance coverage is greater in rural areas in order to maintain adequate coverage for rural communities. Within the Eden District, Hessequa (0.92) has the 2nd highest number of ambulances per 100 000 population.

Table 6 Western Cape: Healthcare personnel, 2015

Regional area	Number of medical officers*	Number of professional nurses*	Number of staff nurses*	Number of nursing assistants*
Western Cape	33.4	99.2	40.3	66.5
City of Cape Town	42.1	107.8	42.4	79.1
West Coast District	9.3	63.8	31.8	34.8
Cape Winelands District	22.3	84.8	41.4	49.2
Overberg District	11.5	70.6	24.7	31.9
Eden District	20.7	97.1	39.0	45.8
Central Karoo District	19.4	132.8	38.7	74.7

* Per 100 000 people

Source: Western Cape Department of Health, 2015

Healthcare personnel is also variedly spread across the districts; overall within the Western Cape, the Eden District had the 3rd highest number of the medical officers, professional nurses and staff nurses per 100 000 people the 4th highest number of the nursing assistants per 100 000 people.

3.2 HIV, AIDS and Tuberculosis treatment and care

Although treatment and care is essential in the management of HIV and AIDS, the need for and importance of preventative care cannot be over-emphasised, especially since to date, there is no known cure.

Table 7 Eden District: HIV, AIDS and Tuberculosis prevalence and care, 2015

Municipality	HIV - Antiretroviral treatment					Tuberculosis			
	ART patient load March 2013	ART patient load March 2014	ART patient load March 2015	Mother-to-child transmission rate	Number of ART clinics/ treatment sites 2015	Number of TB patients 2012/13	Number of TB patients 2013/14	Number of TB patients 2014/15	Number of TB clinics/ treatment sites 2015
Eden District	10 402	12 788	14 805	1.6%	64	4 825	4 909	4 935	83
Kannaland	100	273	260	0.0%	5	221	258	206	7
Hessequa	364	482	552	6.9%	5	343	333	291	9
Mossel Bay	2 117	2 490	2 966	0.6%	17	823	853	761	15
George	3 886	4 534	5 461	2.0%	18	1 730	1 742	1 807	24
Oudtshoorn	740	1 109	1 239	1.3%	6	774	893	911	12
Bitou	1 578	1 640	1 837	0.8%	7	443	344	395	6
Knysna	1 617	2 260	2 490	1.6%	6	491	486	564	10

Source: Western Cape Department of Health, 2015

At the end of March 2013, the Province highlighted that anti-retroviral treatment (ART) was provided to over 130 000 persons in the Province, 10 402 of whom were in the Eden District and 364 in the Hessequa municipal area. By the end of March 2015, Hessequa's patient load had increased to 552, with treatment being administered from 5 treatment sites.

In addition to improving the quality of life of the patient, anti-retroviral treatment to mothers both before and at birth, also decreases the chances that infants will contract HIV from their mothers. The most recent information for Hessequa indicates a mother-to-child transmission rate of 6.9 per cent, and is much higher than the District rate, and far exceeds the provincial medium term annual target of 1.4 per cent for 2015/16 and 2016/17.

Tuberculosis (TB) is a bacterial disease, and is a serious problem in South Africa, especially in the Western Cape. TB is highly infectious but curable. Approximately one out of ten people develop the disease and if not treated the infectious person can affect 20 other people or more in a year.

TB can only be cured if the full course of treatment, which can be from six to eight months, is completed. People who stop treatment are likely to develop multi-drug resistance, making the TB more difficult to cure. These cases are treated at TB specialist clinics. TB can be fatal if not treated.

The HIV epidemic has led to an enormous increase in the number of TB cases. People with HIV are far more susceptible to TB infection, and are less able to fight it off. TB is responsible for a third of all deaths in HIV-infected people.

The TB patient load in the Eden District stood at 4 935 in 2014/15, with treatment being administered from 83 clinics/treatment sites. Over the recent years, the patient load within the Hessequa municipal area has shown a decreasing trend. The Municipality's patient load stood at in 291 in 2014/15, with treatment being administered from 9 clinics/treatment sites.

3.3 Child health: Immunisation², malnutrition, neonatal mortality, low birth weight

Immunisation: Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation, as well as the need to encourage parents to have their young children immunised. In 2015, the full immunisation coverage rate for the Eden District was 85 per cent (the highest among the district municipalities). Hessequa nevertheless had a coverage rate of 81 per cent, which was among the lowest in the District, and significantly below the Provincial average of 90 per cent.

Malnutrition: Malnutrition (either under- or over nutrition) refers to the condition whereby an individual does not receive adequate amounts or receives excessive amounts of nutrients. The number of malnourished children under five years in the Eden District in 2015 was 3.79 per 100 000, which was the 2nd highest incidence in the Province after the Central Karoo District. At 0.99, Hessequa's rate was well below the District and Provincial average of 3.79 and 2.43 per 100 000 respectively.

Table 8 Eden District: Child and maternal health, 2014/15

Municipality	Child health				Maternal health		
	Full immunisation coverage under 1 year	Severely malnutrition rate under 5 years	Neonatal mortality rate	Low birth weight	Maternal mortality ratio	Delivery rate to women under 18 years	Termination of pregnancy rate
Eden District	85%	3.79	7.2	16%	62.9	7.4%	7.4%
Kannaland	84%	3.51	14.2	23%	0.0	8.8%	0.0%
Hessequa	81%	0.99	5.6	17%	0.0	11.3%	0.1%
Mossel Bay	91%	4.69	9.5	13%	0.0	6.6%	9.5%
George	88%	2.40	8.7	19%	109.0	6.5%	12.6%
Oudtshoorn	84%	9.78	8.5	18%	56.7	9.6%	2.0%
Bitou	80%	0.46	0.0	0%	0.0	0.0%	0.0%
Knysna	78%	2.47	0.6	12%	58.3	6.4%	10.7%

Source: Western Cape Department of Health, 2015

Neonatal mortality rate: The first 28 days of life - the neonatal period - represent the most vulnerable time for a child's survival. The neonatal mortality rate is the number of neonates dying before reaching 28 days of age, per 1 000 live births in a given year. Hessequa's neonatal mortality rate of 5.6 is below the District and provincial averages of 7.2 and 6.2 per 1 000 live births respectively, and is also below the Province's 2019 target of 6.0 per 1 000 live births.

² The immunisation rate is calculated as the number of children immunised as a percentage of the total number of children less than one year of age. If children who are one year or older are immunised, the immunisation rate for that year could be greater than 100 per cent because more than 100 per cent of children aged less than one year would have been immunised in that particular year.

Low birth weight: Low birth weight is defined as weight at birth of less than 2 500 g. Low birth weight is associated with a range of both short and long term consequences. In the Eden District, 16 per cent of babies had a low birth weight; at 17 per cent, Hessequa lagged behind the District average.

3.4 Maternal health: Maternal mortality, births to teenage mothers, termination of pregnancy

Maternal health refers to the health of women during pregnancy, childbirth and the postpartum period.

Maternal mortality³: Maternal death is death occurring during pregnancy, childbirth and the puerperium⁴ of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric and non-obstetric).

The Municipality's most recent figures show a maternal mortality ratio of 0.0 per 100 000 live births, with the District's ratio at 62.9. The maternal mortality ratio in Hessequa is also below that of the Province overall which averaged 55.4 per 100 000 live births. The Province has a maternal mortality ratio target of 65 or less per 100 000 live births by 2019 which Hessequa Municipality currently maintains.

Births to teenage mothers: Teenage pregnancy is almost always unplanned; as a result when young parents are placed in a position to care for their children, life can become particularly tough, especially if they do not have family or social support.

In the 2014/15 financial year, the delivery rate to women under 18 years in the Eden District was 7.4 per cent. The municipality's rate of 11.3 per cent was the highest in the District, and also exceeded the provincial average of 6.1 per cent.

Termination of pregnancy: Government hospitals, designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To have a free abortion, the request must be made at a primary healthcare clinic, where the pregnancy will be confirmed, counselling provided, an appointment made, and a referral letter be given to a facility where the procedure can be performed.

The municipality's termination of pregnancy rate⁵ of 0.1 per cent was well below that of the District's 7.4 per cent.

Reading the teenage delivery and termination of pregnancy rates together suggests that there may be a particular challenge with respect to unplanned and unwanted pregnancies in the Hessequa Municipality.

³ Maternal deaths per 100 000 live births in health facilities.

⁴ *Puerperium* is defined as the time from the delivery of the placenta through the first few weeks after the delivery. This period is usually considered to be 6 weeks in duration.

⁵ Termination of pregnancy rate is calculated as the percentage of terminations as a proportion of the female population aged 15 to 44 years.

3.5 Community based services

Community Based Services (CBS) in the Western Cape are provided by non-profit organisations (NPOs). Home CBS does not replace the family as the primary caregiver; it is meant to be a complementary and supportive service to the family to prevent 'burn-out' for family caregivers who care for sick relatives.

Table 9 Eden District: Community based services, 2015

Municipality	Community based services		
	Total number of non-profit organisation appointed home carers	Total number of visits	Average number of monthly visits per carer
Eden District	362	726 943	167
Kannaland	34	67 873	166
Hessequa	45	187 118	347
Mossel Bay	72	123 125	143
George	96	136 148	118
Oudtshoorn	57	113 860	166
Bitou	22	15 504	59
Knysna	36	83 315	193

Source: Western Cape Department of Health, 2015

The total number of NPOs appointed carers in Eden during 2014/15 was 362. On average, each carer carried out an average of 167 monthly visits. Within the Hessequa municipal area, at 347, the average number of monthly visits for the 45 carers exceeded the District average by far.

4. Poverty

In an effort to eliminate poverty and reduce inequality, the National Development Plan has set the objective of having zero households earn less than R418 per month by 2030.

As per the table below, Hessequa Municipality was in 2011 still behind this target with approximately 9.6 per cent of its 16 558 households earning less than R400 a month. Lower levels of household income increases indigent dependency on municipal support. Municipal resources are therefore strained in an effort to provide free basic services.

Table 10 Eden District: Household income, 2011

Municipality	None income	R1 - R4 800	R4 801 - R9 600	R9 601 - R19 600	R19 601 - R38 200	R38 201 - R76 400	R76 401 - R153 800	R153 801 - R307 600	R307 601 - R614 400	R614 001 - R1 228 800	R1 228 801 - R2 457 600	R2 457 601 or more
Eden District	13.2	2.8	4.3	14.3	20.0	17.1	12.1	9.1	5.0	1.4	0.4	0.3
Kannaland	8.0	2.4	4.7	20.1	28.1	18.6	9.3	5.8	2.1	0.5	0.2	0.2
Hessequa	7.9	1.7	3.0	14.1	22.6	22.5	14.3	9.0	3.6	0.9	0.3	0.3
Mossel Bay	17.4	2.8	4.1	12.5	16.0	15.4	13.2	10.5	5.5	1.7	0.5	0.4
George	12.2	2.6	4.4	13.2	19.4	17.3	12.7	9.8	6.0	1.7	0.5	0.3
Oudtshoorn	9.0	2.3	4.5	16.3	23.7	18.9	11.5	8.4	4.2	0.8	0.3	0.2
Bitou	18.1	4.4	5.5	16.4	19.7	13.8	9.0	6.7	4.0	1.6	0.5	0.4
Knysna	16.4	3.3	4.3	13.9	18.8	15.0	11.1	8.8	5.6	1.9	0.6	0.5

Source: Statistics South Africa, Census 2011

Measuring levels of poverty and inequality for the period 2006 to 2011, Statistics South Africa's 2014 Poverty Trends Report specifies that the lower-bound poverty line (LBPL) for March 2011 was set at R443 (per capita, inflation adjusted poverty line) meaning that any individual earning less than R443 a month would have to sacrifice essential food items in order to obtain non-food goods. Compared to the above specified average household income for the Hessequa Municipality, it is concerning to note that 1 590 households in the municipal area earn less than R400 a month and must therefore survive on less than what an individual persons requires as per the LBPL measure.

Table 11 Eden District: Per capita income, 2011 - 2013

Regional area	Per capita income (R)		
	2011	2012	2013
Western Cape	43 614	44 291	44 553
Eden District	33 171	34 203	34 655
Kannaland	27 346	28 117	28 703
Hessequa	19 710	19 748	19 749
Mossel Bay	56 682	60 176	61 186
George	30 290	30 706	30 889
Oudtshoorn	23 060	23 589	23 940
Bitou	31 005	31 891	32 411
Knysna	34 314	35 095	35 593

Source: Own calculations, Department of Social Development, 2015 and Quantec, 2015

As per Table 11, per capita income in Hessequa Municipality was the lowest in the District compared to other municipality in 2011, 2012 and 2013. The municipality's slow growing economy plays a significant role in the low per capita earnings.

Along with these low income levels, per capita income in Hessequa is also increasing at a very slow rate of only 0.2 per cent from R19 710 in 2011 to R19 749 in 2013. The municipality thus needs to make significant progress if it is to achieve the 2030 NDP target of R110 000 per person, per annum.

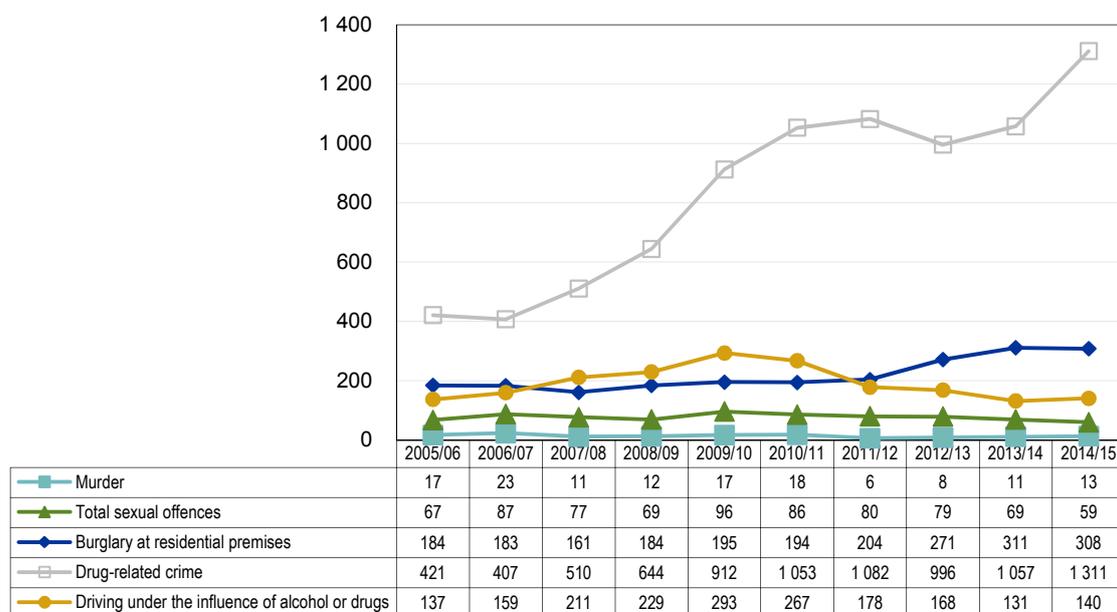
5. Safety and security

The Constitution upholds the notion that everybody has the right to freedom and security of the person. The safety of persons and property is therefore vitally important to the physical and emotional well-being of people and business. Without the respect of person and property, it would be impossible for people to live peacefully, without fear of attack and for businesses to flourish.

The extent of crime in South Africa does however not only have a significant impact on the livelihood of citizens, but also affects the general economy. Crime hampers growth and discourages investment and capital accumulation. If not addressed with seriousness, it has the potential to derail both social and economic prosperity.

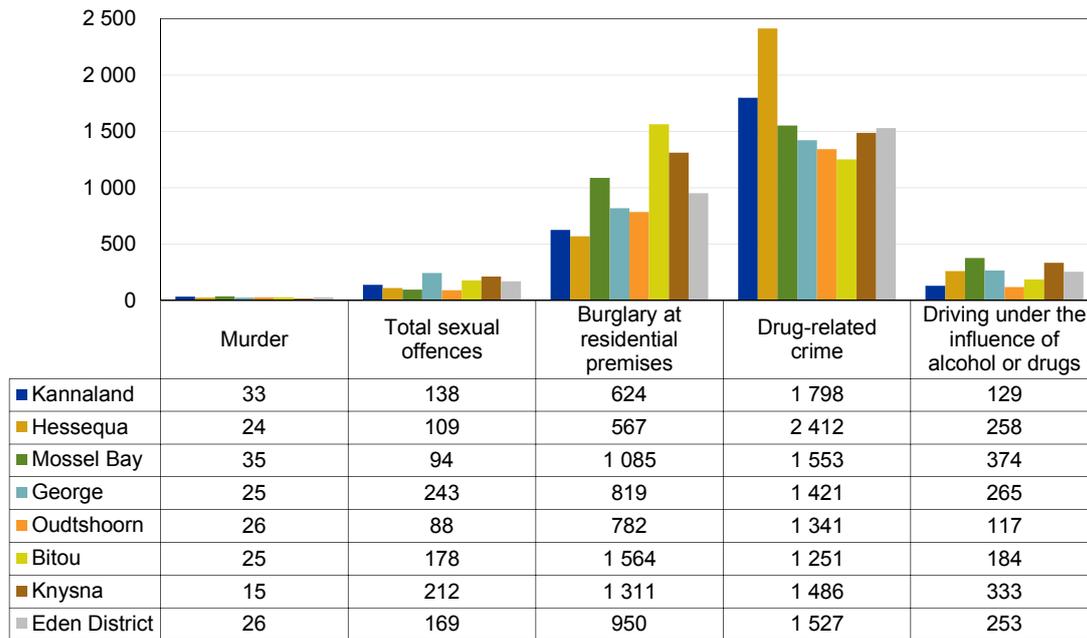
Peoples' general impressions, as well as official statistics on safety and crime issues, mould perceptions of areas as living spaces or place in which to establish businesses. The discussion in this section that follows is limited to the reported contact and property-related crime such as murder and sexual crimes, as well as crime heavily dependent on police action for detecting drug-related crimes and driving under the influence of alcohol/drugs.

Figure 4 Hessequa: Crime statistics, 2005/06 - 2014/15



Source: Quantec Research, 2015

The category pertaining to drug-related crime is dominant in relation to crime within the Hessequa Municipality. The incidence of drug-related crime have consistently increased between 2010 and 2014, reaching a peak of 1 311 instances in 2014/15. Burglaries at residential premises is the second most prevalent offence and increased from 194 cases in 2010/11 to 311 cases in 2013/14 after which it declined again to 308 cases in 2014/15. There is no significant change in the number of reported sexual offences and murders although both have declined slightly from 2005/06 to 2014/15. Driving under the influence of alcohol or drugs peaked at 293 cases in 2009/10 and the declined thereafter to reach 140 cases in 2014/15.

Figure 5 Eden District: Crime statistics per 100 000, 2014/15

Source: Quantec Research, 2015

It is customary to express occurrences of crime per 100 000 as to allow for an easy comparison between areas with different population densities.

It is evident from above table that drug-related crimes - possession, manufacturing, distribution of illegal substances (including alcohol related transgressions) - is a major concern throughout the Eden District with an average of 1 527 crimes per 100 000. Drug-related crimes has a severe negative impact on human development by degrading the quality of life as it infiltrates all aspects of society including families, health, the work environment and the economy. The incidence of drug-related crime in Hessequa exceeds the District average at 2 412 cases per 100 000 population.

Given its regular occurrence and the psychological impact on victims, residential burglaries are an obstinate concern in South Africa. The Eden District is no exception, with residential burglaries being the second most prominent criminal offence among all local municipalities at an average of 950 occurrences per 100 000. Hessequa is less affected by this crime, impacting on 567 persons per 100 000 - the lowest incidence rate in the District.

6. Basic services

Access to basic services within South Africa is a basic human right. It is also an indication of the quality of life of the inhabitants in the country. Access to basic services has a wider impact on education and health and therefore also on the economy. The 2015 Municipal Economic Review and Outlook further highlights the positive economic impact of basic infrastructure spending on the overall economy.

The levels of access to basic services will be discussed below in terms of access to water, sanitation, energy, refuse removal and housing. The 2015 Socio-economic Profile also contains a breakdown of access to basic services for each ward within Hessequa Municipality, hereto attached as an Annexure. This information provides the Municipality with an overview of ground-level access to basic services that will assist in the allocation of resources towards the areas of most need. This data will also inform the Municipality's IDP and service delivery budget and implementation plan (SDBIP), the latter which, as per MFMA Circular 13, must contain a ward-specific capital works plan.

6.1 Access to water

Table 12 indicates the levels of access to potable water within the Eden District in 2014.

Table 12 Eden District: Access to water, 2014

Regional area	Piped water inside dwelling	Piped water inside yard	Piped water less than 200 m from dwelling	Piped water more than 200 m from dwelling	Borehole/ rain-water tank/well	Dam/river stream/spring	Water-carrier tanker/water vendor	Other/ Unspecified
Western Cape	74.1	13.8	8.7	2.5	0.1	0.1	0.1	0.6
Eden District	71.5	16.8	6.9	2.6	0.7	0.5	0.3	0.7
Kannaland	76.2	15.1	3.0	1.3	0.8	1.8	0.9	1.1
Hessequa	80.4	14.4	3.0	0.3	0.5	0.6	0.3	0.5
Mossel Bay	77.0	15.1	3.4	2.8	0.4	0.3	0.3	0.7
George	70.1	20.1	5.6	1.6	1.2	0.4	0.4	0.7
Oudtshoorn	74.4	14.4	5.6	2.6	0.3	1.2	0.4	1.2
Bitou	58.2	21.8	11.5	6.8	1.1	0.2	0.1	0.2
Knysna	66.5	12.0	15.9	3.9	0.4	0.0	0.1	1.0

Source: Quantec Research, 2015

The data indicates that in Hessequa, 80.4 per cent of households have access to water within their dwellings and a further 14.4 per cent have access within their yard. The minimum service level is households that have access to water 200 m or less from their dwelling. Approximately 97.8 per cent of households meet this minimum standard. This puts Hessequa close to the NDP target of 100 per cent access to water by 2030. Hessequa outperforms the Provincial and District average of 96.6 and 95.2 per cent respectively.

The Blue Drop Certification reflects on the actual quality of tap water within a municipality. It further acknowledges a municipality's ability to sustain this quality and provides an indication of preparedness to deal with any incident that may pose a water related health risk to the public.

The certification process attributes a weighted score according to a municipality's performance measured against a specific set of water management criteria such as water safety planning, drinking water quality process management and control,

drinking water quality compliance etc. Municipalities that achieve overall scores above 95 per cent are officially awarded the prestigious Blue Drop Status.

Hessequa achieved a score of only 35.6 per cent for 2011. This performance is of concern given the high levels of access to water in the Municipality.

6.2 Access to refuse removal

Inadequate waste services lead to unpleasant living conditions and a contaminated, unhealthy environment. For this reason municipalities across the country provide their inhabitants with waste removal services.

Table 13 displays the levels of access to refuse removal within the Eden District in 2014.

Table 13 Eden District: Access to refuse removal, 2014

Regional area	Removed at least once a week	Removed less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Unspecified/other
Western Cape	89.8	1.2	2.8	4.6	1.0	0.6
Eden District	86.3	0.7	1.7	7.4	2.4	1.4
Kannaland	66.3	1.3	1.6	22.9	5.0	3.0
Hessequa	78.7	0.5	1.1	15.9	1.7	2.1
Mossel Bay	92.6	0.5	0.7	3.1	2.4	0.6
George	87.8	0.6	1.1	6.0	2.7	1.7
Oudtshoorn	78.2	1.4	2.8	13	3.2	1.4
Bitou	86.7	0.8	5.4	4.7	1.2	1.2
Knysna	93.1	0.7	1.5	2.6	1.4	0.8

Source: Quantec Research, 2015

The data indicates that within Hessequa, only 78.7 per cent of households have their refuse removed at least once a week. Hessequa lags behind both the Province and the District in terms of the levels of access to refuse removal by the local authority at least once a week. The biggest concern is the 15.9 per cent of households that use their own refuse dump. However, it is because the refuse removal service in the Municipality is mostly provided for urban households; generally not for rural households or farms.

6.3 Access to electricity

Table 14 reflects the different sources of energy used for lighting by households in the Eden District.

Table 14 Eden District: Access to electricity, 2014

Municipality	Electricity	Gas	Paraffin	Candles	Solar/other/ unspecified
Eden District	90.7	0.2	2.9	5.6	0.6
Kannaland	89.7	0.3	0.0	8.7	1.3
Hessequa	94.8	0.3	0.2	4.0	0.7
Mossel Bay	93.5	0.4	2.1	3.4	0.6
George	90.5	0.2	4.3	4.4	0.7
Oudtshoorn	85.2	0.1	0.9	13.4	0.4
Bitou	93.5	0.1	1.6	4.2	0.5
Knysna	88.4	0.3	6.3	4.6	0.3

Source: Quantec Research, 2015

Table 14 indicates that the biggest source of energy in Hessequa was electricity at 94.8 per cent. This is also the highest in the District. Approximately 4 per cent of households use candles as a lighting source and 0.7 per cent uses solar or other forms.

6.4 Access to sanitation

Access to sanitation is one of the most important basic services as it concerns the health and dignity of human beings. Table 15 shows the type of sanitation facilities available to households in the Eden District in 2014.

Table 15 Eden District: Access to sanitation, 2014

Municipality	Flush or chemical toilet	Pit latrine	Bucket latrine	Not listed elsewhere
Eden District	84.5	6.4	2.0	7.1
Kannaland	73.6	16.1	1.8	8.6
Hessequa	90.2	5.2	0.9	3.7
Mossel Bay	90.5	2.0	1.6	5.8
George	87.4	3.6	2.1	6.9
Oudtshoorn	80.5	9.3	3.5	6.7
Bitou	81.8	13.6	0.9	3.7
Knysna	75.4	8.9	2.2	13.5

Source: Quantec Research, 2015

In 2014, 90.2 per cent of households in Hessequa had access to flush toilets (connected to sewerage/septic tank), which is above the District average of 84.5. The proportion of households that did not have access to sanitation in 2014 was 3.7 per cent, whilst 6.1 per cent of households made use of bucket latrine and pit latrines.

6.5 Housing

Decent housing with the relevant basic services is essential for human security, dignity and well-being.

Table 16 Eden District: Types of housing structures, 2014

Municipality	House or brick structure on a separate stand or yard	Traditional dwelling	Flat in a block of flats	Town/cluster/semi-detached house (simplex, duplex or triplex)	House/flat/room in backyard	Informal dwelling/shack in backyard	Informal dwelling/shack NOT in backyard, e.g. in an informal/squatter settlement	Room/flatlet not in backyard but on a shared property	Other
Eden District	75.0	0.7	2.3	3.5	1.5	5.9	9.3	0.7	1.2
Kannaland	94.9	0.4	0.6	0.5	0.4	1.1	1.3	0.1	0.7
Hessequa	89.8	0.8	1.6	0.7	1.0	2.6	2.3	0.4	0.8
Mossel Bay	72.9	0.6	2.7	6.8	1.2	5.3	7.8	1.3	1.2
George	75.2	0.6	2.6	2.6	2.0	7.3	8.0	0.7	1.1
Oudtshoorn	78.1	0.7	2.0	6.0	1.7	4.6	5.5	0.5	0.9
Bitou	66.3	1.1	1.5	1.2	0.8	8.8	17.3	0.6	2.5
Knysna	64.4	0.6	2.7	3.6	1.5	6.1	19.1	0.5	1.4

Source: Quantec Research, 2015

Table 16 highlights the most common dwelling types in Hessequa Municipality in 2014. A relatively large proportion (89.8 per cent) of the Municipality's households reside in a house or brick structure on a separate stand, while 2.3 per cent reside in informal dwellings in an informal/squatter camp and 2.6 per cent reside in an informal dwelling/shack in the backyard.

7. Economy

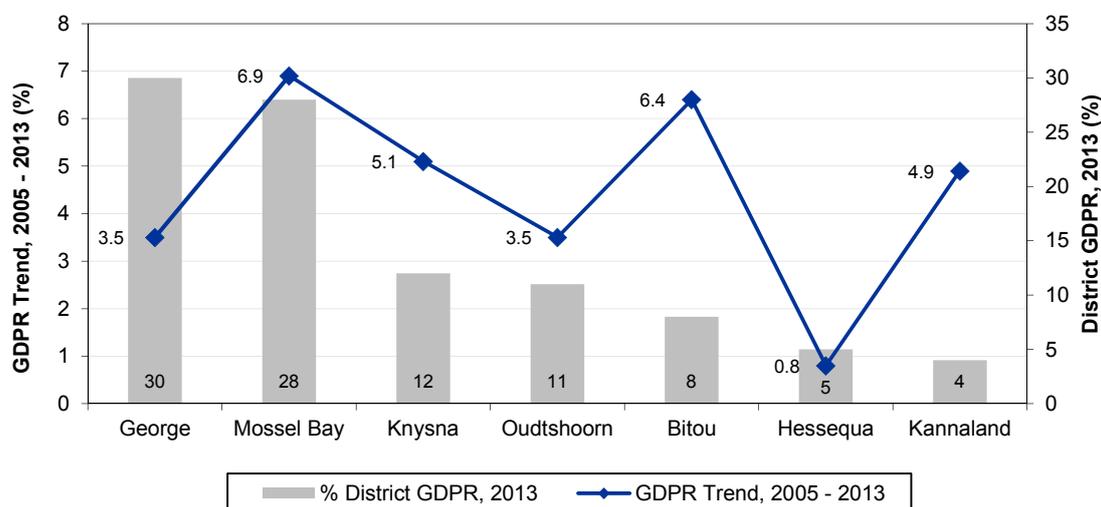
Economic growth in South Africa has been deteriorating since 2012. GDP growth of 2.5 per cent, 2.2 per cent and 1.5 per cent was achieved in 2012, 2013 and 2014 respectively.⁶ Initiatives to bolster economic growth on a national scale have been undertaken and progress has been made - talks to establish a more sustainable labour relations environment have been undertaken, and administrative reforms to reduce red tape have been implemented. Key structural issues which hinder the desired growth levels nevertheless remain entrenched. Given the close linkages between the municipalities in the Province and the national economy, the metro and district (and thus local) municipalities in the Western Cape are impacted by current state and fluctuations in the national economy.

The Eden District grew by 4.6 per cent on average year-on-year from 2005 - 2013. The District managed to grow by 3.0 per cent per annum during the recessionary period (2008 - 2009); while managing a higher growth rate of 3.8 per cent per annum during the recovery period (2010 - 2013). The District has hitherto failed to reach its 2005 - 2013 trend growth rate.

⁶ IMF World Economic Outlook July 2015

As per Figure 6, Hessequa comprised 5 per cent (or R1.8 billion) of the District's GDP of R33.4 billion in 2013, making it the second smallest economy in the District after Kannaland (4 per cent). The municipality experienced average year-on-year growth of 0.8 per cent from 2005 - 2013, thus lagging far behind the Province's growth rate of 3.6 over this period.

Figure 6 Eden District: GDP growth, 2005 - 2013



Source: *Municipal Economic Review and Outlook (MERO), 2015*

As per Table 17, the municipal economy contracted by 1.6 per cent annually during the recessionary period 2008 - 2009. Growth however picked up to 1.8 per cent and even outperformed its expansionary period (2000 - 2007) growth rate of 1.7 per cent.

Table 17 Eden District: GDP growth, 2000 - 2013

Municipality	Real GDP growth (average yoy %)		
	Expansion 2000 - 2007	Recession 2008 - 2009	Recovery 2010 - 2013
Eden District	6.1	3.0	3.8
Kannaland	6.2	5.3	2.9
Hessequa	1.7	-1.6	1.8
Mossel Bay	9.0	4.7	5.9
George	5.1	1.7	2.7
Oudtshoorn	4.3	2.4	2.4
Bitou	9.6	4.8	5.3
Knysna	6.9	3.9	3.8

Source: *Municipal Economic Review and Outlook (MERO), 2015*

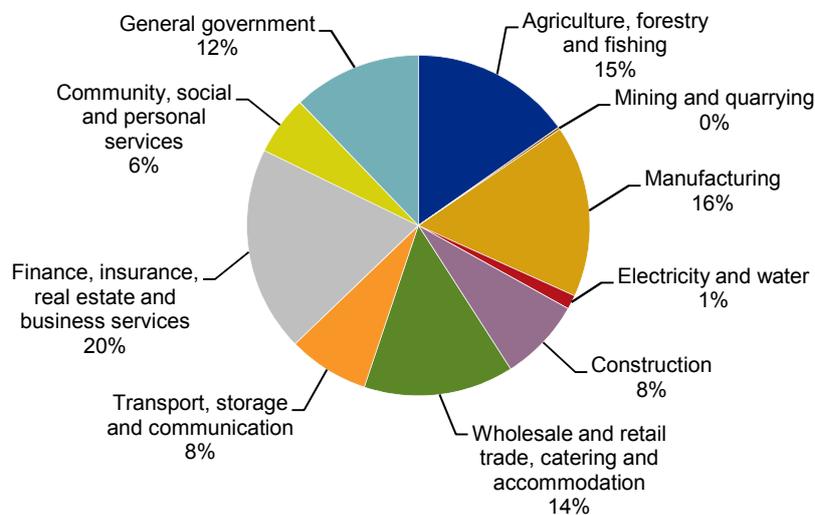
This growth is underscored by significant variation in industry-specific growth rates. Growth in a particular industry depends on a number of factors (economies of scale, technological developments and demand trends among others) which often diverge among industries. Table 18 displays the industry-specific growth rates for each municipality in Eden District.

Table 18 Eden District; Sectoral growth, 2005 - 2013

Industry	Kannaland	Hessequa	Mossel Bay	George	Oudtshoorn	Bitou	Knysna	Eden District
Agriculture, forestry and fishing	1.3	-1.5	4.8	1.0	1.0	5.5	7.7	1.6
Manufacturing	4.1	1.7	5.5	1.5	2.0	5.3	3.0	3.6
Construction	13.3	2.0	10.9	8.3	8.8	8.8	8.1	8.7
Commercial services	7.2	0.6	6.7	3.8	3.8	6.9	4.9	4.9
General government and Community, social and personal services	5.0	3.3	9.2	4.2	3.8	3.5	5.1	5.2
Other	-0.6	-4.0	4.2	-4.0	-0.6	1.5	5.4	-0.4
Total	4.9	0.8	6.9	3.5	3.5	6.4	5.1	4.6

Source: *Municipal Economic Review and Outlook (MERO), 2015*

Hessequa has experienced the fastest growth in its general government and community, social and personal (CSP) services sector at 3.3 per cent. This is followed by construction (2%) and manufacturing (1.7%). The Municipality's agriculture sector and "other" sectors contracted by 1.5 per cent and 4.0 per cent per annum respectively.

Figure 7 Hessequa: Sectoral composition, 2013

Source: *Municipal Economic Review and Outlook (MERO), 2015*

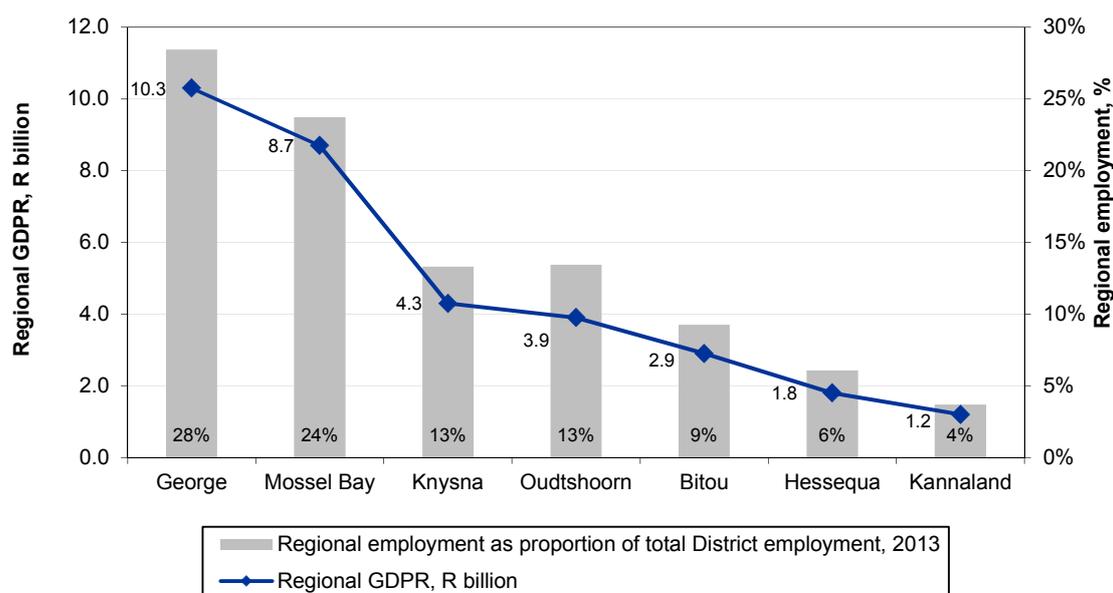
As seen in Figure 7, the finance, insurance, real estate and business services sector (as a part of the commercial services sector) made the largest contribution to GDP in 2013 (20 per cent), followed by manufacturing and agriculture, fishing and forestry which contributed 16 and 15 per cent of the Municipality's 2013 GDP respectively. The construction's GDP sector which had the fastest growth contributes 8 per cent of the Municipality's GDP.

8. Labour market

Unemployment remains one of South Africa's biggest challenges. Overall unemployment (as per the narrow definition) stood at 25 per cent as at the end of 2014.⁷ Skills shortages, weak economic growth and electricity supply constraints are among the most significant constraints on employment growth. The NDP aims to reduce unemployment to 6 per cent by 2030. Improvements in education and training are integral to the attainment of this goal. These issues are structural and are felt at a local government level, where high levels of unemployment put significant strain on municipal funds.

Hessequa comprised R1.8 billion (or 5 per cent) of the GDP and 6 per cent of the employment in the District in 2013. Figure 8 shows that Hessequa was among the bottom two employers in the region. Viewed in conjunction with the Municipality's relatively small GDP, the relationship between economic well-being of the region and employment in the Municipality is brought to the fore.

Figure 8 Eden District municipalities: Municipal GDP vs municipal employment, 2013

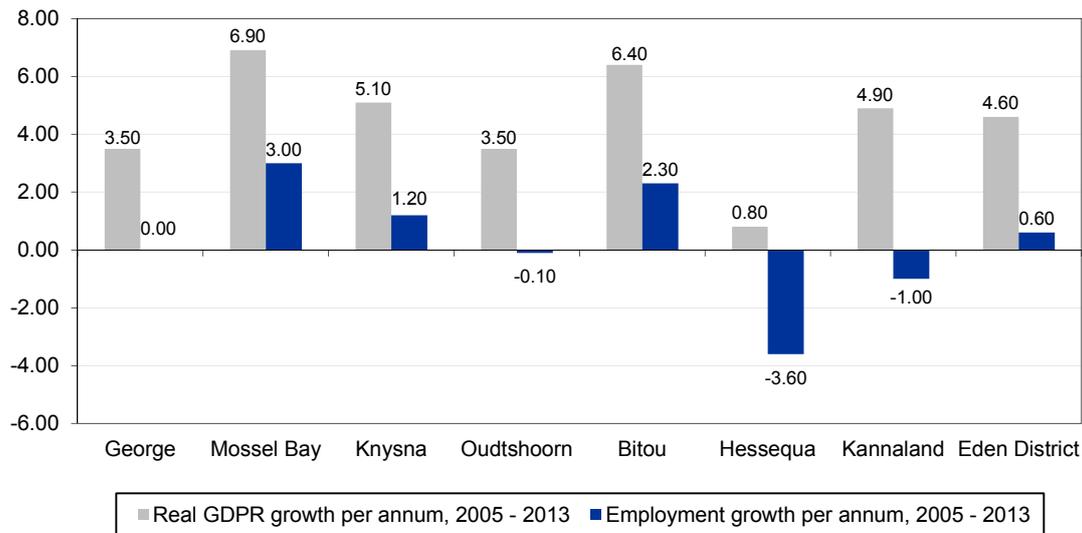


Source: *Municipal Economic Review and Outlook (MERO), 2015*

Figure 9 provides a comparison of the annual municipal GDP growth rate and annual employment growth rate in the District. Whilst all the municipalities in the District displayed a positive annual GDP growth rate from 2005 - 2013, Hessequa and Kannaland were the only municipalities who experienced negative annual employment rate over the period. The municipality experienced the slowest GDP growth (0.8 per cent per annum) in the District and employment growth (-3.6 per cent per annum) over the period under review, with both rates lagging far behind the District averages (of 4.6 per cent and 0.6 per cent respectively).

⁷ Statistics South Africa, 2015

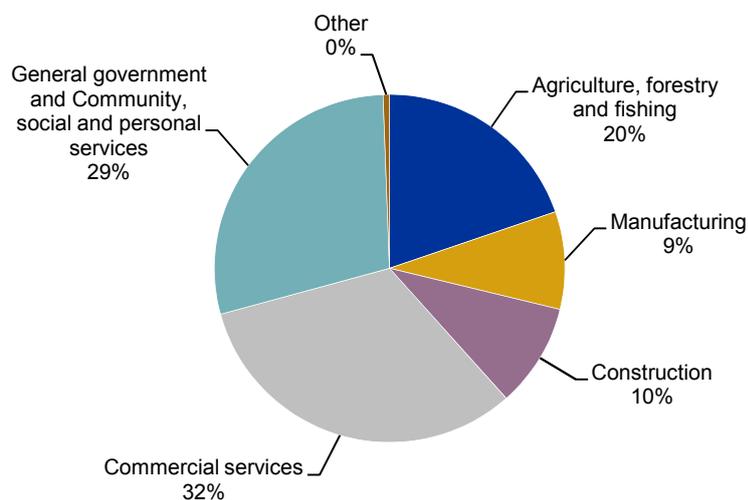
Figure 9 Eden District: Municipal GDPR vs municipal employment, 2005 - 2013



Source: *Municipal Economic Review and Outlook (MERO), 2015*

Figure 10, illustrates that Hessequa's commercial services sector is the largest employer in the Municipality, employing 3 530 (or 32 per cent) of the Municipality's working population in 2013, followed by the general government and CSP services sector, which employed 3 199 (or 29 per cent) and the agriculture sector which employed 20 per cent of the working population. The manufacturing sector was among the Municipality's bottom 3 employers, employing only 993 (or 9 per cent) of the Municipality's working population.

Figure 10 Hessequa: Employment by sector, 2013



Source: *Municipal Economic Review and Outlook (MERO), 2015*

Linked to Hessequa's relatively low GDP growth for the agriculture sector, net employment over the period stood at -2 813. Despite the relatively fast growth in the construction and manufacturing sector, they experienced negative job growth of -873 and -303 respectively. The commercial services sector also shed 682 jobs. The only sector that created positive employment over the period 2005 to 2013 was general government and CSP services sector with 270 net jobs.

Table 19 Eden District: GDP growth vs net employment, 2005 - 2013

Industry	Kannaland		Hessequa		Mossel Bay		George		Oudtshoorn		Bitou		Knysna		Eden District	
	GDP Trend	Net Employment	GDP Trend	Net Employment												
Agriculture, forestry and fishing	1.30%	-1 603	-1.50%	-2 813	4.80%	-1 200	1.00%	-2 342	1.00%	-1 726	5.50%	-589	7.70%	-1 083	1.60%	-12 881
Manufacturing	4.10%	20	1.70%	-303	5.50%	-587	1.50%	-1 526	2.00%	-446	5.30%	-4	3.00%	-362	3.60%	-3 136
Construction	13.30%	100	2.00%	-873	10.90%	520	8.30%	-585	8.80%	-96	8.80%	-138	8.10%	-376	8.70%	-1 475
Commercial services	7.20%	378	0.60%	-682	6.70%	5 330	3.80%	1 455	3.80%	591	6.90%	2 991	4.90%	2 538	4.90%	12 643
General government and Community, social and personal services	5.00%	436	3.30%	270	9.20%	5 734	4.20%	2 924	3.80%	1 488	3.50%	723	5.10%	1 555	5.20%	13 258
Other	-0.60%	-2	-4.00%	3	4.20%	90	-4.00%	58	-0.60%	20	1.50%	9	5.40%	86	-0.40%	260
Total	4.90%	-671	0.80%	-4 398	6.90%	9 887	3.50%	-16	3.50%	-169	6.40%	2 992	5.10%	2 358	4.60%	8 669

Source: Municipal Economic Review and Outlook (MERO), 2015

Hessequa experienced a decrease in labour demand in all categories of employment except the informal sector. This indicates that the informal sector was able to absorb jobs lost in the formal employment sector. The demand for highly skilled and skilled labour declined by 0.9 and 2.7 per cent per annum respectively. The semi- and unskilled sector employs 38.5 per cent of the Hessequa working population yet demand for these workings declined by 6.5 per cent per annum.

Table 20 Eden District municipalities: Employment per skills sector, 2005 - 2013

Sector composition	Kannaland		Hessequa		Mossel Bay		George		Oudtshoorn		Bitou		Knysna	
	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013	Number	Growth p.a. 2005 - 2013
Highly skilled	753	2.4%	1 229	-0.9%	5 728	4.7%	6 663	1%	3 717	1.2%	1 594	2.4%	2 779	2.3%
Skilled	1 671	1.2%	2 922	-2.7%	13 654	2.8%	16 504	-0.6%	7 603	0%	5 101	2.1%	7 702	0.9%
Semi- and unskilled	2 956	-4.4%	4 264	-6.5%	12 795	-0.3%	14 882	-2.8%	7 785	-3%	5 011	-1.4%	6 825	-2.1%
Informal	1 355	5.1%	2 616	0.4%	10 928	7.6%	13 622	4.8%	5 321	5%	5 128	7.6%	6 872	5.7%
Total employment	6 735	-1%	11 030	-3.6%	43 105	3%	51 671	0%	24 426	-0.1%	16 836	2.3%	24 179	1.2%

Source: Municipal Economic Review and Outlook (MERO), 2015

This pattern is prevalent across the District, with the majority of the job losses emanating from the semi- and unskilled sector. The job losses in this sector are congruent with the job losses experienced in the agriculture, manufacturing and construction sectors, and represent an increasing trend in the demand for skilled employment (and thus employment in the tertiary sector) over unskilled labour.

9. Environment

The 2011 National Strategy for Sustainable Development for South Africa describes the concept of sustainability as composing of three overlapping developmental spheres namely, the natural environment, social context and economic activity. These spheres, which are underpinned by a system of governance, are interlinked and fully dependent on the extent and functionality of the others. A trade-off in one sphere will compromise the functionality of another with significant knock-on effects.

The natural environment, inclusive of elements such as land, inland water, biodiversity and oceans and coastlines are increasingly under pressure as a result of certain socio-economic factors such as population growth rates and increased land use. These pressures on natural resources also pose limitations to economic growth. Climate change also poses significant bio-physical and economic risks and as such, sustainable and effective resource-use and climate change response, should be both a Provincial as well as Municipal strategic priority.

The Environmental section outlines key focus areas relevant to the current state of the natural environment and the associated need for environmental management, specifically, within the sphere of local government. These broad focus areas - legislative reform, integrated waste management, climate change - are briefly discussed in the following section and where available, include a municipal specific overview.

This information is intended to strengthen municipal planning support, inform future budget allocations and promote resource efficiency and effectiveness to ultimately preserve the natural environment for future generations.

9.1 Law reform - Implementation of SPLUMA/LUPA in municipalities

It is paramount that municipalities have planning and decision-making mechanisms in place to support its service delivery obligations and growth objectives. The Spatial Planning and Land Use Management Act, Act No. 16 of 2013 (SPLUMA), implemented on 1 July 2015, and the Western Cape Land Use Planning Act 2014 (LUPA) ushers in a new era of planning and development decision-making where the responsibility rests largely on local municipalities to fulfil their role as land use planning decision-makers as per Constitutional mandates and obligations. Section 24(1) of SPLUMA determines that a municipality must, after consultation as prescribed in the Act, adopt and approve a single land use scheme for its entire area within five years from the commencement of this Act.

This land use scheme serves as a tool for municipalities to guide and manage development according to their vision in terms of its Integrated Development Plan (IDP) and Spatial Development Framework (SDF). This will provide potential developers and land users with a clear indication of developable land and its associated land uses within the municipal space. Clarity in land use zones can avoid any future confusion and lengthy delays in terms of prospective developments/uses.

Currently many municipalities have a Land Use Management Scheme in place in the form of Zoning Schemes, which are compliant with the provisions of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985) (LUPO). These are known as LUPO section 7 and 8 Schemes. The process has commenced to replace these schemes to meet the requirements for Integrated Zoning Schemes (Land Use Schemes) in terms of section 24 of SPLUMA.

Transitional arrangements following the planning law reform should be noted. The Department of Rural Development and Land Reform (DRD&LR) and SALGA Circular 1 of 2015 noted that a municipality can continue to operate within old order legislative parameters in so far as that legislation does not conflict with SPLUMA. The Circular proposed that the decision-making structures associated with SPLUMA must be applied.

The Western Cape Department of Environmental Affairs and Development Planning sought a legal opinion in this regard and subsequently adopted a different approach. After consultation, the Provincial Minister of Local Government, Environmental Affairs and Development Planning has decided against a blanket implementation of LUPA in the Western Cape. Instead, a staggered implementation approach will be adopted. LUPA will be implemented, and LUPO will be repealed, in a staggered manner as and when municipalities are ready.

During the transition period, Western Cape municipalities were advised not to adopt the 'hybrid' solution proposed by DRD&LR and SALGA (Circular 1 of 2015). Instead, municipalities were advised to utilise the old-order legislation in its entirety (including decision-making structures) until the Western Cape Land Use Planning Act, Act No. 3 of 2014 (LUPA) and the LUPA Municipal Planning By-law is adopted. This was communicated in WCG: EADP Departmental Circular 0009/2015.

In order to determine a municipality's readiness, the Department developed a set of actions that each municipality must complete before the Minister will consider recommending that the Premier repeal LUPO and implement LUPA in a particular municipality.

These actions, as communicated in WCG: DEADP Departmental Circular 0006/2015, are as follows:

- a) Municipalities must have adopted and gazetted their By-law on Municipal Land Use Planning.
- b) Municipalities must be at an advanced stage of establishing their Municipal Planning Tribunal. An advanced stage is regarded as having completed Step 7 of the 'Municipal Planning Tribunal Establishment Manual'.
- c) Municipalities must have Council adopted delegations. This includes appointing the Authorised Official(s) and adopting their categorisation of land use applications.
- d) Municipalities must have Council adopted tariff structures in place for receiving land use management applications in terms of the new legislation.

On completion of these actions, the Municipal Manager must submit a letter to the Department noting the completion thereof in addition to providing the Department with the necessary supporting documentation/proof. The Department will then initiate the LUPA implementation process by the Premier in that particular municipality. Municipalities should note that this process may take 4 - 6 weeks to complete.

The Premier issued a proclamation to bring the LUPA into effect on 7 October 2015 in Hessequa Municipality. The proclamation was published in the Provincial Gazette Extraordinary 7509 on Wednesday, 7 October 2015. As such, from 7 October 2015 all land use applications submitted to Hessequa Municipality must be submitted in terms of their Municipal By-law on Land Use Planning.

Hessequa Municipality currently has a Land Use Management Scheme in the form of Zoning Schemes compliant with the provisions of the Land Use Planning Ordinance No. 15 of 1985 (LUPO).

Hessequa Municipality intends to use the proposed Standard Draft Zoning Scheme that is being prepared by WCG: EADP, once it is finalised (with or without possible amendments). This Standard Draft Zoning Scheme is in an advanced stage of preparation.

9.2 From waste management to integrated waste management

There is a shortage of available landfill airspace across the Province. The recovery of waste material for the waste economy is only at 9 per cent. There is a big need to move away from the landfill bias to integrated waste management. To achieve this, more integrated waste management infrastructure is urgently needed. This will increase the recovery of waste material and thereby save landfill airspace, promote the waste economy, reduce the environmental impacts of waste management and create jobs. A mind shift also is needed from municipalities to move away from seeing waste just as a nuisance and risk to realise the intrinsic value of waste and to utilise the potential value of it.

Due to the landfill airspace shortage, municipalities are exploring regional waste disposal options. Such options are however costly due to the high transport cost. The effective management of such regional facilities is also problematic due to the multi-party involvement. These regional facilities have to be operated by the district municipalities and unfortunately these municipalities do not receive any MIG Funding, which makes these facilities difficult to construct and operate. However, regionalisation of not just waste disposal facilities, but integrated waste management facilities have to be encouraged and alternative business cases such as private public ventures have to be explored.

All the waste disposal facilities except one (application to obtain a waste management licence is currently in process) have waste management licences. Since 2013 the requirements for landfill operation has increased dramatically, therefore making it difficult and very expensive for municipalities to comply with. The compliance of landfills in the Province has to increase dramatically which means that more resources are needed to meet the new legislative requirements. The majority of

the landfills in the Province have by now reached full capacity must be closed and rehabilitated. Due to the strict environmental requirements set by the national government for closure and rehabilitation of waste disposal facilities, it is very expensive to comply and municipalities find them in the difficult position that it does not have the necessary resources to rehabilitate these facilities.

Cost reflective waste tariffs are in general not charged by municipalities and combined with the high level of poverty with people who cannot afford high service charges, impacts negatively on the sustainability of the waste management service. Waste management should also be regarded as bulk infrastructure. If not, it further puts this service at a funding disadvantage. This is a perception that must be changed urgently so that waste management can also benefit equally from government funding for development and building of houses.

In general, the skill levels of municipal waste managers should be improved as well as the staff capacity available to render an effective and efficient waste management service. A further priority area for municipalities is to either align its waste management by-laws with national legislation or to publish a waste management by-law which will assist in the management of this service and facilitate interaction with the private sector to improve service delivery and to benefit from the waste economy and job creation.

9.3 Climate change

The science of human-caused climate change is undisputable⁸. The average global temperature has already increased by 0.8°C; at this rate we are on track to reach a 4°C global average warming by 2100. Evidence suggests Africa is warming faster than the global average which is having severe impacts for hard-won developmental gains across an already vulnerable continent. Climate change impacts are already evident in the Western Cape and are negatively impacting and undermining economic and social development. Infrastructure, basic resources (water, food and energy) and livelihoods will all be impacted on and these impacts will affect all sectors and stakeholders, with a particular impact on the poor and vulnerable sectors of our community. Substantial responses are required by all role-players in order to adapt to the changes that will be experienced.

To date, the implementation of climate change responses to this changed climate has been slow. Many stakeholders do not perceive that it is their responsibility or mandate to prepare for climate change, and state limited resources and the delivery of other basic services as a challenge. Climate change is everyone's business and has to be incorporated into every facet of spatial and land use planning, service delivery, infrastructure development and economic planning. Failure would

⁸ The Intergovernmental Panel on Climate Change released its 5th global assessment report in 2013, and states "warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over dates to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, sea level has risen, and the concentrations of greenhouse gasses have increased".

compromise basic service delivery, exacerbate poverty and undermine the most vulnerable communities.

The following are some recent observed trends in the Western Cape:

Climate Variable	Observed trends	Outlook and Comments
Temperature	<p>General trend of rising temperatures, including both minimum and maximum temperatures.</p> <p>Increased temperatures and increased evapotranspiration result in dry soils and vegetation which becomes more readily fire-prone.</p> <p>Tuesday March 3rd 2015 was the highest temperature ever recorded (in 100 years) in Cape Town at 42°C. This coincided with severe fires.</p>	<p>For example there has been a decrease in the number of very cold days to create the cold (or chill) units required for deciduous fruit cultivars to grow.</p> <p>Number and intensity of fires seem to be on the increase. Disaster funds for fires will need to increase, but more importantly proactive protection of ecosystems and water is the required long term response.</p>
Precipitation (Rain, snow)	<p>Reduction in rain days in autumn and summer especially on the Southern Coast.</p> <p>Evidence of a trend in increasing severity of rainfall events (i.e. more rain falls in a shorter time.</p> <p>Winter rainfall season starting later each year.</p> <p>Anecdotal information of reduction of winter snow in Karoo – may result in decreased groundwater recharge. Current status unknown.</p>	<p>City of Cape Town responding with increase flood preparedness plans in winter, and increasing standard requirements for storm water flows in infrastructure.</p> <p>Late onset of rainfall in winter of 2015 was very close to causing a major problem for wheat farmers (documented in SmartAgri Status Quo Assessment – DOA and DEADP).</p>
Wind	<p>Wind velocity expected to increase, with stronger South Easters. Impacts currently unknown.</p>	<p>Impacts on tourism: e.g. Table Mountain cable car operations, Robben Island ferry operations, beach usability etc.</p>
Sea level rise	<p>Sea level has been rising at the same rate as global trends. See discussion on 'sea storm surges' below.</p>	<p>There is global concern that previous estimates of the rates of sea level rise may have been too optimistic, and that decision makers need to be aware that worst case scenarios in this century may be possible.</p>

Climate Variable	Observed trends	Outlook and Comments
Ocean temperature	The Agulhas current has warmed by 1.5°C since 1980. Changes in the distributional range of fish and other marine species. Climate change is also responsible for shifts in the distribution of the West Coast rock lobster. However the full understanding of these changes is complex and cannot necessarily all be attributed to a changing climate. ⁹	Impacts of shifting marine resources have implications for social and economic fabric of coastal communities.
Ocean Acidification ¹⁰	Ocean acidification would have severe impacts on most ocean life. Currently the ocean has already acidified by 0.1 pH points as a global average (this varies from region to region).	Current impacts not evidently well described.

Between 2003 and 2008, direct damage (predominantly from floods and drought in the Eden and Central Karoo Districts), caused approximately R3 billion of damage in the Western Cape. If not closely monitored and managed, above variables could potentially cause other severe natural disasters which will be detrimental to human life. These include:

Climate Variable	Observed trends	Outlook and Comments
Floods/Droughts	<p>Numerous flood and drought events have occurred in the Western Cape in the past decades with frequency seeming to increase. Difficult to determine if these are all attributable to a changing climate, but likely, given similar trends globally.</p> <p>There is currently a drought in the north of South Africa which is impacting sugar and maize commodities. The Central Karoo might be entering a drought scenario (although some climate responses such as the water reuse plant in Beaufort West might be reducing these impacts currently).</p>	ALERT: As at 20 September 2015 the WC had 72 per cent dam capacity. At the end of the wet season in 2014 dam capacity stood at 92 per cent.

⁹ SAEON. 2011 Observations in Environmental Change in South Africa.

¹⁰ As the ocean absorbs CO₂ its pH changes.

Climate Variable	Observed trends	Outlook and Comments
Sea Storm Surges (big storm events)	In the past 15 years various big storm events have caused infrastructure damage along the Western Cape coastline. Studies reflect sea level has risen on the Western Cape coastline in accordance with global trends. Most impacts are due to inappropriate coastal development.	Coastal municipalities potentially having a big role to play here. Insurance companies are starting to withdraw from some vulnerable coastal areas.
Fire	Observed increased fire incidences ¹¹ and potential increase in extent and severity of fires. 2015 fires occurred in record breaking heat temperatures: Economic implications to the Tourism industry unknown; costs to CapeNature and SANParks not yet documented.	Challenging to differentiate how much of increase in fires and intensity is climate change related but global trends indicate climate change has a role to play. GLOBAL ALERTS: Fires in the USA and Canada in 2015 are unprecedented in scale and costs; also on the back of a prolonged drought.
Hail	There is anecdotal evidence that more hail storms are occurring in never before areas of the Western Cape, causing economic losses to agriculture (SmartAgri Status Quo Report).	Increase likelihood of hail storms is not well understood.

There is thus a unique opportunity in the immediate short term to radically shift our planning and infrastructure development to become climate resilient, and to reduce our greenhouse gas emissions that are directly driving the problem. The window of opportunity is however short and closing rapidly, implying that climate change response is urgent if the Western Cape aims to continue with a thriving local economy and to reducing inequality and poverty.

Current disaster funding approaches are not sufficient for responding to climate change. These funds are generally reactive. Disaster funding is often utilised to rebuild the exact same infrastructure in the exact same places. In order to respond effectively and responsibly to climate change all departments need to integrate climate change into infrastructure build, and planning, and to utilise standards appropriate for a changed climate regime. Furthermore, critical ecological infrastructure is required to support and buffer built infrastructure (such as dune barriers, wetlands and mountain catchments – our “natural water towers”).

¹¹ <http://www.iol.co.za/news/south-africa/western-cape/cape-fire-insurance-firms-brace-for-claims-1.1827557#.VfnA8RGeDGc>

10. Broadband penetration

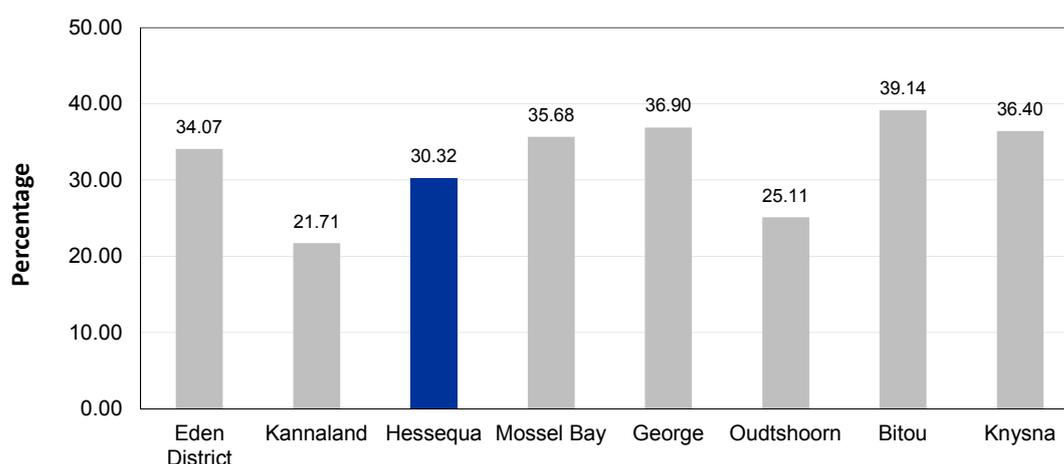
Broadband penetration offers immense economic benefits by fostering competition, encouraging innovation, developing human capital and by building infrastructure. Improved connectivity will attract new business and investments, reduce the cost of doing business and will offer small, medium and micro enterprises access to new markets.

The World Bank found that for every 10 per cent increase in broadband penetration in developing countries, there is an increase of 1.38 per cent in GDP growth. Municipal broadband initiatives (internet services provided by a municipality) also offer great potential for enhanced economic growth and development, provided they address the key pillars of access, readiness (skills) and usage (stimulating demand for the Internet).

Improved internet penetration and accessibility also offers direct benefits for local government entities to improve the efficiency and effectiveness of public services. These benefits include the roll-out of e-services that will allow for the online payment of municipal accounts, motor vehicle registrations, animal registrations, reporting of infrastructure defects, free indigent services applications, career applications as well as tender applications. Online feedback mechanisms via social media will also support the facilitation of public participation during the annual reporting process and will offer constituents a platform to express public satisfaction.

Greater connectivity will also allow public servants remote access to information such as previous traffic infringements, building plan applications and outstanding accounts, for example.

Figure 11 Eden District: Internet access, 2011



Source: Statistics South Africa, Census 2011

In the Eden District Municipality, 34.1 per cent of households had access to the internet in 2011. Hessequa Municipality lags behind and, at 30.3 per cent, had the 3rd lowest penetration rate in the District. An increase in this rate may offer great potential for economic growth by improving access, readiness and usage of the Internet within the Municipality.

In order to improve access and stimulate usage of the Internet, the Western Cape Broadband Initiative will be implementing Wi-Fi hotspots at a provincial government building in every ward across the Province over the next three years. These hotspots will allow limited free access (250 Mb per month) to any citizen, as well as allow all gov.za websites to be accessed free of charge. In the Eden District Municipality, Wi-Fi hotspots will be installed in 79 wards in total, including a hotspot in each of the 8 wards in the Hessequa Municipality.

11. Concluding remarks

The socio-economic profile illustrates how the socio-economic environment impacts on the standard of living within the Municipality. The following points are of note in the analysis above:

- A high dependency ratio albeit slightly lower compared to its 2013 level indicates much strain on the working age to support their economic dependents (children and aged population).
- Hessequa has 17 278 households growing at a rate of 1.1 per cent per annum. This should be noted for municipal planning going forward.
- At 78.5 per cent, Hessequa's literacy rate is much lower than that of the Province. The Matric pass is the highest in the District rate but has decreased substantially from 2013 to 2014. There are also relatively low dropout rates and learner-teacher ratios in the municipal area.
- There was a large increase in the ART patient load and also a high mother-to-child transmission rate. The TB patient loads showed a large decrease. Fortunately there is a low neonatal mortality rate and no maternal mortalities. There are also comparatively low levels of malnutrition and pregnancy terminations. Issues in health however remain with regard to the relatively high levels of teenage pregnancies and the low immunisation rate.
- The Municipality has the lowest level of households under the lower bound poverty line within the District. The Municipality however has the lowest and slowly increasing per capita income.
- Hessequa Municipality outperforms the District in terms of access to water, electricity, sanitation and formal dwellings, but there is still room for improvement in terms of household access to refuse removal.

- Overall, Hessequa Municipality appears to be less affected by crime compared to its fellow municipalities. It however has the highest incidence of drug-related crime in the District.
- The Municipality has the second smallest share of the District economy and is growing at a slow pace. The economy has exceeded its pre-recession growth levels. The largest sectors are finance, insurance, real estate and business services, followed by manufacturing and agriculture. Construction is the fastest growing sector in Hessequa.
- Hessequa has the second smallest share of employment in the District, with employment showing a negative growth trend. The largest proportion of the working population is employed within the commercial services, general government and CSP services and agriculture sectors.
- Hessequa Municipality Wi-Fi access levels at 30.32 per cent lags behind the District. Increased access, readiness and usage of internet would offer greater potential for economic growth in the Municipality. There is also Wi-Fi provided by the provincial government in each of the wards in the municipal area.

It is important that the Municipality takes cognisance of the information provided in this report (with particular reference to the areas within which there exists scope for improvement) if the holistic development of the inhabitants in the Municipality is to be achieved.

Annexure

Hessequa: Ward specific access to basic services, 2011

Water							
Municipality/ Ward	Piped (tap) water inside dwelling/ institution	Piped (tap) water inside yard	Piped (tap) water on community stand: distance less than 200 m from dwelling/ institution	Piped (tap) water on community stand: distance between 200 m and 500 m from dwelling/ institution	Piped (tap) water on community stand: distance between 500 m and 1 000 m (1 km) from dwelling/ institution	Piped (tap) water on community stand: distance greater than 1 000 m (1 km) from dwelling/ institution	No access to piped (tap) water
Hessequa	12 852	2 224	431	29	8	9	319
Ward 1	2 003	232	68	5	0	0	116
Ward 2	1 858	599	0	1	2	0	63
Ward 3	1 582	201	24	8	1	1	27
Ward 4	1 509	470	141	5	2	6	28
Ward 5	1 321	240	18	1	1	1	13
Ward 6	1 604	167	20	3	1	0	52
Ward 7	1 705	127	146	4	1	1	19
Ward 8	1 270	189	14	0	0	0	0

Electricity						
Municipality/ Ward	Electricity	Gas	Paraffin	Candles (not a valid option)	Solar	None
Hessequa	15 063	41	29	617	87	36
Ward 1	2 211	7	14	141	45	7
Ward 2	2 423	10	0	77	5	9
Ward 3	1 662	10	1	150	18	5
Ward 4	2 059	7	1	80	5	8
Ward 5	1 552	1	0	38	2	2
Ward 6	1 779	2	9	56	3	0
Ward 7	1 921	3	3	68	6	3
Ward 8	1 457	1	0	9	5	2

Refuse removal

Municipality/ Ward	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other
Hessequa	12 493	94	191	2 523	252	320
Ward 1	1 824	16	32	421	80	52
Ward 2	2 140	3	9	332	27	11
Ward 3	1 169	6	13	536	49	72
Ward 4	1 481	29	65	453	58	73
Ward 5	1 495	3	36	44	2	14
Ward 6	1 416	10	14	381	10	17
Ward 7	1 493	27	22	357	25	81
Ward 8	1 474	0	0	0	0	0

Sanitation

Municipality/ Ward	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	Other	None
Hessequa	12 807	1 589	23	494	336	151	173	299
Ward 1	1 822	355	3	47	47	32	46	73
Ward 2	2 157	213	1	84	33	1	4	30
Ward 3	1 224	312	10	136	110	7	15	32
Ward 4	1 644	209	3	126	56	14	37	72
Ward 5	1 431	99	1	18	6	27	13	2
Ward 6	1 418	223	0	51	53	51	14	37
Ward 7	1 693	167	6	31	21	8	32	46
Ward 8	1 418	13	0	3	9	10	12	8