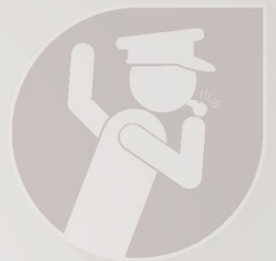




Western Cape
Government



Hessequa Municipality

2019



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Hessequa: At a Glance

Demographics

Population Estimates, 2019; Actual households, 2016



Population

53 096



Households

15 613

Education

2018



Matric Pass Rate 84.7%

Retention Rate 69.0%

Learner-Teacher Ratio 26.9

Poverty

2018



Gini Coefficient 0.564

Human Development Index 0.710

Health

2018/19



Primary Health
Care Facilities

9

Immunisation
Rate

79.8%

Maternal Mortality Ratio
(per 100 000 live births)

0

Teenage Pregnancies -
Delivery rate to women U/18

20.2

Safety and Security

Actual number of reported cases in 2018/19



Residential Burglaries

346

DUI

108

Drug-related Crimes

815

Murder

8

Sexual Offences

47

Access to Basic Service Delivery

Percentage of households with access to basic services, 2016



Water

90.6%

Refuse Removal

74.4%



Electricity

98.0%



Sanitation

97.3%



Housing

95.8%



Road Safety

2018

Road User Fatalities 17

Labour

2018

Unemployment Rate
(narrow definition)

7.0%



Socio-economic Risks

Risk 1 Financial sustainability

Risk 2 Deteriorating education outcomes

Risk 3 Access to water and refuse removal

Largest 3 Sectors

Contribution to GDP, 2017

Finance, insurance, real estate &
business services

21.0%

Wholesale & retail trade, catering
& accommodation

19.1%

Manufacturing

14.1%

1

DEMOGRAPHICS

Accurate and reliable population data lies at the heart of the municipal budget and planning process as it is the primary variable informing the demand for basic services and the subsequent allocation of resources. Changes in population figures can mostly be attributed to three broad demographic processes namely, fertility, mortality and migration rates.

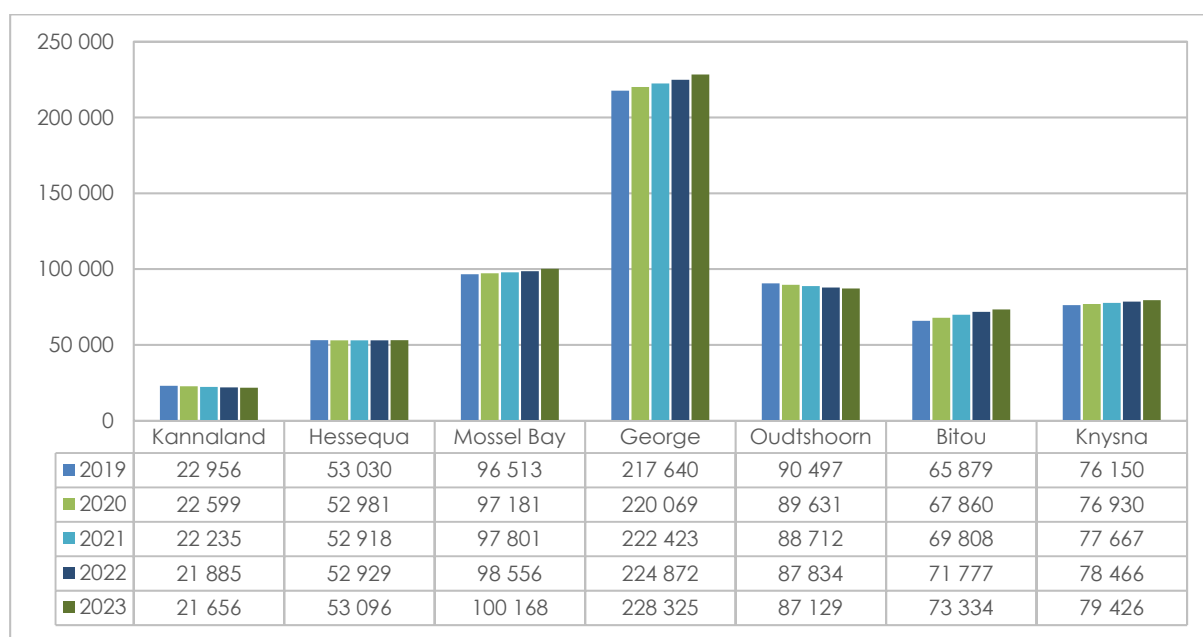
This chapter provides a concise yet meaningful overview of key demographic variables that will assist with municipal planning and budgeting, namely estimates of population size, a sex ratio analysis, the distribution of population projections within age cohorts, dependency ratios, the number of households and household size compositions as well an overview of population density per local municipal area.

The demographic data provided in this Chapter was sourced from the Department of Social Development who used Stats SA's 2018 Mid-Year Population Estimates (2002 – 2030) to project population growth for the period 2019 to 2025.

Data source: Department of Social Development, 2019



POPULATION



With a population of 53 030 in 2019, the Hessequa municipal area is the second least populated municipality in the Garden Route District (GRD). This total is expected to decrease to 52 981 in 2020 and even further to 52 918 in 2021, but will increase to 53 096 in 2023, equating to an average annual growth rate of 0.3 per cent across this period. The average annual growth of the GRD and Western Cape is respectively 0.8 and 1.8 per cent.

All Districts: Sex Ratio (SR), 2019 – 2023					
Municipality	2019	2020	2021	2022	2023
Kannaland	91.6	91.4	91.2	91.1	90.4
Hessequa	92.3	92.1	91.9	91.9	91.5
Mossel Bay	93.8	93.4	93.0	92.9	92.0
George	95.6	95.5	95.3	95.2	93.9
Oudtshoorn	90.0	89.8	89.6	89.5	88.8
Bitou	98.2	98.2	98.1	98.0	97.0
Knysna	95.8	95.5	95.2	95.2	93.7
Garden Route District	94.4	94.1	94.0	93.9	92.9
Western Cape	97.3	97.4	97.4	97.5	97.5

The overall sex ratio (SR) depicts the number of males per 100 females in the population (Moultrie et al., 2013: 9). As per above table, there are in general considerably less males than females in the GRD as well as the Western Cape in general. The Sex Ratio for Hessequa indicates that there are currently approximately 92 males per 100 females in the municipal area.

Hessequa: Age Cohorts, 2019 – 2025				
Year	Children 0 – 14 Years	Working Age 16 – 65 Years	Aged 65+	Dependency Ratio
2019	13 134	33 348	6 549	59.0
2022	12 663	33 208	7 059	59.4
2025	12 328	33 308	7 617	59.9
Growth	-1.0%	0.0%	2.6%	-

The above table depicts the Hessequa population composition per age cohorts. These groupings are also expressed as a dependency ratio which in turn indicates who are part of the workforce (Age 15 - 64) and those, who are depending on them (children and senior citizens). Between 2019 and 2025, the largest population growth is projected in the aged cohort which is projected to grow at an annual average rate of 2.6 per cent. This increase, coupled with the limited population growth in the working age cohorts will result in higher dependency ratio towards 2025. A higher dependency ratio implies greater pressure on social systems, health and education.

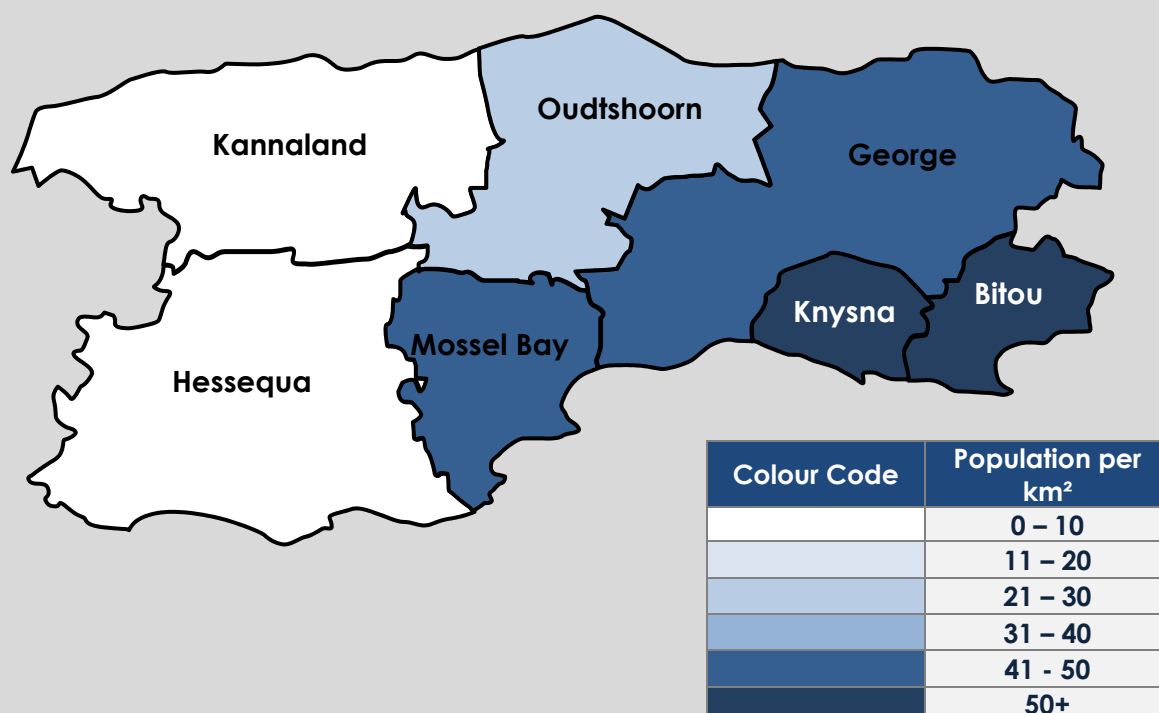
HOUSEHOLD SIZES

Hessequa: Household size, 2019 – 2023				
2019	2020	2021	2022	2023
3.4	3.4	3.3	3.3	3.3

Household size refers to the number of people per household. The number of persons per household is estimated at 3.4 in 2019 and is projected to stabilise at 3.3 in the three outer years. It is worth noting that although the number of households in the Hessequa municipal area are increasing, the actual size of households is ever so slightly trending downwards. This potentially implies an inflow of young professionals (either single, as couples or with small family groupings) into the area in search of job opportunities. Other contributing factors include, but are not limited to, lower fertility rates, occurrences of divorce, ageing population, etc.

POPULATION DENSITY

Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risks.



Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risks.

In 2019, the population density of the Hessequa municipal area was 9 persons per square kilometre. In order of highest to lowest, the various local municipal areas in the Garden Route District compare as follows:

- Knysna 69 people/km²
- Bitou 66 people/km²
- Mossel Bay 48 people/km²
- George 42 people/km²
- Oudtshoorn 26 people/km²
- **Hessequa 9 people/km²**
- Kannaland 5 people/km²

2

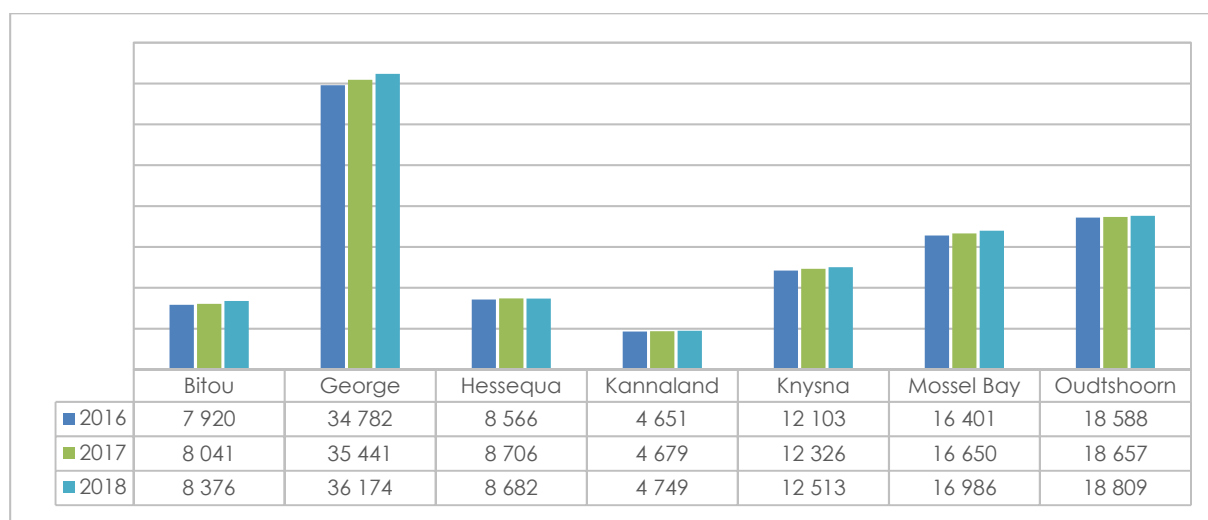
EDUCATION

The quality of education is closely correlated with economic development and social cohesion. Dramatically improving our education outcomes is an imperative not just to achieve the economic growth rates that South Africa needs to end poverty and increase inclusion, but also to tackle social ills such as crime and substance abuse.

Data source: Western Cape Education Department, 2019



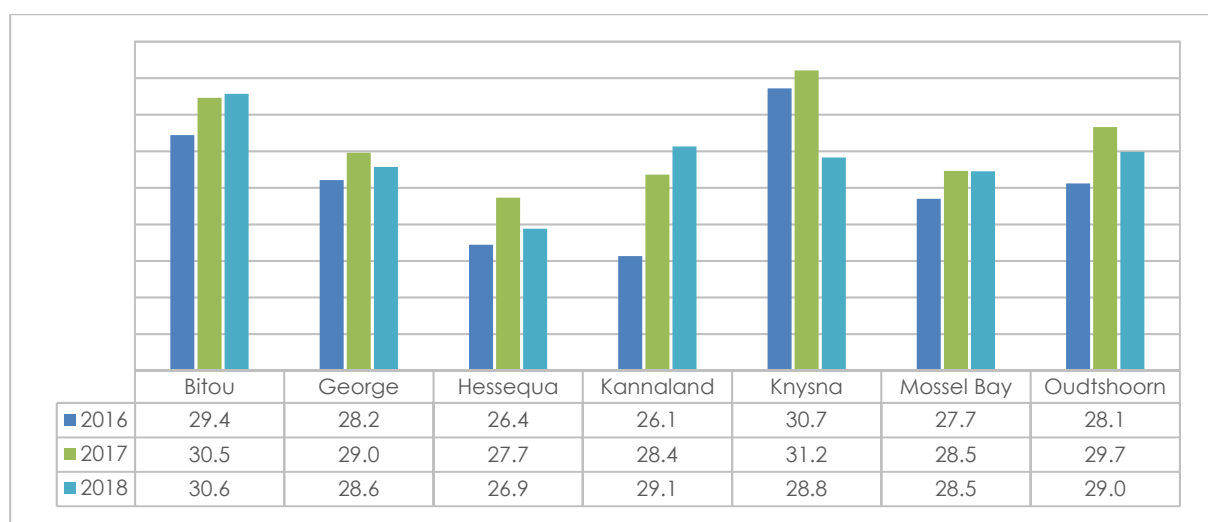
LEARNER ENROLMENT



Learner enrolment within Hessequa municipal area increased from 8 566 learners in 2016 to 8 706 learners in 2017, but then decreased to 8 682 learners in 2018. This reflect an annual average rate of 0.7 per cent between 2016 and 2018. The average annual growth for the Garden Route District (GRD) as a whole will be 0.8 per cent across the reference period.

LEARNER-TEACHER RATIO

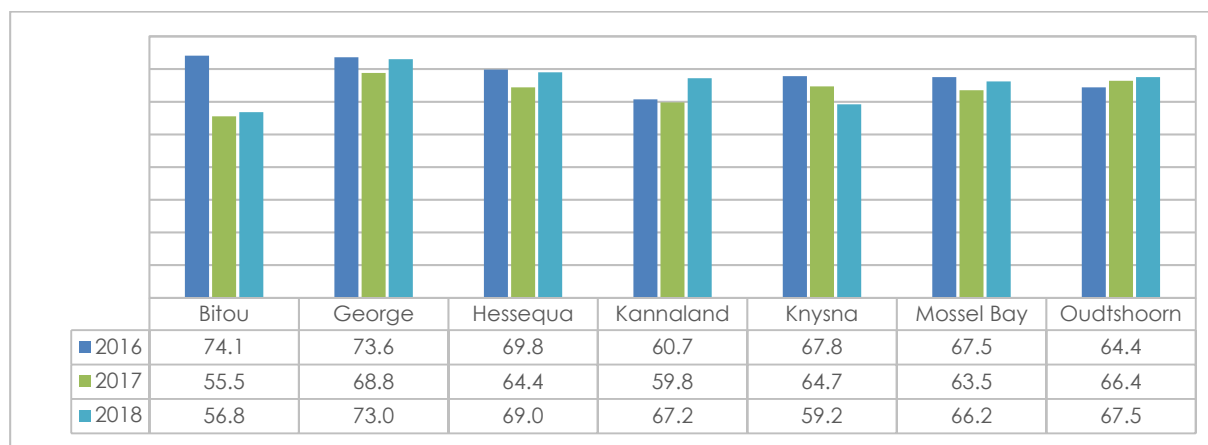
It is commonly assumed that children receive less personalised attention in larger class environments and that high learner-teacher ratios are detrimental to improved educational outcomes. Factors influencing the learner-teacher ratio is the ability of schools to employ more educators when needed and the ability to collect fees.



For 2018, the learner-teacher ratio within Hessequa municipal area is recorded at 26.9, lower than the teacher learner ratio in the GRD (28.7) and in the Western Cape (28.8). The learner-teacher ratio for the Hessequa municipal area is the lowest within the GRD.

LEARNER RETENTION

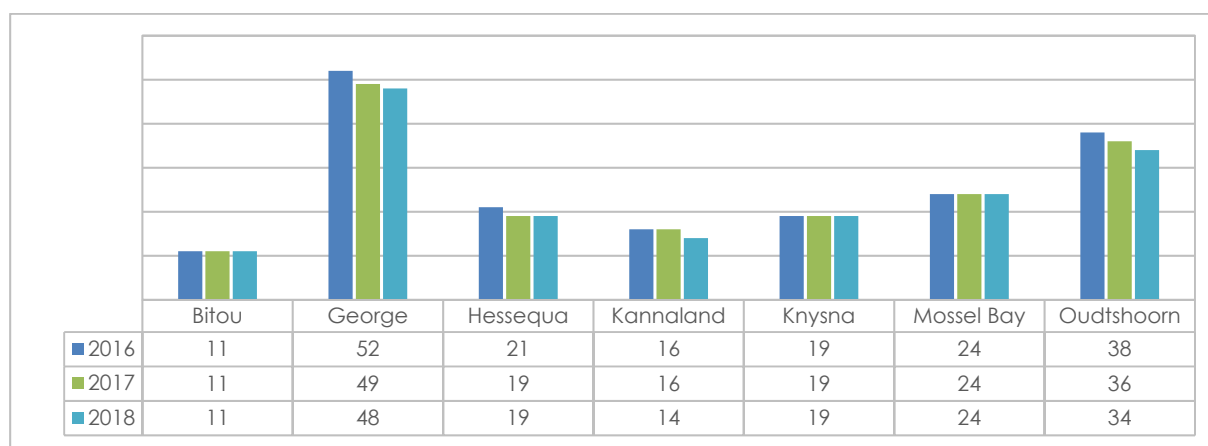
The learner retention rate refers to the number of students that start Grade 12 as a percentage of the number of students that enrolled in Grade 10 two year prior. The inverse of the learner retention rate is commonly referred to as the drop-out rate. Learner retention rates are influenced by multiple social, economic and psychological factors.



The learner retention rate within Hessequa municipal area regressed from 69.8 per cent in 2016 to 64.4 per cent in 2017, but improved to 69.0 per cent in 2018. This reflects that 31.0 per cent of the learners who registered in Grade 10 in the Hessequa municipal area drop out of school before reaching Grade 12.

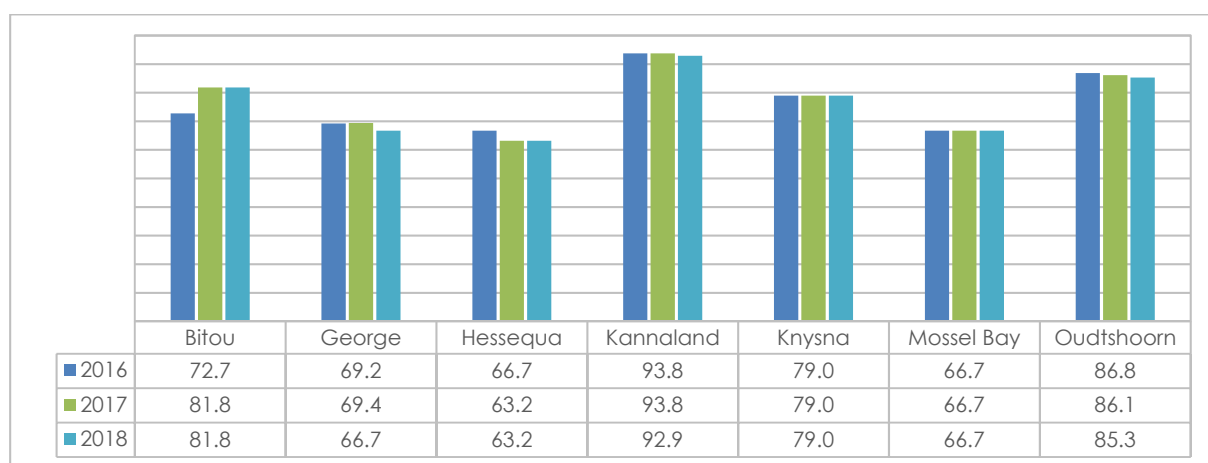
EDUCATIONAL FACILITIES

The increased availability of adequate education facilities such as schools, Further Education and Training (FET) colleges and schools equipped with libraries/media centres could positively affect academic outcomes.



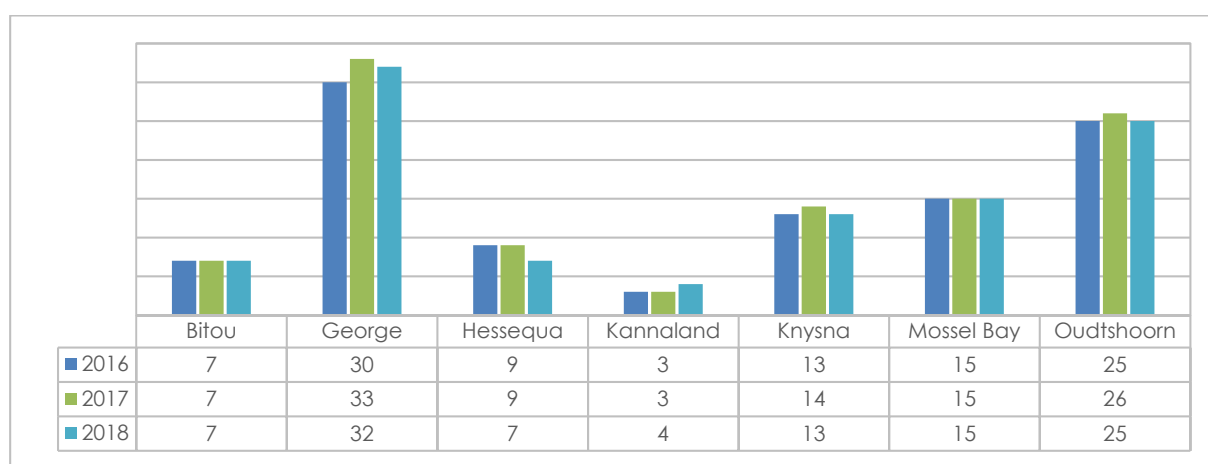
The number of schools within the Hessequa municipal changed from 21 public schools in 2016 to 19 public schools in 2017 and 2018. The Hessequa and Knysna municipal areas have the same number of schools in 2018 (19 each), despite Hessequa have substantially fewer learners, therefore explaining the low learner-teacher ratio in Hessequa.

NO-FEE SCHOOLS



A total of 60.0 per cent of all schools in the Western Cape are no-fee schools. The proportion of no-fee schools within the Hessequa municipal area decreased from 66.7 per cent in 2016 to 63.2 per cent in both 2017 and 2018.

SCHOOLS WITH LIBRARIES



The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education outcomes. As mentioned previously, there were 19 schools in the Hessequa municipal area in 2018, of which the minority (7 schools; 36.8 per cent) were equipped with libraries.

EDUCATION OUTCOMES



Education remains one of the key avenues through which the State is involved in the economy. In preparing individuals for future engagements in the broader market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economy and poverty reduction plans can be realised. This section reflects on the matric pass rates amongst the various local municipal areas in the GRD.

Area	2016	2017	2018
Bitou	76.4	78.0	82.2
George	83.4	83.7	79.9
Hessequa	93.6	87.4	84.7
Kannaland	88.9	89.2	85.6
Knysna	77.9	72.4	77.1
Mossel Bay	87.4	83.5	83.1
Oudtshoorn	93.1	80.1	82.2
Garden Route District	85.7	82.0	81.3

The matric pass rate within Hessequa municipal area regressed notably between 2016 (93.6 per cent) and 2017 (87.4 per cent) and further decreased to 84.7 per cent in 2018. Similarly, the matric pass rate for the GRD decreased from 85.7 per cent in 2016 to 82.0 in 2017 before dropping off further to 81.3 per cent towards 2018.

3

HEALTH

Health is another major factor contributing to the general quality of life in the Hessequa municipal area. It is therefore important to monitor the public health facilities as well as a variety of factors such as Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) or Tuberculosis (TB) and general topics that affect the community, like maternal health. This Socio-economic Profile provides the basic statistics concerning these issues. Since this profile focusses on the public health facilities, private facilities are not included.

Data source: Department of Health, 2019



HEALTHCARE FACILITIES

All citizens' right to access to healthcare services are directly affected by the number and spread of facilities within their geographical reach. 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.

Area	PHC Clinics		Community Health Centres	Community Day Centres	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Hessequa	3	6	0	0	1	0	6	11
Garden Route District	32	37	0	7	6	1	51	86

In 2018, there were a total of 9 primary healthcare clinics (PHC) in the Hessequa municipal area – 3 fixed and 6 mobile facilities. In addition, there is one district hospital, 6 antiretroviral treatment clinics/sites and 11 tuberculosis clinics/sites.

EMERGENCY MEDICAL SERVICES



Access to emergency medical services is critical for rural citizens due to rural distances between towns and health facilities being much greater than in the urban areas. 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.

In 2018, Hessequa only had 1 ambulance for every 10 000 inhabitants. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

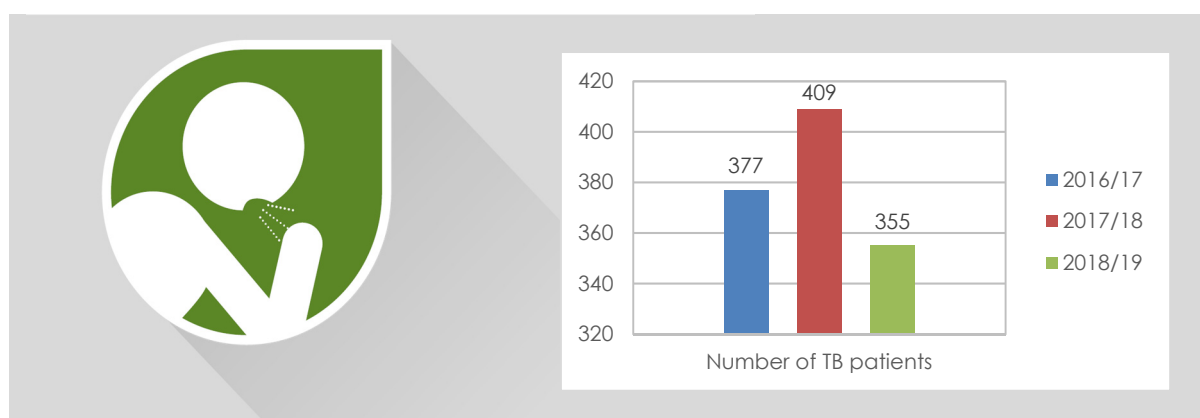
HIV/AIDS

HIV/AIDS is among the top ten causes of death in the Western Cape Province, accounting for 8.0 per cent of deaths in 2016. HIV/AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

Area	ART clients that remain with treatment month end		Number of new ART patients	
	2017/18	2018/19	2017/18	2018/19
Hessequa	824	872	121	96
Garden Route	21 577	23 317	3 478	3 009

The number of clients (patients) registered for antiretroviral treatment (ART) in the Hessequa municipal area increased from 824 patients in 2017/18 to 872 in 2018/19. The number of new clients starting ART treatment decreased from 121 in 2017/18 to 96 in 2018/19.

TUBERCULOSIS (TB)



Tuberculosis accounted for 7.6 per cent of the premature deaths in the Province in 2016. The number of registered TB patients within the Hessequa municipal area increased from 377 in 2016/17 to 409 in 2017/18 before dropping off to 355 in 2018/19. The 355 registered TB patients received treatment at 11 TB clinics/treatment sites

CHILD HEALTH

The United Nations Sustainable Development Goals aims by 2030 to end preventable deaths of new-borns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1 000 live births and under-5 mortalities to at least as low as 25 per 1 000 live births (Source: UN SDGs).

Area	Immunisation Rate		Malnutrition		Neonatal Mortality Rate		Low birth weight	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Oudtshoorn	79.0	79.8	0.3	1.0	6.7	3.1	16.6	14.1
Garden Route District	61.1	65.7	2.7	1.5	11.4	9.0	17.8	16.4

The **immunisation coverage rate** for children under the age of one within the Hessequa municipal area increased slightly from 79.0 per cent in 2017/18 to 79.8 per cent in 2018/19. This rate is higher than the GRD immunisation rate of 65.7 per cent.

In 2018/19, one in 100 000 children under five years of age of 5 years in the municipal area was **malnourished**. This compares favourably with the 1.5 per cent average for the GRD.

The **neonatal mortality rate** (NMR) (deaths per 1 000 live births before 28 days of life) indicates improvement in new-born health outcomes from 6.7 deaths in 2017/18 to 3.1 in 2018/19 within the area.

A total of 14.1 per cent of all babies born in facilities in the municipal area in 2018/19 **weighed less than 2 500 grams**, this is an improvement from 16.6 per cent in 2017/18.

DEFINITIONS

Immunisation: 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. 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.

Malnutrition: Expressed as the number of malnourished children under five years per 100 000 people. Malnutrition (either under- or over-nutrition) refers to the condition whereby an individual does not receive adequate amounts or receives excessive amounts of nutrients.

Neonatal mortality rate: Measured as the number of neonates dying before reaching 28 days of age, per 1 000 live births in a given year. The first 28 days of life (neonatal period) represent the most vulnerable time for a child's survival. The Province's target for 2019 is 6.0 per 1 000 live births.

Low birth weight: Percentage of all babies born in facility that weighed less than 2 500 g. Low birth weight is associated with a range of both short- and long-term consequences.

MATERNAL HEALTH

Area	Maternal Mortality Rate		Delivery Rate to Women under 20 years		Termination of Pregnancy Rate	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Hessequa	0	0	18.7	20.2	0.0	0.0
Garden Route	81	55	15.0	15.9	0.6	0.6

The **maternal mortality rate** (MMR) within the Hessequa municipal area is zero deaths per 100 000 live births in 2017/18 and 2018/19.

The **delivery rate to women under 20 years of age** in the municipal area is 20.2 per cent in 2018/19 compared to 18.7 per cent in 2017/18. This could be correlated to the dropout rates in the area.

The **termination of pregnancy rate** is also recorded at zero. A low termination rate is strongly associated with a decrease in unwanted pregnancies which in turn attests of improved family planning and access to health care services (for example, access to contraception, sexual education programmes, counselling etc.).

DEFINITIONS

Maternal mortality rate: *Maternal deaths per 100 000 live births in health facilities.* Maternal death is death occurring during pregnancy, childbirth and the puerperium 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).

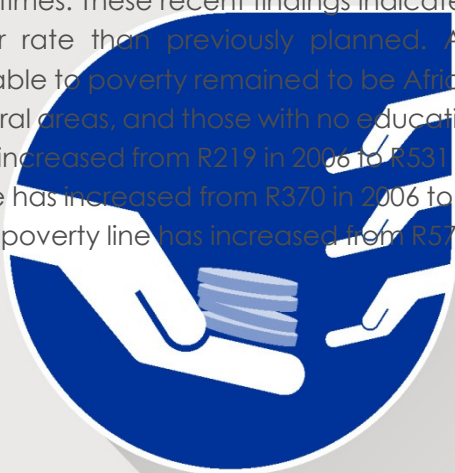
Births to teenage mothers: *Deliveries to women under the age of 20 years as proportion of total deliveries in health facilities.* Teenage pregnancy is almost always unplanned; as a result, when young parents are placed in a position to care for their children, life can become particularly tough, especially if they do not have family or social support.

Termination of pregnancy: *The percentage of terminations as a proportion of the female population aged 15 to 44 years.* 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.

4

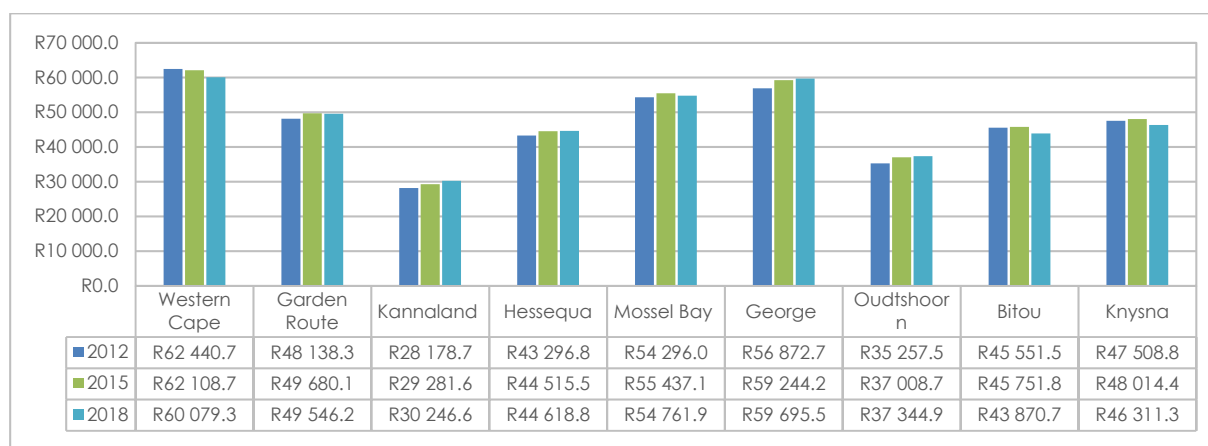
POVERTY

This section reflects on living conditions and economic circumstances of households in the Hessequa municipal area based on most recent data including Statistics South Africa's Non-Financial Census of Municipalities 2016 and Quantec. Economic theory suggests that when an economy prospers its households are expected to enjoy a good standard of living. On the contrary, a declining economy tends to lower the standards of living of people. This section uses indicators in terms of GDP per capita, income inequality, human development, as well as indigent households and free basic services to show the current reality of households residing in the Hessequa municipal area. One key feature emerging from the research evidence is that South Africa has made progress in reducing poverty since 1993, with real earnings at the lower end income groups increasing. But, as the diagnostic overview explains, "per capita income growth is only one indicator of a region's wellbeing. It tells us how much income there is to share, but does not communicate the distribution of that income." In South Africa, as Professor Murray Leibbrandt from Saldru points out, income shares are stacked towards the top 10 per cent, with the lowest 5 per cent of the population getting hardly any of the income. This is a major sign of the growing inequality in our country. Despite this widening gap between the rich and the poor, social grants like the child support grant have undeniably had a significant impact on the lower and middle-income groups. The deteriorating financial health of households and individuals under the weight of economic pressures, specifically between 2011 and 2015, has resulted in an increase in the poverty levels, according to the Poverty Trends in South Africa report released by Statistics South Africa in 2017. The report cites rising unemployment levels, low commodity prices, higher consumer prices, lower investment levels, household dependency on credit, and policy uncertainty as the key contributors to the economic decline in recent times. These recent findings indicate that the country will have to reduce poverty at a faster rate than previously planned. According to the report the categories of people vulnerable to poverty remained to be African females, children 17 years and younger, people from rural areas, and those with no education. Inflation-adjusted poverty lines show that food poverty increased from R219 in 2006 to R531 per person per month in 2017. The lower-bound poverty line has increased from R370 in 2006 to R758 per person per month in 2017 while the upper-bound poverty line has increased from R575 in 2006 to R1 138 per person per month in 2017.



GDPR PER CAPITA

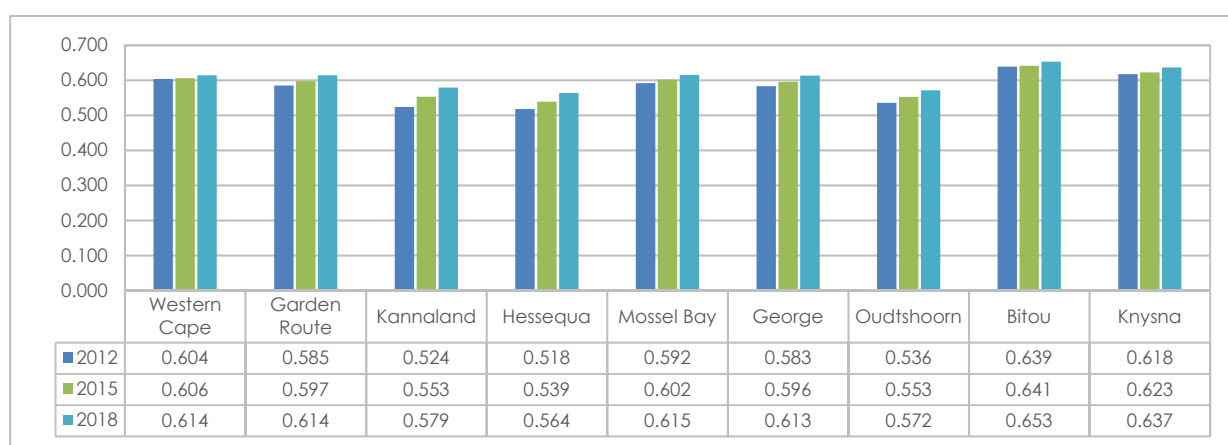
An increase in real GDPR per capita, i.e. GDPR per person, is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDP per capita reflects changes in the overall well-being of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDP per capita indicator.



Real GDP per capita (constant prices) for the Hessequa municipal area was R44 619 in 2018, lower than the District's GDP (R49 546) and significantly lower than the Western Cape average (R60 079).

INCOME INEQUALITY

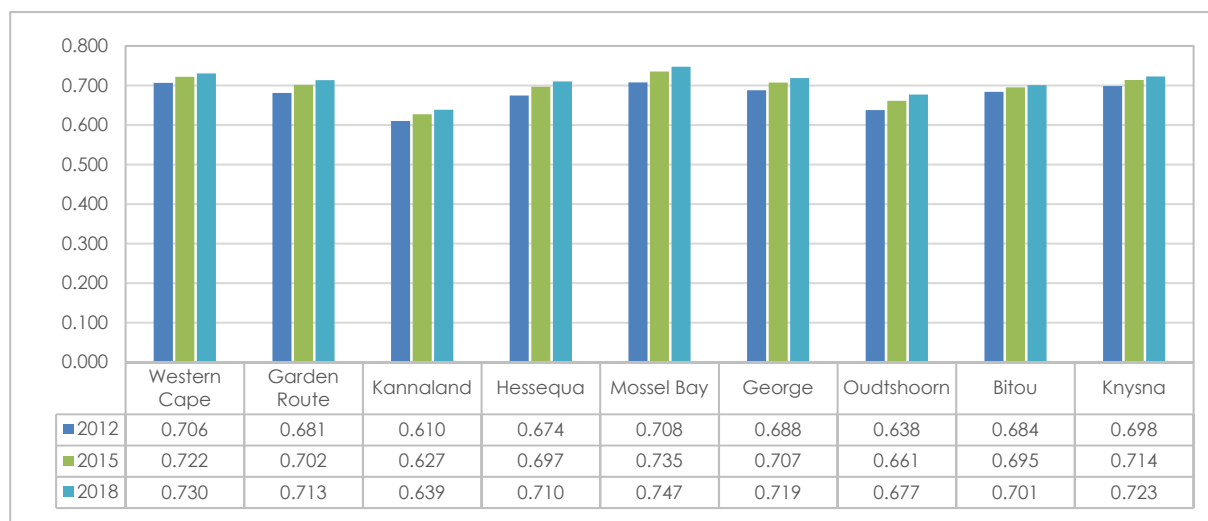
The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030.



The Hessequa municipal area has a Gini-coefficient of 0.564 in 2018, the lowest in the GRD. Income inequality has however been on the rise in the municipal area between 2012 and 2018.

HUMAN DEVELOPMENT

Introduced in 1990 as part of a United Nations Development Program (UNDP) initiative, the Human Development Index (HDI) serves as a composite indicator of social and economic development and overall well-being amongst countries of the world. Reflecting education levels, health, and income, the HDI measures of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.



An overall improvement in human development is observed across the entire Western Cape with HDI levels increasing in 2012, 2015 and 2018. In 2018, the HDI score for the Hessequa municipal area was 0.710 which is on par to the District's HDI (0.713), but below that of the overall Western Cape (0.730).

5

BASIC SERVICE DELIVERY

The Constitution of the Republic of South Africa states that every citizen has the right to access to adequate housing and that the State must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to services such as potable water, basic sanitation, safe energy sources and refuse removal services, to ensure that households enjoy a decent standard of living.

This section uses Statistics South Africa's Community Survey 2016, Statistics South Africa's Non-Financial Census of Municipalities (2015 to 2018) as well as information by Quantec Research to reflect on the most recent household information and services trends.



ACCESS TO BASIC SERVICES

Since no new household survey information is available, this section highlights housing and household services access levels from the most recent available information from Statistics South Africa's Community Survey 2016. The next household survey which includes municipal level access to household services will be the Census in 2021.

Community Survey 2016	Hessequa	Garden Route District
Total number of households	17 371	189 345
Formal main dwelling	16 645 95.8%	162 325 85.7%
Water (piped inside dwelling/within 200 m)	15 730 90.6%	183 441 96.9%
Electricity (primary source of lighting)	17 022 98.0%	178 646 94.3%
Sanitation (flush/chemical toilet)	16 897 97.3%	181 973 96.1%
Refuse removal (at least weekly)	12 922 74.4%	168 079 88.8%

In 2016, there were a total of 17 371 households within the Hessequa municipal area of which 95.8 per cent had access to housing in the form of a formal dwelling. Households across the municipal area enjoyed high access levels to sanitation and electricity at a rate above the GRD average. Water access levels and refuse removal are however low in comparison to the GRD average.

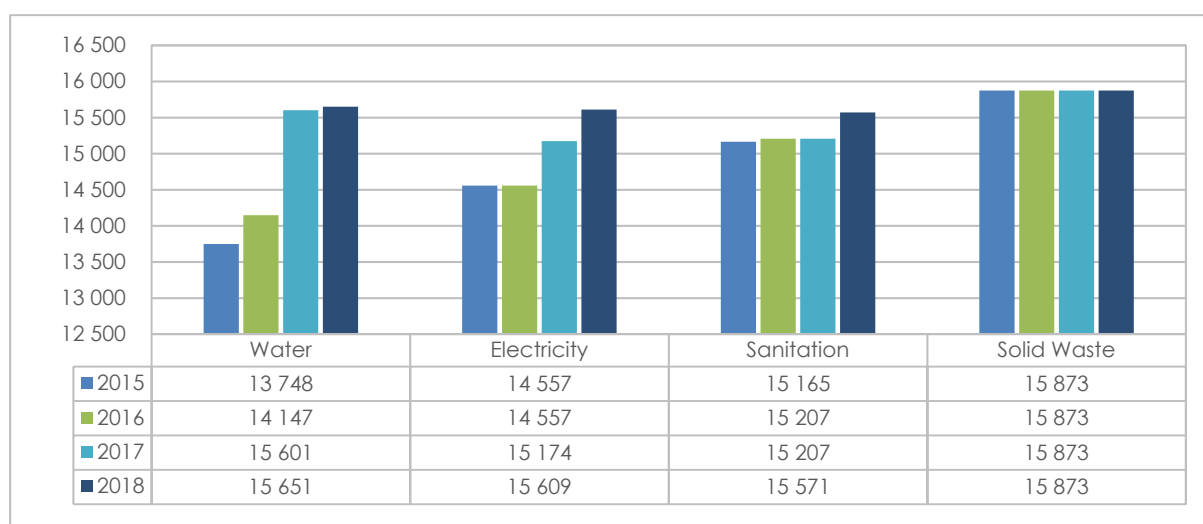
Dwelling Type	Hessequa	%	Garden Route District	%
House or brick structure on a separate stand or yard	16 026	90.2	131 752	76.3
Traditional dwelling/hut/structure made of traditional materials	139	0.8	1 150	0.7
Flat in a block of flats	295	1.7	4 046	2.3
Town/cluster/semi-detached house (simplex, duplex or triplex)	130	0.7	6 186	3.6
House/flat/room, in backyard	173	1.0	2 568	1.5
Informal dwelling/shack	797	4.5	23 733	13.7
Room/flatlet not in backyard but on a shared property	71	0.4	1 156	0.7
Other/unspecified/NA	145	0.8	2 045	1.2
TOTAL	17 775	100.0	172 636	100.0

Access to decent formal housing is regarded as a basic human right and an important indicator of the level of human development within an economy. Above table present a more recent picture of the different types of dwellings for households living within the Hessequa municipal area in 2018 (Quantec Research, 2018). Approximately 90.2 per cent of households reside in a house or brick structure on a separate stand or yard. A total of 797 (4.5 per cent)) households still reside in informal dwellings or shacks.

CONSUMER UNITS

A key element to the sustainable management of services is accurate and reliable information on the demand for services, including free basic services, to enable informed projections on future demand. This section reflects on services growth based on information from Statistics South Africa's Non-Financial Survey of Municipalities. The unit of measure is a consumer/ billing unit which is not comparable to household level information. Services provided by municipalities are done per 'plot' or consumer/billing unit, however, since households are the unit of measurement more often used in demographic surveys, an understanding of household dynamics remains important.

The figure below illustrates the access to basic services (measured in terms of the number of consumer units that has access) in the Hessequa municipal area between 2015 and 2018 as indicated through Statistics South Africa's Non-Financial Census of Municipalities¹.



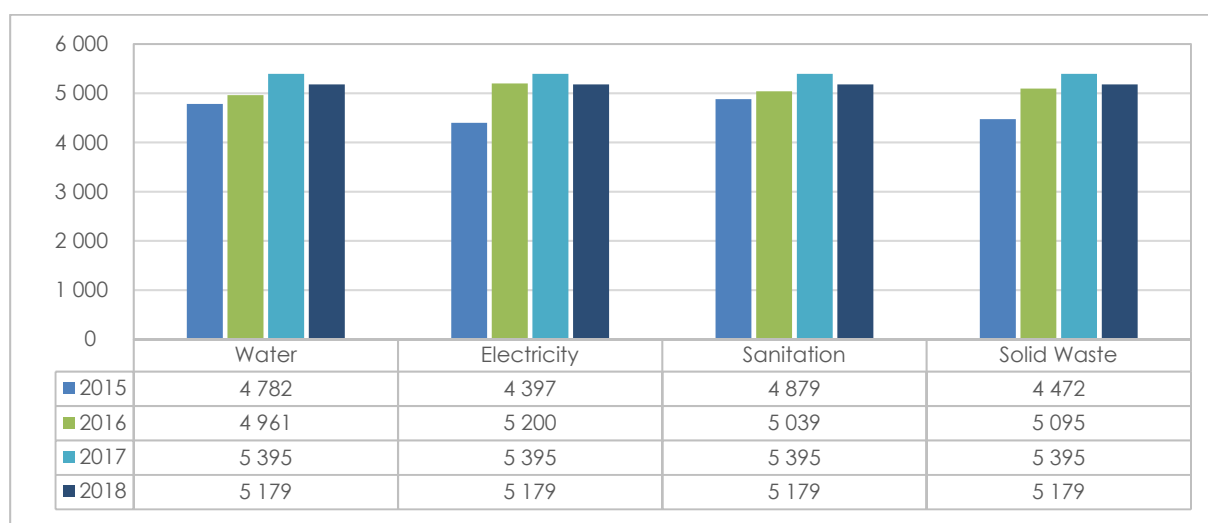
In 2018, solid waste services represented the largest number of consumer units at 15 873. This was followed closely by water at 15 651. Electricity and sanitation services had 15 609 and 15 571 consumer units respectively. The relatively lower number of consumer units for electricity can be attributed to the fact that certain areas receiving these services fall outside of the jurisdiction of the various local municipalities.

¹ Consumer/billing units are used as the unit of measurement. An entity to which the service is (or would be) delivered, and which receives one bill if the service is billed, alternatively known as a delivery point. (This concept is often referred to as a household by municipalities, but this is not strictly correct, as households and consumer units do not coincide one to one, particularly in blocks of flats, on stands where there are multiple households in the same dwelling, or in additional dwellings, such as garden flats, backyard rooms, etc., and in the case of public taps.)

FREE BASIC SERVICES

As per the Constitution, it is the responsibility of the local sphere of government to provide services that satisfy the basic needs of its citizens. The Municipal Systems Act in turn defines a basic municipal service as those necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment. Such basic services include, but are not limited to the provision of water, sewage collection and disposal, refuse removal, municipal health services, street lighting, parks and recreation facilities etc.

Government however provides a basket of free basic services (water, sanitation, refuse removal and electricity) which aims to improve the lives of the poorest and most vulnerable communities. In order to qualify for the basket of free basic services, a household must be classified as an indigent household as per criteria determined by individual local municipalities. In general, a household is classified as indigent when the occupants in said households earn a combined income of less than a certain amount (poverty threshold) defined by the indigent policy of a municipality at that point in time. Municipalities review their indigent policies (and as such the determined amount) on an annual basis to bring the defined amount in line with reigning socio-economic conditions. According to Statistics South Africa, in 2017 most municipalities classified an indigent household as a family earning a combined income of less than R3 200 per month.



In 2018, the Hessequa municipal area had a total of 5 179 indigent households, 216 less than the previous year. The above figure illustrates the extent to which these indigent households had access to free basic services.

6

SAFETY AND SECURITY

The South African Police Service and Stats SA published the country's crime statistics for 2018/19, showing which types of criminal activity have increased/decreased in the past financial year.

The 2018/19 financial year saw increases in all contact crimes, including murder, sexual offences, attempted murder, assault with intent to cause grievous bodily harm, common assault, common robbery and robbery with aggravating circumstances.

Over the last year, 21,002 people were murdered across the country, up by 686 from 2017/18. The most common cause of murder was misunderstandings/arguments, followed by domestic violence and gang-related killings.

According to the 2018/19 crime stats, the murder rate increased by a staggering 3.4 per cent compared to the previous financial year. Most of these murders were committed between Saturday and Sunday, suggesting that weekends are the most violent and deadly periods in South Africa. The 2018/19 crime statistics indicate that there are 3 974 murders in the Western cape. The murder rate is currently at 59.4 per 100 000 people.

Sexual offences have, according to SAPS and Stats SA, shot up by 4.6 per cent in 2018/19 compared to the previous financial year. SAPS and Stats SA further revealed that a total of 52 420 sexual offences were reported in this observed financial year, an increase of 3 212 compared to 2017/18.

Data from the 2018/19 Crime stats show that Nyanga and Delft, appear as two of the most dangerous areas of residence in South Africa. According to the statistics released by the South African Police Service (SAPS) both these Cape Town settlements feature prominently regarding crimes such as murder, rape, car hijacking, house robbery, and cash-in-transit heists.

Nyanga is the top murder hot spot in the country, with 289 murder cases reported in the past year ending March 2019. This is followed by Delft, which has 247 reported cases and Khayelitsha came third with 221 cases.

The data depicted in the following section was sourced from the 2018/19 Crime Statistics released by SAPS and Stats SA in September 2019. Incidences of crime per 100 000 were calculated using actual crime and estimated population figures provided by the Department of Social Development



MURDER



Municipal Area		2016/17	2017/18	2018/19
Actual Number	Hessequa	8	11	8
	Garden Route District	181	183	215
Per 100 000	Hessequa	15	20	15
	Garden Route District	30	29	35

Definition: The unlawful and intentional killing of another person.

According to the official 2018/19 crime statistics, the Western Cape murder rate increased by 4.4. per cent between 2017/18 and 2018/19. In comparison, the murder rate decreased within the Hessequa municipal area – the number of murders per 100 000 people in the municipal area decreased by 25.0 per cent from 20 in 2017/18 to 15.

SEXUAL OFFENCES




Municipal Area		2016/17	2017/18	2018/19
Actual Number	Hessequa	64	51	47
	Garden Route District	1 037	1 046	1 059
Per 100 000	Hessequa	119	93	90
	Garden Route District	170	168	172

Definition: Sexual offences includes rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking.

The actual number of reported sexual offences in the Hessequa municipal area decreased between 2017/18 and 2018/19 as well as in the Western Cape as a whole across the reference period. The sexual offences crime rate for the Hessequa municipal area decreased slightly from 93 reported cases per 100 000 people in 2017/18 to 90 in 2018/19 (3.2 per cent decrease). The number of reported occurrences per 100 000 people in the GRD also increased from 168 in 2017/18 to 172 in 2018/19 (2.4 per cent increase).

DRUG-RELATED OFFENCES




Municipal Area		2016/17	2017/18	2018/19
Actual Number	Hessequa	1 659	1 362	815
	Garden Route District	10 931	10 809	7 330
Per 100 000	Hessequa	3 073	2 474	1 556
	Garden Route District	1 787	1 733	1 192

Definition: Drug-related crimes refers to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs.

Although there was an improvement between 2017/18 and 2018/19, the Western Cape still has the highest drug-related crime rate in the country at 1 203 reported incidents per 100 000 in 2018/19. The drug-related crime rate within the Hessequa municipal area decreased significantly from 2 474 reported incidents per 100 000 people in 2017/18 to 1 556 in 2018/19, a 37.1 per cent drop. Similarly, the drug-related crime rate decreased in the District between 2017/18 and 2018/19 by 31.2 per cent per 100 000 people.

DRIVING UNDER THE INFLUENCE



Municipal Area		2016/17	2017/18	2018/19
Actual Number	Hessequa	97	107	108
	Garden Route District	1 441	1 739	1 745
Per 100 000	Hessequa	180	194	206
	Garden Route District	236	279	284

Definition: Driving under the influence (DUI) refers to a situation where the driver of a vehicle is found to be over the legal blood alcohol limit. This is a crime detected through police activity rather than reports by members of the public.

The number of reported cases of driving under the influence (DUI) of alcohol or drugs per 100 000 people within the Hessequa municipal area increased by 6.2 per cent from 194 incidences in 2017/18 to 206 in 2018/19. The DUI rate across the GRD increased from 279 incidences in 2017/18 to 284 in 2018/19 (1.8 per cent).

RESIDENTIAL BURGLARIES



Municipal Area		2016/17	2017/18	2018/19
Actual Number	Hessequa	347	313	346
	Garden Route District	5 654	5 208	5 171
Per 100 000	Hessequa	643	568	661
	Garden Route District	924	835	841

Definition: Residential burglary is defined as the unlawful entry of a residential structure with the intent to commit a crime, usually a theft.

The 2018/19 crime statistics indicate that residential burglaries per 100 000 people in the Western Cape decreased from 644 in 2017/18 to 583 in 2018/19 (9.5 per cent decrease). Despite a decrease in the actual number of reported cases of residential burglaries in the GRD, the rate per 100 000 slightly increased. However, Hessequa experienced a sharp rise in residential burglaries, up by 16.4 per cent from 568 cases per 100 000 people in 2017/18 to 661 cases in 2018/19.

ROAD USER FATALITIES

Area	2016	2017	2018
Hessequa	22	28	17
Garden Route District	127	137	132

Definition: The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians.

According to a recent study, the majority of road fatalities in Africa fall within the working age cohort - between the ages of 15 – 64 years – whilst three out of four fatalities were found to be male (Peden et al., 2013). The untimely death of these primary breadwinners therefore impacts directly upon not only the livelihood of family structures, but deprive society of active economic participants that contribute towards growth and development. The socio-economic impact of such road fatalities has proven to be particularly devastating in South Africa where the majority of road users hail from poor and vulnerable communities.

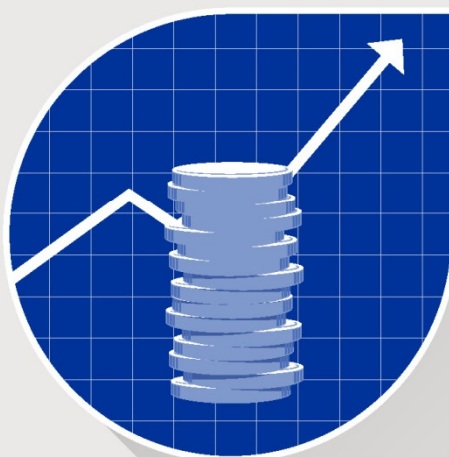
The number of road user fatalities in Hessequa municipal area improved from 28 in 2017 to 17 in 2018 (39.3 per cent decrease). In comparison, the number of fatalities across the broader GRD region decreased by 3.6 per cent from 137 in 2017 to 132 in 2018.

7

THE ECONOMY

Economic activity within municipal boundaries is important as it shows the extent of human development and the living standards of communities. Although municipalities have no power to increase or decrease taxes in order to stimulate economic activity, there are few levers that local government authorities have control over to contribute to economic performance, including, among others, procurement of goods and services, job creation through expanded public works programmes as well as creating an enabling environment for small businesses.

The ability of households to pay for services such as water, electricity, sanitation, and refuse removal depends on income generated from economic activities. A slowdown in economic activity may result in job losses and inability of households to pay for services, leading to reduced municipal revenues. Data on macroeconomic performance, especially the information on sectoral growth and employment, is useful for municipalities' revenue and expenditure projections.



ECONOMIC SECTOR PERFORMANCE

The total GDP for Hessequa amounted to R3.819 billion in 2017 with economic activity mostly focussed within the tertiary sector (R2.497 billion; 65.4 per cent). The overall economy grew by 2.4 per cent between 2008 and 2017. In more recent times (2014 – 2018e) economic growth in the municipal area slowed to 1.4 per cent. In turn, the District grew by 1.0 per cent between 2014 and 2018. Hessequa GDP growth is estimated at 0.4 per cent in 2018.

Hessequa: GDP performance per sector, 2006 - 2017									
Sector	Contribution to GDP (%) 2017	R million value 2017	Trend		Real GDP growth (%)				
			2008 - 2017	2014 - 2018e	2014	2015	2016	2017	2018e
Primary sector	12.3	470.2	1.6	-0.7	5.8	-3.5	-9.1	8.7	-5.6
Agriculture, forestry & fishing	12.0	458.6	1.7	-0.7	5.8	-3.5	-9.3	8.9	-5.7
Mining & quarrying	0.3	11.6	-1.0	-0.6	5.1	-2.4	-0.8	-0.6	-4.3
Secondary sector	22.3	851.3	1.5	0.9	1.7	0.4	0.7	0.4	1.2
Manufacturing	14.1	536.8	3.1	2.5	2.8	1.5	2.5	2.3	3.6
Electricity, gas & water	2.2	84.2	-4.2	-4.1	-3.7	-4.9	-6.3	-3.1	-2.5
Construction	6.0	230.3	0.1	-1.9	0.9	-0.6	-1.7	-3.5	-4.7
Tertiary sector	65.4	2 497.1	2.8	2.0	3.0	2.4	1.7	1.7	1.3
Wholesale & retail trade, catering & accommodation	19.1	728.9	2.4	1.4	2.1	2.	1.9	0.2	0.2
Transport, storage & communication	10.6	405.7	3.1	2.6	4.8	1.8	1.6	2.5	2.3
Finance, insurance, real estate & business services	21.0	803.3	3.5	3.0	3.	3.6	2.4	3.2	2.2
General government	8.5	324.7	2.1	0.2	2.5	-0.4	-0.5	-0.8	0.3
Community, social & personal services	6.1	234.4	1.9	1.5	1.8	1.3	1.6	1.9	0.9
Total Hessequa	100	3 818.6	2.4	1.4	3.1	1.2	0.1	2.3	0.4

"e" denotes estimate

The **primary sector** is almost exclusively supported by the agriculture, forestry and fishing sector which contributed 12.0 per cent (R458.6 million) to total GDP in 2017. However, the agriculture, forestry and fishing sector experienced negative growth rates, dropping to 0.7 per cent between 2014 – 2018 mainly due to the impact of the drought.

The **secondary sector** contributed 22.3 per cent (R851.3 million) to total GDP in 2017 and maintained an average 1.5 per cent growth rate between 2008 and 2017. There was positive growth within the manufacturing sector (3.1 per cent); however, there was weak performance in the construction (0.1 per cent) and electricity, gas and water sectors (-4.2 per cent) sectors. In more recent times (2014 – 2018) the construction sector and electricity, gas and water sectors continue to contract.

The **tertiary sector** contributed 65.4 per cent (R2.497 billion) to total GDP in 2017 and maintained an average 2.8 per cent growth rate between 2008 and 2017. There was strong growth within the finance, insurance, real estate & business services sector (3.5 per cent); Transport, storage communication (3.1 per cent) and wholesale & retail trade, catering & accommodation (2.4 per cent). This was followed by general government and community, social & personal services at 2.1 and 1.9 per cent respectively.

LABOUR

Hessequa contributed 24 792 jobs to formal and informal employment in the GRD in 2017.

Hessequa: Employment growth per sector, 2006 – 2017									
Sector	Contribution to employment (%)	Number of jobs	Trend		Employment (net change)				
	2017	2017	2008 - 2017	2014 – 2018e	2014	2015	2016	2017	2018e
Primary sector	19.8	4 916	-2 061	148	-250	949	-226	-215	-110
Agriculture, forestry & fishing	19.7	4 895	-2 054	149	-250	946	-225	-214	-108
Mining & quarrying	0.1	21	-7	-1	0	3	-1	-1	-2
Secondary sector	15.3	3 795	-176	107	92	2	-31	37	7
Manufacturing	8.8	2 178	203	171	41	60	-39	91	18
Electricity, gas & water	0.3	62	2	-6	-2	2	0	-1	-5
Construction	6.3	1 555	-381	-58	53	-60	8	-53	-6
Tertiary sector	64.9	16 081	4 268	1 790	458	598	-140	613	261
Wholesale & retail trade, catering & accommodation	25.7	6 379	1 734	721	108	279	-67	356	45
Transport, storage & communication	4.2	1 031	429	94	26	86	-78	50	10
Finance, insurance, real estate & business services	14.4	3 559	1 502	858	185	223	75	147	228
General government	7.2	1 776	211	-9	82	-49	20	-71	9
Community, social & personal services	13.5	3 336	392	126	57	59	-90	131	-31
Total Hessequa	100	24 792	1 848	2 045	300	1 549	-397	435	158

"e" denotes estimate

Employment in Hessequa was in 2017 mostly concentrated within the wholesale and retail trade, catering and accommodation (25.7 per cent; 6 379), finance, insurance, real estate & business services (14.4 per cent; 3 559) and the community, social & personal services (13.5 per cent; 3 336) sectors. Collectively, these three sectors contribute 53.6 per cent to total employment in the municipal area.

Between 2008 and 2017, a net total of 1 848 jobs were created in Hessequa – notable job creation in the wholesale and retail trade, catering and accommodation (1 734), and finance, insurance, real estate & business services (1 502) sectors. Job losses were reported in the agriculture, forestry and fishing sector (2 054) between this period. Job losses in the agriculture, forestry and fishing sector can mostly be attributed to the impact of the drought, but other factors such as mechanisation also come into play.

Hessequa: Trends in labour force skills, 2014 - 2018				
Formal employment by skill	Skill level contribution (%)	Average growth (%)	Number of jobs	
	2017	2014 - 2018e	2017	2018e
Skilled	21.7	4.0	3 370	3 496
Semi-skilled	41.6	3.0	6 457	6 612
Low-skilled	36.7	2.1	5 694	5 683
Total Hessequa	100.0	2.9	15 521	15 791

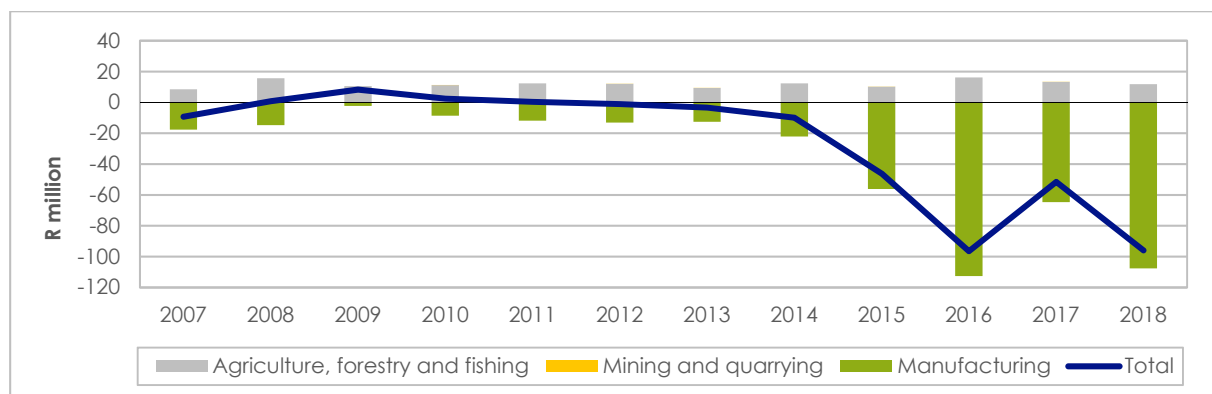
In 2017, Hessequa's labour force mostly consisted of semi-skilled (41.6 per cent) and low-skilled (36.7 per cent) workers. The skilled category (4.0 per cent) grew notably faster than the semi-skilled (3.0 per cent) and the low-skilled categories (2.1 per cent) between 2014 and 2018. Evidently, the demand for skilled labour is on the rise which implies the need to capacitate and empower low-skilled and semi-skilled workers.

Unemployment Rates for the Western Cape (%)											
Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Hessequa	5.9	6.6	7.4	7.4	7.2	6.9	6.9	6.4	7.0	7.1	7.0
Garden Route District	13.1	14.2	15.4	15.3	15.1	14.6	14.6	14.1	15.1	15.4	15.2
Western Cape	12.7	14.0	15.4	15.5	15.6	15.5	15.9	15.9	17.1	17.8	17.7

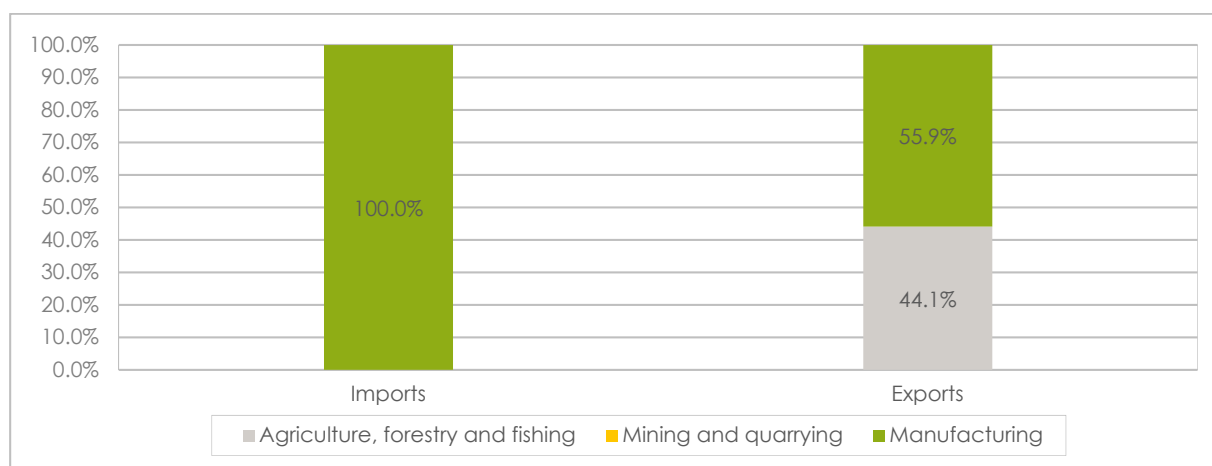
Unemployment in Hessequa (7.0 per cent) is far below that of the GRD as a whole (15.2 per cent) and the Provincial average (17.7 per cent) in 2018. This estimate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment. In turn, the broad definition generally refers to people that are able to work, but not actively seeking employment.

International Trade Dynamics

As indicated in the figure, the trade balance in the Hessequa municipal area has been declining since 2009. The region has experienced trade deficits since 2012, which is largely attributable to the high level of imports of manufactured goods. Since 2015, imports for the sector have increased substantially - from R31.4 million in 2014 to R122.6 million in 2018. The agriculture, forestry and fishing sector is the only sector which experienced a positive trade balance throughout the period (approximately R13.2 million in 2017). This trade balance, however, has not been able to counter the deficit created by the manufacturing sector, which caused the municipal area to register a trade deficit of R51.5 million in 2017.



In 2018, the trade deficit in the Hessequa region deepened further. The municipal region's trade deficit of R95.9 million was driven by a sharp increase in imported manufactured goods. While the agriculture, forestry and fishing sector registered a surplus of R11.7 million, this amount was able to offset only 10.0 per cent of the trade deficit registered by the manufacturing sector (R107.7 million) in 2018.



Imports in 2018 were dominated by the manufacturing sector. With a value of R122.6 million, the manufacturing sector accounted for 100.0 per cent of imports into the municipal area. Conversely, the sectoral distribution of exports in the region is spread between agriculture, forestry and fishing and manufacturing. With a value of R26.6 million in 2018, the manufacturing sector accounted for 55.9 per cent of total exports, with the agricultural sector accounting for the remaining 44.1 per cent. This is a clear indication that the municipal area is importing goods primarily for manufacturing purposes.

8

PUBLIC INFRASTRUCTURE SPEND

Successfully leveraging infrastructure investment as a catalyst for broad-based economic growth and development can however only be achieved through combined and complimentary contributions from all public sector spheres as well as the private sector.

The OPMII compared the 2019/10 MTREF infrastructure commitments made by the Western Cape Government (WCG) within the geographical jurisdiction of a local municipality to the capital budget contributions made by the various local municipalities themselves. As the provincial and municipal financial years do not fully align, the municipal capital budget information was sourced from the approved 2018/19 MTREF budgets. The 2019/20 municipal capital budget spend detailed in the OPMII therefore referred to the outer year estimates and not actual committed funds.

With the approval of the 2019/20 MTREF municipal budgets, Provincial Treasury is for the first time able to compare actually 2019/20 provincial and municipal infrastructure budget commitments.

PROVINCIAL INFRASTRUCTURE SPEND

Provincial infrastructure spend within the geographical boundaries of the Hessequa municipal area will amount to **R126.33 million** across the 2019/20 MTREF.

Hessequa: Provincial Infrastructure Investments, 2019/20 MTREF (R'000)				
Vote	2019/20	2020/21	2021/22	Total
Education	14 000	30 000	33 000	77 000
Health	-	500	500	1 000
Human Settlements	1 382	25 950	21 000	48 332
Total	15 382	56 450	53 500	126 332

Provincial infrastructure commitments towards Hessequa will mainly be directed towards the Education function which is allocated for school upgrades and additions and also for new infrastructure. In addition, notable allocations are made towards the housing function for top structure constructions and to develop new service sites.

MUNICIPAL INFRASTRUCTURE SPEND

As per schedule A5 in the approved 2019/20 budget, the Municipality's capital budget will amount to **R257. 08 million** across the 2019/20 MTREF.

Hessequa: Capital Budget, 2019/20 MTREF (R'000)				
Functional Classification	2019/20	2020/21	2021/22	Total
Governance and Administration	5 452	14 000	5 589	25 041
Community and Public Safety	10 633	8 279	14 537	33 449
Economic and Environmental Services	16 372	16 486	19 964	52 823
Trading Services	77 952	39 177	28 634	145 763
<i>Energy Sources</i>	25 291	12 150	10 068	47 509
<i>Water Management</i>	8 673	8 300	9 400	36 373
<i>Waste Water Management</i>	30 765	18 127	8 916	57 8078
<i>Waste Management</i>	3 224	600	250	4 074
Other	-	-	10	10
Total	110 409	77 943	68 723	257 076

Most of the Municipality's capital budget is directed towards the trading services (basic service delivery) function, the majority of which the bulk will be applied towards waste water management, energy services and water management.

SOURCES

1. Demographics

- Population: *Department of Social Development, 2019*
- Sex Ratio: *Department of Social Development, 2019*
- Age cohorts: *Department of Social Development, 2019*
- Number of Households: *Department of Social Development, 2019*
- Household size: *Department of Social Development, 2019*
- Population Density: *Department of Social Development, 2019*

2. Education

- Learner enrolment: *Western Cape Education Department, 2019; Annual Survey of Public and Independent Schools (ASS), 2018*
- Learner-teacher ratio: *Western Cape Education Department, 2019; Annual Survey of Public and Independent Schools (ASS), 2018*
- Learner retention: *Western Cape Education Department, 2019; Annual Survey of Public and Independent Schools (ASS), 2018*
- Educational facilities: *Western Cape Education Department, 2019; Annual Survey of Public and Independent Schools (ASS), 2018*
- No-fee schools: *Western Cape Education Department, 2019; Annual Survey of Public and Independent Schools (ASS), 2018*
- Schools with libraries: *Western Cape Education Department, 2019; Annual Survey of Public and Independent Schools (ASS), 2018*
- Educational outcomes: *Western Cape Education Department, 2019; Annual Survey of Public and Independent Schools (ASS), 2018*

3. Health

- Healthcare facilities: *Department of Health, 2019*
- Emergency medical services: *Department of Health, 2019*
- HIV/AIDS: *Department of Health, 2019*
- Tuberculosis: *Department of Health, 2019*
- Child health: *Department of Health, 2019*
- Maternal health: *Department of Health, 2019*

SOURCES

4. Poverty

- GDP per capita: *Quantec Research, 2019*
- Income Inequality: *IHS Global Insight, 2019*
- Human Development: *IHS Global Insight, 2019*

5. Basic Services

- Households: *Statistics South Africa, Community Survey 2016*
- Access to housing: *Statistics South Africa, Community Survey 2016*
- Access to water: *Statistics South Africa, Community Survey 2016*
- Access to electricity: *Statistics South Africa, Community Survey 2016*
- Access to sanitation: *Statistics South Africa, Community Survey 2016*
- Access to refuse removal: *Statistics South Africa, Community Survey 2016*
- Dwelling type: *Quantec Research, 2019*
- Consumer units: *Statistics South Africa, Non-Financial Census of Municipalities 2015, 2016, 2017 and 2018*
- Indigent Households: *Statistics South Africa, Non-Financial Census of Municipalities 2015, 2016, 2017 and 2018*
- Free Basic Services: *Statistics South Africa, Non-Financial Census of Municipalities 2015, 2016, 2017 and 2018*

6. Safety and Security

- Murder: *South African Police Service (SAPS), 2019, own calculations*
- Sexual offences: *South African Police Service (SAPS), 2019, own calculations*
- Drug-related crimes: *South African Police Service (SAPS), 2019, own calculations*
- Driving under the influence: *South African Police Service (SAPS), 2019, own calculations*
- Residential burglaries: *South African Police Service (SAPS), 2019, own calculations*
- Road user fatalities: *Department of Transport and Public Works, 2019*

SOURCES

7. Economy

- Sector Performance: *Quantec Research, 2019*
- Employment growth per sector: *Quantec Research, 2019*
- Trends in labour force skills: *Quantec Research, 2019*
- Unemployment rates: *Quantec Research, 2019*
- Trade balance: *Wesgro, 2019*
- Sectoral trade distribution: *Wesgro, 2019*

8. Public Infrastructure Spend

- Provincial Infrastructure Spend: *Estimates of Provincial Revenue and Expenditure (EPRE), 2019; Overview of Provincial and Municipal Infrastructure Investment (OPMI), 2019*
- Municipal Infrastructure Spend: *Final approved 2019/20 municipal budgets, Budget Schedule A5*