

Western Cape

SOCIO ECONOMIC PROFILE: CENTRAL KAROO DISTRICT 2006



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Foreword

The local government sphere has, since the new democratic era evolved, become a major influence in shaping the country's social fibre. The Municipal Financial Management Act (MFMA) that came into effect in June 2004 and read together with the Municipal Structures and Systems acts, was an instrumental landmark policy in entrenching good fiscal governance in and strengthening the role of local government.

Although the National Minister of Finance retained his legislative role and direct monitoring role over the larger municipalities, the major oversight role is entrusted to provinces under the guardianship of the MECs of Finance, acting in partnership with MEC's of Local Government.

As the custodian of provincial resources, and in the interest of making the Western Cape "Home for All", we are mindful of the local government's mandate to:

- foster governance and accountability;
- provide services to communities in a sustainable manner;
- promote social and economic development;
- promote safe and health environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

South Africa's macroeconomic story has over the past 12 years been impressive. However, we need to get a better understanding of why the fruits of our country's economic growth have stubbornly remained beyond the reach of the wider segment of the population.

In the Western Cape, the oversight role of the Provincial Treasury has made it imperative that we understand the spatial dimension of economic activity and government's interventions, to equip decision makers with a much needed evidence-based approach to resource deployment and hopefully improve service delivery.

Unemployment, poverty and inequality remain the Achilles' heel of our economy, but the magnitude of its adverse impact varies from area to area. Challenges in local government therefore remain. Economic benefits are not equitably shared across communities, and multiple deprivation in terms of access to employment, income, health, education, and living environment widens the rift between the rich and the poor.

The Central Karoo District is the smallest district within the province and a fairly arid region. It has limited economic activity with untapped potential to deepen less eco-sensitive (lower water demand) manufacturing to stimulate the regional economy. The N2 highway, hence the significant contribution of transport sector to its economy, has been a lifeline for region. It is well known for its Karoo lamb. Its small contribution to the Western Cape's economy is coupled with high unemployment, a low skills base, thus resulting to limited resources for surrounding municipalities.

The conception of the *Socio Economic Profile: Central Karoo District*, benefited immeasurably from the contribution of different sources, helping us to bring together a wide range data in one publication. This Profile thus attempts to paint a picture of the current state of affairs drawing from a wide range of quantitative and qualitative data sources to assist and encourage a spatial approach to planning and capacity building.

In taking the development debate further, this publication is intended to empower councillors, policy makers in both the provincial and national government spheres and every citizen of the province to gauge developments in their respective municipalities while stimulating municipal ward discussions and actions towards a better future for all.

In closing, it's been a long road from the point where we first conceptualised this Profile, and we would like to express our appreciation for the inputs and many suggestions received from municipalities in finalising this product.



Lynne Brown
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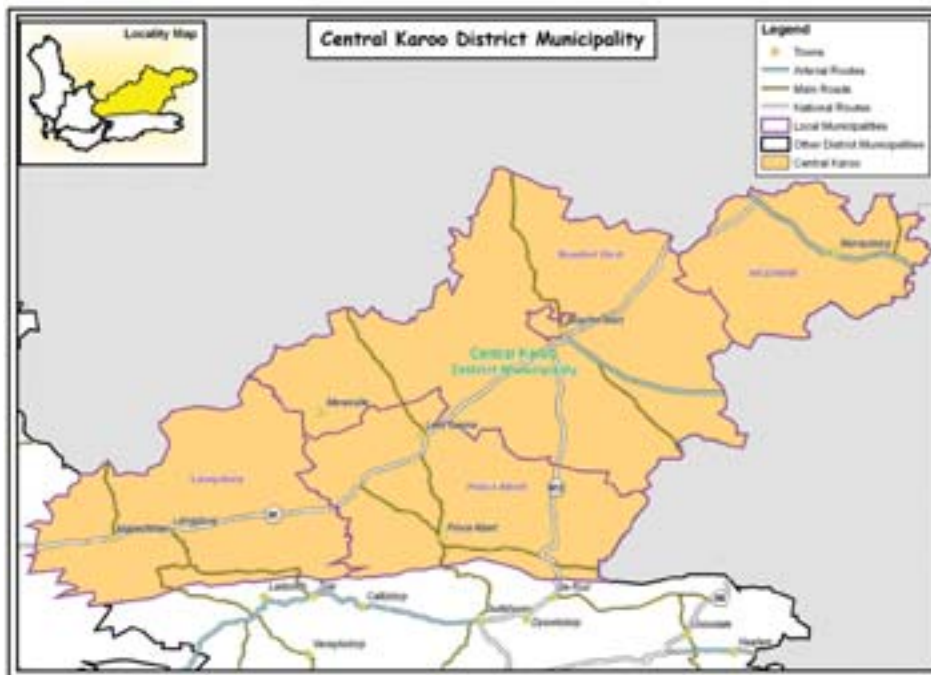
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Central Karoo District Municipality



List of towns

Murraysburg
Beaufort West
Laingsburg
Leeu Gamka
Prince Albert

Nominal GDP (2004)	: R705.0 million
Total population (2006)	: 62 331
Urban/rural ratio	: 75/25
No. of wards	:

Introduction

The Central Karoo District Municipality is a category C municipality situated in the northeast of the Western Cape Province with two bordering provinces, the Eastern Cape and the Northern Cape.

It incorporates four municipal areas of Beaufort West, Laingsburg, and Prince Albert, and is the District Management Area (DMA), which includes the town of Murraysburg.

Central Karoo is fairly arid area with rainfall of 260mm per year. It has a surface area of 38 853 km² a population of 62 331 in 2006 with population density of 1.63 persons per square km.

The economic activities include Agro-processing, which is seen as a way of adding value to animal farming activities. On the agricultural side, the activities are centred on sheep (mutton and wool), goats (meat and mohair), game (venison) and Ostrich farming (meat, feathers and leather).

The district is also popular with its Karoo lamb and the mohair industry is regarded as the largest in the world with a market share of 60 per cent.

Central Karoo was among the Western Cape's fast growing economies, though from a small base, recording an annual average growth rate of (4,2%) during the period (1995-2004). In 2004 it increased its regional GDP to 0,5 per cent.

Growth was largely driven by the financial and business services, manufacturing, transport and communications, wholesale and retail, and construction sectors.

Prince Albert, the main growth driver grew at an annual average rate of 7,8 per cent over the period 1995 to 2004. Coming second is the municipality of Laingsburg, which recorded 4,8 per cent while Beaufort West added 3,0 per cent over the same period.

Total population	(2001)	: 56 867	Population Density 1.63 km²	
	(2006)	: 62 331		
	(2010)	: 63 149		
Population growth rate (average annual)				
2001-2006		1.85%		
2006-2010		0.33%		
<i>Centre for Actual Research, 2005 (Population projections for the Western Cape 2001 – 2025)</i>				
Socio-economic indicators				
	Central Karoo District Municipality		Western Cape	
GDPR 2004	R705 million		R140, 9 billion	
Unemployment rate 2001	36.0%		26.1%	
Number of unemployed 2001	7 653		526 987	
Proportion of households with no income	7.56%		8.89%	
Number of households with no income	1 147		145 768	
Education				
Percentage of people over 14 illiterate (less than grade 7)	37%			
Educator – learner ratio	36			
Health measures				
		<i>National health targets</i>		
Proportion under 1 with 1st measles immunisation	80%	90%		
Percentage births under 2,5kg	26%	< 10%		
TB prevalence per 100 000	1014			
TB Cure rate ¹	71%	85%		
Patient – nurse workload per day	31	34		
HIV/AIDS prevalence rate (2005)	2.7%	HIV/AIDS prevalence rate (2010)		3.3 %
Number of HIV/AIDS deaths (2005)	66	Number of HIV/AIDS deaths (2010)		106
Crime measures (reported crime)	2002/2003	2003/2004	2004/2005	
Murder	36	49	46	
Rape	109	102	99	
Neglect and ill-treatment of children	18	24	19	
Drug related crime	168	322	609	
Total number of reported crimes	5911	6517	6341	
Strengths		Challenges		
Relatively diversified economy.		High unemployment, especially amongst the youth.		
Good economic growth.		Low household income levels.		
Improvements in access to basic services.		Growing incidence of drug related crime.		

¹ Data used is 03/04 as there is no data for 04/05

Economic profile

This section reviews the economic potential of the Central Karoo, including the contribution of different sectors to economic growth, and in particular, their importance and relevance to the development prospects of the region.

Economic Outlook

Central Karoo has been recorded amongst the fast growing economies of the Western Cape, though from a small base, recording an annual average growth rate of 4,2 per cent from 1995 to 2004. In 2004, it increased its regional GDP to 0,5 per cent² largely driven by the fast growing sectors such as financial and business services, manufacturing, transport and communications, wholesale and retail, and construction.

Prince Albert, the main growth driver netted an annual average growth rate of 7,8 per cent over the period 1995 to 2004. Coming second is Laingsburg, which recorded 4,8 per cent while Beaufort West followed with 3,0 per cent over the same period.

The Central Karoo's Integrated Development Plan (IDP) recognises community-based development as an important driver of shared growth and one example would be through linking community-based tourism to the Karoo National Park.

The IDP also recognises the importance of the main key Local Economic Development (LED) 2005 and one example is that of adding value to products through agro-processing.

Regional gross domestic product (GDPR)

In 2004, Central Karoo District contributed only 0,5 per cent, or R 705 million) to the Western Cape's (R140.9 billion) GDP.

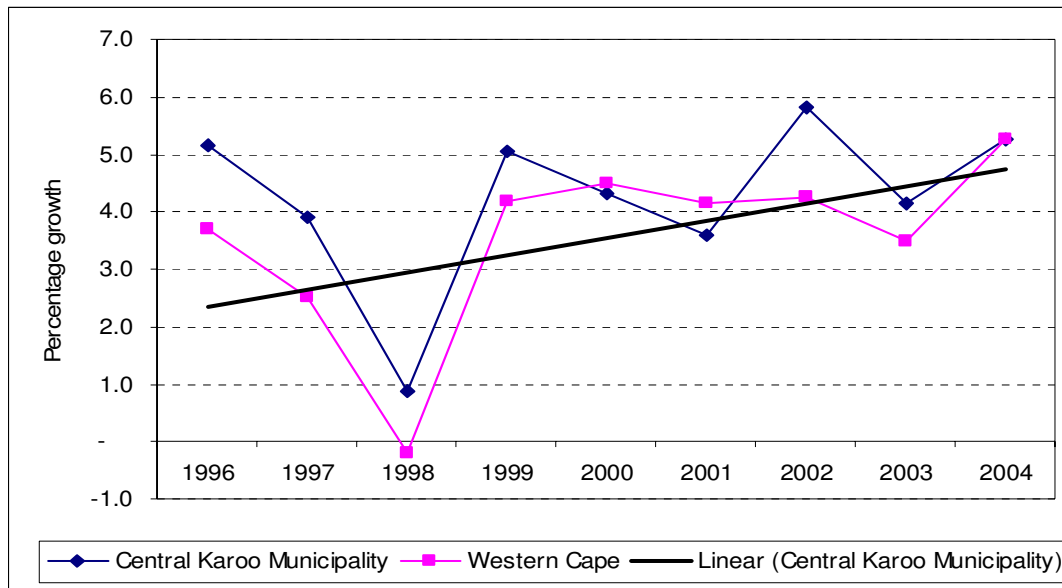
The overall growth trend for the period 1996 to 2004 is positive (see Figure 1). In 1998, there was a sharp decline in growth (0,9%) compared to a growth rate of 3,9 per cent in 1997. However, growth picked up to 5,1 per cent in 1999.

The financial crisis that erupted in mid 1997 in Asia led to a sharp decline in currencies, stock markets, and other asset prices of a number of Asian countries. This also affected emerging markets leading to volatilities in international financial markets, hence the negative growth in 1998. The Western Cape's growth rate declined to -0,2 per cent in 1998.

The second round of slow growth was seen in 2001 when the economy declined from 4,3 per cent in 2000 to 3,6 per cent in 2001. The overall growth in Central Karoo District Municipality has been outperforming the Western Cape Province's growth rate, except in the period 2000 and 2001, where Central Karoo District Municipality recorded 4,3 per cent in 2000 and 3,6 per cent in 2001.

² Source: Wesgro Website

Figure 1: GDPR growth trends: Central Karoo Municipality, 1996 to 2004



Source: Own calculations, based on Quantec Research data 2006

Sectoral Analysis

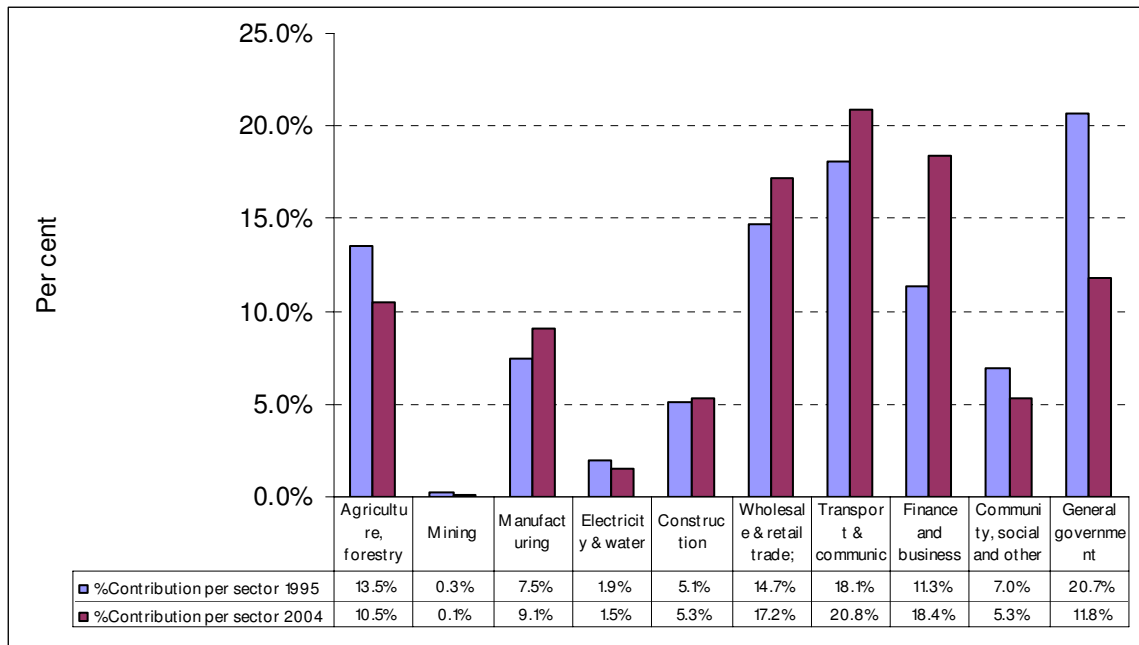
From the ten sectors, only five increased their share of contribution to the region's GDPR between 1995 and 2004. The biggest sectors within the district were:

- Transport & communication (20,8%) of which transport made up approximately two thirds;
- Finance and business services (18,4%); and
- Wholesale and retail trade; catering and accommodation (17,2%) of which the wholesale and retail trade sub-sector was 86,4 per cent.

In 2004, Agriculture, forestry and fishing sector contributed 10,5 per cent and manufacturing 9,1 per cent to the district's GDP.

Manufacturing's largest sub-sectors were metals, metal products, machinery and equipment accounting for 51,1 per cent of total manufacturing output, while food, beverages and tobacco accounted for 17,4 per cent.

Figure 2: Central Karoo District: Sectoral contribution to GDP, 1995 and 2004



Source: Own Calculations, based on Quantec Research data

In 2004, Central Karoo registered a growth rate of 5,3 per cent, with about 4 sectors outperforming that year's growth with the following sectors outpacing growth:

- Finance and business services (9,3%);
- Manufacturing (9,6%);
- Wholesale & retail trade; catering and accommodation (10,3%);and
- Construction (5,8%).

All these sectors continued to perform well for nine years, with the exception of transport & communication, which had an average annual growth of 5,9 per cent, but has seen its growth declining to 3,7 per cent in 2004.

Agriculture, forestry and fishing and community, social and personal services sectors recorded low growth levels (1,3% and 1,1% respectively). This is a cause for concern as these sectors are labour absorptive, accounting for 58,4 per cent of all the employed inclusive of private households, in the district.

More depressing is the significant reduction in the share of contribution from general government, shedding almost half of its value of contribution to 11,9 per cent in 2004. The sector also had a negative growth (-1.2%) in 2004.

Over the more recent 4-year period ended 2004 the average annual growth in the Central Karoo District was the strongest in the finance and business services sector (10,2%), followed by manufacturing (7,2%), and wholesale & retail trade; catering and accommodation.

Table 1: Central Karoo: Average annual growth per sector

Industry	GDPR 2004 Rm	Contribution to GDPR per sector 2004 (%)	Average annual growth 1995-2004 (%)	Average annual growth 2000-2004 (%)	Growth 2003 – 2004 (%)
Agriculture, forestry and fishing	74.1	10.5	1.3	0.5	0.9
Mining	0.4	0.1	-11.2	-2.2	2.2
Manufacturing	64.1	9.1	6.6	7.2	9.6
Electricity & water	10.8	1.5	1.6	2.2	4.6
Construction	37.4	5.3	4.7	5.8	5.8
Wholesale & retail trade; catering and accom	121.6	17.2	6.1	6.5	10.3
Transport & communication	147.1	20.8	5.9	5.0	3.7
Finance and business services	129.7	18.4	10.0	10.2	9.3
Community, social and other personal services	37.4	5.3	1.1	0.6	-0.5
General government services	83.0	11.8	-2.1	-0.8	-1.2
Total	705.5	100.0	4.2	4.7	5.3

Source: Own calculations, based on Quantec Research data 2006

Transport and communication

In terms of contribution to district's economy the transport and communication sector is the largest, contributing R147.1 million or 20,8 per cent of the GDPR. During the period 1995-2004 transport and communication grew at an average annual growth rate of 5,9 per cent.

The overall growth trend is positive and the regional GDP has been steadily increasing over the years 1995 -2004. Transport and communication grew at a real growth rate of 3,7 per cent in 2004. The growth in transport sector can be attributed to benefits of its linkages to the N1, approximately 7000 vehicles per day drive through the district.

Finance and business services

The second largest sector in the Central Karoo Municipality is the finance and business services, contributing R129.7 million or 18,4 per cent of the total regional GDP.

The sector growth has been relatively stable during the period 2000-2004 registering an annual growth rate of 10,2 per cent, compared to the average annual growth of the period 1995 to 2004 (10,0%). The finance and business service is doing well even in the real growth rate of 2004 with 9,3 per cent growth.

Wholesale and retail trade; catering and accommodation

Wholesale & retail trade; catering & accommodation is the third largest sector in the Central Karoo municipality with R121.6 million, which is 17,2 per cent of the regional GDP. The average annual growth rate for the period 1995-2004 of the wholesale and retail trade; catering and accommodation was 6,1 per cent. And for the period 2000-2004 it increased marginally to 6,5 per cent.

However, over a one year period the real growth rate for 2004 was 10,3 per cent. The positive growth trend in this sector is facilitated by the presence of N1 passes through with overnight sleeps and short stops.

For the period 1995-2004, with the exception of mining (-11,2%) the other declining sectors in the Central Karoo were general government services (-2,1%). The general government services sector was still showing negative real growth rate in 2004 (-1,2%).

In the 2004 community, social and other personal services showed negative real growth rate (-0,5%). On the 2000-2004 average annual growth rate mining sector (-2,2%) and general government services (-0,8%) were still declining although the rate at which they were declining was decreasing

Manufacturing sub-sectors

Manufacturing sector is the sixth largest contributor of the regional GDP (R64.1 million) in the Central Karoo municipality, which is 9,1 per cent of the contribution. Manufacturing grew at average annual growth of 6,6 per cent for the period 1995-2004. This trend grew for the period 2000-2004 to 7,2 per cent. The real growth rate for 2004 was 9,6 per cent for the manufacturing sector in Central Karoo.

Table 2: Central Karoo manufacturing Sub-sectors, 2004

Manufacturing Sub-sectors 2004	Rm	Per cent
Food, beverages and tobacco	11.2	17.4
Textiles, clothing and leather goods	0.8	1.2
Wood and paper; publishing and printing	0.5	0.8
Petroleum products, chemicals, rubber and plastic	5.6	8.8
Other non-metal mineral products	2.8	4.4
Metals, metal products, machinery and equipment	32.7	51.1
Electrical machinery and apparatus	0.0	0.0
Radio, TV, instruments, watches and clocks	0.0	0.0
Transport equipment	3.7	5.8
Furniture and other manufacturing	6.7	10.5
Total	64.1	100.0

Source: Own calculations, based on Quantec Research data 2006

By looking in more detail into the manufacturing sector it becomes clear that metals and metal products dominate in this sector with 51,1 per cent contribution, followed by food, beverages and tobacco with 17,4 per cent. Furniture and other manufacturing is the third contributor (10,5%) into the manufacturing sector. The manufacturing of wood through pallets and fruit processing surely contributes to the regional GDP.

The Tress Index measures the level of concentration or diversification within an economy³. Compared to the Western Cape tress index value of 43.7 Central Karoo District Municipality is highly concentrated with a tress index value of 72.7. The Western Cape's tress index indicates that Western Cape Manufacturing sector is more diversified.

Economic infrastructure

The Central Karoo, which is mostly semi-desert area is the largest region of the Western Cape. But, it contributes less than 1,0 per cent of the provincial economic output. The region has seen out-migration given limited opportunities to earn a living.

The low economic base can be traced from limited industrial base, making it difficult for the export dependant farmers to take advantage of the province's well-developed infrastructure. As a result, economic infrastructure in the Central Karoo is limited, yet it is strategically positioned and poised to be a distribution centre for road freight.

³ A tress index of zero represents a totally diversified economy, while a number close to 100 indicates a high level of concentration

Roads and transport

Central Karoo's access to the road network puts them in a strategic position for economic activity. This can be seen in the transport sector's dominance in the region's economic activity — contributing R140 million out of the district's total GDP of R705 million. Mainly, the N1 National road runs through the area, linking the province to the Northern Province, Gauteng, and Free State provinces.

Within Central Karoo, the N1 links to Beaufort West, Leeu-Gamka, Laingsburg and Matsijesfontein. The other important routes are N12 that connects from N1 to Oodtshoorn, George and Southern Cape. From N1 there is also a link to R61 that goes to Graaff-Reinet and the north of Victoria West in the Northern Cape. The other important route is the R407 that connects Prince Albert from N1 and this road also connects to commercial farms that are on the N12.

Passing transport remains one of the most important markets of the Central Karoo. There are approximately 7000 vehicles passing through Beaufort West per day during off peak holiday and this figure doubles during peak holiday. The largest percentage of these is large trucks.

In addition to N1 there is a railway line that runs parallel to N1 through the district between Cape Town and Johannesburg. According to the LED strategy document, the railway was a primary reason for the establishment of settlements such as Matsijesfontein, Laingsburg, Prince Albert, Leeu-Gamka, Beaufort West and Nelspoort. The railway way is currently used for transporting passengers and goods.

Transport-related constraints

Areas such as Prince Albert and Laingsburg produce deciduous fruit, which is key to unlocking the economic fortunes of the rural areas. In addition, transportation of the fresh produce to the ports is adversely affected by lack of public transport to, and if available, it is expensive with the distance cited as the excuse for the price differentials. This threatens the livelihood of some farmers.

In 2004 the transportation sector contributed over R140 million, accounting 20,8 per cent of the regional economy.

Water

Central Karoo municipality had a water backlog of 1,1 per cent in 2001. According to LG MTEC for the period 2006/07 there is about 21.46 per cent water backlog service mostly on farms and rural areas. There is leakage of water in the networks.

Housing

There was a housing backlog of 23,0 per cent in 2001 in Central Karoo District according to the Census data⁴. For the period 2005/06 the housing budget amounted to R7 653 million but no provision has been made for 2006/07. IDP states a housing backlog of 4411 houses in the district. One of the priorities of Central Karoo District Municipality is to provide land to the small-scale farmers.

Electricity

According to LG MTEC for the period 2006/07 there is 28,8 per cent electricity backlog in Central Karoo District. The electricity budget for 2006/07 amounts to R1.3 million, representing a year-on-year growth rate of 57,4 per cent from the one of 2005/06.

Roads, pavements, bridges and storm water

Budget for roads, pavements, bridges and storm water amounts to R2 968 million for 2005/06 and it amounts to R667 million for the 2006/07 financial period. This represents a decrease of 77,5 per cent, but again it is projected to increase to R11 383 million in 2007/08.

⁴ Local government medium term expenditure committee report for 2006/07 (LG MTEC), reports a housing backlog of 24,4 per cent although it is not clear from the report which year's data was used.

Trends in the operating budget show the prioritisation roads infrastructure. Most of the capital budget is allocated to water, road transport and waste water management with 92,0 per cent of the budget, and it is stated that water alone accounts for 37,0 per cent of the capital expenditure.

Constraints to rural areas

In areas of Prince Albert and Laingsburg the production of deciduous fruit holds promising opportunities for the future and yet the transportation of these products to the ports still needs to be improved and that could lead to growth in agricultural sector (LED, 2005)

The public transport system is not suitable for rural areas and relatively expensive. This is due to very far distances to be covered and dispersed population.

Demographics and Labour Force

This section provides information regarding the population and also the participation of labour in the labour market through sector employment.

Demography

There is a total number of 15 016 households that live in Central Karoo district municipality, of this 74,9 per cent lives in urban areas with the remaining 25,1 per cent living in rural areas. 3,5 per cent of rural households in the Western Cape reside in Central Karoo compared to their urban counterparts which is only 1,06 per cent. Beaufort West local municipality urban population is 82,2 per cent which is above District average.

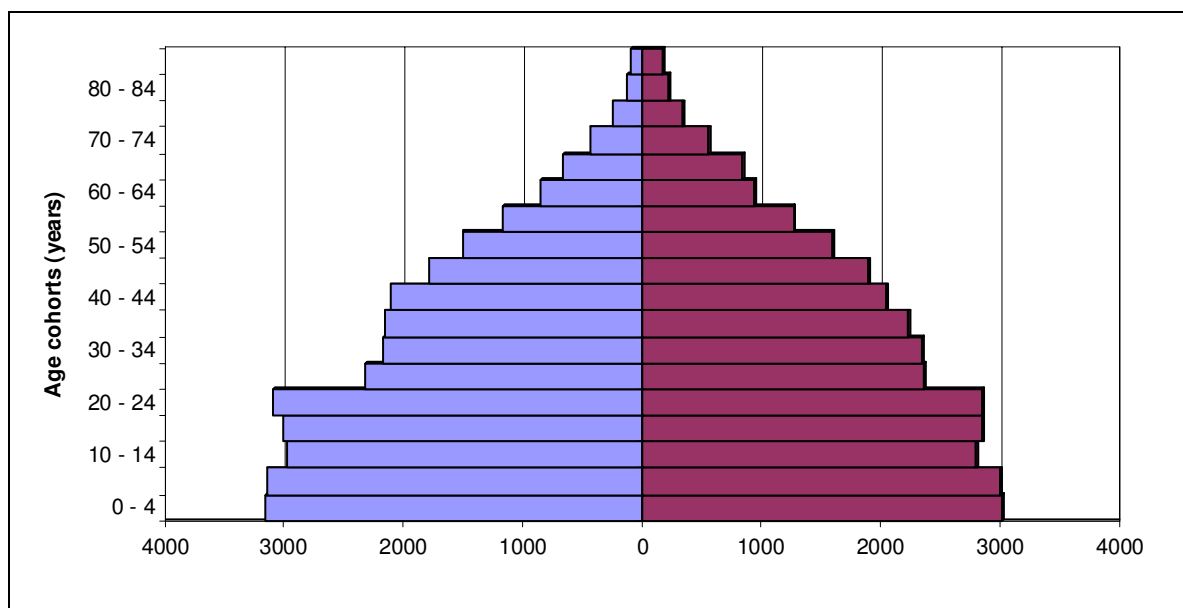
Table 3: Rural and urban households, 2001

	Total no. of households	No. of rural households	Rural households (Per cent)	Rural households (per cent of province (for district) or district)	No. of urban households	Urban households (Per cent)	Urban households (per cent of province (for district) or district)
Central Karoo Municipality	15,016	3,763	25.1	3.5	11,253	74.9	1.1
Beaufort West	8,996	1,602	17.8	1.5	7,394	82.2	0.7

Source: Demarcation Board (Census 2001 data)

Central Karoo District municipality's population is relatively young, with median age of 26 years. Between 2001, 2006 and 2010 the dependency ratio has changed slightly dropping from 0.55, 0.54 and 0.53, respectively.

Figure 3: Central Karoo District population pyramid, 2006



Source: CARE 2005

Population projection from the CARE 2005 model as shown in Figure 3 predicts a dramatic slow down in population growth in this district. The base of the pyramid (lower age cohorts) is broad, with a sharp decline from the 25-29 year age cohort, and declining gradually thereafter.

Figure 4 shows the projected migration numbers in the central Karoo District Municipality for the period 2001 -2025. Migration figures from the CARE 2005 model shows net migration into the district

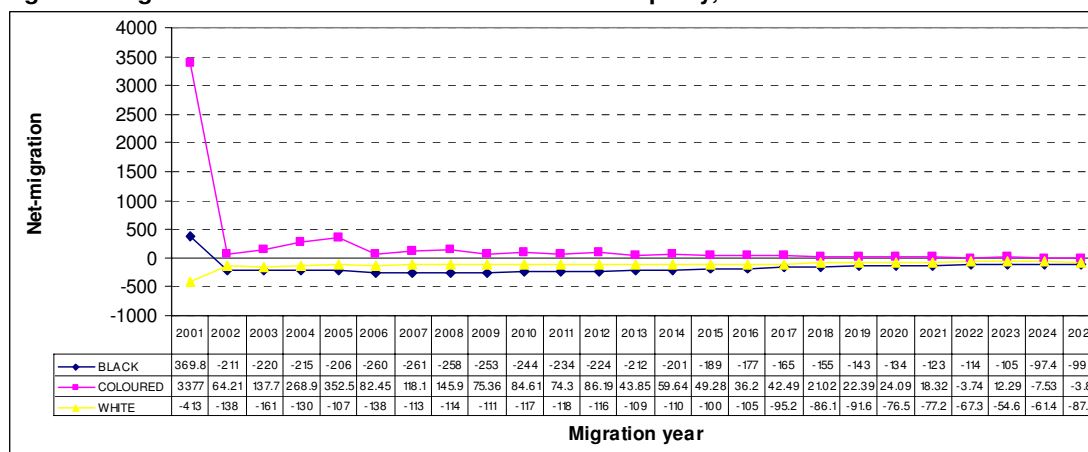
of 3 334 in 2001, down to 40 in 2005 (with negative numbers (net out-migration) between 2001 and 2005), and further down to -315 in 2006 (net out-migration). Migration and HIV/AIDS are already taken account of when doing population projections.

In 2001 was the only year that reflected an in-migration of 370 Africans in the Central Karoo municipality. From 2002 onwards people were leaving the area and the trend is projected to show that Africans will continue to leave the district until 2025. This is largely due to slim possibilities of job opportunities as the district has limited economic activity.

Figure 4 also shows a significant in-migration of Coloureds (3 377) in 2001. CARE 2005 model figures also show that there is going to be a continued numbers of Coloureds in-migration to Central Karoo until 2021 but for some reason in 2022 it is projected that there going to be an out-migration of 4 Coloureds in the Central Karoo District Municipality, and again in 2024 and 2025 with 8 and 4, respectively.

For Whites according to the CARE 2005 model it is shown that since 2001 they have been out-migrating from Central Karoo District Municipality. It is projected that they will continue to do so until 2025 although the level of out-migrating will decline.

Figure 4: Migration trends– Central Karoo District Municipality, 2001-2025



Source: CARE 2005

Labour Market profile

The labour market section discusses key trends in the labour market from 1996 to 2001 based on the census information from 1996 and 2001.

Table 4: Central Karoo District labour market information, 1996 and 2001

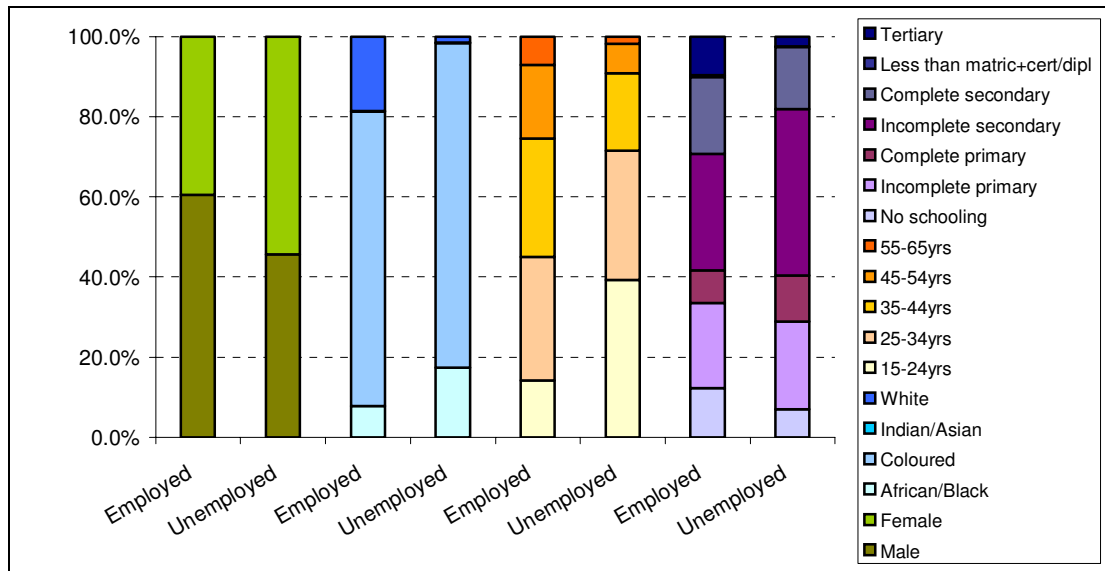
	Employed	Employed (per cent)	Unemployed	Unemployed (per cent)	Labour force	Labour force participation rate	Not economically active	Total pop 15-65
1996	14 020	77.1	4 172	22.9	18 192	57	13 725	31 917
2001	13 592	64	7 653	36	21 245	56.7	16 214	37 458

Source: Statistics South Africa, Census 1996, 2001

The labour force participation rate declined slightly from 57,0 to 56,7 per cent between 1996 and 2001, while the labour force grew at an average annual of 3,2 per cent, well above that of population growth. The annual average force growth in employment was -0,6 per cent, showing an inability to absorb any new labour market entrants during this time.

Unemployment increased by 12,9 per cent over the same period. The proportions of employed and unemployed, by gender, population group, age and education for 2001 are summed in the graph below (Figure 5).

Figure 5: Characteristics of Central Karoo District's employed and unemployed, 2001

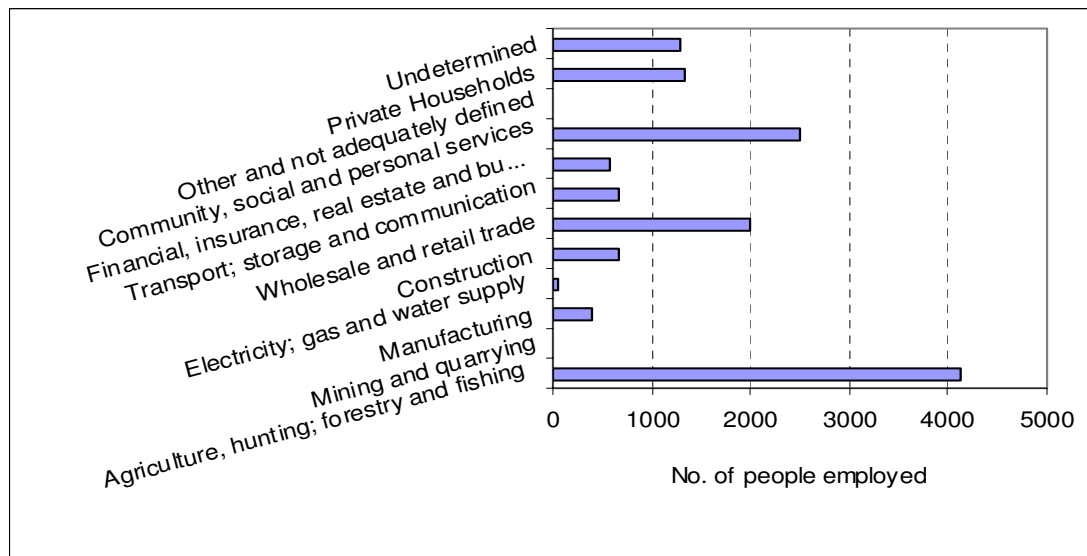


Source: Statistics South Africa, Census 2001

Females, Africans and the youth are more affected by unemployment, while the males, whites and those in the older age groups (35–65 years) are more likely to be employed in the region. In the Central Karoo District, 71,1 per cent of the employed have education levels of incomplete secondary or less, an indication of the district's economic orientation toward medium to low skilled jobs.

Figure 6 below shows the sectoral contribution to employment in 2001. The largest employer was the agriculture, hunting, forestry and fishing sector (30,3%) followed by community, social and personal services (18,3%) and wholesale and retail trade (14,7%). Private households also contributed significantly (9,7%) towards employment in the district.

Figure 6: Central Karoo District employment by sector, 2001



Source: Statistics South Africa, Census 2001

Table 5 shows skills⁵ level of the employed, Central Karoo District Municipality has high skilled occupation of 14,2 per cent compared to Beaufort West, which has 17,1 per cent and it is the highest in Central Karoo District Municipality. But Central Karoo District Municipality has a high number of low skilled (43,8%) compared to Western Cape (31.3%).

The leading local municipality in low skilled occupation is Prince Albert with 59,0 per cent, and Prince Albert is also the one that falls below with less high skilled occupations (10,4%).

Table 5: Skill level of the employed

	District	Western Cape
High skilled	14.2%	23.8%
Skilled	42.0%	44.9%
Low skilled	43.8%	31.3%
Total	100.0%	100.0%

Source: Statistics South Africa, Census 2001

The Department of Social Development provides grants to over 5.6 million people per month in South Africa at a cost of more than R2.2 billion monthly. Social grant plays a very important role in alleviating poverty amongst children, women, the elderly and the people with disabilities.

Benefit transfers include old age grants, war veteran's grants, disability grants, care dependency grants, foster care grants, and grant-in-aid shows number of beneficiaries and the average monthly amount of grant in Central Karoo District.

Table 6: Social grants data 2005

Central Karoo District Municipality	Average number of recipients (monthly)	Proportion of total recipients	Average monthly value of grant ⁶	Total value of grants paid (monthly)	Proportion of total value of grants (R - monthly)
OLD AGE	116	13.4%	728.47	84,260	18.1%
DISABILITY	313	36.3%	784.22	245,394	52.8%
FOSTER CARE	34	3.9%	823.80	27,803	6.0%
CARE DEPENDENCY GRANT	6	0.7%	798.87	4,727	1.0%
CHILD SUPPORT	377	43.7%	261.87	98,746	21.2%
GRANT IN AID	16	1.9%	168.02	2758.3333	0.6%
ALL OTHER GRANTS	0.9	0.1%	N/A	1095	0.2%
TOTAL GRANTS	863	100.0%	538.78	464,783	100.0%

Source: SASSA 2006

Of total 62 331 people residing within the Central Karoo District, about 863 individuals or an estimated 1,4 per cent of receive social grants. The largest proportion of the people receiving grants are children

⁵ High skilled - Legislators, senior officials and managers, Professionals, Technicians and associate professionals; Skilled – Clerks, Service workers, shop and market sales workers, Skilled agricultural and fishery workers, Craft and related trades workers, Plant and machine operators and assemblers; Low skilled – Elementary occupations. Unknown occupations were excluded from calculations.

⁶ The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:

Lumpsum for the beneficiary due to the date the grant was put in payment versus the application date.

Lumpsum for the beneficiary due to previous month's grant being uncollected.

Lumpsum for the beneficiary due to re-instatements

Yearly beneficiary uptake (new applications)

Yearly Paypoints transfers (movement of beneficiaries between paypoints)

through child support grant 43,7 per cent. The disability grant accounts for 36,3 per cent of total grants, while the old age grants accounts for 13,4 per cent.

Well being of households

The well being of the households plays an important role in regional economic development. Factors such as access to household income, and basic and social services and the quality of life are explored in this section drawing for information from the 1996 and 2001 census. Although it is five years on from the last census, it gives an indication of the level and changes in access to services in the inter-census period.

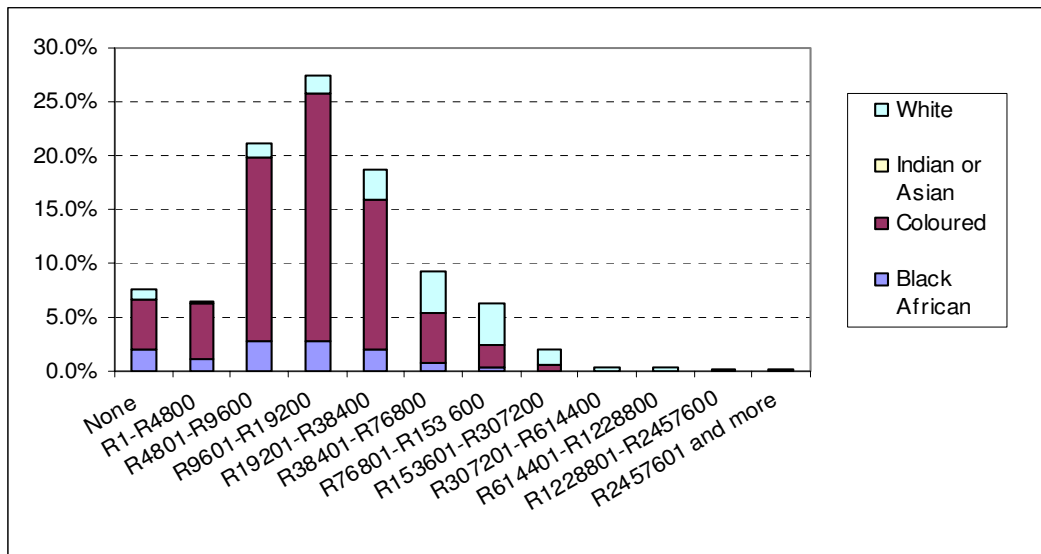
The development indices and crime statistics are more up to date (2005) and communicate the health, education and crime challenges that the municipality faces.

Household Income

Household income in the Central Karoo District is concentrated in the lower income categories. Of the total number of households, 35,2 per cent had a monthly income of R800 or less with 7,6 per cent of all households having no income. An additional 36,9 per cent of households earned monthly incomes of between R800 and R3 200.

Female-headed households make up 35,0 per cent of all households while households headed by those aged 15-19 make up 1,2 per cent of total households.

Figure 7: Central Karoo District Income Distribution by population group, 2001

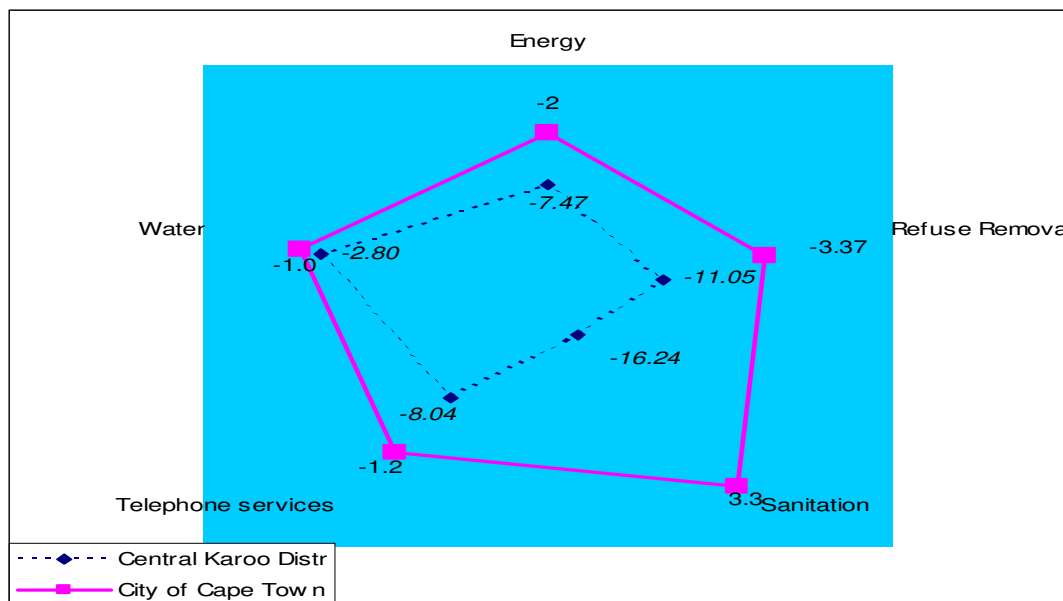


Source: Statistics South Africa, Census 2001

Access to Basic Services

Access to basic services has considerable influence on the standards of living and quality of life of people living in the District. The figure below compares the Central Karoo District to the City of Cape Town on five measures of basic services, namely energy⁷, water⁸, refuse removal⁹, telephone services¹⁰, sanitation¹¹; it comprises only of the households with access to less than basic services (as defined in the footnote); the negative sign in numbers indicate an improvement in access to respective services.

Figure 8: Percentage change in households with below basic access to services – Central Karoo District versus City of Cape Town, 1996- 2001



Source: Statistics South Africa: 2001 Census: Community profile database, DBSA

The percentage of households with below basic access to refuse removal improved by 11,1 per cent, energy by 7,5 per cent, sanitation by 16,2 per cent, telephone by 8,0 per cent and water by 2,8 per cent.

There has also been an absolute decline in all areas in the number of households with below basic access to these services. Significant progress was made in sanitation with an additional 1 747 less households with below basic access.

Table 7: Changes in access to basic services between 1996 and 2001: Central Karoo District

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Central Karoo District	Percentage Change					
	1996-2001	-7.47	-11.05	-16.24	-8.04	-2.8
	Number of households	-553	-833	-1747	-806	-319

Source: Statistics South Africa: 2001 Census: Community profile database, DBSA

⁷ Energy - Gas, paraffin, candles and other.

⁸ Refuse removal- own refuse dump, and no rubbish disposal.

⁹ Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other.

¹⁰ Telephone services -Telephone at another location not nearby and no access to a telephone.

¹¹ Sanitation - Bucket latrine, and none

Access to housing

The housing backlog¹² for the Central Karoo District, increased from 589 units in 2001 to 2001 units in 2004. Between 1994 and 2004 a total of 1 287 housing units were constructed in the District.

The housing budget for 2004/2005 for the total Central Karoo District was R18.9 million. In the same year, R4.7 million was budgeted for sewerage purification and reticulation, R4.5 million for electricity reticulation, R2.8 million for water reservoirs and reticulation and R140 000 for refuse sites. A district wide housing backlog of 4000 units was reported.

Access to Social Services

In this section the focus is on socio-economic analysis of the education, health crime and development indices.

Development indices

There are two ways of measuring the quality of life that have been used in this document and these are Human Development Index¹³ (HDI) and City Development Index¹⁴ (CDI). Both the HDI and CDI are higher (0.72 and 0.81, respectively) for the province compared to the Central Karoo District municipality (0.68 and 0.72, respectively). Education and income index as part of the HDI and CDI was below the provincial figures.

In addition, the index of multiple deprivation—a measure of multiple deprivation in a small area and is unique with inclusion of a measure of geographic access as an element of deprivation and in its direct measure of poverty—confirms that there is some element of multifaceted deprivation within the Central Karoo district. The index is made up of five distinct dimensions of deprivation called domain indices¹⁵.

Table 8: Selected Socio-Economic Indicators, education

Education			
Percentage of people over 14 illiterate (less than grade 7)	37%		
Educator – learner ratio	36		
HDI	0.68	CDI	0.72
Health	0.66	Infrastructure	0.70
Income	0.72	Waste	0.74
Education	0.65	Health	0.69
		Education	0.75
		Income	0.72

Source: Department of the Premier (2005)

¹² Inclusive of inadequate housing but excludes overcrowding.

¹³ HDI is derived from Health index (a weighted mean of life expectancy and infant mortality), Income index (proxy used is mean household income) and Education index (a weighted mean of adult literacy and gross enrolment)

¹⁴ CDI is derived from all the data as calculated in HDI, but in addition, for CDI there is Infrastructure index (the mean of water connection, sewerage, electricity and telephone), and Waste index (solid waste removal per household).

¹⁵ These relate to income, employment, health and disability, education, skills and training, barriers to housing and services, crime and living environment. The ward with a rank of 1 is the most deprived, and the ward with a rank of 332 is a least deprived for each domain.

Multiple Deprivation

All the wards in Central Karoo Municipality fall on the list of the first 50 most deprived PIMD. These are Laingsburg with 333,31 points and a rank of 27, Prince Albert with 352,96 points and a rank of 17 and Beaufort West with 389,62 points with a rank of 5.

The Central Karoo wards, however, did not feature in the 50 first lists of the least deprived areas. This again proves that this is a poor district and suffers a lot of poverty and unemployment.

Education

Central Karoo District has 26 secondary and primary schools, representing 1,9 per cent of schools in the Western Cape. Central Karoo has a proportion of 37,0 per cent of people over 14 years with less than grade 7, compared to Beaufort West local municipality which had 32,0 per cent. Central Karoo DMA has the highest illiteracy level of people of 14 with 49,0 per cent. Error! Reference source not found. **Table 9: Highest education level grouped for 20+ ages, 2001**

	Beaufort West	Per cent	District	Per cent
No schooling	3109	14.7	5858	16.8
Some primary	4343	20.5	8111	23.3
Completed primary	1839	8.7	3122	9.0
Some secondary	7091	33.4	10604	30.5
Grade 12/Std 12	3712	17.5	5046	14.5
Higher	1122	5.3	2065	5.9

Source: Statistics South Africa, Census 2001

Health

The Central Karoo District expenditure review reported that there are 7 mobile clinics in Central Karoo District, 9 clinics and 1 Community Health Care centre (CHC). Results from health indicators are mixed with some comparing negatively in relation to national targets. Births under 2,5kg at 26,0 per cent rise above the national target of less than 10,0 per cent. For children under 1 year, 80,0 per cent had first measles immunisation, thus 10,0 per cent below the national target of 90,0 per cent.

The TB prevalence was high with 1 014 cases per 100 000 people while the cure rate was low at 71,0 per cent, which is well below the 85,0 per cent national target. Meanwhile, HIV prevalence in the district is projected to increase from 1,7 per cent to 2,7 per cent in 2005 and 3,3 per cent by 2010 (ASSA2003 Model, CARE 2005).

AIDS related deaths are projected to increase from 35 in 2001, to 66 in 2005 and 106 in 2010. As a proportion of total deaths, it increases from 6,4 to 10,5 to 15,4 per cent between 2001, 2005 and 2010 respectively.

The workload for nurses in the district is in manageable (at 31 patients per nurse per day), below the target set nationally (34), although individual municipalities vary greatly in this regard.

Prince Albert's workload, a patient: nurse ratio of 54 per day is the highest in the district and among the highest in the province.

Table 10: Central Karoo District Health Indicators

Health measures			
		National health targets	
Proportion under 1 with 1st measles immunisation	80%	90%	
Percentage births under 2,5kg	26%	< 10%	
TB prevalence per 100 000	1014		
TB Cure rate ¹⁶	71%	85%	
Patient – nurse workload per day	31	34	
HIV/AIDS prevalence rate (2005)	2.7%	HIV/AIDS prevalence rate (2010)	3.3 %
Number of HIV/AIDS deaths (2005)	66	Number of HIV/AIDS deaths (2010)	106

Source: Department of Health (2005)

Crime

Central Karoo District has 9 police stations which represent 6,0 per cent of the Western Cape Province (149 police stations). Total number of reported crimes increased from 5 911 in 2002/2003 to 6 341 in 2004/2005. This was mainly due to a sharp increase in drug related crimes from 168 in 2002/3 to 609 in 2004/5. The number of murders and rapes remained high over this period.

Table 11: Crime statistics, 2002-2005

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	36	49	46
Rape	109	102	99
Neglect and ill-treatment of children	18	24	19
Drug related crime	168	322	609
Total number of reported crimes	5911	6517	6341

Source: SAPS (2005)

¹⁶ Data used is 03/04 as there is no data for 04/05

Municipal Sustainability

The following section focuses on the factors contributing to the sustainability of municipality ranging from continuity of the prevailing political environment, revenue generating capability, through effective debt and debtors management, costs containment and the internal capacity of the municipality, particularly in relation to personnel.

Role of Local Government

In terms of the Constitution (Sections 151(1) (b) and (156) (1)) municipalities have an *executive obligation* to deliver municipal services. According to the Constitution that was drafted in 1996 Local Governments are mandated to:

- Provide democratic and accountable government for local communities.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development.
- Promote a safe and healthy environment.
- Encourage the involvement of communities and community organisations in the matters of local government.

The Central Karoo District Municipality is not unique in its mandate to function according to the guidelines of the Constitution. The role of the district municipality is to make rules for a district that include more than one local municipality.

The role of district municipality together with local municipalities sharing the responsibility for local government is to ensure that services are delivered to communities, especially the marginalised communities. District municipality help out the municipalities that struggle financially by sharing resources with others. The purpose is to ensure that they have equal access to resources and services. Some other duties of district municipality are to work on bulk projects that affect larger proportion of the municipalities in the district.

Political environment

Table 12 shows changes in political governance between 2000 and 2006. The comparison is intended to reflect the extent of continuity within the political makeover between the two election periods. In terms of political makeover, including the newly formed party ICOSA, there is evidence of continuity within the district. In fact, ICOSA is made of defectors from different parties.

In 2006, the African National Congress (ANC) dominated in the Central Karoo District Municipality in 2006 netting 3 seats compared to other parties. The Independent Civic Organisation of South Africa (ICOSA) won 2 seats while the Democratic Alliance (DA) had 1 seat. In Beaufort West ICOSA and the ANC had 5 seats each.

Table 12: Changes in political governance, 2000 and 2006

PARTY	Total Seats									
	Prince Albert		Beaufort West		Laingsburg		Central Karoo DMA		Central Karoo District	
	2006	2000	2006	2000	2006	2000	2006	2000	2006	2000
ANC	3	2	5	5	2	3	1	1	3	1
DA	3	4	2	2	2	3	0	0	1	0
ICOSA	0	0	5	0	0	0	0	0	2	0
LGP	0	0	0	0	2	0	0	0	0	0
ID	0	0	1	0	0	0	0	0	0	0
TOTAL	6	6	13	7	6	6	1	1	6	1

Source: Own representation based on IEC data

Revenue Generation Capacity

The total Central Karoo municipal budget for the financial year 2006/07 is R191,9 million. Main sources of own revenue comprise the larger part of the total with R70,9 million, which is 37,0 per cent of the total, followed by all other sources of revenue with R57,2 million. For the period 2006/07 growth is expected to be 9,0 per cent. Revenue growth over the MTIEF is expected to drop an average annual rate by negative 1,5 per cent.

Table 13: Overall municipal revenue

Source	Budget		Medium Term estimate		Growth	
	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
R'000						
Transfers	90 511	63 803	60 952	62 109	-29.5%	-11.8%
<i>National transfers</i>	40 146	12 011	9 680	9 266	-70.1%	-38.7%
<i>Provincial transfers</i>	19 564	14 012	7 433	6 830	-28.4%	-29.6%
<i>Municipal transfers</i>		100			N/A	N/A
<i>Unclassified</i>	30 801	37 680	43 839	46 013	22.3%	14.3%
Main sources of own revenue	65 048	70 907	75 334	79 361	9.0%	6.9%
All other sources of revenue	53 766	57 228	56 898	58 361	6.4%	2.8%
Total	209 325	191 938	193 184	199 831	-8.3%	-1.5%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Central Karoo: Final Budget 2006 MTREF

The total own revenue generation is expected at an average annual rate of 6,9 per cent for the MTIEF. The revenue growth is based on the revenue derived from electricity, water and refuse removal.

Table 14 states that for the budget period 2005/2006, electricity accounted for 37,0 per cent of own revenue, property rates (23,1%), and water (15,4%). This scenario continues in the budget period 2006/07 with 38,6 per cent coming from electricity, 24,6 per cent coming from property rates and 15,4 per cent of the revenue generated from water.

Table 14: Main sources of own revenue

R'000	Budget		Medium Term estimate		Growth	
	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
Property rates	23.1%	24.6%	24.6%	24.4%	16.0%	8.9%
Electricity	37.0%	38.6%	38.4%	38.2%	13.7%	8.0%
Water	15.4%	16.6%	16.7%	17.1%	17.1%	10.5%
Sanitation	12.0%	12.4%	12.3%	12.5%	13.5%	8.4%
Refuse removal	5.8%	6.3%	6.6%	6.5%	19.3%	11.2%
Other	6.7%	1.4%	1.3%	1.3%	-76.9%	-38.6%
Total	100.0%	100.0%	100.0%	100.0%	9.0%	6.9%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Central Karoo: Final Budget 2006 MTREF

Staffing levels within the Central Karoo District municipality, Laingsburg and Prince Albert local municipalities remained stable over the assessment period. Beaufort West local municipality staffing levels on the other hand, have fluctuated each year.

Beaufort West has the highest number of staff employed (283 employees) within the district and Laingsburg has the lowest (37 employees). This trend exists across the assessment period.

Table 15: Annual staffing levels 2002-2005 (Actual levels)

MDB Code	Municipal name	Employment 2002	Employment 2003	Employment 2004	Employment 2005
DC5	Central Karoo District Municipality	174	175	183	174
WC051	Laingsburg municipality	34	34	37	37
WC052	Prince Albert municipality	40	45	45	45
WC053	Beaufort West municipality	251	270	229	283

Source: Demarcation Board (Census 2001 data)

Both Laingsburg and Prince Albert have completely filled their positions. No information is given for Beaufort West in this regard. Central Karoo District municipality has 96,1 per cent of the vacancies filled and has indicated 7 vacant positions were available in 2005.

Beaufort West municipality currently has the lowest staff per capita ratio (1:131). This has been a consistent pattern since 2002. Central Karoo has a highest staff ratio (1:348) within the district. This according to the demarcation board is considered high level of staff that needs consideration. Prince Albert with a ratio of 1:234 also has a staff ratio above 200.

Table 16: Existing staffing levels

MDB Code	Municipal name	No. of approved positions 2005	Total No. currently employed 2005	No. of vacant positions 2005	Per centage of posts filled 2005
DC5	Central Karoo District Municipality	181	174	7	96.13%
WC051	Laingsburg municipality	37	37		100%
WC052	Prince Albert municipality	45	45		100%
WC053	Beaufort West municipality		283		

Source: Demarcation Board (Census 2001 data)

Conclusion

Central Karoo is characterised by limited economic activity, which then translates to multiple deprivation. The economy grew at an annual average of 4,2 per cent between 1995 and 2004, with a relatively diversified economy, though largely reliant on agriculture, forestry and fishing, CSP services and wholesale and retail trade for employment.

The district has one of the highest employment levels within the province. Unemployment was estimated at 36,0 per cent in 2001. Without strategic interventions to stimulate economic activity, the district will find it survive harsh economic conditions.

The Expanded Public Works Programmes (EPWP) and other government led interventions (incentives) could prove a valuable tool for poverty alleviation while enhancing future employability by providing temporary employment and training.

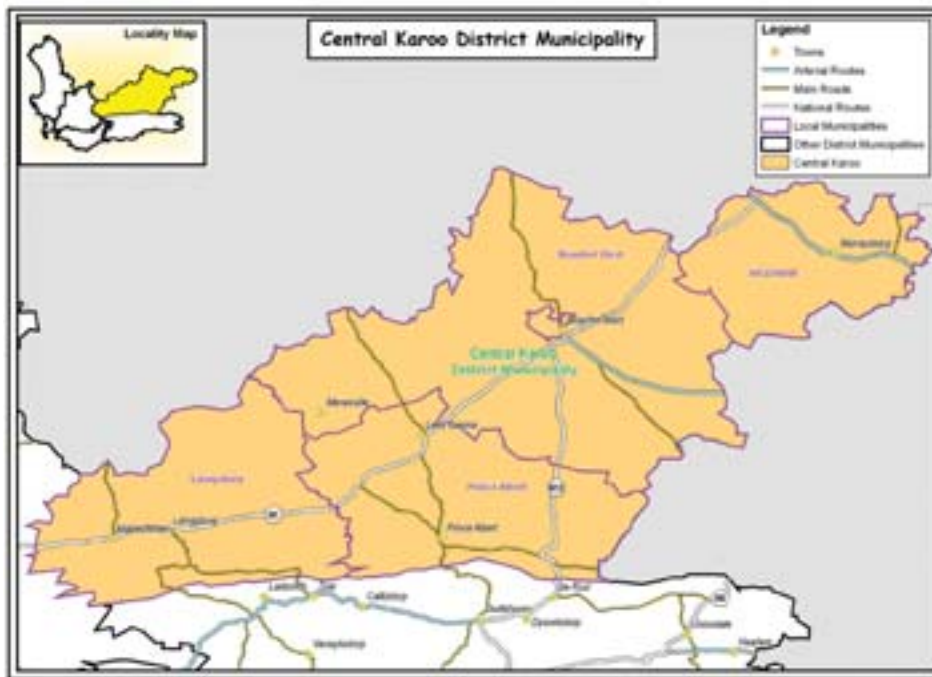
There is room to explore the possibility of investing in less eco-sensitive manufacturing in the region. Tighter planning, controls and monitoring are important for the projects considering the high levels of over spending or inadequate budgeting.

Central Karoo is lagging in the provision of key basic services, in particular of refuse removal, energy and sanitation. Some of these backlogs have been budgeted for, but the successful delivery largely depends on the implementation of delivery plans.

The provision of key social infrastructure, (schools, healthcare facilities and police stations) is adequate but more is needed to even out intra district disparities in the utilisation of schooling and health care facilities and police stations. Strategies directed at optimising workload in health and policing are important for Central Karoo.

2

Laingsburg Local Municipality



List of towns

Bergsig
Goldnerville
Laingsburg
Matjiesfontein

Nominal GDPR (2004)	: R66.8 million
Total population (2006)	: 7 330
Urban/rural ratio	: 63/37
No. of wards	: 0

Introduction

The municipality is classified as a category B municipality. Laingsburg is approximately 200 km from Cape Town on the N1 highway that passes through the town.

It has a surface area of 8 781 km² and a total population of 7 330 people in 2006. The population density is 0,8 persons per km². Apparently it is the smallest population in the province and is also the smallest in the whole South Africa.

Laingsburg municipality is characterised by rural agriculture that consist of mainly extensive small stock grazing (Dorper and Dohne Merino sheep). This municipality gets only about 50mm of rainfall per year.

Small amounts of wool are produced in Laingsburg municipality. The municipality produce 80 000 sheep carcasses per year, though there are only two abattoirs in the area.

The region is also known for the production of apricots, dried yellow peaches, pears, plums, quinces and tomatoes.

In 2004 its economy was concentrated in mainly three sectors, namely agriculture, forestry and fishing (23,2%), transport and communication (22,6%) and wholesale and retail trade; catering and accommodation (19,3%).

Laingsburg contributed 9,6 per cent or R66.8 million of the District's R705.5 million in 2004.

Growth between 1995 and 2004 was strong at an average annual rate of 4,8 per cent. Transport and communication, agriculture, forestry and fishing, and wholesale and retail trade; catering and accommodation grew strongest over the period 1995 and 2004 at 10,6 per cent, 8,1 and 5,3 per cent respectively.

Total population	(2001)	: 6 808	Population Density 0.8km²	
	(2006)	: 7 330		
	(2010)	: 7 720		
Population growth rate (average annual)				
2001-2006	1.49%			
2006-2010	1.30%			
<i>Centre for Actual Research, 2005 (Population projections for the Western Cape 2001 – 2025)</i>				
Socio-economic indicators				
	Laingsburg Municipality		Central Karoo District	
GDPR 2004	R66.8 million		R705.5 million	
Unemployment rate 2001	26.2%		36.0%	
Number of unemployed 2001	701		7 653	
Proportion of households with no income	5.7%		7.56%	
Number of households with no income	111		1 147	
Education				
Percentage of people over 14 illiterate (less than grade 7)	42%			
Educator – learner ratio	34			
Health measures				
		<i>National health targets</i>		
Proportion under 1 with 1st measles immunisation	78%	90%		
Percentage births under 2,5kg	22%	< 10%		
TB prevalence per 100 000	1 048			
TB Cure rate ¹	61%	85%		
Patient – nurse workload per day	23	34		
HIV/AIDS prevalence rate (2005)	2.0%	HIV/AIDS prevalence rate (2010)		2.7%
Number of HIV/AIDS deaths (2005)	5	Number of HIV/AIDS deaths (2010)		10
Crime measures (reported crime)	2002/2003	2003/2004	2004/2005	
Murder	1	7	4	
Rape	7	11	13	
Neglect and ill-treatment of children	1	3	1	
Drug related crime	25	112	230	
Total number of reported crimes	541	760	666	
Strengths	Challenges			
Well diversified economy.	Growing unemployment.			
Strong economic growth.	Poor health indicators.			
Strong agricultural sector	Low household income levels.			

¹ Data used is 03/04 as there is no data for 04/05

Economic profile

This section reviews the economic potential of the Laingsburg municipality, including the contribution of different sectors to economic growth, and in particular, their importance and relevance to the development prospects of the region.

Economic Outlook

Over the period 1995 to 2004 Laingsburg recorded an annual growth rate of 4,8 per cent. Central Karoo district on the other hand recorded 4,2 per cent over this period. In 2004, Laingsburg municipality contributed only 9,5 per cent, or R66,8 million to the Central Karoo's (R705 million) GDPR.

The municipality has an economic development potential in agribusiness through fruit and vegetable processing, indigenous sheep breeding establishment of the regional marketing business.

Over the period 1995-2004 the potential growth in Laingsburg has been observed in the following sectors: transport and communication (10,6%), agriculture, forestry and fishing (8,1%) and electricity and water (6,8%).

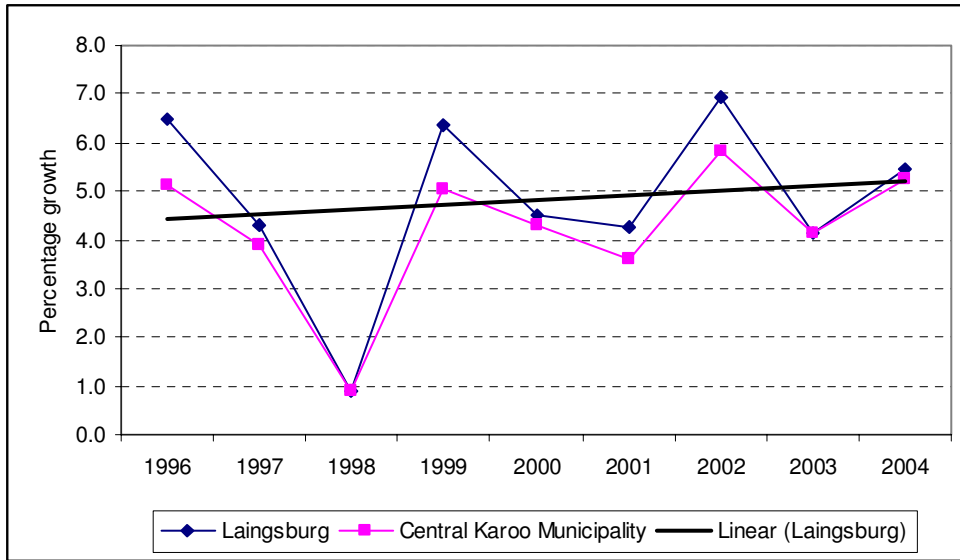
Regional gross domestic product (GDPR)

The overall growth trend in figure 1 for the period 1996 to 2004 is steadily positive. In 1998 there was a sharp decline in growth (0,9%) compared to a growth rate of 4,3 per cent in 1999. However, in 1999 the growth picked up to 6,3 per cent.

The financial crisis that erupted in mid 1997 in Asia led to a sharp decline in currencies, stock markets, and other asset prices of a number of Asian countries. This also affected emerging markets in other international countries leading to volatilities in international financial markets.

The overall growth rate in Laingsburg municipality has been above that of the Central Karoo District during that period, but the growth trend pattern has been similar between Laingsburg and Central Karoo District Municipality.

Figure 1: GDP growth trends: Laingsburg Municipality, 1996 - 2004



Source: Own calculations, based on Quantec data 2006

Sectoral Analysis

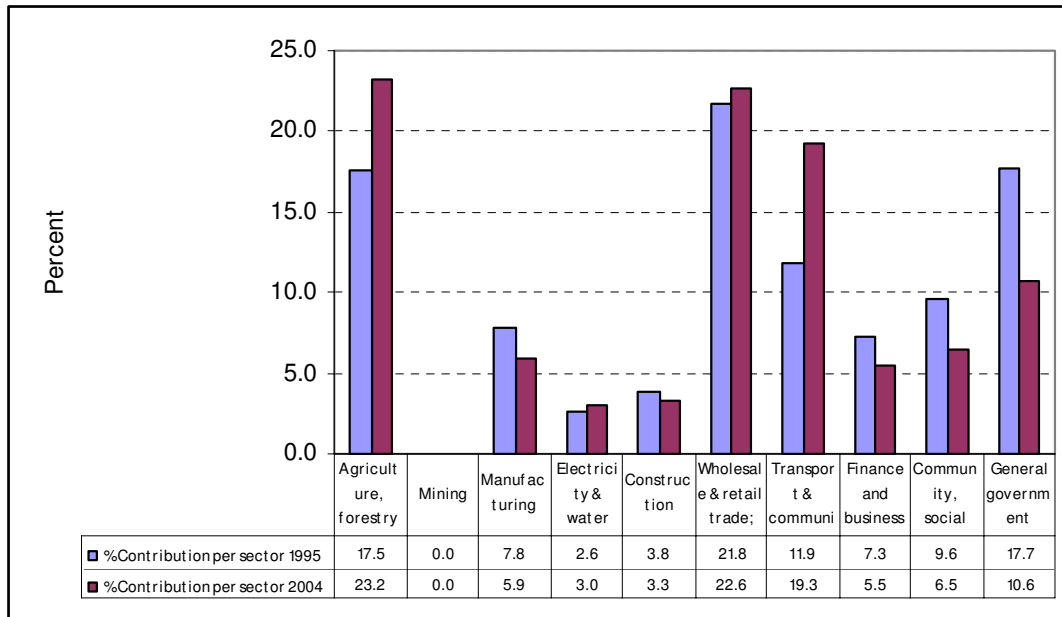
For the period 2004 the most observed growth sectors in Laingsburg were Agriculture, forestry and fishing (23,2%), wholesale & trade; catering and accommodation (22,6%) and transport and communication (19,3%).

Agriculture, forestry and fishing sector is apparently also the major employer (43,8%) in Laingsburg. Other employment sectors in Laingsburg municipality are wholesale & retail trade; catering and accommodation (18,0%) and community, social and other personal services (13,9%).

In 2004, community, social and other personal services sector contributed 6,5 per cent and manufacturing 5,9 per cent to Laingsburg municipality's GDP. Manufacturing's largest sub-sectors in terms of contribution to the manufacturing sector's regional GDP were metals, metal products, machinery and equipment (64,6%) and food, beverages and tobacco (23,1%).

In 1995, Agriculture, forestry and fishing sector accounted for 17,5 per cent, below the contribution in 2004. Sectoral contribution to GDP of wholesale & retail trade; catering and accommodation was 21,8 per cent in 1995

Figure 2: Laingsburg Municipality: Sectoral contribution to GDP, 1995 and 2004



Source: Own Calculation based on Quantec Research data

In 2004, Laingsburg registered a growth rate of 5,5 per cent. The following 3 sectors outperformed that year's growth.

- Electricity & water (9,2%);
- Wholesale & retail trade; catering and accommodation (9,5%); and
- Transport & communication (7,0%)

All of these sectors continued to perform well for nine years, with the exception of transport & communication, which had an average annual growth of 10,6 per cent, but has reduced growth by 7,0 per cent in 2004.

What is more depressing is that community, social and personal services and finance & business sectors recorded negative growth levels (-1,4% and -1,8% respectively). These sectors contribution in 2004 was 6,5% and 5,5%, respectively.

This is also a cause of concern for community, social and personal services as this is one of the labour absorptive sectors, accounting for 13,9 per cent of all the employed inclusive of private households, in the district.

Over the more recent 4-year period ended 2004 the average annual growth in the Laingsburg municipality was the strongest in transport and communication (9,0%), electricity & water (6,9%) and agriculture, forestry and fishing (6,6%).

Table 1: Laingsburg: GDP growth by sector ,

Industry	GDP 2004 R m	Contribution per sector 2004 (Per cent)	Average annual growth 1995-2004 (Per cent)	Average annual growth 2000-2004 (Per cent)	Growth 2003 – 2004 (Per cent)
Agriculture, forestry and fishing	15.5	23.2	8.1	6.6	6.7
Mining	-	0.0	-	-	-
Manufacturing	3.9	5.9	1.7	3.0	5.1
Electricity & water	2.0	3.0	6.8	6.9	9.2
Construction	2.2	3.3	3.4	4.5	4.6
Wholesale & retail trade; catering and accom	15.1	22.6	5.3	6.5	9.5
Transport & communication	12.9	19.3	10.6	9.0	7.0
Finance and business services	3.7	5.5	1.5	1.9	-1.8
Community, social and other personal services	4.3	6.5	0.3	-0.3	-1.4
General government services	7.1	10.6	-1.0	0.4	0.2
Total	66.8	100.0	4.8	5.2	5.5

Source: Own calculations, based on Quantec data 2006

Agriculture, Forestry and Fishing

Laingsburg municipality is characterised by rural agriculture and consist mainly extensive small stock grazing (Dorper and Dohne Merino sheep). Small amount of wool is produced in Laingsburg municipality. The municipality produce 80 000 sheep carcasses per year, though there are only two abattoirs in the area.

Agriculture, forestry and fishing is largest contributing sector to the regional GDP of Laingsburg accounting for R15.5 million or 23,2 per cent. Between 1995 and 2004 this sector had an average annual growth of 8,1 per cent. In a more recent period (2000 – 2004) this sector had an average annual growth of 6,6 per cent. In 2004 agriculture, fishing and forestry sector grew by 6,7 per cent.

Wholesale & retail trade; catering and accommodation

Wholesale & retail trade; catering & accommodation is the second largest sector in Laingsburg local municipality contributing R15.1 million, which is 22,6 per cent of the regional GDP.

The average annual growth rate for the period 1995-2004 of the wholesale and retail trade; catering and accommodation was 5,3 per cent. And for the more recent period from 2000-2004 it increased to 6,5 per cent. However, over a one year period the real growth rate for 2004 was 9,5 per cent. The positive growth trend in this sector is facilitated by the presence of N1 highway passes through with the short stops.

Transport and communication

The third largest sector in regional contribution to the GDP in Laingsburg municipality is transport and communication accounting for R12,9 million or 19,3 per cent. From the period 1995 to 2004 this sector grew at an average annual growth of 10,6 per cent. In a 4 year period ended 2004 this sector grew at an average annual rate of 9,0 per cent. In 2004 the sector grew at a real growth rate of 7,0 per cent. The growth in transport sector can be attributed to benefits of its linkages to the N1 highway.

Manufacturing

Manufacturing is the sixth largest sector in the region accounting for R3,9 million or 5,9 per cent of the regional GDP. For the period 1995-2004 manufacturing sector in Laingsburg municipality grew at an average annual rate of only 1,7 per cent. In a more recent period 2000-2004 manufacturing grew stronger at 3,0 per cent.

The Central Karoo District grew at 6,6 per cent in the period 1995-2004 and further grew at 7,2 per cent in a more recent period 2000-2004. The GDP growth between 2003 and 2004 for the manufacturing sector was 5,1 per cent (see table 1) in Laingsburg compared to the 9,6 per cent (see the District's profile) of the district.

Table 2: Laingsburg manufacturing sub-sectors, 2004

Manufacturing Sub-sectors 2004	Rm	%
Food, beverages and tobacco	0.9	23.1
Textiles, clothing and leather goods	0.0	0.0
Wood and paper; publishing and printing	0.1	2.8
Petroleum products, chemicals, rubber and plastic	0.2	5.7
Other non-metal mineral products	0.1	3.8
Metals, metal products, machinery and equipment	2.6	64.6
Electrical machinery and apparatus	0.0	0.0
Radio, TV, instruments, watches and clocks	0.0	0.0
Transport equipment	0.0	0.0
Furniture and other manufacturing	0.0	0.0
Total	3.9	100.0

Source: Own calculations, based on Quantec data, 2006

Within the manufacturing sector metals, metal products, machinery and equipment sub-sector plays a very important role in Laingsburg comprising 64,6 per cent of the sector in 2004, a marked improvement from 56,1 in 1995.

Laingsburg local municipality is very highly concentrated with a Tress Index² of 87,3 per cent. This compares with a highly concentrated Tress Index of 72,7 per cent for the Central Karoo District Municipality and a more diverse manufacturing sector of the Western Cape that reports a Tress Index of 43,7 per cent.

² The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 being completely diversified and 100 reflecting total concentration (i.e. 1 industry or monopoly).

Economic infrastructure

The provision of infrastructure services like water, housing, electricity, roads, pavements, bridges, represent a condition for improved economic growth, welfare quality of life and productivity of growth. Thus infrastructure plays a dual role in the economic system, namely an improvement in economic activity and an improvement in living conditions.

Agriculture is the main dominant activity in Laingsburg and consists mainly of small stock grazing. About 50,0 per cent of the 80 000 sheep carcasses that are produced there per year are marketed and processed outside Laingsburg.

There are only two abattoirs in the region. There are two traditional fruit areas in that region for the production of apricots, peaches and plums. The area is also used for seed production of onions, chard, pumpkin and beetroot. Transport infrastructure is reported to be poor in the farming areas and that leads to the damaged fruit.

Roads and transport

N1 highway to Johannesburg passes through Laingsburg and therefore passing transport remains one of the most important markets of the Laingsburg municipality. The railway was a primary reason for the establishment of settlements such as Matsjiesfontein, Laingsburg, Prince Albert, Leeu-Gamka, Beaufort West and Nelspoort. The railway way is currently used for transporting passengers and goods.

Transport-related constraints

Laingsburg produce deciduous fruit, which is key to unlocking the economic fortunes of the rural areas. In addition, transportation of the fresh produce to the ports is adversely affected by lack of public transport to, and if available, it is expensive with the distance cited as the excuse for the price differentials. This threatens the livelihood of some farmers.

In 2004 the transportation sector contributed over R12.9 million, accounting 19,3 per cent of the regional economy.

Demographics and Labour Force

This section provides information regarding the population and also the participation of labour in the labour market through sector employment.

Demography

There is a total number of 8100 households that live in Laingsburg municipality. Of this 91,3 per cent lives in urban areas with the remaining 8,7 per cent living in rural areas. 0,7 per cent of rural households in the Western Cape reside in Laingsburg municipality compared to their urban counterparts which is 0,1 per cent. Central Karoo District municipality urban population is 74,9 per cent which is below that of Laingsburg average.

Table 3: Rural and urban households 2001

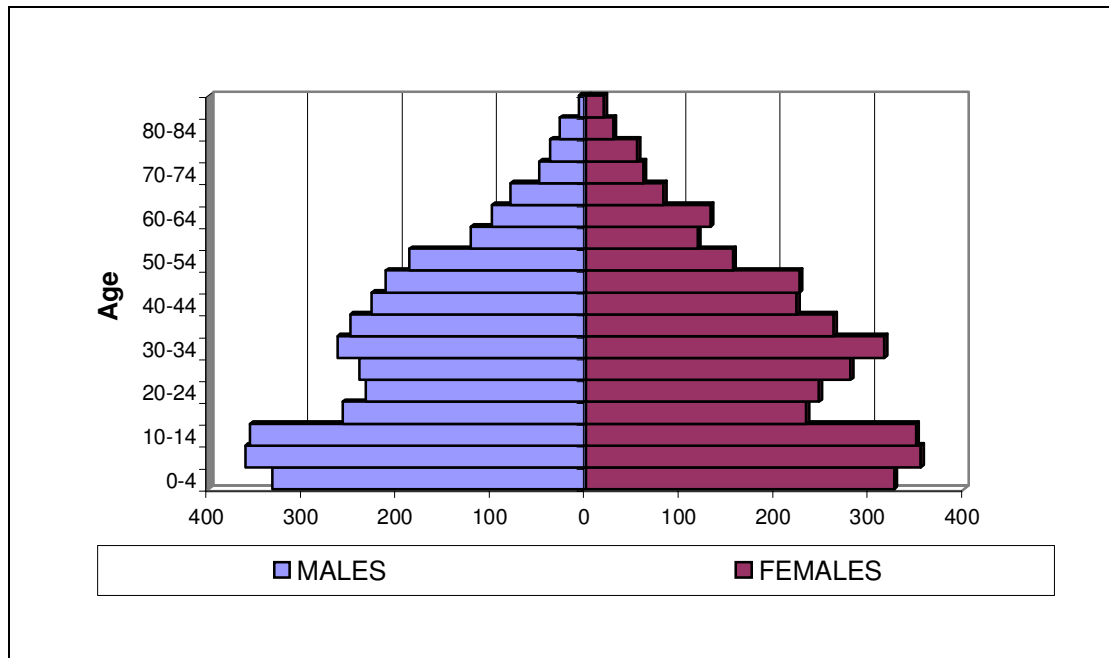
	Total no of households	No of rural households	Rural households (Per cent)	Rural households (per cent of province (for district) or district)	No. of urban households	Urban households (Per cent)	Urban households (per cent of province (for district) or district)
Central Karoo Municipality	15,016	3,763	25.1	3.5	11,253	74.9	1.1
Laingsburg	8100	706	8.7	0.66	7394	91.3	0.1

Source: Demarcation Board (Census 2001 data)

Figure 3 below depicts the municipality's demographic profile in 2006. The broad base highlights a large young population as well as significant proportion of persons between the ages of 5 to 9 and 10 to 14. The dependency ratio³ has changed slightly between 2001 and 2006, declining by 0,02 from 0,59 to 0,53. It is projected to be at 0,54 in the year 2010.

³ The dependency ratio is calculated as the number of 0-14 year olds plus the number of 65 year olds and older, divided by the number of people in the 15-64 year old age cohort. This is to give a rough indication of dependency, but should be noted that it is not linked to labour force or income earners (including those of pensionable age who have access to social or private pensions or other income).

Figure 3: Laingsburg population pyramid, 2006



Source: CARE 2005

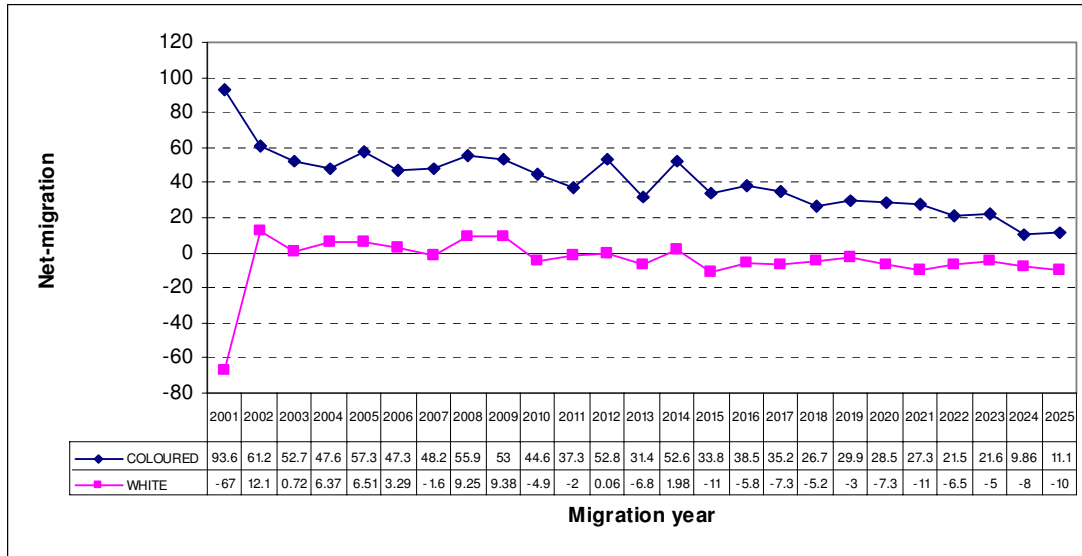
Between 2001 and 2006 Laingsburg’s population increased from 56 808 to 7 330, at an annual average of 1,5 per cent. Growth is projected to slow to 1,3 per cent between 2006 and 2010.

Figure 4 shows the projected migration numbers in the Laingsburg municipality for the period 2001-2025. Migration figures from the CARE 2005 model shows net migration into the district of 27 in 2001, increased to 65. Migration and HIV/AIDS are already taken account of when doing population projections. No Africans are reported to have moved in or out of Laingsburg municipality.

Figure 4 also shows an in-migration of Coloureds (94) in 2001. CARE 2005 model figures also show that there is going to be a continued in-migration of Coloureds to Laingsburg municipality until 2025.

For Whites according to the CARE 2005 model it is shown that they in-migrated in 2002 to 2006 and again projected to in-migrate in 2008 and 2009. It is projected that they will continue to do so until 2025 although the level of out-migration will decline.

Figure 4: Migration trends– Central Karoo District Municipality, 2001-2025



Source: CARE 2005

Labour market profile

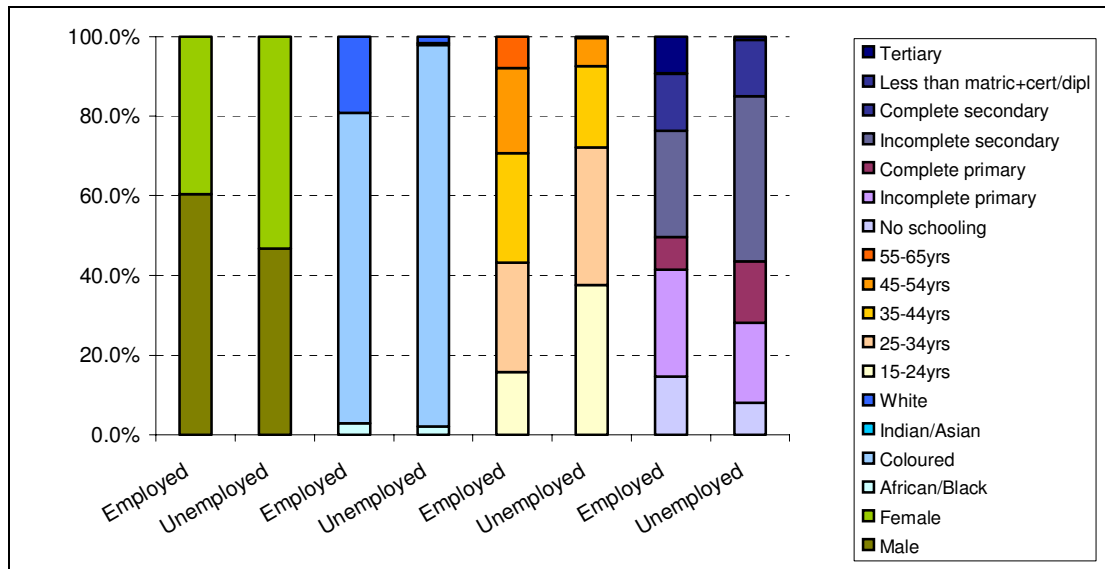
Table 4: Laingsburg labour market information, 1996 and 2001

	Employed	Employed (per cent)	Unemployed	Unemployed (per cent)	Labour force	Labour force participation rate (per cent)	Not economically active	Total population 15-65
1996	2 009	83.3	402	16.7	2 411	67.6	1 154	3 565
2001	1 976	73.8	701	26.2	2 677	63	1 568	4 246

Source: Statistics South Africa, Census 1996, 2001

Between 1996 and 2001, labour force participation declined from 67.6 to 63.0 per cent. The total number of people employed decreased to 1 976 in 2001 from 2 009 in 1996, while the number of unemployed increased to 701 in 2001 from 402 in 1996. This led to an increase in the unemployment rate from 16.7 to 26.2 per cent for the same period.

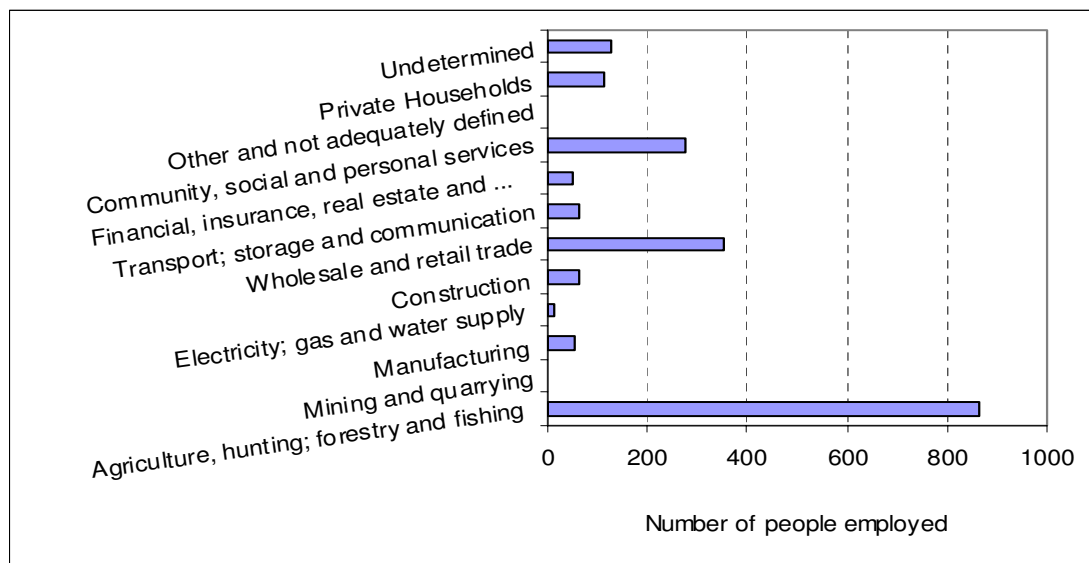
Figure 5: Characteristics of Laingsburg's employed and unemployed, 2001



Source: Statistics South Africa, Census 2001

The graph above shows the proportion of employed and unemployed within different groups. Males and persons in older age groups make up a larger part of the employed. Whites are over-represented within the ranks of the unemployed, given the racial profile of the municipality. The rate of unemployment within Coloureds and the youth (15-24 years) was high during the period under review. The majority of the employed population (76.2%) had incomplete secondary education, indicating the level of education in the area.

Figure 6: Laingsburg municipality employment by sector, 2001



Source: Statistics South Africa, Census 2001

In 2001, by far the greatest job creating sector was Agriculture, hunting, forestry and fishing, creating 43.8 per cent of all jobs in the area followed by wholesale and retail trade (18.0%) and community, social and personal services (13.9%).

Table 5 shows skills⁴ level of the employed, Laingsburg municipality has high skilled occupation of 13,7 per cent compared to the district, which has 14,2 per cent. Central Karoo District Municipality has a high number of low skilled (43,8%) compared to Laingsburg municipality (34,0%). The majority of the employed in Laingsburg is skilled (52,4%).

Table 5: Skilled level of the employed

	Laingsburg	District
High skilled	13.7	14.2
Skilled	52.4	42
Low skilled	34	43.8

Source: Statistics South Africa, Census 2001

The department of Social Development provides grants to over 5.6 million people per month at a cost of more than 2.2 billion monthly. Social security grant plays a very important role in alleviating poverty amongst children, women, the elderly and the people with disabilities.

Benefit transfers include old age grants, war veteran's grants, disability grants, care dependency grants, foster care grants, and grant-in-aid. Table 6 shows number of beneficiaries and the average monthly amount of grant in Laingsburg local municipality.

The total population for Laingsburg local municipality is about 7 330 people in 2006, of that population there is about 107 individuals or recipients that receive social grants which is about 1,5 per cent of that population.

The largest proportion of the recipients receiving grants is children through child support grant (50,5%). Following that is the disability grant accounting for 23,8 per cent. The old age grants accounts for 19,8 per cent in Laingsburg municipality.

^{4 4} High skilled - Legislators, senior officials and managers, Professionals, Technicians and associate professionals; Skilled – Clerks, Service workers, shop and market sales workers, Skilled agricultural and fishery workers, Craft and related trades workers, Plant and machine operators and assemblers; Low skilled – Elementary occupations. Unknown occupations were excluded from calculations.

Table 6: Social grants data 2005

Laingsburg	Average number of recipients (monthly)	Proportion of total recipients	Proportion of total recipients Central Karoo District	Average monthly value of grant⁵	Total value of grants paid (R - monthly)	Proportion of total value of grants (R - monthly)
OLD AGE	21	19.8%	13.4%	724.49	15,335	29.7%
DISABILITY	25	23.8%	36.3%	787.25	20,009	38.7%
FOSTER CARE	3	2.4%	3.9%	683.87	1,767	3.4%
CAREDEPENDENCY GRANT	1	0.6%	0.7%	940.00	627	1.2%
CHILD SUPPORT	54	50.5%	43.7%	250.02	13,480	26.1%
GRANT IN AID	3	2.8%	1.9%	160.00	480	0.9%
ALL OTHER GRANTS	0	0.0%	0.1%	N/A	0	0.0%
TOTAL GRANTS	107	100.0%	100.0%	484.29	51,698	100.0%

Source: SASSA 2006

⁵ The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:

Lumpsum for the beneficiary due to the date the grant was put in payment versus the application date.

Lumpsum for the beneficiary due to previous month's grant being uncollected.

Lumpsum for the beneficiary due to re-instatements

Yearly beneficiary uptake (new applications)

Yearly Paypoints transfers (movement of beneficiaries between paypoints)

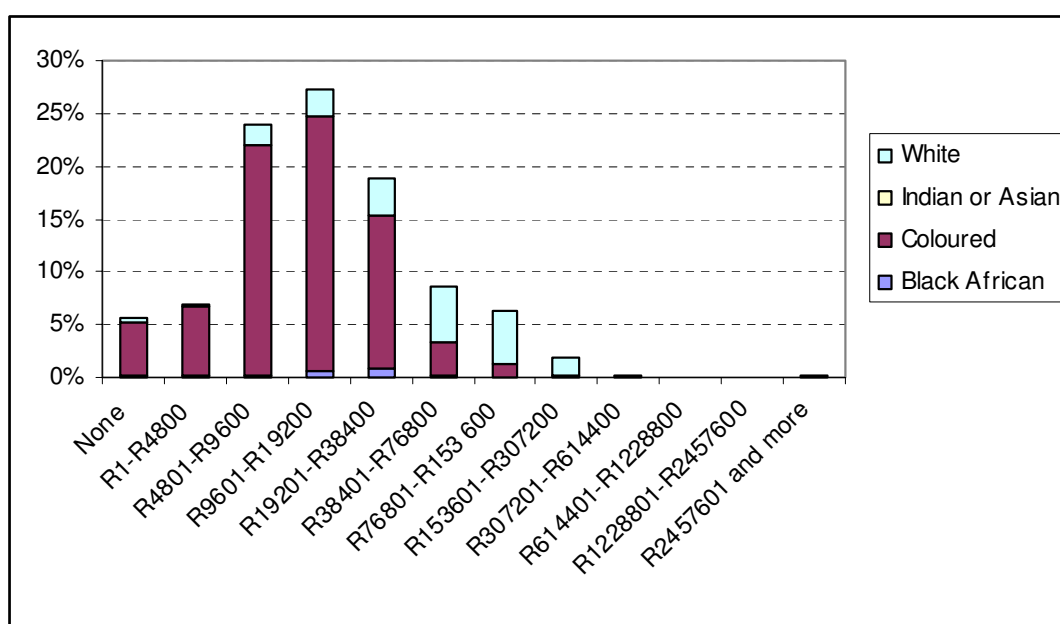
Well being of households

The well being of the households plays an important role in regional economic development. Factors such as access to household income, and basic and social services and the quality of life are explored in this section drawing for information from the 1996 and 2001 census.

Although it is five years on from the last census, it gives an indication of the level and changes in access to services in the inter-census period. The social services information is more up to date and communicates the health, education and crime challenges that the municipality faces.

Household income

Figure 7: Laingsburg Income Distribution by Population Group, 2001



Source: Statistics South Africa, Census 2001

The majority (70.1%) of households in Laingsburg earned between R4 801 and R38 400 per annum (or R400 to R3 200 per month). An additional 12.7 per cent earned less than this, between R0 and R400 household monthly income. Females headed 31.2 per cent of all households, while 15-24 year olds headed 4.9 per cent.

Access to basic services

Access to basic services has considerable influence on the standards of living and quality of life of people living in the municipality. The figure below compares the Laingsburg local municipality to the Central Karoo District on five measures of basic services, namely energy⁶, water⁷, refuse removal⁸, telephone services⁹ and sanitation¹⁰. It comprises only of the households with access to less than basic

⁶ Energy - Gas, paraffin, candles and other.

⁷ Refuse removal- own refuse dump, and no rubbish disposal.

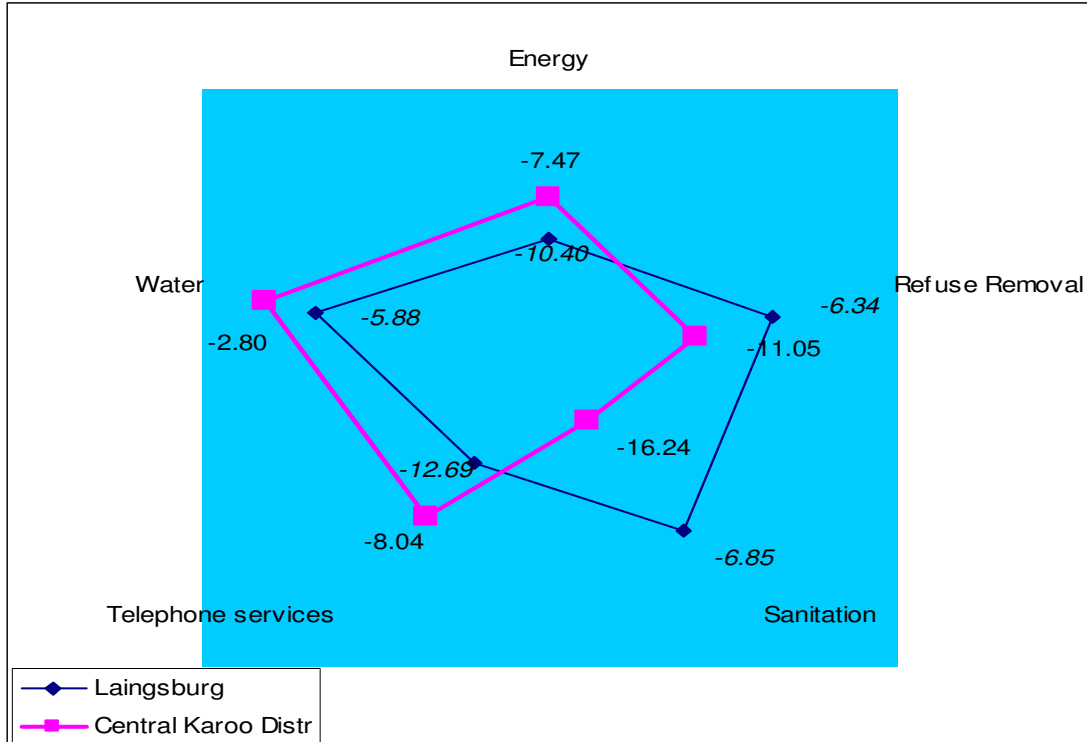
⁸ Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other.

⁹ Telephone services -Telephone at another location not nearby and no access to a telephone.

¹⁰ Sanitation - Bucket latrine, and none

services (as defined in the footnote). The negative sign in numbers indicate an improvement in access to respective services.

Figure 8: Percentage change in households with below basic access to services – Laingsburg versus Central Karoo District, 1996- 2001



Source: Statistics South Africa: 2001 Census: Community profile database, DBSA

Between 1996 and 2001, the proportion of population with less than basic access to telephone services (12.7%) and energy (10.4%) in Laingsburg decreased significantly. However, the number of households without basic access to these services only declined by 169 and 40 respectively.

Between this period the municipality made the most progress in the areas sanitation and refuse removals, reducing the proportion of households with below basic access by 6,9 and 6,3 per cent, respectively.

For 2004/05 budget a total of R121 000 was allocated for sewerage purification and reticulation, R50 000 for electricity reticulation, R577 000 for water reservoirs and reticulation. No amount has been budgeted for refuse sites.

Table 7: Changes in access to basic services between 1996 and 2001: Laingsburg

	Percentage Change	Energy	Refuse Removal	Sanitation	Telephone services	Water
		1996-2001	-10.4	-6.34	-6.85	-12.69
Number of households		-40	82	-46	-169	-74

Source: Statistics South Africa: 2001 Census; Community profile database, DBSA

Access to Housing

The housing backlog for Laingsburg increased from zero in 2001 to 900 in 2004. Between 1994 and 2004 a total of 300 housing units were built.

Access to Social Services

In this section the focus is on socio-economic analysis of the education, health crime and development indices.

Development indices

There are two ways of measuring the quality of life that have been used in this document and these are Human Development Index¹¹ (HDI) and City Development Index¹² (CDI). The HDI and CDI for Laingsburg did not compare favourably with that of the province. At 0.68 for both, the province scored 0.72 and 0.81 respectively.

In addition, the index of multiple deprivation—a measure of multiple deprivation in a small area and is unique with inclusion of a measure of geographic access as an element of deprivation and in its direct measure of poverty—confirms that there is some element of multifaceted deprivation within the Laingsburg municipality. The index is made up of five distinct dimensions of deprivation called domain indices¹³.

Multiple Deprivation

Laingsburg municipality fall on the list of the first 50 most deprived Provincial Index of Multiple Deprivation (PIMD). This municipality has 333,31 points and a rank of 27.

None of the Central Karoo District wards featured in the 50 first list of the least deprived areas. This then proves that this municipality is poor and suffers a lot of poverty and unemployment.

Table 8: Development Indices

Education			
Percentage of people over 14 illiterate (less than grade 7)	42		
Educator – learner ratio	34		
HDI			
	0.68	CDI	0.68
Health	0.67	Infrastructure	0.66
Income	0.72	Waste	0.63
Education	0.64	Health	0.69
		Education	0.71
		Income	0.72

Source: Department of the Premier (2005)

¹¹ HDI is derived from Health index (a weighted mean of life expectancy and infant mortality), Income index (proxy used is mean household income) and Education index (a weighted mean of adult literacy and gross enrolment)

¹² CDI is derived from all the data as calculated in HDI, but in addition, for CDI there is Infrastructure index (the mean of water connection, sewerage, electricity and telephone), and Waste index (solid waste removal per household).

¹³ These relate to income, employment, health and disability, education, skills and training, barriers to housing and services, crime and living environment. The ward with a rank of 1 is the most deprived, and the ward with a rank of 332 is a least deprived for each domain.

Education

There are 4 secondary and primary schools in Laingsburg local municipality representing 15,4 per cent of schools in the Central Karoo District. In Laingsburg, an alarming 42 per cent of the population over 14 years has had less than 7 years of formal education, compared to 37,0 per cent of the district. This is coupled with an educator-learner ratio of 34.

Table 9 shows level of education attained by people of 20 years and older. The average number of people in the Laingsburg municipality had some level of secondary education (27,8%), which is below the average of Central Karoo (30,5%).

The percentage of people with higher education in Laingsburg municipality is 5,7 per cent compared to Central Karoo District with 5,9 per cent. But in terms of occupational skills Laingsburg has a proportion of 13,7 per cent compared to Central Karoo District with 14,2 per cent.

There is an alarming 19,5 per cent of the people with no schooling in Laingsburg, compared to Central Karoo of 16,8 per cent.

Table 9: Highest education level for 20+ ages, 2001

	Laingsburg	Per cent	District	Per cent
No schooling	827	19.5	5858	16.8
Some primary	1078	25.4	8111	23.3
Completed primary	402	9.5	3122	9.0
Some secondary	1181	27.8	10604	30.5
Grade 12/Std 10	517	12.2	5046	14.5
Higher	241	5.7	2065	5.9

Source: Statistics South Africa, Census 2001

Health

Central Karoo District expenditure review reported that there are 2 mobile clinics and 1 clinic in Laingsburg municipality. Health indicators revealed that the proportion of children under the age of 1 year with first measles immunization was 78,0 per cent (below the national target of 90%). The percentage of births under 2.5kg was also high at 22,0 per cent, the national target being under 10,0 per cent.

TB prevalence stood at 1 048 for every 100 000 people, with a cure rate of 61 per cent. The national target for TB cure rate of 85,0 per cent has not been met. The patient nurse ratio was 23:1, lower than the national target of 34:1.

Meanwhile, HIV prevalence in the municipality is projected to increase from 1,2 per cent in 2001 to 2,0 per cent in 2005 and 2,7 per cent by 2010 (ASSA2003 Model, CARE 2005).

AIDS related deaths are projected to increase from 3 in 2001, to 5 in 2005 and 10 in 2010. As a proportion of total deaths, it increases from 3,9 to 7,1 to 12,0 per cent between 2001, 2005 and 2010 respectively.

Table 10: Health Indicators, 2005

Health measures			
		<i>National health targets</i>	
Proportion under 1 with 1 st measles immunisation	78%	90%	
Percentage births under 2,5kg	22%	< 10%	
TB prevalence per 100 000	1 048		
TB Cure rate	61%	85%	
Patient – nurse workload per day	23	34	
HIV/AIDS prevalence rate (2005)	2.0%	HIV/AIDS prevalence rate (2010)	2.7%
Number of HIV/AIDS deaths (2005)	5	Number of HIV/AIDS deaths (2010)	10

Source: Department of Health

Crime

The number of reported crimes increased from 541 to 666 between 2002/2003 and 2004/2005. Drug related crimes increased sharply from 25 in 2002/2003 to 230 in 2004/2005.

Table 11: Crime statistics, 2002-2005

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	1	7	4
Rape	7	11	13
Neglect and ill-treatment of children	1	3	1
Drug related crime	25	112	230
Total number of reported crimes	541	760	666

Source: SAPS (2005)

Municipal Sustainability

The following section focuses on the factors contributing to the sustainability of municipality ranging from continuity of the prevailing political environment, revenue generating capability, through effective debt and debtors management, costs containment and the internal capacity of the municipality, particularly in relation to personnel.

Political environment

Table 12 shows changes in political governance between 2000 and 2006. The comparison is intended to reflect the extent of continuity within the political makeover between the two election periods. In terms of political makeover, including the newly formed party ICOSA, there is evidence of continuity within the district. In fact, ICOSA is made of defectors from different parties.

In 2006, the African National Congress (ANC) tied seats with Democratic Alliance (DA) and Laingsburg Gemeenskap Party (LGP) where each won seats, while in Central Karoo District Municipality ANC won 3 seats in 2006 with ICOSA winning 2 seats and DA 1 seat.

Table 12: Changes in political governance, 2000 and 2006

Total seats				
PARTY	LAINGSBURG		CENTRAL KAROO DM	
	2006	2000	2006	2000
ANC	2	3	3	1
DA	2	3	1	0
LGP	2	0	0	0
ICOSA	0	0	2	0
TOTAL	6	6	6	1

Source: Own representation based on IEC data

Revenue generation capacity

The total Laingsburg municipal budget for the financial year 2006/07 is R23,3 million. Main sources of own revenue comprise the larger part of the total with R8,1 million, which is 35,0 per cent of the total, followed by all other sources of revenue with R6,9 million. For the period 2006/07 growth is expected to decline by -11,3 per cent in the overall municipal revenue. Revenue growth over the MTIEF is projected to decline at an average annual rate of -4,4 per cent.

Table 13: Overall municipal revenue

Source	Budget		Medium Term estimate		Growth	
	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
R'000	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
Transfers	13 894	8 225	7 286	7 816	-40.8%	-17.4%
<i>National transfers</i>	10 434	3 766	2 448	2 737	-63.9%	-36.0%
<i>Provincial transfers</i>						
<i>Municipal transfers</i>						
<i>Unclassified</i>	3 460	4 459	4 838	5 079	28.9%	13.6%
Main sources of own revenue	7 564	8 154	8 620	9 132	7.8%	6.5%
All other sources of revenue	4 824	6 934	5 978	6 033	43.7%	7.7%
Total	26 282	23 313	21 884	22 981	-11.3%	-4.4%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Laingsburg municipality: Final Budget 2006 MTREF

Table 14 states that for the budget period 2005/2006 property rates accounted for 43,5 per cent of own revenue, electricity (28,1%), and sanitation (11,1%). This scenario continues in the budget period 2006/07 with 42,4 per cent coming from property rates, 28,5 per cent coming from electricity and 11,1 per cent of the revenue generated from sanitation. Total own revenue growth over the MTIEF is expected to be at an average annual rate 6,5 per cent.

Table 14: Main sources of own revenue

R'000	Budget	Budget	Medium Term estimate		Growth	
	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
Property rates	43.5%	42.4%	42.5%	42.6%	5.2%	5.7%
Electricity	28.1%	28.5%	28.4%	28.1%	9.6%	6.6%
Water	9.4%	9.5%	9.4%	9.6%	9.3%	7.2%
Sanitation	11.1%	11.1%	11.1%	11.1%	8.0%	6.6%
Refuse removal	8.0%	8.4%	8.5%	8.5%	13.6%	9.0%
Other	0.0%	0.0%	0.0%	0.1%	50.0%	35.7%
Total	100.0%	100.0%	100.0%	100.0%	7.8%	6.5%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Laingsburg municipality: Final Budget 2006 MTREF

Staffing rates in Central Karoo district remain stable over the assessment period. Staffing levels in Laingsburg municipality remained stable at low levels in 2002 and 2003 and increased to 37 in 2004 and 2005.

Table 15: Annual staffing levels 2002-2005 (Actual levels)

MDB Code	Municipal name	Employment 2002	Employment 2003	Employment 2004	Employment 2005
DC5	Central Karoo District Municipality	174	175	183	174
WC053	Laingsburg municipality	34	34	37	37

Source: Demarcation Board (Census 2001 data)

Laingsburg municipality has a staff per capita ratio of (1:181). This has been a consistent pattern since 2004. Central Karoo district is considered to have the highest staff ratio (1:348).

Table 16: Existing staffing rates

MDB Code	Municipal name	No. of approved positions 2005	Total No. currently employed 2005	No. of vacant positions 2005	Percentage of posts filled 2005
DC5	Central Karoo District Municipality	181	174	7	96.1%
WC053	Laingsburg municipality	37	37		100%

Source: Demarcation Board (Census 2001 data)

Conclusion

Laingsburg local municipality grew at an average annual rate of 4,8 per cent between 1995 and 2004.

Agriculture is clearly marked as the most contributing sector in Laingsburg municipality, both in regional GDP and employment generation. Agribusiness activities need to be improved.

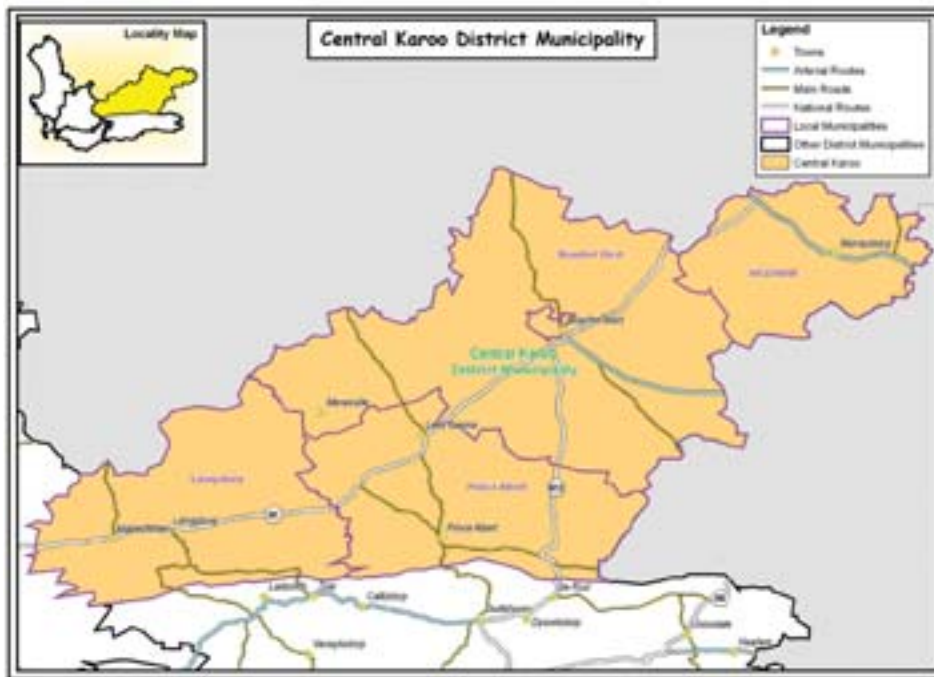
Laingsburg is characterised by very low household incomes, high unemployment levels and inadequate access to basic services. Access to basic services needs to be improved, particularly refuse removal, energy and sanitation where 36.3, 23.3 and 11.2 per cent respectively of the population still has below basic access to these services.

The housing backlog has crept up between 2001 and 2004, and needs to be addressed to avoid it escalating.

There is also a great need to address education as illiteracy levels of the population are high, the quality of health services and crime, given the rate of escalation in drug related crimes in recent years.

3

Prince Albert Local Municipality



List of towns

Leeu Gamka
Klaarstroom
Prince Albert

Nominal GDP (2004)	: R198.5 million
Total population (2006)	: 11 238
Urban/rural ratio	: 65/35
No. of wards	: 0

Introduction

Prince Albert lies in the Central Karoo municipality and is approximately 400 km north of Cape Town and about 170 km south of Beaufort West on the N1. Prince Albert local municipality covers towns of Leeu Gamka, Klaarstroom and Prince Albert. It has the second largest population in the Central Karoo District, with 11 238 people or 18,0 per cent of the district's population in 2006.

Prince Albert is known for its architecture and agriculture and is also a tourist centre. The chief farming activities in this area are deciduous fruit for the export market, olives, vineyards, vegetable seed production, lucerne and ostrich. The average rainfall for the area is about 241mm per year.

Farming is much more diversified in this region with small stock farming forming an important part into the farming community. Small stock farmers farm with sheep, Angora goats and game.

Karoo lamb, olives, olive oils and cheese are local delicacies. Prince Albert is well situated for overnight stops from Gauteng, Cape Town and Port Elizabeth.

The economy is concentrated in mainly three sectors, namely finance and business services (37,0%), wholesale & retail trade; catering & accommodation (17,8%) and transport & communication (14,0%).

Prince Albert contributed only 28,1 per cent of GDP or R198,5 million of the District's R705,5 million in 2004 with an estimated average annual growth rate of 7,8 per cent between 1995 and 2004.

Total population	(2001) : 9 739	Population Density 1.35 km²	
	(2006) : 11 238		
	(2010) : 11 628		
Population growth rate (average annual)			
2001-2006	2.90%		
2006-2010	0.86%		
<i>Centre for Actual Research, 2005 (Population projections for the Western Cape 2001 – 2025)</i>			
Socio-economic indicators			
	Prince Albert Municipality	Central Karoo District	
GDPR 2004	R198.5 million	R705.5 million	
Unemployment rate 2001	35.2%	36.0%	
Number of unemployed 2001	1 358	7 653	
Proportion of households with no income	6.88%	7.56%	
Number of households with no income	179	1 147	
Education			
Percentage of people over 14 illiterate (less than grade 7)	41%		
Educator – learner ratio	36		
Health measures			
		<i>National health targets</i>	
Proportion under 1 with 1st measles immunisation	80%	90%	
Percentage births under 2,5kg	27%	< 10%	
TB prevalence per 100 000	1 365	N/A	
TB Cure rate ¹	65%	85%	
Patient – nurse workload per day	54	34	
HIV/AIDS prevalence rate (2005)	2.1%	HIV/AIDS prevalence rate (2010)	3.6 %
Number of HIV/AIDS deaths (2005)	9	Number of HIV/AIDS deaths (2010)	67
Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	6	6	7
Rape	19	15	13
Neglect and ill-treatment of children	8	14	3
Drug related crime	47	44	70
Total number of reported crimes	755	786	804
Strengths	Challenges		
Strong economic growth, with a number of strong growing sectors	High illiteracy rate (less than grade 7)		
	Growing incidence reported crimes and of drug related crime.		
	Low household incomes.		
	High unemployment		
	Very high health care workloads (nurse-patient ration)		

¹ Data used is 2003/04 as there is no data for 2004/05

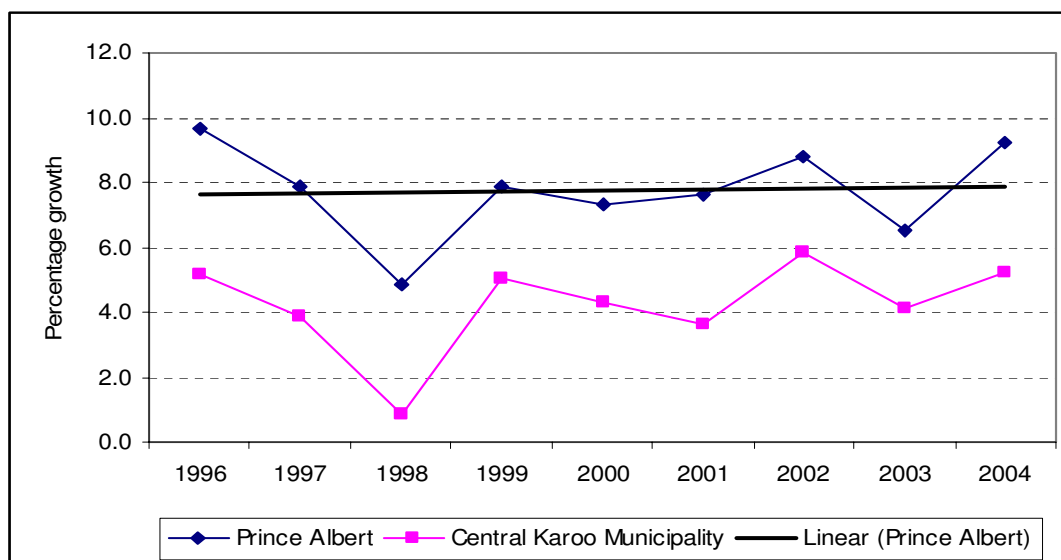
Economic profile

This section reviews the economic potential of the Prince Albert local municipality (LM), including the contribution of different sectors to economic growth, and in particular, their importance and relevance to the development prospects of the region.

Economic outlook

In 2004, Prince Albert LM contributed only 28,1 per cent, or R 198,5 million, to the Central Karoo District's GDP of R705 million. However, Prince Albert's contribution to the Central Karoo District's GDPR has increased over time, having previously contributed 20,9 per cent in 1995.

Figure 1: GDPR growth trends: Prince Albert local municipality, 1996-2004



Source: Own calculations, based on Quantec data 2006

Growth in the Prince Albert LM has generally followed the pattern set within the District; although at upper levels (see Figure 1). An encouraging development is the positive long-term growth rate of the Prince Albert LM, growing at an average annual rate of 7,8 per cent between 1995 and 2004.

The average annual growth rate of the Prince Albert LM has increased marginally when a shorter time frame is considered, growing at 8,0 per cent between 2000 and 2004.

The long term trend of growing close to 2,0 per cent per year has not changed significantly for the latest available data, as the Prince Albert LM grew even stronger at 9,2 per cent between 2003 and 2004.

Prince Albert LM has grown at a substantially higher rate than the District as a whole; the latter growing at an average annual rate of 4,2 per cent between 1995 and 2004, which increased when a shorter period is considered to 4,7 per cent (2000 to 2004). When data for 2003 to 2004 is considered, the District grew at 5,3 per cent.

The fastest growing sectors for the 1995-2004 period was:

- finance & business services (18,9%),
- transport & communication (11,5%), and
- Community, social & other personal services (10,3%).

Between 2000 and 2004, the fastest growing sectors were (see Table 1 below):

- finance & business services (14,9%),
- transport & communication (9,8%), and
- Wholesale & retail trade; catering & accommodation (9,6%).

Table 1: Prince Albert: Contribution to GDP per sector, 2004 and Average annual growth per sector, 1995 – 2004 & 2000 – 2004

Industry	Contribution per sector 2004 (Per cent)	Average annual growth 1995-2004 (Per cent)	Average annual growth 2000-2004 (Per cent)	Growth 2003 - 2004 (Per cent)
Agriculture, forestry and fishing	9.7	0.7	-0.2	0.1
Mining	0.0	0.0	-	-
Manufacturing	6.3	1.4	2.5	5.2
Electricity & water	0.0	0.0	-	-
Construction	2.3	1.5	2.6	2.7
Wholesale & retail trade; catering & accommodation	17.8	9.7	9.6	13.6
Transport & communication	14.0	11.5	9.8	11.6
Finance and business services	37.0	18.9	14.9	13.8
Community, social and other personal services	5.4	10.3	8.2	6.4
General government services	7.5	-4.5	-3.7	-4.3
Total	100.0	7.8	8.0	9.2

Source: Own calculations, based on Quantec data 2006

Importantly the big employment sector, agriculture, has reported a positive growth rate of 0,7 per cent per year between 1995 and 2004 This sector declined between 2000 and 2004, reporting an average annual growth rate of -0,2 per cent.

In addition, the government services sector has also decline by 4,5 per cent per year between 1995 and 2004 (between 2000 and 2004 the latter sector decline by 3,7% per annum). If it were not for these two sectors the overall growth performance would have grown even stronger than what it is for Prince Albert LM.

Sector Analysis

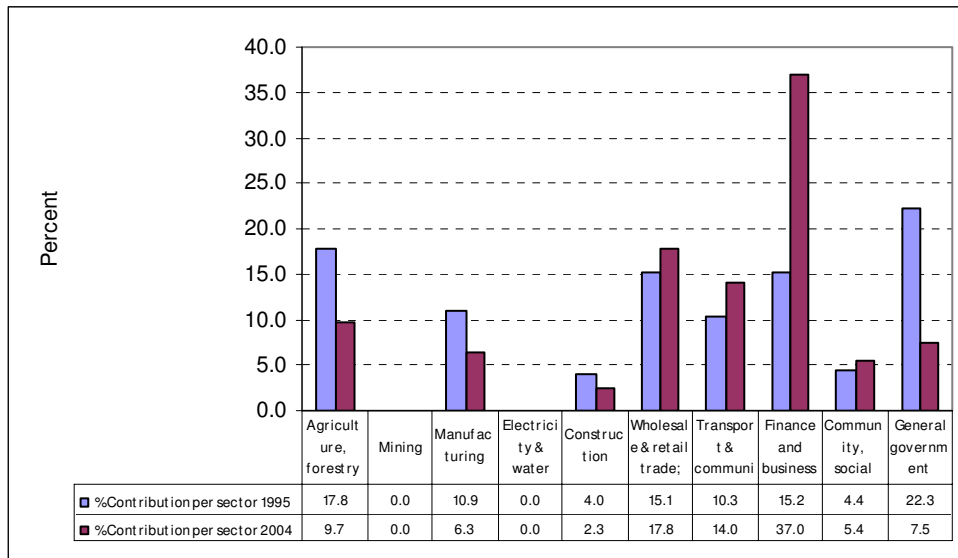
The largest sectoral contributions (in terms of GDP) in 2004 were from finance and business services (37,0%), wholesale & retail; catering & accommodation (17,8%) and transport & communication (14,0%). The highest growing sector was the finance & business services sector that grew at an average annual 18,9 per cent between 1995 and 2004. This was followed by transport & communication (11,5%), CSP services (10,3%) and wholesale & retail trade; catering & accommodation (9,7%).

In 1995, the general government services sector contributed 22,3 per cent to total GDP, revealing a distinct decline in the fortunes of this sector in 2004 to only 7,5 per cent. Similarly, the agricultural sector has also declined from its 1995 GDP contribution of 17,8 per cent to 9,7 per cent in 2004. Manufacturing sector also declined from 10,9 per cent in 1995 to 6,3 per cent in 2004.

Sectors that have increased their contribution to GDP are finance & business (15,2% in 1995 to 37,0% in 2004), wholesale & retail trade (15,1% in 1995 to 17,8% in 2004), transport & communication (from 10,3% in 1995 to 14,0% in 2004).

It is possible that these figures reflect an evolving economy, an economy that is shifting from being an agrarian economy to an economy that is more secondary and services sector based. However, further investigation is required before this view can be stated with more confidence.

Figure 2: Prince Albert municipality: Sectoral contribution to GDP, 1995 and 2004



Source: Own calculation based on Quantec Research data

Manufacturing Sub-sectors

Within the manufacturing sector, the metals, metal products, machinery and equipment sub-sector plays the most important role, comprising 46,0 per cent of the manufacturing sector in 2004. This represents a massive increase in overall share of manufacturing since 1995, when the latter sub-sector represented 38,3 per cent of manufacturing.

The manufacturing sector is, as the figures above suggest, highly concentrated, with a Tress Index² value of 82,1. This compares with a (still concentrated) Tress Index value of 72,7 for the Central Karoo District's manufacturing sector, and a more diverse manufacturing sector of the City of Cape Town that reports a Tress Index of 41,1.

Table 2: Prince Albert LM manufacturing sub-sectors, 2004

Industry	Rm 1995	Rm 2004	% Contribution per sector 1995	% Contribution per sector 2004
Food, beverages and tobacco	2.8	3.5	32.1	22.5
Textiles, clothing and leather goods	0.1	0.1	0.5	0.6
Wood and paper; publishing and printing	0.1	0.1	0.7	0.7
Petroleum products, chemicals, rubber and plastic	0.0	0.0	0.0	0.0
Other non-metal mineral products	0.0	0.0	0.2	0.2
Metals, metal products, machinery and equipment	5.7	4.2	38.3	46.0
Electrical machinery and apparatus	0.0	0.0	0.0	0.0
Radio, TV, instruments, watches and clocks	0.0	0.0	0.0	0.0
Transport equipment	0.0	0.0	0.0	0.0
Furniture and other manufacturing	3.7	3.1	28.2	30.0
Total	12.5	11.1	100.0	100.0

Source: Own calculation, based on Quantec data 2006

Economic infrastructure

Prince Albert local municipality is a suitable area for small stock like sheep and goats and game. The chief farming activities in this area are deciduous fruit for the export market, olives, vineyards, vegetable seed production, lucerne and ostrich.

The provision of infrastructure services like water, housing, electricity, roads, pavements, bridges, represent a condition for improved economic growth, welfare, quality of life, increased productivity and higher growth rates. Thus infrastructure plays a dual role in the economic system, namely an improvement in economic activity and an improvement in living conditions.

² The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 being completely diversified and 100 reflecting total concentration (i.e. only one active sector that produces all economic production).

Transport

The state of infrastructure development creates an enabling environment for economic growth. Road infrastructure is one of the major contributors to Prince Albert's economic development as the N1 National road is an important link that provides access to Northern Province, Gauteng, Free State and Western Cape and within Prince Albert LM the N1 links to, Leeu-Gamka and Matsjiesfontein.

In addition to the N1 there is a railway line that runs parallel to the N1 through the local municipality between Cape Town and Johannesburg. According to the Central Karoo District LED strategy document, the railway was a primary reason for the establishment of settlements such as Matsjiesfontein, Laingsburg, Prince Albert, Leeu-Gamka, Beaufort West and Nelspoort. The railway way is currently used for transporting passengers and goods.

In 2004 the transportation sector contributed about R27,8 million, accounting for 14,0 per cent of the regional economy. Passing transport remains one of the most important markets of the Prince Albert local municipality.

Housing

According to Census 2001, Prince Albert municipality had a housing backlog of 26,0 per cent. However, the IDP review 2005/06 reports that Prince Albert municipality currently has a housing backlog of 18,5 per cent. Housing provision and the development of commonage land for small-scale farming are high priorities according to the local government medium term expenditure committee (LG MTEC) for 2006/07.

Water

Prince Albert municipality had a water backlog of 1,4 per cent in 2001. Recently, the IDP review of 2005/06 reported that the water backlog has reached 27,4 per cent. Water has also been given the highest priority according to the LG MTEC report for 2006/07 and the IDP review for 2005/06. Water is budgeted at R1,3 million to total own revenue in 2006/07 .

Electricity

Prince Albert municipality has an electricity backlog of 27,4 per cent as reported by the IDP review report of 2005/06. Electricity is budgeted to R3,3 million to total own revenue .

Demographic profile

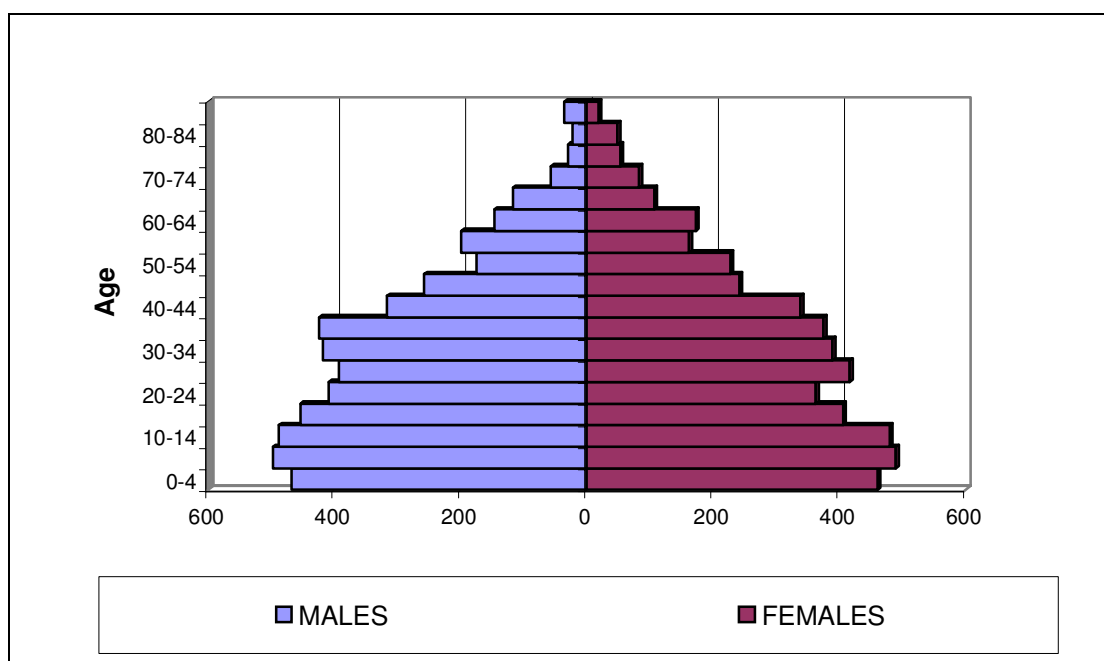
Prince Albert has the second largest population in the Central Karoo District, reaching approximately 18,0 per cent of the District's total population in 2006. Nevertheless, Prince Albert's population is approximately a third of the largest municipality, Beaufort West, which contains 60,0 per cent of the total Central Karoo District's population.

Between 2001 and 2006, Prince Albert's population increased from 9 739 to 11 238, at an annual average growth rate of 2,9 per cent. However, population growth is projected to slow to 0,9 per cent per annum between 2006 and 2010, with Prince Albert's population reaching 11 628 in 2010.

There was a total number of 1 921 households in Prince Albert (Census 2001), representing 12,8 per cent of the total households that live in Central Karoo district municipality in 2001. Of all the households, 36,8 per cent are to be found in rural areas, with the remaining 63,2 per cent living in urban areas.

This contrasts with the corresponding figures for the district as a whole, with 74,9 per cent of all households living in urban areas with the remaining 25,1 per cent living in rural areas.

Figure 3: Prince Albert population pyramid, 2006



Source: CARE 2005

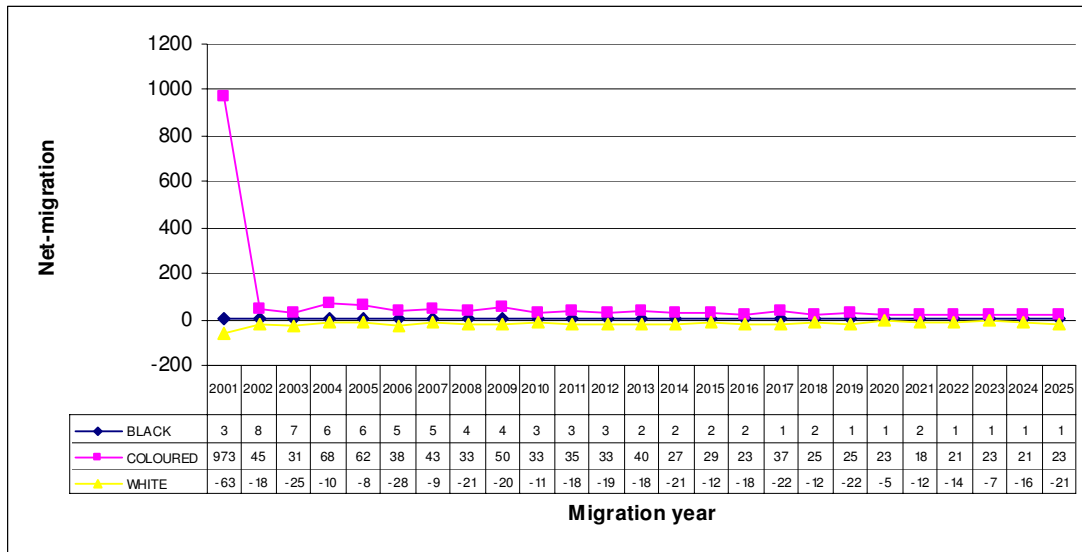
As can be seen in figure 3 above, the population of Prince Albert in 2006 is relatively youthful, with 46,8 per cent under the age of 25. It is expected that the youthful profile of Prince Albert will remain the same by 2010, with 46,2 per cent of the population being under the age of 25.

The youthful population is once again reflected in the high dependency ratio (i.e. the proportion of people under the age of 15 and over the age of 65 who are dependent on people between 15 and 65) found in the Prince Albert population.

The dependency ratio has declined from 55,0³ per cent in 2001 to 54,2 per cent in 2006 (with a further anticipated decline to 53,2 per cent by 2010) over time.

Interestingly, the decline in dependency is less for Prince Albert than the district, with the comparative dependency ratios for the District being higher than those found in the DMA. The comparative dependency ratios for the District were 55,0 per cent in 2001, 53,8 per cent in 2006, with a further decline to 52,7 per cent by 2010.

Figure 4: Migration trends– Prince Albert Municipality, 2001-2025



Source: CARE 2005

Figure 4 shows the projected migration numbers in the Prince Albert Municipality for the period 2001 to 2025. Migration figures from the CARE 2005 model shows net in-migration into the district of 914 in 2001, down to 59 in 2005, declining further to 25 by 2010

In-migration to the region is mainly a coloured phenomenon, with 973 people from this racial classification migrating into Prince Albert in 2001, declining to 62 in 2005 and 33 in 2010. The number of Africans migrating into Prince Albert is generally less than ten for any given year for the projection period.

Whites are the only racial group migrating out of the region for the forecast period, with 63 emigrating from the region in 2001, declining to eight in 2005, increasing slightly to 11 in 2010.

³ I.e., for each 100 individuals of the legal working age, there are 55 individuals who are not of the legal working age. If the economically active population is considered, the dependency ratio could worsen. However, social grants issued to the elderly, as well as other sources of income for the non-working age population, will, in turn, reduce the dependency ratio if included in the analysis.

Labour market profile

Table 3 below provides information about the Prince Albert labour market between 1996 and 2001. Between the aforementioned period, the labour force participation improved slightly, from 58,5 per cent, to 60,9 per cent. Both the number of people employed and unemployed increased to 2 503 and 3 861 in 2001 respectively. The unemployed rate increased sharply from 19,7 to 35,2 per cent from 1996 to 2001.

Table 3: Prince Albert labour market information, 1996 and 2001

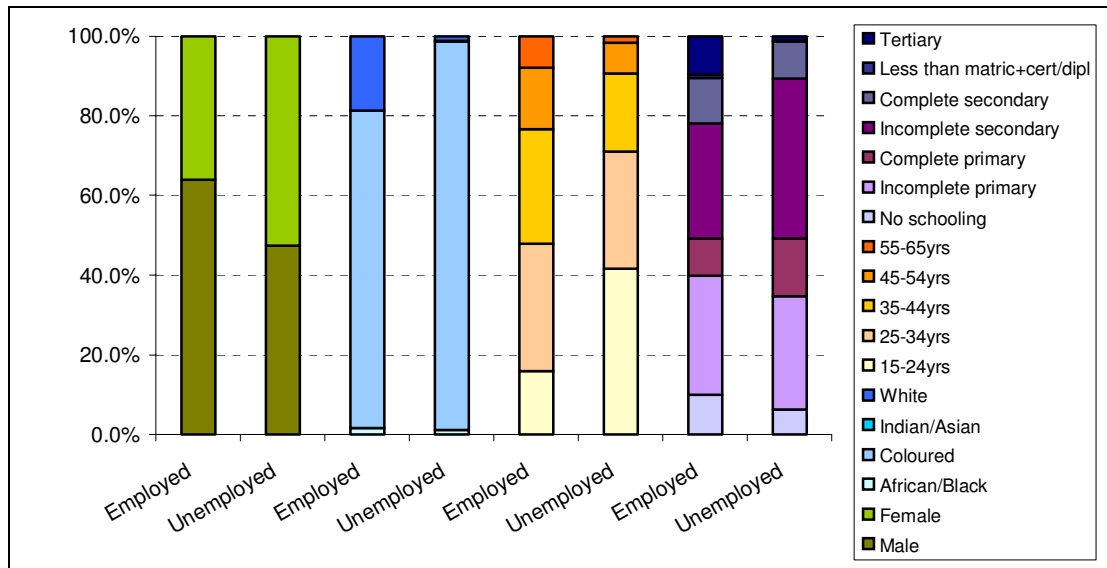
Year	Employed	Employed (per cent)	Unemployed	Unemployed (per cent)	Labour force	Labour force participation rate (per cent)	Not economically active	Total pop 15-65
1996	2429	80.3	596	19.7	3025	58.5	2147	5172
2001	2503	64.8	1358	35.2	3861	60.9	2478	6340

Source: Statistics South Africa, Census 1996, 2001

Figure 5 shows the proportion of employed and unemployed within different groups. Males (64,0%) and Whites (18,7%), given the demographics within Prince Albert, are over represented amongst the employed. The youth in particular are affected by unemployment, where 41,6 per cent of the unemployed are between the ages of 15 and 24 years and an additional 29,5 per cent are between the ages of 25-34 years.

The majority of the employed population (78,1%) had not yet completed secondary education. The proportion in the unemployed population was even higher at 89,3 per cent. This indicates both the level of education in the area as well as the skill level of economic activity (low to semi-skilled).

Figure 5: Characteristics of Prince Albert's employed and unemployed, 2001

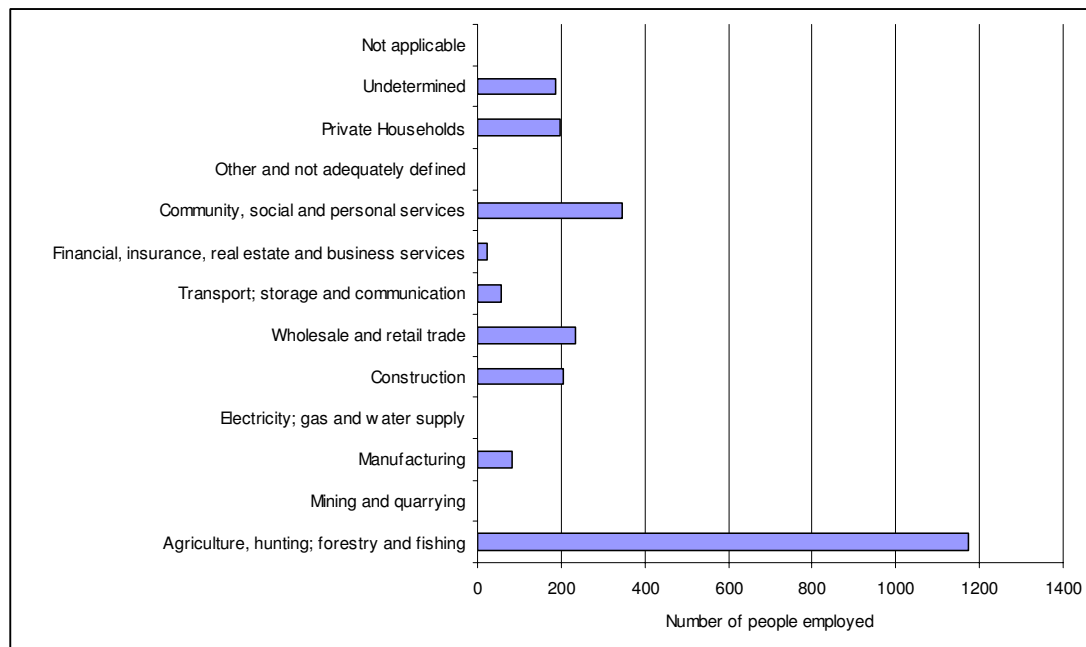


Source: Statistics South Africa, Census 2001

In 2001, the greatest job-creating sector was agriculture, hunting, forestry & fishing, creating 46,9 per cent of all jobs in the municipality. This is followed by CSP services (13,9%), wholesale & retail trade (9,3%) and construction (8,2%).

Figure 6 below shows the sectoral contribution to employment in 2001. The largest employer was the agriculture, hunting, forestry & fishing sector (46,9%) followed by community, social & personal services (13,9%) and wholesale & retail trade (9,3%).

Figure 6: Prince Albert employment by sector, 2001



Source: *Statistics South Africa, Census 2001*

Table 4 below shows skills⁴ level of the employed for Prince Albert as well as the Central Karoo District. The Central Karoo District Municipality has a high skilled occupation representation of 14,3 per cent compared to Prince Albert, which has a corresponding 10,4 per cent.

Moreover, Prince Albert has less skilled labour than the District at 31,0 per cent compared to the District at 42,0 per cent. In addition, Prince Albert is the local municipality with the highest proportion of low skilled labour in the Central Karoo District at 59,0 per cent, which compares poorly with the District average of 44,0 per cent.

^{4 4} High skilled - Legislators, senior officials and managers, Professionals, Technicians and associate professionals; Skilled – Clerks, Service workers, shop and market sales workers, Skilled agricultural and fishery workers, Craft and related trades workers, Plant and machine operators and assemblers; Low skilled – Elementary occupations. Unknown occupations were excluded from calculations.

Table 4: Skill level of the employed

Skill category	Prince Albert	District
High skilled	10.4	14.3
Skilled	30.6	42.0
Low skilled	59.0	44.0
Total	100.0	100.0

Source: Statistics South Africa, Census 2001

Social grants

The Department of Social Development provides grants to over 5,6 million people per month in South Africa at a cost of more than R2,2 billion monthly. Social grant plays a very important role in alleviating poverty amongst children, women, the elderly and people with disabilities. Benefit transfers include old age grants, war veteran's grants, disability grants, care dependency grants, foster care grants, and grant-in-aid. Table 5 shows number of beneficiaries and the average monthly amount of grants in Prince Albert.

Table 5: Prince Albert social grants data 2005

Prince Albert	Average number of recipients (monthly)	Proportion of total recipients	Proportion of total recipients Central Karoo District	Average monthly value of grant	Total value of grants paid (R - monthly)	Proportion of total value of grants (R - monthly)
OLD AGE	37	18.4%	13.4%	725.98	26,801	27.0%
DISABILITY	53	26.5%	36.3%	768.50	40,858	41.2%
FOSTER CARE	5	2.5%	3.9%	862.37	4,240	4.3%
CARE DEPENDENCY GRANT	2	0.7%	0.7%	740.00	1,110	1.1%
CHILD SUPPORT	99	49.4%	43.7%	254.76	25,243	25.4%
GRANT IN AID	5	2.4%	1.9%	160.00	760	0.8%
ALL OTHER GRANTS	0.3	0.1%	0.1%	N/A	193.33	0.2%
TOTAL GRANTS	201	100.0%	100.0%	494.58	99,205	100.0%

Source: SASSA 2006

Of total 11 238 people residing within Prince Albert, about 201 individuals receive social grants⁵. The largest proportion of the people receiving grants are children through child support grant 49,4 per cent. The disability grant accounts for 26,5 per cent of total grants, while the old age grants accounts for 18,4 per cent.

⁵ Note that this social grant data only reflects ALLPAY social grant recipients.

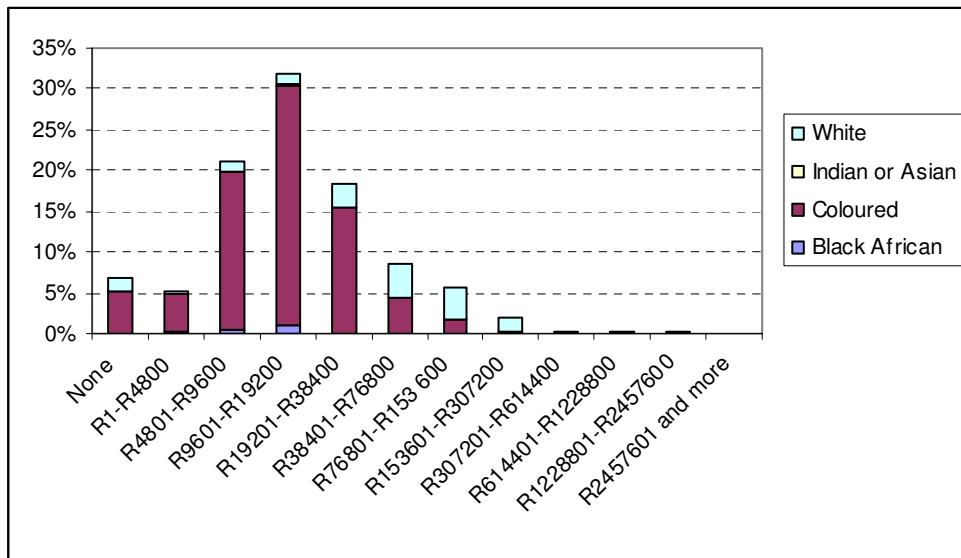
Well being of households

The well being of the households plays an important role in regional economic development. Factors such as access to household income, access to basic and social services and the quality of life are explored in this section, drawing information from the 1996 and 2001 censuses.

Although the data from the 2001 census is five years old, the Census data gives an indication of the level and changes in access to services in the inter-census period. The social services information is more up to date and communicates the health, education and crime challenges that the municipality faces.

Household income

Figure 7: Prince Albert Income Distribution by Population Group, 2001



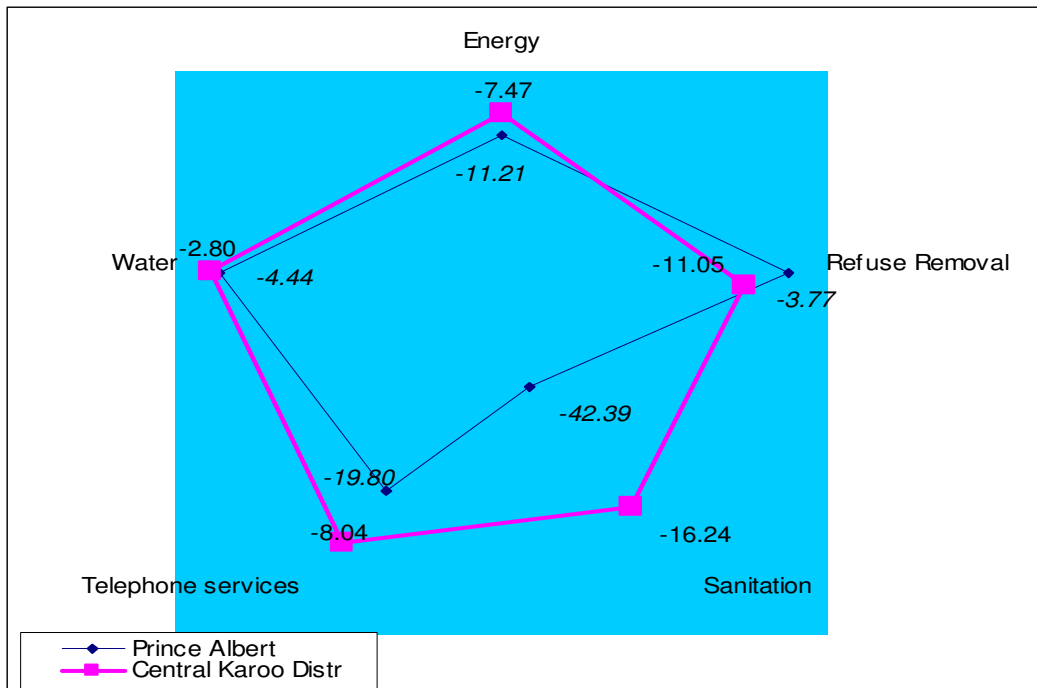
Source: Statistics South Africa, Census 2001

The majority of households (71,2%) in Prince Albert earned a monthly income of between R400 and R3 200 while 12,0 per cent earned less than R400 per month. Female-headed households make up 28,4 per cent and households headed by youth between the ages of 15 and 24 years make up 5,4 per cent.

Access to Basic Services

Access to basic services has considerable influence on the standards of living and quality of life of people living in the municipality. The figure below compares the Prince Albert local municipality to the Central Karoo District on five measures of basic services, namely energy⁶, water⁷, refuse removal⁸, telephone services⁹, sanitation¹⁰; it comprises only of the households with access to less than basic services (as defined in the footnote); the negative sign in numbers indicate an improvement in access to respective services.

Figure 8: Percentage change in households with below basic access to services – Prince Albert versus Central Karoo District, 1996- 2001



Source: Statistics South Africa: 2001 Census: Community profile database, DBSA

Between 1996 and 2001, Prince Albert performed well in providing access to sanitation, telephone and energy services. The number of households with below basic access to these services decreased by 824, 384 and 155, respectively. Refuse removal in this period worsened by an additional 45 households or 3,77 per cent.

⁶ Energy - Gas, paraffin, candles and other.

⁷ Refuse removal- own refuse dump, and no rubbish disposal.

⁸ Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other.

⁹ Telephone services -Telephone at another location not nearby and no access to a telephone.

¹⁰ Sanitation - Bucket latrine, and none

Table 6: Changes in access to basic services between 1996 and 2001: Prince Albert

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Prince Albert	% Change					
	1996-2001	-11.21	-3.77	-42.39	-19.8	-4.44
	Number of households	-155	45	-824	-384	-88

Source: Statistics South Africa: 2001 Census; Community profile database, DBSA

For 2004/05 budget, a total of R676 000 was allocated for sewerage purification and reticulation, R565 000 for electricity reticulation, R823 000 for water reservoirs and reticulation and R90 000 for refuse sites.

Access to Housing

The housing backlog for Prince Albert, increased to 380 in 2004 from 155 in 2001. Between 1994 and 2004 a total of 602 housing units were built. There was no budgeted expenditure for housing in 2004/2005.

Access to Social Services

In this section the focus is on socio-economic analysis of the education, health crime and development indices.

Development indices

There are two ways of measuring the quality of life that have been used in this document and these are Human Development Index¹¹ (HDI) and City Development Index¹² (CDI). While the HDI of Prince Albert (0,71) compared well with that of the province (0,72), the CDI lagged behind at 0,70 compared to the province's 0,81. The score for infrastructure was low at 0,66 when compared to the province's 0,79.

In addition, the index of multiple deprivation—a measure of multiple deprivation in a small area and is unique with inclusion of a measure of geographic access as an element of deprivation and in its direct measure of poverty—confirms that there is some element of multifaceted deprivation within the Prince Albert municipality. The index is made up of five distinct dimensions of deprivation called domain indices¹³.

Multiple Deprivation

Prince Albert municipality fall on the list of the 50 most deprived wards in the Provincial Index of Multiple Deprivation (PIMD). This municipality has 352,96 points and a rank of 17. None of the Central Karoo District wards featured in the 50 first lists of the least deprived areas. This indicates that this municipality is poor, with high levels of poverty and unemployment.

¹¹ HDI is derived from Health index (a weighted mean of life expectancy and infant mortality), Income index (proxy used is mean household income) and Education index (a weighted mean of adult literacy and gross enrolment)

¹² CDI is derived from all the data as calculated in HDI, but in addition, for CDI there is Infrastructure index (the mean of water connection, sewerage, electricity and telephone), and Waste index (solid waste removal per household).

¹³ These relate to income, employment, health and disability, education, skills and training, barriers to housing and services, crime and living environment. The ward with a rank of 1 is the most deprived, and the ward with a rank of 332 is a least deprived for each domain.

Table 7: Selected Socio-Economic Indicators, education

Education			
Percentage of people over 14 illiterate (less than grade 7)	41		
Educator – learner ratio	36		
HDI	0.71	CDI	0.70
Health	0.67	Infrastructure	0.66
Income	0.71	Waste	0.72
Education	0.74	Health	0.70
		Education	0.72
		Income	0.71

Source: Department of Health (2005), Department of Education (2005), Department of the Premier (2005)

Education

Prince Albert local municipality has 5 secondary and primary schools, representing 19,2 per cent of schools in the Central Karoo District. An alarming 41,0 per cent of the population over 14 years has had less than 7 years of formal education in Prince Albert, compared to 37,0 per cent of the district. This is coupled with an educator-learner ratio of 36. Both education levels and workload needs attention.

Table 8 below shows level of education attained by people of 20 years and older. The average number of people in Prince Albert municipality with some level of secondary education (28,5%) is below the average for the Central Karoo District (30,5%).

The percentage of people with higher education in this municipality is 6,7 per cent compared to the Central Karoo District at 5,9 per cent. But in terms of occupational skills, Prince Albert has a proportion of 10,4 per cent compared to Central Karoo District of 14,2 per cent.

Table 8: Highest education level grouped for 20+ ages, 2001

	Prince Albert	%	District	%
No schooling	915	15.2	5858	16.8
Some primary	1791	29.7	8111	23.3
Completed primary	595	9.9	3122	9.0
Some secondary	1717	28.5	10604	30.5
Grade 12/Std 10	608	10.1	5046	14.5
Higher	403	6.7	2065	5.9

Source: Statistics South Africa, Census 2001

Health

Central Karoo District Health expenditure review reported that there are 1 mobile clinic and 2 clinics in the Prince Albert municipality. Health indicators revealed that the proportion of children under the age of 1 year with first measles immunization was 80,0 per cent, while TB prevalence stood at 1 365 for every 100 000 people, with a cure rate of only a very low 65,0 per cent. For immunisation and TB cure rates, Prince Albert attained well below the national targets of 90,0 and 85,0 per cent respectively. The patient nurse ratio was also extremely high at 54 (the national target being 34).

Meanwhile, HIV prevalence in the municipality is projected to increase from 1,2 per cent in 2001 to 2,1 per cent in 2005 and 2,8 per cent by 2010 (ASSA2003 Model, CARE 2005).

AIDS related deaths are projected to increase from 4 in 2001, to 9 in 2005 and 16 in 2010. As a proportion of total deaths, it increases from 4,2 to 7,8 to 13,0 per cent between 2001, 2005 and 2010, respectively.

Table 9: Prince Albert Health Indicators

Health measures			
		National health targets	
Proportion under 1 with 1 st measles immunisation	80%	90%	
Percentage births under 2,5kg	27%	< 10%	
TB prevalence per 100 000	1 365		
TB Cure rate	65%	85%	
Patient – nurse workload per day	54	34	
HIV/AIDS prevalence rate (2005)	2.1	HIV/AIDS prevalence rate (2010)	2.8
Number of HIV/AIDS deaths (2005)	9	Number of HIV/AIDS deaths (2010)	16

Source: Department of Health (2005, CARE (2005)

Crime

Most of the crime statistics, except for drug related crime, remain fairly stable or declined between the years 2002/2003 and 2004/2005. Drug related crime increased from 47 in 2002/2003 to 70 by 2004/2005.

Table 10: Crime statistics, 2002-2005

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	6	6	7
Rape	19	15	13
Neglect and ill-treatment of children	8	14	3
Drug related crime	47	44	70
Total number of reported crimes	755	786	804

Source: SAPS (2005)

Municipal Sustainability

The following section focuses on the factors contributing to the sustainability of municipality ranging from continuity of the prevailing political environment, revenue generating capability, through effective debt and debtors management, costs containment and the internal capacity of the municipality, particularly with regard to personnel.

Political environment

Table 11 shows changes in political governance between 2000 and 2006. The comparison is intended to reflect the extent of continuity within the political makeover between the two election periods. In terms of political makeover, including the newly formed party Independent Civic Organisation of South Africa (ICOSA), there is evidence of continuity within the district. In fact, ICOSA is made of defectors from different parties.

In 2006, the African National Congress (ANC) tied with Democratic Alliance (DA) with 3 seats each while in Central Karoo District Municipality ANC won 3 seats in 2006 with ICOSA winning 2 seats and DA 1 seat.

Table 11: Changes in political governance, 2000 and 2006

Total seats				
PARTY	PRINCE ALBERT		CENTRAL KAROO DM	
	2006	2000	2006	2000
ANC	3	2	3	1
DA	3	4	1	0
ICOSA	0	0	2	0
TOTAL	6	6	6	1

Source: Own representation based on IEC data

Revenue generation capacity

The total Prince Albert municipal budget for the financial year 2006/07 is R16,1 million. Main sources of own revenue comprise the larger part of the total with R6,7 million, which is 41,8 per cent of the total, followed by unclassified revenue at R4,2 million. For the period 2006/07 growth is expected to decline by 23,2 per cent in the overall municipal revenue. Revenue growth over the MTIEF is projected to decline by an average annual rate of 6,8 per cent.

Table 12: Overall municipal revenue

Source	Budget		Medium Term estimate		Growth	
	R'000	2005/06	2006/07	2007/08	2008/09	05/06-06/07
Transfers	13 169	6 817	6 567	7 248	-48.2%	-18.0%
<i>National transfers</i>	1 068	1 161	1 182	1 291	8.7%	6.5%
<i>Provincial transfers</i>	8 264	1 317	959	1 071	-84.1%	-49.4%
<i>Municipal transfers</i>		100				
<i>Unclassified</i>	3 837	4 239	4 426	4 886	10.5%	8.4%
Main sources of own revenue	6 210	6 733	7 036	7 354	8.4%	5.8%
All other sources of revenue	1 598	2 559	2 320	2 356	60.1%	13.8%
Total	20 977	16 109	15 923	16 958	-23.2%	-6.8%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Prince Albert municipality: Final Budget 2006 MTREF

Table 13 below states that for the budget period 2005/2006, electricity accounted for 45,3 per cent of own revenue, property rates (19,8%), and water (14,8%). This scenario continues in the budget period 2006/07 with 45,9 per cent coming from electricity, 17,6 per cent coming from property rates and 16,6 per cent of the revenue generated from water.

Total own revenue growth over the MTIEF is expected to be at an average annual rate 5,8 per cent, driven by growth from electricity, water and refuse removal revenues.

Table 13: Main sources of own revenue

R'000	Budget		Medium Term estimate		Growth	
	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
Property rates	19.8%	17.6%	17.7%	17.7%	-3.7%	1.8%
Electricity	45.3%	45.9%	45.9%	45.9%	10.0%	6.3%
Water	14.8%	16.6%	16.5%	16.5%	21.5%	9.7%
Sanitation	13.2%	12.7%	12.7%	12.7%	4.4%	4.6%
Refuse removal	6.9%	7.1%	7.1%	7.1%	12.4%	7.2%
Other	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	8.4%	5.8%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Prince Albert municipality: Final Budget 2006 MTREF

Staffing rates in Central Karoo district and in Prince Albert LM remain stable over the assessment period. Beaufort West municipality has the highest number of staff employed, (283 in 2005).

Table 14: Annual staffing levels 2002-2005 (Actual levels)

MDB Code	Municipal name	Employment 2002	Employment 2003	Employment 2004	Employment 2005
DC5	Central Karoo District Municipality	174	175	183	174
WC053	Prince Albert municipality	40	45	45	45

Source: Demarcation Board (Census 2001 data)

Table 15: Existing staffing rates

MDB Code	Municipal name	No. of approved positions 2005	Total No. currently employed 2005	No. of vacant positions 2005	Percentage of posts filled 2005
DC5	Central Karoo District Municipality	181	174	7	96.1%
WC053	Prince Albert municipality	45	45	N/A	100%

Source: Demarcation Board (Census 2001 data)

The Central Karoo district is considered to have the highest staff ratio (1:348). In 2005, Prince Albert has completely filled all of its positions. Prince Albert with a ratio of 1:234 also has a staff ratio above 200. The statistics imply that internal capacity in Prince Albert is not threatened.

Conclusion

Prince Albert LM has an encouraging long-term average annual growth rate of 7,8 per cent between 1995 and 2004. Finance and business services (18,9% average annual growth rate between 1995 and 2004), transport & communication (11,5% average annual growth rate between 1995 and 2004) and community, social & other personal services (10,3% average annual growth rate between 1995 and 2004) have been the main drivers of this growth.

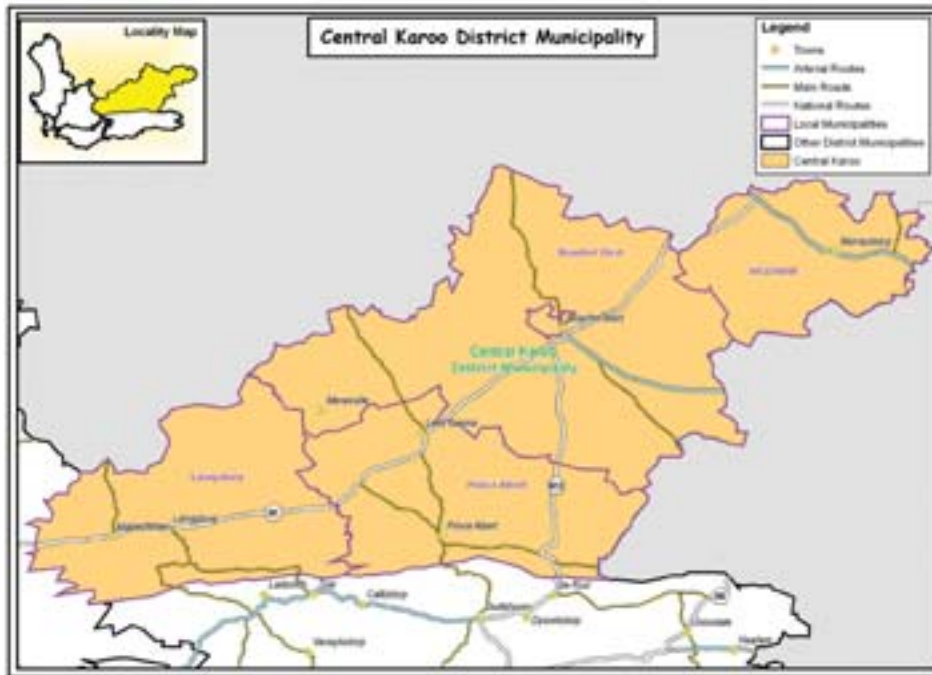
Prince Albert is characterised by low incomes, unfavourable health indicators and high unemployment with low skills base. A large proportion of the households' income levels are low, with 6,9 per cent of all households having no income.

There is need to strengthen the capital budget to contribute towards poverty alleviation given Prince Albert's level of development and the importance of improving education (given the low literacy rate), and health, where there is a high workload.

Access to basic services can still be improved, particularly refuse removal, energy and sanitation where 26,6, 17,9 and 16,9 per cent respectively of the population still has below basic access to these services. The housing backlog also needs to be addressed – no budget has been made available for housing in 2004/2005.

4

Beaufort West Local Municipality



List of towns

Beaufort West
Die Loring
Essopville
Hillside
Hospital Hill
Kwa Mandlenkosi
Merweville
Nelspoort
New Town
Newlands
Nieuveld Park
Prince Valley
Rustdeene
Sidesavrwa

Nominal GDP (2004)	: R403.5 million
Total population (2006)	: 37 598
Urban/rural ratio	: 82/18
No. of wards	: 7

Introduction

Beaufort West local municipality include towns of Beaufort West, Essopville Merweville and Nelspoort. The largest town is Beaufort West, which also serves as the administrative centre in the Beaufort West municipality. In 2006, the Beaufort West municipality's population reached approximately 37 598.

Beaufort West is situated approximately 450 kilometres northwest from Cape Town. The municipality is connected to Cape Town, Bloemfontein and Johannesburg via the N1 route. Average rainfall per year in Beaufort West is approximately 200mm.

Beaufort West, with 60,3 per cent of the district's population in 2006, has the largest population in the district. In 2004 the economy was diversified with significant contributions from:

- Transport & communication (25,3%);
- Wholesale & retail trade; catering & accommodation (16,8%);
- General government services (14,4%); and
- Finance & business services and manufacturing (10,9%).

The agriculture sector contributes nearly 8 per cent of total regional GDP, with sheep- (wool and mutton), goat- (mohair and meat), game- (venison) and ostrich farming being the main activities.

Beaufort West contributed the highest proportion of Central Karoo District's GDP at R403.5 million out of the District's total GDP of R705,5 million in 2004 (equating to 57,2%) with an estimated average annual growth rate of 3,0 per cent between 1995 and 2004.

Total population	(2001)	: 34 999	Population Density 2.38 km²	
	(2006)	: 37 598		
	(2010)	: 37 703		
Population growth rate (average annual)				
2001-2006	1.44%			
2006-2010	0.07%			
<i>Centre for Actual Research, 2005 (Population projections for the Western Cape 2001 – 2025)</i>				
Socio-economic indicators				
	Beaufort West Municipality		Central Karoo District	
GDPR 2004	R403.5 million		R705.5 million	
Unemployment rate 2001	39.1%		36.0%	
Number of unemployed 2001	5 004		7 653	
Proportion of households with no income	7.06%		7.56%	
Number of households with no income	640		1 147	
Education				
Percentage of people over 14 illiterate (less than grade 7)	32%			
Educator – learner ratio	36			
Health measures				
		<i>National health targets</i>		
Proportion under 1 with 1st measles immunisation	93%	90%		
Percentage births under 2,5kg	21%	< 10%		
TB prevalence per 100 000	950			
TB Cure rate ¹	74%	85%		
Patient – nurse workload per day	31	34		
HIV/AIDS prevalence rate (2005)	2.9%	HIV/AIDS prevalence rate (2010)		3.6 %
Number of HIV/AIDS deaths (2005)	43	Number of HIV/AIDS deaths (2010)		67
Crime measures (reported crime)	2002/2003	2003/2004	2004/2005	
Murder	24	30	32	
Rape	74	70	62	
Neglect and ill-treatment of children	7	6	11	
Drug related crime	94	150	283	
Total number of reported crimes	4 154	4 504	4 443	
Strengths		Challenges		
Well diversified and strong economy.		Growing incidence of drug related crime.		
Good growth in labour intensive sectors.		Low household incomes.		
Improvements in access to basic services.		High unemployment, especially of the youth.		

¹ Data used is 03/04 as there is no data for 04/05

Economic Profile

This section provides an in-depth analysis of the economic potential of the Beaufort West focusing on economic outlook and sectoral analysis of the regional gross domestic product (GDPR). There will also be analysis of the sectors, particularly their importance in the local economy as well as their growth trends.

Economic outlook

Beaufort West recorded annual average growth rate of 3,0 per cent during the period 1995-2004, compared to Central Karoo District Municipality which recorded 4,2 per cent annual average growth rate.

The largest share of regional GDP contribution comes from Beaufort West, although this share has been decreasing gradually since 1995. In 2004 Beaufort West decreased its regional GDP economic share to 57,2 per cent from 58,1 in 2003. The other main contributor in regional GDP has been Prince Albert (28,1%) in 2004, whose share of Central Karoo's GDPR has increased from 27,1 per cent in 2003.

Over the period 1995-2004, the growth in Beaufort West for the following sectors were:

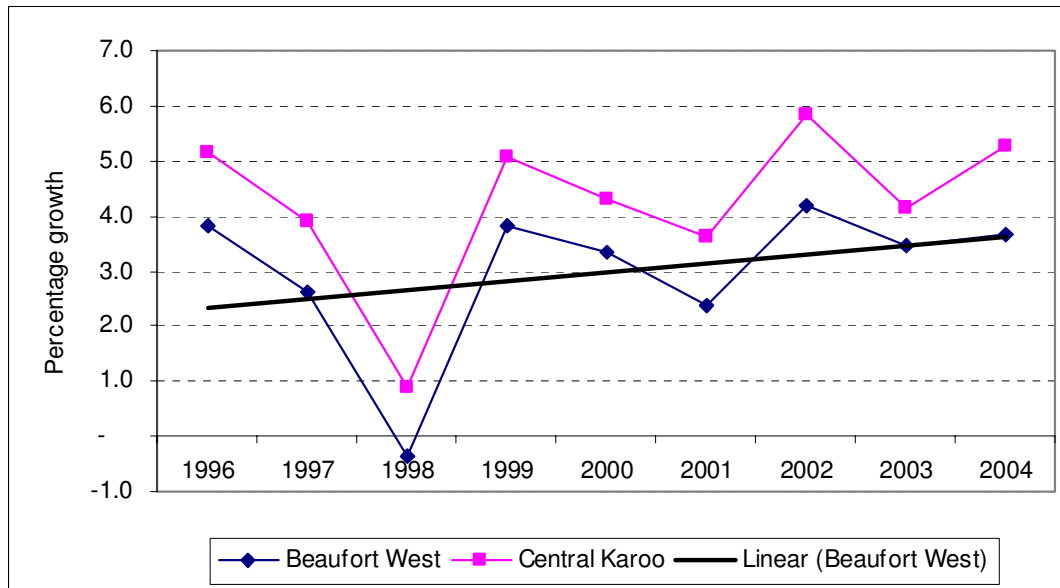
- Manufacturing (9,7%),
- Construction (6,0%), and
- Wholesale & trade; catering & accommodation (5,0%).

Beaufort West municipality is looking to develop an effective informal trading sector. Indications from the IDP are that there are high levels of infrastructure provision but unemployment (39,0%) and poverty are the key concerns in Beaufort West.

Regional Gross Domestic Product (GDPR)

The overall growth trend for Beaufort West, as shown in Figure 1, for the period 1996 to 2004 is positive. In 1998 there was a sharp decline in growth (-0,3%), compared to a growth rate of 2,6 per cent in 1997. However, in 1999 the growth picked up to 3,8 per cent.

Figure 1: GDPR growth trends: Beaufort West local municipality, 1996 to 2004



Source: Own calculations, based on Quantec data 2006

The decline in growth for 1998 is likely due to the Asian Crisis. This financial crisis erupted in mid-1997 in Asia and led to a sharp decline in currencies, stock markets, and other asset prices of a number of Asian countries. This also affected emerging markets, including South Africa, and other international countries leading to volatilities in international financial markets.

The overall growth in Central Karoo District Municipality has been above that of the Beaufort West, but the growth trend pattern between the aforementioned areas have been similar.

Sectoral Analysis

In 2004, the largest sectors in Beaufort West were transport and communication at 25,2 per cent, wholesale & trade; catering & accommodation at 16,8 per cent and general government services with 14,4 per cent contribution to overall GDPR.

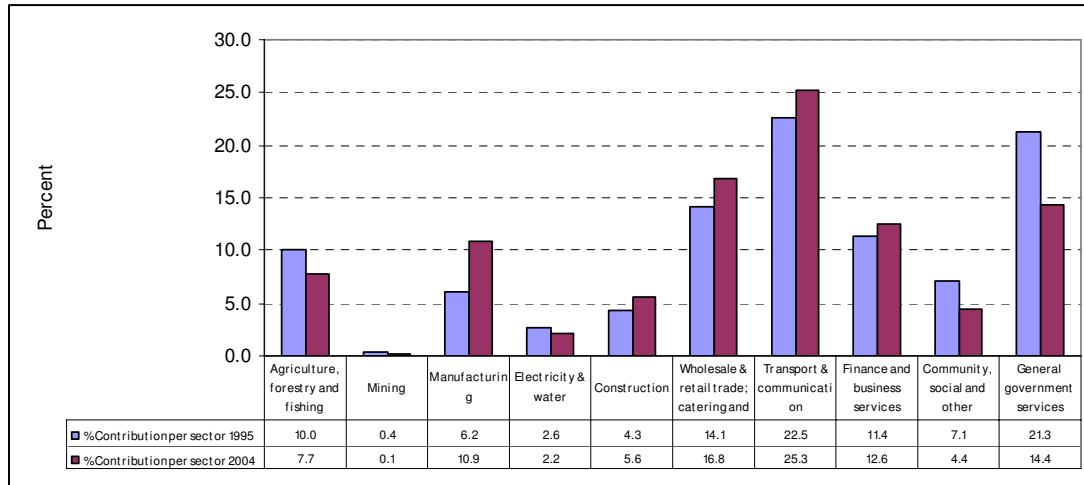
Community, social & personal services, which is the major employer at Beaufort West (20,07%), contributed only 4,4 per cent of the regional GDP, followed by agriculture, hunting; forestry & fishing which employed about 18,2 per cent of people, but only contributed 7,7 per cent to the regional GDP.

The wholesale & retail trade sector's employment and GDPR contribution is not too dissimilar, with this sector employing 16,6 per cent of the labour force and contributing 16,8 per cent to the regional GDP.

In 2004, manufacturing contributed 10,9 per cent to Beaufort West municipality's GDP. Manufacturing's largest sub-sectors in terms of contribution to the manufacturing sector's regional GDP were metals, metal products, machinery & equipment (54,8%), food, beverages & tobacco (16,5%) and transport equipment (8,5%).

However, the proportional contribution of sectors has changed over time. In 1995, the agriculture, forestry & fishing sector contributed 10,0 per cent to GDP, which is higher than the contribution recorded in 2004. Sectoral contribution to GDP of transport & communication continues to grow as it was 22,5 per cent in 1995 and in 2004 it was 25,3.

Figure 2: Beaufort West municipality: Sectoral contribution to GDP, 1995 and 2004



Source: Own calculation, based on Quantec Research data

The average annual growth for the period 1995 to 2004 for Beaufort West was 3,0 per cent, which is lower than the district's corresponding growth rate of 4,2 per cent. This growth is mostly outperformed by sector growth rate in that period.

Manufacturing grew fastest at 9,7 per cent, construction grew at 6,0 per cent and wholesale & retail trade; catering & accommodation grew at 5,0 per cent.

Over the more recent period from 2000-2004 the average annual growth in the Beaufort West was strongest in manufacturing (9,8%), followed by construction (6,9%) and finance & business services (5,4%).

The strongest sectors in the district in that period were finance & business services sector (10,2%), followed by manufacturing (7,2%), and wholesale & retail trade; catering & accommodation (6,5%).

The sectors that had slow growth in Beaufort West during the 2000-2004 period were community, social & other personal services (-3,2%), mining (-2,2%), agriculture, forestry & fishing (-0,9%) and general government services (-0,1%).

In contrast, the Central Karoo District Municipality's slow growing sectors during this period were community, social & other personal services (0,6%), agriculture, forestry & fishing (0,5%), and general government services (-0,8%).

Table 1: Beaufort West:, Average annual growth per sector

Industry	% Contribution per sector 2004	Average annual growth 1995-2004	Average annual growth 2000-2004	Growth 2003 - 2004
Agriculture, forestry and fishing	7.7	0.0	-0.9	-0.7
Mining	0.1	-11.2	-2.2	2.2
Manufacturing	10.9	9.7	9.8	11.8
Electricity & water	2.2	0.7	1.2	3.6
Construction	5.6	6.0	6.9	6.9
Wholesale & retail trade; catering & accommodation	16.8	5.0	5.2	9.1
Transport & communication	25.3	4.3	3.4	1.3
Finance and business services	12.6	4.1	5.4	4.3
Community, social and other personal services	4.4	-2.2	-3.2	-4.6
General government services	14.4	-1.4	-0.1	-0.3
Total	100.0	3.0	3.4	3.7

Source: Own calculations, based on Quantec data 2006

Transport and communication

In terms of contribution to Beaufort West's economy the transport & communication sector is the largest, contributing R102,1 million or 25,3 per cent of the total GDP. During the period 1995-2004, the transport & communication sector grew at an average annual growth rate of 4,3 per cent.

The overall growth trend remained positive and the regional GDP has been steadily increasing from 1995 to 2004. However, growth slowed in 2004 to 1,3 per cent.

The growth in transport sector can be attributed to benefits of its linkages to the N1, approximately 7000 vehicles per day drive through Beaufort West. But according to the LED strategy document transport is still a problem in the rural parts of the Central Karoo, due to dispersed population.

Wholesale and retail trade; catering and accommodation

Wholesale & retail trade; catering & accommodation is the second largest sector in the Beaufort West local municipality with a regional GDP contribution of R67,8 million, which is 16,8 per cent of the regional GDP.

The average annual growth rate for the period 1995-2004 of the wholesale & retail trade; catering & accommodation was 5,0 per cent. For the more recent period from 2000-2004 it increased marginally to 5,2 per cent.

However, over a one year period the real growth rate for 2004 was 9,1 per cent. The positive growth trend in this sector is facilitated by the presence of N1 passes through with passers-by who overnight and short stops.

For the period 1995-2004, with the exception of mining (-11,2%) the other declining sectors in the Beaufort West local municipality were community, social & other personal services (-2,2%), general government services (-1,4%). These sectors were still showing negative real growth rates in the 2004 period; -4,6 per cent for community, social & other personal services and -0,3 per cent for general government services.

Using the 2000-2004 average annual growth rates, the mining sector (-2,2%), community, social & other personal services (-3,2%) and general government services (-0,1%) were still declining, although the rate at which they were declining was less rapid.

General government services

The third largest sector in 2004 is the general government services sector with R58,0 million or 14,4 per cent of total GDPR. However, this represents a decline from the sector's contribution in 1995, when it contributed R66,0 million or 21,3 per cent of total GDPR.

In 1995 the general government services sector was the second largest contributor following transport and communication which recorded R69,8 million or 22,5 per cent of total GDPR. Over the period 1995-2004 Beaufort West recorded an average annual growth of negative 1,4 per cent. In the more recent period between 2000-2004 this sector continued to grow at a negative rate of -0,1 per cent.

Manufacturing

Manufacturing is the fifth largest sector in Beaufort West contributing 10,9 per cent to the Beaufort West GDP. For the period 1995-2004 manufacturing sector in Beaufort West grew at an average annual rate of 9,7 per cent. In the more recent period between 2000 and 2004, manufacturing grew even stronger at 9,8 per cent.

By comparison the Central Karoo District manufacturing sector grew at 6,6 per cent in the period 1995-2004 and further grew at 7,2 per cent in the more recent period between 2000 and 2004. The real GDP growth in 2004 for the manufacturing sector was 11,8 per cent in Beaufort West compared to the 9,6 per cent of the district.

Table 2: Beaufort West manufacturing sub-sectors, 2004

Manufacturing Sub-sectors 2004	Rm	Percentage contribution
Food, beverages and tobacco	7.3	16.5
Textiles, clothing and leather goods	0.7	1.6
Wood and paper; publishing and printing	0.3	0.7
Petroleum products, chemicals, rubber and plastic	2.2	5.1
Other non-metal mineral products	2.6	5.9
Metals, metal products, machinery and equipment	24.1	54.8
Electrical machinery and apparatus	0.0	0.0
Radio, TV, instruments, watches and clocks	0.0	0.0
Transport equipment	3.7	8.5
Furniture and other manufacturing	3.0	6.8
Total	43.9	100.0

Source: Own calculation, based on Quantec data 2006

Within the manufacturing sector metals, metal products, machinery & equipment sub-sector plays a very important role in Beaufort West comprising 54,8 per cent of the sector in 2004, improving from 26,4 per cent in 1995.

The Beaufort West local municipality is very highly concentrated with a Tress Index² of 73,8 per cent. This is very similar to the highly concentrated Tress Index of 72,7 per cent for the Central Karoo District Municipality, which compares poorly with the more diverse manufacturing sector of the Western Cape province that reports a Tress Index of 43,7 per cent.

Economic infrastructure

Beaufort West local municipality is a suitable area for small stock like sheep and goats and large stock like cattle. It is also suitable for natural grazing for feeding purposes. In addition, wool and mohair is also produced at large scale in Beaufort West.

Most of the wool is sent to Port Elizabeth for exports and a small percentage is processed for the local market, although the amount of wool and mohair that is produced has decreased by 20 per cent and 30 per cent respectively, due to periodic droughts in recent years.

The provision of infrastructure services like water, housing, electricity, roads, pavements, bridges, represent a condition for improved economic growth, welfare quality of life and productivity of growth. Thus infrastructure plays a dual role in the economic system, namely an improvement in economic activity and an improvement in living conditions.

Transport

The state of infrastructure development creates an enabling environment for economic growth. Road infrastructure is one of the major contributors to Beaufort West's economic development as the N1 national road is an important link that provides access to Northern Province, Gauteng, Free State and the Western Cape. Within Beaufort West the N1 links the region to Leeu-Gamka, Laingsburg and Matsijfontein.

The other important routes are N12 that connects Beaufort West to Oudtshoorn, George and the Southern Cape. From the N1 there is also a link to the R61 that goes to Graaff-Reinet and to the north of Victoria West in the Northern Cape. The other important route is the R407 that connects Prince Albert via the N1; this road also connects commercial farms that are on the N12 to manufacturers and markets.

In addition to the N1 there is a railway line that runs parallel to the N1 through Beaufort West, linking the municipality to Cape Town and Johannesburg. According to the LED strategy document the railway was a primary reason for the establishment of settlements such as Matsijfontein, Laingsburg, Prince Albert, Leeu-Gamka, Beaufort West and Nelspoort. The railway way is currently used for transporting passengers and goods.

Passing transport remains one of the most important markets of the Beaufort West local municipality. There are approximately 7 000 vehicles passing through Beaufort West per day during off peak holiday and this figure doubles during peak holiday. The largest percentage of these is large trucks.

Housing

Beaufort West municipality had a housing backlog of 23,0 per cent according to Census data in 2001³. The amount allocated to land and housing over the period 2006/07 amounts to R14,2 million. However, the percentage share for housing in the overall budget stands at 0,7 per cent.

Projects are underway to address the housing backlog and the priority areas are Kwa Mandlenkosi with 100 low cost houses, Merweville with 100 low cost houses and Nelspoort, also with 100 low cost houses. Each of these has been allocated R3.1 million. Additionally, R3,1million has been allocated for upgrading 160 houses in Beaufort West municipality.

² The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 being completely diversified and 100 reflecting total concentration (i.e. 1 industry or monopoly).

³ Local government medium term expenditure committee report for 2006/07 (LG MTEC), reports a housing backlog of 25,4 per cent (3 058 houses) although it is not clear from the report which year's data was used.

Water

Beaufort West municipality had a water backlog of 0,8 per cent in 2001. However, according to the LG MTEC report for 2006/07 water backlog in this region increased to 2,9 per cent although this is considered low when compared to other local municipalities in the Central Karoo District. Approximately R8,9 million has been allocated to this category. Water charges contributed 17 per cent of total revenue in 2006/07.

Electricity

According to the LG MTEC reports 2006/07, this municipality has the lowest backlog in electricity provision at 6,8 per cent compared to other municipalities in that district whose backlogs range between 27,4 per cent and 52,0 per cent. Electricity is the largest contributor to own revenue in Beaufort West Municipality (40,0%) and is budgeted at R20,6 million. This represents a growth rate of 11, 8 per cent for 2005/06.

Demographics and Labour Force

This section provides information regarding the population and also the participation of labour in the labour market through sector employment.

Demography

There is a total number of 8 996 households that live in Beaufort West municipality, of this 82,2 per cent lives in urban areas with the remaining 17,8 per cent living in rural areas.

Approximately 1,5 per cent of rural households in the Western Cape reside in the Beaufort West municipality, compared to the corresponding urban household figure which is only 0,7 per cent. Central Karoo District municipality's urban population is 74,9 per cent, which is below that of Beaufort West average.

Table 3: Rural and urban households 2001

	Total no of households	No of rural households	Rural households (Per cent)	Rural households (per cent of province (for district) or district)	No. of urban households	Urban households (Per cent)	Urban households (per cent of province (for district) or district)
Central Karoo Municipality	15,016	3,763	25.06	3.5	11,253	74.94	1.06
Beaufort West	8996	1602	17.81	1.49	7394	82.19	0.69

Source: Demarcation Board (Census 2001 data)

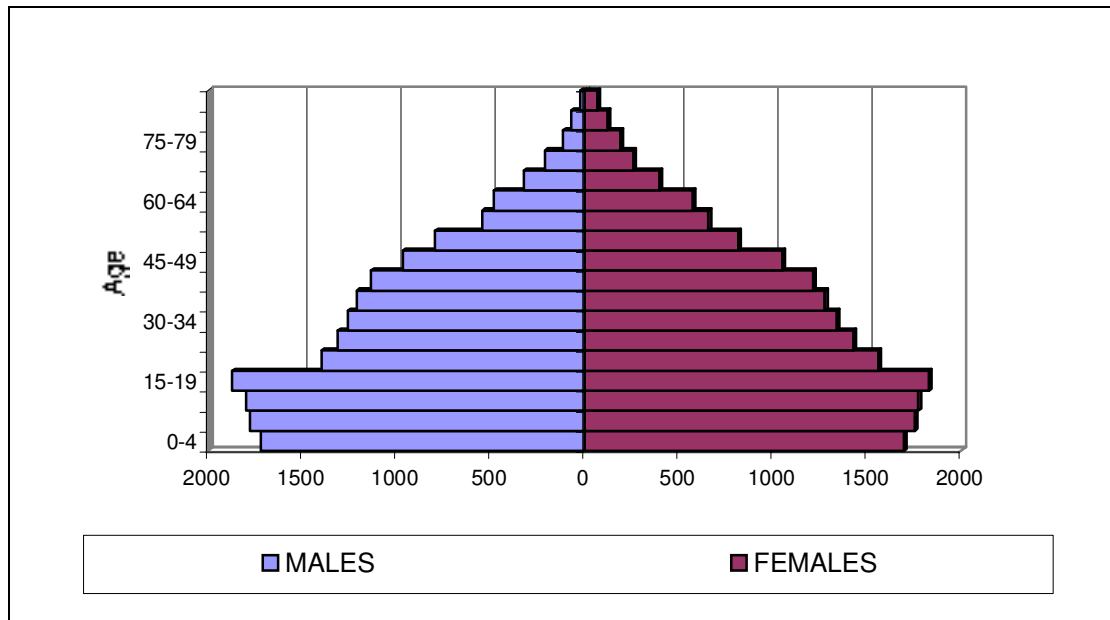
Figure 3 depicts the municipality's demographic profile in 2006. The broad base highlights a relatively young population, with a significant proportion of persons between the ages of 15 to 19. The dependency ratio⁴ has changed slightly between 2001 and 2006, declining from 0,54 to 0,53. It is projected to be at 0,52 in the year 2010.

Between 2001 and 2006, Beaufort West's population increased from 34 999 to 37 598, at an annual average of 1,4 per cent. Population growth slowed to 0,1 per cent between 2006 and 2010.

For Africans, the only year that saw in-migration into Beaufort West was in 2001, when 227 African migrated to the region. From 2002 onwards Africans' recorded net out-migration only. It is projected that Africans will continue to out-migrate until 2025.

⁴ The dependency ratio is calculated as the number of 0-14 year olds plus the number of 65 year olds and older, divided by the number of people in the 15-64 year old age cohort. This is to give a rough indication of dependency, but should be noted that it is not linked to labour force or income earners (including those of pensionable age who have access to social or private pensions or other income).

Figure 3: Beaufort West population pyramid, 2006



Source: CARE 2005

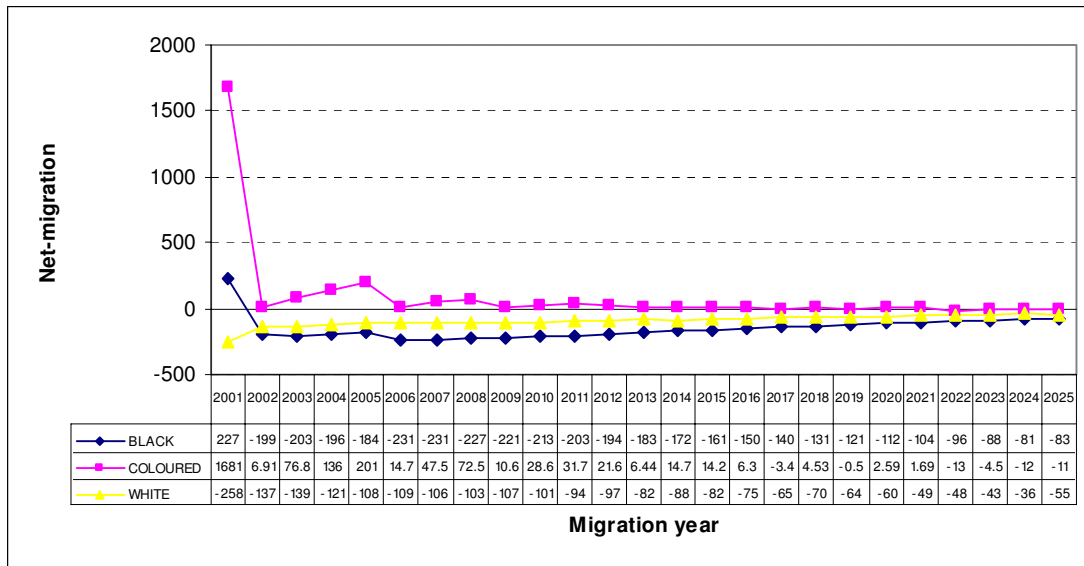
In terms of migration, Figure 4 shows a significant in-migration of Coloureds (1 681) in 2001. It is also anticipated that in-migration of Coloureds to Beaufort West municipality will continue until 2016. After this, migration patterns may reverse, with Coloureds out-migrating from Beaufort West municipality for the remainder of the projection period.

For Whites it is shown that, since 2001, they have been out-migrating from Beaufort West Municipality. It is projected that they will continue to do so until 2025 although the number of Whites emigrating will decline.

The projected migration numbers in the Beaufort West municipality for the period 2001 to 2025 is also shown in Figure 4. Migration figures from the CARE 2005 model shows net migration into the municipality of 1 651⁵ in 2001, down to -90 in 2005, and further down to -326 in 2006.

⁵ Negative numbers represents net out-migration, whilst positive number represents net in-migration.

Figure 4: Projected net-migration by population group – Beaufort West Municipality, 2001-2025



Source: Care 2005

Labour Market profile

The labour market section discusses key trends in the labour market from 1996 to 2001 based on the census information from 1996 and 2001.

Between 1996 and 2001, labour force participation remained virtually the same at nearly 55,0 per cent. The number of people employed declined from 8 214 to 7 785 while the number of unemployed people increased from 2 814 to 5 004. The unemployment rate increased sharply from 25,5 to 39,1 per cent.

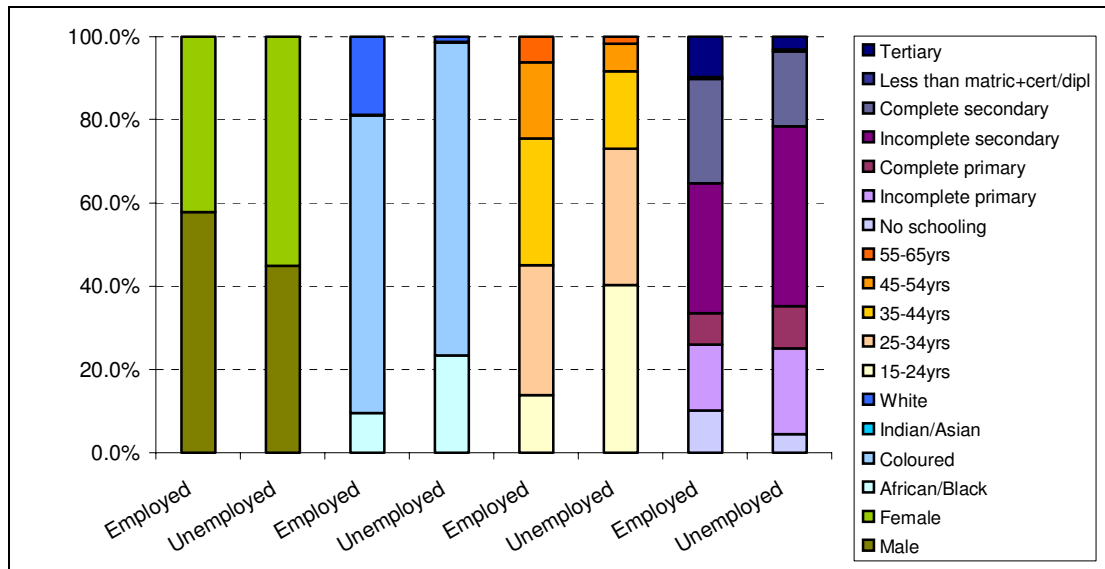
The sectoral contribution to employment in 2001 was greatest in the community, social & personal services (20,1%), agriculture, hunting, forestry & fishing (18,2%) and wholesale & retail trade (16,6%) sectors.

Table 4: Beaufort West labour market information, 1996 and 2001

	Employed	Employed (per cent)	Unemployed	Unemployed (per cent)	Labour force	Labour force participation rate (per cent)	Not economically active	Total population 15-65
1996	8 214	74.5	2 814	25.5	11 028	54.6	9 183	20 211
2001	7 786	60.9	5 004	39.1	12 790	54.9	10 505	23 293

Source: Statistics South Africa, Census 1996, 2001

Figure 5: Characteristics of Beaufort West's employed and unemployed, 2001



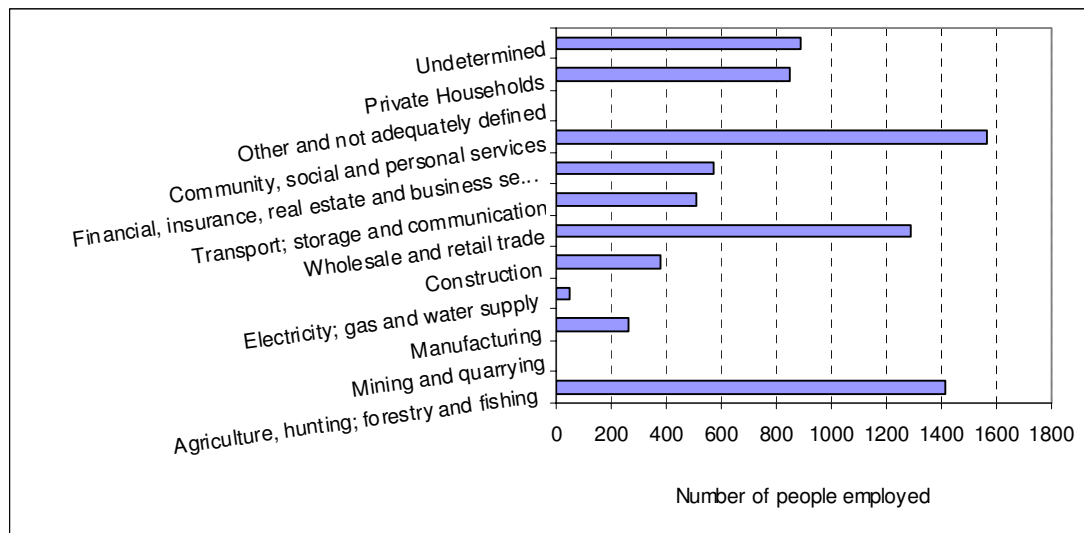
Source: Statistics South Africa, Census 2001

Figure 5 above shows the proportion of employed and unemployed within different groups. Males (57,9%) and whites (18,9%) were well-represented in the employed category while unemployment was more prevalent among youth aged 15-24 years (40,3%) and the 25-34 age cohort (32,7%).

The majority of the employed population (64,8%) as well as unemployed (78,4%) had incomplete secondary education. This indicates both the level of education and skill level of economic activity (low to semi-skilled).

The sectoral contribution to employment in 2001 was greatest in the community, social & personal services (20,1%), agriculture, hunting, forestry & fishing (18,2%) and wholesale & retail trade (16,6%) sectors.

Figure 6: Beaufort West municipality employment by sector, 2001



Source: Statistics South Africa, Census 2001

Table 5 shows skills⁶ level of the employed, Beaufort West municipality has high skilled occupation of 17,1 per cent compared to the district, which has a corresponding figure of 14,2 per cent.

Central Karoo District Municipality has a high number of low skilled (43,8%) compared to Beaufort West municipality (39,7%). The leading local municipality in low skilled occupation is Prince Albert with 59,0 per cent, with Prince Albert also being the municipality that has the lowest proportion of high skilled occupations (10,4%) within its labour force.

Table 5: Skills level of the employed

Skill Category	Beaufort West	District
High skilled	17.1	14.2
Skilled	43.2	42
Low skilled	39.7	43.8

Source: Statistics South Africa, Census 2001

Social grants⁷

The department of Social Development provides grants to over 5,6 million people per month in South Africa at a cost of more than R2,2 billion monthly. Social security grants play a very important role in alleviating poverty amongst children, women, the elderly and people with disabilities.

Benefit transfers include old age grants, war veteran's grants, disability grants, care dependency grants, foster care grants, and grant-in-aid. Table 6 shows the number of beneficiaries and the average monthly amount of grant in Beaufort West local municipality.

The total population for Beaufort West local municipality is about 37 598 people in 2006, of that population there is about 432 individuals or recipients that receive social grants which is about 1,1 per cent of that population.

The largest proportion of the recipients receiving grants is people with disabilities through disability grant (44,5%) and the average monthly value of that grant is R777,34. Following that is the child support grant with 40,6 per cent. The old age grants accounts for 8,2 per cent in Beaufort West municipality.

⁶ High skilled - Legislators, senior officials and managers, Professionals, Technicians and associate professionals; Skilled – Clerks, Service workers, shop and market sales workers, Skilled agricultural and fishery workers, Craft and related trades workers, Plant and machine operators and assemblers; Low skilled – Elementary occupations. Unknown occupations were excluded from calculations.

⁷ The social grant data here only refers to grants issued via ALLPAY stations. Therefore the data herein does not represent **all** grants issued.

Table 6: Social grants data 2005

Beaufort West	Average number of recipients (monthly)	Proportion of total recipients	Proportion of total recipients Central Karoo District	Average monthly value of grant ⁸	Total value of grants paid (R - monthly)	Proportion of total value of grants (R - monthly)
OLD AGE	35	8.2%	13.4%	724.28	25,531	10.5%
DISABILITY	192	44.5%	36.3%	777.34	149,508	61.7%
FOSTER CARE	20	4.7%	3.9%	854.71	17,379	7.2%
CARE DEPENDENCY GRANT	3	0.6%	0.7%	823.23	2,127	0.9%
CHILD SUPPORT	175	40.6%	43.7%	263.81	46,255	19.1%
GRANT IN AID	6	1.3%	1.9%	176.36	970	0.4%
ALL OTHER GRANTS	1	0.1%	0.1%	N/A	715	0.3%
TOTAL GRANTS	432	100.0%	100.0%	561.52	242,485	100.0%

Source: SASSA 2006

⁸ The grant amount may be different from the monthly amount given to each beneficiary due to the following reasons provided by SASSA 2006:
 Lumpsum for the beneficiary due to the date the grant was put in payment versus the application date.
 Lumpsum for the beneficiary due to previous month's grant being uncollected.
 Lumpsum for the beneficiary due to re-instatements
 Yearly beneficiary uptake (new applications)
 Yearly Paypoints transfers (movement of beneficiaries between paypoints)

Well being of households

The well being of the households plays an important role in regional economic development. Factors such as access to household income, and basic and social services and the quality of life are explored in this section; drawing information from the 1996 and 2001 Census.

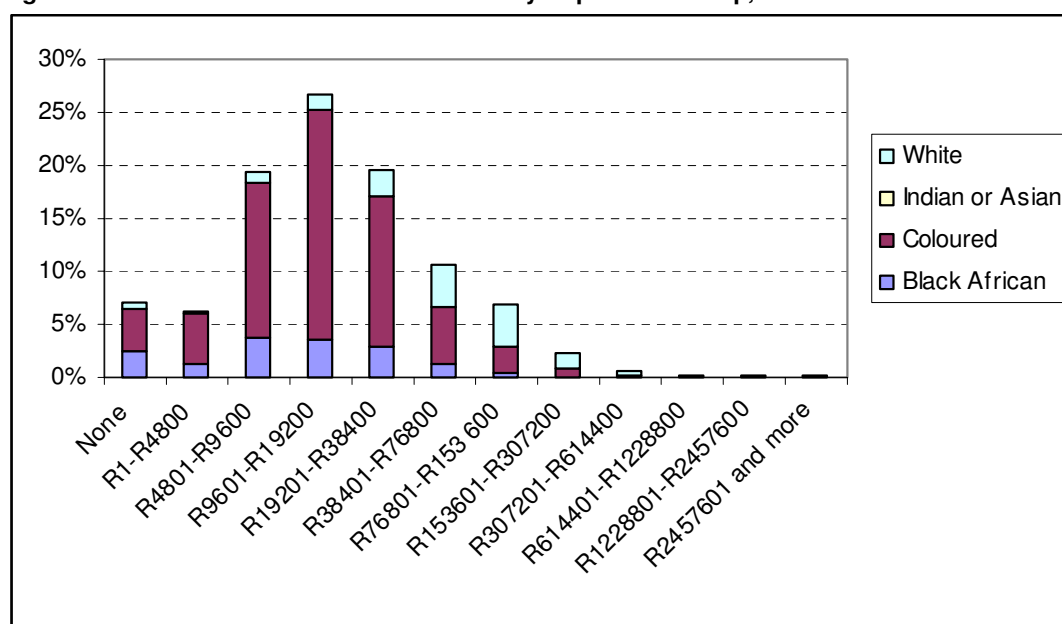
Although the data from the 2001 census is five years old, the Census data gives an indication of the level and changes in access to services in the inter-census period. The social services information is more up to date and communicates the health, education and crime challenges that the municipality faces.

Household Income

The majority of households (65,8%) in Beaufort West have income of between R4 801 and R38 400 per year. Of all the households, 7,1 per cent have no income while 6,2 per cent earn between R0 and R400 per month.

Females head a very high percentage of households (38%), while persons aged 15 to 24 years head 4,9 per cent of households.

Figure 7: Beaufort West Income Distribution by Population Group, 2001



Source: Statistics South Africa, Census 2001

Access to Basic Services

Access to basic services has considerable influence on the standards of living and quality of life of people living in the municipality. The figure below compares the Beaufort West municipality to the Central Karoo District on five measures of basic services, namely energy⁹, water¹⁰, refuse removal¹¹, telephone services¹², sanitation¹³; it comprises only of the

⁹ Energy - Gas, paraffin, candles and other.

¹⁰ Refuse removal- own refuse dump, and no rubbish disposal.

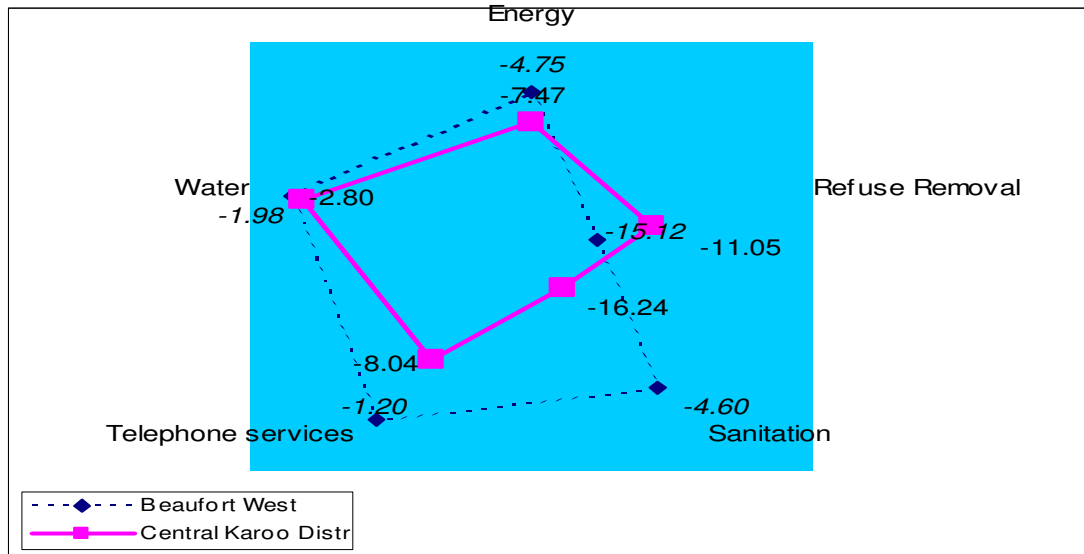
¹¹ Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other.

¹² Telephone services -Telephone at another location not nearby and no access to a telephone.

¹³ Sanitation - Bucket latrine, and none

households with access to less than basic services (as defined in the footnote); the negative sign in numbers indicate an improvement in access to respective services.

Figure 8: Percentage change in households with below basic access to services – Beaufort West versus Central Karoo District, 1996- 2001



Source: Statistics South Africa: 2001 Census: Community profile database, DBSA

Although Beaufort West performed well in providing access to basic services between 1996 and 2001, it did not out-compete the district except in the access to refuse removal. Access to refuse removal, sanitation and energy, improved by 15,1 per cent, 4,6 per cent and 4,8 per cent respectively.

For 2004/05 budget a total of R1,1 million was allocated for sewerage purification and reticulation, R2,5 million for electricity reticulation, R1,4 million for water reservoirs and reticulation. No amount has been budgeted for refuse sites.

Table 7: Changes in access to basic services between 1996 and 2001: Beaufort West

		Energy	Refuse Removal	Sanitation	Telephone services	Water
Beaufort West	Percentage Change					
	1996-2001	-4.75	-15.12	-4.60	-1.20	-1.98
	Number of households	-184	-932	-241	9	-137

Source: Statistics South Africa: 2001 Census; Community profile database, DBSA

Access to Housing

The housing backlog for Beaufort West, increased to 584 in 2004 from 297 in 2001. Between 1994 and 2004 a total of 135 housing units were built. Budgeted expenditure for housing amounted to R12,7 million in 2004/2005.

Access to Social Services

In this section the focus is on socio-economic analysis of the education, health crime and development indices.

Development indices

There are two ways of measuring the quality of life that have been used in this document and these are Human Development Index¹⁴ (HDI) and City Development Index¹⁵ (CDI). Both the HDI and CDI of Beaufort West compared unfavourably with the province, at 0,64 and 0,77 respectively, which compares favourably to the province's 0,72 and 0,81 respectively.

The income measure in the CDI (0,72 compared to the province's 0,82) and education measure within the HDI (0,57 compared to the province's 0,68) compared poorly with that of the province.

In addition, the index of multiple deprivation—a measure of multiple deprivation in a small area and is unique with inclusion of a measure of geographic access as an element of deprivation and in its direct measure of poverty—confirms that there is some element of multifaceted deprivation within the Beaufort West municipality. The index is made up of five distinct dimensions of deprivation called domain indices¹⁶.

Multiple Deprivation

The PIMD, which measures small-area deprivation based on five domains¹⁷, confirms the existence of multifaceted deprivation, highlighting the existence of poverty and inequality within the Municipality.

Some wards from the Central Karoo District feature in the list of the 50 least deprived wards in the Western Cape, one of which is Beaufort West, which is ranked number 5, with a Provincial Index of Multiple Deprivation (PIMD) score of 389.62 in the least-deprived category.

None of the Central Karoo District wards featured in the 50 first lists of the least deprived areas. This indicates that the Beaufort West municipality is poor and with high levels of poverty and unemployment.

¹⁴ HDI is derived from Health index (a weighted mean of life expectancy and infant mortality), Income index (proxy used is mean household income) and Education index (a weighted mean of adult literacy and gross enrolment)

¹⁵ CDI is derived from all the data as calculated in HDI, but in addition, for CDI there is Infrastructure index (the mean of water connection, sewerage, electricity and telephone), and Waste index (solid waste removal per household).

¹⁶ These relate to income, employment, health and disability, education, skills and training, barriers to housing and services, crime and living environment. The ward with a rank of 1 is the most deprived, and the ward with a rank of 332 is a least deprived for each domain.

¹⁷ Income and material deprivation, employment deprivation, health deprivation, education deprivation and living-environment deprivation

Table 8: Beaufort West: Selected Socio-Economic Indicators, education

Education			
Percentage of people over 14 illiterate (less than grade 7)	32		
Educator – learner ratio	36		
HDI			
	0.64	CDI	0.77
Health	0.64	Infrastructure	0.78
Income	0.72	Waste	0.86
Education	0.57	Health	0.68
		Education	0.81
		Income	0.72

Source: Department of Health (2005), Department of Education (2005), Department of the Premier (2005)

Education

Beaufort West municipality has 17 secondary and primary schools, representing 65,4 per cent of schools in the Central Karoo District. In Beaufort West, 32 per cent of the population over 14 years has had less than 7 years of formal education, compared to an alarming 37,0 per cent of the district. This is coupled with an educator-learner ratio of 36. Both education levels and workload needs attention.

Table 9 shows level of education attained by people of 20 years and older. The average number of people in the Beaufort West municipality had some level of secondary education (33,4%), which is higher than the average for the Central Karoo District (30,5%).

The percentage of people with higher education in the Beaufort West is 5,3 per cent compared to Central Karoo District with 5,9 per cent. But in terms of occupational skills Beaufort West has a proportion of 17,1 per cent compared to Central Karoo District with 14,2 per cent.

Table 9: Highest education level grouped for 20+ ages, 2001

Category	Beaufort West	Per cent	District	Per cent
No schooling	3109	14.7	5858	16.8
Some primary	4343	20.5	8111	23.3
Completed primary	1839	8.7	3122	9.0
Some secondary	7091	33.4	10604	30.5
Grade 12/Std 10	3712	17.5	5046	14.5
Higher	1122	5.3	2065	5.9

Source: Statistics South Africa, Census 2001

Health

Central Karoo District expenditure review reported that there are 3 mobile clinics, 5 clinics and 1 Community Health Care centre in Beaufort West municipality. Health indicators revealed that the proportion of children under the age of 1 year with first measles immunization was 93 per cent (above the national target of 90%),

TB prevalence stood at 950 for every 100 000 people, with a cure rate of 74 per cent. The national target for TB cure rate of 85 per cent has not been met. The patient nurse ratio was 31, lower than the national target of 34.

Meanwhile, HIV prevalence in the municipality is projected to increase from 1,9 per cent in 2001 to 2,9 per cent in 2005 and by 3,6 per cent in 2010 (ASSA2003 Model, CARE 2005).

AIDS related deaths are projected to increase from 24 in 2001, to 43 in 2005 and 67 in 2010. As a proportion of total deaths, it increases from 7,4 to 11,8 to 16,7 per cent between 2001, 2005 and 2010 respectively.

Table 10: Beaufort West Health Indicators

		<i>National health targets</i>	
Proportion under 1 with 1st measles immunisation	93%	90%	
Percentage births under 2,5kg	21%	< 10%	
TB prevalence per 100 000	950		
TB Cure rate	74%	85%	
Patient – nurse workload per day	31	34	
HIV/AIDS prevalence rate (2005)	2.9	HIV/AIDS prevalence rate (2010)	3.6
Number of HIV/AIDS deaths (2005)	43	Number of HIV/AIDS deaths (2010)	67

Source: Department of Health

Crime

Beaufort West municipality has 4 police stations, which represent 44,4 per cent of all police stations in the Central Karoo District (9). The total number of reported crimes increased between 2002/2003 and 2004/2005, with drug related crime increasing sharply from 94 to 283 during this period. The number of murders and the neglect and ill treatment of children showed increasing trends, while the number of reported rapes declined.

Table 11: Beaufort West, crime statistics, 2002-2005

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	24	30	32
Rape	74	70	62
Neglect and ill-treatment of children	7	6	11
Drug related crime	94	150	283
Total number of reported crimes	4 154	4 504	4 443

Source: SAPS (2005)

Municipal Sustainability

The following section focuses on the factors contributing to the sustainability of municipality ranging from continuity of the prevailing political environment, revenue generating capability, through effective debt and debtors management, costs containment and the internal capacity of the municipality, particularly in relation to personnel.

Political environment

Table 12 shows changes in political governance between 2000 and 2006. The comparison is intended to reflect the extent of continuity within the political makeover between the two election periods. In terms of political makeover, there is some evidence of continuity within the district. In fact, a newly formed party, Independent Civic Organisation of South Africa (ICOSA), is made of defectors from different parties.

In 2006, the African National Congress (ANC) tied with ICOSA with 5 seats each. Democratic Alliance (DA) won two seats in Beaufort West Municipality while in Central Karoo District Municipality ANC won 3 seats in 2006 with ICOSA winning 2 seats and DA 1 seat.

Table 12: Changes in political governance, 2000 and 2006

Total seats				
	BEAUFORT WEST		CENTRAL KAROO DM	
PARTY	2006	2000	2006	2000
ANC	5	5	3	1
DA	2	2	1	0
ICOSA	5	0	2	0
ID ¹⁸	1	0	0	0
TOTAL	13	7	6	1

Source: Own representation based on IEC data

Revenue generation capacity

The total Beaufort West municipal budget for the financial year 2006/07 is R91,1 million. Main sources of own revenue comprise the larger part of the total with R52,0 million, which is 57,1 per cent of the total, followed by provincial transfers with R12,6 million.

For the period 2006/07 growth is expected to be 6,8 per cent in the overall municipal revenue. Revenue growth over the MTIEF is projected to grow at an average annual rate of 1,1 per cent.

Table 13: Overall municipal revenue

Source	Budget		Medium Term estimate		Growth	
	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
R'000	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
Transfers	31 034	27 599	20 158	20 759	-11.1%	-12.5%
<i>National transfers</i>	14 574	4 654	2 512	2 392	-68.1%	-45.2%
<i>Provincial transfers</i>	11 300	12 695	6 474	5 759	12.3%	-20.1%
<i>Municipal transfers</i>						
<i>Unclassified</i>	5 160	10 250	11 172	12 608	98.6%	34.7%
Main sources of own revenue	45 555	52 034	55 434	58 376	14.2%	8.6%
All other sources of revenue	8 773	11 515	10 177	8 989	31.3%	0.8%
Total	85 362	91 148	85 769	88 124	6.8%	1.1%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Beaufort West municipality: Final Budget 2006 MTREF

From Table 14, it can be seen that, for the budget period 2005/2006, electricity accounted for 40,1 per cent of own revenue, property rates (21,9%), and water (17,1%). This scenario continues in the budget period 2006/07 with 39,6 per cent coming from electricity, 23,0 per cent coming from property rates and 17,2 per cent of the revenue generated from water.

Total own revenue growth over the MTIEF is expected to be at an average annual rate 8,6 per cent, driven by growth from electricity, water and refuse removal revenues.

¹⁸ Independent Democrats

Table 14: Main sources of own revenue

R'000	Budget	Budget	Medium Term estimate		Growth	
	2005/06	2006/07	2007/08	2008/09	05/06-06/07	MTIEF
Property rates	21.9%	23.0%	23.0%	22.7%	19.8%	9.9%
Electricity	40.1%	39.6%	39.4%	39.2%	13.0%	7.8%
Water	17.1%	17.2%	17.4%	17.8%	14.8%	10.2%
Sanitation	12.8%	12.8%	12.6%	12.8%	13.9%	8.6%
Refuse removal	5.4%	5.5%	5.8%	5.7%	17.6%	11.1%
Other	2.8%	1.9%	1.8%	1.7%	-20.6%	-7.4%
Total	100.0%	100.0%	100.0%	100.0%	14.2%	8.6%

Source: Calculated by Provincial Treasury, Fiscal Policy Unit based on Beaufort West municipality: Final Budget 2006 MTREF

Staffing rates in Central Karoo district remain stable over the assessment period but staffing levels in Beaufort West municipality continued to fluctuate each year. Beaufort West municipality has the highest number of staff employed, (283 in 2005).

Table 15: Annual staffing levels 2002-2005 (Actual levels)

MDB Code	Municipal name	Employment 2002	Employment 2003	Employment 2004	Employment 2005
DC5	Central Karoo District Municipality	174	175	183	174
WC053	Beaufort West municipality	251	270	229	283

Source: Demarcation Board (Census 2001 data)

Beaufort West municipality has the lowest staff per capita ratio (1:131). This has been a consistent pattern since 2002. Central Karoo district is considered to have the highest staff ratio (1:348). In 96,1 per cent of the positions were filled, implying internal capacity is no threat to service delivery.

Table 16: Existing staffing rates

MDB Code	Municipal name	No. of approved positions 2005	Total No. currently employed 2005	No. of vacant positions 2005	Percentage of posts filled 2005
DC5	Central Karoo District Municipality	181	174	7	96.13%
WC053	Beaufort West municipality		283		

Source: Demarcation Board (Census 2001 data)

Conclusion

Beaufort West grew at an average annual rate of 3,0 per cent between 1995 and 2004. Its economy is driven by the transport & communication sector.

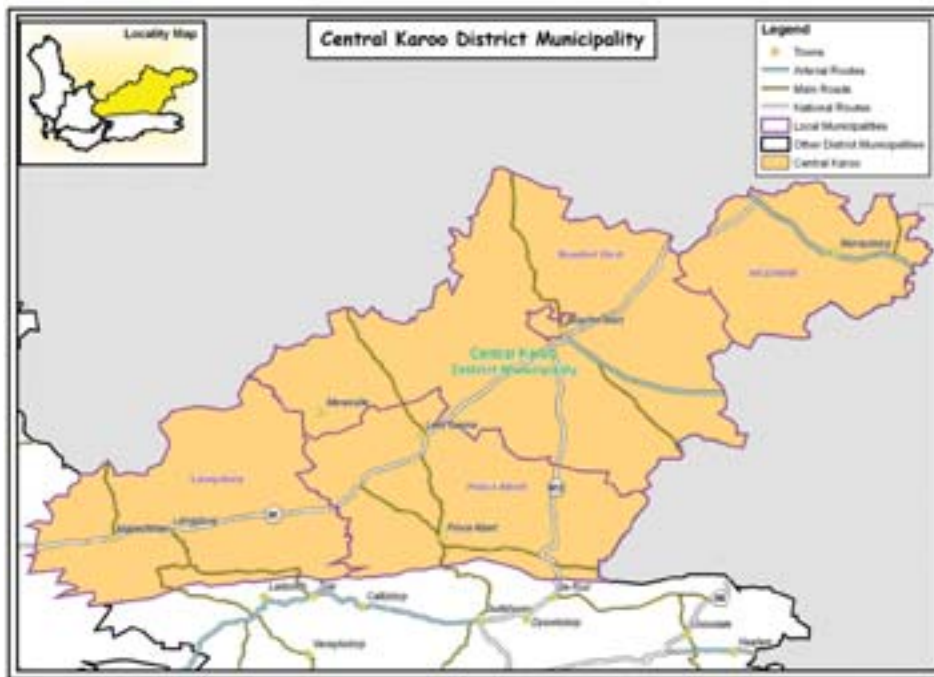
Employment contributing sectors were greatest in community, social & personal services, followed by agriculture, hunting, forestry and fishing. Beaufort West is characterised by low incomes and high unemployment levels, which emphasises the need to create more employment opportunities.

Access to basic services is poor. Access to refuse removal needs to be addressed, with 13,4 per cent of the population having below basic access to this service. Similarly, access to energy (11,3% of the population has below basic access) and sanitation (6,9% of the population has below basic access) must be improved. Housing delivery also needs to be improved.

There is also a need to address challenges within education, health and crime, especially given the rate of escalation in drug related crimes in recent years.

5

Central Karoo District Management Area



Nominal GDP (2004)	: R36.7 million
Total population (2006)	: 6 166
Urban/rural ratio	:
No. of wards	:

Introduction

The Central Karoo District Management Area (DMA), founded in 2000, forms a part of the Central Karoo district municipality. A DMA is run directly by the district municipality as opposed to being part of a local municipality. The DMA's are usually national parks and usually have a low population density. The Central Karoo DMA's has a particular low population density of 1,11/km².

The region also has the smallest population in the District at 6 166 in 2006, or 9,9 per cent of the total Central Karoo District population. The largest economic sectors in 2004 were agriculture, forestry & fishing (22,6%) and construction (21,1%). The DMA area contributed only 5,2 per cent or R36,7 million of the district's R705,5 million in 2004 with an estimated average annual growth rate of 1,9 per cent between 1995 and 2004. The region faces several challenges, amongst which are high levels of unemployment (32,9%), a slow growing economy, large distances to markets and a dry climate.

Total population	(2001)	: 5 320	Population Density 1,11 km²	
	(2006)	: 6 166		
	(2010)	: 6 099		
Population growth rate (average annual)				
2001-2006	2,99%			
2006-2010	-0,27%			
<i>Centre for Actual Research, 2005 (Population projections for the Western Cape 2001 – 2025)</i>				
Socio-economic indicators				
	Central Karoo District Municipality		Central Karoo DMA	
GDPR (2004)	R705.5 million		R36.7 million	
Unemployment rate (2001)	36,0%		32,9	
Number of unemployed (2001)	7 653		637	
Proportion of households with no income (2001)	7,56%		10,6%	
Number of households with no income (2001)	1 147		165	
Education				
	Central Karoo District Municipality		Central Karoo DMA	
Percentage of people over 14 illiterate (less than grade 7)	37%		49%	
Educator – learner ratio	36		N/A	
Health measures (2004/05)				
	<i>National health targets</i>	Central Karoo	DMA	
Proportion under 1 with 1st measles immunisation	90%	80%	76%	
Percentage births under 2,5kg	< 10%	26%	21%	
TB prevalence per 100 000	N/A	1 014	760	
TB Cure rate ¹	85%	71%	86%	
Patient – nurse workload per day	34	31	24	
HIV/AIDS prevalence rate (2005)	N/A	2,7%	3,1%	
Number of HIV/AIDS deaths (2005)	N/A	66	8	
HIV/AIDS prevalence rate (2010)	N/A	3,3%	3,8%	
Number of HIV/AIDS deaths (2010)	N/A	106	12	
Crime measures (reported crime)	2002/2003	2003/2004	2004/2005	
Murder	5	6	3	
Rape	9	6	11	
Neglect and ill-treatment of children	2	1	4	
Drug related crime	2	16	26	
Total number of reported crimes	461	467	428	
Strengths	Challenges			
Improvements in access to basic services.	High unemployment, especially amongst the youth.			
Surprisingly good health measures	Low household income levels.			
	Growing incidence of drug related crime.			

¹ Data used is 2003/04 as there is no data for 2004/05

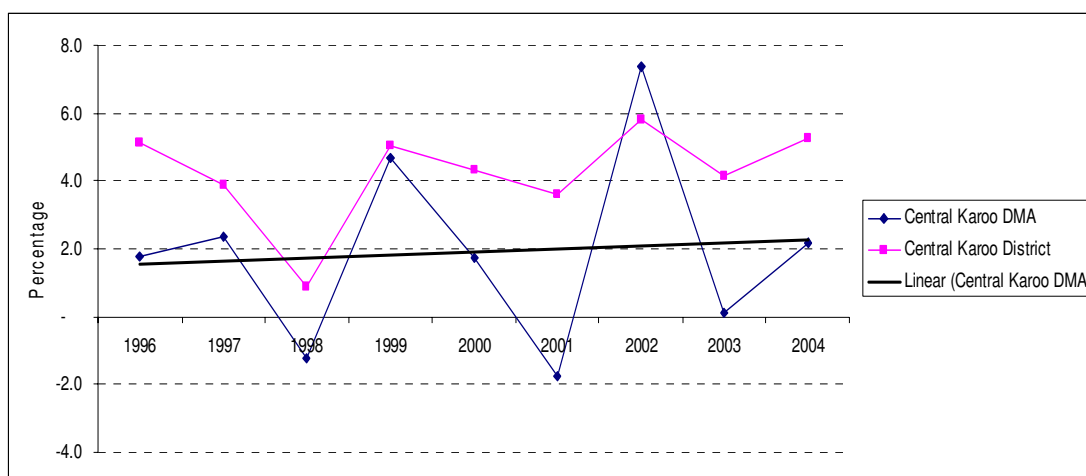
Economic profile

This section reviews the economic potential of the Central Karoo DMA, including the contribution of different sectors to economic growth, and in particular, their importance and relevance to the development prospects of the region.

Economic Outlook²

In 2004, Central Karoo DMA contributed only 5,2 per cent, or R 36,7 million, to the Central Karoo District's GDP of R705 million. However, the DMA's contribution to the Central Karoo District's GDPR has declined over time, having previously contributed 6,4 per cent in 1995.

Figure 1 Central Karoo DMA vs. Central Karoo District growth rates, 1996 to 2004



Source: Own calculations, based on Quantec Research data, 2006

Growth in the DMA has generally followed the pattern set within the District; albeit at lower levels (see Figure 1). An encouraging development is the positive long-term growth rate of the DMA, growing at an average annual rate of 1,9 per cent between 1995 and 2004.

The average annual growth rate of the DMA remained constant when a shorter time frame is considered, growing at 1,9 per cent between 2000 and 2004. The long term trend of growing close to 2,0 per cent per year has not changed significantly for the latest available data, as the DMA only grew at 2,2 per cent between 2003 and 2004.

The DMA has grown at a substantially slower rate than the Central Karoo District as a whole; the latter growing at an average annual rate of 4,2 per cent between 1995 and 2004, which increased when a shorter period is considered to 4,7 per cent (2000 to 2004). When data for 2003 to 2004 is considered, the District grew at 5,3 per cent.

The figures above tend to suggest that, even though there is a strong correlation between the direction of growth between the DMA and the District,³ the DMA economy faces challenges to benefit more from the higher growth rates achieved by the District economy.

² This section is based on GDPR data from Quantec Research, unless noted otherwise.

³ The DMA and District growth rates show a strong positive correlation, with a correlation coefficient of 73 per cent.

The fastest growing sectors for the 1995-2004 period (see Table 1 below) were:

- transport & communication (7,2%),
- finance & business services (7,0%), and
- manufacturing (3,8%).

Between 2000 and 2004, the fastest growing sectors were:

- finance & business services (8,4%),
- transport & communication (6,6%), and
- construction (5,0%).

Table 1: Average annual growth per sector

Industry	% Contribution per sector 2004	Average annual growth 1995-2004	Average annual growth 2000-2004	Average annual growth 2003-2004
Agriculture, forestry and fishing	22.6	-0.9	-2.0	-1.8
Mining	0.0	0.0	0.0	0.0
Manufacturing	10.3	3.9	1.7	4.4
Electricity & water	0.0	0.0	0.0	0.0
Construction	21.1	3.8	5.0	5.1
Wholesale & retail trade; catering& accommodation	8.9	0.9	1.2	3.8
Transport & communication	11.8	7.2	6.6	5.4
Finance and business services	5.2	7.0	8.4	5.2
Community, social and other personal services	12.1	3.6	3.1	1.9
General government services	8.0	-4.0	-3.1	-3.7
Total	100.0	1.9	1.9	2.2

Source: Own calculations, based on Quantec Research data 2006

Although some of these growth figures appear impressive, it should be noted that some sectors are growing of a small base. Consequently, a small increase in the base level of a sector will reflect a high growth rate.

Importantly for the DMA, the largest sector, agriculture, has decline by 0,9 per cent per annum between 1995 and 2004. The decline in this sector accelerated between 2000 and 2004, reporting an average annual growth rate of -2,0 per cent.

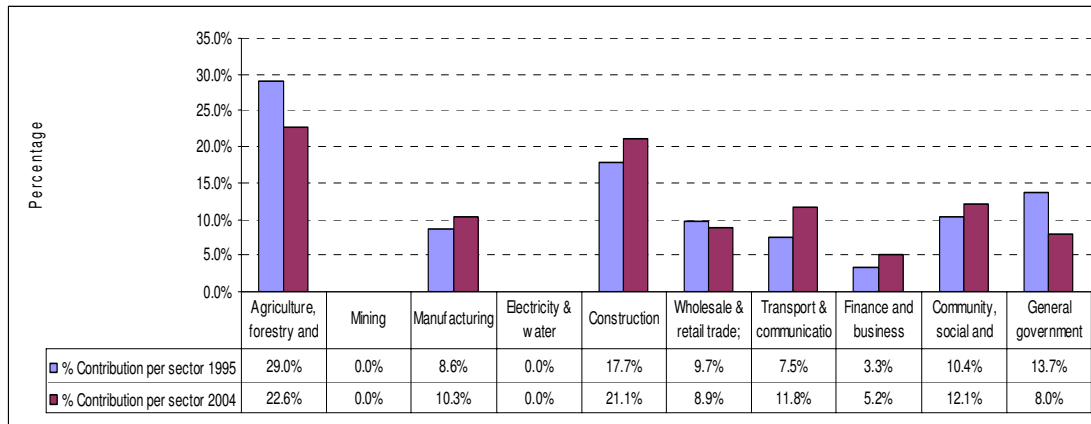
In addition, the government services sector has also decline by 4,1 per cent per annum between 1995 and 2004 (between 2000 and 2004 the latter sector decline by 3,1% per annum).

The poor performance of these two sectors can be said to be the major reason for the slow overall growth performance of the DMA.

Sector Analysis

In 2004, the most important sector in terms of overall contributions was the agricultural sector, which contributed 22,6 per cent to the Central Karoo GDPR, followed by the construction industry (21,1%) and community, social & other personal services (12,1%).

Figure 2: Central Karoo DMA: sectoral contribution to GDPR, 1995 and 2004



Source: Own calculations, based on Quantec Research data, 2006

No other sector contributed more than 12 per cent to total GDPR. These proportions have, however, changed over time. In 1995 the agricultural sector contributed 29 per cent to total GDPR, revealing a distinct decline in the fortunes of this sector when compared to the sector's current contribution of 22,6 per cent. Similarly, the government sector has also decline from its 1995 GDPR contribution of 13,7 per cent to 8 per cent in 2004.

Sectors that have increased their contribution to GDPR are construction (17,7% in 1995), transport & communication (from 7,5% in 1995 to 11,8% in 2004), manufacturing (from 8,6% in 1995 to 10,3% in 2004) and community, social & other personal services (10,4% in 1995).

It is possible that these figures reflect an evolving economy, an economy that is shifting from being an agrarian economy to an economy that is more secondary and services sector based. However, further investigation is required before this view can be stated with more confidence.

Manufacturing sub-sectors

Within the manufacturing sector, the petroleum products, chemicals, rubber & plastic sub-sector plays the most important role, comprising 83,4 per cent of the manufacturing sector in 2004. This represents a slight increase in overall share of manufacturing since 1995, when the latter sub-sector represented 82,0 per cent of manufacturing.

The manufacturing sector is, as the figures above suggest, very highly concentrated, with a Tress Index⁴ value of 94,6. This compares with a (still concentrated) Tress Index value of 72,7 for the Central Karoo District's manufacturing sector, and a more diverse manufacturing sector of the City of Cape Town that reports a Tress Index of 41,1.

⁴ The Tress Index measures the level of concentration or diversification in economies. The index varies between 0 and 100, with 0 being completely diversified and 100 reflecting total concentration (i.e. only one active sector that produces all economic production).

Table 2: Central Karoo DMA: Manufacturing sub-sectors growth performance, 1995 - 2004

Industry	Contribution per sector 1995 (%)	Contribution per sector 2004 (%)	Average annual growth 1995-2004	Average annual growth 2000-2004	Average annual growth 2003-2004
I05: Food, beverages and tobacco	5.6	5.1	2.9	3.4	10.5
I06: Textiles, clothing and leather goods	0.0	0.0	0.0	0.0	0.0
I07: Wood and paper; publishing and printing	0.0	0.0	0.0	0.0	0.0
I08: Petroleum products, chemicals, rubber and plastic	82.0	83.4	4.1	1.2	3.9
I09: Other non-metal mineral products	1.6	1.3	1.7	5.6	10.2
I10: Metals, metal products, machinery and equipment	10.8	10.2	3.3	5.2	4.9
I11: Electrical machinery and apparatus	0.0	0.0	0.0	0.0	0.0
I12: Radio, TV, instruments, watches and clocks	0.0	0.0	0.0	0.0	0.0
I13: Transport equipment	0.0	0.0	0.0	0.0	0.0
I14: Furniture and other manufacturing	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	3.9	1.7	4.4

Source: Own calculations based on Quantec Research data, 2006

For the period 1995 to 2004, the petroleum products, chemicals, rubber & plastic sub-sector fared relatively well, recording a growth rate of 4,1 per cent (comparing to 4,5% for the Central Karoo District). The rate of decline was substantially to 1,2 per cent between 2000 and 2004 (comparing to 1,6% for the Central Karoo District). However, growth for the latter sub-sector for 2003-2004 once again reached long-term trend growth at 3,9 per cent (compared to 4,3% for the Central Karoo District).

Overall, the manufacturing sector has recorded moderate growth rates for the periods 1995-2004 (3,9% average annual growth rate), but recorded slower growth rates for the shorter period of 2000-2004 (1,7% average annual growth rate). However, the growth rate for 2003-2004 reached 4,4 per cent, potentially indicating an upturn in manufacturing activity. Further investigation is required.

Economic infrastructure

The provision of infrastructure services like water, housing, refuse removals, electricity, and sanitation represent a condition for improved economic growth, welfare, quality of life, productivity and higher growth rates. Thus infrastructure plays a dual role in the economic system, namely assisting in improving the level of economic activity and in improving living conditions.

Demographic profile

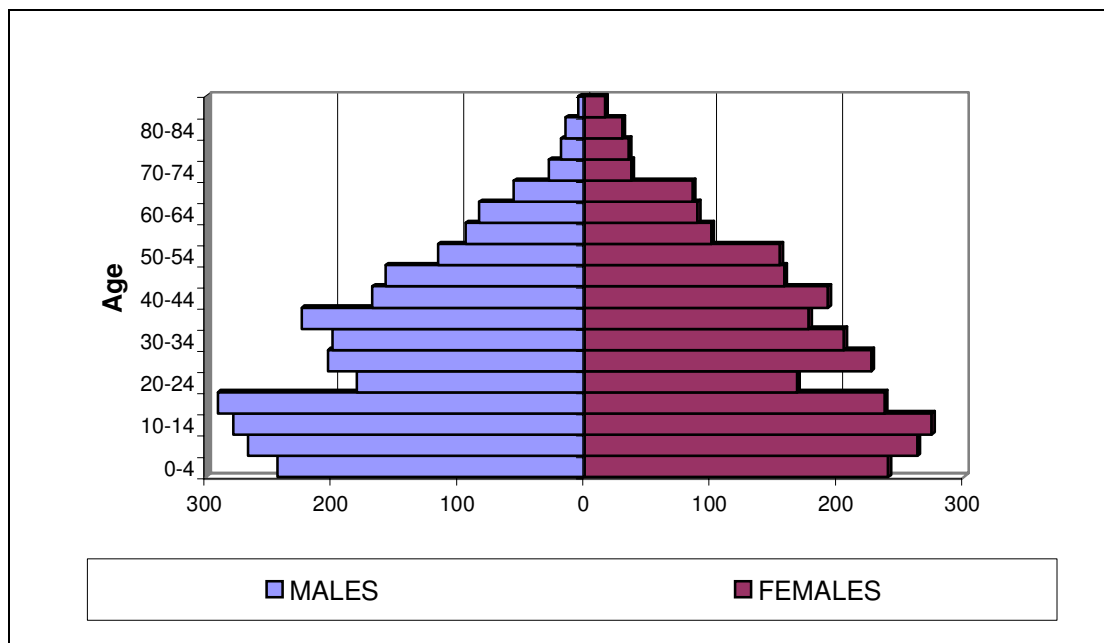
Between 2001 and 2006 Central Karoo DMA's population increased from 5 320 to 6 166 at an average annual of 3,0 per cent. Between 2006 and 2010 growth is projected to turn negative to -0,3 per cent, reaching 6 099.

The population of the DMA is relatively young, with 47,5 per cent of the population under the age of 25 in 2006. It is forecast that this youthful profile of the DMA will remain, with approximately 45,5 per cent of the population being under the age of 25 in 2010. This phenomenon can be seen in Figure 3 below.

The youthful population is once again reflected in the high dependency proportion (i.e. the proportion of people under the age of 15 and over the age of 65 who are dependent on people between 15 and 65) found in the DMA population. The dependency ratio has declined from 55,2⁵ per cent in 2001 to 52,8 per cent in 2006 (with a further anticipated decline to 50,9% by 2010) over time.

Interestingly, the decline in dependency is more pronounced for the DMA than the district, with the comparative dependency ratios for the District being higher than those found in the DMA, apart from 2001. The comparative dependency ratios for the District were 55,0 per cent in 2001, 53,8 per cent in 2006, with a further decline to 52,7% by 2010.

Figure 3: Central Karoo DMA population pyramid, 2006



Source: CARE 2005

⁵ I.e., for each 100 individuals of the legal working age, there are 55 individuals who are not of the legal working age. If the economically active population is considered, the dependency ratio could worsen. However, social grants issued to the elderly, as well as other sources of income for the non-working age population, will, in turn, reduce the dependency ratio if included in the analysis.

Migration will have some impact in the DMA municipality, given the small size of the overall population⁶. Net emigration occurs in this region, with the 2006 net emigration figure of 54 representing 0,9 per cent of total population. It is forecast that emigration from the DMA will remain fairly stable over time, with proximately 56 people migrating in 2010, representing 1,0 per cent of the projected total population in 2010.

Labour market profile

Labour market participation declined between 1996 and 2001, from a low 58,2 per cent to an even lower 54,2 per cent in 2001. The number of people employed also decline from 1 368 to 1 299 while the number of unemployed increased from 360 to 637 during the same period. The unemployed rate increased sharply from 20,8 in 1996 to 32,9 per cent in 2001.

Table 3: Central Karoo DMA labour market information, 1996 and 2001

	Employed	Employed (per cent)	Unemployed	Unemployed (per cent)	Labour force	Labour force participation rate (per cent)	Not economically active	Total pop 15-65
1996	1368	79.2	360	20.8	1728	58.2	1241	2969
2001	1299	67.1	637	32.9	1936	54.2	1639	3574

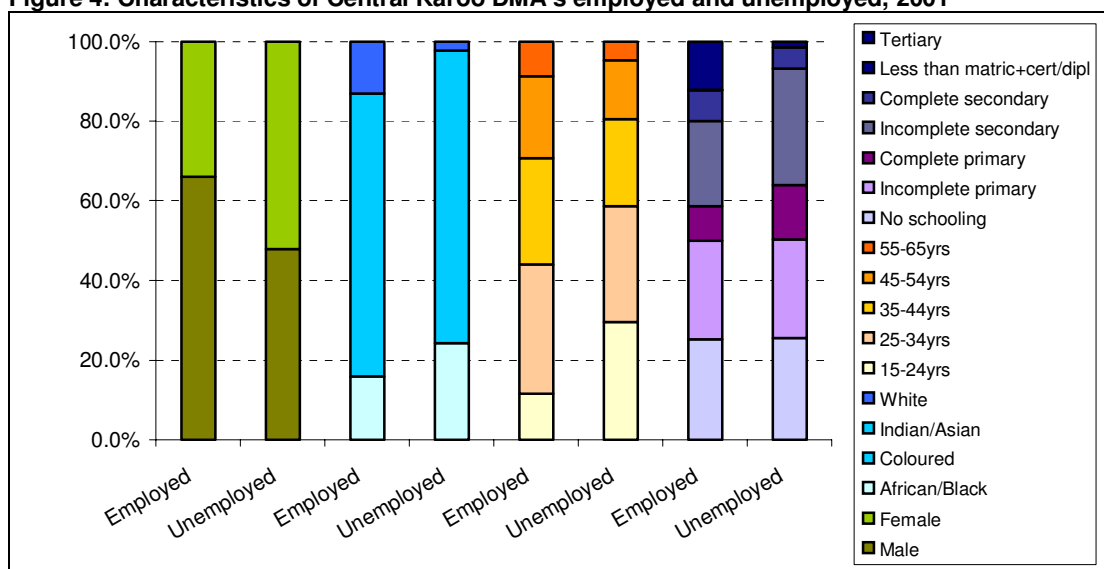
Source: Statistics South Africa, Census 1996, 2001

It should also be noted that the proportion of not economically active people to the total working age population ratio increased between 1996 and 2001, rising from 41,8 per cent to 45,9 per cent.

The proportions of employed and unemployed, by gender, population group, age and education for 2001 are summarised in the figure 4 below.

⁶ Note that the skill level of migrants in the DMA is not assessed here, therefore the true economic impact of migration on private sector activity is difficult to determine. However, from a service provision stance, the small migration figure is not expected to have a significant impact.

Figure 4: Characteristics of Central Karoo DMA's employed and unemployed, 2001



Source: Statistics South Africa, Census 2001

The graph above shows the proportion of employed and unemployed within different groups. Males (66,1%) and whites (13,2%) were highly represented amongst the employed while Africans (24,3%) and young persons aged between 15-24 years (29,5%) were highly represented amongst the unemployed.

Of the employed population, 80,0 per cent had incomplete secondary education. The proportion amongst the unemployed population was even higher at 93,2 per cent. This serves as an indication of both the level of education as well as the skill level of economic activity (low to semi-skilled) in the area.

In 2001, by far the greatest job-creating sector was agriculture, hunting, forestry & fishing, creating 46,7 per cent of all jobs in the municipality. Community, social & personal services and private households followed with 15,7 and 14,1 per cent respectively.

Given the importance of the agricultural sector with regard to employment, as well as the decline of this sector (discussed above), the need to create employment in other sectors become even more important.

However, the services sectors require more skilled labour, and the lack of skilled labour within the DMA may inhibit employment growth (see Table 4 below).

Table 4: Central Karoo DMA: Comparative skills distribution, 2001

Skill category	DMA	District	WC
High skilled	11.4	14.2	23.8
Skilled	40.3	42	44.9
Low skilled	48.3	43.8	31.3
Total	100.0	100.0	100.0

Source: Own representation based on Census 2001

The DMA has a large proportion of unskilled labour⁷, with 48,3 per cent of the labour force being low skill and an additional 40,3 per cent falling within the skilled category. This compares relatively poorly with the Western Cape and the Central Karoo District as a whole. Worryingly, only 11,4 per cent of the labour force fall within the high skill category, as compared to 14,2 per cent for the District and 23,8 per cent for the Province.

Social grants⁸

The Department of Social Development provides grants to over 5,6 million people per month in South Africa at a cost of more than R2,2 billion per month. Social grant plays a very important role in alleviating poverty amongst children, women, the elderly and people with disabilities as a source of income.

Benefit transfers include old age grants, war veteran's grants, disability grants, care dependency grants, foster care grants, and grant-in-aid. Table 5 shows number of beneficiaries and the average monthly amount of grant in Central Karoo DMA.

Table 5: Central Karoo DMA: Social grants data 2005

Grant type	Average number of recipients (monthly)	Proportion of total recipients	Proportion of total recipients Central Karoo District	Average monthly value of grant	Total value of grants paid (R - monthly)	Proportion of total value of grants (R - monthly)	Proportion of total value of grants Central Karoo District (R - monthly)
OLD AGE	22	18.1%	13.4%	742.99	16,593	23.2%	18.1%
DISABILITY	42	34.0%	36.3%	833.77	35,018	49.0%	52.8%
FOSTER CARE	6	4.8%	3.9%	746.62	4,418	6.2%	6.0%
CARE DEPENDENCY GRANT	1	0.9%	0.7%	740.00	863	1.2%	1.0%
CHILD SUPPORT	49	39.5%	43.7%	282.43	13,768	19.3%	21.2%
GRANT IN AID	3	2.6%	1.9%	173.16	548	0.8%	0.6%
ALL OTHER GRANTS	0	0.1%	0.1%	N/A	186.66667	0.3%	0.2%
TOTAL GRANTS	124	100.0%	100.0%	578.10	71,396	100.0%	100.0%

Source: SASSA 2006

Approximately 124 individuals received social grants in 2005 from Allpay. The largest proportion of the people receiving grants are children through child support grant 39,5 per cent (District at 43,7).

The disability grant accounts for 34,0 per cent (District at 36,3%) of total grants, while the old age grants accounts for 18,1 per cent (District at 13,4%%).

⁷ Low skill occupations are defined as individuals employed in elementary occupations; skilled occupations include clerks, service workers, shop and market sales workers, skilled agricultural and fishery workers, craft and related trades workers, as well as plant and machine operators and assemblers. The high skilled occupations category includes professions such as legislators, senior officials and managers, professionals, as well as technicians and associate professionals.

⁸ The social grant data herein only refers to grants issued via Allpay.

Well-being of households

The well-being of households play an important role in regional economic development. Factors such as access to household income, access to basic and social services and quality of life measures are explored in this section drawing for information from the 1996 Census, as well as the 2001 Census.

Although the data from the 2001 census is five years old, the Census data gives an indication of the level and changes in access to services in the inter-census period. The development indices and crime statistics are more up to date (2005) and communicate the health, education and crime challenges that the DMA faces.

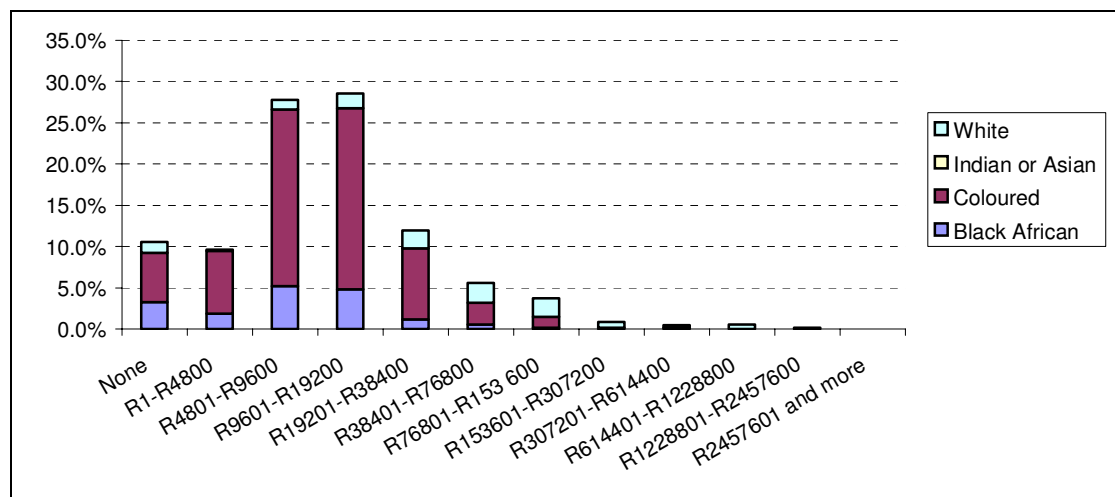
Household Income

Household income in the Central Karoo DMA is concentrated in the lower income categories. The majority of households (88,5%) in the DMA earned a monthly income of R3 200 or less. Of all households, 10,6 per cent had no income while 9,7 per cent of households earned between R0 and R400 a month.

The proportion of households with no income is substantially higher than the District average of 7,6 per cent of households with no income. Transfer payments may therefore be an important source of income for households within the DMA.

Further, approximately 34,3 per cent of households are female headed while 5,7 per cent of households headed are by persons aged between 15 and 24. The female headed households proportion is on par with the District average (35%), whilst households headed by persons between the ages of 15 and 24 proportion is marginally higher than the District average of 5,2 per cent.

Figure 5: Central Karoo DMA Income Distribution by Population Group, 2001



Source: Statistics South Africa, Census 2001

Access to basic services

Access to basic services has considerable influence on the standards of living and quality of life of people living in the DMA. Measures of basic services include energy⁹, water¹⁰, refuse removal¹¹, telephone services¹² and sanitation¹³ measures. It comprises only of the households with access to less than basic services (see footnote). The negative sign in numbers indicate an improvement in access to respective services.

Table 6: Changes in access to basic services between 1996 and 2001: Beaufort West

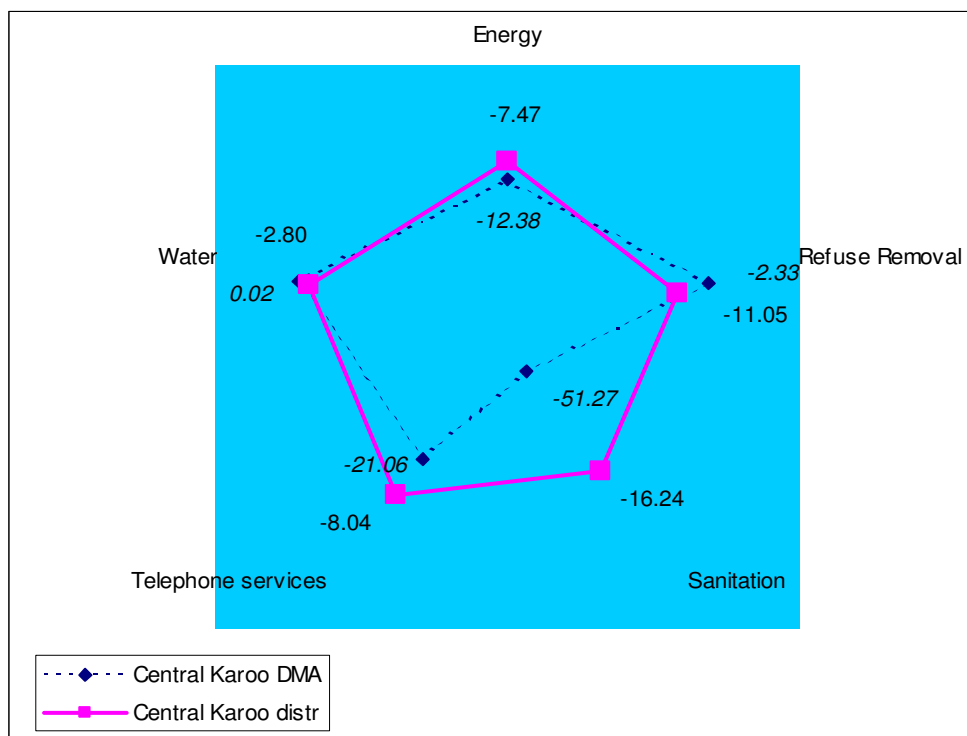
Variable	Energy	Refuse Removal	Sanitation	Telephone services	Water
Percentage Change 1996-2001	-12.4	-2.3	-51.3	-21.1	0.02
Number of households	-135	42	-650	-246	5

Source: Statistics South Africa: 2001 Census; Community profile database, DBSA

Between 1996 and 2001, the DMA performed well in providing access to sanitation, telephone and energy. The number of households with below basic access to the aforementioned services decreased by 650, 246 and 135 respectively.

Access to refuse removal and water, however, worsened in this period with an additional 42 and five households respectively, with below basic access to these services.

Figure 6: Percentage change in households with below basic access to services – Central Karoo DMA versus Central Karoo District, 1996- 2001



Source: Statistics South Africa: 2001 Census: Community profile database, DBSA

⁹ Energy - Gas, paraffin, candles and other.

¹⁰ Refuse removal- own refuse dump, and no rubbish disposal.

¹¹ Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other.

¹² Telephone services -Telephone at another location not nearby and no access to a telephone.

¹³ Sanitation - Bucket latrine, and none

Access to Housing

The housing backlog¹⁴ for the Central Karoo District, increased from 589 units in 2001 to 2001 units in 2004. Between 1994 and 2004 a total of 1 287 housing units were constructed in the District.

However, within the DMA, the housing backlog remained unchanged at 137 in 2001 and 2004. This is despite that fact that, between 1994 and 2004, a total of 250 housing units were built. The reason for the backlog remaining unchanged is due to an increased demand for housing.

Access to Social Services

In this section the focus is on socio-economic analysis of the education, health crime and development indices.

Education

There are no schools in the Central Karoo DMA. It is not clear whether this is the reason for the high illiteracy rates in the DMA, with 49,0 per cent of all people of the age of 14 being illiterate (Department of Education 2005 and Department of Health 2005), but it can be regarded as a contributing factor.

The illiteracy level in the DMA compares poorly with the average literacy rate for the Central Karoo region that stands at 37,0 per cent. Education levels attained according to Census 2001 confirms the view above, with 30,4 per cent of the population in the DMA having no schooling (see Table 7 below).

This compares poorly with Central Karoo District at 16,8 per cent with no schooling and with the Province as a whole at 5,7 per cent with no schooling. Nearly 58,0 per cent of individuals in the DMA have not completed primary school education, with only 9,0 per cent moving on to higher education.

Table 7: Highest education level grouped for 20+ ages, 2001

Category	Central Karoo DMA	Per cent	Central Karoo District	Per cent
No schooling	1 007	30.4	5 858	16.8
Some primary	899	27.1	8 111	23.3
Completed primary	286	8.6	3 122	9.0
Some secondary	615	18.6	10 604	30.5
Grade 12/Std 10	209	6.3	5 046	14.5
Higher	299	9.0	2 065	5.9

Statistics South Africa, Census 2001

Health

The Central Karoo District expenditure review reported that there are 2 medical facilities in the Central Karoo DMA. Results from health indicators show that much needs to be done to achieve national targets. Although births under 2,5kg (at 21,0%) are less than the District average, it is still above the national target of less than 10,0 per cent.

For children under 1 year, 76,0 per cent had first measles immunisation, below the national target as well as the corresponding Central Karoo District figure.

¹⁴ Inclusive of inadequate housing but excludes overcrowding.

Table 8: Central Karoo DMA Health Indicators

Health Measure	National health targets	Central Karoo District	DMA
Proportion under 1 with 1st measles immunisation	90%	80%	76%
Percentage births under 2,5kg	< 10%	26%	21%
TB prevalence per 100 000	N/A	1 014	760
TB Cure rate ¹⁵	85%	71%	86%
Patient – nurse workload per day	34	31	24
HIV/AIDS prevalence rate (2005)	N/A	2,7%	3,1%
Number of HIV/AIDS deaths (2005)	N/A	66	8
HIV/AIDS prevalence rate (2010)	N/A	3,3%	3,8%
Number of HIV/AIDS deaths (2010)	N/A	106	12

Source: Department of Health (2005), CARE 2005

The TB prevalence was well below the District figure of 1 014 cases per 100 000 people at 760 cases per 100 000 people, while the cure rate was substantially better at 86 per cent, well above the District at 71,0 per cent. The DMA is to be commended for achieving the national target of a TB cure rate of 85,0 per cent.

Meanwhile, HIV prevalence in the DMA is projected to increase from 3,1 per cent in 2005 to 3,8 per cent by 2010 (ASSA2003 Model, CARE 2005). AIDS related deaths are projected to increase from 8 in 2005 to 12 in 2010. As a proportion of total deaths, it increases from 10,5 to 15,4 per cent between 2005 and 2010 respectively.

Crime

Central Karoo DMA has 1 police station located in Murraysburg. Total number of reported crimes declined from 461 in 2002/2003 to 428 in 2004/2005. However, even though the overall trend is downward, reported drug related crimes increased from 2 to 26 in the same period.

Table 9: Crime statistics, 2002-2005

Crime measures (reported crime)	2002/2003	2003/2004	2004/2005
Murder	5	6	3
Rape	9	6	11
Neglect and ill-treatment of children	2	1	4
Drug related crime	2	16	26
Total number of reported crimes	461	467	428

Source: SAPS (2005)

Municipal Sustainability

This section falls within the discussion of the Central Karoo District Municipality discussion as the District Municipality is responsible for the development and day-to-day activities of the Central Karoo DMA.

¹⁵ Data used is 03/04 as there is no data for 04/05

Conclusion

Central Karoo DMA is characterised by very low incomes, high levels of unemployment and inadequate access to basic services, especially an electricity backlog of 52,0 per cent.

Overall, the region has grown at slow rates since 1995 up till 2004, which constrains the goal of reducing unemployment. There is also a great need to address poor educational attainment levels and crime, especially given the rate of escalation in drug related crimes in recent years.