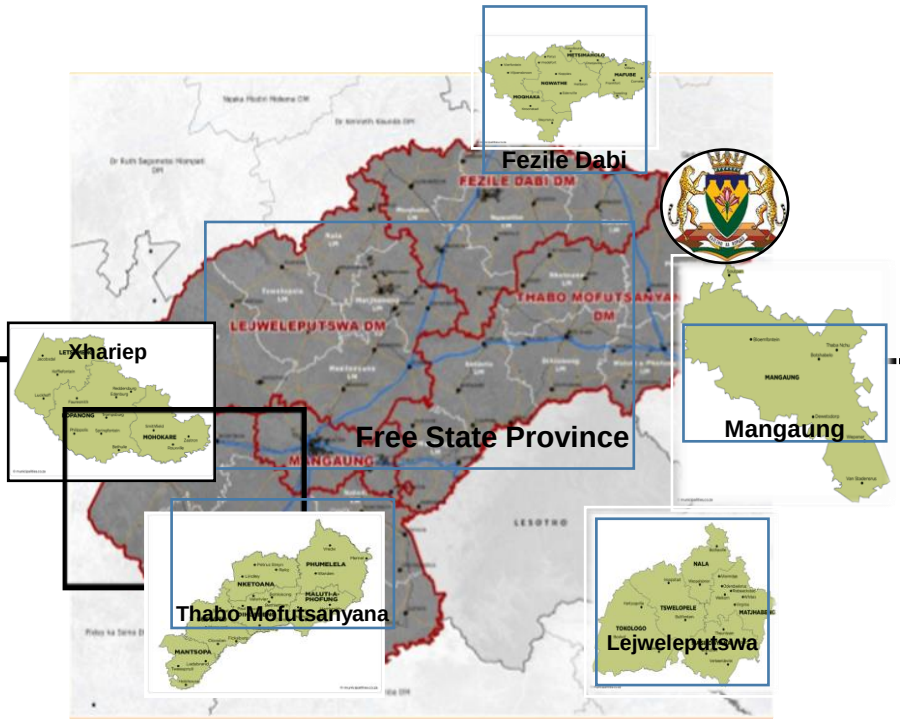

Mangaung Metropolitan Municipality and District Municipalities Profile

2nd Preliminary Free State Municipalities Profile
06 January 2020

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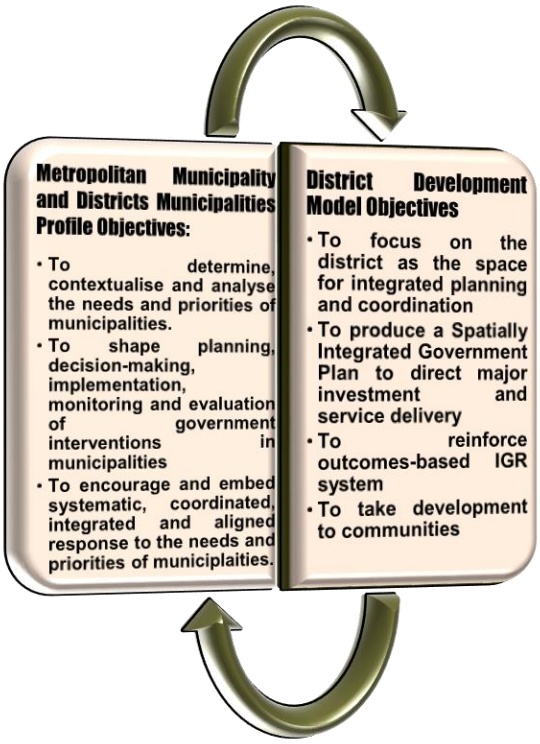
1. Introduction

This Free State Metropolitan Municipality and Districts Municipalities Profile presents an analysis of the variables that shape and have a bearing on the existence of municipalities.

Not only is this Profile important for planning, decision-making, implementation, monitoring and evaluation purposes, but also persistent purposeful service delivery drive.

Besides being utilised as an instrument to inform government's desire to turn the tide against unemployment, poverty and inequalities, this Profile will be used to help bring much needed accelerated shared economic growth and development in the Free State.



The Profile is therefore intended to respond to the multiple and complex growth and development challenges and opportunities that characterises our Free State provincial landscape.

This is in order to ensure that government initiatives address urgent unemployment, poverty and inequality development needs, and economic growth benefits are equally shared.

Besides mapping the provincial growth and development outlook, the Profile is meant to espouse integrated coordination as a pathway towards the development of the Integrated Single Government Plan, *One Plan.*

That is, the Profile will inform the contents of the *One Plan*. Most importantly, the Profile is intended to ultimate shape and direct the successful implementation of the District Development Model in the Free State.

Impelling the need for the implementation of the District Development Model is the resolve to address service delivery challenges in municipalities throughout the country.

More specifically, the District Development Model is aimed at lessening fragmented coordination and implementation of projects in district and metropolitan municipalities.

This responsibility entails creating and supporting the environment, institution and processes crucial for integrated coordination, and focus government efforts on urgent development priorities identified in the National Development Plan and Medium Term Strategic Framework priorities and the Free State Growth and Development Strategy.

In analysing the intricacies that shape municipalities in the Free State, information has been drawn from different sources. The intention is to benefit from the insight they offer in unravelling the factors that have a bearing on the operational character of municipalities.

Attention will not only be on the *status quo,* but also the factors that give rise to certain conditions in municipalities. This will be done to provide an understanding of the underlying challenges, opportunities, tensions, contradictions and how these factors are intertwined.

2. Alignment Perspective

Stepped in the National Development Plan is the Free State Growth and Development Strategy, an agenda to redefine the provincial inclusive growth and development trajectory.

The Strategy espouses convergence between planning, resource allocation, integrated coordination, management, implementation, monitoring and evaluation.

The Free State Growth and Development Strategy has six pillars and fifteen drivers linked to each pillar with specific set of actions. These pillars are steeped in the National Development Plan objectives and Medium Term Strategic Framework priorities to ensure:

- Alignment of development priorities and approaches
- A shared vision of the nature of our space economy
- Principles that should direct planning and resource allocation
- Integrated implementation of service delivery interventions

National Development Plan Priorities	Medium Term Strategic Framework Priorities	Free State Growth and Development Strategy Pillar
• Bring about faster economic growth, higher investment and greater labour absorption • Uniting all South Africans around a common programme • Promoting active citizenry to strengthen development, democracy and accountability • Focus on key capabilities of people and the state • Building a capable and developmental state • Encouraging strong leadership	• Economic transformation and job creation • Education, skills and health • Consolidating the social wage through reliable and quality basic services • Spatial integration, human settlements and local government • Social cohesion and safe communities • A capable, ethical and developmental state • A better Africa and World	• Inclusive economic growth and sustainable job creation • Education, innovation and skills development • Improved quality of life • Sustainable rural development • Build social cohesion • Good governance

3. Provincial Perspective

With an estimated population of 2.9 million people in 2018, the Free State is located on the flat, boundless plains in the middle of South Africa. It borders most of the provinces with the exception of Limpopo and the Western Cape.

To the east, the province has an international boundary with Lesotho, nestling in the hollow of its beanlike shape, and the escarpment separates the Free State from the Eastern Cape and KwaZulu-Natal provinces.

The Orange and Vaal Rivers form the southern, western and most of the northern border with the last northeastern boundary formed by the Klip River.

While the western part consist of plains, the eastern part is mountainous. The majestic Maluti mountains are interconnected to the Drakensberg on the border with KwaZulu-Natal.

The Free State is a summer-rainfall region and is cold during the winter months, especially in the eastern mountainous regions where temperatures can drop to as low as -9.5 degrees C.

In stark contrast to the provinces eastern parts, the western and southern areas are semi-desert.

The province represents 10.6% of the total land area of South Africa and boasts beautiful wide horizons, alluring blue skies, picturesque mountains and the goldfields.

The Free State Province covers a total land area of 129 464 km^2 and is comprised of four district municipalities and one metropolitan municipality.

Mangaung Metropolitan Municipality is strategically centrally located in the Free State Province with primarily open grassland and mountains in the eastern parts.

The towns of Bloemfontein, Botshabelo, Thaba Nchu, Soutpan, Dewetsdorp, Wepener and Van Stadensrus constitute the Mangaung Metropolitan Municipality.

The main urban centre is Bloemfontein, which is the trade and administrative hub of the province.

Implanted in Bloemfontein's rich history that continues to shape modern day South Africa is the formation of the African National Congress in 1912 and the National Party in 1914.

Lejweleputswa District Municipality consists of Matjhabeng, Masilonyana, Tokologo, Tswelopele and Nala local municipalities. As part of the larger Witwatersrand basin, the district boasts goldfields and is a major agricultural area.

Welkom in Matjhabeng municipality is the main town and was designed for the gold-mining community after the discovery of gold in the late 1930 and early 1940s.

The town of Bothaville in Nala is considered one of the most important maize centres in South Africa and form part of the Free State maize route. A total of 22% of the population of the Free State are residing in Lejweleputswa.

Fezile Dabi District Municipality is consists of Metsimaholo, Mafube, Moqhaka and Ngwathe local municipalities. This District Municipality is an important agricultural production area, particularly of maize.

The Vaal Dam is the main source of water supply and offers a wide variety of sports and leisure facilities.

Other attractions in Fezile Dabi District Municipality include the Vredefort Dome in Ngwathe, which is the third largest meteorite site in the world (200km in diameter), and various San rock paintings.

Sasolburg in Metsimaholo is the location of the country's large chemical and synthetic fuel plants.

Thabo Mofutsanyana District Municipality borders Lesotho to the east and is an important tourism destination because of the spectacular scenic beauty of the Drakensberg and Maluti mountains.

The district has six local municipalities: Phumelela, Nketoana, DIhlabeng, Setsoto, Mantsopa and Maluti-a-Phofung.

The famous attraction in Thabo Mofutsanyana District Municipality is the Golden Gate Highland National Park, which is known for its spectacular sandstone formations.

Other attractions in the district include the annual Cherry festival in Ficksburg, Basotho cultural village in Maluti-a-Phofung and Khoisan rock paintings near Fouriesburg.

Xhariep District Municipality is located in the southwest of the Free State and is a semi-arid area. The district has open grasslands with wide dispersed 20 small towns and three remote towns.

Xhariep consists of three local municipal of Letsemeng, which forms the south-western section, Kopanong the middle section and Mohokare the south-eastern section of the District Municipality.

This is the smallest district compared to others in the Free State with about 5.2% share of the total provincial population.

Nearly, 74% of the District Municipality comprises of extensive agriculture that is used for livestock farming, especially sheep and cattle.

4. Mangaung Metropolitan Municipality

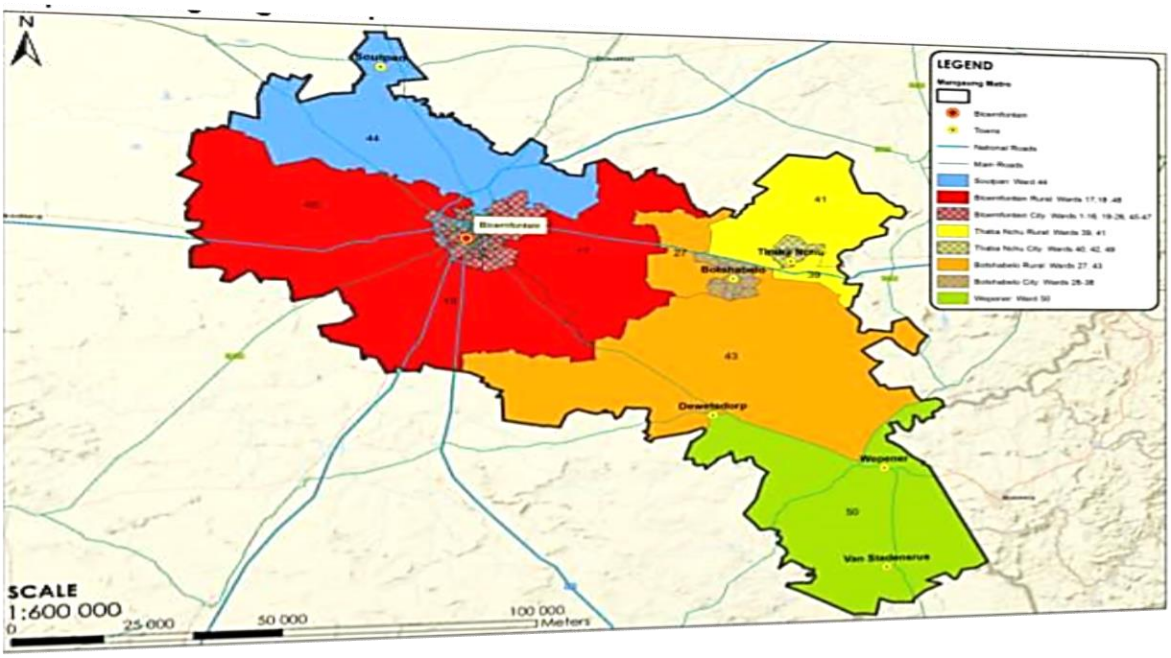
4.1. Mangaung Contextual Perspective

What was then Mangaung Local Municipality was established in 2000 following the amalgamation of four transitional councils. Later in April 2011 Mangaung was granted a category “A” metropolitan municipality status.

It covers 6 863 km² area and has three urban centres that are surrounded by rural areas. To its advantage, it is centrally located in the Free State.

Bloemfontein is the sixth largest city in South Africa and the capital of the province. Importantly, the city is the administrative and economic nucleus of the Free State Province.

Another part of Mangaung is Botshabelo located 55km to the east of Bloemfontein. This township was established in the early 1980s as a labour reservoir for Bloemfontein. Just 12km to the east of Botshabelo is the town of Thaba Nchu, a former part of the Bophuthatswana “Bantustan”.



Map MMM 1: Municipal Wards
Source: Mangaung Rural Development Plan, 2019/2020

There is also Soutpan, which produces salt and is known for the Florisbad anthropological area. Dewetsdorp is 75km southeast of Bloemfontein. Wepener is on the banks of Jammersbergspruit and Van Stadensrus is a frontier town on the border with Lesotho.

4.2. Mangaung Demographic Perspective

4.2.1. Population Size

Mangaung's population increased from 741 508 in 2008 to 853 580 in 2017. The proportion of individuals in the 0-34 age category was 67% in 2008 and the elderly in the 65-75+ age group comprised 5.57% of the population of the Metropolitan Municipality.

Later in 2017, the cohort of young people was higher at 64.96% but down by 2.33% from the 2008 age group. Those in the 0-10 age group constituted 35.6% of the population.

Comparably, the elderly population group in the category 65-75+ rose to 6.69% in 2017.

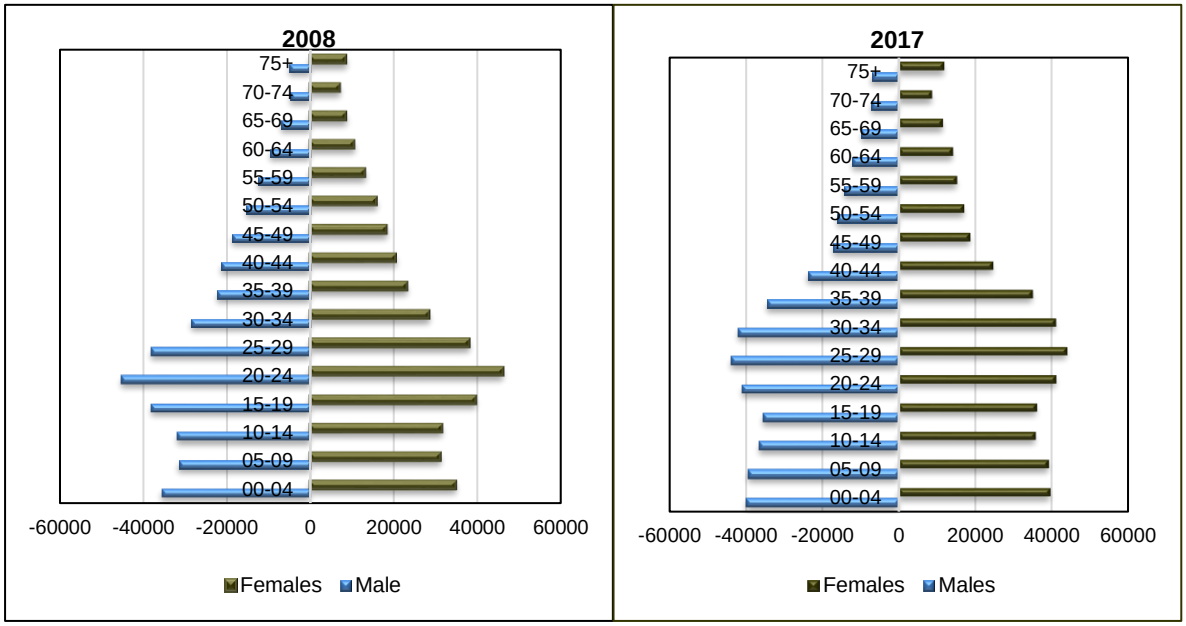


Figure MMM 2: Population Pyramid
Source: IHS Markit, Reginal eXplorer, 2019

Even though the percentage of the youth was 29.60% in 2017, they constituted a sizable population size. Necessary focus should therefore be on improving their living conditions.

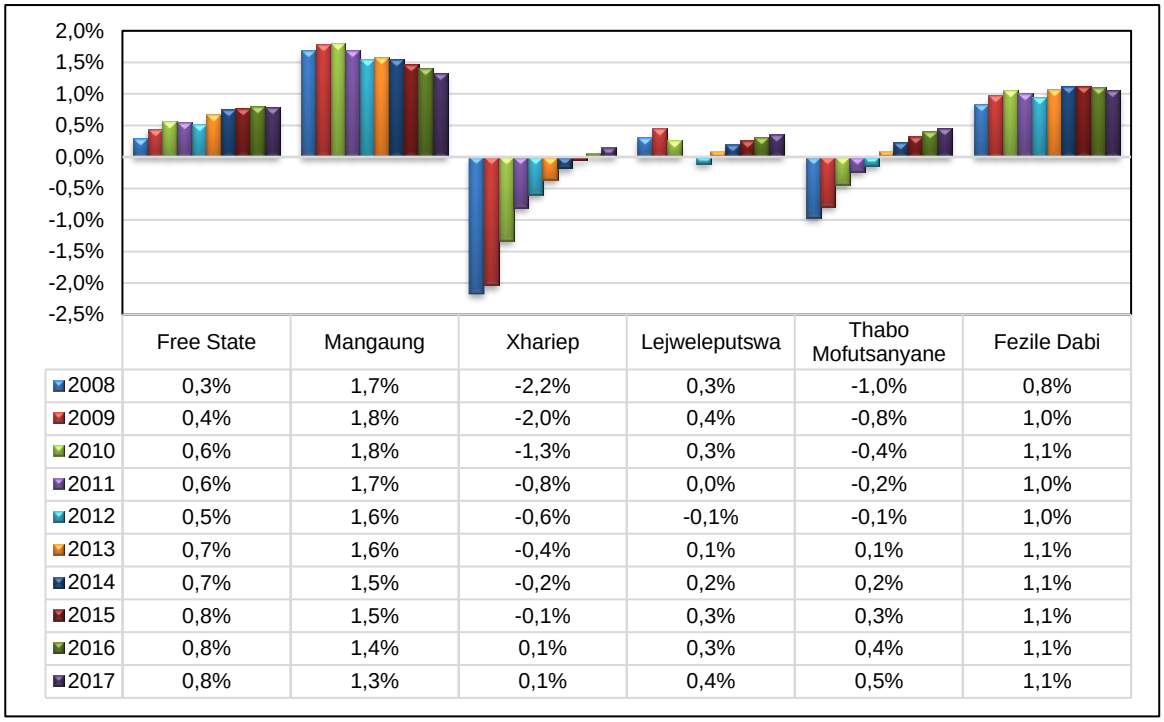
No matter how marginal an increase in the population size of the elderly in Mangaung, this circumstance presents both social and economic opportunities and challenges.

Most notably, an increasing elderly population size implies an increase in the average life expectancy often associated with the general improvements in the standard of living.

Then again, there is the intertwined challenges of rising social spending and diminishing economic activity. With competing needs and declining budgets, the risks are real.

4.2.2. Population Growth

According to figures below, population growth in Mangaung increased more than that of any other municipalities in the Free State, with an average annual growth rate of 1.5%.



	Free State	Mangaung	Xhariep	Lejweleputswa	Thabo Mofutsanyane	Fezile Dabi
2008	0,3%	1,7%	-2,2%	0,3%	-1,0%	0,8%
2009	0,4%	1,8%	-2,0%	0,4%	-0,8%	1,0%
2010	0,6%	1,8%	-1,3%	0,3%	-0,4%	1,1%
2011	0,6%	1,7%	-0,8%	0,0%	-0,2%	1,0%
2012	0,5%	1,6%	-0,6%	-0,1%	-0,1%	1,0%
2013	0,7%	1,6%	-0,4%	0,1%	0,1%	1,1%
2014	0,7%	1,5%	-0,2%	0,2%	0,2%	1,1%
2015	0,8%	1,5%	-0,1%	0,3%	0,3%	1,1%
2016	0,8%	1,4%	0,1%	0,3%	0,4%	1,1%
2017	0,8%	1,3%	0,1%	0,4%	0,5%	1,1%

Figure MMM 3: Population Growth Rate
Source: IHS Markit, Reginal eXplorer, 2019

Before 2008, the population growth rate in Mangaung Municipality was positive, but slowly dropped from 1.7% in 2008 to 1.3% in 2017.

4.2.3. Population Share

As would be expected, as the administrative and economic hub of the province, it is not surprising that Mangaung dominated the provincial share of the population with 30%.

This could be a sign of inward migration in pursuit of a better life, considering the population share decline in the districts of Thabo Mofutsanyana, Lejweleputswa and Xhariep.

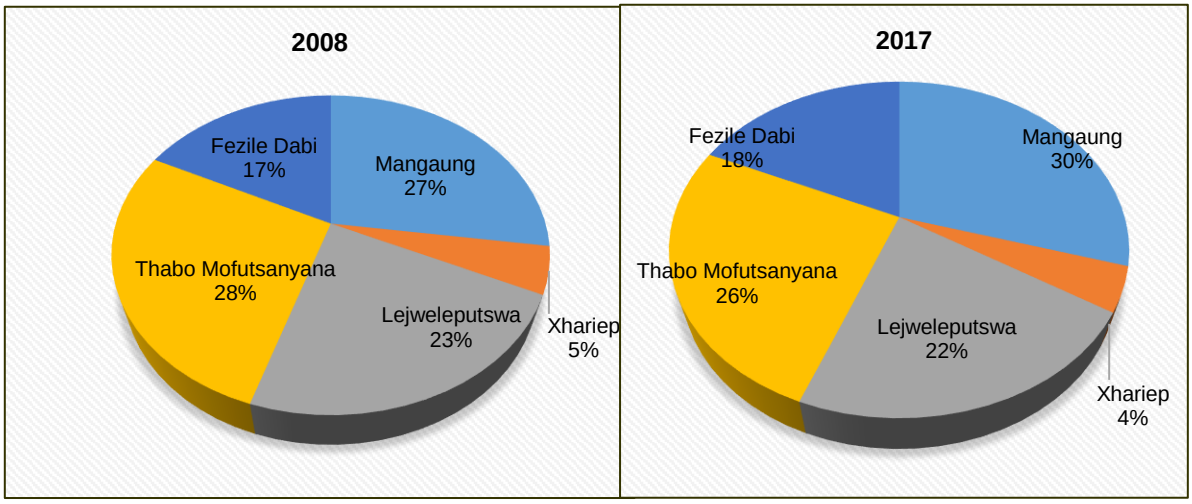
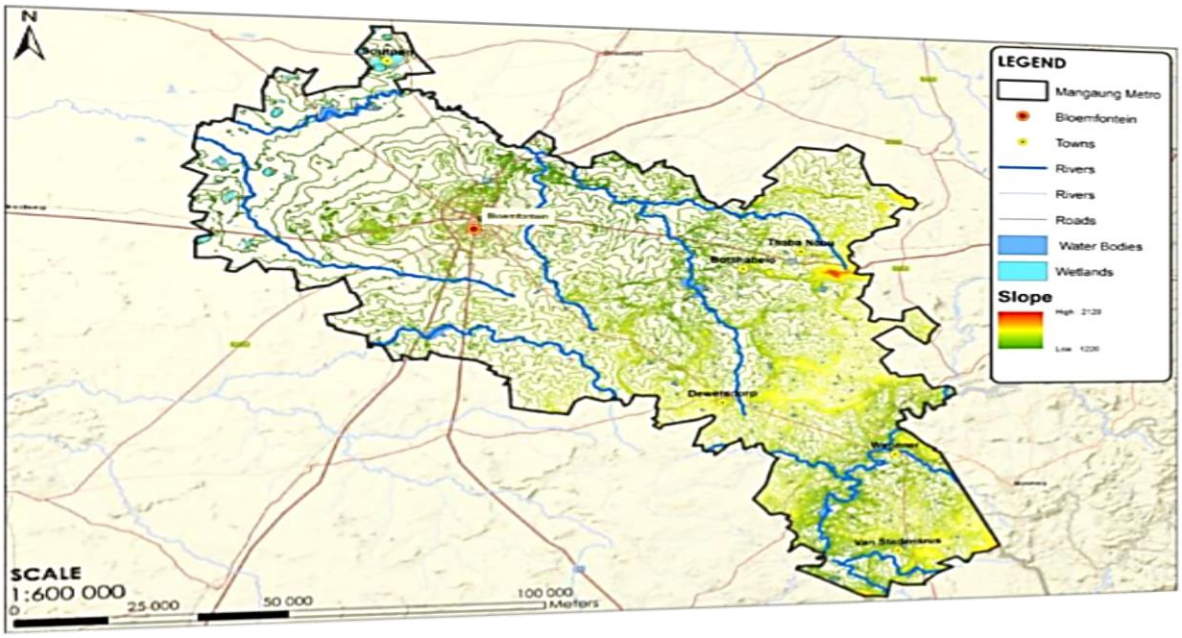


Figure MMM 4: Population Share
Source: IHS Markit, Reginal eXplorer, 2019

4.3. Mangaung Spatial Perspective

4.3.1. Topography

Mangaung is relatively flat with altitudes varying between 1220m to 2120m above sea level. The north-eastern section of the Metropolitan Municipality barely alters in slope whereas the eastern and south-eastern parts (towards and bordering Lesotho) has steeper slopes.



Map MMM 5: Topography
Source: Mangaung Rural Development Plan, 2019/2020

4.3.2. Settlement Type

Mangaung covers 11,331 km² with urban centres that are surrounded by rural areas.

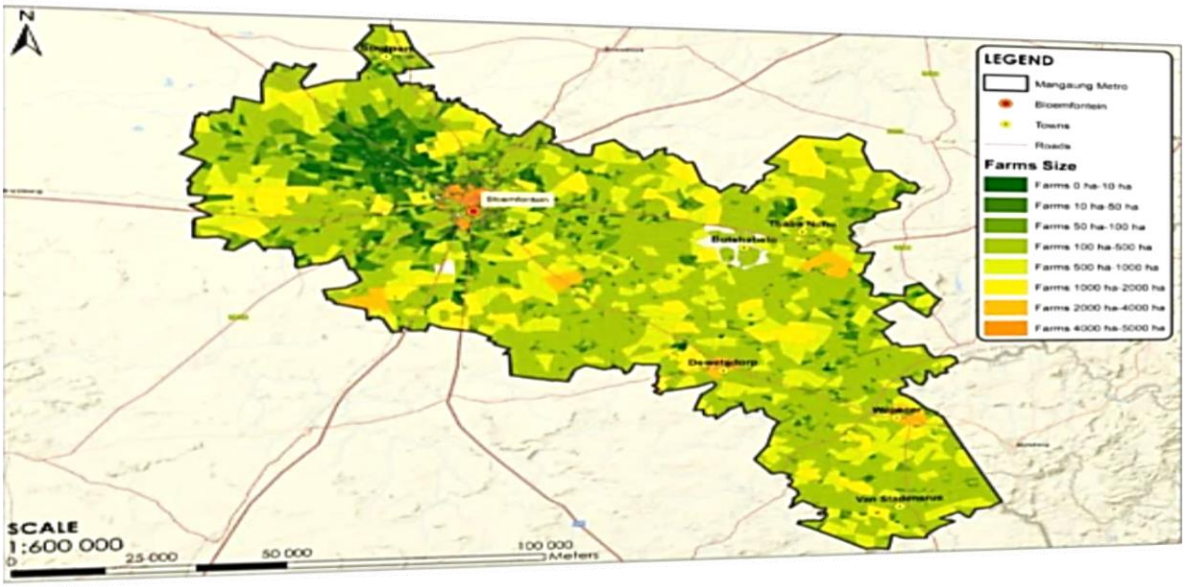
There are three different land use types in Manguang that include formalised stands in urban areas, smallholdings and farms. Details of land units are indicated below.

Land Use Type	Area	Land Units		Size	
		No.	*(%)*	*Km²*	*(%)*
Formal Stands (Urban Area)	Bloemfontein	123,769	55.24%	117.96	1.04%
	Botshabelo	57,695	25.75%	38.57	0.35%
	Thaba Nchu	22,794	10.17%	23.78	0.22%
	Soutpan	1,212	0.54%	1.08	0.01%
	Dewetsdorp	3,770	1.68%	2.85	0.03%
	Wepener	4,496	2.01%	4.43	0.04%
	Van Stadensrus	927	0.41%	1.14	0.01%
Small Holdings (Bfn only)		3,176	1.42%	130.54	1.19%
Farms		6,205	2.77%	11,011.27	97.17%
TOTAL		**224,044**	**100%**	**11,331.62**	**100%**

Table MMM 6: Number and Size of Land Units
Source: Mangaung Rural Development Plan, 2019/2020

Nearly 84 000ha of the land in Thaba Nchu is classified as tribal land. That is, the land held in trust by the state, but administered by the Barolong Tribal Authority.

It is eventually expected that this tribal land will be transferred to the Barolong Tribe.



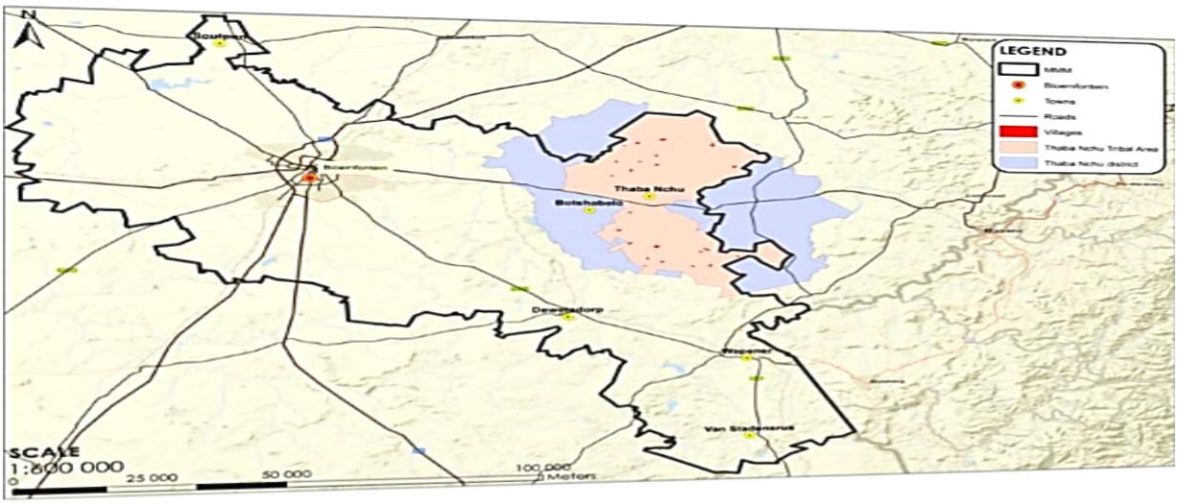
Map MMM 7: Size of Land Parcels
Source: Mangaung Rural Development Plan, 2019/2020

The tribal area around Thaba Nchu include dispersed settlements with 37 villages. Thirteen villages are located on the north and the N8 corridor, whilst 25 villages are in the south.

4.3.3. Settlement Density

In comparison to other major eight cities, Bloemfontein is conventional and compact. Density levels across the city are also lower with residential areas reasonably accessible.

Botshabelo is largely residential with a small range of factories and warehouses. Thaba Nchu has 37 villages and vast communal rural land where people have grazing rights.



Map MMM 8: Tribal Villages Surrounding Thaba Nchu
Source: Mangaung Rural Development Plan, 2019/2020

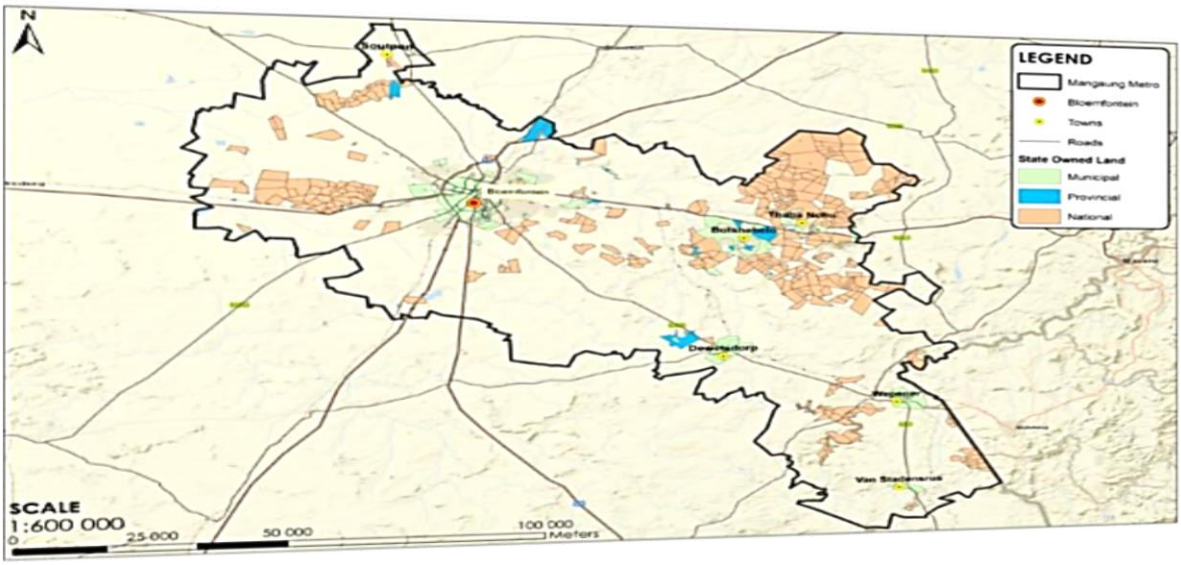
Soutpan is enclosed by agricultural land with subsistence farmers, as well as extensive commercial farming in the west along the lower drainage area of the Modder River.

Both Dewetsdorp and Wepener are bordered by land with a medium to high agricultural potential and grain, maize and livestock farming dominates their landscape.

Unlike the other towns in Mangaung Metropolitan Municipality, Van Stadensrus is a compact area with almost all of the urban land uses located within a 1km radius.

4.3.4. Land Ownership

Land ownership reflection below shows that most of state owned land is in and around Thaba Nchu and Bloemfontein including between Dewetsdorp and Van Stadensrus.

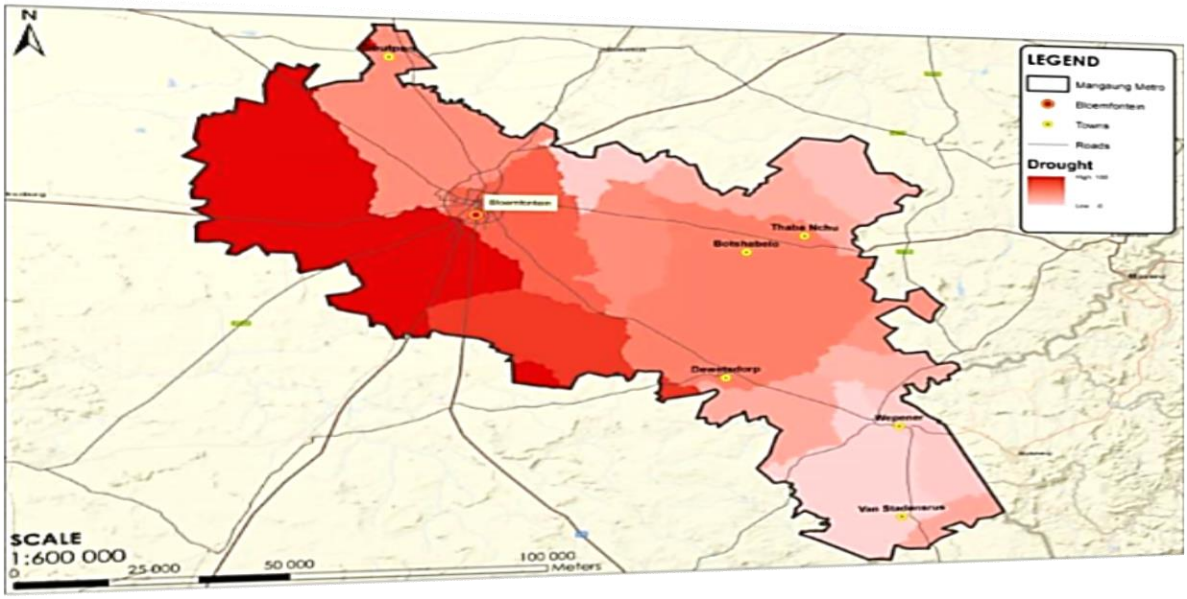


Map MMM 9: Ownership Status of Land
Source: Mangaung Rural Development Plan, 2019/2020

4.3.5. Climate

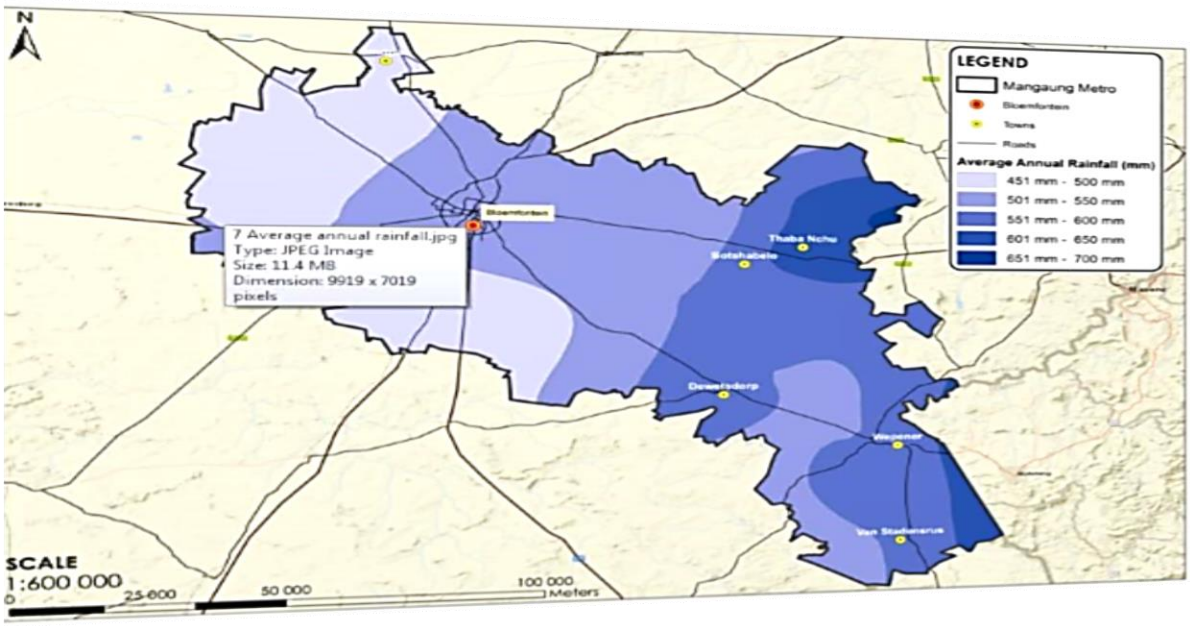
Mangaung has a semi-arid climate. Most precipitation occurs during summer thunderstorms, while snow sometimes occurs on the mountains in the east.

Frost is a common feature during cold winter nights. The Metropolitan Municipality has evaporation gradient of 1300mm per year in the east to 2600mm in the west.



Map MMM 10: Drought Risk
Source: Mangaung Rural Development Plan, 2019/2020

Annual rainfall increases from the west to the east. The western side receives between 450mm - 500mm of rainfall annually. The central part gets annual rainfall ranging from 500mm-600mm with the eastern receiving generous rainfall of 600mm-650mm annually.



Map MMM 11: Average Annual Rainfall
Source: Mangaung Rural Development Plan, 2019/2020

The availability of groundwater shows similar pattern as the rainfall in Mangaung. The western parts are the driest and the eastern parts have higher rainfall yields.

Boreholes yield in the west of Mangaung have between 0.1- 0.5 litres per second water capacity, and in the eastern ranges between 2.0 -5.0 litres per second.

4.3.6. Water Sources

Mangaung has four prominent rivers: Modder River (located towards the north flowing in a north-western and south-western direction), Kgabanyane River (located east and flowing in a western direction), Caledon River (located southeast and flowing in a southwestern direction), and Rietspruit River (located in the south and flowing in a western direction).

Several dams have also been constructed and act as important reservoirs providing water.

Dams	Capacity (Mil.m³)	Rivers	Spruits
Krugersdrift Dam		Modder River	Riet Spruit
Mockes Dam		Modder River	Blaasbalk Spruit
Rustfontein Dam	72.2	Modder River	McCabes Spruit
Feloana Dam		Leeu River	Koranna Spruit
Seroalo Dam		Groot-Vet River	
Rooifontein Dam		Lengwana River	
Lovedale Dam		Klein Modder River	
Armenia Dam	13.3	Leeu River	
Welbedacht Dam	5.5	Caledon River	
Egmont Dam	9.1	Witspruit River	
Tierpoort Dam	34.0	Riet Spruit / River	

Table MMM 12: Rivers and Dams
Source: Mangaung Rural Development Plan, 2019/2020

4.3.7. Ecosystem

Mangaung is located partly in the Nama Karoo and the Grasslands Biome. The Nama Karoo biome is more to the west with less rainfall compared to grassland biome towards the east. This area is characterised by lime soil with most of the land suitable for grazing.

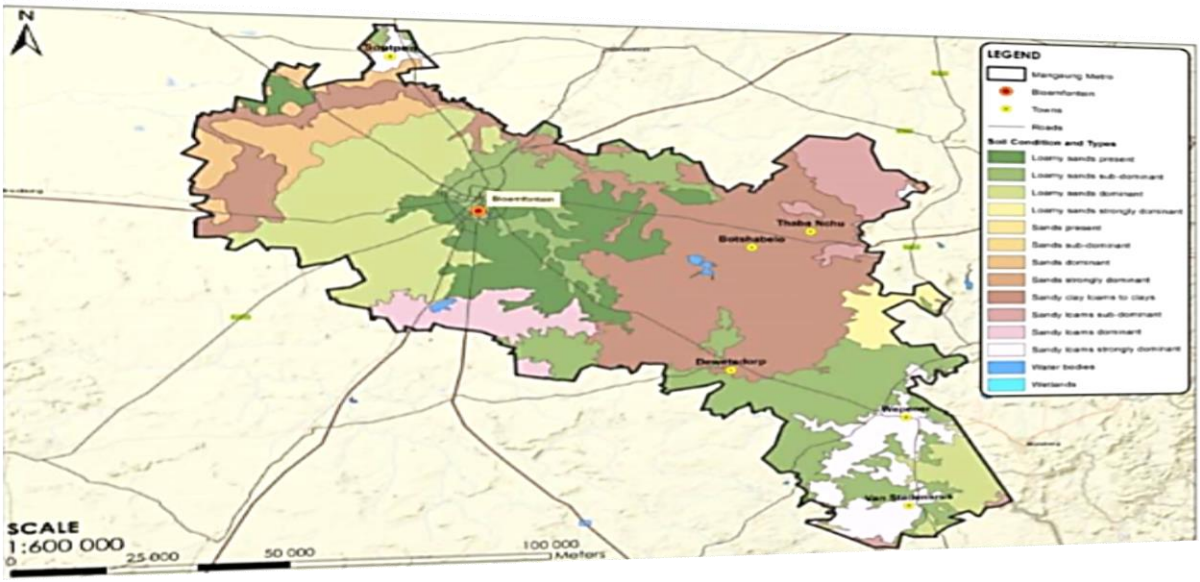
The eastern part is dominated by Grasslands Biome. Here, frost, fire and grazing maintain the grass dominance and inhibit the establishment of trees. Two types of grass plants are common here: sweet grasses and sour grasses. Sweet grasses have lower fibre content; maintain nutrients in the leaves during winter, and as a result palatable to stock.

Sour grasses are the opposite of the sweet grasses. These types of grasses have higher fibre content, withdraw nutrients during winter and become unpalatable to stock.

The Grassland Biome is good for dairy, beef and wool production. Grass plants tolerate grazing, fire and mowing. Overgrazing increases creeping grasses. Maize crop thrives in Grassland Biome. Sorghum, wheat and sunflowers are farmed on a smaller scale.

4.3.8. Soil Texture

Several soil types were identified in Mangaung, including loam-sandy clay soils and sandy clay soils. These soil types are indicated in the Map below.

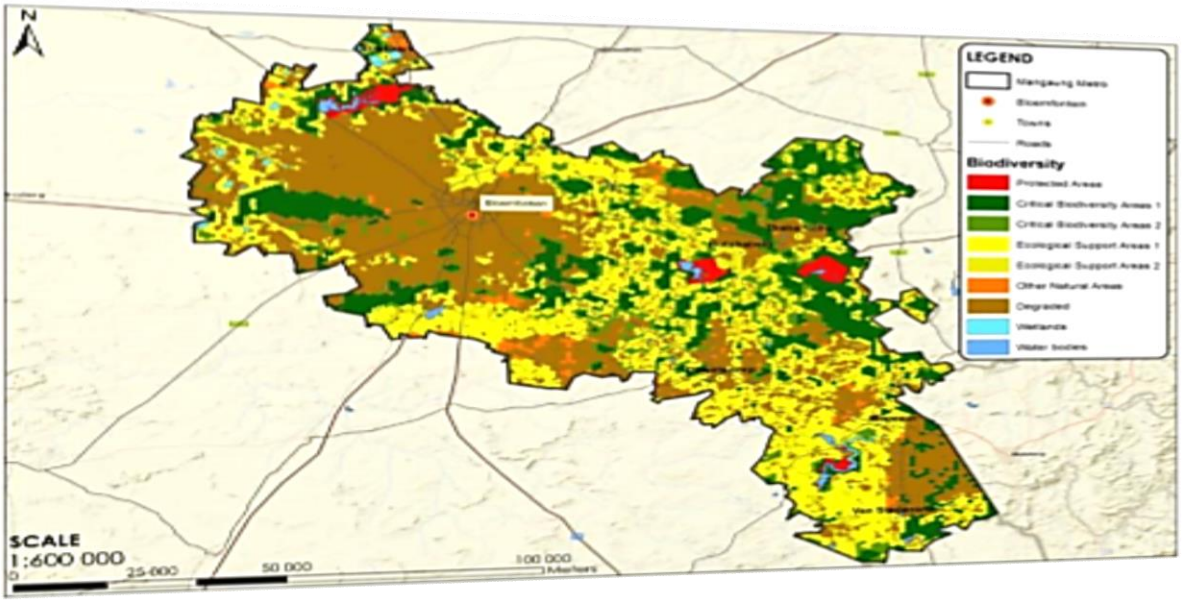


Map MMM 13: Soil Types
Source: Mangaung Rural Development Plan, 2019/2020

4.3.9. Biodiversity

What is apparent in the Map is that a large portion of Mangaung Municipality is degraded, especially the areas surrounding the town of Bloemfontein and other rural towns.

However, a large portion is classified as Ecological Support and Critical Biodiversity Areas. There are four protected areas. These are primarily nature reserves near water bodies.



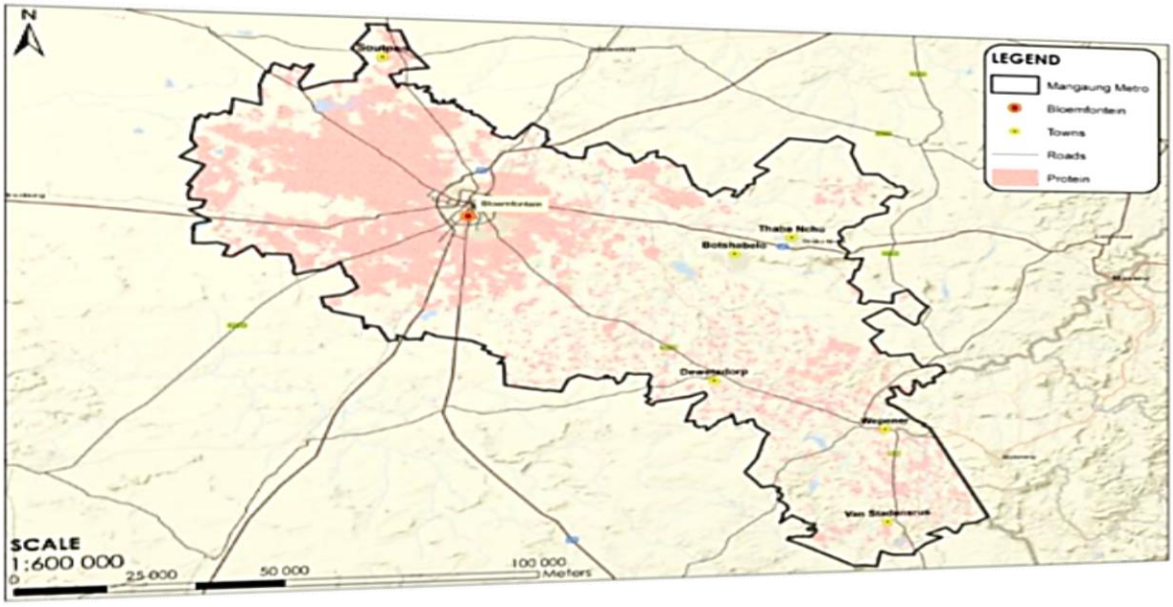
Map MMM 14: Biodiversity
Source: Mangaung Rural Development Plan, 2019/2020

4.3.10. Agriculture

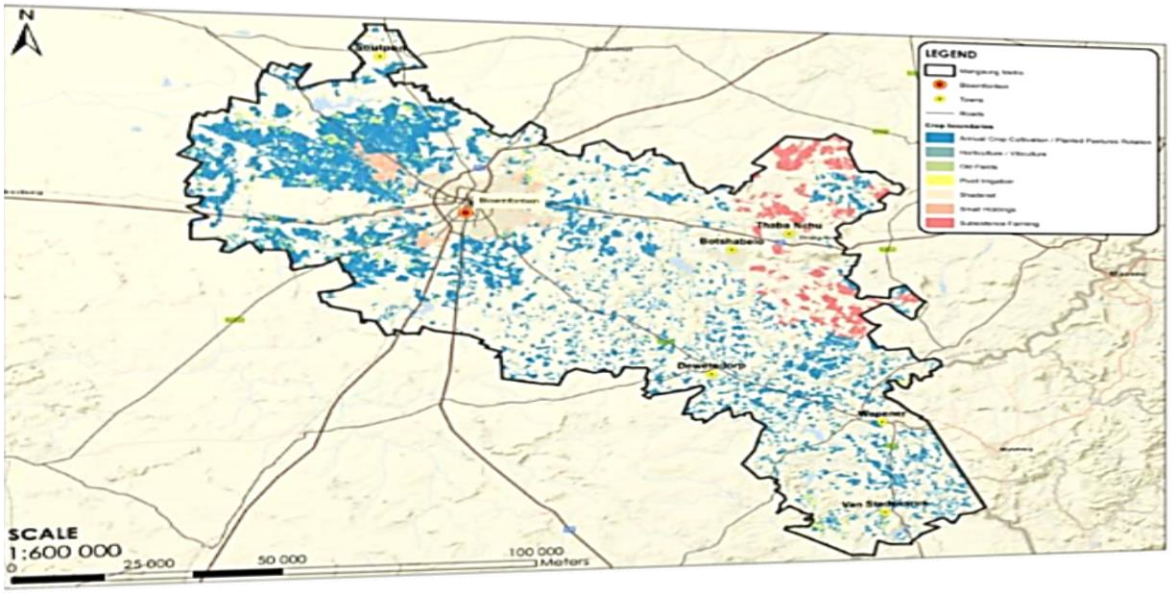
The agricultural sector is characterised by large- and small-scale commercial, and subsistence farming. Livestock production and poultry is prominent in Mangaung.

This agricultural environment is not without its downside. There is very little grain products that are produced in Mangaung Metropolitan Municipality.

Almost, the whole of Mangaung is suitable for livestock production. An opportunity for the creation of an Agri-park in Thaba Nchu and N8 livestock corridor has been identified.



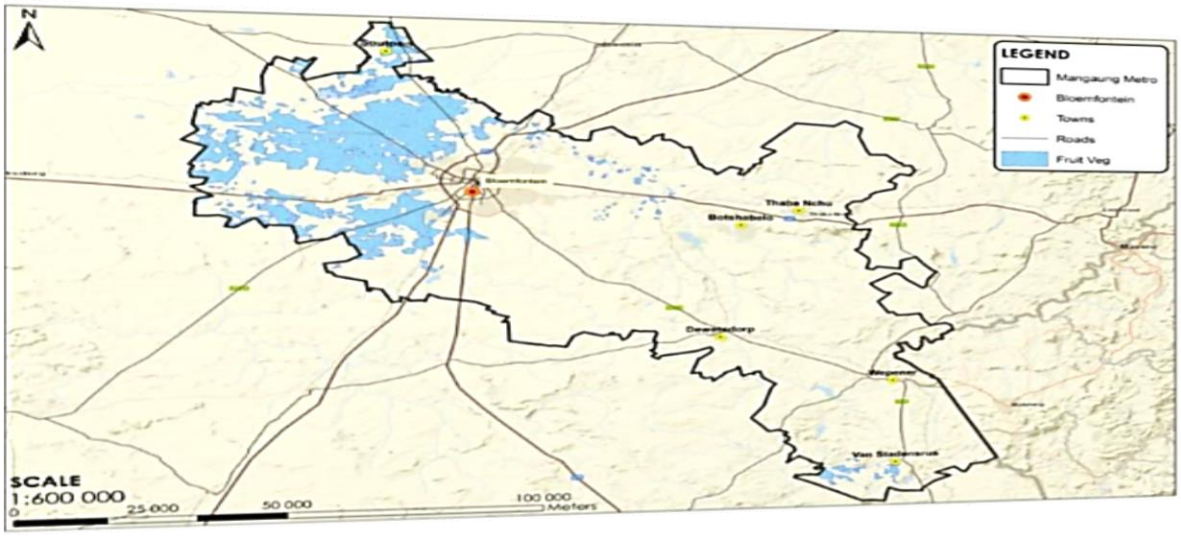
Map MMM 15: Potential Livestock Farming
Source: Mangaung Rural Development Plan, 2019/2020



Map MMM 16: Crop Boundaries
Source: Mangaung Rural Development Plan, 2019/2020

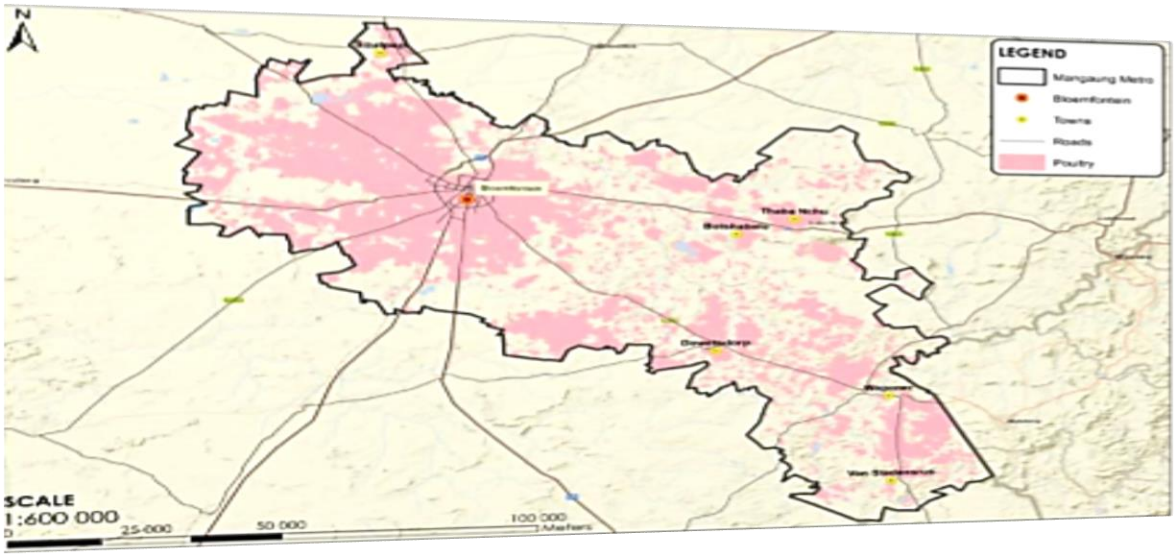
Few hectares are suitable for fruits and vegetables. These produce need suitable soil and climate. Many fruit species needs cold winters and vegetables are frost sensitive.

The identified area for these commodities is mostly around Bainsvlei. Still, the availability of irrigation water is limited. The climate is also not ideal and although vegetables like cabbage, carrots and beetroot, can be grown on open fields, others require protection.



Map MMM 17: Potential Fruit and Vegetable Areas
Source: Mangaung Rural Development Plan, 2019/2020

The poultry industry in Mangaung is growing due to increasing demand. Given that most poultry farms are intensive production units with a full feed ration, the poultry houses can almost be establish anywhere as long as the temperature of the house can be controlled.



Map MMM 18: Potential Poultry Production Areas
Source: Mangaung Rural Development Plan, 2019/2020

4.3.11. Urban-Rural Character

Bloemfontein is the largest urban area in Managuang and the sixth largest city in South Africa. It is easily accessible with developed infrastructure and transport networks that

includes national roads, a railway link with Gauteng and the Western Cape, and an airport.

Bloemfontein has a fairly conventional and compact urban form, without any extremely dense zones. Differences in density levels seem lower than in any of the other major cities. The main residential areas are reasonably accessible to the central business district.

Mangaung rural areas are characterised by extensive commercial farming in the west (mainly mixed crop production and cattle farming), with more intensive farming along the lower drainage area of the Modder River in the north-west and the west.

The majority of land is used for grazing purposes. Large concentrations of cultivated land are located north-west of Bloemfontein with small pockets of cultivated land throughout.

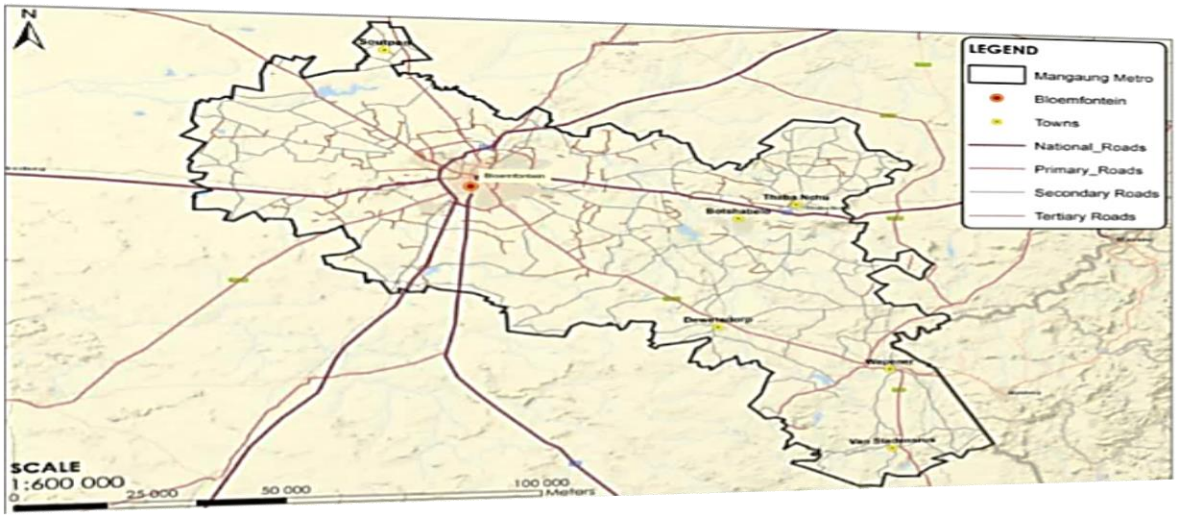
The area surrounding Thaba Nchu and Botshabelo is Trust land used for subsistence and small-scale farming. The Glen Agricultural College in the north of Bloemfontein is an asset to rural areas, offering support for the establishment and sustenance of emerging farmers.

4.3.12. Transportation

Mangaung benefits from its central location in South Africa and is well serviced in terms of national road, rail and air transport networks linking the municipality with other provinces.

The area is interconnected to the N1 linking Bloemfontein with Gauteng to the north and the Western Cape to the south; N6 linking Bloemfontein with the Eastern Cape, and N8 linking Bloemfontein with Lesotho in the east and the Northern Cape in the west.

Mangaung also has a series of Class 2 arterial roads linking Bloemfontein with smaller towns. These roads include the R702, R706, R700, R30, and the R64. The rest of the area is serviced by a number of secondary and tertiary provincial roads, as indicated below



Map MMM 19: Transport Corridors
Source: Mangaung Rural Development Plan, 2019/2020

There is also a passenger railway network that connects Mangaung with Johannesburg, Port Elizabeth, East London, Durban and Maseru. Freight railway network links with Johannesburg, East London. Transnet has a major inland freight terminal in Bloemfontein.

From Monday to Friday, there are two trains daily to Maseru, and a train from Bloemfontein to Thaba Nchu. On Tuesdays and Thursdays, there is a train from Bloemfontein to Modderpoort. From Tuesday to Saturday, there is a train from Bloemfontein to Kimberley.

On Monday, Wednesday and Friday, there is a train from Bloemfontein to Port Elizabeth. Bloemfontein has a national airport, Bram Fischer International Airport that connects with major cities. The Tempe Military airport, west of Bloemfontein, also provides flight services.

The public transport system consist of privately owned taxis and buses. Interstate Bus Lines (Pty) Ltd provides daily transport between Bloemfontein, Botshabelo and Thaba Nchu. The Table reflects the number of trips generated during the morning peak period.

Traffic Analysis Zone (TAZ)	No of Work Related Trips	(%)
Mangaung	91 000	46.70
Bloemfontein	45 454	23.33
Botshabelo	27 089	13.9
Thaba Nchu	15 146	7.77
Naledi	5 831	2.99
Rural areas	10 321	5.3
TOTAL	**194 841**	**100%**

Modes of Transport	No. of People	(%)
Private Vehicle	57 595	29.56
Lift clubs / passenger	16 445	8.44
Public: Taxi	63 440	32.56
Public: Bus	20 556	10.55
Walk	33 435	17.16
Other	3 370	1.73
TOTAL	**194 841**	**100%**

Table MMM 20: Total Daily Trips and Modes of Transport
Source: Mangaung Rural Development Plan, 2019/2020

4.4. Mangaung Social Perspective

4.4.1. Households by Dwelling Type

The number of very formal dwellings in Mangaung was 95 400 or 35.2% of the 271 000 total number of dwellings in the Municipality. A total of 50.55% were formal dwellings, informal dwelling's share was 5.09% and there were 13 800 traditional dwelling units.

Municipalities	Very Formal	Formal	Informal	Traditional	Other Dwelling Type	Total
Mangaung	95,400	137,000	23,900	13,800	1,110	271,000
Xhariep	13,400	21,300	2,740	1,630	151	39,200
Lejweleputswa	75,600	77,600	21,800	12,300	1,040	188,000
Thabo Mofutsanyana	51,700	124,000	26,700	21,600	1,450	226,000
Fezile Dabi	73,200	63,500	14,100	9,110	692	161,000
Total	**309,338**	**423,436**	**89,307**	**58,435**	**4,450**	**884,967**

Table MMM 21: Households by Dwelling Type, 2018
Source: IHS Markit Regional eXplorer version 1750

4.4.2. Households by Sanitation Type

The number of households with flush toilet was 198 000, which constituted 73.06% of the total 271 000 households. There were 35 800 households with VIP toilets (13.21%) and 26 800 pit toilets. Those households with bucket system was 1.97% and 5 340 had no toilets.

Municipalities	Flush Toilet	Ventilation Improved Pit (VIP)	Pit Toilet	Bucket System	No Toilet	Total
Mangaung	198,000	35,800	26,800	5,300	5,340	271,000
Xhariep	33,500	1,750	1,200	956	1,720	39,200
Lejweleputswa	159,000	5,260	12,800	7,940	3,940	188,000
Thabo Mofutsanyana	143,000	24,500	47,300	7,350	3,810	226,000
Fezile Dabi	135,000	3,720	12,500	6,780	2,030	161,000
Total	**668,246**	**70,977**	**100,571**	**28,332**	**16,840**	**884,967**

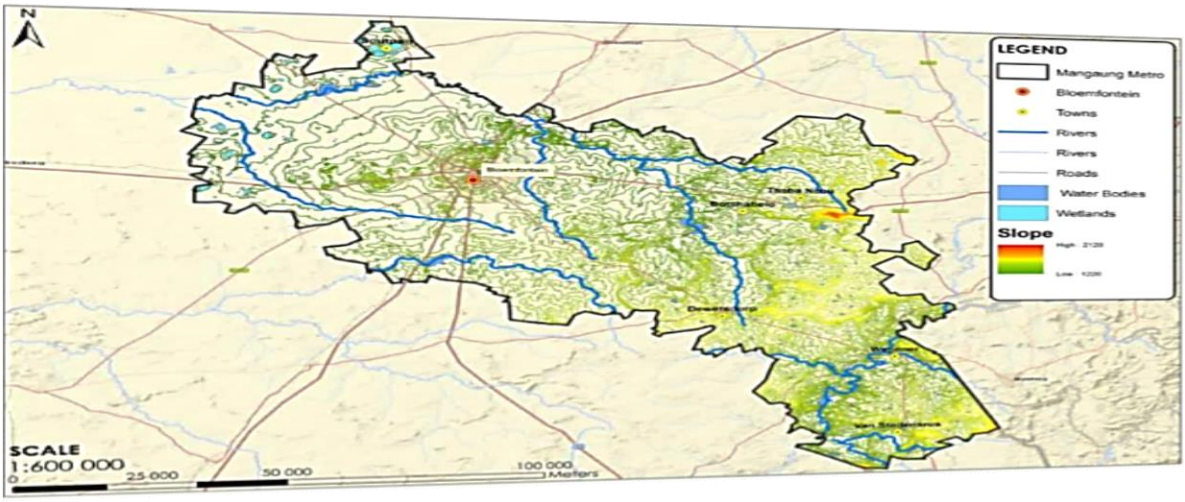
Table MMM 22: Households by Sanitation Type, 2018
Source: IHS Markit Regional eXplorer version 1750

4.4.3. Households by Access to Water

The number of households with piped water inside dwelling was 122 000 (45.02%), piped water in yard was 118 000 (43.54%), communal piped water: less than 200m from dwelling was 24 500 (9.04%), communal piped water: more than 200m from dwelling was 4 620.

Municipalities	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mangaung	122,000	118,000	24,500	4,620	1,990	271,000
Xhariep	17,000	20,600	675	338	499	39,200
Lejweleputswa	92,000	83,400	8,430	2,840	1,710	188,000
Thabo Mofutsanyana	71,200	128,000	18,500	3,410	4,420	226,000
Fezile Dabi	92,500	56,300	7,990	2,500	1,240	161,000
Total	**394,881**	**406,379**	**60,135**	**13,707**	**9,864**	**884,967**

Table MMM 23: Households by Access to Water, 2018
Source: IHS Markit Regional eXplorer version 1750



Map MMM 24: Topography and Water Bodies
Source: Mangaung Rural Development Plan, 2019/2020

Despite considerable strides in the provision of water, concerns about the availability, quality and management of water including climate change should be considered.

Among many other factors, there is also the non-payment of water services that continues to put significant pressure on the ability of the municipality to provide water to residents.

Name of Municipality	Current	30 days	60 days	90 days	120 days+	Total
Mangaung Metro Municipality	87,606,975	63,725,541	68,960,051	7,151,077	222,185,133	449,628,777

Table MMM 25: Bloemwater Debt Outstanding as at 31 August 2019
Source: Status of Municipaly Finance – Fisrt Quarter, Free State Treasury, 2019

Table MMM 26 below shows that the number of households that used electricity for lighting only was 1.56% of the total proportion of 271 000 households in Mangaung Municipality.

Those households using electricity for lighting and other purposes was the highest at 252 000 or 92.99% and those not using electricity was 14 400.

Municipality	Electricity for Lighting Only	Electricity for Lighting and Other purposes	Not using electricity	Total
Mangaung	4,240	252,000	14,400	271,000
Xhariep	1,620	35,700	1,860	39,200
Lejweleputswa	3,590	172,000	12,500	188,000
Thabo Mofutsanyana	11,600	196,000	18,400	226,000
Fezile Dabi	4,040	144,000	12,300	161,000
Total	**25,052**	**800,493**	**59,421**	**884,967**

Table MMM 26: Households by Electricity Type, 2018
Source: IHS Markit Regional eXplorer version 1750

Map MMM 27: Electricity Infrastructure
Source: Mangaung Rural Development Plan, 2019/2020

Despite these impressive figures in the provision of electricity to residents of Manguang, non-payment of electricity, primarily, has put pressure on the ability of the municipality provide electricity, leading to a huge debt burden as indicate in Table MMM 28 below.

Name of Municipality	Current	16 - 30 days	31 - 60 days	61 - 90 days	90 days+	Total
CENTLEC MUNICIPALITY	6,177,776	0	0	0	0	6,177,776
DIHLABENG LOCAL MUNICIPALITY	27,343,670	0	30,101,173	16,750,028	206,001,553	280,196,424
KOPANONG LOCAL MUNICIPALITY	9,587,172	0	15,906	14,652	1,065,434	10,683,164
LETSEMENG LOCAL MUNICIPALITY	4,758,695	0	4,652,713	3,468,087	19,069,257	31,948,751
MAFUBE LOCAL MUNICIPALITY	11,620,725	0	12,216,307	9,673,462	77,604,295	111,114,789
MALUTI A PHOFUNG LOCAL MUNICIPALITY	173,087,033	0	267,271,375	135,540,138	3,875,848,577	4,451,747,124
MANGAUNG METROPOLITAN MUNICIPALITY	248,995,326	266,951,800	317,000	13,595,081	40,886,892	570,746,099

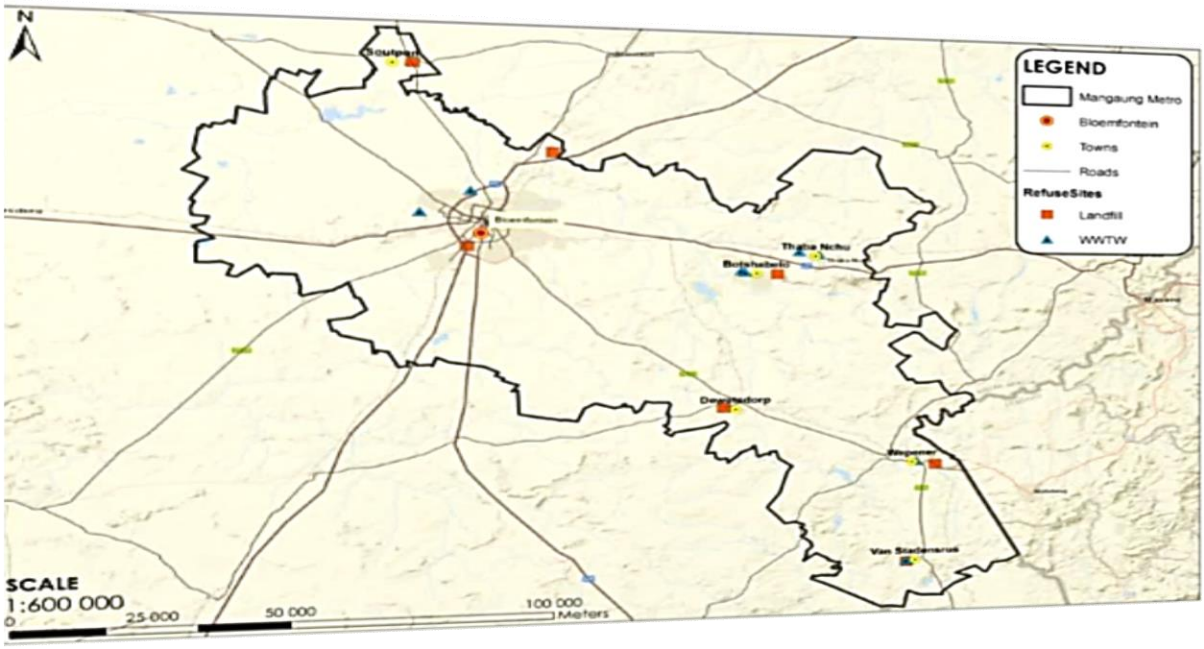
Table MMM 28: Eskom Debt Outstanding as at 31 August 2019
Source: Status of Municipaly Finance – Fisrt Quarter, Free State Treasury, 2019

4.4.4. Households by Refuse Removal

Of all the 271 000 households in Mangaung in 2018, 230 000 had their refuse removed weekly and 6 730 less often than weekly. There were 6 500 households where refuse was removed by the community and 21 600 of the households personally removed their refuse.

Municipalities	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Mangaung	230,000	6,730	6,500	21,600	5,730	271,000
Xhariep	28,300	1,180	1,630	6,740	1,290	39,200
Lejweleputswa	149,000	8,950	3,680	18,500	8,160	188,000
Thabo Mofutsanyana	118,000	2,800	11,900	78,500	15,000	226,000
Fezile Dabi	138,000	2,690	3,120	12,400	4,540	161,000
Total	**663,373**	**22,348**	**26,835**	**137,697**	**34,714**	**884,967**

Table MMM 29: Households by Refuse Removal, 2018
Source: IHS Markit Regional eXplorer version 1750

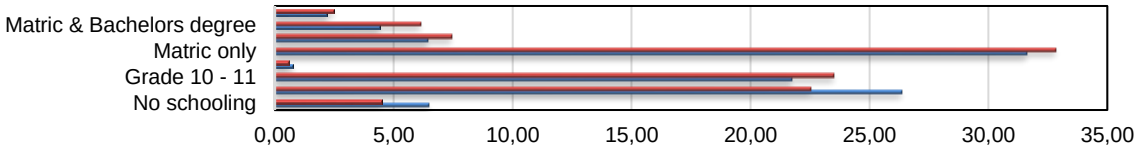


Map MMM 30: Refuse Sites
Source: Mangaung Rural Development Plan, 2019/2020

4.4.5. Education Provision

Figure MMM 31 largely reveals an upward trend in the level of education attainment in Mangaung. The proportion of Matriculants improved from 31.60% in 2008 to 32.84% in 2017, and those with Grade 10 and 11 increased from 21.73% in 2008 to 23.50 % in 2017.

In the same 2008 to 2017 period, Grade 1 to 9 levels decreased from 26.35 % to 22.53%



	No schooling	Grade 1- 9	Grade 10 - 11	Certificate/ Diploma without matric	Matric only	Matric + certificate/ diploma	Matric & Bachelors degree	Matric & Post graduate
2017	4,50	22,53	23,50	0,60	32,84	7,44	6,12	2,47
2008	6,49	26,35	21,73	0,77	31,60	6,43	4,42	2,20

Figure MMM 31: Highest Level of Education by Persons Aged 20+
Source: IHS Markit, Reginal eXplorer, 2019

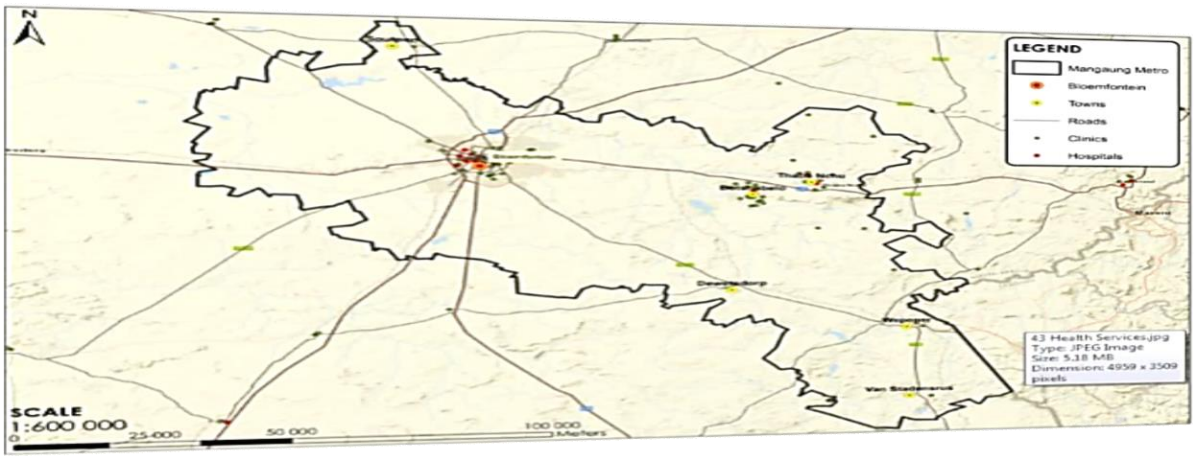
Individuals with no Matric but a certificate are few and diminishing. Persons with Matric plus continued to increase indicating an improvement in education attainments.

In part, this success is but a testimony of government investment in education that includes among other necessary resource allocation, better infrastructure, provision of learner transport, expansion of the nutritional programme, fee exemption and educators support.

4.4.6. Healthcare Provision

Overall, Mangaung has 313 clinics and 122 mobile clinics. Many of these are located in in Bloemfontein, Thaba Nchu and Botshabelo. Smaller towns have around 1-3 clinics each.

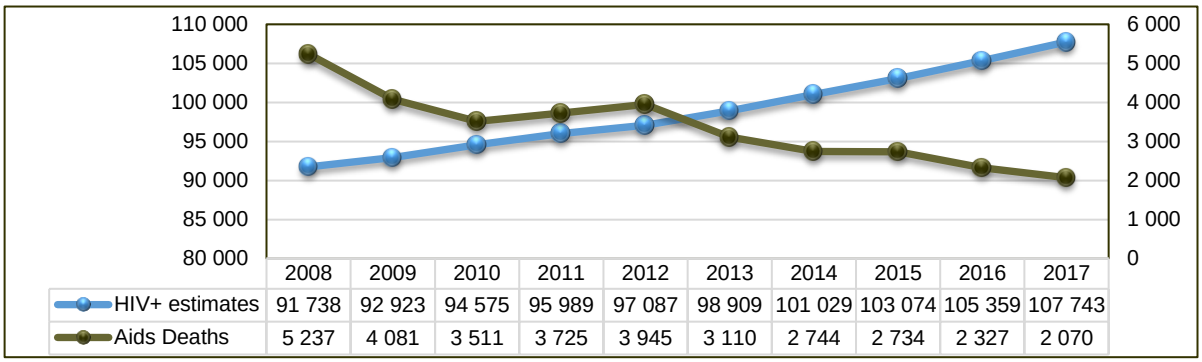
In addition, there are 36 state owned hospitals and 26 private hospitals. With all hospitals located in Bloemfontein besides three that are located in Thaba Nchu and Botshabelo



Map MMM 32: Health Facilities
Source: Mangaung Rural Development Plan, 2019/2020

4.4.7. HIV and AIDS Prevalence

Data in Figure MMM 33 shows that the HIV prevalence in Mangaung have been increasing. The number moved from 91 738 individuals in 2008 to 107 743 persons in 2017.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
HIV+ estimates	91 738	92 923	94 575	95 989	97 087	98 909	101 029	103 074	105 359	107 743
Aids Deaths	5 237	4 081	3 511	3 725	3 945	3 110	2 744	2 734	2 327	2 070

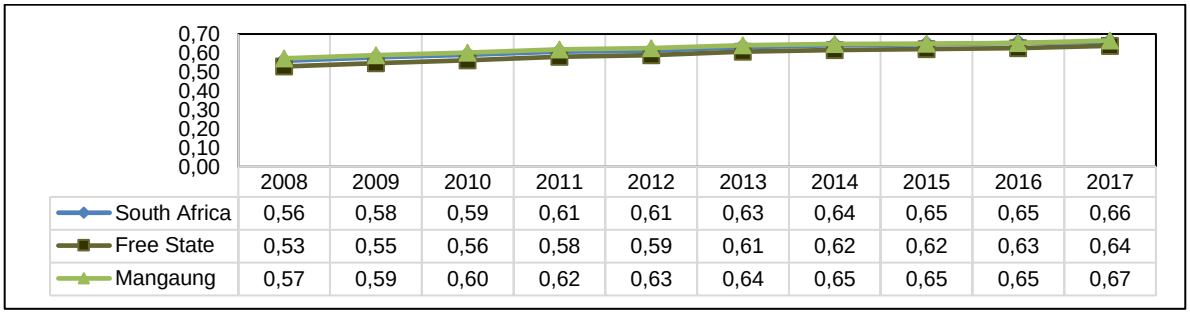
Figure MMM 33: HIV and AIDS Death Estimates
Source: IHS Markit, Reginal eXplorer, 2019

Nonetheless, the AIDS deaths estimates fell from 5 237 in 2008 to 2 070 in 2017.

In part, the declining AIDS deaths in Mangaung are due to the rollout of the antiretroviral therapy, prevention of mother-to-child transmission, condom distribution and medical male circumcision. However, the increasing HIV infection rates continued to be a concern.

4.4.8. Human Development

The Human Development Index (HDI) measures life expectancy at birth, education using average years of schooling and gross national income per capita. HDI varies between zero and one, with zero being the lowest level of development and one the highest level.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
South Africa	0,56	0,58	0,59	0,61	0,61	0,63	0,64	0,65	0,65	0,66
Free State	0,53	0,55	0,56	0,58	0,59	0,61	0,62	0,62	0,63	0,64
Mangaung	0,57	0,59	0,60	0,62	0,63	0,64	0,65	0,65	0,65	0,67

Figure MMM 34: Human Development Indicators
Source: IHS Markit, Reginal eXplorer, 2019

Mangaung Metropolitan Municipality's HDI status indicates an index of 0.57 in 2008 to 0.67 in 2017. If compared to South Africa and the Free State, Mangaung HDI is notable.

4.4.9. Income Distribution

The gini-coefficient is a summary statistic of income inequality. If the gini-coefficient is equal to zero, income distribution denotes equal income distribution. Meaning, there is no variance between the high and low-income earners within the population.

The opposite is also true. If the gini-coefficient equals one, income is very inequitable.

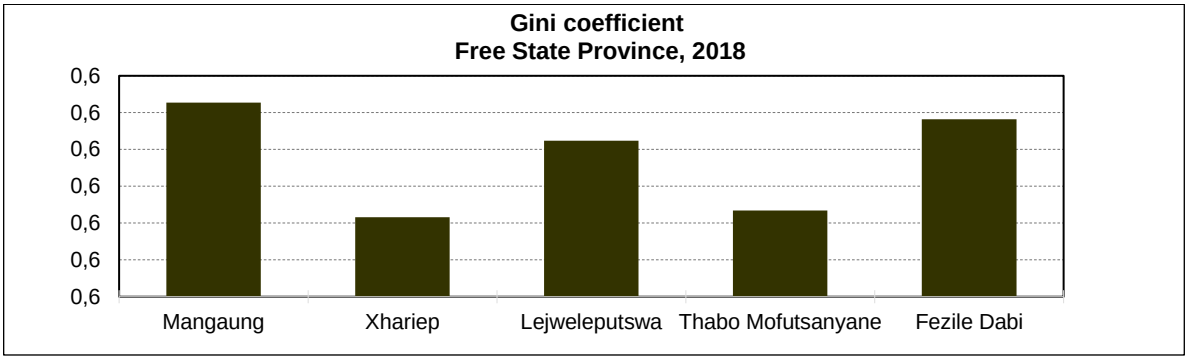


Figure MMM 35. Gini-coefficient, 2018
Source: IHS Markit Regional eXplorer version 1750

Of all the districts in the Free State, Mangaung Metropolitan Municipality had the highest gini-coefficient, with an index value of 0.623, making this municipality acutely unequal.

4.4.10. Poverty Level

Statistics South Africa defines the upper poverty line as the level of consumption individuals can purchase enough food and other items without sacrificing one for the other.

This variable measures the number of individuals living below that particular level of consumption, and is balanced directly to the official upper poverty rate

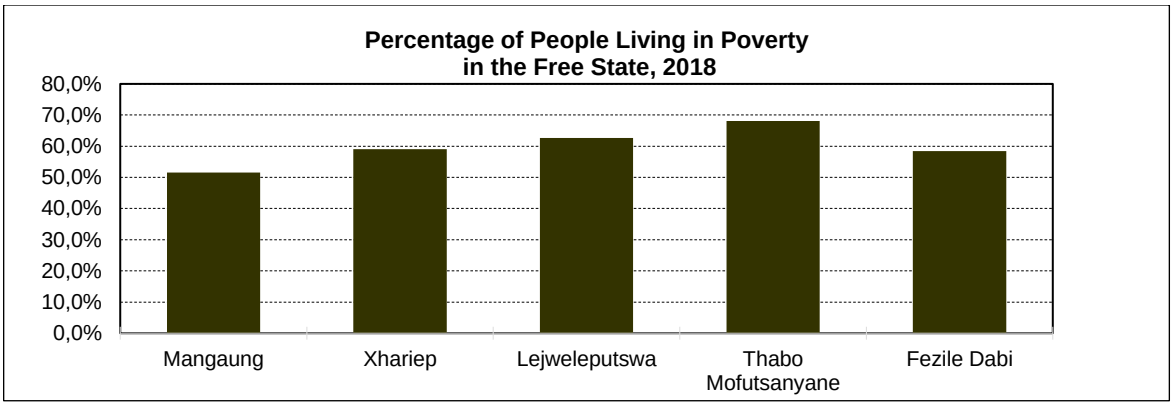
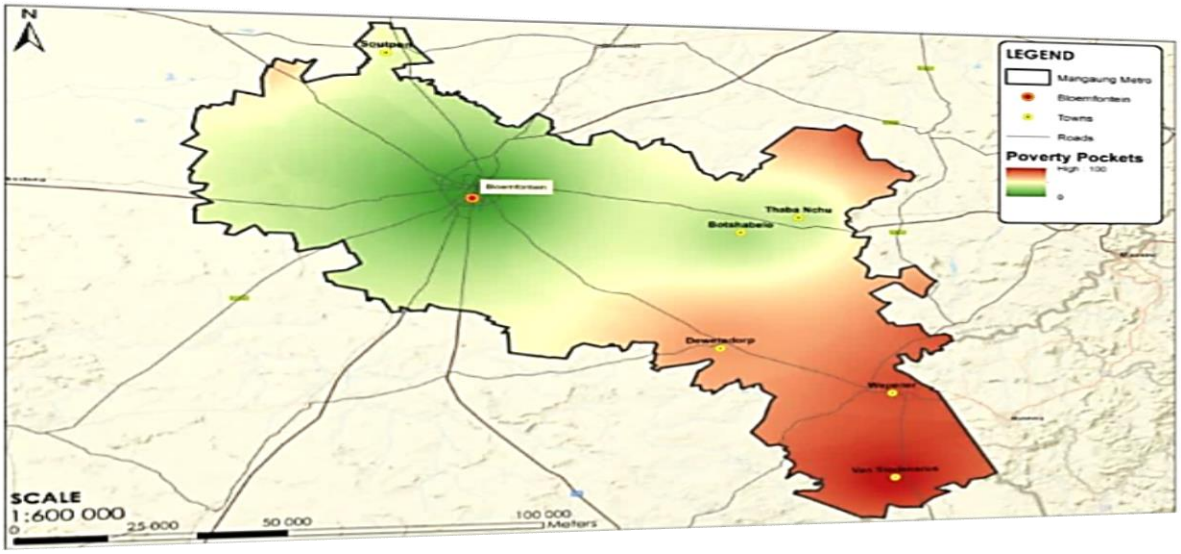


Figure MMM 36: Percentage of People Living, 2018
Source: IHS Markit Regional eXplorer version 1750

In the Free State, the lowest percentage of people living in poverty were in the Mangaung at 51.6%. Thabo Mofutsanyana had the most number of people living in poverty, 68.1%.

Map MMM 34 underneath indicates where the highest levels of deprivation and consequently, poverty exists within the Mangaung Metropolitan Municipality.



Map MMM 37: Poverty Levels
Source: Mangaung Rural Development Plan, 2019/2020

4.4.11. Crime Level

Mangaung Metropolitan Municipality recorded a total of 11 942 contact crimes for the 2018/2019 financial year. Many of these were crimes such a murder with 294 incidents, 1 012 sexual offences, 224 attempted murder cases, 4 243 common assault occurrences, 1044 common robbery cases, and 1 852 robbery with aggravating circumstances.

For property related crimes, 8 476 cases were reported in the 2018/2019 financial year in Mangaung. This meant a -1.7% decrease from the previous 2017/2018 financial year.

There were 35 cases of arson, 1 989 malicious damage to property, 1 195 burglary at non-residential premises and 4 113 burglary at residential premises. The number of theft of motor vehicle was 414 and theft out of or from motor vehicle 2 345 and stock theft 409.

Crime Category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Murder	313	294	-19	-6.1%
Total Sexual Offences	1045	1012	-33	-3.2%
Attempted murder	193	224	**31**	**16.1%**
Assault with the intent to inflict grievous bodily harm	3225	3273	**48**	**1.5%**
Common assault	4096	4243	**147**	**3.6%**
Common robbery	1098	1044	-54	-4.9%
Robbery with aggravating circumstances	1855	1852	-3	-0.2%
Total Contact crimes	11825	11942	**117**	**1.0%**
Arson	64	35	-29	-45.3%
Malicious damage to property	2042	1989	-53	-2.6%
Total Contact related crimes	2106	2024	-82	-3.9%
Burglary at non-residential premises	1219	1195	-24	-2.0%
Burglary at residential premises	4378	4113	-265	-6.1%
Theft of motor vehicle and motorcycle	423	414	-9	-2.1%
Theft out of or from motor vehicle	2101	2345	**244**	**11.6%**
Stock-theft	499	409	-90	-18.0%

Crime Category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Total Property related crimes	8620	8476	-144	-1.7%
All theft not mentioned elsewhere	4550	5176	**626**	**13.8%**
Commercial crime	1745	1999	**254**	**14.6%**
Shoplifting	1379	1359	-20	-1.5%
Total Other serious crimes	7674	8534	**860**	**11.2%**
TOTAL 17 Community Reported Serious Crimes	30225	30976	**751**	**2.5%**
Carjacking	120	109	-11	-9.2%
Robbery at residential premises	211	182	-29	-13.7%
Robbery at non-residential premises	208	198	-10	-4.8%
Total TRIO Crimes	539	489	-50	-9.3%
Truck hijacking	2	3	**1**	**50.0%**
Bank Robbery	1	0	-1	-100.0%
Robbery of cash in transit	7	3	-4	-57.1%
Illegal possession of firearms and ammunition	149	124	**-25**	**-16.8%**
Drug-related crime	3355	2341	**-1014**	**-30.2%**
Driving under the influence of alcohol or drugs	691	718	27	3.9%
Sexual Offences detected as a result of Police Action	196	207	11	5.6%
Total Crime detected as a result of police action	4391	3390	**-1001**	**-22.8%**

Table MMM 38: Crime Statistics
Source: South African Police Service, October 2019

A total of 1 359 shoplifting cases occurred in the 2018/2019 financial year. In addition, there were 1 999 commercial crime incidents, and all theft not mentioned elsewhere.

Under the category of serious crimes reported by the community, there were 17 sub-crimes such as carjacking (109), robbery at residential premises (182), robbery at non-residential premises (198), TRIO Crimes (489), truck jacking (3), robbery of cash-in-transit (3), illegal possession of firearms and ammunition (124), drug related crimes (2 341).

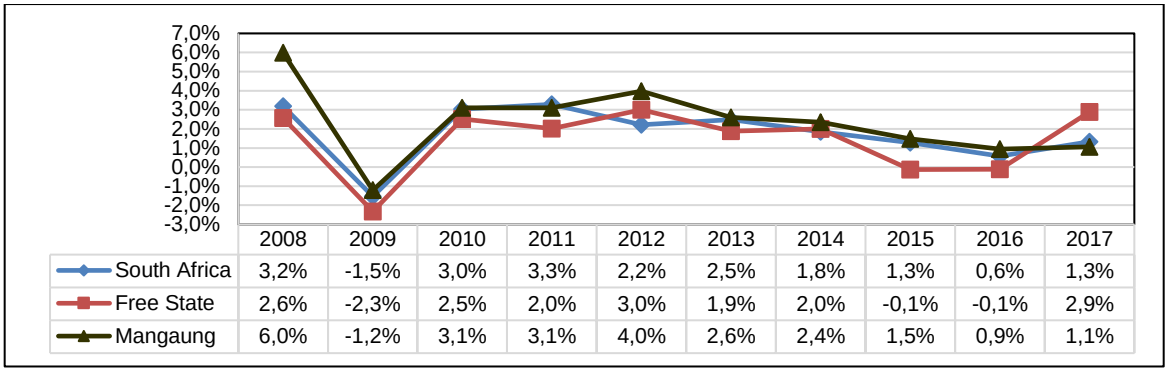
There were also other serious crimes such as driving under the influence of alcohol or drugs with 718 cases reported and sexual offences detected as a result of police action.

For some of the categories of crime committed and reported in Mangaung, there was an increase in percentage. For example, property related crimes increased by 13.8% and TRIO Crimes by 50%, while as significant decrease was realised in drug related crime receiving at 30.2% decrease for the 2018/2019 financial year.

4.5. Mangaung Economic Perspective

4.5.1. Gross Domestic Product

Between 2008 and 2017, Mangaung Metropolitan Municipality had an average of 2.3% economic growth rate. This growth rate can be primarily be credited to the notable performance of the tertiary sector and in particular, the community services sector.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
South Africa	3,2%	-1,5%	3,0%	3,3%	2,2%	2,5%	1,8%	1,3%	0,6%	1,3%
Free State	2,6%	-2,3%	2,5%	2,0%	3,0%	1,9%	2,0%	-0,1%	-0,1%	2,9%
Mangaung	6,0%	-1,2%	3,1%	3,1%	4,0%	2,6%	2,4%	1,5%	0,9%	1,1%

Figure MMM 39: GDP-R (Average Annual Growth (2010 constant prices))
Source: IHS Markit, Reginal eXplorer, 2019

The main contributor to the Free State economy is the Mangaung Metropolitan Municipality with a share of 39.96% or R 98.1 billion in 2017, increasing from R 47.5 billion in 2008.

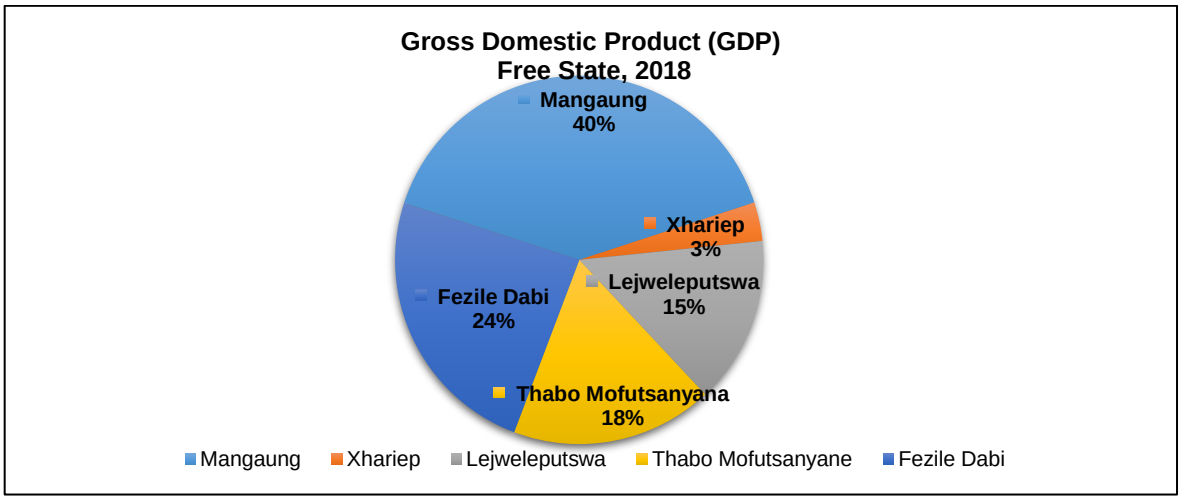


Figure MMM 40: GDP Contribution, 2018
Source: IHS Markit Regional eXplorer version 1750

4.5.2. Gross Value Add

Gross Value Added (GVA) is a measure of output of a region in terms of the value that was created in that region. GVA is measured at basic prices and GDP at market prices.

Economic sectors were classified by the South African Standard Industrial Classification.

Sectors	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	2.2%	2.1%	1.8%	1.7%	1.6%	1.6%	1.7%	1.5%	1.8%	1.9%
Mining	1.5%	1.2%	1.3%	1.2%	1.1%	1.1%	1.1%	0.9%	0.9%	0.9%
Primary sector	**3.7%**	**3.4%**	**3.1%**	**2.9%**	**2.7%**	**2.7%**	**2.8%**	**2.5%**	**2.7%**	**2.8%**
Manufacturing	7.7%	6.7%	6.3%	6.0%	5.9%	5.8%	5.5%	6.2%	6.4%	6.4%
Electricity	1.8%	2.4%	2.7%	2.7%	3.3%	3.3%	3.8%	4.4%	4.7%	5.0%
Construction	3.4%	4.0%	3.3%	3.4%	3.2%	3.3%	3.1%	2.9%	2.8%	2.7%
Secondary sector	**12.9%**	**13.2%**	**12.3%**	**12.1%**	**12.3%**	**12.4%**	**12.3%**	**13.5%**	**13.9%**	**14.0%**
Trade	17.1%	18.2%	21.1%	19.2%	18.6%	17.8%	17.1%	16.7%	16.5%	16.2%
Transport	14.4%	13.2%	12.1%	12.9%	13.5%	13.6%	14.1%	13.8%	13.7%	13.9%
Finance	22.6%	21.4%	20.9%	20.5%	19.9%	20.1%	20.6%	21.0%	20.2%	20.3%
Community	29.4%	30.6%	30.6%	32.3%	33.0%	33.4%	33.1%	32.5%	33.1%	32.9%

services										
Tertiary sector	**83.4%**	**83.5%**	**84.7%**	**85.0%**	**85.0%**	**84.8%**	**84.9%**	**84.1%**	**83.5%**	**83.2%**
Industries	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

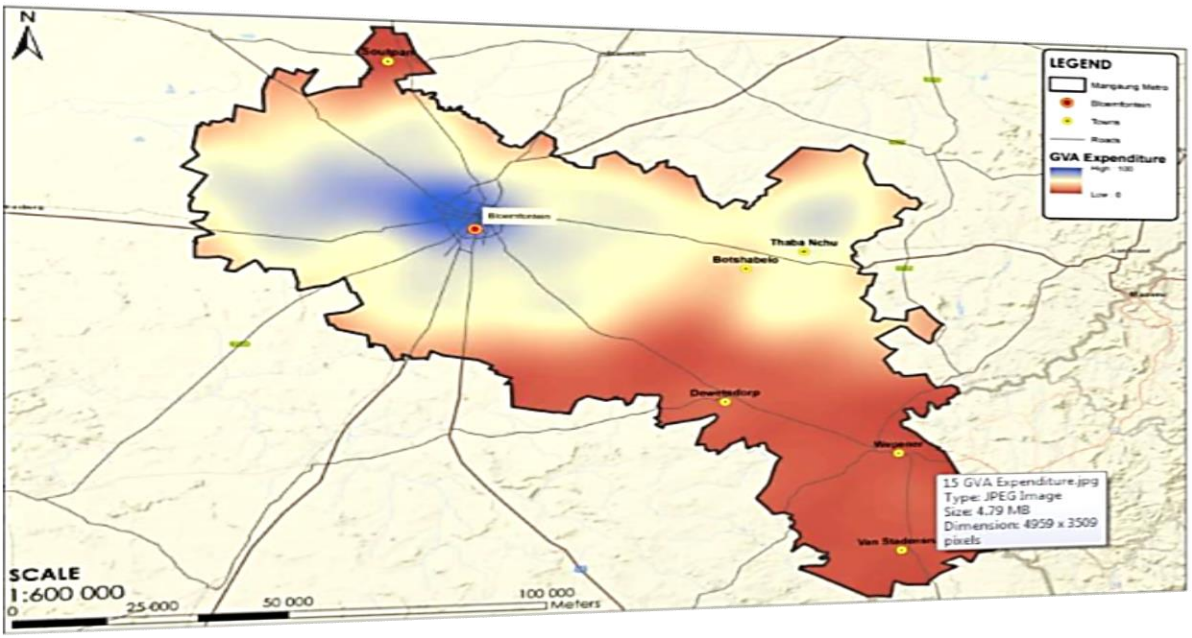
Table MMM 41: Gross Value Added: Sector's Share of Regional Total
Source: IHS Markit, Reginal eXplorer, 2019

The economy of Mangaung was driven by the tertiary sector with a share of 83.2% in 2017.

The community service sector was the only sector that recoded a growth of 3.5% between 2008 and 2017. The composition of this sector included the provincial government headquarters, the three tertiary institutions, and many healthcare and other facilities.

Downwards trends were recorded in the primary sector that fell from 3.7% in 2008 to 2.8% in 2017 primarily because of the decline in the mining and agricultural sectors.

This dominance of the tertiary sector is a sign of the need to broaden economic offerings.

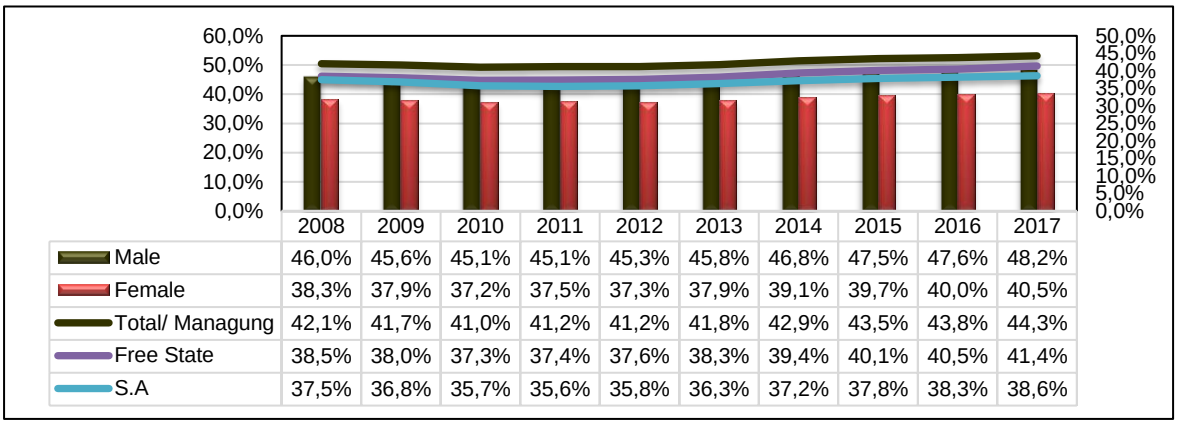


Map MMM 42: GVA Expenditure
Source: Mangaung Rural Development Plan, 2019/2020

4.5.3. Economic Active Population

The economically active population includes persons between the ages of 15 to 65 years who are either employed or unemployed, seeking employment.

Between 2008 and 2017, there was an increase in the supply and demand for labour. However, the supply far outweighed the demand because of the low labour absorption rate.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Male	46,0%	45,6%	45,1%	45,1%	45,3%	45,8%	46,8%	47,5%	47,6%	48,2%
Female	38,3%	37,9%	37,2%	37,5%	37,3%	37,9%	39,1%	39,7%	40,0%	40,5%
Total/ Managung	42,1%	41,7%	41,0%	41,2%	41,2%	41,8%	42,9%	43,5%	43,8%	44,3%
Free State	38,5%	38,0%	37,3%	37,4%	37,6%	38,3%	39,4%	40,1%	40,5%	41,4%
S.A	37,5%	36,8%	35,7%	35,6%	35,8%	36,3%	37,2%	37,8%	38,3%	38,6%

Figure MMM 43: Economically Active Population
Source: IHS Markit, Reginal eXplorer, 2019

Figures show that the economically active population in Mangaung grew from 41.7% in 2008 to 44.3% in 2017. Male participation rose from 45.6% in 2008 to 48.2% in 2017.

Female participation in the labour market also improved from 37.9% in 2008 to 40.5% in 2017, evidence that women are slowly increasing their participation rate from a low base.

4.5.4. Employment Level

Total formal and informal employment increased by 24 982 persons from 24 8486 individuals in 2008 to 273 468 in 2017. Most employment jobs were in community sector with an increase of 14 619 individuals followed by the households with 5 662 individuals.

Sectors	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	8 477	8 839	8 681	8 668	8 525	8 664	8 730	8 757	8 898	13 013
Mining	1 915	2 032	2 212	2 121	2 274	2 233	2 255	2 799	3 144	3 559
Manufacturing	21 009	18 897	16 540	15 131	14 760	15 826	16 941	17 301	16 329	16 679
Electricity	1 001	1 155	1 200	1 196	1 307	1 450	1 801	2 465	2 809	2 953
Construction	16 532	16 172	15 700	16 140	15 892	15 557	15 762	16 352	16 988	16 886
Trade	57 539	56 526	54 915	54 224	52 729	52 565	55 641	60 183	62 270	61 829
Transport	13 887	14 196	13 528	12 428	11 782	11 921	12 146	12 669	13 264	13 469
Finance	35 863	35 892	35 587	35 785	35 227	34 224	34 467	33 651	32 969	32 536
Community Services	66 082	66 294	66 753	68 595	71 917	76 862	82 099	83 908	82 073	80 701
Households	26 181	27 599	27 930	29 669	29 911	29 386	29 530	30 746	32 429	31 843
Total	248 486	247 600	243 045	243 955	244 324	248 686	259 373	268 831	271 171	273 468

Table MMM 44: Employment per Sector, Formal and Informal
Source: IHS Markit, Reginal eXplorer, 2019

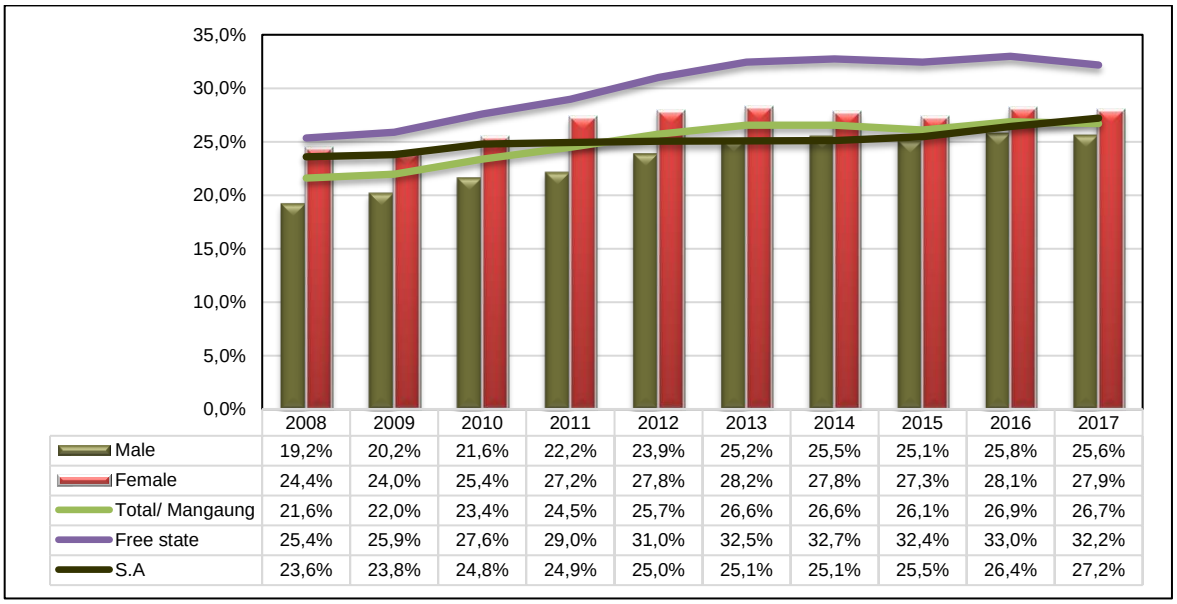
Put differently, the community services sector accounted for 29.51% of total employment in Mangaung in 2017 followed by the trade sector with 22.61% in 2008.

In third place was the finance sector, which accounted for 11.90% of the total employment. Trailing behind were the electricity and mining sectors with 1.08% and 1.30%, respectively.

4.5.5. Unemployment Level

The official definition of unemployment refers to people in the labour force who are not working and have actively been looking for work prior to the survey.

The broad definition of unemployment includes individuals who have not been looking for work over time, but would like to work, even when they have not indicated a desire to work.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Male	19,2%	20,2%	21,6%	22,2%	23,9%	25,2%	25,5%	25,1%	25,8%	25,6%
Female	24,4%	24,0%	25,4%	27,2%	27,8%	28,2%	27,8%	27,3%	28,1%	27,9%
Total/ Mangaung	21,6%	22,0%	23,4%	24,5%	25,7%	26,6%	26,6%	26,1%	26,9%	26,7%
Free state	25,4%	25,9%	27,6%	29,0%	31,0%	32,5%	32,7%	32,4%	33,0%	32,2%
S.A	23,6%	23,8%	24,8%	24,9%	25,0%	25,1%	25,1%	25,5%	26,4%	27,2%

Figure MMM 45: Unemployment Rate, Official Definition
Source: IHS Markit, Reginal eXplorer, 2019

Unemployment in Mangaung increased from 21.6% in 2008 to 26.7% in 2017. With growth levels subdued and undiversified economy, increasing employment prospects are limited.

Equally concerning was unemployment between men and women. Data shows that the percentage of unemployed women in Mangaung rose from 24.4% in 2008 to 27.1% in 2017, whilst that of men increased from 19.2% in 2008 to 25.6% in 2017.

With rising education level, changing cultural views on women, more and more women are entering the labour market. Notwithstanding these attainments, the employment gender gap needs to be lessened to ensure inclusive economic growth in Mangaung.

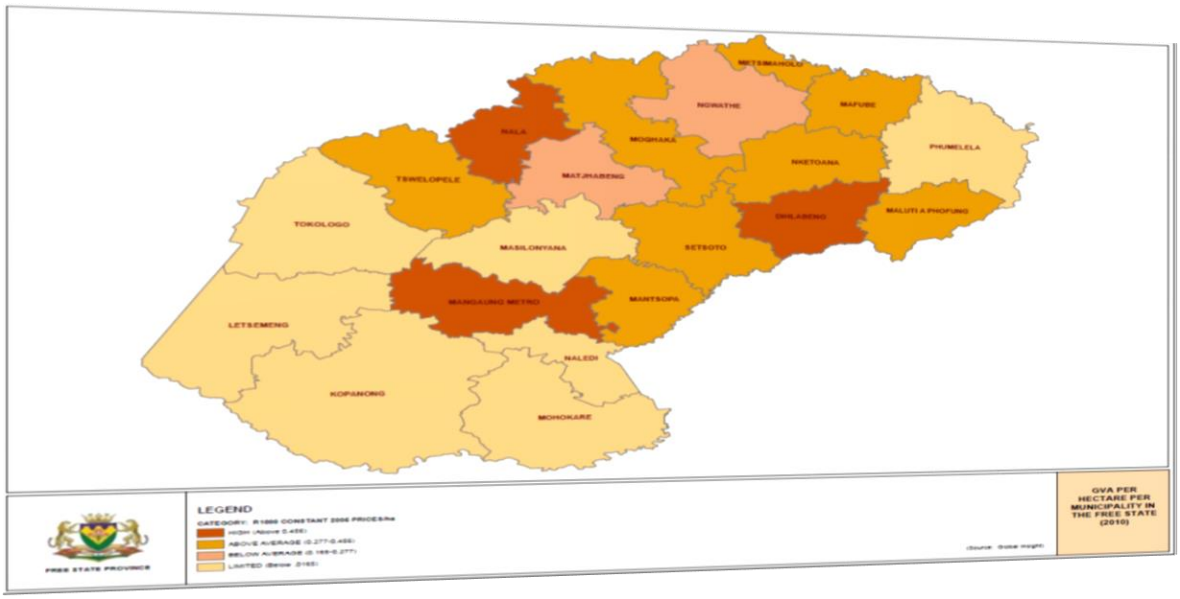
4.6. Mangaung Economic Potential

4.6.1. Agricultural Potential

The agricultural sector is important for four reasons in Mangaung: food security, its high labour absorption rate as compared to other sectors, its links with local economies are profound, and its role in enhancing rural development cannot be overemphasised.

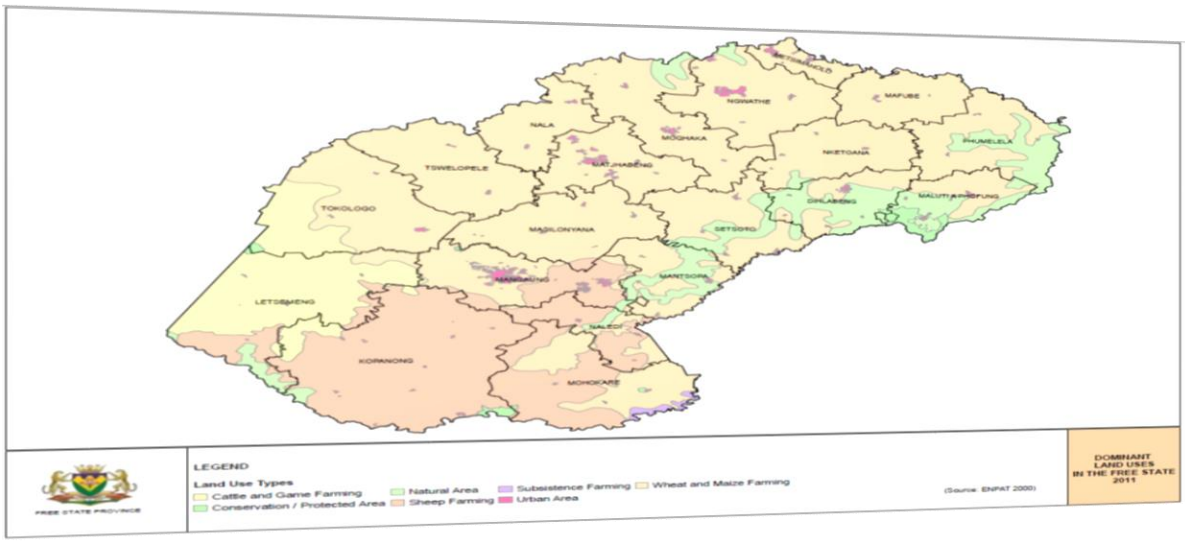
The Map MMM 46 shows agricultural potential in Mangaung. In terms of commodities, the leading agricultural activities include maize, poultry, cattle and sheep farming.

Given the significant market in Mangaung, prospects of agricultural growth are enormous.



Map MMM 46: Agriculture GVA per Hectare per Municipality
Source: Free State Growth and Development Strategy

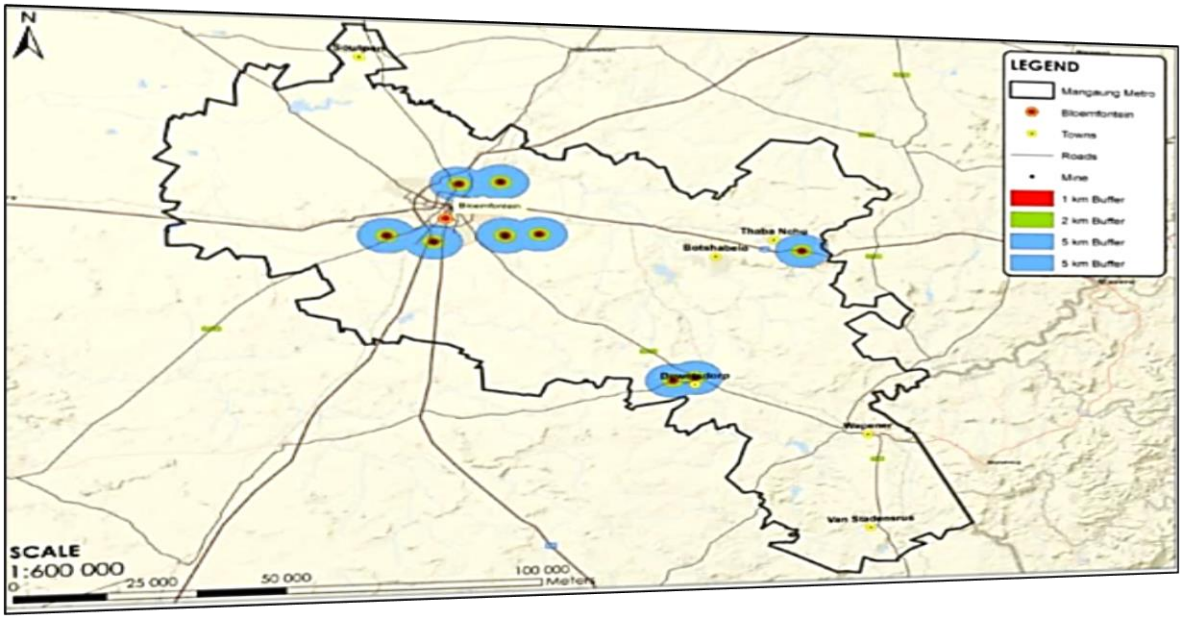
There is potential linkages between agriculture and manufacturing through agro-processing. The creation of the agro-manufacturing complex with the capacity to export goods is also important. Opportunities are now being created in the agro-industrial sector.



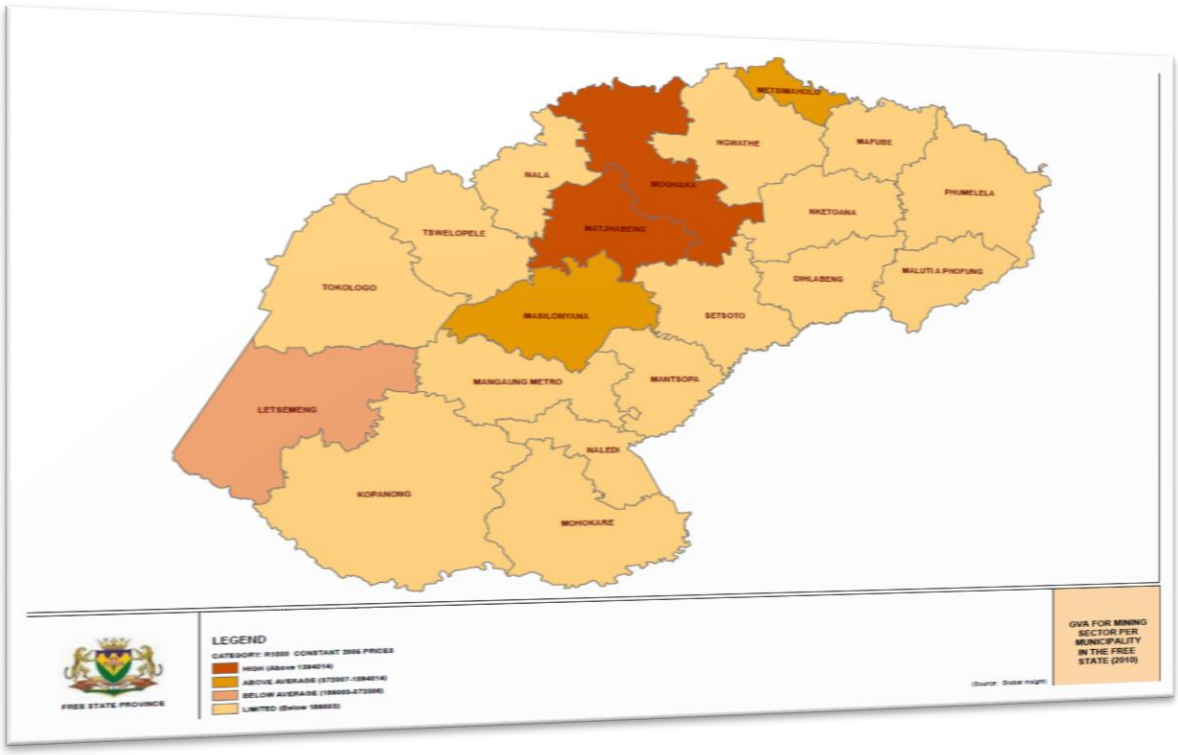
Map MMM 47: Dominant Farming Types
Source: Free State Growth and Development Strategy

4.6.2. Mining Potential

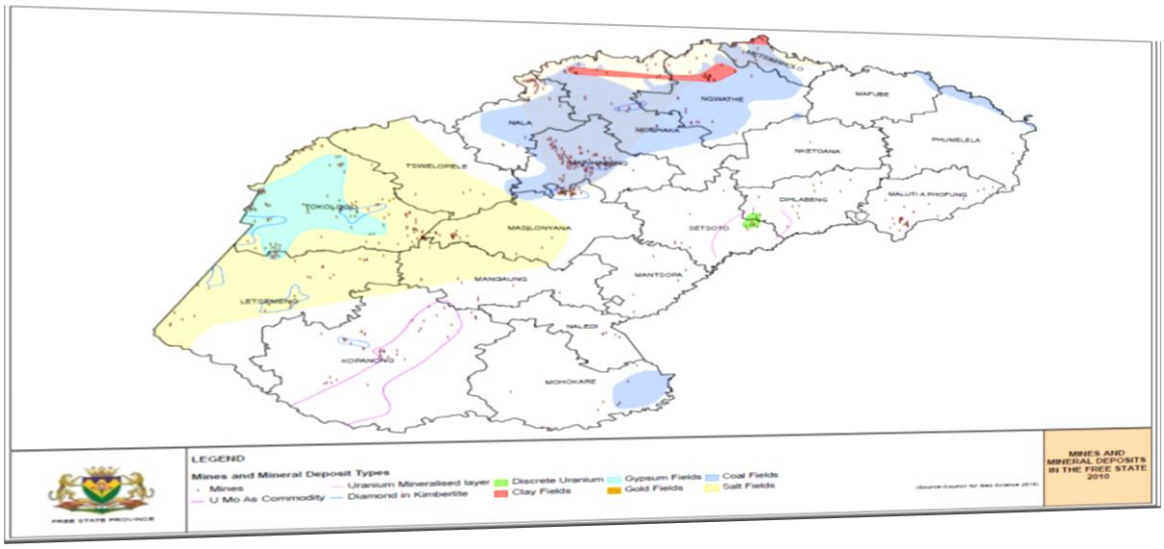
Mining opportunities in the Metropolitan Municipality include minerals value addition, production of fuel from shale gas, salt repackaging, salt lakes and salt bars



Map MMM 48: Mining Activities
Source: Mangaung Rural Development Plan, 2019/2020



Map MMM 49: Mining GVA per Municipality
Source: Free State Growth and Development Strategy, 2013



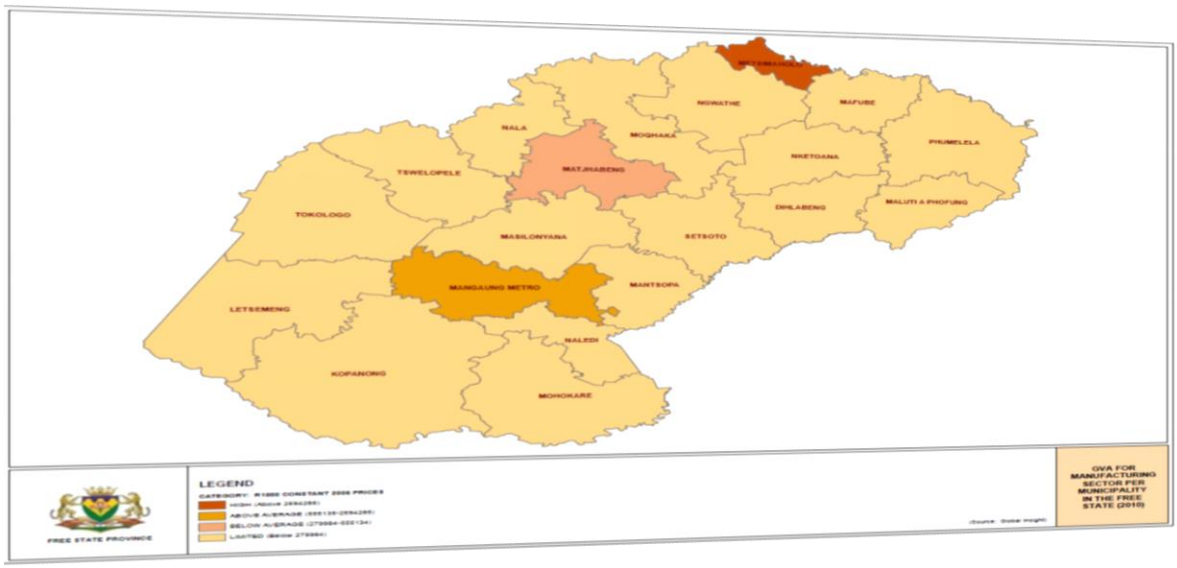
Map MMM 50: Mining Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

4.6.3. Manufacturing Potential

In Mangaung, Bloemfontein is the leading locality with high manufacturing potential measured in terms of GVA in fuel, petroleum, beverages and chemicals subsector.

Innovation and experimentation are also pivotal drivers of manufacturing through Research and Development (R&D). Graduates with degrees in Physical Science, Mathematics and Engineering and honours or higher degree are important. High R&D potential linked to manufacturing growth exists in Mangaung due to the two universities.

Botshabelo and Thaba Nchu have industrial parks. Other industrial areas in Mangaung are located in East End, Bloemdustria and Hamilton. The Central University of Technology assists entrepreneurs to develop prototypes for the manufacturing of equipment.



Map MMM 51: GVA for Manufacturing per Municipality
Source: Free State Growth and Development Strategy, 2013

The Botshabelo has been included in the programme to revitalise Industrial Parks, as stated by President Ramaphosa during the State of the Nation Address in February 2019.

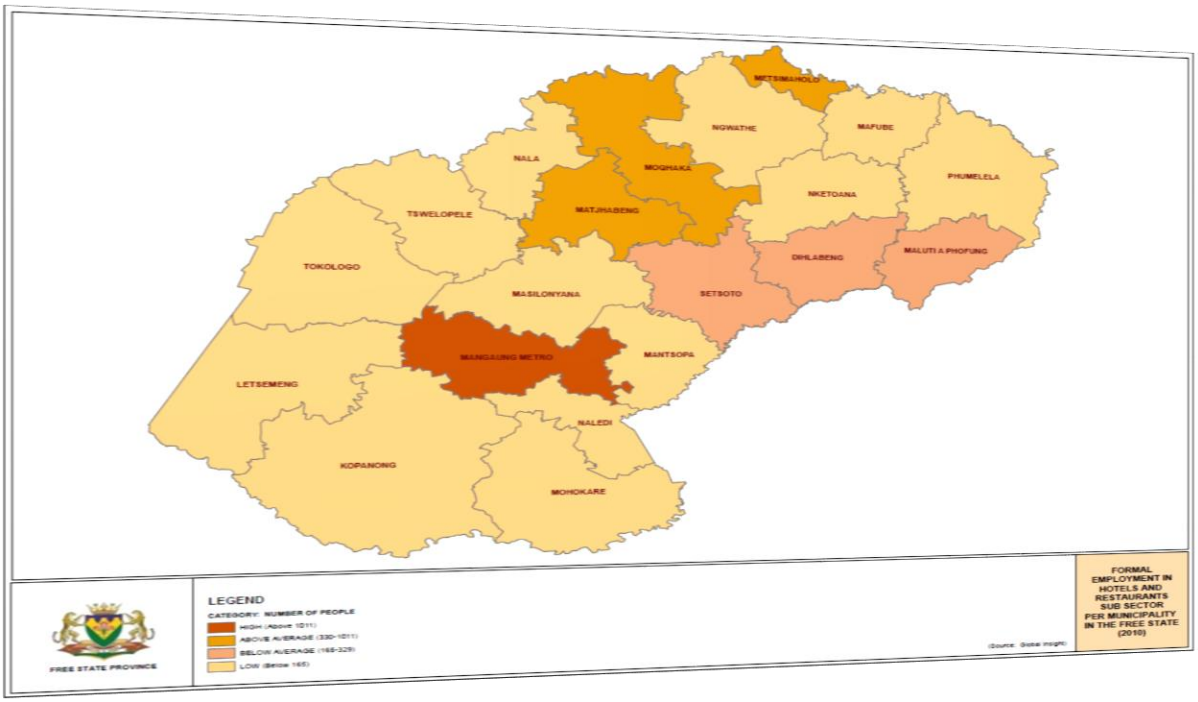
Already, at the time of this announcement, there were 144 factories operating in Botshabelo Industrial Park with 8 725 full-time and 800 part-time people employed.

Already, the Botshabelo Industrial Park is as an economic hub producing different products such as textile, plastic, electrical goods and food products. With the revitalisation process, more employment and business opportunities will continue to be created.

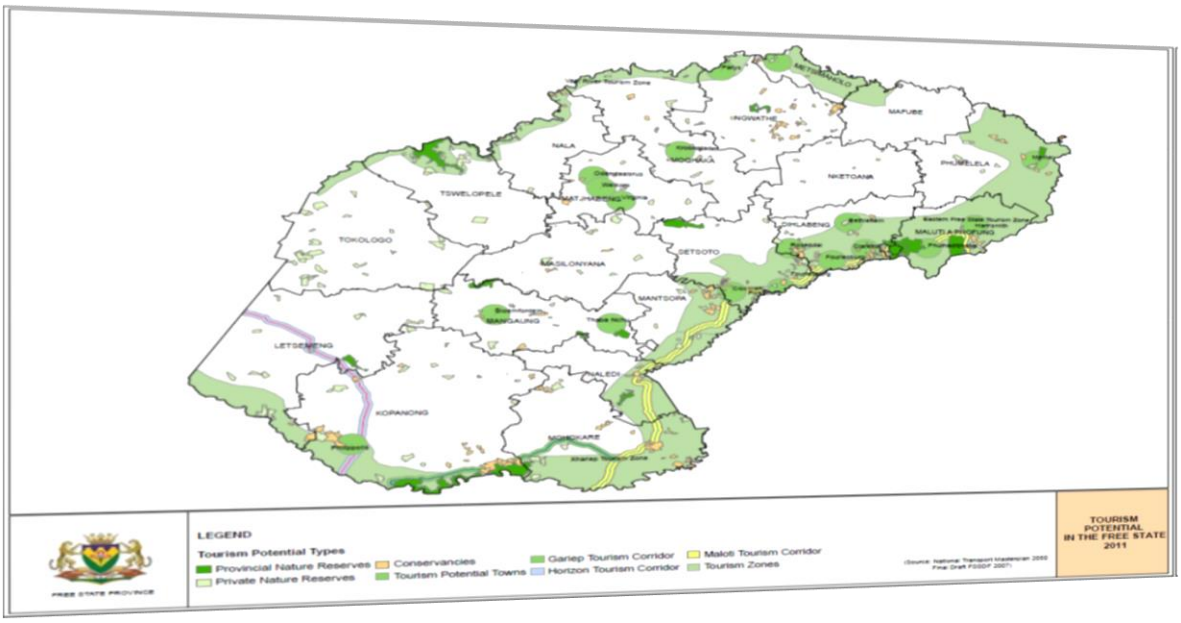
Other opportunities include manufacturing of medical devices, pharmaceuticals, green technologies, and the development of agro-processing and packaging hub.

4.6.4. Tourism Potential

Bloemfontein has high tourism potential. Potential in this regard is based on the number of tourism and establishments (hotels, guesthouses, casinos, golf clubs and restaurants), employment figures, and GVA through tourism enterprises (hotels and restaurants).



Map MMM 52: GVA for the Hotel and Restaurant Subsector
Source: Free State Growth and Development Strategy, 2013

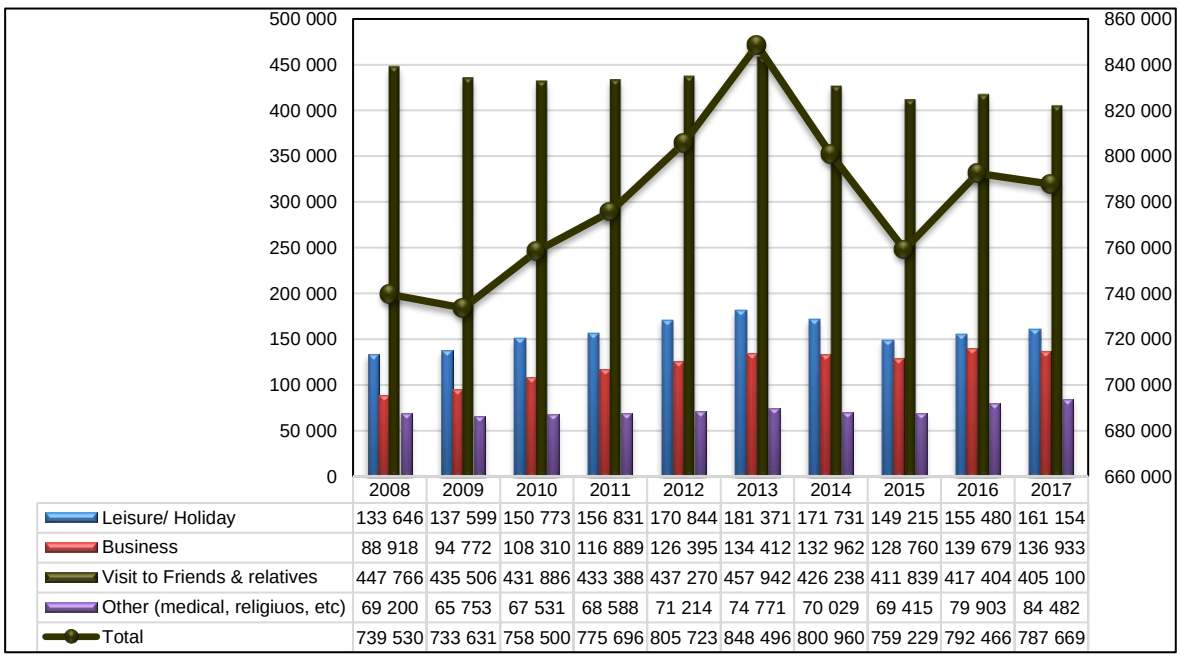


Map MMM 53: Tourism Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

Mangaung tourism is dominated by cultural events such as Macufe and sports activities.

There is also leisure tourism areas such as visits to Phillip Sanders, Maselspoort resort, Naval Hill nature reserve and planetarium. Bloemfontein also has a zoo, museums, historical sites and is a home to the country's Supreme Court of Appeal.

Opportunities also exist to support differentiated tourism products development linked to adventure tourism, conferencing, education, the building of an International Convention Centre, promotion of township tourism and construction of the Naval Hill cableway

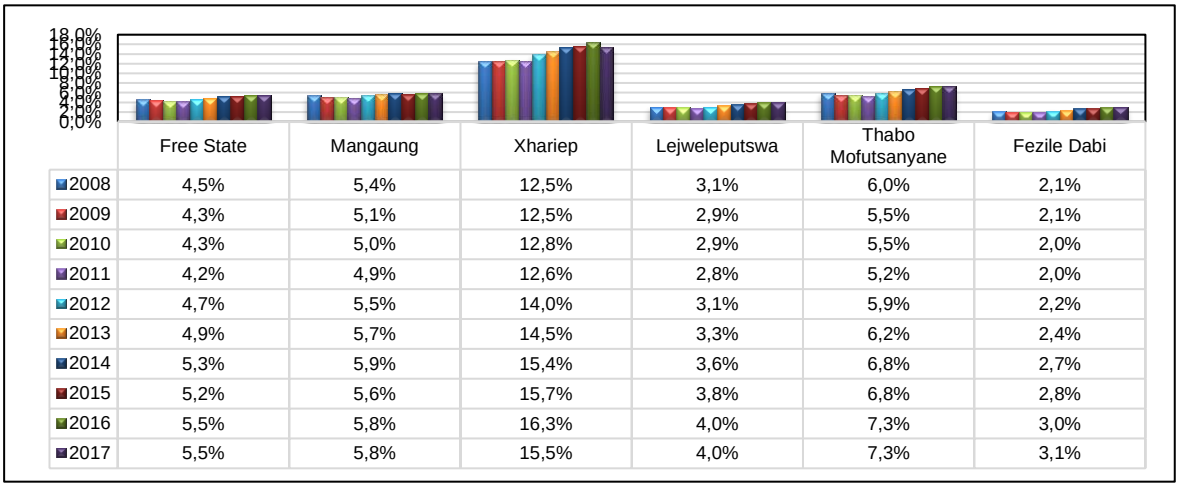


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Leisure/ Holiday	133 646	137 599	150 773	156 831	170 844	181 371	171 731	149 215	155 480	161 154
Business	88 918	94 772	108 310	116 889	126 395	134 412	132 962	128 760	139 679	136 933
Visit to Friends & relatives	447 766	435 506	431 886	433 388	437 270	457 942	426 238	411 839	417 404	405 100
Other (medical, religiuos, etc)	69 200	65 753	67 531	68 588	71 214	74 771	70 029	69 415	79 903	84 482
Total	739 530	733 631	758 500	775 696	805 723	848 496	800 960	759 229	792 466	787 669

Figure MMM 54: Number of Trips by Origin of Tourists
Source: IHS Markit, Reginal eXplorer, 2019

It is clear in Figure MMM 54 that the number of tourists in Mangaung marginally increased from 739 530 in 2008 to 787 669 in 2017. Many of these were visiting friends and relatives (51.43%), followed by those visiting for leisure or holidays (20.45%) purposes.

Tourists visiting for business constituted 17.38% the total number of tourists in 2017.



	Free State	Mangaung	Xhariep	Lejweleputswa	Thabo Mofutsanyane	Fezile Dabi
2008	4,5%	5,4%	12,5%	3,1%	6,0%	2,1%
2009	4,3%	5,1%	12,5%	2,9%	5,5%	2,1%
2010	4,3%	5,0%	12,8%	2,9%	5,5%	2,0%
2011	4,2%	4,9%	12,6%	2,8%	5,2%	2,0%
2012	4,7%	5,5%	14,0%	3,1%	5,9%	2,2%
2013	4,9%	5,7%	14,5%	3,3%	6,2%	2,4%
2014	5,3%	5,9%	15,4%	3,6%	6,8%	2,7%
2015	5,2%	5,6%	15,7%	3,8%	6,8%	2,8%
2016	5,5%	5,8%	16,3%	4,0%	7,3%	3,0%
2017	5,5%	5,8%	15,5%	4,0%	7,3%	3,1%

Figure MMM 56: Total Tourism Spend as a Percentage of GDP
Source: IHS Markit, Reginal eXplorer, 2019

In the Free State, Mangaung was the third in terms of tourism spending as a percentage of GDP (5.5%). Lejweleputswa and Fezile Dabi averaged just 3.4% and 2.4%, respectively.

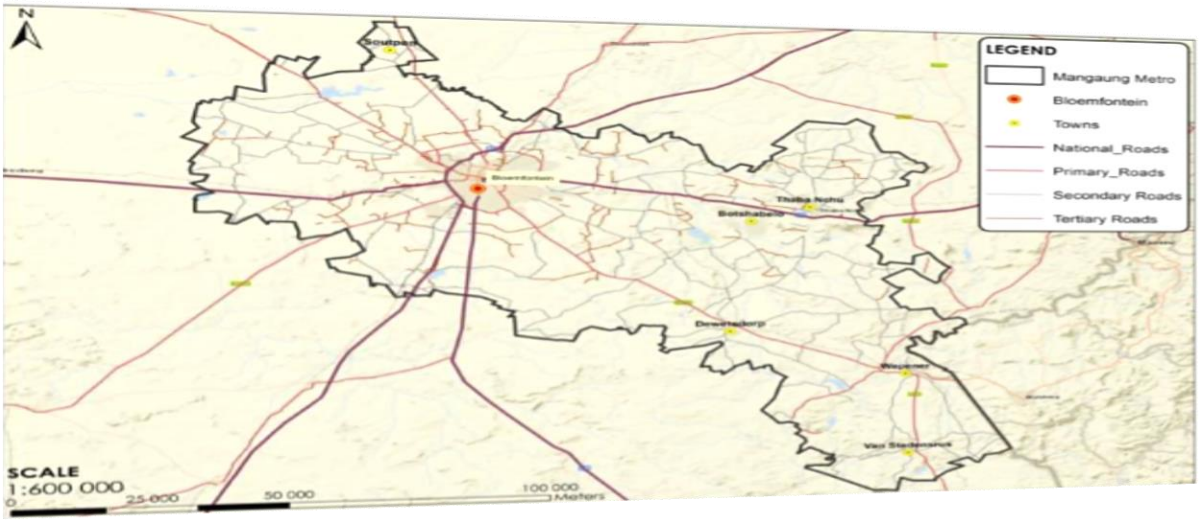
The least developed Xhariep was the major tourism beneficiary averaging 14.2% between 2008 and 2017. It was followed Thabo Mofutsanyana averaging 6.3%.

4.6.5. Transport Potential

The central location of Bloemfontein and the fact that significant large volumes of freight are moved across the surface of the province gives it a competitive advantage if some value-adding could be applied to freight and transport management processes.

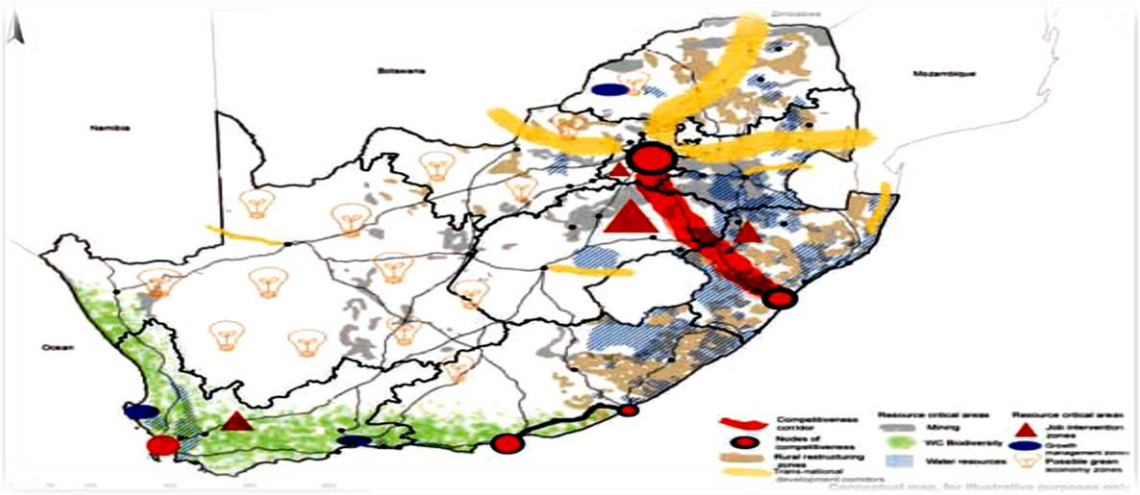
Map MMM 57: Transport Corridors in the Free State
Source: Free State Growth and Development Strategy, 2013

Bram Fischer International Airport is a gateway to the Free State and major cities in the country. Routes passing through Bloemfontein includes N1 (Johannesburg to Cape Town), the N6 (Gauteng and the Eastern Cape) and N8 (Maseru, in Lesotho to Kimberly).



Map MMM 58: Transport Corridors
Source: Mangaung Rural Development Plan, 2019/2020

The freight commodities transported from East London to Bloemfontein and vice versa are steel, cars, and perishables. Bloemfontein – Maseru route transports commodities such as fuel, cement, grains, coal and foods.



Map MMM 59: Proposed National Schema for Spatial Targeting
Source: National Development Plan

The National Development Plan schema in the Map above for spatial targeting identifies the Durban- Free State– Gauteng corridor and the N8 corridor as a strategic trans-national development corridor linking Bloemfontein and Lesotho.

To take advantage of these opportunities, efficient infrastructure networks, and linkages between rail, road and air should be prioritised while improving rural mobility.

4.7. Mangaung Governance Perspective

4.7.1. Powers and Functions

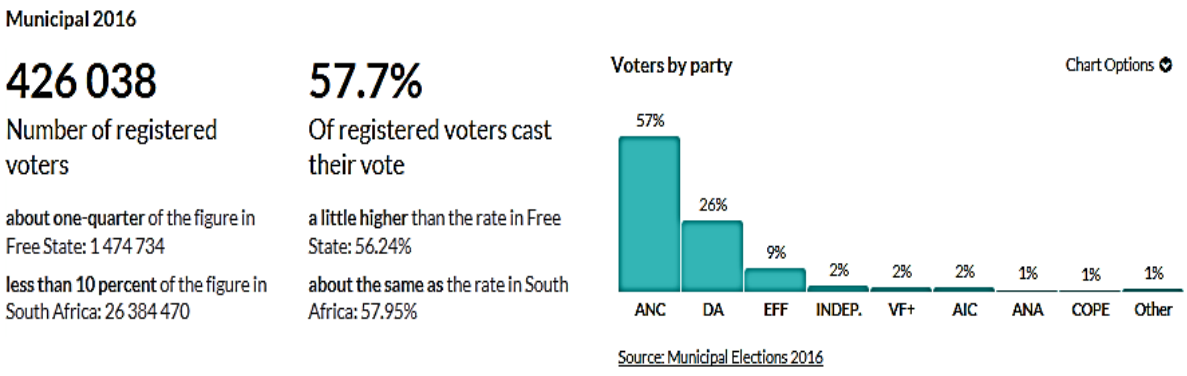
Table MMM 60 below shows functions performed by Manguang Municipality includes firefighting, local tourism, municipal airports, municipal planning and public transport.

Function	Mangaung
Water	Yes
Sanitation	Yes
Health	Yes
Electricity	Yes
Air Pollution	Yes
Building regulation	Yes
Child Care facilities	Yes
Airports	Yes
Public Transport	Yes
Disaster Management	Yes
Tourism	Yes
Trading Regulations	Yes
Cemeteries	Yes
Cleaning	Yes
Traffic packing	Yes
Street Lighting	Yes
Street Trading	Yes
Refuse Removal	Yes
Public places	Yes

Table MMM 60: Powers and Functions
Source: Department of Cooperative Governance, Free State, 2019

4.7.2. Political Structure

The following graph shows the number of voters per party in 2016 Municipal elections:



The following table indicates the seats allocation of the various parties for each of the municipal councils in Mangaung Metropolitan Municipality.

Party Name	Total Seats	Ward Seats	PR Seats
African National Congress	58	37	21
Democratic Alliance	27	12	15
Economic Freedom Fighters	9		9
African Independent Congress	2		2

Freedom Front Plus	2		2
Agency for New Agenda	1		1
Congress of the People	1		1

Table MMM 61: Party Seat Allocation
Source: Mangaung Annual Report, 2017/2018

4.7.3. Governance Structure

Ward committees in the Mangaung serve as an interface between the community and the Metropolitan Municipality. They gather day-to-day service delivery issues in different wards and through the ward councillor, they advance those issues for council attention.

Ward committees are a single most important institutional arrangement to ensure efficient and result based participatory democracy. Below is the number of wards in Mangaung.

Municipality	Number of Wards in 2016
Mangaung	49

Table MMM 62: Number of Ward Committees
Source: Mangaung Annual Report, 2017/2018

3.7.3. Development Needs

The IDP consultative process identified the following community needs:

- How does the municipality provide special social development needs to vulnerable population such as Older Persons and Persons with Disability?
- What does the municipality do with vulnerable child population such as orphans, abused and neglected children and children in need of care and protection?
- What does the municipality do to support the ECD programmes?
- What plans does the municipality have to prevent and reduce crime? How does the municipality support victims of crime and violence? What does the municipality do to educate perpetrators of crime in order to reduce and prevent crime?
- What plans does the municipality have to address human trafficking? How does the municipality support the victims of human trafficking?
- What does the municipality do to prevent and reduce domestic violence? How does the municipality support victims of domestic violence? What does the municipality do to educate perpetrators of domestic violence to reduce and prevent domestic violence?
- What does the municipality do to prevent substance abuse? What does the municipality do to support victims of substance abuse and dependency?
- How are Persons with Disabilities who needs day care and residential care supported?
- How does the municipality support the NGOs (in particular CBOs)?
- What does the municipality do to support impoverished and vulnerable communities, households and individuals to reduce impact of poverty?
- What does the municipality do to specifically empower women development? What are community projects or activities that are designed specifically for women?

4.7.4. Occupancy Levels

Engineering services had the highest vacancy rates followed by waste and fleet management services. This has had an impact on the delivery and provision of services.

Description	Employees No	Vacancies No
Corporate Services	419	185
Economic and Rural Development	27	37
Engineering Services	767	1094
Finance	285	202

Description	Employees No	Vacancies No
Human Settlements	157	154
Office of the City Manager	389	184
Planning	90	174
Social Services	812	742
Strategic Programmes and Service Delivery Monitoring	64	66
Waste and Fleet Management	615	479
Municipal Police Services	1	7
Total	**3 626**	**3 324**

Table MMM 63: Vacancy Rates
Source: Department of Cooperative Governance, Free State, 2019

4.7.5. Performance Management

Table demonstrates the implementation of Municipal Performance Management Systems in municipalities during the 2019/2020 financial year.

There is a Performance Management Systems and the capacity to implement it.

District	Municipality	PMS in Place	Adopted Framework	Capacity To Implement PMS
Metropolitan	Mangaung	Yes	Yes	Yes

Table MMM 64: Performance Management System
Source: Department of Cooperative Governance, Free State, 2019

4.8. Mangaung Financial Perspective

4.8.1. Budget Allocation

Capital budget for the 2019/2020 financial year is R1 266 billion. The budget will be reduced by (R 120 million) as compared to the 2018/2019 adjustment budget of R1 386 billion.

The capital budget for the two outer years of the MTREF period is R1 255 billion and R1 301 billion, respectively. The capital budget injection of the Mangaung Metropolitan Municipality's economy over the MTREF period will therefore be R3 868 billion.

4.8.2. Capital Budget

The table below indicates capital budget per component within Mangaung Metropolitan Municipality. Evidently, a significant portion of the budget has been allocated to engineering, followed by water, electricity, and waste and fleet management

Directorate	2019/2020	2020/2021	2021/2022
City Manager	167 252 200	142 751 642	165 552 717
Corporate Services	32 300 000	37 000 000	24 000 000
Social Services	17 330 000	29 420 000	35 565 000
Planning	45 425 000	39 600 000	18 850 000
Economic and Rural Development	29 381 000	32 109 000	34 670 000
Human Settlements	13 075 847	5 000 000	8 000 000
Market	2 100 000	1 500 000	4 000 000
Engineering	391 555 263	412 680 000	480 436 970
Water	278 000 000	272 738 000	267 973 000

Directorate	2019/2020	2020/2021	2021/2022
Waste and Fleet Management	119 523 453	106 486 360	77 258 097
Strategic Projects	28 000 000	25 000 000	25 000 000
Electricity	142 318 114	150 847 368	159 833 761
Total	**1 266 260 877**	**1 255 132 371**	**1 301 139 545**

Table MMM 65: Budget Allocation per Component
Source: Department of Cooperative Governance, Free State, 2019

4.8.3. Financial Viability

The budget will be funded out of government grants and subsidies, internally generated fund (own funding and a fleet lease contract as funding sources). The table below indicates different funding sources for Mangaung. Grants and subsidies contribute more to funding.

Financing	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022
External Loans	-	-	-
External Loans - Fleet Lease	77 707 953	85 179 220	56 448 097
Own Funds (CRR)	183 955 535	187 947 304	184 964 243
Public Contributions/Donations	13 408 079	12 092 564	12 818 118
Public Transport Infrastructure and Systems Grant	167 252 200	142 751 642	165 552 717
USDG Grant	789 156 110	630 414 640	608 113 370
Informal Settlement Upgrading Partnership	-	159 738 000	234 573 000
Integrated City Development Grant	6 781 000	12 009 000	13 670 000
Draught Recovery Grant	-	-	-
Neighbourhood Development Partnership Grant	28 000 000	25 000 000	25 000 000
Grants and Subsidies	1 036 829 622	969 913 282	1 046 909 087
Total Capital Budget	**1 266 260 877**	**1 255 132 371**	**1 301 139 545**

Table MMM 66: Party Seat Allocation
Source: Department of Cooperative Governance, Free State, 2019

4.8.4. Audit Outcomes

Sound financial management is important to ensure that the required services are provided effectively and efficiently. Importantly, it builds confidence in government.

Mangaung's audit outcomes show that it regressed from an unqualified audit opinion in 2015/16 financial year to a disclaimer in 2016/17. Among some of the challenges identified by the Auditor-General was the failure of the leadership of the municipality to continuously strengthen the foundation of internal controls and the monitoring thereof.

The audit results were not finalised before the cut-off date for the 2017/2018 financial year. Because of weak internal controls, this municipality submitted its financial statements late.

Audit Outcomes			
2015/16	2016/17	2017/18	Movement
Unqualified	Disclaimer	AFS Outstanding	Regression

Table MMM 67: Audit Outcomes
Source: Department of Cooperative Governance, Free State, 2019

4.8.5. Financial Health

The Auditor-General indicated the following areas as financial health concerns for Mangaung for the 2017/18 financial year. According to the table below, no performance report was received from the municipality to be audited by the Auditor-General.

Municipality	Financial Health				
	Status of Financial Health	Average Creditors payment period (Days)	Percentage of Debt Irrecoverable	Unauthorised expenditure incurred Amount (R million)	Fruitless and wasteful expenditure incurred (R million)
Mangaung Metro					

Table MMM 68: Financial Health
Source: Department of Cooperative Governace, Free State, 2019

4.8.6. Audit Committees

The purpose of an audit committee is to provide oversight of the financial reporting process, the audit process, the municipal system of internal controls and compliance with prescripts.

The table below indicates that the Metropolitan Municipality has well-functioning audit committee and that frequently hold audit committee meetings

Meeting Number	Date
01-2016/17-45	30 August 2016
02-2016/17-46	10 November 2016
03-2016/17-47	25 February 2017
04-2016/17-48	2 June 2017
05-2016/17-49	30 June 2017

Table MMM 69: Audit Outcomes
Source: Department of Cooperative Governace, Free State, 2019

1. Lejweleputswa District Municipality

1.1. Lejweleputswa Contextual Perspective

Lejweleputswa District Municipality came into existence on 06 December 2000. The jurisdiction is comprised of the local municipalities of Matjhabeng, Nala, Tokologo, Tswelopele and Masilonyana.

Matjhabeng Local Municipality is the main economic, educational and entertainment hub of Lejweleputswa with the necessary amenities that support economic growth in the area.

The main towns of Matjhabeng Local Municipality are Welkom, Hennenman, Virginia, Odendaalsrus, Allanridge and Ventersburg.

Nala forms part to the “maize-triangle” of South Africa. Apart from grain, the production of meat and dairy products is prominent in this area. Bothaville is close to the gold mining towns of Klerksdorp/Orkney.

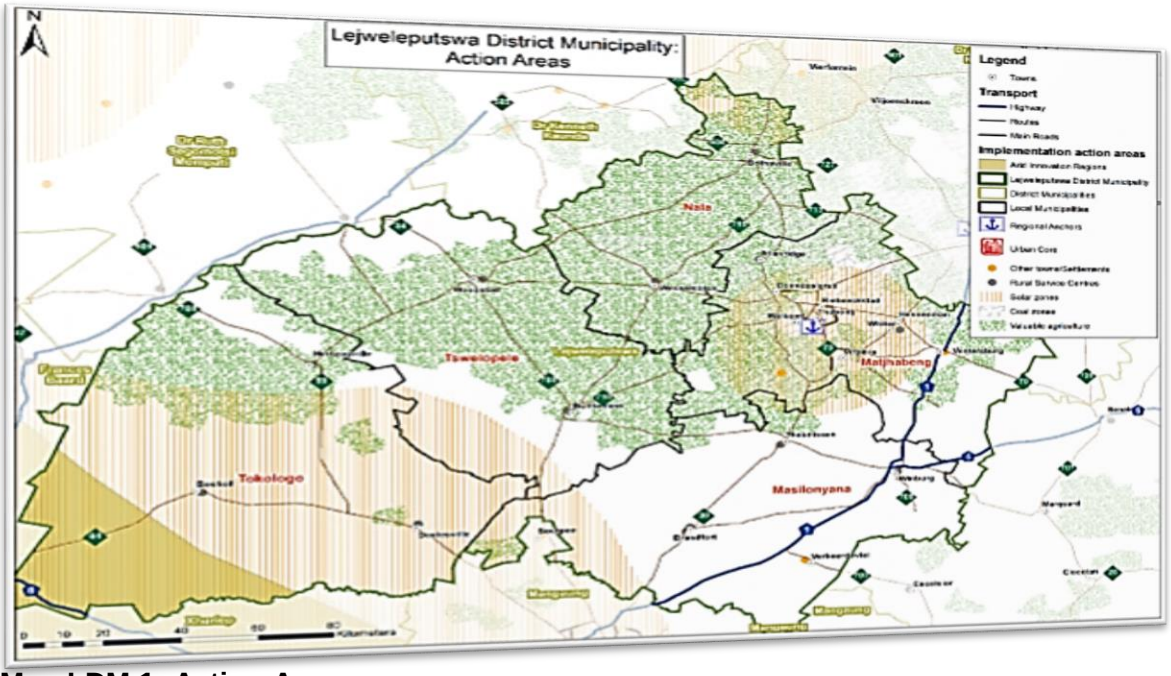
The natural feature in Nala Local Municipality is the sensitive wetland system south of Wesselsbron. The Vaal River forms the north-western boundary of this municipality.

				
Masilonyana Theunissen Verkeerdevlei Brandfort Winburg	**Tokologo** Dealesville Boshof Hertzogville	**Tswelopele** Bultfontein Hoopstad	**Matjhabeng** Welkom Ventersburg Hennenman Virginia Allanridge Odendaalsrus	**Nala** Bothaville Wesselsbron

Note “Soutpan” in Masilonyana has been demarcated under Mangaung

Lejweleputswa Towns

Source: Lejweleputswa Integrated Development Plan, 2019-2020



Map LDM 1: Action Areas
Source: Department of Rural Development and Land Reform, 2019

Tokologo Local Municipality is made up of the small towns of Dealesville, Boshof, Hertzogville and some sections of the former western, central south and Bloemfontein area.

Nearly 47% of Tswelopele, which covers an area of 652.043 square kilometres, remains a natural habitat with two formal land-based protected areas. These areas are the Bloemhof Dam Nature Reserve (632ha) and the Sandveld Nature Reserve (24 883.5ha).

Masilonyana includes the towns of Winburg, Theunissen, Brandfort and Verkeerdevlei. The main nearby urban centres within Masilonyana are Bloemfontein, Welkom and Kroonstad.

1.2. Lejweleputswa Demographic Perspective

1.2.1. Population Size

Of the 638 000 total district population size, the largest age group in Lejweleputswa District Municipality were those between the ages of 0-19 estimated at 37.11% in 2017.

Individuals in the age group 20-34 comprised 27.29% of the total district population, the second largest age category in Lejweleputswa. Based on this age group's population share size, Lejweleputswa was therefore primarily populated by young people.

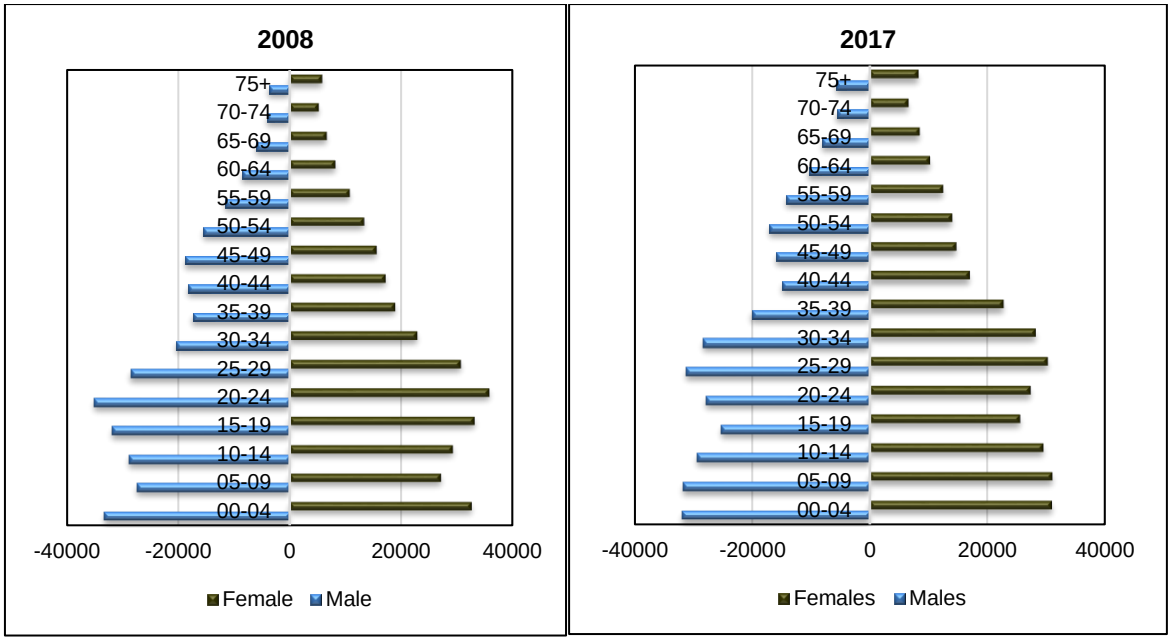


Figure LDM 2: Population Pyramid
Source: IHS Markit, Reginal eXplorer, 2019

Within the 20-34 years age category, the 25-29 age group was the largest. Information in the pyramid above shows that there were more women in the 65+ age group in the District Municipality, indicative of longer life span of women than men in Lejweleputswa.

Indications in Figure LDM 2 are that persons in the 36+ age group were now living longer than their 2008 counterparts, signifying a reduction in deaths at an older age group.

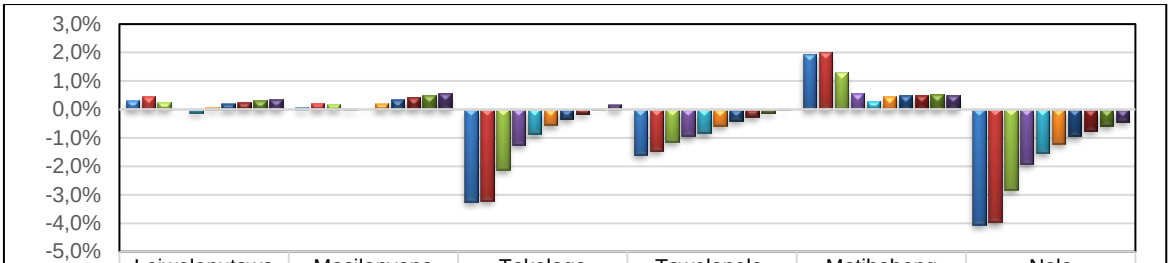
Seeing that a large fraction of the population of Lejweleputswa was young, significant investment should primarily be geared towards their empowerment.

Investment in education and economic opportunities for young people should be prioritised. However, this should not be done at the expensive of the other population age groups.

It should also be that acknowledged that a noticeable increase in life expectancy in Lejweleputswa, which signify improvements in the standard of living, comes with the added responsibility of securing the future social and healthcare needs of older persons.

1.2.2. Population Growth

Figure LDM 3 shows a steady increase of the population from 0.3% in 2008 to 0.4% in 2017.



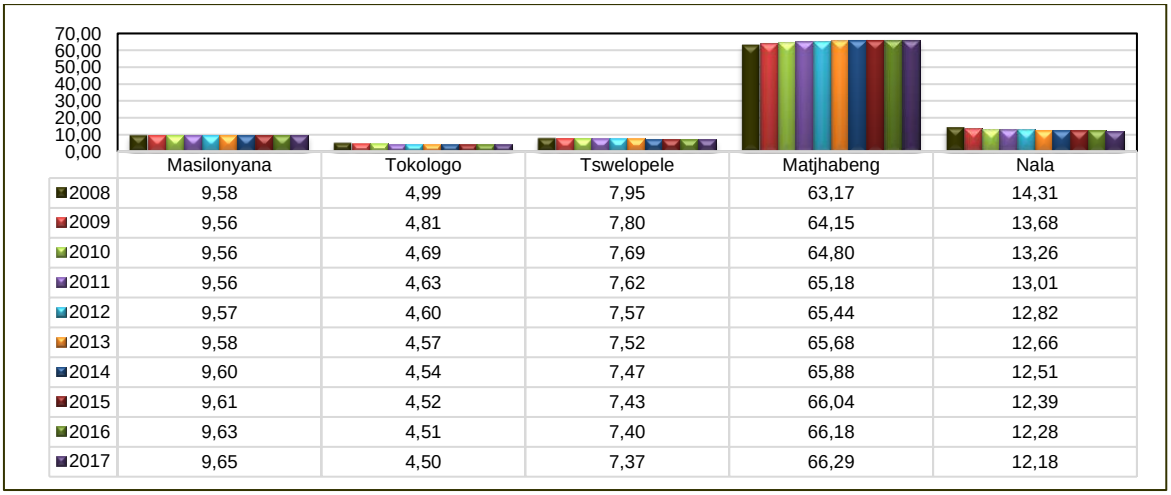
	Lejweleputswa	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala
2008	0,3%	0,1%	-3,2%	-1,6%	1,9%	-4,1%
2009	0,4%	0,2%	-3,2%	-1,5%	2,0%	-4,0%
2010	0,3%	0,2%	-2,1%	-1,1%	1,3%	-2,8%
2011	0,0%	0,0%	-1,2%	-0,9%	0,6%	-1,9%
2012	-0,1%	0,0%	-0,9%	-0,8%	0,3%	-1,5%
2013	0,1%	0,2%	-0,6%	-0,6%	0,4%	-1,2%
2014	0,2%	0,3%	-0,3%	-0,4%	0,5%	-0,9%
2015	0,3%	0,4%	-0,2%	-0,2%	0,5%	-0,7%
2016	0,3%	0,5%	0,0%	-0,1%	0,5%	-0,6%
2017	0,4%	0,6%	0,2%	0,0%	0,5%	-0,4%

Figure LDM 3: Population Growth Rate
Source: IHS Markit, Reginal eXplorer, 2019

This gradual population growth could be attributed to the dampened economic activity occasioned by the decline in the mining sector and the resultant migration to other province.

Ultimately. This is likely to lead to reduced economic growth and put strain on spending.

1.2.3. Population Share



	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala
2008	9,58	4,99	7,95	63,17	14,31
2009	9,56	4,81	7,80	64,15	13,68
2010	9,56	4,69	7,69	64,80	13,26
2011	9,56	4,63	7,62	65,18	13,01
2012	9,57	4,60	7,57	65,44	12,82
2013	9,58	4,57	7,52	65,68	12,66
2014	9,60	4,54	7,47	65,88	12,51
2015	9,61	4,52	7,43	66,04	12,39
2016	9,63	4,51	7,40	66,18	12,28
2017	9,65	4,50	7,37	66,29	12,18

Figure LDM 4: Population Distribution
Source: IHS Markit, Regional eXplorer, 2019

The district's population made up 22% of the provincial population in 2017. Matjhabeng was leading with an increasing population and contributed 66.29% to the district's population. Nala was the second with a population contribution of 12.18% in 2017 from 14.31% in 2008.

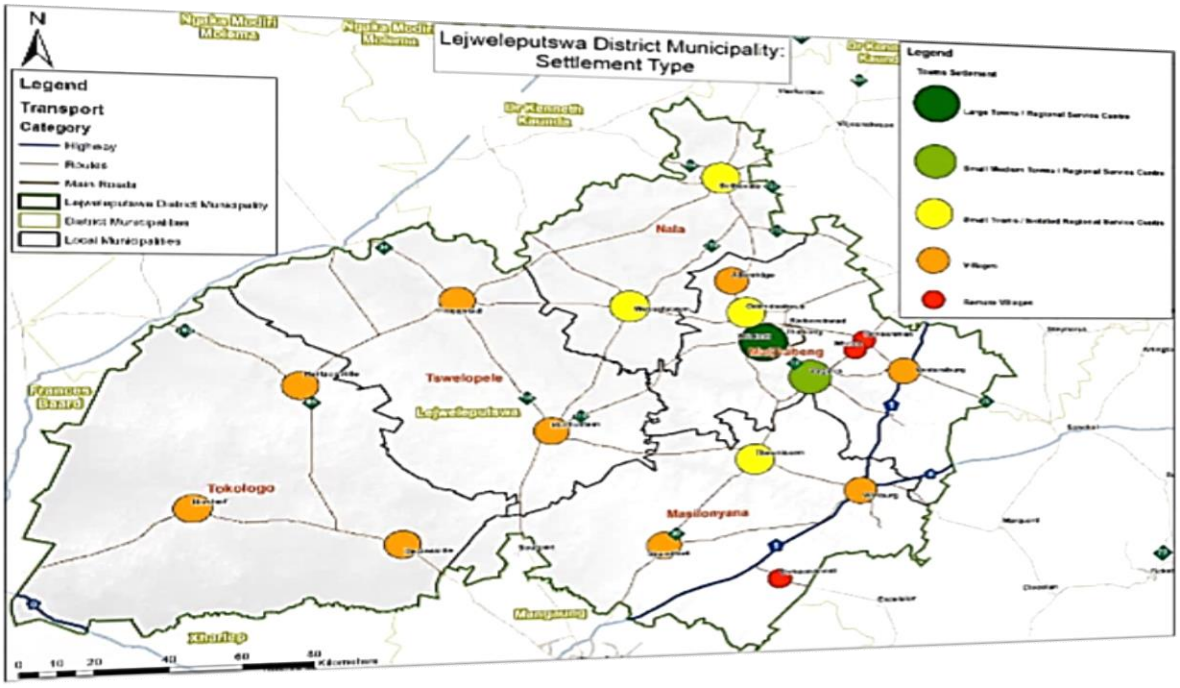
There was then Masilonyana with a population contribution of 9.65% in 2017, Tswelopele and Tokologo had a declining population size at 7.37% and 4.50% in 2017, respectively.

1.3. Lejweleputswa Spatial Perspective

1.3.1. Settlement Types

There are 17 urban centres in Lejweleputswa. Map LDM 5 presents these centres based on the CSIR Guidelines for the Provision of Social Facilities in South African Settlements.

Aspects of the CSIR categorisation of settlement types includes urban settlements total population, range from village and large town or regional anchor/service centre.

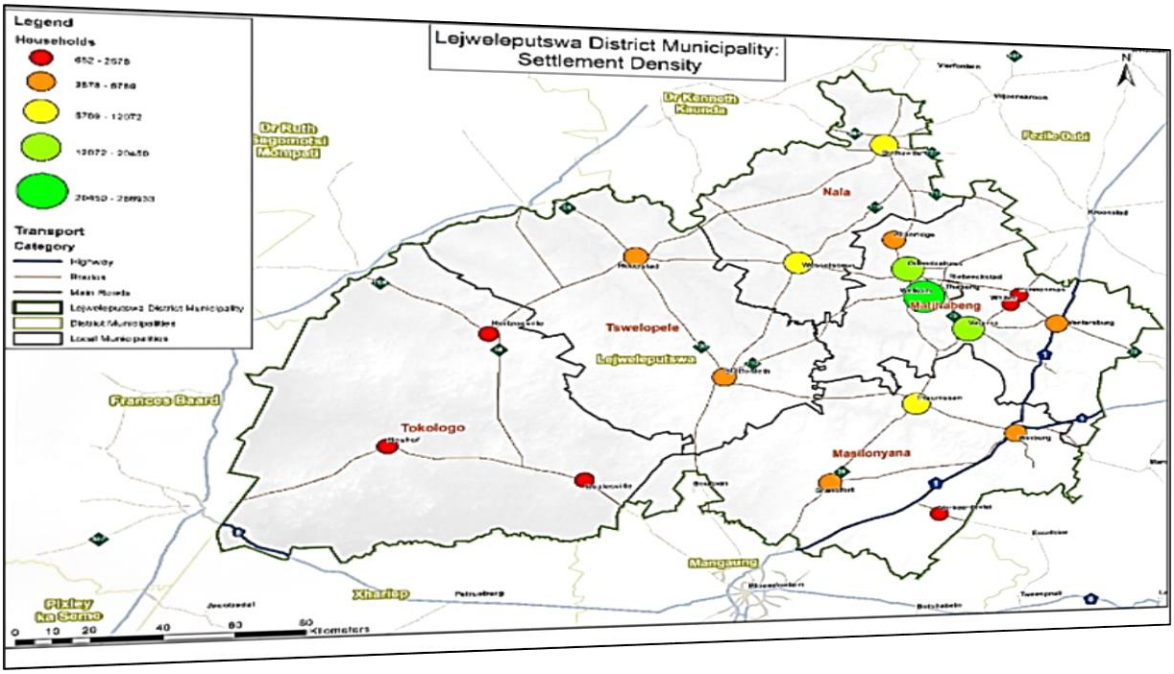


Map LDM 5: Settlement Types
Source: Department of Rural Development and Land Reform, 2019

1.3.2. Settlement Density

As can be seen in Map LDM 6, Lejweleputswa settlement density is primarily concentrated in Welkom as the main service centre, particularly in the township of Thabong.

Other areas such as Bothaville, Wesselsbron and Bultfontein have a relatively high settlement density. As for villages, they are categorised as low-density settlements.



Map LDM 6: Settlement Density
Source: Department of Rural Development and Land Reform, 2019

1.3.3. Rivers and Dams

Rivers flowing through and in close proximity to the District Municipality play a major role in providing water to Lejweleputswa. Similarly, the Vaal, Modder, Vals, Sand and Vet Rivers are the essential sources of water supply in Lejweleputswa.

The Bloemhof, Erfenis and Allemanskraal Dams provide drinking water to rural towns, the communities and farmers in the District Municipality. Ground water is drawn from a dataset that records the average yield in liters per second from an underground water source.

1.3.4. Ecosystem

Overall, 47% of Lejweleputswa is designated as a natural habitat. The Bloemhof Dam Nature Reserve (632ha) and the Sandveld Nature Reserve (24 883.5ha) are the two formal land-based protected areas in the District Municipality.

There are two biomes in Lejweleputswa, Grassland and Savanna. The Vaal-Vet Sandy Grassland covering 20 878ha (3.2%) is an endangered ecosystem in the district.

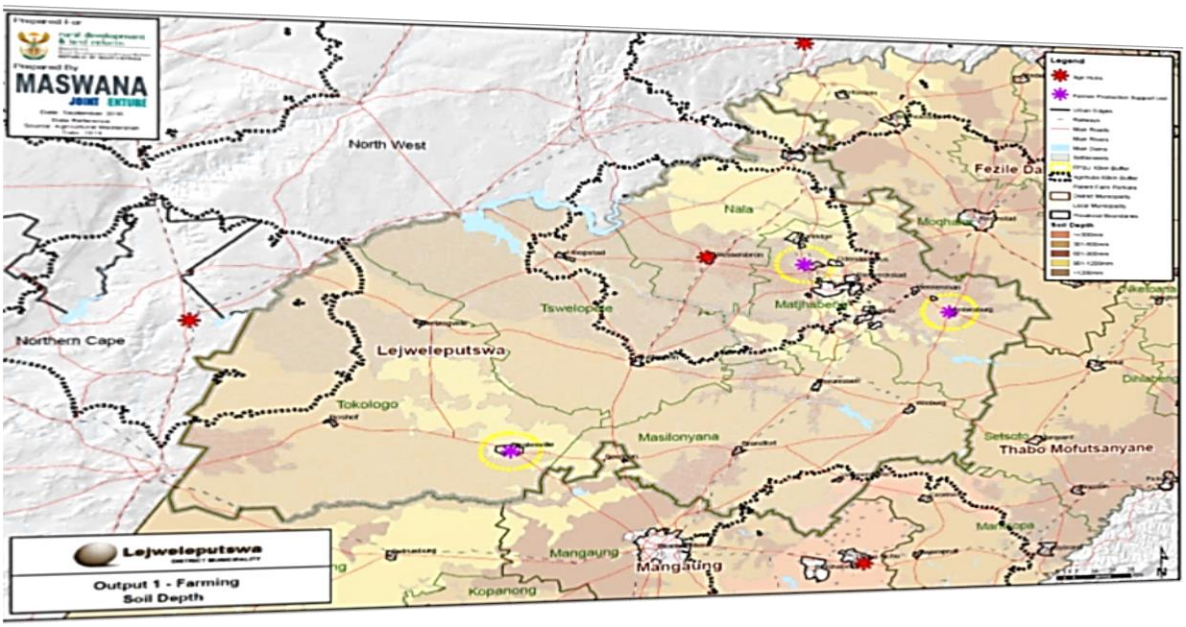
Other vegetation found in the area are Bloemfontein Karroid Shrubland, Highveld Alluvial Vegetation, Highveld Salt Pans, Kimberley Thornveld, Vaalbos Rocky Shrubland, Vaal-Vet Sandy Grassland and Western Free State Clay Grassland found in Tswelopele.

Wetlands cover 37 304.9ha (5.7%) of the total area size of Lejweleputswa. Geographically, Lejweleputswa is flat with a difference of altitude of 200 metres over 80kms. It gently slopes towards the Vet and Vaal Rivers along its northern and western boundaries. South of Bultfontein is the “Altemit”, a sub-region of low hills with seasonal wetlands or pans.

1.3.5. Soil Texture

Top soil in Lejweleputswa mainly comprises of a low percentage of clay with about 7% to 15% located in the Agri-Park and Farmer Production Support Unit areas. Areas that are more suitable for livestock have between 26% and 35% of clay.

The river beds of the main rivers have almost no clay percentage, with an average of less than 6%.



Map LDM 7: Soil Depth
Source: Lejweleputswa Rural Development Plan, 2017

The soil depth varies from less than 300mm to bedrock to more than 1.2 meters. The river beds of the perennial rivers has a much shallower soil depth of between 300mm to 600mm.

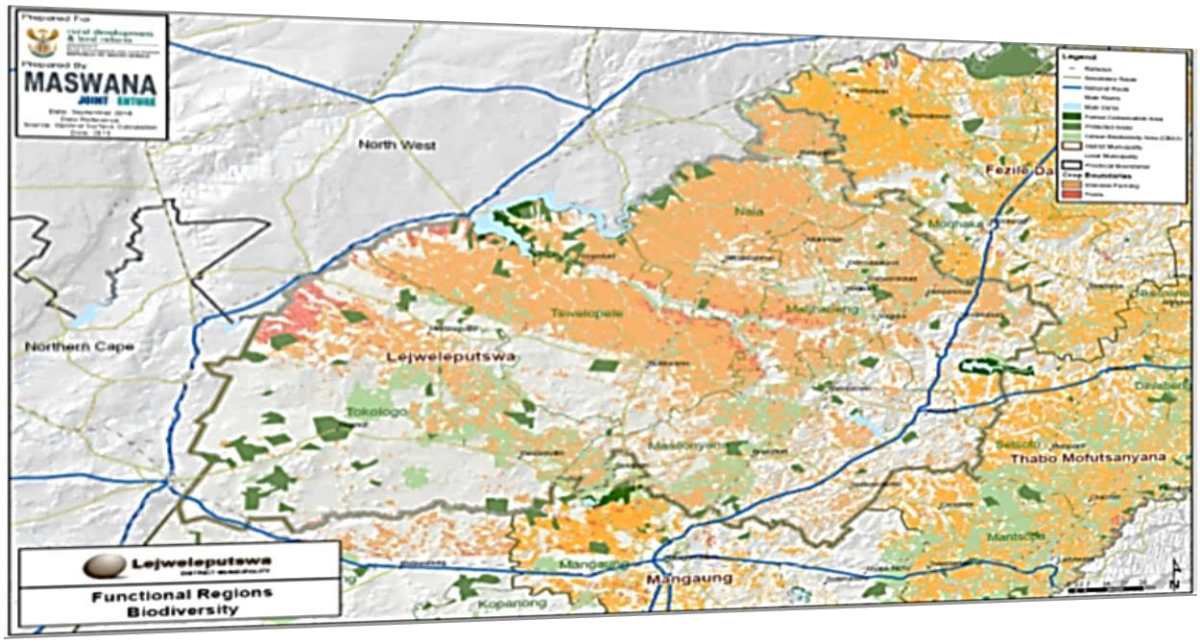
The soil next to the river is of high quality and suitable for cultivation with depths of more than 1.2 meters. Soil depths in Winburg are less than 300mm and not suitable for farming.

The areas in the west of Boshof on the border with the Northern Cape have a soil depth of less than 300mm, which provide the opportunity for precious stones mining.

1.3.6. Biodiversity

Biodiversity conservation is a prerequisite for sustainable development in Lejweleputswa. For conservation to succeed, the maintenance of environmental integrity is important.

Map LDM 8 shows that biodiversity areas are located along the perennial rivers and dams. Large parcels of CBA1's are also found along the wetlands and north of Boshof, which need to be protection due to the conservancy of critical endangered species and grassland.



Map LDM 8: Biodiversity CBA 1
Source: Lejweleputswa Rural Development Plan, 2017

The District Municipality also has a large number of Ecological Aqua areas that support the endangered and water species. The area around the Agri Park in Wesselsbron is an Ecological Support Area characterised by mainly aqua environment and species.

Protected and conservation areas are scattered throughout the Lejweleputswa District Municipality with prominent areas around Bloemhof, Erfenis and Allemanskraal Dams.

There is also a large conservation area located around Boshof and south west of Boshof.

1.3.7. Agriculture

The south and west of Lejweleputswa is dominated by livestock farming. On the northern and eastern side, crops such as wheat and maize dominate the landscape.

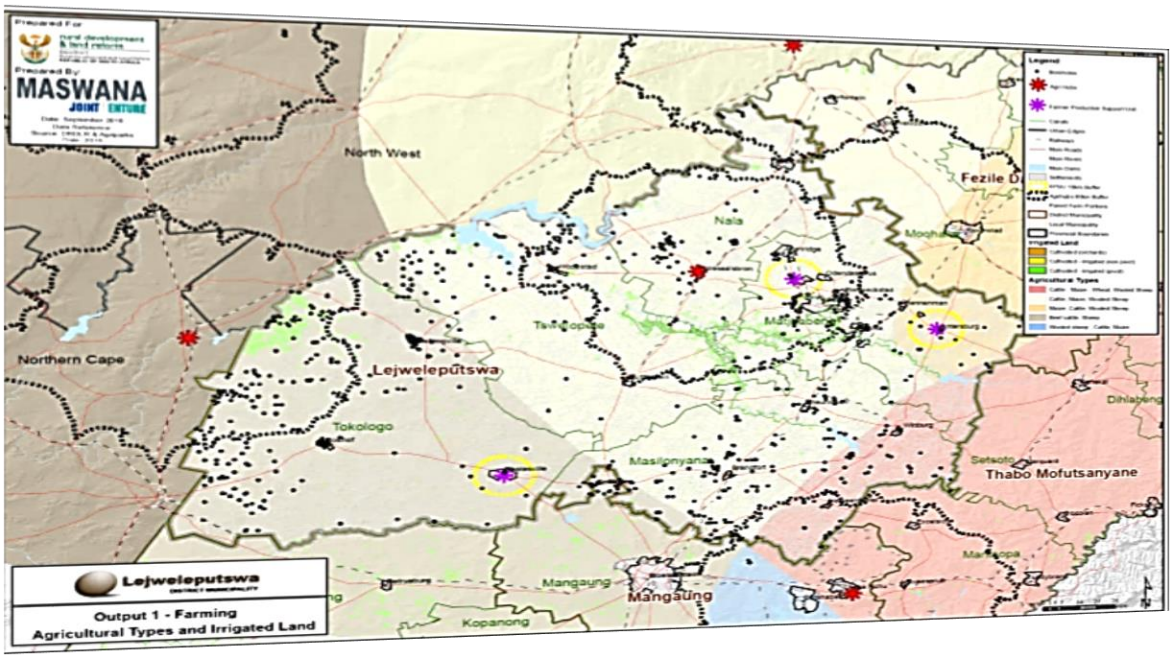
The Bloemhof Dam with the Vet and Sand Rivers provide abundant water to the farmers.

Most of the cultivated land falls within the Agri-Parks prescribed radius of 60km, which provides the rural communities with opportunity to acquire land for farming. A cross-district potential with Frances Baard District in the Northern Cape on the eastern side also exists.

Farmers towards the south and eastern part make use of ground water. The northern and eastern part is known as the maize capital of South Africa. Because of sunflower and maize production, Bothaville was identified as the location for ethanol production in South Africa.

The heart of the maize triangle is located in Lejweleputswa and stretches from Zeerust and Christiana in (North West) to Ermelo in (Mpumalanga) and Ladybrand.

Farming activities in the district include game farming in Tokologo, Tswelopele and Masilonyana; salt mining in Tokologo and Masilonyana; and paprika plants in Matjhabeng.

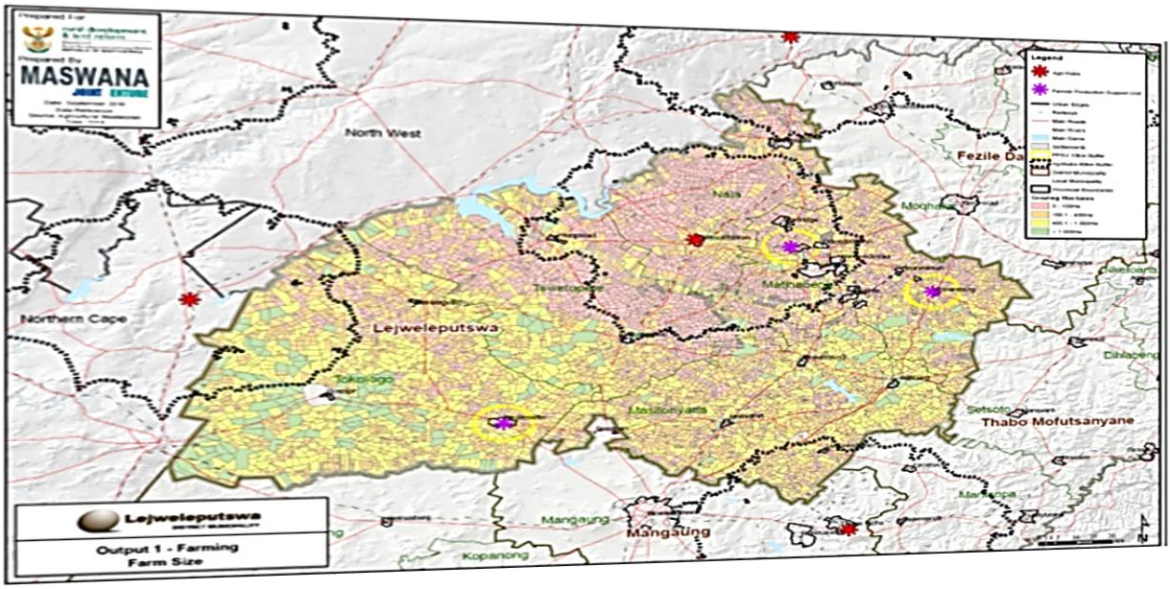


Map LDM 9: Agricultural Type and Irrigated Land
Source: Lejweleputswa Rural Development Plan, 2017

Most of the land in Nala, Tswelopele and Matjhabeng comprise of cultivated commercial dryland. Areas along the Vet and Sand Rivers are commercially irrigated. Land in Tokologo consists mainly of bush field and grassland and Masilonyana consists mainly of grassland.

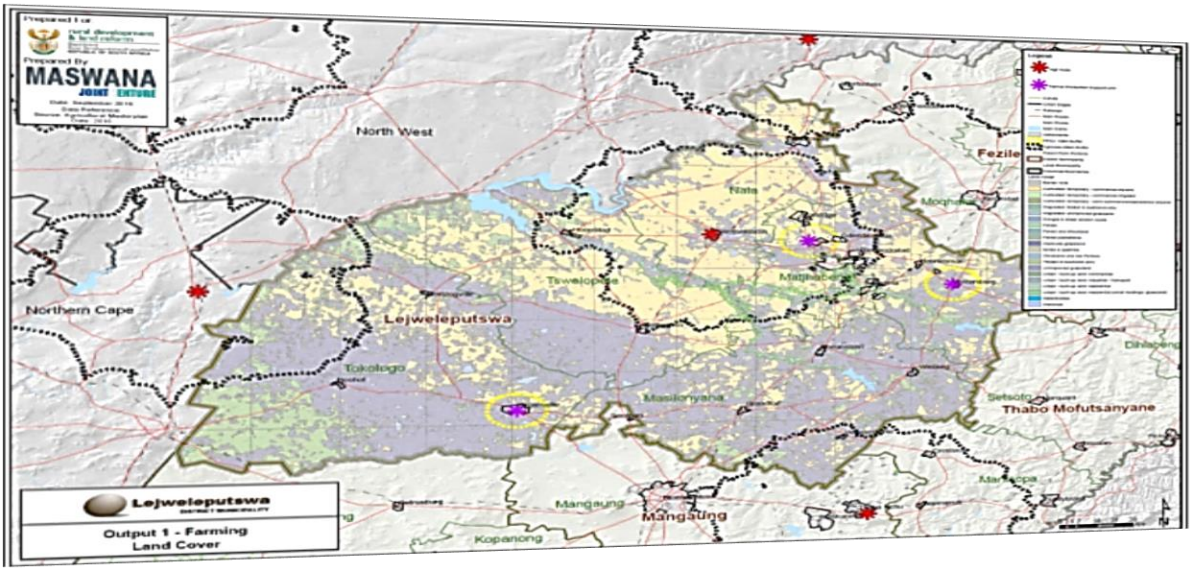
Farm sizes within the 60km radius of the Agri-Park in Wesselsbron vary between less than one hundred hectares up to a thousand hectares per farm. This includes land owned by commercial farmers and small-scale privately owned farms.

Generally, the fertile land in Lejweleputswa District Municipality makes it possible to run a sustainable farming operation on less than one hundred hectares of land.



Map LDM 10: Average Farm Size
Source: Lejweleputswa Rural Development Plan, 2017

Game and livestock farms in Tokologo and Masilonyana are larger. The scale of the farms are more evident near the perennial rivers and other reliable water resources to ensure maximum water utilisation. There are also smaller farms closer to urban settlements.



Map LDM 11: Agriculture and Land Cover
Source: Lejweleputswa Rural Development Plan, 2017

1.3.8. Urban- Rural Character

Table LDM 12 delineates the urban centres in each municipality. Largely, in Lejweleputswa, there are 12 “rural service centres” classified by CSIR as villages (V) with about 5 000 to 25 000 population size. There is also three “small towns” referred to as Isolated Regional Service Centres (IRSC) with a population size of between 25 000 to 60 000 people.

There is one “Regional Anchor/ large town” referred as Regional Service Centres (RSC) and has a population of between 60 000 to 100 000 people. Only Verkeerdevlei is classified as a Remote Village (RV) settlement with 500 to 5 000 people.

Masilonyana LM	Tokologo LM	Tswelopele LM	Matjhabeng LM	Nala LM
Brandfort (V)	Boshof (V)	Hoopstad (V)	Welkom (RSC)	Bothaville (IRSC)
Verkeerdevlei (RV)	Hertzogville (V)	Bultfontein (V)	Odendaalsrus (V)	Wesselsbron (IRSC)
Theunissen (IRSC)	Dealesville (V)		Virginia (V)	
Winburg (V)			Henneman (V)	
			Ventersburg (V)	
			Allanridge (V)	

Table LDM 12: Urban and Rural Centres
Source: Department of Rural Development and Land Reform, 2019

1.4. Lejweleputswa Social Perspective

1.4.1. Households by Dwelling Type

Table LMD 13 indicates that of the 188 000 households in Lejweleputswa in 2018, there were 75 600 (40.21%) very formal dwellings, 77 600 (41.28%) formal dwellings, 21 800 (11.6%) informal dwellings and 12 300 (6.54%) traditional dwellings.

Municipalities	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Mangaung	95,400	137,000	23,900	13,800	1,110	271,000
Xhariep	13,400	21,300	2,740	1,630	151	39,200
Lejweleputswa	75,600	77,600	21,800	12,300	1,040	188,000
Thabo Mofutsanyana	51,700	124,000	26,700	21,600	1,450	226,000
Fezile Dabi	73,200	63,500	14,100	9,110	692	161,000
Total	**309,338**	**423,436**	**89,307**	**58,435**	**4,450**	**884,967**

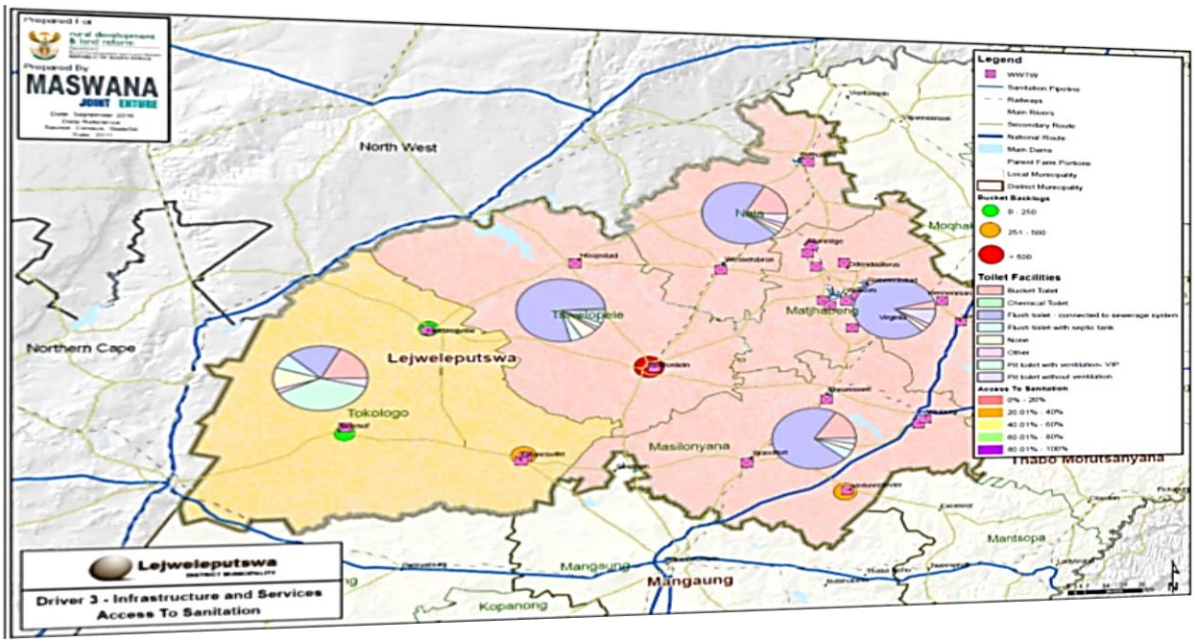
Table LDM 13: Households by Dwelling Type, 2018
Source: IHS Markit Regional eXplorer version 1750

1.4.2. Households by Sanitation Type

The number of households with flush toilets was 159 000, 5 260 VIP toilets, 12 800 pit toilets and 7 940 bucket toilets in Lejweleputswa District Municipality.

Municipalities	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Mangaung	198,000	35,800	26,800	5,300	5,340	271,000
Xhariep	33,500	1,750	1,200	956	1,720	39,200
Lejweleputswa	159,000	5,260	12,800	7,940	3,940	188,000
Thabo Mofutsanyana	143,000	24,500	47,300	7,350	3,810	226,000
Fezile Dabi	135,000	3,720	12,500	6,780	2,030	161,000
Total	**668,246**	**70,977**	**100,571**	**28,332**	**16,840**	**884,967**

Table LDM 14: Households by Sanitation Type, 2018
Source: IHS Markit Regional eXplorer version 1750



Map LDM 15: Infrastructure and Services Sanitation
Source: Lejweleputswa Rural Development Plan, 2017

1.4.3. Households by Access to Water

The number of households with piped water inside dwelling was 92 000 or 48.94% of the total share of the 188 000 households in Lejweleputswa District Municipality.

Households with piped water in yard were 83 400, communal piped water: less than 200m from dwelling were 8 430, communal piped water: more than 200m from dwelling were 2 840 or a share of 1.51% and no formal piped water 1 710 or a share of 0.91%.

Municipalities	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mangaung	122,000	118,000	24,500	4,620	1,990	271,000
Xhariep	17,000	20,600	675	338	499	39,200
Lejweleputswa	92,000	83,400	8,430	2,840	1,710	188,000
Thabo Mofutsanyana	71,200	128,000	18,500	3,410	4,420	226,000
Fezile Dabi	92,500	56,300	7,990	2,500	1,240	161,000
Total	**394,881**	**406,379**	**60,135**	**13,707**	**9,864**	**884,967**

Table LDM 16: Households by Access to Water, 2018
Source: IHS Markit Regional eXplorer version 1750

Despite considerable strides in the provision of water, concerns about the availability, quality and management of water including climate change should be given attention.

Currently, access to water is critically low in Lejweleputswa. With the exception of Tokologo, all other municipalities had between zero and less than 20% water availability. Sedibeng Water Board provides water in the urban and rural towns of Lejweleputswa.

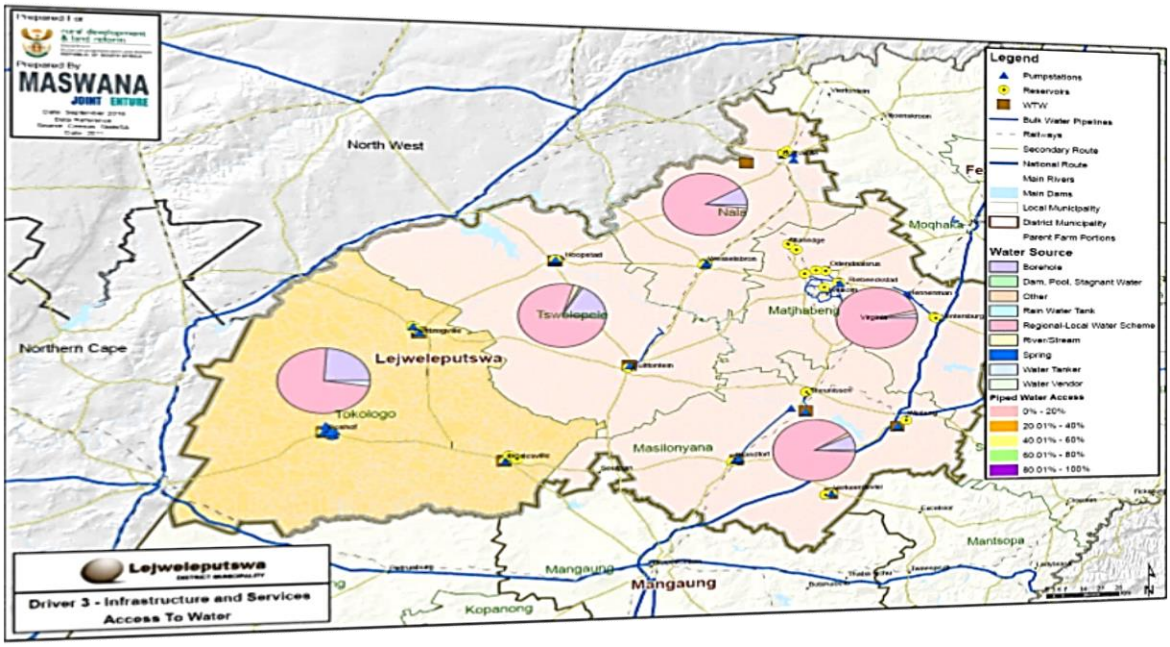
Rural communities and farmers use boreholes and wind pumps to access water.

Infrastructures such as the reservoirs, water treatment works and pump stations are at full capacity primarily because of the influx of rural communities to the urban areas. Many of these were not designed to accommodate the additional pressures mainly from informal settlements that developed next to old existing rural towns, thus weakening the system.

Again, climate projections for southern Africa show that the greatest increase in mean temperature will occur over the central interior where the Free State is located.

The arid and semi-arid regions in the western interior are very likely to experience an increase of 2 to 3°C temperature by 2050, with the strongest increases occurring in spring and autumn. In the future, heat waves are expected to occur frequently and last longer.

As temperatures increase, the number of soil moisture days (days when both soil moisture and temperature are suitable for plant growth) in the western part of the province are expected to decrease by nearly a third by 2050, putting pressure on the availability of water.



Map LDM17: Infrastructure and Services Access to Water
Source: Lejweleputswa Rural Development Plan, 2017

Upgrading and maintenance of all water infrastructure, especially the canals that provide water for irrigation and economic purposes is therefore important.

1.4.4. Households by Electricity Type

The number of households that used electricity for lighting only was 3 590, those that used electricity for lighting and other purposes was 172 000, and not using electricity was 12 500.

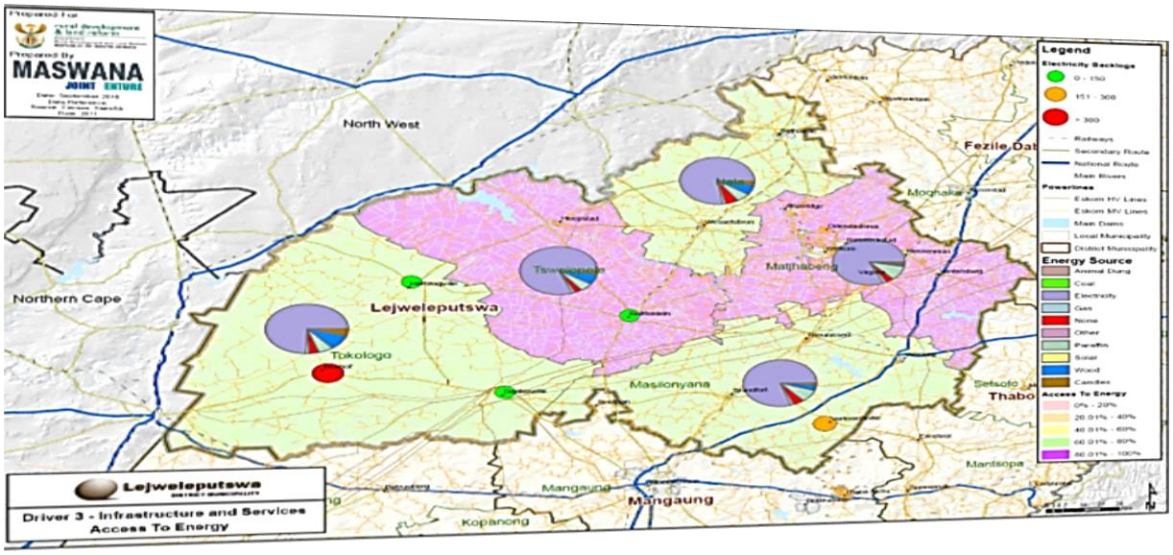
Municipality	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mangaung	4,240	252,000	14,400	271,000
Xhariep	1,620	35,700	1,860	39,200
Lejweleputswa	3,590	172,000	12,500	188,000
Thabo Mofutsanyana	11,600	196,000	18,400	226,000
Fezile Dabi	4,040	144,000	12,300	161,000
Total	**25,052**	**800,493**	**59,421**	**884,967**

Table LDM 18: Households by Electricity Type, 2018
Source: IHS Markit Regional eXplorer version 1750

Despite this notable provision of electricity in Lejweleputswa, non-payment of electricity coupled with other factors, has put pressure on the ability of the municipality to provide electricity, leading to a huge debt burden as indicate in Table LDM 19 below.

Name of Municipality	Current	16 - 30 days	31 - 60 days	61 - 90 days	90 days+	Total
CENTLEC MUNICIPALITY	6,177,776	0	0	0	0	6,177,776
DIHLABENG LOCAL MUNICIPALITY	27,343,670	0	30,101,173	16,750,028	206,001,553	280,196,424
KOPANONG LOCAL MUNICIPALITY	9,587,172	0	15,906	14,652	1,065,434	10,683,164
LETSEMENG LOCAL MUNICIPALITY	4,758,693	0	4,652,713	3,468,087	19,069,257	31,948,751
MAFUBE LOCAL MUNICIPALITY	11,620,725	0	12,216,307	9,673,462	77,604,295	111,114,789
MALUTI A PHOFUNG LOCAL MUNICIPALITY	173,087,033	0	267,271,375	135,540,138	3,875,848,577	4,451,747,124
MANGAUNG METROPOLITAN MUNICIPALITY	248,995,326	266,951,800	317,000	13,595,081	40,886,892	570,746,099
MANTSOPA LOCAL MUNICIPALITY	8,881,842	0	9,194,028	7,527,859	171,605,434	197,209,163
MASILONYANA LOCAL MUNICIPALITY	5,489,744	0	5,748,207	3,806,808	54,379,921	69,424,681
MATJHABENG LOCAL MUNICIPALITY	206,051,940	0	300,246	146,364,801	2,346,246,785	2,698,963,772
METSIMAHOLO LOCAL MUNICIPALITY	34,925,882	0	0	0	0	34,925,882
MOHOKARE LOCAL MUNICIPALITY	64,679	0	0	0	0	64,679
MOQHAKA LOCAL MUNICIPALITY	83,206,032	0	0	54,632,236	197,474,752	335,313,020
NALA LOCAL MUNICIPALITY	28,534,805	0	3,460,269	21,755,517	238,663,790	292,414,382
NGWATHE LOCAL MUNICIPALITY	41,467,418	0	37,181,653	28,790,412	1,070,263,529	1,177,703,012
NKETOANA LOCAL MUNICIPALITY	22,830,580	0	0	9,717,165	243,389,170	275,936,915
PHUMELELA LOCAL MUNICIPALITY	8,987,373	0	3,048,202	4,659,364	109,781,479	126,476,418
SETSOTO LOCAL MUNICIPALITY	11,425,050	30,881	10,152,317	972,184	0	22,580,432
TOKOLOGO LOCAL MUNICIPALITY	4,783,017	0	4,738,513	3,826,850	54,410,686	67,759,066
TSWELOPELE LOCAL MUNICIPALITY	11,402,633	0	0	7,315,307	22,415,152	41,133,091
TOTAL	949,621,390	266,982,682	388,397,909	468,409,951	8,729,106,706	10,802,518,637

Table LDM 19: Eskom Debt Outstanding as at 31 August 2019
Source: Status of Municipaly Finance – Fisrt Quarter, Free State Treasury, 2019



Map LDM 20: Infrastructure and Services Access to Electricity
Source: Lejweleputswa Rural Development Plan, 2017

1.4.5. Households by Refuse Removal

Numbers in Table LDM 21 demonstrate that 149 000 of the households had their refuse removed weekly followed by 18 500 households that personally removed their refuse.

Municipalities	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Mangaung	230,000	6,730	6,500	21,600	5,730	271,000
Xhariep	28,300	1,180	1,630	6,740	1,290	39,200
Lejweleputswa	149,000	8,950	3,680	18,500	8,160	188,000
Thabo Mofutsanyana	118,000	2,800	11,900	78,500	15,000	226,000
Fezile Dabi	138,000	2,690	3,120	12,400	4,540	161,000
Total	**663,373**	**22,348**	**26,835**	**137,697**	**34,714**	**884,967**

Table LDM 21: Households by Refuse Removal, 2018
Source: IHS Markit Regional eXplorer version 1750

1.4.6. Infrastructure Maintenance

Basic infrastructure and access to services through such infrastructure has a bearing on people's life experiences. It contributes to healthy living conditions and reduces the costs of healthcare. In turn, this ensures greater and productive participation in the economy.

At the basic level, the provision and maintenance of infrastructure is important for development, growth and human health.

Long term programmes	Actions
Maintain and upgrade basic infrastructure at local level	Develop water, sanitation and electricity master plans for municipalities
	Ring fence water and electricity income so as to ensure accountability
	Dedicate funding for maintenance of current infrastructure
	Establish partnerships in municipalities for service delivery with regard to yellow fleet, waste management and water service
	Establish partnerships in all municipalities for electricity
Provide new basic infrastructure at local level (water, sanitation and electricity)	Identify and facilitate the implementation of infrastructure by municipalities for development in the recognised growing areas.
	Develop policies for private developers which will include incentives to encourage development
Provide and upgrade Bulk Services	Ensure compliance of waste water treatment (new and upgraded) with the set standards in all towns and new developments
	Address electricity bulk infrastructure backlog
	Ensure compliance of water treatment works and water storage, including bulk in towns with blue drop standards for new development areas
Implement alternative sanitation, water and electricity infrastructure	Promote and facilitate solar water heating and arial / street lighting for energy saving
	Promote and facilitate alternative sanitation and water infrastructure
Improve technical capacity of local municipalities for sustainable local infrastructure	Provide training on compliance, operations and maintenance in line with the terms of the relevant legislation.
Improve water quantity and quality management	Intensify the monitoring and evaluation of river health and water quality (both surface and ground water) in the Province
	Improve the standards of drinking water treatment
	Improve waste water management
	Enhance the standard of catchment management practices through improved soil conservation and land care
	Monitor and mitigate the impact of Acid Mine Drainage to minimise the effects thereof on both surface and groundwater quality
	Optimise water management practices, especially in the agricultural sector through the improvement of soil and water management and facilitation and support of water-user associations
	Optimise urban water management practices, through the improvement of water-saving infrastructure
	Optimise groundwater use and reuse through the implementation of water recycling schemes and aquifer recharge
	Implement economic incentives for environmental protection through a system of realistic water valuation
Mitigate the causes and effects of climate change	Reduce Green House Gas emissions in industries through alternative methodologies and processes
	Adopt and integrate alternative energy approaches (solar, wind, hydro and

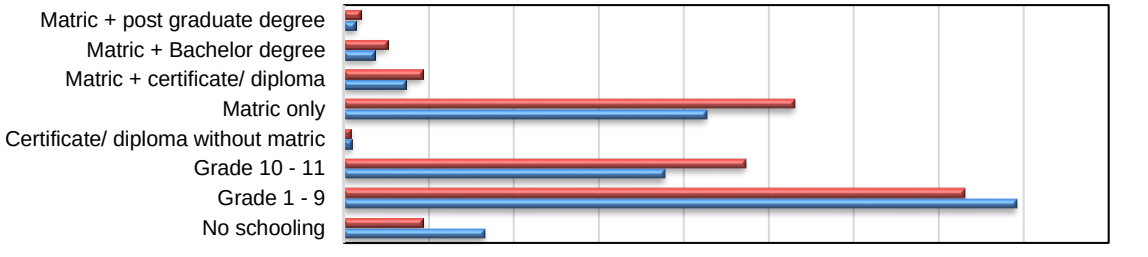
	biofuels) to reduce the carbon footprint of the Province
	Adopt the Sustainable Development approach of a 'Green Economy' by increasing the use of Green Energy, waste recycling schemes, facilitation of ecotourism opportunities and the advocacy of labour-intensive economic development
	Develop climate change mitigation strategies pertaining to the core functions of provincial departments
Conserve and consolidate functional natural areas Conserve and consolidate functional natural areas	Improve protection to the riparian zones of the Free State rivers
	Increase protection status afforded to wetlands (vleis, marshes and pans) and grasslands in the Province
	Merge natural areas through Public Private Partnerships, as conservancies or private nature reserves
	Improve protection to the riparian zones of the Free State rivers
	Increase protection status afforded to wetlands (vleis, marshes and pans) and grasslands in the Province
	Merge natural areas through Public Private Partnerships, as conservancies or private nature reserves
	Improve protection to the riparian zones of the Free State rivers

Table LDM 22: Long-term Programmes and Strategies
Source: Free State Growth and Development Strategy, 2013

1.4.7. Education Provision

Education has an intrinsic development value as it improves the quality of life. Access to good and quality education furthers social and economic development aspirations.

The opposite is also true. Limited education and the resultant low literacy levels negatively affect human development. It increases unemployment, poverty and inequalities.



	No schooling	Grade 1 - 9	Grade 10 - 11	Certificate/ diploma without matric	Matric only	Matric + certificate/ diploma	Matric + Bachelor degree	Matric + post graduate degree
2017	18663	146 065	94594	1735	106055	18513	10255	4006
2008	33217	158 263	75572	1886	85387	14689	7327	2879

Figure LDM 23: Highest Level of Education: Age 20+
Source: IHS Markit, Reginal eXplorer, 2019

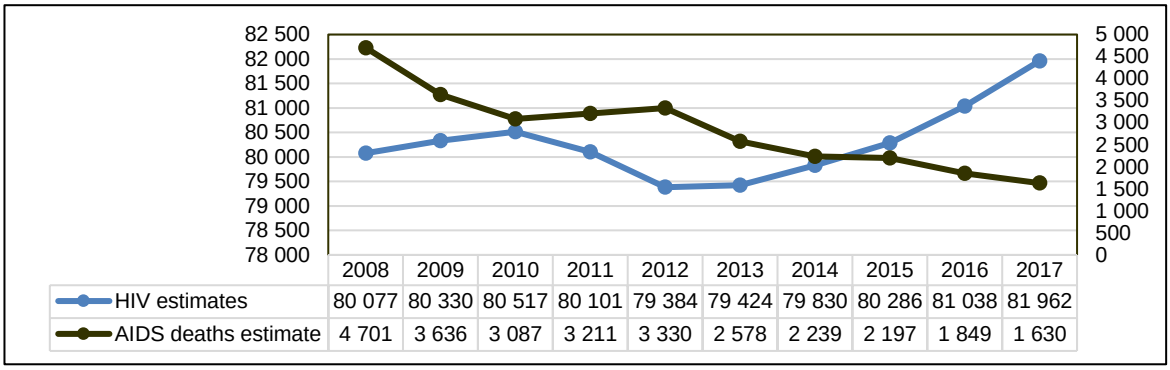
There were still a substantial number of persons with primary education (Grade 1-9) at about 146 065 in 2017 down from 158 263 individuals in 2008 in Lejweleputswa.

The number of individuals with some secondary education increased from 75 572 in 2008 to 94 594 in 2017. The number of persons with Matric substantially rose from 85 387 in 2008 to 106 055 in 2017, indicative of laudable education attainments in the district.

1.4.8. HIV and AIDS Prevalence

Human immunodeficiency virus (HIV) interferes or damages the body's ability to fight organisms that causes diseases and lead to Acquired immunodeficiency syndrome (AIDS).

Added to this, HIV and AIDS can have a substantial impact on population growth. There is the associated possible adverse effect on the socio-economic conditions of an area.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
HIV estimates	80 077	80 330	80 517	80 101	79 384	79 424	79 830	80 286	81 038	81 962
AIDS deaths estimate	4 701	3 636	3 087	3 211	3 330	2 578	2 239	2 197	1 849	1 630

Figure LDM 24: HIV Estimates and AIDS Deaths Estimates
Source: IHS Markit, Reginal eXplorer, 2019

HIV infection estimates showed an upward movement from 80 077 individuals in 2008 to 81 962 in 2017 in Lejweleputswa. Nonetheless, between 2010 and 2012, there was a slight decrease in HIV estimates in the District Municipality from 80 517 to 79 384 persons.

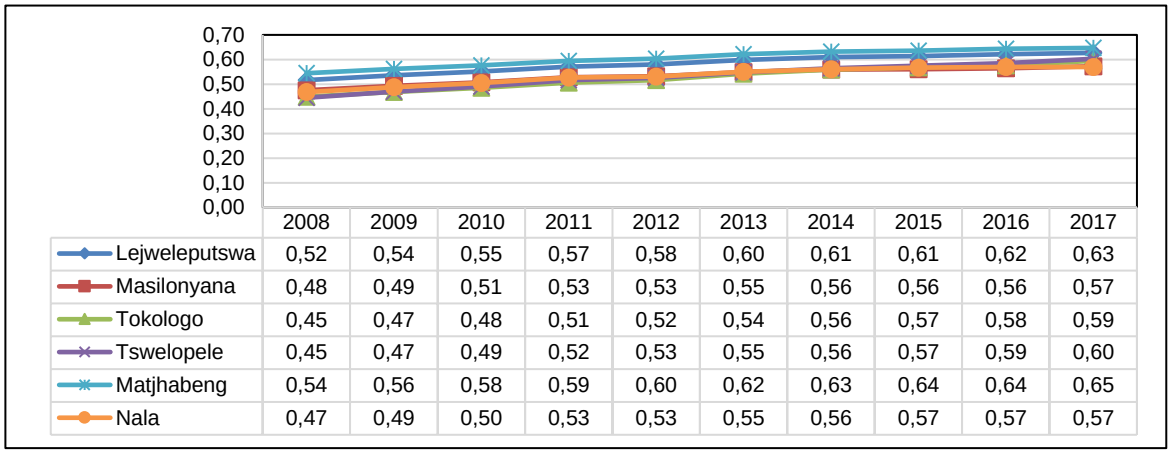
Matjhabeng led in HIV prevalence and AIDS deaths, accounting for 60% in the district.

However, AIDS deaths were falling due to the roll-out of antiretroviral therapy, prevention of mother-to-child transmission, the distribution of condoms and medical male circumcision.

Worryingly, according to Statistics South Africa's 2017 midyear population estimates, the HIV prevalence was severe between women aged 30 to 34 and men aged 35 to 39 years.

1.4.9. Human Development

The Human Development Index (HDI) measures life expectancy at birth, education using average years of schooling and gross national income per capita. HDI varies between zero and one, with zero being the lowest level of development and one the highest level.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Lejweleputswa	0,52	0,54	0,55	0,57	0,58	0,60	0,61	0,61	0,62	0,63
Masilonyana	0,48	0,49	0,51	0,53	0,53	0,55	0,56	0,56	0,56	0,57
Tokologo	0,45	0,47	0,48	0,51	0,52	0,54	0,56	0,57	0,58	0,59
Tswelopele	0,45	0,47	0,49	0,52	0,53	0,55	0,56	0,57	0,59	0,60
Matjhabeng	0,54	0,56	0,58	0,59	0,60	0,62	0,63	0,64	0,64	0,65
Nala	0,47	0,49	0,50	0,53	0,53	0,55	0,56	0,57	0,57	0,57

Figure LDM 25: Human Development Index
Source: IHS Markit, Reginal eXplorer, 2019

Information above indicates that Matjhabeng had the highest HDI index of 0.65 in 2017.

Masilonyana, Tokologo and Nala were the only municipalities in the district whose HDI had not reached the index of 0.60, though their indexes were slowly increasing.

1.4.10. Income Distribution

The gini-coefficient is a summary statistic of income inequality. If the gini-coefficient is equal to zero, income distribution denotes equal income distribution. Meaning, there is no variance between the high and low-income earners within the population.

The opposite is also true. If the gini-coefficient equals one, income is extremely inequitable.

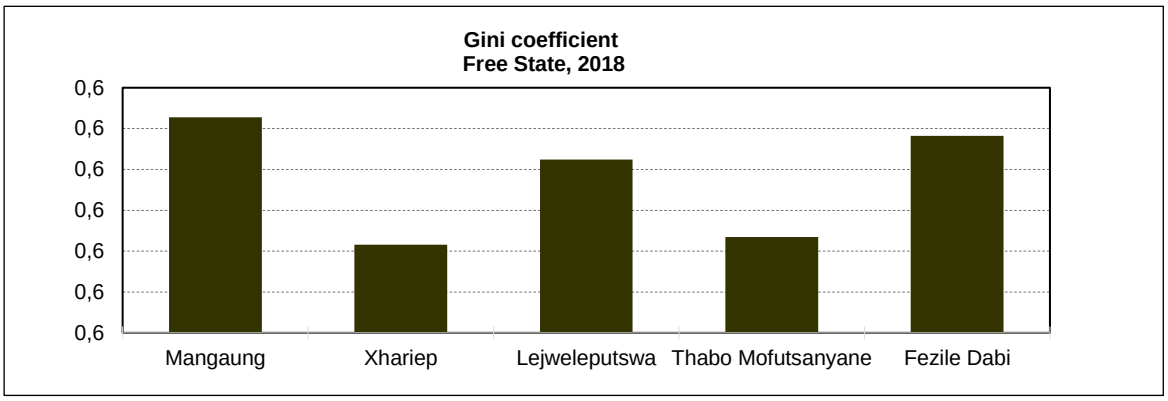


Figure LDM 26: Gini-coefficient, 2018
Source: IHS Markit, Reginal eXplorer, 2019

Gini-coefficient of Lejweleputswa was 0.612, which was the third highest after Mangaung and Fezile Dabi in 2018. This made Lejweleputswa one of the most unequal municipalities.

1.4.11. Poverty Level

Statistics South Africa defines the upper poverty line as the level of consumption individuals can purchase enough food and other items without sacrificing one for the other.

This variable measures the number of individuals living below that particular level of consumption, and is balanced directly to the official upper poverty rate

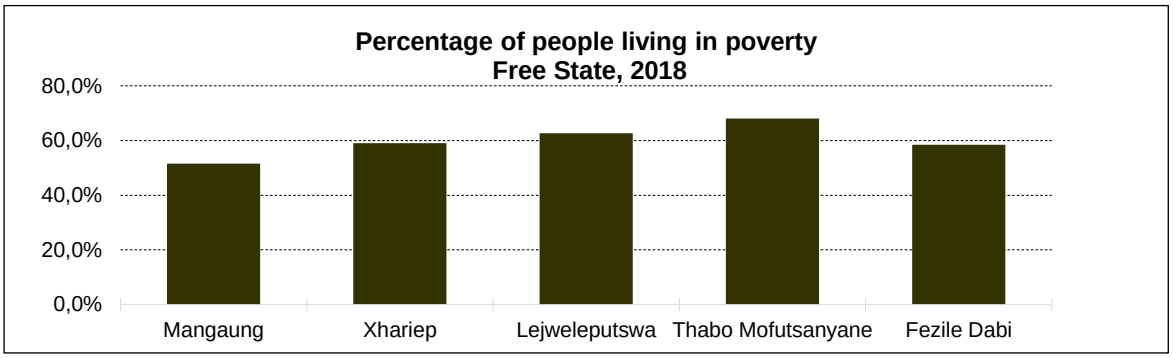


Figure LDM 27: Percentage People Living in Poverty, 2018
Source: IHS Markit, Reginal eXplorer, 2019

Numerically, in terms of the percentage of people that were living in poverty for each of the districts in the Free State Province, 62% of these people were in Lejweleputswa.

1.4.12. Crime Level

Overall, the number of contact crimes reported in the 2018/2019 financial year was 10 220. The nature of these crimes included robbery with aggravating circumstance (1 741), common robbery (519), common assault (3 547), sexual offences (987) and murder (298).

Combined, these crimes represented a decrease of -8.8% from the previous financial year.

Crime category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Murder	317	289	-28	-8.8%
Total Sexual Offences	880	987	107	12.2%
Attempted murder	194	293	99	51.0%
Assault with the intent to inflict grievous bodily harm	2849	2844	-5	-0.2%
Common assault	3435	3547	112	3.3%
Common robbery	504	519	15	3.0%
Robbery with aggravating circumstances	1566	1741	175	11.2%
Total Contact crimes	9745	10220	475	4.9%
Arson	36	36	0	0.0%
Malicious damage to property	1464	1446	-18	-1.2%
Total Contact related crimes	1500	1482	-18	-1.2%
Burglary at non-residential premises	1345	1518	173	12.9%
Burglary at residential premises	2908	3017	109	3.7%
Theft of motor vehicle and motorcycle	390	285	-105	-26.9%
Theft out of or from motor vehicle	1060	1088	28	2.6%
Stock-theft	758	744	-14	-1.8%
Total Property related crimes	6461	6652	191	3.0%
All theft not mentioned elsewhere	3783	4150	367	9.7%
Commercial crime	759	836	77	10.1%
Shoplifting	436	473	37	8.5%
Total Other serious crimes	4978	5459	481	9.7%
TOTAL 17 Community Reported Serious Crimes	22684	23813	1129	5.0%

Crime category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Carjacking	36	51	15	41.7%
Robbery at residential premises	331	336	5	1.5%
Robbery at non-residential premises	284	338	54	19.0%
Total TRIO Crimes	651	725	74	11.4%
Truck hijacking	4	6	2	50.0%
Bank Robbery	0	0	0	0
Robbery of cash in transit	1	3	2	200.0%
Illegal possession of firearms and ammunition	199	161	-38	-19.1%
Drug-related crime	2007	1245	-762	-38.0%
Driving under the influence of alcohol or drugs	601	524	-77	-12.8%
Sexual Offences detected as a result of Police Action	66	54	-12	-18.2%
Total Crime detected as a result of police action	2873	1984	-889	-30.9%

Table LDM 28: Crime Statistics
Source: South African Police Service, October 2019

Burglary at residential premises was the most committed form of crime with 3 017 incidents. It was followed by burglary at non-residential premises. Other crimes in this category were theft out of or from motor vehicle (1 088) and theft of motor vehicle and motorcycle (285).

The number of commercial crimes was 836, theft not mentioned 4 150 and shoplifting 473. The total number of crimes reported by the community was 23 813.

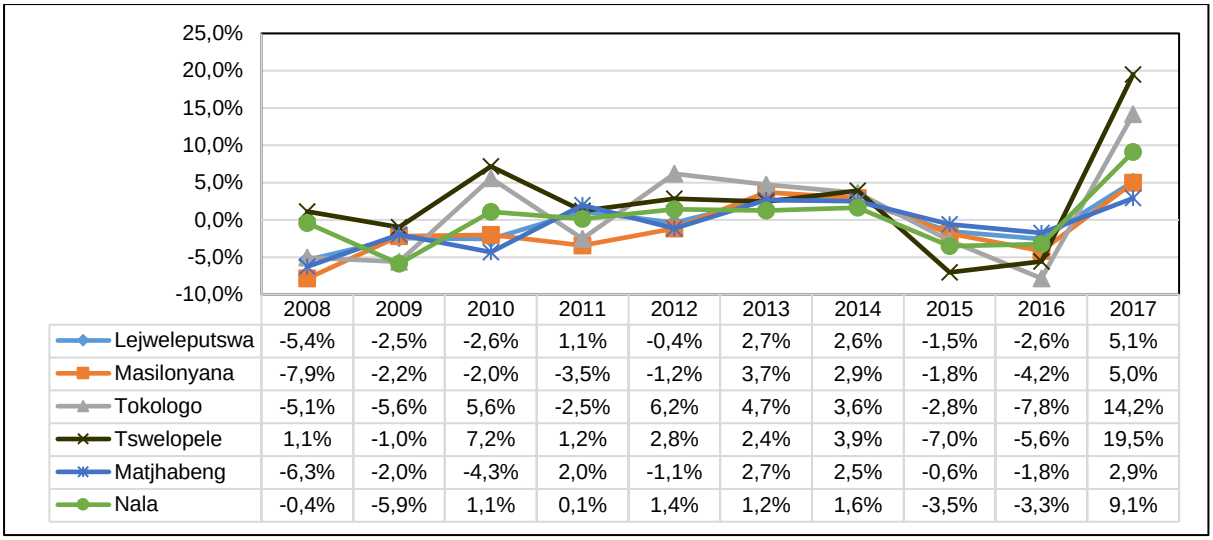
Reported incidents of car-jacking were 51, robbery at residential premises 336, robbery at non-residential premises 338, TRIO Crimes 725, truck hijacking, cash-in-transit robbery 3, illegal possession of firearms and ammunition 161, drug-related crime 1 245, and sexual offences detected as a result of police action 1 984.

1.5. Lejweleputswa Economic Perspective

1.5.1. Gross Domestic Product

Yearly comparison of economic annual growth rates between 2008 and 2017 in Lejweleputswa shows that it was mostly in 2017 where there was a substantial positive growth rate of 5.1%.

Growth was also recorded between 2013 and 2014. These were the good years in terms of gold prices given district's dominance of the mining sector as its largest sector.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Lejweleputswa	-5,4%	-2,5%	-2,6%	1,1%	-0,4%	2,7%	2,6%	-1,5%	-2,6%	5,1%
Masilonyana	-7,9%	-2,2%	-2,0%	-3,5%	-1,2%	3,7%	2,9%	-1,8%	-4,2%	5,0%
Tokologo	-5,1%	-5,6%	5,6%	-2,5%	6,2%	4,7%	3,6%	-2,8%	-7,8%	14,2%
Tswelopele	1,1%	-1,0%	7,2%	1,2%	2,8%	2,4%	3,9%	-7,0%	-5,6%	19,5%
Matjhabeng	-6,3%	-2,0%	-4,3%	2,0%	-1,1%	2,7%	2,5%	-0,6%	-1,8%	2,9%
Nala	-0,4%	-5,9%	1,1%	0,1%	1,4%	1,2%	1,6%	-3,5%	-3,3%	9,1%

Figure LDM 29: GDP-R, Average Annual Growth (2010 constant prices)
Source: IHS Markit, Reginal eXplorer, 2019

Disaggregated to local municipalities, the best performing municipalities in Lejweleputswa in 2017 was Tswelopele with 9.5% followed by Tokologo with a growth rate of 14.2%.

Though these municipalities' contribution to the district's GDP was small, it was a welcomed contribution. The least performing municipality was Matjhabeng with 2.9% in 2017.

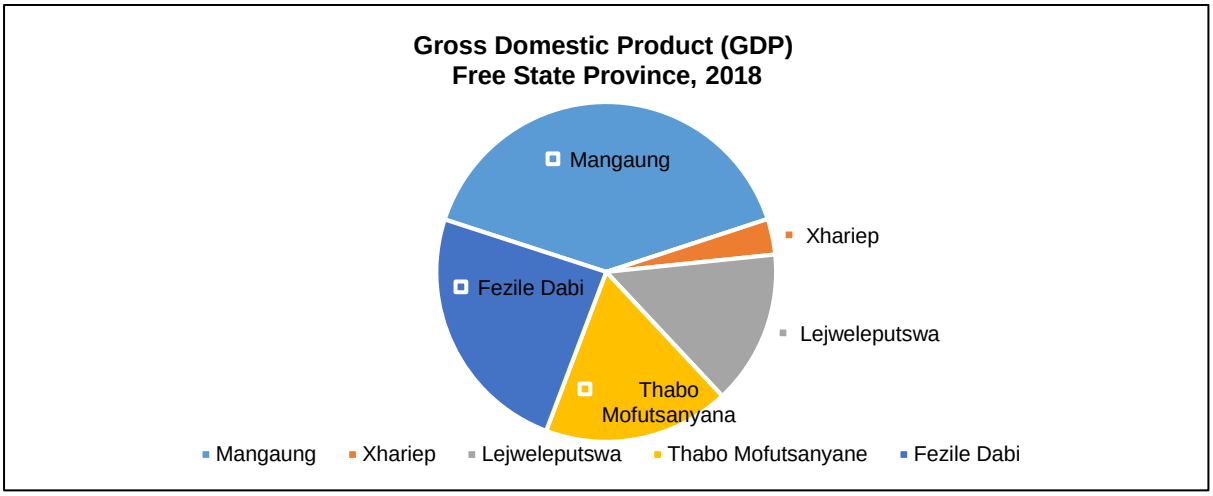


Figure LDM 30: GDP Contribution, 2018
Source: IHS Markit, Reginal eXplorer, 2019

Figure LDM 30 above indicates that Lejweleputswa District Municipality contributed and amount of R36 billion to the overall Free State provincial economy from 2008 to 2018.

1.5.2. Gross Value Add

Gross Value Added (GVA) is a measure of output of a region in terms of the value that was created in that region. GVA is measured at basic prices and GDP at market prices.

All economic sectors were classified by the South African Standard Industrial Classification.

Sectors	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	7.5%	7.3%	6.2%	6.0%	5.7%	5.9%	6.3%	6.4%	7.0%	7.7%
Mining	45.2%	42.1%	43.8%	42.6%	43.2%	41.4%	39.6%	35.3%	37.3%	34.7%
Primary sector	52.7%	49.5%	50.0%	48.6%	48.9%	47.3%	45.9%	41.7%	44.3%	42.4%
Manufacturing	4.7%	4.2%	3.8%	3.7%	3.6%	3.7%	3.6%	4.3%	4.3%	4.5%
Electricity	1.0%	1.4%	1.5%	1.6%	1.9%	2.0%	2.4%	3.0%	3.0%	3.3%
Construction	1.8%	2.3%	1.8%	1.9%	1.8%	1.9%	1.8%	1.8%	1.7%	1.7%
Secondary sector	7.5%	7.9%	7.2%	7.3%	7.3%	7.6%	7.8%	9.2%	9.1%	9.5%
Trade	10.6%	11.9%	13.3%	12.8%	12.3%	12.2%	12.1%	12.7%	12.1%	12.3%
Transport	6.4%	6.2%	5.6%	6.1%	6.4%	6.7%	7.2%	7.6%	7.1%	7.5%
Finance	10.2%	10.8%	10.4%	10.8%	10.5%	11.1%	11.8%	12.8%	11.8%	12.2%
Community services	12.6%	13.8%	13.4%	14.5%	14.5%	15.1%	15.2%	16.0%	15.6%	16.1%
Tertiary sector	39.8%	42.6%	42.8%	44.1%	43.8%	45.1%	46.3%	49.1%	46.6%	48.1%
Industries	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table LDM 31: Sectors Share of Regional Total
Source: IHS Markit, Reginal eXplorer, 2019

Data in Table LDM 31 shows that the economy of Lejweleputswa was dominated by the tertiary sector from 2014 onwards, with a share of 48.1% in 2017. Before then, from 2008 to 2013, the primary sector was the most dominant, with a share of 52.7% in 2008 in Lejweleputswa.

As for the mining sector that was for most of the years the mainstay of the economy of Lejweleputswa, the downward trend continued, falling from 45.2% in 2008 to 34.7% in 2017.

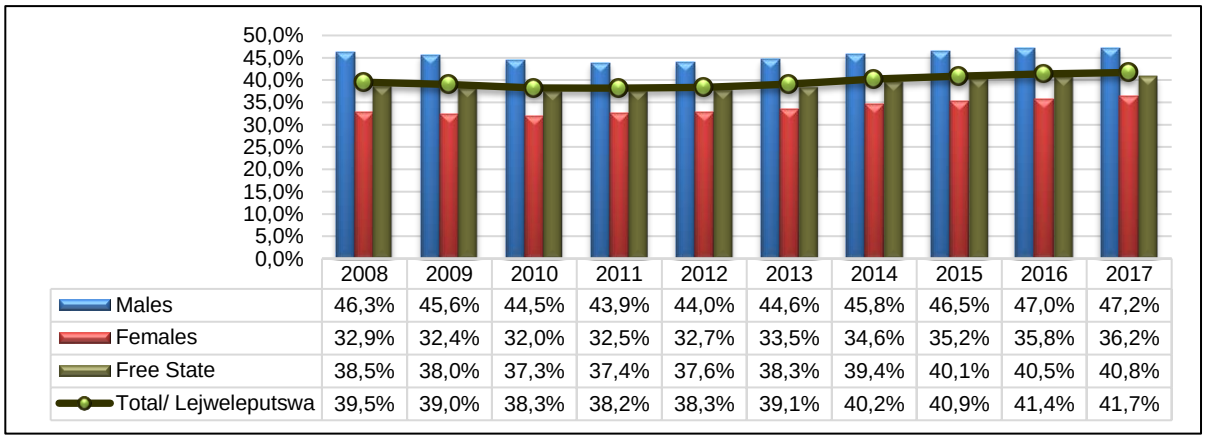
The agricultural sector was more flat and weak during the times of drought like in the period between 2012 and 2015. Agriculture picked up in 2016/2017 after the good rains.

The secondary sector accounted for the least share of economic activity with 9.5% in 2017.

Bolstered by the community services sector, the tertiary sector's share increased from 39.8% in 2008 to 48.1% in 2017. The trade sector's share was 12.3% in 2017 from 10.6% in 2008.

1.5.3. Economic Active Population

The economically active population includes persons between the ages of 15 to 65 years who are either employed, unemployed or seeking employment.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Males	46,3%	45,6%	44,5%	43,9%	44,0%	44,6%	45,8%	46,5%	47,0%	47,2%
Females	32,9%	32,4%	32,0%	32,5%	32,7%	33,5%	34,6%	35,2%	35,8%	36,2%
Free State	38,5%	38,0%	37,3%	37,4%	37,6%	38,3%	39,4%	40,1%	40,5%	40,8%
Total/ Lejweleputswa	39,5%	39,0%	38,3%	38,2%	38,3%	39,1%	40,2%	40,9%	41,4%	41,7%

Figure LDM 32: Economically Active Population
Source: IHS Markit, Reginal eXplorer, 2019

The economically active population of Lejweleputswa rose by 2.2% between 2008 and 2017.

The proportion of economically active males increased by 0.9% points in the same period as compared to the females' 3.3% points, indicative of more women entering the labour force.

1.5.4. Employment Level

Presented figures in Table LDM 33 show that employment in Lejweleputswa for both formal and informal sector fell by 12 524 individuals between 2008 and 2017. This decline was primarily driven by the contraction of employment in the mining sector that shed 7 833 jobs.

After mining job losses, households reported the second largest decline with 2 793 job losses, followed by agriculture with 2 486 number of individuals who lost their employment.

Sectors	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	17 825	17 794	16 593	16 253	15 181	15 081	15 088	14 825	14 747	15 339
Mining	36 034	34 544	33 117	28 318	25 599	23 396	22 096	23 265	27 731	28 201
Manufacturing	12 893	12 463	11 367	11 015	10 031	10 570	11 366	11 561	10 853	10 482
Electricity	520	628	669	716	774	854	1 040	1 437	1 664	1 761
Construction	8 533	8 397	8 092	8 481	7 943	7 592	7 547	7 719	7 849	8 139
Trade	35 338	34 818	33 527	33 582	31 224	30 637	32 208	34 693	35 358	34 949
Transport	6 446	6 746	6 432	6 067	5 507	5 540	5 697	5 969	6 146	6 508
Finance	14 458	15 176	15 295	16 261	15 554	14 954	14 957	14 242	13 677	13 952
Community services	29 077	30 155	30 217	31 842	31 476	32 787	34 497	34 750	33 288	32 063
Households	21 043	20 904	19 637	19 221	18 360	17 919	18 238	18 270	18 318	18 250
Total	**182 168**	**181 624**	**174 948**	**171 757**	**161 648**	**159 329**	**162 734**	**166 732**	**169 632**	**169 644**

Table LDM 33: Employment per Sector, Formal and Informal
Source: IHS Markit, Reginal eXplorer, 2019

In the same 2008 and 2017 period, employment increased in the community services sector by 2 986 individuals, electricity sector by 1 241 and the transport sector by just 62 individuals.

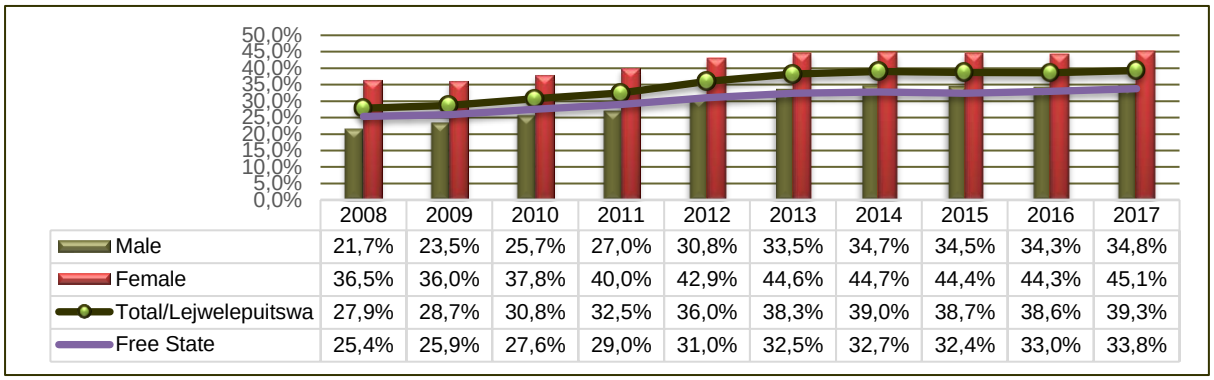
The declining mining and agricultural sectors reflect their weakening influence in the economy of Lejweleputswa. The correlation is that the former has had direct bearing on household employment, as miners would have employed most individuals in this sector.

Again, employment decline is a reflection of the dwindling job opportunities and inability of growing alternative sectors to absorb the lay-offs and the new entrants in the labour market.

1.5.5. Unemployment Level

The official definition of unemployment refers to people in the labour force who are not working and have actively been looking for work prior to the survey.

The broad definition of unemployment includes individuals who have not been looking for work over time, but would like to work, even when they have not indicated a desire to look for work.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Male	21,7%	23,5%	25,7%	27,0%	30,8%	33,5%	34,7%	34,5%	34,3%	34,8%
Female	36,5%	36,0%	37,8%	40,0%	42,9%	44,6%	44,7%	44,4%	44,3%	45,1%
Total/Lejweleputswa	27,9%	28,7%	30,8%	32,5%	36,0%	38,3%	39,0%	38,7%	38,6%	39,3%
Free State	25,4%	25,9%	27,6%	29,0%	31,0%	32,5%	32,7%	32,4%	33,0%	33,8%

Figure LDM 34: Unemployment Rate
Source: IHS Markit, Reginal eXplorer, 2019

The total unemployment rate in Lejweleputswa increased by 11% between 2008 and 2017.

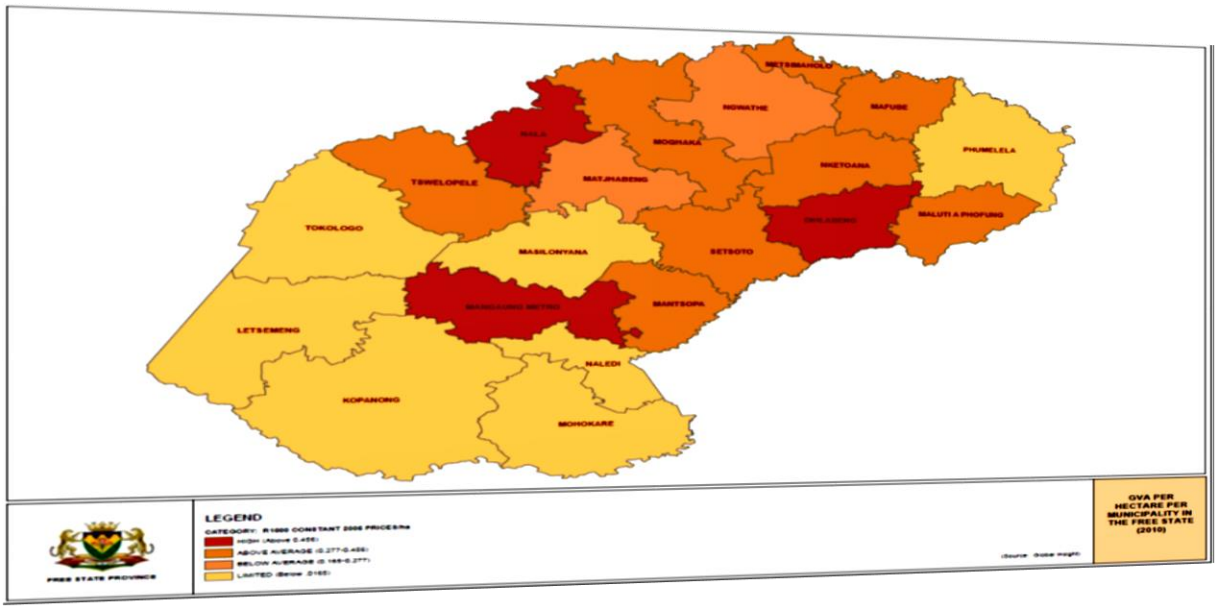
Those mostly affected by unemployment in Lejweleputswa were women. Female unemployment rose from 36.5% in 2008 to 45.1% in 2017. Much lesser in comparison was male unemployment rate, which increased in the same period from 21.7% to 34.8%.

1.6. Lejweleputswa Economic Potential

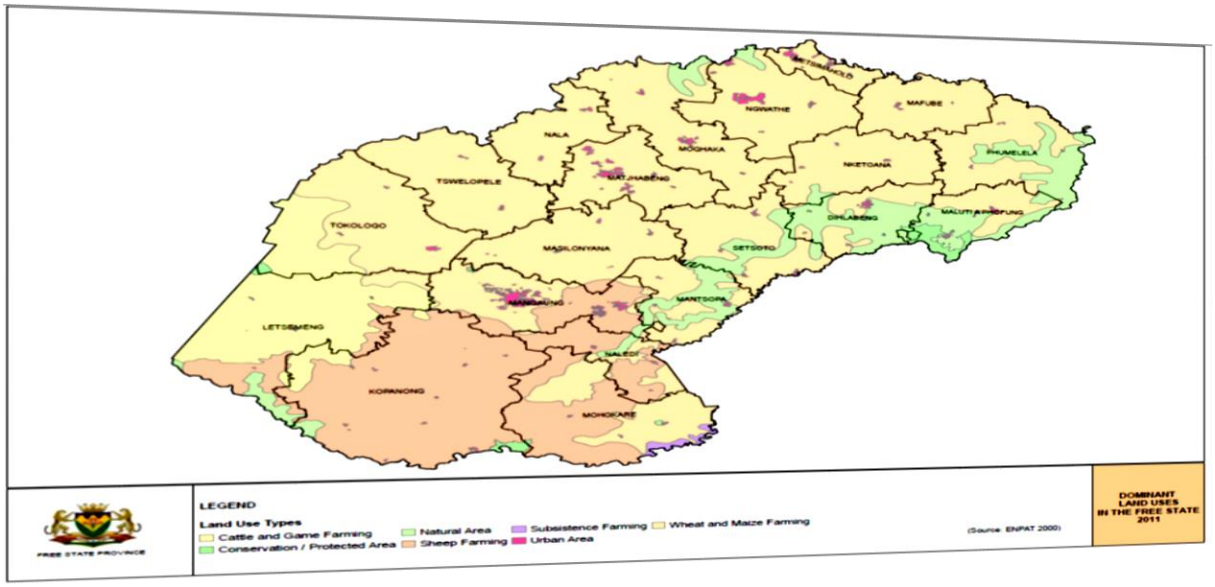
1.6.1. Agricultural Potential

Considering the general declining mining fortunes, agricultural diversification is important in Lejweleputswa District Municipality. Not only is this sector important for food security, but also its labour absorption rate that is higher than most of the other economic sectors.

At the same time, agriculture presents immense economic opportunities for rural development.



Map LDM 35: Agriculture GVA per Hectare per Municipality
Source: Free State Growth and Development Strategy, 2013



Map LDM 36: Dominant Farming Types
Source: Free State Growth and Development Strategy, 2013

Agricultural aspects show extensive farming in Lejweleputswa. Significant agricultural potential exist in Nala and Tswelopele. Bothaville is considered the maize capital of South Africa.

Other agricultural products produced in Lejweleputswa District Municipality include sunflower, wheat, groundnuts, cattle, poultry and there is small-scale vegetable farming.

There is also potential for the production of biofuel in Bothaville using sorghum, herbs and medicinal plants in Tokologo and Masilonyana, ostrich farming in Tokologo.

There is an Agri-hub in Wesselsbron, and Farmer Production Support Unit's in Odendaalsrus and Dealesville.

The table below provides six commodities categorised according to major functional regions of Lejweleputswa. These have been classified as high potential cereals region, high potential protein region, high potential fruit and vegetables region, high potential oil and fat region, high potential poultry region, and free ranging game and livestock potential region.

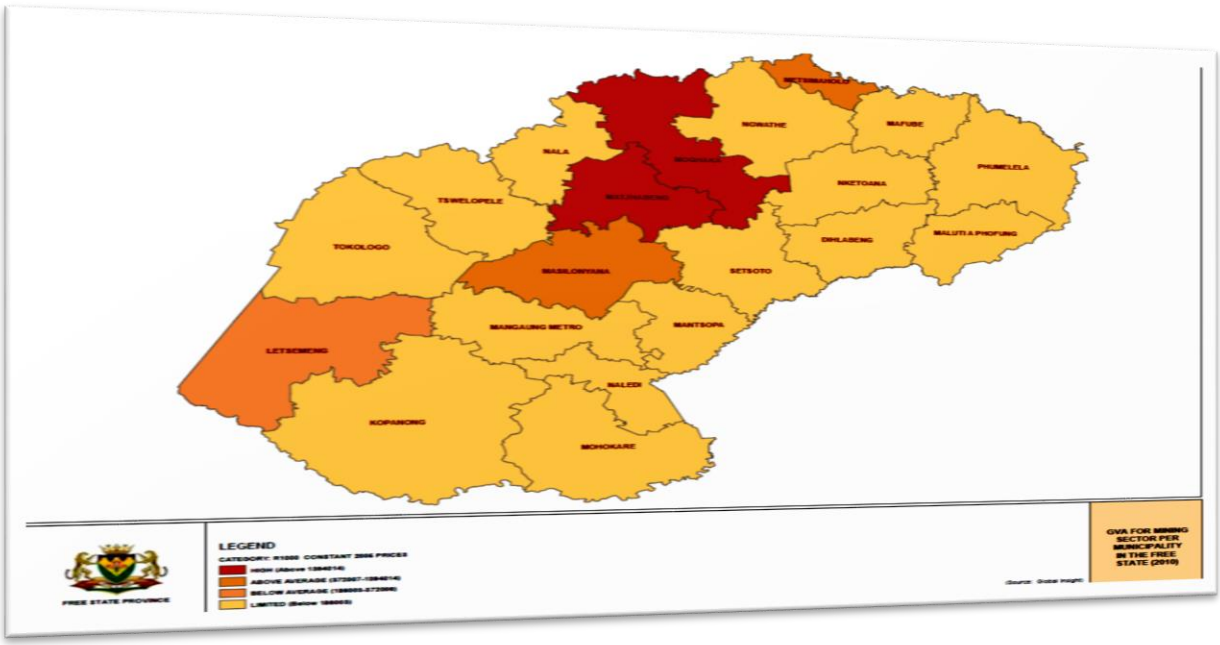
Focus Regions		
Focus Region 1: Hoopstad and surrounds Existing Projects: Fruit Proposed Projects: Grain, Fruit & Sunflowers	**Focus Region 5:** Odendaalsrus, Allan Ridge and Rural Areas Proposed Projects: Vegetables, Poultry & Beef	**Focus Region 9:** Theunissen towards Welkom Proposed Projects: Grain, Beef & Game
Focus Region 2: Bothaville and surrounds Proposed Projects: Grain, Poultry, Beef & Vegetables	**Focus Region 6:** Wesselsbron towards Welkom Existing Projects: Grain – Maize Proposed Projects: Grain, Poultry, Vegetables, Beef & Sunflowers	**Focus Region 10:** Verkeerdevlei and rural surrounds Existing Projects: Red Meat Proposed Projects: Beef & Game
Focus Region 3: Winburg and eastern rural areas Existing Projects: Red Meat, Vegetables & Other Projects Proposed Projects: Beef & Game	**Focus Region 7**: Odendaalsrus, Allan Ridge and Rural Areas Existing Projects: Red Meat Proposed Projects: Grain, Sunflowers, Beef, Poultry &Vegetables	**Focus Region 11:** Dealesville and rural surrounds Existing Projects: Red Meat Proposed Projects: Beef, Vegetables & Game
Focus Region 4: Brandfort towards Soutpan Existing Projects: Piggery Proposed Projects: Beef & Vegetables	**Focus Region 8:** Ventersburg and towards the east Proposed Projects: Game & Poultry	**Focus Region 12:** Hertzogville and Boshof region Existing Projects: Red Meat Proposed Projects: Beef & Game

Table LDM 37: Focus Areas
Source: Lejweleputswa Rural Development Plan, 2017

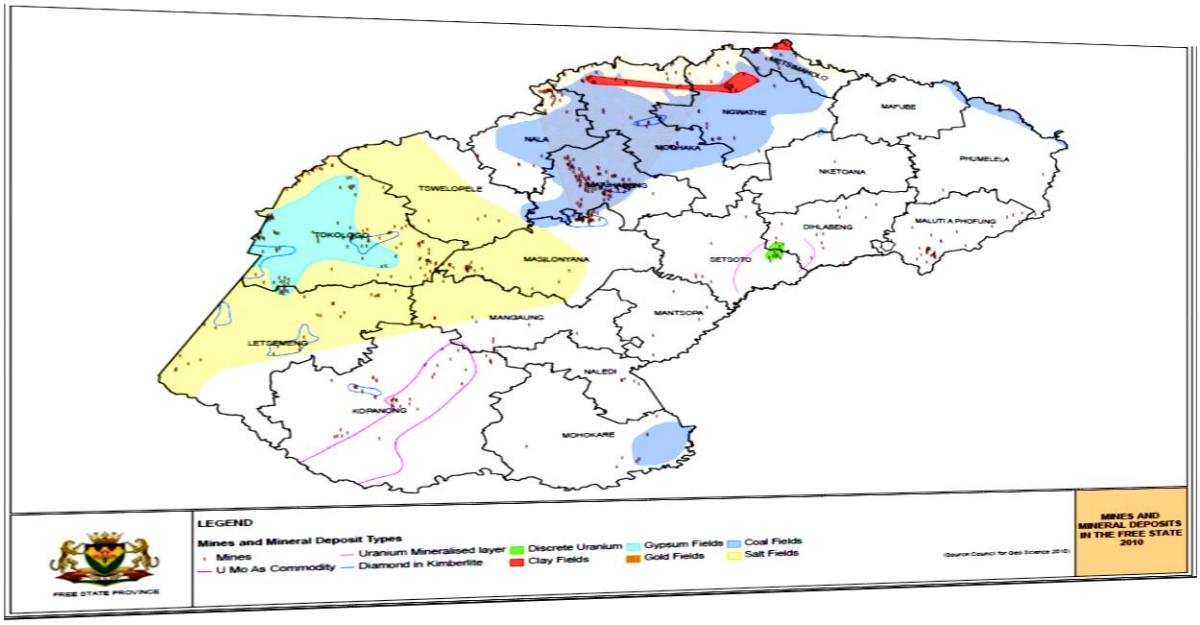
Mining decline continues to have major effect on the economy of particularly Matjhabeng.

To minimise the impact of mining decline and harness mining potential, measures should be devised to prolong the lifespan of existing mines by providing adequate and necessary support. Initiatives should also be implemented to combat Illegal mining in Lejweleputswa.

Importantly, there is a need to identify new mining opportunities in the District Municipality. This should entail efforts to ensure that an appropriate post-mining economy is established. The negative environmental impact and rehabilitation of mining should be given attention.



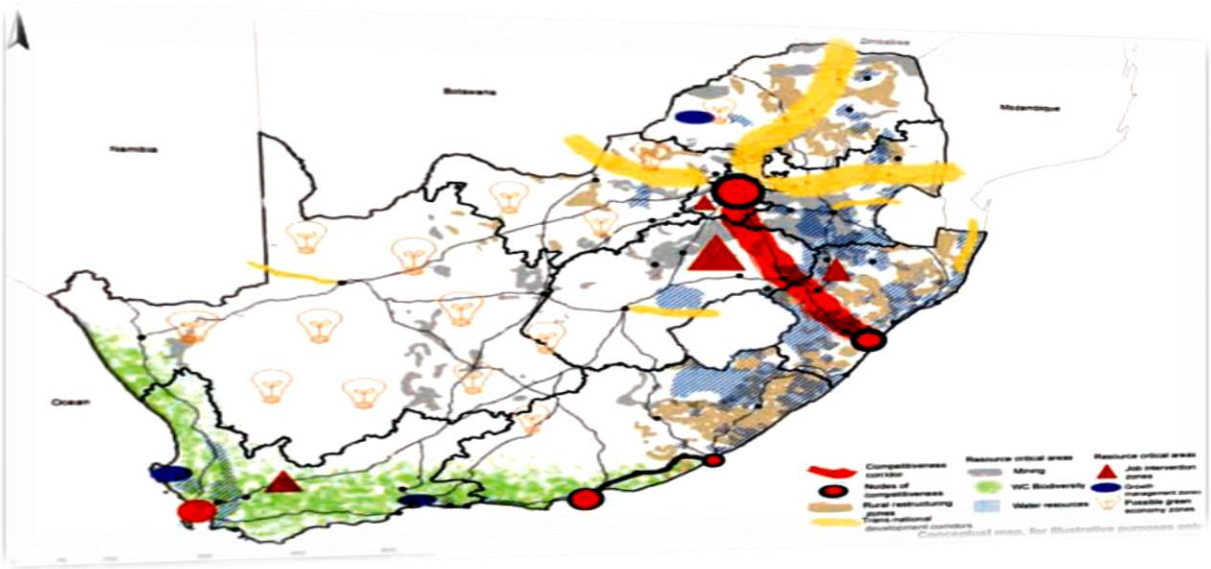
Map LDM 38: Mining GVA per Municipality
Source: Free State Growth and Development Strategy, 2013



Map LDM 39: Mining Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

Despite the prevailing unfavourable mining conditions, there is still high potential for mining. Two gold reserves with a considerable life span still exist in Lejweleputswa covering some parts of Matjhabeng and Nala local municipalities.

Besides gold, there is also a significant potential for mining of low-grade coal in Matjhabeng and Nala local municipalities. There is some lower value mining potential in salt in the municipalities of Matjhabeng, Masilonyana, Tswelopele, Tokologo and Letsemeng.

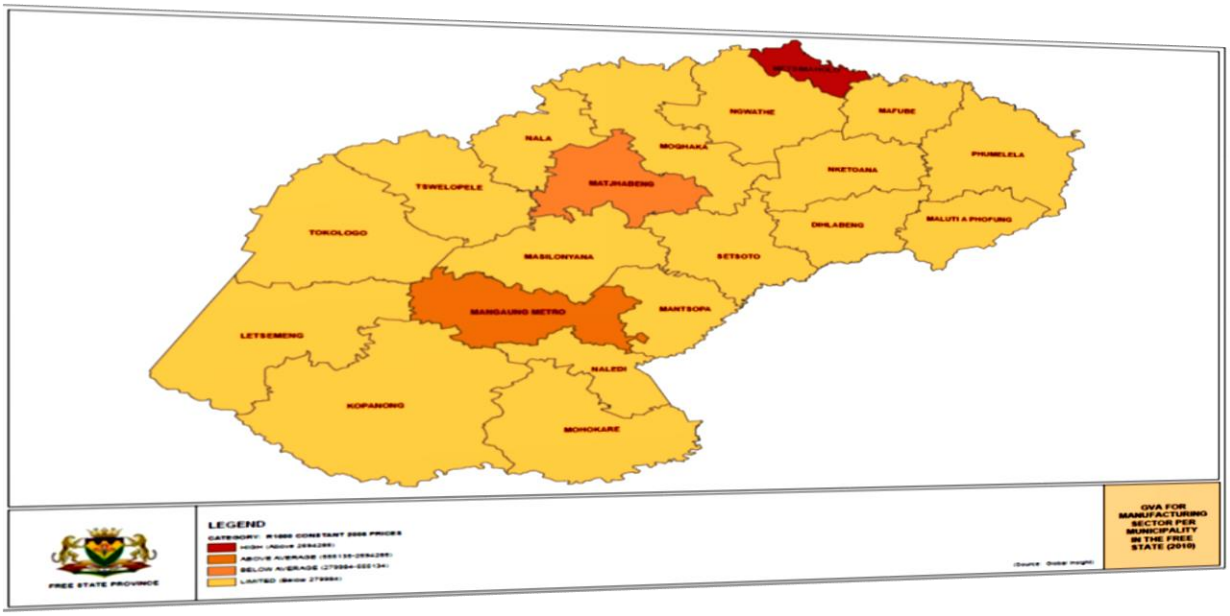


Map LDM 40: Proposed National Schema for Spatial Targeting
Source: National Development Plan

The National Development Plan schema above for spatial targeting identifies the Matjhabeng goldfields regions as a resource critical area with the need for revitalisation of this mining town.

1.6.2. Manufacturing Potential

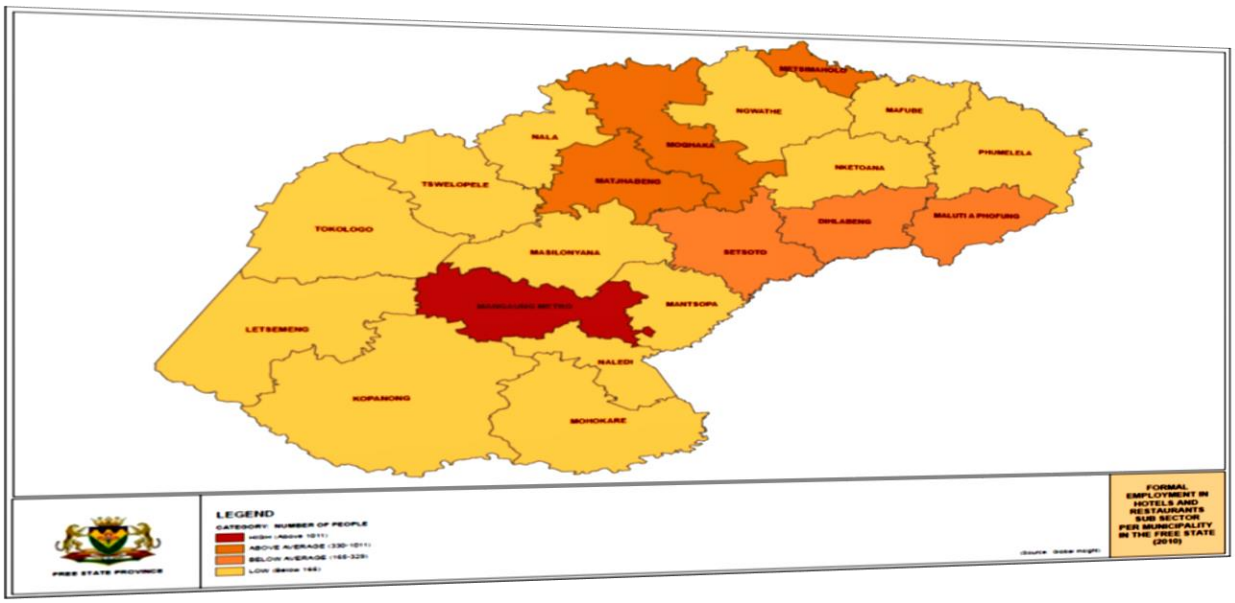
Matjhabeng have significant manufacturing production capacity. There is also food and beverages manufacturing potential in Nala. Manufacturing industries linked to mining and the availability of infrastructure provides an opportunity for beneficiation of mineral resources.



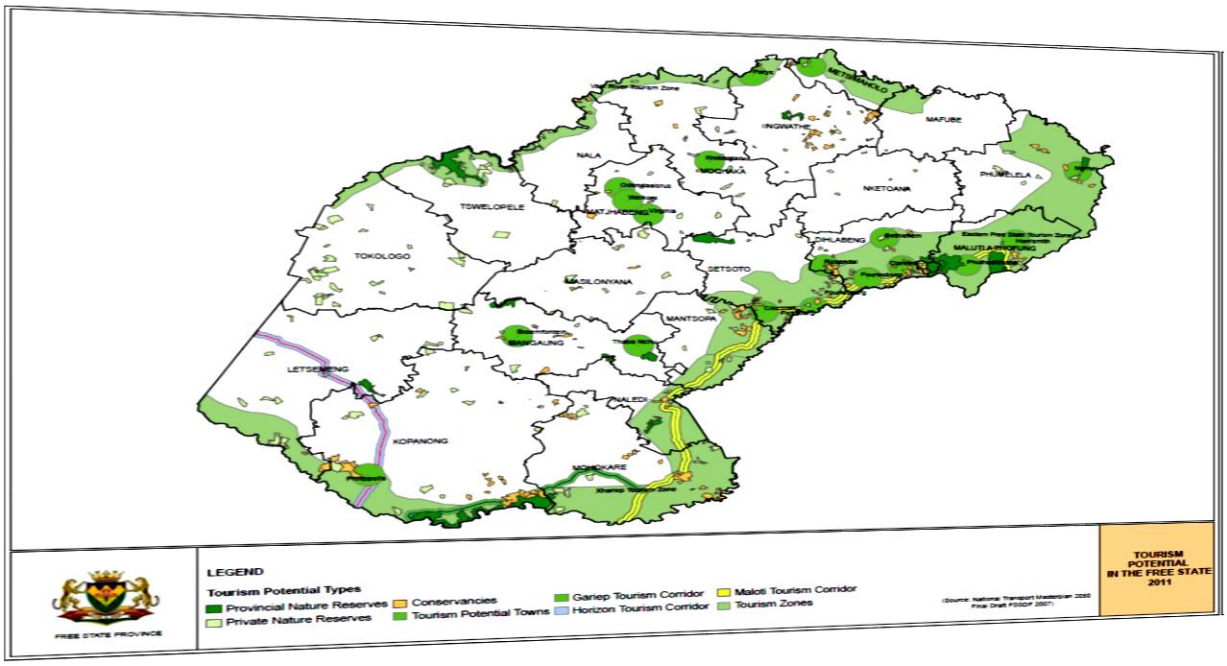
Map LDM 41: GVA for Manufacturing per Municipality
Source: Free State Growth and Development Strategy, 2013

1.6.3. Tourism Potential

The tourism potential in Lejweleputswa is immense. Potential in this regard is based on the number of tourism and establishments (hotels, guesthouses, casinos, golf clubs and restaurants), employment, and GVA through tourism enterprises (hotels and restaurants).



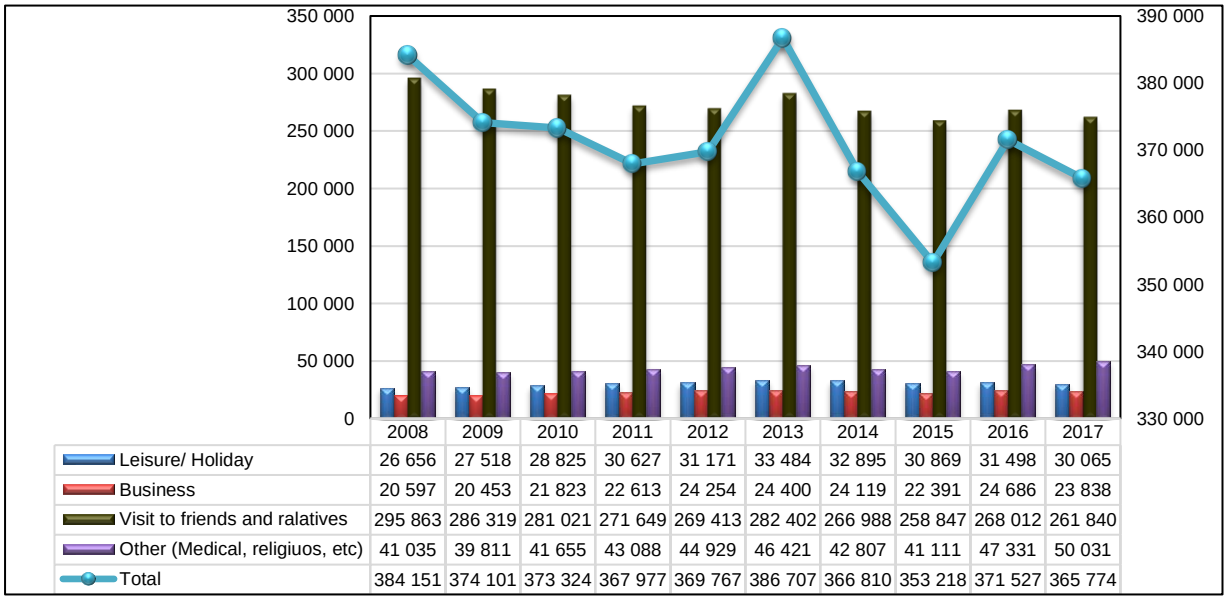
Map LDM 42: GVA for the Hotel and Restaurant Subsector
Source: Free State Growth and Development Strategy, 2013



Map LDM 43: Tourism Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

There are tourism assets such as a resorts, monuments and museums in Lejweleputswa.

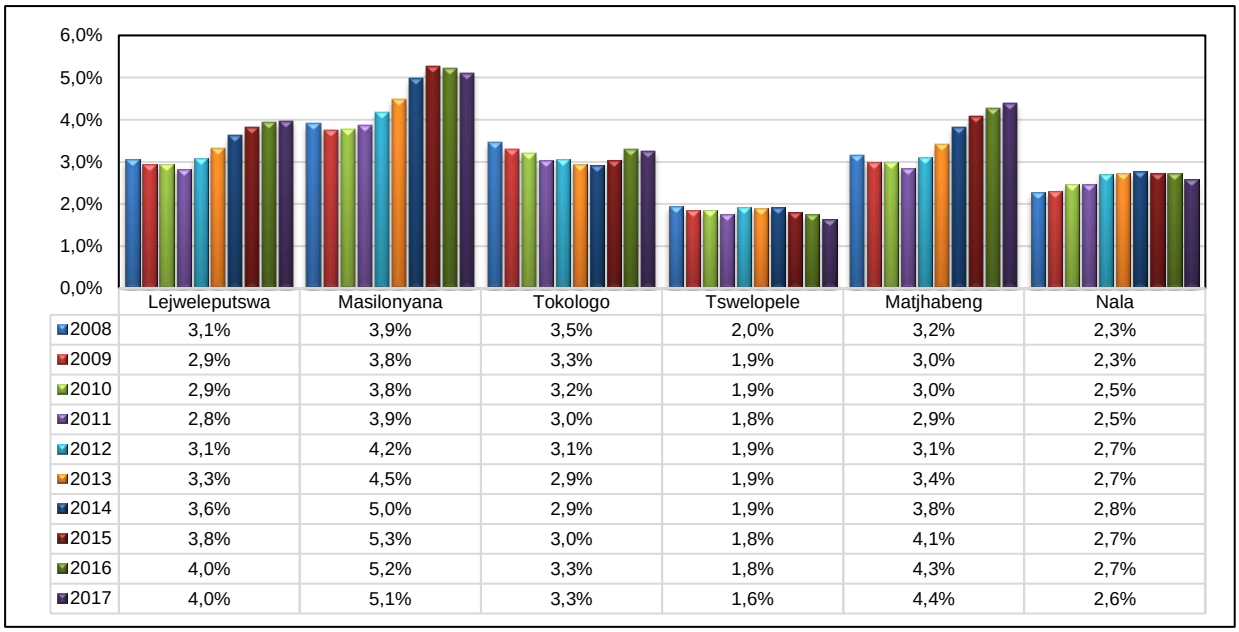
Welkom's notable tourism feature is the acclaimed Phakisa freeway, which has been a venue for international events. This is an international standard, multi-purpose moto-sports facility.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Leisure/ Holiday	26 656	27 518	28 825	30 627	31 171	33 484	32 895	30 869	31 498	30 065
Business	20 597	20 453	21 823	22 613	24 254	24 400	24 119	22 391	24 686	23 838
Visit to friends and ralatives	295 863	286 319	281 021	271 649	269 413	282 402	266 988	258 847	268 012	261 840
Other (Medical, religiuos, etc)	41 035	39 811	41 655	43 088	44 929	46 421	42 807	41 111	47 331	50 031
Total	384 151	374 101	373 324	367 977	369 767	386 707	366 810	353 218	371 527	365 774

Figure LDM 44: Number of Trips by Purpose of Trip
Source: IHS Markit, Reginal eXplorer, 2019

The majority of tourists visiting Lejweleputswa were those visiting friends and relatives. Their number dropped from 295 863 in 2008 to 261 840 in 2017. Those individuals visiting for leisure and business purposes have increased marginally by 3 409 and 3 241, respectively.



	Lejweleputswa	Masilonyana	Tokologo	Tswelopele	Matjhabeng	Nala
2008	3,1%	3,9%	3,5%	2,0%	3,2%	2,3%
2009	2,9%	3,8%	3,3%	1,9%	3,0%	2,3%
2010	2,9%	3,8%	3,2%	1,9%	3,0%	2,5%
2011	2,8%	3,9%	3,0%	1,8%	2,9%	2,5%
2012	3,1%	4,2%	3,1%	1,9%	3,1%	2,7%
2013	3,3%	4,5%	2,9%	1,9%	3,4%	2,7%
2014	3,6%	5,0%	2,9%	1,9%	3,8%	2,8%
2015	3,8%	5,3%	3,0%	1,8%	4,1%	2,7%
2016	4,0%	5,2%	3,3%	1,8%	4,3%	2,7%
2017	4,0%	5,1%	3,3%	1,6%	4,4%	2,6%

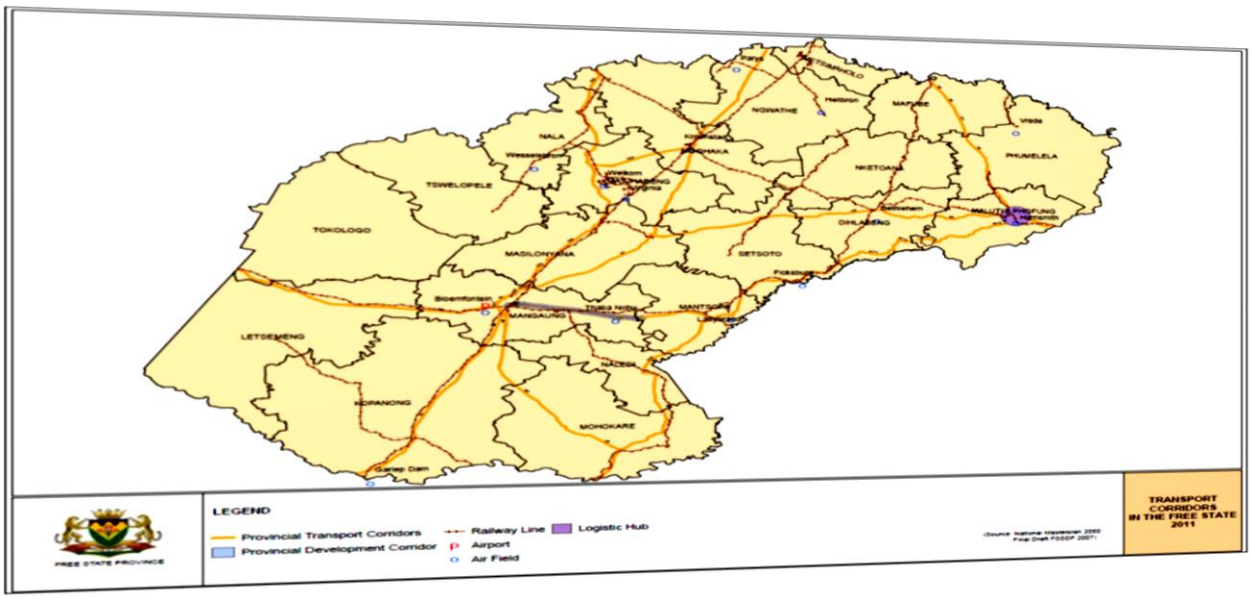
Figure LDM 45: Total Tourism Spend as a Percentage of GDP
Source: IHS Markit, Reginal eXplorer, 2019

Tourism spending as a percentage of GDP in the district rose from 3.1% in 2008 to 4% in 2018. Matjhabeng was leading this increase in tourism spending from 2.9% in 2011 to 4.4% in 2017.

Tswelopele spending fell from 2% in 2008 to 1.6% in 2017. Masilonyana local Municipality experienced the highest tourism spending that increased from 3.9% in 2008 to 5.1% in 2017.

1.6.4. Transport Potential

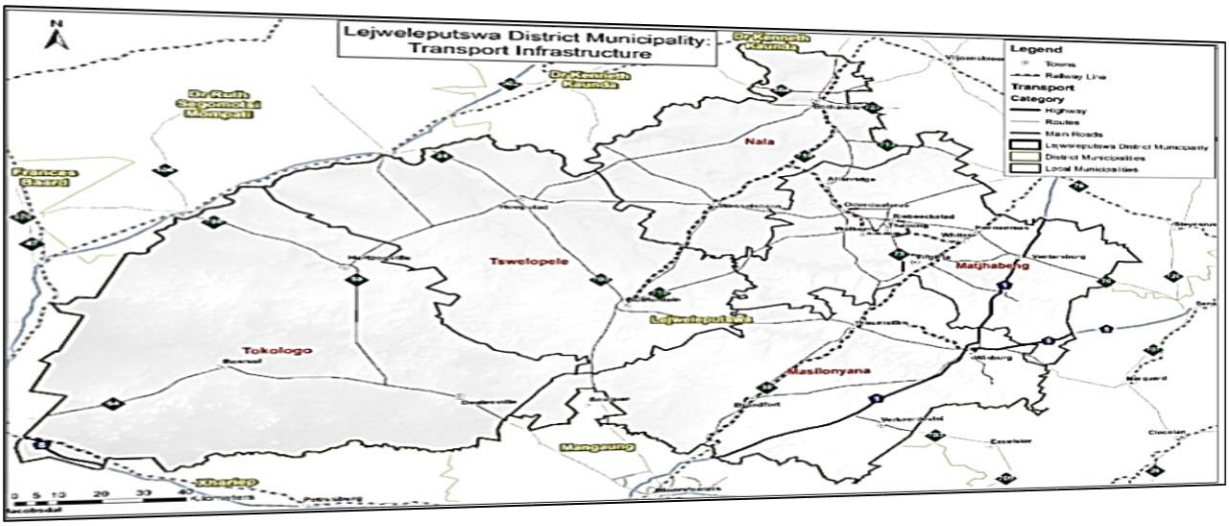
The central location of the Free State and the fact that significant volumes of freight are moved across the surface of the province gives it a competitive advantage. However, this is primarily dependent on some value-adding to freight and transport management processes.



Map LDM 46: Transport Corridors in the Free State
Source: Free State Growth and Development Strategy, 2013

The two national roads N1 (Johannesburg to Cape Town via Ventersburg and Winburg) and the N5, which connects Bloemfontein and Durban passes at Winburg. R64 connects Bloemfontein to Kimberley via Dealesville and Boshof. R70 passing through Lejweleputswa District Municipality is a very busy corridor used for manganese transport to Durban habour.

The spatial representation of the transport infrastructure in Lejweleputswa District Municipality shows existing railway network that needs regeneration to stimulate economic growth.



Map LDM 47: Transport Infrastructure
Source: Lejweleputswa Rural Development Plan, 2017

1.7. Lejweleputswa Governance Perspective

1.7.1. Powers and Functions

Comparing the distribution of functions, the district and its locals have concurrent functions regarding firefighting, local tourism, municipal airports, planning and public transport.

District Key Powers and Functions	Local Key Powers and Functions
Integrated planning	Trading regulations
Municipal Health Services	Street lighting
Firefighting Services	Firefighting Services (Masilonyana and Tswelopele)
Municipal Public Transport (policy development)	Municipal Public Transport (all local Municipalities)
Fresh Produce Markets	Fresh Produce Markets (all local municipalities)
Cemeteries, funeral parlours and crematoria (policy development)	Cemeteries, funeral parlours and crematoria (by-laws)
Local Tourism	Local Tourism
Municipal Airport	Municipal Airport (except for Matjhabeng and Nala)
Municipal Abattoirs (policy development)	Municipal abattoirs (by-laws)
Solid waste disposal sites	Billboards and Display of advertisements
Local sport facilities	Sanitation
Air pollution	Potable water
	Air pollution
	Child Care facilities

Table LDM 48: Powers and Functions
Source: Lejweleputswa District Municipality IDP, 2019/2020

1.7.2. Political Structure

The following graph shows the number of voters per party in 2016 Municipal elections

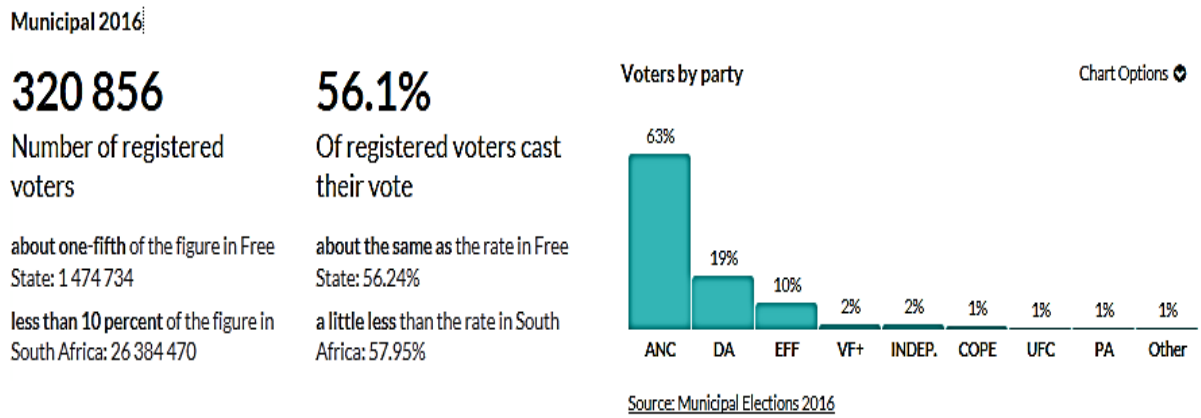


Table LDM 49 indicates parties' seat allocation for each of the municipalities in Lejweleputswa.

Party Name	Lejweleputswa	Matjhabeng	Masilonyana	Tokologo	Nala	Tswelopele
African National Congress	10	46	12	5	14	11
Democratic Alliance	3	15	4	1	4	3
Economic Freedom Fighters	2	6	2	1	5	1
Freedom Front Plus		1	1	1	1	
Unites Front Civic		2				
Independent		1				

Table LDM 49: Party Seat Allocation
Source: Lejweleputswa District Municipality IDP, 2019/2020

1.7.3. Governance Structure

Ward committees serve as an interlocutor between the community, the District Municipality and its Local Municipalities. Part of the responsibility of the ward committees is to collate the day-to-day service delivery issues in different wards and through the ward councillor, direct those issues raised by communities to the councils for necessary attention and response.

Underneath in an indication of local municipalities and the number of wards they have.

Name of Municipality	Number of Wards
Matjhabeng	36
Masilonyana	10
Tokologo	4
Nala	12
Tswelopele	8

Table LDM 50: Number of Wards per Municipality
Source: Lejweleputswa District Municipality IDP, 2019/2020

To embed vibrant participatory democracy, ward committees are expected to meet at least quarterly according to the *Guidelines for the Establishment and Operation of Municipal Ward Committees*, published in the Government Gazette dated 24 June 2005.

Lejweleputswa	Submission Rate (Jul 18- Jun 19)	Number of Wards	Ward Committee Meetings Held				Total
			Q1	Q2	Q3	Q4	
Masilonyana	11	10	1	0	6	4	**11**
Matjhabeng	0	36	-	-	-	-	**-**
Nala	0	12	-	-	-	-	**-**
Tokologo	4	4	4	-	1	0	**5**
Tswelopele	10	8	8	16	24	20	**68**
Total	**25**	**70**	**13**	**16**	**31**	**24**	**84**

Table LDM 51: Number of Wards and Ward Committee Meetings
Source: Lejweleputswa Performance Report, 2018/2019

Presented information in the table above indicates that not all municipalities complied with the terms of the *Guidelines* in holding at least one ward committee meeting per quarter.

While Masilonyana Local Municipality had more meetings during the first and second quarter, Tokologo Local Municipality had most of its ward committee meetings in the first quarter.

1.7.4. Institutional Capacity

The existence of an efficient, effective and accountable local government in predicated on institutional stability indicative of a capable and developmental state. This included the filling of vacant positions with qualified individuals to set in motion quality service delivery provision.

Lejweleputswa	Number of times reported on MM position	Number of times indicated MM filled	Number of times indicated MM vacant
Lejweleputswa	9	9	0
Masilonyana	11	11	0
Matjhabeng	0	-	-
Nala	0	-	-
Tokologo	4	4	0
Tswelopele	10	10	0
Total	**34**	**34**	**0**

Table LDM 52: Municipal Managers Occupancy and Vacancy Rates
Source: Lejweleputswa Performance Report, 2018/2019

For municipalities that submitted their reports as required, they indicated all the time they reported that the positions of municipal manager were filled in their municipalities.

For the July 2018 and June 2019 reporting period, the district municipality itself had an average of 100% occupancy rate of Section 56 managers.

Local municipalities' representation varied with an average occupancy rate of less than 100% with Masilonyana Local Municipality having the lowest occupancy rate at 25%.

Lejweleputswa	Number of times reported on Section 56 positions	Average number of Section 56 positions across reporting months	Average number of Section 56 positions filled	Average % of positions filled
Lejweleputswa	7	3	3	100%
Masilonyana	11	4	1	25%
Matjhabeng	0	-	-	-
Nala	0	-	-	-
Tokologo	4	3	1	33%
Tswelopele	10	2	1	50%
Total	**32**	**3**	**2**	**66%**

Table LDM 53: Section 56 Positions Occupancy and Vacancy Rates
Source: Lejweleputswa Performance Report, 2018/2019

Occupancy reports for the positions of the CFOs showed that Lejweleputswa and Tswelopele had their positions filled.

The conditions were different in Masilonyana that declared a vacancy for the seven months in the 11 that they reported. Tokologo had no CFO during the reporting period.

Lejweleputswa	Number of times reported on CFO position	Number of times CFO filled	Number of times CFO vacant
Lejweleputswa	8	8	0
Masilonyana	11	4	7
Matjhabeng	0	-	-
Nala	0	-	-
Tokologo	4	0	4
Tswelopele	10	10	0
Total	**33**	**22**	**11**

Table LDM 54: CFO Occupancy and Vacancy Rates
Source: Lejweleputswa Performance Report, 2018/2019

For all of the municipalities in Lejweleputswa, there were 840 permanent and 37 temporary employees with the majority of these in Masilonyana, 330.

Lejweleputswa	Submission rate (July 18 - June19	Permanent employees	Temporary employees
Lejweleputswa	9	124	5
Masilonyana	11	330	12
Matjhabeng	0	-	-
Nala	0	-	-
Tokologo	4	141	11
Tswelopele	10	245	9
Total	**34**	**840**	**37**

Table LDM 55: Organisational Structure, July 2018 –June 2019
Source: Lejweleputswa Performance Report, 2018/2019

1.7.5. Development Needs

The IDP consultative process identified the following community needs:

- Aging road infrastructure
- Decaying water infrastructure resulting in high water loss
- Aging and vandalism of street lighting infrastructure
- Availability of residential sites for low and high income housing

- Low economic growth and High unemployment rate particularly among youth
- Aging service delivery vehicles
- High levels of crime
- Need Fire Station (operations)
- Sewerage network problems
- New sites allocation
- Need High mast lights
- 24/7 Clinic
- Fencing of cemeteries
- 24hrs EMS and Police services
- RDP Houses
- Space for informal business
- Establish recreational park
- Grass and tree cutting
- Security at grave yards
- Dust bin
- Sports facilities
- Free wifi
- Fix pipe bursts
- Clean storm water canals

1.7.6. Performance Management

Table LDM 56 provides an illustration on the implementation of the Performance Management Systems during the 2019/2020 municipal financial year in Lejweleputswa.

From municipal responses, indications are that both Matjhabeng and Nala local municipalities did not have a Performance Management System in place.

District	Municipality	PMS in Place	Adopted Framework	Capacity To Implement PMS
Lejweleputswa	Lejweleputswa	Yes	Yes	Yes
	Masilonyana	Yes	Yes	Yes
	Tokologo	Yes	Yes	No
	Tswelopele	Yes	Yes	Yes
	Matjhabeng	No	No	No
	Nala	No	Yes; not yet implemented	No

Table LDM 56: Performance Management System
Source: Department of Cooperative Governance, Free State, 2019

3.7.3. Community Protests

Service delivery protests are often the consequence of a combination of factors that include poor financial management, inadequate communication and institutional incapacity.

Seeing the present state of most if not all municipalities in Lejweleputswa, it is not surprising, that two service delivery protests were reported in the district in the 2018/2019 reporting period.

All these service delivery protests occurred in Masilonyana and were in no way violent.

3.7.4. Complaints Management

Besides other service delivery factors, usually, lacking communication between the communities and municipalities also has the potential to trigger service delivery protests.

In mitigating the likely outcomes of poor communication, but also promoting a transparent and responsive local government, Section 17 (2) (a) of the Municipal Systems Act provides for the reporting, management and response mechanism to community grievances by municipalities.

For the 2018/2019 municipal financial year, all the municipalities in Lejweleputswa District Municipality indicated that they do have a Complaints Management System in place.

3.7.5. Council Meetings

To ensure a democratic, accountable and responsive government, the Municipal Systems Act also require councils meetings to be held at least quarterly.

Lejweleputswa	Submission rate	Q1	Q2	Q3	Q4	Total
Lejweleputswa	9	2	2	2	-	6
Masilonyana	11	1	1	2	3	**7**
Matjhabeng	0	-	-	-	-	**-**
Nala	0	-	-	-	-	**-**
Tokologo	4	1	-	1	1	**3**
Tswelopele	10	-	2	3	3	**8**
Total	**34**	**4**	**5**	**8**	**7**	**24**

Table LDM 57: Frequency of Council Meetings per Quarter
Source: Lejweleputswa Performance Report, 2018/2019

As can be seen in the table above, in all the four reporting quarters, only Masilonyana complied with the Municipal Systems Act's provisions for council meetings to be held at least quarterly.

1.8. Lejweleputswa Financial Perspective

1.8.1. Creditors' Position

Municipalities in Lejweleputswa reported an increase of R546,938,326 on outstanding creditors from R6, 025,380,535 as at 30 June 2019 to R6, 572,318,861 as at 31 August 2019.

Table LDM 52 specify institutions owed by the district and local municipalities, the highest was Sedibeng Water, followed by Eskom, Trade creditors, pensions and the Auditor- General. Matjhabeng owed Eskom and Sedibeng Water more money than all other municipalities.

MUNICIPALITY	ESKOM 31/08/2019	WATER SW 30/06/2019	OUTSTANDING PENSION	SALARY DEDUCTIONS	SARS	AUDITOR GENERAL	TRADE CREDITORS	TOTAL
Lejweleputswa	R 0	R 0	R 0	R 0	R 0	R 22 082	R 0	**R 22 082**
Masilonyana	R 67 650 319	15 843 970	R 15 679 857	R 0	R 0	R 351 598	R 45 070 678	**R 144 596 422**
Tokologo	R 61 761 728	R 30 123 375	R 0	R 1 008 335	R 0	R 1 192 407	R 3 117 003	**R 97 202 848**
Tswelopele	R 40 503 871	R 7 696 765	R 624 363	R 429 822	R 32 841	R 2 795 968	R 5 596 649	**R 57 680 279**
Matjhabeng	R 2 697 910 013	R 2 948 318 570	R 14 745 489	R 0	R 1 500	R 3 780 678	R 69 210 048	**R 5 733 966 298**
Nala	R 291 511 148	R 173 889 283	R 37 060 695	R 0	R 0	R 1 258 479	R 35 131 327	**R 538 850 932**
TOTAL	**R 3 159 337 079**	**R 3 175 871 963**	**R 68 110 404**	**R 1 438 157**	**R 34 341**	**R 9 401 212**	**R 158 125 705**	**R 6 572 318 861**

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***
Table LDM 58: Creditors' Position
Source: Department of Cooperative Governance, Free State, 2019

1.8.2. Debtors' Position

The debtors' position is a concern. Municipalities reported an increase of R236,006,402 debt from R5,044,867,867 as at 30 June 2019 to R5,280,874,269 as at 31 August 2019.

Debts comparison demonstrate that there were more outstanding debts in Matjhabeng Local Municipality with no outstanding debt reported in Lejweleputswa District Municipality.

Municipalities	Outstanding Debtors
Lejweleputswa	R0
Masilonyana	R845 637 080
Tokologo	R205 923 361
Tswelopele	R101 687 040
Matjhabeng	R3 447 233 109
Nala	R680 393 679
Total	**R5 280 874 269**

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table LDM 59: Outstanding Debtors

Source: Department of Cooperative Governance, Free State, 2019

1.8.3. Expenditure Share

Figures in Table LDM 60 below show a disproportionate expenditure distribution between salaries and operating expenses. Salaries accounted for a significant portion of expenditure.

In Lejweleputswa District Municipality, salaries exceeded operating expenditure by 129.1%. Lejweleputswa was followed by Masilonyana with 71.13%, Tswelopele with 68.29%, Matjhabeng with 58.00%, Tokologo with 56.9% and the least being Nala with 29.57%.

MUNICIPALITY	SALARIES	OPERATING EXPENSES	PERCENTAGE
Lejweleputswa	R 3 118 344	R 2 415 101	129,12%
Masilonyana	R 5 448 903	R 7 660 738	71,13%
Tokologo	R 3 927 892	R 6 903 658	56,90%
Tswelopele	R 5 892 053	R 8 627 396	68,29%
Matjhabeng	R 64 112 095	R 100 586 969	58,00%
Nala	R 12 471 352	R 42 180 694	29,57%
TOTAL	R 94 970 639	R 168 374 556	

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table LDM 60: Expenditure

Source: Department of Cooperative Governance, Free State, 2019

3.7.6. Audit Outcomes

Sound financial management is important to ensure that the required services are provided effectively and efficiently. Importantly, it creates a trustworthy government.

The audit outcomes trends of local municipalities in Lejweleputswa are not encouraging. The reality is that at many of these municipalities have regressed in the 2017/18 financial year. Among some of the observations by the Auditor-General is the municipal leadership failure to continuously strengthen the foundation of internal controls and the monitoring thereof.

A vivid example of such a shortcoming was Masilonyana where the municipality was beset by instability. Matjhabeng, Nala and Tswelopele were no different. Tokologo remained unchanged with a disclaimer. Lejweleputswa received an unqualified audit opinion as depicted below.

Auditee	Audit Outcomes			Movement
	2015/16	2016/17	2017/18	
Lejweleputswa	Unqualified	Unqualified	Unqualified	Unchanged
Matjhabeng	Unqualified	Unqualified	Qualified	Regression
Masilonyana	Disclaimer	Disclaimer	AFS Outstanding	
Tokologo	Unqualified	Disclaimer	Disclaimer	Unchanged
Nala	Unqualified	Unqualified	Qualified	Regression
Tswelopele	Unqualified	Unqualified	Qualified	Regression

Table LDM 61: Audit Outcomes
Source: Department of Cooperative Governance, Free State, 2019

3.7.7. Financial Health

Reporting on the financial health position of municipalities, the Auditor-General indicated the following areas of concern in Lejweleputswa for the 2017/18 municipal financial year.

Municipality	Financial Health				
	Status of Financial Health	Average Creditors payment period (Days)	Percentage of Debt Irrecoverable	Unauthorised expenditure incurred Amount (R million)	Fruitless and wasteful expenditure incurred (R million)
Lejweleputswa					
Matjhabeng		1237	71	873.1m	169.2m
Masilonyana					
Tokologo		Not audited	Not audited	169.2m	3.8m
Nala		1005	84	2.9m	5.1m
Tswelopele		295	58	4.2m	4.9m

Table LDM 62: Financial Health Status
Source: Department of Cooperative Governance, Free State, 2019

Areas shaded in grey in Table LDM 62 demonstrate that there was no performance report from the municipality to be audited. In contrast, green shaded areas are a sign of improvements in the specified municipalities as compared to the previous 2016/2017 municipal financial year.

Red shows material unfavourable indicators. Orange indicates that the municipality has regressed. Matjhabeng, which reported more cases of unauthorised, fruitless and wasteful expenditure. In Masilonyana, there was no performance report to be audited.

3.7.3. Audit Committees

Performance of the internal audit and audit committees shows that, with regards to the former, there was assurance in Lejweleputswa and Tswelopele. Matjhabeng, Tokologo and Nala were the opposite. In Masilonyana, audited financial statements were outstanding.

Circumstances were no different in terms of audit committees. The functionality of audit committees in Lejweleputswa and Tswelopele displayed some measure of assurance.

Contrary, Matjhabeng, Tokologo and Nala provided no or limited assurance. Masilonyana's audited financial statements were outstanding for the 2017/18 municipal financial year.

Municipal Name	Internal Audit			Audit Committee		
	Provided No/Limited Assurance	Provided some Assurance	Provided Assurance	Provided No/Limited Assurance	Provided some Assurance	Provided Assurance
Lejweleputswa						
Matjhabeng						
Masilonyana	2017/18 AFS outstanding			2017/18 AFS outstanding		
Tokologo						
Nala						
Tswelopele						

Table LDM 63: Audit Committees Functionality
Source: Department of Cooperative Governance, Free State, 2019

3.7.4. Public Accounts Committees

To safeguard public finance, the *Municipal Public Accounts Committees (MPAC) Guide and Toolkit,* directs that MPAC meetings be held at least once a quarter. The frequency of meetings shows a high level of non-compliance with the provisions of the *Guide and Toolkit*.

Lejweleputswa	Submission Rate (Jul 18- Jun 19)	Municipal Public Accounts Committee Meetings Held				Total
		Q1	Q2	Q3	Q4	
Lejweleputswa	9	2	1	3	-	6
Masilonyana	11	-	-	-	-	-
Matjhabeng	0	-	-	-	-	-
Nala	0	-	-	-	-	-
Tokologo	4	-	-	-	-	-
Tswelopele	10	-	-	2	1	3
Total	**34**	**2**	**1**	**5**	**1**	**9**

Table LDM 64: Frequency of Public Accounts Committee Meetings
Source: Lejweleputswa Performance Report, 2018/2019

Lejweleputswa had the highest number of MPAC meetings (6) with half of these held in the third quarter. However, no meeting was held in the fourth quarter in Lejweleputswa.

Although Masilonyana's submission rate to the Department of Cooperative Governance was high (11) followed by Tswelopele (10), none of these municipalities had MPAC meeting.

1. Fezile Dabi District Municipality

1.1. Fezile Dabi Contextual Perspective

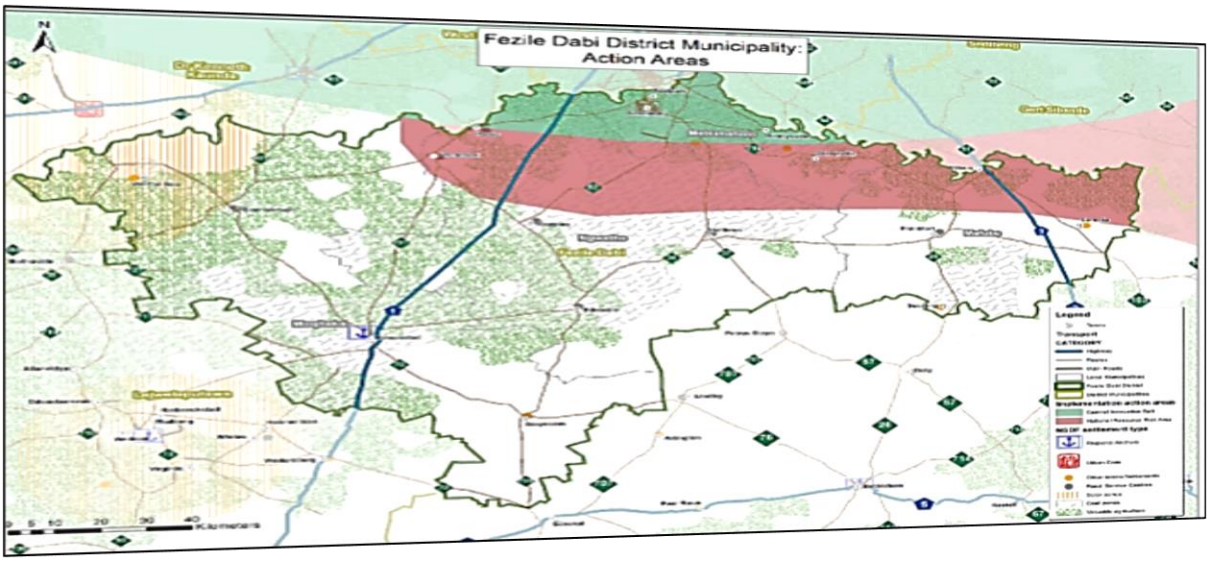
Fezile Dabi District Municipality was established in December 2000 as a Category C municipality.

It share borders with the provinces of Gauteng, Mpumalanga and North West. The Vaal River and the Vaal Dam form the northern boundary with Gauteng.

Fezile Dabi consists of four local municipalities of Moqhaka, Metsimaholo, Ngwathe and Mafube.

Covering over a third of Fezile Dabi's total geographical area is Moqhaka, a Category B municipality with Kroonstad as its administrative headquarters.

Metsimaholo is also Category B municipality created in 2000 through the amalgamation of Sasolburg, Deneysville and Oranjeville. Sasolburg is in close proximity to Johannesburg.



Map FDM 1: Action Area
Source: Department of Rural Development and Land Reform, 2019

The town of Frankfort in Mafube plays a major role as a regional service point and commercial centre. Other important small towns include Reitz, Villiers and Tweeling.

Ngwathe is in the northern part of Fezile Dabi with the Vaal River forming the northern boundary. The town of Parys has an airfield that supports commercial and tourism in the area. It has a strong commercial factor and provides health, education and professional services.

1.2. Fezile Dabi Demographic Perspective

1.2.1. Population Size

There were 523 724 people in Fezile in 2017. The population growth averaged 0.85% per annum, which was nearly double than that of the Free State Province, which was 0.49%.

Youth population share of growth was contracting in Fezile Dabi. Population growth in Moqhaka remained constant, whilst Mafube and Ngwathe municipalities both grew by 0.7%.

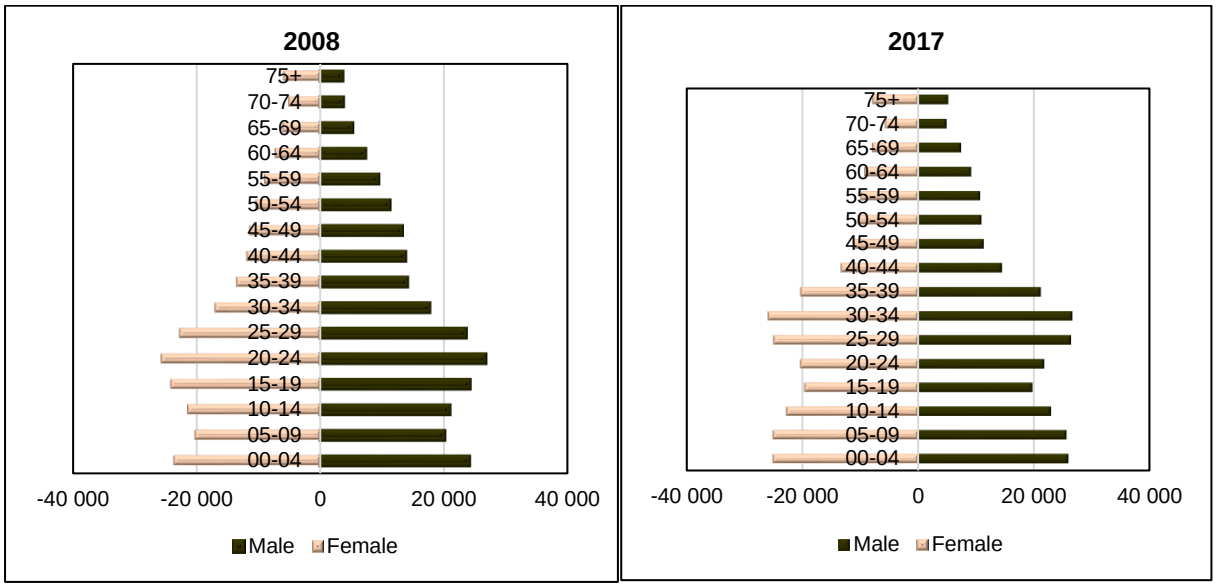


Figure FDM 2: Population Pyramid
Source: IHS Markit, Reginal eXplorer, 2019

Compared to other districts, Fezile Dabi had the highest percentage share of people over 60 years. This category of the population constituted 11.0% of the population of the district.

Expectedly, the immediate implications of an aging population for government is more social spending and reduced economic capacity essential for economic growth. On the other hand, this is an indication of increasing life expectancy and improving standard of living.

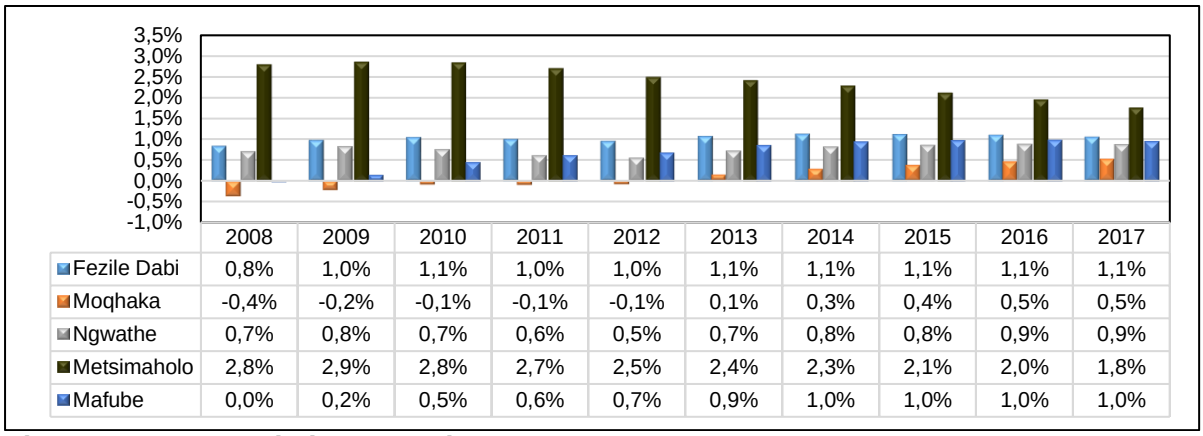
1.2.2. Population Profile

Although Fezile Dabi had the highest percentage share of people over 60 years, people in the young working age group of 25-44 comprised 32.0% of the entire population of the district.

The age category with the second largest number of people in Fezile Dabi was those in the 0-14 age group, 28.9%, followed by the teenagers and youth in the 15-24 years age group.

1.2.3. Population Growth

Put simply, population growth implies that births outnumber deaths. Fezile Dabi's population growth was 1.1% in 2017. Metsimaholo had the highest share, 1.8%, of the population growth.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fezile Dabi	0,8%	1,0%	1,1%	1,0%	1,0%	1,1%	1,1%	1,1%	1,1%	1,1%
Moqhaka	-0,4%	-0,2%	-0,1%	-0,1%	-0,1%	0,1%	0,3%	0,4%	0,5%	0,5%
Ngwathe	0,7%	0,8%	0,7%	0,6%	0,5%	0,7%	0,8%	0,8%	0,9%	0,9%
Metsimaholo	2,8%	2,9%	2,8%	2,7%	2,5%	2,4%	2,3%	2,1%	2,0%	1,8%
Mafube	0,0%	0,2%	0,5%	0,6%	0,7%	0,9%	1,0%	1,0%	1,0%	1,0%

Figure FDM3: Population Growth Rate
Source: IHS Markit, Reginal eXplorer, 2019

Deeper data analysis shows that the youth population share or growth was contracting. With minimal economic opportunities and its close proximity to Gauteng, this is not unusual.

In the past ten-year period between 2008 and 2017, population growth in Moqhaka Local Municipality remained constant, whilst Mafube and Ngwathe both grew by marginal 0.7%.

1.2.4. Population Share

Between 2008 and 2017, both Moqhaka and Metsimaholo had the biggest share, 64%, of Fezile Dabi's population. A sizable percentage, 31%, were in Moqhaka in 2017. Ngwathe had 24% share of the population.

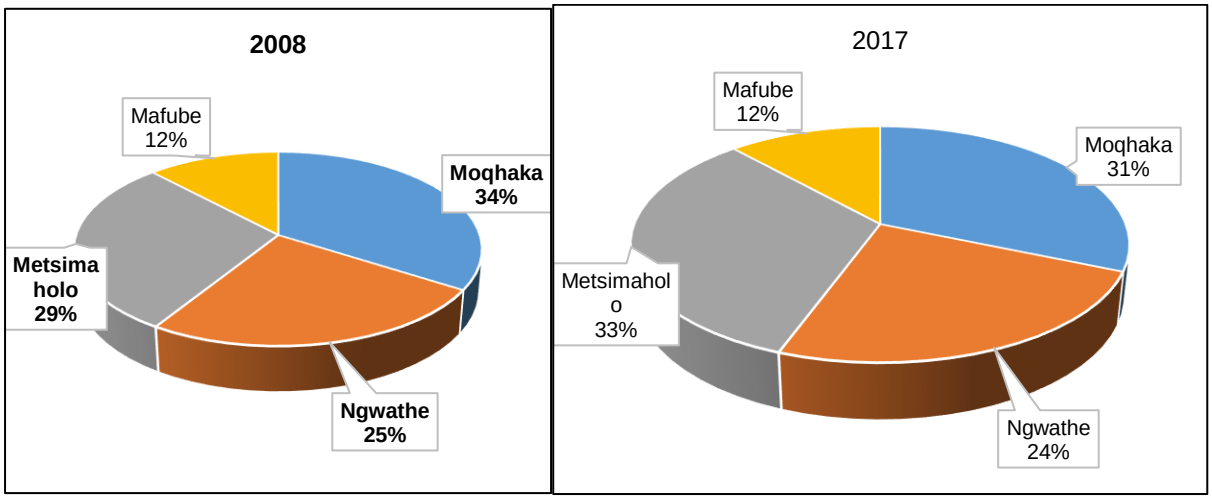


Figure FDM 4: Population Share
Source: IHS Markit, Reginal eXplorer, 2019

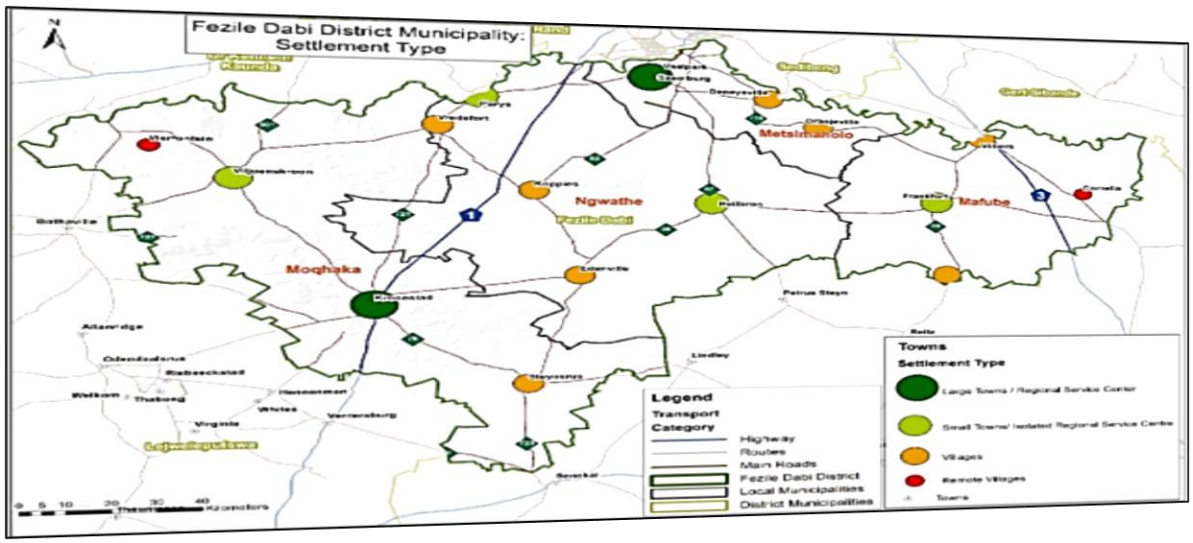
Whilst Mafube had managed to maintain a consistent population share of 12%, Metsimaholo's share of Fezile Dabi's population dropped from 29% in 2008 to 33% in 2017.

1.3. Fezile Dabi Spatial Perspective

1.3.1. Settlement Types

There are 16 urban centres in Fezile Dabi as presented in the table below as per the CSIR Guidelines for the Provision of Social Facilities in South African Settlements classification.

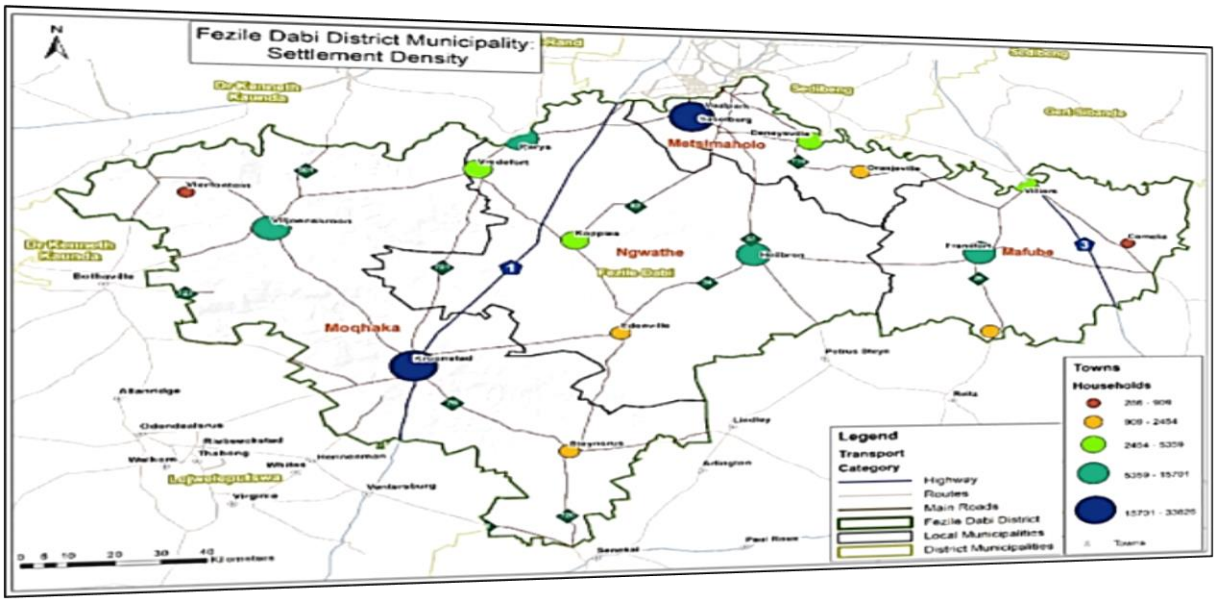
Aspects of the CSIR categorisation includes urban settlements total population, range from village and large town or regional anchor/service centre



Map FDM 5: Settlement Types
Source: Department of Rural Development and Land Reform, 2019

1.3.2. Settlement Density

Overall, Fezile Dabi had a population density of 25.3 per square kilometre in 2018 with an average annual population growth of 0.85% per square kilometre per annum.



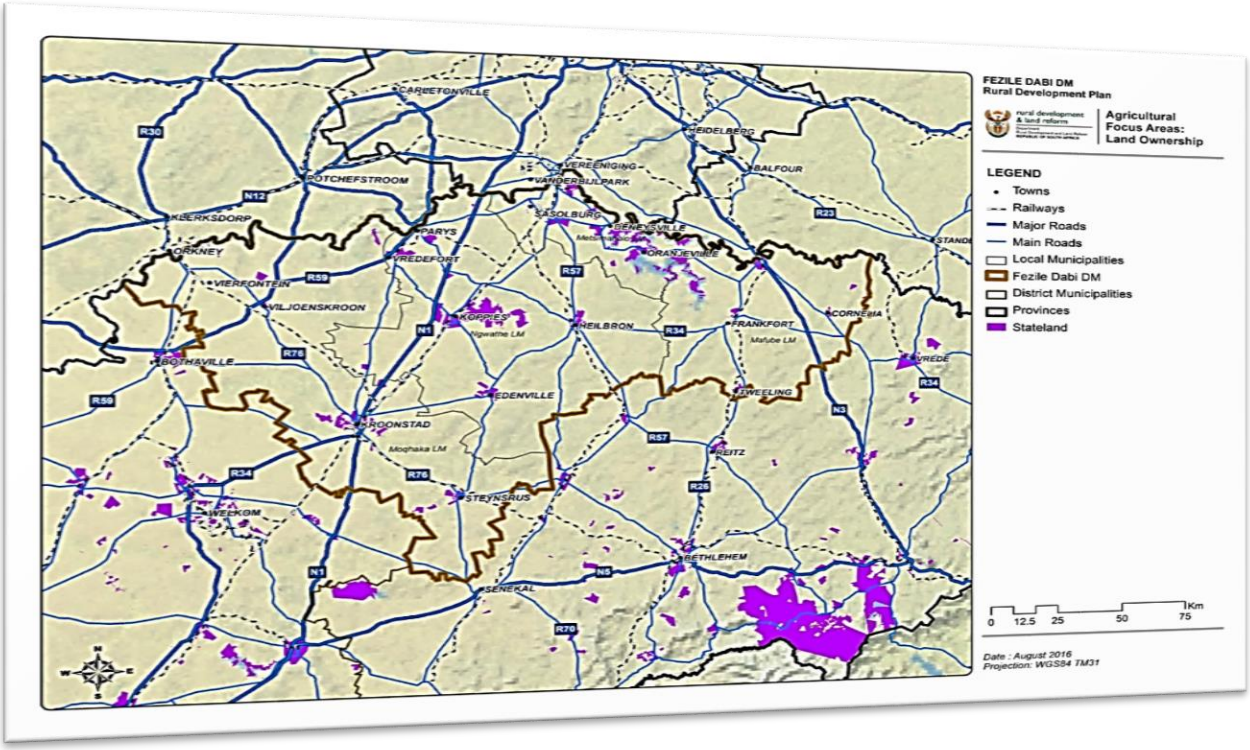
Map FDM 6: Settlement Density
Source: Department of Rural Development and Land Reform, 2019

Settlement densities are mostly in Kroonstad, classified as the “regional anchor” or Isolated Regional Service Centre, and Sasolburg, “large town” or Regional Service Centre.

The towns of Parys, Viljoenskroon, Heilbron and Frankfort had relatively moderate densities. Peripheral regions in Cornelia, Edenville, Steynsrus, and Vierfontein had lower densities.

1.3.3. Land Ownership

The Map below specify the land within the ownership of the state in Fezile Dabi.



Map FDM 7: Land Owned by the State
Source: Fezile Dabi Rural Development Plan, 2017

1.3.4. Climate

Average rainfall in Fezile Dabi is between 400mm and 600 mm/year, and occurs mainly in early to mid-summer. On average, this rainfall is about four times less than the potential evaporation of the area (2200mm-2400mm) and sub-optimal water supply by rain.

The cold winter temperatures preclude the planting of most tropical and subtropical crops. The high incidence of frost in late September (61-90 days a year) limits the growth of a number of crops. Black frost is a concern, particularly with regard to high value nut and fruit crops.

An advantage of cold winters is that cold units are accumulated to permit the cultivation of crops that require cold to optimise production e.g. apple, almond and pecan.

Hail is another climate risk in the region with an average incidence of 3 to 5 times a year.

1.3.5. Rivers and Dams

Fezile Dabi is located within the Vaal Catchment area, with the Vaal River forming its northern boundary. The Vaal River and tributaries in this catchment are listed in the table below.

The only dam of note in any of the tributaries in Fezile Dabi is the Koppies Dam.

River	Dams	Municipalities	Towns
Vaal	Vaal dam	Moqhaka Ngwathe Metsimaholo Mafube	Villiers, Oranjeville, Deneysville, Sasolburg, Parys
Renoster River	Koppies	Moqhaka	Adenville, Koppies,
Vals River		Ngwathe	Steynsrus, Kroonstad,
Wilge River		Metsimaholo	Frankfort
Liebenbergsvlei River		Mafube	

Table FDM 8: Rivers and Dams
Source: Fezile Dabi Rural Development Plan, 2017

Water for agriculture is largely limited to the artificially enhanced flows of the Wilge, Liebergs Vlei and Vaal Rivers, including the natural flow of other local rivers, streams and groundwater.

Groundwater is present in the fractured (in the vicinity of dolerite intrusions) and intergranular aquifers of the Karoo sedimentary rocks. Borehole yields are variable at between 0.1 and 10 l/s depending on the type and fracturing of the sediments.

While important, groundwater does not offer meaningful opportunities for small-scale irrigation. The current water availability for irrigation purposes should be maintained in Fezile Dabi, and water conservation and demand management significantly prioritized, too.

The 2013 National Water Strategy provides for equity and water allocation reform, water conservation, water demand management, and compliance monitoring and enforcement.

Map FDM 9: Rivers and Dams
Source: Fezile Dabi Rural Development Plan, 2017

1.3.6. Biodiversity

The natural characteristics of the Fezile Dabi include aquatic biodiversity, protected and conservation areas, biodiversity, dolomitic areas, water resources, minerals, and agriculture.

Protected areas include national parks and public nature reserves managed by the national, provincial and local governments. There are also private nature reserves privately managed.

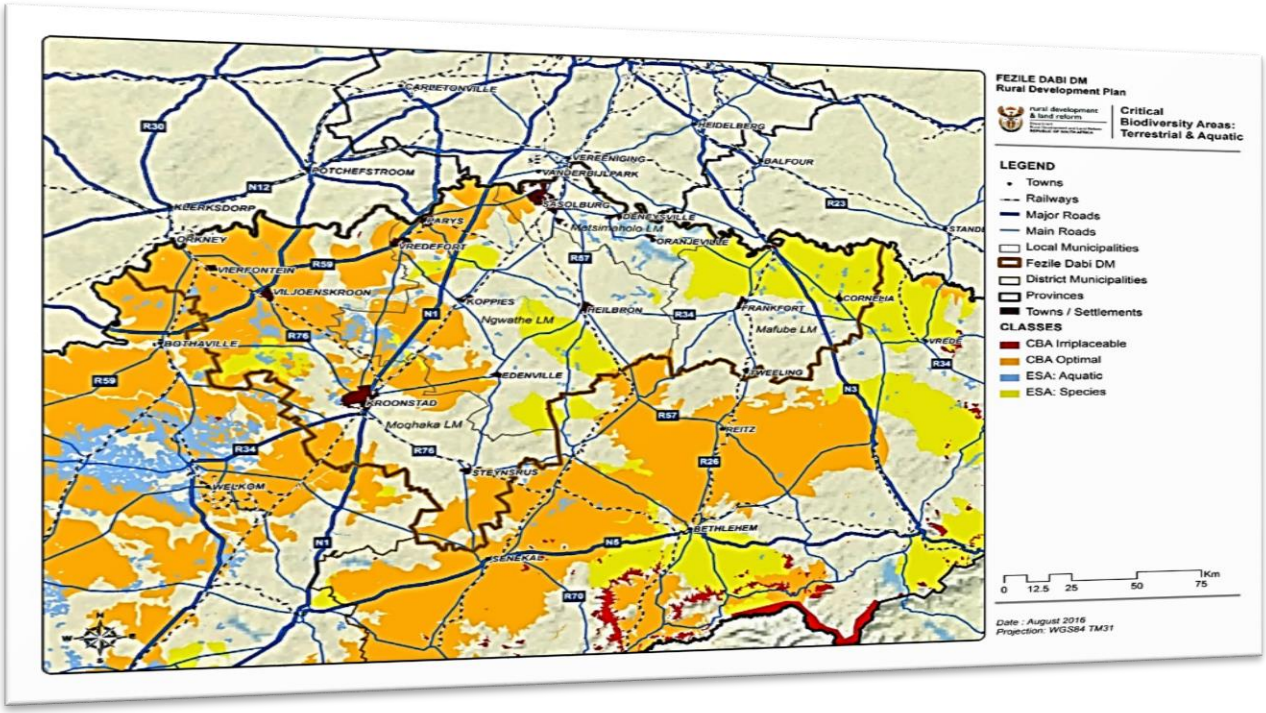
Protected and conservation areas include the Vaal River, Vaal Dam, the Vredefort Dome, fossil site (Cornelia fossilbeds), Deneysville Nature Reserve and the Koppies Nature Reserve

Map FDM 10: Protected and Conservation Areas
Source: Fezile Dabi Rural Development Plan, 2017

The Free State Biodiversity Sector Plan distinguishes between terrestrial and aquatic Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs) presented in Map FDM 10.

CBAs are terrestrial and aquatic areas that need to be maintained in a natural or near-natural state to ensure the existence of species and ecosystems and the delivery of ecosystem services. If these areas are as they should be, then biodiversity targets cannot be met.

ESAs are terrestrial and aquatic areas that are not essential for meeting biodiversity representation thresholds, but play an important role in supporting the ecological functioning of critical biodiversity areas. The ESAs in turn support socio-economic development, such as water provision, flood mitigation or carbon sequestration.



Map FDM 11: Terrestrial Biodiversity
Source: Fezile Dabi Rural Development Plan, 2017

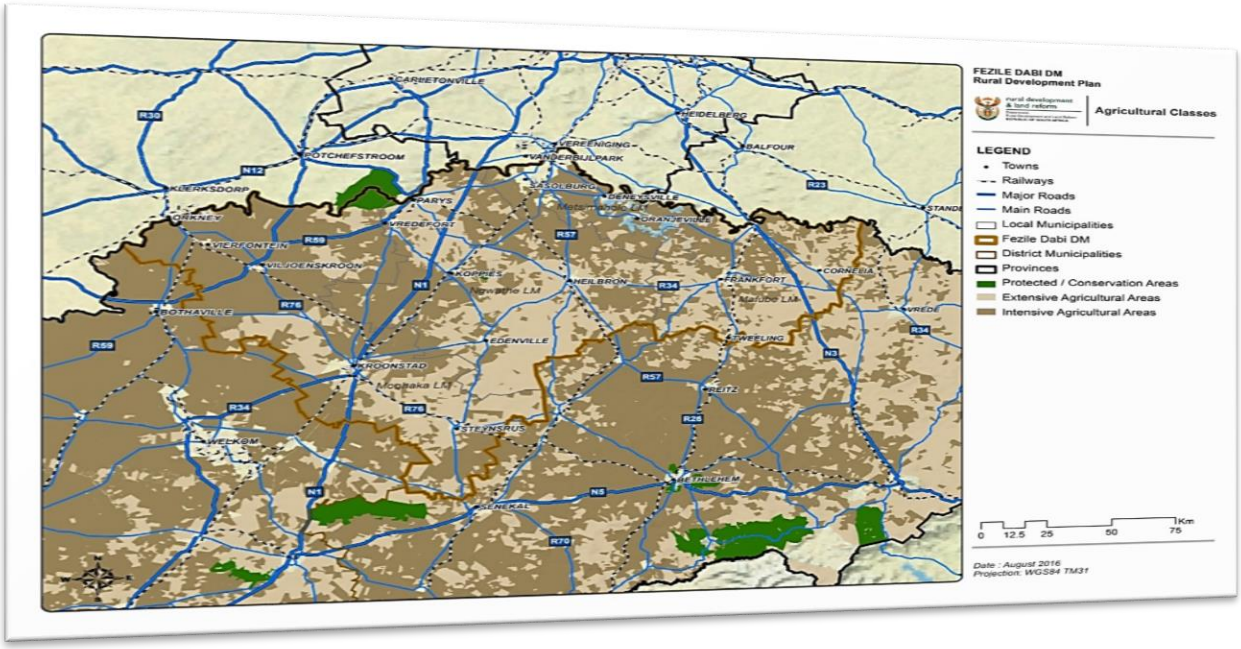
The degree or extent of restriction on land and resource use in these areas may be lower than that recommended for CBAs. The CBAs are mostly found in the north-western part of Fezile Dabi District Municipality, with a small area in the most southern part of the district.

ESA species are mostly in the eastern part with some areas in the central, northern and western part. Possible development should be considerate towards the sustenance of these areas, and ensure minimal detrimental impact on the functioning of these systems.

1.3.7. Agriculture

Fezile Dabi has a strong agricultural base producing a big share of the country's maize, sunflowers, wheat and sorghum. Other commodities that are produced in the area are soya beans, potatoes and groundnuts with livestock farming of cattle, sheep, poultry, pigs and game.

Intensive agriculture makes up 64.6% and extensive agriculture 34.9% of the total district



Map FDM 12: Agricultural Use
Source: Fezile Dabi Rural Development Plan, 2017

The agriculture potential of land is categorised in Capability classes from 1 to 8. The numbers indicate progressively greater limitations choices for land use. The classes are defined below.

Class 1	Soils have slight limitations that restrict their use.
Class 2	Soils have moderate limitations that restrict the choice of plants or that require moderate conservation practices.
Class 3	Soils have severe limitations that restrict the choice of plants or that require special conservation practices, or both.
Class 4	Soils have very severe limitations that restrict the choice of plants or that require very careful management, or both.
Class 5	Soils are subject to little or no erosion but have other limitations, impractical to remove, that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.
Class 6	Soils have severe limitations that make them generally unsuitable for cultivation and that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.
Class 7	Soils have very severe limitations that make them unsuitable for cultivation and that restrict their use mainly to grazing, forestland, or wildlife habitat.
Class 8	Soils and miscellaneous areas have limitations that preclude commercial plant production and restrict their use to recreational purposes, wildlife habitat, watershed or esthetic.

Table FDM 13: Capability Classes
Source: Fezile Dabi Rural Development Plan, 2017

Land Capability Class	Land Use Options	Land Capability Groups
1	W F LG MG IG LC MC IC VIC	Arable Land
2	W F LG MG IG LC MC IC	
3	W F LG MG IG LC MC	
4	W F LG MG IG LC	
5	W F LG MG	Grazing
6	W F LG MG	
7	W F LG	
8	W	Wildlife

Table FDM 14: Land Use Options
Source: Fezile Dabi Rural Development Plan, 2017

Land Capability Class	Land Use Options	Land Capability Groups
W - Wildlife **F - Forestry** **LG - Light grazing** **MG – Moderate grazing** **LC - Poorly adapted cultivation** **MC - Moderately well adapted cultivation** **IC - Intensive, well adapted cultivation** **VIC - Very intensive, well adapted cultivation**		

The grazing and arable land capability analysis within Fezile Dabi shows that 64.6% of the land has the capability to be used as arable and 26.1% as grazing, woodland or for wildlife.

Metsimaholo Local Municipality	Moqhaka Local Municipality	Mafube Local Municipality	Ngwathe Local Municipality
• Land use control on the numerous small holdings and small farms is problematic. • Portions of Subdivision 3 of the Farm Mooi-Plaats 581, not suitable for urban development and not proposed for immediate urban extension, are at present utilised for commonage purposes and could be utilised for mixed agriculture and food production activities. • The community is, at present, experiencing a critical need for additional commonage. • Portions of Subdivision 3 of the Farm Mooi-Plaats 581, not suitable for urban development and not proposed for immediate urban extension, are at present utilised for commonage purposes and could be utilised for mixed agriculture and food production activities. • The community is, at present, experiencing a critical need for additional commonage.	• No irrigation schemes exist. • Moqhaka Municipality owns farms (4), which are rented out. • Commonages (2) are available for grazing.	• Subsistence farming takes place on a farm along the R26 route • To the northeast of Namahadi and southeast of the industrial area, vast expanses of the townlands are undeveloped and utilised for grazing purposes. • Smallholdings are located adjacent the Wilge River to the west of Frankfort. The development of these small holdings is not economically viable and they are subsequently not well advanced. • The farms Ayr 75 and Aberdeen 530 were recently purchased for commonage purposes although portions thereof will be utilized for urban extension of Namahadi. The remaining portions will, for the interim, suffice as communal grazing. • Dasklippan on R 34 is a communal farm. • Most agriculture land is privately owned. • Municipality has made municipal land available for camps for crop farming at Villiers. • Negotiations for the acquisition of land for cattle farming failed at Cornelia. • Land available at Tweeling Asvoelkrans. • Low grazing capacity restricts the settlement of farmers.	• The only irrigation scheme within the municipality is situated at Koppies • Commonage availability: Parys: • Farms were acquired to the southeast. Additional land required Heilbron • Several farms were acquired to the north of Phiritona Koppies • Plot 1014 - 1016 acquired, southeast of Kwakwatsi • Commonage required: Rem and Sub 1 of Lionriver 154 Vredefort • Farms were acquired to the east of Mokwallo Edenville • Several farms were acquired to the west, north and east of Ngwathe Ngwathe Rural Area • Possibility to establish additional smallholdings

Table FDM 15: Agricultural Issues per Municipality
Source: Fezile Dabi Rural Development Plan, 2017

1.3.8. Urban-Rural Character

In Fezile Dabi, there are four “small towns” referred to as Isolated Regional Service Centres (IRSC) with a population of between 25 000 to 60 000 people as per the CSIR classification.

Kroonstad is described as an Isolated Rural Service Centre (Regional Anchor) with a catchment size of 25 000 - 60 000. The town of Sasolburg is classified as a Regional Service Centre (large town) with a population of between 100 000 - 350 000 people.

Villages: *(5 000 - 25 000 people)*	Deneysville, Edenville, Frankfort, Heilbron, Koppies, Steynsrus, Tweeling Vredefort Viljoenskroon, and Villiers
Remote villages: *(500 - 5 000 people) i.e. villages that are more than 20 km from larger settlements*	Cornelia, Oranjeville, and Viefontein

Table FDM 16: Urban and Rural Centres
Source: Department of Rural Development and Land Reform, 2019

As shown above, Fezile Dabi also have three Remote Villages with between 500 - 5 000 people, and eight Villages (Rural Service Centres) with about 5 000 - 25 000 number of people.

1.4. Fezile Dabi Social Perspective

1.4.1. Households by Dwelling Type

Fezile Dabi's number of very formal dwellings was 72 200, formal dwelling was 63 500, informal dwellings was 14 100 and traditional dwellings was 9 110 in 2018.

Municipalities	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Mangaung	95,400	137,000	23,900	13,800	1,110	271,000
Xhariep	13,400	21,300	2,740	1,630	151	39,200
Lejweleputswa	75,600	77,600	21,800	12,300	1,040	188,000
Thabo Mofutsanyana	51,700	124,000	26,700	21,600	1,450	226,000
Fezile Dabi	73,200	63,500	14,100	9,110	692	161,000
Total	**309,338**	**423,436**	**89,307**	**58,435**	**4,450**	**884,967**

Table FDM 17: Households by Dwelling Type, 2018
Source: IHS Markit Regional eXplorer version 1750

1.4.2. Households by Sanitation Type

The number of households with flush toilet was 135 000, VIP was 3 720, pit toilet was 12 500, bucket system was 6 780 and no toilets was 2 030 in Fezile Dabi District Municipality.

Municipality	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Mangaung	198,000	35,800	26,800	5,300	5,340	271,000
Xhariep	33,500	1,750	1,200	956	1,720	39,200
Lejweleputswa	159,000	5,260	12,800	7,940	3,940	188,000
Thabo Mofutsanyana	143,000	24,500	47,300	7,350	3,810	226,000
Fezile Dabi	135,000	3,720	12,500	6,780	2,030	161,000
Total	**668,246**	**70,977**	**100,571**	**28,332**	**16,840**	**884,967**

Table FDM 18: Households by Sanitation Type, 2018
Source: IHS Markit Regional eXplorer version 1750

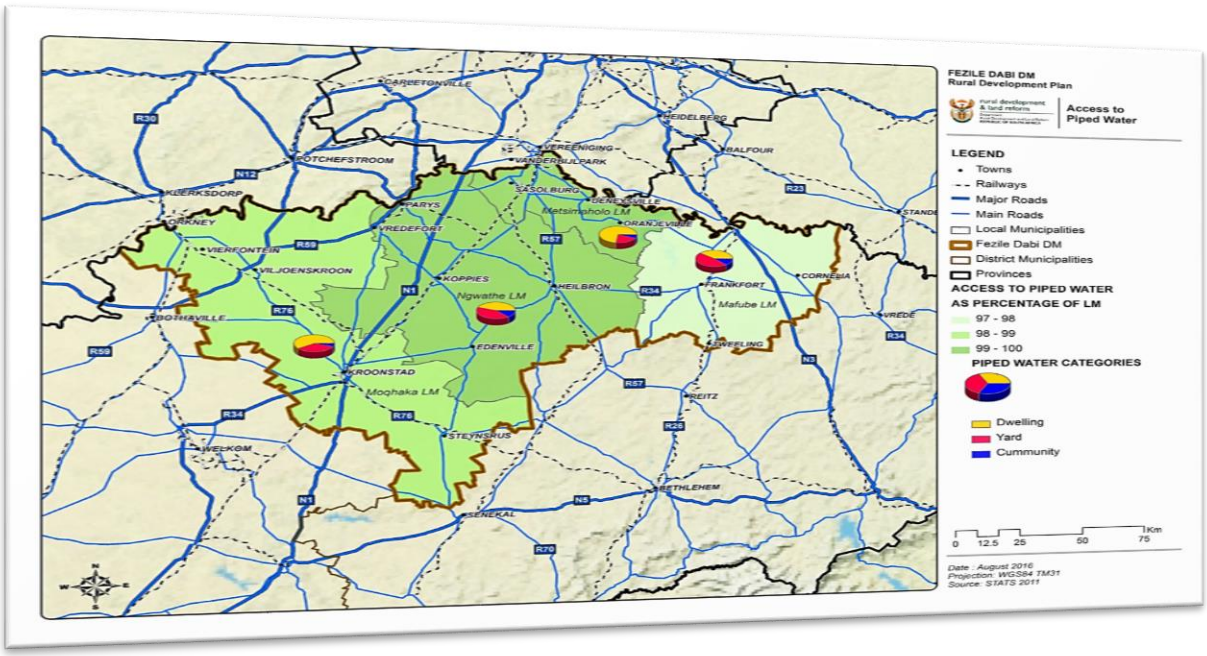
1.4.3. Households by Access to Water

A significant number of households in Fezile Dabi District Municipality, 92 500, had piped water in dwelling followed by 56 300 households that had water in the yard.

Households with communal piped water: less than 200m from dwelling were 7 990, those with communal piped water were 2 500 and those with no formal piped water were 1 240.

Municipalities	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mangaung	122,000	118,000	24,500	4,620	1,990	271,000
Xhariep	17,000	20,600	675	338	499	39,200
Lejweleputswa	92,000	83,400	8,430	2,840	1,710	188,000
Thabo Mofutsanyana	71,200	128,000	18,500	3,410	4,420	226,000
Fezile Dabi	92,500	56,300	7,990	2,500	1,240	161,000
Total	**394,881**	**406,379**	**60,135**	**13,707**	**9,864**	**884,967**

Table FDM 19: Households by Access to Water, 2018
Source: IHS Markit Regional eXplorer version 1750



Map FDM 20: Access to Piped Water
Source: Fezile Dabi Rural Development Plan, 2017

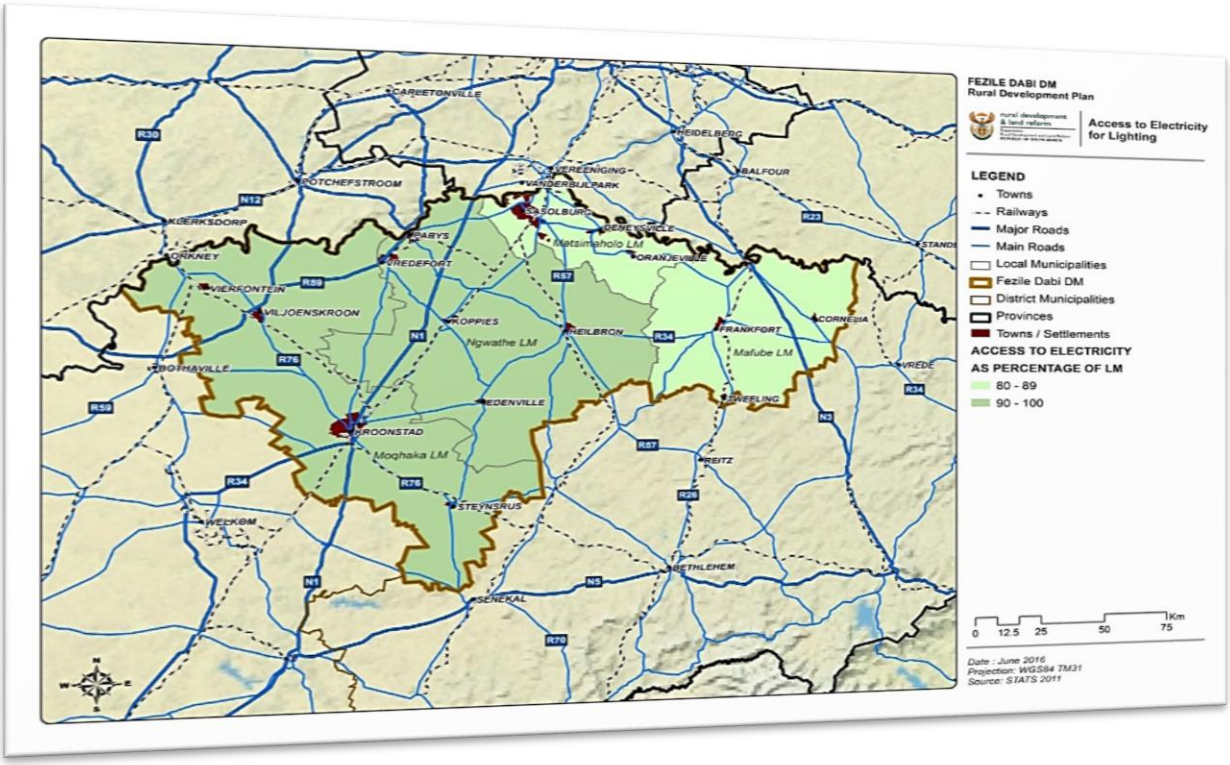
There are still concerns about the availability, quality and management of water including climate change. Access to water is critically low in Fezile Dabi District Municipality.

1.4.4. Households by Electricity Type

Table FDM 21 specify that the number of households that used electricity for lighting only was 4 040 161 000 households in Fezile Dabi. Households that used electricity for lighting and other purposes was 144 000 or 17.9%, and those not using electricity was 12 300.

Municipalities	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mangaung	4,240	252,000	14,400	271,000
Xhariep	1,620	35,700	1,860	39,200
Lejweleputswa	3,590	172,000	12,500	188,000
Thabo Mofutsanyana	11,600	196,000	18,400	226,000
Fezile Dabi	4,040	144,000	12,300	161,000
Total	**25,052**	**800,493**	**59,421**	**884,967**

Table FDM 21: Households by Electricity Type, 2018
Source: IHS Markit Regional eXplorer version 1750



Map FDM 22: Access to Electricity
Source: Fezile Dabi Rural Development Plan, 2017

Access to electricity by a significant number of households in Fezile Dabi is an indication that the living conditions of the majority continues to get better with time.

However, non-payment of electricity combined with other factors, has put pressure on electricity provision. Monies owed to Eskom as indicated in the Table below is indicative of this

Name of Municipality	Current	16 - 30 days	31 - 60 days	61 - 90 days	90 days+	Total
CENTLEC MUNICIPALITY	6,177,776	0	0	0	0	6,177,776
DIHLABENG LOCAL MUNICIPALITY	27,343,670	0	30,101,173	16,750,028	206,001,553	280,196,424
KOPANONG LOCAL MUNICIPALITY	9,587,172	0	15,906	14,652	1,065,434	10,683,164
LETSEMENG LOCAL MUNICIPALITY	4,758,693	0	4,652,713	3,468,087	19,069,257	31,948,751
MAFUBE LOCAL MUNICIPALITY	11,620,725	0	12,216,307	9,673,462	77,604,295	111,114,789
MALUTI A PHOFUNG LOCAL MUNICIPALITY	173,087,033	0	267,271,375	135,540,138	3,875,848,577	4,451,747,124
MANGAUNG METROPOLITAN MUNICIPALITY	248,995,326	266,951,800	317,000	13,595,081	40,886,892	570,746,099
MANTSOPA LOCAL MUNICIPALITY	8,881,842	0	9,194,028	7,527,859	171,605,434	197,209,163
MASILONYANA LOCAL MUNICIPALITY	5,489,744	0	5,748,207	3,806,808	54,379,921	69,424,681
MATJHABENG LOCAL MUNICIPALITY	206,061,940	0	300,246	146,364,801	2,346,246,785	2,698,963,772
METSIMAHOLO LOCAL MUNICIPALITY	34,925,882	0	0	0	0	34,925,882
MOHOKARE LOCAL MUNICIPALITY	64,679	0	0	0	0	64,679
MOQHAKA LOCAL MUNICIPALITY	83,206,032	0	0	54,632,236	197,474,752	335,313,020
NALA LOCAL MUNICIPALITY	28,534,805	0	3,460,269	21,755,517	238,663,790	292,414,382
NGWATHE LOCAL MUNICIPALITY	41,467,418	0	37,181,653	28,790,412	1,070,263,529	1,177,703,012
NKETOANA LOCAL MUNICIPALITY	22,830,580	0	0	9,717,165	243,389,170	275,936,915
PHUMELELA LOCAL MUNICIPALITY	8,987,373	0	3,048,707	4,659,364	109,781,479	126,476,418
SETSOTO LOCAL MUNICIPALITY	11,425,050	30,881	10,152,317	972,184	0	22,580,432
TOKOLOGO LOCAL MUNICIPALITY	4,783,017	0	4,738,513	3,826,850	54,410,686	67,759,066
TSWELOPELE LOCAL MUNICIPALITY	11,402,633	0	0	7,315,307	22,415,152	41,133,091
TOTAL	949,621,390	266,982,682	388,397,909	468,409,951	8,729,106,706	10,802,518,637

Table LDM 23: Eskom Debt Outstanding as at 31 August 2019
Source: Status of Municipaly Finance – Fisrt Quarter, Free State Treasury 2019

1.4.5. Households by Refuse Removal

The number of households where refuse was removed weekly was 138 000 and where it was removed less often than weekly was 2 690. Households were refuse was removed by community members were 3 120 and where refuse was removed personally were 12 400.

Municipality	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Mangaung	230,000	6,730	6,500	21,600	5,730	271,000
Xhariep	28,300	1,180	1,630	6,740	1,290	39,200
Lejweleputswa	149,000	8,950	3,680	18,500	8,160	188,000
Thabo Mofutsanyana	118,000	2,800	11,900	78,500	15,000	226,000
Fezile Dabi	138,000	2,690	3,120	12,400	4,540	161,000
Total	**663,373**	**22,348**	**26,835**	**137,697**	**34,714**	**884,967**

Table FDM 24: Households by Refuse Removal, 2018
Source: IHS Markit Regional eXplorer version 1750

1.4.6. Education Provision

Figures about the education attainments in Fezile Dabi District Municipality demonstrate that the number of people with Matric increased from 75 600 in 2008 to 102 000 in 2018.

Similarly noteworthy was the proportion of individuals with Matric and a Certificate/Diploma whose number increased with an average annual rate of 2.37%. Individuals with 'Matric and a Bachelor's' degree's percentage equally increased with an annual rate of 3.91%.

Education Level	Fezile Dabi	Free State	Fezile Dabi as % of Province	Fezile Dabi as % of National
No schooling	17 000	91 500	18.6%	0.78%
Grade 0-2	9 530	44 800	21.3%	1.42%
Grade 3-6	36 100	191 000	18.9%	1.17%
Grade 7-9	62 800	350 000	17.9%	1.03%

Grade 10-11	83 300	426 000	19.5%	0.94%
Certificate / Diploma Without Matric	2 350	10 900	21.6%	1.30%
Matric Only	103 000	526 000	19.5%	0.93%
Matric Certificate / Diploma	18 800	104 000	18.2%	0.83%
Matric Bachelors Degree	10 800	75 600	14.3%	0.64%
Matric Postgrad Degree	3 870	28 300	13.7%	0.49%

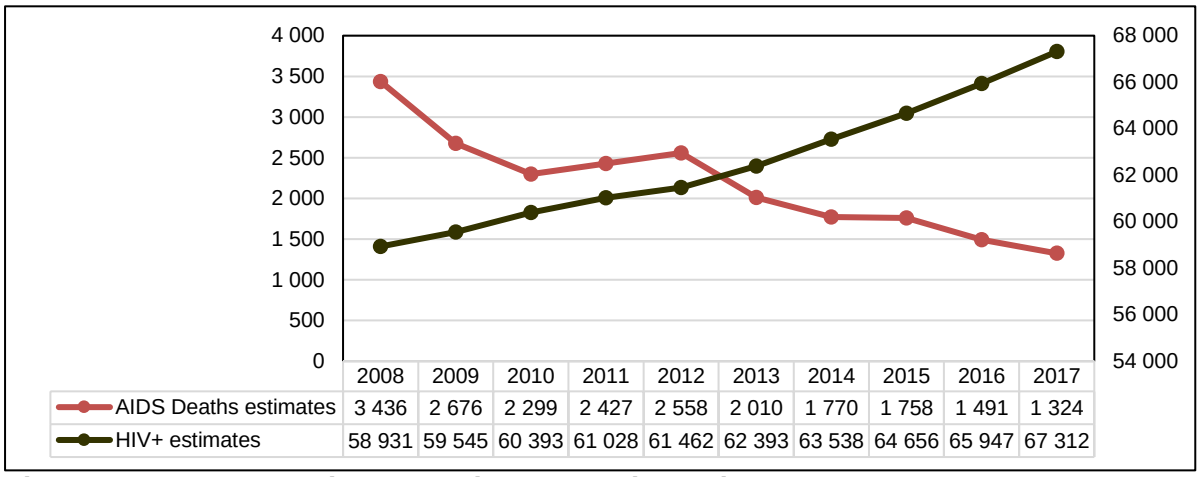
Table FDM 25: Highest Level of Education: Age 15+, 2018
Source: IHS Markit Regional eXplorer version 1803

Figures in the Table above illustrate that Fezile Dabi accounted for 18.62% of the number of people without schooling compared to a total share of 0.78% of the nation. Overall, 3 870 people had Matric plus postgrad degree and those with a Matric certificate were 103 000.

Clearly, there has been an improvement in the level of education attainments in Fezile Dabi with a reduction in the number of people with no education from 5.2% in 2008 to 3.6% in 2017.

1.4.7. HIV and AIDS Prevalence

Indications in Figure FDM 26 are that HIV prevalence in the Fezile Dabi is increasing. Yet, the number of AIDS mortality are falling. These dropped from 3 436 in 2008 to 1 324 in 2017.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AIDS Deaths estimates	3 436	2 676	2 299	2 427	2 558	2 010	1 770	1 758	1 491	1 324
HIV+ estimates	58 931	59 545	60 393	61 028	61 462	62 393	63 538	64 656	65 947	67 312

Figure FDM 26: HIV Estimates and AIDS Deaths Estimate
Source: IHS Markit, Reginal eXplorer, 2019

This notable AIDS deaths mortality decrease in Fezile Dabi District Municipality can primarily be ascribed to an increase in the roll-out of the antiretroviral therapy, prevention of mother-to-child transmission, the distribution of condoms including medical male circumcision.

1.4.8. Human Development

The Human Development Index (HDI) measures life expectancy at birth, education using average years of schooling and gross national income per capita. HDI varies between zero and one, with zero being the lowest level of development and one the highest level.

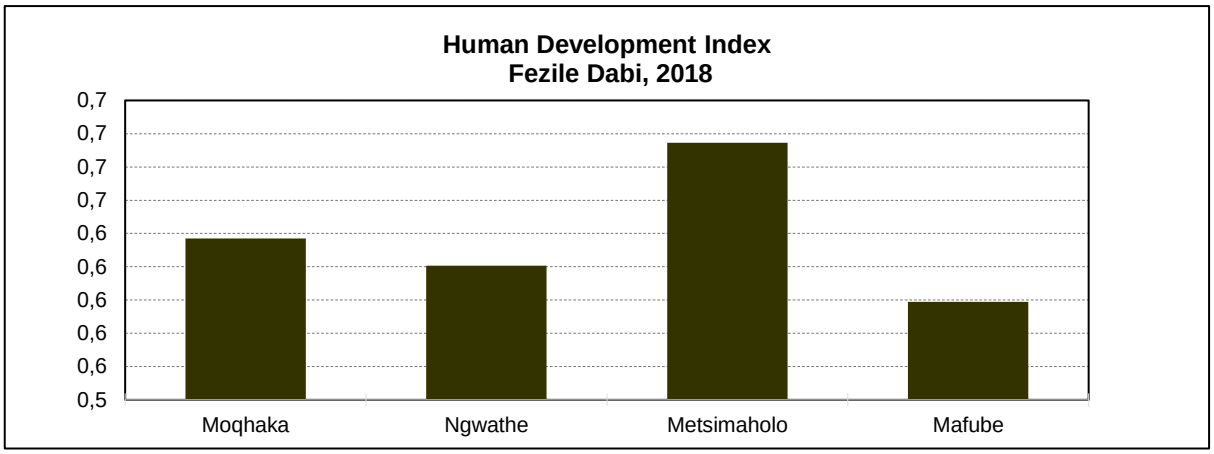


Figure FDM 27: Human Development Index
Source: IHS Markit, Reginal eXplorer Version 1803

Metsimaholo Local Municipality had the highest HDI index of 0.67 and Moqhaka an index of 0.63, meaningfully higher than 0.60 index of Mafube and an index 0.61 of Ngwathe.

Although uneven, these numbers demonstrate a favourable development trajectory for mainly Metsimaholo and Moqhaka, but overall unequal. Overall, local municipalities in Fezile Dabi District Municipality have seen a general improvement in the standard of living.

1.4.9. Income Distribution

The gini-coefficient is a summary statistic of income inequality. If the gini-coefficient is equal to zero, income distribution denotes equal income distribution. That is, there is no variance between the high and low-income earners within the population in an area.

The opposite is also true. If the gini-coefficient equals one, income is completely inequitable.

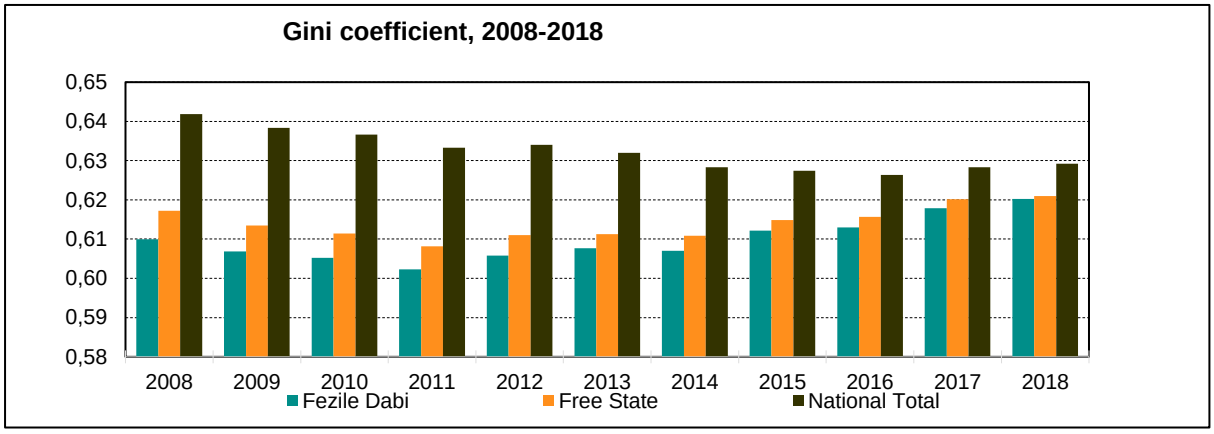


Figure FDM 28: Gini-coefficient - Fezile Dabi, 2018
Source: IHS Markit Regional eXplorer version 1803

The gini-coefficient in Fezile Dabi District Municipality was 0.62, which reflects an increase in the number over the ten-year period bnetween 2008 to 2018.

What this implies is that Fezile Dabi District Municipality had a more unequal spread of income amongst in residents in the Free State province.

1.4.10. Poverty Level

The upper poverty line is defined by Statistics South Africa as the level of consumption individuals can purchase enough food and other items without sacrificing one for the other.

This variable measures the number of individuals living below that particular level of consumption, and is balanced directly to the official upper poverty rate

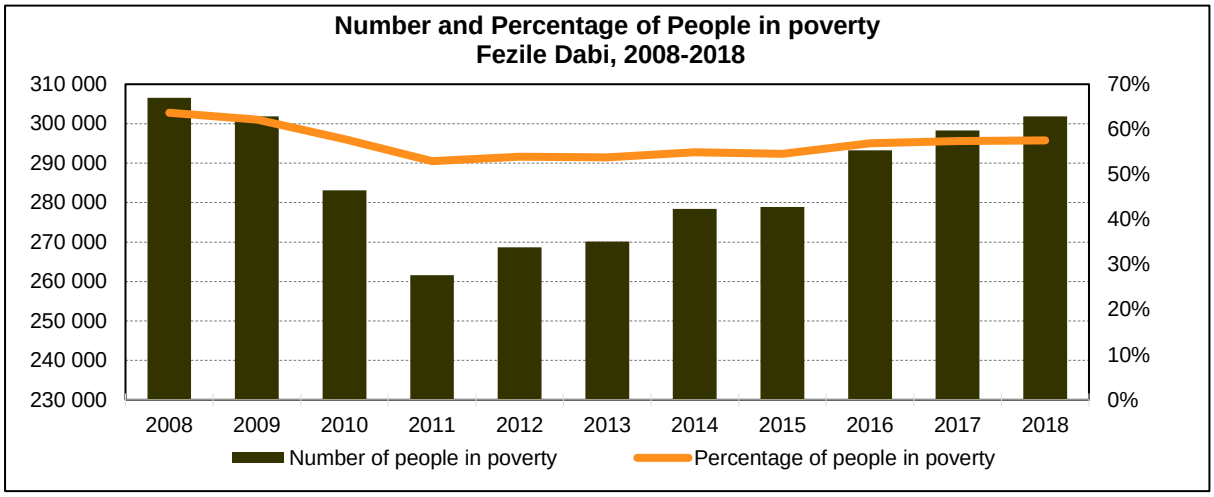


Figure FDM 29: People Living in Poverty, 2018
Source: IHS Markit Regional eXplorer version 1803

Fezile Dabi had 302 000 people living in poverty in 2018. This was 1.53% lower than the 306 000 in 2008. Leading was Mafube with 66.2% and Metsimaholo was the lowest, 48.2%.

1.4.11. Crime Level

The biggest crime category in 2018/2019 in Fezile Dabi were serious crimes reported by the community (14 914). This represented a 0.3% decrease from the 2017/2018 financial year.

Committed crime under this category ranged from murder (107), attempted murder (116), sexual offenses (476), common assault (2 388) to common robbery (190) as evident below.

Crime Category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Murder	111	107	-4	-3.6%
Total Sexual Offences	414	476	**62**	**15.0%**
Attempted murder	72	116	**44**	**61.1%**
Assault with the intent to inflict grievous bodily harm	1730	1657	-73	-4.2%
Common assault	2313	2388	**75**	**3.2%**
Common robbery	254	190	-64	-25.2%
Robbery with aggravating circumstances	649	670	**21**	**3.2%**
Total Contact crimes	5543	5604	**61**	**1.1%**
Arson	16	18	**2**	**12.5%**
Malicious damage to property	959	928	-31	-3.2%
Total Contact related crimes	975	946	-29	-3.0%
Burglary at non-residential premises	991	927	-64	-6.5%
Burglary at residential premises	2537	2330	-207	-8.2%
Theft of motor vehicle and motorcycle	436	395	-41	-9.4%

Crime Category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Theft out of or from motor vehicle	554	522	-32	-5.8%
Stock-theft	620	748	**128**	**20.6%**
Total Property related crimes	5138	4922	-216	-4.2%
All theft not mentioned elsewhere	2358	2538	**180**	**7.6%**
Commercial crime	478	535	**57**	**11.9%**
Shoplifting	382	369	-13	-3.4%
Total Other serious crimes	3218	3442	**224**	**7.0%**
TOTAL 17 Community Reported Serious Crimes	14874	14914	**40**	**0.3%**
Carjacking	41	37	-4	-9.8%
Robbery at residential premises	115	110	-5	-4.3%
Robbery at non-residential premises	173	183	**10**	**5.8%**
Total TRIO Crimes	329	330	**1**	**0.3%**
Truck hijacking	11	16	**5**	**45.5%**
Bank Robbery	0	0	**0**	**0**
Robbery of cash in transit	1	0	-1	-100.0%
Illegal possession of firearms and ammunition	58	87	29	50.0%
Drug-related crime	2435	1760	**-675**	**-27.7%**
Driving under the influence of alcohol or drugs	537	714	177	33.0%
Sexual Offences detected as a result of Police Action	0	4	4	0
Total Crime detected as a result of police action	3030	2565	**-465**	**-15.3%**

Table FDM 30: Crime Statistics
Source: South African Police Service, October 2019

The second biggest sub-category under serious crimes reported by the community were property related crimes (4 922). Examples of these crimes included malicious damage to premises, burglary at residential premises, theft out of or from motor vehicle and stock theft.

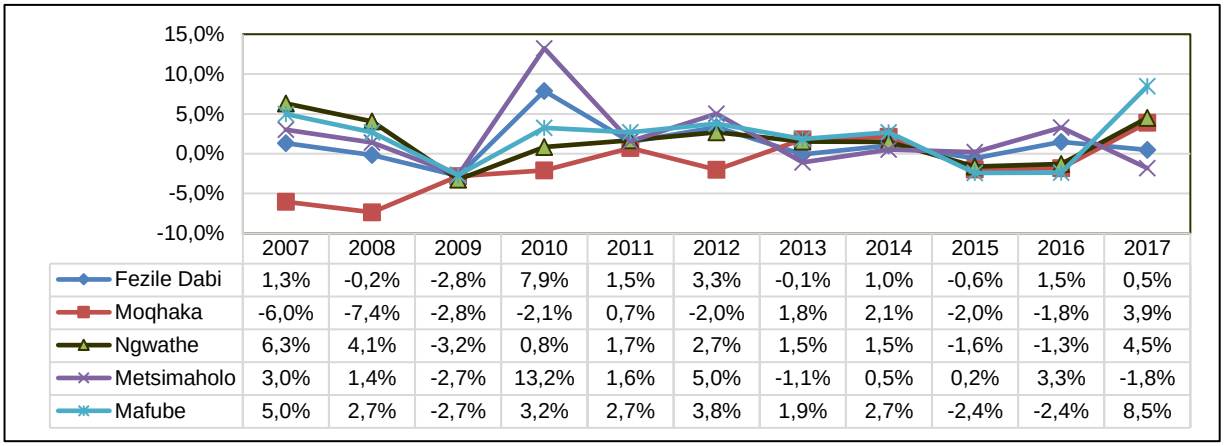
The most committed categories of crime were what is referred to as other related crimes (3 442). These included shoplifting (369), commercial crimes (535) and all theft not mentioned elsewhere at (2 538). A total of 2 565 crimes were detected as a result of police action.

Such crimes ranged from illegal possession of firearms and ammunition (87), drug-related crime (1 760), driving under the influence of alcohol and drugs (714) and sexual offenses (4).

1.5. Fezile Dabi Economic Perspective

1.5.1. Gross Domestic Product

The Fezile Dabi contributed 24.51% to the Free State GDP of R 246 billion in 2018.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fezile Dabi	1,3%	-0,2%	-2,8%	7,9%	1,5%	3,3%	-0,1%	1,0%	-0,6%	1,5%	0,5%
Moqhaka	-6,0%	-7,4%	-2,8%	-2,1%	0,7%	-2,0%	1,8%	2,1%	-2,0%	-1,8%	3,9%
Ngwathe	6,3%	4,1%	-3,2%	0,8%	1,7%	2,7%	1,5%	1,5%	-1,6%	-1,3%	4,5%
Metsimaholo	3,0%	1,4%	-2,7%	13,2%	1,6%	5,0%	-1,1%	0,5%	0,2%	3,3%	-1,8%
Mafube	5,0%	2,7%	-2,7%	3,2%	2,7%	3,8%	1,9%	2,7%	-2,4%	-2,4%	8,5%

Figure FDM 31: GDP-R (Average annual growth (constant 2010 prices)
Source: IHS Markit, Reginal eXplorer, 2019

Metsimaholo had the highest average annual economic growth of 3.16% between 2008 and 2018, when compared to the rest of the other municipalities in Fezile Dabi District Municipality.

Mafube Local Municipality had the second highest average annual growth rate of 0.76%. Moqhaka had the lowest average annual growth rate of -1.24% in the same period.

Municipalities	2018 (Current prices)	Share of district municipality	2008 (Constant prices)	2018 (Constant prices)	Average Annual growth
Moqhaka	9.06	15.06%	6.70	5.91	**-1.24**%
Ngwathe	7.19	11.94%	4.32	4.53	**0.48**%
Metsimaholo	40.66	67.54%	19.96	27.25	**3.16**%
Mafube	3.28	5.46%	1.91	2.06	**0.76**%
Fezile Dabi	**60.19**		**32.89**	**39.75**	

Table FDM 32: GDP Fezile Dabi District Municipality, 2018
Source: IHS Markit Regional eXplorer version 1803

1.5.2. Gross Value Add

Gross Value Added (GVA) is a measure of output of a region in terms of the value that was created in that region. GVA is measured at basic prices and GDP at market prices.

All economic sectors were classified by the South African Standard Industrial Classification.

Sectors	2008	2013	2018	Average Annual growth
Agriculture	1.15	1.10	0.81	-3.40%
Mining	5.67	6.30	7.97	3.46%
Manufacturing	8.59	9.31	9.77	1.29%
Electricity	1.99	2.10	1.93	-0.28%
Construction	0.60	0.74	0.78	2.55%
Trade	2.94	3.61	3.83	2.68%
Transport	1.55	1.68	1.80	1.55%
Finance	3.06	3.58	3.89	2.44%
Community services	3.41	4.03	4.31	2.38%
Total	**28.96**	**32.46**	**35.09**	**1.94%**

GVA FDM 33: Broad Economic Sector, 2018
Source: IHS Markit Regional eXplorer version 1803

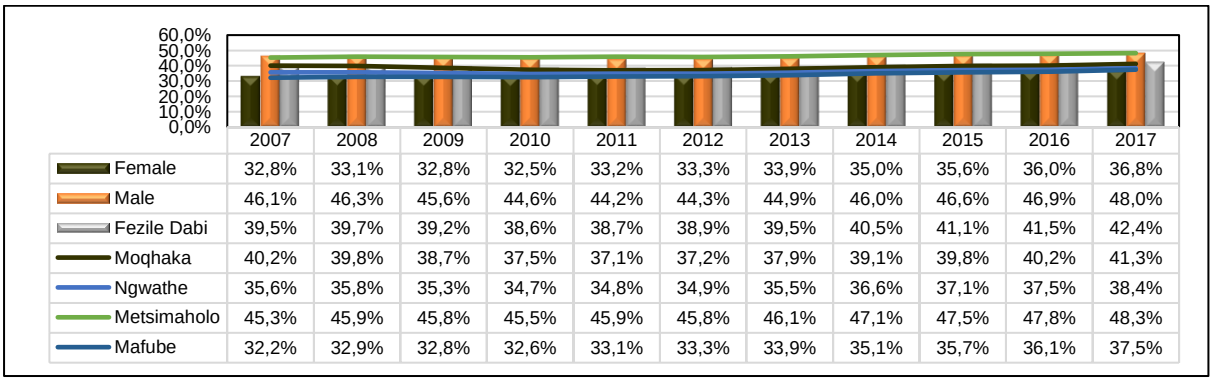
Between 2018 and 2008, the GVA in the community services sector was the highest with an average annual growth of 1.89% followed by the trade sector at 1.58%.

Negative growth was recorded in the electricity sector, -0.15%, and agriculture sector, -3.43%.

1.5.3. Economic Active Population

The economically active population includes persons between the ages of 15 to 65 years who are either employed or unemployed, seeking employment.

As more people enter the labour force, the number of economically active population soared in Fezile Dabi. However, many remained unemployed due to the inability of the labour market to absorb them because of factors that include weak economic growth and skills mismatches.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Female	32,8%	33,1%	32,8%	32,5%	33,2%	33,3%	33,9%	35,0%	35,6%	36,0%	36,8%
Male	46,1%	46,3%	45,6%	44,6%	44,2%	44,3%	44,9%	46,0%	46,6%	46,9%	48,0%
Fezile Dabi	39,5%	39,7%	39,2%	38,6%	38,7%	38,9%	39,5%	40,5%	41,1%	41,5%	42,4%
Moqhaka	40,2%	39,8%	38,7%	37,5%	37,1%	37,2%	37,9%	39,1%	39,8%	40,2%	41,3%
Ngwathe	35,6%	35,8%	35,3%	34,7%	34,8%	34,9%	35,5%	36,6%	37,1%	37,5%	38,4%
Metsimaholo	45,3%	45,9%	45,8%	45,5%	45,9%	45,8%	46,1%	47,1%	47,5%	47,8%	48,3%
Mafube	32,2%	32,9%	32,8%	32,6%	33,1%	33,3%	33,9%	35,1%	35,7%	36,1%	37,5%

Figure FDM 34: Economically Active Population
Source: IHS Markit, Reginal eXplorer, 2019

With 48.3% share, Metsimaholo was the municipality with the higher number of economically active population and Mafube had the least share of economically active population.

1.5.4. Employment Level

While manufacturing led the economy of Fezile Dabi, the trade and community services were the main sources of employment with each employing 19.5% and 19.3% in 2017, respectively.

Between 2008 and 2017, some industries shed jobs in Fezile Dabi District Municipality. Manufacturing lost -3 053 jobs, finance -1 712 jobs and households lost -984.

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	14 575	16 108	16 447	15 796	15 433	14 942	14 979	15 010	14 940	14 849	20 258
Mining	7 558	6 783	6 105	5 659	4 764	4 562	4 250	3 928	3 984	4 827	4 506
Manufacturing	17 705	18 529	17 355	15 507	14 479	14 050	15 085	16 686	17 159	17 468	17 817
Electricity	565	705	810	846	847	811	808	896	1 119	1 215	1 270
Construction	9 535	10 090	10 097	10 088	10 655	10 426	10 121	10 176	10 510	10 871	10 770
Trade	26 925	27 168	26 435	25 522	25 167	24 302	24 027	25 395	27 321	27 868	27 197
Transport	5 320	5 804	5 905	5 642	5 296	5 038	5 151	5 330	5 582	5 790	5 832
Finance	11 943	12 218	12 304	12 323	12 578	12 312	11 752	11 662	11 227	10 623	10 231
Community services	23 650	24 068	24 113	24 231	24 857	25 531	26 751	28 163	28 685	27 848	26 839
Households	15 517	15 991	15 861	15 122	15 197	14 888	14 339	14 267	14 300	14 734	14 533
Total	**133 293**	**137 462**	**135 431**	**130 737**	**129 273**	**126 863**	**127 263**	**131 514**	**134 827**	**136 094**	**139 252**

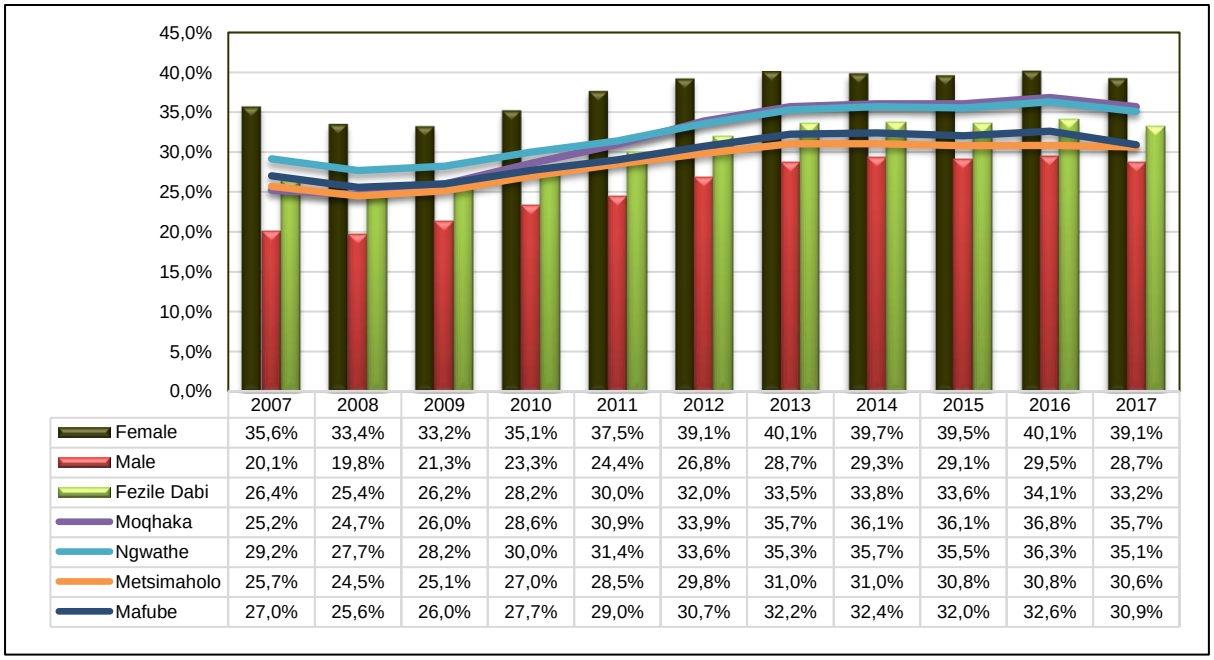
Table FDM 34: Employment per Sector, Formal and Informal
Source: IHS Markit, Reginal eXplorer, 2019

Notwithstanding job losses, 5 683 individuals were employed in the agricultural sector, 3 190. The community services and construction sectors added 1 235 jobs between 2008 and 2017.

1.5.5. Unemployment Level

The official definition of unemployment refers to people in the labour force who are not working and have actively been looking for work prior to the survey.

The broad definition of unemployment includes individuals who have not been looking for work over time, but would like to work, even when they have not indicated a desire to look for work.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Female	35,6%	33,4%	33,2%	35,1%	37,5%	39,1%	40,1%	39,7%	39,5%	40,1%	39,1%
Male	20,1%	19,8%	21,3%	23,3%	24,4%	26,8%	28,7%	29,3%	29,1%	29,5%	28,7%
Fezile Dabi	26,4%	25,4%	26,2%	28,2%	30,0%	32,0%	33,5%	33,8%	33,6%	34,1%	33,2%
Moqhaka	25,2%	24,7%	26,0%	28,6%	30,9%	33,9%	35,7%	36,1%	36,1%	36,8%	35,7%
Ngwathe	29,2%	27,7%	28,2%	30,0%	31,4%	33,6%	35,3%	35,7%	35,5%	36,3%	35,1%
Metsimaholo	25,7%	24,5%	25,1%	27,0%	28,5%	29,8%	31,0%	31,0%	30,8%	30,8%	30,6%
Mafube	27,0%	25,6%	26,0%	27,7%	29,0%	30,7%	32,2%	32,4%	32,0%	32,6%	30,9%

Figure FDM 36: Unemployment Rate, Official Definition
Source: IHS Markit, Reginal eXplorer, 2019

Data in Figure FDM 36 shows that employment was heavily skewed in favour of men. Female unemployment was more than 10% higher than that of their male counterparts.

Women therefore experience economic insecurity. The gravity of this situation suggests that more initiatives to ensure economic emancipation of women should be implemented

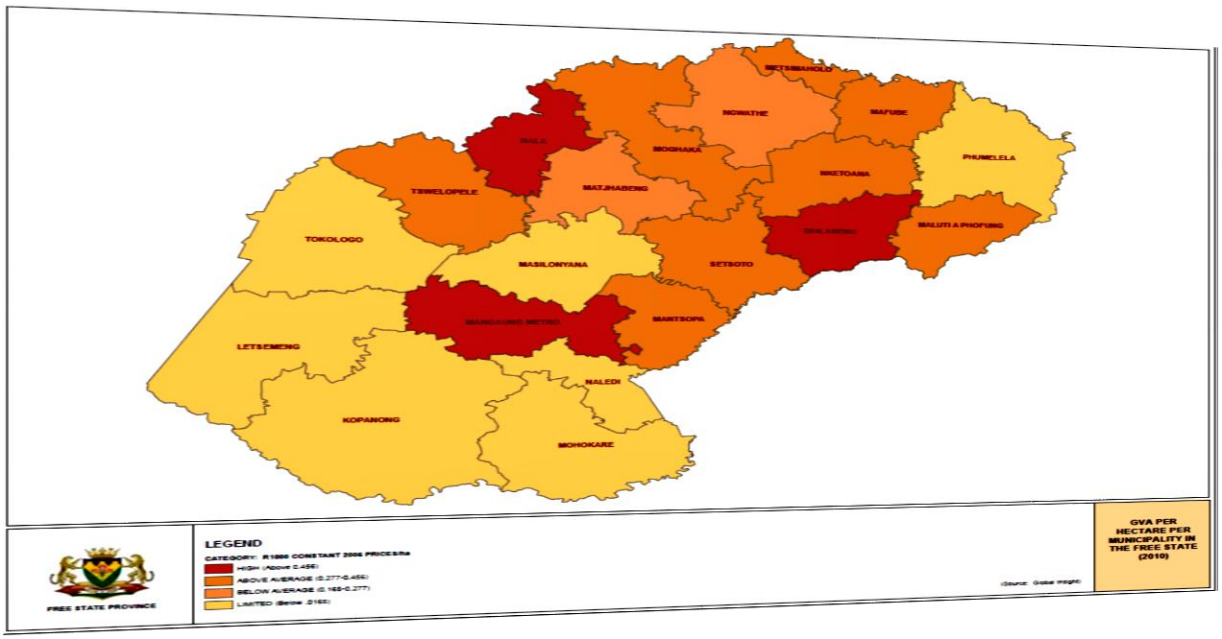
Moqhaka had the highest unemployment rate of 35.7%, followed by Ngwathe at 35.1%. Unlike the rest of the others, unemployment rate in Metsimaholo was the lowest at 30.6%.

Overall, data reveal upwards unemployment trends in both genders. To transcend this circumstance, more investments in particularly labour intensive sectors such as agriculture, manufacturing and construction should therefore be prioritised in this district.

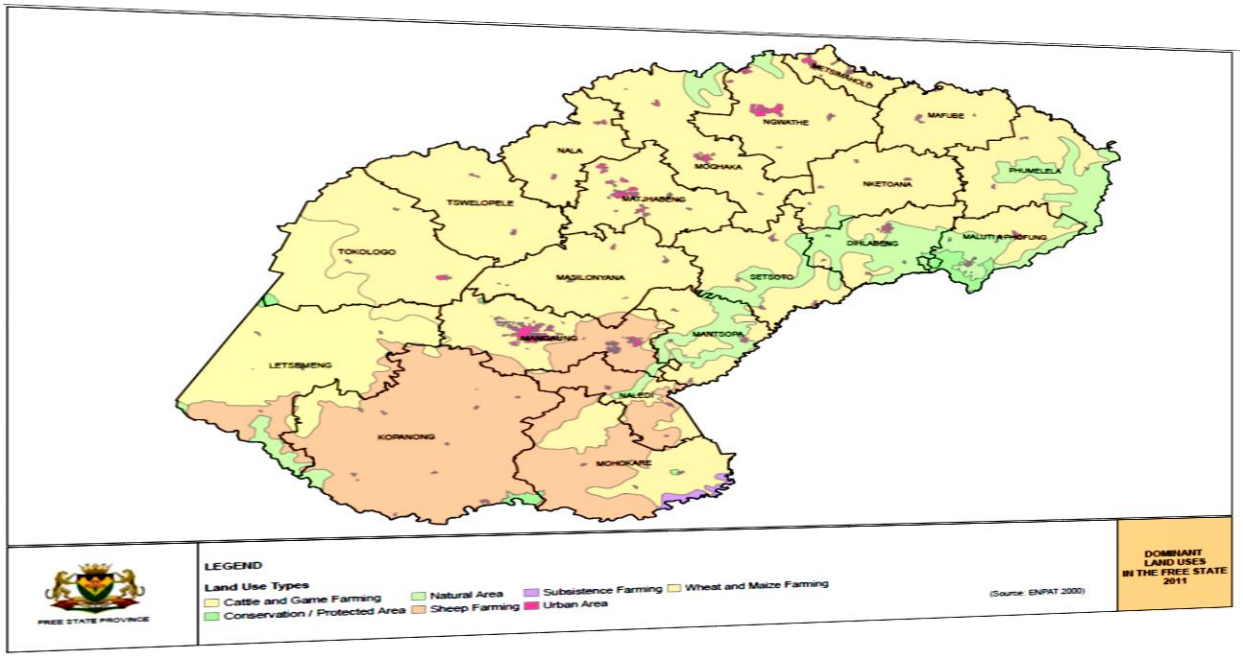
1.6. Fezile Dabi Economic Potential

1.6.1. Agricultural Potential

Agricultural is important for food security and has high labour absorption rate. It also links with local economies and offer significant potential for rural development in the country.



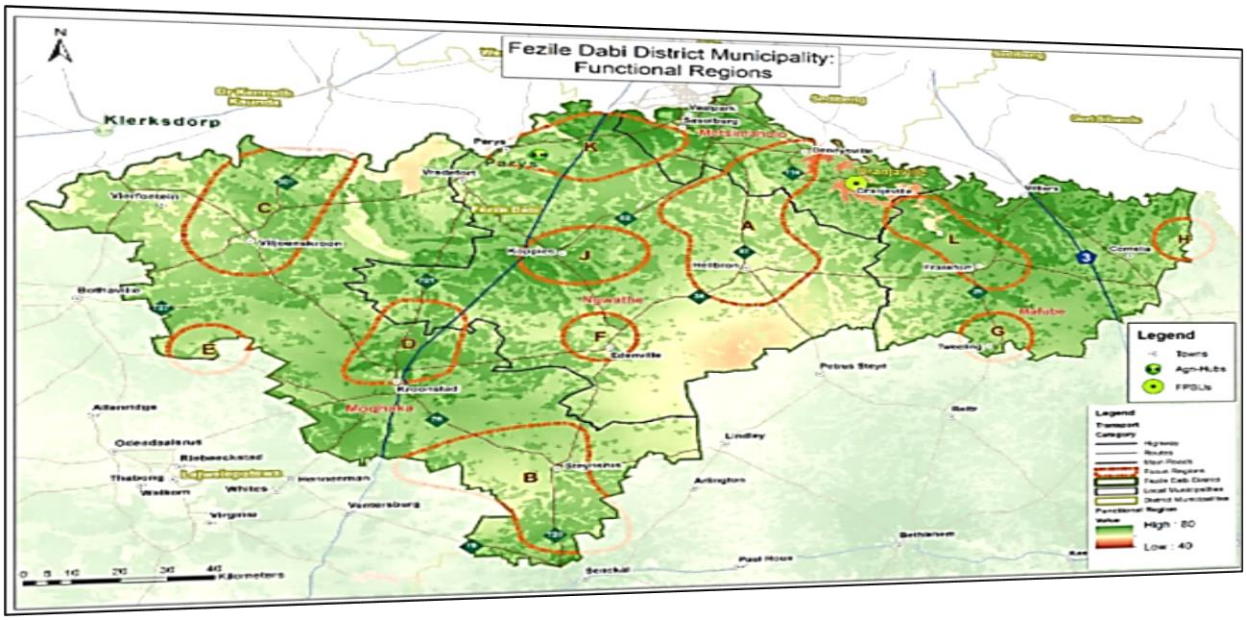
Map FDM 37: Agriculture GVA per Hectare per Municipality
Source: Free State Growth and Development Strategy, 2013



Map FDM 38: Dominant Farming Types
Source: Free State Growth and Development Strategy, 2013

Fezile Dabi District Municipality is an important agricultural production area with significant potential. The district produces more than 50% of the country's sorghum, nearly 50% sunflower and more than 30% of all wheat, maize, potatoes and groundnuts.

Plans to establish an Agri-park in Parys in Ngwathe would presents an agro-processing opportunity for manufacturing of chips, sunflower oil, peanut butter and biofuels in the area.

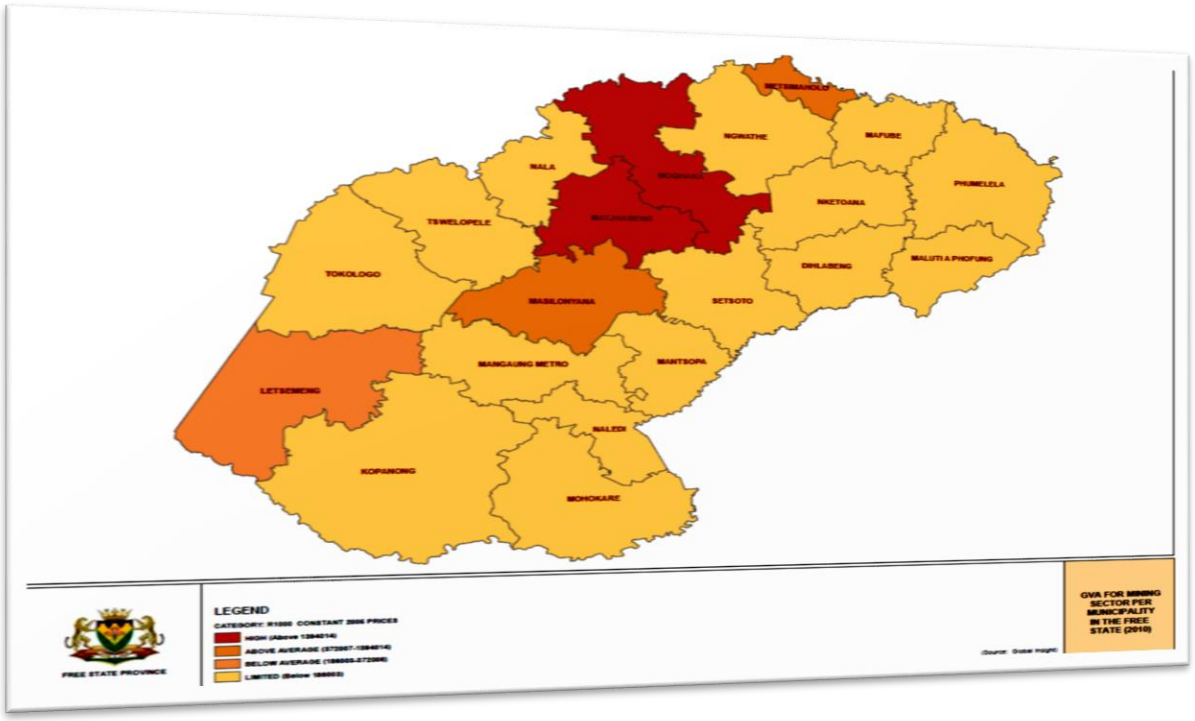


Map FDM 39: Functional Regions
Source: Department of Rural Development and Land Reform, 2019

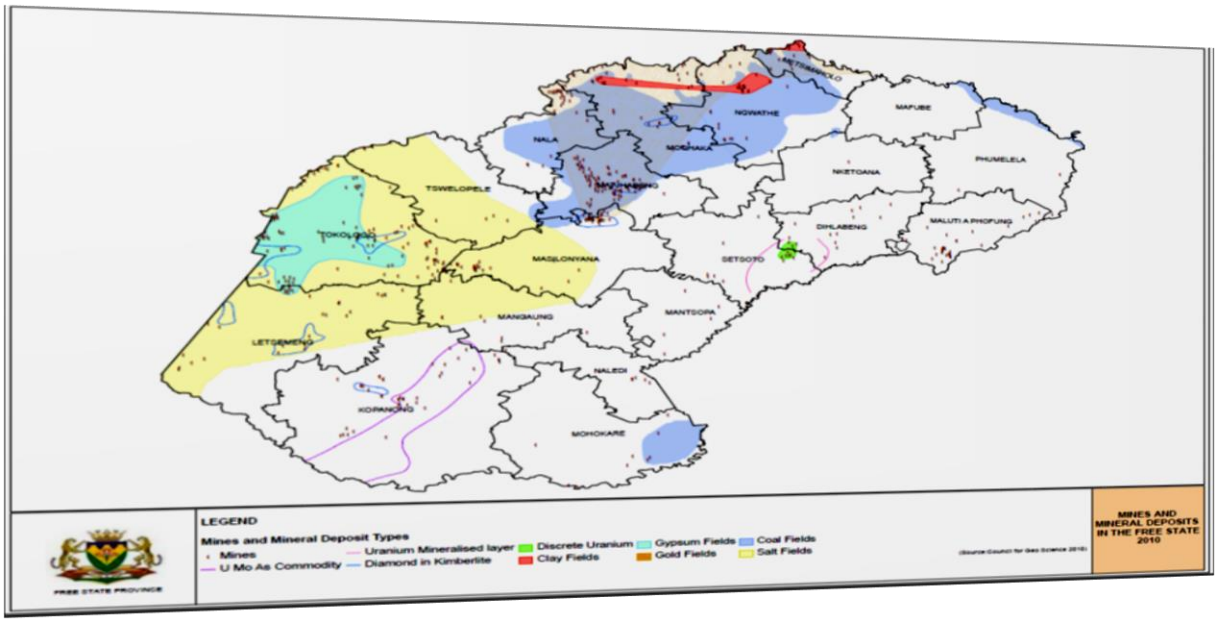
1.6.2. Mining Potential

There is high potential of mining in Fezile Dabi. There is high production of diamonds in Moqhaka and potential for mining of low-grade coal in Moqhaka, Ngwathe and Metsimaholo.

Other small-scale mining opportunities do exit too in the district. Clay fields are a dominant feature of the minerals landscape of Moqhaka, Ngwathe and Metsimaholo municipalities.



Map FDM 40: Mining GVA per Municipality
Source: Free State Growth and Development Strategy, 2013

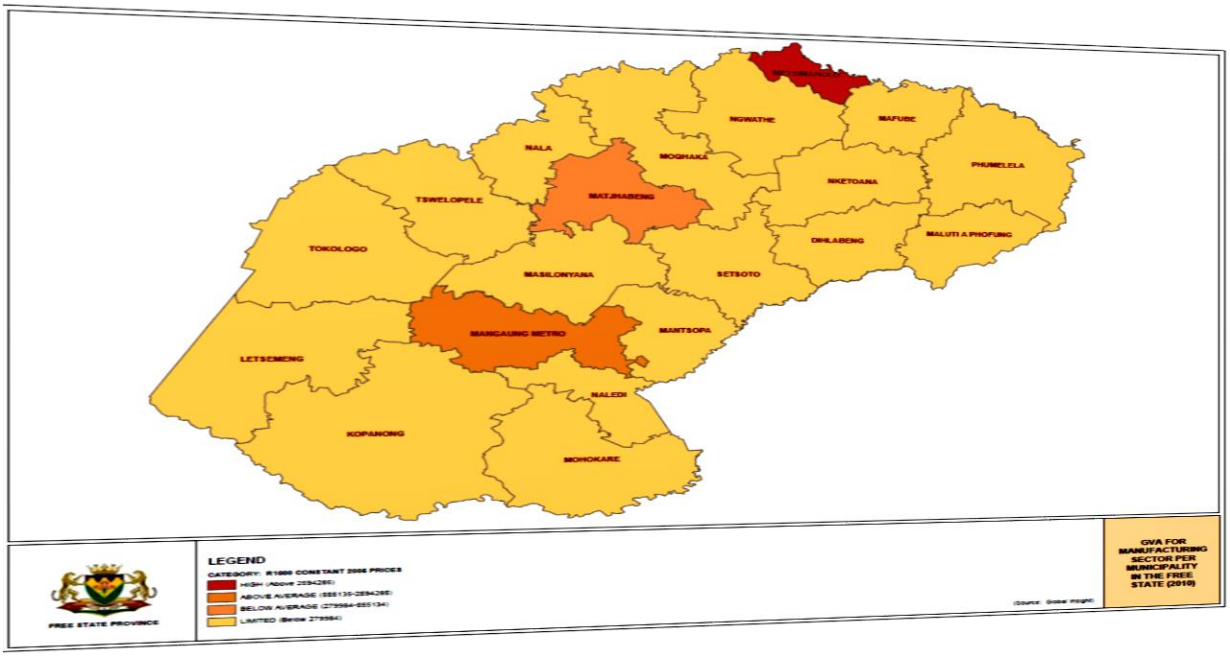


Map FDM 41: Mining Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

1.6.3. Manufacturing Potential

As shown in the Map below, petroleum and chemicals subsector dominates manufacturing production in Metsimaholo. Although this sector is largely linked to Gauteng Province, effective support remains a priority as significant linkages would exist with the Free State Province.

Given the success of this sector, up-stream and down-stream activities should be supported.



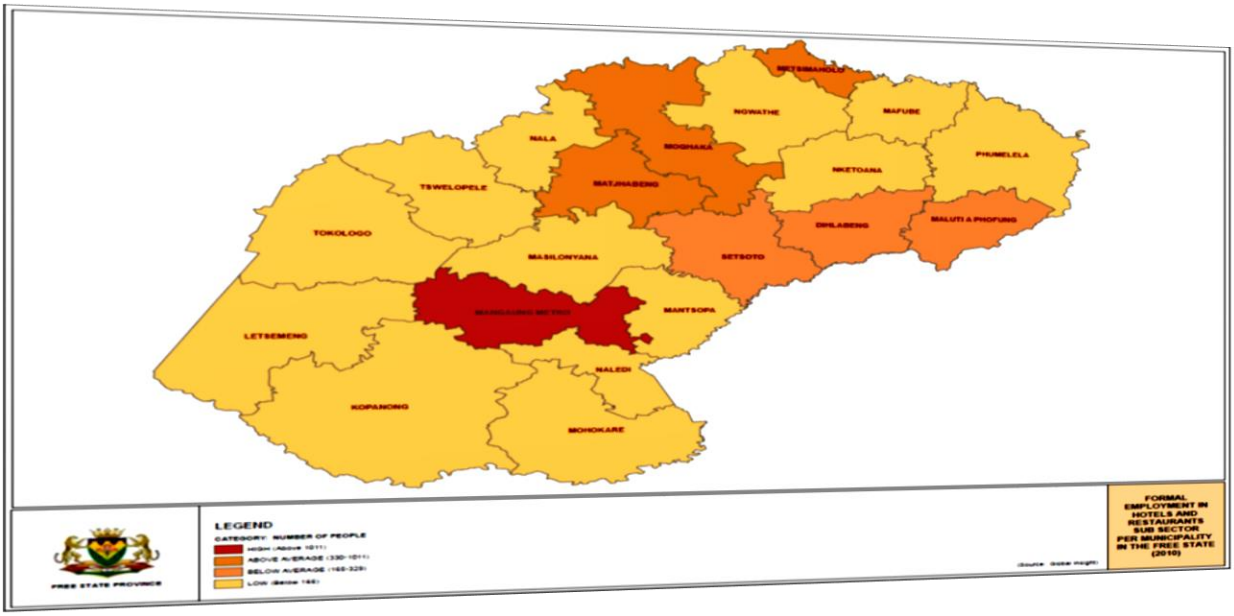
Map FDM 42: GVA for Manufacturing per Municipality
Source: Free State Growth and Development Strategy, 2013

Petrochemicals Company, Sasol, is based in Sasolburg in Metsimaholo. Sasol is a world-class leader in the production of fuels, waxes, chemicals and low-cost feedstock from coal.

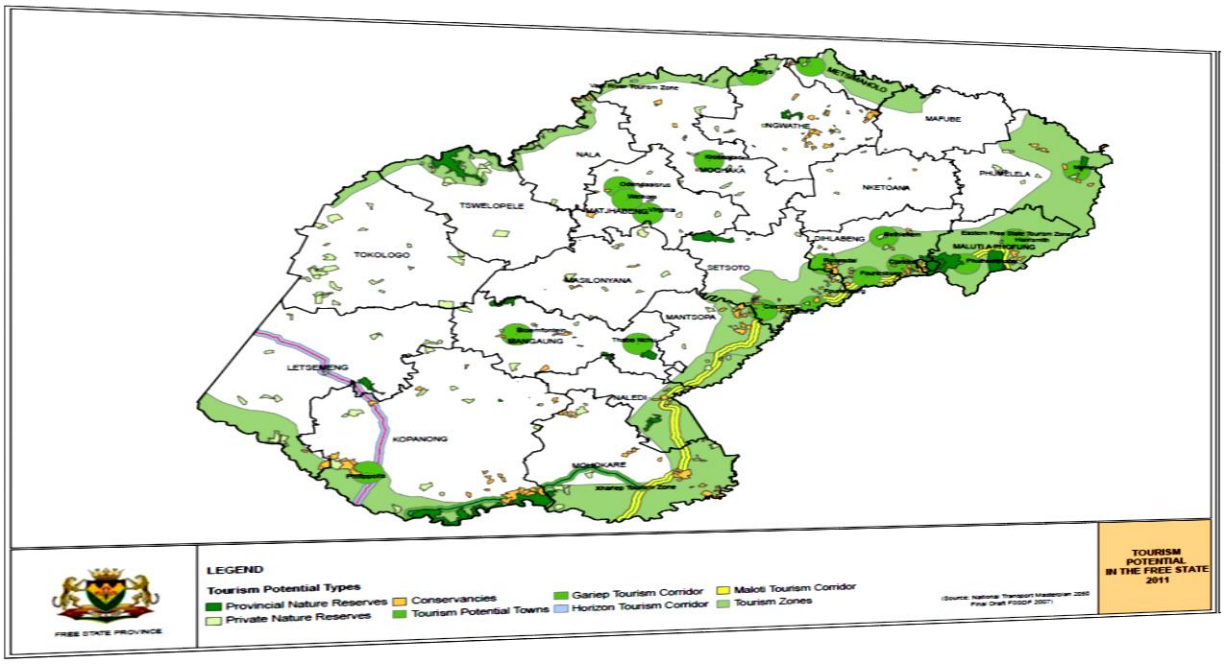
There are other chemical companies operating in the town of Sasolburg. Chemcity is an incubator downstream project promoting the use of by-products from Sasol`s plants.

1.6.4. Tourism Potential

The tourism potential in Fezile Dabi is immense. Potential in this regard is based on the number of tourism and establishments (hotels, guesthouses, casinos, golf clubs and restaurants), employment, and GVA through tourism enterprises (hotels and restaurants).



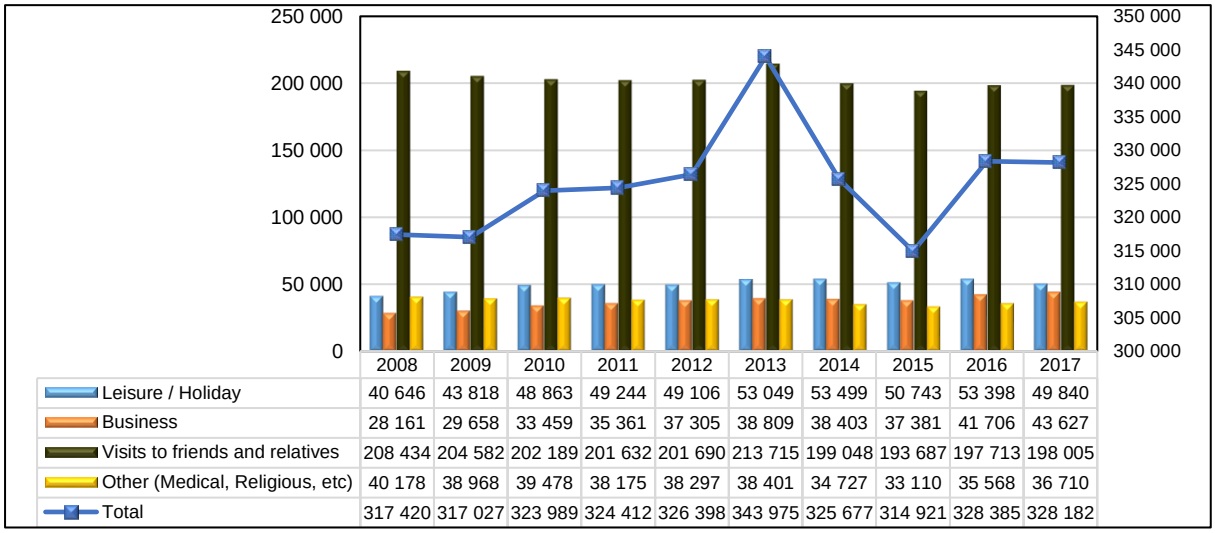
Map FDM 43: GVA for the Hotel and Restaurant Subsector
Source: Free State Growth and Development Strategy, 2013



Map FDM 44: Tourism Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

The District Municipality is separated from Gauteng province by the Vaal River. The Vaal Dam is used for water sports such as powerboat racing, boat cruising.

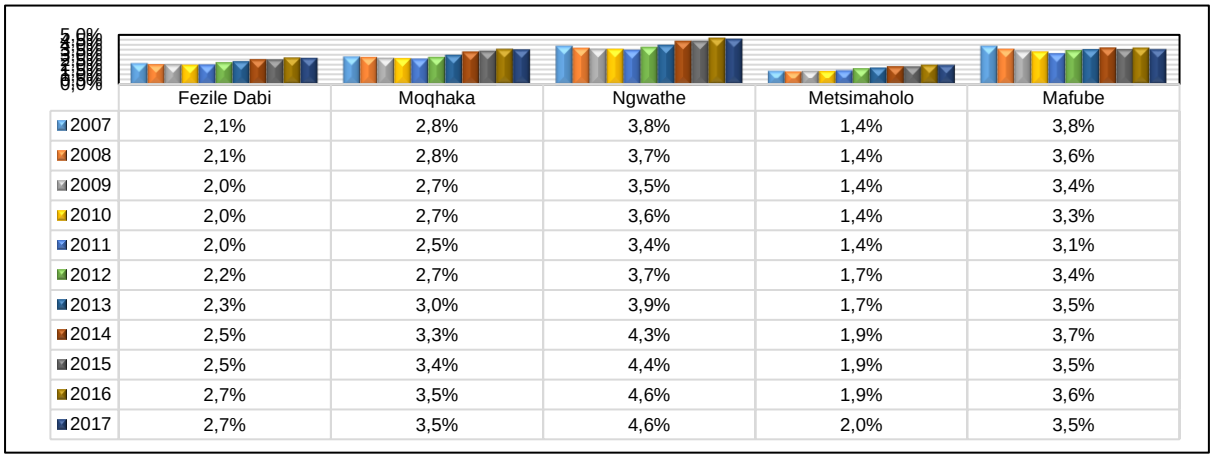
Vredefort is home to a World Heritage site, Vredefort Dome, where a meteor crashed on earth. Parys is a key tourism sites and hosts the annual Flower Festival and the Powerboat Festival.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Leisure / Holiday	40 646	43 818	48 863	49 244	49 106	53 049	53 499	50 743	53 398	49 840
Business	28 161	29 658	33 459	35 361	37 305	38 809	38 403	37 381	41 706	43 627
Visits to friends and relatives	208 434	204 582	202 189	201 632	201 690	213 715	199 048	193 687	197 713	198 005
Other (Medical, Religious, etc)	40 178	38 968	39 478	38 175	38 297	38 401	34 727	33 110	35 568	36 710
Total	317 420	317 027	323 989	324 412	326 398	343 975	325 677	314 921	328 385	328 182

Figure FDM 45: Number of Trips by Purpose of Trip
Source: IHS Markit, Reginal eXplorer, 2019

Between 2008 and 2017, Fezile Dabi had more domestic visitors than international visitors. The percentage share of domestic travelers was 82% in 2008 and was reduced to 63% in 2017. As for international visitors, their number rose from 56 559 in 2008 to 121 875 in 2017.



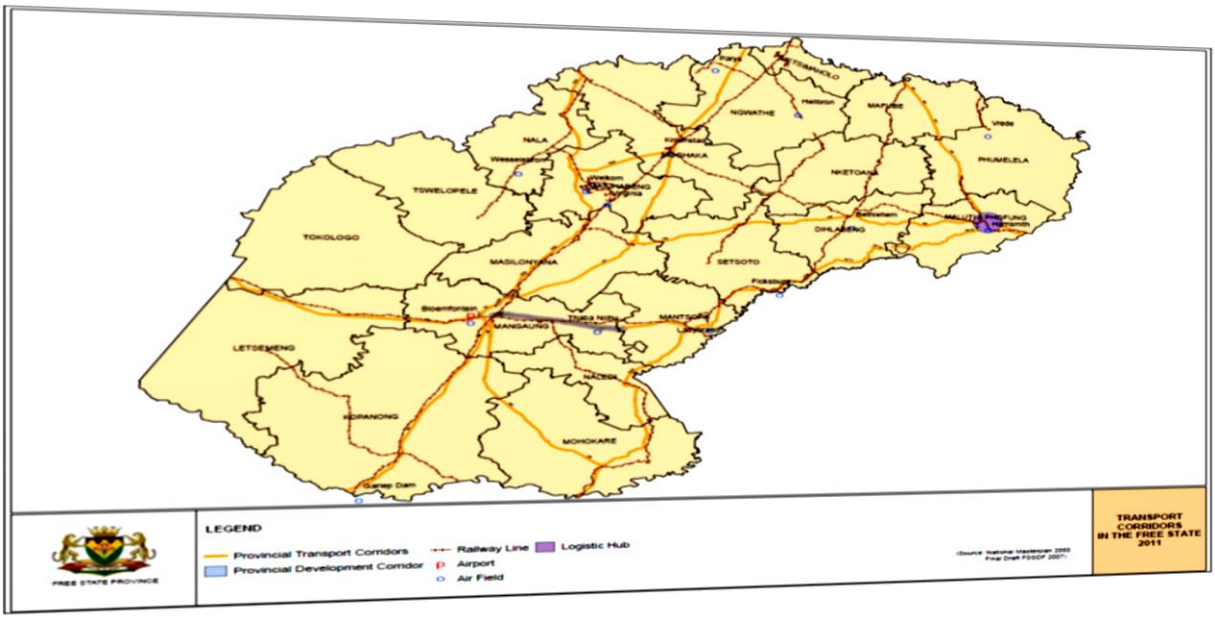
	Fezile Dabi	Moqhaka	Ngwathe	Metsimaholo	Mafube
2007	2,1%	2,8%	3,8%	1,4%	3,8%
2008	2,1%	2,8%	3,7%	1,4%	3,6%
2009	2,0%	2,7%	3,5%	1,4%	3,4%
2010	2,0%	2,7%	3,6%	1,4%	3,3%
2011	2,0%	2,5%	3,4%	1,4%	3,1%
2012	2,2%	2,7%	3,7%	1,7%	3,4%
2013	2,3%	3,0%	3,9%	1,7%	3,5%
2014	2,5%	3,3%	4,3%	1,9%	3,7%
2015	2,5%	3,4%	4,4%	1,9%	3,5%
2016	2,7%	3,5%	4,6%	1,9%	3,6%
2017	2,7%	3,5%	4,6%	2,0%	3,5%

Figure FDM 46: Total Tourism Spend as a Percentage of GDP
Source: IHS Markit, Reginal eXplorer, 2019

Information in Figure 46 above shows that in 2017, tourism spending amounted to 2.7% of the GDP of Fezile Dabi with Ngwathe as the major contributor. This can be attributed to natural attractions such as the Vaal River, with several islands, and the Vredefort Dome.

1.6.5. Transport Potential

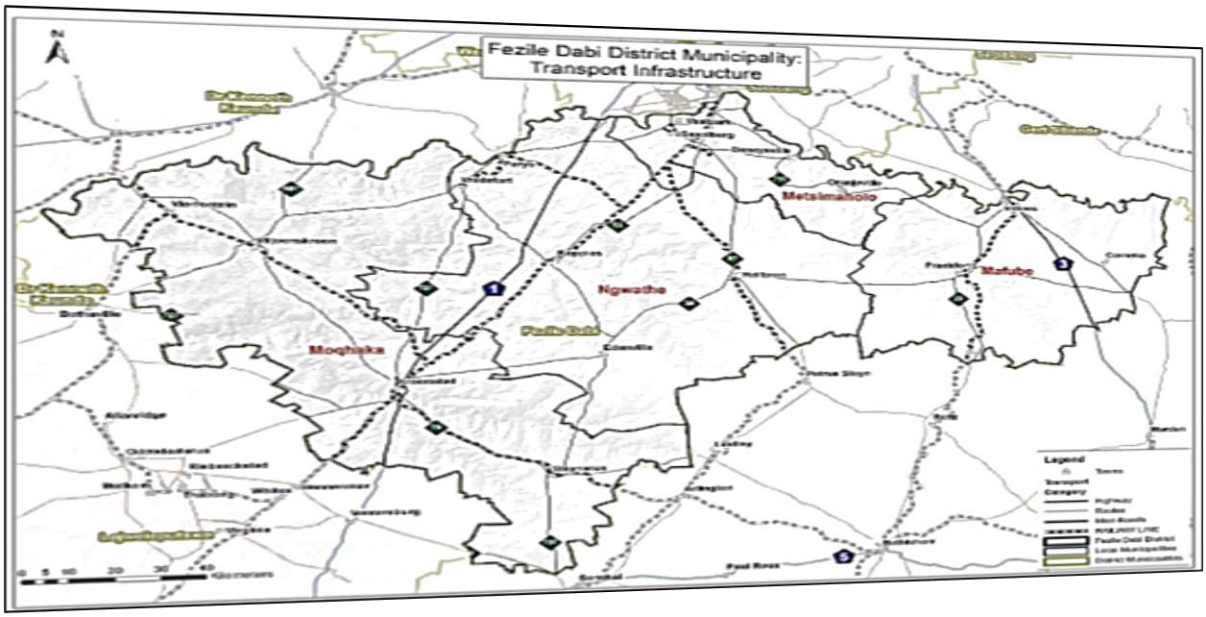
Aspects such as the central location of the Free State and large volumes of freight that are moved across the province gives it a competitive advantage if some value-adding can be done.



Map FDM 47: Transport Corridors
Source: Free State Growth and Development Strategy, 2013

Some of the country's busiest routes passes through Fezile Dabi. There is N1 (Johannesburg to Cape Town via Kroonstad) and N3 (Johannesburg to Durban via Villiers).

Commodities transported via Villiers to Gauteng from Durban and vice versa include containers, steel, cars, coal, manganese, fuels and perishables. The Gauteng to Cape Town route carries freight commodities such as cars, grains, perishables, cement and steel.



Map FDM 48: Transport Infrastructure
Source: Fezile Dabi Rural Development Plan, 2017

There are secondary roads that connect urban centres and rural areas. This includes provincial main roads cutting across the Fezile Dabi. The R59 that stretches from Hertzogville through the Fezile Dabi to Alberton in Gauteng passes through the town of Parys and via Sasolburg. The R57 connects Phuthaditjhaba with Vanderbijlpark via Sasolburg and Heilbron.

1.9. Fezile Dabi Governance Perspective

1.9.1. Powers and Functions

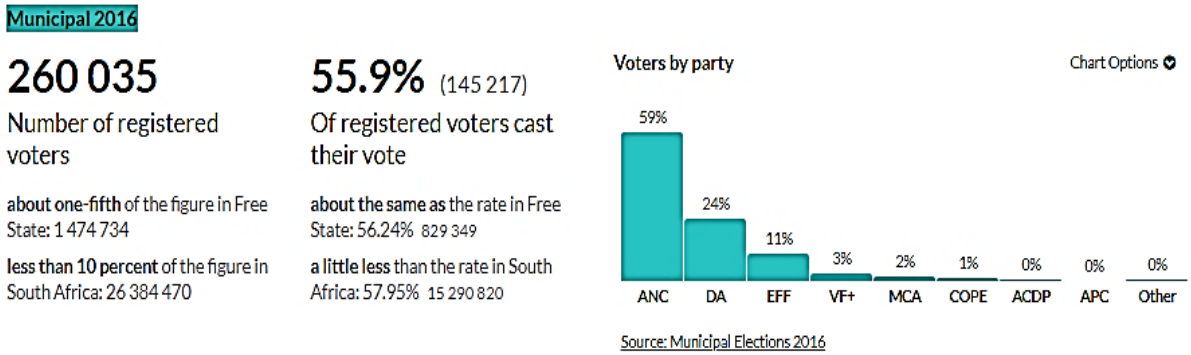
The district municipality and its locals have concurrent functions with regard to firefighting, local tourism, municipal airports, municipal planning and public transport.

Functions	Performed (Yes/No)
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	No
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
Municipal public works	No
Pontoons, ferries, jetties, piers and harbours,	No
Stormwater management systems in built-up areas	No
Trading regulations	Yes
Water and sanitation services	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	No
Cemeteries, funeral parlours and crematoria	No
Cleansing	No
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	No
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	No
Local sport facilities	No
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	No
Noise pollution	Yes
Pounds	No

Table FDM 49: Powers and Functions
Source: Fezile Dabi Integrated Development Plan, 2019/2020

1.9.2. Political Structure

The following graph shows the number of voters per party during the 2016 municipal elections:



The following table indicates the seat allocation of the various parties for each of the municipal councils in the Fezile Dabi District Municipality.

Party Name	Fezile Dabi	Metsimaholo	Moqhaka	Ngwathe	Mafube
African National Congress	18	16	27	24	13
Democratic Alliance	3	11	11	8	2
Economic Freedom Fighters	2	8	4	3	1
Freedom Front Plus		3	2	1	15
South African Communist Party		3			
Cope		1	1		

Table FDM 50: Party Seat Allocation
Source: Fezile Dabi Integrated Development Plan, 2019/2020

1.9.3. Governance Structure

Ward committees serve as an interlocutor between the community, the District Municipality and its Local Municipalities. They collate the day-to-day service delivery issues in different wards and through the ward councillor, direct those to the councils for attention and response.

Fezile Dabi	Number of Wards
Metsimaholo	21
Mafube	9
Ngwathe	20
Moqhaka	23

Table FDM 51: Number of Wards per Municipality
Source: Fezile Dabi Annual Report 2016/17

To ensure participatory democracy, ward committees are expected to meet at least quarterly according to the *Guidelines for the Establishment and Operation of Municipal Ward Committees*, published in the Government Gazette dated 24 June 2005.

Fezile Dabi	Submission rate	No of wards	Q1	Q2	Q3	Q4	Total
Mafube	11	9	17	21		4	42
Metsimaholo	12	21	14	0	9	0	23
Moqhaka	12	23	69	69	45	66	249
Ngwathe	6	18	36	16		36	88
Total	**41**	**71**	**136**	**106**	**54**	**106**	**402**

Table FDM 52: Number of Ward Committee Meetings
Source: Fezile Dabi Performance Report, 2018/2019

Reports show that there were 136 ward committee meetings held in the first quarter and 106 in the second in Fezile District Municipality. Lesser number of meetings, 54, were held in the third quarter. The number of meetings soared again in the fourth quarter to 106.

The two Metsimaholo and Moqhaka local municipalities complied with the requirements of the *Guidelines* as they had the required frequency of meetings in all of the four quarters.

1.9.4. Development Needs

The IDP consultative process identified the following community needs:

- Assistance with Scholar transport
- Title Deeds
- Refurbishment and re-opening of resort in Villiers\
- Roads in bad state (Potholes)
- Illegal dumping
- No road markings
- Dirty water spillage onto paving or walkway next to the hostel
- Stipends for volunteers controlling traffic during peak school hours/ scholar patrols
- Dirty water spillage onto paving or walkway next to the hostel
- Stipends for volunteers controlling traffic during peak school hours/ scholar patrols
- No access to water
- High mast light not working
- 24 hour service in clinics
- Stipends for volunteers controlling traffic during peak school hours/ scholar patrols
- Support with food parcels for kids from impoverished families
- Support for a child with impaired speech
- Abattoir waste polluting water
- Request for park
- High master lights not working
- Vredefort Dome
- Maintenance
- Fence Theft
- Signage

1.9.5. Institutional Capacity

The existence of an efficient, effective and accountable local government in predicated on institutional stability indicative of a capable and developmental state. This included the filling of vacant positions with qualified individuals to set in motion quality service delivery provision.

Fezile Dabi	Number of times reported on MM position	Number of times indicated MM filled	Number of times indicated MM vacant
Fezile Dabi	11	11	0
Mafube	9	9	0
Metsimaholo	12	12	0
Moqhaka	10	10	0
Ngwathe	6	6	0
Total	**48**	**48**	**0**

Table FDM 53: Municipal Managers Occupancy and Vacancy Rates
Source: Fezile Dabi Performance Report, 2018/2019

For the July 2018 and June 2019 reporting period, all municipalities in Fezile Dabi District Municipality reported that they have the positions of Municipal Managers filled.

Fezile Dabi	Number of times reported on Section 56 positions	Number of Section 56 positions filled	% of Section 56 positions filled
Fezile Dabi	11	4	50
Mafube	9	5	100
Metsimaholo	12	4	0
Moqhaka	10	4	75
Ngwathe	6	3	89
Total	**40**	**4**	**3**

Table FDM 54: Section 56 Positions Occupancy and Vacancy Rates
Source: Fezile Dabi Performance Report, 2018/2019

Reporting to the national Department of Cooperative Governance, Mafube stated 100% occupancy rate while Fezile Dabi specified that 50% of the Section 56 positions were filled.

Information on the occupancy rates for the positions of the CFOs showed that Metsimaholo reported 12 times and indicated in that time that for 11 months, the CFO position was vacant and only filled for 1 month. Regarding all other municipalities, the CFO positions were filled.

Fezile Dabi	Number of times reported on CFO position	Number of times CFO filled	Number of times CFO vacant
Fezile Dabi	11	11	0
Mafube	9	9	0
Metsimaholo	12	1	11
Moqhaka	10	10	0
Ngwathe	6	6	0
Total	**48**	**37**	**11**

Table FDM 55: CFO Occupancy and Vacancy Rates
Source: Fezile Dabi Performance Report, 2018/2019

For all of the municipalities in Fezile Dabi, there were 27 863 permanent employees and 769 temporary employees across the reporting period. Moqhaka had 9 650 permanent employees and 769 temporary employees.

Fezile Dabi	Submission rate (July 18 - June19	Permanent employees	Temporary employees
Fezile Dabi	11	1728	157
Mafube	11	3153	34
Metsimaholo	12	8862	570
Moqhaka	12	9650	8
Ngwathe	6	4470	0
Total	**52**	**27863**	**769**

Table FDM 56: Organisational Structure, July 2018 –June 2019
Source: Fezile Dabi Performance Report, 2018/2019

1.9.6. Performance Management

In the table below is testimony that all municipalities had the Performance Management Systems in place, adopted the framework and had the capacity to implement the system

District	Municipality	PMS in Place	Adopted Framework	Capacity To Implement PMS
Fezile Dabi	Fezile Dabi	Yes	Yes	Yes
	Moqhaka	Yes	Yes	Yes
	Ngwathe	Yes	Yes	Yes

District	Municipality	PMS in Place	Adopted Framework	Capacity To Implement PMS
	Metsimaholo	Yes	Yes	Yes
	Mafube	Yes	Yes	Yes

Table FDM 57: Performance Management System
Source: Department of Cooperative Governance, Free State, 2019

3.7.8. Community Protests

Partly, service delivery protests are the result of factors such as poor financial management, inadequate communication and institutional incapacity that often leads to poor service delivery.

Considering the inadequate level of service delivery, it is not surprising that Fezile Dabi District Municipality have had a number of service delivery protests indicative of some of these factors.

There were 13 service delivery protests reported in all of Fezile Dabi District Municipality and the majority of these were in Ngwathe (6) with two of these reportedly violent in nature. Three protests were reported in Mafube, Metsimaholo and Moqhaka had two protests each.

According to reporting municipalities, communities stated water, electricity and transport challenges as some of the primary reasons behind the protests.

3.7.9. Complaints Management

Like other factors, more often than not, minimal communication between municipalities and communities also has the potential to incite service delivery protests.

In transcending this, but most importantly, in promoting a transparent and responsive local government, Section 17 (2) (a) of the Municipal Systems Act provides for the reporting, management and response mechanism to community grievances by municipalities.

All of the local municipalities in the Fezile Dabi indicated that they did have a Complaints Management System in place for the 2018/2019 municipal financial year.

3.7.10. Council Meetings

To ensure a democratic, accountable and responsive local government, the Municipal Systems Act requires municipal council meetings to be held at least once every quarter.

In compliance to this requirement, Table FDM 58 underneath outlines the frequency of council meetings held on a quarterly basis for the 2018/2019 reporting period.

Fezile Dabi	Submission rate	Q1	Q2	Q3	Q4	Total
Fezile Dabi	11	2	2	3	2	9
Mafube	11	1	2	1	1	5
Metsimaholo	12	3	3	3	3	12
Moqhaka	12	2	1	3	2	8
Ngwathe	6	1	1		3	5
Total	**52**	**9**	**9**	**10**	**11**	**39**

Table LDM 58: Frequency of Council Meetings per Quarter
Source: Fezile Dabi Performance Report, 2018/2019

Metsimaholo stated the highest number (12) of council meetings, followed by Fezile Dabi (9). The local municipalities of Mafube and Ngwathe reported the least number of meetings (5) and only Ngwathe reported not having had a meeting in the third quarter.

1.10. Fezile Dabi Financial Perspective

1.10.1. Creditors' Position

Municipalities reported an increase of R182,775,764 on outstanding creditors from R2,008,238 951 as at 30 June 2019 to R2,191,014 715 as at 31 August 2019.

Comparatively, Eskom was the institution mostly owed by municipalities, followed by Water, Trade Creditors, Pensions, SARS and the Auditor-General. Ngwathe Local Municipality owed Eskom and Water more money than other municipality in Fezile Dabi.

MUNICIPALITY	ESKOM	WATER	OUTSTANDING PENSION	SALARY DEDUCTIONS	SARS	AUDITOR GENERAL	TRADE CREDITORS	TOTAL
Fezile Dabi	R 0	R 0	R 0	R 0	R 0	R 0	R 0	**R 0**
Moqhaka	R 334 781 051	R 7 686 518	R 0	R 0	R 0	R 4 798 291	R 18 296 790	**R 365 562 650**
Ngwathe	R 1 177 680 238	R 23 836 367	R 2 795 110	R 1 781 613	R 15 703 000	R 3 416 318	R 28 984 645	**R 1 254 197 291**
Metsimaholo	R 34 608 570	R 58 973 250	R 0	R 0	R 0	R 777 484	R 76 322 336	**R 170 681 640**
MAFUBE	R 51 401 728	R 203 721 074	R 60 031 458	R 4 111 169	R 26 690 305	R 3 869 802	R 50 747 598	**R 400 573 134**
TOTAL	**R 1 598 471 587**	**R 294 217 209**	**R 62 826 568**	**R 5 892 782**	**R 42 393 305**	**R 12 861 895**	**R 174 351 369**	**R 2 191 014 715**

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table FDM 59: Creditors' Position
Source: Department of Cooperative Governance, Free State, 2019

1.10.2. Debtors' Position

The debtors show an increase of R113,514,356 from R2,970,013 508 as at 30 June 2019 to R3,083,527,864 as at 31 August 2019.

Outstanding figures from Mafube and Moqhaka distort the accuracy of these figures. More outstanding debts were in Ngwathe with no outstanding debt reported in Fezile Dabi.

Fezile Dabi	Outstanding Debtors
Fezile Dabi	R0
Moqhaka	R416 949 439
Ngwathe	R836 994 372
Metsimaholo	R 514 103 709
Mafube	R315 480 344
Total	**R3 083 527 864**

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table FDM 60: Outstanding Debtors
Source: Department of Cooperative Governance, Free State, 2019

1.10.3. Expenditure Share

The table shows that in Ngwathe, more money was spent on salaries than operating expenses.

MUNICIPALITY	SALARIES	OPERATING EXPENSES	PERCENTAGE
Fezile Dabi	R 7 774 232	R 20 343 952	38,21%
Moqhaka	R 27 222 419	R 39 303 445	69,26%
Ngwathe	R 22 282 537	-R 502 938	-4430,47%
Metsimaholo	R 25 542 950	R 135 282 630	18,88%
Mafube	R 8 374 186	R 18 676 166	44,84%
TOTAL	R 91 196 324	R 213 103 255	

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table FDM 61: Expenditure
Source: Department of Cooperative Governance, Free State, 2019

3.7.11. Audit Outcomes

Sound financial management is important to ensure that the required services are provided effectively and efficiently. Importantly, it builds societal trust in government.

Regression was the common audit outcome of municipalities in Fezile Dabi. Instability with regards to the positions of the municipal manager and CFO in Mafube appears to have been one of the reasons why this municipality's financial statements were outstanding.

The outcomes were no different in Fezile Dabi, Metsimaholo and Ngwathe that regressed. Only Moqhaka remained unchanged with an unqualified opinion from the Auditor-General.

Auditee	Audit Outcomes			Movement
	2015/16	2016/17	2017/18	
Fezile Dabi	Clean	Adverse	Audit in progress	Regression
Mafube	Disclaimer	Disclaimer	AFS outstanding	
Metsimaholo	Unqualified	Unqualified	Qualified	Regression
Moqhaka	Unqualified	Unqualified	Unqualified	Unchanged
Ngwathe	Unqualified	Qualified	Disclaimer	Regression

Table FDM 62: Audit Outcomes
Source: Department of Cooperative Governance, Free State, 2019

3.7.12. Financial Health

Reporting on the financial health position of municipalities, the Auditor-General indicated the following areas of concern in Fezile Dabi for the 2017/18 municipal financial year.

Fezile Dabi	Financial Health				
	Status of Financial Health	Average Creditors payment period (Days)	Percentage of Debt Irrecoverable	Unauthorised expenditure incurred Amount (R million)	Fruitless and wasteful expenditure incurred (R million)
Fezile Dabi					
Mafube					
Metsimaholo		171	76.5		2.3m
Moqhaka		347	75.2	146.4m	17.4m
Ngwathe		Not audited	Not audited	168.1m	35.6m

Table FDM 63: Financial Health Status
Source: Department of Cooperative Governance, Free State, 2019

While grey shows the lack of performance report from the municipality, green signify an improvement as compared to the past year. Red shows unfavourable material indicators.

Orange shows that the municipality has regressed. According to the figures in the table, Ngwathe reported more cases of unauthorised expenditure and fruitless and wasteful expenditure. In Fezile Dabi and Mafube, there was no performance report to be audited.

3.7.3. Audit Committees

An illustration of the internal audit and audit committees shows that, with regards to the former, Moqhaka did provide some assurance and Ngwathe and Metsimaholo were the opposite.

Fezile Dabi and Mafube's audited financial statements were outstanding. The functionality of audit committees in Moqhaka were reassuring and no such assurance existed in Ngwathe and Metsimaholo. Fezile Dabi and Mafube's audited financial statements were outstanding.

Fezile Dabi	Internal Audit			Audit Committee		
	Provided No/Limited Assurance	Provided some Assurance	Provided Assurance	Provided No/Limited Assurance	Provided some Assurance	Provided Assurance
Fezile Dabi	2017/18 Audit still in progress			2017/18 Audit still in progress		
Metsimaholo						
Moqhaka						
Ngwathe						
Mafube	2017/18 AFS outstanding			2017/18 AFS outstanding		

Table FDM 64: Audit Committees Functionality
Source: Department of Cooperative Governance, Free State, 2019

3.7.4. Public Accounts Committees

Impelled by the need to safeguard public finance, the *Municipal Public Accounts Committees (MPAC) Guide and Toolkit,* directs that MPAC meetings be held at least once a quarter.

Fezile Dabi District	Submission Rate (Jul 18-Jun 19)	Q1	Q2	Q3	Q4	Total
Fezile Dabi	11	2	1		1	4
Mafube	11		1			1
Metsimaholo	12			2		2
Moqhaka	12	2		1	1	4
Ngwathe	6		1			1
Total	**52**	**4**	**3**	**3**	**2**	**12**

Table FDM 65: Frequency of Public Accounts Committee Meetings
Source: Lejweleputswa Performance Report, 2018/2019

The table indicates infrequent MPAC number of meetings in disregard of the provisions of the *Guide and Toolkit*. No MPAC had a meeting in all the quarters as per the requirements.

The highest number of meetings were held in Moqhaka and Fezile Dabi at four each.

2. Thabo Mofutsanyana District Municipality

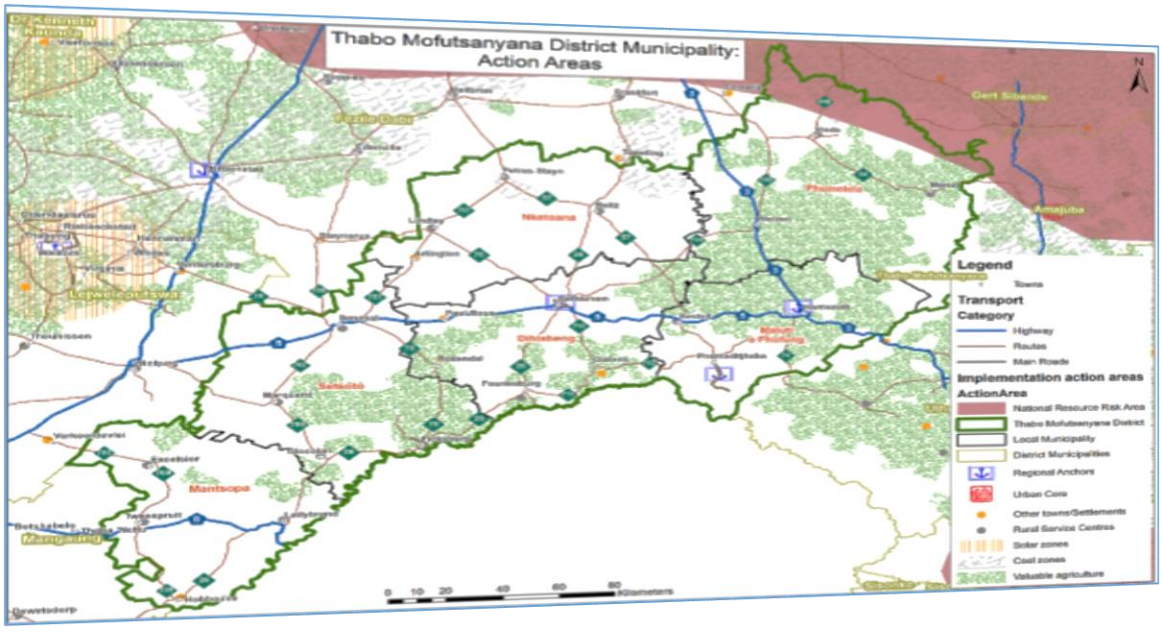
2.1. Thabo Mofutsanyana Contextual Perspective

Thabo Mofutsanyana District Municipality is located in the eastern part of Free State Province and makes up 32 734km² of the geographic land area of the province.

The district encompasses the local municipalities of Setsoto, Dihlabeng, Nketoana, Maluti-a-Phofung, Phumelela and Mantsopa.

Bethlehem is the commercial hub of Dihlabeng. This town is located in the heart of the picturesque north-eastern Free State and is adjacent to the N5 road between Bloemfontein and Durban.

Just 34km south-east of Bethlehem is the scenic small town of Clarens often referred to as the 'Switzerland' of South Africa. Clarens is approximately 20km from the majestic Golden Gate Highlands National Park.



Map TMD 1: Action Area
Source: Department of Rural Development and Land Reform, 2019

Maluti-a-Phofung is bordered by KwaZulu-Natal in the east and Lesotho in the south. Mantsopa also shares a border with Lesotho on the east and Mangaung to the west. This municipality is the smallest and makes up 13% of the district's geographical area.

The Lesotho Highlands water flows into the Caledon River, then the As River and continues into the Nketoana River in Nketoana, the second smallest of the six municipalities.

Phumelela, the largest local municipality in the district, makes up a quarter of Thabo Mofutsanyana. The town of Warden is strategically located on the N3 highway between Johannesburg and Durban. The village of Memel is the pivotal nucleus for the local farming community and is fast becoming one of South Africa's most sought-after birding spots area.

The local municipality of Setsoto is bordered by Fezile Dabi in the north and the Kingdom of Lesotho in the south. Encompassing the towns of Clocolan, Ficksburg, Marquard and Senekal, it accounts for 17% of Thabo Mofutsanyana's geographical area.

2.2. Thabo Mofutsanyana Demographic Perspective

2.2.1. Population Size

Comparison between 2008 and 2017 points to fewer changes in the population features.

More concerning was that the share of the youth population between the ages of 14-35 as a percentage of the total population, which was declining in the district. Proportionally, the youth population accounted for 38.9% of the population in 2008 and fell to 35.0% in 2017.

The elderly population (60+) grew by 1.8%, indicating a gradual ageing population. On gender, the female population count was higher and much older than the male population.

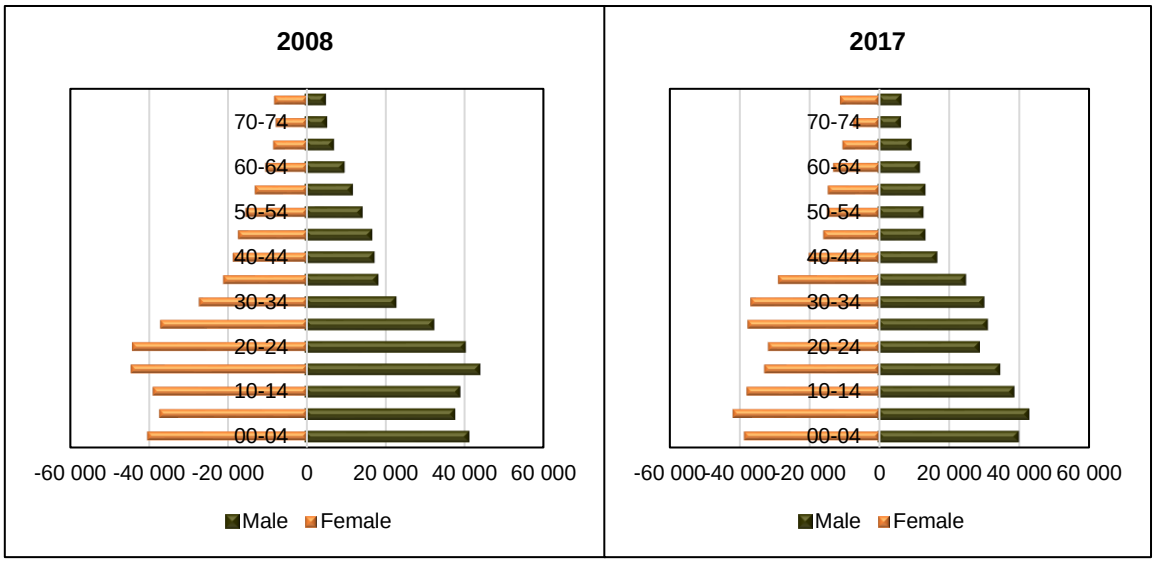


Figure TMD 2: Population Pyramid
Source: IHS Markit, Reginal eXplorer, 2019

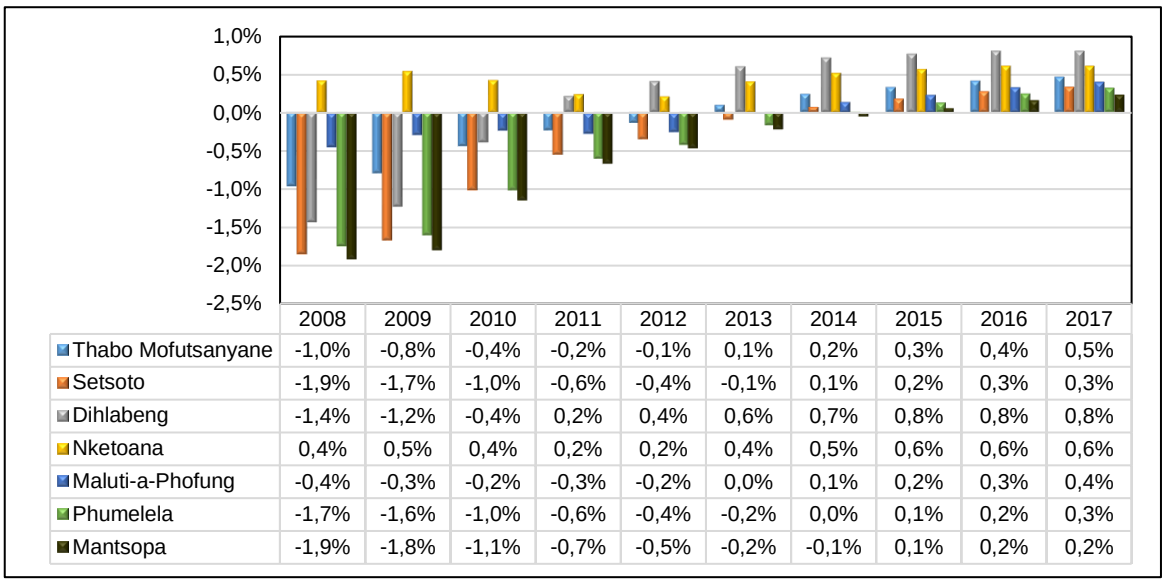
An increase in the elderly population implies an increase in life expectancy often associated with improvements in the standard of living. The related challenge is the need for increased social spending and reduced economic capacity entwined with the ageing population.

Exacerbating this challenge is the diminishing population of young people. Increased efforts to improve the living conditions of young people should therefore be prioritised.

2.2.2. Population Growth

From 2008 to 2012, the population growth was negative in Thabo Mofutsanyana, -0.5%. What could possibly explain this development is either the low fertility rates or out migration.

In the same 10 year period, the lowest population growth rate in Thabo Mofutsanyana District Municipality was recorded in 2008 with a -1.0 % decrease.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Thabo Mofutsanyane	-1,0%	-0,8%	-0,4%	-0,2%	-0,1%	0,1%	0,2%	0,3%	0,4%	0,5%
Setsoto	-1,9%	-1,7%	-1,0%	-0,6%	-0,4%	-0,1%	0,1%	0,2%	0,3%	0,3%
Dihlabeng	-1,4%	-1,2%	-0,4%	0,2%	0,4%	0,6%	0,7%	0,8%	0,8%	0,8%
Nketoana	0,4%	0,5%	0,4%	0,2%	0,2%	0,4%	0,5%	0,6%	0,6%	0,6%
Maluti-a-Phofung	-0,4%	-0,3%	-0,2%	-0,3%	-0,2%	0,0%	0,1%	0,2%	0,3%	0,4%
Phumelela	-1,7%	-1,6%	-1,0%	-0,6%	-0,4%	-0,2%	0,0%	0,1%	0,2%	0,3%
Mantsopa	-1,9%	-1,8%	-1,1%	-0,7%	-0,5%	-0,2%	-0,1%	0,1%	0,2%	0,2%

Figure TDM 3: Population Growth Rate
Source: IHS Markit, Reginal eXplorer, 2019

With the exception of Nketoane, all other municipalities have shown a negative average growth rate. This changed in the five years when positive growth rates were recorded.

2.2.3. Population Share

Evidently, the concentration of population below shows no changes in the population share.

Maluti-a-Phofung remained the most considerably populated local municipality accounting for 45% of Thabo Mofutsanyana's total population size followed by Dihlabeng at 18%, Setsoto at 15%, Nketoane at 8%, Mantsopa and Phumelela's share was 7%.

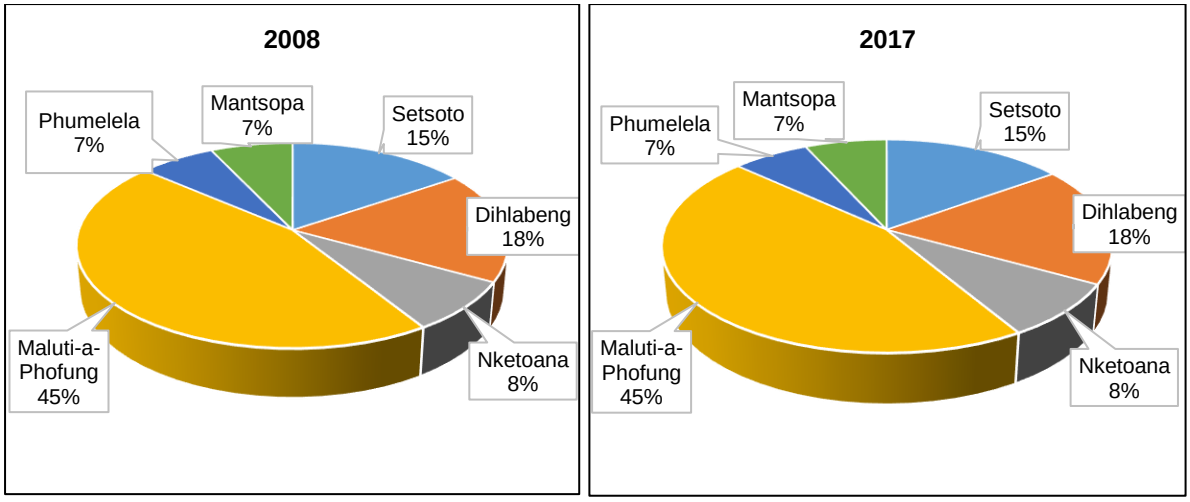


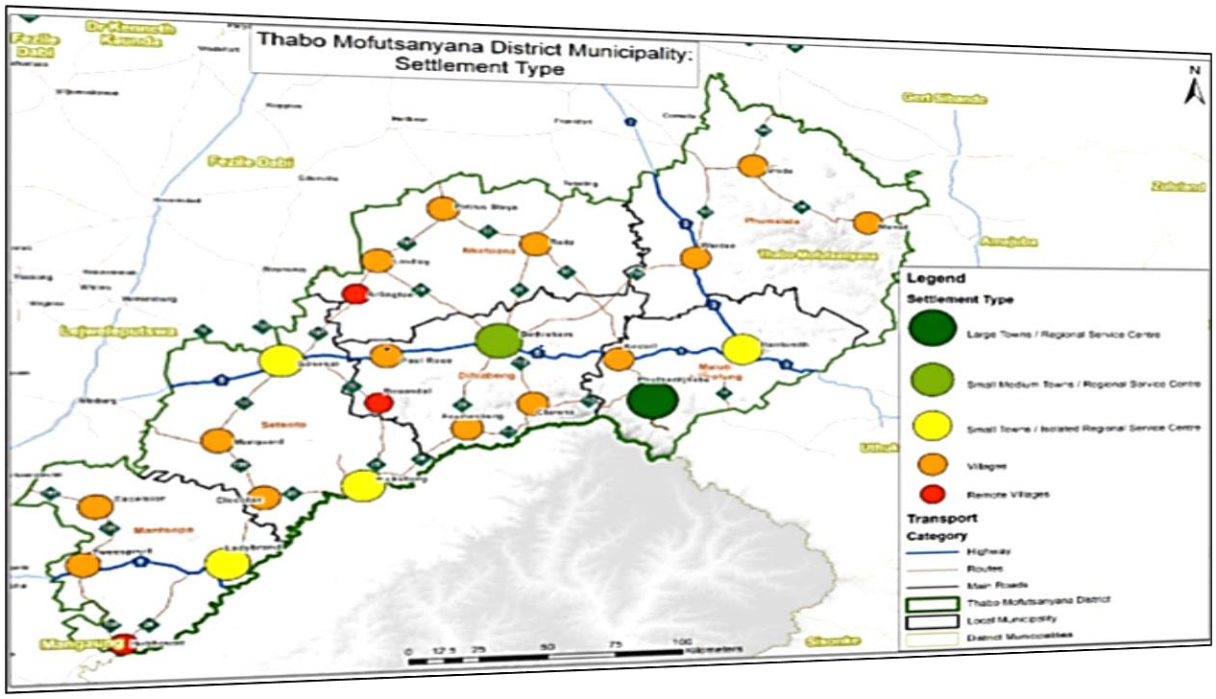
Figure TDM 4: Population Share
Source: IHS Markit, Reginal eXplorer, 2019

2.3. Thabo Mofutsanyana Spatial Perspective

2.3.1. Settlement Types

There are 23 “towns” in Thabo Mofutsanyana. Map TDM 5 presents these centres based on the CSIR Guidelines for the Provision of Social Facilities in South African Settlements 2012.

Using the CSIR Guidelines classification, there are five types of settlements in Thabo Mofutsanyana: Regional Service Centre (1) (large town), Regional Service Centre (2), Isolated Regional Service Centres (5), Villages (16) and Remote Villages (3) with 5 000 - 25 000 people and Remote Villages with a population size of between 500 - 5 000 inhabitants.



Map TDM 5: Settlement Types
Source: Department of Rural Development and Land Reform, 2019

2.3.2. Settlement Density

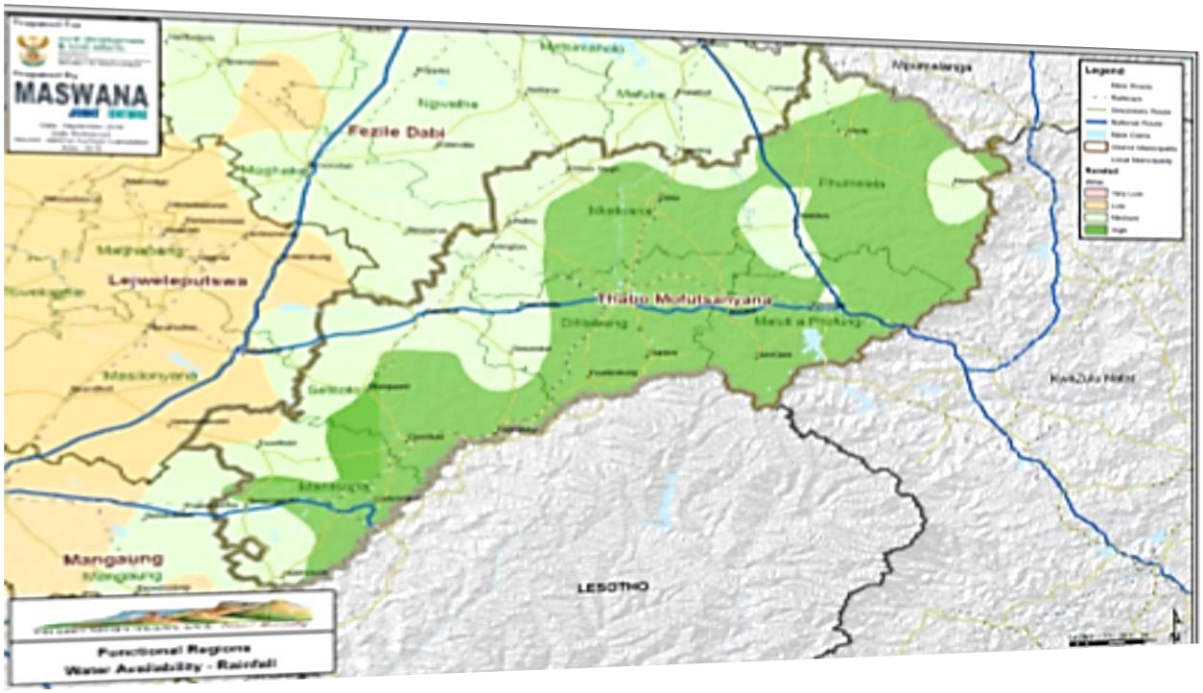
Many settlements are concentrated close to the N5 and N3 in the north-eastern part. Other built-up areas in the district are scattered across the southern part and clustered mainly around the N8 and N5 in towns such as Ladybrand, Ficksburg, Senekal, Bethlehem and Harrismith.

2.3.3. Climate

Temperature in Thabo Mofutsanyana ranges from about 29 degree C in the south-west to a cool 22 degree C in the southern part of the District Municipality. The central areas of the district experience temperatures of between 26 to 27 degree C during the middle of summer.

The minimum temperatures range between -1 to 2 degree C in winter between the western and eastern parts of Thabo Mofutsanyana District Municipality.

There are some areas that experience minimums of -4 degree C such as the central parts of Setsoto, the northern regions of Dihlabeng, and the south-western areas of Maluti-a-Phofung.



Map TDM 6: Rainfall
Source: Thabo Mofutsanyana Rural Development Plan, 2017

The annual rainfall in the District Municipality varies from medium in the north and western border to high in the central, southern and eastern parts, especially to the Drakensberg mountain range and escarpment situated between Thabo Mofutsanyana and Lesotho.

Rainfall ranges from 501mm in the western region to more than 750mm in the eastern part.

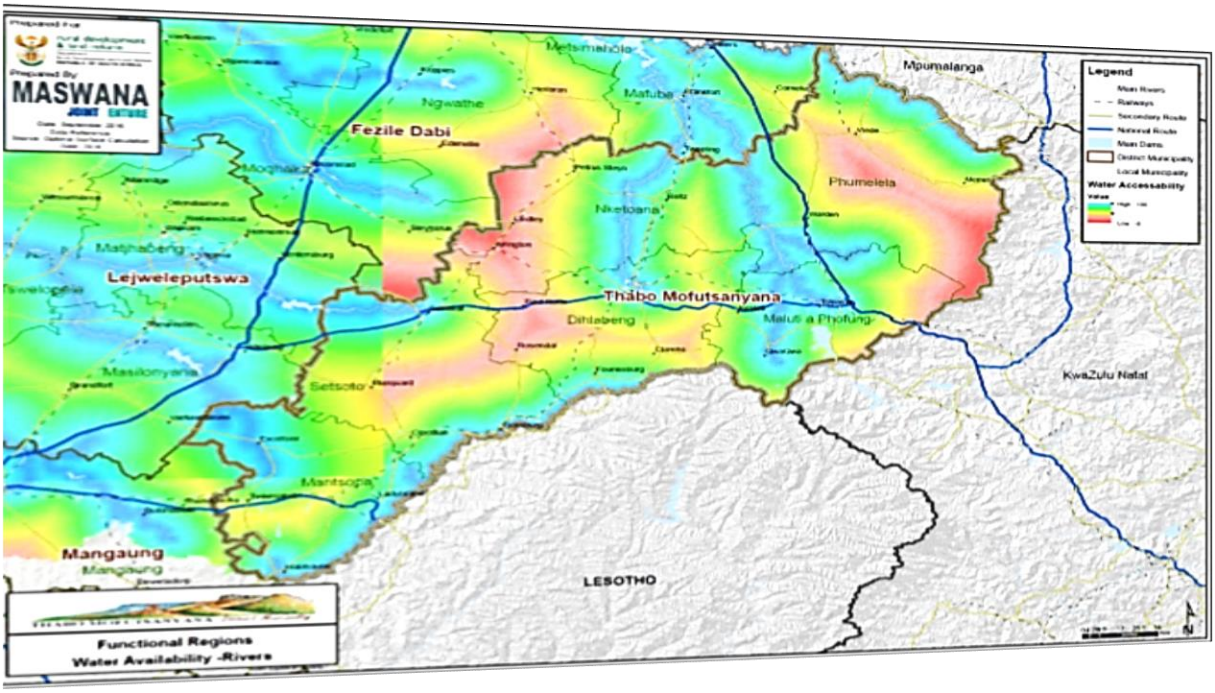
Drought vulnerability is the highest towards the eastern and south-western parts of Thabo Mofutsanyana. The central and north-eastern areas are less stricken by drought conditions because of the availability of water resources primarily from perennial rivers and dams.

2.3.4. Rivers and Dams

Hydrologically, Thabo Mofutsanyana is located between the Vaal River to the north and Orange River to the south, with other rivers draining towards these two.

Access to perennial rivers is along the Caledon, Sand, Wilge, Liebenbergsvlei and As Rivers.

Regarding access to water, many of the rural towns have moderate to high access to water from these rivers with the exception of Marquard, Rosendal, Paul Roux, Arlington and Lindley, and to a lesser extent the district's towns of Petrus Steyn, Memel, Vrede and Clarens.



Map TDM 7: Access to Rivers and Dams
Source: Thabo Mofutsanyana Rural Development Plan, 2017

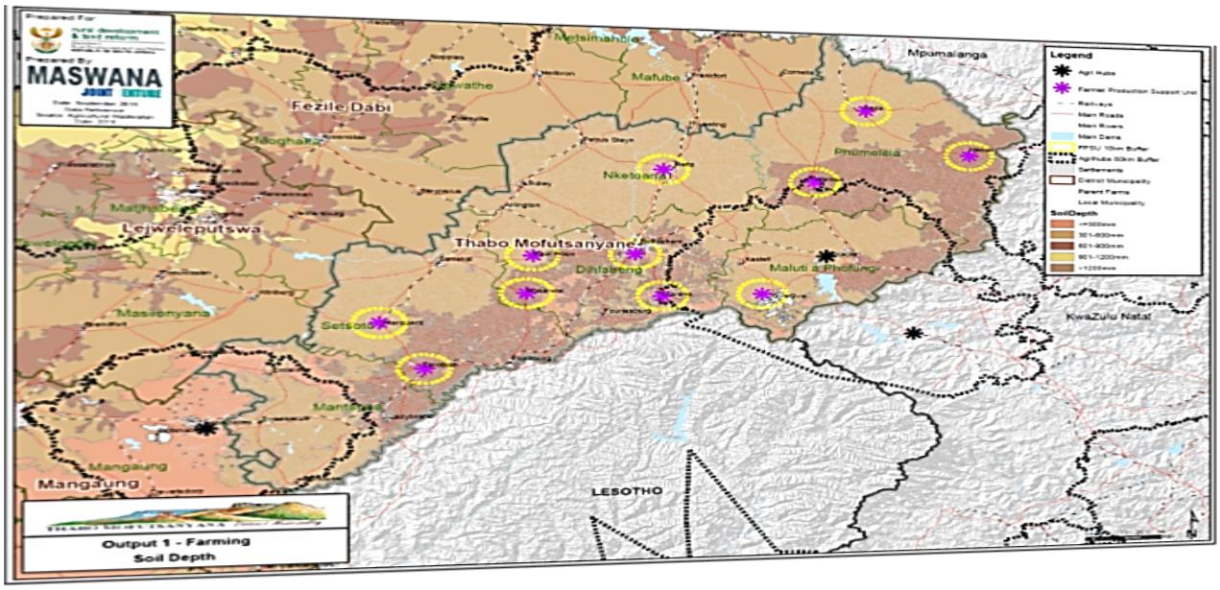
The Armenia Dam, Sterkfontein Dam, Fika-Patso Dam and Saulspoort Dam are also the main source of water supply in the District Municipality.

Although there is a wide spread access to boreholes and groundwater in the district, QwaQwa has a high concentration of boreholes. These are essential as farmers and rural communities are largely dependent on boreholes and groundwater for drinking and irrigation purposes.

2.3.5. Soil Texture

Top soil in Thabo Mofutsanyana largely comprises of a medium percentage of clay with 16% to 25% proportions. Many of the areas around Vrede are located on 0-6% clay.

The soil depth in the northern parts of the District Municipality varies from 301-600mm with the areas towards the south and east between 601mm-900mm. Mantsopa Local Municipality has a soil depth of less than 300mm with some areas reaching 600mm depth levels.



Map TDM 8: Soil Depth
Source: Thabo Mofutsanyana Rural Development Plan, 2017

There is a need for intervention to protect the soil including minimising overgrazing to ensure the effective usage of the commonage land, and replanting programmes of the natural grasses.

2.3.6. Biodiversity

Two of the three formal conservation areas in the district are within the Golden Gate Lesotho Biosphere Reserve Boundary in QwaQwa and Clarens. Another third formal conservation area is shared with Lejweleputswa at Aldam Dam (Willem Pretorius Nature Reserve).

Protected areas are mostly around Memel and Ficksburg with large areas of the district earmarked as critical biodiversity areas. Critical Biodiversity Areas are concentrated around the south of and surrounding towns of Reitz and further south between Reitz and Bethlehem.

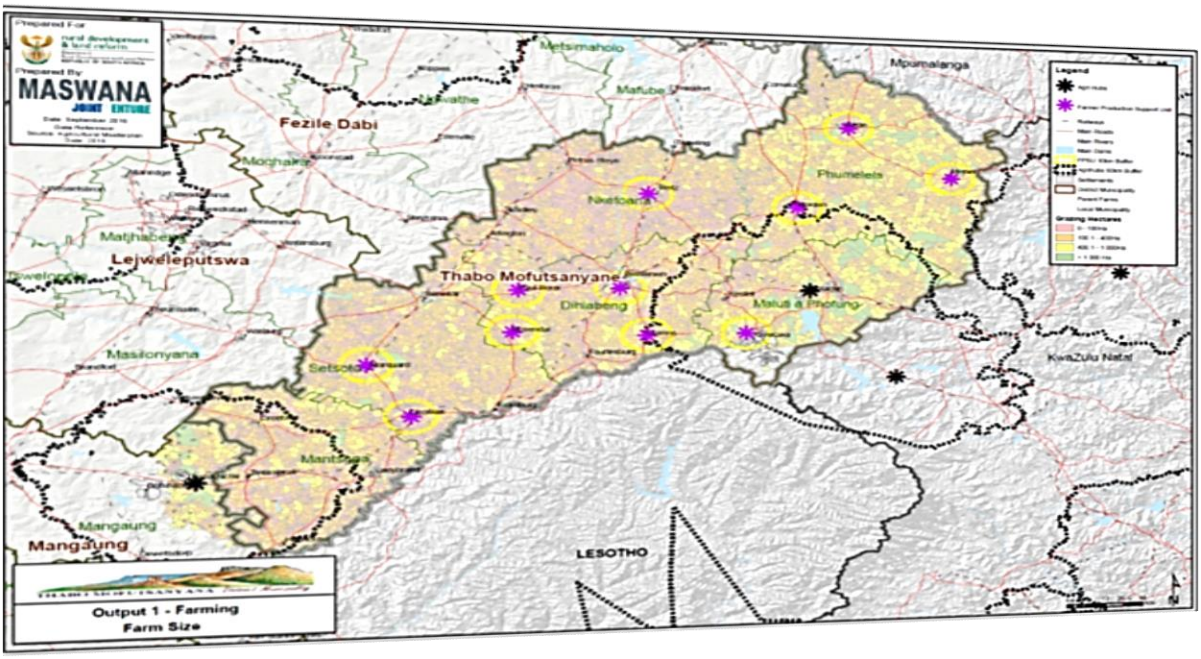
Other concentrated areas are from Arlington, towards Senekal, Marquard, Excelsior, Tweespruit including Hobhouse. The eastern boundary is also a Critical Biodiversity area.

2.3.7. Agriculture

Sizable portions of the district are characterised by intensive agriculture. The eastern boundary has extensive agricultural farming with low human capital requirements. The large part of the district can be categorised as cultivated commercial dry land and commercial irrigated land.

Most of the farms in Nketoana area are less than a 100ha. Dihlabeng and Mantsopa's land sizes exceed 100ha but less than 1000ha. The larger farm pockets are in Maluti-a-Phofung.

Phumelela and Maluti-a-Phofung have greater farm sizes. Many of the larger farm are less fertile and larger areas are required for grazing. Farm sizes surrounding the Farmer Production Support Units in Mantsopa, Dihlabeng and Nketoana are mostly below 100ha.



Map TDM 9: Average Farm Size
Source: Thabo Mofutsanyana Rural Development Plan, 2017

The main agricultural activities in Thabo Mofutsanyana includes crop farming: maize, wheat, vegetables, soybeans, dry beans, sunflowers, groundnuts; livestock farming: cattle (beef and dairy) and sheep (meat and wool); horticulture: cherries, peaches, and apples.

Mantsopa, Setsoto and some areas of Dihlabeng have the highest grazing capacity of 5-8 livestock units per hectare, with Nketoana and Phumelela of 1-4 livestock units per hectare.

The largest concentration of the produce in the district is towards the south, the rest is suitable for a variety of produce with the following projects and infrastructure available in municipalities:

Municipality	Agricultural Produce
Mantsopa	Red meat, Poultry and Wool
Setsoto	Fruit and Red meat
Maluti-a-Phofung	Fruit
Phumelela	Piggery

2.3.8. Urban-Rural Character

The CSIR describes Urban and Rural Towns as those with a population size of between 60 000 – 100 000 people and 25 000 - 60 000 people, respectively.

Since the towns in Thabo Mofutsanyana District Municipality have a low population ranging from 889 for Kestell and 54 661 for Phuthaditjhaba, there are no urban towns in the district.

The rural towns of Thabo Mofutsanyana include Bethlehem (Small Medium Town/Regional Service Centre), Small Town/Harrismith (Isolated Regional Service Centre), and Phuthaditjhaba (Large Town/Regional Service Centre).

2.4. Thabo Mofutsanyana Social Perspective

2.4.1. Households by Dwelling Type

The number of very formal dwellings in Thabo Mofutsanyana was 51 700, formal dwellings was 124 000, informal dwellings was 26 700 and 21 600 of the dwellings were traditional.

Municipality	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Mangaung	95,400	137,000	23,900	13,800	1,110	271,000
Xhariep	13,400	21,300	2,740	1,630	151	39,200
Lejweleputswa	75,600	77,600	21,800	12,300	1,040	188,000
Thabo Mofutsanyana	51,700	124,000	26,700	21,600	1,450	226,000
Fezile Dabi	73,200	63,500	14,100	9,110	692	161,000
Total	**309,338**	**423,436**	**89,307**	**58,435**	**4,450**	**884,967**

Table TDM 10: Households by Dwelling Type, 2018
Source: IHS Markit Regional eXplorer version 1750

2.4.2. Households by Sanitation Type

A total of 135 000 of the 226 000 households had flush toilets and 24 500 had VIP toilets. Thabo Mofutsanyana had a significant number of households with pit toilet (47 300), and 7 350 had bucket system and 3 810 had no toilets.

Municipalities	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Mangaung	198,000	35,800	26,800	5,300	5,340	271,000
Xhariep	33,500	1,750	1,200	956	1,720	39,200
Lejweleputswa	159,000	5,260	12,800	7,940	3,940	188,000
Thabo Mofutsanyana	143,000	24,500	47,300	7,350	3,810	226,000
Fezile Dabi	135,000	3,720	12,500	6,780	2,030	161,000
Total	**668,246**	**70,977**	**100,571**	**28,332**	**16,840**	**884,967**

Table TDM 11: Households by Sanitation Type, 2018
Source: IHS Markit Regional eXplorer version 1750

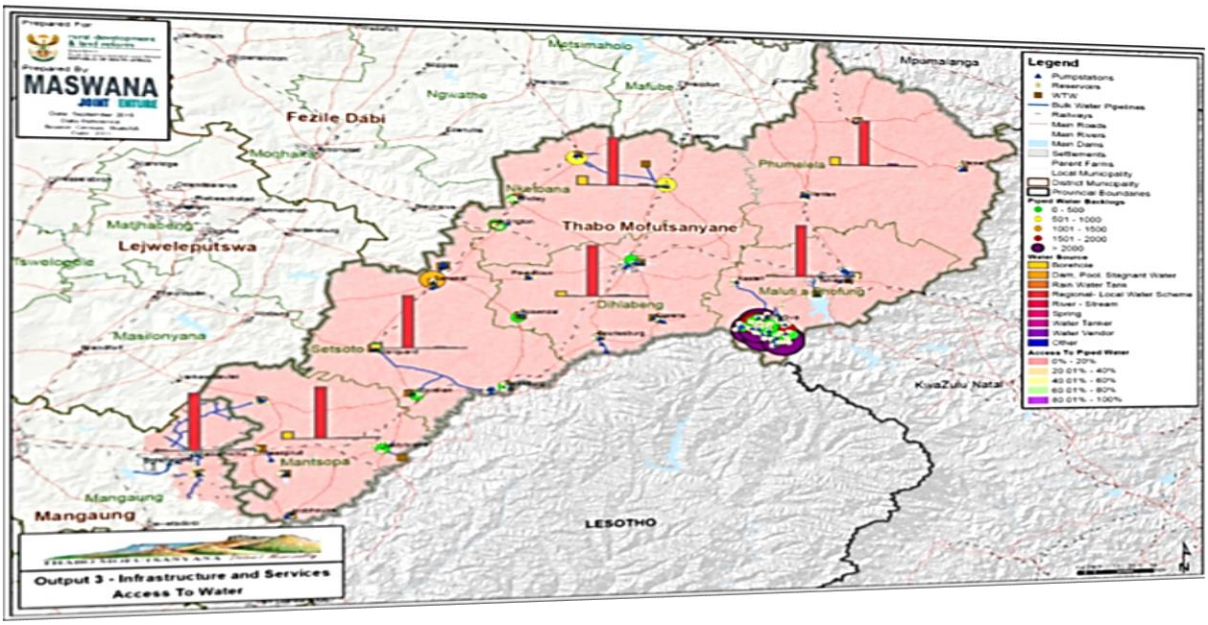
2.4.3. Households by Access to Water

The number of households with piped water inside dwelling was 71 200, those with piped water in yard was 128 000. Households with communal piped water was 18 500 and communal piped water was 3 410. There were 4 420 households with no piped water in the district.

Municipalities	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mangaung	122,000	118,000	24,500	4,620	1,990	271,000
Xhariep	17,000	20,600	675	338	499	39,200
Lejweleputswa	92,000	83,400	8,430	2,840	1,710	188,000
Thabo Mofutsanyana	71,200	128,000	18,500	3,410	4,420	226,000

Fezile Dabi	92,500	56,300	7,990	2,500	1,240	161,000
Total	**394,881**	**406,379**	**60,135**	**13,707**	**9,864**	**884,967**

Table TDM 12: Households by Access to Water, 2018
Source: IHS Markit Regional eXplorer version 1750



Map TDM 13: Access to Infrastructure and Water
Source: Thabo Mofutsanyana Rural Development Plan, 2017

The concerns about the availability, quality and management of water including climate change remain real for the district. Access to water is critically low in Thabo Mofutsanyana. The water infrastructure is not only old, but also under pressure to accommodate additional people.

There is also the challenge of climate change with projections for central interior's temperatures where the Free State is located to increase by 2 to 3°C by 2050.

2.4.4. Households Access to Electricity

Households that used electricity for lighting only were 11 600 or 5.13% of the 226 000 households of Thabo Mofutsanyana. Those that used electricity for lighting and other purposes were markedly higher at 196 000 and those not using electricity were 18 400 (8.14%).

Municipalities	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mangaung	4,240	252,000	14,400	271,000
Xhariep	1,620	35,700	1,860	39,200
Lejweleputswa	3,590	172,000	12,500	188,000
Thabo Mofutsanyana	11,600	196,000	18,400	226,000
Fezile Dabi	4,040	144,000	12,300	161,000
Total	**25,052**	**800,493**	**59,421**	**884,967**

Table TDM 14: Households by Access to Electricity, 2018
Source: IHS Markit Regional eXplorer version 1750

Even though a high number of people in Thabo Mofutsanyana had access to electricity, non-payment coupled with other factors, continued to put pressure on the provision of electricity. This had led to a huge debt owed to Eskom as indicate in Table TDM 15 underneath.

Name of Municipality	Current	16 - 30 days	31 - 60 days	61 - 90 days	90 days+	Total
CENTLEC MUNICIPALITY	6,177,776	0	0	0	0	6,177,776
DIHLABENG LOCAL MUNICIPALITY	27,343,670	0	30,101,173	16,750,028	206,001,553	280,196,424
KOPANONG LOCAL MUNICIPALITY	9,587,172	0	15,906	14,652	1,065,434	10,683,164
LETSEMENG LOCAL MUNICIPALITY	4,758,693	0	4,652,713	3,468,087	19,069,257	31,948,751
MAFUBE LOCAL MUNICIPALITY	11,620,725	0	12,216,307	9,673,462	77,604,295	111,114,789
MALUTI A PHOFUNG LOCAL MUNICIPALITY	173,087,033	0	267,271,375	135,540,138	3,875,848,577	4,451,747,124
MANGAUNG METROPOLITAN MUNICIPALITY	248,995,326	266,951,800	317,000	13,595,081	40,886,892	570,746,099
MANTSOPA LOCAL MUNICIPALITY	8,881,842	0	9,194,028	7,527,859	171,605,434	197,209,163
MASILONYANA LOCAL MUNICIPALITY	5,489,744	0	5,748,207	3,806,808	54,379,921	69,424,681
MATJHABENG LOCAL MUNICIPALITY	206,051,940	0	300,246	146,364,801	2,346,246,785	2,698,963,772
METSIMAHOLO LOCAL MUNICIPALITY	34,925,882	0	0	0	0	34,925,882
MOHOKARE LOCAL MUNICIPALITY	64,679	0	0	0	0	64,679
MOQHAKA LOCAL MUNICIPALITY	83,206,032	0	0	54,632,236	197,474,752	335,313,020
NALA LOCAL MUNICIPALITY	28,534,805	0	3,460,269	21,755,517	238,663,790	292,414,382
NGWATHE LOCAL MUNICIPALITY	41,467,418	0	37,181,653	28,790,412	1,070,263,529	1,177,703,012
NKETOANA LOCAL MUNICIPALITY	22,830,580	0	0	9,717,165	243,389,170	275,936,915
PHUMELELA LOCAL MUNICIPALITY	8,987,373	0	3,048,207	4,659,364	109,781,479	126,476,418
SETSOTO LOCAL MUNICIPALITY	11,425,050	30,881	10,152,317	972,184	0	22,580,432
TOKOLOGO LOCAL MUNICIPALITY	4,783,017	0	4,738,513	3,826,850	54,410,686	67,759,066
TSWELOPELE LOCAL MUNICIPALITY	11,402,633	0	0	7,315,307	22,415,152	41,133,091
TOTAL	949,621,390	266,982,682	388,397,909	468,409,951	8,729,106,706	10,802,518,637

Table TDM 15: Eskom Debt Outstanding as at 31 August 2019
Source: Status of Municipaly Finance – First Quarter, Free State Treasury, 2019

2.4.5. Households by Refuse Removal

The number of households where refuse was removed weekly was 118 000 or a share of 52.21 of the proportion of households the 226 000 households in Thabo Mofutsanyana.

The number of households where refuse was removed less often than weekly were 2 800 and those households where it was removed by the community members were 11 900.

Municipalities	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Mangaung	230,000	6,730	6,500	21,600	5,730	271,000
Xhariep	28,300	1,180	1,630	6,740	1,290	39,200
Lejweleputswa	149,000	8,950	3,680	18,500	8,160	188,000
Thabo Mofutsanyana	118,000	2,800	11,900	78,500	15,000	226,000
Fezile Dabi	138,000	2,690	3,120	12,400	4,540	161,000
Total	**663,373**	**22,348**	**26,835**	**137,697**	**34,714**	**884,967**

Table TDM 16: Households by Refuse Removal, 2018
Source: IHS Markit Regional eXplorer version 1750

2.4.6. Education Provision

Education has an intrinsic value as it improves the quality of life. Access to quality education furthers social and economic developments. On the other hand, limited education and the resultant low literacy levels unfavourably affect human development and the quality of life.

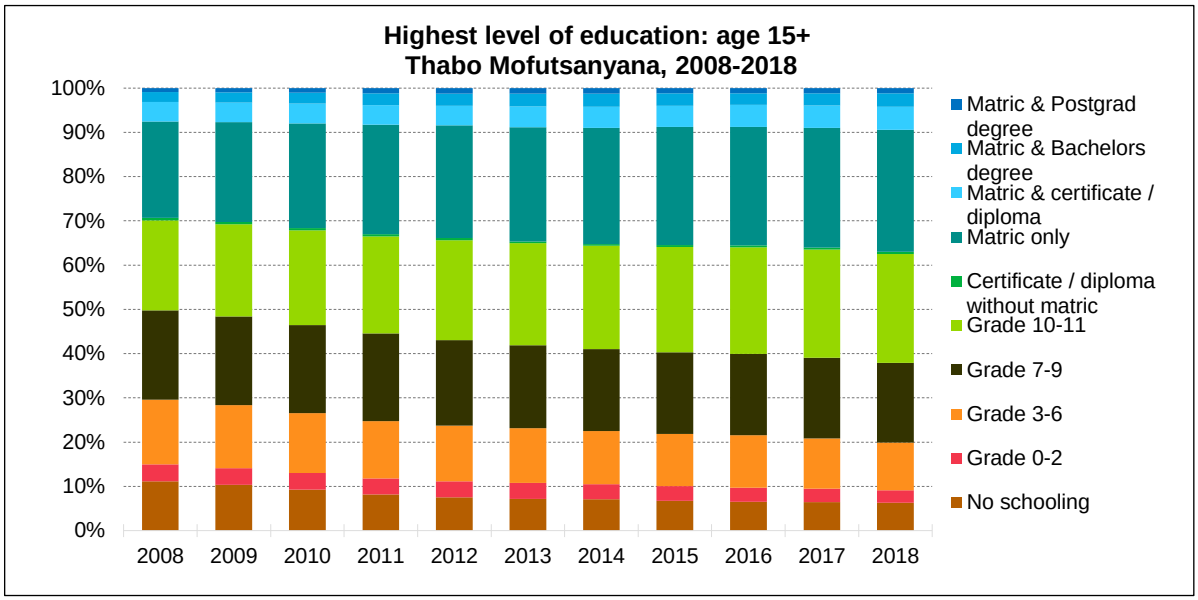


Figure TDM 17: Highest Level of Education: age 15+, 2018
Source: IHS Markit Regional eXplorer version 1803

The number of people without any schooling in Thabo Mofutsanyana District Municipality dropped between 2008 to 2018 with an annual average rate of -5.13%.

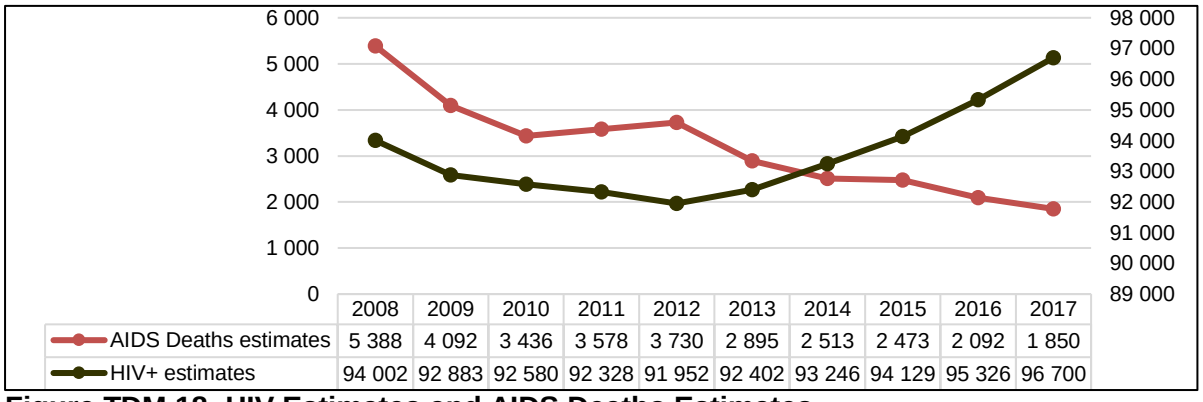
The number of people who falls within the 'Matric only' category rose from 93 800 to 124 000.

More encouraging was that the number of people with 'Matric and a Certificate/Diploma' increased with an average annual rate of 2.07%, while those with a 'Matric and a Bachelor's' degree equally increased with an average annual rate of 3.78% in Thabo Mofutsanyana.

2.4.7. HIV and AIDS Prevalence

Human immunodeficiency virus (HIV) interferes or damages the body's ability to fight organisms that causes diseases and lead to Acquired immunodeficiency syndrome (AIDS).

Beyond this, HIV and AIDS can have a substantial impact on the population growth rate. There is again the entwined possibility of adverse impact on the socio-economic conditions.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
AIDS Deaths estimates	5 388	4 092	3 436	3 578	3 730	2 895	2 513	2 473	2 092	1 850
HIV+ estimates	94 002	92 883	92 580	92 328	91 952	92 402	93 246	94 129	95 326	96 700

Figure TDM 18: HIV Estimates and AIDS Deaths Estimates
Source: IHS Markit, Reginal eXplorer, 2019

The HIV and AIDS death trends in Thabo Mofutsanyana are no different from those of other district municipalities in the Free State, an increasing HIV rate and decreasing AIDS deaths.

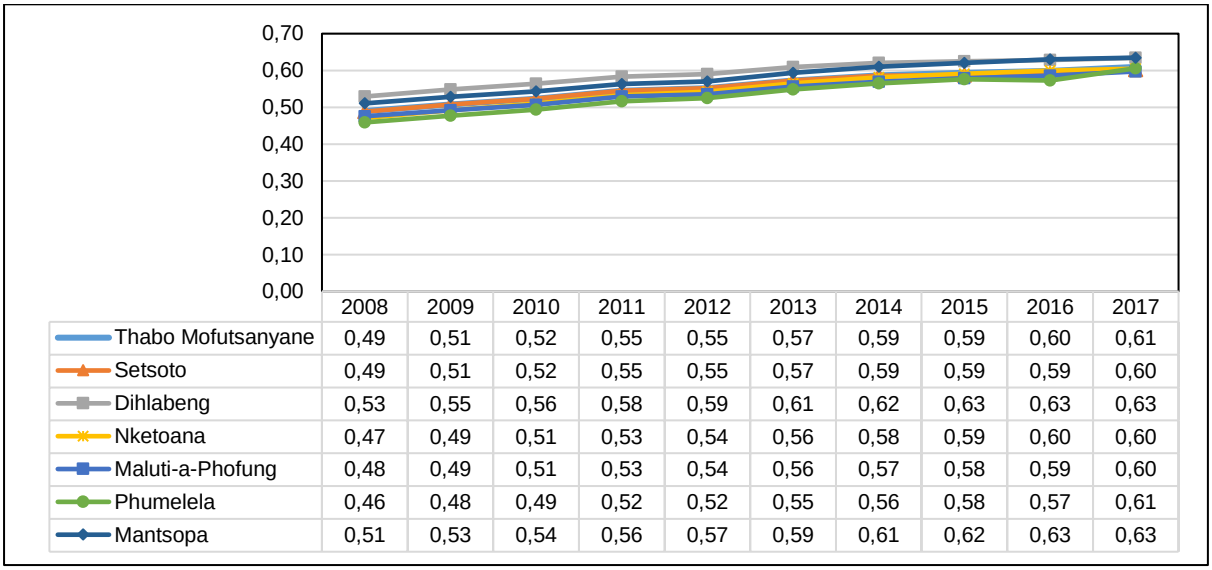
The number of persons living with HIV increased from an estimated 94 000 in 2008 to 96 700 thousands in 2017, which represents 12.9% of the total population of Thabo Mofutsanyana.

The two local municipalities of Maluti-a-Phofung and Dihlabeng had the highest prevalence of HIV while Mantsopa Local Municipality had the lowest in Thabo Mofutsanyana.

Declining AIDS mortality rates can primarily be attributed to an increase in the roll-out of the antiretroviral therapy, prevention of mother-to-child transmission, the distribution of condoms and medical male circumcision.

2.4.8. Human Development

The Human Development Index (HDI) measures life expectancy at birth, education using average years of schooling and gross national income per capita. HDI varies between zero and one, with zero being the lowest level of development and one the highest level.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Thabo Mofutsanyane	0,49	0,51	0,52	0,55	0,55	0,57	0,59	0,59	0,60	0,61
Setsoto	0,49	0,51	0,52	0,55	0,55	0,57	0,59	0,59	0,59	0,60
Dihlabeng	0,53	0,55	0,56	0,58	0,59	0,61	0,62	0,63	0,63	0,63
Nketoana	0,47	0,49	0,51	0,53	0,54	0,56	0,58	0,59	0,60	0,60
Maluti-a-Phofung	0,48	0,49	0,51	0,53	0,54	0,56	0,57	0,58	0,59	0,60
Phumelela	0,46	0,48	0,49	0,52	0,52	0,55	0,56	0,58	0,57	0,61
Mantsopa	0,51	0,53	0,54	0,56	0,57	0,59	0,61	0,62	0,63	0,63

Figure TDM 19: Human Development Indicators
Source: IHS Markit, Reginal eXplorer, 2019

Compared to other district municipalities, both Thabo Mofutsanyana and Xhariep had the lowest HDl, weighed down by municipalities such as Maluti-a-Phofung, Nketoane and Setsoto.

Both at 0.63, Dihlabeng and Mantsopa remained the highest developed areas in the district.

2.4.9. Income Distribution

The gini-coefficient is a summary statistic of income inequality. If the gini-coefficient is equal to zero, income distribution denotes equal income distribution. That is, there is no variance between the high and low-income earners within the population in an area.

The opposite is also true. If the gini-coefficient equals one, income is completely inequitable.

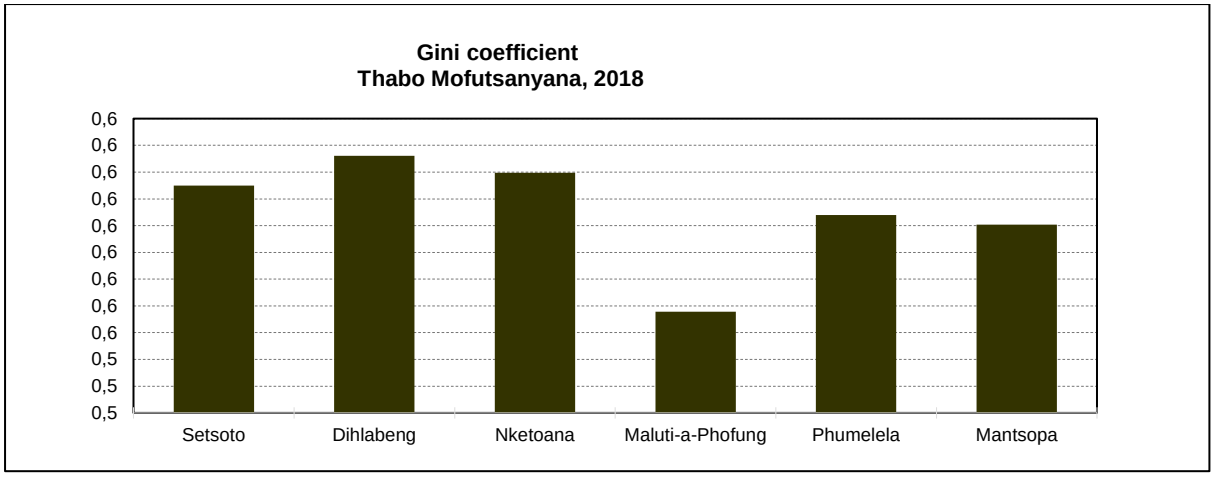


Figure TDM 20: Gini-coefficient, 2018
Source: IHS Markit Regional eXplorer version 1803

Dihlabeng had the highest gini-coefficient, 0.616 and the lowest index was in Maluti-a-Phofung, 0.558. These figures demonstrate that income inequality is persistent in the district.

2.4.10. Poverty Level

Statistics South Africa defines the upper poverty line as the level of consumption individuals can purchase enough food and other items without sacrificing one for the other.

This variable measures the number of individuals living below that particular level of consumption, and is balanced directly to the official upper poverty rate.

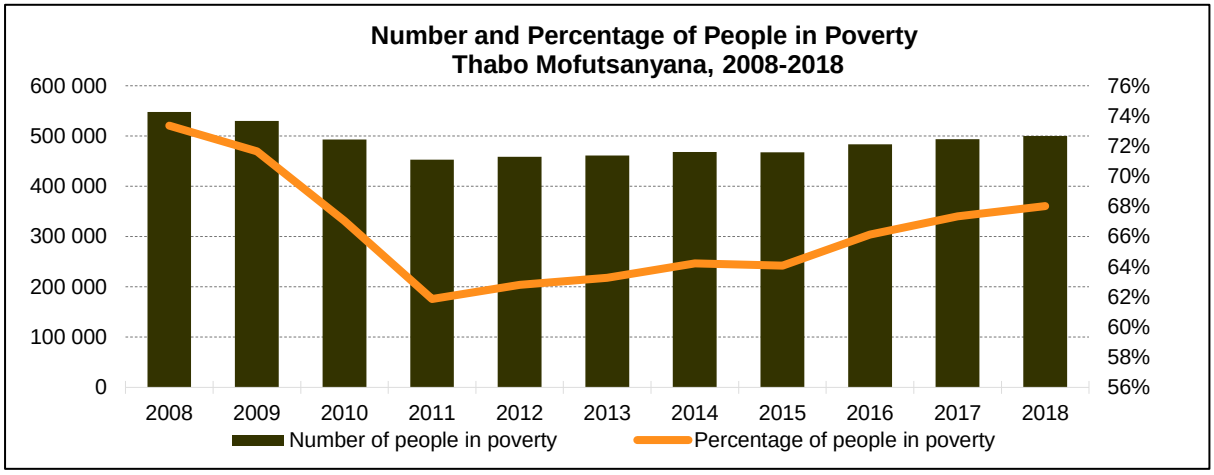


Figure TDM 21: People Living in Poverty, 2018
Source: IHS Markit Regional eXplorer version 1803

In 2018, there were 500 000 people living in poverty across Thabo Mofutsanyana. This was 8.78% lesser than the 548 000 number in 2008. The percentage of people living in poverty decreased from 73.35% in 2008 to 68.02% in 2018, a decrease of 5.33%.

While Maluti-a-Phofung Local Municipality had the highest percentage of people living in poverty at 71.9%, Dihlabeng Local Municipality had the lowest at 58.2%.

2.4.11. Crime Level

For the 2018/2019 financial year, 20 422 serious crimes were reported by the community in Thabo Mofutsanyana, an increase of 4.1%, from the 19 623 similar crimes in 2017/2018.

Sub-categories of these crimes ranged from property related crimes (7 213), and contact related crimes that included arson (24) and malicious damage to property (1 449).

There were 7 690 total contact crimes, 992 robbery with aggravating circumstances, 301 common robbery, 2 465 common assault, 180 attempted murder, 826 sexual offences and 248 murder incidents. This represented a decrease of -5.3% from the 2017/2018 period.

Incidents of burglary at non-residential premises were standing at 1247, burglary at residential premises 3 223, theft of motor vehicle and motorcycle 287, theft out of or from motor vehicle 871 and stock-theft at 1 585. This meant an increase of 2.6% of property related crimes.

Crime category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Murder	262	248	-14	-5.3%
Total Sexual Offences	769	826	**57**	**7.4%**
Attempted murder	140	180	**40**	**28.6%**
Assault with the intent to inflict grievous bodily harm	2416	2678	**262**	**10.8%**
Common assault	2452	2465	**13**	**0.5%**
Common robbery	309	301	-8	-2.6%
Robbery with aggravating circumstances	887	992	**105**	**11.8%**
Total Contact crimes	7235	7690	**455**	**6.3%**
Arson	40	24	-16	-40.0%
Malicious damage to property	1436	1449	**13**	**0.9%**
Total Contact related crimes	1476	1473	-3	-0.2%
Burglary at non-residential premises	1176	1247	**71**	**6.0%**
Burglary at residential premises	3089	3223	**134**	**4.3%**
Theft of motor vehicle and motorcycle	316	287	-29	-9.2%
Theft out of or from motor vehicle	827	871	**44**	**5.3%**
Stock-theft	1624	1585	-39	-2.4%
Total Property related crimes	7032	7213	**181**	**2.6%**
All theft not mentioned elsewhere	2515	2728	**213**	**8.5%**
Commercial crime	714	688	-26	-3.6%
Shoplifting	651	630	-21	-3.2%
Total Other serious crimes	3880	4046	**166**	**4.3%**
TOTAL 17 Community Reported Serious Crimes	19623	20422	**799**	**4.1%**
Carjacking	37	34	-3	-8.1%
Robbery at residential premises	188	207	**19**	**10.1%**
Robbery at non-residential premises	184	196	**12**	**6.5%**
Total TRIO Crimes	409	437	**28**	**6.8%**
Truck hijacking	13	12	-1	-7.7%
Bank Robbery	1	0	-1	-100.0%
Robbery of cash in transit	8	2	-6	-75.0%
Illegal possession of firearms and ammunition	139	131	**-8**	**-5.8%**
Drug-related crime	3523	2049	**-1474**	**-41.8%**
Driving under the influence of alcohol or drugs	908	951	43	4.7%

Crime category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Sexual Offences detected as a result of Police Action	155	230	75	48.4%
Total Crime detected as a result of police action	4725	3361	**-1364**	**-28.9%**

Table TDM 22: Crime Statistics
Source: South African Police Service, October 2019

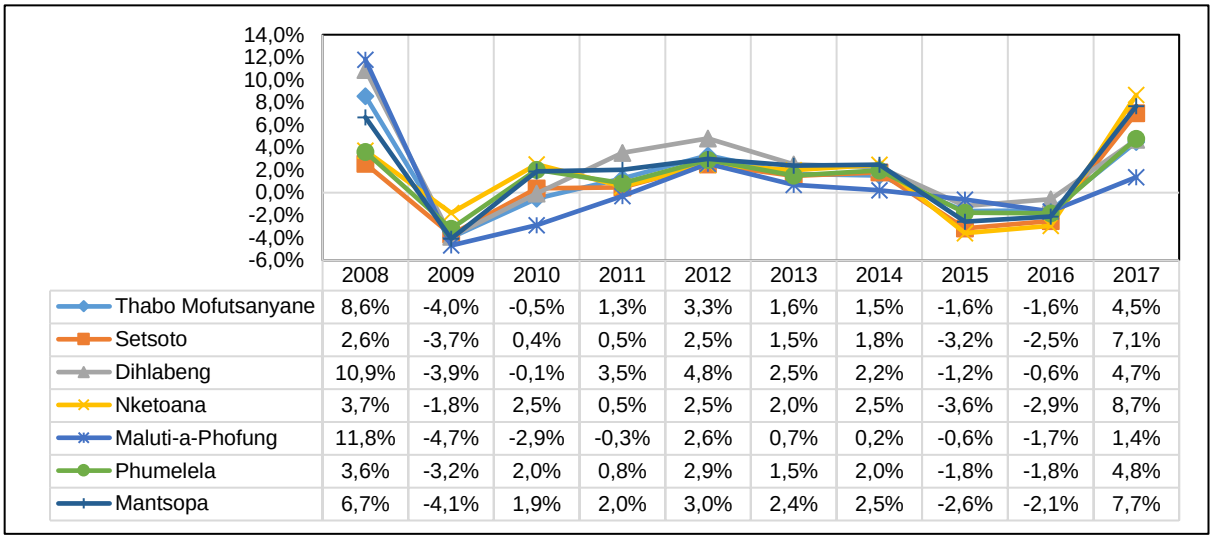
Particular types of crimes that decreased include illegal possession of firearms and ammunition (-5.8%), drug related crime (-41.8%), crimes detected because of police action (-28.9%), truck jacking, bank robbery (-100%), and cash-in-transit and car jacking (8.1).

2.5. Thabo Mofutsanyana Economic Perspective

2.5.1. Gross Domestic Product

Thabo Mofutsanyana recorded an annual average growth of 1.3%. Although the district's economic outlook remained somehow depressed, there were pleasing signs of recovery.

All the local municipalities had a positive growth rate in 2017. Setsoto grew by 7.1%, Dihlabeng by 4.7%, Nketoane by 8.7%, Maluti-a-Phofung by 1.4%, Phumelela by 4.8% and Mantsopa by 7.7%. This recovery was as a result of an increase in agricultural output.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Thabo Mofutsanyane	8,6%	-4,0%	-0,5%	1,3%	3,3%	1,6%	1,5%	-1,6%	-1,6%	4,5%
Setsoto	2,6%	-3,7%	0,4%	0,5%	2,5%	1,5%	1,8%	-3,2%	-2,5%	7,1%
Dihlabeng	10,9%	-3,9%	-0,1%	3,5%	4,8%	2,5%	2,2%	-1,2%	-0,6%	4,7%
Nketoana	3,7%	-1,8%	2,5%	0,5%	2,5%	2,0%	2,5%	-3,6%	-2,9%	8,7%
Maluti-a-Phofung	11,8%	-4,7%	-2,9%	-0,3%	2,6%	0,7%	0,2%	-0,6%	-1,7%	1,4%
Phumelela	3,6%	-3,2%	2,0%	0,8%	2,9%	1,5%	2,0%	-1,8%	-1,8%	4,8%
Mantsopa	6,7%	-4,1%	1,9%	2,0%	3,0%	2,4%	2,5%	-2,6%	-2,1%	7,7%

Figure TDM 23: GDP-R (Average Annual Growth (constant 2010 prices))
Source: IHS Markit, Reginal eXplorer, 2019

2.5.2. Gross Value Add

Gross Value Added (GVA) is a measure of output of a region in terms of the value that was created in that region. GVA is measured at basic prices and GDP at market prices.

All economic sectors were classified by the South African Standard Industrial Classification.

Sectors	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	13.3%	12.6%	10.5%	10.1%	9.7%	9.7%	10.1%	9.5%	10.9%	11.5%
Mining	2.3%	2.1%	2.3%	2.3%	2.2%	2.5%	2.5%	1.9%	1.6%	2.0%
Primary Sector	**15.5%**	**14.7%**	**12.9%**	**12.3%**	**11.9%**	**12.1%**	**12.6%**	**11.5%**	**12.5%**	**13.5%**
Manufacturing	8.8%	7.6%	7.3%	6.9%	6.9%	6.9%	6.5%	7.4%	7.6%	7.6%
Electricity	1.7%	2.2%	2.4%	2.6%	2.9%	2.8%	3.1%	3.6%	3.6%	3.8%
Construction	3.6%	4.3%	3.5%	3.7%	3.4%	3.6%	3.3%	3.1%	3.1%	2.8%
Secondary Sector	**14.1%**	**14.1%**	**13.3%**	**13.2%**	**13.2%**	**13.3%**	**12.9%**	**14.1%**	**14.3%**	**14.2%**
Trade	16.7%	17.8%	20.8%	19.5%	19.0%	18.3%	17.6%	17.4%	17.2%	16.8%
Transport	10.4%	9.5%	8.9%	9.5%	10.2%	10.4%	11.0%	10.9%	10.6%	10.7%
Finance	15.8%	15.5%	15.5%	15.4%	15.2%	15.4%	15.9%	16.4%	15.5%	15.4%
Community services	27.4%	28.4%	28.7%	30.0%	30.5%	30.5%	29.9%	29.7%	29.9%	29.4%
Tertiary Sector	**70.3%**	**71.2%**	**73.9%**	**74.4%**	**74.8%**	**74.6%**	**74.5%**	**74.4%**	**73.2%**	**72.3%**
Industries	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Table TDM 24: Gross Value Added
Source: IHS Markit, Reginal eXplorer, 2019

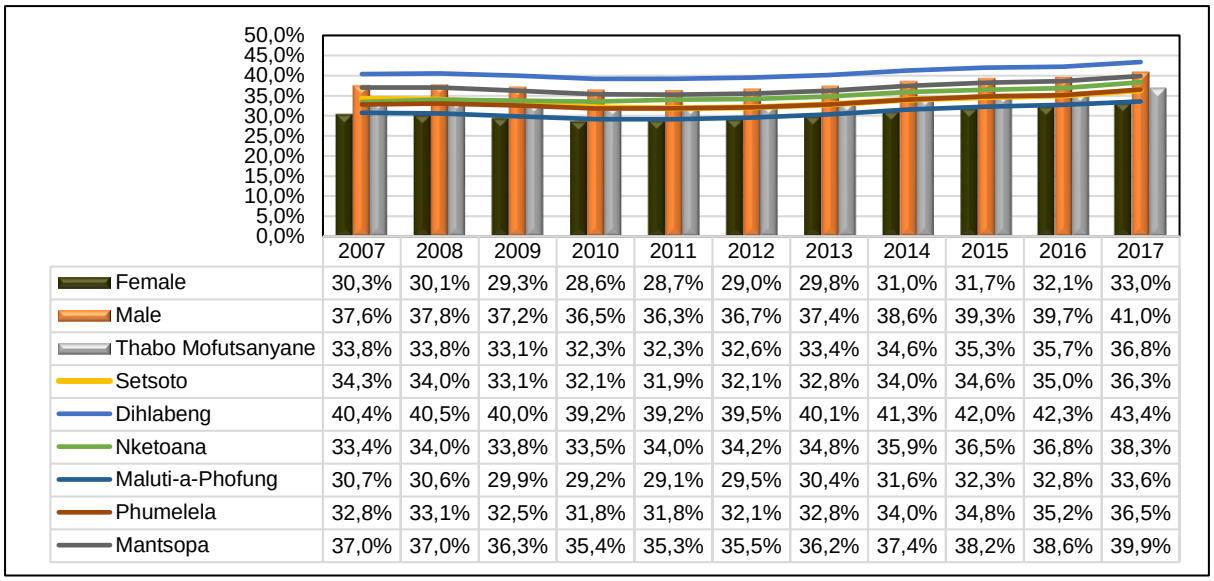
What is clear in Table TDM 24 above is that the primary sector contracted by 2% from 15.5% in 2008 to 13.5% in 2017. Agriculture was the most affected in 2015 due to severe drought.

Manufacturing and construction subsector of the secondary sector declined from 8.8% and 3.6% in 2008 to 7.6% and 2.8% in 2017, respectively.

The tertiary sector's outlook in Thabo Mofutsanyana was different in comparison to the other sectors. Driven by the community services sector, this sector's economic share increased.

2.5.3. Economic Active Population

The economically active population includes persons between the ages of 15 to 65 years who are either employed or unemployed, seeking employment.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Female	30,3%	30,1%	29,3%	28,6%	28,7%	29,0%	29,8%	31,0%	31,7%	32,1%	33,0%
Male	37,6%	37,8%	37,2%	36,5%	36,3%	36,7%	37,4%	38,6%	39,3%	39,7%	41,0%
Thabo Mofutsanyane	33,8%	33,8%	33,1%	32,3%	32,3%	32,6%	33,4%	34,6%	35,3%	35,7%	36,8%
Setsoto	34,3%	34,0%	33,1%	32,1%	31,9%	32,1%	32,8%	34,0%	34,6%	35,0%	36,3%
Dihlabeng	40,4%	40,5%	40,0%	39,2%	39,2%	39,5%	40,1%	41,3%	42,0%	42,3%	43,4%
Nketoana	33,4%	34,0%	33,8%	33,5%	34,0%	34,2%	34,8%	35,9%	36,5%	36,8%	38,3%
Maluti-a-Phofung	30,7%	30,6%	29,9%	29,2%	29,1%	29,5%	30,4%	31,6%	32,3%	32,8%	33,6%
Phumelela	32,8%	33,1%	32,5%	31,8%	31,8%	32,1%	32,8%	34,0%	34,8%	35,2%	36,5%
Mantsopa	37,0%	37,0%	36,3%	35,4%	35,3%	35,5%	36,2%	37,4%	38,2%	38,6%	39,9%

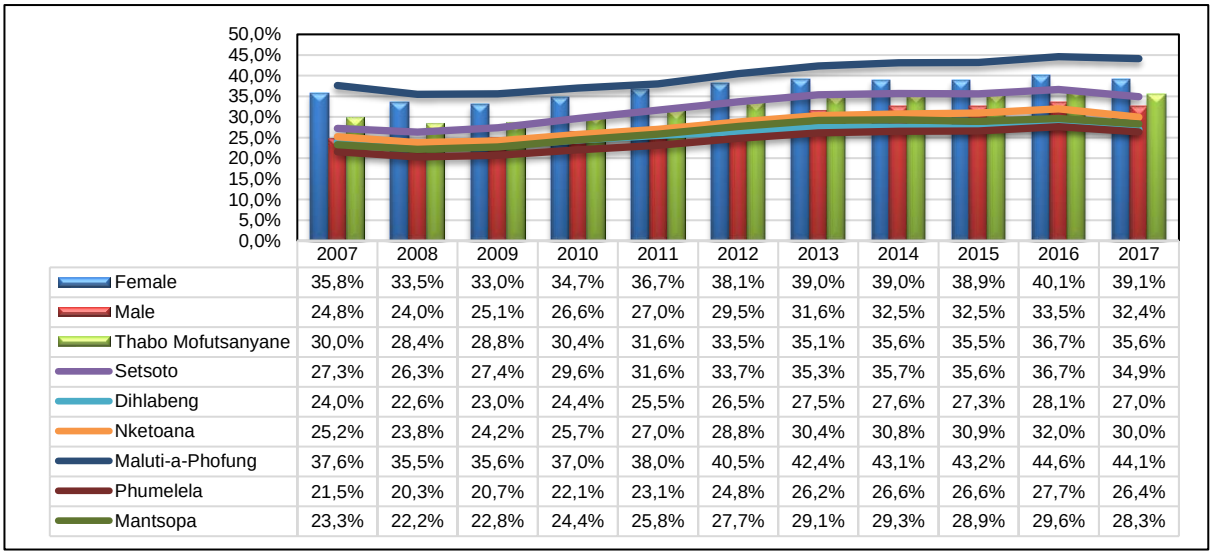
Figure TDM 25: Economically Active Population
Source: IHS Markit, Reginal eXplorer, 2019

The economically active population increased in all local municipalities and across gender divide. This was not accompanied by economic growth, leading to more unemployment.

2.5.4. Unemployment Level

The official definition of unemployment refers to people in the labour force who are not working and have actively been looking for work prior to the survey.

The broad definition of unemployment includes individuals who have not been looking for work over time, but would like to work, even when they have not indicated a desire to look for work.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Female	35,8%	33,5%	33,0%	34,7%	36,7%	38,1%	39,0%	39,0%	38,9%	40,1%	39,1%
Male	24,8%	24,0%	25,1%	26,6%	27,0%	29,5%	31,6%	32,5%	32,5%	33,5%	32,4%
Thabo Mofutsanyane	30,0%	28,4%	28,8%	30,4%	31,6%	33,5%	35,1%	35,6%	35,5%	36,7%	35,6%
Setsoto	27,3%	26,3%	27,4%	29,6%	31,6%	33,7%	35,3%	35,7%	35,6%	36,7%	34,9%
Dihlabeng	24,0%	22,6%	23,0%	24,4%	25,5%	26,5%	27,5%	27,6%	27,3%	28,1%	27,0%
Nketoana	25,2%	23,8%	24,2%	25,7%	27,0%	28,8%	30,4%	30,8%	30,9%	32,0%	30,0%
Maluti-a-Phofung	37,6%	35,5%	35,6%	37,0%	38,0%	40,5%	42,4%	43,1%	43,2%	44,6%	44,1%
Phumelela	21,5%	20,3%	20,7%	22,1%	23,1%	24,8%	26,2%	26,6%	26,6%	27,7%	26,4%
Mantsopa	23,3%	22,2%	22,8%	24,4%	25,8%	27,7%	29,1%	29,3%	28,9%	29,6%	28,3%

Figure TDM 26: Unemployment Rate, Official Definition
Source: IHS Markit, Reginal eXplorer, 2019

Figure TDM 26 reveals more gender disparities in unemployment levels with 39.1% women in 2017 compared to men 32.4% of men unemployed.

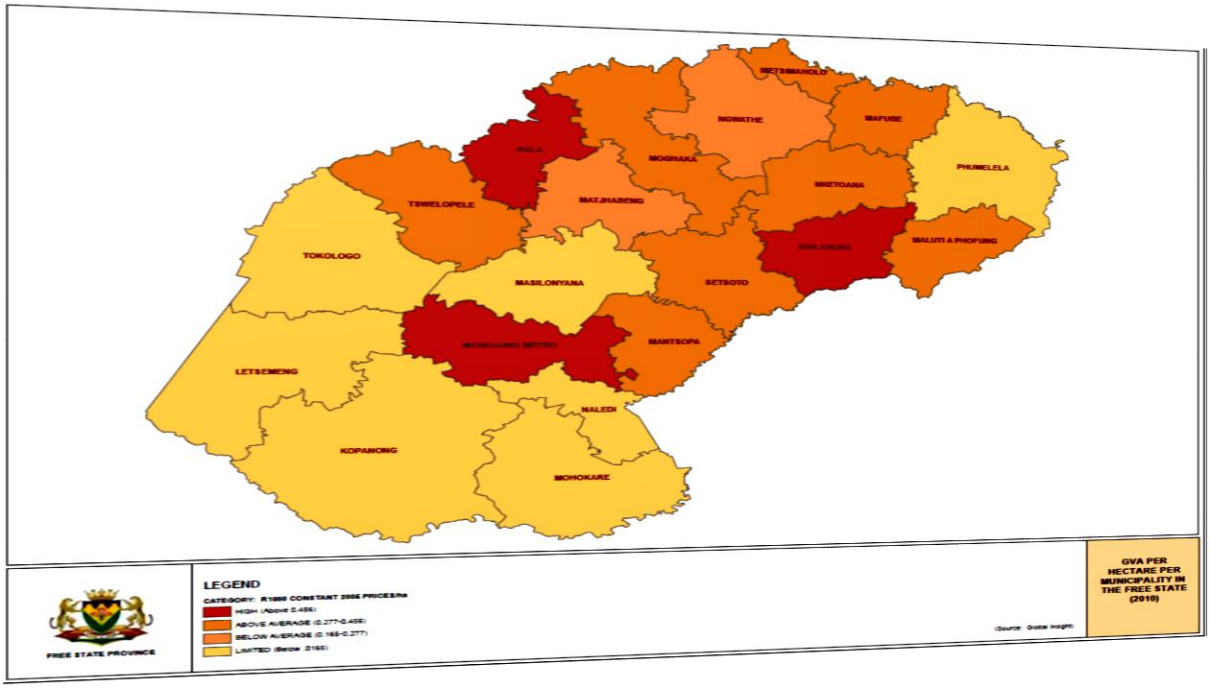
Maluti-a-Phofung Local Municipality recorded the highest unemployment rate of 44.1% in the District Municipality followed by Setsoto at 34.9% and Phumelela at 26.4%.

This upward trend in unemployment rate in both genders and all municipalities demonstrate the inability to create necessary employment in Thabo Mofutsanyana District Municipality.

2.6. Thabo Mofutsanyana Economic Potential

2.6.1. Agriculture Potential

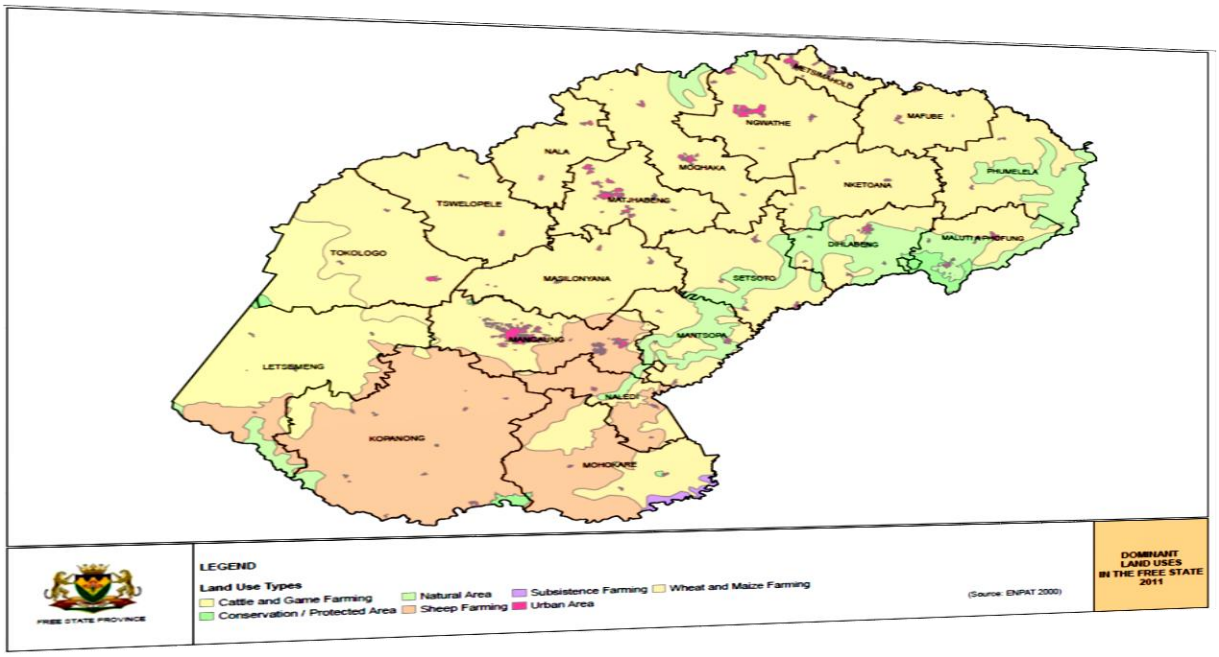
Agricultural is crucial for Thabo Mofutsanyana. Not only is the agricultural sector important food security, but also its high labour absorption rate compared to other economic sectors.



Map TDM 27: Agriculture GVA per Hectare per Municipality
Source: Free State Growth and Development Strategy

Thabo Mofutsanyana produces 90% of the country`s cherry crops. Its northern parts has many sunflower-seed farms. Seed potatoes are produced in the Reitz, Kestell, Memel, Bethlehem and Fouriesburg. Tweespruit is a major sunflower seed production centre.

The number of fruits that are grown in and around Thabo Mofutsanyana District Municipality are sub-tropical and deciduous fruits such as nectarines, apples, apricots, peaches.



Map TDM 28: Dominant Farming Types
Source: Free State Growth and Development Strategy

In Dihlabeng Local Municipality, maize production is also prominent, but a range of higher valued crops are also produced in that area. These include niche products such as peaches, cherries, apples, cut flowers, sorghum, asparagus, beans, potatoes, cabbage and carrots.

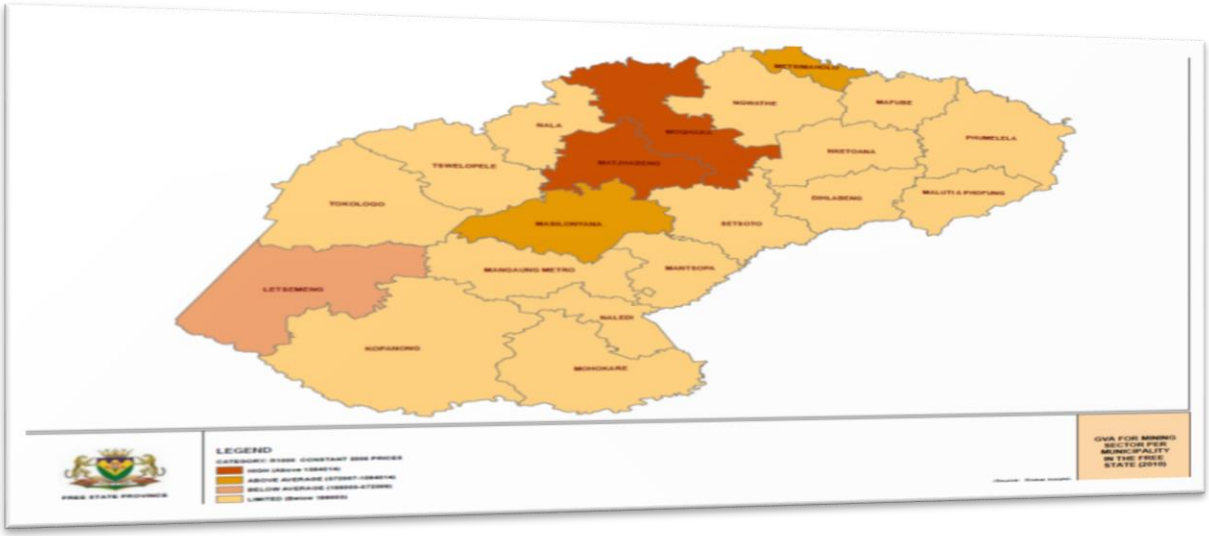
The Tshiame Food Processing Park in Maluti-a-Phofung Special Economic Zone (SEZ) presents an opportunity for investment in the production of potato crisps, flakes, maize grit, creaks and frozen vegetables. The Table below lists other opportunities with focus on the SEZ:

Focus Regions				
Focus Region 1: Thaba Nchu, Botshabello surrounds Existing Projects: Wool & Red Meat Proposed Projects: Protein, Poultry and Vegetables	**Focus Region 2**: Excelsior, Verkeerdevlei surrounds Existing Projects: Vegetables Proposed Projects: Cereals, Vegetables and proteins	**Focus Region 3**: Tweespruit, Hobhouse surrounds Existing Projects: Red Meat Proposed Projects: Cereals, Oils and Fats, Vegetables, Fruits, Protein	**Focus Region 4**: Clocolan,Ficksburg and surrounds Proposed Projects: Cereals, Vegetables, Protein, Oils and Fats	**Focus Region 5**: Senekal and surrounds Existing Projects: Soya Beans Proposed Projects: Cereals, Protein Vegetables,
Focus Region 6: Arlington, Lindley & Paul Roux Proposed Projects: Cereals, Vegetables, Protein, Oils and Fats	**Focus Region 7**: Rosendal, Fouriesburg, Clarens & Bethlehem Existing Projects: Grain-Maize Proposed Projects: Cereals, Vegetables, Fruits, Protein, Oils and Fats	**Focus Region 8**: Reitz, Warden & Surrounds Existing Projects: Vegetables Proposed Projects: Cereals, Vegetables, Protein, Oils and Fats	**Focus Region 9**: Vrede, Memel & Surrounds Proposed Projects: Cereals, Vegetables, Protein, Oils and Fats	**Focus Region 10**: Qwa Qwa, Kestell, Tshiame and surrounds Existing Projects: Aquaculture, Vegetables & Grain - Maize Proposed Projects: Cereals (Soya included), Oils and Fats Vegetables, Fruits Protein,

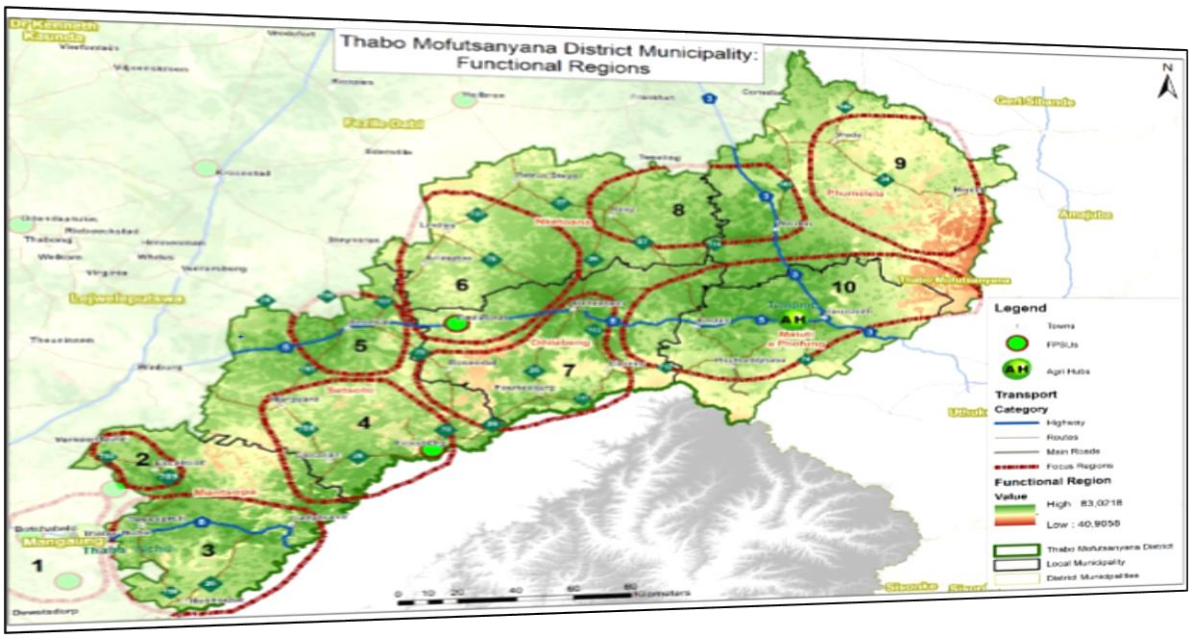
Table TDM 29: Functional Regions
Source: Department of Rural Development and Land Reform, 2019

2.6.2. Mining Potential

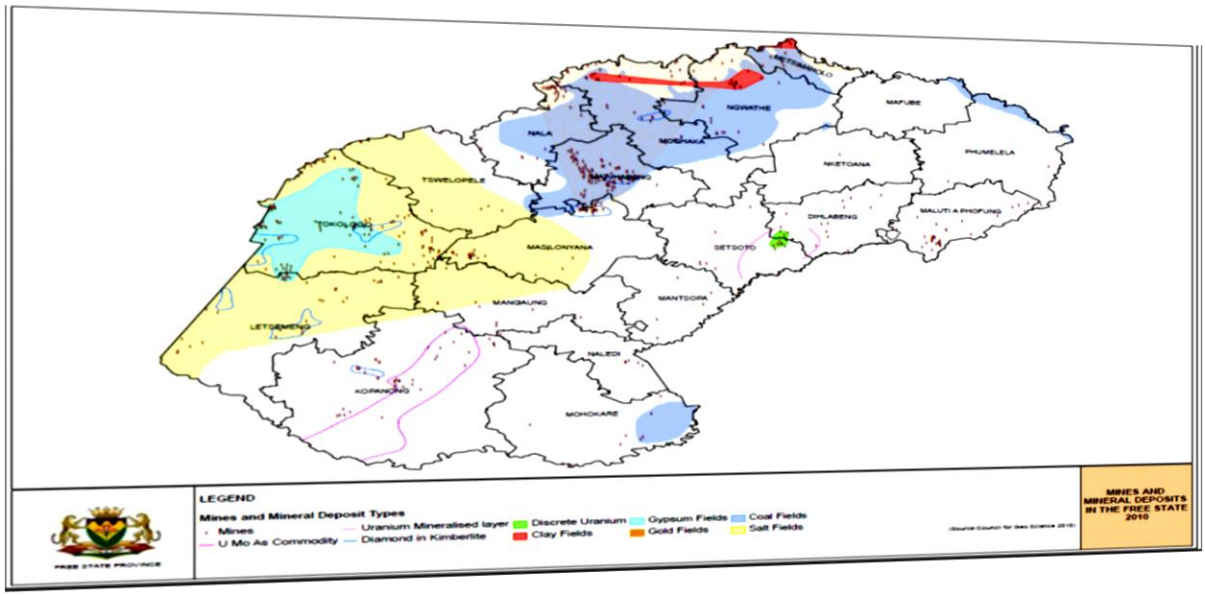
Uranium mining potential exist in the towns of Ficksburg and Phuthaditjhaba, diamonds in Senekal, sandstone in Phuthaditjhaba and limestone in Ficksburg. There is also discrete uranium zones that can be explored in Setsoto and Dihlabeng local municipalities.



Map TDM 30: Mining GVA per Municipality
Source: Free State Growth and Development Strategy, 2013



Map TDM 31: Mining GVA per Municipality
Source: Department of Rural Development and Land Reform, 2019

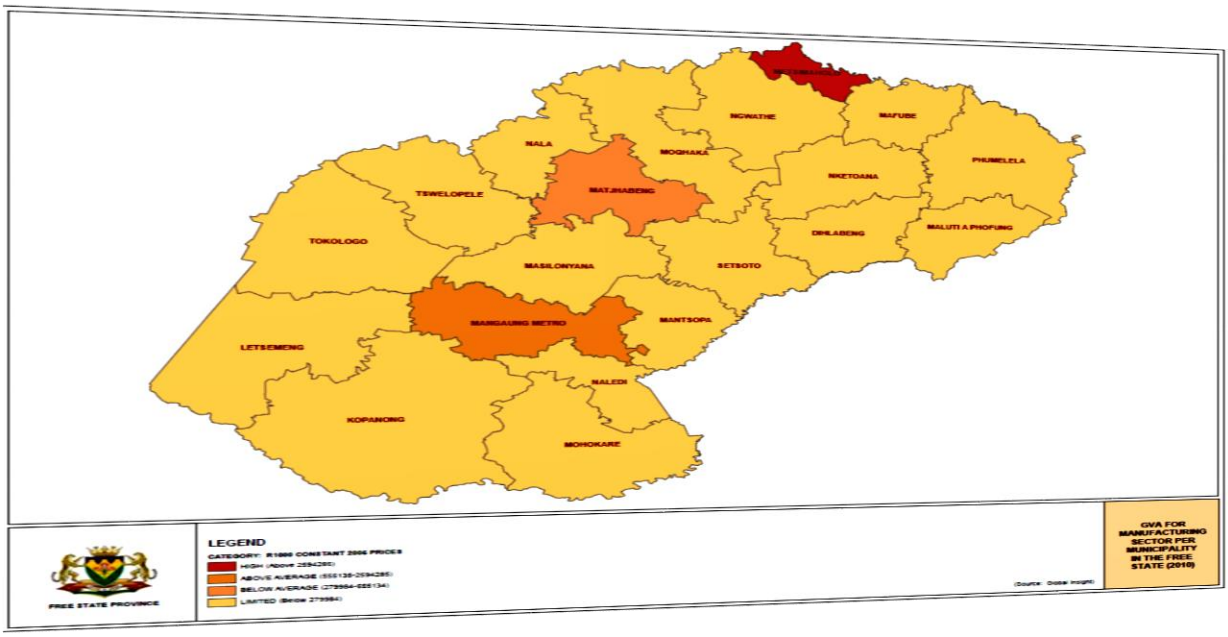


Map TDM 32: Mining Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

2.6.3. Manufacturing Potential

As shown in Map TDM 33 below, Dihlabeng has above average potential in manufacturing. There are industries in Tshiame, Phuthaditjhaba, Harrismith and Bethlehem manufacturing products that include furniture, protective clothing, plastic products, clothing and textile.

Considering the fact that Thabo Mofutsanyana used to be one of the key regions when the textile sector was thriving, this region still possesses huge quantities of skills that can be productively utilised to revive this key sector. The SEZ also offers manufacturing opportunities.



Map TDM 33: GVA for Manufacturing per Municipality
Source: Free State Growth and Development Strategy, 2013

The Phuthaditjhaba Industrial Park forms part of the national programme to revitalise Industrial Parks, as announced by President Ramaphosa during the State of the Nation Address.

At the time of this announcement, 8 744 job opportunities had been created in Phuthaditjhaba Industrial Park. More job and business opportunities will continue to be realised.

Already, this Industrial Park is as an economic hub producing different products such as textile, plastic, electrical goods and food products.

2.6.4. Tourism Potential

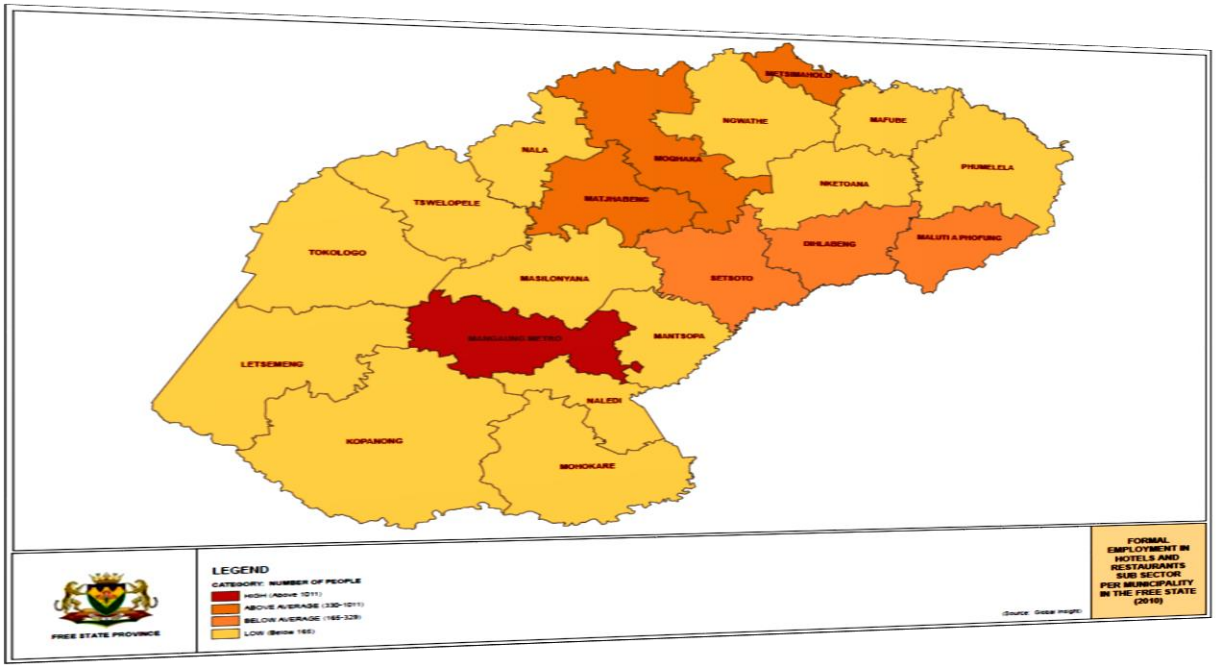
There is significant tourism potential in Thabo Mofutsanyana. Potential in this regard is based on the number of tourism and establishments (hotels, guesthouses, casinos, golf clubs and restaurants), employment, and GVA through tourism enterprises (hotels and restaurants).

Dihlabeng has been categorised as having above-average tourism potential. Other towns with proven tourism potential include Clarens, Fouriesburg, Puthaditjhaba, Clocolan and Memel.

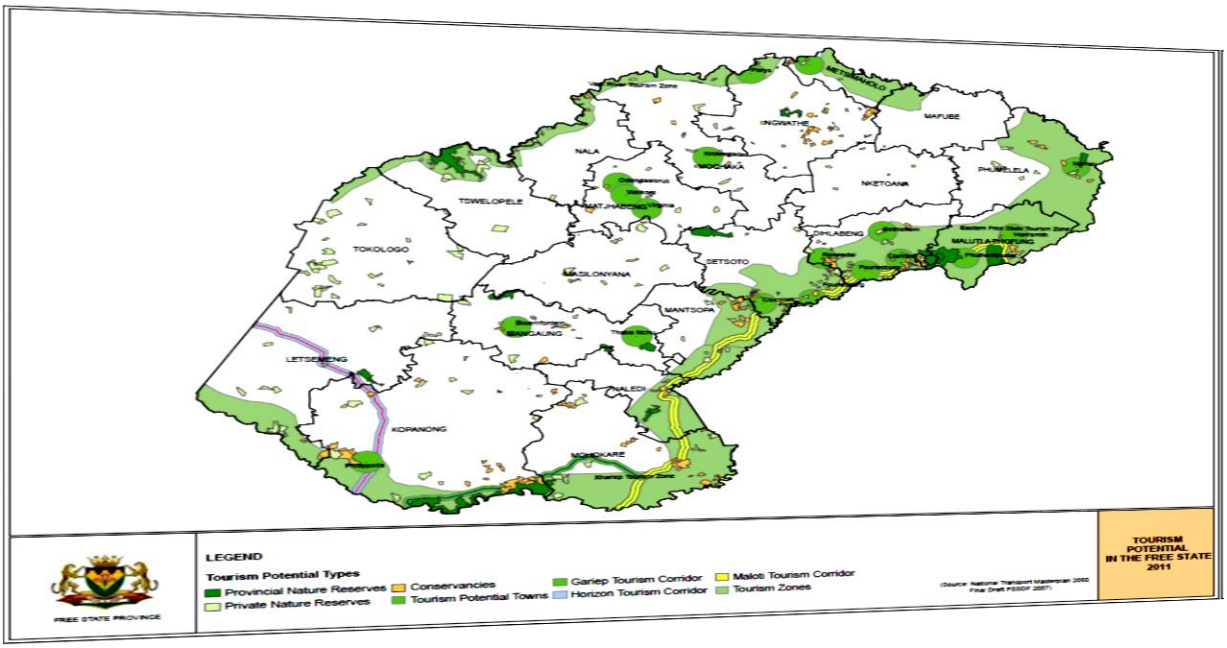
In Thabo Mofutsanyana, tourism and fruit farming are the major economic activities, which are characterised by the beautiful landscapes such as the Maluti and Drankensberg mountain ranges, wetlands in the north, well-watered River valleys and the plains on the north and west.

The most famous asset is the Golden Gate National Park and the Basotho Cultural Village in Phuthaditjhaba that offers beautifully handmade crafts and traditional meals.

There are rock paintings that can be seen as illustrations of the artistic skills of much earlier inhabitants of the area. Numerous paleontology finds have been made in the park including dinosaur eggs and skeletons. One of the tourism attractions is the Sentinel – hiking trails.



Map TDM 34: GVA for the Hotel and Restaurant Subsector
Source: Free State Growth and Development Strategy, 2013



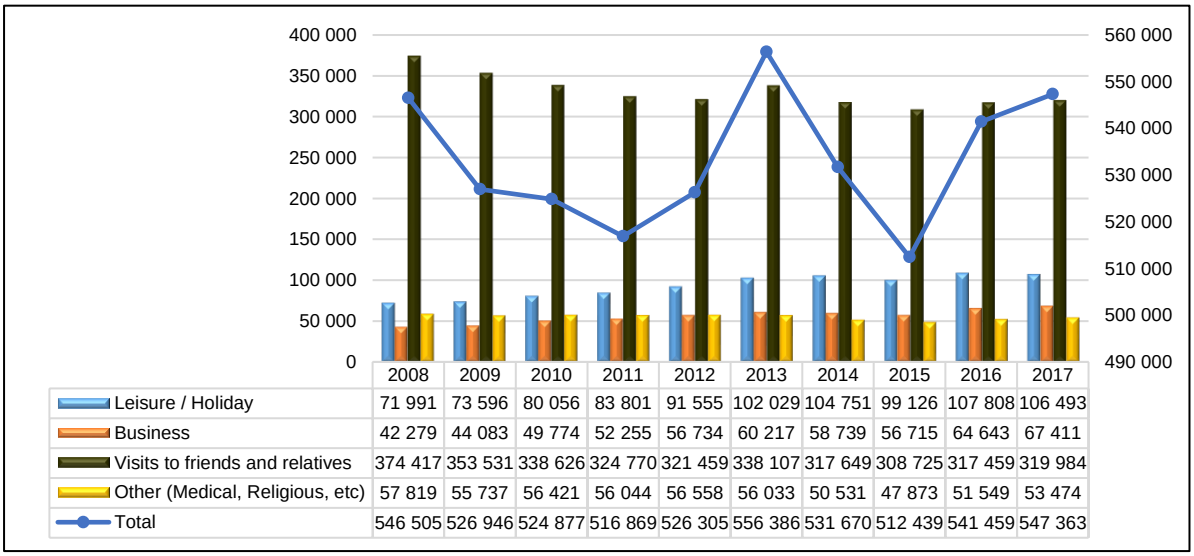
Map TDM 35: Tourism Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

More potential can still be realised through the promotion of the N5 Tourism Corridor, which starts at Bloemfontein and links nodes such as Winburg, Senekal, Bethlehem and Harrismith.

The promotion of birds watching in Memel wetlands, hiking at Maluti Mountains, the construction of the Drakensburg cableway and water sports at Sterkfontein Dam.

Figure TDM 36 shows that tourism in Thabo Mofutsanyana was dominated by friends and relative visits category, which accounted for 58.5% trips in 2017. However, recent trends

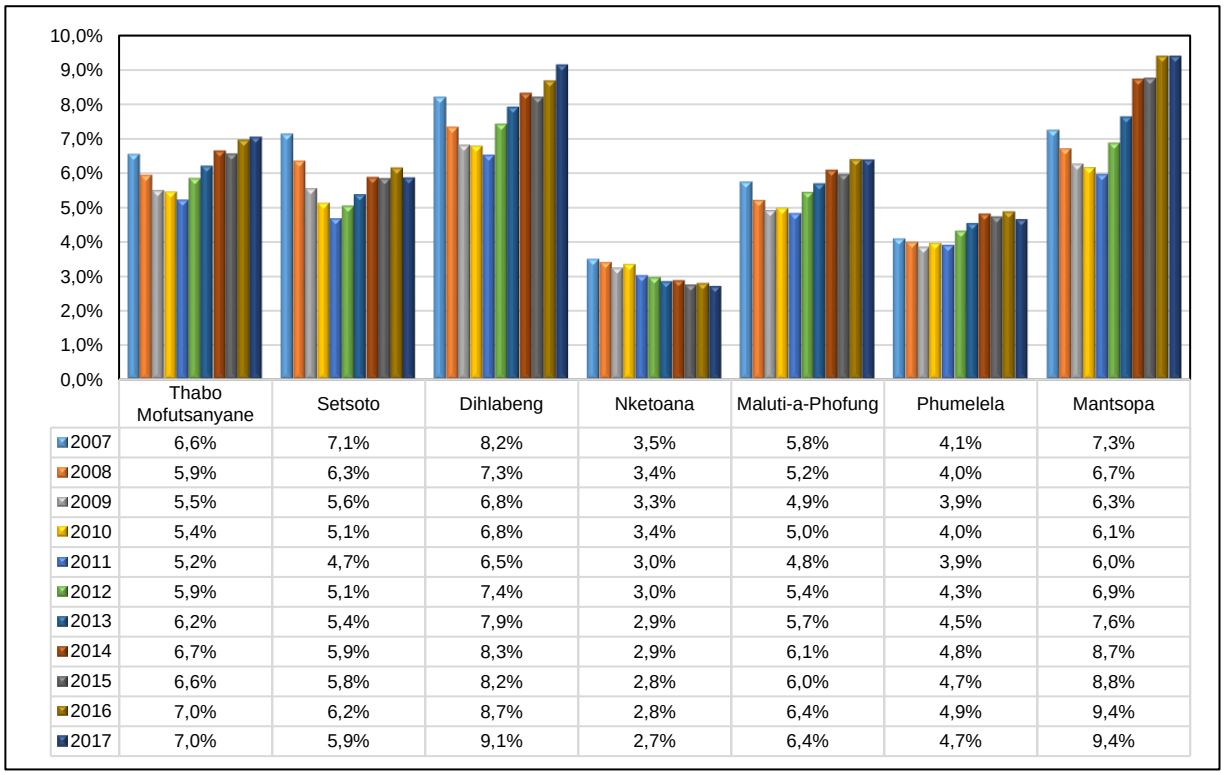
indicate business and leisure, which increased to 19.5% and 12.3% in 2017, respectively.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Leisure / Holiday	71 991	73 596	80 056	83 801	91 555	102 029	104 751	99 126	107 808	106 493
Business	42 279	44 083	49 774	52 255	56 734	60 217	58 739	56 715	64 643	67 411
Visits to friends and relatives	374 417	353 531	338 626	324 770	321 459	338 107	317 649	308 725	317 459	319 984
Other (Medical, Religious, etc)	57 819	55 737	56 421	56 044	56 558	56 033	50 531	47 873	51 549	53 474
Total	546 505	526 946	524 877	516 869	526 305	556 386	531 670	512 439	541 459	547 363

Figure TDM 36: Number of Trips by Purpose of Trip
Source: IHS Markit, Reginal eXplorer, 2019

These changing trends are because of increasing exposure of eco-tourism (Golden Gate on the Drakensberg Mountains) and strategic logistical business hub (Maluti-a-Phofung SEZ).



	Thabo Mofutsanyane	Setsoto	Dihlabeng	Nketoana	Maluti-a-Phofung	Phumelela	Mantsopa
2007	6,6%	7,1%	8,2%	3,5%	5,8%	4,1%	7,3%
2008	5,9%	6,3%	7,3%	3,4%	5,2%	4,0%	6,7%
2009	5,5%	5,6%	6,8%	3,3%	4,9%	3,9%	6,3%
2010	5,4%	5,1%	6,8%	3,4%	5,0%	4,0%	6,1%
2011	5,2%	4,7%	6,5%	3,0%	4,8%	3,9%	6,0%
2012	5,9%	5,1%	7,4%	3,0%	5,4%	4,3%	6,9%
2013	6,2%	5,4%	7,9%	2,9%	5,7%	4,5%	7,6%
2014	6,7%	5,9%	8,3%	2,9%	6,1%	4,8%	8,7%
2015	6,6%	5,8%	8,2%	2,8%	6,0%	4,7%	8,8%
2016	7,0%	6,2%	8,7%	2,8%	6,4%	4,9%	9,4%
2017	7,0%	5,9%	9,1%	2,7%	6,4%	4,7%	9,4%

Figure TDM 37: Total Tourism Spend as a Percentage of GDP
Source: IHS Markit, Reginal eXplorer, 2019

Tourism spend in Thabo Mofutsanyana was rising, a sign of the increasing popularity of the district. This trend is visible in all the local municipalities with the exception of Nketoane.

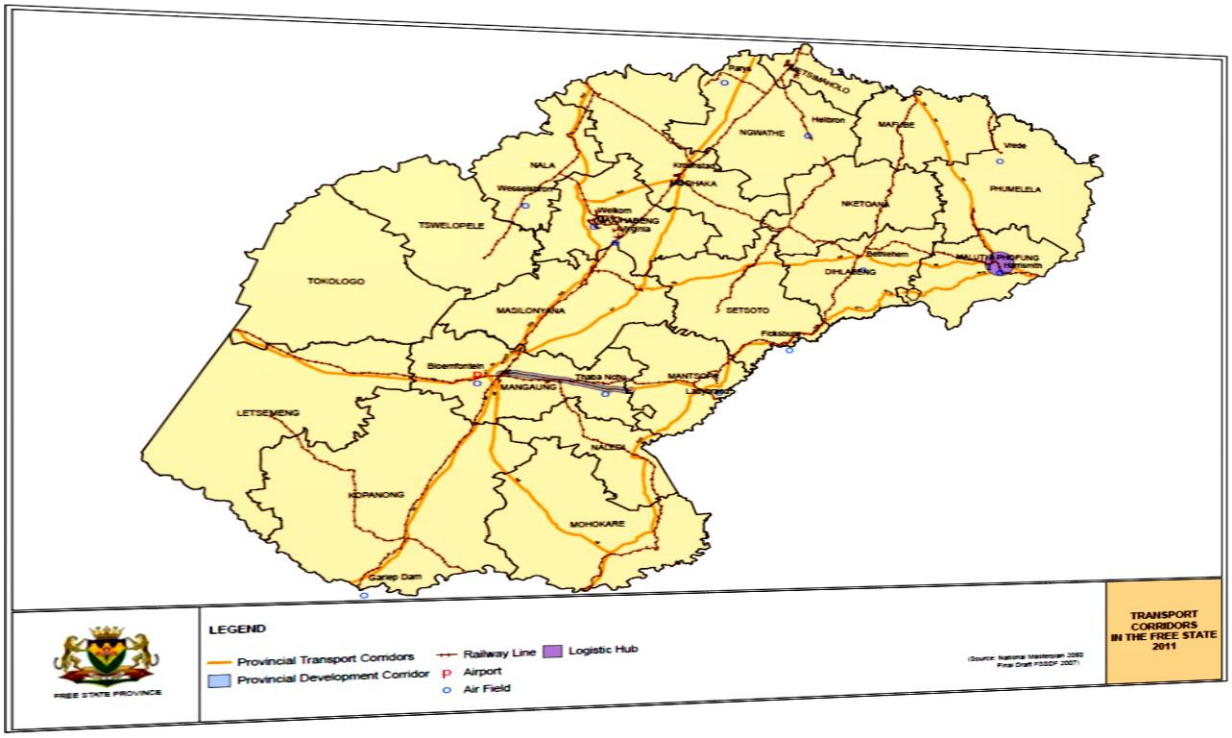
Both Dihlabeng and Mantsopa local municipalities recorded the highest tourism expenditure in the district. Phumelela and Nketoane local municipalities had the least tourism spend.

2.6.5. Transport Potential

The central location of the Free State and the fact that significant volumes of freight are moved across the surface of the province gives it a competitive advantage. However, this is primarily dependent on some value-adding to freight and transport management processes.

The Harrismith node, from a freight perspective, is of significance on the N3 corridor between Gauteng and Kwazulu-Natal. To take advantage of this opportunity, adequate and efficient infrastructure networks, and linkages between rail, road and air should be prioritised.

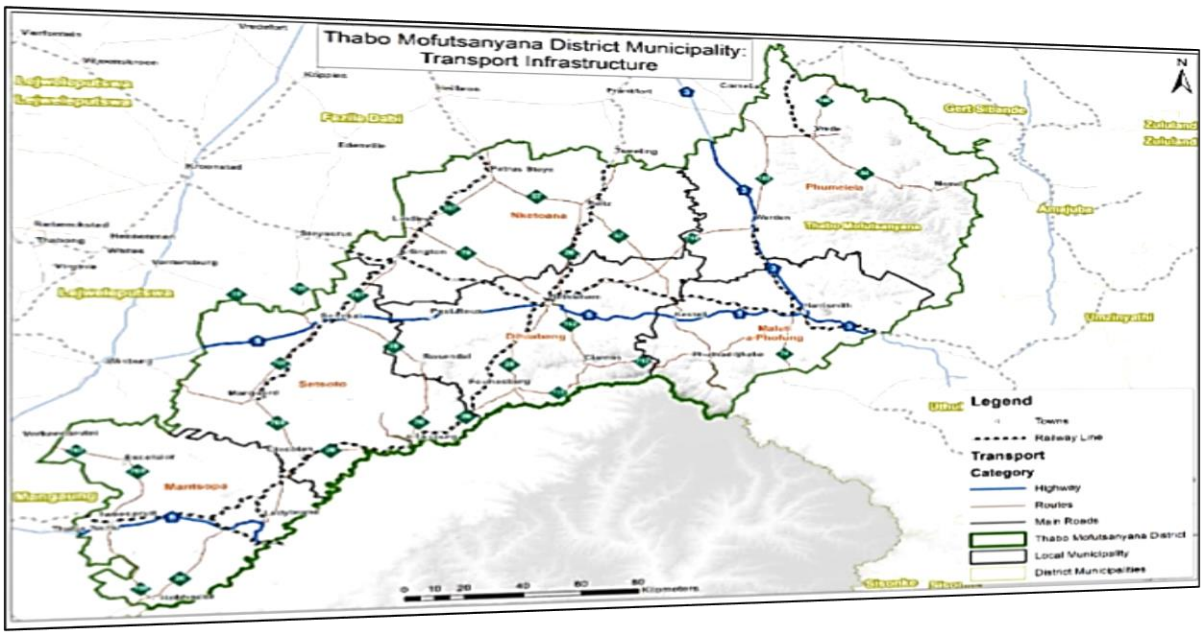
Similarly, the efforts to improve rural transport infrastructure should also not be neglected.



Map TDM 38: Transport Corridors in the Free State
Source: Free State Growth and Development Strategy, 2013

The freight commodities transported via Villiers to Gauteng from Durban and vice versa are containers, steel, cars, coal, manganese, fuels and perishables. The N5 route connects the N1 at Winburg with the N3 at Harrismith, via Senekal, Paul Roux and Bethlehem.

The N5 forms part of the main route between Durban and Bloemfontein. The Winburg-Harrismith route carries commodities that includes maize, livestock, perishables and steel.



Map TDM 39: Transport Infrastructure
Source: Department of Rural Development and Land Reform, 2019

1.11. Thabo Mofutsanyana Governance Perspective

1.11.1. Powers and Functions

The table below shows the distribution of functions between the district and its local municipalities. Comparison reveals that the district and its locals have concurrent functions with regard to firefighting, local tourism, municipal airports, planning and public transport.

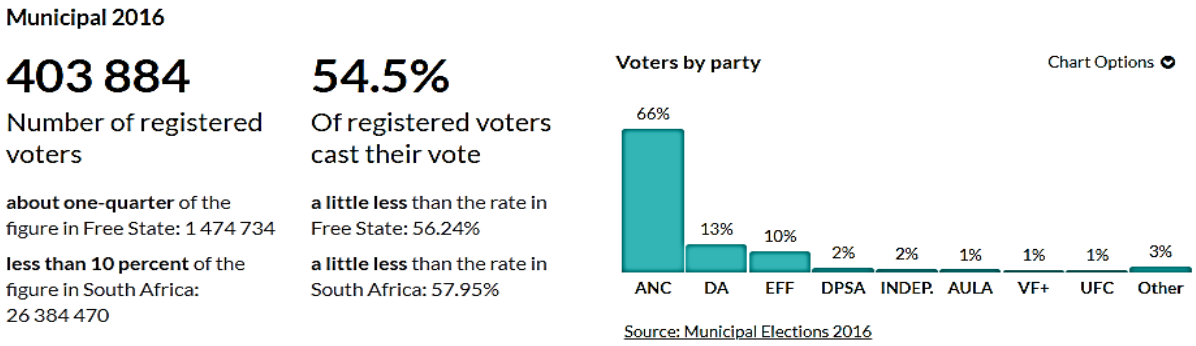
District Key Powers and Functions	Local Key Powers and Functions
Integrated planning	Trading regulations
Municipal Health Services	Street lighting
Firefighting Services	Firefighting Services
Municipal Public Transport (policy development)	Municipal Public Transport(All local Municipalities)
Fresh Produce Markets	Fresh Produce Markets (All local municipalities)
Cemeteries, funeral parlours and crematoria (policy development)	Cemeteries, funeral parlours and crematoria(by-laws)
Local Tourism	Local Tourism
Municipal Abattoirs (policy development)	Municipal abattoirs(by-laws)
Solid waste disposal sites	Billboards and Display of advertisements in public places
Local sport facilities	Sanitation
Air pollution	Potable water
	Air pollution
	Child Care facilities

Table TDM 40: Powers and Functions
Source: Thabo Mofutsanyana Integrated Development Plan, 2019/2020

1.11.2. Political Structure

Thabo Mofutsanyana has a plenary executive system, which vest its leadership in the council. As a result, the executive authority of the municipality is exercised through the council.

The graph below shows the number of voters per party in 2016 municipal elections.



The following table indicates the seat allocation of the various parties for each of the municipal councils in Thabo Mofutsanyana District Municipality.

Party Name	Setsoto	Dihlabeng	Nketoana	Maluti-a-Phofung	Phumelela	Mantsopa
African National Congress	21	25	13	47	12	11
Democratic Alliance	5	8	3	5	2	3
Economic Freedom Fighters	3	3	1	9	1	2
Others	4	3	1	8		1

Table TDM 41: Party Seat Allocation
Source: Thabo Mofutsanyana Integrated Development Plan, 2019/2020

1.11.3. Governance Structure

Ward committees serve as an interlocutor between the community, the District Municipality and its Local Municipalities. They collate the day-to-day service delivery issues in different wards and through the ward councillor, direct those to the councils for attention and response.

The council of Thabo Mofutsanyana consists of 41 councillors affiliated to different parties. The Executive Mayor and the Speaker form part of this council and are full time office bearers.

Underneath is the number of wards in each of the local municipalities in the district.

Name of Municipality	Number of Wards in 2016
Setsoto	33
Dihlabeng	39
Nketoana	18
Maluti-A-Phofung	69
Phumelela	15
Mantsopa	17

Table TDM 42: Number of Wards per Municipality
Source: Thabo Mofutsanyana Integrated Development Plan, 2019/2020

To embed participatory democracy, ward committees are expected to meet at least quarterly according to the *Guidelines for the Establishment and Operation of Municipal Ward Committees*, published in the Government Gazette dated 24 June 2005.

Thabo Mofutsanyana	Submission rate (Jul 18- Jun 19)	Number of wards	Ward committee meetings				Total
			Q1	Q2	Q3	Q4	
Thabo Mofutsanyana	12	N/A	N/A	N/A	N/A	N/A	N/A
Dihlabeng	12	20	7	6	9	10	32
Nketoana	12	9	24	12	9	2	47
Phumelela	8	8	17	0	10	18	45
Mantsopa	7	9	9	8	3	3	23
Total	**51**	**46**	**57**	**26**	**31**	**33**	**147**

Table TDM 43: Number of Ward Committee Meetings
Source: Thabo Mofutsanyana Performance Report, 2018/2019

Of the total 147 meetings held during the 2018/2019 period, 57 occurred in the first quarter. The least number of meetings (26) were held in the second quarter. In the same period, there were 31 and 33 ward council meetings in the third and fourth quarters, respectively.

1.11.4. Development Needs

A number of issues were raised during the 2019/2020 representative forum, which was held on 15 February 2019. Matters raised were similar with identified needs during the entire review process and community stakeholder meetings. Emphasis was on the issues listed below.

- Job creation especially for young people
- Need for residential sites due to growing population across all Mantsopa towns
- Improvement on water services and quality of water
- Review of billing system
- Construction of roads and maintenance of ageing infrastructure
- LED to be more focus to improve lives of many and increase the local economy development
- Establish Youth Advisory Centre in Petrus Steyn
- Extension of the Youth Advisory
- Centre to serve all units
- Support to special groups
- Capacity building of suppliers on database
- To secure the council's properties and offices
- Clean Audit report
- Obtain/Replace ICT equipment and software
- Popularise the municipal Indigent policy with an awareness campaign
- Prioritised services from 35 wards of MAP
- Upgrading of roads and storm water channels
- Upgrading of electricity network (transformers)
- Additional transformers due to informal renting rooms and informal settlements
- Water services
- Basic sanitation
- 35 wards (all) 35 wards (all) 24 wards 22 wards 17 wards
- All 35 wards needs upgrading of roads and storm-water channels, upgrading of electricity transformers, 24 wards request additional transformers due to illegal settlements and renting rooms, 22 wards need water services and 17 wards needs basic sanitation.

1.11.5. Institutional Capacity

The existence of an efficient, effective and accountable local government in predicated on institutional stability indicative of a capable and developmental state. This included the filling of vacant positions with qualified individuals to set in motion quality service delivery provision.

Thabo Mofutsanyana	Number of times reported on MM position	Number of times indicated MM filled	Number of times indicated MM vacant
Thabo Mofutsanyana	12	12	-
Dihlabeng	12	12	-
Nketoana	12	12	-
Phumelela	8	8	-
Mantsopa	6	6	-
Total	**50**	**50**	**-**

Table TDM 44: Municipal Managers Occupancy and Vacancy Rates
Source: Thabo Mofutsanyana Performance Report, 2018/2019

For the July 2018 and June 2019 reporting period, Dihlabeng, Nketoana, Phumelela and Matsopa local municipalities reported that the positions of municipal managers were filled.

Filling of Section 56 managers who report directly to the municipal managers varied from municipality-to-municipality with Thabo Mofutsanyana displaying the lowest occupancy rate.

Thabo Mofutsanyana	Number of times reported on Section 56 positions	Average Number of Section 56 positions across reporting months	Average number of Section 56 positions filled	Average % of positions filled
Thabo Mofutsanyana	12	4	2	42
Dihlabeng	12	4	4	100
Nketoana	2	3	3	100
Phumelela	8	2	2	75
Mantsopa	6	4	4	92
Total	**40**	**4**	**3**	**82**

Table TDM 45: Section 56 Positions Occupancy and Vacancy Rates
Source: Thabo Mofutsanyana Performance Report, 2018/2019

Reports submitted indicate that Dihlabeng and Nketoana had 100% occupancy rates. Matsopa and Phumelela reported 92% and 75% occupancy levels, respectively.

The lowest figure was stated by Thabo Mofutsanyana, which reported 42% occupancy rate.

Information on the occupancy rates for the positions of the CFOs showed that Dihlabeng and Nketoana's positions in this regard were filled. In the eight times that it reported, Phumelela stated five times to have had the CFO position filled and the other times vacant.

Mantsopa reported seven times and on six occasions stated that the CFO position was filled.

Thabo Mofutsanyana	Number of times reported on CFO position	Number of times CFO filled	Number of times CFO vacant
Thabo Mofutsanyana	12	12	-
Dihlabeng	12	12	-
Nketoana	12	12	-
Phumelela	8	5	3
Mantsopa	7	6	No data
Total	**51**	**47**	**3**

Table TDM 46: CFO Occupancy and Vacancy Rates
Source: Thabo Mofutsanyana Performance Report, 2018/2019

The organisational position of municipalities regarding occupancy and vacancy rates indicated an average number of 319 permanent employees and 135 temporary employees.

Dihlabeng had the highest average number of permanent employees (848) and the highest average number (466) of temporary employees.

Matsopa had the second highest average number (321) of permanent employees.

Thabo Mofutsanyana	Submission rate (July 18 - June19)	Average per month of Permanent employees	Average per month of Temporary employees
Thabo Mofutsanyana	12	111	5
Dihlabeng	12	848	466
Nketoana	12	37	18
Phumelela	8	257	23
Mantsopa	7	321	120
Total	**51**	**319**	**135**

Table TDM 47: Organisational Structure, July 2018 –June 2019
Source: Thabo Mofutsanyana Performance Report, 2018/2019

1.11.6. Performance Management

Information on the implementation of the Performance Management Systems during the 2019/2020 municipal financial year shows that all municipalities had the system.

There was slight variation with Maluti-a-Phofung. Although it had the system, Maluti-a-Phofung reported it did not have the capacity to implement its Performance Management System.

Thabo Mofutsanyana	Municipality	PMS in Place	Adopted Framework	Capacity To Implement PMS
Thabo Mofutsanyana	Thabo Mofutsanyana	Yes	Yes	Yes
	Setsoto	Yes	Yes	Yes
	Dihlabeng	Yes	Yes	Yes
	Nketoana	Yes	Yes	Yes
	Maluti-a-Phofung	Yes	Yes	No
	Phumelela	Yes	Yes	Yes
	Mantsopa	Yes	Yes	Yes

Table TDM 48: Performance Management System
Source: Department of Cooperative Governance, Free State, 2019

3.7.13. Community Protests

In part, service delivery protests are the result of factors such as poor financial management,

inadequate communication and institutional incapacity that often leads to poor service delivery.

With the service delivery position of its municipalities, it is not surprising that Thabo Mofutsanyana have had a number of service delivery protests indicative of these inadequacies.

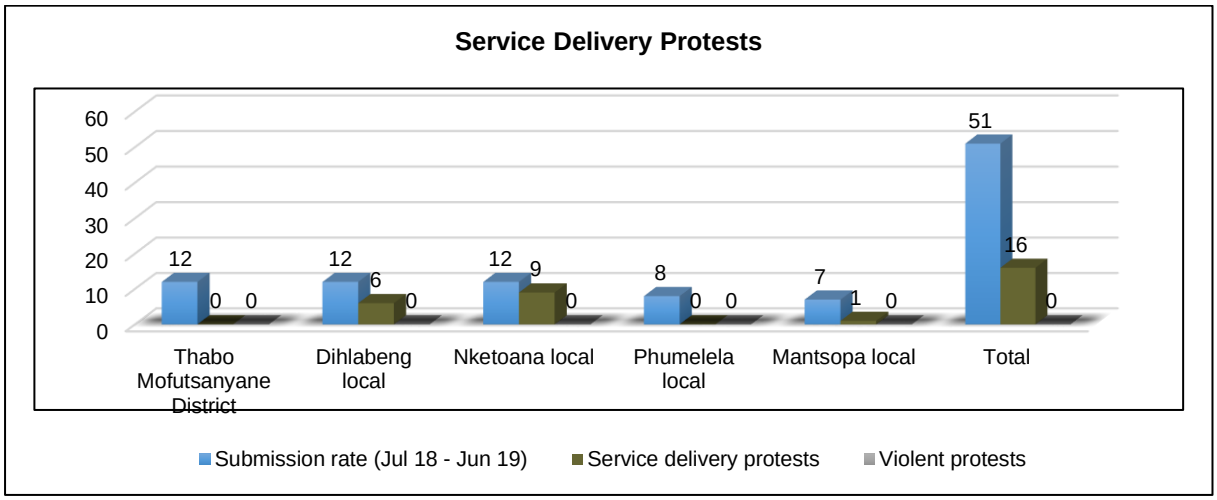


Figure TDM 49: Service Delivery Protests
Source: Thabo Mofutsanyana Performance Report, 2018/2019

Overall, as illustrated above, there were 16 reported service delivery protests in Thabo Mofutsanyana District Municipality. None of these service delivery protests was violent.

Nketoana reported nine, Dihlabeng six and Mantsopa had one incident. Water, electricity and road/transport challenges were cited as the reasons underlying the service delivery protests.

3.7.14. Complaints Management

In addition to other factors, usually, inadequate communication between municipalities and communities also has the potential to cause service delivery protests.

In transcending this, but most importantly, in promoting a transparent and responsive local government, Section 17 (2) (a) of the Municipal Systems Act provides for the reporting, management and response mechanism to community grievances by municipalities.

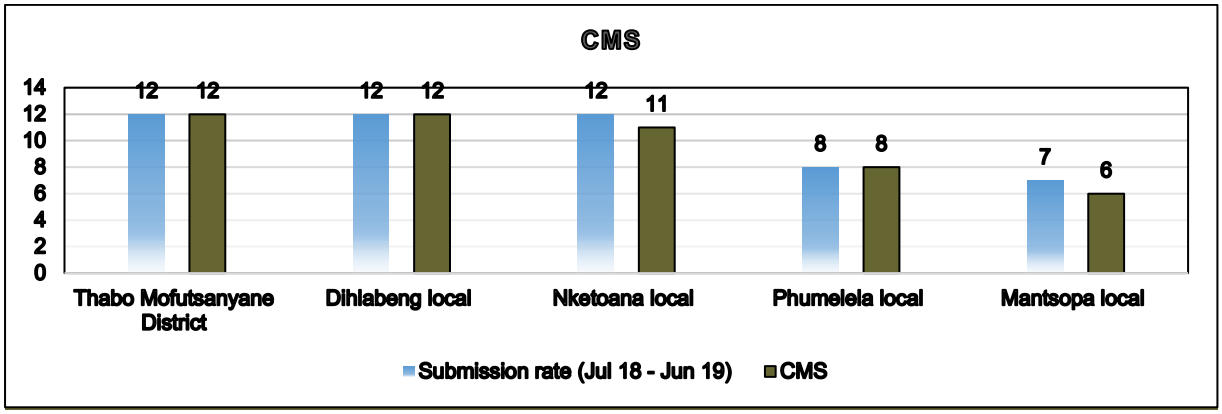


Figure TDM 50: Complaints Management System
Source: Thabo Mofutsanyana Performance Report, 2018/2019

In their reports, Thabo Mofutsanyana, Phumelela and Dihlabeng stated at all reporting times that they do have a complaint management system. In the 12 reporting times, Nketoana stated 11 times that there is a system and Mantsopa six time in the seven reporting times.

3.7.15. Council Meetings

To ensure a democratic, accountable and responsive government, the Municipal Systems Act requires council meetings to be held at least quarterly.

Thabo Mofutsanyana	Submission rate	Q1	Q2	Q3	Q4	Total
Thabo Mofutsanyana	12	1	2	3	3	9
Dihlabeng	12	4	4	5	3	16
Nketoana	12	2	4	5	3	14
Phumelela	8	2	0	2	3	7
Mantsopa	7	2	4	4	1	11
Total	**51**	**11**	**14**	**19**	**13**	**57**

Table TDM 51: Frequency of Council Meetings per Quarter
Source: Thabo Mofutsanyana Performance Report, 2018/2019

Overall, there were 57 municipal council meetings held in 2018/2019 municipal financial year.

Councils in Thabo Mofutsanyana, Dihlabeng, Nketoana and Matsopa had at least one meetings per quarter as per the the Municipal Systems Act's requirements. Phumelela reported to have had meetings in the first, seconds and fourth quarters, and not in the third.

1.12. Thabo Mofutsanyana Financial Perspective

1.12.1. Creditors' Position

Municipalities in Thabo Mofutsanyana reported an increase of R600,435,564 in outstanding Creditors from R5,541,422,063 as at 30 June 2019 to R6,141,857,627 as at 31 August 2019.

MUNICIPALITY	ESKOM	WATER	OUTSTANDING PENSION	SALARY DEDUCTIONS	SARS	AUDITOR GENERAL	AUDITOR GENERAL ENTITIES	TRADE CREDITORS	TOTAL
Thabo Mofutsanyana	R 0	R 0	R 0	R 5 155 628	R 1 179 654	R 399 932	R 0	R 0	**R 6 735 214**
Setsoto	R 21 263 163	R 0	R 0	R 0	R 0	R 553 995	R 0	R 3 050 392	**R 24 867 550**
Dihlabeng	R 278 785 499	R 7 714 475	R 0	R 0	R 0	R 220 962	R 0	R 113 052 118	**R 399 773 054**
Nketoana	R 275 486 601	R 0	R 1 689 912	R 1 047 940	R 1 180 959	R 1 945 470	R 0	R 2 694 897	**R 284 045 779**
Maluti-a-Phofung	R 4 451 791 311	R 340 276 149	R 1 001 989	R 2 584 229	R 25 055 381	R 909 782	R 7 868 650	R 192 422 841	**R 5 021 910 332**
Phumelela	R 126 121 437	R 59 360 477	R 0	R 103 712	R 675 798	R 2 841 079	R 0	R 0	**R 189 102 503**
Mantsopa	R 196 909 691	R 1 912 988	R 1 165 978	R 0	R 3 235 822	R 2 316 469	R 0	R 9 882 247	**R 215 423 195**
TOTAL	**R 5 350 357 702**	**R 409 264 089**	**R 3 857 879**	**R 8 891 509**	**R 31 327 614**	**R 9 187 689**	**R 7 868 650**	**R 321 102 495**	**R 6 141 857 627**

Figures marked in red: Municipality did not submit updated information for August 2019.
Table TDM 56: Creditors' Position
Source: Department of Cooperative Governance, Free State, 2019

1.12.2. Debtors' Position

On debtors' position, municipalities in the district reported a decrease of R73,843,179 from R3,490,214,923 as at 30 June 2019 to R3,416,371,744 as at 31 August 2019.

Municipalities	Outstanding Debtors
Thabo Mofutsanyana	R0
Setsoto	R418 567 530
DIhlabeng	R733 107 433
Nketoana	R438 774 426
Maluti-a-Phofung	R1 215 119 625
Phumelela	R212 119 879
Mantsopa	R398 709 851
Total	**R3 416 371 744**

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table TDM 57: Outstanding Debtors

Source: Department of Cooperative Governance, Free State, 2019

3.7.16. Audit Outcomes

Sound financial management is important to ensure that the required services are provided effectively and efficiently. Above all, it creates a trustworthy government.

Undesirably, the audit outcomes of all municipalities in Thabo Mofutsanyana were not reassuring with regressions as the most common feature as shown in Table TDM 58.

Auditee	Audit Outcomes			Movement
	2015/16	2016/17	2017/18	
Thabo Mofutsanyana	Unqualified	Unqualified	Qualified audit	Regression
Dihlabeng	Unqualified	Unqualified	Qualified audit	Regression
Maluti-a-Phofung	Qualified audit	Audit in progress	AFS outstanding	
Nketoana	Qualified audit	Disclaimer	Audit in progress	Regression
Phumelela	Unqualified	Unqualified	Qualified audit	Regression
Setsoto	Unqualified	Unqualified	Qualified audit	Regression
Mantsopa	Qualified audit	Qualified audit	Qualified audit	Unchanged

Table TDM 58: Audit Outcomes

Source: Department of Cooperative Governance, Free State, 2019

Details show that Thabo Mofutsanyana, Dihlabeng, Setsoto and Phumelela regressed from an unqualified audit opinion with findings to a worrying qualified audit opinion.

Only Mantsopa's audit outcome remained unchanged over the past three years with a qualification. Nketoana Local Municipality submitted their financial statements late.

3.7.17. Financial Health

About the financial health position of Thabo Mofutsanyana's municipalities, the Auditor-General stated the following areas of concern for the 2017/18 municipal financial year.

Municipality	Financial Health				
	Status of Financial Health	Average Creditors payment period (Days)	Percentage of Debt Irrecoverable	Unauthorised expenditure incurred Amount (R million)	Fruitless and wasteful expenditure incurred (R million)
Thabo Mofutsanyana		67	70.2	0.62m	6.22m
Dihlabeng		540	92.3	170.6m	20.3m
Maluti-a-Phofung					

Mantsopa		450	77	169.8	15.6m
Nketoana					
Phumelela		1163	93.9	67.1m	3.4m
Setsoto		154	42.3	17.3m	3.4m

Table TDM 59: Financial Health Status
Source: Department of Cooperative Governance, Free State, 2019

Grey indicates that no performance report was received from the municipality for auditing and green shows progress compared to the past year. Red is a material unfavourable indicators

All municipalities in Thabo Mofutsanyana reported unauthorised expenditure except Dihlabeng. Dihlabeng and Mantsopa reported fruitless and wasteful expenditure.

No performance was reported for both Maluti-a-Phofung and Nketoana local municipalities.

3.7.3. Audit Committees

On the internal audit and audit committees matters shown below, Kopanong and Mohokare provided some assurance with limited assurance in Xhariep and Letsemeng municipalities.

The functionality of Audit Committees for Xhariep and Letsemeng provided no or limited assurance, and for Mohokare and Kopanong audit committees were not functional.

Thabo Mofutsanyana	Internal Audit			Audit Committee		
	Provided No/Limited Assurance	Provided some Assurance	Provided Assurance	Provided No/Limited Assurance	Provided some Assurance	Provided Assurance
Thabo Mofutsanyana						
Mantsopa						
Setsoto						
Dihlabeng						
Nketoana	2017/2018 Audit in progress			2017/2018 Audit in progress		
Phumelela						
Maluti-a-Phofung	2017/2018 AFS outstanding			2017/2018 AFS outstanding		

Table TDM 60: Audit Committees Functionality
Source: Department of Cooperative Governance, Free State, 2019

3.7.4. Public Accounts Committee

Driven by the need to safeguard public finance, the *Municipal Public Accounts Committees (MPAC) Guide and Toolkit* directs that MPAC meetings be held at least once a quarter.

Thabo Mofutsanyana	Submission Rate (Jul 18- Jun 19)	Q1	Q2	Q3	Q4	Total
Thabo Mofutsanyana	12	0	1	2	1	4
Dihlabeng	12	1	2	8	1	12
Nketoana	12	0	0	0	0	0
Phumelela	8	0	0	0	0	0
Mantsopa	7	0	0	0	0	0
Total	**51**	**1**	**3**	**10**	**2**	**16**

Table TDM 61: Frequency of Public Accounts Committee Meetings
Source: Thabo Mofutsanyana Performance Report, 2018/2019

Overall, there were 16 MPAC meetings held in 2018/2019 municipal financial year. Only DIhlabeng had their MPAC meetings in all the quarters as per the required prescripts. As for the rest of the other municipalities, they did not comply with provisions of the *Guide and Toolkit.*

Not only did Dihlabeng had their MPAC meetings in all the quarters as stated in the *Guide and Toolkit*, but it also had the highest number of meetings (12). Contrary, there were no MPAC meetings in Nketoana, Phumelela and Mantsopa for the 2018/2019 financial year.

Clearly, this performance is not encouraging and significant improvements are needed.

3. Xhariep District Municipality

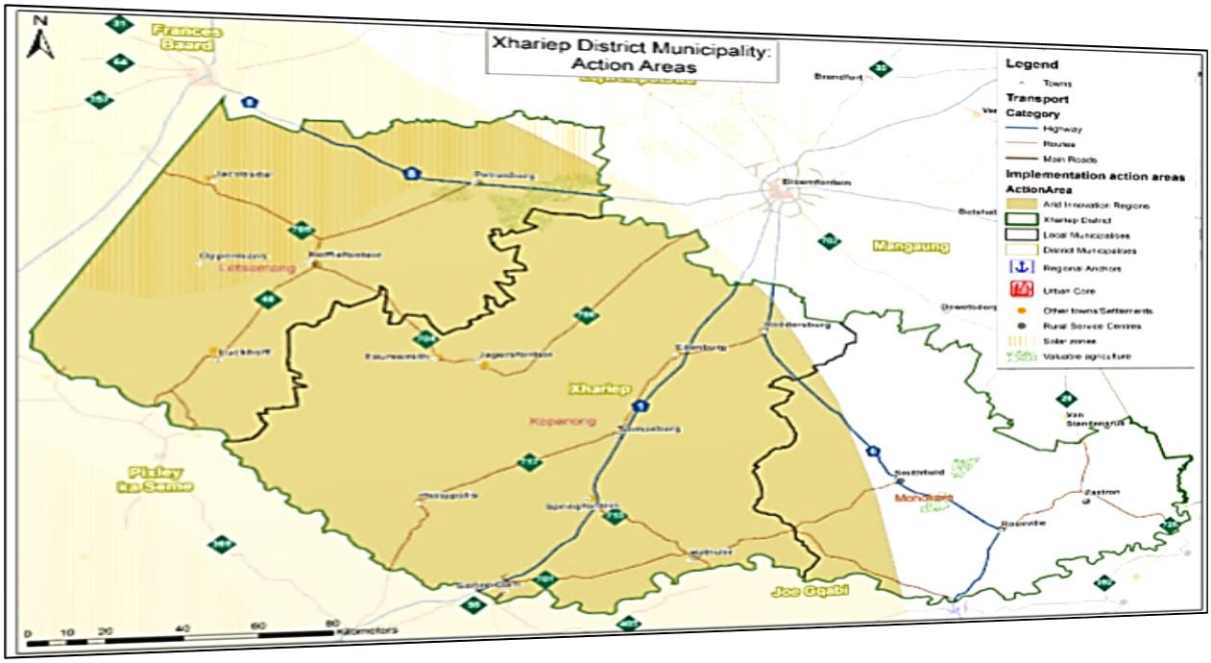
3.1. Xhariep Contextual Perspective

Xhariep District Municipality is a category C municipality located in the southern part of the Free State Province. This is the province's largest district, covering over a third of its land area, 34 250km².

With its administrative headquarters in Trompsburg, Xhariep District Municipality is made up of three local municipalities of Letsemeng, Kopanong and Mohokare.

The largest dam in South Africa, the Gariep Dam, is in the southern tip of Xhariep.

Another prominent feature of Xhariep is road interconnectivity with the three major national roads (N1 – Gauteng to Cape Town, N6 – Eastern Cape to Bloemfontein and N8 – Bloemfontein to Kimberley and Maseru, Lesotho) passing through this District Municipality.



Map XDM 1: Action Areas
Source: Department of Rural Development and Land Reform, 2019

Letsemeng is nearly a third of Xhariep's geographical area with Koffiefontein as the municipal head office and the economic hub. There is also diamond-mining activity in Letsemeng.

Kopanong Local Municipality is the largest in Xhariep with natural features that include Lake Gariep, Jagersfontein Mine, the Orange River Ravine, and Anglo-Boer War battlefields.

Mohokare is the smallest of three local municipalities. Zastron, which shares a border with Lesotho, is best known for its art rock spattered across various farms. The town of Smithfield is the third-oldest town in the province. Tucked in the middle of Smithfield, Aliwal North and Zastron is Rouxville, which boasts the Maloti Mountains as a backdrop in Mohokare.

7.1. Xhariep Demographic Perspective

7.1.1. Population Size

Reading of the population figures in Xhariep in Table XDM 2 below shows that it had a sizable proportion of individuals in the 25-34 age category in 2017. The figures were different in 2008. The dominant population group in Xhariep then were persons in the 15- 24 age group.

This 15-24 age group contraction could be ascribed to the aspiration for access to institutions of higher learning and migration to areas that offer more opportunities for young people.

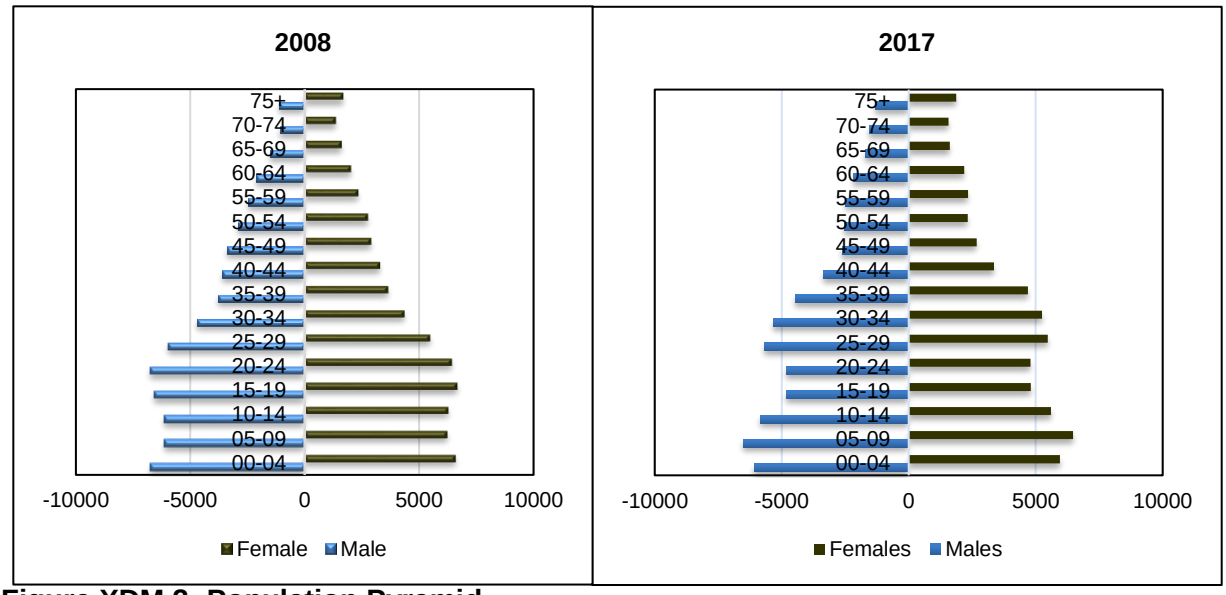


Figure XDM 2: Population Pyramid
Source: IHS Markit, Reginal eXplorer, 2019

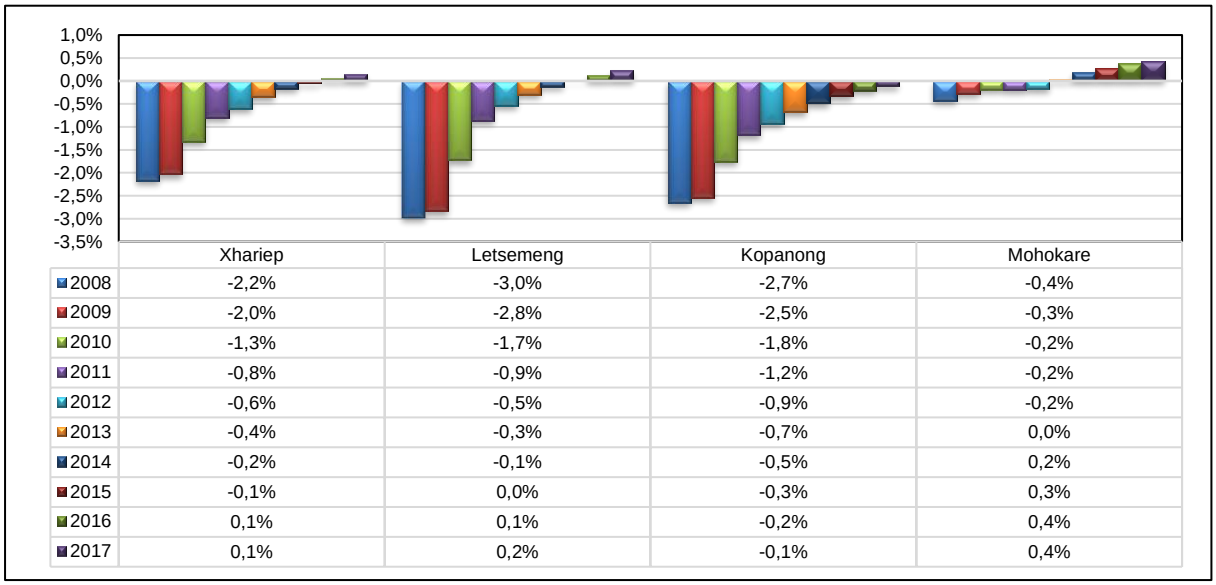
Individuals in the age group 65+ increased from 6.51% in 2008 to 7.88% in 2017 in Xhariep.

Undoubtedly, this is a sign of an increase in life expectancy linked to improved standard of living, which often comes with more social spending and reduce economic capacity.

7.1.2. Population Size

For eight of the ten-years, the population growth rate was declining. The worst negative growth rate was in 2008, -2.2%. This changed from 2016 when the growth rate recovered at 0.1%.

Significant growth rates were in Letsemeng and Mohokare with growth rates of 0.1% and 0.4% in 2016, and 0.2% and 0.4% in 2017, respectively. Unlike these two, Kopanong was unable to recover from the negative growth rate, recording a growth rate of -0.1 % in 2017.



	Xhariep	Letsemeng	Kopanong	Mohokare
2008	-2,2%	-3,0%	-2,7%	-0,4%
2009	-2,0%	-2,8%	-2,5%	-0,3%
2010	-1,3%	-1,7%	-1,8%	-0,2%
2011	-0,8%	-0,9%	-1,2%	-0,2%
2012	-0,6%	-0,5%	-0,9%	-0,2%
2013	-0,4%	-0,3%	-0,7%	0,0%
2014	-0,2%	-0,1%	-0,5%	0,2%
2015	-0,1%	0,0%	-0,3%	0,3%
2016	0,1%	0,1%	-0,2%	0,4%
2017	0,1%	0,2%	-0,1%	0,4%

Figure XDM 3: Growth Rate
Source: IHS Markit, Reginal eXplorer, 2019

7.1.3. Population Share

Xhariep had 4.24% of the total share of the provincial population in 2017, a declining trajectory.

Kopanong had the largest share of the population with 40% in 2017, down from 41 % in 2008 followed by Letsemeng with a 32% in the same period. Mohokare's share was 28%.

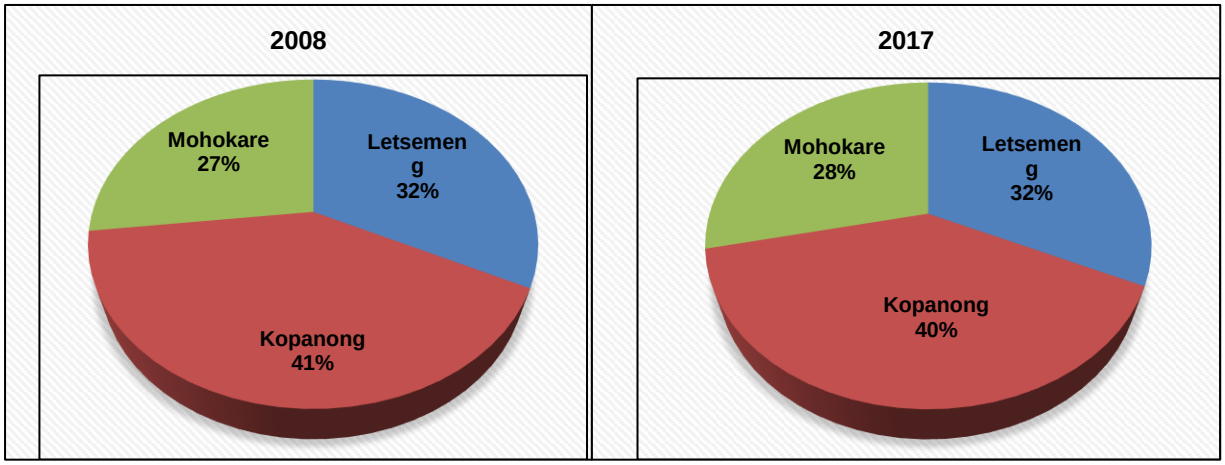


Figure XDM 4: Population Share
Source: IHS Markit, Reginal eXplorer, 2019

Notwithstanding, the 0.1% slight recovery from the negative growth rates in Xhariep District Municipality did not have any significant bearing on the provincial share of the population.

3.2. Xhariep Spatial Perspective

3.2.1. Topography

Xhariep is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrologically, the district is located between the Vaal River to the north and Orange River to the south, with rivers within the district draining towards these rivers.

Altitudes in the district vary from 2060 meter above mean sea level (mamsl) at Bakenkop in the north-eastern quadrant to 1100 mamsl in west. The morphology of the area encompassing Koffiefontein and Petrusburg can broadly be described as plains with medium relief.

Map XDM 5: Topography
Source: Xhariep Rural Development Plan, 2019/2024

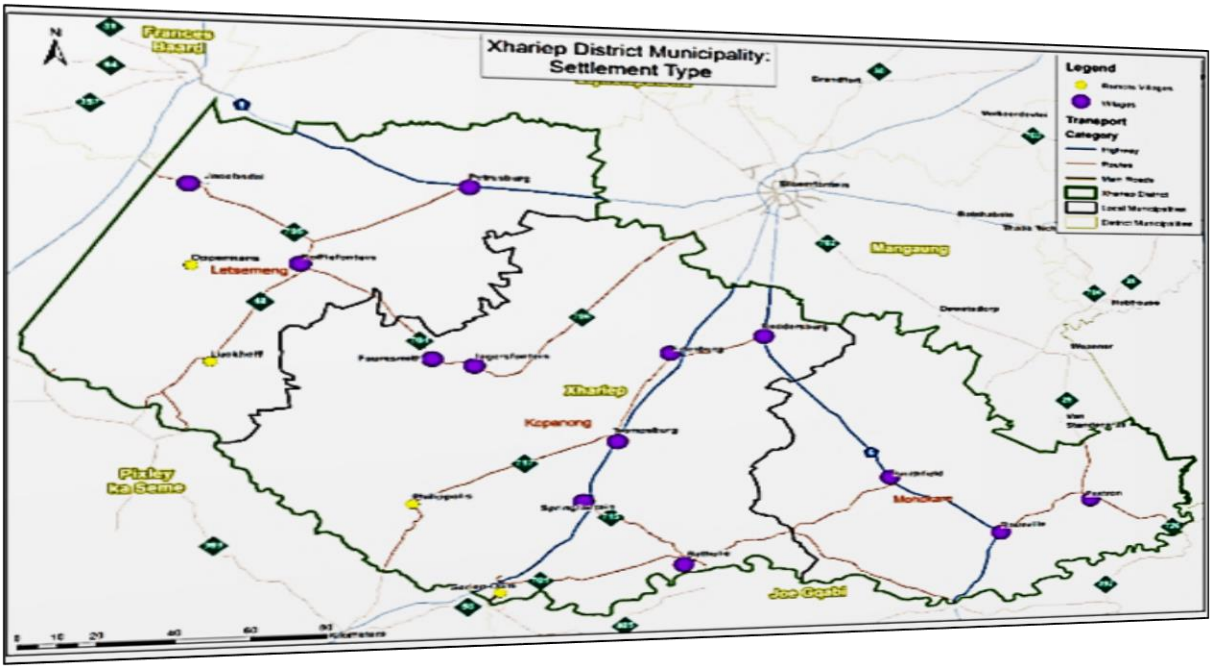
The morphology of the largest portion of the Xhariep District Municipality can be described as lowlands with hills with a slight slope. This includes the largest section of the Orange River.

The Zastron area can be categorised as lowlands with mountains. The areas adjacent to the Orange River (approximate localities Phillipolis to Luckhoff and Lesotho border south of Rouxville) can be classified as closed hills and mountains with moderate to high relief.

The Orange River section to the west of Phillipolis and south of Luckhof has hills and the section from the Lesotho border to the south of Rouxville has low mountains

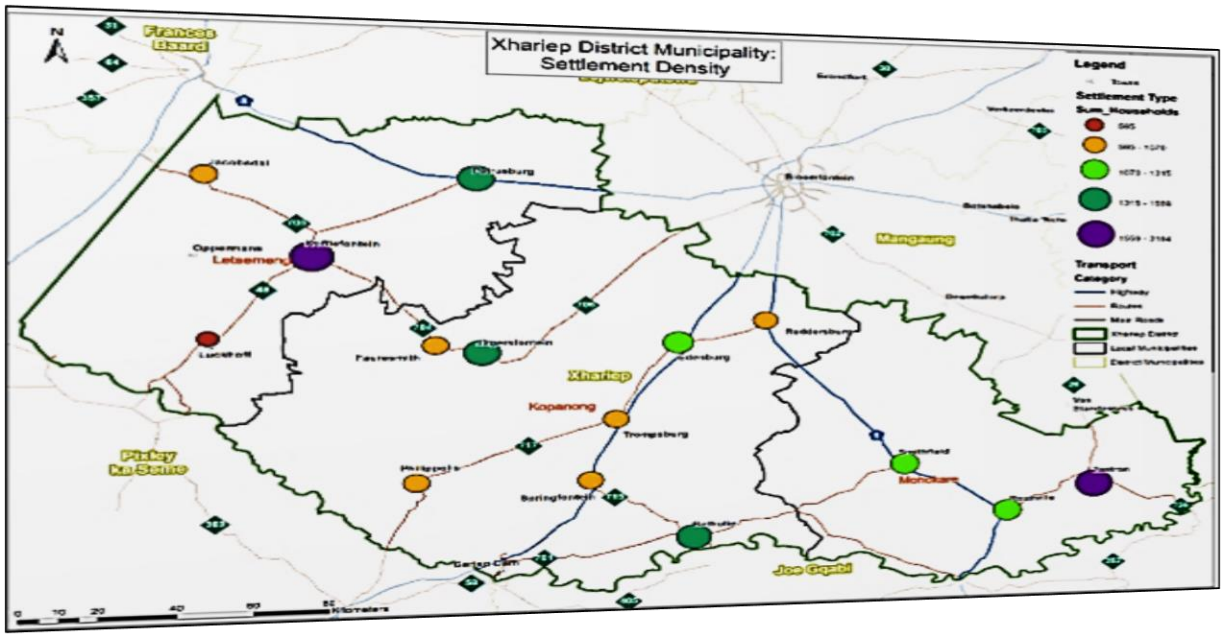
3.2.2. Settlement Types

Based on the CSIR Guidelines for the Provision of Social Facilities in South African Settlements 2012, there are two types of settlement in Xhariep: village with a population size of 5 000 - 25 000 people, and remote village with a population size of about 500 - 5 000 people.



Map XDM 6: Settlement Types
Source: Department of Rural Development and Land Reform, 2019

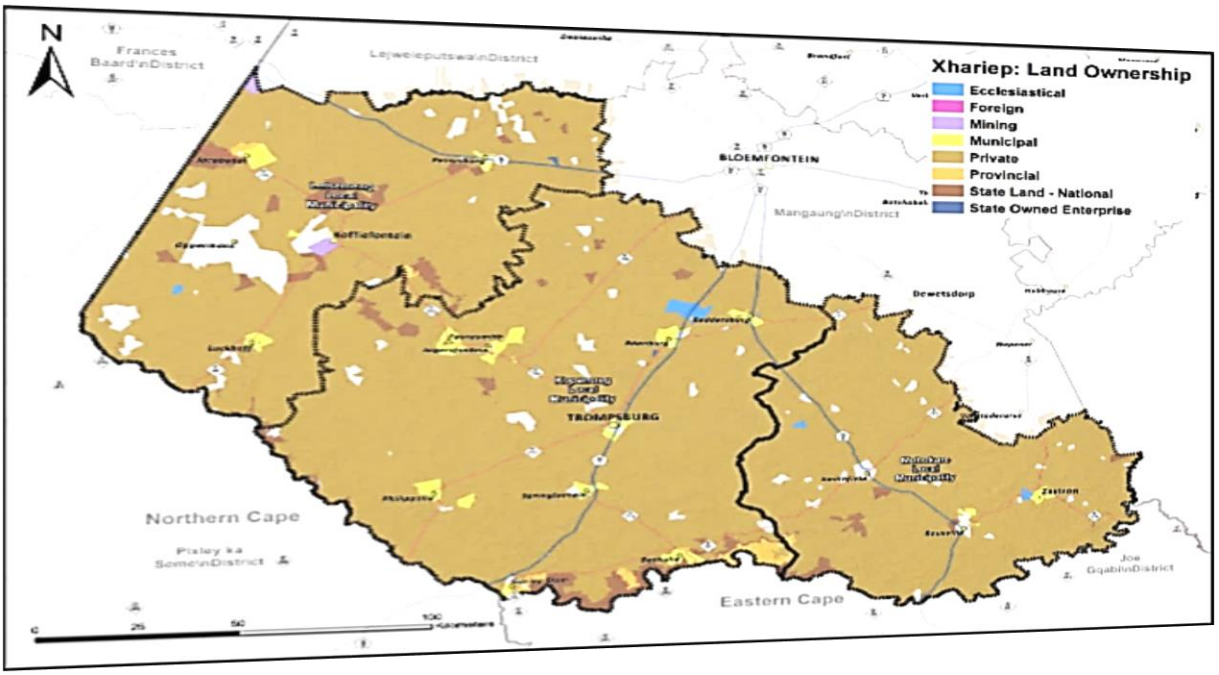
Xhariep is a sparsely populated area. A fair concentration of households or built-up areas is found in the towns of Jacobsdal, Koffiefontein and Oppermans. Springfontein and Gariep Dam have a moderate concentration and Zastron, Rouxville and Smithfield have the lowest density.



Map XDM 7: Settlement Density
Source: Department of Rural Development and Land Reform, 2019

3.2.3. Land Ownership

Land in Xhariep is either owned by private individuals, government or local municipalities. Information in the Map shows that a large portion of the land in Xhariep is privately owned.

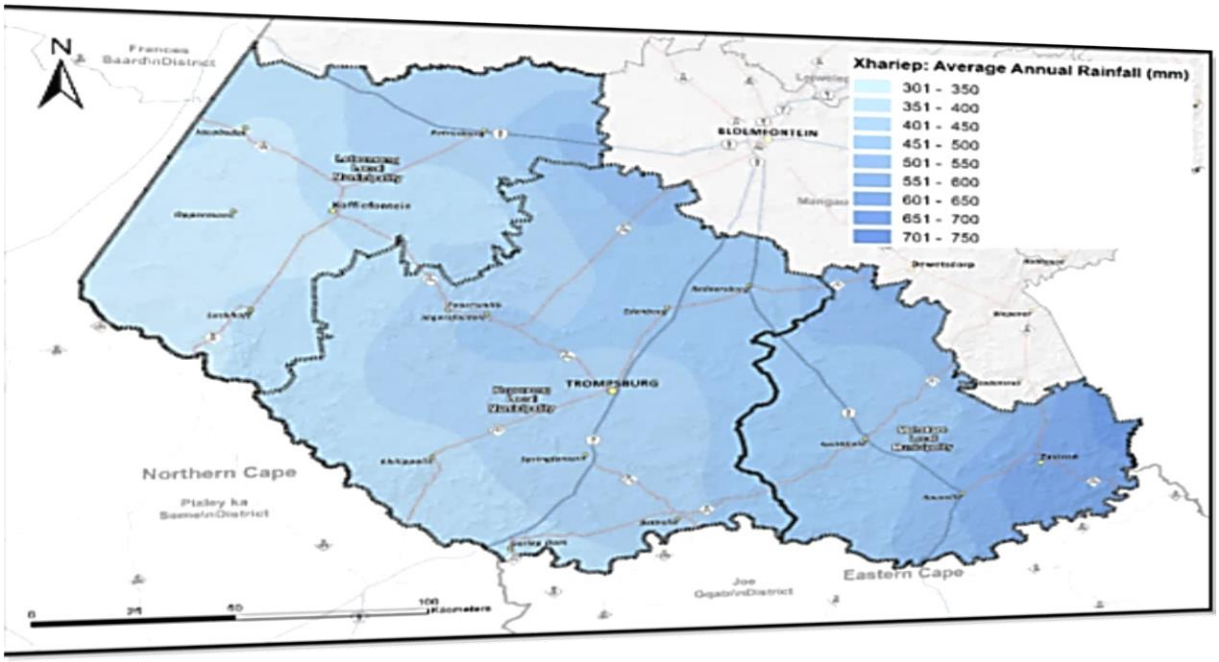


Map XDM 8: Land Ownership
Source: Xhariep Rural Development Plan, 2019/2024

3.2.4. Climate

Annual rainfall in Xhariep gradually increases from low to high rainfall from west to east of the district. The western part receives about 301mm - 450mm of rainfall annually.

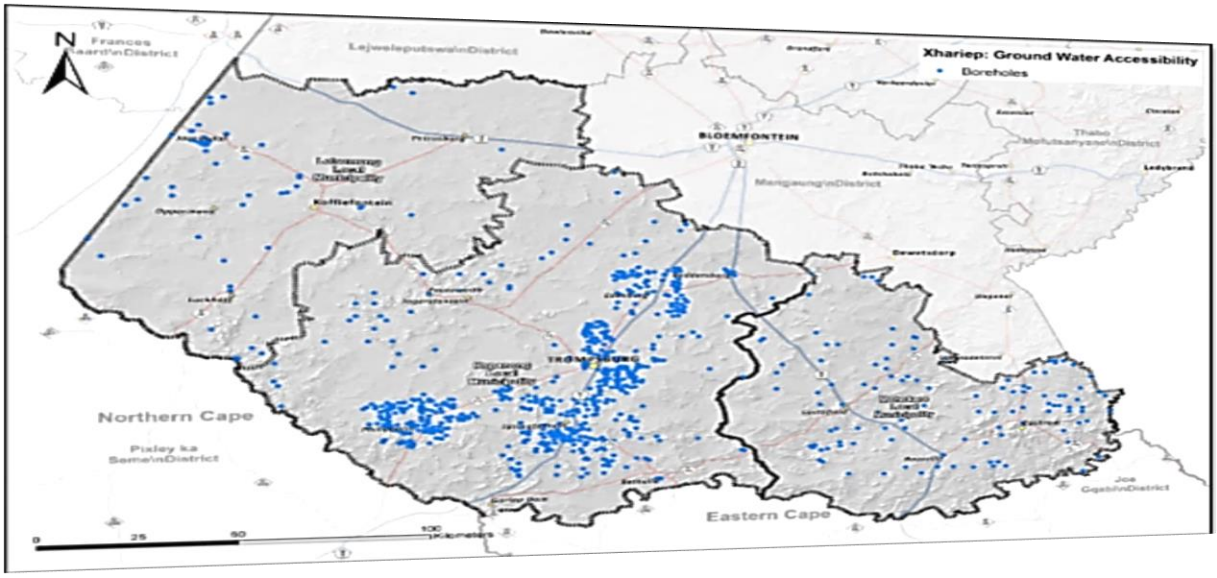
The central part receives annual rainfall ranging from 401mm - 550mm. Leading is the eastern side of Xhariep, which receives more favourable annual rainfall of between 551mm - 700mm.



Map XDM 9: Average Annual Rainfall
Source: Xhariep Rural Development Plan, 2019/2024

The use of ground water and high concentration of boreholes is largely in the small towns of Springfontein, Philipolis, Trompsburg, Zastron and Luckhoff. Boreholes in the central part of the district, mostly Kopanong, are more prominent as compared to the rest of the district.

The distribution of the boreholes is highest in and around the Springfontein Agri-park where the agricultural activities in the area depend largely on boreholes for irrigation purpose. Although there are boreholes in other parts of the district, their accessibility is relatively low.



Map XDM 10: Ground Water Accessibility
Source: Xhariep Rural Development Plan, 2019/2024

3.2.5. Rivers and Dams

The towns of Jacobsdal, Oppermans, Koffiefontein, Fauresmith, Jagersfontein, Trompsburg, Edenburg, Bethulie and Smithfield have moderate to high access to the river or canal irrigation.

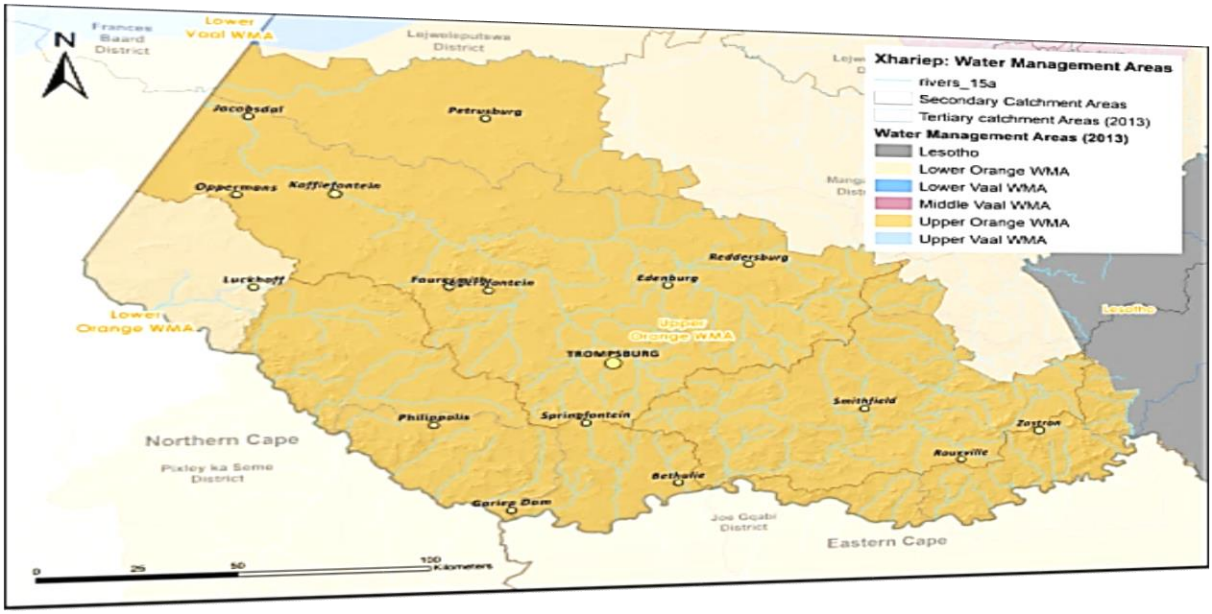
Conversely, the towns of Petrusburg, Luckhoff, Philippolis, Springfontein, Rouxville and Zastron have low to moderate accessibility to the irrigation systems

Petrusburg and neighbouring farms in Letsemeng utilise boreholes for potable water. The boreholes are however not sustainable and an alternative source will have to be found.

Koffiefontein extracts water from the Kalkfontein Dam while Jacobsdal extracts water from the Orange-Riet Canal. The purification plants in these towns is inadequate to cope with the increased demand for water. Again, there is a need to increase storage capacity in Jacobsdal.

The town of Luckhoff extracts water from the Sarel Hayward Canal and Van der Kloof Dam but both the purification plant and reservoir need to be upgraded so to cope water demand.

Rouxville gets water from the Kalkoenkrans Dam and boreholes. The purification works is working at capacity and a new reservoir is needed. Smithfield obtains water from the Caledon River and Zastron from the Montagu and Kloof Dams, and boreholes. The current capacity of the reservoir, pump station and purification works in Zastron is sufficient for the next five years.



Map XDM 11: Water Management Areas
Source: Xhariep Rural Development Plan, 2019/2024

The main source of water in Kopanong are the Bloemwater pipelines that also service most of the towns except Jagersfontein and Fauresmith, which get water from the mineshafts in Jagersfontein. Water from the mineshafts is of poor quality and needs to be purified.

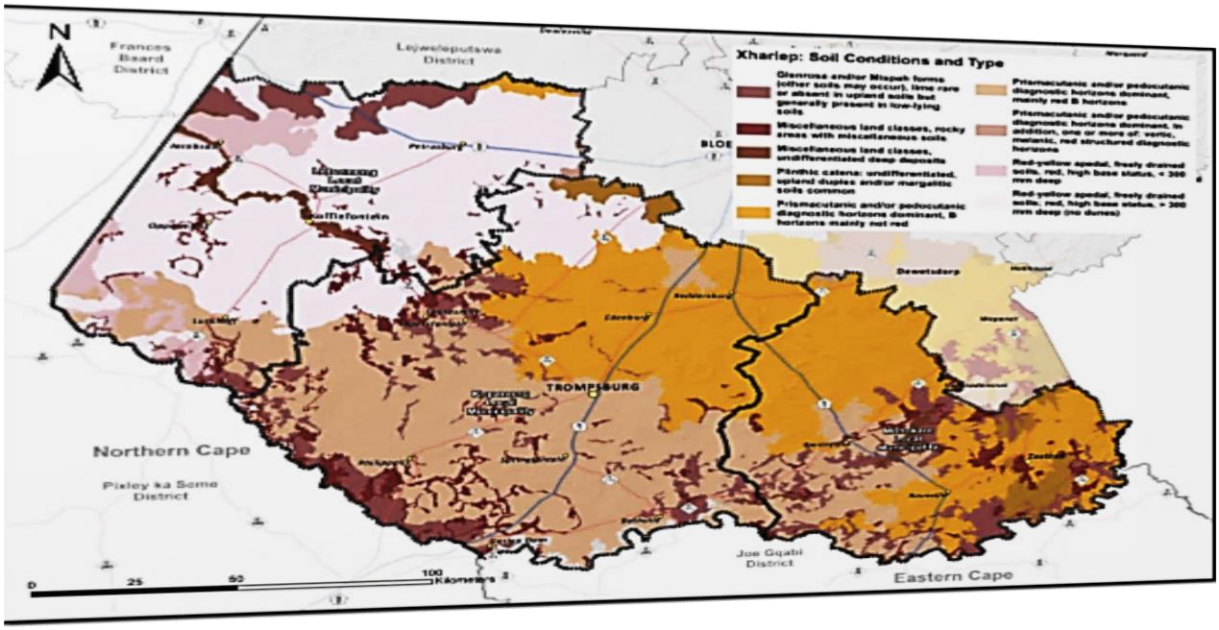
The pipeline between Fauresmith and Jagersfontein is also very old and leakages occur regularly. Reddersburg and Edenburg also access water from the Bloemwater pipelines, supplemented with boreholes during dry seasons. The water pumps at these two towns are in poor condition. Bethulie's pump station is too small and its capacity will need to be increased

3.2.6. Soil Texture

Letsemeng has deep soils of between 900mm-1200mm that is mainly found in Koffiefontein to Petrusburg. Other areas have shallow to moderately deep soils of about 300mm-600mm.

Soil in Mohokare and Kopanong is mostly of shallow depth of below 300mm with shallow to moderately deep soil of between 300mm-600mm towards Petrusburg, Zaston and Smithfield.

In Letsemeng and Kopanong towards Petrusburg, the topsoil composite is mainly sandy, loamy sands and sandy loams (7-15% clay). In other areas, the soil texture is dominantly sandy loam to sandy clay loam (16-25% clay). The Zastron area has sandier soils (7-15% clay).



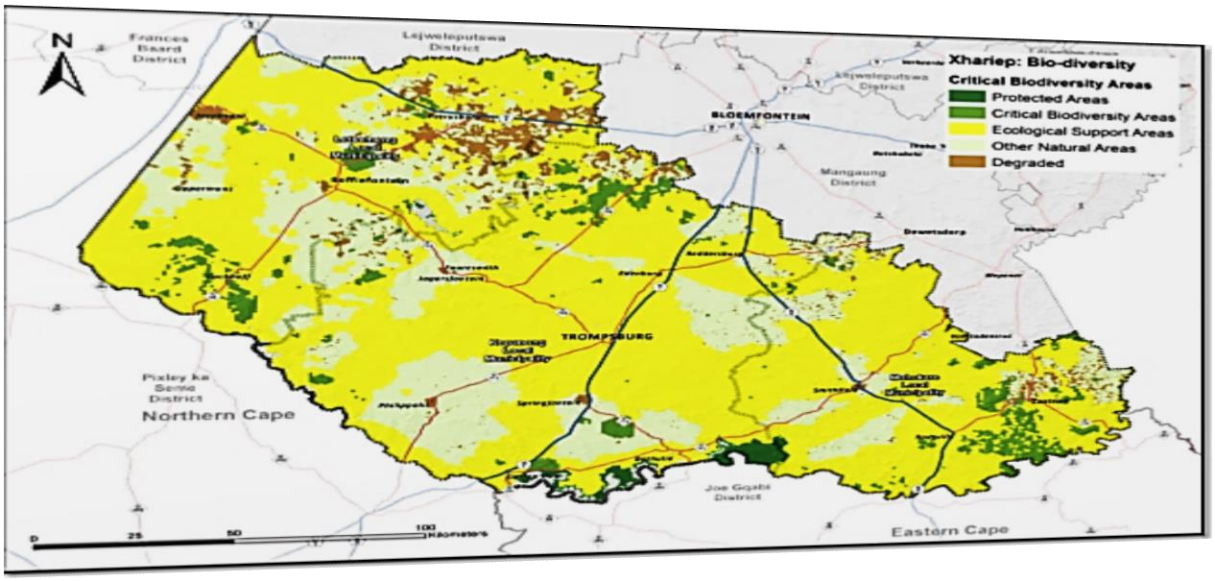
Map XDM 12: Soil Conditions and Types
Source: Xhariep Rural Development Plan, 2019/2024

Top soil in Xhariep mainly comprises of a low percentage of clay with only about 7% to 15% located in the Agri-Park and the Farming Production Supporting Units areas.

Areas that are more suited for livestock and grazing have a higher percentage of clay, which are between 26% and 35%. The riverbeds have almost no clay percentage, less than 6%.

3.2.7. Biodiversity

Large portions of Xhariep are classified as Ecological Support Areas followed by critical biodiversity areas and protected areas. Any development in these areas should take cognizance of the biodiversity pockets as indicated in PAM XDM 13 below.



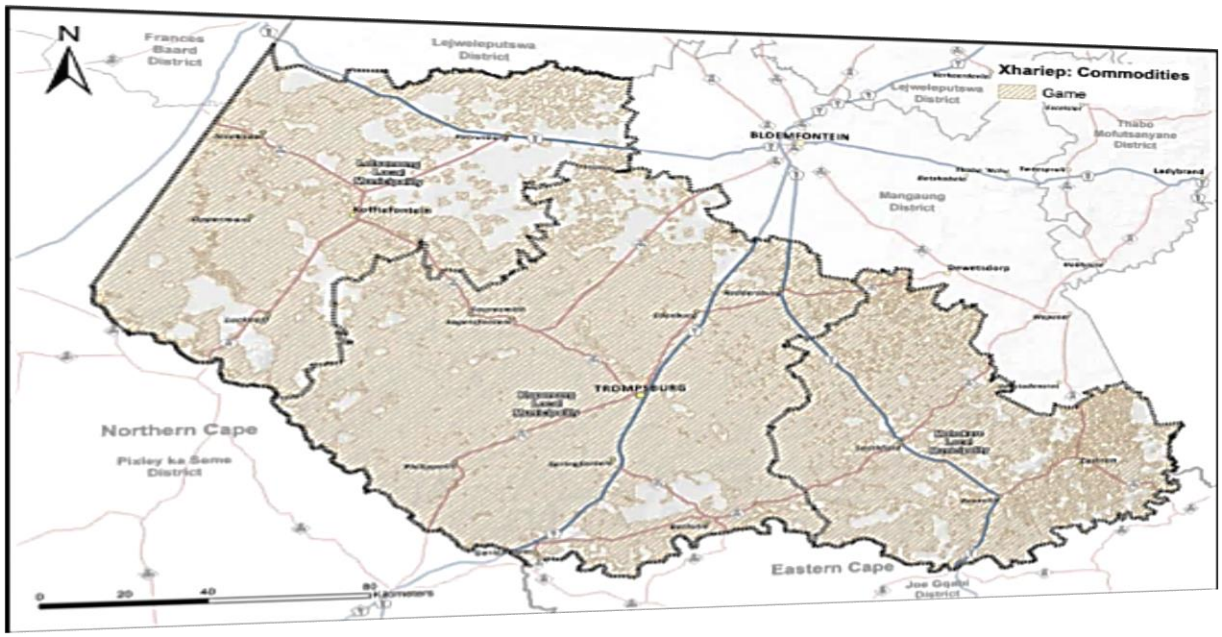
Map XDM 13: Biodiversity
Source: Xhariep Rural Development Plan, 2019/2024

3.2.8. Agriculture

Xhariep is mainly agricultural. Based on the Free State Landcover (2009) data, 45 223 hectares of land was irrigated. Irrigated areas were clustered into the following water user association: Letsemeng - Vanderkloof, OranjeRiet, Kalkfontein, Modderrivier and part of Kalkveld; Kopanong – part of Tierpoort; Mohokare – Upstream of Gariep and Egmond Dams.

The western side of Xhariep mostly have extensive agricultural farming with low input of labour, fertilisers and capital (usually livestock and game) relative to the land being farmed on.

Three main commodities were identified venison, aquaculture, venison and livestock production. The climate and physical characteristics of the Xhariep makes it suitable for game farming. Game farms were identified in Petrusburg, Luckhoff, Phillipolis and Bethulie.



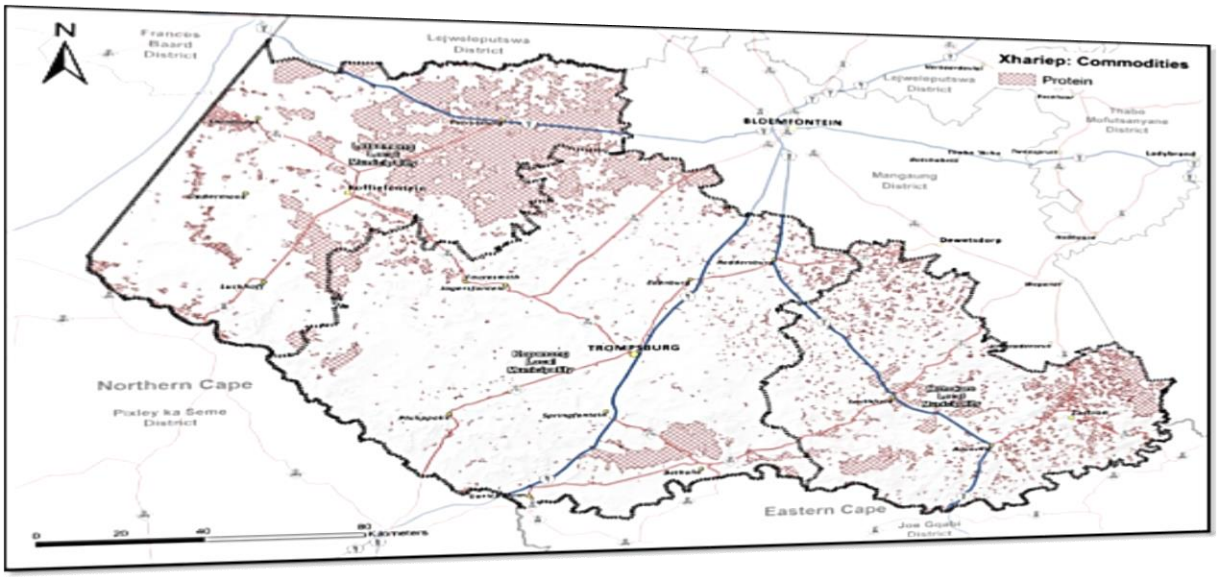
Map XDM 14: Game Potential
Source: Xhariep Rural Development Plan, 2019/2024

Xhariep has been identified as a fish farming hub. Implementation of 39 fish tanks at the Xhariep Fish Hatchery for the production of fingerlings in the three towns of Springfontein, Koffiefontein and Bethulie are in progress (13 fish tanks per ton).

The Department of Agriculture, Forestry and Fisheries in 2012 estimated that the Free State contained approximately 3% of all the aquafarms in the country.

Fish processing take place in Mohokare – Zastron area. The Farmer Production Support Unit is in the vicinity of the Fish Processing plant. Fish production is around the Gariep Dam

There is also large portion of agricultural land that is suitable for livestock production. The Department of Rural Development and Land Reform have acquired many farms for livestock.



Map XDM 15: Livestock Potential
Source: Xhariep Rural Development Plan, 2019/2024

3.2.9. Urban-Rural Character

The CSIR defines Urban and Rural Towns as those with between 60 000 – 100 000 people and 25 000 - 60 000 people, respectively. Given that towns in Xhariep have a low population ranging from 600 in Petrusburg, 5 338 in Trompsburg, 10 400 in Koffiefontein, which is the largest "town" in the District Municipality, there are no urban or rural towns in Xhariep.

In the Table XDM7 below is a list of the local "towns" classified as villages and remote villages categorized in accordance with the CSIR classification of settlements Urban and Rural Towns.

Village: *(5 000 - 25 000 people)*	Jacobsdal, Petrusburg, Koffiefontein, Fauresmith, Jagersfontein, Reddersburg, Edenburg, Trompsburg, Springfontein, Bethulie, Smithfield, Rouxville, and Zastron
Remote village: *(500 - 5 000 people)*	Oppermansdorp, Luckhoff, Philippolis, and Gariep Dam

Table XDM 16: Settlement Types
Source: Xhariep Rural Development Plan, 2019/2024

3.3. Xhariep Social Perspective

3.3.1. Households by Dwelling Type

Xhariep District Municipality's number of very formal dwellings was 13 400 (34.18%), formal dwelling was 21 300 (54.34%), informal dwellings was 2 740 (6.99) and traditional dwellings was 1 630 or 4.16% of the 39 200 total number of households in 2018.

Municipalities	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Mangaung	95,400	137,000	23,900	13,800	1,110	271,000
Xhariep	13,400	21,300	2,740	1,630	151	39,200
Lejweleputswa	75,600	77,600	21,800	12,300	1,040	188,000

Thabo Mofutsanyana	51,700	124,000	26,700	21,600	1,450	226,000
Fezile Dabi	73,200	63,500	14,100	9,110	692	161,000
Total	**309,338**	**423,436**	**89,307**	**58,435**	**4,450**	**884,967**

Table XDM 17: Households by Dwelling Type, 2018
Source: IHS Markit Regional eXplorer version 1750

3.3.2. Households by Sanitation Type

A total of 33 500 000 of the 39 200 households in Xhariep District Municipality had flush toilets and 1 750 had VIP toilets, 1 200 had pit toilet and 956 were using a bucket system.

Municipalities	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Mangaung	198,000	35,800	26,800	5,300	5,340	271,000
Xhariep	33,500	1,750	1,200	956	1,720	39,200
Lejweleputswa	159,000	5,260	12,800	7,940	3,940	188,000
Thabo Mofutsanyana	143,000	24,500	47,300	7,350	3,810	226,000
Fezile Dabi	135,000	3,720	12,500	6,780	2,030	161,000
Total	**668,246**	**70,977**	**100,571**	**28,332**	**16,840**	**884,967**

Table XDM 18: Households by Sanitation Type, 2018
Source: IHS Markit Regional eXplorer version 1750

3.3.3. Households by Access to Water

The number of households with piped water inside dwelling was 17 00 and those with piped water in yard were significantly higher at 20 600 in Xhariep District Municipality.

Households that used communal piped water: less than 200m from dwelling, and communal piped water: more than 200m from dwelling were 675 and 338, respectively.

Municipalities	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Mangaung	122,000	118,000	24,500	4,620	1,990	271,000
Xhariep	17,000	20,600	675	338	499	39,200
Lejweleputswa	92,000	83,400	8,430	2,840	1,710	188,000
Thabo Mofutsanyana	71,200	128,000	18,500	3,410	4,420	226,000
Fezile Dabi	92,500	56,300	7,990	2,500	1,240	161,000
Total	**394,881**	**406,379**	**60,135**	**13,707**	**9,864**	**884,967**

Table XDM 19: Households by Access to Water, 2018
Source: IHS Markit Regional eXplorer version 1750

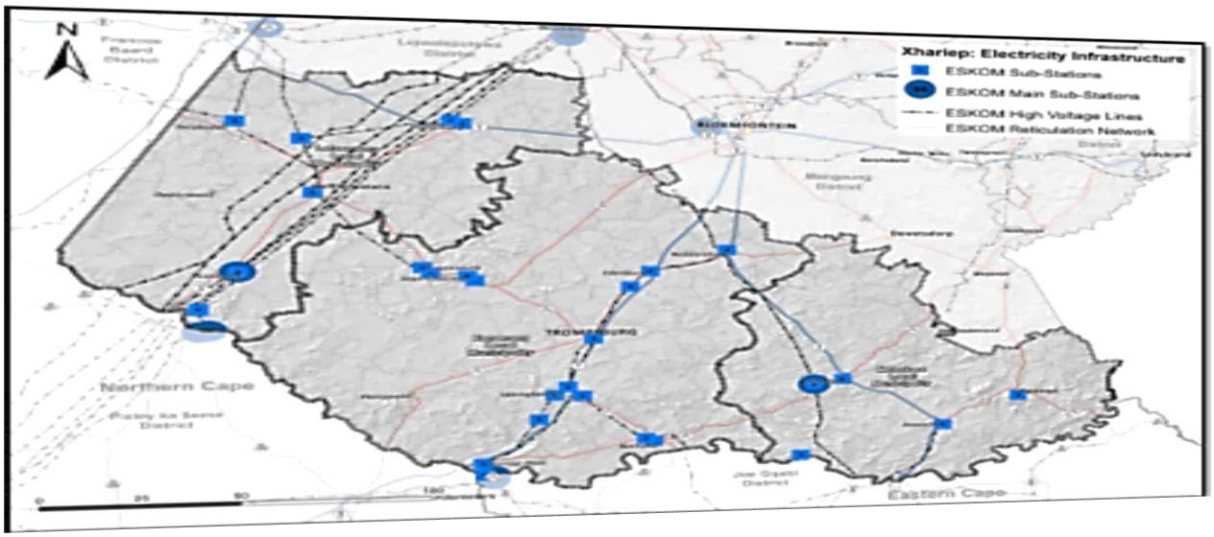
Map XDM 20: Water Management Areas
Source: Xhariep Rural Development Plan, 2019/2024

3.3.4. Households by Electricity Type

Only a small number of households were using electricity for lighting, 1 620. The majority of households, 35 700 (91.07%) were using electricity for lighting and other purposes.

Municipalities	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Mangaung	4,240	252,000	14,400	271,000
Xhariep	1,620	35,700	1,860	39,200
Lejweleputswa	3,590	172,000	12,500	188,000
Thabo Mofutsanyana	11,600	196,000	18,400	226,000
Fezile Dabi	4,040	144,000	12,300	161,000
Total	**25,052**	**800,493**	**59,421**	**884,967**

Table XDM 21: Households by Electricity Type, 2018
Source: IHS Markit Regional eXplorer version 1750



Map XDM 22: Electricity Infrastructure
Source: Xhariep Rural Development Plan, 2019/2024

3.3.5. Households by Refuse Removal

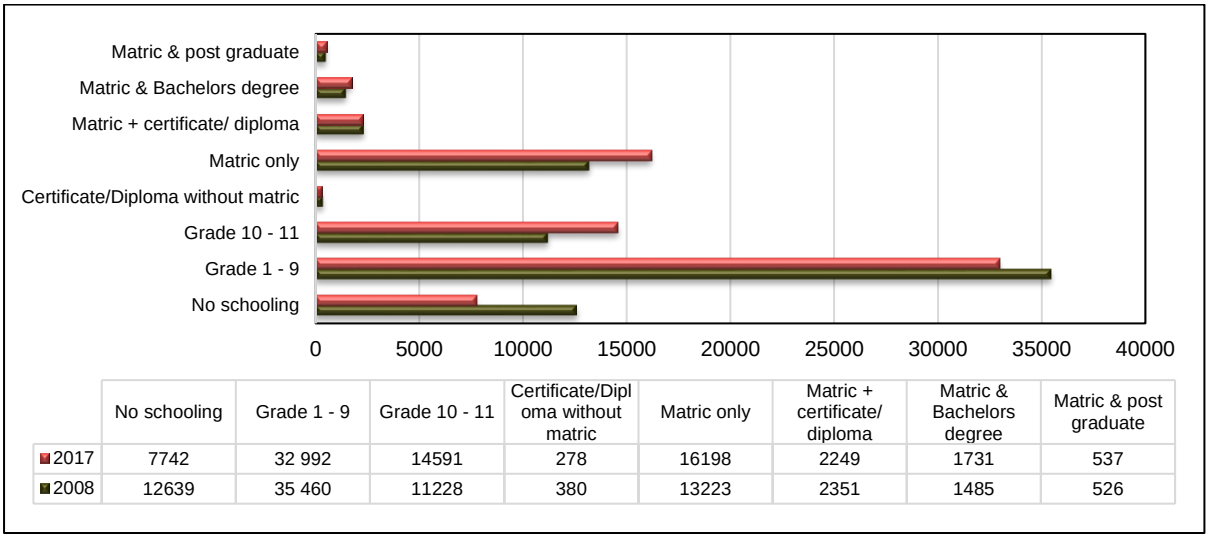
The number of households where refuse was removed weekly were 28 300, where it was removed less often than weekly were 1 180, where refuse was removed by community members were 1 630, and where refuse was removed personally were 6 740 households.

Municipalities	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Mangaung	230,000	6,730	6,500	21,600	5,730	271,000
Xhariep	28,300	1,180	1,630	6,740	1,290	39,200
Lejweleputswa	149,000	8,950	3,680	18,500	8,160	188,000
Thabo Mofutsanyana	118,000	2,800	11,900	78,500	15,000	226,000
Fezile Dabi	138,000	2,690	3,120	12,400	4,540	161,000
Total	**663,373**	**22,348**	**26,835**	**137,697**	**34,714**	**884,967**

Map XDM 23: Electricity Refuse Removal
Source: IHS Markit, Reginal eXplorer, 2019

3.3.6. Education Provision

From 2008 to 2017, there were 16 198 individuals with Matric. There was also a significant number of those with Grade 10 to 11. They rose from 11 228 to 14 591 in that period.



	No schooling	Grade 1 - 9	Grade 10 - 11	Certificate/Diploma without matric	Matric only	Matric + certificate/ diploma	Matric & Bachelors degree	Matric & post graduate
2017	7742	32 992	14591	278	16198	2249	1731	537
2008	12639	35 460	11228	380	13223	2351	1485	526

Figure XDM 24: Highest Level of Education Attained by Persons Aged 20+
Source: IHS Markit, Reginal eXplorer, 2019

However, the majority of the population in Xhariep were those with primary education. Nonetheless, the number of these persons fell from 35 460 in 2008 to 32 992 in 2017.

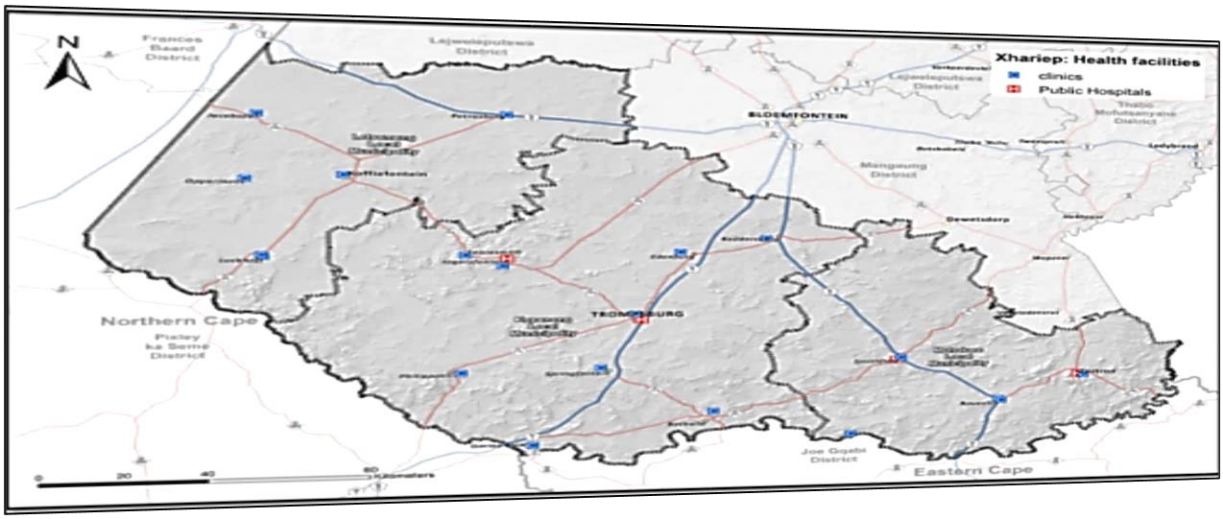
As for those individuals with Matric and higher qualification, their number was 4 517 in 2017.

Equally laudable was a decline in the number of people with no education from 12 639 to 7 742. Seeming outward migration suggests that the district cannot retain educated individuals.

3.3.7. Health Infrastructure

Healthcare services in Xhariep are mainly provided by clinics and mobile clinic. There are 23 fixed clinics and 18 weekly mobile clinics offered in three municipalities except Naledi.

Hospitals in Xhariep are located at the towns of Jagersfontein – Diamond Hospital, Zastron – Embekweni Hospital and Smithfield – Stoffel Coetzee District Hospital.



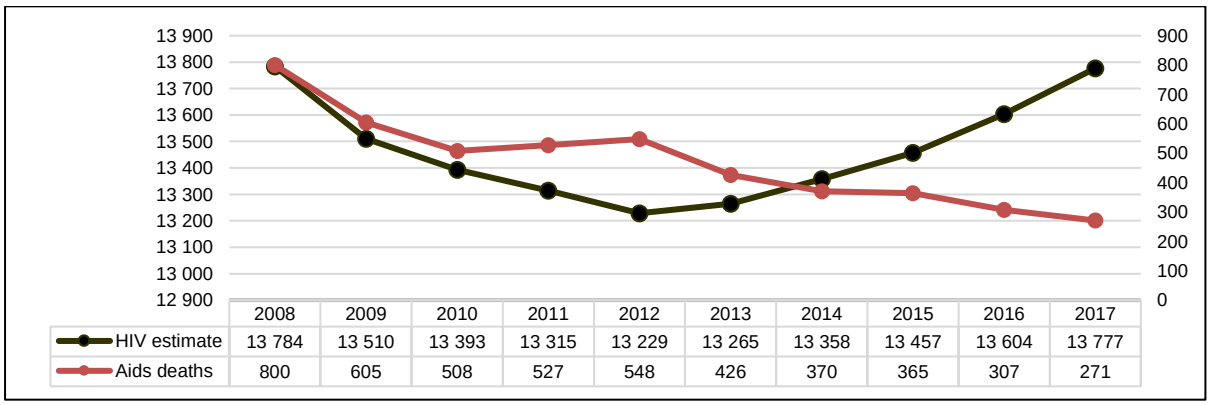
Map XDM 25: Health Services
Source: Xhariep Rural Development Plan, 2019/2024

The new Trompsburg District Hospital has been completed and will offer an administration block, 74 beds, a maternity section, paediatric ward, emergency medical service, rehabilitation and occupational therapy, out patients department, a pharmacy, an X-ray department, a mortuary, a linen bank, kitchens, central sterilizing, theatres and staff housing.

3.3.8. HIV and AIDS Prevalence

HIV cases between 2008 and 2012 dropped from 13 784 13 229 individuals, before they started to increase again from 13 315 in 2012 to 13 777 in 2017.

Like elsewhere in the province, AIDS related deaths fell from 800 in 2008 to 271 in 2017.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
HIV estimate	13 784	13 510	13 393	13 315	13 229	13 265	13 358	13 457	13 604	13 777
Aids deaths	800	605	508	527	548	426	370	365	307	271

Figure XDM 26: HIV and AIDS Deaths Estimates
Source: IHS Markit, Reginal eXplorer, 2019

Falling AIDS mortality can be credited to the rollout of the antiretroviral therapy, prevention of mother-to-child transmission, the distribution of condoms and medical male circumcision.

Despite these attainments, the increasing trend of HIV infections remain a concern in Xhariep.

3.3.9. Human Development

The Human Development Index (HDI) measures life expectancy at birth, education using average years of schooling and gross national income per capita. HDI varies between zero and one, with zero being the lowest level of development and one the highest level.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Xhariep	0,48	0,50	0,52	0,54	0,55	0,56	0,58	0,58	0,59	0,59
Letsemeng	0,47	0,49	0,51	0,53	0,54	0,56	0,57	0,57	0,57	0,58
Kopanong	0,50	0,52	0,53	0,55	0,56	0,58	0,59	0,59	0,60	0,61
Mohokare	0,47	0,49	0,50	0,53	0,53	0,55	0,56	0,57	0,58	0,59

Figure XDM 27: Human Development Indicators
Source: IHS Markit, Reginal eXplorer, 2019

The HDI of Xhariep is increasing. The highest levels of index was in Kopanong, which rose from 0.50 index in 2008 to 0.61 in 2017. Mohokare and Letsemeng have registered an index of 0.47 in 2008 and 0.59, and 0.58 index with 0.1 difference in the last two years, respectively.
.

3.3.10. Income Distribution

The gini-coefficient is a summary statistic of income inequality. If the gini-coefficient is equal to zero, income distribution denotes equal income distribution. Meaning, there is no variance between the high and low-income earners within the population.

The opposite is also true. If the gini-coefficient equals one, income is completely inequitable.

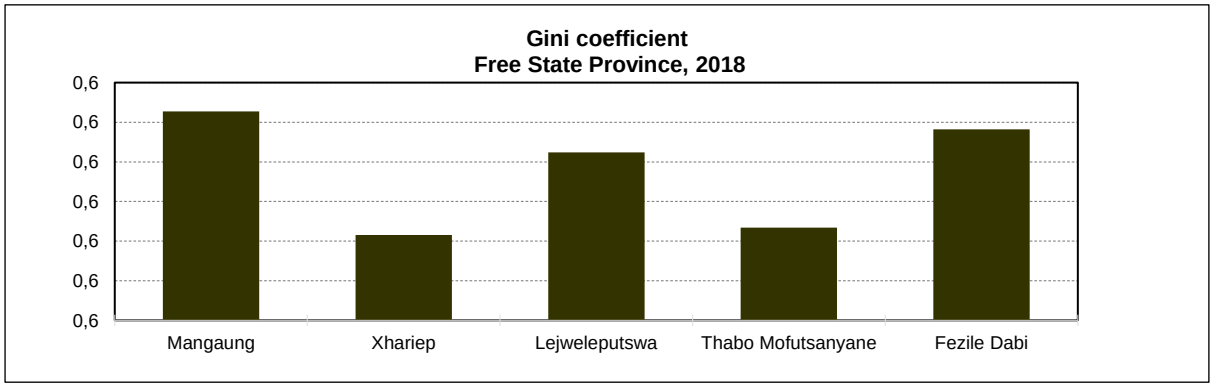


Figure XDM 28: Gin- coefficient, 2018
Source: IHS Markit Regional eXplorer version 1750

In terms of the gini-coefficient for each of the district municipalities in the Free State, Mangaung had the highest gini-coefficient, with an index value of 0.623.

Unlike the rest, Xhariep had the lowest index of 0.592, but it had unequal income distribution.

3.3.11. Poverty Level

The upper poverty line is defined by Statistics South Africa as the level of consumption individuals can purchase enough food and other items without sacrificing one for the other.

This variable measures the number of individuals living below that particular level of consumption, and is balanced directly to the official upper poverty rate

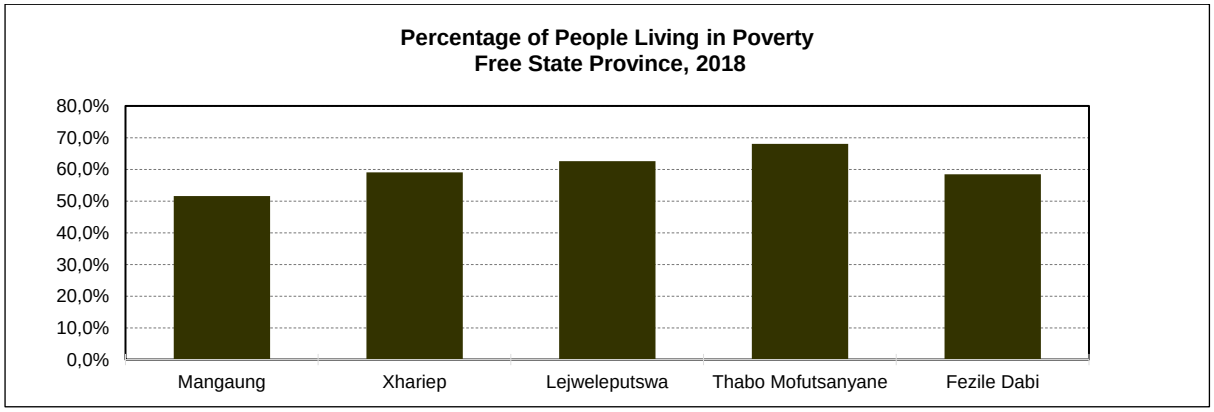
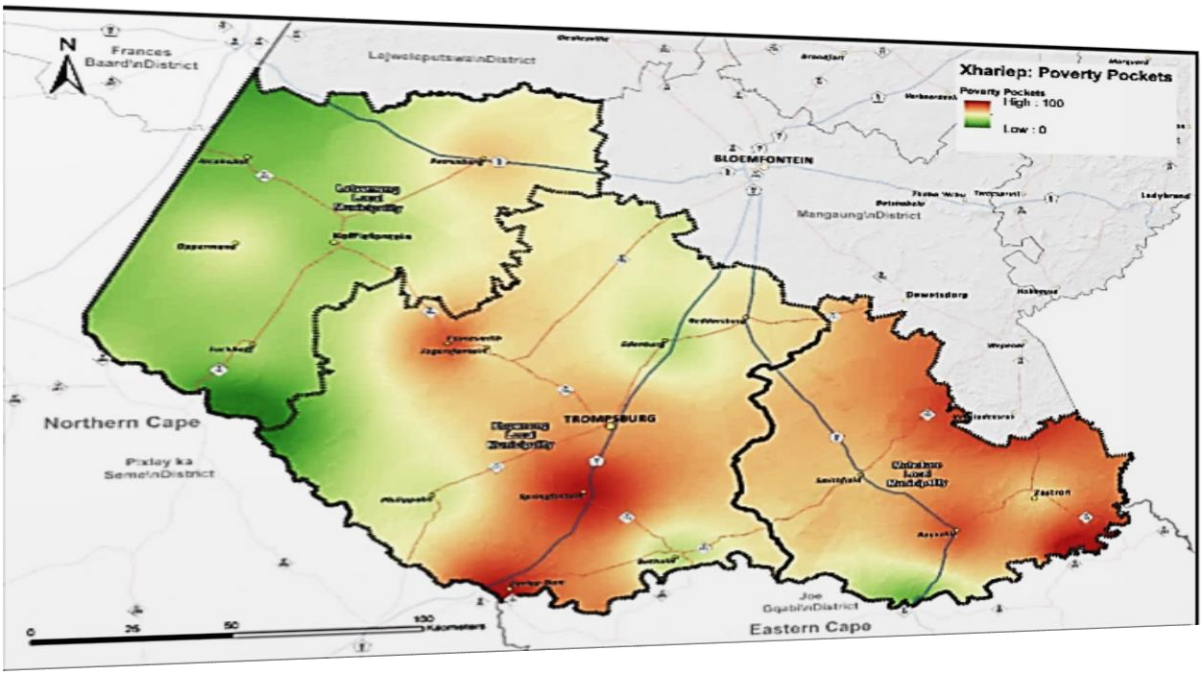


Figure XDM 29: People Living in Poverty, 2018
Source: IHS Markit Regional eXplorer version 1750

In terms of the percentage of people living in poverty in the province, 59% were in Xhariep.



Map XDM 30: Poverty Pocket
Source: Xhariep Rural Development Plan, 2019/2024

3.3.12. Crime Level

From Table XDM 31 below, serious crimes reported by the community were the most prevalent in Xhariep, with the number rising from 3 439 in 2017/2018 to 3 654 the next financial year.

Crime category	2017/2018 Financial Year	2018/2019 Financial Year	Case Difference	% Difference
Murder	51	62	11	21.6%
Total Sexual Offences	176	156	-20	-11.4%
Attempted murder	18	31	13	72.2%
Assault with the intent to inflict grievous bodily harm	622	668	46	7.4%
Common assault	405	389	-16	-4.0%
Common robbery	30	33	3	10.0%
Robbery with aggravating circumstances	75	84	9	12.0%
Total Contact crimes	1377	1423	46	3.3%
Arson	8	10	2	25.0%
Malicious damage to property	167	181	14	8.4%
Total Contact related crimes	175	191	16	9.1%
Burglary at non-residential premises	232	284	52	22.4%
Burglary at residential premises	551	561	10	1.8%
Theft of motor vehicle and motorcycle	31	32	1	3.2%
Theft out of or from motor vehicle	57	58	1	1.8%
Stock-theft	531	580	49	9.2%
Total Property related crimes	1402	1515	113	8.1%
All theft not mentioned elsewhere	398	397	-1	-0.3%
Commercial crime	60	104	44	73.3%
Shoplifting	27	24	-3	-11.1%
Total Other serious crimes	485	525	40	8.2%
TOTAL 17 Community Reported Serious Crimes	3 439	3 654	215	6.3%
Carjacking	1	5	4	400.0%
Robbery at residential premises	19	16	-3	-15.8%
Robbery at non-residential premises	37	40	3	8.1%
Total TRIO Crimes	57	61	4	7.0%
Truck hijacking	2	2	0	0
Bank Robbery	0	0	0	0
Robbery of cash in transit	0	0	0	0
Illegal possession of firearms and ammunition	25	10	-15	-60.0%
Drug-related crime	856	493	-363	-42.4%
Driving under the influence of alcohol or drugs	87	93	6	6.9%
Sexual Offences detected as a result of Police Action	24	11	-13	-54.2%
Total Crime detected as a result of police action	992	607	-385	-38.8%

Table XDM 31: Crime Statistics
Source: South African Police Service, October 2019

The nature of many of these crimes involved arson at 10, malicious damage to property 181, burglary at non-residential premises 284, burglary at residential premises 561, theft of motor vehicle or motorcycle 32, theft out of or from motor vehicle 58 and stock theft 580.

There were 1 515 property related crimes, 24 cases of shoplifting, 397 incidents of all theft not mentioned elsewhere and commercial crimes instances were 104. This made the category of other serious crimes to be 525, an increase of 8.2% for the 2018/19 financial year.

While robbery at residential premises decreased by -15.8%, robbery at non-residential premises increased by 8.1%. TRIO crimes increased by 7%, and no incidents of truck jacking, bank robber and robbery of cash-in-transit were reported.

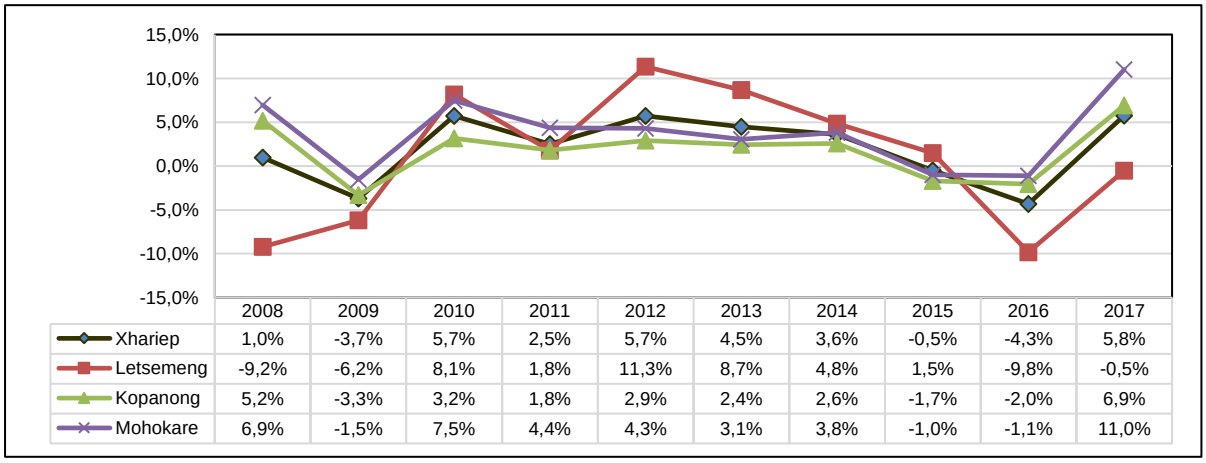
Cases of driving under the influence of alcohol or drugs were 93 and 11 sexual offences detected because of police action were reported in Xhariep District Municipality.

3.4. Xhariep Economic Perspective

3.4.1. Gross Domestic Product

Data in the figure below indicates growth rates in Xhariep have not been even. Between 2008 and 2009, Xhariep's growth rate was negative, partially due to the 2008/09 recession.

There was a recovery between 2010 and 2015 when the economy grew positively. The seesaw continued when in 2016 the economy was grew negatively and in 2017 positively.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Xhariep	1,0%	-3,7%	5,7%	2,5%	5,7%	4,5%	3,6%	-0,5%	-4,3%	5,8%
Letsemeng	-9,2%	-6,2%	8,1%	1,8%	11,3%	8,7%	4,8%	1,5%	-9,8%	-0,5%
Kopanong	5,2%	-3,3%	3,2%	1,8%	2,9%	2,4%	2,6%	-1,7%	-2,0%	6,9%
Mohokare	6,9%	-1,5%	7,5%	4,4%	4,3%	3,1%	3,8%	-1,0%	-1,1%	11,0%

Figure XDM 32: GDP Average Annual Growth
Source: IHS Markit, Reginal eXplorer, 2019

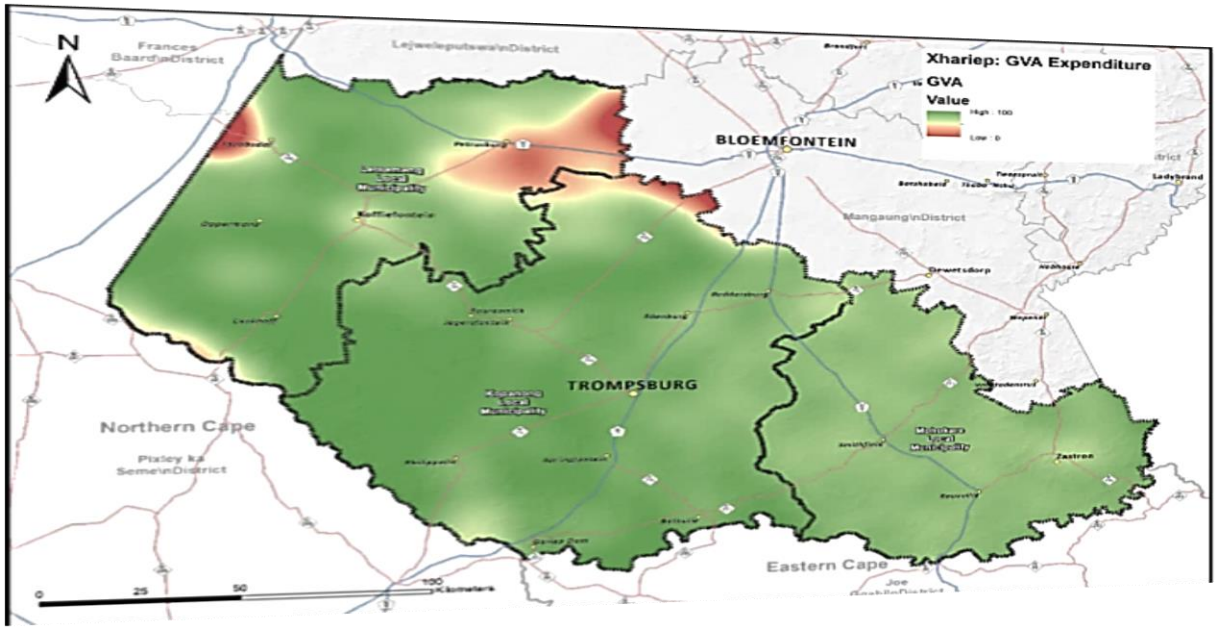
The 2016 economic performance was partly driven agriculture due to a lack of good rains.

The earlier positive 5.7% growth rate of 2012 was partly because of higher commodity prices that adversely affected diamond mining in Letsemeng, which recorded -9.2% growth rate.

3.4.2. Gross Value Add and Sector Composition

Gross Value Added (GVA) is a measure of output of a region in terms of the value that was created in that region. GVA is measured at basic prices and GDP at market prices.

All economic sectors were classified by the South African Standard Industrial Classification.

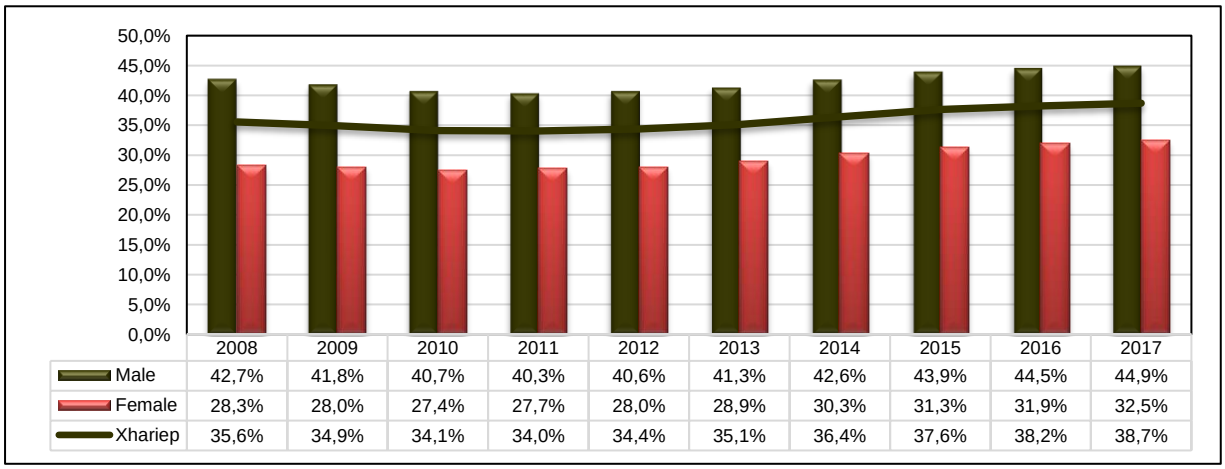


Map XDM 33: GVA Expenditure
Source: Xhariep Rural Development Plan, 2019/2024

The agricultural sector's share of the district dropped from 18.1% in 2008 to 16.4% in 2017. The trend was the same in mining, which fell from 15.5% in 2008 to 10.4%. The total primary sector fell from 33.6% in 2008 to 26.8% in 2017. The community services was 31.8% in 2017.

3.4.3. Economic Active Population

The economically active population includes persons between the ages of 15 to 65 years who are either employed or unemployed, seeking employment.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Male	42,7%	41,8%	40,7%	40,3%	40,6%	41,3%	42,6%	43,9%	44,5%	44,9%
Female	28,3%	28,0%	27,4%	27,7%	28,0%	28,9%	30,3%	31,3%	31,9%	32,5%
Xhariep	35,6%	34,9%	34,1%	34,0%	34,4%	35,1%	36,4%	37,6%	38,2%	38,7%

Figure XDM 34: Economically Active Population
Source: IHS Markit, Reginal eXplorer, 2019

The economically active population in Xhariep was at 35.6% in 2008 and 38.7 % in 2017. The majority of these were males, whose proportion rose from 42.7% to 44.9% in 2017.

The proportion of economically active females increased from 28.3% in 2008 to 32.5% in 2017.

3.4.4. Employment Level

Employment was recorded in the trade, community services, and agriculture and households sectors. The trade sector employed approximately 7 000 people in 2008 and 5 000 in 2017.

Employment in the community services sector increased from 6 595 in 2008 to 6 709 in 2017. What was surprising was the increase in mining employment in Xhariep from 3 237 number of jobs created in 2008 to 5 294 in 2017, exceeding the agricultural sector in the process.

Sectors	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	6 190	5 698	4 864	4 372	4 108	4 133	4 180	4 095	4 109	4 293
Mining	3 237	3 447	3 788	3 701	4 080	3 867	3 760	4 465	4 957	5 294
Manufacturing	1 592	1 466	1 359	1 331	1 208	1 295	1 387	1 421	1 311	1 236
Electricity	72	73	65	56	58	65	79	106	119	121
Construction	2 171	2 021	1 915	1 992	1 890	1 827	1 843	1 912	1 998	2 080
Trade	7 027	6 683	6 430	6 446	5 958	5 877	6 250	6 832	7 101	7 171
Transport	1 035	1 041	998	973	913	953	998	1 056	1 104	1 170
Finance	2 270	2 289	2 308	2 433	2 263	2 172	2 215	2 185	2 138	2 148
Community services	6 595	6 477	6 290	6 378	6 199	6 539	7 011	7 182	7 010	6 709
Households	6 314	5 883	5 230	4 888	4 900	4 878	5 008	5 007	4 955	4 989
Total	**36 502**	**35 077**	**33 247**	**32 569**	**31 578**	**31 605**	**32 731**	**34 261**	**34 801**	**35 210**

Table XDM 35: Employment per Sector, Formal and Informal
Source: IHS Markit, Reginal eXplorer, 2019

In contrast, the agricultural sector shed 6 190 jobs in 2008 to 4 293 in 2017. There was also the household sector, which fell from 6 314 individuals in 2008 to 4 989 individuals in 2017.

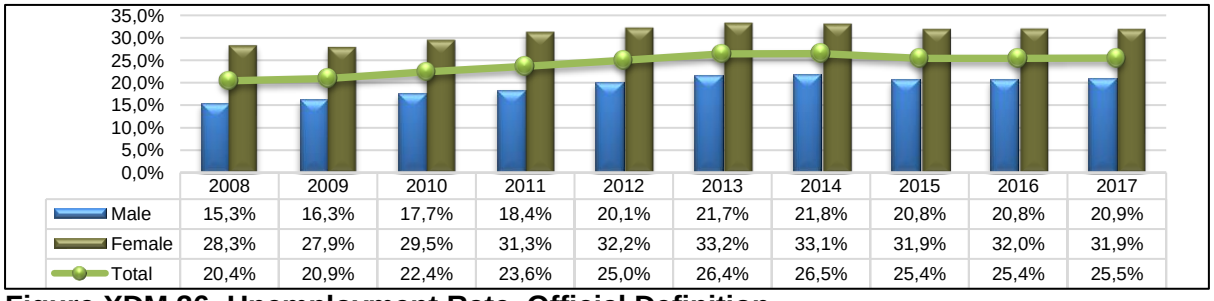
3.4.5. Unemployment Level

The official definition of unemployment refers to people in the labour force who are not working and have actively been looking for work prior to the survey.

The broad definition of unemployment includes individuals who have not been looking for work over time, but would like to work, even when they have not indicated a desire to look for work.

Data in Figure XDM 36 below reveals that there was an increase in the economically active population including that of females leading to an increase in unemployment rate.

The total unemployment rate in Xhariep rose from 20.4% in 2008 to 25.5% in 2017.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Male	15,3%	16,3%	17,7%	18,4%	20,1%	21,7%	21,8%	20,8%	20,8%	20,9%
Female	28,3%	27,9%	29,5%	31,3%	32,2%	33,2%	33,1%	31,9%	32,0%	31,9%
Total	20,4%	20,9%	22,4%	23,6%	25,0%	26,4%	26,5%	25,4%	25,4%	25,5%

Figure XDM 36: Unemployment Rate, Official Definition
Source: IHS Markit, Reginal eXplorer, 2019

Female unemployment rate increased from 28.3% in 2008 to 31.9% in 2017. Male unemployment rate rose from 15.3% in 2008 to 20.9% in 2017. Letsemeng had the lowest

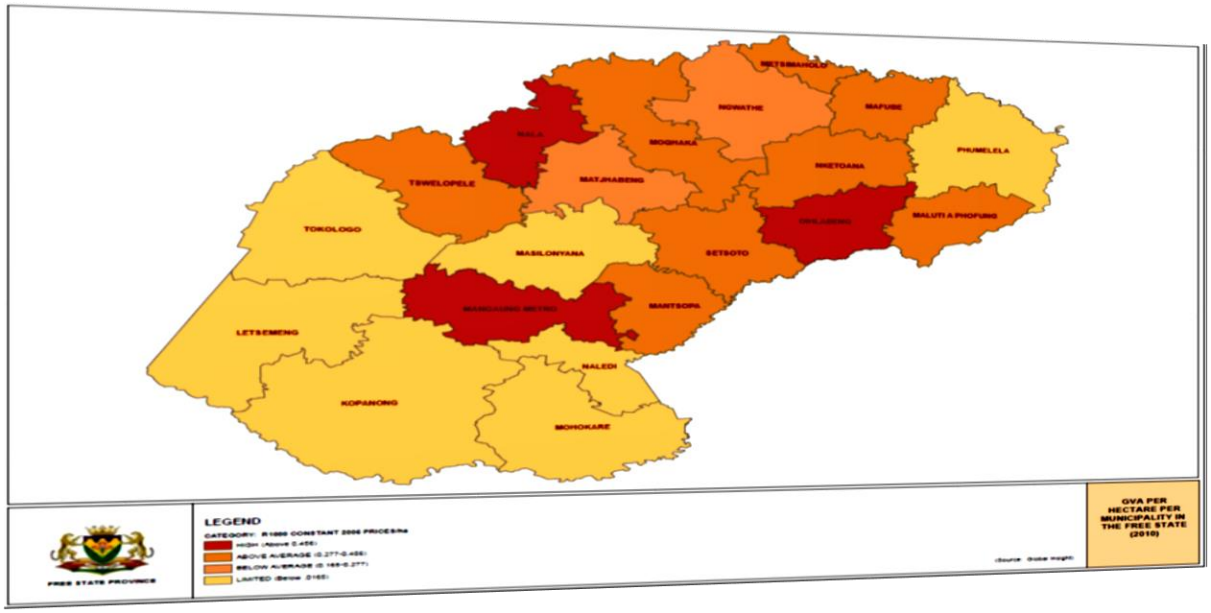
unemployment rate of 22.9% in 2017, followed by Kopanong at 26.2% and Mohokare at 27.6%.

3.5. Xhariep Economic Potential

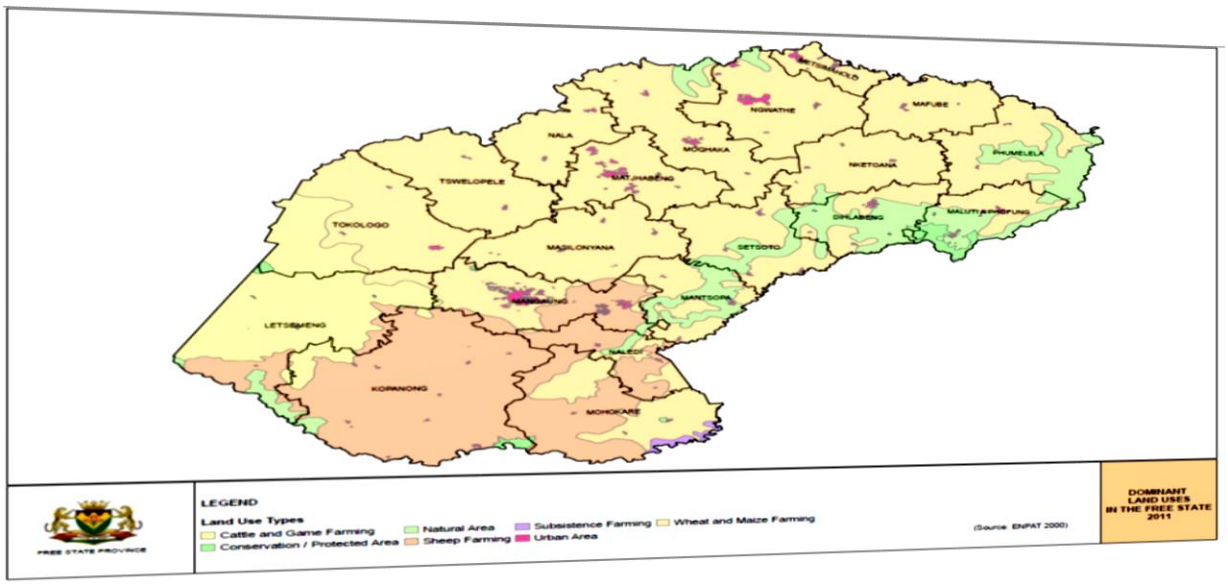
3.5.1. Agricultural Potential

Agricultural is the key economic sector in the Xhariep District Municipality with the most potential to create linkages with the local economy and value chains.

Game, sheep and ostrich farming dominates the agricultural landscape. Trompsburg has the second-biggest sheep-shearing barn in the country and grapes are produced in Jacobsdal.



Map XDM 37: Agriculture GVA per Hectare per Municipality
Source: Free State Growth and Development Strategy, 2013

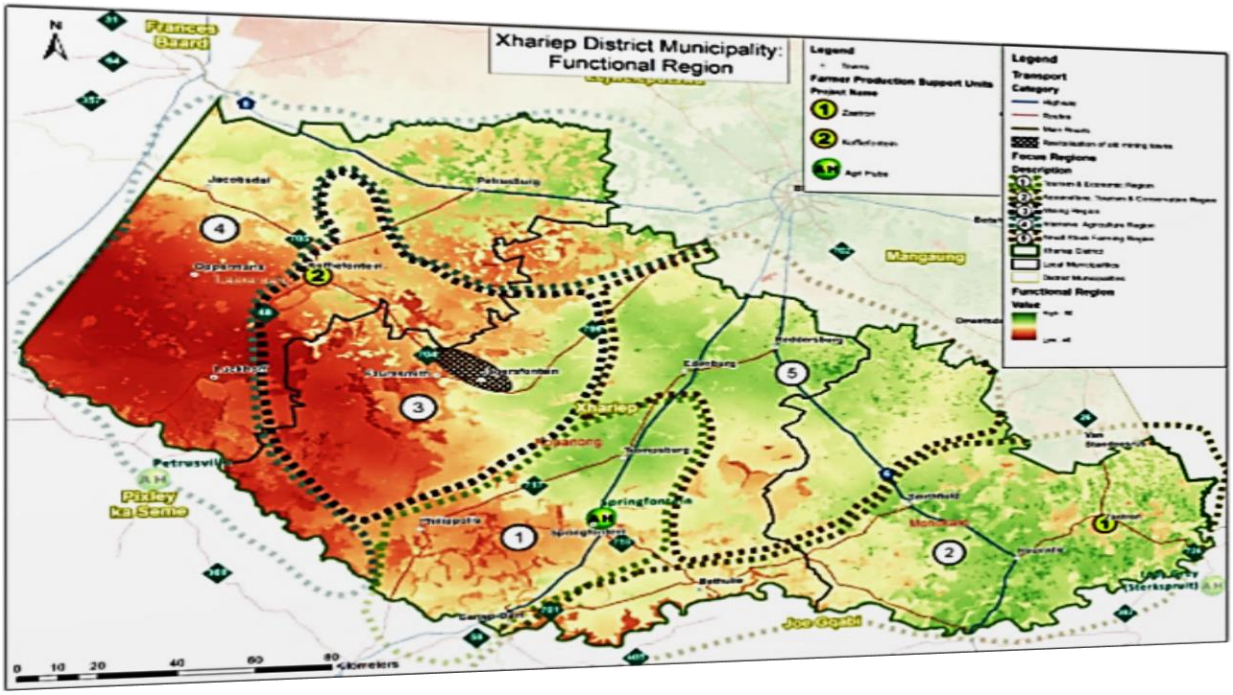


Map XDM 38: Dominant Farming Types
Source: Free State Growth and Development Strategy, 2013

Other opportunities to be exploited in Xhariep includes the establishment of an Agri-park in Springfontein, which present prospects in the manufacturing of chips and wine production, aqua-culture in the Gariep Dam, production of venison and agro-tourism.

The Table and Map below present areas of focus to enhance economic potential in Xhariep.

1. TOURISM AND ECONOMIC REGION: areas include Springfontein, Trompsburg and Phillipolis linked by the N1 corridor and the Diamond-Wine Tourism Route	2. AQUACULTURE, TOURISM AND CONSERVATION REGION: areas include Gariep Dam, Bethulie, Smithfield, Zastron and Rouxville linked by the Gariep and Maluti Tourism routes	3. MINING REGION: areas in Koffiefontein and Jagersfontein/ Fauresmith as the nodes and the surrounding communities forming part of the revitalisation project	4. INTENSIVE AGRICULTURE REGION: areas include Jacobsdal and Van Der Kloof as an irrigation belt using the Riet River Canals, the areas around Petrusburg- intensive agriculture for protein- linked with N8 Corridor development	5. SMALL STOCK FARMING REGION: includes two areas – Edenburg and Reddersburg

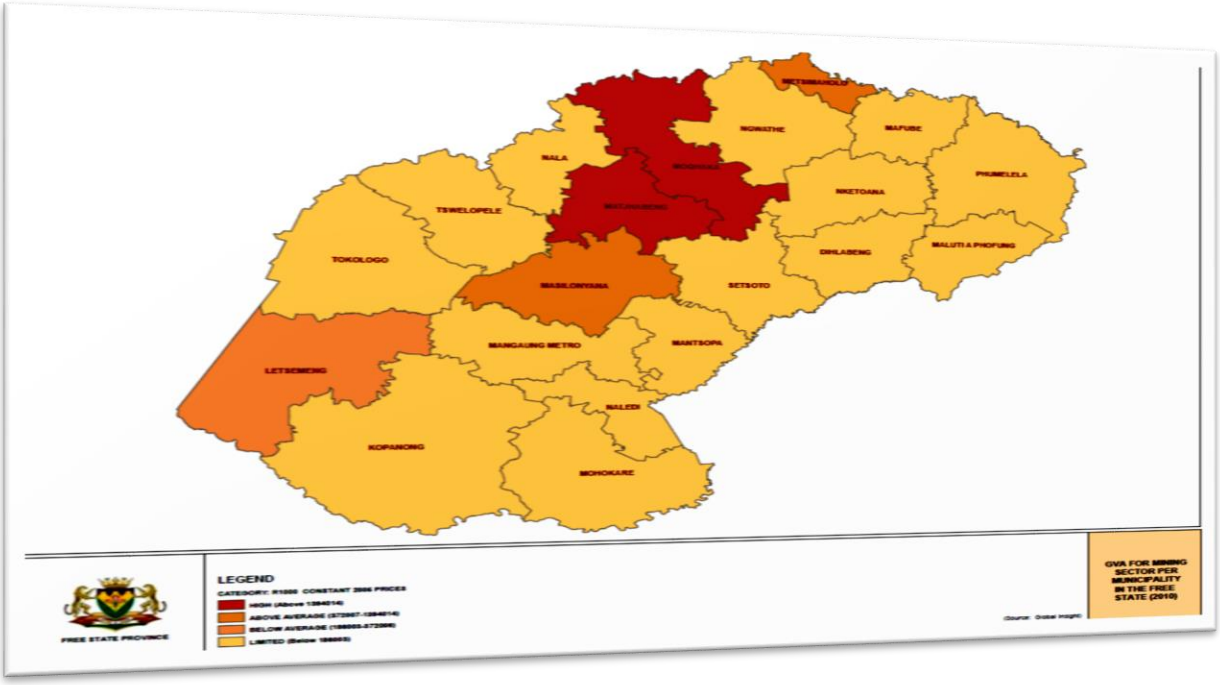


Xhariep XDM 39: Functional Areas
Source: Xhariep Rural Development Plan, 2019/2024

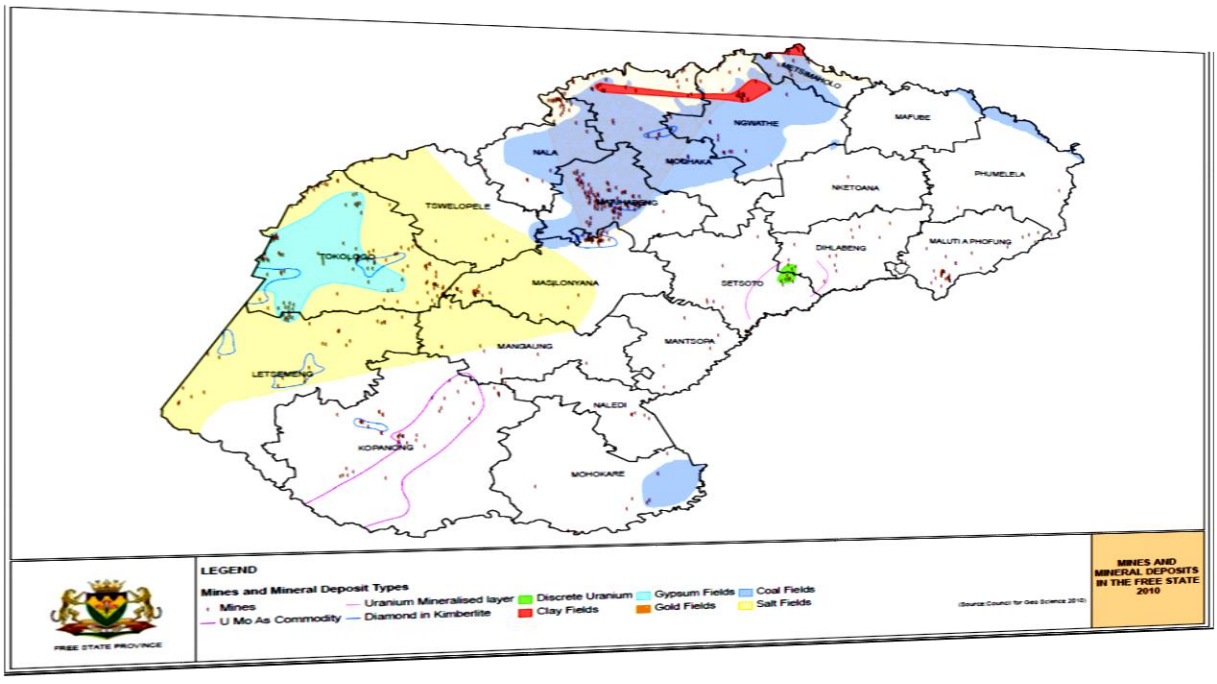
3.5.2. Mining Potential

Mining has traditionally been one of the economic mainstays of Xhariep. The diamond industry in the Free State was ignited after the discovery of diamonds in Jagersfontein.

The Jagersfontein Mine was developed in the 1870's and produced some of the world's largest diamonds. Today Jagersfontein is the oldest and largest open mine in the country and a major tourism attraction area in Xhariep.



Map XDM 40: Mining GVA per Municipality
Source: Free State Growth and Development Strategy, 2013

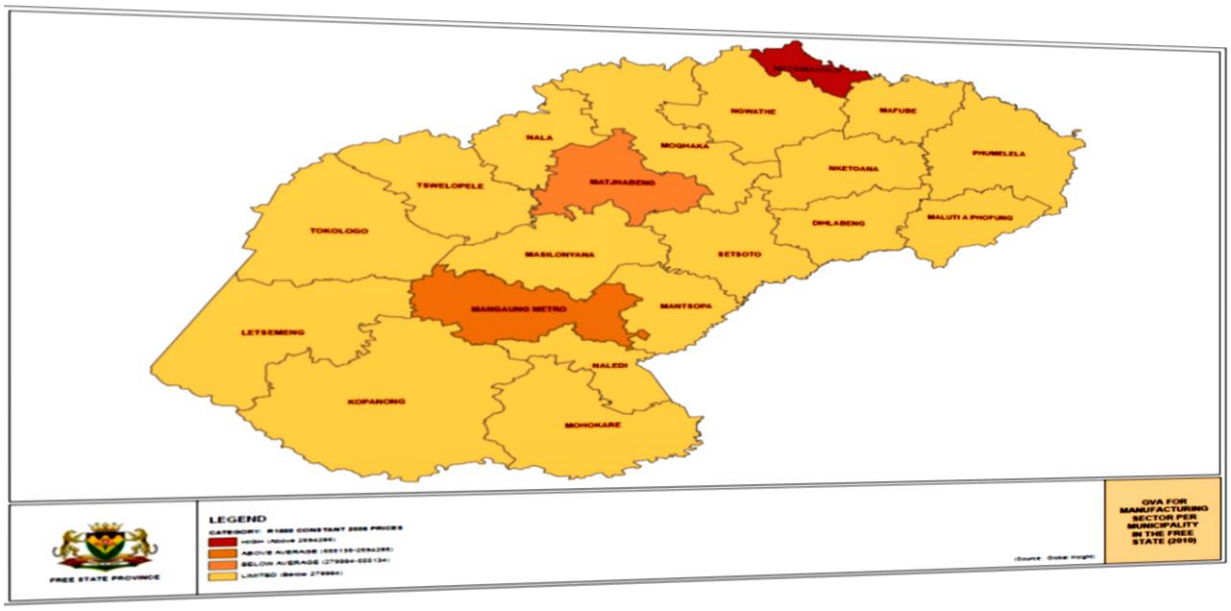


Map XDM 41: Mining Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

Other minerals in the district include titanium, iron and potash. There is limited diamond in Letsemeng and a lower value mining potential in salt.

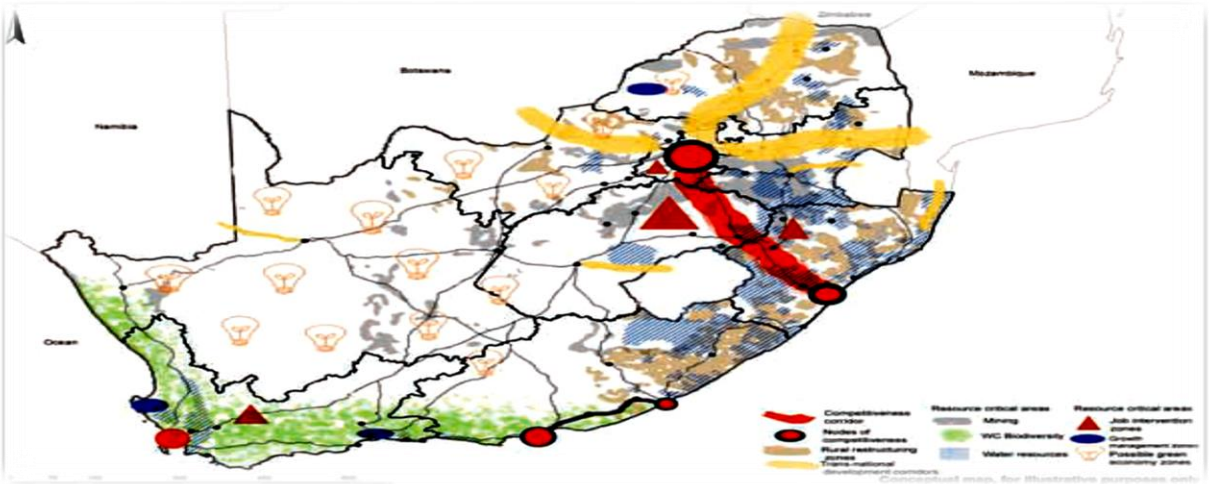
3.5.3. Manufacturing Potential

The Xhariep region has the second best solar-radiation index after Upington in the Northern Cape. This presents the opportunity for the establishment of the solar park.



Map XDM 42: GVA for Manufacturing per Municipality
Source: Free State Growth and Development Strategy, 2013

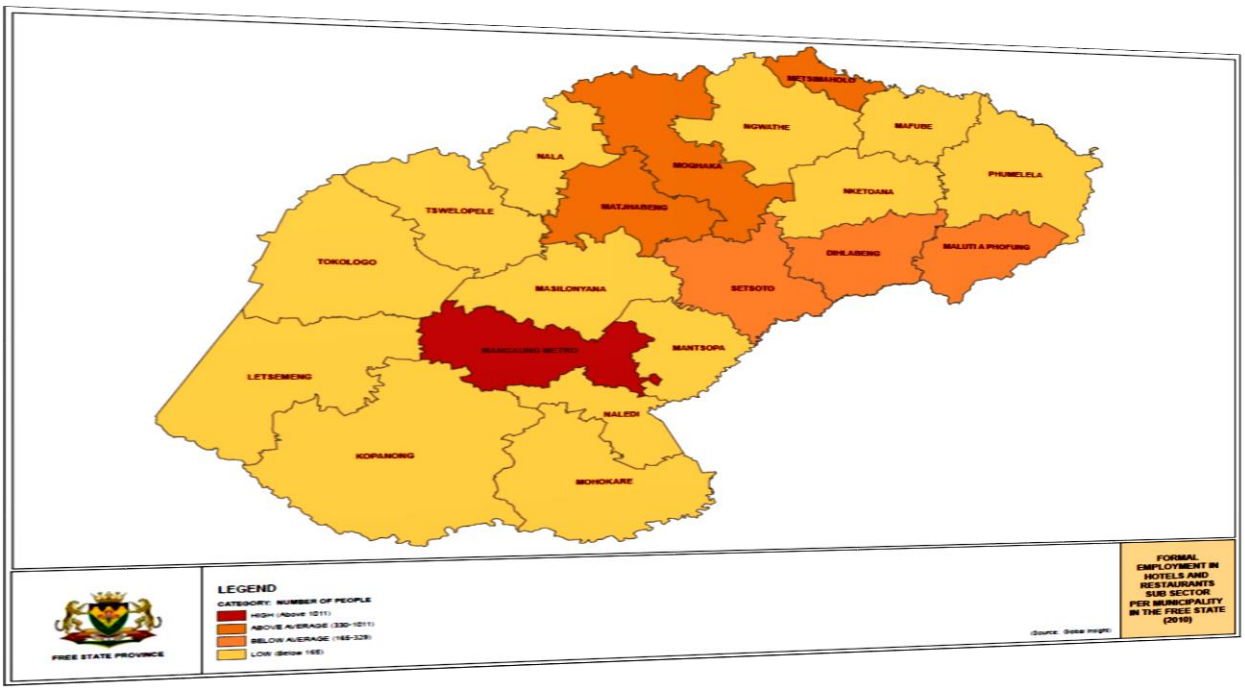
The National Development Plan schema in the Map below for spatial targeting identifies Xhariep as a green economic zone with solar power potential.



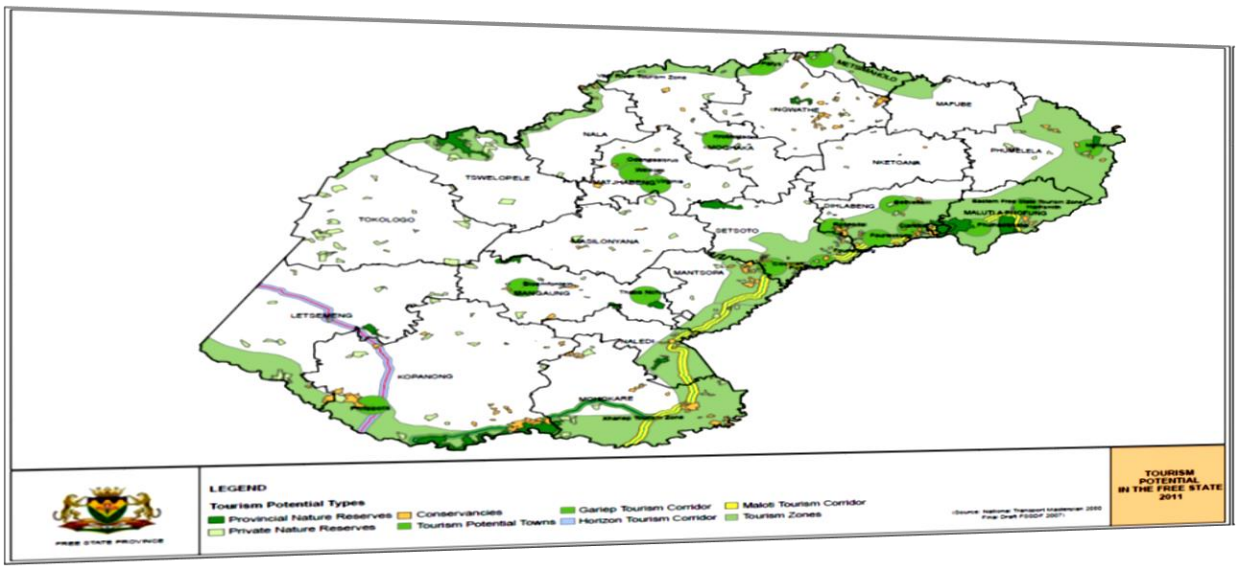
Map XDM 43: Proposed National Schema for Spatial Targeting
Source: National Development Plan

3.5.4. Tourism Potential

There is tourism potential in Xhariep. Potential is based on the number of tourism and establishments (hotels, guesthouses, casinos, golf clubs, and restaurants), employment in hotels and restaurants, and GVA through tourism enterprises (hotels and restaurants).



Map XDM 44: GVA for the Hotel and Restaurant Subsector
Source: Free State Growth and Development Strategy, 2013



Map XDM 45: Tourism Potential in the Free State
Source: Free State Growth and Development Strategy, 2013

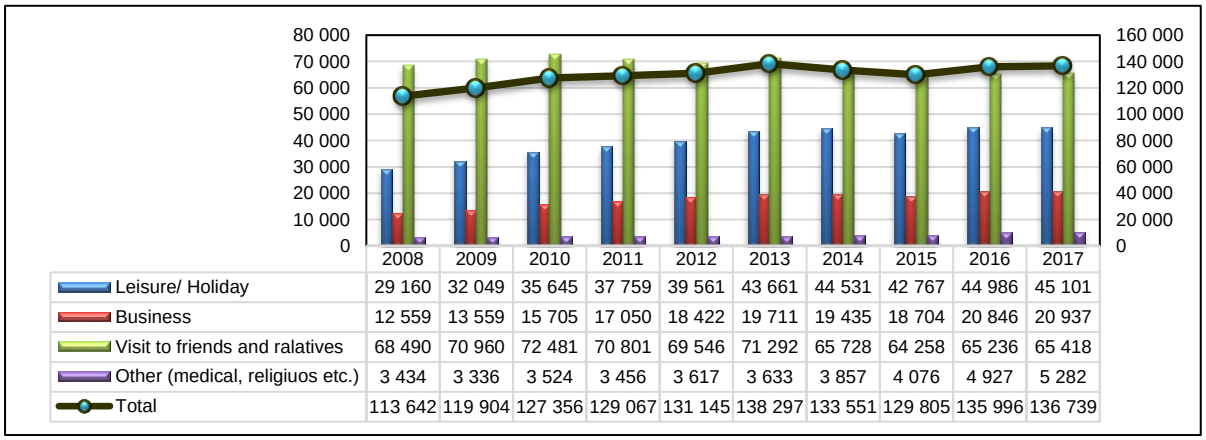
The town of Bethulie present an opportunity to experience water sports on the Gariep Dam. The Tussen die Riviere Nature Reserve and Mynhardt Game Reserve have a variety of wildlife.

The town of Fauresmith hosts an annual horse endurance race and Smithfield is the venue for a “Chill” festival every winter, the “Biebber Fees’.

In Naledi Local Municipality, tourists are catered for on the Highlands of Maluti Route. The steel bridge over the Caledon River at Wepener is a national monument.

There are opportunities for the development of the Big Hole as a tourist attraction area in Jaggersfontein Mine. Other opportunities include the expansion of leisure and water sports tourism in the Gariep Dam and Tussen die Riviere and Mynhardt game reserves,

The development of an airstrip for small charter flights between Gariep Dam and Bloemfontein would also enhance tourism potential in the District Municipality.

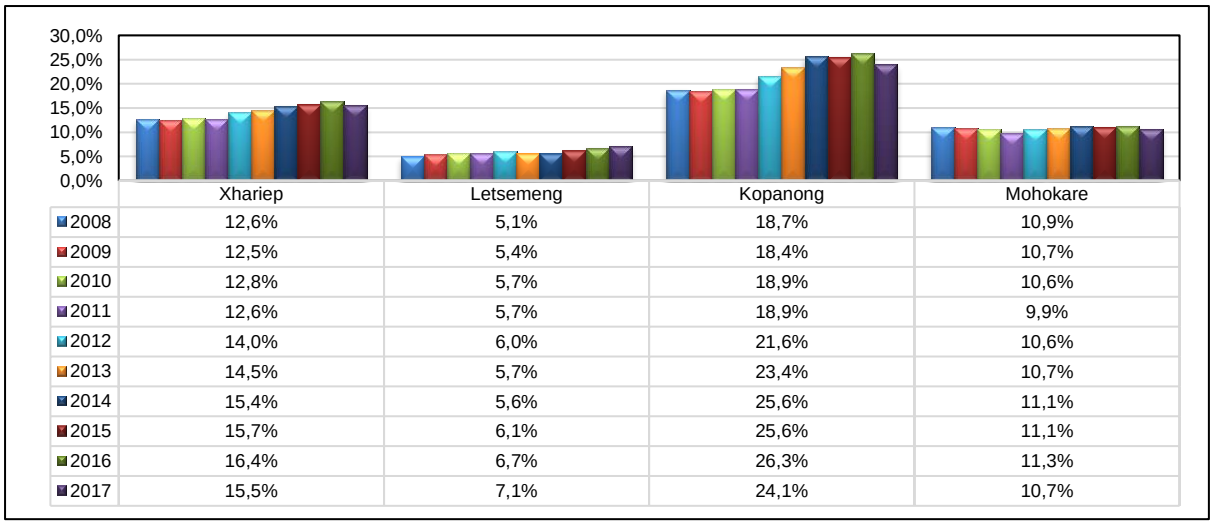


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Leisure/ Holiday	29 160	32 049	35 645	37 759	39 561	43 661	44 531	42 767	44 986	45 101
Business	12 559	13 559	15 705	17 050	18 422	19 711	19 435	18 704	20 846	20 937
Visit to friends and ralatives	68 490	70 960	72 481	70 801	69 546	71 292	65 728	64 258	65 236	65 418
Other (medical, religiuos etc.)	3 434	3 336	3 524	3 456	3 617	3 633	3 857	4 076	4 927	5 282
Total	113 642	119 904	127 356	129 067	131 145	138 297	133 551	129 805	135 996	136 739

Figure XDM 46: Number of Trips by Purpose of Trip
Source: IHS Markit, Reginal eXplorer, 2019

Figures in Table XDM 46 indicate that the largest proportion of tourists in Xhariep were those visiting friends and relatives. Their number fell from 68 490 in 2008 to 65 418 in 2017.

Leisure or holiday tourists' number soared from 29 160 in 2008 to 45 101 in 2017. As for individuals visiting for business purpose, they increased from 12 559 in 2008 to 20 937 in 2017.



	Xhariep	Letsemeng	Kopanong	Mohokare
2008	12,6%	5,1%	18,7%	10,9%
2009	12,5%	5,4%	18,4%	10,7%
2010	12,8%	5,7%	18,9%	10,6%
2011	12,6%	5,7%	18,9%	9,9%
2012	14,0%	6,0%	21,6%	10,6%
2013	14,5%	5,7%	23,4%	10,7%
2014	15,4%	5,6%	25,6%	11,1%
2015	15,7%	6,1%	25,6%	11,1%
2016	16,4%	6,7%	26,3%	11,3%
2017	15,5%	7,1%	24,1%	10,7%

Figure XDM 47: Total Tourism Spend as a Percentage of GDP
Source: IHS Markit, Reginal eXplorer, 2019

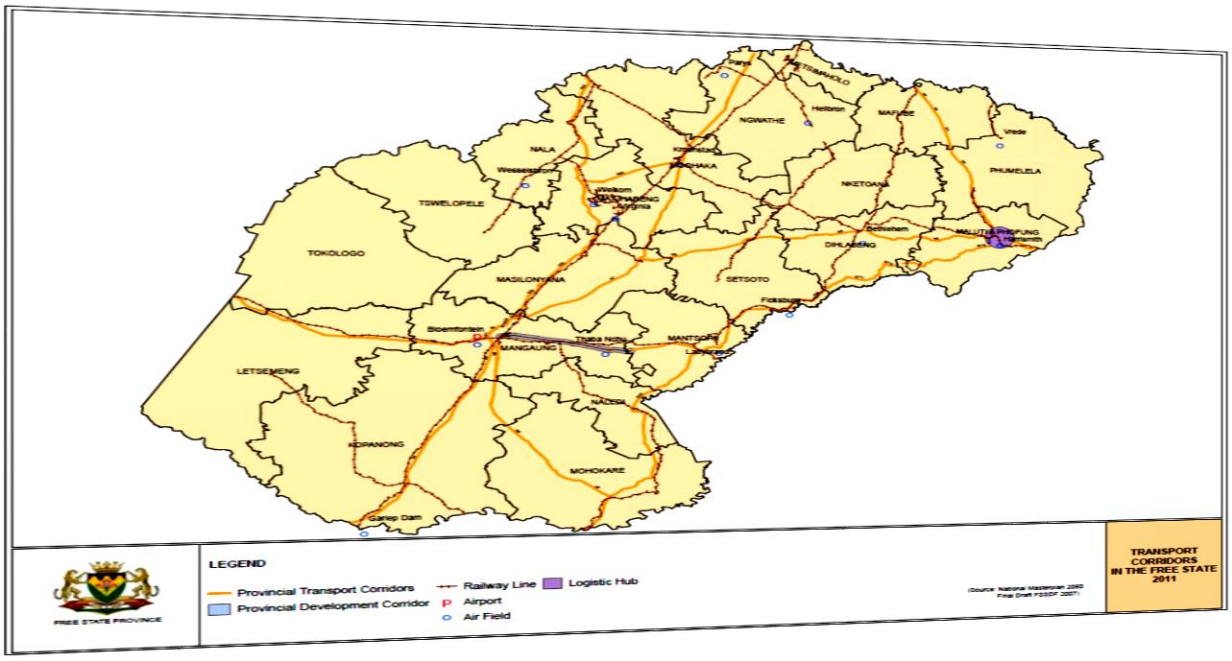
As shown above, between 2008 and 2017, tourism's contribution to GDP of Xhariep rose from 12.6% to 15.5%, an indication of the importance of the sector in the economy of Xhariep.

The biggest contributor was Kopanong with 24.1% in 2017. Not surprisingly, this is where the Gariep Dam is located. Letsemeng was the lowest contributor at 7.1% in 2017.

Tourism is even more important for the economic growth of Xhariep District Municipality considering the declining agricultural sector and marginal employment opportunities.

3.5.5. Transport Potential

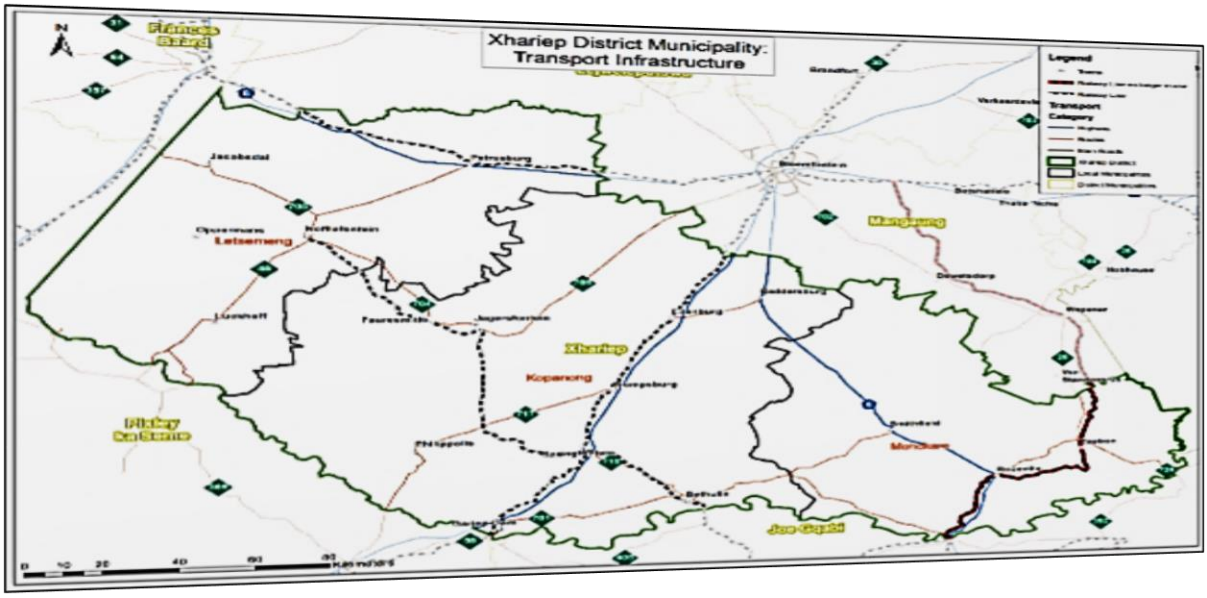
The central location of the Free State and the fact that significant volumes of freight are moved across the surface of the province gives it a competitive advantage. However, this is primarily dependent on some value-adding to freight and transport management processes.



Map XDM 48: Transport Corridors in the Free State
Source: Free State Growth and Development Strategy, 2013

Transport infrastructure in Xhariep includes roads, rail and small airfields. Some of the national routes pass through are: N1 (Johannesburg to Cape Town via Trompsburg) and the N6 (Gauteng and the Eastern Cape via Aliwal North) and serves as important corridors.

The potential is provided for development to be located within these corridors as shown below.



Map XDM 49: Transport Infrastructure
Source: Xhariep Rural Development Plan, 2019/2024

1.13. Xhariep Governance Perspective

1.13.1. Powers and Functions

The district municipality and its locals have concurrent functions with regard to firefighting, fresh produce, local tourism, municipal airports and public transport.

District Key Powers and Functions	Local Key Powers and Functions
Integrated planning	Trading regulations
Municipal Health Services	Street lighting
Firefighting Services (Masilonyana and Tswelopele)	Firefighting Services
Municipal Public Transport (policy development)	Municipal Public Transport(All local Municipalities)
Fresh Produce Markets	Fresh Produce Markets (All local municipalities)
Cemeteries, funeral parlours and crematoria (policy development)	Cemeteries, funeral parlours and crematoria(by-laws)
Local Tourism	Local Tourism
Municipal Airport	Municipal Airport (except for Matjhabeng and Nala)
Municipal Abattoirs (policy development)	Municipal abattoirs(by-laws)
Solid waste disposal sites	Billboards and Display of advertisements in public places
Local sport facilities	Sanitation
Air pollution	Potable water
	Air pollution
	Child Care facilities

Table XDM 50: Powers and Functions
Source: Xhariep Integrated Development Plan, 2019/2020

1.13.2. Governance Structure

Ward committees serve as an interlocutor between the community, the District Municipality and its Local Municipalities. They collate the day-to-day service delivery issues in different

wards and through the ward councillor, direct those to the councils for attention and response.

The table below shows the number of wards under three local municipalities in the Xhariep.

Xhariep	Number of Wards in 2016
Letsemeng	6
Kopanong	8
Mohokare	6

Table XDM 51: Number of Wards per Municipality
Source: Xhariep Annual Report, 2017/2018

The following table indicates the composite seats allocation of the various parties in Xhariep.

Party Name	Xhariep
African National Congress	68%
Democratic Alliance	16%
Economic Freedom Fighters	11%
Freedom Front Plus	2%
COPE	1%
Independent	1%

Table XDM 52: Party Seat Allocation
Source: Xhariep Annual Report, 2017/2018

1.13.3. Development Needs

The IDP consultative process identified the following community needs:

- Promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment
- Development and care programme for all children
- Dedicated resources should be channeled towards ensuring that all children are well cared for from an early age and receive emotional, cognitive and physical development stimulation
- Facilitate the implementation of nutrition projects at ECD centres
- HIV/ Aids and TB strategy to be implemented effectively and embarking on a comprehensive awareness campaign
- Decaying water infrastructure resulting in high water loss
- Aging and vandalism of street lighting infrastructure
- Availability of residential sites for low and high income housing
- Support of small businesses and high unemployment rate among young people
- Aging service delivery vehicles
- High levels of crime
- Establish recreational centres
- Provisions of RDP Houses
- Maintenance of street lights
- Provision of clean water
- Sewerage network problems
- New sites allocation
- Provision of a 24/7 Mobile Clinic

1.13.4. Institutional Capacity

The existence of an efficient, effective and accountable local government in predicated on institutional stability indicative of a capable and developmental state. This included the filling of vacant positions with qualified individuals to set in motion quality service delivery provision.

In the period between July 2018 and June 2019, all municipalities in the district reported to the Department of Cooperative Governance that the positions of municipal managers were filled.

Xhariep	Number of times reported on MM positions	Number of times indicated MM filled	Number of times indicated MM vacant
Kopanong	6	6	0
Letsemeng	6	6	0
Mohokare	12	12	0
Xhariep	7	7	0
Total	**31**	**31**	**0**

Table XDM 53: Municipal Managers Occupancy and Vacancy Rates
Source: Xhariep Performance Report, 2018/2019

In the same period between July 2018 and June 2019, the report was slightly different regarding the filling of the positions of the CFOs in some municipalities in Xhariep.

As for the section 56 management layer positions that report directly to the municipal managers, there were also variations in municipalities in the Xhariep District Municipality.

Xhariep	Number of times reported on Section 56 positions	Number of times Section 56 positions filled	% of Section 56 positions filled
Kopanong	6	24	12
Letsemeng	6	16	100
Mohokare	12	48	14
Xhariep	7	26	20
Total	**31**	**114**	**62**

Table XDM 54: Section 56 Positions Occupancy and Vacancy Rates
Source: Xhariep Performance Report, 2018/2019

Letsemeng Local Municipality reported 100% occupancy rate and Xhariep District Municipalities indicated 62% during the July 2018 and June 2019 reporting period.

Xhariep	Number of times reported on CFO position	Number of times CFO filled	Number of times indicated CFO vacant
Kopanong	6	2	3
Letsemeng	6	6	0
Mohokare	12	6	6
Xhariep	7	0	7
Total	**31**	**13**	**21**

Table XDM 55: CFO Occupancy and Vacancy Rates
Source: Xhariep Performance Report, 2018/2019

Reports in Table XDM 55 reveal that Xhariep District Municipality stated that in the seven months period from July 2018 to June 2019 that it reported, the position of a CFO was vacant.

In the twelve reporting times that Mohokare reported, it specified that a period of six months, the position of the CFOs was vacant in the local municipality.

Xhariep	Submission rate (July 18 - June19	Permanent employees	Temporary employees
Kopanong	6	2640	78
Letsemeng	6	1177	39
Mohokare	12	3148	859
Xhariep	7	506	67
Total	**31**	**7471**	**1043**

Table XDM 56: Organisational Structure, July 2018 –June 2019
Source: Xhariep Performance Report, 2018/2019

Data on the staff complement showed 7 471 permanent employees and 1 043 temporary employees for the entire district. More than any other municipality, Mohokare had the highest number of permanent employees, 3 148, and temporary employees, 859.

1.13.5. Performance Management

All municipalities had a Performance Management Systems in the 2019/2020 financial year.

District	Municipality	PMS in Place	Adopted Framework	Capacity to Implement PMS
Xhariep	Xhariep	Yes	Yes	Yes
	Letsemeng	Yes	Yes	Yes
	Kopanong	Yes	Yes	Yes
	Mohokare	Yes	Yes	Yes

Table XDM 57: Performance Management System
Source: Department of Cooperative Governance, Free State, 2019

3.7.18. Community Protests

Usually, service delivery protests are the result of factors such as poor financial management, inadequate communication and institutional incapacity that leads to poor service delivery.

Considering the inadequate level of service delivery, it is therefore not surprising that Xhariep District Municipality have experienced its fair share of service delivery protests.

From July 2018 and June 2019, five service delivery protests were reported in Letsemeng and Kopanong had the least number of protest, one. Stirred largely by water, electricity and transport challenges, the nature of Letsemeng service delivery protests were often violent.

3.7.19. Complaints Management

Added to many other factors, poor communication also has the potential to fuel service delivery protests. It is for some of this reason that Section 17 (2) (a) of the Municipal Systems Act provides for the reporting and response means to community complaints by municipalities.

In their report to the national Department of Cooperative Governance, all municipalities in Xhariep indicated that they have a Complaint Management System in place.

3.7.20. Council Meetings

To ensure a democratic, accountable and responsive government, the Municipal Systems Act require councils meetings to be held at least quarterly.

Xhariep District municipalities	Submission rate	Q1	Q2	Q3	Q4	Total
Kopanong	6	1	2	1		4
Letsemeng	6		3	1		4
Mohokare	12	2	1	3	1	7
Xhariep	7	1	2	3		6
Total	**31**	**4**	**8**	**8**	**1**	**21**

Table XDM 58: Frequency of Council Meetings per Quarter
Source: Xhariep Performance Report, 2018/2019

Data in the table above shows Xhariep District Municipality had the highest number, 6, council meetings followed by Mohokare, 7, and then Kopanong and Letsemeng local municipalities

1.14. Xhariep Financial Perspective

1.14.1. Creditors' Position

The creditors of municipalities increased with R 35,345,891 from R 510,694,363 as at 30 June 2019 to R 546,040,254 as at 31 August 2019.

MUNICIPALITY	ESKOM	WATER	OUTSTANDING PENSION	SALARY DEDUCTIONS	SARS	AUDITOR GENERAL	TRADE CREDITORS	TOTAL
Xhariep	R 0	R 0	R 0	R 0	R 0	R 327 738	R 3 927 847	**R 4 255 585**
Letsemeng	R 31 193 632	R 3 629 319	R 0	R 78 832	R 759 689	R 1 551 506	R 6 169 210	**R 43 382 188**
Kopanong	R 0	R 321 141 138	R 74 079 366	R 4 515 354	R 4 446 125	R 1 943 530	R 18 167 070	**R 424 292 583**
Mohokare	R 0	R 0	R 49 179 406	R 0	R 0	R 5 679 341	R 19 251 151	**R 74 109 898**
TOTAL	**R 31 193 632**	**R 324 770 457**	**R 123 258 772**	**R 4 594 186**	**R 5 205 814**	**R 9 502 115**	**R 47 515 278**	**R 546 040 254**

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table XDM 59: Creditors' Position
Source: Department of Cooperative Governance, Free State, 2019

1.14.2. Expenditure Share

The table indicates variations between salaries and operating expenses in Xhariep.

MUNICIPALITY	SALARIES	OPERATING EXPENSES	PERCENTAGE
Xhariep	R 4 080 834	R 4 188 496	97,43%
Letsemeng	5 106 420	6 047 764	84,43%
Kopanong	R 5 425 211	R 14 607 714	37,14%
Mohokare	R 3 390 281	R 12 282 494	25,70%
TOTAL	**R 18 002 746**	**R 37 126 468**	

**** Figures marked in red: Municipalities did not submit updated information for August 2019.***

Table XDM 60: Expenditure
Source: Department of Cooperative Governance, Free State, 2019

3.7.21. Audit Outcomes

Sound financial management is important to ensure that required services are provided effectively and efficiently. Importantly, it creates a trustworthy government.

Regression trends are visible in the audit outcomes of municipalities in Xhariep. Identified problems included the failure to maintain accurate and reliable asset register and not providing sufficient audit evidence for the commitments disclosed in the financial statements.

Auditee	Audit Outcomes			Movement
	2015/16	2016/17	2017/18	
Xhariep	Unqualified	Unqualified	Unqualified	Unchanged
Letsemeng	Qualified audit	Disclaimer of an audit	Qualified audit	Improvement
Kopanong	Unqualified	Qualified audit	Qualified audit	
Mohokare	Unqualified	Disclaimer	Qualified audit	Unchanged

Table FDM 61: Audit Outcomes
Source: Department of Cooperative Governance, Free State, 2019

For three consecutive years, the Xhariep received unqualified audit outcomes. The trend has remained unchanged. There was some improvements in Letsemeng, which moved from a disclaimer in the 2016/2017 financial year to a qualified audit opinion the following year.

Generally, all three municipalities have received either unqualified or disclaimed throughout the three-year period, signalling poor management of funds. .

3.7.22. Financial Health

Stated concerns by the Auditor-General was that the sustainability of the improved audit outcome is questionable as no progress has been made in addressing the findings of the previous year in the key risk areas, except in the area relating to performance reporting.

The financial statements submitted were of poor quality and material corrections were made based on misstatements identified, which resulted in the improved audit outcomes.

3.7.23. Public Accounts Committee

Impelled by the need to safeguard public finance, the *Municipal Public Accounts Committees (MPAC) Guide and Toolkit* directs that MPAC meetings be held at least once a quarter.

Xhariep	Submission Rate (Jul 18-Jun 19)	Q1	Q2	Q3	Q4	Total
Kopanong	6					
Letsemeng	6					
Mohokare	12					
Xhariep	7	1		1		2
Total	**31**	**1**		**1**		**2**

Table TDM 62: Frequency of Public Accounts Committee Meetings
Source: Thabo Mofutsanyana Performance Report, 2018/2019

Of all the municipalities in the district, only Xhariep District Municipality reported that it had two MPAC meetings. Still, no meetings were held in Xhariep during the second and third quarter as per the requirements of the *Guide and Toolkit*.