3.3 SOCIO-ECONOMIC CONDITIONS
3.3.1 DEMOGRAPHIC PROFILE

3.3.1.1 Overall Population

Table 3.3.1.1 indicates the total population for the Mossel Bay Municipality in 2001 and 2011 (Census 2001, 2011). In 2001 the population was 71,494 and increased to 89,411 individuals in 2011. This indicates an increase of 17,917 individuals over this period, of which 13,581 settled in Kwanonqaba.

<table>
<thead>
<tr>
<th></th>
<th>Census 2001</th>
<th>Census 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>71,494</td>
<td>89,411</td>
</tr>
</tbody>
</table>

Table 3.3.1.1 Summary of population data 2001 – 2011 (source: Census 2001/11)

It is important to note that the recently released Community Survey (StatsSA 2016) states a population of 94,140 people in Mossel Bay.

3.3.1.2 Population distribution

Figure 3.3.1.1 shows the distribution of the population, based on 2011 Census data. From this figure it is evident that the majority of the population is located in the main urban settlements focussed on Mossel Bay Town. Table 3.3.1.2 indicates the population per main settlement.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mossel Bay (U)</td>
<td>32,453</td>
<td>45.39%</td>
<td>31,599</td>
<td>35.20%</td>
<td>-3%</td>
</tr>
<tr>
<td>2</td>
<td>Kwanonqaba (U)</td>
<td>16,612</td>
<td>23.24%</td>
<td>30,323</td>
<td>33.77%</td>
<td>45%</td>
</tr>
<tr>
<td>3</td>
<td>Groot Brakrivier (U)</td>
<td>7,143</td>
<td>9.99%</td>
<td>10,619</td>
<td>11.88%</td>
<td>33%</td>
</tr>
<tr>
<td>4</td>
<td>Klein Brakrivier (U)</td>
<td>2,875</td>
<td>4.02%</td>
<td>4,411</td>
<td>4.93%</td>
<td>35%</td>
</tr>
<tr>
<td>5</td>
<td>Hartenbos (U)</td>
<td>2,409</td>
<td>3.37%</td>
<td>4,196</td>
<td>4.69%</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>TOTAL URBAN</td>
<td>61,492</td>
<td>86.01%</td>
<td>81,148</td>
<td>90.80%</td>
<td>24%</td>
</tr>
<tr>
<td>6</td>
<td>Rural (R)</td>
<td>8,214</td>
<td>11.49%</td>
<td>5,793</td>
<td>6.48%</td>
<td>-42%</td>
</tr>
<tr>
<td>7</td>
<td>Freimersheim (R)</td>
<td>928</td>
<td>1.30%</td>
<td>1,235</td>
<td>1.38%</td>
<td>25%</td>
</tr>
<tr>
<td>8</td>
<td>Herbertsdale (R)</td>
<td>621</td>
<td>0.87%</td>
<td>666</td>
<td>0.74%</td>
<td>7%</td>
</tr>
<tr>
<td>9</td>
<td>Ruitersbos State Forest (R)</td>
<td>14</td>
<td>0.22%</td>
<td>451</td>
<td>0.50%</td>
<td>97%</td>
</tr>
<tr>
<td>10</td>
<td>Boggoms Bay (R)</td>
<td>89</td>
<td>0.12%</td>
<td>263</td>
<td>0.29%</td>
<td>66%</td>
</tr>
<tr>
<td>11</td>
<td>Jonkersberg State Forest (R)</td>
<td>136</td>
<td>0.19%</td>
<td>114</td>
<td>0.13%</td>
<td>-19%</td>
</tr>
<tr>
<td></td>
<td>TOTAL RURAL</td>
<td>10,002</td>
<td>13.99%</td>
<td>8,261</td>
<td>9.20%</td>
<td>-21%</td>
</tr>
<tr>
<td></td>
<td>OVERALL TOTAL</td>
<td>71,494</td>
<td>100%</td>
<td>89,411</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.3.1.2 Population distribution 2001 – 2011 (source: Census, 2011)

Mossel Bay Town has the largest population (35.2%) of all the settlements in the municipality, closely followed by adjacent Kwanonqaba at 33.77%. Approximately 9.2% (8,259) people live in rural areas, while the remaining 90.8% live in urban areas.

3.3.1.3 Growth Rate

The annual growth rate of the population between 2001 and 2011 was 2.5% pa, see table 3.3.1.3. This is a relatively rapid growth rate and community survey suggests a population of 94,140 implying a considerable reduction in MBM’s population growth rate. This may be correct given South Africa’s ever maturing demographic trends and declining fertility rates. However, MBM’s relatively high economic growth rate and employment creation rates suggest it will attract a greater level of immigration than other municipalities.

<table>
<thead>
<tr>
<th></th>
<th>Mossel Bay Municipality</th>
<th>Total Population</th>
<th>% (10 yrs.)</th>
<th>Per Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>71,494</td>
<td>25%</td>
<td>2.5% p.a.</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>89,411</td>
<td>5.3%</td>
<td>1% p.a</td>
<td></td>
</tr>
<tr>
<td>2012 Scenario A (based on Census 2011 growth rate)</td>
<td>94,149</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 Scenario B (based on CS 2011)</td>
<td>111,763</td>
<td>3.3% pa</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3.3.1.3 Estimated Population Growth Rate 2001 – 2011 (source: Census 2001/11)

Points to consider:

- Mossel Bay’s population grew rapidly from 2001 to 2011.
- The recently released 2016 Community Survey suggests that this growth rate has slowed considerably.
- On the one hand this coincides with other factors including declining household size and fertility rates.
- On the other hand it will be remembered that the 2008 Community Survey was generally under represented.
- Mossel Bay is likely to continue to be an attractive destination for low and high income migrants.
- The population growth rate appears to have dropped by 1%.
Population Density
Source: Census 2011

1 Dot = 25 people

Legend
- Local Municipalities
- Waterbodies
- Roads
  - National
  - Arterial
  - Main
  - Other
  - Railway Line

Base Data Source:
- PAVC (2004)
- Demarcation Board (2009)
- Chief Directorate National Geo-Spatial Information

Scale 1:500,000

Figure 3.3.1.1 Population Density (Source: Census 2011)
3.3.1.4 Age Structure

Table 3.3.1.3 indicates the age structure of the population within the Mossel Bay Municipality. The majority of the population (66.78%) is between the ages of 15 and 65. This percentage represents 59,712 people and is the economically active population. What is striking about the shift in the Mossel Bay population is the significant increase in the aged population, increasing from 7.2 per cent in 2001 to 10.6 per cent in 2011.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>0-4</th>
<th>5-14</th>
<th>15-34</th>
<th>35-65</th>
<th>&gt;65</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>5709</td>
<td>12561</td>
<td>24090</td>
<td>23995</td>
<td>5139</td>
<td>71494</td>
</tr>
<tr>
<td>2011</td>
<td>7575</td>
<td>13105</td>
<td>28785</td>
<td>30927</td>
<td>9019</td>
<td>89411</td>
</tr>
</tbody>
</table>

Table 3.3.1.4 Age Structure (2011) (source: Census, 2011)

Nevertheless, Mossel Bay municipality has a relatively low dependency ratio with less than one third of the population dependent on the economically active two thirds.

3.3.1.5 Average Household Size

<table>
<thead>
<tr>
<th>Mossel Bay Municipality</th>
<th>Average Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3.6</td>
</tr>
<tr>
<td>2011</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Table 3.3.1.5 Age Structure (2011) (source: Census, 2011)

Table 3.3.1.5 indicates that the household size declined from 3.6 to 3.2 from 2001 to 2011. This is a sign of an increasing affluent population with declining fertility rates. However, a reducing household size increases the need and demand for housing even if the overall total population remain the same.

The 2016 survey indicates that the Western Cape average household declined by 11%. If Mossel Bay’s household size declined by the same factor it will now be 2.9 (Note: Gauteng Household size has declined to 2.7 according to the StatsSA Community Survey, 2016).

3.3.1.6 Gender

Graph 3.3.1.1 and 3.3.1.2 indicates the gender of the population of the Municipality. This shows that there is a rough split between genders in the municipality.

3.3.1.7 Ethnic Groupings

Table 3.3.1.6 indicates the ethnic make up of the population. The Coloured, White and Black African communities make up approximately 70%, 12% and 16% of the population of the Municipality, respectively. Only a small number of Asian and Indian people (0.32%) reside in the Municipality.

<table>
<thead>
<tr>
<th>Race</th>
<th>Growth Rate % pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>0.38</td>
</tr>
<tr>
<td>Coloured</td>
<td>0.01</td>
</tr>
<tr>
<td>Indian/Asian</td>
<td>0.41</td>
</tr>
<tr>
<td>White</td>
<td>0.05</td>
</tr>
<tr>
<td>Total</td>
<td>0.72</td>
</tr>
</tbody>
</table>

Table 3.3.1.6 Population (source: Census 2011)
### 3.3.1.8 Migration

Table 3.3.1.6 indicates migration into the Municipality between 2001 and 2011 (Census, 2011). From this table it is clear that the largest population group migrating into the Mossel Bay Municipality is Black Africans.

This number of Black African migrants is expected to increase significantly when compared to other population groups.

![Graph 3.3.1.3 Migration per population group (Census, 2011)](image)

#### Implications for Mossel Bay Municipality

- There is an overall population growth rate of over 2% pa indicating the need for a carefully balanced approach to service delivery and the provision of sustainable settlements with opportunities to cater for the needs of the population.
- The most populated urban area is Mossel Bay Town, Kwanonqaba in particular.
- Spatial population distribution in terms of an equitable and sustainable urban development pattern requires consideration.
- Currently most low income residents are concentrated around Kwanonqaba, north of Louis Fourie corridor in Mossel Bay Town, in informal settlements near Klein-Brakrivier and around Wolwedans and Greenhaven above Groot-Brakrivier.
- The population is growing (see Graph 3.3.1.7 and Table 3.3.11) which necessitates improvements in infrastructure. This also increases pressure on housing.
- The relatively young population indicates a sizable labour force. Initiatives to empower and develop skills in the labour force would be vital in improving the economy of the Municipality and reducing unemployment figures.
- Only 9.2% of the population reside in rural areas in an extremely dispersed pattern. This makes providing services (health care, education, etc.) economically challenging here. Specific initiatives, e.g. periodic and mobile service delivery and off-grid infrastructure, is required to cater for the rural communities.
- It should be noted that the African migration rate may be peaking. Such exponential growth rates are usually not sustained in the long term.
3.3.2 HEALTH

Figure 3.3.2.1 shows the distribution of health facilities within the municipality. Health facilities are located in the main urban settlements.

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

There is only a district hospital in Mossel Bay Town. The remaining health facilities comprise of 19 clinics of various sizes. The nearest regional hospital is in nearby George.

The Mossel Bay Municipality has 7 anti-retroviral sites to combat HIV/AIDS.

<table>
<thead>
<tr>
<th>Regional area</th>
<th>Community Health Centres</th>
<th>Community Day Centres</th>
<th>Number of PHC clinics (fixed)</th>
<th>Number of PHC clinics (satellites)</th>
<th>Number of PHC clinics (mobiles)</th>
<th>Total number of PHC facilities (Fixed Clinics, CHCs and CDCs)</th>
<th>Number of district hospitals</th>
<th>Number of regional hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kannaland</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Hessequa</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Mossel Bay</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>George</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>9</td>
<td>2</td>
<td>4</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Goudtwouw</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>3</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Bitou</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kneyna</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Eden</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>36</td>
<td>12</td>
<td>21</td>
<td>42</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 3.3.2.1 Healthcare Facilities in Eden District, 2014

In 2014, there were 82 healthcare facilities operational in the Eden District, of which 42 are fixed primary healthcare structures, with 6 districts and 1 regional hospital. Of the total number of facilities, 15 are situated in Mossel Bay, including 4 fixed clinics, 1 community day centre, 5 satellite and 4 mobile clinics. Mossel Bay also has one district hospital.

**HIV/AIDS and Tuberculosis treatment and care**

The information presented in Table 3 shows the patient load and number of treatment facilities for HIV/AIDS and tuberculosis. The uptake of Anti-retroviral treatment (ART) has gradually increased over the past years. Keeping with this trend, 2014 figures have increased with an additional 2,286 in the District, of which 373 were in Mossel Bay.

<table>
<thead>
<tr>
<th>Regional area</th>
<th>ART patient load March 2013</th>
<th>ART patient load March 2014</th>
<th>Number of ART patients 2012/13</th>
<th>Number of ART patients 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kannaland</td>
<td>221</td>
<td>258</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Hessequa</td>
<td>343</td>
<td>353</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Mossel Bay</td>
<td>825</td>
<td>853</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>George</td>
<td>1,150</td>
<td>1,112</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Goudtwouw</td>
<td>774</td>
<td>853</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Bitou</td>
<td>445</td>
<td>544</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Kneyna</td>
<td>491</td>
<td>496</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Eden</td>
<td>4,825</td>
<td>4,906</td>
<td>89</td>
<td>89</td>
</tr>
</tbody>
</table>

Table 3.3.2.2 HIV/AIDS and TB treatment and care in the Eden District

Tuberculosis (TB) patient numbers both in the District and Mossel Bay have, over the past year, increased just slightly, with Mossel Bay’s patient numbers increasing from 823 to 853, administered from 16 Mossel Bay’s 19 health facilities.

**Child Health**

Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation, as well as the need to encourage parents to have their young children immunised.

In 2014, the full immunisation rate for the Eden District was 86.3, with Mossel Bay’s rate even lower at 77.0.

Malnutrition (either under- or over nutrition) refers to the condition whereby an individual does not receive adequate amounts or receives excessive amounts of nutrients. The number of malnourished children under five years in the Western Cape in 2014 was 1,087. For the Eden District it was 168 of which 43 were in Mossel Bay.

Mossel Bay had the second highest incidence of malnourished children, their rate of 514 per 100,000 was higher than the District’s of 319 out of 100,000. However, note that the absolute figure is only 43.
Table 3.3.2.3  Child and maternal health in the Eden District

Situated in Mossel Bay, Heart-to-Heart responds to the needs of orphans and vulnerable children in the community by providing a holistic service at homes and surrounding schools. The aim is to improve the youngsters’ health and living conditions while enabling families to become self-sustaining. – PetroSA

In 2010, a total of 82 PHC facilities were located within the Eden District, of which 15 were located in Mossel Bay Municipality. The 15 PHC facilities comprise of 4 clinics, 5 satellite clinics, 5 mobile clinics and 1 district hospital. The clinics are located in the following areas within Mossel Bay Municipality: D’Almeida, Eyethu and Great Brak River. Satellite clinics are located in Brandwacht, Friemersheim, George Road, Hartenbos and Herbertsdale.

Private Health Care
Mossel Bay town has two private hospitals and a well developed private health care facilities. These improve the town’s demand to retirees and upper income residents.

Implications for Mossel Bay Municipality
- Ensure that permanent new health facilities are erected in line with the NSDP principles, i.e. where there is economic growth potential and where larger numbers of people are located.
- Mossel Bay municipality appears to be well provided with fixed and mobile health care facilities.

3.3.3 EDUCATION

3.3.3.1 Literacy

Literacy is used to indicate a minimum education level attained. A simple definition of literacy is the ability to read and write, but it is more strictly defined as the successful completion of a minimum of 7 years of formal education. Since most learners start school at the age of 7 years, the literacy rate is calculated as the proportion of those aged 14 years and older who have successfully completed a minimum of 7 years of formal education. Mossel Bay Municipality had a literacy rate of 85.7 per cent. Although slightly above that of the District’s 82.6 per cent, it fell below that of the Province.

Table 3.3.3.1 shows the highest education level attained by the population. Between 2001 and 2011 those with no schooling decreased by 234 which is positive. Those with a Grade 12 education also increased by 9015 people from 2001 (11425) to 2011 (20440). This represents an increase of 44.1%.

Those obtaining a secondary education also increased significantly. However, there is still a significant amount (2522) of unschooled members of the population.

Table 3.3.3.1 indicates the location of those over the age of 20 with no secondary education as a percentage (Census, 2011).
This figure indicates that more than 50% of those residing in the north of Ruiterbos and Friemersheim have no secondary education. People living in Herbertsdale and Brandwacht also have limited secondary education.

A combined school is located near Greenhaven. Secondary schools are located in Mossel Bay Town and Groot Brakriver. Learners in the urban areas are thus well provided for. There is a greater concern to provide a secondary education to those residing in the rural areas due to the lack of these facilities here.

The Western Cape Department of Education (WCED) only provides transport for learners that stay more than 5km from school. The other learners either have to walk or take private or almost non-existent public transport, at high cost, to school.

School attendance

84.7%

School-aged children (5 to 17 years old) are in school

a little less than the rate in Western Cape: 87.2%
a little less than the rate in South Africa: 90.1%

Graph 3.3.3.1 School Attendance [Source: www.wazimap.co.za, 2016]

3.3.3.2 Learner enrolment, the Learner-teacher ratio and Learner dropout rate

Population dynamics, which include knowledge of the current population profile and projected learner growth, provide a basis for sound education planning.

Knowing the learner enrolment numbers of a municipality enables the Western Cape Education Department (WCED) to determine the level of demands placed on schools for the current year as well as anticipated demands for future years.

Having a sense of the exit points allows the WCED to plan more effectively with respect to Further Education and Training (FET). The learner-teacher ratio is very important, because it is closely related to the amount of money spent per child. It also has an impact on the education outcomes.

Learner enrolment in Mossel Bay has increased from 15 388 in 2013 to 16 029 in 2014. For the same period, the average learner-teacher ratio has increased from 26.1 in 2013 to 28.1 in 2014.

Mossel Bay Municipality’s dropout rates are extremely high, with a dropout rate of 40.4% in 2012 and a rate for dropouts in the FET phase in 2013 of 44.0%. The average dropout rate of 2012 was second to Kannaland’s 47.2% while the 2013 drop in FET phase was the highest in the District.

<table>
<thead>
<tr>
<th>Eden District</th>
<th>Learner enrolment (Gr 1-12 + LSEN)</th>
<th>Average Learner-teacher ratio</th>
<th>Average Dropout rate</th>
<th>Drop in FET phase</th>
<th>% Matric pass rate</th>
<th>% Literacy rate</th>
<th>No. of schools with libraries</th>
<th>No. of no fee schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellville</td>
<td>7 476</td>
<td>29.4</td>
<td>26.0%</td>
<td>24.0%</td>
<td>60.8%</td>
<td>65.0%</td>
<td>52</td>
<td>15</td>
</tr>
<tr>
<td>George</td>
<td>34 463</td>
<td>34.8</td>
<td>37.9%</td>
<td>25.7%</td>
<td>65.7%</td>
<td>65.0%</td>
<td>52</td>
<td>15</td>
</tr>
<tr>
<td>Hessequa</td>
<td>8 475</td>
<td>24.3</td>
<td>24.5%</td>
<td>28.1%</td>
<td>67.8%</td>
<td>67.5%</td>
<td>46</td>
<td>57</td>
</tr>
<tr>
<td>Kommetjie</td>
<td>8 410</td>
<td>29.3</td>
<td>28.8%</td>
<td>28.8%</td>
<td>65.0%</td>
<td>67.5%</td>
<td>33</td>
<td>14</td>
</tr>
<tr>
<td>Knysna</td>
<td>11 945</td>
<td>24.5</td>
<td>25.3%</td>
<td>30.2%</td>
<td>65.0%</td>
<td>65.0%</td>
<td>45</td>
<td>15</td>
</tr>
<tr>
<td>Mossel Bay</td>
<td>15 388</td>
<td>28.1</td>
<td>44.4%</td>
<td>44.0%</td>
<td>88.0%</td>
<td>80.0%</td>
<td>52</td>
<td>25</td>
</tr>
<tr>
<td>Outshoorn</td>
<td>10 026</td>
<td>29.0</td>
<td>28.0%</td>
<td>28.1%</td>
<td>60.0%</td>
<td>65.0%</td>
<td>22</td>
<td>22</td>
</tr>
</tbody>
</table>

Table 3.3.3.2 Education indicators in the Eden District

Matric Pass Rate

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised.

In the 2013 matric examinations, 92.6 per cent of Mossel Bay Municipality’s matriculants passed. This was the highest matric pass rate in the District for the year; keeping in mind that Mossel Bay also had the highest dropouts in the FET phase, this high matric pass rate may also be ascribed to the fact that poorer performing students had already left the schooling system.
Figure 3.3.3.1a  Census Education
Graph 3.3.3.1  Average Education levels of Mossel Bay youth population (Source: www.watmap.co.za, 2016)

**Implications for Mossel Bay Municipality**

- There are clearly social issues with regard to the high dropout rates not related to spatial access to school facilities, for rural residents in particular.
- An initiative is required to improve access to secondary educational facilities.
- The population is 90% urban and there are adequate primary, secondary and tertiary education facilities in these areas.
- The challenge is in the far flung rural areas where low numbers do not warrant the cost of building fully fledged high schools in the villages with total population of only 750 to 1000 people in total.
- Weekly boarding facilities at the urban high schools and transport arrangements should be made to address the high school need in rural areas.
3.3.4 EMPLOYMENT, OCCUPATION AND INCOME LEVELS

3.3.4.1 Labour Force

Table 3.3.4.1 indicates that there was an increase in the labour force between 2001 and 2011 of 9362. The labour force participation rate decreased by 0.4% over this period. This indicates that fewer people between the ages of 15 and 65 years are employed or actively seeking employment.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Labour force Aged 15 - 65</th>
<th>LFPR</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Unemployment rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>71 494</td>
<td>48 085</td>
<td>67.3</td>
<td>22135</td>
<td>7269</td>
<td>15.12</td>
</tr>
<tr>
<td>2011</td>
<td>89 411</td>
<td>59 712</td>
<td>66.8</td>
<td>26902</td>
<td>7991</td>
<td>13.38</td>
</tr>
</tbody>
</table>

Table 3.3.4.1 Mossel Bay labour market information, 2001 - 2011 (source: Census 2001, 2011)

3.3.4.2 Employment

Table 3.3.4.1 indicates that there were a total of 22135 people employed in 2001. This figure increased to 26902 in 2011. This represents an overall increase of 17.72% or 4767 additional jobs. More recently, the MERO 2016 report indicated a total of 32 735 employed individuals, 21 577 formally employed and 11 158 informally. Mossel Bay Municipality’s employment growth far outstripped the other Eden District municipalities. It is interesting that those municipalities with extensive coastlines have shown the largest employment growth.

Mossel Bay Municipality’s boom employment years appear to have been in the period 2000 – 2007.

Figure 3.3.4.2 graphically depicts employment of the labour force within the Municipality (Census 2011). The figure shows that employment levels are the lowest on the outskirts of Mossel Bay Town at the informal settlements and north of Ruitersbos.

Graph 3.3.4.1 Population by employment status (source: www.wazimap.co.za, 2016)
3.3.4.3 Sector Contribution to Employment

Graph 3.3.4.2 indicates the sector contribution to employment.

Due to Statistics South Africa Census Survey (2011) reclassifying the employment sectors, direct comparisons with the Community Survey (2007) and Census Survey (2001), are therefore not possible.

Notwithstanding, it is possible to determine for 2011 that 54.73% of the economically active population in the local municipal area were employed in the formal sector and 29.19% in the informal sector. In addition, 5.14% are employed in positions related to private households.

Graph 3.3.4.2 Sector contribution to employment (Source: Census, 2011)

General employment trends

A comparison of total employment in the Western Cape, Eden District and Mossel Bay Municipality indicates the District contributed 9.11% to total employment in Western Cape Province in 2015, while Mossel Bay contributed 15.94% to total employment in the District.

The primary, secondary and tertiary sectors of the Mossel Bay economy contributed 9.40%, 16.43% and 74.17% to total employment in the local economy, respectively. A comparison with the Eden District suggests total employment contributions from the primary, secondary and tertiary sectors of 11.23%, 17.50% and 71.26%, respectively.

Overall employment increased by 27.79% over the period 2001 to 2015 in the Mossel Bay economy. Notwithstanding, a decline in employment was recorded in both the primary and secondary sector of the economy over the period 2001 to 2015. Primary sector employment declined by 23.89% and secondary sector employment by 10.36% over the period 2001 to 2015. Strong employment growth was recorded in the tertiary sector with an increase of 55.91% over the period. The Eden District experienced similar patterns, except for the secondary sector employment that grew by 6.61%. Caution is required when interpreting the latter figure due to a strong increase in the Electricity, Water and Gas Supply sector employment, but off an extremely low base. Employment in the Manufacturing sector declined over the period by 11.30% and 4.26% in Mossel Bay and Eden District economies, respectively.

In terms of sector employment contributions to total employment in the Mossel Bay Municipal area, the following synopsis of key sectors is provided for the local and District municipalities in 2015.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Mossel Bay Jobs</th>
<th>Eden District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, hunting, forestry and fishing</td>
<td>9,12% +/- (2500)</td>
<td>11,16%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8,09% +/- (2400)</td>
<td>8,18%</td>
</tr>
<tr>
<td>Wholesale and retail</td>
<td>25,87% +/- (7000)</td>
<td>25,65%</td>
</tr>
<tr>
<td>Finance, insurance, real estate and business services</td>
<td>17,76% +/- (4800)</td>
<td>15,39%</td>
</tr>
<tr>
<td></td>
<td>+/- 26902 Jobs (60,84%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Derived from Quantec Research data (2016)

Table 3.3.4.3 Sector Employment Contribution

3.3.4.4 Unemployment

Table 3.3.4.4 indicates the unemployment rate and number of people unemployed in 2001 and 2011 (Census 2001 and 2011). The unemployment rate decreased slightly over this period from 15.12 in 2001 to 13.38% in 2011.
Figure 3.3.4.1 Employment

Employment
Source: Census 2011
- 0% - 10%
- 10% - 25%
- 25% - 50%
- 50% - 65%
- > 65%

Represents percentage of workforce that is unemployed.

Legend
- Local Municipalities
- Settlement Areas
- Waterbodies
- Roads
  - National
  - Arterial
  - Main
  - Other
- Railway Line

Base Data Source:
- SWC (2004)
- BDL (2009)
- CSIR (2009)

Scale: 1:500,000
0 1 2 4 6 8 10 Kilometers

MOSSEL BAY SPATIAL DEVELOPMENT FRAMEWORK (13.2238)
DRAFT STATUS QUO REPORT
28 October 2016
The amount of unemployed people increased from 7269 (2001) to 7991 (2011). This represents an increase of 722 unemployed people or 9% over this period. More people were unemployed even though the labour force increased over this period.

In 2011, Mossel Bay’s unemployment rate of 13.38% was much lower than the District’s 22.5%. As with all the other local municipalities in the District, at 13.38%, Mossel Bay Municipality’s youth unemployment rate is a few percentage points higher than the overall unemployment rate.

Overall, over the 2000 to 2013 period, the District has experienced an expansion in its employment, see table 3.3.4.2, due to the net employment creation in the region’s Services industries (38 600) even though the Agriculture (-11 650) and Manufacturing (-4 400) sectors shed large numbers of jobs. The largest number of job created was recorded in Mossel Bay and Bitou Municipalities.

With the Services sector generally requiring a high skill level, there appears to be a trend towards employing higher skilled persons.

Graph 3.3.4.3  Unemployment Trends (Source: Census 2001, 2011)

Table 3.3.4.4  Agricultural, manufacturing and Services Employment Trends 2000-2013
(Source: Quantec Research 2014 (MERO 2014))

In Mossel Bay municipality, slight job losses over the 2000 - 2013 period were seen in Agriculture as well as in Manufacturing, while the Services sector grew by nearly 16 000, more than double the next closest municipality, George.

Overall, for Mossel Bay, the net job growth (15 910) in the Services sector [including General government] was higher than retrenchments in Manufacturing (-500) and Agriculture (-550), resulting in a net cumulative growth of 14 860 jobs over the 2000 - 2013 period.

3.3.4.5 Individual and Household Income

Graph 3.3.4.4 shows the household income per different income category. This indicates that approximately 52% of households earned less than R3200 per month in 2011.

In general, the income levels of households are in the lower income categories. The majority, 37%, of households earned between R801 and R1600 per month in 2011.

Household income

According to Statistics South Africa Census 2011, average household income in the country has doubled over the last decade; however, high levels of income inequality still persist.
Most informed observers would agree that economic resources should be more evenly distributed amongst the inhabitants of the country and that such a redistribution policy should make a real positive difference to the livelihoods of the poor.

Table 3.3.4.5 shows that in 2011 the largest proportion of households in Mossel Bay earned between R19 601 and R307 600 per annum. A similar pattern can be seen for the other local municipalities in the District. Although per capita income level for Mossel Bay is relatively high. This is skewed by the large proportion of individuals who are mainly dependents.

3.3.4.6 Per Capita Income

The GDPR per capita in the Western Cape Province was estimated at R43 557 per annum in 2011 (2005 prices) [Source: Quantec, 2013]. Per capita GDPR for the Eden District of R32 956 was thus well below the provincial average, see Graph 3.3.4.5.

Mossel Bay (R55 019) was the only municipality in the District to reach a GDPR per capita income level higher than that of Province and stood out when compared with the other Eden local municipalities.

Table 3.3.4.5 Household income across municipalities in Eden District, 2011

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Income Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mossel Bay</td>
<td>R19 601 - R307 600</td>
</tr>
<tr>
<td></td>
<td>R3201 - R6400</td>
</tr>
<tr>
<td></td>
<td>R6401 - R12800</td>
</tr>
<tr>
<td></td>
<td>R12801 - R25600</td>
</tr>
<tr>
<td></td>
<td>R25601 - R51200</td>
</tr>
<tr>
<td></td>
<td>R51201 - R204800</td>
</tr>
<tr>
<td></td>
<td>R20481 and more</td>
</tr>
</tbody>
</table>

Graph 3.3.4.4 Income distribution by individual, 2011

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Income</td>
<td>16.0%</td>
</tr>
<tr>
<td>R1 - R400</td>
<td>19.5%</td>
</tr>
<tr>
<td>R401 - R800</td>
<td>12.3%</td>
</tr>
<tr>
<td>R801 - R1600</td>
<td>8.8%</td>
</tr>
<tr>
<td>R1601 - R3200</td>
<td>10.5%</td>
</tr>
<tr>
<td>R3201 - R6400</td>
<td>8.8%</td>
</tr>
<tr>
<td>R6401 - R12800</td>
<td>7.3%</td>
</tr>
<tr>
<td>R12801 - R25600</td>
<td>5.3%</td>
</tr>
<tr>
<td>R25601 - R51200</td>
<td>1.6%</td>
</tr>
<tr>
<td>R51201 - R102400</td>
<td>0.3%</td>
</tr>
<tr>
<td>R102401 and more</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Graph 3.3.4.5 Per Capita Income (Quantec, 2013)

3.3.4.7 Social Grants

Graph 3.3.4.6 illustrates the distribution of social grants by category in the Mossel Bay Municipality. There are about 12 500 people on various forms of social grant, approximately 12.5% of the municipality’s population. The largest number of people (approximately 5000 people) received child support grants in 2011.
3.3.4.8 Local Economic Development

The Mossel Bay IDP 2016-2017 highlighted key development strategies with the adoption of its 5 year IDP in 2012 to turnaround the dwindling of the local economy. These include:

- Revitalization of the CBD
- Upgrading and Renewal of the Point Area
- Harbour Development
- Presenting annual festivals

If these strategies are implemented, it will facilitate economic development and create investor friendly environment by enhancing the tourism value of the CBD, the Point Area and the town as a whole.

The IDP also identified progress on deliverables identified in LED and tourism development strategy, see table 3.3.4.6.

Implications for Mossel Bay Municipality

- Socio-economically, Mossel Bay appears to be one of the best off local municipalities in South Africa;
- Its employment has increased substantially, especially in the services sector, probably linked to increased tourism and financial services activity;
- It has seen only slight declines in employment in two primary economic sectors, agriculture and manufacturing;
- Unemployment is at a relatively low 13.38% by SA standards and appears to be declining;
- Only 12.5% of the population receive social grants, again a low figure by SA standards;
- Its GDP per capita has increased substantially between 2001 and 2011 and is now higher than the provincial average;
- Although the possible decline of PetroSA’s operations in Mossel Bay is of concern, it seems that this company’s total workforce is only 1000 workers and 2000 indirect workers of which only a small portion are in Mossel Bay.
- This suggests that in direct employment terms, PetroSA is unlikely to represent more than 5% of the workforce. While there will also be indirect up- and downstream jobs linked to PetroSA, Mossel Bay municipality should be able to handle any socio-economic fall out, if the refinery closes down and especially if a contingency plan is in place.
<table>
<thead>
<tr>
<th>SOCIAL PACT</th>
<th>ACTIONS NEEDED</th>
<th>PROGRESS / IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>An agreement between the relevant stakeholders to work together towards a predetermined set of goals. Continuously monitor the performance of the economic delivery system and make recommendations for service delivery improvements.</td>
<td>Facilitate a joint meeting between representatives of business, labour, community and municipality to re-confirm support for Economic Charter. Identify and agree on key performance indicators and targets to monitor the performance of the economic delivery system.</td>
<td>Quarterly Development Forum Meetings where a joint meeting with IDP is held with the applicable role – players in the Local Economic sphere within Mossel Bay.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WORM FARMS AND FOOD PRODUCTION</th>
<th>ACTIONS NEEDED</th>
<th>PROGRESS / IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create awareness for the environmental and economic benefits of own food production.</td>
<td>Identify suitable persons in communities that can be trained in worm farming and urban agriculture. Identify 50 households to launch project as a pilot project. Extend the project to all interested households after the trial and demonstration period</td>
<td>50 Worm Farms were established Project is finalised. MEP trained beneficiaries to give the worm farms the necessary attendance and nurture the process. MEP gave a logo designing for the worm farms and a cooperative assisted with the operation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTERNSHIPS</th>
<th>ACTIONS NEEDED</th>
<th>PROGRESS / IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote learnership and “social responsibility” to train people. Mobilise retired professionals to make a contribution.</td>
<td>Develop a database of businesses willing to present learnership. Database of potential learners / Database of skills required. Working group to manage placements and monitor progress</td>
<td>Mosselbay Municipality champion this project to show businesses the need for this intervention. The Municipality funded 16 interns and some had infiltrated the Municipal System and other got permanent jobs elsewhere due to their experience received.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INCUBATOR PROGRAMME</th>
<th>ACTIONS NEEDED</th>
<th>PROGRESS / IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support new and existing businesses with required skills and knowledge via the utilisation of willing existing businesses and retired professionals.</td>
<td>Compile database of businesses that needed support. Compile database of businesses and retired professionals who are willing to provide incubator services. Design and implement incubator programmes</td>
<td>The Municipality SMME Development facilitates the process. Ongoing and daily updated list of businesses registering and serviced by the SMME Office. Training and business support needs addressed on regular basis where funds exists.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BEE-HIVE</th>
<th>ACTIONS NEEDED</th>
<th>PROGRESS / IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formalise and structure informal trading.</td>
<td>Workshop with informal traders. Need analysis, potential and constraints determination and design of solution(s)</td>
<td>Business Hives are being managed and maintained on erf 6412, Thusong Centre and in the CBD Area. Identified spaces for additional Business Hives. In process to source external funding for more Bee Hives and upgrade of Beehives</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BUSINESS SUPPORT SERVICES</th>
<th>ACTIONS NEEDED</th>
<th>PROGRESS / IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure that service delivery to SMME’s is well-coordinated and that all agencies collaborate whenever possible. Continually create awareness of opportunities.</td>
<td>Workshop with all service providers rendering support services to SMME’s. Compile business support service information brochure and make this available to SMME’s. Create awareness for enterprise support centre at LED Unit</td>
<td>Quarterly workshops for businesses. Daily business support services depending on needs. Business awareness and assessment as well as referrals on regular basis.</td>
</tr>
</tbody>
</table>

Table 3.3.4.6 Deliverables identified in LED and tourism development strategy (Source: MBM/IDP, 2016-2017)
3.3.5 THE ECONOMY

The primary sector contributed 1.9 per cent towards the GDP of the Mossel Bay municipal area, compared to 3.2 per cent in the Eden District in 2015. The secondary sector contributed 18.2 per cent to the GDP of the municipal area, compared to 22.2 per cent in the Eden District in 2015; while the tertiary sector contributed 79.9 per cent to Mossel Bay compared to 74.6 per cent in the District. This indicates that the tertiary sector is slightly stronger in Mossel Bay compared to the Eden District, with the secondary sector slightly less dominant than in the District. This could be attributed to the strong presence of business services activities in Mossel Bay. Figure 3.3.5.1 indicates Mossel Bay’s GDP performance per sector.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Contribution to GDP (%)</th>
<th>R million value 2015</th>
<th>Trend 2004 - 2015</th>
<th>Average GDP growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td></td>
<td>Pre-recession</td>
<td>Recession</td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>1.7</td>
<td>117</td>
<td>-5.6</td>
<td>-3.6</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>0.2</td>
<td>12</td>
<td>-10.6</td>
<td>-18.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12.4</td>
<td>850</td>
<td>-0.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>1.7</td>
<td>119</td>
<td>-3.2</td>
<td>-4.9</td>
</tr>
<tr>
<td>Construction</td>
<td>4.1</td>
<td>282</td>
<td>-0.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Wholesale and retail trade, catering and accommodation</td>
<td>18.0</td>
<td>1,239</td>
<td>3.8</td>
<td>6.0</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>10.8</td>
<td>743</td>
<td>4.6</td>
<td>7.5</td>
</tr>
<tr>
<td>Finance, insurance, real estate and business services</td>
<td>33.3</td>
<td>2,290</td>
<td>5.7</td>
<td>8.6</td>
</tr>
<tr>
<td>Community, social and personal services</td>
<td>7.3</td>
<td>505</td>
<td>2.3</td>
<td>3.5</td>
</tr>
<tr>
<td>General government</td>
<td>10.4</td>
<td>715</td>
<td>3.5</td>
<td>3.8</td>
</tr>
<tr>
<td>Total Mossel Bay</td>
<td>100</td>
<td>6,071</td>
<td>3.8</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Figure 3.3.5.1 Municipalities percentage contribution to real GDP growth and size of region (Source: Quantec Research (MERO, 2016))

The sectors that contributed the most to Mossel Bay’s GDP in 2015 included:

- Manufacturing (12.4 per cent) – the sector shrunk by 0.3 per cent during 2004 and 2015, with positive growth before the recession (1.7 per cent) and contraction during the recession (-9.5 per cent), and less severe contraction (-0.1 per cent) after the recession (2009 - 2015).

- Wholesale and retail trade, catering and accommodation (18 per cent) – the average growth during 2004 and 2015 was 3.8 per cent, with positive growth before the recession (6 per cent), shrinking by 1 per cent during the recession, and a positive recovery (3.1 per cent) after the recession (2009 to 2015).

- Transport, storage and communication (10.8 per cent) - the average growth during 2004 and 2015 was 4.6 per cent, with positive growth before (7.5 per cent), during (1.4 per cent) and after the recession (3.1 per cent) (2009 to 2015). This trend indicates a strong and resilient transport and storage industry in Mossel Bay.

- Finance, insurance, real estate and business services (33.3 per cent) - the average growth during 2004 and 2015 was 5.7 per cent, with positive growth before (8.6 percent), during (3.2 per cent) and after the recession (4.3 per cent). This trend indicates a strong and robust business services industry in Mossel Bay.

Overall between 2004 and 2015 only the tertiary sector in Mossel Bay grew positively in terms of GDP, whilst the primary and secondary sectors contracted during the same period. The same trend was observed after the recession, with the finance, insurance, real estate, and business services sector showing the highest recovery at 4.3 per cent (2009 - 2015). More specifically though Mossel Bay’s GVA figures can be found in the following section 3.3.5.1.
3.3.5.1 Local Economy by Sector

The Mossel Bay economy contributed approximately 17.50% to the economy of the Eden District Municipality in 2015 and 1.32% to the provincial economy of the Western Cape. The Eden District of which Mossel Bay is a part, contributed 7.56% to the provincial economy in 2015. In terms of absolute numbers, the economy of Mossel Bay generated R5 055 million of Gross Value Added (GVA)\(^1\), compared to R28 879 million for the Eden District.

The GVA contribution of the Mossel Bay economy to the Eden District increased slightly from 18.33% in 2001 to 17.50% in 2015. Notwithstanding, the Mossel Bay economy grew by a rate of 3.43% per annum from 2001 to 2015, or 60.35% over the period. Graph 3.3.5.1 indicates the sector contributions to the GVA of the Mossel Bay economy for 2001 and 2015.

The largest sectors of the Mossel Bay economy are Finance, Insurance, Real Estate and Business Services, followed by Manufacturing and Wholesale and Retail. These three sectors combined contributed 63.24% to the total GVA generated by the Mossel Bay economy in 2015. The combined contribution of these sectors increased from 61.27% in 2001.

The increase in the GVA is attributed to a sharp increase of 103.5% in the contribution of Finance, Insurance, Real Estate and Business Services to GVA. Over the same period, the contribution of the Manufacturing sector to GVA decreased from 20.37% to 14.94%. Wholesale and Retail Trade also made a slightly higher contribution to the GVA of the local economy in 2015 relative to 2001, with a 3.69% increase in the contribution to GVA over the period.

In order to understand whether sectors are contracting or growing, it is useful to consider the overall and annual growth rates and to compare those to the District within which the local economy functions. Graph 1 indicates the annual compounded growth rates per economic sector for the Mossel Bay and Eden District Municipalities from 2001 to 2015.

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\(^1\) GVA and Gross Geographic Product (GGP) or Gross Regional Product (GRP) are very similarly related concepts. GVA excludes, whereas GDP includes taxation and subsidies.
contribution to the GVA in 2015, achieved growth of 3.69% per annum over the period 2001 to 2015. Manufacturing, which contributed 14.94% to the local GVA in 2015, achieved growth of 1.17% per annum over the period 2001 to 2015, which is negative in real terms (i.e. after the effects of inflation are deducted).

Figure 3 indicates the contribution of each economic sector to the GVA of the Mossel Bay and the Eden District economy for 2001 and 2015. The findings in Figure 3 indicate that of the ten sectors considered in the assessment, the contribution of six sectors to the GVA of the local economy showed a decline. The declining sectors, which are the more labour-intensive sectors, suggest a shift towards a service-orientated local economy, which does not allude to greater labour intensity. A comparative assessment between the local and district economy suggests the opposite situation in the Wholesale and Retail sector, although the difference is not significant.

The contribution of the Agriculture, Hunting Forestry and Fishing sector to the GVA of the local economy declined by 21.72% from 2001 to 2015, while the same figure for the District indicates a similar decline of 22.90% for the sector to GVA in 2001 and 2015. The contribution of the Finance, Insurance, Real Estate and Business Services sector to the local economy increased by 26.91% from 2001 to 2015, while an increase of 21.58% was achieved in the sector’s contribution to GVA in the District Municipal area over the same period.

### Table 3.3.5.1 An assessment of sector contributions to GVA in 2001 and 2015 for the Mossel Bay economy. (Sources: Adapted from data provided Quantec (2016))

Among the ten classified sectors, eight recorded an annual increase in economic activity with the Construction and Finance, Insurance, Real Estate and Business Services sectors achieving strong individual performance on an annual basis, although the former is off an extremely low base.
Primary sector
The primary sector of the Mossel Bay economy includes Agriculture, Hunting, Forestry and Fishing activities. As stated above, it is estimated that the sector contributed 6.01% to the GVA of the municipal area in 2015. The contribution of primary economic activity to the total GVA of the Municipal area in 2015 was 25.63% lower than in 2001. Some mining activity occurred in the municipal area, with a contribution of 1.20% to primary sector economic activity.

Secondary sector
The secondary sector of the Mossel Bay economy includes some Manufacturing, Construction and Electricity, Gas and Water Supply activities. The secondary sector contributed 26.32% to the GVA of the Mossel Bay economy in 2001, which decreased to 20.53% in 2015. The decrease is essentially attributed to Manufacturing that decreased its contribution to the sector from 20.34% in 2001 to 14.94% in 2015. The contribution of the Construction Sector to the Secondary Sector of the economy increased from 13.07% in 2001 to 20.30% in 2015.

Tertiary sector
The Tertiary Sector of the Mossel Bay economy includes Trade, Repairs and Hospitality, Financial Institutions, Real Estate and Business Services; Community, Social and Personal Services; and Government Services. The tertiary sector contributed 65.60% to the GVA of the local economy in 2001, which increased to 73.46% in 2015. These findings suggest that almost three quarters of the GVA produced in the Mossel Bay Municipal area is attributable to Tertiary Sector activity.

Government services contributed 14.89% to the Tertiary sector in 2001, decreasing slightly to 12.18% in 2015. The contribution of Financial Institutions, Real Estate and Business Services to the Tertiary sector increased from 38.72% in 2001 to 43.88% in 2015, once again indicating the move to a service oriented local economy.

Labour Market
The Eden District is the third largest employer within the Western Cape, contributing 10 per cent to total formal and informal employment in 2013 (i.e. 181 680 workers). A notable feature is that the structure of the employment has remained fairly stable over the past ten years, with the secondary sector (36 285 workers in 2013) being a larger employer than the primary sector (16 452 workers in 2013).

Implications for Mossel Bay Municipality
- Around the world local and national economies that recovered well after the 2008 global financial crisis vested on agricultural, agri-processing and tourism sectors.
- Mossel Bay’s growth in Agriculture, Manufacturing and Services has been in line with this trend.
- Reason for this similarity could be that both Stellenbosch and Mossel Bay appear to benefit from their being considered as nice places to live with regards to lifestyle and scenic attractiveness; Stellenbosch with its mountains and wine farms and Mossel Bay with its coastal Garden Route location.
- Both municipalities must ensure that these attractive qualities are enhanced and not undermined.
### 3.3.6 CEMETERIES

Figure 3.3.6.1 indicates the location of cemeteries throughout the Municipality. There are cemeteries in Mossel Bay town, Hartenbos, Groot- and Klein Brakriver, Brandwacht and Herbertsdale.

The municipal IDP noted that sufficient capacity exists but that additional capacity should slowly be allocated as certain cemeteries are reaching capacity. The following challenges were noted in the IDP:

- Vandalism and plundering of graves/tombstones; and,
- Locating and identifying additional land.

The Minister of Health has, in terms of Section 68(1)(b) read with Section (90(4)(c) of the National Health Act 2003 (Act 61 of 2003), made regulations relating to the management of human remains (Government Gazette R363, dated 22 May 2013). Section 15(2)(b) of the mentioned regulations has very serious implications. The mentioned sub-sections reads as follows:

“All burial sites must comply with the following environmental requirements:

(a) ....;
(b) be located at least 350m from ground water sources used for drinking purposes and at least 500m from the nearest habitable building;
(c) ....; “

A new proposed cemetery has been identified south of Kwanonqaba and Louis Fourie Road. Mossel Bay Municipality has received an exemption from the 500m buffer to only have a 40m buffer, 20m on the inside and 20m on the outside of the proposed cemetery boundary.

This new cemetery will have added capacity for 20 years and the Record of Decision has been issued already.
3.3.7 CRIME

Safety and Security

The safety of persons and property is vitally important to the physical and emotional well-being of people and business. Without the respect of person and property, it is impossible for people to live peacefully, without fear of attack. Peoples’ general impressions, as well as official statistics on safety and crime issues mould perceptions of areas as living spaces as well as places in which to establish businesses.

In this way, crime can also have a significant impact on the economy. It can hamper growth and discourage investment and capital accumulation. If it is not tackled with seriousness, it has the potential to derail both social and economic prosperity.

The discussion on recorded crimes in this section is limited to contact and property-related crime such as murder and sexual crimes, as well as crime heavily dependent on police action for detection such as drug-related crimes and driving under the influence of alcohol/drugs; these are detailed in Graph 3.3.7.1.

Within the Mossel Bay area, trends for the different crime categories have varied. The most concerning has been the continued increase in drug-related crime since 2010/11, following declines in previous years. There has also been an increasing trend in burglaries at residential premises since 2008/09, however this increasing trend has been arrested in the 2013/14 year and it remains to be seen what future figures will look like.

There has been a welcome decline in the number of incidence of driving under the influence of alcohol or drugs as well as murder and sexual crimes since 2009/10; however, sexual crimes have increased again in 2013/14.

Graph 3.3.7.1 Crime in Mossel Bay: April 2004/05 to March 2013/14 (Source: SAPS, 2013/14)

It should however be noted that drug-related crime and driving under the influence of alcohol or drugs are heavily dependent on police for detection and increases in these recorded crimes are likely to be from a combination of an increase in the level of crime and an increase in level of policing in the area.

Implications for Mossel Bay Municipality

- Crime is generally a reflection of socio-economic conditions. The high contact related crime rate indicates poor socio-economic conditions.
- Lack of income resulting from little to no job opportunities leads people to turn to crime to obtain goods with monetary value.
- Assist with initiatives to combat rising crime levels in the municipality.
- It is important for the municipality to create public open spaces with good surveillance with respect to criminal activity.
- Mossel Bay’s drug related and burglary at residential premises crime rates are rising and care will be needed to bring these rates under control, so as to ensure Mossel Bay municipality retains its attractiveness as a business and residential area.
Figure 3.3.7.1 Police station


### 3.3.8 PROPERTY MARKET PATTERNS AND GROWTH PRESSURES

One of the leading indicators in predicting economic activity and the impact of monetary policy changes are building statistics. The construction sector is cyclical by nature and is sensitive to changes in among others, interest rates. Investments in non-residential buildings are also an indicator of potential future growth. Businesses, for instance, may be in the process of expanding, which may allude to an increase in future production capacity and/or expansion of business services.

The building statistics provided by Statistics SA for the Mossel Bay Municipality (Table 3.3.8.1) indicate an increase of 81.95% in the number of new residential buildings over the period 2013 to 2015. Although there was a decline in the number of non-residential projects, there was a 16.6% increase in the total value of non-residential building activity, which typically refer to industrial and warehouse space.

The total value of buildings (irrespective of the nature and scope) completed over the period 2013 to 2015, totaled R796 million, with an 80:20 split between residential buildings and non-residential buildings. The value of buildings completed for residential and non-residential is represented by 517 and 39 building projects, respectively. The policy of local procurement and content also assists with job creation among local-residents.

<table>
<thead>
<tr>
<th>Number of projects</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>133</td>
<td>142</td>
<td>242</td>
</tr>
<tr>
<td>Non-Residential</td>
<td>10</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>143</td>
<td>163</td>
<td>250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value of projects</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>R 169 811 000</td>
<td>R 175 169 000</td>
<td>R 289 249 000</td>
</tr>
<tr>
<td>Non-Residential</td>
<td>R 49 360 000</td>
<td>R 56 612 000</td>
<td>R 57 568 000</td>
</tr>
<tr>
<td>Total</td>
<td>R 219 171 000</td>
<td>R 231 781 000</td>
<td>R 346 817 000</td>
</tr>
</tbody>
</table>

Table 3.3.8.1 Breakdown of the number and value of new residential and non-residential building projects per year from 2013 to 2015 (Source: Prepared from data provided by Statistics SA (2014, 2015, 2016))

Note: No weighting of larger vs. smaller building projects are applied to the calculation of the value

The changes in the residential and non-residential building activity are best considered by assessing the number of building projects in relation to the value of the building activity (Table 3.3.8.1).
The annual increase in the value of both residential and non-residential building also allude to a level of growth and stability. The annual growth rates based on the value of residential and non-residential building activity are indicated in Table 3.3.8.2.

<table>
<thead>
<tr>
<th>Type</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3.2%</td>
<td>65.1%</td>
</tr>
<tr>
<td>Non-residential</td>
<td>14.7%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Graph 3.3.8.2 indicates the changes that have occurred in the value of residential vs. non-residential building activity over time. It appears that the accumulated value of both residential and non-residential building activity is following a linear trend over the period of the review.

3.3.8.2 Analysis of sales activity in the Mossel Bay Urban and Rural Property Market

Table 3.3.8.3 and Graph 3.3.8.3 indicate the data related to the sale of freehold and sectional title properties (where applicable) in the Mossel Bay Urban and Non-Urban area within the Municipality.

In order to enable a comparison of sales activity, the number of properties sold is considered in relation to the number of registered properties per Deed Office Registry as provided by Lightstone. Also note that both freehold and sectional title properties are summed for the purposes of the analysis and no land transactions are included. This approach indicates that Kleinbrak River, Dana Bay and Mossel Bay and surrounds achieved the highest level of sales activity over the stated period.

Over the period from October 2015 to September 2016, sales of almost R1.5 billion was achieved across the settlements in the Municipal area, representing 1328 freehold and sectional title properties (excluding garages). The average price achieved was slightly more than R1 million across all the areas, while the median price was about R980 000.
Table 3.3.8.3  Sales activity characteristics for various settlements and areas within the Mossel Bay Municipal area
(Source: Prepared from Lightstone data (2016))

<table>
<thead>
<tr>
<th>Settlement</th>
<th>No of Properties registered</th>
<th>No of properties sold (Oct-2015 - Sept 2016)</th>
<th>Type of property</th>
<th>Total sales price (all properties) (R'000)</th>
<th>Average price (R'000)</th>
<th>Median price (2015) (R'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boggomsbaai/Vleesbaai</td>
<td>290</td>
<td>11</td>
<td>Freehold only</td>
<td>R 16 090</td>
<td>R 1 463</td>
<td>R 825</td>
</tr>
<tr>
<td>Dana Bay</td>
<td>2 182</td>
<td>96</td>
<td>Freehold &amp; Sectional Title</td>
<td>R 121 637</td>
<td>R 1 261</td>
<td>R 1 034</td>
</tr>
<tr>
<td>Freimersheim</td>
<td>529</td>
<td>1</td>
<td>Freehold only</td>
<td>R 35</td>
<td>R 35</td>
<td>R 35</td>
</tr>
<tr>
<td>Groot Brakrivier</td>
<td>848</td>
<td>32</td>
<td>Freehold &amp; Sectional Title</td>
<td>R 38 372</td>
<td>R 1 199</td>
<td>R 923</td>
</tr>
<tr>
<td>Hartenbos</td>
<td>2 297</td>
<td>124</td>
<td>Freehold &amp; Sectional Title</td>
<td>R 145 084</td>
<td>R 1 170</td>
<td>R 1 150</td>
</tr>
<tr>
<td>Klein Brakrivier</td>
<td>1 132</td>
<td>52</td>
<td>Freehold &amp; Sectional Title</td>
<td>R 60 365</td>
<td>R 1 160</td>
<td>R 1 150</td>
</tr>
<tr>
<td>Mossel Bay Town and Surrounds</td>
<td>24 229</td>
<td>968</td>
<td>Freehold &amp; Sectional Title</td>
<td>R 1 025 928</td>
<td>R 1 059</td>
<td>R 892</td>
</tr>
<tr>
<td>Mossel Bay Non-Urban</td>
<td>2 469</td>
<td>31</td>
<td>Freehold only</td>
<td>R 54 604</td>
<td>R 1 694</td>
<td>R 1 645</td>
</tr>
<tr>
<td>Total across all areas</td>
<td>33 415</td>
<td>1328</td>
<td></td>
<td>R 1 469 531</td>
<td>R 1 021</td>
<td>R 980</td>
</tr>
</tbody>
</table>

Note: Large differences between the average and median sales prices suggests that outliers are likely present and a large variation occurs between the sales prices of individual properties in an area.

A more rural perspective indicates that 33 properties of a freehold nature were disposed of in the Non-Urban areas of Mossel Bay from October 2015 to September 2016, which represents 2.35% of the total registered properties in the Deeds Office.

It is interesting to note that the Non-Urban areas achieved the highest average and median sales prices for freehold properties across all areas covered in the analysis.

**Implications for Mossel Bay Municipality**
- The highest average urban property prices are found in Boggomsbaai, surpassing Groot Brakrivier and the lowest in Freimersheim.
- Mossel Bay town has the most urban properties for sale. However, Klein Brak, Hartenbos, Dana Bay also have active property markets.
- The breakdown between the building types over the period 2013 to 2015 suggests that the value of residential building projects has increased on average by 70.34%.
- The value of non-residential building activity increased by 16.63% from 2013 to 2015 or by 7.99%. This may reflect a trend of making better and more efficient use of buildings and infrastructure and a move to a more tertiary based economic structure requiring skills and services and less infrastructure and buildings.
3.3.9 MUNICIPAL FINANCES

3.3.9.1 Operating income and expenditure with grant and subsidy dependence

The financial position of the Mossel Bay Municipality is represented by income and expenditure of an operating and capital nature. Capital expenditure is considered on an annual basis and no distinction can be made between basic capital and ad hoc capital. The former refers to expenditure on infrastructure and superstructure, while ad hoc capital for capital projects is obtained from other sources. In the context of the latter definition, most of the capital expenditure is of a basic nature and represents essentially MIG funding.

Information was provided by the Mossel Bay Municipality for the 2012/2013 and 2014/2015 financial years. From the 2014/2015 Financial Statements, it is also possible to obtain information for the 2014 financial year due to the inclusion of the comparative financial information for the previous financial year. Figure 7 represents an illustration of the total operating income and expenditure together with the grants and subsidies for the Mossel Bay Municipality over the period 2012/2013 to 2014/2015.

The operating income (including grants and subsidies) of the Mossel Bay Municipality increased by 7.08% from 2012/2013 to 2014/2015 (3.48% on average per annum over the period). Operating expenditure increased by 18.71% over the period (8.71% per annum on average). The need for additional funding in the form of grants and subsidies to cover the shortfall is clearly illustrated.

The graphic illustration in Graph 3.3.9.1 clearly indicates that in 2012/2013, operating income (including equitable shares, grants and subsidies) exceeded operating expenditure by 22.52%. This could be attributed to under-spending by departments and the achievement of pre-determined milestones. In 2013/2014, operating income (inclusive of equitable share, grants and subsidies) exceeded operating expenditure by 11.94%, while total income exceeded operating expenditure by 11.02% in the following financial year.

The assessment also indicates the increased reliance on grants and subsidies to fund operating expenditure. Grants and subsidies increased by 13.31% from 2012/2013 to 2014/2015, although off a low base. Alternatively, grants and subsidies as a percentage of total operating revenue (excluding grants and subsidies), increased from 17.71% in 2012/2013 to 18.94% in 2014/2015. The latter indicates that grants and subsidies received do not exceed the operating income generated by the Municipality from its own activities, but this suggests that the reliance on grants and subsidies will probably increase further should the emerging trend continues.

It is also apparent from the population figures for the area that an increase in the population has occurred from 2001 to 2015 (Mossel Bay Municipality Draft IDP, 2016/2017). The Statistics South Africa Census indicated a total population of 71 495 in 2001, whereas the Draft IDP of the Municipality (2016/2017) indicates an estimated population of 95 222 in the Municipal area in 2015 (MERO2 2015), which represents an increase of 33.2% over the period 2001 to 2015. Mortality rates, urbanization trends and lack of economic growth are factors that may impact on the future population size in the Municipal area.

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### 3.3.9.2 Rates and services income

Table 3.3.9.1 indicates an assessment of Rates and Services Income for the three years of the analysis and highlights indicators that express the said income in terms of household numbers.

<table>
<thead>
<tr>
<th>Year</th>
<th>Rates</th>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/2013</td>
<td>R 82 522 290</td>
<td>R 429 921 691</td>
<td>R 512 443 981</td>
</tr>
<tr>
<td>2013/2014</td>
<td>R 88 363 481</td>
<td>R 474 113 979</td>
<td>R 562 477 460</td>
</tr>
<tr>
<td>2014/2015</td>
<td>R 94 874 776</td>
<td>R 514 741 631</td>
<td>R 609 616 407</td>
</tr>
</tbody>
</table>

From an application of the population numbers to the rates income of the Municipality, it is possible to obtain an indication of rates income per capita. The findings suggest that the rates income per capita increased from R884,55 in 2012/2013 to R976,17 in 2014/2015 or 10.36% over the period. Over the period, the total rates income increased from R82 million to R94 million or 14,97%, while the population increased by 4,18%. The increase in the population figures and the increase in the rates income per capita may suggest that a larger number of the population are contributing to an increasing rates base.

Income from the provision of services increased by 19,73% from 2012/2013 to 2014/2015. The increase could be attributed to a large increase (23,9%) in the cost of electricity services over the period 2012/2013 to 2014/2015.

### 3.3.9.3 Income, expenditure and capital expenditure

The Municipality spent 92% of its capital expenditure budget in the 2014/2015 financial year, while capital spending in 2013/2014 was 81% of the capital expenditure budget. Most of the capital budget is spent on infrastructure and housing (Annual Financial Statements of the Municipality (2014/2015)).

Graph 3.3.9.2 provides an illustration of the operating and capital expenditure (represented by MIG Funds) and operating income for the period 2012/2013 and 2014/2015 using a base year (2012/2013). This type of analysis assists to understand trends in income and expenditure over time from the same starting point (base year).

The graphic illustration in Graph 3.3.9.2 indicates the relative increase in operational expenditure, operating income (including equitable share, subsidies and grants) and increase in Municipal Infrastructure Grant (MIG) funds 2012/2013 to 2014/2015. MIG expenditure increased from 2012/2013 to 2013/2014 at a faster rate than operating income and operating expenditure. From 2013/2014 to 2013/2014, operating expenditure grew at 18.71% while MIG expenditure increased by 46.64%, and operating income increased at a rate of 7.08%. From 2014/2015 to 2014/2015, MIG expenditure increased at a higher rate (18.07%) than growth in income (9.56%) and operating expenditure (10.47%). It is also clear from Figure 8 that the growth in operating expenditure was not the same as the growth rate of income from 2013/2014 to 2014/2015, as operating income increased by a lower percentage.
### 3.3.9.4 Outstanding rates and service debts

The municipality experienced a general increase in outstanding consumer debt between 2012/2013 and 2014/2015 across all sectors. The largest increase accrued to rates. From 2012/2013, outstanding debt related to rates increased by 4.86% from R10.9 million to R11.5 million. The following year the growth rate increased by 33.21% or outstanding debt of R15.3 million. An increase in outstanding services was also recorded from 2012/2013 to 2013/2014 (10.13%) and from 2013/2014 to 2014/2015 (2.6%).

Overall outstanding debt increased by 17.44% from 2012/2013 to 2014/2015. Outstanding rates increased from R10.9 million to R15.3 million over the period, an increase of 39.69%. Outstanding fees for services increased by 13% over the period or from R55 million to R62 million. The findings are presented in Graph 3.3.9.3.

The per capita debt outstanding for the purposes of the analysis is based on the economically active population, which was 41 492 and 42 012 in 2011 and 2012, respectively (INCA Portfolio Managers, 2014). The outstanding debt per capita based on the 2011 Population Census was R1 869.75 and based on the population in 2012, R1 846.61 per capita (as defined).

The movement in outstanding debt is best considered from a base year. This type of analysis offers an indication of the relative movement of different items over a period of time by assuming all the items have a basis of 100, which represents a base year. Graph 3.3.9.4 indicates the relative movement of rates and services together with a total for the two items over the period 2012/2013 and 2014/2015.

The illustration in Graph 3.3.9.4 confirms the analysis above that outstanding debt related to rates has increased at a faster rate than outstanding debt related to services. The following section provides a snapshot of the Municipal finances for the 2014/2015 financial year with comparisons to the previous year (2013/2014) where applicable.

#### 3.3.9.5 Summary of financial position for the Mossel Bay Municipality

Mossel Bay Municipality 2014-2015 financial year with comparisons where applicable to the previous (2013/2014) financial year

- Total Income for the Municipality for 2014/2015: R879 m
  
  (2013/2014 = R802 m)

- Total Operating expenditure for 2014/2015: R791 m
  
  (2013/2014 = R716 m)
Capital Expenditure represented by MIG funding in 2014/2015: R43 m (2013/2014 = R36 m)

Breakdown of Operating Income
Actual Operating Income³ Rates & General Services
Grants/subsidies
2014/2015 R668 m R608 m (91%) R139 m (21%)
2013/2014 R618 m R562 m (91%) R126 m (20%)

Rates and general services income represent 91% of Actual Operating Income (excluding grants and subsidies) in 2014/2015, which stayed the same from 91% in 2013/2014. Grants and subsidies received as a percentage of Actual Operating Income increased from 20% in 2013/2014 to 21% in 2014/2015.

Equitable share:
2014/2014 R63 m (represents an increase of 16.7% over the previous year)
2013/2013 R54 m

Arrears in rates and services (and other debtors)
Total Rates and taxes
2014/2015: R77.9 m R77 m (99%)
2013/2014: R72.5 m R71 m (98%)

Total outstanding debtors represent 11,7% (2014/2015) and 11,73% (2013/2014) of the Actual Operating Income [as defined]. The gross amount owed by debtors increased by 7,4% from 2013/2014 to 2014/2015.

Cash flow: Cash and cash equivalents
2014/2015: R339 m (increase of 6% from the previous year)
2013/2014: R319 m

Financial performance ratios
i) Cost Coverage (Actual Operating Income (as defined) / operating expenditure)
2014/2015 84%
2013/2014 86%

³ Actual Operating Income includes revenue foregone (deducted) and excludes grants, subsidies, and other income defined as follows: Other income includes interest on overdue accounts and on investments, public contributions and donations, and other income as stated in the financial statements of the Municipality.

A figure above 100% would indicate operating income from own sources would be sufficient to cover operating expenditure, hence no need for grant and subsidy funding. The coverage of costs (operating expenditure) decreased slightly from 2013/2014 to 2014/2015. The decrease in the ratio from 2013/2014 to 2014/2015 indicates that operating expenditure increased at a faster rate than the increase in operating income.

ii) Liquidity: Net Current Assets: Net Current Liabilities
2014/2015 2.66 : 1
2013/2013 2.39 : 1

An increase in the ratio by R0,27 of current assets for each R1 of current liabilities (or 11% from 2013/2014 to 2014/2015) is positive as this indicator highlights the ability of the Municipality to meet its short-term obligations. That being said, the current ratio is significantly above the safer margin of 2:1. This trend must be monitored and corrective measures taken on a proactive basis should a decline in the ratio occur.

iii) Solvency: Total Liabilities to Total Assets
2014/2015: 13.5%
2013/2014: 13.6%

The solvency indicator offers an indication of the ability of the Municipality to meet its longer-term obligations. The stronger solvency ratio is attributed mainly to an increase of R71 m in the Municipality’s property, plant and equipment funded through grants, as well as increase in investments of R12 million.
Figure 3.3.9.5: Economic sector performance profile of the Mossel Bay economy for value added relative to employment

Figure 12 indicates the importance of Manufacturing, Trade and Services and Community, Social and Personal Services as economic activities that provide a high value-addition and employment. Notwithstanding, high leakage factors are prevalent in economies with narrow economic bases and therefore income leakage will erode to a certain extent the indirect and induced value added to the Mossel Bay economy due to the need to “import” various products and services.

Implications for Mossel Bay Municipality

- Operating income exceeds expenditure by 22.5% in 2014/2015. Although this could be attributed to underspending.
- Worsening (negative) trends related to non-payment of property rates and services must be addressed in a proactive manner and positive payment trends should be re-enforced;
- The reliance on grants and subsidies has decreased to 21% in 2010/15 although this has increased significantly from the year before.
- Minimal resources in terms of capacity and finances are available to fund growth initiatives;
- A need exists to stimulate the local economy and build on the strength of core growing sectors that deliver gross value added and employment by introduce strategies that will reduce the decline in employment and migration.
- The most important contributors to the economy of the Mossel Bay area, which are also aligned with a high value added and high employment focus, are Wholesale and Retail, Community, Social and Personal Services and Agriculture (although agriculture is not considered as a high value added economic activity). Transport, Storage and Communication is a sector with high value addition, but lower employment.
3.3.10 TOURISM

Mossel Bay municipality contains a wide range of tourism opportunities:

- Outeniqua Mountains and Foothills - adventure, nature and agri-tourism
- Seaside settlements - seaside and beach tourism; also long term retirement
- Coastal rail line and harbour - tourism travel
- R102 and coastal routes - scenic drives
- Mossel Bay town CBD and harbour - urban and marine heritage
- Pinnacle Point - golf course, archaeology and pre-history

Tourism opportunities

- Opportunities for tourism include:
- Business Tourism
- Activity Based Tourism
- Attraction Development
- Youth Facilities
- Family Facilities
- Regular, scheduled coastal-hop air service from Cape Town to Mossel Bay, amongst others

A sensitive waterfront development in Mossel Bay that will enhance the existing tourism plant.

Tourism projects which the participants feel needs to be encouraged include, and are linked with opportunities identified:

Waterfront Development – Mossel Bay
A museum of the Mossel Bay Archaeology Project (the largest scientific project of its kind in the world today).

The Pinnacle Point Caves: declared a Provincial Heritage Site on 14 December, 2012.
The opportunity to visit the Pinnacle Point Caves in the company of one of the archaeologists who discovered the archaeology.

Figure 3.3.10.1 Pinnacle Point Caves: Archeologists at work

Later discoveries showed that this is also where humankind first learned to treat silcrete with heat in a controlled way - and so transform a rather poor quality raw stone into a top quality material from which to make our tools; and that this is where ochre was first worked with as a pigment (the earliest form of paint). This indicates that this is where symbolic behaviour – culture – began.

The caves at Pinnacle Point – where the scientists have concentrated their work – are important for another reason, too: studies into Carbon and Oxygen isotopes embedded in dripstone formations formed during times when the Caves were sealed off to the outside world have revealed detailed information about the water and climate regimes that reigned over the period 400 thousand to 30 thousand years ago. Put together with the evidence of human habitation starting 162,000 years ago, this information could hold clues as to how humans survived climate change in the past.

The prospects of tourism

Mossel Bay’s Point of Human Origins Experience has already hosted more than two and a half times as many visitors during this year’s visitor season than it did during the same period last year.
Attributed largely to our very human desire to know about the origins of our species and our behaviour that can be found in the historic caves at Pinnacle Point.

Due to the multi-disciplinary nature of tourism, the limited data from continuous surveys and the complexities of travel patterns, any analysis of tourism data should be considered with caution. Limited data is available and can be drawn down to a local level. The highest order of data is at a national level and to a lesser degree at a provincial level. Data is recorded at a regional and local level through surveys, which inherently have large margins of error if not done scientifically and data considered from these surveys need to be assessed with caution. In order to offer a perspective of tourism in Mossel Bay a provincial overview, a regional and then a local overview is required.

**Provincial overview**

Wesgro (2016) indicates that 1,323,283 foreign tourist arrivals were recorded in the Western Cape in 2015, which is a decline of 4.5% over the previous year. A total of 2.2 million domestic day trips and 2.8 million domestic overnight trips were recorded in 2014. The Western Cape commands a market share of 14.9% of the foreign tourist arrivals with most foreign tourists originating from the UK, followed by Germany, Netherlands and France.

**Regional overview (Garden Route and Klein Karoo)**

Due to the lack of data, it is not possible to indicate how many international and domestic tourists visit the Garden Route and Klein Karoo. Tracking surveys are conducted among tourists that visit tourism information offices. The trends that follow are sourced from information provided by various tourism information offices operating in the region. Wesgro (Wesgro, Regional Tourism Visitor Trends Cape Garden Route & Klein Karoo, 2014; [http://www.wesgro.co.za/pdf_repository/2014%20Garden%20Route%20Tourism%20Trends.pdf](http://www.wesgro.co.za/pdf_repository/2014%20Garden%20Route%20Tourism%20Trends.pdf)) reported the findings based on 3,645 responses from seven information offices across the Garden Route and Klein Karoo (including Mossel Bay):

- A higher portion of domestic (58.6%) than overseas (41.1%) visitors were recorded.
- Visitors to the Cape Garden Route & Klein Karoo love staying for day visits (53.7%), but also enjoyed overnight stays (46.3%).

**Tourism Trends for Mossel Bay**

It is not possible to derive a figure for the number of foreign and domestic tourist arrivals in the Mossel Bay Municipal area. Figure 11 represents the number of tourists that visited the Mossel Bay Tourism Office in 2013, 2014 and 2015 on a monthly basis (Mossel Bay Tourism, 2016). It should be noted that the figures presented below do not represent the total number of domestic and foreign tourists that visited the Mossel Bay area in the particular year.
The total number of tourists that visited the Tourist Office from 2013 to 2014 increased by 19.84% (i.e. from 15,048 to 18,034), but declined by 6.86% from 2014 to 2015. The peaks and troughs and the related seasonal impact is also clearly visible from the graph.

In terms of the tourist attractions in Mossel Bay, Mossel Bay Tourism (2016) indicates that 91,094 tourists visited the Diaz Museum in 2014, while a decline occurred in 2015 with only 72,775 visitors being recorded. The Great Brak Museum recorded 2,937 and 2,467 visitors in 2014 and 2015 respectively.

The Wesgro dashboard of tourism towns and regional trends permits an indication of tourism characteristics, behaviour and activities for towns based on the data collated by the tourism offices in the respective towns within the region (Source: http://www.wesgro.co.za/research?ResearchID=bJsyx1MFvW).

The Mossel Bay Tourist Office indicated that tourists are reluctant to complete the questionnaires and hence the findings should not be considered as a scientific and accurate reflection of the tourist profile and behavior, but rather more of an indicative trend.

Of the tourists that partook in the Tracker Survey, 76.39% were foreign and 23.61% domestic. Almost one in four tourists were overnight visitors and the remainder were day visitors. International tourists mainly originated from Germany, followed by the UK and Netherlands. Most of the domestic tourists (43.75%) originated from within the Western Cape Province, with slightly more than one in three tourists originating from Gauteng and 6.25% from the Eastern Cape. Leisure and holiday was the main purpose of visit for more than 90% of the tourists that visit the Tourist Information Office, with 8.33% visiting friend and relatives, attending weddings etc., in the local area.

A two-night stay appears to be the norm for most tourists, with about one in four visitors spending two nights and 21.92% spending one night in the local area. Most tourists travelled in groups of two, with more than 50% indicating they travel as a couple.

**Observations**

From the analysis provided above, it is possible to observe the following:

- There are improving levels of operating income. However, the emergence of declining (negative) trends related to non-payment of property rates must be addressed in a proactive manner and positive payment trends should be re-enforced;
- The reliance on grants and subsidies increased from 20% in 2013/2014 to 21% in 2014/2015, while actual operating income (as defined) increased by 7.77% over the same term;
- Staff vacancy levels are at 6% of total staff at the end of the 2015 financial year. None of these vacancies are in key positions, although several managerial positions remain unfilled; and
- Minimal resources in terms of capacity and finances are available to fund growth initiatives.

In addition, a need exists to stimulate the local economy and built on the strength of core growing sectors that deliver gross value added and employment by introducing strategies that will reduce the decline in employment and migration. In this context, the assessment provided in this report could be conceptualized in terms of the following qualitative analysis.

The context provided in this report should be considered in terms of the existing development profile of the Mossel Bay economy and more specifically as it relates to indicators such as employment, competitiveness, production output and value added (refer to Figure 12 and 13). The most important contributors to the economy of the Mossel Bay area, which are also aligned with a high value added and high employment focus, are Manufacturing, Wholesale and Retail, Community, Social and Personal Services and Agriculture (although Agriculture is not considered as a high value added economic activity).
Implications for Mossel Bay Municipality

- Entrance to Mossel Bay should be engaging to travellers to lead them into Mossel Bay instead of bypassing on the N2 past Mossel Bay, especially at the western access to Louis Fourie off the N2. The aim should be for Mossel Bay to attract visitors for at least two nights or more.
- Mossel Bay municipality has the opportunities to become a tourism mecca especially if the following is attended to:
  - management of appearance of urban development alongside scenic routes including the N2;
  - Precinct wide upgrading of Mossel Bay town CBD;
  - integration of harbour with CBD and establishment of waterfront project;
  - revival of Outeniqua choo-choo as tourist passenger and freight service between Mossel Bay and Knysna.
Mossel Bay appears to have a strong appeal to foreigners and tourists

Assets Include:
- Passenger liners dropping anchor in the bay from time to time for excursions although it appears that few actually spend time in Mossel Bay CBD’s.
- The Diaz Museum with its international maritime history.
3.3.11 MOSSEL BAY PORT DEVELOPMENT

Mossel Bay is an active port catering for the fishing industry and with the developing oil industry, which began with Mossgas in the late 1980s. The port sees little other commercial activity and there hasn't been any other significant growth in the ensuing years.

The port has two offshore mooring buoys inside port limits, of which one is a marine tanker terminal single point mooring buoy used by feeder vessels from Durban and Cape Town.

3.3.11.1 Port Development Plan 2015

Of the nine South African ports that fall under the custodianship of Transnet, as per the National Port Regulations of 2005, Mossel Bay is the smallest port out of all nine. There are no future plans for dedicated terminals in Mossel Bay. Cruise liners visiting this port will continue to use available infrastructure on arrival.

Mossel Bay is home to a local fishing fleet and provides facilities for recreational boaters. There is very limited freight handling in the port, however 1.8 million kilolitres per year is handled through the CBM and SPM. The port typically handles around 700 vessel calls per year, the majority of which are small vessels around 120m in length.

The port’s current infrastructure capacity is sufficient to meet cargo demand forecasts over the next 30 years. Short term port plans consist of commercially developing vacant Transnet land adjacent to the port and CBD, and maritime commercial activities plan to create a small vessel harbour and waterfront facility in the medium term.

The Mossel Bay context includes the town centre immediately south of the port. The Voor Bay tank farm, servicing the offshore SPM and CBM, is located 4.5km northwest of the port, adjacent to the N2 highway.

3.3.11.2 Demand versus Capacity

The demand versus capacity planning is summarised in the graph below:

**Graph 3.3.11.1 Port Capacity, demand and throughput**

The capacity for handling liquid bulk products at the SPM and CBM is 8 million kilolitres, which is well above the demand forecasted for the next 30 years.

The cargo handling berths in the Port of Mossel Bay may be classified as multi-purpose with cargo generally comprising fish products or miscellaneous cargo equipment. The largest berth is currently used as an offshore supply base to the Mossgas offshore drilling and production platform. The berth is constrained in length and depth making conversion to a dedicated MPT berth an unlikely scenario. Existing MPT capacity is sufficient to meet forecasted demand over the next 30 years.

**Implications for Mossel Bay Municipality**

- The port represents a significantly underutilised waterfront asset, thereby, providing major upside potential.
- The most expensive items of a harbour are the marine work which private operators, whether in the shipping, fishing or tourism industries can seldom afford. These usually have to be provided by the state.
- The port is well located in relation to the historic CBD, thus, well placed to provide another major boost to the local economy if the institutional challenges around access to the harbour can be resolved.
- The rail line also terminates in the harbour thus potentially providing freight and passenger tourism transport opportunities.
- Mossgas appears to be of decreasing importance in the local economy going forward into the future.
The current port is situated adjacent to the Mossel Bay CBD. It includes maritime commercial activities, one berth break-bulk terminal, a ship repair facility and fishing facilities making up the majority of the Port’s quayside.

3.3.11.3 Individual Port Investment – Mossel Bay

The high-level expansionary investment plan for the port of Mossel Bay for the next 30 years totals R1,3 billion (un-escalated). This includes a total port authority spend of R0,4 billion and an operator spend of R0,9 billion.

Graph 3.3.10.2 Mossel Bay Expansionary Investment Required Over 30 Years
Photo 3.3.11.1  Cruise liners docking in Main Street, Hamilton, Bermuda (3600 residents, 13,500 jobs) (Google, 2016)
3.3.11.4 Mossel Bay Port: Planning and Development of Land Parcels, 2016

The Municipality of Mossel Bay in conjunction with the Transnet National Ports Authority (TNPA) compiled the Mossel Bay Central Precinct Plan (also known as a Local Structure Plan) for the central business and port areas in 2013. This plan is hereafter referred to as the MBCPP. In this plan several sites on the port property were identified for future development and proposals were made for better connectivity and movement between the port and the central business district (CBD).

The port of Mossel Bay is the smallest of the commercial ports along the coast of South Africa and is situated midway between Cape Town and Port Elizabeth. The port is used predominantly by the fishing industry. The port utilises a total area of 18 hectares of which the fishing industry is the largest user. Various proposals for development of the inland area of the port were considered in the past but were abandoned for several reasons.

There are valuable under-utilised land assets separating the CBD and the port, with limited linkages, of which the future utilization thereof had to be considered in the MBCPP. The CBD has a distinctly unique character, which needs to be enhanced. The partnership and involvement between the public and private property owners is paramount to the successful implementation of any recommendations presented in the MBCPP.

Intervention is needed in the spatial land use pattern and economic strategies to induce growth in the free market economy with facilitative government resources to ensure optimum use of limited resources in the local economy. With the above current reality as a point of departure the MBCPP was compiled and the unutilised sites on port land was identified to play an important role in the solutions offered for the CBD.

The focus of this report is the functionality of the port within the policy framework of the TNPA whilst the underutilized sites in the port area that were identified in the MBCPP for the purposes of development other than harbour activities, are considered. The sites and their proposed future uses are shown on Figure 3.3.11.4.

Five sites on port land were identified for future development as indicated on Figure 3.3.11.4.

<table>
<thead>
<tr>
<th>Site description</th>
<th>Use zone</th>
<th>Proposed land uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area 1A (waterfront)</td>
<td>Tourist facilities and accommodation</td>
<td>- Restaurant - Retail with individual tenancy limited to 400m² - Specialty Shops - Tourist trade &amp; services - Entertainment - Marine activities (incl. yachting, boating, charter boats, etc) - Reception - Conference facilities</td>
</tr>
<tr>
<td>Area 1B (CBD integrated area)</td>
<td>Tourist facilities and accommodation</td>
<td>- Retail (ground floor) with individual tenancy limited to 400m² - Offices (above ground) - High density residential (above ground)</td>
</tr>
<tr>
<td>Area 2</td>
<td>Business/residential</td>
<td>- Personal services (spa, salon, confectionery, deli, etc) - Office - Hotel accommodation - High density residential</td>
</tr>
<tr>
<td>Area 3</td>
<td>Corporate and administrative port facilities</td>
<td>- Offices</td>
</tr>
<tr>
<td>Area 4</td>
<td>Tourist facilities and accommodation</td>
<td>- Tourist trade - Art gallery - Craft centre - Indoor markets - Open air markets - Fresh produce market - Kiosks &amp; places of refreshment</td>
</tr>
<tr>
<td>Area 5</td>
<td>Commercial port facilities</td>
<td>- Light industrial buildings - Warehouses - Fish market / Auction of fish related products - Business building</td>
</tr>
</tbody>
</table>

*Since the finalization of the plan, the Port Authority decided to retain Area 1B (CBD integrated area) for their own future uses. It is therefore not available for development.*
Figure 3.3.11.4 Port Land Use Opportunities (Source: Mossel Bay Port: Planning and Development of Land Parcels, 2016)