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## Introduction

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

It has a surface area of 8 781 km<sup>2</sup> and a total population of 7 330 people in 2006. The population density is 0,8 persons per km<sup>2</sup>. Apparently it is the smallest population in the province and is also the smallest in the whole South Africa.

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

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

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

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

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

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

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

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

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## Economic profile

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

### Economic Outlook

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

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

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

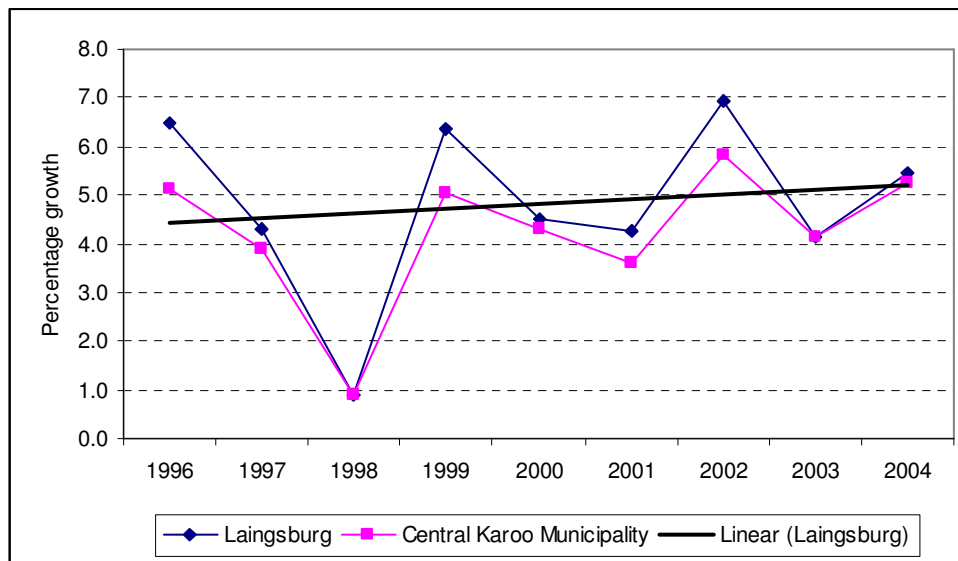
### Regional gross domestic product (GDPR)

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

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

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

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



Source: Own calculations, based on Quantec data 2006

## Sectoral Analysis

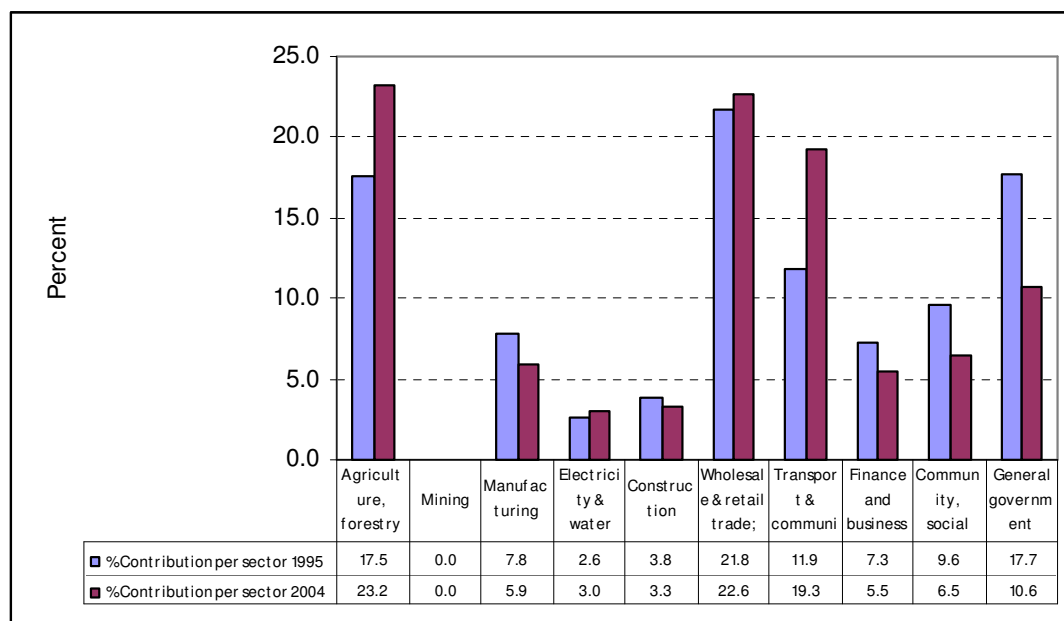
For the period 2004 the most observed growth sectors in Laingsburg were Agriculture, forestry and fishing (23,2%), wholesale & trade; catering and accommodation (22,6%) and transport and communication (19,3%).

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

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

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

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



Source: Own Calculation based on Quantec Research data

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

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

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

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

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

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

**Table 1: Laingsburg: GDP growth by sector ,**

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

Source: Own calculations, based on Quantec data 2006

## **Agriculture, Forestry and Fishing**

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

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

## **Wholesale & retail trade; catering and accommodation**

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

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

## **Transport and communication**

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

## Manufacturing

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

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

**Table 2: Laingsburg manufacturing sub-sectors, 2004**

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

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

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

Laingsburg local municipality is very highly concentrated with a Tress Index<sup>2</sup> of 87,3 per cent. This compares with a highly concentrated Tress Index of 72,7 per cent for the Central Karoo District Municipality and a more diverse manufacturing sector of the Western Cape that reports a Tress Index of 43,7 per cent.

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

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## **Economic infrastructure**

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

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

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

## **Roads and transport**

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

## **Transport-related constraints**

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

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

## Demographics and Labour Force

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

### Demography

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

**Table 3: Rural and urban households 2001**

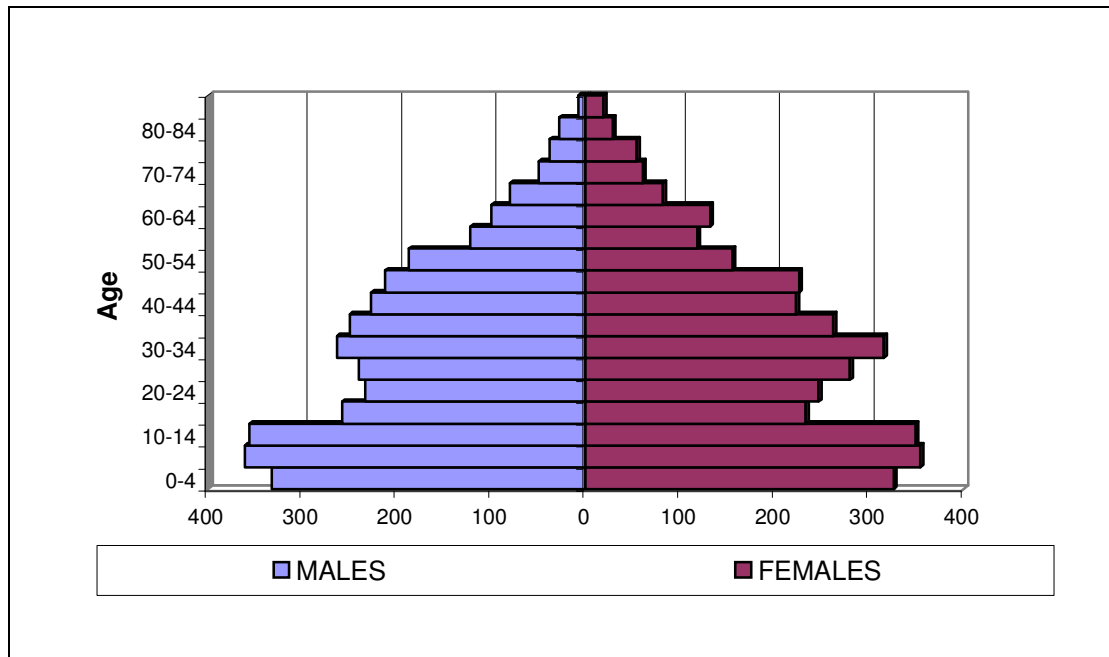
	Total no of households	No of rural households	Rural households (Per cent)	Rural households (per cent of province (for district) or district)	No. of urban households	Urban households (Per cent)	Urban households (per cent of province (for district) or district)
<b>Central Karoo Municipality</b>	15,016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

*Source: Demarcation Board (Census 2001 data)*

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

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

**Figure 3: Laingsburg population pyramid, 2006**



Source: CARE 2005

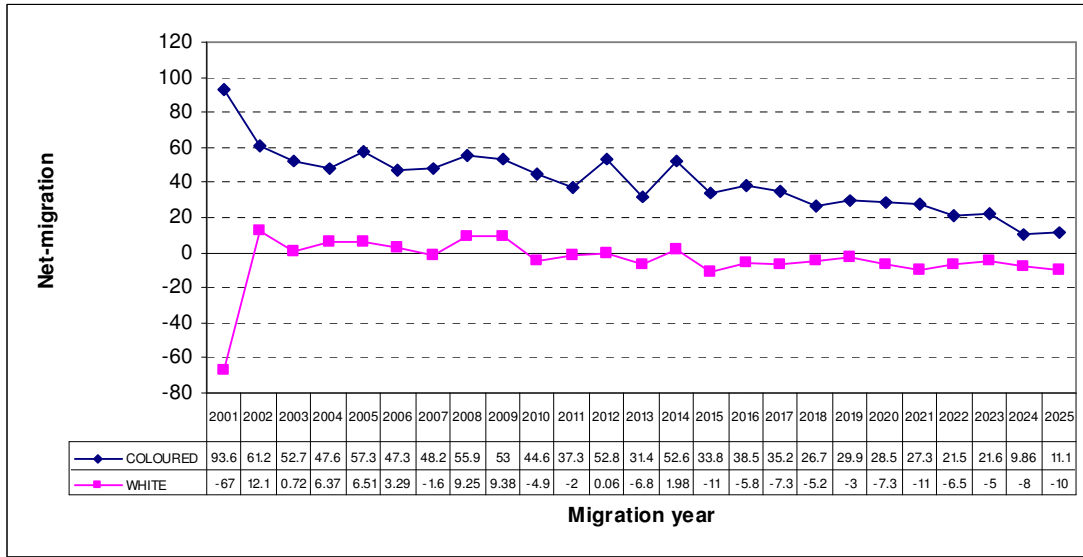
Between 2001 and 2006 Laingsburg's population increased from 56 808 to 7 330, at an annual average of 1,5 per cent. Growth is projected to slow to 1,3 per cent between 2006 and 2010.

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

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

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

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



Source: CARE 2005

## Labour market profile

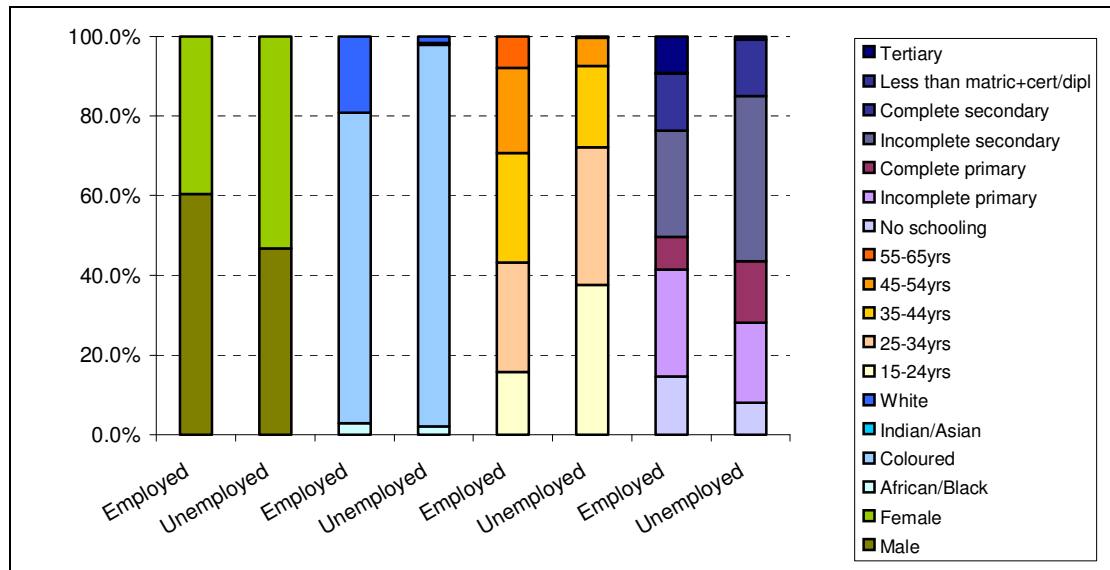
**Table 4: Laingsburg labour market information, 1996 and 2001**

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

Source: Statistics South Africa, Census 1996, 2001

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

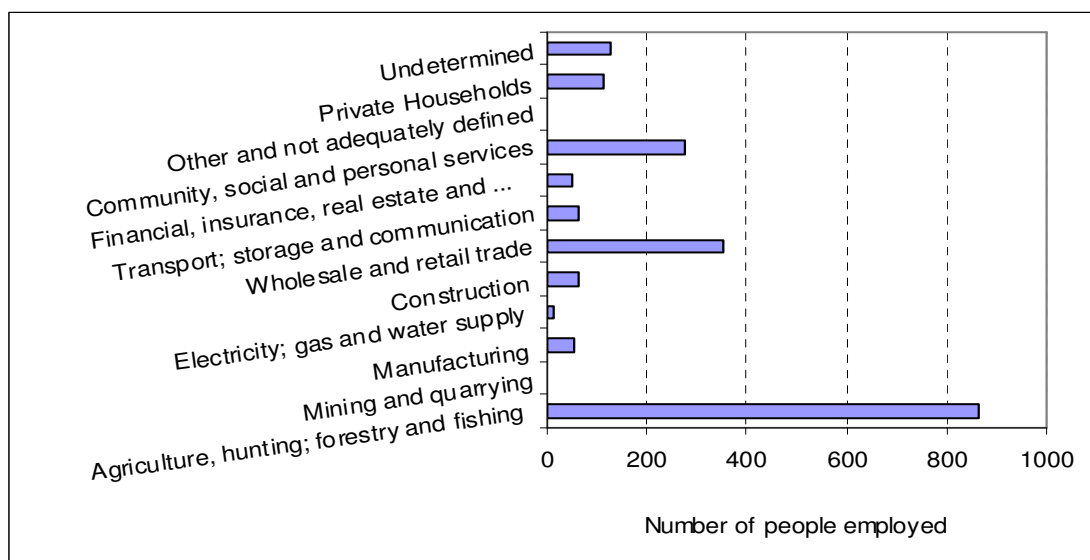
**Figure 5: Characteristics of Laingsburg's employed and unemployed, 2001**



Source: Statistics South Africa, Census 2001

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

**Figure 6: Laingsburg municipality employment by sector, 2001**



Source: Statistics South Africa, Census 2001

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

Table 5 shows skills<sup>4</sup> level of the employed, Laingsburg municipality has high skilled occupation of 13.7 per cent compared to the district, which has 14.2 per cent. Central Karoo District Municipality has a high number of low skilled (43.8%) compared to Laingsburg municipality (34.0%). The majority of the employed in Laingsburg is skilled (52.4%).

**Table 5: Skilled level of the employed**

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

*Source: Statistics South Africa, Census 2001*

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

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

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

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

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

**Table 6: Social grants data 2005**

<b>Laingsburg</b>	<b>Average number of recipients (monthly)</b>	<b>Proportion of total recipients</b>	<b>Proportion of total recipients Central Karoo District</b>	<b>Average monthly value of grant<sup>5</sup></b>	<b>Total value of grants paid (R - monthly)</b>	<b>Proportion of total value of grants (R - monthly)</b>
<b>OLD AGE</b>	21	19.8%	13.4%	724.49	15,335	29.7%
<b>DISABILITY</b>	25	23.8%	36.3%	787.25	20,009	38.7%
<b>FOSTER CARE</b>	3	2.4%	3.9%	683.87	1,767	3.4%
<b>CAREDEPENDENCY GRANT</b>	1	0.6%	0.7%	940.00	627	1.2%
<b>CHILD SUPPORT</b>	54	50.5%	43.7%	250.02	13,480	26.1%
<b>GRANT IN AID</b>	3	2.8%	1.9%	160.00	480	0.9%
<b>ALL OTHER GRANTS</b>	0	0.0%	0.1%	N/A	0	0.0%
<b>TOTAL GRANTS</b>	<b>107</b>	<b>100.0%</b>	<b>100.0%</b>	<b>484.29</b>	<b>51,698</b>	<b>100.0%</b>

Source: SASSA 2006

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

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

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

Lumpsum for the beneficiary due to re-instatements

Yearly beneficiary uptake (new applications)

Yearly Paypoints transfers (movement of beneficiaries between paypoints)

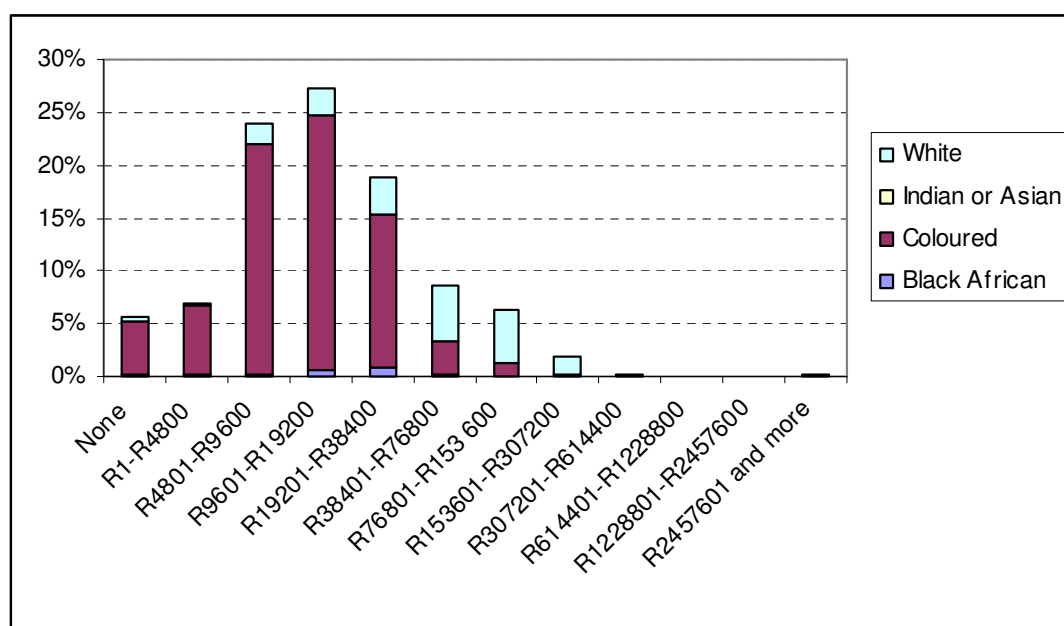
## Well being of households

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

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

### Household income

**Figure 7: Laingsburg Income Distribution by Population Group, 2001**



Source: Statistics South Africa, Census 2001

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

### Access to basic services

Access to basic services has considerable influence on the standards of living and quality of life of people living in the municipality. The figure below compares the Laingsburg local municipality to the Central Karoo District on five measures of basic services, namely energy<sup>6</sup>, water<sup>7</sup>, refuse removal<sup>8</sup>, telephone services<sup>9</sup> and sanitation<sup>10</sup>. It comprises only of the households with access to less than basic

<sup>6</sup> Energy - Gas, paraffin, candles and other.

<sup>7</sup> Refuse removal- own refuse dump, and no rubbish disposal.

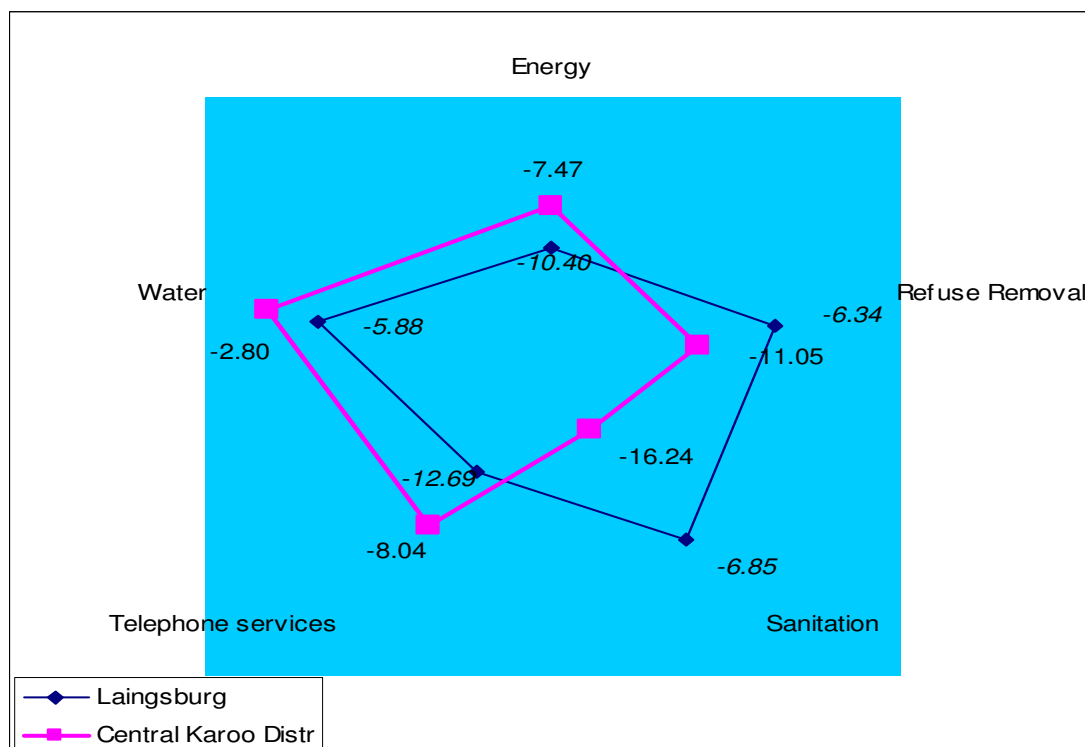
<sup>8</sup> Water - borehole, spring, rainwater tank, dam/pool/stagnant water, river/stream, water vendor, and other.

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

<sup>10</sup> Sanitation - Bucket latrine, and none

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

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



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

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

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

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

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

		Energy	Refuse Removal	Sanitation	Telephone services	Water
		Percentage Change				
Laingsburg	1996-2001	-10.4	-6.34	-6.85	-12.69	-5.88
	Number of households	-40	82	-46	-169	-74

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

## Access to Housing

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

## Access to Social Services

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

## Development indices

There are two ways of measuring the quality of life that have been used in this document and these are Human Development Index<sup>11</sup> (HDI) and City Development Index<sup>12</sup> (CDI). The HDI and CDI for Laingsburg did not compare favourably with that of the province. At 0.68 for both, the province scored 0.72 and 0.81 respectively.

In addition, the index of multiple deprivation—a measure of multiple deprivation in a small area and is unique with inclusion of a measure of geographic access as an element of deprivation and in its direct measure of poverty—confirms that there is some element of multifaceted deprivation within the Laingsburg municipality. The index is made up of five distinct dimensions of deprivation called domain indices<sup>13</sup>.

## Multiple Deprivation

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

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

**Table 8: Development Indices**

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

Source: Department of the Premier (2005)

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

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

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

## Education

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

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

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

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

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

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

Source: Statistics South Africa, Census 2001

## Health

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

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

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

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

**Table 10: Health Indicators, 2005**

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

Source: Department of Health

## Crime

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

**Table 11: Crime statistics, 2002-2005**

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

Source: SAPS (2005)

## Municipal Sustainability

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

### Political environment

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

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

**Table 12: Changes in political governance, 2000 and 2006**

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

Source: Own representation based on IEC data

### Revenue generation capacity

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

**Table 13: Overall municipal revenue**

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

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

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

**Table 14: Main sources of own revenue**

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

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

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

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

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

Source: Demarcation Board (Census 2001 data)

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

**Table 16: Existing staffing rates**

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

Source: Demarcation Board (Census 2001 data)

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## Conclusion

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

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

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

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

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