

# INVEST IN PROPERTY 126 (PTY) LTD SOCIO-ECONOMIC IMPACT ASSESSMENT



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## 1. Executive Summary

The Lejweleputswa District Municipality is a category C municipality located in the north western part of the Free State province and is about 32 287 square km<sup>2</sup>. Lejweleputswa shares a boundary with North West province to its north west, Fezile Dabi and Thabo Mofutsanyana district municipalities to its east, Mangaung metropolitan and Xhariep district municipalities to its south, and the Northern Cape province to its west.

With an annual population growth rate of 1.5% per annum, the district has a population of 634 462 in 2019. This is 22 % of the total population of the Free State Province. In 2019, the district had a total number of 229 267 households with a population density of 20.1 people per square kilometers. According to the Community Survey, there are 862 child headed households and 85 898 (39.4%) women headed households.

In respect of COVID-19, as of 04 June 2020, a total of 376 439 people was screened, with 6 confirmed cases and no reported deaths in Lejweleputswa District Municipality. There are 5 quarantine sites in the district with 70 beds. The sites are located in Welkom, Boshof, Bothaville and Dealesville. There are two sites in Tokologo local municipality, two in Matjhabeng and one in Nala local municipality. None of the sites have been activated.

The economy of Lejweleputswa thrives on mining and farming. The district is rich in gold deposits and lies at the heart of the province's goldfields. The minerals mined are gold and diamond, these are precious metals with many uses mainly in Jewelry manufacturing. In terms of farming, the district is a major producer of maize and sunflower. The tertiary sector (trade: 22.7%, transport: 4.4%, finance: 9.9% and community services: 20.8%) accounts for 57.8% of the GVA of the district. Lejweleputswa District Municipality registered 50.9% unemployment in 2019.

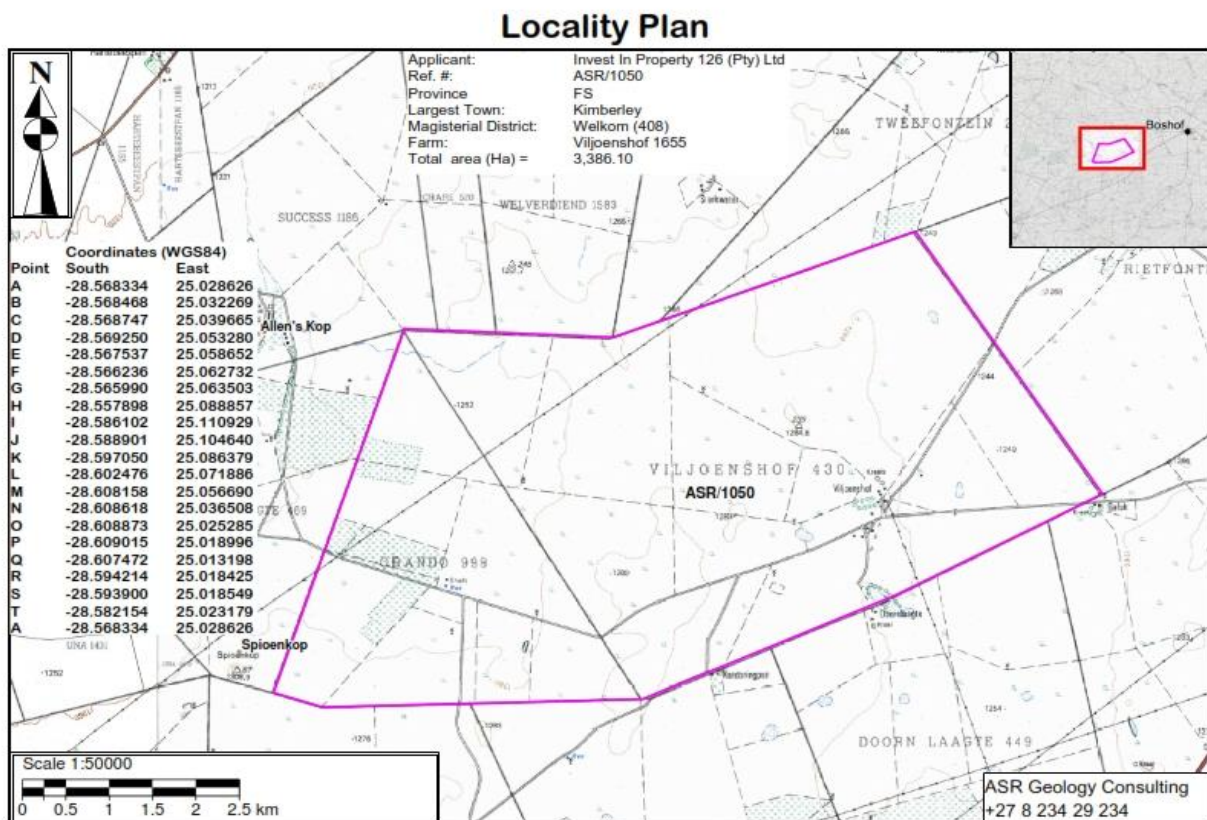
Lejweleputswa received an unqualified audit opinion. The audit outcomes trends of local municipalities in Lejweleputswa are not encouraging. The reality is that at many of these municipalities have regressed in the 2017/18 financial year.

The Bio-Fuel (Ethanol) Plant in Bothaville is one of the district economic nodes which focuses on the manufacturing industry and therefore encourage industrial development within the node.

## 2. Brief Overview

Bruinbox Enterprise (Pty) Ltd has been appointed by Biomental (Pty) Ltd to undertake the drafting of the Social & Labour Plan for the mining right application. The proposed mine is to be developed on the Remaining Extent of Farm Viljoenshof 1655, Boshof in the Tokologo Municipal District, Free State Province (Figure 1.1.). As part of the application processes for the mining right, a Social and Labour Plan is required in terms of Regulation 42(3) & (4) and Section 29(b) of the Minerals and Petroleum Resource Development Act (Act 28 of 1998).

This report constitutes the draft socio-economic impact assessment (SIA) report for an application for a mining right with DME reference FS 30/5/1/2/5/2/10064MR.



## **2.1. The Approach**

The approach was guided by the Department of Environmental Affairs's (DEA) Guidelines for Social Impact Assessment (SIA), Stats SA website as well as the Department of Cooperative Governance, Human Settlement & Traditional Affairs guidelines.

## **2.2. Baseline Data Collection**

Data sources consulted to compile the socio-economic baseline include internet sources (e.g. Stats SA website), but mostly provincial and local government reports publications, namely the Integrated Development Plan (IDP) and provincial development planning documents.

A four-day site visit was conducted, during which attempts was made to meet wuth and talk to people and residents in the area. Visitations were made to the Tokologo Local Municipality in Boshof and Hertzogville. The responsible officials (the Municipal Manager and Mayor) with whom I had to liaise with, was unfortunately unavailable for interviews as it was during the festive holiday time. However, the Local Economic Development Manager (LED) was available for an interview and a formal meeting was convened. A meeting with the broader public of Boshof was also held in which residents have been granted an opportunity to share their experiences about the living conditions and social ills in the community.

## **2.3. Impact Assessment**

The impact assessment methodology follows the general guidelines for Basic Assessment Report (BAR) level impact assessment, and is described at the start of the impact assessment section of this report. Interviews and correspondences with registered stakeholders and other informants, as well as information obtained relating to the area as sourced from the internet, as well as discussions with the governmental officials informed the evaluation of significance. Socio-economic impacts tend to be highly subjective, reflecting the value sets of different groups of stakeholders at different scales (local & regional) who may have very different and/or opposing interests in a proposed project. Thus the assessors task is very difficult in determining the impact in a particular area. Typically, it is the resident owner of the land that bear the negative impacts of the project, whilst the benefits accrue at a wider regional and provincial scale.



## 2.5. Spatial Integration

Lejweleputswa district makes up almost a third of the province, and consists of the following five local municipalities namely Masilonyana, Tokologo, Tswelopele, Matjhabeng and Nala.



- **Masilonyana Local Municipality** is named after the mountain in the area. It is one of five municipalities in the district extending over 6 618km<sup>2</sup>. It is situated between the province's biggest municipality, Mangaung Metro, in the south and the second-biggest municipality, Matjhabeng, in the north. The municipality is a result of the merging of former Transitional Local Councils which included Theunissen, Brandfort, Winburg, Soutpan and Verkeerdevlei. It is an impoverished semi-urban area with a high unemployment rate. The municipality plays host to two toll plazas on two major roads in the province; the Verkeerdevlei Plaza on the N1 is the last before entering Bloemfontein from the north, and the Brandfort Plaza on the former R30 (now ZR Mahabane Road) is situated between Brandfort and Bloemfontein. Brandfort is also known for its rich political history, which includes the National Military Museum on a farm that used to be a concentration camp during the Anglo-Boer War and the Winnie Mandela House, where the late Mandela was sentenced to House Arrest during the State of Emergency in the 1980s. Theunissen is also situated on the ZR Mahabane Corridor between Bloemfontein and Welkom, and hosts the three mines within the municipal

jurisdiction. Winburg has economic potential because of its location, which is 100km west of Bloemfontein, and its linking of Bloemfontein with Johannesburg, Cape Town and Durban. It prides itself with the Voortrekker Monument as its Heritage Site, and Masilonyana boasts several game reserves across all its towns. The municipality prides itself on its tourist destinations, such as the Florisbad National Quaternary Research Station. This is where the first human skull was discovered. There are also cooperatives in Soutpan working on the salt lakes to produce salt. Key towns include Brandfort, Soutpan, Theunissen, Verkeerdevlei, and Winburg. Their key economic sectors are agriculture, mining, and community services.

- **Nala Local Municipality** derives its name from Sesotho meaning "affluence or plenty". It is derived from the maize belt and economic prosperity of the area. The area forms part to the "maize-triangle" of South Africa and is a prominent area in the production of meat and dairy products. The former Bothaville and Wesselsbron Traditional Local Councils and a section of the Vetvaal Transitional Rural Council were combined to form the Nala Local Municipality. The Bothaville/Kgotsong area is located approximately 50km south of Klerksdorp, 80km north of Welkom and 200km south of Gauteng. Wesselsbron/Monyakeng is situated approximately 70km south-west of Bothaville, approximately 35km west of Welkom/Odendaalsrus and 55km east of Hoopstad. The Nala region is located within a significant agricultural region. Bothaville is strategically located close to the gold mining towns of Klerksdorp/Orkney, whilst Wesselsbron is in close proximity of Welkom/Odendaalsrus. They are directly dependent on these large urban centres for institutional and commercial support.

Three major rivers feature prominently in the Free State Province, of which two flow through the Nala Municipality. The Vals River runs from east to west through the town of Bothaville towards the Vaal River, which forms the north-western boundary of the municipality, and the Vet River flows just south of the Wesselsbron district and forms the southern boundary of the Nala region. Both the rivers play a significant role in the provision of water to Bothaville and Wesselsbron respectively. The topography of the area is homogenous, with moderate slopes. The only significant natural feature is the sensitive wetland system found just south of Wesselsbron. Key towns include Bothaville and Wesselsbron and agriculture is the key economic activity. As is the case with the rest of the Free State province, the district is predominantly a rural district with about 85% of the land being used for agriculture.

- **Tokologo Local Municipality** derives its name from the Setswana word meaning "freedom", it emanates from the relentless struggle of the oppressed people culminating in their freedom on 27 April 1994. The municipality is situated to the west of the district and it shares boundaries with the North West Province in the north, the Xhariep District in the south, Tswelopele and Masilonyana in the east, and the Northern Cape Province in the west. It is one of five municipalities in the district, making up almost a third of its geographical area at



9 326 km<sup>2</sup>. Boshof (the capital town) is situated in the centre, Dealesville is further east, and Hertzogville is situated in the north of the municipal area. The key towns are Boshof, Dealesville, and Hertzogville and the key economic activity is agriculture.

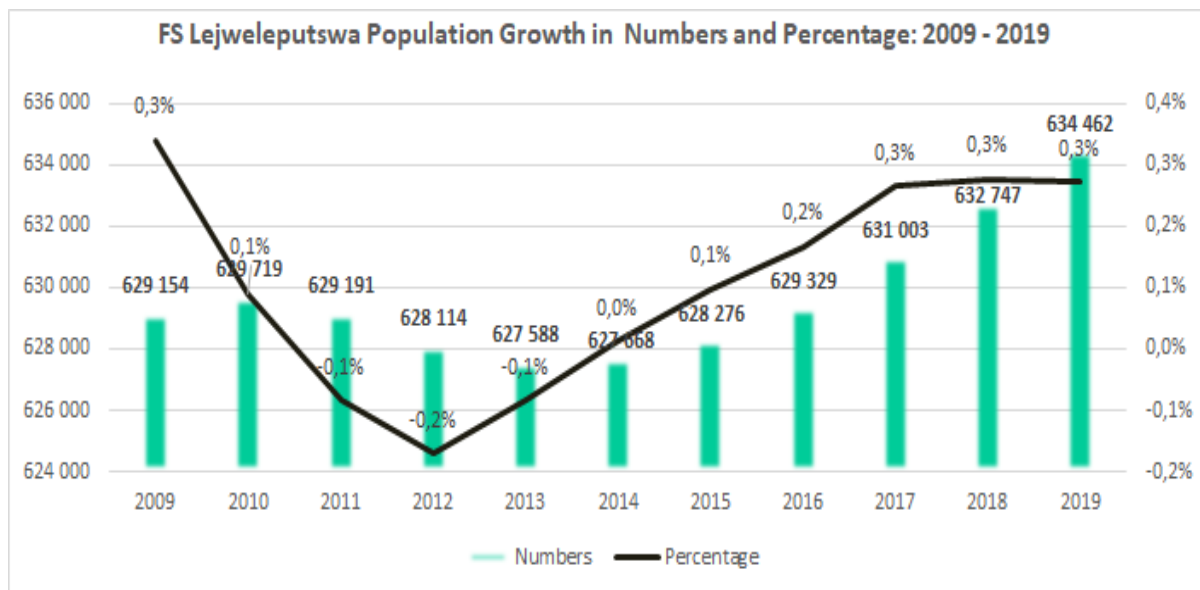
- **Matjhabeng Local Municipality** derives its name from a Sesotho word meaning "where nations meet". It is derived from the migrant labour system where people from various countries like Lesotho, Mozambique, etc. meet to work in the mines of the Goldfields. The municipality is bound by Nala to the north, Masilonyana to the south, Tswelopele to the east and Moqhaka to the west. It is one of five municipalities in the district. Matjhabeng represents the hub of mining activity in the Free State Province. There is one formal land-based protected area in the municipality, being the Willem Pretorius Nature Reserve. There are no Ramsar sites. Grassland is the one biome in the Matjhabeng Municipality. Seven vegetation types are found, namely Bloemfontein Karroid Shrubland, Central Free State Grassland, Highveld Alluvial Vegetation, Highveld Salt Pans, Vaal-Vet Sandy Grassland, Western Free State Clay Grassland and Winburg Grassy Shrubland. There is one endangered ecosystem, covering 11% of the Matjhabeng Municipality. This is the Vaal-Vet Sandy Grassland. There is only one water management area, namely the Middle Vaal. Five rivers run through the municipality, including the Koolspruit, Sand, Sandspruit and Vet. Wetlands cover 5.5% of the Matjhabeng Municipality. Key towns include Allanridge, Hennenman, Odendaalsrus, Ventersburg, Virginia, and Welkom. Key economic activities are mining and manufacturing and it is a the main economic, educational and entertainment hub of Lejweleputswa with the necessary amenities that support economic growth being located in the area.
- **Tswelopele local municipality** derives its name from the Sesotho word meaning "progress", it emanates from the visible services and infrastructure delivery in the area since 1994. About 47% of Tswelopele is a natural habitat with two formal land-based protected areas, the Bloemhof Dam Nature Reserve (632ha) and the Sandveld Nature Reserve (24 883.5ha). It accounts for almost a quarter of the geographical area at 6 524 km<sup>2</sup>, with the main towns being Bultfontein and Hoopstad. The main economic activity is agriculture.

### 3. Social Development Profile

#### 3.1. Key Demographics

##### 3.1.1. Population

With an annual population growth rate of 1.5 percent, the district has a population of 634 462 in 2019. This is 22 % of the total population of the Free State Province.



Based on the present age-gender structure and the present fertility, mortality and migration rates, Lejweleputswa's population is projected to grow at an average annual rate of 0.3% from 634 462 in 2019 to 644 000 in 2024.

##### 3.1.2. Gender, Age and Race

Lejweleputswa District Municipality, has more females at 50.31% (319 172) than males at 49.69% (315 291). The district has a median age of 27 years which is a little higher than the figure in Free State at 26 years and about 10 percent higher than the figure in South Africa which is 25.

##### Age

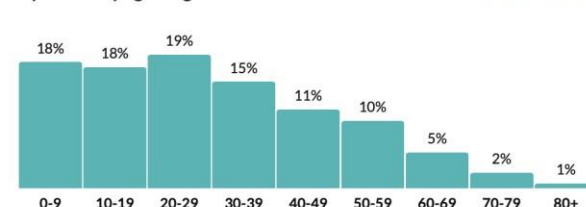
**27**

Median age

a little higher than the figure in Free State: 26

about 10 percent higher than the figure in South Africa: 25

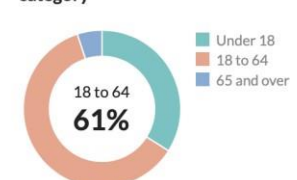
Population by age range



Source: Community Survey 2016

Chart Options

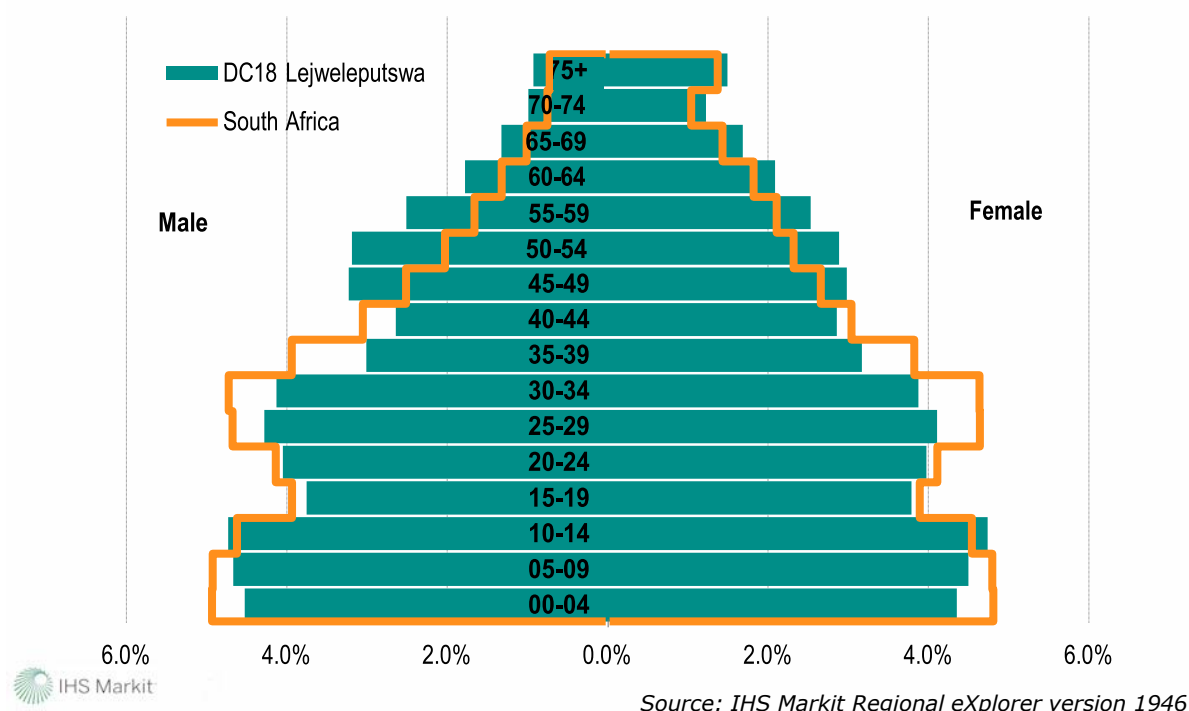
Population by age category



Source: Community Survey 2016

The largest share of population is within the young working age (25-44 years) age category with a total number of 178 111 (28.07%) of the total population. The age category with the second largest number of people is the young children (0-14 years) age category with a total share of 27.52%, followed by the older working age (45-64 years) age category at 21.20%. The age category with the least number of people is the retired / old age (65 years and older) age category with only 48 508 people (7.65%).

### Population structure, Total, 2019 DC18 Lejweleputswa vs. National



In 2019, the Lejweleputswa District Municipality's population consisted of 89% African, 8% White, and 2% Coloured people.

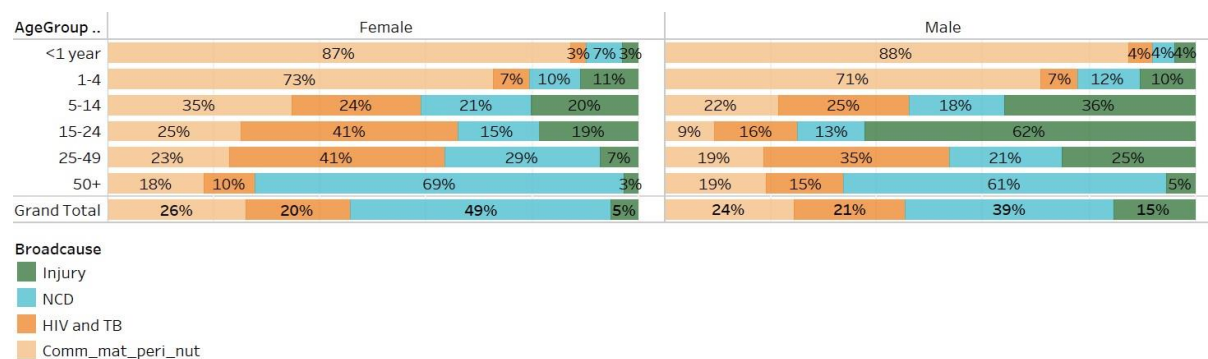
#### 3.1.3. Households

In 2019, the district had a total number of 229 267 households with a population density of 20.1 people per square kilometers. According to the Community Survey, there are 862 child headed households and 85 898 (39.4%) women headed households.

#### 3.1.4. Health Profile

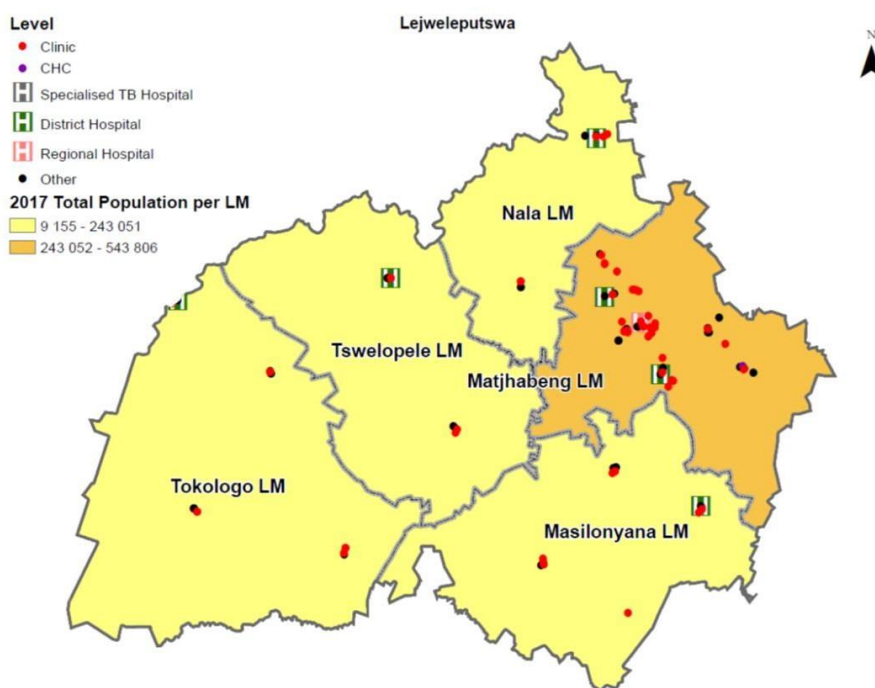
HIV/AIDS is the leading cause of death for the 25-64 age categories, followed by tuberculosis (15.2%) and lower respiratory infections (14.9%). However, AIDS deaths were falling due to the roll-out of antiretroviral therapy, prevention of mother-to-child transmission, the distribution of condoms and medical male circumcision. In terms of maternal conditions, hypertension in pregnancy (28.0%) and indirect maternal (27.0%) were the leading causes of death for females aged between 15-49. Immunization rates stand at 65% and Maternal Mortality Ratio (per 100

000 live births) is 95.2. Nala local municipality and Matjhabeng local municipality had the highest mortality ratio at 139.1 and 102.8, respectively.



Source: Stats SA.

There are 98 310 HIV positive people in the district while teenage pregnancy stands at 10.5% which show an increase from 80 077 individuals in 2008. Between 2010 and 2012, there was a slight decrease in HIV estimates in the district from 80 517 to 79 384 persons. Worryingly, according to Statistics South Africa’s 2017 midyear population estimates, the HIV prevalence was severe between women aged 30 to 34 and men aged 35 to 39 years. Matjhabeng local municipality led in HIV prevalence and AIDS deaths, accounting for 60% in the district. In terms of health facilities, there is total of 43 primary healthcare (PHC) facilities.



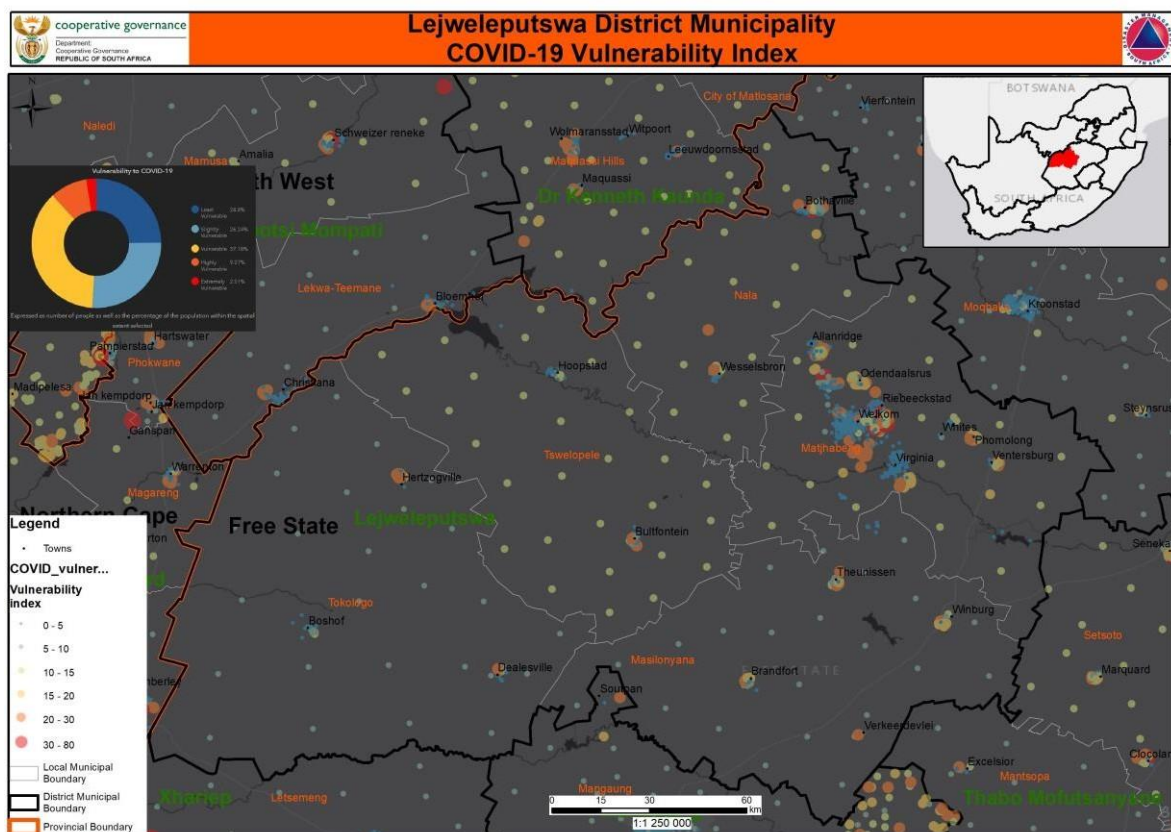
Source: District Health Plan 2019/20-2021/22

### 3.1.5. Covid-19

In respect of COVID-19, as of 04 June 2020, a total of 376 439 people was screened, with 6 confirmed cases and no reported deaths in Lejweleputswa District Municipality.

The Council for Scientific and Industrial Research (CSIR) in collaboration with Albert Luthuli Centre for Responsible leadership have developed a set of COVID-19 Vulnerability Indicators using available data and knowledge. It identifies vulnerabilities present in communities and identifying areas in need of targeted coordinated interventions and early response. The purpose of the indicators is intended to support the early prevention/mitigation and preparedness phase of the disaster management cycle and informing disaster management decision making. It is not based on epidemiological modelling but a response to highlighting intervention areas due to underlying situation. The composition of the index follows two main factors, namely: transmission potential and health susceptibility.

Transmission potential areas identify areas that prevent social distancing to be practiced and where limitations of practicing good basic hygiene. The health susceptibility index denotes areas where large number of people are potential more susceptible to being adversely affected by COVID-10 due to factors such as age and underlying health conditions. The Lejweleputswa vulnerability profile is presented below. The map shows low vulnerability areas (blue dotted areas) versus areas with higher vulnerability (red dotted areas).



The area shows low vulnerability as it is sparsely populated but for the areas around Matjhabeng in Thabong/Brownsville and Nala in Methoosele display extreme vulnerability. Area specific live GIS vulnerability maps are available courtesy of CSIR at: <https://pta-gis-2-web1.csir.co.za/portal2/apps/opsdashboard/#/390a74fb10844c7a85396e60555a866d>

There were 5 quarantine sites in the district with 70 beds. The sites are located in Welkom, Boshof, Bothaville and Dealesville. There were two sites in Tokologo local municipality, two in Matjhabeng and one in Nala local municipality, however none of these were sites activated.

### **3.1.6. Poverty Dimensions**

Lejweleputswa has a South African Multidimensional Poverty Index (SAMPI) head count poverty of 3%, which is an improvement of 6. % in 2011. According to IHS Markit(Global Insight), Lejweleputswa district had 45.9 % of its population living below the lower poverty line in 2019. This is worse than the province at 44%.%. When looking at the multi-dimensional properties of development apart from poverty, the Lejweleputswa district fared marginally better than the country on the following: Household Income Growth 6.7% (South Africa – 5.7) increase in Informal Employment 18.6% (national 17.7%), and Productivity Growth over a 10- year average 0.2% (national -0.1%). In 2019, the Gini coefficient in Lejweleputswa District Municipality was at 0.62.

### **3.1.7. Employed/Unemployed**

In 2019, Lejweleputswa employed 142 000 people which is 18.26% of the total employment in Free State Province (779 000), 0.87% of total employment in South Africa (16.4 million). Employment within Lejweleputswa decreased annually at an average rate of -1.63% from 2009 to 2019.

In Lejweleputswa district municipality the economic sectors that recorded the largest number of employment in 2019 was the trade sector with a total of 28 400 employed people or 20.0% of total employment in the district municipality. The community services sector with a total of 26 400 (18.6%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 1 320 (0.9%) is the sector that employs the least number of people in Lejweleputswa District Municipality, followed by the transport sector with 5 560 (3.9%) people employed.

Employment in Lejweleputswa for both formal and informal sector dropped by 17 720 individuals between 2008 and 2018. This decline was primarily driven by the reduction of employment in the mining and agricultural sectors.

In 2019, there were a total number of 137 000 people unemployed in Lejweleputswa, which

is an increase of 61 800 from 75 100 in 2009. The total number of unemployed people within Lejweleputswa constitutes 33.17% of the total number of unemployed people in Free State Province.

It is reported by IHS Markit Regional eXplorer version 1946 (2019) that Lejweleputswa district municipality registered 50.9% unemployment in 2019. Lejweleputswa is one of the worst municipalities with the highest rate of unemployment in the Free State province. When comparing unemployment rates among municipalities within Lejweleputswa district municipality, Matjhabeng local municipality has indicated the highest unemployment rate of 55.3%, which has increased from 31.9% in 2009. It can be seen that the Tokologo local municipality had the lowest unemployment rate of 26.1% in 2019.

### **3.1.8. Crime**

The South African Police Service (SAPS) Crime Statistics indicate that the overall, the number of contact crimes reported in the 2018/2019 financial year was 10 220. The nature of these crimes included robbery with aggravating circumstance (1 741), common robbery (519), common assault (3 547), sexual offences (987) and murder (298). The murder cases represented a decrease of -8.8% from the previous financial year.

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

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

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

### **3.1.9. Education and Skills Profile**

According to Community Survey (2016), 68% of young people completed Grade 9 or higher and 37,4% completed matric or higher.

#### Educational level

**68%**

Completed Grade 9 or higher

about the same as the rate in Free State: 68.62%  
a little less than the rate in South Africa: 71.77%

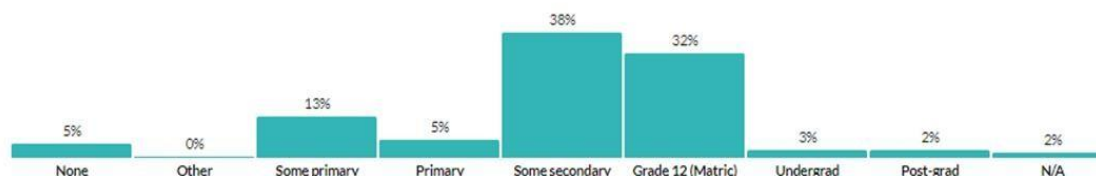
**37.4%**

Completed Matric or higher

a little less than the rate in Free State: 39.69%  
about 90 percent of the rate in South Africa:  
43.37%

Population by highest educational level

Chart Options



\* Universe: Individuals 20 and older

Source: Community Survey 2016

However, in 2019, 18 900, people of the population of Lejweleputswa district (aged 15 years and older) had no education, while 83.9% (aged 15 years and older) of the population had completed primary schooling. The number of people without any schooling in Lejweleputswa district municipality accounts for 19.67% of the number of people without schooling in the province and a total share of 0.85% of the national. In 2019, the number of people in Lejweleputswa district municipality with a matric only was 114,000 which is a share of 21.61% of the province's total number of people that has obtained a matric. The number of people with a matric and a post graduate degree constitutes 16.25% of the province and 0.75% of the national proportion.

Those aged 15 and above who completed secondary education were 114,000 making up 21.6% of the provincial population with matric. In 2019 the matric pass rate in the district was 87.8%, which is comparable to the rest of the districts in the province.

In 2018, the district had a total number of 241 schools in ten circuits (19.8% of the province) and 157 321 learners (22% of the province), an indication of high population density and possible overcrowding in schools (Department of Basic Education, 2017/18 Annual Report).

In terms of higher education, there is one TVET college (Goldfields TVET College) in Lejweleputswa District Municipality. Goldfields TVET College forms part of the fifty registered and accredited public TVET Colleges in South Africa. It operates on 3 Campuses and 1 satellite campus around the Lejweleputswa District Municipality. The college offers a wide range of courses/programmes in business and engineering studies.

The University of the Free State (UFS) has two satellite campuses, one located in Thabo Mofutsanyane and the other in Welkom, Lejweleputswa.

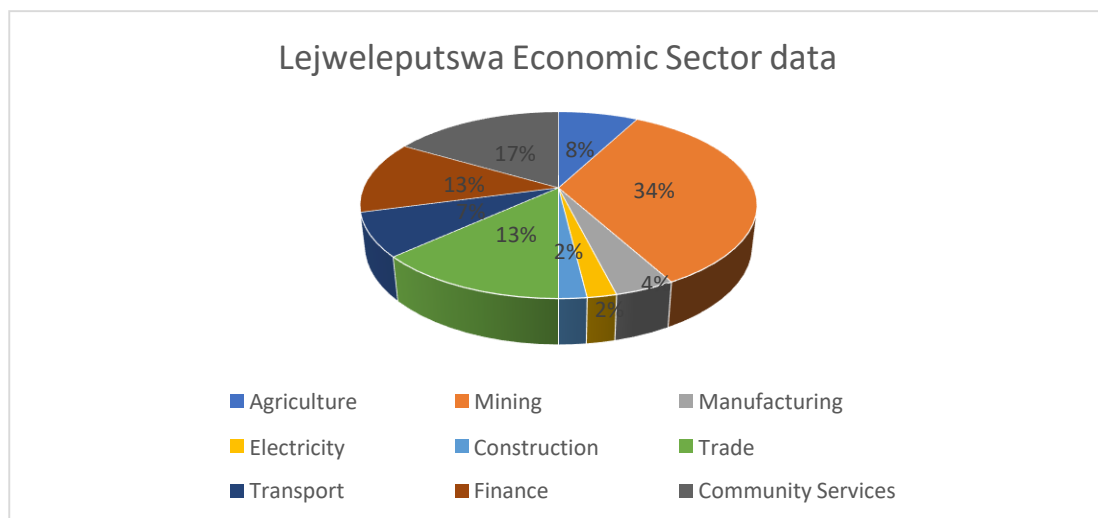


## 4. Drivers of The Economy

### - Structure of the Economy

The economy of Lejweleputswa thrives on mining and farming. The district is rich in gold deposits and lies at the heart of the province's goldfields. In terms of farming, the district is a major producer of maize and sunflower.

Mining and farming as the primary sector of the economy in the district contributed 28.6%. Activities in the secondary sector (manufacturing: 6.9%, electricity: 1% and construction: 5.7%) collectively contributed 13.6% to the GVA of the district. The tertiary sector (trade: 22.7%, transport: 4.4%, finance: 9.9% and community services: 20.8%) accounts for 57.8% of the GVA of the district. Economic activities in the tertiary sector comprises of finance, insurance, real estate and business services, wholesale and retail trade, catering and accommodation and general government sectors.



*Lejweleputswa Economic Sector data Source: IHS Markit Regional eXplorer 1946 (2019)*

In recent years the contribution of mining in Lejweleputswa's economy has been declining due to a number of reasons and recently the effect of lower world commodity prices has fueled the decline of the sector. The share of the primary sector in Lejweleputswa's GVA has also been on a decline, indicating a shift away from the primary sector to the tertiary sector. The community services sector is growing strongly in all of Lejweleputswa's municipalities and is also forecasted to grow further.

## **4.1. Primary Sector**

### **4.1.1. Agriculture**

The Free State is considered the bread-basket of South Africa supplying a significant portion of the agricultural produce. Maize is the main product of Lejweleputswa and the region is also known as the maize capital of South Africa although the municipality is diverse in farming activities. The agriculture industry is important for a number of reasons namely, food security, employment opportunities, the economy, and provides a good foundation for rural development. It is therefore important to protect agricultural land from being transformed into urban related areas. An advantage of this industry is the snowball effect it creates by way of agro-processing and tourism but those will be discussed in detail in the other sections. Irrigation schemes play an important role in agriculture as they prove to yield more compared to crops harvested on dry land. The Free State is mostly characterized by subsistence and large scale commercial farming (IDP, 2020-2021).

Agricultural areas are covered with natural vegetation, used for extensive agricultural enterprises, e.g. indigenous plant harvesting, extensive stock-farming, game-farming, eco-tourism, crop cultivation, citrus, Lucerne, dates, vineyards, intensive stock farming on pastures. The district mainly produces the following grains and vegetables; primarily produces crop production including maize, grain, wheat, potatoes, soya beans, cabbage, ground nuts, carrots, ground nuts, Lucerne, sunflower, and pumpkins (IDP, 2020-2021).

### **4.1.2. Mining**

Mining is the primary sector of the economy in the district. The Lejweleputswa district mining activity is located in Matjhabeng and Masilonyana local municipalities. The minerals mined are gold and diamond, these are precious metals with many uses mainly in jewelry manufacturing. Gold mining is dominant in Matjhabeng. Two considerable gold reserves with an estimated 20-year life span still exist in some parts of Matjhabeng and Nala local municipalities (IDP 2020-2021).

- 1.1.1.1. There is significant potential for mining of low grade coal in Matjhabeng and Nala local municipalities.
- 1.1.1.2. There is some lower value mining potential in salt in the municipalities of Matjhabeng, Masilonyana, Tswelopele, and Tokologo.
- 1.1.1.3. There are also gypsum fields in Tokologo.
- 1.1.1.4. Diamond Kimberlite outcrops are located in the vicinity of Boshoff and Theunissen.

## **4.2. Secondary Sector**

### **4.2.1. Manufacturing**

The manufacturing sector contributes 6.9% to the GVA of the district and is not a dominant sector. Manufacturing in Matjhabeng local municipality, is aimed at the mining sector and exists to a limited extent in the towns of Allanridge, Odendaalsrus, Welkom and Virginia. Welkom has been identified as a specialized economic node with an above-average potential for high value differentiated goods (fuel, rubber, plastics, electronics).

The Harmony Jewelry School is located in Virginia and trains students in the art of jewelry design. The school is intended to form part of the nucleus of a jewelry beneficiation hub.

The Free State Development (FDC) has targeted farm machinery and equipment, leather tanning and finishing, gold jewelry and beneficiation and petrochemicals as these sectors for foreign direct investment. The farm equipment manufacture industries will have linkages with the farmers in the area.

The manufacture of sulfuric acid from gold ore and the mining of gold is another driver of economy in the economy in Lejweleputswa district. The Biofuel Plant in Bothaville produces bio-ethanol from maize and sorghum.

### **4.2.2. Transport**

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

which connects Bloemfontein and Durban passes at

The two national roads N1 (Johannesburg to Cape Town via Ventersburg and Winburg) and the N5 (connects the N1 at Winburg with the N3 at Harrismith) pass through the district. The R64, connecting Bloemfontein to Kimberley via Dealesville and Boshof, passing through Lejweleputswa district municipality is a very busy corridor used to transport manganese to the Durban harbour.

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

### **4.3. Tourism**

Lejweleputswa's tourism is mainly dominated by business tourism and nature-based tourism. This is followed by a range of historical and cultural tourism products. Another of Lejweleputswa's tourism advantages relates to the district municipality's central location in South Africa. There are various tourism assets in Lejweleputswa such as resorts, monuments and museums. Welkom's notable tourism feature is the acclaimed Phakisa freeway, which has been a venue for international events. This is an international standard, multi-purpose motorsports facility.

The Sandveld Nature Reserve, situated around the Bloemhof Dam, and the banks of the Vaal and Vet rivers offers the opportunity to develop resorts as a result of its potential to attract many tourists to the municipality. The culture tourism in Lejweleputswa includes the Nampo agricultural festival, the Phakisa festival and the 80's festival, hosted in Welkom annually. The majority of tourists visiting Lejweleputswa were those visiting friends and relatives. Their number dropped from 295 863 in 2008 to 261 840 in 2017. Those individuals visiting for leisure and business purposes have increased marginally by 3 409 and 3 241, respectively.

Tourism spending as a percentage of GDP in the district rose from 3.1% in 2008 to 4% in 2018. Matjhabeng local municipality was leading this increase in tourism spending from 2.9% in 2011 to 4.4% in 2017. Tswelopele local municipality spending fell from 2% in 2008 to 1.6% in 2017. Masilonyana local Municipality experienced the highest tourism spending that increased from 3.9% in 2008 to 5.1% in 2017.

## 5. Service Delivery Analysis

### 5.1. Human settlements

In the Community Survey (2016), a high number of the households at 76% stay in formal houses which are fully owned and fully paid up, whilst 5% stays in flats in backyard and 1% in apartment.

Households

**217 912**

Households

about one-quarter of the figure in Free State:  
946,637L

less than 10 percent of the figure in South Africa:  
16,923,307L

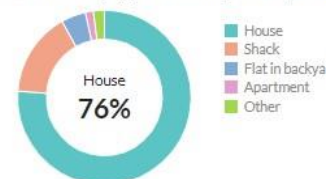
**15.7%**

Households that are informal dwellings (shacks)

about 10 percent higher than the rate in Free State: 13.99%

about 20 percent higher than the rate in South Africa: 12.96%

Households by type of dwelling Chart Options



Source: Community Survey 2016

Household ownership

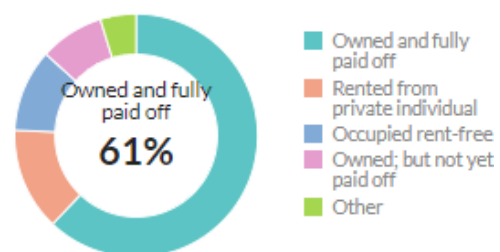
**69.7%**

Households fully owned or being paid off

about the same as the rate in Free State: 69.61%

about 10 percent higher than the rate in South Africa: 64.97%

Households by ownership Chart Options



Source: Community Survey 2016

### 5.2. Water

In 2016 (Community Survey, 2016), 95.3% of households were reported to have access to safe drinking water.

Water

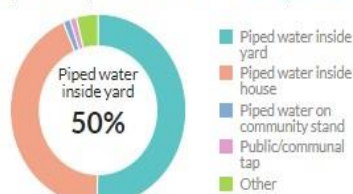
**95.3%** (616 804)

Are getting water from a regional or local service provider

about the same as the rate in Free State: 94.18%  
2,669,748

about 10 percent higher than the rate in South Africa: 86.2% 47,972,825

Population by water source Chart Options



Source: Community Survey 2016

Population by water supplier Chart Options



Source: Community Survey 2016

By 2018, Lejweleputswa District Municipality had a total number of 92 900 (48.66%) households with piped water inside the dwelling, a total of 84 500 (44.25%) households had piped water inside the yard and a total number of 1 870 (0.98%) households had no formal piped water.

The municipality within Lejweleputswa district municipality with the highest number of households with piped water inside the dwelling is Matjhabeng local municipality with 74 600 (80.24%). The municipality with the lowest number of households with piped water inside the dwelling is Tokologo local municipality with a total of 1 690 (1.82%) households.

### 5.3. Sanitation

According to the Community Survey, in 2016, 84, 2% of households had access to toilet facilities either flush or chemical toilets. 1,5% had no access to any toilet facilities, 09% had access to pit latrines facilities, 03% were still using bucket toilets whilst 02% were using other unspecified toilet facilities.

#### Toilet facilities

**84.2%**

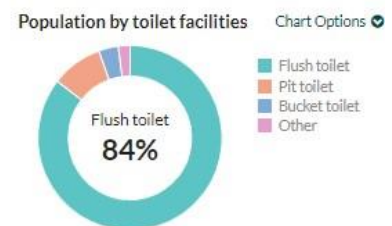
Have access to flush or chemical toilets

about 10 percent higher than the rate in Free State: 74.02%  
about 1.3 times the rate in South Africa: 63.53%

**1.5%**

Have no access to any toilets

about 20 percent higher than the rate in Free State: 1.3%  
about three-fifths of the rate in South Africa: 2.39%



By 2018, Lejweleputswa district municipality had a total number of 160 000 flush toilets (84.07% of total households), 5 310 Ventilation Improved Pit (VIP) (2.78% of total households) and 13 000 (6.83%) of total households' pit toilets. The municipality within Lejweleputswa with the highest number of flush toilets is Matjhabeng local municipality with 113 000 (70.41%) of the flush toilets. The municipality with the lowest number of flush toilets is Tokologo local municipality with a total of 2 910 (1.81%) of the total flush toilets within Lejweleputswa district municipality.

### 5.4. Refuse Removal

In 2018, the IHS Markit indicated that Lejweleputswa district municipality had a total number of 151 000 (79.31%) households which had their refuse removed weekly by the authority, a total of 9 040 (4.74%) households had their refuse removed less often than weekly by the authority and a total number of 18 600 (9.73%) households which had to remove their refuse personally (own dump). The decline can be attributed to the decline in households.

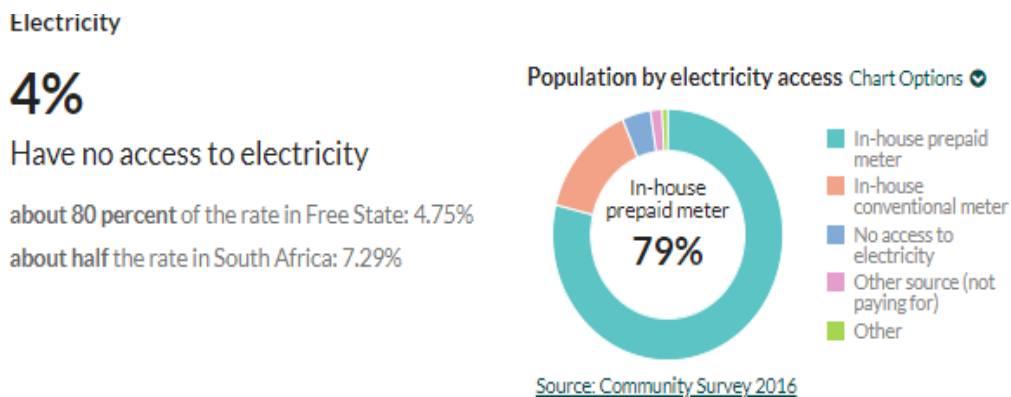
The municipality within Lejweleputswa with the highest number of households where the refuse is removed weekly by the authority is Matjhabeng local municipality with 108 000 (71.36%) of the households in Lejweleputswa.

The municipality with the lowest number of households where the refuse is removed weekly by the authority is Tokologo Local Municipality with a total of 3 890 or a share of 2.57% of the total households where the refuse is removed weekly by the authority within the district municipality.

When looking at the number of households with no formal refuse removal, it can be seen that in 2008 the households with no formal refuse removal in Lejweleputswa District Municipality was 30 300, this increased annually at 0.05% per annum to 30 500 in 2018. The total number of households within Lejweleputswa District Municipality increased at an average annual rate of 0.38% from 2008 to 2018, which is higher than the annual increase of 2.13% in the number of households in South Africa.

### 5.5. Electricity

In 2016 all the municipalities in the district achieved access to electricity of above 85.6%. 79% had in-house prepaid meter, 15% has in-house conventional meter, 4% had no access to electricity, 2% had electricity from other sources not paid for and 1% had electricity from other sources.



By 2018, Lejweleputswa district municipality had a total number of 3 720 (1.95%) households with electricity for lighting only, a total of 175 000 (91.56%) households had electricity for lighting and other purposes and a total number of 12 400 (6.50%) households did not use electricity.

## 6. GOVERNANCE

Lejweleputswa received an unqualified audit opinion. The audit outcome trends of local municipalities in Lejweleputswa are not encouraging. The reality is that at many of these municipalities have regressed in the 2017/18 financial year.

### 6.1. Municipal Performance

Among some of the observations by the Auditor-General is the municipal leadership's failure to continuously strengthen the foundation of internal controls and the monitoring thereof. An example of such a shortcoming was Masilonyana municipality being affected by instability. Matjhabeng, Nala and Tswelopele were no different. Tokologo remained unchanged with a disclaimer. Lejweleputswa received an unqualified audit opinion as depicted below.

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

*Audit Outcomes Source: Department of Cooperative Governance, Free State, 2019*

### 6.2. Institutional Capacity

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

Lejweleputswa	Number of times reported on MM position	Number of times indicated MM filled	Number of times indicated MM vacant
Lejweleputswa	9	9	0
Masilonyana	11	11	0
Matjhabeng	0	-	-
Nala	0	-	-
Tokoloko	4	4	0
Tswelopele	10	10	0
<b>Total</b>	<b>34</b>	<b>34</b>	<b>0</b>

*Municipal Managers Occupancy and Vacancy Rates Source: Lejweleputswa Performance Report, 2018/2019*



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

For the July 2018 and June 2019 reporting period, the district municipality had an average of 100% occupancy rate of Section 56 managers. Local municipalities' representation varied with an average occupancy rate of less than 100% with Masilonyana local municipality having the lowest occupancy rate at 25%.

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

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

Occupancy reports for the positions of the CFOs showed that Lejweleputswa and Tswelopele local municipalities had their positions filled. The conditions were different in Masilonyana local municipality that declared a vacancy for the seven months in the 11 that they reported. Tokoloko local municipality had no CFO during the reporting period.

## **7. Projects to Diversify and Grow the Economy**

### **7.1. Economic Project**

#### **7.1.1. Bothaville Bio-Fuel (Ethanol) Plant**

The Lejweleputswa Local Economic Development Strategy 2015, identifies the Bio- Fuel (Ethanol) Plant in Bothaville as one of the district economic Nodes. The Biofuel Plant in Bothaville produces bio-ethanol from maize and sorghum. These type of nodes focus on the manufacturing industry and therefore encourage industrial development within the node.

The ideal locality and dominance of grain and sunflowers in Bothaville make it suitable to be selected as the site for the first ethanol plant in the country.

Lejweleputswa district just like both the Provincial and National Departments is committed to unleashing the potential of the Green Economy in the area. The Free State Development Corporation (FDC) expressed support in the idea of the province becoming a leader in biofuels production.

#### **7.1.2. Environmental features**

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

Wetlands cover 37 304.9ha (5.7%) of the total area size of Lejweleputswa. The district municipality also has a large number of Ecological Aqua areas that support the endangered and water species. The area around the Agri Park in Wesselsbron is an Ecological Support Area characterized by mainly aqua environment and species.

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

Rivers flowing through and in close proximity to the district municipality play a major role in providing water to Lejweleputswa. The Vaal, Modder, Vals, Sand and Vet Rivers are the essential sources of water supply in Lejweleputswa. The Bloemhof, Erfenis and Allemanskraal Dams provide drinking water to rural towns, the communities and farmers in the district municipality.

## **8. IMPACT SIGNIFICANCE**

### **8.1. Constraints and Limitations**

the assessment of social impact significance is primarily qualitative, although quantitative information may be utilized. Significance is so closely tied to social values, of which there may be competing sets, that the assessment must necessarily be fundamentally qualitative. The assessment is nonetheless based on a consideration of the likely magnitude of impacts combined with expert judgement, unless otherwise specified. The assessment only considers the impacts of the proposed project and the no-go option and does not make comparisons with other mining projects except insofar as cumulative impacts of any other projects plus others approved in the vicinity considered.

### **8.2. Impact Significance Methodology**

Due to the very limited information available on the project at this time and the lack of access to other specialist reports, a preliminary, qualitative significance assessment has been done based on information on the project socio-economic environment, literature and the authors experience.

### **8.3. Socio-Economic Impact Mitigation and Management**

The mitigation and management measures can be addressed as follow:

- Maximize positive impacts through tendering, procurement and employment policies;
- Set targets for use of local labour
- Implement a training programme to upskill local and regional candidates for the longer term employment in the mining operation;
- Use local subcontractors where possible;
- Establish a community liaison committee for the project that will have an auditing function on socio-economic issues, hence also enhancing transparency in the operations;
- Implement and HIV/Aids awareness programme for all construction and operations phase workers from the outset of the project;
- All employees are to sign Code of Conduct that lays out dismissible offences such as gender violence, trespassing and poaching on neighboring lands, etc.
- Implement measures to assist and, if need be, fairly compensate potentially affected surrounding landowners whereby damages to farm property, stock theft or significant disruptions to farming activities can be minimized and/or reduced;
- Draw up a fire management plan prior to construction in agreement with neighboring land owners;
- Maintain close liaison with local municipality and stakeholders involved to enhance capacity to deliver economic development programme;

## 9. Concluding Statement

This author has no strong opinion, from a socio-economic point of view, as to whether the Viljoenshof mining projects should be permitted.

The following factors in favor of a positive decision are observed:

- The proposals are aligned with the prescribes of the Department of Mineral Resources;
- The proposed projects are aligned with spatial plans for the sub-region in which they are proposed;
- The Tokologo Local Municipality and broad community of Boshof will benefit from new mining developments in the area;
- The land to be developed is relatively low capacity, low value grazing land, will have no significant effect on present grazing activities linked to the property.
- The significantly poor portion of Boshof community and residents will benefit from job opportunities offered by the project;
- Developmental opportunities will be afforded to the Tokologo Local Municipality, particularly Boshof itself, by means of increased circulation of money generated by the mining project.

The following factors supporting a negative decision are observed:

- The mining project has the greatest likelihood of negatively affecting the game farming activities of the landowner, as well as neighboring farms
- Other economic opportunities for local communities can be limited due to new sophisticated technology versus limited experience in the area;
- The cumulative effect of mining development in the Boshof area will negatively affect the landscape quality;
- The Boshof community's interests are not uniform nor unified: there are farmers who are opposed to mining development in the area on the basis of its potential to reduce property values, reduce land area available for productive farming and disrupt the farming lifestyles that have prevailed here for generations.

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