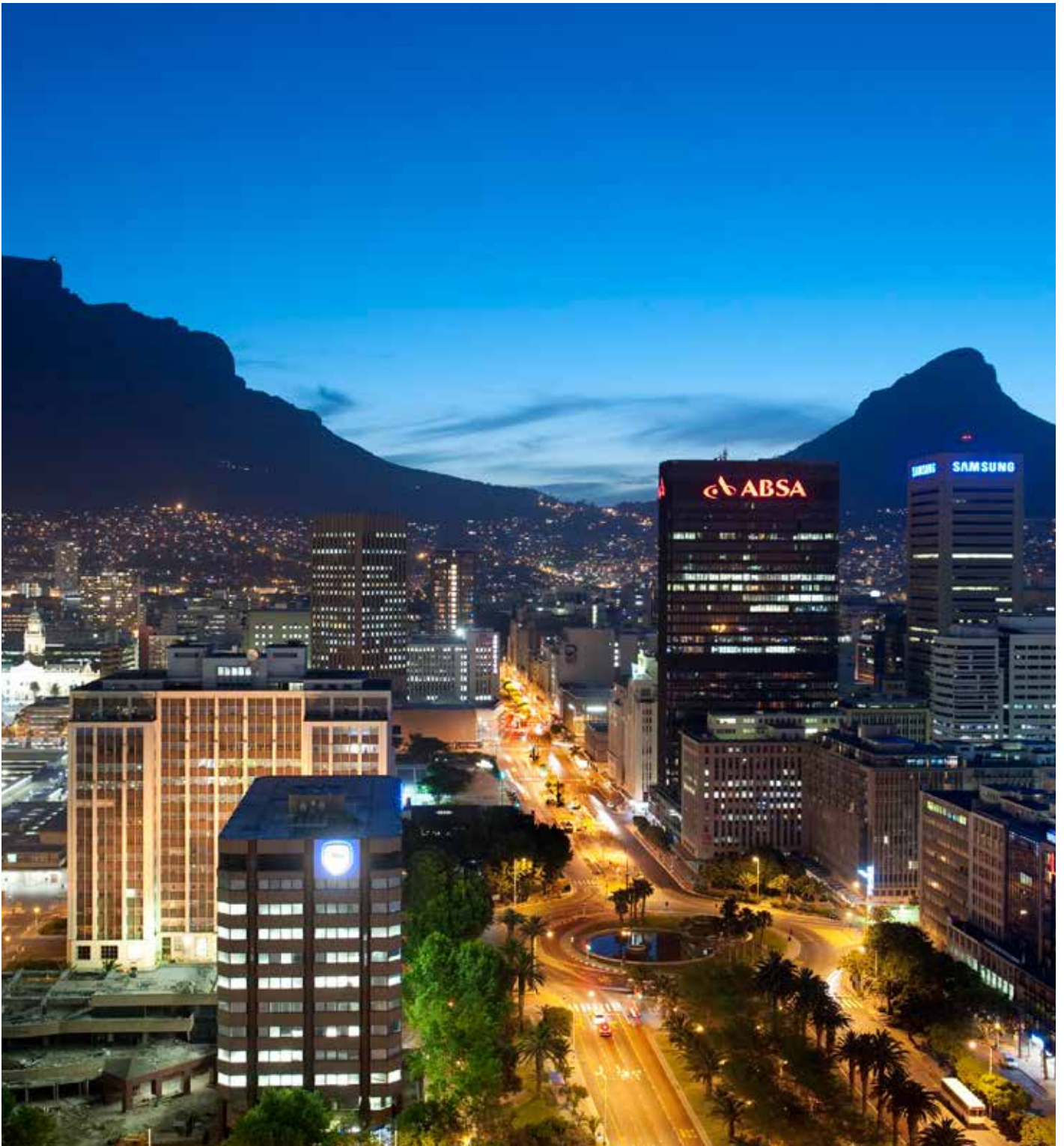


INTEGRATED ANNUAL REPORT

2012/13



CITY OF CAPE TOWN | ISIKENO SASERAPH | STAD KAAPSTAD

THIS CITY WORKS FOR YOU

INTRODUCTION

THE CITY OF CAPE TOWN'S

VISION & MISSION

The vision and mission of the City of Cape Town is three-fold:

- To be an opportunity city that creates an enabling environment for economic growth and job creation, and to provide help to those who need it most
- To deliver quality services to all residents
- To serve the citizens of Cape Town as a well-governed and corruption-free administration

In pursuit of this vision, the City's mission is as follows:

- To contribute actively to the development of its environmental, human and social capital
- To offer high-quality services to all who live in, do business in or visit Cape Town as tourists
- To be known for its efficient, effective and caring government

Spearheading this resolve is a focus on infrastructure investment and maintenance to provide a sustainable drive for economic growth and development, greater economic freedom, and increased opportunities for investment and job creation.

To achieve its vision, the City of Cape Town is building on the strategic focus areas it has identified as the pillars of a successful and thriving city. These focus areas form the foundation of the City's five-year Integrated Development Plan and are as follows:



THE OPPORTUNITY CITY

Pillar 1: Ensure that Cape Town continues to grow as an **OPPORTUNITY CITY**



THE SAFE CITY

Pillar 2: Make Cape Town an increasingly **SAFE CITY**



THE CARING CITY

Pillar 3: Make Cape Town even more of a **CARING CITY**



THE INCLUSIVE CITY

Pillar 4: Ensure that Cape Town is an **INCLUSIVE CITY**



THE WELL-RUN CITY

Pillar 5: Make sure Cape Town continues to be a **WELL-RUN CITY**

These five focus areas inform all the City of Cape Town's plans and policies.

Front cover:

The City of Cape Town takes an integrated approach to realising its vision of ensuring that all residents of and visitors to Cape Town experience the best services, facilities and opportunities.



About this Annual Report

This 2013 Integrated Annual Report offers stakeholders and interested parties a comprehensive overview of the operations, activities and performance of the City of Cape Town for the 2012/13 financial year. As such, the content of the report is aligned with the strategic focus areas and underlying objectives of the City's Five-Year Integrated Development Plan, and is also informed by a number of other plans and documents produced by the various City directorates and business areas, including the following:



The Five-Year Integrated Development Plan (2013 Review)



The Integrated Human Settlements Five-Year Strategic Plan, July 2012 – June 2017 (2013/14 Review)



The Integrated Transport Plan 2013



The Traffic Accident Report 2013



The 2012/13 – 2014/15 budget



The 2012/13 integrated annual report

Each of the publications mentioned above offers comprehensive information and data about the components of the City's five strategic pillars that are relevant to its readers or to the stakeholders of the directorate that produced it.

While this means that each publication can be read independently of the others, the suite of books should preferably be considered in its entirety to gain a comprehensive understanding of the City's planning, performance and budgeting structures.

Please note that references to 'the City' in this report refer to the administration, while 'the city' refers to the geographical area of Cape Town.



While significant challenges still confront our city, primarily as a result of rapid urbanisation, I am confident that we are making progress in delivering on the objectives of the IDP.

South Africa is confronted with numerous challenges. These include an increasing demand for service delivery in the face of urbanising populations who are characterised by high levels of unemployment and poverty. The solutions we once thought would effectively deliver social change and services have not always been up to the task.

These times of change must be met with ideas of change. And we must all have the courage to initiate a new era if that is what it will take to answer the big questions that have been left hanging in the air in recent times.

While the lives of the majority of the population have improved in the past 19 years, such improvement has not gone as far as it could have. This is confirmed by the findings of Census 2011. Where rural areas have collapsed and people are desperate for jobs, only 'the big city' offers hope. And in our region, the City of Cape Town can play a part in making that hope a reality for as many people as possible.

The 2012/13 financial year marked this administration's second year in office. It saw the City accelerate its efforts in implementing the five overarching strategic focus areas (SFAs) of the Integrated Development Plan (IDP), namely the opportunity city, the safe city, the caring city, the inclusive city and the well-run city.

These SFAs have been developed into a clear programme of action, which has seen the City deliver on a range of initiatives, all aimed at improving the lived reality of all residents of Cape Town. We have worked hard to further ensure that these IDP SFAs and their related objectives are aligned with the strategic intent of the Provincial Government of the Western Cape ('Province') as well as National Government's National Development Plan.

While significant challenges still confront our city, primarily as a result of rapid urbanisation, I am confident that we are making progress in delivering on the objectives of the IDP.

Cape Town has received its tenth consecutive unqualified audit, has scored the highest external credit rating possible for a municipality, and has ensured that we remain in a strong overall financial position in an otherwise difficult economic environment. This fiscal prudence has helped ensure that the City spent 94,3% of its capital budget in the 2012/13 financial year. The R5,87 billion spent on capital projects is the highest rate of expenditure on such projects in the country. In line with our stated commitment to infrastructure-led growth, the City prioritised expenditure on repairs and maintenance, with a record R2,6 billion allocated for this purpose. This is the reason why we continue to have excellent water, electricity and road networks, amongst others.

I am particularly proud of the fact that the City, through its focus on redress, continues to prioritise the needs of the poor and the vulnerable, with 64% of the budget having been allocated to indigent relief in the form of free basic

services and rates rebates, as well as through direct service delivery to the poor. To provide further relief to vulnerable citizens, the City placed great emphasis on the Expanded Public Works Programme (EPWP), with 35 556 work opportunities created in the past financial year for those most in need of assistance.

Our further redress initiatives, such as the provision of basic services to backyarders, an inclusive street and public-places renaming process, lane closures in Mitchells Plain, and accelerated investment in service delivery in informal settlements, are all evidence of our commitment to dealing with the inequities of the past.

We have also made significant progress in a number of areas that will fundamentally change the nature of the city in the future, especially the spatial legacy of apartheid. In this regard, we have moved closer to the realisation of our vision of an integrated public transport system for Cape Town with the launch of Transport for Cape Town (TCT). This entity will manage all public-transport operators in the city, with uniform standards for infrastructure, ticketing, facilities, operations and enforcement. In terms of the roll-out of integrated rapid transit (IRT) services, we have made steady progress in building more MyCiTi bus stops to accommodate the introduction of additional routes in and around the city, and we are well on track to extend the link for the express service to Khayelitsha and Mitchells Plain by the end of 2013.

We have continued to make the necessary investments in critical infrastructure to enable economic growth. This includes our investment in broadband infrastructure, which has been allocated R222 million for the next three years. In rolling out this network, the City aims to reduce municipal facilities' telecommunication costs and improve their high-speed data communication, thereby improving service delivery. The City also remains intent on utilising any spare capacity on this network to attract service providers to offer broadband services to communities that have previously been underserved.

We have aligned our policies and programmes with the National Development Plan (NDP) as part of our broader plans to position Cape Town as the city of the future. We have also adopted cutting-edge economic growth and social development strategies that are structured to complement one another and to reposition the City's thinking to provide a 'whole organisation' approach to economic and social development.

In so doing, the City is poised to introduce a range of both 'hard' and 'soft' incentives that will help attract investment and drive economic growth, development and inclusion. This, in turn, will help to ensure that we start to reduce poverty in the city.

One of the more exciting developments during the last year was the launch of the 'Cape Town Honours Nelson Mandela 2013' initiative as part of the City's broader plans to honour Madiba's legacy throughout 2013. As part of this, the multimedia Nelson Mandela legacy exhibition, which will be on display in the Civic Centre until March 2014, has generated a great deal of public interest.

The City has also been working hard to leverage its tenure as World Design Capital 2014 by embarking on a range of initiatives that will harness the power of design to transform the face of Cape Town. We received thousands of proposals for design projects, and the selected projects will form a key part of the World Design Capital 2014 legacy project.

As part of our stated objective of positioning Cape Town as the events capital of the continent, the City hosted a range of successful sporting and cultural events over the past financial year, including the Cape Town International Jazz Festival, the Cape Argus Pick n Pay Cycle Tour, Mercedes-Benz Cape Town Fashion Week, the Two Oceans Marathon, the Cape Town Carnival and a number of high-profile, international music concerts.

All of these accomplishments are the result of the combined efforts of all City officials, many of whom go the extra mile to ensure that this City meets the service delivery needs of its residents. I would like to thank the City Manager and the administration for all their efforts in this regard. Having become the best-run metro in the country according to a number of indicators, we now set our sights on competing with other mid-sized cities internationally, especially in positioning the City of Cape Town as a metro leader in the developing world. I am confident that, as we go into the future, we will make this great city even greater.



ALDERMAN PATRICIA DE LILLE
Executive Mayor



Only by being a well-run administration can we ensure that we are delivering the services and opportunities that Cape Town's people and businesses need to create the futures they deserve.

In order to achieve its vision for Cape Town and all its people, the City of Cape Town operates according to a clearly defined and carefully developed strategy. We have spent extensive time and resources on developing, refining and converting this strategy into action, so that it can form the solid foundation on which the City can work for all the people, businesses and communities of Cape Town.

The City of Cape Town has been lauded for its administrative and governance standards. However, this will not see the City now rest on its laurels, but the administration will continue to pursue international benchmarks for governance excellence in order to be able to compete with other cities across the world.

Of course, to be effective, the five pillars on which the City's strategy has been built need to be more than just a strategic framework for the City's plans. They must also be the basis on which we act, spurring us to action, so that our ambitious vision becomes a tangible reality for the benefit of every stakeholder and citizen of Cape Town.

One of the most important aspects of an excellent administration is to be able to convert Council's strategies into implementable plans, and then to ensure that those plans are implemented. As an action-oriented administration, we know that the people of this great city want action and not just words. They want results instead of just plans. And they want – and deserve – delivery and not just promises. As you will clearly see from the content of this 2012/13 Integrated Annual Report, the City of Cape Town has been able to deliver on its promises, and has transformed these strategies into real actions that drive actual city growth and development.

The results show that the City has been able to spend 94,3% of its capital budget during the 2012/13 financial year. This has contributed to the provision of economic infrastructure that not only provided for economic growth and development, but also assisted in enhancing and uplifting the living conditions of individuals and communities, as well as the practical creation of jobs, either directly or indirectly, through promoting, encouraging and enabling investment in the city.

In order to provide excellent services to the people of Cape Town, the administration needs to be motivated, resourced and focused. In this regard, the City has made great strides in improving access to services for all. Roads are well maintained and uninterrupted water, waste and electricity services are provided. In the past year, we had to contend with service protests, especially in respect of sanitation services. Good progress has been made in addressing public concerns, but much still needs to be done to give all the people in the city access to quality water-based sanitation facilities.

Importantly, however, having a home and access to services is not all that people need to feel as if they truly belong.

That is why it is so important that we concentrate on also making Cape Town an inclusive city. This means creating a true sense of belonging for all people, so that every person knows they have a real stake in the future of the city. We all need to know that we are valued as people; that our opinions, culture and heritage matter, and that our input is heard and acted upon.

Of course, our objectives will not be achieved if there is any doubt as to the commitment, credibility, honesty and transparency of the City itself. Only by being a well-run administration can we ensure that we are delivering the services and opportunities that Cape Town's people and businesses need to create the futures they deserve.

We strive to create an environment where every person knows that their well-being is a top priority and where they can get the help and services they need to live the life they desire and deserve. Translating this vision into action requires a focus on ensuring that all Capetonians, regardless of income, have the opportunity to put a roof over their heads and enjoy affordable and easy access to health services, community facilities and recreational opportunities.

This strategy does not consist of separate compartments or silos. It requires absolute commitment to collaboration, partnership and close working relationships. And I am happy to say that the past year has been characterised by such co-operation and mutual commitment from all the City's stakeholders.

If you are reading this report, you are one of these stakeholders, and I would like to take this opportunity to thank you for your interest, support and commitment to contributing to the many successes achieved by the City of Cape Town over the past financial year. As an administration, we know that we will never realise our vision for Cape Town on our own – and we are immensely grateful to every staff member, service provider, business partner and citizen who shares our vision of a great future for all.

I would also like to express my heartfelt thanks to all our valued regional, provincial and national partners, the Premier of the Western Cape as well as Executive Mayor Patricia de Lille, whose vision, passion and selflessness are an inspiration to so many.



ACHMAT EBRAHIM
City Manager

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Denotes:



National Development Plan

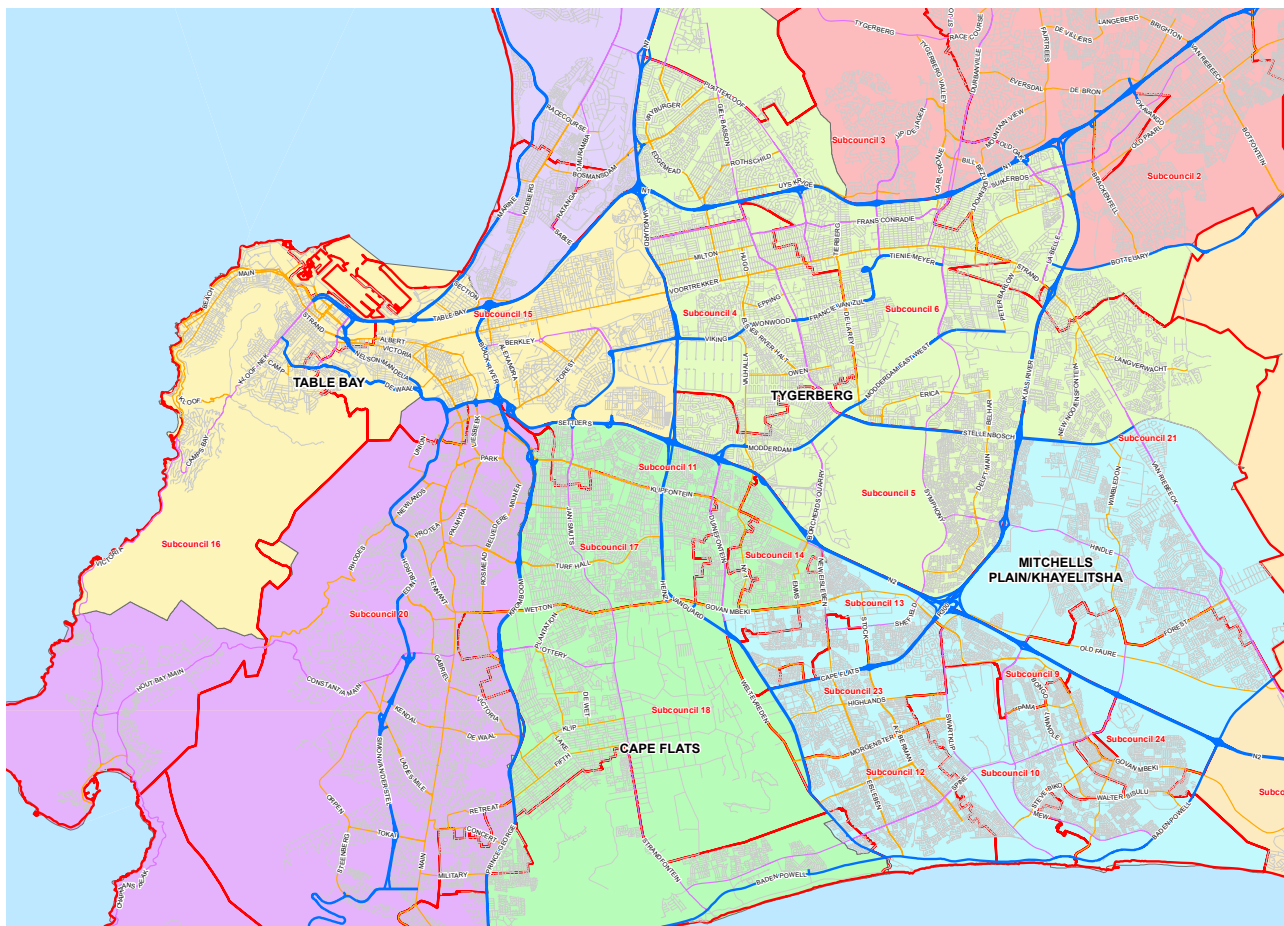


Objectives delivered



More online

INTRODUCTION



Service map

This 2012/13 Integrated Annual Report is the second in which the City of Cape Town has consciously attempted to formally align its reporting more closely with its integrated operational and strategic approach. To this end, the report attempts not only to provide information on the City's financial performance, but also to outline its achievements and challenges in respect of all its identified material sustainability issues.

This reporting approach is in keeping with the City's commitment to adhere to the requirements and recommendations of the *King III Report*, which sets out international best practices for the governance of private and public organisations, including a recommendation that these organisations undertake integrated reporting. However, the City acknowledges that the principles of formal integrated reporting are relatively new to the administration, and, as such, this form of reporting will continue to be refined and enhanced in future annual reports.

In order to achieve the desired level of integrated reporting, the following material sustainability issues are covered in this 2012/13 Integrated Annual Report:

- Efforts to mitigate carbon emissions and help address climate change
- Efficient water supply, use and management
- Efficient energy supply, use and management
- Effective waste management
- Economic sustainability through fiscal prudence
- Effective and transparent governance and risk management
- Achievement of environmental sustainability and biodiversity objectives
- Sustainable land use and development
- Customer communication and satisfaction measurement
- Sustainable procurement
- Infrastructure maintenance and development
- Transformation, diversity and talent management

HIGHLIGHTS OF THE 2012/13 FINANCIAL YEAR

Record spend of
R2,6 billion
on repairs and
maintenance



Operating expenditure of
R23,92 billion
(operating revenue: R27,36 billion)

 Single Cape Town
Zoning Scheme
promulgated

80,7% of building
plan applications approved
within statutory timeframes
(target: 80%)



3 113 329
passenger journeys
undertaken on MyCiTi
public transport
(target: 2 450 000)



94,3%
of capital budget spent
– a record R5,87 billion



954 external training
opportunities created,
including in-service training,
learnerships, graduate
internships and bursaries
(target: 625)



84% of
emergencies responded
to within 14 minutes
(target: 75%)



35 556

Expanded Public Works
Programme job
opportunities created
(target: 35 000)

99,3%
compliance with
drinking-water standards
(target: 98%)



5 043

sanitation service
points provided
(target: 3 000)



City receives **10th**
consecutive unqualified
audit from Auditor-
General



314 apprentices
hired by the City
(target: 230)





Cape Town is one of the most visited tourist destinations on the entire African continent.



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OVERVIEW OF THE CITY OF CAPE TOWN

ABOUT CAPE TOWN

Cape Town is the oldest city in South Africa, with the second-biggest population of all cities countrywide. It is also the legislative capital of South Africa and the administrative and economic hub of the Western Cape. Thanks to its extensive heritage and world-renowned attractions, Cape Town is one of the most visited tourist destinations on the entire African continent – a fact that has helped the city develop into a vital economic hub and key driver of African and South African economic growth and development.

The steady growth of Cape Town's population poses many challenges to its effective management. This trend is not expected to change: The city's population is projected to reach approximately 4,2 million by 2030 (Dorlington, 2000), which will most certainly add to the challenges the administration faces.

To ensure that it is able to meet and overcome these challenges, the City of Cape Town has a clear vision to create a more inclusive society by working towards greater economic freedom for all people of the city. This requires an increase in opportunities through the creation of an economically enabling environment in which investment can be optimised and jobs can be created. To achieve this vision, the City is committed to building on the following five pillars it has identified as the cornerstones of a successful and thriving city:

1. An opportunity city
2. A safe city
3. A caring city
4. An inclusive city
5. A well-run city

These five pillars serve to translate the City's electoral mandate into its organisational structures, and to focus its service delivery.

AN INTEGRATED APPROACH TO ACHIEVING THE CITY'S VISION

To ensure that all residents of, and visitors to, Cape Town experience the best services, facilities and opportunities, the City takes a highly integrated approach to realising its vision. This is clearly set out in its Five-Year Integrated Development Plan (IDP), in the form of a number of focus areas, priorities and objectives. The IDP represents the City's strategic guideline that informs all planning, management, development and service delivery actions. It is structured according to the same five pillars or strategic focus areas as outlined above, which are each translated into measureable objectives, programmes and deliverables. This 2012/13 Integrated Annual Report is closely aligned with these objectives and programmes as set out in the City's 2012/13 review of its Five-Year

IDP. It offers an overview of the City's achievements and challenges in terms of meeting its strategic IDP objectives.

UNDERSTANDING THE BACKDROP

The State of Cape Town Report 2012 provides information on, and analysis of, the current opportunities and challenges facing Cape Town, while also highlighting issues that need to be kept track of and attended to as the City moves forward, into the future. The report covers five themes: people, the natural environment, the economy, urban growth and form, as well as urban governance. The full State of Cape Town Report 2012, can be found at http://www.capetown.gov.za/en/IDP/Documents/StateCT_report.pdf.

An overview of Cape Town's demographics

At the time of Census 2011, the population of Cape Town constituted 3 740 026 people made up of 1 068 572 household units. Cape Town's total population grew by almost 30% between 2001 and 2011, and by 46% between 1996 and 2011. The total number of households in Cape Town grew from 777 389 in 2001 to 1 068 572 in 2011, an increase of 38% over a 10-year period. Thus, the growth in number of households exceeded the growth in population.

A substantial proportion of the new households are located in informal structures, either in informal settlements or backyard dwellings. There has been a substantial increase in the number of Cape Town households living in backyards off a low base, constituting a 244% growth from 1996 to 2011. This increase in backyard dwellings suggests a need for more low-income housing.

Growth of households living in dwellings

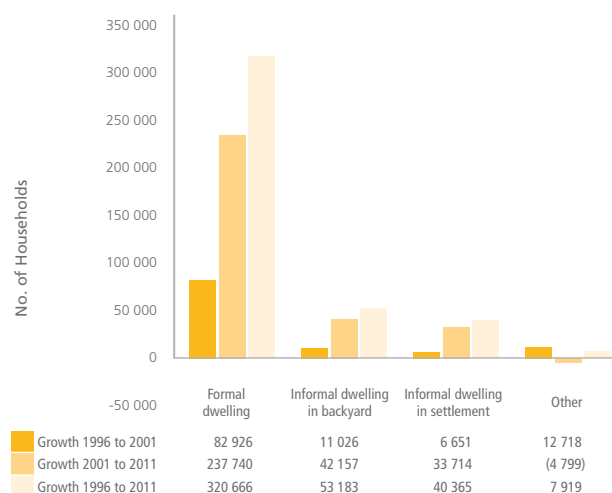


Figure A1: Growth in Cape Town households by dwelling type, 2011

Source: Development Information & Geographic Information Systems, using Census 2011 data

Health

HIV/Aids and tuberculosis (TB) are the key health challenges facing Cape Town residents. While HIV prevalence in Cape Town is stabilising, it is still at a high level. The 2010 antenatal survey showed an HIV prevalence of 19,1% in Cape Town. TB incidence often coincides with HIV/Aids prevalence. The TB incidence in Cape Town remained fairly stable though high, at below 900 every year between 2003 and 2009. In 2012, 27 481 TB cases were reported in Cape Town, with an incidence rate of 705 per 100 000 of the city's population.

Education

The relatively high rate of adult illiteracy is a major contributor to the still unacceptably high levels of unemployment both nationally and in Cape Town. According to the Census 2011, approximately 53% of the total population in Cape Town aged 20 years and older have had less than 12 years of schooling. Around 8% have left school by Grade 7 and are therefore considered functionally illiterate. A further 1,8% have never attended an educational institution.

Income poverty

As in the rest of South Africa, poor households and individuals in Cape Town predominantly struggle with unemployment and lack of income. In 2011, indigent households in Cape Town, being those who had applied for indigent status and met the City of Cape Town's criteria, made up 21% of the total number of households in the city. According to Census 2011, 47% of Cape Town households reported a monthly income of R3 200 and below (the income level used by the City of Cape Town to indicate poverty), a growing proportion of the total number of households in Cape Town, largely from the black African, Coloured and Asian population groups, reported dependence on social grants. This suggests that income poverty is increasing and deepening, and were it not for social grants, more households and residents would be in dire circumstances.

Crime

Cape Town's overall crime levels in 2012/13 were around twice the national average, with the overall crime rate in the city reaching 8 514 against a national rate of 4 162 per 100 000 people. This constitutes one of the city's strategic challenges. Drug-related crimes and murder are among the most frequently occurring serious crimes in Cape Town, and have a higher incidence in Cape Town than in the other major metros. The exceptionally high prevalence of violent and especially drug-related crimes in Cape Town constitute a major challenge that affects communities' resilience in the long term.

Cape Town's main challenges and opportunities

- **Global conditions** – Where investment in the developing world does occur, it tends to be directed to developing economies that have built competitive advantages, either through economies of scale in particular industries or through conditions deliberately fostered to aid business rather than restrict it. Developing-world investors look for similarly favourable investment climates, and are motivated by the logic of financial success rather than social imperatives.
- **National economic conditions** – While the City is responsible for economic development in the region, it does not have control over many key levers that affect the economy. It also has no authority over the national division of revenue, labour legislation and state-owned enterprises (SOEs), including key access points to Cape Town.
- **Demographic and social challenges** – Cape Town's population is projected to grow to 4,2 million by 2030. This growth exacerbates the range of challenges the city faces along with the rest of South Africa, including unemployment, poverty, crime, substance abuse and HIV/Aids and TB.
- **Preserving natural wealth** – The environmental challenges that the City of Cape Town faces include the need for climate change adaptation and mitigation, conservation of unique biodiversity, natural landscapes as well as ecosystem goods and services, and the need to deal with increasing resource scarcity. Cape Town is vulnerable both to the environmental effects of climate change (like rising sea levels and changes in rainfall patterns) and the impacts of resource depletion (such as water scarcity and the depletion of oil reserves). One of the many social challenges associated with climate change and resource depletion is the potential rise in fuel, energy, water and food prices that may threaten social and economic stability and advancement. Cape Town is home to no fewer than six endemic vegetation types. Being endemic, these types can only be conserved within the boundaries of Cape Town, as they occur nowhere else in the world. Currently, approximately 40% of the City's biodiversity network is under formal conservation management. Water quality in the city is another key environmental and social issue, especially in relation to maintaining the quality of the city's coastal waters, rivers and vleis.
- **Waste generation** – Increased recycling by the city's population, along with improvements in solid waste disposal, has the potential to decrease the demand for landfill. However, still only a small percentage of Cape Town residents currently recycle their waste, and there is enormous scope for improving recycling practices.

OVERVIEW OF THE CITY OF CAPE TOWN

- **Urban growth and form** – In terms of population, Cape Town is significantly smaller than most of the world's major cities. However, it faces similar developmental challenges and will require a major focus on physical and economic infrastructure as well as human capital development. The poorest households live on the outskirts of the city, putting them furthest away from potential employment opportunities and making them least able to afford the costs of urban sprawl. Most often, poorer residents have to commute longer distances and times, using public transport modes that are currently not optimally integrated. Recently, the city has been developing at an average rate of 1 232 hectares per year.

Cape Town's geography with its long coastline and mountains, the airport location and other hazardous, noise-generating activities limit the amount of land available for development, and make it essential that any such development is effective and efficient. That said, the average population density for the city is low, at 39 persons per hectare. One of the city's challenges is to transform its spatial and social legacy into a more integrated and compact city, with mixed-use zoning areas that bring residents closer to work and offer opportunities to break down the social barriers.

As part of its commitment to evidence-based planning, the City has begun tracking over 70 business areas across Cape Town, systematically assessing the current performance and long-term growth potential of each area. This ground-breaking research initiative – a first for South Africa – harnesses a broad range of City and open-source data to identify local barriers to investment and opportunities for growth. Not only will this credible and up-to-date information help guide the spatial targeting of City interventions, but will also be shared with the business community via a web-based information platform, which is to be launched next year.

THE CITY'S SPATIAL DEVELOPMENT FRAMEWORK

Spatial planning is about anticipating long-term change (and the pressures and opportunities that emerge from it) and articulating a logical and flexible development path for a more sustainable and equitable future.

The Cape Town Spatial Development Framework and associated district plans achieve that by establishing guidelines about how and where Cape Town should grow in the future. These spatial plans guide new investment, give effect to the principles and priorities of the City's development strategies, and identify priority areas for strategic intervention.

Approved by Council in terms of section 34 of the Municipal Systems Act, Act 32 of 2000 and by Province's Member of the Executive Council responsible for Local Government and Environmental Affairs in terms of section 4(6) of the Land Use Planning Ordinance (No. 15 of

1985), the Cape Town Spatial Development Framework (CTSDF) (together with the Provincial Spatial Development Framework) is the spatial planning document with the highest legal status applicable to the municipal area of Cape Town. It focuses on a number of key areas of the city's development, particularly managing growth and land use changes in the city, and ensuring that urban growth happens in a sustainable, integrated and equitable manner. As such, the CTSDF:

- aligns the City's spatial development goals, strategies and policies with those of the national and provincial spheres of government;
- indicates which areas are best suited to urban development, which should be protected, or in which development may occur if it is sensitively managed;
- indicates the desired phasing of urban development;
- guides changes in land use rights; and
- helps spatially guide, coordinate, prioritise and align public investment in infrastructure and social facilities in the City's Five-Year IDP.



The MyCiti bus service forms part of the City's planning towards an integrated, citywide transport system that supports the accessibility grid.

The CTSDF is fundamental to the City's achievement of its sustainability objectives, and is underpinned by a clearly defined set of strategies and substrategies, as outlined in the table below:

Table A1: Cape Town Spatial Development Framework strategies and substrategies

CTSDF strategy	Sub-strategies
Plan for employment, and improve access to economic opportunities	<ul style="list-style-type: none"> Promote inclusive, shared economic growth and development Address spatial economic imbalances Establish an integrated, citywide public transport system that supports the accessibility grid Integrate land use, economic and transport planning Support the rationalisation, upgrade and/or development of economic gateways, and appropriately manage land use around them
Manage sustainable urban growth, and create a balance between urban development and environmental protection	<ul style="list-style-type: none"> Facilitate urban development Support incremental development processes Encourage a more compact form of urban development Appropriately protect the citizens of Cape Town from hazardous areas/activities Appropriately manage urban development impacts on natural resources, critical biodiversity areas and natural corridors Make efficient use of non-renewable resources Protect and enhance the city's rural environment
Build an inclusive, integrated, vibrant city	<ul style="list-style-type: none"> Transform the apartheid city Proactively support publicly led land reform and new housing delivery Encourage integrated settlement patterns Enhance the unique sense of space and the quality of the built form of Cape Town Enhance the value of heritage resources and scenic routes Promote accessible, citywide destinations places



In 2012, the South African Planning Institute awarded their national planning award in the municipal category to the CTSDF in recognition of its high quality, innovation and progressive nature. Details of the CTSDF are available at www.capetown.gov.za/en/SDF.

In 2012/13, the City approved eight integrated district spatial development plans, including environmental management frameworks – a first for South Africa. These environmental management frameworks were also concurrently approved by the National Department of Environmental Affairs and Province's Department of Environmental Affairs and Development Planning. This will make a significant contribution towards determining the need for, and the required level of, environmental impact assessment procedures.

A STRATEGY FOR ECONOMIC GROWTH

Local government is mandated by the Constitution of the Republic of South Africa to promote social and economic development. The City of Cape Town's vision aligns closely with this mandate, as do all its strategic focus areas – particularly that of building an opportunity city. On 22 May 2013, after an extensive public participation process, the Council approved the City's Economic Growth Strategy (EGS), which has as its primary objective growing the economy of Cape Town and creating jobs.

The EGS aligns with the City's Social Development Strategy, and represents the City's response to the most fundamental challenges of unemployment, poverty and sustainable economic growth in the coming years. The EGS marks a departure from previous approaches to economic development in that it involves a 'whole organisation' approach rather than delegating responsibility to a single department or directorate. As a result, it positions Cape Town within broader global, national and regional economic trends, and outlines how the City should respond to economic challenges and opportunities.

Work is now under way to develop a comprehensive implementation and monitoring plan for the EGS.



The City's spatial development framework will appropriately manage urban development and environmental protection.



An early morning shot of Cape Town from De Waal Drive, with District Six, Nelson Mandela Boulevard and the Civic Centre to the right.



GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

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GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT



The Council of the City of Cape Town in session.

MANAGEMENT AND GOVERNANCE STRUCTURES AND FRAMEWORKS

This section provides an overview of the framework of institutional management and governance structures through which the City implements its strategies, using the appropriate resources.

The governance structure

The model below depicts the political governance arrangements that are currently in place.

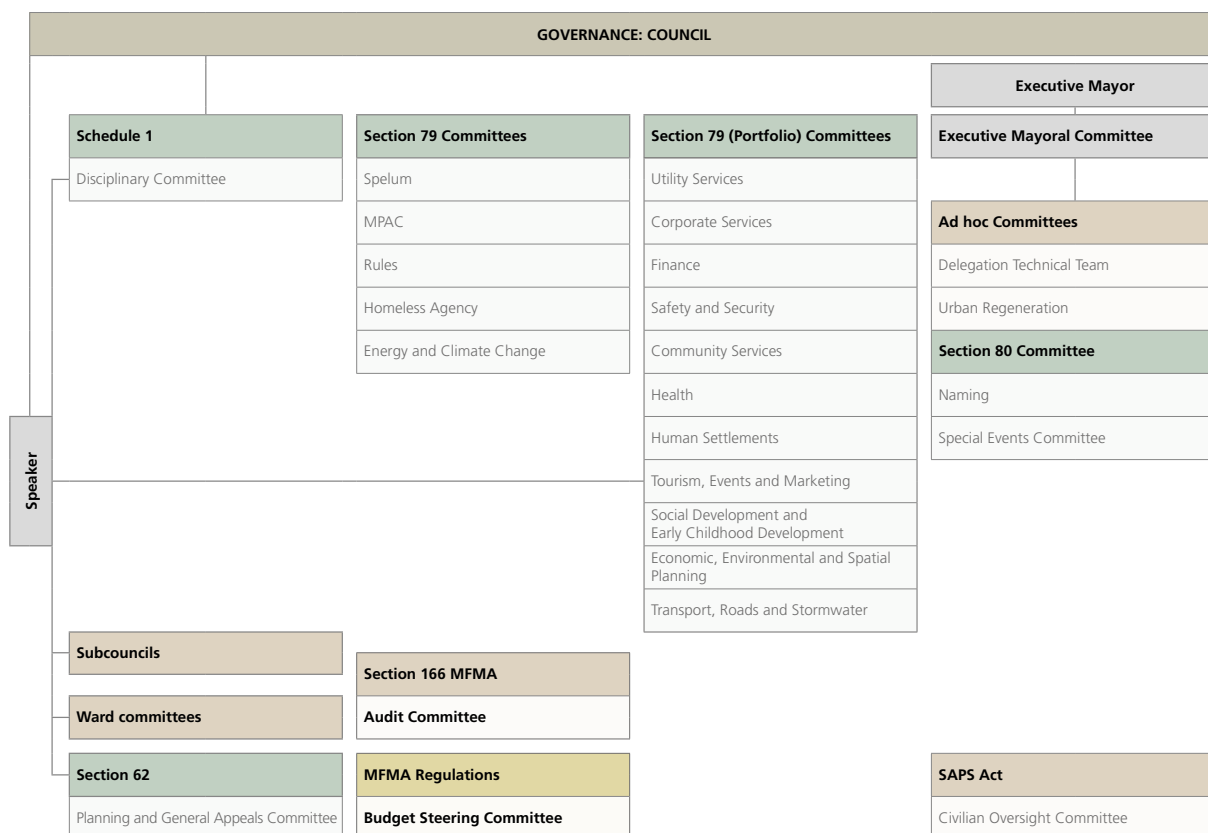


Figure B1: City of Cape Town's governance structure

Council

Following the local government elections, a new 221-member Council was elected. Voters in each of Cape Town's 111 electoral wards directly elected one member of Council by a simple majority of votes. The other 110 councillors were nominated to Council by a system of proportional representation from the 'lists' of the respective parties. At the inaugural meeting, Council elected its Executive Mayor, Executive Deputy Mayor and Speaker. Council also appointed its Chief Whip, whose primary purpose is to ensure party discipline.

Mayoral Committee

The Mayoral Committee (MAYCO) is appointed by the Executive Mayor. MAYCO exercises the powers, functions and duties delegated to it by the Executive Mayor and designated to it by Council. These powers, functions and duties are performed and exercised by the Executive Mayor, Alderman Patricia de Lille, together with her MAYCO members, who are as follows:

- Ald I Neilson – Executive Deputy Mayor, and Finance
- Ald B Walker – Community Services
- Cllr G Bloor – Economic, Environmental and Spatial Planning
- Cllr G Pascoe – Tourism, Events and Marketing
- Cllr S Little – Social Development and Early Childhood Development
- Cllr T Gqada – Human Settlements
- Cllr E Sonnenberg – Utility Services
- Ald JP Smith – Safety and Security
- Cllr B Herron – Transport, Roads and Stormwater
- Ald D Qually – Corporate Services
- Cllr L Gazi-James – Health

Clusters and committees

Section 79 portfolio committees

The terms of reference of all section 79 portfolio committees include the formulation of policy and the monitoring of its implementation within their specific functional areas. Portfolio committees are chaired by councillors, who are appointed by full Council. Council established 11 section 79 portfolio committees arranged in the following clusters, which function within the City's management clusters, namely the economic and social cluster:

Economic cluster

- Transport, Roads and Stormwater
- Utility Services
- Economic, Environmental and Spatial Planning
- Tourism, Events and Marketing
- Finance

- Corporate Services
- Human Settlements (This portfolio is represented in both clusters)

Social cluster

- Human Settlements
- Health
- Social Development and Early Childhood Development
- Community Services
- Safety and Security

The portfolio committee chairpersons are as follows:

- Cllr R Hoorn – Tourism, Events and Marketing
- Cllr T Thompson – Transport, Roads and Stormwater
- Cllr D America – Corporate Services
- Cllr J Slabbert – Human Settlements
- Cllr C Brynard – Safety and Security
- Cllr S August – Utility Services
- Cllr A van der Rheede – Community Services
- Cllr C Clayton – Health
- Cllr J van der Merwe – Finance
- Cllr X Limberg – Economic, Environmental and Spatial Planning
- Cllr R Arendse – Social Development and Early Childhood Development

Other section 79 committees

Spatial Planning, Environment and Land Use Management Committee – Chairperson Cllr C Kannenberg

The terms of reference of this committee relate to spatial planning, town planning, the environment and other, related matters.

Municipal Public Accounts Committee (MPAC) – Chairperson Cllr S Mxolose

This is the mechanism through which Council oversees the expenditure of public money. As far as financial management is concerned, MPAC enables Council to fulfil its constitutional obligation to scrutinise and oversee executive actions. It does this by holding the Accounting Officer and councillors accountable for their spending of ratepayers' money and their stewardship of public assets, to ensure regular, economical, efficient and effective local government spending.

MPAC conducts its affairs in a non-party-political manner so as to maximise the effectiveness of its work. The committee ensures that the City's oversight report, as envisaged in section 129 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA), is prepared for adoption by Council. It also investigates and advises Council in respect of unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32(2) of the Act.

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

Rules Committee – Chairperson Ald D Smit (Speaker)

The Rules Committee is concerned with the rules of procedure of Council and its committees.

Homeless Agency Committee – Chairperson Cllr T Uys

The Homeless Agency Committee is the political oversight body that ensures that issues dealing with homeless people (children, adults and youth living on the streets) are adequately addressed, and that previous and future programmes undertaken by the City in this regard are properly implemented and stay on track.

Energy and Climate Change Committee – Chairperson Cllr M Kempthorne

The Energy and Climate Change Committee is tasked with the integration and delivery of all energy matters in the City.

Section 80 committee

Naming Committee – Chairperson Cllr B Herron

This committee considers and makes recommendations to Council on matters pertaining to the naming of streets, buildings and the like.

Special Events Committee

The Special Events Committee was established by Council on 27 March 2013 and is chaired by Cllr G Pascoe and assists and reports to the Executive Mayor by inter alia, receiving and considering assessments from the TEAM directorate in respect of funding, endorsement or support for events in accordance with the guidelines contained in the Events Policy, or on such other basis as may be considered appropriate for the City.

Municipal Systems Act section 62 committee

Planning and General Appeals Committee – Chairperson Ald D Smit (Speaker)

This committee considers appeals against decisions taken in terms of delegated or subdelegated authority by political structures, political office bearers or councillors.

Schedule 1 committee

Disciplinary Committee – Chairperson Ald A Serritslev (Chief Whip)

This committee is tasked with investigating any alleged breach of the code of conduct for councillors, and making appropriate recommendations to Council. It also investigates non-attendance of meetings, and imposes fines as determined by the rules of order of Council.

Municipal Finance Management Act Section 166 committee

Audit Committee

Every municipality is obliged to establish an independent audit committee in terms of section 166 of the MFMA, as amended.

The Audit Committee advises the municipal council, political office bearers, Accounting Officer and management staff on matters relating to:

- systems of internal control (including internal financial control) and audit reports;
- internal audit;
- risk management;
- information technology;
- forensic investigations;
- accounting policies;
- adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- governance;
- compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality.

The committee is further required to review the annual financial statements (and the Auditor-General's audit report) to provide Council with an authoritative and credible view of the municipality's financial position, its efficiency and effectiveness, and its overall level of compliance with applicable legislation. Such a review also enables the committee to respond to Council on any issues raised by the Auditor-General in the audit report.

The Audit Committee does not have executive responsibility, and acts primarily in an oversight capacity. The Audit Committee does not perform any management functions or assume any management responsibilities. It provides a forum for discussing business risk and control issues, in order to develop relevant recommendations for consideration by the City Manager, MAYCO and Council for their approval or final decision.

The membership, resources, responsibilities and authorities (composition, functions and operations) required by the Audit Committee to perform its role effectively are stipulated in the Audit Committee Terms of Reference, which are approved by Council. The committee is constituted in terms of the requirements of sound corporate governance practices, and operates within that framework.

South African Police Service Act, Act 68 of 1995 committee

Civilian Oversight Committee

In terms of section 64J of the South African Police Service Act of 1995, Council has appointed the Civilian Oversight Committee to ensure civilian oversight of the municipal police service.

Speaker

Office of the Speaker

The Office of the Speaker's responsibilities include co-ordination of all processes flowing from subcouncil delegations, disciplinary investigations in terms of the code of conduct for councillors and the code of conduct for municipal employees, rules of meetings of political structures, as well as the Planning and General Appeals Committee. The Speaker also has an oversight function in respect of Council, its committees, subcouncils and ward committees.

Subcouncils

A metropolitan subcouncil has such duties and powers as the metro council may delegate to it in terms of section 32 of the Municipal Structures Act. It may make recommendations to the metro council on any matter affecting its area of responsibility. A metropolitan subcouncil may advise the metro council on the duties and powers that should be delegated to it. Subcouncils' terms of reference are as follows:

- (a) To make recommendations to Council on any matter affecting their areas of jurisdiction
- (b) To exercise any power, duty or function delegated by Council
- (c) To exercise any power, duty or function conferred upon them in terms of the Subcouncil Bylaw

Macro-organisational design: City Manager and executive directors

The current macro-organisational structure is set out below:



Figure B2: City of Cape Town's Executive Management Team structure

Subcouncils and chairpersons

- Subcouncil 1 Cllr H Brenner
- Subcouncil 2 Cllr G Twigg
- Subcouncil 3 Ald J Vos
- Subcouncil 4 Ald C Justus
- Subcouncil 5 Cllr R Rau
- Subcouncil 6 Cllr W Jaftha
- Subcouncil 7 Cllr G Fourie
- Subcouncil 8 Cllr S Pringle
- Subcouncil 9 Cllr J Thuynsma
- Subcouncil 10 Cllr P Mngxunyeni
- Subcouncil 11 Cllr S Little
- Subcouncil 12 Cllr E Andrews
- Subcouncil 13 Cllr R Bazier
- Subcouncil 14 Cllr N Landingwe
- Subcouncil 15 Ald B Watkyns
- Subcouncil 16 Cllr T Amira
- Subcouncil 17 Cllr G March
- Subcouncil 18 Cllr M Oliver
- Subcouncil 19 Ald F Purchase
- Subcouncil 20 Cllr I Iversen
- Subcouncil 21 Cllr S Vuba
- Subcouncil 22 Cllr J Heuvel
- Subcouncil 23 Cllr N Bent
- Subcouncil 24 Cllr X Sotashe

Executive Management Team (EMT)

The EMT leads the City's drive to achieve its strategic objectives, as outlined in the IDP each year.

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

Executive Management Team

Achmat Ebrahim	City Manager
Mike Marsden	Deputy City Manager
Tshidi Mayimele-Hashatse	Executive Director (ED): Corporate Services
Seth Maqethuka	ED: Human Settlements
Richard Bosman	ED: Safety and Security
Zandile Mahlangu-Mathibela	ED: City Health
Kevin Jacoby	ED: Finance
Gisela Kaiser	ED: Utility Services
Lokiwe Mtwazi	ED: Community Services
Melissa Whitehead	Commissioner: Transport for Cape Town
Anton Groenewald	ED: Tourism, Events and Marketing
Ivan Bromfield	ED: Social Development and Early Childhood Development
Japie Hugo	ED: Economic, Environmental and Spatial Planning
Gerhard Ras	ED: Compliance and Auxiliary Services

GOOD GOVERNANCE AS A SUSTAINABLE FOUNDATION

Truly effective governance goes beyond legislative compliance. It embraces local and international best-practice, and strives to strengthen the professional standards and ethics within the organisation. The City is one of the first municipal entities to have taken several important measures to ensure such governance, including:

- the formation of the Municipal Public Accounts Committee (MPAC);
- the institution of an anti-corruption hotline;
- the formal adoption of the King Code of Governance Principles for South Africa, 2009 (King III); and
- the development of a combined assurance framework.

The King recommendations are considered to be among the best codes of governance worldwide, and King III has broadened the scope of governance to one where the core philosophy revolves around leadership, sustainability and ethical corporate citizenship.

COMPLIANCE AND AUXILIARY SERVICES (CAS)

Internal Audit

Internal Audit is an independent department reporting administratively to the Executive Director: Compliance and Auxiliary Services, and functionally to the City's independent Audit Committee, as delegated by Council. The Department is a significant contributor to governance within the organisation, thus promoting the City's commitment to being 'a well-run city'. Its function is a requirement of the MFMA and is largely directed by the international standards for the professional practice of internal auditing of the Institute of Internal Auditors (IIA).

Internal Audit is mandated, through its charter, to provide independent, objective assurance and consulting/advisory services, geared towards adding value and improving the City's operations. It helps the organisation to accomplish

its objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit's plans, which are aligned with the City's strategy and most pertinent risks, are supported by senior management and approved by the independent Audit Committee. Internal Audit communicates audit results to the various levels of management, including executive directors and the City Manager, as well as to other assurance providers and the Audit Committee.

Key outcomes and achievements by Internal Audit during the period under review included the following:

- **Execution of the annual internal audit plan** – In terms of the MFMA and IIA standards, the Department developed and executed its risk-based internal audit plans. Internal Audit reconsiders its audit plans on a quarterly basis to ensure that audit projects undertaken are aligned with the most pertinent risks. Internal Audit completed 93% of its planned audit projects.
- **Annual assessment of the City's internal controls** – Internal Audit provided assurance regarding the adequacy and effectiveness of controls in business processes, as well as in specialised areas such as information technology, governance, performance, sustainability, compliance and risk management.
- **Quality assurance improvement programme** – The Department maintained its quality assurance and improvement programme to ensure the quality of audit products and services. The programme is designed to enable an evaluation of the Department's conformance with the IIA's international standards and code of ethics, as well as Internal Audit's approved charter and methodology. The internal annual quality review indicated that the Department generally conformed to the IIA's definition of internal auditing, its international standards for the professional practice of internal auditing as well as its code of ethics. The review further indicated that the Department effectively carried out its roles and responsibilities as set out in its charter. An external quality

review will be performed during the 2013/14 financial year, in line with the requirements of the IIA.

- **Contributions to corporate governance** – The Department contributed to strengthening other governance mechanisms within the City by providing technical support to the MPAC as well as by providing quality reports, which the Audit Committee used to exercise its oversight responsibility effectively in terms of its charter.

Key initiatives and projects

During the year under review, the Internal Audit team implemented various audit techniques to enhance the value added to the organisation. These included the following:

- **Client account management** – The use of internal audit client account managers is intended to build and maintain relationships between the Department and its clients, with specific focus on client expectations, support, satisfaction and perceptions. Internal Audit developed terms of reference for its client account managers, which include key roles and responsibilities, as well as the type, level and frequency of interaction required to build and maintain client relations. The internal audit client account manager process was implemented through one-on-one sessions with individual executive directors as well as sessions with their senior management teams.
- **Control self-assessment** – Control self-assessment (CSA) is a process whereby an organisation's management and staff evaluate their own risks and controls. It can be applied to projects, processes, business units and functions, or basically any area of an organisation. Assessments are facilitated by Internal Audit through a series of meetings, questionnaires and/or workshops. In the year under review, Internal Audit continued to roll out CSA projects to empower line management to participate in a structured manner in identifying risk exposures of selected activities, assessing the control processes that mitigate or manage those risks, as well as identifying and developing action plans to reduce risks to acceptable levels.
- **Continuous auditing** – Continuous auditing (CA) is defined as the frequent or continuous collection of audit evidence and indicators by an auditor, on IT systems, processes, transactions and controls. Organisations that deploy CA can leverage technology to more efficiently analyse risk data on a frequent basis. This approach assists in the detection of anomalies, outliers, inconsistencies and other factors to more efficiently focus audit resources.

The ERP-SAP system is widely used in the City of Cape Town, with many automated controls in place. Internal Audit regards CA as an ideal audit methodology to continuously review/monitor such SAP controls.

In addition to control monitoring, data analysis reviews can also be scheduled through the CA tools. These reviews allow a regular examination of processed data in order to identify data anomalies that may point to manual-based control breakdowns.

In 2012/13, this initiative was rolled out in numerous SAP processes, including human resources leave, procure-to-pay, manual journals, inventory, revenue master data and basis. Implementation has yielded promising initial benefits, such as improved turnaround time of audits, 100% sampling of records, and an improved control environment for areas under review.

- **Consulting (advisory) services** – Internal Audit developed a consulting services framework, strategy and methodology, aimed at increasing the range of value-added services it provides to its stakeholders, while maintaining its independence in relation to assurance services. Consulting services comprise a wide range of activities based on management's needs. These services can be tailored to resolve specific issues that senior management has identified as requiring attention, and can be advisory, educational and/or facilitative in nature.

Risk management

The Integrated Risk Management (IRM) Department has adopted as its primary focus an approach to ensure the consistent alignment and management of key risks related to the City's core strategic objectives. IRM strives to provide reasonable assurance that the key risks and contributing factors to these key risks are mapped to current controls as well as actions to be taken to mitigate risks in a cost-beneficial manner.

In the year under review, the City had 103 risk registers, including the corporate risk register, which is submitted to the Risk Committee, the Audit Committee and the Strategic Mayco for oversight purposes. Due to the rapidly changing environment in which the City operates, initiatives are continually researched and implemented to further embed risk management within the City's processes. These include improving training, enhancing performance measurements, and monitoring compliance with the IRM policy and framework. IRM further continues to endeavour to assist in enhancing service delivery through the optimal utilisation of scarce resources.

All targets set for the IRM Department have been achieved in the year under review, and ongoing re-engineering of the Department as well as continuous research are undertaken to ensure that it is aligned with best practice.

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

Forensic Services

The City's Forensic Department is charged with:

- providing a reactive forensic service in respect of issues relating to significant fraud, corruption, maladministration and negligence on the part of any City employee (excluding managers directly accountable to the City Manager) or agent, contractor, supplier or service provider to the City of Cape Town; and
- driving, developing and/or ensuring the implementation of proactive anti-fraud/corruption policies and prevention measures on a Citywide basis. The Department is also required to monitor and review these policies or prevention measures, and to develop and implement and/or ensure the implementation of appropriate awareness, information and/or education programmes throughout the City in relation to any of the above.

During the year under review, the Forensic Services Department implemented additional proactive awareness initiatives by reporting statistical information relating to forensic investigations to internal governance structures such as the Executive Mayor, Audit Committee, Risk Committee (when requested), EMT and the EMT Governance Subcommittee.

SERVICE PROVIDERS

The Municipal Systems Act (MSA) allows a municipality to enter into a service delivery agreement for the provision of a municipal service in its area. Service delivery agreements may be entered into with the following external service providers:

- a municipal entity;
- another municipality;
- an organ of state (including a water services committee established in terms of the Water Services Act 1997, Act 108 of 1997; a licensed service provider registered or recognised in terms of national legislation and a traditional authority);
- a community based organisation or other non-governmental organisation legally competent to enter into such an agreement; or
- any other institution, entity or person legally competent to operate a business activity.

In all such instances, service delivery agreements are prepared and serve as contracts between the City of Cape Town and the service provider. Section 81 of the MSA defines the responsibilities of the municipality when providing a service through a service delivery agreement with an external mechanism.

In keeping with this MSA requirement, the City of Cape Town remains responsible for:

- regulating the provision of the service in terms of section 41 of the MSA;

- monitoring and assessing the implementation of the service delivery agreement, including the performance of the service provider in terms of section 41 of the MSA;
- performing its functions and exercising its powers in terms of Chapter 5 and 6 if the municipal service in question falls within the development priority or objective in terms of the municipality's integrated development plan; and
- monitoring and auditing a system that is used to pass on to a service provider funds for the subsidisation of services to the poor (section 81 (2) (b) of the MSA).

All of the above are incorporated in the City's mechanisms to monitor the performance of its service providers.

PUBLIC PARTICIPATION

As part of its commitment to building a well-run city, the City of Cape Town proactively seeks feedback and input from the citizens of Cape Town. The City uses an array of communication channels, from newspapers to radio, public meetings, the web and social media, to disseminate information about its vision, services, IDP and other plans to residents of Cape Town. Feedback is invited, encouraged and facilitated, and residents are given every possible opportunity to suggest the actions they feel will be most effective in making Cape Town a well-run, safe, caring, inclusive and opportunity city.

To ensure its effectiveness, this ongoing public participation process is highly structured. However, it underlines Council's belief that a modern, fast-moving city, competing nationally and internationally, must have a heart. The people of Cape Town are that heart, and they reveal it when they interact with the City – whether to participate, advocate, criticise, celebrate or communicate.

While government can create an enabling and well-functioning environment, it is ultimately up to people, including investors, innovators, skilled craftsmen, labourers, caregivers, law enforcers and teachers, to provide the products, services and skills for the economy to grow and provide jobs.

This is why the City of Cape Town does not plan *for* people; it plans *with* them. And this collaborative approach to ensuring a better future for all is epitomised in its commitment to constantly engaging with all the people of the city.

Public engagement on planning

The IDP public engagement process occurs at subcouncil level, with all 24 subcouncils and 111 wards across the city being consulted. The public participation process comprises mayoral meetings, subcouncil meetings, meetings with strategic partners, as well as meetings with City internal staff. Members of the public are engaged in public places such as shopping malls, clinics, libraries, schools and cash

offices, and are invited to attend all public meetings. City resources such as the *CityNews* publication and the City database are also used to reach residents and invite them to provide input.

Community Satisfaction Survey

A primary vehicle used for gathering public feedback is the annual Community Satisfaction Survey. The information that this survey provides is invaluable, as it assists the City to identify the needs of Cape Town's people, communities and businesses, and then put in place the necessary plans to work towards meeting those needs.

The sixth annual perception survey (2012/13) was conducted by a contracted independent service provider, and used statistically valid and reliable samples to ensure a representative sample of residents and businesses across the city. The survey took place in October and November 2012, and comprised 3 000 face-to-face interviews with residents of Cape Town and 701 telephonic interviews with businesses in the city. It also included six focus groups with residents and small businesses to probe and investigate issues in more depth.

The 2012/13 results confirmed the positive and upward performance trends and perceptions that have been evident in recent years. Overall, residents' perception scores of the City of Cape Town's performance have increased significantly over the six years since the survey was first implemented, with residents generally saying that services have improved across many of the City's service delivery areas.

Residents' average rating of the City's overall performance has increased from 2,6 (on a five-point Likert scale) in 2008/9, to 2,9 in 2012/13.

The business perception survey results for the 2012/13 financial year indicate that the City of Cape Town continues to improve service delivery to Cape Town's business community. Businesses' average rating of the City's overall performance has increased from 3,0 (on a five-point Likert scale) in 2008/9, to 3,4 in 2012/13.

The 2012/13 survey results are encouraging, as both residents and businesses in Cape Town rate the City's services and performance highly, and satisfaction levels are constantly improving.

The City will use these survey results to inform and refine the planning and implementation of municipal services across the metro in line with the objectives and programmes of the IDP. The survey results will also be used to ensure constant enhancement of service delivery standards.

Summary of Community Satisfaction Survey results

Resident survey

Overall perceptions of City performance (2012/13)

Altogether 69% of residents said that, overall, the City of Cape Town's performance had been good, very good or excellent. This is up from 63% in 2011/12, 62% in 2010/11, 57% in 2009/10 and 54% in 2008/9.

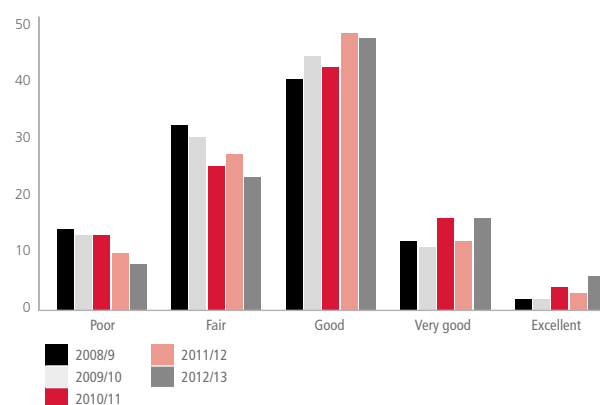


Figure B3: Comparison of residents' overall perceptions of the City

The City as a service provider

A total of 69% of residents rated the City of Cape Town as good, very good or excellent in fulfilling its role as a public service provider. This is up from 62% in 2011/12 and 2010/11, 58% in 2009/10 and 54% in 2008/9.

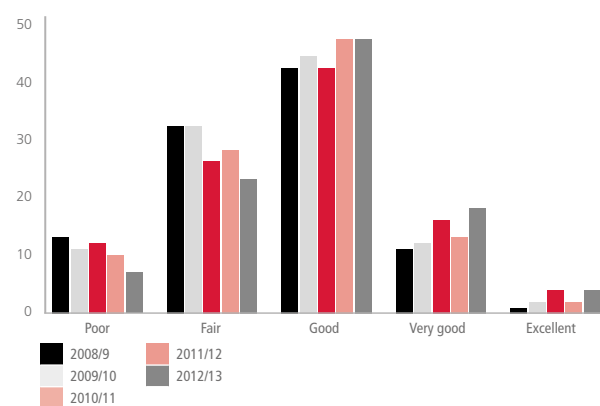


Figure B4: Comparison of residents' perceptions of the City as a service provider

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT

Trust in the City

Of all residents surveyed, 74% rated their level of trust in the City of Cape Town as fairly strong, very strong or extremely strong. This is up from 69% in 2011/12, 66% in 2010/11 and 61% in both 2009/10 and 2008/9.

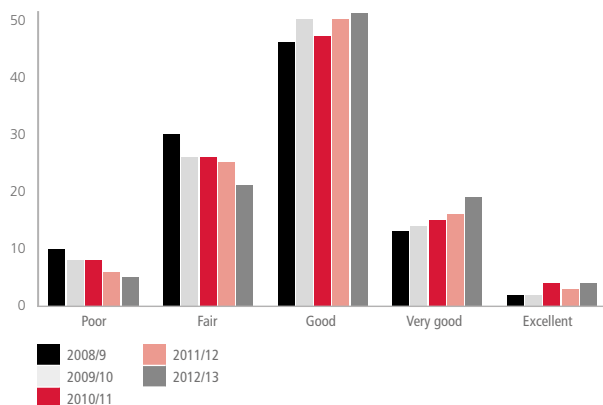


Figure B5: Comparison of residents' levels of trust in the City

Areas of strength that have emerged from the 2012/13 resident survey

- The provision of essential services – particularly refuse collection, water provision and sewerage and sanitation – remains an area of relative strength for the City.
- Library services continue to be one of the highest-rated services by residents. However, there was a small decline in satisfaction ratings compared to the previous year.
- The score for visible presence of traffic enforcement on roads has improved year-on-year.
- Environment and conservation scores continue to show significant improvement since 2008/9. Overall, nature reserve scores have shown a good improvement, as have scores on issues relating to preserving Cape Town's heritage sites and heritage resources, and providing facilities for recycling waste material.
- Overall, fire and emergency services scores have improved significantly since 2008/9, which trend continued in the past year. Responses show that good provision of fire and emergency services is very important to residents.
- The overall health score by residents has continued to improve since 2008/9, with all the attributes having increased significantly in the last year.
- Public transport scores by residents have shown significant improvement since 2008/9. Satisfaction scores in respect of the provision of safe, affordable, reliable and punctual public transport increased significantly in the 2012/13 survey.

Priority areas

Overall, the main priorities for residents of Cape Town remain that all role players in Cape Town, including the City, need to focus on job creation, crime prevention, fighting corruption and the provision of housing.

Business survey

Overall perceptions of City performance (2012/13)

A total of 87% of businesses said that, overall, the City of Cape Town's performance had been good, very good or excellent. This represents an increase from 84% in 2011/12, 80% in 2010/11, and 77% in both 2009/10 and 2008/9.

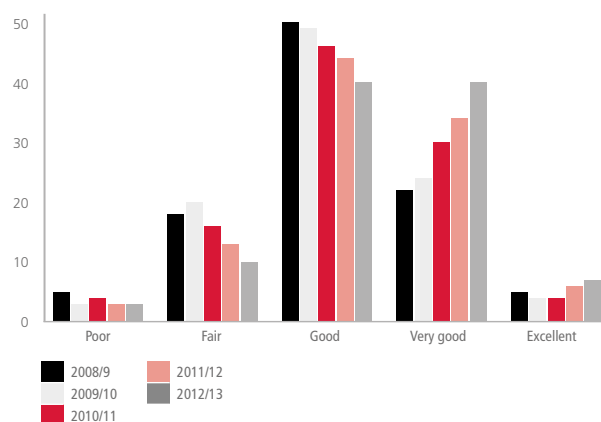


Figure B6: Comparison of businesses' overall perceptions of the City

The City as a service provider

Altogether 89% of businesses rated the performance of the City of Cape Town in fulfilling its role as a provider of municipal services as good, very good or excellent. This is up from 83% in 2011/12, 81% in 2010/11, 77% in 2009/10 and 75% in 2008/9.

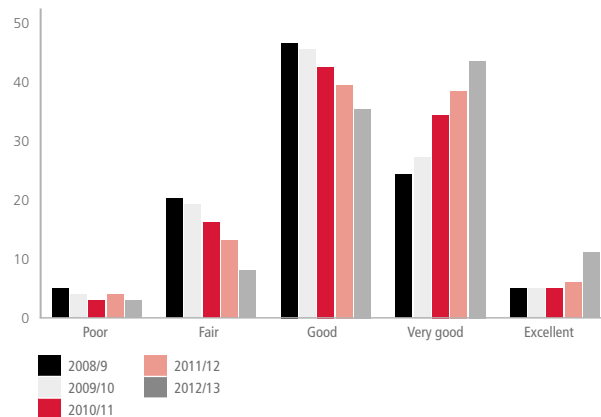


Figure B7: Comparison of businesses' perceptions of the City as a service provider

Trust in the City

Of all businesses surveyed, 87% rated their level of trust in the City of Cape Town as fairly strong, very strong or extremely strong. This is up from 84% in 2011/12, 81% in 2010/11, 80% in 2009/10 and 78% in 2008/9.

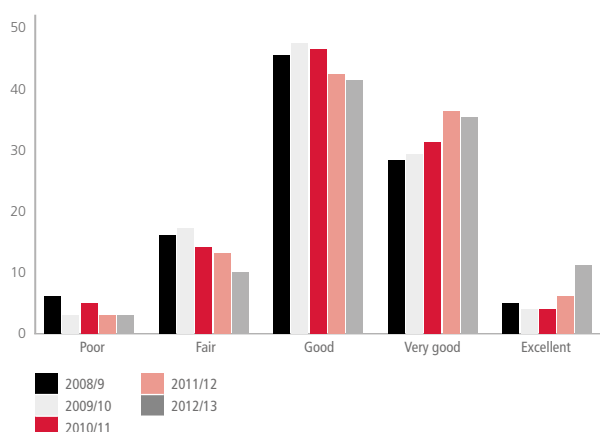


Figure B8: Comparison of businesses' levels of trust in the City

Areas of strength identified in the 2012/13 business survey:

- Cape Town businesses perceive the City as doing particularly well when it comes to providing essential services such as water, refuse collection, sanitation, roads and lighting. Scores on this measure generally remained the same as those in the 2011/12 survey, and have increased significantly since 2008/9.
- Ensuring that the roads around businesses are regularly maintained and that potholes are fixed remains a business priority. Scores have improved since 2008/9.
- Emergency and fire and rescue services were added to the business survey for the first time in 2012/13, and received the highest satisfaction scores in the entire survey.
- Businesses continue to give the City good ratings with regard to billings and payments as well as regular refuse removal.
- Law enforcement has improved since 2008/9 and there has also been a significant improvement in perceptions regarding the safety of the environment in which businesses operate as well as measures to address corruption.
- Both perceptions of visible policing and control of illegal street trading have improved since 2011/12.
- Since 2008/9, there has been a significant improvement in most of the scores by businesses in terms of their interaction with the City.

Priority areas

Safety and security remains a top-of-mind concern for businesses in Cape Town. Other concerns relate to affordable electricity and water tariffs.



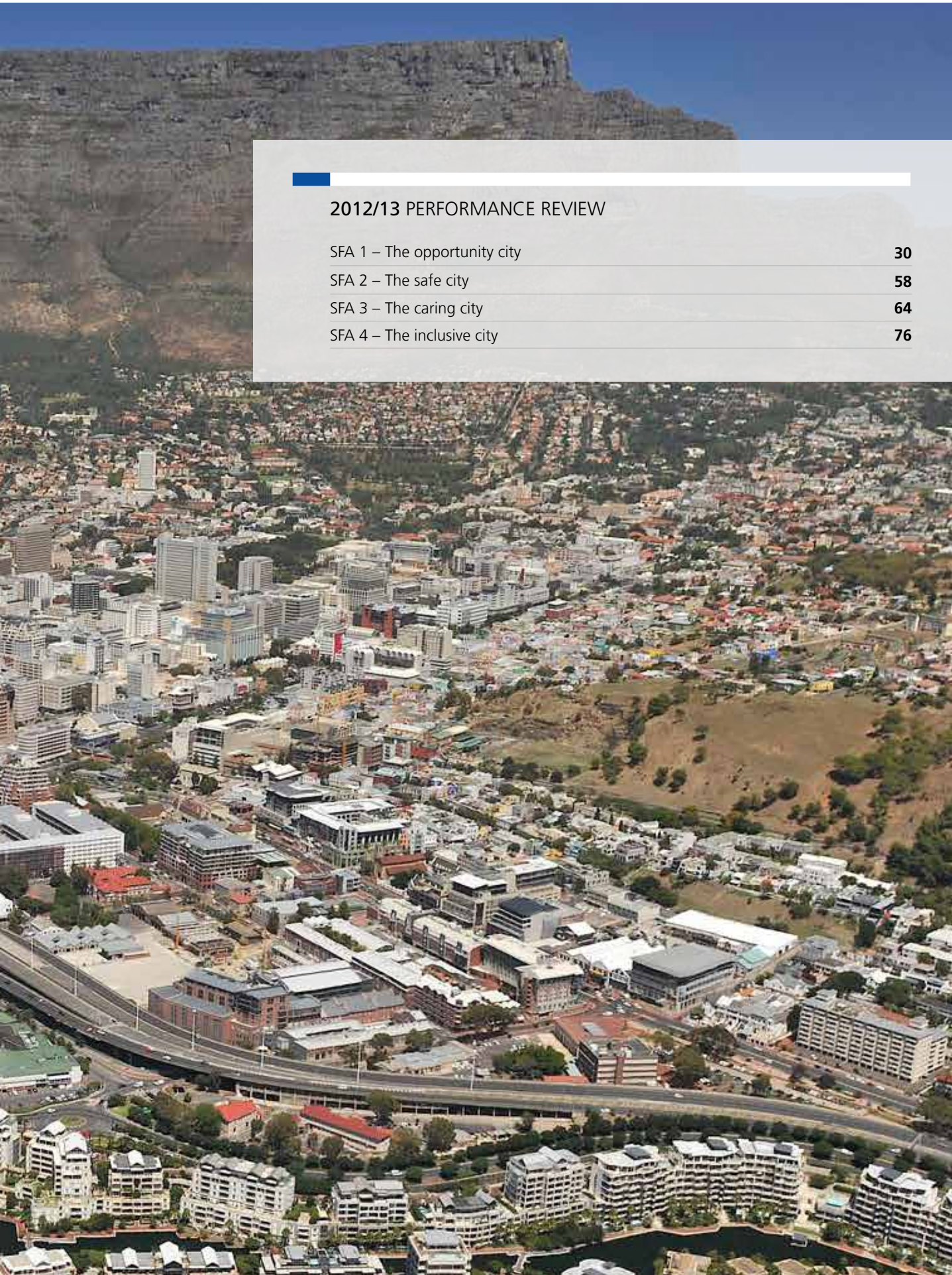
Library services continue to be one of the highest-rated services by residents.



Law enforcement and the perception of visible policing have improved since 2011/12.



While the City is responsible for economic development in the region, it does not have control over many key levers that affect the economy.



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SFA 1

STRATEGIC FOCUS AREA 1 THE OPPORTUNITY CITY

A key mission of the City of Cape Town is to create an environment in which investment can grow and jobs can be created. This involves a multi-pronged strategy that includes attracting investment, encouraging enterprise development, raising the city's appeal as a creative and educational centre, maximising the value of its geographic location, and investing significantly in infrastructure, utilities and services.

The City has also recently finalised its Economic Growth Strategy, which will help departments prioritise economic

choices for the medium to long term. This will help the City use the services it delivers as a key driver of economic growth, while leveraging existing competitive advantages and maximising Cape Town's growth potential to facilitate economic growth and job creation.

SFA 1 key objectives and programmes

In order to position Cape Town as an opportunity city, the following six key objectives – each with its own underpinning programmes – were identified in the 2012/13 review of the City's Integrated Development Plan (IDP):

Table 1.1: IDP objectives and programmes for SFA 1

Objective	Programme
1.1: Create an enabling environment to attract investment that generates economic growth and job creation	1.1(a): Western Cape Economic Development Partnership (EDP) programme
	1.1(b): Events programme
	1.1(c): Identification and promotion of catalytic sectors, such as oil and gas
	1.1(d): Small-business centre programme
	1.1(e): Planning and regulation programme
	1.1(f): Development of a 'green' economy
	1.1(g): City Development Strategy implementation
1.2: Provide and maintain economic and social infrastructure to ensure infrastructure-led growth and development	1.2(a): Fibre-optic network programme
	1.2(b): Maintenance of infrastructure
	1.2(c): Investment in infrastructure
	1.2(d): Expanded Public Works Programme (EPWP)
1.3: Promote a sustainable environment through the efficient utilisation of resources	1.3(a): Sustainable utilisation of scarce resources, such as water and energy
	1.3(b): Water conservation and water demand management strategy
1.4: Ensure mobility through the implementation of an effective public transport system	1.4(a): Public transport programme
	1.4(b): Rail service improvement and upgrade programme
	1.4(c): Bus rapid transit (BRT) programme
	1.4(d): Travel demand management programme
	1.4(e): Intelligent transport systems programme
	1.4(f): Institutional reform programme
1.5: Leverage the City's assets to drive economic growth and sustainable development	1.5(a): City strategic assets investigation
1.6: Maximise the use of available funding and programmes for training and skills development	1.6 (a): Sectoral education and training authority (SETA) and EPWP funding used to train apprentices and create other external training opportunities. Training apprentices for vacant posts in the administration and the city.

This review of SFA 1 offers an overview of the City's performance against these objectives, and its progress in terms of the implementation of the associated programmes. As the various City directorates collaborate, there is significant overlap of deliverables among these objectives and programmes. As a result, the performance information for some of these objectives may be contained in other SFA review sections of the report.

SFA 1: Main opportunity-city achievements in 2012/13

- The City spent 94,3% (R5,87 billion) of its largest capital budget in history
- Finalised 80,7% of building plans within statutory timeframes
- Invested a record R2,6 billion in repairs and maintenance
- Created 35 556 EPWP job opportunities

OBJECTIVE 1.1: CREATE AN ENABLING ENVIRONMENT TO ATTRACT INVESTMENT THAT GENERATES ECONOMIC GROWTH AND JOB CREATION

Investing to attract investment

For the 2012/13 financial year, the City of Cape Town spent a record R5,87 billion, or 94,3%, of its R6,22 billion capital

budget. This reinvestment in Cape Town and its people demonstrates why the City remains a leading South African municipality in terms of service provision and financial management.

This capital expenditure, which is R1,64 billion more than in the previous financial year, makes a real and fundamental difference to people's lives by delivering houses, roads, clinics and basic infrastructure to ensure that the lights are on and the water is running for all Cape Town residents.

Amongst the highlights of the City's capital spend are a range of substantive investments in critical areas, most specifically as they relate to building an opportunity city and improving the lived reality of all citizens. Such investments include R1,37 billion spent on IRT operations, R1,23 billion spent on electricity provision, as well as significant investments in broadband infrastructure and the provision of housing. Major capital projects include the following:

Table 1.2: Major City capital projects for 2012/13

DIRECTORATE	PROJECT	SPEND IN RANDS
City Health	New health facility in Eerste River	1 681 703
City Health	Luvuyo Clinic extensions for antiretroviral services	2 775 196
Community Services	Imizamo Yethu sports complex	2 689 698
Community Services	Masibambane Hall additions and alterations	2 658 468
Corporate Services	Broadband project	72 159 404
Human Settlements	Happy Valley phase 2	33 460 000
Human Settlements	Ocean View	5 883 246
Human Settlements	Kanonkop Atlantis (ext 12) phase 1	9 837 199
Human Settlements	Heideveld Duinefontein	11 376 363
Human Settlements	Scottsdene – new community residential units	6 600 000
Human Settlements	Pelican Park	20 893 342
Human Settlements	Scottsdene housing project	7 543 900
Safety and Security	New Melkbosstrand fire station	4 764 814
Safety and Security	New and replacement of emergency response vehicles	208 294 098
Transport, Roads and Stormwater	IRT phase 1	590 000 000
Transport, Roads and Stormwater	Mitchells Plain central business district transport interchange	11 000 000
Transport, Roads and Stormwater	Lentegeur Station transport interchange	15 000 000
Utility Services	Electrification for backyard residences, informal settlements and low-cost housing	115 586 803
Utility Services	Upgrade of Bellville Wastewater Treatment Works	115 595 897
Utility Services	Sewer network – replacement and upgrade	43 951 173
Utility Services	Water network – replacement and upgrade	70 752 502
Utility Services	Development of disposal facilities	99 950 000
Utility Services	Waste management plant and vehicle replacement	107 676 320



SFA 1

STRATEGIC FOCUS AREA 1 THE OPPORTUNITY CITY

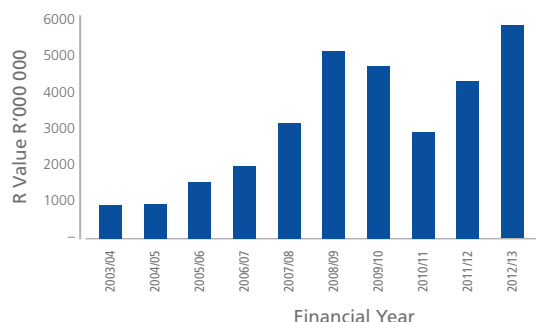


Figure 1.1: City of Cape Town annual capital expenditure

This capital spend, coupled with our financial responsibility, which was demonstrated by our eighth unqualified audit achieved last year as well as attracting the highest credit rating available to local government, shows that this government has the ability to spend to improve the lives of all residents of this city.

New Cape Town Zoning Scheme set to enable economic development

As part of the City's efforts to build an opportunity city in which investment will grow so that jobs can be created, a new Cape Town Zoning Scheme (CTZS) was implemented in March 2013 after having been approved by the Western Cape Minister of Local Government, Environmental Affairs and Development Planning. This will serve to streamline the process of economic development in the city.

The new scheme effectively allows for the repeal of the 27 different and disparate legacy zoning schemes that were inherited by the City of Cape Town in the year 2000 and that were previously used to regulate land across the city. The CTZS also involved the adoption of a new Cape Town zoning map, which forms part of the scheme and records the development rights attached to all land in the city.



A new Cape Town Zoning Scheme was implemented to streamline the process of economic development in the city.



The City's capital expenditure makes a real difference to people's lives by delivering houses, clinics and basic infrastructure for all Cape Town residents.

As part of the roll-out, the city's approximately 800 000 properties have been allocated an appropriate zone in terms of the new scheme, and the City has engaged extensively with industry stakeholders, including the professional bodies representing planners, architects and other built-environment professionals, to ensure that any concerns are addressed.

The single zoning scheme is an essential component of the City's strategic focus to become an opportunity city, which is one of the five pillars of the current IDP. In conjunction with the City's new Spatial Development Framework (SDF) and district spatial plans, the new zoning scheme now makes up one of the vital cornerstones of Cape Town's rationalised, policy-driven land use management system. It serves as a mechanism to implement the spatial vision outlined in the SDF, and allows the City to respond appropriately and effectively to the challenges and needs of its citizens in an innovative and sustainable way.

Apart from setting out uniform standards and simplified and equitable rules for land use and development across the city, the CTZS is the first full-scale scheme replacement for the whole metro that does away with all the outdated, inadequate and loophole-ridden regulations of the past. Most importantly, it fully repeals the schemes that still fell under the Black Communities Development Act, thereby effectively ridding the City of the last remnants of this old, apartheid-era legislation.

In addition, the rationalised and more modern regulations will help the City's drive to cut red tape, shorten regulatory processes, and reduce both the cost of compliance and the administrative burden. The CTZS includes a user-friendly planning web portal that serves

as a central resource and contact point for all planning information, queries and interaction.

The development of the CTZS included several rounds of extensive public participation processes and hearings. Valuable inputs from all stakeholders were regularly received, and helped to shape the scheme for the benefit of all.

The City has also launched an innovative planning website. This affords residents access to all information and engagement processes relating to planning, building development and urban design. The new planning portal (<http://planning.capetown.gov.za>) offers quick and easy access to useful planning information on the City's land use management system and zoning scheme. It also contains information on the City's long-term spatial plans at citywide, district and local-area level, and exciting urban projects and initiatives (including upgrades of public spaces and site redevelopments).

The website is part of the City's ongoing efforts to enhance the quality and availability of information to a broad spectrum of users, including residents, investors, professionals and students, and to make planning regulations and processes as easy to understand and accessible as possible.

For more details on the new CTZS, visit the planning portal on the address above and follow the link to the zoning scheme.

Improving access to economic opportunities

The substrategies and land use policies that are being used to plan for employment and improve access to economic opportunities are shown in table 1.3 on page 34.

2012/13 PERFORMANCE REVIEW



SFA 1

STRATEGIC FOCUS AREA 1 THE OPPORTUNITY CITY

Table 1.3: Substrategies and land use policies to develop opportunity

SUBSTRATEGY	POLICY NO	POLICY STATEMENT
Promote inclusive, shared economic growth and development	P1	Maintain and enhance the features of Cape Town that attract investors, visitors and skilled labour
	P2	Support investors through improved information, cross-sectional planning and removal of red tape
	P3	Introduce land use policies and mechanisms that will support the development of small business (both informal and formal)
	P4	Encourage area specialisation and the development of a diverse, mutually supportive system of economic areas
	P5	Encourage the use of available economic incentives
	P6	Promote regional economic planning
Address spatial economic imbalances	P7	Unlock employment-generating opportunities within the Metro Southeast and Atlantis
	P8	Support private-sector development initiatives in locations that are easily accessible from the Metro Southeast
	P9	Improve public transport links between the Metro Southeast and the main economic nodes of the city
Establish an integrated, citywide public transport system that supports the accessibility grid	P10	Create a hierarchy of integrated public transport services related to the accessibility grid
	P11	Ensure that new urban development is supported by appropriate public transport infrastructure and services
	P12	Lobby for the introduction and/or expansion of passenger rail services
	P13	Include walking and cycling as essential components of land use planning
	P14	Introduce parking policies to encourage use of the most context-specific and appropriate modal travel choice
Integrated land-use, economic and transport planning	P15	Reinforce and enhance metropolitan development corridors
	P16	Encourage medium to higher-density form of urban development to locate on or adjacent to activity routes, development routes and activity streets
Support the rationalisation, upgrade and/or development of economic gateways, and manage land uses around them appropriately	P17	Support the development of an integrated system of airports and appropriate surrounding land uses
	P18	Create and manage a functional interface between ports/harbours and their surrounding areas

Creating opportunities for development

The City is committed to encouraging and enabling the development of Cape Town's built environment. During the period under review, many of the City's development application processes were checked and streamlined. The 2012/13 financial year saw 80,7% of building development applications submitted to the City finalised within the agreed timeframes (against a target of 80%).

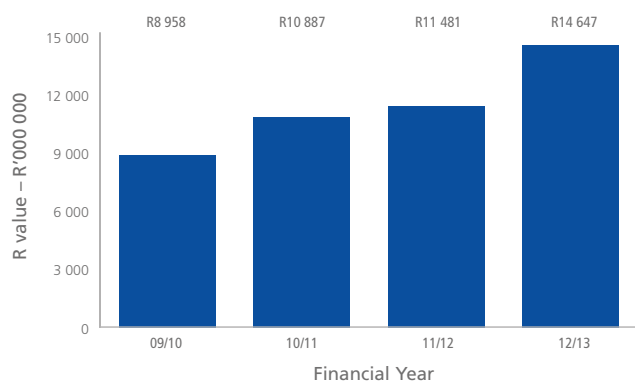
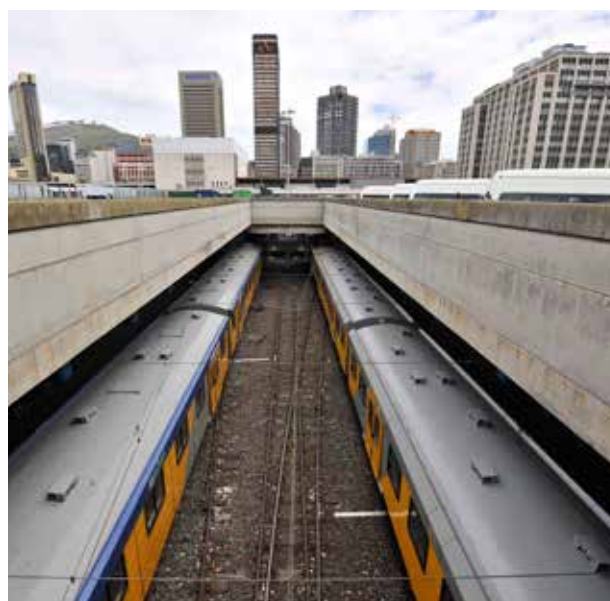


Figure 1.2: Rand value of building plans approved by the City of Cape Town, 2012/13

The City is also in the process of developing a new electronic development application management system, aimed at improving efficiency within all its departments.



The City will continue to lobby for the introduction and/or expansion of passenger rail services.



As the World Design Capital 2014, Cape Town has the unique opportunity to market itself globally as an attractive destination for investment and innovation.

Preparing for World Design Capital 2014

The City of Cape Town was appointed World Design Capital 2014 at the 2011 International Design Alliance Congress in Taipei. As a growing and vibrant city, design has long been a significant factor in Cape Town's development as an open city. The World Design Capital (WDC) designation offers a unique opportunity for Cape Town to market itself globally in respect of excellence in design and to further promote the city as a highly attractive destination for investment and innovation. Cape Town's vision for WDC2014 is as follows:

To transform Cape Town through design into a sustainable, productive African city, bridging historic divides and building social and economic inclusion.

On 1 July 2012, the City of Cape Town's World Design Capital Department was officially formed. This team, which is located within the City's Tourism, Events and Marketing Directorate, is responsible for the implementation of the 2014 World Design Capital (WDC) designation.

The beginning of the 2012/13 financial year also marked the signing of the host city agreement between the City of Cape Town and the International Council of Societies of Industrial Design (Icsid), which paved the way for the planning and implementation of the project. The overall budget for the WDC project is set at R60 million over three financial years. Of this, R40 million has been allocated to the not-for-profit company (NPC) Cape Town Design, which will serve as the implementation agency, and R20 million to fund the City's internal WDC Department.

Over the past year, the WDC Department has successfully achieved a number of key milestones as part of the preparation and planning phase leading up to 2014. These included:

- the hosting of the first of seven mandatory signature events as part of the host city agreement;
- visits to Montreal (Icsid Secretariat) and Helsinki (WDC2012) to share best practices, knowledge and experience relating to hosting a WDC destination;
- facilitating the formation of Cape Town Design NPC; and
- forming the City's internal team of eight staff members and two interns, who are responsible for championing the City's internal WDC initiatives.

Since the formation of Cape Town Design NPC in late 2012, it has focused on developing the marketing and programme strategy for 2014. The company has managed to attract 1 239 project proposals from two public calls for submissions. These proposals will form the basis of the local programme.

Parallel to developing the local programme of events, the company has been developing and planning the remaining signature (anchor) events that will be held in the run-up to and during 2014. These are the Design Week Forum, the New Year's Eve of Design, the Design Gala, the Design Policy Conference, the International Design House Exhibition and, finally, a Convocation Ceremony.

The City's internal WDC team is focused on identifying and further embedding design and design-thinking principles within the administration. Part of this mission is a commitment to demonstrate the benefits of a design-thinking approach to Cape Town's citizens by 'touching' all 111 wards through codesign workshops in collaborative ward clusters. Over the past financial year, the Department successfully completed the pilot phases of these workshops, covering ten wards in total. The remaining workshops will be completed during the 2013/14 and 2014/15 financial years.

The City's WDC Department has also identified 77 design-led City projects that will be showcased during the 2014 calendar year to demonstrate excellence in City-led design.



Enabling enterprise and skills development

Entrepreneurship events and programmes contributed to an enabling environment by providing entrepreneurs with access to information and support, while developing capacity. The City promoted and supported an enterprise development and entrepreneurship culture in Cape Town by directly funding or being actively involved in the following projects and programmes:

- Under the banner of **Open Government for Business Innovation**, Cape Town, together with the World Design Capital team, is working to better support its entrepreneurship ecosystem by using technology solutions that provide an entry point for entrepreneurs and residents to engage with the administration.
- A **red tape reduction programme** in partnership with Province focuses on addressing selected red-tape complaints generated via the Red Tape to Red Carpet call centre. As part of the strategy of creating an environment conducive to business, regulatory impact assessments will be conducted on priority policies that affect entrepreneurship.
- Sixty young Capetonians had the opportunity to attend two six-month **youth skills development** programmes run by the Raymond Ackerman Academy of Entrepreneurial Development. The programme has an 81% success rate in terms of graduates going on to start their own businesses, finding employment or continuing their studies.
- As part of Global Entrepreneurship Week, the annual **Telkom Cape Town Entrepreneurship Week (CTEW)** held on 9 and 10 November 2012 at the Cape Peninsula University of Technology (CPUT) campus was attended by 645 delegates. 80 satellite events linked to CTEW were held across Cape Town and attended by an estimated 2 400 people.
- The Small Enterprise Development Agency (SEDA) **Sustainable Renewable Energy Business Incubator (SAREBI)** was launched in March 2013. SAREBI will play a critical role in positioning Atlantis as a green hub, and is working with a number of partners, including Eskom, the University of the Western Cape (UWC), further education and training (FET) colleges, Green Cape, the Department of Trade and Industry (dti) and Province to achieve this.
- Council approved the implementation of the Atlantis **targeted investment-incentive pilot scheme** in May 2013. The scheme will see a package of incentives introduced to attract investment to the Atlantis industrial area. The incentives include investment facilitation services, development application fast-tracking, biodiversity offsets, development application fee exemptions, deferral of development contributions, and subsidies on electricity tariffs. Implementation will take place during the 2013/14 financial year.

Promoting economic development and investment

The City seeks to strengthen the competitiveness and attractiveness of priority sectors through programmes that promote inclusive growth, investment and trade. These programmes are undertaken in partnership with Wesgro and several sector bodies, including the following:

- **Business Process Enabling South Africa (BPESA)** – The City supported training interventions for 650 agents and supervisors. BPESA Western Cape was active in sector promotion, facilitating investment in Cape Town by big name brands such as Amazon, British Gas, Teleperformance and WNS, to the tune of R281 million. This investment resulted in the creation of 1 172 direct jobs. BPESA was also instrumental in the development and launch of the 2012/13 key indicator report for the business process outsourcing sector.
- **Cape Craft and Design Institute** – In addition to training 971 crafters, market support was provided to increase the market share for products made in the Western Cape through industry events, assisting 1 410 small, medium and micro-sized enterprises (SMMEs) through export support and matchmaking opportunities.
- **Cape Information Technology Initiative (CITI)** – The various training interventions supported in collaboration with key stakeholders reached 81 people and 76 businesses. Eighty-five industry events were attended by 2 210 people. CITI also collaborated with Province, Wesgro and the City of Cape Town to publish and launch the brochure 'Cape Town: Digital Gateway to Africa'.
- **Cape Town Fashion Council** – The Council's main focus is on trade development through the Design Indaba expo. In 2013, participating designers generated sales revenues of R514 000 over the four-day period of the expo. Other supported interventions include assistance to 177 SMMEs, skills training of 338 people, and the hosting of 14 industry events.
- **Clotex** – Focused on enterprise development through the training of 159 people, and the provision of information and networking support to 48 SMMEs in the sector.
- **South African Oil and Gas Alliance** – In addition to skills development programmes that saw 82 people trained and placed in workplace training, assistance was provided to 37 local companies to help them participate in the international markets. Five promotional trips and trade exhibitions as well as ten industry workshops were facilitated.
- **Wesgro** – Support for Wesgro's investment promotion programme was aimed at attracting direct investment and expanding existing investment projects. In total, Wesgro facilitated investment worth R1,7 billion, creating 1 525 jobs. Nineteen inward and ten outward trade missions were organised and 469 companies provided with export support.

- **Urban agriculture** – The City was also involved in the implementation of an urban agriculture support programme that provides 65 community groups/projects with strategic

assistance in the form of operational inputs, infrastructure, mentoring, training and advice, and access to land, in collaboration with internal and external stakeholders.

Job Readiness Programme launched in Khayelitsha

The African Entrepreneurial Development Company (AEDC), in partnership with the City of Cape Town through its Cape Town Activa initiative, launched a project that will see a series of workshops offered to job seekers, providing them with the tools they need to raise their prospects of finding employment. This job readiness programme forms part of the City's efforts towards building an opportunity city in which investment grows and jobs can be created. It is aligned with one of the City's economic development objectives, namely facilitating and coordinating employment support for job seekers, to actively contribute to cutting the unemployment rate in Cape Town through collaborating and working with support organisations such as AEDC.

Development and management of local areas

The City provided support for the establishment of a furniture and woodworking manufacturing incubation centre for emerging businesses in a dormant facility in Nyanga. This facility can incubate up to 12 businesses.

Business retention and expansion studies were also done in Blackheath and Retreat, with a focus on enhancing the local business-enabling environment. Specific area-based support in the Cape Town central city and Philippi was delivered through the Cape Town Partnership and the Philippi East Development Initiative respectively.

In addition to unemployment empowerment programmes that gave 1 284 beneficiaries access to digital literacy and driver's licence training programmes, the City was involved in establishing 24 community-initiated job creation projects, and facilitating community access to assets for the development of livelihood options in areas such as urban agriculture, recycling and craft.

Supporting the informal economy

To support Cape Town's significant informal economy, the City runs programmes to facilitate productive open spaces for the benefit of emerging entrepreneurs. These also seek to maximise the use of public infrastructure for the purpose of sustainable economic production. These programmes have seen trading bays and/or markets made available to informal traders; emerging entrepreneurs gaining access to affordable trading premises, and a substantial number of permanent and temporary job opportunities created.

In addition to providing access to trading infrastructure and premises to approximately 3 000 emerging entrepreneurs, the City hosted an Informal Trading Summit in March 2013. One of the outcomes of the summit was the review of the Informal Trading Policy and Bylaw. An online e-permitting system has also been rolled out to roughly 95% of informal traders throughout Cape Town. Furthermore, a network of vibrant night markets, including the Cape Town Summer Market, has been initiated as part of the strategy of promoting community-based micro-enterprises.

Tourism and sustainability

Cape Town remains a preferred destination for South African and international tourists and investors, as well as a competitive choice for global and local business and leisure tourism events. The positive economic spin-off and the creation of jobs that the tourism industry brings to the city are in keeping with this administration's efforts towards building an opportunity city.

Although Cape Town's natural environment and resources are cornerstones of future economic wealth, the City recognises that sustainable development rather than a 'business-as-usual' approach is needed to continue to attract both tourists and investors. Positioning Cape Town as a global 'green' city is likely to promote tourism growth and responsible-tourism developments even further, as well as make it an attractive foreign investment destination.

To lay the foundation on which this can be achieved, the City has launched a new research study to measure the value of the local tourism industry. During the City's 2009 survey, Cape Town's tourism industry was worth R17,3 billion, which represented a 6% increase from the previous year's R16,3 billion. To update these figures, the City will conduct a three-year study, the aims of which are:

- to create a baseline for monitoring the economic value of tourism in the City of Cape Town; and
- to develop a report to elicit comment and inputs, and to discuss the value of the research in terms of the study's focus, selected indicators and monitoring value.

The study will use national data and tourism surveys to estimate how much visitors spend while in Cape Town. It will also survey city-based tourism businesses for information on their turnover and employment figures. This is critical in estimating the industry's economic value. With increased tourism comes economic growth, which is why the City focuses intently on encouraging tourism as a means of building an opportunity city, in which an economically enabled environment creates the space for jobs to be created. While Cape Town traditionally enjoys strong tourist numbers during summer, the focus is now on growing the city's events calendar and tourist numbers during winter as well. To this end, several new festivals are being planned for Cape Town, entrenching the city's position as a year-round destination.



New Tourism Development Areas to attract more visitors to Cape Town

The City's Tourism Spatial Framework includes a number of identified tourism development areas (TDAs) across Cape Town, each with its own distinctive character and appeal in terms of the types of tourism resources and products found there and the unique tourism experiences they offer. The specific TDAs identified include:

- Blaauwberg;
- Cape Flats;
- Khayelitsha-Mitchells Plain;
- the northern suburbs;
- the southern suburbs;
- Tygerberg;
- Table Bay; and
- Helderberg.

Once the public participation process for the Tourism Development Framework has been completed, specific tourism development opportunities for each of these areas will be developed and presented.

Events Programme

Cape Town has a strong track record as an events destination, and has hosted major global events. The City has developed a strong global brand, and will utilise this strength to develop into an events destination of choice and to further build Cape Town's brand identity. This branding is critical for business perceptions about the City as an investment destination.

During the 2012/13 financial year, the City set up various systems and processes to gear itself towards further increasing and enhancing its events-hosting capabilities:

- **Events Policy** – Council approved a new Events Policy in May 2013. The new policy sets out how the City's Tourism Department will operate, and is critical in terms of achieving the objective of becoming a premium events city.
- **Special Events Committee** – Council approved the establishment of the Special Events Committee on 26 March 2013. The purpose of the committee is to consider and recommend ad hoc events that Council wishes to support.
- **Approved annual events (schedule 22)** – Council approved schedule 22, which contains a list of approved annual events, in May 2013 as part of the budget process. The approval of schedule 22 enables the Tourism, Events and Marketing (TEAM) Directorate to plan for annual events. The budget supporting schedule 22 is drawn from all the departments within TEAM.

Events Calendar

The City presented and/or hosted 334 events in the 2012/13 financial year. Highlights included the hosting of a record

number of concerts at Cape Town Stadium, including Linkin Park, Lady Gaga, Metallica, Justin Bieber and Bon Jovi. New events included the Ajax CT vs Manchester United soccer event, the Mercedes-Benz Cape Town Fashion Week and the Annual Mandela Lecture event.

The City continued to support annual events such as the Cape Argus Pick n Pay cycle tour, the Two Oceans marathon, the ABSA Cape Epic, the Discovery Big Walk, the Cape Town Carnival and the Design Indaba, among others. A number of international sporting events and teams were also hosted, such as the International Ice Hockey Federation's world championships, the African fencing championships, the New Year's Day cricket test and the national football team (Bafana Bafana).

In addition, special City-organised events were arranged, such as the switch-on of the festive-season lights, the minstrel road marches, the commemoration of Human Rights Day, as well as the Mandela legacy exhibition.

Event and film permits

The Events Permitting Department received a total of 1 363 applications for event permits during the 2012/13 financial year, while the Film Permitting Department received a total of 24 641 bookings for film permits.

OBJECTIVE 1.2: PROVIDE AND MAINTAIN ECONOMIC AND SOCIAL INFRASTRUCTURE TO ENSURE INFRASTRUCTURE-LED ECONOMIC GROWTH AND DEVELOPMENT

Keeping the city connected

A key achievement of the City's fibre-optic installation programme over the past year was the extension of the metropolitan fibre-optic network to the southern and eastern parts of the metropolitan area. The City now has a fibre-optic network in excess of 350 km, stretching from Atlantis in the north to Plumstead in the south, and as far east as Khayelitsha. Twelve switching rooms were constructed, of which eight are live and the remainder are being populated with switching equipment to render a telecommunication service during the coming financial year.

Through this infrastructure, 87 City sites now have network connectivity at 1 gigabyte per second (GBps), through which voice and data services are being provided. This technology investment saved the City R25 million in telecommunication costs in the 2012/13 financial year alone, and has also enhanced service levels by making it possible to access other municipal services that were previously only available from a few larger centres.

In addition to connecting these City sites, 23 Province sites have also been connected to this network. The map in figure 1.3 shows the extent of the City's metropolitan fibre-optic network as at the end of the 2012/13 financial year.

The City will be exploring new ways to enhance this network in conjunction with the private sector by using innovative scenario planning, thereby helping to position Cape Town as the most economically competitive area for data provision in the region.

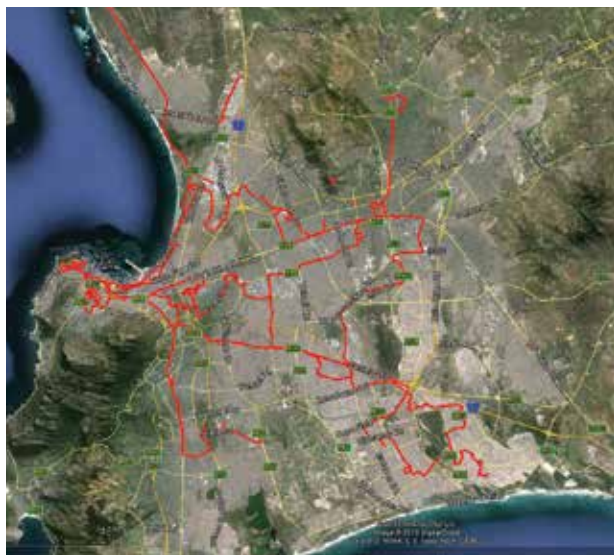


Figure 1.3: — Fibre optic network in the City of Cape Town

Expanded Public Works Programme (EPWP)

As a result of the City's excellent capital expenditure performance, the number of EPWP job opportunities created has increased significantly. This has resulted in the creation of 35 556 work opportunities for those most in need of employment – more than any other city in South Africa. In addition to creating work opportunities and helping to directly combat poverty, the City's EPWP success has resulted in a direct improvement in the roll-out of services as well.

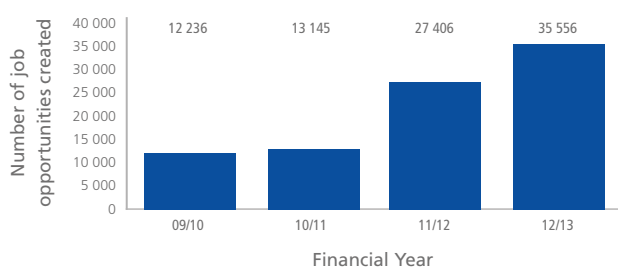


Figure 1.4: Job opportunities created through the Expanded Public Works Programme

On 25 May 2013, the City approved an EPWP Policy for implementation. The policy deals with the internal administrative requirements for implementing the EPWP, and regulates the contributions and obligations of the various City departments and stakeholders, all of whom contribute to making the EPWP a success.

Infrastructure investment for sustainable development

Infrastructure investment remains an important emphasis for the City. This includes determining investment and growth trends to ensure that adequate infrastructure is provided in areas of high growth. The City continues to act as catalyst by investing in suitable economic and social infrastructure to support and further stimulate economic development.

The City's objective is to develop and implement a life-cycle management system for infrastructure assets. The infrastructure asset management programme (IAMP) is a corporate project that is aligned with the National Department of Cooperative Governance and Traditional Affairs (COGTA) as well as National Treasury's requirements for the establishment, implementation and use of a comprehensive infrastructure plan.

Preventative maintenance and timely upgrades or replacements will save costs in the long term, minimise outages and improve service provision. The first projects for certain assets used for service delivery in the City's Water and Sanitation, Electricity, Solid Waste Management, and Transport, Roads and Stormwater departments have already yielded results.

The operation and maintenance of this enormous network greatly affects the efficiency of people and goods transportation into and within the city. The demand for streets and associated services for social housing developments places huge pressure on the capital and operating budgets of the City's Roads and Stormwater Department. The condition of the road and street network is fair to good, but the required annual maintenance spend to limit its deterioration exceeds the annual budget by a factor of four. This is evident from the annual output of the pavement management system, which shows a rapidly deteriorating network. The annual operating and staff budget allocation needs to be greatly increased to reverse this trend. The associated bridges and other road elements are displaying similar deteriorating trends.

While the City continues to focus on providing valuable utility and infrastructure services to many greenfield developments, the urgent need for maintenance and upgrades of existing infrastructure services remains – particularly in older urban areas. Figure 1.5 on page 40 shows the infrastructure risk areas identified across the city.

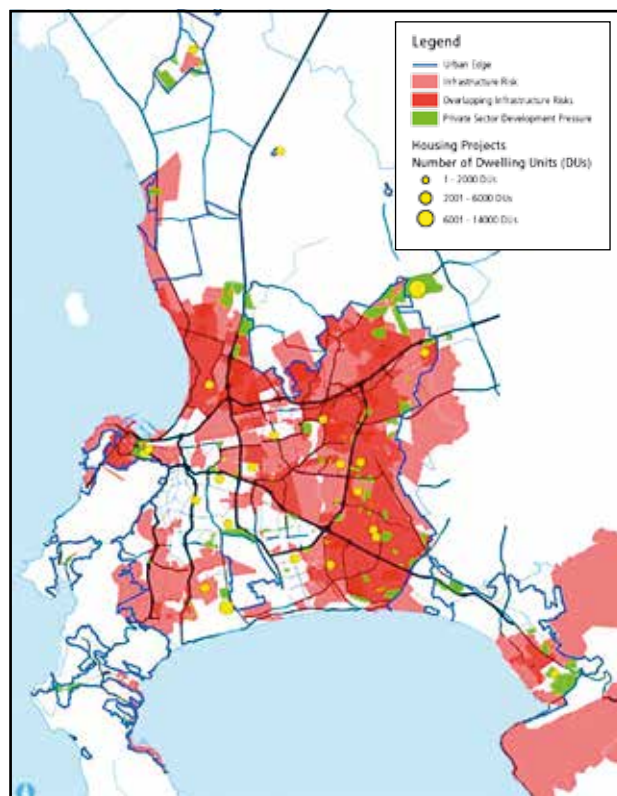


Figure 1.5: Major infrastructure risks within development areas

In response to these challenges and opportunities, the City's 2013/14 capital expenditure budget focuses extensively on infrastructure development, such as utility services, transport, roads and stormwater. The allocation of just over R4,086 billion for these purposes represents 75,04% of the total budgetary allocation for the 2013/14 financial year.



The demand for services places huge pressure on the capital and operating budgets of the Roads and Stormwater Department.

Table 1.4: City of Cape Town's 2012/13 medium-term capital budget per directorate

Description	Budget 2012/13 (R'000)	%	Budget 2013/14 (R'000)	%	Budget 2014/15 (R'000)	%
Community Services	192 140	3,09	201 964	4,04	190 584	4,05
Corporate Services	237 997	3,83	222 045	4,44	206 061	4,38
Economic Environment and Spatial Planning	43 667	0,70	43 927	0,88	49 927	1,06
Finance	52 205	0,84	6 061	0,12	5 358	0,11
City Health	31 899	0,51	23 966	0,48	14 166	0,30
Human Settlements	647 213	10,40	674 480	13,49	461 427	9,80
City Manager	224	0,004	222	0,004	222	0,005
Deputy City Manager	31 438	0,51	47 978	0,96	37 317	0,79
Safety and Security	58 703	0,94	15 127	0,30	15 127	0,32
Social Development and Early Childhood Development	9 590	0,15	10 960	0,22	11 010	0,23
Transport, Roads and Stormwater	2 623 876	42,17	1 407 754	28,15	1 490 831	31,65
Utility Services	2 190 402	35,21	2 345 729	46,91	2 227 492	47,30
Tourism, Events and Marketing	102 455	1,65	300	0,01	250	0,01
Total capital expenditure	6 302 930	100	5 000 513	100	4 709 772	100

In its MFMA circulars, National Treasury has indicated that a minimum of 40% of the total capital budget should go towards renewal of infrastructure as opposed to constructing new infrastructure. In the 2013/14 budget, the renewal of existing assets amounts to R2,227 billion,

or 41,1% of the total 2013/14 capital budget, while new assets represent R3,291 billion, or 55,5%. It is important to note that asset renewal represents the upgrade or replacement of existing City-owned assets, while new assets will result in an increase in the City's asset base.

Table 1.5: Capital spend on City infrastructure

	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Infrastructure – Road transport	684 103	869 459	1 118 132	1 072 132	1 265 742	1 180 656
Infrastructure – Electricity	599 930	744 638	874 594	1 022 636	952 496	1 161 897
Infrastructure – Water	139 738	179 304	284 080	355 776	474 308	651 048
Infrastructure – Sanitation	222 337	361 449	367 963	512 365	568 895	683 758
Infrastructure – Other	237 530	281 818	365 708	344 533	247 037	260 200
Total	1 910 254	2 457 071	3 062 849	3 408 974	3 606 178	3 963 959

Prioritising repairs and maintenance

One of the key areas of expenditure that differentiates the City of Cape Town from other South African municipalities is that this metro prioritises repairs and maintenance. This

is the reason for the visible difference in Cape Town, primarily in terms of roads and utilities infrastructure. In this regard, the City spent a record R2,6 billion in the 2012/13 financial year.

Table 1.6: Operational repairs and maintenance by expenditure item

Description	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Employee-related costs	406 268	446 891	945 862	1 165 808	1 266 075	1 377 490
Other materials	200 892	180 350	243 415	263 900	286 690	311 816
Contracted services	995 374	1 088 586	1 304 997	1 360 489	1 488 123	1 608 206
Other expenditure	106 746	167 226	131 738	140 087	152 566	165 513
Total	1 709 280	1 883 053	2 626 012	2 930 284	3 193 454	3 463 025

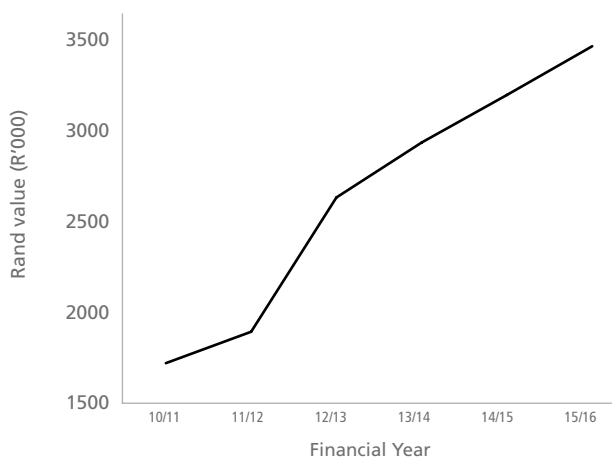


Figure 1.6: Total repairs and maintenance expenditure by year

In line with the approach in recent financial years, 2013/14 appropriations again provide for significant and above-CPI (consumer price index) increases to this cost component. The contracted services expenditure component now includes provision for repairs and maintenance expenditure. Expenditure levels of R3,2 billion (2013/14) to R3,5 billion (2015/16) are projected.

Electricity services

The City of Cape Town is the electricity service authority for the entire Cape metropolitan region, and its service providers are the City of Cape Town's Electricity Services Department, Eskom and AECl (although the AECl electricity distribution licence is being transferred to the City).

The Cape Town electricity supply area is divided into three distribution or service areas, each of which is serviced by four districts, as shown in figure 1.7 on page 42.



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Each district is responsible for the maintenance and safe operation of the electricity services network as well as new customer connections in its area.



Figure 1.7: Service areas and districts in the Cape Town electricity supply area

While forecasts point to a likelihood of energy consumption in Cape Town growing at a constant 3% per annum in the coming years, analysis of recent figures shows a gradual slowing of consumption growth. However, a growing city demands more energy. Electricity service availability and access backlogs – particularly in informal settlements – remain a significant challenge. These are being addressed by the Electricity Services Department and Eskom's electrification programmes.

Electricity Service highlights for 2012/13

Some of the City's delivery highlights in terms of electricity for the year under review included:

- close to R1 billion's worth of investment in network infrastructure;
- the implementation of enterprise asset management to drive the planned maintenance of network infrastructure;
- the completion of the new Bloemhof building, and construction of a new training facility;
- a large budget allocation for electrification (mostly in Eskom areas) and the provision of street lighting in areas that had required it; and
- a well-maintained quality of electricity supply throughout the year.

A plan to address the challenges

The electricity distribution industry as a whole faces a number of immediate and medium-term challenges, including:

- increasing tariffs and the impact on customers' ability to pay;
- electricity bulk supply constraints, resulting in a lower reserve margin and the possibility of load shedding;
- a dire need for investment in infrastructure, both in terms of new demand and maintenance and refurbishment;
- a continued skills shortage in the sector; and
- various challenges associated with carbon emissions, climate change, renewable energy and new technologies.

Against this backdrop, some of the major delivery challenges for the City of Cape Town remain:

- risks to the continuity of supply to meet customers' needs;
- increases in theft and vandalism, which affect costs and supply; and
- above-CPI increases in tariffs, which affect customers' ability to pay.

The City's Electricity Services Business Plan seeks to sustainably address these challenges, and has been prepared in alignment with the framework of the National Energy Regulator of South Africa (NERSA), which was established in terms of the Electricity Regulation Act, Act 4 of 2006), as well as the framework set out in the Electricity Regulation Amendment Act, Act 28 of 2007.

Electricity infrastructure and investment

The City recognises that continued investment is required to ensure that quality, adequacy and reliability of supply are achieved and maintained. As the city develops, infrastructure must be available to support development initiatives and policies, such as land use densification. A strong focus is also needed on the refurbishment and replacement of existing assets to achieve a balanced, cost-effective approach to the long-term viability of infrastructure.



The availability of electrical services, particularly in informal settlements, remains a challenge.

The following table provides a breakdown of the City's capital and operating budget spend on electricity services:

Table 1.7: City's capital budget: Electricity services

Description	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Infrastructure – Growth	376 069	337 194	280 403	356 760	333 044	411 438
Infrastructure – Refurbishment	152 757	297 708	339 729	411 737	362 733	393 959
Electrification	63 922	119 043	213 401	197 375	204 444	295 500
Facilities – Vehicles, equipment	141 977	172 183	401 477	515 231	272 975	239 675
Total	734 725	926 128	1 235 011	1 481 103	1 173 196	1 340 572

Table 1.8: City's operating budget: Electricity services

Description	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Total operating revenue	(7 531 964)	(8 807 457)	(9 726 254)	(10 586 712)	(11 027 904)	(11 909 088)
Staff cost	558 736	622 056	675 862	821 546	890 151	969 979
Bulk services	4 326 840	5 385 001	6 097 890	6 545 300	6 678 300	7 173 500
Contracted services	113 548	35 069	31 049	39 659	41 960	44 309
Other	1 131 688	1 492 458	1 484 526	1 568 850	1 740 532	1 915 303
Total primary cost	6 130 812	7 534 584	8 289 327	8 975 355	9 350 943	10 103 091
Secondary cost	1 066 859	1 048 005	1 137 209	1 195 268	1 283 926	1 361 833
Total primary and secondary cost	7 010 616	8 601 443	9 337 332	10 112 564	10 546 211	11 387 017

A focus on customer service

The City's call centre optimisation project has established a single telephone number (the Electricity Technical Operations Centre), to which all electricity fault and power outage complaints are now directed. The Department has published its minimum standards and reporting lines for quality service, the specifications of which cover a number of services, including customer-driven complaints, enquiries, requests, quotations and forums. The standard response times and satisfaction indices for counter services, telephonic replies and written replies are stipulated in these documents.

Water and wastewater services

The Western Cape water supply system (WCWSS), comprising raw-water storage and conveyance infrastructure, supplies water to Cape Town, surrounding towns, urban areas and agriculture. The various components of the WCWSS are owned and operated by the City of Cape Town, the Department of Water Affairs (DWA) and Eskom, and are planned and operated in an integrated manner.

The major raw-water supply schemes of the WCWSS are the Riviersonderend, Voëlvlei and Berg River schemes (owned and operated by DWA) and the Wemmershoek and Steenbras schemes (owned and operated by the City of Cape Town). The total storage capacity of the major dams is 898 300 million kℓ, while the WCWSS yields 596 million kℓ every year.

The City's water supply infrastructure includes 11 dams, 12 water supply treatment works and a water supply reticulation network of approximately 10 805 km. The City also has 108 water pump stations, 138 water reservoirs and 21 depots. The wastewater infrastructure consists of 27 wastewater treatment facilities, a 9 000 km sewer reticulation network, 377 sewer pump stations and 21 depots.

The City of Cape Town is allocated 398 million kℓ per annum from the WCWSS. This means that the City obtains 73% of its total water allocation from DWA-owned sources, with the balance coming from City-owned sources.

During the 2012/13 financial year, the City produced 320 921 722 kℓ of potable water.

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The entire water supply and treatment process for Cape Town can be illustrated as follows:

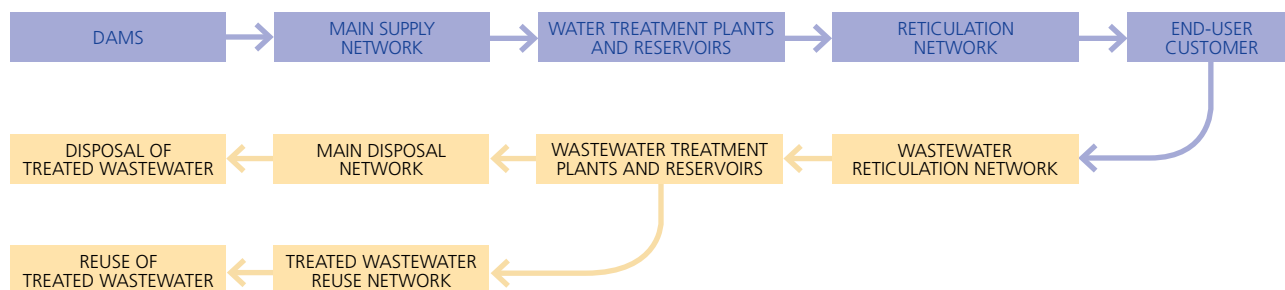


Figure 1.8: City of Cape Town's water supply and reticulation process

A breakdown of the City's historical and projected capital budget expenditure on water and wastewater services is provided below:

Description	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Hydraulic networks	203 335	288 981	282 550	577 149	551 438	551 438
Hydraulic pump stations	9 157	13 045	13 045	53 774	11 825	11 825
Dams, reservoirs and tanks	6 621	10 627	9 142	66 260	174 271	174 271
Treatment works	121 505	223 193	222 941	164 740	280 670	280 670
Support infrastructure	50 132	69 311	75 994	119 742	131 927	131 927
Total	390 751	605 157	603 671	981 664	1 150 131	1 150 131

Table 1.9: City's Capital budget: Water and wastewater services

A plan for a sustainable water future

The Water Services Development Plan (WSDP) is a guiding document that is updated annually. Every water services authority (WSA) has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development. Sections 12 and 13 of the Water Services Act, Act 108 of 1997 impose a duty on WSAs to prepare and maintain a WSDP.

In terms of this plan, some of the City's key medium- and long-term strategic objectives are to:

- reduce unaccounted-for water to 16% in the next five years;
- provide basic or emergency sanitation services to all residents of the city;
- provide basic water to all residents of the city;
- achieve 90% customer satisfaction levels in all its services;
- minimise river system pollution by reducing sewage overflows by 20%; and
- improve revenue collection to 96%.



The City's water supply infrastructure includes 11 dams, 12 treatment works and a reticulation network of over 10 000 km.

Table 1.10: The City's budgeted capital requirements for future water services

	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Bulk water	182 771	228 812	561 930	649 850	549 635
Reticulation	385 213	407 604	332 250	257 500	244 001
Waste water treatment	281 170	401 900	212 210	292 035	336 035
WDM and strategy	54 000	54 000	–	–	45 000
EAM	34 677	34 286	7 000	8 000	51 186
Other	212 300	320 191	21 000	–	15 010
Total	1 150 131	1 446 793	1 134 390	1 207 385	1 240 867
By investment category					
New infrastructure	625 596	762 055	903 680	1 050 035	928 575
Replacement infrastructure	338 608	493 252	205 610	153 250	205 895
New plant	26 300	27 600	–	–	51 500
Water demand	54 000	54 000	–	–	45 000
Other	105 627	109 886	25 100	4 100	897
Total	1 150 131	1 446 793	1 134 390	1 207 385	1 240 867

Water and sanitation infrastructure asset management

Medium and long-term planning for water and sanitation infrastructure is critical to ensure that the provision of new infrastructure will support city growth and development, in order to provide these essential services where they will be required. The integrated infrastructure master plan, as completed during 2010, is updated annually and is used to guide and inform the capital budget requirements.

The established city growth areas continue to require capital investment in infrastructure, while densification is a future spatial strategy being provided for in the design of long-term capacity upgrades. The City is in the planning stages of its large bulk water augmentation scheme (BWAS). When implemented, this will increase the potable-water treatment, bulk storage and bulk conveyance capacity of the City's water supply system, increasing the overall capacity as well as boosting supply to development areas.

Increased investment is being channelled towards the eradication of maintenance backlogs, such as the replacement of failing pipelines and the upgrade of treatment and pumping plant. The City is committed to developing, implementing and maintaining tools and business processes that promote a smooth, seamless and responsive experience for the consumer.

Infrastructure replacement is most economically based on the performance of individual pipe sections, so as to achieve an accurately focused replacement programme. Pressure management has been introduced in large segments of the reticulation system. The primary focus of this intervention is to reduce water consumption, but also to prolong the immediate serviceability of the affected network.

Sewerage reticulation network

Sewage and wastewater generated from the City's 3,7 million inhabitants (approximately 613 894 even sewer connections) are collected and pumped to the City's 22 wastewater treatment works (WWTWs), three marine outfalls and two oxidation ponds. This system continues to face the challenges of ageing infrastructure, deterioration of assets, potential wastage, and resultant health and environmental hazards.

Attempts to address these challenges have included the use of targeted closed-circuit television (CCTV) inspection to enhance proactive sewer maintenance. The challenge is to achieve a comprehensive sewer network condition assessment for such a large network. The City is developing and implementing an asset management plan, and is working to increase the skilled and experienced maintenance staff complement as well as to improve the monitoring of equipment condition.

Bulk water infrastructure investment

There are 22 WWTWs and two oxidation ponds in Cape Town, many of which need to be upgraded to meet DWA's requirements. A number of the works, including Borchers Quarry and Kraaifontein, are operating above their hydraulic and load design capacity. A considerable number of other works, such as Athlone, Bellville, Gordon's Bay, Potsdam and Zandvliet, are fast approaching their design capacity.

The timing of the development of the required bulk water infrastructure depends on the growth in water demand and the effectiveness of the water demand management (WDM) strategy.

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Construction starts on new Bellville North water reservoir

On 25 January 2013, the City of Cape Town began construction of the new Bellville North service reservoir. The reservoir, which will be constructed at a cost of approximately R8,5 million, is situated to the north of Van Riebeeckshof, on land acquired from the Altydgedacht farm. It forms part of the City's water supply infrastructure programme and follows on from the first phase of the master plan for the Bellville North water scheme, which was completed in 2008. The first phase saw the construction of a water pump station in the vicinity of Racecourse Reservoir in Durbanville, and a rising main with a feeder pipe to and from the proposed reservoir. The new reservoir will have a storage capacity of five megalitres (i.e. five million litres) and will be coupled to the rising main and feeder pipes that were completed during the first phase. It will provide an alternate water supply to the Bellville North service area and will also serve as an emergency water supply in the event of pipe bursts or repairs in order to minimise the impact on consumers.

The City has undertaken an accelerated programme to improve the replacement of water distribution network mains, especially in areas with a high incidence of pipe bursts. An extensive IAMP is also being implemented, which will ensure that:

- an asset register that complies with generally recognised accounting practice (GRAP) is developed and maintained;
- assets are maintained proactively rather than reactively;

- the total asset life-cycle is managed to maximise the lifespan and optimise the life-cycle costs of those assets;
- maintenance work is effectively coordinated; and
- operating downtime is significantly reduced.

However, maintaining infrastructure is not enough to ensure efficient water supply. The City's operating budget for water and wastewater services is outlined below:

Table 1.11: City's operating budget for water and wastewater services

Description	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Total operating revenue	4 452 978	4 892 415	5 485 184	5 909 497	6 581 317	7 123 449
Total operating expenditure						
Staff cost	781 141	874 460	974 634	1 142 168	1 235 131	1 341 240
Bulk services	293 325	320 262	293 295	353 581	393 631	449 988
Chemicals	89 138	95 823	110 401	143 032	151 042	159 803
Contracted services	358 474	411 289	546 829	527 032	588 152	670 134
Other	1 094 995	1 024 058	1 154 271	1 067 630	1 321 191	1 434 935
Total primary cost	2 617 073	2 725 893	3 079 430	3 233 443	3 689 147	4 056 100
Secondary cost	1 858 579	1 999 811	2 268 448	2 472 916	2 634 793	2 820 452
Total primary and secondary cost	4 475 652	4 725 704	5 347 878	5 706 359	6 323 940	6 876 552
Total repairs and maintenance	356 283	449 129	879 632	791 235	859 281	934 901
Repairs and maintenance (primary)	207 116	271 695	368 255	310 570	337 279	366 959
Repairs and maintenance (secondary)	149 167	177 434	511 377	480 665	522 002	567 941

Ensuring water quality

During the 2012/13 financial year, the entire water supply system, including the City-owned catchments, dams, water supply treatment plants, the bulk conveyance system and the whole distribution system, was once again assessed by DWA for its Blue Drop performance ratings.

The City again excelled in this area. Its score for the period under review was an impressive 98,14%, while it also received the Platinum award for four successive years of excellent Blue Drop performance.

According to the latest Green Drop report by DWA, the City's average Green Drop score – which is a measure of the quality of the City's WWTWs – was 86,8%. Eleven of the WWTWs scored higher than 90%, thereby qualifying for Green Drop status. Athlone and Cape Flats WWTWs, however, struggled with compliance and therefore lost their Green Drop status.

To address its ongoing wastewater challenges, the City continued with the following initiatives in the 2012/13 financial year:

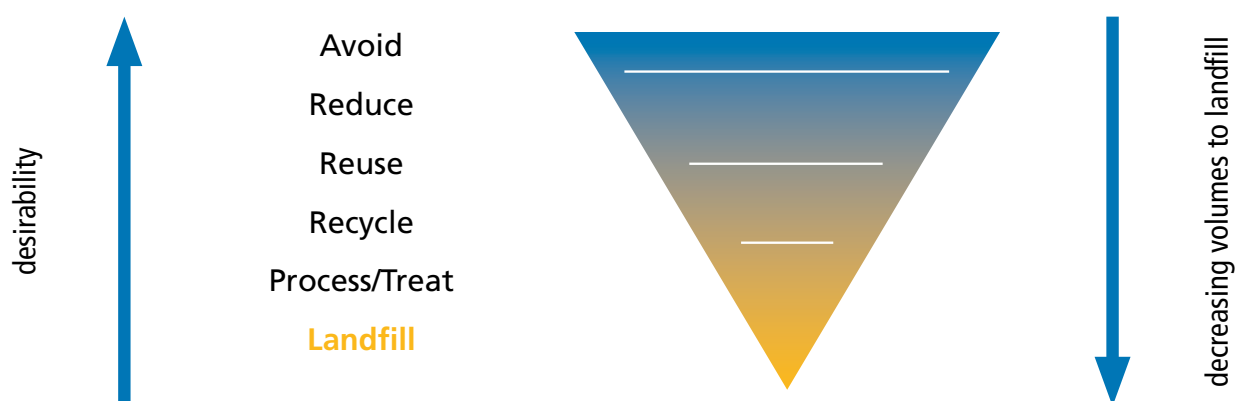
- Recruitment of appropriate staff
- Post-retirement contracts, where possible

- Training of existing staff in an effort to minimise the shortage of trained, experienced resources
- Formulation of comprehensive, long-term master plans
- Allocating financial resources to expand and maintain existing assets
- Construction of new wastewater treatment facilities
- Improvement of business processes

Waste management services

The City of Cape Town subscribes to the waste management hierarchy of the National Waste Management Strategy (NWMS) as a way of minimising waste sent to landfills. This waste management hierarchy can be visually depicted as follows:

Figure 1.9: The City's waste management hierarchy



The increase in waste as a result of population growth is projected to be approximately 2-3% per year. The City's integrated waste management (IWM) plan consists of operating and support strategies to manage and minimise waste, ensure sustainable and affordable services, and comply with the NWMS, as per the National Environmental Management Waste Act, Act 59 of 2008.

Key projects and initiatives that formed part of the plan for 2012/13 included the following:

- Rehabilitating old landfill sites
- Upgrading and replacing the solid waste management fleet in line with a set vehicle replacement plan to improve equipment condition, reliability and availability
- Completion of mini-materials recovery facilities (MRFs)
- Implementation of the comprehensive Municipal Systems Act section 78(3) assessment of alternate service delivery mechanisms
- Improve access to basic waste management service
- Initialising the containerisation and implementation of an equitable refuse collection service to backyards
- Finalisation of the Bellville Waste Management Facility design.



The City's integrated waste management plan consists of strategies to manage and minimise waste.

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Solid waste value chain

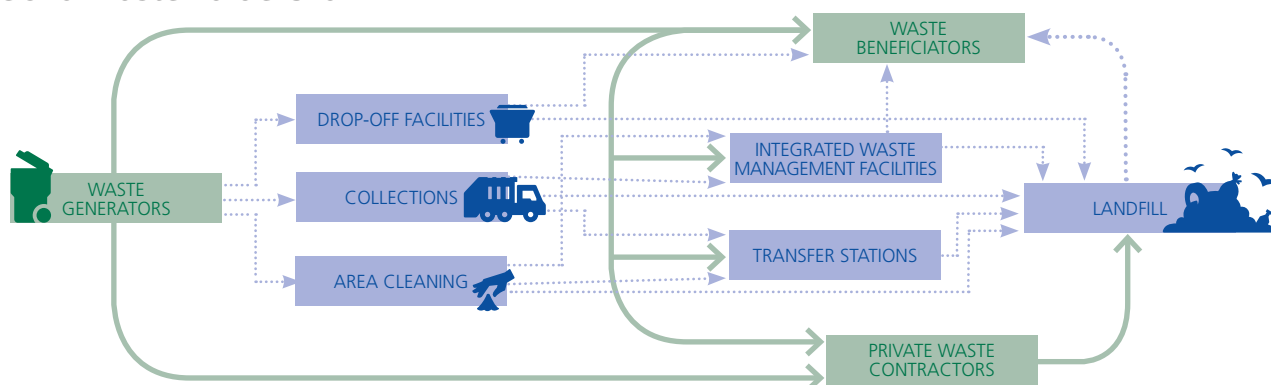


Figure 1.10: The City's solid waste value chain

The following table provides a breakdown of the City's operating budget and spend on solid waste management in recent years:

Table 1.12: City's operating budget: Solid waste management

Description	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Total operating revenue	1 781 087	1 926 137	2 145 973	2 288 334	2 425 809	2 629 055
Total operating expenditure						
Staff cost	450 515	501 390	565 966	613 788	671 900	723 105
Contracted services	473 885	375 478	431 016	427 648	446 288	502 521
Other	388 112	645 633	595 682	657 709	658 867	707 713
Total primary cost	1 312 512	1 522 501	1 592 664	1 699 145	1 777 055	1 933 339
Secondary cost	391 094	375 478	473 853	508 164	532 036	568 730
Total primary and secondary cost	1 703 606	1 897 979	2 066 517	2 207 309	2 309 091	2 502 069
Total repairs and maintenance	79 925	86 500	96 196	107 475	116 718	126 986
Repairs and maintenance (primary)	79 008	82 669	94 131	104 431	113 412	123 392
Repairs and maintenance (secondary)	917	3 831	2 065	3 044	3 306	3 594

Solid waste infrastructure asset management

The rehabilitation of the City's disused, full landfills and dumps continued in 2013, as required by the MFMA and operating permit conditions. The City also continued to

focus on replacing ageing waste collection vehicles with the aim of ensuring long-term service delivery improvements.

A breakdown of the City's capital budget expenditure on solid waste management services is provided below:

Table 1.13: City's capital budget: Solid waste management

Description	2010/11 Audited outcome R'000	2011/12 Audited outcome R'000	2012/13 Audited outcome R'000	2013/14 Budget R'000	2014/15 Budget R'000	2015/16 Budget R'000
Disposal sites	164 079	75 082	84 995	194 900	138 300	144 200
Vehicles and plant	27 532	152 418	101 250	63 500	59 000	59 000
Other	6 763	3 153	20 327	36 337	61 005	35 344
TOTAL	198 374	230 653	206 572	294 737	258 305	238 544

Addressing city landfill airspace constraints

There is limited airspace available at the City's three operating landfills. An extensive technical process and a subsequent scoping and environmental impact assessment (EIA) process on two shortlisted sites was concluded, but a final record of

decision by the MEC is still outstanding. It is envisaged that the regional landfill will be able to receive waste by 2017.

The City remains committed to achieving ongoing landfill airspace savings through a variety of waste-to-landfill

diversion mechanisms, including the composting of garden greens, the reuse of builder's rubble, diverting glass, paper, cardboard, certain plastics and metal cans from landfills to recycling facilities, and a number of pilot separation-at-source projects (through the Think Twice initiative).

Tons of waste generated and diverted from City Waste Management Facilities per financial year

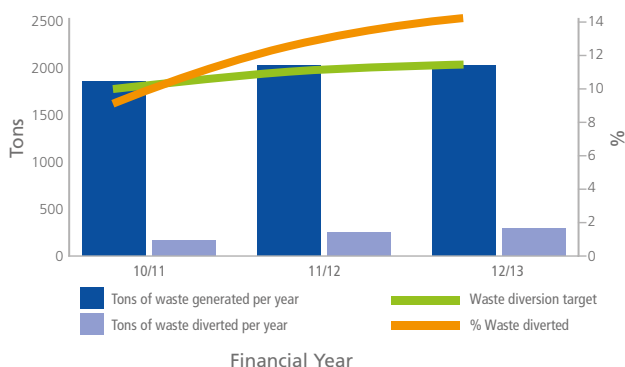


Figure 1.11: Amount of waste diverted from City of Cape Town waste management facilities

OBJECTIVE 1.3: PROMOTE A SUSTAINABLE ENVIRONMENT THROUGH THE EFFICIENT UTILISATION OF RESOURCES

The City is committed to conserving Cape Town's unique biodiversity and promoting natural areas as community spaces. To achieve this, a biodiversity network (fine-scale conservation plan) has been put in place. The City is also committed to investigating alternative methods of energy generation, for example solar, wind and gas power.

Inland and coastal water quality improvement is another key priority area, which is aimed at delivering improved living conditions, healthy rivers and coastal waters, and increased resource sustainability.

The City continues to work tirelessly to reduce overall water demand and prevent water losses as a result of leaks and burst pipes. A key focus is on promoting efficient methods of water utilisation by end users, such as rainwater harvesting, boreholes, greywater use and retrofitting.

The City of Cape Town recognises the need to be proactive in adapting to climate change, and has developed its Climate Adaptation Plan of Action (CAPA) to integrate such climate change adaptation measures with all of its relevant service delivery and planning functions.

Recognised for sustainability excellence

The City of Cape Town received a number of environmental awards in 2012/13, including:

- first runner-up in the 2012 Greenest Metro competition;

- the SANEA (South African National Energy Association) energy project award;
- residential-category winner in the 2012 Eskom eta awards; and
- the Department of Environmental Affairs' award for the best EPWP project in the Western Cape for the Silverstroom to Hout Bay Working for the Coast project.

Protecting Cape Town's coastline

The first draft of the City's Integrated Coastal Management Policy was completed during the year under review and will shortly be available for public comment and engagement. This draft policy defines a vision for coastal management in Cape Town with the intent to promote strategic, consistent and informed decision-making with regard to the coast.

A study to model the sediment dynamics of False Bay in the vicinity of Glencairn beach was also completed, and provides recommendations and options for remedial action regarding the Glencairn railway line, which is currently threatened by the dynamic coastal processes that naturally take place in the coastal environment, including erosion.

Ensuring and protecting biodiversity

During 2012/13, the City built on the many successes it had already achieved in terms of environmental sustainability and biodiversity management and protection. Many of these initiatives also served to create much-needed permanent or temporary employment for Capetonians. Particular successes included the following:

- The creation of a significant number of job opportunities as part of the City's ongoing biodiversity management and invasive alien species management work. Approximately 100 000 person days of temporary employment were created, which is the equivalent of over 400 full-time jobs. Since the start of the Mayor's Special Project (integrated catchment management in memory of Kader Asmal) and the skills development programme at False Bay Nature Reserve, six individuals have been permanently appointed.
- The ongoing Kader Asmal project, along with other EPWP projects, has had a significant positive impact on ecosystem functioning, biodiversity and ecological infrastructure across the city. Achievements include the clearing of aquatic weeds in the Black River and the subsequent return of flamingos and other birds to the area. Other projects include the early detection and rapid response programme that addresses emerging weeds, the National Resource Management programme for invasive species control, and a National Department of Environmental Affairs-funded EPWP project for the clearing of alien vegetation and infrastructure development.



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- A R25 million EPWP project, funded by the National Department of Tourism, commenced in July 2012 to upgrade recreational facilities on the eastern shore of Zeekoevlei, which forms part of False Bay Nature Reserve. The project will be completed in 2014 and will provide new braai and picnic areas, ablution facilities, road and parking areas and a walking/cycle path along the vlei edge.
- The ongoing baboon management programme continues to be highly successful. In 2012/13, the service provider was able to keep baboons out of affected urban areas for over 95% of the time.
- The restoration of Skilpadsvlei, Kommetjie, resulted in the first successful breeding event of the endangered western leopard toad since the historic wetland area was drained and filled in during the 1940s. The rehabilitation project was aimed at re-establishing the breeding site for the western leopard toad and improving the ecological functioning of the system as well as the natural open space for public enjoyment.
- The successful conclusion of the purchase of Klein Dassenberg – one of the original core botanical sites that were previously known as the fynbos corridor. This important biodiversity land will be used as a land bank to potentially facilitate the development of land in the urban edge and industrial areas of Atlantis. This arrangement is set to boost development facilitation in the area.

Promoting environmental compliance

The City's environmental compliance and enforcement strategy continued to achieve notable successes in terms of both compliance and enforcement. Tracking data show that City applications for environmental authorisation have reduced in both number and duration due to better planning and project management, thereby reducing the risk of delays to capital projects for service delivery and housing.

Enforcement activities have continued against a number of cases of illegal infilling of wetlands, and have resulted in the rehabilitation of disturbed areas, including the restoration of wetlands and floodplains in Mfuleni and Hout Bay. Three staff members of the City's Environmental Resource Management Department have been designated as environmental management inspectors ('Green Scorpions') and assist in citywide environmental enforcement.

A new Marine Environmental Law Enforcement Unit was established in 2012 as part of the Environmental Law Enforcement Task Team – a partnership of a number of national, provincial and local government departments. This has facilitated an integrated approach throughout the City for addressing marine and coastal law enforcement issues and the implementation of regular joint operations and law enforcement cooperation.

Encouraging energy efficiency

The City Solar Water Heater Endorsement Programme was approved by Council to be implemented from August 2013. The programme will facilitate the roll-out of high-pressure solar water heaters by removing barriers identified in terms of capital outlay and perceptions of service and product quality.

Managing the City's own energy impacts

During the year under review, a smart-metering programme, the lighting retrofit of 18 buildings and the complete energy-efficiency retrofit of four City buildings were completed under performance-guaranteed contracts. All traffic light retrofits across the city were also completed in 2012. Energy-efficiency projects under the energy-efficiency demand-side management (EEDSM) programme are currently saving the City R18 million per annum, and reducing the City's carbon emissions by 16 million tons every year. Additionally, the first energy management training programme for Facilities Management and City Parks staff was initiated. This programme is aimed at developing building managers' capacity to effectively manage energy consumption of City buildings.

Assisting residents and businesses to save electricity

Residential electricity consumption accounts for 43% and commercial consumption for 40% of total electricity consumed in Cape Town. Efficient electricity use has become increasingly important in view of rising electricity tariffs and South Africa's very real supply shortages.

Through its marketing campaign with the slogan 'Electricity is expensive. Saving is simple', the City has devised a practical checklist and developed an information-filled website aimed at encouraging households to join the City in accepting shared responsibility for saving electricity.

During the year under review, a three-year tender was awarded for the continued roll-out of this highly successful electricity-savings campaign, which encourages the reduction of electricity consumption across the city, and provides households and businesses with energy-saving information and advice.

Commercial building owners and operators are encouraged to join the highly successful Energy Efficiency Forum at www.capetown.gov.za/EnergyEfficiencyForum. The year 2012 saw the introduction of the Forum's awards programme, which recognises these building owners and managers' efforts in becoming pioneers in energy efficiency.)



Reducing water demand and wastage

A key priority for the City of Cape Town is the funding of water demand strategies (WDSs) to enable planned programmes to be implemented in order to reduce the demand for, and wastage of, water across Cape Town. The main programmes and projects in this regard are:

- the water leaks repair programme;
- the pressure management programme;
- the roll-out of water management devices;
- the treated-effluent reuse programme;
- continued education and awareness; and
- the promotion of rainwater harvesting.

As the City does not dispose of raw, untreated wastewater, compliance with standards poses some challenges. For the

2012/13 financial year, the majority of wastewater projects were aimed at increasing treatment capacity, improving processes and raising levels of effluent quality.

To improve sanitation access and serve the influx of people in informal settlements, the City is continuing with the implementation of its service provision programme, which includes the ongoing replacement of piping on water networks and sewerage networks at an average cost of R1 million per kilometre of piping.

City's new water-saving website helps Capetonians to 'Keep Saving Water'

In January 2013, the City of Cape Town launched a new, dedicated website aimed at taking its 'Keep Saving Water' campaign to the next level. Filled with useful advice and practical tips, the website includes:

- water-saving tips;
- information on alternative water resources;
- a borehole registration procedure;
- educational resources;
- an interactive water audit for download; and
- posters, pamphlets and videos.

It was specifically designed as a stand-alone site, at www.capetown.gov.za/en/KeepSavingWater for ease of reference and access, but also has a link to the City's Water and Sanitation Department's main website. Visitors to the website can become water ambassadors in their communities by adopting the water ambassador pledge, which is available for download in English, Afrikaans and Xhosa.

The 'Keep Saving Water' campaign, launched by Executive Mayor Alderman Patricia de Lille in 2011, aims to encourage water savings across the city in order to reach the City's operational target of 27% savings per year during this period. The campaign has three key objectives:

- To create awareness of the need for continuous 27% overall water savings
- To create an understanding of the consequences of ignoring the need to save water
- To foster acceptance of the water-savings imperative, which translates into action

Water reuse

At present, about 70% of all the water used in Cape Town is channelled into the city's sewer networks as wastewater. This wastewater is then treated and either reused (currently estimated to be about 10% of total wastewater) or discharged into the sea as treated effluent (currently 90% of total wastewater). The treated effluent that ultimately ends up in the sea is often disposed of through rivers and wetlands, which can have significant environmental impacts.

Treated effluent is a valuable resource, and needs to be integrated with the overall process of reconciling water supply and demand. Currently, the City's 22 WWTWs (excluding the three sea outfalls and the two oxidation points/ponds) discharge approximately 16 728 Mℓ/month (as at the end of June 2013) into rivers and directly into the sea. This represents a huge wastage of water resources, and requires that urgent attention be

given to the development of effective reuse strategies. A detailed feasibility study is planned, which will deliver a comparative assessment of water reuse against other potential water resource development options.

Conserving the city's water

During the 2012/13 financial year, the City increased its percentage of accounted-for water to 84,1%. This success once again demonstrates the effectiveness of the City's water balance and loss reduction strategy, and shows that this initiative is having a positive impact on water conservation across the city. Effective water demand management is a core requirement for the sustainability of water supply to the city. In the last five years, a number of successful WDM projects have been implemented, with a particular focus on reducing non-revenue demand. In addition, the consumer contracts for treated-effluent reuse were rationalised to generate additional income.



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OBJECTIVE 1.4: ENSURE MOBILITY THROUGH THE IMPLEMENTATION OF AN EFFECTIVE PUBLIC TRANSPORT SYSTEM

In October 2013 the City launched Transport for Cape Town (TCT), the official transport authority as well as the Municipal Land Transport Fund (MLTF).

During the period under review, TCT formulated its construction bylaws, which went through a process of public consultation before being approved by Council. On 1 June 2013, TCT replaced the previous Transport, Roads and Stormwater Directorate (TR&S).

All staff members employed under the old TR&S directorate were placed within the newly established TCT and no retrenchments were required. All director and manager positions in TCT were advertised in accordance with City employment requirements. These have been filled by suitably qualified and experienced individuals who share the vision of the City's new transport authority to deliver performance-oriented, investment-driven services to Cape Town.

For any city to operate effectively and efficiently, an adequately funded and resourced, well-developed and well-maintained road and street network is essential. The Cape Town network comprises 9 819 km of roads and streets, as well as approximately 1 850 bridges and other, ancillary elements, such as subways, retaining walls, guardrails, footways, cycle ways, signs and sign gantries. This is the City's largest asset, which now falls under the management of TCT, and has been valued at approximately R78,9 billion.

The City will be upgrading and expanding Cape Town's public transport interchanges over the next five years to accommodate the growth in demand for access and mobility. A total of 25 high-commuter-traffic interchanges have been identified to receive special focus as part of the project, which is anticipated to cost around R321 million. This improvement programme forms part of the City's mobility strategy, which supports the development of a balanced transport system. It focuses on all elements of the transport system, including rail, bus, taxi, cycling, pedestrians, parking management, freight and traffic management information and data. This will be undertaken under the banner of Transport for Cape Town so as to ensure synergy and a collaborative approach.

In line with the City's IDP, the following major road upgrades and maintenance projects have been started and/or completed in 2012/13:

Maintaining Cape Town's road infrastructure

Table 1.14: Major road upgrades and repairs in 2012/13

Project	Status
Table Bay Boulevard	Completed
Main Road reconstruction – Muizenberg to Clovelly (phase 2)	Almost completed
Dassenberg Drive, Atlantis	Completed
Francie van Zijl Drive, Parow	Completed
Old Faure Road/Spine Road	Completed
Van Riebeeck Road, Eerste River	Completed
Glencairn Expressway	Completed
Swartklip Road	Completed
Mission Grounds, Sir Lowry's Pass Village	First-phase construction completed. Some designs for next phase finalised.
Concrete roads, Heideveld	Project advertised for tenders.

From a structural perspective, the following maintenance work has been, or will soon be, carried out:

- M3, Rhodes Drive – repair of damage caused by theft and vandalism. Balustrades on bridges have been replaced with concrete.
- Wooden bridge, Milnerton Lagoon – work-in-progress to develop a brief for the appointment of specialist heritage consultants
- Foreshore freeway bearings – all work completed, except for bearings on Western Boulevard portion
- Strand Street footbridge – repairs completed
- Timber bridges general – pedestrian bridge in Strand repaired
- Duncan Road in harbour – detailed stormwater culvert inspection and report completed. Detailed design

completed for repairs to be done.

- Glencairn retaining wall phase 2 – tender advertised and report going to bid adjudication committee

Making transport accessibility a reality for all

A hierarchical, multidirectional accessibility grid for Cape Town will form the foundation for the routing and service design of an integrated public transport network (IPTN). The City is in the process of reviewing its Integrated Transport Plan and its IPTN so as to cover service delivery standards, including the road and rail network, and ensure the roll-out of sustainable, integrated public transport for all in Cape Town. The intention is ultimately to ensure that more than 85% of the city's population is within a kilometre of a high-quality public transport system.

The IPTN will inform a hierarchy of public transport services relating to the accessibility grid, including the following:

- **A rail service** that provides high-performance, high-volume and safe public transport, which will be the preferred mode for long-distance commuters
- **A road-based** main service provided by articulated and standard buses on a dedicated (BRT) and semi-dedicated right-of-way infrastructure
- **A community (feeder and distribution) service** at 4-8 km intervals, provided by standard buses and smaller vehicles and taxis feeding into the main bus and rail services
- **Pedestrian and cycle lanes** along public transport routes and around public transport stops, stations and interchanges to facilitate safe and convenient access to public transport services

Policy development and statutory planning

In line with the National Land Transport Act of 2009, the past financial year saw the City:

- Apply for the assignment of the Contracting Authority function and Municipal Regulatory Entity (MPE) function to the City under the umbrella of TCT
- initiate the review of the statutory Comprehensive Integrated Transport Plan (CITP) process, which includes the IPTN and the Operating Licensing Strategy;
- begin the development of a universal access framework to lay the foundation for a draft universal access policy for Cape Town;
- refine the parking policy framework to pave the way for a draft parking policy for Cape Town; and
- negotiate and conclude three 12-year venture operator contracts for phase 1A and 1B.

Helping Capetonians to travel 'SMART'

During the year under review, the City of Cape Town launched its innovative Travel SMART programme aimed at encouraging Capetonians to choose more sustainable transport options. A primary focus of the programme is on convincing commuters to leave their cars – often single-occupancy vehicles (SOVs) – at home, particularly when travelling to and from work.

Currently in its pilot phase, the programme, which is funded by the United Nations Development Programme, has partnered with six other large employers in the city centre with a shared goal of creating awareness among staff and encouraging a shift to public transport, lift-clubbing (car-pooling), active mobility and non-motorised commuting, such as walking or cycling.

In addition to discouraging SOV use, the Travel SMART programme is aimed at reducing vehicle emissions, lowering travel costs for commuters, and easing congestion on the city's roads. The programme has been selected as one of the flagship projects for Province's '110% Green' campaign.

Good progress made with non-motorised transport (NMT) implementation

In 2009, the City of Cape Town embarked on a citywide programme to develop a comprehensive NMT network plan for the whole of Cape Town. The objectives of the programme are to expand the City's NMT infrastructure and encourage cycling and walking and all other forms of active mobility as modes of travel for commuting and recreational purposes. The creation of safer pedestrian and cycling environments also features among the City's aims.

For the purposes of the programme, the City was divided into four regions (central, north, south and east). Multidisciplinary consulting teams were appointed for each of the regions, first to develop a conceptual NMT network plan per region and then to commence detailed design, tender documentation and contract management.

The conceptual NMT network planning was informed by pedestrian and bicycle user groups, nodes and trip generators (schools, clinics, shopping centres, etc.), public transport networks and interchanges, accident statistics, hazardous locations and existing local NMT networks.

To date, the following NMT projects have been completed:

- Nantes Park in Athlone
- Merrydale Road in Mitchells Plain
- Concert Boulevard in Retreat
- De Waal/Victoria roads, including Dick Burton (NMT movement from Grassy Park to Plumstead employment areas)
- Freedom Way in Phoenix, Milnerton
- Langa along Bhunga, Sandile, Jungle Walk and Washington roads towards public transport facilities
- Delft main phase 1, 2 and 3
- NY1 and NY3 in Gugulethu

The following NMT projects are currently under construction:

- Military Road in Retreat and Vrygrond
- Atlantis (the broader suburb)
- Rondebosch common
- Bonteheuwel Station and central business district
- Weltevreden Parkway in Mitchells Plain
- Kraaifontein, Scottsdene/Wallacedene along Old Paarl Road

The following NMT projects are in the design stage or have completed designs:

- Range Road in Blackheath towards the rail station
- Forest Drive in Eerste River
- Strand Street, Cape Town, from Russel Street to Adderley
- Aden Road in Athlone
- Bonteheuwel Avenue and major roads
- Bishop Lavis/Valhalla Park major roads

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Park-and-ride facilities were completed at the following rail stations in the year under review:

- Claremont
- Diep River
- Heathfield
- Kenilworth
- Steenberg

Further expansion and work was also completed at the Lentegeur and the Mitchells Plain public transport interchanges.

Use of NMT modes is continually monitored and evaluated, particularly for maintenance purposes. Surveys have been undertaken at 72 points spread across the city. The data captured reflect the number of pedestrians, schoolchildren, cyclists, wheelchair users and people with prams utilising the facilities, as well as infrastructural maintenance matters.

Creating jobs through transport development

NMT projects are well suited to job creation via the EPWP principles. For this reason, local communities and emerging contractors are incorporated into construction activities wherever possible. The EPWP principles have been applied to implement NMT projects since July 2011, with 251 jobs being created. Employees participate in accredited training and the certificates they obtain, along with the experience gained, can assist them in obtaining employment after the projects are completed.

Meeting rising demand for MyCiTi services

From the start of MyCiTi to the end of June 2013, an estimated 7 148 399 passengers have travelled on the MyCiTi buses, despite the fact that passenger numbers dipped considerably in May 2013 as a result of the lengthy national strike by trade unions in the bus sector.

Table 1.15: Passenger numbers on MyCiTi buses

Categories of service	From 2010 (start of service), including 2012/13	2012/13 financial year
Standard MyCiTi services	6 423 807	2 934 418
Airport	305 246	100 315
Events	408 241	78 596
World Cup interim services (excl. event services)	11 105	
TOTAL	7 148 399	3 113 329

Surpassing five million passenger trips was a significant milestone, and indicates that the residents of Cape Town have embraced the City's vision of Transport for Cape Town. The MyCiTi project is a key component of efforts to overhaul public transport in the city and redress the negative impacts of apartheid-era spatial planning, which relegated many residents to the margins of Cape Town.

In the 2012/13 financial year, MyCiTi commenced with the services in the Cape Town inner city, along the R27 towards Table View, and within the Table View community. Early in the new financial year, this will be extended to Dunoon, Atlantis, Mamre, Melkbosstrand, Montague Gardens, Joe Slovo, Century City and other areas within the phase 1A geography.

In December 2013, the City intends including an express service between Khayelitsha, Mitchells Plain and central Cape Town. The service will continue until the Passenger Rail Agency of South Africa (PRASA) finishes its planned modernisation of the Khayelitsha-to-central-Cape Town service. At that stage, the express service will be re-evaluated. The aim of the new services is to complement the City's rail service and to meet the needs of commuters on high-demand corridors. By March 2014, the City will have also completed its IPTN plan for the entire metropolitan area, covering rail, BRT, other road-based public transport improvements and NMT. This plan will be included in the proposed roll-out of the City's IPTN 2013-18.

In line with this ongoing expansion, the following vehicles were added to the MyCiTi service during the year under review:

- 66 Scania 12 m and 18 m high-floor main buses, meeting the remaining main-route vehicle requirements for phase 1
- 221 Optare 9 m buses supplied by Busmark 2000 – 21 supplied in 2012/13, 190 in 2013/14, and ten to be delivered in 2013/14
- 40 Volvo 12 m and 18 m low-floor buses for the N2 express service – delivery of the initial 20 buses is expected to commence in October or November 2013

Meeting the special needs of passengers

MyCiTi is leading the way internationally in the field of universal transport access, which includes access for the disabled, the elderly, young children, passengers with large suitcases, surfboards or prams, pregnant women, and women travelling alone at night. Universal access features on the MyCiTi service include:

- tactile paving to help the blind locate the stations and platforms;
- induction loops at ticket kiosks for the hearing-impaired;
- closed-circuit television cameras monitored by a control centre; and
- tactile signage and maps.

The City is also making boarding bridges available to afford passengers level access on all permanent routes. To ensure that these principles are followed through for all public transport facilities, services and operations, the universal access policy and bylaws are being developed and refined to include lessons learnt during the current operations.

Stormwater systems

During the 2012/13 period, the City continued to make good progress implementing its Inland and Coastal Water Quality Strategy, including implementation and monitoring of the various pilot projects as well as the forging of interdepartmental partnerships. A service provider was appointed to assist with managing the outcomes of the programme. The process has seen some positive results, as evidenced by, for example, the first appearance in years of flamingos in the Salt River catchment.

Stormwater infrastructure

The City's stormwater infrastructure network requires large capital inputs to deal with existing inadequacies. Upgrades to existing infrastructure and the provision of new infrastructure are planned to help reduce flood risk, particularly in vulnerable communities, as well as to enable new development.

To this end, a number of initiatives were undertaken during the period under review, including the following:

- The implementation of formal flood risk reduction and mitigation programmes focusing on vulnerable communities, including:
 - the completion of phase 1E of flood alleviation measures in the Lourens River corridor at the end of April 2013; and
 - general minor stormwater projects identified throughout the city as required to deal with localised flooding.
- The continuation of the City's successful winter readiness programme to reduce the risk of flooding for affected communities by ensuring effective maintenance of stormwater infrastructure. In addition to the winter readiness programme, the Roads and Stormwater Department has created temporary employment opportunities for the unemployed through the implementation of labour-intensive projects under the auspices of the EPWP. This has resulted in a major improvement in the functionality of the stormwater systems across the city.
- The implementation of infrastructure upgrades and provision of new infrastructure to enable new development, including:
 - the preparation of a river corridor plan as well as stormwater master planning (still under way) to enable upgrades to Sir Lowry's Pass River, as well

as continued provision of new bulk stormwater for Table View North to support the strong development thrusts in these areas;

- the completion of a section of canal from Parklands Main Road to north of Sandown Road as part of the provision of new bulk stormwater for Table View North; and
- the construction of the final section of the Lotus canal widening, which had reached 60% completion by June 2013. This project will enable ongoing development in the vicinity of Cape Town International Airport, while managing any resultant potential flood risks in Gugulethu, Nyanga and other communities further downstream.
- The finalisation of phase 2 (eastern catchments) of the metrowide stormwater master planning (as part of the asset management plan formulation) to identify and prioritise capital funding requirements
- The formulation of terms of reference for the appointment of a consultant for a project to develop skills and capacity-building around sustainable urban drainage systems, and to prepare a programme for monitoring, operation and maintenance to ensure the ongoing successful implementation of the Management of Urban Stormwater Impacts Policy adopted by Council in 2009.

OBJECTIVE 1.5: LEVERAGE THE CITY'S ASSETS TO DRIVE ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT

City land made available to promote economic growth

In May 2013, the City of Cape Town released selected City-owned properties for sale to the open market as part of its commitment to building an opportunity city in which the economy grows and jobs are created, particularly in areas that were previously deprived of development.

The properties comprised six vacant erven in Atlantis, zoned for industrial purposes; three vacant erven zoned for business development in the areas of Strandfontein, Mitchells Plain (Tafelsig) and Macassar, and eight vacant erven zoned for single residential purposes in Constantia, Kensington, Lansdowne, Mitchells Plain, Surrey Estate and Heathfield. These areas were specifically selected in accordance with the City's IDP objective to utilise, where available, underutilised municipal property to leverage growth and sustainable development in poorer communities.

Ensuring effective asset management

The City is working towards the development of an immovable property asset management framework incorporating international best practice, including managing and performance-measuring portfolios of



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immovable property assets over the full life cycle (planning, acquisition, holding/utilisation and disposal), reporting on performance, and aligning immovable-property objectives with the strategic focus areas of the IDP.

OBJECTIVE 1.6: MAXIMISE THE USE OF AVAILABLE FUNDING AND PROGRAMMES FOR TRAINING AND SKILLS DEVELOPMENT

Prioritising training and skills development

The City set out to increase existing external training opportunities for unemployed youth. The targets, which were set at the start of the year, have been significantly exceeded through both the allocation of additional funding in the mid-year review and line departments' dedication to take on the responsibility of transferring skills to youngsters. This programme will continue to be expanded through additional City and SETA funding.

Year on year, opportunities provided through the apprenticeship programme increased by 65%, from 190 to 314, while the number of external bursaries increased by 14%, from 145 to 166. The in-service training and graduate internship programme grew by 11%, from 710 to 788. In addition, the City received an excellence award from CPUT in the category 'Institutional - for Work-Integrated Learning and Appreciation' and was recognised for more than 10 years' support.

City's internship programmes delivering positive results

Among the City's internship programmes are both the flagship environmental graduate internship, which is in its eighth year, and the call centre learnership programme, which is in its fourth year.

There are currently 42 interns working in the departments of Environmental Resource Management, Planning and Building Development Management, Urban Design and Spatial Planning, Economic Development, Strategic Development Information and Geographic Information Systems (GIS), and World Design Capital 2014.

These interns were placed as part of the City's ongoing internship programme, which is now in its eighth year. They work in various areas of the City, including biodiversity

management; coastal and heritage resource management; environmental compliance; nature conservation; environmental communications and education; urban design; landscape architecture; sustainable livelihoods; sustainable transport planning; planning and building development, and quality public spaces, knowledge management and GIS.

The programme has proven immensely effective in producing exceptional young professionals. In some instances, interns have contributed to the development and implementation of strategic programmes and projects in the City during their one-year stay. Since its inception, more than 40 interns have been employed by the City upon the completion of their internships, while several have also been employed by Province, various National Government departments, private companies and non-governmental organisations.

The City's ongoing call centre learnership programme targets unemployed youth, with a special focus on youth with disabilities. Approximately 20 learners benefit from the programme at any point in time.

This learnership programme is part of the City's strategy to build a pipeline of promotion and support for hard-working and capable people to climb the career ladder based on potential, initiative and value. The graduates obtain work either with the City or within the growing number of private-sector call centres operating across Cape Town.

City awards 79 new external bursaries to students

As part of its continued commitment to developing South Africa's talent pool, the City awarded 79 new external bursaries for the 2013 academic year. This brings the total number of external bursars supported and funded by the City of Cape Town to 166 – all of whom will join the City as employees on successful completion of their studies.

The City's external bursary programme is one of the key projects underpinning its strategic focus on building an opportunity city by supporting skills development. Bursaries are awarded in 21 fields of study, mainly in engineering and the built environment, which are areas where the City has identified critical skills shortages. The 2013 bursars were chosen from 2 084 applicants.



The MyCiti project is a key component in efforts to overhaul public transport in the city.

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For the City of Cape Town, creating a safe city involves far more than merely responding to crime. Safety extends beyond the law enforcement function, but rather includes positive action across the full spectrum of development challenges facing residents of Cape Town. Therefore, a key strategy for the City is to partner with communities in its efforts around social crime prevention, disaster response and management, and ongoing urban regeneration.



Over the past years, the City has successfully transformed its Fire and Rescue Services from an under-resourced unit to a professional team that serves all residents in Cape Town.

SFA 2 Key objectives and programmes

In order to position Cape Town as a safe city, the following five key objectives – each with its own underpinning programmes – were identified in the 2012/13 review of the City's IDP:

Table 2.1: IDP objectives and programmes for SFA 2

OBJECTIVE	PROGRAMME
2.1: Expand staff and capital resources in policing departments and emergency services to provide improved services to all, especially the most vulnerable communities	2.1(a): Increase in operational staff complement
2.2: Resource departments in pursuit of optimum operational functionality	
2.3: Enhance intelligence-driven policing with improved information-gathering capacity and functional specialisation	2.3(a): Improved efficiency through information and technology-driven policing
	2.3(b): Intelligent crime prevention
2.4: Improve efficiency of policing and emergency staff through effective training	2.4(a): Training and human resources development
2.5: Improve safety and security through partnerships	2.5(a): Strengthen community capacity to prevent crime and disorder
	2.5(b): Strengthen community capacity to respond to emergency situations

This review of SFA 2 offers an overview of the City's performance against these objectives, and its progress in terms of the implementation of the associated programmes. As the various City directorates work collaboratively, there may be significant overlap of deliverables among these objectives and programmes. As a result, the performance information for some of these objectives may be contained in other SFA review sections of the report.

SFA 2: Main safe-city achievements in 2012/13

- Reduced number of accidents at Cape Town's five highest accident-frequency intersections
- 84% of emergency incidents responded to within 14 minutes from the initial call
- Melkbosstrand fire station completed and now fully operational
- 99,99% of Fire and Rescue Service's capital budget spent

Policing overview

The City has three policing departments in the form of Metro Police, Traffic Services, and Law Enforcement and Specialised Services. The objectives and priorities of these departments are set out in the City's overarching Law Enforcement Plan, which includes the Metro Police's legally required Annual Police Plan. The main objective of this plan is to ensure the integrated delivery of efficient policing services.

During the period under review, 112 492 citations were issued for bylaw offences across the city. Significant results were also achieved in the combating of illegal land invasions, with 100% of reported cases having been successfully managed. This effectively means that land invasions were prevented in Cape Town over the 12-month reporting period.

Emergency services overview

City emergency services comprise the 107 Emergency Call Centre, the Fire and Rescue Service and the Disaster Risk Management Centre. In the year under review, the Fire and Rescue Service dealt with 32 916 incidents, of which 19 201 were medical or trauma-related (which do not fall within the ambit of the service's core functions). There were no major mountain or vegetation fires; however, there were a number of fires in informal settlements. Fortunately, the extent of the devastation caused by these was minimal, largely due to the positive impact that is being seen from the fire prevention educational programme put in place by the Fire Life Safety Division

Traffic services overview

In the year under review, 161 358 traffic fines were issued and 2 603 arrests made for driving while intoxicated.

OBJECTIVE 2.1: EXPAND STAFF AND CAPITAL RESOURCES IN POLICING DEPARTMENTS AND EMERGENCY SERVICES TO PROVIDE IMPROVED SERVICES TO ALL, ESPECIALLY THE MOST VULNERABLE COMMUNITIES

Creating jobs while keeping people safe

At the end of 2012, the Fire and Rescue Service prepared for the traditionally risky festive season period by

employing 120 seasonal fire-fighters, whose primary mandate was to keep any vegetation fires under control. The work of this dedicated team of fire-fighters ensured that there were no major bush or veld fire incidents during the past financial year. In addition, the utilisation of EPWP employees to inspect and clean fire hydrants, staff the fire station watch-rooms and carry out maintenance tasks around the stations has freed up trained fire-fighters to concentrate on fire-fighting operations, particularly in the city's informal settlements, where fires can have a rapid and devastating impact.

Ensuring safety on public transport interchanges

Launched at the end of 2012, the Public Transport Interchange Unit comprises 33 law enforcement officers who are stationed at various major public transport interchanges, with a particular focus on Joe Gqabi, Bellville and the Cape Town Station deck. The Unit's activities supplement the security provided by various private security companies, the Metro Police and the South African Police Service.

Externally funded member programme

As part of the City's externally funded member programme, concerned private-sector organisations, city improvement districts and other agencies are able to offer financial support to the City's policing department in order to have dedicated law enforcement services provided in agreed patrol areas. Over the past financial year, support for this initiative continued to grow, and there are now 175 additional, privately sponsored law enforcement officials deployed in specific areas of the city.

Establishment of an Auxiliary Law Enforcement Service

An Auxiliary Law Enforcement Service was established that would see the deployment of volunteer law enforcement officers. A total of 116 people have been trained, 39 of whom were recruited from active neighbourhood watches, and will serve to strengthen community patrol initiatives in their areas of residence, as they are now fully trained law enforcement officers with peace officer status. A further 77 auxiliary law enforcement officers from Northlink and False Bay Colleges have been trained, and 34 were actively deployed during the year under review.

Boosting the disaster management team

An active and fully trained disaster management volunteer corps is an effective way of building the City's resilience and ability to respond to disasters or emergency incidents, as these personnel are able to provide valuable assistance to the City's emergency services.

During the past financial year, the City proactively recruited and trained new disaster management volunteers from



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various communities across Cape Town. This has seen the City's disaster management volunteer numbers swelling to a total of 406 members. 11 volunteer corps units have now been established in the areas of:

- Atlantis;
- Athlone;
- Belhar;
- Fish Hoek;
- Khayelitsha;
- Macassar;
- Melkbosstrand;
- Melton Rose;
- Milnerton;
- Plumstead; and
- the Strand.

Active recruitment and training has also taken place in Nyanga, Langa and Mitchells Plain, and units will be established in these areas as soon as suitable premises are acquired.

OBJECTIVE 2.2: RESOURCE DEPARTMENTS IN PURSUIT OF OPTIMUM OPERATIONAL FUNCTIONALITY

Investing in the safety of all citizens

Over the past number of years, the City of Cape Town has successfully transformed its Fire and Rescue Service from an under-resourced unit to a professional team that serves all the residents of Cape Town. Since 2006, five new fire stations have been opened, ensuring that emergency services are located closer to high-risk fire areas, so that response times are good. The City has invested approximately R300 million in resourcing Fire and Rescue with vehicles and equipment, and the staff complement of these essential services has been increased by at least 25%. Extensive investments have also been made in training, the most recent of which was the completion of a fully accredited training college in Epping. As a direct result of these initiatives and investments, the fire mortality rate in Cape Town's informal settlements has declined from 7,9 per 100 000 residents to 4,3 per 100 000 residents in five years.

A focus on service excellence

The City's Traffic Services Department is continually looking at new ways of improving services for motorists using any of its 18 driving licence testing stations (DLTCs). These include placing new centres closer to the residents, improving existing facilities and introducing customer service innovations to address public concerns. During the period under review, 91 418 driver tests were conducted at the City's various DLTCs.

In July 2012, the Eastridge centre became the first DLTC to offer electronic learner driver's classes.

OBJECTIVE 2.3: ENHANCE INFORMATION-DRIVEN POLICING WITH IMPROVED INFORMATION-GATHERING CAPACITY AND FUNCTIONAL SPECIALISATION

The City's Vice Squad continues to play a vital role in combating human trafficking. This financial year, the Vice Squad focused on brothel inspections, and managed to cover 169 premises. The Unit is also responsible for policing sex solicitation in Cape Town, and issued a total of 1 179 spot fines to prostitutes in this regard.

The Metals Theft Unit also enjoyed significant success in conducting unannounced inspections at both scrapyards and so-called 'bucket shops' (informal scrap yards ran illegally from residential premises), completing 838 scrapyard and 492 bucket shop visits. The Unit also succeeded in closing down the operations of 22 illegal scrap dealers.

The Problem Building Unit, which was launched in November 2010, has yielded a number of successes, including the following:

- 924 problem buildings were investigated, of which 139 complaints were finalised.
- 715 problem buildings are under investigation.
- 34 buildings were boarded up by owners in compliance with the City's instructions.

At the time of producing this report, a further 312 properties were under investigation. The capacity of the Unit will be increased in the coming financial year to enable it to build on the success it has achieved thus far.

Cracking down on gangs

The pilot phase of the City's Gang Unit deployment in Hanover Park and Lavender Hill continued to deliver positive results in terms of monitoring and controlling gang-related activities in these high-gang-activity areas. During the period under review, 1 527 arrests were made for drug-related crimes, particularly possession and dealing.

Combatting drug and alcohol abuse

The key focus areas and objectives of the City's comprehensive drug and alcohol abuse strategy include enhancing law enforcement, providing more treatment facilities, improving awareness, and ensuring better intergovernmental coordination.

During the year under review, the Metro Police Department continued to clamp down on Cape Town's illegal drug and alcohol trade, and numerous intelligence-led operations led to the disruption of many dealing activities and 1 675 arrests for drug-related crimes.

Also during the 2013 financial year, the City's Law Enforcement and Specialised Services Department's Liquor

Control Unit continued to step up its action against illegal liquor trading. The Unit conducted 939 inspections of suspected illegal liquor trading premises, and closed down 105 shebeens, ensuring that these remain closed. During the 2012/13 financial year, a total of 8 204 bottles of alcohol were confiscated and 705 fines issued for contravening the City's Liquor Bylaw.

In the 2013 financial year, the City also completed the draft specifications for a new Substance Abuse Unit, which will include training and skills transfer aimed at enabling unit members to serve as trauma counsellors.

Promoting road use compliance

The City's Traffic Services Department's Operations Section undertakes specialised and general enforcement activities, provides road safety education at schools, and manages traffic at all events that involve Cape Town's roads.

The City continues to target accident hot spots for ongoing monitoring. An example of the effectiveness of this approach is the White Road level crossing in Retreat, which now has a camera monitoring system and has resulted in a number of prosecutions of motorists who have failed to come to a complete halt at the stop signs. This concept has been extended to the Buttskop railway level crossing in Kuils River.

The City follows a strong partnership-based approach to traffic services, and has renewed its contracts with Outsurance, who will be funding a mobile traffic service, and Century City Property Owners' Association, who is the first private body to have agreed to pay for the services of a dedicated, qualified traffic officer. The City has provided funding for additional operational personnel, who will take up duty in the new financial year.

In the year under review, Traffic Services also successfully introduced a 'ghost squad' team that concentrates solely on patrolling the city's highways. In addition, November 2012 saw the launch of a mobile traffic centre that travels the metro and can be used at major events, special operations, roadblocks and, especially, drunk driving interventions. The 26-wheel vehicle was donated to the City and converted into a fully equipped traffic centre, which is fully accessible to people with disabilities as well. Its state-of-the-art on-board equipment can link directly to the National Traffic Information System (eNATIS), allowing staff to process on-site warrants.

OBJECTIVE 2.4: IMPROVE EFFICIENCY OF POLICING AND EMERGENCY STAFF THROUGH EFFECTIVE TRAINING

Training for sustainable excellence

Between July 2012 and June 2013, the City facilitated the basic training of 47 learners in its specialist traffic and metro policing courses. A total of 1 279 staff members from various departments of the Safety and Security Directorate have now received this valuable in-service training since the courses were first implemented in 2011.

The Cape Town Metropolitan Police Department was the first policing agency in the province to offer its force members fitness and wellness training by nationally qualified physical training Instructors. In addition to ensuring the physical well-being of these important security providers, the programme ensures that the City's police are in the optimum physical condition required to effectively execute their duties.

In the year under review, the City's continued commitment to ongoing equestrian training delivered tangible results when the Cape Town Equestrian Unit became the first policing equestrian unit in South Africa to gain South African National Equestrian Federation accreditation by meeting all occupational health and safety requirements.

Select members of the Metro Police force have also received intensive VIP protection training, qualifying them as national close-quarter protectors. Cape Town Metro Police is one of the first local municipality policing agencies to achieve these unit standards, effectively putting these specialist protectors ahead of those of many other protection agencies, and equipping them to work tactically with any international agency at international events.

Training fire-fighters for maximum effectiveness

The City's Fire and Rescue Training Academy is now able to register trainee credits towards South African qualifications. In February 2013, it became the first training academy of its kind in the country to place fire-fighters who had completed their learner programmes onto the South African Qualifications Authority (SAQA) learner database. In addition, the fire training facility at Epping obtained full accreditation status, and is now registered to provide educational and awareness fire training.

OBJECTIVE 2.5: IMPROVE SAFETY AND SECURITY THROUGH PARTNERSHIPS

Enabling effective neighbourhood watches

The City's neighbourhood watch assistance programme continues to prove effective in helping to strengthen the capacity of local communities to prevent crime and disorder in their own neighbourhoods. Since the programme's



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inception in 2008, a total of 2 669 neighbourhood watch members have been trained in the principles of problem-orientated crime prevention. Many participating neighbourhood watches have also been issued with additional patrol equipment and other products to enhance their effectiveness.

CCTV sponsorship

In 2011, the University of Cape Town (UCT) and South African Breweries pledged R1 million each for the installation of CCTV cameras in the Claremont, Mowbray, Rosebank and Rondebosch areas, provided that the City of Cape Town match their investment. This was agreed and the roll-out of these cameras commenced in the same year. In the 2012/13 financial period, 25 more cameras were installed and activated (13 in Mowbray and Newlands, and 12 in Claremont). Images from these cameras are monitored and recorded at the CCTV control room at the traffic management centre in Goodwood, with the necessary responses provided by the South African Police Service (SAPS), Metro Police, Traffic Services and Law Enforcement.

School resource officer (SRO) project

In line with an agreement with Province's Department of Education, school resource officers were deployed at six pilot schools in September 2012. The officers underwent world-class training from the National School Resource Organisation in America, while the programme management received expert supervisory skills training in schools-based law enforcement management. From January 2013, this training was augmented with specialised skills transfers in project management, conflict resolution, computer training, communication skills, presentation skills and other ad hoc training.

While no statistics are yet available in terms of the impact of these SROs, anecdotal feedback points to them being highly effective in quelling the incidence of violence and crime in the schools where they have been operating. One report even refers to the actions of an SRO having saved the life of a learner who was stabbed at school. Absenteeism has also decreased at most of the participating schools as a result of learners feeling safer in their learning environments.

Building relationships with troubled youth

As part of the City of Cape Town's efforts to build a safe city for all its residents, it officially opened the Metro Police Department's Youth Academy at the Rotary camp in Glencairn on 25 May 2013. The Youth Academy aims to

reach out to youth at risk and foster healthy relationships between these young people and the Metro Police. The ultimate goal is to ensure that this generation of Capetonians have a more positive perception and better understanding of the role of the police in society. The weekend youth camps also equip these youth with a basic understanding of some of the laws of the country as well as the City's bylaws, so that they have the required knowledge to be law-abiding members of society who understand their rights as well as their role as responsible citizens.

During the three weekend youth camps offered since the Youth Academy opened, 180 young people from six city schools were exposed to life skills development sessions and various fun activities, which included a ride-along in a Metro Police patrol vehicle.

Cross-directorate cooperation helps reduce fire risks

The City is currently implementing a range of engineering solutions that will further minimise the risk of extensive fire damage in informal settlements. One key initiative is the re-blocking of informal settlements. This involves the grouping and reformatting of structures in the settlements to optimise space, enhance security and improve fire prevention and service delivery access. The City is also engaging with various suppliers of innovative fire prevention solutions, from retardant paints and safer shack designs to less risky lighting units. The viability of providing fire extinguishers to communities is also being tested.

Involving communities in ensuring their own safety

The City has engaged with a number of at-risk communities around increasing awareness of fire risk and educating them on the correct ways to combat fire incidents. As part of this campaign, the City also employed the Jungle Theatre Company to educate various communities by means of an interactive and hands-on learning experience. Key messages such as how to minimise fire risk through prevention methods and how to enact emergency procedures effectively were conveyed in a production called 'The Spirit of Fire'.

This awareness drive is complemented by the City's commitment to enforcing fire safety regulations to protect all citizens. While this can be challenging, as it often involves the closure of illegal businesses, the City attempts to engage with communities so that they fully understand the reasons for these actions.

Excellent performance by Fire and Rescue Services

During the 2013 financial year, a Cape Town Fire and Rescue Service team competed in the National SAESI 2013 Challenge in Johannesburg and the results achieved demonstrated the consequences of the City's ongoing commitment to excellence in emergency services. Amongst many other top five results, the team achieved first place in the Combat Individual and Team Challenge, Incident Commander High Angle, Best Rigger High Angle, Incident Commander Medical, and Team Challenge Medical – Intermediate Life Support categories.

Committed to responding quicker and communicating better

Emergency response times are an important component of the commitment to being a safe city. As such, the response target has been set at no more than 14 minutes from call receipt to arrival on the scene of at least 75% of emergencies. In the year under review, the City's emergency response services exceeded this target by responding to 84% of emergency calls within 14 minutes or less.

During the 2012/13 period, the City's Public Emergency Communication Centre answered a total of 572 445 calls, 94,16% of which were answered within 20 seconds.

Constantly monitoring disaster risk management effectiveness

During the year under review, the City completed the following four major emergency exercises to test the effectiveness of its various disaster management plans:

- A Lourens River emergency exercise to test the flooding and storms disaster management plan
- A Koeberg nuclear emergency regulatory exercise to test the Koeberg nuclear emergency plan
- A high-rise building emergency exercise, using the Civic Centre, Cape Town, to test the structural fire plan
- A maritime exercise to test the shipping incident disaster management plan.

Numerous internal and external agencies as well as provincial and national departments participated in these exercises. These tests are an integral part of the City's commitment to continually improving the emergency preparedness levels of the various agencies, departments and institutions when responding to emergency situations. They are also an important requirement for the City to continue to serve as a disaster-resilient role-model city – a status conferred on it by the United Nations International Strategy for Disaster Reduction.



School resource officers were deployed at six pilot schools in an effort to quell incidence of violence and crime.



The City has engaged with at-risk communities around increasing awareness of fire risk.

2012/13 PERFORMANCE REVIEW



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The City of Cape Town is committed to becoming more caring and to building a metro in which all people feel at home, have access to the services they need, and where those who need help know they will receive it. Building such a caring city requires investment in social and environmental resources, ranging from human settlements – which include informal settlements – to social services, community facilities and others.



The City provides social services and early childhood development to those who need it.

SFA 3 Key objectives and programmes

In order to position Cape Town as a caring city, the following eight key objectives – each with its own underpinning programmes – have been identified:

Table 3.1: IDP objectives and programmes for SFA 3

OBJECTIVE	PROGRAMME
3.1: Provide access to social services for those who need it	3.1(a): Number of targeted development programmes
3.2: Ensure increased access to innovative human settlements for those who need it	3.2(a): Innovative housing programme
	3.2(b): Use property and land to leverage social issues
	3.2(c): Partner with Province in education and school sites
	3.2(d): Integrated human settlements programme
	3.2(e): Densification programme
3.3: Assess the possible sale or transfer of rental stock to identified beneficiaries, using established criteria	3.3(a): Rental stock upgrade programme
	3.3(b): Rental stock disposal programme
3.4: Provide for the needs of informal settlements and backyard residences through improved services	3.4(a): Anti-poverty programme
	3.4(b): Service delivery programme in informal settlements
	3.4(c): Backyarder service programme
	3.4(d): Energy services programme
3.5: Provide effective environmental health services	3.5(a): Environmental health-care programme
3.6: Provide effective air quality management and pollution (including noise) control programmes	3.6(a): Measuring the number of days when air pollution exceeds World Health Organisation guidelines
3.7: Provide effective primary health-care services	3.7(a): Primary health-care programme
	3.7(b): Perception survey score on the provision of primary health-care services
3.8: Provide substance abuse outpatient treatment and rehabilitation services	3.8(a): Primary health-care programme: Number of substance abuse outpatients provided with alternative constructive behaviour

This review of SFA 3 offers an overview of the City's performance against these objectives, and its progress in terms of the implementation of the associated programmes. As the various City directorates work collaboratively, there may be significant overlap of deliverables among these objectives and programmes. As a result, the performance information for some of these objectives may be contained in other SFA review sections of the report.

Key caring-city achievements in 2012/13

- 2 080 EPWP jobs (excluding 666 City Health work opportunities) contributed to City's total of 35 556 EPWP jobs for the year under review
- 93,6% of Urban Settlements Development Grant (USDG) spent
- 55 social development programmes implemented using ward allocation funding
- Number of days when air pollution exceeds national ambient air quality standards limited to four (against a target of fewer than 25)
- 83% cure rate for new smear-positive tuberculosis surpassed
- 28 recreation hubs established
- 869 community initiatives held at parks
- 314 reading programmes held at libraries

OBJECTIVE 3.1: PROVIDE ACCESS TO SOCIAL SERVICES FOR THOSE WHO NEED IT

Providing social services to those who need them

Like many other cities in South Africa, Cape Town faces the challenge of high rates of poverty, unemployment, inequality and other social ills, such as substance abuse, gangsterism and crime. The South African Constitution mandates local governments to 'promote social and economic development'. In this context, social development means the overall enhancement of the quality of life of all people, especially those who are poor or marginalised.

Against this backdrop, the City provides social services and early childhood development to those who need it, primarily through its Social Development and Early Childhood Development Directorate. The Directorate's core purpose is therefore to create opportunities and an enabling environment for communities to meet their developmental needs, in order for them to become resilient and self-reliant, thereby enabling them to participate in the global economy.

Enhancing the City's social development offering

As part of its ongoing efforts to remain relevant and effective, the City's Social Development and Early

Childhood Development Directorate undertook a business improvement process in the year under review. This included a comprehensive review and redevelopment of its policies in line with the City's social development strategy, the definition of the Directorate's full basket of services, and the revision of service delivery and budget implementation plans based on the newly defined basket of services. In addition, the following policies were reviewed or developed in the year under review:

- Street People Policy (reviewed)
- Early Childhood Development Policy (reviewed)
- Youth Development Policy (reviewed)
- Vulnerable Groups Policy (new)
- Prevention and Early Intervention of Alcohol and Other Drug Use Policy (new)
- Food Gardens Policy in support of Poverty Alleviation and Reduction (new)

The Directorate also renewed the multi-year implementation protocol agreement that formalises its ongoing partnership with Province's Department of Social Development.

Performance and progress in the 2012/13 financial year

During the 2012/13 financial year, the Directorate delivered a number of achievements across its various social development programmes and focus areas, including the following:

Early childhood development (ECD)

- One ECD centre was constructed, one was refurbished and the first phase of a third centre was completed (in Leonsdale, Ocean View and Strandfontein respectively) to provide ECD facilities that are fully compliant with national ECD guidelines, norms and standards.
- 300 ECD practitioners were trained in the national ECD norms and standards required to manage ECD centres and facilities.
- 103 ECD centres were assisted in their efforts to comply with health, safety and zoning requirements.
- 10 ECD forums were supported in their efforts to capacitate their surrounding communities to participate in the early development of their young community members.

Street people

- 116 joint operations were conducted in partnership with the City's Law Enforcement Department and Displaced People's Unit to offer social services to people who live on the city's streets.
- 817 people were provided with social services and support to prevent them from having to live on the streets.
- Four 'Give Responsibly' campaigns were implemented to promote responsible giving to mitigate the migration of at-risk people onto the streets.



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- 14 local networks of care were established and supported to provide communities with the necessary skills to support community members who are at risk of migrating onto the streets.

Substance abuse

- 69 people were trained in aspects of foetal alcohol syndrome and foetal alcohol syndrome disorder.
- 16 alcohol and substance abuse prevention projects were implemented to prevent and minimise the harmful effects of abuse.
- Two 'Be Smart, Don't Start' campaigns were run to prevent and minimise the harmful effects of alcohol and substance abuse.
- An evidence-based alcohol and substance abuse project was implemented to support and strengthen families.
- Two substance abuse prevention pilot projects were implemented at MOD (mass participation, opportunity and access, development and growth) centres to help prevent alcohol and substance abuse.

Vulnerable groups

- A total of 24 projects were implemented to provide support to the elderly, people with disabilities, and women and girls at risk.

Youth development

- 992 young people were trained in life skills to afford them access to economic opportunities.

Poverty alleviation and reduction

- 32 poverty reduction projects were implemented in an effort to further reduce and alleviate poverty in indigent and poor communities.

In support of the Directorate's basket of services, various other programmes also developed and implemented to help individuals, families and communities meet their developmental needs to become resilient and self-reliant. The main thrust of these programmes is to address the scale and impact of social ills by ensuring that vulnerable communities and groups have access to skills training that improve their ability to enhance their quality of life. The programmes promote equity and inclusion of vulnerable groups, as well as the implementation of initiatives and interventions to counteract social dysfunction. During the year under review, five ward committees were trained and made functional as part of the Mayor's urban regeneration programme. In addition, 55 social development programmes were implemented using ward allocation funding.

Mayor's urban regeneration programme to uplift communities

The Mayor's urban regeneration programme has as its key objective the upliftment of previously neglected or dysfunctional areas that have been regressing, and to

improve the safety, quality of life and the socio-economic circumstances of communities in these areas, with a particular focus on the public and shared environment.

The basis of the programme is to introduce a sustainable system of operations and maintenance of public infrastructure and facilities in partnership with communities. In so doing, the aim is to stabilise these areas and to provide a platform for effective public and private investment. This is pursued through a package of interventions that are negotiated with communities and incorporated into so-called 'community action plans'.

The programme currently focuses primarily on central business districts (CBDs), town centres and community nodes in the following areas:

- Manenberg, Hanover Park
- Nyanga, Gugulethu, Lotus Park
- Bishop Lavis, Valhalla Park, Bonteheuwel
- Harare civic precinct, Kuyasa interchange precinct, Macassar
- Bellville transport interchange precinct and Voortrekker Road corridor
- Westfleur business node (Atlantis)
- Athlone CBD/Gatesville
- Ocean View
- Mitchells Plain town centre

Developing communities through sport, recreation and library programmes and partnerships

Community development programmes are offered at many of the City's facilities, such as its sports fields, community recreation centres, multipurpose centres, parks and libraries. Developmental activities range from reading programmes, storytelling sessions, school holiday programmes, library orientation sessions, HIV/Aids displays, formal book discussions and arts and crafts, to initiatives for peer leadership, sport and recreation, and capacity-building.

The programmes often involve collaboration and partnerships with churches, community organisations, non-governmental organisations (NGOs), the corporate sector, different tiers of government and other stakeholders. During the year under review, these partnerships included the following:

- 17 community garden partnerships, which were 12 more than the target for the year under review. In addition to these, City Parks recently entered into a partnership agreement with Nedbank for the development of parks and landscaping in residential developments in Rugby, Wetton and Ottery. A partnership with PetroSA also resulted in the development of the Father Curran Park in Gugulethu.

- 36 sport and recreation developmental partnerships, promoting the development of sport and recreation in the city. One of the highlights of these partnerships was the running-and-walking partnership, through which

community activity is encouraged without the need for extensive facilities. For the 2013/14 financial year, another 30 partnerships are planned.

A 'Caring City' looks after all its people

In line with its commitment to be a caring city, the City of Cape Town, Province and several non-governmental organisations are working hard to help street people reintegrate with society. The City opened its second street people's assessment centre in May. The Strand assessment centre in Mansfield Road, Unit 18c, Gordon's Bay Industria, is a partnership project with Oasis. It makes provision for street people to have access to various social services assistance.

It operates 24/7 and is supported by field workers, who actively engage with people living on the streets with the aim of assisting them to return to their communities. The centre will serve the communities of Helderberg, namely the Strand, Macassar, Somerset West, Gordon's Bay, Sir Lowry's Pass, Lwandle and Nomzamo. The other assessment centre is in Franklin Street, Woodstock.

The City has donated close on R2,5 million to 12 NGOs that assist street people. The money will be managed in terms of the MFMA, and the City will put measures in place to ensure that the money is used in terms of the memorandum of agreement signed between the City and the NGOs. The aim of the City's street people strategy is to develop an integrated and holistic means of effectively reducing the number of people living on the streets, and to ensure that street people are given the necessary help in order to find employment and accommodation. The City enables, coordinates and implements this strategy in partnership with Province, the NGO sector and civil society

Recreation hubs enhance Cape Town communities

A recreation study conducted across the Cape metropole showed that only 24,6% of adult residents in Cape Town participate in physical activities in their spare time. However, the same study showed that almost 90% of Capetonians feel that sport and recreation is important for communities in Cape Town. According to the findings, most Capetonians are more interested in recreational programmes such as health and fitness, arts, crafts and games, than in formal sporting codes such as soccer and cricket.

In response to this recognised need for greater access to outdoor recreation for all Capetonians, the City has focused on developing community recreation hubs that are geared towards making a mix of activities accessible to a wide range of people, so as to get them both physically and mentally active. In April 2013, the City officially opened another such recreation hub in the form of the Parkwood community centre. Activities at the new centre include free play, wellness, life skills, after-school activities, structured sporting activities, and programmes for seniors and youth.

This brings the total number of recreation hubs now available across Cape Town to 28.

Lembede Park offers Khayelitsha residents more recreational opportunities

In June 2013, the City officially opened Lembede Park to a highly appreciative local community. The park, which is located in Mandela Park in Khayelitsha, is a good example of how innovative design can help transform small neighbourhood spaces into appealing public recreation and relaxation areas. Lembede Park has been designed to offer a space where people of all ages from the surrounding communities can enjoy recreational time outdoors. The park includes a picnic section with soft landscaping and plenty of trees, as well as a play area with rubberised matting to allow children a safe place to play. Even the paving installed in the park offers recreational opportunities, as it has been set out in patterns that allow for traditional games like hopscotch.

Capetonians flex their muscles at outdoor gyms

As part of its efforts to build a caring city, the City of Cape Town is making every effort to create spaces where all people can pursue active and healthy lifestyles, and enjoy the outdoors, while also fostering a greater sense of community. In May 2013, the City took another step forward in realising this vision with the opening of Cape Town's first outdoor gym in Rocklands, Mitchells Plain. The outdoor gym was the

result of collaboration between the City (who donated the land) and the National Department of Sports and Recreation (who provided the outdoor gym equipment). The site was carefully selected to maximise access to surrounding communities, and is being fenced off to ensure the safety of those using the facilities, while also preventing vandalism and theft of the gym equipment. Depending on the response by local communities, the outdoor gym concept may be extended to other areas across Cape Town.



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Innovative leisure facilities urge residents to come out and play

The City's Sport, Recreation and Amenities Department provides accessible recreational facilities and encourages residents to embrace an active lifestyle. Two innovations now make it easier for Capetonians to come out and play – the use of artificial turf for many City playing fields and the construction of spray parks, an alternative to swimming pools. Artificial grass is cheaper and easier to maintain than a natural grass field. Natural grass can only be used for around eight hours per week, whereas an artificial pitch can be used all day, seven days a week. Full-sized artificial turfs have been completed in Hout Bay (Hangberg and Imizamo Yethu), Lwandle Site C, Manenberg, Blue Downs and Nomzamo, and five-a-side pitches in Portlands, Langa, Witsand, Ocean View, Grassy Park, Crossroads, Lwandle, Bishop Lavis and Uitsig. Artificial fields will also be installed in Nyanga, Gugulethu, Westridge, Langa and Scottsdene. Communities without municipal swimming pools will also be provided with spray parks, which are playgrounds that have a variety of sprays and fountains. Unlike swimming pools, there is no risk of drowning, so they offer safer recreational opportunities. The City is currently building spray parks in Valhalla Park, Dunoon, Ocean View, Scottsville, Khayelitsha and Nyanga, with more to follow.

New mobile library brings reading to residents

Cape Town again joined in the celebrations during South African Library Week, which ran from 16 to 23 March 2013. In addition to various programmes offered at libraries across the metropole, the City marked this important event with the launch of a new mobile library bus, which will help make reading material accessible to more communities.

In February 2013, the Sea Point library was crowned best children's library by Province's Department of Cultural Affairs and Sport. In addition, Theresa Denton from the Rocklands library won the Library and Information Association of

South Africa's award for librarian of the year 2012. This is a national event that takes place on an annual basis.

OBJECTIVE 3.2: ENSURE INCREASED ACCESS TO INNOVATIVE HUMAN SETTLEMENTS FOR THOSE WHO NEED THEM

During the 2012/13 financial year, the City of Cape Town spent a total of 93,6% of its Urban Settlements Development Grant (USDG) (for all directorates) and delivered a total of 6 391 housing sites, 4 300 top structures and 1 725 other housing opportunities (including the upgrade of rental stock, land restitution and re-blocking).

Table 3.2: Breakdown of housing opportunities in 2012/13 financial year

CATEGORIES		SITES	TOP STRUCTURES	OTHER
A	Subsidy	3 594	951	0
B	Incremental (Upgrading of Informal Settlements Programme)	2 648	508	0
C	Upgrading of city rental stock	0	0	1 034
D	People's housing process	0	2 509	0
E	Land restitution	0	0	1
F	Social and rent to buy	0	314	0
G	Gap	152	71	0
H	Re-blocking	0	0	692
Totals		6 391	4 300	1 725

An integral part of the delivery of housing opportunities is the allocation of these opportunities to the rightful beneficiaries. Paramount to this is a sound policy that ensures that housing allocation is done in a correct and fair manner.

During the period under review, the City reviewed its Housing Allocation Policy to ensure that all audit recommendations, new legislation and the new oversight role of the Human Settlements Portfolio Committee are included.

Re-blocking ensures safety of informal-settlement residents

The City embarked on a process of re-blocking in informal settlements. This process effectively involves reconfiguration of a settlement to create firebreaks and to allow easier access to service and emergency vehicles. The City continues to work with the Community Organisation Resource Centre and the Informal Settlements Network under the partnership agreement signed on 19 April 2012. To date, re-blocking has

almost been completed in Sheffield Road and Mshini Wam, and planning is under way for more informal settlements.

In order to facilitate the smooth running of the re-blocking process in the future, the City is developing a policy that will hopefully be finalised by the end of 2013. The policy, which will include public participation, will clarify the roles of the various role players in the implementation of the re-blocking process.

Improving our systems to enhance delivery

The upgrade of the housing database system took place

during the year under review. This upgrade included aligning the system with the reviewed Housing Allocations Policy, as well as a clean-up of the database information by comparing it with the National Department of Human Settlements' housing subsidy system. As a result, about 103 000 records were moved from 'waiting' status, which brought the number of applicants recorded as waiting for a housing opportunity to 276 920 as at 29 April 2013. During the year, 125 530 updates to records were captured.

Figure 1.12: Overview of re-blocking process

Before	After
	
What is re-blocking? <ul style="list-style-type: none"> • Reconfigured layout • Grouping of structures into clusters that optimally utilise space • Creates courtyards and space for shared services where necessary • Opportunity for improved access to basic services 	<ul style="list-style-type: none"> • Appropriate distance between structures to prevent the spread of fires • Access and egress roads for emergency, services vehicles and community use • Creates safer, healthier settlements • Could form basis for formal upgrading

Housing-related achievements in 2012/13

Subsidy housing

To help address settlement inefficiencies through the development of integrated human settlements that will contribute towards a more compact settlement form and provide a range of housing and socio-economic opportunities, the City initiated two major housing developments. These larger developments will include subsidy, rental, affordable and open-market (bonded) housing units. Both projects are under construction and progressing well.

Densification of existing infill developments remains a high priority. In Delft, existing vacant residential erven (1 000) were redesigned to create 2 407 new opportunities for families on the waiting list. The internal services are currently under construction and the building of houses will commence soon. In Happy Valley, subsidy and People's

Housing Process (PHP) housing opportunities are provided, complete with solar-powered geysers. More top structures were also delivered under the PHP category.

Incremental housing

A number of emergency housing projects and interventions were successfully completed at:

- the OR Tambo temporary relocation area (TRA);
- the Barney Molokwana section of Khayelitsha;
- Masonwabe TRA (sites and top structures) in Gugulethu;
- Shukushukuma TRA in Mfuleni;
- Dunoon TRA;
- Enkanini informal settlement in Khayelitsha; and
- Mshini Wam.

In addition, the ongoing need for accommodation in



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Blikkiesdorp is being met as and when vacancies arise. Families are accommodated on an emergency-needs basis in terms of national policy guidelines. New sites with incremental top structures have also been developed, and families have been accommodated in them.

A number of other projects are also under way, including:

- Sir Lowry's Pass Village incremental development area (IDA) (sites and top structures), which will provide 177 opportunities for flood-affected households;
- Wolwerivier IDA (sites and top structures), which will provide 500 opportunities;
- Busasa (Mfuleni) IDA (sites and top structures), which will house approximately 1 000 households;
- Kosovo (Gugulethu), which involves re-blocking for 80 households;
- Fisantekraal TRA in respect of approximately 285 families who have to be relocated;
- Masiphumelele TRA in respect of approximately 180 families who have to be relocated;
- the provision of interim services in the Hangberg informal settlement; and
- wash areas in the Nomzamo and Lwandle informal areas in Helderberg.

Upgrade of City rental stock

This entails major upgrades to City-owned rental stock, including the refurbishment of interiors and exteriors as well as the surrounding areas of the property. The first phase of the major maintenance upgrade is set to be completed in 2015. Upgrades to seven of the 11 identified areas have been completed. All units upgraded in areas of Scottsville, Kewtown, Scottsdale, Woodlands, Connaught, Uitsig and The Range have now been re-occupied by tenants. Upgrades are under way in Ottery, Manenberg, Hanover Park and Heideveld, but work interruptions due to gang activity, violence and intimidation remain a challenge.

The City's rental stock upgrade has garnered a number of awards, including:

- the South African Institute of Civil Engineering's award for the most outstanding achievement in the community-based projects category in 2012;
- winner of the community upliftment category of the Institute of Municipal Engineering of Southern Africa/Consulting Engineers South Africa's 2012 excellence awards;
- having been nominated for the Govan Mbeki best rental stock project and Consulting Engineers South Africa's 2012 engineering excellence awards; and
- winner of the Southern African Housing Foundation's award for housing project of the year as well as the Institute of Municipal Engineering of Southern Africa's award for best project in 2011.

People's Housing Process

This process encourages and assists beneficiaries to build their own homes by maximising their housing subsidy and establishing community support organisations. Currently, the City is involved in offering certain skills to all PHP projects, including financial management, technical advisory support and project monitoring. Going forward, the City will also involve itself in the social aspects of the project, especially during the project initiation and implementation phases to address community dynamics. The majority of housing opportunities in this category are provided in Site C in Khayelitsha.

Land restitution

During the 2012/13 financial year, the City made good progress in settling land restitution claims in its area of jurisdiction. The City of Cape Town is the only municipality in South Africa that has a dedicated Restitution Office, and has successfully settled many of the 6 000 land restitution claims lodged in its area of jurisdiction.

Social housing

During the 2012/13 financial year, the City of Cape Town made excellent progress in implementing its social housing programme. The Social Housing Regulatory Authority recognised the City as having the best-performing social housing steering committee in 2012/13, which is proof of the remarkable work being done in terms of social housing. In addition, the City of Cape Town has been invited to visit various Garden Route municipalities to share its experience and guide them in the implementation of their social housing programmes.

The City has recently taken over from Province the responsibility of approving social housing applications. During the 2012/13 financial year, the Bothasig social housing project and phase 2 of the Steenberg social housing project were implemented in the City.

Gap housing

Gap housing caters to those households earning between R3 500 and R15 000 per month, who earn too much to receive state housing, yet too little to have access to the private market. The demand for this market is large. However, blacklisting in this income group is prevalent and restrictive. The gap housing market remains important, though, as it allows people in Breaking New Ground (BNG) houses to escalate to a higher level by purchasing in this market, thereby starting the process of initiating stability in the BNG domain. Gap housing also broadens the City's rates base. Well-located parcels of municipal land have been made available for gap housing for development, and ownership passes directly to the purchasers. The sale of serviced plots to qualifying participants is another variation on the gap housing initiative.

Human settlements plan for the future

The Integrated Human Settlements Five-Year Strategic Plan for the period 2012/13 to 2016/17 (as aligned with the current administration's term of office) has been reviewed

The 2013/14 housing delivery targets set out in the plan are summarised below:

Table 3.3: Human settlements targets for 2013/14

Project description/category	Sites (USDG)	Top structures (Human Settlements Development Grant)	Other community residential unit upgrades (HSDG) & shared services (USDG)
Rental units upgrade 'Community residential units'			1 341
New rental units/hostels 'Community residential units'	2	200	
Institutional and social housing	268	268	
BNG (including PHP and upgrading of informal settlements programme) and gap projects	3 037	3 902	
Informal settlements and backyarders	238		3 300
IDAs and EHP projects	765	421	
Gap sales	90		
Estimated totals	4 400	4 791	4 641

Land acquisition essential to achieve housing plans

The City's Human Settlements Directorate continues to focus on investigating opportunities for the reservation and/or acquisition of state and privately-owned land for future housing development. This is essential in order to address the City's housing backlog while dealing with the pressures of urbanisation. Apart from the obvious challenge of a finite amount of available land, large portions of land in Cape Town are low-lying and prone to seasonal flooding. This means that the City has to invest significantly in major bulk services to make this land suitable for human settlement. Despite these challenges, during the past financial year, the City procured a number of land parcels, which have now been earmarked for future human settlement development and use as part of in situ upgrades.

City pursues final level of municipal housing accreditation

During the 2012/13 financial year, the City focused its efforts on complying with the mandate it has obtained through its level 1 and 2 municipal housing accreditation. This was in preparation for obtaining the final level of accreditation, namely the 'assignment' of the function to administer national housing programmes.

The project review committee had a productive term, with 22 meetings held in the period under review. More than 260 resolutions were generated by the City's National Housing Programmes Branch and approximately 230 agreements were concluded. The City reached another

milestone in that it gained access to National Government's housing subsidy system through a link with Province's database. Even though the City has not yet been granted full functionality on the housing subsidy system as yet, the section responsible for processing subsidy applications managed to register more than 2 090 subsidy forms from the time of gaining access to the system until the end of the relevant fiscal year.

The Human Settlements Directorate submitted a readiness report to Council, indicating its state of readiness for assignment of the final level of housing accreditation as well as the benefits such assignment will bring. Significant progress was also made in the drafting of the executive assignment agreement in conjunction with Province's Department of Human Settlements.

City makes progress with its urban renewal programme

During the year under review, the City forged ahead with its work on the urban renewal programmes in both Khayelitsha and Mitchells Plain.

Khayelitsha projects include the following:

- Upgrade of the Khayelitsha training centre phase 2
- Upgrade of the Lookout Hill tourism facility
- Upgrade of the Monwabisi resort chalets and camping site
- Upgrade of the Vuyani meat market facility
- Khayelitsha CBD housing phase 1 – bulk infrastructure project



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- Khayelitsha human settlements and basic services summit project
- Food security and nutrition programme
- Youth safety intervention programme

The following are among the Mitchells Plain projects:

- The Lentegeur CBD upgrade
- Upgrade of Blue Waters chalets
- Watergate housing development
- Community visible policing
- Capacitation of civil society leadership in Khayelitsha and Mitchells Plain
- Capacitation of community police forums (CPFs) in the nodes

OBJECTIVE 3.3: ASSESS THE POSSIBLE SALE OR TRANSFER OF RENTAL STOCK TO IDENTIFIED BENEFICIARIES, USING ESTABLISHED CRITERIA

Rental stock disposal programme

The City operates its rental stock disposal programme as part of its efforts to afford current tenants of City-owned rental properties (classified as saleable) the opportunity to purchase their rental units and become owners. Efforts remain ongoing and have been intensified to create more awareness.

Title deeds

The City currently deals with various matters relating to the issue of title deeds. Some are current and others historical. A process is under way to transfer serviced sites that were allocated to families before 1994 in the areas of Khayelitsha, Nyanga, Browns Farm, Lower Crossroads and Philippi. However, this process faces various challenges, such as family disputes and changes in occupancy status.

A number of historical projects are also under way. These involve correction where no transfer of title has been effected in recent years due to various legal complications or processes. A study was undertaken to identify specific historical problems, and the City is now in the process of addressing each of these. To this end, nine pilot study areas have been identified.

OBJECTIVE 3.4: PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS AND BACKYARD RESIDENCES THROUGH IMPROVED SERVICES

In Cape Town, the great impact of urbanisation is most evident in the backyards of established communities and informal settlements, where families have settled due to circumstances beyond their control. As part of its commitment to easing this situation, the City has established a cross-departmental urbanisation work

group with the primary goal of ensuring an integrated, coordinated and collaborative approach when dealing with the many urbanisation challenges in Cape Town.

Backyarder service programme

This programme aims to improve the living conditions of families living in backyards by providing them each with an enclosed toilet with a tap and wash trough as well as a refuse bin. In addition, an electricity connection that can service up to three backyard structures will be installed per backyard.

Of the pilot areas that had been identified, Factreton has been completed and Hanover Park is now well under way with approximately 1 000 bins issued, the electricity backbone installed, and the commencement of individual electricity connections as well as water and sanitation installations.

Improving informal settlements

The development of an informal settlements development matrix has been started with the aim of enhancing the planning process by listing all informal settlements in the city and identifying which settlements require alternate land for de-densification or relocation. It will also indicate which settlements can be upgraded in situ.

In addition, the City has begun a process that will lead to granting of incremental security of tenure. Further phases would relate to, among others, the issuing of 'right to occupy' certificates, which could eventually lead to ownership and/or rental, where permitted.

The National Department of Human Settlements' upgrading support programme (NUSP) has actively been participated in by the City. The City partnered with ISN/CORK who are engaging affected communities for potential upgrades. This partnership is being extended to more NGOs.

Housing kits help Cape Town residents through emergencies

When incidents such as flooding and fires partly or totally destroy informal structures in informal settlements and backyards, the City provides relief measures to assist the affected households. One such measure is the provision of housing kits that can be used to construct temporary shelters. The three types of housing kits are as follows:

- Flood kits, in cases where informal residential structures have been partially destroyed
- Fire/relocation kits, where informal residential structures have to be dismantled and repositioned
- Emergency housing kits, in cases where informal residential structures have been totally destroyed, which were further enhanced during the 2013 financial year and now offer improved security to families using them.

During the year under review, the City issued residents with a total of 5 603 flood kits, 3 808 fire/relocation kits and 708 enhanced emergency housing kits.

Anti-land invasion efforts

The Anti-land Invasion Unit maintained its 100% success rate in preventing illegal land invasion on City of Cape Town property. In addition, 4 856 illegal structures were removed by a contractor, 276 illegal structures were removed by staff of the Unit, while 30 illegal containers were also removed from City of Cape Town land.

The success of the Unit in preventing illegal invasions of land ensures that where the City of Cape Town plans a development, the intended beneficiaries end up receiving their rightful housing opportunities and are not deprived of a home by those who jump the waiting list and invade land illegally.

OBJECTIVE 3.5: PROVIDE EFFECTIVE ENVIRONMENTAL HEALTH SERVICES

Caring for citizens in informal settlements

The City has a stated objective of ensuring that an environmental health practitioner visits every informal settlement in Cape Town at least once every week. This translates into a total of 14 160 such visits. During 2012/13, this target was significantly exceeded, with 16 098 visits undertaken.

OBJECTIVE 3.6: PROVIDE EFFECTIVE AIR QUALITY MANAGEMENT AND POLLUTION (INCLUDING NOISE) CONTROL PROGRAMMES

Improving air quality

During the 2012/13 financial year, the number of days when air pollution exceeded national ambient air quality standards was four. This is well within the stated target of fewer than 25 days, and points to the growing success of the City's Air Quality Management Plan (AQMP). The aim of the AQMP is to achieve and maintain clean air in the city over the next 10 to 20 years, and turn Cape Town into the African city with the cleanest air. The plan is designed to reduce the adverse health effects of poor air quality on the citizens of Cape Town, especially during 'brown haze' episodes. Currently, the development and implementation of the plan are informed by the findings of five working groups dealing with:

- air quality monitoring and standards;
- health;
- public awareness and education;
- the Khayelitsha Air Pollution Strategy; and
- transport planning and vehicle emissions.

OBJECTIVE 3.7: PROVIDE EFFECTIVE PRIMARY HEALTH-CARE SERVICES

Improving the quality of life for all Capetonians

In partnership with Province's Health Department, City Health currently operates according to a service-level agreement, which guides the delivery of health services at 82 clinics, five community health centres (CHCs), 22 satellite clinics and four mobile clinics. These facilities ensure the provision of comprehensive primary health care (PHC) and maternal and child health services, including preventive and promotional programmes.

The City is faced with a number of challenges, the most pressing of which are:

- a high medical and health-care staff turnover, and the resulting pressures on remaining care workers;
- an increasing burden of disease and steadily rising patient numbers, with no comparable increase in staff or budget;
- rising costs of medicine and laboratory tests, much of which far outstrip inflation; and
- general issues of security for City staff and clients.

Keeping TB under control

The tuberculosis (TB) rate of increase per 100 000 residents continued to slow over the past year, reaching a figure of approximately 644, which is significantly better than the target of 850 for the year. The cure rate for new smear-positive TB for the first and second quarter of 2012 was 85,1% and 84,2% respectively. The significance of this achievement is highlighted when viewed against the 67% achieved in 2004. The City's cure rate for new smear-positive TB was once again the best of all metropolitan areas in the country.

Continuing the fight against HIV/Aids

The City's efforts to address, prevent and treat HIV are encapsulated in City Health's key strategic programme delivered in partnership with Province. Currently, City Health offers antiretroviral therapy (ART) at 27 sites throughout Cape Town.

The citywide 'Get Tested' campaign is ongoing, with numerous outreaches having taken place during the reporting period at shopping malls and other public places to encourage citizens to determine their HIV status. Daily HIV testing was also offered free of charge at all City health facilities. As a result, the percentage of adults over 15 years of age tested for HIV in 2012/13 was 21,5%, exceeding the target of 20,0%. In addition, the City's ongoing efforts in respect of the prevention of mother-to-child transmission of HIV (PMTCT) saw a transmission rate of 1,4% for the fourth quarter of 2012/13, which was far better than the target of 3,0%.



Hanover Park clinic achieves exceptional TB cure rate results

City Health uses the World Health Organisation's directly observed treatment short course (DOTS) method at its clinics, and the City's eight health subdistricts boast the best TB cure rate in South Africa. In the year under review, the City's TB team, including the DOTS volunteers, again went the extra mile to ensure that TB patients took their treatment daily, either at the point nearest to their homes or at the clinic. As a direct result, the Hanover Park clinic recorded a 98% TB cure rate, exceeding even the Millennium Development and World Health Organisation goals. Hanover Park clinic was also named the overall winner in the category for the best clinic in Klipfontein subdistrict. This had been preceded by a rigorous assessment against set criteria, and Hanover Park Clinic came out tops. The clinic is accredited by the Council for Health Service Accreditation of Southern Africa for providing and maintaining quality health services.

OBJECTIVE 3.8: PROVIDE SUBSTANCE ABUSE OUTPATIENT TREATMENT AND REHABILITATION SERVICES

Combating substance abuse

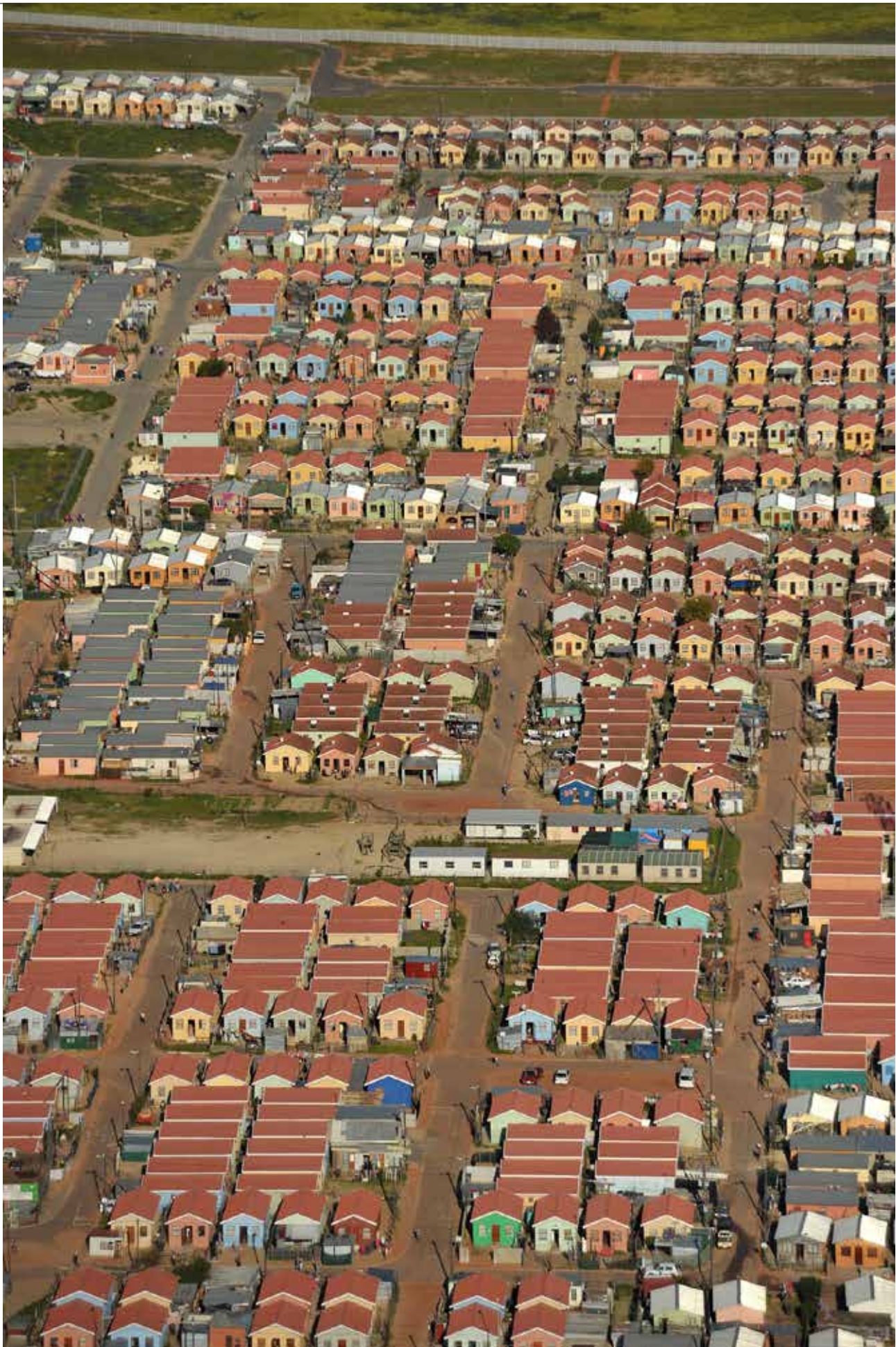
The abuse of alcohol and other drugs is not only harmful to the users of these substances, but also negatively affects the well-being of families, communities and the broader society. In October 2011, the City developed its Alcohol and Other Drug Harm Minimisation and Mitigation Strategy 2011-2014, which details the strategic plan to minimise and mitigate the harm of alcohol and other drug (AOD) use, including tobacco.

During the period under review, the outpatient substance abuse treatment centres at Tafelsig, Table View, Delft South and Town 2 clinics continued to do excellent work among sufferers of substance abuse from surrounding communities. Together, these centres assisted 1 362 new clients during the year under review.

In order to ensure the quality of the service offered in line with the Matrix® model, the Matrix® Institute of America assessed two of the City's facilities. The first site to be certified was Tafelsig and the second was Delft South. They have been certified for three years as Matrix® programmes of excellence, the only programmes in Africa to have achieved this thus far.



The City's eight health subdistricts boast the best TB cure rate in South Africa.



As a caring city, Cape Town will continue increased access to innovative human settlements for those who need it.



SFA 4

STRATEGIC FOCUS AREA 4 THE INCLUSIVE CITY

Building a shared community across different cultural, social and economic groups is a key priority for the City of Cape Town. Key to this is ensuring that all residents feel acknowledged, heard and valued, and that the varied cultural backgrounds and practices of all Capetonians are respected and celebrated.



The City was awarded Blue Flag status for eight of its beaches, including Camps Bay.

SFA 4 Key objectives and programmes

In order to position Cape Town as an inclusive city, the following two key objectives – each with its own underpinning programmes – have been identified:

Table 4.1: IDP objectives and programmes for SFA 4

Objective	Programme
4.1: Ensure responsiveness by creating an environment where citizens can be communicated with, and be responded to	4.1(a): Managing service delivery through the service management programme (C3 notification responsiveness)
	4.1(b): Building strategic partnerships
4.2: Provide facilities that make citizens feel at home	4.2(a): Community amenities programme (provide and maintain)
	4.2(b): Heritage programme

This review of SFA 4 offers an overview of the City's performance against these objectives, and its progress in terms of the implementation of the associated programmes. As the various City directorates work collaboratively, there may be significant overlap of deliverables among these objectives and programmes. As a result, the performance information for some of these objectives may be contained in other SFA review sections of the report.

Main inclusive-city achievements in 2012/13

- 96,98% adherence to citywide service delivery standards – external notifications
- Maintained 3 209 community parks, 38 cemeteries and 11 district parks according to service standards
- Maintained 174 operational halls to specified standards
- Maintained 436 sports fields to defined-level grass cover standard
- 92 libraries open according to minimum planned open hours

OBJECTIVE 4.1: ENSURE RESPONSIVENESS BY CREATING AN ENVIRONMENT WHERE CITIZENS CAN BE COMMUNICATED WITH, AND BE RESPONDED TO

Responding to the service needs of all citizens

The City's corporate call centre answered a total of 1 059 378 calls for the period 1 July 2012 to 30 June 2013. These calls were answered in the customer's preferred language (English, Afrikaans or Xhosa) and were recorded. The

majority of calls related to accounts and service enquiries and requests, as well as motor vehicle registration and traffic fines.

The Customer Relations Department continued to install FreeCall lines in municipal buildings, such as housing offices, libraries and community centres, located in outlying areas and less-advantaged communities. New FreeCall lines have been launched in areas such as Sir Lowry's Pass Village, Hangberg and Mitchells Plain. By 30 June 2013, a total of 74 FreeCall lines had been installed with the aim of improving access to service delivery through the City's call centre. Residents can use these lines to report faults, register complaints and make enquiries, at no personal cost. The number of calls made from the FreeCall lines increased by 249% during this period.

In addition, the Customer Relations Department embarked on another call centre support learnership for unemployed work seekers in cooperation with an external service provider. This has equipped 30 learners with call centre knowledge and practical working experience within the municipal working environment.

An independent service provider conducted a customer satisfaction survey among users of the City's call centre in 2013. The call centre achieved a score of 4+ out of 5 on the Likert scale. The residents indicated that they had experienced consistently excellent customer service from the call centre.

The Customer Relations Department has made a concerted effort to improve its correspondence and quality assurance systems and processes during this period, in order to further improve customer satisfaction levels.

OBJECTIVE 4.2: PROVIDE FACILITIES THAT MAKE CITIZENS FEEL AT HOME

The City continues to explore and maximise external funding and partnership opportunities to plan, implement and manage new community facilities in an integrated and multifunctional manner. This includes the provision, maintenance and servicing of public libraries, city parks, cemeteries and cremation facilities, and sport and recreation amenities.

SmartCape computer facilities change lives

SmartCape is a City initiative aimed at providing cost-effective, public access to computers, open-source software and internet facilities to all residents. Initiated on the understanding that computers are no longer a luxury, but a necessity in terms of enabling all people to access and benefit from opportunities, SmartCape was first implemented in June 2002. Since then, it has become something of a Cape Town institution, with more than 270 000 registered users at City library facilities across the city.

Maintenance and upgrade programme keeps City facilities in top condition

During the year under review, the City continued to prioritise the maintenance and upgrade of its community facilities for the benefit of all Capetonians. Specific upgrades included the following:

Sport and recreation facilities

- Dunoon sports field, Masibambane hall, Imizamo Yethu sports centre and Retreat swimming pool
- Synthetic pitches laid at Westridge, Nyanga, Scottsdale, Gugulethu and Langa

The City plans to upgrade seven sport and recreation community facilities within the next financial year. This will entail installing synthetic pitches at Steenberg, Heideveld, Crossroads and Kewtown, upgrades to Blue Waters resort and Monwabisi coastal node, as well as the spectator stand at Lwandle.

Parks and cemetery facilities

- Community parks: Nantes in Athlone, Majik Forest in Durbanville, Surran Street Park in Hanover Park, Elizabeth Park in Bellville, Southdene Park in Westbank, Baba Street in Mfuleni, AY Section in Khayelitsha, Ubushwa Park in Merrydale, and Macassar Square in Macassar
- District parks: Jack Muller and Khayelitsha Wetlands Park
- Cemeteries: Rusthof, Welmoed Atlantis, Klip Road and Maitland

Another 23 parks and cemetery upgrades are planned for the coming financial year.

Minor upgrade projects were also undertaken at five cemeteries, seven district parks and 170 community parks, of which 162 were funded by ward allocations.

City library facilities at Parow, Berkley Road and Crossroads extension were due for upgrades during this financial year. However, these projects were deferred to the 2013/14 financial year.

The City's Library and Information Services have 99 libraries with the following standard opening hours:

- 75 community libraries that must be open 35 hours per week
- 22 regional libraries that must be open 45 hours per week
- Two citywide libraries that must be open 63 hours per week

These are complemented by three satellite libraries and a mobile service consisting of two buses.



SFA 4

STRATEGIC FOCUS AREA 4 THE INCLUSIVE CITY

City takes its parks to the next level

As part of its ambition to create an inclusive city, the City of Cape Town focuses on delivering world-class facilities of which its citizens can be proud. These include safe and beautiful recreational spaces like parks. During the year under review, the City completed upgrades to several of its parks to ensure they are appealing areas in which residents can enjoy the outdoors, and lead active and healthy lives.

The upgrades included the following:

– **Jack Muller Park** in Bellville – This park is earmarked for development into a facility that can host major events, so that it might ultimately become self-sustaining. This is a multi-year project, and upgrades will continue over the next two years at an overall cost of approximately R15 million. In the past year, an irrigation system that uses borehole water has been installed, the picnic area has been revamped, and instant lawn was put down. Two security guard structures have been added to the existing one in the park to ensure visitors' safety. Future upgrades will include the provision of a biodiversity area, outdoor gyms, footpaths and a tea garden, as well as the extension of the play area to cater for the disabled.



– **Surran Road Park** in Hanover Park – An open area of approximately one hectare has been earmarked to be developed as a public open space in Hanover Park. This area was previously known as a criminal hot spot, but today, the space is used by all age groups for recreational purposes. Over a two-year period, R2,7 million has been spent on upgrading the park. The entire area has been grassed and fitted with an irrigation system, and large trees have been planted. A skateboard area has been established and is very popular with local youths. A variety of play equipment has been installed, with a seating area for adults to supervise their children. Formal pathways have also been created to give structure to the design of the park. A performing stage is in the process of being erected, with additional trees for shade. The inclusion of a BMX track is also being planned for the next financial year.



– **Nantes Park** in Athlone – This 26 hectare open space located in Bridgetown, Athlone, has been secured by means of a fence, while numerous upgrades have been undertaken, from constructing new formal pathways, a tea room and storeroom, establishing two play areas and a skating park, and landscaping the entire area, to building an amphitheatre and outdoor gym and adding a new parking area.



– **Elizabeth Park** in the Bellville CBD – This park underwent upgrades valued at R1,5 million during the 2012/13 financial year. The project was planned in consultation with the relevant local stakeholders, and included fencing the entire park, constructing a retaining wall to eliminate problem vagrant areas, placing park benches and installing an irrigation system. Existing pathways have been upgraded and grass and trees planted.



Blue flags for Cape Town beaches

During the year under review, the City was awarded Blue Flag status for eight of its beaches, namely Camps Bay, Clifton 4th, Muizenberg, Mnandi, Strandfontein, Bikini, Silverstroom and Llandudno. For the next financial year, the City hopes to maintain the Blue Flag status at these eight beaches.

Heritage programme

In February 2013, the City of Cape Town became the first local authority in South Africa to have its heritage resources management competency approved in terms of the National Heritage Resources Act, Act 25 of 1999. The competency approval includes the administering of heritage areas, heritage sites on the register, identifying and mapping heritage places and the issuing of provisional protection orders for sites under threat. The heritage protection overlay zone was developed and approved together with the system of exemptions as part of the new Cape Town Zoning Scheme.

Heritage Western Cape has designated 19 district environmental control officers as heritage inspectors in terms of the National Heritage Resources Act. In addition to their role in controlling outdoor advertising, these staff are now authorised to intervene where activities are taking place that are causing damage to a heritage resource in the city.

During the year under review, the following heritage sites and assets underwent critical repairs and upgrades:

- Onze Molen in Durbanville underwent essential repairs and maintenance, such as painting, re-thatching and securing the wooden fins. A permit was secured from Heritage Western Cape for the fins to be replaced within the next three years.
- The Langa Pass Office was restored by replacing the fibre cement roof, repainting, and restoring walls and ceilings. A landscaping plan was also developed that will allow for benches and tree planting, which will take place in the year ahead.
- The 19th-century Granary in Buitenkant Street underwent a further phase of restoration, including completion of the restoration of the southern face. The public passage between the Homecoming Centre and the Granary was restored with the discovery of an original window into the passage dating back over 200 years, which is believed to be a remnant of the former women's prison. The building is currently being assessed in terms of its structural condition as well as potential for reuse.
- Various heritage features in Trafalgar Park, Woodstock, including the old French fortification line, a kiln, canons and an incinerator, underwent repairs and upgrades. A master plan for the upgrade of the park was also completed.
- In Homestead Park, the cobbled paths and low garden walls, which are remnants of the 18th-century

Oranjezicht homestead, were restored. The fruit tree orchard has also been replanted.

Additionally, the final phase of a heritage resources audit of the Constantia-Tokai Valley has been completed. The study has identified conservation-worthy cultural landscapes and historic places.

The City also completed a number of important phases in the process of updating its heritage information systems. These included the following:

- Verifying heritage resource surveys to ensure that the City's database is in line with the standards developed for the City's heritage inventory. The audit is well under way and scheduled for completion by the end of 2015.
- The placement of the heritage layers – including the heritage database, the heritage protection overlay zones and various historical maps and aerial photographs – on the ISIS system
- The digitisation of a number of historical plans and photographs of the City (including the 1953 aerials)
- The establishment of the Environmental and Heritage Information Centre, which holds numerous historical documents relating to the City's work from the late 1800s to the present. New resources, both digital and printed, are being added.



The 19th-century granary in Buitenkant Street underwent further restoration.

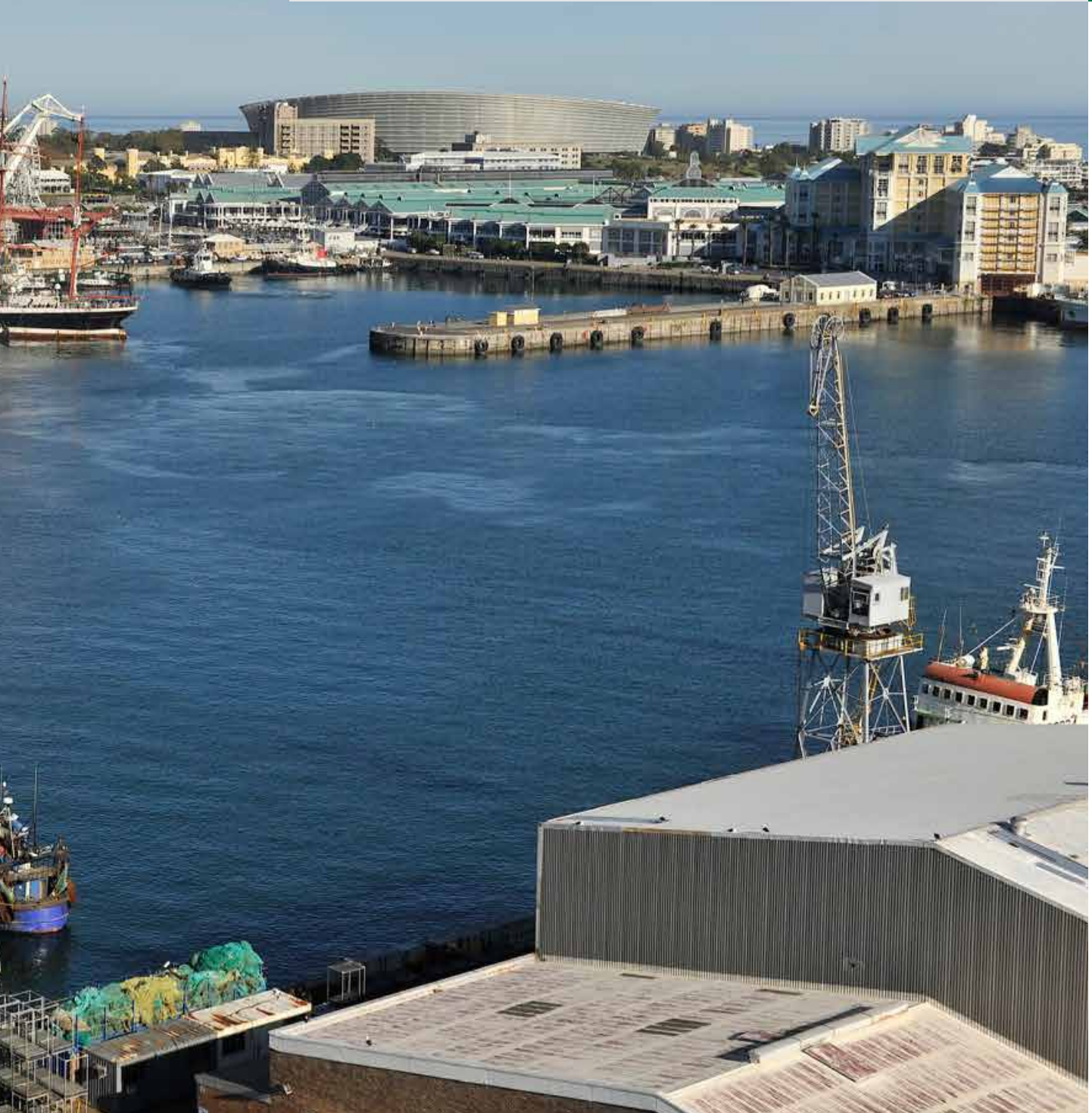


Growing Cape Town's economy and thus creating jobs is a primary objective underpinned in the City's Economic Growth Strategy.

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SFA 5 – The well-run city

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STRATEGIC FOCUS AREA 5 THE WELL-RUN CITY

Only by ensuring that elected leaders and officials serve the best interest of the public at all times can a fully democratic and accountable government be established. The City is committed to being accountable for the resources it manages, being answerable and accessible to the people at all times, and maintaining the highest levels of efficiency.



The City's most valuable asset, when optimally utilised, motivated and developed, is its staff.

SFA 5 Key objectives and programmes

To ensure that Cape Town is a well-run city, the following three key objectives – each with its own underpinning programmes – have been identified:

Table 5.1: IDP objectives and programmes for SFA 5

Objective	Programme
5.1: Ensure a transparent and corruption-free government	5.1(a): Transparent government (oversight) programme
5.2: Establish an efficient and productive administration that prioritises delivery	5.2(a): Human resources, talent management and skills development programme (integrated talent management approach)
	5.2(b): Human resources strategy
	5.2(c): Annual Community Satisfaction Survey (CSS)
	5.2(d): Information and knowledge framework – City Development Information Resource Centre (CDIRC)
5.3: Ensure financial prudence, with clean audits by the Auditor-General	5.3(a): Financial management programme
	5.3(b): Internal management processes programme

This review of SFA 5 offers an overview of the City's performance against these objectives, and its progress in terms of the implementation of the associated programmes. As the various City directorates work collaboratively, there may be significant overlap of deliverables among these objectives and programmes. As a result, the performance information for some of these objectives may be contained in other SFA review sections of the report.

Main well-run-city achievements in 2012/13

- Score of 2,9 out of 5 on the annual citywide customer satisfaction survey (up from 2,7 in 2011/12)
- 65,85% of people from employment-equity target groups employed in the three highest levels of management
- Score of 4+ out of 5 (on the Likert scale) for City call centre
- 102,04% of workplace skills plan budget spent

OBJECTIVE 5.1: ENSURE A TRANSPARENT AND CORRUPTION-FREE GOVERNMENT

Maintaining the independence and effectiveness of the Audit Committee

Internal Audit is an independent department of the City of Cape Town, and is a significant contributor to governance within the City. This function is a requirement of the MFMA and King III, which Council formally adopted. Internal Audit is largely directed by the IIA's international standards for the professional practice of internal auditing. The Department is mandated through its charter (terms of reference) to provide independent, objective assurance and consulting services, geared towards adding value and improving the City's operations. Internal Audit helps the organisation accomplish its objectives by bringing about a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Internal Audit plans, which are aligned with the City's strategy and most pertinent risks, are supported by senior management, and approved by the independent Audit Committee delegated by Council. Results of audits are communicated to the various levels of management, including executive directors and the City Manager, as well as to other assurance providers and the Audit Committee.

More detail on the role, functions and performance of Internal Audit during the 2012/13 financial year is contained in chapter 2 of this report.

An effective system to process complaints (and report corruption)

The City has a well-established and well-advertised toll-free 24/7 hotline for reporting fraud and corruption. Any allegations of fraud and corruption are reported to the Manager: Forensic Services in the Office of the City Manager. Correspondence includes letters, faxes, e-mails and other electronic communication, such as webmail, Facebook and Twitter messages. Departments receive and respond to correspondence on a decentralised basis. Powerful reporting tools are available to report on the performance of call centres (telephony) and the resolution of service requests (service management system). Existing policies and procedures require departments to use SAP to log and track correspondence.

OBJECTIVE 5.2: ESTABLISH AN EFFICIENT AND PRODUCTIVE ADMINISTRATION THAT PRIORITISES DELIVERY

Human resources

Based on 2013 figures, the City of Cape Town employs more than 25 722 people. These employees largely determine citizens' day-to-day experience of the City. Where there are skills gaps, these very quickly translate into negative citizen experiences through either slow or poor service.

In recent years, managing talent has been identified as the greatest challenge for human resource (HR) departments in all sectors of industry. Cape Town competes globally in attracting and retaining engineers, nurses, planners and a range of other talent. As such, upgrading of skills and investment in staff development is a priority in order to ensure that the City keeps pace with advances in technology, can compete effectively for skills, and has a workforce that can adapt to the complexity of their functions.

In order to deliver on this mandate, the City has invested in a range of initiatives, interventions and programmes. These are reported on in more detail below.

Human resources strategy and plan

The City's single biggest budget item is its staff costs, which currently amount to approximately R7 billion per annum. This is a very worthwhile investment, since the City's most valuable asset, when optimally utilised, motivated and developed, is its staff. However, this asset can also become a liability when it is not effectively utilised. The City's HR strategy is therefore aimed at delivering the right people, at the right place, at the right time, with the right skills, and ensuring the correct alignment of people to business needs. This ensures the City's ability to constantly improve its service delivery within its budget parameters.



One of the main well-run achievements was the score of 4+ out of 5 the City's call centre received.

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SFA 5

STRATEGIC FOCUS AREA 5 THE WELL-RUN CITY

The key objectives, focus areas and deliverables of the HR plan in 2012/13 are outlined below:

Table 5.2: Human resource objectives, focus areas and deliverables 2012/13

Objective	Focus area	Delivery in 2012/13
Identify the top areas of intervention that will have the greatest impact on staff engagement and productivity, and ensure business continuity through providing a skills pipeline	Maximising the developmental opportunities for the City's 25 722 employees and leveraging City resources to improve the skills pipeline through external training opportunities (apprenticeships).	<ul style="list-style-type: none"> The City created a total of 1 268 external learning opportunities. These included 314 apprenticeships and a further 788 external opportunities made up of 264 learnerships, 97 graduate internships and 427 cooperative training opportunities. External bursars have increased to 166. In doing so, the City is living up to its strategic intent of making Cape Town an opportunity city, providing work and learning opportunities to unemployed youth. Investment in City staff development remains a priority, with 2 241 internal bursaries awarded, the rolling out of the skills audit throughout the organisation, adult education and training (AET) being recognised for excellence by the Department of Education, and some 16 639 internal staff having gained access to training and development opportunities over the past year. The City filled a total of 2 903 vacancies in the 2012/13 financial year, with 982 filled internally and 1 921 filled externally. The City has grown its number of posts over the past year, thus enabling it to meet its service delivery obligations and challenges. The City has been ranked in the top 100 companies in South Africa in the category of ideal employer, both from the perspective of undergraduates and young professionals. Of particular importance is its 16th-place ranking in the category health care/health sciences, 15th in the category engineering/technology, and 4th in the category humanities/liberal arts/law. This achievement is significant to the City's ability to attract and retain staff in the professional and scarce-skills categories. The City has received various awards recognising its role in training and development, including AET awards from the Department of Education, and excellence awards from CPUT for the City's in-service training programme. In September 2010, 34 City entrants joined the Municipal Management Finance training programme at Stellenbosch University's School of Public Leadership, followed by another group of 35 in July 2011. Two more groups of 40 and 38 respectively started the programme in January 2012, all of whom, including the City Manager, completed the course at the end of December 2012. This programme was showcased in an article published in the official magazine of the Institute of Municipal Finance Officers.
	Individual performance management (SFA 5.2(a))	<ul style="list-style-type: none"> The City has implemented a smart (electronic) individual performance management system. All senior professionals and above have been performance-managed for three years, with the new electronic system having taken effect in the last financial year. The system is being extended to all levels, with a focus on training. The benefits of this system are being seen in improved performance management against agreed targets, identification of developmental gaps, and the management of poor performers and rewarding of high performers.
	Completing the TASK project (SFA 5.2 (a))	<ul style="list-style-type: none"> The TASK (tuned assessment of skills and knowledge) project set out to ensure that every employee had a job description aligned with their functions in the City, and that all jobs have been graded. This project is 97% complete, with the remaining work to be completed by September 2013. The benefits of this project are to ensure that citizens get value for money, as employees are being appropriately remunerated for the work they perform.

Objective	Focus area	Delivery in 2012/13
Increasing investment in skills development (SFA 1.5(a) and 5.2(a))		<ul style="list-style-type: none"> The City has increased its skills spend to R107 600 551 over the past year. The result is that the City has offered more training opportunities to external unemployed people, and has a better trained and empowered internal staff complement.
Identifying and monitoring key measurements that will support the above outcomes (composite HR risk and staff engagement key performance indicators)		<ul style="list-style-type: none"> The City put in place various HR risk measures in the form of ten key operational indicators. Ten factors were used to measure performance, which were cascaded into each director's scorecard. These factors are aimed at ensuring that the City achieves its equity targets, utilises staff and staff resources effectively, and develops and retains talent.

Aligned with this HR plan, the City's HR strategy was aimed at achieving the following results in 2012/13:

- Improve the availability of skilled staff, both internally and externally. This has been substantially achieved through greater focus and increased investment in skills development.
- Reduce the HR risk factors as measured by the composite HR risk indicator.
- Maintain a low turnover rate within the scarce-skills environment. In 2012/13, this turnover rate was 6,30%, which is well below the target of less than 12%. This, coupled with a 4,33% growth in staff within the scarce-skills categories, confirms the City's position as an employer of choice in local government.
- Improve staff productivity as measured by a composite business improvement indicator
- Improve the efficiency and effectiveness of the core HR business processes that affect HR management
- Maximise SAP HR functionality, in particular employee self-service and manager self-service

The City continues to benefit from cost reduction through the ongoing roll-out of smart (electronic) systems. Particular benefits include the following:

- A reduction in absenteeism from 5,21% to 4,45%
- The successful implementation of an HR call centre, which received 33 724 service requests and achieved a 99% call resolution
- 70% electronic use of the new SAP systems, resulting in reduced transaction turnaround time and improved overall staff productivity. The figure for e-leave management is 90%, which brings about the biggest saving by eliminating manual systems.
- Increase in the number of employees linked to the electronic clocking system from 85,7% to 92%, with significant consequential savings by shifting away from manual systems and the added benefit of a decrease in absenteeism

- Improved data integrity, reducing audit queries and improving overall governance

- 74 521 external applicants registered on the City's e-recruitment system

The City was recognised by SAP Germany for its best practice implementation of SAP human capital management, and the City's systems are now being used to showcase best practice in both local government and the private sector.

The HR website achieves higher visitor rates than any other website across the City, significantly increasing access to information for managers and staff. The City has also developed a SAP learning solutions module, which has the potential to revolutionise staff development in future. An e-learning tool was developed to support managers in managing incapacity arising from ill health. This is a first of a series of courses that will utilise the new learning solutions function on SAP.

Human resources budget and staff complement

The City continues to manage its staff allocation and staff budget through ongoing scrutiny of its organisational structure and alignment of staff resources with service needs. This is reflected in a continuous business improvement programme across all departments to ensure alignment and, where necessary, reallocation of staff resources and budget. Over the past year, the City increased its overall staff complement by 2,36%, and its total number of budgeted posts by 1,6%. This increase is aimed at keeping up with increased demand for service delivery.

Listening to the community

The annual Community Satisfaction Survey measures residents' perceptions of the City's performance in delivering on a range of services. The survey has shown consistent improvement in residents' perceptions since the initial survey of 2007/8. In 2012/13, the City scored a total of 2,9 out of 5 for its overall performance. This is up from 2,7 in 2011/12 and 2010/11, and 2,6 in 2008/9. An overview of the results of the survey is included in chapter 2 of this report.

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Developing a solid information and knowledge framework

In the period under review, the Development Information Resource Centre (DIRC) went live on the City's intranet. DIRC is a corporate resource for departments to contribute and extract information. This single source of information and reporting will allow for the smooth sharing of knowledge across departments, and will improve the way the City does business.

The City utilises aerial imagery to monitor the growth of informal settlements as well as to support planning and service delivery. The latest aerial photography was made available in the 2012/13 financial year via the City's GIS viewer. It reflects continuous advancements and improvements in image quality through the application of new technology.

Refining internal management processes

In the 2012/13 financial year, the City moved forward with the roll-out of its management accountability project. This project is a modular training course aimed at enhancing management accountability and overall City governance. The programme has focused on training senior management in identified corporate-wide business processes. The first module focused on the supply chain management process and integrated risk management. The project is expected to deliver benefits in ensuring faster turnaround, better-informed decision-making and,

ultimately, improved service delivery through reducing delays in internal business processes.

Employment equity

The City's Employment Equity Department (EED) provides enabling services to all City line directorates by directing, advising and rendering consultancy services. The Department comprises the Disability Management, Diversity Management, Gender Equity and Affirmative Action components. In the 2012/13 financial year, the EED spent 100% of its capital budget and 109% of its operational budget.

The City has improved in terms of achievement against its overall race and disability employment targets. There are also pockets of excellence in gender equity targets. The EED is confident that by the time the current Employment Equity (EE) Plan (2010-2015) comes to an end, further improvements will have been realised.

To date, much focus has been placed on the establishment of workplace forums in line with the collective agreement on the establishment of employment equity and employee training and development forums previously signed by the City, the Independent Municipal and Allied Trade Union (IMATU) and the South African Municipal Workers' Union (SAMWU). The forums will incorporate gender, disability, training and development (workplace skills plans) and employment equity.

Table 5.3: City of Cape Town workforce profile as at 30 June 2013

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	3		5	2			2			13
Senior management	6	17		26	4	5		4			62
Professionally qualified and experienced specialists and mid-management	129	521	23	676	76	202	9	214	18	8	1 876
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	692	2 669	25	886	737	1 277	14	493	36	11	6 840
Semi-skilled and discretionary decision-making	1 356	3 643	14	321	1 032	1 971	18	364	6	9	8 734
Unskilled and defined decision making	2 057	3 662	3	40	559	799	3	3	15		7 141
TOTAL PERMANENT	4 241	10 515	65	1 954	2 410	4 254	44	1 080	75	28	24 666
Temporary employees	202	328	2	35	245	205	2	29	5	3	1 056
GRAND TOTAL	4 443	10 843	67	1 989	2 655	4 459	46	1 109	80	31	25 722

A = African; C = coloured; I = Indian; W = white

In the period under review, the City achieved or exceeded the majority of its employment equity performance targets, as outlined in the table below:

Table 5.4: Performance against employment equity targets 2012/13

Employment equity category	Activities in 2012/13
People with disabilities	<ul style="list-style-type: none"> • Awareness-raising presentations were conducted on various platforms • A report on the employment of people with disabilities was tabled at the Corporate Services Portfolio Committee meetings on a quarterly basis, with an achievement of 1,15% of the staff complement. • The EED exceeded its target of auditing Council buildings and facilities for universal accessibility by achieving 83 instead of the targeted 60 buildings.
Diversity	<ul style="list-style-type: none"> • Diversity facilitators conducted 84 workshops, which were attended by 1 304 staff members from various departments. • Eleven issue-specific diversity interventions were conducted at Hillstar depot, and were attended by 167 staff. • An educational brochure and information poster was produced.
Gender equity	<ul style="list-style-type: none"> • A women's event was attended by 350 staff members. • Six departments received recognition certificates for their contribution to the development and empowerment of women within their departments. • Ten awareness sessions were conducted, focusing on gender-based violence, the role of men in combating gender-based violence, as well as the role of youth in responding to the challenges of our times. • A gender and diversity blog was established to promote the discourse on gender and diversity. • An educational brochure and pledge aimed at men was produced and distributed. • A hotline was established for the reporting of all incidents of sexual harassment.
Affirmative action	<ul style="list-style-type: none"> • Ongoing implementation, monitoring and evaluation of staff training and skills development • Staff profiles that indicate employment equity target achievement are supplied to HR and all line directorates on a monthly basis to guide them on the process of recruitment and selection. • A total of 37 presentations were made, mainly to staff and senior management in different directorates and departments.

Occupational health and safety

The Occupational Health and Safety (OHS) programme has been separated from the HR function and is now a stand-alone City department. A director was appointed to further raise the profile of the programme and to ensure that the City complies with all relevant legislation. Achievements in the past financial year included the following:

- The appointment of two additional occupational medical practitioners. This has strengthened the City's ability to conduct the required pre-employment and periodic medical assessments to ensure that City employees are medically fit to perform the jobs for which they have been appointed. More than 20 000 medical assessments were conducted in the past financial year.
- The City received accreditation as an approved

inspection authority based on its occupational hygiene programme. The City is the only municipality with such accreditation. The accreditation enables the City to conduct assessments of noise levels, ventilation, lighting, ergonomics and other necessary in-house assessments. This enhances the City's ability to ensure that workplaces are safe for all employees.

- Injuries on duty continue to be captured electronically on the SAP-EHS module. The SAP-EHS module was improved and now generates real-time business intelligence reports, which provide an overview of the number and types of injuries on duty per directorate, allowing line managers to better manage these injuries.
- Another successful Driver of the Year competition was held. A total of 109 drivers of City vehicles entered the competition and were assessed at various levels,

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until winners were identified. The overall aim of the competition is to enhance the skills and safety practices of the City's drivers.

Specialised technical services

The Specialised Technical Services Department provides enabling services, consultancy and advice to all City line directorates to allow them to achieve their service delivery goals. The Department comprises Facilities Management, Fleet Management, and Specialised Radio and Electronic Services (SPEARS).

The Department spent 98,23% of its capital budget and achieved a score of 99% in the asset verification process for the 2012/13 financial year.

Facilities Management is responsible for managing 96 corporately owned buildings, including a portfolio of leased-in buildings across the city.

Fleet Management is responsible for managing approximately 4 000 corporate vehicles and plant, including the purchase, disposal and deployment of such assets, and the implementation and management of various services such as vehicle repairs and maintenance, on-road vehicle refuelling, vehicle tracking and monitoring of vehicle use. Activities in the past year included the following:

- Approximately R56,5 million was spent on capital purchases of vehicles and plant for both corporate and devolved fleets
- 3 607 vehicles were managed, including:
 - constant monitoring of vehicle performance and utilisation through on-board computers fitted to vehicles;
 - ongoing training of supervisors to enable direct access to vehicle management reports;
 - another 'greening' acquisition of a new hybrid vehicle for the Mayor's fleet;
 - ongoing advice to line departments on implementing the Fleet Management Policy and the correct use and care of the vehicle fleet;
 - increasing assistance provided to the IRT bus fleet and planning for the new Technical Support Division; and
 - compiling and managing of tenders for devolved fleet, including purchasing of vehicles, plant and related equipment.

SPEARS are responsible for all radio communications as well as the following electronic services throughout the city:

- A terrestrial trunked radio communications system with 32 remote sites and 11 600 emergency and municipal service users
- CCTV systems with 2 000 cameras to ensure maximum security at 300 facilities and depots
- Security alarm systems to monitor all Council facilities, with 1 600 remote sites

- Electronic services, including 44 access control systems, nine fire detection systems, 80 public address systems, an audio-visual support service for the executive suites and the Council chamber in the Civic Centre, and a facility for the manufacturing of identification and access control cards for all 25 772 City employees

During the 2012/13 financial year, SPEARS further developed the City's data services and introduced:

- an offence codes register that can be consulted via a trunked radio in the field to assist traffic officers;
- a reliable trunked radio link for water telemetry outstations in the field to provide a reliable data link to the central control unit;
- 77 emergency voice communication units in the Civic Centre to communicate to the emergency control room, for use by the emergency coordinators for communication during emergencies; and
- a remote call centre unit using trunked radio technology for water services.

A total of 200 new CCTV sites and 50 new security alarm sites were also commissioned, while 150 alarmed sites were converted from privately run to internally monitored. The audio-visual system for the Council chamber was upgraded for improved reliability and increased functionality, including CCTV display of speakers on the overhead screen.

Information systems and technology

The City's information and communication technology (ICT) systems are acknowledged nationally and internationally for the manner in which they enable the City to deliver services. This leadership position was reflected in the international award achieved by the ISIS project in 2013, the large number of study tours hosted, and the number of invitations extended to City staff members to present papers at various forums as thought leaders and technical experts in their respective fields.

As a strategic department in the City, Information Systems and Technology (IS&T) aims to be a catalyst for the transformation of public services, which will enable the City of Cape Town to become a more efficient and effective local authority.

Web and mobile services

Building on the solid transactional platform that the City's ICT systems provide, the web services were extended and made accessible via mobile devices. These services can be accessed via the City's official mobi-site and offer a platform to which additional mobile services will be added to complement web services already available through the e-services portal. Through projects such as these, the City's IS&T Department continued to deliver on its 'smart' city strategy and helped to:

- improve the efficiency of the administration;
- improve services to citizens and businesses; and
- enable social and economic development.

OBJECTIVE 5.3: ENSURE FINANCIAL PRUDENCE, WITH CLEAN AUDITS BY THE AUDITOR-GENERAL

Unqualified audit

The City of Cape Town has committed itself to good administration by not only striving to obtain an unqualified audit opinion based on a comprehensive examination of its records, operations and performance levels, but also on the extent of its compliance with all relevant laws and regulations to achieve a 'clean audit' status. For the tenth consecutive year, the City received an unqualified audit opinion from the Auditor-General of South Africa, confirming its substantial adherence to governance laws, regulations and controls to ensure increased accountability from political and administrative leadership.

Immovable Property Asset Management Framework ensures good governance

The initial phase of the first component of the Immovable Property Asset Management Framework (IPAMF), namely the core immovable property asset register (IPAR), is well established, with 28 304 assets identified and ownership verified. Of these, accountable departments have been identified for 22 656, while 14 986 have been allocated to portfolios. In addition, the IPAR system has been designed

and configured in alignment with the City's corporate real-estate system on SAP.

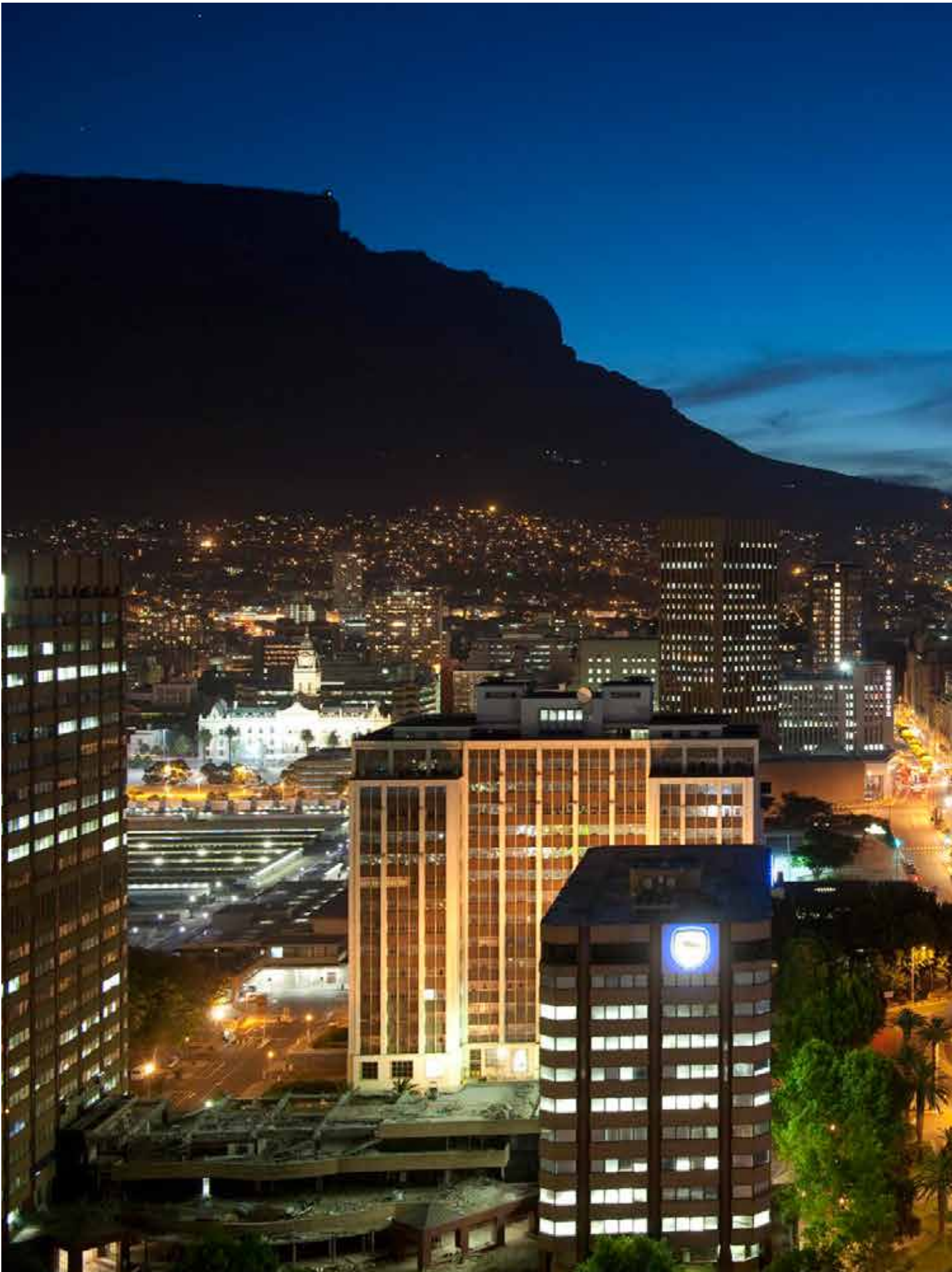
Development of the second component, namely the immovable property asset management system, is progressing. Eight distinct portfolios and 33 sub-portfolios have been identified. Seven key performance areas have been developed, namely efficiency, condition, maintenance, functional suitability, governance, social impact and financial. Specific key performance indicators along with measurement methodology are being developed per portfolio.

Financial oversight over CTICC

The City of Cape Town holds shares in the Cape Town International Convention Centre (CTICC). As the majority shareholder, the City is the parent municipality of the CTICC, which makes this state-owned company (as per the Companies Act) a municipal entity. In compliance with legislative responsibilities placed on the City as the parent entity, oversight is exercised over CTICC governance. This requires, inter alia, ongoing monitoring of the finances of the CTICC, which is one of the few convention centres in the world that does not require an annual operating subsidy from some outside supporting organisation. The City's consolidated financial statements also include the financial statements for the CTICC.



The City's has increased its skills spend with the result that it offered more training opportunities to external unemployed people and a better trained and empowered internal staff complement.



The Mother City at night, with Adderley Street, Table Mountain and Signal Hill.

FINANCIAL PERFORMANCE AND ECONOMIC SUSTAINABILITY

Overview of the 2013/14 budget

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FINANCIAL PERFORMANCE & ECONOMIC SUSTAINABILITY

Overview of the 2013/14 budget

The following is a high-level overview of the City's 2013/14 main budget components. For full details of the budget for the coming financial year, please see the City of Cape Town's budget book 2013/14 on the City of Cape Town website.

Table C1: The budget figures in brief

Total budget for 2013/14	R31 595 million		4,31% up from 2012/13
Operating expenditure budget for 2013/14	R26 144 million	82,75% of total budget	7,31% up from 2012/13
Capital expenditure budget for 2013/14	R5 451 million	17,25% of total budget	8,03% down from 2012/13

OPERATING BUDGET

Expenditure

Total operating expenditure increases from R24 362 million in the 2012/13 financial year to R26 144 million in the 2013/14 financial year. This 7,31% rise is primarily due to increases in several City expenditure components, as shown in the table below.

Table C2: Year-on-year growth in expenditure components

Category	Budget 2012/13	Budget 2013/14	Year-on-year
R thousands			
Employee-related costs	7 777 521	8 253 458	6,12%
Remuneration of councillors	122 384	123 721	1,09%
Debt impairment	991 026	866 192	(12,60%)
Depreciation and asset impairment	1 444 096	1 934 741	33,98%
Finance charges	768 508	863 894	12,41%
Bulk purchases	6 441 273	6 898 881	7,10%
Other materials	396 540	358 681	(9,55%)
Contracted services	2 579 846	3 192 182	23,74%
Transfers and grants	50 606	39 544	(21,86%)
Other expenditure	3 790 624	3 612 788	(4,69%)
Total expenditure	24 362 425	26 144 082	7,31%

Revenue

Operating revenue increases from R23 901 million in 2012/13 to R25 895 million in 2013/14. This 8,34% rise is mainly due to the following:

- An increase in transfers recognised in respect of the national equitable share, from R1 090 million in 2012/13 to R1 243 million in 2013/14
- An increase in rental of facilities and equipment, from R278 million to R336 million, as a result of the increased marketing of facilities, which in turn resulted in a higher rate of use of facilities such as halls, stadiums, museums, etc.
- An increase in interest earned on external investments, from R244 million to R284 million, due to the City's projected favourable cash position
- Projected organic growth and tariff increases on property rates and service charges (water, electricity and refuse)



Tariff increases for water and sanitation services are necessary to address maintenance.

Table C3: Year-on-year growth in revenue categories

Category	Budget 2012/13	Budget 2013/14	Year-on-year
R thousands			
Property rates – tax	5 030 753	5 427 388	7,88%
Property rates – penalties and collection charges	93 546	99 720	6,60%
Service charges – electricity	8 971 405	9 668 405	7,77%
Service charges – water	2 106 357	2 343 850	11,28%
Service charges – sanitation	1 127 122	1 243 019	10,28%
Service charges – refuse	896 924	947 126	5,60%
Service charges – other	237 231	239 991	1,16%
Rental of facilities and equipment	278 754	336 471	20,71%
Interest earned – external investments	244 439	284 618	16,44%
Interest earned – outstanding debtors	236 797	118 805	(49,83%)
Fines	160 917	183 257	13,88%
Licences and permits	33 121	35 601	7,49%
Agency services	115 993	121 993	5,17%
Transfers recognised – operational	2 325 525	2 595 904	11,63%
Other revenue	1 973 772	2 179 942	10,45%
Gains on disposal of property, plant and equipment	69 000	69 000	0,00%
Total revenue	23 901 656	25 895 089	8,34%

Individual service tariffs and rates

The proposed tariff increases shown below are averages. Some clients may pay more and others less than these averages.

Table C4: Average tariff increases for 2013/14, 2014/15 and 2015/16

Category	2013/14 %	2014/15 %	2015/16 %
Rates	6,10	6,00	6,00
Refuse	6,32	5,54	8,03
Disposal	7,06	9,52	8,44
Sanitation	9,53	9,58	10,00
Water	9,53	9,58	10,00
Electricity	7,86	9,92	9,26

Rates – Property rates are based on values in the new general valuation roll 2012, with the date of valuation being 1 July 2012. The roll will be updated through supplemental valuation rolls for properties affected by land subdivisions, alterations to buildings, demolitions and new buildings (improvements). The rates levied per individual property will depend on that property's change in value compared with the average change in all property values. The total amount of rates included in the 2013/14 budget is 7,1% more than that of 2012/13. This takes into account natural growth. Rebates and concessions are granted to certain categories of property use and/or property owners.

The category definitions and listings are reflected in the Rates Policy, which is available on the City's website at www.capetown.gov.za.

Water and sanitation – An increase of 9,53% has been approved for consumptive water and sanitation tariffs. The bulk water tariff has been increased by 6,4%. The tariff increases are necessary to address essential operating requirements, maintain existing infrastructure, provide new infrastructure, and ensure the financial sustainability of the service. These increases are also in line with the guidelines of the Medium-Term Revenue and Expenditure Framework (MTREF).

FINANCIAL PERFORMANCE & ECONOMIC SUSTAINABILITY

Solid waste – The solid waste tariffs are levied to recover costs of services provided directly to customers, and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services. Collections tariffs (consumptive and sundry) will increase by 6,32%, disposal by 7,06%, and cleaning by 5,6%.

Electricity – The average revenue increase (and, therefore, the average tariff increase) is 7,86%. The additional amount is

needed to cover the increased capital costs due to the changes made last year; additional artisan posts in areas where a critical need exists; upgrades to the notified maximum demand; an increase in the fuel requirements for the gas turbines due to the unavailability of the Steenbras pumped storage scheme; an increase in the number of revenue collection teams (aimed at improving the collection ratio), and a reduction in the rates contribution for street lighting.

CAPITAL BUDGET

The capital budget decreases from R5 927 million in 2012/13 (original budget) to R5 451 million in 2013/14, or by 8,03% overall.

Table C5: Year-on-year decrease in capital funding sources

Category	Budget 2012/13	Budget 2013/14	Increase/ (decrease)
R thousands			
Capital grants and donations	3 683 893	2 583 308	(1 100 585)
Capital Replacement Reserve (CRR)	709 572	700 820	(8 753)
External Financing Fund (EFF)	1 784 935	2 149 497	364 562
Revenue	43 409	16 968	(26 441)
Total	6 221 809	5 450 592	(771 217)

Capital grants and donations decrease by R1,1 billion, as 2012/13 included an approved rollover of R1,1 billion from 2011/12 in public transport infrastructure and systems grants. The main contributors to the increase in external financing fund (EFF) provisions are the re-phasing of projects from 2012/13 to 2013/14, and additional requirements for the pressure management,

treated-effluent reuse and meter replacement projects within Water Services. During the budget process, directorates across the City also highlighted additional initiatives aligned with the IDP, such as accelerated broadband project spend, replacement of the oldest fleet vehicles, and additional funding for the Safety and Security Directorate.

During 2013/14, major capital expenditure is planned in the following directorates:

Table C6: Directorates with major planned capital expenditure

Utility Services	R2 679 million
Transport, Roads and Stormwater	R1 416 million
Human Settlements	R627 million

The most significant projects are as follows:

Table C7: Significant planned capital projects

Cape Town Electricity	
Athlone-Phillipi: Overhead line undergrounding	R60 million
Backyarders	R63 million
City depot relocation	R64 million
Connections infrastructure	R44 million
Electrification	R127 million
Facilities alteration and upgrades	R150 million
Koeberg Road switching station phase 2	R90 million
Medium-voltage switchgear refurbishment	R78 million
System equipment replacement	R130 million
System infrastructure	R106 million
Training school, Brackenfell	R59 million

Solid Waste Management	
New landfill site infrastructure	R25 million
New transfer station infrastructure	R105 million
Replacement of plant and vehicles	R64 million
Solid waste management infrastructure	R50 million
Water and Sanitation	
Borchers Quarry wastewater treatment works	R20 million
Bulk water augmentation scheme	R32 million
Bulk water infrastructure replacement	R20 million
Cape Flats III	R38 million
Development of additional infrastructure	R27 million
Fisantekraal housing, Garden Cities	R26 million
Meter replacement programme	R75 million
Northern area sewer, Thornton	R90 million
Pressure management	R20 million
Replace and upgrade sewer network (citywide)	R60 million
Replace and upgrade water network (citywide)	R79 million
Treated-effluent reuse and upgrades	R29 million
Transport, Roads and Stormwater	
Bulk roads and stormwater for housing projects	R48 million
Construct Broadway Boulevard, Nomzamo/Lwandle	R19 million
Infrastructure management – reconstruct roads metro	R33 million
Inner-city public transport hub (IRT)	R10 million
Integrated rapid transit	R803 million
Non-motorised transport network and universal access	R60 million
Pedestrianisation of low-income areas	R20 million
Roads and stormwater rehabilitation	R110 million



The pedestrianisation of low-income areas was a major capital spend.

FINANCIAL PERFORMANCE & ECONOMIC SUSTAINABILITY

Corporate Services	
Broadband	R82 million
Facilities management – Structural rehabilitation of the Cape Town Civic Centre	R39 million
Safety and Security	
Integrated emergency contact centre	R30 million
Human Settlements	
Manenberg community residential unit (CRU) project	R100 million
Langa hostels CRU project	R87 million
Hanover Park CRU project	R61 million
Delft The Hague housing project	R20 million
Heideveld CRU project	R31 million
Brick-skin walls – housing flats	R35 million
Marble Flats CRU project	R32 million
Urbanisation: Backyards and informal settlement upgrade	R38 million
Bardale and Fairdale: Develop 4 000 units	R28 million

Free basic services: Basic social services package

The City provides free basic services (electricity, refuse removal, water, sanitation and rates) to residential properties either based on the municipal value of the property or upon application by those with limited income whose property values exceed the set valuation levels. The municipal property value method is used to prevent the bloated and costly administration that would have arisen if the expected 245 000 to 280 000 applicants all had to apply on a periodic basis. Using the billing system criteria, the City provides assistance to those residents assumed to be in need. It is understood that this approach means that some who may be able to pay also receive that benefit, but the costs to prevent these few unintended cases would far outweigh the income generated by ensuring they do not receive the benefits. The valuations-based approach also provides the City with budgetary certainty and reduces the risk of fraud. The benefits vary based on the valuation of the properties at R400 000 or below, and the number of recipients varies between 80 000 and 245 000. The second procedure – using applications by those with limited income – allows any resident who is required to pay for the aforementioned services, but whose gross monthly household income is R3 000 or less, to register as indigent to receive the same benefits as if their property values were below R100 000. To date, only 2 295 residents have registered through this process. This clearly shows that the valuation-driven measures are succeeding in reaching the less-fortunate residents of Cape Town as envisaged.

From 2012/13, a new category of indigent support has also been established, which involves granting a 50% rebate on rates to all residents whose gross monthly household income is between R3 001 and R4 000. To date, 27 households have registered. Rates rebates for senior citizens and disabled persons are granted to qualifying applicants whose gross monthly household income is below R12 000. Qualifying individuals or households with an income of up to R3 500 receive a 100% rates rebate. This is then tiered, to a 10% rebate, for those earning an income of between R11 001 and R12 000.

In 2013/14, lifeline tariff customers receiving less than 250 kWh of electricity per month will have their free basic supply increased to 60 kWh. Those receiving between 250 kWh and 450 kWh per month will receive a free basic supply of 25 kWh per month. In total, 306 000 residents in the City and Eskom areas of supply receive this benefit. The assistance provided to the households mentioned above is regulated by Council's budget-related policies, which are reviewed annually based on a modelling exercise of the impact of the tariffs and policies on all residential properties. All free basic services are provided for in the City's balanced operating budget.

The costs of refuse removal, the R67,42 free water and sanitation, and the 60 kWh of free electricity are 123% funded by National Government through the local government equitable share received in terms of the annual Division of Revenue Act. However, the City allocates R46 million from rates income to balance this expenditure. The costs of the free 6 kℓ of water (and concomitant sanitation) and the R200 000-valuation rates rebate for qualifying 'indigent' residents are covered by the remaining residents.



Providing free basic services like electricity, sanitation and refuse removal to informal settlements and backyard dwellings continued to be a significant capital expenditure.



The City of Cape Town has been lauded for its administrative and governance standards. It will continue to improve international benchmarks for governance excellence to be able to compete with other cities across the world.



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REPORTING ENTITY'S MANDATE

The reporting entity (hereinafter 'the Entity') is a local authority established in terms of section 151 of the Constitution of the Republic of South Africa (Act No. 108 of 1996).

The principal activities of the Entity are to:

- provide democratic and accountable government to the local communities;
- ensure sustainable service delivery to communities;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

The Entity's operations are governed by the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003, Municipal Structures Act, Act 117 of 1998, Municipal Systems Act, Act 32 of 2000 and various other acts and regulations.



APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

Approval of the consolidated annual financial statements

I am responsible for the preparation of these consolidated annual financial statements for the year ended 30 June 2013, as set out on pages 116 to 191 in terms of section 126(1) of the Municipal Finance Management Act, and have accordingly signed the statements on behalf of the City.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 31 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

Achmat Ebrahim
City Manager

Date: 30 September 2013



Efficient electricity use has become increasingly important in view of rising electricity tariffs and South Africa's very real supply shortages.

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON CITY OF CAPE TOWN

REPORT ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Introduction

1. I have audited the consolidated and separate financial statements of the City of Cape Town set out on pages 116 to 180, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the consolidated and separate financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the City of Cape Town as at 30 June 2013 and its financial performance, cash flows and comparison between actual and budgeted amounts for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainty

8. With reference to note 49.2 to the consolidated and separate financial statements, the city was also impacted by the ongoing negotiations between the South African Local Government Association (SALGA) and the trade unions in respect of the wage award. The maximum potential liability could not be estimated as the outcome could not be determined at year-end.

Material impairments

9. As disclosed in note 9 to the consolidated and separate financial statements, receivables were significantly impaired. The impairment of receivables amounts to R4,045 billion (49%) of which R2,548 billion (31%) related to service debts.

Other provisions

10. As disclosed in note 15 to the consolidated and separate financial statements, the city provided for an amount of R631,11 million based on the agreement reached with taxi associations relating to the implementation of the expanded integrated rapid transit (IRT) routes.

Additional matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

12. The supplementary information set out on pages 181 to 191 does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 198 to 203 of the annual report.
15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability for the objectives selected for auditing. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant, as required by the National Treasury's Framework for managing programme performance information.
16. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
17. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

18. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA.

Internal control

19. I considered internal control relevant to my audit of the consolidated and separate financial statements, performance report and compliance with laws and regulations. I have not identified any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

OTHER REPORTS

Investigations

Investigations completed

20. The investigation into the NASPERS land purchase agreement by the public protector was completed and the recommendations were implemented by the council and management. The investigation did not identify any fraud or corruption but found that the council had not been adequately informed regarding the height restrictions on the land.

Investigations in progress

21. The report referred to in paragraph 20 also recommended that the city's forensic investigation unit (FIU) look into the supply chain management (SCM) processes of the Cape Town International Convention Centre (CTICC) with regard to the architectural tender. This investigation was completed and the draft report was submitted to the CTICC board for its consideration. The board considered the findings and recommendations of this investigation and provided a formal response to the city manager dealing with the findings and recommendations.
22. At the time of writing this report, the city's FIU was investigating a R9,7 million tender that was awarded to tackle gang-related violence, and the investigation was still in progress.

Auditor General

Cape Town

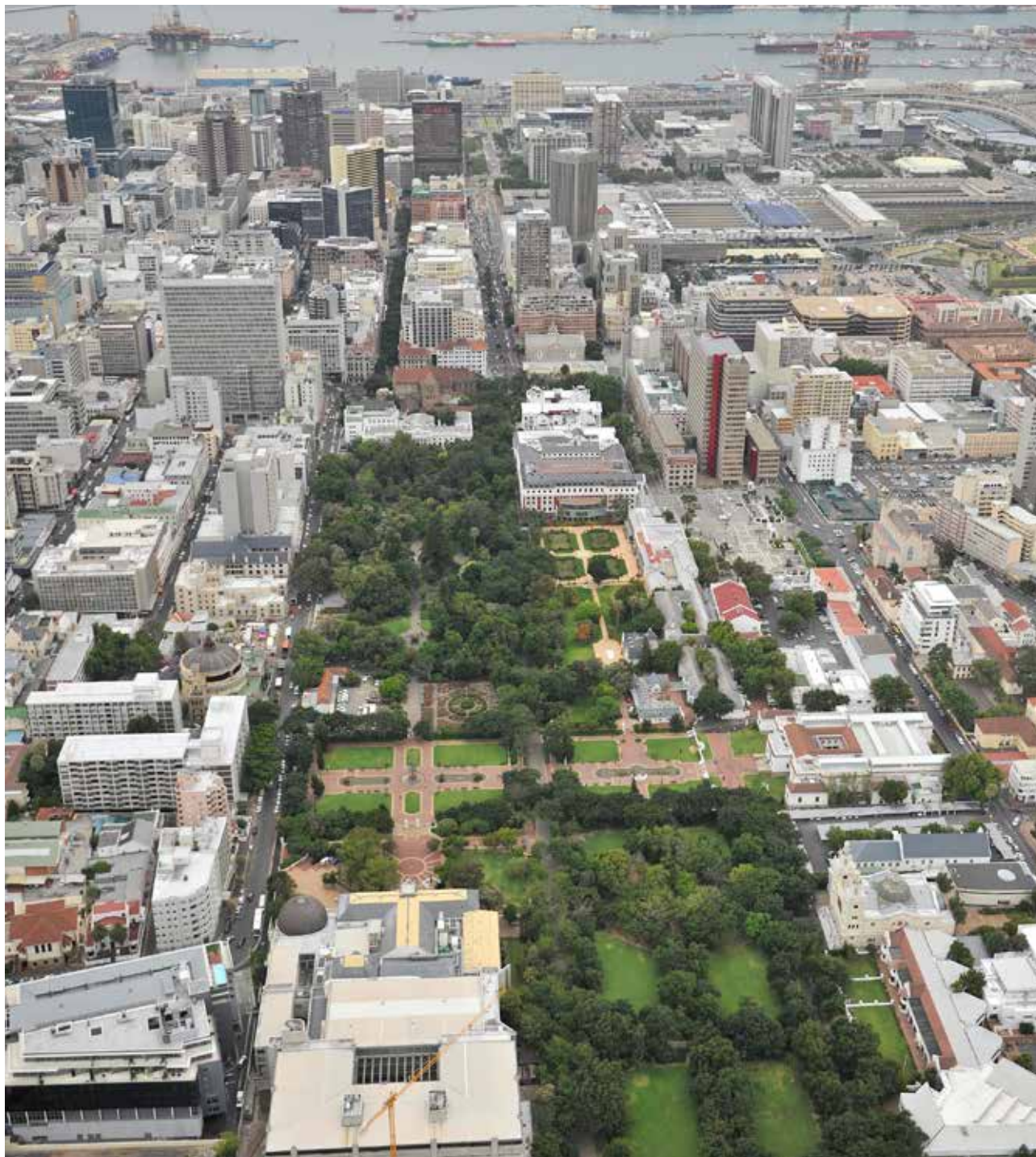
20 December 2013



REPORT OF THE AUDITOR – GENERAL MANAGEMENT COMMENTS AND CORRECTIVE ACTION TO BE INSTITUTED ON THE MATTERS RAISED IN THE REPORT OF THE AUDITOR – GENERAL

MANAGEMENT COMMENTS AND CORRECTIVE ACTION TO BE INSTITUTED ON THE MATTERS RAISED IN THE REPORT OF THE AUDITOR – GENERAL TO THE COUNCIL ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CITY OF CAPE TOWN FOR THE YEAR ENDED 30 JUNE 2013 IN TERMS OF SECTION 121(4)(E) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, NO. 56 OF 2003.

The audit report is unqualified and contains no issues for which management comments and corrective actions are required. The items listed in the audit report under 'emphasis of matters' are self-explanatory and for reader interest only.



Cape Town remains a preferred destination for South African and international tourists and investors, as well as a competitive choice for global and local business and leisure tourism events.

REPORT OF THE AUDIT COMMITTEE

for the year ended 30 June 2013

REPORT OF THE AUDIT COMMITTEE TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE CITY OF CAPE TOWN

The Audit Committee has been established as an independent Committee, in terms of S166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003. The Committee has adopted formal terms of reference, which are regularly updated and approved by Council.

The Committee presents its report for the financial year ended 30 June 2013.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee's terms of reference requires a minimum of 4 independent members, and consists of the members listed below. During the year under review, four quarterly Audit Committee meetings were held and two special meetings.

Other meetings with the City Manager, Internal Audit, Senior Management, and Mayoral Committee (Mayco) were also held. The Auditor General is invited and is in attendance at Audit Committee Meetings. The Chairperson is also a member of the Risk Committee of the City.

Name of Member	Number of meetings attended
Mr Z Manjra (Chairperson)	4
Ms K Moloko (resigned 27 July 2013)	3
Ms M Roos	5
Dr S Fisher (Appointed November 2012)	5
Mrs F Essa (Appointed November 2012)	5
Mrs J Gunther (Appointed November 2012)	2

The tenure and qualifications of the members are as follows:

NAME	QUALIFICATIONS	TENURE PERIOD (1)	TENURE PERIOD (2)
Mr Zaid Manjra	CA(SA), Masters in Business Leadership	30/3/2009 to 30/3/2012	01/4/2012 to 31/3/2015
Ms Mariaan Roos	CA (SA), Masters of Commerce in Auditing	01/02/2011 to 31/01/2014	
Ms Keneilwe Moloko	CA(SA), ND in Building Surveying, BSc Quantity Surveying	27/08/2008 to 27/08/2011	01/09/2011 to 27/07/2013
Mrs Fawza Essa	B.Sc (Computer Science and Mathematics)	01/11/2012 to 31/10/2015	
Ms Judy Gunter	B.Compt Honours, Masters in Cost Accounting, Certified Internal Auditor (CIA)	01/11/2012 to 31/10/2015	
Dr S Fisher	M.B., Ch.B. (UCT), M.Med (Community Health)	01/11/2012 to 31/10/2015	

AUDIT COMMITTEE RESPONSIBILITY

The Committee reports that it has, as far as possible, complied with its responsibilities arising from its terms of reference, including relevant legislative requirements. The Committee reviews and updates its terms of reference annually.

Quarterly reporting on the Audit Committee activities are presented to the Mayoral Committee and the full minutes of the Audit Committee meetings are submitted to Council.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee has:

- Reviewed and discussed the annual financial statements of the City with the Auditor General and Management, to be included in the Annual Report;
- Reviewed the Auditor General's management letters and management's responses thereto;
- Reviewed and discussed the report and audit opinion of the Auditor General with the Auditor General and Management;
- Reviewed changes in Accounting Policies and Practices;
- Reviewed the City's compliance with legal and regulatory provisions;

The Committee is extremely pleased that the Auditor General has issued an unqualified audit opinion on the Group Financial Statements of the City for the year ended 30 June 2013, with no findings (a clean audit report).

The Financial Statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice, and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2009 (Act no 12 of 2009) (DORA). The Committee draws attention to the 'emphasis of matter', predetermined objectives, and other paragraphs contained in the Auditor General's report.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Committee has considered the work performed by Internal Audit, on a quarterly basis, and has reviewed the Internal Audit Annual Report on Internal Controls, for the year ended 30 June 2013.

An internal audit opinion of "Major Improvement Needed" was expressed on the Internal Control Environment, based on the results of the various audit engagements completed during the year under review. The Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control Framework was used as the reporting framework against which the audit results were applied to form an opinion on each of the COSO components, namely, the Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities.

A decrease in the Control Environment, Information and Communication and Monitoring Activities categories were experienced in this financial year.

The main sub-categories negatively impacting the above results, across the spread of internal audit engagements, were:

- Management's Philosophy and Operating Style and Assignment of Authority and Responsibility;
- Access to Information; and
- Management Supervisory controls.

Despite a similar internal audit opinion being expressed for the 2011/12 financial year, it should be noted that the trend in respect of the overall audit ratings for the individual audit engagements moved from the "Major Improvement Needed" category to the "Some Improvement Needed" category, reflecting an improving trend.

The Committee wishes to draw attention to the following areas flowing from Committee activities during the year and the Internal Audit Annual Report on Internal Controls:

Information Systems

The ERP-SAP system is widely used in the City of Cape Town with many automated controls in place. Continuous Auditing (CA) techniques have been rolled out, by internal audit, on numerous SAP processes.

The majority of the CA findings were positive (70%), mainly impacting the Control Activities and Monitoring categories.

There were findings rated "High" and "Very high" for which management interventions are required, namely:

- Absence of documented policies and procedures in certain business processes, and the inadequacy of existing policies and procedures, including application;
- Insufficient management and supervisory checks to apply in roles and responsibilities; and
- Inadequate supporting evidence / information in the design, implementation and application of controls.

Resolving Internal Control Findings

The committee noted slow improvement in the percentage of audit findings resolved. Follow-up internal audits indicated that 61% of audit findings previously reported were addressed, relative to a target of 70%. Further improvements are required to at least achieve the target.

Combined Assurance

The City is still developing its Combined Assurance Framework, which is in its infancy. Efforts to ensure integration and to avoid duplication amongst assurance providers continued, with regular engagements between service providers to give effect to the principles of the Combined Assurance Framework.

The Committee regularly review developments in this area as part of their workplan.

INTERNAL AUDIT EFFECTIVENESS

The Committee reviews audit quality throughout the year with an emphasis on audit, governance, methodology, independence, scope of work and outputs.

The Committee believes that the Internal Audit Function has been effective in carrying out of its function in the City. This has been achieved through the development of skills and competence of its resources, continuous improvement initiatives and professional leadership.

The Internal Audit activities are completed by an in-house Department operating in terms of an Internal Audit Charter. There appears to have been no compromise of the independence or objectivity of the Internal Audit function, during the year under review.

The Internal Audit Charter incorporates best practice, including the principles of the King III Report and other Professional Standards. It also differentiates between the Internal Audit functional and administrative reporting lines, and precludes any activity that could impair its independence.

REPORT OF THE AUDIT COMMITTEE (continued)

for the year ended 30 June 2013

PERFORMANCE MANAGEMENT

The Committee is pleased to note that, in terms of the Auditor General report, there were no material findings on the annual performance report concerning the usefulness and reliability of the information. The Committee also notes the improvement in the achievement of the targets for the year.

The Committee had submitted bi-annual reports to Council reporting on the Committee's assessment of the City's Performance Management System for 2012/13. The Committee had reviewed and given consideration to the quarterly reports and quarterly performance results reported by management.

The Committee had reviewed and made various recommendations to management for the improvement of the City's Performance Management System. Continuous improvements were noted in the effectiveness of the processes and the quality and evidence of information reported. The Committee acknowledges the efforts of management to ensure the usefulness and reliability of the information.

The Committee recommends that management continue to address other deficiencies in the performance management process as highlighted by Internal Audit, Auditor-General and Audit Committee reports to Council.

RISK MANAGEMENT

The Committee acknowledges the progress made in embedding Risk Management processes in the City to improve the maturity level of risk management.

City-wide initiatives are still required to further embed Risk Management in the City's processes and this will incorporate the development and investigation of risk management performance measurements.

An Audit Committee representative continues to be a member of the Risk Committee thereby facilitating the Audit Committees understanding of the City's risk interventions processes.

GOVERNANCE

With the City's adoption of the corporate governance principles of the King Code and King III report, efforts are underway to achieve alignment with this Code.

The Committee continues to monitor key City-wide governance interventions required such as the effective implementation and monitoring of ethics.

City governance processes are evolving within the City with a Strategy and Policy Unit, that has been tasked with Policy and By-law improvements.

Compliance requirements and legislative frameworks are yet to be formalised in the reporting processes to the Audit Committee and these will be addressed as part of the 2014 Audit Committee Workplan.

The Committee believes that the City is committed to good governance and will make every effort to achieve it.

MUNICIPAL ENTITY

The Cape Town International Convention Centre (CTICC) is the City's Municipal Entity. The Committee plays an oversight role of the Municipal Entity, with the CTICC Audit Committee minutes being reviewed at the City's Audit Committee meetings.

CONCLUSION

The Committee is very pleased with the City having achieved an unqualified audit opinion, with no findings, with the progress made in improving the control environment, and its commitment to good governance. It is also pleased with the positive developments made in risk management and performance management, in a combined assurance framework.

The Committee concurs and accepts the conclusions of both Internal Audit and the Auditor-General. The Committee is of the opinion that the audited Annual Financial Statements should be accepted and read together with the Report of the Auditor-General. An Audit Committee report was also submitted to the Municipal Public Accounts Committee (MPAC) for the annual report oversight process.

The Committee fully supports the City in its vision and strategies, giving due consideration to the economic and social challenges facing the City and its residents on the journey for sustainable service delivery.



Z I Manjra

Chairperson of the Audit Committee

Date: 20 December 2013

GENERAL INFORMATION



Executive Mayor
Alderman De Lille, P

Speaker
Alderman Smit, JD

Chief Whip
Alderman Serritslev, AM



Executive Deputy Mayor
Alderman Neilson, ID

Members of the Mayoral Committee

- | | |
|-----------------------------|--|
| • Alderman Neilson, ID | Finance |
| • Alderman Smith, JP | Safety and Security Services |
| • Alderman Qually, DL | Corporate Services |
| • Alderman Walker, B | Community Services |
| • Councillor Bloor, GM | Economic, Environment and Spatial planning |
| • Councillor Gqada, T | Human Settlements |
| • Councillor Herron, BN | Transport, Roads and Stormwater |
| • Councillor James, LV | Health |
| • Councillor Little, SA | Social Development and Early Childhood Development |
| • Councillor Pascoe, GI | Tourism, Events and Marketing |
| • Councillor Sonnenberg, EJ | Utility Services |

Members of the Audit Committee

- | | |
|--------------|------------------------------|
| • Manjra, Z | Chairperson |
| • Essa, F | Member |
| • Fisher, S | Member |
| • Gunther, J | Member |
| • Kajee, MY | Member (resigned 15/08/2012) |
| • Moloko, K | Member |
| • Roos, M | Member |

Auditors

The Auditor-General
Business Connexion Building
Ring Road, Century Boulevard
Century City
7441

Private Bag X1
Chempet
7442

Bankers

ABSA Capital
1st floor
163 Uys Krige Street
Platteklouf
7500

PO Box 4453
Tyger Valley
7536

Registered office

12 Hertzog Boulevard
Cape Town
8001

PO Box 655
Cape Town
8000



City Manager
Achmat Ebrahim



Chief Financial Officer
Kevin Jacoby

Council members of the City of Cape Town

Councillor/Alderman

Abrahams, AN	Gqada, T	Makeleni, LC	Pretorius, IJ
Abrahams, A	Gqola, TL	Mamba, K	Pringle, SB
Abrahams, FL	Green, AM	Mamkeli, S	Pupa, T
Abrahams, MM	Griesel, AJ	Mangali, T	Purchase, F
Adams, A	Gwangxu, X	March, GW	Qoba, ZL
Adams, Y	Gympies, SC	Marman, PI	Qually, DL
Akim, WJ	Hadebe, B	Martlow, J	Rass, B
America, D	Hansen, B	Matanzima, V	Rau, R
Amira, D	Hassiem, W	Matha, MS	Raymond, FHL
Andrews, EP	Haywood, M	Maxheke, JJ	Rossouw, SJ
Anstey, E	Hebe, LA	Maxiti, P	Sakathi, T
Arendse, MT	Hendricks, MGE	Mbandezi, S	Schäfer, BA
Arendse, R	Herron, BN	Mbonde, ME	Scheepers, CJ
Arendse, SWP	Heuvel, JA	McCarthy, J	Serritslev, AM
August, SN	Heynes, PC	Mfusi, VN	Sikhakhane, N
Badela, DE	Hinana, EN	Mhlanga, C	Siljeur, GR
Basson, JA	Honono, TT	Middleton, JH	Simons, RS
Bazier, R	Hoorn, RM	Mkutswana, MA	Sitonga, MC
Beneke, R	Hoosain, J	Mngxunyeneni, PM	Slabbert, JD
Bent, NL	Isaacs, LI	Mofoko, NM	Smit, JD
Bew, CB	Isaacs, VR	Morkel, KH	Smith, J
Bloor, GM	Iversen, I	Moses, AC	Sonnenberg, E
Brady, WE	Jackson, IR	Moshani, NA	Sono, NP
Bredenhand, JC	Jacobs, BM	Mphila, D	Sopaqa, MM
Brenner, HI	Jacobs, J	Msindwana, ME	Sotashe, X
Britz, MT	Jaffer, L	Mxolose, WS	Taylor, MJ
Brunette, EN	Jaftha, WD	Mzalisi, MN	Thomas, CR
Bryant, DW	James, LV	Ndamase, T	Thomas, GHJ
Brynard, CA	Janse van Rensburg, C	Ndongeni, AX	Thompson, TB
Burger, JHH	Jansen van Vuuren, MI	Ndzulwana, N	Thuynsma, J
Cavanagh, GV	Jefferies, IK	Neilson, ID	Timm, G
Cerfontein, C	Jordaan, C	Ngqame, YA	Toko, MS
Chapple, PH	Jordaan, LD	Ngqose, NS	Twigg, GG
Christians, DJ	Justus, CR	Ngqu, PM	Uys, TA
Christians, FC	Kannenbergh, ACK	Nguzo, M	Van Dalen, B
Claasen, CPV	Kearns, F	Nieuwoudt, MJ	Van der Merwe, B
Clayton, CC	Kempthorne, ML	Nikelo, M	Van der Merwe, CG
Cottee, DG	Khatshwa, DM	Nkohla, L	Van der Merwe, JFH
Crous, AC	Kleinsmith, ME	Nkunzana, FM	Van der Rheede, A
D'Alton, DJ	Komeni, AL	Nonkeyizana, S	Van der Walt, ML
Davids, MM	Kopman, NF	Notana, E	Van Minnen, BM
De Lille, P	Krynauw, J	Nqavashe, ML	Van Wyk, CHS
Diamond, SP	Landingwe, NJ	Nqulwana, M	Velem, M
Dudley, D	Lategan, KH	Ntotoviyane, C	Venter, JD
Dyantyi, VD	Le Roux, B	Ntsodo, A	Viljoen, R
East, PA	Leputhing, CN	Nyakatya, NC	Visser, J
Ehrenreich, AJ	Liell-Cock, SP	O'Connell, RA	Vos, J
Elese, D	Limberg, XT	Oliver, MJ	Vuba, ST
Esau, CJ	Little, SA	Pakela-Mapasa, XB	Walker, B
Fourie, A	Mabandla, M	Pascoe, GI	Watkins, BRW
Fourie, GD	Maci, L	Peter, XG	Weavers, M
Francke, P	Mack, CJ	Petersen, MJ	Williams, A
Gabier, A	Makanda, MN	Philander, S	Yalezo, S
Gabriel, PJ	Makasi, N	Pienaar, S	Yozi, SK
Gabuza, A	Makeleni, K	Pietersen, MP	Zondani, LG

REPORT BY THE CHIEF FINANCIAL OFFICER



FINANCIAL REVIEW

This review sets out highlights of the Entity's financial performance for the past year. Full details appear in the annual financial statements.

OVERVIEW OF ENTITY RESULTS

The Entity, once again, performed well over the past year, with growth delivered across all of our key financial measures. The results demonstrated the Entity's commitment to support social infrastructure investments, which is aimed specifically at poor communities.

Despite the massive investments already made, more funding is still required to reduce infrastructure development backlogs, the demand of which continues to outstrip the Entity's resources.

The overall summarised operating results for the Entity in comparison with its approved budget are scheduled below. The statement of financial performance reflects a summary of income and expenditure, while the segmental operating results per service are shown in appendix C of the consolidated annual financial statements.

	2013		2012	2012-2013
	Actual R'000	Budget R'000	Actual R'000	Growth %
Revenue				
Property rates	5 159 663	5 161 136	4 706 641	9,63
Service charges	13 242 118	13 617 190	12 112 884	9,32
Government grants and subsidies – operating	1 979 795	2 152 805	1 626 991	21,68
Fuel levy	1 706 690	1 706 690	1 637 276	4,24
Other	1 975 718	1 456 978	1 511 683	30,70
	24 063 984	24 094 799	21 595 475	11,43
Expenses				
Employee benefits	7 492 589	7 689 149	6 964 301	7,59
Impairment costs	934 057	1 015 417	847 513	10,21
Net depreciation and amortisation expenses – see note 33	1 009 718	997 632	871 927	15,80
Finance costs	730 788	749 339	683 166	6,97
Bulk purchases	6 391 186	6 509 473	5 705 263	12,02
Contract services	2 911 396	2 914 191	2 270 080	28,25
Other	3 941 631	4 106 269	3 444 705	14,43
	23 411 365	23 981 470	20 786 955	12,63
Net operating surplus	652 619	113 329	808 520	
Grants and subsidies – capital	3 457 573	3 701 702	2 194 505	
Grants-funded assets financed from reserve	(632 276)	(609 535)	(522 907)	
Surplus	3 477 916	3 205 496	2 480 118	
Appropriation and taxation	(2 833 982)	(2 905 385)	(1 644 424)	
Net result	643 934	300 111	835 694	

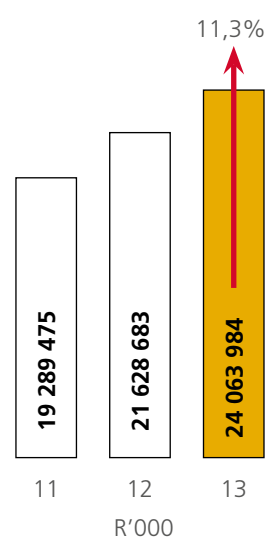
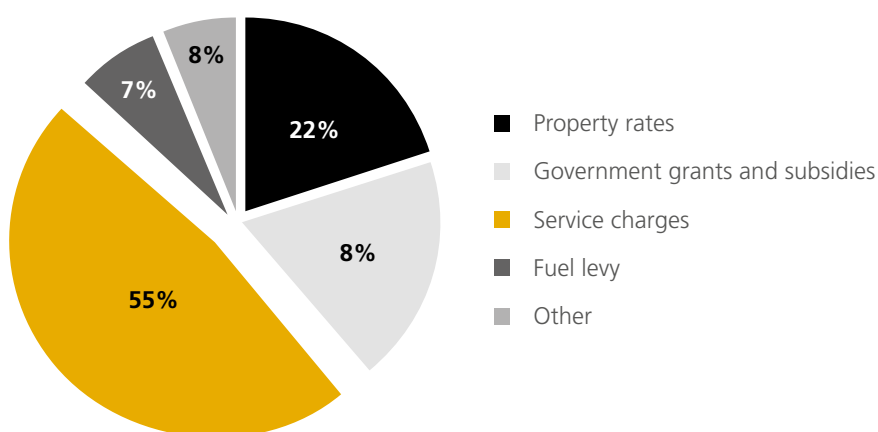
Over the past year, consolidated revenues increased by 11,43% to R24,06 billion whilst consolidated operating expenses increased by 12,63% to R23,41 billion.

The Entity reported a net operating surplus of R643,93 million (2012: R877,42 million) against a budgeted surplus of R300,11 million. An amount marginally in excess of over R500 million was set aside to support the City's capital renewal programme.

Operating revenue

The major revenue streams that supported the Entity's programmes and activities were:

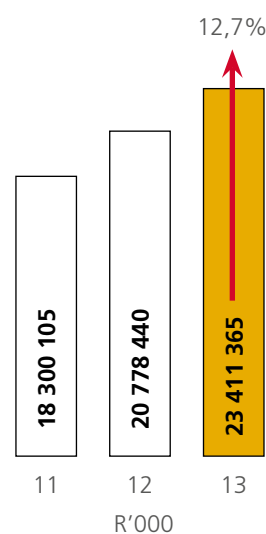
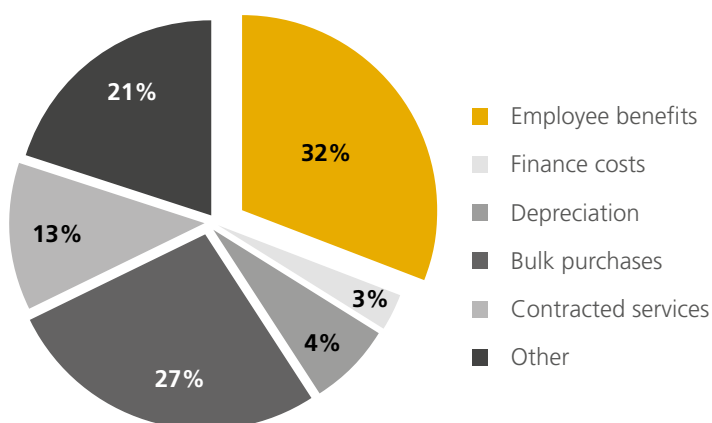
- property rates;
- service charges which are made up of:
 - electricity sales;
 - water sales;
 - wastewater management (sewerage and sanitation); and
 - waste management (solid waste);
- a fuel levy;
- government grants and subsidies; and
- other



Further details of service charges are contained in note 23 to the consolidated annual financial statements.

Operating expenditure

The following graph indicates the main categories of expenditure for the year under review. The proactive management control and containment of cost increases remain a key priority for the Entity.



Further details are contained in notes 30 to 37 to the consolidated annual financial statements.

OPERATING RESULTS PER SERVICE

The following is a summary of the operating results of the various services.

Rates and general services

	2013			2012
	Actual R'000	Budget R'000	Variance R'000	Actual R'000
Revenue	12 869 434	12 493 024	(376 410)	11 417 742
Expenditure	(12 923 414)	(13 267 493)	(344 079)	(11 504 036)
Operating deficit for the year	(53 980)	(774 469)	(720 489)	(86 294)
Capital and subsidies – capital	3 033 156	3 239 196	206 040	1 823 210
Results for the year – see appendix C	2 979 176	2 464 727	(514 449)	1 736 916
Appropriations	(2 538 790)	(2 612 432)	(73 642)	(1 541 819)
Net results for the year	440 386	(147 705)	(588 091)	195 097

Utility services

	2013			2012
	Actual R'000	Budget R'000	Variance R'000	Actual R'000
Revenue	16 814 609	17 134 697	320 088	15 274 581
Expenditure	(16 774 476)	(16 862 808)	(88 332)	(14 917 231)
Operating surplus for the year	40 133	271 889	231 756	357 350
Capital and subsidies – capital	424 417	462 506	38 089	371 295
Result for the year – see appendix C	464 550	734 394	269 844	728 645
Appropriations	(286 284)	(292 953)	(6 669)	(98 501)
Net results for the year	178 266	441 441	263 175	630 144

Subsidiaries (controlled and municipal entities)

	2013			2012
	Actual R'000	Budget R'000	Variance R'000	Actual R'000
Revenue	284 013	161 063	(122 950)	240 978
Expenditure	(249 823)	(154 688)	95 135	(226 421)
Results for the year – see appendix C	34 190	6 375	(27 815)	14 557
Taxation	(8 908)	–	8 908	(4 104)
Net results for the year	25 282	6 375	(18 907)	10 453

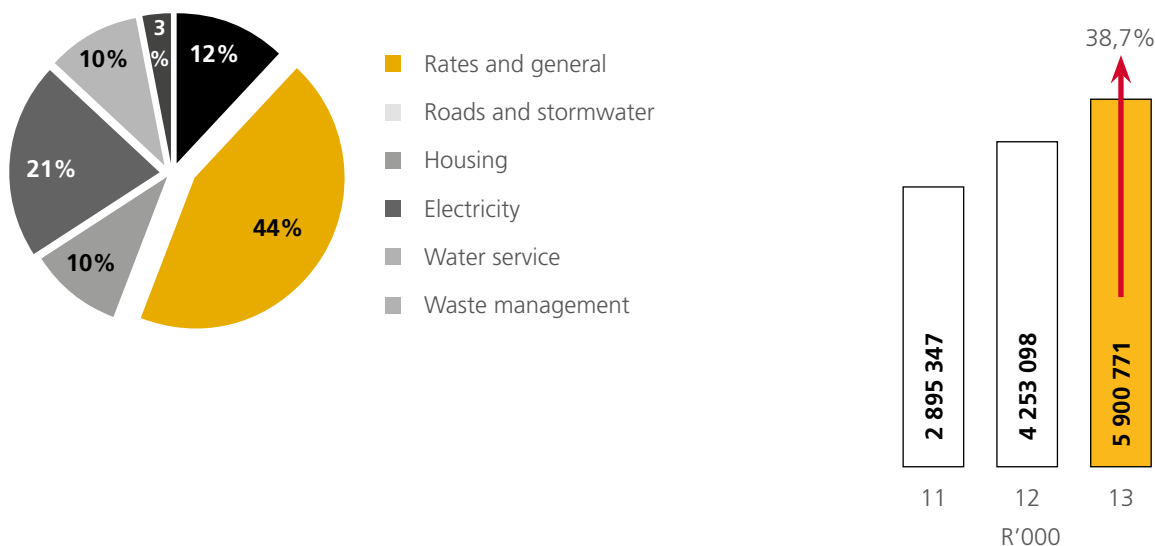
CAPITAL EXPENDITURE

The Entity's property, plant and equipment for the period under review amounted to R5,90 billion, compared to R4,25 billion for the previous financial period. This represents a 94,10% (2012: 92,48%) capital spend.

Capital commitments as at 30 June 2013 amounted to R1,77 billion (2012: R2,03 billion).

The fixed assets were financed from the following sources:

Property, plant and equipment

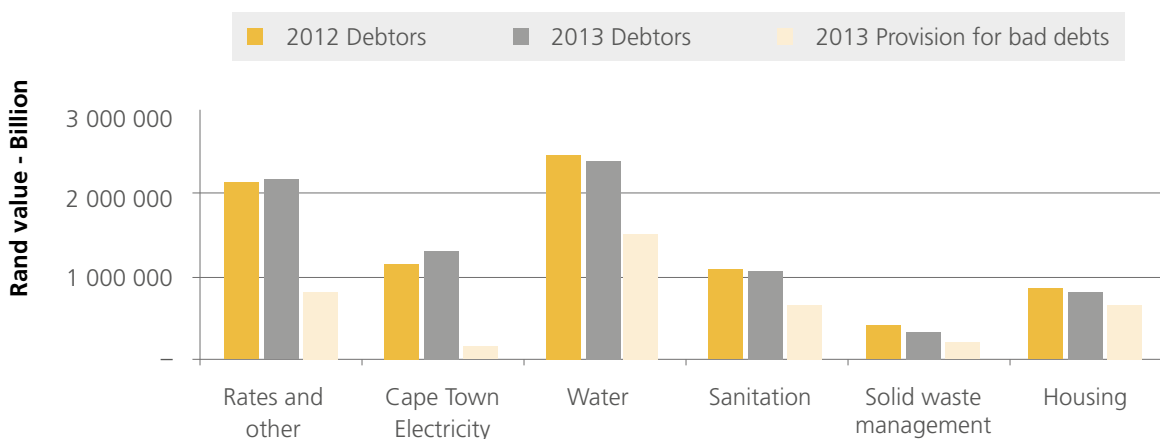


A complete analysis of capital expenditure (budgeted and actual) per functional area is included in appendix C, while appendix B contains details according to asset class. More details regarding external loans used to finance fixed assets are shown in appendix A.

CONSUMER DEBTORS

Outstanding consumer debtors as at 30 June 2013 were R8,22 billion (2012: R8,16 billion). Indigent sector arrear debt of R1 billion has been written off (2012: R437,25 million). Water devices are being installed and water leakages repaired to control both the build-up of debt and wastage. Total provision for impairment decreased from R4,18 billion to R4,04 billion, which represents 49,23% of the total outstanding consumer debtors.

The outstanding consumer debtors as at 30 June 2013 are represented graphically below, also reflecting the coverage by the provision for impairment.



INVESTMENTS, CASH AND BORROWING

Investments as at 30 June 2013 amounted to R3,56 billion (2012: R2,99 billion), of which R900,88 million (2012: R641,65 million) was set aside for the repayment of loans. Cash and cash equivalents, which represent cash and deposits with a maturity term of less than three months, increased by R1,43 billion to R4,91 billion.

Interest-bearing debt increased by R1,88 billion for the year ended 30 June 2013. The Entity repaid interest-bearing debt of R166,90 million for the financial year under review.

Additional information regarding investments, cash and cash equivalents and loans is provided in notes 6, 11 and 12 as well as appendix A to the consolidated annual financial statements.

CASH FLOW ANALYSIS

The following table shows information regarding the Entity's consolidated cash flows for the year under review.

	2013 R'million	2012 R'million
Cash from operating activities	5 554	5 256
Cash from investing activities	(6 384)	(4 927)
Cash from financing activities	2 259	(152)

Cash flows from operating activities

The Entity's sources of liquidity are cash flows from operating activities and borrowings. Cash flows from operating activities increased from R5,26 billion to R5,47 billion. The Entity's working capital requirements have steadily increased over the years and are expected to be funded by cash generated from operations, with no shortfall being funded from short-term borrowings.

Cash flows from investing activities

Cash flows from investing activities relate primarily to investments in capital expenditure and short-term investments of longer than three months.

Cash flows from financing activities

The cash flows from financing activities are primarily a function of borrowing activities. In the 2013 financial year, a loan of R2,38 billion was raised and R166,89 million repaid.

CREDIT RATING

The Entity's credit rating by the agency, Moody's Investors Services, remains unchanged for the 2012/13 performance at Aa3.za, with a negative outlook. While optimistic about an upward review, we are mindful of the caution by the agency owing to the global crisis and at most anticipate being aligned to the sovereign rate.

EXPRESSION OF APPRECIATION

I wish to convey my sincere appreciation to the Executive Mayor, the Deputy Executive Mayor, the Mayoral Committee, the Chairperson and members of the Finance Portfolio Committee, the Audit Committee, the Municipal Public Accounts Committee, the City Manager and Executive Management Team for their support and co-operation during the year.

A special word of gratitude goes to the accounting staff for their contribution, and to the staff of the Auditor-General, the auditors appointed by the Auditor-General, as well as their staff, for conducting the external audit and for their assistance, support and co-operation during the year.

Finally, a further word of thanks to everybody for the hard work, sacrifices and concerted effort throughout the year to enable the Entity to finalise these consolidated annual financial statements within the prescribed period.



Kevin Jacoby
Chief Financial Officer



The Grand Parade is the heart of Cape Town's central business district and can trace its history back to the 1650s. With Table Mountain and the City Hall as backdrop and the Castle as immediate neighbour, it is not only the City's oldest trading place, but a space where great events in the City's history have unfolded. With recent upgrades the City has, once again, put the Grand Parade back at the heart of the city life.

STATEMENT OF FINANCIAL POSITION

at 30 June 2013

	Note	Economic entity		Municipality of Cape Town	
		2013 R'000	2012 R'000 Restated ¹	2013 R'000	2012 R'000 Restated ¹
ASSETS					
Non-current assets		29 187 427	24 916 058	29 033 825	24 772 497
Property, plant and equipment	1	28 624 249	24 399 586	28 431 879	24 217 257
Heritage assets	2	9 411	12 742	9 411	12 742
Investment property	3	191 945	192 478	191 945	192 478
Intangible assets	4	125 500	100 432	125 500	100 432
Investments	6	134 657	111 492	173 425	150 260
Long-term receivables	7	101 665	99 328	101 665	99 328
Current assets		13 094 858	10 897 227	12 900 815	10 736 025
Assets classified as held-for-sale	5	–	43	–	43
Inventory	8	257 670	254 385	256 550	253 008
Receivables	9	4 170 933	3 977 942	4 172 233	3 979 256
Receivables from exchange transactions		2 993 801	2 756 953	2 993 801	2 756 953
Receivables from non-exchange transactions		1 177 132	1 220 989	1 178 432	1 222 303
Other receivables	10	304 284	280 179	290 496	272 741
Other receivables from exchange transactions		149 440	122 342	135 652	114 904
Other receivables from non-exchange transactions		154 844	157 837	154 844	157 837
Investments	6	3 430 794	2 883 387	3 430 794	2 883 387
Current portion of long-term receivables	7	20 546	19 758	20 546	19 758
Cash and cash equivalents	11	4 910 631	3 481 533	4 730 196	3 327 832
TOTAL ASSETS		42 282 285	35 813 285	41 934 640	35 508 522
LIABILITIES					
Non-current liabilities		11 509 055	9 276 134	11 488 749	9 252 622
Borrowings	12	6 951 845	5 192 992	6 936 236	5 176 421
Provisions	13	4 552 513	4 076 201	4 552 513	4 076 201
Deferred taxation	38	4 697	6 941	–	–
Current liabilities		8 048 744	7 281 673	7 988 695	7 242 430
Deposits	14	333 288	291 441	308 217	274 944
Provisions	15	1 819 924	1 028 845	1 817 235	1 025 777
Payables from exchange transactions	16	4 547 070	3 940 356	4 517 030	3 924 015
Unspent conditional grants and receipts	17	858 556	1 665 752	858 556	1 665 752
Value-added tax	18	69 491	57 756	69 491	57 756
Taxation		919	1 381	–	–
Current portion of borrowings	12	419 496	296 142	418 166	294 186
Total liabilities		19 557 799	16 557 807	19 477 444	16 495 052
NET ASSETS					
Total net assets		22 724 486	19 255 478	22 457 196	19 013 470
Housing development fund	19	504 356	521 463	504 356	521 463
Reserves	20	1 793 464	1 770 255	1 793 464	1 770 255
Accumulated surplus	21	20 282 008	16 827 990	20 159 376	16 721 752
Non-controlling interest	22	144 658	135 770	–	–
TOTAL NET ASSETS AND LIABILITIES		42 282 285	35 813 285	41 934 640	35 508 522

1. Comparative restated: see note 47 for more details.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2013

	Note	Economic entity		Municipality of Cape Town	
		2013 R'000	2012 R'000 Restated ¹	2013 R'000	2012 R'000 Restated ¹
REVENUE					
Exchange revenue		15 117 312	13 480 173	14 850 813	13 249 123
Service charges	23	13 242 118	12 112 884	13 099 805	11 986 765
Rental of letting stock and facilities	24	306 606	256 528	306 606	256 528
Finance income	25	555 815	569 982	547 228	561 761
Licences and permits		41 844	41 471	41 844	41 471
Agency services		132 469	123 651	132 469	123 651
Other income	26	751 713	331 513	636 114	234 803
Gains on disposal of property, plant and equipment		86 747	44 144	86 747	44 144
Non-exchange revenue		12 404 245	10 309 807	12 512 641	10 404 464
City improvement districts (CIDs)	26	–	–	106 869	89 508
Property rates	27	5 159 663	4 706 641	5 161 502	4 712 098
Fuel levy		1 706 690	1 637 276	1 706 690	1 637 276
Fines		100 524	144 394	100 524	144 394
Government grants and subsidies	28	5 394 440	3 757 835	5 394 440	3 757 835
Public contributions	29	42 928	63 661	42 616	63 353
Total revenue		27 521 557	23 789 980	27 363 454	23 653 587
EXPENDITURE					
Employee-related costs	30	7 492 589	6 964 301	7 446 199	6 924 527
Remuneration of councillors	31	111 881	97 916	111 673	97 772
Impairment costs	32	934 057	847 513	933 922	845 842
Collection costs		183 024	166 380	183 024	166 380
Depreciation and amortisation expenses	33	1 641 994	1 394 834	1 620 275	1 372 096
Finance costs	34	730 788	683 166	729 174	681 533
Bulk purchases	35	6 391 186	5 705 263	6 391 186	5 705 263
Contracted services		2 911 396	2 270 080	2 825 946	2 193 662
Grants and subsidies paid	36	94 857	103 502	103 144	103 492
General expenses	37	3 550 275	3 075 160	3 573 742	3 095 735
Losses on disposal of property, plant and equipment		1 594	1 747	1 443	1 724
Total expenditure		24 043 641	21 309 862	23 919 728	21 188 026
Surplus from operations		3 477 916	2 480 118	3 443 726	2 465 561
Taxation	38	(8 908)	(4 104)	–	–
Surplus after taxation		3 469 008	2 476 014	3 443 726	2 465 561
Attributable to owners of the controlling entity		3 460 120	2 472 688		
Attributable to non-controlling interest	22	8 888	3 326		
SURPLUS FOR THE YEAR		3 469 008	2 476 014		

1. Comparative restated: see note 47 for more details.

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 30 June 2013

Economic entity

	Housing development fund R'000	Capital replacement reserve R'000	Self- insurance reserve R'000	Accumulated surplus R'000	Non- controlling interest R'000	Total R'000
2011						
Balance at 30 June 2011	539 070	1 186 371	585 163	14 468 763	132 444	16 911 811
Correction of error – Staff bonuses	–	–	–	(132 347)	–	(132 347)
Restated balance at 30 June 2011¹	539 070	1 186 371	585 163	14 336 416	132 444	16 779 464
2012						
Restated surplus¹	–	–	–	2 472 688	–	2 472 688
Surplus at 30 June 2012 – previously reported	–	–	–	2 514 411	3 326	3 326
Correction of errors	–	–	–	(41 723)	–	–
Transfer to/(from)	(9 088)	818 572	(88 981)	(720 503)	–	–
Property, plant and equipment purchased	(8 519)	(730 870)	–	739 389	–	–
Balance as at 30 June 2012	521 463	1 274 073	496 182	16 827 990	135 770	19 255 478
2013						
Surplus for the year	–	–	–	3 460 120	8 888	3 469 008
Transfer to/(from)	3 899	619 686	15 561	(639 146)	–	–
Property, plant and equipment purchased	(21 006)	(612 038)	–	633 044	–	–
Balance as at 30 June 2013	504 356	1 281 721	511 743	20 282 008	144 658	22 724 486

1. Comparative restated: see note 47 for more details.

Municipality of Cape Town

	Housing development fund R'000	Capital replacement reserve R'000	Self-insurance reserve R'000	Accumulated surplus R'000	Total R'000
2011					
Balance at 30 June 2011	539 070	1 186 371	585 163	14 369 652	16 680 256
Correction of error – Staff bonuses	–	–	–	(132 347)	(132 347)
Restated balance at 30 June 2011¹	539 070	1 186 371	585 163	14 237 305	16 547 909
2012					
Restated surplus¹	–	–	–	2 465 561	2 465 561
Surplus at 30 June 2012 – previously reported	–	–	–	2 507 284	–
Correction of errors	–	–	–	(41 723)	–
Transfer to/(from)	(9 088)	818 572	(88 981)	(720 503)	–
Property, plant and equipment purchased	(8 519)	(730 870)	–	739 389	–
Balance at 30 June 2012	521 463	1 274 073	496 182	16 721 752	19 013 470
2013					
Surplus for the year	–	–	–	3 443 726	3 443 726
Transfer to/(from)	3 899	619 686	15 561	(639 146)	–
Property, plant and equipment purchased	(21 006)	(612 038)	–	633 044	–
Balance at 30 June 2013	504 356	1 281 721	511 743	20 159 376	22 457 196

1. Comparative restated: see note 47 for more details.

CASH FLOW STATEMENT

for the year ended 30 June 2013

	Note	Economic entity		Municipality of Cape Town	
		2013 R'000	2012 R'000 Restated ¹	2013 R'000	2012 R'000 Restated ¹
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from ratepayers, government and other		24 496 838	22 486 611	24 358 283	22 359 438
Cash paid to suppliers and employees		(18 884 189)	(17 168 159)	(18 797 472)	(17 055 071)
Cash generated from operations	39	5 612 649	5 318 452	5 560 811	5 304 367
Finance income		600 768	570 507	592 319	563 873
Finance costs		(647 825)	(628 044)	(646 211)	(626 411)
Taxation		(11 614)	(4 663)	–	–
NET CASH FROM OPERATING ACTIVITIES		5 553 978	5 256 252	5 506 919	5 241 829
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment and other		(5 900 771)	(4 253 098)	(5 868 809)	(4 233 245)
Proceeds on disposal of assets		93 835	45 983	93 472	45 983
Decrease in assets held for sale		–	83	–	83
(Increase)/decrease in long-term receivables		(3 125)	15 633	(3 125)	15 633
Increase in investments		(574 187)	(735 263)	(578 475)	(736 806)
NET CASH FROM INVESTING ACTIVITIES		(6 384 248)	(4 926 662)	(6 356 937)	(4 908 352)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		2 384 420	431	2 384 420	–
Repayment of borrowings		(166 899)	(199 363)	(165 311)	(198 354)
Increase in deposits		41 847	46 746	33 273	41 452
NET CASH FROM FINANCING ACTIVITIES		2 259 368	(152 186)	2 252 382	(156 902)
NET INCREASE IN CASH AND CASH EQUIVALENTS	40	1 429 098	177 404	1 402 364	176 575
Cash and cash equivalents at the beginning of the year		3 481 533	3 304 129	3 327 832	3 151 257
Cash and cash equivalents at the end of the year		4 910 631	3 481 533	4 730 196	3 327 832

1. Comparative restated: An amount of R35,35 million was reclassified between cash generated from operations and finance costs. Net cash from operating activities remained unchanged.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2013 – Economic Entity

	Note	Actuals R'000	Approved budget R'000	Final budget R'000	Variance: Final budget and actual amounts R'000	Variance %
STATEMENT OF FINANCIAL POSITION						
Total non-current assets	42.2.1	29 187 427	29 891 064	30 034 934	847 507	2,82
Total current assets	i	13 094 858	9 113 527	12 059 201	(1 035 657)	(8,59)
Total assets		42 282 285	39 004 591	42 094 135	(188 150)	(0,45)
Total non-current liabilities		11 509 055	11 344 930	11 761 696	252 641	2,15
Total current liabilities		8 048 744	5 875 515	7 865 654	(183 090)	(2,33)
Total liabilities		19 557 799	17 220 445	19 627 350	69 551	0,35
Total net assets		22 724 486	21 784 146	22 466 785	(257 701)	(1,15)
Total net assets and liabilities		42 282 285	39 004 591	42 094 135	(188 150)	(0,45)
STATEMENT OF FINANCIAL PERFORMANCE						
Service charges	42.2.2	13 242 118	13 494 536	13 617 190	375 072	2,75
Rental of letting stock and facilities		306 606	278 754	303 006	(3 600)	(1,19)
Finance income	i	555 815	489 028	489 277	(66 538)	(13,60)
Licences and permits	ii	41 844	33 121	33 120	(8 724)	(26,34)
Agency services	iii	132 469	115 993	115 992	(16 477)	(14,21)
Other income	iv	751 713	269 008	273 756	(477 957)	(174,59)
Gains on disposal of property, plant and equipment	v	86 747	69 000	69 000	(17 747)	(25,72)
Property rates		5 159 663	5 124 299	5 161 136	1 473	0,03
Fuel levy		1 706 690	1 706 690	1 706 690	–	–
Fines	vi	100 524	160 917	172 827	72 303	41,84
Government grants and subsidies	vii	5 394 440	5 550 273	5 790 109	395 669	6,83
Public contributions	viii	42 928	110 080	64 398	21 470	33,34
Total revenue		27 521 557	27 401 699	27 796 501	274 944	0,99
Employee-related costs		7 492 589	7 828 470	7 689 149	196 560	2,56
Remuneration of councillors		111 881	122 384	112 904	1 023	0,91
Impairment costs	i	934 057	1 012 781	1 015 417	81 360	8,01
Collection costs		183 024	182 830	179 040	(3 984)	(2,23)
Depreciation and amortisation expenses		1 641 994	1 447 867	1 607 167	(34 827)	(2,17)
Finance costs		730 788	768 562	749 339	18 551	2,48
Bulk purchases		6 391 186	6 441 273	6 509 473	118 287	1,82
Contracted services		2 911 396	2 668 356	2 914 191	2 795	0,10
Grants and subsidies paid	ii	94 857	42 106	100 330	5 473	5,45
General expenses		3 550 275	4 005 471	3 713 995	163 720	4,41
Losses on disposal of property, plant and equipment		1 594	–	–	(1 594)	–
Total expenditure		24 043 641	24 520 100	24 591 005	547 364	2,23
Surplus for the year		3 477 916	2 881 599	3 205 496	(272 420)	(8,50)
CASH FLOW STATEMENT						
Net cash from (used) operating		5 553 978	4 726 735	5 260 693	(293 285)	(5,58)
Net cash from (used) investing		(6 384 248)	(5 803 342)	(6 139 458)	244 790	(3,99)
Net cash from (used) financing		2 259 368	1 925 729	2 257 023	(2 345)	(0,10)
Net (decrease)/increase in cash and cash equivalents		1 429 098	849 122	1 378 258	(50 840)	(3,69)
CAPITAL EXPENDITURE						
City Health	42.2.3	22 778	27 460	31 899	9 121	28,59
City Manager	ii	188	252	224	36	16,07
Community Services	iii	178 223	198 523	192 140	13 917	7,24
Corporate Services		232 756	250 029	237 997	5 241	2,20
Deputy City Manager	iv	27 124	26 948	31 438	4 314	13,72
Economic, Environmental and Spatial Planning	v	41 429	52 457	43 667	2 238	5,13
Finance	vi	21 613	48 975	52 205	30 592	58,60
Safety and Security	vii	55 708	52 433	58 703	2 995	5,10
Social Development and Early Childhood Development	viii	6 791	11 658	9 590	2 799	29,19
Tourism, Events and Marketing	ix	91 036	77 050	102 455	11 419	11,15
Transport, Roads and Stormwater		2 581 564	2 335 654	2 623 876	42 312	1,61
Human Settlements	x	569 708	603 872	647 213	77 505	11,98
Solid Waste Management		208 174	245 506	214 174	6 000	2,80
Water and Sanitation	xi	596 642	693 040	689 347	92 705	13,45
Cape Town Electricity		1 235 075	1 302 753	1 286 881	51 806	4,03
Subsidiaries	xii	31 962	27 908	48 881	16 919	34,61
Total¹		5 900 771	5 954 518	6 270 690	369 919	5,90

1. The actual capital expenditure amount does not include the contributed assets amount of R2,84 million. See appendix B.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2013 – City of Cape Town

	Note	Actual R'000	Approved budget R'000	Final budget R'000	Variance: Final budget and actual amounts R'000	Variance %
STATEMENT OF FINANCIAL POSITION						
Total non-current assets	42.2.1	29 033 825	29 891 064	30 034 934	1 001 109	3,33
Total current assets	i	12 900 815	9 113 527	12 059 201	(841 614)	(6,98)
Total assets		41 934 640	39 004 591	42 094 135	159 495	0,38
Total non-current liabilities		11 488 749	11 344 930	11 761 696	272 947	2,32
Total current liabilities		7 988 695	5 875 515	7 865 654	(123 041)	(1,56)
Total liabilities		19 477 444	17 220 445	19 627 350	149 906	0,76
Total net assets		22 457 196	21 784 146	22 466 785	9 589	0,04
Total net assets and liabilities		41 934 640	39 004 591	42 094 135	159 495	0,38
STATEMENT OF FINANCIAL PERFORMANCE						
Service charges	42.2.2	13 099 805	13 339 039	13 464 792	364 987	2,71
Rental of letting stock and facilities		306 606	278 754	303 006	(3 600)	(1,19)
Finance income	i	547 228	481 236	482 538	(64 690)	(13,41)
Licences and permits	ii	41 844	33 121	33 120	(8 724)	(26,34)
Agency services	iii	132 469	115 993	115 992	(16 477)	(14,21)
Other income	iv	742 983	267 082	271 830	(471 153)	(173,33)
Gains on disposal of property, plant and equipment	v	86 747	69 000	69 000	(17 747)	(25,72)
Property rates		5 161 502	5 124 299	5 161 136	(366)	(0,01)
Fuel levy		1 706 690	1 706 690	1 706 690	–	–
Fines	vi	100 524	160 917	172 827	72 303	41,84
Government grants and subsidies	vii	5 394 440	5 550 273	5 790 109	395 669	6,83
Public contributions	viii	42 616	110 080	64 398	21 782	33,82
Total revenue		27 363 454	27 236 484	27 635 438	271 984	0,98
Employee-related costs		7 446 199	7 777 521	7 638 200	192 001	2,51
Remuneration of councillors		111 673	122 384	112 904	1 231	1,09
Impairment costs	i	933 922	1 012 531	1 015 167	81 245	8,00
Collection costs		183 024	182 830	179 040	(3 984)	(2,23)
Depreciation and amortisation expenses		1 620 275	1 422 591	1 581 891	(38 384)	(2,43)
Finance costs		729 174	768 508	749 285	20 111	2,68
Bulk purchases		6 391 186	6 441 273	6 509 473	118 287	1,82
Contracted services		2 825 946	2 579 847	2 825 552	(394)	(0,01)
Grants and subsidies paid	ii	103 144	50 606	108 830	5 686	5,22
General expenses		3 573 742	4 004 334	3 715 975	142 233	3,83
Losses on disposal of property, plant and equipment		1 443	–	–	(1 443)	–
Total expenditure		23 919 728	24 362 425	24 436 317	516 589	2,11
Surplus for the year		3 443 726	2 874 059	3 199 121	(244 605)	(7,65)
CASH FLOW STATEMENT						
Net cash from (used) operating		5 506 919	4 726 735	5 260 693	(246 226)	(4,68)
Net cash from (used) investing		(6 356 937)	(5 803 342)	(6 139 458)	217 479	(3,54)
Net cash from (used) financing		2 252 382	1 925 729	2 257 023	4 641	0,21
Net (decrease)/increase in cash and cash equivalents		1 402 364	849 122	1 378 258	(24 106)	(1,75)
CAPITAL EXPENDITURE						
City Health	42.2.3 i	22 778	27 460	31 899	9 121	28,59
City Manager	ii	188	252	224	36	16,07
Community Services	iii	178 223	198 523	192 140	13 917	7,24
Corporate Services		232 756	250 029	237 997	5 241	2,20
Deputy City Manager	iv	27 124	26 948	31 438	4 314	13,72
Economic, Environment and Spatial Planning	v	41 429	52 457	43 667	2 238	5,13
Finance	vi	21 613	48 975	52 205	30 592	58,60
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Tourism, Events and Marketing	ix	91 036	77 050	102 455	11 419	11,15
Transport, Roads and Stormwater		2 581 564	2 335 654	2 623 876	42 312	1,61
Human Settlements	x	569 708	603 872	647 213	77 505	11,98
Solid Waste Management		208 174	245 506	214 174	6 000	2,80
Water and Sanitation	xi	596 642	693 040	689 347	92 705	13,45
Cape Town Electricity		1 235 075	1 302 753	1 286 881	51 806	4,03
Total ¹		5 868 809	5 926 610	6 221 809	353 000	5,67

1. The actual capital expenditure amount does not include the contributed assets amount of R2,53 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

ACCOUNTING POLICIES

GENERAL INFORMATION

The address of the Economic Entity's registered office and principal place of business is disclosed under 'General information' while the Entity's principal activities are described under 'Reporting entity's mandate' at the start of these annual financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Entity's principal accounting policies, which are in all material respects consistent with those applied in the previous year, except as stated in note 47, are set out below. The historical cost convention has been used, except where indicated otherwise. Management has used assessments and estimates in preparing the annual financial statements – these are based on the best information available at the time of preparation. The financial statements have been prepared on a going-concern basis.

Basis of presentation

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) standards issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective.

The ASB has issued a directive that sets out the principles for the application of the GRAP 3 guidelines in determining the GRAP Reporting Framework hierarchy, as set out in the 'Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors'.

In the process of applying the Entity's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

- **Operating lease commitments – Entity as lessor**

Leases where risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease.

- **Pension and other post-employment benefits**

The cost of defined-benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

- **Impairment of receivables**

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. This was performed per service-identifiable categories across all debtor classes.

- **Impairment of property, plant and equipment**

The calculation in respect of the impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

- **Provisions, contingent liabilities and contingent assets**

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities and contingent assets, as set out in notes 13, 49.2 and 49.3 respectively. Provisions are discounted where the effect of discounting is material, using actuarial valuations.

- **Useful lives of property, plant and equipment**

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets is also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

- **Budget information**

A difference of 5% or more between budget and actual amounts is regarded as material.

All material differences are explained in the notes to the annual financial statements.

Adoption of new and revised standards

In the current year the Entity has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective. The adoption of these new and revised standards and interpretations has resulted in changes to the accounting policies.

The Entity has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on such standards, except for GRAP 18. Effective dates have been given for some of the standards, while for others no effective dates have yet been determined. At the date of submission of these financial statements for the year ended 30 June 2013 the following standards had been issued but were not yet effective:

- Annual periods commencing on or after 1 April 2013:
 - GRAP 25 – Employee benefits
- No effective dates provided yet:
 - GRAP 18 – Segment reporting
 - GRAP 20 – Related-party disclosures (revised)
 - GRAP 105 – Transfers of functions between entities under common control
 - GRAP 106 – Transfers of functions between entities not under common control
 - GRAP 107 – Mergers

All the above standards, where applicable, will be complied with in the financial statements once the standards take effect. Preliminary investigations indicated that the impact of the standards on the financial statements will be minimal.

CONSOLIDATION

The Entity's financial statements incorporate the financial statements of the parent entity, i.e. the City of Cape Town, and all its subsidiaries and joint ventures, presented as a single economic entity, and consolidated at the same reporting date as the parent entity.

Subsidiaries

Subsidiaries are entities controlled by the Entity. The existence and effect of potential voting rights that are currently exercisable or convertible without restriction are considered when assessing whether the Entity controls another entity. Subsidiaries are consolidated from the date that effective control is transferred to the Entity, and are no longer consolidated from the date that effective control ceases. For certain entities, the Entity has entered into contractual arrangements that afford the Entity power to exercise control over the operations of such entities. Because the group controls such entities in this manner, they are considered to be subsidiaries and are therefore consolidated in the annual financial statements.

All intergroup transactions, balances and unrealised gains and losses are eliminated as part of the consolidated process. The interests of non-controlling shareholders in the consolidated equity and results of the group are shown separately in the consolidated statement of financial position and statement of financial performance respectively. Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest, even if doing so causes the non-controlling interest to have a deficit balance. Investments in subsidiaries are stated at cost less impairment losses in the separate financial statements of the Entity with inter-group investments eliminated on consolidation.

HOUSING FUNDS

The housing development fund was established in terms of the Housing Act, Act 107 of 1997.

Housing development fund

Sections 15(5) and 16 of the Housing Act, which came into effect on 1 April 1998, required the Entity to maintain a separate housing operating account. This legislated separate operating account is known as the housing development fund and is fully cash-backed.

In terms of section 14(4)(d)(ii)(aa) of the Housing Act, read with, inter alia, section 16(2), it is required that the net proceeds of any letting, sale or alienation of property previously financed from government housing funds, be paid into a separate operating account, and be utilised by the Entity for housing development in accordance with the National Housing Policy.

Unrealised housing proceeds

In order to comply with section 14(4)(d)(i) and (ii) of the Housing Act, in terms of which all net proceeds need to be paid into the housing development fund, it was necessary to create a holding account that represents the unrealised funds due by long-term housing selling developments and sponsored loan debtors. This account is reduced when debtors are billed for their current loan repayments.

RESERVES

The Entity creates and maintains reserves in terms of specific requirements.

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised.
- The CRR may only be utilised for purchasing items of property, plant and equipment, and may not be used for their maintenance.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR, and the accumulated surplus is credited by a corresponding amount.

Insurance reserve

Self-insurance reserve

A general insurance reserve has been established and covers claims that may occur, subject to reinsurance where deemed necessary. Premiums are charged to the respective services, taking into account claims history and replacement value of the insured assets.

Reinsurance premiums paid to external reinsurers are regarded as an expense, and are shown as such in the statement of financial performance. The net surplus or deficit on the insurance operating account is transferred to or from the insurance reserve via the statement of changes in net assets.

An actuarial valuation is obtained each year to assess the adequacy of the insurance reserve at year end.

Compensation for occupational injuries and diseases (COID) reserve

The Entity has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases in terms of section 84 of the COID Act, Act 130 of 1993.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

The certificate of exemption issued by the Commissioner, and as prescribed by the COID Act, requires the Entity to deposit cash and/or securities with the Commissioner, the market values of which in aggregate shall not be less than the capitalised value of the Entity's continuing liability as at 31 December of each year.

The continuing liability is that of annual pensions, the capitalised value of which is determined on the basis of an actuarial determination prescribed by the Commissioner. A COID reserve has been established to equate to the value of the continuing liability. The market value of the securities is determined annually by the Commissioner, and the Entity is required to meet any shortfall in the aggregate value of the securities as at 31 December. Monthly pensions are funded by transferring funds from the reserve to the expense account in the statement of financial performance.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. Where property, plant and equipment are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The Entity maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

Depreciation rates

Depreciation is calculated at cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if not insignificant, are reassessed annually with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	Years		Years
Infrastructure		Other	
Roads and paving	10-50	Buildings	2-50
Electricity	20-30	Specialised vehicles	8-20
Water	15-30	Other vehicles	4-10
Sewerage	15-20	Office equipment	2-10
Housing	30	Furniture and fittings	5-15
		Watercraft	10
Community		Bins and containers	5
Recreational facilities	20-30	Plant and equipment	2-10
Security	5-10	Landfill sites	30
		Central processing units	2-6
		Library books	1

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its use as intended by management. Freehold land is not depreciable as it has an indefinite useful life. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where appropriate, the term of the relevant lease, and are recognised in the statement of financial performance.

HERITAGE ASSETS

An heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

Heritage assets are stated at cost, less accumulated impairment losses. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred at the date of transfer.

The gain or loss arising from the disposal or retirement of an heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying value and is recognised in the statement of financial performance. Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

INVESTMENT PROPERTIES

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation, and are stated at cost less accumulated depreciation. Investment property excludes owner-occupied property that is used in the production or supply of goods or services or for administrative purposes, or property held to provide a social service.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Where investment properties are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets, estimated at 20 to 50 years.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use, and when no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal is recognised in the statement of financial performance.

Direct income and expenses arising from investment property are disclosed as part of general income and expenses, and are thus not disclosed separately, as they are not material.

INTANGIBLE ASSETS

An intangible asset is defined as an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes.

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where intangible assets are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

The Entity recognises computer development software costs as intangible assets if the costs are clearly associated with an identifiable and unique system controlled by the Entity, and have a probable benefit exceeding one year. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Intangible assets are amortised on the straight-line basis over the useful lives of the assets, estimated at five to ten years. The residual value, amortisation method and useful life, if not insignificant, are reassessed annually, with the effect of any changes in estimate accounted for on a prospective basis.

NON-CURRENT ASSETS HELD-FOR-SALE

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Properties are identified as held-for-sale following a Council decision to dispose of properties that are no longer required for municipal purposes and the sale should be expected to qualify for recognition as a complete sale within one year from the date of classification.

Non-current assets and disposal groups classified as held-for-sale will cease to be classified as such when the recognition criteria are no longer met.

Assets classified as held-for-sale are measured at the lower of the asset's carrying amount, or fair value less cost to sell. The Entity shall classify all the assets and liabilities of a controlled entity as held-for-sale when an entity is committed to a sales plan involving the loss of control in a controlled entity.

IMPAIRMENT OF CASH AND NON-CASH-GENERATING ASSETS

The Entity classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

At the end of each reporting period, carrying amounts of cash-generating and non-cash-generating assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount or recoverable service amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual cash-generating asset, the Entity estimates the recoverable amount of the cash-generating unit to which

the asset belongs. Cash-generating units will be identified consistently from period to period for the same asset or type of asset, unless a change is justified.

Intangible assets with indefinite useful lives as well as intangible assets not yet available for use are tested for impairment at the same time every year, as well as whenever there is an indication that the asset may be impaired.

The recoverable amount of a cash-generating asset is the higher of fair value less costs to sell, and value-in-use. The value-in-use is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The recoverable service amount of a non-cash-generating asset is the higher of fair value less costs to sell, and value-in-use. The value-in-use is the present value of the remaining service potential of the asset, and is determined using the most appropriate of the depreciated replacement cost, restoration cost or service units approach.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount or recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount or recoverable service amount. An impairment loss is recognised immediately in surplus or deficit.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount or recoverable service amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash with banks, and call deposits. Cash equivalents are short-term bank deposits with a maturity of three months or less from inception, readily convertible to cash without significant change in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

INVENTORIES

Inventories consist of raw materials, work in progress, consumables and finished goods, and are valued at the lower of cost (determined on the weighted-average basis) and net realisable value, except for plants and compost, which are valued at the tariffs charged. Where they are held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

Redundant and slow-moving inventories are identified and written down to their estimated net realisable values, and are recognised as an expense in the period during which the write-down or loss occurs. Consumables are written down according to their age, condition and utility.

VALUE-ADDED TAX

The Entity accounts for value-added tax (VAT) on the payment basis.

GRANTS AND RECEIPTS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Entity meet the definition and criteria for recognition as assets.

A corresponding liability is recognised to the extent that the grant, transfer or donation recognised as an asset is subject to conditions that require that the Entity either consumes the future economic benefits or service potential of the asset as specified, or that in the event that the conditions are breached, the Entity returns such future economic benefits or service potential to the transferor. The liability is transferred to revenue when the conditions attached to the grants, transfers or donations are met. Grants, transfers or donations that are not subject to any conditions are recognised as revenue when the assets are initially recognised.

Interest earned on the investment of grants, transfers and donations received is treated in accordance with the stipulations set out in the agreement for the receipt of the grant, transfer or donation invested. Where interest applies, it is included in the opening and closing balances.

PROVISIONS

A provision is recognised when the Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the statement of financial performance as a finance cost.

ENVIRONMENTAL REHABILITATION PROVISIONS

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Entity's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises. In so far as the obligations relate to assets, they are capitalised as part of the cost of those assets. Any unwinding of discount is charged to the statement of financial performance. The discount rate has not been risk adjusted.

EMPLOYEE BENEFITS

Retirement benefit plans

The Entity provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

Defined-contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans. The defined-benefit funds are actuarially valued triennially base on the projected unit credit method. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities. The contributions and lump sum payments are charged against income in the year in which they become payable.

Post-retirement pension funds

Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age or conditions of service, could not join or be part of the various pension funds. The Entity contributes monthly to the funds.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contributions. Actuarial valuation of the liability is performed on an annual basis. The projected unit credit method has been used to value the obligations.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the actuarial gains and losses, and past service costs.

Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur.

Medical aid: continued members

The Entity provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds with which the Entity is associated, a member on retirement is entitled to remain a continued member of such medical aid fund, and the Entity will continue to subsidise medical contributions in accordance with the provisions of the employee's employment contract and the Entity's decision on protected rights. Post-retirement medical contributions paid by the Entity, depending on the employee's contract, could be 60%, 70% or a subsidy indicated on a sliding scale. In each case, the employee is responsible for the balance of post-retirement medical contributions. External appointments after December 2000 do not qualify for a post-retirement medical aid subsidy.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contribution.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the actuarial gains and losses, and past service costs.

Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur. The projected unit credit method has been used to value the obligation.

Short-term and long-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service. The Entity recognises the expected cost of performance bonuses only when the Entity has a present legal or constructive obligation to make such payment, and if a reliable estimate can be made.

The Entity provides long-service leave to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. The projected unit credit method has been used to value the obligation. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance.

REVENUE RECOGNITION

Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of rates, grants from National and Provincial Government, service charges, rentals, interest received and other services rendered. Revenue is recognised when it is probable that future economic benefits or services potential will flow to the Entity, and when these benefits can be reliably measured. Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered, by applying the relevant authorised tariff. This includes the issuing of licences and permits. For the subsidiary, Cape Town International Convention Centre (Pty) Ltd (CTICC), revenue comprises the invoiced value of goods and service sales net of value-added tax, rebates and all discounts.

Revenue from exchange transactions

Service charges relating to solid waste, sanitation and sewerage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis, and revenue is recognised providing that the benefits can be measured reliably. Estimates of consumption are made every other month based on consumption history. Such estimated consumption is recognised as income when invoiced, and adjusted every following month that the meter is read. An accrual on the basis of a determined consumption factor is made for consumption not measured as at the end of the financial year.

Services provided on a pre-payment basis are recognised at the point-of-sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Income in respect of housing rental and instalment sale agreements is accrued monthly.

Interest earned on investments is recognised in the statement of financial performance on a time-proportionate basis, which takes into account the effective yield on the investment. Interest may be transferred from the accumulated surplus to the housing development fund or the insurance reserve.

Interest earned on the following investments is not recognised in the statement of financial performance:

- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor 'Unutilised conditional grants' if the grant conditions indicate that interest is payable to the funder.

Dividends are recognised when the Entity's right to receive payment is established.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents is earned. The income is recognised in terms of the agency agreement.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- The amount of revenue can be reliably measured.
- The costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Prepaid electricity sold is only recognised as income once the related units are consumed.

Revenue from non-exchange transactions

Revenue from rates is recognised when the legal entitlement to this revenue arises and ratepayers have been duly notified. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time-proportionate basis with reference to the principal amount receivable and effective interest rate applicable.

A composite rating system, charging different rate tariffs, is used. Rebates are granted to certain categories of ratepayers, and are deducted from revenue.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with management's best estimate of the probable inflows from the amounts not yet collected.

Donations are recognised on a cash receipt basis or, where the donation is in the form of property, plant and equipment, when the risks or rewards of ownership have transferred to the Entity. Donations are measured at fair value.

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

LEASES

The Entity as lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Entity.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent, and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

The Entity as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The subsidiary CTICC accounts for rental received from such leases as a percentage of turnover, and recognises it as it accrues.

GRANTS-IN-AID

The Entity transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Entity does not:

- receive any goods or services directly in return as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period during which the events giving rise to the transfer occurred.

FINANCIAL INSTRUMENTS

Financial instruments are recognised when the Entity becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not measured at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the instrument are added to, or deducted from, the fair value, as appropriate on initial recognition.

Financial assets

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition.

• Investments at fair value

Non-derivative investments held without the positive intent or ability to hold to maturity. Subsequent to initial recognition, all changes to fair value are recognised through the statement of financial performance.

• Investments at amortised cost

Non-derivative investments with fixed or determinable payments and fixed maturity dates, which the Entity has the positive intent and ability to hold to maturity. Subsequent to initial recognition, such investments are measured at amortised cost using the effective interest method less any impairment.

• Investments at cost

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably measured. Subsequent to initial recognition, such investments are measured at cost, less any impairment.

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Entity has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

Financial liabilities

After initial recognition, the Entity measures all financial liabilities, including payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

PAYABLES

Payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year end.

UNAUTHORISED EXPENDITURE

Unauthorised expenditure is that which has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, or expenditure in the form of a grant that is not permitted in terms of the MFMA (Act No. 56 of 2003).

Unauthorised expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue in the same statement.

IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the MFMA (Act No. 56 of 2003), Municipal Systems Act, Act 32 of 2000, and Remuneration of Public Office Bearers Act, Act 20 of 1998, or that is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for in the financial statement and, where recovered, is subsequently accounted for as revenue in the same statement.

FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain, and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for in the financial statement and, where recovered, is subsequently accounted for as revenue in the same statement.

SERVICES IN KIND

The Entity does not recognise services in kind as revenue or assets, but separately discloses the nature and type of major classes of services in kind as a note to the financial statements.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors denominated in foreign currency are reported at the statement of financial position date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period during which they arise.

BORROWING COSTS

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

RELATED PARTIES

The Entity regards a related party as a person or an entity with the ability to control the other party individually or jointly, or the ability to exercise significant influence over the other party, or vice versa.

Management is regarded as a related party, and comprises the councillors, Executive Mayor, Mayoral Committee members, City Manager, Deputy City Manager and executive directors.

CONSTRUCTION CONTRACTS

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with that construction contract are recognised as revenue and expenses respectively, by reference to the stage of completion of the contract activity at the reporting date.

The stage of completion is based on the proportion of contract costs incurred to date, relative to the estimated total costs.

When the outcome of a construction contract cannot be reliably measured, revenue is recognised only to the extent that contract costs incurred are likely to be recovered. Contract costs are recognised as expenses in the period during which they are incurred.

In some cases, certain construction activities and technical supervision have been subcontracted to private sector contractors for a fixed completion-of-contract fee. Where this has occurred, the subcontracted costs are recognised by way of the percentage-of-completion method for each subcontract.

Amounts received before the related work is performed are included in the statement of financial position as a liability, as unspent conditional grants and receipts.

BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standards on an accrual basis, and are consistent with the accounting policies adopted by Council for the preparation of these financial statements. The budgets presented cover the fiscal period from 1 July 2012 to 30 June 2013. The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments to material differences are provided in the notes to the annual financial statements.

The annual budget figures accounted for in the financial statements for the Entity include all municipal entities as listed in note 50.1. These figures are those approved by Council both at the beginning and during the year, following a period of consultation with the public as part of the Integrated Development Plan (IDP).

OFFSETTING

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

COMPARATIVE INFORMATION

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

1. PROPERTY, PLANT AND EQUIPMENT

	Economic entity						
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Carrying value R'000
As at 30 June 2013							
Land and buildings	1 672 539	94 755	125 850	(57)	(41 215)	(7 104)	1 844 768
Infrastructure	13 428 939	(405 083)	2 754 460	–	(711 933)	–	15 066 383
Community	5 676 045	215 534	413 260	(7)	(260 863)	(6)	6 043 963
Leased assets	–	–	–	–	–	–	–
Other	2 714 889	351	2 494 751	(6 383)	(552 140)	–	4 651 468
Housing rental stock	907 174	89 493	68 433	(274)	(47 159)	–	1 017 667
TOTAL	24 399 586	(4 950)	5 856 754	(6 721)	(1 613 310)	(7 110)	28 624 249

(See appendix B for more details)

As at 30 June 2012

Land and buildings	2 049 221	(348 522)	73 596	(48)	(81 381)	(20 327)	1 672 539
Infrastructure	11 578 408	(204 000)	2 645 556	–	(590 791)	(234)	13 428 939
Community	5 072 370	591 269	232 914	–	(220 508)	–	5 676 045
Leased assets	65 592	(65 592)	–	–	–	–	–
Other	2 282 583	(186 682)	1 085 892	(2 797)	(457 276)	(6 831)	2 714 889
Housing rental stock	611 546	171 872	152 690	(727)	(28 207)	–	907 174
TOTAL	21 659 720	(41 655)	4 190 648	(3 572)	(1 378 163)	(27 392)	24 399 586

Municipality of Cape Town

	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Carrying value R'000
As at 30 June 2013							
Land and buildings	1 532 488	94 755	117 273	–	(27 614)	(7 104)	1 709 798
Infrastructure	13 428 939	(405 083)	2 754 460	–	(711 933)	–	15 066 383
Community	5 676 045	215 534	413 260	(7)	(260 863)	(6)	6 043 963
Leased assets	–	–	–	–	–	–	–
Other	2 672 611	351	2 471 054	(5 926)	(544 022)	–	4 594 068
Housing rental stock	907 174	89 493	68 433	(274)	(47 159)	–	1 017 667
TOTAL	24 217 257	(4 950)	5 824 480	(6 207)	(1 591 591)	(7 110)	28 431 879

(See appendix B for more details)

As at 30 June 2012

Land and buildings	1 898 806	(348 522)	69 758	(25)	(67 202)	(20 327)	1 532 488
Infrastructure	11 578 408	(204 000)	2 645 556	–	(590 791)	(234)	13 428 939
Community	5 072 370	591 269	232 914	–	(220 508)	–	5 676 045
Leased assets	65 592	(65 592)	–	–	–	–	–
Other	2 248 069	(186 682)	1 069 569	(2 797)	(448 717)	(6 831)	2 672 611
Housing rental stock	611 546	171 872	152 690	(727)	(28 207)	–	907 174
TOTAL	21 474 791	(41 655)	4 170 487	(3 549)	(1 355 425)	(27 392)	24 217 257

Provision has been made for the estimated cost of rehabilitating waste sites, included in other assets, as described in note 13.

Provision has been made for the integrated rapid transit (IRT) taxi association compensation, as described in note 15.

The Entity is required to measure the residual value of all items of property, plant and equipment. Management has determined that none of its infrastructural assets has any active market value, and the value of the amount at the end of their lives would therefore be nil or insignificant. During the financial year under review, the Entity reviewed the estimated useful lives and residual values of property, plant and equipment, where appropriate (see note 47.2).

Fully depreciated assets at an original cost of R806,31 million (2012: R1,30 billion) are still in use.

The value in use of impaired land is based on an estimate of the percentage of that land that will generate future cash flows or value in use. The recoverable amount of impaired assets is R3,91 million (2012: R15,55 million). Impairment losses arise mainly from land purchases that are earmarked for low-cost housing, where the cost of land will not be recovered.

2. HERITAGE ASSETS

	Economic entity				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Carrying value R'000
As at 30 June 2013					
Assets under construction	3 634	(3 634)	330	–	330
Paintings and art galleries	9 108	(27)	–	–	9 081
TOTAL	12 742	(3 661)	330	–	9 411
(See appendix B for more details)					
As at 30 June 2012					
Assets under construction	3 552	(268)	350	–	3 634
Paintings and art galleries	8 362	750	–	(4)	9 108
TOTAL	11 914	482	350	(4)	12 742
	Municipality of Cape Town				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Carrying value R'000
As at 30 June 2013					
Assets under construction	3 634	(3 634)	330	–	330
Paintings and art galleries	9 108	(27)	–	–	9 081
TOTAL	12 742	(3 661)	330	–	9 411
(See appendix B for more details)					
As at 30 June 2012					
Assets under construction	3 552	(268)	350	–	3 634
Paintings and art galleries	8 362	750	–	(4)	9 108
TOTAL	11 914	482	350	(4)	12 742

Heritage assets are held at cost, as it is impractical to determine their fair value.

3. INVESTMENT PROPERTY

	Economic entity				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Depreciation R'000	Carrying value R'000
As at 30 June 2013					
Vacant land	147 498	–	1 076	–	148 574
Land and buildings	44 980	20	–	(1 629)	43 371
TOTAL	192 478	20	1 076	(1 629)	191 945
(See appendix B for more details)					
As at 30 June 2012					
Vacant land	38 366	–	109 132	–	147 498
Land and buildings	46 633	–	–	(1 653)	44 980
TOTAL	84 999	–	109 132	(1 653)	192 478
	Municipality of Cape Town				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Depreciation R'000	Carrying value R'000
As at 30 June 2013					
Vacant land	147 498	–	1 076	–	148 574
Land and buildings	44 980	20	–	(1 629)	43 371
TOTAL	192 478	20	1 076	(1 629)	191 945
(See appendix B for more details)					
As at 30 June 2012					
Vacant land	38 366	–	109 132	–	147 498
Land and buildings	46 633	–	–	(1 653)	44 980
TOTAL	84 999	–	109 132	(1 653)	192 478

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

4. INTANGIBLE ASSETS

	Economic entity				Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	
As at 30 June 2013					
Computer software (acquired separately) (See appendix B for more details)	100 432	6 673	45 450	(27 055)	125 500
As at 30 June 2012					
Computer software (acquired separately)	44 884	41 163	29 403	(15 018)	100 432

	Municipality of Cape Town				Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	
As at 30 June 2013					
Computer software (acquired separately) (See appendix B for more details)	100 432	6 673	45 450	(27 055)	125 500
As at 30 June 2012					
Computer software (acquired separately)	44 884	41 163	29 403	(15 018)	100 432

5. ASSETS CLASSIFIED AS HELD FOR SALE

	Economic entity			Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Disposals R'000	
As at 30 June 2013				
Land held for sale (See appendix B for more details)	43	(43)	–	–
As at 30 June 2012				
Land held for sale	126	10	(93)	43

	Municipality of Cape Town			Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Disposals R'000	
As at 30 June 2013				
Land held for sale (See appendix B for more details)	43	(43)	–	–
As at 30 June 2012				
Land held for sale	126	10	(93)	43

Assets held for sale are generally land and/or buildings that have been sold during the year but on which transfer has not taken place. Transfers can take up to six months to be completed.

Non-current assets held for sale are held at cost, as their fair values are higher than their cost. No gains or losses were recognised on the measurement of these assets.

6. INVESTMENTS

	Economic entity			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2013				
RSA Government stock	60 746	–	–	60 746
Sinking-fund deposits – see note 12 and 41	80 157	820 718	–	900 875
Other fixed deposits	3 590 174	–	–	3 590 174
Deposits held with fund managers	–	3 713 527	–	3 713 527
	3 731 077	4 534 245	–	8 265 322
Provision for impairment	(5 328)	–	–	(5 328)
Net investments	3 725 749	4 534 245	–	8 259 994
Current portion transferred to short-term investments	(6 315)	(3 424 479)	–	(3 430 794)
Current portion transferred to cash and cash equivalents – see note 11	(3 584 777)	(1 109 766)	–	(4 694 543)
TOTAL	134 657	–	–	134 657
Investments detailed as follows:				
Balance at the beginning of the year	1 720 142	4 595 400	–	6 315 542
Capital invested	23 176 126	2 100 000	–	25 276 126
Investments matured	(21 299 503)	(2 450 000)	–	(23 749 503)
Recognised in the statement of financial performance	128 984	288 845	–	417 829
Finance income	128 984	301 386	–	430 370
Losses on valuation of investments	–	(7 903)	–	(7 903)
Transaction cost	–	(4 638)	–	(4 638)
Balance at the end of the year	3 725 749	4 534 245	–	8 259 994
	Economic entity			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2012				
RSA Government stock	50 013	–	–	50 013
Sinking-fund deposits – see note 12 and 41	71 064	570 587	–	641 651
Other fixed deposits	1 608 681	–	–	1 608 681
Deposits held with fund managers	–	4 024 813	–	4 024 813
	1 729 758	4 595 400	–	6 325 158
Provision for impairment	(9 616)	–	–	(9 616)
Net investments	1 720 142	4 595 400	–	6 315 542
Current portion transferred to short-term investments	(37)	(2 883 350)	–	(2 883 387)
Current portion transferred to cash and cash equivalents – see note 11	(1 608 613)	(1 712 050)	–	(3 320 663)
TOTAL	111 492	–	–	111 492
Investments detailed as follows:				
Balance at the beginning of the year	1 746 054	3 638 038	–	5 384 092
Capital invested	17 604 030	700 000	–	18 304 030
Investments matured	(17 660 010)	–	–	(17 660 010)
Recognised in the statement of financial performance	30 068	257 362	–	287 430
Finance income	30 068	260 933	–	291 001
Gains on valuation of investments	–	1 543	–	1 543
Transaction cost	–	(5 114)	–	(5 114)
Balance at the end of the year	1 720 142	4 595 400	–	6 315 542

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

Municipality of Cape Town				
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2013				
RSA Government stock	60 746	–	–	60 746
Sinking-fund deposits – see note 12 and 41	80 157	820 718	–	900 875
Other fixed deposits	3 438 398	–	–	3 438 398
Deposits held with fund managers	–	3 713 527	–	3 713 527
Shares in CTICC	–	–	284 000	284 000
	3 579 301	4 534 245	284 000	8 397 546
Provision for impairment	(5 328)	–	(245 232)	(250 560)
Net investments	3 573 973	4 534 245	38 768	8 146 986
Current portion transferred to short-term investments	(6 315)	(3 424 479)	–	(3 430 794)
Current portion transferred to cash and cash equivalents – see note 11	(3 433 001)	(1 109 766)	–	(4 542 767)
TOTAL	134 657	–	38 768	173 425
Investments detailed as follows:				
Balance at the beginning of the year	1 593 806	4 595 400	38 768	6 227 974
Capital invested	22 739 895	2 100 000	–	24 839 895
Investments matured	(20 888 712)	(2 450 000)	–	(23 338 712)
Recognised in the statement of financial performance	128 984	288 845	–	417 829
Finance income	128 984	301 386	–	430 370
Losses on valuation of investments	–	(7 903)	–	(7 903)
Transaction cost	–	(4 638)	–	(4 638)
Balance at the end of the year	3 573 973	4 534 245	38 768	8 146 986

Municipality of Cape Town				
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2012				
RSA Government stock	50 013	–	–	50 013
Sinking-fund deposits – see note 12 and 41	71 064	570 587	–	641 651
Other fixed deposits	1 482 345	–	–	1 482 345
Deposits held with fund managers	–	4 024 813	–	4 024 813
Shares in CTICC	–	–	284 000	284 000
	1 603 422	4 595 400	284 000	6 482 822
Provision for impairment	(9 616)	–	(245 232)	(254 848)
Net investments	1 593 806	4 595 400	38 768	6 227 974
Current portion transferred to short-term investments	(37)	(2 883 350)	–	(2 883 387)
Current portion transferred to cash and cash equivalents – see note 11	(1 482 277)	(1 712 050)	–	(3 194 327)
TOTAL	111 492	–	38 768	150 260
Investments detailed as follows:				
Balance at the beginning of the year	1 625 197	3 638 038	38 768	5 302 003
Capital invested	17 170 387	700 000	–	17 870 387
Investments matured	(17 231 846)	–	–	(17 231 846)
Recognised in the statement of financial performance	30 068	257 362	–	287 430
Finance income	30 068	260 933	–	291 001
Gains on valuation of investments	–	1 543	–	1 543
Transaction cost	–	(5 114)	–	(5 114)
Balance at the end of the year	1 593 806	4 595 400	38 768	6 227 974

Collateral deposits for staff housing loans

Included in other fixed deposits are fixed deposits with a carrying value of R0,48 million (2012: R0,47 million), which were pledged as security deposits for securing staff home loans with financial institutions.

These pledges are repaid as soon as the employees' outstanding home loan balance is below 80% of the approved loan amount. The Entity has not issued fixed deposits as security since 2000, however, interest earned on certain deposits is still being capitalised. The Entity's exposure to risk is minimised by an assurance policy taken out by the employee and ceded to the Entity to cover the guaranteed deposit.

Compensation for occupational injuries and diseases (COID investments)

The RSA Government stock (bonds) was purchased at the request of the Department of Labour in terms of the COID Act, Act 130 of 1993. The Compensation Commissioner is required to hold the physical scrip as security for the City's liabilities under the Act.

7. LONG-TERM RECEIVABLES

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Sporting bodies	1 033	1 194	1 033	1 194
Housing land sales	947	1 026	947	1 026
	2 992	16 569	2 992	16 569
Public organisations	7 672	20 756	7 672	20 756
Provision for impairment	(4 680)	(4 187)	(4 680)	(4 187)
	117 239	100 297	117 239	100 297
Housing selling developments	155 944	178 591	155 944	178 591
Provision for impairment	(38 705)	(78 294)	(38 705)	(78 294)
	122 211	119 086	122 211	119 086
Current portion transferred to current receivables	(20 546)	(19 758)	(20 546)	(19 758)
TOTAL	101 665	99 328	101 665	99 328
Reconciliation of impairment provision				
Balance at the beginning of the year	82 481	97 060	82 481	97 060
Contributions (from) provisions	(39 096)	(14 579)	(39 096)	(14 579)
Balance as at 30 June	43 385	82 481	43 385	82 481

Sporting bodies

To facilitate the development of sporting facilities, loans were made to provide the necessary financial assistance. These loans attract interest at a rate of 4% to 19% per annum, and are repayable over a maximum period of 20 to 40 years.

Housing land sale

The long-term loan to the Khayelitsha Community Trust (KCT) (sale of portion 1 to 3, erf 58856) is repayable over 18 years. Annual payments are received, with the final payment due in 2024.

Public organisations

Loans to public organisations are granted in terms of the National Housing Policy. At present, these loans attract interest at 1% and are repayable over 30 years. With the implementation of new legislation (the MFMA and the Housing Act), no further loans have been awarded, and the final loan repayments are scheduled for 2032. Examples of public organisations are the National War Memorial and the Alta du Toit School.

Housing selling development loans

Housing loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 8,5% per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

8. INVENTORY

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Consumable stores	211 875	207 628	210 755	206 251
Medical supplies	786	310	786	310
Spare parts and meters	18 530	22 634	18 530	22 634
Water	12 792	15 070	12 792	15 070
Other goods held for resale	13 687	8 743	13 687	8 743
TOTAL	257 670	254 385	256 550	253 008

Inventory to the value of R803 263 (2012: R5,40 million) was scrapped during the year. Inventories (excluding bulk water) that were recognised as stores issues during the year amounted to R870,76 million (2012: R840,19 million), of which a portion was capitalised.

9. RECEIVABLES

	Economic entity					
	As at 30 June 2013			As at 30 June 2012		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
From exchange transactions	6 230 054	(3 236 253)	2 993 801	6 171 246	(3 414 293)	2 756 953
Service debtors	5 170 784	(2 548 961)	2 621 823	5 156 925	(2 640 642)	2 516 283
Housing rental stock	487 603	(421 438)	66 165	470 135	(419 818)	50 317
Housing selling stock	357 476	(261 089)	96 387	389 288	(343 309)	45 979
Other exchange debtors	214 191	(4 765)	209 426	154 898	(10 524)	144 374
From non-exchange transactions	1 985 961	(808 829)	1 177 132	1 987 952	(766 963)	1 220 989
Rates debtors	1 954 506	(800 238)	1 154 268	1 928 182	(734 060)	1 194 122
Other non-exchange debtors	31 455	(8 591)	22 864	59 770	(32 903)	26 867
TOTAL	8 216 015	(4 045 082)	4 170 933	8 159 198	(4 181 256)	3 977 942

As at 30 June 2013, the City's receivables balance included an amount of approximately R106,37 million (2012: R120,36 million) owed by National and Provincial Government.

	2013 R'000	2012 R'000
Reconciliation of impairment provision		
Balance at the beginning of the year	4 181 256	3 815 533
Contributions to provisions	885 350	803 015
Transfers (from) provisions	(17 054)	(40)
Bad debts written off	(1 004 470)	(437 252)
Balance as at 30 June	4 045 082	4 181 256

In determining the recoverability of a receivable, the Entity considers any change in the credit quality of the receivable from the date on which the credit was initially granted, up to the reporting date. The concentration of credit risk is limited, as the customer base is large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

Economic entity							
Analysis of receivables' age in days							
As at 30 June 2013	Total R'000	Not due R'000	0 – 30 R'000	31 – 60 R'000	61 – 90 R'000	91 – 365 R'000	+365 R'000
From exchange transactions							
Electricity	1 321 140	896 663	119 640	40 545	16 945	111 397	135 950
Provision for impairment	(154 439)	(13 988)	(1 866)	(633)	(264)	(1 738)	(135 950)
	1 166 701	882 675	117 774	39 912	16 681	109 659	–
Water	2 389 548	354 779	71 395	66 740	73 117	469 512	1 354 005
Provision for impairment	(1 533 672)	(61 555)	(12 387)	(11 579)	(12 686)	(81 460)	(1 354 005)
	855 876	293 224	59 008	55 161	60 431	388 052	–
Waste management	390 415	51 520	17 550	12 676	12 556	74 904	221 209
Provision for impairment	(221 209)	–	–	–	–	–	(221 209)
	169 206	51 520	17 550	12 676	12 556	74 904	–
Wastewater management	1 069 681	171 089	33 296	30 839	34 777	215 810	583 870
Provision for impairment	(639 641)	(19 642)	(3 822)	(3 540)	(3 992)	(24 775)	(583 870)
	430 040	151 447	29 474	27 299	30 785	191 035	–
Housing rental stock	487 603	47 661	15 676	8 155	9 074	85 761	321 276
Provision for impairment	(421 438)	(28 702)	(9 440)	(4 911)	(5 464)	(51 645)	(321 276)
	66 165	18 959	6 236	3 244	3 610	34 116	–
Housing selling stock	357 476	82 351	4 383	3 874	2 066	35 256	229 546
Provision for impairment	(261 089)	(20 386)	(1 004)	(961)	(514)	(8 678)	(229 546)
	96 387	61 965	3 379	2 913	1 552	26 578	–
Other exchange debtors	214 191	321 648	(23 282)	(31 246)	(10 284)	(24 784)	(17 861)
Provision for impairment	(4 765)	(31 361)	2 270	3 046	1 003	2 416	17 861
	209 426	290 287	(21 012)	(28 200)	(9 281)	(22 368)	–
Gross exchange debtors	6 230 054	1 925 711	238 658	131 583	138 251	967 856	2 827 995
Provision for impairment	(3 236 253)	(175 634)	(26 249)	(18 578)	(21 917)	(165 880)	(2 827 995)
From non-exchange transactions							
Rates debtors	1 954 506	733 280	(16 333)	65 568	62 974	339 625	769 392
Provision for impairment	(800 238)	(19 098)	424	(1 705)	(1 637)	(8 830)	(769 392)
	1 154 268	714 182	(15 909)	63 863	61 337	330 795	–
Other non-exchange debtors	31 455	15 474	2 249	1 415	1 298	4 899	6 120
Provision for impairment	(8 591)	(1 509)	(219)	(138)	(127)	(478)	(6 120)
	22 864	13 965	2 030	1 277	1 171	4 421	–
Gross non-exchange debtors	1 985 961	748 754	(14 084)	66 983	64 272	344 524	775 512
Provision for impairment	(808 829)	(20 607)	205	(1 843)	(1 764)	(9 308)	(775 512)
Gross debtors	8 216 015	2 674 465	224 574	198 566	202 523	1 312 380	3 603 507
Total provision for impairment	(4 045 082)	(196 241)	(26 044)	(20 421)	(23 681)	(175 188)	(3 603 507)
TOTAL	4 170 933	2 478 224	198 530	178 145	178 842	1 137 192	–

Included in the column 'Not due' are debtors to the value of R642,62 million (2012: R634,76 million), who have made arrangements to repay their outstanding arrear debt over a renegotiated period, as well as amounts billed that were only invoiced after year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

	Economic entity						
	Analysis of receivables' age in days						
As at 30 June 2012	Total R'000	Not due R'000	0 – 30 R'000	31 – 60 R'000	61 – 90 R'000	91 – 365 R'000	+365 R'000
From exchange transactions							
Electricity	1 173 436	801 427	103 708	39 641	(5 071)	107 584	126 147
Provision for impairment	(148 768)	(17 311)	(2 240)	(856)	110	(2 324)	(126 147)
	1 024 668	784 116	101 468	38 785	(4 961)	105 260	–
Water	2 470 316	371 358	11 459	75 677	89 868	484 636	1 437 318
Provision for impairment	(1 613 858)	(63 465)	(1 959)	(12 933)	(15 359)	(82 824)	(1 437 318)
	856 458	307 893	9 500	62 744	74 509	401 812	–
Waste management	426 645	93 148	4 168	14 187	15 853	84 303	214 986
Provision for impairment	(230 606)	(6 874)	(308)	(1 047)	(1 170)	(6 221)	(214 986)
	196 039	86 274	3 860	13 140	14 683	78 082	–
Wastewater management	1 086 528	224 820	(38 637)	41 093	48 588	230 265	580 399
Provision for impairment	(647 410)	(29 766)	5 116	(5 441)	(6 433)	(30 487)	(580 399)
	439 118	195 054	(33 521)	35 652	42 155	199 778	–
Housing rental stock	470 135	34 033	13 521	9 116	9 030	82 991	321 444
Provision for impairment	(419 818)	(22 516)	(8 946)	(6 031)	(5 974)	(54 907)	(321 444)
	50 317	11 517	4 575	3 085	3 056	28 084	–
Housing selling stock	389 288	35 447	7 026	2 659	2 526	36 518	305 112
Provision for impairment	(343 309)	(16 150)	(3 038)	(1 222)	(1 160)	(16 627)	(305 112)
	45 979	19 297	3 988	1 437	1 366	19 891	–
Other exchange debtors	154 898	260 869	(25 755)	(28 807)	(22 447)	(25 711)	(3 251)
Provision for impairment	(10 524)	(22 722)	2 243	2 509	1 955	2 240	3 251
	144 374	238 147	(23 512)	(26 298)	(20 492)	(23 471)	–
Gross exchange debtors	6 171 246	1 821 102	75 490	153 566	138 347	1 000 586	2 982 155
Provision for impairment	(3 414 293)	(178 804)	(9 132)	(25 021)	(28 031)	(191 150)	(2 982 155)
From non-exchange transactions							
Rates debtors	1 928 182	688 885	(6 195)	66 451	113 065	350 984	714 992
Provision for impairment	(734 060)	(10 836)	97	(1 043)	(1 775)	(5 511)	(714 992)
	1 194 122	678 049	(6 098)	65 408	111 290	345 473	–
Other non-exchange debtors	59 770	49 432	(29 541)	1 508	1 685	6 347	30 339
Provision for impairment	(32 903)	(4 306)	2 573	(131)	(147)	(553)	(30 339)
	26 867	45 126	(26 968)	1 377	1 538	5 794	–
Gross non-exchange debtors	1 987 952	738 317	(35 736)	67 959	114 750	357 331	745 331
Provision for impairment	(766 963)	(15 142)	2 670	(1 174)	(1 922)	(6 064)	(745 331)
Gross debtors	8 159 198	2 559 419	39 754	221 525	253 097	1 357 917	3 727 486
Total provision for impairment	(4 181 256)	(193 946)	(6 462)	(26 195)	(29 953)	(197 214)	(3 727 486)
TOTAL	3 977 942	2 365 473	33 292	195 330	223 144	1 160 703	–

Municipality of Cape Town

	As at 30 June 2013			As at 30 June 2012		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
From exchange transactions	6 230 054	(3 236 253)	2 993 801	6 171 246	(3 414 293)	2 756 953
Service debtors	5 170 784	(2 548 961)	2 621 823	5 156 925	(2 640 642)	2 516 283
Housing rental stock	487 603	(421 438)	66 165	470 135	(419 818)	50 317
Housing selling stock	357 476	(261 089)	96 387	389 288	(343 309)	45 979
Other exchange debtors	214 191	(4 765)	209 426	154 898	(10 524)	144 374
From non-exchange transactions	1 987 261	(808 829)	1 178 432	1 989 266	(766 963)	1 222 303
Rates debtors	1 955 806	(800 238)	1 155 568	1 929 496	(734 060)	1 195 436
Other non-exchange debtors	31 455	(8 591)	22 864	59 770	(32 903)	26 867
TOTAL	8 217 315	(4 045 082)	4 172 233	8 160 512	(4 181 256)	3 979 256

	2013 R'000	2012 R'000
Reconciliation of impairment provision		
Balance at the beginning of the year	4 181 256	3 815 533
Contributions to provisions	885 350	803 015
Transfers (from) provisions	(17 054)	(40)
Bad debts written off	(1 004 470)	(437 252)
Balance as at 30 June	4 045 082	4 181 256

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

Municipality of Cape Town							
Analysis of receivables' age in days							
As at 30 June 2013	Total R'000	Not due R'000	0 – 30 R'000	31 – 60 R'000	61 – 90 R'000	91 – 365 R'000	+365 R'000
From exchange transactions							
Electricity	1 321 140	896 663	119 640	40 545	16 945	111 397	135 950
Provision for impairment	(154 439)	(13 988)	(1 866)	(633)	(264)	(1 738)	(135 950)
	1 166 701	882 675	117 774	39 912	16 681	109 659	–
Water	2 389 548	354 779	71 395	66 740	73 117	469 512	1 354 005
Provision for impairment	(1 533 672)	(61 555)	(12 387)	(11 579)	(12 686)	(81 460)	(1 354 005)
	855 876	293 224	59 008	55 161	60 431	388 052	–
Waste management	390 415	51 520	17 550	12 676	12 556	74 904	221 209
Provision for impairment	(221 209)	–	–	–	–	–	(221 209)
	169 206	51 520	17 550	12 676	12 556	74 904	–
Wastewater management	1 069 681	171 089	33 296	30 839	34 777	215 810	583 870
Provision for impairment	(639 641)	(19 642)	(3 822)	(3 540)	(3 992)	(24 775)	(583 870)
	430 040	151 447	29 474	27 299	30 785	191 035	–
Housing rental stock	487 603	47 661	15 676	8 155	9 074	85 761	321 276
Provision for impairment	(421 438)	(28 702)	(9 440)	(4 911)	(5 464)	(51 645)	(321 276)
	66 165	18 959	6 236	3 244	3 610	34 116	–
Housing selling stock	357 476	82 351	4 383	3 874	2 066	35 256	229 546
Provision for impairment	(261 089)	(20 386)	(1 004)	(961)	(514)	(8 678)	(229 546)
	96 387	61 965	3 379	2 913	1 552	26 578	–
Other exchange debtors	214 191	321 648	(23 282)	(31 246)	(10 284)	(24 784)	(17 861)
Provision for impairment	(4 765)	(31 361)	2 270	3 046	1 003	2 416	17 861
	209 426	290 287	(21 012)	(28 200)	(9 281)	(22 368)	–
Gross exchange debtors	6 230 054	1 925 711	238 658	131 583	138 251	967 856	2 827 995
Provision for impairment	(3 236 253)	(175 634)	(26 249)	(18 578)	(21 917)	(165 880)	(2 827 995)
From non-exchange transactions							
Rates debtors	1 955 806	734 580	(16 333)	65 568	62 974	339 625	769 392
Provision for impairment	(800 238)	(19 098)	424	(1 705)	(1 637)	(8 830)	(769 392)
	1 155 568	715 482	(15 909)	63 863	61 337	330 795	–
Other non-exchange debtors	31 455	15 474	2 249	1 415	1 298	4 899	6 120
Provision for impairment	(8 591)	(1 509)	(219)	(138)	(127)	(478)	(6 120)
	22 864	13 965	2 030	1 277	1 171	4 421	–
Gross non-exchange debtors	1 987 261	750 054	(14 084)	66 983	64 272	344 524	775 512
Provision for impairment	(808 829)	(20 607)	205	(1 843)	(1 764)	(9 308)	(775 512)
Gross debtors	8 217 315	2 675 765	224 574	198 566	202 523	1 312 380	3 603 507
Total provision for impairment	(4 045 082)	(196 241)	(26 044)	(20 421)	(23 681)	(175 188)	(3 603 507)
TOTAL	4 172 233	2 479 524	198 530	178 145	178 842	1 137 192	–

Analysis of receivables' age in days

As at 30 June 2012	Total R'000	Not due R'000	0 – 30 R'000	31 – 60 R'000	61 – 90 R'000	91 – 365 R'000	+365 R'000
From exchange transactions							
Electricity	1 173 436	801 427	103 708	39 641	(5 071)	107 584	126 147
Provision for impairment	(148 768)	(17 311)	(2 240)	(856)	110	(2 324)	(126 147)
	1 024 668	784 116	101 468	38 785	(4 961)	105 260	–
Water	2 470 316	371 358	11 459	75 677	89 868	484 636	1 437 318
Provision for impairment	(1 613 858)	(63 465)	(1 959)	(12 933)	(15 359)	(82 824)	(1 437 318)
	856 458	307 893	9 500	62 744	74 509	401 812	–
Waste management	426 645	93 148	4 168	14 187	15 853	84 303	214 986
Provision for impairment	(230 606)	(6 874)	(308)	(1 047)	(1 170)	(6 221)	(214 986)
	196 039	86 274	3 860	13 140	14 683	78 082	–
Wastewater management	1 086 528	224 820	(38 637)	41 093	48 588	230 265	580 399
Provision for impairment	(647 410)	(29 766)	5 116	(5 441)	(6 433)	(30 487)	(580 399)
	439 118	195 054	(33 521)	35 652	42 155	199 778	–
Housing rental stock	470 135	34 033	13 521	9 116	9 030	82 991	321 444
Provision for impairment	(419 818)	(22 516)	(8 946)	(6 031)	(5 974)	(54 907)	(321 444)
	50 317	11 517	4 575	3 085	3 056	28 084	–
Housing selling stock	389 288	35 447	7 026	2 659	2 526	36 518	305 112
Provision for impairment	(343 309)	(16 150)	(3 038)	(1 222)	(1 160)	(16 627)	(305 112)
	45 979	19 297	3 988	1 437	1 366	19 891	–
Other exchange debtors	154 898	260 869	(25 755)	(28 807)	(22 447)	(25 711)	(3 251)
Provision for impairment	(10 524)	(22 722)	2 243	2 509	1 955	2 240	3 251
	144 374	238 147	(23 512)	(26 298)	(20 492)	(23 471)	–
Gross exchange debtors	6 171 246	1 821 102	75 490	153 566	138 347	1 000 586	2 982 155
Provision for impairment	(3 414 293)	(178 804)	(9 132)	(25 021)	(28 031)	(191 150)	(2 982 155)
Rates debtors	1 929 496	690 199	(6 195)	66 451	113 065	350 984	714 992
Provision for impairment	(734 060)	(10 836)	97	(1 043)	(1 775)	(5 511)	(714 992)
	1 195 436	679 363	(6 098)	65 408	111 290	345 473	–
Other non-exchange debtors	59 770	49 432	(29 541)	1 508	1 685	6 347	30 339
Provision for impairment	(32 903)	(4 306)	2 573	(131)	(147)	(553)	(30 339)
	26 867	45 126	(26 968)	1 377	1 538	5 794	–
Gross non-exchange debtors	1 989 266	739 631	(35 736)	67 959	114 750	357 331	745 331
Provision for impairment	(766 963)	(15 142)	2 670	(1 174)	(1 922)	(6 064)	(745 331)
Gross debtors	8 160 512	2 560 733	39 754	221 525	253 097	1 357 917	3 727 486
Total provision for impairment	(4 181 256)	(193 946)	(6 462)	(26 195)	(29 953)	(197 214)	(3 727 486)
TOTAL	3 979 256	2 366 787	33 292	195 330	223 144	1 160 703	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

10. OTHER RECEIVABLES

	Economic entity					
	As at 30 June 2013			As at 30 June 2012		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
From exchange transactions	204 046	(54 606)	149 440	170 479	(48 137)	122 342
Payments made in advance	3 268	–	3 268	2 273	–	2 273
Property rentals	72 135	(42 792)	29 343	71 678	(38 354)	33 324
Other exchange debtors	128 643	(11 814)	116 829	96 528	(9 783)	86 745
From non-exchange transactions	154 844	–	154 844	157 837	–	157 837
Government subsidies	107 506	–	107 506	106 883	–	106 883
Other non-exchange debtors	47 338	–	47 338	50 954	–	50 954
TOTAL	358 890	(54 606)	304 284	328 316	(48 137)	280 179

Included in 'Other exchange debtors' is an amount of R24,89 million (2012: R24,80 million) for VAT owed by the South African Revenue Service (SARS).

The 2012 comparative amount of R280,18 million has been restated from R313,39 million (see note 47).

	2013 R'000	2012 R'000
Reconciliation of impairment provision		
Balance at the beginning of the year	48 137	61 316
Contributions to/(from) provision	6 932	(13 059)
Transfer (from) provisions	(463)	–
Bad debts written off	–	(120)
Balance as at 30 June	54 606	48 137

In determining the recoverability of other receivables, the Entity considers any change in the credit quality of other receivables from the date on which the credit was initially granted up to the reporting date.

Economic entity							
Analysis of other receivables' age in days							
As at 30 June 2013	Total R'000	Not due R'000	0 – 30 R'000	31 – 60 R'000	61 – 90 R'000	91 – 365 R'000	+365 R'000
From exchange transactions							
Payments made in advance	3 268	3 268	–	–	–	–	–
	3 268	3 268	–	–	–	–	–
Property rentals	72 135	7 152	16 500	858	(2 904)	7 737	42 792
Provision for impairment	(42 792)	–	–	–	–	–	(42 792)
	29 343	7 152	16 500	858	(2 904)	7 737	–
Other exchange debtors	128 643	94 595	14 614	1 842	314	8 886	8 392
Provision for impairment	(11 814)	(110)	(2 476)	(8)	(25)	(803)	(8 392)
	116 829	94 485	12 138	1 834	289	8 083	–
Gross exchange debtors	204 046	105 015	31 114	2 700	(2 590)	16 623	51 184
Provision for impairment	(54 606)	(110)	(2 476)	(8)	(25)	(803)	(51 184)
From non-exchange transactions							
Government subsidies	107 506	107 506	–	–	–	–	–
Other non-exchange debtors	47 338	47 338	–	–	–	–	–
Gross non-exchange debtors	154 844	154 844	–	–	–	–	–
Gross debtors	358 890	259 859	31 114	2 700	(2 590)	16 623	51 184
Total provision for impairment	(54 606)	(110)	(2 476)	(8)	(25)	(803)	(51 184)
TOTAL	304 284	259 749	28 638	2 692	(2 615)	15 820	–

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for the year ended 30 June 2013

Economic entity							
Analysis of other receivables' age in days							
	Total	Not due	0 – 30	31 – 60	61 – 90	91 – 365	+365
As at 30 June 2012	R'000	R'000	R'000	R'000	R'000	R'000	R'000
From exchange transactions							
Payments made in advance	2 273	2 273	–	–	–	–	–
	2 273	2 273	–	–	–	–	–
Property rentals	71 678	5 397	15 449	2 446	2 455	12 443	33 488
Provision for impairment	(38 354)	(987)	(729)	(444)	(446)	(2 260)	(33 488)
	33 324	4 410	14 720	2 002	2 009	10 183	–
Other exchange debtors	96 528	74 230	9 081	300	440	5 245	7 232
Provision for impairment	(9 783)	(52)	(2 323)	(1)	(9)	(166)	(7 232)
	86 745	74 178	6 758	299	431	5 079	–
Gross exchange debtors	170 479	81 900	24 530	2 746	2 895	17 688	40 720
Provision for impairment	(48 137)	(1 039)	(3 052)	(445)	(455)	(2 426)	(40 720)
From non-exchange transactions							
Government subsidies	106 883	106 883	–	–	–	–	–
Other non-exchange debtors	50 954	50 954	–	–	–	–	–
Gross non-exchange debtors	157 837	157 837	–	–	–	–	–
Gross debtors	328 316	239 737	24 530	2 746	2 895	17 688	40 720
Total provision for impairment	(48 137)	(1 039)	(3 052)	(445)	(455)	(2 426)	(40 720)
TOTAL	280 179	238 698	21 478	2 301	2 440	15 262	–

Municipality of Cape Town						
As at 30 June 2013			As at 30 June 2012			
	Gross balance	Provision for impairment	Net balance	Gross balance	Provision for impairment	Net balance
	R'000	R'000	R'000	R'000	R'000	R'000
From exchange transactions	187 799	(52 147)	135 652	160 703	(45 799)	114 904
Payments made in advance	803	–	803	497	–	497
Property rentals	72 135	(42 792)	29 343	71 678	(38 354)	33 324
Other exchange debtors	114 861	(9 355)	105 506	88 528	(7 445)	81 083
From non-exchange transactions	154 844	–	154 844	157 837	–	157 837
Government subsidies	107 506	–	107 506	106 883	–	106 883
Other non-exchange debtors	47 338	–	47 338	50 954	–	50 954
TOTAL	342 643	(52 147)	290 496	318 540	(45 799)	272 741

	2013	2012
	R'000	R'000
Reconciliation of impairment provision		
Balance at the beginning of the year	45 799	60 649
Contributions to/(from) provisions	6 797	(14 730)
Bad debts written off	(449)	(120)
Balance as at 30 June	52 147	45 799

Municipality of Cape Town
Analysis of other receivables' age in days

As at 30 June 2013	Total R'000	Not due R'000	0 – 30 R'000	31 – 60 R'000	61 – 90 R'000	91 – 365 R'000	+365 R'000
From exchange transactions							
Payments made in advance	803	803	–	–	–	–	–
	803	803	–	–	–	–	–
Property rentals	72 135	7 152	16 500	858	(2 904)	7 737	42 792
Provision for impairment	(42 792)	–	–	–	–	–	(42 792)
	29 343	7 152	16 500	858	(2 904)	7 737	–
Other exchange debtors	114 861	94 595	5 325	92	241	6 216	8 392
Provision for impairment	(9 355)	(110)	(17)	(8)	(25)	(803)	(8 392)
	105 506	94 485	5 308	84	216	5 413	–
Gross exchange debtors	187 799	102 550	21 825	950	(2 663)	13 953	51 184
Provision for impairment	(52 147)	(110)	(17)	(8)	(25)	(803)	(51 184)
From non-exchange transactions							
Government subsidies	107 506	107 506	–	–	–	–	–
Other non-exchange debtors	47 338	47 338	–	–	–	–	–
Gross non-exchange debtors	154 844	154 844	–	–	–	–	–
Gross debtors	342 643	257 394	21 825	950	(2 663)	13 953	51 184
Total provision for impairment	(52 147)	(110)	(17)	(8)	(25)	(803)	(51 184)
TOTAL	290 496	257 284	21 808	942	(2 688)	13 150	–

Analysis of other receivables' age in days

As at 30 June 2012	Total R'000	Not due R'000	0 – 30 R'000	31 – 60 R'000	61 – 90 R'000	91 – 365 R'000	+365 R'000
From exchange transactions							
Payments made in advance	497	497	–	–	–	–	–
	497	497	–	–	–	–	–
Property rentals	71 678	5 397	15 449	2 446	2 455	12 443	33 488
Provision for impairment	(38 354)	(987)	(729)	(444)	(446)	(2 260)	(33 488)
	33 324	4 410	14 720	2 002	2 009	10 183	–
Other exchange debtors	88 528	74 230	4 229	92	123	2 622	7 232
Provision for impairment	(7 445)	(52)	15	(1)	(9)	(166)	(7 232)
	81 083	74 178	4 244	91	114	2 456	–
Gross exchange debtors	160 703	80 124	19 678	2 538	2 578	15 065	40 720
Provision for impairment	(45 799)	(1 039)	(714)	(445)	(455)	(2 426)	(40 720)
From non-exchange transactions							
Government subsidies	106 883	106 883	–	–	–	–	–
Other non-exchange debtors	50 954	50 954	–	–	–	–	–
Gross non-exchange debtors	157 837	157 837	–	–	–	–	–
Gross debtors	318 540	237 961	19 678	2 538	2 578	15 065	40 720
Total provision for impairment	(45 799)	(1 039)	(714)	(445)	(455)	(2 426)	(40 720)
TOTAL	272 741	236 922	18 964	2 093	2 123	12 639	–

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for the year ended 30 June 2013

11. CASH AND CASH EQUIVALENTS (BANK AND CASH)

		Economic entity		Municipality of Cape Town	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
Bank balance		175 257	125 939	146 726	98 651
ABSA – Primary bank account	40-5658-4470	146 726	97 705	146 726	97 705
Salary bank account	40-5658-4496	–	–	–	–
Cashier's bank account	40-5658-4527	–	–	–	–
General income account	40-5658-4569	–	–	–	–
Traffic fines bank account	40-7261-8663	–	–	–	–
IRT funding account	5435522023983015	–	301	–	301
IRT funding account	5435522024946011	–	325	–	325
IRT funding account	5435522024948017	–	320	–	320
IRT investment account	40-7940-0542	–	–	–	–
IRT bank account	40-8089-5180	–	–	–	–
Other - Subsidiaries*		28 531	27 288	–	–
Year-end accruals		(170)	(246)	(170)	(246)
Interest accrual		395	275	395	275
Bank charges accrual		(565)	(521)	(565)	(521)
		175 087	125 693	146 556	98 405
Cash on hand and in transit		41 001	35 177	40 873	35 100
Call and short-term deposits – see note 6		3 584 777	1 608 613	3 433 001	1 482 277
Amortised cost		3 800 865	1 769 483	3 620 430	1 615 782
Call and short-term deposits		1 098 128	1 697 774	1 098 128	1 697 774
Bank accounts managed by fund managers**		11 638	14 276	11 638	14 276
City of Cape Town	40-7635-9041	21	477	21	477
City of Cape Town	40-7635-9245	1 163	361	1 163	361
City of Cape Town	40-8124-5134	–	–	–	–
City of Cape Town	40-7635-9588	4 889	611	4 889	611
City of Cape Town	40-8124-5192	–	–	–	–
City of Cape Town	40-8124-5176	–	–	–	–
City of Cape Town	40-7635-9910	1 184	934	1 184	934
City of Cape Town	40-7635-8647	3 174	10 771	3 174	10 771
City of Cape Town	40-6712-0322	345	778	345	778
City of Cape Town	40-7636-0082	862	344	862	344
Fair value – see note 6		1 109 766	1 712 050	1 109 766	1 712 050
TOTAL		4 910 631	3 481 533	4 730 196	3 327 832

* Subsidiaries have separate bank accounts that are not listed separately.

Cash and cash equivalents comprise cash held and short-term deposits.

** These bank accounts were opened with ABSA Bank Ltd for the purpose of the withdrawal and investment of funds by the various fund managers on behalf of the City of Cape Town in terms of a power of attorney provided to each of the fund managers.

12. BORROWINGS

Local registered stock loans	4 282 536	4 279 186	4 282 536	4 279 186
Concessionary loans	2 071 323	27 392	2 071 323	27 392
Other loans	1 017 482	1 182 556	1 000 543	1 164 029
Subtotal – see appendix A for more details	7 371 341	5 489 134	7 354 402	5 470 607
Current portion transferred to current liabilities	(419 496)	(296 142)	(418 166)	(294 186)
TOTAL	6 951 845	5 192 992	6 936 236	5 176 421

A total of R900,88 million (2012: R641,65 million) has been ring-fenced for the repayment of long-term liabilities – see note 6 and 41 for more details.

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
LOCAL REGISTERED STOCK LOANS	4 282 536	4 279 186	4 282 536	4 279 186
ABSA Nominees (Pty) Ltd	7 047	7 047	7 047	7 047
Secured bond bearing interest at a fixed rate of 14,65% per annum, payable semi-annually. As security, a sinking fund was established, which, together with interest capitalised, will be used to settle the original loan liability on 31 March 2014.				
Listed bonds	4 275 489	4 272 139	4 275 489	4 272 139
In terms of the Entity's domestic medium-term note (DMTN) programme registered on the Johannesburg Stock Exchange (JSE) Limited, unsecured bonds totalling R4,20 billion are listed on the JSE. Each of the municipal bonds bears interest at fixed rates ranging between 1,16% and 12,57% per annum. Interest is payable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date. Certain bond raising costs have been capitalised and were written off during the financial year under review. Sinking funds have been established for the repayment of the bonds.				
CONCESSIONARY LOANS	2 071 323	27 392	2 071 323	27 392
Agence Française de Développement (AFD)	2 046 972	–	2 046 972	–
An unsecured loan of R2,38 billion bearing interest at an average fixed rate of 5,76% per annum. The sum is repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 31 March 2028.				
Nedcor Bank	19	16	19	16
An unsecured loan bearing interest at a fixed rate of 1% per annum, payable annually, and loan capital repayable on 31 August 2019.				
Development Bank of Southern Africa (DBSA)	24 332	27 376	24 332	27 376
An unsecured fixed-term concessionary loan bearing interest at a fixed rate of 5% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 30 June 2020.				
OTHER LOANS	1 017 482	1 182 556	1 000 543	1 164 029
DBSA	583 891	683 284	583 891	683 284
Unsecured loans bearing interest at fixed rates ranging between 9,42% and 12,25% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. These loans have various final redemption dates, ranging from 30 June 2015 to 31 December 2022.				
ABSA Bank	100 000	120 000	100 000	120 000
An unsecured loan bearing interest at a fixed rate of 10,90% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. Final redemption on 30 June 2018.				

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for the year ended 30 June 2013

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
FirstRand Bank	148 465	163 791	148 465	163 791
<p>A structured 15-year loan to the value of R300 million bearing interest at a fixed rate of 12,05% per annum, of which, R74,30 million is repayable semi-annually in equal instalments of capital and fixed interest over 15 years, and the balance of R225,70 million payable in one instalment together with capitalised fixed-rate interest on 30 June 2018. The bullet repayment of the R225,70 million capital and interest will be financed from a 15-year sinking-fund investment policy purchased from Momentum Group.</p> <p>As part of the loan structure, the Entity purchased a 15-year sinking-fund policy from Momentum Group for a premium of R228,40 million, which was invested in an unguaranteed investment portfolio. The premium is payable semi-annually over 15 years through a series of promissory notes issued by the Entity to Momentum, later sold on to FirstRand Bank and Future Growth. In terms of a put-option agreement, the maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for a fixed-option price of R894,60 million, payable on 30 June 2018. The Entity has ceded and pledged the sinking-fund policy to FirstRand Bank as security for the Entity's obligations to FirstRand Bank under the put-option agreement and any other debt liability.</p>				
FirstRand Bank	168 187	176 329	168 187	176 329
<p>A structured 15-year loan to the value of R220 million, of which R200 million is repayable semi-annually in equal instalments of capital and fixed-rate interest over 15 years, and the balance of R20 million payable in one instalment, together with fixed interest on 30 June 2017. The loan bears interest at a fixed rate of 12,63% per annum. The bullet repayment of the R20 million capital and interest will be made out of the guaranteed investment portfolios of two 15-year sinking-fund investment policies purchased from Momentum Group.</p> <p>As part of the loan structure, the Entity purchased two 15-year sinking-fund policies from Momentum Group for an upfront premium of R220 million. R20 million of the premium was invested in the guaranteed investment portfolio referred to above. The balance of the premium, i.e. R200 million, was invested in a linked investment (unguaranteed) portfolio. The maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for R200 million on the acceptance of the policies. The Entity has ceded and pledged the sinking-fund policies to FirstRand Bank as security for the Entity's obligations to FirstRand Bank under the policies and any other debt liability.</p>				

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
FirstRand Bank	–	20 625	–	20 625
<p>A structured 15-year loan to the value of R150 million bearing interest at a rate of 17,29% per annum, repayable semi-annually in equal instalments of capital and interest.</p> <p>As part of the loan structure, the Entity entered into a loan-and-leaseback agreement. The Entity leased moveable electricity assets with a market value of R150 million to FirstRand Bank for 20 years. Rental was payable in three instalments from 1998 to 2000, with a nominal annual rental thereafter. The rentals have been payable into a deposit account with FirstRand Bank, which attracts a fixed rate of interest. FirstRand Bank leased the assets back to the Entity over 15 years, with rentals payable out of the deposit account from 2003 to 2013, which reduced to zero on 30 June 2013. The Entity has ceded its rights to repayment of the deposit to FirstRand Bank as security for its obligations to FirstRand Bank under the original loan and any other indebtedness.</p>				
DBSA – Claremont Road Bypass Company	16 704	17 706	–	–
<p>Interest is charged at a nominal fixed rate of R186 plus 154 basis points per annum.</p> <p>Repayable in 28 equal six-monthly instalments, commencing on 30 September 2009.</p> <p>Secured by an agreement of cession from Claremont City Improvement District (CID) Company (association incorporated under section 21) (cedent) over their right and title to the levies collected by the City of Cape Town from the Claremont CID ratepayers in terms of the cooperation agreement.</p> <p>The cedent, the company and the City of Cape Town concluded a cooperation agreement in terms of which the City of Cape Town undertook to pay to the cedent levies collected from the ratepayers within the Claremont CID.</p>				
Loans from members – Zwaanswyk	235	431	–	–
<p>The loans bear interest at 9% and are payable by 30 June 2014.</p>				
Standard Bank Ltd – Epping CID	–	390	–	–
<p>The average lease term is three years, and the average effective borrowing rate was 12,79%.</p> <p>Interest rates are fixed at the contract date. All leases have fixed repayments, and no arrangements have been entered into for contingent rent.</p> <p>The Entity's obligations under finance leases are secured by the lessor's charge over the leased assets.</p>				
TOTAL – see appendix A for more details	7 371 341	5 489 134	7 354 402	5 470 607

The rates of interest payable on the abovementioned structured loans and finance leases are based on certain underlying assumptions relating to the lenders' statutory costs, and the admissibility of deductions by the lenders for income tax purposes in connection with these loans. In the event of amendments to, or interpretation of, the Income Tax Act, Act 58 of 1962 or any other relevant legislation that affects the loan structure costs, the lenders have the right to increase or decrease the future rates of interest payable on the loans over their remaining lives, in order to absorb the increase or decrease in costs.

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SHORT-TERM DEBT FACILITIES

The Municipality had the following short-term debt facilities with the Entity's main banker:

	2013 R'000	2012 R'000
Performance guarantee and/or letters of credit	15 000	15 000
Business travel card	2 000	2 000
Daylight limit	2 000 000	1 000 000
Business credit card	–	50

The short-term debt facilities are reviewed annually and can be explained as follows:

Performance guarantee and/or letters of credit

A guarantee issued by the bank is an undertaking that, should the Entity fail to fulfil its obligations in terms of a contract or an agreement, the bank will pay specific amounts as stated on the guarantee. The monies are due and payable on the written demand from the beneficiary.

Business travel card

A card issued by the bank that enables the Entity to obtain goods and services on credit. It entails monies lent and advanced.

Daylight limit

A daylight limit is a facility that enables the Entity to transact even if there are insufficient funds on that particular day. It entails monies lent and advanced during the day, provided it is settled by the end of that business day.

13. PROVISIONS (NON-CURRENT)

	Economic entity				
	Long- service leave benefits R'000	Environ- mental rehabilitation R'000	Post- retirement medical aid benefits R'000	Post- retirement pension benefits R'000	Total R'000
As at 30 June 2013					
Balance at the beginning of the year	376 815	328 839	3 355 259	15 288	4 076 201
Interest costs	24 638	31 536	279 834	1 286	337 294
Service costs	44 522	26 116	92 359	462	163 459
Benefit payments	(38 696)	–	(139 183)	(1 576)	(179 455)
Actuarial losses	42 144	–	83 461	39 598	165 203
Transferred from current provisions (prior year)	36 256	6 500	211 176	1 716	255 648
	485 679	392 991	3 882 906	56 774	4 818 350
Transfer to current provision	(49 059)	(60 000)	(154 653)	(2 125)	(265 837)
TOTAL	436 620	332 991	3 728 253	54 649	4 552 513

Municipality of Cape Town

	Long-service leave benefits R'000	Environmental rehabilitation R'000	Post-retirement medical aid benefits R'000	Post-retirement pension benefits R'000	Total R'000
As at 30 June 2013					
Balance at the beginning of the year	376 815	328 839	3 355 259	15 288	4 076 201
Interest costs	24 638	31 536	279 834	1 286	337 294
Service costs	44 522	26 116	92 359	462	163 459
Benefit payments	(38 696)	–	(139 183)	(1 576)	(179 455)
Actuarial losses	42 144	–	83 461	39 598	165 203
Transferred from current provisions (prior year)	36 256	6 500	211 176	1 716	255 648
	485 679	392 991	3 882 906	56 774	4 818 350
Transfer to current provision	(49 059)	(60 000)	(154 653)	(2 125)	(265 837)
TOTAL	436 620	332 991	3 728 253	54 649	4 552 513

Long-service leave benefits

An actuarial valuation has been performed of the Entity's liability for long-service leave benefits relating to vested leave benefits to which employees may become entitled upon completion of 10 years' service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

Discount rate

The fund benefit liability as at 30 June 2013 has been discounted at the market yields on government bonds consistent with the estimated term of the liability. A discount rate of 7,65% (2012: 6,28%) per annum has been used.

	2013 %	2012 %
Key financial assumptions		
Discount rate	7,6	6,3
General inflation rate (consumer price index)	5,8	5,9
Salary increase	6,8	5,0

Environmental rehabilitation

Provision is made in terms of the Entity's licensing stipulations on the waste landfill sites, for the estimated cost of rehabilitating waste sites. The valuation of waste landfill sites has been conducted internally, based on the detailed report of the actuarial valuation conducted the previous year by external consultants.

The key cost parameters upon which the valuation is based for the present and previous financial years are briefly as follows:

- An annual inflation rate of 5,60% (2012: 5,2%), discounted to present values at the average borrowing cost of 9,81% (2012: 10,59%)
- The scheduled dates of total closure and rehabilitation are at present anticipated to take place between 2014 and 2025.

Post-retirement medical aid and pension benefits

An actuarial valuation has been performed of the Entity's liability in respect of benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits – see note 48 for more details.

14. DEPOSITS

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Electricity and water	305 337	272 795	305 337	272 795
Other deposits	27 951	18 646	2 880	2 149
TOTAL	333 288	291 441	308 217	274 944

Guarantees held in lieu of electricity and water deposits were R13,18 million (2012: R38,60 million). Deposits are released when the owner/occupant of a property terminates the contract with the Entity to supply water and electricity to the property, or when certain contractual services are delivered.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

15. PROVISIONS (CURRENT)

	Economic entity				Closing balance 2013 R'000
	Opening balance 2013 R'000	Raised R'000	Reversed R'000	Transfers from non-current R'000	
Other provisions	326 542	853 220	(97 623)	–	1 082 139
Insurance claims	8 976	10 255	(8 976)	–	10 255
Post-retirement benefits	212 892	–	(212 892)	156 778	156 778
Environmental rehabilitation	6 500	–	(6 500)	60 000	60 000
Leave benefits	470 867	24 393	(36 256)	49 059	508 063
Performance bonuses	3 068	2 689	(3 068)	–	2 689
TOTAL	1 028 845	890 557	(365 315)	265 837	1 819 924

	Municipality of Cape Town				Closing balance 2013 R'000
	Opening balance 2013 R'000	Raised R'000	Reversed R'000	Transfers from non-current R'000	
Other provisions	326 542	853 220	(97 623)	–	1 082 139
Insurance claims	8 976	10 255	(8 976)	–	10 255
Post-retirement benefits	212 892	–	(212 892)	156 778	156 778
Environmental rehabilitation	6 500	–	(6 500)	60 000	60 000
Leave benefits	470 867	24 393	(36 256)	49 059	508 063
TOTAL	1 025 777	887 868	(362 247)	265 837	1 817 235

Insurance and COID claims

Provision has been made for outstanding insurance claims as at 30 June 2013, funded out of the insurance reserve. The assessment of claims is based on the assessed quantum of claims received.

Staff leave

Annual leave accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year end, based on the value of statutory and non-statutory leave.

Other provisions

Included in 'Other provisions' is an amount of R631,11 million based on the agreement reached with the taxi associations relating to the implementation of the expanded IRT routes. The remainder of the balance consists of employee-related cost.

Performance bonuses

Performance bonuses accrue to staff on an annual basis based on the achievement of predetermined performance standards. The provision is an estimate of the amount due to staff in the service of the CTICC at the reporting date.

16. PAYABLES FROM EXCHANGE TRANSACTIONS

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Trade creditors	3 055 797	2 599 475	3 040 810	2 589 119
Payments received in advance	809 319	800 480	809 319	800 480
Inter-company advances	44 584	69 746	44 584	69 746
Third-party payments	263 563	238 908	263 563	238 908
Other creditors	373 807	231 747	358 754	225 762
TOTAL	4 547 070	3 940 356	4 517 030	3 924 015

Payables are non-interest-bearing and are normally settled on 30-day terms, except for retentions which are settled in terms of the contract agreement.

Payments received in advance are non-interest-bearing and normally settled on 30-day terms.

Management policies are in place to ensure that all payables are paid within a reasonable timeframe.

The 2012 comparative amount of R3,94 billion has been restated from R3,79 billion (see note 47.1).

17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	Economic entity		Municipality of Cape Town	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Conditional grants from other spheres of government	797 039	1 603 821	797 039	1 603 821
National Government	527 091	1 378 915	527 091	1 378 915
Provincial Government of the Western Cape – other	269 948	224 906	269 948	224 906
Other conditional receipts	61 517	61 931	61 517	61 931
Public contributions	61 517	61 931	61 517	61 931
TOTAL	858 556	1 665 752	858 556	1 665 752

These amounts are separately invested in terms of section 12 of the MFMA. See note 28 and 29 for more details on grants from National and Provincial Government as well as public contributions.

The unspent portion of the conditional grant will be spent over the next two or three years to the conclusion of the projects for which they were intended. Substantial portions of the grants were provided in advance for the IRT system.

In many instances, the launch of projects is a protracted process due to interest groups' participation. No amounts are due for repayment to the donors, for the reasons set out above.

18. VAT

	341 907	303 077	341 907	303 077
VAT payable	385 756	420 687	385 756	420 687
Impairment	(43 849)	(117 610)	(43 849)	(117 610)
VAT receivable	(272 416)	(245 321)	(272 416)	(245 321)
TOTAL	69 491	57 756	69 491	57 756

The City of Cape Town is registered for VAT on the payment basis. The VAT liability was impaired as a result of impairment against debtors.

19. HOUSING DEVELOPMENT FUND

Realised housing proceeds				
Balance at beginning of the year	404 597	406 818	404 597	406 818
Income	40 017	47 781	40 017	47 781
Land sales	3 244	6 513	3 244	6 513
Repayments – long-term debtors	30 777	29 775	30 777	29 775
Repayments – public organisations	1 514	2 031	1 514	2 031
Service contributions	4 406	5 321	4 406	5 321
Subsidy refunds and other	76	4 141	76	4 141
Interest	17 784	19 912	17 784	19 912
Expenditure	(70 241)	(55 333)	(70 241)	(55 333)
Funding capital projects	(21 006)	(8 519)	(21 006)	(8 519)
Funding operating projects	(49 235)	(46 814)	(49 235)	(46 814)
Non-cash transfer to provision for impairment	(8 032)	(14 581)	(8 032)	(14 581)
Balance at the end of the year	384 125	404 597	384 125	404 597
Unrealised housing proceeds				
Balance at beginning of the year	116 866	132 252	116 866	132 252
Loans realised	(35 732)	(29 963)	(35 732)	(29 963)
Long-term housing loans	(22 647)	(22 063)	(22 647)	(22 063)
Long-term loans – public organisations	(13 085)	(7 900)	(13 085)	(7 900)
Transfer to impairment provision – long-term selling schemes	39 589	13 906	39 589	13 906
Transfer to impairment provision – long-term public organisations	(492)	671	(492)	671
Balance at the end of the year	120 231	116 866	120 231	116 866
TOTAL	504 356	521 463	504 356	521 463

Unrealised housing proceeds represent loan repayments not yet due in terms of the debtor's loan agreement.

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20. RESERVES

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Capital replacement reserve	1 281 721	1 274 073	1 281 721	1 274 073
Insurance reserve	511 743	496 182	511 743	496 182
Self-insurance reserve	450 175	438 556	450 175	438 556
COID reserve	61 568	57 626	61 568	57 626
TOTAL	1 793 464	1 770 255	1 793 464	1 770 255

The capital replacement reserve and the self-insurance reserve are fully funded and invested in ring-fenced financial instruments.

21. ACCUMULATED SURPLUS

Accumulated surplus	20 282 008	16 827 990	20 159 376	16 721 752
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Receipts from acquired grant-funded assets to the value of R15,05 billion (2012: R12,23 billion) are included and earmarked to fund the depreciation charges over the assets' useful lives.

The 2012 comparative amount of R16,83 billion has been restated from R17,00 billion (see note 47.1).

22. NON-CONTROLLING INTEREST

Balance at the beginning of the year	135 770	132 444		
Share of net surplus attributable to non-controlling interest	8 888	3 326		
TOTAL	144 658	135 770		

23. SERVICE CHARGES

Sale of electricity	8 843 866	8 052 945	8 853 037	8 061 911
Sale of water	2 052 721	1 816 317	2 053 577	1 817 183
Waste management (solid waste)	775 144	710 609	775 144	710 609
Wastewater management (sewerage and sanitation)	1 091 897	1 002 897	1 091 897	1 002 897
Other	478 490	530 116	326 150	394 165
TOTAL	13 242 118	12 112 884	13 099 805	11 986 765

24. RENTAL OF LETTING STOCK AND FACILITIES

Rental agreements	292 535	254 811	292 535	254 811
Hire/rentals	47 950	36 037	47 950	36 037
	340 485	290 848	340 485	290 848
Income forgone*	(33 879)	(34 320)	(33 879)	(34 320)
TOTAL	306 606	256 528	306 606	256 528

The 2012 comparative amount of R256,53 million has been restated from R289,74 million (see note 47.1).

25. FINANCE INCOME

Interest receivable – external investments	438 917	442 416	430 370	434 195
Interest transferred to external funds (conditional grants)	(66 432)	(102 446)	(66 432)	(102 446)
	372 485	339 970	363 938	331 749
Interest receivable – outstanding debtors	183 192	228 425	183 192	228 425
Net finance income	555 677	568 395	547 130	560 174
Gains on foreign – exchange transactions	138	44	98	44
Gains on valuation of investments	–	1 543	–	1 543
TOTAL	555 815	569 982	547 228	561 761

* Income forgone can be defined as any income that the City of Cape Town is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

26. OTHER INCOME

	Economic entity		Municipality of Cape Town	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Exchange transactions	751 713	331 513	636 114	234 803
Insurance recoveries	1 394	2 621	1 217	2 322
Bulk infrastructure levies	69 524	56 426	69 524	56 426
Skills development levy	28 118	23 272	28 118	23 272
Investment impairment reversed	4 288	–	4 288	–
Other income	140 517	159 686	131 964	148 823
Fair value adjustments	401 003	–	401 003	3 960
City improvement districts	106 869	89 508	–	–
Non-exchange transactions				
City improvement districts	–	–	106 869	89 508
TOTAL	751 713	331 513	742 983	324 311

The Entity received services in kind to an estimated value of R7,65 million in the form of volunteers. This amount is not recognised as revenue or as an asset as such in the statement of financial performance.

27. PROPERTY RATES**Actual**

Residential, commercial and state

Penalties

Income forgone*

TOTAL PROPERTY RATES

Exempt properties are excluded from the property rates valuation.

Valuations

Rateable properties

Non-rateable properties

Total property rates at commencement of financial year**Valuations per category**

Residential

Commercial

Agriculture

State

Municipal

Total property rates at commencement of financial year

The last general valuation came into effect on 1 July 2010, and is based on market-related values. Supplementary valuations are processed when completed by the Valuations Department annually, to take into account changes to individual property values due to alterations and subdivisions. Rates are levied on a daily basis and are payable monthly. Interest is raised monthly on accounts in arrears at prime plus 1% per annum.

* Income forgone can be defined as any income that the City of Cape Town is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

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28. GOVERNMENT GRANTS AND SUBSIDIES

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Unconditional grants	1 084 416	970 474	1 084 416	970 474
Equitable share	1 084 416	970 474	1 084 416	970 474
Conditional grants	4 310 024	2 787 361	4 310 024	2 787 361
Provincial health subsidies	129 645	136 113	129 645	136 113
Cape Metropolitan Transport Fund (CMTF)	1 375	30 049	1 375	30 049
National projects	3 297 721	1 919 890	3 297 721	1 919 890
Provincial projects – other	858 821	700 901	858 821	700 901
Other	22 462	408	22 462	408
TOTAL	5 394 440	3 757 835	5 394 440	3 757 835
The Entity does not foresee a significant decrease in the level of grant funding.				
Unconditional grants				
These grants are used to subsidise the provision of basic services to indigent communities.				
Analysis of government grants and subsidies				
Operating	1 979 795	1 626 991	1 979 795	1 626 991
Capital	3 414 645	2 130 844	3 414 645	2 130 844
	5 394 440	3 757 835	5 394 440	3 757 835
Municipal infrastructure grant projects				
Balance unspent at the beginning of the year	–	(63 547)	–	(63 547)
Current-year receipts	–	–	–	–
Adjustments	–	63 547	–	63 547
Conditions met – transferred to revenue	–	–	–	–
Conditions still to be met – transferred to liabilities				
– see note 17	–	–	–	–
This grant was used to fund the construction of infrastructural assets for the Entity. The conditions of the grant have been met. No funds have been withheld.				
Provincial health subsidies				
Balance unspent at beginning of the year	–	–	–	–
Current-year receipts – included in public health vote	(129 645)	(136 113)	(129 645)	(136 113)
Conditions met – transferred to revenue	129 645	136 113	129 645	136 113
Conditions still to be met – transferred to liabilities				
–	–	–	–	–
The Entity renders health services on behalf of the Provincial Government, and is refunded partially for expenditure incurred. This grant has been used exclusively to fund clinic services. The conditions of the grant have been met. There were no delays in payment of the subsidies, nor were any amounts withheld.				
Provincial projects and CMTF				
Balance unspent at the beginning of the year	(224 906)	(390 963)	(224 906)	(390 963)
Regrouping adjustment	44 042	68 302	44 042	68 302
Current-year receipts	(867 899)	(523 637)	(867 899)	(523 637)
Interest earned	(7 056)	(7 384)	(7 056)	(7 384)
Adjustments	31 481	1 646	31 481	1 646
Conditions met – transferred to revenue	860 196	730 950	860 196	730 950
Amounts still to be claimed	(105 806)	(103 820)	(105 806)	(103 820)
Conditions still to be met – transferred to liabilities				
– see note 17	(269 948)	(224 906)	(269 948)	(224 906)

National Government projects

	Economic entity		Municipality of Cape Town	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Balance unspent at the beginning of the year	(1 378 915)	(586 486)	(1 378 915)	(586 486)
Regrouping adjustment	–	11 381	–	11 381
Current-year receipts	(2 389 988)	(2 625 891)	(2 389 988)	(2 625 891)
Interest earned	(56 369)	(90 070)	(56 369)	(90 070)
Adjustments	521	(7 531)	521	(7 531)
Conditions met – transferred to revenue	3 297 721	1 919 890	3 297 721	1 919 890
Amounts still to be claimed	(61)	(208)	(61)	(208)
Conditions still to be met – transferred to liabilities – see note 17	(527 091)	(1 378 915)	(527 091)	(1 378 915)
These grants received from National Government are for operating and capital expenditure, such as budget reform, restructuring, urban renewal, and so forth. Other than the amounts unspent, the conditions of the grants have been met – see appendix D.				
29. PUBLIC CONTRIBUTIONS				
Public contributions: Consumer connections	31 932	36 984	31 932	36 984
Other	10 996	26 677	10 684	26 369
TOTAL	42 928	63 661	42 616	63 353
Public contributions and other third-party funds				
Balance unspent at the beginning of the year	(61 931)	(67 684)	(61 931)	(67 684)
Regrouping adjustment	–	(613)	–	(613)
Current-year receipts	(40 429)	(58 587)	(40 429)	(58 587)
Interest earned	(502)	(802)	(502)	(802)
Adjustments	368	6 259	368	6 259
Conditions met – transferred to revenue	42 616	62 353	42 616	62 353
Amounts still to be claimed	(1 639)	(2 857)	(1 639)	(2 857)
Conditions still to be met – transferred to liabilities – see note 17	(61 517)	(61 931)	(61 517)	(61 931)
The Entity receives grants from various private donors for operating and capital projects. Included in these funds are monies held on behalf of third parties. Other than the amounts unspent, the conditions of the grants have been met. No funds have been withheld.				
30. EMPLOYEE-RELATED COSTS				
Salaries and wages	4 795 133	4 341 494	4 753 781	4 305 903
Social contributions – UIF, pensions and medical aid	1 259 152	1 129 270	1 254 508	1 125 294
Travel, car, accommodation, subsistence and other allowances	305 813	287 457	305 813	287 457
Housing benefits and allowances	29 266	31 061	29 266	31 061
Overtime payments	335 494	310 412	335 100	310 205
Contribution: Provisions and accruals	790 342	886 744	790 342	886 744
	7 515 200	6 986 438	7 468 810	6 946 664
Expenditure recharged to capital projects	(22 611)	(22 137)	(22 611)	(22 137)
TOTAL	7 492 589	6 964 301	7 446 199	6 924 527

The 2012 comparative amount of R6,96 billion has been restated from R6,95 billion (see note 47.1).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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31. REMUNERATION OF COUNCILLORS

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Executive Mayor	1 108	1 050	1 108	1 050
Deputy Executive Mayor	781	740	781	740
Speaker	781	740	781	740
Chief Whip	734	695	734	695
Mayoral Committee members	7 786	7 350	7 786	7 350
Subcouncil chairpersons	18 025	15 206	18 025	15 206
Portfolio chairpersons	11 225	–	11 225	–
Councillors	66 745	67 924	66 745	67 924
Councillors' pension contributions	4 488	4 067	4 488	4 067
Board members (CTICC)	208	144	–	–
TOTAL	111 881	97 916	111 673	97 772
32. IMPAIRMENT COSTS				
Allowances for impairment losses	926 947	820 121	926 812	818 450
Impairment of property, plant and equipment	7 110	27 392	7 110	27 392
TOTAL	934 057	847 513	933 922	845 842
33. DEPRECIATION AND AMORTISATION EXPENSES				
Depreciation of property, plant and equipment	1 613 310	1 378 163	1 591 591	1 355 425
Depreciation of investment property	1 629	1 653	1 629	1 653
Amortisation of intangible assets	27 055	15 018	27 055	15 018
TOTAL DEPRECIATION AND AMORTISATION EXPENSES	1 641 994	1 394 834	1 620 275	1 372 096
– see notes 1, 3, 4 and appendix B				
Grants-funded assets financed from reserves	(632 276)	(522 907)	(632 276)	(522 907)
NET TOTAL DEPRECIATION AND AMORTISATION	1 009 718	871 927	987 999	849 189
34. FINANCE COSTS				
Interest expenses	677 495	647 526	675 881	645 900
Borrowings (amortised cost)	677 495	642 664	675 881	641 038
Finance leases (amortised cost)	–	4 862	–	4 862
Losses on valuation of investment	7 903	–	7 903	–
Unwinding of discount	31 536	35 350	31 536	35 350
Bond issue expenses	13 349	283	13 349	283
Loss on foreign-exchange transactions	505	7	505	–
TOTAL	730 788	683 166	729 174	681 533
35. BULK PURCHASES				
Electricity	6 097 891	5 385 001	6 097 891	5 385 001
Water	293 295	320 262	293 295	320 262
TOTAL	6 391 186	5 705 263	6 391 186	5 705 263
36. GRANTS AND SUBSIDIES PAID				
Ad hoc	213	10	–	–
Community development and upliftment	8 918	9 384	8 918	9 384
Economic development and promotion of tourism	66 368	65 658	66 368	65 658
Education institutions	365	1 239	365	1 239
Health forum/health, HIV/Aids and TB programmes	4 768	3 675	4 768	3 675
Senior citizens – facilities for the aged	100	289	100	289
Social development and arts and culture	7 674	5 438	7 674	5 438
Sporting bodies	520	2 229	520	2 229
Wesgro	–	10 000	–	10 000
Cape Town World Design Company	–	–	8 500	–
Khayelitsha Community Trust	5 931	5 580	5 931	5 580
TOTAL	94 857	103 502	103 144	103 492

37. GENERAL EXPENSES

	Economic entity		Municipality of Cape Town	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Chemicals	114 731	99 450	114 731	99 450
Communication and publication	28 900	31 821	26 129	28 743
Computer services and software	49 420	30 629	44 448	25 508
Consultants	168 102	150 960	162 458	147 364
Free basic electricity (FBE)*	101 147	93 874	101 075	93 563
Fuel	221 073	191 191	220 406	190 792
Hire charges	146 556	147 652	145 768	147 134
Legal fees	44 715	35 260	42 954	34 698
Levy: Skills development	56 475	48 398	56 475	48 398
Licences and permits	73 185	70 303	73 185	70 303
Materials and consumables	303 192	290 487	284 193	273 402
CIDs	–	–	103 663	86 823
Minor tools and equipment	64 374	51 175	64 374	51 172
Pharmaceutical supplies	90 960	71 874	90 960	71 874
Postage and courier	30 178	26 599	30 149	26 572
Printing and stationery	67 125	62 049	66 482	61 545
Rental	57 834	57 806	56 688	56 561
Inventory: Scrapping	803	5 402	803	5 402
Security services	349 922	316 400	344 827	311 703
Sewerage services – disposals external	59 789	47 450	59 789	47 450
Telecommunications	106 140	115 442	104 502	113 985
Training	86 707	70 109	85 574	69 676
Insurance: Claims	31 307	26 659	31 307	26 659
Insurance: Underwriting	32 039	25 557	32 039	25 557
Indigent relief	446 475	369 226	446 475	369 226
Contributions to/(from) provisions	31 765	(58 822)	31 765	(58 822)
Other expenditure	790 526	700 606	755 688	673 394
	3 553 440	3 077 557	3 576 907	3 098 132
Expenditure recharged to capital projects	(3 165)	(2 397)	(3 165)	(2 397)
TOTAL	3 550 275	3 075 160	3 573 742	3 095 735

*Payment to ESKOM to subsidise the FBE portion supplied by ESKOM to residences in the municipal area of the City of Cape Town.

38. TAXATION**Deferred taxation****CTICC**

Deferred income taxes are calculated on all temporary differences, using a tax rate of 28% (2012: 28%).

At the beginning of the year

6 915 8 318

Temporary differences

(2 275) (1 403)

At the end of the year

4 640 6 915

CIDs

At the beginning of the year

26 35

Reverse temporary differences on prepayments

27 –

Reverse temporary differences on finance lease obligations

4 (9)

At end of the year

57 26

The balance comprises

Capital allowance (non-deductible temporary differences)

4 640 6 915

Reverse temporary differences on finance lease obligations

57 26

TOTAL

4 697 6 941

Statement of financial performance charge

Taxation

Current year: CTICC

8 877 4 113

CIDs

31 (9)

8 908 4 104

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for the year ended 30 June 2013

39. CASH GENERATED FROM OPERATIONS

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Surplus for the year	3 477 916	2 480 118	3 443 726	2 465 561
Adjustment for:	2 459 247	2 549 141	2 449 070	2 530 966
Depreciation	1 641 994	1 394 834	1 620 275	1 372 096
Contributed assets	(2 839)	(76 435)	(2 527)	(76 127)
Impairment	7 110	27 392	7 110	27 392
Fair-value adjustment – concessionary loans	(378 838)	–	(378 838)	–
Gains on foreign-exchange transactions	138	44	–	–
Gains and losses on disposal of assets	(85 153)	(42 397)	(85 304)	(42 420)
Contribution to provisions	1 235 855	779 975	1 236 234	779 380
Contribution to impairment provision	(129 705)	352 544	(129 826)	350 873
Investment impairment reversed	(4 288)	–	–	–
Finance income	(555 815)	(569 982)	(547 228)	(561 761)
Finance costs	730 788	683 166	729 174	681 533
Operating surplus before working capital changes	5 937 163	5 029 259	5 892 796	4 996 527
Increase in inventories	(3 285)	(17 751)	(3 542)	(17 759)
Increase in receivables	(101 908)	(639 430)	(101 894)	(637 980)
Increase in other receivables	(30 574)	(62 917)	(24 103)	(63 632)
(Decrease)/increase in unspent conditional grants and receipts	(807 196)	557 072	(807 196)	557 072
Increase in payables	606 714	451 831	593 015	469 751
Increase in net VAT	11 735	388	11 735	388
Cash generated from operations	5 612 649	5 318 452	5 560 811	5 304 367

40. CASH AND CASH EQUIVALENTS

Balance at the end of the year	4 910 631	3 481 533	4 730 196	3 327 832
Balance at the beginning of the year	3 481 533	3 304 129	3 327 832	3 151 257
Net increase in cash and cash equivalents	1 429 098	177 404	1 402 364	176 575

41. RECONCILIATION OF UTILISATION OF LONG-TERM BORROWINGS

Borrowings raised – see appendix A	2 384 420	431	2 384 420	–
External Finance Fund (EFF) – earmarked capital expenditure 2011/12 and prior years	(5 676 732)	(3 801 138)	(5 676 732)	(3 801 138)
Current year	(3 923 308)	(2 700 480)	(3 923 308)	(2 700 480)
Total EFF (overdrawn)	(1 753 424)	(1 100 658)	(1 753 424)	(1 100 658)
Cash set aside for the repayment of borrowings – see note 6 and 12	(3 292 312)	(3 800 707)	(3 292 312)	(3 801 138)
	900 875	641 651	900 875	641 651
Cash overdrawn	(2 391 437)	(3 159 056)	(2 391 437)	(3 159 487)

42. BUDGET INFORMATION

The explanatory comments on the budget variances have been provided on the consolidated Entity's variances since the impact of the City of Cape Town's subsidiaries' variances are minimal.

42.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements. The increase in the expected capital budget is due to the reprioritisation of capital projects, with corresponding changes to funding sources.

42.2 Explanation of variances greater than 5%: Final budget and actual amounts

42.2.1 Statement of financial position

- i) Current assets
The cash available was much higher than anticipated due to an underspend in capital and operating expenditure.

42.2.2 Statement of financial performance

Revenue

- i) Finance income
The interest earned during the year was higher than anticipated due to the Entity's cash and investment balances remaining favourable during the year.
- ii) Licences and permits
Actual results were better than anticipated largely as a result of an increased number of licences and permits issued, specifically informal trader permits, drivers licences, roadworthy certificates and hoarding permits.
- iii) Agency services
A higher-than-anticipated number of transactions processed on behalf of the Provincial Government for the year under review resulted in higher income received for agency services.
- iv) Other income
The variance can largely be ascribed to the recognition of the fair-value adjustment due to loans taken up at concessionary rates.
- v) Gains on disposal of property, plant and equipment
The amounts realised were higher than the budgeted amounts.
- vi) Fines
The income from fines was lower than budgeted due to the lower number of fines issued, the review of fines in municipal courts, and administrative capacity challenges.
- vii) Government grants and subsidies
The variance is the combined result of performance related to project funded from operational and capital grants. Spending on these projects was influenced by a number of factors, such as delays in planned start-up, community dynamics and influences, changes in contract scope, contract award objection processes, environmental issues, delays in delivery of materials/goods, and contractor performance, which all resulted in an underspend for the year and the roll over of funding and continuation of projects in the new financial year.
- viii) Public contributions
The variance is the combined result of performance related to projects funded from operational and capital. Spending on these projects was influenced by a number of factors, such as delays in planned start-up, community dynamics and influences, changes in contract scope, contract award objection processes, environmental issues, delays in delivery of materials/goods, and contractor performance, which all resulted in an underspend for the year and the roll over of funding and continuation of projects in the new financial year.

Expenditure

- i) Impairment costs
The lower impairment costs realised are due to an improved debt collection ratio.
- ii) Grants and subsidies paid
Delays in submission of documentation from applicants resulted in lower-than-anticipated grants paid to beneficiaries, while the reprioritisation of resources within specific departments further contributed to the underspend.

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for the year ended 30 June 2013

42.2.3 Capital expenditure

- i) City Health
The delay in the implementation of projects was due to community protest, which has since been resolved.
- ii) City Manager
The variance is due to the realisation of savings on the budget, and insurance claims being less than anticipated.
- iii) Community Services
The lower-than-anticipated implementation percentage is due to delays experienced with the planning and environmental impact assessment processes for road alignment.
- iv) Deputy City Manager
The underspend was due to additional approvals being required for professional fees.
- v) Economic, Environmental and Spatial Planning
The underspend was due to administrative delays.
- vi) Finance
The underspending was due to the project being suspended indefinitely for forensic investigation.
- vii) Safety and Security
The underspend was due to administrative delay and the tenderer's guarantees being awaited.
- viii) Social Development and Early Childhood Development
The underspend was due to administrative delay.
- ix) Tourism, Events and Marketing
The underspend was due to delays experienced with the implementation of the projects in order to deal with non-responsive tender bids.
- x) Human Settlements
The implementation of the projects was delayed due to community protest. In addition, the acquisition of land was delayed due to vacillations on land transactions.
- xi) Water and Sanitation
The underspend recorded in the implementation of projects was due to a multitude of reasons, including the following:
 - Delays in obtaining way leaves
 - Delayed delivery of equipment due to shipments from abroad
 - Liquidation of contracts
 - Appeals from tenderers
 - Incomplete design specifications
 - Delays in lead time for delivery of equipment
 - Administrative delays
 - Savings realised on projects
- xii) Subsidiaries
The capital expenditure projects were 95% completed or in progress as at year end. The variances relate mainly to savings on completed projects as well as projects in progress as at year end.

43. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE, MATERIAL LOSSES

43.1 Irregular expenditure

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Opening balance	122 568	187 164	122 568	187 164
Irregular expenditure – supply chain management (SCM) regulations (see incidents below)	1 465	17 625	1 465	14 915
Regularised and ratified	(124 033)	(82 221)	(124 033)	(79 511)
Closing balance	–	122 568	–	122 568

Incidents				
• Deviation from SCM regulations due to nature of business	–	2 710	–	–
• Proper tender procedures not followed due to oversight	–	214	–	214
• SCM policy on declarations of interest for quotations below R200 000 not fully adhered to in respect of suppliers found to be in the employ of the state	–	325	–	325
• SCM policy on declarations of interest for quotations below R200 000 not fully adhered to in respect of goods only	–	1 786	–	1 786
• Declaration of interest of suppliers in the employ of the state overlooked and one false declaration	1 450	12 446	1 450	12 446
• Business conducted with one staff member	15	90	15	90
• Business conducted with a supplier of whom a City staff member is a non-executive director	–	54	–	54
Incidents for the year	1 465	17 625	1 465	14 915

43.2 Fruitless and wasteful expenditure

Opening balance	288	986	–	431
Amount recovered	–	(267)	–	–
Certified as irrecoverable by Council	(142)	(431)	–	(431)
Closing balance	146	288	–	–

43.3 Material losses

Water losses	66 240	70 061	66 240	70 061
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In the year under review, the reticulation losses were 7,6% (2012: 8,4%). These losses are predominantly due to metering inefficiencies, which constitute an apparent loss. A major reduction has been achieved since the previous financial year by addressing metering inconsistencies. The production losses amounted to R89,03 million (2012: R90,89 million).

The 2012 comparative amount of R70,06 million has been restated from R76,97 million due to changes in estimates.

Electricity losses

In the year under review, energy losses were 9,31% (2012: 10,75%). These losses are the result of theft and vandalism. The production losses amounted to R400,35 million (2012: R352,74 million).

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44. COMMITMENTS

44.1 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure

	Economic entity		Municipality of Cape Town	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Approved and contracted for:				
Infrastructure	1 090 589	1 418 983	1 090 589	1 418 983
Community	91 140	21 302	91 140	21 302
Other	588 384	587 050	588 384	587 050
TOTAL	1 770 113	2 027 335	1 770 113	2 027 335

44.2 OPERATING LEASE COMMITMENTS

44.2.1 The Entity as lessee

Future minimum lease payments under non-cancellable operating leases

Land and buildings

Payable within one year

Payable within two to five years

Vehicles and other equipment

Payable within one year

Payable within two to five years

Payable after five years

Minimum lease payments recognised as an expense during the period amount to R41,11 million (2012: R44,68 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

48 489	68 442	48 489	68 279
26 415	25 785	26 415	25 622
22 074	42 657	22 074	42 657
–	56	–	56
–	56	–	56
–	–	–	–
–	–	–	–
48 489	68 498	48 489	68 335

44.2.2 The Entity as lessor

Future minimum lease income under non-cancellable operating leases

Receivable within one year

Receivable within two to five years

Receivable after five years

Buildings

16 068	15 368	17 988	17 448
48 507	53 792	52 827	60 032
142 085	152 868	142 085	152 868
206 660	222 028	212 900	230 348

The Entity lets properties under operating leases. Property rental income earned during the year was R13,55 million (2012: R12,33 million). The properties are maintained by the tenants, at their cost. No investment properties have been disposed of since the date of the statement of financial performance.

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been an increase of R3,22 million in current-year income.

The 2012 comparative amount of R222,03 million has been restated from R321,21 million. A review of the lease contract data revealed errors due to incorrect contract dates and leases being incorrectly categorised (see note 47.1).

45. ADDITIONAL DISCLOSURES

45.1 MUNICIPAL FINANCE MANAGEMENT ACT

45.1.1 Section 124

Disclosure concerning councillors municipal accounts in arrears

During the reporting period, the following councillors were in arrears for more than 90 days.

Basson, J	Ntsodo, A
Bryant, DW	Smith, JP
Cottee, D	Williams, A

	Total R'000	Outstanding <90 days R'000	Outstanding >90 days R'000
As at 30 June 2013			
Basson, J	10	9	1
Balance was paid in full on 22 July 2013	10	9	1

During the **financial period 2011/12**, the following councillors were in arrears for more than 90 days.

Abrahams, FL	Isaacs, VR	Ndongeni, AX
Adams, Y	James, LV	Ndzulwana, N
Gabuza, A	Maci, L	Nikelo, M
Gqada, T	Mack, CJ	Uys, TA – Bloemhof Guesthouse
Hinana, EN	Maxheke, JJ	Weavers, M
Honono, TT	Morkel, HK – Carthen Investment (Pty) Ltd	Zondani, GL

As at **30 June 2012**, no councillors were in arrears in respect of rates and services.

- 45.1.2** Included in the debtors' arrears is an amount of R1,56 million (2012: R1,70 million) outstanding for more than 120 days, owed by the representative political parties to the Entity.

45.1.3 Section 125

Other compulsory disclosures

	South African Local Government Association (SALGA) contributions R'000	Audit fees R'000	Pay-as-you-earn (PAYE) and Unemployment Insurance fund R'000	Pension and medical aid R'000
As at 30 June 2013				
Opening balance	–	263	62 543	155 305
Subscriptions/fees	9 800	16 189	1 017 760	2 004 302
Amount paid – current year	(9 800)	(16 007)	(932 873)	(1 831 676)
Amount paid – previous years	–	(263)	(62 543)	(155 304)
Balance unpaid (included in payables)	–	182	84 887	172 627
As at 30 June 2012				
Opening balance	7 170	481	60 419	141 774
Subscriptions/fees	9 500	17 655	804 472	1 815 186
Amount paid – current year	(9 500)	(17 392)	(741 929)	(1 659 881)
Amount paid – previous years	(7 170)	(481)	(60 419)	(141 774)
Balance unpaid (included in payables)	–	263	62 543	155 305

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45.2 SUPPLY CHAIN MANAGEMENT REGULATIONS

45.2.1 Deviations

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
In terms of section 36 of the municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting Officer and noted by Council. The expenses incurred as listed below have been approved by the Accounting Officer and noted by Council. Deviations have been approved in principle, subject to controls such as unit cost and the availability of costs and budget.				
Incidents				
Appointment of consultants	104 798	72 543	104 798	72 543
Information technology upgrade	192 355	18 131	192 355	18 131
Upgrade of electricity services	484	–	484	–
Extension of contract	214 975	289 845	214 975	289 845
Upgrade of road infrastructure	34 944	10 588	34 944	10 588
Supply and delivery of plant and equipment	92 911	11 092	92 911	11 092
Other	158 767	39 660	154 314	39 660
Deviations less than R200 000	335 985	333 615	335 985	333 615
Total amount approved by the Accounting Officer and noted by Council	1 135 219	775 474	1 130 766	775 474
All deviations considered by the Accounting Officer are processed in terms of the SCM regulation and the SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria of emergency procurements, availability from only one provider, art-historical objects, circumstances where it is impractical or impossible to follow the official procedure, or correction of minor technical breaches.				
45.2.2 SCM breaches				
Ratification of minor breaches	6 937	233 200	–	223 760
Regularisation of breaches	634	–	634	–
Total amount regularised and ratified	7 571	233 200	634	223 760

45.2.3 Bids awarded to family of employees in service of the state

In terms of section 45 of the municipal SCM regulation, any award above R2 000 to family of employee in the service of the state must be disclosed in the annual financial statements. The following is a list as recorded in the declaration-of-interest form.

Connected person	Position held with state	Economic entity		Municipality of Cape Town	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
			Restated ¹		Restated ¹
Adams, J	Secretary	–	130	–	130
Appolis, T	Operator: Mechanical Plant	–	49	–	49
Booyesen, P	Clerk	533	1 216	533	1 216
Buitendag, G	Principal Professional Officer	6 761	2 686	6 761	2 686
Cedras, A	Senior Superintendent	549	1 088	549	1 088
Connor, C	Head: COID	123	210	123	210
Da Costa, H	Professional Officer	–	23	–	23
Daniels, L	Senior Foreman	13 887	890	13 887	890
Daries, SS	Senior Superintendent	–	6	–	6
Davids, CB	Administrative Officer	–	44	–	44
Davids, R	SCM Assistant Buyer	–	657	–	657
De Vries, S	Superintendent	102	221	102	221
Du Toit, J	SCM Assistant Buyer	587	198	587	198
Gaya, M	Operational supervisor/driver	9	–	9	–
Hattingh, PM	Administrative Officer	184	924	184	924
Hoosain, N	Clerk	–	1 347	–	1 347
Ishmail, E	Manager: Valuations Data and Systems	2 061	5 063	2 061	5 063
Jacobs, MS	Clerk	207	850	207	850
January, L	Head: Area	–	116	–	116
Johns, KM	Clerk	5	55	5	55
Jones, B	Clerk	–	284	–	284
Koning, G	Enrolled Nurse	38	18	38	18
Kupiso, NG	Water Pollution Control Inspector	94	247	94	247
Lategan, L	Clerk	14	2	14	2
Louis, D	Clerk	129	256	129	256
Mama, X	Head: Area Manager	375	627	375	627
Manuel, J	Traffic Officer	–	13	–	13
Maputsi, J	Learner/Senior Fire-fighter	–	661	–	661
Merile, SS	Operator: Small Plant	1 574	753	1 574	753
Modack, K	Specialist Clerk	–	60	–	60
Monk, FJ	Subcouncil manager	345	–	345	–
Mshweshwe, MC	Statutory Compliance Specialist	173	373	173	373
Pardenwachter, M	Professional Officer	–	91	–	91
Platen, R	Special Workman	–	4	–	4
Sammy, MF	Administrative Officer	40	84	40	84
Scholtz, LM	Secretary	828	1 187	828	1 187
Sipoyo, QG	Risk and Safety Advisor	–	871	–	871
Smith, P	Administrative Officer	–	90	–	90
Swanson, R	Courier	–	63	–	63
Thorpe, M	SCM Assistant Buyer	128	431	128	431
Timotheus, W	Operational Supervisor/Driver	–	6	–	6
Trom, F	Worker	7	11	7	11
Votersen, MF	Head: Finance, Parks	341	1 299	341	1 299
Total		29 094	23 204	29 094	23 204

- The comparative figure of the previous year has been restated due to the City's improved system and control procedures regarding section 45 of the SCM regulation. The 2012 amount of R23,20 million has been restated from R34,92 million.

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46. FINANCIAL RISK MANAGEMENT

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Entity's operations. This note presents information about the Entity's exposure to each of the above risks, its policies and processes for measuring and managing risk, and the Entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Entity's Risk Management Committee is responsible for overseeing the City's integrated risk management (IRM) policies and activities. The IRM policies were established to ensure a structured approach to the identification and mitigation of risks across the Entity to an acceptable level. The IRM policies and systems are reviewed regularly to ensure that they keep pace with best practices and regulatory requirements. To enable the Audit Committee to comply with their role and responsibilities with regard to risk management, all documentation and reports of Risk Management Committee meetings are supplied to the Audit Committee on a quarterly basis.

The accounting policy for financial instruments was applied to the following items in the statement of financial position:

	Amortised cost R'000	Fair value R'000	Total carrying amount R'000	Fair value R'000
Financial assets				
2013				
Investments	140 972	3 424 479	3 565 451	3 583 911
Long-term receivables	122 211	–	122 211	122 211
Receivables	4 170 933	–	4 170 933	4 170 933
Other receivables	301 016	–	301 016	301 016
Cash and cash equivalents	3 800 865	1 109 766	4 910 631	4 910 631
	8 535 997	4 534 245	13 070 242	13 088 702
2012				
Investments	111 529	2 883 350	2 994 879	2 279 321
Long-term receivables	119 086	–	119 086	119 086
Receivables	3 977 942	–	3 977 942	3 977 942
Other receivables	277 906	–	277 906	277 906
Cash and cash equivalents	1 769 483	1 712 050	3 481 533	3 481 533
	6 255 946	4 595 400	10 851 346	10 135 788
	Amortised cost R'000		Total carrying amount R'000	Fair value R'000
Financial liabilities				
2013				
Borrowings	7 371 341		7 371 341	8 192 395
Payables	3 737 751		3 737 751	3 737 751
	11 109 092		11 109 092	11 930 146
2012				
Borrowings	5 489 134		5 489 134	6 295 331
Payables	3 139 876		3 139 876	3 139 876
	8 629 010		8 629 010	9 435 207

46.1 Fair values

The table below analyses financial instruments carried at fair value at the end of the reporting period, by level of fair-value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments, and have been defined as follows:

Level 1: Fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2: Fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments, where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets				
2013				
Investments	2 456 013	968 466	–	3 424 479
Cash and cash equivalents	–	1 109 766	–	1 109 766
	2 456 013	2 078 232	–	4 534 245
2012				
Investments	1 844 250	1 039 100	–	2 883 350
Cash and cash equivalents	–	1 712 050	–	1 712 050
	1 844 250	2 751 150	–	4 595 400

46.2 Liquidity risk

Liquidity risk is the risk of the Entity not being able to meet its obligations as they fall due. The Entity's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Entity's reputation.

The Entity ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

An average of 95,06% (2012: 94,93%) of receivable (own billed) income is realised within 30 days after the due date, and payables are settled within 30 days of invoice. National and provincial grant funding is received in terms of the Division of Revenue Act (DoRA).

The following are contractual liabilities of which interest is included in borrowings:

	Up to 1 year R'000	1–5 years R'000	>5 years R'000	Total R'000
2013				
Liabilities				
Borrowings	1 211 995	4 004 999	9 543 711	14 760 705
Capital repayments	419 496	1 151 001	5 800 844	7 371 341
Interest	792 499	2 853 998	3 742 867	7 389 364
Payables	3 737 751	–	–	3 737 751
Payables	3 055 797	–	–	3 055 797
Sundry creditors	681 954	–	–	681 954
	4 949 746	4 004 999	9 543 711	18 498 456

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46.3 Credit risk

Credit risk is the risk of financial loss to the Entity if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from the Entity's investments, loans, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was as follows:

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Investments	3 565 451	2 994 879	3 565 451	2 994 879
Long-term receivables – see note 7	122 211	119 086	122 211	119 086
Receivables and other receivables – see note 9 and 10	4 471 949	4 255 848	4 461 926	4 251 500
Cash and cash equivalents – see note 11	4 910 631	3 481 533	4 730 196	3 327 832
Total	13 070 242	10 851 346	12 879 784	10 693 297

Investments and cash and cash equivalents

The Entity limits its exposure to credit risk by investing with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with Council's approved investment policy. Consequently, the Entity does not consider there to be any significant exposure to credit risk

Long-term receivables

Loans are granted and managed in accordance with policies and regulations as set out in note 7. The associated interest rates and repayments are clearly defined and, where appropriate, the Entity obtains certain suitable forms of security when granting loans. Allowances for impairment are made in certain instances.

Receivables

Receivables are amounts owing by consumers, and are presented net of impairment losses. The Entity has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The Entity is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services, without recourse to an assessment of creditworthiness. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The Entity's strategy for managing its risk includes encouraging residents to install water management devices that control water flow to households, as well as prepaid electricity meters. In certain instances, a deposit is required for new service connections, serving as a guarantee.

The Entity's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance. The Entity has no significant concentration of credit risk, with exposure spread over a large number of consumers and not concentrated in any particular sector or geographic area. The Entity establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The outstanding amounts of the ten largest debtors represent 1,20% (2012: 0,87%) of the total outstanding balance. The average credit period on services rendered is 30 days from date of invoice. Interest is raised at prime plus 1% on any unpaid accounts after the due date. The Entity has provided fully for all receivables outstanding over 365 days. Receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience. Additional information relating to the analysis of receivables is given in note 9 and 10. Consumer debtors with a demonstrable inability to pay are encouraged to apply for potential indigent status as an ongoing customer relationship strategy as well as to enable the City of Cape Town to make adequate provision for such relief.

46.4 Capital management

The primary objective of managing the Entity's capital is to see to it that there is sufficient cash available to support the Entity's funding requirements, including capital expenditure, to ensure that the Entity remains financially sound.

The Entity monitors capital using a gearing ratio, which is net debt, divided by total capital, plus net debt. In a capital intensive industry, a gearing ratio of 50% or less can be considered reasonable. Included in net debt are interest-bearing loans and borrowings, payables, less investments.

46.5 Currency risk

The Entity is exposed to foreign-currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers. The Entity manages any material direct exposure to foreign-currency risk by entering into forward exchange contracts. The Entity manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement, in order to predetermine the rand value of the contracted goods or services. The Entity was not a direct party to any outstanding forward exchange contracts at the reporting date. The movement in the currency was not material to the Entity's procurement and, consequently, is not elaborated on any further.

46.6 Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, affecting the Entity's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk.

The effective rates on financial instruments as at 30 June 2013 are as follows:

	Maturity of interest-bearing assets/liabilities				Total R'000
	Weighted interest rate %	1 year or less R'000	1 – 5 years R'000	>5 years R'000	
Financial assets					
Investments	5,03	3 430 794	139 985	–	3 570 779
Cash and cash equivalents	5,56	4 694 543	–	–	4 694 543
Total financial assets		8 125 337	139 985	–	8 265 322
Financial liabilities					
Borrowings	9,72	419 496	1 151 001	5 800 844	7 371 341
Total financial liabilities		419 496	1 151 001	5 800 844	7 371 341

Interest rate sensitivity analysis

Financial assets

As at 30 June 2013, if the weighted interest rate at that date had been 100 basis points higher, with all other variables held constant, the fair-value impact on the statement of financial performance would have been R74,55 million, with the opposite effect if the interest rate had been 100 basis points lower.

Financial liabilities

As at 30 June 2013, if the interest rate at that date had been 100 basis points higher or lower, with all the other variables held constant, the fair-value liability would have no impact, as all borrowings are at a fixed interest rate.

47. PRIOR-YEAR ADJUSTMENTS

47.1 Correction of errors – City of Cape Town

Recognition of annual bonus provision for employees other than those on total cost of employment (TCOE). The reason for the correction of error is that the City of Cape Town was of the opinion that no contractual obligation existed in the past, but a constructive obligation exists due to past practices.

A review of the lease contract data revealed errors due to incorrect contract dates and leases being incorrectly categorised.

Presented below are only those items contained in the statement of financial position and the statement of financial performance that have been affected by the prior-year adjustments.

Note	Economic entity		Municipality of Cape Town		Correction of errors R'000	Economic entity		Municipality of Cape Town	
	As previously reported R'000		As previously reported R'000			Restated R'000		Restated R'000	
2011									
Statement of financial position									
Payables from exchange transactions	3 356 178		3 321 917		(132 347)	3 223 831		3 189 570	
Statement of net assets									
Accumulated surplus	14 468 763		14 369 652		(132 347)	14 336 416		14 237 305	
2012									
Statement of financial position									
Other receivables	10 313 387		305 949		(33 208)	280 179		272 741	
Payables from exchange transactions	16 3 799 494		3 783 153		140 862	3 940 356		3 924 015	
Statement of net assets									
Accumulated surplus	21 17 002 060		16 895 822		(174 070)	16 827 990		16 721 752	
Statement of financial performance									
Rental of letting stock and facilities	24 289 736		289 736		(33 208)	256 528		256 528	
Total revenue	23 823 188		23 686 795		(33 208)	23 789 980		23 653 587	
Employee-related costs	30 6 955 786		6 916 012		8 515	6 964 301		6 924 527	
Total expenditure	21 301 347		21 179 511		8 515	21 309 862		21 188 026	
Surplus for the year	2 521 841		2 507 284		(41 723)	2 480 118		2 465 561	

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47.2 Changes in accounting estimates – City of Cape Town

The annual review of the useful lives of assets resulted in a decrease of R24,90 million (2012: R4,04 million) in the depreciation charge to the statement of financial performance.

The comparative amount of R70,06 million material in water losses has been restated from R76,97 million due to the need to revise estimates of bulk water metering inaccuracy.

It is impracticable to estimate the impact of these changes in estimate on future periods.

48. RETIREMENT BENEFIT INFORMATION

The Entity makes provision for post-retirement benefits to eligible councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act, Act 24 of 1956 and include both defined-benefit (DB) and defined-contribution (DC) schemes. Contributions of R723,66 million (2012: R654,29 million) to the DB and DC structures are expensed as incurred during the year under review.

These schemes are subject to a triennial, bi-annual or annual actuarial valuation, as set out below.

48.1 DEFINED-BENEFIT SCHEMES

Cape Joint Pension Fund (multi-employer fund)

The DB section is a multi-employer plan, and the contribution rate payable is 27%, i.e. 9% by the members and 18% by their councils. The fund was certified by the actuary as being in a sound financial position as at 30 June 2012. The valuation indicates a break even actuarial result, and is 99,4% funded at the financial year end. The City of Cape Town is among the local authorities that contribute to the Cape Joint Pension Fund. Included in the rules of the fund is a proviso that the assets provide a minimum return of 5,5% per annum, failing which the local authorities associated with the fund are required to fund the shortfall in direct proportion to the level of contributions made. As at the date of these financial statements, an assessment of the performance of the fund's assets for the 2011 year had not been completed. Should the return of the assets be less than 5,5%, the City could be liable for its portion of the shortfall in terms of the rules of the fund. The City is currently engaged in a dispute that relates to a shortfall in the return of the fund assets, as contemplated above, during the 2008 and 2009 financial years, for an amount of R96 million (2012: R96 million) and interest of R35,58 million (2012: R35,58 million). A provision of R96 million has been included in 'Other provisions' in note 15.

South African Local Authorities (SALA) Pension Fund (multi-employer fund)

The fund is a DB plan and is financially sound. It was 100% funded as at 1 July 2012, and had remained stable since the previous valuation date.

48.2 DEFINED-CONTRIBUTION SCHEMES

Cape Joint Pension Fund (multi-employer fund)

This scheme was established to accommodate the unique characteristics of contract employees and cost-to-company employees. All existing members were given the option to transfer to the DC plan before 1 July 2003. The actuary's report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed-bonus philosophy and given normal circumstances. The fund was certified by the actuary as being in a sound financial position as at 30 June 2012. The valuation disclosed funding of 105%.

Cape Retirement Fund for Local Authorities (multi-employer fund)

The contribution rate paid by the members (9%) and their councils (18%) is sufficient to fund the benefits accruing from the fund in future. The actuary certified the fund, a DC plan, as being in a sound financial position as at 30 June 2012.

Municipal Councillors' Pension Fund (multi-employer fund)

The Municipal Councillors' Pension Fund operates as a DC scheme. The contribution rate paid by the members (13,75%) and their councils (15%) is sufficient to fund the benefits accruing from the fund in the future. The fund was certified by the actuary as being in a sound financial position as at 30 June 2010.

National Fund for Municipal Workers (multi-employer fund)

The retirement and pension funds are both DC schemes. The last voluntary actuarial valuation of the fund was performed on 30 June 2008. As at 30 June 2008, the valuation disclosed funding of 100%.

South African Municipal Workers Union (SAMWU) National Provident Fund (multi-employer fund)

The SAMWU National Provident Fund is a DC scheme. The last actuarial valuation of the fund was performed at 30 June 2005, when the fund was certified as being in a financially sound position. A statutory valuation will be performed based on the 30 June 2008 audited financial statements, once they become available.

Cape Town International Convention Centre Company (Pty) Ltd (Convenco) Provident Fund

The Convenco Provident Fund operates as a DC scheme. The economic entity has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current or prior periods. The economic entity has no payment obligation once the contribution has been paid.

48.3 DEFINED-BENEFIT AND DEFINED-CONTRIBUTION SCHEME

Cape Municipal Pension Fund

The Cape Municipal Pension Fund operates as both a DB and a DC scheme. The actuarial valuation of the fund was performed at 30 June 2012, which certified it as being in a financially sound position. The next statutory valuation is due by 30 June 2015.

	Total	DB section	DC section
In-service members	9 632	301	9 331
Pensioners	5 096	3 824	1 272
Membership as at 30 June 2012	14 728	4 125	10 603

	2013 R'million	2012 R'million
Past-service position – DB section	3 739	3 574
Past-service position – DC section	6 357	5 822
Total liabilities	10 096	9 396
Assets valued at market value	10 109	9 408
Actuarial surplus	–	12

	2013 %	2012 %
Key financial assumptions		
Actual employer contribution – DB section	20,25	20,25
Actual employer contribution – DC section	18,00	18,00
Net discount rate: Pre-retirement	0,50	0,50
Post-retirement	1,50	2,50
Normal retirement age	60 years	60 years

48.4 POST-EMPLOYMENT DEFINED BENEFITS

48.4.1 Health-care arrangement assumptions

For past service of in-service and retired employees, the Entity recognises and provides for the actuarially determined present value of post-retirement medical-aid employer contributions on an accrual basis, using the projected unit credit method.

The members of medical aid schemes entitled to a post-employment medical scheme subsidy as at 30 June 2013 constituted 10 398 (2012: 10 966) in-service members and 6 492 (2012: 6 480) pensioners.

It was assumed that the employer's health-care arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits and contributions would remain unchanged, with the exception of inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidisation from in-service members to retiree members within the medical scheme are sustainable and will continue.

It is further assumed that the subsidy will continue until the last survivor's death for eligible members and their spouses, and to age 21, if earlier, for dependent children.

Continuation of membership

It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the City of Cape Town will remain on the employer's health-care arrangements.

Family profile

Family profile was based on actual data and, therefore, no assumptions had to be made.

Plan assets

Currently, no long-term assets are set aside off-balance sheet in respect of the employer's post-employment health-care liability.

Discount rate

The fund benefit liability to the City of Cape Town as at 30 June 2013 has been discounted at a rate determined on the basis of the yield of 9,22% (2012: 7,99%) per annum on government bonds.

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48.4.2 Retirement pension benefits

For past service of employees and retired employees, the Entity recognises and provides for the actuarially determined present value of post-retirement revenue pensions on an accrual basis, using the projected unit credit method.

The number of employees who were eligible for a post-retirement pension as at 30 June 2013 was 46 (2012: 30) in-service employees and 109 (2012: 125) pensioners.

Plan assets

Currently, no long-term assets are set aside off-balance sheet in respect of the employer's post-employment retirement pension liability.

Discount rate

The fund benefit liability to the Entity as at 30 June 2013 has been discounted at a 9,22% (2012: 7,34%) per-annum rate determined on the basis of the market yields on government bonds.

	Post-retirement scheme defined-benefit obligations					
	2013			2012		
	Health-care benefits R'000	Retirement pension benefits R'000	Total R'000	Health-care benefits R'000	Retirement pension benefits R'000	Total R'000
Present value of unfunded liability	3 882 906	56 774	3 939 680	3 566 435	17 004	3 583 439
Unrecognised actuarial gains	–	–	–	–	–	–
Net liability in statement of financial position	3 882 906	56 774	3 939 680	3 566 435	17 004	3 583 439
Interest costs	279 834	1 286	281 120	254 270	1 536	255 806
Service costs	92 359	462	92 821	79 194	651	79 845
Actuarial losses/(gains) recognised	83 461	39 598	123 059	376 394	(1 475)	374 919
Total included in statement of financial performance	455 654	41 346	497 000	709 858	712	710 570
Balance at the beginning of the year	3 566 435	17 004	3 583 439	2 982 893	17 797	3 000 690
Net expense recognised in statement of financial performance	455 654	41 346	497 000	709 858	712	710 570
Contributions paid	(139 183)	(1 576)	(140 759)	(126 316)	(1 505)	(127 821)
Net liability in statement of financial position	3 882 906	56 774	3 939 680	3 566 435	17 004	3 583 439

The contributions paid are actual contributions paid by the Entity, and the unrecognised actuarial gains and losses have been adjusted accordingly to take into account the difference between the estimated contribution payments determined by the actuary, and actual contributions paid to members by the Entity.

Post-retirement medical aid	Sensitivity analysis				
	Change in assumption	Liability R'000	Percentage change %	Service costs R'000	Interest costs R'000
Assumptions used		3 882 906		97 345	358 004
Health-care inflation	+1% increase	4 519 467	16,4	118 753	416 695
	-1% decrease	3 366 272	(13,3)	80 404	310 370
Valuation interest rate	+1% increase	3 378 564	(13,0)	80 801	345 289
	-1% decrease	4 513 591	16,2	118 553	371 017
Post-retirement mortality	2 years younger	4 018 406	3,5	100 511	370 497

Key financial assumptions	2013		2012	
	Health-care benefits %	Retirement pension benefits %	Health-care benefits %	Retirement pension benefits %
Discount rate	9,2	9,2	7,9	7,3
General inflation rate	5,8	5,8	5,4	5,2
General salary inflation rate	–	6,8	–	6,2
Health-care cost inflation rate	7,3	–	7,2	–
Net effective discount rate	1,8	–	0,8	–

49. GUARANTEES, CONTINGENT LIABILITIES AND ASSETS

49.1 Guarantees

The Entity issued a bank guarantee of R823 446 (2012: R823 446) as security for the lease of property.

49.2 Contingent liabilities

Contractual disputes

Various contractual claims by contractors/suppliers and staff are currently in dispute, and are subject to mediation. The potential extent of the liability cannot be determined, since it is subject to litigation, but a provisional estimate based on management assessment is R80,93 million (2012: R285,52 million).

A wage award has been made nationally by the courts, which could potentially have huge financial implications, if not renegotiated successfully by SALGA and the trade unions. The proposed renegotiation consists of a once-off settlement offer, and if not successful, the wage award would have future cost implications as alluded to above.

Outstanding insurance claims

The estimated liability for insurance claims amounts to R123,84 million (2012: R105,80 million). The estimated amount was based on quotations, medical reports and letters of demand received. The merits must still be determined and could result in a lesser or greater amount.

49.3 Contingent assets

Contractual disputes

The Entity's Information Systems and Technology Directorate is owed an amount of R13,96 million after it was issued inflated invoices. This contractual claim by the Entity is currently in dispute and is subject to mediation. Consequently, a contingent asset has been disclosed, as recognition of the R13,96 million depends on the outcome of the legal proceedings.

50. RELATED-PARTY DISCLOSURES

50.1 Municipal entities and special areas

During the year, in the ordinary course of business, transactions between the City of Cape Town and the following entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's-length transactions.

CTICC (Convenco)

The Convention Centre was established for Cape Town to become host to international conferences, with the objective of promoting Cape Town as a tourism city.

	Economic entity		Municipality of Cape Town	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Percentage owned			50,18%	50,18%
Arm's-length transactions for the year				
Receivables			1 300	1 314
Payables			1 068	–
Service charges			14 912	17 738
CTICC has outsourced the management of its operating division in terms of a contract dated June 2001 to Amsterdam RAI.				
Arm's-length transactions for the year				
Fixed management fees	–	1 043		

for the year ended 30 June 2013

Executive management

No business transactions took place between the City of Cape Town and key management personnel and their close family members.

50.2 Remuneration of management
50.2.1 Mayoral Committee members

	Analysis of remuneration benefits			
	Total R'000	Annual salary R'000	Car allowance R'000	Social contribution R'000
2013				
Executive Mayor				
Alderman De Lille, P	1 108	1 068	40	–
Executive Deputy Mayor/Finance				
Alderman Neilson, ID	874	781	–	93
Safety and Security Services				
Alderman Smith, JP	821	751	–	70
Corporate Services				
Alderman Qually, DL	821	751	–	70
Economic, Environmental and Spatial Planning				
Alderman Walker, B (until 31/01/2013)	479	434	–	45
Councillor Bloor, G (from 01/02/2013)	342	342	–	–
Social Development and Early Childhood Development				
Councillor Cortje-Alcock, BA (until 17/09/2012)	161	147	–	14
Councillor Little, S (from 27/09/2012)	625	625	–	–
Health				
Councillor James, LV	821	821	–	–
Community Services				
Councillor Gqada, T (until 31/01/2013)	479	479	–	–
Alderman Walker, B (from 01/02/2013)	342	310	–	32
Transport, Roads and Stormwater				
Councillor Herron, BN	821	821	–	–
Tourism, Events and Marketing				
Councillor Pascoe, GI	821	751	–	70
Utility Services				
Councillor Sims, S (until 31/01/2013)	479	479	–	–
Councillor Sonnenberg, EJ (from 01/02/2013)	342	305	–	37
Housing				
Councillor Sonnenberg, EJ (until 31/01/2013)	428	428	–	–
Councillor Gqada, T (from 01/02/2013)	378	342	–	36
	10 142	9 635	40	467

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	Analysis of remuneration benefits			
	Total R'000	Annual salary R'000	Car allowance R'000	Social contribution R'000
2012				
Executive Mayor				
Alderman De Lille, P	1 050	893	157	–
Executive Deputy Mayor/Finance				
Alderman Neilson, ID	829	628	112	89
Safety and Security Services				
Alderman Smith, JP	778	606	106	66
Corporate Services				
Alderman Qually, DL	778	606	106	66
Economic, Environmental and Spatial Planning				
Alderman Walker, B	778	606	106	66
Social Development and Early Childhood Development				
Councillor Cortje-Alcock, BA	779	590	106	83
Health				
Councillor James, LV	779	673	106	–
Community Services				
Councillor Gqada, T	779	673	106	–
Transport, Roads and Stormwater				
Councillor Herron, BN	779	673	106	–
Tourism, Events and Marketing				
Councillor Pascoe, GI	778	606	106	66
Utility Services				
Councillor Sims, S	778	673	105	–
Housing				
Councillor Sonnenberg, EJ	778	590	105	83
	9 663	7 817	1 327	519

50.2.2 Councillors/Mayoral committee members

	Analysis of remuneration benefits			
	Total R'000	Annual salary R'000	Car allowance R'000	Social contribution R'000
2013				
Mayoral committee members	10 142	9 635	40	467
Councillors	97 397	93 252	124	4 021
	107 539	102 887	164	4 488

	Analysis of remuneration benefits			
	Total R'000	Annual salary R'000	Car Allowance R'000	Social Contribution R'000
2012				
Mayoral committee members	9 663	7 817	1 327	519
Councillors	86 033	70 928	11 558	3 547
	95 696	78 745	12 885	4 066

Councillors in this note are remunerated according to the Remuneration of Public Office Bearers Act, Act 20 of 1998) and are disclosed not individually but in aggregate and have no executive powers for planning, directing and controlling the activities of the City. The mayoral committee members have such executive powers by virtue of their delegation and therefore are disclosed individually. Please refer to note 50.2.1. A full list of the councillors is disclosed on page 104 as part of the general information.

50.2.3 Executive management

Analysis of remuneration benefits							
	Total R'000	Annual salary R'000	Perform- ance bonus R'000	Car allowance R'000	Social contri- bution R'000	Travel and sub- sistence R'000	Relocation allowance R'000
2013							
City Manager							
Ebrahim, A	2 033	1 748	–	–	277	8	–
Deputy City Manager							
Marsden, M	1 727	1 496	–	–	231	–	–
Community Services							
Mtwazi, L	1 551	1 275	–	84	192	–	–
Corporate Services							
Habib, F (contract ended 31/03/2013)	1 233	1 231	–	–	2	–	–
Stelzner, A (acting 01/05/2013)	194	151	–	14	29	–	–
Economic, Environmental and Spatial Planning							
Hugo, J	1 566	1 524	–	–	42	–	–
Finance							
Jacoby, K	1 565	1 269	–	94	202	–	–
Health							
Bromfield, IK (contract ended 30/04/2013)	1 095	821	–	111	163	–	–
Mahlangu-Mathibela, W (appointed 01/05/2013)	258	230	–	14	14	–	–
Integrated Human Settlement Services							
Maqetuka, S	1 559	1 376	–	–	183	–	–
Compliance and Auxiliary Services							
Ras, D (appointed 01/05/2013)	257	257	–	–	–	–	–
Safety and Security							
Bosman, R	1 560	1 281	–	96	183	–	–
Social Development and Early Childhood Development							
Biko, NB (contract ended 31/12/2012)	802	801	–	–	1	–	–
Ras, D (acting 01/01/2013-30/04/2013)	379	378	–	–	1	–	–
Bromfield, IK (appointed 01/05/2013)	402	343	–	22	37	–	–
Tourism, Events and Marketing							
Groenewald, A	1 574	1 558	–	–	2	14	–
Transport, Roads and Stormwater							
Whitehead, M	1 573	1 563	–	–	2	8	–
Utility Services							
Dhlamini, L (contract ended 31/10/2012)	401	341	–	10	50	–	–
Kaiser, G (appointed 01/11/2012)	990	973	–	–	17	–	–
CTICC							
Toefy, R	1 570	1 408	162	–	–	–	–
	22 289	20 024	162	445	1 628	30	–

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	Analysis of remuneration benefits						
	Total R'000	Annual salary R'000	Perform- ance bonus R'000	Car allowance R'000	Social contri- bution R'000	Travel and sub- sistence R'000	Relocation allowance R'000
2012							
City Manager							
Ebrahim, A	1 914	1 532	138	–	242	2	–
Deputy City Manager							
Marsden, M (appointed 01/01/2012)	1 035	789	138	–	108	–	–
Community Services							
Mtwazi, L	1 508	1 140	112	84	172	–	–
Corporate Services							
Beretti, DP (contract ended 31/12/2012)	1 140	843	184	30	83	–	–
Mbandazayo, L (acting 01/01/2012–31/01/2012)	92	78	–	4	10	–	–
Habib, F (appointed 01/02/2012)	307	234	–	–	–	–	73
Economic, Environmental and Spatial Planning							
Mohammed, M (contract ended 31/10/2011)	386	310	–	24	52	–	–
Walters, C (acting 01/11/2011– 31/01/2012)	341	237	58	13	33	–	–
Hugo, J (appointed 01/02/2012)	611	598	–	–	13	–	–
Finance							
Richardson, MJ (contract ended 31/12/2011)	891	611	124	59	97	–	–
Steyl, J (acting 01/01/2012–29/02/2012)	188	143	–	22	22	1	–
Jacoby, K (appointed 01/03/2012)	564	369	–	54	66	–	75
Health							
Bromfield, IK	1 405	912	177	133	183	–	–
Integrated Human Settlement Services							
Smit, JA (contract ended 31/12/2012)	951	752	110	–	89	–	–
Maqetuka, S (acting 01/01/2012–30/06/2012)	725	640	–	–	85	–	–
Safety and Security							
Bosman, R	1 447	1 090	104	95	158	–	–
Social Development and Early Childhood Development							
Biko, NB (appointed 03/01/2012)	683	682	–	–	1	–	–
Tourism, Events and Marketing							
Groenewald, A (appointed 01/02/2012)	611	610	–	–	1	–	–
Transport, Roads and Stormwater							
Marsden, MG (contract ended 31/12/2011)	735	636	–	–	99	–	–
Whitehead, M (appointed 16/01/2012)	753	677	–	–	1	–	75
Utility Services							
Dhlamini, L	1 409	1 134	52	42	176	5	–
CTICC							
Toefy, R	1 501	1 322	179	–	–	–	–
	19 197	15 339	1 376	560	1 691	8	223

51. EVENTS AFTER REPORTING DATE

In order to facilitate the Foreshore development expansion of the municipal entity CTICC, the City of Cape Town committed itself to provide funding to assist the CTICC with development costs in return for additional shares in the CTICC. The total funding amount will not exceed R550 million.

APPENDIX A: A SCHEDULE OF EXTERNAL BORROWINGS

as at 30 June 2013

	Contractual interest rate (nacs) %	Loan ID	Redeemable date	Balance as at 30 June 2012 R'000	Received during the year R'000	Net interest accrued during the year R'000	Concessionary loan adjustment R'000	Redeemed/ Written off during year R'000	Balance as at 30 June 2013 R'000
LOCAL REGISTERED STOCK									
ABSA Nominees (Pty) Ltd	14,650	830011508	2014	7 047	–	–	–	–	7 047
Municipal Bond CCT01	12,570	830014004	2023	1 002 748	–	–	–	–	1 002 748
Municipal Bond CCT02	11,615	830016003	2024	1 207 236	–	–	–	–	1 207 236
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	–	–	–	–	2 065 505
Municipal Bond Transaction costs	–	–	–	(3 350)	–	–	–	(3 350)	–
Total local registered stock				4 279 186	–	–	–	(3 350)	4 282 536
CONCESSIONARY LOANS									
Nedcor Bank	1,000	830000920	2019	16	–	–	3	–	19
DBSA	5,000	830012028	2020	27 376	–	–	956	4 000	24 332
Agence Française de Développement (AFD)	5,763	830018500	2028	–	600 000	10 988	(95 607)	–	515 381
Agence Française de Développement (AFD)	5,730	830018516	2028	–	600 000	10 738	(96 568)	–	514 170
Agence Française de Développement (AFD)	5,755	830018530	2028	–	600 000	10 501	(95 573)	–	514 928
Agence Française de Développement (AFD)	5,800	830018523	2028	–	584 420	10 122	(92 049)	–	502 493
Total concessionary loans				27 392	2 384 420	42 349	(378 838)	4 000	2 071 323
OTHER LOANS									
FirstRand Bank	17,288	830000880	2013	20 625	–	–	–	20 625	–
DBSA	12,250	83001051	2015	96 495	–	(1 628)	–	25 978	68 889
FirstRand Bank	12,631	830003504	2017	176 329	–	–	–	8 142	168 187
ABSA Bank	10,900	830007011	2018	120 000	–	–	–	20 000	100 000
DBSA	10,590	83001050	2018	232 122	–	(1 871)	–	33 916	196 335
FirstRand Bank	12,046	830009531	2018	163 791	–	4 674	–	20 000	148 465
DBSA	9,420	830012035	2020	74 667	–	–	–	9 334	65 333
DBSA	9,639	830013000	2022	140 000	–	–	–	13 333	126 667
DBSA	10,565	830013507	2022	140 000	–	–	–	13 333	126 667
Total other loans				1 164 029	–	1 175	–	164 661	1 000 543
Total Municipality of Cape Town				5 470 607	2 384 420	43 524	(378 838)	165 311	7 354 402
OTHER LOANS – Controlled entities									
CID Claremont Road Co.: DBSA	–	–	2023	17 706	–	–	–	1 002	16 704
CID Zwaanswyk: Loans from members	9,000	–	2014	431	–	–	–	196	235
CID Epping: Standard Bank Pty	9,500	–	2014	390	–	–	–	390	–
Total controlled entities				18 527	–	–	–	1 588	16 939
TOTAL EXTERNAL LOANS				5 489 134	2 384 420	43 524	(378 838)	166 899	7 371 341

APPENDIX B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS as at 30 June 2013 – Economic Entity

	COST				
	Opening balance R'000	Transfers/ adjustments R'000	Additions ¹ R'000	Disposals R'000	Closing balance R'000
LAND AND BUILDINGS					
Land	950 483	8 450	14 642	–	973 575
Buildings and land	1 908 571	86 171	111 208	(287)	2 105 663
	2 859 054	94 621	125 850	(287)	3 079 238
INFRASTRUCTURE					
Assets under construction	2 482 417	(1 765 169)	1 167 664	–	1 884 912
Drains	674 027	61 069	60 625	–	795 721
Roads	5 814 490	877 111	516 090	–	7 207 691
Beach improvements	38 814	1 748	307	–	40 869
Sewerage mains and purification	2 499 651	122 572	96 914	–	2 719 137
Electricity peak load equipment and mains	5 421 619	171 048	758 493	–	6 351 160
Water mains and purification	2 355 517	124 354	151 766	–	2 631 637
Reservoirs – water	448 125	2 184	2 601	–	452 910
	19 734 660	(405 083)	2 754 460	–	22 084 037
COMMUNITY ASSETS					
Assets under construction	206 093	(198 382)	109 398	–	117 109
Parks and gardens	139 896	42 130	26 409	–	208 435
Libraries	201 445	4 828	144	–	206 417
Recreation facilities	5 081 892	104 045	185 357	(200)	5 371 094
Civic buildings	1 576 020	262 907	91 952	–	1 930 879
	7 205 346	215 528	413 260	(200)	7 833 934
OTHER ASSETS					
Assets under construction	640 132	(340 334)	1 146 812	–	1 446 610
Buildings and land	18	–	–	–	18
Landfill sites	617 723	87 669	64 626	–	770 018
Furniture, fittings and equipment	568 507	55 027	165 005	(5 700)	782 839
Bins and containers	55 739	(11 453)	1 568	(406)	45 448
Emergency equipment	35 979	548	1 712	(44)	38 195
Motor vehicles and watercraft	1 418 102	29 913	679 414	(22 714)	2 104 715
Specialised vehicles	890 631	14 709	165 212	(29 761)	1 040 791
Computer equipment	1 156 192	166 371	270 209	(15 892)	1 576 880
Animals	268	–	193	–	461
	5 383 291	2 450	2 494 751	(74 517)	7 805 975
HOUSING RENTAL STOCK					
	1 542 791	89 493	68 433	(958)	1 699 759
TOTAL PPE (See note 1)	36 725 142	(2 991)	5 856 754	(75 962)	42 502 943
HERITAGE ASSETS (See note 2)					
Assets under construction	3 634	(3 634)	330	–	330
Painting and art galleries	9 108	(27)	–	–	9 081
	12 742	(3 661)	330	–	9 411
INVESTMENT PROPERTIES (See note 3)	239 744	22	1 076	–	240 842
INTANGIBLE ASSETS (See note 4)	398 268	6 674	45 450	–	450 392
ASSETS HELD FOR SALE (See note 5)	44	(44)	–	–	–
TOTAL OTHER	650 798	2 991	46 856	–	700 645
GRAND TOTAL	37 375 940	–	5 903 610	(75 962)	43 203 588

1. Includes the contributed assets amount of R2,84 million.

2. The transfers/adjustment amount of R1,96 million is due to a change in the landfill site liability and was deducted from the cost of the related asset.

ACCUMULATED DEPRECIATION

Opening balance R'000	Transfers/ adjustments ² R'000	Impairments R'000	Additions R'000	Disposals R'000	Closing balance R'000	Carrying value R'000
(319 408)	(1)	(7 104)	–	–	(326 513)	647 062
(867 107)	135	–	(41 215)	230	(907 957)	1 197 706
(1 186 515)	134	(7 104)	(41 215)	230	(1 234 470)	1 844 768
–	–	–	–	–	–	1 884 912
(254 891)	–	–	(24 527)	–	(279 418)	516 303
(1 885 046)	–	–	(198 399)	–	(2 083 445)	5 124 246
(20 244)	–	–	(855)	–	(21 099)	19 770
(729 621)	(10)	–	(131 704)	–	(861 335)	1 857 802
(2 015 609)	1	–	(244 582)	–	(2 260 190)	4 090 970
(1 103 713)	–	–	(93 132)	–	(1 196 845)	1 434 792
(296 597)	9	–	(18 734)	–	(315 322)	137 588
(6 305 721)	–	–	(711 933)	–	(7 017 654)	15 066 383
–	–	–	–	–	–	117 109
(15 389)	–	–	(5 867)	–	(21 256)	187 179
(60 939)	–	–	(3 365)	–	(64 304)	142 113
(776 691)	–	(6)	(200 141)	193	(976 645)	4 394 449
(676 282)	6	–	(51 490)	–	(727 766)	1 203 113
(1 529 301)	6	(6)	(260 863)	193	(1 789 971)	6 043 963
(16 091)	–	–	–	–	(16 091)	1 430 519
(12)	–	–	(5)	–	(17)	1
(307 540)	(2 101)	–	(54 671)	–	(364 312)	405 706
(320 802)	(12)	–	(77 660)	4 804	(393 670)	389 169
(38 482)	7 207	–	(5 823)	360	(36 738)	8 710
(28 855)	(1)	–	(3 511)	42	(32 325)	5 870
(797 647)	(1)	–	(168 767)	18 688	(947 727)	1 156 988
(388 514)	(7 205)	–	(65 857)	29 401	(432 175)	608 616
(770 365)	14	–	(175 793)	14 839	(931 305)	645 575
(94)	–	–	(53)	–	(147)	314
(2 668 402)	(2 099)	–	(552 140)	68 134	(3 154 507)	4 651 468
(635 617)	–	–	(47 159)	684	(682 092)	1 017 667
(12 325 556)	(1 959)	(7 110)	(1 613 310)	69 241	(13 878 694)	28 624 249
–	–	–	–	–	–	330
–	–	–	–	–	–	9 081
–	–	–	–	–	–	9 411
(47 266)	(2)	–	(1 629)	–	(48 897)	191 945
(297 836)	(1)	–	(27 055)	–	(324 892)	125 500
(1)	1	–	–	–	–	–
(345 103)	(2)	–	(28 684)	–	(373 789)	326 856
(12 670 659)	(1 961)	(7 110)	(1 641 994)	69 241	(14 252 483)	28 951 105

APPENDIX C: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2013

2012				2013				
Actual income R'000	Actual expendi- ture R'000	Actual surplus/ (deficit) R'000	Budgeted surplus/ (deficit) R'000	BUSINESS UNITS	Actual income R'000	Actual expendi- ture R'000	Actual surplus/ (deficit) R'000	Budgeted surplus/ (deficit) R'000
Restated ¹	Restated ¹							
13 240 952	11 504 036	1 736 916	1 474 777	Rates and General	15 902 590	12 923 414	2 979 176	2 464 727
366 835	821 685	(454 850)	(489 631)	City Health	391 134	898 940	(507 806)	(524 742)
9	11 218	(11 209)	(17 070)	City Manager	2	2 414	(2 412)	(4 124)
153 216	1 700 941	(1 547 725)	(1 552 899)	Community Services	183 401	1 896 341	(1 712 940)	(1 692 832)
120 754	598 720	(477 966)	(218 717)	Corporate Services	62 301	457 393	(395 092)	(303 603)
10 497	87 126	(76 629)	(63 913)	Deputy City Manager	26 527	121 536	(95 009)	(110 933)
				Economic, Environmental and Spatial Planning				
80 539	585 705	(505 166)	(529 213)		104 348	639 277	(534 929)	(559 886)
1 773 347	1 030 635	742 712	431 807	Finance	2 248 839	1 150 049	1 098 790	583 412
8 195 135	1 768 718	6 426 417	6 281 716	Rates and Other	8 922 491	2 107 753	6 814 738	6 706 617
229 213	1 718 699	(1 489 486)	(1 530 737)	Safety and Security Services	193 313	1 915 750	(1 722 437)	(1 673 579)
				Social Development and Early Childhood Development				
2 178	79 832	(77 654)	(97 305)		1 027	122 357	(121 330)	(127 809)
23 202	453 001	(429 799)	(528 473)	Tourism, Events and Marketing	26 817	518 941	(492 124)	(550 008)
1 323 038	1 679 918	(356 880)	(237 711)	Transport, Roads and Stormwater	2 557 646	2 011 744	545 902	675 082
962 989	967 838	(4 849)	26 923	Human settlements	1 184 744	1 080 919	103 825	47 132
15 645 876	14 917 231	728 645	744 519	Utility Services	17 239 026	16 774 476	464 550	734 394
1 947 658	1 797 834	149 824	71 108	Solid Waste Management	2 155 923	2 143 298	12 625	98 892
1 850 384	1 709 727	140 657	166 735	Sanitation	2 082 168	2 122 217	(40 049)	56 966
3 040 375	3 015 976	24 399	(16 138)	Water	3 274 675	3 226 858	47 817	78 611
8 807 459	8 393 694	413 765	522 814	Cape Town Electricity	9 726 260	9 282 103	444 157	499 925
240 978	226 421	14 557	2 871	Subsidiaries	284 013	249 823	34 190	6 375
				Cape Town International Convention Centre (Pty) Ltd				
148 847	138 058	10 789	2 347		167 430	140 714	26 716	6 375
–	–	–	–	Cape Town Design Company	7 367	4 492	2 875	–
92 131	88 363	3 768	524	City improvement districts	109 216	104 617	4 599	–
29 127 806	26 647 688	2 480 118	2 222 167	Subtotal	33 425 629	29 947 713	3 477 916	3 205 496
5 337 826	5 337 826	–	–	Interdepartmental charges	5 904 072	5 904 072	–	–
23 789 980	21 309 862	2 480 118	2 222 167	Total before taxation	27 521 557	24 043 641	3 477 916	3 205 496

1. Comparative restated: (See note 47 for more details.)

APPENDIX D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

for the year ended 30 June 2013

National and Provincial Grant Funds 2012/2013

Description	Source	Balance unspent at beginning of the year ¹ R'000	Current year receipts R'000	Adjustments R'000	Conditions met – transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
National Government									
Accreditation: Development Support	State Housing	(1 747)	–	–	123	609	–	–	(1 015)
Budget Reform Funds	National Treasury	(389)	(1 250)	416	1 075	–	–	–	(148)
Department of Environmental Affairs and Tourism	Environmental Affairs	(99)	(155)	–	230	–	–	–	(24)
DME – INEP	Energy	–	–	105	–	(44)	–	(61)	–
Energy Efficiency Electricity Demand Side Management									
Expanded Public Works Incentive Grant	National Treasury	(6 653)	–	–	1 343	5 287	–	–	(23)
Health and Hygiene education: Informal Settlements	National Treasury	(9 279)	(29 484)	–	29 433	–	–	–	(9 330)
LGSETA: Environmental Internship Programme	Water	(11)	–	–	–	–	–	–	(11)
LGSETA: Post-Graduate Internship Programme	Environmental Affairs	(17)	–	–	–	–	–	–	(17)
Natural Resource Management	Environmental Affairs	–	(522)	–	–	–	–	–	(522)
Neighborhood Development Programme	Environmental Affairs	–	(7 895)	–	5 276	–	–	–	(2 619)
Public Transport and Infrastructure	National Treasury	(34 797)	(30 000)	–	–	48 361	–	–	(16 436)
Restructuring Grant – Seed Funding	Transport	(1 043 143)	(1 348 702)	–	128 874	2 078 333	–	–	(184 638)
Urban Renewal	National Treasury	(6 733)	–	–	1 702	200	–	–	(4 831)
Urban Settlement Development Grant	National Treasury	(45 687)	–	–	8 439	9 392	–	–	(27 856)
Water Demand Side	National Treasury	(70 867)	(971 980)	–	65 208	911 363	–	–	(66 276)
Total DoRA allocation		(1 220 119)	(2 389 988)	521	241 703	3 053 501	–	(61)	(314 443)
2010 FIFA World Cup: Green Point: Interest account		(6 770)	–	–	–	2 517	(168)	–	(4 421)
LGSETA: Post-Graduate Internship Programme:									
Interest account		–	–	–	–	–	(5)	–	(5)
Natural Resource Management: Interest account		–	–	–	–	–	(89)	–	(89)
Neighborhood Development Programme: Interest account									
Public Transport and Infrastructure: Interest account		(4 678)	–	–	–	–	(2 043)	–	(6 721)
Smart Living Handbook: Interest account		(147 279)	–	–	–	–	(54 060)	–	(201 339)
Total Interest earned		(158 796)	–	–	–	2 517	(56 369)	–	(212 648)
Total National Government transfers and grants		(1 378 915)	(2 389 988)	521	241 703	3 056 018	(56 369)	(61)	(527 091)
ABET Adult Education	Education	(9)	(4)	–	–	9	–	–	(4)
Accreditation Assistance	Human Settlements	(19 687)	(10 000)	–	–	–	(1 078)	–	(27 511)
Athlone Stadium General Upgrading	Transport and Public Works	(1 742)	–	–	3 254	–	–	–	(1 742)
Atlantis – Wesfleur Ext 13	Human Settlements	(323)	–	–	–	–	–	–	(323)
Atlantis Thusong Multipurpose Centre	Cultural Affairs and Sport	(178)	–	–	–	–	(9)	–	(187)
Bardale High Mast Lighting Project	Human Settlements	(471)	–	–	–	–	–	–	(471)
Bokmakierie/Hazendal Infill 3	Human Settlements	(2 682)	–	–	18	1 527	–	–	(1 137)

APPENDIX D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

for the year ended 30 June 2013

Description	Source	Balance unspent at beginning of the year ¹ R'000	Current year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
Browns Farm Phase 3,4,5,6	Human Settlements	(11 564)	—	—	—	—	—	—	(11 564)
CBH Wallacedene Phase 1,3,4,5,6	Human Settlements	(5 213)	—	—	109	—	(262)	—	(5 366)
CBO Freedom Park	Human Settlements	(71)	—	—	—	—	—	—	(71)
Chemical Toilets in Wallacedene	Human Settlements	(26)	—	—	—	—	(1)	—	(27)
Chris Hani Park Housing Project	Human Settlements	(274)	—	—	—	—	—	—	(274)
Clinics : HIV/Aids and TB Programmes	Health	(13)	—	—	—	—	—	—	(13)
Community Residential Units	Human Settlements	(15 015)	—	(263 342)	9 170	258 473	—	(24 570)	(35 284)
Delft South High Density Housing	Human Settlements	(104)	—	—	—	—	—	—	(104)
Delft Sportfield Development	Human Settlements	(20)	—	—	—	—	—	—	(20)
Delft Symphony Way Tra	Human Settlements	(3 369)	—	—	—	—	—	—	(3 369)
Dial-a-Ride	Transport and Public Works	(10 424)	(10 000)	—	18 702	260	(395)	—	(1 857)
Disaster Fund – Fire/Flood Kits	Human Settlements	—	—	(2 807)	6 512	—	—	(3 705)	—
Du Noon Phase 1,3: Transfers	Human Settlements	(299)	—	—	—	—	—	—	(299)
E Business Project	Treasury	(1 808)	—	—	—	—	(93)	—	(1 901)
Echo Road Housing Project	Human Settlements	(4)	—	—	—	—	—	—	(4)
Edward Road Energy Efficient Project	Human Settlements	(2 541)	—	—	22	—	(130)	—	(2 649)
EHP Nyanga, Du Noon and Atlantis	Human Settlements	—	—	(2 354)	3 216	—	—	(1 212)	(350)
EHP Repair and Reconstruct 8 Houses	Human Settlements	(44)	—	—	—	—	—	—	(44)
Enkanini Housing Project	Human Settlements	(3 305)	—	—	—	—	—	—	(3 305)
Establishment Grants	Human Settlements	(1 999)	—	(1 402)	1 072	—	(107)	(3)	(2 439)
Facilitation Grants	Human Settlements	(275)	—	(477)	236	—	(21)	—	(537)
False Bay Ecology	Economic Development and Tourism	(1 021)	—	—	—	10	(52)	—	(1 063)
Fire Detection Surveillance Cameras	Human Settlements	(68)	—	—	—	—	(3)	—	(71)
Gabriel Square Restitution	Human Settlements	(37)	—	—	—	—	—	—	(37)
Global Fund	Health	(2 531)	—	—	—	—	(130)	—	(2 661)
Global Fund Antiretroviral	Health	—	(22 606)	2 287	24 623	—	—	(4 304)	—
Global Fund Community Base Response Project	Health	—	(3 722)	749	3 791	—	—	(818)	—
Government Grant Community Development Workers	Human Settlements	(769)	—	773	—	—	(4)	—	—
Green Point Phase 21 Housing	Human Settlements	(863)	—	—	—	—	—	—	(863)
Greenland's Housing Project	Human Settlements	(971)	—	—	—	—	—	—	(971)
Gugulethu Seven Memorial	Cultural Affairs and Sport	(44)	—	—	—	—	(2)	—	(46)
Hangberg Housing Project	Human Settlements	(52)	—	—	—	—	—	—	(52)
Hangberg: Appointment of mediator	Human Settlements	(85)	—	—	—	—	—	—	(85)
Happy Valley – Phase 2 Top Structures	Human Settlements	—	—	(60 507)	68 343	—	—	(7 836)	—
HCE Manuals (Housing Consumer Education)	Human Settlements	(281)	—	—	90	18	(13)	—	(186)
Heideveld Housing Infill	Human Settlements	—	—	619	—	—	—	(619)	—

Description	Source	Balance unspent at beginning of the year ¹ R'000	Current year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
HIV/Aids Community-Based Response Projects	Health	–	(67 569)	9 971	70 983	–	–	(13 385)	–
Hostels Phase 2 Housing	Human Settlements	(996)	–	–	–	–	–	–	(996)
Housing Settlements Development Grant	Human Settlements	–	(634 638)	647 399	–	–	–	(12 761)	–
Imizamo Yethu Phase 2 New Services	Human Settlements	(931)	–	–	–	–	–	–	(931)
Informal Settlements	Human Settlements	(1 000)	(1 000)	51	529	–	–	–	(1 420)
Jakkelsvlei Canal Upgrading	Human Settlements	(10 427)	–	–	–	–	–	–	(10 427)
Kalkfontein Phase 2	Human Settlements	(395)	–	–	–	–	–	–	(395)
Kanonkop Phase 1 Top Structures	Human Settlements	–	–	–	87	–	–	(87)	–
Kewtown Infill Development	Human Settlements	(190)	–	–	–	–	–	–	(190)
Khayelitsha Development of Remembrance Square	Economic Development and Tourism	(18)	–	–	–	–	(1)	–	(19)
Khayelitsha Khuyasa Phase 2	Human Settlements	(373)	–	–	–	–	–	–	(373)
Khayelitsha Multipurpose Centre	Social Development	(831)	–	–	–	–	(43)	–	(874)
Khayelitsha Poverty Reduction Programme	Social Development	(2 661)	–	2 729	–	–	(68)	–	–
Khayelitsha Site C Subsidies	Human Settlements	(5 084)	–	–	1 285	–	(216)	–	(4 015)
Khayelitsha Stadium Site B	Cultural Affairs and Sport	(106)	–	–	–	–	–	–	(106)
Khayelitsha Vacant Land Study	Environmental Affairs and Development Planning	(4)	–	–	–	–	–	–	(4)
Kleinvlei Phase 2	Human Settlements	–	–	–	5	–	–	(5)	–
Kuyasa T3V1 Top Structures	Human Settlements	(202)	–	–	–	–	–	–	(202)
Langa Sportsfield Development	Cultural Affairs and Sport	(105)	–	–	–	–	–	–	(105)
Law Enforcement Officers	Cultural Affairs and Sport	(613)	(6 974)	613	6 511	–	–	–	(463)
Local Spatial Plan	Environmental Affairs and Development Planning	(1)	–	–	–	–	–	–	(1)
Luvuyo Clinic Extension	Health	–	(1 415)	43	–	1 375	–	(3)	–
Macassar Treatment Works	Human Settlements	(8 000)	–	–	–	–	–	–	(8 000)
Mandela Park Sports Fields: Tennis Facilities	Cultural Affairs and Sport	(42)	–	–	–	–	–	–	(42)
Manenberg Sport Complex Upgrade	Cultural Affairs and Sport	(235)	–	–	–	–	–	–	(235)
Marconi Beam	Human Settlements	(92)	–	–	83	–	–	–	(9)
Masiphumelele Tra	Human Settlements	(850)	–	–	–	–	(44)	–	(894)
Masiphumelele Amakhaya Ngoku	Human Settlements	(13 031)	–	–	–	–	(666)	–	(13 697)
Melkbosch Village	Human Settlements	(90)	–	–	–	–	–	–	(90)
Metropolitan Transport Fund	Transport and Public Works	–	–	(42 577)	10 736	31 841	–	–	–
Mfuleni and Strand 12 Houses	Human Settlements	–	–	(183)	57	–	–	–	(126)
Mfuleni EPH Tra	Human Settlements	(218)	–	–	–	–	–	–	(218)
Mfuleni Ext 3	Human Settlements	(129)	–	–	–	–	–	–	(129)
Mfuleni Ext 4 Housing	Human Settlements	(332)	–	–	–	–	–	–	(332)

APPENDIX D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

for the year ended 30 June 2013

Description	Source	Balance unspent at beginning of the year¹ R'000	Current year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue	Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year¹ R'000
					Operating R'000	Capital R'000		
Mfuleni Flood Relief Project	Human Settlements	(3 005)	-	-	-	-	-	(3 005)
Mfuleni MLS Topstructure	Human Settlements	(213)	-	-	-	-	-	(213)
Mitchells Plain Infill Phase 1	Human Settlements	(4 200)	-	-	57	-	-	(4 143)
Mitchells Plain Youth and Family Development Centre	Social Development	(692)	-	-	-	-	(35)	(727)
Mitchells Plain TAZ	Human Settlements	(276)	-	-	-	-	-	(276)
Morgan Vill3/Western Cape	Human Settlements	(993)	-	-	-	-	(51)	(1 044)
Netreg Housing Project	Human Settlements	(350)	-	-	-	-	-	(350)
Nonqubela Ph2/Makhaza	Human Settlements	(164)	-	-	-	-	-	(164)
Nutrition Supplement Programme	Health	-	(4 056)	384	4 140	-	-	-
Philippi East Top Structures	Human Settlements	(1 530)	-	(2 258)	3 816	-	(468)	-
Philippi East Market	Agriculture	(561)	-	-	-	488	(28)	-
Philippi East Phase 5	Human Settlements	(116)	-	(828)	-	173	-	(101)
Philippi Park Flooding	Human Settlements	(974)	-	-	-	-	-	(771)
Phoenix Top Structures	Human Settlements	-	-	(52)	-	-	-	(974)
Phoenix UISP	Human Settlements	(142)	-	-	20	-	-	(52)
People's Housing Project	Human Settlements	(44 552)	-	(147 708)	141 381	-	(3 094)	(122)
Phumlani Transfers	Human Settlements	(24)	-	-	2	-	-	(61 977)
Provision of Security Improvements at Rail Park and Ride Facilities	Transport and Public Works	(178)	-	-	-	-	-	(22)
Public Library Fund	Cultural Affairs and Sport	(3 350)	(23 470)	-	22 470	2 654	(9)	(187)
Redhill Informal Settlement	Human Settlements	(257)	-	-	-	-	(395)	(2 091)
River Clean and Green Project	Environmental Affairs and Development Planning	(379)	-	-	-	-	(13)	(270)
Rondevelei Housing Project	Human Settlements	(147)	-	-	20	-	(20)	(399)
Scottsdene 350 Top Structures	Human Settlements	-	-	(38 531)	-	53 320	-	(127)
Scottsdene 550 Top Structures	Human Settlements	-	-	(32 149)	22 307	-	(14 789)	-
Social Economic Facilities Programme	Human Settlements	(649)	-	(8 874)	-	8 106	(529)	(9 842)
Sercor Park	Human Settlements	(704)	-	-	-	-	-	(1 946)
Silvertown Khayelitsha 2000 Structures	Human Settlements	(1 142)	-	-	-	-	-	(704)
Site C Survey and Subdivision	Human Settlements	(232)	-	-	1 447	-	-	(1 142)
Somerset West Housing Project	Human Settlements	(4 164)	-	-	-	-	(1 215)	-
Spandau Project 384 Houses	Human Settlements	(36)	-	-	-	-	-	(4 164)
Table Mountain Biosphere	Environmental Affairs and Development Planning	(7)	-	-	-	-	-	(36)
Tafelsig Area: Silver City	Human Settlements	(202)	-	-	-	-	-	(7)
Tambo Square	Human Settlements	(42)	-	-	-	-	-	(202)
TB Crisis Plan	Health	(3 611)	(12 408)	-	9 934	-	-	(42)
Temperance Town	Human Settlements	(83)	-	-	-	-	-	(6 085)
								(83)

Description	Source	Balance unspent at beginning of the year ¹ R'000	Current year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000			
Upgrade Bishop Lavis Sports Complex	Cultural Affairs and Sport	–	(874)	–	–	–	–	–	(874)
Upgrade Heinz Park Haal	Cultural Affairs and Sport	(124)	–	–	–	–	–	–	(124)
Urban Renewal: Improvement Stn	Environmental Affairs and Development Planning	(25)	–	–	–	–	–	–	(25)
Vaccines	Health	–	(67 811)	13 758	65 163	–	–	(11 110)	–
Vehicle Impound Facility Maitland	Transport and Public Works	(224)	(1 352)	–	–	60	(41)	–	(1 557)
Vrygrond	Human Settlements	(35)	–	(8)	9	–	–	–	(34)
Vrygrond (EPH)	Human Settlements	(240)	–	–	25	–	(11)	–	(226)
Wallacedene Phase 3,4,5,6,7,8,9,10	Human Settlements	(15 535)	–	204	1 344	36	–	(355)	(14 306)
Watergate Phase A	Cultural Affairs and Sport	(426)	–	–	–	277	(21)	–	(170)
Witsand Housing Project Phase 1,2	Human Settlements	(184)	–	–	–	–	–	–	(184)
Total Provincial Government transfers and grants		(224 906)	(867 899)	75 523	501 569	358 627	(7 056)	(105 806)	(269 948)

Analysis of grants and subsidies

Total National Government transfers and grants	(1 378 915)	(2 389 988)	521	241 703	3 056 018	(56 369)	(61)	(527 091)
Total Provincial Government transfers and grants	(224 906)	(867 899)	75 523	501 569	358 627	(7 056)	(105 806)	(269 948)
	(1 603 821)	(3 257 887)	76 044	743 272	3 414 645	(63 425)	(105 867)	(797 039)

1. The balance unspent at the beginning and the end of the year excludes VAT.

APPENDIX E: APPROPRIATION STATEMENT (RECONCILIATION: BUDGET AND IN-YEAR PERFORMANCE) in terms of national treasury NT MFMA CIRCULAR no.67

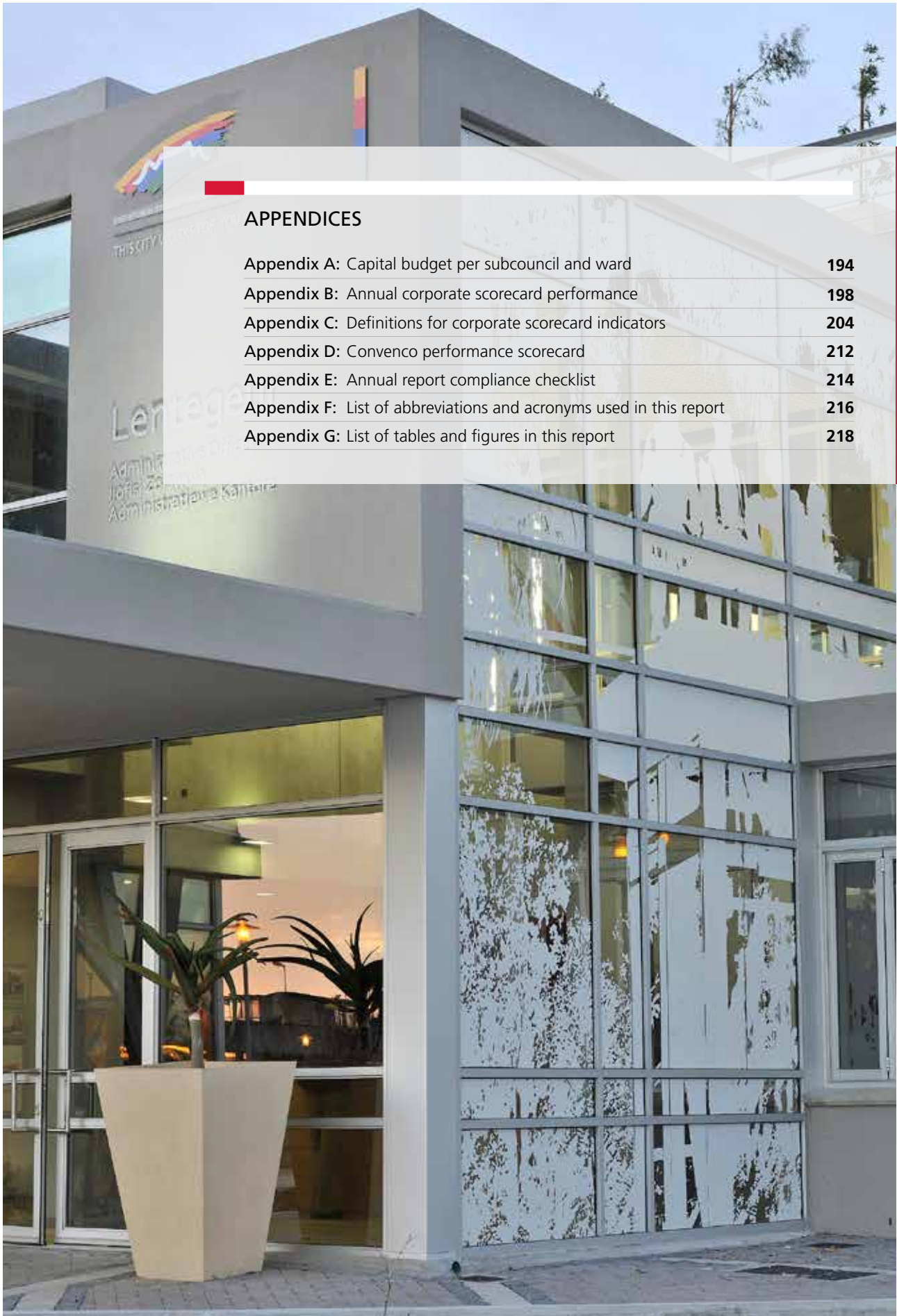
	2012/2013					
	Original budget ¹ R'000	Budget adjustments (i.t.o. s28 and s31 of the MFMA) R'000	Final adjustments budget R'000	Shifting of funds (i.t.o. s31 of the MFMA) R'000	Virement (i.t.o. Council approved policy) R'000	Final budget ¹ R'000
Financial performance						
Property rates	5 124 299	36 837	5 161 136	–	–	5 161 136
Service charges	13 494 536	122 654	13 617 190	–	–	13 617 190
Investment revenue	252 231	451	252 682	–	(1 504)	251 178
Transfers recognised - operational	2 325 525	(154 910)	2 170 615	–	–	2 170 615
Other own revenue	2 870 280	40 706	2 910 986	–	1 504	2 912 490
Total revenue (excluding capital transfers and contributions)	24 066 871	45 738	24 112 609	–	–	24 112 609
Employee costs	7 828 470	(109 782)	7 718 688	–	(29 539)	7 689 149
Remuneration of councillors	122 384	(9 480)	112 904	–	–	112 904
Debt impairment	991 276	8 000	999 276	–	–	999 276
Depreciation and asset impairment	1 469 372	153 937	1 623 309	–	–	1 623 309
Finance charges	768 562	(19 229)	749 333	–	–	749 333
Materials and bulk purchases	6 837 813	17 274	6 855 087	–	(1 895)	6 853 192
Transfers and grants	42 106	39 737	81 843	–	18 487	100 330
Other expenditure	6 460 117	(9 549)	6 450 565	–	12 947	6 463 512
Total expenditure	24 520 100	70 908	24 591 005	–	–	24 591 005
Surplus/(deficit)	(453 229)	(25 170)	(478 396)	–	–	(478 396)
Transfers recognised – capital	3 280 446	360 655	3 641 101	–	–	3 641 101
Contributions recognised – capital and contributed assets	54 382	(11 591)	42 791	–	–	42 791
Surplus/(deficit) after capital transfers and contributions	2 881 599	323 894	3 205 496	–	–	3 205 496
Share of surplus/(deficit) of associate	–	–	–	–	–	–
Surplus/(deficit) for the year	2 881 599	323 894	3 205 496	–	–	3 205 496
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised – capital	3 280 446	360 655	3 641 101	–	–	3 641 101
Public contributions and donations	54 382	(11 591)	42 791	–	–	42 791
Borrowing	1 765 377	19 558	1 784 935	–	–	1 784 935
Internally generated funds	854 313	(52 450)	801 863	–	–	801 863
Total sources of capital funds	5 954 518	316 172	6 270 690	–	–	6 270 690
Cash flows						
Net cash from (used) operating	4 726 735	533 958	5 260 693	–	–	5 260 693
Net cash from (used) investing	(5 803 342)	(336 116)	(6 139 458)	–	–	(6 139 458)
Net cash from (used) financing	1 925 729	331 294	2 257 023	–	–	2 257 023
Cash/cash equivalents at the year end	849 122	529 136	1 378 258	–	–	1 378 258

1. The classification of categories for revenue and expenditure differs from the statement of financial performance and the statement of comparison of budget and actuals as the classifications required by NT is different from accounting practice.

					2011/2012			
Actual outcome R'000	Unauthorised expenditure R'000	Variance R'000	Actual outcome as % of final budget %	Actual outcome as % of original budget %	Reported unauthorised expenditure R'000	Expenditure authorised in terms of section 32 of MFMA R'000	Balance to be recovered R'000	Restated audited outcome R'000
5 159 663	–	–	100	101	–	–	–	–
13 242 118	–	–	97	98	–	–	–	–
376 911	–	–	150	149	–	–	–	–
1 979 795	–	–	91	85	–	–	–	–
3 305 497	–	–	113	115	–	–	–	–
24 063 984	–	–	100	100	–	–	–	–
7 492 589	–	–	97	96	–	–	–	–
111 881	–	–	99	91	–	–	–	–
934 057	–	–	93	94	–	–	–	–
1 641 994	–	–	101	112	–	–	–	–
730 788	–	–	98	95	–	–	–	–
6 694 378	–	–	98	98	–	–	–	–
94 857	–	–	95	225	–	–	–	–
6 343 097	–	–	98	98	–	–	–	–
24 043 641	–	–	98	98	–	–	–	–
20 343	–	–	(4)	(4)	–	–	–	–
3 414 645	–	–	94	104	–	–	–	–
42 928	–	–	100	79	–	–	–	–
3 477 916	–	–	108	121	–	–	–	–
–	–	–	–	–	–	–	–	–
3 477 916	–	–	108	121	–	–	–	–
3 414 645	–	–	94	104	–	–	–	–
35 388	–	–	83	65	–	–	–	–
1 753 424	–	–	98	99	–	–	–	–
697 314	–	–	87	82	–	–	–	–
5 900 771	–	–	94	99	–	–	–	–
5 553 978	–	–	106	118	–	–	–	–
(6 384 248)	–	–	104	110	–	–	–	–
2 259 368	–	–	100	117	–	–	–	–
1 429 098	–	–	104	168	–	–	–	–

GLOSSARY OF ABBREVIATIONS

AFD	Agence Française de Développement
ASB	Accounting Standards Board
CC	close corporation
CIDs	city improvement district
CMTF	Cape Metropolitan Transport Fund
COID	compensation for occupational injuries and diseases
CPI	consumer price index
CRR	capital replacement reserve
CTICC	Cape Town International Convention Centre (Pty) Ltd
DB	defined-benefit (scheme)
DBSA	Development Bank of Southern Africa
DC	defined-contributions (scheme)
DMTN	domestic medium-term note
DoRA	Division of Revenue Act
EFF	external finance fund
FBE	free basic electricity
GRAP	Generally Recognised Accounting Practice
Icsid	International Council of Societies of Industrial Design
IDP	Integrated Development Plan
IRM	integrated risk management
IRT	integrated rapid transit
JSE	Johannesburg Stock Exchange
MAYCO	Mayoral Committee
MFMA	Municipal Finance Management Act
MIG	municipal infrastructure grant
MPAC	Municipal Public Accounts Committee
NT	National Treasury
PAYE	pay-as-you-earn
PGWC	Provincial Government of the Western Cape
PPE	property, plant and equipment
SALGA	South African Local Government Association
SAPS	South African Police Service
SARS	South African Revenue Service
SCM	supply chain management
SCMB	Standard Corporate and Merchant Bank
TCOE	total cost of employment
UIF	Unemployment Insurance Fund
VAT	value-added tax
WDC	World Design Capital



APPENDICES

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The City's Mayoral Urban Regeneration Programme aims to uplift areas which had experienced apartheid era under-investment. The new Lentegeur Subcouncil offices in Mitchells Plain is one such project and offers residents a one-stop-shop for a wide range of municipal services. This building is an example of how the City is able to achieve integration and sustainability in partnership with the local community.

APPENDIX A: CAPITAL BUDGET PER SUBCOUNCIL AND WARD

Subcouncil and ward	Audited outcome 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16
Subcouncil 1	108 861 905	103 007 254	126 500 262	179 908 800
Ward 4	5 409 008	32 125 946	75 500 000	118 300 000
Ward 23	5 347 466	781 989	2 800 000	14 500 000
Ward 29	12 063 625	4 200 000	14 950 000	20 000 000
Ward 32	53 886 538	7 307 097	9 000 000	21 358 800
Ward 104	26 561 954	46 542 917	8 290 262	5 250 000
Ward 107	299 940	220 000	0	0
Ward 901	5 293 374	11 829 305	15 960 000	500 000
Subcouncil 2	155 202 017	110 125 579	28 300 000	35 600 750
Ward 6	89 624 335	100 631 562	17 400 000	1 000 000
Ward 7	60 328 839	8 141 830	200 000	1 000 000
Ward 8	649 910	310 000	700 000	32 600 750
Ward 111	4 598 933	1 039 750	0	1 000 000
Ward 902	0	2 437	10 000 000	0
Subcouncil 3	127 118 054	42 135 299	52 592 740	112 392 190
Ward 1	454 622	5 280 080	42 592 740	40 761 300
Ward 3	125 256 155	35 878 036	10 000 000	71 630 890
Ward 5	460 788	340 000	0	0
Ward 70	946 489	561 553	0	0
Ward 903	0	75 630	0	0
Subcouncil 4	73 569 204	18 423 955	63 894 530	104 939 100
Ward 25	27 682 083	2 202 956	1 400 000	1 500 000
Ward 26	1 339 525	168 266	0	0
Ward 27	372 811	700 000	200 000	0
Ward 28	1 306 747	401 319	0	0
Ward 30	42 868 039	11 876 616	54 794 530	93 439 100
Ward 904	0	3 074 798	7 500 000	10 000 000
Subcouncil 5	18 162 610	42 894 142	38 200 000	11 643 449
Ward 13	13 356 923	12 507 982	20 000 000	8 743 449
Ward 20	949 425	1 097 606	0	350 000
Ward 24	1 463 593	1 349 000	0	0
Ward 31	1 561 778	25 300 000	15 200 000	0
Ward 50	490 651	335 000	0	0
Ward 106	340 240	1 918 934	3 000 000	2 550 000
Ward 905	0	385 620	0	0
Subcouncil 6	138 852 136	95 666 303	40 100 000	31 600 000
Ward 2	5 644 846	5 366 963	1 000 000	1 000 000
Ward 9	116 045 560	17 140 000	10 500 000	26 850 000
Ward 10	6 979 345	43 599 820	0	0
Ward 12	7 840 063	28 360 270	28 600 000	3 750 000
Ward 22	2 342 321	1 124 737	0	0
Ward 906	0	74 513	0	0
Subcouncil 7	73 791 711	79 733 155	75 294 800	69 339 952
Ward 21	2 986 857	6 700 847	23 130 200	3 000 000
Ward 101	399 447	450 000	2 000 000	4 000 000

Subcouncil and ward	Audited outcome 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16
Ward 102	4 450 899	3 515 000	0	0
Ward 103	25 870 088	39 219 830	20 464 600	32 930 380
Ward 105	34 179 419	19 307 575	7 700 000	17 409 572
Ward 907	5 905 000	10 539 903	22 000 000	12 000 000
Subcouncil 8	23 519 084	64 230 532	102 701 447	91 600 000
Ward 83	2 039 605	1 764 206	12 700 000	17 100 000
Ward 84	499 030	7 334 000	12 901 447	6 500 000
Ward 85	608 518	5 355 147	12 500 000	0
Ward 86	865 270	1 400 000	0	200 000
Ward 100	19 506 661	48 281 652	64 600 000	67 800 000
Ward 908	0	95 527	0	0
Subcouncil 9	1 263 163	10 022 640	10 000 000	15 250 000
Ward 18	473 361	158 373	0	0
Ward 87	157 505	6 500 000	10 000 000	15 250 000
Ward 90	277 845	595 016	0	0
Ward 91	354 452	1 372 931	0	0
Ward 909	0	1 396 320	0	0
Subcouncil 10	13 517 549	15 241 932	9 400 000	6 400 000
Ward 92	2 074 859	4 717 252	1 100 000	400 000
Ward 93	2 125 555	2 509 259	0	0
Ward 94	8 057 792	6 479 874	8 300 000	6 000 000
Ward 99	1 259 344	825 066	0	0
Ward 910	0	710 481	0	0
Subcouncil 11	196 598 530	216 883 255	182 368 045	87 925 000
Ward 42	75 920 762	123 957 591	83 456 501	700 000
Ward 44	83 379 330	56 529 095	12 611 544	2 500 000
Ward 45	2 991 525	2 000 000	2 000 000	1 000 000
Ward 49	33 699 360	33 000 266	84 300 000	83 725 000
Ward 911	607 553	1 396 303	0	0
Subcouncil 12	13 012 136	14 694 447	3 500 000	0
Ward 78	458 889	389 000	0	0
Ward 79	11 354 364	9 896 447	0	0
Ward 81	573 445	711 799	2 000 000	0
Ward 82	625 438	3 524 600	1 500 000	0
Ward 912	0	172 601	0	0
Subcouncil 13	3 921 848	8 056 822	4 900 000	15 000 000
Ward 33	350 598	2 400 000	3 500 000	13 500 000
Ward 34	401 578	3 207 728	1 200 000	1 000 000
Ward 35	1 503 063	696 868	200 000	500 000
Ward 36	1 147 421	1 039 950	0	0
Ward 913	519 188	712 276	0	0
Subcouncil 14	26 184 251	70 544 662	5 700 000	1 800 000
Ward 37	9 886 100	3 191 050	5 500 000	0
Ward 38	1 097 645	13 320 000	0	0
Ward 38	1 400 000	2 820 000	1 000 000	1 000 000

APPENDIX A: CAPITAL BUDGET PER SUBCOUNCIL AND WARD

Subcouncil and ward	Audited outcome 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16
Ward 39	2 476 870	11 595 921	100 000	1 200 000
Ward 40	7 122 206	40 373 618	0	0
Ward 41	5 601 430	1 470 765	100 000	600 000
Ward 914	0	593 308	0	0
Subcouncil 15	31 770 399	268 326 444	176 234 913	15 871 002
Ward 51	1 107 788	65 750 354	91 170 313	7 371 002
Ward 52	901 105	1 154 467	0	0
Ward 53	16 657 011	92 174 685	46 000 000	0
Ward 55	9 330 719	104 914 930	37 564 600	0
Ward 56	3 287 666	2 860 000	1 000 000	1 000 000
Ward 57	486 110	1 225 000	500 000	500 000
Ward 915	0	247 008	0	7 000 000
Subcouncil 16	221 394 933	209 784 815	138 500 000	114 100 000
Ward 54	154 741 974	26 684 288	5 000 000	2 000 000
Ward 74	7 466 627	52 340 302	25 500 000	19 600 000
Ward 77	59 186 331	130 640 257	108 000 000	92 500 000
Ward 916	0	119 968	0	0
Subcouncil 17	79 646 319	135 089 968	32 614 331	0
Ward 46	299 874	160 000	0	0
Ward 47	78 378 495	71 613 552	32 614 331	0
Ward 48	667 950	297 400	0	0
Ward 60	300 000	348 000	0	0
Ward 917	0	62 671 016	0	0
Subcouncil 18	89 796 737	76 671 368	65 666 130	52 800 000
Ward 63	305 885	900 000	0	0
Ward 65	628 333	300 000	0	0
Ward 66	86 765 744	57 123 812	63 066 130	52 500 000
Ward 68	213 039	5 573 911	100 000	0
Ward 80	503 355	10 229 690	500 000	300 000
Ward 110	1 380 381	2 451 058	2 000 000	0
Ward 918	0	92 897	0	0
Subcouncil 19	60 540 000	110 355 822	74 235 821	71 160 685
Ward 43	1 151 442	63 980 212	22 000 000	29 600 000
Ward 61	10 937 202	1 404 693	1 500 000	0
Ward 64	14 125 789	21 300 000	12 000 000	0
Ward 67	33 815 067	16 988 827	27 235 821	31 560 685
Ward 69	60 000	2 100 000	5 800 000	10 000 000
Ward 919	450 499	4 582 090	5 700 000	0
Subcouncil 20	41 657 650	20 298 521	9 500 000	10 000 000
Ward 58	254 925	380 000	1 000 000	0
Ward 59	2 798 560	569 991	0	0
Ward 62	948 332	2 320 000	7 500 000	10 000 000
Ward 71	1 467 720	1 290 000	1 000 000	0
Ward 72	35 722 980	15 232 294	0	0
Ward 73	465 134	340 000	0	0

Subcouncil and ward	Audited outcome 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16
Subcouncil 21	54 129 562	62 308 048	21 662 000	18 183 125
Ward 11	494 161	5 800 000	500 000	0
Ward 14	37 343 594	10 654 088	13 750 000	10 800 000
Ward 17	1 054 461	850 000	0	100 000
Ward 19	9 451 408	3 987 271	2 500 000	2 100 000
Ward 108	5 785 938	41 008 058	4 912 000	5 183 125
Ward 921	0	8 631	0	0
Subcouncil 22	21 758 648	36 005 820	113 092 000	80 175 000
Ward 15	707 194	8 930 000	8 500 000	2 000 000
Ward 16	2 170 593	542 423	7 542 000	2 800 000
Ward 109	18 880 860	26 518 623	97 050 000	75 375 000
Ward 922	0	14 774	0	0
Subcouncil 23	64 567 557	27 800 684	11 310 262	0
Ward 75	23 425 878	6 300 000	0	0
Ward 76	39 336 427	11 818 693	2 610 262	0
Ward 88	1 805 252	6 021 879	0	0
Ward 923	0	3 660 112	8 700 000	0
Subcouncil 24	13 034 983	64 467 139	24 231 182	0
Ward 95	4 992 418	801 744	200 000	0
Ward 96	439 149	6 350	0	0
Ward 97	1 342 619	49 663 039	20 531 182	0
Ward 98	6 260 797	8 530 840	3 500 000	0
Ward 924	0	5 465 166	0	0
Multi-ward projects	2 520 779 777	2 805 201 800	2 994 713 738	3 421 162 400
Ward 200	2 520 779 777	2 805 201 800	2 994 713 738	3 421 162 400
Corporate infrastructure projects	1 608 111 310	904 795 060	772 259 319	945 182 930
Ward 201	1 608 111 310	904 795 060	772 259 319	945 182 930
Grand total	5 780 762 070	5 612 765 466	5 177 471 520	5 492 034 383



The Cape Town International Convention Centre contributes hugely to the Cape Town economy.

APPENDIX B: ANNUAL CORPORATE SCORECARD (CSC) PERFORMANCE



Target achieved



Well above target






Below target




















Well below target

Indicator	Annual target 2011/12	Actual performance 2011/12	Annual target 2012/13	Actual performance 2012/13	Rating	Reason for variance	Remedial action
1.A Percentage of building plans approved within statutory timeframes (30-60 days)	75%	69,32%	80%	80,70%		Target achieved	Maintain the momentum
1.B Percentage of capital budget spent	R4,561 bn	92.8% R4,233 bn	90%	94.3%		Target achieved	Maintain the momentum
1.C Rand value of capital invested in engineering infrastructure	New to CSC	New to CSC	R1,9 bn	R2,1 bn		Well above target	Maintain the momentum
1.D Percentage of operating budget allocated to repairs and maintenance	New to CSC	New to CSC	7,50%	7,80%		Target achieved	Maintain the momentum
1.E Percentage spent on repairs and maintenance	R1,837bn	R1,883bn	100%	104,68%		Target achieved	Maintain the momentum
1.F Number of outstanding valid applications for water services expressed as a percentage of total number of billings for the service	< 1%	0,43%	< 1%	0,65%		Well above target	Maintain the momentum
1.G Number of outstanding valid applications for sewerage services expressed as a percentage of total number of billings for the service	< 1%	0,09%	< 1%	0,57%		Well above target	Maintain the momentum
1.H Number of outstanding valid applications for electricity services expressed as a percentage of total number of billings for the service	< 1%	0,16%	< 1%	0,13%		Well above target	Maintain the momentum
1.I Number of outstanding valid applications for refuse collection service expressed as a percentage of total number of billings for the service	< 1%	0,01%	< 1%	0,00%		Well above target	Maintain the momentum
1.J Number of Expanded Public Works programmes (EPWP) job opportunities created	22 000	26 403	35 000	35 556		Target achieved	Maintain the momentum
1.K Percentage of treated potable water not billed	New to CSC	New to CSC	New	New	–	New indicator for 2013/14 reporting only	New indicator for 2013/14 reporting only
1.L Number of passenger journeys on the MyCiTi public transport system	New to CSC	New to CSC	2 450 000	3 113 329		Well above target	Maintain the momentum
1.M Percentage development of an Immovable Property Asset Management Framework	New to CSC	New to CSC	New	New	–	New indicator for 2013/14 reporting only	New indicator for 2013/14 reporting only
1.N Number of external trainee and bursary opportunities created	No target	No target	855	1 268		Well above target	Maintain the momentum
1.N(a) Number of external trainee and bursary opportunities (excluding apprentices)	No target	No target	625	954		Well above target	Maintain the momentum
1.N (b) Number of apprentices	No target	No target	230	314		Well above target	Maintain the momentum





Indicator	Annual target 2011/12	Actual performance 2011/12	Annual target 2012/13	Actual performance 2012/13	Rating	Reason for variance	Remedial action
2.A Community Satisfaction Survey (Score 1-5) – safety and security	≥2,7	2,8	2,7	2,5		The escalation of public protest action since mid-2012 has required that the City's policing resources be focused on these volatile situations. While the City's three policing departments played a vital role in stabilising the province, the need to involve them in managing the violence negatively affected their ability to render their normal services, such as patrolling residential areas. This undoubtedly contributed to lower-than-desired community perceptions regarding safety and security. Policing resources were also spread thin due to their presence being required at illegal land invasions, particularly of private land, and noise nuisances. These offences are technical in nature and the prosecution thereof is often delayed due to neighbours' reluctance to testify.	Improve cooperation and communication between the City and SAPS to ensure that policing of public protests does not affect City resources. The Safety and Security Directorate is also embarking on the first phase of a comprehensive information management system that will allow better decision-making and optimum use of resources. Keep raising public awareness around illegal dumping, and continue patrols in problem areas. Continue to support private landowners in the prevention of illegal land settlements through the activities of the Anti-Land Invasion Unit. Ensure City-owned land cannot be used as a springboard for private land invasion. Provide advice to landowners on appropriate court processes. Respond promptly to noise nuisance reports. Responsible person: Richard Bosman; Due date: On-going
2.B Reduce number of accidents at five highest-frequency intersections	New to CSC	New to CSC	285	321		Accidents are mostly uncontrollable actions that are caused by careless driver behavior. Although the target was not met, the number of accidents during the last quarter of the 2012/13 financial year have significantly reduced and the downward trend continues.	Changing of the road structure at the Vanguard and Voortrekker Road crossing (highest accident rate) remains a long-term alternative. It is, however, subject to the availability of funds and budget prioritisation. Monitoring of the affected areas by traffic officers during peak accident tendency times must act as a deterrent, with continuous enforcement of traffic regulations. Responsible person: Andre Nel; Due date: On-going
2.C Percentage response times for fire incidents within 14 minutes from call receipt up to arrival	80%	82%	80%	84%		Target achieved	Maintain the momentum
2.D Number of operational specialised units	New to CSC	New to CSC	New to CSC	New to CSC	-	New indicator for 2013/14 reporting only	New indicator for 2013/14 reporting only







APPENDIX B: ANNUAL CORPORATE SCORECARD (CSC) PERFORMANCE

Indicator	Annual target 2011/12	Actual performance 2011/12	Annual target 2012/13	Actual performance 2012/13	Rating	Reason for variance	Remedial action
2.E Percentage of SmartCop system implemented	New to CSC	New to CSC	New to CSC	New to CSC	-	New indicator for 2013/14 reporting only	New indicator for 2013/14 reporting only
2.F Percentage staff successfully completing occupational-specific training interventions	New to CSC	New to CSC	New to CSC	New to CSC	-	New indicator for 2013/14 reporting only	New indicator for 2013/14 reporting only
2.G Percentage achieved in neighbourhood watch satisfaction survey	New to CSC	New to CSC	New to CSC	New to CSC	-	New indicator for 2013/14 reporting only	New indicator for 2013/14 reporting only
3.A Number of social development programmes implemented	New to CSC	New to CSC	7	7		Target achieved	Maintain the momentum
3.B Number of recreation hubs where activities are held on a minimum of five days a week	New to CSC	New to CSC	25	28		Well above target	Maintain the momentum
3.C Number of housing opportunities provided per year	8 800	7 141	11 128	12 416		Well above target	Maintain the momentum
Serviced sites	New to CSC	New to CSC	6 071	6 391		Target achieved	Maintain the momentum
Top structures	New to CSC	New to CSC	3 833	4 300		Well above target	Maintain the momentum
Other (CRU upgrades and shared services provision to re-blocked informal settlements and backyards)	New to CSC	New to CSC	1 224	1 725		Well above target	Maintain the momentum
3.D Number of deeds-of-sale agreements signed with identified beneficiaries on transferrable rental units	New to CSC	New to CSC	New to CSC	New to CSC	-	New indicator for 2013/14 reporting only	New indicator for 2013/14 reporting only
3.E Improve basic services							
Number of water services points (taps) provided	250	277	1 000	599		Violent protest actions in some informal settlements started on 2 April 2013. This rendered 16 informal settlements inaccessible to the contractor for the servicing of toilets. The City itself had to service these areas with immediate effect. City teams involved in the installation of taps were thus redeployed to assist in the cleaning of the containerised toilets. This had a negative impact on the installation of taps.	Return to original installation schedule once turbulence has settled. Responsible person: Pierre Maritz Due date: 30 September 2013
Number of sanitation service points (toilets) provided	2 000	3 354	3 000	5 043 Not included in this figure is sanitation services rendered to the public at a City cost of R100,8 million. This relates to the installation of 413 chemical flush toilets, human waste removal, and servicing of containers and portable flush toilets.		The target of toilets provided was exceeded due to a concerted effort to eradicate the remaining black buckets through the provision of portable flush toilets. As physical infrastructure is not required to provide this type of toilet, the roll-out was faster than initially planned, to fulfill a service need.	Maintain the momentum

Indicator	Annual target 2011/12	Actual performance 2011/12	Annual target 2012/13	Actual performance 2012/13	Rating	Reason for variance	Remedial action
Number of informal settlements receiving a door-to-door refuse collection and area-cleaning service	223	223	204	204		Target achieved	Maintain the momentum
Percentage of known informal settlements that achieve each of the four different standards of cleanliness Level 1:	New to CSC	New to CSC	≥ 5%	0,59%		The standard for this ≥5% target is to achieve a perfectly clean area with absolutely no waste being present at all. Even though the City failed to achieve this target it did still achieve a 0,70% at this level. The City will continue to pursue and improve on this target.	Total redesign of tender and service delivery model currently in process. This includes improved service delivery in surrounding areas and around shipping containers, even over weekends, which will result in improved cleanliness. Responsible person: Claire McKinnon Due date: 30 September 2013
Level 2:	New to CSC	New to CSC	≥ 52%	58,94%		Well above target	Maintain the momentum
Level 3:	New to CSC	New to CSC	≤ 40%	38,05%		Target achieved	Maintain the momentum
Level 4:	New to CSC	New to CSC	≤ 3%	2,42%		Target achieved	Maintain the momentum
3.F Number of electricity subsidised connections installed	3 400	1 050	2 200	918		The installation of subsidised connections largely depends on demand linked to valid applications. Negative variance against the target is due to demand not meeting expectations in the third and fourth quarter. Administrative challenges in closing master data remain an added factor.	Continuous follow-ups and various process-flow meetings have taken place, and there has been improvement. Responsible person: Marius van der Westhuizen Due date: 30 June 2013
3.G Percentage compliance with drinking-water quality standards	96%	98,6%	98%	99,3%		Target achieved	Maintain the momentum
3.H Number of days when air pollution exceeds RSA ambient air quality standards	133	125	<25	4		Well above target	Maintain the momentum
3.I New smear-positive TB cure rate	New to CSC	New to CSC	83%	84,20%		Target achieved	Maintain the momentum
3.J Number of new clients screened at the substance abuse outpatient treatment centres	New to CSC	New to CSC	New to CSC	New to CSC	-	New indicator, for 2013/14 reporting only	New indicator, for 2013/14 reporting only

APPENDIX B: ANNUAL CORPORATE SCORECARD (CSC) PERFORMANCE

Indicator	Annual target 2011/12	Actual performance 2011/12	Annual target 2012/13	Actual performance 2012/13	Rating	Reason for variance	Remedial action
4.A Percentage adherence to Citywide service standard based on all external notifications	New to CSC	New to CSC	100%	96,98%		Utilities Directorate's overall achievement is 97,33%, which essentially influences the City's overall achievement in terms of service notifications closed. Due to the technical nature of many service notifications, the period allowed to closure is a stretch target. The variance is also largely a result of delayed administrative closure, even though service interventions have long been completed, as well as different target days per service type. Notifications continue to increase, without a concomitant increase in resources, resulting in the target becoming progressively more difficult to achieve.	Continuously striving not only to attend to service delivery notifications, but to close them within the allowed period as well. Responsible person: Dr Gisela Kaiser Due date: Ongoing
4.B Customer satisfaction survey (Score 1-5 Likert scale) – community facilities	>2,7	2,8	3,2	3,1		This indicator is reported on annually and an analysis of results and actions on this matter are still under review and dependent on the budget allocation	The corrective action could lie in the setting of the target for 2014/15 financial year which is based on realities and final decisions on budget. Freddie Bisschoff Due date: Ongoing
5.A Number of Municipal meetings open to the public	New to CSC	New to CSC	New to CSC	New to CSC	-	New indicator, for 2013/14 reporting only	New indicator, for 2013/14 reporting only
5.B Percentage of employees who are truly motivated and will go above and beyond the call of duty, as measured in a biennial staff engagement survey	35%	35%	Biennial Target	Biennial Target	-	The percentage of 'truly loyal' employees is measured by employee culture/ climate survey every two years. Survey will be completed in the 2013/14 financial year.	
5.C Community satisfaction survey (Score 1-5) – citywide	2,8	2,7	2,8	2,9		Target achieved	Maintain the momentum
5.D Percentage of people from employment equity target groups employed in the three highest levels of management, in compliance with the City's approved employment equity plan	70%	65,70%	72%	65,85%		The City is challenged in sourcing employment equity beneficiaries in scarce skill disciplines, hence the low achievement percentage.	Continuous monitoring of this indicator. Responsible person: Michael Siyolo Due date: Ongoing

Indicator	Annual target 2011/12	Actual performance 2011/12	Annual target 2012/13	Actual performance 2012/13	Rating	Reason for variance	Remedial action
5.E Percentage budget spent on implementation of a workplace skills plan for the City	90%	103,89%	95%	102,04%		Target achieved	Maintain the momentum
5.F Opinion of the Auditor-General	Unqualified audit opinion for the 2011/12 financial year	Unqualified audit opinion for the 2011/12 financial year	Clean audit	Clean audit		Target achieved	Maintain the momentum
5.G Opinion of independent rating agency	High investment rating of P-1.za Aa3.za	High investment rating of P-1.za Aa2.za	High investment rating (subject to sovereign rating)	City's high credit rating reaffirmed as Aa3 on 2 April 2013.		Target achieved	Maintain the momentum
5.H Ratio of cost coverage maintained	New to CSC	New to CSC	2:1	2,67:1		Target achieved	Maintain the momentum
5.I Net Debtors to Annual Income [Ratio of outstanding service debtors to revenue actually received for services]	New to CSC	New to CSC	20,5%	20,31%		Target achieved	Maintain the momentum
5.J Debt coverage by own billed revenue	New to CSC	New to CSC	2:1	3,24:1		Target achieved	Maintain the momentum



Utility Services Directorate has achieved an overall of 97,33% in terms of service notifications closed.

APPENDIX C: DEFINITIONS FOR CORPORATE SCORECARD INDICATORS

APPROVED ONE-YEAR CORPORATE SCORECARD 2012/13

INDICATOR	IDP	INDICATOR DEFINITION
1.A Percentage of building plans approved within statutory timeframes (30-60 days)	1.1 (e)	<p>Percentage of applications approved within statutory timeframes (30-60 days). The objective is to improve approval application times. This improvement is in the trend over the course of the five-year IDP term, but targeted annually as the weighted average percentage achieved for the specific year. The approval of building plans is measured within the statutory timeframes of <500 m² (30 days) and >500 m² (60 days). Refer section A7 of the National Building Regulations Act, Act 103 of 1977.</p> <p>Date and time-stamped data: A cut-off date of three days of the next month is allowed for the capturing of the previous month's production (i.e. 30th or 31st day of the month). Statistical data will be extracted on the fourth day, with a date and time stamp, and reported accordingly, and will be reported as a weighted average percentage for the two categories of building plans.</p>
1.B Percentage of capital budget spent	1.2 (b)	<p>Percentage reflecting year-to-date spend/Total budget less any contingent liabilities relating to the capital budget</p> <p>The total budget is the Council-approved adjusted budget at the time of the measurement.</p> <p>Contingent liabilities are only identified at the year end.</p>
1.C Rand value of capital invested in engineering infrastructure	1.2 (b)	<p>Investment in engineering infrastructure relates to growth, refurbishment and replacement of water, sanitation, electricity, solid waste (removal and disposal), roads, stormwater, transport and broadband infrastructure.</p>
1.D Percentage of operating budget allocated to repairs and maintenance	1.2 (b)	<p>Repairs and maintenance expressed as a percentage of the total repairs and maintenance operating budget.</p> <p>Maintenance is defined as the actions required for an asset to achieve its expected useful life. Planned Maintenance includes asset inspection and measures to prevent known failure modes and can be time- or condition-based.</p> <p>Repairs are actions undertaken to restore an asset to its previous condition after failure or damage. Expenses on maintenance and repairs are considered operational expenditure.</p>
1.E Percentage spend on repairs and maintenance	1.2 (b)	<p>Percentage reflecting year-to-date spend (including secondary cost)/total repairs and maintenance budget.</p> <p>Note that the in-year reporting during the financial year will be indicated as a trend (year-to-date spend).</p> <p>Maintenance is defined as the actions required for an asset to achieve its expected useful life. Planned maintenance includes asset inspection and measures to prevent known failure modes and can be time- or condition-based.</p> <p>Repairs are actions undertaken to restore an asset to its previous condition after failure or damage. Expenses on maintenance and repairs are considered operational expenditure.</p> <p>Primary repairs and maintenance cost refers to repairs and maintenance expenditure incurred for labour and materials paid to outside suppliers.</p> <p>Secondary repairs and maintenance cost refers to repairs and maintenance expenditure incurred for labour provided in-house/internally.</p>
1.F Number of outstanding valid applications for water services, expressed as a percentage of total number of billings for the service	1.2 (b)	<p>This indicator reflects the number outstanding valid applications expressed as a percentage of total number of active billings for the service, (where down payment has been received) for water services (where valid applications translate into an active account) for domestic customers as extracted from the City of Cape Town's SAP database.</p> <p>Proxy measure for NKPI.</p>
1.G Number of outstanding valid applications for sewerage services, expressed as a percentage of total number of billings for the service	1.2 (c)	<p>This indicator reflects the number of outstanding valid applications for sewerage services (where valid applications translate into an active account), expressed as a percentage of total number of active billings for the service (where down payment has been received). Billing equates to active contract accounts (sewerage services) for domestic customers, as extracted from the City of Cape Town's SAP database.</p> <p>Proxy measure for national key performance indicator.</p>

APPROVED ONE-YEAR CORPORATE SCORECARD 2012/13

INDICATOR	IDP	INDICATOR DEFINITION
1.H Number of outstanding valid applications for electricity services, expressed as a percentage of total number of billings for the service	1.2 (c)	This indicator reflects the number of outstanding valid applications for electricity services (meter and prepaid) (where valid applications translate into an active account), expressed as a percentage of total number of active billings for the service (where down payment has been received). The accuracy of the billing records is reported within an error margin of 0,5%. Proxy measure for national key performance indicator.
1.I Number of outstanding valid applications for refuse collection service, expressed as a percentage of total number of billings for the service	1.2 (c)	This indicator reflects the number of outstanding valid applications for refuse collection services (where valid applications translate into an active account), expressed as a percentage of total number of active billings for the service (where down payment has been received). Billing equates to active contract accounts (kerbside refuse collection service) for domestic customers, as extracted from the City of Cape Town's SAP database. The accuracy of the billing records is reported within an error margin of 0,5%. Proxy measure for national key performance indicator.
1.J Number of EPWP job opportunities created	1.2 (d)	This indicator measures the number of work opportunities created through the EPWP. An EPWP job opportunity is paid work created for an individual on an EPWP project for any period of time, within the employment conditions of the Code of Good Practice for Special Public Works Programmes.
1.K Percentage of treated potable water not billed	1.3 (b)	The percentage of treated potable water not billed pertains to non-revenue water. This is the volume of potable water that is treated, but is either lost or not billed for, expressed as a percentage of total potable water treated. It is calculated on a 12-month rolling basis in order to smooth out short-term fluctuations. The aim is to reduce the percentage of treated potable water not billed over the planned period, which is reflected in the targets.
1.L Number of passenger journeys on the MyCiti public transport system	1.4 (c)	The take-up of the MyCiti service will be determined by the demand. A passenger journey is calculated from the first boarding of a bus at a feeder stop or main station to the last exit from a bus at a feeder stop or main station, and includes any transfers between buses (single journey).
1. M Percentage development of Immovable Property Asset Management Framework	1.5 (a)	This indicator measures the percentage of the weighted average of the components below: 1. Development of a comprehensive immovable property asset register 2. Development of the Immovable Property Asset Management Framework 3. Development of a centralised custodial role for immovable property asset management (communication) 4. Identification of all strategic immovable property assets 5. Development of a medium-term (five-to-ten-year) strategy for the release of immovable property 6. The strategic acquisition and holding (land banking) of new immovable property assets
1.N Number of external trainee and bursary opportunities created	1.6 (a)	This measures the number of learning opportunities created for unemployed youth as a contribution to the job creation initiative, and provision of real world-of-work exposure to graduates. This includes external bursaries awarded, in-service student training opportunities, graduate internships, learnerships and apprenticeships. There are two measures under this indicator. Measure (a) includes external bursars, in-service student trainees, graduate interns and learners (learnership beneficiaries). Measure (b) includes apprentices. Both measures are accumulative quarterly measures. The target refers to the fourth quarter's final total.

APPENDIX C: DEFINITIONS FOR CORPORATE SCORECARD INDICATORS

APPROVED ONE-YEAR CORPORATE SCORECARD 2012/13

INDICATOR	IDP	INDICATOR DEFINITION
2.A Community Satisfaction Survey (Score 1-5) – safety and security	2.4 (a)	<p>This indicator measures community perception in respect of the prevailing levels of general disorder in the city. 'Antisocial behaviour and disorder' are concepts frequently used in the law enforcement environment to describe the prevailing sense of lawlessness in a particular area, and refer to minor crimes, bylaw offences, nuisances and traffic offences that directly affect residents' quality of life. The City's CSS measures public perception around a number of these issues, namely:</p> <ul style="list-style-type: none"> • visible presence of traffic enforcement; • action taken against illegal land invasions; • action taken against illegal dumping; • acting on complaints relating to noise and other disturbances; and • bylaws being enforced. <p>Total score in respect of the section in the survey that relates to antisocial behaviour and general disorder. Questionnaires completed by residents as part of the City's CSS, which inter alia measures public perception around:</p> <ul style="list-style-type: none"> • traffic enforcement; • illegal land invasion; • illegal dumping; • noise and disturbances; • general enforcement of the City's bylaws.
2.B Reduce number of accidents at five highest-frequency intersections	2.1 (a)	<p>This indicator measures the decrease in vehicle accidents in the five highest identified accident-frequency locations. These locations are:</p> <ul style="list-style-type: none"> • M7 x Voortrekker Rd; • N7 x Bosmansdam Rd; • Section St x Koeberg Rd; • Cannon Rd x Voortrekker Rd x Koeberg Rd (Maitland); and • Victoria Rd x N2 west (Somerset West). <p>(5% on 75 reduction from Q1 of 2008, i.e. 75) = four fewer accidents, so target for Q1 = 71; (5% reduction from Q2 of 2008, i.e. 150) = 7, so target Q2 = 143; (5% reduction from Q3 of 2008, i.e. 225) = 11, so target for Q3 = 214, and (5% reduction from a baseline of 300) = 15, so target for Q4 = 285.</p>
2.C Percentage response times for fire incidents within 14 minutes from call receipt up to arrival	2.1 (a)	Percentage response times for fire incidents within 14 minutes from call receipt up to arrival.
2.D Number of operational specialised units	2.2 (a)	This indicator will measure the number of specialised units in the three policing departments, i.e. Metro Police, Traffic and Law Enforcement, which the Safety and Security Directorate manages to maintain as operationally active and fully capable of delivering on their specialised mandates.
2. E Percentage of SmartCop system implemented	2.3 (a)	The indicator measures the extent to which a unified information platform and call-taking and dispatching system has been implemented.
2.F Percentage staff successfully completing occupation-specific training interventions	2.4 (a)	This indicator measures the percentage of members of the Metro Police, Traffic and Law Enforcement Departments who have undergone any training intervention that is directly relevant to the performance of their operational duties i.e. occupation-specific training interventions.
2.G Percentage achieved in neighbourhood watch satisfaction survey	2.5 (a)	This indicator will measure the percentage satisfaction with the City's assistance to neighbourhood watches.

APPROVED ONE-YEAR CORPORATE SCORECARD 2012/13

INDICATOR	IDP	INDICATOR DEFINITION
3.A Number of social development programmes implemented	3.1 (a)	The indicator refers to the number of social development programmes implemented. Seven programmes have been identified and each will consist of a number of projects and interventions. The programmes are youth development, ECD training, social entrepreneurship, vulnerable groups (senior citizens, gender and disability), street people, substance abuse, and poverty alleviation and reduction.
3.B Number of recreation hubs where activities are held on a minimum of five days a week	3.1 (a)	A recreation hub is a community facility that focuses on implementing a variety of sport and recreational activities on at least five days a week, for at least three hours per day. Activities will target all sectors of the community, namely children, youth and adults. Activities will be implemented by staff, volunteers, NGOs, clubs and federations.
3.C Number of housing opportunities provided per year	3.2 (d)	<p>A housing opportunity is defined under the following three categories:</p> <ul style="list-style-type: none"> a. Sites are any property providing a municipal service on an individual basis to a household or households in multistorey units, where the main source of funding is the Urban Settlements Development Grant (USDG) in terms of DoRA for such purpose. b. Top structures are any build structure providing shelter to a household by means of any National Housing Programme, where the main source of funding is the Human Settlements Development Grant (HSDG) in terms of DoRA for such purpose. c. Others are the number of existing rental stock units undergoing major upgrading and any number of households provided with shared services in the backyarder and re-blocking programmes. <p>Definition of a housing opportunity: A housing opportunity is incremental access to* and/or delivery of one of the following housing products:</p> <ul style="list-style-type: none"> (A) Subsidy Housing (BNG), which provides a minimum 40m² house; a fully serviced residential site and may also include high-density residential sites related to integrated human settlements development. (B) Incremental Housing, which provides a serviced site with or without tenure. (C) Rental Housing, incorporating new Community Residential Units, upgrading and re-development of existing rental units and hostels. (D) People's Housing Process (PHO), which is beneficiaries who maximise their housing subsidy by building or organising the building of their homes themselves. (E) Land Restitution, incorporating land approved by Council or court decisions to valid claimants. (F) Social Housing, incorporating new rental units, delivered by the City's Social Housing partners. (G) GAP Housing, incorporating a serviced plot, a completed unit for sale or affordable units for sale. (H) Re-blocking of Informal Settlements, which is the reconfiguration of the layout of the settlements and to allow improved access and levels of services. <p>*Access to: is as contemplated in Section 26 (1) of the Constitution of the Republic of South-Africa 1996 i.e. 'Everyone has the right to have access to adequate housing'.</p> <p>Note: An opportunity is specifically defined above and is only counted at a point when specific evidence is available for auditing purposes. The delivery targets on the Corporate Scorecard and the SDBIPs only reflect delivery by the City. In some instances delivery of a serviced site and a top structure may be on the same property, but is viewed as two opportunities (serviced site and top structure) to align with reporting requirements on expenditure for grant funding as two separate milestones.</p> <p>A separate report (not for auditing purposes) for Information to Council reflects total delivery by the City, which includes delivery by PGWC (N2, PHP, GAP, other projects) and Social Housing and Restitution Cases, which the City facilitates.</p>

APPENDIX C: DEFINITIONS FOR CORPORATE SCORECARD INDICATORS

APPROVED ONE-YEAR CORPORATE SCORECARD 2012/13

INDICATOR	IDP	INDICATOR DEFINITION
3. D Number of deeds-of-sale agreements signed with identified beneficiaries on transferrable rental units	3.3 (a)	This indicator refers to the registration of transferrable rental stock in qualifying tenants' names. The evidence for this indicator will be signed sales agreements.
3.E Improve basic services		
Number of water services points (taps) provided	3.4 (b)	This indicator reflects the number of taps provided in informal settlements and for backyarders in City rental stock (pilot) during the period under review. Certain taps may, however, have been vandalised or removed after provision. – Backyarder provision based on one tap per backyard property that could be serving several households.
Number of sanitation service points (toilets) provided	3.4 (b)	This indicator reflects the number of toilets provided in informal settlements and for backyarders in City rental stock (pilot) during the period under review. Certain toilets may however have been vandalised or removed after provision. – Backyarder provision based on one toilet per backyard property that could be serving several households.
Number of informal settlements receiving a door-to-door refuse collection and area-cleaning service	3.4 (b)	This indicator reflects the number of informal settlements receiving a weekly door-to-door refuse removal collection service and ongoing area cleaning (litter picking and illegal-dumping removal). The cleaning and collection of domestic refuse in informal settlements is done through contract services, employing local labour. Three-year contracts are awarded to a legitimate main contractor through the procurement tender process.
Percentage of known informal settlements that achieve each of the four different standards of cleanliness Level 1, level 2, level 3 and level 4	3.4 (b)	The Solid Waste Management Department has developed a pictorial 'standard of cleanliness' to be able to hold the service provider in informal settlements to a level or standard of service provision. The standard of cleanliness is a qualitative performance management tool. Level 1: desired standard of cleanliness; level 2: fair/reasonable standard of cleanliness; level 3: unacceptable standard of cleanliness, and level 4: totally unacceptable standard of cleanliness.
3.F Number of subsidised electricity connections installed	3.4 (b)	This indicator reflects the number of subsidised connections installed per annum in informal settlements, rental stock backyarders (pilot) and low-cost housing.
3.G Percentage compliance with drinking-water quality standards	3.5 (a)	Measure of potable-water sample pass rate according to the SANS241 standard.
3.H Number of days when air pollution exceeds RSA ambient air quality standards	3.6 (a)	Description of indicator: Any day when any one of the criteria pollutants at any one of up to a maximum of 13 air-quality monitoring stations in the city exceeds national ambient air quality standards. Layman's description: The number of days when the levels of any one of the identified air pollution particles are above the levels set by the South African ambient air quality standards.
3.I New smear-positive TB cure rate	3.7 (a)	The indicator measures the number of new smear-positive pulmonary TB cases started on treatment, and for whom there is bacteriological confirmation that the patient has responded to treatment and can be considered cured. Numerator: Number of new smear-positive pulmonary TB cases started on treatment, and for whom there is bacteriological confirmation that the patient has responded to treatment and can be considered cured. Denominator: Number of new smear-positive pulmonary TB cases. The percentage indicates the previous financial year's figures, so for 2012/13, it will be the financial year 2011/12's results.
3.J Number of new clients screened at the substance abuse outpatient treatment centres	3.8 (a)	The number of new clients seeking help for substance abuse, being screened in a first interview at the City's outpatient treatment sites.

APPROVED ONE-YEAR CORPORATE SCORECARD 2012/13

INDICATOR	IDP	INDICATOR DEFINITION
4.A Percentage adherence to citywide service standard based on all external notifications	4.1 (a)	Measure the percentage adherence to citywide service standard based on all external notifications.
4.B Customer satisfaction survey (Score 1-5 Likert scale) – community facilities	4.2 (a)	<p>A statistically valid, scientifically defensible score from the annual survey of residents' perceptions of the overall performance of the services provided at community facilities, measured by calculating the average of the responses to a number of survey questions related to community facilities.</p> <p>The measure is given against the non-symmetrical Likert scale, with 1 being poor; 2 fair; 3 good; 4 very good, and 5 excellent.</p> <p>The objective is to improve the current customer satisfaction level measured through the CSS (score 1-5) from the 3,1 baseline set for 2010/11, to a 3,2 target in 2012/13. The annual improvement is calculated by determining the difference between the average customer satisfaction scores of the different financial years.</p>
5.A Number of municipal meetings open to the public	5.1 (a)	The indicator measures the number of municipal meetings open to the public as a way of maintaining transparency in the day-to-day governance of the municipality.
5.B Percentage of employees who are truly motivated and will go above and beyond the call of duty, as measured in a biennial staff engagement survey	5.2 (b)	<p>'Fully engaged' staff are defined as 'employees who are truly motivated and will go above and beyond the call of duty to delight customers'. They are seen as the best ambassadors to the marketplace, according to Ipsos-Markinor. This indicator measures the percentage of staff who fall under this category, and is based on the biennial staff engagement survey.</p> <p>The unit of measure is the percentage as determined in a staff satisfaction survey. The frequency of measurement is biennial.</p> <p>Formula:</p> <p>The formula is the proprietary copyright of the Independent Service Provider, Ipsos-Markinor. It is based on the responses to the survey which they undertake.</p> <p>Public-sector score = 23%; private-sector score = 33%.</p>
5.C Community Satisfaction Survey (Score 1-5) – citywide	5.2 (c)	<p>A statistically valid, scientifically defensible score from the annual survey of residents of perceptions of the overall performance of the services provided by the City of Cape Town.</p> <p>The measure is given against the non-symmetrical Likert scale, with 1 being poor; 2 fair; 3 good; 4 very good, and 5 excellent.</p> <p>The objective is to improve the current customer satisfaction level measured through the CSS (score 1-5) from the 2,4 baseline set for 2007/8, to 2,8 in 2012/13. The improvement is calculated by establishing the difference between the different financial years.</p>
5.D Percentage of people from employment equity target groups employed in the three highest levels of management, in compliance with the City's approved employment equity plan	5.2 (d)	The indicator measures the percentage of people from employment equity target groups employed in the three highest levels of management, in compliance with the City's approved employment equity plan. Each directorate contributes to the corporate achievement of targets and goals by implementing its own objectives based on quantitative and qualitative goals.
5.E Percentage of budget spent on implementation of a workplace skills plan for the City	5.2 (e)	<p>A workplace skills plan is a document that outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate budget for appropriate training interventions that will address the needs arising from local government's skills sector plan, the City's strategic requirements as contained in the IDP, and the individual departmental staffing strategies and individual employees' personal development plans.</p> <p>The workplace skills plan shall also take into account the EE Plan, ensuring incorporation of relevant developmental equity interventions into the plan.</p> <p>Formula: Measured against training budget.</p>

APPENDIX C: DEFINITIONS FOR CORPORATE SCORECARD INDICATORS

APPROVED ONE-YEAR CORPORATE SCORECARD 2012/13

INDICATOR	IDP	INDICATOR DEFINITION
5.F Opinion of the Auditor-General	5.3 (a)	<p>This indicator measures good governance and accounting practices, and will be evaluated and considered by the Auditor-General in determining his opinion. An unqualified audit opinion refers to when the auditor has completed his audit and has no reservation as to the fairness of presentation of financial statements and their GRAP conformity. This is referred to as a 'clean opinion'.</p> <p>Alternatively, in relation to a qualified audit opinion, the auditor would issue this opinion in whole or in part over the financial statements if these are not prepared in accordance with GRAP or if the auditor could not audit one or more areas of the financial statements. Future audit opinions will cover the audit of predetermined objectives.</p>
5.G Opinion of independent rating agency	5.3 (a)	<p>A report that reflects the creditworthiness of an institution to repay long-term and short-term liabilities. A credit rating is an analysis of the City's key financial data performed by an independent agency, to assess the City's ability to meet its short-term and long-term financial obligations.</p> <p>Indicator standard/norm/benchmark.</p> <p>The highest rating possible for local government, which is also subject to the country's sovereign rating.</p>
5.H Ratio of cost coverage maintained	5.3 (a)	Total cash and investments (short term) less restricted cash, in relation to monthly operating expenditure
5.I Ratio of net debtors to annual income (ratio of outstanding service debtors to revenue actually received for services)	5.3 (a)	Net current debtors divided by total operating revenue.
5.J Debt coverage by own billed revenue	5.3 (a)	Total debt divided by total annual operating income.



Cape Town is positioning itself as the events capital in South Africa with iconic events being hosted here. The Cape Argus Pick n Pay Cycle Tour is the largest individually timed race in the world.



Cape Town stadium has hosted many international bands and singers.



The Cape Minstral Carnival is one of Cape Town's oldest celebrations since its inception in the mid-1800s.

















The Cape Town Carnival is an annual celebration of the City's rich history and diversity.



The Old Mutual Two Oceans Marathon, held since the 1970s, is considered the world's most beautiful marathon.

APPENDIX D: CONVENCO PERFORMANCE SCORECARD

Convenco fourth-quarter performance assessment report for 2012/13 – 1 July 2012 to 30 June 2013								
 Target achieved				 Below target				
 Well above target				 Well below target				
Strategic focus area 1: Shared economic growth and development								
Corporate objective 1A: Create an enabling environment for the economy to grow and become globally competitive								
No.	Indicator	Annual Target 2011/12	Actual performance 2011/12	Annual Target 2012/13	Actual performance 2012/13	Rating	Reason for variance	Remedial action
1	Operating profit: Achieved or outperformed budgeted operating profit	98%	Revenue 98% Expenditure 94%	100%	419%		Target achieved	Maintain the momentum
2	Capital projects: Number of capital projects for year completed or committed	80%	92%	80%	95%		Target achieved	Maintain the momentum
3	Capital expenditure: Spend of capital budget (excluding expansion) ensuring that five-star standards are maintained	R2,7 billion per annum	R2,55 billion per annum	Five star standards maintained	Five star certificate from Tourism Grading Council achieved		Target achieved	Maintain the momentum
4	Events: Number of events hosted compared to budgeted target	200 000	233 225	500	537		Target achieved	Maintain the momentum
5	External audit report: Unqualified audit report for 2011/12 financial year	7 000	7 082	Unqualified audit report	Achieved for 2012/13 financial year		Target achieved	Maintain the momentum
6	Human capital development: Actual cost of training of permanent and temporary staff as a percentage of total salary cost	500	514	5%	5%		Target achieved	Maintain the momentum
7	Minimum competency level: Number of senior managers registered for MFMA competency course	75% of minimum aggregate score for all CITCC internal departments and external suppliers	81%	7	12		The executive middle managers commenced with the minimum-competency level training in March 2013	Maintain the momentum
8	Customer centricity and service excellence	5% saving on energy compared to 2009/10	0%	75%	82%		Target achieved	Maintain the momentum
9	Supply chain procurement from BEE suppliers measured in terms of Black Economic Empowerment Act	Percentage spent not below 50%	73%	50%	72%		Target achieved	Maintain the momentum
10	Completion of legal compliance checklist	Minimum of 5% as a percentage of salary cost	6%	Checklist completed	Completed and submitted		Submitted on 3 April. However, condonation has been received due to agreed submission date being over Easter weekend and a Sunday.	Maintain the momentum



The MyCiti bus service undertook 3 301 328 passenger journeys.

APPENDIX E: ANNUAL REPORT COMPLIANCE CHECKLIST

This checklist has been completed in accordance with chapter 12 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

No.	Requirement	Compliance
Required documentation to be included in the annual report		
1	Financial statement	Yes
2	Auditor-General's report	Yes
3	Annual performance report	Yes
4	Assessment of any arrears on municipal taxes and service charges	Yes
5	Assessment of performance against the measurable performance objectives for revenue collection	Yes
6	Corrective action taken in response to issues raised in the audit reports	Yes
7	Recommendations of the municipality's audit committee	Yes
	Disclosures on intergovernmental and other allocations	Yes
8	Allocations received from an organ of state in the national or provincial sphere of government	Yes
9	Allocations received from a municipal entity or another municipality	Yes
10	Indication of how any allocations were spent	Yes
11	Allocations made by the municipality to a municipal entity or another municipality	Yes
12	Allocations made by the municipality to any other organ of state	Yes
13	Indication of whether the municipality has complied with the conditions of any allocations made to the municipality	Yes
14	Indication of the reasons for any non-compliance with conditions of any allocations made to the municipality	Yes
15	Indication of whether funds destined for the municipality in terms of the annual Division of Revenue Act were delayed or withheld, and the reasons advanced to the municipality for such delay or withholding	Yes
Disclosures concerning councillors, directors and officials		
16	The salaries, allowances and benefits of political office bearers and councillors of the municipality, whether financial or in kind, including a statement by the accounting officer on whether or not those salaries, allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution	Yes
17	Any arrears owed by individual councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services, and which, at any time during the relevant financial year, were outstanding for more than 90 days, including the names of those councillors	Yes
18	The salaries, allowances and benefits of the municipal manager, the chief financial officer, every senior manager and such categories of other officials as may be prescribed	Yes
No.	Requirement	Compliance
Other compulsory disclosures		
19	A list of all municipal entities under the sole or shared control of the municipality during and as at the last day of the financial year	Yes
20	The total amount of contributions to organised local government for the financial year, and the amount of any contributions outstanding as at the end of the financial year	Yes
21	The total amounts paid in audit fees, taxes, levies, duties, and pension and medical aid contributions, and whether any amounts were outstanding as at the end of the financial year	Yes

No.	Requirement	Compliance
In respect of each bank account held by the municipality during the relevant financial year		
22	The name of the bank where the account is or was held, and the type of account	Yes
23	Year-opening and year-end balances of each of these bank accounts	Yes
24	A summary of all investments of the municipality or entity as at the end of the financial year	Yes
25	Particulars of any contingent liabilities of the municipality or entity as at the end of the financial year	Yes
26	Particulars of: <ul style="list-style-type: none"> any material losses recovered or written off any material losses and any material irregular or fruitless and wasteful expenditures, including, in the case of a municipality, any material unauthorised expenditure that occurred during the financial year, and whether this is recoverable; any criminal or disciplinary steps taken as a result of such losses or such unauthorised, irregular or fruitless and wasteful expenditures; and any material losses recovered or written off 	Yes



The City set out to increase existing external training opportunities for unemployment youth. This includes in-service training, apprenticeships, learnerships, gratitude internships and bursaries.

APPENDIX F: LIST OF ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

AECD	African Entrepreneurial Development Company
AET	adult education and training
AOD	alcohol and other drugs
AQMP	Air Quality Management Plan
ART	antiretroviral therapy
BNG	Breaking New Ground
BPeSA	Business Process Enabling South Africa
BRT	bus rapid transit
BWAS	bulk water augmentation scheme
CA	continuous auditing
CAPA	Climate Adaptation Plan of Action
CBD	central business district
CCTV	closed-circuit television
CDIRD	City Development Information Resource Centre
CHC	community health centre
CITI	Cape Information Technology Initiative
COGTA	(National Department of) Cooperative Governance and Traditional Affairs
CPF	community police forum
CPI	consumer price index
CPUT	Cape Peninsula University of Technology
CRR	capital replacement reserve
CRU	community residential unit
CSA	control self-assessment
CSC	corporate scorecard
CTEW	Cape Town Entrepreneurship Week
CTICC	Cape Town International Convention Centre
CTSDF	Cape Town Spatial Development Framework
CTZS	Cape Town Zoning Scheme
DIRC	Development Information Resource Centre
DLTC	driving licence testing centre
DOTS	directly observed treatment short course
dti	Department of Trade and Industry
DWA	Department of Water Affairs
ECD	early childhood development
ED	executive director
EDP	Economic Development Partnership
EE	employment equity
EED	Employment Equity Department
EEDSM	energy-efficiency demand-side management
EFF	external financing fund
EGS	Economic Growth Strategy
EIA	environmental impact assessment
EMT	Executive Management Team
eNATIS	National Traffic Information System
EPWP	Expanded Public Works Programme
FET	further education and training
GBps	gigabyte per second
GHS	General Household Survey (conducted by Statistics South Africa)
GIS	geographic information systems
GRAP	generally recognised accounting practice
HR	human resources
IAMP	infrastructure asset management programme
ICT	information and communication technology
IDA	incremental development area

IDP	Integrated Development Plan
IIA	Institute of Internal Auditors
IMATU	Independent Municipal and Allied Trade Union
IPAMF	Immovable Property Asset Management Framework
IPAR	immovable property asset register
IPTN	integrated public transport network
IRM	Integrated Risk Management (Department)
IRT	integrated rapid transit
IS&T	Information Systems and Technology
IWM	integrated waste management
MAYCO	Mayoral Committee
MFMA	Municipal Finance Management Act
MOD	mass participation, opportunity and access, development and growth
MPAC	Municipal Public Accounts Committee
MRF	materials recovery facility
MTREF	Medium-Term Revenue and Expenditure Framework
NDP	National Development Plan
NERSA	National Energy Regulator of South Africa
NGO	non-governmental organisation
NMT	non-motorised transport
NWMS	National Waste Management Strategy
OHS	occupational health and safety
PHC	primary health care
PHP	People's Housing Process
PMTCT	prevention of mother-to-child transmission (of HIV)
Province	Western Cape Provincial Government
RTS	refuse transfer station
SAMWU	South African Municipal Workers' Union
SANEA	South African National Energy Association
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SETA	sectoral education and training authority
SFA	strategic focus area
SMME	small, medium and micro-sized enterprise
SOE	state-owned enterprise
SOV	single-occupancy vehicle
SPEARS	Specialised Radio and Electronic Services
SRO	school resource officer
TASK	tuned assessment of skills and knowledge (job grading system)
TB	tuberculosis
TCT	Transport for Cape Town
TDA	tourism development area
TEAM	Tourism, Events and Marketing (Directorate)
TRA	temporary relocation area
UCT	University of Cape Town
USDG	Urban Settlements Development Grant
UWC	University of the Western Cape
WCWSS	Western Cape water supply system
WDC	World Design Capital
WDM	water demand management
WDS	water demand strategy
WSA	water services authority
WSDP	Water Services Development Plan
WWTW	wastewater treatment works

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