



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

INTEGRATED ANNUAL REPORT **2015/16**



CONTENTS

2	Vision and mission of the City of Cape Town
4	ABOUT THIS ANNUAL REPORT
6	Highlights
8	Message from the executive mayor
9	Statement by the city manager
10	OVERVIEW OF THE CITY OF CAPE TOWN
12	Key facts and salient features
14	About Cape Town
16	Understanding Cape Town's key challenges
18	The Cape Town spatial development framework
19	Driving sustainable economic growth and social development
20	Building the City of the future
22	Embracing innovation to serve the people of cape town
24	GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT
26	Management and governance structures and frameworks
33	Good governance as a sustainable foundation
37	Public participation
38	2015/16 PERFORMANCE REVIEW
40	Strategic focus area 1: <i>The opportunity city</i>
90	Strategic focus area 2: <i>The safe city</i>
98	Strategic focus area 3: <i>The caring city</i>
114	Strategic focus area 4: <i>The inclusive city</i>
124	Strategic focus area 5: <i>The well-run city</i>
136	OVERVIEW OF FINANCIAL PERFORMANCE AND ECONOMIC STABILITY
138	Overview of the 2015/16 financial performance
142	CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
144	Approval of the consolidated annual financial statements
146	Report of the Auditor-General
150	Report of the Audit and Performance Audit Committees for the year ended 30 June 2016
154	Report of MPAC
156	General information
158	Financial statements and policy
233	Annexures
254	APPENDICES

VISION AND MISSION OF THE CITY OF CAPE TOWN

THE **VISION** OF
THE CITY OF
CAPE TOWN IS
THREEFOLD:

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 STRIVING TO ACHIEVE
THIS VISION, THE CITY'S
MISSION IS:

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; and

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 CORNERSTONES OF A SUCCESSFUL AND THRIVING CITY, WHICH FORM THE FOUNDATION OF ITS FIVE-YEAR INTEGRATED DEVELOPMENT PLAN.

THESE 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.

ABOUT THIS ANNUAL REPORT

THIS 2015/16 ANNUAL REPORT BUILDS ON THE INTEGRATED REPORTING EFFORTS OF THE CITY IN PREVIOUS YEARS, AND ATTEMPTS TO MEET THE REQUIREMENTS AND RECOMMENDATIONS OF THE KING REPORT ON CORPORATE GOVERNANCE IN SOUTH AFRICA (OR THE KING III REPORT) AS WELL AS INTERNATIONALLY ACCEPTED STANDARDS FOR INTEGRATED REPORTING.

While the report provides City of Cape Town stakeholders and interested parties with comprehensive information about the administration's financial, operational, social and environmental performance for the 12 months under review, it also focuses on progress made against the Integrated Development Plan objectives for the past five years.

Accordingly, therefore, the content of this annual report is structured around the five strategic focus areas (pillars) and their underlying objectives contained in the City's five-year Integrated Development Plan. It is also informed by a number of other plans and documents produced by the various City directorates and business areas. These include, but are not limited to, the following:

- The City's 2015/16-2017/18 budget
- The Integrated Human Settlements Five-Year Strategic Plan, July 2012-June 2017
- The Integrated Public Transport Network (IPTN) 2032
- The Transit-Oriented Development Strategic Framework
- The Built Environment Performance Plan (BEPP) 2015/16
- The Cape Town Spatial Development Framework
- The City of Cape Town Economic Growth Strategy
- The City of Cape Town Social Development Strategy

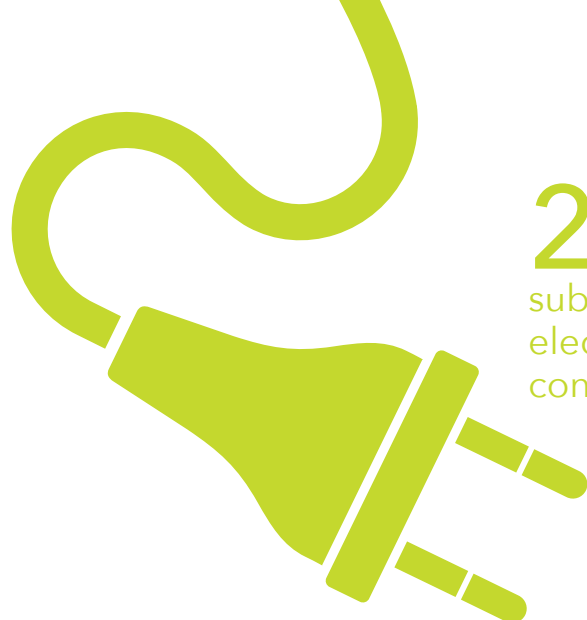
Material issues:

The content of this report aligns with various material issues reflected in the City's Integrated Development Plan and other sector plans. These material matters are identified by the City to be addressed as part of the delivery of its service mandate and through the achievement of its long-term vision. Some of the City's material issues include the following:

- | | |
|---|-------|
| Mitigating carbon emissions and helping to address climate change | MI 1 |
| Efficient water supply, use and management | MI 2 |
| Efficient energy supply, use and management | MI 3 |
| Effective waste management | MI 4 |
| Sustainable human settlements efficiencies | MI 5 |
| Social sustainability with a focus on poverty alleviation | MI 6 |
| Economic sustainability through financial prudence | MI 7 |
| Effective and transparent governance and risk management | MI 8 |
| Achievement of environmental sustainability and biodiversity objectives | MI 9 |
| Sustainable land use and development | MI 10 |
| Customer communication and satisfaction measurement | MI 11 |
| Sustainable procurement | MI 12 |
| Infrastructure maintenance and development | MI 13 |
| Transformation, diversity and talent management | MI 14 |
| Corporate administration | MI 15 |



HIGHLIGHTS



2 909

subsidised
electricity
connections



Received high
investment
rating of **Aaa.za**

from independent
rating agency

The City of Cape Town received an **unqualified audit opinion**, as well as a **clean audit status**, from the Auditor-General of South Africa for the **13th and 4th consecutive years** respectively.

**ALMOST
790 KM**

OF FIBRE-OPTIC CABLE
INSTALLED ACROSS THE METRO

18,5 million

passenger journeys undertaken on MyCiTi



N2 express route 1
in Khayelitsha and
route 1 in Mitchells Plain
COMPLETED

Record spend of
94,48%
on repairs and
maintenance

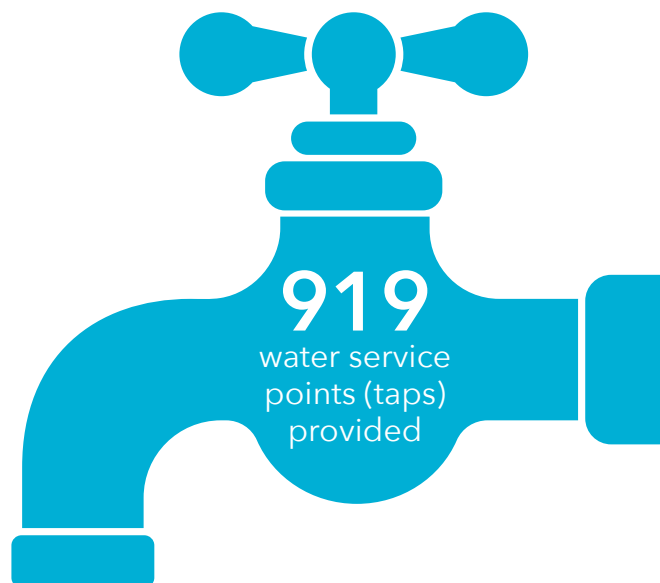
44 942

Expanded Public Works Programme job opportunities created



2 297

serviced-site housing opportunities provided



919
water service points (taps) provided



3 058

sanitation service points (toilets) provided

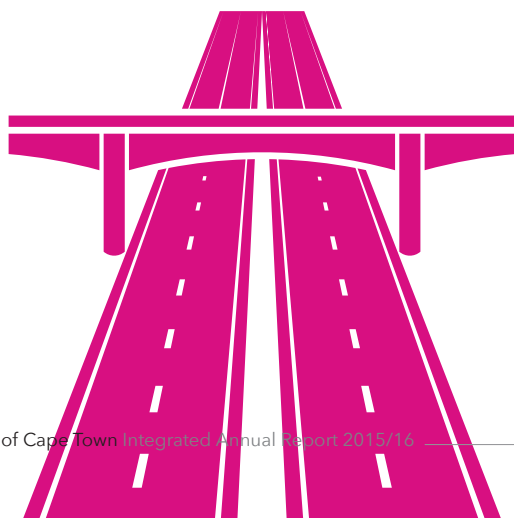
The City of Cape Town recognised as

TOP METRO

in prestigious Eco-Logic awards

R3,7 BILLION

INVESTED IN ENGINEERING INFRASTRUCTURE



81,64%

of emergencies responded to within
14 minutes

104,85%

OF WORKPLACE SKILLS
PLAN BUDGET SPEND



MESSAGE FROM THE EXECUTIVE MAYOR

**ACCOUNTABILITY IS
FUNDAMENTAL TO
BUILDING A WELL-RUN
CITY. IT REQUIRES OF US
TO BE TRANSPARENT AND
ENCOURAGE CONSTRUCTIVE
CRITICISM OF THE WORK
THAT WE DO.**

When we drew up our City of Cape Town 2012–2017 Integrated Development Plan in 2011, we embarked on a mission to implement 294 initiatives following extensive public participation.

With just under a year left until the deadline for completion in June 2017, we have already implemented 97% of those initiatives.

I am proud of each and every City of Cape Town staff member who has worked to make this incredible achievement possible. The progress and achievements outlined in this report represent the fruits of their hard work, determination and perseverance.

The content of this report also attests to the commitment with which this administration serves the residents of Cape Town. This is echoed in the almost 90 international accolades that the City has received over the past five years, and going forward, we will continue to consolidate our well-established reputation as a leader in service delivery in South Africa.

Accountability is fundamental to building a well-run city. It requires of us to be transparent and encourage constructive criticism of the work that we do. The development of this annual report offers us an opportunity

to reflect and to turn challenges and even failures into lessons for the future so that we can keep on improving our delivery to all Capetonians.

I hope that all stakeholders in Cape Town will find the information in this report very valuable and will use it to engage with us on our developmental areas to ensure that we make even more progress possible, together.

It remains my great privilege to lead the City of Cape Town team. I look forward to implementing the lessons learnt and collaborating with all stakeholders to make our great city even greater.

P. de Lille

ALDERMAN PATRICIA DE LILLE
Executive Mayor: City of Cape Town



STATEMENT BY THE CITY MANAGER

WE BELIEVE THAT A SOLID FOUNDATION HAS BEEN LAID, WHICH SHOULD SERVE AS A SPRINGBOARD TO CATAPULT CAPE TOWN TO AN EVEN BETTER AND BRIGHTER FUTURE.

The 2015/16 integrated annual report is about much more than just the City of Cape Town's progress during the past financial year. It is in fact a celebration of a decade of working together to achieve significant progress for the benefit of all stakeholders in Cape Town - most notably, its residents.

Over the past ten years, the City of Cape Town has paid particular attention to improving and enhancing the city's basic infrastructure, investing in and driving new projects, attending to legislative compliance and policy processes, and improving systems and procedures aimed at enhancing service delivery. This annual report again demonstrates this commitment.

In addition to investing capital funds to the tune of R40 billion in infrastructure over the past decade, the City has also increased its expenditure on repairs and maintenance to the point where it is now spending around R3,6 billion per annum on this critical component of safeguarding and maintaining its assets.

Effecting significant improvements to public transport has become another key priority for the City. With a number of state-of-the-art public transport stations and stops in place, close to 50 000 passengers are being transported every single weekday.

It is further worth mentioning that the City and its people are also succeeding in working together to make Cape Town greener. The City

is committed to conserving and managing its unique biodiversity and using its scarce resources more sustainably. Our electricity retrofitting programme has seen thousands of traffic lights and streetlights made more energy-efficient. Furthermore, in partnership with our residents, the City's water conservation and water demand management strategy has steadily driven down the annual water demand and limited water losses caused by leaks and wastage.

We believe that a solid foundation has been laid, which should serve as a springboard to catapult Cape Town into an even better and brighter future.

Nevertheless, while much has been achieved, much work still needs to be done. This latest annual report represents our further commitment to continue working tirelessly and striving hard to meet all our communities' needs to the best of our ability. This will see us further developing and implementing various strategies, including the roll-out of our enhanced customer-centric approach as a cornerstone of our quest to continue taking service delivery to the next level.

ACHMAT EBRAHIM
City Manager

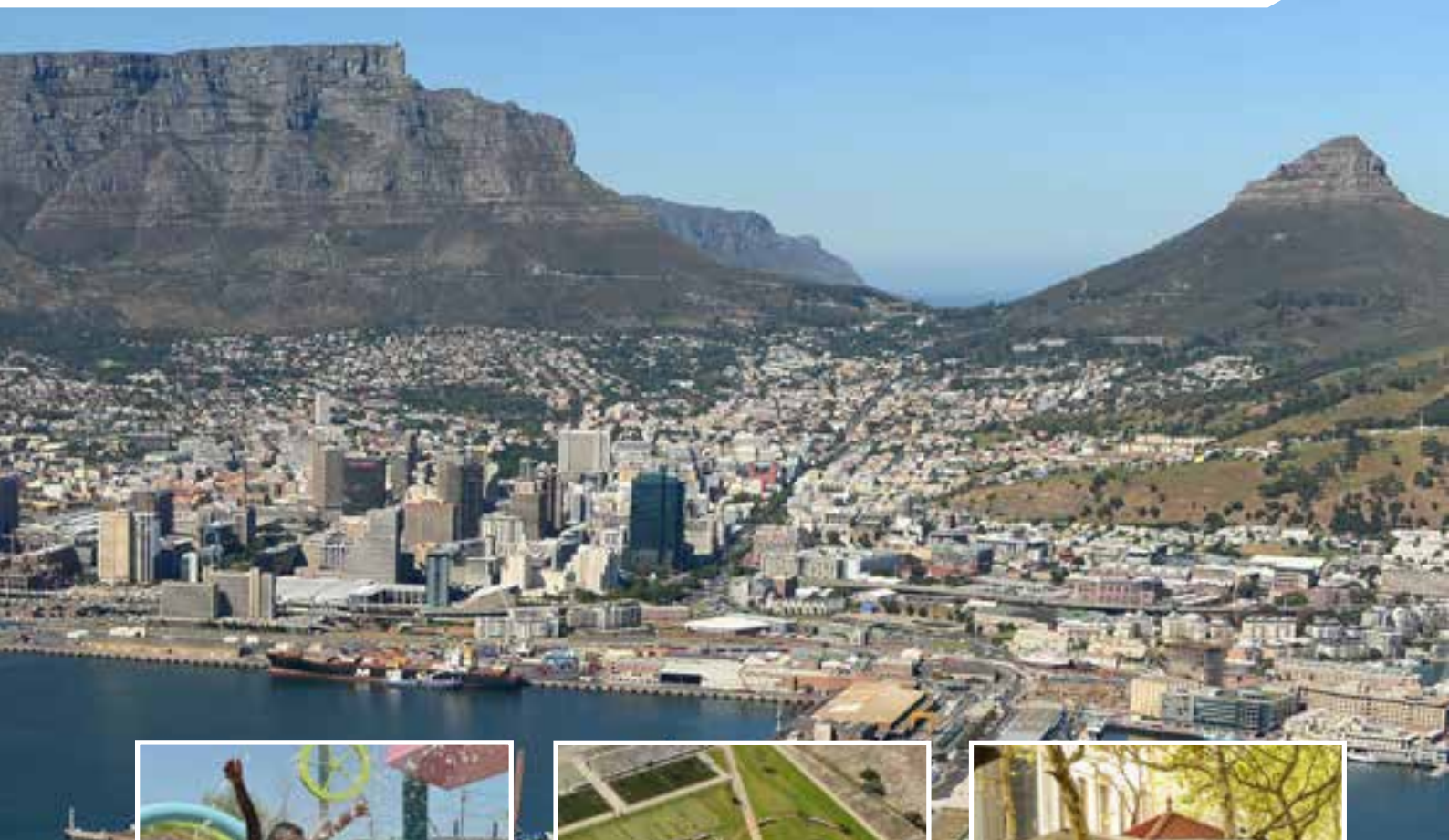
OVERVIEW

OF THE CITY OF CAPE TOWN



With the magnificent backdrop of Table Mountain, Table Bay is one of the most beautiful harbours in the world.

- 14 ABOUT CAPE TOWN
- 16 UNDERSTANDING CAPE TOWN'S KEY CHALLENGES
- 18 MEETING CAPE TOWN'S URBAN DEVELOPMENT CHALLENGES
- 19 DRIVING SUSTAINABLE ECONOMIC GROWTH AND SOCIAL DEVELOPMENT
- 20 BUILDING THE CITY OF THE FUTURE



Spray parks are innovative water-wise facilities.



Smart parks are multifunctional and designed with community input.



The informal sector is a crucial part of Cape Town's economy.

MAYOR
PATRICIA DE LILLE

RULING POLITICAL PARTY
DEMOCRATIC ALLIANCE

POPULATION
4 004 793 PEOPLE (2016)

AVERAGE HOUSEHOLD SIZE
3,17 PEOPLE (2016)

LITERACY RATE
93,4% (2015)

CCT POVERTY LINE
R3 500 INCOME PER MONTH (2015)

NUMBER OF HOUSEHOLDS BELOW POVERTY LINE
301 690 (2015)

NUMBER OF INDIGENT HOUSEHOLDS (AS PER CCT CRITERIA)
231 793 (2015)

OVERALL CRIME RATE
8 285 PER 100 000 PEOPLE (2015/16)
(THE HIGHEST AMONGST MAJOR SOUTH AFRICAN METROS)



KEY FACTS AND SALIENT FEATURES



ABOUT CAPE TOWN

Cape Town is a significant economic, political and business hub for South Africa and a key driver of South African and African growth and development.

CAPE TOWN HAS THE SECOND-LARGEST POPULATION OF ALL CITIES IN THE COUNTRY

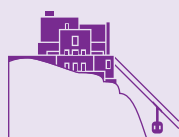
(2016), AND IS ONE OF THE MOST-VISITED TOURIST DESTINATIONS ON THE AFRICAN CONTINENT.



Tourism is based on the city's exceptional, internationally renowned natural systems, including Table Mountain, local nature reserves, species-rich fynbos, extensive coastline, cultural heritage and the winelands. Cape Town is also the gateway to the West Coast and its spectacular spring flowers.



What's more, Cape Town's popularity as a preferred residential location and centre of economic opportunities has meant steady growth in the city's population – a trend that is expected to continue for the foreseeable future, with the city's total population anticipated to reach approximately 4,4 million by 2030.



WHILE ALL OF THESE FACTORS CONTRIBUTE TO CAPE TOWN'S RELEVANCE AS A GLOBAL ECONOMIC HUB, THEY ALSO CREATE SIGNIFICANT INFRASTRUCTURAL AND ADMINISTRATIVE CHALLENGES.



AS THE LOCAL ADMINISTRATION, THE CITY OF CAPE TOWN'S RESPONSE TO THESE CHALLENGES IS ENCAPSULATED IN ITS **VISION TO CREATE A HIGHLY INCLUSIVE SOCIETY BY WORKING TOWARDS GREATER ECONOMIC FREEDOM FOR ALL**. THIS, IN TURN, 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 **FIVE PILLARS** IT HAS IDENTIFIED AS THE CORNERSTONES OF A SUCCESSFUL AND THRIVING CITY. THESE ARE:

THE OPPORTUNITY CITY

Ensure that Cape Town continues to grow as an opportunity city.

MI 1 MI 2 MI 3 MI 5
MI 7 MI 9 MI 13 MI 14

THE SAFE CITY

Make Cape Town an increasingly safe city.

MI 2 MI 3 MI 4
MI 13 MI 14

THE CARING CITY

Make Cape Town even more of a caring city.

MI 1 MI 2 MI 3
MI 4 MI 5 MI 6

THE INCLUSIVE CITY

Ensure that Cape Town is an inclusive city.

MI 5 MI 6 MI 8

THE WELL-RUN CITY

Make sure Cape Town continues to be a well-run city.

MI 7 MI 8 MI 11 MI 15

The City's five-year **Integrated Development Plan (IDP)** is structured according to the same five pillars or strategic focus areas (SFAs) as outlined above, and each of these is cascaded into measurable objectives, programmes and deliverables. For this reason, this 2015/16 annual report is closely aligned with the IDP focus areas, objectives and programmes, and offers an overview of the City's achievements and challenges in terms of meeting these.

UNDERSTANDING CAPE TOWN'S KEY CHALLENGES

PRODUCED EVERY TWO YEARS, **THE STATE OF CAPE TOWN REPORT** OFFERS DETAILED INFORMATION ON, AND ANALYSIS OF, THE 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 2016 State of Cape Town Report, which was in production at the time of writing, is the sixth edition since its first publication in 2006 and covers the five themes of social, economic, natural wealth, urban growth and form, and governance. Whereas the 2014 report focused on the changes that had occurred over the first 20 years of democracy, starting with the 1994 democratic elections, the 2016 report seeks to provide an up-to-date analysis of current urban development data and related issues. The report can be accessed at the following link: www.capetown.gov.za/publications. Selected extracts and summary statistics from this report are provided below:

DEMOGRAPHICS

At the time of Census 2011, the Cape Town population comprised 3,7 million people and was made up of 1,07 million household units. Cape Town's total population grew by almost 30% between 2001 and 2011, and by 46% from 1996 to 2011. In 2015, the city's residents were estimated at 3 957 798, constituting 63,83% of the Western Cape's population. A population figure for Cape Town for 2016 has been released recently by Statistics South Africa (Stats SA) from their 2016 Community Survey and has the population of Cape Town as 4 004 793.

The total number of households in Cape Town grew from 653 085 in 1996 to 1 068 572 in 2011 (census years), and to 1 264 849 in 2016 (StatsSA). A substantial proportion of new households in the city live in informal shelters, either in informal settlements or backyard dwellings. There has been a marked increase in Cape Town households living in backyards over the past 20 years, confirming a need for more low-income housing across the city.

In 2001, the average Cape Town household comprised 3,72 members. However, Census 2011 depicted a trend towards smaller household sizes of two to three members. This trend was observed across all population groups, but is particularly pronounced within the city's black African population group. In 2016, the average household size was 3,17 members (StatsSA 2016). Similar to the provincial and national demographic trend, Cape Town too seems to have an ageing population across all population groups.

The proportion of children (0 – 14 years) in Cape Town decreased from 29,10% in 2002 to 26,18% in 2015 (StatsSA General Household Survey). In the same period, the economically active percentage of the population (15 – 64 years) increased from 66,58% to 67,73%, while the aged population (65 years and above) grew from 4,31% to 6,09%. However, the total age dependency ratio for Cape Town decreased during this time from 0,50 to 0,48.

MI 5 MI 6 MI 11 MI 14

HEALTH

While communicable diseases (mainly the human immunodeficiency virus (HIV) and tuberculosis (TB)) remain of paramount concern, South Africans experience an increasing number of non-communicable illnesses associated with age and lifestyle, such as diabetes. This is also true for Cape Town. HIV prevalence in Cape Town is stabilising, though still at a high level. The 2013 antenatal survey showed an HIV prevalence of 19,7% among women who got tested in the city.

TB incidence often coincides with HIV/Aids prevalence. TB incidence in Cape Town decreased between 2013 and 2014 from 663 to 631 per 100 000 of the population. The infant mortality rate (IMR) is a key indicator of health and development in a society as well as of the health status of the broader population. Mirroring national and provincial trends, there was a clear trend towards a decreasing IMR in the Cape metro between 2003 and 2012, dropping from 25,2 to 16,4 (per 1 000 live births) compared to a national IMR of 28,0 for 2012.

MI 11 MI 14

EDUCATION

General Household Survey (GHS) data for 2015 revealed that an estimated 0,5% of Cape Town's adult population (those aged 20 years and older) had received no schooling and were illiterate. Analysis of GHS 2015 data further showed that approximately 46,1% of the total adult population in Cape Town had received less than 12 years of schooling; of the population aged 15 years and older, 5,3 % were functionally illiterate, having had less than seven years of schooling. Conversely, the percentage of Cape Town's adult population who had completed schooling (Grade 12) as highest level of education was to 30,3% in 2015. GHS 2015 revealed that the percentage of the adult population who had higher education was 21,7%.

POVERTY

As in the rest of South Africa, poor households and residents in Cape Town predominantly struggle with unemployment and lack of income. According to the 2015 GHS, 26% of Cape Town households (301 690) reported a monthly income of up to R3 500 (the poverty line used by the City of Cape Town), which makes them eligible for indigent support from the City.

The number of indigent households receiving indigent support from CCT as defined by CCT criteria (owner and full-time occupant of one residential property with a municipal valuation of R200 000 or less; total monthly household income must be less than R3 500) declined from 250 000 in 2003 to 231 793 in 2015.

The City remains committed to increase opportunities for sustainable livelihoods by creating an economically enabling environment in which investments can be optimised and jobs created.

MI 11 MI 14

CRIME

Crime constitutes one of the City's key strategic challenges. Cape Town's overall crime levels since 2011/12 have been around twice the national average. According to South African Police Service (SAPS) data for 2015/16, Cape Town had the highest overall crime rate of 8 258 per 100 000 people among select South African metros. Drug crimes and theft/burglary related crimes are among the most frequently occurring crimes in the city, and Cape Town has a higher incidence of these crimes than other major metros (South African Police Services, 2016).

MEETING CAPE TOWN'S URBAN DEVELOPMENT CHALLENGES

THE CITY OF CAPE TOWN IS THE FIRST LOCAL GOVERNMENT IN SOUTH AFRICA TO HAVE INTRODUCED A MUNICIPAL PLANNING TRIBUNAL.

IT COMPRISES HIGHLY EXPERIENCED PUBLIC AND PRIVATE PLANNING PROFESSIONALS WHO ARE WORKING TO ACCELERATE THE CITY'S RESPONSE TO THE MANY CHALLENGES OF URBAN DEVELOPMENT AND SPATIAL TRANSFORMATION IN CAPE TOWN.

This move follows the City's earlier adoption of the Municipal Planning By-law ahead of the implementation of the Spatial Planning and Land Use Management Act (SPLUMA), modernising Cape Town's planning and development regulatory environment, and increasing transparency and public involvement.

THE CAPE TOWN SPATIAL DEVELOPMENT FRAMEWORK

The Cape Town Spatial Development Framework (CTSDF) sets guidelines on how and where Cape Town should grow in the future.

The spatial plans that underpin this framework guide new investment, give effect to the principles and priorities of the City's development strategies, and identify priority areas for strategic intervention. The CTSDF 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 those areas best suited to urban development, the areas that should be protected, and the areas where development may occur if it is sensitively managed;
- indicates the desired phasing of urban development;
- guides changes in land use rights;
- helps spatially guide, coordinate, prioritise and align public investment infrastructure and social facilities in the City's five-year IDP; and
- indicates areas of critically important biodiversity, open space and ecosystem services fundamental to a sustainable city.

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. A review of the current framework has been initiated in the course of 2015/16 and will be concluded in the next financial year.

DRIVING SUSTAINABLE ECONOMIC GROWTH AND SOCIAL DEVELOPMENT

ECONOMIC GROWTH STRATEGY

The City of Cape Town's Economic Growth Strategy (EGS) represents its response to some of the most fundamental challenges facing Cape Town in the years ahead.

As such, some of its key outcomes focus on addressing unemployment and poverty by means of a targeted approach to encouraging economic growth and investment.

The EGS adopts a 'whole organisation' approach and positions Cape Town within broader global, national and regional economic trends. It is structured around the following five strategic areas:

- Building a globally competitive city through institutional and regulatory changes
- Providing the right basic services, transport, and information and communications technology infrastructure
- Utilising work and skills programmes to promote inclusive growth
- Leveraging trade and sector development functions to maximise advantage
- Ensuring that growth is environmentally sustainable in the long term

SOCIAL DEVELOPMENT STRATEGY

The City of Cape Town's Social Development Strategy (SDS) outlines the administration's role in promoting and maximising social development.

At the core of this strategy is a focus on addressing poverty, inequality and social ills, while providing for people's participation in their own development.

It adopts a transversal approach to social development, viewing the organisation as an integrated whole, where each directorate plays its part in facilitating social development. The SDS is structured around the following five high-level objectives:

- Maximising income-generating opportunities for people who are excluded or at risk of exclusion
- Building and promoting safe households and communities
- Supporting the most vulnerable through enhancing access to infrastructure and services
- Promoting and fostering social integration
- Mobilising resources for social development

BUILDING THE CITY OF THE FUTURE

HARNESSING THE POWER OF TRANSIT-ORIENTED DEVELOPMENT

TO DEAL WITH PROJECTED POPULATION GROWTH IN THE COMING YEARS, THE CITY PREDICTS THAT BY THE YEAR 2032, CAPE TOWN WILL NEED AN ADDITIONAL:

500 000
new dwellings

retail space of around
1 000 000 m²

3 500 000 m²
OFFICE SPACE

4 500 000 m²
industrial development

For this growth to have maximum positive impact on the millions of people who live and work in Cape Town, it is essential that all these future developments are optimally located and designed. The City's Transit-Oriented Development Strategic Framework has been created to ensure that this is the case.

At the end of the 2015/16 financial year, the City of Cape Town's Council adopted a new approach to integrated spatial and transport planning. Known as transit-oriented development, this new strategy is designed to accelerate the City's progress in terms of eradicating the legacy of the apartheid era's spatial planning, and drive the development of an equitable and inclusive city.

ABOUT THE TRANSIT-ORIENTED DEVELOPMENT (TOD) STRATEGIC FRAMEWORK

The framework is far more than a transport plan: It is a comprehensive policy that will serve as a long-term development strategy for all areas and departments of the City of Cape Town. The TOD Strategic Framework clearly sets out how all new development across Cape Town must take place, as well as guides the transformation of the city's existing infrastructure to deliver a progressive and inclusive response to the spatial inequality created by apartheid-era planning, the high cost of public transport, and the growing challenges associated with urbanisation. TOD also gives priority to stimulating the economic growth of, and investment in, Cape Town, which is one of the City's SFAs.



"NEW URBAN DEVELOPMENT AND INFRASTRUCTURE INVESTMENTS SHOULD BE FOCUSED AROUND CORRIDORS OF MASS TRANSIT AND AROUND EXISTING AND EMERGENT ECONOMIC NODES, APPLYING INTERNATIONALLY ACCEPTED PRINCIPLES OF TRANSIT-ORIENTED DEVELOPMENT."

SA National Planning Commission,
in chapter 8 of the
National Development Plan

DRIVING TRANSIT-ORIENTED DEVELOPMENT

The City has identified five key projects to serve as the starting point for its TOD approach. These projects will be undertaken in Bellville, Philippi East, at Athlone Power Station, in Paardevlei and the Cape Town central business district (CBD). The projects will see the City either investing directly in the improvement of existing public transport infrastructure or providing new public transport infrastructure to ignite urban renewal, economic growth and job creation in these areas.

These investments will take place over the next five years, guided by clear TOD principles. In most of the projects, the City will make the first significant investment so as to encourage further investment, involvement and development by the private sector, which will then drive greater economic growth, stimulate job creation and address many of Cape Town's transport challenges by attracting more commuters to use the improved and affordable public transport infrastructure.

The five initial catalytic TOD PROJECTS fall into three main categories, which can be summarised as follows:

CATEGORY 1

ENHANCEMENT OF EXISTING TRANSPORT INFRASTRUCTURE

An example of this category of development is the Bellville CBD enhancement.

CATEGORY 2

TRANSIT-ORIENTED DEVELOPMENT OF EXISTING VACANT LAND

The land falling into this category is vacant (or almost vacant), which allows for the simultaneous provision of public transport infrastructure as well as public and private development.

CATEGORY 3

TRANSPORT INFRASTRUCTURE FOR EXISTING PRIVATE OR PUBLIC DEVELOPMENT

Where public or private development is already taking place, this category of TOD will see the provision of effective public transport infrastructure to encourage further growth, investment and development.

TOD PROJECT: REVITALISING THE BELLVILLE CBD

Bellville is regarded as Cape Town's second CBD and boasts no less than five hospitals and three university campuses. This gives the area enormous employment and skills development potential, but in order to deliver on this potential, the Bellville CBD first needs to undergo extensive regeneration.

The Bellville station precinct is the second-busiest in the city. Apart from rail, other existing public transport facilities include those for buses, long-distance buses and minibus taxis, but their location, design and layout must be addressed to improve efficiency and convenience for commuters, as well as the interface between pedestrians, vehicular traffic and trading.

As part of its TOD plans for the area, the City intends using the available public land and existing public transport infrastructure as catalysts for the regeneration of the Bellville CBD. To do this, the City will invest substantially in the existing public transport infrastructure, thereby stimulating further private-sector investment in the development of the area.

The purpose of TOD in this instance is therefore to create a sustainable living environment and economy in the Bellville CBD – initiated by the City through investment in public transport, followed by private investment in new developments in the immediate vicinity and surroundings of the public transport infrastructure.

TOD PROJECT: REIMAGINING THE PHILIPPI EAST TRANSPORT NODE

Over the next five years, the City will invest heavily in major construction projects in preparation for the roll-out of phase 2A of the MyCiTi service to the southeast metro. Philippi East has been identified as one of the major transport hubs within this transport corridor. It is also anticipated that this area will be central to numerous other future transport hubs.

To realise the full potential of Philippi East in this regard, the MyCiTi station that will be constructed on the corner of Govan Mbeki and New Eisleben roads will be a key transfer point, with at least six MyCiTi main routes connecting to it in the future. This station will attract thousands of commuters and is intended to serve as a clear example of the immense power that can be unlocked through TOD.

As such, the MyCiTi station in Philippi East will be far more than merely a transfer hub for commuters. Instead, it will be transformed into an interactive, multifunctional space where Capetonians can access transport, socialise and do business.

It is envisaged that communities and businesses in Philippi East will benefit immensely from the City's investment in TOD in the area. Not only will this project serve to promote economic activity and boost job creation, but it will also provide real benefits to local residents and commuters in terms of improved public transport, new housing developments and lower transport costs in order to take advantage of opportunities elsewhere in Cape Town.



WHAT THE FUTURE LOOKS LIKE WITH **TOD**

The City's TOD approach to integrated spatial and transportation planning is set to guide the development of a highly efficient Cape Town by the year 2032. This will be a Cape Town where:

- urban space is compact and well-connected;
- developments are conducive to economic and social efficiency;
- residents have easy access to efficient, sustainable and affordable public transport; and
- living and breathing is easy thanks to the limited impact of developments on the natural environment.

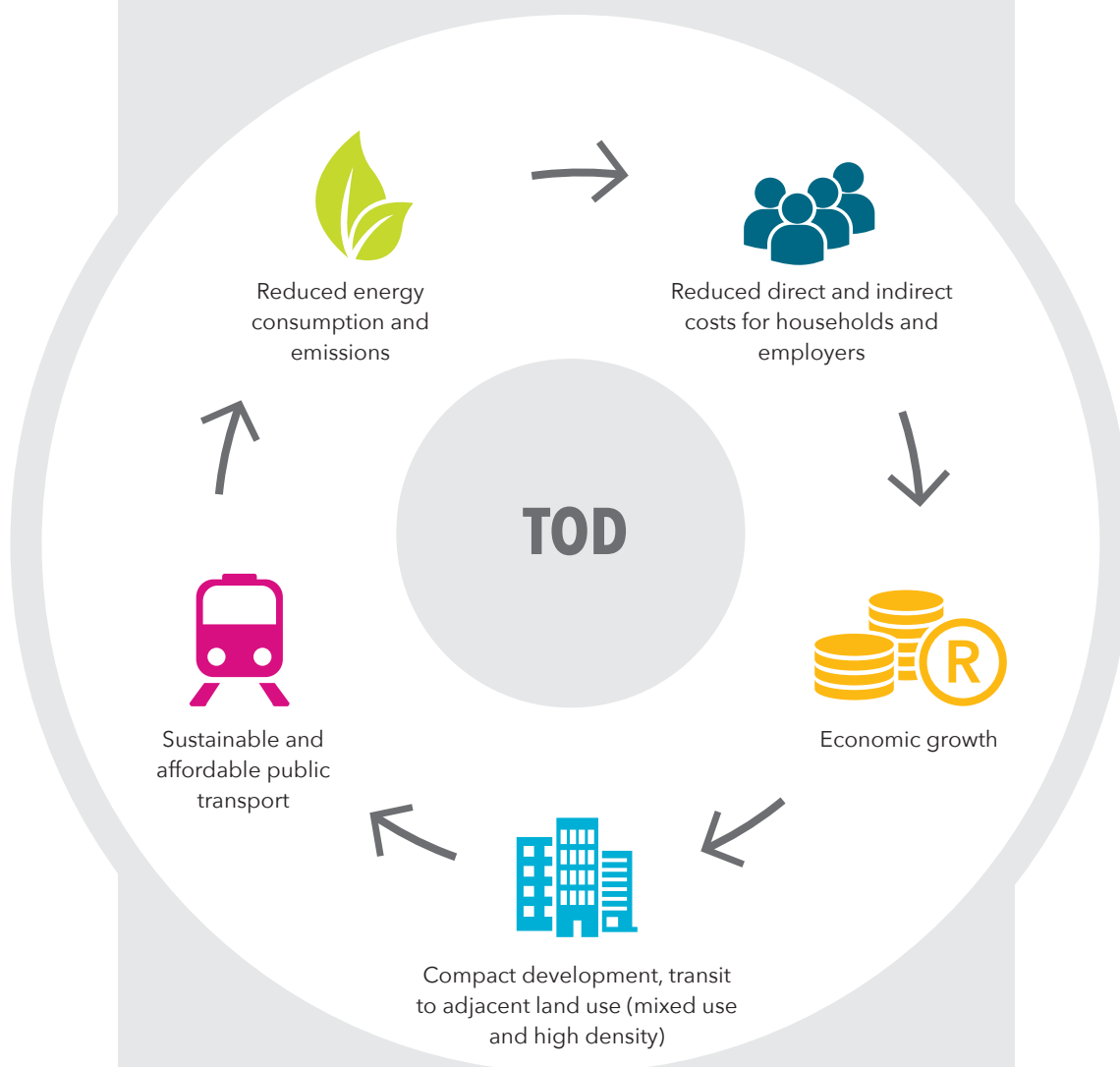


Figure 1: TOD means a better future for all

The TOD approach to integrated spatial and transport planning will ultimately result in an inclusive city where residents' future does not depend on where they live, but where everyone has the opportunity to reach their full potential.

GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT



The bronze sculptures on Nobel Square in Cape Town's V&A Waterfront are dedicated to South Africa's four Nobel Peace Prize laureates: Albert Luthuli, Desmond Tutu, FW de Klerk and Nelson Mandela.

- 26 MANAGEMENT AND GOVERNANCE STRUCTURES AND FRAMEWORKS
- 33 GOOD GOVERNANCE AS A SUSTAINABLE FOUNDATION
- 37 PUBLIC PARTICIPATION



Fire and Rescue staff at work.



A law enforcement officer on duty at a transport interchange.



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 THE 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 of the City of Cape Town.

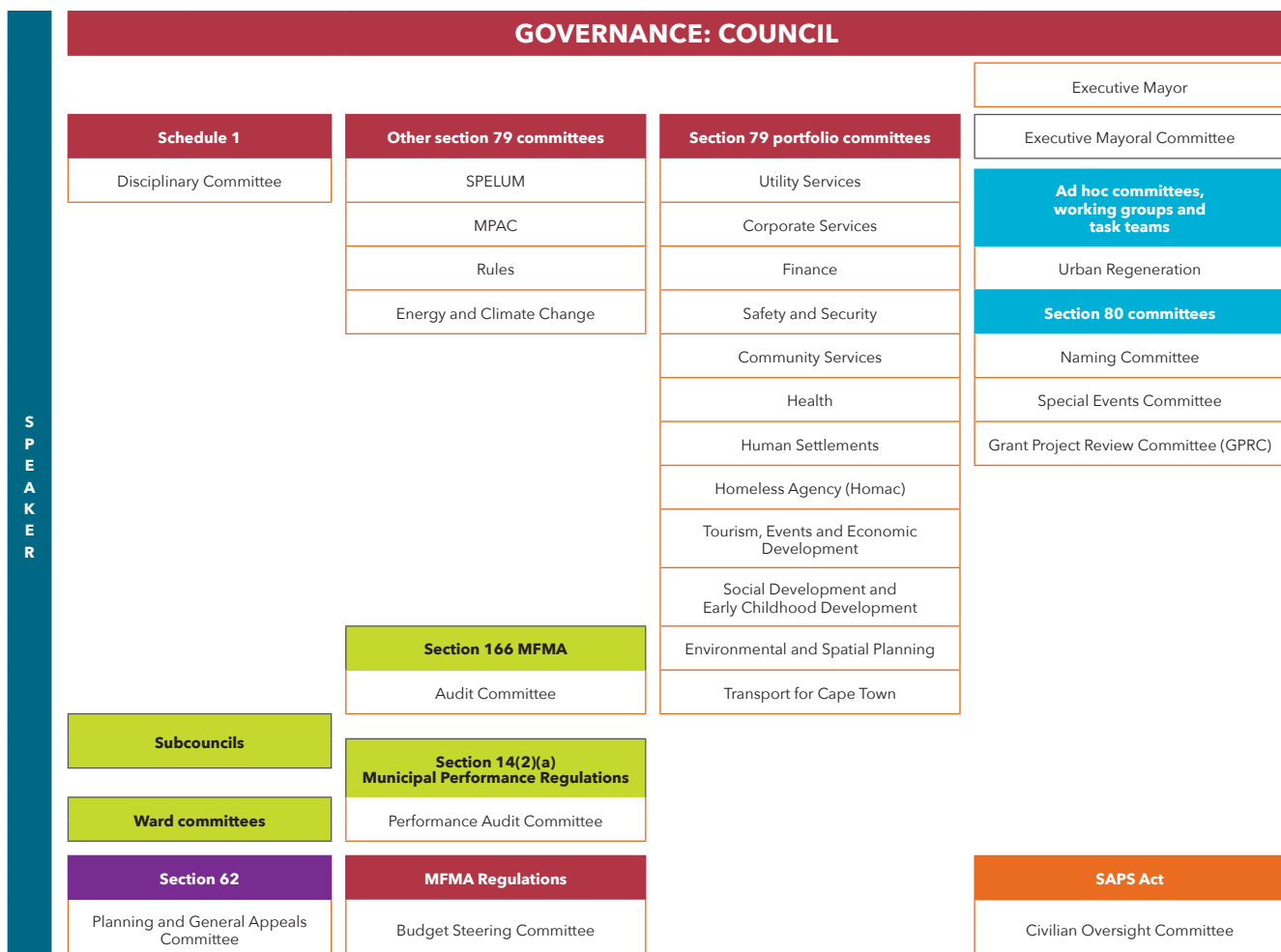


Figure 2: Governance structures within the City of Cape Town

MAYORAL COMMITTEE

THE EXECUTIVE MAYOR APPOINTS THE MAYORAL COMMITTEE (MAYCO). 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 and Special Projects

Cllr G Bloor - Tourism, Events and Economic Development

Cllr S Little - Social Development and Early Childhood Development

Cllr S Mamkeli - City Health

Ald AE Sonnenberg - Utility Services

Ald JP Smith - Safety and Security

Cllr B Herron - Transport for Cape Town

Cllr X Limberg - Corporate Services and Compliance (as from July 2015)

Cllr B van Minnen - Human Settlements

Cllr J van der Merwe - Energy, Environmental and Spatial Planning

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 12 section 79 portfolio committees, which function within the City's management clusters, namely the economic and social clusters:

Economic cluster

- Transport for Cape Town
- Utility Services
- Environmental and Spatial Planning
- Tourism, Events and Economic Development
- Finance
- Corporate Services and Compliance (new portfolio committee name as from August 2015)

Social cluster

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

The portfolio committee chairpersons are as follows:

- Cllr R Hoorn - Tourism, Events and Economic Development
- Cllr T Thompson - Transport for Cape Town
- Cllr T Uys - Corporate Services and Compliance (as from August 2015)
- Ald M Nieuwoudt - 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 S Diamond - Finance
- Cllr D Bryant - Environmental and Spatial Planning
- Cllr R Arendse - Social Development and Early Childhood Development
- Cllr P Maxiti - Homeless Agency

OTHER SECTION 79 COMMITTEES

Spatial Planning, Environment and Land Use Management Committee (SPELUM)

Chairperson: Cllr C Kannenberg

The terms of reference of this committee relate to spatial planning, land use management, the environment and related matters.

Municipal Public Accounts Committee (MPAC)

Chairperson: Cllr W Mxolose

This is the mechanism through which Council oversees the expenditure of public money. The purpose of MPAC is to perform an oversight function on behalf of Council over the executive functionaries of Council, and the committee is mandated to investigate unauthorised, irregular, fruitless and wasteful expenditure in terms of section 32(2) and section 102 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) relating to the City and the City's municipal entities respectively.

MPAC conducts its affairs in a non-party-political manner so as to maximise the effectiveness of its work. The committee ensures that all existing internal alternative dispute resolution processes of the City have been exhausted before proceeding with investigations. City processes allow for the City Manager (or nominee) to investigate a matter and present its outcome. Should the complainant dispute or object to the outcome, the matter may be escalated to Provincial Treasury, National Treasury and, ultimately, a court of law.

Although MPAC has no executive powers, its findings and recommendations are escalated to the appropriate executive authority. MPAC considers the report of the task team at a main MPAC meeting and submits a report containing its recommendations to Council for final decision-making. MPAC reports directly to the Speaker of Council.

Rules Committee

Chairperson: Ald JD Smit (Speaker)

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

Energy and Climate Change Committee

Chairperson: Cllr M Kempthorne

The Energy and Climate Change Committee is tasked with addressing more secure and sustainable energy as well as climate change mitigation and adaptation matters.

SECTION 80 COMMITTEES

Naming Committee

Chairperson: Cllr B Herron

This committee considers and makes recommendations to the Executive Mayor on matters pertaining to the naming of streets, buildings and the like, for onward recommendation to Council, where required.

Special Events Committee

Chairperson: Cllr G Bloor

This committee considers and makes recommendations to the Executive Mayor on applications to the City to host events, for onward recommendation to Council, where required.

Grant Projects Review Committee

Chairperson: Ald ID Neilson

This committee, which was established in 2014, helps the Executive Mayor ensure that the various grants that the City receives are administered in accordance with their applicable criteria and conditions, and in aligning grant-funded projects with the IDP.

MUNICIPAL SYSTEMS ACT SECTION 62 COMMITTEE

Planning and General Appeals Committee

Chairperson: Ald JD 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 AM 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 obligated 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 managerial staff on matters relating to:

- the Auditor-General and other external auditors;
- systems of internal control (including internal financial control) and audit reports;
- internal audit;
- risk management;
- information technology;
- investigations;
- accounting policies;
- adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- municipal entities;
- effective 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) in order to provide Council with an overview of the municipality's financial position, its efficiency and effectiveness, and its overall level of compliance with legislation. Such 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 advisory capacity. It also does not perform any management functions or assume any management responsibilities. It provides a forum for discussing governance, risk and control issues in order to develop relevant recommendations for consideration by the City Manager, Mayco and Council for their final decision.

An independent annual report by the Audit Committee forms part of this annual report and is contained in the annual financial statements.

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.

Performance Audit Committee

Regulation 14(2)(a) of the Municipal Planning and Performance Management Regulations of 2001 (published under Government Notice R796 of 25 August 2001) requires the municipality to annually appoint and budget for a performance audit committee consisting of at least three members, the majority of whom may not be involved in the municipality as a councillor or employee. Council appointed three members to the Performance Audit Committee on 25 September 2014.

The Performance Audit Committee advises the municipal Council, political office-bearers, accounting officer and managerial staff on matters relating to:

- findings of and actions taken by the Auditor-General and other external auditors relating to the audit of predetermined objectives;
- the annual performance information;
- the internal controls over performance information;
- compliance with statutory requirements relevant to the performance management system and performance information;
- internal audit findings and actions taken with regard to the functionality of the performance management system and performance information;
- relevance and measurability of indicators; and
- alignment of the IDP, the budget, service delivery and budget implementation plans (SDBIPs) and performance agreements.

The Performance Audit Committee is further required to submit a report to Council at least twice during a financial year, reflecting on the committee's assessment of the City's performance management system.

The committee does not have executive responsibility and acts primarily in an advisory capacity. It does not perform any management functions or assume any management responsibilities. It provides a forum for discussing performance management, including reported performance information issues, in order to develop relevant recommendations for consideration by the City Manager, Mayco and Council for their final decision.

The membership, resources, responsibilities and authorities (composition, functions and operations) required by the Performance Audit Committee to perform its role effectively are stipulated in its terms of reference, which are approved by Council.

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.

CITY OF CAPE TOWN MUNICIPAL PLANNING BY-LAW, 2015

Municipal Planning Tribunal

In terms of the Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013, which took effect nationally on 1 July 2015, each municipality is required to set up a municipal planning tribunal to decide specific categories of planning applications. This tribunal consists of experienced public- and private-sector planning professionals, while councillors may not serve on it. The City of Cape Town's Municipal Planning Tribunal was the first to be established in the country, thus leading the municipal sector nationally, and was set up in terms of section 115 of the City of Cape Town Municipal Planning By-law, in line with the national legislation.

FUNCTIONS OF MUNICIPALITY

THE FUNCTIONS OF LOCAL GOVERNMENT AND THE RELATIONSHIPS BETWEEN THE LOCAL GOVERNMENT SPHERE AND THE NATIONAL OR PROVINCIAL SPHERES OF GOVERNMENT ARE DEFINED IN THE CONSTITUTION. SPECIFIC FUNCTIONS, AND THE WAY RESPONSIBILITIES FOR THESE FUNCTIONS ARE ALLOCATED TO SPHERES, ARE DEALT WITH IN SCHEDULES 4 AND 5 OF THE CONSTITUTION.

The allocation of powers and functions to local government is covered by sections 9 and 10 of the Municipal Systems Act. Allocations occur through assignment or delegation. Assignment entails the transfer of authority, while delegation entails the transfer of provider responsibility.

BY-LAWS

All of the City of Cape Town's by-laws are posted on the City's website at <http://www.capetown.gov.za/en/ByLaws/Pages/Home.aspx> for viewing by members of the public, residents, visitors, businesses and investors. Also included is a listing of draft by-laws for public comment.

SPEAKER

Office of the Speaker

The Office of the Speaker's responsibilities include coordination of all processes flowing from subcouncil delegations, disciplinary investigations in terms of the code of conduct for councillors and 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 59 OF THE MUNICIPAL SYSTEMS ACT, ACT 32 OF 2000.

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:

To make recommendations to Council on any matter affecting their areas of jurisdiction	To exercise any power, duty or function delegated by Council	To exercise any power, duty or function conferred upon them in terms of the Subcouncil By-law
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Subcouncils and chairpersons

Subcouncil 1	Cllr H Brenner
Subcouncil 2	Cllr G Twigg
Subcouncil 3	Cllr T Amira
Subcouncil 4	Ald C Justus (up to 4 February 2016), Cllr C Jordaan (as of 5 February 2016)
Subcouncil 5	Cllr R Rau
Subcouncil 6	Cllr W Jaftha (up to 18 June 2015), Cllr S Pienaar (as of 19 June 2015), Ald C Justus (as of 5 February 2016)
Subcouncil 7	Cllr G Fourie
Subcouncil 8	Cllr S Pringle
Subcouncil 9	Cllr J Thuynsma
Subcouncil 10	Cllr P Mngxunyeni
Subcouncil 11	Cllr M Nikelo
Subcouncil 12	Cllr E Andrews
Subcouncil 13	Cllr R Bazier
Subcouncil 14	Cllr N Landingwe
Subcouncil 15	Ald B Watkyns
Subcouncil 16	Ald D Qually
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 (up to 14 December 2015), Cllr C Cerfontein (as of 5 February 2016)
Subcouncil 23	Cllr N Bent (up to 23 June 2016), Cllr M Petersen (as of 24 June 2016)
Subcouncil 24	Cllr X Sotashe

EXECUTIVE MANAGEMENT TEAM (EMT)

THE EMT CONSTITUTES THE CITY OF CAPE TOWN'S SENIOR ADMINISTRATIVE STRUCTURE, WHICH LEADS THE CITY'S DRIVE TO ACHIEVE ITS STRATEGIC OBJECTIVES, AS OUTLINED IN THE IDP EACH YEAR.

It is aligned with the City's elected political structure and is as follows:

Mr Achmat Ebrahim	City Manager
Mr Richard Bosman	Executive Director (ED): Safety and Security (up to 31 January 2016, then seconded to Stellenbosch Municipality; Mr Wayne le Roux has been acting as of 1 February 2016)
Dr Zandile Mahlangu-Mathibela	ED: City Health
Mr Kevin Jacoby	Chief Financial Officer; interim responsibility for Cape Town Stadium, Green Point Park and Strategic Assets
Dr Gisela Kaiser	ED: Utility Services
Ms Lokiwe Mtwazi	ED: Community Services
Ms Melissa Whitehead	Commissioner: Transport for Cape Town
Dr Ivan Bromfield	ED: Human Settlements (with effect from July 2015)
Mr Ernest Sass	Acting ED: Social Development and Early Childhood Development (with effect from July 2015); interim responsibility for Arts and Culture and Administrative Support
Mr Japie Hugo	ED: Energy, Environmental and Spatial Planning; interim responsibility for Economic Development and Tourism
Mr Gerhard Ras	ED: Corporate Services and Compliance (with effect from July 2015)

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 INTO ONE WHERE THE CORE PHILOSOPHY REVOLVES AROUND LEADERSHIP, SUSTAINABILITY AND ETHICAL CORPORATE CITIZENSHIP.

INTERNAL AUDIT

INTERNAL AUDIT IS AN INDEPENDENT DEPARTMENT REPORTING ADMINISTRATIVELY TO THE EXECUTIVE DIRECTOR: CORPORATE SERVICES AND COMPLIANCE, AND FUNCTIONALLY TO THE CITY'S INDEPENDENT AUDIT COMMITTEE, AS DELEGATED BY COUNCIL.

The department's 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).

Through its charter, Internal Audit is mandated to provide independent, objective assurance and advisory services, geared towards adding value and improving the City's operations. It helps the organisation accomplish its objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Key outcomes and achievements by Internal Audit during the year 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 operational internal audit plan. Internal Audit reconsiders its audit plan on a quarterly basis to ensure that audit projects undertaken are aligned with the most pertinent risks. Internal Audit completed 100% of its planned audit projects for the financial year. Maximising resource efficiency, additional projects were also completed in the financial year.
- **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. The Internal Audit report serves before the Audit Committee, being the functional reporting line of the activity, which subsequently includes an overall statement in its annual report.
- **Quality assurance and 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 definition of internal auditing, international standards and code of ethics, as well as Internal Audit's approved charter and methodology. The annual quality review, which was conducted by an external service provider, indicated that the department generally conformed to the IIA's definition of internal auditing, the IIA's international standards for the professional practice of internal auditing, as well as its code of ethics.

- **Contributions to corporate governance** - The department contributed to strengthening other governance mechanisms within the City by providing:

- **technical support to MPAC**, which included the preparation of reports to Council, governance documents and reports, presentations for the chairperson to deliver at external forums, as well as talk-sheets for the committee to share with visitors to the City, given that the City has a leading MPAC process;
- **quality reports**, which the Audit Committee used to exercise its oversight responsibility effectively in terms of its terms of reference;
- **input to the Institute of Directors in Southern Africa (IoDSA) during the development of the King IV report**, for which IoDSA has formally expressed its gratitude; and
- **resources for Citywide initiatives** in the evolving local government landscape.

- **Expansion, promotion and achievement of additional types of audit engagement reviews** - The department ensured continuous improvement of its service offering by expanding, promoting and achieving additional types of audit engagement reviews.
- **Flexibility in the internal audit operations plan** - This was achieved through the accommodation of management requests and ad hoc advisory engagement requests.
- **Continuous improvement initiatives** - These related to audit methodology efficiencies and increased automation of audit processes and systems.

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** - 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 and the target score for client account management was exceeded.
- **Performance auditing review (economy, efficiency, effectiveness, equity)** - Internal Audit continued its roll-out of performance auditing, which focuses on the value proposition (the four Es mentioned above) of a given business process to the City.
- **Continuous auditing** - The Internal Audit Department regards continuous auditing as an ideal audit methodology to continuously monitor the controls within SAP. In addition to control monitoring, data analysis reviews can also be scheduled through the continuous auditing tools. These reviews allow a regular examination of processed data in order to identify data anomalies that may point to manual-based control breakdowns. The continuous auditing approach will be further rolled out to more business processes in the new financial year.

- **Advisory services** - Advisory services offered by Internal Audit 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 may be advisory, educational and/or facilitative in nature. Resource provision has been made in the new financial year to accommodate ad hoc management requests and advisory engagement requests.
- **Follow-up audits** - The department identified areas for improvement in its follow-up review programme and updated its follow-up audit methodology. Pilot projects were implemented and further roll-out is planned for the new financial year.
- **Early-warning system** - Internal Audit enhanced its early-warning system, which is aimed at assisting line management to improve the percentage Internal Audit findings resolved.
- **Specialised Audit Services: Environmental Auditing** - Internal Audit is investigating the revival of Environmental Auditing to expand its service menu, given the professional and other combined assurance provider efforts in the environmental management and preservation arena.

INTEGRATED RISK MANAGEMENT

RISK-TAKING IS A NECESSARY ELEMENT OF THE CITY'S BUSINESS MODEL, LARGELY IN ORDER TO ENSURE SERVICE DELIVERY TO THE COMMUNITY.

For this reason, the Integrated Risk Management (IRM) Department has instituted a robust IRM process, which is founded on best practices for the managing of risks and opportunities, and assists with service delivery through the optimal use of scarce resources. Risk management is both decentralised and centralised to ensure consistent alignment and management of key risks so as to achieve the City's core strategic objectives.

In the 2015/16 financial year, the IRM Department managed 103 risk registers, including the EMT risk register, via an annual update session per department, as well as two (three for EMT) monitor and review sessions for each risk register.

Monitoring and review is further performed by:

- the Risk Committee and Audit Committee, advising on the EMT executive directors' risk registers and dashboards on a quarterly basis;
- the Speaker, who oversees the EMT risk register on a quarterly basis;
- the relevant Mayco members for oversight of risks managed in their portfolios; and
- National Treasury, who monitors progress with the mitigation of the top ten risks during its mid-year budget review.

All targets set for the IRM Department were achieved in the year under review, with Internal Audit concluding: "The desktop review and management input indicated that the principles and recommended practices relating to King III, Chapter 4: Governance of Risk were generally applied."

The IRM Department also assisted municipalities nationwide upon request to further the discipline of risk management in local government.

Business continuity management

Business continuity management (BCM) is about minimising business disruptions and being resilient in the event of an incident that could bring business to a standstill. While BCM had previously been implemented in pockets throughout the City, the following progress was made during 2015/16 to ensure a more strategic approach:

- Business continuity plans were developed for all directorates.
- The IRM Department, in collaboration with line departments, finalised the BCM operating systems and processes that have been approved for roll-out throughout the City in 2016/17. These are designed to:
 - ensure strategic oversight of the identification of all business-critical and mission-critical operations for which mitigation strategies are to be developed;
 - bridge potential gaps between people, property and activities in situations that threaten business operations and service delivery to the community;
 - enhance continuity of business-critical and mission-critical operations in order to enhance the City's resilience in the event of an incident; and
 - enhance risk identification and mitigation.

Combined assurance

Combined assurance helps management identify duplication of assurance work and any potential assurance shortfall, as well as help develop improvement plans for those areas identified. This, in turn, helps assurance providers better achieve consensus on the key risks facing the City, and reduces the probability of failure to identify significant risks. This is achieved by following both a 'top-down' and 'bottom-up' approach. The City's combined assurance model provides for four levels of assurance providers:

- **Level 1** provides assurance on all areas within management's span of control. Management is ultimately responsible for establishing, maintaining and ensuring proper governance, risk and internal control processes.
- **Level 2** is made up of risk control and compliance assurance providers, reporting primarily to management and advisory or oversight bodies, with limited independence relating to the activity on which assurance is required.

- **Level 3** includes assurance providers who have greater independence, reporting primarily to advisory or oversight bodies.
- **Level 4** includes the City's various independent oversight bodies. These ultimately provide assurance to the inhabitants of the city and country relating to activities and governance issues of the City.

During 2015/16, the IRM Department initiated the roll-out of the approved combined assurance policy, framework and implementation plan. The following progress was made:

- Obtained both level 1 and 2 assurance providers' feedback with regard to the effectiveness of key controls in relation to the City's top ten risks.
- Initiated negotiations with level 3 assurance providers.
- Identified and brought up to speed 12 level 2 assurance providers, who now report back significant strategic risks identified during the performance of their assurance-providing functions on a quarterly basis.
- Revised the combined assurance policy and framework to provide for lessons learnt.

FORENSICS, ETHICS AND INTEGRITY

THE CITY'S FORENSICS, ETHICS AND INTEGRITY DEPARTMENT IS CHARGED WITH THE FOLLOWING:

Forensics

- 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 any agent, contractor, supplier or service provider to the City of Cape Town
- Driving, developing and/or ensuring the implementation of proactive anti-fraud and anti-corruption policies and prevention measures on a Citywide basis in order to facilitate appropriate awareness, information and/or education programmes

Ethics

- Overall responsibility for, and provision of, strategic direction pertaining to ethics and integrity investigations
- The Ethics Action Plan, as supported by the Executive Mayor and the EMT, is the basis of the programmes and interventions that are being rolled out, monitored and reported on by the ethics function.
- Additional proactive awareness initiatives by reporting statistical information relating to forensics and ethics investigations to internal governance structures, such as the Executive Mayor, EMT, Audit Committee, Risk Committee (when requested) as well as MPAC.

The fraud hotline is managed by an independent service provider and is available 24 hours a day, 365 days a year, to employees, clients, agents, service providers, suppliers, members of the public and the broader community to report any alleged irregularities of which they become aware.

During the year under review, the department embarked on various ethics communication drives, training interventions, anti-corruption initiatives as well as hotline awareness and promotion campaigns, all of which are aligned with the City of Cape Town's stance of zero tolerance and its plan for a corruption-free City.

PUBLIC PARTICIPATION

THE CITY OF CAPE TOWN'S COLLABORATIVE PLANNING APPROACH IS EPITOMISED BY ITS COMMITMENT TO CONSTANTLY ENGAGE WITH ALL CAPETONIANS. THE CITY FACILITATES THIS FEEDBACK AND INPUT BY PROVIDING THE PEOPLE OF CAPE TOWN WITH COMPREHENSIVE INFORMATION ON ITS PLANS AND PROPOSED ACTIONS, AND THEN GIVING THEM NUMEROUS OPPORTUNITIES TO HAVE THEIR SAY.

Public engagement

The public participation processes comprise mayoral meetings, subcouncil meetings, meetings with strategic partners, as well as meetings with City internal staff. Members of the public are also engaged in public places such as shopping malls, clinics, libraries, schools and cash offices, and are invited to attend public meetings.

Annual Community Satisfaction Survey

A primary vehicle used for gathering feedback is the annual Community Satisfaction Survey (CSS). This is an invaluable source of insight that helps the City identify the needs and priorities of Cape Town's residents and businesses, and then put in place the necessary plans to work towards meeting those needs.

The ninth annual survey (2015/16) was conducted by a contracted independent service provider, and made use of statistically valid and reliable samples to ensure that participants in the survey represented all residents and businesses across the city. The survey took place towards the end of 2015 and comprised 3 000 face-to-face interviews with residents and 700 telephonic interviews with formal businesses in Cape Town. It also included 12 focus groups with residents and small businesses early in 2016 to probe and investigate issues in more detail.

The results of the survey reflect a consistently increasing level of satisfaction with the City's service delivery efforts by both residents and business, both over the past five years and since the first survey in 2007/8.

Maintaining high levels of satisfaction in the face of rapidly increasing demand for services as a result of increasing levels of urbanisation is a considerable achievement. In 2015/16, residents' average rating of the City's overall performance was 2,8 (on a five-point rating scale). This represents an increase from 2,7 in 2011/12 (the start of the current IDP term-of-office plan) and from 2,4 in 2007/8 (the start of the survey).

Overall, the 2015/16 business survey results indicate that the City of Cape Town continues to maintain good service delivery to Cape Town's businesses, with which businesses on the whole are highly satisfied. Businesses' mean rating of the City's overall performance was 3,5 (on a five-point rating scale), which represents an increase from 3,3 in 2011/12 and from 2,9 in 2007/8.

The City uses the survey results in a number of ways to inform and refine the planning and implementation of municipal services across the metro in line with the objectives and programmes of the IDP.

Protected-area advisory committees (PAACs)

Last year saw the formation of 11 protected-area advisory committees (PAACs) under the National Environmental Management: Protected Areas Act, Act 57 of 2003. By involving local community groups, this best practice will ensure that the City's nature reserves are managed so as to serve the communities within which they are situated.

2015/16 PERFORMANCE REVIEW



Local residents were employed to create the mosaic mural at the R30 million Sea Views housing development at Hangberg, Hout Bay.

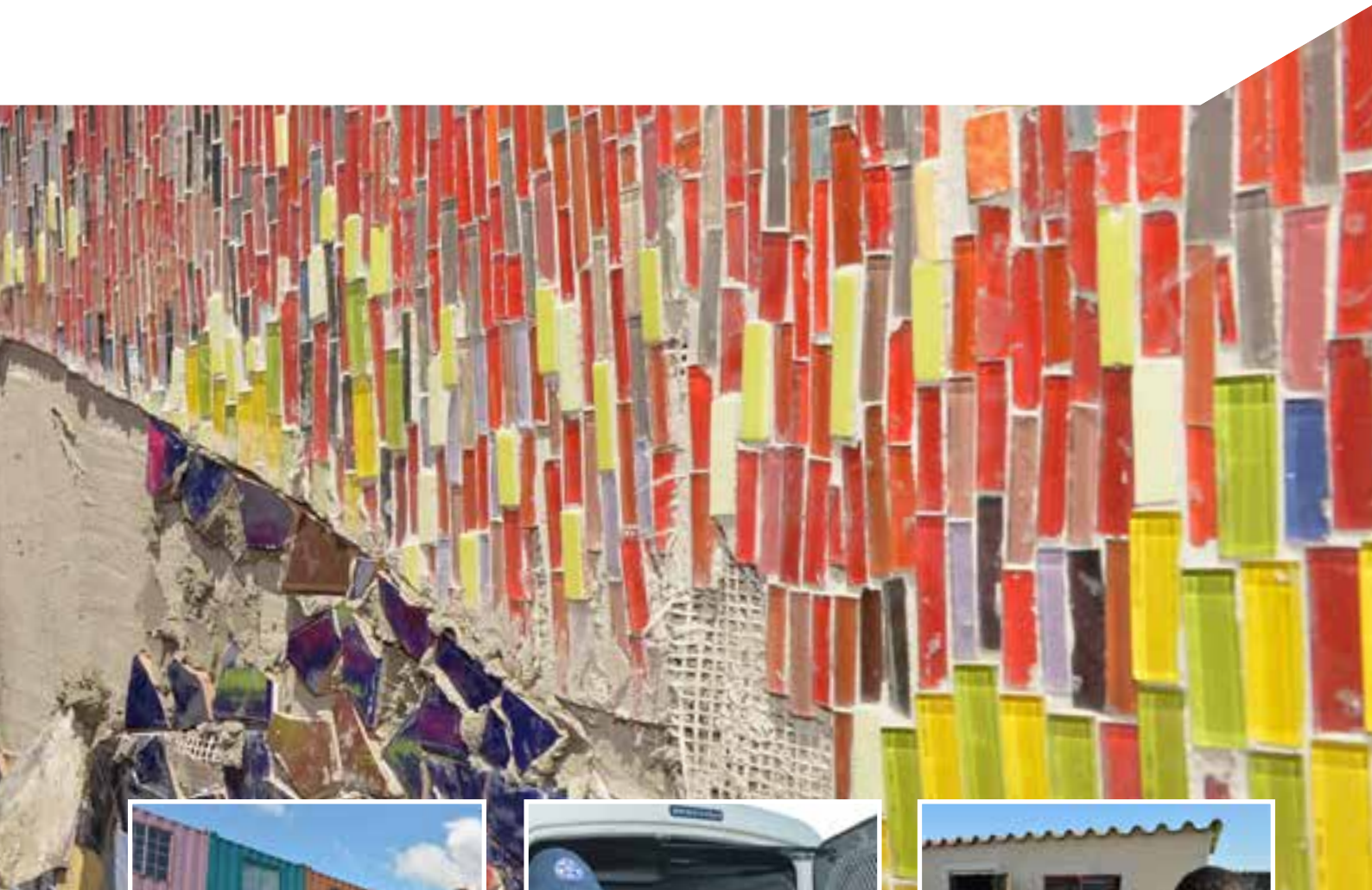
40 STRATEGIC FOCUS AREA 1: **THE OPPORTUNITY CITY**

90 STRATEGIC FOCUS AREA 2: **THE SAFE CITY**

98 STRATEGIC FOCUS AREA 3: **THE CARING CITY**

114 STRATEGIC FOCUS AREA 4: **THE INCLUSIVE CITY**

124 STRATEGIC FOCUS AREA 5: **THE WELL-RUN CITY**



The informal economy plays an important role in providing access to income and employment.



Traffic officers on duty.



Staff at work at a ceiling retrofit project.

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 2015/16 review of the IDP identified six key objectives to position Cape Town as an opportunity city. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.




OBJECTIVES	PROGRAMMES
1.1 CREATE AN ENABLING ENVIRONMENT TO ATTRACT INVESTMENT THAT GENERATES ECONOMIC GROWTH AND JOB CREATION  reference pg 36 of IDP Page 42 in this report	<ul style="list-style-type: none"> • Western Cape Economic Development Partnership (EDP) programme • Events programme • Identification and promotion of catalytic sectors, such as oil and gas • Small-business centre programme (Activa) • Planning and regulation programme • Development of a 'green' economy • City Development Strategy implementation
1.2 PROVIDE AND MAINTAIN ECONOMIC AND SOCIAL INFRASTRUCTURE TO ENSURE INFRASTRUCTURE-LED GROWTH AND DEVELOPMENT  reference pg 42 of IDP Page 51 in this report	<ul style="list-style-type: none"> • Fibre-optic network programme • Maintenance of infrastructure • Investment in infrastructure • Expanded Public Works Programme (EPWP)
1.3 PROMOTE A SUSTAINABLE ENVIRONMENT THROUGH THE EFFICIENT UTILISATION OF RESOURCES  reference pg 50 of IDP Page 69 in this report	<ul style="list-style-type: none"> • Sustainable utilisation of scarce resources, such as water and energy • Water conservation and water demand management strategy
1.4 ENSURE MOBILITY THROUGH THE IMPLEMENTATION OF AN EFFECTIVE PUBLIC TRANSPORT SYSTEM  reference pg 54 of IDP Page 75 in this report	<ul style="list-style-type: none"> • Transport for Cape Town (TCT) long-term strategy
1.5 LEVERAGE THE CITY'S ASSETS TO DRIVE ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT  reference pg 63 of IDP Page 88 in this report	<ul style="list-style-type: none"> • Investigate all the City's strategic assets
1.6 MAXIMISE THE USE OF AVAILABLE FUNDING AND PROGRAMMES FOR TRAINING AND SKILLS DEVELOPMENT  reference pg 65 of IDP Page 89 in this report	<ul style="list-style-type: none"> • Sector education and training authority (SETA) and EPWP funding used to train apprentices and create other external training opportunities. Training of apprentices for vacant posts in the administration and the city.

Table 1: IDP objectives and programmes for the opportunity city

Cape Town's economy is the second-largest municipal economy in the country.

KEY OPPORTUNITY CITY ACHIEVEMENTS IN 2015/16

Spent
89,57%
of its capital budget

Finalised
94,1%
(2014/15: 91,3%) of building plans
within statutory timeframes

R3,3 billion
(2014/15: R3 billion) invested in
repairs and maintenance

Created
44 942
EPWP job opportunities in 2015/16 and
160 000 jobs in the current IDP five-year cycle

ALMOST
790 KM
OF FIBRE-OPTIC CABLE
INSTALLED ACROSS THE METRO



Cape Town is well placed to take full advantage of the vigorous global growth in tourism.



Creating opportunities in the informal sector is important in the City's pursuit to build an opportunity city.

THE OPPORTUNITY CITY

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

Maintaining a strong financial position

Over the past four years, the City has invested R22 billion in infrastructure, R11 billion of which came from national and provincial grants and R2,4 billion from external loans, while the remaining R9 billion was funded from the City's own cash flow. The latter clearly indicates the strong financial status maintained by the City.

SOURCES OF CAPITAL
INVESTMENT

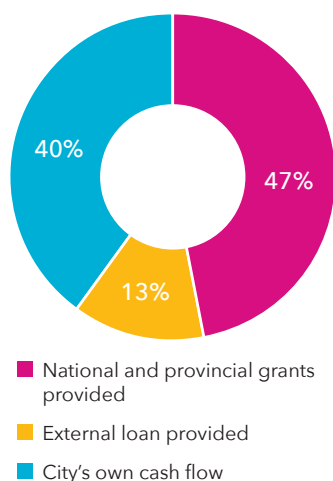


Figure 3: Sources of capital investment

The City continues to adhere to the National Treasury guideline that stipulates that approximately 40% of capital expenditure should be spent on the refurbishment of existing infrastructure. In addition, spending on repairs and maintenance currently averages around R3,3 billion per year.

The key reason for this ongoing investment is to adequately provide for the needs of those who call Cape Town home, while at the same time making the city highly appealing to investors. Only with such large-scale foreign and domestic business investment will Cape Town enjoy the sustainable levels of job creation required to make it a city of opportunity, success and growth.

Building on the Built Environment Performance Plan

National Treasury recognised the City's 2015/16 Built Environment Performance Plan (BEPP) as the best in the country. The City also managed to complete its BEPP for 2016/17 on time in order to meet National Treasury's requirements and draw down the significant national grants made available to the City to fund a substantial proportion of its capital investment programme.

Government recognises that basic service delivery through infrastructure investment is the cornerstone of economic and social upliftment. Economic theory and empirical work suggest that public investment in infrastructure has an impact on economic growth. Municipal infrastructure for basic service delivery is provided through intergovernmental transfers or own revenue and borrowing. The BEPP indicates how the City of Cape Town intends to align and expend national grants relating to infrastructure to address specific national and local policy objectives. The core national policy objective to be pursued through future BEPPs is to enable increasingly compact cities that are integrated, productive, inclusive, liveable and sustainable.

Focusing on the Growth and Development Strategy, the City intends to implement the principles of the National Development Plan with a particular emphasis on infrastructure-

led economic growth. In practice, this means that the City intends to manage and maintain its roads, bridges and stormwater network. Transport and related infrastructure will be expanded in order to improve social integration and facilitate economic growth. The industries revealing comparative advantage in the Cape metro are textiles, clothing and leather, business services, catering and accommodation, finance and insurance, furniture, construction, transport and storage, retail and wholesale, communication and instruments manufacturing, which would all benefit from sustainable investment in infrastructure.

Infrastructure investment in this area will provide economic returns and will also have multiplier or knock-on effects that have a longer-term impact on the regional economy.

PROGRAMME 1.1(A): WESTERN CAPE ECONOMIC DEVELOPMENT PARTNERSHIP (EDP) PROGRAMME

The City of Cape Town is a key partner in the Economic Development Partnership (EDP), the purpose of which is to lead, coordinate and drive the economic growth, development and inclusion agenda for Cape Town and the Western Cape.

To give effect to this commitment, the City and the EDP continued working on a number of initiatives, including the development of a gas energy partnership and the further development of various partnerships required to deliver the developmental outcomes arising from the roll-out of broadband by the City and the Western Cape Government ('Province'). The EDP is also part of the team tasked with developing an economic performance indicator for the Western Cape.



The HSBC World Seven Series held at Cape Town Stadium in 2015 translated into a huge economic injection into Cape Town's economy.

"TOURISM IS A KEY ECONOMIC DRIVER FOR ECONOMIC DEVELOPMENT AND CREATING OPPORTUNITIES FOR COMMUNITIES TO BE ECONOMICALLY ACTIVE."

PROGRAMME 1.1(B): EVENTS PROGRAMME

Tourism is a key economic driver of economic development and the creation of opportunities for communities to be economically active. Ultimately, however, to fully reap the benefits of tourism, any initiative or programme needs to be sustainable. Responsible tourism is therefore the bedrock of Cape Town's tourism development and destination performance.

In terms of events, the 80 events supported by the City in the 2014/15 financial year increased to 106 during the 2015/16 financial year. Aside from the huge economic injection into the local economy, this growth in events serves to create much-needed jobs, which not only secure an income for the workers, but also provide them with invaluable experience and training.

HIGHLIGHTS ON THE CITY'S 2015/16 EVENTS CALENDAR INCLUDED:

The conclusion of multi-year agreements for anchor events like the **Cape Town International Jazz Festival**, **Discovery International Triathlon Union (ITU) World Series**, **ABSA Cape Epic**, **Suidoosterfees**, **Big Concerts**, **Sanlam Cape Town Marathon** and the **DSTV Mitchells Plain Festival**.



Successful hosting of the **World Rugby HSBC Sevens** at the Cape Town Stadium.



The launch of the **South African Ocean Festival** concept at the V&A Waterfront. This festival celebrates water activities and incorporated the Clipper Race. In future years the intention is to include the Volvo Ocean Race.



The **Lionel Richie and Mariah Carey** concerts at Cape Town Stadium.



In addition, the City continued to grow and support successful annual events such as the Cape Town 10s Tournament, New Year's Eve Cricket, Africa Travel Week, Cape Town Carnival, the Cape Minstrels Carnival, the Old Mutual Two Oceans Marathon, the Design Indaba, the Mining Indaba and the Open Design Festival, to name but a few. The annual Cape Town Cycle Tour Lifecycle Expo was successfully hosted at the Cape Town Stadium for the first time, after having been presented at the Good Hope Centre in previous years. In addition, the Discovery ITU World Series expanded its offering and launched the Discovery Duathlon.



The Cape Town Cycle Tour is the largest timed international cycle race with 35 000 cyclist lining up to ride the 109 km through some of the world's most spectacular scenery.

Addressing seasonality and access challenges

The City's Tourism Development Framework (TDF) identified seasonality and destination access as key strategic objectives for Cape Town. In this regard, a strategy to address seasonality, championed by the Executive Mayor, saw workshops held with key stakeholders to ensure that Cape Town becomes an all-year destination. In terms of destination access, the Tourism Department promoted destination conferences and cooperated with Province to drive growth as well as the agenda of direct flights to Cape Town. The City's strategies also focus on business retention in Cape Town and seek to change the perception of the city as solely a leisure destination.

During 2015/16, winter festivals gained some ground on traditional events. These help the city respond to the economic challenges associated with seasonality by ensuring that Cape Town is a year-round destination.



GROWING THE CITY'S FILMING APPEAL

The variety of locations in Cape Town, coupled with competitive tariffs and production costs, makes the city a very attractive filming destination. This growing appeal is evident in the increase in filming permits issued, from 7 307 in 2014/15 to 7 462 in 2015/16. A number of local and international movies and series were filmed in the city, including *Black Sails* season 2 (United Kingdom) and *Dominion* season 2, *Wallander*, *Grand Theft Auto*, *Detour*, *Honey 3* and *Odyssey* (all from the United States).

The film industry contributes approximately R5 billion to the local economy and has over the past three years created more than 35 000 jobs. Filming is a labour-intensive industry, and therefore has a long value chain. The film production sector also adds value to a wide range of other sectors in the local economy by creating demand for products and services. The booming industry showcases Cape Town, its diversity of locations, technical film capacity and talent, and also provides value-added marketing and investment collateral for the city. In addition, it ensures valuable skills transfer from international to local crews, which is critical for the future sustainability of the industry.



Cape Town is recognised by the film industry for its strong locational factors and as a price-competitive film-making destination.

CAPE TOWN RECOGNISED FOR TOURISM EXCELLENCE

CAPE TOWN HAS BEEN RECOGNISED BY THE AFRICA RESPONSIBLE TOURISM AWARDS FOR THE PAST TWO YEARS.

In 2015, the City received a silver award for “Best Destination for Responsible Tourism”. In 2016, it again took silver, this time for “Best Public Sector for Policy/Support”. Other tourism accolades garnered by Cape Town in 2016 were:



- being chosen as best city by the 2015/16 Telegraph Travel Awards (for the fourth year running)



- taking the honour as the top food city in the world for 2016 in the Condé Nast's Reader's Choice Awards



- being named luxury city destination of the year for the second consecutive year in the Luxury Travel Guide Africa & Middle East Awards 2016

PROGRAMME 1.1(C): IDENTIFICATION AND PROMOTION OF CATALYTIC SECTORS, SUCH AS OIL AND GAS

IN ORDER TO STIMULATE THE GROWTH AND DEVELOPMENT OF THE LOCAL ECONOMY, THE CITY HAS IDENTIFIED DEVELOPMENT IN THE FOLLOWING CATALYTIC SECTORS AS CRITICAL:

- Marine and oil-and-gas repair and boat-building
- Agro-processing and the location of head offices in the finance and retail sectors
- Health and medical technology
- The green economy, including energy from the sun, wind and waste
- Tourism and events

Marine and oil-and-gas repair and boat-building

The marine and oil-and-gas repair and boat-building sector's core functions are to promote training and to create work placement opportunities for trainees in the oil and gas industry. The City has targeted the provision of training not readily accessible to unemployed youth, offering training such as offshore survival, rope access and competency-based artisanal training, rigging and machinery-lifting inspections. As a result, this initiative directly benefited 90 participants between 2012 and 2015 by providing them with improved employability, and managed to open doors for disadvantaged youth who would otherwise not have had this opportunity.

At a more systemic level, the initiative helped the South African Oil and Gas Alliance (SAOGA) shape artisan development in the Western Cape. Before 2012, artisan development was dwindling; currently, hundreds of apprentices are being trained and mentored with funding from various sources, including the sector education and training authorities (SETAs) in South Africa. Having significantly improved the skills development pipeline in the Western Cape, this programme has developed into a best-practice model readily referred to in industry.



Cape Town has become a prominent service hub for the oil and gas industry on the African continent.

Agro-processing, finance and retail sectors

The City collaborates with the Western Cape destination marketing, investment and trade promotion agency Wesgro to promote the agro-processing sector, as well as to facilitate the location of finance and retail head offices in Cape Town. Between 2011/12 and 2014/15, Wesgro facilitated eight investment projects to the value of R470,2 million in the agribusiness sector, which resulted in the creation of 435 direct jobs and one retail company. Engagements with potential investors continue, with one company having relocated to Cape Town in 2015.

New manufacturing technology centre opens in Atlantis

Located in the heart of the Atlantis industrial hub, a manufacturing technology centre (MTC) occupying 15 000 m² of factory space opened its doors in October 2015. The MTC offers selected companies an opportunity to develop their businesses by providing them with subsidised facilities, infrastructure, equipment support, access to technology, and links to professionals and experts in the field. The objectives of this business incubation programme are to create an enabling environment to assist entrepreneurs, to attract investment to the area, which will in turn create economic growth and job creation, and to ensure the sustainability of small and medium enterprises (SMEs) through the provision of resources.

The MTC was opened with support from the City's own Economic Development Department and the Small Enterprise Development Agency (SEDA) in the form of funding, access to assets and inventory, technical support and the sharing of expertise. The City also provided a R500 000 match funding grant to support this incubation programme, which will hopefully attract businesses to the Atlantis area. The City has partnered with SEDA and its South African Renewable Energy Business Incubator (Sarebi) to implement this project.

Proactively promoting biodiversity

The City is engaged in a process of proactive biodiversity land-banking with partners in the Dassenberg Coastal Catchment Partnership (part of the Atlantis industrial incentives scheme). This is aimed at facilitating development within the Atlantis urban edge, and specifically in the Atlantis industrial area, by providing biodiversity offsets. To this end, several properties containing critical biodiversity have been acquired as offsets for biodiversity loss as a result of industrial development in the area.

At the end of the 2015/16 financial year, the City's land bank stood at over 872 ha. The land bank is being utilised to meet the environmental authorisation condition of mitigating for the loss of 75 ha of natural vegetation in the Atlantis green hub. Another three applications for environmental authorisation are under way in Atlantis, which will also benefit from the biodiversity land bank. These applications concern the potential loss of 45 ha of natural vegetation.

PROGRAMME 1.1(D): SMALL-BUSINESS CENTRE PROGRAMME (ACTIVA)

Optimising informal trading infrastructure

Informal trading in Cape Town accounts for 18–20% of the city's economy. A survey of informal traders in Cape Town has also revealed that 42% of these traders are involved in the sector because they are unable to find other work. Therefore, given the importance of the sector for the poor, the informal trading and markets programme aims to increase the potential returns and economic contribution of the sector through a variety of interventions.

Where possible, the City provides trading infrastructure such as hard-surfaced areas and fixed trading stands or roof structures, while ancillary services such as access to water and/or electricity supply are also provided in some instances. However, in many cases, the infrastructure provided by the City can be improved.

Various design-led trading infrastructure solutions are being investigated through area economic partnerships (AEPs) and other actors. Progress in this regard is reported on as part of the AEP quarterly reporting process. Informal trading norms and standards are also being developed to inform future tariff modelling.

In addition, during the year under review, the City hosted:

- five micro-enterprise support and development workshops, which reached 168 small and micro enterprises;
- 24 roundtable sessions with a total of 1 400 informal traders to discuss the challenges traders face, law enforcement issues, and policies and by-laws affecting informal trading;
- the fourth annual Informal Trading Summit; and
- the fourth annual Cape Town Summer Market.

Informal trading e-permitting system

Phase 2 of the City's informal trading e-permitting system also began in the year under review.

The system offers online reservations, e-trading plan process automation, automatic permit soft revoking, geographic information systems (GIS) spatial integration, etc. It is expected to go live in October 2016.

Improving the business environment

The City is committed to help businesses engage and interact with the administration by connecting them to the right resources and assisting them with navigating the often-complex regulatory environment.

Specific highlights in terms of this objective in 2015/16 included the following:

- 84% of 500 business enquiries addressed to the City Small-Business Support Service were responded to, or dealt with, within

48 hours. The service has been promoted to subcouncils, at micro-enterprise development workshops, at informal-trading roundtables and at entrepreneurship events. A total of 12 000 pamphlets and 16 posters have also been distributed.

- Through ongoing partnership with the Supply Chain Management (SCM) Department, 21 presentations have been made on the City's SCM processes and procedures, reaching over 700 businesses.
- The City supported two MEDO (Micro-Enterprise Development Organisation) and five entrepreneurship tours in Joe Slovo, Milnerton and Hout Bay.
- Approximately 700 small businesses were provided with workspace via SEDA satellite offices in Khayelitsha, effectively leveraging this City facility for economic growth.
- Entrepreneurship partnerships were maintained with SEDA Cape Town, the Cape Peninsula University of Technology (CPUT) entrepreneurship programme, False Bay College Centre for Entrepreneurship, Sarebi and the national Department of Small Business's SEDA technology programme. The City also participated in the South African business incubation conference in March.
- The City continued to promote the online services of the Companies and Intellectual Property Commission (CIPC) through its portal Business.support@capetown.gov.za.
- The business tracking system, which will enable the City to track, collect data, monitor, red-flag and evaluate all business-related queries it receives, entered its final implementation phase towards the end of the financial year under review. The system is scheduled for implementation on 1 July 2016.
- A multitude of urban agriculture interventions were delivered, providing assistance to many small-scale farmers and gardening projects.

Helping to develop small, medium and micro-enterprises through research

An industrial survey was conducted to collect base data on all the businesses in the 23 industrial areas in Cape Town, which data have been transformed into information products. These provide analyses of the economic activity in all the industrial areas of the city, illustrate existing economic activity clustering, vacant buildings and vacant land within the boundaries of the industrial areas, while also demonstrating the potential value chains in the metro southeast and Voortrekker Road corridors. This information was shared with a range of stakeholders and made available for download on the City's open-data portal.



PROGRAMME 1.1(E): PLANNING AND REGULATION PROGRAMME

Municipal Planning By-law an enabler of economic growth

The City is committed to the fast and efficient development regulation of Cape Town's built environment as an enabler of economic growth and development in the quest to achieve the objective of the opportunity city. This involves the continuous modernisation of its regulatory frameworks, mechanisms and systems, as well as focused improvement of its operational service delivery performance. Recognised nationally as the leading local authority in this sector, the City was the first and only municipality to complete its Municipal Planning By-law and be fully prepared for the implementation of SPLUMA by the start of this reporting period.

The new by-law, by now a year in operation, replaced the 30-year-old Land Use Planning Ordinance and various other, older statutes that had previously applied in the Cape Town jurisdictional area, thus consolidating the municipal planning regulatory function and role within the City's full control. The City's single zoning scheme was incorporated into the new by-law and is now referred to as the Development Management Scheme (DMS), thereby simplifying the system even further. More than 9 000 land use applications were processed during the by-law's first year of operation.

The above preparations delivered another first, namely the appointment of a Municipal Planning Tribunal (consisting of technical decision-makers) as required in terms of SPLUMA, thereby ensuring a smooth transition to the new planning regulatory regime, with minimal disruption to the development industry. The tribunal has now been fully functional for a year, considering the application categories assigned to it, and so too has the Mayor's Advisory Panel, which makes recommendations on all appeals submitted in terms of the Municipal Planning By-law.

Optimising land use application and building plan approval

The City's electronic development application management system for the submission, circulation and processing of building plan and land use applications – a national first at the time of its launch – has been operating for more than two years. As from April 2016, customers can now submit electronic building and land use applications online via the e-services internet portal. This exciting further service enhancement reduces waiting time and removes the need for queuing at a district planning office.

Another first will be the implementation of a mobile solution for all building and property inspectors early in the next financial year, enabling them to capture inspection outcomes on-site, issue notices electronically, and view building plans electronically.

In the 2015/16 financial year, the City finalised 94,1% of building plans within the agreed timeframes against a target of 87%, and compared to the 91,3% achieved in the 2014/15 financial year. A total of 26 839 building plans were submitted in 2015/16 compared to 29 141 in 2014/15, which is 7,8% fewer building plans. Although the number of building plans decreased, the value of building work approved increased from R21 billion to R22,6 billion.

Cape Town is the second-most-important contributor to national employment.

PROGRAMME 1.1(F): DEVELOPMENT OF A 'GREEN' ECONOMY

The City's green-economy framework is aimed at moving Cape Town forward towards an economy that results in improved human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities – in short, a low-carbon, resource-efficient and socially inclusive economy.

The City has implemented or supported a number of projects relating to the green economy, such as the piloting of composting bins, the landfill waste-to-energy Clean Development Mechanism approval, the industrial symbiosis programme, recycling separation, the solar water heater accreditation programme, energy-efficiency retrofits, various water demand management projects, the invasive species management programme and beach-cleaning, among others. To date, however, these have not been implemented under the strategic banner of the green economy. Therefore, a process is under way to redefine the City's vision of a green economy, to understand what projects have been implemented so far and what barriers exist to driving the green economy, and to identify priority areas that the City should focus on in order to drive the green economy forward.

Green Jobs Unit

The objective of the Green Jobs Unit, established in the Biodiversity Management Branch of the City's Environmental Resource Management Department, is to further facilitate job creation in the field of the green economy. It does this by contributing to a healthy and sustainable natural environment for the benefit of all in Cape Town, while creating job opportunities, developing skills and providing small-business opportunities in the ecosystem services sector.

The work of the Unit currently provides for the annual employment of approximately 622 people (with over 140 000 person days of temporary employment and over 2 300 job opportunities), who operate on over 300 sites in nature reserves and natural open spaces across the city.


Green procurement

The City is actively driving a green procurement programme, which entails using the City's budgets better to achieve value for money across the entire value chain (from demand management, to acquisition management, to logistics planning, to disposal management), and is a key aspect of promoting the green economy.

In 2015/16, the City implemented further measures to improve its procurement of greener goods and services. This has included the drafting of a sustainable procurement action plan, and the initiation of a process to investigate the scope for greening the City's cleaning chemicals stock items.

Clearing alien vegetation.





Integrated Coastal Management Policy and Programme

CAPE TOWN IS THE LARGEST COASTAL METRO IN SOUTH AFRICA, AND ITS COASTLINE IS ARGUABLY ITS GREATEST SOCIO-ECONOMIC AND ENVIRONMENTAL ASSET.

HOWEVER, THE IMPACT OF CLIMATE CHANGE ALSO MAKES THIS EXTENSIVE COASTLINE A SOURCE OF RISK TO THE CITY, GIVEN THE POTENTIAL FOR A SEA LEVEL RISE AND THE SUBSEQUENT INCREASE IN THE INTENSITY AND FREQUENCY OF STORM EVENTS.

Based on the City's Integrated Coastal Management Policy, an Integrated Coastal Management Programme was adopted in 2015 to address the above risks. The City is now in the process of completing two key projects focusing on coastal risk attributed to climate change. These are the implementation of an environmental overlay zone focusing on the coast, as well as conducting a multi-disciplinary study in respect of property at risk from coastal processes.

The intention of the overlay zone is to:

- promote strategic and consistent City-led responses to coastal erosion along the Cape Town coastline;
- provide systemic guidance to property owners where such properties may be exposed to coastal erosion and storm surges;
- ensure that the recreational and amenity values of receding coastlines are retained as far as possible in these areas; and
- ensure that the potential for maladaptation is minimised.

The intention of the coastal risk study is to:

- ensure that the City complies with national legislation in managing and responding to coastal erosion;
- promote collaborative governance between the three tiers of government within South Africa, as well as between the public and private sector; and
- ensure that the governance of this risk is just and beneficial to the broader community of Cape Town.

Significant progress has also been made in preparing a Coastal Spatial and Economic Development Framework for consultation with stakeholders in 2016/17. The framework directly supports the management of the city's coastline and coastal processes, promotes the coast as a public and social asset, and encourages appropriate climate change adaptation and resilience planning along Cape Town's coastline.

PROGRAMME 1.1(G): CITY DEVELOPMENT STRATEGY IMPLEMENTATION

Transversal working groups have been established in the social and economic clusters. These are taking the long-term strategy and planning work forward, as mandated by the City Development Strategy.

OBJECTIVE 1.2

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

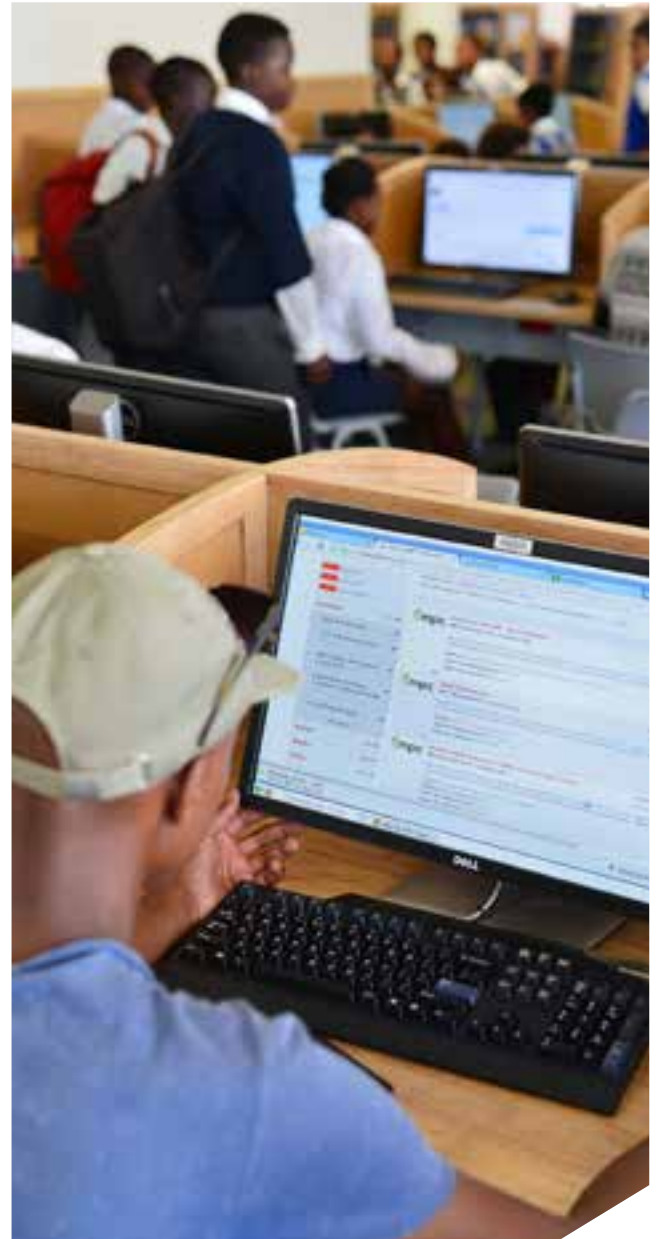
In 2015/16, significant progress has been made with the preparation of a medium-term infrastructure investment framework. This will form the basis of a growth management plan and capital investment framework for the City of Cape Town, which will constitute a key component of the limited five-year review of the Cape Town Spatial Development Framework launched in 2015/16. This is in line with objectives 1.1 and 1.2 of the IDP, which provide a medium- to long-term integrated economic and social infrastructure plan. This, in turn, informs the framework for the City to continue leveraging its infrastructure to enable economic growth and development, and to progressively plan for and accommodate urbanisation. It also supports the City's economic growth infrastructure strategies to maximise opportunities to enhance infrastructure financing and to maintain and upgrade basic service infrastructure to ensure sustainability.

BECOMING AFRICA'S FIRST DIGITAL CITY

The City of Cape Town generates a significant amount of data that may be useful to residents. In the information age, making public-sector data available for anyone to use as they wish also allows the City to tap into the creativity and innovative thinking of businesses and society, assisting it in building a better city. This is key to making progress possible, together.

THE CITY'S OPEN DATA POLICY, WHICH WAS APPROVED IN JANUARY 2015 AND AMENDED IN MAY 2016, MAKES CAPE TOWN THE FIRST CITY IN AFRICA TO HAVE SUCH AN APPROVED POLICY.

In terms of the policy, the City's data are available to all, free of charge and in a usable format. This will enable innovation, as entrepreneurs will be empowered to use the data to create new products and services and enhance existing ones. As an administration that believes in transparency, making the data available will also empower residents to hold the City accountable. A total of 79 datasets have been approved for inclusion on the City's open-data portal, and the provision of additional datasets takes place incrementally. The initiative dovetails with the City's SmartCity strategy, which includes projects such as the extensive broadband digital inclusion strategy, various e-services offerings, FreeCall lines and the SmartCape facilities available at public libraries throughout the city.



City joins global network for knowledge exchange

The administration recognises that cities are the development agents of the 21st century, and is committed to being part of a global network of cities that exchange knowledge and ideas as well as promote economic movement and flows between urban centres. In another significant step towards realising this vision, the City of Cape Town entered into a partnership agreement with the City of Houston in Texas, United States.

Houston is a leader in energy efficiency. Therefore, this agreement, which is called the World Energy Cities Partnership, presents the City with an opportunity to explore a new energy mix, potentially between gas and renewables, to create a sustainable supply of energy for generations to come. In addition, the partnership enables both great cities to learn from each other, while also presenting unique opportunities to showcase Cape Town to prospective visitors and investors in the United States.

PROGRAMME 1.2(A): FIBRE-OPTIC NETWORK PROGRAMME

Broadband connectivity is fundamental to creating an enabling environment for economic growth, development and inclusion. The City is fully aligned with South Africa's vision, as outlined in the National Development Plan, to provide seamless information infrastructure that will underpin a dynamic and connected information society as well as a knowledge economy that is more inclusive, equitable and prosperous.

The financial year ended June 2016 was the second full year of the metro-wide roll-out of the City's metro area network. This seven-year project was approved by Council in 2014 and will extend broadband network infrastructure and services throughout the Cape Town metro area, linking the City and other government buildings, supporting services such as the MyCiTi bus system and Metro Police cameras, and providing services directly to the public in the form of free Wi-Fi. The three main goals of the project are:

- to improve the speed and quality of telecommunication services available to the City of Cape Town itself;
- to contribute to the economic growth and development of Cape Town; and
- to save money and generate revenue by investing in its own infrastructure and self-providing services to other departments.

By the end of the 2015/16 financial year, the City had installed almost 790 km of fibre-optic cable and more than 50 000 km of optic fibre across the metro. This includes a large concentration in the Cape Town CBD (which has the highest concentration of City buildings) and extends from Atlantis to Plumstead, and from Kraaifontein to Somerset West. A large investment has been made in the developing areas of Atlantis, Khayelitsha, Nyanga and Mitchells Plain, which now have extensive fibre-optic networks as well as state-of-the-art switching facilities at Atlantis Fire Station, Harare, Lookout Hill, Nyanga and Mitchells Plain Town Centre. Altogether 25 switching facilities are now in service, which provide connected City buildings with a minimum bandwidth of 1 Gbps. Another 16 facilities are under construction.

A total of 301 City-owned buildings are connected in this way, including libraries, clinics, event venues, cash offices and depots. This allows staff working in these buildings to make use of the City's centralised systems such as the SAP ERP financial management systems and the corporate intranet. A total of 58 buildings of Province are also connected, while over 50 private buildings have been supplied with optic fibre for use by commercial operators. In the 2015/16 financial year, this generated revenue of more than R15 million.



Figure 4: City of Cape Town fibre-optic network



The City's fibre-optic network roll-out programme is fundamental in creating an enabling environment for economic growth, development and inclusion.

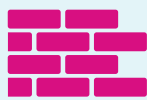
Cape Town residents enjoy surfing online for free

The expansion of the City's broadband network has enabled the provision of free public Wi-Fi services, in addition to the free internet access already available at all 102 City libraries. The 215 access points and 65 SmartCape Wi-Fi zones are now used by more than 25 000 people every day, and more than 700 000 people have used the services since they were introduced.

The City has also laid a fibre-optic ring in Atlantis Industria, which should soon be ready for use by commercial operators to offer services to factories in the area. These businesses are all within the Atlantis flat-rate fibre-optic tariff area, which came into effect on 1 July 2016. Similar flat-rate tariff areas operate around all the City's larger switching centres, including those in Khayelitsha and Mitchells Plain mentioned previously.

The third year of the metro network roll-out will see the completion of the cable route to Somerset West, as well as new switching facilities coming into operation at places such as Kuyasa, Lakeside and Epping. Each one will allow more City libraries and clinics to be connected, more public Wi-Fi access points to be installed, and more commercial operators to come onto the network for the benefit of local businesses and residents.

The City's capital budget for its broadband network roll-out project in 2015/16 was R218 million, of which R33 million was invested in the roll-out of the wireless network. Most of this budget went towards installing fibre-optic cables and switching capacity in areas such as Harare, Kuyasa, Khayelitsha, Atlantis, Delft, Lenteguur, Site C, Mitchells Plain, Nyanga, Hanover Park and Seawinds, where there were previously no broadband infrastructure.



PROGRAMME 1.2(B): MAINTENANCE OF INFRASTRUCTURE

Prioritising repairs and maintenance to ensure optimum service delivery

The City of Cape Town acknowledges its obligation to optimally preserve its extended asset base and recognises current inherent backlogs in this regard. To this end, the City gives priority to investing in repairs and maintenance, which makes a visible difference to the city and its people, primarily in terms of roads and utilities infrastructure.

While operating repairs and maintenance is not considered a direct expenditure driver, it is an outcome of other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the City has spent around R12 billion on repairs and maintenance since the 2012/13 financial year.

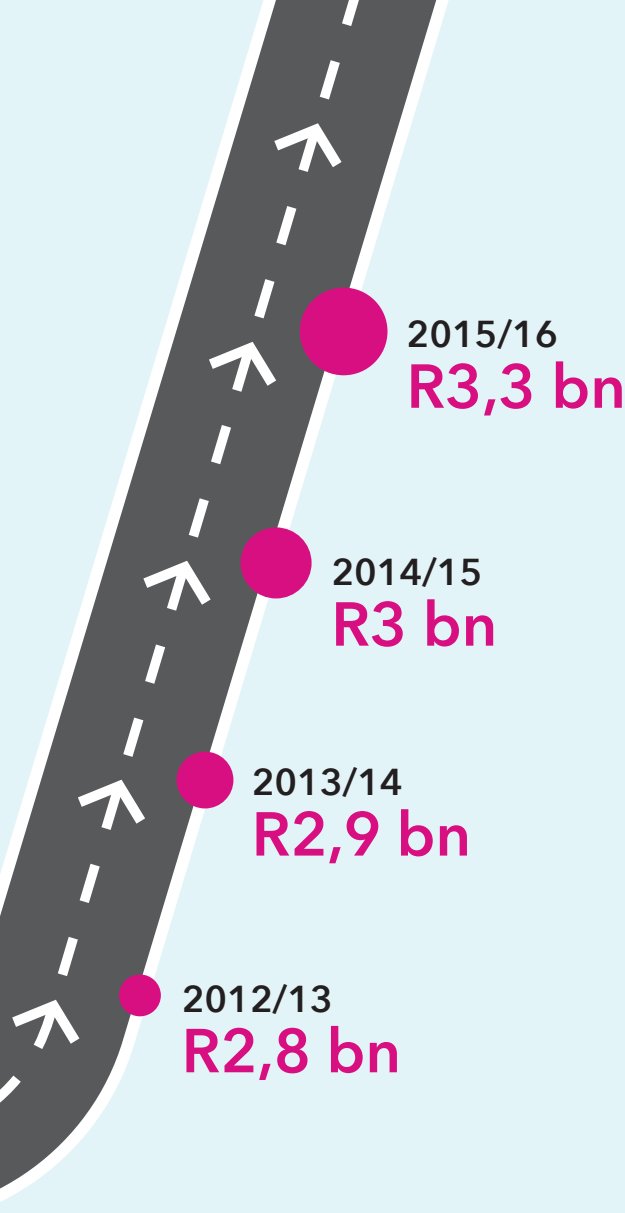


Figure 5: Growth of investment in repairs and maintenance by the City

PROGRAMME 1.2(C): INVESTMENT IN INFRASTRUCTURE

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 prioritises the allocation of resources to a strategic infrastructure asset management plan and asset register for all municipal infrastructure, both above and below ground. To this end, a comprehensive medium-term infrastructure investment framework is being developed, which will set out a consistent, long-term growth and development path by using public infrastructure investment and partnerships as platforms and catalysts to enable economic growth.

Since 2012/13, the City has invested approximately R22 billion in infrastructure, of which R12 billion has been for new infrastructure and R10 billion has gone towards the refurbishment of existing infrastructure.

Electricity infrastructure upgrades

The City of Cape Town works to ensure that its electricity infrastructure is as reliable as possible, while also implementing measures to keep up with growth. As such, five capital projects aiming to improve distribution capacity and reliability commenced during the 2014/15 financial year and were completed in the 2015/16 financial year.

One of the biggest capital outlays was for the Platteklouf-N1 reinforcement project, which involves the construction of the new Richmond Estate main substation. This upgrade, which is a multi-year project, is projected to cost R81,1 million and will provide additional reinforcement to the City's network. It will also serve as a catalytic project for the City's Voortrekker Road integration zone. The undergrounding of a portion of the Athlone-Philippi 132 kV overhead line was implemented to enable further housing development to take place in the Joe Slovo housing development in Langa. Through this multi-year project, more land could be made available for the construction of housing units.

Bulk water infrastructure investment

The growth areas identified by the City require capital investment in infrastructure, while densification, as a future spatial strategy, is provided for in the design of long-term capacity upgrades. The City will be implementing its bulk water augmentation scheme (BWAS) in phases, of which the first phase, the Muldersvlei reservoir, is currently being designed. When fully implemented, the scheme will increase the potable water treatment, bulk storage and bulk conveyance capacity of the City's water supply system, thereby increasing the overall system capacity and boosting supply to development areas. 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.

Wastewater infrastructure investment

There are 26 wastewater treatment facilities in Cape Town. The issuance of new licensing requirements by the Department of Water Affairs and Sanitation (DWS) means that a number of these will require upgrades. A number of the works, including Borchers Quarry, Potsdam and Bellville, are operating above their hydraulic and load design capacity. Processes have been initiated to address these challenges, with upgrades and capacity extension planned or under way for various facilities. Some of the recent changes to the DWS wastewater quality requirements will be challenging to meet, and the City has approached the department in this regard. For the 2015/16 financial year, the majority of wastewater projects were aimed at increasing treatment capacity, improving processes and raising levels of effluent quality.

City's reuse of effluent relieves pressure on dams

The City of Cape Town currently reuses more than 6% of the effluent that passes through its treatment works for irrigation and industrial purposes. This is in line with the City's commitment to sustainable water management and stewardship.

Currently, 13 of the City's wastewater treatment works are equipped to produce treated effluent suitable for reuse, and a 230 km treated-effluent pipe network conveys this water to more than 160 customers in the city, including schools, sports clubs, golf courses, farms, factories and commercial developments with large water features. The City also uses this water for irrigating parks and the flower beds along Cape Town's integrated rapid transit (IRT) routes.

The use of treated effluent as a means to save water is viewed as a key component of the City's strategy to ensure that Cape Town has a secure water supply for the foreseeable future.

Reticulation infrastructure investment

The City has undertaken an accelerated programme to improve the replacement of water distribution network mains, with a particular focus on areas with a higher incidence of pipe bursts. In the 2015/16 financial year, 32 814 m of water reticulation mains were replaced (2014/15: 48 622 m). The lower figure in 2015/16 compared to the previous year can be attributed to differences in the types of mains replaced. In 2015/16, a higher percentage of large-diameter mains was relayed, which is more expensive and more time-consuming. This brings the total mains replaced since 2011/12 to 296 121 m.

Pressure management and pipe replacement deliver water savings

As water is gravity-fed from the service reservoirs on the hills surrounding the city, the water pressure in the pipe network rises substantially when residents stop using water, particularly at night. The City's pressure management programmes, including the use of pressure management devices, reduce the pressure to levels that are less stressful for the infrastructure, thus reducing the potential for bursts and leaks.

It is estimated that 59 700 kilolitres of water is saved every day through this pressure management programme. This is the equivalent of about 24 Olympic-sized swimming pools.

At the same time, the City's replacement programme resulted in the replacement of a total of nearly 33 km of its reticulation network in the year under review. The pipeline replacement programme improves service delivery to residents and business, as new pipes minimise the number of pipe bursts and water disruptions.

Solid waste infrastructure asset management

The rehabilitation of the City's disused, full landfills and dumps continued in 2015/16, as required by the MFMA and operating permit conditions. Rehabilitation of the former Kraaifontein landfill is now complete, while the rehabilitation of Atlantis and Witsand landfill sites is under way. The rehabilitation of Waterkloof will commence in the 2016/17 financial year.

The City also continued to focus on replacing ageing waste collection vehicles with the aim of ensuring long-term service delivery improvements. Approximately R62,4 million (or 27,3% of capital expenditure) was spent on vehicle replacement for the year under review – all within the replacement policy and according to plan.



Addressing the challenge of landfill airspace

There is limited airspace available at the City's three operating landfills. The City has managed to extend the closure of the Bellville landfill until 2018. A basic assessment process has also been initiated to obtain authority to increase the capacity of the Vissershok landfill. The final basic assessment report was submitted to the authority for a decision, and the City awaits further communication in this regard. The process of identifying a new regional landfill site also continues. Following an extensive technical process that commenced in 2000, a subsequent scoping as well as a supplementary environmental impact assessment (EIA) process on two shortlisted sites, a record of decision was issued during 2013 in favour of a site near Kalbaskraal. An appeal has however been received and a legal process still ensues with the Department of Environmental Affairs and the City of Cape Town as first and second respondents respectively. At this stage, it is uncertain as to when this will be resolved.

Converting landfill gases into energy

The City successfully registered a programme of activities for a series of landfill gas-to-energy conversion projects with the United Nations Framework Convention for Climate Change (UNFCCC). This will help reduce the City's carbon footprint due to greenhouse gas emissions and meet international emissions targets.

The programme of activities will serve as the umbrella instrument for registering the City's landfill gas projects and will offer other municipalities and private landfill owners in South Africa the opportunity also to register future projects.

The landfill gas extraction construction tender was advertised, and work will start in the new financial year to give effect to the climate change reduction commitments and to generate carbon revenue. In addition, a tender for the sale of landfill gas at the Bellville South landfill for industrial heating purposes was also awarded and final negotiations on the conditions of contract will occur once construction has been completed.

WASTE-TO-ENERGY PLANT TESTED AT CITY WASTE MANAGEMENT FACILITY

In November 2015, the City partnered with the Japan International Cooperation Agency (JICA) to open a plastics-to-oil conversion plant at the City's integrated waste management facility at Kraaifontein. This also coincided with the start of a six-month pilot project that has provided insight into the potential for creating fuel from plastic waste diverted from landfill sites by using high-end pyrolysis technology.

Three types of plastic (polyethylene, polypropylene and polystyrene) from the waste stream were processed in different combinations as part of the tests, and were converted into oil. The plant's capacity of 500 kg of plastic materials per day could yield a maximum of approximately 500 litres of fuel. The different yields were assessed and tested to determine the quality of fuel to make conclusions about the efficacy of the technology.

At the end of April 2016, testing was concluded and the results evaluated. A report was submitted with a recommendation to discontinue operation of the pyrolysis plant due to the low quantities, high production costs, variable quality and the unsuitability of operating in a municipal waste environment.

The outcome of the project is however seen as positive, as it afforded the City the opportunity to evaluate alternatives to disposing plastic materials at landfills and provided direction on unsuitable alternative disposal options.



CREATING OPPORTUNITIES THROUGH CONSISTENT SERVICE DELIVERY

ELECTRICITY SERVICES

THE CITY OF CAPE TOWN IS THE ELECTRICITY SERVICE AUTHORITY FOR THE ENTIRE CAPE METROPOLITAN REGION. ITS SERVICE PROVIDERS ARE THE CITY OF CAPE TOWN'S OWN ELECTRICITY SERVICES DEPARTMENT AND ESKOM.

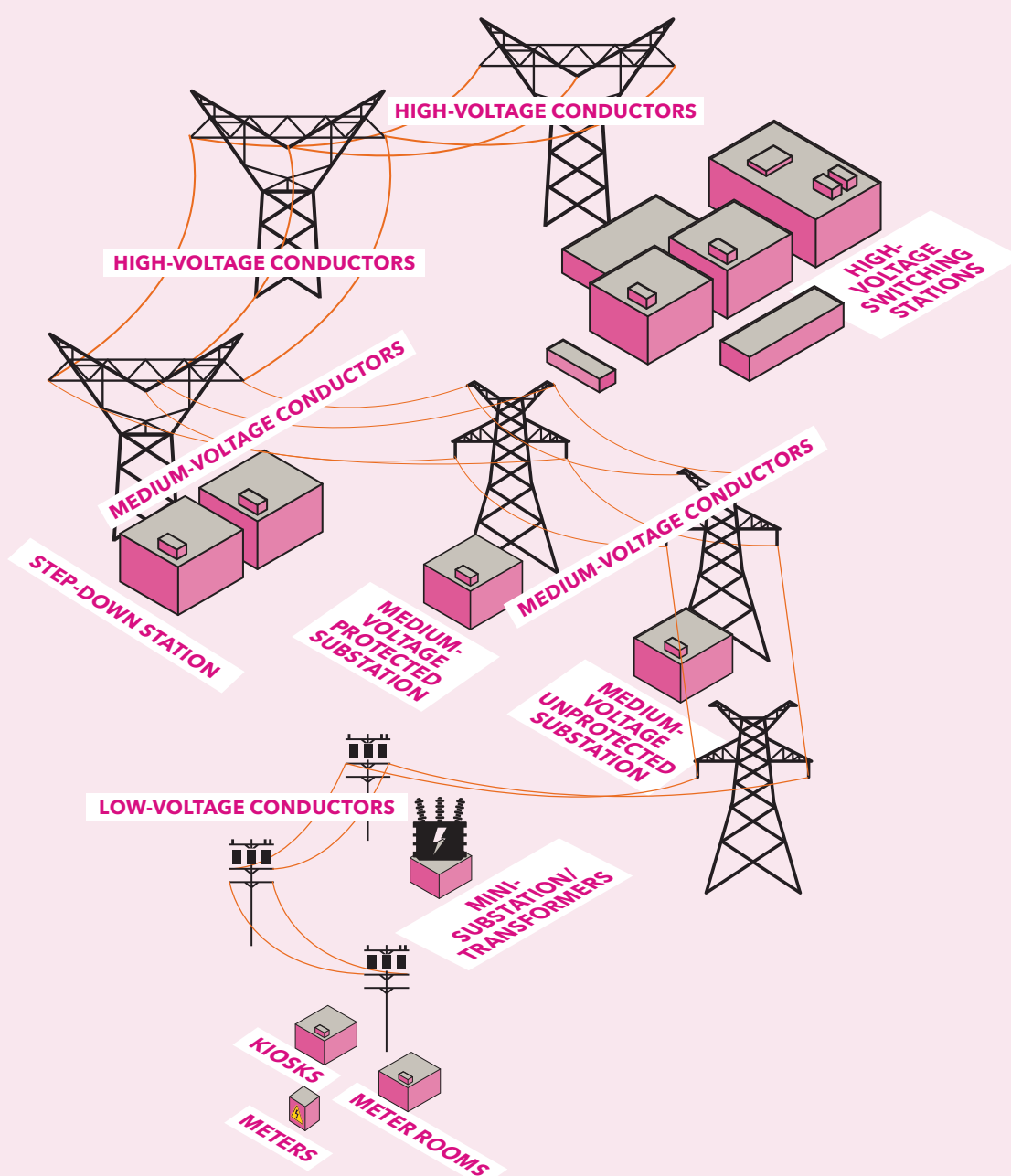


Figure 6: The City of Cape Town's electricity infrastructure

CAPE TOWN'S ELECTRICITY INFRASTRUCTURE AT A GLANCE

832,5 km
High-voltage cables

1 647
Unprotected substations

174,5 km
High-voltage overhead lines

6 737
Mini substations

7 244,4 km
Medium-voltage cables

536
Pole-mounted transformers

345,1 km
Medium-voltage overhead lines

2
Gas-fired generators

22 206,9 km
Low-voltage cables

635 648
Electricity meters

2 871,2 km
Low-voltage overhead lines

2 458
Employees

83
Major substations

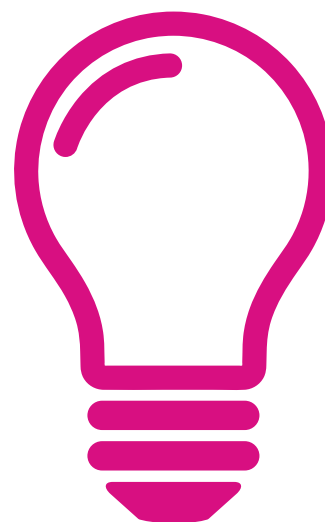
900
Vehicles

985
Protected substations

R10 billion+
Budget

ACCESS TO ELECTRICITY SERVICES IS ACHIEVED THROUGH THE DEMAND-DRIVEN CAPITAL PROGRAMME FUNDED THROUGH DEVELOPERS' CONTRIBUTIONS FOR NON-SUBSIDISED HOUSING. SUBSIDISED HOUSING IS FUNDED THROUGH THE ELECTRIFICATION PLAN VIA THE URBAN SETTLEMENTS DEVELOPMENT GRANT (USDG).

Table 2: Cape Town's electricity infrastructure at a glance



KEY PROJECTS AND INITIATIVES IN 2015/16

- Ongoing electrification
- High-voltage switchgear replacement
- Medium-voltage circuit breaker replacement
- Stikland main substation
- Platteklouf-N1 reinforcement
- Koeberg Road switching station phase 2
- Gugulethu main substation upgrade
- Athlone-Philippi overhead line undergrounding
- Durbanville phase 2
- Broad Road phase 3
- Bofors upgrade
- Eversdal-Durbanville 66 kV overhead line upgrade
- Oakdale upgrade phase 2
- City 33 kV gas cable replacement

WATER AND SANITATION SERVICES

A TOTAL OF 99,6% OF CAPE TOWN'S WATER SUPPLY IS DERIVED FROM SIX DAMS, NAMELY VOËLVLEI, THEEWATERSKOOF AND BERG RIVER (OWNED AND OPERATED BY DWS), AND WEMMERSHOEK AND STEENBRAS LOWER AND UPPER (OWNED AND OPERATED BY THE CITY).

THE TOTAL CAPACITY OF THESE SIX DAMS IS **898 300 MILLION KILOLITRES**. SOME OTHER MINOR DAMS OWNED AND OPERATED BY THE CITY MAKE UP THE OUTSTANDING 0,4% OF THE TOTAL SYSTEM CAPACITY.

The City's water and sanitation infrastructure also includes 12 water treatment works and a water supply reticulation network of 10 618 km. The City also has 86 water pump stations and 129 water reservoirs. The wastewater infrastructure consists of 26 wastewater treatment facilities, a 9 216 km sewerage reticulation network and 385 sewerage pump stations.

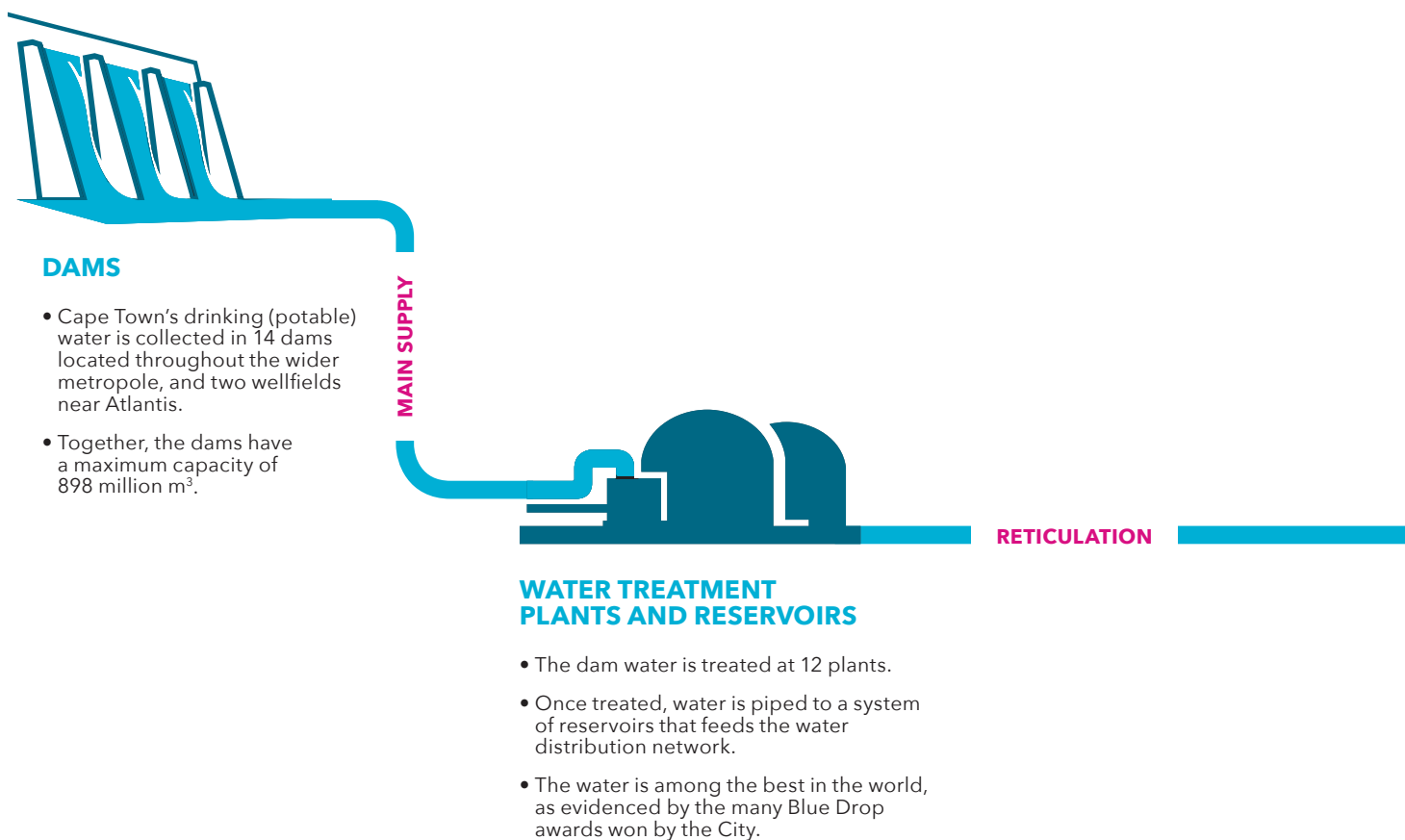
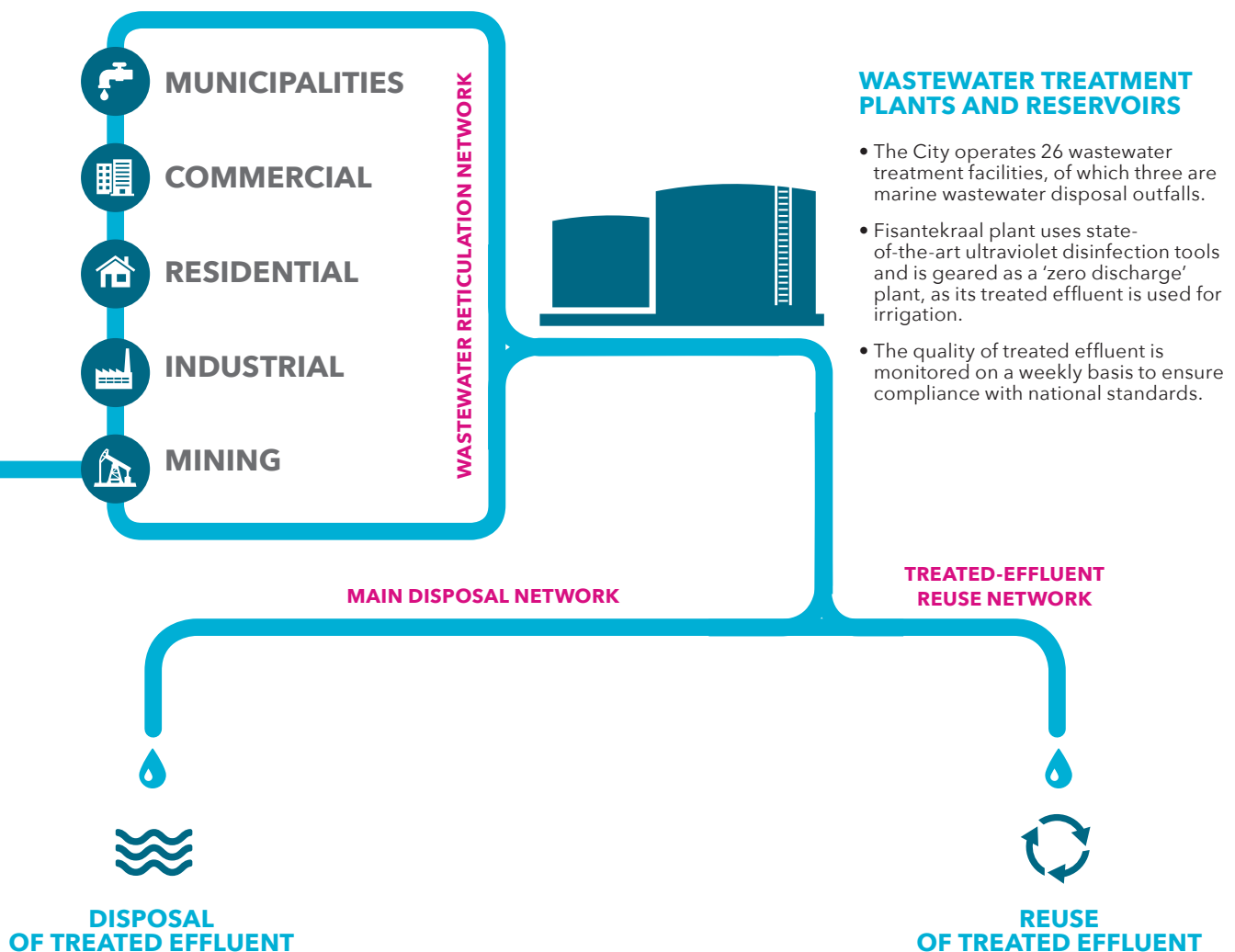


Figure 7: Cape Town's water and wastewater infrastructure

HIGHLIGHTS IN 2015/16

- The Water Conservation and Water Demand Management (WCWDM) programme was named the international winner in the category for adaptation implementation in the 2015 C40 Cities Awards in Paris.
- Created 6 034 EPWP opportunities against a target of 5 100.
- Achieved 95% in the DWS's 2014 No Drop first-order assessment released during 2015/16.
- The percentage of treated effluent recycled and reused (for irrigation and industrial purposes) has exceeded expectations as well as 2015/16 targets (6,58% vs. a target of 4%). Continued using treated effluent as a means to save water.
- A total of 32 814 m of water reticulation mains have been replaced, bringing the total replaced since 2011/12 to 296 121 m.
- A total of 25 975 m of sewerage reticulation mains have been replaced, bringing the total replaced since 2011/12 to 138 491 m.
- New Herrenknecht microtunnelling machine is set to speed up the digging of underground tunnels to lay sewer pipes as part of the Sanitation Master Plan worth R250 million.
- Scored 95,86% in the latest DWS Blue Drop certifications released in 2015/16, thus again securing Blue Drop status.





CAPE TOWN SCOOPS C40 CITIES AWARD AT COP21 CONFERENCE IN PARIS

THE CITY OF CAPE TOWN'S **WCWDM PROGRAMME** WAS ANNOUNCED AS THE WINNER IN THE CATEGORY FOR ADAPTATION IMPLEMENTATION IN THE 2015 C40 CITIES AWARDS IN PARIS.

Cape Town was shortlisted as one of 33 finalists from more than 200 applications received from 94 cities across the world. The award reaffirms Cape Town's international recognition as a leading city in the global effort to address climate change.

The City has taken a proactive and long-term approach to water management and has worked conscientiously to reduce water demand. In 2007, Cape Town became the first municipality to adopt a comprehensive WCWDM strategy aimed at minimising water losses and promoting efficient use of water. The WCWDM programme is an innovative multi-pronged initiative that focuses on both technical and behavioural aspects of saving water. Through effective resource management and shared responsibility with residents over a 15-year period, the WCWDM programme has resulted in a reduction in demand or water savings of more than 30%.

No Drop report recognises City's water management

The City of Cape Town received a No Drop score of 95% in DWS's 2014 first-order assessment. This report assesses current usage patterns and the City's water planning, expertise and monitoring programmes in terms of whether they support the sustainable use of water.

The No Drop programme was developed using a similar framework to the Blue Drop and Green Drop assessments, and aims to encourage progress in efficient water use and the prevention of water losses.

According to the DWS report, the No Drop score of 95% indicates that the City has an excellent knowledge of its status and has the required processes, systems and plans in place to manage water losses and non-revenue water.



KEY PROJECTS AND INITIATIVES IN 2015/16

- The upgrade of the Sanddrift bulk sewer has commenced. This sewer serves about 200 000 residents in the Sanddrift, Koeberg, Ysterplaat, Brooklyn and Century City areas. Completion is set for early in 2017 at a total cost of approximately R64 million.
- The annual water service quality survey commenced in March 2016, forming part of the department's customer service charter to ensure top-quality service and products.
- Commenced construction of the second phase of the Cape Flats 3 (CF3) bulk sewer project. The CF3 is a critical component of the City's sewer network and serves a population of approximately 350 000 residents in the Bonteheuwel, Heideveld, Manenberg, Gugulethu and Nyanga areas.
- More than R200 million was spent on various wastewater treatment works (WWTWs) during 2015/16. The investment covered various improvements, capacity extensions and refurbishments. The biggest portion of the expenditure was for the Mitchells Plain, Zandvliet and Borchards Quarry WWTWs.
- A partnership was established with the Centre of Expertise. This non-profit company focuses on identifying innovative technology and expertise from industry experts.
- Council approved a collaborative research project with the Dutch government. This entails the trialling of new software that promises to reduce the amount of water lost through leaks and pipe bursts as part of the City's efforts to preserve this precious resource. The Dutch are world leaders in areas of water technology and treatment as well as the management of water and sanitation infrastructure.

Centre of Expertise partnership to improve water and sanitation

In October 2015, the City of Cape Town partnered with the Centre of Expertise (COE) to facilitate transfer of technology and skills from industry leaders in the field of water, sanitation and resource recovery in order to enhance the City's performance and create a platform from which to discuss the best application of these skills, practices and technologies.

The COE is funded by the Dutch government, with whom the City has had close ties for many years. In terms of the memorandum of understanding between the City and the COE, the centre will investigate new technology and best practice, while the City will explore whether these methods could be effectively applied in Cape Town. The COE will also facilitate training of the City's staff so that they can effectively implement new strategies.

Working with citizens to drive sustainable water security

Climate change projections for Cape Town indicate a decrease in the annual average rainfall, along with an increase in temperatures, which will in turn result in higher evaporation rates. This situation is already placing increasing pressure on the City's water supplies, requiring the administration to continually advance its WCWDM programme, being the most cost-effective and proactive means of improving water security.

In December 2015, the City rolled out a new initiative to inform and encourage residents to adopt water-saving practices. Ten full-time EPWP workers were employed as liaison officers to engage with consumers regarding the level 2 water restrictions and on how to reduce their water consumption. The EPWP workers had been trained in terms of the City's Water By-law and were placed at some of the major nurseries across Cape Town to engage with visitors and staff. These workers share water-saving tips, and advise residents on alternatives, such as opting for water-wise or indigenous plants. Since December 2015, the outreach project has reached an average of 9 000 customers per month, in addition to ongoing initiatives by the City where teams are sent to schools, churches, hotels, shopping malls and business districts to raise awareness about water conservation.

This latest initiative has also allowed the City to continue creating meaningful job opportunities, having trained more than 1 000 EPWP workers to conduct ongoing door-to-door awareness drives.

Key medium-term and long-term objectives

To sustainably provide basic water and sanitation services to all residents in the city

To implement and maintain ISO 9001 for all water and sanitation services within budgetary constraints

To improve security of supply to a targeted peak week demand of 90% of potable-water production capacity

To increase effluent reused to 5% of potable water used

To improve revenue collection to 89%

Ensuring water quality

THE CITY CONSISTENTLY EXCELS IN THE DWS'S BLUE DROP AWARDS PROGRAMME.

IN JUNE 2016, THE CITY'S MOST RECENT SCORE WAS AN IMPRESSIVE **95,86%**, AGAIN SECURING BLUE DROP STATUS. THE CITY REMAINS IN THE TOP-PERFORMING GROUP OF WATER SERVICE AUTHORITIES IN SOUTH AFRICA.

According to DWS's latest available Green Drop report (for 2013), the average Green Drop score, which measures the quality of the City's WWTWs, was 89,7%. This represents a steady improvement on the 2011 score of 86,8% and the 2009 score of 82%. Twelve of the WWTWs scored higher than 90%, including Cape Flats, Macassar, Kraaifontein, Scottsdene, Zandvliet, Wildevölvlei and Parow, thereby qualifying for Green Drop status.

Investing directly in informal settlements

AS A CARING CITY THAT ENSURES SERVICE DELIVERY TO ITS MOST VULNERABLE RESIDENTS, THE CITY OF CAPE TOWN'S WATER AND SANITATION DEPARTMENT SPENT **R316,9 MILLION** DIRECTLY ON SERVICES TO INFORMAL SETTLEMENTS IN THE 2015/16 FINANCIAL YEAR.

The money has mainly been used for:

- increasing the toilet and tap provisions;
- maintenance of sanitation and water facilities;
- cleaning and emptying of alternative sanitation; and
- the janitorial programme.

The R316,9 million does not include new or existing bulk infrastructure to service informal settlements, nor wastewater treatment and infrastructure for treatment. It also excludes the free provision of water to informal settlements, as well as the removal of wastewater. These free services are valued at close to R175 million for 2015/16 and need to be recovered via cross-subsidisation.

All of these programmes further attest to the City's ongoing commitment to its residents in informal settlements. Thanks to a continued increase in the budget for water and sanitation in informal settlements since 2006/7, the City had increased toilet provision to around 52 000 across Cape Town by the end of June 2016, while more than 11 000 taps had also been provided.



The Blackheath wastewater treatment plant.



WASTE

THE CITY OF CAPE TOWN'S SOLID WASTE DEPARTMENT PROVIDES ACCESS TO BASIC REFUSE COLLECTION SERVICES TO 100% OF FORMAL PROPERTIES AND 99,74% OF INFORMAL SETTLEMENTS. ONE SETTLEMENT IS INACCESSIBLE DUE TO ITS LOCATION.

WASTE MANAGEMENT SERVICES INCLUDE WASTE COLLECTION, DISPOSAL, WASTE MINIMISATION, EDUCATION AND REGULATORY SERVICES.

The City has adopted an Integrated Waste Management Plan (IWMP), which gives long-term effect to the department's vision. The IWMP is underpinned by predetermined objectives and targets, which have been aligned with national and provincial legislation as well as the City's strategies, plans and policies.

As a contributor to the objective of the opportunity city, Solid Waste's goal is to improve access to basic waste management services, cleaning, collection and disposal, while significantly diverting waste from landfill.

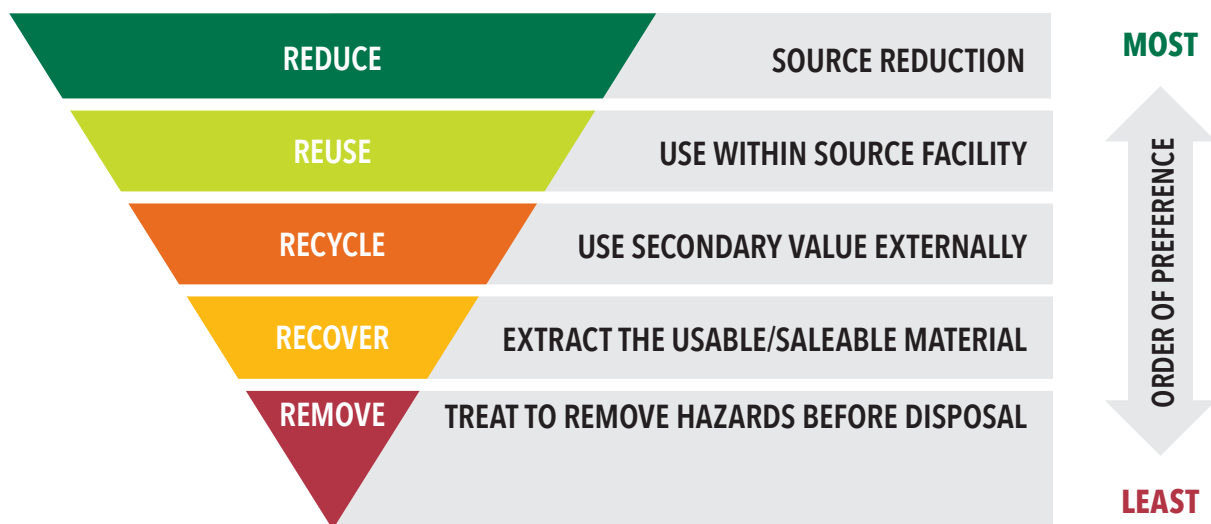


Figure 8: City of Cape Town's waste management hierarchy

HIGHLIGHTS IN 2015/16

- Appointment of transactional advisors and a panel of consultants regarding waste beneficiation and alternative-technology disposal facilities
- Commencement of landfill gas project in order to reduce greenhouse gas emissions to meet climate change objectives. The City has registered these landfill gas projects with the UNFCCC. Design has been completed and the construction tender was advertised. Tender applications are currently being evaluated
- Upgrading and replacement of ageing fleet
- Continued rehabilitation of old landfill sites
- Implemented an equitable refuse collection service for backyarders at housing rental units on City-owned land
- Completed the infrastructure development of the refuse transfer station and drop-off facility at the Bellville South landfill, which is currently being put into operation
- Expanded garden greens management at drop-off facilities, including chipping and composting
- Expanded recycling activities at drop-off sites
- The establishment of a contract office to ensure attention to detail of conditions of service for new tenders, the timeous, successful completion and adjudication of tenders, and the subsequent management of contracts

KEY MEDIUM-TERM AND LONG-TERM OBJECTIVES

- Full implementation of Council resolutions on the Municipal Systems Act section 78 investigation
- Establishment of public-private partnerships regarding waste beneficiation and alternative-technology disposal facilities to reduce waste to landfill, which will be tested for feasibility, risk and affordability by a transaction advisory team for recommendation to implement partnerships
- Instituting the aggressive management, minimisation and reuse of demolition/ builder's rubble through the establishment of rubble-crushing plants
- Development of new drop-off facilities closer to communities
- Improving access to basic waste management services (cleaning, collection and disposal) and minimising (reduce and divert) waste to landfill
- Improving public education and awareness programmes regarding waste management and minimisation (as part of the WasteWise project)
- Licensing and development of a regional landfill site
- Rehabilitation of historical landfill sites and obtaining closure licences for priority historical sites
- Continuing with the realignment of depots and staff, and implementing flexible working hours to achieve improved service efficiencies, in order to provide an equitable and predictable service as well as to improve asset utilisation, access and use by the public
- Enhancing an integrated infrastructure asset management programme for fixed and movable assets, plant, equipment, infrastructure and superstructure of the department to optimise asset use and service delivery, focusing on the waste management fleet as a priority. The programme was established prior to 2012 and is being further developed.

PROGRAMME 1.2(D): EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

EPWP delivers sustainable economic opportunities for Capetonians

The EPWP is designed to provide temporary employment opportunities to as many unemployed residents as possible. Currently, more than 400 000 people are registered on the City's job seekers database. EPWP employment periods vary from project to project. In certain circumstances, a project's timeline may be extended for operational reasons, which may lead to some workers gaining a further period of employment.

The City created a total of 44 942 EPWP job opportunities in 2015/16. This brings the total number of EPWP jobs created by the City over the current five-year IDP cycle ending June 2017, to 160 000.

The EPWP is entrenched in the City's EGS and SDS, which are transversal strategies that operate in support of the IDP objectives.

EPWP initiatives attempt to bridge the skills gap within the infrastructure sector and provide a key entry into the job market for first-time workers. Therefore, the EPWP projects deliver on EGS and SDS objectives by providing a direct cash injection into poor households and communities. In this regard, the EPWP continues to deliver positive change for the city and its residents. This is primarily due to the fact that the City's EPWP has both achieved and largely exceeded all targets set for it since the 2012/13 financial year.

The graph below shows the achievements of EPWP against these targets over the past four financial years.

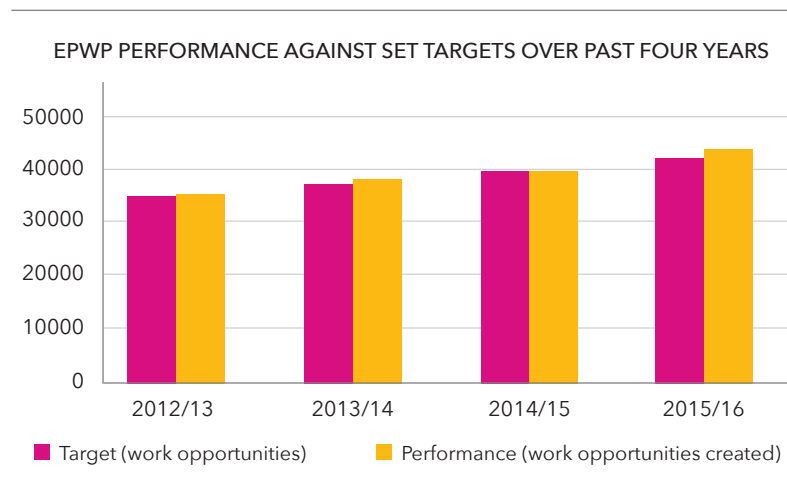


Figure 9: EPWP employment opportunities created by the City since 2012

EPWP delivers dual benefit of income and employability

Since 2010/11, the City has created almost 160 000 EPWP work opportunities, with R555 million being in direct wages to EPWP workers.

The wages generated by EPWP provide immediate poverty relief to poor and unemployed residents. The City's own research indicates that these wages are ploughed directly into local businesses, creating local economic development within communities. Although EPWP work is temporary, the various opportunities and extensive skills training empower the workers by increasing their employability. Job opportunities include on-the-job training for students, and positions as general cleaners, data collectors/capturers, community liaison officers, clerks and operators.

CITY EARNS ANOTHER EPWP ACCOLADE

THE CITY OF CAPE TOWN'S EPWP EARNED YET ANOTHER ACCOLADE IN NOVEMBER 2015 WHEN IT WAS NAMED **BEST MUNICIPALITY FOR EXCELLENCE IN THE IMPLEMENTATION OF THE EPWP SOCIAL SECTOR** AS PART OF THE KAMOSO AWARDS.

The national Department of Public Works introduced the Kamoso awards in 2007 to recognise and reward best-performing public-sector bodies that excelled in the implementation of EPWP in the preceding year. This latest achievement follows on the success the City achieved at the 2013 Kamoso awards ceremony, where it scooped the awards for both best municipality in the social sector and best metropolitan municipality in the environment and culture sector.

OBJECTIVE 1.3

PROMOTE A SUSTAINABLE ENVIRONMENT THROUGH THE EFFICIENT UTILISATION OF RESOURCES

PROGRAMME 1.3(A): SUSTAINABLE UTILISATION OF SCARCE RESOURCES, SUCH AS WATER AND ENERGY

THE CITY IS COMMITTED TO CONSERVING AND MANAGING CAPE TOWN'S UNIQUE BIODIVERSITY, WHILE PROMOTING NATURAL AREAS AS COMMUNITY SPACES THAT PERFORM A VITAL ECOSYSTEM SERVICE AS WELL AS A RECREATIONAL AND SOCIAL FUNCTION.

The social benefits of the biodiversity network include job creation and skills development opportunities that are particularly beneficial to surrounding communities. A number of key projects and initiatives have been undertaken or are being planned:

- **The proclamation of existing managed areas under the National Environmental Management: Protected Areas Act.** This process was concluded in June 2016. The reserves will now be formally gazetted, and all enjoy protected status.
- **Meeting the Integrated Metropolitan Environmental Policy (IMEP) environmental agenda target of conserving 60% of the Biodiversity Network (BioNet) by increasing conservation land through partnerships and stewardship programmes, as well as acquisition where financially feasible.** This target was met in December 2014. A new target of conserving 65% by 2020 is in the process of being approved. The conservation estate currently stands at 60,88% of the BioNet.
- **Meeting IMEP environmental agenda targets in respect of invasive alien species.** Targets in respect of aquatic systems and early detection were met by 2014, and new targets are in the process of being approved. The population of invasive alien house crows was reduced to 180 individuals, which is a significant achievement. The City's invasive species management programme, housed in the Green Jobs Unit, is a significant employment creator, providing over 622 full-time-equivalent job opportunities annually.
- **Continuing to roll out environmental education and outreach programmes to increase the public's ability to access nature reserves and to promote environmental education and awareness.** The reporting period saw 34 965 learners from 461 schools attend environmental education programmes, resulting in 52 026 person days of education. A further 25 535 individuals received some level of awareness/education training at events/exhibitions, which means that a grand total of 78 501 individuals were reached in 2015/16.
- **Ensuring continued management of the existing conserved areas so that the benefits to the community are enhanced.** In the year under review, protected-area advisory committees were established for 11 of the City's nature reserves. These committees work to ensure local community involvement and participation in the management of nature reserves.
- **Creating a viable ecological link between Dassenberg Hills and the coast as part of the Dassenberg Coastal Catchment Partnership (DCCP).** Amongst others, a major success in the year under review was the transfer of more than 7 260 hectares of state land (4 688 of which fall within the City's boundaries) to CapeNature for conservation purposes.



CONSERVING BIODIVERSITY: OUR NATURAL CAPITAL

DURING THE 2015/16 FINANCIAL YEAR, THE CITY CONTINUED TO IMPLEMENT **BIONET**, ITS FINE-SCALE PLAN FOR THE CONSERVATION OF BIODIVERSITY. NOTABLE INITIATIVES DURING THE PERIOD INCLUDED THE FOLLOWING:

Development facilitation through

land-banking - The Atlantis industrial incentive scheme includes a land-banking component. This means that key biodiversity properties outside the urban edge are proactively purchased and conserved to mitigate the loss of biodiversity remnants within the urban edge and industrial area of Atlantis, thereby facilitating new investment opportunities in the area. This pragmatic approach has great potential, as it facilitates development, while ensuring that priority land is added to the conservation estate, thereby securing biodiversity resources along with the vital ecosystem services they deliver.

The Dassenberg Coastal Catchment

Partnership - The DCCP is an ongoing initiative of the City, CapeNature, the Worldwide Fund for Nature (WWF), the Table Mountain Fund, the Wilderness Foundation, the Cape West Coast Biosphere, SANParks, Province's Department of Environmental Affairs and Development Planning, and the South African National Biodiversity Institute (SANBI). In the year under review, the City continued to be an important partner in developing this initiative, which aims to create a multi-use conservation area that will link CapeNature's Riverlands Nature Reserve with the coast, and protect critical ecological infrastructure. The City was awarded the honour of 'most valuable partner' at the CapeNature stewardship awards in September 2015. This award was given to the City due to the great work done over the last few years to protect the City's nature reserves under the National Environmental Management: Protected Areas Act, the acquisition of critical biodiversity land as an element of the Atlantis development facilitation scheme, and the efforts made in implementing the Dassenberg coastal catchment landscaping initiative.

Metro Southeast Strandveld

Conservation Implementation Plan (CIP)

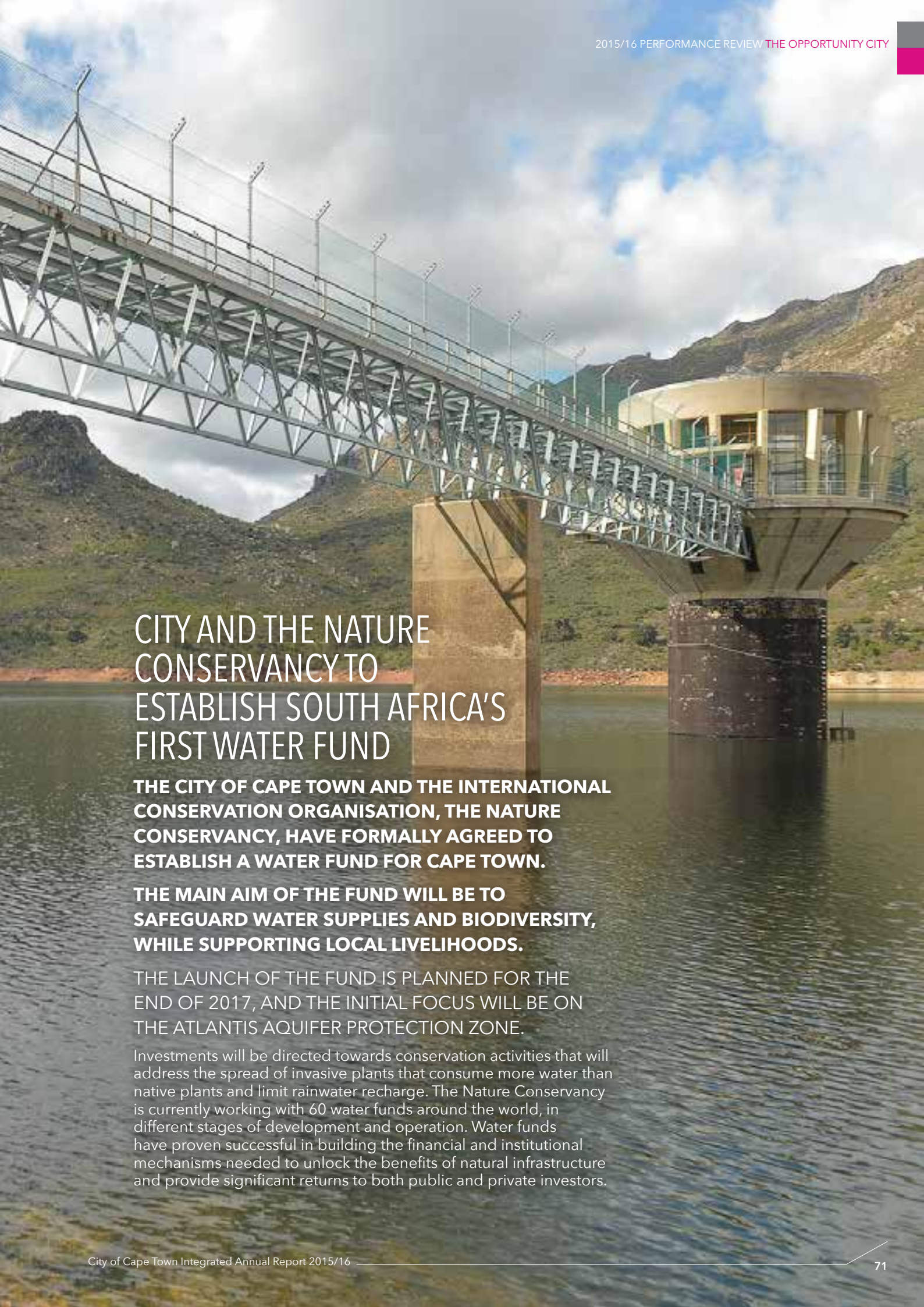
- The Metro Southeast Strandveld CIP is a collaborative City-led project including external conservation partners such as CapeNature, Province's Department of Environmental Affairs and Development Planning, and SANBI. Owing to the urgent need for housing development land in the metro southeast, and the rapidly shrinking area of endemic and endangered natural vegetation in the area, this project was initiated to identify a key set of areas required to secure biodiversity resources and vital ecosystem services, and to set aside other, less critical BioNet land for development. The Strandveld CIP has been used to identify offsets for City housing projects (such as Busasa and Mfuleni). The operating budget needed to secure the proactive implementation of the CIP is still being sought.

Nature reserve management -

Critically important to conservation is the effectiveness of nature reserve management, and the City has been a leader in South Africa in terms of adapting international tools to monitor this. These tools are now being further adapted and used as a standard whereby all protected areas in South Africa are audited.

Baboon programme -

The programme is going from strength to strength. On the Peninsula, the baboons were kept out of the urban area for over 98% of the time. This has reduced human/animal conflict, resulting in a safer environment for the public as well as a healthier baboon population.



CITY AND THE NATURE CONSERVANCY TO ESTABLISH SOUTH AFRICA'S FIRST WATER FUND

THE CITY OF CAPE TOWN AND THE INTERNATIONAL CONSERVATION ORGANISATION, THE NATURE CONSERVANCY, HAVE FORMALLY AGREED TO ESTABLISH A WATER FUND FOR CAPE TOWN.

THE MAIN AIM OF THE FUND WILL BE TO SAFEGUARD WATER SUPPLIES AND BIODIVERSITY, WHILE SUPPORTING LOCAL LIVELIHOODS.

THE LAUNCH OF THE FUND IS PLANNED FOR THE END OF 2017, AND THE INITIAL FOCUS WILL BE ON THE ATLANTIS AQUIFER PROTECTION ZONE.

Investments will be directed towards conservation activities that will address the spread of invasive plants that consume more water than native plants and limit rainwater recharge. The Nature Conservancy is currently working with 60 water funds around the world, in different stages of development and operation. Water funds have proven successful in building the financial and institutional mechanisms needed to unlock the benefits of natural infrastructure and provide significant returns to both public and private investors.

Renewable energy

The Council of the City of Cape Town has endorsed new energy and carbon emissions targets in line with its commitment to building a more sustainable and secure energy future. The aim is to reduce carbon emissions by 37% (off business-as-usual levels) by 2040, with 21% from energy efficiency alone.

The City's new Energy2040 goal includes pursuing diversified large-scale energy supply with solar photovoltaic installations, wind, storage and possibly natural gas, and supporting increased installation of solar water heaters and solar photovoltaic systems on commercial and residential rooftops. The Energy2040 goals include installing 120 MW of rooftop photovoltaic systems and 100 MW of large-scale renewables by 2020.

Energy2040 models a more resilient, lower-carbon, resource-efficient and equitable future for Cape Town, which grows the administration's stature as a leading and innovative city. It is based on the premise that a business-as-usual approach will have severe negative impacts on Cape Town and the Western Cape. Energy2040 will serve as a strategic tool for decision making into the future and informs the review of the Energy and Climate Action Plan 2016-2020. The City is also a signatory to the Compact of Mayors as well as a member of C40, so it reports all data and projects annually to both the CDP (Carbon Disclosure Project) and the Carbon Climate Registry.

The City's Energy Game Changer initiative in partnership with Province is actively driving the immediate programme to ensure a more sustainable and secure electricity future for Cape Town. It is focused on diversifying supply, reducing electricity consumption, and transforming the electricity service delivery model to ensure sustainability (including meeting low-income household energy service needs).



The City is retrofitting its buildings with energy-efficient lights.

Partnering to reduce electricity consumption

The City's electricity savings campaign aims to reduce citywide electricity consumption and CO₂ emissions, and increase energy security and affordability. This includes the website www.savingelectricity.org.za, advertising, rates bill inserts and education programmes. The City in partnership with the Two Oceans Aquarium recently opened the Smart Living Challenge Zone at the aquarium. This is an exciting initiative to educate children and adults alike on making smarter choices to preserve and protect the environment, and boasts four digital interactive installations respectively addressing the themes of energy, water, waste and biodiversity.

Solar water heater programme saves energy and money

The City's solar water heater accreditation programme is part of the electricity savings campaign. The last aerial GIS count, in 2015, showed that over 46 000 solar water heaters had been installed in the Cape Town metropolitan area. These have contributed over R830 million to the economy, creating over 1 300 job years. These systems are reducing electricity consumption by more than 128 000 MWh per year and cutting carbon emissions by an annual 132 000 tonnes or more. Households are saving over R270 million per year, which can then be circulated to the local economy.

Sharing knowledge on commercial energy efficiency

The Energy Efficiency Forum for the commercial sector in Cape Town is a public-private forum that was established in 2009 by the City of Cape Town with Eskom and the South African Property Owners' Association (SAPOA). The forum shares practical knowledge with owners and managers of commercial buildings and operations, and currently has over 1 200 members. Three forum meetings per year offer case studies, an annual award programme, and updates on financing options, innovations, policy and training/support opportunities. A series of site tours also keeps the learning alive between meetings.

Maximising energy efficiency in municipal operations

The City has been implementing energy-efficiency retrofit programmes within Council operations since 2009. This includes traffic lights, streetlights and building lighting retrofits. All traffic lights in the city have been retrofitted with light-emitting diode (LED) lights, and more than 17% of the City's streetlights have also been retrofitted. A total of 32 large administrative City buildings have been retrofitted with energy-efficient technology, including 480 smart meters.

From 2009 to June 2015, the City saved approximately R135 million through these retrofits, with savings estimated to accumulate to R216 million by 2018. By 2020, these projects along with other planned energy-efficiency initiatives are projected to save the City more than R55 million per year.

Around 20 000 light fittings, most of which are more than 35 years old, are being upgraded to LED technology, with



More than 17% of the City's streetlights have been retrofitted.

occupancy sensors linked to timers and daylight harvesting. The lighting intervention will save the City in the order of 5 225 MWh per annum with a payback period of three years, and will result in cost savings of R6 million in the first year (more than R36 million over the next five years). The full lighting retrofit will be completed by the end of 2016.

In order to ensure that energy efficiency becomes fundamental to the City's operations, training and behavioural change programmes have also been developed with a specific focus on our building managers, building users and servicing staff. These programmes have reached 350 staff by end 2016. The Fundamental Energy Management Training (FEMT) programme trains facility managers to better manage consumption and use the new smart metering in their buildings as an aid to this better management. Altogether 65 City staff members have undergone FEMT to date.

Energy-efficiency drive yields good results

The City of Cape Town's concerted efforts to increase investment in energy-efficient technology, especially in its information technology operations, are yielding results. The implementation of desktop power savings across the

City's operations has cut energy use by more than 900 MWh. Replacing the City's fleet of approximately 15 500 computer monitors with energy-efficient technology has led to an 84% saving in power used compared to the old cathode ray tube (CRT) monitors. The City remains committed to greater resource efficiency in its operations as well as increased green procurement in its goods and services.

'Resource Efficiency Criteria for Development' guide

The City has produced a reference guide to policy and legal directives and guidelines so as to promote a more sustainable built environment. The guide, 'Resource Efficiency Criteria for Development', offers insight into the drivers of more resource-efficient development in the fields of transport, land, energy, water and waste. Most of the criteria are policy or regulation; some are voluntary. However, the City considers all as important. The guide provides developers, architects, draughtspersons, homeowners and planning professionals with the information required to comply with national regulations, City policy and legal requirements relating to resource efficiency as well as best practice that is not yet legislated, but makes financial sense.

PROGRAMME 1.3(B): WATER CONSERVATION AND WATER DEMAND MANAGEMENT STRATEGY

Reducing water demand and wastage

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

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

During the past financial year, these programmes continued, and achieved combined estimated cumulative water savings of 30,23 million kℓ. This equates to a monetary saving of around R120,90 million for the year. These major and minor pressure management projects have proved to sustainably reduce system water losses, pipe bursts and internal leaks, while prolonging the reticulation lifespan.

In addition to the above, the replacement of piping in water and sewerage networks carried on during 2015/16. This is undertaken at an average cost of R1,4 million per kilometre of water piping (32,8 km replaced) and R1,46 million for sewer piping (25,97 km replaced).

Committed to innovative waste minimisation

The City is committed to achieving citywide waste minimisation. Steps in this regard include developing and running waste management facilities, incorporating materials recovery facilities, public drop-off sites, composting, and crushing facilities for builder's rubble. During the 2015/16 financial year, the City continued its focus on waste streams with the largest impact on airspace, namely greens and organic waste, recyclables and builder's rubble.



CITY RECEIVES TWO RECYCLING AWARDS FOR 'BIN-DUSTRY' FIRST

THE CITY OF CAPE TOWN AND MPACT PLASTIC CONTAINERS WERE AWARDED THE SAPRO TROPHY FOR THE **BEST RECYCLED PRODUCT OF THE YEAR** FOR THEIR **FIFTY/50 WHEELIE BIN** AT AN AWARDS CEREMONY ON NATIONAL RECYCLING DAY, 18 SEPTEMBER 2015.



The new bin, which is the product of extensive research into plastics, is **made of 50% recycled materials** and was called 'a textbook example for other municipalities to follow' by SAPRO.

To date, **nearly 400 tons of old bins have been used in the manufacture** of more than 6 000 of the Fifty/50 bins at a value of more than R2,3 million.

While a formal assessment of environmental benefits is yet to be carried out, early indications are that this method will **reduce the impact on the environment by between 5% and 25%.**

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

REPORT ON THE ACHIEVEMENTS OF TRANSPORT FOR CAPE TOWN (TCT) IN THE 2015/16 FINANCIAL YEAR

THIS REPORT ON THE 2015/16 FINANCIAL YEAR COVERS THE ACHIEVEMENTS OF TCT, THE CITY OF CAPE TOWN'S TRANSPORT AUTHORITY, IN ACCORDANCE WITH ITS COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP) 2013-2018, WHICH WAS APPROVED BY COUNCIL IN DECEMBER 2013 AND REVIEWED IN 2015, ITS INTEGRATED PUBLIC TRANSPORT NETWORK (IPTN) 2032, WHICH WAS APPROVED IN JUNE 2014, AS WELL AS THE IPTN 2032 OPERATIONS PLAN.

The IPTN 2032 implementation and business plans as well as the phase 2A business plan are still work in progress, which will be completed during the 2016/17 financial year. A ten-year IPTN roll-out plan was prepared and submitted to the national Department of Transport in June 2016 for consideration and approval.

TCT's mandate is derived from the TCT Constitution By-law No 7208 of 2013, which in particular provides that TCT has nine functions. These functions give TCT the power to direct service delivery, set standards and attract investment. The functions are those of:

- planning authority;
- contracting authority;
- municipal regulatory entity;
- performance monitoring and evaluation;
- financial management;
- public transport law enforcement;
- liaison, communication and stakeholder management;
- infrastructure management; and
- network operations management.

The by-law further sets out the scope of these functions, bringing together and consolidating all the transport functions and levers in a single structure, namely TCT. The functions are assigned at an operational, corporate, national and international level.

PROGRAMME 1.4: TCT LONG-TERM STRATEGY

The TCT long-term strategy is fully aligned with the deliverables stated in its SDBIP and the various action plans that are being rolled out so as to ensure that there is a move towards performance-orientated service delivery and an investment focus.

THE TCT LONG-TERM STRATEGY HAS A 15-YEAR TIMELINE STARTING FROM ITS INCEPTION, JUNE 2013. **THIS 15-YEAR TIMELINE HAS BEEN BROKEN DOWN IN 3, 5, 10 AND 15-YEAR INTERVALS**



Figure 10: The TCT long-term strategy and timelines



Aligning with the City's Integrated Development Plan

As TCT is the City's dedicated transport authority, the work it does also aligns with the objectives of the City's IDP, specifically objective 1.4. As such, the content of this TCT report speaks to both the progress made by TCT on delivering on its transport mandate, and its achievements with regard to the following programmes:

- **Programme 1.4(a):** Public transport programme
- **Programme 1.4(b):** Rail service improvement and upgrade programme
- **Programme 1.4(c):** Bus rapid transit (BRT) programme
- **Programme 1.4(d):** Travel demand management programme
- **Programme 1.4(e):** Intelligent transport systems programme
- **Programme 1.4(f):** Institutional reform programme



TCT PROGRESS AND KEY ACHIEVEMENTS IN 2015/16

TCT RECOGNISED FOR EXCELLENCE BY INTERNATIONAL PEERS

In 2015, TCT participated in the 61st UITP World Congress and Exhibition in Milan, where it received special recognition for its achievements in public transport and for working to address Cape Town's transport needs through a governance approach in the establishment of a transport authority.

The UITP (International Association of Public Transport) plays a key role in the exchange of knowledge, expertise, best practice and innovation in the rapidly growing global industry of public transport. It brings together transport authorities, operators and industry from across the globe.

Cape Town was part of the South African delegation, that joined delegations from another 82 countries at the event, which takes place every two years. More than 2 000 delegates attended the congress, and over 5 000 visited the exhibition.

The UITP conference 'wrap-up' report highlighted the important role that TCT was playing in this regard, noting that the establishment of transport authorities was a priority in developing countries in order to formalise and regulate the market and create a fair business environment.

In addition, TCT hosted the UATP (the Africa chapter of the UITP) workshop on transport best-practice for Africa towards the end of 2015, which was attended by more than 280 international and national delegates.



SETTING THE BENCHMARK: TCT TRANSPORT DEVELOPMENT INDEX (TDI)

THE CITY OF CAPE TOWN'S TRANSPORT DEVELOPMENT INDEX (TDI) WAS INSPIRED BY THE INTERNATIONALLY RENOWNED HUMAN DEVELOPMENT INDEX (HDI), WHICH IS A STATISTICAL TOOL DEVELOPED TO MEASURE A COUNTRY'S OVERALL ACHIEVEMENT AND INCREMENTAL MOVEMENT TOWARDS A DATA-RICH BASELINE.

The TDI, which is the first of its kind internationally, is the baseline for understanding the state of transport in Cape Town, as determined by the people (public transport, private car, non-motorised transport) and goods (freight) user groups. The TDI is the mechanism against which TCT can evaluate the effectiveness of its transport service delivery interventions as they relate to the various user groups across different income brackets and in different areas of the city.

Flowing from the TDI's core responsibility, which is to determine the baseline against which service delivery is to be benchmarked, is the comparative mobility index, which has been based on similar parameters as the Arthur D Little mobility index. This will allow Cape Town to evaluate its service delivery response internationally.

The TDI identifies the access priorities of each of its user groups and their related costs. Some key statistics revealed in the TDI, which TCT will now be responding to in its service delivery, include the following:

95%

of those using public transport, including rail, bus rapid transit (BRT), and bus and minibus taxi, are from the low-and low-to-middle income brackets, as opposed to the originally assumed 80%.

17%

of the population of Cape Town fall into the non-motorised transport (NMT) user group. This means that over 500 000 people do not have access to any transport mode other than walking or cycling due to income constraints.

48%

of those using public transport are in the low-income group, spending an average of 43% of their income on direct access (the cost of the 'ticket') as opposed to the internationally acceptable norm of 5-10%.

STRATEGY TO MANAGE FREIGHT TRANSPORT ON CAPE TOWN'S ROADS

THE CAPE TOWN AND WESTERN CAPE ECONOMIES ARE BASED LARGELY ON GLOBAL TRADE, AND DEPEND SIGNIFICANTLY ON THE EFFICIENT ROAD-BASED TRANSPORT OF CARGO TO AND FROM THE PORT, AIRPORT AND BETWEEN CITIES AND TOWNS.

The City is responsible for the provision of a safe, efficient and reliable road network. It must however also take into consideration the significant impact that road-based freight has on the roads and urban environment. Among these impacts are carbon emissions, congestion and road accidents. Furthermore, the cost of maintenance of city roads amounts to R713 million per year – a cost that is currently not equitably divided between freight vehicles, public transport and private motor vehicles.

To address these challenges equitably, a draft Freight Management Strategy was developed and made available for public comment. The strategy seeks to ensure that freight transport within Cape Town is safe and efficient, serves the needs of the economy without compromising the access and mobility of other road users, and that freight operators comply with regulations.

The Freight Management Strategy is partly informed by the City's TDI discussed above and focuses primarily on the following:

- **The transportation of dangerous goods.** A wide range of dangerous cargo such as fuels, industrial gases, agricultural chemicals and refrigerants share the roads with commuter traffic, with few restrictions on specific routes and times of travel. The strategy recommends measures for the more efficient and safe movement of dangerous goods through the city
- **Overloading.** The Council for Scientific and Industrial Research estimates that overloading causes up to 60% of all road damage. The strategy proposes the possibility of using weigh-in motion devices that are designed to capture and record heavy-vehicle axle weights and gross vehicle weights as they drive over a sensor.
- **Congestion.** Much of the freight moving to and from Cape Town is transported along the N1, N2 and N7, and currently, up to 20% of the vehicles on the N1 are heavy vehicles. The strategy seeks to facilitate efficient freight movement through optimising existing road infrastructure, providing dedicated freight routes, and promoting off-peak or night-time deliveries and operations.
- **Freight demand.** TCT will investigate the potential benefits of consolidated and relocated distribution centres and warehousing across the city.

- **Road safety.** Between 2009 and 2013, up to 177 accidents involved freight vehicles. As a means to reduce the number of accidents, the strategy proposes a review of the existing road infrastructure and the location of truck stops and staging areas.
- **Freight emissions and air quality.** Transport accounts for a quarter of greenhouse gas emissions in Cape Town and contributes substantially to air pollution. The strategy proposes setting emissions standards and penalties for non-compliance for various categories of freight, and establishes a testing regime to check and enforce compliance.

INVESTING TO ALLEVIATE TRAFFIC CONGESTION

IN 2013, THE TOMTOM GLOBAL TRAFFIC INDEX REVEALED THAT CAPE TOWN WAS THE MOST CONGESTED CITY IN SOUTH AFRICA, RANKED 55TH GLOBALLY. THE SURVEY ALSO REVEALED THAT MOTORISTS WERE SPENDING AN EXTRA 71% OF THEIR TIME IN TRAFFIC.

Congestion comes at a great cost, not only in terms of time and money lost, but also pollution and its long-term effect on the environment. TCT's research revealed that the morning peak-hour period on the city's major arteries has increased from 07:00 to 09:00 (two hours) to the current 06:00 to 10:00 (four hours) within two years. More and more residents are now leaving their homes at 05:00 already to avoid traffic congestion on their way to work.

Recognising that this is untenable, TCT proposed an investment of R750 million over a period of five years, specifically intended for road infrastructure projects to address the issue of traffic congestion and begin to alleviate the major pressure points. The City accepted the proposal.

The investment will fund congestion alleviation projects in a range of areas, notably:

- the Kuils River area around Bottellary, Amandel and Saxdown roads;
- the Kommetjie area around Ou Kaapse Weg and Kommetjie Road;
- the Blouberg area around Platteklouf, Blaauwberg and Sandown roads;
- the M3, M5, N1 and N2 freeways; and
- the V&A Waterfront and foreshore.

The R750 million will be spent in accordance with a congestion management programme, which is being finalised for Council's approval by the end of 2016 and that prioritises the congestion points across the city and how we can begin to address this in terms of infrastructure, operations and behavioural change.

INTEGRATED PUBLIC TRANSPORT NETWORK 2032

THE IPTN 2032 WAS APPROVED BY COUNCIL IN JUNE 2014.

This 20-year network plan, which has been based on a financial model with sustainability parameters, elaborates on the proposed higher-order network that is to be rolled out so as to achieve integrated, interoperable and intermodal public transport for the benefit of all in Cape Town.

The IPTN has identified nine new BRT routes covering the following corridors:

Table 3: BRT corridors and routes

CORRIDORS	BRT ROUTES
Phase 2A	T11 and T12
Khayelitsha – Century City	T17
Klipfontein	D12
Eersterivier – Blouberg	T16
Gordon's Bay – Retreat	T10
Symphony Way	T13
Strandfontein – Cape Town CBD	T15
Westlake – Bellville	T14
Kraaifontein – Century City	T19

From a rail perspective, the following interventions have been identified as priorities in the IPTN:

- Construction and commissioning of the Blue Downs rail corridor
- Doubling of the existing Strand line
- Extension of Chris Hani rail link to Somerset West, subject to planned development in Somerset West
- Special attention to be given to Fisantekraal

Further to the IPTN 2032, the IPTN operations plan unpacks the IPTN in terms of the suite of infrastructure planned as well as the quantification and modelling of the optimum number of buses and train sets. The IPTN operations plan is therefore the next level of analysis for the desired integrated public transport objectives to be realised in Cape Town.

Flowing from the approved IPTN 2032, the following key deliverables have been achieved or are in progress:

- The TOD Strategic Framework was approved by Council at its March 2016 meeting.
- TOD project prioritisation was finalised at the end of July 2016. The next steps for the new financial year are to develop a business case for the implementation of the top three to five TOD identified projects.
- The IPTN 2032 operations plan was approved by Council.

- The IPTN 2032 implementation plan is work in progress and is set to be completed by the end of 2016.

With regard to the phase 2A (T11 and T12) corridor, the following has been implemented:

- Extensive public participation completed for the phase 2A conceptual design
- Council approval obtained for the conceptual design for phase 2A, excluding the Wynberg leg, in March 2016
- Phase 2A (excluding the Wynberg leg) detailed design and operations plan in progress
- Phase 2A business plan (excluding the Wynberg leg) in progress

TRANSIT-ORIENTED DEVELOPMENT STRATEGY TO ADDRESS SPATIAL PLANNING AND TRANSPORT INEFFICIENCIES

The City of Cape Town anticipates that by the year 2032, Cape Town may need an additional 500 000 new dwelling units, retail space of 1 000 000 m², office space of 3 500 000 m², and industrial development comprising 4 500 000 m² to deal with the projected population growth. The location and nature of these future developments will have a significant impact on the millions of people who will be living and working in the city.

In response, the City's Mayco adopted a new and far-reaching policy document on integrated spatial and transport planning with the main aims of accelerating efforts to eradicate the legacy of apartheid segregation and build a future Cape Town with equity, inclusivity and urban economic efficiencies as its cornerstones.

The policy document is called the TOD Strategic Framework. It prescribes how new developments across Cape Town should occur to deal with apartheid spatial inequality, the high cost of public transport as well as future urbanisation, while also stimulating economic growth. The focus is on densification, intensification and transit-led development, with an initial emphasis on rail and BRT stations.

The TOD policy proposes that all future developments in the city should be strategically located around public transport, providing residents with easy access to either rail or MyCiTi main routes. Furthermore, the strategic framework seeks to optimise the location of future residential areas for all income groups in relation to economic and work opportunities.

Transit-oriented development projects

At the end of the 2015/16 financial year, five priority TOD projects were identified and confirmed by the Executive Mayor, as the City will serve as the investment catalyst. These five projects, as listed below, will now be unpacked, costed and reoriented towards a TOD approach:

- Foreshore freeway precinct
- Bellville
- Philippi East MyCiTi interchange
- Paardevlei
- Athlone power station



CITY'S WOMEN-ONLY ROAD REPAIR TEAMS SCOOP NATIONAL CONSTRUCTION AWARD

TRANSPORT FOR CAPE TOWN RECEIVED THE AWARD FOR THE **MOST INNOVATIVE WOMEN TRAINING PROGRAMME** AT THE FOURTH ANNUAL WOMEN IN CONSTRUCTION AWARDS CEREMONY IN MAY 2016.

These awards honour women who have pioneered the development of the African built environment.

The award recognises TCT's efforts to spearhead the most innovative and game-changing gender transformation project in construction in the country. Over the past 12 months, TCT established four all-female road repair teams based at depots in Ndabeni, Fish Hoek, Heideveld and Kuils River as part of its EPWP initiatives. Thus far, 24 women have been trained to repair and maintain roads, footways and stormwater infrastructure in these areas.

The purpose of this programme is to empower women in the workplace by providing them with skills for technical and physical work that is generally associated with men. With the skills and entrepreneurial abilities they develop during the ten-month employment period, these women will be better equipped to find placement in the permanent job market.

TRANSFORMATION OF MINIBUS-TAXI INDUSTRY TO BRING ECONOMIC OPPORTUNITIES

The City has approved and adopted a new investment model presented by TCT aimed at achieving the transformation of the minibus-taxi industry in Cape Town. The model is designed to breathe new life into the industry by making available immediate business opportunities to shareholders in taxi operating companies, while also improving the service rendered to commuters in general, within a sustainable economic logic.

The City's new business model for the minibus-taxi industry will benefit the entire industry, and not only the operators who are affected by the roll-out of the MyCiTi bus service. Currently, there are 102 minibus associations across the city, which are organised into six regional structures. A total of 16 000 vehicle owners and drivers hold approximately 10 000 operating licences between them and compete for passengers not only with one another, but also with illegal operators.

Instead of individuals holding the operating licences, as is currently the case, the intention is to establish association-based taxi operating companies (TOCs) to own the operating licences. TOCs will operate as businesses and in accordance with their business plans.

The City will provide financial assistance for professional services to help the industry set up the TOCs, as well as for training and building management capacity. This model will not only ensure efficient and cost-effective approaches to the provision of these much-needed on-demand public transport services, but will also allow for further economic opportunities for the TOCs.

INVESTMENT PIPELINE TO DELIVER PERFORMANCE-ORIENTED SERVICE

The City is committed to investing in integrated transport and providing performance-oriented service delivery. It is therefore developing a pipeline of investment opportunities across the full lifecycle of integrated transport. Some of these opportunities will be delivered by the City itself, while others will be open to private-sector partners.

The TCT investment pipeline has drawn from lessons learnt in service delivery in the transport environment in Cape Town and resultant best practice. The investment pipeline has been categorised along the transport continuum into six categories, ranging from governance to logistics. It then itemises projected investment initiatives, which could be internally or externally structured.



MYCITI ACHIEVES SIGNIFICANT GROWTH AND EXPANSION

TCT's integrated rapid transit (IRT) project called MyCiTi is planned to transform Cape Town's current road-based public transport system through, inter alia, the provision of BRT services in dedicated right-of-way lanes, feeder bus services, automated fare systems, provision of universal accessibility, operating service contracts, institutional reform and the transformation of the existing public transport industry.

Council adopted the MyCiTi business plan for phase 1A in October 2010. A first amendment followed in October 2012 (including the N2 Express service), and a further update was done in March 2015.

PROGRESS ON THE OVERALL PERFORMANCE OF THE **MYCITI PROJECT** INCLUDES THE COMPLETION OF **PHASE 1A, 1B AND THE N2 EXPRESS SERVICE AREAS**, AS WELL AS THE INITIATION OF PHASE 2A.

Phase 1A

All of the planned phase 1A routes have been implemented and are currently operational, with the exception of route 238, Witsand to Atlantis, which was put on hold due to industry transitional challenges.

Phase 1B

The phase 1B route proposals were subjected to review based on lessons learnt from phase 1A with regard to the application of the methodology developed during the moderation exercise as well as exploring opportunities to integrate Golden Arrow Bus Services with the network. For this reason, the current phase 1B network differs from what was originally planned. A detailed cost/revenue exercise was performed during the moderation exercise, which determined the current network.

On 2 April 2016, the MyCiTi network expanded to the following areas – Summer Greens, Century City, Milnerton, Century Gate, Joe Slovo Park, Tijgerhof, Rugby, Brooklyn, Maitland, Salt River and Woodstock.

As such, the network has grown to include the following new routes as part of phase 1B:

- Route 260 Summer Greens – Woodbridge Island
- Route 261 Adderley – Salt River – Omuramba
- Route 262 Century Gate – Century City

N2 Express service

All of the planned N2 Express routes have been implemented and are currently operational, including those in Khayelitsha and Mitchells Plain. The current N2 Express contract terminates in June 2017. The City has therefore started discussions with the N2 Express operators with a view to agreeing on a new contract. Ways to improve the capacity and cost effectiveness of the existing N2 Express, as well as the option of implementing new routes, are currently being investigated, which will inform the contract negotiations.



Towards implementing phase 2A (previously known as the Lansdowne Wetton corridor)

The phase 2A concept design, which formed the basis for the public participation process, was approved by Council in March 2016, with the exclusion of the Wynberg leg. The Wynberg leg is on hold, subject to a legal appeal process. The approved concept design is now being refined as part of the first step of the detailed design process that has been initiated.

Work on the phase 2A cost model and operations plan is currently under way.

Planning of the role of existing services in the phase 2A service concept is also ongoing and will inform the operations plan.

TOTAL PROJECT EXPENDITURE

The total recorded project expenditure to date, as extracted from the City's SAP accounting system, is shown in the following table.

Table 4: Total project expenditure up until 30 June 2016 (cumulative from 2006/7 to 30 June 2016, and including all funding sources)

ITEM	PHASE 1A	PHASE 1B	PHASE N2 EXPRESS	PHASE 2A	TOTAL
CAPEX					
TCT MyCiTi Infrastructure	R3 133 790 993	R373 159 420	R149 506 941	R124 711 769	R3 781 169 123
TCT MyCiTi (vehicles, equipment)	R2 142 406 244				R2 142 406 244
(Vehicles are inclusive of all the phases)					
OPEX					
TCT MyCiTi	R2 675 423 667,15				R2 675 423 667
(Operating expenses are inclusive of all the phases)					
TOTAL					R8 598 999 034

By 30 June 2016, the City had recorded 18,5 million passenger journeys for the 2015/16 financial year. These were distributed as follows:



Figure 11: Monthly breakdown of MyCiTi passenger journeys for 2015/16

Other notable achievements included the following:

- Completion and operationalisation of the **Mitchells Plain station**
- Conclusion of the moderation of all the **operational services** so as to ensure that they are optimised in accordance with actual demand
- Introduction of the **Mover package** on the automated fare collection system (myconnect), as well as the **one-trip ticket**
- **Hout Bay staging facility** operational since 1 July 2015
- **Phase 1A Atlantis** roll-out of **TO2** and **TO3**
- **TO1** express services
- **Phase 2A start** of construction in Stock and Strandfontein roads

MYCITI AGAIN LAUDED AS TRANSPORT LEADER

AN INDEPENDENT SURVEY, THE SIEMENS AFRICAN GREEN CITY INDEX, RECOGNISED THE CITY'S MYCITI BUS NETWORK AS A LEADER IN THE FIELD OF AFRICAN PUBLIC TRANSPORT SYSTEMS.

Cape Town is among the top cities in the index for the length of superior forms of transport such as metro or BRT lines. The city's superior public transport system measures 0,11 km per km² compared to the index average of 0,07 km.

The creation of an inclusive, world-class public transport system, and of spaces for families to enjoy or for commuters to travel through safely en route to their destination, is part of the City's objective to provide facilities that make all of the people of Cape Town feel at home.

PROGRESS IN RELATION TO NON-MOTORISED TRANSPORT

In 2009, the City of Cape Town embarked on a citywide NMT programme. The aim was to develop a comprehensive NMT network plan to prioritise, plan, design and implement NMT projects for the City. By 2012, 18 infrastructure projects had been completed as part of phase 1.

In phase 2, projects were prioritised for preliminary design, detailed design, tender documentation and contract management, and were implemented across the metropolitan area in different construction, tender, design and planning phases.

In the 2014/15 financial year, six projects were completed and ten were still under construction.

In the 2015/16 financial year, three projects were completed and 12 were still being constructed. The three completed NMT projects are:

- Macassar area-wide NMT improvements, including Kramat Road, Link Avenue, Albatross Way, Musical Avenue, Ring Avenue and Macassar Road;
- the Sea Point promenade upgrade phase 1, from Church to Marais streets; and
- Plantation Road from Klip to Panton roads in the Ottery area.

Phase 3 of the programme will commence in the 2016/17 financial year and is to be awarded by 1 July 2016 to prepare for the implementation of the next phase of prioritised NMT projects.

The following projects are either in draft or planning stage, and are due for completion in the 2016/17 financial year:

- A cycling strategy for Cape Town
- The review and update of the City of Cape Town's NMT Strategy
- The review and update of the City of Cape Town's NMT Network Plan
- The business plan/costing of universal access across the IPTN
- Feasibility studies and conceptual designs for citywide hotspot locations along and across railway lines

TCT INFRASTRUCTURE PROJECTS AND MAINTENANCE

Infrastructure

In line with the City's IDP, the following major road and NMT projects have been started or were completed in 2015/16:

Table 5: TCT infrastructure projects

PROJECT	STATUS
Main Road reconstruction, Muizenberg to Clovelly	Phases 1 and 2 completed Phase 3 (Kalk Bay to Clovelly) commenced and is envisaged for completion in 2017
Weltevreden Road rehabilitation	Completed
Camps Bay Drive reconstruction	Completed
Hout Bay Main Road rehabilitation	Completed
Mission Grounds, Sir Lowry's Pass Village	Project 50% completed and still under way
Concrete road upgrades in Gugulethu, Manenberg, Bonteheuwel, Heideveld and Hanover Park	<ul style="list-style-type: none"> Some phases completed. In some areas, gangster activities and related violence have been experienced, which affected certain projects, while in specific cases, some contracts have been terminated due to various reasons The Bishop Lavis concrete roads project was initiated in 2015/16
Upgrades and development of public transport interchanges for Retreat, Dunoon, Bellville and central Cape Town	Conceptual and detailed design completed for these public transport interchanges. Tender processes commenced, with construction work provisionally scheduled to commence in the 2016/17 financial year
Stock and Strandfontein roads construction	Construction work well under way and progressing very well
NMT projects	<ul style="list-style-type: none"> Macassar area-wide NMT improvements, including Kramat Road, Link Avenue, Albatross Way, Musical Avenue, Ring Avenue and Macassar Road Sea Point promenade upgrade phase 1, from Church to Marais streets Plantation Road from Klip to Panton roads in the Ottery area 12 other identified projects under way, to be completed in the 2016/17 financial year
Nomzamo public transport interchange	This was the second green public transport interchange that was constructed and became operational in 2015/16

Maintenance

From a structural perspective, the following maintenance work has been completed or has commenced:

- **Victoria Road bridge-over-rail (Plumstead) upgrade** - design completed and appointment of contractor in process
- **M3 viaducts (Wynberg) and De Waal bridge** - designs of concrete handrails and balustrades retrofitting under way

MAIN ROAD REFURBISHMENT PROGRESSING WELL

TO DATE, THE CITY OF CAPE TOWN HAS INVESTED NEARLY **R250 MILLION** IN THE REHABILITATION OF MAIN ROAD IN THE SOUTHERN SUBURBS, INCLUDING THE REPLACEMENT OF VITAL SERVICES SUCH AS WATER MAINS, SEWER PIPES AND ELECTRICITY CABLES.

Once completed, the City of Cape Town will have spent approximately R304 million on the rehabilitation project, which covers a distance of approximately 4,5 km from the intersection with Atlantic Road in Muizenberg, through St James, to the intersection with Clovelly Road just past Kalk Bay.

The significance of this project is obvious when considering that Main Road is one of only three access routes to the far south, currently carrying about 19 000 vehicles per day. It is anticipated that the project will be completed in December 2017.

- **TCT's repairs and maintenance** budget of R511 million was fully spent in the 2015/16 financial year.
- **R30 million** was spent on starting the much-needed upgrade of the asset maintenance and management fleet and small plant so as to begin to move towards occupational health and safety compliance.
- All TCT staff eligible for **personal protective equipment** received an additional set of overalls as well as an additional set of boots.



The R304 million rehabilitation project in Main Road, Muizenberg is anticipated to be completed in December 2017.



The City is spending approximately R34,5 million on upgrading a section of Sir Lowry's Pass Village Road in Somerset West.



The City has invested nearly R250 million in the rehabilitation of roads in the southern suburbs.

STORMWATER

Stormwater management

Flowing from the 2014/15 financial year, the roll-out of the City's stormwater quality implementation plan continued during 2015/16. The City's continued efforts to manage pollution are still evident from the presence of flamingos and otters in the Salt River catchment areas. However, certain challenges are still being experienced in the provision, operation and maintenance of sanitation infrastructure in informal settlements. Vandalism of sewerage-related infrastructure also remains a key problem and has a detrimental effect on the stormwater quality of the respective catchments.

Stormwater infrastructure

To a large degree, the City's stormwater infrastructure network still requires a certain amount of capital inputs to deal with historical inadequacies. In the year under review, upgrades to existing infrastructure and the provision of new infrastructure continued to help reduce flood risk, particularly in vulnerable communities, as well as enable new development.

To this end, a number of initiatives were undertaken during 2015/16:

- The implementation of formal flood risk reduction and mitigation programmes focusing on vulnerable communities, such as the following:
 - Short-term flood alleviation and mitigation measures using national disaster funding were undertaken in 2015/16 and will continue into 2016/17. The measures implemented include the removal of debris and silt from the river watercourse, rehabilitation of embankments, removal of trees, and the construction of flood protection berms.
 - General minor stormwater projects were carried out as required. The following minor stormwater projects were carried out in particular:
 - **Lourens River flood alleviation** - The contract was awarded and the contractor moved onto the site in June 2016 to commence with the 18-month contract, which is mainly for the construction of 1:10-year flood protection walls on both sides of the river in order to protect Somerset West. The anticipated completion date is June 2018.
 - **Macassar study** - The draft river corridor plan for the Kuils and Eerste rivers in the Macassar area was prepared for evaluation, and implementation will commence in 2016/17. The plan will enable the City to assess possible engineering solutions to reduce the risk of flooding and to open the Macassar area up for development.
 - **Phola Park** - This canalisation of the Phola Park stormwater area for use by the community is nearing completion, and installation of streetlights is subject to Eskom approval. It is envisaged that the project will be completed by August 2016. This project has won TCT and the City an award.
- Implementation of the City's successful winter readiness programme to reduce the risk of flooding for affected communities continued.
- TCT's Planning Department created 2 851 job opportunities by implementing labour-intensive stormwater system cleaning projects under the auspices of the EPWP. This has resulted in major improvements in the functionality of stormwater systems across the city.
- Implementation of infrastructure upgrades, and the provision of new infrastructure to enable new development, including the following:
 - In northern Table View, the section of the canal from Sunningdale Drive to Berkshire Boulevard is completed. Part of the canal from Abbington Road to Grove Avenue is completed and by 30 June 2016, a portion of the balance had already been constructed. This will be completed during 2016/17.
 - Construction of Lansdowne retention ponds near Edith Stevens Park had been completed by June 2016.
 - The stormwater master plan for the Sir Lowry's Pass river catchment was received, which includes a river corridor plan and proposed upgrades to the Sir Lowry's Pass river downstream of the N2. The water use licence application was submitted and the environmental process (basic assessment, including public participation) is well under way. The land acquisition is the final stage. The detail design phase will commence during the 2016/17 financial year, when environmental approval is also expected.

NETWORK MANAGEMENT

There have been numerous advancements in service delivery relating to the TCT network. These include the following:

- R18,5 million spent on addressing the backlog in traffic-calming measures across the city. The full backlog will have been addressed by the end of the 2016/17 financial year.
- The memorandum of understanding between TCT and the Safety and Security Directorate to establish and capacitate the Transport Enforcement Unit (TEU) was signed. TCT's transport enforcement manager was appointed and the process is well under way for the appointment of a commander of the TEU in Safety and Security.
- TCT has embarked on the establishment of a transport authority information management system. The first deliverable, which was completed in June 2016, is the TCT information management blueprint, from which all other elements will be developed.

OBJECTIVE 1.5

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

The City operates a programme to unlock the development potential of underutilised municipal land in previously disadvantaged communities in order to promote economic growth and job creation. The process includes the identification of suitable, underutilised Council properties in poorer communities; conduct of feasibility studies; development of the concept; land use and statutory approvals; the tendering process, as well as contracting with the private sector to lease/own, finance, construct and operate such developments.

Opportunities for the development of retail, commercial, residential, industrial and social facilities will be unlocked through this process, and will be presented to the private sector for implementation. Properties prepared and packaged for the market will be released in accordance with a structured property release programme, and will include areas such as Khayelitsha and Mitchells Plain.

The aims of this programme are to improve the management of immovable property assets and to optimally employ them in order to boost the competitiveness of entrepreneurs and drive physical transformation and urban regeneration.

PROGRAMME 1.5(A): CITY STRATEGIC ASSETS INVESTIGATION

THE CITY HAS MADE SUBSTANTIAL PROGRESS WITH THE DEVELOPMENT AND IMPLEMENTATION OF THE IMMOVABLE PROPERTY ASSET MANAGEMENT FRAMEWORK, WHICH HAS BEEN DESIGNED TO ALIGN THE CITY'S MANAGEMENT OF IMMOVABLE PROPERTY ASSETS WITH INTERNATIONAL BEST PRACTICE.

The following have been developed and implemented on corporate information technology platforms:

- business system solutions for the immovable property asset register, dealing with inventory; and
- the immovable property asset management system, which deals with performance.

Data capture for the asset register is progressing and the first performance assessment of a portfolio of immovable property assets has been completed.

In December 2015, Council approved the Immovable Property Asset Management Policy designed to guide the allocation, use and management of immovable property assets.





OBJECTIVE 1.6

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

PROGRAMME 1.6(A): SECTORAL EDUCATION AND TRAINING AUTHORITY (SETA) AND EPWP FUNDING USED TO TRAIN APPRENTICES AND CREATE OTHER EXTERNAL TRAINING OPPORTUNITIES

Training of apprentices for vacant posts in the administration and the city

The City continues to offer a wide range of training opportunities to unemployed youth. These include apprenticeships and learnerships in various disciplines, in-service training to students, skills programmes for school leavers, postgraduate internships, external bursaries and career guidance at expo's.

OPPORTUNITIES IN URBAN SUSTAINABILITY AND ENVIRONMENTAL MANAGEMENT

The City continues to offer its full-time, 12-month urban sustainability internship programme, which is managed by the Environmental Resource Management Department (ERMD).

The internship provides an opportunity for new graduates to develop capacity and skills in key operational areas of the City's Energy, Environmental and Spatial Planning Directorate. In 2016, 42 new graduates started the programme. In the 11 years that the programme has been operating, 333 interns have participated, 73 of whom are now employed by the City. ERMD has also been hosting an Environmental Management National Certificate level-5 skills programme for seven staff members (qualification category 18.1 for employed learners) in the Biodiversity Management Branch and one external learner (qualification category 18.2 for unemployed learners) of ERMD. The programme is currently in its fourth year.

Twelve staff members from the Biodiversity Management Branch also completed a level-2 field ranger skills programme in 2016.

In addition, the City collaborates with the Cape Town Environmental Education Trust to run NQF4 and NQF5 skills development programmes. At least one of the candidates who completed these programmes has been permanently employed by the City. Several of these learners are based in nature reserves to do their practical work.

STRATEGIC FOCUS AREA 2: THE SAFE CITY

THE CITY OF CAPE TOWN IS COMMITTED TO CREATING A SAFE ENVIRONMENT IN WHICH RESIDENTS CAN LIVE AND CONDUCT BUSINESS.

The implementation of the various safe city objectives is undertaken mainly by the City's Safety and Security Directorate, which comprises the following functional departments:

- Disaster Risk Management Centre
- Fire and Rescue Service
- 107 Public Emergency Communication Centre
- Metro Police
- Law Enforcement and Security
- Traffic Services
- Specialised Services

The City also has environmental and illegal dumping law-enforcement operations, coordinated by Corporate Law Enforcement and ERMD. This includes various line functions and concentrates on a range of criminal matters, including illegal dumping and environmental degradation.

The safe city's investment in smart solutions through information technology is a strong focus, as well as functional specialisation through the highly successful specialised units deployed in all departments, which are continually refined and developed. Two important documents that inform the safe city objectives are the Annual Police Plan and the Municipal Disaster Risk Management Plan.

In order to position Cape Town as a safe city, five key objectives – each with its own underpinning programmes – were identified in the 2015/16 review of the City's IDP. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.

Table 6: IDP objectives and programmes for the safe city

OBJECTIVE	PROGRAMME
2.1 EXPANDING STAFF AND CAPITAL RESOURCES IN POLICING DEPARTMENTS AND EMERGENCY SERVICES TO PROVIDE IMPROVED SERVICES TO ALL, ESPECIALLY THE MOST VULNERABLE COMMUNITIES  reference page 69 of 2015/16 IDP review Page 92 in this report	<ul style="list-style-type: none"> • 2.1(a) Increase in operational staff complement
2.2 RESOURCE DEPARTMENTS IN PURSUIT OF OPTIMUM OPERATIONAL FUNCTIONALITY  reference page 70 of 2015/16 IDP review Page 93 in this report	
2.3 ENHANCE INFORMATION-DRIVEN POLICING WITH IMPROVED INFORMATION-GATHERING CAPACITY AND FUNCTIONAL SPECIALISATION  reference pages 70, 71 of 2015/16 IDP review Page 93 in this report	<ul style="list-style-type: none"> • 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  reference page 72 of 2015/16 IDP review Page 96 in this report	<ul style="list-style-type: none"> • 2.4(a) Training and human resources development
2.5 IMPROVE SAFETY AND SECURITY THROUGH PARTNERSHIPS  reference pages 72, 73 of 2015/16 IDP review Page 96 in this report	<ul style="list-style-type: none"> • 2.5(a) Strengthen community capacity to prevent crime and disorder • 2.5(b) Strengthen community capacity to respond to emergency situations



During the summer season from November 2015 to April 2016, the City's Fire and Rescue Service responded to almost 10 000 incidents.

KEY SAFE CITY ACHIEVEMENTS IN 2015/16

81,64%

of emergency incidents responded
to within 14 minutes from initial call

Total of
18

City staff members
trained as environmental
management inspectors

The City's CCTV network

is the largest public area surveillance agency in Africa,
and the only agency in Southern Africa that covers
residential areas, informal settlements and CBDs.

R14 MILLION
INVESTED IN AUTOMATIC
NUMBER PLATE RECOGNITION
(ANPR) TECHNOLOGY



Metro Police precincts work continuously to create a safe environment for residents and visitors of Cape Town.



The City's Traffic Services Department is responsible for enforcing traffic laws and clamping down on traffic-related offences.

THE SAFE CITY

OBJECTIVE 2.1

EXPANDING STAFF AND CAPITAL RESOURCES IN POLICING DEPARTMENTS AND EMERGENCY SERVICES TO PROVIDE IMPROVED SERVICES TO ALL, ESPECIALLY THE MOST VULNERABLE COMMUNITIES

PROGRAMME 2.1(A): INCREASE IN OPERATIONAL STAFF COMPLEMENT

Ensuring safety at public transport interchanges

The Public Transport Interchange Unit comprises 33 law enforcement officers stationed at various major public transport interchanges. The unit's activities supplement the security provided by various private security companies, the City's Metro Police and SAPS.

Protecting Cape Town's marine wealth

During 2015/16, members of the City's Marine and Environmental Law Enforcement Unit continued their work in marine and coastal law enforcement. Regular joint operations with the unit's strategic partners have resulted in successful arrests for poaching as well as the confiscation of illegally harvested marine resources. The unit continues to conduct regular boat patrols along Cape Town's near-inshore marine environment, having been bolstered with the procurement of a new 5,6 m patrol boat to complement its existing large 7,5 m patrol boat, along with a new 4 x 4 vehicle to assist in coastal law enforcement work. The training of law enforcement officers as fishery control officers is ongoing, with an additional 45 officials being trained and appointed. The unit also played a vital role in general beach safety over the summer festive season and responded to several near-drowning incidents along Cape Town's coastline.

In addition, the City is represented on the Operation Phakisa (Enhanced and Coordinated Compliance and Enforcement Programme) task team, being the presidential programme for improving the economic potential of the marine environment. The coordinated law enforcement operations of the task team have had a significant impact on illegal resource extraction throughout the Western and Northern Cape.

Furthermore, the City finalised the signing of a protocol agreement with the Department of Agriculture, Fisheries and Forestry, which paves the way for better cooperation and support in the protection of Cape Town's marine resources.

Training environmental management inspectors

During the 2015/16 financial year, 18 City staff members underwent training to obtain accreditation as environmental management inspectors (EMIs). EMIs are empowered to enforce the National Environmental Management Act (NEMA) and its subsequent subject-specific acts, which together comprise the country's key environmental legislation.

Currently, the City has 12 staff members who are designated as EMIs and perform functions together with the EMIs stationed in Province's Department of Environmental Affairs and Development Planning. The two institutions are busy developing an EMI forum, which will coordinate the EMIs' functions and operations within the metropole and will report to the national Department of Environmental Affairs.



The City of Cape Town prides itself in well-trained firefighters.

OBJECTIVE 2.2

RESOURCE DEPARTMENTS IN PURSUIT OF OPTIMUM OPERATIONAL FUNCTIONALITY

The City's Safety and Security Directorate has established 14 specialised policing units to focus on specific priority crimes, particularly through intelligence-driven policing.

Addressing gangsterism

The City continues to work to address and prevent violent crimes associated with gangsterism, particularly in identified gangsterism hotspot areas. Problem areas have task teams assigned to them, comprising:

- Cape Town Metro Police area members, including a first-line supervisor;
- members from the Special Investigations Unit;
- members of the Metro Police Gang Unit;
- a Metro Police area superintendent; and
- reserve teams.

Drug Task Team

The City's Drug Task Team is mandated to raise effectiveness in combating drug-trafficking crimes in designated areas, such as Long Street in Cape Town. Its mandate was subsequently extended to those areas in Cape Town that have been identified as centres of narcotic distribution, transportation, smuggling and other drug-related activities.

OBJECTIVE 2.3

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



The City's CCTV network is the largest public area surveillance agency in Africa.

PROGRAMME 2.3(A): IMPROVED EFFICIENCY THROUGH INFORMATION AND TECHNOLOGY-DRIVEN POLICING

Committed to quicker responses and better communication

The City's emergency response target is set at no more than 14 minutes from call receipt to arrival on the scene in at least 75% of emergencies. In the year under review, the City's emergency response services exceeded this target by responding to 81,64% of emergency calls within 14 minutes or less.

The City's 107 Public Emergency Communication Centre (PECC) celebrated its 15th birthday on 1 August 2015. The centralised 107 emergency number was implemented in 2000, covering Cape Town's municipal area falling under the historical '021' dialling code. The centre went live with just seven call-taking workstations and five training stations staffed on a 24-hour basis, enabling residents to ask for help whenever their life or property is in danger, putting them in touch with the nearest relevant emergency service provider. Since then, the PECC has grown in size and technological know-how. Today, it is home to 68 highly trained emergency communicators working on a shift basis. They are able to communicate in English, Afrikaans and Xhosa, and more than 80% of calls are answered within 10 seconds. The staff members are also

trained to deal with callers who are often in a state of panic when dialling through to the service. The majority of the callers seek medical assistance, followed by requests for assistance on matters pertaining to law enforcement.

Harnessing technology to manage disasters

In line with its commitment to being a well-run city, preparedness to effectively deal with a major disaster is a highly essential service for the City of Cape Town. The City has therefore taken its disaster preparedness to the next level by upgrading its terrestrial trunked radio (TETRA) digital radio communications network with the latest Motorola Solutions technology, representing an investment of R23 million.

The upgraded TETRA network is the largest public service and safety communications network in South Africa, serving more than 13 500 users. This includes 11 000 officials of the City's Safety and Security and Utility Services directorates, and some 2 500 external users of surrounding municipalities, including Province's Emergency Medical Services. The TETRA radios also provide a vital communication link between the City's Metro Police Department and community neighbourhood watches.

The City of Cape Town is currently one of only three municipalities in South Africa that operates its own TETRA network. The system has proven its reliability over the past 14 years.

PROGRAMME 2.3(B): INTELLIGENT CRIME PREVENTION

SECURITY CAMERA NETWORK HELPS MINIMISE CRIME



THE CITY'S CLOSED-CIRCUIT TELEVISION (CCTV) NETWORK IS THE **LARGEST PUBLIC AREA SURVEILLANCE AGENCY IN AFRICA**, AND IS THE ONLY AGENCY IN SOUTHERN AFRICA THAT COVERS RESIDENTIAL AREAS AND INFORMAL SETTLEMENTS AS WELL AS CBDs.

The City is continually expanding its CCTV network through funding from the Safety and Security Directorate's budget, but also through funds allocated from the budgets of ward councillors. In one of the latest ward allocation projects, funds were allocated for two additional cameras in Gugulethu, bringing the total number of CCTV cameras in the area to 11.

A number of additional cameras went live during the course of the 2015/16 financial year, including in Hanover Park, Manenberg, Athlone, Bellville, Langa as well as around Tygerberg Hospital.

Residents report having already observed a drop in the number of criminal incidents in areas where the CCTV cameras have been rolled out.

City invests in automatic number plate recognition

In the year under review, the City invested R14 million in automatic number plate recognition (ANPR) technology, which has been installed in five of its Traffic Services vehicles.

The technology is also used at roadblocks, where an ANPR camera is mounted on a tripod. The bus and minibus-taxi (BMT) lane and average speed over distance (ASOD) camera systems also make use of ANPR technology.

The cameras are programmed to identify:

- outstanding warrants of arrest on a particular number plate;
- whether a motor vehicle has been suspended;
- mismatched number plates (plates that do not belong to a particular vehicle);
- unlicensed vehicles; and
- stolen vehicles.

The technology investment forms part of the City's drive towards a more intelligence-driven policing approach. Residents are constantly calling for more visible policing; yet, invisible policing is the way of the future. This technology, plus what is to come in the years ahead, is a powerful force multiplier for law enforcement, as it provides real-time alerts.

This greatly strengthens the City's investigative capabilities by providing data and information that would otherwise have gone undetected.

Roadblock Unit hits the streets

The City has established an integrated Roadblock Unit, comprising 18 members from various departments, including the City's Traffic Services, Metro Police, Law Enforcement and Province's Traffic Department. The Unit is responsible for executing roadblocks on a permanent basis across the city, with a specific focus on drunken driving, stolen vehicles and illegal street racing. They will detect and seize illegal firearms and drugs, and work to track down people with outstanding warrants as well as those wanted by SAPS.



The Metro Police had numerous intelligence-led operations to disrupt drug dealing activities.

The Metals Theft Unit

This unit continued to enjoy significant success in conducting unannounced inspections at both scrapyards and so-called 'bucket shops' (informal scrapyards run illegally from residential premises). During the financial year under review, the unit conducted 1 513 inspections at scrap metal dealers.

Combating drug and alcohol abuse

The Metro Police continued to clamp down on Cape Town's illegal drug and alcohol trade in the period under review, and numerous intelligence-led operations led to the disruption of many dealing activities.

During the 2015/16 financial year, the City's Law Enforcement and Security Department's Liquor Control Unit continued its action against illegal liquor trading. The unit conducted 3 634 inspections for compliance with the relevant liquor and business legislation.



The Safety and Security Directorate has established 14 specialised policing units to focus on priority crimes.

Promoting road use compliance

The City's Traffic Services Department has an Operations Section, which undertakes specialised and general enforcement activities, provides road safety education at schools, and manages traffic at all events affecting Cape Town's roads. During the 2015/16 financial year, Traffic Services issued 2 452 514 traffic fines.

Delivering security through the mayoral urban regeneration programme

In the 2015/16 financial year, the mayoral urban regeneration programme (MURP) continued to focus on the revitalisation of identified areas within Cape Town that have fallen into a dysfunctional cycle of infrastructural collapse and social neglect.

Through the work of MURP, and specifically the mainstreaming of the Violence Prevention through Urban Upgrading (VPUU) and the Ceasefire programmes, the City continues to work with high-priority communities at risk, in particular Hanover Park and Manenberg, to reduce violence and design neighbourhood upgrade programmes to facilitate improved safety within the identified areas.

In 2015/16, the following achievements were recorded:

Adoption of the community action plans and public investment frameworks for Manenberg and Hanover Park

Continuation of the Ceasefire programme in Hanover Park

Completion of a baseline survey to inform the roll-out of the Ceasefire programme in Manenberg

Continuation of the partnership with the Safety Lab to replicate the Nyanga Yethu project in Hanover Park and Manenberg

Initiation of the preparation of public investment frameworks for Bishop Lavis and Bonteheuwel

The creation of 222 EPWP opportunities

The deployment of problem-building officers

OBJECTIVE 2.4

IMPROVE EFFICIENCY OF POLICING AND EMERGENCY STAFF THROUGH EFFECTIVE TRAINING

PROGRAMME 2.4(A): TRAINING AND HUMAN RESOURCES DEVELOPMENT

Training for sustainable excellence

In the past five years, the City has facilitated the training of a number of learners through its specialist traffic and metro policing courses. Since 2011, the following training has taken place:

Table 7: City of Cape Town safety and security training since 2011

TRAINING	NO. OF TRAINEES
Basic	200
Peace officer and traffic warden	1 030
Stop and approach	237
Tactical street survival	63
School resource officers	59

Ensuring effectiveness under stress

In 2014, the City's Civilian Oversight Committee called on the City's trauma practitioner to investigate possible training interventions that could assist officers in responding effectively in highly dangerous, stressful situations. The investigation found that standard police training does not adequately equip officers to deal with such situations, and recommended that the Safety and Security Directorate explore the possibility of introducing stress exposure training, which has in recent years been developed for policing agencies in the United States and military units in various countries.

As a result, stress exposure training, offered by the United States Drug Enforcement Administration, is now one of the measures the City uses to counter the ever-increasing volatility and danger that City enforcement officers face in the execution of their duties. The Drug Enforcement Administration of the United States Department of Justice presented a specialised course in stress exposure training, 'Officer safety and survival', to selected members of the City's Metro Police, Traffic and Law Enforcement departments.

OBJECTIVE 2.5

IMPROVE SAFETY AND SECURITY THROUGH PARTNERSHIPS

PROGRAMME 2.5(A): STRENGTHEN COMMUNITY CAPACITY TO PREVENT CRIME AND DISORDER

Neighbourhood watch support programme

The City works closely with neighbourhood watch organisations to boost social crime prevention efforts by building anti-crime partnerships with communities. The neighbourhood watch support programme - which started out as the Neighbourhood Watch Task Team in 2008 - drives the establishment of neighbourhood watch organisations across the city, and ensures ongoing support, including the training of members by the City and Province's Community Safety Department.

PROGRAMME 2.5(B): STRENGTHEN COMMUNITY CAPACITY TO RESPOND TO EMERGENCY SITUATIONS

Cooperation helps reduce fire risk

The City has a range of engineering solutions in place to 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 settlements to optimise space, enhance security and improve fire prevention and service delivery access. The City also engages with various suppliers of fire prevention solutions, from retardant paints and safer shack designs to less risky lighting units.

Stabilisation Unit helps deliver safer communities

Law Enforcement's Stabilisation Unit was launched in July 2015. This specialised unit comprises 90 EPWP workers who have received extensive training to perform saturation policing in areas with high levels of violence. The unit was deployed in gang-ridden suburbs such as Manenberg, Bishop Lavis, Ottery and Hanover Park for daily law enforcement in a bid to quell gang flare-ups in these areas.

The Stabilisation Unit also forms part of a greater Manenberg upgrade strategy. As such, the unit had arrested nearly 50 suspects in Manenberg one month into its launch and deployment. It currently has 32 members deployed in Manenberg to augment ongoing enforcement operations by SAPS as well as the City's Metro Police and Law Enforcement departments.



The City's Disaster Risk Management Volunteer Unit received seven fully equipped fire trailers donated by residents and corporates. The trailers are more compact and can access confined areas such as informal settlements to fight fires more easily.

'A YEAR AFTER THE DEVASTATING SOUTH PENINSULA FIRES IN MARCH 2015, THE CITY'S DRM VOLUNTEER UNIT TOOK RECEIPT OF SEVEN NEW FIRE SKID UNITS.'

City leads with disaster volunteers

The City is bound by the Disaster Risk Management Act to establish volunteer units, but has exceeded expectations by drafting the highest number of registered volunteers of any metro in the country. Currently, the volunteer corps boasts 450 members, some with 15 to 30 years of service.

These volunteers provide additional manpower for the City's current essential services. With their help, the City is able to provide additional assistance in any disaster or crisis. They also assist with risk reduction education and awareness by partnering with staff going door to door in high-risk communities. In addition, they are present at most large-scale events such as concerts or sporting events, and provide a service at beaches across Cape Town during summer.

The City continues to equip itself for more effective service delivery, with the latest addition being a new base facility in Atlantis for its disaster risk management (DRM) volunteers. The base, which was established at a cost of R1 million, serves as a central meeting and deployment point for the DRM volunteer units from the Atlantis area. Approximately 40 active members now work from the Atlantis facility, covering the Atlantis, Mamre, Pella, Silwerstroom Resort and Klipheuwel areas.

Disaster Volunteer Unit's effectiveness bolstered

A year after the devastating South Peninsula fires in March 2015, the City's DRM Volunteer Unit took receipt of seven new fire skid units. The donation was made possible by the generosity of residents and corporates, who had donated funds in a radiothon spearheaded by Primedia Broadcasting in the aftermath of the fires. The unit received just over R400 000 of the funds raised, with which the fire skid units could be purchased.

The new fire skid units are fully equipped trailers, each fitted with a 650 litre water tank. The trailers also boast a twin-stage centrifugal pump, an aluminium locker for equipment (standpipe key and bar), a 30 m dragline hose and nozzle, as well as a further 120 m of canvas hose and nozzle.

STRATEGIC FOCUS AREA 3: THE CARING CITY

THE CARING CITY STRATEGIC FOCUS AREA OF THE CITY OF CAPE TOWN SPEAKS DIRECTLY TO THE WELLBEING OF COMMUNITIES. IT IS ALIGNED WITH THE OBJECTIVES OF PROVINCE AND NATIONAL GOVERNMENT, WHICH SEEK TO INTEGRATE SERVICE DELIVERY FOR MAXIMUM IMPACT.

The City is committed to building a metro in which a sustainable environment is created, everyone feels at home, people have access to services, and those who need help 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.

In order to position the City of Cape Town as a caring city, eight key objectives – each with its own underpinning programmes – have been identified. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.

Table 8: IDP objectives and programmes for the caring city

OBJECTIVE	PROGRAMME
3.1 PROVIDE ACCESS TO SOCIAL SERVICES FOR THOSE WHO NEED IT <small>reference page 80 of 2015/16 IDP review Page 100 in this report</small>	<ul style="list-style-type: none"> 3.1(a) Number of targeted development programmes
3.2 ENSURE INCREASED ACCESS TO INNOVATIVE HUMAN SETTLEMENTS FOR THOSE WHO NEED IT <small>reference page 84–87 of 2015/16 IDP review Page 104 in this report</small>	<ul style="list-style-type: none"> 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 <small>reference page 88 of 2015/16 IDP review Page 109 in this report</small>	<ul style="list-style-type: none"> 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 <small>reference page 90, 91 of 2015/16 IDP review Page 109 in this report</small>	<ul style="list-style-type: none"> 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 <small>reference page 92 of 2015/16 IDP review Page 111 in this report</small>	<ul style="list-style-type: none"> 3.5(a) Environmental healthcare programme
3.6 PROVIDE EFFECTIVE AIR QUALITY MANAGEMENT AND POLLUTION (INCLUDING NOISE) CONTROL PROGRAMMES <small>reference page 93 of 2015/16 IDP review Page 111 in this report</small>	<ul style="list-style-type: none"> 3.6(a) Measuring the number of days when air pollution exceeds World Health Organisation guidelines



OBJECTIVE	PROGRAMME
3.7 PROVIDE EFFECTIVE PRIMARY HEALTHCARE SERVICES <small>reference page 93 of 2015/16 IDP review Page 112 in this report</small>	<ul style="list-style-type: none"> 3.7(a) Primary healthcare programme 3.7(b) Perception survey score on the provision of primary healthcare services
3.8 PROVIDE SUBSTANCE ABUSE OUTPATIENT TREATMENT AND REHABILITATION SERVICES <small>reference page 95 of 2015/16 IDP review Page 113 in this report</small>	<ul style="list-style-type: none"> 3.8(a) Primary healthcare programme: Number of substance abuse outpatients provided with alternative constructive behaviour

KEY CARING CITY ACHIEVEMENTS IN 2015/16

MORE THAN **5 100** STORYTELLING
SESSIONS HELD AT ALL LIBRARIES
THROUGHOUT THE YEAR

55 active
'Friends of the Library'
partnerships

ENCYCLOPAEDIA BRITANNICA
AND WORLD BOOK ONLINE
MADE AVAILABLE AT
ALL LIBRARIES

PARTNERSHIPS FOR
81 COMMUNITY
GARDENS ESTABLISHED

1 770
permitted events held
at the City's parks

55 recreation hubs
established across the City, hosting
programmes that attract more
than 12 000 people per week

Held the annual **Cape Town
Games** event, involving more than
20 000 participants, with the final
held at Swartklip Indoor Centre in
Mitchells Plain on 23 April 2016

LIMITED THE NUMBER OF DAYS WHEN
AIR POLLUTION EXCEEDED RSA AMBIENT
AIR QUALITY STANDARDS TO EIGHT
(AGAINST A TARGET OF <40 DAYS)

Achieved a rate of **90,2%** of
HIV-positive TB patients on
antiretroviral therapy (ART)
(against a target of 87%)

1 741
NEW CLIENTS SCREENED AT THE
SUBSTANCE ABUSE OUTPATIENT
TREATMENT CENTRES

919
additional water service
points (taps) provided

3 058
additional sanitation service
points (toilets) provided

99,74%
OF INFORMAL SETTLEMENTS
RECEIVING A DOOR-TO-DOOR
REFUSE COLLECTION SERVICE

2 909
subsidised electricity
connections installed

2 297
serviced-site housing
opportunities provided

3 319
top-structure housing
opportunities provided

1 065
rental units transferred to
housing beneficiaries

THE CARING CITY

OBJECTIVE 3.1

PROVIDE ACCESS TO SOCIAL SERVICES FOR THOSE WHO NEED IT

PROGRAMME 3.1(A): NUMBER OF TARGETED DEVELOPMENT PROGRAMMES

The City strives to ensure access to, and use of, community facilities manned by skilled and suitably trained staff. It provides and offers development projects and programmes as well as value-added services in support of the communities' formal and informal educational, cultural, recreational, sports development, information and life skills needs.

THE ADMINISTRATION ACTIVELY FORGES PARTNERSHIPS TO EMPOWER LOCAL COMMUNITIES AND USERS OF COMMUNITY FACILITIES TO BOTH HELP MANAGE AND MAKE INCREASED USE OF THOSE FACILITIES, AND ALSO PROVIDE THE NECESSARY DEVELOPMENT PROGRAMMES IN THIS REGARD.

DURING THE YEAR UNDER REVIEW, THESE PROGRAMMES AND PARTNERSHIPS INCLUDED THE FOLLOWING:

LIBRARY INFORMATION SERVICES



The City continues to provide communities with access to reading material, information and technology resources through its library facilities. The administration has also formed and maintained partnerships with Friends of the Library associations, explored the establishment of new Friends organisations, and set up linkages with other entities to enable libraries to deliver programmes and services that are relevant and responsive to the communities they serve. A total of 55 active Friends of the Library partnerships have been established to date.

Numerous programmes have become staple events on the community calendar, supporting the key role that libraries play in communities, as well as providing recreation and development. Many of these programmes are integrated initiatives involving numerous City departments as well as external partners. These programmes include:

- **holiday programmes** geared towards keeping children and communities occupied during school holidays;
- the annual **Reading Competition**, in which 69 libraries participated in 2015/16;
- an annual **World Book Day**;
- **storytelling sessions**, of which 5 183 were held at all libraries in the year under review; and
- events linked to the annual **South African Library Week**.

PUTTING INFORMATION AT EVERYONE'S FINGERTIPS

Encyclopaedia Britannica and World Book Online are now available at all City libraries and accessible to all valid library cardholders. Britannica Online provides 24/7 access, beyond the opening hours of the library. Additional e-resources are also available at Central, Bellville, Harare and Kuyasa libraries.





The City is committed to developing inclusive spaces around Cape Town such as this park where disabled children can play in a safe environment.

City parks

The City continues to facilitate the development of the community gardening programme to enhance the aesthetic value of neighbourhoods and contribute to the overall well-being and social development of communities by providing outdoor social and recreational areas.

Having initially started with four projects, the programme has grown over the past four years to 81 community gardens across Cape Town. The City also hosts parks activity programmes, using local community facilities for recreation and social development. This year, more than 1 770 permitted events took place at the City's parks. A few examples of the kind of events and activities held at some of the parks this year are as follows:

- **Nantes Park** in Athlone was used extensively for family gatherings and birthday parties. Civic organisations also used the park for awareness activities on Youth Day and Heritage Day.
- **Khayelitsha Wetlands Park** was used for music concerts, poetry sessions, weddings and the Come and Play programme for learners.
- Parks in the **Eerste River/Mfuleni area** served as a venue for the annual Easter Bunny visit, which brought much excitement and encouraged further use of the parks.
- The **Company's Garden** continued to prove popular for wedding ceremonies, photo shoots, private picnic functions, children's parties and corporate functions. It is also used for art, science and photographic exhibitions, yoga classes, t'ai chi classes, vegetable gardening classes as well as arts and crafts markets.
- **Westridge Gardens** in Mitchells Plain is where the popular annual Chess in the Park event takes place.
- **Jack Muller Park** is a firm favourite for a variety of events, such as yoga classes, weddings, children's birthday parties and events by various church organisations.

Sport, recreation and amenities

The City continues to work closely with its communities to transform community centres into centres for development (recreation hubs), presenting activities and developmental programmes. The key aims are to:

- increase community involvement;
- promote the use of the City's facilities;
- encourage mass participation;
- increase and consolidate partnerships;
- increase volunteerism; and
- consolidate the institutional framework that governs the City's relationship with its various partners.

To date, 55 hubs have been established across Cape Town. Programmes hosted at these recreation centres are inter alia aimed at aerobics and fitness, senior citizens, sport development, holiday entertainment, afterschool care, health promotion and family activities, attracting more than 12 000 people per week.

Partnering to deliver sustainable development

Valuable partnerships are initiated each year in order to implement sustainable developmental programmes. A total of 36 sport and recreation developmental partnerships were established in the past year, resulting in a number of successful community programmes. These included:

- the Waves for Change surfing and life skills programmes;
- the Western Province Aquatics water polo and diving programme;
- the MITS (Making an Impact Through Sport) programme;
- Oasis youth development;
- the Indigo skateboarding programme;
- the Western Province Athletics youth programme;
- the Western Province Netball programme;
- Coaching for Hope;
- the Greater Bulls disability programme;
- South African Disabled Golf Development; and
- the South African Gymnastics Federation.



Community programmes a healthy investment

A number of key community development initiatives were undertaken to promote youth leadership and social cohesion in communities. These included the following:

- **Camp Cape Town** - This annual integrated event was again held in December 2015 at Zandvlei Resort, where 120 youth aged between 15 and 16 participated in a variety of activities aimed at leadership development. The programme involves a number of key partners, including Chrysalis Academy, Waves for Change, the Department of Social Development and the South African Defence Force. The camp also develops life skills and focuses on learning through participation rather than lectures.
- **The Cape Town Games** - Another annual event, the games encourage mass participation in physical activities and showcase some of the events that take place at the various community centres and recreation hubs. More than 20 000 participants took part in the initial rounds of the games, with the final event held at Swartklip Indoor Centre in Mitchells Plain on 23 April 2016.
- **Friday Family Games programmes** - The City in partnership with a range of churches and mosques hosts these monthly games evenings in various communities, with the aim of bringing families together in a positive environment and teaching the youth discipline, respect for one another, and how to interact without using violence and antisocial behaviour.

Enhancing the City's social development offering

As is the case in most cities, Cape Town faces the challenge of social ills, such as a lack of social cohesion within families, poverty, unemployment, alcohol and drug abuse, gangsterism and increased cost of living.

The South African Constitution mandates local government to promote social and economic development. Social development is understood broadly as the overall improvement of the quality of life of all people, especially those who are poor and vulnerable.

In line with this statutory duty, the City's Social Development and Early Childhood Development Directorate works with other organs of state and private-sector partners to provide social services (which are defined as developmental services at a local government level) and early childhood development (ECD) to those who need it. Planning and implementation are aligned with the City's IDP, SDS and EGS.

Safe and water-wise spray parks are one of the City's most innovative recreational spaces.

THE BASKET OF SERVICES

THE SOCIAL DEVELOPMENT AND EARLY CHILDHOOD DEVELOPMENT DIRECTORATE PROVIDES THE FOLLOWING TARGETED DEVELOPMENT PROGRAMMES:

SUBSTANCE ABUSE

The City collaborates at local and provincial levels to offer initiatives that promote awareness of substance abuse, and support those affected by it.

Progress and achievements in 2015/16

- 196 alcohol and substance abuse prevention workshops implemented
- Substance abuse campaign successfully implemented
- 12 Strengthening Families programmes implemented

STREET PEOPLE

The aim of this programme is to reduce the number of people living, sleeping or surviving on the streets, and ensure that these people are given the necessary development assistance to achieve reintegration, accommodation and employment.

Progress and achievements in 2015/16

- 692 people assisted via the directorate's winter readiness programme
- 10 initiatives implemented to support the Give Responsibly campaign
- Eight local networks of care established

YOUTH DEVELOPMENT

The programme implements multifaceted youth development interventions, taking into account the many challenges facing the youth.

Progress and achievements in 2015/16

- 1 186 youth trained in life skills
- 318 youth trained in work and employment readiness skills
- Youth development campaign successfully implemented
- 282 youth from targeted organisations/forums/structures trained in organisational capacity building

EARLY CHILDHOOD DEVELOPMENT

The aim of the programme is to provide quality ECD services with a variety of developmental components.

Progress and achievements in 2015/16

- 142 practitioners trained in the national norms and standards required to manage ECD centres and facilities
- 217 ECD centres assisted with required materials towards statutory registration
- 19 ECD forums supported
- 12 initiatives implemented to support the ECD campaign
- Three ECD centres constructed

POVERTY ALLEVIATION AND REDUCTION

Being a caring city requires a targeted effort to care for the marginalised and vulnerable in Cape Town. Collaboration with a range of partners is essential to help create sustainable communities and promote independence over time.

Progress and achievements in 2015/16

- 28 food gardens supported with materials (City-owned ECDs in priority areas)
- 86 beneficiaries participating in newly established food gardens

VULNERABLE GROUPS

The programme focuses on awareness-raising initiatives and support of people living with disabilities as well as those affected by gender-based violence and abuse against senior citizens.

Progress and achievements in 2015/16

- 13 support projects implemented for older persons
- 136 support projects implemented for persons living with disabilities
- 24 support projects implemented for women and gender at risk
- Hosting of citywide Cape Town Games for older persons

CREATING JOBS THROUGH THE EPWP (WITHIN THE SOCIAL DEVELOPMENT AND EARLY CHILDHOOD DEVELOPMENT DIRECTORATE)

Work opportunities are created through EPWP in line with the directorate's basket of services.

Progress and achievements in 2015/16

- More than 5 473 EPWP job opportunities created

INVESTING IN JOB SKILLS TO EMPOWER PEOPLE WITH DISABILITIES

Through its social development programmes, the City invested nearly R2 million in people with disabilities in the 2015/16 financial year, including piloting a livelihood skills project.

The aim of the project is to empower people with disabilities to become entrepreneurs. The project, run by the Vulnerable Groups Programme, allows participants to acquire a broad range of knowledge and skills to start their own community-based businesses.

For the new financial year, the directorate allocated R1,7 million towards the disability sector, with the aim of reaching at least 2 000 people. A total of 80 people participated in the livelihood skills project in the year under review,

Apart from the livelihood skills project, the directorate has through the City's EPWP increased the number of temporary employment opportunities for people with disabilities from 48 in the previous financial year to 98 this year.

OBJECTIVE 3.2

ENSURE INCREASED ACCESS TO INNOVATIVE HUMAN SETTLEMENTS FOR THOSE WHO NEED IT

Cape Town, like so many other metropolitan cities in South Africa, faces the huge challenge of urbanisation. However, the City remains committed to facilitating redress through the development of sustainable, integrated human settlements, addressing the needs of communities in informal settlements, and improving the plight of backyard dwellers by providing access to basic services and housing opportunities.

PROGRAMME 3.2(A): INNOVATIVE HOUSING PROGRAMME

During the 2015/16 financial year, the City of Cape Town spent a total of 90,4% of its transferred Urban Settlements Development Grant (USDG) funding for all directorates, and delivered 2 297 serviced-site housing opportunities, 3 319 top structures and over 1 364 other housing opportunities (including the upgrade of rental stock, land restitution, services to backyard dwellers of City rental stock, and re-blocking).

A HUMAN SETTLEMENTS PLAN FOR THE FUTURE

The Integrated Human Settlements Five-Year Plan for the period 2012/13-2016/17 was reviewed with a view to the 2016/17 financial year. It defines the current housing reality in Cape Town and focuses on various short-term and medium-term objectives to improve existing living environments, while also creating new ones.

In the 2016/17 financial year, the City hopes to deliver:

5 556 SERVICED SITES

4 700 top structures and other housing opportunities, such as re-blocking

services to **2 000** backyarders of City rental stock

The 2016/17 plan review initiated the process of applying innovative thinking to ensure consistent delivery of housing solutions for all the people of Cape Town. These solutions are the bedrock on which the transformation and evolution of Cape Town must be built. To deliver this strong foundation, the vision and approach of the City's Human Settlements Directorate has been transformed in recent years. Strategies that used to be aimed at merely building houses for Cape Town's people or addressing delivery backlogs have been replaced with a comprehensive Integrated Human Settlements Framework (IHSF) aimed at delivering quality, affordable and secure housing opportunities, supported by a comprehensive range of City services.

At the heart of this integrated approach lies a commitment to effective, synergistic partnerships with other City directorates, Province, National Government, funding organisations and, most importantly, the people of Cape Town themselves.



PROGRAMME 3.2(B): USE PROPERTY AND LAND TO LEVERAGE SOCIAL ISSUES

Significant progress has been made in packaging the Athlone power station, the Salt River market and the Kapteinsklop Station/Mnandi precinct development projects, the finalisation of planning approvals for the rationalisation of underutilised public open space, and the development of infill housing in Atlantis.

These projects will play a catalytic role in unlocking the development potential of well-located City-owned land in close proximity to public transport for mixed-use, mixed-income development by both the private sector and social housing institutions.

To enhance the quality of state-subsidised human settlement development projects, the City has adopted a set of directives for the planning, design and implementation of human settlement projects in Cape Town.

Re-blocking ensures safety of informal settlement residents

Re-blocking is a community-based process whereby housing structures are reorganised or clustered in a way that improves access by emergency and other vehicles, creating safe spaces between structures, increasing service delivery, and fostering a sense of neighbourliness, where children can play safely and residents are able to keep a watchful eye on public spaces.

Land acquisition for the achievement of housing plans

During the 2015/16 financial year, the City completed the purchase of a large piece of land from AECL in Macassar. The property is about 684 ha in size and is earmarked for integrated human settlement development. Other land parcels have been devolved from Province and National Government, while some land has been acquired through purchases.



PROGRAMME 3.2(C): PARTNER WITH PROVINCE IN EDUCATION AND SCHOOL SITES

Land owned by another sphere of government or by a state enterprise, and which is surplus to the needs of that entity, is often suited for development. In such cases, the owner is approached with the aim of securing a transfer between the relevant organs of state. At times, this involves some compensation, but typically (as in the case of a piece of Transnet land in Sir Lowry's Pass Village acquired by the City last year), the asset transfer is viewed as a gift. Currently, several transfers are being pursued, specifically from Province's Education, Transport and Public Works departments. As many as nine such sites have already been released in the last three years, primarily in areas with pressing housing problems, such as Elsies River, Belhar and Khayelitsha.

PROGRAMME 3.2(D): INTEGRATED HUMAN SETTLEMENTS PROGRAMME

An overview of the City's Human Settlements Directorate's achievements for 2015/16 across the various housing programmes follows below:

Subsidy housing

A number of housing developments form part of the City's focus on addressing inefficiencies through providing integrated human settlements.

One of the City's award-winning housing projects is Pelican Park. This World Design Capital 2014 project is a mixed-use development that provides housing opportunities across the full spectrum of affordability, with totally subsidised homes (Breaking New Ground) being built alongside affordable homes (gap housing) as well as higher-value homes (bonded). The development makes provision for two new schools and a regional clinic, as well as two properties zoned as places of worship. A commercial precinct was also opened in November 2015 in an effort to create economic opportunities for residents. The total cost of the development is approximately R700 million, which includes state funding and private investment.

By February 2016, all of the 2024 Breaking New Ground (BNG) housing units had been handed over to the beneficiaries of the Pelican Park housing development.

Incremental housing is a City methodology that facilitates access to housing opportunities in a phased manner. The following incremental housing projects have been completed or are under way:

- **Sir Lowry's Pass Village** will provide more than 170 opportunities for flood-affected households. More than 84 top structures have been completed, and the site establishment for the remaining structures is currently under way.

- **Wolwerivier** will provide 464 opportunities. More than 460 top structures have been completed, which is the final number for the project. Over 430 of these units have been allocated, with the remainder to be allocated as soon as the sewer line servicing the area is complete.
- **Masiphumelele** provides temporary housing for approximately 50 families who needed to be relocated after a devastating fire in the settlement. Platforms were provided for people to rebuild their structures after the fire.

In addition, the ongoing need for accommodation in the Delft Symphony Way temporary relocation area (TRA), commonly known as Blikkiesdorp, is being met as and when vacancies arise. Families are accommodated on an emergency-needs basis in terms of the national policy guidelines. A few new sites with incremental top structures have also been developed and families accommodated there.

People's Housing Process (PHP)

This category of housing opportunity applies to beneficiaries who maximise their housing subsidy by building, or organising the building of their own homes through a process that includes the establishment of a community support organisation. The process allows beneficiaries to establish a housing support organisation that will provide them with organisational, technical and administrative assistance. Training and guidance on how to build houses are also supplied. Participation in the process is regarded as a contribution to the achievement of their housing opportunities.

One of the most important elements for a PHP consolidation project is that the beneficiary must be the property owner (title deed holder) or must be in possession of a signed deed of sale from the City. The City monitors a considerable number of PHP projects, and is the leading metropole in this regard. The majority of housing opportunities in this category are provided in Site C in Khayelitsha.

Land restitution

The Directorate's Land Restitution Unit is responsible for negotiating and tracking progress in respect of those restitution cases involving City-owned land. The specific function of this office is therefore to manage the return of Council-owned land that is subject to a restitution claim.

The City has thus far approved the return (restoration) of 11 parcels of land to 11 groups of claimants and many individual family erven, and is currently assisting these claimants to develop their restored land parcels.

SOCIAL HOUSING

THE CITY OF CAPE TOWN CONTINUES TO MAKE EXCELLENT PROGRESS IN IMPLEMENTING ITS SOCIAL HOUSING PROGRAMME.

Table 9: Social housing projects developed by the City to date

PROJECTS	NO. OF UNITS	SOCIAL HOUSING PARTNER
Steenberg social housing project in Military Road, Steenberg	700 units	Sohco
Drommedaris social housing project, Brooklyn	219 units	Communicare
Bothasig social housing project, Bothasig	120 units	Communicare
Scottsdene social housing project, Scottsdene	500 units	Madulammoho Housing Association
Belhar social housing project, Belhar	629 units (construction at roof stage)	Madulammoho Housing Association
The Block, Glenhaven (Bellville)	416 units (construction started in March 2016)	Urban Status (Devmark)

'THE CITY CURRENTLY HAS MORE THAN 5 000 SOCIAL HOUSING UNITS IN THE PLANNING STAGE IN DIFFERENT PARTS OF CAPE TOWN.'

Gap housing

GAP HOUSING CATERS TO THOSE HOUSEHOLDS EARNING BETWEEN R3 501 AND R15 000 PER MONTH.

These are households who earn too much to receive state-subsidised housing, yet too little to have access to the private market - thereby creating a 'gap'. Although the demand in this market is large, blacklisting is also prevalent, which serves as a restricting factor.

Gap housing is important, 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 bringing stability to the BNG market. Gap housing also broadens the rates base of the City. Well-located parcels of municipal land have been made available for gap housing for development, and ownership passes directly to the purchasers.

Re-blocking

The City continues to work with various non-governmental organisations in terms of the partnership agreement signed on 19 April 2012 aimed at reconfiguring informal settlements and removing old structures as agreed with residents. To date, Sheffield Road, Mtshini Wam, Kukutown and Flamingo Crescent settlements have been re-blocked to completion.

Post-fire re-blocking was undertaken at Block 8 (Philippi) and Kosovo, while a partial re-blocking was achieved at Masiphumelele. This directly and immediately increased the quality of life of the people living in these areas, as access is allowed for increased services as well as preventing future fires.

The City's re-blocking project in Flamingo Crescent, now known as Flamingo Heights, in Athlone, serves as a prime example of the value that re-blocking delivers to communities in informal settlements. Approximately R2 million was spent on upgrading services and making improvements, including the provision of full basic services, to 102 households. As a result, these households now have access to individual sanitation, water and electricity services. Paved pedestrian and vehicular access ways for emergency vehicles have also been constructed.

Due to the re-blocked layout the South African Post Office is now recognising the new Flamingo Heights as a formal area and they are rendering a door to door postal service to the residents.

Improving systems to enhance delivery

The City's housing database has undergone a major upgrade to align it with the recommendations from various audits as well as the requirements of the revised Allocations Policy: Housing Opportunities (2015). The number of applicants recorded as 'awaiting a housing opportunity' as at 30 June 2016 was 302 402.

A web registration facility was introduced to allow applicants to register and update their details on the City's housing database via the internet. Due to this initiative, the number of registrations is growing on a monthly basis. By 30 June 2016, 14 248 applicants had registered by using the online housing portal. Applicants can now also check the status of their housing application online, and as a result, 2 574 applicants updated their personal details.

Ensuring title

BY THE END OF JUNE 2016, OVER 148 100 HISTORIC TITLE DEEDS HAD BEEN REGISTERED.

Ownership has been transferred to previously disadvantaged beneficiaries since 2012. This has been the result of a massive effort by the City's Human Settlements Directorate to clear backlogs pertaining to historic title deeds, some dating as far back as 30 years.

Progress has also been made with the transfer of ownership to the original beneficiaries or the persons in occupation of the sites in Nyanga and Brown's Farm. Since many of the original beneficiaries no longer occupy these sites, the City has approved a policy that provides for a process of cancelling the existing deeds of sale applicable to beneficiaries who no longer occupy the site-and-service properties, as well as screening the current occupants for possible transfer. A number of sites in Nyanga are still registered to Province, and negotiations for their transfer are under way.

PROGRAMME 3.2(E): DENSIFICATION PROGRAMME

The City's densification programme includes the identification of public and private land to use for intensified property development. An important component of this is growth management, which includes densification, utilising the urban edge, and optimal and sustainable use of land through densification in transport corridors and economic nodes.

The City has identified two priority integration zones or transit corridors in which to promote transit-oriented development or densification in support of its public transport system: the Voortrekker Road corridor and the central city-metro southeast corridor. In 2015/16, strategy and investment plans for both corridors were finalised, priority local areas within the corridors were identified, and implementation frameworks were completed for one such priority area in the central city-metro southeast corridor as well as for Belville and Parow in the Voortrekker Road corridor.



Figure 12: Priority transport integration zones

OBJECTIVE 3.3

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

PROGRAMME 3.3(A): RENTAL STOCK UPGRADE PROGRAMME

Upgrades to City rental stock

The City's ageing rental stock has undergone major interior and exterior refurbishment as part of the community residential unit (CRU) refurbishment programme. At the same time, the City is busy developing additional rental units to meet the growing demand.

A major maintenance upgrade initiative was completed in December 2015, having had a positive impact on residents in Scottsville, Kewtown, Scottsdale, Woodlands, Connaught, Uitsig, The Range, Hanover Park, Ottery, Manenberg and Heideveld. Going forward, the focus will be on specific repair and upgrade needs, such as roof and stair replacements, painting and the installation of geysers as requested by tenants.

The building of new rental stock and the conversion of existing high-density hostels into family units will cater for families who prefer affordable rental housing. The Langa CRU development was procured under the City's hostels transformation programme. This project was designated as a special redress project to alleviate the dire living conditions experienced by hostel dwellers in the Langa area. These 463 units were completed and handed over to the beneficiaries in December 2015. The project will ultimately see the construction of more than 1 300 units over the next few years.

The new Sea View CRU development in Hangberg consists of 71 rental units. In line with the City's approach to prioritise TOD, this complex is situated in close proximity to employment, key transport routes, social amenities and schools.

PROGRAMME 3.3(B): RENTAL STOCK DISPOSAL PROGRAMME

The City operates this 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 are ongoing and have been intensified to create more awareness. The reviewed housing allocation policy now also allows for rightsizing of saleable units to willing buyers where present tenants do not wish to take transfer of the unit they are occupying.

OBJECTIVE 3.4

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

PROGRAMME 3.4(A): ANTI-POVERTY PROGRAMME

As part of the City's informal-area upgrade strategy, issues relating to service delivery to the poor in informal settlements or households living in backyards of the City's rental stock are being addressed. Some of the major challenges in this regard are:

- the location of some settlements relative to bulk infrastructure;
- increasing capacity, especially electricity supply, where infrastructure does exist; and
- high densities and a lack of access to structures.

Any project under the Upgrading of Informal Settlements Programme (UISP) also considers the economic and social development opportunities it may present. Where possible, when any intervention is undertaken, consideration is first given to conducting the work via the EPWP, before considering mechanised means.

PROGRAMME 3.4(B): SERVICE DELIVERY PROGRAMME IN INFORMAL SETTLEMENTS

Exceeding national water and sanitation standards

In addition to complying with national guidelines in terms of providing adequate water and sanitation services to residents of informal settlements, the City has also chosen to set its own internal service standards, which are higher than the national norm.

Dedicated capital provision is made to meet these targets and to fund service delivery improvements in line with the City's higher internal delivery standards. In line with these, during the 2015/16 financial year, the City provided 3 058 new toilets and 919 new taps to customers living in informal settlements. This exceeded the targets of 2 800 and 600 respectively set for this period.

Improving informal settlements

An informal settlements development matrix has been developed with the aim of enhancing the planning process by listing, categorising and prioritising all informal settlements in the city, and identifying which settlements require alternative land for densification or relocation.

In addition, the City has begun a process of granting incremental security of tenure. This is facilitated through a systematic geographic information system (GIS) land management tool, which allows for community registers to be spatially depicted and verified. Further phases would relate to, among others, issuing of 'right to occupy' certificates, which will eventually lead to ownership and/or rental, where permitted.

City leads provision of sanitation in South Africa

SINCE THE 2006/7 FINANCIAL YEAR, THE CITY HAS INCREASED THE PROVISION OF TOILETS FROM 14 591 TO MORE THAN 52 400 BY THE END OF JUNE 2016, WHICH REPRESENTS AN INCREASE OF MORE THAN 250%.

More than 1 400 full-flush toilets were provided to residents of informal settlements in 2015/16. The Water and Sanitation Department also has a team dedicated to the maintenance and repair of broken or vandalised toilets.



Cape Town is the only city in the country with a dedicated programme to provide basic services to backyard residents on Council-owned properties.

PROGRAMME 3.4(C): BACKYARDER SERVICE PROGRAMME

Making service delivery a reality for backyard dwellers

Cape Town is the only metro in the country with a dedicated programme to provide basic services to backyard residents on Council-owned properties. With this programme, the City continues to transform lives by providing vital services, such as water, sanitation and electricity, to residents while they wait for housing opportunities. These services were provided in the form of a tap with a washing trough attached to a precast structure containing a flush toilet, electricity connections for up to three structures, as well as a 240 litre refuse bin per backyard. Toilets are provided to a ratio of 1 toilet per 5 backyard structures on the same erf. To date, 420 of the 560 families living in backyards in Parkwood have benefited from the latest roll-out.

The City is also currently implementing the backyarder project in Bonteheuwel, where around 700 families are set to benefit from the provision of services.

The sanitation budget for this project totals more than R3,1 million, while the electricity infrastructure investment is R22,2 million. Up to 1 000 electricity connections will be installed in Bonteheuwel.

The next projects where backyard dwellings on Council-owned properties will be provided with electricity services are located in Newfields and Kalksteentfontein. Planning and design for these two areas are currently in progress.

PROGRAMME 3.4(D): ENERGY SERVICES PROGRAMME

As part of the City of Cape Town's redress policy and its continued efforts to make Cape Town a caring and opportunity city for all residents, the City is currently funding approximately R10 million of Eskom's electrification-related interventions (new connections, meter relocations and environmental studies) in informal settlements and TRAs.

The City-funded Eskom projects during 2015/16 included:

Uitkyk (Sir Lowry's Pass), with funding for conducting a basic environmental assessment (R308 758,30)

Khayelitsha relocations (SST informal settlement), comprising 38 relocations (R510 359,52)

Bardale meter relocations, consisting of 190 relocations (R866 178,39)

Delft Symphony infill housing project, comprising 258 new connections (R1 752 456,00)

Scottsdene, involving 92 new connections (R6 137 627,53)

OBJECTIVE 3.5

PROVIDE EFFECTIVE ENVIRONMENTAL HEALTH SERVICES

PROGRAMME 3.5(A): ENVIRONMENTAL HEALTHCARE PROGRAMME

Ensuring water quality

To ensure that all Cape Town residents have the safest possible tap water to drink, the City fully supports and complies with strict water quality checks as prescribed by the DWS. This means that water quality must be closely monitored, with many water samples constantly being analysed according to the stringent South African National Standards (SANS) 241 requirements. The water quality graph below reflects the percentage compliance measured against the standards set in SANS 241. These standards prescribe chemical and microbiological components. The City sets its own internal targets and continues to exceed these.

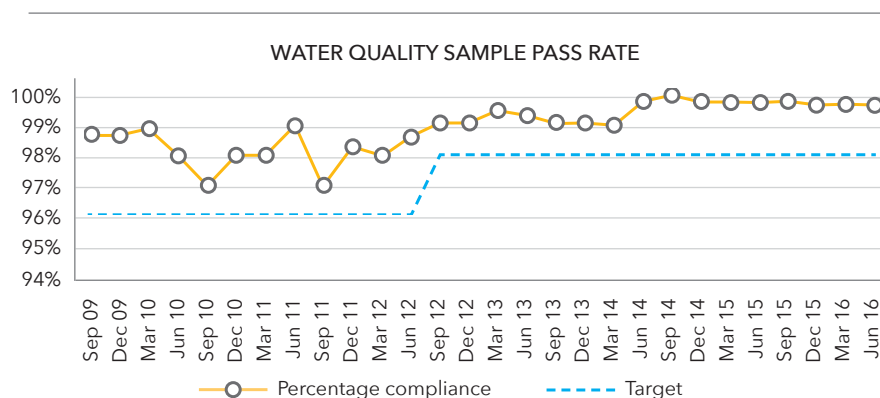


Figure 13: Percentage compliance with SANS 241 water quality standards

Focus on environmental health

The City of Cape Town's Environmental Health Department is continually reassessing its approach to safeguarding residents in terms of the changing face of environmental health and the challenges it brings.

The City's nearly 200 environmental health practitioners (EHPs) are tasked with ensuring the health of the environment and, thus, the health and wellbeing of residents. This includes air and noise pollution, food and water safety, physical health hazards such as overgrown erven, the inspection and surveillance of premises, as well as promoting health and hygiene in informal settlements.

In the 2015/16 financial year, EHPs visited 2 595 registered preschools to monitor compliance with health legislation. During the same period, they conducted 21 599 visits to more than 300 informal settlements and presented 1 063 health and hygiene projects across Cape Town with the help of EPWP workers.

Other services provided by EHPs included the following:

- Investigated 422 notifiable conditions, eight food poisoning episodes and seven cases of pesticide poisoning
- Tested 3 383 samples of potable water for SANS 241 quality compliance
- Inspected 1 520 medical waste generators for compliance with standards
- Inspected 5 897 business premises for vector infestation
- Serviced 94 697 block baiting stations for rodent control
- Inspected 11 043 formal food traders and 3 024 informal food traders to issue certificates of acceptability

- Collected 8 022 food samples to test for compliance with relevant microbiological and chemical composition standards
- Inspected 12 447 premises for compliance with tobacco legislation
- Checked 50 funeral undertaker premises for compliance with regulations

Although a development approach is used to help reach the desirable standards, a total of 327 spot fines and summonses were issued.

OBJECTIVE 3.6

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

PROGRAMME 3.6(A): MEASURING THE NUMBER OF DAYS WHEN AIR POLLUTION EXCEEDS WORLD HEALTH ORGANISATION GUIDELINES

Improving air quality

During the 2015/6 financial year, the number of days when air pollution exceeded RSA ambient air quality standards was eight. This is better than the stated target of fewer than 40 days for the period.

The number of 'brown haze' episode days recorded depends on various factors, including meteorological conditions, functional status of the monitoring network, state of the economy, and the ongoing efforts to meet the objectives 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.

The ongoing successes of the diesel vehicle emissions testing programme,

which has shown a reduction in failure rates of vehicles tested from 17% in 2000 to below 1% in the 2015/16 financial year, also continue to have a positive impact on ambient air quality. A total of 7 904 diesel vehicles were tested in the year under review.

OBJECTIVE 3.7

PROVIDE EFFECTIVE PRIMARY HEALTHCARE SERVICES

PROGRAMME 3.7(A): PRIMARY HEALTHCARE PROGRAMME

Caring for Cape Town's youngest citizens

The City of Cape Town has 100 health facilities, most of which are located in areas where the majority of residents do not have access to health insurance and/or transport. During 2015/16, more than 843 000 young patients under the age of five as well as more than 1,93 million aged five and older were seen at the City's primary healthcare clinics that offer Well Baby services. These services include weight monitoring, feeding and nutritional advice, immunisations, and vitamin supplements.

The City also provides:

- **curative care** for children under 13 years of age;
- **reproductive health services** such as family planning methods, pregnancy testing and basic antenatal care;
- **Pap smears** and **breast exams**;
- **tuberculosis diagnosis** and treatment;
- diagnosis and **treatment of sexually transmitted infections**;
- **HIV testing** and wellness, ART and follow-up care (in select facilities);
- **adult curative care** for patients 13 years and older at a limited number of sites.



The City has 100 health facilities where primary healthcare is on offer for residents who do not have access to health insurance and/or transport.



CONTINUING THE FIGHT AGAINST HIV/AIDS

The City's efforts to address, prevent and treat HIV are encapsulated in a key strategic programme of City Health, delivered in partnership with Province's Department of Health and non-governmental organisations.

BY THE END OF JUNE 2016, CITY HEALTH HAD BEEN OFFERING ART AT 39 OF ITS SITES THROUGHOUT CAPE TOWN.

During 2015/16, 12 280 new cases were started on ART at City clinics, with a total of 53 323 people remaining in ART care. A very aggressive HIV testing campaign saw the number of tests done at clinics as well as community outreaches in Cape Town increase to over 810 000 in 2015/16.



The programme for the prevention of mother-to-child transmission of HIV (PMTCT) has resulted in an incremental drop in the transmission rate to below 1,1% over the past number of years.

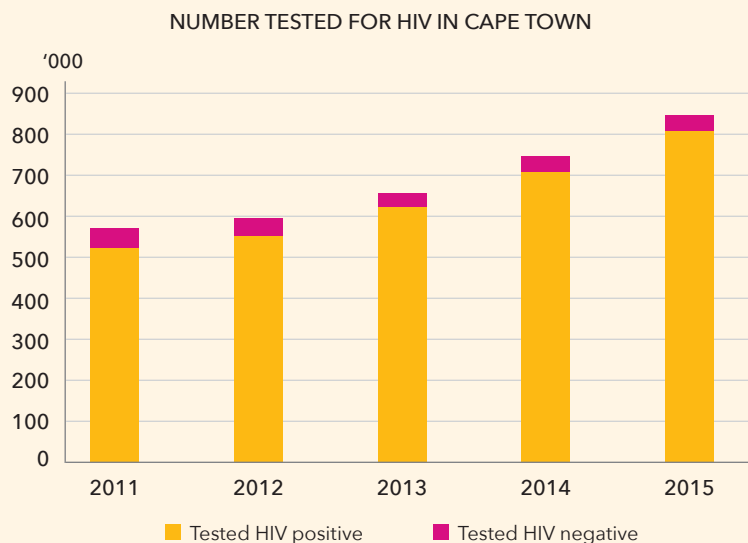


Figure 14: Annual increase in number of people tested for HIV

Managing tuberculosis

The total number of tuberculosis (TB) cases has fallen over the past five years from a recorded high of almost 30 000 cases in 2010 to just over 24 000 cases in 2015. The drop coincides with increasing antiretroviral coverage. The cure rate for new smear-positive TB has been maintained at over 80%. In addition, the decentralised management of drug-resistant TB at primary care level has increased access to treatment for these patients, reducing the number of days before they are started on medication.

City Health expands antiretroviral and TB infrastructure

The City's Health Directorate invested R7,9 million in upgrade projects at various clinics across Cape Town in the 2015/16 financial year. The projects included extensions for dedicated TB and antiretroviral (ARV) wings as well as bigger pharmacy units at Tafelsig Clinic in Mitchells Plain and Mzamomhle Clinic in Brown's Farm.

PROGRAMME 3.7(B): PERCEPTION SURVEY SCORE ON THE PROVISION OF PRIMARY HEALTHCARE SERVICES

Health services provided by the City are important to residents, and affect how they rate the City's overall performance. The overall health score, and the scores for all the health services attributes measured in the annual community services survey, have improved significantly since 2009/10.

OBJECTIVE 3.8

PROVIDE SUBSTANCE ABUSE OUTPATIENT TREATMENT AND REHABILITATION SERVICES

PROGRAMME 3.8(A): PRIMARY HEALTHCARE PROGRAMME: NUMBER OF SUBSTANCE ABUSE OUTPATIENTS PROVIDED WITH ALTERNATIVE CONSTRUCTIVE BEHAVIOUR

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 wellbeing of families, communities and the broader society. The City's 2014-2017 strategy for alcohol and other drugs (AODs) details the strategic plan to reduce the health, economic and social burden caused by AOD abuse in Cape Town, through the provision of targeted actions and support by City directorates. City Health is primarily responsible for the provision of accessible, affordable and evidence-based treatment services to communities in need.

During the period under review, the matrix sites at Tafelsig, Albow Gardens, Delft South, Town 2 Parkwood and Manenberg continued to do excellent work, providing treatment to sufferers of substance abuse from surrounding communities. The sites assisted more than 1 700 new clients during the year under review, having done almost 5 000 tests, and achieved 81% clean drug tests for clients attending the programme.

STRATEGIC FOCUS AREA 4: THE INCLUSIVE CITY

AN INCLUSIVE CITY IS ONE WHERE EVERYONE HAS A STAKE IN THE FUTURE AND ENJOYS A SENSE OF BELONGING. MULTIPLE FACTORS MUST COME TOGETHER TO MAKE ANY CITY INCLUSIVE. FOR EXAMPLE, THE PHYSICAL CONNECTION BETWEEN AREAS OF THE CITY ALLOWS PEOPLE TO MOVE FREELY AND CONNECT WITH ONE ANOTHER AS WELL AS WITH THE OPPORTUNITIES AVAILABLE TO THEM. FOR THIS REASON, THE INCLUSIVE CITY DEPENDS ON THE CORRECT FUNCTIONING OF INTERCONNECTED PROGRAMMES ACROSS ALL CITY FOCUS AREAS.

Key to an inclusive city is a government that responds to the needs of its citizens. People must know that government deals with their concerns seriously and efficiently.

Building a shared community across different cultural, social and economic groups is also a 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.

In order to position Cape Town as an inclusive city, two key objectives – each with its own underpinning programmes – have been identified. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.

Table 10: IDP objectives and programmes for the inclusive city

OBJECTIVE	PROGRAMME
4.1 ENSURE RESPONSIVENESS BY CREATING AN ENVIRONMENT WHERE CITIZENS CAN BE COMMUNICATED WITH, AND BE RESPONDED TO <small>reference page 99 of 2015/16 IDP review Page 116 in this report</small>	<ul style="list-style-type: none"> 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 <small>reference page 101–103 of 2015/16 IDP review Page 117 in this report</small>	<ul style="list-style-type: none"> 4.2(a) Community amenities programme (provide and maintain) 4.2(b) Heritage programme





The Sanlam Cape Town Marathon is one of the many premium events hosted by the City of Cape Town. It has always been staged close to South Africa's Heritage Day and the route is designed to not only take in Cape Town's spectacular natural beauty, but also to enable runners to traverse Cape Town's rich history as the oldest city in South Africa.

KEY INCLUSIVE CITY ACHIEVEMENTS IN 2015/16

102,19%
adherence to citywide service
standards – external notifications

Installed **two additional
cremators** at Maitland
Crematorium

Opened a **sixth spray park**
in Dunoon

101
LIBRARIES MAINTAINED AND THE
NEW KUYASA LIBRARY OFFICIALLY
OPENED IN MARCH 2016

Sustained
Blue Flag status
for seven Cape Town beaches,
with a further three awarded
pilot Blue Flag status

THE INCLUSIVE CITY

OBJECTIVE 4.1

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

PROGRAMME 4.1(A): MANAGING SERVICE DELIVERY THROUGH THE SERVICE MANAGEMENT PROGRAMME (C3 NOTIFICATION RESPONSIVENESS)

MOBILE SERVICE REQUESTS NOW A REALITY



Many Cape Town residents have access to smart mobile devices. Now these mobile-savvy citizens also have the option of logging their service requests digitally thanks to the launch of the City's new mobile service request application. This application forms part of the City's ongoing efforts to deliver innovative ways of improving service levels that will save its residents valuable time and money.

While initial uptake of the application has been slow, the City is confident that more residents will make use of it going forward. Of the more than 35 500 service requests created via the e-services portal from 1 July 2015 to 30 June 2016, just over 1350 were done via the application. The top three services requested related to blocked or overflowing sewers (112 requests), streetlights (66 requests) and requests to spray for cockroaches (49 requests).

Residents can use the application to report faults such as potholes, water leaks, electricity failures and illegal dumping. The mobile service request application can be accessed at https://eservices1.capetown.gov.za/coct/wapl/zsreq_app/index.html

RESPONDING TO THE SERVICE NEEDS OF ALL CITIZENS



THE CITY'S CORPORATE CALL CENTRE ANSWERED 1 021 618 CALLS DURING THE 2015/16 FINANCIAL YEAR.

The calls were answered in customers' preferred language (English, Afrikaans or Xhosa), and the majority related to accounts, water technical enquiries, motor vehicle registration, traffic fines and other service enquiries and requests.

More FreeCall lines installed in identified areas

The City's Customer Relations Department continued to install FreeCall lines in municipal buildings, such as clinics, housing offices, libraries and community centres in outlying areas.

By 30 June 2016, a total of 154 FreeCall lines had been installed with the aim of improving access to service delivery through the City's call centre.

Residents can use the FreeCall lines to report faults, register complaints and make enquiries at no personal cost.

The City also embarked on another call centre support learnership for unemployed job seekers, in cooperation with an external service provider. As a result, 17 learners have received call centre knowledge and practical working experience within the municipal working environment. The Customer Relations Department also made a concerted effort to improve its response times in order to further increase customer satisfaction levels.





PROGRAMME 4.1(B): BUILDING STRATEGIC PARTNERSHIPS

The City is committed to working closely with the provincial and national spheres of government to put the needs of Cape Town's citizens first. To achieve this, it engages with Province in various formal and informal forums. Functional partnerships, such as the development of integrated human settlements and the City Health programme, are pursued at sector level, while the City formally engages with Province and other municipalities through the Premier's Coordinating Forum at a political level, as well as by means of the IDP indabas and MTECH committees at an administrative level.

The Intergovernmental Game Changer initiatives have necessitated the establishment of strategic and operational forums to plan, implement and monitor joint activities across the local and provincial spheres of government in pursuit of joint developmental outcomes.

The City's collaboration protocol with the Cape Higher Education Consortium (CHEC) has been extended for a further three years, thus ensuring that expertise, resources, research and best practice are shared to good effect against a backdrop of differing priorities, capacities and constraints.

Council has also adopted a policy on contributions. Apart from stating the City's intent to partner with business and civil society to further the administration's goals, the policy and associated working group help facilitate the process through supportive guidelines and actively creating appropriate opportunities.

OBJECTIVE 4.2

PROVIDE FACILITIES THAT MAKE CITIZENS FEEL AT HOME

PROGRAMME 4.2(A): COMMUNITY AMENITIES PROGRAMME (PROVIDE AND MAINTAIN)

The City of Cape Town continues to invest in public spaces, upgrading, enhancing and adding to them in an effort to create innovative and inclusive community-friendly facilities for the residents of Cape Town. Various City departments and external partners have worked together in an integrated fashion to transform these public urban spaces.

Quality public space programme delivers community spaces and facilities

The quality public space programme run by the Spatial Planning and Urban Design Department aims to provide high-quality public space within community facility clusters and economic nodes, as well as at key public transport interchanges.

Where possible and appropriate, these projects also create opportunities for economic development through the integrated planning of informal trading areas, and uplifting the quality of and confidence in the public environment, which can enhance the perception of economic opportunity.

In 2015/16, the City commenced with the upgrade, or launched the completed upgrades, of the following public spaces:

- The southern precinct at Langa Station
- Pampoenkraal Heritage Square in Durbanville CBD
- The gateway to Imizamo Yethu
- The Strand Pavilion precinct
- Kruskal Avenue in Bellville town centre
- Mfuleni Urban Park

Local-area planning initiatives continue in Bishop Lavis and Gordon's Bay development areas.

In 2015, as a testament to the quality of the City's in-house landscape architecture capability, the administration received excellence awards from the South African Institute of Landscape Architecture for the landscaping associated with the rehabilitation of Main Road (phases 1 and 2) and the Manenberg Human Settlements contact centre.

Library facility development and services

Libraries have become more than just quiet spaces to read as the City moves with the digital era to create innovative spaces where everyone can access endless sources of information, learn new skills and develop their ideas.

CITY AND CARNEGIE CORPORATION BRING WORLD-CLASS R78 MILLION LIBRARY TO KHAYELITSHA RESIDENTS

THE NEW **KUYASA LIBRARY** WAS OFFICIALLY OPENED ON 17 MARCH 2016 AND WAS MADE POSSIBLE WITH THE HELP OF THE CARNEGIE CORPORATION AND THE GERMAN DEVELOPMENT BANK.

THE STATE-OF-THE-ART LIBRARY INCLUDES A CHILDREN'S SECTION, ADULT SECTION, DEDICATED TEEN SECTION, DEDICATED STUDY AREA AND A TRAINING ROOM. THE LIBRARY ALSO BOASTS 35 SMARTCAPE COMPUTERS WITH FREE INTERNET ACCESS, AN EXTENSIVE BOOK COLLECTION WITH BOOKS IN XHOSA, AFRIKAANS AND ENGLISH, AUDIO-VISUAL MATERIALS AND WORLD-CLASS INFORMATION TECHNOLOGY EQUIPMENT.

This multifunctional building, which also accommodates the subcouncil, 24 offices and retail space, is in close proximity to the public transport interchange.

Enhanced library services bring benefits to communities

In the year under review, Crossroads Library was relocated to the new Philippi village hub. This location presents an ideal environment for giving residents and learners from the surrounding area access to crucial learning services and materials. The new space is bigger and more modern, with additional study space, SmartCape and Wi-Fi facilities, as well as training rooms.

The Hangberg civic complex was upgraded extensively to ensure that the library building is now accessible for all people, including seniors and people with disabilities. Major redesign work included moving the entrance to the main access road, installing a lift to improve access, a new disabled-friendly toilet and a new circulation desk.

Planning for the development of the new Dunoon library has been concluded and construction will now commence. The upgrade to Eikendal Library is also expected to be concluded in the next financial year.

Committed to delivering library services to all

The City's Library and Information Services Department strives to continue meeting the minimum opening hours as determined for the following three categories of libraries in Cape Town:

- **Community libraries**, which provide basic services and collections to the community. There are 76 of these libraries, which operate for a minimum of 35 hours per week.
- **Regional libraries**, which offer more extensive collections and services. The 23 regional libraries operate for a minimum of 45 hours per week.
- **City-wide libraries**, namely Bellville Library and Central Library, which provide broad collections and services. These two libraries are open for a minimum of 63 hours per week.

There is also a satellite library currently operational, as well as a mobile service comprising three buses.

Maintaining high standards for the City's parks

DURING THE 2015/16 FINANCIAL YEAR, THE CITY MAINTAINED 3 415 COMMUNITY PARKS AND 12 DISTRICT PARKS TO THE STANDARDS SET IN THE CITY PARKS MAINTENANCE STANDARD DOCUMENTS.

It also developed maintenance programmes to respond to the effects of climate change.

The City continues to explore the possible development and upgrade of district and community parks, and works with communities and funding partners to design and construct parks that are sustainable and meet the needs of communities. The aim is to provide community and district parks that are custom-made for the surrounding communities, safe, of a high quality and, where possible, integrated with community facilities.



The R78 million Kuyasa Library in Khayelitsha is a world-class library made possible with the help of the Carnegie Corporation.

Some of the main upgrades and developments that have been undertaken over the past four years include:

- further upgrades to Khayelitsha Wetlands Park, which included the construction of an amphitheatre, bird hikes and boardwalk landscaping, lighting and the installation of an irrigation system;
- further upgrades to Jack Muller Park in Bellville, which will be completed in the next financial year;
- past upgrades at the Company's Garden, Durbanville Rose Garden and Nantes Park in Athlone;
- the installation of gym and play equipment, a synthetic turf and the planting of trees at the public open space in Macassar;
- the commencement of further upgrades to the Sea Point promenade, Mandela Peace Park in Delft, Westridge Gardens and E-Section, Khayelitsha, which are expected to be completed in the coming year;
- the upgrade to Isikhova Park in Mfuleni, which saw the installation of, amongst others, fencing, gym equipment, a synthetic turf and pathways; and
- the conclusion of a number of upgrades to various community parks, including Elizabeth Park, NY43 in Gugulethu, and upgrades to smaller parks in Vrygrond, Uitsig, Bellville, Brown's Farm, Kuils River, Kraaifontein, Mfuleni, Samora Machel and Mitchells Plain.

THE NOW FAMOUS MILL STREET SKATE PARK IN GARDENS IS ANOTHER EXAMPLE OF WHERE CITY DEPARTMENTS HAVE COLLABORATED TO TRANSFORM AN URBAN PUBLIC SPACE.





CITY AWARDED FOR EXCELLENCE IN DESIGN OF SMART PARKS

THE CITY'S SMART PARKS PROJECT SEEKS TO PROVIDE INCLUSIVE PUBLIC SPACES THAT APPEAL TO ALL MEMBERS OF THE COMMUNITY.

One of the key goals when developing a smart park is meaningful community engagement, where the design and vision for the park can be decided on collectively. The smart park concept is aimed at providing for inclusivity, social interaction and the integration of communities. The intention is for the activities provided in smart parks to accommodate young and old members of the community.

Each of the parks includes custom-made play areas and large trees, paving, low-wall seating and picnic sites for residents to meet and relax. For those who enjoy spending their free time being active, sports facilities are on offer in the form of multipurpose courts and kick-about areas. The City is conscious of the immense value of parks in neighbourhoods where children lack the space to play safely.

THE CITY'S FIRST THREE SMART PARKS ARE LOCATED IN KHAYELITSHA, BLIKKIESDORP AND GUGULETHU - EACH UNIQUE IN ITS DESIGN TO SUIT THE AVAILABLE SPACE AND THE RESPECTIVE COMMUNITIES' INTERESTS AND REQUESTS.

A further three smart parks are scheduled for development in Atlantis, Nomzamo and Seawinds.

Khayelitsha smart park. The City has in the past number of years implemented a smart parks programme that promotes improved community-led park development in areas of highest need. Each smart park is unique in its design to suit the available space and the respective community's interests and requests.



Green Point Urban Park is a very popular park for residents and visitors.

Cemetery provision and maintenance

The City continues to plan in order to meet the future burial requirements of its citizens. Strong competition for scarce metropolitan land, coupled with the poor environmental performance of certain cemeteries (given the high winter water-table characteristic of the Cape Flats), has prompted the City to pursue several other interment options to supplement or complement traditional methods.

The City maintains 40 cemeteries. Upgrades and new developments have been undertaken over the past four years at the following cemeteries, with further phased development planned in the coming years:

- Upgrades to the cemeteries at Rusthof, Atlantis, Gugulethu and Klip Road, and further upgrades undertaken at Maitland, with the asphalt of Central Avenue and the rehabilitation of gravel roads completed this year
- The completion of new developments at Wallacedene and Delft extensions, whilst development at Welmoed is ongoing, and the Vaalfontein and metro southeast developments will commence in the coming year

In response to increasing demand for cremation, the City added two standby cremators at Maitland Crematorium. This brings the total number of cremators in Cape Town to eight. Spaces have also been made available in the Maitland cemetery for the burial of ashes, together with a wall featuring plaques with the names of lost loved ones.

Sport, recreation and amenities provision and maintenance

The City maintains community amenities such as halls, beaches and sports grounds to defined minimum maintenance standards. These standards are designed to ensure open, clean, safe and usable facilities. A proactive and reactive maintenance programme is planned and implemented, depending on needs and the availability of resources.

During the year under review, the City continued to maintain and upgrade its community facilities for the benefit of all Capetonians.

Some significant sport and recreation facility developments completed over the past four years include the following:

- The installation of 28 synthetic pitches, with a further two planned in Atlantis and Hanover Park, scheduled for completion in the next financial year
- The construction of the Valhalla Park multifunctional recreational hub, which opened in 2013 and includes a full-size synthetic soccer pitch, a clubhouse, a BMX track, playground areas, outdoor gym areas, a spray park, change rooms, ablution facilities, outdoor reading rooms, two mini-soccer pitches, two multipurpose courts and a multitude of landscape architecture features
- The construction of sports complexes in Masiphumelele, Wallacedene, Imizamo Yethu and Dunoon at a cost of R13 million

- Upgrades to sport facilities at Witsand, the Lwandle sports complex, Seawinds, the J Nontulo sports field, a perimeter wall at the Nyanga sports field, and the installation of irrigation systems at Imizamo Yethu, Lentegeur and William Herbert sports fields
- Resort upgrades at Blue Waters, the Monwabisi coastal node, Kogel Bay, Silverstroom and Soetwater
- Upgrades to Masibambane and Solomon Mahlangu halls
- The roof enclosure of the Retreat swimming pool, which is planned for completion in the next financial year
- The installation of six spray parks installed at Dunoon, Khayelitsha, Nyanga, Ocean View, Scottsville and Valhalla Park

Sixth spray park opened in Dunoon

In the year under review, the City opened its sixth spray park, which had been constructed at a cost of R2 million. The spray park, located in Dunoon, offers a safe, inclusive and water-wise recreational space for young and old to enjoy.

Spray parks are one of the City's most innovative recreational facilities and consist of a series of spray features or structures that create a water-wise play environment for children by means of different spray nozzles and interactive collecting and dumping features.

The water in spray parks is treated through a process similar to that of a swimming pool filtration system and recirculates through the spray park.



The City's holiday programmes use recreation to create and build social cohesion among youth.



CITY FLIES THE BLUE FLAG HIGH ONCE AGAIN

THE CITY HAS SUCCESSFULLY PARTICIPATED IN THE BLUE FLAG BEACH PROGRAMME SINCE ITS INCEPTION IN SOUTH AFRICA IN 2001 AND HAS LONG BEEN LEADING THE COUNTRY IN ACHIEVING WORLD-CLASS STANDARDS FOR BEACHES.

The following seven Cape Town beaches were awarded full Blue Flag status for the 2015/16 summer season from 1 December 2015 to 31 March 2016:



Fish Hoek, Seaforth, Muizenberg and Melkbosstrand beaches were awarded pilot Blue Flag status for the 2015/16 summer season, which means that they will be considered for full Blue Flag status if certain criteria are met within a specified period of time.

The City also received Blue Flag long-service awards. Silver awards (ten years' service) were received for Clifton 4th Beach and Bikini Beach, while bronze awards (five years' service) were received for Silwerstroomstrand, Camps Bay, Llandudno and Mnandi beaches. In addition, three Cape Town marinas received full Blue Flag status, namely False Bay Yacht Club, the Water Club and Harbour Island.

The Blue Flag is an international accreditation awarded to beaches that display excellence by meeting 33 rigorous criteria. Blue Flag status indicates that the beaches have their own environmental education programmes, have bathing water of the highest standard, are clean, have adequate ablution facilities and parking, are environmentally sound, are safe and secure to visit, and adhere to international safety and tourism standards.

* December to January



SHARK SPOTTERS PROGRAMME NETS GOLD INNOVATION AWARD FOR BEACH TOURISM

The City of Cape Town-funded Shark Spotters programme was awarded the gold innovation award in the category for beach tourism at the African Responsible Tourism Awards 2016. This accolade is awarded to a tourism business, organisation or initiative that provides or contributes to responsible holidays in beach settings.

The Shark Spotters programme contributes to responsible tourism in Cape Town through its combination of shark safety, cutting-edge research, public education and community upliftment in order to protect and improve people's beach experience in areas with a high spatial overlap between people and sharks.

PROGRAMME 4.2(B): HERITAGE PROGRAMME

Mapping and grading of heritage buildings and resources are ongoing, and preparations to implement new heritage protection overlay zone areas are under way in partnership with local communities.

THE CITY CONTINUES TO INSTALL BLUE HERITAGE PLAQUES TO IDENTIFY AND INTERPRET KEY HERITAGE SITES IN PARTNERSHIP WITH THE CAPE TOWN HERITAGE TRUST AND OTHER HERITAGE BODIES.

Particular highlights for the 2015/16 financial year included the following:

- The refurbishment of a number of important public heritage buildings was completed. These include Prestwich Memorial, the Mamre visitor centre, the historical barn in Homestead Park, the Noordhoek disaster risk volunteer centre and the Somerset West night shelter. Wesley Steps in Simon's Town and the Slave Memorial on Church Square were also restored.
- The renovation of the Old Granary is under way and will be completed in the second half of 2017. The building will be the new headquarters of the Desmond and Leah Tutu Legacy Foundation.
- The professional team appointed to assist with the design and refurbishment of the Milnerton wooden bridge is making good progress, and refurbishment is scheduled to start in the first half of 2017.
- The City was again assessed as competent by Heritage Western Cape to perform certain local authority heritage management functions in terms of the National Heritage Resources Act, Act 25 of 1999.
- Council resolved to enter into an agreement with Heritage Western Cape for the delegation of certain local heritage management functions under the National Heritage Resources Act. Arrangements for implementation are currently being made.
- The heritage audit of properties in the City's heritage protection overlay zones (HPOZs) is complete, and the audit has now moved into areas outside the existing HPOZ areas. This information has been captured in the City's GIS and is available to all staff and office-bearers.
- The proposed protection of Bo-Kaap under the HPOZ has been advertised to property owners, and nomination dossiers have been prepared for other priority areas.
- Over 1 000 historical maps/drawings relating to Cape Town have been digitised as part of the ongoing development of the City's Environmental and Heritage Resources Information Centre. Work is also under way with the documentation and inventorying of moveable heritage assets owned by the City, including paintings and historical artefacts that form part of the collection housed in the Civic Centre.
- A total of 1 731 learners, 24 youth, 460 educators and 86 staff from 55 schools and organisations participated in the annual Heritage Month outreach programme during September. The programme is very popular and has been growing year-on-year in scope and participants, with site visits and activities taking place at key heritage sites in the city.
- A mosaic wall was completed in the biodiversity garden located in Westridge Park. Over the next few years, the City will be investing in infrastructure to redevelop this garden as an outdoor classroom similar to the successful biodiversity showcase garden in Green Point Park. These showcase gardens celebrate the rich natural heritage of the Cape Floristic Kingdom in which the city is located.

STRATEGIC FOCUS AREA 5: THE WELL-RUN CITY

THE WELL-RUN CITY STRATEGIC FOCUS AREA IS UNDERPINNED BY THE PRINCIPLES OF KING III. THE PRIMARY PRINCIPLES THAT IT SEEKS TO IMPLEMENT RELATE TO GOOD GOVERNANCE, TRANSPARENCY, ACCOUNTABILITY AND EFFICIENCY OF THE CITY OF CAPE TOWN MUNICIPALITY.


Through good governance, citizens are provided with an enabling environment that allows them to optimally use their talents to improve their social and economic conditions. Since the City is funded by public money, it is expected to exercise the highest levels of corporate governance.

Only by knowing that elected leaders and officials work in the interest of the public at all times can the City ensure a fully democratic, transparent and accountable government. In all government processes, the City must also demonstrate that it is accountable for the resources it manages.

The City must also maintain the highest level of efficiency. In this regard, the City has put in place a set of human resource management and development processes – including performance management, personal development plans and workplace skills planning – all of which guide staff training and development. These also deliver effective talent management by creating a fit-for-purpose organisation that is service-oriented.

To ensure that Cape Town is a well-run city, three key objectives – each with its own underpinning programmes – have been identified. This section offers an overview of the progress made against each of these objectives and underpinning programmes, as set out below, in the past financial year.

Table 11: IDP objectives and programmes for the well-run city

OBJECTIVE	PROGRAMME
5.1 ENSURE A TRANSPARENT GOVERNMENT, AND WORK TOWARDS ERADICATING CORRUPTION  reference page 107 of 2015/16 IDP review Page 126 in this report	<ul style="list-style-type: none"> • 5.1(a) Transparent government (oversight) programme
5.2 ESTABLISH AN EFFICIENT AND PRODUCTIVE ADMINISTRATION THAT PRIORITISES DELIVERY  reference page 108-111 of 2015/16 IDP review Page 126 in this report	<ul style="list-style-type: none"> • 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 management framework – Development Information Resource Centre (DIRC)
5.3 ENSURE FINANCIAL PRUDENCE, WITH CLEAN AUDITS BY THE AUDITOR-GENERAL  reference page 111, 112 of 2015/16 IDP review Page 133 in this report	<ul style="list-style-type: none"> • 5.3(a) Financial management programme • 5.3(b) Internal management processes programme



KEY WELL-RUN CITY ACHIEVEMENTS IN 2015/16

Scored **2,8** in the
annual citywide
Community
Satisfaction Survey

Received high
investment rating
of Aaa.za from
independent
rating agency

66,34%
of people from employment
equity (EE) target groups
employed in the three highest
levels of management

104,85%
OF WORKPLACE
SKILLS PLAN
BUDGET SPENT



THE WELL-RUN CITY

OBJECTIVE 5.1

ENSURE A TRANSPARENT GOVERNMENT, AND WORK TOWARDS ERADICATING CORRUPTION

PROGRAMME 5.1(A): TRANSPARENT GOVERNMENT (OVERSIGHT) PROGRAMME

Independence of the Audit Committee

Internal Audit is an independent department of the City of Cape Town and is a requirement of the MFMA and King III, which Council formally adopted.

The department is mandated through its charter (terms of reference) to provide independent, objective assurance and advisory 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. More details on the role, functions and performance of Internal Audit during the 2015/16 financial year appear on page 150 of this report.

Enabling easy reporting of fraud and corruption

The City has a well-established 24/7 hotline for reporting fraud and corruption. The 24/7 hotline is managed by an independent, external service provider. Other reporting mechanisms for alleged fraud and corruption include letters, faxes, walk-in facilities, telephone calls, e-mails and other electronic communication media, such as Webmail, Facebook and Twitter.

Statutory Compliance Unit

IN THE YEAR UNDER REVIEW, THE CITY RECEIVED 1 793 REQUESTS FOR ACCESS TO INFORMATION. OF THESE, 583 WERE GRANTED (411 IN FULL AND 172 PARTIALLY), WHILE 1 210 REQUESTS WERE DENIED.

While it is not possible to detail every reason for requests for access to information being declined, the main reasons included the following:

- **Section 20** – requests transferred to other public bodies
- **Section 23** – information that does not exist or cannot be found
- **Section 34(1)** – personal information
- **Section 36(1)** – commercial information
- **Section 37(1)** – confidential information
- **Section 40** – privileged information
- **Section 44** – information that is still being deliberated on in order to make a final decision or formulate a policy
- **Section 38** – information concerning the safety and security of individuals
- Third party provided **no consent**
- **Withdrawal** of request
- **Non-valid requests** (e.g. the person was not a requester in terms of the Promotion of Access to Information Act)

Requesters have the option of taking the non-granting of requests on appeal to the Speaker in terms of section 74 of the abovementioned act.

OBJECTIVE 5.2

ESTABLISH AN EFFICIENT AND PRODUCTIVE ADMINISTRATION THAT PRIORITISES DELIVERY

PROGRAMME 5.2(A): HUMAN RESOURCES, TALENT MANAGEMENT AND SKILLS DEVELOPMENT PROGRAMME (INTEGRATED TALENT MANAGEMENT APPROACH)

Overview of human resources

AT THE END OF JUNE 2016,

THE CITY HAD **26 349**

EMPLOYEES (2014/15:

25 516). THIS REPRESENTS

AN **INCREASE OF 3,26%**

COMPARED TO THE PREVIOUS

FINANCIAL YEAR. THE

VACANCY RATE FOR THE CITY

IS 8,61%.

While the City's staff complement is highly diverse, it still faces numerous challenges in terms of transforming its equity profile across skills and managerial levels. For this reason, the City prioritises internal development of staff as well as the active provision of career opportunities to women and people with disabilities, with a view to accelerating the transformation of its diversity profile, particularly at senior levels.

Table 12: City of Cape Town workforce profile and targets as at 30 June 2016

OCCUPATIONAL LEVELS	FEMALE					Female total	MALE					Male total	Grand total	DISABILITY COMPLIANCE	
		African	Coloured	Indian	White			African	Coloured	Indian	White			TARGET	
Benchmark target/%		16,20%	22,35%	0,46%	8,30%	47,31%		19,09%	23,85%	0,63%	9,12%	52,69%	100,00%	2%	
1 000 top management (T23+)	Actual	2	0	0	2	4	Actual	0	3	0	4	6	10	Actual	2
		20,00%	0,00%	0,00%	20,00%	40,00%		0,00%	20,00%	0,00%	40,00%	60,00%	100,00%		20,00%
	Overall target	2	2	0	1	5	Overall target	2	2	0	1	5	10	Disability target	0
2 000 senior management (T19 - T22)	Actual	6	7	0	9	22	Actual	11	23	3	34	71	93	Actual	6
		16,45%	7,53%	0,00%	9,68%	23,66%		11,83%	24,7%	3,23%	36,56%	76,34%	100,00%		6,45%
	Overall target	15	21	0	8	44	Overall target	18	22	1	8	49	93	Disability target	2
3 000 professionally qualified and experienced (T14 - T18)	Actual	108	247	18	227	600	Actual	162	600	27	617	1 406	2 006	Actual	71
		5,38%	12,31%	0,90%	11,32%	29,91%		8,08%	29,91%	1,35%	30,76%	70,09%	100,00%		3,54%
	Overall target	325	448	9	166	949	Overall target	383	478	13	183	1 057	2006	Disability target	40
4 000 skilled technical and academically qualified (T9 - T13)	Actual	1 068	1 620	21	471	3 110	Actual	949	2 961	37	79	4 743	7 923	Actual	213
		13,48%	20,45%	0,27%	5,94%	40,14%		11,98%	37,37%	0,47%	10,05%	59,86%	100,00%		2,69%
	Overall target	1 284	1 771	36	658	3 748	Overall target	1 513	1 890	50	723	4 175	7 923	Disability target	158
5 000 semi-skilled and discretionary decision making (T5 - T8)	Actual	1 207	2 206	23	331	3 767	Actual	1 621	3 676	23	302	5 622	9 389	Actual	209
		12,86%	23,50%	0,24%	3,53%	40,12%		17,26%	39,15%	0,24%	3,22%	59,88%	100,00%		2,23%
	Overall target	1 521	2 098	43	779	4 442	Overall target	1 792	2 239	59	856	4 947	9 389	Disability target	188
6 000 unskilled and defined decision making (T1 - T4)	Actual	817	916	2	8	1 743	Actual	2 183	3 379	8	40	5 610	7 353	Actual	135
		11,11%	12,46%	0,03%	0,11%	23,70%		29,69%	45,95%	0,11%	0,54%	76,30%	100,00%		1,84%
	Overall target	1 191	1 643	34	610	3 479	Overall target	1 404	1 754	46	671	3 874	7 353	Disability target	147
Race/gender rep		11,98%	8,66%	0,24%	3,91%	34,79%		18,40%	39,74%	0,37%	6,70%	65,21%	100,00%	535	636
Grand total		3 208	4 996	64	1 048	9 316		4 926	1 0641	98	1 793	17 458	26 774	2,00%	2,38%

Employment equity

The City's five-year employment equity (EE) plan runs from 1 February 2015 to 30 June 2019. The plan is accompanied by an implementation strategy for the same period to provide guidance on the following:

- Key objectives of the plan
- Desired outcomes and assignments of responsibilities for each year of the plan
- Barriers identified during consultation, and affirmative action measures to facilitate redress
- A dispute resolution mechanism

Striving for gender and race equity

Achieving an appropriate gender balance in the City remains a challenge, in that the workforce profile is male-dominant. Every effort is made through recruitment, selection and capacity-building processes to ensure that equal opportunity is given to females. In most cases, females are underrepresented in all race categories and occupational levels.

A focus on persons with disabilities

In the year under review, the City achieved its target of 2% employment of persons with disabilities. This was the result of a multipronged approach to recruitment and selection, an intensive disability disclosure project, and reasonable accommodation initiatives throughout the City's directorates and departments. Nine out of 12 directorates exceeded this target, and efforts are ongoing to assist the remaining three directorates to improve and achieve their target.



'EMPLOYMENT OF PERSONS WITH DISABILITIES AT THE CITY CURRENTLY STANDS AT 2,38% (636), WHICH REPRESENTS APPROXIMATELY 40% IMPROVEMENT ON THE PREVIOUS FINANCIAL YEAR.'

Table 13: Total number of City employees with disabilities as at 30 June 2016

ANNEXURE B: DISABILITY TARGET: 30 JUNE 2016: 2%						
	TOTAL STAFF AS AT 30 JUNE 2016	TARGET	BASELINE (30 JUNE 2015)	ACTUAL AS AT 30 JUNE 2016	TOTAL SHORT/OVER	PERCENTAGE COMPLIANCE %
City health	1 686	34	40	45	11	2,67
Community services	3 431	69	70	101	32	2,94
Corporate services and compliance	2 355	47	60	65	18	2,76
EESP	821	16	18	36	20	4,38
Finance	1 764	35	54	64	29	3,63
OCM	106	2	2	4	2	3,77
Human settlements	771	15	25	24	9	3,11
Safety and security	3 984	80	45	66	(14)	1,66
SOCDEC	240	5	5	8	3	3,33
TCT	1 887	38	25	35	(3)	1,85
TEED	179	4	1	8	4	4,47
Utility services	9 587	192	109	184	(8)	1,92
City	26 774	535	454	636	101	2,38
% ACHIEVEMENT			1,77%	2,38%		
GROWTH IN FINANCIAL YEAR 1 JULY 2015 – 30 JUNE 2016			40,09%			



OTHER EMPLOYMENT EQUITY HIGHLIGHTS FOR 2015/16

- The **EE Department** exceeded all its performance targets for the period.
- A **workshop** focusing on inclusivity was conducted for councillors.
- An **anti-racism dialogue** was facilitated by EE officials in partnership with the Human Rights Commission.
- Two **employment equity labour law workshops** were conducted in partnership with the CCMA in May and June 2016.
- The EE Department hosted the annual **Women's Month celebrations** as well as **International Disability Day** for staff in the City.

Attracting and developing talent

The City's Recruitment and Selection Policy supports a robust talent attraction process with flexible staffing options and inclusion of probation. A total of 3 795 appointments (2 001 external and 1 794 internal) were made in the year under review, ensuring that the City remains in the top 50 employers of choice nationally among undergraduates and young professionals.

The City's overall turnover in employees remains low, with the turnover in scarce-skills categories at 6,49%. The overall growth in employees in the same categories was 2,28% over the financial year, indicating an increase in the City's skilled workforce and a reduction in risk.

Developing people through training and coaching

The City continues to invest in staff development, and achieved a 104,85% spend on its training programmes. The City provided more than 40 270 training opportunities (excluding internal bursaries) to almost 15 568 staff members. In addition, more than 2 228 employees underwent training supported via internal bursaries.

COMMITTED TO SKILLS DEVELOPMENT AND LEARNING

THE CITY ALSO INVESTS SIGNIFICANTLY IN THE DEVELOPMENT AND TRANSFER OF SKILLS AMONG ITS EMPLOYEES. THE BULK OF THE TRAINING WAS AIMED AT STAFF AT THE LOWER EMPLOYMENT LEVELS WITHIN THE CITY, FOR THE ADMINISTRATION TO 'GROW ITS OWN TIMBER'.

The City once again received awards for aspects of its adult education and training programme. Highlights and programmes for the year under review included the following:



Driver training (corporately funded)

A total of 127 lower-level employees completed the driver training programme.



Finance management programme (corporately funded)

The three-year minimum municipal competency programme for lower staff levels enhances the development of competent employees within the finance environment. There are currently more than 259 employees on the programme.



Shop steward training (corporately funded)

Almost 105 shop stewards from both unions attended shop steward-related training. The purpose of the training was to capacitate shop stewards to perform their daily functions. Another 50 shop stewards were granted bursaries for more specialised training in labour relations.



Adult education and training (corporately funded)

The City continues to expand its adult education and training programme and has started with a matric programme. More than 200 employees enrolled.



External opportunities (funded across the directorates)

The City of Cape Town has a target – set by the IDP – to create a number of external opportunities that are measured on a quarterly basis on the SDBIP. These opportunities include graduate interns, external bursars, in-service students, learnerships and apprenticeships.

The target for the 2015/16 financial year was 850 opportunities for in-service/bursaries/internships/learnerships and 300 for apprentices. By the end of the financial year, these targets had been exceeded with 1 130 external trainee and bursary opportunities and 383 apprenticeship opportunities created.

City helps students realise their dreams through bursaries

IN JANUARY 2016, THE CITY AWARDED 80 EXTERNAL BURSARIES TO SELECTED STUDENTS IN MORE THAN 40 FIELDS OF STUDY.

THE CITY'S TOTAL BUDGET FOR BURSARIES FOR THE 2015/16 FINANCIAL YEAR WAS R4,5 MILLION, WITH THE VALUE OF EACH BURSARY VARYING BETWEEN R15 000 AND R40 000.

Over the past 13 years, the City has provided assistance to over 659 students in need.

The external bursary programme is part of this administration's commitment to supporting skills development to create a more inclusive society.

Mentors have been assigned to each student and, upon completion of their studies, they will be placed in a funded position at the City for a period of the same duration for which the bursary was granted. In this way, they will gain on-the-job experience, which will stand them in good stead for future job opportunities that become available elsewhere in the country. By creating this pipeline of talent, the City is also able to draw resources from this pool of students for future employment.

MFMA competency training

Municipal minimum competency training is offered for accounting officers, chief financial officers, senior managers, other financial officials, heads of supply chain management and supply chain management officials. This is in line with the requirements of section 83, 107 and 119 of the MFMA and the Municipal Regulations on Minimum Competency Levels (Government Gazette 29967, 2007).

Table 14: Achievement under the training programme for legal compliance

COMPLIANCE DESIGNATIONS	TOTAL NUMBER OF OFFICIALS EMPLOYED BY THE CITY	TOTAL NUMBER OF OFFICIALS WHO MEET THE PRESCRIBED COMPETENCY LEVELS	OFFICIALS WHO WERE RECENTLY APPOINTED AND MUST COMPLY WITHIN 12 MONTHS OF DATE OF APPOINTMENT
FINANCE OFFICIALS			
Accounting Officer	1	1	0
Chief Financial Officer	1	1	0
Senior managers	8	8	0
Middle financial managers	19	18	1
SUPPLY CHAIN MANAGEMENT OFFICIALS			
Head: Supply Chain Management	1	0	1
Supply chain managers	7	6	1
TOTAL	37	34	3

Officials falling outside the scope of legal compliance, but wishing to participate in the training for the purposes of career development and growth, can be recommended for the training by their line managers.

Table 15: Achievement under the training programme for career development

OFFICIALS PARTICIPATING IN THE TRAINING AS PART OF THEIR PERSONAL DEVELOPMENT PLANS	STATUS
In excess of 300 staff	Staff participating are at various degrees of completion

All the MFMA competency training under this programme is funded via the City's internal bursary programme.



Recognising the commitment of City employees

A total of 161 employees were awarded certificates of recognition for completing their qualifications (certificates, diplomas and degrees) in the 2015/16 year. These covered various fields of study and diverse programmes. Eight employees also received top achiever certificates, and two employees completed their PhDs.

Enabling employee engagement

The Recognition and Reward Policy was developed and adopted in 2014 to provide positive recognition and feedback to employees who have made exceptional contributions. Many directorates and departments also have well-established recognition and reward programmes in place, which have been enthusiastically adopted by employees and have proven to be highly successful and motivating.

The Annual Mayoral Awards, which are prestigious awards measured against the five SFAs of the IDP, were approved as part of this policy. Any employee can be nominated for an award by a colleague, team leader, supervisor or line manager. In 2015/16, a total of 61 employees were nominated from across the organisation, and 18 employees were awarded against each SFA. The recipients of these awards were granted five days' leave, which can be converted to cash.

The latest employee engagement survey continues to show high scores on critical indicators, which translates into improved service delivery. Results indicate that:



PROGRAMME 5.2(B): HUMAN RESOURCES STRATEGY

THE CITY'S SINGLE BIGGEST BUDGET ITEM IS STAFF COSTS, WHICH CURRENTLY AMOUNT TO APPROXIMATELY R10,7 BILLION PER ANNUM.

This is a very worthwhile investment, since the City's staff members are its most valuable asset. The human resources (HR) strategy is aimed at ensuring that this asset is optimally utilised, motivated and developed. In the year under review, the ongoing roll-out of smart electronic systems delivered the following outputs in line with the strategy:

- The turnaround time to fill vacancies was reduced by 13%, largely as a result of working smarter, using text hire and related mechanisms, and establishing databases for generic positions, such as workers, clerks, etc.

- The first and second phase of employee folder management on SAP was rolled out. This programme will deliver significant savings in future. As employee records are created and stored online, it reduces the need for paper, printing, photocopying and, importantly, storage space, as well as speeds up retrieval of employee records.
- The EPWP SAP payroll and personnel administration solution to replace an external service provider system was developed and piloted during the year, with the intention to roll it out across the organisation in 2016/17. This system will provide increased governance and auditability, and ensure sustainable payroll and personnel administration for EPWP workers.
- Absenteeism remains relatively low at 4,65%.
- Use of the HR Service Desk increased by almost 21% from 32 634 to 39 384 calls received. First-time resolution of calls is 94%, with the remaining 2 363 calls being referred for more specialised responses.

PROGRAMME 5.2(C): ANNUAL COMMUNITY SATISFACTION SURVEY (CSS)

Listening to the community

The annual CSS measures residents' satisfaction with the City's delivery of a range of services. The research has shown improvement in residents' perceptions since the initial survey of 2007/8. In 2015/16, the City scored 2,8 on a five-point scale in its annual citywide CSS. This rating represents residents' average satisfaction with the City's overall service delivery.

The 2015/16 score is an increase from 2,7 in 2011/12 (the start of the current IDP term-of-office plan) and from 2,4 in 2007/8 (the start of the survey). A high-level overview of the results of the survey is included in the section on governance, compliance and risk management on page 37 of this report.

PROGRAMME 5.2(D): INFORMATION AND KNOWLEDGE MANAGEMENT FRAMEWORK - DEVELOPMENT INFORMATION RESOURCE CENTRE (DIRC)

DIRC is a knowledge hub on the City's intranet that provides a central resource of development-related data, information and knowledge to all City of Cape Town employees. The City believes that sharing knowledge helps its employees work in a more integrated and efficient way to support development and service delivery. DIRC allows staff users to both extract and contribute data, information and knowledge.

Some of the elements contained in DIRC include a spatial information portal, a section on statistics and indicators for Cape Town, a research hub, a reports repository and a data directory.

Occupational health, safety and employee wellness

The primary function of the City's Occupational Health and Safety Department is to provide services to and advise line managers and staff in order to enhance their health, safety and wellness while at work. These services include occupational health and safety legal compliance, medical assessments to evaluate employees' fitness for duty, evaluation of drivers' competence to operate Council vehicles, and assisting and counselling employees who are facing psycho-social challenges.

During the 2015/16 financial year, emphasis was placed on raising awareness with regard to the different types of services provided by the department.

In this regard, 364 awareness sessions and 33 HIV counselling and testing events were held.

The department also hosted its two annual flagship events, the Driver of the Year (DOTY) competition and the World Day for Safety at Work themed 'Workplace Stress: A Collective Challenge'.

A TOTAL OF 2 780 EMPLOYEES MADE USE OF THE EMPLOYEE WELLNESS SERVICES DURING THE PERIOD UNDER REVIEW.

In preparation for the roll-out of an occupational health and safety management system, the department has developed 12 main procedures as set out in OHSAS 18001, an international occupational health and safety management system specification, along with a monitoring and evaluation framework.

Information systems and technology

The City's information and communications technology (ICT) systems are acknowledged nationally and internationally for the manner in which they enable the City to deliver services. As a strategic department in the City, Information Systems and Technology (IS&T) aims to be a catalyst for the transformation of public services, and 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 have been 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 and clean audit

The City has put various controls in place to ensure that service delivery and good governance practices are accelerated across the organisation. This has resulted in Cape Town achieving 13 unqualified audits, as well as its fourth clean audit for the 2015/16 financial year.

Cape Town beats all other metros in financial management

A Ratings Afrika report published in April 2016 once again confirmed the City's nation-leading spending on service delivery and good financial control. Ratings Afrika analysed the 2014/15 financial statements of the 100 biggest municipalities, measuring each municipality's operating performance, liabilities management, budget practices and liquidity position to compile the Municipal Financial Stability Index, rating municipalities out of 100.

Cape Town scored 75, which was the highest of all metros, with Johannesburg scoring 37, Ekurhuleni 70, Tshwane 24, Nelson Mandela Bay 58, eThekweni 50 and Buffalo City 73.

As part of its commitment to being a well-run city, the City of Cape Town prioritises prudent financial management, as this leads to increased financial stability, which attracts business and investment and, in turn, creates jobs.

Moody's gives City highest credit quality rating

In May 2016, ratings agency Moody's afforded the City a long-term and short-term global scale rating of Baa2 and Prime -2 respectively, and a long-term and short-term national scale rating of Aaa.za and Prime -1.za respectively. This means that the City now has the highest possible level of credit quality in the national context.

Moody's revised ratings methodology also means that, going forward, there should be less volatility in the City's national scale rating, even when the global scale rating is moved. This means that the scores it obtains will be more reflective of the City's own credit quality within the local environment. The inclusion of a global credit rating also makes it more comparable with other entities in the international market.

Moody's cites as a reason for its top rating the 'City's good budgetary performance, strong liquidity position and moderate debt levels, supported by the administration's prudent financial policies and its relatively large and diversified economic base'.

PROGRAMME 5.3(A): FINANCIAL MANAGEMENT PROGRAMME

City's Finance Directorate an international top performer

The City of Cape Town completed its 2015 General Valuation in January 2016. This valuation roll, certified by the municipal valuer, was handed to the City Manager in accordance with the legislation governing the valuation process, the Local Government: Municipal Property Rates Act, Act 6 of 2004.

Although the legislation allows for a new municipal valuation roll every four years, the City has been completing this exercise every three years to minimise variations in property values affecting the property owners in the City's jurisdictional area.

This was the second General Valuation done totally independently from external advisors. A total of 845 000 properties were valued, of which almost 720 000 are residential properties with a total market value of almost R765 billion. The total market value of all land and buildings valued as at 1 August 2015 amounted to just over R1 trillion.

The City called for an independent audit of the computer-aided mass appraisal system and received a very positive report after a thorough review. The valuation roll was opened for inspection from 19 February 2016, and in the period up to 29 April 2016, approximately 20 500 objections to property values were received.

Table 16: Summary of the last five Cape Town valuation rolls

YEAR	NUMBER OF STAFF INVOLVED	NUMBER OF PROPERTIES ON THE VALUATION ROLL	TOTAL AGGREGATED PROPERTY VALUE	NUMBER OF PROPERTY OWNER OBJECTIONS
2000	807	549 765	R243 billion	40 000
2006	407	736 580	R722 billion	51 469
2009	179	785 919	R806 billion	38 614
2012	150	815 134	R913 billion	34 303
2015	147	845 764	R1,156 trillion	20 500

Financial oversight of the 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 the legislative responsibilities imposed on the City as the parent entity, oversight is exercised over CTICC governance. This inter alia requires 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 any outside supporting organisation. The City's consolidated financial statements also include the financial statements of the CTICC.

PROGRAMME 5.3(B): INTERNAL MANAGEMENT PROCESSES PROGRAMME

The Municipal Systems Act 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, 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
- 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 Municipal Systems Act defines the responsibilities of the municipality when providing a service through a service delivery agreement with an external mechanism.

Performance monitoring of contracts was enhanced during the 2015/16 financial year. The City's tender tracking system on the SharePoint platform was improved to enable project managers to electronically monitor the progress of contract implementation and performance.

City procurement committed to transformation and empowerment

As an administration that is committed to providing opportunities for all residents, the City of Cape Town issued approximately 219 464 purchase orders to vendors who complied with broad-based black economic empowerment (BBBEE) legislation. In financial terms, this amounts to black economic empowerment procurement of approximately R13,96 billion, or 92,17% of the City's total purchase orders issued for the financial year. Almost 3 000 BBBEE service providers conducted business with the City over the 2015/16 financial period, equating to 84,07% of the overall number of service providers used.

CITY'S PROCUREMENT TRANSPARENCY UNPARALLELED IN SOUTH AFRICA

THE CITY OF CAPE TOWN IS COMMITTED TO A TRANSPARENT AND FAIR PROCUREMENT SYSTEM.

Transparency and fairness begins with maximising access to information about available tenders and quotations. In addition to advertising tenders in the press, all tenders and quotes above R2 000 are advertised on the City's website.

The City maintains a supplier database, where suppliers are able to register for free. Advantages of registration include alerts to tenders/quotes for their registered business type, and alerts regarding the need to renew required documentation, such as tax clearance certificates.

The process of tender evaluation and award is rigorous. When tenders are being adjudicated by the Bid Adjudication Committee, the meetings are open to the public, which is not seen in any other municipality across the country.

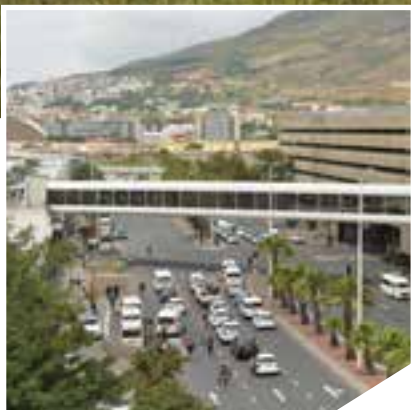
OVERVIEW

OF FINANCIAL PERFORMANCE AND ECONOMIC STABILITY



The 55 000-seater Cape Town Stadium is frequently hosting local and international sporting, music and other events. It has played a big part in transforming the Green Point precinct into a vibrant and highly functional area.

138 OVERVIEW OF THE 2015/16 FINANCIAL PERFORMANCE



Cape Town is an open economy with good infrastructure aiming to embrace trade and investment.



Cape Town is the main driver of economic growth in the region.



Creating pedestrian-friendly spaces and reliable public transport make cities more liveable.

OVERVIEW OF THE 2015/16 FINANCIAL PERFORMANCE

THIS CHAPTER PRESENTS THE HIGHLIGHTS OF THE ENTITY'S FINANCIAL PERFORMANCE FOR THE PAST YEAR. FULL DETAILS APPEAR IN THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS.

OPERATING RESULTS FOR REVENUE AND EXPENDITURE

Over the past year,
revenues increased by
10,21%
to **R35,22 billion.**

This escalation is mainly
attributable to annual
tariff increases.

Operating expenditure
increased by
12,16%
to **R30,85 billion.**

The entity endeavors to keep
the cost of its operations
as low as possible.

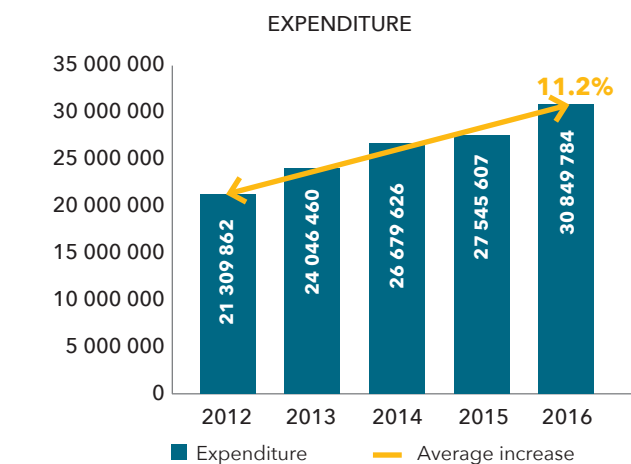
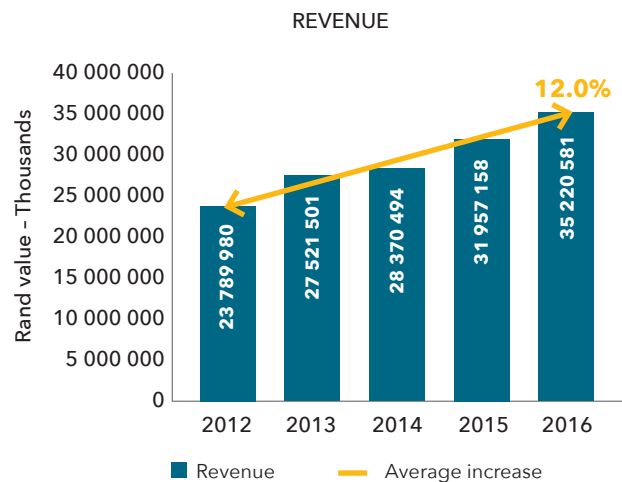


Figure 15: Entity's financial performance over the past five years

OPERATING REVENUE FOR 2015/16

Further details of service charges are contained in note 24 to the consolidated annual financial statements.

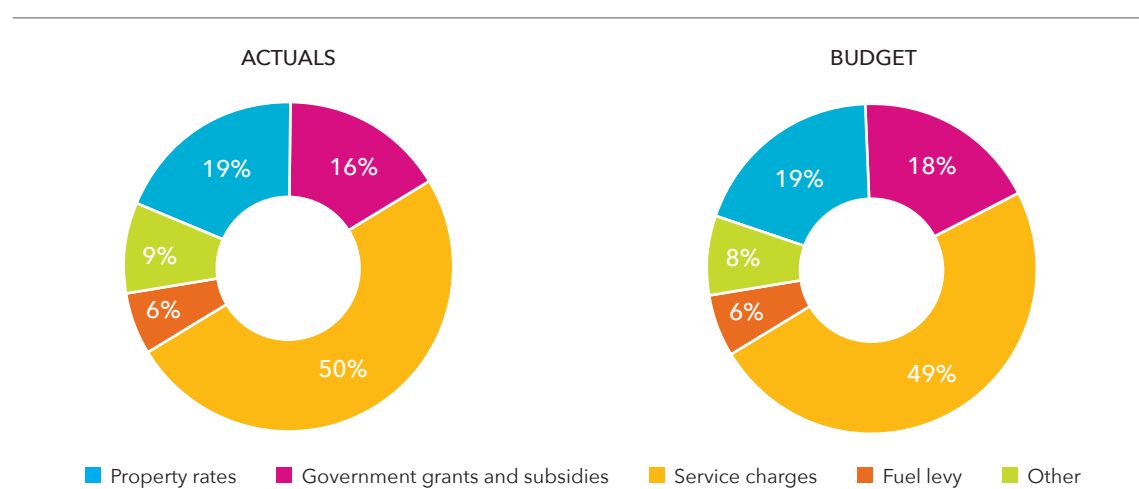


Figure 16: Entity's operating revenue vs. budget for 2015/16

OPERATING EXPENDITURE 2015/16

The proactive control and containment of cost increases remains a key priority for the entity. Further details are contained in notes 31 to 38 to the consolidated annual financial statements.

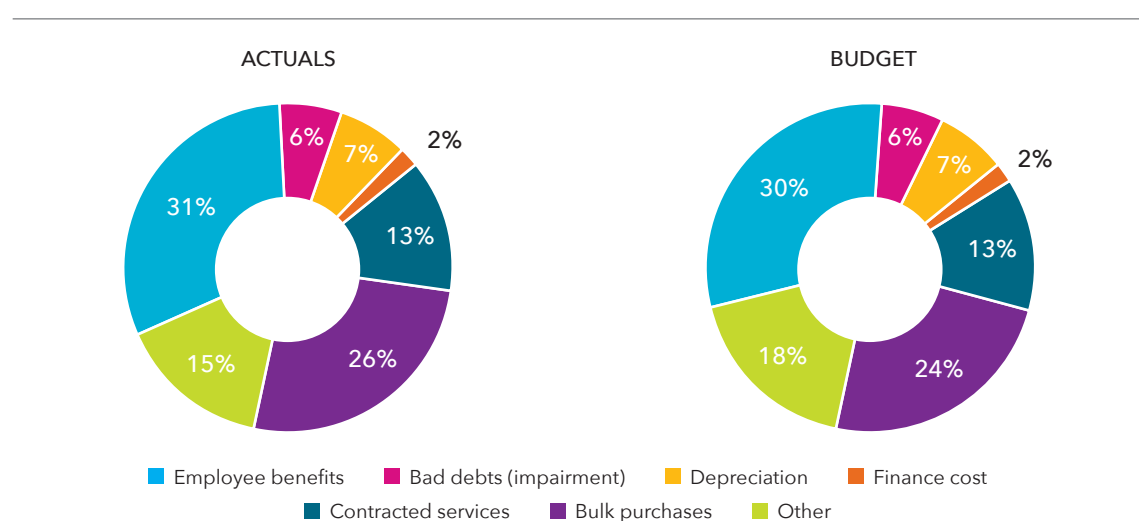


Figure 17: Entity's operating expenditure vs. budget for 2015/16

NET SURPLUS RESULT

THE ENTITY REPORTED A R4,37 BILLION NET SURPLUS FROM OPERATIONS (2015: R4,42 BILLION) AGAINST A BUDGETED SURPLUS OF R2,39 BILLION.

This surplus includes grants revenue that has already been utilised to fund capital expenditure. A portion of the surplus is also committed to fund future expenditure, such as the replacement of capital assets. The surplus after appropriations is the best indicator of the entity's underlying financial performance and sustainability.

Table 17: Surplus after appropriations

	Actuals R'000	Budget R'000
Total revenue	35 220 581	35 204 819
Total expenditure	30 849 784	32 814 660
Surplus from operations	4 370 797	2 390 159
Capital grants and donations	(2 193 123)	(2 515 528)
Taxation	(19 926)	-
Net result from operations - see Annexure D	2 157 748	(125 369)
Transfers to/from reserves and non-controlling interest	(210 294)	(495 671)
Surplus attributable to non-controlling interest	(13 918)	-
Surplus/(deficit) after appropriations	1 933 536	(621 040)

CAPITAL EXPENDITURE

The entity's property, plant and equipment expenditure for the financial year under review amounted to R5,87 billion, compared to R5,34 billion for the previous financial year. This represents a 90,13% (2015: 85,84%) capital spend.

CAPITAL EXPENDITURE BY FUNCTION AREA

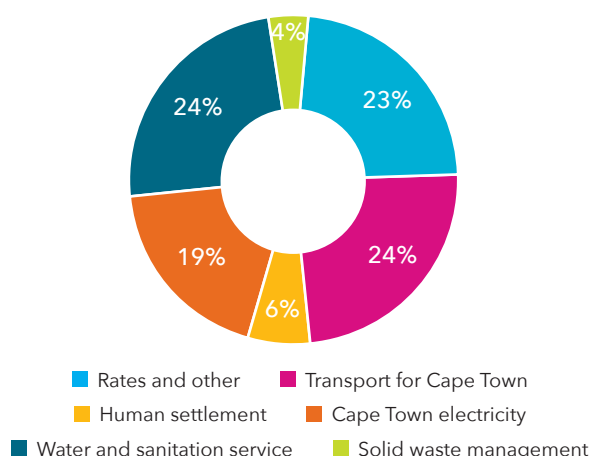


Figure 18: Entity's capital expenditure by functional area

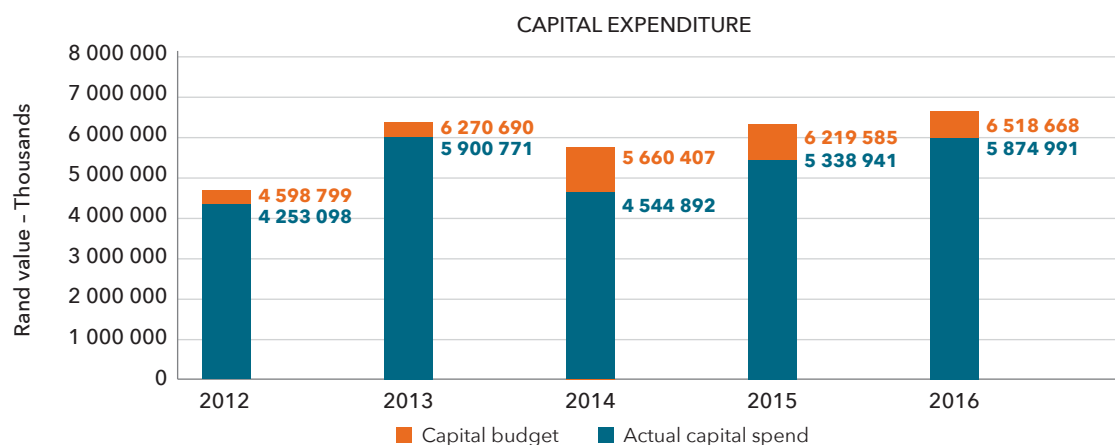


Figure 19: Entity's capital expenditure vs. budget over the past five years

CONSUMER DEBTORS

Outstanding consumer debtors as at 30 June 2016 were R9,81 billion (2015: R8,95 billion). Indigent sector arrear debt of R690,71 million has been written off (2015: R691,85 million). Total provision for impairment increased from R4,34 billion to R4,70 billion, which represents 47,95% of the total outstanding consumer debtors.

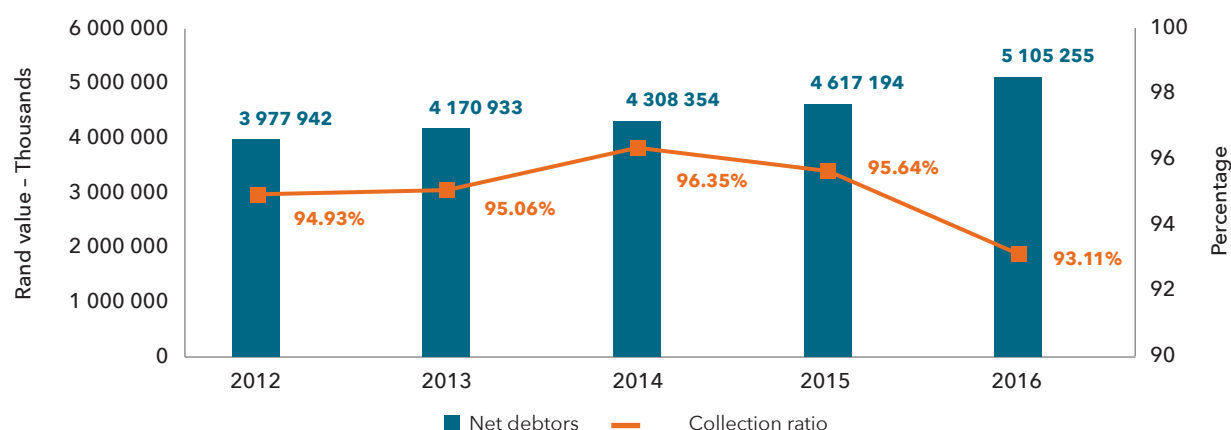


Figure 20: Entity's outstanding net consumer debtors and collection ratios for the past five years

INVESTMENTS, CASH AND BORROWINGS

The entity maintains a healthy cash and investment position given the current economic conditions. Information regarding investments and cash and cash equivalents is provided in notes 7 and 12 in the consolidated annual financial statements.

BORROWINGS

Based on the norms as reflected below, the entity is able to service its current debt repayments and has sufficient cash flow to service long-term obligations. The entity is in a position to take up further borrowing for capital expenditure/programmes given the positive debt to revenue ratio.

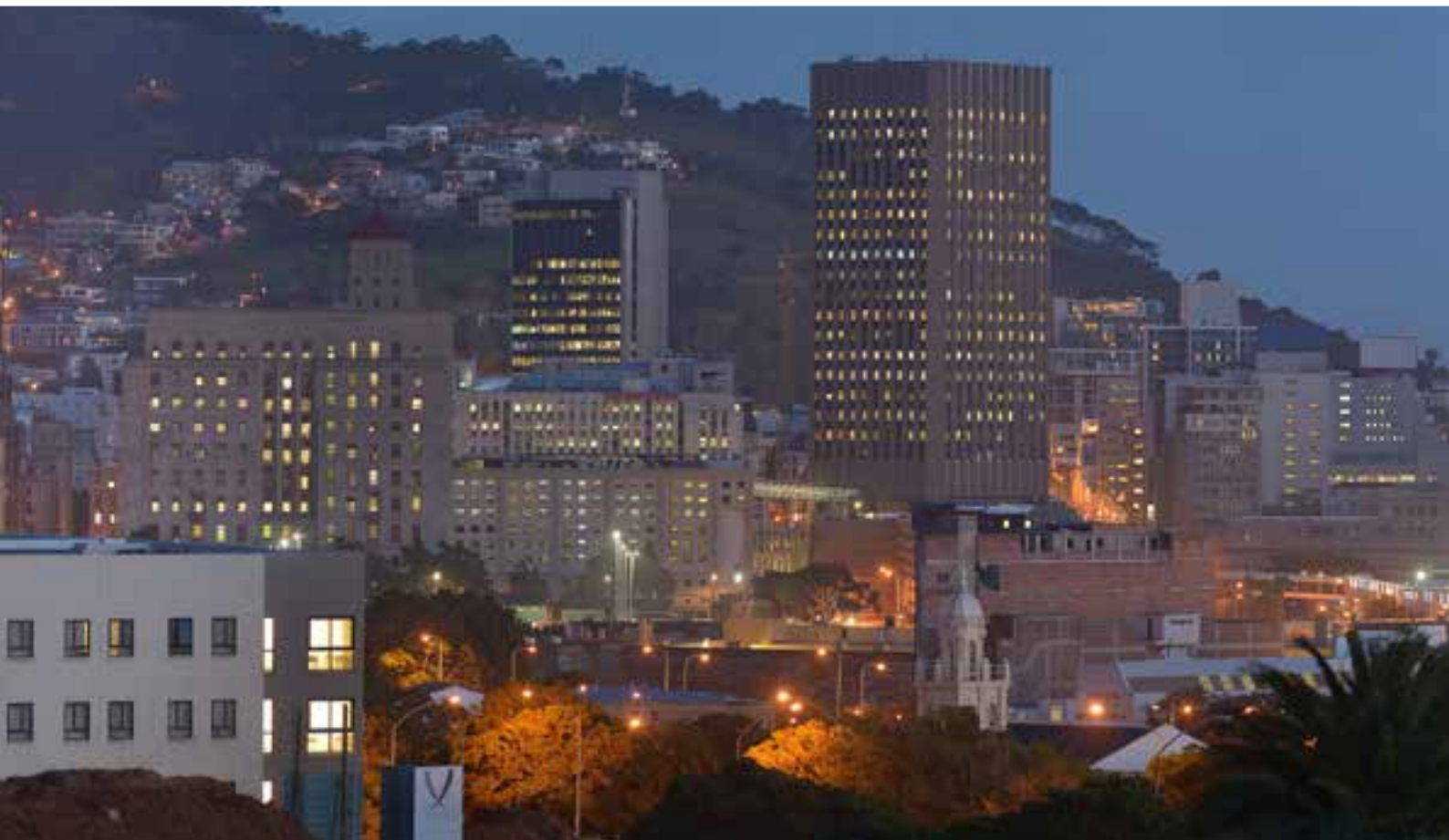
Table 18: The entity's positive debt to revenue ratio

FINANCIAL RATIOS	TARGET	2016	TARGET	2015
Capital cost	6% - 8%	3,36%	6% - 8%	3,97%
Debt coverage by own billed revenue	2:1	5,83:1	2,75:1	4,91:1
Cost coverage	2:1	2,02:1	2:1	1,88:1

CREDIT RATING

During the 2015/16 financial year, Moody's Investors Services assigned a long-term and short-term global scale rating of Baa2 and Prime-2 respectively and a long-term and short-term national scale rating of Aaa.za and Prime-1 respectively, to the City of Cape Town, following a change in their rating methodology. The City of Cape Town has the highest possible level of credit quality within the national context.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS



144	REPORTING ENTITY'S MANDATE	167	Accounting policies
144	APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS	179	Notes to the consolidated annual financial statements for the year ended 30 June 2016
146	REPORT OF THE AUDITOR-GENERAL		ANNEXURES
149	MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS	233	A: Schedule of external borrowings
150	REPORT OF THE AUDIT COMMITTEE	234	B: Analysis of property, plant and equipment and other assets
154	REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)	238	C: Disclosure of bank accounts in terms of section 125(2)(a) of the MFMA
156	GENERAL INFORMATION	240	D: Segmental statement of financial performance
	FINANCIAL STATEMENTS AND POLICY	242	E: Disclosure of grants and subsidies in terms of section 123 of the MFMA
158	Statement of financial position	248	F: Appropriation statement
159	Statement of financial performance	250	G: Bids awarded to family of employees in the service of the state - 2015
160	Statement of changes in net assets	252	GLOSSARY OF ABBREVIATIONS
162	Cash flow statement		
163	Statement of comparison of budget and actual amounts - economic entity		
166	Statement of comparison of budget and actual amounts - Municipality of Cape Town		



REPORTING ENTITY'S MANDATE

The reporting entity (hereinafter 'the Entity') is a high-capacity, category A local authority established in terms of section 151 of the Constitution of the Republic of South Africa, Act 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 Systems Act, Act 32 of 2000, Local Government: Municipal Structures Act, Act 117 of 1998, Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), and various other acts and regulations.

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 2016, as set out on pages 158 to 255 in terms of section 126(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003, 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 32 to these consolidated 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

30 September 2016



REPORT OF THE AUDITOR-GENERAL

TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL OF THE 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 and its entities set out on pages 158 to 232, which comprise the consolidated and separate statement of financial position as at 30 June 2016, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as 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 South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate 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 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 municipality'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 municipality and its entities' 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 and its entities as at 30 June 2016 and their financial performance and cash flows for the year then ended, in accordance with 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.

Material losses/impairments

8. As disclosed in note 10 to the consolidated financial statements, material losses of R690,7 million were incurred as a result of a write-off of irrecoverable receivables.
9. As disclosed in note 10 to the consolidated financial statements, receivables have significantly been impaired, mainly as a result of amounts due to the City by indigent consumers. The impairment allowance amounts to R4,7 billion, of which R3,2 billion relates to service debtors.
10. As disclosed in note 11 to the consolidated financial statements, other receivables have also significantly been impaired, mainly as a result of outstanding traffic fines. The impairment allowance amounts to R2,0 billion.
11. As disclosed in note 46.1.2.3 to the consolidated financial statements, electricity losses to the amount of R370,6 million (11,4%) were incurred as a result of normal system operations, theft and vandalism.

Material underspending of the budget

12. As disclosed in the statement of comparison of budget and actual amounts – Municipality of Cape Town, the municipality has materially underspent the capital budget to the amount of R639,3 million (10,4%).

Significant uncertainties

13. With reference to note 43.3 to the financial statements, there is an ongoing income tax dispute between the municipal entity and SARS. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the financial statements.

ADDITIONAL MATTERS

14. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

15. The supplementary information set out in pages 233 to 251 does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

16. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected strategic focus areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

18. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected strategic focus and key performance areas presented in the annual performance report of the municipality and its municipal entity for the year ended 30 June 2016:

Municipality

- Strategic Focus Area 1: The Opportunity City: on pages 268 to 271
- Strategic Focus Area 3: The Caring City: on pages 270 to 275

Municipal entity

(Cape Town International Convention Centre)

- Key performance area 1: Events, on page 278
- Key performance area 3: Customer centricity and service excellence, on page 278
- Key performance area 5: Budget, on page 278
- Key performance area 6: Governance, on page 278

19. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned strategic focus areas. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
20. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not identify material findings on the usefulness and reliability of the reported performance information for the selected strategic focus and key performance areas.

Municipality

- Strategic Focus Area 1: The Opportunity City
- Strategic Focus Area 3: The Caring City

Municipal entity

(Cape Town International Convention Centre)

- Key performance area 1: Events
- Key performance area 3: Customer centricity and service excellence
- Key performance area 5: Budget
- Key performance area 6: Governance

ADDITIONAL MATTER

22. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected strategic focus and key performance areas, I draw attention to the following matter:

Achievement of planned targets

23. Refer to the annual performance report on pages 268 to 271 and 270 to 275 of the municipality and page 278 of the municipal entity for information on the achievement of planned targets for the year.

Compliance with legislation

24. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

25. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other report

26. I draw attention to the following engagements that could potentially impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

INVESTIGATIONS

27. One hundred and sixty eight (2014-15: 129) open cases relevant to the City of Cape Town appeared in the forensics, ethics and integrity department register of the City of Cape Town at the end of the financial year under review. The movement in the cases is as follows:
- 152 new cases relating to alleged fraud, corruption, or other criminal activity, maladministration and negligence were investigated by the forensics, ethics and integrity department during the year under review
 - 270 cases were concluded during the year, of which 40 related to the current year and 230 to prior years.

Auditor-General

Cape Town
13 December 2016



MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS 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 annual financial statements of the City of Cape Town for the year ended 30 June 2016 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.



REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEES TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE CITY OF CAPE TOWN

In line with its strategic commitment to be a well-governed City, the City of Cape Town strives for effective oversight and monitoring of its governance structures. Critical to the achievement of this aim is a competent and independent Audit Committee. Section 166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, as amended, obliges every municipality to establish an independent Audit Committee which must advise the Municipal Council, political office-bearers, accounting officer and management staff of the municipality and the accounting officer and the management staff of the municipal entity, on matters relating to internal financial controls and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the Division of Revenue Act (DoRA), Act 1 of 2015 and any other applicable legislation and any other issues referred to it by the municipality or municipal entity.

In October 2015 Council appointed a separate Performance Audit Committee (*vide* C52/10/15). Subsequent to the year end (October 2016), Council resolved that the functions of the Performance Audit Committee be merged with that of the Audit Committee (*vide* C16/10/16). Both Committees are governed by formal terms of reference which are regularly reviewed and approved by Council and were last updated during September 2014 (*vide* C34/09/14).

The Committees are pleased to present our reports for the financial year ended 30 June 2016.

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit and Performance Audit Committees' terms of reference requires five, and three, independent members, who have sufficient qualifications and experience to render the services associated with the audit committee function. During the year under review, four Audit Committee meetings, four Performance Audit Committee meetings and two special meetings, to consider the adjusted internal audit plan and the internal audit plan, were held. All members of the Audit Committee were also members of the Performance Audit Committee, except the Chairperson of the Audit Committee. The Chairperson of the Audit Committee also attends the City's Risk Management Committee (RiskCo) meetings, which meetings are not reflected in the table below.

Other meetings were held with the City Manager (22 July 2015) and the Executive Mayor (22 March 2016). Internal Audit (IA) Department attends the committees' meetings. The Deputy Mayor (when required), a representative of the City Manager's Office, most members of the Executive Management Team and other officials also attend the meetings. The Office of the Auditor-General South Africa (AGSA) has a standing invitation to all committee meetings and attended eight of the ten meetings. The meetings have substantial agendas which require a lot of preparation which is done diligently by members. Committee members participate in meetings with commitment as is evidenced from the summary of tenure, qualifications and meeting attendances below:

NAME	QUALIFICATIONS	NUMBER OF MEETINGS ATTENDED ¹		TENURE PERIOD ⁽¹⁾	TENURE PERIOD ⁽²⁾
		AUD ²	PAUD ³		
Mr Guy Harris	B Comm. Hons/CA(SA)	6		01/04/2015 to 31/03/2018	
Ms Mariaan Roos	CA (SA)/H Dip Co Law/Masters of Commerce in Auditing/Certified Sustainability Master Class	6	4	01/02/2011 to 31/01/2014	01/02/2014 to 31/01/2017
Ms Somesh Naidu	Diploma in Business Management/Higher Certificate in Management	6	4	26/09/2014 to 31/08/2017	
Ms Judy Gunter	B.Compt Honours/Masters in Cost Accounting /Certified Internal Auditor (CIA)	1	1	01/11/2012 to 31/10/2015	
Dr Stewart Fisher	M.B./Ch.B. (UCT)/M.Med (Community Health)	1		01/11/2012 to 31/10/2015	
Ms Divya Singh	Professor/BA Cum Laude/LLM/LLD/Tertiary Ed in Man Information/Advocate	5		01/11/2015 to 31/10/2018	
Mr Athol Rhoda	CA(SA)	5	3	01/11/2015 to 31/10/2018	

¹ The meeting of 31 August 2016 was only attended by a quorum of 3 members due to the Council approved meeting date being changed in view of the establishment of the new Council

² AUD = Audit Committee

³ PAUD = Performance Audit Committee

AUDIT AND PERFORMANCE AUDIT COMMITTEE RESPONSIBILITIES

The Committees are pleased to report that they have complied with their responsibilities arising from the terms of reference, including relevant legislative requirements.

The Committees also have formalised annual workplans that assist in carrying out their responsibilities and monitoring progress.

Quarterly reporting, by the Audit Committee Chairperson, on the committee's activities, were succinctly presented to MayCo and Council with the detailed minutes of each meeting, following the approval of the minutes at committee meetings, being tabled at Council.

Bi-annual reporting, by the Performance Audit Committee Chairperson, on the committee's activities, was succinctly presented to MayCo and Council with the detailed minutes of each meeting, following the approval of the minutes at committee meetings as required by Regulation 14 of the Municipal Planning and Performance Management Regulations, being presented to Council.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee had the opportunity to review the annual financial statements before and after the AGSA review and discussed them with Management. The Audit Committee has, the following comments:

- a. The City is a going concern with the best credit rating, given South Africa's sovereign credit rating.

- b. Very close to 90% of the Capital Budget, the highest in some years, was spent and Supply Chain Management rules are applied strictly. The City is taking steps to enhance project management.

- c. The costs and commitments as well as the benefits of MyCiti public transport and the move to Transport Orientated Development.

- d. The challenges of minimising cost increase to ratepayers and recipients of services in the face of low economic growth and high cost pressures. The current restructure should help going forward.

The Audit and Performance Audit Committees congratulate the Management of the City, especially those in the areas of financial, performance and governance services on yet again achieving an unqualified with no findings report (clean audit), a good indicator of a well run City.

The external audit activities are performed by the AGSA and their sourced-in audit consulting partners.

The Audit Committee has no hesitation in recommending to Council that the annual financial statements be accepted and included in the annual integrated report of the City to its stakeholders. Stakeholders of the City can be justifiably appreciative of the City, despite the many challenges of a rapidly growing City, being forward looking and well managed. The City has the right environment and reputation to deliver for all, based on the relatively low level of unemployed, especially the discouraged work seekers and the strong brand which can be leveraged for tourism and business with the support of residents.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The committees have considered the work performed by IA on a quarterly basis and have reviewed the IA Annual Report on Internal Controls for the year ended 30 June 2016.

An IA opinion of "Some 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, including financial control assessments, 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.

The assessment outcomes of the aforementioned COSO components were at a state of equilibrium. However, the Audit Committee wishes to draw attention to the following areas flowing from the committees' activities during the year and the Internal Audit Annual Report on Internal Controls:

- a. Lack of policies and procedures in and the inadequacy of existing policies and procedures in certain areas;
- b. Lack of management reviews and supervisory checks on occasions;
- c. Lack of supporting evidence/information/records management processes from time to time;
- d. Resource/capacity constraints;
- e. Lack of adequate communication/collaboration occasionally;
- f. A lack of reconciliation between various information sources as part of the verification process; and
- g. A lack of monitoring activities on occasions.

It should be emphasised that while these areas require the necessary management attention, as the first line of defence in combined assurance, they were not serious enough for the AGSA to not give a clean audit opinion or the Audit Committee to have to raise specific concerns in these areas with the City Manager, Council, Mayco or the Mayor.

The internal control dashboard of the AGSA was also reviewed and the two major areas for improvement relate to performance information and IT systems.

RESOLVING INTERNAL CONTROL FINDINGS

Follow-up internal audits indicated that an average per directorate of 88% of audit findings previously reported were addressed in comparison to the target of 70%. The committees noted the non-implementation of some of the IA recommendations where alternative methodologies are being investigated. Management is encouraged to focus on these areas for improvement.

Overall the committees are satisfied with the quality and timing of management responses which indicate a well-run City and an Internal Audit department that is respected and valued. This is a reflection of the quality of both management and IA. We are happy that management is appropriately balancing delivery and enhancement.

COMBINED ASSURANCE

The responsibility for coordinating combined assurance rests with the Integrated Risk Management (IRM) activity. Combined Assurance Framework improvements and advancements are underway. The committees regularly review developments in this area as part of our agreed workplan.

The Audit and Performance Audit Committees appreciate the focus on risk and the Chairperson of the Audit Committee (or their nominee) regularly attends the RiskCo meetings. A key focus for all levels of management and oversight must be on the further mitigation of the top ten risks.

INTERNAL AUDIT EFFECTIVENESS

The IA activities are carried out by an in-house department operating in terms of an IA Charter and an annually reviewed audit plan. There has been no compromise of the independence or objectivity of the function during the year under review. However, cognisance should be taken of the independence of IA. It is important that the independence of IA is not compromised during the restructuring of the City and the Mayor has given her assurance that this will not happen. The Chief Audit Executive (CAE) reports functionally to the Audit Committee and administratively to the Executive Director: Corporate Services and Compliance. During the year under review a CAE was permanently appointed which should facilitate the long-term effectiveness of the IA department. Prior to that the Chief: Forensics, Ethics and Integrity acted as CAE and his professional guidance and commitment was appreciated.

An independent external validation of IA quality assurance programme was completed and it was found that the IA activity "Generally Conforms" to the Institute of Internal Auditors (IIA) International Standards for the Professional Practicing of Internal Auditing. From the exercise, recommendations were received for continuous improvement, which will be assessed and implemented as appropriate.

The fact that the majority of Mayco members attended the recent meeting between the Mayor and the Audit Committee reflects the commitment to strong audit functions in the City.

PERFORMANCE MANAGEMENT

In terms of Regulation 14 of the Municipal Planning and Performance Management Regulations, a Performance Audit Committee was appointed on 28 October 2015 (*vide* C52/10/15). The Performance Audit Committee reported bi-annually to Council on the assessment of the City's Performance Management System which included:

- Noting IA findings for improvements required on adequacy and reliability of supporting evidence;
- The need to ensure that performance measurement sheets are reviewed regularly; and
- Improvements in performance information related matters.

There is good alignment between the Audit Committee and the Performance Audit Committee.

RISK MANAGEMENT

City-wide initiatives regarding Risk Management continue to embed risk management processes in the City. RiskCo assists in enabling and enhancing the understanding of management of risk through the strategic "tone from the top" and ongoing evaluation of risks and cost effective mitigation steps.

GOVERNANCE AND ETHICS

The City has adopted the corporate governance principles of the King III Code of Governance in South Africa. The Committees continue to monitor key City-wide governance interventions required, such as the communication and monitoring of the Ethics Office and compliance reporting. These initiatives are continuously evolving and maturing. Ethics is also a key focus of the City and further enhancements of awareness and understanding of Ethics occurred. In May 2016 the City's Draft Ethics Code was presented to the Audit Committee for comment and was subsequently supported.

The City provided input via the Institute of Directors into the development of King IV. Positive feedback was received from the Institute of Directors with regards to the City's input to the King IV report. The Audit Committee hopes the City will adopt King IV which was released subsequent to the year-end along with a supplement for municipalities. It will apply from the 2017/18 financial year.

MUNICIPAL ENTITY

The Cape Town International Convention Centre (CTICC) is the City's sole municipal entity. The Committees play an oversight and advisory role for the municipal entity, with the CTICC Audit Committee meeting minutes and annual report being reviewed at the City's Audit Committees' meetings.

CONCLUSION

The Audit and Performance Audit Committees are pleased with the continuing progress made by the City in improving and progressing with the areas outlined in this report. Management deserves the accolade for another clean audit and their commitment to good governance and clean administration.

An Audit Committee report to the Municipal Public Accounts Committee (MPAC) will also be submitted to MPAC as part of the annual report oversight process.

The Committees fully support the City in implementing 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 in a vibrant, sustainable, globally competitive and caring City.

The Committees wish to express their appreciation to the management of the City, the AGSA and IA who assist the Committees in performing their functions effectively.



G Harris

Chairperson of the Audit Committee

Date: 2 December 2016



M Roos

Chairperson of the Performance Audit Committee

Date: 2 December 2016

REPORT OF MPAC

TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE CITY OF CAPE TOWN

MPAC was established as an oversight committee in terms of section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998 and, in terms of sections 32(2) and 102(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), is authorised to investigate unauthorised, irregular, fruitless and wasteful expenditure of the City and its municipal entity.

MPAC has adopted formal terms of reference which are regularly updated and approved by Council to provide appropriate additional authority.

In addition MPAC is governed by the City Delegations which require that MPAC reports quarterly to Council on the committee's activities.

MPAC hereby presents its third annual report for the financial year ended 30 June 2016.

MEMBERSHIP AND MEETING ATTENDANCE

2015/16 MPAC MEMBERS	MEETING ATTENDANCE
Cllr W Mxolose (Chairperson) (ANC)	10 out of 10 (100%)
Cllr E Anstey (DA) [§]	7 out of 7 (100%)
Cllr R Beneke (DA) [#]	9 out of 10 (90%)
Cllr P Chapple (DA)	10 out of 10 (100%)
Cllr V Isaacs (DA)	9 out of 10 (90%)
Cllr D Khathswa (ANC)	9 out of 10 (90%)
Cllr B Majingo (ANC) [§]	6 out of 6 (100%)
Cllr C Scheepers (ANC)	9 out of 10 (90%)
Cllr M Sopaqa (ANC) [#]	2 out of 4 (50%)
Cllr K Southgate (DA)	10 out of 10 (100%)
Cllr B van Dalen (DA)	9 out of 10 (90%)

[§] MPAC membership ended during 2015/16
[#] MPAC membership commenced during 2015/16

Representatives from the Forensics, Ethics & Integrity, Legal Services and Internal Audit departments, the Office of the City Manager and the Auditor-General of South Africa were present at the MPAC meetings. Six task teams met during the financial year to consider items referred to MPAC by Council in terms of MPAC's delegated authority or Terms of Reference.

MANDATE, METHOD OF WORK AND REPORTING

MPAC efforts are directed by Council and MPAC is authorised to investigate any matter referred. This includes instructing other councillors, management and other employees of Council to be present at meetings and have access to any information they require from any councillor or employee. MPAC ensures that all existing City internal alternative dispute resolution processes have been exhausted before proceeding with investigations.

Follow-up is performed via the outstanding matters schedule to determine if action has been taken to implement recommendations. The MPAC's annual work programme defines its activities for any given year.

Although MPAC has no executive powers, their findings and recommendations are escalated to the appropriate executive authority. MPAC considers the report of the task team at a main MPAC meeting and submits a report containing recommendations to Council for final decision making. The immediate reporting line of MPAC is to the Speaker of Council.

RESPONSIBILITY

MPAC is pleased to report that it has, as far as possible, complied with its responsibilities arising from its mandate, delegations and Terms of Reference.

Quarterly reporting on MPAC's activities as per the Annual Work Programme was succinctly presented to Council for three of the four quarters. This report replaces the fourth quarter's report and is a cumulative activity statement for the year ended 30 June 2016.

REVIEW AND EVALUATION OF THE ANNUAL REPORT

MPAC considered the 2014/15 annual reports of the City of Cape Town and its municipal entity and raised issues of concern with the Executive Management of the City of Cape Town and its municipal entity at the oversight meeting. MPAC recommended that Council, having fully considered the 2014/15 annual reports of the City of Cape Town and its municipal entity, and representations thereon, adopt the oversight report and approve the annual report without reservations. This was completed within the legislated timeframes and was approved by Council on 31 March 2016.

PERFORMANCE ASSESSMENT

An annual evaluation of MPAC's effectiveness is conducted via an annual assessment of performance completed by means of a Self-Assessment and a Stakeholder Assessment by representatives from Council through the Office of the Speaker.

The performance assessment conducted for the 2014/15 financial year showed a calculated overall performance outcome with a rating of 'excellent'. This assessment is completed from September to November to allow for the areas for improvement to be included in the Annual Work Programme, which is reviewed annually for the calendar year ahead. All improvements emanating from the 2014/15 financial year performance assessment were included in the Annual Work Programme for the 2016 calendar year.

ACTIVITIES AND OUTPUTS FOR THE YEAR

ACTIVITIES	OUTPUTS
Meetings	<ul style="list-style-type: none"> • 10 ordinary meetings were held • 6 task teams were active to investigate irregular, fruitless and wasteful expenditure
Reporting	<ul style="list-style-type: none"> • The Oversight Report in terms of section 129 of the MFMA for the 2014/15 Annual Report was supported and adopted by Council at the meeting held on 31 March 2016 (<i>vide</i> C32/03/16) • MPAC tracked and followed up on the implementation of corrective action by departments in terms of the resolutions of the committee on the 2012/13 and 2014/15 Oversight Reports
Training and Capacity Building	<ul style="list-style-type: none"> • In August 2015 and February 2016, induction training was completed for Councillors Beneke and Sopaqa respectively • In January 2016, refresher training in respect of the oversight process and principles was held and MPAC governance requirements were revisited • The MPAC chairperson and/or committee representative(s) attended the following meetings: <ul style="list-style-type: none"> - Western Cape Association of Municipal Public Accounts Committees (WCAMPAC) (November 2015) - Standing Committee on Local Government (February 2016) - Standing Committee on Public Accounts (February 2016) - SALGA: Provincial Governance & IGR Working Group Meeting (February 2016) - 1st Quarterly Meeting of the WCAMPAC (March 2016) • During July, August and November 2015, the City's MPAC hosted MPACs from other municipalities / local municipalities / district municipalities for information-sharing sessions
Performance Assessment	<ul style="list-style-type: none"> • A performance assessment of the MPAC members and committee activities was performed in September/October 2014

CONCLUSION

We believe that the City is committed to governance standards and MPAC is a mechanism through which Council exercises oversight over the expenditure of public money. Good governance by the City of Cape Town will contribute to making progress possible – together.

GENERAL INFORMATION



EXECUTIVE MAYOR
Alderman De Lille, P



EXECUTIVE DEPUTY MAYOR
Alderman Neilson, ID



SPEAKER
Alderman Smit, JD



CHIEF WHIP
Alderman Serritslev, AM



CITY MANAGER
Ebrahim, A



CHIEF FINANCIAL OFFICER
Jacoby, K

MEMBERS OF THE AUDIT COMMITTEE

Harris, G	Chairperson
Fisher, S	Member (contract ended 31/10/2015)
Gunther, J	Member (contract ended 31/10/2015)
Naidu, S	Member
Rhoda, A	Member (appointed 01/11/2015)
Roos, M	Member
Singh, D	Member (appointed 01/11/2015)

Auditors

The Auditor-General of
South Africa
No 17 Park Lane Building
Park Lane
Century City
7441
Private Bag X1
Chempet
7442

Bankers

ABSA Capital
1st floor
163 Uys Krige Street
Platteklouf
7500
PO Box 4110
Tyger Valley
7536

Registered office

12 Hertzog Boulevard
Cape Town
8001
PO Box 655
Cape Town
8000

COUNCIL MEMBERS OF THE CITY OF CAPE TOWN

Councillor/Alderman

Abrahams, AN	Grose, NE	Marman, PI	Rass, B
Abrahams, A	Gwangxu, X	Martlow, J	Rau, R
Abrahams, FL	Gympies, SC	Matanzima, V	Raymond, FHL
Abrahams, MM	Hadebe, B	Matha, MS	Rossouw, SJ
Adams, A	Hansen, B	Maxheke, JJ	Sakathi, T
Adams, Y	Hassiem, W	Maxiti, P	Scheepers, CJ
Akim, WJ	Haywood, M	Mbele, LM	Serritslev, AM
Amira, D	Hebe, LA	Mbonde, ME	Sikhakhane, N
Andrews, EP	Hendricks, MGE	McBride, LVP	Siljeur, GR
Arendse, MT	Herron, BN	McCarthy, J	Simons, RS
Arendse, P	Heynes, PC	Mfusi, VN	Slabbert, JD
Arendse, R	Honono, TT	Middleton, JH	Smit, JD
Arendse, SWP	Hoorn, RM	Mkutswana, MA	Smith, J
August, SN	Hoosain, J	Mngxunyen, PM	Sonnenberg, EJ
Badela, DE	Isaacs, LI	Mofoko, NM	Sono, NP
Basson, JA	Isaacs, VR	Moolman, GA	Sopaqa, MM
Bazier, R	Iversen, I	Morkel, KH	Sotashe, X
Beneke, R	Jacobs, BM	Moses, AC	Southgate, KG
Bew, CB	Jacobs, J	Moshani, NA	Taylor, MJ
Bloor, GM	Jaffer, L	Mphila, D	Thomas, CR
Brady, WE	Jaftha, WD	Mpondwana, M	Thomas, GHJ
Bredenhand, JC	Janse van Rensburg, C	Msindwana, ME	Thompson, TB
Brenner, HI	Jansen, E	Mxolose, WS	Thuymsma, J
Britz, MT	Jefferies, IK	Mzalisi, MN	Timm, G
Brunette, EN	Jordaan, C	Ndamase, T	Toko, MS
Bryant, DW	Jordaan, LD	Ndongeni, AX	Twigg, GG
Brynard, CA	Justus, CR	Ndzulwana, N	Uys, TA
Carstens, H	Kannenbergh, ACK	Neilson, ID	Van Dalen, B
Cavanagh, GV	Kempthorne, ML	Ngqame, YA	Van der Merwe, B
Cerfontein, C	Khatshwa, DM	Ngqose, NS	Van der Merwe, CG
Chapple, PH	Kleinschmidt, MRH	Ngqu, PM	Van der Merwe, JFH
Christians, DJ	Kleinsmith, ME	Nguzo, M	Van der Rheede, A
Claasen, CPV	Komeni, AL	Nieuwoudt, MJ	Van der Ross, PE
Clayton, CC	Kopman, NF	Nikelo, M	Van der Walt, ML
Cottee, DG	Krynauw, J	Nkunzana, FM	Van Minnen, BM
Crous, AC	Landingwe, NJ	Nonkeyizana, S	Van Reenen, B
D'Alton, DJ	Lategan, KH	Notana, E	Van Wyk, CHS
Davids, MM	Leputhing, CN	Nqulwana, M	Velem, M
De Lille, P	Le Roux, B	Ntotoviyane, C	Venter, JD
Diamond, SP	Liell-Cock, SP	Ntsodo, A	Viljoen, R
Dube, AJ	Limberg, XT	Nyakatya, NC	Visser, J
Dudley, DK	Little, SA	Oliver, MJ	Vokwana, PP
Dyantyi, VD	Mabandla, M	Pakela-Mapasa, XB	Vuba, ST
East, PA	Maci, L	Peter, XG	Walker, B
Ehrenreich, AJ	Madikane, BC	Petersen, MJ	Watkins, BRW
Elese, D	Majingo, BM	Philander, S	Weavers, M
Esau, CJ	Makanda, MN	Pienaar, S	Weber, JD
Fourie, A	Makasi, N	Pietersen, MP	Williams, A
Fourie, GD	Makeleni, LC	Pretorius, IJ	Yalezo, S
Francke, P	Malong, BC	Pringle, SB	Yozi, SK
Gabriel, PJ	Mamba, KC	Pupa, T	Zondani, LG
Gabuza, A	Mamkeli, S	Purchase, F	
Green, AM	Mangali, T	Qoba, ZL	
Griesel, AJ	March, GW	Qually, DL	

In the course of the reporting period, the following councillors ceased to be political office-bearers:

Alexander, B	06/10/2015	Anstey, E	13/04/2016
Mack, C	09/10/2015	Nqavashe, M	15/04/2016
Mbandezi, S	27/10/2015	O'Connell, R	15/05/2016
Heuvel, J	14/12/2015	Gabier, A	31/05/2016
Makelini, K	28/02/2016	Haskins, G	01/06/2016
		Bent, N	28/06/2016

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

		ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	Note	2016 R'000	Restated ¹ 2015 R'000	2016 R'000	Restated ¹ 2015 R'000
ASSETS					
Non-current assets		42 342 066	38 493 874	42 136 829	38 578 872
Property, plant and equipment	2	37 520 330	33 716 758	36 892 544	33 443 104
Heritage assets	3	9 049	9 062	9 049	9 062
Investment property	4	588 191	589 382	588 191	589 382
Intangible assets	5	629 162	708 383	629 162	708 383
Investments	7	3 540 486	3 394 961	3 966 188	3 753 617
Long-term receivables	8	51 695	75 324	51 695	75 324
Deferred taxation	39	3 153	4	-	-
Current assets		12 216 492	11 275 312	11 726 952	10 679 240
Inventory	9	258 533	282 082	257 273	280 316
Receivables	10	5 105 255	4 617 194	5 106 634	4 618 497
Receivables from exchange transactions		3 247 000	3 032 457	3 247 000	3 032 457
Receivables from non-exchange transactions		1 858 255	1 584 737	1 859 634	1 586 040
Other receivables	11	876 510	817 116	858 306	815 094
Other receivables from exchange transactions		233 597	215 503	215 393	213 481
Other receivables from non-exchange transactions		642 913	601 613	642 913	601 613
Investments	7	2 155 177	1 746 347	2 155 177	1 746 347
Current portion of long-term receivables	8	17 093	19 838	17 093	19 838
Cash and cash equivalents	12	3 803 924	3 792 735	3 332 469	3 199 148
TOTAL ASSETS		54 558 558	49 769 186	53 863 781	49 258 112
LIABILITIES					
Non-current liabilities		12 165 084	12 053 512	12 153 259	12 040 207
Borrowings	13	6 048 731	6 428 804	6 036 906	6 415 499
Provisions	15	6 116 353	5 624 708	6 116 353	5 624 708
Current liabilities		9 005 969	8 729 040	8 859 316	8 656 354
Deposits	16	371 253	308 687	324 633	272 258
Provisions	17	1 072 815	1 130 646	1 069 277	1 127 282
Payables from exchange transactions	18	5 813 983	5 328 443	5 720 744	5 297 880
Unspent conditional grants and receipts	19	1 199 955	1 527 445	1 199 955	1 527 445
Value-added tax	20	74 771	85 807	74 771	85 807
Taxation		1 865	1 059	-	-
Current portion of borrowings	13	471 327	346 953	469 936	345 682
TOTAL LIABILITIES		21 171 053	20 782 552	21 012 575	20 696 561
NET ASSETS					
Total net assets		33 387 505	28 986 634	32 851 206	28 561 551
Housing development fund	21	340 096	396 385	340 096	396 385
Reserves	22	2 664 339	2 393 879	2 664 339	2 393 879
Accumulated surplus		30 024 363	25 897 704	29 846 771	25 771 287
Non-controlling interest	23	358 707	298 666	-	-
TOTAL NET ASSETS AND LIABILITIES		54 558 558	49 769 186	53 863 781	49 258 112

¹ Comparative restated: See note 44 for more details.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2016

	Note	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
		2016 R'000	Restated ¹ 2015 R'000	2016 R'000	Restated ¹ 2015 R'000
REVENUE					
Exchange revenue		19 449 291	17 146 943	19 053 721	16 785 807
Service charges	24	17 552 069	15 374 112	17 363 596	15 197 370
Rental of letting stock and facilities	25	350 954	369 121	350 954	369 121
Finance income	26	830 188	705 265	792 666	672 838
Licences and permits		41 494	43 110	41 494	43 110
Agency services		183 259	168 519	183 259	168 519
Other income	27	364 781	398 948	195 251	247 040
Gains on disposal of property, plant and equipment		126 546	87 868	126 501	87 809
Non-exchange revenue		15 771 290	14 810 215	15 927 195	14 949 231
Finance income	26	71 571	68 747	71 571	68 747
City improvement districts (CIDs)	27	-	-	150 645	134 172
Property rates	28	6 739 787	6 013 891	6 745 047	6 018 735
Fuel levy		2 060 211	2 002 938	2 060 211	2 002 938
Fines		1 087 339	988 017	1 087 339	988 017
Government grants and subsidies	29	5 721 468	5 674 639	5 721 468	5 674 639
Public contributions	30	90 914	61 983	90 914	61 983
Total revenue		35 220 581	31 957 158	34 980 916	31 735 038
EXPENDITURE					
Employee-related costs	31	9 415 890	8 177 924	9 357 740	8 124 734
Remuneration of councillors and board members	32	135 094	128 767	134 637	128 411
Impairment costs	33	1 907 719	1 540 214	1 907 301	1 540 200
Collection costs		187 398	172 518	187 398	172 518
Depreciation and amortisation expenses	34	2 139 276	1 925 535	2 108 510	1 900 718
Finance costs	35	748 479	776 228	747 256	774 895
Bulk purchases	36	8 073 336	7 108 843	8 073 336	7 108 843
Contracted services		3 838 766	3 644 353	3 718 716	3 536 355
Grants and subsidies paid	37	148 246	136 504	148 246	136 487
General expenses	38	4 247 277	3 891 643	4 300 003	3 929 167
Losses on disposal of property, plant and equipment		8 303	3 235	8 118	3 096
Total expenditure		30 849 784	27 505 764	30 691 261	27 355 424
Surplus from operations		4 370 797	4 451 394	4 289 655	4 379 614
Taxation	39	(19 926)	(18 576)	-	-
Surplus for the year		4 350 871	4 432 818	4 289 655	4 379 614
Attributable to owners of the controlling entity		4 336 953	4 418 971		
Attributable to non-controlling interest	23	13 918	13 847		
SURPLUS FOR THE YEAR		4 350 871	4 432 818		

¹ Comparative restated: See note 44 for more details.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2016

	ECONOMIC ENTITY					Total R'000
	Housing development fund R'000	Capital replacement reserve R'000	Insurance reserves R'000	Accumulated surplus R'000	Non- controlling interest R'000	
2014						
Balance as at 30 June 2014	468 419	1 187 993	563 504	21 998 203	234 947	24 453 066
Correction of error	-	-	-	68 034	-	68 034
Restated balance as at 30 June 2014¹	468 419	1 187 993	563 504	22 066 237	234 947	24 521 100
2015						
Restated surplus ¹	-	-	-	4 418 971	13 847	4 432 818
Surplus as previously reported	-	-	-	4 379 128	-	-
Correction of error	-	-	-	39 843	-	-
Share purchases by non-controlling interest holders	-	-	-	-	32 716	32 716
Transfer (from)/to for share purchases	-	-	-	(17 156)	17 156	-
Transfer (from)/to	(3 503)	1 122 870	(34 744)	(1 084 623)	-	-
Property, plant and equipment purchased	(68 531)	(445 744)	-	514 275	-	-
Restated balance as at 30 June 2015¹	396 385	1 865 119	528 760	25 897 704	298 666	28 986 634
2016						
Surplus for the year	-	-	-	4 336 953	13 918	4 350 871
Share purchases by non-controlling interest holders	-	-	-	-	50 000	50 000
Transfer (from)/to for share purchases	-	-	-	3 877	(3 877)	-
Transfer (from)/to	(36 612)	938 590	16 397	(918 375)	-	-
Property, plant and equipment purchased	(19 677)	(684 527)	-	704 204	-	-
Balance as at 30 June 2016	340 096	2 119 182	545 157	30 024 363	358 707	33 387 505

¹ Comparative restated: See note 44 for more details.

	MUNICIPALITY OF CAPE TOWN				
	Housing development fund R'000	Capital replacement reserve R'000	Insurance reserves R'000	Accumulated surplus R'000	Total R'000
2014					
Balance as at 30 June 2014	468 419	1 187 993	563 504	21 893 987	24 113 903
Correction of error	-	-	-	68 034	68 034
Restated balance as at 30 June 2014¹	468 419	1 187 993	563 504	21 962 021	24 181 937
2015					
Restated surplus ¹	-	-	-	4 379 614	4 379 614
Surplus as previously reported	-	-	-	4 339 771	-
Correction of error	-	-	-	39 843	-
Transfer (from)/to	(3 503)	1 122 870	(34 744)	(1 084 623)	-
Property, plant and equipment purchased	(68 531)	(445 744)	-	514 275	-
Restated balance as at 30 June 2015¹	396 385	1 865 119	528 760	25 771 287	28 561 551
2016					
Surplus for the year	-	-	-	4 289 655	4 289 655
Transfer (from)/to	(36 612)	938 590	16 397	(918 375)	-
Property, plant and equipment purchased	(19 677)	(684 527)	-	704 204	-
Balance as at 30 June 2016	340 096	2 119 182	545 157	29 846 771	32 851 206

¹ Comparative restated: See note 44 for more details.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
		2016 R'000	Restated ¹ 2015 R'000	2016 R'000	Restated ¹ 2015 R'000
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from ratepayers, government and other		31 377 198	28 971 583	31 191 624	28 773 498
Cash paid to suppliers and employees		(25 087 140)	(22 870 312)	(25 024 565)	(22 745 650)
Cash generated from operations	40	6 290 058	6 101 271	6 167 059	6 027 848
Finance income		878 939	767 725	841 417	735 298
Finance costs		(688 486)	(710 788)	(687 263)	(709 455)
Taxation		(22 269)	(19 753)	-	-
NET CASH FROM OPERATING ACTIVITIES		6 458 242	6 138 455	6 321 213	6 053 691
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment and other		(5 874 989)	(5 338 941)	(5 489 832)	(5 251 742)
Adjustment to property, plant and equipment		-	51 249	-	51 249
Proceeds on disposal of assets		130 308	91 620	130 189	91 419
Decrease in long-term receivables		26 374	28 800	26 374	28 800
(Increase)/decrease in investments		(554 355)	536 871	(621 401)	366 983
NET CASH FROM INVESTING ACTIVITIES		(6 272 662)	(4 630 401)	(5 954 670)	(4 713 291)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		-	201	-	-
Repayment of borrowings		(286 957)	(311 172)	(285 597)	(309 852)
Share purchases by minority interest holders		50 000	32 716	-	-
Increase/(decrease) in deposits		62 566	(89 838)	52 375	(97 959)
NET CASH FROM FINANCING ACTIVITIES		(174 391)	(368 093)	(233 222)	(407 811)
NET INCREASE IN CASH AND CASH EQUIVALENTS	41	11 189	1 139 961	133 321	932 589
Cash and cash equivalents at the beginning of the year		3 792 735	2 652 774	3 199 148	2 266 559
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3 803 924	3 792 735	3 332 469	3 199 148

¹ Comparative restated: See note 44 for more details.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – ECONOMIC ENTITY

FOR THE YEAR ENDED 30 JUNE 2016

ECONOMIC ENTITY								
		Original budget R'000	Final budget R'000	Actual per annual financial statements classification R'000	Reconciliation of classification R'000	Actual per budget classification¹ R'000	Variance: Final budget and actual amounts R'000	Variance %
STATEMENT OF FINANCIAL POSITION	Note							
	45.2.1							
	Total non-current assets	43 204 659	42 612 315	42 342 066	-	42 342 066	270 249	0,63
	Total current assets	10 019 671	9 449 670	12 216 492	-	12 216 492	(2 766 822)	(29,28)
	Total assets	53 224 330	52 061 985	54 558 558	-	54 558 558	(2 496 573)	(4,80)
	Total non-current liabilities	14 394 044	12 010 095	12 165 084	-	12 165 084	(154 989)	(1,29)
	Total current liabilities	8 883 547	8 424 076	9 005 969	-	9 005 969	(581 893)	(6,91)
	Total liabilities	23 277 591	20 434 171	21 171 053	-	21 171 053	(736 882)	(3,61)
	Total net assets	29 946 739	31 627 814	33 387 505	-	33 387 505	(1 759 691)	(5,56)
	Total net assets and liabilities	53 224 330	52 061 985	54 558 558	-	54 558 558	(2 496 573)	(4,80)
	STATEMENT OF FINANCIAL PERFORMANCE							
	45.2.2							
Property rates		6 546 155	6 578 912	6 739 787	-	6 739 787	(160 875)	(2,45)
Service charges		17 002 759	16 997 225	17 552 069	-	17 552 069	(554 844)	(3,26)
Investment revenue	i	294 255	607 878	901 759	(221 609)	680 150	(72 272)	(11,89)
Transfers recognised – operational	ii	3 579 752	4 106 009	3 589 931	29 326	3 619 257	486 752	11,85
Other own revenue		4 466 938	4 399 531	4 214 584	221 608	4 436 192	(36 661)	(0,83)
Total revenue (excluding capital transfers and contributions)		31 889 859	32 689 555	32 998 130	29 325	33 027 455	(337 900)	(1,03)
Employee costs		9 921 896	9 999 235	9 415 892	-	9 415 892	583 343	5,83
Remuneration of councillors		140 184	140 184	135 094	-	135 094	5 090	3,63
Depreciation and asset impairment		2 121 805	2 159 101	2 139 276	8 826	2 148 102	10 999	0,51
Finance charges		971 149	762 554	748 479	4 358	752 837	9 717	1,27
Materials and bulk purchases		8 326 560	8 378 697	8 073 336	300 405	8 373 741	4 956	0,06
Transfers and grants	iii	120 402	311 809	148 246	-	148 246	163 563	52,46
Other expenditure	iv	10 690 016	11 063 344	10 189 461	(313 589)	9 875 872	1 187 472	10,73
Total expenditure		32 292 012	32 814 924	30 849 784	-	30 849 784	1 965 140	5,99
Surplus/(deficit)		(402 153)	(125 369)	2 148 346	29 325	2 177 671	(2 303 040)	
Transfers recognised – capital	v	2 223 813	2 446 794	2 131 537	-	2 131 537	315 257	12,88
Contributions recognised – capital and contributed assets	vi	53 761	68 734	90 914	(29 325)	61 589	7 145	10,40
Surplus/(deficit) after capital transfers and contributions		1 875 421	2 390 159	4 370 797	-	4 370 797	(1 980 638)	(82,87)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

		ECONOMIC ENTITY						
	Note	Original budget R'000	Final budget R'000	Actual per annual financial statements classification R'000	Reconciliation of classification R'000	Actual per budget classification¹ R'000	Variance: Final budget and actual amounts R'000	Variance %
CASH FLOW STATEMENT								
	45.2.3	4 229 327	4 463 772	6 458 242	-	6 458 242	(1 994 470)	(44,68)
	i	(6 547 167)	(6 535 494)	(6 272 662)	-	(6 272 662)	(262 832)	4,02
	ii	1 710 002	(220 163)	(174 391)	-	(174 391)	(45 772)	20,79
Net (decrease)/increase in cash and cash equivalents		(607 838)	(2 291 885)	11 189	-	11 189	(2 303 074)	100,49
CAPITAL EXPENDITURE								
	45.3.1	15 673	21 288	17 122	-	17 122	4 166	19,57
	i	14 954	19 274	18 925	-	18 925	349	1,81
		425 013	463 779	448 054	-	448 054	15 725	3,39
	ii	160 331	221 715	193 009	-	193 009	28 706	12,95
		80 064	64 169	62 977	-	62 977	1 192	1,86
		141 379	40 186	39 080	-	39 080	1 106	2,75
		105 163	149 957	149 895	-	149 895	62	0,04
		11 971	15 760	15 660	-	15 660	100	0,63
		41 098	41 403	40 824	-	40 824	579	1,40
	iii	1 399 805	1 651 077	1 424 448	-	1 424 448	226 629	13,73
	iv	420 835	430 993	336 606	-	336 606	94 387	21,90
	v	297 856	270 245	252 601	-	252 601	17 644	6,53
	vi	1 512 625	1 545 493	1 399 778	-	1 399 778	145 715	9,43
	vii	1 417 218	1 193 755	1 090 855	-	1 090 855	102 900	8,62
		504 107	389 574	385 157	-	385 157	4 417	1,13
Total³		6 548 092	6 518 668	5 874 991	-	5 874 991	643 677	9,87

¹ The format and classification schemes adopted for presentation of the approved budget for the 2015/16 financial year differ from the format and classification adopted for the financial statements. The classification differences are mainly due to the phasing in of the Municipal Standard Chart of Accounts (mSCOA) classification in the budget, in preparation for the mSCOA effective date of 1 July 2017. A reconciliation has been provided to explain these differences in classification between the final budget and the statement of financial performance.

² There was an organisational structure change during the 2015/16 financial year. The Compliance and Auxiliary Services Directorate merged with Corporate Services to become the Corporate Services and Compliance Directorate.

³ The actual capital expenditure amount does not include the contributed assets amount of R64,21 million. See annexure B.

MUNICIPALITY OF CAPE TOWN						
	Original budget R'000	Final budget R'000	Actual per annual financial statements classification R'000	Reconciliation of classification R'000	Actual per budget classification ¹ R'000	Variance: Final budget and actual amounts R'000
						Variance %
STATEMENT OF FINANCIAL POSITION						
45.2.1						
Total non-current assets	42 929 513	42 456 974	42 136 829	-	42 136 829	320 145 0,75
Total current assets	9 183 356	8 714 796	11 726 952	-	11 726 952	(3 012 156) (34,56)
Total assets	52 112 869	51 171 770	53 863 781	-	53 863 781	(2 692 011) (5,26)
Total non-current liabilities	14 391 843	12 010 095	12 153 259	-	12 153 259	(143 164) (1,19)
Total current liabilities	8 829 527	8 341 577	8 859 316	-	8 859 316	(517 739) (6,21)
Total liabilities	23 221 370	20 351 672	21 012 575	-	21 012 575	(660 903) (3,25)
Total net assets	28 891 499	30 820 098	32 851 206	-	32 851 206	(2 031 108) (6,59)
Total net assets and liabilities	52 112 869	51 171 770	53 863 781	-	53 863 781	(2 692 011) (5,26)
STATEMENT OF FINANCIAL PERFORMANCE						
45.2.2						
Property rates	6 546 155	6 578 912	6 745 047	-	6 745 047	(166 135) (2,53)
Service charges	17 002 759	16 997 225	17 363 596	-	17 363 596	(366 371) (2,16)
Investment revenue	271 687	580 766	864 237	(221 609)	642 628	(61 862) (10,65)
Transfers recognised – operational	3 579 752	4 106 009	3 589 931	29 326	3 619 257	486 752 11,85
Other own revenue	4 269 728	4 200 321	4 195 654	221 608	4 417 262	(216 941) (5,16)
Total revenue (excluding capital transfers and contributions)	31 670 081	32 463 233	32 758 465	29 325	32 787 790	(324 557) (1,00)
Employee costs	9 847 508	9 922 787	9 357 740	-	9 357 740	565 047 5,69
Remuneration of councillors	139 311	139 311	134 637	-	134 637	4 674 3,36
Depreciation and asset impairment	2 089 827	2 127 123	2 108 510	8 826	2 117 336	9 787 0,46
Finance charges	971 133	762 538	747 256	4 358	751 614	10 924 1,43
Materials and bulk purchases	8 326 560	8 378 697	8 073 336	300 405	8 373 741	4 956 0,06
Transfers and grants	120 402	311 809	148 246	-	148 246	163 563 52,46
Other expenditure	10 595 504	10 970 070	10 121 536	(313 589)	9 807 947	1 162 123 10,59
Total expenditure	32 090 245	32 612 335	30 691 261	-	30 691 261	1 921 074 5,89
Surplus/(deficit)	(420 164)	(149 102)	2 067 204	29 325	2 096 529	(2 245 631)
Transfers recognised – capital	2 223 813	2 446 794	2 131 537	-	2 131 537	315 257 12,88
Contributions recognised – capital and contributed assets	53 761	68 734	90 914	(29 325)	61 589	7 145 10,40
Surplus/(deficit) after capital transfers and contributions	1 857 410	2 366 426	4 289 655	-	4 289 655	(1 923 229) (81,27)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – MUNICIPALITY OF CAPE TOWN

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

MUNICIPALITY OF CAPE TOWN						
	Original budget R'000	Final budget R'000	Actual per financial statements classification R'000	Reconciliation of classification R'000	Actual per budget classification ¹ R'000	Variance: Final budget and actual amounts R'000
						Variance %
CASH FLOW STATEMENT						
Net cash from (used) operating	4 184 203	4 406 629	6 321 213	-	6 321 213	(1 914 584)
Net cash from (used) investing	(6 046 623)	(6 149 483)	(5 954 670)	-	(5 954 670)	(194 813)
Net cash from (used) financing	1 671 793	(258 372)	(233 222)	-	(233 222)	(25 150)
Net (decrease)/increase in cash and cash equivalents	(190 627)	(2 001 226)	133 321	-	133 321	(2 134 547)
						106,66
CAPITAL EXPENDITURE						
City Health	15 673	21 288	17 122	-	17 122	4 166
City Manager	14 954	19 274	18 925	-	18 925	349
Corporate Services and Compliance ²	425 013	463 779	448 054	-	448 054	15 725
Community Services	160 331	221 715	193 009	-	193 009	28 706
Energy, Environmental and Spatial Planning	80 064	64 169	62 977	-	62 977	1 192
Finance	141 379	40 186	39 080	-	39 080	1 106
Safety and Security	105 163	149 957	149 895	-	149 895	62
Social Development and Early Childhood Development	11 971	15 760	15 660	-	15 660	100
Tourism, Events and Economic Development	41 098	41 403	40 824	-	40 824	579
Transport for Cape Town	1 399 805	1 651 077	1 424 448	-	1 424 448	226 629
Human Settlements	420 835	430 993	336 606	-	336 606	94 387
Solid Waste Management	297 856	270 245	252 601	-	252 601	17 644
Water and Sanitation	1 512 625	1 545 493	1 399 778	-	1 399 778	145 715
Cape Town Electricity	1 417 218	1 193 755	1 090 855	-	1 090 855	102 900
Total³	6 043 985	6 129 094	5 489 834	-	5 489 834	639 260
						10,43

Note

45.2.3

45.3.1

¹ The format and classification schemes adopted for presentation of the approved budget for the 2015/16 financial year differ from the format and classification adopted for the financial statements. The classification differences are mainly due to the phasing in of the Municipal Standard Chart of Accounts (mSCOA) classification in the budget, in preparation for the mSCOA effective date of 1 July 2017. A reconciliation has been provided to explain these differences in classification between the final budget and the statement of financial performance.

² There was an organisational structure change during the 2015/16 financial year. The Compliance and Auxiliary Services Directorate merged with Corporate Services to become the Corporate Services and Compliance Directorate.

³ The actual capital expenditure amount does not include the contributed assets amount of R64,21 million. See annexure B.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016

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' on page 144 of these consolidated annual financial statements.

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 44, 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 outlines 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 category across all debtor classes. The concentration of credit risk is limited, as the customer base is large and unrelated. Accordingly, management believes that no further credit provisions are required in excess of the present allowance for doubtful debts.

- **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 and contingent liabilities**

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities, as set out in notes 15 and 43 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 are 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**

Variances between budget and actual amounts are regarded as material when there is a variance of:

- 10% in the statement of financial position, statement of financial performance and the cash flow statement; and
- 5% in capital expenditure.

All material differences are explained in note 45 to the consolidated annual financial statements.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

- **Cash-generating assets**

The City is not a profit-oriented entity as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff.

As such, management has determined that the City does not control assets that meet the definition of cash-generating assets and that the GRAP standard for the impairment of non-cash-generating assets will apply to all assets of the City.

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 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 2016, the following approved standards of GRAP for which no effective dates have been determined yet:

- **GRAP 18** – Segment reporting
- **GRAP 20** – Related-party disclosures (revised)
- **GRAP 32** – Service concession arrangements: Grantor
- **GRAP 108** – Statutory receivables
- **GRAP 109** – Accounting by principals and agents
- **IGRAP 17** – Service concession arrangements where a grantor controls a significant residual interest in an asset

All the above standards, where applicable, will be complied within the financial statements once the standards take effect. Preliminary investigations indicated that, other than additional disclosure, 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 Entity 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 intergroup 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)(iii)(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 sections 14(4)(d)(i) and (iii) 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 property, plant and equipment from internal sources, cash 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, unless otherwise directed by Council.
- 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 reserves

• 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 the 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/deficit on the insurance operating account is transferred to or from the insurance reserve via the statement of changes in net assets.

A viability valuation report 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.

The certificate of exemption issued by the Commissioner and 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

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	15 – 50	Other vehicles	4 – 15
Water	15 – 30	Office equipment	2 – 10
Sewerage	15 – 20	Watercraft	5
Telecommunications	10 – 30	Bins and containers	5
		Landfill sites	30
Housing	30	Specialised vehicles	10 – 20
		Library books	1
Community		Furniture and fittings	2 – 15
Community and recreational facilities	20 – 50	Computer equipment	2 – 6
Security	5 – 10	Plant and equipment	2 – 12
		Service concession	10 – 30

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.

INVESTMENT PROPERTIES

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation. 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 of investment properties is included in the surplus or deficit in the period of the retirement or disposal.

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.

HERITAGE ASSETS

A 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 only made 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 a 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.

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.

Amortisation rates

Intangible assets are amortised on the straight-line basis over the useful lives of the assets. 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.

The amortised rates are based on the following estimated useful lives:

	Years
Acquisition of rights	8
Computer software	5 – 10

IMPAIRMENT OF NON-CASH-GENERATING ASSETS

All City of Cape Town assets are classified as non-cash-generating assets.

At the end of each reporting period, carrying amounts of non-cash-generating assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the recoverable service amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives as well as intangible assets not yet available for use are tested for impairment annually at the same time every year, as well as whenever there is an indication that the asset may be impaired.

The recoverable service amount of a non-cash-generating asset is the higher of fair value less costs to sell, and the 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 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 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 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.

IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are those assets held by the Cape Town International Convention Centre Company SOC Limited (RF) (CTICC) with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by the profit-orientated CTICC, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

The carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash flows from continuing use, which are largely independent of the cash inflows from other assets or groups of assets.

The costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in the arm's-length transaction between knowledgeable, willing parties, less costs of disposal.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell, and its value-in-use.

Useful life is either:

- a) the period of time over which an asset is expected to be used by the CTICC; or
- b) the number of production or similar units expected to be obtained from the assets by the CTICC.

Criteria developed by the CTICC to distinguish cash-generating assets from non-cash-generating assets are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The CTICC assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the CTICC estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the CTICC also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value-in-use

The value-in-use of a cash-generating asset 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.

When estimating the value-in-use of an asset, the CTICC estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, and applies the appropriate discount rate to those future cash flows.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from the continuing use of the asset (including cash outflows to prepare the asset for use), which can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flow exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the CTICC expects to obtain from the disposal of the asset in an arm's-length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held 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.

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, or where management has decided that interest must be capitalised. 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 the assets, they are capitalised as part of the cost of those assets. Any unwinding of discount is charged to the statement of financial performance.

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 during 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 based on the projected unit credit method basis. 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 during which they become payable.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

Post-retirement pension funds

Pensions paid to employees who had not been members of any of the official pension funds, but who are entitled to a revenue pension, are recognised as an expense when incurred. Such pension payments are funded from a staff provident fund maintained for this purpose. Entitlement to these ex-gratia pension payments is subject to compliance with an acceptable pre-condition for non-membership of any of the pension funds associated with the Entity.

The Entity makes the fund contributions on a monthly basis, which 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 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 15 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 is recognised in the period during 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 Government and the Western Cape Provincial Government ('Province') service charges, rentals, interest received and other services rendered. Revenue is recognised when it is probable that future economic benefits or service 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.

Revenue from exchange transactions

Exchange transactions are transactions in which the Entity receives assets or services, or has liabilities extinguished and directly gives approximately equal value to another entity in exchange.

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 prepayment 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, or where management has determined, 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

Non-exchange transactions are transactions where the Entity receives revenue from another entity without giving approximately equal value in exchange.

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.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when the fine is issued.

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 56 of 2003, and is recognised when recovered from the responsible party.

LEASES

The Entity as lessee

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.

Currently, the Entity has no finance lease agreements.

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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

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 subsequently 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.

Non-derivative 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.

Non-derivative 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.

Derivative financial instruments

The Entity holds derivative financial instruments to hedge against its foreign-currency risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes are generally recognised in profit or loss.

PAYABLES

Payables are initially measured at fair value plus transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

RECEIVABLES

Receivables are recognised initially at fair value plus transaction costs, 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 expenditure that 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 56 of 2003.

Unauthorised expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue.

IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the MFMA 56 of 2003, the Local Government: Municipal Systems Act, Act 32 of 2000, and the 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 statements and, where recovered, is subsequently accounted for as revenue.

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 statements and, where recovered, is subsequently accounted for as revenue.

FOREIGN-CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the ruling exchange rate 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.

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 approved budget covers the fiscal period from 1 July 2015 to 30 June 2016. The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments on material differences are provided in the notes to the consolidated annual financial statements.

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) process.

Comparative information is not required for the statement of comparison of budget and actual amounts.

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.

BORROWING COSTS

Borrowing costs that are incurred by the Entity are expensed in the statement of financial performance in the period during which they are incurred, regardless of how the borrowings are applied.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

SERVICES IN KIND

The Entity does not recognise services in kind as revenue or assets, but has included in note 27 the nature and type of major classes of services in kind.

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.

RELATED PARTIES

The Entity regards a related party as a person or an entity with the ability to control the Entity either individually or jointly, or the ability to exercise significant influence over the Entity, or vice versa.

Management is regarded as a related party, and comprises the councillors, Executive Mayor, Mayoral Committee (Mayco) members, City Manager and executive directors.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. 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 aforesaid risks, its policies and processes for measuring and managing risk, as well as its management of capital. Further quantitative disclosures are provided 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 so as to identify and mitigate 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 its role and responsibilities with regard to risk management, all documentation and reports of Risk Management Committee meetings are supplied to the Audit Committee and the Speaker 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				
2016				
Investments	2 042 944	3 652 719	5 695 663	5 697 793
Long-term receivables	68 788	-	68 788	68 788
Receivables	5 105 255	-	5 105 255	5 105 255
Other receivables	843 074	-	843 074	843 074
Cash and cash equivalents	2 975 682	828 242	3 803 924	3 803 924
	11 035 743	4 480 961	15 516 704	15 518 834
2015				
Investments	1 863 861	3 277 447	5 141 308	5 138 276
Long-term receivables	95 162	-	95 162	95 162
Receivables	4 617 194	-	4 617 194	4 617 194
Other receivables	759 830	-	759 830	759 830
Cash and cash equivalents	2 578 701	1 214 034	3 792 735	3 792 735
	9 914 748	4 491 481	14 406 229	14 403 197

The 'Other receivables' 2015 comparative amount of R759,83 million has been restated from R651,95 million (see note 44).

1. FINANCIAL RISK MANAGEMENT (continued)

	Amortised cost R'000	Total carrying amount R'000	Fair value R'000
2016			
Non-derivative financial liabilities			
Borrowings	6 520 058	6 520 058	6 832 113
Payables	4 578 535	4 578 535	4 578 535
	11 098 593	11 098 593	11 410 648
Derivative financial liabilities			
Forward exchange contracts	152	152	152
2015			
Non-derivative financial liabilities			
Borrowings	6 775 757	6 775 757	7 127 878
Payables	4 183 175	4 183 175	4 183 175
	10 958 932	10 958 932	11 311 053
Derivative financial liabilities			
Forward exchange contracts	-	-	-

1.1 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.

1. FINANCIAL RISK MANAGEMENT (continued)

1.1 Fair values (continued)

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2016				
Financial assets				
Investments	2 179 591	1 473 128	-	3 652 719
Cash and cash equivalents	-	828 242	-	828 242
	2 179 591	2 301 370	-	4 480 961
Derivative financial liabilities				
Forward exchange contracts	152	-	-	152
2015				
Financial assets				
Investments	2 832 164	445 283	-	3 277 447
Cash and cash equivalents	-	1 214 034	-	1 214 034
	2 832 164	1 659 317	-	4 491 481
Derivative financial liabilities				
Forward exchange contracts	-	-	-	-

1.2 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.

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
2016				
Non-derivative financial liabilities	5 753 460	3 277 103	7 188 251	16 218 814
Borrowings	1 174 925	3 277 103	7 188 251	11 640 279
Capital repayments	471 429	775 559	5 273 070	6 520 058
Interest	703 496	2 501 544	1 915 181	5 120 221
Payables	4 578 535	-	-	4 578 535
Trade payables	3 700 856	-	-	3 700 856
Sundry creditors	877 679	-	-	877 679
Derivative financial liabilities	152	-	-	152
Forward exchange contracts	152	-	-	152
	5 753 612	3 277 103	7 188 251	16 218 966

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

1. FINANCIAL RISK MANAGEMENT (continued)

1.3 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, 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	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Investments	5 695 663	5 141 308	5 695 599	5 141 198
Long-term receivables – see note 8	68 788	95 162	68 788	95 162
Receivables and other receivables – see notes 10 and 11	5 948 329	5 377 024	5 932 436	5 269 588
Cash and cash equivalents – see note 12	3 803 924	3 792 735	3 332 469	3 199 148
TOTAL	15 516 704	14 406 229	15 029 292	13 705 096

The 'Receivables and other receivables' 2015 comparative amount of R5,38 billion has been restated from R5,27 billion (see note 44).

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 were granted and are managed in accordance with policies and regulations as set out in note 8. 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. No further loans have been awarded.

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 1,23% (2015: 1,00%) 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 notes 10 and 11.

The payment of accounts of consumer debtors who are unable to pay is renegotiated as an ongoing customer relationship strategy in response to adverse changes in customers' circumstances. Traffic fines can be contested in writing and can lead to a renegotiated fine.

1. FINANCIAL RISK MANAGEMENT (continued)

1.4 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.

1.5 Price risk

The Entity is exposed to equity-securities price risk because of investments held by the Entity and classified as financial instruments carried at fair value. The Entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Entity. The exposure to price risk is not material to the Entity and, consequently, is not elaborated on any further.

1.6 Market risk

Market risk is the risk of changes in market prices such as interest rates (see note 1.6.1) and foreign-exchange rates (see note 1.6.2) 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.

1.6.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Entity's exposure to the risk of changes in market rates relates primarily to the Entity's investments with floating interest rates.

The effective rates on financial instruments as at 30 June 2016 were as follows:

	MATURITY OF INTEREST-BEARING ASSETS/LIABILITIES				
	Weighted average interest rate %	1 year or less R'000	1 - 5 years R'000	>5 years R'000	Total R'000
Financial assets					
Investments	7,48	2 983 483	1 588 408	1 952 014	6 523 905
Cash and cash equivalents	7,06	2 975 682	-	-	2 975 682
Total financial assets		5 959 165	1 588 408	1 952 014	9 499 587
Financial liabilities					
Borrowings	9,91	471 429	775 559	5 273 070	6 520 058
Total financial liabilities		471 429	775 559	5 273 070	6 520 058

Interest rate sensitivity analysis

Financial assets

As at 30 June 2016, if the weighted average 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 R94,54 million, with the opposite effect if the interest rate had been 100 basis points lower.

Financial liabilities

Changes in the interest rate as at 30 June 2016 would have had no impact on the statement of financial performance, as all borrowings are at a fixed interest rate.

1.6.2 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.

Currency risk sensitivity analysis

As at 30 June 2016, if the foreign-exchange rate at that date had been 5% higher, with all other variables held constant, the surplus for the year would have increased by R242 235,83 due to the changes in the carrying value of the monetary liability at the reporting date, with the opposite effect if the foreign exchange rate had been 5% lower.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

2. PROPERTY, PLANT AND EQUIPMENT

	ECONOMIC ENTITY						Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	
As at 30 June 2016							
Land and buildings	2 203 159	50 809	94 651	(75)	(53 970)	(5 178)	2 289 396
Infrastructure	19 003 078	(228 369)	3 703 860	-	(888 049)	-	21 590 520
Community	6 308 880	76 897	284 394	-	(330 661)	-	6 339 510
Other	3 270 801	(185 399)	1 716 294	(8 922)	(559 299)	-	4 233 475
Service concession	1 193 978	492	-	(112)	(117 250)	(3 647)	1 073 461
Housing rental stock	1 736 862	225 753	114 305	(2 951)	(80 001)	-	1 993 968
TOTAL	33 716 758	(59 817)	5 913 504	(12 060)	(2 029 230)	(8 825)	37 520 330

(See annexure B for more details.)

As at 30 June 2015

Land and buildings	2 130 964	70 176	62 112	(46)	(50 116)	(9 931)	2 203 159
Infrastructure	16 829 950	(170 918)	3 139 878	-	(795 832)	-	19 003 078
Community	6 279 252	56 825	285 534	-	(312 440)	(291)	6 308 880
Other	3 258 718	(461 056)	993 351	(5 690)	(508 328)	(6 194)	3 270 801
Service concession	878 412	150 892	257 956	-	(93 282)	-	1 193 978
Housing rental stock	1 373 115	273 347	162 955	(1 242)	(71 313)	-	1 736 862
TOTAL	30 750 411	(80 734)	4 901 786	(6 978)	(1 831 311)	(16 416)	33 716 758

	2016 R'000	2015 R'000
Assets under construction		
Infrastructure	2 772 766	2 398 210
Community	64 318	112 611
Other	1 265 222	621 719

2. PROPERTY, PLANT AND EQUIPMENT (continued)

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 2016							
Land and buildings	2 067 847	50 810	79 493	(75)	(38 714)	(5 178)	2 154 183
Infrastructure	19 003 078	(228 369)	3 703 860	-	(888 049)	-	21 590 520
Community	6 308 880	21 114	228 507	-	(330 661)	-	6 227 840
Other	3 132 459	(129 617)	1 402 182	(8 663)	(543 789)	-	3 852 572
Service concession	1 193 978	492	-	(112)	(117 250)	(3 647)	1 073 461
Housing rental stock	1 736 862	225 753	114 305	(2 951)	(80 001)	-	1 993 968
TOTAL	33 443 104	(59 817)	5 528 347	(11 801)	(1 998 464)	(8 825)	36 892 544
As at 30 June 2015							
Land and buildings	1 997 599	70 176	46 023	-	(36 020)	(9 931)	2 067 847
Infrastructure	16 829 950	(170 918)	3 139 878	-	(795 832)	-	19 003 078
Community	6 279 252	56 825	285 534	-	(312 440)	(291)	6 308 880
Other	3 180 530	(461 058)	922 241	(5 453)	(497 607)	(6 194)	3 132 459
Service concession	878 412	150 892	257 956	-	(93 282)	-	1 193 978
Housing rental stock	1 373 115	273 347	162 955	(1 242)	(71 313)	-	1 736 862
TOTAL	30 538 858	(80 736)	4 814 587	(6 695)	(1 806 494)	(16 416)	33 443 104
						2016 R'000	2015 R'000
Assets under construction							
Infrastructure						2 772 766	2 398 210
Community						64 318	112 611
Other						803 072	512 787

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Provision has been made for the estimated cost of rehabilitating waste landfill sites, included in other assets, as described in note 15.2.

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 have 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 44.3).

Fully depreciated assets at an original cost of R539,79 million (2015: R655,34 million) are still in use.

The recoverable amount of impaired assets is R0,15 million (2015: R7,12 million). Impairment losses arise mainly from land purchased that is earmarked for low-cost housing, where the cost of land will not be recovered. 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 City of Cape Town entered into long-term agreements with three operators to run a high-quality bus-based urban transit or integrated rapid transit (IRT) system known as MyCiTi. In terms of these agreements, the City has made available to the operators buses (and related depots) purchased by the City for the purposes of rendering the MyCiTi services. The agreements are for an initial period of 12 years, after which a new tender process will be followed. In terms of the agreements, the City has full control over the nature, timing and extent of the services that the operators have to perform, and the fees for the services rendered are determined as per the operator-specific schedules and annexes that form part of the signed agreements.

Impairment consideration for cash-generating assets - CTICC

In line with the Entity's accounting policy for property, plant and equipment and the GRAP standard for the impairment of assets, non-current assets were assessed during the period for possible indicators of impairment.

Management has confirmed the following:

	2016 R'000	2015 R'000
Cash-generating units		
Escalators	1 767	2 061
Elevators	1 679	2 234
Cold rooms	757	953
Air-conditioning system	10 717	12 022
Auditorium seating	148	204
Building	104 146	100 902
Kitchen and catering	5 023	4 695
TOTAL	124 237	123 071

- The main purpose of establishing the Convention Centre was to generate spin-off returns for the region.
- Due to the restrictions imposed on the use of the facility and site, no active market exists within which the value of the Convention Centre can be determined through an arm's-length transaction between a willing buyer and a willing seller and, as such, the value-in-use of the centre has been used to determine whether the building's carrying value may not be recoverable.
- Since inception, all initial targets for the region (spin-offs) and the operation of the Convention Centre have consistently been exceeded and are forecast to maintain this level of performance for the foreseeable future.
- Despite this, the value-in-use of the Convention Centre can only be attributed to the present value of the future cash flows generated within the centre itself, and excludes any value it generates for other entities or business sectors.
- No value could be attached to the Convention Centre at the end of its useful life due to its disposal being highly unlikely, with no reliable basis for measuring the disposal value.
- A discount rate of 13,9% (2015: 13,7%) was used, which was calculated using the risk-free rate of the R186 bond of 8,8%, adjusted by 5,1% for uncertainty regarding the timing and extent of certain of the cash flows.

Based on the calculation of value-in-use, the fair value of R133 million was determined. The current carrying value of R124 million was established for the building at date of calculation. This has resulted in a nil reversal of impairment.

3. 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 2016					
Paintings and museum items	9 062	(8)	-	(5)	9 049
TOTAL	9 062	(8)	-	(5)	9 049

(See annexure B for more details.)

As at 30 June 2015					
Paintings and museum items	9 111	(38)	-	(11)	9 062
TOTAL	9 111	(38)	-	(11)	9 062

	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 2016					
Paintings and museum items	9 062	(8)	-	(5)	9 049
TOTAL	9 062	(8)	-	(5)	9 049

As at 30 June 2015					
Paintings and museum items	9 111	(38)	-	(11)	9 062
TOTAL	9 111	(38)	-	(11)	9 062

Heritage assets are held at cost, as it is impractical to determine their fair value.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

4. 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 2016						
Land and buildings		589 382	-	1 044	(2 235)	588 191
(See annexure B for more details.)						
As at 30 June 2015						
Land and buildings		190 849	(1)	400 175	(1 641)	589 382
		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 2016						
Land and buildings		589 382	-	1 044	(2 235)	588 191
As at 30 June 2015						
Land and buildings		190 849	(1)	400 175	(1 641)	589 382

5. INTANGIBLE ASSETS

	ECONOMIC ENTITY				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
As at 30 June 2016					
Acquisition of rights	552 185	(55 887)	-	(65 544)	430 754
Computer software	156 198	59 825	24 652	(42 267)	198 408
TOTAL	708 383	3 938	24 652	(107 811)	629 162

(See annexure B for more details.)

As at 30 June 2015

Acquisition of rights	611 090	-	-	(58 905)	552 185
Computer software	118 417	29 526	41 933	(33 678)	156 198
TOTAL	729 507	29 526	41 933	(92 583)	708 383

	MUNICIPALITY OF CAPE TOWN				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
As at 30 June 2016					
Acquisition of rights	552 185	(55 887)	-	(65 544)	430 754
Computer software	156 198	59 825	24 652	(42 267)	198 408
TOTAL	708 383	3 938	24 652	(107 811)	629 162

As at 30 June 2015

Acquisition of rights	611 090	-	-	(58 905)	552 185
Computer software	118 417	29 526	41 933	(33 678)	156 198
TOTAL	729 507	29 526	41 933	(92 583)	708 383

6. CAPITAL COMMITMENTS

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Approved and contracted-for capital expenditure				
Infrastructure	3 054 751	1 863 298	3 054 751	1 863 298
Community	35 754	33 564	35 754	33 564
Other	673 383	1 418 620	300 984	696 472
TOTAL	3 763 888	3 315 482	3 391 489	2 593 334

Capital commitments represent future capital expenditure. The City has an obligation to spend these amounts due to signed contracts with suppliers and approval as per the Medium-Term Revenue and Expenditure Framework (MTREF). The R3,76 billion (2015: R3,31 billion) is exclusive of VAT.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

7. INVESTMENTS

	ECONOMIC ENTITY			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2016				
RSA Government stock	75 384	-	-	75 384
Sinking-fund deposits – see note 13	1 968 583	-	-	1 968 583
Other financial instruments	-	64	-	64
Other fixed deposits	2 824 345	-	-	2 824 345
Deposits held with fund managers	-	4 480 897	-	4 480 897
	4 868 312	4 480 961	-	9 349 273
Provision for impairment	(5 319)	-	-	(5 319)
Net investments	4 862 993	4 480 961	-	9 343 954
Transferred to current investments	(106 420)	(2 048 757)	-	(2 155 177)
Transferred to cash and cash equivalents – see note 12	(2 820 049)	(828 242)	-	(3 648 291)
TOTAL	1 936 524	1 603 962	-	3 540 486
As at 30 June 2015				
RSA Government stock	76 655	-	-	76 655
Sinking-fund deposits – see note 13	1 788 233	-	-	1 788 233
Other financial instruments	-	110	-	110
Other fixed deposits	2 391 321	-	-	2 391 321
Deposits held with fund managers	-	4 491 371	-	4 491 371
	4 256 209	4 491 481	-	8 747 690
Provision for impairment	(5 319)	-	-	(5 319)
Net investments	4 250 890	4 491 481	-	8 742 371
Transferred to current investments	-	(1 746 347)	-	(1 746 347)
Transferred to cash and cash equivalents – see note 12	(2 387 029)	(1 214 034)	-	(3 601 063)
TOTAL	1 863 861	1 531 100	-	3 394 961
	MUNICIPALITY OF CAPE TOWN			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2016				
RSA Government stock	75 384	-	-	75 384
Sinking-fund deposits – see note 13	1 968 583	-	-	1 968 583
Other fixed deposits	2 415 521	-	-	2 415 521
Deposits held with fund managers	-	4 480 897	-	4 480 897
Shares in CTICC	-	-	670 998	670 998
	4 459 488	4 480 897	670 998	9 611 383
Provision for impairment	(5 319)	-	(245 232)	(250 551)
Net investments	4 454 169	4 480 897	425 766	9 360 832
Transferred to current investments	(106 420)	(2 048 757)	-	(2 155 177)
Transferred to cash and cash equivalents – see note 12	(2 411 225)	(828 242)	-	(3 239 467)
TOTAL	1 936 524	1 603 898	425 766	3 966 188

7. INVESTMENTS (continued)

	MUNICIPALITY OF CAPE TOWN			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2015				
RSA Government stock	76 655	-	-	76 655
Sinking-fund deposits – see note 13	1 788 233	-	-	1 788 233
Other fixed deposits	1 846 459	-	-	1 846 459
Deposits held with fund managers	-	4 491 371	-	4 491 371
Shares in CTICC	-	-	603 998	603 998
	3 711 347	4 491 371	603 998	8 806 716
Provision for impairment	(5 319)	-	(245 232)	(250 551)
Net investments	3 706 028	4 491 371	358 766	8 556 165
Transferred to current investments	-	(1 746 347)	-	(1 746 347)
Transferred to cash and cash equivalents – see note 12	(1 842 167)	(1 214 034)	-	(3 056 201)
TOTAL	1 863 861	1 530 990	358 766	3 753 617

Collateral deposits for staff housing loans

Included in other fixed deposits are fixed deposits with a carrying value of R0,04 million (2015: R0,04 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 are still being capitalised. The Entity's exposure to risk is minimised by an insurance 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.

8. LONG-TERM RECEIVABLES

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Sporting bodies	609	758	609	758
Housing land sales	710	789	710	789
	2 355	3 100	2 355	3 100
Public organisations	5 023	5 531	5 023	5 531
Provision for impairment	(2 668)	(2 431)	(2 668)	(2 431)
	65 114	90 515	65 114	90 515
Housing selling developments	82 621	108 375	82 621	108 375
Provision for impairment	(17 507)	(17 860)	(17 507)	(17 860)
	68 788	95 162	68 788	95 162
Transferred to current receivables	(17 093)	(19 838)	(17 093)	(19 838)
TOTAL	51 695	75 324	51 695	75 324
Reconciliation of impairment provision				
Balance at beginning of the year	20 291	15 684	20 291	15 684
Contributions to/(from) provisions	(116)	4 607	(116)	4 607
Balance as at 30 June	20 175	20 291	20 175	20 291

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

8. LONG-TERM RECEIVABLES (continued)

8.1 Sporting bodies

To facilitate the development of sporting facilities, loans were historically granted to provide the necessary financial assistance. These loans attract interest at a rate of 3,63% to 19% per annum, and are repayable over a maximum period of 20-40 years.

8.2 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.

8.3 Public organisations

Loans to public organisations were 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 that were granted loans are the Salvation Army and the Alta du Toit School.

8.4 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 9,75% (2015: 9,25%) per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

9. INVENTORY

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Consumable stock	202 451	219 820	201 191	218 054
Spare parts and meters	21 528	29 643	21 528	29 643
Water	17 264	20 168	17 264	20 168
Other goods held for use/resale	17 290	12 451	17 290	12 451
TOTAL	258 533	282 082	257 273	280 316

Inventory to the value of R0,56 million (2015: R1,17 million) was scrapped during the year.

10. RECEIVABLES

	ECONOMIC ENTITY					
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
From exchange transactions	7 263 260	(4 016 260)	3 247 000	6 659 768	(3 627 311)	3 032 457
Service debtors	6 263 870	(3 203 425)	3 060 445	5 708 766	(2 888 362)	2 820 404
Housing rental stock	658 361	(597 988)	60 373	615 069	(550 292)	64 777
Housing selling stock	189 320	(159 903)	29 417	183 524	(144 147)	39 377
Other exchange debtors	151 709	(54 944)	96 765	152 409	(44 510)	107 899
From non-exchange transactions	2 545 936	(687 681)	1 858 255	2 294 054	(709 317)	1 584 737
Rates debtors	2 506 283	(682 254)	1 824 029	2 262 188	(703 586)	1 558 602
Other non-exchange debtors	39 653	(5 427)	34 226	31 866	(5 731)	26 135
TOTAL	9 809 196	(4 703 941)	5 105 255	8 953 822	(4 336 628)	4 617 194

As at 30 June 2016, the receivables net balance included an amount of approximately R227,31 million (2015: R130,73 million) owed by National Government and Province.

	2016 R'000	2015 R'000
Reconciliation of impairment provision		
Balance at beginning of the year	4 336 628	4 230 967
Contributions to provisions	1 062 848	802 097
Transfers from provisions	(4 823)	(4 584)
Bad debts written off	(690 712)	(691 852)
Balance as at 30 June	4 703 941	4 336 628

The impairment allowance mainly represents the outstanding amounts due to the Entity by indigent consumers. This accumulative total was fully provided for in the annual budget. The write-off of irrecoverable debt will be processed upon the installation of credit meters.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

10. RECEIVABLES (continued)

ECONOMIC ENTITY ANALYSIS OF RECEIVABLES' AGE IN DAYS						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	7 263 260	(4 016 260)	3 247 000	6 659 768	(3 627 311)	3 032 457
Service debtors	6 263 870	(3 203 425)	3 060 445	5 708 766	(2 888 362)	2 820 404
Electricity	1 522 554	(228 842)	1 293 712	1 388 686	(194 865)	1 193 821
Not due	945 595	(16 453)	929 142	841 519	(9 341)	832 178
Past due						
1 - 90	232 535	(4 046)	228 489	224 588	(2 493)	222 095
91 - 365	138 491	(2 410)	136 081	141 114	(1 566)	139 548
365+	205 933	(205 933)	-	181 465	(181 465)	-
Water	2 944 277	(1 883 538)	1 060 739	2 654 722	(1 698 479)	956 243
Not due	377 151	(81 012)	296 139	322 145	(39 012)	283 133
Past due						
1 - 90	390 447	(83 868)	306 579	293 787	(35 578)	258 209
91 - 365	583 317	(125 296)	458 021	472 068	(57 167)	414 901
365+	1 593 362	(1 593 362)	-	1 566 722	(1 566 722)	-
Waste management	509 293	(302 520)	206 773	457 590	(266 015)	191 575
Not due	46 951	(3 953)	42 998	45 577	(1 832)	43 745
Past due						
1 - 90	67 666	(5 698)	61 968	59 690	(2 400)	57 290
91 - 365	111 167	(9 360)	101 807	94 332	(3 792)	90 540
365+	283 509	(283 509)	-	257 991	(257 991)	-
Wastewater management	1 287 746	(788 525)	499 221	1 207 768	(729 003)	478 765
Not due	165 859	(22 640)	143 219	154 217	(13 787)	140 430
Past due						
1 - 90	160 377	(21 892)	138 485	145 245	(12 985)	132 260
91 - 365	251 901	(34 384)	217 517	226 307	(20 232)	206 075
365+	709 609	(709 609)	-	681 999	(681 999)	-
Housing rental stock	658 361	(597 988)	60 373	615 069	(550 292)	64 777
Not due	39 142	(25 372)	13 770	40 760	(25 577)	15 183
Past due						
1 - 90	50 135	(32 497)	17 638	39 987	(25 091)	14 896
91 - 365	82 334	(53 369)	28 965	93 150	(58 452)	34 698
365+	486 750	(486 750)	-	441 172	(441 172)	-
Housing selling stock	189 320	(159 903)	29 417	183 524	(144 147)	39 377
Not due	12 181	(2 556)	9 625	13 818	(2 282)	11 536
Past due						
1 - 90	11 142	(2 308)	8 834	12 340	(2 043)	10 297
91 - 365	13 878	(2 920)	10 958	21 010	(3 466)	17 544
365+	152 119	(152 119)	-	136 356	(136 356)	-
Other exchange debtors	151 709	(54 944)	96 765	152 409	(44 510)	107 899
Not due	75 489	(1 744)	73 745	77 210	-	77 210
Past due						
1 - 90	11 550	(267)	11 283	15 596	-	15 596
91 - 365	12 015	(278)	11 737	15 093	-	15 093
365+	52 655	(52 655)	-	44 510	(44 510)	-

10. RECEIVABLES (continued)

ECONOMIC ENTITY ANALYSIS OF RECEIVABLES' AGE IN DAYS (continued)						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM NON-EXCHANGE TRANSACTIONS	2 545 936	(687 681)	1 858 255	2 294 054	(709 317)	1 584 737
Rates debtors	2 506 283	(682 254)	1 824 029	2 262 188	(703 586)	1 558 602
Not due	1 638 399	(77 100)	1 561 299	1 374 657	(72 925)	1 301 732
Past due						
1 - 90	60 800	(2 834)	57 966	66 040	(3 500)	62 540
91 - 365	214 772	(10 008)	204 764	205 206	(10 876)	194 330
365+	592 312	(592 312)	-	616 285	(616 285)	-
Other non-exchange debtors	39 653	(5 427)	34 226	31 866	(5 731)	26 135
Not due	21 398	-	21 398	16 776	-	16 776
Past due						
1 - 90	7 425	-	7 425	6 635	-	6 635
91 - 365	5 403	-	5 403	2 724	-	2 724
365+	5 427	(5 427)	-	5 731	(5 731)	-
TOTAL	9 809 196	(4 703 941)	5 105 255	8 953 822	(4 336 628)	4 617 194

The 'Not due' amounts include debtors to the value of R743,08 million (2015: R800,44 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 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

10. RECEIVABLES (continued)

MUNICIPALITY OF CAPE TOWN						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
From exchange transactions	7 263 260	(4 016 260)	3 247 000	6 659 768	(3 627 311)	3 032 457
Service debtors	6 263 870	(3 203 425)	3 060 445	5 708 766	(2 888 362)	2 820 404
Housing rental stock	658 361	(597 988)	60 373	615 069	(550 292)	64 777
Housing selling stock	189 320	(159 903)	29 417	183 524	(144 147)	39 377
Other exchange debtors	151 709	(54 944)	96 765	152 409	(44 510)	107 899
From non-exchange transactions	2 547 315	(687 681)	1 859 634	2 295 357	(709 317)	1 586 040
Rates debtors	2 507 662	(682 254)	1 825 408	2 263 491	(703 586)	1 559 905
Other non-exchange debtors	39 653	(5 427)	34 226	31 866	(5 731)	26 135
TOTAL	9 810 575	(4 703 941)	5 106 634	8 955 125	(4 336 628)	4 618 497

	2016 R'000	2015 R'000
Reconciliation of impairment provision		
Balance at beginning of the year	4 336 628	4 230 967
Contributions to provisions	1 062 848	802 097
Transfers from provisions	(4 823)	(4 584)
Bad debts written off	(690 712)	(691 852)
Balance as at 30 June	4 703 941	4 336 628

10. RECEIVABLES (continued)

MUNICIPALITY OF CAPE TOWN ANALYSIS OF RECEIVABLES' AGE IN DAYS						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	7 263 260	(4 016 260)	3 247 000	6 659 768	(3 627 311)	3 032 457
Service debtors	6 263 870	(3 203 425)	3 060 445	5 708 766	(2 888 362)	2 820 404
Electricity	1 522 554	(228 842)	1 293 712	1 388 686	(194 865)	1 193 821
Not due	945 595	(16 453)	929 142	841 519	(9 341)	832 178
Past due						
1 - 90	232 535	(4 046)	228 489	224 588	(2 493)	222 095
91 - 365	138 491	(2 410)	136 081	141 114	(1 566)	139 548
365+	205 933	(205 933)	-	181 465	(181 465)	-
Water	2 944 277	(1 883 538)	1 060 739	2 654 722	(1 698 479)	956 243
Not due	377 151	(81 012)	296 139	322 145	(39 012)	283 133
Past due						
1 - 90	390 447	(83 868)	306 579	293 787	(35 578)	258 209
91 - 365	583 317	(125 296)	458 021	472 068	(57 167)	414 901
365+	1 593 362	(1 593 362)	-	1 566 722	(1 566 722)	-
Waste management	509 293	(302 520)	206 773	457 590	(266 015)	191 575
Not due	46 951	(3 953)	42 998	45 577	(1 832)	43 745
Past due						
1 - 90	67 666	(5 698)	61 968	59 690	(2 400)	57 290
91 - 365	111 167	(9 360)	101 807	94 332	(3 792)	90 540
365+	283 509	(283 509)	-	257 991	(257 991)	-
Wastewater management	1 287 746	(788 525)	499 221	1 207 768	(729 003)	478 765
Not due	165 859	(22 640)	143 219	154 217	(13 787)	140 430
Past due						
1-90	160 377	(21 892)	138 485	145 245	(12 985)	132 260
91-365	251 901	(34 384)	217 517	226 307	(20 232)	206 075
365+	709 609	(709 609)	-	681 999	(681 999)	-
Housing rental stock	658 361	(597 988)	60 373	615 069	(550 292)	64 777
Not due	39 142	(25 372)	13 770	40 760	(25 577)	15 183
Past due						
1 - 90	50 135	(32 497)	17 638	39 987	(25 091)	14 896
91 - 365	82 334	(53 369)	28 965	93 150	(58 452)	34 698
365+	486 750	(486 750)	-	441 172	(441 172)	-
Housing selling stock	189 320	(159 903)	29 417	183 524	(144 147)	39 377
Not due	12 181	(2 556)	9 625	13 818	(2 282)	11 536
Past due						
1 - 90	11 142	(2 308)	8 834	12 340	(2 043)	10 297
91 - 365	13 878	(2 920)	10 958	21 010	(3 466)	17 544
365+	152 119	(152 119)	-	136 356	(136 356)	-
Other exchange debtors	151 709	(54 944)	96 765	152 409	(44 510)	107 899
Not due	75 489	(1 744)	73 745	77 210	-	77 210
Past due						
1 - 90	11 550	(267)	11 283	15 596	-	15 596
91 - 365	12 015	(278)	11 737	15 093	-	15 093
365+	52 655	(52 655)	-	44 510	(44 510)	-

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

10. RECEIVABLES (continued)

MUNICIPALITY OF CAPE TOWN ANALYSIS OF RECEIVABLES' AGE IN DAYS (continued)						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM NON-EXCHANGE TRANSACTIONS	2 547 315	(687 681)	1 859 634	2 295 357	(709 317)	1 586 040
Rates debtors	2 507 662	(682 254)	1 825 408	2 263 491	(703 586)	1 559 905
Not due	1 639 778	(77 100)	1 562 678	1 375 960	(72 925)	1 303 035
Past due						
1 - 90	60 800	(2 834)	57 966	66 040	(3 500)	62 540
91 - 365	214 772	(10 008)	204 764	205 206	(10 876)	194 330
365+	592 312	(592 312)	-	616 285	(616 285)	-
Other non-exchange debtors	39 653	(5 427)	34 226	31 866	(5 731)	26 135
Not due	21 398	-	21 398	16 776	-	16 776
Past due						
1 - 90	7 425	-	7 425	6 635	-	6 635
91 - 365	5 403	-	5 403	2 724	-	2 724
365+	5 427	(5 427)	-	5 731	(5 731)	-
TOTAL	9 810 575	(4 703 941)	5 106 634	8 955 125	(4 336 628)	4 618 497

11. OTHER RECEIVABLES

ECONOMIC ENTITY						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
From exchange transactions	289 656	(56 059)	233 597	281 477	(65 974)	215 503
Payments made in advance	33 436	-	33 436	57 286	-	57 286
Property rentals	58 234	(35 164)	23 070	80 773	(48 102)	32 671
Other exchange debtors	197 986	(20 895)	177 091	143 418	(17 872)	125 546
From non-exchange transactions	2 546 271	(1 903 358)	642 913	1 826 808	(1 225 195)	601 613
Government subsidies	37 251	-	37 251	164 141	-	164 141
Traffic fines	2 288 756	(1 903 358)	385 398	1 539 573	(1 225 195)	314 378
Other non-exchange debtors	220 264	-	220 264	123 094	-	123 094
TOTAL	2 835 927	(1 959 417)	876 510	2 108 285	(1 291 169)	817 116

The 2015 comparative net balance of 'Other non-exchange debtors' amount of R123,09 million has been restated from R15,22 million (see note 44).

	2016 R'000	2015 R'000
Reconciliation of impairment provision		
Balance at beginning of the year	1 291 169	895 359
Contributions to provisions	757 626	626 883
Transfer from provisions	(14)	(218 870)
Bad debts written off	(89 364)	(12 203)
Balance as at 30 June	1 959 417	1 291 169

The impairment allowance consists mainly of outstanding traffic fines due to the Entity. The accumulative total is fully provided for in the annual budget. The recovery of traffic fines is a protracted process due to administrative and court procedures.

11. OTHER RECEIVABLES (continued)

	ECONOMIC ENTITY ANALYSIS OF RECEIVABLES' AGE IN DAYS					
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	289 656	(56 059)	233 597	281 477	(65 974)	215 503
Payment made in advance	33 436	-	33 436	57 286	-	57 286
Not due	33 436	-	33 436	57 286	-	57 286
Property rentals	58 234	(35 164)	23 070	80 773	(48 102)	32 671
Not due	8 565	-	8 565	7 705	(1 047)	6 658
Past due						
1 - 90	10 788	-	10 788	30 722	(4 175)	26 547
91 - 365	3 717	-	3 717	(618)	84	(534)
365+	35 164	(35 164)	-	42 964	(42 964)	-
Other exchange debtors	197 986	(20 895)	177 091	143 418	(17 872)	125 546
Not due	131 117	(375)	130 742	116 093	(109)	115 984
Past due						
1 - 90	42 426	(293)	42 133	9 957	(52)	9 905
91 - 365	4 888	(672)	4 216	(219)	(124)	(343)
365+	19 555	(19 555)	-	17 587	(17 587)	-
FROM NON-EXCHANGE TRANSACTIONS	2 546 271	(1 903 358)	642 913	1 826 808	(1 225 195)	601 613
Government subsidies	37 251	-	37 251	164 141	-	164 141
Not due	37 251	-	37 251	164 141	-	164 141
Traffic fines	2 288 756	(1 903 358)	385 398	1 539 573	(1 225 195)	314 378
Not due	-	-	-	-	-	-
Past due						
1 - 90	250 675	(208 464)	42 211	208 401	(164 340)	44 061
91 - 365	659 654	(548 577)	111 077	593 748	(468 217)	125 531
365+	1 378 427	(1 146 317)	232 110	737 424	(592 638)	144 786
Other non-exchange debtors	220 264	-	220 264	123 094	-	123 094
Not due	220 264	-	220 264	123 094	-	123 094
TOTAL	2 835 927	(1 959 417)	876 510	2 108 285	(1 291 169)	817 116

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

11. OTHER RECEIVABLES (continued)

MUNICIPALITY OF CAPE TOWN						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
From exchange transactions	271 448	(56 055)	215 393	279 441	(65 960)	213 481
Payments made in advance	32 504	-	32 504	56 126	-	56 126
Property rentals	58 234	(35 164)	23 070	80 773	(48 102)	32 671
Other exchange debtors	180 710	(20 891)	159 819	142 542	(17 858)	124 684
From non-exchange transactions	2 546 271	(1 903 358)	642 913	1 826 808	(1 225 195)	601 613
Government subsidies	37 251	-	37 251	164 141	-	164 141
Traffic fines	2 288 756	(1 903 358)	385 398	1 539 573	(1 225 195)	314 378
Other non-exchange debtors	220 264	-	220 264	123 094	-	123 094
TOTAL	2 817 719	(1 959 413)	858 306	2 106 249	(1 291 155)	815 094

	2016 R'000	2015 R'000
Reconciliation of impairment provision		
Balance at beginning of the year	1 291 155	893 450
Contributions to provisions	757 622	626 863
Transfers from provisions	-	(218 706)
Bad debt written off	(89 364)	(10 452)
Balance as at 30 June	1 959 413	1 291 155

11. OTHER RECEIVABLES (continued)

MUNICIPALITY OF CAPE TOWN ANALYSIS OF RECEIVABLES' AGE IN DAYS						
	As at 30 June 2016			As at 30 June 2015		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
FROM EXCHANGE TRANSACTIONS	271 448	(56 055)	215 393	279 441	(65 960)	213 481
Payment made in advance	32 504	-	32 504	56 126	-	56 126
Not due	32 504	-	32 504	56 126	-	56 126
Property rentals	58 234	(35 164)	23 070	80 773	(48 102)	32 671
Not due	8 565	-	8 565	7 705	(1 047)	6 658
Past due						
1 - 90	10 788	-	10 788	30 722	(4 175)	26 547
91 - 365	3 717	-	3 717	(618)	84	(534)
365+	35 164	(35 164)	-	42 964	(42 964)	-
Other exchange debtors	180 710	(20 891)	159 819	142 542	(17 858)	124 684
Not due	131 117	(375)	130 742	116 093	(109)	115 984
Past due						
1 - 90	25 251	(289)	24 962	9 175	(52)	9 123
91 - 365	4 787	(672)	4 115	(313)	(110)	(423)
365+	19 555	(19 555)	-	17 587	(17 587)	-
FROM NON-EXCHANGE TRANSACTIONS	2 546 271	(1 903 358)	642 913	1 826 808	(1 225 195)	601 613
Government subsidies	37 251	-	37 251	164 141	-	164 141
Not due	37 251	-	37 251	164 141	-	164 141
Traffic fines	2 288 756	(1 903 358)	385 398	1 539 573	(1 225 195)	314 378
Not due	-	-	-	-	-	-
Past due						
1 - 90	250 675	(208 464)	42 211	208 401	(164 340)	44 061
91 - 365	659 654	(548 577)	111 077	593 748	(468 217)	125 531
365+	1 378 427	(1 146 317)	232 110	737 424	(592 638)	144 786
Other non-exchange debtors	220 264	-	220 264	123 094	-	123 094
Not due	220 264	-	220 264	123 094	-	123 094
TOTAL	2 817 719	(1 959 413)	858 306	2 106 249	(1 291 155)	815 094

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

12. CASH AND CASH EQUIVALENTS (BANK AND CASH)

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Bank balance*	124 500	157 106	61 936	108 447
Year-end accruals	182	(71)	182	(71)
Interest accrual	607	367	607	367
Bank charges accrual	(425)	(438)	(425)	(438)
Cash on hand and in transit	30 951	34 637	30 884	34 571
Call and short-term deposits – see note 7	2 820 049	2 387 029	2 411 225	1 842 167
Amortised cost	2 975 682	2 578 701	2 504 227	1 985 114
Call and short-term deposits	820 366	1 206 089	820 366	1 206 089
Bank accounts managed by fund managers*	7 876	7 945	7 876	7 945
Fair value – see note 7	828 242	1 214 034	828 242	1 214 034
TOTAL	3 803 924	3 792 735	3 332 469	3 199 148

* See annexure C for more details.

13. BORROWINGS

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Marketable bonds	4 275 489	4 275 489	4 275 489	4 275 489
Concessionary loans	1 693 550	1 820 337	1 693 550	1 820 337
Other loans	551 019	679 931	537 803	665 355
Subtotal – see annexure A for more details	6 520 058	6 775 757	6 506 842	6 761 181
Transferred to current liabilities	(471 327)	(346 953)	(469 936)	(345 682)
TOTAL	6 048 731	6 428 804	6 036 906	6 415 499

A total of R1,97 billion (2015: R1,79 billion) has been ring-fenced for the repayment of long-term liabilities – see note 7 for more details.

MARKETABLE BONDS

Marketable bonds

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 11,16% 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. The municipal bonds are repayable on 23 June 2023 (CCT01), 12 June 2024 (CCT02) and 15 March 2025 (CCT03). Guaranteed sinking funds have been established for the repayment of the bonds by once-off lump sum payments with various financial institutions, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03).

4 275 489	4 275 489	4 275 489	4 275 489
4 275 489	4 275 489	4 275 489	4 275 489

13. BORROWINGS (continued)

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
CONCESSIONARY LOANS	1 693 550	1 820 337	1 693 550	1 820 337
Agence Française de Développement (AFD) An unsecured loan, 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. Nominal value as at 30 June 2016 is R1,91 billion (2015: R2,07 billion).	1 678 888	1 802 341	1 678 888	1 802 341
Nedcor Bank An unsecured loan, bearing interest at a fixed rate of 1% per annum, payable annually, and loan capital repayable on 31 August 2019. Nominal value as at 30 June 2016 is R50 000 (2015: R50 000).	29	25	29	25
Development Bank of Southern Africa (DBSA) 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. Nominal value as at 30 June 2016 is R16 million (2015: R20 million).	14 633	17 971	14 633	17 971
OTHER LOANS	551 019	679 931	537 803	665 355
FirstRand Bank 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 is 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 portfolio of two 15-year sinking-fund investment policies purchased from Momentum Group. 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 its obligations to FirstRand Bank under the policies and any other debt liability.	135 005	147 725	135 005	147 725
DBSA Unsecured loans, bearing interest at fixed rates ranging between 9,42% and 10,59% 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 2018 to 31 December 2022.	278 499	348 415	278 499	348 415
ABSA Bank 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.	40 000	60 000	40 000	60 000

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

13. BORROWINGS (continued)

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
OTHER LOANS (continued)				
FirstRand Bank 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 is 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 made out of a 15-year sinking-fund investment policy purchased from Momentum Group. 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 its obligations to FirstRand Bank under the put-option agreement and any other debt liability.	84 299	109 215	84 299	109 215
DBSA - Claremont Road Bypass Company Interest is charged at the nominal fixed rate of RSA Government bond R186, plus 154 basis points per annum. Repayable in 28 equal six-monthly instalments, having commenced on 30 September 2009. 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. The cedent, the Claremont Road Bypass 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.	13 114	14 414	-	-
Voortrekker Road Instalment sale agreement.		-	-	-
ABSA - Brackenfell Business Improvement District NPC The loan is secured by motor vehicles, bearing interest at a rate of 12,25%, repayable in monthly instalments over 36 months as agreed with ABSA Bank.	102	162	-	-
TOTAL - see annexure A for more details.	6 520 058	6 775 757	6 506 842	6 761 181

The rates of interest payable on the abovementioned structured loans 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 interpretations of, the Income Tax Act, Act 58 of 1962 or any other relevant legislation that affect 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.

13. BORROWINGS (continued)

Short-term debt facilities

The City of Cape Town had the following short-term debt facilities with the Entity's main banker:

	2016 R'000	2015 R'000
Performance guarantee	25 000	15 000
Letter of credit	10 500	500
Business travel card	2 000	2 000
Daylight limit	2 000 000	2 000 000

The short-term debt facilities are reviewed annually and can be explained as follows:

Performance guarantee

A bank-issued guarantee 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 written demand from the beneficiary.

Letter of credit

A letter of credit is a document issued by the bank, assuring payment to a seller of goods or services, provided that certain documents have been presented to the bank. The documents should prove that the seller has performed the duties specified by an underlying contract, and that the goods/services have been supplied as agreed. In return for these documents, the beneficiary receives payment from the bank that issued the letter.

Business travel card

A card issued by the bank that enables the Entity to obtain goods and services on credit. It entails moneys lent and advanced.

Daylight limit

A daylight limit is a facility that enables the Entity to transact even if there are insufficient funds during that particular day. It entails moneys lent and advanced during that day, provided it is settled by the end of that business day.

14. 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 R952,54 million (2015: R874,92 million) to the DB and DC schemes are expensed as incurred during the year under review.

These schemes are subject to a triennial, biennial or annual actuarial valuation, as set out below.

14.1 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 last actuarial valuation of the fund was performed at 30 June 2015, at which stage the fund was certified by the actuary as being in a sound financial position. Since the previous valuation date, the fund indicates a R28 million surplus and 101,4% funding for the pensioners account and a R21,9 million surplus and 153,1% funding for the DB active members at the financial year-end. The City of Cape Town is included 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. There have been significant amendments to the pension fund regulations, notably rule 17(5), in terms of which the fund is managing its sustainability risk. The same applies to the DC schemes.

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 2015, and had remained stable since the previous valuation date.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

14. RETIREMENT BENEFIT INFORMATION (continued)

14.2 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 last actuarial valuation of the fund was performed at 30 June 2015, at which stage the actuary certified the fund as being in a sound financial position. The valuation disclosed funding of 100%.

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 2015.

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 divided between the cost of risk benefits deriving from the administration of the fund, and members' retirement benefits.

The last actuarial valuation of the fund was performed at 30 June 2015, at which stage the fund was certified by the actuary as being financially sound, in that the assets of the fund were sufficient to cover the accrued service liabilities, including the recommended contingency reserves, in full with a funding level of 100%.

National Fund for Municipal Workers (multi-employer fund)

The retirement and pension funds are both DC schemes. According to the actuary's certification, the assets of the fund are sufficient to cover its liabilities. As at 30 June 2015, the valuation disclosed a funding level fluctuating around 100% due to timing differences, a slight mismatch of assets and liabilities, and processing errors.

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 2014, at which stage the fund was certified as being in a financial sound position.

Cape Town International Convention Centre Company SOC Limited (RF) Provident Fund

The 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.

14.3 Defined-benefit and defined-contribution scheme

Cape Municipal Pension Fund

The Cape Municipal Pension Fund operates as both a DB and DC scheme. The fund has been awarded an unqualified audit opinion for the audit of finances for the year ended 30 June 2013. An actuarial valuation of the fund was performed at 30 June 2015, which certified it as being in a financially sound position.

	DB section	DC section	Total
In-service members	245	9 574	9 819
Pensioners	3 271	1 617	4 888
Membership as at 30 June 2015	3 516	11 191	14 707

	2016 R'million	2015 R'million
Past-service position – DB section	9 165	3 739
Past-service position – DC section	4 402	6 357
Total liabilities	13 567	10 096
Assets valued at market value	13 575	10 109
Actuarial surplus	-	-

	2016 %	2015 %
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	1,50
Normal retirement age	60 years	60 years

15. PROVISIONS (NON-CURRENT)

	ECONOMIC ENTITY				
	Long-service leave benefits R'000	Environmental rehabilitation R'000	Post-retirement healthcare benefits R'000	Post-retirement pension benefits R'000	Total R'000
As at 30 June 2016					
Balance at the beginning of the year	463 389	272 485	4 866 055	22 779	5 624 708
Interest costs	46 958	28 735	458 651	2 244	536 588
Service costs	37 940	-	93 689	688	132 317
Benefit/rehabilitation payments	(56 120)	(2 675)	(193 846)	(1 084)	(253 725)
Actuarial losses/(gains)	10 196	-	40 564	(2 574)	48 186
Change in estimate	-	40 400	-	-	40 400
Transferred from current provisions (prior-year)	58 800	2 342	187 931	2 020	251 093
	561 163	341 287	5 453 044	24 073	6 379 567
Transferred to current provision	(51 078)	(4 500)	(205 497)	(2 139)	(263 214)
TOTAL	510 085	336 787	5 247 547	21 934	6 116 353

	MUNICIPALITY OF CAPE TOWN				
	Long-service leave benefits R'000	Environmental rehabilitation R'000	Post-retirement healthcare benefits R'000	Post-retirement pension benefits R'000	Total R'000
As at 30 June 2016					
Balance at the beginning of the year	463 389	272 485	4 866 055	22 779	5 624 708
Interest costs	46 958	28 735	458 651	2 244	536 588
Service costs	37 940	-	93 689	688	132 317
Benefit/rehabilitation payments	(56 120)	(2 675)	(193 846)	(1 084)	(253 725)
Actuarial losses/(gains)	10 196	-	40 564	(2 574)	48 186
Change in estimate	-	40 400	-	-	40 400
Transferred from current provisions (prior-year)	58 800	2 342	187 931	2 020	251 093
	561 163	341 287	5 453 044	24 073	6 379 567
Transferred to current provision	(51 078)	(4 500)	(205 497)	(2 139)	(263 214)
TOTAL	510 085	336 787	5 247 547	21 934	6 116 353

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

15. PROVISIONS (NON-CURRENT) (continued)

15.1 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 2016 has been discounted at the market yields on government bonds consistent with the estimated term of the liability. The nominal and zero curves as at 30 June 2016 supplied by the JSE were used to determine the discount rates and consumer price index (CPI) assumptions at each relevant time period (2015: nominal and zero curves).

	2016	2015
Key financial assumptions		
Discount rate	Yield curve	Yield curve
General inflation rate (consumer price index)	Difference between nominal and real yield curve	Difference between nominal and real yield curve
Salary increase	Equal to CPI + 1%	Equal to CPI + 1%

15.2 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 provision has been determined on the basis of a recent independent valuation performed by a firm of consulting engineers.

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 5,70% (2015: 5,85%)
- A discount rate at the average borrowing cost of 11,01% (2015: 10,26%)
- The scheduled dates of total closure and rehabilitation are anticipated to be between 2018 and 2033.

15.3 Post-retirement healthcare and retirement-pension defined 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.

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.

15.3.1 Healthcare benefits

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 2016 constituted 8 312 (2015: 8 976) in-service members and 6 750 (2015: 6 678) pensioners.

It was assumed that the employer's healthcare 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.

Continuation of membership

It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the Entity will remain on the employer's healthcare 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 healthcare liability.

Discount rate

The fund benefit liability to the Entity as at 30 June 2016 has been discounted at a rate determined on the basis of the yield curve (2015: yield curve) per annum on government bonds.

15. PROVISIONS (NON-CURRENT) (continued)

15.3 Post-retirement healthcare and retirement-pension defined benefits (continued)

15.3.1 Healthcare benefits (continued)

	2016	2015
Key financial assumptions		
Discount rate	Yield curve	Yield curve
General inflation rate	Difference between nominal and yield curves	Difference between nominal and yield curves
Healthcare cost inflation rate	CPI + 1%	CPI + 1%
Net effective discount rate	Yield curve-based	Yield curve-based
	Change in assumption	Liability R'000
Sensitivity analysis		Service costs R'000
Assumptions used		Interest costs R'000
Healthcare inflation	5 453 044	96 600
	1% decrease	467 587
	1% increase	467 587
Post-retirement mortality	6 285 775	117 736
	20% decrease	593 376
	20% increase	491 460

15.3.2 Retirement-pension defined 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 2016 was 22 (2015: 23) in-service employees and 89 (2015: 94) 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 2016 has been discounted at the yield curve (2015: yield curve) per-annum rate determined on the basis of the market yields on government bonds.

	2016	2015
Key financial assumptions		
Discount rate	Yield curve	Yield curve
General inflation rate	Difference between real and yield curve	Difference between real and yield curve
General salary inflation rate	CPI + 2%	CPI + 2%
Net effective discount rate	Curve-dependent	Curve-dependent

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

16. DEPOSITS

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Electricity and water	313 996	263 128	313 996	263 128
Other deposits	57 257	45 559	10 637	9 130
TOTAL	371 253	308 687	324 633	272 258

Guarantees held in lieu of electricity and water deposits were R88,81 million (2015: R33,31 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.

17. PROVISIONS (CURRENT)

	ECONOMIC ENTITY				
	Opening balance 2016 R'000	Raised R'000	Utilised/ reversed R'000	Transfers from non-current R'000	Closing balance 2016 R'000
Long-service awards	58 800	-	(58 800)	51 078	51 078
Environmental rehabilitation	2 342	-	(2 342)	4 500	4 500
Post-retirement benefits	189 951	-	(189 951)	207 636	207 636
Insurance claims	13 858	11 265	(13 858)	-	11 265
Leave benefits	541 670	20 991	-	-	562 661
Other provisions	320 661	214 519	(303 043)	-	232 137
Performance bonuses	3 364	3 538	(3 364)	-	3 538
TOTAL	1 130 646	250 313	(571 358)	263 214	1 072 815

	MUNICIPALITY OF CAPE TOWN				
	Opening balance 2016 R'000	Raised R'000	Utilised/ reversed R'000	Transfers from non-current R'000	Closing balance 2016 R'000
Long-service awards	58 800	-	(58 800)	51 078	51 078
Environmental rehabilitation	2 342	-	(2 342)	4 500	4 500
Post-retirement benefits	189 951	-	(189 951)	207 636	207 636
Insurance claims	13 858	11 265	(13 858)	-	11 265
Leave benefits	541 670	20 991	-	-	562 661
Other provisions	320 661	214 519	(303 043)	-	232 137
TOTAL	1 127 282	246 775	(567 994)	263 214	1 069 277

Insurance and COID claims

Provision has been made for outstanding insurance claims as at 30 June 2016, 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 R119,02 million for backpay in terms of the tuned assessment of skills and knowledge (TASK) project. The balance consists of various other provisions.

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.

18. PAYABLES FROM EXCHANGE TRANSACTIONS

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Trade creditors	3 700 856	3 427 115	3 685 512	3 414 989
Payments received in advance	1 235 448	1 145 268	1 235 448	1 145 268
Cape Metropolitan Transport Fund (CMTF) advances	20 735	18 513	20 735	18 513
Third-party payments	364 464	335 221	364 464	335 221
Other creditors	492 480	402 326	414 585	383 889
TOTAL	5 813 983	5 328 443	5 720 744	5 297 880

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.

19. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional grants from other spheres of government	1 119 324	1 442 652	1 119 324	1 442 652
National Government	650 929	996 069	650 929	996 069
Province	468 395	446 583	468 395	446 583
Other conditional receipts	80 631	84 793	80 631	84 793
Public contributions	80 631	84 793	80 631	84 793
TOTAL	1 199 955	1 527 445	1 199 955	1 527 445

See notes 29 and 30 and annexure E for more details of grants from National Government and Province 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.

20. VALUE-ADDED TAX (VAT)

VAT payable	211 315	248 353	211 315	248 353
Impairment adjustment	211 196	133 075	211 196	133 075
Total VAT payable	422 511	381 428	422 511	381 428
VAT receivable	(347 740)	(295 621)	(347 740)	(295 621)
TOTAL	74 771	85 807	74 771	85 807

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.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

21. HOUSING DEVELOPMENT FUND

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Realised housing proceeds				
Balance at beginning of the year	302 771	346 222	302 771	346 222
Income	59 277	48 599	59 277	48 599
Land sales	3 618	12 174	3 618	12 174
Repayments	38 180	33 080	38 180	33 080
Long-term debtors	37 620	32 479	37 620	32 479
Public organisations	560	601	560	601
Service contributions	3 233	3 345	3 233	3 345
Recoveries from Province	10 051	-	10 051	-
Subsidy refunds and other	4 195	-	4 195	-
Interest	16 275	15 893	16 275	15 893
Expenditure	(102 423)	(101 032)	(102 423)	(101 032)
Funding capital projects	(19 677)	(68 531)	(19 677)	(68 531)
Funding operating projects	(82 746)	(32 501)	(82 746)	(32 501)
Non-cash transfer to provision for impairment	(3 272)	(6 911)	(3 272)	(6 911)
Balance at end of the year	272 628	302 771	272 628	302 771
Unrealised housing proceeds				
Balance at beginning of the year	93 614	122 197	93 614	122 197
Long-term loans realised	(26 261)	(23 976)	(26 261)	(23 976)
Housing	(25 753)	(23 432)	(25 753)	(23 432)
Public organisations	(508)	(544)	(508)	(544)
Transfer to/(from) impairment provision – selling schemes	352	(5 391)	352	(5 391)
Transfer (from)/to impairment provision – public organisations	(237)	784	(237)	784
Balance at end of the year	67 468	93 614	67 468	93 614
TOTAL	340 096	396 385	340 096	396 385
Unrealised housing proceeds represent loan repayments not yet due in terms of the debtor's loan agreement.				
22. RESERVES				
Capital replacement reserve	2 119 182	1 865 119	2 119 182	1 865 119
Insurance reserves	545 157	528 760	545 157	528 760
Self-insurance reserve	474 870	460 436	474 870	460 436
COVID reserve	70 287	68 324	70 287	68 324
TOTAL	2 664 339	2 393 879	2 664 339	2 393 879
23. NON-CONTROLLING INTEREST				
Balance at beginning of the year	298 666	234 947		
Share purchases by non-controlling interest holders	50 000	32 716		
Transfer for share purchases	(3 877)	17 156		
Share of net surplus attributable to non-controlling interest	13 918	13 847		
TOTAL	358 707	298 666		

24. SERVICE CHARGES

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Sale of electricity	11 187 275	9 966 593	11 198 441	9 977 027
Water and sanitation	4 518 751	3 844 978	4 519 840	3 845 942
Sale of water	2 983 770	2 523 671	2 984 859	2 524 635
Wastewater management	1 534 981	1 321 307	1 534 981	1 321 307
Solid waste management	991 556	890 741	991 556	890 741
Other	854 487	671 800	653 759	483 660
TOTAL	17 552 069	15 374 112	17 363 596	15 197 370

25. RENTAL OF LETTING STOCK AND FACILITIES

Rental agreements	374 052	400 889	374 052	400 889
Income forgone*	(23 098)	(31 768)	(23 098)	(31 768)
TOTAL	350 954	369 121	350 954	369 121

26. FINANCE INCOME

Exchange transactions	830 188	705 265	792 666	672 838
External investments	744 539	646 513	707 017	614 086
Outstanding service debtors	150 038	129 482	150 038	129 482
Transferred to external funds (conditional grants)	(64 389)	(70 730)	(64 389)	(70 730)
Non-exchange transactions				
Outstanding rate debtors	71 571	68 747	71 571	68 747
TOTAL	901 759	774 012	864 237	741 585

27. OTHER INCOME

Exchange transactions	364 781	398 948	195 251	247 040
Bulk infrastructure levies	91 730	104 884	91 730	104 884
Other income	91 848	165 906	72 963	148 170
Gains on foreign-exchange transactions	321	46	321	46
Fair-value adjustments	30 237	(6 060)	30 237	(6 060)
City improvement districts (CIDs)	150 645	134 172	-	-
Non-exchange transactions				
City improvement districts	-	-	150 645	134 172
TOTAL	364 781	398 948	345 896	381 212

The Entity received services in kind to an estimated value of R14,16 million (2015: R10,96 million) in the form of volunteers.

The 2015 comparative amount of R10,96 million has been restated from R153,07 million. This restatement was due to the incorrect calculation of Disaster Risk Management volunteers. The correction of the disclosure amounts had no effect on the statement of financial position and the statement of financial performance.

* 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 remission.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

28. PROPERTY RATES

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Actual				
Residential, commercial and other	7 838 728	7 108 899	7 843 988	7 113 743
Income forgone*	(1 098 941)	(1 095 008)	(1 098 941)	(1 095 008)
TOTAL	6 739 787	6 013 891	6 745 047	6 018 735
Valuations per category				
Residential	613 539 222	604 207 780	613 539 222	604 207 780
Commercial	178 265 374	171 239 675	178 265 374	171 239 675
Agriculture	4 670 480	4 726 578	4 670 480	4 726 578
Public service infrastructure	5 611 750	5 610 885	5 611 750	5 610 885
Other	119 200 195	117 889 494	119 200 195	117 889 494
Total valuation at commencement of financial year	921 287 021	903 674 412	921 287 021	903 674 412

The applicable General Valuation (GV2012) came into effect on 1 July 2013 and remained valid until 30 June 2016. It is based on market-related values. Property valuation adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions are processed continuously. Municipal rates are levied on a daily basis in terms of the provisions of the rates policy, which makes provision for rebates and exemptions.

The 2015 comparative amount for 'Valuations per category' of R903,67 billion has been restated from R912,16 billion due to the categories' alignment with the rates policy. The correction of the disclosure amounts had no effect on the statement of financial position and the statement of financial performance.

29. GOVERNMENT GRANTS AND SUBSIDIES

Unconditional grants	2 054 664	1 667 298	2 054 664	1 667 298
Conditional grants	3 666 804	4 007 341	3 666 804	4 007 341
National	2 569 132	2 818 154	2 569 132	2 818 154
Provincial	1 097 332	1 188 933	1 097 332	1 188 933
Other	340	254	340	254
TOTAL	5 721 468	5 674 639	5 721 468	5 674 639
Analysis of government grants and subsidies				
Operating	3 589 931	3 251 460	3 589 931	3 251 460
Capital	2 131 537	2 423 179	2 131 537	2 423 179
	5 721 468	5 674 639	5 721 468	5 674 639

The Entity does not foresee a significant decrease in the level of grant funding. Unconditional grants are used to subsidise the provision of basic services to indigent communities. Conditional grants are for operating and capital expenditure. Other than the amounts unspent, the conditions of the grants have been met.

* 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 remission.

30. PUBLIC CONTRIBUTIONS

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Consumer connections	52 563	39 330	52 563	39 330
Contributed assets	100	4 953	100	4 953
Other	38 251	17 700	38 251	17 700
TOTAL	90 914	61 983	90 914	61 983

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.

31. EMPLOYEE-RELATED COSTS

Salaries and wages	6 245 812	5 774 525	6 194 483	5 729 979
Social contributions – Unemployment Insurance Fund (UIF), pensions and medical aid	1 656 815	1 519 644	1 650 710	1 513 972
Travel, car, accommodation, subsistence and other allowances	350 802	335 069	350 802	335 069
Housing benefits and allowances	53 086	28 439	53 086	28 439
Overtime payments	463 841	394 176	463 125	393 447
Performance bonuses – net contribution	-	2 243	-	-
Contribution and benefits paid: current provisions	(9 510)	75 624	(9 510)	75 624
Contribution: post-retirement and long-service benefits	688 356	72 988	688 356	72 988
Current service costs	132 317	164 503	132 317	164 503
Interest costs	507 853	531 955	507 853	531 955
Actuarial losses/(gains)	48 186	(623 470)	48 186	(623 470)
	9 449 202	8 202 708	9 391 052	8 149 518
Expenditure recharged to capital projects	(33 312)	(24 784)	(33 312)	(24 784)
TOTAL	9 415 890	8 177 924	9 357 740	8 124 734

32. REMUNERATION OF COUNCILLORS AND BOARD MEMBERS

Executive Mayor	1 284	1 219	1 284	1 219
Deputy Executive Mayor	936	891	936	891
Speaker	936	891	936	891
Chief Whip	859	817	859	817
Mayoral Committee members	9 226	8 762	9 226	8 762
Subcouncil chairpersons	21 172	20 201	21 172	20 201
Portfolio chairpersons	13 041	12 424	13 041	12 424
Councillors	74 823	70 735	74 823	70 735
Councillors' pension contributions	5 051	4 692	5 051	4 692
Board members (CTICC)	457	356	-	-
	127 785	120 988	127 328	120 632
Reimbursement of travel claims	7 309	7 779	7 309	7 779
TOTAL	135 094	128 767	134 637	128 411

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

33. IMPAIRMENT COSTS

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Impairment for receivables and other receivables	1 898 894	1 523 798	1 898 476	1 523 784
Impairment of property, plant and equipment	8 825	16 416	8 825	16 416
TOTAL	1 907 719	1 540 214	1 907 301	1 540 200

34. DEPRECIATION AND AMORTISATION EXPENSES

Depreciation of property, plant and equipment	2 029 230	1 831 311	1 998 464	1 806 494
Depreciation of investment property	2 235	1 641	2 235	1 641
Amortisation of intangible assets	107 811	92 583	107 811	92 583
TOTAL – see notes 2, 4, 5 and annexure B	2 139 276	1 925 535	2 108 510	1 900 718
Grant-funded assets financed from reserves	(1 012 722)	(929 605)	(1 012 722)	(929 605)
NET TOTAL	1 126 554	995 930	1 095 788	971 113

35. FINANCE COSTS

Borrowings	719 744	747 357	718 521	746 024
Unwinding of discount	28 735	28 871	28 735	28 871
TOTAL	748 479	776 228	747 256	774 895

The 2015 comparative amount of R776,23 million has been restated from R781,26 million (see note 44).

36. BULK PURCHASES

Electricity	7 656 073	6 708 777	7 656 073	6 708 777
Water	417 263	400 066	417 263	400 066
TOTAL	8 073 336	7 108 843	8 073 336	7 108 843

37. GRANTS AND SUBSIDIES PAID

Events and charitable contributions	60 471	46 595	60 471	46 578
Community development and upliftment	16 088	15 421	16 088	15 421
Economic development and promotion of tourism	63 152	66 777	63 152	66 777
Education institutions	370	321	370	321
Health forum/health, HIV/Aids and tuberculosis programmes	3 931	4 027	3 931	4 027
Senior citizens – facilities for the aged	90	95	90	95
Social development and arts and culture	2 462	1 800	2 462	1 800
Sporting bodies	1 682	1 468	1 682	1 468
TOTAL	148 246	136 504	148 246	136 487

38. GENERAL EXPENSES

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Auditor remuneration	15 247	13 444	13 554	11 863
CID levies	-	-	146 126	130 146
Consultants	129 869	113 229	127 599	108 473
Free basic electricity (FBE) – Eskom service areas	124 099	113 946	124 035	113 902
Realised fair-value adjustments	4 358	5 034	4 358	5 034
Fuel (petrol, diesel and fuel oil)	232 357	239 745	231 469	238 824
Indigent relief	542 740	508 501	542 740	508 501
Inventory: scrapping	557	1 171	557	1 171
Legal fees	56 740	56 603	56 087	55 497
Loss on foreign-exchange transactions	3 755	3 077	3 751	3 070
Materials general and consumables	326 087	347 128	300 405	323 907
Security services	432 986	346 710	426 815	340 947
Telecommunications	105 585	86 751	99 892	85 015
Other expenditure	2 309 721	2 099 934	2 259 439	2 046 447
	4 284 101	3 935 273	4 336 827	3 972 797
Contributions from provisions	(33 491)	(41 511)	(33 491)	(41 511)
	4 250 610	3 893 762	4 303 336	3 931 286
Expenditure recharged to capital projects	(3 333)	(2 119)	(3 333)	(2 119)
TOTAL	4 247 277	3 891 643	4 300 003	3 929 167

The 2015 comparative amount of R3,89 billion has been restated from R3,88 billion (see note 44).

39. TAXATION

Deferred taxation**CTICC**

Deferred income taxes are calculated on all temporary differences, using a tax rate of 28% (2015: 28%).

At beginning of the year	(4)	2 201
Temporary differences	(3 149)	(2 205)
At end of the year	(3 153)	(4)

The balance comprises

Capital allowance (non-deductible temporary differences)	(3 153)	(4)
Total	(3 153)	(4)

Statement of financial performance charge

Taxation		
Current year: CTICC	19 926	18 576
	19 926	18 576

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

40. CASH GENERATED FROM OPERATIONS

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Surplus for the year	4 370 797	4 451 394	4 289 655	4 379 614
Adjustment for:	3 300 481	2 216 774	3 314 275	2 224 751
Depreciation	2 139 276	1 925 535	2 108 510	1 900 718
Contributed assets	(64 211)	(4 953)	(64 211)	(4 953)
Impairment	8 825	16 416	8 825	16 416
Unrealised foreign-exchange loss	152	-	152	-
Gains and losses on disposal of assets	(118 243)	(84 633)	(118 383)	(84 713)
Contribution to provisions	460 966	(139 278)	460 792	(139 393)
Contribution to impairment provision	1 026 996	501 471	1 035 571	503 366
Finance income	(901 759)	(774 012)	(864 237)	(741 585)
Finance costs	748 479	776 228	747 256	774 895
Operating surplus before working capital changes	7 671 278	6 668 168	7 603 930	6 604 365
Decrease/(increase) in inventories	23 549	(11 731)	23 043	(11 033)
Increase in receivables	(832 554)	(408 214)	(832 630)	(408 222)
Increase in other receivables	(719 077)	(719 878)	(711 470)	(730 230)
(Decrease)/increase in unspent conditional grants and receipts	(327 490)	31 677	(327 490)	31 677
Increase in payables	485 388	534 463	422 712	534 505
(Decrease)/increase in net VAT	(11 036)	6 786	(11 036)	6 786
CASH GENERATED FROM OPERATIONS	6 290 058	6 101 271	6 167 059	6 027 848

The 2015 comparative amount of R6,10 billion has been restated from R6,11 billion (see note 44).

41. CASH AND CASH EQUIVALENTS

Balance at end of the year	3 803 924	3 792 735	3 332 469	3 199 148
Balance at beginning of the year	3 792 735	2 652 774	3 199 148	2 266 559
NET INCREASE IN CASH AND CASH EQUIVALENTS	11 189	1 139 961	133 321	932 589

42. OPERATING LEASE COMMITMENTS

42.1 The Entity as lessee

Future minimum lease payments under non-cancellable operating leases

Land and buildings

Payable within one year	54 628	50 670	54 262	50 188
Payable within two to five years	53 458	106 862	52 464	105 272

Radio masts

Payable within one year	324	514	324	514
Payable within two to five years	-	269	-	269

TOTAL

	108 410	158 046	107 050	155 974
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Minimum lease payments recognised as an expense during the period amount to R50,18 million (2015: R38,24 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

42. OPERATING LEASE COMMITMENTS (continued)

42.2 The Entity as lessor

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Future minimum lease income under non-cancellable operating leases				
Buildings				
Receivable within one year	33 196	25 151	33 676	27 071
Receivable within two to five years	127 192	96 190	127 192	96 670
Receivable after five years	178 530	204 434	178 530	204 434
TOTAL	338 918	325 775	339 398	328 175

The Entity lets properties under operating leases. Property rental income earned during the year was R33,68 million (2015: R26,09 million). The tenants maintain the properties 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 a decrease of R4,76 million in current-year income.

43. CONTINGENT LIABILITIES

43.1 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 R141,00 million (2015: R104,16 million).

43.2 Outstanding insurance claims

The estimated liability for insurance claims amounts to R148,82 million (2015: R73,86 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.

43.3 Income tax dispute

The outcome of an income tax case relating to a SARS audit of 2012 that is currently under appeal is still pending. The potential extent of the liability cannot be determined at this stage as the matter is subject to litigation.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

44. PRIOR-YEAR ADJUSTMENTS

44.1 Correction of error

An enquiry made with National Treasury revealed that the City's historical transactions with regard to the Urban Settlements Development Grant (USDG) payments to Province had been incorrectly treated. In the past, these payments for the construction of USDG-funded assets were recognised as contracted services when the payments were made. Once the assets were completed and Province transferred them to the City, the asset was treated as a donation. This practice was incorrect, however, as the payment to Province should have been recognised as a payment made in advance, and transferred to assets once the assets were completed.

44.2 Reclassification

The 'Fair-value adjustments' amount was reclassified from finance costs to general expenses, as indicated below.

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by the prior-year adjustment and reclassification.

		ECONOMIC ENTITY			
	Note	As previously reported R'000	Correction of error R'000	Reclassification R'000	Restated R'000
2014					
Statement of financial position					
Other receivables		425 014	68 034	-	493 048
Accumulated surplus		21 998 203	68 034	-	22 066 237
2015					
Statement of financial position					
Other receivables	11	709 239	107 877	-	817 116
Accumulated surplus		25 789 827	107 877	-	25 897 704
Statement of financial performance					
Expenditure					
Finance costs	35	781 262	-	(5 034)	776 228
Contracted services		3 684 196	(39 843)	-	3 644 353
General expenses	38	3 886 609	-	5 034	3 891 643
Total expenditure		27 545 607	(39 843)	-	27 505 764
Surplus for the year		4 392 975	39 843	-	4 432 818
Cash flow statement					
Cash flow from operating activities					
Cash receipts from ratepayers, government and other		29 011 426	(39 843)	-	28 971 583
Cash paid to suppliers and employees		(22 905 121)	39 843	(5 034)	(22 870 312)
Cash generated from operations		6 106 305	-	(5 034)	6 101 271
Net cash from operating activities	40	6 143 489	-	(5 034)	6 138 455
Cash flow from investing activities					
Decrease in investments		531 837	-	5 034	536 871
Net cash from investing activities	40	(4 635 435)	-	5 034	(4 630 401)
Cash generated from operations	40				
Surplus for the year		4 411 551	39 843	-	4 451 394
Finance costs		781 262	-	(5 034)	776 228
Increase in other receivables		(680 035)	(39 843)	-	(719 878)
Cash generated from operations		6 106 305	-	(5 034)	6 101 271

44. PRIOR-YEAR ADJUSTMENTS (continued)

		MUNICIPALITY OF CAPE TOWN			
	Note	As previously reported R'000	Correction of error R'000	Reclassification R'000	Restated R'000
2014					
Statement of financial position					
Other receivables		414 535	68 034	-	482 569
Accumulated surplus		21 893 987	68 034	-	21 962 021
2015					
Statement of financial position					
Other receivables	11	707 217	107 877	-	815 094
Accumulated surplus		25 663 410	107 877	-	25 771 287
Statement of financial performance					
Expenditure					
Finance costs	35	779 929	-	(5 034)	774 895
Contracted services		3 576 198	(39 843)	-	3 536 355
General expenses	38	3 924 133	-	5 034	3 929 167
Total expenditure		27 395 267	(39 843)	-	27 355 424
Surplus for the year		4 339 771	39 843	-	4 379 614
Cash flow statement					
Cash flow from operating activities					
Cash receipts from ratepayers, government and other		28 813 341	(39 843)	-	28 773 498
Cash paid to suppliers and employees		(22 780 459)	39 843	(5 034)	(22 745 650)
Cash generated from operations		6 032 882	-	(5 034)	6 027 848
Net cash from operating activities	40	6 058 725	-	(5 034)	6 053 691
Cash flow from investing activities					
Decrease in investments		361 949	-	5 034	366 983
Net cash from investing activities	40	(4 718 325)	-	5 034	(4 713 291)
Cash generated from operations	40				
Surplus for the year		4 339 771	39 843	-	4 379 614
Finance costs		779 929	-	(5 034)	774 895
Increase in other receivables		(690 387)	(39 843)	-	(730 230)
Cash generated from operations		6 032 882	-	(5 034)	6 027 848

44.3 Changes in accounting estimates

The annual review of the useful lives of assets resulted in a decrease of R0,57 million (2015: R53,54 million) in the depreciation charge to the statement of financial performance. It is impracticable to estimate the effect of these changes on future periods.

The annual review of management's assessment of materiality resulted in an increase in the percentage variance between budgeted and actual amounts regarded as material, from 5% to 10%. This change in estimate had no financial impact on the financial statements.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

45. BUDGET INFORMATION

45.1 Explanation of variances between original and final budget amounts

The reasons for the variances between the original and final budget are mainly due to virements and three adjustment budgets approved on 19 August 2015, 28 January 2016 and 13 March 2016. The increase in the capital budget is due to the reprioritisation of capital projects, with the corresponding changes to funding sources.

45.2 Explanation of variances greater than 10%: Final budget and actual amounts

45.2.1 Statement of financial position

Total assets

i) Current assets

The variance is due to higher-than-expected receivables, investments, and cash and cash equivalents as a result of higher service charges than budgeted for, as well as an underspend on operating costs.

45.2.2 Statement of financial performance

Revenue

i) Investment revenue

The variance (over-recovery) is due to the higher-than-expected interest received on higher-than-planned cash and investments balances.

ii) Transfers recognised – operational

The variance is the result of performance related to the operational grant-funded projects. Spending on these projects was influenced by a number of factors, such as delays in the planned start-up, community dynamics and influences, changes in the contract scope, contract award objection processes, environmental issues, delays in delivery of materials/goods, and contractor performance. All of this resulted in an underspend for the year and the rollover of funding and continuation of projects in the new financial year.

v) Transfers recognised – capital

The variance is the result of performance related to the capital grant-funded projects. Spending on these projects was influenced by a number of factors, such as delays in the planned start-up, community dynamics and influences, changes in the contract scope, contract award objection processes, environmental issues, delays in delivery of materials/goods, and contractor performance. All of this resulted in an underspend for the year and the rollover of funding and continuation of projects in the new financial year.

vi) Contributions recognised – capital and contributed assets

The variance is the result of performance related to the capital projects that were funded through public contributions and donations. Spending on these projects was influenced by a number of factors, such as delays in the planned start-up, community dynamics and influences, changes in the contract scope, contract award objection processes, environmental issues, delays in delivery of materials/goods, and contractor performance. All of this resulted in an underspend for the year and the rollover of funding and continuation of projects in the new financial year.

Expenditure

iii) Transfers and grants

The variance is due to a reversal of the payment to Province for the construction of USDG-funded assets that were not completed at financial year-end.

iv) Other expenditure

The variance is largely attributable to a lower-than-planned rate of expenditure on grant-funded housing development projects (including People's Housing Process (PHP) payments), as many factors influence the rate of home construction by communities. These include community protests, vandalism, robberies experienced by contractors, and termination of contracts due to poor contractor performance. Lower-than-anticipated expenditure on homeowner's subsidies (rebates) is linked to the number of successful applicants who qualified for the rebate.

45.2.3 Cash flow statement

i) Net cash from (used) operating

The variance is due to a combination of higher service charges income than budgeted for, as well as the underspend on operating costs.

ii) Net cash from (used) financing

The variance is due to the acceleration of the capital expansion programme.

45. BUDGET INFORMATION (continued)

45.3 Explanation of variances greater than 5%: Final budget and actual amounts

45.3.1 Capital expenditure

- i) City Health
The variance in the implementation of the projects is a result of appeals against the award of tenders, as well as protracted negotiations on the acquisition of land.
- ii) Community Services
The variance in the implementation of the projects is a result of poor contractor performance, gang-related disruptions on site, and delays due to a fire incident on site.
- iii) Transport for Cape Town
The variance in the implementation of the projects is a result of appeals against the award of tenders, environmental impact assessment processes, poor contractor performance and labour-related disruptions, delays in the supply of equipment, and changes made during the roll-out process for design enhancements of the IRT system.
- iv) Human Settlements
The variance in the implementation of the projects is a result of poor contractor performance, community dynamics, and delays due to amendments in the supply chain management regulations.
- v) Solid Waste Management
The variance in the implementation of the projects is a result of delays in the supply of equipment due to the vendor's inability to put adequate guarantees in place to secure payment arrangements with a foreign vendor, and a lower actuarial determination of rehabilitation costs than initially budgeted for.
- vi) Water and Sanitation
The variance in the implementation of the projects is a result of appeals against the award of tenders, protracted negotiations on the acquisition of land due to declining offers, and the time taken to expedite expropriations.
- vii) Cape Town Electricity
The variance in the implementation of the projects is a result of delays due to amendments in the supply chain management regulations, protracted negotiations on the acquisition of land, and delays due to changes in the tender specifications.

46. ADDITIONAL DISCLOSURES

46.1 MUNICIPAL FINANCE MANAGEMENT ACT

46.1.1 Section 124

46.1.1.1 Disclosure concerning councillors, directors and officials Councillors' municipal accounts in arrears

As at **30 June 2016**, the following councillor was more than 90 days in arrears for rates or services.

Hassiem, W

During the **reporting period**, the following councillor was more than 90 days in arrears for rates or services.

August, S

As at **30 June 2015**, no councillors were more than 90 days in arrears for rates or services.

During the **reporting period**, the following councillors were more than 90 days in arrears for rates or services.

Honono, T	Nikelo, M
Madikane, B	Nykatya, N
Makeleni, K	Purchase, F
Moolman, G	

46.1.1.2 Included in the debtors' arrears is an amount of R13 022,62 (2015: R11 976,74) outstanding for more than 120 days, owed by the representative political parties to the Entity. The 2015 comparative amount of R11 976,74 has been restated from R67 842,72.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

46. ADDITIONAL DISCLOSURES (continued)

46.1 MUNICIPAL FINANCE MANAGEMENT ACT (continued)

46.1.2 Section 125

46.1.2.1 Irregular expenditure

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Opening balance	956	45	956	45
Expenditure – supply chain management (SCM) regulations (see incidents below)	2	996	2	996
Regularised and ratified	(956)	(85)	(956)	(85)
Closing balance	2	956	2	956
INCIDENTS				
• Business conducted with a supplier of whom a director was in the service of the state	-	40	-	40
• Non-compliance with SCM regulations	-	956	-	956
• Non-compliance with SCM regulations	2	-	2	-
Incidents for the year	2	996	2	996

46.1.2.2 Unauthorised, fruitless and wasteful expenditure

Opening balance	294	294	294	294
Expenditure – current year	-	-	-	-
Regularised and ratified	(232)	-	(232)	-
Closing balance	62	294	62	294

46.1.2.3 Material losses

Water losses	148 981	137 373	148 981	137 373
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In the year under review, the material losses were 12,81%. These are made up of 9,72% reticulation losses and 3,09% abnormal production losses (2015: 9,98% reticulation losses and 4,13% abnormal production losses). These losses are predominantly due to metering inefficiencies, which constitute an apparent loss. The production losses amounted to R98,86 million (2015: R91,11 million).

Electricity losses

In the year under review, the energy losses were 11,42% (2015: 11,25%). These losses are the result of normal system operation, theft and vandalism. The production losses amounted to R496,20 million (2015: R436,70 million).

370 578	314 416	370 578	314 416
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46. ADDITIONAL DISCLOSURES (continued)

46.1 MUNICIPAL FINANCE MANAGEMENT ACT (continued)

46.1.2 Section 125 (continued)

46.1.2.4 Other compulsory disclosures

	South African Local Government Association (SALGA) contributions R'000	Audit fees R'000	Pay-as- you-earn (PAYE) and UIF R'000	Pension and medical aid R'000
As at 30 June 2016				
Opening balance	-	305	93 765	209 760
Subscriptions/fees	11 210	16 897	1 272 824	2 696 326
Amount paid – current year	(11 210)	(16 836)	(1 169 808)	(2 467 615)
Amount paid – previous years	-	(305)	(93 765)	(209 760)
Balance unpaid (included in payables)	-	61	103 016	228 711
As at 30 June 2015				
Opening balance	-	106	87 963	191 627
Subscriptions/fees	10 541	14 874	1 115 982	2 457 128
Amount paid – current year	(10 541)	(14 569)	(1 022 217)	(2 247 368)
Amount paid – previous years	-	(106)	(87 963)	(191 627)
Balance unpaid (included in payables)	-	305	93 765	209 760

46.2 SUPPLY CHAIN MANAGEMENT REGULATIONS

46.2.1 Deviations

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 awards listed below have been approved by the Accounting Officer and noted by Council.

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Incidents				
Appointment of consultants	16 725	52 232	16 725	52 232
Information technology upgrade	92 924	59 850	92 924	59 850
Upgrade of electricity services	69 001	30 263	69 001	30 263
Extension of contract period/sum	96 282	426 058	96 282	426 058
Upgrade of road infrastructure	20 410	45 031	20 410	45 031
Supply and delivery of plant and equipment	33 317	66 313	33 317	66 313
Other	167 507	75 722	154 902	68 602
Deviations less than R200 000	345 124	316 688	345 124	316 688
Total amount approved by the Accounting Officer and noted by Council	841 290	1 072 157	828 685	1 065 037

All deviations considered by the Accounting Officer are processed in terms of the SCM regulations 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.

The 2015 comparative amount of R1,07 billion has been restated from R1,06 billion.

46.2.2 SCM breaches

Ratification of minor breaches	8 489	15 833	-	-
Total amount regularised and ratified	8 489	15 833	-	-

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

46. ADDITIONAL DISCLOSURES (continued)

46.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

46.2.3 Bids awarded to family of employees in the service of the state

In terms of section 45 of the municipal SCM regulations, any award above R2 000 to family of employees in the service of the state must be disclosed in the consolidated 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
		2016 R'000	2016 R'000
Adams, C	Clerk	33	33
Agulhas, M	Artisan	182	182
Barnard, M	Deputy Director: Health Department	541	541
Basson, M	Principal Facility Officer	465	465
Brink, M	Doctor	492	-
Burgess, D	Senior Clerk	910	910
Carr, C	Administrative Officer	2	2
Daniels, S	Project Administrator	56	56
Dauids, F	Clerk	138	138
Dauids, G and Samuals, R	Clerk and Operator: Small Plant	233	233
Dauids, J	Administrative Officer	833	833
Dauids, M	Operational Supervisor: Driver	557	557
Dolf, N	Clerk	791	791
Dolft, A	Senior Clerk	637	637
Du Toit, J	Assistant Buyer: SCM	961	961
Ebrahim, Y	Head: District 5	1 835	1 835
Els, A	Warrant Officer	288	288
Gaxeni, TN	Deducter Manager	252	252
Fourie, S	HoD: Department of Economic Development and Tourism	23	-
Gordon, C	Clerk	430	430
Hassan, T	Senior Clerk	279	279
Hattingh, PM	Administrative Officer: SCM	3	3
Hector, C	Quality Assessor	1 995	1 995
Henderson, C	Teacher	146	146
Hendricks, F	Administrative Officer	756	756
Ishmail, E	Manager: Valuation Data and Systems	6 719	6 719
Jemane, J	Professional Officer	35	35
Kuyk, G	Principal GIS Technical: Valuations	500	500
Lategan, J	Clerk	438	438
Le Vack, S	Professional Nurse	117	117
Lebesana, T	Security Officer	16	16
Leukes, P	Spokesperson to the Executive Mayor	152	152
Marais, R	Teacher	44	44
Mbhalo, N	Clerk	179	179
Merile, SS	Operator: Small Plant	1 114	1 114
Meyer, T	Educator: Western Cape Education Department	1 564	-
Monk, FJ	Subcouncil Manager	843	843

46. ADDITIONAL DISCLOSURES (continued)

46.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

46.2.3 Bids awarded to family of employees in the service of the state (continued)

Connected person	Position held with state	ECONOMIC ENTITY	MUNICIPALITY OF CAPE TOWN
		2016 R'000	2016 R'000
Moolla, S	Clinical Psychologist	443	443
Mshweshwe, MC	Statutory Compliance Specialist	845	845
Naidoo, P	Functional Operational Manager: Tourism Events	626	626
Nel, GA	Advisory Specialist	59	59
Ntlati, B	Clerk	1 136	1 136
Paul, B	Manager: Department of Cultural Affairs and Sport	256	256
Peters, G	Manager: Housing	28	28
Phosa, Y	Member of Parliament	11 144	10 989
Poole, N	Senior Clerk	96	96
Quantoi, W and Quantoi, K	Artisan and Maintenance Assistant	23	23
Rhoda, C	Professional Officer	834	834
Ritter, T	Senior Clerk	42	42
Roberts, K	Clerk	763	763
Rose, D	Call Centre Agent	641	641
Ryneveldt, L	Senior Project Administrator	239	239
Salomons, T	Specialist Engineering	6 578	6 578
Sammy, MN	Administrative Officer	7	7
Trom, F	Senior Worker	121	121
Van der Heever, V	Teacher	3 011	3 011
Van der Vendt, C	Senior Worker	222	222
Vlotman, N	Data Capturer	23	23
Votersen, MF	Head: Finance Parks	2 604	2 604
Wasserfall, B	Senior Forensics Officer	1 394	1 394
Whare, M	Manager: SCM	593	593
Wileman, P	Operations Manager: Corporate	706	706
Willemse, S and Bell, A	Administrative Officer and Senior Clerk	1 559	1 559
Wyngaard, R	Administrative Officer – Tenders: SCM	1 309	1 309
		59 861	57 627

See appendix G for the 2015 list.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

47. RELATED-PARTY DISCLOSURES

47.1 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.

	ECONOMIC ENTITY		MUNICIPALITY OF CAPE TOWN	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
CTICC				
The CTICC was established for Cape Town to become host to international conferences, with the objective of promoting Cape Town as a tourism city.				
Percentage owned			67,8%	69,9%
Arm's-length transactions for the year				
Receivables			1 379	1 303
Payables			4 036	22 747
Service charges			20 864	19 315
CIDs				
These entities were established to enable projects at local communities' initiative, to provide services over and above the services provided by the City of Cape Town.				
Special rating areas				
Arm's-length transactions for the year				
Receivables			4	2
Service charges			41	27
Levies			146 126	130 146
Arm's-length transactions have been entered into with members of key management as well as related companies.				
Management contracts				
Epping CID – Just For You Business Support Services CC	1 104	1 037		
Groote Schuur CID – Groote Schuur Management NPC	-	487		
Woodstock CID – Lloyd's Project Management CC	530	498		
Rental contracts				
Observatory CID – Zelkar Investments CC	-	92		
Voortrekker Road – Greater Tygerberg Partnership NPC	281	227		
CMTF				
The fund was established to pool funds for road networks and maintenance in the metropolitan area.				
Administrator				
Arm's-length transactions for the year				
Funds held on behalf of CMTF	20 735	18 513	20 735	18 513
Grants and transfers – conditions met	1 528	14 405	1 528	14 405
Interest paid	1 215	1 328	1 215	1 328
Revenue collected	2 752	4 387	2 752	4 387

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management

No members of the City of Cape Town's management have significant influence over the financial or operating policies of the municipal entities and special rating areas.

No business transactions took place between the City of Cape Town and key management personnel or their close family members.

47.2.1 Mayco Committee members/councillors/board members

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
2016				
Mayco committee members	11 386	60	497	11 943
Councillors	110 741	90	4 554	115 385
Subsidiaries: board members	457	-	-	457
	122 584	150	5 051	127 785
2015				
Mayco committee members	10 808	64	467	11 339
Councillors	104 948	120	4 225	109 293
Subsidiaries: board members	355	-	-	355
	116 111	184	4 692	120 987

Councillors are remunerated according to the Remuneration of Public Office-bearers Act, Act 20 of 1998, and are not disclosed individually but in aggregate, and only have collective executive powers for planning, directing and controlling the activities of the City of Cape Town. There are 221 Council members, whose aggregate remuneration amounted to R127,33 million for the period under review. The average remuneration per councillor is R0,576 million per annum. The Mayco members have such individual executive powers as granted by their delegation, and are therefore disclosed in the table below. A full list of councillors is disclosed on page 157 as part of 'General information'.

47.2.2 Mayoral Committee members

	ANALYSIS OF REMUNERATION BENEFITS			
	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
2016				
Executive Mayor				
Alderman De Lille, P	1 242	42	-	1 284
Executive Deputy Mayor/Finance				
Alderman Neilson, ID	936	-	109	1 045
Safety and Security				
Alderman Smith, JP	862	18	82	962
Corporate Services				
Councillor Limberg, X	961	-	-	961
Energy, Environmental and Spatial Planning				
Councillor Van der Merwe, J	859	-	102	961
Social Development and Early Childhood Development				
Councillor Little, S	961	-	-	961
City Health				
Councillor Mamkeli, S	961	-	-	961
Community Services and Special Projects				
Alderman Walker, B	859	-	102	961
Transport for Cape Town				
Councillor Herron, BN	962	-	-	962
Tourism, Events and Economic Development				
Councillor Bloor, G	962	-	-	962
Utility Services				
Alderman Sonnenberg, EJ	859	-	102	961
Human Settlements				
Councillor Van Minnen, B	962	-	-	962
	11 386	60	497	11 943

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.2 Mayoral Committee members (continued)

	ANALYSIS OF REMUNERATION BENEFITS			
	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
2015				
Executive Mayor				
Alderman De Lille, P	1 179	40	-	1 219
Executive Deputy Mayor/Finance				
Alderman Neilson, ID	891	-	102	993
Safety and Security				
Alderman Smith, JP	812	24	77	913
Corporate Services				
Councillor Limberg, X	913	-	-	913
Energy, Environmental and Spatial Planning				
Councillor Van der Merwe, J	816	-	96	912
Social Development and Early Childhood Development				
Councillor Little, S	913	-	-	913
City Health				
Councillor Van Minnen, B (until 23/01/2015)	512	-	-	512
Councillor Mamkeli, S (from 24/01/2015)	400	-	-	400
Community Services and Special Projects				
Alderman Walker, B	817	-	96	913
Transport for Cape Town				
Councillor Herron, BN	913	-	-	913
Tourism, Events and Economic Development				
Councillor Bloor, G	913	-	-	913
Utility Services				
Alderman Sonnenberg, EJ	817	-	96	913
Human Settlements				
Councillor Mamkeli, S (until 23/01/2015)	512	-	-	512
Councillor Van Minnen, B (from 24/01/2015)	400	-	-	400
	10 808	64	467	11 339

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.3 Executive management

	ANALYSIS OF REMUNERATION BENEFITS				
	Annual salary R'000	Car allowance R'000	Social contribution R'000	Travel and subsistence R'000	Total R'000
2016					
City Manager					
Ebrahim, A	2 147	-	326	-	2 473
Community Services					
Mtwazi, L	1 583	84	231	-	1 898
Corporate Services and Compliance *					
Ras, DG (acted in the position until 08/07/2015, and has been serving permanently since)	1 992	-	2	1	1 995
Energy, Environmental and Spatial Planning					
Hugo, J	1 865	-	48	-	1 913
Finance					
Jacoby, K	1 596	81	236	1	1 914
City Health					
Mahlangu-Mathibela, W	1 601	66	204	-	1 871
Human Settlements					
Bromfield, IK (acted in the position until 08/07/2015, and has been serving permanently since)	1 474	133	263	-	1 870
Safety and Security					
Bosman, R (until 31/01/2016)	967	56	128	-	1 151
Le Roux, W (acting since 01/02/2016)	531	43	73	3	650
Social Development and Early Childhood Development					
Sass, E (acting)	1 499	-	188	-	1 687
Tourism, Events and Economic Development					
Groenewald, A (until 30/09/2015)	485	-	1	-	486
Transport for Cape Town					
Whitehead, M	1 911	-	2	31	1 944
Utility Services					
Kaiser, G	1 761	-	138	-	1 899
CTICC					
Ellingson, J	2 107	-	-	-	2 107
	21 519	463	1 840	36	23 858

* There was an organisational structure change during the 2015/16 financial year. The Compliance and Auxiliary Services Directorate merged with Corporate Services to become the Corporate Services and Compliance Directorate.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.3 Executive management (continued)

	ANALYSIS OF REMUNERATION BENEFITS				
	Annual salary R'000	Car allowance R'000	Social contribution R'000	Travel and subsistence R'000	Total R'000
2015					
City Manager					
Ebrahim, A	2 240	-	308	10	2 558
Community Services					
Mtwazi, L	1 469	-	221	84	1 774
Corporate Services					
Mayimele-Hashatse, F (until 09/01/2015)	1 197	-	1	-	1 198
Ras, DG (acting from 14/01/2015)*	-	-	-	-	-
Energy, Environmental and Spatial Planning					
Hugo, J	1 743	-	45	3	1 791
Finance					
Jacoby, K	1 486	-	221	82	1 789
City Health					
Mahlangu-Mathibela, W	1 503	-	191	66	1 760
Human Settlements					
Maqetuka, S	1 314	-	172	1	1 487
Bromfield, IK (acting from 14/01/2015)	688	-	113	62	863
Compliance and Auxiliary Services					
Ras, DG	1 760	-	2	-	1 762
Safety and Security					
Bosman, R	1 483	-	206	95	1 784
Social Development and Early Childhood Development					
Bromfield, IK (until 14/01/2015)	807	-	133	72	1 012
Sass, E (acting from 14/01/2015)	593	-	79	-	672
Tourism, Events and Economic Development					
Groenewald, A	1 772	-	2	9	1 783
Transport for Cape Town					
Whitehead, M	1 779	-	2	9	1 790
Utility Services					
Kaiser, G	1 636	-	32	108	1 776
CTICC					
Ellingson, J (appointed 01/09/2014)	1 671	-	-	-	1 671
	23 141	-	1 728	601	25 470

* Ras, DG acted without any compensation.

48. EVENTS AFTER REPORTING DATE

At the time of preparing and submitting the consolidated annual financial statements, there were no subsequent events to disclose.

ANNEXURE A: SCHEDULE OF EXTERNAL BORROWINGS

AS AT 30 JUNE 2016

	Contractual interest rate (NACS) %	Loan ID	Redeemable date	Balance as at 30 June 2015 R'000	Net interest accrual during the year R'000	Concessional loan adjustment R'000	Redeemed/ written off during year R'000	Balance as at 30 June 2016 R'000
MARKETABLE BONDS								
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
Total marketable bonds¹				4 275 489	-	-	-	4 275 489
CONCESSIONARY LOANS								
Nedcor Bank	1,000	830000920	2019	25	-	4	-	29
DBSA	5,000	830012028	2020	17 971	-	662	(4 000)	14 633
AFD	5,763	830018500	2028	453 510	(676)	9 604	(40 000)	422 438
AFD	5,730	830018516	2028	452 704	(672)	9 701	(40 000)	421 733
AFD	5,755	830018530	2028	453 487	(675)	9 642	(40 000)	422 454
AFD	5,800	830018523	2028	442 640	(662)	9 246	(38 961)	412 263
Total concessional loans				1 820 337	(2 685)	38 859	(162 961)	1 693 550
OTHER LOANS								
FirstRand Bank	12,631	830003504	2017	147 725	-	-	(12 720)	135 005
ABSA Bank	10,900	830007011	2018	60 000	-	-	(20 000)	40 000
DBSA	10,590	83001050	2018	101 749	-	-	(33 917)	67 832
FirstRand Bank	12,046	830009531	2018	109 215	(4 916)	-	(20 000)	84 299
DBSA	9,420	830012035	2020	46 666	-	-	(9 333)	37 333
DBSA	9,639	830013000	2022	100 000	-	-	(13 333)	86 667
DBSA	10,565	830013507	2022	100 000	-	-	(13 333)	86 667
Total other loans				665 355	(4 916)	-	(122 636)	537 803
Total Municipality of Cape Town				6 761 181	(7 601)	38 859	(285 597)	6 506 842
Controlled entities								
OTHER LOANS								
CID Brackenfell	-	-	2017	162	-	-	(60)	102
CID Claremont Road Co.: DBSA	-	-	2023	14 414	-	-	(1 300)	13 114
Total controlled entities				14 576	-	-	(1 360)	13 216
TOTAL EXTERNAL LOANS				6 775 757	(7 601)	38 859	(286 957)	6 520 058

¹ Guaranteed sinking funds have been established for the repayment of the bonds by once-off lump sum payments with various financial institutions, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03).

ANNEXURE B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS

AS AT 30 JUNE 2016

	COST					
	Opening balance R'000	Transfers/ adjustments ¹ R'000	Additions ² R'000	Impairments R'000	Disposals R'000	Closing balance R'000
Land and buildings						
Vacant land	1 071 670	8 358	24 513	(5 178)	-	1 099 363
Land and buildings	2 448 872	42 583	70 138	-	(251)	2 561 342
	3 520 542	50 941	94 651	(5 178)	(251)	3 660 705
Infrastructure						
Assets under construction	2 398 210	(1 922 355)	2 296 911	-	-	2 772 766
Telecommunications	185 574	3 671	106 800	-	-	296 045
Drains	958 209	53 780	33 709	-	-	1 045 698
Roads	9 300 119	593 713	253 851	-	-	10 147 683
Beach improvements	41 738	1 399	74	-	-	43 211
Sewerage mains and purification	3 349 295	457 298	172 407	-	-	3 979 000
Electricity peak load equipment and mains	7 549 073	420 313	504 913	-	-	8 474 299
Water mains and purification	3 184 479	154 191	333 112	-	-	3 671 782
Reservoirs - water	528 067	9 622	2 083	-	-	539 772
	27 494 764	(228 368)	3 703 860	-	-	30 970 256
Community assets						
Assets under construction	112 611	(95 528)	47 235	-	-	64 318
Parks and gardens	275 582	4 167	13 853	-	-	293 602
Libraries	218 052	46 069	22 187	-	-	286 308
Recreation facilities	5 539 072	8 523	26 547	-	-	5 574 142
Civic buildings	2 552 431	57 883	118 685	-	(29)	2 728 970
	8 697 748	21 114	228 507	-	(29)	8 947 340
Other assets						
Assets under construction	637 810	(329 836)	971 339	-	-	1 279 313
Buildings and land	906	180	176	-	-	1 262
Landfill sites	811 033	163 359	112 842	-	-	1 087 234
Furniture, fittings and equipment	932 870	1 562	101 568	-	(19 386)	1 016 614
Bins and containers	63 741	48	1 572	-	(10)	65 351
Emergency equipment	42 393	184	2 586	-	(387)	44 776
Motor vehicles and watercraft	1 705 091	12 863	179 193	-	(29 323)	1 867 824
Specialised vehicles	1 220 208	1 000	217 052	-	(30 539)	1 407 721
Computer equipment	1 916 365	20 869	185 853	-	(23 801)	2 099 286
Animals	552	-	-	-	(120)	432
	7 330 969	(129 771)	1 772 181	-	(103 566)	8 869 813
Service concession assets						
Buses and depots	1 416 746	492	-	-	(5 486)	1 411 752
Housing rental stock	2 535 066	225 753	114 305	-	(10 447)	2 864 677
TOTAL PPE	50 995 835	(59 839)	5 913 504	(5 178)	(119 779)	56 724 543

ACCUMULATED DEPRECIATION						
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Impairments R'000	Disposals R'000	Closing balance R'000	Carrying value R'000
(325 488)	-	-	-	-	(325 488)	773 875
(991 895)	(132)	(53 970)	-	176	(1 045 821)	1 515 521
(1 317 383)	(132)	(53 970)	-	176	(1 371 309)	2 289 396
-	-	-	-	-	-	2 772 766
(3 392)	-	(11 344)	-	-	(14 737)	281 308
(338 083)	-	(34 550)	-	-	(372 633)	673 065
(2 646 849)	-	(343 641)	-	-	(2 990 490)	7 157 193
(22 870)	-	(940)	-	-	(23 810)	19 401
(1 166 730)	-	(182 290)	-	-	(1 349 020)	2 629 980
(2 544 869)	-	(158 996)	-	-	(2 703 865)	5 770 434
(1 418 783)	-	(138 576)	-	-	(1 557 359)	2 114 423
(350 110)	-	(17 712)	-	-	(367 822)	171 950
(8 491 686)		(888 049)	-	-	(9 379 736)	21 590 520
-	-	-	-	-	-	64 318
(37 634)	-	(9 490)	-	-	(47 124)	246 478
(71 143)	-	(3 732)	-	-	(74 875)	211 433
(1 402 286)	-	(217 942)	-	-	(1 620 228)	3 953 914
(877 805)	-	(99 497)	-	29	(977 273)	1 751 697
(2 388 868)	-	(330 661)	-	29	(2 719 500)	6 227 840
(16 091)	-	-	-	-	(16 091)	1 263 222
(610)	-	(296)	-	-	(906)	356
(488 417)	-	(43 202)	-	-	(531 619)	555 615
(560 372)	136	(104 474)	-	18 177	(646 533)	370 081
(44 994)	-	(5 414)	-	10	(50 398)	14 953
(36 366)	1	(2 068)	-	387	(38 046)	6 730
(1 107 196)	952	(122 680)	-	26 783	(1 202 141)	665 683
(519 260)	(1 006)	(69 487)	-	26 280	(563 473)	844 248
(1 286 579)	72	(211 611)	-	22 916	(1 475 202)	624 084
(283)	-	(67)	-	91	(259)	173
(4 060 168)	155	(559 299)	-	94 644	(4 524 668)	4 345 145
(222 768)	-	(117 250)	(3 647)	5 374	(338 291)	1 073 461
(798 204)	-	(80 001)	-	7 496	(870 709)	1 993 968
(17 279 077)	22	(2 029 230)	(3 647)	107 719	(19 204 213)	37 520 330

ANNEXURE B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS

AS AT 30 JUNE 2016 (continued)

	COST					
	Opening balance R'000	Transfers/ adjustments ¹ R'000	Additions ² R'000	Impairments R'000	Disposals R'000	Closing balance R'000
Heritage assets						
Paintings and museum items	9 062	(8)	-	-	(5)	9 049
	9 062	(8)	-	-	(5)	9 049
Investment property						
Vacant land	548 749	(31 468)	950	-	-	518 231
Land and buildings	92 939	31 468	94	-	-	124 501
	641 688	-	1 044	-	-	642 732
Intangible assets						
Assets under construction	130 769	(111 670)	-	-	-	19 099
Acquisition of rights	500 339	55 783	-	-	-	556 122
Computer software	545 351	59 825	24 652	-	-	629 828
	1 176 459	3 938	24 652	-	-	1 205 049
TOTAL OTHER	1 827 209	3 930	25 696	-	(5)	1 856 830
GRAND TOTAL PPE AND OTHER	52 823 044	(55 909)	5 939 200	(5 178)	(119 784)	58 581 373

¹ An adjustment of R55,89 million was passed on the acquisition cost of the property, plant and equipment and other assets.

² Includes the contributed assets amount of R64,21 million.

ACCUMULATED DEPRECIATION						
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Impairments R'000	Disposals R'000	Closing balance R'000	Carrying value R'000
-	-	-	-	-	-	9 049
-	-	-	-	-	-	9 049
-	-	-	-	-	-	518 231
(52 306)	-	(2 235)	-	-	(54 541)	69 960
(52 306)	-	(2 235)	-	-	(54 541)	588 191
-	-	-	-	-	-	19 099
(78 923)	-	(65 544)	-	-	(144 467)	411 655
(389 153)	-	(42 267)	-	-	(431 420)	198 408
(468 076)	-	(107 811)	-	-	(575 887)	629 162
(520 382)	-	(110 046)	-	-	(630 428)	1 226 402
(17 799 459)	22	(2 139 276)	(3 647)	107 719	(19 834 641)	38 746 732

ANNEXURE C: DISCLOSURE OF BANK ACCOUNTS IN TERMS OF SECTION 125(2)(A) OF THE MFMA

AS AT 30 JUNE 2016

	ACCOUNT NUMBERS		2016 R'000	2015 R'000	2014 R'000
	2016	2015			
MUNICIPALITY OF CAPE TOWN					
Bank accounts held with ABSA					
Main bank account	40-5658-4470	40-5658-4470	61 936	108 447	174 987
Salary bank account	40-5658-4496	40-5658-4496	-	-	-
Cashier's bank account	40-5658-4527	40-5658-4527	-	-	-
General income bank account (primary)	40-5658-4569	40-5658-4569	-	-	-
Traffic fines bank account	40-7261-8663	40-7261-8663	-	-	-
IRT bank account	40-8089-5180	40-8089-5180	-	-	-
Amortised cost - see note 12			61 936	108 447	174 987
SUBSIDIARIES					
CTICC					
Bank accounts					
Nedbank - current account	1232043850	1232043850	265	3 118	1 355
ABSA Bank - current	4072900553	4072900553	6 106	4 384	2 872
ABSA Bank - CTICC east - current	4072900228	4072900228	1 067	1	80
ABSA Bank - exh serv - current	4072900731	4072900731	44	104	498
ABSA Bank Treasury	4073731246	4073731246	65	62	60
ABSA Bank Treasury	4073733701	4073733701	2 157	2 034	1 930
Amortised cost			9 704	9 703	6 795
City improvement districts			52 860	38 956	31 215
Total bank balances - see note 12			124 500	157 106	212 997
MUNICIPALITY OF CAPE TOWN					
Bank accounts managed by fund managers					
City of Cape Town	5500125800	5500125800	502	380	690
City of Cape Town	5500125801	5500125801	2 431	2 047	1 394
City of Cape Town	5500125802	5500125802	237	399	549
City of Cape Town	5500125803	5500125803	95	390	1 087
City of Cape Town	5500125804	5500125804	1 684	1 466	1 547
City of Cape Town	5500125805	5500125805	857	260	429
City of Cape Town	5500125806	5500125806	655	1 618	1 888
City of Cape Town	5500125807	5500125807	588	546	568
City of Cape Town	5500125808	5500125808	569	710	168
City of Cape Town	5500125809	5500125809	258	129	105
Fair value - see note 12			7 876	7 945	8 425

	ACCOUNT NUMBERS		2016 R'000	2015 R'000	2014 R'000
	2016	2015			
SUBSIDIARIES					
CTICC					
Investment accounts					
Nedbank – call account	03/7881544007/46	03/7881544007/46	17	-	5 359
Nedbank – investment account	03/7881544007/000104	03/7881544007/000100	15 429	14 366	13 464
Nedbank – investment account	03/7881544007/000101	03/7881544007/000101	-	10 066	-
Nedbank – money market fund	(1766000029) (03/7881111917/00006)	(1766000029) (03/7881111917/00006)	-	41 604	39 117
ABSA Bank – call deposit	4074708347	4074708347	14 834	7 295	4 876
ABSA Bank – fixed deposit	34942428	34942428	-	-	-
First National Bank – RMB investment	00 506 190 167 40	-	12 788	-	-
Stanlib – corporate money market fund	000-402-184 (1199539) 551436367	000-402-184 (1199539) 551436367	51 793	9 996	7 328
Stanlib – corporate money market fund	000-402-184 (1199539) 552166459	000-402-184 (1199539) 552166459	7	17 032	24 116
Standard Bank – investment account	(97212) 486008	(97212) 486008	-	12 473	21 381
Standard Bank – investment account	(97212) 500922	(97212) 486007	-	10 262	-
Standard Bank – investment account	(97212) 490390	(97212) 490390	-	12 744	18 293
ABSA Bank – investment new 2	(506009 4072900553) 48518474	(506009 4072900553) 48518474	-	21 962	20 644
ABSA Bank – investment new 1	(506009 4072900553) 44699506	(506009 4072900553) 44699506	-	10 308	18 583
ABSA Bank – investment new 1	(506009 4072900553) 47954355	(506009 4072900553) 47954355	-	9 453	-
Nedbank – three-month deposit	03/7881544007/000102	03/7881544007/000102	-	15 485	14 560
Investec – corporate money market fund	(462097) 1008645	(462097) 1008645	19 489	10 113	17 099
Investec – corporate money market fund	(462097) 1037793	(462097) 1037793	24	16 019	23 082
ABSA Bank – call deposit	4083941322	4083941322	14 018	35 925	19 564
Nedgroup – money market fund	(1800167964) 8319631	(1800167964) 8319631	58 687	35 370	15 306
Nedgroup – corporate money market fund C2	(800190652) 8330496	(800190652) 8330496	-	40 381	18 102
Nedgroup – money market fund class C2	(800190652) 8330497	(800190652) 8330497	-	35 528	24 119
ABSA Bank – fixed deposit	506009 4072900553 - 44893640	506009 4072900553 - 44893640	-	32 025	30 093
ABSA Bank – money market fund	9295637051	9295637051	-	21 169	13 046
ABSA Bank – CTICC money market fund	09316676360	-	86 824	-	-
ABSA Bank – guarantee	506009 4072900553 - 43939765	506009 4072900553 - 43939765	134 913	125 287	-
Amortised cost			408 823	544 863	348 132

ANNEXURE D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2016

Business units	2016			
	Actual income R'000	Actual expenditure R'000	Surplus/ (deficit) R'000	Inter-departmental charges R'000
Rates and General	(19 942 338)	17 252 225	(2 690 113)	(886 180)
City Health	(528 355)	1 123 209	594 854	206 923
City Manager	(899)	58 391	57 492	(130 840)
Community Services	(170 917)	2 214 238	2 043 321	662 290
Corporate Services and Compliance ³	(67 211)	252 985	185 774	(1 960 140)
Energy, Environmental and Spatial Planning	(134 410)	721 031	586 621	185 955
Finance	(2 811 112)	1 286 425	(1 524 687)	(1 959 305)
Rates and other	(11 890 198)	2 783 022	(9 107 176)	524 256
Safety and Security Services	(1 243 394)	3 175 565	1 932 171	587 782
Social Development and Early Childhood Development	(680)	256 311	255 631	81 337
Tourism, Events and Economic Development	(27 192)	720 105	692 913	182 370
Transport for Cape Town	(1 762 930)	3 019 700	1 256 770	412 506
Human Settlements	(1 305 040)	1 641 243	336 203	320 686
Utility Services	(22 501 322)	20 901 780	(1 599 542)	886 180
Solid Waste Management	(2 749 638)	2 444 857	(304 781)	(969 792)
Sanitation	(2 972 908)	2 711 616	(261 292)	460 371
Water	(4 604 239)	4 312 927	(291 312)	78 320
Cape Town Electricity	(12 174 537)	11 432 380	(742 157)	1 317 281
Total Municipality of Cape Town	(42 443 660)	38 154 005	(4 289 655)	-
Subsidiaries				
Cape Town International Convention Centre	(244 354)	179 379	(64 975)	-
City improvement districts	(162 342)	146 175	(16 167)	-
Total subsidiaries	(406 696)	325 554	(81 142)	-
TOTAL	(42 850 356)	38 479 559	(4 370 797)	-

¹ Comparative restated: See note 44 for more details.

² Includes taxation and transfers to non-controlling interest.

³ There was an organisational structure change during the 2015/16 financial year. The Compliance and Auxiliary Services Directorate merged with Corporate Services to become the Corporate Services and Compliance Directorate.

2016				2015	
Net surplus/ (deficit) R'000	Grants and donations ² R'000	Net results from operations R'000	Budgeted net results from operations R'000	Restated ¹ Actual net result from operations R'000	Budgeted net results from operations R'000
(1 803 933)	(1 583 376)	(220 557)	1 503 737	(263 549)	1 546 500
387 931	(2 864)	390 795	460 254	360 539	428 534
188 332	-	188 332	230 058	171 613	205 185
1 381 031	(89 653)	1 470 684	1 600 640	1 319 286	1 454 762
2 145 914	(11 267)	2 157 181	2 252 903	2 158 956	2 055 007
400 666	(13 140)	413 806	453 974	363 815	393 102
434 618	(100)	434 718	947 157	638 849	1 217 666
(9 631 432)	-	(9 631 432)	(9 481 169)	(9 110 480)	(8 555 525)
1 344 389	(22 394)	1 366 783	1 580 952	1 129 854	1 446 727
174 294	(358)	174 652	183 736	129 141	136 511
510 543	(500)	511 043	549 783	499 353	521 070
844 264	(1 149 642)	1 993 906	2 170 403	1 757 716	1 875 588
15 517	(293 458)	308 975	555 046	317 809	367 873
(2 485 722)	(609 747)	(1 875 975)	(1 354 633)	(1 683 559)	(1 334 499)
665 011	-	665 011	850 700	626 178	726 091
(721 663)	(343 988)	(377 675)	(203 814)	(306 802)	(138 633)
(369 632)	(66 468)	(303 164)	(306 639)	(207 762)	(329 261)
(2 059 438)	(199 291)	(1 860 147)	(1 694 880)	(1 795 173)	(1 592 696)
(4 289 655)	(2 193 123)	(2 096 532)	149 104	(1 947 108)	212 001
(64 975)	(33 844)	(31 131)	(24 076)	(28 296)	(19 146)
(16 167)	-	(16 167)	343	(11 061)	(3 443)
(81 142)	(33 844)	(47 298)	(23 733)	(39 357)	(22 589)
(4 370 797)	(2 226 967)	(2 143 830)	125 371	(1 986 465)	189 412

ANNEXURE E: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA

FOR THE YEAR ENDED 30 JUNE 2016

NATIONAL AND PROVINCIAL GRANT FUNDS 2015/2016										
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				
National Government	Sport and Recreation	(2)	-	-	-	-	-	-	-	(2)
	State Housing	(742)	-	-	-	-	-	-	-	(742)
	National Treasury	-	(1 050)	-	1 050	-	-	-	-	-
	Environmental Affairs	-	(220)	-	152	-	-	-	-	(68)
	Energy	-	(5 000)	3	-	4 997	-	-	-	-
	National Treasury	-	(12 000)	359	424	11 217	-	-	-	-
	National Treasury	(58)	(23 616)	4	23 216	454	-	-	-	-
	Water	(11)	-	-	-	-	-	-	-	(11)
	State Housing	(31 580)	(13 703)	66	18 743	465	-	-	-	(26 009)
	National Treasury	(139)	(7 526)	202	6 932	497	-	-	-	(34)
	National Treasury	(4 474)	(50 826)	1 020	2 915	51 365	-	-	-	-
	Environmental Affairs	(17)	-	17	-	-	-	-	-	-
	Environmental Affairs	(522)	-	-	459	-	-	-	-	(63)
	Corporate Governance and Traditional Affairs	(615)	-	-	-	-	-	-	-	(615)
	National Treasury	(20 144)	(44 310)	20 145	-	38 179	-	-	-	(6 130)
	Environmental Affairs	-	(272)	(1 571)	1 814	-	-	-	-	(29)
	Transport	(408 232)	-	39 277	(83)	369 038	-	-	-	-
	Transport	-	(881 501)	40 930	277 070	434 540	-	-	-	(128 961)
	Transport	(64 765)	-	8 219	56 546	-	-	-	-	-
	National Treasury	(3 477)	-	-	-	100	-	-	-	(3 377)
	Environmental Affairs	-	(3 030)	-	2 246	-	-	-	-	(784)
	Environmental Affairs	-	(423)	-	401	-	-	-	-	(22)
	Public Service and Administration	(200)	(777)	-	724	-	-	-	-	(253)
	National Treasury	(4 118)	-	-	1 281	643	-	-	-	(2 194)
	National Treasury	(163 495)	(1 387 760)	149 536	171 611	1 080 570	-	-	-	(149 538)
	Total DoRA allocation		(702 591)	(2 432 014)	258 207	565 501	1 992 065	-	-	-

NATIONAL AND PROVINCIAL GRANT FUNDS 2015/2016									
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			
2010 FIFA World Cup – Green Point: Interest account		(246)	-	-	-	-	-	-	(246)
LGSETA: Postgraduate internship programme: Interest account		(68)	-	-	-	-	(34)	-	(102)
Natural resource management: Interest account		(7)	-	-	-	-	-	-	(8)
Neighbourhood development programme: Interest account		(10 182)	-	-	-	-	8 750	-	(1 432)
Peninsula wetlands rehabilitation project: Interest account		-	-	-	-	-	(5)	-	(5)
Public Transport Infrastructure Systems Grant: Interest account		(221 075)	-	-	20 998	(55 621)	(14 248)	-	(269 946)
Public Transport Infrastructure Grant: Interest account		(45 781)	-	-	-	38 031	(22 634)	-	(30 384)
Public Transport Network Grant: Interest account		-	-	-	-	-	(16 938)	-	(16 938)
Public Transport Network Operations Grant: Interest account		(16 002)	-	-	8 158	-	(5 028)	-	(12 872)
Smart Living Handbook: Interest account		(82)	-	-	-	-	(5)	-	(87)
Special projects		(23)	-	-	-	-	(32)	-	(55)
Terrestrial invasive alien plants: Interest account		(12)	-	-	-	-	(10)	-	(22)
Total interest earned		(293 478)	-	-	29 156	(17 590)	(50 185)	-	(332 097)
TOTAL PROVINCE TRANSFERS AND GRANTS									
ABET adult education	Education	(4)	-	-	-	-	-	-	(4)
Accreditation assistance	Human Settlements	(2 737)	(5 000)	-	6 584	-	(111)	-	(1 264)
Atlantis – Westfleur ext 13	Human Settlements	(323)	-	-	-	-	-	-	(323)
Bardale high-mast lighting project	Human Settlements	(471)	-	471	-	-	-	-	-
Belhar Pentech 340 top structures	Human Settlements	-	-	(5 259)	-	-	-	-	(5 259)
Belhar social housing 629 units	Human Settlements	-	-	(48 872)	48 872	-	-	-	-
Bokmakierie/Hazendal infill 3	Human Settlements	(472)	-	-	55	-	-	-	(417)
Broadband	Department of the Premier	(4 504)	(7 298)	-	-	10 181	-	-	(1 621)
Browns Farm phase 3, 4, 5, 6	Human Settlements	(10 657)	-	(1 851)	852	-	-	-	(11 656)
CBH Wallacedene phase 1, 3, 4, 5, 6	Human Settlements	(5 038)	-	75	-	-	(328)	-	(5 291)
CBO Freedom Park	Human Settlements	(71)	-	71	-	-	-	-	-
Chemical toilets in Wallacedene	Human Settlements	(30)	-	-	-	-	(2)	-	(32)
Chris Hani Park housing project	Human Settlements	(274)	-	-	-	-	-	-	(274)
Clinics: HIV/Aids & TB programmes	Health	(13)	-	-	-	-	-	-	(13)
Contributed assets	Human Settlements	-	-	(64 111)	-	64 111	-	-	-

ANNEXURE E: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

NATIONAL AND PROVINCIAL GRANT FUNDS 2015/2016									
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			
Community residential units	Human Settlements	(170 115)	-	21 608	(3 861)	81 201	-	-	(71 167)
Delft South high-density housing	Human Settlements	(104)	-	104	-	-	-	-	-
Delft sportfield development	Human Settlements	(20)	-	-	-	-	-	-	(20)
Delft Symphony Way TRA	Human Settlements	(2 687)	-	-	-	-	-	-	(2 687)
Delft The Hague/Roosendaal Eindhoven	Human Settlements	-	-	(62 803)	42 789	-	-	-	(20 014)
Disaster fund - fire/flood kits	Human Settlements	-	-	(35 927)	29 661	-	-	-	(6 266)
Du Noon phase 1, 3: transfers	Human Settlements	(299)	-	-	-	-	-	-	(299)
Echo Road housing project	Human Settlements	(4)	-	4	-	-	-	-	-
Edward Road energy efficient project	Human Settlements	(2 923)	-	-	25	-	(192)	-	(3 090)
EHP Nyanga, Du Noon and Atlantis	Human Settlements	(9 847)	-	(1 527)	462	-	-	-	(10 912)
EHP repair and reconstruct eight houses	Human Settlements	(44)	-	44	-	-	-	-	-
Enkanini housing project	Human Settlements	(3 305)	-	3 305	-	-	-	-	-
Establishment grants	Human Settlements	(2 062)	-	(390)	1 225	-	(110)	-	(1 337)
Facilitation grants	Human Settlements	(650)	-	(138)	334	-	(38)	-	(492)
False Bay Ecology	Economic Development and Tourism	(46)	-	-	-	-	(3)	-	(49)
Finance Management Support Grant	Treasury	(3)	(300)	-	303	-	(4)	-	(4)
Fire detection surveillance cameras	Human Settlements	(4)	-	-	-	-	-	-	(4)
Gabriel Square restitution	Human Settlements	(37)	-	-	-	-	-	-	(37)
Garden Cities/Greenville/Fisantekraal 868	Human Settlements	(12 348)	-	(65 670)	20 987	-	-	-	(57 031)
Global Fund	Health	(2 973)	-	-	-	-	(196)	-	(3 169)
Global Fund antiretroviral	Health	(360)	(23 102)	-	25 757	-	-	(2 295)	-
Global Fund community-based response project	Health	-	(4 403)	717	4 034	-	-	(348)	-
Government grant community development workers	Human Settlements	(684)	(1 080)	-	1 446	291	(55)	-	(82)
Green Point phase 21 housing	Human Settlements	(863)	-	-	66	-	-	-	(797)
Greenland's housing project	Human Settlements	(971)	-	-	-	-	-	-	(971)
Hangberg housing project	Human Settlements	(52)	-	52	-	-	-	-	-
Hangberg: Appointment of mediator	Human Settlements	(85)	-	85	-	-	-	-	-
Happy Valley - phase 2 top structures	Human Settlements	(2 710)	-	2 821	-	-	-	(111)	-
Hazendal infill - top structures	Human Settlements	-	-	(17 769)	16 494	-	-	-	(1 275)
HCE Manuals (housing consumer education)	Human Settlements	(119)	-	-	-	-	(8)	-	(127)

NATIONAL AND PROVINCIAL GRANT FUNDS 2015/2016									
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			
Heideveld housing infill	Human Settlements	-	-	(45 300)	26 136	-	-	-	(19 164)
HIV/Aids community-based response projects	Health	-	(131 678)	7 873	133 038	-	-	(9 233)	-
Hostels phase 2 housing	Human Settlements	(996)	-	-	-	-	-	-	(996)
Housing Settlements Development Grant	Human Settlements	-	(730 119)	682 519	6 632	-	-	-	(40 968)
IHP Westgate Mall phase C1 and C2	Human Settlements	-	-	(4 130)	1 075	-	-	-	(3 055)
Imizamo Yethu phase 2 new services	Human Settlements	(931)	-	-	-	-	-	-	(931)
Informal settlements	Human Settlements	(1 010)	-	137	633	-	-	-	(240)
Interactive community access network	Economic Development and Tourism	(204)	-	-	43	50	(12)	-	(123)
Jakkelsvlei canal upgrading	Human Settlements	(10 427)	-	-	-	-	-	-	(10 427)
Kalkfontein phase 2	Human Settlements	(395)	-	-	-	-	-	-	(395)
Kanonkop phase 1 top structures	Human Settlements	(4 891)	-	(17 583)	10 911	-	-	-	(11 563)
Kewtown infill development	Human Settlements	(190)	-	190	-	-	-	-	-
Khayelitsha Khuyasa phase 2	Human Settlements	(373)	-	(4 235)	-	-	-	-	(4 608)
Khayelitsha site C subsidies	Human Settlements	(3 950)	-	-	-	-	(260)	-	(4 210)
Kleinvlei phase 2	Human Settlements	(1 308)	-	-	415	-	-	-	(893)
Kuyasa T3V1 top structures	Human Settlements	(202)	-	-	-	-	-	-	(202)
Law enforcement officers	Community Safety	(463)	(21 669)	-	21 669	-	-	-	(463)
Law enforcement officers	Human Settlements	(46)	-	-	47	-	(3)	-	(2)
Library Metro Grant	Cultural Affairs and Sport	-	(5 000)	-	147	3 938	(122)	-	(1 037)
Local government compliance: Commercial mediation training	Local Government	-	(174)	174	-	-	-	-	-
Macassar treatment works	Human Settlements	(5 500)	-	-	-	-	-	-	(5 500)
Major upgrading - rental units	Human Settlements	-	-	3 000	-	-	-	(3 000)	-
Marconi Beam	Human Settlements	(9)	-	-	-	-	-	-	(9)
Masiphumelele TRA	Human Settlements	(999)	-	1 058	-	-	(59)	-	-
Masiphumelele Amakhaya Ngoku	Human Settlements	(15 309)	-	-	-	-	(910)	-	(16 219)
Melkbosch Village	Human Settlements	(90)	-	90	-	-	-	-	-
Metropolitan Land Transport Fund	Transport and Public Works	(6 953)	(37 200)	-	17 687	17 447	(1 073)	-	(10 092)
Metropolitan Transport Fund	Transport and Public Works	-	-	(1 528)	1 195	333	-	-	-

ANNEXURE E: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA

FOR THE YEAR ENDED 30 JUNE 2016 (continued)

NATIONAL AND PROVINCIAL GRANT FUNDS 2015/2016										
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 and Strand 12 houses Mfuleni EPH TRA Mfuleni ext 3 Mfuleni ext 4 housing Mfuleni flood relief project Mfuleni MLS top structure Mitchell's Plain infill phase 1 Mitchell's Plain TA2 Morgan's Village 3/Western Cape Netreg housing project New housing development projects Nonqubela phase 2/Makhaza Nutrition supplement programme Pelican Park 2083 top structures Philippi East top structures Philippi East phase 5 Philippi Park flooding Phoenix UISP Peoples housing project Phumlani transfers Provision of security improvements at rail park-and-ride facilities Public Library Fund Redhill informal settlement Rondevelei housing project Scottsdene 350 top structures Scottsdene 550 top structures Social economic facilities programme Sercor Park Silvertown Khayelitsha 2000 structures Sir Lowry's Pass Village TRA	Human Settlements	(126)	-	126	-	-	-	-	-	-
	Human Settlements	(218)	-	218	-	-	-	-	-	-
	Human Settlements	(129)	-	-	-	-	-	-	-	(129)
	Human Settlements	(332)	-	-	-	-	-	-	-	(332)
	Human Settlements	(3 005)	-	-	-	-	-	-	-	(3 005)
	Human Settlements	(213)	-	-	-	-	-	-	-	(213)
	Human Settlements	(4 143)	-	-	-	-	-	-	-	(4 143)
	Human Settlements	(276)	-	-	-	-	-	-	-	(276)
	Human Settlements	(1 167)	-	-	-	-	-	(77)	-	(1 244)
	Human Settlements	(350)	-	350	-	-	-	-	-	-
	Human Settlements	-	-	3 445	2 372	-	-	-	(5 817)	-
	Human Settlements	(164)	-	164	-	-	-	-	-	-
	Health	-	(4 528)	14	(48 646)	4 169	-	-	-	(345)
	Human Settlements	-	-	-	-	38 920	-	-	-	(9 726)
	Human Settlements	(129)	-	-	-	128	-	-	-	-
	Human Settlements	(638)	-	-	-	41	-	-	-	(597)
	Human Settlements	(974)	-	-	-	-	-	-	-	(974)
	Human Settlements	(167)	-	-	167	-	-	-	-	-
	Human Settlements	(100 127)	-	-	(134 548)	163 400	-	(5 684)	-	(76 959)
	Human Settlements	(22)	-	-	-	-	-	-	-	(22)
	Transport and Public Works	(209)	-	-	-	-	-	(14)	-	(223)
	Cultural Affairs and Sport	(6 533)	(37 833)	-	-	32 142	9 140	(1 192)	-	(4 276)
	Human Settlements	(302)	-	-	-	-	-	(20)	-	(322)
	Human Settlements	(72)	-	-	-	39	-	-	-	(33)
	Human Settlements	(680)	-	-	(38 208)	-	31 361	-	-	(7 527)
	Human Settlements	(5 463)	-	-	(5 000)	16 126	-	-	(5 663)	-
Human Settlements	(4 259)	-	-	-	-	2 994	-	-	(1 265)	
Human Settlements	(704)	-	-	-	-	-	-	-	(704)	
Human Settlements	(1 142)	-	-	1 142	-	-	-	-	-	
Human Settlements	(4 574)	-	-	-	3 185	-	-	-	(1 389)	

NATIONAL AND PROVINCIAL GRANT FUNDS 2015/2016									
Description	Source	Balance unspent at beginning of the year ¹	Current-year receipts	Adjustments	CONDITIONS MET – TRANSFERRED TO REVENUE		Interest earned	Amounts to be claimed	Balance unspent at the end of the year ¹
		R'000	R'000	R'000	Operating	Capital	R'000	R'000	R'000
Somerset West housing project	Human Settlements	(4 164)	-	-	-	-	-	-	(4 164)
Spandau project 384 houses	Human Settlements	(36)	-	-	-	-	-	-	(36)
Tafelsig area: Silver City	Human Settlements	(202)	-	-	-	-	-	-	(202)
Tambo Square	Human Settlements	(42)	-	(264)	20	-	-	-	(286)
TB crisis plan	Health	-	(24 653)	-	24 535	-	-	-	(118)
Temperance Town	Human Settlements	(55)	-	-	-	-	-	-	(55)
Three Anchor Bay tennis court	Cultural Affairs and Sport	(114)	-	-	-	126	(6)	(6)	-
Vaccines	Health	-	(61 967)	1 538	71 153	-	-	(10 724)	-
Vehicle impound facility Maitland	Transport and Public Works	-	-	54	-	-	-	(54)	-
Vrygrond	Human Settlements	(33)	-	-	-	-	-	-	(33)
Vrygrond (EPH)	Human Settlements	(237)	-	-	-	-	(16)	-	(253)
Wallacedene phase 3, 4, 5, 6, 7, 8, 9, 10	Human Settlements	(13 243)	-	1	780	-	-	-	(12 462)
Witsand housing project phase 1, 2	Human Settlements	(184)	-	184	-	-	-	-	-
TOTAL PROVINCE TRANSFERS AND GRANTS		(446 583)	(1 096 004)	128 042	772 723	221 173	(10 495)	(37 251)	(468 395)
Analysis of grants and subsidies									
Total National Government transfers and grants		(996 069)	(2 432 014)	258 207	594 657	1 974 475	(50 185)	-	(650 929)
Total Provincial Government transfers and grants		(446 583)	(1 096 004)	128 042	772 723	221 173	(10 495)	(37 251)	(468 395)
		(1 442 652)	(3 528 018)	386 249	1 367 380	2 195 648	(60 680)	(37 251)	(1 119 324)

¹ The balance unspent at beginning and end of the year excludes VAT.

ANNEXURE F: APPROPRIATION STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	2015/2016					
	Original budget 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 R'000
Financial performance						
Property rates	6 546 155	32 757	6 578 912	-	-	6 578 912
Service charges	17 002 759	(5 534)	16 997 225	-	-	16 997 225
Investment revenue	294 255	313 623	607 878	-	-	607 878
Transfers recognised - operational	3 579 752	526 257	4 106 009	-	-	4 106 009
Other own revenue	4 466 938	(67 407)	4 399 531	-	-	4 399 531
Total revenue (excluding capital transfers and contributions)	31 889 859	799 696	32 689 555	-	-	32 689 555
Employee costs	9 921 896	77 339	9 999 235	-	-	9 999 235
Remuneration of councillors	140 184	-	140 184	-	-	140 184
Debt impairment	1 798 371	128	1 798 499	-	-	1 798 499
Depreciation and asset impairment	2 121 805	37 296	2 159 101	-	-	2 159 101
Finance charges	971 149	(208 595)	762 554	-	-	762 554
Materials and bulk purchases	8 326 560	52 137	8 378 697	-	-	8 378 697
Transfers and grants	120 402	191 407	311 809	-	-	311 809
Other expenditure	8 891 645	373 200	9 264 845	-	-	9 264 845
Total expenditure	32 292 012	522 912	32 814 924	-	-	32 814 924
Surplus/(deficit)	(402 153)	276 784	(125 369)	-	-	(125 369)
Transfers recognised - capital	2 223 813	222 981	2 446 794	-	-	2 446 794
Contributions recognised - capital and contributed assets	53 761	14 973	68 734	-	-	68 734
Surplus/(deficit) after capital transfers and contributions	1 875 421	514 738	2 390 159	-	-	2 390 159
Share of surplus/(deficit) of associate	-	-	-	-	-	-
Surplus/(deficit) for the year	1 875 421	514 738	2 390 159	-	-	2 390 159
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	2 223 813	223 323	2 447 136	-	-	2 447 136
Public contributions and donations	53 761	14 631	68 392	-	-	68 392
Borrowing	2 579 264	(50 024)	2 529 240	-	-	2 529 240
Internally generated funds	1 691 254	(217 354)	1 473 900	-	-	1 473 900
Total sources of capital funds ¹	6 548 092	(29 424)	6 518 668	-	-	6 518 668
Cash flows						
Net cash from (used) operating	4 229 327	234 445	4 463 772	-	-	4 463 772
Net cash from (used) investing	(6 547 167)	11 673	(6 535 494)	-	-	(6 535 494)
Net cash from (used) financing	1 710 002	(1 930 165)	(220 163)	-	-	(220 163)
Cash/cash equivalents at the year-end	(607 838)	(1 684 047)	(2 291 885)	-	-	(2 291 885)

¹ The actual capital outcome amount does not include the contributed assets amount of R64,21 million. See annexure B.

2015/2016					2014/2015			
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
6 739 787	-	-	102	103	-	-	-	-
17 552 069	-	-	103	103	-	-	-	-
680 150	-	-	112	231	-	-	-	-
3 619 257	-	-	88	101	-	-	-	-
4 436 192	-	-	101	99	-	-	-	-
33 027 455	-	-	101	104	-	-	-	-
9 415 890	-	-	94	95	-	-	-	-
135 094	-	-	96	96	-	-	-	-
1 898 476	-	-	106	106	-	-	-	-
2 148 102	-	-	99	101	-	-	-	-
752 837	-	-	99	78	-	-	-	-
8 373 741	-	-	100	101	-	-	-	-
148 246	-	-	48	123	-	-	-	-
7 977 398	-	-	86	90	-	-	-	-
30 849 784	-	-	94	96	-	-	-	-
2 177 671	-	-	(1 737)	(542)	-	-	-	-
2 131 537	-	-	87	96	-	-	-	-
61 589	-	-	90	115	-	-	-	-
4 370 797	-	-	183	233	-	-	-	-
-	-	-	-	-	-	-	-	-
4 370 797	-	-	183	233	-	-	-	-
2 187 424	-	-	89	98	-	-	-	-
61 488	-	-	90	114	-	-	-	-
2 441 423	-	-	97	95	-	-	-	-
1 184 656	-	-	80	70	-	-	-	-
5 874 991	-	-	90	90	-	-	-	-
6 458 242	-	-	145	153	-	-	-	-
(6 272 662)	-	-	96	96	-	-	-	-
(174 391)	-	-	79	(10)	-	-	-	-
11 189	-	-	(0 49)	(2)	-	-	-	-

ANNEXURE G: BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE – 2015

Connected person	Position held with state	ECONOMIC ENTITY	MUNICIPALITY OF CAPE TOWN
		2015 R'000	2015 R'000
Adams, J	Administrative Officer	92	92
Agulhas, M	Artisan	363	363
Arnold, JT	Superintendent	29	29
August, K	Operational Supervisor: Driver	28	28
Barnard, M	Deputy Director: Health Department	3 144	3 144
Basholo, Z	Manager: Water Demand Management and Strategy	442	442
Bowers, ER	Social Worker: Department of Health	6	6
Buitendag, G	Principal Professional Officer	134	134
Cedras, A	Senior Superintendent	1 433	1 433
Christopher, P	Operations Manager: Corporate	578	578
Cilliers, JP	Special Advisor to the Premier	76	76
Danie, S	Project Administrator	387	387
Davids, F	Clerk	119	119
Davids, J	Administrative Officer	697	697
Davids, M	Operational Supervisor: Driver	172	172
Dolf, N	Clerk	131	131
Du Toit, J	Assistant Buyer: SCM	597	597
Ebrahim, Y	Head: District 5	1 412	1 412
Els, A	Warrant Officer	73	73
Fourie, S	HoD: Department of Economic Development and Tourism	49	-
Gordon, C	Clerk	568	568
Gurgess, D	Senior Clerk	1 013	1 013
Hattingh, PM	Administrative Officer: SCM	2 371	2 371
Hector, C	Quality Assessor	2 211	2 211
Henderson, C	Teacher	85	85
Hendricks, F	Administrative Officer	31	31
Ishmail, E	Manager: Valuation Data and Systems	3 030	3 030
Jacobs, E	Senior Clerk	10 808	10 808
Jemane, J	Professional Officer	14	14
Jones, B	Superintendent: Community Services	2	2
Komani, A	Foreman	5	5
Lategan, J	Clerk	337	337
Le Vack, S	Professional Nurse	273	273
Leukes, P	Spokesperson to the Executive Mayor	281	281
Maroof, M	Professional Officer	1 100	1 100
Martin, M	Department of Health	24	24
Mbhalo, N	Clerk	403	403
Melnick, R	Project Administrator	47	47
Merile, SS	Operator: Small Plant	743	743
Meyer, G	Manager: Support	62 073	62 073
Meyer, T	Educator: Western Cape Education Department	4 520	-
Modack, K	Senior Project Administrator	109	109
Monk, EJ	Subcouncil Manager	4 213	4 213
Mshweshwe, MC	Statutory Compliance Specialist	635	635
Mtini, V	Worker	36 100	36 100
Mzwanbile, N	SA Ambassador	12	12
Nel, GA	Advisory Specialist	55	55
Niehaus, H	Senior Manager: Department of Health	22	22
Ntlati, B	Clerk	340	340

Connected person	Position held with state	ECONOMIC ENTITY	MUNICIPALITY OF CAPE TOWN
		2015 R'000	2015 R'000
Paul, B	Manager: Department of Cultural Affairs and Sport	76	76
Phosa, P	Member of Parliament	199 388	199 388
Poole, N	Senior Clerk	24	24
Porsche, S	Forensics	31	31
Rall, A	Hospital Manager	327	327
Rhodes, M	Department of Education	486	486
Ritter, T	Senior Clerk	7	7
Salomons, T	Specialist Artisan	2 114	2 114
Scheepers, C	Councillor	12	12
Scholtz, LM	Secretary	473	473
Siebritz, W	Firefighter	38	38
Steyn, D	Head: Supplier Management	129	129
Steyn, T	Senior Professional Officer	234	234
Unathi, P	Assistant Professional Officer	61	61
Van der Heever, V	Teacher	1 407	1 407
Van der Vendt, C	Senior Worker	560	560
Visagie, L	Teacher	141	141
Votersen, MF	Head of Finance: Parks	2 969	2 969
Wasserfall, B	Senior Forensics Officer	1 944	1 944
Willemse, S	Administrative Officer	1 396	1 396
Wyngaard, R	Administrative Officer – Tenders: SCM	866	866
AURECON awards	Family members as per schedule below	56 863	56 863
Total		410 933	406 364

*** Names of family members (AURECON awards)**

Ahlschlager, HC	Legal Representative: Special Investigating Unit
Geldenhuis, N	Mechatronic Engineer: Transnet Port Terminals
Goga, Y	Senior Specialist: Nkosi Albert Luthuli Hospital
Govender, T	Fleet Maintenance Administrator: Umgeni Water
Herholdt, E	Manager: Limpopo Department of Economic Development, Environment and Tourism
Heyns, A	Assistant Superintendent: Stellenbosch Municipality
Jacobs, J	Personal Assistant: Eastern Cape Department of Education
Kleynhans, B	Accountant: Hessequa Municipality
Kriegler, BJ	Councillor: Cape Winelands District Municipality and Breede Valley Municipality
Marques, M	Deputy Director: Department of Home Affairs
Nadasen, K	Director: National Department of Public Works
Ntsebeza, D	Buffalo City Metropolitan Municipality
Ntsebeza, M	Intsika Yethu Municipality
Ntsebeza, N	Intsika Yethu Municipality
Pretorius, PS	Sol Plaatje Municipality
Robertson, JM	Roads Engineer: Ekurhuleni Metropolitan Municipality
Vermeulen, PC	Superintendent: City of Cape Town

GLOSSARY OF ABBREVIATIONS

AFD	Agence Française de Développement
ASB	Accounting Standards Board
CID(s)	city improvement district(s)
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 Company SOC Limited (RF)
DB	defined-benefit (scheme)
DBSA	Development Bank of Southern Africa
DC	defined-contribution (scheme)
DMTN	domestic medium-term note
DoRA	Division of Revenue Act
FBE	free basic electricity
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IRM	integrated risk management
IRT	integrated rapid transit
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
Mayco	Mayoral Committee
MFMA	Local Government: Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MTREF	Medium-Term Revenue and Expenditure Framework
NACS	nominal annual compounded semi-annually
PAYE	pay-as-you-earn
PHP	People's Housing Process
PPE	property, plant and equipment
Province	Western Cape Government
SALA	South African Local Authorities (Pension Fund)
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SCM	supply chain management
TASK	tuned assessment of skills and knowledge
UIF	Unemployment Insurance Fund
USDG	Urban Settlements Development Grant
VAT	value-added tax



APPENDICES



256 APPENDIX A: DEFINITIONS FOR CORPORATE SCORECARD

264 APPENDIX B: ABBREVIATIONS USED IN THIS REPORT

266 APPENDIX C: LIST OF FIGURES AND TABLES

267 APPENDIX D: MFMA CIRCULAR 63 APPENDICES

268 APPENDIX E: 2015/16 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN

278 APPENDIX F: CTICC PERFORMANCE SCORECARD FOR THE 2015/16 FINANCIAL YEAR



APPENDIX A: DEFINITIONS FOR CORPORATE SCORECARD

INDICATOR	IDP REFERENCE	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 times. This improvement is in the trend over the course of the five-year term of the IDP, but is 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). See 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 as a weighted average percentage for the two categories of building plans.</p>
1.B Percentage spend of capital budget	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 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 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-based 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 costs refer to repairs and maintenance expenditure incurred for labour and materials paid to outside suppliers.</p> <p>Secondary repairs and maintenance costs refer to repairs and maintenance expenditure incurred for labour provided in-house/ internally.</p>
1.E Number of outstanding valid applications for water services, expressed as a percentage of total number of billings for the service	1.2(b)	<p>Reflects the number of outstanding valid applications, expressed as a percentage of total number of active billings (where downpayment 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 national key performance indicator (NKPI).</p>

INDICATOR	IDP REFERENCE	INDICATOR DEFINITION
1.F Number of outstanding valid applications for sewerage services, expressed as a percentage of total number of billings for the service	1.2(c)	<p>Reflects the number of outstanding valid applications (where down payment has been received) for sewerage services (where valid applications translate into an active account), expressed as a percentage of total number of active billings for the service. 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 NKPI.</p>
1.G Number of outstanding valid applications for electricity 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 (where downpayment has been received) 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.</p> <p>Proxy measure for NKPI.</p>
1.H Number of outstanding valid applications for refuse collection service, expressed as a percentage of total number of billings for the service	1.2(c)	<p>Reflects the number of outstanding valid applications (C3 notifications) for a new refuse collection service at the end of a reporting period, expressed as a percentage of total number of active billings for formal residential refuse collection services as at the end of the same reporting period. Billing equates to active contract accounts (formal kerbside refuse collection service) for domestic customers, as extracted from the City of Cape Town's SAP database.</p> <p>Proxy measure for NKPI.</p>
1.I Number of EPWP job opportunities created	1.2(d)	<p>Measures the number of job opportunities created through the EPWP.</p> <p>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.</p>
1.J Percentage of treated potable water not billed	1.3(b)	<p>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.</p> <p>It is calculated on a 12-month rolling basis in order to smooth out short-term fluctuations.</p> <p>The aim is to reduce the percentage of treated potable water not billed over the planned period, and is reflected in the targets.</p>
1.K Number of passenger journeys on the MyCiTi public transport system	1.4(c)	<p>The uptake of the MyCiTi transport system will be determined by the demand.</p> <p>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).</p>

APPENDIX A:

DEFINITIONS FOR CORPORATE SCORECARD (continued)

INDICATOR	IDP REFERENCE	INDICATOR DEFINITION
1.L Percentage development of an immovable property asset management framework	1.5(a)	<p>Measures the percentage of the weighted average of the components below:</p> <ul style="list-style-type: none"> • Development of a comprehensive immovable property asset register • Development of an immovable property asset management compliance framework • Development of a centralised custodial role for immovable property asset management (communication) • Identification of all strategic immovable property assets • Development of a medium-term (five-to-ten-year) strategy for the release of immovable property • The strategic acquisition and holding (land-banking) of new immovable property assets
1.M Number of external trainee and bursary opportunities created	1.6(a)	<p>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.</p> <p>This includes external bursaries awarded, in-service student training opportunities, graduate internships, learnerships and apprenticeships.</p> <p>There are two measures under this indicator:</p> <ul style="list-style-type: none"> • Measure (a) includes external bursars, in-service student trainees, graduate interns and learners (learnership beneficiaries). • Measure (b) includes apprentices.
2.A Community satisfaction survey (score 1-5) – safety and security	2.4(a)	<p>Measures community perception in respect of the prevailing levels of general disorder in the city.</p> <p>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, by-law offences, nuisances and traffic offences that directly affect residents' quality of life. The City's community satisfaction survey measures public perception around a number of these issues, including:</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 • by-laws being enforced. <p>Total score in respect of the section in the survey that relates to antisocial behaviour and general disorder.</p> <p>Questionnaires completed by residents as part of the City's community satisfaction survey, which inter alia measures public perception around the following:</p> <ul style="list-style-type: none"> • Traffic enforcement • Illegal land invasion • Illegal dumping • Noise and disturbances • General enforcement of the City's by-laws

INDICATOR	IDP REFERENCE	INDICATOR DEFINITION
2.B Reduce number of accidents at five highest-frequency intersections	2.1(a)	Measures the decrease in vehicle accidents in the five identified highest-frequency accident locations. These locations are: <ul style="list-style-type: none"> • M7 x Voortrekker Road • N7 x Bosmansdam Road • Section Street x Koeberg Road • Cannon Road x Voortrekker Road x Koeberg Road (Maitland) • Victoria Road x N2 west (Somerset West)
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 maintained	2.2	Measures the number of specialised units in the three policing departments, i.e. Metro Police, Traffic Services and Law Enforcement, which the Safety and Security Directorate managed to maintain as operationally active and fully capable of delivering on their specialised mandates.
2.E Percentage budget spent on integrated information management system	2.3(a)	Measures the percentage budget spent on the integrated information management system.
2.F Percentage staff successfully completing legislative occupation-specific training interventions	2.4(a)	Measures the percentage of members of the Metro Police, Traffic Services and Law Enforcement departments who have undergone any legislative training intervention that is directly relevant to the performance of their operational duties, i.e. occupation-specific training interventions.
2.G Percentage of neighbourhood watch satisfaction survey	2.5(a)	Measures the percentage satisfaction with the City's assistance to neighbourhood watches.
3.A Number of social development programmes implemented	3.1(a)	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 listed below: <ul style="list-style-type: none"> • Youth development • ECD training • Social entrepreneurship • Vulnerable groups (senior citizens, gender and disability) • Street people • Substance abuse • 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 recreation activities for 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.

APPENDIX A: DEFINITIONS FOR CORPORATE SCORECARD (continued)

INDICATOR	IDP REFERENCE	INDICATOR DEFINITION
3.C Number of human settlements opportunities provided per year	3.2(d)	<p>A human settlements opportunity is defined under the following three categories:</p> <ul style="list-style-type: none"> (a) Serviced sites are any property providing a municipal service on an individual basis to a household, including provision to households in multi-storey units, on high-density residential sites, as well as other non-residential sites relating to integrated human settlements development, where the main source of funding is the Urban Settlements Development Grant (USDG) in terms of the Division of Revenue Act (DORA) for such purpose. (b) Top structures are any built structure providing shelter to a household in a human settlements development 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) 'Other' is the number of existing rental stock units undergoing major upgrades, and any number of households provided with shared services and other services in the backyarder, re-blocking and informal settlements upgrade programmes. <p>Definition of a human settlements opportunity: A human settlements 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 40 m² house, a fully serviced residential site, and may also include high-density residential sites relating to integrated human settlements development, as well as other non-residential sites relating to integrated human settlements development (b) Incremental housing, which provides a serviced site with or without tenure (c) Rental housing, which is new community residential units, upgrades and re-development of existing rental units and hostels (d) People's Housing Process is beneficiaries who maximise their housing subsidy by building or organising the building of their homes themselves (e) Land restitution includes land provided to valid claimants in terms of Council resolutions or court decisions (f) Social housing is new rental units, delivered by the City's social housing partners (g) Gap housing is a serviced plot, a completed unit for sale, or affordable units for sale (h) Re-blocking of informal settlements is the reconfiguration of the layout of settlements to allow for 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 reflected 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 of grant funding as two separate milestones.</p> <p>A separate report (not for auditing purposes) for information to Council will reflect total delivery in the City, which includes delivery by Province (N2, PHP, gap, other projects) as well as social housing and restitution cases facilitated by the City.</p>

INDICATOR	IDP REFERENCE	INDICATOR DEFINITION
3.D Number of deeds of sale agreements signed with identified beneficiaries on transferrable rental units	3.3(a)	Refers to the registration of transferrable rental stock to qualifying tenants. 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)	<p>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.</p> <ul style="list-style-type: none"> • Backyarder provision based on one tap per backyard property, which could be serving several households.
Number of sanitation service points (toilets) provided	3.4(b)	<p>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.</p> <ul style="list-style-type: none"> • Backyarder provision based on one toilet per backyard property, which could be serving several households.
Percentage of informal settlements receiving door-to-door refuse collection service	3.4(b)	<p>Reflects the percentage of informal settlements receiving a weekly door-to-door refuse removal collection service for the period under review.</p> <p>The collection of domestic refuse in informal settlements is done through contract services, employing local labour.</p> <p>Three-year contracts are awarded to a legitimate main contractor through the procurement tender process.</p>
3.F Number of subsidised electricity connections installed	3.4(b)	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 SANS 241 standard.
3.H Number of days when air pollution exceeds RSA ambient air quality standards	3.6(a)	<p>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 RSA ambient air quality standards.</p> <p>The number of days where one of the identified air pollution particles is above the levels set by the RSA ambient air quality standards.</p>
3.I HIV-positive TB patients on antiretroviral treatment	3.7(a)	This indicator measures the percentage of HIV-positive TB patients on ART at the time of TB treatment outcome.
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.
4.A Percentage adherence to citywide service standard based on all external notifications	4.1(a)	Measures the percentage adherence to citywide service standards based on all external notifications.

APPENDIX A: DEFINITIONS FOR CORPORATE SCORECARD (continued)

INDICATOR	IDP REFERENCE	INDICATOR DEFINITION
4.B Community 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 relating to community facilities.</p> <p>The measure is given against the non-symmetrical Likert scale, where 1 is poor, 2 is fair, 3 is good, 4 is very good, and 5 is excellent.</p> <p>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)	Measures the number of municipal meetings that was open to the public to maintain transparency in the day-to-day governance of the municipality.
5.B Employee engagement index as measured in a biennial staff empowerment survey	5.2(b)	Employee engagement index (EEI) as measured in the biennial staff engagement survey. The EEI is determined by a formula that is the property of the independent service provider IPSOS. The EEI is converted into a five-point Likert scale measured by the service provider.
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' 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 being fair, 3 being good, 4 being very good, and 5 being excellent.</p> <p>The improvement is calculated by measuring 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(b)	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 of quantitative and qualitative goal setting.
5.E Percentage budget spent on implementation of workplace skills plan for the City	5.2(b)	<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, which will address the needs arising from the local government skills sector plan, the City's strategic requirements as contained in the IDP and the individual departmental staffing strategies, as well as individual employees' personal development plans. The workplace skills plan also takes into account the employment equity plan, ensuring incorporation of relevant developmental equity interventions into the plan.</p> <p>Formula: Measured against training budget.</p>

INDICATOR	IDP REFERENCE	INDICATOR DEFINITION
5.F Opinion of the Auditor-General	5.3(a)	<p>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 the position where the auditor, having completed his audit, has no reservations as to the fairness of presentation of financial statements and their conformity with generally recognised accounting practices. This is referred to as a 'clean opinion'.</p> <p>Alternatively, in relation to a qualified audit opinion, the Auditor-General would issue this opinion on the financial statements as a whole, or in part, if these are not prepared in accordance with generally recognised accounting practices, or if one or more areas of the financial statements could not be audited. 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. The credit rating is an analysis of the City's key financial data, which is performed by an independent agency to assess the City's ability to meet 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 for monthly operating expenditure.
5.I 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 own billed revenue divided by total debt.

APPENDIX B:

ABBREVIATIONS USED IN THIS REPORT

AEP	area economic partnership
ANPR	automatic number plate recognition
AODs	alcohol and other drugs
AQMP	Air Quality Management Plan
ART	antiretroviral therapy
ASOD	average speed over distance (cameras)
BBBEE	broad-based black economic empowerment
BCM	business continuity management
BEPP	Built Environment Performance Plan
BioNet	Biodiversity Network
BMT	bus and minibus-taxi (lanes)
BNG	Breaking New Ground
BRT	bus rapid transit
BWAS	bulk water augmentation scheme
CBD	central business district
CCTV	closed-circuit television
CF3	Cape Flats 3 bulk sewer project
CHEC	Cape Higher Education Consortium
CIP	(Metro Southeast Strandveld) Conservation Implementation Plan
CITP	Comprehensive Integrated Transport Plan
City	City of Cape Town (administration)
CRT	cathode ray tube
CRU	community residential unit
CSS	Community Satisfaction Survey
CTICC	Cape Town International Convention Centre
CTSDf	Cape Town Spatial Development Framework
DCCP	Dassenberg Coastal Catchment Partnership
DIRC	Development Information Resource Centre
DRM	disaster risk management
DWS	Department of Water Affairs and Sanitation
ECD	early childhood development
ED	executive director
EDP	Economic Development Partnership (programme)
EE	employment equity
EEl	employee engagement index
EGS	Economic Growth Strategy
EHP	environmental health practitioner
EIA	environmental impact assessment
EMI	environmental management inspector
EMT	Executive Management Team
EPWP	Expanded Public Works Programme
ERMD	Environmental Resource Management Department
FEMT	Fundamental Energy Management Training (programme)
GHS	General Household Survey (by Statistics South Africa)
GIS	geographic information system
HIV	human immunodeficiency virus
HPOZ	heritage protection overlay zone
ICT	information and communications technology
IDP	Integrated Development Plan
IHSF	Integrated Human Settlements Framework
IIA	Institute of Internal Auditors
IMEP	Integrated Metropolitan Environmental Policy
IMR	infant mortality rate

IoDSA	Institute of Directors in Southern Africa
IPTN	Integrated Public Transport Network
IRM	Integrated Risk Management (Department)
IRT	integrated rapid transit
IWMP	Integrated Waste Management Plan
LED	light-emitting diode
Mayco	Mayoral Committee
MEDO	Micro-Enterprise Development Organisation
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MTC	manufacturing technology centre
MURP	mayoral urban regeneration programme
NEMA	National Environmental Management Act
NGO	non-governmental organisation
NKPI	national key performance indicator
NMT	non-motorised transport
PAAC	protected-area advisory committee
PECC	(107) Public Emergency Communication Centre
PHP	People's Housing Process
PMTCT	prevention of mother-to-child transmission (of HIV)
Province	Western Cape Government
SANBI	South African National Biodiversity Institute
SAOGA	South African Oil and Gas Alliance
SAPOA	South African Property Owners' Association
SAPS	South African Police Service
Sarebi	South African Renewable Energy Business Incubator
SCM	supply chain management
SDBIP	service delivery and budget implementation plan
SDS	Social Development Strategy
SEDA	Small Enterprise Development Agency
SETA	sectoral education and training authority
SFA	strategic focus area
SME	small and medium enterprise
SPELUM	Spatial Planning, Environment and Land Use Management (Committee)
SPLUMA	Spatial Planning and Land Use Management Act
Stats SA	Statistics South Africa
TB	tuberculosis
TCT	Transport for Cape Town
TDF	Tourism Development Framework
TDI	transport development index (of TCT)
TETRA	terrestrial trunked radio
TEU	Transport Enforcement Unit
TOC	taxi operating company
TOD	transit-oriented development
TRA	temporary relocation area
UISP	Upgrading of Informal Settlements Programme
UITP	International Association of Public Transport
UNFCCC	United Nations Framework Convention for Climate Change
USDG	Urban Settlements Development Grant
VPUU	Violence Prevention through Urban Upgrading (programme)
WCWDM	Water Conservation and Water Demand Management (programme)
WDM	water demand management
WWTWs	wastewater treatment works

APPENDIX C:

LIST OF FIGURES AND TABLES

FIGURES

- Figure 1:** TOD means a better future for all
- Figure 2:** Governance structures within the City of Cape Town
- Figure 3:** Sources of capital investment
- Figure 4:** City of Cape Town fibre-optic network
- Figure 5:** Growth of investment in repairs and maintenance by the City
- Figure 6:** The City of Cape Town's electricity infrastructure
- Figure 7:** Cape Town's water and wastewater infrastructure
- Figure 8:** City of Cape Town's waste management hierarchy
- Figure 9:** EPWP employment opportunities created by the City since 2012
- Figure 10:** The TCT long-term strategy and timelines
- Figure 11:** Monthly breakdown of MyCiTi passenger journeys for 2015/16
- Figure 12:** Priority transport integration zones
- Figure 13:** Percentage compliance with SANS 241 water quality standards
- Figure 14:** Annual increase in number of people tested for HIV
- Figure 15:** Entity's financial performance over the past five years
- Figure 16:** Entity's operating revenue vs. budget for 2015/16
- Figure 17:** Entity's operating expenditure vs. budget for 2015/16
- Figure 18:** Entity's capital expenditure vs. budget over the past five years
- Figure 19:** Entity's capital expenditure by functional area
- Figure 20:** Entity's outstanding net consumer debtors and collection ratios for the past five years

TABLES

- Table 1:** IDP objectives and programmes for the opportunity city
- Table 2:** Cape Town's electricity infrastructure at a glance
- Table 3:** BRT corridors and routes
- Table 4:** Total project expenditure up until 30 June 2016
(cumulative from 2006/7 to 30 June 2016, and including all funding sources)
- Table 5:** TCT infrastructure projects
- Table 6:** IDP objectives and programmes for the safe city
- Table 7:** City of Cape Town safety and security training since 2011
- Table 8:** IDP objectives and programmes for the caring city
- Table 9:** Social housing projects developed by the City to date
- Table 10:** IDP objectives and programmes for the inclusive city
- Table 11:** IDP objectives and programmes for the well-run city
- Table 12:** City of Cape Town workforce profile and targets as at 30 June 2016
- Table 13:** Total number of City employees with disabilities as at 30 June 2016
- Table 14:** Achievement under the training programme for legal compliance
- Table 15:** Achievement under the training programme for career development
- Table 16:** Summary of the last five Cape Town property valuation rolls
- Table 17:** Surplus after appropriations
- Table 18:** The City's positive debt to revenue ratio

APPENDIX D: MFMA CIRCULAR 63 APPENDICES

In line with MFMA Circular 63, the City of Cape Town is required to make the following appendices available as part of its annual reporting:

FUNCTIONS OF MUNICIPALITY

The functions of local government and the relationships between the local government sphere and the national or provincial spheres of government, are defined in the Constitution. Specific functions, and the way responsibilities for these functions are allocated to spheres, are dealt with in schedules 4 and 5 of the Constitution.

The allocation of powers and functions to local government is covered by sections 9 and 10 of the Municipal Systems Act. Allocations occur through assignment or delegation. Assignment entails the transfer of authority, while delegation entails the transfer of provider responsibility.

WARD REPORTING

Information about all City Wards is available at:

<http://www.capetown.gov.za/en/CouncilOnline/Pages/ViewCouncilMeetings.aspx?month=4&day=&year=2016>

WARD INFORMATION

Information available at www.capetown.gov.za

RECOMMENDATIONS OF THE AUDIT COMMITTEE

The full recommendations of the audit committee can be found at page 150

LARGE PROJECTS AGREEMENTS AND PARTNERSHIPS

Information related to the City's largest projects, agreements and contracts, as well as public private partnerships (PPPs) is available at: www.capetown.gov.za

SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable. The City of Cape Town is not aware of any backlogs at schools and clinics. For more detail, see the annual Performance Management Report page 274 (indicator 3E)

SERVICE BACKLOGS WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR PROVIDING THE SERVICE

Not applicable. The City of Cape Town is not aware of any service backlogs experienced by the community where another sphere of government is responsible for providing the service.

RECIPIENTS OF LOANS AND GRANTS

Details of all recipients of City loans and grants are available at page 242

APPENDIX E: 2015/16 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN

RATING KEY: ✓ Well above ♦ Target achieved ● On target ▲ Below ✗ Well below							
Objectives	Indicators	2014/15 (previous financial year)		2015/16 (current financial year)			
		Target	Actual	Target	Actual	Status	
THE OPPORTUNITY CITY	1.1 Create an enabling environment to attract investment that generates economic growth and job creation						
	1.A Percentage of building plans approved within statutory timeframes (30-60 days)	85%	91,3%	87%	94,1%	♦	
	1.B Percentage spend of capital budget	90%	85,84%	90%	89,57%	▲	
	1.2 Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development						
	1.C Rand value of capital invested in engineering infrastructure	R1,8 billion	R2,8 billion	R3,9 billion	R3,7 billion	▲	
	1.D Percentage spend on repairs and maintenance	95%	95,81%	95%	94,48%	▲	
	1.E Number of outstanding valid applications for water services expressed as a percentage of total number of billings for the service	<0,9%	0,61%	<0,8%	0,29%	✓	
	1.F Number of outstanding valid applications for sewerage services expressed as a percentage of total number of billings for the service	<0,9%	0,54%	<0,8%	0,24%	✓	

Reason for variance	Remedial action
Target achieved	Maintain the momentum
<p>Health: The variance in the implementation of the projects is as a result of appeals against the award of tenders, as well as protracted negotiations in the acquisition of land.</p> <p>Community Services: The variance in the implementation of the projects is as a result of poor contractor performance, gang-related disruptions on site, and delays due to an incident of fire on site.</p> <p>Transport for Cape Town: The variance in the implementation of the projects is as a result of appeals against the award of tenders, environmental impact assessment processes, poor contractor performance and labour-related disruptions, delays in the supply of equipment, and changes made during the roll-out process for design enhancements of integrated rapid transit (IRT).</p> <p>Human Settlements: The variance in the implementation of the projects is as a result of poor contractor performance, community dynamics, and delays due to amendments in the supply chain management regulations.</p>	<p>Continuous monitoring of progress via the monthly MFMA section 71 reporting.</p> <p>Responsible: All directorates</p>
<p>Corporate Services and Compliance: Broadband Delays in the contraction of fibre-optic core routes along the N2 in the Stellenbosch, Somerset West and Zandvliet areas. The fact that way-leave permissions needed to be obtained from Stellenbosch Municipality and the South African National Roads Agency (SANRAL) also resulted in additional complexities and delays.</p> <p>Transport for Cape Town: Underperforming contractors, community intervention, labour unrest and gang activity in certain areas have resulted in slower spend.</p> <p>Utility Services: Water and Sanitation: 1. Acquisition and commissioning of large generators: The project was delayed by appeals against the tender. 2. Bulk water augmentation scheme: a) Muldersvlei reservoir and water treatment plant: Landowners' responses received, which have delayed process; expropriation of one of the properties has commenced. Acquisition report for one property approved by Mayco in June 2016. b) Professional services contract in progress, but delayed by landowner denying the City access to the site until transfer of the land has been concluded. This means that the geotechnical survey of the site could not commence, resulting in the detailed design being delayed.</p>	<p>Corporate Services and Compliance: Broadband In order to accommodate delays and late commencement of this section of the project, the building contractor committed to increase the workforce significantly. Unfortunately, the contractor's workforce was never increased to the promised size, and therefore, this phase of the project was not completed in time. This section/phase of the project will now be completed in 2016/17.</p> <p>Transport for Cape Town: The City has terminated the contract of one of the underperforming contractors and is in the process of terminating another. The process of appointing a contractor to complete the work of the first contract is under way. Community and labour issues are being monitored and dealt with as quickly as possible, and the help of SAPS and Metro Police has been enlisted to assist in keeping projects moving in areas where there is ongoing gang activity.</p> <p>Utility Services: Water and Sanitation: 1. The tender was recently revoked and needs to be re-evaluated. 2. Trying to reach agreed settlement for portions of remaining two properties, failing which the City will proceed with expropriation.</p> <p>Responsible: Applicable departments Due date: Ongoing</p>
Lower-than-anticipated expenditure on reactive maintenance, which is difficult to plan accurately.	<p>Continuous monitoring</p> <p>Responsible: Applicable departments Due date: Ongoing</p>
Well above target	Maintain the momentum
Well above target	Maintain the momentum

APPENDIX E: 2015/16 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (continued)

RATING KEY: ✓ Well above ♦ Target achieved ● On target ▲ Below ✗ Well below								
Objectives	Indicators	2014/15 (previous financial year)		2015/16 (current financial year)			Status	
		Target	Actual	Target	Actual	Status		
THE OPPORTUNITY CITY	1.2 Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development	1.G Number of outstanding valid applications for electricity services expressed as a percentage of total number of billings for the service	<0,9%	0,13%	<0,8%	0,12%	✓	
		1.H Number of outstanding valid applications for refuse collection service expressed as a percentage of total billings for the service	<0,9%	0,01%	<0,8%	0,01%	✓	
		1.I Number of Expanded Public Works Programme (EPWP) opportunities created	40 000	40 060	42 500	44 942	♦	
	1.3 Promote a sustainable environment through the efficient utilisation of resources	1.J Percentage of treated potable water not billed	19,7%	22,31%	19,2%	22,2%	✗	
	1.4 Ensure mobility through the implementation of an effective public transport system	1.K Number of passenger journeys on the MyCiti public transport system	8 million	15,4 million	15 million	18,5 million	✓	
	1.5 Leverage the City's assets to drive economic growth and sustainable development	1.L Percentage development of an immovable property asset management framework (AT)	70%	62,89%	85%	85%	●	
	1.6 Maximise the use of available funding and programmes for training and skills development	1.M(a) Number of external trainee and bursary opportunities (excluding apprentices)	750	1 025	800	1 130	✓	
		1.M(b) Number of apprentices	270	360	300	383	✓	
THE SAFE CITY	2.1 Expanding staff and capital resources in policing departments and emergency services to provide improved services to all, especially the most vulnerable communities	2.A Community Satisfaction Survey (score 1-5) – safety and security (AT)	2,8	2,9	2,8	2,9	♦	
		2.B Reduce number of crashes at five highest crash frequency intersections	169	201	161	131	✓	
		2.C Percentage response times for fire incidents within 14 minutes	80%	83%	80%	81,64%	♦	
	2.2 Resource departments in pursuit of optimum operational functionality	2.D Number of operational specialised units maintained	14	14	14	14	●	
	2.3 Enhance information-driven policing with improved information-gathering capacity and functional specialisation	2.E Percentage budget spent on integrated information management system (AT)	70%	99,98%	68%	99,94%	✓	
	2.4 Improve efficiency of policing and emergency staff through effective training	2.F Percentage staff successfully completing occupational-specific training interventions	70%	97,8%	70%	96,19%	✓	
	2.5 Improve safety and security through partnerships	2.G Percentage of neighbourhood watch satisfaction survey	70%	100%	90%	100%	✓	
THE CARING CITY	3.1 Provide access to social services for those who need it	3.A Number of social development programmes implemented (AT)	7	7	7	7	●	
		3.B Number of recreation hubs where activities are held on a minimum of five days a week	40	40	55	55	●	

	Reason for variance	Remedial action
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	The percentage treated potable water not billed improved significantly over the past six months (from a high of 27,13% in January to 22,19% in June) and is on a decreasing trend. Although current achievements are above the set targets, these should be seen against a national average of around 34%.	Future non-revenue water figures (water not billed) will be closely monitored. Responsible person: Peter Flower Due date: Ongoing
	Well above target	Maintain the momentum
	On target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	On target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	On target	Maintain the momentum
	On target	Maintain the momentum

APPENDIX E: 2015/16 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (continued)

RATING KEY: ✓ Well above ♦ Target achieved ● On target ▲ Below ✗ Well below							
Objectives	Indicators	2014/15 (previous financial year)		2015/16 (current financial year)			
		Target	Actual	Target	Actual	Status	
THE CARING CITY	3.C Number of housing opportunities provided per year						
	Serviced sites	5 142	3 822	5 556	2 297	✗	
	3.2 Ensure increased access to innovative human settlements for those who need it						
	Top structures	5 614	3 372	4 760	3 319	✗	

Reason for variance	Remedial action
<ol style="list-style-type: none"> 1. Valhalla Park integrated housing project: Project was delayed due to local content requirements by National Treasury. Tender was not awarded as planned (October 2015) due to additional input from Supply Chain Management. The contractor was only appointed during March 2016. One of the contractor's staff was shot on site. More threats were made against the contractor, and he moved off site. Additional security measures were agreed and implemented. The contractor is back on site. 2. Greenville Garden Cities phase 2: The subdivision application was submitted on 27 May 2015 and was only approved during April 2016. The contractor moved on site during May 2016 for the construction of the first 507 sites for phase 2. 3. The Belhar contract was terminated. New formal tender process was followed and the closing date for tenders was 21 June 2016. 4. The Morningstar tender was delayed due to funding approval. The construction tender closed on 22 March 2016. The bid evaluation process is now in process. 5. Mfuleni phase 2: The validity of the Bid Adjudication Committee award for Mfuleni extension 2 is being investigated to ensure that the project can proceed when political endorsement for the project is obtained. The project manager is not aware of any political intervention, but has been instructed to put measures in place to get the contractor on site when the instruction to proceed is received. 6a. Five re-blocking projects equal 240 opportunities, but are hampered due to delays experienced in the award of the term tender (i.e. there were changes in procurement legislation, which affected the award of the tender). Subsequent to the award of the contract, an appeal was lodged against the award, which must now be resolved. As a result, there is no period tender contractor to carry out civil engineering construction works. 6b. Further delays are now being experienced in three of the re-blocking projects, namely Masilungi (Gugulethu) and California and Santini in Burundi, where communities agree on the re-blocking. 6bi) There is still division between the different political factions in Masilungi - engagement is ongoing. 6bii) California and Santini - The communities of California and Santini do not want to contribute to the top structures for re-blocking. The City and NGO are still engaging with the communities to reach an agreement. 6biii) 7de Laan - Environmental Resource Management (ERM) Department did not permit the City to develop due to its status as core group 1. This was overturned by the Director: Property Management. Readvertisement of the topographic survey must take place because the initial appointment was cancelled. <p>Note: The figure includes 120 serviced sites at Sir Lowry's Pass that were destroyed in the unrest prior to occupation.</p>	<ol style="list-style-type: none"> 1. The security plan has been implemented and the effectiveness is monitored on a weekly basis. 2. The contractor will provide a new construction programme with new timelines. 3. Management at Supply Chain Management is aware of the urgency of this tender, and fast-tracking of the tender was prioritised from their side also. 4. The report for appointing the preferred bidder will go to the Bid Adjudication Committee during July 2016. 5. Political intervention is required to resolve matters relating to this project in order to proceed in the 2016/17 financial year. The validity of the Bid Adjudication Committee award was confirmed and a contractor can be on site within three months following political approval. 6a. Although TCT and Utility Services confirmed that their term contracts could be used to carry out civil engineering works, the Director: Supply Chain Management advised against it. The period tender to carry out civil engineering construction works was awarded after the appellant withdrew his appeal, but this is unfortunately too late to be able to create any opportunities. This is affecting all of the re-blocking projects below. 6bi) A meeting was held with the Masilungi ward councillor to resolve issues relating to community resistance, and it was agreed that he would stand aside to allow the City officials to try and unlock the impasse between the two opposing parties. A skilled facilitator has been assigned to this project to mediate between the two parties. 6bii) The Mayco member for Human Settlements will be meeting with the ward councillor of ward 108 to unblock challenges relating to the councillor's support to defuse the resistance to re-blocking projects in Mfuleni. The ward councillor did not attend the arranged meeting, and these projects will proceed as planned. 6biii) 7de Laan and Masincedane Camp projects have been identified for fast-tracked implementation. Whilst the planning of these projects could be fast-tracked, no construction would however be possible, as per 6a above. <p>Responsible person: Executive Director: Human Settlements Due date: Ongoing</p>
<ol style="list-style-type: none"> 1. The delivery on PHP opportunities is slower than anticipated. 2. Vandalism and armed robberies in Atlantis Kanonkop are affecting delivery. 3. Protest action in Greenville has delayed construction of top structures. 4. Delft (The Hague phase 1) contractor on site is progressing very slowly, and the process to terminate the contract has started. 5. The Belhar contract was terminated. The formal tender process was followed and the closing date for tenders was 21 June 2016. 6. The Morningstar tender was delayed due to funding approval. The construction tender closed on 22 March 2016. The bid evaluation process is now in process. 7. Sir Lowry's Pass Village - 84 serviced sites as well as top structures were completed by the end of the second quarter, but could not be handed over, as the plumbing was still in process. These, as well as 38 other structures that had almost been completed, have been vandalised, razed and looted by disgruntled residents from the Spoorlyn community. <p>Note: The figure includes 120 top structures at Sir Lowry's Pass Village that were destroyed in the unrest prior to occupation.</p>	<ol style="list-style-type: none"> 1. Additional budget was allocated to the performing PHPs, and the delivery on some projects is back on track. The allocation of the 2016/17 budget has been done to maintain the existing delivery momentum and to improve delivery. 2. Additional funds have been secured for security on site, and management had various meetings with the lead consultant and contractor to bring the project back on track. The contractor will provide a plan regarding completion of outstanding units. 3. The contractor is back on site after the City obtained a court order, and the first units were handed over during March 2016. 4. Awaiting feedback from the City's Legal Department on the way forward with the termination of the contract. A new tender is being prepared parallel to the termination process. 5. Management at Supply Chain Management is aware of the urgency of this tender, and fast-tracking was prioritised from their side also. 6. The report for appointing the preferred bidder will go to the Bid Adjudication Committee during July 2016. 7. The contractor is to complete the repairs once the statutory approvals for funding and increase in contract sum have been received. It is however unlikely that reparations will be completed by the end of June 2016. Due to the magnitude of the vandalism and damages to the structures, the repairs will only commence in the new financial year. 8. Other projects that the department aims to include are four sites and top structures currently being completed in BT Section re-blocking project (piloting a new top structure typology). <p>Responsible person: Executive Director: Human Settlements Due date: Ongoing</p>

APPENDIX E: 2015/16 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (continued)

RATING KEY: ✓ Well above ♦ Target achieved ● On target ▲ Below ✗ Well below							
Objectives	Indicators	2014/15 (previous financial year)		2015/16 (current financial year)			
		Target	Actual	Target	Actual	Status	
THE CARING CITY	3.2 Ensure increased access to innovative human settlements for those who need it	Other (community residential unit (CRU) upgrades and shared services provision to re-blocked informal settlements and backyarders)	3 605	1 525	2 000	1 364	✗
	3.3 Assess the possible sale or transfer of rental stock to identified beneficiaries, using established criteria	3.D Number of deeds of sale agreements signed with identified beneficiaries on transferrable rental units	1 000	1 283	1 000	1 065	♦
	3.4 Provide for the needs of informal settlements and backyard residences through improved services	3.E Improve basic services					
		Number of water services points (taps) provided	800	948	600	919	✓
		Number of sanitation service points (toilets) provided	2 800	3 091	2 800	3 058	♦
		Percentage of informal settlements receiving a door-to-door refuse collection service	99%	99,74%	99%	99,74%	♦
		3.F Number of electricity subsidised connections installed	1 500	5 096	1 500	2 909	✓
	3.5 Provide effective environmental health services	3.G Percentage compliance with drinking water quality standards	98%	99,76%	98%	99,67%	♦
	3.6 Provide effective air quality management and pollution (including noise) control programmes	3.H Number of days when air pollution exceeds daily RSA ambient air quality standards	<25	5	<40	8	✓
THE INCLUSIVE CITY	3.7 Provide effective primary healthcare services	3.I Percentage HIV-positive TB patients on antiretroviral treatment (ART)	New	New	87%	90,2%	♦
	3.8 Provide substance abuse outpatient treatment and rehabilitation services	3.J Number of new clients screened at the substance abuse outpatient treatment centres	1 572	1 826	1 628	1 741	✓
	4.1 Ensure responsiveness by creating an environment where citizens can be communicated with and responded to	4.A Percentage adherence to citywide service standards – external notifications	100%	103,4%	100%	102,19%	♦
	4.2 Provide facilities that make citizens feel at home	4.B Customer satisfaction survey community facilities (1-5 Likert) (AT)	3,1	3,1	3,1	3,2	♦

	Reason for variance	Remedial action
	The original target was 2 000, comprising of 240 for re-blocking and 1 760 opportunities for backyarders. The 1 760 divided by an average of three households per installation gives a figure of 586 installations required. The department installed 922 installation points, but has only created 1 072 opportunities instead of $992 \times 3 = 2\,763$. This was due to the fact that in many instances, a ratio of 1:1 instead of 1:3 was achieved.	The tender for construction of civil engineering services in informal settlements is now in place. This will enable works related to specific projects, i.e. re-blocking, flood mitigation and access tracks, etc. to be completed. Responsible person: Executive Director: Human Settlements Due date: Ongoing
	Target achieved	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	Target achieved	Maintain the momentum
	The key performance indicator is currently measured on the SAP notification closure date, and as a result, unclosed notifications from the previous financial years are accounted for in the actuals of future years. Adjusting the target to take into account these unclosed notifications is not an appropriate solution. It will perpetuate reporting in the incorrect financial year, and as the number of unclosed notifications is finite and declining, it will complicate the target setting.	From 1 July 2016, the intention is to base the measure on installation date. This will resolve both issues.
	Target achieved	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	Well above target	Maintain the momentum
	Target achieved	Maintain the momentum
	Target achieved	Maintain the momentum

APPENDIX E: 2015/16 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (continued)

RATING KEY: ✓ Well above ♦ Target achieved ● On target ▲ Below ✗ Well below								
Objectives	Indicators	2014/15 (previous financial year)		2015/16 (current financial year)			Status	
		Target	Actual	Target	Actual			
THE WELL-RUN CITY	5.1 Ensure a transparent government, and work towards eradicating corruption	5.A Number of municipal meetings open to the public	174	193	174	183	♦	
	5.2 Establish an efficient and productive administration that prioritises delivery	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 (Bi-AT)	Bi-AT	-	3,6	3,75	♦	
		5.C Community satisfaction survey (score 1-5) – citywide (AT)	2,9	2,8	2,9	2,8	▲	
		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 (EE) plan	80%	66%	80%	66,34%	✗	
		5.E Percentage budget spent on implementation of workplace skills plan (WSP) for the City	95%	92,82%	95%	104,85%	✓	
	5.3 Ensure financial prudence, with clean audits by the Auditor-General	5.F Opinion of the Auditor-General	Clean audit	Clean audit	Clean audit	Clean audit	✓	
		5.G Opinion of independent rating agency	High investment rating (subject to sovereign rating)	High investment rating reaffirmed – A1.za	High investment rating (subject to sovereign rating)	High investment rating Aaa.za	●	
		5.H Ratio of cost coverage maintained	2:1	1,88:1	2:1	2,02:1	♦	
		5.I Net debtors to annual income [ratio of outstanding service debtors to revenue actually received for services]	20,96%	20,44%	21,5%	20,39%	♦	
		5.J Debt coverage by own billed revenue	2,75:1	4,91:1	2:1	5,83:1	✓	

	Reason for variance	Remedial action
	Target achieved	Maintain the momentum
	Target achieved	Maintain the momentum
	In 2015/16, residents' overall rating was the same as in 2014/15, and slightly lower than target. This continues to reflect the challenge of maintaining high levels of satisfaction in a context of continued demand for services (a result of increasing levels of population and urbanisation) and the current challenging economic environment, which may continue to influence residents' perceptions. However, the satisfaction rating remains high and has increased significantly over the seven-year period since the initial survey in 2007/8.	Survey results to be submitted to line directorates/departments to incorporate into their service delivery planning, with a specific focus on addressing the priority areas identified in the survey. Responsible person: Keith Smith Due date: Ongoing
	Most positions on levels 1-3 are characteristic of scarce and critical skills, and as a direct result of the past socio-economic laws of our country, persons from the designated groups are not readily available.	The City Manager, through the EE implementation directive, has sensitised the organisation to the importance of shortlisting and appointing in line with the EE targets as per the EE plan. The EE Department continuously conducts presentations to line management on how to address equity and transformation. Responsible person: Michael Siyolo Due date: Ongoing (end of the EE plan)
	Well above target	Maintain the momentum
	Well above target	Maintain the momentum
	On target	Maintain the momentum
	Target achieved	Maintain the momentum
	Target achieved	Maintain the momentum
	Well above target	Maintain the momentum

APPENDIX F: CTICC PERFORMANCE SCORECARD FOR THE 2015/16 FINANCIAL YEAR

RATING KEY: Well above Target achieved On target Below Well below								
No	INDICATOR	2014/14 (Q4 - PREVIOUS FINANCIAL YEAR)		2015/16 (Q4 - CURRENT FINANCIAL YEAR)		RATING	REASON FOR VARIANCE	REMEDIAL ACTION
		TARGET	ACTUAL	TARGET	ACTUAL			
Strategic focus area 5: The well-run city								
Corporate objective 5.1: Ensure a transparent and corruption-free government, and work towards eradicating corruption [Programme 5.1(a): Transparent government (oversight) programme]								
1	Operating profit – percentage achievement of budgeted operating profit	100%	319%	100%	269,9%		Combination of favourable revenue variance and cost savings has resulted in overachievement of operating profit.	
2	Capital projects – percentage of the total number of capital projects for the year completed or committed	80%	100%	80%	100%		Well above target	Maintain the momentum
3	Capital expenditure (CTICC East expansion programme) – percentage achievement of expansion capital budget	Completion of traffic management plan, appointment of principal building contractor, submission of basement and building plans	Achieved	90%	99,2%		Well above target	Maintain the momentum
4	Capital expenditure – maintain five-star grading through effective management of maintenance	5-star grading achieved	5-star grading achieved	5-star grading achieved	5-star grading achieved		On target	Maintain the momentum
5	Events – number of international events hosted compared to budgeted target	32	32	32	39		Well above target	Maintain the momentum
6	Events – number of events hosted compared to budgeted target	500	502	500	504		Target achieved	Maintain the momentum
7	External audit report – unqualified (clean) audit report for 2014/15 financial year	Unqualified (clean) audit report	Unqualified (clean) audit report achieved	Unqualified audit report achieved	Unqualified audit report achieved		On target	Maintain the momentum
8	Human capital development – percentage of annual total salary cost spent on training of permanent and temporary staff	5%	5%	5%	6,9%		Target achieved	Maintain the momentum
9	Minimum competency level – number of senior managers registered for MFMA competency course	7	10	7	12		Well above target	Maintain the momentum
10	Customer-centricity and service excellence	75%	80%	75%	84%		Well above target	Maintain the momentum
11	Supply chain procurement from BEE suppliers measured in terms of BEE Act	50%	85%	50%	92,8%		Well above target	Maintain the momentum

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