CITY OF JOHANNESBURG

2004/05 ANNUAL REPORT

Annual Performance Report (s)
CHAPTER 1

INTRODUCTION AND OVERVIEW

South Africa’s young democracy is based on a partnership contract between the governed and those who govern. In terms of this contract, democratically elected leaders do not reduce citizen participation to two minutes of voting every few years, but rather involve the citizens in determination of priorities and key programmes. But in addition, the elected officials provide regular and predictable reporting on programme performance and the general state of affairs in their locality. The citizens for their part get involved in matters affecting them and their surroundings, and assist the government in determination of growth and development trajectories.

Local government is the closest sphere of government to the citizenry. As such it is best positioned to tighten that essential participatory framework that should define the relationship between representatives and the citizenry. This relationship strengthens accountability and transparency – the twin hallmarks of governance since the first local government elections of 1995.

The Municipal Finance Management Act (MFMA) has been promulgated to give legislative expression to accountability and transparency at local government level. The Act privileges Annual Reporting, complemented by the Municipal Systems Act (MSA), in terms of which municipalities are required to report against commitments in the IDP, business plans and other supporting planning documents. The Annual Report is also understood to be an instrument for financial and performance corrective action in subsequent years.

The 2004/05 Annual Report reflects on the performance of the City of Johannesburg for the period 1 July 2004 to 30 June 2005. This Annual Report is prepared in terms of section 121(1) of the MFMA, in terms of which the CoJ and its municipal entities must prepare an Annual Report for each financial year.

Table 1.1 Legislative requirements in terms of MFMA

<table>
<thead>
<tr>
<th>SECTION</th>
<th>REQUIREMENT</th>
<th>LEGISLATIVE PROVISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>121(3)(a)</td>
<td>Annual Report with consolidated financial statements</td>
<td>Annual financial statements of the municipality, and, in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1)</td>
</tr>
<tr>
<td>121(3)(b)</td>
<td>Auditor-General’s audit report</td>
<td>Auditor-General’s audit report in terms of section 126(3) on those financial statements</td>
</tr>
<tr>
<td>121(3)(c)</td>
<td>Annual performance report</td>
<td>Annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act</td>
</tr>
<tr>
<td>121(3)(d)</td>
<td>Auditor-General’s performance audit report</td>
<td>Auditor-General’s audit report in terms of section 45(b) of the Municipal Systems Act</td>
</tr>
<tr>
<td>121(3)(e)</td>
<td>Accounting Officer’s assessment on arrears</td>
<td>Assessment by the municipality’s accounting officer of any arrears on municipal taxes and service charges</td>
</tr>
<tr>
<td>121(3)(f)</td>
<td>Accounting Officer’s assessment of performance on each vote of the budget</td>
<td>Assessment by the municipality’s accounting officer of the municipality’s performance against the measurable performance objectives referred to in section 17(3)(b) for each vote in the municipality’s approved budget for the relevant financial year</td>
</tr>
<tr>
<td>121(3)(g)</td>
<td>Audit corrective actions</td>
<td>Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)</td>
</tr>
<tr>
<td>121(3)(h)</td>
<td>Explanations to clarify financial statements</td>
<td>Explanations that may be necessary to clarify issues in connection with the financial statements</td>
</tr>
<tr>
<td>SECTION</td>
<td>REQUIREMENT</td>
<td>LEGISLATIVE PROVISION</td>
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<tr>
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<td>------------------------------------------------------------</td>
</tr>
<tr>
<td>121(3)(i)</td>
<td>Other information</td>
<td>Information as determined by the municipality</td>
</tr>
<tr>
<td>121(3)(j)</td>
<td>Audit Committee recommendations</td>
<td>Recommendations of the municipality’s Audit Committee</td>
</tr>
<tr>
<td>121(3)(k)</td>
<td>Other prescribed information</td>
<td>Other information as may be prescribed</td>
</tr>
</tbody>
</table>

Section 46(1) of the MSA requires municipalities to prepare a performance report for each financial year setting out the performance of the municipality and external service providers, comparison of the performance with the targets set for and performances in the previous financial year and measures taken to improve performance. As shown above, the annual performance report must form part of the Annual Report.

Therefore, the 2004/05 Annual Report is prepared in accordance with chapter 12 and contains information required by section 121 of the MFMA. The Council of the City of Johannesburg is required to deal with the annual report within nine months after the end of the financial year, which is before 31 March 2006.

**PROFILE OF THE CITY**

Johannesburg represents the central urban area in Gauteng, situated adjacent to the City of Tshwane on the northern border and Ekurhuleni on the east. Local municipalities Mogale City, Randfontein and Westonaria are located to the west, while Emfuleni and Midvaal lie to the south.

Some 1 753m above sea level, covering 1 620 square kilometres, the CoJ is neither adjacent to a coastline nor a major river - an unusual situation for a large city, but one which can be attributed to the City’s rapid rise given its gold-rush history. Despite the absence of a major natural landmark, the CoJ has a very attractive, mild climate for residents.

Despite its relatively short lifespan (less than a century and a quarter), the CoJ has established itself as sub-Saharan Africa’s most developed urban metropole, with sophisticated economic and social infrastructure, even if this is not equally accessed by all 3,2 million residents.

The CoJ’s residents are relatively better off than South Africa’s average citizen in terms of employment, with an unemployment rate of 33% relative to a national rate of 42%. The average annual income per household in the CoJ is more than R140 000, although households without any income have risen in number, suggesting that economic growth has not been uniformly beneficial. According to Census 2001, one in five households (or 185 340 in number) received no income, while one in three households earned less than R19 2000 (or a maximum of R1 600 per month, excluding social grants).

Symptomatically, the Gini coefficient - a measure of the income inequality in a society, where 0 means perfect equality and 1 means perfect inequality - has fallen in the CoJ, suggesting greater levels of inequality which are typically pronounced between different regions. The CoJ Human Development Strategy, therefore, categorises inequality in terms of economic, gender, generational and spatial inequalities, with women, who are more active in the survivalist sector, particularly low income earners amongst the CoJ’s residents. This gives rise to the need for the CoJ to facilitate both economic and social development, with the latter focused on vulnerable groups like women and children.

While still unacceptably high, the CoJ’s 0.6 Gini coefficient, however, suggests that the CoJ is outperforming other South African cities; a function of relatively less pronounced poverty.
The poverty rate - or percentage of people living in households with an income under the breadline - relates to some 25% of residents.

But the CoJ’s status needs to be understood beyond these indicators. As the SA Cities Network State of the Cities report argues: “The size, form and character of its population is the ultimate concern of any city”, with size relating to demographics and form and character dealing with the more dynamic aspects of how residents relate to a city.

The CoJ is a rapidly growing city - at just over 4% per annum, it is expected to double in size by 2020. Inclusivity is, therefore, a fundamental concern in considering the impact of its enlarged population. The consideration of “form and character” is no different for any post-apartheid city, giving rise to the need to address living patterns that were distorted by forced migrancy. This imperative compounds the development challenges implied by a global trend towards urbanisation in developing economies.

Urbanisation emphasises the need to sustain the CoJ’s biophysical environment via air quality management, protection of water resources, waste management and provision of land and open spaces. Air quality is threatened by fossil fuels, dust from un-rehabilitated or operational mines and industrial air pollution, reflected in carbon dioxide, NOx and PM10 emissions. The river systems within the CoJ show evidence of high levels of sewage pollution and mining pollution. Poorly managed migration is similarly reflected in contaminated storm water, while waste disposal is unable to cope with the current rate of waste generation. Hence, a development solution for people, planet and prosperity, as termed at the 2002 Johannesburg World Summit, is critical.

Reflecting the CoJ’s various development challenges against substantive progress, the City Development Index (CDI) - a measure of development in cities based on income per capita, access to services, waste removal, health and education between 1996 and 2001 - improved from 81 to 84. This CDI represents the highest Human Development Index (HDI) in the country.

DEVELOPMENT CHALLENGES AND PRIORITIES

As is now well recognised, apartheid was essentially a debilitating framework for development - not only at a human, but also at an economic level. The SA Cities Network (SACN) State of the Cities report argues: “In various ways apartheid left cities with a very weak economic base”. Inefficient and inequitable use of human resources resulted in the majority of South Africans marginalised from economic activity, with profound socio-economic consequences. As a result, the SACN argues that “Cities need to look at social development as well as urban economic development”.

Disturbingly, despite efforts to counter historical inequalities, the SACN found that “cities are more unequal today than they were ten years ago, and many social and human development challenges have consequently been compounded”. This is a factor of service levels not able to meet increased demand, as well as the legacy of inefficient urban forms (especially low-density sprawl) putting a strain on the natural resource base, and economic infrastructure, especially transport.

Another devastating blow to development prospects has been the pandemic of HIV/AIDS, which profoundly threatens the human resource base, and hence productivity and the social fabric. The CoJ’s Human Development Strategy estimates that HIV prevalence in urban formal settlements is 12,1%, while in informal settlements it is almost twice as great, at 21,3%. The impact of the pandemic in the CoJ is manifold and evident in terms of:

- Household income and expenditure, perpetuating poverty
Household composition and family structure
Psychosocial dynamics of communities within the CoJ, including a growing number of orphans

These consequences reinforce poverty and lack of opportunity. Poor urban households, according to international experience, are thus faced with a number of risks, including:

- Lack of security of tenure
- Health problems arising from HIV/AIDS and inadequate access to urban services
- Lack of employment and low income employment
- Lack of access to public transport, recreational facilities and public services

These risks, exacerbated by HIV/AIDS, compound the problem of social exclusion. The CoJ's Human Development Strategy, therefore, emphasises programmes that champion rights and opportunities, build prospects for social inclusion, and safeguard and support poor and vulnerable households.

Socio-economic challenges are even more complex when one considers international dynamics. Like all major cities, the CoJ operates, and indeed competes for human and capital resources, in a competitive global environment. Practically, this global environment deals with increasingly integrated or so-called "seamless" production, communication and financial systems.

Whatever one's position on globalisation, increasing financial inter-relatedness presents both opportunities for economic growth, through enhanced trade and investment, and threats to development, where competitiveness means a loss of jobs or worker rights or financial integration implies economic disruption through so-called emerging market contagion. In Johannesburg's case, a global city region is also increasingly evident through the inter-relatedness of Gauteng's metropolitan areas, or a "global mega city", as termed by the SACN. The SACN predicts that this region will represent the twelfth largest metropolitan area in the world by 2015.

Globalisation thus requires a city response - encapsulated by Johannesburg 2030 in the CoJ’s case - to ensure that the opportunities are optimised and threats mitigated. At the heart of this response, lies the need to ensure that the CoJ is a competitive region, dealing with both economic growth and poverty reduction.

In assessing its future prospects - where the CoJ can go to, one needs to take stock of where the CoJ is located in a regional context. Two key opportunities should be considered - one is trade opportunity presented by preferential trade agreements, such as the Africa Growth and Opportunities Act (AGOA), while the other lies in initiatives spearheaded by the African Union via the New Partnership for Africa’s Development (NEPAD). NEPAD represents a shared vision of African leaders to eradicate poverty within an agreed governance framework, by encouraging regional infrastructure activities and public-private partnerships in order to attain the Millennium Development Goals (MDGs). The CoJ, by providing appropriate infrastructure for the private sector to operate in, and by formulating a strategic response to NEPAD, has, therefore, positioned the CoJ to engage more deeply with regional opportunities.

This context gives rise to the need for strong leadership. Accordingly, the CoJ's political leadership has envisaged a world-class African city in which all residents can benefit from economic growth and job creation, leading to prosperous and healthy livelihoods. Over the long-term, the CoJ has put in place Johannesburg 2030 to attain this sustainable development. But pressing short to medium-term priorities also need to be considered.
The CoJ’s Executive Mayor accordingly responded with the following Mayoral Priorities for the five-year electoral term (ending this financial year) which essentially frame the development priorities for the CoJ, namely pursuing measures to ensure:

- Good governance
- Economic development and job creation
- Inner city regeneration
- Public safety
- Service delivery excellence, customer care and Batho Pele
- HIV/AIDS

GOVERNANCE ARRANGEMENTS

The CoJ was established by Notice 6766 of 2000, in terms of section 12(1) of the MSA. In accordance with this notice, existing municipalities were dis-established, and the new City of Johannesburg Metropolitan Municipality came into being. The CoJ was established as a category A (single-tier) municipality.

The Executive Mayor and the Mayoral Committee, the Council, the Council Speaker and the Council Chief Whip perform key roles in the CoJ’s system of governance, through the exercise of executive and/or legislative power, facilitation of political interaction and oversight. The structure of governance is shown in Figure 1.1

Figure 1.1 Governance in the CoJ

Council

The Council is the legislative arm of the CoJ, which means that it is empowered to approve municipal by-laws, the Budget and the IDP. It also has executive powers to deal with those matters that have not been delegated to the Executive Mayor.

In terms of the Municipal Structures Act and the City’s Public Participation Policy, meetings of the Council are open to the public. The schedule of meetings is advertised in local newspapers to encourage attendance.
**Speaker of council**

The role of the Speaker is a councillor, elected as the chairperson of the Council in terms of Section 36 of the Municipal Structures Act and Section 160(1)(b) of the Constitution. Councillor Nandi Mayathula-Khoza is the Speaker of the CoJ’s Council.

The role of the Speaker in terms of legislation is to:

- Preside at meetings of the Council
- Perform the duties and exercise the powers delegated to the speaker in terms of section 59 of the Municipal Structures Act
- Ensure that the Council meets at least quarterly
- Maintain order during meetings
- Ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1 to the Municipal Structures Act
- Ensure that Council meetings are conducted in accordance with the rules and orders of the Council

The role of the Speaker has evolved to incorporate additional functions. She plays a central role in promoting good conduct amongst elected councillors through the application of the Code of Conduct. She has also been tasked to assess councillors’ needs and to arrange suitable training in order to develop the CoJ’s political governance capacity and improve the skills of individual councillors. With respect to these roles, the Council’s Speaker chairs the section 79 Rules Committee, the Ethics Committee and the Petitions and Public Participation Committee.

The role of the Speaker also includes the management of community participation, in the ward committees in particular. It is important to ensure that they function effectively on an ongoing basis. The Speaker has a key function to ensure public consultation, involvement and participation.

**Council committees**

The Council is supported by a committee system. Section 33 of the Municipal Structures Act makes provision for the establishment of two types of committees, known respectively as Section 79 and Section 80 committees. Section 80 committees, chaired by members of the Mayoral Committee, reflect the political portfolios of the Mayoral Committee. These committees play a key role in the development of policy, as well as the monitoring of service delivery and the oversight of strategic programmes and projects. These multi-party committees normally meet on a monthly basis. They are an important interface between the executive, the administration and political representatives.

The Section 79 Rules Committee develops and reviews a range of procedures and policies, which seeks to promote good governance and participatory democracy. The Ethics Committee was established to supervise and manage the declaration of financial interests of councillors, to ensure honesty and to prevent corruption. The committee was primarily established to supervise and manage a Register of Financial Interests of Councillors.

The Petitions and Participation Committee handles all written petitions by the community. Chapter 4 of the Municipal Structures Act requires municipalities to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the Council through petitioning. To meet the requirement for the
receipt, processing and consideration of petitions, and similar representation, the Council approved a Petitions Management System. The aim of the system is to:

- Ensure that communities are aware of how the petitions system can be used to interact with Council in an open, transparent and productive manner
- Effectively address all written public requests and grievances within reasonable time frames
- Increase the effectiveness and efficiency of the existing public participation process and research ways of increasing access to council of marginalized sectors of communities

**Executive Mayor and the mayoral committee**

The Executive Mayor of the CoJ, Councillor Amos Masondo, assisted by the Mayoral Committee, constitutes the executive arm of the CoJ. The Executive Mayor is at the centre of the CoJ’s system of governance, since executive powers are vested in him to manage the affairs of the CoJ. This means that he has an overarching strategic and political responsibility. Each of the members of the Mayoral Committee chair a portfolio committee, consisting of councillors from all the different political parties. The names and portfolios of the members of the Mayoral Committee are listed in Table 1.2.

**Table 1.2 Members of the Mayoral Committee (MMC) and their portfolios**

<table>
<thead>
<tr>
<th>MEMBER OF MAYORAL COMMITTEE</th>
<th>PORTFOLIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sol Cowan</td>
<td>Inner City</td>
</tr>
<tr>
<td>Parks Tau</td>
<td>Finance, Strategy and Economic Development</td>
</tr>
<tr>
<td>Brian Hlongwa</td>
<td>Municipal Services Entities</td>
</tr>
<tr>
<td>Prema Naidoo</td>
<td>Health</td>
</tr>
<tr>
<td>Sizakele Nkosi-Malobane</td>
<td>Public Safety</td>
</tr>
<tr>
<td>Nkele Ntingane</td>
<td>Municipal Enterprises</td>
</tr>
<tr>
<td>Thomas Phakathi</td>
<td>Municipal Administration</td>
</tr>
<tr>
<td>Strike Ralegoma</td>
<td>Housing</td>
</tr>
<tr>
<td>Mally Mokoena</td>
<td>Development Planning, Transportation and Environment</td>
</tr>
<tr>
<td>Christine Walters</td>
<td>Community Development, Roads and Parks</td>
</tr>
</tbody>
</table>

The Executive Mayor clustered each political portfolio into a mayoral sub-committee to promote planning, integration and alignment. These sub-committees also facilitate working relationships between the political leadership and senior management. Four mayoral sub-committees have been established for economic development, human development, housing and infrastructure and shareholding of municipal entities.

The Economic Development Sub-Committee’s chairperson is Councillor Parks Tau. This sub-committee includes the MMC for the Inner City and MMC for Municipal Enterprises. Their responsibilities include economic development, management of informal trading, tourism and marketing and inner city regeneration.

The Human Development Sub-Committee is chaired by Councillor Prema Naidoo and consists of the MMC for Community Development, Roads and Parks, the MMC for Municipal Administration and the MMC for Public Safety. It oversees activities related to health, social development, community safety and corporate services.

The Infrastructure Sub-Committee is chaired by the MMC for Housing, Councillor Strike Ralegoma, and includes the MMC for Development Planning, Transportation and Environment, the MMC for Municipal Service Entities and the MMC for Community Development, Roads and Parks. The sub-committee plays a key role in overseeing the planning, monitoring and implementation of housing and infrastructure delivery programmes.
The Shareholding of Municipal Entities Sub-Committee is led by the Executive Mayor and comprises the MMC for Municipal Services Entities, the MMC for Municipal Enterprises, the MMC for Finance, Strategy and Economic Development and the MMC for Community Development, Roads and Parks. The main function of the sub-committee is the optimisation of the CoJ’s shareholder value. This includes corporate governance (to protect and optimise the utilization of assets), financial evaluation (to pursue growth of entities), business strategy (to ensure a return on the CoJ’s investments) and legislative compliance.

The Mayoral Committee also establishes ad hoc sub-committees when required, e.g. for the 2010 World Cup. The pension sub-committee is another example of one of these ad hoc committees.

CITY ADMINISTRATION

City administration describes the institutional structure of the City of Johannesburg. It draws distinctions between the core administration, the regional administrations and the municipal entities and their functions.

The CoJ completed a far-reaching transformation to fundamentally re-organise the way in which it provides services. The administration, unique among major South African cities, was designed in the context of the iGoli 2002 plan, which sought to reflect the goals of growth with sustainability, affordable structures, enhanced accountability, increased efficiency and the elimination of duplication and fragmentation.

The City Manager, Pascal Moloi, heads the CoJ’s core administration and is assisted by the Chief Operations Officer (COO), Executive Directors for Development Planning, Transportation and Environment, Finance and Economic Development, Corporate Services and Housing and the Directors of the Contract Management Unit and the Shareholder Unit. The Chief of the JMPD and the Executive Head of EMS also report directly to the City Manager. The City Manager and his senior management, who were appointed on five-year performance contracts, provide the link between the political and administrative arms of the CoJ’s government.

The CoJ’s administration is sub-divided into a core administration, eleven decentralised administrative regions and fourteen separate companies known as Utilities, Agencies and Corporatised entities (UACs). Figure 1.2 depicts the structure of the CoJ’s administration as well as their relationship to the political office bearers.
Core administration

The core administration is divided into three groupings. The first grouping provides central distribution functions that deliver services directly to consumers, such as development planning, finance, metropolitan police and emergency management services. The second grouping of functions provides internal support services such as corporate services. The third group comprises functions based on the concept of separation between policy, monitoring and evaluation on the one hand, and operations on the other. These include health, housing and social development, which incorporate social services, libraries and sport and recreation.

To ensure optimal management of the UACs, the CoJ established the Contract Management Unit to oversee their service delivery obligations. The Shareholder Unit was then established with the responsibility for corporate governance and the financial and investment performance of the companies. Table 1.3 outlines the names and responsibilities of departmental heads.

Table 1.3 CoJ Core Departments

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>DEPARTMENTAL HEAD</th>
<th>FUNCTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager</td>
<td>Pascal Moloi</td>
<td>Overall responsibility for the CoJ</td>
</tr>
<tr>
<td>Chief Operations Officer (COO)</td>
<td>COO: Sibongile Mazibuko</td>
<td>Overall responsibility for health, social development, information technology, Johannesburg Connect and the regional administrations</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>Executive Director: Reuben Denge</td>
<td>Corporate services include legal services, facilities management, administration and geographical information system</td>
</tr>
<tr>
<td>Development Planning, Transportation and Environment</td>
<td>Executive Director: Amanda Nair</td>
<td>Development planning, transportation and environmental management</td>
</tr>
<tr>
<td>DEPARTMENT</td>
<td>DEPARTMENTAL HEAD</td>
<td>FUNCTIONS</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>--------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Finance and Economic Development</td>
<td>Acting Executive Director: Mankodi Moitse</td>
<td>Revenue, expenditure, treasury, supply chain management (procurement) and economic development</td>
</tr>
<tr>
<td>Housing</td>
<td>Executive Director: Uhuru Nene</td>
<td>Housing services</td>
</tr>
<tr>
<td>Johannesburg Metropolitan Police Department</td>
<td>Chief of Police: Chris Ngcobo</td>
<td>By-law enforcement, crime prevention and traffic management</td>
</tr>
<tr>
<td>Emergency Management Services</td>
<td>Executive Head: Audrey Gule</td>
<td>Ambulance and fire fighting services</td>
</tr>
<tr>
<td>Contract Management Unit</td>
<td>Director: Prem Govender</td>
<td>Responsibility for service delivery of UACs</td>
</tr>
<tr>
<td>Shareholder Unit</td>
<td>Director: Nolene Morris</td>
<td>Responsibility for finance and corporate governance of UACs</td>
</tr>
<tr>
<td>Arts, Culture and Heritage Services</td>
<td>Director: Steven Sack</td>
<td>City’s museums, historic sites and buildings and the co-ordination and presentation of arts, cultural events and festival programmes</td>
</tr>
<tr>
<td>Health</td>
<td>Director: Refik Bismilla</td>
<td>Primary health care and environmental health</td>
</tr>
<tr>
<td>Social Development</td>
<td>Acting Director: Peta Qubeka-Mashinini</td>
<td>Social services, libraries and sport and recreation</td>
</tr>
</tbody>
</table>

**Regional administrations**

Eleven decentralised regional administrations are responsible for the direct delivery of primary health care, social services, housing, libraries, sport and recreation. They also operate the multi-purpose centres and host People’s Centres to facilitate direct access by local communities to information and customer queries.

**Utilities, Agencies and Corporatised Entities**

The Utilities, Agencies and Corporatised Entities (UACs) were created as separate companies. These UACs are wholly owned by the City and have the primary objective to provide services, which were originally provided by Council. The utilities provide water and sanitation (Johannesburg Water), electricity (City Power) and waste management services (Pikitup). The agencies focus on roads and stormwater (Johannesburg Roads Agency), parks and cemeteries (Johannesburg City Parks) and area-based economic development (Johannesburg Development Agency). The corporatised entities include Johannesburg Zoo, Johannesburg Civic Theatre, Metrobus, Johannesburg Fresh Produce Market, Johannesburg Property Company, Metropolitan Trading Company, Johannesburg Tourism Company and Johannesburg Social Housing Company. These entities were created to deliver specialised services and to relate closely to their customers.
CHAPTER 2

COUNCIL

This Chapter deals with the performance reports of the governance structures of the Office of the Speaker and Office of the Chief Whip in 2004/05. The Office of the Speaker is principally responsible for the enhancement of public participation, support and capacitation of Councillors and proper functioning of Council. The Office of the Chief Whip serves as political coordinator for Council.

KEY ACHIEVEMENTS

- Eleven ordinary Council meetings, and three special meetings, were held in 2004/05
- Robust debates and democratic policy decision-making
- Better visibility of councillors and interaction with communities
- Well functioning committees and council and open to the public
- Extensive community participation and consultation processes, with an estimated 10 000 community members participating in Mayoral Road shows and more than 2 000 participated in the IDP Outreach programme, through the well functioning ward committees
- Established status and image as world class city
- A new electronic system, including electronic agendas available on the City’s website is currently being installed as a superior alternative to the manual system
- Adoption of the Language Policy on 27 January 2005, resulting in four official languages of the City being isiZulu, Sesotho, English and Afrikaans
- Consolidation of Multi-party Women’s Caucus
- Functioning Chief Whip’s Forum to promote constructive inter-party relations.
- Enhanced discipline in conduct of Councillors who are skilled and well supported
- Good political governance and deepened local democracy

OFFICE OF THE SPEAKER OF COUNCIL

The Council of the City of Johannesburg comprises 217 elected councillors. A total of 108 councillors were elected in terms of proportional representation and 109 are ward representatives. Of these councillors, (33%) are women and one councillor is disabled. With regard to political composition, the African National Congress (ANC) has by far the highest representation (139), whilst the Democratic Alliance (DA) has 59 representations. During the window period of 2004, the New National Party was dissolved with the majority of its members joining the ruling African national Congress. Table 2.1 provides a detailed breakdown of the party and gender representation in Council.

Table 2.1 Political party and gender breakdown of Council

<table>
<thead>
<tr>
<th>PARTY</th>
<th>COUNCILLORS</th>
<th>FEMALE</th>
<th>MALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>African National Congress</td>
<td>139</td>
<td>44</td>
<td>95</td>
</tr>
<tr>
<td>Democratic Alliance</td>
<td>59</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>Inkatha Freedom Party</td>
<td>8</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Pan African Congress</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>African Christian Democratic Party</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Christian Democratic Party</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>United Democratic Movement</td>
<td>1</td>
<td></td>
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</tbody>
</table>
Eleven Council meetings and two extraordinary meetings were held in the 2004/05 financial year. Council meetings were conducted in accordance with the revised Standing Rules of Council. These meetings were characterised by lively and quality debates, which is an indication of the vibrancy of local democracy and good governance. A return of attendance report, reflecting attendance at Council and committee meetings, is presented to the Council on an annual basis. Not a single case of non-adherence to the Code of Conduct was referred to the Disciplinary Committee for a hearing. Each party caucus was able to use its internal party processes to solve whatever problem was reported to the Chief Whip.

In 2004/05 the Council appointed the members of the Section 79, and also established Section 80 committees, but the Executive Mayor appointed the chairpersons from the Mayoral Committee. All 217 councillors of Johannesburg were appointed to membership of at least one Section 79 or Section 80 committee.

Table 2.2 Section 79 and Section 80 committees of the City of Johannesburg

<table>
<thead>
<tr>
<th>SECTION 79 COMMITTEES</th>
<th>SECTION 80 COMMITTEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner City Health</td>
<td>Municipal Enterprises</td>
</tr>
<tr>
<td>Ethics</td>
<td>Municipal Entities</td>
</tr>
<tr>
<td>Rules</td>
<td>Public Safety</td>
</tr>
<tr>
<td>Disciplinary</td>
<td>Finance, Strategy and Economic Development</td>
</tr>
<tr>
<td>Petitions and Participation</td>
<td>Development Planning, Transportation and Environment</td>
</tr>
<tr>
<td>Cosmo City</td>
<td>Inner City</td>
</tr>
<tr>
<td>Soweto Development Initiative</td>
<td>Community Development</td>
</tr>
<tr>
<td></td>
<td>Municipal Administration</td>
</tr>
</tbody>
</table>

Public participation and petitions committee

This governance objective is complemented by the co-ordination of public participation processes for deepening participatory democracy; chairing the City’s Stakeholders Forum, supporting the Community Development Workers (CDW) programme and relationships with Councillors, support to ward councillors and committees, coordinating the Moral Regeneration Programme, chairing the Multiparty Women’s Caucus (MWC) that has led to Women Empowerment and Gender Equality programmes and overseeing the transformation of the Junior and Mini Council, in conjunction with Social Development and input co-ordination for the Integrated Development Plan.

In 2004/05 the role of the Speaker expanded to include the establishment of ward committees in each of the City’s 109 wards, which are chaired by individual ward Councillors.

This role extends from the election of ward committees to their ongoing, effective functioning to ensure public consultation, involvement and participation. Extensive progress has been made in establishing the ward committee system. To date 109 ward committees have been established in full compliance with the Municipal Structures Act (Act No 117 of 1998). On average there are twelve wards per regional administration, which translates to an average of 180 000 registered voters per region. The ward committees have an equal spread of men and women and include representatives from a wide range of interests, including women, youth, religious groups, sport, culture, health, welfare, civic, education, the aged and
community forums. The ward committees meet at least once a month and are obliged to hold a minimum of three community meetings per financial year to report on Council’s plans, successes and challenges. Reports are submitted to the Speaker on a quarterly basis.

In terms of the Integrated Development Plan major engagements took place with the community and civil society. In addition to Ward meetings and local networking, Regional Meetings were held in all eleven Regions, to report back on performance against the 2003/04 IDP; the final Council approved IDP for 2004/05; associated costs, in terms of agreed tariffs and the budget. A second series of regional meetings took place to listen to issues that communities wanted to be included in the 2005/06 IDP, this cycle included discussion on the RSDF’s and the City’s Water Services Development Plan (WSDP), a five year plan prepared in compliance with the Water Services Act and the Municipal systems Act.

The City of Johannesburg enhanced the participation of citizens through Mayoral shows (more than 10 000 participated in 2004/05), IDP and Budget regional and ward Outreach programme, regional People’s Centres in the regions, ward committee meetings and written submissions to Council.

In furtherance of community participation, the public petitions process has been a central focal point of the Office of the Speaker in order to allow individuals, community groups and organisations to participate fully in the democratic process, by raising issues of public concern with the Council and allows the elected public representatives to consider the need for change. The Petitions and Public Participation Committee is responsible for considering and adjudicating on all petitions. Almost all 89 petitions received over 2004/05 have been dealt with through a revised petitions management process which involves Members of the Mayoral Committee (MMCs) with respect to the consideration of petitions related to their portfolios, with 19 outstanding petitions awaiting further information. Council is considering a Petitions policy to provide for the right to petition and the power to subpoena.

Gender and women empowerment

One of the key areas of focus by the Office of the Speaker, in conjunction with the members of the Mayoral Committees responsible for administration and social development and the Woman’s Caucus, has been Gender and Women Empowerment. This relates to both ensuring equal representation and effective participation within Council, empowering women Councillors and playing a role in the lives of women residing in Johannesburg. In terms of progress made in ensuring political representation, representation by women is significant on all Council Committees and furthered by the work of the MWC. The Office of the Speaker jointly with the MWC convened five Women Sector Consultative fora over the 2004/05 financial year. The meetings sought comments from women on the IDP Process for 2004/05 and focussed on economic women empowerment programmes (including Social/Human Development Programme, Women in roads construction, horticulture, transport and tourism sectors). The outcome was the empowerment of women via information from Council that can improve their quality of lives.

The City also represented the hub for the Cyber Dialogues as part of supporting the “No Violence Against Women and Children” campaign and participated in the 1001 Women’s Project which provided the Councillors with an opportunity to mentor 56 women in the community. The City Women in Dialogue cum Women Empowerment was hosted under the theme “Johannesburg Women celebrating ten years of democracy and together, building a better life”. Council, however, needs to entrench these programmes further to ensure that they result in a positive impact on the lives of women living in communities in Johannesburg.

Councillor training and capacity building
The Office of the Speaker took on the responsibility of coordinating training and capacity building for Councillors, in order to develop the City’s political governance capacity and improve the skills base of individual Councillors. This responsibility entails the development, leading and directing of a strategy and programme for Councillor support, ongoing briefing, Councillors’ notes for community functions, and administrative support services required by Councillors. During 2004/05 the following training programmes for Councillors were undertaken: Business English; Zulu Beginner’s Course; Communicate With Confidence in Business; Driver Training; Protocol; Gender, Communication and Local Government Training; Computer Literacy and Project Management. Introductory training to Local Government was also offered to ward committee members. This was in addition to the completion of a database for all ward committee members. The Speaker also intervened, investigated and resolved six ward committee conflicts.

Rules committee

The Section 79 Rules Committee considered and approved for recommendation to Council the following reports, policies and procedures over 2004/05: return of attendance; policy on the administrative support system; annual report on the progress of ward committees; rules of conduct and procedures for ward committee members; Councillor satisfaction survey for Council and committee meetings; determination of the best ward committee; progress of Councillor training; MFMA and Code of Conduct for Councillors; group personal accident insurance for Councillors; establishment of a Councillor support centre; changes in membership to Section 79 and 80 Committees; consideration of a ruling by the Speaker; civic funeral of the late Councillor Segone; Civic funeral policy and review of standing rules with regard to questions.

Language policy

In line with the Constitution and the promulgation of the Gauteng Language Act in 2004, Council adopted a Language Policy on 27 January 2005. The four official languages of the City are isiZulu, Sesotho, English and Afrikaans. The objective of the Policy is to identify and promote the equitable use of official languages and to facilitate equitable access to the City’s services, knowledge and information; ensuring redress for previously marginalized indigenous languages, while promoting good language management for efficient public service. Councillors are now able to express themselves in any of the four official languages. Points of customer interface in the City are also now able to provide services in the preferred languages of City residents, including a disability desk for customer support to the blind and deaf.

Ethics committee

The Ethics Committee was established to supervise and manage the declaration of financial interests of councillors, to ensure honesty and to prevent corruption. The committee meets on a quarterly basis and reports on an annual basis to Council. The committee was primarily established to supervise and manage a Register of Financial Interests of Councillors. The public register is available for inspection in the Office of the Speaker or the Office of the City Manager.

Community development workers

Community Development Workers (CDWs) are intended to create a public service interface of multi-skilled officials who will maintain direct contact with communities. The coordination and all matters related to CDWs has been delegated to the Speaker. During 2004/05, the Speaker had to intervene and resolve problems related to the functioning of the programme.
in five wards, and responded to Council questions related to the CDW programmes on two occasions. There are currently 48 CDWs deployed across the City.

**PLANS FOR 2005/06**

- Review the Governance Model, strengthening of the legislative arm of Council
- Install an electronic system to track Council decisions within City operations
- Further initiatives that move Council towards a paperless administration
- Extend and deepen programmes that focus on community participation
- Further develop founding documents and institutional arrangements for the transformed Junior and Mini Council, in conjunction with Social Development
- Introduce substantive debates in Council, beyond consideration of reports
- Improve the functioning of ward committees
- Ensuring efficient and timeous responses to all petitions
- Track legislation affecting local government for Council consideration
- Effectively communicate work done by Council to communities, as well as profiling the work of all Councillors
- Develop a rules book for the functioning of the Office to ensure that the knowledge base of officials is adequately and systematically captured (for instance on the induction of new Councillors)

**OFFICE OF THE CHIEF WHIP OF COUNCIL**

Councillor Bafana Sithole is the Council’s Chief Whip. The Chief Whip of the Council serves as the political manager of the council. He deals with both political and administrative issues pertaining to councillors. He also deals with institutional responsibilities of councillors by making sure that councillors attend committee meetings and maintain service delivery in the community. He consults with other parties for the smooth running of council business. His role is to ensure that interparty relationships are constructive and focused on service delivery. This is an extensive task, because of political diversity and taking into account that there are 217 councillors. The above is executed through a functioning Chief Whip’s Forum that consists of the Council’s Chief Whip and the chief whips of the nine political parties represented on the Council. A key responsibility of the forum is to deal with policy-related issues that could hamper the constructive relations between the different political parties. The forum also ensures equitable representation of councillors on the different committees.

During 2004/05 the Chief Whip’s Forum participated in developing the Ward Committee Code of Conduct and the administrative support systems for councillors. They also contributed to the Standing Rules on questions to assist the Mayoral Committee in answering questions within a reasonable time period. Further to this, the forum contributed to the Policy on Council Representation on Outside Bodies, which Council adopted.

The Council’s Chief Whip works closely with the Council’s Speaker on issues of conduct, councillor benefits and governance. He chairs the Section 79 Disciplinary Committee and is the Deputy Chairperson of the Section 79 Rules Committee.

In the last term of office the conduct, discipline and political construct of councillors, as public representatives, was of a high standard and greater courage to deal with issues that affect communities was displayed. It has shown that councillors have profited from the experience of the past ten years, and have drawn practical lessons from it. The development of the code of conduct for ward committee members has assisted in terms of creating common understanding of behavioural predictability.
PLANS FOR 2005/06

- It is foreseen that the Chief Whip’s office will monitor the implementation of administrative support systems for councillors by the regions, monitor the implementation of the Ward Committee Code of Conduct, improve councillors’ accountability to their wards and communities and maintain strong discipline amongst the City’s councillors in the next financial year
- Scrutinize issues on governance and institutional model of the council to ensure they are in line with the political and legislative framework relevant for 2010 and beyond
- To ensure that views of the community are heard and well represented, through the promotion of dialogue between communities and Councillors
CHAPTER 3

OVERALL CITY PERFORMANCE

The concepts of accountability and transparency are critical drivers of performance management in the City of Johannesburg. The performance reporting of the City takes the form of an overview and update of the activities and achievements during the 2004/05 financial year. This chapter outlines the key achievements in respect of performance in the City. The chapter reports specifically on each of the indicators and targets set for the City’s overall scorecard. The subsequent chapters set out the key achievements of each of the departments and entities within their respective political portfolios.

This section is also an assessment by the municipality’s chief accounting officer of the municipality’s performance against performance measures set in a quantifiable city scorecard.

Johannesburg developed the City Scorecard, which gave a consolidated picture of the City’s plans and commitments for the 2004/05 financial year. The following processes were implemented when the City Scorecard was compiled:

*Agenda setting:* This laid the foundation to determine political priorities. The City’s 13 key strategic agenda thrusts were formulated at the Mayoral Lekgotla. The six Mayoral Priorities and a review of the previous year’s plans informed the exercise.

*Business planning:* Departments and UACs business plans were informed by the Mayoral Priorities and the 13 strategic agenda thrusts. The business planning exercise set detailed indicators and targets in respect of strategic agenda issues.

*Outreach Programme:* Community and stakeholder participation was undertaken with a view of capturing these inputs when formulating the key areas of service delivery for the 2004/05 financial year. The Outreach Programme included local integrated development plan and budget meetings at regional and ward levels, stakeholder meetings with labour and business, NGOs and CBOs and an annual stakeholder meeting.

*Approval:* The Council approved the Scorecard and measurable, relevant, objective and precise performance indicators. The City Scorecard was then used to enhance the City’s performance in service delivery, management and governance. The Scorecard was designed to be the key strategic management tool that identifies the City’s annual priorities, establishes indicators and serves as the reporting framework for measuring delivery against objectives. The scorecard also gives effect to the performance for the City Manager. The city scorecard amounted to a contract between the citizens of CoJ and the Council.

The following 13 strategic agenda thrusts were finalised during the Budget Lekgotla, held in October 2003. It is the annually determined set of priorities, sits at the heart of the 2004/05 IDP. The Strategic Agenda comprises 13 strategic thrusts, namely:

- Sustainable development and environmental management
- Service delivery excellence, customer service and Batho Pele
- Access to basic services
- Public safety and by-law enforcement
- Housing delivery
- Transportation
- Economic growth and development
PERFORMANCE REPORT ON THE CITY SCORECARD

This section is a report on the 2004/05 city scorecard.

KEY ACHIEVEMENTS

- Reduction in unaccounted-for-water
- Reduction in un-accounted for electricity
- Implementation of HIV/AIDS Plan
- Designation of the inner city as the Urban Development Zone
- Implementation of city wide risk management strategy
- Implementation of Soweto retail strategy
- Upgrading of 52.7 km of gravel road
- Reduction in turn around time for resolution of cases

Enhance customer satisfaction

The results of the 2004/05 customer satisfaction survey showed an improvement over the last survey results.

Notwithstanding the migration of about 30 000 accounts from the Sandton database and the wide range of queries this has created, Johannesburg Water (JW) has done well to reduce response time and has exceeded its targets. This was achieved through appropriate recruitment, training and multi-skilling of staff, and implementing action plans to strengthen performance.

For City Power, the average time in days for April, May and June to resolve queries, the Pega Basket was used to arrive at the measure of nine days, which is an improvement on the target to ten days. Investigative queries are included in the Pega Basket. During the three months period (April to June 2005) 2 879 out of 3 370 current and backlog items we resolved within 30 days since the date on which the tickets were transferred to the Refund section (finalisation). This constitutes 85.43% of the refund requests issued within 30 days of finalisation and 41% were done within 30 days of application.

Since the introduction of the performance tracking system between January and June 2005, 38 197 clearance applications were processed and 30 606 clearance certificates were issued. This equates to an average of 80% of clearance certificates issued for the period in question. However, for the period July 2004 to June 2005, 72352 clearance applications were processed and of these 56 747 clearance certificates were issued. This equates to 78% of clearance certificates issued, which is above the target of 75% set.

The target of 35% in the reduction of unaccounted water based on the Gcina’manzi project and the project linked to the turnaround strategy has been achieved. Following certain queries brought at Council level, the target was reviewed at 34%. The main contributing factor was the migration of Sandton customers to JW, and a considerable reduction in commercial losses.
The revised target of 13.2% reduction in unaccounted for electricity has been achieved, however bulk outages for the financial year 2004/5 were in the total of 144. These outages comprised of both network performance and non-network performance related outages. The total number of bulk outages of 144, which includes both network performance and non-network performance related outages, is below the ceiling of 165. The City experienced 1 340 medium voltages (MV) outages for the year 2004/05 against the revised target of 1 300. The increase in outages occurred during the winter months, which fall within the last quarter of the year. In relation to Low Voltage (LV), the target was met as the jobs closed of 126 357 for the financial year below the ceiling of 133 600.

A total of 743 housing opportunities were identified, even though the target was not achieved as the Province took over their projects and allocated funds. The Council continued with R6 million Council funds to built extra units. With the introduction of Xhasa and the tripartite agreement, Province did not transfer any funds to CoJ Housing for PHP Projects. The 743 units that were constructed utilised savings identified within CoJ housing. Hence the target wasn’t met.

Enhance human development within the city

The following six projects were identified in order to achieve the target for the 100% completion of HIV/AIDS implementation plan within the financial year, i.e. policy review, knowledge, attitude, practices and behaviour study, HIV anonymous prevalence survey, actuarial analysis / modelling, voluntary counselling, testing, and training of senior staff.

There were five poverty alleviation projects that were implemented in 2004/05. On the 22 June 2005, the executive mayor launched the food bank, the purpose of the food bank as a food reception and storage within the fresh produce market premises. Eleven organisations with a total of 2 590 beneficiaries received food after the launch of the food bank. A city wide database of NGOs as well as individuals and families targeted for the programmes has also been established. Approximately 103 NGO’s, and 22 441 individuals and 1 104 families were involved in this project. The programme will be piloted in regions 1,2,5,6 and 9 in order to establish effective ways of ensuring that the programme benefits the targeted groups, distribution scales and schedules.

Inner city regeneration

The block-by-block survey blitz was held in the inner city, and it proved extremely successful and resulted in the target being exceeded by at least two and a half. With regard to a number of buildings closed in relation to control violations, the target has been exceeded as 48 court orders were granted in this financial year. However, it should be noted that another 18 orders that were granted by the High Court were only submitted to the City of Johannesburg by our attorneys in the current financial year.

The target of 201 668 visitors to the various Arts, Culture and Heritage institutions was exceeded by 212 013, and a total of 413 681 visitors was registered. Visitor figures at the various institutions are comprised of school children, adults (both local and international), community groups, artists and guests invited to special events such as art exhibition openings and commemorative days. Visitor statistics for the 2004/5 period per each institution are shown in Table 3.1

<table>
<thead>
<tr>
<th>INSTITUTION VISITED</th>
<th>NUMBER OF VISITORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hector Peterson Museum and Memorial</td>
<td>113 942</td>
</tr>
<tr>
<td>James Hall Museum of Transport</td>
<td>65 160</td>
</tr>
<tr>
<td>INSTITUTION VISITED</td>
<td>NUMBER OF VISITORS</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Roodepoort Museum</td>
<td>3 300</td>
</tr>
<tr>
<td>Museum Africa</td>
<td>72 767</td>
</tr>
<tr>
<td>Sandton Civic Art Gallery</td>
<td>12 843</td>
</tr>
<tr>
<td>Johannesburg Art Gallery</td>
<td>67 714</td>
</tr>
<tr>
<td>Oppenheimer Gardens</td>
<td>11 708</td>
</tr>
<tr>
<td>Uncle Tom's Community Centre</td>
<td>51 477</td>
</tr>
<tr>
<td>Mofolo Art Centre</td>
<td>14 770</td>
</tr>
</tbody>
</table>

**Crime prevention, by law enforcement and traffic management**

The city safety customer satisfaction survey was incorporated in the city wide customer satisfaction survey and there’s has been an improvement in the city safety perception. The target in relation to the enforcement of infringements of Council By-laws was partially achieved.

The number of buildings that were offered on the “better building programme” for the 2004/05 financial year was 65, while 42 buildings were awarded for redevelopment. There were 27 contracts signed and to date transfers have taken place for 13 buildings. Renovations are in various stages of completion on all 13 buildings. There were 42 buildings that were awarded the better building awards by JPC for the inner city. The target has thus met and exceeded.

Multi-disciplinary operations on by-law enforcement have been undertaken in all 11 regions as per the attached evidence report. JMPD is currently monitoring stands that are now occupied through the token day programme and report to the by-law JOC on a regular basis. The monitoring has been done through the token days programme. Token Days allows for cyclical monitoring of operational activity within a six week cycle. Reporting is been done through the by-law JOC.

**Ensure the achievement of urban desired form**

A decision was taken by the Gauteng Department of Housing that the Pan Africa taxi rank will not be completed in the 2004/05 financial year and that the R10 million allocations transferred to Cosmo City. The Bara and Orlando Ranks were not completed by June 2005, Orlando was only completed in August 2005 and Bara in October 2005. All funds allocated to the City for participation in the Alexandra Renewal Project Presidential Programme measured through a percentage of capital budget has been spent. However the target for a number of housing opportunities created in Alex has not been met. All approved capital investment projects have been completed.

**Ensure sound financial health and effective governance of the companies**

The target of ratio of debt coverage has been met. The City of Johannesburg’s cash can cover 52 days of operational cost and the ratio of service debtors to revenue is 11%. The implementation of operation clean audit report has resulted in all movable assets been physically verified and allocated with unique barcode label. All the assets without values were allocated with fair values and take-on the Venus Asset Module. A tracking system has also been implemented to all the regions and core functions and the assets were uploaded accordingly. The Revenue Management Unit has reached its target and the total collection for the year amounts to R7, 763 bn. Johannesburg Water has reached its target and the total receipts for the year amounts to R1, 11 bn. City Power has reached its target and the total receipts for the year amounts to R2, 24 bn. Pikitup has not reached its target of R168, 50 million and the total receipts for the year amounts to R122 million. All Johannesburg 2030 projects have been implemented and the target has been met. The detailed report is covered in Chapter 4.
The city has issued a R700 million eight-year bond on 21 April 2005. The price is 154 basis points above the government's 157. The City of Johannesburg has produced a Service Delivery and Budget Implementation Plan (SDBIP) for 2005/06 financial years, on the basis of the approved Integrated Development Plan (IDP) and Budget. A report on all expenditure on staff salaries, wages, allowances and benefits by type have gone to council as required by section 66 of MFMA.

**Ensure strategic management of the city**

The City of Johannesburg has achieved its target in relation to the implementation of city wide risk management strategy. Targets were also met in relation to the completion of a knowledge audit in line with the development of an integrated system of sharing storing and retrieving knowledge. The target for the implementation plan/ strategy and internal awareness programmes has not been achieved.

**Ensure the effective financial and human resource management**

The City of Johannesburg has achieved the set target of 97% expenditure of its capital budget in 2004/05. The operating performance against the budget of the City of Johannesburg is under by 3.4% or R427 million. The asset register is now fairly GAMAP compliant, as the entire minimum required information for disclosure purposes is recorded.

The total value of credit balances on this list amounted to R583, 5 million (179 199 accounts). The valid/legitimate credit balances included in this list amounted to R179, 3 million (43 265 accounts). There are 135 934 accounts with a value of R404, 2 million still to be investigated. All the tenders are well adjudicated by the EAC and all comply with the affirmative procurement requirements. In compliance to the legislative requirements the City has submitted the annual progress report on Employment Equity to the Department of Labour. The City has also approved the Disability Management Policy (with operational guidelines) – for implementation during 2005/06 onwards. All departments and staff up to level 4 within the city are being Performance managed and have signed scorecards.

**Performance in terms of the KPIs**

<table>
<thead>
<tr>
<th>NO.</th>
<th>KEY PERFORMANCE AREA</th>
<th>TARGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance customer service and service delivery levels</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KEY PERFORMANCE INDICATOR</th>
<th>TARGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>% positive perception of the city achieved in the annual customer satisfaction survey for 2003/04 produced by August 2004 and results fed into Mayoral Committee Lekgotla in October to plan for 2005/06.</td>
<td>80%</td>
<td>75%</td>
</tr>
<tr>
<td>Average time taken to resolved queries that are referred to the following (1. Johannesburg Water)</td>
<td>60 hours</td>
<td>55.90 hours</td>
</tr>
<tr>
<td>Average time taken to resolve queries that are referred to the following. (2. City Power) Number of 240 litre bins rolled out</td>
<td>10 days</td>
<td>6 days</td>
</tr>
<tr>
<td>Reduction in turn around times of high priority business transactions (issue refunds within 30 days)</td>
<td>75% Stretch</td>
<td>84%</td>
</tr>
<tr>
<td>% Reduction in turn around times of high priority business transactions (Issue clearance amount due within 30 days of application)</td>
<td>75%</td>
<td>69%</td>
</tr>
<tr>
<td>% reduction in unaccounted-for- electricity (% billing losses)</td>
<td>12.90%</td>
<td>16.54%</td>
</tr>
<tr>
<td>Revised as in second quarter</td>
<td>13.2%</td>
<td>13.4%</td>
</tr>
<tr>
<td>% reduction in Unaccounted water</td>
<td>34%</td>
<td>34.1%</td>
</tr>
<tr>
<td>Number of electricity outages (Bulk)</td>
<td>165</td>
<td>135</td>
</tr>
<tr>
<td>Number of electricity outages (Medium Voltage)</td>
<td>730</td>
<td></td>
</tr>
<tr>
<td>Number of electricity outages (Low Voltage (network related complaints))</td>
<td>105055.00</td>
<td>65463.00</td>
</tr>
<tr>
<td>Revised target and baseline</td>
<td>(133600)</td>
<td>(107062)</td>
</tr>
<tr>
<td>Length of gravel road upgraded</td>
<td>60 km</td>
<td>52.8 km</td>
</tr>
<tr>
<td>No. of housing opportunities identified</td>
<td>1000</td>
<td>743</td>
</tr>
<tr>
<td>NO.</td>
<td>KEY PERFORMANCE AREA</td>
<td>TARGET</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td></td>
<td>Enhance human development within the city</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>KEY PERFORMANCE INDICATOR</strong></td>
<td><strong>TARGET</strong></td>
</tr>
<tr>
<td></td>
<td>% completion of HIV/AIDS implementation targets achieved</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>No. of residents receiving maximum basket of grants for which</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>they are eligible from Provincial and Local Government</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of poverty alleviation projects implemented through</td>
<td>Projects</td>
</tr>
<tr>
<td></td>
<td>implementation of City Human Development Strategy</td>
<td>Signed Off</td>
</tr>
<tr>
<td></td>
<td>No. of HIV/AIDS affected and infected children including orphans</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>**No.</td>
<td>KEY PERFORMANCE AREA</td>
</tr>
<tr>
<td></td>
<td>Ensure inner city regeneration</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>KEY PERFORMANCE INDICATOR</strong></td>
<td><strong>TARGET</strong></td>
</tr>
<tr>
<td></td>
<td>No. of buildings covered by the inner city buildings survey</td>
<td>1,000 Inner City 1,500’rest of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the city</td>
</tr>
<tr>
<td></td>
<td>No. of buildings closed in relation to control violations</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>(Inner city)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of visitors at arts and culture facilities and activities</td>
<td>201,668</td>
</tr>
<tr>
<td></td>
<td>**No.</td>
<td>KEY PERFORMANCE AREA</td>
</tr>
<tr>
<td></td>
<td>Ensure that crime prevention by-law enforcement and traffic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>controls take place in order to ensure a safe and secure city</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>KEY PERFORMANCE INDICATOR</strong></td>
<td><strong>TARGET</strong></td>
</tr>
<tr>
<td></td>
<td>% increase in the perception of Johannesburg as a safe city</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>(city-wide – survey results available by March 04)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% increase in enforcement for infringements of council by-laws</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Number of warnings issued i.e. number of buildings identified</td>
<td>1,485</td>
</tr>
<tr>
<td></td>
<td>to have been in contravention of the Emergency Management by-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>laws</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of successful prosecutions in relation to unsafe / non</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>compliant buildings (Inner city)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of successful prosecutions (Rest of City) in relation to</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>unsafe/non compliant buildings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% increase in prosecutions at municipal court based on the</td>
<td>Baseline +5%</td>
</tr>
<tr>
<td></td>
<td>number of citations issued</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of buildings awarded in terms of the better buildings</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>programme (Inner City)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of buildings awarded in terms of the better buildings</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>programme (Rest of the City)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To ensure reduction of Illegal dumping on pavements undeveloped</td>
<td>1,046</td>
</tr>
<tr>
<td></td>
<td>properties and other spaces (No. of statutory notices issued</td>
<td></td>
</tr>
<tr>
<td></td>
<td>to owners of undeveloped properties other than council owned properties where illegal dumping is taking place)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To ensure reduction of Illegal dumping on pavements undeveloped</td>
<td>Quarterly inspection</td>
</tr>
<tr>
<td></td>
<td>properties and other spaces (Frequency of policing 100 spots that were cleaned up in 2003/2004)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To ensure reduction of Illegal dumping on pavements undeveloped</td>
<td>1 per Ward committee (109)</td>
</tr>
<tr>
<td></td>
<td>properties and other spaces (Anti-dumping presentations made to ward – committees)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urban control (No. of multi-disciplinary actions on targeted areas)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Urban control (No. of areas designated as UDZ or urban</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>regeneration (CM))</td>
<td></td>
</tr>
</tbody>
</table>
### KEY PERFORMANCE INDICATOR

| To reduce illegal trading around designated areas (Licence format and delivery system agreed between EDU JMPD and Environmental Health) | 1 | 1 |
| To reduce illegal trading around designated areas (No. informal food traders on issued with environmental health certificates) | 500 | 568 |
| To reduce illegal trading around designated areas (A stand designed and prototype consulted with trader community for production and sale of cooked food) | 1 prototype by Feb 2005 | 1 |
| To reduce illegal trading around designated areas (Monitoring system in place to assess the impact of the enforcement of street trading by-laws) | Monitoring system in place | 100% |

### NO. KEY PERFORMANCE AREA

Ensure the achievement of the desired urban form

<table>
<thead>
<tr>
<th>KEY PERFORMANCE INDICATOR</th>
<th>TARGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of public taxi ranks constructed</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>% participation of the City in the ARP Presidential Programme measured through - % of capital budget spent</td>
<td>52%</td>
<td>90%</td>
</tr>
<tr>
<td>% participation of the City in the ARP Presidential Programme measured through - No. of housing opportunities created in Alex</td>
<td>2400</td>
<td></td>
</tr>
<tr>
<td>% participation of the City in the ARP Presidential Programme measured through - No. of shacks relocated to houses</td>
<td>800</td>
<td>188</td>
</tr>
<tr>
<td>Percentage of approved capital investment programme (CIP) projects completed</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>% of development applications recommended in terms of the SDF and all its related policies i.e. Urban Dev Boundary Density Policy Nodal Policy Mobility Policy</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>% completion of targets around job creation through the Extended Public Works Programme (EPWP) for all City business units with CAPEX spending</td>
<td>Implement between 2nd &amp; 4th Quarter</td>
<td>30</td>
</tr>
<tr>
<td>Fast development and regeneration through establishment of an effective decision making mechanism to implement the Soweto Development Initiative</td>
<td>Section 79 Committee established</td>
<td>Section 79 committee established</td>
</tr>
<tr>
<td>% implementation of Soweto retail strategy</td>
<td>Stands provided and licensed</td>
<td>Stands have been provided and licensed</td>
</tr>
</tbody>
</table>

### NO. KEY PERFORMANCE AREA

Ensure sound financial health of the city and effective governance of the city’s companies

<table>
<thead>
<tr>
<th>KEY PERFORMANCE INDICATOR</th>
<th>TARGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of debt coverage</td>
<td>13.1</td>
<td>25.25</td>
</tr>
<tr>
<td>Ratio of cost coverage maintained (days)</td>
<td>22 days</td>
<td>52 days</td>
</tr>
<tr>
<td>Ratio of service debtors to revenue</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Operation clean audit report - items in management letter addressed. Operation clean audit report</td>
<td>Qualification</td>
<td>Awaiting Audit opinion from AG</td>
</tr>
<tr>
<td>COMPLETENESS OF FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land register</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movable assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMPLETENESS OF REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue collected (RMU)</td>
<td>R7.6bn</td>
<td>R 7.763bn</td>
</tr>
<tr>
<td>Revenue collected (Water)</td>
<td>R1bn</td>
<td>R1.11bn</td>
</tr>
<tr>
<td>Revenue collected (City Power)</td>
<td>R2bn</td>
<td>R2.24bn</td>
</tr>
<tr>
<td>Revenue collected (Pikitup)</td>
<td>R168m</td>
<td>R122m</td>
</tr>
<tr>
<td>Implementation of sector &amp; area support projects (j2030 projects)</td>
<td>Implementation started for 8 projects</td>
<td>8 areas identified</td>
</tr>
<tr>
<td>Amount raised as per the financial plan</td>
<td>R700m</td>
<td>R700m at 154 basis points above government yield</td>
</tr>
</tbody>
</table>
### Performance management and remuneration panel

Over the past three years, a comprehensive performance management system was implemented. The system has sought to define KPAs, indicators and budgets to improve accountability and performance. A Performance Management and Remuneration Panel, in conjunction with the Executive Mayor and Mayoral Committee, is responsible for the assessment of the performance reviews of senior managers.

### KEY PLANS FOR 2005/06

The City Manager committed his office to ensure that activities will be undertaken against defined targets for the next financial year. In doing so, the aim is to maintain and sustain service delivery. The following key areas have been prioritised for 2005/06:

- 80% % positive perception of the CoJ achieved in the annual customer satisfaction survey
- Reduction of average time taken to resolve queries for Johannesburg Water (48 hours), City Power (7days), issuing of rates and service accounts refunds within 30 days (90%) and issuing of clearance certificates (90%)
- Implementation of Human Development Strategy Programmes
• Overseeing exploitation of UDZ status
• Overseeing the Soweto Development Initiative to tap into hidden economic potential of the area
• Enhancing city wide management strategy
• Reduce un-accounted for water and electricity to 32% and 28% respectively
• Improve of the revenue value chain
• Increasing access to basic services to all deserving citizens
CHAPTER 4
FINANCE, STRATEGY AND ECONOMIC DEVELOPMENT

Councillor Parks Tau is the Member of the Mayoral Committee responsible for Finance, Strategy and Economic Development. The portfolio deals with the overall financial management for the City and ensures that economic development is implemented. Financial management includes compiling, through due processes, the medium-term budget framework, the management and control of expenditure, collection of revenue, raising of loan finance and cash-flow management. The Finance and Economic Development Department also performs an oversight function, as it has to ensure legislative and professional compliance in respect of the financial management of the various municipal entities and line departments. The activities of the Johannesburg Development Agency (JDA) and the Metropolitan Trading Company (MTC), Johannesburg Trading Company (JTC), which function as economic agencies of the City, also form part of this portfolio, including Revenue Management Unit (RMU).

<table>
<thead>
<tr>
<th>KEY ACHIEVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increased revenue collection by RMU</td>
</tr>
<tr>
<td>• Reduction in ratio of service debtors to revenue</td>
</tr>
<tr>
<td>• Establishment of a public database of Johannesburg-based black empowerment suppliers</td>
</tr>
<tr>
<td>• Implementation of the Urban Development Zone in the Inner City</td>
</tr>
<tr>
<td>• Implementation of the Soweto Development Initiative</td>
</tr>
<tr>
<td>• Securing of bond for capital expenditure</td>
</tr>
<tr>
<td>• Obtaining of improved credit ratings</td>
</tr>
</tbody>
</table>

FINANCE AND ECONOMIC DEVELOPMENT DEPARTMENT KEY SERVICE DELIVERY AREAS AND CHALLENGES

The key service delivery areas for the Department of Finance and Economic Development were as follows:

• Enhance Customer Service
• Ensure effective revenue management
• Ensure sound financial management
• Ensure overall financial oversight
• To promote economic development and tourism
• To ensure that it maintains effective, efficient and transparent systems of financial and risk management and internal control
• To promote the economic development of the city
• To ensure that the City solves its major revenue challenges
• To ensure that the Johannesburg economy performs better than the national average
• To continually improve the City’s credit rating
• To ensure the City obtains a clean audit report

PROGRAMME PERFORMANCE
During the 2004/05 financial year, the Finance Department has embarked on the following programmes:

**Enhance customer service**

In an annual customer satisfaction surveys conducted in 2003/04 by Revenue Management which sought to establish the perception of residents on billing and payment matters. It was recorded that the overall citywide satisfaction level on a scale/weighting of 25% for 2004/05 is 67.4%. Whilst the revenue figures are less than the target set they are above the city’s performance with the overall weighting of 71%.

The reduction in turnaround times for high priority business transactions for the month of June 2005 (issue refunds within 30 days) was 3370 refund cheques were made out, out of which 2879 were refunded within 30 days of finalisation. This equates to 85.43% of the total. Since the introduction of the performance tracking between January and June 2005, 38197 clearance applications were processed and 30606 clearance certificates were issued. This equates to an average of 80% of clearance certificates issued for the period in question.

For the period July 2004 to June 2005, 72352 clearance applications were processed and of these 56747 clearance certificates were issued. This equates to 78% of clearance certificates issued, which is above the target of 75% set.

In June 2004 the Revenue Department was just beginning to emerge from a customer service crisis. There had been a rapid increase in the number of queries logged at revenue, to a peak of over 53 000 calls in March 2004. The query resolution infrastructure had proved unable to handle the workload and continuing unsatisfactory query resolution rates led to a backlog of unresolved queries and considerable customer dissatisfaction. The backlog of unresolved queries facing the Revenue Department was at a peak of 7.2% of the customer base in June 2004.

To implement short-term improvements and develop long-term solutions, a transitional management team was appointed to address revenue challenges. This team introduced a number of ‘incremental’ administrative improvements, and also took responsibility for the co-ordination of processes across multiple business units in order to ensure rapid progress. The effect of these changes was substantial:

The number of new billing service requests and queries per month declined dramatically, from a peak of 29 055 in September 2004 to only 6 881 in June 2005 (0.9% of the customer base); shown in Figure 4.1

*Figure 4.1 Number of new billing service requests and queries*
Service requests and queries resolved exceeded the number logged for the Revenue Department after August 2004. As a result the backlog in open service requests has declined dramatically: the total number of service requests and queries outstanding declined from 49,975 in June 2004 to 11,497 in June 2005; shown in Figure 4.2

*Figure 4.2 Number of service requests and queries outstanding from June 2004 to June 2005*

Similarly, the number of queries older than 3 months declined from 27,867 in September 2004 to 6,252 in June 2005.

In addition to these incremental operational improvements the Revenue Department also put in place initiatives, which led to the development of a costed proposal to permanently address the long-standing revenue challenges facing the City. This proposal became known as Programme Phakama, and is discussed below.

Improved billing is a crucial response to resident and business user surveys, which suggest that there is significant level of dissatisfaction with billing administration and with responses to customer queries.

**Effective revenue management**

The Revenue Management Unit has reached its target and the total collection for the year amounts to R7,763bn. Johannesburg Water has reached its target and the total receipts for the year amounts to R1,11bn. City Power has reached its target and the total receipts for the year amounts to R2,24bn.

The financial year also saw improvement in average collection rates. Credit control was resumed after an interruption to permit process improvements to be implemented. Reported collection rates improved steadily over the financial year, as indicated by the following:

- The overall average CoJ collection rate achieved for the 2004/5 financial year was 93.0%
- The average CoJ collection rate for the six months January to June 2005 was 95.4%
- The CoJ average for the last three months (April to June 2005) was 99.2%
- The CoJ collection rate for June 2005 alone was 107.5%
- RSC levies collected in 2004/5 amounted to R1764.6 million, and increase of 15.1% over the previous financial year (without any change to levy rates)

The Revenue Department exceeded its overall cash collection target for 2004/5 by R164.2 million.
Write-off of indigent arrears

Council amended its Special Cases Policy in October 2004 to widen its scope and to permit writing off arrears owed by registered Special Cases (indigent) households. The Executive Mayor launched the Indigent Registration Project on 4 May 2005 in Chiawelo. The launch and attendant publicity were very successful, with the result that unexpectedly high large numbers of applicants arrived at the various pay points to be registered. Additional computers and printers were obtained, working hours were extended, and offices were opened on Saturdays. In June 2005 over 1200 registrations took place per working day.

As at 30th June 2005, 45 487 Special Cases had been registered. The arrears written off associated with these households were approximately R668.4 million. The average written off at this stage was just under R14 700 per household.

Project Phakama

In March 2005 Council took four major decisions to finally address the human resources and system challenges that have dogged its revenue administration. These were (a) to establish a single revenue management value chain across all relevant business units; (b) to establish a single customer interface value chain across all relevant business units; (c) to ensure that both value chains are supported by a single integrated IT system across all business units; and (d) a new customer service and revenue organisation, re-built from bottom to top.

The purpose of establishing the “single value chain” is to ensure that all the relevant business units are working smoothly together to achieve improved customer service for the benefit of the City as a whole. Each value chain will have a designated ‘owner’ who will be accountable for the performance of the whole value chain, and with the authority to ensure the performance of all value-chain participants. Since both value chains will be supported by a single IT system, it will be possible to ensure data integrity (and hence reduce errors) in a way that has not been possible to date.

Programme Phakama is a three-year programme, with the first phase (deployment of the value chains, the integrated IT system, and the legal form of the new organisation) due by the end of June 2007. Programme Phakama is expected to enable the city to deliver excellent customer and revenue services to the residents of Johannesburg. The establishment of the ‘single’ value chains, each with an owner; the single IT system, and a new customer service and revenue organisation, will fully address the different dimensions of the city’s revenue challenges. With this foundation, the city will be in a position to seriously address the non-administrative aspects of its revenue challenges: principally the extent of poverty, and the extent of wilful non-payment by those who are not poor.

Ensure sound financial management

The Finance and Economic Development Department enjoyed a success in relation to ratio of service debtors to revenue. An amount of R 700 million was raised as per the financial plan. At the end of the financial year, the revenue that was tied up in debtors was 11%. The City of Johannesburg’s cash can covers 52 days of operational cost. With regard to the percentage of variance against the city’s operating budget, the City of Johannesburg has spent 79% of its capital expenditure.

During the 2004/05 financial year, the Department has spent 72.5% of its capital expenditure, however the department has under spent its operational budget by 8.5%. The asset register is now fairly GAMAP compliant, as the entire minimum required information for disclosure purposes is recorded.
Operation clean audit (OPCAR)

The most important of the audit issues facing the Revenue Department is `completeness of revenue', which arises from data mismatches between the valuation roll and the billing system. Such mismatches may give rise to incomplete billing.

In June 2004 there were 381 660 such mismatches between the two systems. Specific teams were established to systematically address the mismatches and eliminate the discrepancies. By June 2005 the total number of mismatches had been reduced by almost 60%, leaving 156 862 mismatches still to be cleared. Progress was also made on addressing other audit challenges.

The following key audit initiatives were still in progress at the date of this report and are shown below in Table 4.1

Table 4.1 Overview of OPCAR implementation progress

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>DESCRIPTION</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>Offset capital portion of outstanding debt against Housing Subsidy</td>
<td>The RETRO project aims to “regularize and transfer ownership” of Council owned properties to tenants. This project is scheduled for completion in April 2006. Regions 1 &amp; 2 have been completed. Regions 4 and 11 are currently in progress.</td>
</tr>
<tr>
<td>JPC/ Financial Accounting</td>
<td>Update the Venus Fixed Asset register ensuring accurate and detailed descriptions of land and improvements.</td>
<td>Approximately 12 000 (86%) of the City’s properties on the Land register were classified in accordance with the applicable GAMAP requirements and the Fixed Asset register was updated accordingly. A valuation of all improvements to Council-owned properties, for purposes of the asset register, was undertaken during the year. Adjustments to the General ledger in respect of improvements will be finalized in the 2006 financial year.</td>
</tr>
<tr>
<td>RSSC</td>
<td>Completeness of revenue</td>
<td>Reconciliation between the relevant databases was carried out at year-end as well as 31 August 2005. Approximately 148 000 properties represent unmatched records that remain to be followed up and cleared.</td>
</tr>
<tr>
<td>RSSC</td>
<td>Credit balances in debtors</td>
<td>Approximately 78% of all prior year issues have been resolved. The management of credit balances has now been incorporated as part of the refunds process. This will expedite the clearing of discrepant items.</td>
</tr>
<tr>
<td>RSC Levies</td>
<td>VAT overpayment</td>
<td>The Receiver has recently (07/2005) approved a VAT claim totalling R21m. The second claim amounts to approximately R6million. This will be finalized in the next VAT return. Discrepancies have been identified between interest levied by the CoJ vs that allowed by SARS. The process to resolve these items is scheduled for completion by June 2006.</td>
</tr>
</tbody>
</table>

Municipal Bonds

The City of Johannesburg launched its first bond (COJ1) listed on Bond Exchange of South Africa BESA in April 2004. Since the first issue, a further R1.7 billion has been raised in the debt capital market. The City of Johannesburg currently has R2.7 billion outstanding on the BESA, and the breakdown of the bonds is shown in Table 4.2. The rationale behind going into the debt capital market was to finance the City’s infrastructure with a cheaper cost of capital, a larger investor base and to match asset and liability maturity profiles.
Table 4.2 CoJ bond breakdown

<table>
<thead>
<tr>
<th>BOND CODE</th>
<th>NOMINAL AMOUNT</th>
<th>MATURITY</th>
<th>COUPON</th>
<th>COMPARISON</th>
<th>CREDIT SPREAD</th>
<th>BP SPREAD</th>
<th>MTM</th>
<th>Year high yield</th>
<th>Year low yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>COJ1</td>
<td>R1 000 000 000</td>
<td>13 April 2010</td>
<td>11.95</td>
<td>R153</td>
<td>R153+230 bps</td>
<td>121.5</td>
<td>8.745</td>
<td>9.74</td>
<td>8.65</td>
</tr>
<tr>
<td>COJ2</td>
<td>R1000 000 000</td>
<td>15 Sept 2016</td>
<td>11.90</td>
<td>R157</td>
<td>R157+164 bps</td>
<td>145</td>
<td>9.125</td>
<td>10.245</td>
<td>9.115</td>
</tr>
<tr>
<td>COJ3</td>
<td>R 700 000 000</td>
<td>26 April 2013</td>
<td>9.70</td>
<td>R157</td>
<td>R157+154 bps</td>
<td>152</td>
<td>9.265</td>
<td>10.07</td>
<td>9.22</td>
</tr>
</tbody>
</table>

The proceeds of the bonds were used to refinance expensive debt that the City of Johannesburg had incurred, and the refinancing saves the CoJ approximately R20 million annually in interest and capital payments. The reduction of the infrastructure backlog of previously under serviced communities was also an important aspect of raising capital.

Since the first date of issue in April 2004, the City’s first bond (COJ1) spread has narrowed from 230bps above the government benchmark R153 to 121.5bps as at 30 November 2005. As the City of Johannesburg’s credit rating improved from A- to A, liquidity of the bond improved causing spreads to narrow further. The bond has the shortest maturity of 6 years and has the highest coupon rate of 11.95%. The City of Johannesburg’s second bond (COJ2) is not as liquid as the other two due to its complex redemption structure, and its longer maturity of 12 years. The spread has narrowed from 164bps above the government benchmark R157 to 145bps as at 30 November 2005. COJ2 was partially guaranteed by Development Bank of South Africa (DBSA) and International Finance Corporation (IFC). Third party credit enhancements are used to strengthen credit ratings of funding instruments which was reflected in an AA- rating by Fitch ratings as compared to the entity long-term rating of A. The City of Johannesburg launched its Domestic Medium Term Note Programme (DMTNP) in April 2005 to raise R6 billion in the debt capital market over the period of five years. The first tranche was issued mid-2005 for R700 billion. Since the issue date, COJ3 has been trading at 152bps above the government benchmark R157 from R154.

Sinking fund

The City of Johannesburg will launch a sinking fund in 2005/6 financial year in line with its long term funding strategy and programme as part of its intention to reduce the repayment risk associated with the DMTNP. All future bonds to be issued under the program will be accommodated in the sinking fund.

Innovative CAPEX funding

The City of Johannesburg intends on exploring alternative capital raising vehicles such as retail bonds and Public Private Partnerships (PPPs) and other project finance opportunities. The City of Johannesburg is committed in finding the most cost effective capital raising method when financing its capital investments, which will stimulate economic growth. Other considerations include increased local tax base and the rising real estate values over the last few years have the effect of increasing the local tax. All these factors will contribute to the City’s overall credit rating, which will have a positive impact on the cost of capital. The City of Johannesburg will continue to re-enter the debt capital market as part of its DMTNP to raise capital for infrastructure in order to improve its service delivery mandate to its community.

Supply chain management

Subsequent to the proclamation of the Municipal Finance Management Act (MFMA) and its gazetted Regulations, the City established a Supply Chain Management Unit and appointed
a Director to lead the Unit. Two well-run Acquisition Committees were operationally established. The Central Acquisition Committee is considering all awards of tenders from R120 000 to R5 million and is under the Chairmanship of the Executive Director Finance and Economic Development. The Executive Acquisition Committee under the chairmanship of the City Manager is considering awards of tenders valued at over R5 million, as well as all deviations to the normal bidding process. All the members of the respective Committees are officials of the City and no Councillors are involved in the bid evaluation and adjudication processes. Their role is to play an oversight over the performance of the Unit. To serve the aforesaid role, quarterly reporting is made to the respective stakeholders.

Evaluation Committees are also taking place wherein SCMU and Legal Services are playing a meaningful role in facilitating and making things happen. The SCMU is also progressing in updating its bid documentation to accommodate the latest pieces of legislation.

**BEE database**

A database of BEE suppliers has been established to nurture the development and advancement of companies by historically disadvantaged peoples. 2300 companies have been registered and registration is continuing. This database will be provided to other spheres of government, and the companies will offer high value services such as business planning, information technology and communication and financial management. Joint ventures will be facilitated with other established suppliers.

**Urban development zone in inner city**

The urban development zone has undertaken the following activities shown in Table 4.3

<table>
<thead>
<tr>
<th><strong>Table 4.3 Urban Development Zone Initiatives</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BRIEF PERFORMANCE REPORT</strong></td>
</tr>
<tr>
<td>Marketing initiatives are underway</td>
</tr>
<tr>
<td>Capacity and systems to deal with investor queries and applications in place</td>
</tr>
<tr>
<td>Concerns about the extent to which UDZ tax incentive can be taken up by investors raised with SARS and National Treasury</td>
</tr>
</tbody>
</table>

**Soweto development initiative**

The Soweto Development Initiative was initiated with a view to changing the apartheid character of Johannesburg and transforming Soweto into a thriving area characterised by growth, development and economic sophistication. The Soweto Investment Framework is being finalised to drive investment initiatives in the Soweto area.

**Skills development initiatives**

The City of Johannesburg through its Johannesburg 2030 Strategy identified the lack of adequately skilled labour force as an impediment to economic growth and job creation. In
attempting to deal with this problem, the CoJ entered into a partnership with the University of the Witwatersrand. The partnership offers this unique opportunity that will allow the previously disadvantaged students to access study opportunities at the university thus preparing them for better opportunities in the economy. This is a year’s course certificate programme designed to give promising young students in the City of Johannesburg alternative access into the BCom degrees at the University of the Witwatersrand. The following has been done to date:

- Process of acquiring applications commenced in December 2005 to be completed by mid January 2006. Also planning a telephone round up of prospective Wits students who have already applied to Wits but who narrowly missed acceptance on the basis of their matric points
- Lecturers have been identified and proceeding with setting up the lectures for all agreed courses have begun. The program will run in the afternoon to extend this opportunity to those students who work full or part-time to attend
- Limited funding has been made available from the CoJ for 20 students

Lectures will commence on Monday 13th February 2006

Promotion of tourism

At least 4 tour packages in conjunction with the private sector aimed at growing domestic tourism in Johannesburg were developed. The packages include the Gandhi Route, Soccer Route, Jazz, Kwaito and Gay Route. Furthermore the department has developed a tourism transport and safety programme, to date 129 signs have been installed within Johannesburg area, and a further 171 are currently being installed. Two updated safety brochures have been produced which are safety tips for visitors and safety tips for venues brochures. In addition tourist maps have been produced to assist tourists to find their way safely to tourism sites within the City.

PLANS FOR 2005/06

In conjunction with the department’s medium-term objectives and the overall aim of continuously enhancing service delivery, the following commitments for the 2005/06 period were determined:

- Enhancement of customer service – to be measured against targets such as the attainment of a turnaround rate of five days for 70% of rates and service accounts refunds and three days for clearance certificate issuing
- Ensuring effective revenue management, with the completion of current Revenue Improvement Projects within the time period
- Ensuring sound financial management – to be assessed through indicators such as revenue collected and 100% alignment of the corporate governance protocol with Acts, such as the Municipal Finance Management Act and the Municipal Systems Act, and to continue to provide overall financial oversight to the City to ensure a 0% variance in operating budgets and 90% expenditure on capital budgets
- Sound financial risk management and risk financing
- Progress on Operation Clean Audit Report
- The ongoing promotion of economic development and tourism
- The development and implementation of Tourism Transport and Tourism Safety Programmes
- Tourism and corporate merchandising projects with the Fashion District and the utilisation of all major events to profile the City of Johannesburg
JOHANNESBURG DEVELOPMENT AGENCY

KEY SERVICE AREAS AND CHALLENGES

The JDA was established in 2001 as an area based economic development agency. The main objective of the company is to revitalise the City of Johannesburg through facilitating and/or investing in development projects that are geared towards sparking optimism and renewing confidence in the financial viability of all sectors of the city with a view to strengthening its position as the economic hub of South Africa. The JDA has been identified as the primary vehicle for the implementation of the strategic plan for the economic development of the City of Johannesburg. This forms part of the Johannesburg 2030 initiatives. The JDA acts as development manager in the coordination and management of capital investment and other programmes involving both public and private sector stakeholders. The JDA aims firstly to create an efficient business environment, and, secondly, to curb the cycle of disinvestment and decay taking place in the city.

The following major challenges were confronted in 2004/05:

- Regeneration and economic development of the City
- Spearhead processes of development
- Implementation of development projects
- Customer awareness

PROGRAMME PERFORMANCE

Customer satisfaction

Creating a 24-hour city is becoming a reality with building plans approved and completed at a rate of 20% per annum. There has been an increase in attendance at key inner city venues, as well as an increase of visitors in places like Newtown and Constitution Hill. The increase is expected to quadruple in 2007.

Satisfaction levels with regards to declining levels of crime have increased by 5% per annum in the inner city and by 10% in both Randburg and Kliptown.

Customer awareness in the inner city is at 57.5% and the JDA intends to increase it to 65%, in Randburg at 45% and the JDA intends to increase it to 60%. Customer satisfaction in the inner city stands at 90%, however there are no statistics available for Randburg and Kliptown but it is at zero base.

Increased business confidence and high levels of business confidence and business satisfaction regarding developments in the area is expected to increase by 20% in 2007 in the inner city and, by 10% in Randburg in 2006.

Increased levels of satisfaction regarding cleanliness are expected to increase by 5% in 2006. In both Randburg and Kliptown it has increased by 20% for 2005 and is expected to increase by 10% in 2006.

CBD’s regeneration and development

Randburg

The Randburg/Drill Hall revitalisation project received a boost with two major investors committing to upgrades in the area. The investments will see residential units sprouting in
that area. The challenges in enhancing and diversifying the resident market for Randburg will require the release of land for housing to develop mixed income residential neighbourhood.

**NASREC**

The Nasrec development area is primarily aimed at maximizing the huge economic potential and business opportunities and the role of the R350 million Soccer City facelift will play during the 2010 Soccer World Cup and beyond. It is home to the Nasrec Expo Centre, the second largest expo centre in Africa; Soccer City, a world-class stadium seating 80 000 spectators and home to South African Soccer; and the Crown Mines Golf Course.

The Nasrec Landowners Forum (NLOF) has been established to ensure mutual value for all. The Forum consists of the Department of Public Works, First National Bank Stadium (Soccer City), the Johannesburg Expo Centre and iProp Limited, the major private sector landowner in the area. The role of the forum is to coordinate and direct developments and land release within the area. All parties in the forum share the vision and work together towards realising the goals of diversification of economic activity, ensuring better use of resources and increased social and economic investment.

The Nasrec development will be undertaken at a budget of R1 052 394 000 and will focus on areas between the Rand Show, Soweto Highway, N1 Highway and Crown Mines Golf course. There will be 6750 temporary jobs created with 60% expenditure going to BEE companies and 20% to SMMEs.

**Newtown**

The entire Newtown is to be commercialised with council owned properties that have already been identified and developed. To date progress includes the building of the Nelson Mandela bridge, the building of No 1 Central Place as the “lead” commercial project, construction of on and off ramps to n1 North and South, confirmation of adequate bulk service, public realm upgrade with a focus on the Mary Fitzgerald Square, Johannesburg Housing Company commitment to Brickfields relocation of remaining squatters. The detailed business plans 2003-2006 sets cultural targets as critical for the commercial potential of the Cultural Quarter with the aim of quadrupling audiences by 2006 and developing training, support for small businesses and BEE.

**Constitution hill**

The successful operation of Constitution Hill as a heritage site will be bolstered with an agreement with the Nelson Mandela Foundation to have the Nelson Mandela Centre for Memory and Commemoration housed at the Constitution Hill Visitors Centre. The new Constitutional Hill and Human Rights library is operational. The restoration of the women’s jail was completed and officially inaugurated in August 2005. A 1 730 – bay parking was completed in May 2005.

**Braamfontein**

Braamfontein has been branded as a node “where people rise to greatness”. The branding of Braamfontein has been an important point of departure given that the area has been faced with a variety of development challenges including vacant floor space, parking and access difficulties, lack of public infrastructure investment, negative perceptions of public security and area image. An identity through distinctive paving, lighting and street furniture has been created. The area has been made pedestrian friendly with two prototype street toilets installed in alleyways between Biccard and Reserve streets. A satellite police station has been introduced, which has seen a steep decline in crime. Due to competitive rentals the
area has become popular with a lot of activity in the property market. Planning for a visitors and retail centres has been completed.

**Rocky street**

The broad vision is to return the areas to its former status of a 24-hour entertainment area for residential and commercial activity. In order to achieve this four intervention strategies have been identified which include urban management, physical environment upgrade, economic redevelopment as well as marketing and branding. The development has a budget of R4.5 m for the 2005/2006 financial year.

**Greater Ellis Park**

The Greater Ellis Park development will transform the area into a sporting precinct that will operate 24 hours a week for varying sports codes including the Big Five—soccer, rugby, boxing, athletics and tennis. In light of the complexities of this development 9 intervention projects have been identified and these include: urban management, physical environmental upgrade, economic development and empowerment, social development, planning, sports and recreation development, marketing and communications, natural environmental management and land assembly. One of the goals is to improve the existing facilities to get them to be fully utilised again. A detailed precinct plan has been done on how to develop to accommodate major events like the 2010 Soccer World Cup. While R12 m has been spent on development since the start of the project a further R20 m has been allocated for visible delivery of identified projects for Ellis Park. A development budget of R2 bn has been set aside for development of the area from now until 2010. The development vision of the area includes economic regeneration over and above the upgrade of sporting facilities. In this light, the JDA would like to see young and emerging black entrepreneurs coming into the area to harvest the new economic opportunities available.

**Fashion district**

The vision of JDA’s Fashion District Development will be realised through the creation of a fashion district that is safe, secure, attractive, functional and well managed. The district is demarcated by End and Von Weilligh and Market and Jeppe Street, there are some 200 small scale business employing 1000 people. The conceptual design and costing has been completed and the design and construction phases will commence in January 2006 and complete in October 2006. The Johannesburg Property Company and the City of Johannesburg have agreed on the expropriation of land for the purposes. To maintain the sustainability of the Fashion District, anticipated revenue streams will be through beneficial leasing of Fashion Square, outdoor advertising, management of parking, CID levies, donor funding, event management, service delivery contracts and management of periodic markets.

**Hillbrow health precinct (HHP)**

The HHP has been fast tracked and looks set to achieve its goal of being the preferred location for primary healthcare providers and are for world-class medical education and training facilities. The Esselen Clinic, King George and Esselen Street have been upgraded. A lease on the Hugh Solomon building has been secured, squatters vacated and cleaning of the building completed. A limited resource is a challenge facing the establishment of the Hugh Solomon building into a centre of excellence for NGO’s and CVO’s in the primary healthcare sector. An improved climate of confidence towards the project is evident by the increased number of commercial and residential developments within the precinct in the last year. Both the public and private sector stakeholders agree on curricula for training of different categories of healthcare.
Greater Kliptown development

The Greater Kliptown development was launched in 2002 and aims at improving both living standards and business opportunities for the community of Kliptown and greater Soweto. The development of Kliptown into a vibrant CBD was magnified by President Thabo Mbeki when he officially opened the Walter Sisulu Square of Dedication on 26 June 2005.

Several milestones have been achieved with the construction of a taxi rank completed, the New Park Road and Beacon Road civil works completed as well as the relocation of old businesses to new sites having been successfully undertaken. Also completed is the business advice centre on the Square while the launch of “The people shall govern museum” was launched on the 20 September 2005. The Freedom Tower light representing the birth of a new society is operational. An environmental centre for environmental education is up and running. Two major banks became operational at the Square in October 2005.

Planting of trees along the Klipspruit Valley Road East and the Square is in progress with Total donating 500 trees for Arbor Day. Work will commence in 2006 January on two pedestrian bridges linking Klipspruit River to Kliptown and another linking Kliptown West to Kliptown. Two contractors have begun building houses on the gold course and part of the Square Land. In order to maximise economic growth a business support centre has been established with funding from CoJ and Investec.

Baralink

This development aims to stabilise, consolidate and promote economic development in the Baralink node focusing around an inter-modal transport and trading hub. Its vision is to position Soweto as a significant contributor to the region’s GDP in order to move from being viewed as an area of residential suburbia to that of a viable and contributing concern in the city’s business. The development seeks to integrate Soweto and Johannesburg and improve access and employment opportunities through mixed-use development. Improving public transport facilities to improve the lives of commuters is one of the aims of this development, implemented on behalf of the City’s Department of Planning, Transport and Environment

PLANS FOR 2005/06

- Completion of implemented projects
- Creation of 400 sustainable jobs, 2070 short term jobs and 1900 training jobs
- Increase tax base in Randburg and Inner City to 10%
- Achieve a 20% improvement in business satisfaction levels

METROPOLITAN TRADING COMPANY

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The MTC business scope includes property development, facilities management and business support. The company’s responsibility includes the management of taxi ranks and formal and informal trading facilities. Its revenue is generated in the form of rental income for the use of the trading facilities, ranking fees from taxi operators, selling advertising revenue and facilities management contracts.

Various challenges still remain for the MTC with regards to informal traders and these include the demand on the streets for trading space, which puts a strain on the spatial set up of the city as well as ensuring that revenues are collected on a monthly basis.
In as far as the taxi industry is concerned the challenge for the MTC is the collection of user fees due to the tendency by the taxi leadership to link issues pertaining to the Taxi Recap Process with the ranking obligations to the MTC.

PROGRAMME PERFORMANCE

The introduction of a Credit Control Policy has made it possible for the MTC to enforce a uniform payment regime in all markets, and significant progress has been registered in the three months since the introduction of the policy. The company wrote down all outstanding debt for the informal traders at all the markets. A rental review for informal traders is currently underway. The technical insolvency status of the MTC has been addressed by its new shareholder through the subordination of loans and claims in favour of ordinary creditors.

The MTC took on board 5 additional markets increasing the number of markets under its control to 13. Currently there are 1 566 traders in the 13 markets. Income in the form of rental (ranging from R60 to R750) generates income of R3.5 m per annum. Informal traders' stalls with an average rental of under R5 per day make up 32% of the generated income. Currently at the Metro Mall, there are 37 formal traders with lease agreements that rent space at market-related rentals, which make up 31% of the generated income. At present approximately 3 100 minibus taxis are accommodated in the seven taxi ranks, providing an income of R3.5 m. Average rentals of R1, 34 per day, make up 35% of the generated income.

The capital expenditure rolled out in 2004/05 is R14 m representing 90% of the allocated budget of the company. The capital expenditure was utilised in the following projects:

- Paving, refurbishing and erection of 220 additional stalls in Lenasia
- The Linear Market roll out at the Park Station accommodating 234 traders
- Upgrade of taxi ranks and installation of state of the art CCTV's

During 2004/05, 90% procurement expenditure of the company has been from black economic empowerment suppliers and service providers.

PLANS FOR 2005/06

MTC will focus on improved revenue performance and development of relevant management policies including credit control. The City has provided an increased operating subsidy of R19 m for the 2006 financial year. A capital expenditure of R10 m for the 2006 financial year for trader stalls and the continued upkeep and renovation of all the markets owned and managed by the MTC.

JOHANNEBURG TOURISM COMPANY

KEY SERVICE DELIVERY AREAS & CHALLENGES

The Johannesburg Tourism Company (JTC) was created by the City of Johannesburg to establish tourism as a key economic sector for Johannesburg with the major objective of increasing job creation, SMME growth and economic growth. As the premier centre of business engagement, the City of Johannesburg has sought to optimise its potential in business tourism. The JTC was tasked with four major functions in 2004/05, namely:

- Business tourism marketing
- Tourism information dissemination
- Operationalisation of a convention bureau for the city
• Conducting of tourism research

The major challenge faced by the JTC was the relatively inadequate level of private sector investment and financial participation, a development that calls for strategic review to secure their involvement. Although the convention bureau has delivered more than adequate results in attracting events to Johannesburg, its potential performance could not be maximised owing to current capabilities and capacity; that require remedial action. The extension of JTC mandate to include leisure tourism to all eleven regions of the city placed further challenges on the JTC.

PROGRAMME PERFORMANCE

Johannesburg convention bureau

The primary aim of the Bureau is to identify and bid, and in concert and close co-operation with the private sector, for major international and national events to be hosted by Johannesburg. The target is to host one mega or city-wide event per year, in addition to attracting another 12 international events. Due to long lead times, the JTC is currently working on bids for 2013. The JTC also collaborates closely with South Africa Tourism, the Gauteng Tourism Authority and other state departments.

Johannesburg tourism information and visitor bureau

The aim is to increase accessibility to tourism information through several initiatives. A walk in tourism information service has been established in the Rosebank offices. The services assist JTC in directly monitoring trends in information data requirements. A comprehensive database has also been created and information on tourism products is proving useful. Information is also successfully distributed via telephones, facsimile and email.

The website of the Company (www.johannesburgtourism.com) has been commissioned successfully/ apart from winning a five-star award for outstanding web design and content, this site has been attracting and average of 3 700 hits per day, 75% of whom are international.

Marketing of tourism

JTC recognises that the first target of marketing should be the residents of Johannesburg, and in this regard designed programme of internal marketing covering all tourism attractions and events in and around Johannesburg. The secondary market focus is directed at optimising domestic tourism from within South Africa. The third marketing focus has seen marketing initiatives directed at Africa, starting with SADC country, then Anglophone and Francophone countries south of the Sahara. And lastly, there was a marketing drive targeted at Europe, thereafter Asia followed by USA & Australasia.

PLANS FOR 2005/06

• More emphasis on leisure tourism as new additional responsibility
• Increase private sector support and participation in Johannesburg Tourism initiatives
• Development of relevant tourism strategy for Johannesburg
• Enhance and expand the scope the function of the Johannesburg Convention Bureau
• Expand the spread of the Tourism Information Services
CHAPTER 5

COMMUNITY DEVELOPMENT, ROADS AND PARKS,

Councillor Christine Walters is the member of the Mayoral Committee responsible for community development, roads, parks and arts and culture and heritage services. The Community Development, Roads, Parks Arts, Culture and Heritage Department is responsible for the management of City’s museums, historic sites and building, and promotion of sustainable arts, culture and heritage programmes to support the vision of a world-class African city. Furthermore, the portfolio incorporates three MoEs; namely Johannesburg Roads Agency (JRA), Johannesburg City Parks (JCP) and Roodepoort City Theatre. The JRA is responsible for the development, administration and management of the municipal infrastructure such as roads, stormwater bridges and culverts, footways, railway sidings, traffic lights and road signage. The JCP is the greening, conservation and cemetery management agency for the City of Johannesburg. The Roodepoort City Theatre is both a producing and receiving theatre, in that it develops programming as well as hire out facilities to outside communities and other stakeholders.

KEY ACHIEVEMENTS

- Implementation of public private partnerships with respect to education, cultural and heritage aimed at educating and increasing cultural awareness within the City
- Implementation of heritage projects in the Inner City
- Improved traffic signals and management
- Upgrade and maintenance of major roads
- Tarring of Soweto roads
- Implementation of the New Years Eve Carnival in Hillbrow and Newtown
- Development of two new regional parks
- Development of two cemeteries

SOCIAL DEVELOPMENT

The Social Department ensures the improvement of the quality of life of Johannesburg citizens, mainly targeting vulnerable groups through the provision of safety nets, supporting and promoting initiatives which invest in people and the development of their capabilities with key service delivery areas including victim empowerment programme, Early Childhood Development, HIV and AIDS programme, poverty alleviation projects and Social Funding, as well as the provision of policy support and guidelines for effective and efficient programme implementation for Sports and Recreation by all 11 Regions within the City of Johannesburg, and library information services.

PROGRAMME PERFORMANCE

Capital programme

A number of capital projects were implemented in 2004/05. The details are mentioned in Table 5.1 below:
Table 5.1: Social Development capital projects

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jabavu Phase I</td>
<td>Library &amp; Multipurpose Centre</td>
<td>R 7 500 000.00</td>
</tr>
<tr>
<td>Poortjie Multipurpose Phase II</td>
<td>Multipurpose Centre</td>
<td>R 7 000 000.00</td>
</tr>
<tr>
<td>Ivory Park</td>
<td>Multipurpose Centre</td>
<td>R 6 000 000.00</td>
</tr>
<tr>
<td>Dlamini Phase I</td>
<td>Multipurpose Centre</td>
<td>R 2 500 000.00</td>
</tr>
<tr>
<td>HIV Centre Poortjie Phase II</td>
<td>HIV Centre</td>
<td>R 1 100 000.00</td>
</tr>
<tr>
<td>Finetown Phase I</td>
<td>Multipurpose Centre</td>
<td>R 3 900 000.00</td>
</tr>
<tr>
<td>Klipspruit Library</td>
<td>Library</td>
<td>R 3 500 000.00</td>
</tr>
<tr>
<td>Protea South Phase I</td>
<td>Multipurpose Centre</td>
<td>R 3 000 000.00</td>
</tr>
</tbody>
</table>

Upgrading of existing facilities

A number of Library facilities were upgraded e.g. Brixton Library, Bosmont Library, Rosettenville Library and Eldorado Park X2 Library. A number of Soccer fields were grassed and irrigation was installed in such areas as Davidsonville, Moletsane, Ivory Park and Lenasia. Sport facilities were upgraded in Regions 1 & 2, 3, 4, 6, 8, 9, 10 and 11. Randburg Astro was upgraded at a cost of R4 m, as well as the Ellis Park Swimming Pool at a cost of R3.2 m. The Social Facilities that were upgraded were Diepkloof Welfare Centre, Meadowlands Welfare Centre, Orlando Skills Centre and Tladi Skills Centre. Total amount spent on the upgrading projects was R51 million.

Ward based projects

Ward based funding was allocated in November 2004 and total number 47 projects were undertaken, and included the upgrade of 36 sport facilities. Emmarentia Library was upgraded. The Social Projects completed included the upgrading of Alexandra Beer Hall, Witpoortjie Old Age Home and Mofolo Butt Hut. The total amount spent on the ward projects was in the region of R60 million.

Library and information services

The City has 86 service points/public libraries. In 2004/5 three of these libraries were extensively extended and upgraded to provide separate children sections (Bosmont, Brixton, Eldorado Park Extension 2) and the children sections of ten other public libraries were upgraded and received children-friendly facelifts. The construction of three more libraries commenced, and upon completion the Jabavu Public Library will be a ± 2000m² flagship in the Soweto area and the design of the Ivory Park North Branch Library and the River Park Branch Library gives expression to the current library needs of the majority of the residents.

The public libraries received 4 055 375 visits in 2004/5 and 3 384 454 books/items were borrowed. The libraries in Florida, Linden, Blackheath and Sandton remained the most popular in terms of circulation statistics and the Central Johannesburg Library and the libraries in Emndeni, Pimville, Orlando East for study and reference purposes.

The popularity of the two reading development programmes namely, the Battle of the Books and Story Skirmish is on the increase. In 1998, there were 33 schools participating in Battle of the Books and the number has increased to 126 schools by 2004. Eleven schools took part in Story Skirmish during 2001 and the number increased to 129 schools by 2004. Both programmes are maintained as book-based inter-school knock-out quizzes for primary
school learners. Battle of the Books targets grade 6 and 7 learners and the Story Skirmish targets grade 4 and 5 learners who speak English as a second language. The books for 2004 were specially chosen to fit in with the celebration of ten years of democracy. Leicester Road School won the Battle and Iphutheng Primary received the Carnegie Cup as winners of the Story Skirmish.

Computer based literacy training and traditional literacy training classes have been offered at eleven public libraries. In terms of improving the quality of service, the Departments trained an additional eighteen facilitators in Mediaworks in preparation for the extension of the services to more libraries. Activities that support literacy training were intensified such as the loading of mediaworks programmes, improvement of the Early Reading Books for Adults (ERA) collections, provision of ERA to other literacy centres as well as compiling a database on NGO’s offering literacy classes.

The public libraries piloted and initiated the citywide “Johannesburg Libraries Psyched for Science” campaign. The campaign was linked with the National Science & Technology Awareness Week/Campaign. The primary focus was on youth from primary to undergraduate level and the secondary focus was on educators. Fifty-nine schools participated in building science models that explain an existing law or a new invention. Approximately 100 science models citywide were entered into the competition, of which 50% came from girls. More than five thousand learners and their science educators visited the Sci-Bono Discovery Centre that provided the exhibition area, science demonstrations and displays. The University of Johannesburg and the University of Pretoria held interactive exhibitions and provided career guidance.

**Sports and recreation**

The department of Sport and Recreation’s core business is to provide policy support and guidelines for effective and efficient programme implementation by 11 Regions within the City of Johannesburg. The department focused on sport development, by-law enforcement, implementation plans for People with Disabilities & HIV and AIDS.

The Aquatics Development Programme was implemented in regions, where sport development clinics such as Dragon Boat racing for People with Disabilities (PWD’s) were conducted. The Swimming Life Saving Programme was also undertaken by regions in conjunction with Gauteng Lifesavers Association. In addition the development programme for Aerobic instructors was implemented. The installation of such infrastructure as: ramps, handrail, modification of restrooms, paving, parking areas, has been undertaken by regions to ensure physical accessibility to Sports, Recreation and Aquatics facilities by Persons With Disabilities.

**Social services**

Social Services is committed to improving the quality of life of Johannesburg citizens, mainly targeting vulnerable groups through provision of safety nets, supporting and promoting initiatives which invest in people and the development of their capabilities. Social Services key service delivery areas include Victim Empowerment Programme, Early Childhood Development, HIV and Aids programme, Poverty Alleviation Projects and Social Funding.

Victim Empowerment Programme (VEP) A total number of forty-six (46) victim empowerment programmes were implemented throughout the City. A total number of 31 programmes were implemented in partnership with various NGOs working in the sector.

A total number of 2318 ECD centres were assessed citywide, out of which 1221 are registered and 1145 are compliant. This exercise assisted the City in gathering data on all
ECD centres that exist within the City of Johannesburg. The information was used primarily to check the level of compliance by ECD centres and to assist them to get registers with the Province to receive funding. 70% of practitioners that operate within this ECD centres received training.

A total number of 21 HIV/AIDS awareness programmes were implemented, with 5131 poor household linked to support and provincial grants.

A total number of 46 new flagship programmes in the city’s skills development centres for poverty alleviation initiatives were implemented including SMME development. This programmes benefited the aged, youth, women and people with disability.

A total number of 271 Community Based Organisations and Non-Governmental Organisations were approved for Social Funding in the three main categories of programmes and projects, rates and taxes and mayoral support. Council approved an amount of R6 million towards social funding.

**PLANS FOR 2005/06**

- Of the 2 259 408 items linked to the database only 61 0040 have been published in the last eight years. The currency of the information is therefore compromised in the reference collections and old fiction and children’s books loose their attraction for the members. This will become major focus in 2005/05.
- The public libraries of the City are in need of major repairs and maintenance. Neglect in the past is now becoming evident in the deteriorated appearance of many of the older buildings. Funds are needed to initiate a major programme of upgrading and repairs to at least 80% of the public libraries. Lack of constant intervals on repairs and maintenance leads to serious financial implications on total revamp degenerated facilities. The enforcement of approved Council By-Laws at all Sport, Recreation and Aquatics facilities remains a challenge. This will be given priority in the next financial year.
- Informal settlements in remote rural areas are without accessible public libraries (if any) and the schools completely without any libraries or expertise. The limited number of qualified and experienced librarians is challenged to provide support in bridging the gap and empowering teachers to help the children or to provide the services and resources directly to the children/learners. There is a serious need to reach out to children in remote informal settlements who are being held back by poverty and the absence of any stimulation from the environment. An Early Childhood Reading Development Project/Programme needs to be developed and implemented in these areas. The challenge lies in getting sufficient books and experienced staff to implement such a project.
- It is essential that the digital gap between the ‘haves” and “have not’s” be narrowed. It is essential that the network/infrastructure of eighty-six public libraries be used to implement the provision of direct Internet access/e-mail facilities to the public. The challenge lies in getting the necessary fulltime staff to implement such a project and to provide assistance to the unsophisticated user. This will be given special attention in 2005/06.
- A large number of Council facilities have been leased out. The inability of some communities to access these facilities poses a challenge for change management and implementation of development programmes. Some of the leased facilities have been abandoned, not been maintained or not been paid for by the club owners. A review of leased and contractual obligations is a challenge for the City in the new financial year.
- High prevalence of HIV/AIDS and increased incidents of crime, leading to an increased number of child headed families will be confronted through increased support and access.
ARTS CULTURE AND HERITAGE SERVICES

KEY SERVICE AREAS AND CHALLENGES

One of the challenges faced by the Arts, Culture and Heritage Department is the deterioration of existing facilities and the decaying surroundings, particularly in the inner city. This is mostly as a result of the neglect of heritage sites and buildings over the years. Protection and conservation is therefore a primary objective of the department along with reclaiming of public space.

The department’s key delivery areas of the Department of Arts, Culture & Heritage are:

- Enhancing access to arts culture and heritage
- Profiling the city through cultural events and initiatives locally and internationally
- Promotion and facilitation of citywide conservation
- Protection and conservation of heritage sites
- Promotion of social and economic development through arts and culture
- Ensure efficient management of cultural heritage collection and assets

PROGRAMME PERFORMANCE

During the 2004/05 financial year, the Department of Arts, Culture and Heritage embarked on the following programmes:

Marketing

The annual arts alive festival and the new year’s eve carnival reached thousands of residents through paid and free events.

The department curated exhibitions throughout 2004/5. Included were numerous loans from the collection that formed part of international travelling collections and exhibitions curated locally. The city is also marketed both locally and internationally through the exhibitions and loans, namely:

- Loan of Tradition Art Works: Johannesburg Art Gallery to Roodepoort Museum
- SA Tribal Dress loan: Johannesburg Art Gallery to Brenthurst Collection
- Loan of artwork - Trevor Mokhoba: Johannesburg Art Gallery to Durban Art Gallery
- Loan of Artwork – Claudette Screuders: Johannesburg Art Gallery to San Diego State University
- Castrol Extreme Motorshow: James Hall Museum of Transport
- Antique Dealers Fair, Sandton: items from Roodeport Museum, Museum Africa and the James Hall Museum of Transport
- Artwork by Churchill Madikida: Johannesburg Art Gallery to Grahamstown Arts Festival
- SAVVA National Rally, Drakensberg: vehicles from James Hall Museum of transport

Heritage policy framework

The Department adopted a Heritage Policy Framework for the protection of immovable heritage. The aim of the policy is to ensure that an accurate asset register is compiled and, secondly, that these assets are prioritised for preservation. The plan is also to increase the number of cultural sites and to prioritise the protection of historically significant structures in Johannesburg. A survey of buildings in the city was completed and highlighted buildings that needed to be preserved, those that required major renovations and those which required
minor repairs and maintenance. Issues of neglect were referred to the Inner City Regeneration Office for urgent attention and measures have been taken to ensure compliance with by-laws.

Various owners have been issued with clause 61 notices for the termination of injurious conditions and some have responded positively with repairs and restoration.

Projects implemented

The department implemented the following projects during the 2004/05 financial year:

Six heritage projects in the Inner City namely:

- The Gerald Sekoto Youth Festival Heritage Day by the Johannesburg Art Gallery: First held in 1991, this is an annual project comprising a number of activities and workshops for the purpose of introducing youth to art. 643 youth participated
- Renaming of the Newtown Streets by the Strategic Support Office: The Mayor officiated at the official renaming event in November 2004 that saw the renaming of 10 streets in the Newtown Precinct in honour of those South Africans who have contributed to the growth of arts and culture in South Africa
- Indian War Memorial by Immovable Heritage, whose restoration work included the installation of a lightning protection system
- Booysens War Memorial by Immovable Heritage, whose restoration work to the memorial included the pressure clean of the granite, buffing of the granite, weeding of the area, cleaning of the perimeter wall and the cutting back of trees
- The Fietas Community Quilt Exhibition by Museum Africa, which was a massive quilt made of small squares of material containing a rich and evocative tapestry of oral testimonies, memories and history of Fietas. This quilt formed the basis of the Fietas exhibition held at Museum Africa

Four urban regeneration projects involving heritage structures were implemented namely:

- Fairview Tower: planning phases completed
- Driefontein Farmhouse which included documentation of the site, gaining heritage authorization for envisaged work and emergency remedial work
- Completion of the planning phase for the Credo Mutwa Village (survey work and the conservation management plan for restoration)
- Completion of the planning phase, as well as the rewiring of sections of the electrical system, upgrading of the fire protection system and the removal of dry walling in level 4, for Museum Africa: planning phase completed

Promoting a culture of learning

In order to promote the culture of learning in the City, the department continues to provide an education programme to schools across all 11 regions, which entails guided tours as well as access to the art library at the Johannesburg Art Gallery. The introduction of two education officers in July 2005 who commenced duties at Hector Peterson Museum and the James Hall Museum of Transport, will see a further increase in the number of programmes offered by the department to schools. Youth camps were run in all 11 regions as part of the end of year carnival at which dancing, designing and artistic skills were transmitted by carnival artists to 500 youths.

Emerging artists
The department is supporting an HIV/AIDS project for artists in Newtown through the first “When Life Happens, HIV and AIDS Festival”. The festival, which will be an annual event, involved a mixed programme of dance, fine arts exhibitions, film screenings, poetry, music and theatre.

Seventeen exhibitions were hosted at the Johannesburg Art Gallery focusing primarily on emerging artists operating in the inner city.

The department continues to promote emerging artists through sponsoring, co-curating and assisting with exhibitions. As at June 2005, 21 artists benefited from this programme including: Cathy Barcroft: Up and Coming; Chris Deidericks: Up and Coming; Patrice Mabasa: Changing Arts exhibition; Willem Snyman: Artsgoed exhibition; Kliptown 6: Kliptown in reverse; Nirupa Singh: Journey into self; Kolodi Senog: Land Act; Nadia Taljaard: The Child Within; Justice Mokoena: Forever Swart; Alison Kearney: Portable Hawkers Museum; Iqbal Tladi: Hybrid Pitt House; Mbuyiso Yende: Untitled. Artists were also assisted in collaboration with the Economic Development Unit and the proposed new Art Bank.

The City’s profile as a world-class arts, culture and heritage city

The department has aligned itself with the strategies of promoting tourism as detailed by both the local, provincial and national tourism agencies. Various media outlets, including press, electronic media and a dedicated website, are being used in the marketing of events. The James Hall Museum of Transport and the Johannesburg Art Gallery produce quarterly newsletters. The New Years eve Carnival was launched in December 2004.

The City has concluded a number of international and local city to city arts, culture and heritage agreements to promote cultural events, exhibit collections, promote public art and initiate new exhibitions that target issues relating to youth. In this regard, a youth project in partnership with Birmingham, called the Wise Owl View project commenced in June 2005 and will be completed during 2006. Locally the department entered into 3 city to city agreements, 2 involved the loan artworks whilst the third involved assisting a local municipality with the curatorship of a new exhibition.

The Arts Alive festival attendance recorded a growth of 29% in 2004 compared to 2003, with 70% constituting a paying audience.

Public private partnership

In order to promote the museums, galleries and arts and culture events, the department enters into various public, private partnerships. These partnerships play a critical role in assisting with the funding, marketing and promotion of various events. The department has entered into a number of public private partnerships in the following areas:

- Cultural industry (16)
- Educational (5)
- Exhibitions (16)

Public assistance

In order to promote social and economic development through arts culture and heritage, the department raised funds for public assistance and loans, and exceeded the target of R100 000. The major beneficiaries were the Johannesburg Art Gallery with R470 000 raised for the Dumile Feni Project as well as Museum Africa with R4.2 million raised for the restoration and upgrade of the museum.
The following funds were disbursed by the department towards projects and events:

- R100 00 disbursed by the Johannesburg Art Gallery to the Negotiate Exhibition
- R2580 by Hector Peterson museum to the In conversation with Ayi Kwei Armah project
- R1000 disbursed to Imbali Literacy Project
- R539.37 disbursed to Bujazzo German Youth Orchestra

PLANS FOR 2005/06

The Arts, Culture and Heritage Department has committed itself to programmes that aim to:

- Place Johannesburg on the cultural map through enhanced arts, culture and heritage events and initiatives resulting in identified indicators such as increased participants in the Arts Alive programme, the conclusion of international and local city to city arts, culture and heritage agreements and the implementation of a world class new year’s eve carnival.
- Promote the conservation and regeneration of the City through activities such as the implementation of arts, culture and heritage projects in the inner city
- Promote social and economic development through actions such as the continued support of emerging artists and the development of public private partnerships in the cultural, educational and exhibition arenas
- Ensure appropriate and sound management of cultural and heritage collections and assets
- Enhance service delivery and customer access to arts, culture and heritage facilities, through actions such as the ongoing improvement of facilities, upgrading of facilities to ensure that they are accessible to people with disabilities and an increased focus on arts and culture education programmes in schools (with a target of one City-initiated programme per region)

JOHANNESBURG ROADS AGENCY

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The Johannesburg Roads Agency’s (JRA’s) core business is the development, administration and management of the municipal infrastructure such as roads, stormwater bridges and culverts, footways, railway sidings, traffic lights and road signage. JRA’s role as the operator of the road network is to act both as a road asset and a traffic manager. This role includes JRA’s contribution to the local and regional planning processes to secure an effective balance between land use planning and pressures on the road network. JRA’s key service delivery objectives for 2004/05 included:

- Upgrading of road infrastructure in previously disadvantaged townships and informal settlements
- Improve accessibility
- Upgrade systems for safety and sustainability
- Managing the growing car use and congestion
- Supporting public transport
- Improving the efficiency, management and sustainability of the company

PROGRAMME PERFORMANCE

Effective financial control
The overall financial position of the JRA remains in good standing and within its budget limitations. The JRA has met its budgetary obligations and the audit opinion has been unqualified. JRA spent its entire OPEX and CAPEX budgets. The JRA’s target of 25% BEE spend on contracts was exceeded this year with an actual year-end spend of 37%. Moreover, approximately 10% of the Capex spent on the Gravel Roads Project benefited the local communities through use of local labour, fuel and materials.

**Improve mobility of traffic**

The City is currently experiencing an increased volume of traffic and congestion on the roads. The Managing Mobility strategy was introduced and describes how the company intends to provide a better, more modern public service to customers over the next ten years in line with overarching long term strategic priorities of the City. JRA Mobility Strategy incorporates major service delivery drivers, such as improving road networks management and operation efficiency. A total of 460 traffic signal controllers and over 3000 traffic signal heads were replaced. Mobility was improved by introducing 43 new traffic signal installations within the City.

Intelligence and Analysis (I&A) provides traffic engineering input for planned changes to the system and backup when required for managing major incidents on the traffic network. These include changing phasing of traffic signals / parameters or adding new intersections on the Split Cycle Offset Optimisation Technique (SCOOT) or Urban Traffic Control (UTC) system. The work entailed the configuration of traffic engineering input and the technical validation of on-site performance. Requests to assess traffic safety and traffic management were investigated and remedial measures implemented where possible, with prompt response given to customers.

**Improve customer satisfaction**

The JRA embarked on various activities to improve customer satisfaction. A customer survey conducted by Markinor in 2003/04 indicated a Customer Satisfaction Index (CSI) of 70%, using a sample of 1 000 households per region and a further 100 top business customers. An implementation plan has been designed to achieve a CSI greater than 70% in the next customer survey. The JRA has embarked on a process of ongoing communication regarding the road closure management project, where in excess of 116 illegal road closures had to be removed.

**Enhance customer safety**

The M1 motorway and various arterials were painted with thermoplastic long lasting road marking paint. Traffic calming improvements, such as speed humps, signage and road marking upgrades, are now more visible at more than 40 primary schools within the City.

**New infrastructure development**

Details of developments within this area are as follows:

- Upgrading of Gravel Roads Programme: 2002-2005
  Building roads in Soweto on a design and construct or turnkey basis has been widely acknowledged through a number of awards, which the project received, including the following:
  - South African Association of Consulting Engineers - SAACE Award - 2nd place in the most innovative project category, 2003
  - Institution of Municipal Engineers - IMESA Award - Project that best portrays the art and science of municipal engineering in terms of technical excellence, 2004
The project received recognition in parliament by the Minister of Provincial and Local Government, Minister Sydney Mufamadi, who commended the speedy rate of delivery and the improved delivery of service experienced in Soweto as a result of the project.

- **Soweto Highway Extension**
  This project required the upgrading and constructing of 1,65 km of sections of Vincent and Van Onselen Roads between the Meadowlands traffic circle in the west and the Vincent / Mosasawana / Mosethile intersection in the east, to a four-lane dual-carriageway standard. A total of 1,15 km of road was constructed on the existing alignment, and 0,5 km on a new alignment. The final phase of the project is currently underway extending from Odendaal Street to the Meadowlands traffic circle. The project includes, amongst other things, the erection of road signage, street lightning, stormwater drainage pipes, and road markings. Completion of the project will result in a continuous east-west arterial route between Johannesburg and Soweto. To date 101 local labourers have been employed, totalling R 478 000 of retained earnings within the Local Community.

- **Emdeni Bridge and Link Road**
  This project brought about a functional integration of the communities in the extensions of Soweto (Doornkop, Protea Glen, Slovoville, etc.) with the traditional buzz of Soweto. From Road K15 (R558), the road crosses the Klip River across a new bridge to join with the existing Tshangisa Street in Emdeni. Included in the project scope are paved sidewalks, street lighting and traffic signalisation of new intersections, as well as the construction of a basketball court. Completion of the project means a continuous east-west arterial route between Johannesburg and Soweto. Extensive use has been made of local labour and resources. Local residents under the guidance of the Soweto Skills Development Forum have completed formal construction-related training courses. A number of people received training in paving, kerb-laying and structural steel fixing.

- **The JRA is the implementing agency for the upgrading of the roads and the stormwater system for the Alexandra Renewal Programme. The JRA performs the design, procurement, monitoring and quality control. The roads and stormwater upgrade projects undertaken as part of the Alexandra Renewal Programme are discussed below:**
  - **Construction of Rautenbach / Watt / Roosevelt Link Road:** The project assists with improving the Pan Africa triangle in Wynberg by stimulating local economic development. The aim of the project was to construct a link between Alexandra and Wynberg, as well as linking Sandton with the areas west thereof. The project will improve mobility, access and pedestrian safety in accordance with the overall Alexandra Transport Study. The project was completed up to First Street, Alexandra. The section between First Street and Roosevelt Road could not be completed as a court order was obtained by ALPOA preventing further development. The residents occupying this section have also not been relocated.
  - **Widening of London Road between the Jukskei River and Pretoria Main Road:** The aim of the project is to improve mobility along London and Arkwright Roads thereby discouraging through-traffic from using Alexandra’s internal road system. This will result in increased safety for residents and pedestrians in Alexandra. This would further enhance the east-west links across the city. Local contractors, labour and labour-intensive construction techniques are used where appropriate. The construction of the projects is nearing completion and the whole Arkwright / London Road link will be open to traffic in January 2006. The residents on the corner of Sixteenth Street and London Road refuses to relocate. The road at this section had to be narrowed to a single carriageway.
  - **Improvements to Vasco da Gama Road, and the Construction of a Road Bridge across the Jukskei River:** The aim of the project is to construct a link between Vasco Da Gama Road and the Far East Bank Drive. This will result in completing a circular route through Alexandra, strengthening the links between the East and West.
Bank sections of Alexandra. The bridge will result in improved pedestrian safety. The contract was awarded in October 2005 and work has commenced on this project.

- Construction of Pedestrian Bridges: It is envisaged that three 2.5-metre-wide concrete pedestrian bridges will be constructed across the Jukskei River, linking Old Alexandra and Marlborough Gardens with the Far East Bank.

**Strategic public transport network: Regina Mundi to Parktown**

The 2003-2008 CoJ’s Integrated Transport Plan (ITP) recommends the implementation of a Strategic Public Transport Network (SPTN). This network will comprise 325 km of grid-based corridors along mobility spines, linking main residential and economic nodes in line with Johannesburg’s Strategic Development Framework (SDF). The flagship project consists of a north-south corridor and an east-west corridor being implemented from the Soweto area. Completion of the project is scheduled to co-inside with the 2010 Soccer World Cup. The project includes various road-widening and intersection improvements, public transfer facilities and public transport stops / shelters. Included in the contract are pedestrian facilities with the necessary amenities, lighting for stopping areas, and landscaping near Orlando Station.

**Cemeteries**

Roads and stormwater related works were implemented at the following cemeteries by JRA on behalf of Johannesburg City Parks:

- Avalon Cemetery: The traffic flow ingress and outflow have been improved by introducing a one-way roads system. Nine 6-metre-wide roads totalling about 5 kilometres enhance the proposed one-way traffic flow. The newly constructed surfaced roads together with newly built stormwater pipes allow for stormwater to be discharged outside the cemetery perimeter into the existing watercourses.
- Waterval Cemetery: The project comprised the construction of approximately 2 km surfaced roads, stormwater and parking facilities on a site located south of Allandale Road.
- Diepsloot Cemetery: The project involved the construction of approximately 2 km single-carriageway road and ancillary works. An office and toilet facilities are now being constructed.

**Motorway expansion joints**

The project dealt with replacing expansion joints on the M1, M2, Harrow Road ramp and the Soweto Highway.

**Mobility successes 2004/05**

The JRA Mobility Strategy incorporates major service delivery drivers, such as improving road network management and operational efficiency. A total of 460 traffic signal controllers and over 3 000 traffic signal heads were replaced. Mobility is improved by introducing 43 new traffic signal installations.

**Traffic safety projects**

- The M1 motorway and various arterials were painted with a new thermoplastic long-lasting road marking paint to ensure sustained visibility
- Traffic calming improvements, such as speed humps, signage and road marking upgrades, are now more visible at more than 40 primary schools in order to slow traffic and control car movements
• Traffic Flow Improvement Projects
• Various geometric improvements to roads related infrastructure were introduced. Numerous directional signs have also been replaced / installed
• Congestion and Incident Management Projects

JRA has access to photographic images from some 133 CCTV cameras installed in the Central Business District (CBD). JRA monitors the condition of the city’s road related assets through using these cameras. The cameras make it easier to identify damage to traffic signals and other roadside equipment. The cameras can assist with the appropriate and timeous deployment of emergency rescue vehicles. Another initiative in terms of mobility is JRA’s drive towards a 100% monitoring functionality for all 1 900 traffic signal sets.

**N17 Link road**

This project involves a re-aligned central section of the N17 link road between Nasrec and the (K43) Klipspruit Valley expressway in Soweto, with a partial interchange on the N1 (north-facing ramps). This section of the N17 will not only provide access to Soweto, but will also improve access to Soccer City during the 2010 Soccer World Cup tournament. The South African National Roads Agency (SANRAL) has accepted this initiative in principle. JRA’s Capital Development Section was requested to oversee the implementation and construction of the project. The project will be co-funded by the JRA, CoJ, SANRAL and the Gauteng Provincial Department responsible for Public Transport, Roads and Works. Negotiations with regard to the amounts to be provided by the various partial are currently under way.

**Emergency repair work: Harrison / De Villiers Street intersection**

The road surface at the intersection of Harrison Street and De Villiers Street revealed a large cavity directly below the asphalt surface layer. A leaking stormwater pipe, a cross-feed from an old sewer pipe and a further basement pump caused this. The main objectives of the rehabilitation were to properly seal the bottom of the hole to prevent downward percolating water, backfilling it with good quality materials to prevent settlement and damage of near-surface wet services, and ensure the proper reinstatement of all services.

**PLANS FOR 2005/06**

• Traffic light maintenance. An increasing percentage of the budget is being spent on renewing equipment to make it more reliable. Upgrading includes the expensive replacement of multicore cables which allows for more functions at intersections
• Upgrading of gravel roads. As fast as JRA upgrades gravel roads to tar, the City expects JRA to accept substandard roads supplied as part of new housing projects. This results in an increasing backlog despite roads being upgraded. This matter has been escalated for discussion at the highest level
• Ageing workforce and loss of capacity in the depots because of *inter alia* HIV/AIDS and tuberculosis. A strategy will be developed in the next financial year to address the beneficial use of experienced staff no longer able to perform physically. The issue of skill transfer and retaining corporate memory is important
• Further customisation of information systems (PeopleSoft and Hansen), specifically regarding procurements and payments. Staff needs to be trained to enter the electronic data management field
• Generation of income. JRA is investigating many new and unique forms of income generation to provide much needed funding that the City cannot provide
• Implementation of continuous improvement strategies. BSD is investigating this strategy in order to ensure that JRA grows with the times and is able to look at better and smarter ways of providing services
• Integrating service delivery with the Provincial Department responsible for transport. It is recognised that there must be a closer relationship with Provincial and National Roads functions and Agencies. A strategy is being developed to do this in a meaningful way
• Extending partnerships. JRA has to co-exist with many other municipal departments and entities. Service Level Agreements (SLA’s) are being developed to address shortcomings

JOHANNESBURG CITY PARKS (JCP)

KEY SERVICE DELIVERY AREAS AND CHALLENGES

Johannesburg City Parks (JCP) is the greening conservation and cemetery management agency for the City of Johannesburg and undertakes its activities in terms of the Service Delivery Agreement with the City. Johannesburg City Parks’ mandate is to provide and manage parks, designated open spaces, environmental conservation services and cemeteries for and on behalf of the City. The following are some of the assets managed by JCP and are shown in Table 5.2

Table 5.2 JCP areas of management

<table>
<thead>
<tr>
<th>AREA OF MANAGEMENT</th>
<th>QUANTITY</th>
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<tr>
<td>Number of parks</td>
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<tr>
<td>Developed Open Space</td>
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<td>Underdeveloped Space</td>
<td>3,600 ha</td>
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<tr>
<td>Water surfaces</td>
<td>174 ha</td>
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<tr>
<td>Number of cemeteries</td>
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<td>Cemeteries</td>
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<td>Number of crematoria</td>
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<td>Number of nurseries</td>
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<td>Street trees</td>
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<td>Trails and river trails</td>
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<td>Environmental and education centres</td>
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</table>

PROGRAMME PERFORMANCE FOR 2004/05

The following are some of the performance highlights achieved by Johannesburg City Parks during the financial year under review:

• Two new cemeteries named: Diepsloot and Waterval were developed during the past year with upgrades taking place in a further four cemeteries. A total of ten cemeteries have been upgraded since inception
• Customer satisfaction surveys showed a 15% (2004/05 Report) = 63% positive variance improvement on the previous year. The company website viewing continued to improve with the number of visitors to the site almost doubling from 59,577 in the second quarter to 125,000 in the last quarter, evidence of the success of the Company’s Marketing and Operations strategies. Contact with stakeholders, share-member and councillors remained a priority with the number of visits to those parties totalling 742 during the past financial year
• There was a 13% improvement on BEE spend, bringing the total BEE spend to 81% of the Company’s total expenditure in the 2004/05 financial year
• 1 246 during 2004/05 were trained
• The development of the first Environmental Education Centre in Soweto (Dorothy Nyembe) was successfully completed
• 8 795 learners were reached through the environmental training programmes

Parks

The largest proportion of the JCP’s resources is deployed in the development and maintenance of parks, in order to maintain the 2 328 developed parks and to manage and service the undeveloped open space. Since the inception of City Parks, 28 new parks have been developed. Two new regional parks, namely Mapetla in Region 1 and Orange Farm in Region 11, were developed and five parks were upgraded during the 2004/05 financial year, bringing the total number of parks upgraded since inception of City Parks to 46. Security at parks have been addressed through visible policing and monitoring arrangements with the SAPS and the company’s own park wardens.

Routine maintenance (referred to as cycles) of parks includes horticultural and playground equipment maintenance has been improved with the maintenance of parks as per a schedule being accomplished at an average of 95% during the 2004/05 financial year.

Cemeteries

One of the main challenges facing JCP is the lack of burial space in the City. This challenge is partly caused by the high mortality rate caused by HIV/AIDS in the country. As the disease reaches full circle the problem will exacerbate itself and JCP will need to begin to make contingency plans for the worse case scenario going forward. JCP is at present developing two major regional cemeteries to service the Midrand, Alexandra and Diepsloot communities. A further upgrade of cemeteries was undertaken in the following areas:

• Avalon – the continuation of road networks
• Diepsloot – landscaping and upgrading of existing administration offices continues
• Waterval- final completion of phase 1
• JCP has verified the availability of 15 years’ worth of burial space. The company has also invested in the refurbishment of its Braamfontein crematorium to optimise and improve efficiencies
• The maintenance of cemeteries as per schedules were accomplished at an average of 95%

Conservation areas

The conservation arm of JCP focuses on the management and maintenance of environmentally and ecologically sensitive areas, as well as education. Conservation also incorporates the management of wildlife, fauna and flora. In the Botanical Garden 13 000 plant species are maintained. It was with great pride that the company purchased and reintroduced wildlife to some of its nature reserves.

It is important to note that the City of Johannesburg is the Tree Urban Capital of the World. In addition, the removal of alien vegetation continues to generate jobs for locals. The education project entitled ‘Siyathuthuka’ won praise at national level for its work in educating communities on successful food gardening, alien vegetation, urban greening and project management.

Street trees
Johannesburg has between 1,3 and 1,6 million street trees. Specially trained teams deal with the general maintenance and response to complaints. The nature of the work is time consuming, and therefore planned maintenance and preventative actions result in improved efficiencies and less public complaints. Due to the maintenance programme that has been implemented JCP predicts that in future there will be a 15% reduction in tree related complaints in future. Tree planting programmes this year resulted in 5 271 trees being planted in our previously disadvantaged areas. This is better than the target of 4000 that JCP had originally planned to plant, resulting in 1271 trees planted additionally.

New recreational facilities

JCP has made great strides in its efforts to provide recreational facilities to previously disadvantaged areas and to improve and/or maintain the established standards in all other areas. The use of Thokoza Park bears testimony to the need for such developments in previously disadvantaged areas. Estimated visitor figures indicate that the park is frequented by up to 15 000 people over weekends. The Dorothy Nyembe wetlands park has been developed with an educational theme and houses both passive and active recreational activities. Environmental projects for the protection of locally threatened species include the Giant Bull Frogs in Midrand, the Bush Baby population in Craigavon and Roodepoort Copper Butterfly in Roodepoort.

Capex projects implemented

The following Capex projects were implemented in the 2004/05 financial year:
- Three new parks were developed and five parks upgraded during the 2004/05 financial year
- Two new cemeteries were developed during the past year with upgrades taking in a further four cemeteries.

PLANS FOR 2005/06

City Parks will continue to set new standards for service delivery and a customer relationship programme will serve as a pillar for ongoing success. For the 2005/06 financial year, the following key programmes have been planned:
- Completion of the Regional Parks of Mapetla and Orange Farm
- The upgrading of three regional cemeteries in Waterval, Diepsloot and Avalon will continue
- Planting of 2000 mature, indigenous street trees in historically disadvantaged areas
- Refurbishment of the Riverlea, Westbury, Ennerdale and Pioneer parks
- Increase the number of quality jobs created through the Extended Public Works Programmes (EPW)

ROODEPOORT CITY THEATRE

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The theatre’s primary focus is to develop into a world class centre for development of Lyric Arts. The theatre is both a producing and receiving theatre, in that it develops programming as well as hire out facilities to outside communities and other stakeholders. The theatre is characterised by the following enormous growth in residential populations and increasing levels of integration amongst population groups within the area.
Artistic development
Develop a turnaround and transformation strategy for the theatre by:

- Increasing income
- Expand programming and repertoire
- Develop new audiences
- Align governance and administration with CoJ

PROGRAMME PERFORMANCE FOR 2004/05

The following key performance highlights were achieved during the 2004/05 financial year:

- 2% increase in attendance with 24062 people attending performances between July 2004 to June 2005
- Increase in turnover of over R1 million and an operation surplus of R640 854 in 2004-05
- Choral Tuition Programme
- A choral tuition programme commenced during the last quarter of this financial year and is on track. The project is playing a positive role in community development
- Instrumental Tuition Programme

This programme continued during this financial year and will continue into the next financial year. It has proven a positive investment on the youth.

PLANS FOR 2005/06

The challenge at the beginning of the sixth year of operation is to maintain popularity among the increasing competition each year. The theatre’s plans for 2005/06 are continued delivery of its key performance areas listed above.
Councillor Sizakele Nkosi-Malobane is the Member of the Mayoral Committee responsible for Public Safety. The City of Johannesburg created the Johannesburg Metro Police Department (JMPD) as an instrument through which it can pursue multi-dimensional and innovative means of combating crime, enforcing by-laws and addressing traffic related offences. The Emergency Management Services provides pro-active and re-active services in emergency management.

**KEY ACHIEVEMENTS**

- Improved turnaround times in the issuing of fines and prosecution of traffic offenders because of the introduction of LIPRO (Licensing, Prosecution and Process) standards
- The introduction of the electrical capture of traffic fines led to the modernisation and integration of data which had the spin-off of improving turnaround times, minimising fraud and improving operational efficiencies
- The implementation of a Queue management system geared at reducing the waiting time at the traditionally long queues for service requests at licensing and processing service centres
- The continuous development and implementation of a first of its kind Integrated Information Management System (I2MS) to enhance effective enforcement initiatives. Provides electronic data on traffic fines, by-law violations, car ownership status, and in future other crime related information
- The establishment of the Municipal Court has provided the department with leverage in the enforcement and subsequent prosecution of by law and road traffic offenders
- 5% reduction in priority crimes (robberies, burglaries, hijackings)
- High visibility of Metropolitan Police Officers (MPO’S) in Johannesburg as a crime deterrent strategy has been successfully implemented
- Meeting of 12 minutes turn around time for fire & rescue calls (better than 15 min response time in Service Level Agreement with province)

**KEY SERVICE DELIVERY AREAS AND CHALLENGES**

The key challenges facing public safety in 2004/05 were:

- Greater preparedness in disaster management
- Greater improvement in response times
- Appointments of specialised skills in the emergency function
- Enhanced by-law enforcement
- Consolidation of the fight against crime

**JOHANNESBURG METROPOLITAN POLICE DEPARTMENT**

**PROGRAMME PERFORMANCE FOR 2004/05**

The JMPD embarked upon a number of initiatives in year under review, which contributed significantly to addressing crime and the improvement of crime prevention within the city, by-law enforcement and traffic violations.
By-law enforcement

The JMPD dedicated significant effort to controlling and acting upon by-law infringements with respect to urban control, nuisance buildings, illegal dumping and the displaying of illegal posters. This forms part of the City’s broader zero tolerance campaign, focused on by-law infringements. During the 2004/05 financial year there was a 10% increase in statutory notices issued to owners of under-developed properties, other than council owned properties, where illegal dumping was taking place. 3 000 fines were issued to unroad-worthy mini-bus taxis against the target of 12 000 for the year. A total of 750 perpetrators of fatal road accidents were prosecuted during the year under review against a target of 682, thus exceeding the annual target.

A municipal court was launched in August of 2004. Since the 20004/05 fiscal year was the establishment phase of the municipal court, a lot of work went into ensuring that the court was fully functional and that prosecutors were trained and appointed by the JMPD through a collaborative effort with the Department of Justice, City Of Johannesburg utilities and departments, the Directorate of Public Prosecutions and SAPS. The municipal court has been able to produce some startling results bearing in mind that it is an infant institution, which has to develop over time. In October 2005, the JMPD conducted campaigns to ensure that warrants of arrest are executed and offenders compelled to appear in the Municipal Court to finalise cases against them.

The JMPD established a rapport with the Director of Public Prosecutions of the Local Division of the Witwatersrand. This resulted in the approval of appointment of a Public Prosecutor for the Municipal Court.

Crime prevention

In terms of crime prevention, there was a 5% decrease in priority crimes in the City of Johannesburg (i.e. robberies, burglary of residential and business premises) due to police visibility. The JMPD had set itself a target of 5% for crime prevention, and the targeted was achieved in the year under review. There was a further 5% decrease in incidence of vehicle and truck thefts in the Johannesburg CBD and Soweto area (a coordinated approach with SAPS). In order to maximise the fight against crime, the City developed an integrated and multi-disciplinary Johannesburg City Safety Strategy.

The City Safety Strategy aims to define key programmes on safety and security for the City and will be the basis for operational programmes of the JMPD and other city agencies. The Strategy proposes that the JMPD play the leading role in public safety in Johannesburg in close cooperation with SAPS and the Gauteng Department of Community Safety. In support of the objectives of Johannesburg 2030, it aims to reduce both the actual incidence of crime and the negative perceptions of crime, which impact on business confidence and investment decision-making.

The Johannesburg City Safety Strategy is intended to be a medium- to long-term strategy. However, because of the urgency of putting in place programmes of action which can begin to turn around perceptions and create buy-in, the strategy initially focused on short to medium-term initiatives. The JMPD launched an implementation programme linked to the City Safety Strategy termed “Operation Token Days” in 2004. This programme is composed of multiple initiatives linked to objectives set out in the strategy and it is set to run for 500 days. Operation Token Days was able to have a significant impact on crime in the City through the partnerships set up with other crime fighting agencies. Key priority areas were identified and these have been the prime focus of the initiative. The focus on these priority areas termed “Geographic Focus Areas” has led to substantively better relationships with the
community and deterred the incidence of crime owing to the presence and high visibility of JMPD officers in these areas.

**Integrated information management system and tactical command centre**

In the last annual report the City reported that in an effort to utilise real-time information (the ability to verify personal information at road side check points and determine outstanding fees), to aid in the analysis of the incident patterns and to inform the execution of operations undertaken by Metro Police, JPMD implemented key phases for a fully operational Integrated Information Management System.

The JMPD has developed a website link on the Johannesburg website that will allow motorists to check their outstanding fines and summonses, and this site will be launched during the month of October 2005. The testing and finalisation phase of a mobile summons printing and warrant faxing system that will enable traffic officers to re-issue summonses and produce warrant copies to traffic offenders on the road were completely developed. Four JMPD-branded trailers, each containing a laptop, fax machine and printer, are connected to an information database using general packet radio service (GPRS). The trailers will be parked alongside roads and fines can be printed on the spot.

The development, testing and deployment of the e-metro policing mobile system was conducted during this year, it replaces manual paper-based logging methods to recording information and its radio system to track down and access necessary information through the deployment of mobile devices in the field.

It has allowed Metro officers to track traffic offence and by-law violation information by accessing online information on their cell phones. By entering either a car's registration or a person's ID number, the officers are able to see details such as speeding fines, whether vehicles are stolen or hijacked, owner's records and receive recommended actions from the department. Future releases will enable officers to access other critical crime prevention-related information.

The introduction of the Integrated Information Management System and Tactical Command Centre has improved the turnaround times, minimising fraud, operational efficiencies and improved times in the issuing of fines and prosecution of traffic offenders.

**Lipro**

Lipro designed a service delivery book, printed and used at all workstations where our customers have free access to it. It has tremendously improved service delivery. Customer’s suggestions and complaints are attended to timeously. In addition, a website for outstanding fines and camera violations was established and it is assisting the community a great deal. Lipro participated at the Randshow exhibition and provided traffic fines enquiries, traffic fines payment and renewal of licenses.

In order to curb fraud and corruption at licensing centres a system has been developed, as a joint product by JMPD, Business Against Crime & Gautrans. It comprises the following five different steps of enquiries, receiving, verification, implementation, and cashingiering.

Management of Lipro took a conscious decision to relocate the Randburg office from Old Mutual Building to Randburg Civic Centre. The relocation has helped because the new centre has better and spacious office space, parking facility for customers, learners licence classroom, improved security and compliance with Ohasa requirements. The learners’ class from Loveday moved to Langlaagte due to clients constantly raising complaints about being inconvenienced after obtaining learners to make the necessary bookings for drivers licence
test at Langlaagte. This resulted in learners having to travel more than 8km from where the learners was obtained.

The JMPD has established LIPRO stations at Randburg People Centre (Region 4), Newlands Community Centre (Region 2) and Midrand Centre.

**Customer service enhancement**

In light of the “Batho Pele” principle the JMPD Management has identified the Dube Vocational offices for utilisation as a “One Stop Shop 24/7”. This will enhance service delivery to the previously disadvantage community of Soweto. The work is at an advanced stage; procurement/bidding process has been completed, and a construction company has been appointed so far.

Educational programmes for Arrive Alive and scholar patrols were initiated by the JMPD and 425 schools were reached through the programme. JMPD also introduced new Lipro centres in areas of demand leading to enhancing service delivery on the licensing side of the City’s offerings

**PLANS FOR 2005/06**

- The JMPD’s traffic fines database is one of the largest within the City of Johannesburg. Therefore, the JMPD have secured a file server that will accommodate all this data. This will further improve our efficiency in terms of accessing the system and serving the general public. It is the JMPD’s intention to interface with the National Traffic Information System in order to obtain offenders information in real time. At the present moment the information is retrieved manually, this in its own is quite labour intensive. Real time interface will further improve efficiently and save costs. JMPD is currently negotiating with the National Department of Transport for approval.

- The JMPD has elected to intimately focus on customer care issues with respect to query response and complaint resolution. The objective is to obtain a positive rating for the services being offered by the Department. This includes City safety, as well as developing a greater sense of safety for citizens through concerted efforts by the City and its multiple partners. Since one of the strategic agenda priorities is around public safety, this will serve as a good indicator of publicly perceived safety.

- JMPD will also focus on issues around effective by-law enforcement, the management of fraud and corruption, efficient Human Resource management and development, effective crime prevention and road traffic enforcement.

- The development and implementation of an integrated information management system is one of the key internal priorities for the two financial years. It has evolutionary implications on how the Department delivers on its core mandate. This is to be the backbone of enforcement and the feeder of much needed statistical and deployment information that guides the operations and programmes of JMPD.

- The implementation and introduction Road Traffic Management Co-operation and Administrative Adjudication of Road Traffic Offences will pose quite a major challenge to the JMPD and the profession as a whole. It is not quite clear as to how and when will AARTO be implemented. However, RTMC has commenced to establish an office. It is therefore quite critical to be aware of such implementation that will take place and it is envisaged that this could have a serious financial impact on JMPD. Such project would result in being unfunded mandate.
EMERGENCY MANAGEMENT SERVICES (EMS)

EMS provides both a reactive and proactive service in response to emergencies and the prevention of emergencies in the city. The provision of reactive services is rendered through the disaster management centre, which helps communities to respond to disasters and medical, fire and rescue incidents. Proactive services of EMS include educational programmes on prevention of disasters. These programmes range from possible fire emergencies to medical emergencies. Proactive services also include the enforcement of by-laws and codes.

PROGRAMME PERFORMANCE

A number of exciting and valuable initiatives have been undertaken by EMS in 2004/05. Such initiatives have all contributed to the department’s ability to service citizens’ needs with respect to both the rapid response to emergency situations as well as advocacy and prevention programmes to reduce and eliminate the possibility of emergency incidents occurring.

Effective customer relations management and sustainable service delivery

A 62.4% positive perception of the city was achieved in the annual customer satisfaction survey for 2003/2004. There were awareness campaigns that ran jointly with other agencies focusing on injury/accident prevention, access to service, by-law enforcement, visibility and feedback platform for clients. There has also been an intensified awareness through Karabo Gwala safety campaign reaching more than 30 000 people. Joint training with housing department has paid off with regard specifically to shack fires.

There has also been an increase with regard to implementation of systems to ensure that complaints are addressed in less than 7 days. There was also an increase in operational staff being trained in Fire fighting, in the area of special operations and emergency medical care, a total of 387 employees out of 995 have received training as per plan. Consequential services vacancies were filled to capacity and the reservist forces were capacitated.

A compliance target to all Service Level Agreements monitoring mechanisms in terms of Johannesburg Connect agreement (The agreement deals with the time it should take to respond to emergency calls and how long it should take to transfer the calls to the EMS side for dispatching. Some of the areas also deal with the issues around the kind of the information that can be shared between the two parties, as well as the maintenance of equipment) GPG Health Dept M.O.A (GPG MOA deals with the utilization and management of ambulance resources in EMS. It also sets performance indicators with regards to the response times for Priority 1, 2 and 3 patients.), and Fleet Africa outsource agreement (This deals with the way in which the vehicles leased from Fleet Africa must be managed. Some of the issues in the contract deal with the maintenance of vehicles, repairs as well as kilometres. It also defines the relationships between the provider and the user) was met by the EMS. EMS upgraded a number of facilities to match the risk profile of the area of operations. These included the following:

- Rosebank Fire Station – This was a refurbishment of the station, which was financed by Rand Merchant Bank who, own the building. (Not in the last financial year)
- Alexandra Be safe – Building of a new BE SAFE CENTER to the value of R375668.07
- Berea Fire Station – Refurbishing of the station so as to improve the building and facilities. This also includes the BE SAFE Centre. This station is a monument site and therefore some of the buildings could not be demolished. R2 819 396.97
• Soweto Be safe – (Dube) This was a joint project with the other departments like JMPD, JHB Roads Agency, and propcom among others. It entailed the improvement of the building to make sure that it is building that accommodates the needs of the Be safe center for the community of Soweto. R800 000.00. Jabulani – The building of a new BE SAFE CENTRE. R125 606.63
• Reitfontein Training – A Fire Academy is being developed for the city and will mainly focus on hot fire training. Three year programme to date R2059376.56 has been spent

Effective co-ordination of planning and delivery mechanisms for emergency response and disaster management

The 12 minutes targets for response times for 60% of fire & rescue calls were met by the EMS (SLA target with Province for Priority 1 calls is 15 min, but City has set target of 12 minutes for both Priority 1). However, EMS dependant variables dropped from 80% to 20% if Johannesburg Connect performance was included. The reason for this is that staffing levels are still below the contractual obligations as set out in the Provincial subsidy, 730 positions remain unfilled. The target was met for the completion of the electronic system to track and monitor response times. The roll out of Emergency Services System (ESS) 2000 to 6 super stations was completed and has been operational since 23 October 2004. The ESS 2000 rollout was aimed at ensuring that the information on patient billing was captured at the station level and therefore fastracking the billing process. It was also aimed at improving the management of data at the station level. There has been significant improvement noted in call acknowledgement and dispatch times for EMS. At the beginning of the 2004, the acknowledgement and dispatch times were between 1 and 15 minutes but have since improved to 1 minute for 70% of the calls (P1 and fire calls). This has also been strengthened by the strict implementation of the Pre-Determined Arrivals at the scene.

Maintain a state of readiness and alert aimed at containing all potential disaster situations

There was an increase in the number of plans submitted for COJ buildings. All the 207 (COJ known) events had disaster and fire safety plans. The growing demand is putting a strain on the limited ambulance resources in particular. There was an astronomical increase on the number of buildings that had approved disaster plans (Once a certificate of occupation has been issued) and in accordance with Fire By-laws Section 17 and OHASA Act. Each new building is given an occupancy certificate according to fire safety regulations after-which the disaster plans are put in place.

The EMS also embarked on an educational programme in a number of schools to make sure that the department of education incorporated EMS programmes as part of Life Skills curriculum. The number of schools visited was 702 and the number of people reached since January was 6 000. Through fire investigation results we have discovered there has been a reduction in the number of the fires that are started by children. There is also more awareness of the Emergency Services as confirmed by our visit to schools, more children know the emergency number.

Effective by-laws enforcement and code application

There was 100% (new applications) compliance by new buildings with the code and standards targets. There was however, only 50% compliance with implementation of systems to ensure the management of reported violations of emergency service by-laws within 7 days. EMS noted an increase in the number of warnings issued on the basis of violations. The total number of officers that were trained in EMS by-laws legislation was 179 officers (Including Operations and fire safety) and this exceeded the target of 108 officers for the 2004/05 financial year. Some special projects were initiated with special focus in the inner
city on bylaw enforcement. These included awareness programmes within the innercity. During the same period, 83 summonses were issued to ensure that there is compliance, and with that making sure that summonses are correctly written.

Financial and human resources management

There was a 100% of operations income collected by EMS. This was as a result of improved billing system and call centres being established to ensure accountability per directorate. The target for affirmative procurement (BEE’s and SME’s) total of procurement value has been met and the procurement system has been centralized and there is a better control in terms of the providers.

PLANS FOR 2005/06

• The will be a singular joint command centre between EMS and JMPD, as per the Bethel Business Centre project recommendations. This project dealt with the organizational review of EMS with the aim of identifying some of the challenges within the organization as well as form the basis of change in EMS. It also included the analysis of the organizations value chain and the necessary changes for the organization to meet its objectives. BEBUCE project recommended singular management of the responsive value chain to ensure singular accountability for call taking and dispatch. In the interim EMS will train staff as administrators that will administer the data collection and analysis.

• EMS will increase the number of disaster plans in CoJ buildings as well as provincial buildings as well as ensure that all the events have disaster plans. Ensure that the risk profile is scientifically supported. We will also develop the city’s plan disaster plan before the end of the financial year. Increase the awareness programme in schools through the development of Jnr Cadets. Intensify special projects on by-law enforcement in the city.

• Acknowledge and dispatch all the calls within 1 minute. Strengthen radio communication systems between the command centre and operations. We will also focus on improving the quality control processes to ensure that the quality of service is enhanced. We also ensure that we improve the staffing levels for ambulances and fire operations so that we can put more resources on the road.
CHAPTER 7

HOUSING

The MMC for Housing, Strike Ralegoma, is confident that progress is being made on making housing opportunities available for the people of Johannesburg. More and more serviced stands were made available, houses were built at a faster pace, informal settlements were improved and social housing was expedited after the full operationalisation of Joshco.

KEY ACHIEVEMENTS

Housing Master Plan developed and being implemented:
- 5 116 title deeds issued in new settlements
- 4 237 housing units built as per special projects
- 22 460 serviced stands were delivered
- More than 150 senior citizen units were refurbished and upgraded
- 2 500 units in buildings identified for future projects
- Additional land identified that will yield 25 000 residential stands

KEY SERVICE DELIVERY AREAS AND CHALLENGES

Notwithstanding the aforementioned achievements during 2004/05 financial year, the Department of Housing faced the following challenges in the context of housing delivery:

- Lack of availability of affordable well located land to develop housing
- Delivery of housing not matched in pace by the delivery of social facilities
- Increased demand for housing as a result of urbanization and migration
- Lack of affordability of development to the City including the provision of bulk infrastructure
- Lack of affordability of consumers as a result of high rate of unemployment
- Ensuring the upgrading of hostels to affordable habitable family units
- Addressing the housing needs of child headed households and housing subsidy non-qualifiers

PROGRAMME PERFORMANCE FOR 2004/05

Customer relations management

The annual customer satisfaction survey conducted for 2003/04 showed a 59.2% positive perception of the Housing Department. The reason for the perceptions that are reflected is mainly due to limited communication with communities. The Letsema programme and the communication of the Housing Master Plan, which was developed by the Department, have been identified as ways of improving interaction and communication with communities. The Housing Master Plan is seen as a tool that will assist the City to manage community expectations by clearly scheduling developments in different communities within the City’s financial constraints.

Formalisation of informal settlements

In line with the Premier of Gauteng, Mr. Mbazima Shilowa’s undertaking on eradication of informal settlements by 2014, the Department of Housing intensified the programme to meet
and exceed the targets set by the Premier. In 2004/05 our target of formalising all informal settlements in the City within three years was initiated. The undertaking of feasibility studies, establishment of townships, and securing of ownership through the provision of title deeds form the core of the programme. During the reporting period a number of settlements have been formalized including, Ruth First, Fred Clark and Chris Hani.

**Hostels converted into family units or other accommodation**

A total of 512 hostel units were converted into family units or other forms of accommodation. During the year under review, the Housing Department signed off funding agreements for the following hostels: Orland West Women’s Hostel, Diepkloof Hostel, Nobuhle Hostel, Madala Hostel and Helen Joseph Hostel. The conversions in the Van Beeck Hostel and Orlando West Women’s Hostel have been completed. Major work at Dube Hostel has reached practical completion stage.

**Serviced stands**

A total of 22460 serviced stands were completed during the reporting period. Serviced stands were provided in areas such as Vlakfontein Proper, Finetown Proper, Weilers Farm, Drieziek, Golden Triangle and Lehae.

**Top structures constructed**

During the 2004/05 financial year, 4 237 units were built as per special projects in Golden Triangle and Diepsloot. An additional 502 houses were built through the Community Builder Programme and Peoples Housing Process in the townships of Diepsloot, Ivory Park and Orange Farm.

**Management of council owned stock**

The Department is in the process of transferring council owned stock to individual private owners in terms of the 1st, 2nd, and 3rd Directives. The 1st and 3rd Directives relate to properties and the old township areas of Greater Soweto while the 2nd Directive relates to properties in the old so called “Own Affairs” areas. During the past financial year the Department transferred 15 291 properties to private ownership in terms of these directives. This has resulted in 15 291 beneficiaries now owning properties – some of which have been occupied by the same family for decades.

The MEC for Housing in Gauteng announced the Registration and Transfer of Ownership Scheme (RETRO) during December 2004. The implementation of this scheme will result in bigger numbers of properties being transferred into private ownership over the following two financial years. The balance of council owned residential properties that are earmarked for use as rental stock, will be transferred to the Johannesburg Social Housing Company as this company was specifically formed to act as the City’s agent for institutional housing and to manage rental stock.

**Accommodation for senior citizens**

Although the Housing Department does not provide old age homes with frail care facilities, it does provide a range of accommodation opportunities for pensioners throughout the City. The full budget allocation that was made available for the maintenance and refurbishment of these units was exhausted over the past year. More than 150 units benefited from the refurbishment programme.
Letsema

The Department is of the opinion that negative perceptions of Housing within the City, is mainly due to a lack of communication with communities. Letsema is one of the ways of improving interaction and communications with communities. The Letsema programme is closely linked to the Peoples Housing Programme (PHP) where beneficiaries are provided with title deeds to land where they accept responsibility for the erection of their own houses, as the PHP Programme is in essence a self help programme.

In terms of the Letsema programme, the staff members of the Housing Department visit townships where PHP programmes are being implemented and assist in building houses for beneficiaries of the PHP programme. Members of the Community are also encouraged to participate in these events to ensure the communities are mobilised with the dream of PHP.

The people who benefit from the Letsema initiative, are those who for some or other reason, cannot build their own homes. This includes people such as pensioners, the disabled, female single parents and those suffering from serious illness, or chronic medical conditions. The participation of the Housing Staff members and community representatives in these events is completely voluntary. The City provides only refreshments on the day of construction. During the past year 14 houses were completed and handed over to beneficiaries in terms of this programme.

JOHANNESBURG SOCIAL HOUSING COMPANY

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The Company commenced operations in April 2004 and therefore the types of challenges that face any new organisation trying to set up operations have been applicable to Joshco for a large part of the year under review. The types of challenges broadly stated included the need to establish and approve policies; the need to approve, establish and test processes and procedures; the need to establish adequate information systems; the need to appoint and induct key critical staff; the need to raise the necessary project finance and the need to market the services of the company. To a large extent Joshco has met these challenges. The 2004/05 financial year has seen Joshco put into place a great deal of the policies and procedures necessary for the effective running of the organisation. Although Joshco continues to depend on the City of Johannesburg for the greater portion of its finances at this early stage, the company directs a progressive business plan aimed at unlocking the income generating potential of some of the housing projects planned for future years in the medium term future.

PROGRAMME PERFORMANCE

The 2004/05 financial year has seen JOSHCO make significant advances in planning and commencement with its service delivery programme as outlined in the company business plan for the year. Planning for new developments in Protea South, Sol Plaatje, Roodeport, Alexandra, City Deep, the Better Buildings Programme, and the Jerusalem site in Fairlands has reached various stages of advancement and progress toward project implementation has taken place at an increasing pace as the capacity of the company has been enhanced.

Joshco has successfully refurbished a number of rental units and has fully spent its allocated budget for this purpose. During the course of the financial year reported on, the company commenced work in two of its core delivery areas - staff hostel refurbishments and management of existing council rental stock in the form of the City Deep Estate and the Bellavista Estate respectively.
During the year under review, the COJ Housing Department has successfully transferred 10% of its housing rental stock to Joshco. The balance of the rental stock will be transferred to Joshco over the next two financial years. Apart from this, Joshco also undertook housing stock management responsibilities for the City Housing Company.

Funding for two projects, namely Protea South and RCA Phase III was secured and the funding agreements finalised to facilitate implementation during the next financial year.

**PLANS FOR 2005/06**

In striving to ensure access to housing opportunities and achieve integrated housing developments and sustainable human settlements, the Housing Department’s plans in 2005/06 include the following:

- To improve customer satisfaction perceptions and enhance customer relations management in housing
- To issue 10,000 title deeds in new housing settlements
- To issue 8,000 title deeds in terms of the transfer of properties in Greater Soweto, Own Affairs properties and serviced sites located in Less Formal townships
- To formalise 29 informal settlements
- To build 3,300 housing units through the Community Builder Programme and Peoples Housing Process;
- To deliver 10,000 serviced stands
- To transfer 40% of Council Stock to Joshco
- To create approximately 800 jobs through the EPWP
- To increase the number of units built through Letsema and initiate clean up sessions in 2 hostels and 2 informal settlements
CHAPTER 8

HEALTH

Councillor Prema Naidoo is the Member of the Mayoral Committee responsible for Health. The health department in conjunction with the Gauteng provincial health department is responsible for the overall provision of comprehensive primary health care services to all the citizens within the City. The CoJ’s Department of Health provides primary health care provision; the management of communicable and non-communicable diseases and HIV and AIDS; the monitoring and management of environmental health services; the provision of pharmaceutical services and the maintenance and management of health care information.

KEY ACHIEVEMENTS

- Hostel clean-up campaigns
- Ground-breaking partnership with independent practitioners
- Provision of Anti Retroviral (ARV) Treatment programme at Jabavu Clinic in partnership with Vusabantu AIDS Project
- Infrastructure upgrade
- Improvement in service turn around times
- Improved by-law enforcement in environmental health

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The City faced key challenges in the provision of health care services in 2004/05, and these included:

- The rapid growth of the HIV and AIDS infections
- Dealing with increased demand for health service due to urbanisation
- Improving waste management practises and non-compliant trade practises
- Implementation of the new national health policy framework

PROGRAMME PERFORMANCE

Environmental health services

Environmental Health Services within the CoJ is proactively engaged in eliminating adverse physical or biological conditions that may lead to disease and ill health. The Environmental Health Services aims to effectively address the critical challenge of environmental health in the city, which include:

Environmental by-law enforcement

In order to enable the Environmental Health Unit to be in a position to issue fines for transgressions in terms of the new Public Health by-laws, a comprehensive set of admission of guilt fines was developed and submitted to the Legal department for approval by the chief magistrates of the magisterial districts that fall within the area of jurisdiction of the CoJ.

The number of fines issued as at June 2005 was 2 246, this being 6% above the target set. The value of the fines is approximately R1.2 million compared to R300 000 collected in 2003.
The purpose of increasing the issuing of fines is to turn the culture of lawlessness around (which is experienced by Environmental Health), especially in cases where offenders fail to comply with the provisions and requirements of statutory notices. A positive reaction is experienced whereby members of the public are now approaching the Regional Environmental Health Units for advice on legislative compliance. The number of statutory notices issued based on visits by environmental health officers was 29 965 as at June 2005, being 11% increase from the set target.

By June 2005 all 596 schools in the city had been inspected twice, and many were issued with notices for having breached the City’s by-laws, and approximately 100 clinics and 8 Provincial hospitals were inspected by June 2005 - with a very small number of by-law contraventions recorded. Three mortuaries were visited by environmental health officers with a total of 30 inspections being carried out.

Environmental health services at special events

City wide campaigns were held in promoting environmental health around “Arbor Day”, “World Food Day”, “Water Week”, World No Tobacco Day” and “World Environmental Day”. These specific days will in future be used to promote compliance with the city’s by-laws. In total 38 environmental health campaigns were held on these events. It is envisaged that there would be greater involvement with NGO’s in the community in the 2005/6 financial year.

Hostel clean-up campaigns

The hostel clean up campaign targeted ten hostels by June 2005 and these were all successful. The campaign addressed pest control issues, health education activities as well as cleaning the areas around the hostels with the objective of creating awareness on Environmental Health issues. Volunteers were taken from the hostels and given part time jobs over 5-10 days with a R65 stipend per day.

Personal Health Services

Further progress has been made towards improving the quality of primary health care services. The physical infrastructure in terms of the building and upgrading of facilities has received significant resources. An amount of R9 700 000 been spent in the upgrading of infrastructure. The following clinics benefited Rosettenville Clinic, Orlando East Clinic, Tshepisong Clinic, Eldorado Clinic, Pharmacy depot, Rex Street clinic, and Region 11 clinics.

Two surveys were conducted to establish levels of customer satisfaction; the results indicated an improvement in the overall customer satisfaction from 83% in October 2004 to 92.7% to date. Perception of services received from staff improved from 82.2% to 96.7%. In February 2005, the Star Newspaper rated CoJ clinics 8 out 10 in terms of satisfaction. The improvement can be attributed to the use and monitoring of correctional measures.

Establishing partnerships with independent practitioner associations

Five Independent Practitioners Associations (IPAs) have signed a Memorandum of Understanding (MoU) with the Health Department. The purpose of the MoU is to expand and improve primary healthcare access through partnerships with private doctors.

There are currently 10 partnerships that have been established in the health department namely; 2 HIV and AIDS; 6 Primary Health Care; and 2 Public Healthcare. In 2004/5 partnerships were established with the School of Public Health and Wits (Faculty of Health Sciences), The partnerships established over the last two years have assisted in areas of
training (TB), research (HIV and AIDS), and service delivery. It is estimated that the CoJ has benefited with approximately R3.4 million from the partnerships. This amount is derived from the fact that partners have brought approximately ten staff to assist with RHRU and about five staff members for the Vusabantu project. These staff members are paid for by the partners, and in addition, the partners assist with training and bring in furniture and equipment.

Monitoring and evaluation

A total 241 high priority requests for Primary Health Care service and complaints were received and all were attended to within the stipulated time. An example of these includes refused blood test for CD4 count. A total of 15 287 environmental service requests were recorded and all responded on time except for two which could not be dealt with due to contact details not being available. There is a quality assurance team tasked with monitoring progress pertaining to complaints and service requests. The team ensures that the complaints standards are adhered to, namely:

- High – 24 hours response time (shortage of medicines, expired drugs, rude staff/poor attitudes, turning away of patients, refusal of treatment, closure of clinic, requests for drugs outside our standardised legal list called Essential Drug List);
- Medium – 5 working days response time (Dirty clinic/toilets, long waiting times; and
- Low – 10 working days (Staff shortage, small size of clinic, long waiting times, requests for new clinic or extension or ramps for disabled people)

Community participation

Community participation in health is a critical component in primary health care service delivery. Health promotion forms the cornerstone of primary health care. The central tenet of health promotion is empowering people and ultimately improving their quality of their lives. Four regions conducted awareness campaigns to promote Voluntary HIV Counselling and Testing (VCT) as part of the World AIDS Day and as Condom Week activities. The implementation was also supported by the NGO “Right to Care” which provided VCT services during the campaigns. Fifteen thousand (15 000) people were reached during this campaign. A number of campaigns to promote Anti Retroviral (ARV) & Prevention of Mother –to- Child Transmission of HIV (PMTCT) of was implemented as part of the “Care Week” activities. 37 364 people were reached.

Health information systems

Functional Regional Health Information Units have been established in all the 11 regions in 2004/05. The purpose of a health information system is to provide reliable and relevant information upon which better decisions may be taken at the appropriate level of the health care system, so as to improve the quality of care, completeness of coverage, efficiency and equity of health care services.

In an effort to improve access to and optimise comprehensive primary healthcare delivery, the CoJ conducted research of priority medical conditions. The study has been completed and has found among other findings:

- The underlying leading causes of death in Gauteng (Stats SA 2001) are tuberculosis (8.6%); influenza and pneumonia (6.9%); – certain diseases of the immune system (2.4%) and intestinal infectious diseases (2.4%). All these conditions are associated with HIV and AIDS. Chronic conditions such as cerebrovascular diseases (4.3%); ischaemic heart disease (3.0%); other forms of heart disease (5.6%); diabetes mellitus (3.1%) are also some of the other leading causes of death in Gauteng
• 61% percent of maternal deaths in Gauteng are due to hypertensive condition (20.2%), obstetric haemorrhage (15.2%), sepsis (7.9%), abortions (6.5%), non-pregnancy related infections, with HIV AIDS being the main contributor (30.9%). The antenatal HIV positivity rate in Gauteng is higher than the national average
• The incidence of STI's in the population treated in CoJ clinics from 2002-2004 shows more than 10% decline from 67.5% in 2002 to 54.5% in 2004

The research report findings were utilised to introduce focused interventions that were included in the 2005 / 06 Health IDP and Service Delivery Plan. More emphasis is being placed on health promotion interventions to encourage healthy lifestyles and prevent disease by reducing risk factors and behaviours such as lack of exercise, obesity / overweight, healthy dietary habits, smoking and decreasing alcohol intake. Programmes that minimise childhood and maternal morbidity and mortality have also been prioritised.

Health awareness programmes that include life skills programmes, prevention strategies, information about HIV and AIDS, motivate people to know their HIV status and create awareness around access to PMTCT have been introduced.

Priority public health programme: HIV and AIDS

HIV and AIDS is still a major priority for the City. There is a regular interaction with numerous partners in government and in the private sector to undertake an integrated strategy to combat HIV and AIDS. The HIV and AIDS pandemic still remains a major obstacle in reducing poverty and illness. Among the major projects implemented in 2004-05 was the Hillbrow Health Precinct.

The Hillbrow Health Precinct Development Project established in partnership with the Johannesburg Development Agency (JDA), Reproductive Health Research Unit (RHRU) and the Gauteng Government use the precinct of urban regeneration to comprehensively respond to the HIV and AIDS epidemic. The project contributes in the regeneration of the Inner City, and the development of a Centre of Excellence for Sexually Transmitted Infections including HIV and AIDS care at the Esellen Street Clinic to improve the management of STI's and HIV and AIDS care in the City.

Voluntary HIV Counselling and Testing services was also enhanced in 2004/05. The number of clinics offering Rapid on site HIV testing has increased from 50 to 66 out of a total of 70 clinics. By June 2005, 71 229 people had tested and 22 491 tested positive. 205 volunteers were trained to assist with HIV counselling and testing. All 70 clinics within the City offer VCT service. Health promotional programmes will be intensified in 2005/06. As part of the contribution to the inner city regeneration, four HIV/ AIDS projects have been identified for the implementation at the centre of excellence and these are:

• Establishment of Rapid on-site HIV testing; from September 2004 to June 2005 a total of 5 528 people were tested and 1 720 tested positive
• 40% Staff Training on ARV's; a total of 77 staff members have been trained
• Commercial Sex Workers Project: two nurses responsible for implementing the programme visit hostels once a week, and approximately 35 sex workers are educated on HIV/ AIDS and STI on a weekly basis, and also provided with appropriate treatment where necessary
• Recruitment of VCT Lay counsellors; 8 French speaking counsellors have been trained

Voluntary HIV Counselling and Testing services are provided, and the establishment of the VCT service is also a benefit to both the community and people working within the area, as they are now able to access the service easily. The outputs from July to September 2005 were are shown in Table 8.1
Table 8.1 Voluntary Counselling and Testing results from July to September 2005

<table>
<thead>
<tr>
<th>MONTH</th>
<th>NUMBER COUNSELLED</th>
<th>NUMBER TESTED</th>
<th>TESTING POSITIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>533</td>
<td>533</td>
<td>229</td>
</tr>
<tr>
<td>August</td>
<td>527</td>
<td>527</td>
<td>149</td>
</tr>
<tr>
<td>September</td>
<td>512</td>
<td>512</td>
<td>280</td>
</tr>
<tr>
<td>Total</td>
<td>1572</td>
<td>1572</td>
<td>728</td>
</tr>
</tbody>
</table>

**Inner city health initiatives**

In line with the Inner City’s Regeneration Strategy of the City, physical upgrading within the Health Precinct has begun by adopting a phased approach to development across the precinct. The upgrading began with the Centre of Excellence node along Esselen Street. The upgrading is done in order to create an integrated, safe, secure and functional area, encourage potential investor interest within the area, and reinforce the positive impact of the Constitution Hill precinct.

To date, the upgrading of the King George Street is completed, and the Esselen Street clinic was painted inside and outside. Lease agreement on the Hugh Solomon building situated within the Hillbrow Community Centre has been signed between Johannesburg Development Agency and Gauteng Provincial Government. The building has been cleaned, and process is underway to have the building refurbished, in order to make it ready for occupation by Non Governmental Organisations. Landscaping of the Hillbrow Community Health Centre has also been completed. Discussions are currently underway regarding confirmations of space for the establishment of Youth Friendly HIV and AIDS and the Voluntary HIV and AIDS Counselling and Testing service within the precinct.

**Vusabantu HIV and AIDS project**

The Vusabantu AIDS project funded by the French government continues to support the provision of Anti-retroviral Treatment (ART) programme. The service continues to be provided at the Jabavu Clinic as part of the Vusabantu AIDS project activities. From the establishment of the service in December 2003 to date, 195 people are currently on ART with support and medication provided by the project. The programme was accredited by National and Provincial government on 9 December 2005. 5 programme plans aimed at targeting two informal settlements; one youth programme and two hostels were successfully conducted; approximately 1750 dwellings were reached and ± 5578 people were spoken to. 56 young people were recruited and trained as peer educators.

**Cervical cancer screening**

Cervical cancer is the commonest cancer amongst South African women. It comprised 18.5% of all female cancer cases in 1997. The lifetime risk of developing cervical cancer in women is 1 in 29. The Cervical Cancer Screening Programme was officially launched by the City of Johannesburg in 2002. The policy states that every woman 30 years old and above, should have 3 free PAP Smears in her lifetime, with a ten year interval between each smear. Awareness programmes to encourage women to come for cervical cancer screening (PAP smears) are being conducted. A total of 26,381 PAP Smears were done at local government health facilities in 2004/05.

**PLANS FOR 2005/06**
The department will continue to focus on its mandate and the mitigation of the emerging challenges in the provision of health services. In ensuring enhanced delivery in relation to health services in Johannesburg, the Health Department has committed itself to the following activities, amongst others, for 2004/05:

- To effectively address the challenge of HIV/AIDS in the community;
- To improve access to and optimise comprehensive primary healthcare service delivery within the city;
- To effectively address the critical challenge of Environmental Health in the City
- To contribute towards inner-city generation.
CHAPTER 9

DEVELOPMENT PLANNING, TRANSPORTATION AND ENVIRONMENT

Councillor Mally Mokoena is the Member of the Mayoral Committee responsible for DPT&E, which, in response to the above key performance areas, performs a number of functions. The department has 4 key directorates. The Development Facilitation directorate is responsible for drafting of the city-wide Spatial Development Framework (SDF) and regional spatial development frameworks for each of the City’s 11 regions. The Transportation Management directorate assumes responsibility for such key projects as the Strategic Public Transport Network (SPTN) and the Inner City Distribution System (ICDS). The Environmental Management portfolio undertakes functions ranging from the promotion of environmental stability and sustainability to conservation and protection of natural resources, the development of sustainability indicators and the monitoring thereof. The Development Management directorate has the responsibility of processing all development and change of land use applications in the city. This directorate plays a pivotal role in the City’s property value chain. The Support Services directorate renders support functions, such as Human Resource and Financial Management for the department as a whole.

ACHIEVEMENTS

- Integrated Transport Plan (ITP): The City’s first ITP (2003-2008) was approved by the MEC for Public Transport, Roads and Works, and the 2004 Update of the ITP was completed
- Strategic Public Transport Network (SPTN): The first 5 kms of the SPTN were completed from the Koma Road intersection on Old Potchefstroom Road to Khumalo Road intersection on Klipspruit Valley Road
- Baragwanath Public Transport Facility: JDA continued with the implementation of Phase 3 of the facility
- DPT&E completed a manual for all its employees on how to deal with illegal land invasions within the legal framework
- Maximum turnaround time of 9 months for planning applications for approval of Townships was met

KEY SERVICE AREAS AND CHALLENGES

During the 2004/05 financial year, the following were key performance areas for the DPT&E:

- Enhance customer service
- Ensure achievement of desire urban form
- Promote sustainable development
- Strategically manage and coordinate the City’s public investment in line with the strategic agenda and ensure job creation
- Enhance transportation service delivery
- Effectively manage and coordinate strategic projects which have a Citywide significance
- Ensure sound financial, HR and operational management
PROGRAMME PERFORMANCE FOR 2004/05

The DPT&E embarked on a number of initiatives over the past year to increase investment in the City by attracting new businesses and improving infrastructure development through:

**Enhanced customer service**

A training session was arranged with Councillors and the community to give town planning advice to citizens who wished to legalise their house shops. Furthermore, the City implemented plans of intervention for five actual areas to ensure that at least 80% of contraventions were successfully resolved in the areas of Marlboro, Brixton, Malvern, Bertrams and Ennerdale. An additional component of this work, which is the fast tracking of high investment value development applications that promote the achievement of 2030 goals, was strengthened.

The DPT&E also initiated a process of formulating the City's Land Use Management System (LUMS), which seeks to integrate the City's twelve Town Planning schemes into a single comprehensive system which links with and gives effect to sound property valuation processes.

In the Inner City, the DPT&E exceeded the number of notices served on buildings in terms of the town-planning scheme. The department also completed a manual to inform all its employees on how to deal with illegal land invasions within the legal framework.

**Enhance transportation service delivery**

Further work continued on updating and implementing the Integrated Transport Plan (ITP) and a number of public transport facilities were constructed or were ongoing during the financial year including:

- Integrated Transport Plan (ITP): The City's first ITP (2003-2008) was approved by the MEC for Public Transport, Roads and Works, and the 2004 Update of the ITP was completed
- Strategic Public Transport Network (SPTN): The first 5 kms of the SPTN was completed from the Koma Road intersection on Old Potchefstroom Road to Kumalo Road intersection on Klipspruit Valley Road
- Baragwanath Public Transport Facility: JDA continued with the implementation of Phase three of the facility which consists of holding space for 216 minibus taxi, 25 long-distance taxis, 20 buses and informal trading facilities
- Pan Africa Site: Construction of this project did not commence in the reporting financial year because of problems experienced by the province with regard to PPP's

**Alexandra renewal project**

The Alexandra Renewal Programme witnessed major project developments in 2004/05. Table 9.1 below indicates projects that were completed and those that are under construction:

<table>
<thead>
<tr>
<th>COMPLETED PROJECTS</th>
<th>PROJECTS UNDER CONSTRUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrading of Rautenbach/Watt Street</td>
<td>Far East Bank Ext 7: Infrastructure and 1407 Housing Units</td>
</tr>
<tr>
<td>Upgrading of London Road Phase 2</td>
<td>Altrek Sports Facilities</td>
</tr>
<tr>
<td>Jukeskel River Park Phase 3</td>
<td>Traffic Training Centre</td>
</tr>
</tbody>
</table>
A number of housing projects have already been planned and packaged and are almost ready to go out on tender early in 2006. They are the following:

- Erven 3359/3360 Far East Bank; Affordable Rental
- Erf 1/357 Lombardy East: Affordable Rental
- Far East Bank Ext 9 (K206): RDP and Affordable Rental
- Highlands: RDP and Affordable Rental
- President Place: Social Housing
- Westlake: Social Housing
- Linbro Park: Social Housing, RDP and Affordable Rental
- Erf 2982 Far East Bank Ext 5; RDP AND Affordable Rental

**Cosmo city**

The ultimate aim of the Cosmo city project is to deliver by the end of 2008, 12 300 housing units with varied sources of funding (from fully subsidised to fully bonded) with the associated municipal infrastructure and a full range of social facilities. The milestones for Cosmo City for 2004/05 were as follows:

The signing of the Housing Subsidy Agreement (between Codevco (Pty) Ltd as City of Johannesburg’s agent and Gauteng Department of Housing) was signed in March 2005, and April 2005 (Addendums 1 & 2). Township application and change of land use was approved by Township Board in September 2004 and the MEC approval was obtained in October 2004.

The CoJ budget for 2004/05 amounted to R 67,482 million, and was utilised for the following services and activities:

- Internal services – sewer, water, stormwater, roads and street lighting
- Link services - sewer, water, stormwater and roads
- Conservation area fencing
- Electrification
- Land expropriation

In addition to the above amount, the City of Johannesburg made available R 10 million (VAT inclusive) to speed up the delivery of services. All the funds for the 2004/05 financial year are exhausted in full.

**EPWP ACHIEVEMENTS IN 2004/05**

The Extended Public Works Programme policy for the CoJ was approved on 28 October 2004 and has the following main objectives:

- To create short term jobs for the unemployed within local communities
- To develop skills within through on-the-job / accredited training
• To capacitate SMME’s and emerging contractors within local communities by facilitating the transfer of sustainable technical, managerial and financial skills through an appropriate Learnership Programme
• To maximise the percentage of the CoJ’s annual total budget spent and retained within local communities by promoting the procurement of goods and services from local manufactures, suppliers and service providers.

In order for the CoJ and its entities to have a measurable objective it was necessary to set targets along the national targets for the next five years in the various sectors. The targets included approximately 120 000 employment opportunities with an average period of three months, and approximately 120 learnerships. These targets would be reviewed on an annual basis. Table 9.2 outlines the preliminary EPWP targets for the next five years.

Table 9.2 CoJ – Preliminary EPWP Targets (2004/05 to 2008/09)

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>PRELIMINARY TARGETS</th>
<th>No. of Jobs</th>
<th>No of Learnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td></td>
<td>100 000</td>
<td>80</td>
</tr>
<tr>
<td>Environment &amp; Culture</td>
<td></td>
<td>10 000</td>
<td>25</td>
</tr>
<tr>
<td>Social</td>
<td></td>
<td>7 500</td>
<td>To be determined</td>
</tr>
<tr>
<td>Economic</td>
<td></td>
<td>To be determined</td>
<td>To be determined</td>
</tr>
</tbody>
</table>

The number of jobs created during the period (July 2004 to June 2005) of the 2004/05 financial year is summarised in Table 9.3

Table 9.3 Total number of jobs created
### Department/UAC

<table>
<thead>
<tr>
<th>Department/UAC</th>
<th>Total number of Job Opportunities by 30 June 2005</th>
<th>Actual number of jobs *created by 30 June 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Arts, Culture &amp; Heritage</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2 City Manager's Office</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Development Planning</td>
<td>248</td>
<td>338</td>
</tr>
<tr>
<td>4 EMS</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>5 Finance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6 Health</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7 Housing</td>
<td>1954</td>
<td>854</td>
</tr>
<tr>
<td>8 JMPD</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>9 Social Development</td>
<td>395</td>
<td>80</td>
</tr>
<tr>
<td><strong>Subtotal 1: Departments</strong></td>
<td><strong>2636</strong></td>
<td><strong>1,317</strong></td>
</tr>
<tr>
<td>10 Metro Trading Company</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>11 Joburg Water</td>
<td>1649</td>
<td>4,118</td>
</tr>
<tr>
<td>12 Pikitup</td>
<td>260</td>
<td>95</td>
</tr>
<tr>
<td>13 City Parks</td>
<td>773</td>
<td>897</td>
</tr>
<tr>
<td>14 Metrorbus</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>15 Civic Theatre</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>16 Fresh Produce Market</td>
<td>72</td>
<td>17</td>
</tr>
<tr>
<td>17 Joburg Development Agency</td>
<td>3023</td>
<td>5,861</td>
</tr>
<tr>
<td>18 City Power</td>
<td>862</td>
<td>2,908</td>
</tr>
<tr>
<td>19 Joshco</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>20 Joburg Tourism Company</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>21 Zoo</td>
<td>119</td>
<td>84</td>
</tr>
<tr>
<td>22 Joburg Property Company</td>
<td>241</td>
<td>108</td>
</tr>
<tr>
<td>23 Joburg Roads Agency</td>
<td>301</td>
<td>596</td>
</tr>
<tr>
<td><strong>Subtotal 2: UACs</strong></td>
<td><strong>7295</strong></td>
<td><strong>14,719</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9931</strong></td>
<td><strong>16,036</strong></td>
</tr>
</tbody>
</table>

### Managing and coordinating the city’s public investment

The DPT&E met its target of five UAC’s utilising the Capital Investment Management System (CIMS) in the management of CAPEX. The department then met its target on the completion of a framework in line with CIMS for ensuring that support for 2010 and the related urban form and public transport network initiatives are prioritised in the allocation of the capital budget. The CIMS has been effectively used as a database to inform future planning and management of infrastructural development.

### CAPITAL INVESTMENT PLAN 2004/05 (CIF)

The City’s Capital Investment Framework aimed to improve the management of existing infrastructure by steering the budget for capital projects in a short to medium term. The contents as stipulated in the Local Government Municipal Planning and Performance Regulations, 2001 identified programs and projects, and also identified priority-spending areas for development.

A prioritisation model was developed and each project was fed into the model. Questions were developed and weighted according to City’s Strategic Thrust, Mayoral Priorities,
operational and community needs. Thereafter, a final list of projects were identified and budgeted for.

Table 9.4 indicates the outcome of 2004/05 Capex

<table>
<thead>
<tr>
<th>REGION</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total for Region 1</td>
<td>R 82,982,000.00</td>
</tr>
<tr>
<td>Total for Region 2</td>
<td>R 34,220,000.00</td>
</tr>
<tr>
<td>Total for Region 3</td>
<td>R 60,445,000.00</td>
</tr>
<tr>
<td>Total for Region 4</td>
<td>R 35,255,000.00</td>
</tr>
<tr>
<td>Total for Region 5</td>
<td>R 64,479,000.00</td>
</tr>
<tr>
<td>Total for Region 6</td>
<td>R 135,710,000.00</td>
</tr>
<tr>
<td>Total for Region 7</td>
<td>R 68,936,000.00</td>
</tr>
<tr>
<td>Total for Region 8</td>
<td>R 130,515,000.00</td>
</tr>
<tr>
<td>Total for Region 9</td>
<td>R 10,330,000.00</td>
</tr>
<tr>
<td>Total for Region 10</td>
<td>R 87,153,000.00</td>
</tr>
<tr>
<td>Total for Region 11</td>
<td>R 47,622,000.00</td>
</tr>
<tr>
<td>Total for City Wide Project</td>
<td>R 248,979,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>R 1,006,626,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation</td>
<td>R 2,500,000.00</td>
</tr>
<tr>
<td>Consolidation</td>
<td>R 227,703,000.00</td>
</tr>
<tr>
<td>East West Corridor</td>
<td>R 87,555,000.00</td>
</tr>
<tr>
<td>Established Areas</td>
<td>R 165,507,000.00</td>
</tr>
<tr>
<td>Mobility and Connectivity</td>
<td>R 41,500,000.00</td>
</tr>
<tr>
<td>Nodal Economic Development</td>
<td>R 79,421,000.00</td>
</tr>
<tr>
<td>North South Corridor</td>
<td>R 14,815,000.00</td>
</tr>
<tr>
<td>Opportunity Areas</td>
<td>R 49,105,000.00</td>
</tr>
<tr>
<td>Upgrade and Regeneration</td>
<td>R 128,786,000.00</td>
</tr>
<tr>
<td>General</td>
<td>R 209,734,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>R 1,006,626,000.00</td>
</tr>
</tbody>
</table>

**KEY CHALLENGES**

Some of the ongoing challenges in the city include the maintenance of current investment levels and attracting new business and investment, dealing with inner city decline and the rapid increase in traffic volumes. These challenges become even greater with the continued urbanisation that impacts significantly on the provision of services and the maintenance and support required providing a viable infrastructure. The department will in the future, be under increased pressure as the implications of key projects such as the Gautrain and 2010 come on stream.

**PLANS FOR 2005/06**

A number of public transport facilities, which are currently under construction, will be completed or still ongoing in the next financial year and some new facilities will be initiated, these include:

- **Strategic Public Transport Network (SPTN):** The next five kms of the (SPTN) will be implemented between Kumalo Street and New Canada
- **Baragwanath Public Transport Facility:** Phase four of the facility will be implemented
- **COSMO City Taxi Facility:** Construction and hand over of the houses will be effected
- **Lenasia Public Transport Facility:** Detailed Design will be undertaken
- **Inner City Distribution System (ICDS):** Detailed Design will be undertaken and infrastructure implementation will commence
- **Pan Africa:** Implementation of this project will be undertaken in 2005
- **LUMS:** The first phase of this work will be finalised and put out for public comment and further refinement, this will be done in close collaboration with the implementation of the new Property Rates legislation
- **The Nodal and Density Policy** – this will also be finalised in 2005/6 and put out for public comment
- **EPWP** – this programme will be intensified and systems put in place to strengthen the monitoring of EPWP principles by all UACs.
CHAPTER 10

MUNICIPAL ADMINISTRATION

Councillor Thomas Phakathi is the Member of the Mayoral Committee responsible for Municipal Administration and has the overall responsibility for Corporate Services. The Corporate Services Department plays a pivotal and critical role in supporting the City in achieving its aims. This is only possible if support is also given to people, systems, information, processes and the creation of a performance-driven culture within the city.

KEY ACHIEVEMENTS

- Decrease in the operating budget for the management of the City’s Fleet. The target of 2.5% reduction in the operating budget for the management of the City’s Fleet costs has been realised and achieved.
- Reduction in insurance premium for the City’s Fleet from 9.7% to 8.3%.
- Reduction in the number of hijacked/stolen vehicles from 37 in the year 2003/04 to 6 in 2004/05 with a 100% recovery rate.
- Corporate Services is now the proud owner of a 100% GAMAP compliant asset register for moveable assets.
- Completion of the Business Case of the HR Shared Services Centre. The Shared Services Centre will concentrate on delivering all transaction and high volume services and acting as advisory support services to line management in all the CoJ departments including the regions.
- Workplace HIV/AIDS policy implementation plan. The plan includes education, support and provision of treatment for employees living with HIV/AIDS.
- A total of 33 public conveniences within the inner city were upgraded and a new one built at the Mary Fitzgerald Square (Newtown Precinct).

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The major service delivery key performance areas consist of the following:
- To maximise client and stakeholder satisfaction.
- To manage and ensure a sound labour relations environment.
- To implement initiatives that contribute to optimisation of services and operations effectiveness.
- To ensure that the City is prepared to respond to HIV/AIDS.
- To ensure effective financial and human resource management.

PROGRAMME PERFORMANCE FOR 2004/05

Maximise client and stakeholder satisfaction

The City has progressively enhanced customer satisfaction through a range of mechanisms implemented across the various services. Corporate Services has a key role to play in this process and supported the initiative through the implementation of customer satisfaction surveys. The target of 14 days has been achieved in terms of the register of all complex and lengthy legal opinions. Most of the opinions were even finalised within 12 and 10 days and the quality as outlined in the legal guidelines was not compromised and with less complex legal opinion, the target of seven days has been achieved.
In terms of the information on the GIS system that relates to billing, the target of 100% accuracy with regard to the resolution of new deeds registration has been achieved. The next general valuation roll is due in 2007 and a project plan containing seven objectives for the completion of phase one of the general valuation roll was compiled and implemented accordingly. The seven objectives comprise the following: defining the process for the compilation of the 2006 Provisional General Valuation Roll, creating a township file for all the proclaimed townships as per the GIS township list; populating the valuation database with information relevant to the properties in order the prepare the individual properties for valuation; determining the bases for valuation for residential properties; valuing the residential properties in the proclaimed townships as per the GIS township list; executing the special projects plan to ensure the valuation of properties other than residential and identify high level plan for the 2005/06 financial years which follows the completion of the project plan.

Operational efficiency and effectiveness

The Business case for Human Resources Shared Services centre has been finalised. The Shared Services Centre will concentrate on delivering all transaction and high volume services and acting as advisory support services to line management in the regions.

The consolidated customer survey results for the 2004/05 financial year indicated that an actual result of 87.7% was achieved against the target of 78.41%. The implementation of the customer satisfaction surveys throughout all the Corporate Services directorates has improved efficiency of the City’s operations and has ensured enhanced effectiveness in terms of service delivery.

Effective human resource management and sound employee relations

Corporate Services is responsible for the continuous empowerment, skills development of internal staff and the maintenance of sound employee relations. During the last financial year, the department initiated a skills audit, aimed at the identification of skills necessary to provide ongoing and sound service delivery to customers. Key competency gaps have been identified as part of this process. Statistics generated from SAP/R3 indicates a 5.57% turnover on levels 1-4 in terms of 377 positions.

The operationalization of the succession plan policy through the Staffing and Remuneration structures has been effected through identifying those positions which will be indexed for succession plan; sensitising line managers to identify employees who are possible candidates for succession; developing a mentoring programme to ensure that the employees are ready for promotion when that time comes; taking into consideration other HR processes such as the Recruitment and Employment Equity. Identification of scarce and critical skills and a questionnaire has already been sent out to line Management. No trends have been identified however a high risk has been identified in terms of the number of fixed term contract employees that will expire within the next 15 months.

Preparedness to respond to HIV and AIDS in the workplace

Employers in South Africa have both a social and economic responsibility to positively contribute to the fight against HIV and AIDS. In recognition of this responsibility and in an effort to become part of the broader fight against the pandemic, the past year saw Corporate Services tasked with the implementation of an HIV and AIDS workplace programme within the City. The programme included the education and support of employees living with HIV/AIDS, monitoring and provision of training during the implementation of the programme, and, in some instances, the provision of treatment to staff members who may have been exposed to infections in the workplace. The Knowledge, Attitude, Practice and Behaviour
Study (KAPB), a training of senior staff members, a voluntary anonymous prevalence survey and the impact and actuarial analysis for the City were successfully completed.

**Municipal court, by-law enforcement and litigation**

The Municipal Court was established and launched in August 2004. The purpose of its establishment was to ensure efficient and effective enforcement of the City’s by-laws. It was established mainly to deal with what Magistrates allegedly called petty crimes. In 2004/05, the Municipal Court prosecuted about eleven cases. Three were found guilty and convicted. One judgement by the magistrate is still pending and the remainder were acquitted. Street trading is properly controlled within the Inner City and illegal trading has been reduced tremendously. Illegal advertisement is also under proper control and illegal posters have been removed and the perpetrators issued with notices and fines. 13 judgements were granted and 12 were in favour of the City. Only one judgement was rendered against the City i.e. SASFIN vs. City. The target of 70% has been achieved for by-law enforcement.

As part of the law enforcement strategy, the City also translated six of the approved by-laws into Isizulu, Afrikaans, Sesotho to ensure that residents understood the City’s by-laws.

**PLANS FOR 2005/06**

To improve on the achievements made by Corporate Services during the 2004/05 financial year, the following commitments have been made for the 2005/06 period:

- Maximisation of client and stakeholder satisfaction – continue with the monitoring of the project even with the newly appointed service provider, monitoring turnaround times and quality of complex legal opinions, continue with matching, verification and updating process, inform Billing of updates to be made, and continue monitoring matters brought against the City and finalise most matters
- Continuation with the general valuation project, which will ensure that an accurate and comprehensive general valuation roll is produced for the entire City, compliant with the new Municipal Property Rates Act
- Continue to capture and maintain the City’s core datasets, namely cadastral, zoning and street addresses
- Embark on phase one of the aerial photography project
- Effective management and maintenance of all Council-owned buildings
- Establishment of new public convenience, especially around the Newtown precinct
- The implementation of the Human Resources Strategy – the establishment of the HR shared services in particular
CHAPTER 11

MUNICIPAL SERVICE ENTITIES

Under the leadership of Councillor Brian Hlongwa the municipal entities provide municipal services i.e. water and sanitation (Johannesburg Water), electricity (City Power) and waste management services (Pikitup) within the City. Progress towards excellent service delivery and reliability is being witnessed under his stewardship.

KEY ACHIEVEMENTS

- 98% of capital expenditure against external funding from the City was achieved compared to 95% in the previous year
- 98.4% environmental compliance compared to 96% in the previous year
- City Power exceeded its revenue target for the year, recording a retained profit of R103 million
- Johannesburg Water increased revenue by about 14.6% compared to 2003/04
- The number of outages across all categories was less than the targets for the year and restoration time improved
- Pikitup was the runner up to the Spescom in the annual Innovation and Sustainability Awards 2005 for its landfill weighbridge control system
- Silver Arrow Award by the Professional Management Review Magazine was awarded to Pikitup
- Reduction in un-accounted for water
- Meter reading improvement by 10%

JOHANNESBURG WATER

Johannesburg Water (Pty) Limited was established as an independent utility company, wholly owned by the City, to serve the greater Johannesburg area. Johannesburg Water is responsible for supplying water and sanitation services to approximately 650,000 customers ranging from domestic, commercial to industrial properties. An estimated three million people make use of the services on a daily basis. The annual turnover is approximately R2, 8 billion up by R352 million from the previous year, and profit before tax for the 2004-05 financial year was R156 million. This translates to a revenue increase of 14.6% compared to the previous year. The entity employs about 2,500 people.

KEY SERVICE DELIVERY AREAS AND CHALLENGES

Johannesburg Water (JW) is responsible for supplying water and sanitation services to approximately 650,000 customers ranging from domestic, commercial to industrial properties. An estimated three million people make use of the services on a daily basis. The annual turnover is approximately R2, 8 billion up by R352 million from the previous year. This translates to a revenue increase of 14.6% compared to the previous year. The entity employs about 2,500 people.

The strategic outcomes of the 2004/05 financial year for JW were as follows:

- Migration of core functions and customer database
- A real tariff increase of 3%
- Implementation of Operation Gcin’amanzi
- 5% reduction in operating costs compared to the previous years’ budget

The challenges faced by Johannesburg Water in 2004/05 were the following:

- Roll out of operation Gcin’amanzi
- Black Economic Empowerment and transformation
- Water and sanitation national targets
- Infrastructure rehabilitation
- The development of a post “turnaround strategy”
- The development of Post Jowam Strategy

PROGRAMME PERFORMANCE FOR 2004/05

Reduction of water losses in Greater Soweto area

Operation Gcin’amazi is a four year multi-million programme to reduce water losses in the Greater Soweto area through the upgrading of municipal water supply infrastructure, repairing leaking domestic plumbing installations, and installing prepayment meters.

Greater Soweto has been divided into thirteen “superblocks” for project implementation. By project implementation, scheduled for the end of 2008, there will have been extensive re-engineering of the reticulation network, with installation of 162,000 meters. By the end of June 2005, the average reduction in water losses and consumption in the first “superblocks” was 45 kl per stand, or more: prethis was significantly higher than forecast water savings.

These interventions led to a 4,016,221 kl reduction in bulk water purchases from Rand Water, amounting to a saving of R10.6 million. These savings will escalate sharply as the project scales, and will contribute to major efficiency gains for the utility and Johannesburg residents. Most crucially, the programme has a strong focus on BEE, job creation, and user education around wise use of water.

Implementation of pilot projects in informal settlements

Operation Gcin’amanzi is a multi-million rand project to upgrade municipal water infrastructure and install prepayment meters in the Greater Soweto area. As a result of the Operation Gcin’amanzi intervention a marked reduction in bulk water purchases impacted positively on the cost of sales with a resultant increase in gross profit. The project involved extensive re-engineering of the network and consultation processes. The project also aims to upgrade water infrastructure and install prepayment meters in Greater Soweto Capital expenditure against external funding provided by the City of Johannesburg excluding funding for Operation Gcin’amanzi was 98%. The implementation of Operation Gcin’amanzi was successfully implemented in Phiri, Soweto, in August 2003 and is nearing completion. The project has been extended to the Soweto areas of Senoane, Mapetla, Moletsane, Tladi, Dlamini, Jabavu, Mofolo, Molapo, Moroka, Emndeni and Naledi, all of which comprise approximately 30,000 stands.

The following major capital projects were also successfully completed during the 2004/05 financial year:

- Upgrading the water network by replacement of water mains throughout the JW service area. Various projects were completed amounting to R18m. These replacements were to upgrade pipelines which suffered from frequent bursts and upsize pipelines where supply needed to be increased
- Upgrading of water supply to Kyalami region by constructing a pipeline from Erand reservoir district. Value R13,6m
• The supply to the Sandton reservoirs was augmented by constructing an emergency supply line from Randjeslaagte reservoir. This R13.6m project will reduce the risk of water disruptions in the northern supply areas.
• The Bruma outfall sewer was augmented in the Leeuwpkop region to take pressure of surcharge sewer flows off the Northern Outfall Sewer. The project was completed with a budget of R12.9m in this financial year.
• The main water supply was upgraded to a gravity supply from Linbro Park Reservoir for R5m to remove the reliance on pressure supply from Rand Water.
• Provision of basic services through the Ventilated Improved Pit Latrines sanitation programme gained some momentum, with the installation of 4008 toilets in seven informal settlements across four city regions. The two pronged programme is funded by the Municipal Infrastructure Grant and the Department of Provincial and Local Government. The programme is on-going and the City is committed to eradicating all sanitation backlogs by 2008.
• Upgrading of the Alexandra water network to the value of R4.4 million in support of the Alexandra Renewal Project.
• Modification of the digester mixers at Goukoppie Wastewater Treatment Works to enhance biodigestion – to the value of R4.9 million.
• Refurbishment of the Unit 2 sludge digesters at Northern Works is continuing, to reduce the effect of environmental problems related to primary sewage sludge and improve sludge handling capacity at the Works.

Johannesburg Water achieved a 98% capital expenditure against external funding from the City, compared to 95% in 2003-04.

Operations

The following key performance indicators were achieved in 2004/05:

• Access to at least a minimum level of water showed an improvement of 0.4% to 98.4%, with 3 355 additional households gaining access to services provided by Johannesburg Water.
• Access to at least a minimum level of sanitation improved by 1% to 93.8% with an additional 9680 households gaining access to at least a rudimentary serviced toilet.
• Drinking water quality far exceeded national specifications, achieving 99.7% compliance with SANS 241, 4.7% above the 95% requirement.
• Sludge disposal complied fully with DWAF requirements.
• The number of wastewater spills was reduced from 83.5% during the year, down from 143 in the previous year.
• The quality of effluent treated and discharged by JW exceeded DWAF’s stringent requirements, reaching 98.4% compliance, 4.4% more than national target.
• Close monitoring of river water quality – with over 500 samples analysed each month – enabled the JW to identify and intervene in hotspot areas with blockages and spills along 104 km of outfall sewers. An extensive preventative sewer maintenance programme is enabling JW to pre-empt and reduce sewer blockages significantly.
• A four year programme of systematic leak detection on all mains was completed, resulting in 7 382 kms of reticulation mains surveyed over the 2004-05 financial year.

Customer services

The payment level for customers managed by the city improved to 75.7% from 72.% in the previous year. Focus on the elements of meter reading validation, data quality control and backlog query resolution by Johannesburg water after the migration of accounts, contributed to the improved collection rate of customers managed by the City.
The Sandton customer database was migrated in February 2005 with 43,000 accounts being migrated. Coupled with tariff increases, the migration resulted in a significant increase in payment levels and revenue. The following core functions were successfully migrated in October 2004:

- Meter reading
- Meter reading validation
- Billing Adjustments
- Installation of services on the billing system
- Tariff maintenance
- Customer query resolution
- Account finalisation
- Data quality control

Migration of the Sandton customer base from the City to Johannesburg Water was completed in February 2005. With an increased focus on improved meter reading, data quality control, backlog query resolution, and better credit control, the collection rate improved and service revenue exceeded the budget by R199 million – nearly 8%.

The total average payment level for all customers managed by CoJ and JW was 87.2%, which exceeded the target of 83.3%. Commercial losses were reduced significantly through meter replacements, improved meter readings, and ongoing data cleaning.

The technical and service call centres achieved service levels of 95% and 86% despite a massive increase in the volume of queries arising from the transfer of core functions and migration of the Sandton customer database.

Unaccounted-for water

Unaccounted for water is the difference between the measured volume of water put into the supply system, and the total volume of water measured to authorised consumers. The difference can be accounted for through two main types of losses:

- Physical losses within the distribution system as a result of pipe bursts and leakages
- Administrative, primarily commercial losses, which represent the difference between the volume reaching the customer's property boundary, and the volume billed to the customer

The UFW ratio is the UFW volume, divided by total volume of bulk water purchased by JW. The percentage of UFW is this ratio expressed as a percentage. Johannesburg Water performed extremely well to reduce the UFW ratio from 36% in June 2004 to 32.8% in June 2005. Calculated at a bulk water cost of R2.65/Kl, this represents a reduction in physical and commercial losses to the value of R36.57m.

PLANS FOR 2005/06

In terms of capital investment, Johannesburg Water aims to achieve the following:

- Through Gcinamanzi, upgrade networks, repair domestic leaks, and install prepayment meters at 45,000 stands. This intervention will reduce physical and commercial losses significantly.
- Upgrade the Trunk Main from the East Rand Reservoir.
• Construction the water main and outfall sewer for Waterval cemetery bulk water and sanitation services
• Install a new water main from Randeslaagte Reservoir to Dunkeld Reservoir. To create an alternate supply to Sandton Reservoir System in case of failure of existing supply
• Construct a bulk water mains in Braam Sischerville
• Install a 6 km outfall sewer for Driezek
• Install reticulation, sewer pipeline and 569 toilet top structures in Leratong Village
• Refurbish and upgrade Northern Wastewater Treatment Works
• Accelerate delivery on the basic water and sanitation programme

In terms of operational improvement:

• Continue excellent performance in drinking water quality, final effluent quality and sludge disposal compliance
• Achieve excellent customer responsiveness in attending to pipe bursts, leaks, sewer blockages and spills, replacement of manholes, etc

The customer relations and customer management focus areas in 2004-05 are:

• Maintain customer service levels above 90% mark
• Improve billing, payment levels and revenue, through ongoing improvements to meter readings, data quality control, backlog query resolution and ongoing data cleaning.

CITY POWER

KEY SERVICE DELIVERY AREAS AND CHALLENGES

City Power’s core competency is to purchase, distribute and sell electricity within its licence footprint. It is accountable for constructing networks, connecting customers and repairing and maintaining networks. It also includes installation and maintenance of public lighting. The customer base consists of 4411 large power users, 162 key customers, 12381 business users, 73 799 pre-paid customers, 29 agricultural customers and 216 084 domestic clients. The total customer base is 306 866. The following were the key challenges facing City Power:

• Increase the profit base without compromising the viability of the business
• Sustain customer satisfaction
• Align processes and practices that support our vision to our business needs
• Maximum employee productivity and enabling information systems

PROGRAMME PERFORMANCE FOR 2004/05

Improve quality of supply

Within City Power, the commercial improvement programme is delivering expected results across a range of measures. Network expenditure has improved our compliance with NRS 047 and NRS 048 and our programme of planned maintenance is spreading which, in turn is containing serious outages in known areas to very low levels. This is facilitated by close monitoring of contractors, prudent sourcing of strategic stock and rigorous inventory management. Network Performance is being enhanced. Improvements are being observed, however as a result of the age of the network it is extremely difficult to assess our performance in the short term. It is only in the longer term that we will see improvements as the capital spend takes effect.

Outages
The number of outages across all categories was less than the targets for the year, and restoration time improved. Areas hardest hit by outages in the prior year, such as Roodepoort, Lenasia and Bryanston, showed improved performance during the review period.

Table 11.1 High Voltage Outages (HV)

<table>
<thead>
<tr>
<th>TARGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
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</thead>
<tbody>
<tr>
<td>165</td>
<td>144</td>
<td>21</td>
</tr>
</tbody>
</table>

The following projects were undertaken in an effort to reduce high voltage outages outages:

- The construction of Westfield Substation has been completed with 30MVA installed to supply the Longmeadow development and the plans are in place to install additional 45MVA during the course of 2005 financial year.
- Upgrading of North Riding Substation – the decommissioning of the 2 x 20MVA transformers and the installation of 2 x 40MVA transformers including the decommissioning of the existing feeder board and the installation of a new feeder board.
- Replacement of Obsolete 33kV oil filled cables from Nursery to Ontdekkers Rd with underground 85mm sq XLPE cable.

Table 11.2 Medium Voltage Outages (MV)

<table>
<thead>
<tr>
<th>TARGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1300</td>
<td>1340</td>
<td>160</td>
</tr>
</tbody>
</table>

The following activities were undertaken to deal with medium voltage outages:

- Many major projects have been successfully completed e.g. the upgrades and refurbishment in Rodepoort, Randburg, Siemert, Midrand and Lenasia area of supply.
- MV and LV upgrades of the electrical network at Weltevreden Park has been completed.
- The Dainfern MV electrical infrastructure upgrade (Phase 1 & 2) and the execution of the LV network upgrade has been completed.
- Over 285 km’s of cable have been installed to upgrade and refurbish the MV infrastructure.

This measure is the number of calls received by the call centre and includes all outage related calls, including High and Medium voltage outages.

Table 11.3 Low Voltage Complaints (LV)

<table>
<thead>
<tr>
<th>TARGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>133600</td>
<td>126357</td>
<td>7243</td>
</tr>
</tbody>
</table>

In an effort to reduce low voltage complaints, the following upgrades and refurbishment were carried out on LV networks:

- The upgrade of LV network in Kyalami Estates due to the Low Voltage problems in Extension 5 has been completed.
• The installation of new LV and MV cables and replacement of overloaded miniature substations in the Illovo and Inanda Areas have been completed

• The Mayfair Low Voltage upgrade – the installation of new miniature substations in order to relieve load from the existing miniature substations has been completed

Project Lungisa

Project Lungisa is an “elevated plan” aimed at achieving the following:

• Audit of public lighting infrastructure
• Updating GIS data set to improve budgeting process
• Identifying network defects not reported through fault management system
• Reduction of maintenance backlog
• Identifying public lighting network condition and remedial actions

Customer satisfaction

The focus on customers continued unabated, with notable successes and some disappointment, which are receiving concerted management attention. Meter reading accuracy has improved again while account related complaints were reduced and 99% of customers are now being billed. Through ongoing improvement to our call centre, we also able to offer a faster and more effective response to customer calls. Whilst the level of customer calls answered within 30 seconds as a percentage of total calls of 85.4% was below the target of 90% it was in line with last year. This was a commendable achievement in light of the extremely high volumes of outage related calls. The percentage of customer queries resolved of 93% was better than the target 90% and last years 90% levels whilst the turnaround times of 36 hours are significantly better than the prior years 72 hours and the target of 48 hours.

Black economic empowerment

City Power’s commitment to black economic empowerment permeates the organization and reflects the efforts of dedicated unit. During the year, 62% or R 450 million of discretionary spending went to empowerment companies and small and medium enterprises. This is a considerable improvement on the R339 million in the previous year.

Financial

From the financial perspective, City Power exceeded its capital budget and spent R 458 million during the review period on maintaining and upgrading network infrastructure. While still short of the ideal capital required to address historical under-investment, this was a considerable improvement on the capital expenditure in the previous year and is reflected in improved network performance and service delivery standards in several areas.

City Power continued to produce extremely positive financial performance during the year. The balance sheet at 30 June 2005 reflected improved cash balances of R 826 million (2004: R 570 million). Revenue for the year was R 3.335 million (2004: 2.957 million) and net operating income was R 417 million (2004: 189 million). Cash flow improved to R 826 million during the year, reflecting improved collection rates of above 95%, more accurate billing, further reduction in arrears and good cost control. Accordingly, City Power exceeded its revenue target for the year, recording a retained profit of R 103 million.

Public lighting
The following major lighting projects were successfully completed during the cause of 2004/05 financial year:

- High mast refurbishment and the illumination of major intersection within the Diepsloot political region
- New streetlight installation and network extension within region 2 were completed (areas covered were Sunninghill, Buccleuch, Ivory Park and Paulshof)
- New public light installation at Olivedale, Khyber Rock, Bryanston and Juskei Park
- Refurbishment of luminaire at Black Reef, Kingsway, Barry Hertzog and Beyers Naude
- New installation and refurbishment projects within Northriding, Discovery, Roodepoort CBD and Florida
- New installation of street lighting and refurbishment of vandalized Highmast in various areas in Soweto including Dobsonville and Zola
- Refurbishment and new streetlight installation within Wynberg, Modderfontein and Alexandra
- Upgrade of lighting with JHB CBD and refurbishment and upgrading of vandalized high mast on the motorway interchanges
- Network extensions were completed in the following areas: Golden highway, Pat Mbatha and Lawley Road

The Capital spend for 2004/2005 amounted to R472,7 million as compared to a revised budget of R441,2 million (original budget of R469,6 million). The net overspend of R31, 5 million was made up by an overspend of R36, 6 million in loan funding offset by an under spend of R5, 1 million on public contributions.

The Capital Expenditure breakdown is provided in the Table 11.4 and Table 11.5

Table 11.4 Capital Expenditure for 2004/05 financial year

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Electrification</td>
<td>11,500</td>
<td>11,500</td>
<td>964</td>
<td>10,536</td>
</tr>
<tr>
<td>Infrastructure Refurbishment</td>
<td>52,700</td>
<td>55,700</td>
<td>47,554</td>
<td>8,146</td>
</tr>
<tr>
<td>Service Connections - Loans</td>
<td>16,475</td>
<td>8,825</td>
<td>(89)</td>
<td>8,914</td>
</tr>
<tr>
<td>Township Reticulation - Loans</td>
<td>1,550</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Upgrade of Electrical Network</td>
<td>111,000</td>
<td>111,000</td>
<td>210,164</td>
<td>99,164</td>
</tr>
<tr>
<td>Network Development</td>
<td>16,500</td>
<td>16,500</td>
<td>4,069</td>
<td>12,431</td>
</tr>
<tr>
<td>Building Constructions</td>
<td>2,000</td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Buildings Alterations</td>
<td>4,414</td>
<td>8,956</td>
<td>4,653</td>
<td>4,303</td>
</tr>
<tr>
<td>Office Equipment/ Computers</td>
<td>1,508</td>
<td>1,761</td>
<td>5,052</td>
<td>3,291</td>
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<tr>
<td>Computer Software</td>
<td>17,280</td>
<td>9,762</td>
<td>6,905</td>
<td>2,857</td>
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<tr>
<td>Furniture</td>
<td>174</td>
<td>828</td>
<td>870</td>
<td>42</td>
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<tr>
<td>Tools and Loose gear</td>
<td>5,395</td>
<td>3,025</td>
<td>2,920</td>
<td>105</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>5,110</td>
<td>19,749</td>
<td>7,077</td>
<td>12,672</td>
</tr>
<tr>
<td>Meters</td>
<td>28,000</td>
<td>28,000</td>
<td>27,984</td>
<td>16</td>
</tr>
<tr>
<td>Load Management</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>SCADA</td>
<td>4,500</td>
<td>4,500</td>
<td>1,245</td>
<td>3,255</td>
</tr>
<tr>
<td>Protection</td>
<td>3,000</td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>
## Loan Funding

The overspend in loan funding of R36.6 million was predominantly a result of R99.2 million overspending in the upgrade of the electrical network. The projects, which were the material cause of the over-expenditure, were:

- Replacement of faulty cables in areas such as Roodepoort, which experienced many LV outages. (R21.5 million)
- Replacement of cables in Weltevreden Park (R15.8 million)
- Replacement of cables in Constantia (R23.3 million)
- Refurbishment of obsolete equipment (R20.7 million)
- Installation of switchgears in Roodepoort (R4 million)
- Additional amounts spent on Alexandra normalisation project (R5.4 million)
- Upgrade of Wilro Park, Roodekrans, Oniedekkers Park (R6.9 million)
- Upgrade of Ruimsig (R1.6 million).

## Plans for 2005/06

- Fast tracking the roll out of prepayment meters
- Replacing all defective meters
- Addressing recurring outages in known areas
- Upgrading underperforming areas
- Continuing with current capital programme
- Continuation of project Lungisa
- Continuously improve public lighting coverage
• Investigate technologies on public lighting fault reporting, control and management
• Continuously prevent theft, illegal connection and vandalism on street lighting infrastructure

PIKITUP

KEY SERVICE DELIVERY AREAS & CHALLENGES

As the official waste management company of the CoJ, Pikitup’s core business is keeping the city clean and presenting an attractive and hygienic environment to city residents and visitors. The company is responsible for the collection and disposal of about 1.2 million tonnes of the total waste generated from by the city. Pikitup manages 11 waste management depots and 48 garden sites strategically located throughout the city. Services are provided over a 1 625 square kilometre area of the City, which in itself presents the company with multitude of challenges. Alongside the collection and disposal of domestic waste, Pikitup services 15000 business enterprises, as well as sweeping and clearing litter from approximately 9 000 kilometres of roads throughout the 11 regions that make up the Johannesburg Metropolitan area.

PROGRAMME PERFORMANCE FOR 2004/05

The following are some of the key performance highlight for 2004/05:

• Chain of Waste efficiency improvement project
• Voluntary counselling and testing of all staff in the company
• The completion of a Bin Census Project
• Project Mayibuye – Bulk Services revenue project
• Values workshops across the company
• Introduction of new weighbridge technology at landfill sites
• Opening of new and refurbishment of existing garden sites around the City
• Launch of Pikitup compost product
• Winning of the CAPAM award for innovation – 100 Spot project
• The Pikitup Golf Day which, to date, has raised approximately R150 000 for worthy causes including the Othandweni Children’s Home and Meals on Wheels
• Landfill lifespan depletion and human capital erosion as well as poor management of resources are serious threats for the company’s existence and will be addressed in the 2006 financial year
• However in spite of the challenge the company has managed to extend waste management services to all formal developments within the boundaries of the City. The company presently provides an efficient service to 94% of the informal settlements
• The company continues to address the challenge of erosion of its human capital by HIV and AIDS, through its Employee Wellness Programme

Environmental compliance

The implementation of an Environmental Management System (EMS) has been identified as one of the priorities in the implementation of an Environmental Management Framework and is nearing completion with 50% of the system already installed. The EMS is a set of management procedures and processes that allow an organisation to analyse control and reduce the environmental impacts of its services, products and services.

Landfill sites
Due to the rapid pace at which landfill space is depleted the company, in an attempt to divert waste to other landfill sites has reached an advanced stage of sourcing an alternative waste disposal site. The company has succeeded in upgrading landfill sites to meet the minimum permit license conditions.

During the 2004/05 financial year a total of R8,890 million was spent on the various landfill site projects. This included the completion of Phase 1 of the rehabilitation of the Linbro Park landfill site in terms of the development plan and the completion of the studies for the proposed Northern Works landfill site, which are required for the Environmental Impact Assessment. During the financial year, a total of 6 closed landfill sites located in Soweto were also rehabilitated at a cost of R3, 7 million.

Recycling

Recycling was identified as a focus area in the City's waste management strategy. In this regard research was undertaken to determine the feasibility of a municipal recovery facility for waste recycling. The findings of the research will be available in the next financial year.

Garden sites

Pikitup successfully operates 48 garden sites across the City. These sites receive an average of 5 920 tons of garden refuse per week, which comprises 20% of the total waste collected. The company has succeeded in the rationalisation of garden sites, including the construction of 2 sites in Soweto. Two more garden sites have been converted into strategic recycling facilities diverting all green waste to compost plants. A total of 12 560 tons of green waste have been diverted from garden sites to composting plants thus saving airspace.

Additional funding has been made available for the upgrading of garden sites and revamping of dilapidated garden sites. Pikitup’s garden site strategy has been aligned with Pikitup’s vision by converting garden sites into Environmental Centres of Excellence which focus on four strategic pillars viz. green waste; occasional waste; recycling and community participation.

Panorama composting plant

Pikitup launched several sustainable development initiatives in line with the global aims of the 2002 World Summit on Sustainable Development. With the launch of the Panorama Composting Plant in Roodepoort, Pikitup has devised a two-probed solution comprised of recycling garden waste and curbing common practice of disposing of green waste at landfill sites. Through the Panorama composting plant, Pikitup launched its composting product that it sold to the public.

Illegal dumping after Project 100 Spots

Pikitup continued with the 100 spots illegal dumping eradication programme and managed to clear 500 spots for the 2004/05 financial year. By the end of November 2005 a further 355 spots were cleared in Soweto alone. Pikitup, with the help of the Johannesburg Metropolitan Police Department (JMPD), monitor these sites on an ongoing basis to ensure that dumping does not reoccur.

Contribution towards EPWP, BEE & SMME

Labour Intensive Construction was optimised through EPWP program, in the following Projects:
• Construction of Garden Sites: Labour Intensive Construction used in paving, earthworks and construction of walls
• Rehabilitation of landfills: Labour Intensive Construction used in earthworks
• Upgrading of Panorama Compost Plant: Labour Intensive Construction used in earthworks

Previously the SMME were helped by shortening their payment cycle from 30 days to 15 days. During the 2004/2005 financial year the scoring on specific goals was changed to include one point or two points for firms, which qualify as SMME on the 90/10 or 80/20 system respectively. It is envisaged that some of the SMME’s on long term contracts will be identified to go on EPWP contract learnerships program.

PIKITUP achieved the target set by the City of Johannesburg (CoJ) on procurement. Presently the BBBEE evaluation is based on the narrow category of ownership only. PIKITUP aims to adopt a seven pillar score card based on the BBBEE act which encourages companies to not only look at ownership, but to consider all seven pillars of BBBEE Act.

Impact of turn around strategy

The Critical Success Factors (CSF’s) for measurement were based on delivering against the 5 key strategic drivers of the company, which were approved in the business plan. The turn around was based on five key drives, namely, landfill Lifespan Depletion, weak financial condition of the Company, human capital erosion, poor management of resources and growth of the City.

The Turn Around Strategy has been marked by the following success indicators:

• Project Mayibuye returned the bulk business to profitability in the last month of the year to create a strong platform for the new year
• The bin census project operated at high intensity and improved the data integrity of the company
• The addition of the new Operations Executive to the team helped infuse a new service delivery drive that brought down complaints and costs
• The CPI team was deployed internally for continuity of operational efficiency and was having a positive impact on the business
• The new fleet additions were successfully incorporated and reduced dependency on third party operators and also contributed to improving service delivery
• The composting plant was geared up and commissioned to take more green waste and thus save more landfill space
• The customer query resolution rate broke through the 80% mark as a historic first and reached 84%, a sure sign of vast improvements in service delivery
• Capital expenditure management was an example of setting up all the building blocks in the previous quarter to achieve over 90% of spend of planned capex for the year
• The wellness programme started to roll out across the company and the impact would be felt later in the year
• A values driven business ethics workshop programme was successfully instituted to begin to alter the culture of the company in the long-term
• Revenue and costs practically broke even for the quarter and set the stage for a great start to the new year
PLANS FOR 2005/06

The key programmes planned for 2006 financial year are as follows:

- Service delivery: i.e. clean city, good governance and contact with customer base
- Polokwane declaration environmental imperatives: being an integrated waste management plan, public awareness, waste minimisation through recycling
- Education of communities on waste and environmental management through the implementation of educational programmes for school children and adults
- Financial: a viable and sustainable company, economic growth and job creation
- Organisational Performance: HIV AIDS management, employee satisfaction and human capital erosion management.
CHAPTER 12

MUNICIPAL ENTERPRISES

Councillor Nkele Ntingane is responsible for Municipal Enterprises. The municipal enterprises consist of corporatised entities, which include Johannesburg Zoo, Johannesburg Civic Theatre, Metrobus, Johannesburg Fresh Produce Market and the Johannesburg Property Company. All the municipal entities play an important role in establishing the City as a world-class African city.

### KEY ACHIEVEMENTS

- The Johannesburg Civic Theatre has increased audience attendance to about 364,000 patrons a year, from a low base of less than 194,000 in its first year
- 376,235 visitors visited the Johannesburg Zoo during the 2004/05 financial year
- Metrobus’ profit improved from R1.2 million in 2004 to R2.2 million in 2005, an improvement of 91.7% year on year
- Johannesburg Fresh Produce Market established a Distribution Centre for the Score Group on the JFPM premises. It is significant to note that the Score Group is part of the Pick n Pay Group
- Facilitation of economic development and inner city regeneration through the Better Buildings Programme

### CITY OF JOHANNESBURG PROPERTY COMPANY

#### KEY SERVICE DELIVERY AREAS AND CHALLENGES

City of Johannesburg Property Company (Pty) Limited (JPC) is a wholly owned entity by the City whose main strategic objectives is to support economic and social development, the efficient management of the City’s properties whilst maximizing financial value and return to the City as well as the promotion of socio-economic transformation within the property sector.

JPC is responsible for the provision of property asset management, property management and administration, property development services and/or other property portfolio-related services, including land acquisitions/expropriations, land identification, designation and conveyancing, land sales and long-term lease arrangements, short- and medium-term leases, including outdoor advertising and servitude encroachments, financial and accounting services related to the property portfolios and strategic and business planning related to the property portfolios.

### PROGRAMME PERFORMANCE FOR 2004/05

The following achievements were attained in 2004/05:

**The better building programme (“BBP”)**

The objective of the programme is to look at buildings where there are arrears in rates and municipal services as well as derelict buildings with the aim of turning these around and attract new investors. In 2004-05 the following highlights were notable on the programme:
• Increase in the number of buildings incorporated into the programme from 52 in March 2005 to 73 in June 2005
• The renovation of the Europa Hotel in Hillbrow for transitional housing and emergency shelter, completed in September 2005
• Approval by Council and subsequent acquisition of buildings in the Inner City for the BBP

Other inner city regeneration initiatives

The City of Johannesburg finalised the development of Central Place in Newtown and Wolhuter Street. The City of Johannesburg also approved purchase or expropriation of properties in Gwigwi Mrwebi Street, for redevelopment into housing, parking and open spaces. These initiatives have served as catalysts in creating better built environment and is significantly unlocking private sector investment and interest, which was, has been for a long time absent within the inner city.

Land regularization

As part of supporting both economic development priorities as well as the housing masterplan of the City of Johannesburg, JPC initiated a land regularization drive. This Programme involves the formalisation of property rights, mainly in the former Black townships, starting with Soweto. The benefits of this programme will be the extension of property ownership as a base for providing shelter and wealth to thousands of residents in the former Black townships. Formalised property rights and coherent Town Planning Schemes will also boost investor confidence and will help to create a thriving property market within these areas.

During this year, a physical visit and survey of all Council owned properties and shops, was done and documented, in Soweto. The project started with 5000 properties initially being identified as Council owned and at the conclusion of the project, a total of 23 000 Council owned properties were identified within Soweto.

The next phase of this project is to allocate those properties that are occupied by beneficiaries that qualify for transfer of these assets onto their names, as per the criteria set by the Council. For the remaining Council owned properties, property plans defining their future best use will be completed done and a process will ensue to either retain those properties that have a strategic use for the Council or release into the private sector, those properties that best fit this purpose.

Other properties that have been released into the private sector, to support economic development, include:

• Diepkloof zone 3 (retail, residential and hospice)
• Formulation of a precinct plan for the rejuvenation of the Randburg Civic Precinct
• Renovation and relocation of Photo Workshop in Newtown

There were also properties that were used to support service delivery priorities as well as social development activities of the City of Johannesburg. These included:

• Dube Child Protection Unit - R1m uplift
• Techno Centre in Randburg
• Jabulani day care centre
• Redevelopment of Jabulani hostel shops
• Shelter for abused women and children in Marshalltown
• NGO village created at the Lenasia South East Municipal Offices
Asset register

The first phase of the property asset register project was successfully completed by the JPC. Property information has been collated and classified within the property database in line with Generally Accepted Municipal Accounting Principles requirements. The asset register now identifies uses for each property and also contains valuation information. In terms of the records contained in JPC’s Property Asset Register, the COJ is the owner of 14 196 property titles. Twelve thousand two hundred and twenty four (12 224) records of titles were loaded onto the COJ’s Venus Fixed Asset Register as at the end of September 2005. There are 1 972 property records that are undergoing further investigation and will part of the future phases of the asset register compilation. The valuation of the identified and verified properties, amounts to R6,8 billion.

Policy development

In the last quarter of the year, JPC got involved as a significant contributor in the Property Charter formulation within national government. The significance of the Property Charter formulation initiative is that this policy, will guide all issues pertaining to transformation and empowerment within the property sector. It will form the foundation for property to be utilized as a vehicle for transformation.

Financial performance

The JPC not only obtained a clean audit report but increased its income by R5,m or 26% from the 2003/4 financial year. The net profit is R2,9m or 431% better than the previous financial year. This resulted in JPC being in a good and sound financial position and this will definitely be carried forward in the 2005/6 financial year.

PLANS FOR 2005/06

The JPC aims to better utilize property portfolio owned by the City of Johannesburg to yield the following:

• On economic development and financial benefits, the JPC will identify high value strategic vacant properties valued at about R150 million for release into the private sector to leverage commercial developments worth approximately R10 billion in construction value, over the next 3 years. The initial R4bn worth of private sector property construction investment, will be leveraged in 2005/6. The R4bn will be derived from tendering and award of the Fairlands – Jerusalem site (estimated construction value R1,2bn), Orlando Power Station site (estimated construction value of R1bn) and the R2bn balance will be from the Randburg CBD, Bruma Lake and Newtown tenders, to be invited and awarded in the last half of 2005/6. JPC also aims to increase the value of the property portfolio under management, from R6,8 to R8,8 billion by the end of 2005/6 financial year and increase the municipal tax base by R3,8 million through various property interventions and value enhancement initiatives. The value of rentals collected will also increase by 12,5% in the 2005/6 financial year

• On social development benefits, JPC aims to increase the category of the portfolio under management that supports social uses e.g. public places of worship, NGO and CBOs, sports and recreational areas and other social amenities by 10% in 2005/06

• The achievement of BEE and skills development through the use of the CoJ tailored property charter / policy which will mandate a minimum participation of 50% black ownership and control in all property transactions going forward

• The job creation and skills development targets will be implemented using a strategy termed the “Property Boomshare” initiative. - a practical utilisation of property as a tool for transformation whereby the value of the CoJ’s Property Portfolio and the construction
expenditure thereon, together with the draft Property and Construction Charters as well as the Financial Services Charter, are used as levers by the CoJ to partner private sector on BEE, job creation, SMME development & skills development

- Support of the housing masterplan for the City of Johannesburg will also be intensified in the 2005/06 financial year, mainly through the acquisition of land for housing purposes and by proactively identifying opportunities for provisioning of housing, in all commercial developments
- The Better Buildings Programme will be upscaled from the current 100 buildings are that are part of the programme to 1000 buildings over the next 3 years as part of expanding the impact of this initiative
- In the next three years, the land regularization programme will also be rolled out from Soweto to Orange Farm, then Alexandra, followed by Ivory Park and lastly to Diepsloot

JOHANNESBURG CIVIC THEATRE

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The company’s objective is to operate the theatre as South Africa’s premier home of entertainment. The theatre received, for the fifth year, the award from Leisure Options Peoples’ Choice as Best Theatre Complex. The Johannesburg Civic Theatre is faced with a plethora of challenges, principally to:

- Retain the reputation of the Johannesburg Civic Theatre as South Africa’s premier home of live entertainment
- Solidify the theatre’s identity of being the country’s ‘receiving house’ of choice (this policy has been vindicated not only by high attendance but also by the Nelson Mandela Theatre being booked for the occupation of its stage until September 2008)
- Become an internationally recognised venue for global touring theatrical productions
- Continue to build and maintain the theatre’s added-value facilities in order to operate a popular meeting place and leisure destination for all citizens of Johannesburg
- Continue prioritisation of transformation, both from within the company and the involvement of external stakeholders
- Practise excellent corporate governance and thereby assist in promoting the CoJ’s policy of corporatisation.
- A challenge at the beginning of the sixth year of operation is to maintain attendance levels among the increasing competition each year for the leisure rand.

PROGRAMME PERFORMANCE FOR 2004/05

In its fifth year of operation, the company has increased audience attendance to about 364 000 patrons a year, from a low base of less than 194 000 in its first year. Parallel to the patron attendance figures, the company’s earned income has increased considerably from R8 579 million in its first year to R18 280 million in 2004-5. The principal method of achieving this has been by producing the annual festive pantomime in-house, bringing an annual income of over R7.9 million.

The company receives an operating subsidy from the CoJ, which together with income from tenants constitutes the theatre’s main stream of income. The subsidy would decrease over a period of time. In actual percentage terms, the subsidy has decreased by 5.95% over the past four years. However, in real percentage terms, allowing for inflation, the subsidy has decreased by approximately 40.15%. Despite the decrease in the annual shareholder subsidy and the increase in earned income, operating expenditure (inclusive of the cost of producing the pantomime) has remained fairly constant.
The company has just received its fifth successive unqualified annual financial audit. Theatre usage has risen from less than 61% of potential in 2001 to over 91% in 2004/5. The board of directors approved a discretionary annual social awareness programmes budget. This allows the company’s Chief Executive Officer (CEO) to disburse funds in support of causes and institutions in need and aligned with the company’s arts and culture, entertainment and community improvement goals.

During the 2004/05 financial year, the theatre used the annual social awareness programmes’ budget to support the following causes:

- Independent Newspapers’ Star Operation Snowball
- Independent Newspapers’ Star Christmas Hamper Fund
- The Actors’ Centre at the Johannesburg Civic Theatre
- South African Police Service’s Hillbrow Operational Division – street children project
- The Mayoral Charity Golf Day
- The Theatre Benevolent Fund
- Amajika Theatre Awareness Youth Education Project
- Thembisa HIV and AIDS Youth Awareness Project
- The SA Irish Pipes and Drums
- The Avril Elizabeth Home
- The Selwyn Segal Centre for the mentally handicapped
- The Talk Radio 702 Telephone Appeal for Hospice

**PLANS FOR 2005/06**

The Johannesburg Civic Theatre aims to build on the success of its recent, past and to continue to fulfil its role in contributing to the vision of Johannesburg as a world-class African city. The plans for 2005/06 include focusing on customer service and satisfaction and to maintain popularity amongst the increasing competition.

**ROODEPOORT CITY THEATRE**

**KEY SERVICE DELIVERY AREAS AND CHALLENGES**

The theatre’s primary focus is to develop into a world class centre for development of Lyric Arts. The theatre is both a producing and receiving theatre, in that it develops programming as well as hire out facilities to outside communities and other stakeholders. The theatre is characterised by the following enormous growth in residential populations and increasing levels of integration amongst population groups within the area.

**Artistic development**

Develop a turnaround and transformation strategy for the theatre by:

- Increasing income
- Expand programming and repertoire
- Develop new audiences
- Align governance and administration with CoJ

**PROGRAMME PERFORMANCE FOR 2004/05**

The following key performance highlights were achieved during the 2004/05 financial year:

- 2% increase in attendance with 24062 people attending performances between July 2004 to June 2005
- Increase in turnover of over R1 million and an operation surplus of R640 854 in 2004-05
• Choral Tuition Programme
  A choral tuition programme commenced during the last quarter of this financial year and is on track. The project is playing a positive role in community development
• Instrumental Tuition Programme

This programme continued during this financial year and will continue into the next financial year. It has proven a positive investment on the youth.

PLANS FOR 2005/06

The challenge at the beginning of the sixth year of operation is to maintain popularity among the increasing competition each year. The theatre’s plans for 2005/06 are continued delivery of its key performance areas listed above.

JOHANNESBURG ZOO

KEY SERVICE DELIVERY AREAS AND CHALLENGES

The Johannesburg Zoo houses 2050 animals of 380 species in 54 hectares of parkland. The core business of the Johannesburg Zoo is the accommodation, enrichment, husbandry and medical care of wild animals. As a commercial operation the Zoo has expanded into other activities related to the recreational/entertainment and hospitality/tourism markets to ensure survival and future growth. The Johannesburg Zoo contributes to the quality of life of the citizens of the city through core products and services, including conservation, education, recreation and eco-tourism and research.

The Johannesburg Zoo is one of the premier tourism and recreation destinations in Johannesburg. As such the focus and the strategic direction of the Zoo is to grow and develop in a way that will capture the hearts and minds of the residents of Johannesburg and ensure that they enjoy the many delights that await them at the Zoo.

The major challenges facing the Zoo are linked to its 100 years of existence. The infrastructure is old and the Zoo experiences the need to be repositioned. The age and skills of the Staff is also one of the challenges, weather, increase of visitor revenue, animal welfare and safety and security of visitors and animals are some of the challenges facing the Zoo.

PROGRAMME PERFORMANCE

In 2004/05 year, the number of visitors to the Zoo has risen in line with new developments. The actual visitors for the year was 376,235, this is number is the highest since the Zoo was established as a stand alone entity. Various events and concerts assisted in achieving this number.

The Johannesburg Zoo achieved the following performance for the 2004/05:

• The visitor numbers achieved is 5% higher than target, at 376, 235 visitors, this is a growth of 16% over the previous year
• The disaster management plan is complete and in place
• The level of readiness to manage disasters is measured by the number of practice drills conducted, three (3) drills were performed during the year. Two actual incidents were experienced and staff responded professionally
• An annual environmental assessment is conducted, the Zoo rating increases from a base of 66% to 74.5%, slightly below target of 75%. Areas of improvements have been identified
• Four projects were undertaken to improve water consumption against a target of three. The projects were the repair on the AngloGold Dams, the installation of drinking fountains, the installation of an irrigation system based on recycled water and the filling of leaking moats at Carnivore Curve
• There were no employee fatalities reported during the year
• The HIV/ Aids Programme at the Johannesburg Zoo has commenced with general training, the identification and training of peer councillors
• Staff has not reported their HIV status at the Johannesburg Zoo
• The number of sustainable jobs at the Johannesburg Zoo is 162. The actual staff varies dependent on staff movements
• The cyclical nature of the operations at the Zoo results in the employment of temporary staff. The number varies per quarter with a maximum of 10 temporary staff being employed in the first quarter
• In total for the year, seven public safety incidents were reported, two incidents related to the Chimpanzees throwing objects and a child bitten by a donkey. Signs have been erected at all enclosures with animals that may bite and on weekends additional staff allocated to watch the Chimpanzees. The remaining 4 incidents were members of the public falling. A campaign to repair dents in paving will reduce the risk of falling. The customer safety plan in place and operational
• Four major refurbishment projects were completed, the Carnivore Curve, AngloGold Dams upgrade of the Ape House and elephant enclosure. Six (6) new enclosures were established, Otters, Bongo, Red River Hogs, Provost Squirrels, Ringtail Lemurs and Tamandua
• Eight (8) projects were initiated to improve animals well being- these range from preventive medicine Programmes to enrichment and nutrition
• In order to increase PDI visitors a marketing campaign has been run on Kaya FM. Every month Metrobus, the Fresh Produce Market and the Johannesburg Zoo host underprivileged children at the Zoo
• The number of animals is relatively stable at 2050. On an ongoing basis surplus animals are identified and sold. In the long terms the number of animals at the Johannesburg Zoo will increase
• 4.2 % of operating expenditure is spent on repairs and maintenance
• The full capital allocation of R 7.2 million was spent in the financial year
• A Customer Service Programme was completed, two customer satisfaction surveys were undertaken. Overall 82% of customers rate the Zoo experience as good
• Queries are resolved immediately, complaints and commendation are reported to the City in the quarterly report
• R374, 000 was generated from donor funding, this was below the target of R600,000. The key reason was that Friends of the Zoo were reinstated and took over the raising of sponsorships. A timing difference will see a donation from Friends of the Zoo in the New Year
• BEE procurement, as a proportion of total operating expenditure, was 24%. This will be addressed in the coming year
• The development plan was completed and approved by the Board and Mayoral Committee. Implementation of the development plan is ongoing. The rezoning application is awaiting comments and a public participation process

PLANS FOR 2005/06

• The Johannesburg Zoo is in a stable and secure position. In order to grow into a World Class Zoo, the focus in on the upgrade of animal enclosures and improvement of visitor facilities. The measure of a World Class Zoo has been identified from the World Association of Zoo' Conservation Strategy. The Johannesburg Zoo will strive to attain the role and functions that characterize a future ideal Zoo
To achieve this the Johannesburg Zoo will:

- Utilize the unique resource available to advance conservation aims both in and ex situ
- Develop outstanding education Programme that teaches proactive environmental concerns locally and globally
- Develop innovative exhibits to excite and inspire the visiting public whilst continually reviewing and improving the welfare of captive animals
- Adopt and utilize new technological advances for enhanced communication, research and education
- Increasing income generation

METROBUS

INTRODUCTION AND KEY SERVICE DELIVERY AREAS

Johannesburg Metropolitan Bus Services (Pty) operates a daily scheduled public transport service in Greater Johannesburg covering a total of approximately 308 routes, 135 of which are dedicated school routes. Metrobus operates a total of 430 shifts and has over 500 buses, utilised to operate on scheduled routes on a daily basis. In terms of the service level agreement with the City, Metrobus strives to improve the mobility and service excellence within the city.

PROGRAMME PERFORMANCE 2004/05

Financial performance

The company’s turnover from operations was R84.7 million against R76.2 million in 2003-04 which represents a growth of 11.2% year on year. The company received a subsidy of R202.3 million compared to R191 million in 2004 which represents an increase of 5.8% year on year. Profit for the year improved from R1,2 million in 2004 to R2.3 million in 2005 an improvement of 91.7% year on year. Finance costs decreased from R41 million in 2004 to R30.9 million in 2005, representing a decrease of 24.6% whilst the results were positive management believes that there are still challenges which will be faced in the New Year, particularly with regard to maintenance and operating costs due to the average age of bus fleet.

Customer focus & improvement of reliability

Metrobus put in place stringent systems and procedures to make sure that a better service was delivered. Bus arrival reliability - a critical factor in encouraging confidence and increased customer usage - was increased to 99%, from the previous financial year achievement of 90%. Buses left their departure time on time, leading to increased customer confidence.

A critical component of enhancing reliability is to ensure that services are not cancelled. In this regard, Metrobus sought to reduce the number of overall trips cancelled from the previous year’s 5% to a manageable 1%. The actual number of cancellations was reduced to 1.78%. In terms of the customer satisfaction survey, 78% of respondents expressed satisfaction with the services offered by Metrobus as against 77% in 2003/04.

Metrobus also ensured that the majority of the buses under its fleet did not exceed their economic useful life. The target of 46% was achieved.

Capital projects
During the 2004/05 financial year, Metrobus embarked on the following major capital projects:

- Land and buildings to the value of R 5.7 million as a result of the inspection by the department of labour
- Plant and machinery to the value of R 1.8 million
- Vehicle communication equipment to the value of R 2.9 million

During the awarding and execution of these projects as a special effort was made to ensure that:

- Black Economic Empowerment (BEE) was promoted, leading to increase from 14% to 35%, thus exceeding target by 10%
- As many jobs as possible were created, thus assisting the EPWP programme
- Local skills were used unless unavoidable

OPERATIONAL INITIATIVES

Key achievement for the year included the following:

Fifteen female bus drivers were appointed to assist in:

- Ensuring the number of drivers are sufficient to fill all the required shifts
- Metrobus achieving the Black Economic Empowerment target of 60%
- Disciplinary procedures did not take place during the 4th quarter, this is due to amnesty being granted to drivers for any offence committed prior to 11 April 2005
- House Rules being developed. These rules will not contravene the Labour Laws and will facilitate better relations between management and employees
- 70 members started with Adult Basic Education and Training

CHALLENGES FACING METROBUS

Metrobus is faced with the challenge of delays in the route optimization strategy due to labour disputes and the ongoing PUTCO litigation. Metrobus also needs to look at overtime costs for drivers which impact negatively on the company’s operating budget. Despite the amnesty granted in respect of offences committed before 11 April 2005, misdemeanours are still occurring though. This is an issue of concern for Metrobus management. Management is engaging with labour in order for them to understand fully the impact of offences committed. It is also confronted with the impact of the HIV and AIDS pandemic, which threatens the company’s economically active client base.

Reliance on diesel suppliers for the uninterrupted supply of diesel, reliance on one ticketing system provider (Questec), as well as reliance on one supplier of computerised ticketing sales outlets (Computicket), presented further challenges. These challenges impact on service reliability, cost reduction and internal controls. There is the need to reduce the dependence on subsidies from the shareholder.

PLANS 2005/06

- Good Governance - Metrobus will have to comply 100% with the Municipal Finance Management Act (MFMA) and the King 2 report
- Customer Care - Improve use of information centres and increase the percentage of complaints resolved
• Economic Development and Job Creation - Through continuous pursuit of service delivery excellence, Metrobus anticipates contributing to the economic growth and development of the City
• Inner City Regeneration - Metrobus will have to adhere to the ITP or other legislation in respect of providing services within the inner city. Metrobus intends to tender as a feeder and distribution service provider for the Gautrain
• Improve Community Safety - “Free rides” are offered to uniformed members of SAPS, JMPD, and Army. This assists in providing a safer environment for passengers.
• HIV/AIDS - Metrobus is planning to implement a number of HIV/AIDS programmes for 2004/05
• Enhanced Integrated Transport - Metrobus has based its business plan on the premise that the Integrated Transport Plan (ITP) will only be fully implemented by 2008. Metrobus will support and adhere to it
• Prepare 2010 Soccer World Cup - A functional and newer fleet will be needed to serve the demands of 2010 FIFA World Cup and therefore Metrobus has identified the leasing option to reduce the average age of the fleet as a way to deal with the imperative. Metrobus is of the view that it is important to create a legacy for public transport long after 2010

JOHANNESBURG FRESH PRODUCE MARKET

KEY SERVICE DELIVERY AREAS

The Johannesburg Fresh Produce Market (Pty) Limited (JFPM) is a national and international distribution centre that facilitates the exchange of fresh produce via registered market agents. Over 12,000 producers deliver fresh produce to the market to sell to over 5,000 buyers, closing in excess of 20,000 transactions daily. The average daily turnover is approximately R6 million or R1,8 billion per annum. Approximately 30,000 people visit the market on a daily basis, 40% of them being informal traders. The JFPM plays a crucial role in economic empowerment and poverty alleviation by offering opportunities to SMME producers.

The Company set itself very aggressive objectives for the year under review. This was in view that most primary customers had left the market and are making use of alternative means of sourcing fresh produce

PROGRAMME PERFORMANCE

The key achievements of the JFPM during 2004/05 included those described below:

Financial performance

2004/05 saw bad weather conditions resulting in a R56 million decline in turnover from the previous financial year. This translates into a R3 million commission revenue shrinkage. However, total revenue has increased by R0.2 million as a result of management focus on revenue growth areas, resulting in real growth of R3.2 million year over year.

During the 2004-05 financial year, revenue growth resulted in establishment of new revenue stream – cash handling- which generated R1.3 million from October 2004 to June 2005. In addition, revenue from banana ripening and cold storage facilities increased 33% and 17% year over year. Rental income realised double digit growth from the previous financial year.

Operational expansion
JFPM has established satellite markets through which they would not only increase the volume of trade but also increase the relationship with its primary stakeholders, being the hawkers and street vendors who trade in the black communities. This initiative has set the scene for the expansion of this project to other areas.

In addition, JFPM launched a new banana ripening facility (R 14 million investments) and it is in process of getting HACCP accreditation. This new facility is already fully capacitated and stimulates the trade of banana at the JFPM. Some external parties, retailers and wholesalers have expressed interest in utilising these facilities, showing the FPM has made significant progress in attracting retailers back to our business through addressing their issues. The Distribution Centre for Score is situated in the facility, and JFPM is in the process of finalising agreements with other retailers. An agreement has been entered into with the Massmart Group, which is entering the fresh produce market for the first time. JFPM extended Fruit Hall will be completed soon, addressing the space shortage experienced during the past financial year. During the financial year under review, the Soweto Wholesale Market and Pure Fresh Orlando were launched, taking the market to the people.

JFPM has managed to conclude agreements with public sector structures that are involved in the distribution of food to make use of the market as a fiduciary agent to do the distribution on their behalf. This will increase access to the broader catering sector, which includes hotels, mining houses and other bulk consumers of fresh produce.

EPWP & BEE

The total expenditure on BEE preferential procurement was 60% of the total procurement budget spent. 120 EPWP jobs were created over and above the numerous opportunities created for informal traders through the satellite markets and other JFPM centres.

CHALLENGES FACED BY JFPM

JPFM experienced the following problems in the current financial year:

- Compounded growth and changing demand and supply patterns in the fresh produce industry has significantly outpaced JFPM’s response to changing client needs
- The mismatch in service offerings with client needs has resulted in a reduction in market share and a decrease in product volumes and turnover
- Opportunities for attracting niche clients and increasing market share and volumes exist and are ripe for exploitation
- A significant portion of operating expenses is fixed (more than 65%) through employment contracts (personnel costs), outsourcing contracts (cleaning and security) and depreciation. In addition, some costs do not vary with revenue generation. Repairs and maintenance is driven by the age of infrastructure, operational expenses are driven by the size of the infrastructure and IT expenses are driven by the IT systems (30%). Therefore only 17% of Opex (R11.3 Million) is variable

PLANS FOR 2005/06

- Further development of alternative distribution channels and satellite markets
- Focus on new revenue streams owing to changing supply and demand patterns
- Minimise reliance on declining commission business, which currently accounts for 86% of revenue
• Upgrading of deteriorating infrastructure – with more aggressive food inspection expected in next few years
• Further focus on EPWP, SMME & BEE
CHAPTER 13

INNER CITY

The Inner City department under the leadership of Councillor Sol Cowan is tasked with the overall regeneration of the City, in conjunction with some of the Utilities, Agencies and Corporate Entities (UAC’s). The inner city portfolio includes the overall management of the area and the implementation of the strategies specifically designed for regeneration of the area and other prioritised issues in accordance with the Inner City Regeneration Business Plan (2005-2007).

KEY ACHIEVEMENTS

• Attracting business back to the inner city, resulting in improved rental rates
• Rehabilitation of bad buildings
• Improved by-law enforcement resulting in cleanliness and habitable buildings
• Reduction in crime resulting in increased social, cultural, artistic and economic activity
• Increased investments

SERVICE DELIVERY AREAS AND CHALLENGES

Three key intervention strategies were borne out of Johannesburg 2030 in order to address the economic constraints in order to generate additional investments, namely:

• To create an environment conducive to economic growth
• To increase investment efficiency through proper spatial planning, utilities, telecommunications and transportation
• To accelerate growth through focus on information systems, SMME development, sector development and catalytic projects

The goal of the inner city regeneration effort is to raise and sustain private investment, which will lead to a steady rise in property values

PROGRAMME PERFORMANCE

Address ‘sinkhole’ properties

Several of these ‘sinkhole’ properties consist of properties used for illegal or unsuitable purposes (shebeens and clubs in inappropriate places, prostitution, drugs, sweatshops, panel beaters in residential areas, etc.), and are owned by the public sector. The implementation of the Inner City Clean-up Pilot Project which is aimed at addressing taxis and informal traders is on track with some taxi ranks having been regularised and some upgraded, and a number of informal trading sites having largely been rolled out. The number of buildings awarded in terms of the “Better Buildings Programme” (BBP) is on track.

The number of buildings on the Better Building Programme for 2004/05 were 65 and 42 buildings were awarded clearance certificates. There were 27 contracts (drafting note: are these offers to purchase) signed and to date transfers have taken place for 13 buildings.

Urban management
Intensive urban management implies focused efforts to ensure effective by-law enforcement, management of informal trading, regular or improved delivery of services by the UAC’s and maintenance of the public realm. Private sector initiatives include the City Improvement District’s (CID) programme and CCTV surveillance, while public-led efforts include the work of the Inner City Task Force.

Targets pertaining to, surveys of buildings for compliance with by laws as well as notices served by the Inner City Task Force in terms of the town planning scheme, have been exceeded. Two CID’s have been established in order to support urban management, namely, the Retail Improvement District and The Benrose Improvement District. The reduction of the credit control backlog of R1 billion is progressing steadily with R297 million having been collected at the end of May 2005.

Surveys were conducted on buildings by-law contraventions and 447 notices were served (for building control – 211, for health – 124, for fire – 111).

Maintain and upgrade infrastructure

Progress on targets in the infrastructure upgrade is as follows:

- Implementation of sewer and water maintenance and upgrading by Johannesburg Water is on track, with the replacement of the Natalspruit Sewer phase 4 (of approximately 920m) completed in July 2005.
- Phase 1-5 of the maintenance of street lighting by City Power has been completed with Phase 6 nearing completion. Approximately R3.8 million has been spent on this project.
- The Arts Culture and Heritage department has completed the rewiring of the Museum Africa’s electrical system, the Geological Museum project is nearing completion with R438 000 spent to date.
- The JDA is on track with the following projects; Greater Ellis Park, Fashion District, Hillbrow Precinct, and Rocky Raleigh Street.
- Pikitups establishment of a buy back centre by 2005 has experienced problems and Pikitup has undertaken to complete the project in the new financial year.
- JDA’s inner city regeneration portfolio.

Various projects were undertaken under the auspices of the JDA. A number of these projects were initiated in previous financial years and as such serve as indicators of progress and performance. The details of the projects has been dealt with in Chapter 5 under the JDA and these include:

- Newtown
- Constitution Hill
- Braamfontein
- Hillbrow Health Precinct
- Fashion District
- Drill Hall
- Greater Ellis Park; and
- Rocky-Raleigh – High Street area - Yeoville

Improving customer service

The region has also made vast strides with respect to customer service. At the close of the financial year, the region resolved 2004 of the 2017 complaints logged through Johannesburg Connect. The current number of customers served at People’s Centres is 15412, which exceed the 2003/04 baseline of 10106 customers. The ability to use events to
bring audiences and investors to the JDA developments has seen over a million people attending at key events in the inner city. Such an increase bodes well for ensuring that those citizens who work or reside in the area have a greater awareness of the city’s points of access and therefore are able to seize the opportunity to utilise the services it offers.

**PLANS FOR 2005/06**

- In moving forward, the following are some of the activities that have been committed to in the drive to enhance the state of the inner city to serve and to continue the work undertaken over the past few years.
- The enhancement of urban management through actions such as the establishment of CID’s in order to support urban management, implementing sound credit control measures by facilitating the reduction of current credit backlogs and by-law enforcement (e.g. through continued surveying of a target buildings in terms of compliance with by-laws) and establishing a transitional shelter
- Ongoing redress of ‘sinkholes’ through actions that will ensure successful prosecutions in relation to unsafe or non-compliant buildings and illegal building usage, ongoing implementation of the BBP and implementation of the Inner City Clean-Up Pilot Project programme
- Coordination and monitoring of the maintenance and upgrading of the inner city infrastructure in conjunction with the UAC’s
- Improvement of customer service in respect of the municipal services within the region by timeous resolution of customer complaints and identifying corrective measures