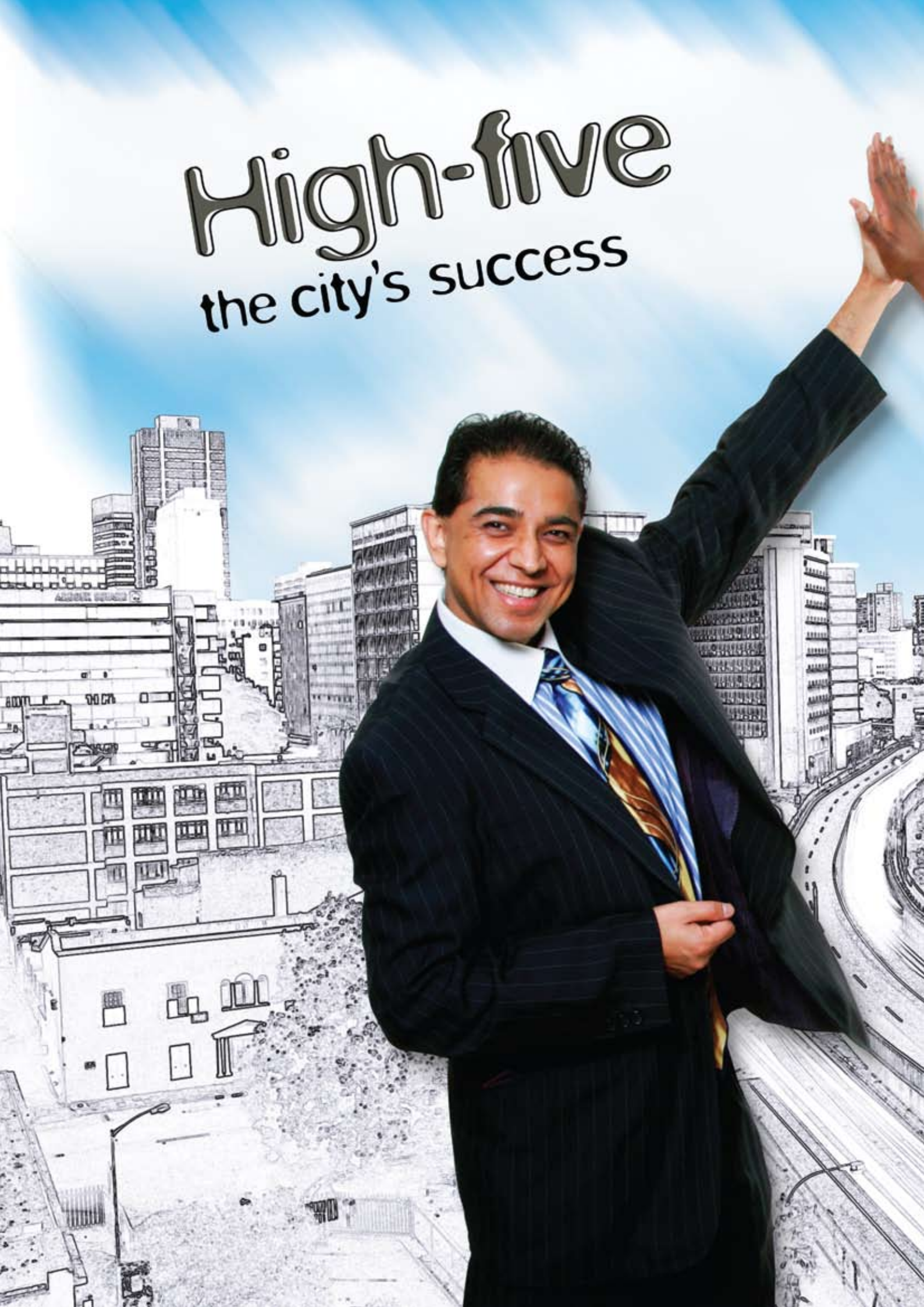


High-five

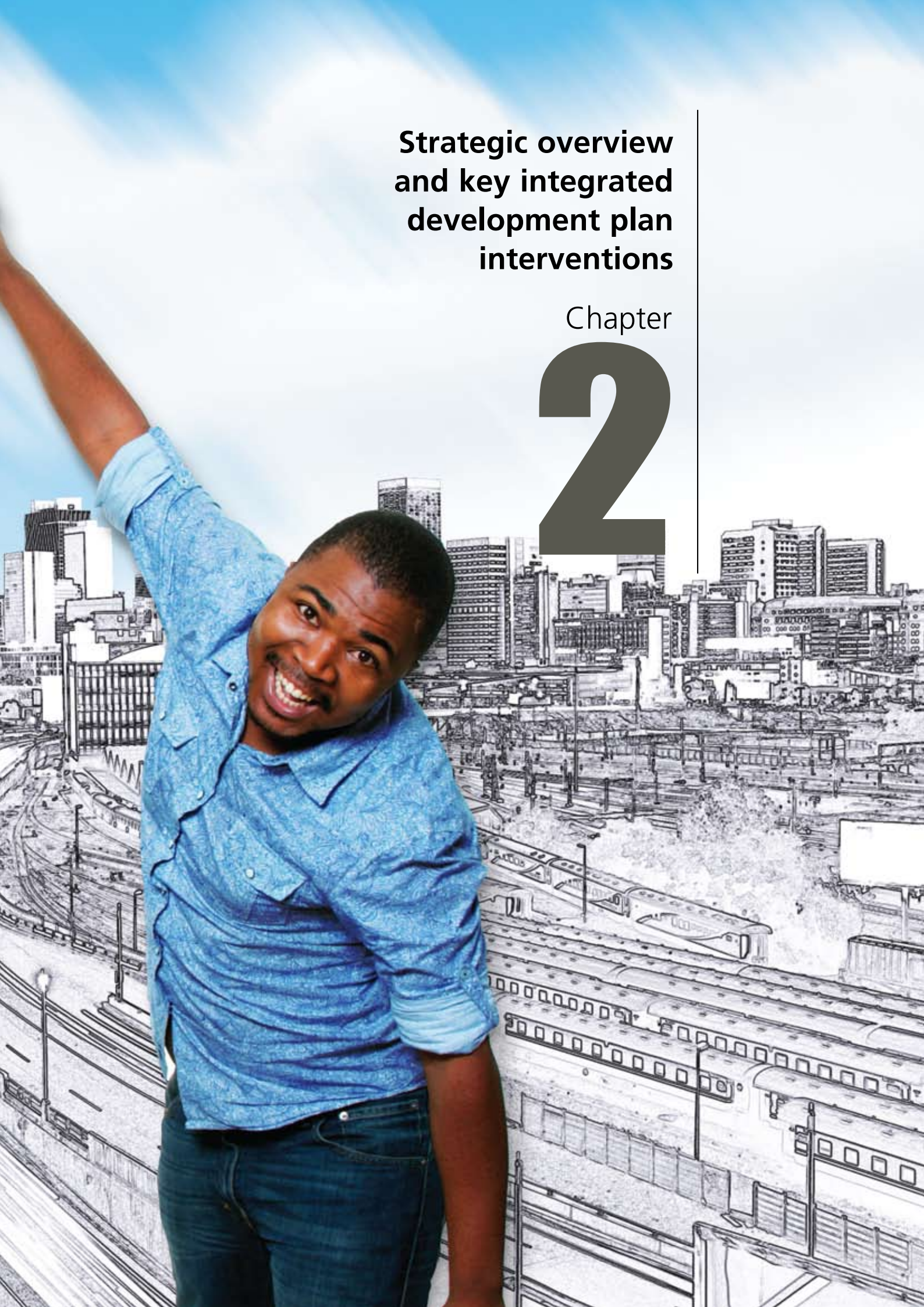
the city's success



**Strategic overview
and key integrated
development plan
interventions**

Chapter

2



Introduction

The City of Johannesburg, since the March 2006 local government elections, re-committed itself to a vision of developing Johannesburg into a world-class African city. The Growth and Development Summit was held at NASREC on 12 May 2006 to reaffirm this vision. The summit was attended by more than 1 500 delegates. The gathering was significant and led to the development of the Growth and Development Strategy (GDS) and the five-year IDP. To date, there has been no reason to reconsider the core principles or key long-term goals in terms of the medium-term objectives contained in the IDP. In relation to this, Johannesburg's City vision remains as follows:

In the future, Johannesburg will continue to lead as South Africa's primary business city, a dynamic centre of production, innovation, trade, finance and services. This will be a city of opportunity, where the benefits of balanced economic growth will be shared in a way that enables all residents to gain access to the ladder of prosperity, and where the poor, vulnerable and excluded will be supported out of poverty to realise upward social mobility. The result will be a more equitable and spatially integrated city, very different from the divided city of the past. In this world-class African city for all, everyone will be able to enjoy decent accommodation, excellent services, the highest standards of health and safety, and quality community life in sustainable neighbourhoods and vibrant urban spaces.

The City of Johannesburg adopted a set of six core development principles through an extended process of internal consultation and debate. This set of principles was informed by clear political choices that emerged through local, national and provincial policy directions. The six core development principles are:

- Proactive absorption of the poor;
- Balanced and shared growth;
- Facilitated social mobility and reduced inequality;
- Settlement restructuring;
- Sustainability and environmental justice; and
- Innovative governance solutions.

In Budget Lekgotlas during the Mayoral Term, the City debated and confirmed the key IDP interventions for implementation to achieve the strategic goals of the GDS. These strategic goals refer to the City's value propositions that cut across and underpin the strategic choices for the five-year IDP.

Proactive absorption of the poor

Census 2001 estimated the City's population at 3,2 million, growing at an average of 4,1% per year. The 2007 Community Survey results, released at municipal level in March 2008, estimate the Johannesburg population at 3,8 million. In 2001 there were approximately one million households in the City growing at a rate of 6,7% per year. In 2007, the Community Survey estimated 1,1 million households. This represents a household growth rate of 2,46% over the last six years, with an estimated increase in household size from 3,2 persons to 3,3. The continued high population growth rates are primarily driven by rural to urban and cross-border migration. There is some evidence that new dynamics may be emerging in terms of migration patterns. The City's GDS summarised this trend as "fast but tenuous urbanisation". If this pattern continues, the City will see many single-person households, established in informal settlements, e.g. backyard shacks and apartments in inner city bad buildings. Commitment to sustained urban livelihoods is limited. Should households suffer poverty-shocks, e.g. through job losses or a sudden decline in health, inhabitants will "return home" to rural areas or small towns.

Although migration represents a challenge, the City remains committed to the fundamental principles of the GDS. Future development of the country as a whole can only be enhanced if a greater percentage of the population find sustainable livelihoods in urban centres. The GDS also recommends planning, based on higher levels of population and household growth. The recommendations are informed by the medium to long-term demographic trends and strongly influenced by the City's policy choices related to new migrants. This requires an accelerated pace for housing delivery and service network extensions. It also necessitates creative measures to support poorer households, especially those acquiring formal housing supplied with metered services.

The City vigorously pursued the following key IDP interventions in an endeavour to improve the lives of the poor:

- Delivery of affordable housing, by creating a favourable environment for private investment in mixed use and mixed income property developments;
- Provision of basic services;
- Implementation and monitoring of the impact of the poverty-revised social package that provides free basic services, rates and service subsidies for the poorest households;
- Implementation of the HIV and AIDS awareness and support initiatives;

- Implementation of the Expanded Social Package, and
- The implementation of the New Rates and Tariffs Policy.

The available evidence suggests that the City continues to make progress in meeting its population's requirements for access to housing, piped water, electricity, decent sanitation and regular waste removal. Despite the spate of service delivery protests, the City's own Customer Satisfaction Survey indicates that service delivery satisfaction, related to the provision of basic services, has improved since 2006.

Piped water

The City provided water connections (Level 1 services) to 17 332 households in 2006/07. In 2007/08 a further 4 216 households received water connections. In 2007/08 the City also increased the allocation of free basic water to 10 kl for some 110 000 households registered on its indigency database. In addition, the allocation of 4 kl free emergency water was introduced for households with pre-paid meters. Provision has also been made for households to present themselves to the City for more free water, beyond the above allocation, if criteria are met.

A total of 70,9% of households, in all municipalities, were connected to piped water supply (national statistics, July 2009). The City's statistics indicate that 96% of households have access to basic water services. The City's survey also indicates a high satisfaction level with the provisioning of water.

Electricity

The City installed 20 837 new electricity connections in 2006/07 and a further 16 500 in 2007/08. In 2008/09, 5 029 households received electrical connections (revised annual target of 5 000). Stats SA indicates that electricity supply in the country reached 82,6% of households in 2008, while the City's own statistics indicate an even higher figure of 92,2%. In 2008/09 the City also extended free basic electricity from 50 kWh to 100 kWh for households on the lifeline tariff. Households consuming less than 300 kWh are assumed to be on the lifeline tariff. The Satisfaction Survey results also show an increase in the satisfaction with the provision of electricity since 2005.

Sanitation

A total of 90% of households have access to adequate sanitation and 7 283 households were provided with access to basic sanitation, against a revised target of 6 010 in 2008/09 financial year. A community survey in 2007 indicates that 91,6% of households have flush toilets (either connected to the sewerage or with septic tank) or chemical toilets. The satisfaction rating with the provisioning of sanitation and waste water was among the top 2009 Customer Satisfaction Survey indicators.

Refuse removal

The City also introduced changes in refuse removal charges. The Pikitup tariffs are scaled in relation to property values. Owners in properties valued R150 000 or less pay no refuse charges, but only a small City cleaning levy. The general satisfaction with refuse removal has increased over the years. A total of 90,2% of households have access to refuse removal once a week.

Property valuation and taxation

Since 2008/09, the Municipal Property Rates Act requires changes to be implemented on the basis for the valuation roll, from valuing sites only to valuing both a property's site and improvements. This change shifts the burden of taxation across the city, with newer areas and areas where there are relatively larger houses on relatively smaller stands, sharing the tax burden. To alleviate the impact, the City phased the new system in, based on value exclusion from the calculation of property tax. This means that in many poorer areas property owners pay limited or no rates.

The City's social package

The City's social package will evolve with the introduction of per person allocations of free basic services, up to a maximum per household. This will enhance the benefit of free and subsidised services. These measures are critical to protect poor households, since all the evidence suggests that South Africa is moving steadily from a low-infrastructure and cost environment to one in which the full costs of building and maintaining infrastructure are factored into the price of services. Growing community needs remain a challenge for the City. Poverty reduction is nevertheless critical in an attempt to meet the Millennium Development Goals by 2014.

Health

The City's Health Department has continued to increase awareness and access to health services and making primary health care available to all citizens. Furthermore, the City also intensified its efforts in respect of HIV and AIDS, through programme implementation and co-ordination, with other spheres of government and non-governmental organisations (NGOs), as well as business and community-based organisations (CBOs). In addition, the City

implemented HIV and AIDS community care and capacity development programmes, inclusive of the Jozi Ihlomile Campaign. Community volunteers are trained in prevention, care and support. Training is also provided in voluntary counselling and testing (VCT), anti-retroviral (ARV) efficacy training, prevention of mother-to-child transmission awareness and tuberculosis treatment. To date the Jozi Ihlomile campaign has been extended to four additional sites. Home-based care has been initiated.

In terms of workplace wellness and the HIV and AIDS policy, the City adopted a holistic framework through its integration of HIV and AIDS programmes with employee assistance programmes. The main aim is to manage HIV and AIDS in the workplace, to eliminate unfair discrimination and to promote a supportive environment, regardless of an employee's HIV and AIDS status. A total of 400 employees were trained to conduct peer education and assist in conducting awareness campaigns and road shows.

Table 2.1: Health Sustainability indicators

Indicators	2005/06	2006/07	2007/08	2008/09
HIV and AIDS prevalence rate	30,6	29,9	31,0	–
Infant mortality under one year old	37,0	35,3	33,4	32
Maternal mortality per annum	–	–	–	– ³

Balanced and shared growth

Over the years the City's economy has continued to be dominated by four sectors, namely financial and business services, retail and wholesale trade, community and social services and manufacturing. Construction has also seen dramatic growth during the last few years and in this respect the 2010 FIFA World Cup has been the main factor.

The local economy has been affected by the global economic downturn. Weak economic activity in advanced industrialised and some emerging markets dragged down commodity prices and dampened foreign direct investment. Stats SA reveals that by the second quarter of 2009 the manufacturing industry, wholesales and retail trade, hotels and restaurants and the finance, real estate and business services have been the most affected by the economic downturn. However, gloom does not necessarily spell doom for investment in Johannesburg.

Some downside risks remain, but prudent economic policies, good governance and political stability will bode well for the investment environment going forward. Firstly, there is a need for the right balance between supporting domestic demand and maintaining price stability. Inflationary pressure still remains due to future high ESKOM tariffs, as well as a continuing increase in the prices of oil. Finally, local demand is still very low to maintain current or improved production as a result of the liquidity crunch. The above trends impact negatively on Johannesburg's economy. This is a concern when the City is already grappling with sustained high unemployment and continued inequities in the geographic and racial distribution of work and wealth opportunities.

Table 2.2: Economic growth indicators in the City of Johannesburg

Indicators	2005/06	2006/07	2007/08	2008/09
Gross Value Added (GVA) growth per annum	5,04%	6,31%	5,75%	3,64%
Unemployment rate ⁶	24,21%	22,72%	21,28%	20,29%
Number of EPWP jobs created by the City	10 964	27 349	49 292	50 193

Growing the economy by 9%

Since the beginning of current Mayoral Term, the City committed itself to growing the economy by 9% by 2014. The ability of Johannesburg to proactively absorb the poor depends primarily on sustainable local economic growth and a distribution of the benefits of growth. According to recent statistics, Gross Value Added (GVA) growth in the City fell from 5,4% in 2005/06 to 3,64% in 2008/09. This could be as a result of the impact of the global economic crisis. However, the unemployment rate (based on a narrow definition seven) in the city fell from 24,21% in 2005/06 to 20,29%. This could be as a result of more opportunities created through Expanded Public Works Programme (EPWP) jobs, which the City has had a contribution in creating. It is also interesting to note that this phenomenon happened against the background of country-wide massive job losses during the recession.

³ No data available.

⁶ Figures based on the official definition of unemployment.

While there are reasons to be concerned about the short to medium term future of the City's economy, there are also reasons for optimism. The slowdown in the economy gives the City some breathing space to catch up with infrastructure demand. For example, lower demand for power and smaller increases in vehicle purchases provide space for the City to get ahead of the curve on electricity supply and road maintenance. This will enable Johannesburg to have a more solid platform for sustainable growth over the longer term.

Facilitated social mobility and reduced inequality

Development of secondary property market

The City is optimistic that it will achieve its goal to improve social mobility and reduce inequality through a range of key IDP interventions. In line with this, the City of Johannesburg continues to exist in an environment of high inequality, despite the reported improvement in the income of the poor, which increased from R783 in 1993 to R1 041 in 2008. The income of the richest 10% of the population increased at an even faster rate. A comparison of rich and poor shows the deep structural nature of poverty in South Africa. In the Income and Expenditure Survey it is claimed that about 6% of the population in Gauteng survive on less than R283 per month. Previously disadvantaged groups still feature prominently in this category. These findings expose the City to huge developmental challenges in so far as empowerment and equity growth is concerned.

Furthermore, there is also unequal access to the skills needed to participate in an economy that is rapidly changing to one in which finance and business services, as well as trade, are becoming the key drivers of growth and jobs. There is a concern about the affect that the price of the City's own services has on the ability of households to stabilise in formal shelters and move up the housing ladder.

A lack of adequate data makes it difficult to get a clear understanding of the changing class composition of Johannesburg's demographics and the factors that block social mobility and increased equality. Notwithstanding the lack of clear data, it appears that some progress has been made, but that there are still reasons for concern with regards to levels of income and wealth inequality. Concern in this respect refers to the inability of households to realise wealth from assets, most notably by using property in townships to secure capital for education and business investments.

Currently, a poorly functioning property market constrains movement of people out of poverty. On this basis the City committed itself, to facilitate the secondary property market. This property market is where demand and supply, and therefore prices, are determined by a large number of individuals ready to buy, rather than just a few developers. This should stimulate the housing and the secondary property market.

Settlement restructuring

The City still needs to accelerate the pace of housing delivery and the formalisation and regularisation of informal settlements. The figures released by Stats SA in 2009, show the percentage of households in informal dwellings in all municipalities as 13,4%. In Johannesburg the figure is much higher, standing at 18,8%. This trend could be attributed to migration patterns outlined above.

Delivery of 100 000 housing opportunities

An example of progress relates to the target of 100 000 new housing opportunities over the five-year term of office. The City achieved 14 307 in 2006/07, 20 349 in 2007/8 and 21 884 in 2008/9. The City's Satisfaction Survey reveals that the provision of housing remains a challenge since 2006. Table 2.3 below shows the City's achievement in the provisioning of housing.

Table 2.3: Provision of housing in the City of Johannesburg

Indicators	2005/06	2006/07	2007/08	2008/09
Total number of housing opportunities created	5 904	14 307	20 349	21 884
Number (households)	190 000	190 000	180 974	180 974
Percentage	100%	100%	95%	95%

Formalisation and regularisation of informal settlements

The formalisation of informal settlements continues to be a critical project, aimed at the millennium development goal to eradicate informal settlements by 2014. A lack of formalisation often results in delays in the provision of basic services, namely water, sanitation and electricity. There is therefore a need to confront the duality, which continues to

characterise the City, by finding practical solutions to existing informal settlements. The City's efforts in this regard are beginning to bear fruit. The Satisfaction Survey results support this notion and in 2009 the rating was high. The City also established a Joint Operations Committee to interrogate interdependencies in the formalisation process.

In terms of the idea of bringing jobs closer to people and people closer to jobs, the City is committed to improved public transport. The Rea Vaya BRT Project will contribute extensively to this idea. The BRT extends work that had already been started on developing a Strategic Public Transport Network (SPTN) for the city. The network is designed to link major nodes with high-activity public transport routes. Our all-inclusive public transport system that integrates not just different modes, but different operators and patrons in the transport sector, was developed through participatory and consultative processes. The City completed Phase 1A of Rea Vaya BRT, incorporating 23 kilometres of trunk routes, 18 stations, one Rea Vaya BRT operating company, a control centre, a fare system and related aspects. The implementation of the next phase of the Rea Vaya BRT, includes the construction of routes from Sandton to Sunninghill, Sandton to Alexandra, Orlando to Dobsonville, Nancefield to Jabulani and Regina Mundi to Lenasia.

Inner City Charter

Work in the inner city has also grown tremendously over the last four years with the implementation of the Inner City Charter. This charter envisages the inner city as a place that should be developed in a balanced way, in order to accommodate a variety of people and interests. The regeneration of the inner city remains one of the priorities of Johannesburg. The adoption of the Inner City Regeneration Charter in July 2007 gave impetus to the acceleration of the inner city transformation. The City acknowledges the meaningful role played by its inner city partners in accelerating growth, investment and development. However, more still needs to be done to reposition the inner city to its former glory as the "golden heart beat" of Africa and a vibrant business node.

While it is acknowledged that there are many challenges that remain, it is also important to recognise the milestones that have been achieved, together with other strategic partners, over the past few years. Evidence of this is found in an independent assessment, which indicated that the City has achieved 66% against the Inner City Regeneration Charter commitments. The City remains committed to achieve all the targets set out in the Inner City Regeneration Charter and effective functioning of the Inner City Partnership Forum.

Thus far public-private partnerships have assisted in the regeneration of the inner city, with refurbishment of buildings for temporary emergency and rental accommodation. Upgrading of the public environment and spaces has seen depressed areas being boosted. Despite high satisfaction with development in the inner city, crime and congestion are still influencing low public perceptions. There is also a need to ensure that the City adheres to commitments outlined in the charter, as well as leverage additional private sector funding.

Sustainability and environmental justice

In recent months, the City has witnessed erratic weather patterns, for example flooding in Soweto a few months ago. In addition to this, immediate concerns over energy security, potential future environmental shocks and risks in areas of water supply are anticipated. The evidence suggests that with climate change trends and exponential economic and population growth, water supply to the Gauteng area may be constrained within the next five years.

Furthermore, the load shedding required by ESKOM, in January 2008, represented a serious challenge to the City, especially from an economic growth and revenue security perspective. The power crisis also highlighted key issues to focus on in a sustainable city. A positive result of the crisis has been quantum leaps forward in clarifying demand and supply trends in a range of resource input areas and ways to bring demand into line with available supply.

Greening of the City

Greening of the city remains one of the key commitments of the 2006/11 Mayoral Term of office. The City committed to planting 200 000 trees by the end of 2010. In this regard the following progress has been made:

- A total of 154 254 trees have been planted thus far during the Mayoral Term;
- A total of 52 of 101 fields were identified as suitable for greening;
- Between 2006 and 2008, 18 fields were completed, while a further ten were developed (grassed, irrigation systems installed, landscaped and fenced) in 2008/09; and
- Nine new parks were developed, while 11 parks and seven cemeteries were upgraded.

However, Johannesburg's residents still have unequal access to green infrastructure, such as trees and parks. They are also unequally exposed to the burden of degraded and polluted environments. As a result, the City needs to continue to ensure development of parks and planting of trees in previously disadvantaged areas.

The City also needs to think about ways to calculate accurately the benefits versus risks of different investments that could be made in response to natural resource crises.

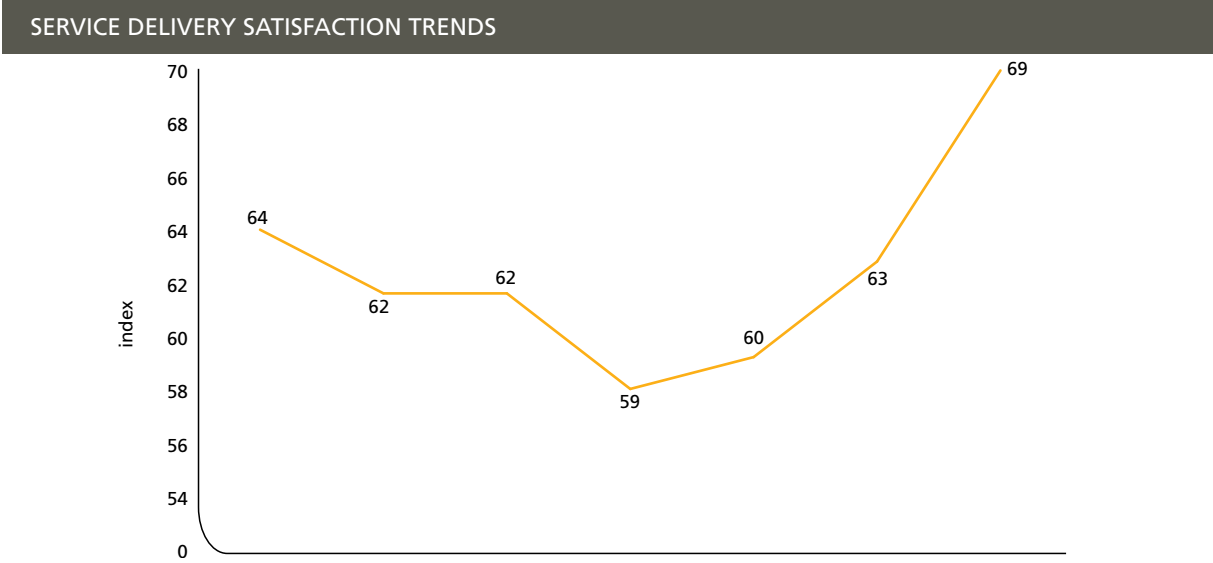
Innovative governance solutions

The City remains committed to continue to rebuild and improve the basic requirements for a functional, responsive, accountable, effective and efficient developmental local government. This has been done through:

- The implementation of the new governance model;
- Prudent financial management and achieving clean audits; and
- Implementation of Community-based Planning and effective communication.

The Customer Satisfaction Survey shows that the communication efficiency of the City has increased as depicted in Figure 2.1 below.

Figure 2.1: Communication Satisfaction Index



The survey also shows approximately 60% participation in general public meetings, stakeholder summits and consultative meetings. These innovations strengthen the voice of councillors, communities and stakeholders in the affairs of local government. The table below shows satisfaction levels with the City's consultative processes.

Table 2.4: Satisfaction Index in reference to the consultative processes, 2009

Consultative/Participatory processes	Satisfaction Index
Ward meetings	6,64
Community-based planning	6,99
Public meetings, stakeholder summits, consultative meetings	6,69

Conclusion

The City's achievements have generally resulted in increased satisfaction with service delivery. The service delivery satisfaction perceptions, measured on a scale of one (poor service delivery) to ten (excellent service delivery), show that the total household satisfaction mean score increased by ten percentage points between 2006 and 2009. This reflects positive perceptions of service delivery.

The City has now entered an era in which it needs to review its long-term strategy for the new Mayoral Term, in line with strategic direction from national and provincial government during the 2009 elections. The City's strategic planning will also need to take into account new challenges, such as the financial crisis, national development challenges and key international development agendas. Work is in progress to review and develop a new strategic document that will form the basis for planning and organisation during the next five-year IDP.