



2015/16 **BUILT**
ENVIRONMENT
PERFORMANCE PLAN

CITY PLANNING DEPARTMENT



City of
Ekurhuleni

a partnership that works

EKURHULENI METROPOLITAN MUNICIPALITY
BUILT ENVIRONMENT PERFORMANCE PLAN

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i List of Abbreviations

ACSA	Airports Company South Africa
BEPP	Built Environment Performance Plan
CBD	Central Business District
CIF	Capital Investment Framework
CMIP	Comprehensive Municipal Infrastructure Plan
CPM	Capital Prioritization Model
CSP	Cities Support Programme
EDC	Ekurhuleni Development Company
EMM	Ekurhuleni Metropolitan Municipality
ERWAT	East Rand Water Care Company
GCRO	Gauteng City Region Observatory
GDARD	Gauteng Department of Agriculture and Rural Development
GIS	Geographic Information System
GPA	Geographic Priority Areas
HSDG	Human Settlements Development Grant
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IDZ	Industrial Development Zones
INEP	Integrated National Electrification Grant
IRPTN	Integrated Rapid Public Transport Network
MHDP	Municipal Housing Development Plan
MSDF	Metropolitan Spatial Development Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDPG	Neighbourhood Development Partnership Grant
PDA	Previously Disadvantaged Areas
PRASA	Passenger Rail Authority South Africa
PTIG	Public Transport Infrastructure Grant
RSDF	Regional Spatial Development Framework
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
TOD	Transit Oriented Development
UDZ	Urban Development Zone
USDG	Urban Settlement Development Grant

A: INTRODUCTION

Built Environment Performance Plans (BEPPs) is a requirement in terms of the Division of Revenue Act (DORA) since the financial year 2011/12. It remains an eligible requirement for the Integrated City Development Grant (ICDG) which is an incentive grant. The BEPP is therefore also an instrument for compliance and submission purposes for the following infrastructure grants:

- **ICDG**- Integrated City Development Grant
- **USDG**- Urban Settlement Development Grant
- **HSDG**- Human Settlements Development Grant
- **PTIG**- Public Transport Infrastructure Grant
- **NDPG**- Neighbourhood Development Partnership Grant
- **INEP**- Neighbourhood Development Partnership Grant
- Additional grant documents, if relevant, may be appended.

The 2015/16 BEPP is submitted together with the 2015/16 review of the CIF as a key contributor to the to the formulation and development of the integration zones and guiding prioritization of municipal capital projects through focusing investment into identified areas in order to achieve targeted spatial transformation for the EMM.

The Ekurhuleni BEPP is compiled from a range of current Ekurhuleni planning and strategy documents and is thus not a new plan as such, but is rather a 're-packaging' of existing plans and information into a digestible, measurable format as required by National Treasury. Summaries or extracts from a number of documents were analysed and incorporated into this report as detailed in the reference section at the end of this report. The key Ekurhuleni documents integrated into this report that must be noted from the onset are:

- The Metropolitan Spatial Development Framework, 2011 (MSDF);
- [The Capital Investment Framework \(CIF\) as a component of the MSDF](#);
- The Comprehensive Municipal Infrastructure Plan (CMIP), 2009 – 2025;
- The Comprehensive Integrated Transport Plan (CITP), 2013-2018;
- Long Term Financial Plan, 2010;
- Ekurhuleni Growth and Development Strategy (GDS);
- Ekurhuleni Municipal Housing Development Plan (MHDP), October 2011;
- Ekurhuleni IDP 2011/12-2016/17

The key focus of the BEPP 2015/16 is the refinement and consolidation of the elements that were identified in the BEPP 2014/15. Specific areas of refinement are the Urban Networks and Integration Zones as informed by the CIF, looking at catalytic urban development projects within these integration zones. Upgrading of informal settlements and specific poverty pockets and land developments including preparation etc. The Built Environment Performance Indicators have to be reported on. However, this poses as a challenge for the EMM due to a lack of data.

The built environment performance indicators, though useful for measuring the city is currently extremely difficult to populate and set targets. Much of the data required of these indicators are either not available in the required format or certain boundaries for measuring the data have not been established as yet as in the case with all data related to integration zones.

The Draft BEPP 2015/16 was signed off by City Planning: Head of Department and submitted to National Treasury November 2015. Then end of May 2015 the Final BEPP 2015/16 shall be approved through Council and signed off by the Ekurhuleni City Manager.

B: STRATEGIC REVIEW OF THE BUILT ENVIRONMENT

B.1 Current Performance of the Built Environment

The EMM is expanding in terms of township establishments within the urban edge. However, services that need to be provided in new areas are running short, specifically water, sewer and treatment Services. There is a pressing need for sewer and waste water treatment in the north and south of Ekurhuleni.¹

Another pressure is lack of adequate housing, due to a number of informal settlements cropping up in areas that may be hazardous to the lives of these people. This pressure is due to people finding places close to work opportunities or close to modes of transport, the proposed IRPTN will be there to address these problems.

The EMM has the Municipal Spatial Development Framework (MSDF) that shows what we as a city want to see happen in the EMM. There are different land uses indicated on our MSDF, namely: Residential areas, Industrial areas, Core development triangle, Municipal Open Spaces, Agricultural areas, Secondary nodes, Primary nodes, Transport routes etc. Please note that the MSDF and the six(6) regions are currently being reviewed.

Summary Overview of the Economic Growth and Backlog Eradication Modelling

In strengthening the Metros approach towards achieving progressive and integrated spatial transformation and in working towards co-ordinated and accountable budgeting; it was essential to obtain an overview of the Metros socio-economic status. The Metros socio-economic status and trends were subject to modelling scenarios geared towards providing empirical findings as a means to guide the Metros approach to spatial transformation and making allowance for informed budgeting premised on future outcomes.

The modelling was required to answer/realise the following outcomes to guide the refinement and strengthen implementation of the CIF:

1. Modelling backlog eradication and economic growth scenarios for the EMM against the CPM % categories and the EMM capital budget to give an indication on an applicable split between economic development and urban restructuring.
 - How much is the EMM currently budgeting per percentage category vs the actual amount that is being spent per percentage category?
 - Model extreme budgeting for backlog eradication vs extreme budgeting for economic growth.
2. Modelling scenarios on the estimated EMM revenue growth based on the CPM % allocations of the EMM capital budget and taking into consideration external investments (National and Provincial Government, and Private Sector).
 - EMM revenue growth per income type.
 - Capital expenditure per provincial and national department and parastatal. *(Also see task 4 – Income sources)*

Modelling scenarios on the estimated GDP contribution from the EMM.

- Breakdown of how much each sector is contributing to the EMM GDP.
- Reflect which sectors have shown an incline or decline over the past 10 years in GDP contribution from the EMM.

Modelling scenarios on the estimated job creation levels in EMM.

- Which sectors have contributed the most to job creation and which sectors have reflected a decline in job creation?

¹ Source: Danie van der Merwe, Chief Engineer Planning: Water and Sanitation Services Department. Reporting Period: 28 November 2014

- Reflect geographic representation of where employment growth has increased and where employment growth is anticipated over the next 10 to 20 years.

Identify optimum public and private economic development projects, including flagship projects wrt: Revenue growth (return on investment); GDP contribution; area of influence and Job creation so as to prioritise these projects for the capital budget. Findings on work conducted to date has been summarised under Section D.5 on outcomes and outputs.

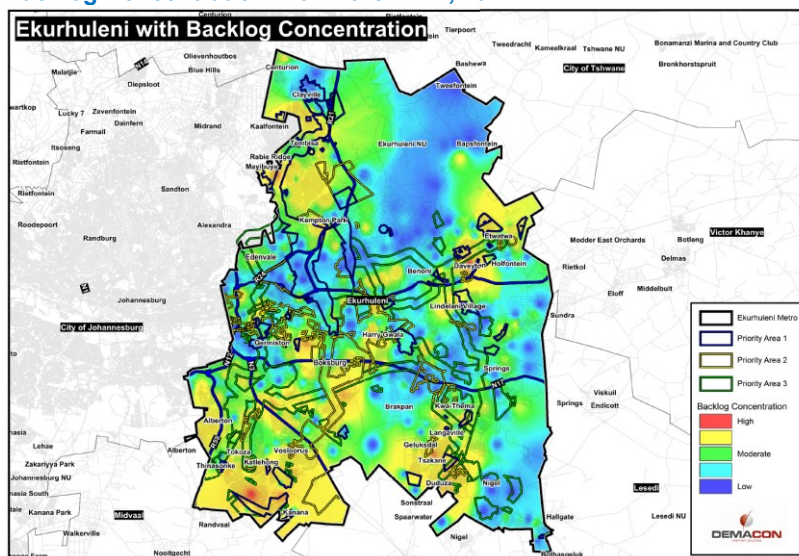
The below table provides a quick summary on some of the economic findings as outcomes to the modelling.

Economic Summary

Variable	Market Characteristics
Size of the Economy (2011)	✓ EMM contributes 24.8% towards economy of the Gauteng Province
Economic Growth Performance – Time Period 1996 – 2011	✓ Growth in the EMM economy has averaged 3.7% per annum since 1996
Dominant Economic Contributions (2011)	✓ Manufacturing – 27.6%
	✓ Finance and Business Services – 21.5%
	✓ Trade – 14.7%
	✓ General Government – 13.5%
Percentage (%) of Employment to Gauteng	✓ EMM contributes 24.5% to the total employment within the district
Employment Sectoral Distribution (Dominant Sectors)	✓ Trade – 21.4%
	✓ Finance and Business Services – 21.0%
	✓ Manufacturing – 18.0%
Employment Growth	✓ Long term period (1996 – 2011) = 2.1%
	✓ Short to medium term (2006 – 2011) = 0.5%

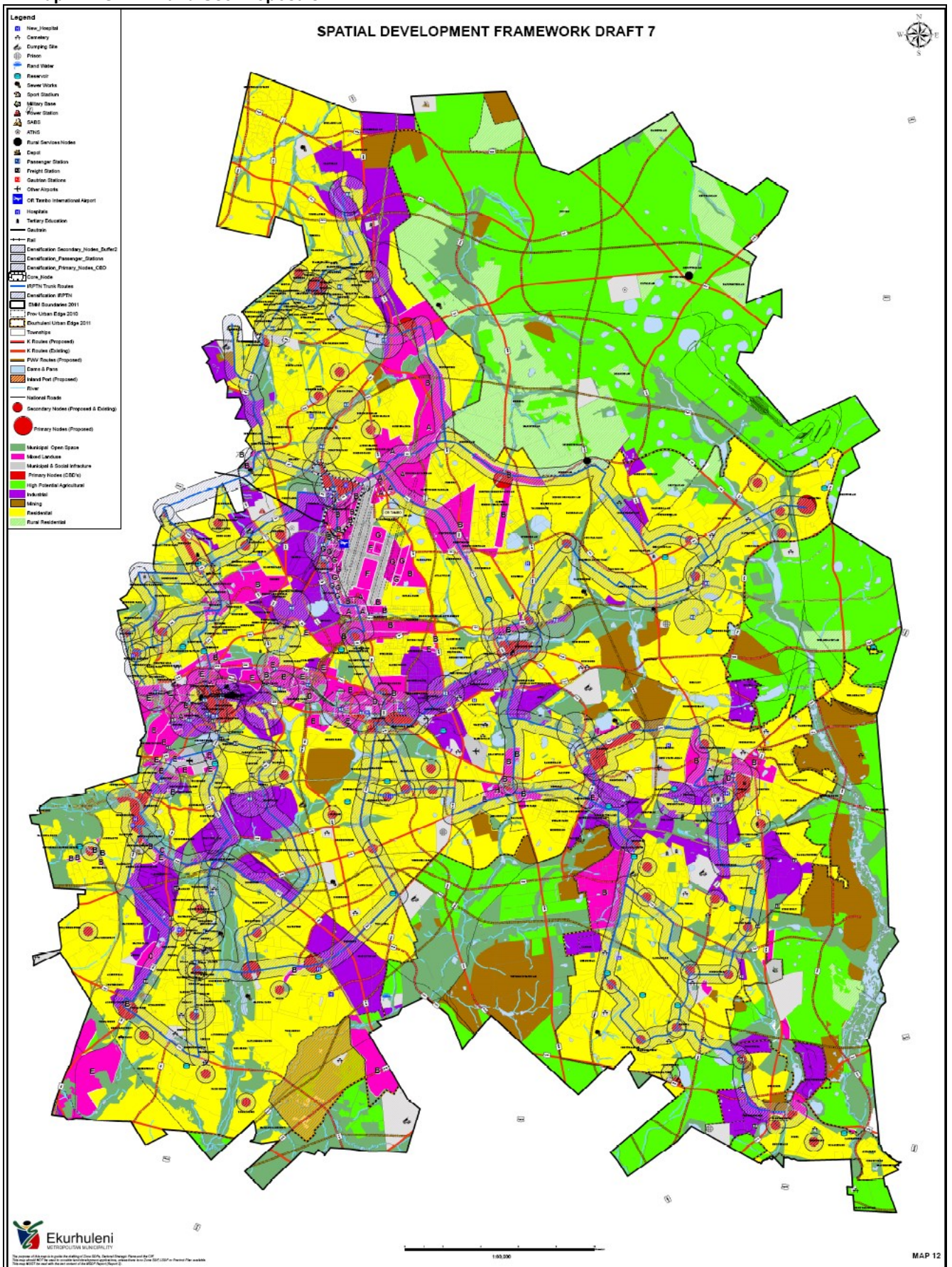
The below map illustrates the backlog concentration within the EMM, which in turn illustrates the areas within the metro that will require the majority of social and physical infrastructure. The heat map illustrates that the red to yellow areas demonstrate the greatest infrastructure and service backlogs. Therefore, the highest backlog concentration is located within the second economy areas, i.e. the township areas, where population growth continues and the need for services increases; this can mainly be attributed to migration into the metro by opportunistic employment seekers.

Backlog Concentration within the EMM, 2014



The above findings are extracts taken from the Financial and Projection Modelling on the EMM CIF: Executive Summary (Demacon Market Studies), 2015, which is attached to report as Annexure 'C'.

Map 1: MSDF – Land Use Proposals



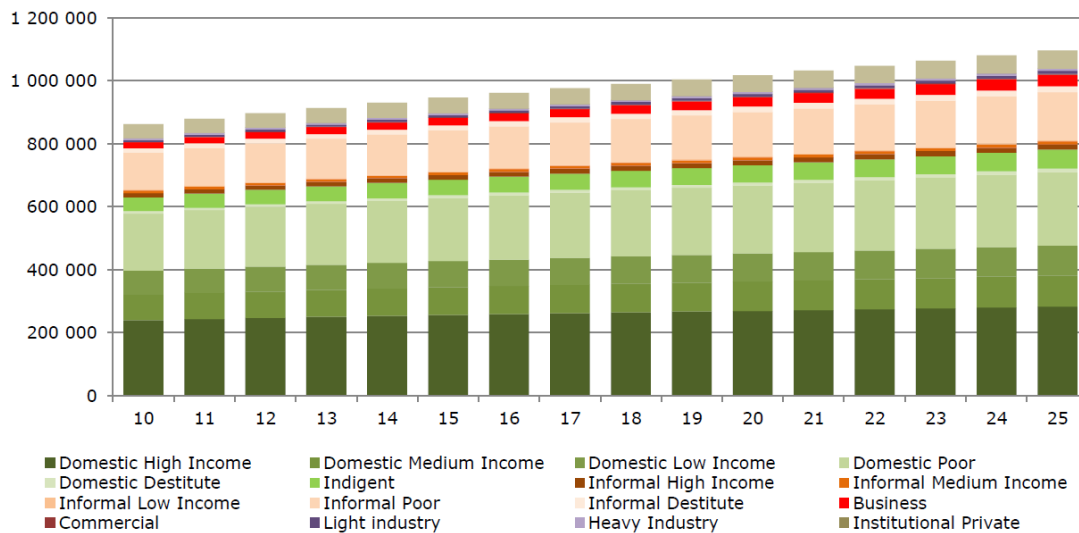
There are five major trends and pressures on the EMM built environment:

- Urbanisation
- CBD degeneration
- Manufacturing decline
- Unemployment
- Public transport

Growth, development patterns and constraints

A 28% growth in customer units up to 2025 is expected. This translates into an additional 237 067 customer units – roughly the size of the Nelson Mandela Metropolitan Municipality.

Projected growth in customer units upto 2025



Land is probably the most significant constraint. Land within the urban edge will be developed by around 2019-2020, and significant investments in additional bulk and distribution infrastructure outside the urban edge will be necessary. The Housing Department, in a bid to purchase affordable land for low cost housing, drives urban sprawl and if this trend continues, the urban edge may yield sooner than anticipated. Furthermore, land outside the urban edge largely carries a development cost premium due to the dolomitic nature thereof, and future infrastructure construction will become more expensive as a result. It is estimated that an amount of R 23.6 billion will be required to meet the demands of growth – this amount does not include any provision for development cost premiums (as contemplated in the next section of this report), as the direction of future growth is not yet known.

Development patterns and trends in the metropolitan area indicate that government low cost housing programmes and not necessarily policies are directly contributing to urban sprawl and to a large extent perpetuating the structure of the so-called apartheid city. When this is linked to access service backlogs it is clear that the vision of sustainable human settlements is not being achieved.

B.2 Trends and Demand for Economic Infrastructure²:

Requirements for faster and more inclusive economic growth in EMM

The City of Ekurhuleni adopted the Growth and Development Strategy 2055 with the Ekurhuleni Aerotropolis as its growth lever. This means that all other programmes and anchors for economic development feed into and align with the Aerotropolis. The success of

² Source: Email from Lindiwe Khala, Economic Development Department. Reporting Period: 12 February 2015

the Aerotropolis will depend on its ability to unleash the economic power of the region in recital with an increased capacity to alleviate poverty, create jobs and a more equitable society.

To realise the maximum potential of the Ekurhuleni Aerotropolis the following key challenges need to be addressed:

1. CAPITAL

Brand & Identity

The area surrounding the airport does not convey the impression of a modern, efficient Aerotropolis hence impacting the **City's branding and identity**. Comprehensive signage and navigation, safety and security could do with significant improvements. Consequently, the City needs to double our efforts on our branding and marketing campaign together with increased police presence.

Financial and Research Ecosystem:

Effective funding of industries such as; manufacturing, mining, and agribusiness; where synergies exist; need an ecosystem of venture capital which needs to be supported by research and development in order to survive and thrive. To address these shortcomings, the City will need to put concerted efforts towards accessing venture capital and continued international investment networks.

Tourism Development

Comparatively speaking, the City's tourism development faces a competitive challenge in relation to available infrastructure and tourist attractions within province. Increased visibility and enhanced social amenities would auger well for tourism development within the metro. The revitalisation of municipal owned parks and tourist attractions, together with route development are what befits City's efforts towards tourism development.

Skills Development

The metro is currently characterised by low levels of skills, specifically with reference to critical expertise such; as manufacturing, logistics, hospitality, without being exhaustive. The recent partnerships between Ekurhuleni FET Colleges and the City bode well in addressing this predicament. Measures to also acknowledge and redress the lack of accredited qualifications, contraction of the manufacturing & mining sector and low skills base, prompted the implementation of recognition of prior learning.

2. LAND

Land Management

Traffic problems, overgrown and neglected sites, and incongruous land use patterns compromise the effectiveness of an efficient Aerotropolis model. The management and execution of a world-class Aerotropolis plan requires a responsible entity that can successfully navigate the financial, regulatory, and physical complexities inherent in Aerotropolis development.

Lack of Public Environments

In order for venture capital to thrive, it needs controlled but informal public spaces where existing businesses, Researchers, Financial, and Manufacturers and brainstorm and collaborate. In addition, there is a need for light-scale infrastructure.

3. CONNECTIVITY

Customs Approvals

Throughput of goods into and out of the country is slow and subject to corruption. Paybacks, delays, and poor service all damage the perception of the airport internationally. There is a serious need for a global standard customs approval that is fast, efficient and transparent to all.

Logistics and Movement of Goods

Although the OR Tambo International Airport area has many high value manufacturers, there is little infrastructure for logistics, value add or other services of transshipment.

Ineffective Transport

There is a lack of funding for movement of people, relying on taxis for transportation creates inefficiencies. Possible solution could be a system wide BRT.

4. PARTNERSHIPS

“Missing Links” in the value chain

Many of the niche industries that are known around the airport create intermediate goods; that is, they do not maximize the value of production to the area by creating highly refined or technical goods and services. The key industries of Ekurhuleni: Manufacturing, Mining, Agribusiness, and Culture and tourism all need to be optimized to extend the value chain. This calls for Research and Development areas, Information and Communications Technology that supports the value chain.

AEROTROPOLIS AS A REAGENT AND INTEGRATOR

In this regard, the City of Ekurhuleni’ economic development approach is anchored on addressing the following strategic priorities:

- Spatial Reconfiguration & Urban Regeneration.
- Critical Infrastructure Development.
- Industrialization & Investment.
- Skills Development & Job Creation.
- Township Economies & Entrepreneurship.

The Aerotropolis programme as implemented by the Ekurhuleni Metro has provided a catalytic platform that consolidated the five strategic pillars of the City’s economic development approach. In this regard, the business case for the development of Ekurhuleni Aerotropolis has been established to enhance the value proposition for trade, tourism, investment & industrial agglomeration – this would be achieved through a systematic investment regime that prioritizes the development of economic infrastructure to unlock inherent economic potential whilst deliberating, and investing in human development to drive innovation & sustainable competitiveness.

The Ekurhuleni Aerotropolis

Council has currently given an in-principle approval for consultation with stakeholders on the Five Year Interim Implementation Plan. The five-year Interim Implementation Plan identifies critical infrastructure initiatives and relevant projects as listed in various planning documents. These include both projects that have already been proposed and new critical initiatives which have been identified as part of the development of the 25 Year Master Plan.

While the development of the 25 years Master Plan is underway, the Aerotropolis Project Office in collaboration with other relevant EMM Departments are currently engaging stakeholders to discuss pivotal matters related to the impact of the Aerotropolis. These engagements also allow the City to gain an understanding of current challenges being experienced by its stakeholders and how it could possibly intervene in unblocking them. To date, to name but a few, various stakeholders have been engaged as follows;

- Ekurhuleni Business Association
- Business Unity South Africa
- Bidvest
- Avis
- SANRAL
- PRASA
- DENEL

As the work on the Ekurhuleni Aerotropolis hinges on the development of a comprehensive value proposition for the regional economy of Ekurhuleni and the broader Gauteng Global City Region by leveraging its inherent areas of potential, sectors of competitiveness and its economic infrastructure to attract investments as well as to spatially reconfigure the city towards a sustained economic path. It is critical that strategic partnerships are formed and a comprehensive stakeholder consultation programme is effected in order to sustain the traction gained so far.

The **Township Economies Development Programme** pivots on the effective implementation of the Ekurhuleni Urban Regeneration Programme which has identified and prioritised the following township complexes and nodal development areas:

TOWNSHIP NODAL REGENERATION

Node Development:

Katorus Complex:

- Kwesine Node
- Vosloorus Node

Kwatsaduzza Complex:

- Tsakane Node

Actonville/Wattville Complex:

- Actonville/Wattville Node

Tembisa:

- Civic, Winnie Mandela, Lerralla Oakmoor, Swazi Inn, Esselen park and Hospital (include Nodes, Corridors and Precincts)



Therefore, Ekurhuleni is resolved to realize the following priority areas:

- Rapid development of the Aerotropolis to enhance the value proposition for trade, tourism, investment & industrial agglomeration.
- Systematic investments in economic infrastructure to unlock intrinsic economic potential.

- Deliberate investment in human development to drive innovation & competitiveness.
- Deliberate efforts to encourage entrepreneurship, new venture creation and private sector participation to stimulate economic activity & innovation.
- Strategic Economic relationships to gain access to increased tourism volumes, international capital and trade linkages through business exchanges.
- Increase urbanization in order to enjoy economies of scale, reduce cost
- Infrastructure investment, generate new demand and encourage domestic consumption.
- Economic diversification that encourages movement from primary sectors to tertiary sectors of production through efficient, market and resource driven interventions.

Informal and Street Trading Overview

Informal Street Trading has become a feature of Ekurhuleni's urban environment and it symbolizes the changing nature of the municipality in both spatial and economic terms. The Municipality has seen rapid and consistent growth of street traders which are found to be major sources of provisioning for poor households. Informal trading continues to form a vital part of Ekurhuleni emerging new spatial and economic form that accounts for a bigger space and income for the local economy.

The informal trade sector constitutes an important part of the retail sector, giving large potential to grow for future business set-up. This is the sector that will provide prospective wholesale merchant. This sector is targeted to occupy space in the form of enterprise hubs, business parks, industrial hives and shared industrial production facilities. Of which these are facilities that the City has been developing and continues to enhance in line with the required legal pre-scripts. The current process of reviewing the City's Informal Trading Policy & By-laws will also address the challenges of the sector, thus providing guidelines on the needs of the region.

Urban Agriculture Strategy

Agricultural development in the EMM needs to be guided by the Local Economic Development (LED) Strategy and the GDS 2055 together with the IDP. To this end, the City is embarking on stringent measures of addressing this crucial sector in our economy. There will be a **revision of specific policy guidelines and strategies that focus on agriculture and related activities within the EMM**. The City's policies will focus on implementation, support mechanism, monitoring and evaluation and all other encompassing issues related to sustainable agro-processing. There would be a need for a programme implementation agreement (PIA) between the provincial Department of Agriculture, Conservation and Environment and Land Affairs (DACEL) and the EMM that specifies roles, responsibilities and expected contribution.

The EMM has an abundance of green and high yielding but unused portions of lands that must be utilised for agricultural development. This could bring direct benefit to the community on food security, development of emerging farmers and optimisation of land use.

To forge ahead, the City will be implementing the refurbishment of council owned farms where they will be operationalized for running incubation programmes for cooperatives and emerging farmers in the region, thus addressing the needs of the sector as well as local economic empowerment.

Strategy for Broad-Based Black Economic Empowerment

Broad-Based Black Economic Empowerment (BBBEE) is a growth strategy that has endeavoured to realise the country's full economic potential and the sustainability thereof. The objective of this BBBEE Strategy is to substantially increase the EMM's impact on

bolstering black economic empowerment in the Region. The Strategy provides greater clarity on the implementation of BBBEE as provided for in Act 53 of 2003, the DTI Codes of Good Practice on BBBEE and transformation charters.

The BBBEE should give due regard to procurement guarantees and targets. Black businesses, SMME's, cooperatives and businesses of designated groups must as far as reasonably possible be given preference. The current challenge experienced with the strategy is the ever increasing test of compliance with the new BBBEE legislation by companies in the country. The systematic contests of employing "set-asides" still presents itself as hindrance towards effective implementation of the strategy.

OR Tambo Industrial Development Zone (IDZ)

The OR Tambo Industrial Development Zone (IDZ) is one of the most effective instruments to promote industrial development. The IDZ provides economic infrastructure necessary to attract industrial development and investment. While it provides for more job opportunities it also plays an important role in enhancing the Country's export competitiveness.

The Gauteng IDZ, commonly known as the **OR Tambo Industrial Development Zone**, is key to industrial development in Ekurhuleni as it promotes manufacturing of high value added products targeting the export markets. While the Department of Trade & Industry has the newly enacted SEZ Act No.16 of 2014, the current IDZ license also allows for industrial clustering away from the Airport to encourage provision of economic infrastructure and **promote industrial agglomeration** which is one of the City's Growth and Development Strategy 2055 (GDS 2055) to **re-industrialize the City**. The City has since adopted the **Revitalization of the Manufacturing Sector flagship project** which among other instruments the Gauteng IDZ is key to implement.

To date, the Gauteng IDZ is working on the development of the **Jewellery Manufacturing Precinct (JMP)** as phase one of the IDZ located at the OR Tambo International Airport. The project requires infrastructure development in the form of bulk and top structure.

The IDZ in collaboration with the City and the Department of Trade and Industry is working on phase two of the project, where a number of potential industrial clusters have been identified for development. These clusters include sectors such as plastics, rubber, pharmaceuticals and fuel cells.

The Inland Port Project is another form of economic infrastructure project that will enable movement of goods from one mode of transport to the other thus promoting industrial development and related activities in the Region, and neighbouring Cities and Provinces. The inland port will attract varied industries ranging from logistics, ICT, light industrial and real estate. The harbour will also link with the main highways leading to the OR Tambo International Airport thus making it minimalistic for local industries to export their products, especially the targeted light manufactured and high value added products supported by the IDZ.

The City is working jointly with Province, Transnet and the private land owners to facilitate the development of this inland port. In the current plans of development, the project also requires infrastructure development in the form of bulk, which is a municipal obligation and other forms such as the rail terminal.

Special Economic Zones (SEZ)

The Department of Trade & Industry has already shortlisted Special Economic Zones (SEZ) applications from all Nine Provinces to develop up to 10 SEZs. The transition period from the IDZ regime to the SEZ regime provides an opportunity for the current Gauteng IDZ license to

have an SEZ status. The proposed **Tambo Springs Inland Port project would enjoy the IDZ / SEZ status** given the fact that the current Gauteng IDZ licence is not limited to activities at the Airport.

B.3 Trends and Demand for Basic Infrastructure:

In the case of current infrastructure, the land footprint of the facility is indicated. In the case of planned infrastructure, a symbol is used to indicate the approximate locality of the planned infrastructure. According to the State of the Nation Address, 19 March 2013;

- As we turn to the City of Ekurhuleni, we find that 85% of our households enjoy the service of a flush toilet connected to sewerage, 88.4% of the households in the City have access to regular refuse removal services, 57% of Ekurhuleni households have piped water inside their dwellings and 82.2% have access to electricity for lighting.
- Prior to the year 2000, 48 444 stands in Ekurhuleni were serviced. Since the formation of the Metro in 2000, an additional 70 644 stands have been serviced.
- A total of 82 000 houses have been built in Ekurhuleni to date, 68 000 of which were built since the formation of the Metro.³

Table 1a: State of infrastructure service access in Ekurhuleni⁴

Service class	Service / facility type	Consumer units		
		Adequate access	Access backlog	% Backlog
Infrastructure services	Electricity distribution	758,784	172,752	19%
	Roads	829,573	190,175	19%
	Storm-water	704,824	314,824	31%
	Solid waste	990,841	28,907	3%
	Water	533,203	398,334	43%
	Sanitation	803,574	127,963	14%

Table 1a indicates the state of service access in Ekurhuleni. This data will be used in identifying future capital projects.

Water services⁵

This report (ERWAT Strategy 2032, Facility Development Plan) documents the results of a study of available sewage treatment capacity in the Erwat service areas DD3 (Hartebeesfontein, Olifantsfontein, Esther Park and *Rietvlei*), DD5A (Benoni, Jan Smuts, Rynfield, JP Marais, Daveyton, Welgedacht and Ancor), DD5B (Tsakane, Carl Grundling, Herbert Bickley and *Kaydale*), DD5C (*Heidelberg and Ratanda, are in the Lesedi area. Once the merger has been concluded these will be owned by EMM*)⁶ and DD6 (Rondebult, Dekema, Vlakplaats and Waterval) versus the growing requirement with regard to sewage flow over the next twenty year period on a strategic level. The documented findings and recommendations serve as an early warning system to bring to our attention that procedures need to be initiated to start the process of new capacity extension implementation and

³ Source: THE STATE OF THE CITY ADDRESS OF THE EXECUTIVE MAYOR OF THE CITY OF EKURHULENI, CLR MONDLI GUNGUBELE, DELIVERED AT THE GERMISTON CITY COUNCIL CHAMBERS, 19 MARCH 2013, Reporting period: 20 March 2013

⁴ Source: Ekurhuleni Metropolitan Municipality Infrastructure and Community Services Backlog Study 2013-2028, pg 52

⁵Source: ERWAT STRATEGY 2032, Facility Development Plan, Reporting period: 27 February 2013

⁶ Source: Danie van der Merwe, Chief Engineer Planning: Water and Sanitation Services Department. Reporting Period: 28 November 2014

defines the first order cost implications associated with the proposed implementation plan in 2012 value. The implementation of each recommendation for capacity extension should be initiated with and preceded by a feasibility study (including land acquisition, eg. New Regional Rietvlei WWTW) to confirm requirements. **It typically takes four to five years from initiation of procurement to implement an extension to the time the new capacity is commissioned.**

The capacity of a plant is determined by two parameters: 1) primarily the hydraulic design capacity in terms of annual dry weather flow (ADWF) and 2) the organic load which is the mass of biodegradable organic material contained in the sewage for which the plant is designed to treat. These two parameters are determined at design stage on the assumption that the ratio of hydraulic to organic loads will stay in balance for the life of the plant. Because of the strategic approach of this investigation and the quantum complexity jump implied by including the organic dimension, this investigation/assessment of capacity is based on the hydraulic capacity of existing infrastructure. In the case of clear imbalance (example Rondebult) the operating ADWF capacity is 'capped' and the plant is operated accordingly. Additional flow is then diverted to the further downstream plants, namely Dekema and Waterval WWTPs. The total treatment capacity of Erwat within the boundaries of EMM is currently 653 MI/d.

The total ADWF flow to Erwat plants is presently 692 MI/d (2012) which implies that **the total requirement for sewage treatment now exceeds the total hydraulic treatment capacity of Erwat.** Since the year 2011, **requirement exceeded hydraulic capacity and Erwat has fallen behind with the provision of additional treatment capacity.** Storm water ingress in some areas is contributing towards the hydraulic treatment capacity of ERWAT's plants. For instance, should the ingress be curbed in totality in the Hartebeestfontein Drainage District, an approximate of 10MI/d hydraulic capacity can be restored. Unfortunately it is a time consuming task and activity to pin-point all the points of ingress. As an interim measure flow measurement at strategic points could assist to pinpoint which sub drainage area is problematic in terms of storm water ingress and could then be prioritised accordingly. [The public/residents need to be made aware of not draining/diverting their surface water into the sewer system/gulleys. Building inspectors need to ensure during inspections that this is not the case as well.](#)⁷This need to be monitored at least for 2 years in order to assess the seasonal changes as well (i.e. no useful data will be obtained to measure only in a dry season).

Over the past eight years the composite growth rate for Erwat is estimated at 6.1 % per annum. Since the previous planning exercise (2008) the average annual increase in flow was 32.7 MI/d. Over the same period the average annual increase in capacity was 4.0 MI/d, effectively increasing the capacity deficit at a rate of 27.4 MI/d each year.

For the purposes of system modelling, the growth over the twenty year planning horizon up to the year 2032, for the total Erwat service area, is estimated at 3.2 % per annum ranging from 1.5% (low growth areas) to 4.0% (high growth areas) for individual plants. This translates into **a forecast annual sewage flow increase of 28.6 MI/d while new capacity**

⁷ Source: Danie van der Merwe, Chief Engineer Planning: Water and Sanitation Services Department. Reporting Period: 28 November 2014

needs to be commissioned at a rate of 31.4 MI/d in order to match capacity with requirement.

All the drainage districts require capital investment due to capacity deficits. Drainage district DD5A is in the process of capacity extension and requires other minor projects to make adequate capacity available. DD6 should be singled out due to the magnitude of the deficit and the immediate threat to the environment. The following capacity extension actions are required to turn the situation around:

PLANT	IMMEDIATE ACTION		SHORT/MEDIUM/LONG TERM	
	CAPACITY	FUNDS	CAPACITY	FUNDS
	MI/d	2012 R 10 ⁶	MI/d	2012 R 10 ⁶
Olifantsfontein	-	-	35	266
Rietvlei	-	-	30	280
JP Marais	6	40	-	-
Welgedacht ¹⁾	50	-	50	338
Diverse DD5A ³⁾	-	35	-	9
Ancor	-	-	25	240
Herbert Bickley ²⁾	15	157	-	-
Tsakane ²⁾	13	156	-	-
Heidelberg	6	73	6	59
Ratanda	-	-	2	22
Waterval	200	1 379	150	876
Waterval (outfall)	-	241	-	-
Erwat	290	2 081	298	2 090

The capacity options tabled above are subject to the respective conditions listed below:

1)JP Marais must be upgraded to and operated at 20MI/d, Daveyton must be operated at 16 MI/d. Tabled funds exclude present extension cost for 50MI/day extension at Welgedacht which is expected to be finished end of 2015.

2)May be replaced by new regional Kaydale plant depending on EMM development plan. Tsakane costs include sewage transfer scheme at R 17 million.

3)Kleinfontein/Natalspruit link (R 25 million), Benoni upgraded/reinstated (R 10 million) and operated at 18 MI/d and Jan Smuts link (R 9 million).

It should be comprehended that the above upgrade cannot be considered in isolation. It is required to synchronize the elimination of sewer pump stations within the respective drainage areas with the proposed upgrades. Some flow might be added to another drainage area due to the elimination of a pump station. [This has already been modelled in the master plan and a sewer pump station priority list indicating the impact on each WWTP is available.](#)⁸

[The Metro is currently working on constructing two additional water reservoirs, in Palm Ridge and Etwatwa x19, which are expected to be complete in 2016/2017 financial year.](#)

⁸ Source: Danie van der Merwe, Chief Engineer Planning: Water and Sanitation Services Department. Reporting Period: 28 November 2014

The Municipality will also pull out all the stops to ensure that more portable storage water reservoirs are built by the year 2021, in anticipation of future supply risk and population growth due to urbanization.

Additional reservoirs to be built are follows⁹:

- 20MI reservoir in Brakpan estimated R25million.
- 11MI reservoir in Masetchaba View estimated R18million.
- 26MI reservoir at Russel road estimated R34million.
- 10MI reservoir in Etwatwa estimated R20million.
- 1.1MI water tower in Etwatwa estimated R10million.
- 5MI water tower in Northmead estimated R32million.
- 13MI reservoir in Dunottar estimated R23million.
- 1MI water tower in Visagie Park estimated R10million.
- 25MI reservoirs in Bredell estimated R31.12million.

Furthermore, the construction of the above-mentioned two storage reservoirs which will add additional water storage capacity soon is already in an advanced stage of planning.

BACKLOG ON SEWAGE PURIFICATION CAPACITY

During the past number of years ERWAT has increasingly fallen behind with regard to the implementation of additional capacity, i.e. moving from a position of 9% spare capacity in 2008 to a 9% capacity deficit in 2012. This deficit will increase by approximately 5% per annum if nothing is done to turn the situation around. Failure to turn the situation around will have widespread negative impact on health, social, economic, growth and environmental conditions and township development. Green Drop status will become impossible.

The estimate capital expenditure required to upgrade all the ERWAT works is R4 563m, including pipelines

Period (yrs) to upgrade all facilities	Capital required x R Million	Current EMM Grant x R Million	Additional Capital** required x R Million
5	R2997	R 50 p.d	R 2747
10	R1029	R 50 p.d	R 777
15	R 537	R 50 p.d	R 37

** These figures do not make provision for development contributions

We as Ekurhuleni need to start managing our water and storm water/surface run-off better so that we reduce water losses and ingress into the sewer system. *According to the ERWAT STRATEGY 2032, Facility Development Plan, Reporting period: 27 February 2013* "During the past number of years Erwat has increasingly fallen behind with regard to the implementation of additional capacity".

Services backlog (Comprehensive Municipal Infrastructure Plan (CMIP)¹⁰

Ekurhuleni formulated a strategic vision of the city in 2055, known as the Ekurhuleni Growth and Development Strategy 2055 (GDS 2055), to be reviewed at five-year intervals. This Comprehensive Municipal Infrastructure Plan (CMIP) focuses on engineering networks, community facilities, public amenities and operational buildings, quantifies the funding needs and affordability of providing these services at desired levels and standards, and presents

⁹ Source: Ekurhuleni Media Alert. EKURHULENI INTRODUCES GRAND FUTURE WATER MANAGEMENT PLANS. Reporting date: 10 March 2015

¹⁰ Source: EMM: Comprehensive Municipal Infrastructure Plan, 2013-2028, pg 57

strategic parameters and considerations to support the formulation of political priorities that will be articulated in the next iteration of the GDS.

Ultimately, this CMIP assesses the ability of the municipality to address backlogs and the implications thereof. This CMIP and its subsequent iterations will provide an ever greater focus on sectoral prioritisation and refinement of the infrastructure investment plan towards the strategic vision adopted or confirmed in the GDS.

Immovable production assets

The replacement value (CRC) of these assets was in the order of R73.1billion.

Table 2-2: Asset value (scope aligned to AMP categories) R million

Asset Sub-Category #	Replacement Value (CRC)	Current value (DRC)	Remaining asset value
Community Services	R 1,735,075,438	R 869,679,535	50%
Electricity network	R 22,969,641,545	R 11,761,064,785	51%
Information and communications network*	R 846,621,520	R 569,435,220	67%
Operational Buildings	R 1,822,264,810	R 781,731,194	43%
Public Amenities	R 4,467,760,890	R 2,111,181,217	47%
Roads, storm-water network and rail	R 28,904,425,772	R 14,697,695,610	51%
Water supply network	R 6,247,149,587	R 2,823,519,156	45%
Sanitation network	R 4,922,337,740	R 2,646,398,057	54%
Solid waste facilities	R 1,158,592,675	R 569,809,148	49%
Summary	R 73,073,869,977	R 36,830,513,921	50%

The scope of assets included in each sub-category are in line with the AMPs (not the same as in the asset register)

* - ICT has been allocated proportionally to Community Services, Operational buildings and Public Amenities for purposes of this report

Assets with a replacement value of some R10.6 billion are considered to represent high or very high risk, this being about 14% of all assets.

Bulk capacity constraints are severe in the electrical sector as well as with ERWAT (bulk sanitation services), though there are backlogs in water services too. Alleviation of these bulk constraints is crucial to under-pinning all strategic objectives (including servicing existing customers, facilitating new service access and stimulating economic growth).

Overall, about 6% of the portfolio is in a poor or very poor condition – the figures per sector range from 3% to 14%, with operational buildings being in the worst state.

Risk exposure is unduly high, requiring targeted capital renewal of assets, mostly in the roads and storm-water and electricity sectors. Measures should also be explored to reduce the pressure by identifying cost-effective ways to establish system redundancy (so that if there are failures, the impacts are not as severe). Marrying the corporate risk management framework with the physical asset risks needs to continue, with the refinement of risk management systems, processes and data, and for risk to be entrenched as a core business process in the strategic and operations management of EMM.

State of services provision, service performance and asset management practice

The Municipality by and large offer comprehensive services to its customers, and existing backlogs are largely the result of new township establishment, the formation of informal settlements and the municipality having opted for higher level of services than the national minimum levels of service adopted.

EMM is generally adhering to national standards in the provision of services, despite being susceptible to external disruption, such as power outages. It would appear however, through comparison with broad industry indicators, that this position is not being achieved in the most effective and efficient manner, though specific data is not available. It is known however that

most departments are hampered by skills shortages and in most cases by inadequate vehicle support (insufficient numbers, and old and unreliable vehicles that are frequently not available for use, and require expensive repairs). There is a need to more definitively determine opportunities for efficiency gains in operations, particularly given the large portion of the budget it consumes.

The business processes associated with measuring performance against the Customer Services Charter are not adequate, and performance in many instances remains uncertain. Indeed, there is a need to expand the measures, to embrace national standards, response times, as well as other aspects that have been identified in the asset management plans as key elements of service delivery. The CRM system that has been adopted by EMM does not capture all needs and is not linked for all services to an effective maintenance management system to track the nature and timing of responses. Customer satisfaction surveys have been conducted since 2008 on a sample basis, and will provide a basis for monitoring general indicators. There is a need to review the systems, processes and data used by EMM to more effectively measure and report service performance. *It should be noted that IT has purchased eMIS for all departments. Currently all Water and Sanitation depots are using this system and all complaints are being adequately recorded.*¹¹

There are elements of good asset management practice in immovable asset departments within Ekurhuleni, especially those that need to comply with license requirements (electricity distribution, water supply, and permitted landfill sites). In general though, practice is not appropriate given the value, extent and complexity of the Council's immovable asset production portfolio, and given the risks inherent to these assets. The overall state of practice measured against the international Specification for the Optimised Management of Physical Assets stands at 19%, compared to competence set at 75%. A three year improvement plan has been prepared with sufficient funding to define and document the asset management system, establish enabling processes and to assess the capacity required to implement the above.

Road: The EMM has identified a road classification system which is simplified into a Freeway Network and a Second Order Road Network as well as a proposed Third Order Road Network. Due to the high mobility and limited access of freeway traffic, increased densification would not be suitable on at interchanges on this road network. Second order road network is most conducive to higher residential densities as these roads link residential areas to nodes and other areas of economic activities and other residential areas. EMM has proposed various density targets on the roads classified as transportation corridors as well as activity development corridors.

The densities for different types of corridors are indicated in **Table 2**.

Table 2: Densities for Corridors

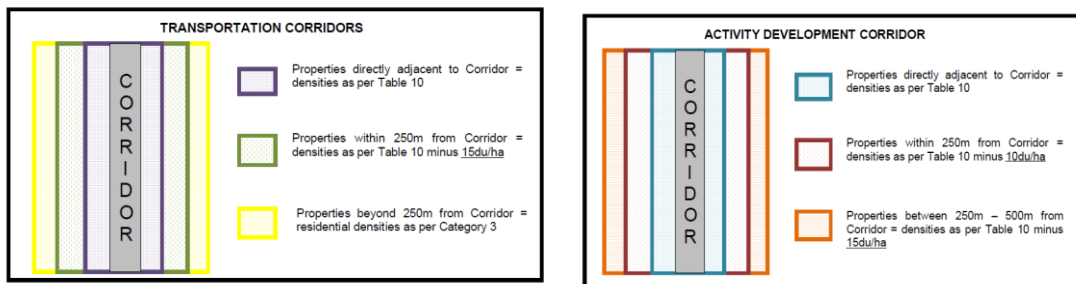
Road Classification	List of Corridors	Land Use	Density targets 2025 Units per hectare (Minimum– Maximum)
Transportation corridors	Albertina Sisulu Corridor; Germiston	- Mixed land uses at identified intersection nodal points.	60 – 80

¹¹ Source: Danie van der Merwe, Chief Engineer Planning: Water and Sanitation Services Department. Reporting Period: 28 November 2014

	Daveyton Corridor	- Higher density residential	
Activity Corridors	To be listed in RSDFs; mainly K-routes linking Primary Nodes	- Local nodal development - Higher density residential	110 – 130
Activity Spine	To be listed in RSDFs; mainly municipal roads linking Secondary Nodes	- Residential - Business - Retail - All uses to be of a local and fine grain nature	40 – 60

Source: EMM MSDF, 2011

The following illustrations illustrate the densities which are targeted abutting the identified corridors. The above-mentioned density targets are applicable to erven directly adjacent to the identified nodes and corridors.



Roads

The following definitions are derived from the Ekurhuleni Corridor Study (page23) indicates the relationship between the road and corridor hierarchy in terms of various levels of accessibility and mobility.

Class 1 Roads: Freeway Network

The freeway network in Ekurhuleni ensures good regional accessibility for the EMM area, and links it to all major centres in a Southern African context. The current freeway network is, however, mainly radially orientated towards Greater Joburg. The priority expansion of the freeway network in Ekurhuleni revolves around:

- PWV 15 which will unlock the development opportunities to the east of OR Tambo International Airport;
- PWV 13 which will directly link OR Tambo International Airport with the N3 and which will improve accessibility of the Core Development Area; and
- PWV 14 which will link Germiston and the Central Activity Belt to OR Tambo International Airport and the R21 and N12 freeways.

The impact of the tolling of many of the current freeways in Ekurhuleni need to be investigated, especially with regard to potential 'rat running' on mower order provincial and municipal roads.

Class 2 Roads: Second Order Road Network

The main objective of this second order road network is to serve the metropolitan area in north-south and east-west directions of movement and to link residential areas to one another and to the core areas of economic activity. This network also link areas of economic activity to one another and promote mixed use and high density developments adjacent to

these routes (subject to road access management requirements). The network promotes public transport along these routes as a priority.

Six main north-south desire lines have been identified and are described below:

- Route K117/K127/K123. This route runs from Tembisa past Spartan and Isando, past Germiston CBD and through Wadeville, linking Spruitview (Vosloorus). The route then loops back through Kathlehong and Thokoza to Alberton.
- Route K105/K90/K131. This route links Tembisa, Kempton Park CBD, Isando and Spartan, Jet Park, OR Tambo International Airport, Boksburg CBD, Sunward Park and Vosloorus.
- K155 which is the extension of the PWV15, and then passes through Anderbolt, Van Dykpark and Vosloorus. The route then loops back through Kathlehong and Thokoza to Alberton.
- K109 which links the northern suburbs of Benoni to the Benoni CBD and Benoni South Industrial area, from where it stretches southwards pass Tsakane and eventually link up with the N3 freeway.
- K161/K154 which serves Daveyton-Etswatwa from where it passes southwards towards the Springs CBD, New Era industrial area, then past Kwatsaduza and Nigel up to where it links to the N3.
- K175 which links Etswatwa to Springs CBD and then beyond to Nigel.

In an east-west direction there are three priority areas:

- K68 which is to link the Daveyton-Etswatwa complex to the OR Tambo International Airport area.
- K106 which links the Daveyton-Etswatwa complex to the Central Activity Belt including Benoni, Boksburg and Germiston.
- K132/K163/K116 which links Springs to Brakpan CBD (Far East Activity Belt) and then to Boksburg (Central Activity Belt).

The prioritisation of the above listed routes must be reviewed in the RSDFs to support the implementation of the proposed Core Development Triangle ('Inner Ring' and 'Outer Ring')

The following routes are deemed to be very important strategic linkages required to optimise the development potential of the Ekurhuleni Metropolitan Municipality:

- **PWV14** from Germiston to OR Tambo International Airport;
- **PWV13** to extend southwards from R21/N12 Witbank systems interchange to N3 just past N3/K155 services interchange in Vosloorus, to provide as a central mobility spine for this north-south strip of development in Ekurhuleni;
- **K60** to link Tembisa-Kempton Park to Midrand;
- **PWV15** between the N12 Witbank and R21 north, to unlock development potential to the east of OR Tambo International Airport; and
- **K86** to link Daveyton to OR Tambo International Airport and to unlock development potential of area north of the N12.

The upgrading or construction of the above mentioned classes 1 and 2 road are important mobility routes. These routes are however National (SANRAL) & Provincial responsibilities. The developments planned by the EMM will have to be in line with that of the above authorities. EMM has no control as to when these facilities will be constructed or upgraded.

B.4 Trends and Demand for Residential Infrastructure

Housing Backlog

The data in the National Housing Needs Register indicate that the current Housing backlog for Ekurhuleni as at 217229.¹²

(Table 3). This includes informal units and the current waiting list.

Table 3: Housing Backlog (2010)¹³

Number of Settlements	NUMBER OF UNITS 2010						
	Region	Informal	%	Waiting List	%	Total	%
23	Region A	36 154	22%	9 007	20%	45 161	22%
12	Region B	33 505	20%	10 786	24%	44 291	21%
19	Region C	30 537	19%	7 469	17%	38 006	18%
16	Region D	15 178	9%		0%	15 178	7%
21	Region E	25 332	15%	7 467	17%	32 799	16%
28	Region F	23 993	15%	9 992	22%	33 985	16%
119	TOTAL	164 699	100%	44 721	100%	209 420	100%
	%	79%		21%		100%	
	Density(du/ha)						

Current Housing Projects

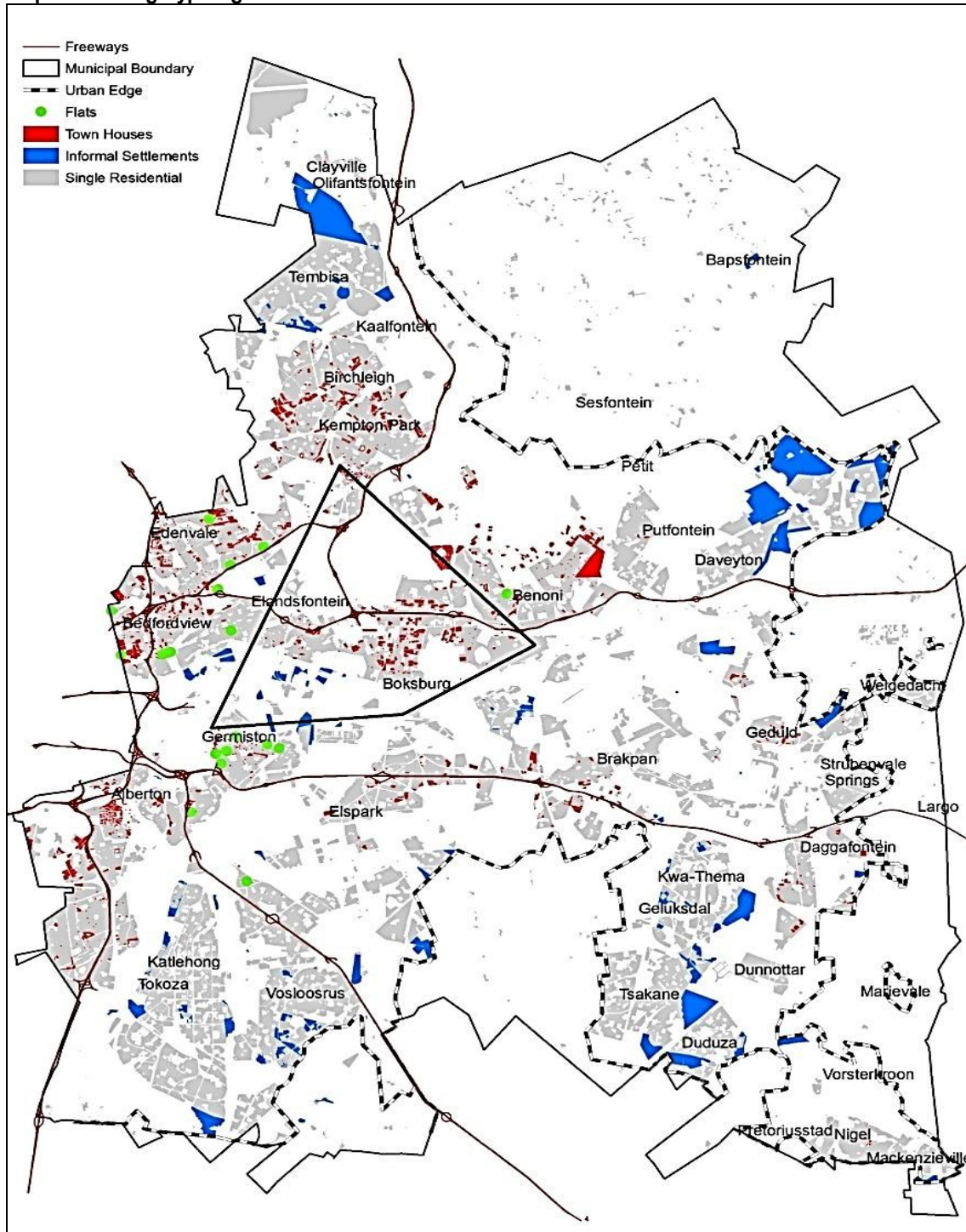
Pressures and challenges experience with current housing projects includes:

- High community expectations in terms of land size and level of service;
- Political expectations, especially from ward councilors;
- Land scarcity relating to reluctance of land owners with strategically located land to sell.
- Informal settlements located in the periphery that still require to be upgraded in-situ, hence a number of new projects in the periphery

¹² Source: Email from Godfrey Hiliza, Manager for Human Settlements Department, Reporting period: 9 September 2014

¹³ Source: HUMAN SETTLEMENTS DEPARTMENT Sustainable Human Settlement Plan, Progress Report April 2013. Reporting period: 2 May 2013

Map 2: Housing Typologies



Social Housing: The City is implementing the Social Housing Programme through the Ekurhuleni Development Company (EDC), the Municipal owned Social Housing Institution responsible for the implementation of the programme. The city has identified the following priority projects as part of the Social Housing Programme in the Metro:

- Fire station, Deville, Pirowville and N17 in Germiston
- Bedfordview
- Farramere
- Benoni central and
- Kempton Park central

Hostels: The Ekurhuleni Metropolitan Municipality is the owner of 22 hostels. These 22 hostels consist of a 43 112 units.¹⁴ The EMM Housing Department in conjunction with Gauteng Department of Local Government and Housing is currently implementing the Community Residential Units Programme aimed at the redevelopment and conversion of these hostels into family units. The business plans were approved for the redevelopment of the following hostels into family units:

- Buya Futhi blocks G and H;
- Kwamazibuko;
- Sethokga, and
- Wattville (Ekurhuleni Metropolitan Municipality, 2011, p,56)

Upgrading of Informal Settlement Programme (UISP): The Metro is currently implementing the following six UISP projects that were handed over to the Metro through the accreditation process:

- Langaville Ext. 4 (Project 56);
- Alra Park Reiger Park ext 5;
- Magagula Heights;
- Moleleki ext's 1 & 2;
- Villa Liza 3; and
- Tinasonke ext. 4.

Community Builder Programme (CBP): The Metro is implementing the CBP can be regarded as the enhance People's Housing Process Programme. The CBP projects delegated through the accreditation process includes the following:

- Mayfield Ext.1 (Project 56);
- Esselen Park (Witfontein 15 IR - R30);
- Pomona Estates;
- Esther Park;
- Terenure;
- Kwa Thema Ext. 3, 7a & Ekuthuleni;
- Tsakane Ext. 19;
- Vosloorus / KAVOSH; and
- Langaville Ext. 4 (Project 56) Informal Settlement Upgrading.

Integrated Residential Development Programme (IRDP): The programme replaced the Project Linked Subsidy Programme and provides for planning and development of integrated housing projects. The projects in the programme are planned and developed in phases and provides for a holistic development the house construction phase for qualifying housing subsidy beneficiaries and the sale of stands to non-qualifying beneficiaries and to commercial interests etc. Phase 1 includes Land, Services and Township Proclamation. Phase 2 includes Housing Construction and Individual ownership options.

The following IRDP projects have been handed over to the EMM through the Accreditation process:

- Holgatfontein 326 IR
- Rietfontein
- Kwa Thema
- Spaarwater
- Vlakfontein 130 IR Ptn 33
- Ergo Road
- Payneville Ext. 1

¹⁴ Source: opportunities for New Rental housing units in Gauteng, Social Housing Foundation, 2009

- Chief Luthuli Ext 4 (Consolidation & Subdivision)
- Rose Acres Palm Ridge ext. 4 & 5
- Rondebult 136 IR (Portion 10 & 17)
- Driehoek (Germiston ext. 4) Rehabilitated land
- Angelo Simmer and Jack
- Balmoral Pnt 31 & 234 (Dreifontein 85 IR)
- Driefontein 85 IR Ptn 399
- ERPM Village (Pnt 402 & 403 Dreifontien 85 IR)
- Vlakplaats portions 36 & 657
- Angelo Deep Klippoortjie 112 IR
- Vlakfontein ptn 7 (Tsakane Ext 22 Emergency Area)
- Dukathole Goodhope (Germiston Ext 37)
- Eden Park West ext. 1
- Ulana Settlements
- Kutalo
- Villa Liza Ext 5

Mixed housing projects: The City has mixed housing developments planned for Chief Albert Luthuli, Leeuwpoot project. There are also a number of Mega projects, projects with land size that exceed 100hectares that are at feasibility stage. These include;

- Grootfontein in Duduza
- Palmietfontein in Katorus/Alberton
- Wetervreden
- Brakpan old location
- Witfontein

B.5 Trends and Demand for Community and Social Infrastructure:

Social infrastructure

Map 3 indicates current and planned bulk social infrastructure. Detail on current bulk social infrastructure is captured in the Ekurhuleni GIS. Detail on planned bulk social infrastructure will be address in the MSDF Implementation Plan as applicable. The following types of above ground municipal infrastructure are (tertiary level social infrastructure):

- hospitals (level 1, 2 and 3 hospitals)- *to meet with Province and National for any proposals*
- prisons- *to meet with Province and National for any proposals;*
- libraries;
- schools- *to meet with Province and National for any proposals;*
- tertiary education- *to meet with Province and National for any proposals;*
- major sport & recreational facilities; and
- cemeteries.

In the case of current infrastructure, the land footprint of the facility is indicated. In the case of planned infrastructure, a symbol is used to indicate the approximate locality of the planned infrastructure.

In identifying and planning for these facilities, reference was made to the Executive Summary of the “Master Plan for Sport and Recreation, Arts, Culture & Heritage, Environment & Libraries and Information Services in the Ekurhuleni Metropolitan Municipality” (Maluleke, Luthuli & Associates, 2002, page 12).

Between 2006 and 2014, several community facilities were built, thereby broadening access for our residents. Some of the achievements in this regard include:

- Construction of 485 km of roads;

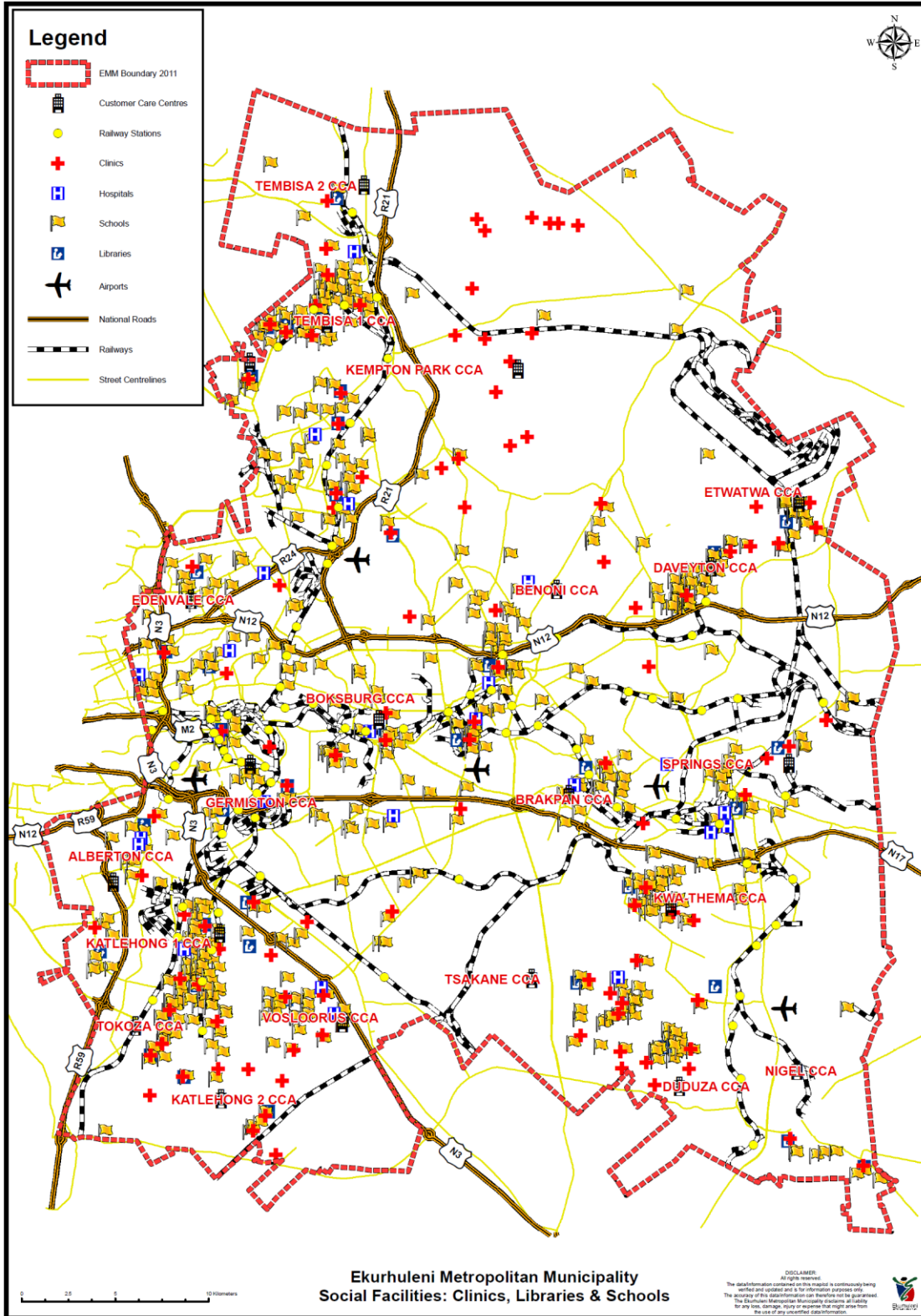
- Complete eradication of the bucket system; 'in 21 December 2007 - This was a National Target date achieved by EMM'¹⁵
- 368 high mast lights have been installed;
- 3445 street poles have been erected;
- Four regional parks have been developed;
- Eight multipurpose parks were upgraded;
- Four nature reserves have been upgraded; and
- A total of 60 000 trees have been planted.¹⁶
- Five large stadiums re-developed and upgraded
- Three new libraries constructed

In response to comment from the National Human Settlement Department, **Map 3** is included to indicate the locality of existing and proposed 'primary and secondary level' social Infrastructure.

¹⁵ Source: Danie van der Merwe, Chief Engineer Planning: Water Services Department. Reporting Period: 28 November 2014

¹⁶Source: THE STATE OF THE CITY ADDRESS OF THE EXECUTIVE MAYOR OF THE CITY OF EKURHULENI, CLR MONDLI GUNGUBELE, DELIVERED AT THE GERMISTON CITY COUNCIL CHAMBERS, 19 MARCH 2013

Map 3: Selected Primary and Secondary Level Social Infrastructure



In response to comment from the National Human Settlement Department, **Map 4** is included to indicate the locality of existing and proposed 'primary and secondary level' sport, recreation, art and culture Infrastructure.

Map 4: Selected Sport, Recreation, Art & Culture Infrastructure

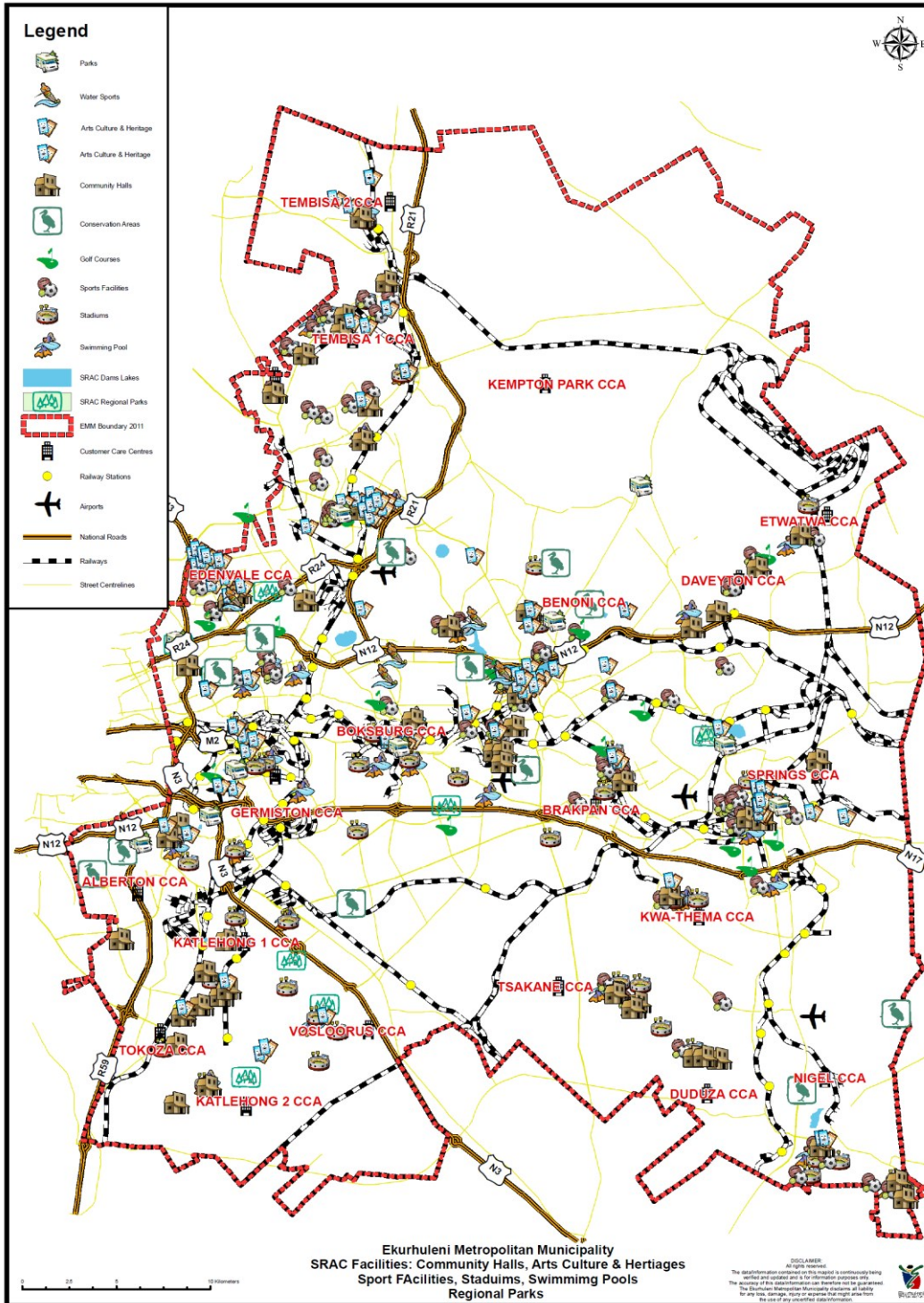


Table 4 indicates the state of service access in Ekurhuleni. This data will be used in identifying future capital projects.

Table 4: State of service access in Ekurhuleni¹⁷

Service class	Service / facility type	Consumer units		
		Adequate access	Access backlog	% Backlog
Public amenities	Airports	931,535	0	0%
	Civic centres	921,522	10,013	1%
	Community halls	913,143	18,392	2%
	Indoor sports & recreation facilities	852,644	78,891	8%
	Libraries	927,401	4,134	0%
	Museums/galleries/theatres	736,397	195,138	21%
	Parks	927,790	3,745	0%
	Outdoor sports & recreation facilities	921,943	9,592	1%
Community facilities	Building plan offices	928,548	2,987	0%
	Cemeteries	930,889	846	0%
	Clinics / Care Centres	801,502	130,033	14%
	Fire / Ambulance stations	871,969	59,566	6%
	Pay / Enquiry points	927,932	3,603	0%
	Vehicle testing stations	820,495	111,040	12%

B.6 Trends and Demand for Transportation:

Table 5 indicates the density targets proposed around railway stations listed above. (Transport to provide updated info in next BEPP)

Table 5: Density targets proposed around railway stations

Distance	2025 (u/ha)
Proposed density up to 500m from the station	110 – 200
Density targets between 500m & 1000m from the station (Dwelling units per hectare (minimum –maximum))	90 – 160

Source: EMM MSDF, 2011

The busiest station in the Ekurhuleni Metropolitan area is Germiston Station and it is recommended in the ITP that densification projects be developed and implemented in the Germiston area, as this is where the major rail infrastructure is centered in the EMM. The municipality is currently busy with the Urban Renewal Programme for Germiston area and densification is part of the objectives in implementing this programme. Germiston is but not the only busy station in Ekurhuleni. Some of the busiest stations include Kempton Park, Leralla, Daveyton, Isando, Dunswart, Oakmoor, Tembisa, Limindlela and this is based on station inflow and outflow volumes with more than 20 000 passengers. Higher density residential developments may also be incorporated into mixed-use developments (refer to Category 2) around stations. In the case of residential units on the ground floor, these units must be designed as live-work units to assist in economic upliftment in these respective areas as well.

¹⁷ Source: Ekurhuleni Metropolitan Municipality Infrastructure and Community Services Backlog Study 2013-2028, pg 52

Transport networks

The land uses proposed in the SDF description above must be supported by transport infrastructure in order to materialise. This section gives a summary of the main transport infrastructure required.

Prasa Rail

Stations are classified by the Prasa in three different groups based on the following main criteria:

A (Flagship): 40 000+ commuters per day; manned fully during hours of operation. In Ekurhuleni, this category consists of Germiston Station and Kempton Park Station.

B (Home Station): 15 000 to 40 000 commuters per day; manned fully during peak times and ad-hoc off-peak depending on operational needs. These Ekurhuleni Stations are indicated in bold in the table below.

C (Work Station/Halts): 0 to 15 000 commuters per day; manned on ad-hoc basis depending on needs. (Source: Concession Agreement)

The rail system in Ekurhuleni comprises 69 existing commuter rail stations or halts. These stations / halts are listed in **Table 6** in alphabetical order, together with the number of passengers embarking and disembarking per weekday, its classification, owner, and its operational function (staging of rolling stock, maintenance and fault service).

Table 6: Station Facilities and Functions

Station or Halt	Passenger Volumes Weekday	Prasa Classification	Owner
Daveyton	27 088	B	Prasa
Dunswart	25 947	B	Prasa
Elandsfontein	32 051	B	Prasa
Germiston	93 670	A	Prasa
Isando	26 239	B	Prasa
Kempton Park	40 899	A	Prasa
Leralla	28 073	B	Prasa
Limindlela	20 079	B	Prasa
Oakmoor	25 011	B	Prasa
Tembisa	22 997	B	Prasa

(Prasa did not classify all Transnet stations)

Prasa's top priorities for Ekurhuleni are Daveyton to Etwatwa; and Tembisa to Ivory Park rail extensions, but then these are again weighed against the national priorities. The planning for the Daveyton to Etwatwa corridor was done in the '90s and Prasa will do an economic

From Germiston there are commuter railway lines in all four directions. This railway network links the disadvantaged communities of Tembisa, Katorus and Daveyton-Etwatwa to all four the core areas of economic activity identified. In addition to the normal commuter rail, the GSPTN also includes the Gautrain linking Sandton to the OR Tambo International Airport (ORTIA) with a commuter station in Rhodesfield. The Strategic Integrated Transport Plan (ITP) and the Metropolitan spatial development framework (MSDF) of Ekurhuleni confirmed that rail forms the backbone of the public transport system, although it is considered not to be optimized.

PRASA – Intersite Asset Investments is poised towards unlocking investment potential around PRASAs stations through the development of mixed use/transit oriented precincts as part of the agency's Investment Strategy. It should be noted that the implementation

timeframe of the Investment Strategy is aligned to related projects underway by other divisions within PRASA, as in the case of the stations modernization programme.

The below table reflects PRASAs planned station precinct development for the medium term.

**NATIONAL STATION PRECINCT DEVELOPMENT PROGRAMME: PHASE 2
PRIORITY LIST**

Station Name (Locality)	Project Description	Capex	Status	Timeframe
Kempton Park (Zuurfontein No 33 – IR)	Mixed-Use Development - Transit Oriented Commercial Development	TBC - Private Finance	- Pre-Feasibility Stage	2017/18
Leralla Station (Tembisa No 9 – IR)	Mixed-Use Development - High-density Affordable Housing – 3-4 Storey walk-ups - Station Commercialisation	TBC	- Pending finalization of Station Modernisation Project	TBC
Tembisa Station	Station Precinct Master Plan - Commercial Development	TBC	- Pending finalization of Station Modernisation Project and	TBC
Dunswart (Vogelfontein No 84 – IR)	Station Precinct Master Plan - Commercial Development	- TBC	- EMM Urban Regeneration plans	TBC

Bus services

In 2007 a study conducted by the Ekurhuleni Metropolitan Municipality suggested that the Metro needs to expand the bus services. The expansion can be dealt with in phases, the first being the expansion of services in areas currently being served (Germiston, Brakpan and Boksburg). This will fit this MSDF Concept if services are operated on the corridors as suggested on Map 18, with specific focus on the 'Inner Ring'. Phase two will see services introduced from existing areas to destinations in neighboring Metro areas then, lastly, introducing the bus services within the EMM area with the aim of linking EMM towns with each other. The last phase of implementation will thus focus on the 'Outer Ring' as proposed in the MSDF Concept.

Taxi services

Taxi mode is used by the highest number of people in Ekurhuleni. There are over 11000 mini bus taxis in the city, moving approximately 335 000 passengers per day. The highest taxi volumes occur in Germiston, Boksburg, Kempton Park, Benoni and Springs. More than 50% of all routes in the EMM area are over supplied.

Routes must be aligned to the routes as indicated on Map 2 of this MSDF, with focus on both the 'Inner Ring' and the 'Outer Ring'.

Integrated Rapid Public Transport Network (IRPTN)

The National Department of Transport's (DoT) Public Transport Strategy maps out a first phase to fast-track implementation programmes that target the initial development of a high quality, Integrated Rapid Public Transport Network (IRPTN) in at least 12 South African cities including Ekurhuleni Metropolitan Municipality (EMM).

The key focus is on initiating implementation in a speedy and highly visible manner with maximum impact. It is expected that successful implementation over the first two phases will see the improvement in public transport services for more than 50% of the inhabitants of the

EMM. In this regard, the aim is to upgrade commuter rail services, bus and minibus taxi services to a Rapid Rail and a Bus Rapid Transit level of quality. Ultimately these services must be fully integrated to form a single system, regardless of mode. The basic aim is to improve the quality of public transport services throughout the EMM and would ideally comprise an integrated package of Rapid Rail, Bus Rapid Transit (BRT), bus, minibus taxi and metered taxi priority networks.

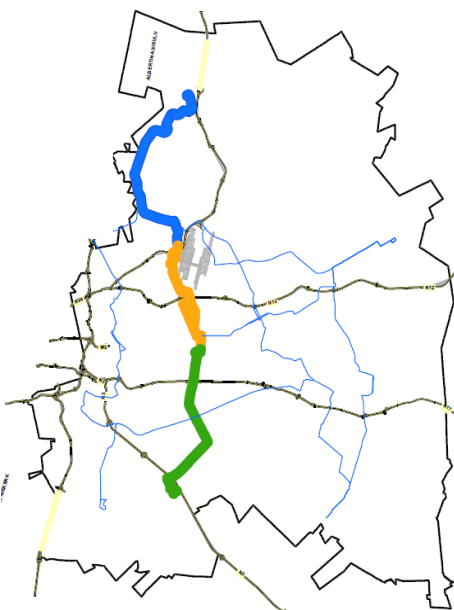
Through the approved EMM Modal Integration Strategy and Action Plan developed in 2008 the Integrated Rapid Public Transport Network (IRPTN) was identified. The IRPTN comprises of grid-based corridors along mobility spines linking main residential and economic nodes in line with the Metropolitan Special Development Framework. From a public transport point of view, the IRPTN is the most significant intervention to improve and promote the use of public transport in Ekurhuleni. The priority or so-called section for implementation is a North-South corridor from Tembisa to Kathorus.

The development of the full integrated network is envisaged to take place over a series of phases, in order to match the available resources for planning, finance, and construction. The following five (5) routes were identified:

- ❖ **Route 1:** Tembisa-Germiston-Katlehong (50km)
- ❖ **Route 2 (Phase 1):** Tembisa Hospital to Vosloorus via Kempton (56km)
 - ❖ **Phase 1A&B:** Starts at Tembisa Hospital to Boksburg Civic Centre via Kempton Park and OR Tambo (38km) *(annotated in blue (1a) and yellow(1b) on Map 5)*
 - ❖ **Phase 1C:** Boksburg Civic Centre to the New Natalspruit in Vosloruus (18km) *(annotated in green on Map 5)*
- ❖ **Route 3:** Kempton Park to Duduza via Benoni and Brakpan (53km)
- ❖ **Route 4:** Etwatwa to Duduza via Daveyton and Springs (42km)
- ❖ **Route 5:** Brakpan to Alberton via Rondebult (24km)

In order to accommodate people living at the periphery (low income people who earn less than R3 500 a month) emphasis will be on the reduction of transfers and creation of affordable settlement or densification along the corridor.

Map 5: IRPTN Phase 1A, B and C



The integration proposals set forward in the MSDF rely heavily on the availability of public transport to support its aims. Planning coordination ensures the matching of the housing migration plan and the proposed public transportation system within the MSDF. The analysis presented in Map 5a and b demonstrates the proposed IRPTN routes.

The city is currently busy with the development of the operations plan and the process has identified new links EMM with City of Johannesburg. Gauteng is also playing a role in ensuring that EMM plans to integrate with adjoining municipalities. New links include Airport to Bruma BRT Node of JHB and link from Kathorus via Alberton to JHB.

The City links its strategy on transport network with other land use development in order to have sustainable development as described in Chapter 7 & 8 of the MSDF 2011. Reference to infill residential development, extend economics activities into PDAs, link disadvantaged communities to the economic core areas, and develop well defined system of nodes, combining activity nodes and public transport nodes are applicable.

Modal Transfer Facilities

During the GSPTN exercise the possible location of strategic modal transfer stations were identified. These included both existing facilities as well as possible locations for future facilities. These locations were then ranked according to a number of criteria. The modal transfer stations located in Ekurhuleni that were identified in the GSPTN.

The Gautrain

The Gautrain will be important in regard to airport access only in respect of OR Tambo International Airport. Otherwise, the planned Gautrain will be a valuable public transport asset in the EMM area generally. It will provide quick and safe access from Johannesburg CBD via Marlboro and Sandton to OR Tambo International Airport. It will also provide access from Tshwane to OR Tambo International Airport although this is less direct in that the routing would be via Sandton. The present planning for the Gautrain provides for access to OR Tambo International Airport's Western Precinct only. However, it would appear that it would be relatively easy to extend it to the Southern Midfield Terminal area. Further extensions of the Gautrain could include a direct link from Rhodesfield to Boksburg.

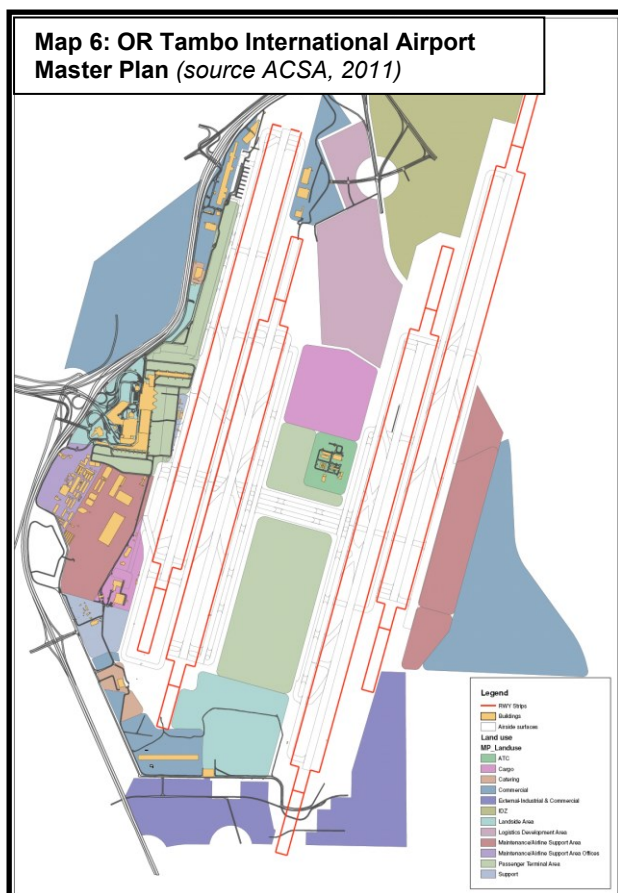
Together with the Gautrain, extensive parking facilities are available at the various stations, especially Sandton, which will be designed to encourage airline passengers to park away from the airport. It is presently envisaged that check-in facilities for passengers could also be provided at Sandton Station.

OR Tambo International Airport

Through the Airports Company of South Africa (ACSA), OR Tambo International Airport has a highly organised planning strategy and a team of dedicated personnel to keep the plan updated. Draft proposals for the foreseeable future and development to an ultimate capacity of 55 million annual passengers were provided to the ITP planning team. Such anticipated

growth and developments, as well as the positive influence on Rhodesfield and surrounding areas has given rise to the Aerotropolis concept. The main points are summarised below.

The passenger projections are currently running about two years ahead of previous predictions. The projected 2006 volume was reached in 2004 and the current annual throughput is about 16 million passengers per year. The OR Tambo International Airport team estimates the current capacity of the Western Precinct to be reached in about 2012 when the passenger throughput could reach 24 million per year. The team also estimates that the Cargo Area will reach saturation by the year 2019. This means that development of the midfield area and its attendant access arrangements will have to start relatively soon. This has considerable impact on the road planning in the area.



In addition, it is estimated that the capacity of the present runway system will be exceeded once the annual passenger throughput reaches 30 million. This will require additional runways to be added with their attendant environmental problems. Suffice it to say that ACSA's OR Tambo International Airport team is addressing all of these issues in consultation with the affected National, Provincial and Local Authorities. Nonetheless, it is noted that there will be considerable problems to be overcome in terms of environmental impact, land acquisition and, above all, land access. The proposed double parallel runway configuration and southern midfield terminal arrangements can be achieved as far as the airfield itself is concerned. However, access will be complex and will require considerable expansion of the road system as well as extension of the Gautrain rail line to serve the southern midfield terminal area.

It has been pointed out by the OR Tambo International Airport team that the airport itself adds only of the order of 10 percent to the traffic volumes presently encountered on the existing road system. Nevertheless, provision of access to the airport complicates the road system considerably by requiring additional ramps with sub-standard weaving lengths. In addition, to provide for road capacity and flexibility of routing to the airport, additional roads will need to be provided as a matter of urgency. These roads include the PWV15 (especially between N12 and R21), PWV14, PWV13, K86 and K88. In addition, other measures such as the Gautrain and extensions of it as well as High Occupancy Vehicles on dedicated lanes may be considered to alleviate the pressure on the road system.

It is noted that OR Tambo International Airport is now located in an expanding urban area such that traffic volumes generated by other urban developments are growing rapidly. These could become a limiting factor in OR Tambo International Airport being able to reach its full projected capacity. This could have the knock-on effect of requiring another site for a second major international airport to be found at an early date. It is clear that the traffic aspects of access to OR Tambo International Airport as well as changes to land use in the area need an in-depth study to determine if the projected traffic can indeed be accommodated even with the additional roads and other measures mentioned above and discussed later. At the same time it is suggested that a study should be launched at an early stage to identify alternative sites and to reserve the land for another future major international airport for Gauteng.

Airport Expansion: Based on January 2011 input received from ACSA, all figures and estimates on the capacity of the airport as mentioned above will need to be reviewed based on new technology and new developments. Inter alia, the successful implementation of Gautrain is alleviating past problems in providing effective passenger access to the Western Precinct, providing to possibility of increased capacities for the Western Precinct. Additionally, new technologies in air traffic management may lead to an increase in the number of aircraft that can be accommodated per runway. Irrespective of such changes, it is still envisaged by ACSA that the proposed Midfield Terminal will, over the long term, outgrow the existing Western Terminal, with respective estimated capacities of 30 million and 40 million passengers per annum. According to ACSA (email January 2011) the first phase of the Midfield terminal should be operational in 2017-19.

Other Airports

Other Airports in Ekurhuleni includes Consultation with the Civil Aviation Authority (CAA) and the study of the OR Tambo International Airport Terminal Management Area (TMA) map published by Jeppesen Sanderson Inc identified all airfields in the EMM area. These are, in approximate degrees of importance Rand Airport, Brakpan Airfield, Springs Airfield Petit Airfield, Bapsfontein Airfield (two fields – one normal and a separate one for microlights), Fly Inn Airpark near Bapsfontein, Fincham Airfield at Nigel, Daveyton Airfield (now closed), Dunnottar Airfield (no longer in use), and Microland Flight Park near Bapsfontein. In addition to the fields situated inside the Municipal Area Grand Central Airport in Midrand, and

Heidelberg Airfield are located just outside the Ekurhuleni Area, but may impact the Ekurhuleni area.

Funding requirements up to 2025

The capital cost required to eradicate the service access backlogs (measured against Council's policy of a comprehensive suite of full levels of service) is estimated at R 14.7 billion, of which R 8.8 billion is required in the roads and storm water sector. The current technical backlog is assessed at R 10.3 billion, R 6.4 billion of which is required to address capacity backlogs (upgrading of assets) and R 3.9 billion to renew assets. Additionally some R 23.6 billion is required to service the capital demands of growth. This translates into a total period capital requirement of R 62.3 billion that equates to 76% of the value of the current immovable production asset portfolio. As a result the average annual capital requirement up to 2025 is in the order of R 4.2 billion, double the size of the current capital budget.

Given assumed efficiency gains annual maintenance needs will increase by 34% from R 2 billion in 2010 to R 2.6 billion in 2025. Operational budget needs will substantially increase from R 9.6 billion in 2010 to R 17 billion in 2025 (an increase of 77%), largely as a result of a 115% increase in the cost of bulk purchases.

Infrastructure investment analysis

An infrastructure investment analysis was done through the development of four scenarios calibrated with the Municipality's Annual Financial Statements and the MTREF. These scenarios tested the impact of meeting Council's targets of service provision to all by 2025 at full levels of service, with sensitivity analysis to assess the impacts of aligning levels of service with the affordability of recipient customer units and extending the programme period by a further 10 years.

Key current issues are the Municipality's exposure to external cost risk (bulk purchases account for 30% of OPEX and are rising sharply), the impact of the conversion to the accrual system of accounting and substantial tariff increases over the MTREF, the inadequate housing subsidy package and current revenue potential that is not fully optimised. Revenue potential based on customers' ability to pay is estimated at R 11.2 billion per annum in 2009, whilst actual revenue of R 7.8 billion was reported in the same period. This implies revenue efficiency of about 76.4%. Council has embarked on a revenue enhancement initiative. But the dominant issue, both now and in the future, is the number of customer units below the poverty line, presently estimated at 78% of the total customer base. Based on Census 2001 data, 48% of all households receive water services they cannot afford – the corresponding figure for sanitation is 54.9%. As a result 72% of customers contribute less than 7% to total revenue. Conversely 28% of customers contribute 93% to revenue. And indications are that the ratio of poor households to the remainder of the customer base will increase over the programme period. The current and projected need for social welfare support is shown in the table below:

Gross cost of the social welfare package

	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Revenue FBS incl.	10.77	12.98	13.38	13.70	14.03	14.35	14.68	15.00	15.32	15.64	15.98	16.34	16.71	17.10	17.47
Revenue FBS excl.	12.08	14.56	15.27	15.66	16.05	16.43	16.81	17.19	17.56	17.95	18.35	18.77	19.21	19.67	20.10
Revenue foregone	1.31	1.58	1.89	1.96	2.02	2.08	2.13	2.19	2.25	2.30	2.37	2.43	2.50	2.57	2.63

If the policy of Council targets for full service access by all in 2025 is modelled, 60% of the municipal bill to high income customers in 2013 is used to subsidise the equivalent of 9.5 low income customer units at a basic level of service – a subsidy burden of R 3055 per month per high income household.

A reduction of R 10.1 billion in capital expenditure is possible if levels of service are adjusted to customer affordability and if the programme period is extended by 10 years, resulting in an annual saving of R 657 million. An analysis of customer affordability however indicates that no scenario is affordable.

Additional considerations

With an average level of investment in immovable assets of R 97 840 per customer unit, Ekurhuleni has a wealth of immovable assets that ensures solvability and strong balance sheet gearing capability. It is also evident that Council has made great strides towards servicing the poor, with infrastructure investment levels in some previously disadvantaged townships matching that of previously white areas. The surplus-driven services of electricity, solid waste, water and sanitation deliver an annual return of between R 0.34 – R 0.97 on each Rand invested in infrastructure, whereas the non-income driven services such as roads and storm water, community services and public amenities delivers an annual return of R 0.01 on each Rand invested. Working capital was limited, operating performance was weak and all services posted deficits, though these were limited in the surplus-driven services to R 1.2 billion compared to the R 3.4 billion for the remaining services. Contributing factors included recent substantial increases in bulk purchase costs, rising salary and supplier costs, and weakening debtor performance. But there is also a need to structure investment in immovable assets in a manner that balance is found between assets that generate sufficient municipal revenue, assets that support economic growth and those assets necessary for social health, well-being and cohesion.

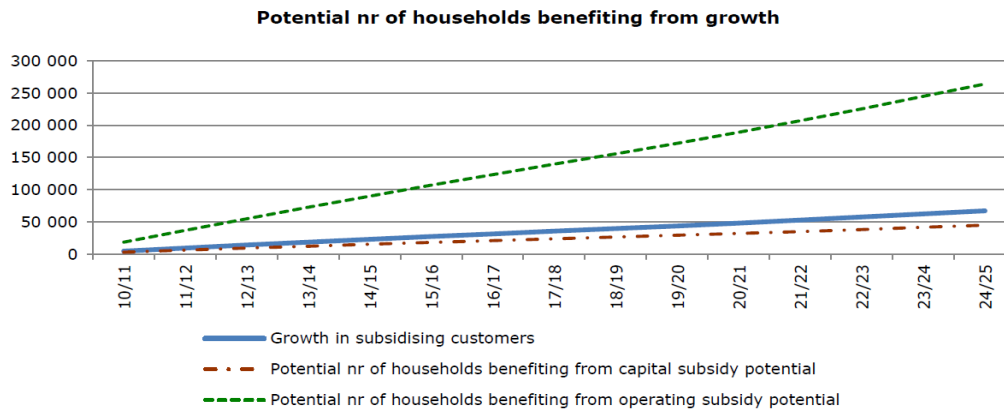
Additionally, given the unproductive nature of some assets, consideration should be given to embarking upon optimised decision making, including asset rationalisation, in the municipality's asset management programme. As a case in point, Council's operational buildings" portfolio has a current replacement cost value of about R 1.9 billion. There is an excess of 259 144 m² floor space, sufficient to accommodate at least a further 9 500 staff members. A substantial portion of the operational buildings portfolio is in poor or very poor condition, some 49% of this portfolio will have reached end of life in the next 15 years, and renewals needs are now expressed in the hundreds of millions of Rand.

There is limited evidence of alignment between the GDS and the SDF on the one hand, and the MTEF on the other. The former set of instruments prioritise development in the core economic triangle and in the transport corridors, and the latter spending in underdeveloped wards and in areas experiencing high levels of development pressures, notably in Germiston and Benoni. This indicates a lack of alignment in key planning instruments. It also raises questions around whether the municipality responds to events or whether it is vision-driven, and the merits of centralised versus decentralised budget planning and control become a consideration.

Growth in the local economy is a prerequisite for continued expansion and deepening of municipal services. Both the municipality's financial statements and the infrastructure investment analysis indicated much effort on the part of Council to provide quality municipal services to all, but that the municipality does not have the financial capacity to intensify its programme for eradicating service access backlogs. This requires an appreciation of the value of top-end customers – in the case of Ekurhuleni the top 200 customers constitute a mere 0.02% of the customer base but contributes 13% of total municipal revenue, often at substantial surplus margins. These entities further provide employment that decreases dependency on municipal social services lightens the subsidy load and increases municipal revenue, and they also attract further investment in the municipal space. There is a need to nurture these clients and protect the revenue that they generate for the municipality.

Implications and considerations for the Growth and Development Strategy

Continuing with the “business as usual” approach will not work. Service access backlogs will remain more or less constant, condition and capacity backlogs will increase, growth potential will not materialise and as the current production asset portfolio deteriorates the revenue performance of the municipality will decline.



It will be necessary to align key planning instruments, develop and implement a funding prioritisation system, to exert more centralised control over budget allocations and to synchronise the roll-out of the capital programme to ensure that inadvertent backlogs are not created and that the vision of sustainable human settlements is achieved. Council should embark on a continuous programme of optimisation of asset portfolios to obtain best value for money.

B.7 Trends and Demands for Sustainable Development:

According to the National Environmental Management Act, 1998, sustainable development is defined as:

“The integration of social, economic and environmental factors into planning, implementation and decision making so as to ensure that development serves present and future generations”

It therefore does not single out the environment but includes the social and economic aspects of development.

Environmental sustainability

Environmental sustainability therefore involves making decisions and taking action that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment to support human life. In order to enable the Ekurhuleni Metropolitan Municipality to support environmental sustainable development through its infrastructure development, the Revised EMM Environmental Policy was approved on 26-11-2013.

The revision of the policy provides a bigger opportunity to align EMM Environmental Policy with sustainability initiatives, future considerations, e.g. the impacts of climate change, the green economy, mining reclamation and pollution, and land reform and agrarian transformation. Importantly, the Revised Environmental Policy is aligned with the Growth and Development Strategy 2055 for EMM.

The EMM Environmental Policy Statement

The Ekurhuleni Metropolitan Municipality in delivering services to the community strives to maintain and promote sustainable environmental management by carefully blending ecological, social, and economic considerations into our future planning and decision making processes. The Ekurhuleni Metropolitan Municipality will balance the interests of the present with those of future generations, and ultimately, will strive to reduce the environmental impacts of current operations, activities, products, and services. Urban growth is constrained by dolomite

The EMM Environmental Policy Ultimate Outcomes

To meet the goals and intended outcome of the Environmental Policy seven areas of impact are defined that require implementation. The long term outcomes are:

1. Key natural resources are protected and conserved.
2. EMM employees are aware of environmental matters and environmental education initiatives are implemented.
3. Environmental principles are embedded in Infrastructure and development activities in EMM.
4. Land, water and air pollution is prevented and reduced.
5. Catchments are managed in an integrated manner.
6. EMM is energy efficient and has adapted to climate change impacts.
7. Sound environmental governance.¹⁸

¹⁸ Source: Ekurhuleni Metropolitan Municipality Environmental Policy, Reporting date: 08/02/2013

B.8 Infrastructure Requirements Identified in terms of Spatial Planning Strategy:

This section indicates infrastructure requirements both social and physical as was identified from the modelling undertaken on the Ekurhuleni Strengthening of the SDF¹⁹ report, the Region A RSDF, and the Rhodesfield Urban Development Framework. The Strengthening of the EMM SDF report identified a backlog of social services throughout the EMM pertaining to clinics, arts and culture, fire stations, community halls and libraries as reflected in **table 8**. Table 6 also includes a list of the most suitable land identified, zoning and ownership of the identified sites. Infrastructure requirements determined from the RSDF Region A have also been taken into account as to both physical and social infrastructure requirements based on the supporting implementation and sectoral plans. Infrastructure Requirements from the Rhodesfield UDF as per **table 9** has also been taken into account and should be noted as dominantly requiring bulk infrastructure support from the EMM service departments. **Tables 7 and 8 also** reflect the infrastructure backlog as per the CIF geographic priority areas, with Rhodesfield (**Table 9**) falling in totality within priority area 1. The objective of the infrastructure requirements is to start informing departments of identified backlogs as per the priority areas, in order to guide departments in addressing these infrastructure needs as part of their capital projects in support of Council initiatives and developments, and in alignment with the CIF priority areas. The future infrastructure requirements identified from spatial strategy will include infrastructure requirements identified from the presently draft RSDFs for regions B – F and the review of the MSDF once approval has been obtained.

Table 7: List of infrastructure requirements – RSDF Region A

Project Name	RSDF Pg Reference		Responsible Department		Priority 1, 2, 3
	Implementation Plan	Sectoral Plan	Primary	Secondary	
2.1) Links between O.R Tambo & Rhodesfield	1	1, 13	Roads	City Planning	1
<i>5) Activity Corridors: Upgrade/Construction</i>					
5.1) Aerotropolis Boksburg Corridor (North-South)	3	1, 8	Roads		2
5.1.1) IRPTN Route	3	1, 8	Roads, Public Transport		1
5.2) Aerotropolis Bedfordview Corridor (North-South)	3	1, 8	Roads, GAUTRANS		3
5.2.1) IRPTN Route	3	1, 8	Roads, Public Transport		3
5.3) Aerotropolis Germiston Corridor (North-South)	3	1, 8	Roads, GAUTRANS		2
5.3.1) IRPTN Route	3	1, 8	Roads, Public Transport		3
<i>7) Social Facilities</i>					
7.1) Clinics (3)	4	10	Health, Social Facilities & Real Estate, CCC		1
7.2) Community Halls (3)	4	10	Social facilities & Real Estate, CCC		2
7.3) Museums/Galleries/Theatres (2)	4	10	Social facilities & Real Estate, CCC		3
7.4) Emergency Service Stations (Fire & Ambulance) (4)	4	10	Emergency Services, Social facilities & Real estate, CCC		1
8.2) Development of Zesfontein LFS	5	9	Waste Management		2
8.3) Adding capacity to Simmer & Jack LFS	5	9	Waste Management		2

¹⁹ Contained in the February 2012 report titled 'Strengthening of the Ekurhuleni Spatial Development Framework'.

Table 9: List of infrastructure requirements from the Rhodesfield UDF

External access improvements directly from the highways at three points:	North – intersection improvements from the highway directly into the Kempton Park CBD at Voortrekker Road and road box,	Pg. 102	Roads
	Central – left-in, left-out intersection from the R21 northbound carriageway into Kingfisher Street	Pg.102	Roads
	South – a new off-ramp link from the OR Tambo access road onto Pretoria Road at the R21/R24 intersection, from Andre Greyvensteyn Avenue under the Gautrain line directly into the new town centre and a new on-ramp from Pretoria Road directly onto the R21 northbound carriageway.	Pg. 102	Roads
Create a new intersection linking the primary internal access routes of Pretoria Rd, Albatross St and Vuelu Road beyond to Kelvin Street at Spartan.	This is possible by means of an overheard traffic circle above the existing road intersection and railway line.	Pg. 102	Roads
Primary access points, connections are required to complete the box and improve local access within the site.	A link from Plane Road to Park Street into the Kempton Park CBD,	Pg. 102	Roads
	A link from Kittyhawk to Cypress Street,	Pg. 102	Roads
	An underpass and other links from Kittyhawk across the R21 to OR Tambo freight area,	Pg. 102	Roads
	A new link via land acquisition between the southern end of Kittyhawk and an eastern extension of Wellington Street,	Pg. 102	Roads
	A new bridge pedestrian from Mosquito to Mark Streets to give access between the river system, linear park and social core,	Pg. 102	Roads
	A new road bridge across the Metro railway line between Rhodesfield and Rhodesfield ext 1 from Wellington to Meintjies to complete the southern side of the box,	Pg. 102	Roads
	A new underpass beneath the Gautrain from Valle Road in ext 1 into Isando business park at Hulley Rd and further south across the R24 to link to Industry Road (a pedestrian-only bridge currently exists nearby but should become accessible to vehicles as well) and	Pg. 104	Roads
	an overhead skytrain or covered travelator between the Gautrain Station, BRT Station and OR Tambo Airport along the Rhodesfield Ramblas pedestrian route and Hornet Street.	Pg. 104	Roads
Additional bulk electricity capacity required at full implementation of RUDF	Business requirements 116 x 900kVA = 104 400kVa total demand	RUDF VII Service Infrastructure Strategy Pg.9	Energy
	Residential requirements 19.7 x 217 = 42 749kVa total demand	RUDF VII Service Infrastructure Strategy Pg. 9	Energy
Additional sewerage capacity	3.31Megalitres of sewage treatment capacity will be required for the full development.	RUDF VII Service Infrastructure Strategy Pg. 9	Water & Sanitation
Additional water capacity	The additional required storage is thus approximately 5.5Megalitres for business purposes	RUDF VII Service Infrastructure Strategy Pg. 8	Water & Sanitation
	The total water supply requirement will therefore be in the region of 3.9Megalitres supply over and above the existing supply capacity for residential purposes.	RUDF VII Service Infrastructure Strategy Pg. 8	Water & Sanitation

B.9 Impact of Sector Trends and Demand on Spatial Form:

Residential Infrastructure Review:

Pressures and challenges:

The Human Settlement Department, in a bid to purchase affordable land for low cost housing, drives urban sprawl, locating people on the periphery.

Possible solutions:

- 1) To purchase land or buildings within nodal areas close to public amenities and socio-economic services.

Identified stakeholders: National Department Human Settlements, Provincial Housing Department, Private developers that own vacant land or underutilised

buildings, Housing Development Agency, EMM: Human Settlements, City Planning, Real Estate.

- 2) Increase in supply of well-located land for human settlements development.
Identified stakeholders: National Department Human Settlements, Provincial Housing Department, Private developers that own vacant land, Housing Development Agency, EMM: Human Settlements, City Planning, Real Estate.
- 3) Formalising informal settlements (in-situ upgrading) which are well located to public amenities and socio-economic services.
Identified stakeholders: National Department Human Settlements, Provincial Housing Department, land owners, Housing Development Agency, EMM: Human Settlements, City Planning, Real Estate.

Basic Infrastructure Review:

Pressures and challenges:

In the past number of years ERWAT has increasingly lagged behind with regards to increasing capacity in relation to bulk water and sanitation infrastructure. This has created numerous environmental problems which could have otherwise been avoided through infrastructure provision. The backlog is also impacting negatively on development applications.

Possible solution:

- 1) CIF should guide infrastructure spend to areas with the greatest area of influence thus resolving spill over problems which might have otherwise occurred.
Identified stakeholders: ERWAT and Ekurhuleni Water and Sanitation Services Department and City Planning.

Community Infrastructure Review:

Pressures and challenges:

The state of service access in the EMM in the public amenities rates high in the backlog percentage of Museums/ Galleries/ Theatres. In the community facilities, creches rate high in backlog. The shortage of public schools is another issue within EMM. With the extensive growth of the city during the mid-2007 housing boom, Provincial department of Education failed to keep up with the pace of housing development. The need for a tertiary education facility in Ekurhuleni has been identified. This must be further investigated.

Possible solutions:

- 1) Build more museums/ galleries/ theatres in Ekurhuleni, identifying the correct piece of land is crucial. A new theatre is currently being built in Germiston. This will see 3 theatres (Springs; Germiston and the City Hall) available in the EMM. Ekurhuleni SRAC does not believe more should be built but that community centres can be upgraded to provide direct access to communities. The high cost of maintaining galleries, museums and theatres must be kept in mind. Current facilities must be upgraded as priority number 1 before new ones are built. Multi-purpose centres can be used for all these community needs e.g. using travelling exhibitions. **Option also to develop more Heritage Sites with onsite small satellite museums. This will also assist with job creation as we can then employ site guides.** We are also investigating the use of our current arts centres by NGO's etc on a full time basis as we do not have enough staff to run programmes at the centres.

Identified stakeholders: EMM: SRAC, Gauteng SRAC, put sector NGO's.

- 2) Finding ways for legalising crèches that meet City Planning's criteria in the approved Crèches and Nursery Schools Policy.

Identified stakeholders: EMM: City Planning, Health and Social Development, and Provincial Department of Education

- 3) Land should be made available for educational purposes and provincial departments should start budgeting for the construction of schools on these parcels of land.

Identified stakeholders: EMM: City Planning, Gauteng Department of Education, Health and Social Development.

- 4) Investigate the establishment of a tertiary education institution (university) in Ekurhuleni. Ekurhuleni Art, Heritage and Culture are currently trying to support Sibikwe Arts Centre in their quest for a conversion to an FET College of Arts Education so this solution is highly supported.

Identified stakeholders: National Department of Education, EMM: City Planning, Economic Development.

Transportation Infrastructure Review:

Pressures and challenges:

Bus services are losing market to the taxi industry. The current bus service does not serve the whole of the EMM community. The rail infrastructure is dilapidated and needs upgrading.

Possible solutions:

- 1) We need commitment from PRASA to improve levels of service to these affected areas. We also need a bus service that will benefit everybody in the EMM.

Identified stakeholders: PRASA, Provincial Department of Transport, EMM: Transport Planning, Department of Public Enterprises.

- 2) The implementation of the IRPTN Phase 1 is of extreme importance as it links the major workforce within EMM to work opportunities within the Metro. These areas fall within the proposed integration zones.

Identified stakeholders: National Department of Transport, National Treasury, EMM: Transport Planning.

- 3) Extension of Gautrain service to the South/ East of the EMM.

Identified stakeholders: National Department of Transport, PRASA, EMM: Transport Planning.

- 4) Upgrade of the OR Tambo infrastructure.

Identified stakeholders: EMM: Transport Planning, Department of Public Enterprises.

(Environment) Sustainable Development Review:

Pressures and challenges:

EMM need to strive to reduce the environment impacts of current operations, activities, products and services. The green infrastructure techniques need to be used as it can improve services for everyone now and in the future. Developers must be encouraged to build and utilise green infrastructure. The need for the upgrade and maintenance of storm water and sanitation infrastructure has been identified and dedicated funding should be identified and provided for this purpose. Infrastructure neglected and damaged by the community is a huge problem. The issuing of Environmental authorisations such as EIA's and Water use Licences for Infrastructure related projects takes long.

Possible solutions:

- 1) Work on strategy with City Planning to encourage developers to build green buildings, possible getting discounts/incentives when submitting applications.
Identified stakeholders: EMM: Environment Resources Management, City Planning, Energy, Finance, Human Settlements, GDARD, GCRO, Eskom
- 2) Provision of adequate storm water infrastructure.
Identified stakeholders: EMM: Environment Resources Management, Roads & Storm water.
- 3) Maintenance of infrastructure must receive urgent attention and funding must be identified, specifically relating to stormwater, water, waste collection and sewer infrastructure
Identified stakeholders: EMM: Environment Resource Management, Roads & Storm water, Water Services, Energy, National Water Affairs.
- 4) Public awareness and education on utilizing infrastructure correctly and efficiently
Identified stakeholders: EMM: Environment Resource Management, Roads and Storm water. Communications and Marketing
- 5) EIA's and water authorizations for infrastructure related (service delivery) projects to be fast-tracked by the relevant authorities. Try to obtain generic authorisations for maintenance related projects.
Identified stakeholders: EMM: Environment Resource Management, Roads and Storm water, GDARD, National Water Affairs

C: STRATEGIES AND PROGRAMMES

C.1 Long Term Vision:

EKURHULENI GROWTH AND DEVELOPMENT STRATEGY

The review of the Growth and Development Strategy (GDS) of the Ekurhuleni Metropolitan Municipality (EMM) as adopted in 2005 was deemed necessary in light of the limitations of the strategy, the subsequent lack of alignment with implementation and the momentous changes which have taken place in South Africa and the world since then. It was also decided to extend the target horizon from 2025 to 2055 in keeping with the Gauteng 2055 strategy and to be able to take a more encompassing view of important global transitions that will take place by mid-century. The review process extended over the past year and was both research and participation intensive. Research was conducted into the City's socio economic profile, its infrastructural and fiscal health and its economic development potential. The research findings were then extensively work shopped with Ekurhuleni leaders, officials and staff and external stakeholders and focus groups throughout the City using a scenario planning point of reference.

The review suggests that the City has entered a time of profound strategic choice with powerful long term consequences. As the industrial and logistical core of the Gauteng City Region, Ekurhuleni is pivotal to South Africa's growth trajectory to 2020, 2030 and beyond. Historical structural analysis from 1896 to 2012 indicates that Ekurhuleni has played a crucial role in national manufacturing value chains that have been shaped strongly by national industrialisation policies in the context of powerful evolving global dynamics. This has been complemented and often contradicted by local and national urban strategies. The ultimate effect of these strategies was to produce an unsustainable, obsolescent and most inequitable urban industrial formation that is currently being managed by a weak institution. This system is currently in a downward spiral. In the narrative which emerges of Ekurhuleni's past the exceptional resilience, tenacity and work ethic of Ekurhuleni's communities and industrialists stand head and shoulders above the many attempts which have been made to grow, segment, dismantle or develop Ekurhuleni by a multiplicity of actors. It is this legacy which is also the richest promise for the future.

For EMM to move forward it is critical that the following developmental imperatives/goals to be pursued:

1. Sustainable urban integration
2. Job creating economic growth
3. Social empowerment
4. Environmental well-being
5. Co-operative governance

The following stages indicate how EMM should position itself if we are to realise the above developmental imperatives:

Delivering City (2012 -2020) which would lay the foundation for a **Capable City** (2020 -2030),
and ultimately enable a **Sustainable City** (2030 - 2055).

This trajectory lies at the heart of a High Level Strategic Framework for the City to manage its transition through the five strategic themes as outlined in the GDS of; "Re-urbanise", "Re-industrialise", "Re-generate", "Re-mobilise" and "Re-govern". Each of these interlocking themes forms the point of departure for a basket of 16 lead programmes.

The urban integration agenda as pronounced through the built environment performance indicators are expressed through the following four high level goals as extracted from the guidelines on performance indicators (National Treasury, 2013):

- a) **Well-Governed City:** This is a precondition for reshaping the urban form and sustainable built environment transformation. It is defined as a municipality with the vision and leadership to initiate and drive spatial change, efficient and sustainable urban infrastructure transformation, and with its policies, procedures and resources aligned accordingly. It covers the ability to target priority areas for transformation, to lever additional resources from external sources, and to involve stakeholders in the planning and implementation processes. It also implies greater expertise in facilitating the (re)development of urban form and built environment to achieve the complex objectives inherent in spatial and built environment transformation.
- b) **Inclusive City:** This is defined as a city in which all residents are able to participate in its economic and social opportunities. It means that there is better physical access to such facilities (through proximity and mobility), and greater social diversity at neighbourhood and city levels. It implies higher population densities across the city, particularly in well-located areas and around transport hubs and corridors. It also implies redevelopment of brownfield sites, infill development and the intensification of existing inner urban areas to accommodate larger populations. A more efficient and integrated transport system is a related objective. Social integration also means more mixed-income, mixed-use, inclusionary forms of development with more diverse housing options. There are higher quality and safer residential environments for all, with public services and recreational amenities within easy reach.
- c) **Productive City:** This is defined as a city where people can earn a decent living and that generates sufficient resources to pay for improved infrastructure, services and amenities. It is a city that functions efficiently and makes effective use of its human and natural resources. Municipal policies and procedures (related to land, infrastructure, regulations and incentives) encourage increased private and public investment throughout the city, including in established economic centres and new transformation areas. Business support programmes are also established according to the needs and potential of different types of enterprise, either by the municipality or in partnership with other agencies or spheres of government.
- d) **Sustainable City:** This is defined as a city with innovative infrastructure networks which enable more efficient use of natural resources and provide affordable services. There is growing investment in resource efficient and sustainable urban infrastructure. The tariffs are set at levels to balance real cost (including provisions for maintenance and future capital investments) with affordability. Less municipal-provided resources are being consumed per capita and less solid waste goes to landfill. Each city monitors the resource efficiency (of energy and water) and solid waste flows to landfills.

These themes speak directly to Ekurhuleni's vision for a delivering, capable and sustainable city.

C.2 The Spatial Development Strategy of the Municipality:

Regional spatial development frameworks

In order to more effectively provide for the various functional areas of Ekurhuleni, the Metropolitan SDF provides for six urban planning and urban management regions. These are sometimes alternatively referred to as zones or areas. The six regions are indicated on Map 7. For the purposes of planning at the strategic level, development planning and urban management regions are not necessarily administrative regions although it is desirable that they coincide with the regions. There is a need to dismantle apartheid boundaries and integrate the city. The moot question is what are the prevailing circumstances for EMM for integration and development? Infrastructure Planning is a critical function that informs the developmental needs for the municipality and integrated planning.

Through the development priorities as proposed by the built-environment indicators, the core themes that are being carried through into the new RSDFs focus around integration and mobility with a particular emphasis around transit orientated development which is geared towards a sustainable city form. With EMM's wide range of mobility options (An extensive PRASA rail network, National highways, Major airports), the opportunity to address spatial inequality through these mobility options provides adequate measures which the built environment performance indicators aim to capture and assess.

REGION A

Region A is one of six regions in Ekurhuleni. It is the central western Region and abuts the City of Johannesburg. The Region covers 24 795ha (13% of the total area of Ekurhuleni) and houses approximately 150 000 households (17% of the households in Ekurhuleni). It accommodates a variety of land uses and is seen as the core economic area of Ekurhuleni as it includes OR Tambo International Airport, the CBDs of Kempton Park, Germiston, Boksburg, Benoni, and Bedfordview, as well as the industrial areas of Spartan, Isando, Jet Park and Anderbolt. Some of the most important roads within Ekurhuleni and Gauteng traverse Region A or pass on the boundary of the Region. These include the N3, N12, N17, R21 and the R24. Region A is largely built-up and contains a wide variety of land uses ranging from mining and industrial to residential and commercial. The residential areas range from high-income areas such as Bedfordview to low income areas such as Reiger Park.

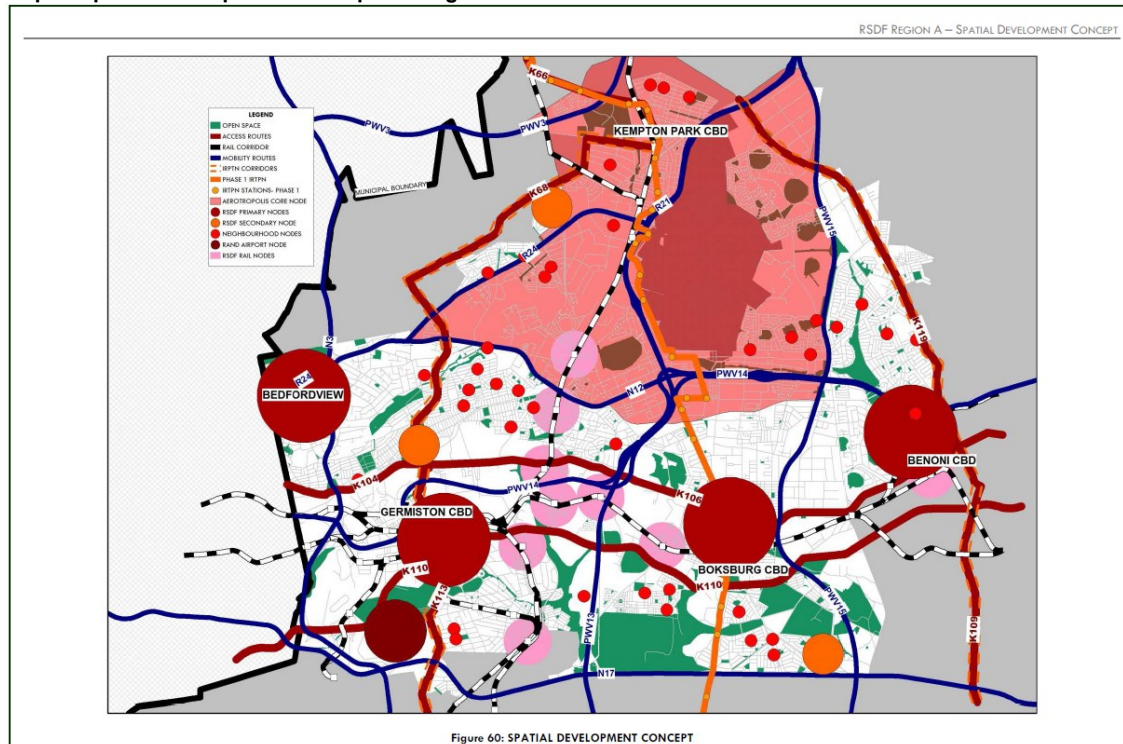
Region A is a large and significant local economy in the Ekurhuleni Metropolitan Municipality's economic context. Region A has a resident population of approximately 711 956 people; the area contributes approximately 3.7% to national production and has a share of approximately 2.6% of national employment. Over the period 2001 to 2011, Region A's economy grew by an estimated average of 4.06% per annum, higher than that of either the province or of the country. Region A contributes approximately 43.92% to the total economic output of Ekurhuleni and 10.89% to the total economic output of the Gauteng province.

Region A is unique in the sense that it is an amalgamation of several different towns, with overlapping catchments. In theory one of these nodes should have developed as the dominant node and the others 'demoted' to secondary nodes. This has not happened due to historical, administrative and political reasons. For example, most cities will have one CBD (primary node); several decentralised nodes of a significant size (secondary nodes) spread out throughout the urban area; and a large number of neighbourhood nodes (tertiary nodes). This is not the case in Ekurhuleni or in Region A and the airport and its accompanying Aerotropolis, which can potentially develop as the most important node, further complicate the designation of nodal status.

The spatial concept of Region A comprises of an open space network connecting major open spaces, a number of nodes (special, primary, secondary, tertiary and transit orientated) and development corridors.

Region A and its sectorial plans are in its final stages of approval and should be approved within the first quarter of 2014.

Map 7: Spatial development Concept for Region A



REGION B

This is the north –west region and it comprises the area which was part of the Khayalami metro. The region is the only area that went through the first and second phases of local government transition and if well supported should develop critical mass on the basis of the economy of the region. The critical mass should assist in the planning and urban management proposed for focus in Tembisa in terms of the Tembisa Masterplan as pronounced by the Premier in the Gauteng State of the Province address of 2011. The residents of this region also benefit from the developments taking place in the adjoining metros of Johannesburg and Tshwane and alignment is very important.

REGION C

This is the north-east zone comprising most of the area north of the N12, and east of the OR Tambo International Airport starting from Atlas road. These areas include Bapsfontein, Boksburg North, Northmead, Rynfield, Morehill, Chief Luthuli, Crystal Park, Mayfield, Etwatwa and Daveyton. The strength of the area lies in the desirability to link the low income areas of Daveyton and Etwatwa to the OR Tambo International Airport through the newly proposed growth area in Benoni North.

Residential growth is planned to the west of Daveyton –Etwatwa linking directly to the OR Tambo International Airport. Economic development shall be directly linked to airport and by implication, infrastructure, in particular roads have to be provided.

REGION D

This is the central eastern region located mainly by between the N17 and N12 in the north, east of the Benoni CBD. The region includes the CBDs of Springs and Brakpan, Lindelani, Kingsway, Modderbee, Apex and mining areas in the east. The strategy would be to consolidate the area as part of the developments at the economic centre.

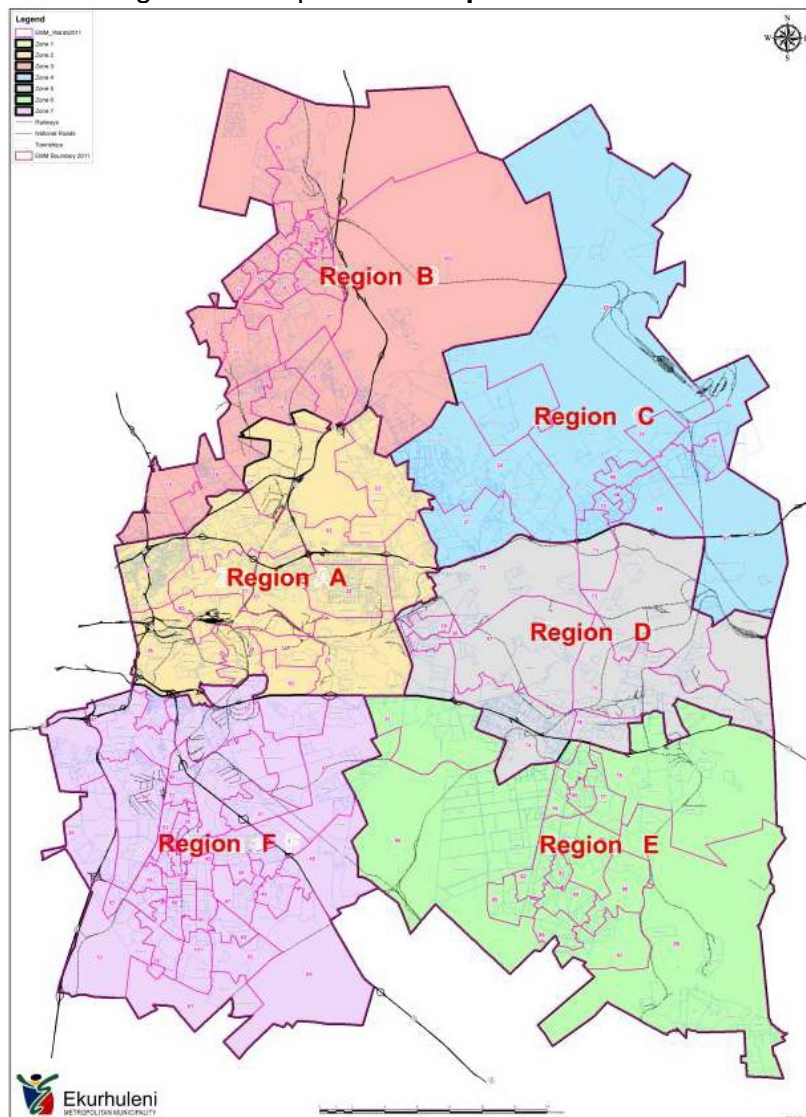
REGION E

This is the south-eastern region comprising land south of the N17. The region is distanced from the core economic area and it includes Kwatsaduza, Marievale, Nigel, Selection Park, Carnival Casino, Geluksdal, Witfontein and Sonneveld areas. Heavy industrial development should be encouraged in the region to revitalise the economic development of the area in particular Nigel industrial area. The region is removed from the core developments of the city and planning intervention were possible should assist in influencing the invigoration of the economy of the area.

REGION F

The last region is formed south of the N17 and west of the superdump. The area includes the better parts of Leeupoort, Windmill Park, Sunward Park, Elspark, Wadeville, Alrode, Alberton, Meyersdal, Brackendowns and Brackenhurst, Kathorus, Edenpark, Palm Ridge and Green Village. The strength of the region is the industrial areas of Wadeville and Alrode. Leeuwoort is a major development area in this zone. The industrial areas of Wadeville and Alrode remain the backbone of the economy of the region and should be sustained. The region has strong economic and social linkages with the city of Joburg. There is also a new pull factor towards Midvaal in the south because of the location of Heineken which has become an instant pull factor along the R59 corridor.

The six regions are depicted on **Map 8**.



Identified Strategic Areas for Housing Development:

The identification of strategically located land development areas is a continuous process as part of the finalization of the Ekurhuleni Capital Investment Framework. As part of this process, a number of strategic areas for housing provision has already been identified and is reflected in **Table 10**. The economic development is reflected on **Table 11**.

Table 10: Preliminary Strategic Areas for Housing Development

Strategic Precinct/ land parcel	Focus	Ownership	Actions
Kwesini Station Area	Sustainable Human Settlements	EMM land	Engage Prasa on station development, bulk services required
Germiston - Kutala Station	Sustainable Human Settlements	Private & EMM	Private developer, Strachen Hostel, unused rail reserves, bulk services required
Wattville	Sustainable Human Settlements	Access to Transnet reserve	Relocate hostel, bulk services required
Daveyton CBD	Sustainable Human Settlements	EMM & Prasa	Hostel relocation, bus & taxi rank facilities required, , bulk services required
Mining belt	Sustainable Human Settlements	Various	K- Route reserves & building lines sterilising land, , bulk services required
Leeuwpoot	Sustainable Human Settlements	EMM	Property development, bulk services required
Tembisa Leralla Station	Sustainable Human Settlements	Prasa, EMM and Private	Redevelopment of node, bulk services required
Germiston CBD	Sustainable Human Settlement	Private & EMM	Bulk infrastructure required.

Table 11: Preliminary Strategic Areas for Economic Development

Strategic Precinct/ land parcel	Focus	Ownership	Actions
IDZ Development - OR Tambo	Economic Development	Intersite, Private, ACSA	Bulk infrastructure required.
Sisulu Development Corridor	Economic Development	Private	Bulk infrastructure required.
Rhodesfield	Economic Development	Private & Gauteng Dept Education	Bulk infrastructure required.
Tambo Springs Inland Port	Economic Development	Private & EMM	Bulk infrastructure required.
Germiston CBD	Economic Dev	Private & EMM	Bulk infrastructure required.

The identification of Strategic land parcels are guided by the MSDF. Additional to the MSDF **Map 1**, three specific sections of the MSDF is of importance, namely the section on Priority Geographic Areas, the section on Prioritisation of the Capital Investment Framework (CIF), and the section on Regional Spatial Development Frameworks.

These three sections are repeated below and will assist EMM in identifying specific land parcels that the city is earmarking to unlock as a result of USD and in identifying key changes in strategic locations that will assist the city in changing its current landscape. Detail regarding ownership of land will be identified in the applicable RSDFs. The RSDF will also reflect detail on plans to reintegrate poor and medium income groups to areas of economic opportunities additional to the MSDF proposals.

C.3 CAPITAL INVESTMENT FRAMEWORK

The Capital Investment Framework (CIF) is a requirement in terms of Section 4(e) of the Municipal Planning and Performance Management Regulations, 2001 as promulgated in terms of the Municipal Systems Act. The CIF also fulfills the function of a Capital Expenditure Framework (CEF) as required in terms of Section 21(n) of the Spatial Planning and Land Use Management Act, 2013. In addition, the CIF also informs the Capital Expenditure Programme (CEP) as referred to by National Treasury. The CIF also strives to meet Section 153(a) of the constitution²⁰, in which the developmental duties of a municipality is outlined to “structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community”.

The CIF is a component of the MSDF and fulfills the purpose too strategically and spatially guide, align and co-ordinate municipal capital expenditure across all sectors that will make provision for balanced spending of the municipal budget so as to promote economic growth and meet the infrastructure and services needs of the Ekurhuleni Metropolitan Municipality (EMM) residents. The proposed Ekurhuleni Capital Investment Framework (CIF) as an infrastructure planning policy tool has been incorporated into the Built Environment Performance Plan for Approval.

The content of a CIF is not specifically defined within legislation, but the above mentioned legislation has outlined the functions of the CIF, which have been summarized as follows:

- Spatially and strategically influence and guide municipal capital prioritisation and allocation;
- Spatially and strategically coordinate and integrate capital expenditure across all sectors;
- Show where the municipality must and will be spending its capital budget; and
- Map capital projects reflected on the multi-year budget.

The CIF can also be defined as a financial planning and regulatory tool in terms of the National Development Plan²¹, which plan makes reference to the need to achieve spatial transformation through targeting investment into strategic spatial areas through the combined use of planning, legislative and financial tools. The CIF is therefore geared towards providing a spatial rational to the budget in order to start guiding investment into identified priority spatial areas as a means to achieve positive spatial transformation.

The 19 March 2013 State of the City Address resonances the objective of the NDP and function of the CIF by stating that the CIF be utilized as an instrument that will “*channel CAPEX funding to critical economic infrastructure programmes, such as the Special Economic Zones (SEZ), Industrial Development Zones (IDZ), Export Processing Zones (EPZ) and Industrial Parks and Estates*”²².

The CIF has also taken cognisance of the Local Government Turnaround Strategy in that the values underpinning the CIF embrace the objectives set out in the LGTS²³ with regards to:

1. Providing residents with infrastructure and social services
2. Creating livable, integrated and inclusive urban and rural areas

²⁰ *Constitution of the republic of South Africa, no. 108 of 1996*

²¹ *South African National Government: National Development Plan, 2012*

²² *EMM State of the City Address, 2013.*

²³ *South African National Government: Local Government Turn Around Strategy, November 2009*

3. Promoting Local Economic Development
4. Promoting Community Empowerment

The LGTS also highlights some of the major hurdle that municipalities are faced with, which includes poor financial management, inability to sufficiently grow economically and provide basic services within the realm of continued spatial inequality. The CIF is therefore geared towards promoting improved financial management that allows for accountability and transparency of the budget process by guiding, prioritizing, aligning and co-ordinating future municipal expenditure that will yield targets spatial transformation of the Metro.

The purpose of the CIF within the BEPP is premised on informing and setting the basis for spatial targeting by identifying the what, when, and where. This includes the integration of key sectors (economic development, transport, housing, finance, environment, and project management), co-ordination, fiscal alignment and governance that should result in triggering long-term spatial transformation and facilitating economic growth. The Capital Investment Framework is therefore a tool utilized within the BEPP to achieve medium to long outcomes with regard to spatial transformation through guiding and focusing investment into strategic spatial areas.

It must be noted that the 2014/15 Review of the Capital Investment Framework was approved after a sitting of the Full Council Committee on 01 December 2015.

GEOGRAPHIC PRIORITY AREAS

The Capital Investment Framework is geared towards focusing capital budgeting for the Ekurhuleni Metro into strategically geographic priority areas in accordance with the MSDF in order to achieve the spatial strategy outlined within the MSDF and take into consideration new spatial trends.

The geographic priority areas are therefore based on the spatial structuring elements (SSE) from the MSDF Spatial Concept and Land Use Proposals, namely previous MSDF priority areas, densification areas, the geography of Ekurhuleni income, major housing projects, IRPTN Corridor, rail stations, primary & secondary nodes, industrial areas, major investment and strategic projects.

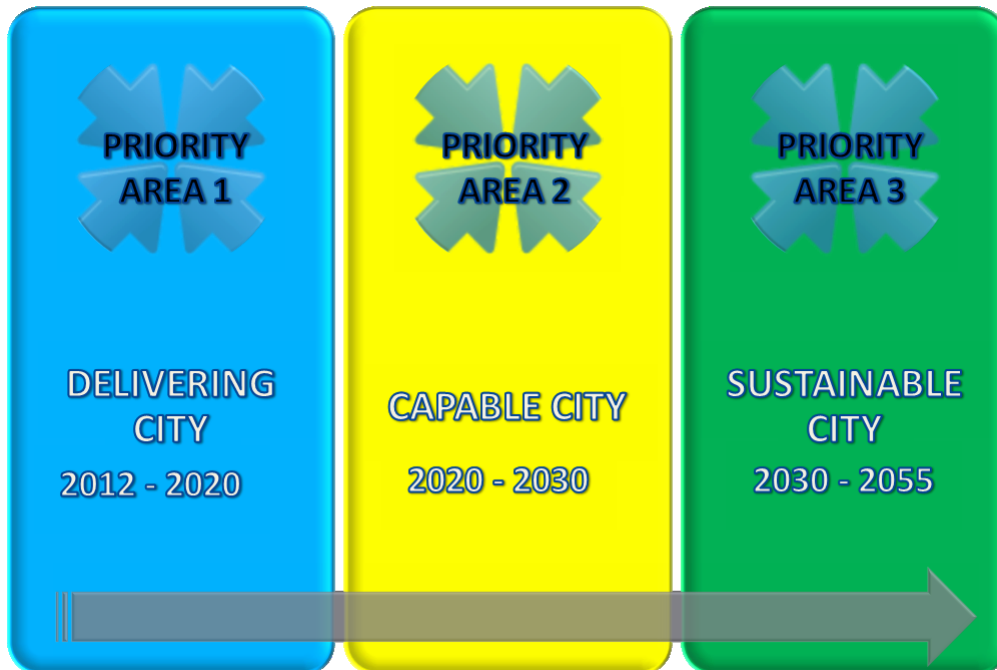
Implementation of the MSDF must be understood as a long term process, covering the 25 year planning horizon of the MDSF, and beyond. The CIF has extended the spatial planning strategy and prioritisation in accordance with the Growth and Development Strategy (GDS) that has an implementation horizon projected for 2055.

The CIF has therefore aligned the three geographic priority areas with the development trajectory defined within the GDS²⁴ in order to achieve the advancement of the EMM in terms of promoting the Metro as a '**Delivering City**' with a 10 year implementation horizon (Priority area 1 – annotated in Blue on **Map 10**), a '**Capable City**' with a 10 year implementation horizon (Priority area 2 – annotated in yellow on **Map 10**), and a '**Sustainable City**' with a 20 year and beyond implementation horizon (Priority area 3 – annotated in green on **map 10**).

²⁴ City of Ekurhuleni: Growth and Development Strategy 2055

The purpose of the geographic priority areas is also classified so as to indicate the relative strategic spatial importance of one area against another.

Figure 1: Geographic Priority Areas alignment to the GDS



Defining the Spatial Structuring Elements

In defining the formation and categorization of the geographic priority areas as per the SSEs (refer to **map 9** for geographical representation of the SSEs) this section provides more detail into the allocation of the SSEs into the geographic priority areas as reflected on **map 10**, and prioritization thereof based on considerations pertaining to connectivity, access to social and economic opportunities, scope of project, locality, available funding and the implementation timeframe of the project

IRPTN Corridor	The phase of the IRPTN route that is to be developed should receive more funding during each CIF phase. Implementation of the corridor in the CIF is indicated as per the IRPTN phases as described by the Ekurhuleni Transport Department. The IRPTN phase 1 route, phases A and B have been demarcated as priority 1, with Phase C being demarcated as priority 2. Phase 1C has been demarcated as part of priority area 2 pending available funding being made available in the outer financial years. The remaining IRPTN trunk routes have been demarcated as priority 3 in so far as implementation of the remaining IRPTN routes is only anticipated for 2020 and beyond.
Rail Stations	The Passenger rail stations to be developed should receive more funding during each CIF phase. Highest priority is given to Rail Stations within Primary and Secondary Activity Nodes and that form part of the IRPTN phase 1 route, phases A and B; which are demarcated as priority 1 in terms of the CIF. The stations on the remaining IRPTN routes have been demarcated as priority 3, based on the 2020 and beyond proposed implementation of the phase 1C roll out. Prioritisation of the IRPTN stations therefore follows the implementation roll out timeframe proposed for the IRPTN trunk routes. It must also be noted that PRASA is presently focused on implementing the modernization plan, which refers to the maintenance and upgrading of existing rail stock. In this regard new PRASA stations are not anticipated for the short term. The stations should also be recognized as destination nodes with the potential of developing into activity nodes. Section 6 and 8 of the report provides further detail with regard to the assessment on the alignment of the PRASA modernization plan with the CIF priority areas.
Primary Nodes	It is proposed that Primary Nodes to be developed should be budgeted for as per the CIF priority areas, which have prioritized the Primary Nodes based on spatial strategy, locality in relation to the IRPTN and Urban Renewal projects that are underway and major investment developments. Primary Nodes that fall within priority area 1 are considered as the highest priority, followed by Primary Nodes that fall within Priority area 2 and then priority area 3. Refer to table 2 for more detail. The remaining Primary Nodes are considered as a lower priority.
Secondary Nodes	Secondary Nodes to be developed should be budgeted for as per the CIF priority areas. Secondary Nodes that fall within geographic priority area 1 and on Route 1A and B of the IRPTN are considered as the highest priority, followed by Secondary Activity Nodes on Phase 1C of the IRPTN, then Route 2 and so on. It must be noted that further refinement of the inclusion of the secondary nodes into the priority areas is required pending available information on the status of the secondary nodes. Available information on the activity nodes from the Region A RSDF has been taken into consideration.
Major Housing Projects	Major Housing projects that are well into the implementation phase by the Ekurhuleni Human Settlements Department have been demarcated as priority 1. Prioritisation of these projects was based on the development objectives of the Ekurhuleni Human Settlement

	<p>Department. The CIF has included the proposed housing projects as reflected on the housing funding model and earmarked the proposed housing projects that fall along the mining belt and form part of infill development as part of priority area 2. Therefore, the CIF has placed more emphasis on prioritizing proposed housing projects that supports infill densification and expansion areas as per the MSDF.</p>
Industrial Areas	<p>New industrial areas need to be developed and existing industrial areas require upgrading during each CIF phase. Phasing of the industrial areas is based upon spatial strategy, income sources (based on modelling geographic income areas), Council initiatives underway, IRPTN, and major investments. It is acknowledged that the EMM industrial areas are a major source of revenue for the metro and a source of employment. Table 12 provides detail as to the prioritisation of the Industrial areas.</p>
Major Investments and Strategic Projects	<p>Major investment and development projects that have been included to the CIF geographic prioritisation areas include major investments and strategic projects as listed in the 2011 MSDF, and newly identified investments and strategic projects that have been identified as in a phase of initiation and/or implementation. Major investments can be defined as private sector developments which boast significant GGP and job creation for the metro based on the eventual realization of the entire proposed development. Strategic projects must be understood as programmes and projects initiated by the EMM as with the example of the flagship projects.</p> <p>Prioritisation is therefore based on the locality of the project and readiness of the project driver to implement the project. Where possible these projects are to be linked to the implementation of the IRPTN and the priority income generating areas. Continuous re-prioritisation of these projects must however be done based on planning progress made to date, with specific relevance to input from the private sector. Section C.5 of the report provides more detail on the Strategic Projects and Major investments that have been taken into consideration on the refinement of the geographic priority areas.</p>
Poverty Eradication Areas	<p>The poverty eradication areas were derive out of the identified poverty eradication areas as listed in paragraph 15.10 of the MSDF. It is acknowledged that the provision of access to economic opportunities in close proximity to previously disadvantaged areas is a necessity as outlined in the principles of the NSDP²⁵. Where possible the prioritisation of the poverty eradication areas should be linked to the implementation of the IRPTN. The poverty eradication areas have also been prioritized as per the role out of the Township Regeneration Plans.</p>
Expansion Areas	<p>Three priority expansion areas were identified. The highest priority Expansion Area represents the Albertina Sisulu Corridor including the Witfontein and Serengeti areas. The land is strategically located in</p>

²⁵ *National Spatial Development Perspective, 2006.*

	<p>a triangle between Tembisa to the north, the residential areas of Kempton Park to the west, and the proposed Albertina Sisulu Corridor to the east. This also forms part of the Tembisa – OR Tambo International Airport component of the Ekurhuleni North-South Corridor.</p> <p>The second highest priority Expansion Area is the OR Tambo International Airport–Daveyton Link area. This includes the area to the northeast of the OR Tambo International Airport up to and including the Mayfield area to the north of Daveyton. The development pressures evident in this area stem from both close proximity of the OR Tambo International Airport, as well as the northward residential expansion pressure from Benoni. On a metropolitan level, this area is not an expansion area in the pure sense of the word, but can also be described as an infill development area as it represents an inward direction of growth for the Daveyton-Etwatwa complex towards the OR Tambo International Airport area. Several subsidised housing projects and bonded housing projects are already underway in this area.</p> <p>The Leeuwpoort area to the south of Sunward Park is the third highest priority Expansion Area. The Ekurhuleni Leeuwpoort housing development initiative is of importance here.</p> <p>Expansion Areas are redefined in the concept so as to promote development and provision of services in nodes and corridors within the Expansion Areas. In terms of the CIF the expansion areas which have been incorporated into the priority areas includes the Aerotropolis core, housing projects, development in and around the proposed IRPTN routes.</p>
Densification areas	<p>The main focus of these areas is to support public transport and urban sustainability. The aforementioned Infill and Expansion Areas are layered onto the proposed densification areas.</p>
Geography of EMM income	<p>In defining the priority areas it is imperative that the Metro be able to identify spatially where its top investors in terms of revenue generation are located. In drawing future investment and retaining the Metros current investors to ensure future revenue security and growth, the Metro needs to provide a sustainable environment for businesses.</p>

The 2014/15 Review of the Priority Areas

The necessity to review the geographic priority areas was premised on firstly working towards reducing the extent of the 5 priority areas and the realistic implementation of the 5 year horizon per priority area, secondly to obtain alignment with the GDS, and thirdly to review the status of the spatial structuring elements and bring into consideration new strategic projects and major investments. The concept of *reduce, re-assess and Refine* was applied in the revision of the 5 geographic priority areas in order to arrive at the 3 geographic priority areas as illustrated by **Map 10**.

2015/16 Amendments to the priority areas

Minor amendments to the priority areas based on the outcomes of modelling work conducted on the economic benefits in terms of job creation and GGP contribution has resulted in the inclusion of the M and T development as part of priority area 1 and acknowledgement of the PRASA – Gibela development. **Map 10** outlines the geographic priority areas spatially.

The Capital Investment Framework utilizes the geographic priority areas as a tool to strategically guide and align capital spending into the Ekurhuleni Metro in order to yield greater results in achieving spatial transformation as outlined within the MSDF.

Proposed Future Inclusions in to the refinement of the Priority Areas

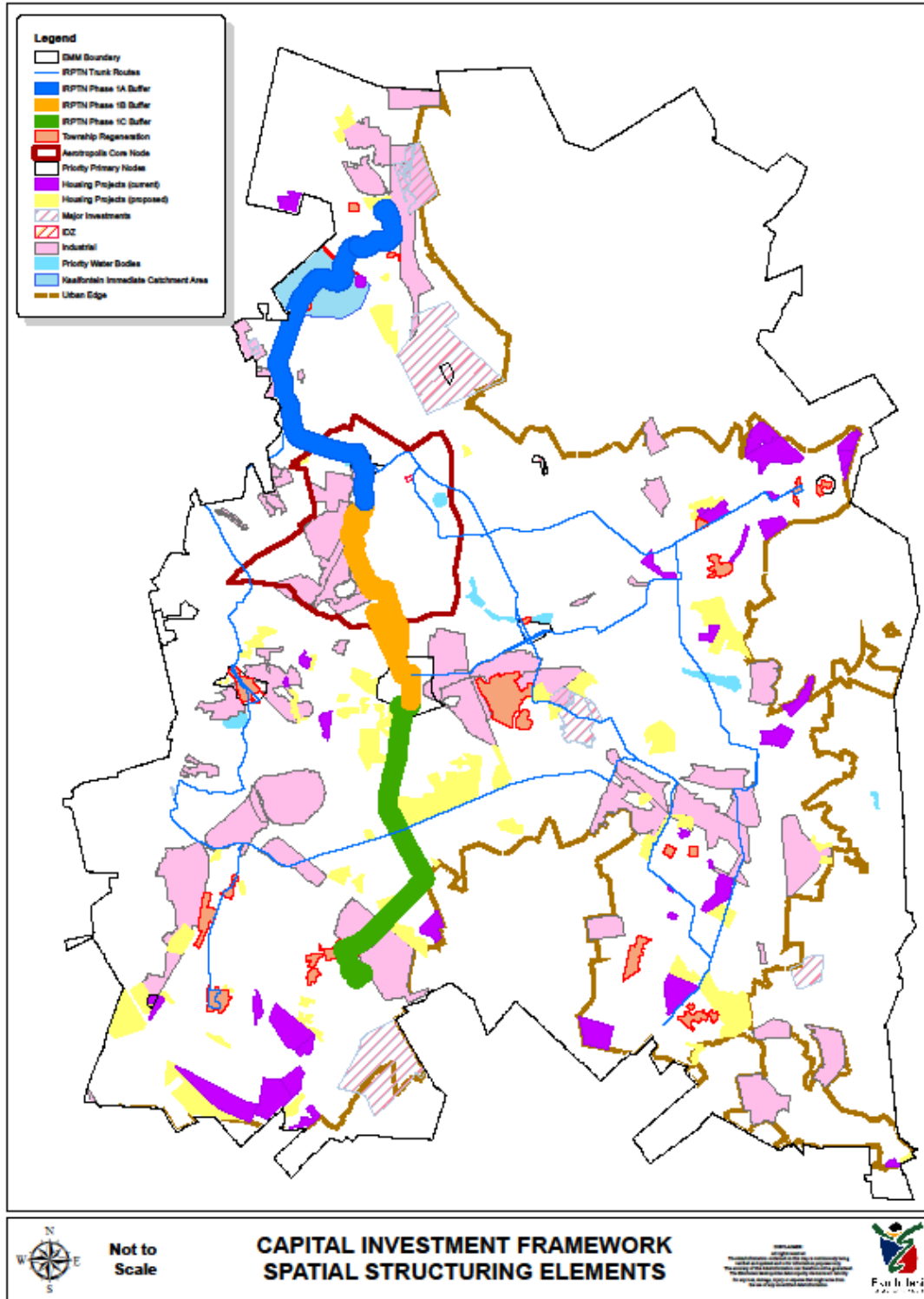
Future refinements to the priority areas propose to incorporate the strategic land parcels and precinct developments. Both the precinct developments and strategic land parcels are still at the planning stage and on inception will be built into the priority areas as key defining facets in guiding the priority areas in becoming more area specific, thereby reducing the current footprint of the priority areas. **Table 12** below summarizes the Geographic Priority Areas as per SSEs.

Table 12: Summary of the Geographic Priority Areas

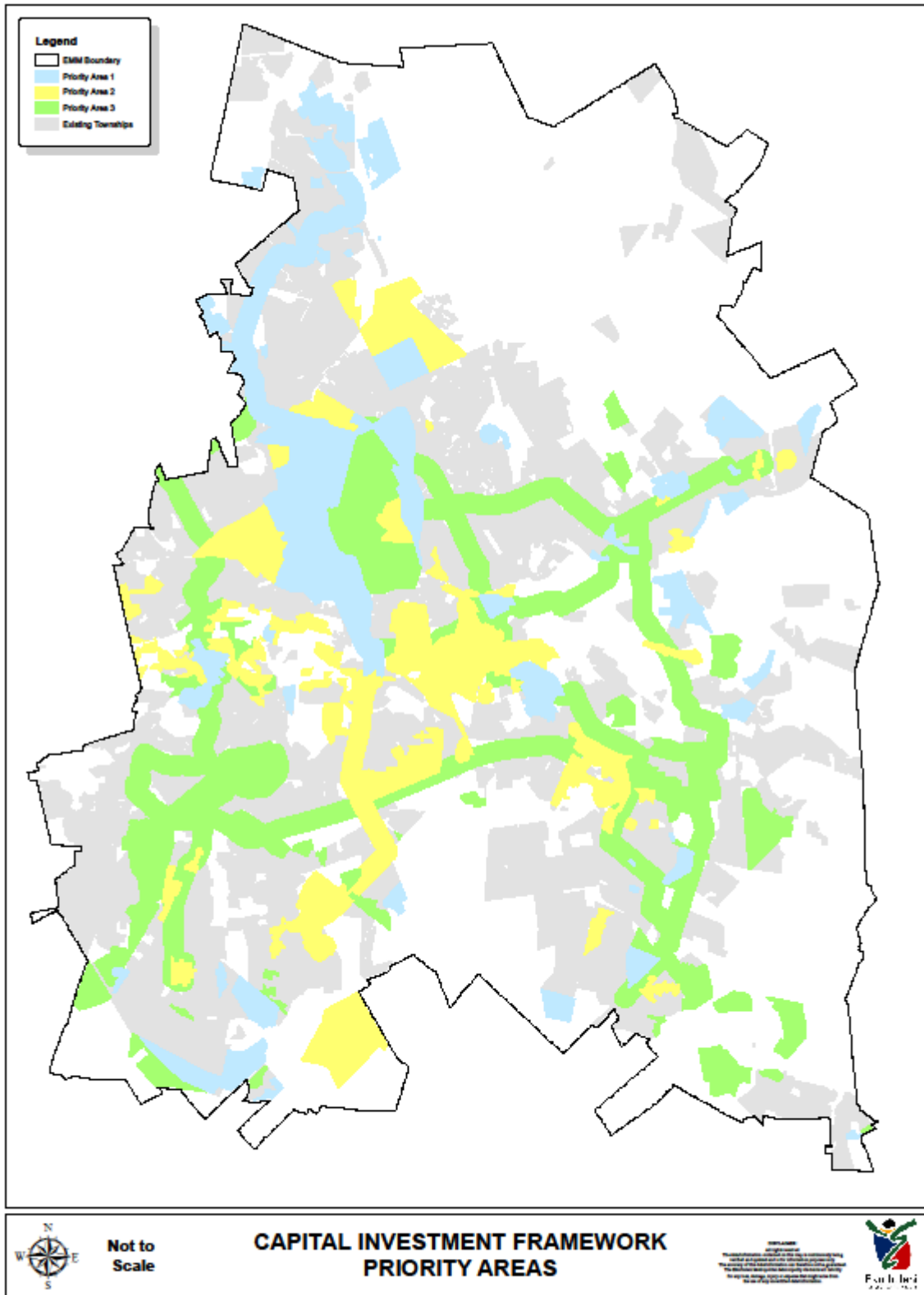
SPATIAL STRUCTURING ELEMENT	GEOGRAPHIC PRIORITY AREA 1	GEOGRAPHIC PRIORITY AREA 2	GEOGRAPHIC PRIORITY AREA 3
IRPTN CORRIDOR	TEMBISA -KEMPTON PARK, OR TAMBO, BENONI VIA BOKSBURG- VOSLOORUS, DAVEYTON , ETWATWA, DUDUZA, KWA-THEMA	IVORY PARK AND TEMBISA IN THE NORTH TO GERMISTON AND FROM KATLEHONG IN THE SOUTH TO GERMISTON VIA ALBERTON	KEMPTON PARK, BENONI AND BRAKPAN, KWATSADUZA. BRAKPAN TO CURRENT NATALSPRUIT
RAIL STATIONS	GERMISTON, GERMISTON WEST, ISANDO, KEMPTON PARK, LERALLA ,LIMINDLELA, PRESIDENT, RHODESFIELD	APEX, BENONI ,BOKSBURG EAST, DAVEYTON, DUNSWART, EAST RAND, ELANDSFONTEIN, GELDENHUIS, INDIA, KUTALO KWESINE, NEW KLEINFONTEIN RANGE VIEW, REFINERY, SCHAPERUST	ANZAC, AVENUE, BRAKPAN, DAGGAFONTEIN, GERMISTON SOUTH, GERMISTON LAKE, KATLEHONG, MPILISWENI, NATALSPRUIT, NORTHMEAD, POLLAK PARK, ROOIKOP, SPRINGS, WADEVILLE
PRIMARY NODES	TEMBISA, KEMPTON PARK, RIVERFIELD, GLEN GORY, GERMISTON CBD, BOKSBURG, BENONI CBD, THINASONKE	ETWATWA, BEDFORDVIEW, VOSLOORUS	AL BERTON CBD, BRAKPAN CBD, EDENVALE CBD, SPRINGS CBD, NIGEL CBD
SECONDARY NODES	BIRCH ACRES, CASON, DAVEYTON, JANSEN PARK, JURGENSPARK, ZONKIZIWE	ADMIN TRIANGLE, DAVEYTON, DUDUZA, ETWATWA, KWA-THEMA, KWENELE, TSAKANE, TWALA, VOSLOORUS, WINDMILL PARK	BONAEROPARK, EDENVALE, GEDULD, KWA-THEMA, LANGAVILLE, MARYVLEI, SONSTRAAL AH
HOUSING PROJECTS (CURRENT)	ALLIANCE EXT 9, ALRA PARK ESSENTIAL SERVICES, CHIEF A LUTHULI PARK EXT 4, CHRIS HANI PROPER & EXT 2, CLAYVILLE EXT 4S, EDEN PARK WEST AND WEST EXT 1, ETWATWA EXT 18, ETWATWA EXT 19 (SOLOMON MAHLANGU), ETWATWA EXT 34 (BARCELONA), ETWATWA EXT 35 (COMBIZA), ETWATWA EXT 36 (KAMASHONISA), ETWATWA EXT 37 (MAGOBA VILLAGE), KWA THEMA EXT 5, KWA THEMA EXT. 3, EKUTHULENI, LANGAVILLE EXT 4, MADELAKUFA 2, MAGAGULA HEIGHTS TOP STRUCTURES, MAYFIELD EXT 1, MAYFIELD EXT 12, MOLELEKI EXT 1, 2, PAYNEVILLE EXT 1 & 3, PROJECT PALM RIDGE EXT 9, REIGER PARK EXT 5, TINAZONKE, TSAKANE EXT 19, TSAKANE EXT 22, ULANA SETTLEMENTS, VILLA LISA EXT 3, VOSLOORUS / KAVOSH, ZONKIZIWE PROPER EXT 1 & 2, SANITATION SYSTEM, LEEUWPOORT	GOOD HOPE	KWA THEMA 7A
HOUSING PROJECTS (PROPOSED)	ALLIANCE EXT 2, DERSLEY, ECALENI(COAL YARD), ESTHER PARK, OLD MUTUAL LAND, OLIFANTSFONTEIN CULLINAN LAND, TERENURE	ANGELO DEEP, APEX LAND, BADENHORST LAND – (LEACHVILLE, RIETFONTEIN, WELTEVREDEN), BALMORAL BLOCK, DRIEFONTEIN 85IR REIGER PARK, DUKATHOLE LAND, ERGO ROAD, ERPM VILLAGE (COMET VILLAGE), ESSELEN PARK, JOE SLOVO, KLIPPOORTJE 112IR, KUTALO STATION, KWA-THEMA, KWESINE STATION, LEACHVILLE EXT 2, MINING BELT GERMISTON (MAKAUSE), POMONA REHABILITATED LAND-ANGELO, RIETFONTEIN, KWA THEMA, ROSE ACRES PROJECT, SOUTH GERMISTON EXT 8, VAN DYK PARK, VULCANIA 279, WATTVILLE /ACTONVILLE, WATTVILLE ERF 3130	BRAKPAN OLD LOCATION, COOL BREEZE, DAGGAFONTEIN, DUDUZA, 119 KLIPPOORTJE110-IR, HELDERWYK EXT 3 & 7, HOLGATFONTEIN, HOLOMISA (LINDELANI), KATLEHONG ROODEKOP, KLIPPOORTJE A H PTN 127, KWA-THEMA, LANGAVILLE EXT 10, MAGAGULA HEIGHTS, PALMIETFONTEIN 57 & 142, RIETSPRUIT 152-IR & 153-IR, RONDEBULT 35 & 41, SPAARWATER PTN 2 171 IR, VILLA LISA EXT 5, VLAKFONTEIN 130-IR PTN 20, VLAKPLAATS PTNS 36 & 657, VOSLOORUS EXT 28 MED RISK DOLOMITE, VULCANIA 279, ZWARTKOPJES FARM
INDUSTRIAL AREAS	ALRODE SOUTH, APEX,CHLOORKOP, CLAYVILLE, ELANDSFONTEIN, FULCRUM, HUGHES, ISANDO, JET PARK, N12 FREEWAY PARK, OLIFANTSFONTEIN, SPARTAN, WITFONTEIN, HUGHES, ISANDO, JET PARK, SPARTAN, WITFIELD	ANDERBOLT APEX BENONI SOUTH, BOKSBURG EAST, DUNSWART, ELANDSFONTEIN, FULCRUM, INDUSTRIES EAST & WEST, LILANTON, MAPLETON, SPARTAN, VULCANIA, WITPOORT, ACTIVIA PARK, ANDERBOLT, BEYERS PARK, BOKSBURG EAST, DELVILLE, GERMISTON, HERIOTDALE, JUPITER, KROG INDUSTRIA, LILANTON, MALVERN EAST, MUSWELDALE, PRIMROSE, RUSTIVIA, SATMAR, SIMMERFIELD, SOUTH GERMISTON, ULANA PARK, WESTWOOD SH, WITFIELD, WYCHWOOD	ALRODE ALRODE SOUTH ANDERBOLT, APEX, BENONI SOUTH, DUNSWART, EASTLEIGH, ENSTRA, FULCRUM, INDUSTRIES EAST & WEST, JUNCTION HILL, KNIGHTS,MAPLETON, N12 FREEWAY PARK, NEW ERA, NUFFIELD, PUTFONTEIN, ROODEKOP, SPARTAN, VULCANIA, WADEVILLE, WITPOORT, GERMISTON, JUPITER, MEADOWBROOK, SOUTH GERMISTON, SUNNYROCK, THE STEWARDS, WILBART
MAJOR INVESTMENTS, STRATEGIC PROJECTS	AEROTROPOLIS CORE NODE, BADENHORST ESTATE, GLEN GORY, RIVERFIELDS, LORDS VIEW ESTATE, DRIES NIEMANDT, BLAAUWPAN, GERMISTON LAKE, KAALFONTEIN CATCHMENT AREA, GERMISTON URBAN RENEWAL, MOTSU PARK, ZONKIZIWE PARK, M and T.	AEROTROPOLIS CORE NODE, BADENHORST ESTATE, RIVERFIELDS, INLAND PORT, CIVIC LAKE, MIDDLE LAKE, HOMESTEAD LAKE, KLEINFONTEIN LAKE, MURRAY PARK,LEEUPAN,PRESIDENTSPARK	AEROTROPOLIS CORE NODE, ALBERTON NODE
POVERTY ERADICATION AREAS	TEMBISA & SURROUNDINGS, GERMISTON CBD, KLEINFONTEIN 67-IR (BENONI)	ACTONVILLE/ WATTVILLE, ETWATWA, DAVEYTON, ADMIN TRIANGLE, NATALSPRUIT, KWESINE, KWA-THEMA, TSAKANE,DUDUZA,	

The Geographic Priority Areas as listed above and indicated on **Map 10** each require specific interventions, specific focus on different service sectors and detailed service plans. The applicable sector(s) per identified area will be identified in the relevant RSDF and/ or Precinct Plan.

Map 9: Refinement of the Spatial Structuring Elements 2014/15



Map 10: CIF Priority Areas (Basis for the Integration Zones)



C.4 Identification of Urban Network, Integration Zones and Hubs:

Ekurhuleni Metropolitan Municipality has utilised its Capital Investment Framework (CIF) footprint as the basis for its integration zones. The rationale behind its utilisation lies in the core principles of the CIF which relate directly back to the vision of National Treasury's City Support Program's goals and objectives. Some of these include sustainability, urban restructuring, densification as well as spatial and sectoral integration and prioritization.

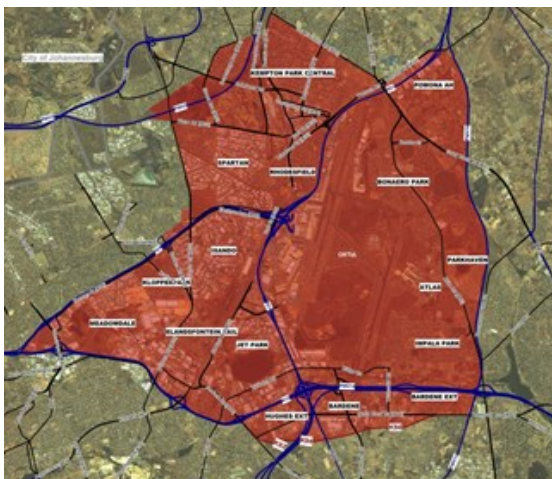
Overlaying the CIF, the proposed urban network plan emerges for the EMM which consists of 4 strategic localities namely Tembisa, Daveyton & Etwatwa, Katorus and Kwatsaduza. The key structuring element with regards to the Urban Network is the proposed Integrated Rapid Public Transport Network (IRPTN). Utilising the network as a footprint enables one to identify corridors that should be earmarked for densification as well as the movement of people to and from places of employment within EMM of which O.R.Tambo International Airport was selected as the main economic driver (CBD) within the city. The Urban Network Plan was hence built around O.R.Tambo international airport.

CBD

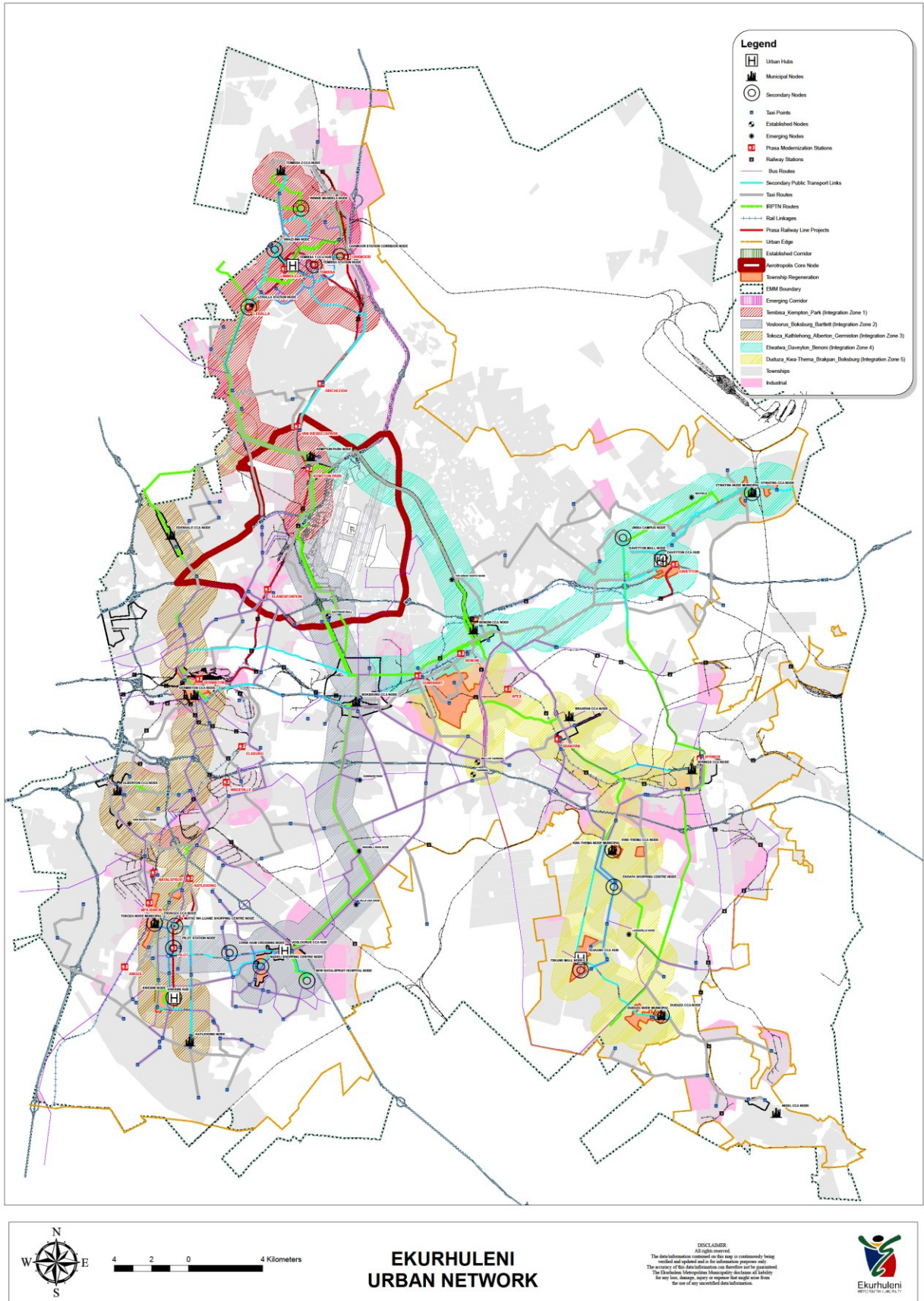
Ekurhuleni Metropolitan Municipality (EMM) is different from all the other metropolitan areas in South Africa developed around a primary core area which gives identity to these centres. The metro was constituted from nine former local authority areas and therefore comprises, amongst others, nine individual Central Business Districts with the key administration node located in Germiston making it a multi-nodal structure. In light thereof, the Aerotropolis Core was selected as the CBD of Ekurhuleni within the urban network plan. The Aerotropolis Core is more explicitly defined within the Aerotropolis Planning and Land-use Guidance document. In short the core is made up of an area around the airport that is within 5 to 10 minutes travelling time from the airport via different existing and proposed transport routes.

The aerotropolis core includes the following areas:

- The activity nodes of:
 - Rhodesfield and Kempton Park CBD
- Residential Areas:
 - Cresslawn, Rhodesfield, Kempton Park Central, Caro Nome Ah, Caro Nome, Bonaero Park, Parkhaven, Impala Park, Witkoppie Ridge, Bartlett Ah, Bardene Ext, Bardene, Ravensky, Elandsfontein Rail, Klopperpark and Meadowbrook
- Industrial Areas:
 - Meadowdale, Henville, Rustivia, Tunney, Spartan, Isando, Pomona Ah, Jet Park, Atlas, Bartlett, Bartlett Ext and Hughes Ext
- Land on both sides of the R21 up to the R23 (Benoni Road off-ramp). This land is currently vacant and is fast developing as business and logistics parks. This forms part of the Aerotropolis core corridor.



Map 11: Urban Network Plan (Integration Zones)



Tembisa

Tembisa's current role within the Provincial Context is to serve as a transit area for people who often have migrated from other parts of the country to seek job opportunities within Gauteng. Tembisa is well fed with transport infrastructure including the R21 corridor which passes on the eastern border and connects Tshwane with central EMM and O.R. Tambo, the main railway connection between Soweto and Tshwane north (Mabopane) runs through Tembisa, and other dual carriage roads to the south and north to create strong linkages for job opportunities for the people of Tembisa. O.R. Tambo International Airport is used by most of the world's leading airlines and services most of the African continent, the concept of the Aerotropolis driven by EMM. A third of the accommodation in the town can be regarded as rental accommodation located in the backyards of typically RDP type properties for low income people. The town offers very little in terms of job opportunities and many of the residents work in the industrial areas located within the Aerotropolis Core or make use of the public transport system to travel to work opportunities in other areas of Gauteng.

The Tembisa urban network plan comprises of the Economic Core Triangle which incorporates the Aerotropolis Core (O.R. Tambo International Airport, the CBD of Kempton Park, the strategic suburb of Bonaero Park as well as other industrial areas such as Spartan and Jetpark). For further information on the delineation of the Aerotropolis Core please refer to the Aerotropolis Planning and Land-use Guidelines.

The urban hub of Tembisa culminates in what EMM terms the civic square. The vision for the civic square is to form a prominent focal point along Andrew Mapheto Drive and edged by new civic buildings facing the square. This square will be the first phase of a multi-phased approach of Civic Node development and should provide access between the busy Andrew Mapheto Drive and the core area of the precinct and with a network of hard and soft landscaped pedestrian walkways that will form part of the well secured open space system of Tembisa and with a strong sense of pride and identity. It is envisioned that the IRPTN station be provided in front of the square, thus enhancing the prominence of the square activities.

The activity corridor linking all the prospective nodes follows the proposed Integrated Rapid Public Transport Network (IRPTN) route 1a which connects Tembisa to Kempton Park and the R21 corridor from the Oakmoor Node south to O.R. Tambo International Airport. This particular section has great potential for logistical, warehousing and distribution redevelopment which would bridge the economic divide.

The Ehlanzeni or Leralla Node as it formally called is one of the emerging corridor nodes that would benefit from the Urban Network Plan which integrates road and rail corridor infrastructure.

Secondary nodes include Swazi Inn, Oakmoor Station, Leralla Station and Winnie Mandela all of which have been described in detail within the Tembisa Urban Renewal Plan.

Funding and Partnerships

NDPG funding could be used for the initiation of the Tembisa Urban Renewal Plan. Other sources of funding and associations could be made with PRASA's property development subsidiary Intersite with regards to the creation of the secondary nodes in and around the railway stations. The upgrading of the K60 which stretches across Tembisa from east to west would provide an ideal catalyst for development within the area. Engagements with GAUTRANS are needed in this regard for prioritisation of these routes. The IRPTN plays a strategic role in initiating connectivity for Tembisa towards the Aerotropolis Core which holds the majority of employment for the populous of Tembisa. The funding thereof is of crucial importance for the project to take off and to start creating these linkages. The MSDP (2011) proposes densification along railway and road corridors. The implementation of these

densifications would lead to enough demand to make public transport along these routes more financially viable.

Catalytic Project and Programmes

The primary catalytic project for the Tembisa node is the Aerotropolis Project which would see the intensification of the aero industry as well as logistical industry in and around O.R. Tambo International airport. This overarching flagship project is the key long term project which would unlock the potential that O.R. Tambo International Airport has for the Metro in relation to job creation and economic development. Further details will emerge upon finalisation of the Aerotropolis Master Plan. Other Catalytic projects which fall within Integration Zone 1 include:

- Proposed Tembisa X25 (61ha Social Housing Project)
- Winnie Mandela Node
- Tembisa Civic Node
- Oakmoor Station Node
- Swazi Inn Corridor
- Leralla Station Node
- Terenure Townships
- PRASA Kempton Park station precinct
- Rhodesfield Urban Development Framework
- Proposed R21 linkage 9 (Albertina Sisulu Bridge)
- ACSA Western Commercialisation Project
- Dries Niemandt Sports Precinct

Spatial Targeting Instruments:

UDZs

Ekurhuleni has designated and had approved two Urban Development Zones, one in Kempton Park, which sits quite close to the centre of the CBD, and the second one in Germiston. The Kempton Park UDZ falls within the Aerotropolis Core area which directly assists in the implementation of Priority 1 within the Urban Network Plan of EMM.

IDZ

A call for proposals for the development of a master plan for the proposed IDZ located at O.R. Tambo International Airport for a jewellery manufacturing complex is underway as advertised by Gauteng Growth and Development Agency. The proposed complex would stimulate the market for the export of high value goods.

LUMS

A city wide Ekurhuleni land-use management scheme has been drafted by City Planning. The scheme has already undergone public participation phase and the projected implementation of the scheme would be during the first half of 2015.

MSDF

The Metropolitan Spatial Development Framework (2011) is currently under review which would incorporate Aerotropolis related planning and Region A RSDF.

RSDF

The Regional Spatial Development Framework for Region A has been drafted and is currently within the Council approval structures. Region A incorporates the majority of the Aerotropolis Core.

Consultants have been appointed to draft the RSDFs for the other 5 regions. Finality of these RSDFs can be expected within the first quarter of 2015.

Aerotropolis Planning Documents

Dr. Kasarda of Aerotropolis Business Concepts has developed the Strategic Roadmap for the Ekurhuleni Aerotropolis. Through this strategic roadmap, City Planning derived the Aeropolis Planning and land-use guidance (PLUG) document which spatially delineates the Ekurhuleni Aerotropolis.

The next phase for Ekurhuleni's Aerotropolis entails the development of a 5 year Master Plan which is complete and is currently going through Council approval process. The next phase is the development of the 30 year master plan.

Institutional Arrangements

An Aerotropolis Planning Committee has been established which consists of all EMM departments, relevant ACSA departments as well as other spheres of government who sit on the relevant streams of expertise within the committee.

An official MOU and TOR has been signed between EMM and ACSA regarding the Aerotropolis. A pledge of support has also been signed by the then Premier of Gauteng, Nomvula Mokanyane, Executive Mayor of Ekurhuleni Clr Mondli Gungubele and the City Manager Khaya Ngema with regards to the Aerotropolis Project.

Further engagements are taking place with Schipol Area Development Company (SADC) based in the Netherlands for assistance regarding Ekurhuleni's Aerotropolis as well as with SAA (South African Airways) and numerous government institutions.

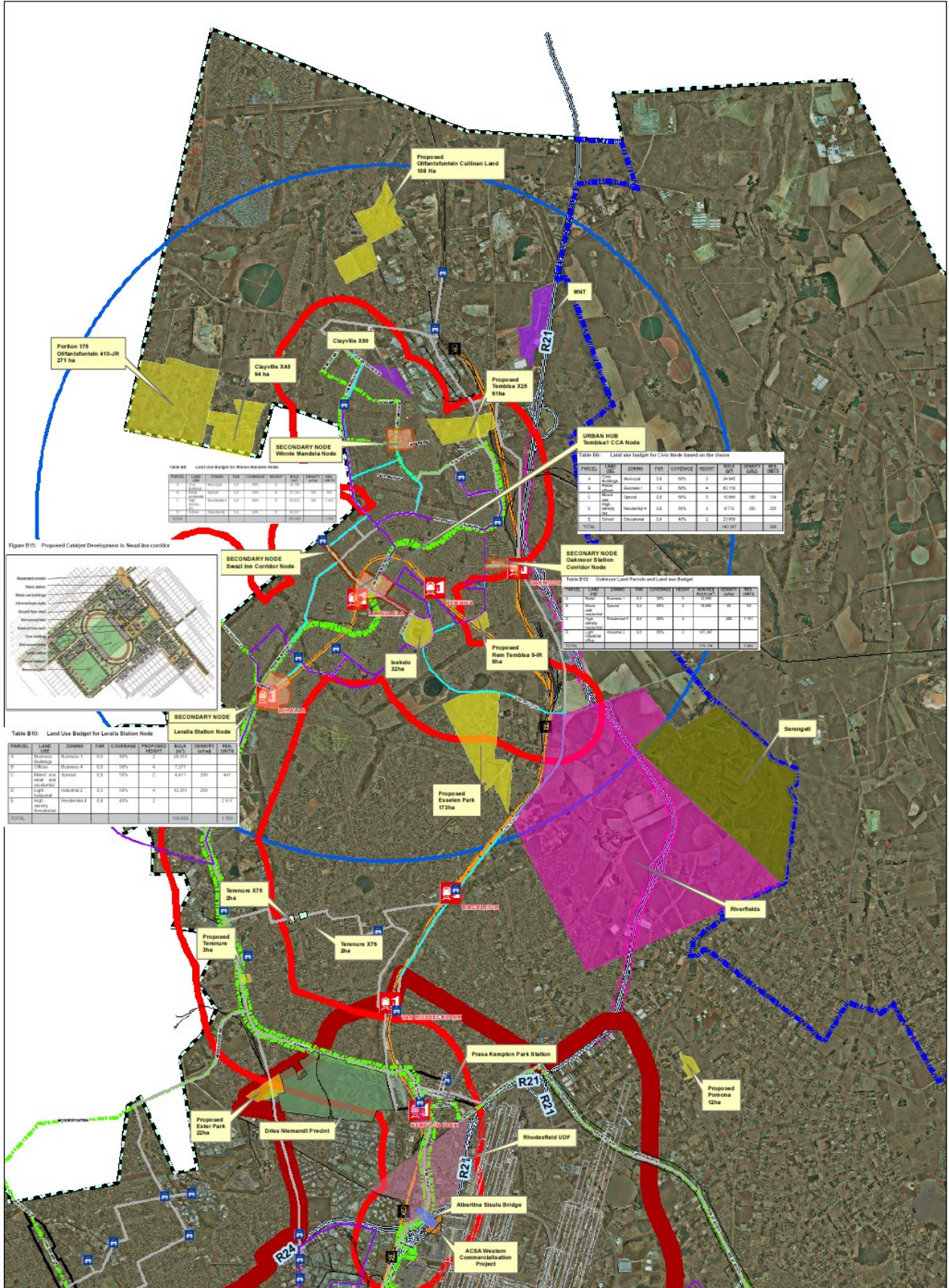
Aa Aerotropolis development company is currently been investigated to drive development inside and around the airport. The master planning process would spell out the ideal option in this regard.

Tembisa Urban Network

Tembisa in terms of the Urban Network Strategy has been defined as follows

Township Cluster	Network Element						
	CBD	Integration Zone	Primary Public Transport Link	Urban Hub	Secondary Node	Secondary Public Transport Link	Municipal Nodes
Tembisa	Aerotropolis Core	1 (Aerotropolis to Tembisa Civic Centre Node)	IRPTN route from Tembisa to OR Tambo Airport (Andrew Mapheto, Zuurfontein, C.R. Swart)	Tembisa CCC	Tembisa Station Node, Oakmoor Station Node, Winnie Mandela Node, Leralla Station Node, Swazi Inn Node	Andrew mapheto, Sam Molele, DM Morakane, Pretoria Road, Brian Mazibuko, Nyarhi, George Nyanga, Maphanga, Koti, Letsiakarana, R ev RTJ Namane, Jabu Mdunge, Peter Nchabeleng, Olifantsfontein	Tembisa 1 CCC, Tembisa 2 CCC, Kempton Park CCC

Map 12: Urban Networks Tembisa



EKURHULENI INTEGRATION 1

EKURHULENI
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Other strategic localities identified within the urban network plan are Daveyton & Etatwa, Katorus and Kwadsaduza. Further detailed studies and analysis regarding these localities needs to be undertaken in order to assess the best possible growth model towards economic emancipation. In the interim, the following preliminary network elements have been identified as a point of departure.

Daveyton & Etwatwa

Township Cluster	Network Element						
	CBD	Integration Zone	Primary Public Transport Link	Urban Hub	Secondary Node	Secondary Public Transport Link	Municipal Nodes
Daveyton/Etwatwa Cluster	Aerotropolis Core	4 (Aerotropolis Core to Daveyton CCA Urban Hub)	IRTPN route from Etwatwa/Daveyton to OR Tambo via Benoni (Main Reef, Princess, New Modder, Benoni, Great North, Kingsway, Brazil, Eiselen)	Daveyton CCC	Unisa Campus, Etwatwa CCC, Daveyton Mall	Kingsway, Heald, Dungeni, Eiselen, Mveve, Makambula	Etwatwa CCC, Daveyton CCC, Benoni CCC

Katorus

Township Cluster	Network Element						
	CBD	Integration Zone	Primary Public Transport Link	Urban Hub	Secondary Node	Secondary Public Transport Link	Municipal Nodes
Katorus	Aerotropolis Core	2 (Vosloorus Urban Hub to Aerotropolis Core)	IRTPN route from Vosloorus to OR Tambo airport (Barry Marais, Rondebult, Rietfontein, R21)	Vosloorus CCC	Chris Hani Crossing Shopping Centre, Naledi Shopping Centre, New Natalspruit Hospital	Vlakplaats, Bierman, Brickfield, Moagi, MC Botha, Sam Sekoati, Leondale	Vosloorus CCC, Boksburg CCC
	Aerotropolis Core	3 (Katlehong CCC to Aerotropolis Core)	IRTPN route from Katlehong to Germiston via Alberton (Masakhane, Heidelberg, Ring Road, Kritzinger, Grey, Black Reef, Russel, Lake, Joubert, Meyer, Victoria, Johan Rissik, Shamrock, AG De Witt, Edenvale)	Kwesini Node	Motse wa Lejani Shopping Centre Node, Pilot Station Node, Tokoza CCA Node, Admin Triangle,	Hospital, Sontonga, Thutong, Masakhana, Khumalo, Tugela, Pongola,	Katlehong 1 CCC, Katlehong 2 CCC, Tokoza CCC, Alberton CCC, Germiston CCC, Edenvale CCC

Kwatsaduza

Township Cluster	Network Element						
	CBD	Integration Zone	Primary Public Transport Link	Urban Hub	Secondary Node	Secondary Public Transport Link	Municipal Nodes
Kwatsaduza Cluster	Aerotropolis Core	5 (Aerotropolis Core to Tsakane CCC)	IRTPN route from Duduza to OR Tambo airport via Brakpan (Great North, Range View, Heidelberg, New Kleinfontein, Prince George, Thema, Mgebe, Vlakfontein, Spaarwater)	Tsakane CCC	Tsakane Mall, Duduza CCC, Ekhaya Shopping Centre, Kwathema CCC	Twelve, Mgebe, Black, Ndabezitha, Mandela, Zulu, Xhosa, Siphumelela, Nala)	Duduza CCC, Tsakane CCC, Kwathema CCC, Springs CCC, Brakpan CCC

C.5 FLAGSHIP PROJECTS AND OTHER MAJOR PROJECTS

This section details a number of strategic priority projects, major investment and development projects that were identified within the MSDF, in addition to newly identified major projects that have emerged from EMM initiatives, private developments, and external government and parastatal initiatives. These include development applications of a large scale, as well as large development initiatives for which no applications have been submitted yet. These projects are of a metropolitan wide strategic nature and are of critical importance in building the City of Ekurhuleni as envisaged in the GDS, MSDF and IDP. This therefore includes the Ekurhuleni flagship projects as was also referred to in the State of the City Address¹³ to expedite integrated planning, and that were identified as catalytic projects in the CIF, which must be understood in the greater context of being supported by and aligning with other strategic priority projects and major investments. This section outlines supporting projects as per the flagship project initiatives that should be taken into cognisance in the planning and implementation of the flagship projects. In addition, the mapping and inclusion of the flagship projects assisted in the refinement of the 3 geographic priority areas of the CIF and guiding future expenditure and co-ordination of departmental projects.

Projects beyond the first 10 years are to be included in later MSDF reviews. The strategic projects are to be re-visited given that the review of the GDS has been finalised and should be measured against the USDG Guidelines. This section also identifies major investments that require further detailing on current status that forms part of the financial and projection modelling of the CIF to be undertaken by the appointed service provider. The processing and evaluation of these projects are to be managed through an interdepartmental committee to be set up for this purpose. Projects might be removed from or added to the list by the Strategic Management Team. Prioritisation of the projects will be done as per the CIF and subject to the project cycle consisting of at least the following phases:

- Feasibility Study
- Basic Planning
- Environmental Impact Assessment
- Detail Planning and Design
- Implementation



AEROTROPOLIS							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
AEROTROPOLIS	The Aerotropolis is a project that is running concurrently with the Region 'A' Spatial Development Framework that includes the O.R. Tambo International Airport. In addition as part of the process to start developing and planning towards an Aerotropolis is the Aerotropolis master plan. The Aerotropolis is a major development for the EMM and has been linked to proposed developments such as the Jewellery Manufacturing Precinct Industrial Development Zone (refer to Section 8 for more detail).	•Rhodesfield Infrastructure	List of Infrastructure requirements has been included into Chapter 6 of the CIF report for noting and inclusion by the relevant service departments into budgets for Capital Projects.		ORT Rhodesfield Project	Redevelopment of Rhodesfield as per the Rhodesfield UDF.	In Process
		•Aerotropolis Studies			Rand Airport	Offices	Developments underway
					ORT IDZ	Plan for and promote the OR Tambo Industrial Development Zone. This development will generate diverse economic activities which will include amongst others a jewellery precinct as part of mineral beneficiation. (Premier's State of the province Speech: February 2011). The GGDA is currently running with the planning phase of the Jewellery Manufacturing precinct that forms part of the Aerotropolis. Cost and employment projections provided by the GGDA on the implementation of the Jewellery manufacturing precinct has revealed major investment into the IDZ, with an estimated employment of 2500 including direct and indirect jobs.	In Process
					International Convention Centre (ICC)	Development of an ICC in Rhodesfield or close to OR Tambo international	Investigations on Ekurhuleni International Convention Centre development are underway.

					<p>ACSA</p> <p>Table 13 is a 5 year budget summary (2014 to 2018) for ACSA that is dominantly focused towards the provision of extending capacity and upgrading the O.R Tambo International Airport, which forms part of the Aerotropolis core. The investment from ACSA includes continuous development of the OR Tambo International Airport Western and Midfield Terminals. This is indicative of external funding into the Aerotropolis that in part forms part of the CIF priority area 1.</p>	In process
					<p>World Trade Centre</p> <p>The development of a World Trade Centre in Rhodesfield or close to OR Tambo international.</p>	Update Required

Table 13: ACSA 2014-2018 Budget

	2014	2015	2016	2017	2018
Efficiency and Technology	13 000 000	103 000 000	108 000 000	107 000 000	70 000 000
New Capacity	180 000 000	804 000 000	1 321 000 000	1 864 000 000	1 938 000 000
Refurb, Rehab & Replace	347 000 000	799 000 000	1 116 000 000	1 177 000 000	675 000 000
Statutory & Compliance	45 000 000	53 000 000	54 000 000	60 000 000	34 000 000
Total	585 000 000	1 759 000 000	2 599 000 000	3 208 000 000	2 717 000 000



REVITALIZATION OF TOWNSHIP ECONOMIES							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
REVITALIZATION OF TOWNSHIP ECONOMIES	<p>Strategies currently underway for Tembisa, Kwatsaduza and Kathorus are in the process of being reviewed. In addition, as part of the revitalization of township economies there are plans underway to include the assistance of Universities in this process to identify areas for economic revitalization and place associated business plans in position. Sub-projects for the Revitalization of Township Economies include the following:</p> <ul style="list-style-type: none"> • Trading stalls • Township Enterprise hubs • Agricultural Projects • Refurbishment of the Fresh Produce Market • Township Economic development – this should be linked to the township regeneration areas as determined by the Urban Renewal Plans. <p><i>More detail is required as to the specific locality and implementation</i></p>	<p>Kathorus CBD</p> <p>The Kathorus CBD project therefore includes Vosloorus, Kathlehong and Tokoza.</p> <p>More detail is required on the status of the application.</p>	Update Required	<p>Tembisa Civic Centre Precinct</p> <p>Re-development of the Tembisa Civic Centre precinct to a high level develop inclusive of retail office amusement ,government small businesses and letting facilities such as offices</p> <p>The precinct is already in the existing node. Human Settlement is project Managing this facility An application is made to NDGP for funding to the value of R100m</p>			
		<p>Development of Strategy and Implementation Plan</p> <p>Development of the strategy and implementation plan of each the 22 townships emanating for the demand analysis of which industries will be suitable for the townships.</p>	<p>A consultant appointed all townships identified and economic and spatial analysis is done. Preliminary report of proposed strategy received.</p>	<ul style="list-style-type: none"> • Tsakane Business Park • Tembisa Business Park • Thokoza traders facility <p>The street trading facilities are spread in Tembisa, Tsakane, Phomolong, Daveyton, Springs, etc.</p>	<p>Business Park are a modern built facility with a number of kiosk fit for light manufacturing, retail and office</p> <p>Street trading facility are smallest outlet comprising only of space to display stock and a counter</p> <p>In addition to this the department has done the three year plan where it plans to build sophisticated facilities which will be inclusive and diversify business in the Hub.</p>		

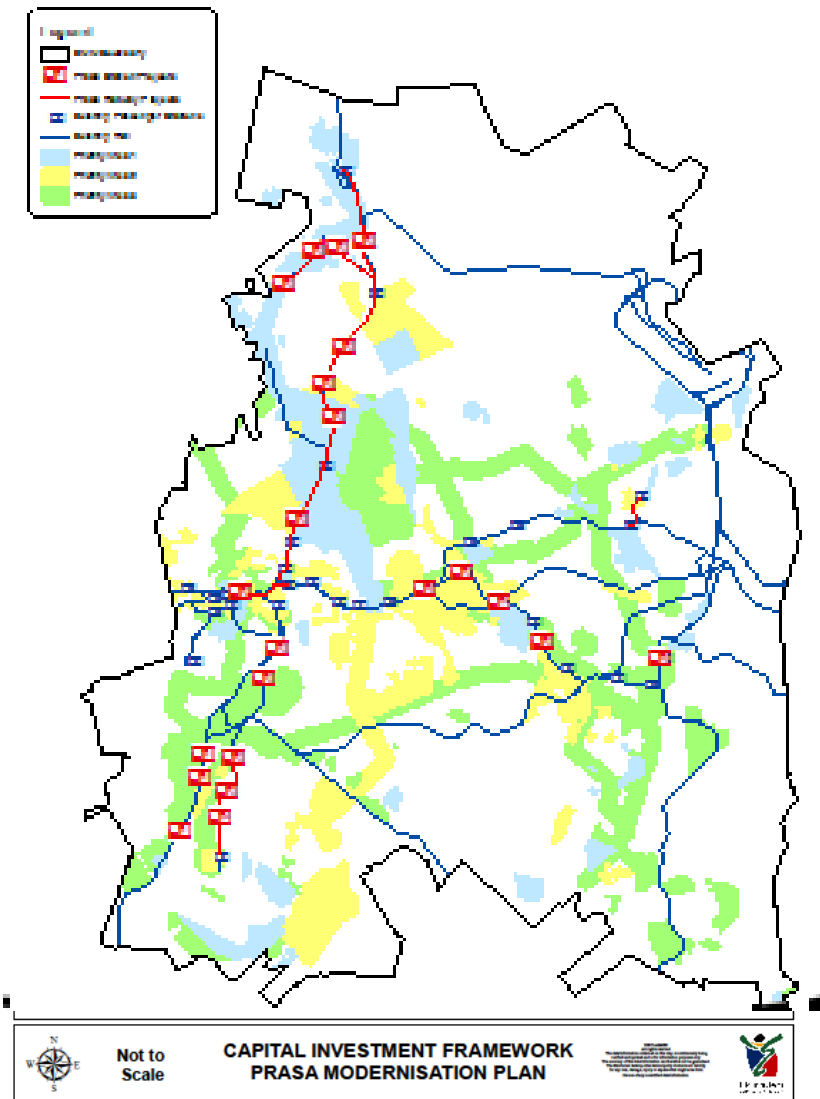
	<i>timeframe for inclusion to the geographic priority areas.</i>	Development of Enterprise hubs	Construction and operationalization of Business Parks, Industrial Parks and Incubation	Three (3) business Parks and nine (9) street trading facilities have been built the department has housed Incubation Programmes, Shared Industry Production facility, Business Linkage Centres and other agents such as NYDA. The Street trading facilities are mainly occupied by Micro retailers	SEDA Construction Incubation Lepharo Base Metal Incubation and Ekurhuleni Jewellery Projects Projects in the pipeline – Chemical Incubation and Africa Project logistics Shipping Incubation	Development of SMME is in the Construction sector to reach CIDB Five Training and development of SMME in base metal to produce SABS accepted products Training of SMME to produce market accepted jewellerys and to comprehend technologies in this field. Setting up of Chemical Incubation in and Shipping Incubation in Tembisa Business Park	The three incubations Lepharo, EJP and Construction are operational and has 105 incubates amongst them. An addendum is finalised with Chemin to annex to the partnership agreement for the City Manager's signature in terms of Clause 5.3 of the agreement. APL just requires facilities to house the incubation programme in the township they will run the incubation from their own fund and will pay for the lease.
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		<p>Enterprise Development</p>	<p>Setting-up of a closely controlled and managed environment for SMME for Development and support of small and emerging enterprises through enhancing industry specific skills</p>	<p><u>LEPHARO INCUBATION</u> The payment of Lepharo Base Metal Incubator R500 000.00 has been done. They also shared with the department a quarterly report for the second quarter at that point they had 41 incubates under their programme.</p> <p><u>EKUHULENI JEWELERY INCUBATION</u> EJP has not received their payment the department is discussing with Finance to establish what is holding. The project Manager has since requested the department to furnish him with a letter confirming that they are paid or will be paid. However they have also furnished the department with the last quarter report which confirms that 20 Incubates are in the programme.</p> <p><u>SEDA CONSTRUCTION INCUBATION</u> The incubation has been set-up at number 68 Rigger Road Spartan, Kempton Park. Thirty Three (33) incubates are currently in training. The plan is to recruit more incubates for level 3-5. An amount of R 6m has been paid.</p>			
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REVITALIZATION OF THE MANUFACTURING SECTOR							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
REVITALIZATION OF THE MANUFACTURING SECTOR	<p>The flagship is intended to achieve the GDS2055 objective of Re-Industrialize and is aimed at promoting and supporting the development of the manufacturing sector taking advantage of existing capabilities and potential opportunities that will result in an increase in the sector's contribution to the Region's and therefore Provincial & Country's economy.</p> <p>Business plans are proposed, but more information is to be provided and included for mapping into the 2014/15 and 2015/16 CIF.</p> <p><i>More detail is required as to the specific locality and implementation timeframe for inclusion to the geographic priority areas.</i></p>	EMM Industrial Parks	Establishment of Ekurhuleni Industrial Parks to provide necessary economic infrastructure for ease of attracting more domestic and foreign direct investments to the City	Land parcels reserved for industrial parks development 1. Industrial Park 2. Withok Estate 3. Wadeville Ext	Steel mill	Gauteng Province has adopted an investment project, led by Asambe Steel Corporation, to build a R1 billion steel mill in Ekurhuleni, proposed within the Nigel area. This is expected to create 1000 jobs. (Gauteng Online, February 2011)	Update required
		Development of Industrial Clusters	Industrial Clusters identified to drive the development and the revitalisation of the manufacturing sector. Clusters identified based on existing industries' capabilities and opportunities like the PRASA and Transnet New Rolling Stock Programme.	DTI approached for support for the development of the following cluster programmes 1. Rail Cluster 2. DENEL Aerospace Cluster (Maintenance, Repairs and Overhaul MRO – Mega City) 3. Plastics Cluster 4. Transport and Logistics Cluster 5. Automotive Cluster (Heavy / Commercial Vehicle components manufacturing)	Tambo Springs Inland Port	Development of an inland intermodal transport terminal along the N3 corridor to be the first inland port developed to cater for transportation of goods along the Durban-Free State-Gauteng Corridor	Township Establishment Application approved Project at bulk requirement assessment stage Construction expected to start in January 2015

		<p>PRASA Modernization Plan</p> <p>PRASA provided information with regard to their Modernisation Plan, which reflected a 20 million Rand plus investment into the EMM with regard to the upgrading of the existing rolling stock of PRASA. The information provided from PRASA was assessed in accordance with the priority stations identified in the MSDF, which identified Tembisa, Lerella, Linindlela, Oakmoor, Kempton Park, Rhodesfield, Isando, Germiston, Dunswart and Daveyton as the priority stations based on utilization and location. Map 8 illustrates the locality of the PRASA modernization plan in relation to the CIF priority areas.</p> <p>Map 13 illustrates some of the Areas identified for investment within the PRASA Modernization plan that include: Daveyton, Katlehong, Oakmoor Station – Tembisa, Germiston, Lerella, Kempton Park, Tembisa Station, Benoni, Apex, Birchleigh, Dunswart, Limindlela and Wadeville</p> <p>The listed affected areas and stations for investment based on the PRASA Modernization Plan as compared to the priority stations and priority areas reflect symmetry between the CIF, MSDF and the PRASA Modernization Plan.</p>	In process	Lords View Industrial Park	The industrial park which is based in the Chloorkop area will comprise of numerous townships and the development is estimated to provide approximately 70 ha of industrial land. The development is anticipated to be rolled out over 5 phases.	In process
		<p>RASA Rolling Stock – Dunnottair</p> <p>Manufacturing of New Passenger Trains by GIBELA. The project also involves establishment of a supplier park by GIBELA.</p>	PRASA lease of Dunnotar approved by Council EIA studies by PRASA completed Township Establishment application has been approved. Construction of factory expected to start in 2015			

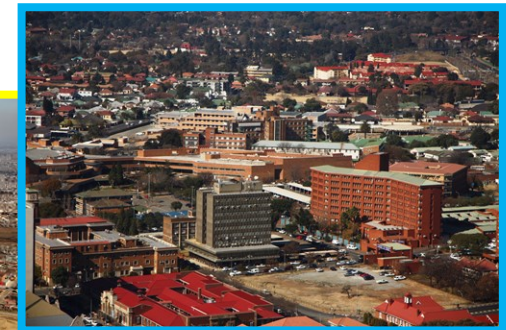
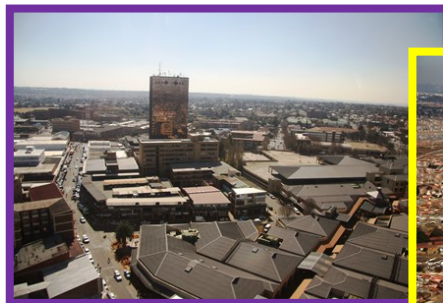
Map 13: PRASA Modernisation Plan



DIGITAL CITY							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
DIGITAL CITY	<p>This includes the provision of uninterrupted power supply units at the EMM main data centers located in Germiston and Boksburg, and the establishment of a disaster recovery site in Boksburg. There are also proposed plans to improve the call center located in Bedfordview, and continuing investment into upgrading and expanding the fibre network and provision of Wi-Fi throughout the metro.</p> <p>The Project therefore has a metro wide influence and includes the roll out of:</p> <ul style="list-style-type: none"> • Fibre Network • Radio Broadband • Wifi connectivity • Internet access to schools 	-	-	-	-	-	-

INTEGRATED RAPID PUBLIC TRANSPORT NETWORK							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
IRPTN	The IRPTN is geared towards providing an affordable and integrated transport network for the EMM. The IRPTN operational plan comprises of 5 routes, which has been taken into cognizance in developing the CIF geographic priority areas. The first phase of the IRPTN has also been highlighted within the CIF as receiving priority. Phase 1 is made up of phases A, B and C. Phases A and B run from Tembisa Civic Centre through to the O.R. Tambo International Airport (Jones Road) and through to Boksburg. Phase 1C of the route runs from runs from Boksburg through to the New Natalspruit Hospital in Vosloorus. The remaining IRPTN trunk routes are only proposed for roll out by 2020 and beyond. Feeder routes have not been included into the priority areas, pending confirmation of funding and timeframes for implementation.	Phase 1A	Phase 1A of the IRPTN consists of a BRT trunk route from Tembisa Civic Centre to Kempton Park and Rhodesfield. The service will be supplemented with a Complementary service from Hospital View in Tembisa to the industrial areas of Spartan and Isando. A network of Feeder services will also be established. A bus service from Kempton Park to Vosloorus will also form part of this phase.	Upgrading of the Tembisa Complementary route and non-motorized transport infrastructure commenced in 2013/14 while the trunk route and the Transport Management Centre are currently under construction. Various other components of the system such as stations, lighting, Intelligent Transport Systems, pedestrian bridges and a bus depot are also scheduled to commence soon. To date 2 km of the complementary route in Tembisa and 14km of NMT infrastructure have been completed. 13 lay-bys have been constructed and 4 km of Rondebult Road upgraded.	Station precincts	Extensive development is planned around a number of the BRT stations. These include stations at: <ul style="list-style-type: none"> • Tembisa Civic Centre • Tembisa Plaza • Kempton Park Central and • Rhodesfield 	Precinct plan drafted for development of Kempton Park and Tembisa Civic Centre.

URBAN REGENERATION							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
URBAN REGENERATION	<p>There are identified Township Regeneration programmes that affect the following areas:</p> <ol style="list-style-type: none"> 1. Tembisa 2. Germiston 3. Kempton Park 4. Kathorus 5. Kwatsaduza 6. Wattville/Actonville 7. Daveyton/Etwatwa <p>With reference to a statement from the State of the City Address National Treasury has invested R6 million into the development business plans for the aforementioned urban regeneration programmes. To date plans have been prepared for Tembisa and Germiston. With respect to the Tembisa urban renewal plan investment from the Passenger Rail Agency South Africa (PRASA) into Leralla station and the development of the Tembisa Enterprise Hub by the Gauteng Department of Economic development is also acknowledged.</p>	PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
		• Germiston CBD Precinct	Linked to the Germiston LSDF, UDF and Urban Renewal Strategy	Update required	Germiston Cultural Precinct	Refer to Germiston LSDF, UDF and Urban Renewal Strategy. Promote Germiston UDZ.	Update required
		• Germiston UDZ	Linked to the Germiston LSDF	Update required			
		• Kempton Park UDZ	Linked to the Kempton Park LSDF	Update required			
		Township Regeneration Programmes	Linked to Urban Renewal Plans	The Tembisa and Germiston Urban Renewal Plans are in process			
<ul style="list-style-type: none"> • Germiston • Tembisa • Kathorus • Kwatsaduza • Wattville/Actonville • Daveyton/Etwatwa 							



STRATEGIC LAND PARCELS ²⁶							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
STRATEGIC LAND PARCELS	<p>The identification of strategic land parcels for development as owned by the EMM is premised on the fact that the EMM owns approximately 51 000 properties, which amounts to approximately 20 000 hectares in extent. Numerous proposals by developers to develop council land resulted in what is known as “unsolicited bids” since the coming into effect of the Municipal Finance Management Act, 2003, and the Asset Transfer Regulations. In addition, a large portion of municipal land was not being utilized for development and growth potential and therefore remained undeveloped or underutilized.</p>	Strategic Land Parcels	Identification of Council owned land for future development, and with the strategic purpose of promoting mixed use developments, job creation, industrial development and economic growth through joint public private partnerships.	Appointment of a transactional advisor. The identified land parcels will be subject to profiling and detailed studies in the determination of a final list of SLPs for approval.	-	-	-
	<p>The land parcels in the process of being identified and finalized as part of a list of municipal properties for strategic development is in the pipeline and is geared towards promoting mixed use developments, job creation, economic growth, industrial development and joint public private partnerships as a means to optimize and promote the strategic development of municipal owned land. The final list of identified strategic land parcels for development will be included into the 2014/15 and 2015/16 CIF.</p>						



²⁶ DEVELOPMENT FRAMEWORK PLAN FOR STRATEGIC LAND PARCELS AND PROPERTIES IN EKURHULENI: MUNICIPAL ASSET OPTIMIZATION AND INVESTMENT PROJECT PACKAGING, PROFILING AND FACILITATION PROGRAMME - Conceptual Framework and Project Execution Plan Prepared by City Planning Department March 2013 Draft.

BEAUTIFICATION OF LAKES AND DAMS							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
BEAUTIFICATION OF LAKES AND DAMS	<p>The beautification of lakes and dams results out of a need to preserve, maintain and invest into the EMM natural resources. Therefore, the following priority projects have been identified for the beautification of lakes and dams projects:</p> <p>Benoni – Civic, Middle, Kleinfontein and Homestead Lakes</p> <p>Springs – Murray Park and President Park</p> <p>Kempton Park – Dries Niemandt and Blaaupan</p> <p>Germiston – Victoria Lake</p> <p>Conservation Route – Leeupan, Rondebult, Marievale and Blesbokspruit and the Korsman Bird Sanctuary</p> <p>Feasibility Master plan has been completed.</p>	Rehabilitated Kaalspruit wetland in Tembisa	<p>This is not directly linked to the Beautification of lakes and Dams projects, but has been identified as a priority area to address sewerage run off, and which is anticipated to impact on areas such as Tembisa and Pomona.</p>	<p>Completed stabilization and vegetation of stream banks and installation of gabions structures.</p> <p>Commitment for the next 18 months - Monitoring of intervention impacts (e.g. erosion, return of water loving birds and vegetation)</p>	<p>Benoni – Civic, Middle, Kleinfontein and Homestead Lakes Blesbokspruit</p>	<p>Alien invasive management programme</p>	<p>Planned alien invasive management programme completed at four lakes (Homestead, Civic, Middle and Kleinfontein).</p>
					<p>Springs – Murray Park and President Park</p>		<p>Construction of parking area, playground area, upgrade of ablutions, landscaping. Upgrade infrastructure – water, electricity, sewerage</p>

	Transaction advisor is in the process of being appointed.				Upgraded Priority Lakes and Dams Germiston Lake Blaauwpan Murray parks Benoni Lakes President dam		Germiston upgrade completed. Activate programmes and investment @ Germiston Lake: Food court Aquatic sports Flee market Music concerts Boat rides Dragon boat racing Arts and culture Floating restaurant Completion of Murray Park phase 1
					Conservation Route – Leeupan, Rondebult, Marievale and Blesbokspruit and the Korsman Bird Sanctuary	-	-
					Nyoni Park Precinct	Project will benefit Kathlehong. Funding from the EMM	Update required
					Keditselani Cultural Area	The privately funded project will benefit Kathlehong.	Update required

URBAN ACCUPUNCTURE							
FLAGSHIP PROJECT	DESCRIPTION	PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
		PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
URBAN ACU - PUNCTUR	This cannot be viewed as an isolated project, but is more a concept that can be linked back to projects such as urban regeneration and the beautification of lakes and dams, which are projects that within the implementation process will or need to contribute to urban acupuncture with the aim of catering for the amenity of an area.	-	-	-	-	-	-

Expanded Public Works Programme
 The Expanded Public Works Programme is being driven primarily by Public Works and relates more to learnership programmes within the EMM. Based on the qualitative nature of the EPWP projects cannot be mapped. The EPWP is only noted within the CIF, but does not provide definition to the spatial form of the EMM.

Job Creation
 Economic development has derived a strategy for job creation for the EMM, but does not specify specific projects that can be mapped as part of the CIF or inform the spatial form of the CIF

Institutional Review
 This a project that affects the organizational structure of the EMM and is therefore only acknowledged in this document as a flagship project but that it does not directly translate into mappable projects that have a spatial influence. The institutional review flagship project is only noted within the CIF and is not identified as a spatial forming giving project.

Revenue Enhancement
 Revenue enhancement looks at the collection of revenue in the form of tariffs and lease agreements, generating new sources of revenue and increasing revenue from existing sources. Revenue enhancement projects as per the financial year budget are reflected and have been mapped where possible. It must also be noted that revenue enhancement is not always markable to a specific property and is therefore mapped for the most part at the CCA's.



The following flagship projects have been acknowledged within the CIF, but whilst having been identified as beneficial in the efforts towards job creation, revenue enhancement, and governance, it must be noted that these projects do not have a direct impact on the spatial and built form of the metro.



Section 5.14 refers to strategic priority projects and major investments that do not necessary have I direct link to the flagship projects, but have been identified as projects and initiatives that have a significant regional or metro wide influence. Most of the projects require further investigation either in terms of feasibility, planning status, scope, and/or locality.

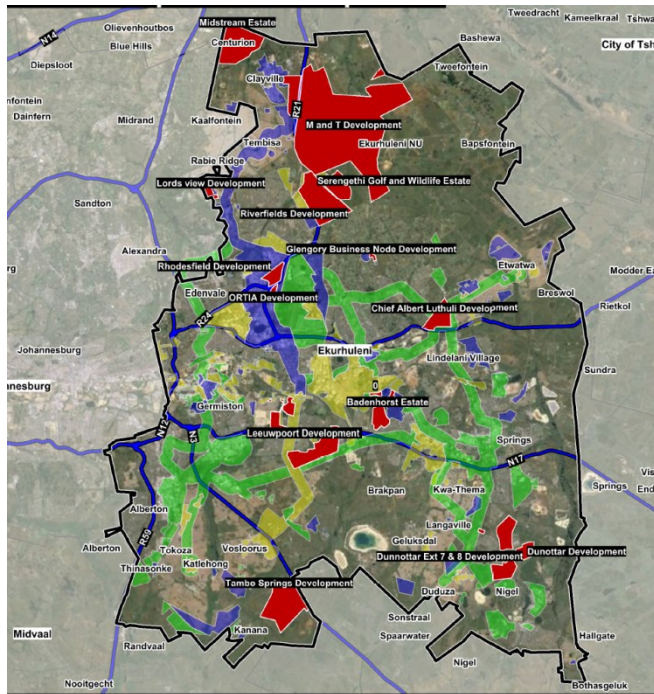
OTHER PROJECTS					
PRIORITY STRATEGIC PROJECTS			MAJOR INVESTMENT AND DEVELOPMENT PROJECTS		
PROJECTS	DESCRIPTION	STATUS	PROJECTS	DESCRIPTION	STATUS
Regional Spatial Development Frameworks	With regard to the 6 regions approved as part of the 2011 MSDP approval, RSDP region A was approved in 2014. Region also takes in to cognizance the Aerotropolis core and expansion of industrial and activity nodes, which has been included to the CIF. The remaining 5 regions have been tasked to a service provider for drafting.	Consultants have been appointed	Leeuwpoot	Leeuwpoot will provide subsidised and social housing with supportive services. The development will require the provision of infrastructure (see 15.6.6). Investment in public infrastructure (roads, water, electricity) in the Leeuwpoot area south of Boksburg. This area should be developed driven by the sustainable livelihoods approach.	Update Required
University of Ekurhuleni	Currently, the Vaal University of Technology has a delivery site in Ekurhuleni. There is nothing prohibiting the municipality from engaging other universities in the region including the University of the Witwatersrand, University of Johannesburg, Tshwane University of Technology and the University of Pretoria. Given the problems with 2011 registration at universities and the number of students not being accommodated at existing universities, Ekurhuleni is of the opinion that there is a need for an independent university in Ekurhuleni. There is a strong need for a comprehensive university (a conventional one and a university of technology combined) to be developed in a strategic location in Ekurhuleni. This would greatly increase the chances of Ekurhuleni effectively achieving its vision of being "The Smart, Creative and Developmental City". Ekurhuleni's commerce and industry, services and professionals need a comprehensive university rather than the specialized type of institution offering a relatively narrow range of technology orientated education as commerce and industry, services and professionals employ people with a very wide range of expertise. Reference must be made to the Germiston Civic Precinct Project.	For investigation	Glen Gory	The development is a mixed use node at the regional level. Investment in public infrastructure (roads, water, electricity, sewer, and storm water) is desired. The areas development should be driven by the sustainable livelihoods approach.	Planning Completed

Establishment of the Ekurhuleni High Court	Investigate the establishment of the 'Ekurhuleni High Court'	For Investigation	Blue IQ project		For Investigation
Codesa-Ekurhuleni Museum	Investigate the establishment of a CODESA/ Peace museum in the Core Node reflecting on: <ul style="list-style-type: none"> o CODESA Centre Exhibition Conceptual Framework Inspirational principles: Democracy in the World; o Government by the people: equality, liberty, fraternity, governance and accountability; o African Traditional values, Ubuntu, I am what I am because of who we all are; and o Democracy in Africa, derived 'firmly in the African past, yet fully accepts the African present'. Basil Davidson. (Source: Codesa Presentation- COE Department Sport, Recreation, Art & Culture). 	For Investigation	Riverfields	The development which is strategically located north of the Kempton Park CBD and intersected by the R21 will be a mixed use development that includes residential, logistics, offices and distribution industry. The following developments are either completed or currently in the planning phase for finalization: <ul style="list-style-type: none"> - Glen Erasmia Boulevard and Zimbali Cluster Development - Gleneagle Estate - Gleneagle Office Park - Plumbago Business and logistics Park - Riverfields retail mall 	In Process
Tertiary provincial hospital	Investigate the development of a tertiary provincial hospital in Ekurhuleni	For Investigation	Container Building Concept	Council land throughout Ekurhuleni	Update Required
Ekurhuleni Regional Recreational node	Investigate the development of a Ekurhuleni Regional Recreation Node	For Investigation	Waterval	Large housing development south of Palm Ridge	Update Required
Provision of infrastructure for the Benoni Northern Areas	In terms of LSDFs 33 and 34	For Investigation	Badenhorst Estate (Carnival Node)	Badenhorst Estate forms part of the Carnival Node, and can be defined as an integrated mixed use life style precinct.	Planning Completed
Incorporation of Greenstone-Modderfontein area in to Ekurhuleni	Pursue the incorporation of the Greenstone-Modderfontein area into Ekurhuleni	For Investigation	M and T Development	The development has been identified for inclusion into the CIF based on further investigation. Map 8 illustrates the geographic location of developments for inclusion to the CIF.	For Investigation
ERWATs WWCWs Capacity	ERWAT Strategy 2032 – Facility Development Plan that deals with existing sewerage treatment capacity and demands for increased capacity.	Update Required	Midstream	The development has been identified for inclusion into the CIF as part of priority area 1. Map 14 illustrates the geographic location of developments for inclusion to the CIF.	For Investigation

			Serengeti	The development has been identified for inclusion into the CIF based on further investigation. Map 8 illustrates the geographic location of developments for inclusion to the CIF.	For Investigation
			Reading Junction	The development requires investigation for future inclusion into the CIF	For Investigation

Map 14 illustrates the locality of major investments that have been identified for inclusion into the CIF as projects that boast increased revenue and employment generation for the Metro.

Map 14: Major Developments



Various departmental projects, initiatives and priorities that have been identified by EMM departments as overlaid onto the existing CIF map. Projects overlaid include the IRPTN, with an emphasis on phases A, B and C as the initial phases of the entire proposed IRPTN. Housing projects from the housing funding model that are currently in process and proposed have also been included onto the CIF mapping, in addition to the proposed strategic land parcels and areas identified for development. Further mapping includes where information has been made available, major developments and the EMM flagship projects. The purpose of mapping the EMMs departmental projects, initiatives and priorities as projected for the 2014/15 and 2015/16 financial years is geared towards identifying spatially where these projects are being proposed and to obtain a sense of alignment between departmental initiatives. In addition, the mapping of various EMM projects played a pivotal role the refinement of the CIFs footprint with respect to the geographic priority areas utilised as a means to guide and co-ordinate municipal expenditure spatially.

Table 14: List of External Role Players

EXTERNAL ROLE PLAYERS

It is acknowledged that part and parcel to developing a comprehensive CIF is the inclusion of external role players in the form of National and Provincial government, Parastatals and agencies. The external role players have been identified as having a stake within the EMM in terms of financial investment, major projects and development growth (socially, economically and physically), which projects have been listed as supporting and complementary projects. **Table 14** reflects a list of identified external role players who are required to provide input into the Built Environment Performance Plan. Input is required with respect to external government programmes proposed for the EMM, investment value, implementation timeframes, and project locality. Engagements to date with external role players yielded information indicating investments into the EMM from Airports Company South Africa, the Gauteng Growth and Development Agency, and Passenger Rail Agency South Africa. Ongoing interaction with external role players is proposed and required to feed into modelling for the CIF on income geography. Interactions with required external parties to date have been sluggish.

DEPARTMENT	CONTACT PERSON	
GAUTRANS	Skhumbuzao Macozoma	Kuman Govender
	Tshitshi Phewa	Nokuthula Modikoe
SANRAL	Alex van Niekerk	Klaus Schmid
PRASA	Johanna Lata	Hishaam Emeran
	S Maboza	Tami Hlongwane
	Neo Kutama	(Intersite)
GAUTRAIN	Eric Cotzee	Tom Overton
GDARD	Lize Bothma	Motlatjo Makaepa
	Mr Motlatjo Makaepa concerning GAPA and Agri-hubs	Motlatjo.Makaepa@gauteng.gov.za
ERWAT	Koos Wilken	Leon Naude
	Phumza Jizana	
Rand Water	Job Khubeka	
Eskom	Phumza Jizana (Land Development)	
Gauteng Department of Minerals and Energy	Thandiwe Biyela	Coltrane Letswalo
Gauteng Department of Education	Sylvia Mukokie	
Gauteng Department of Economic Development	Estee Campher (IDP)	Noma Makwela (IDZ)
	Ntombi Radebe (Special Projects)	
Gauteng Department Housing	Aareff Osman	Bonisile Maduna
	Jennifer Mirembe	
Gauteng Department Health	Mr Makhudu	
Telkom	John Theletsane	
National Department Trade and Industry	Natasha Morris	Antoinette Baepi
	Charlene Harmse	
National Department of Water Affairs and Energy	E.M Modingoana	Jabu Matamela
	Barend Fouche	
National Treasury	Sindiswa Maka	
Transnet	Mr. B.J Thorne	Linda Skarupke
ACSA	Felicia Sao	Justeyn van Zyl
National Department of Higher Education	Gwebinkundla Qonde (Director General)	
Justice Department	Emily Dhlamini (Regional Head - Gauteng)	

D: OUTCOMES AND OUTPUTS

D.1 Anticipated Outcomes and Outputs of Investment in the Built Environment:

Outcome 8 Performance (to be updated)

Table 15 indicates the Ekurhuleni capital budget expenditure for 2013/14- Finance to give clarity on correct financial year and correct capital budget! as on 31 December 2013. The table indicates a total capital budget expenditure of 33.57%. The expenditure for Outcome 8 projects is 37.12%

Table 15: EMM Budget as per National Outcomes²⁷

National Outcomes	Source of finance	Sum of Adjusted Budget	Sum of Actual December 2013	Sum of Actual Expenditure Year to Date	Sum of Plus: Expenditure Commitments on Venus (Stores Orders, etc.)	Sum of Actual Expenditure Plus Commitments on Venus	Percentage Spent (Actual vs Adjusted Budget)	Percentage Spent (Actual Expenditure Plus Commitments)
Outcome 10	Municipal Bonds	39,203,961	2,695,941	6,527,639	1,251,574	7,779,213	16.65%	19.84%
	Revenue	6,500,000	-	-	331,811	331,811	0.00%	5.10%
	USDG	18,700,000	3,895,436	6,042,582	-	6,042,582	32.31%	32.31%
Outcome 10 Total		64,403,961	6,591,377	12,570,221	1,583,385	14,153,606	19.52%	21.98%
Outcome 2	Municipal Bonds	4,599,774	2,280,226	2,291,822	-	2,291,822	49.82%	49.82%
	Revenue	205,360	18,608	104,102	38,711	142,813	50.69%	69.54%
	USDG	66,860,000	7,953,404	31,932,495	1,904,048	33,836,543	47.76%	50.61%
Outcome 2 Total		71,665,134	10,252,238	34,328,419	1,942,759	36,271,178	47.90%	50.61%
Outcome 3	Municipal Bonds	14,140,000	863,768	1,919,754	485,574	2,405,328	13.58%	17.01%
	USDG	18,100,000	2,113,686	3,257,700	-	3,257,700	18.00%	18.00%
Outcome 3 Total		32,240,000	2,977,455	5,177,454	485,574	5,663,028	16.06%	17.57%
Outcome 4	Municipal Bonds	37,633,493	6,854,358	12,779,659	505,783	13,285,443	33.96%	35.30%
	Other Provincial Grants	400,000	-	-	20,718	20,718	0.00%	5.18%
	USDG	24,850,000	4,805,917	14,800,173	-	14,800,173	59.56%	59.56%
Outcome 4 Total		62,883,493	11,660,275	27,579,832	526,501	28,106,333	43.86%	44.70%
Outcome 6	Developer's contributions	9,000,000	323,054	7,703,024	-	7,703,024	85.59%	85.59%
	Municipal Bonds	148,450,000	8,338,686	36,137,439	313,621	36,451,060	24.34%	24.55%
	USDG	22,000,000	813,946	10,294,696	-	10,294,696	46.79%	46.79%
	Project Finance	150,000,000	20,702,703	77,304,089	22,775,529	100,079,618	51.54%	66.72%
Outcome 6 Total		329,450,000	30,178,390	131,439,248	23,089,149	154,528,398	39.90%	46.90%
Outcome 8	Developer's contributions	19,835,640	49,453	6,919,546	-	6,919,546	34.88%	34.88%
	HSDG	23,550,000	837,186	2,859,637	314,166	3,173,803	12.14%	13.48%
	INEP	10,000,000	320,930	6,046,443	3,686,685	9,733,127	60.46%	97.33%
	Municipal Bonds	356,843,347	26,814,988	93,298,365	13,011,901	106,310,267	26.15%	29.79%
	Other National Grants	260,543,000	6,704,439	27,695,517	2,219,396	29,914,913	10.63%	11.48%
	Other Provincial Grants	2,350,376	301,947	301,947	-	301,947	12.85%	12.85%
	Revenue	7,200,000	249,607	2,316,311	230,247	2,546,558	32.17%	35.37%
	USDG	1,158,507,210	104,875,672	543,118,333	24,394,351	567,512,684	46.88%	48.99%
Outcome 8 Total		1,838,829,573	140,154,221	682,556,099	43,856,746	726,412,845	37.12%	39.50%
Outcome 9	Municipal Bonds	340,103,269	8,208,624	34,064,595	84,673,490	118,738,085	10.02%	34.91%
	Other Provincial Grants	1,100,000	-	-	-	-	0.00%	0.00%
	Revenue	236,551,954	30,544,131	88,583,206	50,153,783	138,736,989	37.45%	58.65%
	USDG	50,000,000	-	-	-	-	0.00%	0.00%
Outcome 9 Total		627,755,223	38,752,755	122,647,801	134,827,273	257,475,074	19.54%	41.02%
Grand Total		3,027,227,384	240,566,710	1,016,299,073	206,311,388	1,222,610,461	33.57%	40.39%

The Ekurhuleni performance with regard to National Outcome 8 as taken from the Ekurhuleni SDBIP is reflected below²⁸

–**Output 1: Accelerated Delivery of Housing Opportunities**, further divided of the following Sub-Outputs:

- Sub-Output 1: Upgrade 400 000 units of accommodation within the informal settlement through the UISP and providing them with access to basic services and form of tenure
- Sub-output 2: Establish and implement National Upgrading Support Programme
- Sub-output 3: Accreditation
- Sub-output 4: provision of 80 000 well located affordable rental accommodation by 2014

–**Output 2: Improve access to Basic Services**

–**Output 3: Improved Property Market through the development of the Mortgage Insurance programme**

–**Output 4: More efficient land Utilisation:**

²⁷ Source: Capital Expenditure Report, Ekurhuleni Finance Department, Reporting Period: 31 DECEMBER 2013

²⁸ Source: HUMAN SETTLEMENTS DEPARTMENT Sustainable Human Settlement Plan, Progress Report April 2013. Reporting period: 2 May 2013

The Ekurhuleni Human Settlement Department has acquired 10 portions of land for housing purposes consisting of Witpoortjie, Olifantsfontein, Breswol Agricultural Holdings for total amount of R25, 306 833, measuring 131,2748 ha in total²⁹.

CURRENT USDG PROJECTS (Human Settlement to provide updated info)

Table 16 indicates the USDG grant project summary for the 2012/13 financial year- H/S to give clarity on which financial year?? as per the categories specified by National Treasury.

Table 16: USDG Grant Project Summary³⁰

Category	Rand/ Amount
Acquisition of Land for New Human Settlements	32 390 000
Refurbishment of Rental Property	24 150 000
Tembisa Urban Renewal Framework Projects	7 526 538
Total	64 066 538

²⁹ Source: Email from Thandizwe Mdletshe, Executive Manager for Human Settlements, Reporting period: 12 April 2013

³⁰ Source: Email from Godfrey Hiliza, Manager for Human Settlements, Reporting period: 9 September 2014

MAJOR PRIVATE INVESTMENT PROJECTS:

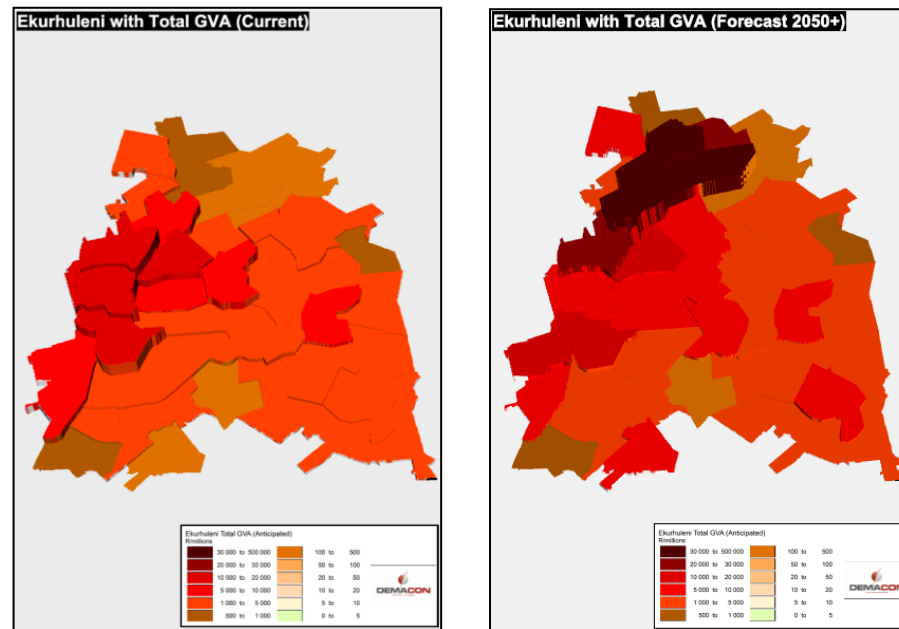
<i>Investment Project Name</i>	<i>Name of Investor/Developer</i>	<i>Estimated Value of Investment</i>	<i>CONSTRUCTION PHASE</i>		<i>OPERATIONAL PHASE</i>		<i>Estimated Job Creation</i>
			<i>Additional GGP</i>	<i>Estimated Job Creation</i>	<i>Additional GGP</i>	<i>Estimated Job Creation</i>	
PRASA New Rolling Stock	Gibela Consortium/ALSTOM	R 4.1 billion	R 3,370,235,000	22,300	R 2,807,421,000	8,990	
Steel Mill Investment	Fortune Metaliks	R2,500,00,000	-	-	-	-	300
Municipal solid waste to Energy	Enviroserv	R1,000,000,000	-	-	-	-	150
Conveyor belt Manufacturing	Oriental Rubber	R100,000,000	-	-	-	-	118
PET Bottle Recycling	Mpact	R330,000,000	-	-	-	-	
Glass Expansion	Nampak	R400,000,000	-	-	-	-	136
Retail Mall	Investec	R300,000,000	-	-	-	-	1000
Bus Depot and Head Office	Autopax (PRASA)	R350,000,000	-	-	-	-	
Glass Manufacturing	JOEST	R200,000,000	-	-	-	-	80
Riverfields Mixed Use Development	Trans Act	R 35.0 billion	R 28,562,368,000	189,900	R 85,903,675,000	305,510	
O.R. Tambo International Airport (extension of western and midfield terminal)	ACSA	R 3.5 billion	R 2,825,216,000	18,800	R 5,127,254,000	18,220	
Badenhorst Estate (Mixed use Development)	Badenhorst Family	R 3.05 billion	R 2,486,755,000	16,700	R 5,694,844,000	20,120	
Tambo Springs Inland Port (Inland Freight Port)	Transnet	R 52.4 billion	R 42,663,135,000	283,700	R 34,464,918,000	97,650	
M and T Development	M and T development	R 133.9 billion	R 109,055,938,000	725,000	R 150,257,565,000	518,880	
Rhodesfield UDF	-	R 11.3 billion	R 9,193,851,000	61,200	R 19,742,859,000	65,790	
Glen Gory	-	R 7.9 billion	R 6,448,436,000	42,900	R 13,195,128,000	46,690	
Midstream	M and T development	R 13.8 billion	R 11,200,953,000	74,500	R 597,845,000	2,070	
Serengeti	African Kingdom Holdings	R 10.7 billion	R 8,686,301,000	57,500	R 4,538,501,000	13,980	
Reading Junction	-	-	-	-	-	-	-
Leeuwpoot	-	R 9.0 billion	R 7,369,304,000	48,800	R 1,571,394,000	5,560	
Lordsvlei Industrial Estate	-	R 9.8 billion	R 7,977,949,000	53,000	R 9,442,262,000	26,630	
Chief Albert Luthuli (mixed use)	-	R 2.2 billion	R 1,805,045,000	12,100	R 1,091,695,000	3,870	

The aforementioned table of projects is a joint list of major investments identified by the City Planning and Economic Development Departments respectively.³¹

The following identified developments' have been subject to modelling conducted by Demacon Market Studies in terms of the developments investment potential, GGP contribution and employment contribution³²:

Badenhorst Estate
Chief Albert Luthuli Mixed Use
Dunnottar Residential and Ancillary Facilities
Dunnottar Ext 7 and 8 (Grootfontein) – Gibela
Glengory Mixed Use
Leeupoort Mixed use
Lords View Industrial Estate
M & T Mixed Use
Midstream Estate
Rhodesfield Urban Development Framework
Riverfields Mixed Use
Serengeti Estate
Tambo Springs
ORTIA Western Precinct

Map 15: Comparison between existing GVA and the Medium to Long Term Impacts (GVA) – Forecast 2050+³¹



The key outcomes of these major developments should be to:

- ✓ Create sustainable job opportunities
- ✓ Increase employment stability
- ✓ Ensure sustainable income source – income in rateable real estate
- ✓ Training and skills development of workers
- ✓ Increase the economy base in the region
- ✓ Create positive spill-over effects
- ✓ Increase and expand the product and service range within the market and improve the overall quality thereof.
- ✓ Attract higher volumes of consumers to the area and reduce leakage of purchase power to the market.

³¹ Source: Email from Edward Komane, Divisional Head: Industrial Investment Facilitation – Economic Development Department, Reporting period: 28 January 2014

³² Ekurhuleni Metro, Financial and projection modelling EMM Capital Investment Framework: Executive Summary (Demacon Market Studies), 2015.

The modelling on major investments for the EMM took into account³¹:

- The **Direct economic impact expected during construction of the major development projects**. The construction phase impacts are temporary in nature, and are expected to end once the construction phase is completed. The direct impact can be considered as the impact directly created at the development site and close surroundings; approximately 60% of the direct impact will be created at the development site itself.
- **Direct employment expected during the construction phase**. It is very important to note that the additional employment opportunities created refer to paid work created for an individual on a specific project for any period of time. The same individual can be employed on different projects during the construction phase of the entire development and each period of employment will be counted as an employment opportunity. Therefore it should be understood that the additional employment opportunities created does not relate to actual number of people employed for the entire period of the development.
- **Total economic impact created during the construction phase**. Similar to that of the direct impact, the total impact during construction is of a temporary nature. The total impact includes the direct, indirect and induced impact created as a result of the construction of the major developments.
- **Direct economic impact expected during the operational phase** of the major developments once these developments are fully operational / at maturity. The impact created during the operational phase is more permanent in nature and is sustained annually.
- **Direct Employment during the operational phase**. Similar to that of the construction phase impact, the additional employment opportunities created do not relate to actual number of people employed for the entire period of the development, but rather the opportunities created.
- **Total economic impact expected during the operational phase** of the major developments once these developments are fully operational / at maturity (i.e. sustained annual impacts). Therefore including the direct, indirect and induced economic impacts created during the operational phase of the major developments.

The total economic impact can be measured in terms of three effects:

- **Direct effects:** those economic effects caused by the new investment or proposed project.
- **Indirect effects:** occurs to industries in the backward linked industries that supply goods and services to the proposed development. Economic activity triggered by the purchase made as a result of the initial round of project expenditure.
- **Induced effects:** result from households spending some of the additional income they receive on goods and services within the local, regional and provincial economies.

Details of the economic impact of developments can be views in the Ekurhuleni Metro, Financial and projection modelling EMM Capital Investment Framework: Executive Summary (Demacon Market Studies), 2015.

Ratio between Capital Investment and Property Tax

Projects	Capital Investment	Municipal Property Tax Income	Ratio (CAPEX : TAX)
Badenhorst Estate	R 3,052,676,500	R 45,484,880	1.5%
Chief Albert Luthuli Mixed Use	R 2,215,826,500	R 20,968,471	0.9%
Dunnottar Residential and Ancillary Facilities	R 7,750,548,000	R 85,872,582	1.1%
Dunnottar Ext 7 and 8 (Grootfontein) - Gibela	R 4,137,213,000	R 50,489,744	1.2%
Glengory Mixed Use	R 7,915,934,000	R 106,112,309	1.3%
Leeuwoort Mixed use	R 9,046,366,000	R 69,059,798	0.8%
Lords View Industrial Estate	R 9,793,524,000	R 183,138,899	1.9%
M&T Mixed Use	R 133,874,248,320	R 1,940,440,447	1.4%
Midstream Estate	R 13,750,000,000	R 103,625,000	0.8%
Reading Junxion Mixed Use	R 9,478,420,000	R 126,603,458	1.3%
Rhodesfield	R 11,286,135,000	R 189,677,112	1.7%
Riverfields Mixed Use	R 35,000,000,000	R 1,020,800,000	2.9%
Serengeti Estate	R 10,663,080,000	R 122,751,342	1.2%
Tambo Springs	R 52,372,160,100	R 979,359,394	1.9%
ORTIA Western Precinct	R 3,468,163,270	R 51,675,633	1.5%

From the above table it is clear that the Riverfields Mixed Use development will result in the highest Municipal Property Tax Income per rand Capital Investment at a 0.029 ratio. This is followed by the Tambo Springs Industrial development at a 0.019 capex to tax ratio and Rhodesfield development (1.7%). **Map 15** illustrates the existing GVA Landscape compared to the medium to long-term impact that the proposed Major Developments will have on the GVA within the market area once fully operational. Therefore the expected additional GVA forecast is indicated for the year 2050+³¹.

E: INSTITUTIONAL AND FINANCIAL ARRANGEMENTS

E.1 A Description of the Institutional Arrangements required to give effect to the Investment Programme:

CAPITAL INVESTMENT FRAMEWORK: CAPITAL PRIOROTISATION MODEL

The capital prioritization model is an instrument utilized in the implementation of the CIF in alignment with the annual budget process set out by the EMM Finance Department in order to strategically prioritize the multi-year capital budget. The CPM as illustrated in **Figure 2** strives to align and incorporate project management, IDP needs analysis, and the SDBIP into the prioritization process, incorporates the geographic priority areas in providing for a spatial rationalization of the budget, establishes a set process for implementation as aligned to the budget process, and guide and familiarize departments with the capital project prioritization process and requirements.

The purpose of the CPM:

- Facilitate and guide the prioritization of the multi-year capital budget.
- Establishes a uniform process to be followed during the budget process in the allocation and prioritization of the budget both strategically and spatially.
- Guides the budget allocation split.
- Requires collective action and collaboration between essential departments with an identified strategic involvement in the budget process (i.e. Finance, Strategy and Corporate Planning (IDP), EPMO, Human Settlements, Economic Development, Environment and City Planning).
- Promotes alignment of departmental functions, strategic policies and sector plans.
- Outlines actions to be pursued during the budget prioritization process
- Makes provision for monitoring and evaluation to assess the impact of the CIF on the multi-year capital after allocation of the budget.
- Makes allowance for a transparent and accountable budget process.

The capital prioritisation model as per **Figure 2** was drafted and premised on the following factors:

- Alignment to the budget process;
- Incorporation of essential strategic departmental functions related to municipal planning and project management;
- National treasury requirements; and
- Best practices identified through engagements with neighbouring metropolitan municipalities.

The implementation of the CIF as per the Capital Prioritisation Model must firstly be understood as following a process of Test, guide and align with respect to gradually changing the EMM departments approach to the budgeting process to taking cognizance of the CIF priority areas and budget process through the CPM. The phasing in of the CIF needs to ultimately promote increased alignment of departmental capital projects. The process of test, guide and align is proposed as follows:

- Projects on the 2013/14 capital budget: Test projects against the set CPM % allocations per project category and per geographic focus area;
- Projects on the 2014/15 capital budget: Guide departments towards projects that will support the set CPM % allocations per project category and per geographic focus area; and
- Projects on the 2015/16 capital budget: Align all projects on the capital budget with the set CPM % allocations per project category and per geographic focus area.

The 2015/16 implementation of the CIF as part of the annual budget process undertaken in 2014 yielded a refinement of the CPM as follows:

- The refinement of the CPM resulted in the inclusion of additional steps in the process to reflect additional actions required to form part of the process. The additional actions as part of the CPM made provision for monitoring and evaluation, and clearly starts to outline the departments' role and responsibilities as part of the budget evaluation process.
- Testing of the scoring system (step 6) on the 2015/16 multi-year budget.
- Incorporation of modelling work conducted by consultants Demacon on the impact of the budget allocation split as an empirical substantiation of the budget allocation split for the Metro.

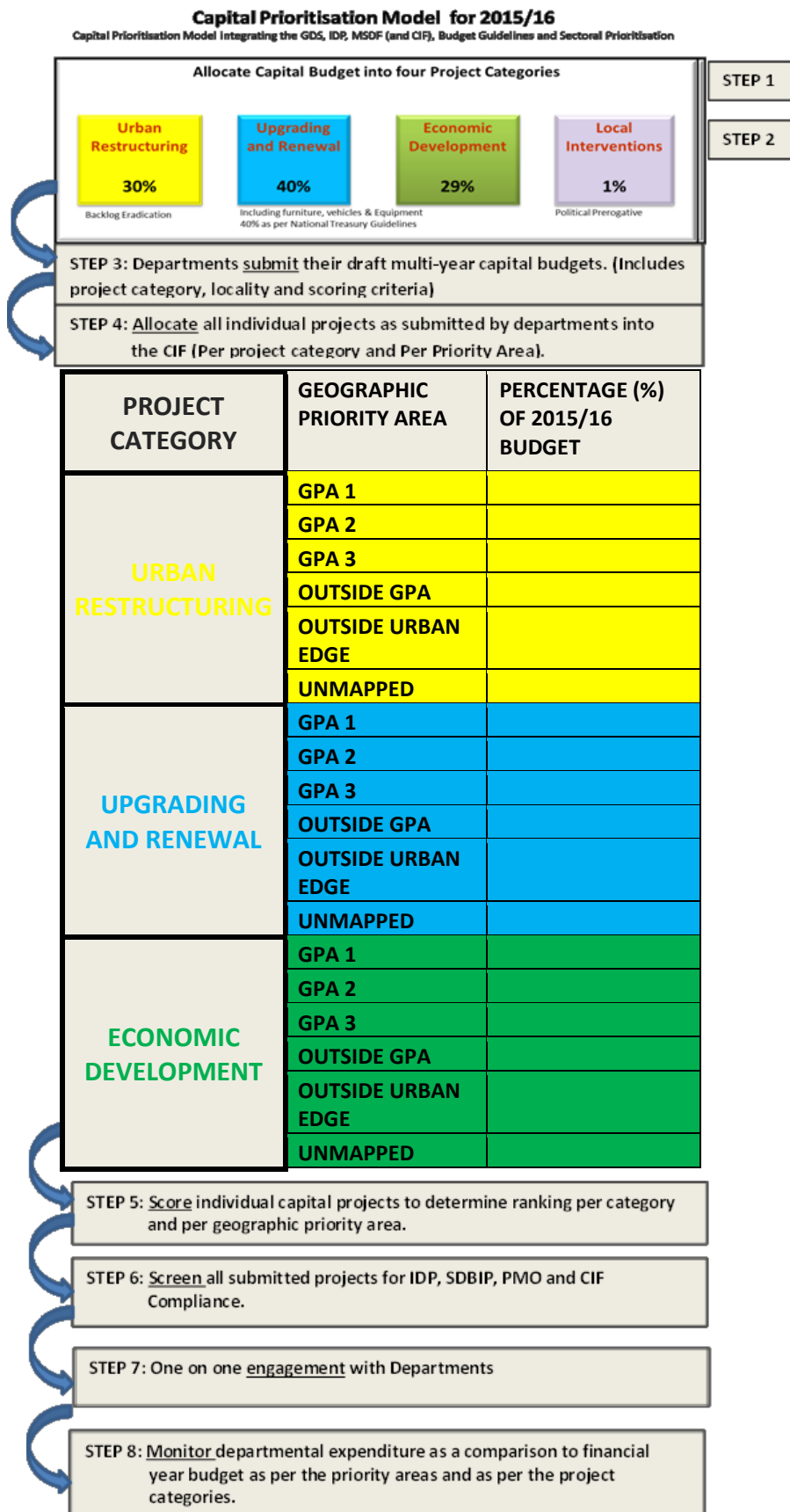
The 2014/15 CPM process made provision for steps 1 to 5:

- **Step 1:** Define Project Categories
- **Step 2:** Allocate budget percentage (%) per Project Category
- **Step 3:** Allocate Capital Budget per Geographic Priority Area
- **Step 4:** Screen Submitted Capital Projects
- **Step 5:** Allocate Individual Capital Projects into project categories and Geographic Priority Areas
- **Step 6:** *Scoring Individual Projects - Step 6 of the CPM was only noted as a necessity for the CPM to incorporate a non-biased scoring approach to the prioritisation process as reflected in the 2013 and 2014 approval of the CIF.*

The revised 2015/16 CPM process made provision for steps 1 to 8 (Figure 2):

- **Step 1:** Define Project Categories.
- **Step 2:** Allocate budget percentage (%) per Project Category.
- **Step 3:** Departments are request to submit their draft capital budgets as per the budget instruction letter.
- **Step 4:** Allocation of departments draft capital projects into the CIF project categories and geographic priority areas.
- **Step 5:** Scoring of the draft capital projects
- **Step 6:** Screening of the draft capital budget for compliance and prioritization by the CIF Operational Task Team.
- **Step 7:** One on one departmental engagements
- **Step 8:** Monitoring and evaluation of the expenditure report

Figure 2: Capital Prioritisation Model – Steps 1 to 8



Implementation of the 2015/16 Budget and CIF Process

In preparing the draft 2015/16, 2016/17 and 2017/18 multi-year budget, the CPM process was applied as follows:

Step 1: Define Project Categories:

- Category 1 – Urban Restructuring:
 - Eradication of Historical Backlogs (Physical Infrastructure and Social Facilities): Eradication of Infrastructure for existing backlogs.
- Category 2 - Upgrading & Renewal:
 - Renewal of Existing Assets: Remaining useful life is extended due to aging of infrastructure. This does not mean the capacity is extended.
 - Upgrading of Existing Assets – to extend existing bulk capacity: To extend bulk capacity purely for existing network.
- Category 3 - Economic Development:
 - Upgrading of Existing Assets – to stimulate new Economic Growth: To extend bulk purely for new development where growth will be stimulated.
 - Income Generating: Purely Income Generating Projects.
- Category 4 – Local Interventions: Projects with a political prerogative

Categories 1 to 3 are defined as per definitions set by National Treasury.

Step 2: Allocate budget percentage (%) per Project Category:

- Category 1 – Urban Restructuring: 30% of the capital budget.
- Category 2 - Upgrading & Renewal: 40% of the capital budget (including furniture, vehicles and equipment). Nation Treasury with reference to the MFMA circular no. 66 as read with MFMA circular no. 55 has advised Municipalities to allocate no less than 40% of the Capital Budget to upgrading and renewal.
- Category 3 - Economic Development: 29% of the capital budget.
- Category 4 – Local Interventions: 1% of the capital budget.

The CIF proposes a budget allocation split as a guideline for the 2015/16 multi-year budget process, which has been informed by National Treasury requirements and financial and projection modelling work conducted by consultants Demacon. Modelling work conducted on economic growth and backlog scenarios has reinforced the need for the EMM to grow its revenue base as a means to increase the capital budget allocation towards backlog eradication and infrastructure maintenance and upgrading. This requires an increase in the support of budget allocation towards projects with the potential and ability to generate income for the Metro. The modelling therefore supports a higher budget allocation split for economic development, as currently set at a 29 percent target for the capital budget. The budget split additionally makes provision for projects geared towards backlog eradication and projects geared towards addressing infrastructure maintenance and capacity needs of the Metro.

Step 3: Departments are request to submit their draft capital budgets as per the budget instruction letter: The budget instruction letter was sent out by the Finance Department requests departments to compile and submit their multi-year draft budgets in accordance with budget and CIF requirements.

In terms of the CIF requirements, departments were requested to provide the following information:

- Short description of the project
- Project Locality
- Projects level of service/area of influence
- The project category per project
- Completion of the CPM weighting system as part of a trial run

The CIF input requirements into the multi-year budget was communicated to departments through departmental readiness workshop held on 22 and 25 September 2015. Departments were also requested to provide a breakdown of large general votes that comprise of sub-projects. As part of the departmental readiness workshops, departments were provided with a CPM user manual. The manual outlined data requirements pertaining to both mapping of capital projects and the trial run of the CPM prioritization weighting system.

Step 4: Allocate Capital Budget per Geographic Priority Area and per project categories: Departments were advised of the CIF mapping requirements within the budget instruction letter and were called over a three day period (29 September to 2 October 2014) to map their department projects with the City Planning GIS. The provision of a projects property description must be noted as a requirement in terms of National Treasury Form SA36. Preparation workshops were held with departments to explain the CIF budget input requirements with regard to the geographic priority areas, project categories and testing of the prioritization weighting system. Departments with the assistance of the City Planning GIS were required to generate shapefiles per project reflective of the projects exact locality and area of influence.

The projects were then assessed in terms of alignment to the priority areas and correctness of the project category allocations per capital project on the multi-year budget. **Map 15** reflects the Metros mapped projects per department in relation to the priority areas for 2015/16.

Target 1: Improved Accuracy in the level of mapping capital projects – This requires that departments breakdown large general vote numbers into specific projects with an exact locality and predetermined level of service per project. Each project in turn needs to be linked to a shapefile on the ArcGIS.

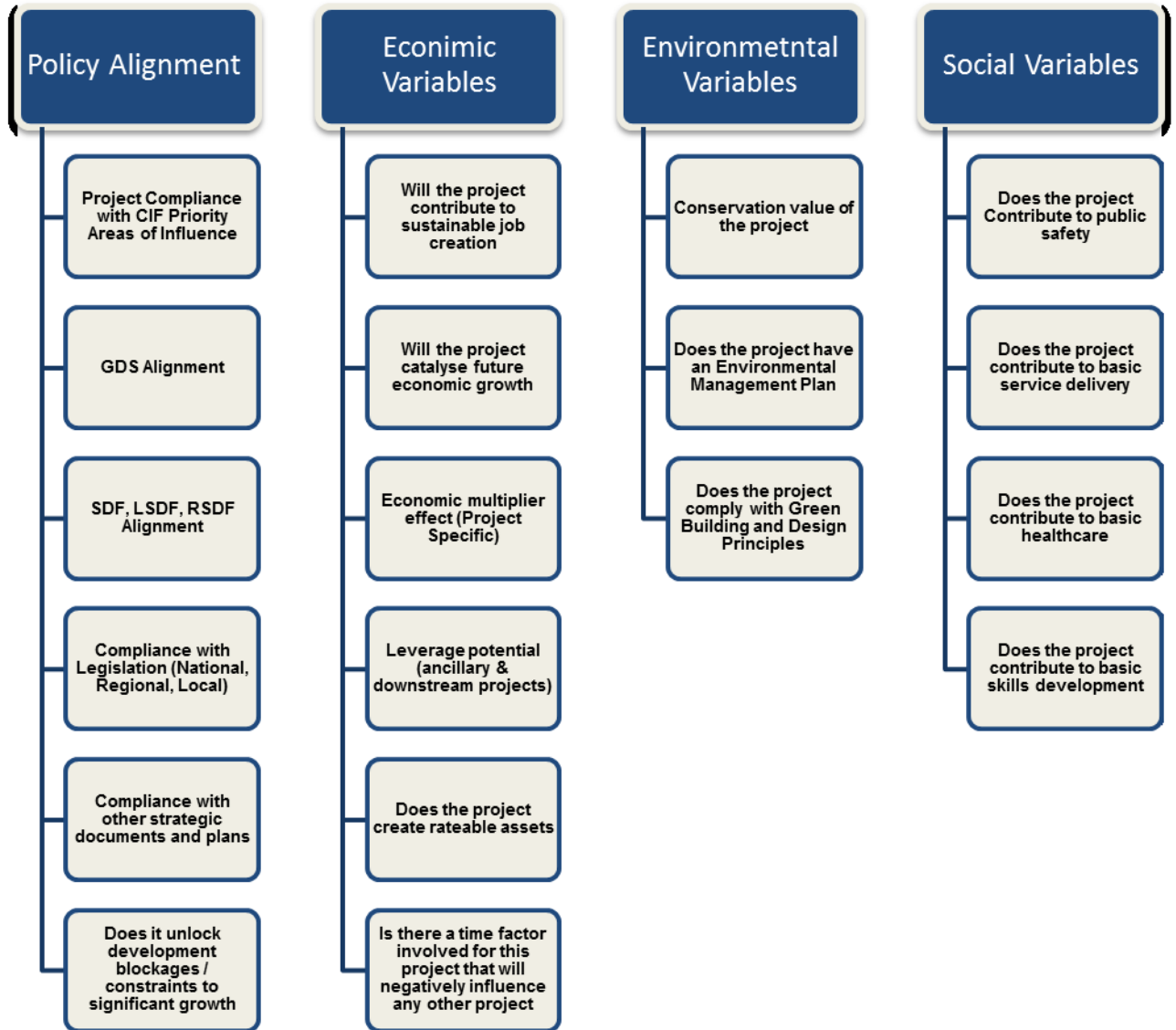
The benefit behind achieving improved accuracy in the mapping firstly provides the Metro with a spatial overview of the MTREF capital projects. This affords the EMM with the ability to assess alignment of departmental projects, alignment with the spatial priority areas, and ease of monitoring and evaluating expenditure spatially. This in turn promotes the concept of transparent and accountable budgeting.

Step 5: Scoring of departmental capital projects:

The 2014/15 CPM only made reference to the future inclusion of a capital project prioritization weighting system with the objective to remove subjectivity out of the prioritization process. Progress made on the CIF during 2014 focused largely on refining the CPM, which included the development of prioritization weighting system for testing against the 2015/16 multi-year budget. Testing of the prioritization weighting system (**Figure 3**) was incorporated into the budget guidelines letter issued by Finance and required departments to complete the weighting systems criteria per departmental project. The capital projects were scored after submission of the amalgamated draft submission budget by finance. This was followed by an analysis of the scoring outcomes with the objective to further inform required refinements to

the weighting system in the effort to develop a comprehensive and implementable project prioritization process.

Figure 3: Capital Prioritisation Model Draft Weighting System (Summary of Variables)



The first step in developing the prioritisation model was to determine the variables / criteria that will be used to assess the importance / priority of each project as reflected in **Figure 3**. For each of these identified variables / criteria, a rating scale should be developed to use in assessing how well a particular project satisfies the criteria.

The CPM will make use of a weighting system in which each of the key variables and their rating criteria will receive a specific weighting percentage that will be adapted per project category. Furthermore a scale of impact for the rating criteria will be implemented as defined by **Table 16**.

Table 17: Scale of Impact per Weighting Criteria

Scale of impact	Scoring
None	0
Low	25
Not Applicable	50
Moderate	75
High	100

Each of the four key variables will have a weight attached to it, of which the sum of these weights must total 100 as reflected in **Table 17**. Within a main variable, each of the rating criteria will also have a weight attached to it, which will also need to total to 100. The analysis conducted against the trial run of the proposed weighting system is detailed under the findings from the Budget and CIF implementation process attached as **Annexure 'B1'**.

Table 18: Variable Weighting per Project Category

PROJECT CATEGORY	POLICY ALIGNMENT	ECONOMIC VARIABLES	ENVIRONMENTAL VARIABLES	SOCIAL VARIABLES
Urban Restructuring	30	10	15	45
Upgrading and Renewal	40	20	20	20
Economic Development	25	50	15	10

Target: To Refine and Formalize the prioritization weighting system as part of an electronic data system for the Budget – The prioritization weighting system needs to guide and inform the screening process of the draft multi-year budget as a means to remove some of the subjectivity out of the budget prioritization process and provide for an effective and efficient means of departmental project prioritization during the budget process.

Step 6: Screen Submitted Capital Projects: The capital budget projects were screened in a joint sitting with Finance, City Planning, Human Settlements, Strategy and Corporate Planning (IDP Office), EPMO and Environmental Resource Management. The referenced departments constituted representative members of the formalized Operational Task Team as key stakeholders in the budget evaluation process. The Task Team met on 27 - 28 October 2014 to screen departmental projects on the multi-year CAPEX. **The following evaluation criteria was utilised in the assessment process:**

- **Legally committed projects**
- **EIA compliance**
- **Projects committed due to appointment of consultants or contractors**
- **Evaluation of feasibility of project plans developed on PCS**
 - **Realistic project timelines;**
 - **Realistic budget phases;**
 - **Project Readiness;**
- **New vs existing projects;**
- **And alignment with the CIF geographic priority areas**

All movable assets were excluded from the categorisation

Step 7: One on One Departmental Engagement:

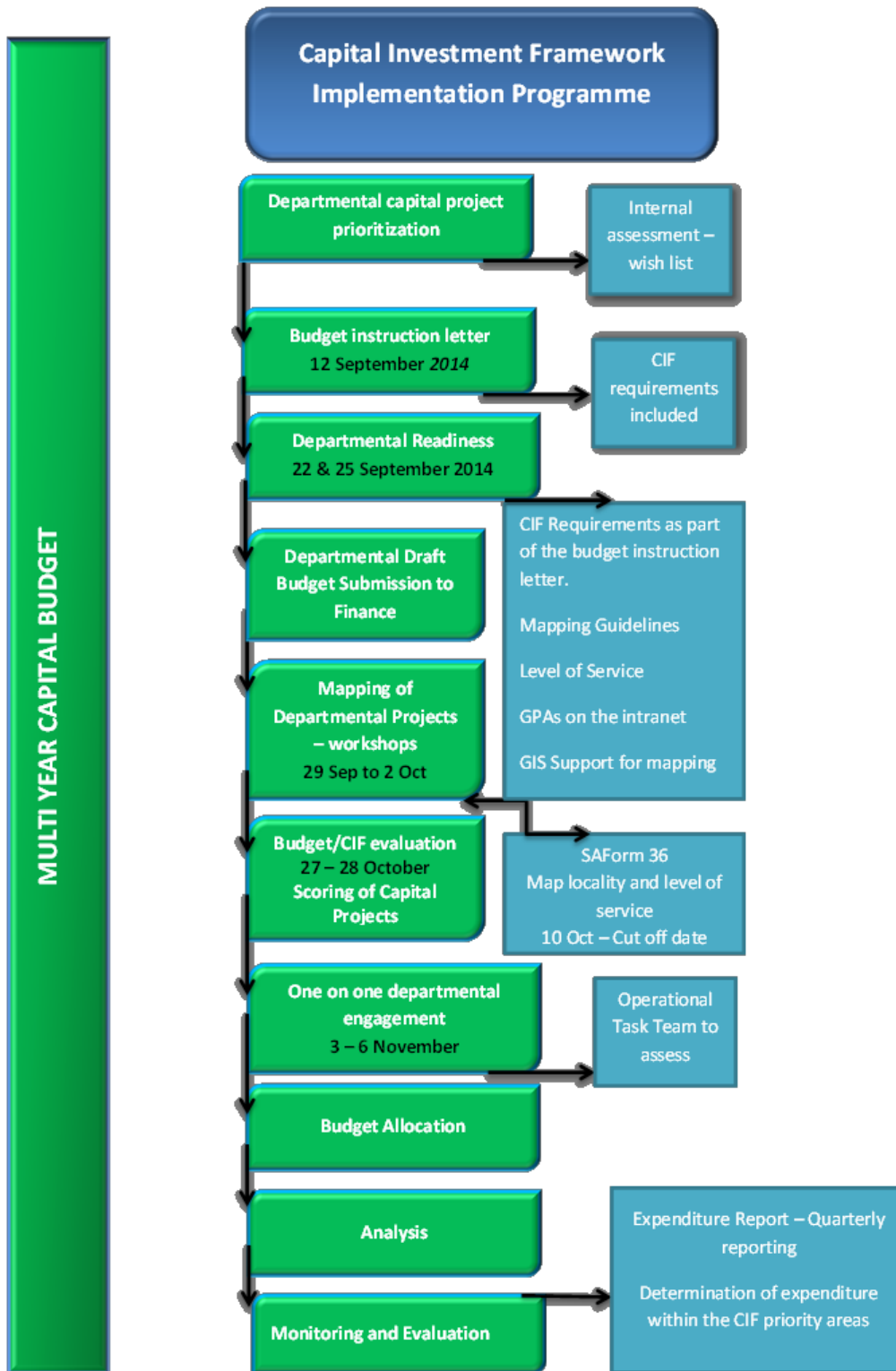
Once the evaluation of the budget has been concluded as per step 6, departments were called into individual departmental engagements to discuss outcome findings from the evaluation process. The one on one departmental engagement makes provision for the Operational Task Team to address identified concerns and obtain clarity around the departments draft budget submission. This in turn affords respective departments the opportunity to defend budget requirements or coincide with requested budget amendments. Step 7 of the process extends the CPM process as a collaborative, transparent and accountable process as part of the annual budget process. The one on one departmental engagements were held from 3 – 6 November 2014.

Step 8: Monitoring and Evaluation:

During the 2014/15 CIF approval process recommendation from the Finance Oversight Committee made reference to the incorporation of a monitoring phase as part of the CIF. Step 8 of the CPM therefore makes allowance for monitoring and evaluation of project implementation through the assessment of department's collective expenditure into the geographic priority areas through the expenditure report. It must be noted that monitoring of departmental capital expenditure in the priority areas is currently in process for the 2014/15 financial year. A target of 60% expenditure of the total expenditure for the 2014/15 financial year has been established.

Figure 4 reflects the practical application of the CPM as part of the annual Budget evaluation process for the 2015/16 – 2017/18 multi-year budget. The implementation programme therefore clearly outlines the milestones with required actions to ensue in order to achieve prioritization of the capital budget. Details to the implementation programme are available as attached '**Annexure B**'.

Figure 4: Practical Implementation of the CIF as part of the Budget Process



Findings from the 2015/16 Budget and CIF Process Analysis

a. Purpose of the analysis

The purpose of the analysis is based on assessing the outcome of the CIF evaluation process in identify achievements in the alignment of the multi-year capital budget with the CIF project categories derived from the Capital Prioritisation Model and the geographic priority areas that give directive to the spatial strategy of the EMM. The 2014 analysis of the budget evaluation included an assessment of the testing conducted for the CPM proposed prioritization weighting system against the draft 2015/16 to 2017/18 multi-year capital budget. The analysis therefore starts to outline the impact of the CIF on the multi-year budget based on the outcomes results, which in turn highlights constraints, weaknesses and successes as compared to meeting determined targets set out in the CIF.

In determining to what degree targets set out in the CIF have been met for the multi-year budget the analysis is geared towards answering the following questions as related to benchmarking the impact of the CIF with respect to the multi-year capital budget as follows:

- i. The budget percentage split between the CIF project categories as compared between the 2014/15 to 2017/18 budget?
- ii. The budget percentage split between the CIF geographic priority area categories for the 2015/16 Budget?
- iii. The budget percentage split between the CIF geographic priority areas as calculated per project category?
- iv. Performance of the CPM prioritization weighting system based on:
 - Which departmental projects on the draft multi-year budget placed in the top 20 of the prioritization as compared to the 20 lowest scoring projects (comparison to be made per scoring scenario)?
 - The number of capital projects that did not score highly within the projects allocated project category?
 - The level of information provided by departments as part of the scoring criteria?

b. Budget Percentage Allocation Split per the Project Categories

Analysis conducted on the 2014/15 budget after the Budget and CIF budget evaluation reflected a 30% budget allocation for Urban Restructuring and Economic Development projects respectively, and a 40% budget allocation for Upgrading and Renewal projects. The 2014/15 analysis indicated that the percentage of funding per project category had aligned with the budget percentage split proposed within the CIF.

In terms of analyzing the influence of the CIF evaluation process on the multi-year budget in achieving improved alignment with the budget allocation, the budget % allocation was assessed per CIF project category over the financial years 2015/16, 2016/17 and 2017/18 respectively. *It must be*

noted that the percentage figures will be subject to change after an assessment of the final budget, which will provide a more accurate reflection of the post Budget and CIF evaluation of the multi-year budget during the annual evaluation process.

Figure 5 illustrates the 2015/16 budget allocation split per the project categories. The findings reflect a budget % allocation of 24% for Economic Development, 32% for Urban Restructuring, and 44% for Upgrading and renewal. The budget % allocation split for the 2015/16 Financial year in comparison to the 2014/15 financial year reflects an increase in budget allocation for Upgrading and Renewal and Urban Restructuring projects, with a 6% drop in the budget allocation for Economic Development Projects. Further assessment of the budget allocation split of the budget between the project categories as taken over the MTREF period shows a steady increase in the budget allocation for Economic Development Projects to 29% by 2017/18, and retention of a 40% plus percentile budget allocation for Upgrading and Renewal projects.

Figure 5 – 2015/16 Budget Percentage allocation per Project Category

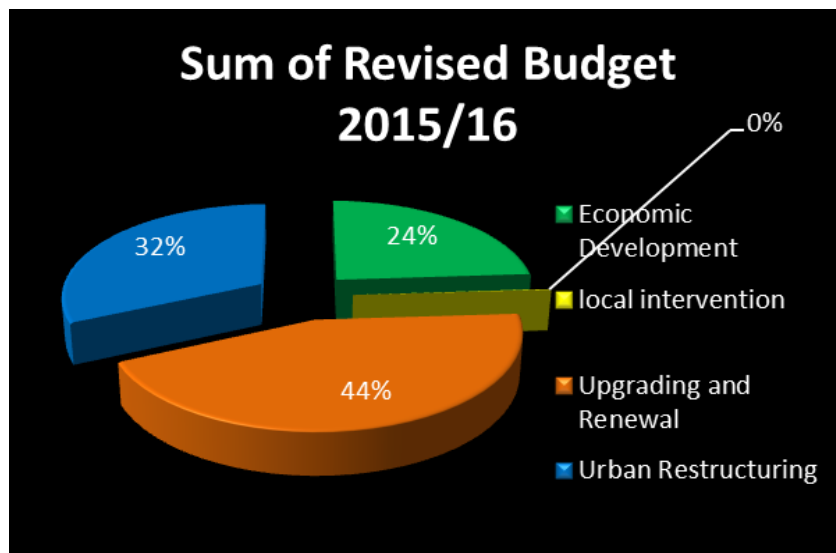


Table 19 provides a summary overview of the budget allocation split per the National Treasury project categories as taken from 2013/14 to 2017/18.

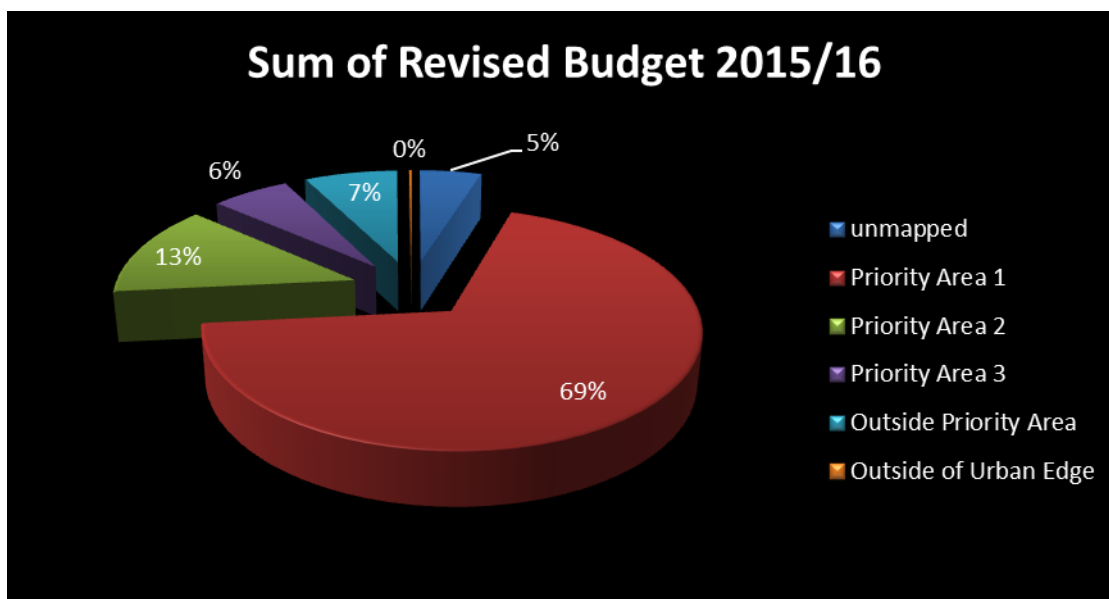
Table 19 – Summary of Budget Percentage Allocation per Project Category per Financial Year

	2013/14	2014/15	2015/16	2016/17	2017/18
Upgrading and Renewal	49	40	44	42	47
Urban Restructuring	38	30	32	31	23
Economic Development	12	30	24	27	29
Local Interventions	-	-	-	-	1

c. Budget Percentage Allocation per the CIF Priority Areas

Figure 6 indicates that for the 2015/16 budget approximately 88% of the budget allocation comes from capital projects that either fall directly within one of the three priority areas or boasts an area influence that will serve one or more of the priority areas. It is important to note that due to the fact that certain projects propose an area of influence extending across more than one priority area this makes it difficult to indicate the exact budget % split per priority area. Further assessment of the pie chart for the 2015/16 budget split between the priority areas indicates a 69% budget allocation for projects that fall within and serve priority area 1 exclusively or serves priority area 1 in addition to serving another priority area(s). Code 2 which represents projects influencing priority area 2 reflects the second highest budget allocation split at 13%, with a 6% budget allocation for projects in support of priority area 3. **Figure 6** also indicates that 7% of the budget is allocated towards projects that have no impact on any of the CIF priority areas, and a 5% budget allocation to projects that could not be mapped.

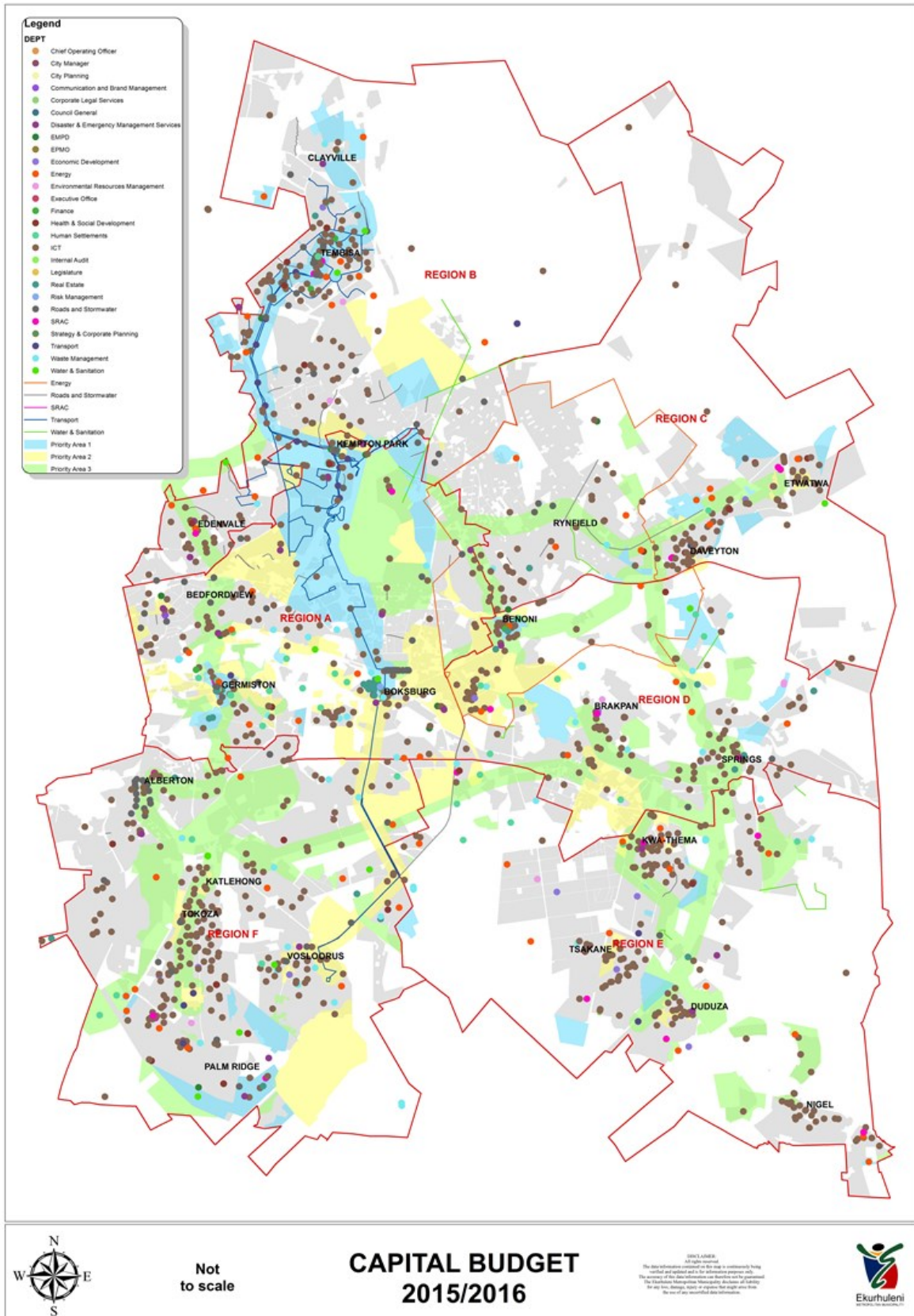
Figure 6 – Summary of the 2015/16 Budget % Split between the CIF Geographic Priority areas



Corresponding **Map 16** geographically illustrates the locality of the 2015/16 multi-year capital projects per department. The map starts to reflect where departments are budgeting spatially in relation to the spatial priority of the EMM and in relation to one another. This gives indication of alignment of departmental projects and alignment with the CIF priority areas.

Based on an analysis of **Figure 6** and **Map 16** it is evident that the bulk of departments budgeting are proposed within and or directly serves one or more of the CIF priority areas. It must be noted that Constraints faced in the accuracy of mapping capital projects on the MTREF is attributed to departments ability to provide a precise locality; and in the absence of a locality results in projects being mapped to the departments corporate office. This is evident through the GIS when departments' projects overlap spatially numerous times at one locality.

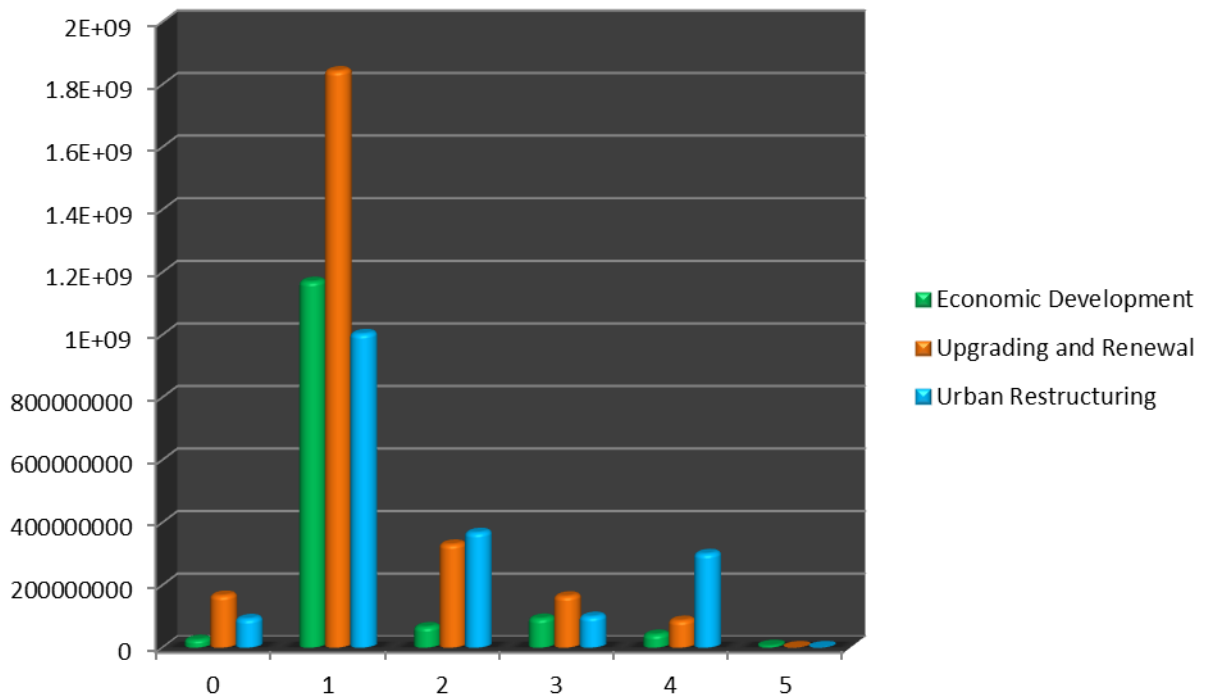
Map 16: Locality of 2015/16 Capital Budget Projects in relation to the Priority Areas



d. Analysis of budget per CIF project category and per geographic priority area

Figure 7 provides an overview of the budget % allocation split over the CIF priority areas based on comparison of the locality codes per CIF project category for the 2015/16 budget. The budget % allocation for projects that are located within or have an area of influence within the CIF geographic priority area 1 was determined at 71% and 54% for Upgrading and Renewal and Urban Restructuring respectively. With 83% of the Economic Development budget having been allocated to projects falling within or having an area of influence within geographic priority area 1. Therefore, the three project categories have all demonstrated a greater than 70% budget allocation (of the total budget allocation per project category) for projects that are located within or have an area of influence within one of the priority areas. The Economic Development category demonstrated the highest percentage allocation to the CIF priority areas based the proportion of total budget allocation to Economic Development projects. Upgrading and Renewal however boasted the largest rand value contribution to the priority areas, but only came out as the category with the second highest proportion of total budget allocation in the priority area as based out of the total budget allocation for upgrading and renewal.

Figure 7 – Provides a comprehensive overview of the budget % split per priority area and per category



e. Analysis of budget per CIF project category and per geographic priority area

The analysis of the trial CPM prioritization weighting system provides detail in the attached **Annexure 'B1'** with regard to:

- Departments overall response rate (This identifies the accuracy of the results based on completion of the weighting criteria)
- Top 20 versus bottom 20 scoring projects per project category (Reflective of the project name, responsible department, alignment to the priority areas, and category under which the project scored the highest versus the projects identified and allocated project category).
- Summary of projects per department that scored above 50% versus projects that scored below 50% on the draft capital budget.
- Summary of the percentage of projects that scored well outside of their project category.

The analysis has revealed a 72% response rate from departments, indicating that the majority of the departments completed the CPM Evaluation columns as part of the multi-year capital budget. It is important to note that although the overall response rate is fairly high, in certain aspects departments did not fully complete all of the columns for the CPM Evaluation.

Table 19 provides a comparative summary of the EMM departmental projects scored as premised on the number of projects that scored above 50% versus departmental projects that scored below 50%. The purpose of the assessment is to decipher whether the weighting has a fair and desired application in meeting the strategic and spatial priorities of the metro. **Annexure 'B1'** provides a detailed over the departmental projects that scored in the top 20 and bottom 20 per project category.

Table 20: Projects per Department Scoring Above 50% and Below 50% for 2015/16

Department	Total Number of Evaluated Projects	Actual Number of Projects Above 50%	Percentage	Actual Number of Projects below 50%	Percentage
Customer Relations Management	2	1	50%	1	50%
Disaster & Emergency Management Services	25	22	88%	3	12%
Economic Development	9	3	33%	6	67%
EMPD	23	21	91%	2	9%
Energy	174	135	78%	39	22%
Environmental Resources Management	9	5	56%	4	44%
Fleet Management	5	5	100%	0	0%
Health & Social Development	30	26	87%	4	13%
Human Settlements	50	39	78%	11	22%
ICT	24	5	21%	19	79%
Real Estate	43	7	16%	36	84%
Roads and Storm-water	98	32	33%	66	67%
SRAC	30	0	0%	30	100%
Transport	24	13	54%	11	46%
Waste Management	19	6	32%	13	68%
Water & Sanitation	28	14	50%	14	50%
TOTAL	593	334	56%	259	44%

From **Table 20** it is clear that overall more than half (56%) of the capital projects did score higher than 50% in terms of the CPM evaluation process.

The following departments recorded more than 70% of their projects **above 50%**:

- Fleet Management
- EMPD
- DEMS
- Health and Social Development
- Energy
- Human Settlements

The following department recorded more than 70% of their projects **below 50%**:

- SRAC
- Real Estate
- ICT

Each department had to identify the correct CIF project category for their capital projects as part of the multi-year budget analysis. The three weighting scenarios were developed based on the three CIF project categories, i.e. urban restructuring, upgrading and renewal and economic development.

Each projects was evaluated based on all three the weighting scenarios, irrespective of the specific CIF project category identified by the departments. The objective was to identify to what extent the project category identified by the departments corresponded with the corresponding weighting scenario, i.e. did the indicted CIF project category match the highest score in the same category for the weighting scenario? **Table 21** summarises the key findings in terms of the indicated project category and the CPM Evaluation, for each of the three project categories.

Table 21: Indicated Project Category vs. CPM Evaluation

	Upgrading and Renewal	Urban Restructuring	Economic Development	Overall
Indicated category match highest score	30%	79%	5%	42%
Indicated category does not match highest score	70%	21%	95%	58%

The majority of the projects indicated as Upgrading and Renewal projects by the departments, mainly scored higher in the Urban Restructuring scenario. Similarly the majority of the projects indicated as Economic Development projects by the departments, mainly scored higher in the Urban Restructuring scenario. The high scores obtained under the urban restructuring category were in part attributed to the yes/no scale of impact for the social variables.

From the above analysis of the CPM evaluation results, it is clear that the project categories indicated by the departments did not always correspond with the scenarios indicating the highest scores. Therefore, going forward with the CPM model, the three weighting scenarios

need to be investigated to determine whether the weighting per variables needs to be adjusted together with the weighting scales per criteria. The projects that indicated project categories that do not match the highest scoring weighting scenarios should also be investigated to determine whether the projects have been correctly categorised. Further detail has been provided in the attached **Annexure 'B1'** with respect to refinements undertaken to the weighting system and additional hypothetical testing on the model based on changes made, which will require additional engagement with departments.

Modelling Work Conducted on the CPM Project Category Percentage Split³³

Consultants Demacon Market Studies was tasked with conducting financial and projection modelling studies against the CIF and CPM with the objective of providing economic and backlog projections to feed into strengthening the direction and determination of targets for the CIF to feed into the budget of the EMM. The purpose of the modelling for the CPM was to illustrate the modelling scenarios with respect to Backlog Eradication and Economic growth within the EMM, so as to identify the optimum budget split between the Capital Investment Framework categories (i.e. economic development, urban restructuring and upgrading and renewal). Attached **Annexure 'C'** provides detail of the Financial and Projection Modelling conducted for the CIF.

Three modules have been identified to serve as input in determining the ideal economic growth scenario for the EMM namely, economic growth module, population growth module and the labour absorption / employment module. The following paragraphs summarises the key findings of the scenario modelling based on the three growth modules.

Key inputs and findings

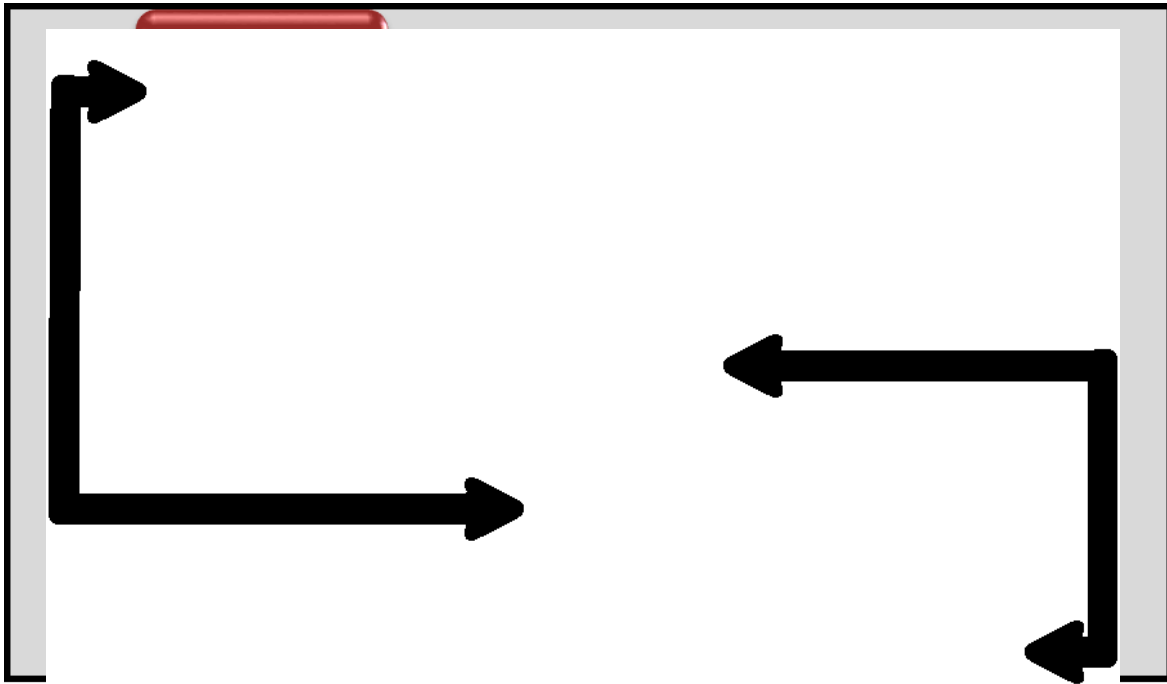
- At an average economic growth rate of **3.7%**, the EMM's economy creates, on average, **16 132** employment opportunities *per annum*.
- On the other hand, the economically active population increased by **35,163** *per annum*.
- This leaves a net **oversupply of labour** of **19,032** people *per annum* – not able to find work in the local, mainstream economy.
- Thus the EMM's economic growth needs to increase in order to absorb the entire economically active population within the Metro.

Based on **Figure 8** and the historical growth trends, ***the EMM's economic growth needs to increase from 3.7% to 8.1%*** in order to create an additional 19,032 employment opportunities per annum so as to absorb the total economically active population.

In order to increase economic growth an increase in infrastructure investment is required. Therefore a ratio between infrastructure investment and economic growth should be determined in order to calculate the additional infrastructure investment needed within the EMM economy to facilitate an 8.1% economic growth.

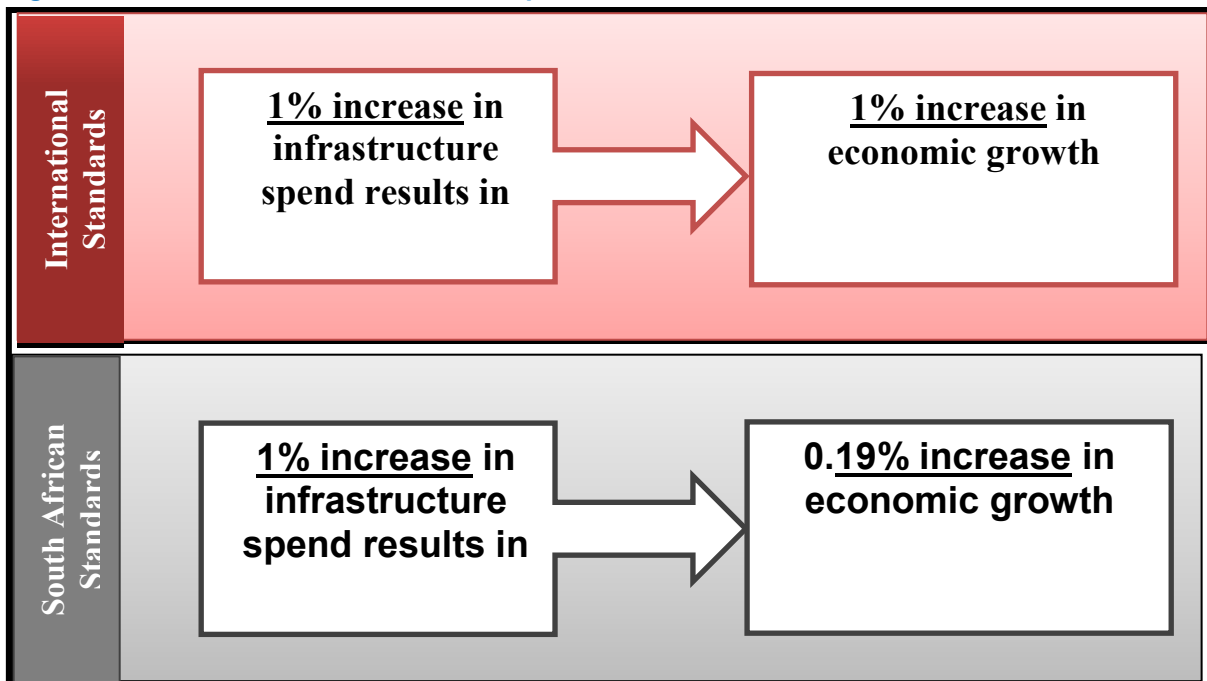
³³ Financial and Projection Modelling on the EMM Capital Investment Framework – Executive Summary, March 2015 (Demacon Market Studies)

Figure 8: Relationship between Infrastructure Investment and Economic Growth



Certain international studies on developing economies suggest there is a (simple) direct, positive **1 : 1** ratio between infrastructure spend and economic growth. Research on the SA economy suggests a more modest (and realistic) ratio of **1 : 0.19** between *infrastructure spend and economic growth* (**Figure 9**).

Figure 9: Ratios between Infrastructure Spend and Economic Growth, 2014



Based on the above ratio of **1 : 0.19**, an increase of 23% in infrastructure spend is required in order to create the additional economic growth within the EMM of 4.4% per annum in order to reach the ideal 8.1% needed to absorb the economically active population within the EMM.

However it should be noted that to reach the ideal 8.1% economic growth, the increase in investment infrastructure will need to be applied strategically, i.e. the majority of the infrastructure investment will need to be allocated to hard-core infrastructure, specifically new roads, electricity capacity as well as water and sanitation capacity in high priority economic zones.

In seeking to optimise the **Sustained Economic Benefits** of government spend, one must not only ask **HOW MUCH** is being spent, but in particular:

1. **WHERE?**
2. **ON WHAT?**

Therefore based on the above, two principles of budgeting and leveraging can be identified:

Principle #1 – The same Rand spent (on the same type of asset) has a different impact in one area *versus* another.

Principle #2 – The same Rand spent has a different impact in the same area, depending on the type of asset created.

An increase of 4.4% in economic growth in real terms is illustrated in **Table 22**. The table illustrates the average actual GVA increase per annum (R4.4 billion) generated within the EMM based on the current 3.7% economic growth. However in order to generate an economic growth of 8.1% per annum, the average increase in GVA per annum should amount to R5.2 billion (based on the additional 4.4% required in economic growth). The R5.2 billion additional GVA requires a total private capital investment of R5.4 billion be unlocked annually in the EMM's economy. Given the area's population growth it is possible from a demand side perspective for the market to absorb this type of increased investment.

Table 22: Private Capital Investment Required per Annum, Constant 2014 Prices

EMM Gross value Added at Basic Prices	
GVA Average Growth per annum at 3.7% (2001-2011)	R 4,391,320,170
GVA Average Growth per annum at 8.1% (2001-2011) - Ideal growth	R 9,623,682,004
Difference between current growth and Ideal growth (GVA)	R 5,232,361,834
TOTAL CAPITAL INVESTMENT NEEDED FOR IDEAL GROWTH (GDP)	R 5,403,791,789

Source: Demacon ex Quantec, 214

Based on principles of budgeting and leveraging as discussed in the preceding paragraphs it is important that the private capital investment of R5.4 billion occur within high priority economic zones / high economic commercial nodes compared to lower impact areas. These high impact nodes and low impact areas can be defined as follows:

High Impact Nodes

- ✓ Retail
- ✓ Office
- ✓ Industrial / warehousing / distribution

Low Impact Areas

- ✓ Residential
- ✓ Agricultural
- ✓ Social Services / Amenities

Furthermore in the EMM, such as in the rest of the country, the labour supply far exceeds the labour demand. Therefore the increase in private consumption expenditure, increased skills levels and skills development, private capital investment, together with the increased government spend, as well as increased exports and decreased imports will result in increased final demand, resulting in labour demand meeting labour supply. This can be easily illustrated by the following economic formula:

$Y = C + I + G + (X - Z)$ where:

Y:	<i>Final demand</i>
C:	<i>Private consumption expenditure (which relates to employment and unemployment and therefore further relates to skills development)</i>
I:	<i>Gross domestic fixed investment (which relates to the private capital investment)</i>
G:	<i>Government consumption expenditure (which relates to the infrastructure spend)</i>
X:	<i>Exports (increase)</i>
Z:	<i>Imports (decrease)</i>

Therefore the EMM needs to increase its total current budget with 23% per annum in order to ensure a sustained 8.1% growth in the economy of the metro so as to ensure that labour demand meets labour supply. This increase should occur over and above the internal restructuring of the EMM's budget.

Table 23 illustrates the 23% increase on the current EMM's multi-year capital budget. However it should be noted that 80% of the 23% increase of total capital budget should occur within the economic development category (Table 6.3). *The figures reflected were taken from the 2014/15 multi-year draft budget before final approval of the budget; therefore figures should not be construed as the actual budgeted amounts within the EMM MTREF.*

Table 23: Increased Infrastructure Spend Required for a Sustained 8.1% Economic Growth

CIF Budget	2014/15	2015/16	2016/17
Total EMM Current Capital Budget	R 3,119,798,979	R 3,368,826,121	R 4,252,041,688
23% Increase on Total Capital Budget	R 717,553,765	R 774,830,008	R 977,969,588
80% of Total Increase on Capital Budget (Increase in Economic Development)	R 574,043,012	R 619,864,006	R 782,375,671

Seeing that a 23% overall increase in the total budget expenditure of the EMM is somewhat difficult to sustain, an internal restructuring coupled with a modest annual budget increase will be the most plausible option.

Based on the preceding results, the following section summarises the optimum split for the EMM's budget and CIF categories. The internal restructuring indicated in the following section will need to be implicated together with an increase in the total budget, as outlined in the preceding paragraphs.

a. The Optimum Budget Split per Project Category

Table 24 illustrates the budget split allocation between the project categories as reflected for the draft 2014/15 budget before approval. From the table it is evident that the draft budget for 2014/15 reflected a substantially low budget allocation to economic development projects for the Metro. The final approved 2014/15 budget however reflected an increase in the budget split towards the economic development category and achieved alignment with the ideal budget allocation split proposed within the CIF; whilst keeping cognisant of the National Treasury requirement for a minimum budget allocation of 40% for Upgrading and Renewal projects.

Table 24: Current vs. Ideal Budget Split

CIF Budget Categories	Current % Split (As at December 2014)	Ideal % Split (CIF)	Current Difference
Economic Development	18%	29%	+11%
Upgrading and Renewal	47%	40%	-7%
Urban Restructuring	35%	30%	-5%
Local Interventions	-	1%	-
Grand Total	100%	100%	

It is evident that in order to reach the ideal budget split, certain internal restructuring is required for the EMM's capital budget:

- ✓ High first year increase in Economic Development; and
- ✓ Marginal first year decrease in Upgrading & Renewal

In addition to the requirement for restructuring of the internal budget, a 23% increase is required in bulk infrastructure investment in particular for income generating projects in order to ensure a sustained increase of 4.4% in the EMM's average annual economic growth – so as to generate an 8.1% economic growth per annum. This increase is required over and above the natural budget increase from each financial year, in real terms.

Planning and Approval of Capital Projects Policy

Additionally the Planning and Approval of Capital Projects Policy, 27 May 2010 must be adhered to in the Capital Prioritization Model. "The policy will be effective as from 1 July 2010. This policy is an interim policy that will be amended once the Project Monitoring Unit is fully operational. It is the intention that Ekurhuleni Metropolitan Municipality will have a functional Program Monitoring Office by June 2010 to assist in the formal evaluations of all proposed projects. A detailed policy will be developed during the 2010/11 financial year for implementation as from 1 July 2012. The objectives of the policy is to "ensure that capital projects are only budgeted for if feasibility has been proven"; and to "ensure the optimum allocation of resources to projects that can be implemented within the timeframes budgeted for."

"The three year capital budget provides departments the opportunity to plan their capital spending activities in advance, allowing for a more strategic approach. The typical project cycle consist of at least the following phases:

- Feasibility Study
- Basic Planning

- Environmental Impact Assessment
- Detail Planning and Design
- Implementation”

Policy Statement: “That all projects be evaluated in terms of a project plan (time line) as well as a cash flow linked to the project plan, to determine the practicality to implement the project within the proposed budget and time frame (multi-year projects). That all proposed budgets for projects be approved only if the evaluation is positive.”

Costing the CIF

Ekurhuleni is in the process of doing a specific costing of the MSDF proposals, specifically in relation to the Capital Investment Framework. The CIF costing will be included in the 2013/14 BEPP submission.

E.2 A summary of financial allocations in the MTREF to support spatial development strategy.

The information required above will be included once it is available with Finance

CAPITAL BUDGET (Internal vs External Funding)

Table 25 illustrates a breakdown of the EMM funding sources of about less than 50% of the funding comes from the USDG in financing EMM capital projects.

Table 25: EMM Sources of Finance 2014/15

2014/15 - 2016/17 DRAFT MULTI YEAR CAPITAL BUDGET - PER SOURCES OF FINANCE			
Source of Finance	Recommended Budget 2014/15	Recommended Budget 2015/16	Recommended Budget 2016/17
Developer's contributions	34,500,000	38,500,000	41,500,000
HSDG	75,000,000	83,000,000	45,000,000
INEP	50,000,000	70,000,000	70,000,000
Other Loan Funding	1,010,750,000	1,265,689,500	1,224,363,325
Other National Grants	80,000,000	85,000,000	10,000,000
Other Provincial Grants	8,911,000	8,911,000	-
Project Finance	150,000,000	150,000,000	-
Revenue	317,394,720	407,203,500	424,981,500
USDG	1,551,207,699	1,625,247,621	1,691,800,000
Grand Total	3,277,763,419	3,733,551,621	3,507,644,825

Table 26 indicates the Ekurhuleni capital budget for 2014/15 per national outcome. A total of 60% of the Ekurhuleni capital budget for 2014/15 is dedicated to National Outcome 8. National Government Outcome 8 (2010) monitors the outcome on Sustainable Human Settlements and the quality of Household Life

Table 26: EMM National Outcomes 2014/15³⁴

2014/15 - 2016/17 DRAFT MULTI YEAR CAPITAL BUDGET - PER NATIONAL OUTCOMES			
National Outcomes	Recommended Budget 2014/15	Recommended Budget 2015/16	Recommended Budget 2016/17
Outcome 2	68,100,000	135,450,000	148,500,000
Outcome 3	112,440,000	137,290,000	160,100,000
Outcome 4	54,200,000	94,000,000	60,000,000
Outcome 5	2,000,000	2,000,000	3,000,000
Outcome 6	443,541,244	342,447,621	363,600,000
Outcome 8	1,975,167,455	2,288,161,000	2,051,400,000
Outcome 9	600,414,720	716,703,000	699,144,825
Outcome 10	10,500,000	8,500,000	11,300,000
Outcome 12	11,400,000	9,000,000	10,600,000
Grand Total	3,277,763,419	3,733,551,621	3,507,644,825

Table 27: Financial performance per department– 2012/13 (Q1)

Department	Budget	Total Q2 Planned - Cumulative	Total Q2 Actual - Cumulative	Total % spent vs Budget
		-	194 299	0.79%
		800 000	-	0.00%
		75 132 733	48 079 541	25.98%
		19 400 000	24 645 017	49.29%
		69 200 000	67 850 111	48.5%
		446 232 672	426 598 847	35.18%

Table 28: financial performance per department 2012/13 (Q2)

Department	Budget	Total Q2 Planned - Cumulative	Total Q2 Actual - Cumulative	Total % spent vs Budget
		8 335 144	2 621 642	14.40%
		305 000	365 383	4.57%
		60 856 557	67 820 596	29.26%
		4 602 404	4 429 922	22.83%
		6 016 259	4 739 179	59.24%
		142 483 560	181 493 526	36.11%
		6 007 900	1 024 998	1.49%

³⁴ Source: Annexure W- Detailed Capital Budget per Ward, Ekurhuleni Finance Department, Reporting Period: 08 March 2013

Table 29: financial performance per department– 2012/13 (Q3)

Department	Budget	Total Q1 + Q2 + Q3 Planned	Actual Expenditure Year to Date	Total Actual Expenditure + Commitments on Venus (Stores Orders, etc.)	Total % spent (inc commitment) vs Budget
Disaster & Emergency Management Services	13 000 000	40 260 164	3 629 803	3 629 802	27.92%
EMPD	1 800 000	555 000	737 178	737 177	40.95%
Energy	238 773 791	138 651 359	106 815 340	125 355 012	52.50%
Environmental Resources Management	19 400 000	11 202 404	7 505 301	9 336 159	48.12%
Human Settlements	53 708 400	6 263 664	27 879 586	31 676 352	58.98%
Roads and Stormwater	403 050 000	321 205 059	259 918 268	267 602 394	66.39%

Department	Budget	Total Q1 + Q2 + Q3 Planned	Actual Expenditure Year to Date	Total Actual Expenditure + Commitments on Venus (Stores Orders, etc.)	Total % spent (inc commitment) vs Budget
		27 068 475	2 774 930	3 045 098	8.74%
		7 400 000	11 830 706	11 830 705	59.15%
		1 700 000	-	-	0.00%
		140 261 125	68 858 072	70 063 931	33.91%
		24 466 667	29 923 360	29 923 359	59.85%
		69 200 000	87 427 694	87 427 694	51.84%
		841 327 032	607 300 237.51	640 627 688	52.83%

Long Term Funding Strategy

The Metro is now busy compiling a Long Term Funding Strategy to ensure the balance between internal and external funding is optimal, whilst also aiming at increasing the capital budget to ensure both the stimulation of the local economy as well as the eradication of backlogs and as such creating sustainable human settlements.

The long term planning is set in a very volatile environment. The economy continues to recover from the recession, inflation and interest rates are currently the lowest in years, yet the cost drivers impacting on the municipal budget reflects a different picture. The service delivery bids offered to the municipality increases by double digits whilst both CPI and PPI are currently single digit numbers. The rationale for the higher prices offered to the municipality can be attributed to a number of factors, of which actual cost inflation is only one. Other factors may be coalition between suppliers, increased profit margins used when responding to government bids, skills shortages in the market resulting in a mismatch between supply and demand which leads to increased prices as a few examples. In the long term financial planning, cost increases are thus one of the many uncertain factors which necessitate the use of assumptions.

The components that will impact on the final long funding strategy include:

1. EMM's revised Growth and Development Strategy (25 year horizon) – the level of services to be rendered to be reviewed;

2. EMM's Spatial Development Framework and Capital Investment Framework - Funding allocation model - % of budget to backlogs vs. % towards economic development projects to be finalized;
3. EMM's Consolidated Municipal Infrastructure Plans (10 – 15 year horizon) - Enhanced set of data on revenue and expenditure available resulting from CMIP's that can supplement economic and financial forecasts as well as more refined maintenance requirements available;
4. EMM's Integrated Development Plan (5 year horizon); and
5. EMM's Medium Term Expenditure Framework (3 year horizon –considering increasing to a five year horizon).

The current draft of the long term funding strategy of the EMM contains the following components:

- Background;
- Legislative and accounting framework (current legislation, Accounting Framework)
- Assessment of funding requirements;
- Financial Resources;
- Appropriation of annual surplus;
- Raising of external debt for future financing of capital expenditure;
- Compliance with financial service provider requirements (Financial ratios, Credit rating); and
- Raising of external debt with financing institutions and repayment of the debt.

The Long Term Funding Strategy should be read in conjunction with the following policies:

Cash Management Policy;

Investment Policy;

Funding and Reserves Policy;

Borrowing Policy;

Tariff Policy;

Property Rates Policy;

Customer Care and Revenue Management By-Laws; and

Assistance to the Poor Policy.



Funding Options

The funding options being explored at present include:

1. USDG / Large Cities Support - >R1b p.a.
2. Depreciation for all renewal projects - >R1b – R2b p.a
3. Movable assets MUST come from revenue generated
4. Additional borrowings for new non income generating projects (mainly bonds)
5. Structured Finance for Revenue Generating Projects – based on ROI motivation
6. PPP's – be careful of profit sharing in long run
7. New revenue sources specific to new services
8. International donor funding
9. Greater private sector involvement – other than normal PPP's, such as increased bulk contributions for private sector developments

Strategy to build up cash balances to reach appropriate cash levels with reserves

Funding of Capital Budget using Deprecation as Cash Generator: Funding for capital budgets of future years will be generated through a combination of methods, being depreciation (as main source), grants and donations (with a dedicated effort to lobby for

additional grant allocations and private sector injections) as well as limited loan funding as and when the current debt book is redeemed to ensure maximum use is made of funding options, including gearing at the optimal levels.

The increased asset value as a result of the GRAP 17 asset depreciation will be phased in for tariff setting purposes and more cash will be generated in a progressive manner over the coming years. At present, the cash generated from depreciation are used for the redemption payments due. As a result of lower than budgeted collection levels, the balance of the cash is absorbed by the increased contribution to bad debt provision, but with more conservative bad debt provision budgeting linked to more aggressive collection activities, this will not be the case going forward. It is anticipated that the cash amounts as indicated in **Table 29** will be generated through depreciation over the next few years.

Table 30: Anticipated Cash Amounts

Financial Year	Depreciation	Offset Depreciation	Net Cash	Utilisation of Cash Generated through depreciation			Balance Available
				Redemption	Capital Projects	Max Investments	
2008/09	1,907,231,388.00	3,082,840,747.60		139,910,458.61	1,767,320,929	-	-
2009/10	1,951,840,280.00	1,598,132,500.00	353,707,780.00	131,351,739.66	127,704,358	-	94,651,682.34
2010/11	1,951,840,280.00	1,239,284,910.00	712,555,370.00	167,317,285.73	358,185,664	-	187,052,420.27
2011/12	2,107,987,503.00	1,084,374,291.00	1,023,613,212.00	175,352,137.47	295,897,540	400,000,000	152,363,534.53
2012/13	2,276,626,504.00	929,463,674.00	1,347,162,830.00	182,358,386.43	302,383,684	400,000,000	462,420,759.57
2013/14	2,390,457,829.20	774,553,065.90	1,615,904,763.30	576,110,952.30	250,000,000.00	400,000,000	389,793,811.00
2014/15	2,509,980,720.66	619,642,452.72	1,890,338,267.94	146,030,204.91	300,000,000.00	400,000,000	1,044,308,063.03
2015/16	2,635,479,756.69	464,731,839.54	2,170,747,917.15	161,999,769.04	300,000,000.00	400,000,000	1,308,748,148.11
2016/17	2,767,253,744.53	309,821,226.36	2,457,432,518.17	180,408,102.23	300,000,000.00	400,000,000	1,577,024,415.94
2017/18	2,905,616,431.75	154,910,613.18	2,750,705,818.57	200,840,752.02	300,000,000.00	400,000,000	1,849,865,066.55

In other words, depreciation will generate cash (the difference between the annual depreciation charged to the statement of financial performance and the offset depreciation used to phase the additional depreciation in) as indicated above for 2010/11 to 2017/18 (based on current depreciation levels – as the asset base increases with capital investments, the amount of cash generated through depreciation will also increase). The current debt book must be repaid in terms of the repayment conditions from this cash and the balance is then available for utilisation. A portion must be used to set up zero coupon bonds (or other alternative investments that will be utilised for the redemption of the bonds when they become due). The balance is then available for capital funding.

Continued use of Debt Finance for Capital Infrastructure: The current long term debt of the EMM is well within industry norms, in fact, it is much lower than its peers. Even though a long term process, it must be understood that the increased use of debt funding to maximise on gearing does not mean that debt levels will ultimately spiral out of control. When used in combination with other funding sources in a sustainable long term funding plan, increased debt levels is a responsible way of funding infrastructure needs.

In evaluating the Metro's ability to take up additional loan funding after 2014 when the current registered Domestic Medium Term Note Programme has been exhausted, the following factors will be considered (in other words, borrowings will be taken up only if the conditions are satisfied):

- Proven payback period on project
- Collection rate > 93% maintained
- Cash reserves re-instated to 70 days
- Economic Growth stimulant

Revenue Collection: Increased debtors collection is the most important factor – full credit control must be applied in all areas. This must be done with a communication strategy to ensure the community is aware + renewed efforts to register indigents. The impact of increased collection rates are indicated in **Table 30**.

Table 31: Impact of Increase Collection Rates

Collection Rate	Non Payment	2010/11	2011/12	2012/13	2013/14
100%	0%	0	0	0	0
99%	1%	131,616,991	156,826,576	182,889,983	213,842,029
98%	2%	263,233,981	313,653,153	365,779,967	427,684,057
97%	3%	394,850,972	470,479,729	548,669,950	641,526,086
96%	4%	526,467,962	627,306,306	731,559,933	855,368,115
95%	5%	658,084,953	784,132,882	914,449,916	1,069,210,143
94%	6%	789,701,944	940,959,458	1,097,339,900	1,283,052,172
93%	7%	921,318,934	1,097,786,035	1,280,229,883	1,496,894,201
92%	8%	1,052,935,925	1,254,612,611	1,463,119,866	1,710,736,229
91%	9%	1,184,552,915	1,411,439,188	1,646,009,850	1,924,578,258
90%	10%	1,316,169,906	1,568,265,764	1,828,899,833	2,138,420,287

An increase in collection rates from 93% to 95% will automatically increase available cash by R240 million per year.

Revenue Enhancement/ New Sources of Revenue: Additional sources of revenue to be investigated and implemented where feasible:

- Selling of right to collect the outstanding debtors book;
- Business tax; and
- Leasing out of optic fiber network.

The funds received from the selling of the rights to collect the outstanding debtor's book should be placed in the general reserve as first contribution to the reserve account.

Funding Requirements and Budget Priority Areas

The Long Term Funding Strategy includes the following funding requirements and budget priority areas to be finalized based on the GDS Review and the updated CIF:

The Long Term Funding Strategy includes the operating requirements per annum (R20.5b per annum, in nominal terms):

- HR Strategy (R4b per annum, in nominal terms);
- Bulk Purchases (R10b per annum, in nominal terms);
- Repairs and Maintenance (R2b per annum, exclusive of internal maintenance teams, in nominal terms);
- Indigent Support (R1b per annum, inclusive of excess consumption cost, chemical toilets, leak repairs, etc, in nominal terms);
- Provision for Bad Debt (R1b per annum, exclusive of indigent excess consumption previously included in this line item, in nominal terms);
- Depreciation (R2b per annum, in nominal terms);
- Interest Expense (R0.5b per annum, for current debt book);
- Other overhead costs (R1b per annum, in nominal terms);

Priority areas include the Rodent Strategy, Chemical Toilets Alternative – the cost effectiveness of chemical toilets to be reviewed (one possible alternative could be the provision of ablution blocks), Anti-Retroviral Medication, and Special Events linked to Economic Development.

Capital requirements are to be funded from:

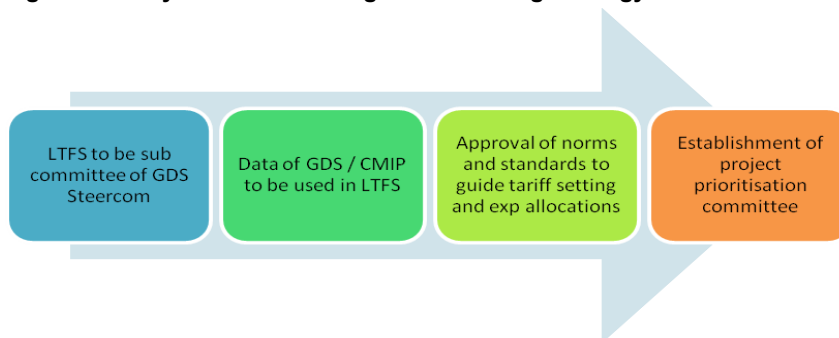
- Government Grants (R1.3b per annum, in nominal terms – potential to grow, particularly in the USDG and Large Cities Support Programme);

- Municipal Bonds (R800m per year, based on the current approved R4b Domestic Medium Term Note Programme);
- Public Private Partnerships (R2b for new HQ building + potentially R1b for Digital City);
- Surplus Cash (from operating budget) (R1b per year in nominal terms) – This will require a dedicated strategy of budgeting for a surplus to ensure the availability of cash; and
- Potential grant from the DBSA Jobs fund.

Way Forward on Long Term Funding Strategy:

1. Agreement of projects to be funded from the USDG grant for the MTEF currently being compiled – this also impacts on the Built Environment Performance Plan (BEPP) to be submitted to National Treasury during November 2011.
2. Council approval of Germiston precinct / HQ building – once approved, the process of PPP to commence with. National Treasury advised that a PPP project takes approximately 3 years to finalise.
3. Issue of EMM bond 03 to fund current year infrastructure.
4. Public Participation / Consultation process for the Local Business Tax submission.
5. Final submission of Local Business Tax submission to National Treasury.
6. Jobs Fund response expected by end November 2011.
7. Further submissions to the Jobs Fund when the next set of applications is invited.
8. Submission of business plan to DBSA re water meters projects as an income generating project with a payback period of less than 5 years. Initial discussions were held with DBSA, business plan is now the next step.

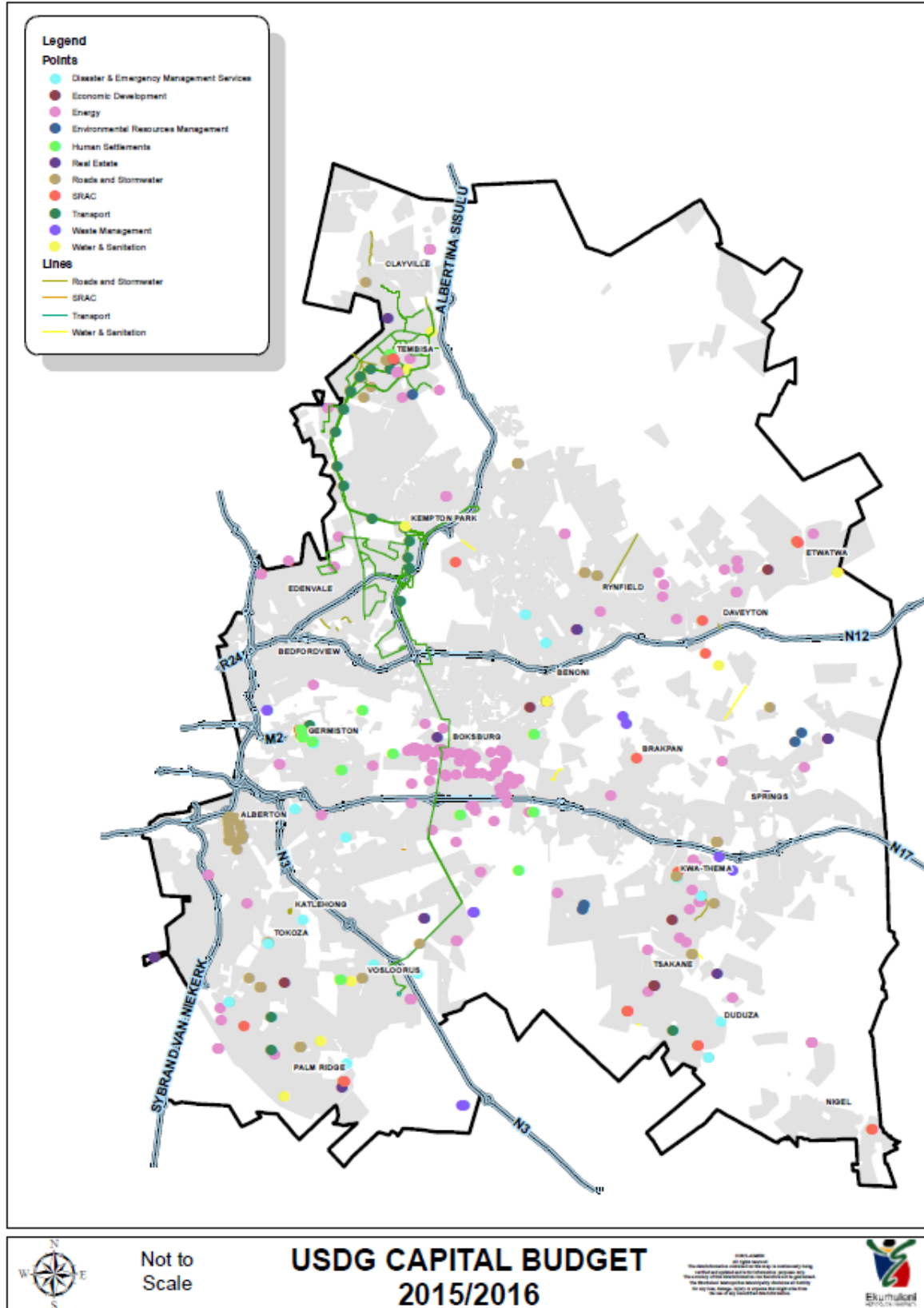
Figure 10: Way Forward on Long Term Funding Strategy



Outcome 8: Capital Budget

Projects that support National Outcome 8 are mostly funded from the USDG as indicated in **Map 17, The USDG Outcomes 8 capital projects are attached as an Annexure to the BEPP.**

Map 17: USDG Funded Projects for National Outcomes 8 as Reflected Throughout EMM



Map 17 gives a spatial indication of the USDG capital projects throughout the EMM, whilst The USDG projects reflected are as per EMM department, which is inclusive of Emergency and Disaster Management, Electricity and Energy, Environmental Management, Roads and Storm-water, SRAC, Transport, Waste Management, and Water and Sanitation. The

concentration of the USDG capital projects within these formally disadvantaged areas is indicative of initiatives to promote an increase in the level of and provide access to services and opportunities that is aimed at improving the urban form and benefitting the disadvantaged.

E.3 Application of Grant Allocations, including:

APPLICATION OF GRANT RESOURCES BY GRANT PROGRAMME AND PROJECT	Sum of Adjusted Budget	Sum of Actual December 2013	Sum of Actual Expenditure Year to Date	Sum of Plus: Expenditure Commitments on Venus (Stores Orders, etc.)	Sum of Actual Expenditure Plus Commitments on Venus	Percentage Spent (Actual vs Adjusted Budget)	Percentage spent (incl. Commitments on Venus vs Adjusted Budget)
HSDG	23,550,000	837,186	2,859,637	314,166	3,173,803	12.14%	13.48%
Human Settlements, Pre Planning Fees	23,550,000	837,186	2,859,637	314,166	3,173,803	12.14%	13.48%
INEP	10,000,000	320,930	6,046,443	3,686,685	9,733,127	60.46%	97.33%
Corporate Electrification INEP	10,000,000	320,930	6,046,443	3,686,685	9,733,127	60.46%	97.33%
Other National Grants	260,543,000	6,704,439	27,695,517	2,219,396	29,914,913	10.63%	11.48%
Corporate Energy efficiency	11,000,000	804,628	7,889,006	1,572,926	9,461,932	71.72%	86.02%
EPWP Projects	-	-	-	-	-	0.00%	0.00%
Integrated Rapid Public Transport Network (IRPTN)	239,543,000	5,858,093	14,916,415	-	14,916,415	6.23%	6.23%
Tembisa Urban Renewal Framework Projects	10,000,000	41,718	4,890,097	646,470	5,536,567	48.90%	55.37%
Other Provincial Grants	3,850,376	301,947	301,947	20,718	322,665	7.84%	8.38%
ICT Equipment	250,000	-	-	-	-	0.00%	0.00%
Office Furniture	100,000	-	-	-	-	0.00%	0.00%
OR Tambo Precinct Narrative Centre	2,350,376	301,947	301,947	-	301,947	12.85%	12.85%
Recycling - Buy Back Centre	200,000	-	-	-	-	0.00%	0.00%
Specialized Equipment	750,000	-	-	-	-	0.00%	0.00%
Tembisa Township Hub	200,000	-	-	20,718	20,718	0.00%	10.36%
USDG	1,359,017,210	124,458,061	609,445,978	26,305,640	635,751,618	44.84%	46.78%
Acquisition of Land for New Human Settlements	15,000,000	-	-	-	-	0.00%	0.00%
Alberton Lighting	700,000	-	-	-	-	0.00%	0.00%
Alberton: Install new Of Huntersfield	500,000	-	-	-	-	0.00%	0.00%
Atlasville Spruit flood management	5,000,000	664,981	888,468	839,049	1,727,517	17.77%	34.55%
Bedfordview Stormwater Protection	4,000,000	127,129	3,957,653	-	3,957,653	98.94%	98.94%
Bedfordview, Geometric Rd Improvement	2,000,000	-	1,914,983	-	1,914,983	95.75%	95.75%
Benoni Lighting	700,000	33,521	192,093	69,500	261,594	27.44%	37.37%
Benoni Network enhancement	3,000,000	642,629	642,629	853,833	1,496,462	21.42%	49.88%
Benoni, Const of S W Outfall Rynfild	6,000,000	-	-	-	-	0.00%	0.00%
Bluegumview Taxi Rank	5,000,000	-	15,000	-	15,000	0.30%	0.30%
Boksburg Lighting	700,000	471,862	471,862	10,500	482,362	67.41%	68.91%
Boksburg Network enhancement	3,000,000	-	2,597,218	6,435	2,603,653	86.57%	86.79%
Brakpan Lighting	700,000	-	215,157	302,607	517,764	30.74%	73.97%
Brakpan Network enhancement	3,000,000	45,388	2,448,438	544,064	2,992,502	81.61%	99.75%
Brownfield Property Acquisition	50,000,000	-	-	-	-	0.00%	0.00%
Building - Youth Friendly Services	2,000,000	-	-	1,904,048	1,904,048	0.00%	95.20%
Bulk Medicine Store: Conversion of Existing Structure	500,000	-	-	-	-	0.00%	0.00%
Bulk supply for new water supply (Dawn Park)	3,000,000	-	-	-	-	0.00%	0.00%
Cambrian Cemetery Ext	1,000,000	-	1,000,000	-	1,000,000	100.00%	100.00%
Cell development - Platkop	5,000,000	-	-	-	-	0.00%	0.00%
Cell Development - Rietfontein	16,700,000	3,895,436	5,798,148	-	5,798,148	34.72%	34.72%
Chris Hani Memorial	9,145,000	277,168	760,918	426,955	1,187,873	8.32%	12.99%
Const Fire Station/House Duduza	5,200,000	-	978,350	-	978,350	18.81%	18.81%
Const Fire Station/House Germiston Central	3,000,000	826,062	826,062	-	826,062	27.54%	27.54%
Const Fire Station/House Kwa-Thema	9,754,350	-	-	-	-	0.00%	0.00%
Const Fire Station/House Thokoza	2,000,000	-	-	-	-	0.00%	0.00%
Const Fire Station/House Zonkezizwe	5,600,000	1,287,624	2,431,638	-	2,431,638	43.42%	43.42%
Const Kempton Park Precinct	-	-	-	-	-	0.00%	0.00%
Const Precinct Stations Tokoza	6,000,000	-	-	-	-	0.00%	0.00%
Const Precinct Stations Zonkezizwe	7,500,000	-	-	-	-	0.00%	0.00%
Const Tembisa Precinct	-	-	-	-	-	0.00%	0.00%
Constr. Of Small Holding Roads	5,000,000	-	3,526,588	-	3,526,588	70.53%	70.53%
Construct Daveyton CBD/N12 Interchange	3,000,000	-	-	-	-	0.00%	0.00%
Construct new r&p;pumpst: Dalpark X13	2,500,000	324,115	324,115	-	324,115	12.96%	12.96%
Construction & Development of Duduza Reconciliation Park	3,500,000	-	-	-	-	0.00%	0.00%
Construction of a Softball Field & Golf driving range in Tsakane	14,000,000	5,300,856	9,525,359	-	9,525,359	68.04%	68.04%
Construction of K86	3,000,000	-	-	-	-	0.00%	0.00%
Construction of MVRA/DLTC Tembisa	2,500,000	-	-	-	-	0.00%	0.00%
Construction of New Library: Tsakane	14,400,000	745,250	745,250	-	745,250	5.18%	5.18%
Construction: New Library: Brakpan	11,600,000	-	-	-	-	0.00%	0.00%
Corporate Electrification	82,131,000	11,009,364	40,777,913	5,978,731	46,756,644	49.65%	56.93%
Corporate Lighting	4,500,000	-	-	-	-	0.00%	0.00%
Corporate Network enhancement	2,000,000	-	-	934,600	934,600	0.00%	46.73%
Daveyton Lighting	1,100,000	39,724	39,724	42,695	82,419	3.61%	7.49%
Daveyton Network enhancement	2,000,000	1,658,446	1,658,446	-	1,658,446	82.92%	82.92%
Develop Simmer & Jack Waste site	1,000,000	-	-	-	-	0.00%	0.00%
Develop/Upgrade Community Parks	4,500,000	232,540	1,499,596	1,164,791	2,664,387	33.32%	59.21%
Develop: Blesbokspruit for tourism	2,100,000	-	32,565	67,635	100,200	1.55%	4.77%
Develop: Bunny Park	2,000,000	8,385	45,760	86,162	131,922	2.29%	6.60%
Develop: Cemeteries - Berms	3,000,000	1,487,795	2,987,388	-	2,987,388	99.58%	99.58%
Develop: Cemeteries Muslim Section	500,000	-	191,527	-	191,527	38.31%	38.31%
Develop: Community Park: Zonkizizwe	2,500,000	138,790	329,757	2,430	332,187	13.19%	13.19%
Develop: Kromlei Cemetery - phase 2	2,500,000	-	28,900	-	28,900	1.16%	1.16%
Develop: Multi Purpose Park Motsua	4,000,000	2,131,192	3,904,652	-	3,904,652	97.62%	97.62%
Develop: Multi Purpose Park: Winnie Mandela	4,000,000	-	-	-	-	0.00%	0.00%
Develop: Nyoni Park	30,000	-	-	-	-	0.00%	0.00%
Develop: Vlakfontein Cemetery	2,770,000	-	371,803	-	371,803	13.42%	13.42%
Development of Town Entrances	1,200,000	89,689	89,689	161,941	251,630	7.47%	20.97%
Development Weltevreden Waste Site	11,000,000	-	-	35,797	35,797	0.00%	0.33%
Doubling Barry Marais Rd	250,000	-	-	-	-	0.00%	0.00%
Duduza Lighting	1,100,000	-	318,288	-	318,288	28.94%	28.94%
Eastleigh Spruit Channel	5,000,000	3,399,920	4,977,267	-	4,977,267	99.55%	99.55%
Edenvale Lighting	700,000	-	-	617,350	617,350	0.00%	88.19%
Edenvale Network enhancement	3,000,000	-	2,687,989	28,408	2,716,397	89.60%	90.55%
Elandsfontein, SW Implementation (North)	1,500,000	-	814,115	-	814,115	54.27%	54.27%
Emergency services to inf. settlements	2,500,000	23,929	1,933,675	57,000	1,990,675	77.35%	79.63%
Esangweni Pedestrian facilities/bridge	-	-	-	-	-	0.00%	0.00%
Establish MVRA/DLTC Kaitleng	11,700,000	-	446,606	-	446,606	3.82%	3.82%
Etwatwa Ext 35 Essential Services	12,000,000	1,006,212	2,480,027	-	2,480,027	20.67%	20.67%
Etwatwa Lighting	1,100,000	-	-	-	-	0.00%	0.00%
Etwatwa Stormwater	3,000,000	-	2,172,020	-	2,172,020	72.40%	72.40%
EXT & UPGRADE DAVEYTON EAST CLINIC	700,000	-	-	-	-	0.00%	0.00%
EXT & UPGRADE KEMPTON PARK CLINIC	50,000	-	-	-	-	0.00%	0.00%
Ext & Upgrade Motala Clinic	10,000,000	1,585,285	4,329,151	-	4,329,151	43.29%	43.29%
EXT & UPGRADE JOY CLINIC	2,500,000	-	56,303	-	56,303	2.25%	2.25%
EXT & UPGRADE TSWELOPELE CLINIC (ADD LEVEL 2)	10,000,000	1,219,787	4,500,028	-	4,500,028	45.00%	45.00%
Extension & upgrade CLINIC WHITE CITY	2,800,000	30,232	1,109,437	-	1,109,437	39.62%	39.62%
Extension & Upgrade Esangweni Clinic	500,000	-	-	-	-	0.00%	0.00%
Extension & upgrade Selope Thema Clinic	500,000	-	-	-	-	0.00%	0.00%
Fencing: Sport & Recreational Facilities	2,000,000	-	1,166,067	-	1,166,067	58.30%	58.30%

APPLICATION OF GRANT RESOURCES BY GRANT PROGRAMME AND PROJECT	Sum of Adjusted Budget	Sum of Actual December 2013	Sum of Actual Expenditure Year to Date	Sum of Plus: Expenditure Commitments on Venus (Stores Orders, etc.)	Sum of Actual Expenditure Plus Commitments on Venus	Percentage Spent (Actual vs Adjusted Budget)	Percentage spent (incl.Commitments on Venus vs Adjusted Budget)
Germiston Lake	1,000,000	-	-	-	-	0.00%	0.00%
Germiston Lighting	700,000	1,167	267,734	264,124	531,858	38.25%	75.98%
Germiston Network enhancement	9,000,000	850,034	6,574,379	-	6,574,379	73.05%	73.05%
Germiston Theatre	14,013,300	-	-	-	-	0.00%	0.00%
Germiston: Elimination of Klippoortjie s pump s	10,200,000	813,946	8,927,031	-	8,927,031	87.52%	87.52%
Germiston: Upgrade and replace Dekema outfall sewer	6,000,000	-	6,000,000	-	6,000,000	100.00%	100.00%
Guard House Ablution Health Facilities	1,500,000	-	-	-	-	0.00%	0.00%
Human Settlements Essential Services	11,000,000	-	8,796,557	-	8,796,557	79.97%	79.97%
Impala Park Stormwater System Northrop Rd etc	2,000,000	111,762	1,910,352	-	1,910,352	95.52%	95.52%
Install SW in Palm Ridge	2,500,000	-	2,500,000	-	2,500,000	100.00%	100.00%
Isandovale,Erosion Protection Impl (North)	2,000,000	-	167,469	-	167,469	8.37%	8.37%
K136 & Rd 1894 Link Road	3,000,000	-	-	-	-	0.00%	0.00%
Kaal Spruit rehabilitation	200,000	-	-	-	-	0.00%	0.00%
Katlehong & Thokoza, Lining of Canal between Katlehong and Tho	1,100,000	-	1,100,000	-	1,100,000	100.00%	100.00%
Katlehong Implementation of Stormwater Masterplan	12,500,000	399,460	1,895,691	-	1,895,691	15.17%	15.17%
Katlehong Lighting	1,100,000	-	49,020	-	49,020	4.46%	4.46%
Kempton Park Lighting	700,000	-	49,172	-	49,172	7.02%	7.02%
Kwa-Thema Lighting	1,100,000	106,959	235,953	170,295	406,248	21.45%	36.93%
Kwa-Thema Network enhancement	3,000,000	503,972	694,027	-	694,027	23.13%	23.13%
Kwa-Thema: Upgrading of water network C/F	1,000,000	-	23,115	-	23,115	2.31%	2.31%
Langaville Electricity Network Restitution	20,000,000	439,517	3,257,797	-	3,257,797	16.29%	16.29%
Langaville: Upgrade water and sewer network	11,000,000	2,953,626	2,953,626	-	2,953,626	26.85%	26.85%
Madelakufa Essential services	1,000,000	-	-	-	-	0.00%	0.00%
Minor Road Improvements: East	500,000	-	90,659	-	90,659	18.13%	18.13%
Minor Works for Roads and SW: South	650,000	-	-	-	-	0.00%	0.00%
Moderfontein 76 IR Ptn 7 E/tial SVCC F	500,000	-	-	-	-	0.00%	0.00%
Murray Park	5,500,000	-	70,525	-	70,525	1.28%	1.28%
N3,Const pedes brid btw Map & Voslo	1,000,000	-	-	-	-	0.00%	0.00%
NEW ALRA PARK CLINIC	6,600,000	706,334	5,146,512	-	5,146,512	77.98%	77.98%
New Reiger Park X5 Clinic	6,800,000	2,178,725	5,845,846	-	5,845,846	85.97%	85.97%
New Tamaho Clinic	7,810,000	778,471	5,540,676	-	5,540,676	70.94%	70.94%
New Vosloorus Hospital Taxi Rank	5,000,000	-	-	-	-	0.00%	0.00%
Nigel Lighting	700,000	-	-	-	-	0.00%	0.00%
Nigel: Upgrade/Eliminate Rockville pumpst	5,000,000	627,171	1,453,175	-	1,453,175	29.06%	29.06%
Olifants: Upgrade reservoir	1,000,000	-	282,500	-	282,500	28.25%	28.25%
PALM RIDGE	10,600,000	1,398,266	4,134,699	-	4,134,699	39.01%	39.01%
Palm Ridge Phases 5 & 6 Bulk & Essential Services	61,050,000	3,590,044	7,173,040	-	7,173,040	11.75%	11.75%
Palm Ridge Taxi Rank	5,000,000	-	-	-	-	0.00%	0.00%
Paving & Sidewalks: East	2,000,000	-	1,167,224	-	1,167,224	58.36%	58.36%
Payneville Ext 3 rehabilitation	2,000,000	-	244,434	-	244,434	12.22%	12.22%
Pedestrian Bridges: Greater Tembisa streams	100,000	-	-	-	-	0.00%	0.00%
Pedestrian Management Impl. (North)	7,300,000	638,770	6,839,910	-	6,839,910	93.70%	93.70%
Pedestrian Management: South	5,100,000	-	2,301,883	-	2,301,883	45.13%	45.13%
Phola Park Roads and SW	1,500,000	-	-	-	-	0.00%	0.00%
Phuthaditjaba Taxi Rank (Tokoza)	5,000,000	-	-	-	-	0.00%	0.00%
Pretoria Road Upgrading	3,000,000	-	-	-	-	0.00%	0.00%
Ramaphosa Taxi Rank	19,500,000	2,847,429	5,345,308	-	5,345,308	27.41%	27.41%
Refurbishment of Rental Property	21,000,000	1,107,350	4,653,956	8,227,619	12,881,575	22.16%	61.34%
Rehabilitate Dam Spillways	3,000,000	-	-	-	-	0.00%	0.00%
Rehabilitate Roads in Eastern Region	59,000,000	7,870,631	26,152,363	17,038	26,169,402	44.33%	44.35%
Rehabilitation of Duduza stadium	14,785,500	3,052,101	10,405,674	-	10,405,674	70.38%	70.38%
Rehabilitation of Katlehong Swimming Pool	1,900,000	444,262	643,181	-	643,181	33.85%	33.85%
Rehabilitation of Libraries	2,000,000	-	309,026	-	309,026	15.45%	15.45%
Rehabilitation of Roads (North)	58,000,000	6,801,088	57,983,215	-	57,983,215	99.97%	99.97%
Rehabilitation of roads: South	59,000,000	6,296,215	15,072,628	-	15,072,628	25.55%	25.55%
Rehabilitation of Sport Facilities	9,587,900	921,694	1,769,823	1,743,368	3,513,191	36.64%	36.64%
Rehabilitation of Swimming Pools	9,000,000	618,591	3,851,054	-	3,851,054	42.79%	42.79%
Rehabilitation of the Boksburg stadium	5,500,000	-	-	-	-	0.00%	0.00%
Rehabilitation of the closed Brakpan landfill site	8,000,000	33,970	33,970	-	33,970	0.42%	0.42%
Rehabilitation of Wattville stadium	11,502,100	1,700,581	11,150,870	-	11,150,870	96.95%	96.95%
Replace and repair O/S Dawn Park	2,300,000	-	-	-	-	0.00%	0.00%
Replace main water - Isekelo /Zephania Tembisa	100,000	91,550	91,550	-	91,550	91.55%	91.55%
Reservoir Construction	2,500,000	-	-	-	-	0.00%	0.00%
Resurfacing of Hard Courts	3,000,000	-	-	-	-	0.00%	0.00%
Roads East (AS and When)	32,000,000	-	31,769,853	-	31,769,853	99.28%	99.28%
Roads: Low Cost Housing: East	45,000,000	-	45,000,000	-	45,000,000	100.00%	100.00%
Roads: Low Cost Housing: North	9,000,000	-	9,000,000	-	9,000,000	100.00%	100.00%
Roads: Low Cost Housing: South	25,000,000	-	22,701,096	-	22,701,096	90.80%	90.80%
Rondebult/Buhlepark Roads & SW	5,000,000	2,715,080	2,715,080	-	2,715,080	54.30%	54.30%
Sandpan Areas Stormwater Outfall	5,000,000	-	-	-	-	0.00%	0.00%
Shared industrial Production Facilities in Tembisa & Thokoza	2,350,000	-	186,065	172,241	358,306	7.92%	15.25%
Sonneveld Stormwater Upgrading	1,000,000	-	261,625	-	261,625	26.16%	26.16%
Springs Lighting	700,000	-	6,877	-	6,877	0.98%	0.98%
Springs Network enhancement	3,000,000	880,368	1,824,627	294,595	2,119,222	60.82%	70.64%
Stormwater (AS and When)	25,000,000	4,835,668	18,460,402	-	18,460,402	73.84%	73.84%
Stormwater Upgrades (South)	3,000,000	1,824,000	2,693,450	-	2,693,450	89.78%	89.78%
Stormwater Upgrades: North	17,000,000	-	17,000,000	-	17,000,000	100.00%	100.00%
Stormwater Upgrading Thintwa	4,600,000	187,522	245,693	-	245,693	5.34%	5.34%
Styx Road Improvements	4,500,000	-	4,426,629	-	4,426,629	98.37%	98.37%
SW in Vosloorus	2,300,000	-	-	-	-	0.00%	0.00%
Swartspuit Rehabilitation: Kempton Park	10,000,000	4,884,346	7,189,118	-	7,189,118	71.89%	71.89%
Tembisa 2 Lighting	1,100,000	-	116,457	-	116,457	10.59%	10.59%
Tembisa 2 Network enhancement	3,000,000	139,251	1,276,020	610,044	1,886,063	42.53%	62.87%
Tembisa Lighting	1,100,000	-	-	-	-	0.00%	0.00%
Tembisa Natural Watercourses upgrading	-	-	-	-	-	0.00%	0.00%
Tembisa Network enhancement	2,500,000	-	182,502	517,323	699,825	7.30%	27.99%
Tembisa: New water pressure tower (MIG)	1,000,000	-	-	-	-	0.00%	0.00%
Tembisa: Replace water pipe Isekelo	1,000,000	-	1,000,000	-	1,000,000	100.00%	100.00%
Tembisa: Western OF sewer	500,000	302,000	302,000	-	302,000	60.40%	60.40%
Tertiary Rds South Dept Construction	21,860	-	21,858	-	21,858	99.99%	99.99%
Tertiary Roads (South)	34,000,000	10,107,096	20,531,027	-	20,531,027	60.39%	60.39%
Tertiary Roads in Katlehong	8,000,000	307,825	7,944,143	-	7,944,143	99.30%	99.30%
Tertiary Roads in Thokoza- Phase 3	10,500,000	2,504,970	9,209,957	-	9,209,957	87.71%	87.71%
Tertiary Roads in Vosloorus- Phase 3	4,000,000	1,245,341	1,527,004	-	1,527,004	38.18%	38.18%
Tertiary Roads: North	30,000,000	-	30,000,000	-	30,000,000	100.00%	100.00%
Thokoza Fabrication Laboratory	5,000,000	3,793,666	3,793,666	-	3,793,666	75.87%	75.87%
Thokoza Lighting	1,100,000	-	-	-	-	0.00%	0.00%
Thokoza Network enhancement	3,000,000	-	1,009,149	-	1,009,149	33.64%	33.64%
Tokoza Implementation of Stormwater Masterplan	1,600,000	751,443	1,229,405	-	1,229,405	76.84%	76.84%
Township enterprise Hubs	11,000,000	1,012,251	4,352,359	-	4,352,359	39.57%	39.57%
Township Industrial Parks	2,500,000	-	2,468,082	-	2,468,082	98.72%	98.72%
Trading Stalls	4,000,000	-	4,000,000	-	4,000,000	100.00%	100.00%

APPLICATION OF GRANT RESOURCES BY GRANT PROGRAMME AND PROJECT	Sum of Adjusted Budget	Sum of Actual December 2013	Sum of Actual Expenditure Year to Date	Sum of Plus: Expenditure Commitments on Venus (Stores Orders, etc.)	Sum of Actual Expenditure Plus Commitments on Venus	Percentage Spent (Actual vs Adjusted Budget)	Percentage spent (incl. Commitments on Venus vs Adjusted Budget)
Tsakane Lighting	1,100,000	15,307	15,307	-	15,307	1.39%	1.39%
Tsakane Network enhancement	2,000,000	-	24,475	154,460	178,935	1.22%	8.95%
Tsakane: Provide water Tsakane x 6 and 10	500,000	115,954	360,734	-	360,734	72.15%	72.15%
Upgrade Joe Mzamane Road Kwa- Thema	3,000,000	-	-	-	-	0.00%	0.00%
Upgrade of First Road: Putfontein	3,000,000	-	2,700,000	-	2,700,000	90.00%	90.00%
Upgrade Outfall Sewers in Vosloorus C/F	14,000,000	-	-	-	-	0.00%	0.00%
Upgrade Sewer Networks	3,300,000	-	1,117,939	-	1,117,939	33.88%	33.88%
Upgrade Water Network C/F Etwatwa X19	1,000,000	-	-	-	-	0.00%	0.00%
Upgrade: Construction of Memorial Sites	2,500,000	-	-	-	-	0.00%	0.00%
Upgrading Germiston Station Taxi Rank	-	-	-	-	-	0.00%	0.00%
Upgrading of the Kwa-thema stadium	8,966,200	2,192,670	7,893,482	-	7,893,482	88.04%	88.04%
VILLA LIZA	4,000,000	-	-	-	-	0.00%	0.00%
Vosloorus Lighting	1,100,000	-	1,031,213	-	1,031,213	93.75%	93.75%
Vosloorus Network enhancement	500,000	-	224,871	-	224,871	44.97%	44.97%
Vosloorus: Replace water main supply	750,000	-	750,000	-	750,000	100.00%	100.00%
Water and Sewer Retic. Welgedacht	6,000,000	-	249,725	-	249,725	4.16%	4.16%
Grand Total	1,656,960,586	132,622,562	646,349,522	32,546,605	678,896,127	39.01%	40.97%

REFERENCE DOCUMENTS

Additional to input received as documented in the MSDF Participation Report, the following reference documents were used in drafting the BEPP:

- City Budget Forum, 21 January 2011, Presentation by the Department Human Settlements.
- Comprehensive Municipal Infrastructure Plan 2013-2028, Ekurhuleni Metropolitan Municipality, 2013
- Confronting Fragmentation: Housing and Urban Development in a Democratizing Society, P Harrison, M Huchzermeyer & M Mayekiso, UCT Press, 2003.
- Development of an Operations Plan for an IRPTN North/South Corridor (Draft), GOBA Mott MacDonald JV, 4 February 2011.
- Growth and Development Strategy, 2055.
- Ekurhuleni Economic Strategy, EMM Item LED 2-2003 CM, 27 February 2006.
- Ekurhuleni Integrated Development Plan, EMM, 2010.
- Ekurhuleni IDP, Budget & SDBIP 2009/10 – 2011/12, EMM, 2010.
- Ekurhuleni Integrated Transport Plan, Volume 1.
- Ekurhuleni Local Economic Development Policy, EMM Item LED 2-2003 CM, 27 February 2006.
- Ekurhuleni Municipal Housing Development Plan (Draft October 2011), Plan Associates.
- Ekurhuleni Strategic Integrated Transport Plan, EMM, 2002.
- Long Term Financial Plan, EMM Item AF (222010) EO CM, 27 May 2010.
- Long Term Funding Strategy Draft 1, Ekurhuleni Metropolitan Municipality, 20 October 2011.
- Metropolitan Spatial Development Framework, EMM 2011.
- Ministry of Human Settlement, Media Statement – Cities get new powers and funding for human settlements, 4 March 2011.
- Modal Integration Strategy and Action Plan for the Ekurhuleni Metropolitan Municipality area, EMM Item BRT (012009) MC, 17 September 2009.
- O.R. Tambo International Airport Long Term Development Path, ACSA Power Point Presentation, September 2008.
- Proposed Framework for the Review of the Growth and Development Strategy (GDS), Mater Plans and Operational Plans at EMM, Power Point Presentation 26 July 2010.
- Sustainable Manufacturing? The Case Study of South Africa & Ekurhuleni, Simon Roberts, Juba (2006).
- Regional Spatial Development Framework (RSDF), Region A, 14 February 2013
- Ekurhuleni Integrated Human Settlement Development Process and Funding Model, EMM Item B-HS (03-2012)
- ERWAT Strategy 2032, Facility Development Plan
- The SA Local Government Briefing, SA Local Government Research, October 2013

ANNEXURE A: PERFORMANCE MATRIX

Built Environment Performance Indicators

The EMM City Planning Department should be leading and guiding the metro with regards to the city's developmental objective. With a strong forward planning focus within the department, there are no existing measurable tools to assess the performance and projection of development within the city. The existing tools such as the MSDP are frequently outdated by the time the document is approved and ready to be utilized by other departments. The pace of development trends moves swiftly and in order to adequately track these changes a unique system needs to be developed in which these trends can be identified early enough for stringent mitigation measures to be put in place.

Since 2011, City Planning has been tasked with the drafting of the Built Environment Performance Plan and the Capital Investment Framework. Experience over the last two years shows that there is a huge gap in relation to communication and information sharing among departments with the majority of departments, City Planning included, not capturing important, relevant data. With departments spread across the metro, the simple sharing of a large document can be a tedious and timewasting task irrespective of the technology at hand. Even if the information is available in document form, most of the reports or studies are done in an un-editable format or non-manipulative format which renders the data useful only for that particular study or document. This in turn becomes wasteful expenditure due to duplication should another department require data for another project.

With the call from National Government to move away from utilizing consultants for work that can be done in house, manipulative data needs to be at hand.

The built environment performance indicators, though useful for measuring the city is currently extremely difficult to populate and set targets. Much of the data required of these indicators are either not available in the required format or certain boundaries for measuring the data have not been established as yet as in the case with all data related to integration zones.

Other difficulties involve the intertwining of public and private financial data held by financial institutions as well as data regarding public entities investments within certain projects located in the Metro. Capacity and data capturing systems within many departments are another key issue that needs to be addressed.

The development of a GIS based data bank from which all departments can work from is the best possible solution to populating these and other indicators. Much of the Metro's data could be stored in this particular data bank and extracted in the required format as and when needed. This would eliminate duplication of work by consultants and provide a more thorough and accurate description of the Metro and its challenges.

The following is an attempt at completing the table together with the relevant comments from various departments.

INTERMEDIATE OUTCOME (Higher Order Numbering)	OUTPUT (Lower Order Numbering)	Data Collection Frequency (Years)				TARGET[1]										Department	Notes	
		¼	1	2	5	Phase 1			Phase 2[2]									
						12/13[3]	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21				
A1.1 Formal council approval of IDP/IDP Review with identified Urban Development Zones, Social Housing Restructuring Zones and Integration Zones (Y/N)		✓				B	N	N	Y								Strategy & Corporate Planning	
A1.1.1 Submission of BEPP in required format by prescribed date, including: (a) Council approval of Integration Zones in compliance with Urban Network and ICDG guidelines; and (b) List of names and values of catalytic projects where procurement process is completed in each Integration Zone for each financial year of the current MTREF, including unallocated amounts (Y/N)		✓				B	N	N	Y								City Planning: Special Projects	
A1.2 Number of annual actions identified in the CSIP which have been implemented		✓				B											City Planning: Special Projects	Actions to be identified

A1.2.1 Signed CSP Participation Agreement, including schedule of Capacity Support Implementation Plan (CSIP) (Y/N)	✓				B	N	Y	Y											City Planning: Special Projects	
A1.3 (To enter the CSP), an unqualified audit opinion by AG (with or without findings) for last financial year (Y/N). (To progress to phases following Phase 1), no material financial or supply chain management irregularities in spatial transformation projects in integration zones reported by the AG (Y/N).	✓				B	Y	Y	Y											Finance	
A1.3.1 Financially unqualified audit opinion by AG for last financial year)	✓				B	Y	Y	Y											Finance	
A1.3.2 % Change in Total value of irregular, fruitless and wasteful expenditure identified by AG	✓				B														Finance	Note: Data to be obtained and targets determined in conjunction with Finance
A2.1 Number of rezoning applications in integration zones approved	✓				B														City Planning: LUMS	Upon finality of Integration zones system for data collection needs to be in place
A2.2 Number of building plans approved within Integration Zones	✓				B														City Planning: Building Control	Upon finality of Integration zones system for data collection needs to be in place
A2.3 Percentage variation between property rates levied on undeveloped and developed land in Integration Zones OR Number of development rights lost (to be decided)	✓																		Finance	Upon finality of Integration zones system for data collection needs to be in place

A3.1 Percentage variation between budgeted and actual R&M expenditure city-wide	✓				B														Finance	Note: Data to be obtained and targets determined in conjunction with Finance
A3.2 Cumulative total Rand value of capital expenditures of other public sector entities in Integration Zones as percentage of cumulative total Rand value of catalytic projects in Integration Zones		✓			B only														Finance	Public entity data required; Catalytic projects to be determined.
A3.3 Percentage change in the value of private finance invested in catalytic project		✓			B only														Finance	Data to be sourced from private sector; Catalytic projects to be determined.
A3.4 Percentage change in the value of privately owned buildings completed in Integration Zones		✓			B														City Planning: Building Control	Data to be sourced from private sector;
A3.5 Actual municipal capital expended on catalytic projects as a percentage of the budgeted value of municipal capital for catalytic projects	✓				B only														Finance	Catalytic Projects to be determined
B 1.1 Percentage annual change in number of newly serviced land parcels			✓		B														City Planning: LUMS	Data not available in this format. The outcome should refer to the number of proclaimed erven instead
B 1.2 Number of hectares of rural land re-designated to urban land			✓		857	771	693												City Planning: LUMS	Rate of urbanisation to change upon incorporation of LESEDI into

																			EMM	
B1.3 Gross Residential Unit Density per hectare within integration zones			✓		B														City Planning: LUMS	Upon finality of Integration zones system for data collection needs to be in place
B1.4 Annual change in the number of completed subsidised rental housing units within Integration Zones			✓		B														Human Settlements	Upon finality of Integration zones system for data collection needs to be in place. Define Rental Stock; Define Integration Zone; EDC Targets; Refurbishment of units included?
B1.5 Annual increase in the number of completed privately owned rental housing units within Integration Zones			✓		B														City Planning: LUMS	No data available on privately owned rental stock
B1.6 Cumulative ratio of housing ownership types in Integration Zones			✓		B														City Planning/ Research	Integration zones to be identified. No data available on housing ownership types

B1.7 Number of units in the gap market (city-wide)			✓	B																Human Settlements	Stats SA data to be utilised. FLISP; NHFS; Province; No system in place
B1.8 Percentage change in the total number of informal settlement dwelling units within Integration Zones that have not benefitted from integrated upgrading programmes			✓	B																Human Settlements	Integration zones to be identified. Human Settlements to populate data
B2.1 Annual percentage change in proportion of households within 500 metres of access points to integrated public transport system within integration zones			✓	B			5		5		5									Transport	
B2.2 Percentage decade change in share of household income spent on transport costs for passengers city-wide				✓	B only						-2									Transport	
B2.3 Percentage change in average weekday peak hour commuting time of passengers via the scheduled public transport system city-wide				✓	B only						-5									Transport	
B2.4 The number of Early Childhood Development facilities provided in integration zones			✓	B																City Planning	Integration zones to be identified
B2.5 The number of libraries provided in integration zones			✓	B																City Planning	Integration zones to be identified

B2.6 Percentage change of commuters (city-wide) using private motorised transport				✓	B only															Transport	
B 2.7 Annual percentage change of all passenger trips that use the same ticketing system				✓	B	0	0	0	0	5	2	2	2	2	2	2	2	2	2	Transport	
B2.8 Percentage annual change in capital expenditure on transport infrastructure spent on integrated public transport networks city-wide				✓	B	350	350	15	5	5	5	5	5	5	5	5	5	5	5	Transport	Confirmation needed
B2.9 Percentage change in the total kilometres of dedicated walkways and cycle paths in relation to the length of roads within integration Zones				✓	B	5	2	4	2	2	2	2	2	2	2	2	2	2	2	Transport/Roads	Confirmation needed
C1.1 Four-yearly percentage change in total market value of all commercial properties in Integration Zones				✓	B only															Finance	Integration Zones to be identified. Market value data required
C1.2 Number of hectares of serviced space proclaimed for informal traders within Integration Zones				✓	B															Economic Development	No data available
C1.3 Annual percentage of available passenger spaces in weekday scheduled public transport trips that are occupied				✓	B															Transport	Note: To be determined

D1.1 Greendrop score for municipality	✓			74,9%														Water & Sanitation	Note: Blue drop score not within indicators??
D1.2 Kilolitres of Bulk Water entering network (self-provided or purchased)	✓			B														Water & Sanitation	To be determined
D1.3 kWhc (Kilowatt hours) purchased by the municipality	✓			61	66	71	77	83	90	97	105	113						Energy	
D1.4 Tonnage of waste produced that goes to landfill	✓			1,5 m														Waste Management	To be determined
D1.5 Litres of treated wastewater reused	✓			B														Water & Sanitation	To be determined/ Private or public?
D1.6 Annual Rand value of energy bought from renewable sources as a percentage of the Rand value of all energy bought	✓			B														Energy	To be determined/ Private or public
D1.7 Number of subsidies paid for Solar Water Heaters	✓			B														Energy	To be determined

ANNEXURE B

PORTFOLIO OF EVIDENACE: CIF/BUDGET EVALUATION 2015/16 TO 2017/18

ANNEXURE B1

KEY FINDINGS FROM TEST RUN OF THE CPM PRIORITIZATION WEIGHTING SYSTEM

ANNEXURE B2
CPM USER MANUAL

ANNEXURE C

FINANCIAL AND PROJECTION MODELLING ON THE CAPITAL INVESTMENT FRAMEWORK