

City of Ekurhuleni

Annual Report

2010/2011 Financial Year

a partnership that works



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CHAPTER ONE

INTRODUCTION AND OVERVIEW

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CHAPTER ONE: INTRODUCTION AND OVERVIEW

Foreword of the Executive Mayor

The financial year of 2010/11 was a milestone for the Ekurhuleni Metropolitan Municipality in that it marked 10 years of existence for the municipality. A municipality that started afresh with a new identity, strategies, structure and a lot of homework to get the wheels well-oiled and moving in the same direction.

It also marked the beginning of the next decade which will show a change in direction for the metro as it moves with the times to ensure the survival of the city, the region and its residents. The 2010 Annual Report shows that the metro has achieved much in this financial year and that it takes service delivery seriously.

Ensuring that this continues, the metro will move forward and take service delivery to the next level as the drivers of the organisation move direction and focus on an identity that will benefit all within these municipal boundaries – be they visitor or resident. The top leadership directs the city along private sector business principles, implementing the strategies and plans needed to meet the organisation's long term goals as set out in the Growth and Development Strategy 2025.

Much as already been done to ensure that the administration can carry out its mission, but more remains to be done. The momentum has been developed and the structures are in place for better delivery and greater responsiveness to community needs, including the needs of the investors.

Council is in the process of reviewing its Growth and Development Strategy, and should also pronounce on economic growth aspects that will broaden the metro's income base and thus enable it to increase its own spending on capital projects.

**MONDLI GUNGUBELE
EXECUTIVE MAYOR**

Introduction by the Accounting Officer

The Annual Financial Statements for the 2010/2011 financial year as contained in this annual report has been prepared in accordance with Section 126 of the Municipal Finance Management Act and the Annual Report in terms of Section 127 of the Municipal Finance Management Act.

No city can survive without new investment in its physical, economic and social infrastructure. Ekurhuleni consists of a multi nodal development. This indicates that there is no clearly defined core area and no central theme.

As we move out of the first decade of the Ekurhuleni Metropolitan Municipality's existence, and into its second, it is obvious that a clear identity must be identified as well as innovative ways to create a unique identity for itself. We don't have to look far to find this identity. Due to the location of the OR Tambo International Airport within its borders, Ekurhuleni is a gateway to Africa and opportunities and is something that will be this metro will leverage onto as it guides the organization and the area and its people into the next decade.

Already the backbone of moving Ekurhuleni into a new direction is in place. The results from the 2010/11 Annual Report attest to this.

This financial year shows, among others, that downtime of electricity was .9%, 118 high mast lights were installed whereas 70 were initially planned, thus resulting in 116% of mast lights being erected. In keeping with looking after the environment 7 600 solar geysers were installed while 2 000 were planned for. This is 380% achieved.

Over 379km of roads were rehabilitated, built and sidewalks completed as well as two modal transfer stations built at stations. A total of 333 stands were serviced with 9 152 stands provided with electricity connections.

In housing land was identified for 20 000 stands, one hostel development was instituted, 10 000 stands given access to sanitation and 3 600 jobs created per month. On 4 March 2011, the Metro was awarded an Accreditation Certificate by the National Minister of Human Settlements and the Gauteng MEC for Local Government and Housing.

The accreditation certificate serves as an official confirmation that the Metro has achieved the capacity required to perform the level one and two accreditation functions. By being awarded the certificate, the Ekurhuleni Metropolitan Municipality is now officially delegated to perform housing functions that were previously performed by Gauteng Department of Local Government and Housing.

Again the metro retained the Blue Drop Certificate, and Green Drop Certificate, which affirmation by the Department of Water Affairs and Environment that the quality of water supply, and wastewater management, meets the stringent international and national standards, respectively.

An increase of 5% in patients making use of the primary health care facilities was experienced this year compared to the 2009/10 figures. There was a 400% increase in the number of clients tested with the HIV, Counselling and Testing Programme compared to 2010/2011.

Credit rating, based on the 2009/10 audited financial statements gave Ekurhuleni an AA2za from Moody's Investor Services, with a stable outlook while Global Credit Rating Agency (GCR) issued a rating of AA-.

A more detailed report of departmental achievements are contained in this annual report, and with a continuation of service delivery in all fields, and paving the way for the next decade, Ekurhuleni can only go from strength to strength.

KHAYA NGEMA
CITY MANAGER

Overview of the Municipality

The Metropolitan Municipality of Ekurhuleni was established in 2000. It covers an extensive geographical area, from Germiston in the west to Springs and Nigel in the east. Ekurhuleni was established as one of six metropolitan municipalities resulting from the restructuring of local government in 2000.

The former local administrations of the nine towns in the East Rand – Alberton, Benoni, Boksburg, Brakpan, Edenvale/Lethabong, Germiston, Kempton Park/Tembisa, Nigel and Springs – were amalgamated into the new Metropolitan Municipality, along with two other councils – the Khayalami Metropolitan Council and the Eastern Gauteng Services Council. EMM is now ten years old and have gone a long way in consolidating its systems and processes for the sustained delivery of services in the city.

Ekurhuleni has a total surface area of $\pm 2\,000\text{km}^2$ that accommodates a population of ± 2.8 million (Source: Global Insight Regional eXplorer version 524). This constitutes $\pm 5.6\%$ of the national population and makes up 28% of Gauteng's population. The population density is approximately 1 400 people per km^2 , making Ekurhuleni one of the most densely populated areas in the country and province. By comparison, population density in Gauteng is 604 people per km^2 and 39 people per km^2 in the country.

The Ekurhuleni metropolitan economy is larger and more diverse than that of many small countries in Africa, including all the countries in Southern Africa. It accounts for nearly a quarter of the Gauteng economy, which in turn contributes over a third of the national Gross Domestic Product. Ekurhuleni contributes $\pm 7\%$ to the country's spending power and $\pm 7.4\%$ to the nation's production. In most respects – per capita income, unemployment, poverty, average wages and other indicators of human development - it is similar to the rest of Gauteng. However, there is one important structural difference: many of the factories for production of goods and commodities are located in Ekurhuleni. Manufacturing in Ekurhuleni accounts for approximately 21% of the GDP of Gauteng. In Ekurhuleni itself, manufacturing accounts for some 28% of total production output. Because of this, the largest concentration of industry in the whole of South Africa (and in Africa), Ekurhuleni is often referred to as “Africa's Workshop”.

The downside of the strong manufacturing sector is that globalisation has a definite impact on the structure of production and on the demand for labour. Ekurhuleni, although not benefiting from direct capital investments as a result of the automotive sector developments in the country, continues to play the role of the workshop of, for example the economy, with production of structural steel and fabricated metal products serving as inputs into other areas' economies.

Ekurhuleni has a network of roads, airports, railway lines, telephones, electricity grids and telecommunications that rivals that of Europe and America – a first world infrastructure supporting a well-established industrial and commercial complex. Ekurhuleni can, in fact, be regarded as the transportation hub of the country. The municipality is home to the OR Tambo International Airport, the busiest airport in Africa. O R Tambo International Airport services the entire continent and links to major cities throughout the world. Similarly, many of the world's leading airlines use OR Tambo International Airport. Some 14 million passengers pass through this airport each year. In addition, a number of smaller domestic airlines connect OR Tambo International Airport with cities throughout South Africa. South Africa's largest railway hub is in Ekurhuleni (Germiston) and links the city to all the major population centres and ports in the Southern African region. A number of South Africa's modern freeways and expressways

connect Ekurhuleni to other cities and provinces. The Maputo corridor development, South Africa's most advanced spatial development initiative, connects Ekurhuleni with the capital of Mozambique and the largest South African Indian Ocean port. Direct rail, road and air links connect Ekurhuleni to Durban, the biggest and busiest port within South Africa. As part of the preparation for the 2010 Soccer World Cup, a number of strategic roads around the OR Tambo International Airport were upgraded to promote the movement of goods and services.

The Current Situation

The Growth and Development Strategy 2025 (GDS) depicts the status quo that exists in Ekurhuleni. It follows a landscape approach, describing the status quo in terms of three Key Performance Areas namely: Infrastructure and Services, Economic Transformation and Social Transformation. The present status quo of these Key Performance Areas (KPA) are summarised below. These characteristics determined the specific focus areas around which the GDS was formulated. What follows is a high level summary of the status of development in Ekurhuleni:

Infrastructure and Services (Physical Development)

- As it consists of a multi nodal development, there is no clearly identifiable core area and no central theme, Ekurhuleni lacks a clear identity and should find innovative ways to create a unique identity for itself;
- Due to the conglomeration of nine East Rand towns and large vacant land parcels in the mining belt around the urban core, Ekurhuleni's spatial distribution is fragmented, causing an inequitable city. This has lead to low development densities with historically disadvantaged communities situated on the urban periphery;
- Many areas in the city have poor or informal transportation linkages and offer poor mobility. This is due, in part, to high levels of congestion on the national and provincial road network and freeway interchanges and large parts of the planned provincial road system not having been built. There are also inadequate linkages between certain nodes in the EMM as well as a lack of integrated public transport nodes and systems;
- Many areas in the city have an ageing trading services infrastructure which is subject to frequent breakdowns. Many communities have inadequate access to basic services due to infrastructure backlogs experienced in township areas and informal settlements;
- Due to mining activities, urbanisation and industrialisation, environmental problems such as dolomite, informal settlements, industry and pollution, Ekurhuleni is characterised by large areas of degraded environments. However, some unique environmental opportunities such as rivers and wetlands, ridges and agricultural potential also exist;
- Many areas in the city are decayed, performing poorly and in need of urban renewal, but at the same time present an opportunity to capitalise on existing infrastructure to build vibrant urban communities; and

- Current ICT infrastructure such as broadband is inadequate to accommodate the rapid technological growth required, particularly in high-tech hubs such as those surrounding OR Tambo International Airport.

Economic Transformation

- The local economy requires a greater degree of sustainable diversification as it is presently dominated by the manufacturing sector;
- As is the case elsewhere in South Africa, unemployment is high at $\pm 28\%$ (expanded definition) and policies to promote labour absorption and job creation will be of crucial importance to the future of the city;
- The improvement of skills levels to attract and support local economic growth is of critical importance as technical skills levels are low and not compatible with the skills requirements of the local economy. The literacy rate, as an example is 84%, however, computer literacy is low yet the growth in the local economy is in the financial and ICT services sector as opposed to manufacturing;
- Due to the location of OR Tambo International Airport within its borders, Ekurhuleni is a gateway to Africa, and opportunities for the development and promotion of tourism should be exploited. These include opportunities for business and retail tourism at the Klipriviersberg, Wetlands and Bird Sanctuaries;
- No city can survive without new investment in physical, economic and social infrastructure. Therefore, investment promotion and facilitation must be a key focus area to attract entrepreneurs and address the varying levels of investment throughout the Metro; and
- There is skewed distribution of wealth and resources, with the greatest portion of the wealth in the city still in the hands of a small elite. Broad based economic transformation as well as entrepreneurial activity will be promoted at every opportunity.

Social Transformation

- With $\pm 24\%$ of the local population living in poverty and the current unemployment rate at $\pm 28\%$, the levels of poverty and unemployment in Ekurhuleni are unacceptably high, and need to be addressed in a sustainable way. The majority of people living below the poverty line, live on the urban periphery, far away from job opportunities and social amenities;
- Many people in Ekurhuleni still live in overcrowded informal settlements without adequate access to engineering and social infrastructure. The creation and promotion of sustainable human settlements is therefore an important priority. There is a housing backlog with 134 000 shacks in informal settlements and 36 000 backyard shacks. This is constantly worsening as the influx is continuing and many informal settlements are situated on land not suitable for housing. Well-located land suitable for housing development is not readily available. Past subsidy schemes have also resulted in mono-functional, non-sustainable areas;

- High levels of HIV and Aids and other poverty related diseases such as TB are experienced in the poor communities and access to health care is inequitable. There is a high rate of infant and child malnutrition;
- The crime and domestic violence rates are unacceptably high and a higher level of safety and security for the inhabitants of the city will be pursued. Various risks such as airports, gas pipelines and old mining areas have the potential for causing disasters; and
- The city is characterised by inadequate and inequitable provision of and poorly maintained parks, sport and recreational facilities, public places and cemeteries. Green areas are fragmented and disjointed with no central theme.

Economic Profile

Ekurhuleni is spread over 15.6% of Gauteng's land mass, houses 5.4% of the country's population, and 29% of Gauteng's population. Migration into the area is a key challenge. This is visible in the number of informal settlements and informal trading activity. The Ekurhuleni Metropolitan Municipality Household Satisfaction Survey 2010 records 896 117 households; this is likely to increase when taking migration into account. The area is exceptionally densely populated (1 400 people per square km) when compared with both Gauteng (604 people per square km) and the national population density (40 people per square km). The average annual population growth rate within the metro was 1.9% over the period 1996 to 2005. This exceeds both the national and Gauteng growth figures for this period.

Ekurhuleni has a resident population of approximately 2.8 million people, of which 48,4% is economically active. One in every five people employed in the formal economy in Gauteng works in Ekurhuleni. The area contributes approximately 7.7% to national production and has a share of approximately 7.76% of national employment. Over the period 1996 to 2009, Ekurhuleni's economy grew by an estimated average of 2,7% per annum. Ekurhuleni contributes approximately 21% to the total economic output of the Gauteng province. The Annual Gross Value Add (GVA) for 2009 is 6.5%.

Ekurhuleni key comparative statistics

Table 1: Ekurhuleni Key Comparative Statistics

Key Statistics (2009 estimates)	Ekurhuleni	Gauteng	National
Geographic size of the region (sq km)	1,928	16,579	1,221,246
Population	2,747,027	10,030,161	41,780,470
Population density (number of people per sq km)	1,424,86	604,99	40
Economically active population (as % of total population)	48,5%	51%	34%
Number of households	896,117	3,245,182	13,450,567
Annual per household income (Rand, current prices)	151,687	171,477	123,570
Annual per capita income (Rand, current prices)	49,482	55,480	34,237
Gini coefficient	0.63	0.63	0.65
Formal sector employment estimates	759,252	3,803 366	9,392,253
Informal sector employment estimates	95,100	454,690	2,120,611

Key Statistics (2009 estimates)	Ekurhuleni	Gauteng	National
Unemployment rate (expanded definition)	27,%	22%	24%
Percentage of people in poverty	27%	25%	41%
Poverty gap (R millions)	1,477	5,232	47,285
Human development index (HDI)	0.65	0.66	0.57
Index of Buying Power (IBP)	0.08	0.33	1.00
Total economic output in 2009 (R millions at current prices)	137,980	738 122	2 176 598
Share of economic output (GVA % of SA in current prices)	6.5%	35.0%	100,0%
Total economic output in 2009 (R millions at constant 2005 prices)	67, 211, 143	334, 386, 420	1,092,865,240
Share of economic output (GVA % of SA in constant 2005 prices)	7.6%	37.4%	100.0%
Economic growth performance 1996-2009 (GVA % growth pa constant 2005 prices)	3.0%	3.8%	3.3%

(IHS Global Insight: Regional eXplorer 530 (2.3f), 2009)

Information used to derive economic activity estimates are in most cases reported by company head offices. Many manufacturing and warehousing operations have head offices in the Johannesburg and other metro areas, while the production plants and warehouses are located in Ekurhuleni. This may imply that some of the estimates obtained for Ekurhuleni may be on the conservative side.

Average annual GVA growth (Constant 2005 Prices)

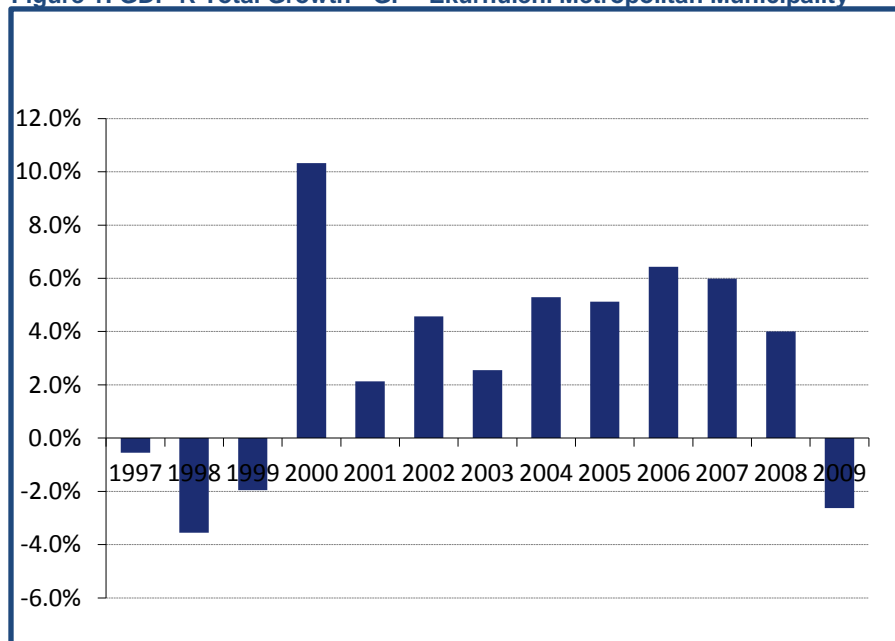
Table 2: Average Annual GVA Growth (Constant 2005 Prices)

	Ekurhuleni	National Total
1997	-0.6%	2.6%
1998	-3.5%	0.5%
1999	-2.0%	2.3%
2000	10.3%	4.1%
2001	2.1%	2.7%
2002	4.6%	3.7%
2003	2.6%	2.9%
2004	5.3%	4.6%
2005	5.1%	5.3%
2006	6.4%	5.6%
2007	5.6%	6%
2008	4.0%	3.%
2009	-2.6%	-1.7%
1996-2009	2.8%	3.2%

(IHS Global Insight Regional eXplorer, version 530 (2.3f))

Ekurhuleni GVA growth trend 1997 to 2009

Figure 1: GDP-R Total Growth - GP - Ekurhuleni Metropolitan Municipality



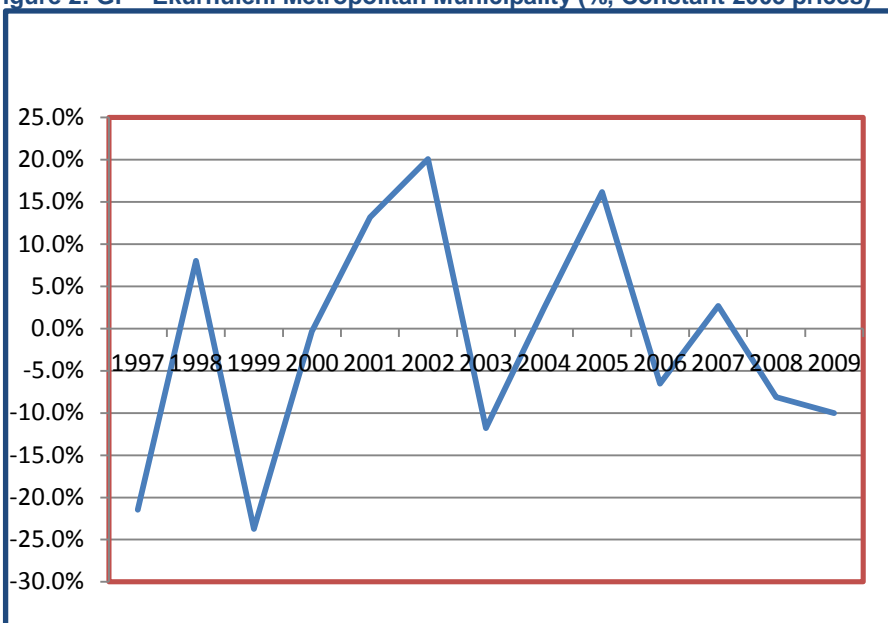
(IHS Global Insight Regional eXplorer, version 530 (2.3f))

Over the period 1997 to 2005 the economy of Ekurhuleni registered steady growth following a slump in 1998 and 1999. From the graph it is evident that the growth trend over this period was quite volatile – reaching both lows of – 3,8% and highs of +10,5% over the 12-year window.

The high growth in 2000 was mainly due to the exchange rate movements of the South

African rand and its effect on mining and related industries. Construction, transport, trade and financial services also benefited from the depreciation of the rand and contributed to the exceptional growth over this period. (See table below). The opposite holds true for 2003, when local currency strengths resulted in a slowdown of growth in the various economic sectors. This point serves to illustrate that the economy of Ekurhuleni is relatively sensitive to exchange rate movements. The recorded -2, 4% in 2009 was due to the economic recession.

Figure 2: GP - Ekurhuleni Metropolitan Municipality (% , Constant 2005 prices)



(IHS Global Insight Regional eXplorer, version 530 (2.3f))

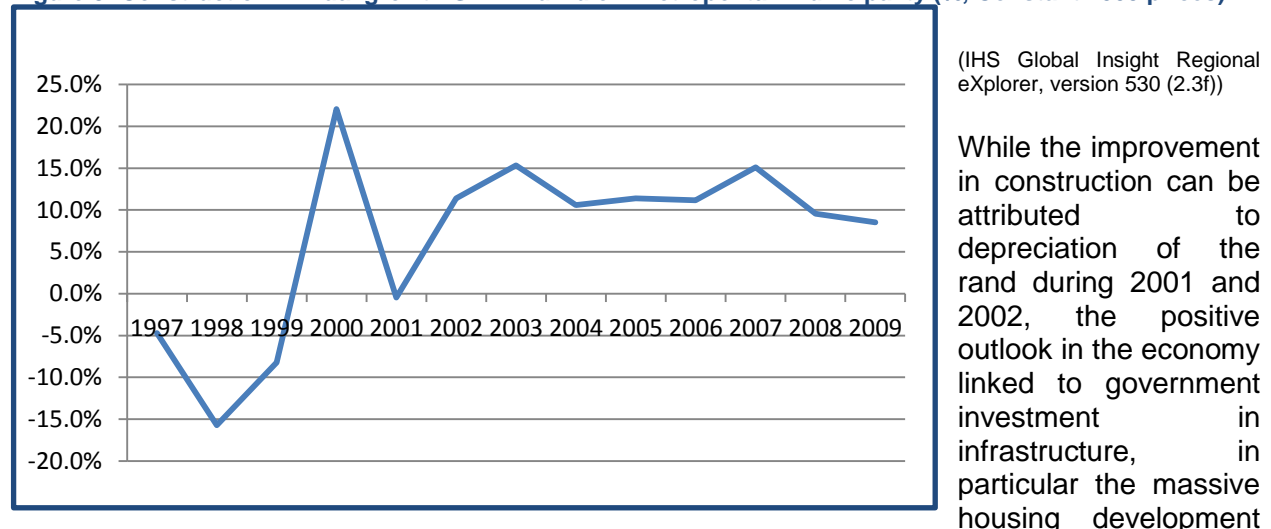
Mining has a life-cycle which is close to an end in the region. Of the three main mining operations in the region, one has already closed, and the remaining two have declared closure. The mines in Ekurhuleni are therefore marginal mines.

The GVA trend depicts the decline in mining activity. Although

prospecting licences have been granted for mining activity in the region, these are not likely to improve the trend.

However, in view of the recent changes in mining legislation regarding the importance of realising the economic wealth of natural resources, it is suggested that this trend could be reversed with a possible marginal increase in the GVA contribution in the future.

Figure 3: Construction Annual growth GP - Ekurhuleni Metropolitan Municipality (% , Constant 2005 prices)



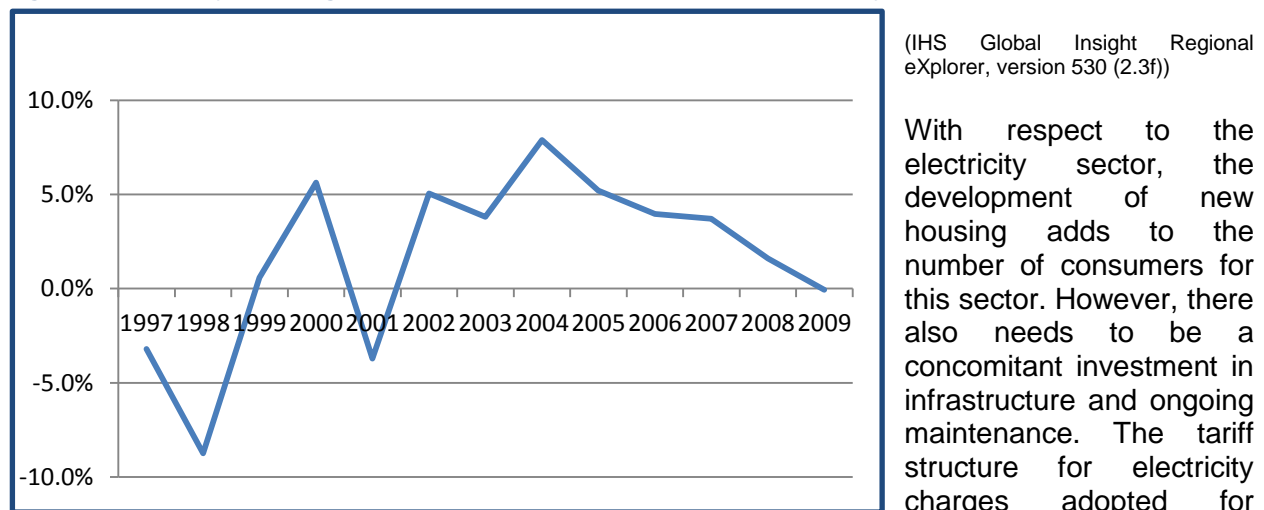
programme, roads and transport upgrading, as well as the improvements to stadia in the region, will have a small impact on the trend in the years to come.

Local government investment, coupled with private developer investments in low-, middle- and high-income residential property developments, will also add to this trend. A key issue for the local budget is the bulk infrastructure contributions that need to be made for such developments.

The expansion of the OR Tambo International Airport contributed to the GVA trend in construction. The expansion project, estimated at R3.5 billion for a second multi-story parking area, has been completed. In addition, the redesign and expansions of the international departures concourse have also been completed. To increase airside capacity, nine new aircraft stands were built, as well as a new international pier development. These were finalized before the World Cup in 2010.

Prices and inputs for this sector could escalate if the demand for raw materials increases and adequate project planning is not carried out. In addition, delays in zoning, rezoning, land use permissions, EIA's and passing of building plans could also lead to increasing costs.

Figure 4: Electricity Annual growth GP - Ekurhuleni Metropolitan Municipality (% , Constant 2005 prices)

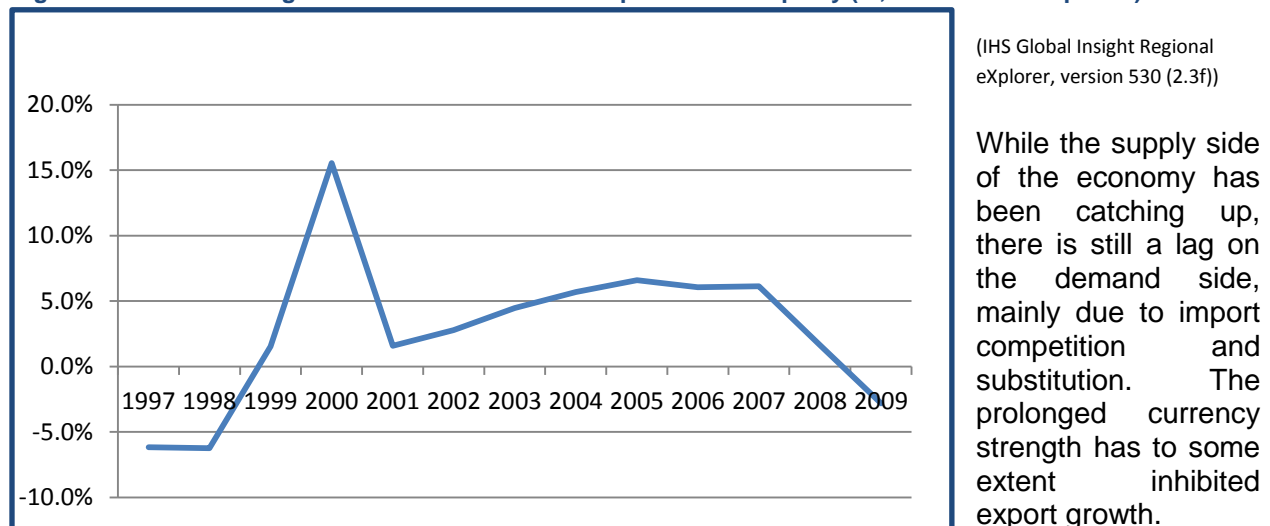


Ekurhuleni takes this into account and the ring-fencing project for the electricity function have assisted in ensuring that the sector trend is improved. A balanced approach to having low, middle and high-income households as consumers of electricity needs to be developed to maintain a stable GVA trend for this sector.

The electricity sector is dependent on inputs from the mining sector. Alternative inputs for energy sources for the longer-range future must be considered.

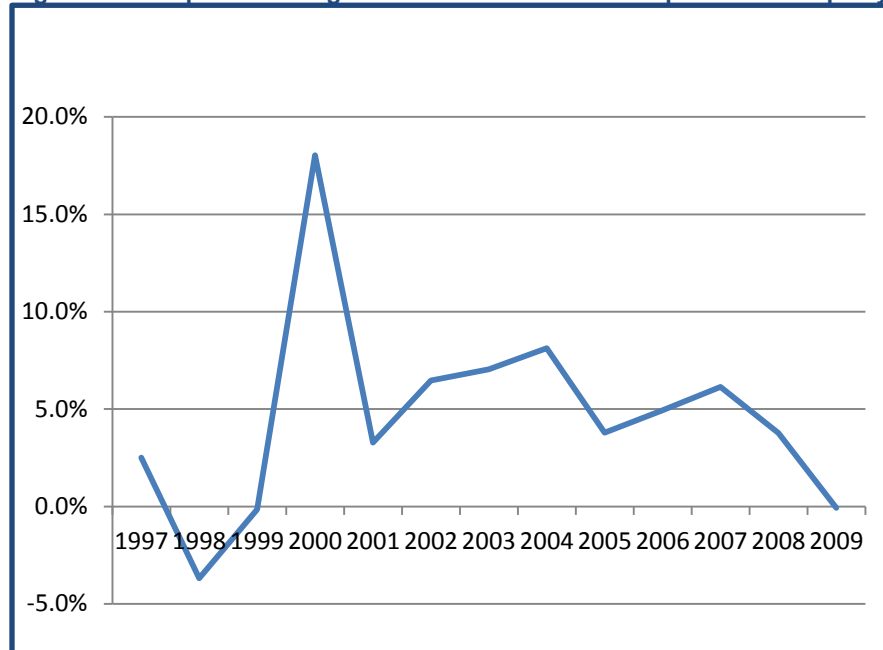
The upgrade and modernization of the current electricity infrastructure from the national government's AsgiSA programme is in place. This need to filter down to local level to ensure that a robust infrastructure is in place for continued manufacturing, commercial and domestic consumption. Should new developments, such as investment in property or manufacturing, continue to ignore the current infrastructure capacity it would not be possible to improve the volatile trend in this sector.

Figure 5: Trade Annual growth GP - Ekurhuleni Metropolitan Municipality (% , Constant 2005 prices)



Telecommunications is included in the transport sector, noted below. The stimulation of value-added services, and the inclusion of all within the digital community as envisaged by the Blue Umbrella project, will improve the growth trend in the transport sector.

Figure 6: Transport Annual growth GP - Ekurhuleni Metropolitan Municipality (% , Constant 2005 prices)



(IHS Global Insight Regional eXplorer, version 530 (2.3f))

The growth trend in this sector will be directly affected by the recapitalization of the taxi industry as well as the Gautrain project. Public transport for commuters has not been fully planned for the city region. Should this be in place, the trend for this sector could substantially improve.

The services sector of the economy is the new

frontier. This has a direct link to social development and longer-term sustainability. These services can be driven in a sustainable manner using the World Cup 2010 programmes as an effective building block towards tourism. An additional focus for new jobs in the local economy, which can be the pull factor for tourism, is the cultural industry.

Local Economic Development (LED) has a strategic role in fostering economic growth. It is about encouraging economic empowerment and bringing about social transformation. The unfolding of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), the National Spatial Development Perspective, as well as the provincial iteration of the Growth and Development Strategy is about LED being realized and aligned at a local level. Stimulating the local economy is a cross-cutting function. Service delivery of almost every department in the Municipality impacts on economic and social indicators. Service delivery is linked to growth, investment, poverty reduction, social cohesion and job creation.

Vision, Mission, Values and Strategic Priorities

Vision

The Smart, Creative and Developmental City

Mission

It is based on the above vision that a mission statement was developed as a way of forging ahead towards achievement. The mission statement is:

Ekurhuleni provides sustainable and people centred development services that are affordable, appropriate and of high quality. We are focused on social, environmental and economic regeneration of our city and communities, as guided by the principles of Batho Pele and through the commitment of a motivated and dedicated team.

Values

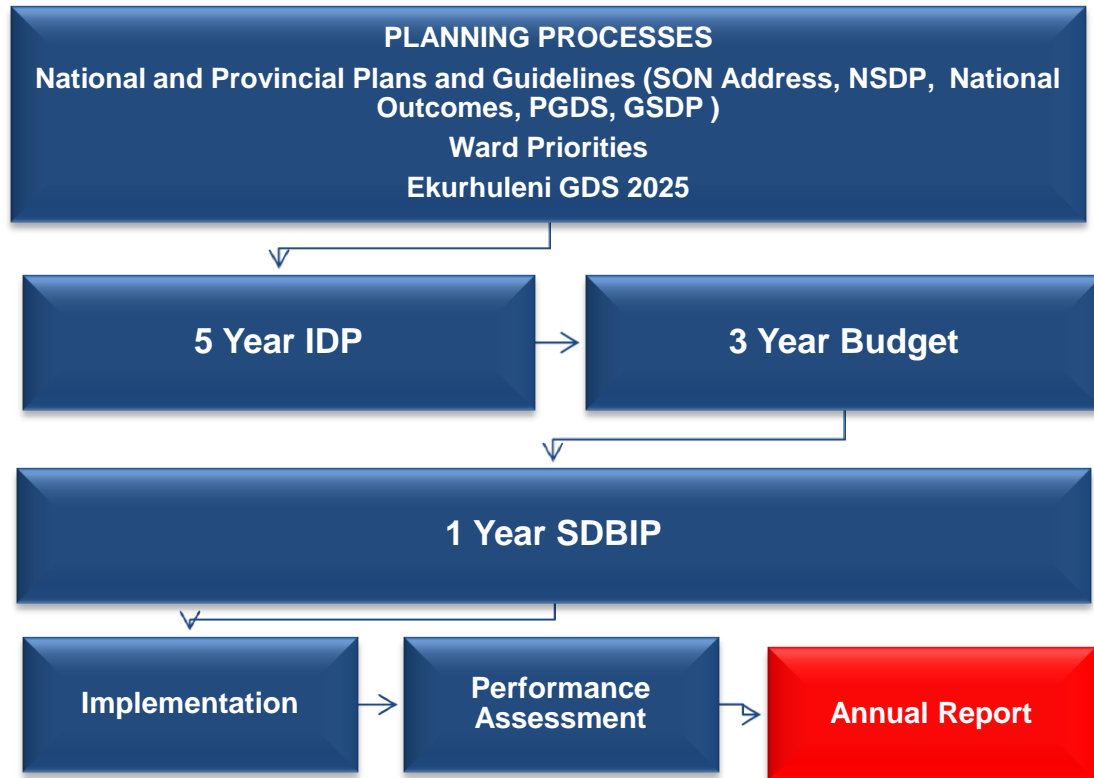
In pursuing the above-mentioned vision and mission, the EMM is committed to upholding the following core values:

***Performance Excellence;
Integrity;
Community Centeredness;
Transparency; and
Cooperative Governance.***

The Planning Framework

The following is a graphic illustration of the strategic planning framework followed in the planning process of the Ekurhuleni Metropolitan Municipality during the 2010/11 financial year:

Figure 7: Planning Framework



Risk Management

The effective management of risk is central to the achievement of the Municipality's vision of smart, creative and developmental City. By understanding and managing risk, we can provide greater certainty and security for our employees, citizens of Ekurhuleni and all our stakeholders.

The Council, through the audit committee, acknowledges its overall accountability for ensuring an effective results-driven, Risk Management process. The Council has adopted a Risk Management Policy and Framework that enables management to proactively identify and respond appropriately to all significant risks that could impact on business objectives.

Responsibility for the management of risk resides with line management in all departments and projects. Those accountable for the management of risks also ensure that the necessary controls remain in place and are effective at all times. Control effectiveness focuses on improving our ability to manage risk effectively, so that we can quickly and confidently act on opportunities to improve and sustain the quality and continuity of municipal services.

Risk management in the Municipality is performed at departmental, directorate and municipal entity level is reported upward to corporate (bottom-up). After consolidation of these integrated risk reports, Management and the Audit Committee review and evaluate the risk profile to determine the major operational, strategic and business continuity risks (top-down).

Political Structure

The Ekurhuleni Metropolitan Municipality (EMM) has implemented a Mayoral Executive and Ward Participatory System of local governance which ensures that governance is taken right down to community level and that all citizens within the metropolis are represented in decision-making. This increases residents' sense of belonging, accountability and empowerment and actively involves them in all issues dealt with by the metropolitan municipality.

The municipality comprised 175 councillors, of both elected (88 ward representatives) and proportional (87 Councillors) representation. Each of the 88 ward councillors chairs a ward committee as part of the Ward Participatory System that brings participation down to community level. After the elections, which took place on 18 May 2011, the number of Councillors increased to 202 (101 ward and 101 proportional respectively).

Ward councillors play a central role in the communication process between the communities they represent and the Council, reporting back regularly through ward meetings and assisting the community in identifying needs and priority areas of development which feeds into the municipality's planning processes.

The Executive Mayor heads up a team of 13 full-time councillors comprising his Mayoral Committee of 10, a Speaker and a Chief Whip of Council.

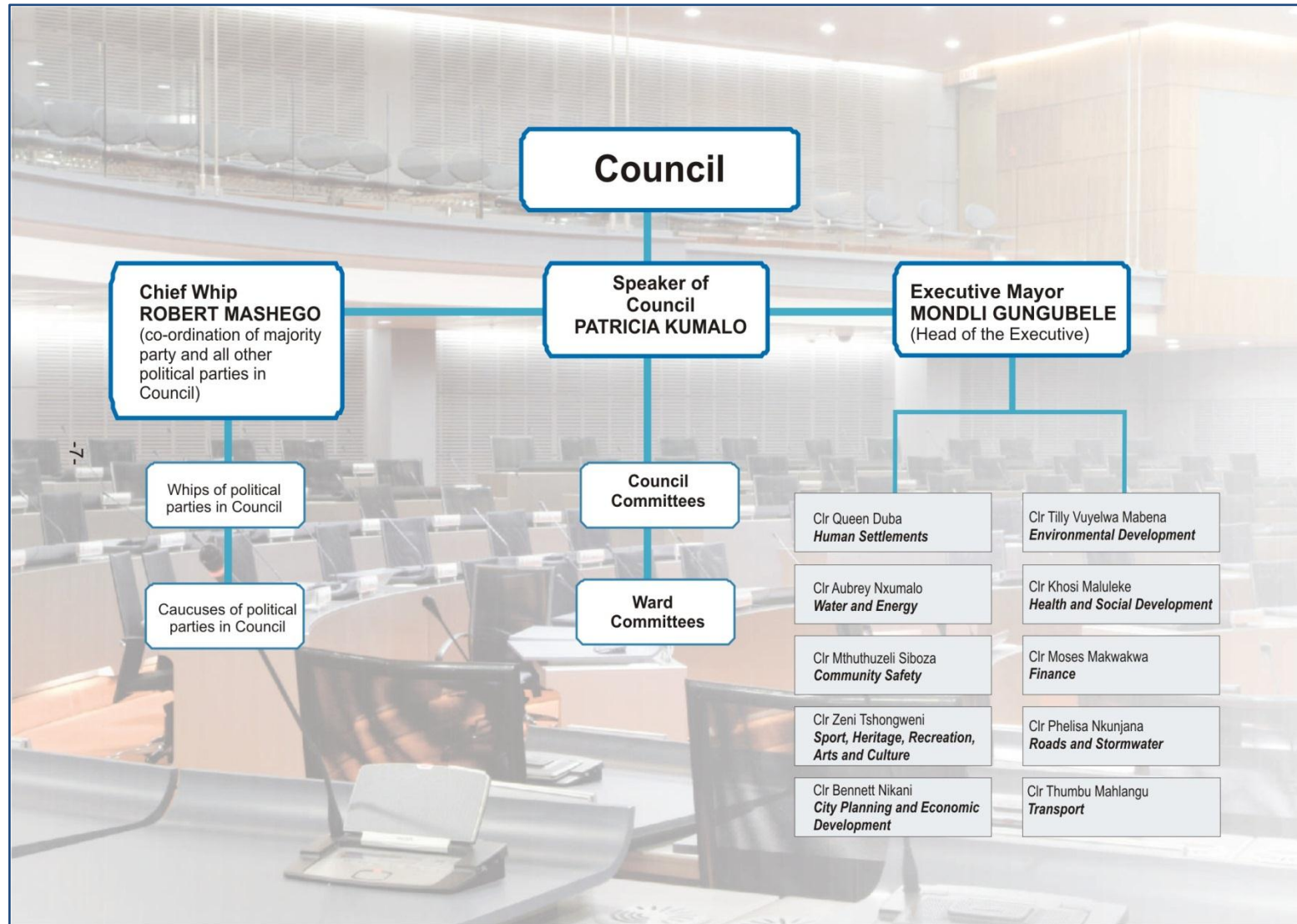
Political oversight of the administration is ensured via Section 80 committees in control of the different portfolios in Council.

Council has resolved to implement the principle of separation of legislative and executive powers in principle, subject to certain conditions. This principle will be fully implemented in the new financial year, and will affect the way in which the committees will be structured, and in which oversight will be taking place.

Councillors also served on the Development Tribunal where political oversight is ensured over the physical development of the Metropolitan area. An Audit Committee as well as the Municipal Public Accounts Committee ensured governance that is of the highest standard.

Portfolio meetings and mayoral meetings are held on a bi-weekly basis, during which issues of service delivery are discussed and dealt with in accordance with the system of delegations adopted by Council. The full Council meets on a monthly basis and these meetings are open to the public. The frequency of meetings as well as the delegations may be affected by the mentioned separation of powers principle.

The political office bearers post the May 2011 elections are as follows:



Administrative Structure

Ekurhuleni's top leadership directs the metropolitan city along private sector business principles, implementing the strategies and plans needed to meet the organisation's long term goals as set out in the Growth and Development Strategy 2025.

Day-to-day management and administration of the Municipality is carried out by the City Manager and his staff of more than 17 000 led by Executive Directors, General Managers, Directors, Customer Care Area Managers and operational levels of management.

Accessibility of municipal offices and services remain a priority. Thus, the EMM has set up 20 Customer Care Areas (CCAs) in all major centres and more remote locations in Ekurhuleni, providing a direct link between the Municipality and the community it serves.

Provincial Multi-purpose community centres were established at the Tembisa, Thokoza, Duduza, Daveyton and Tsakane CCAs. Good progress was made in co-ordinating the management and services rendered by these centres.

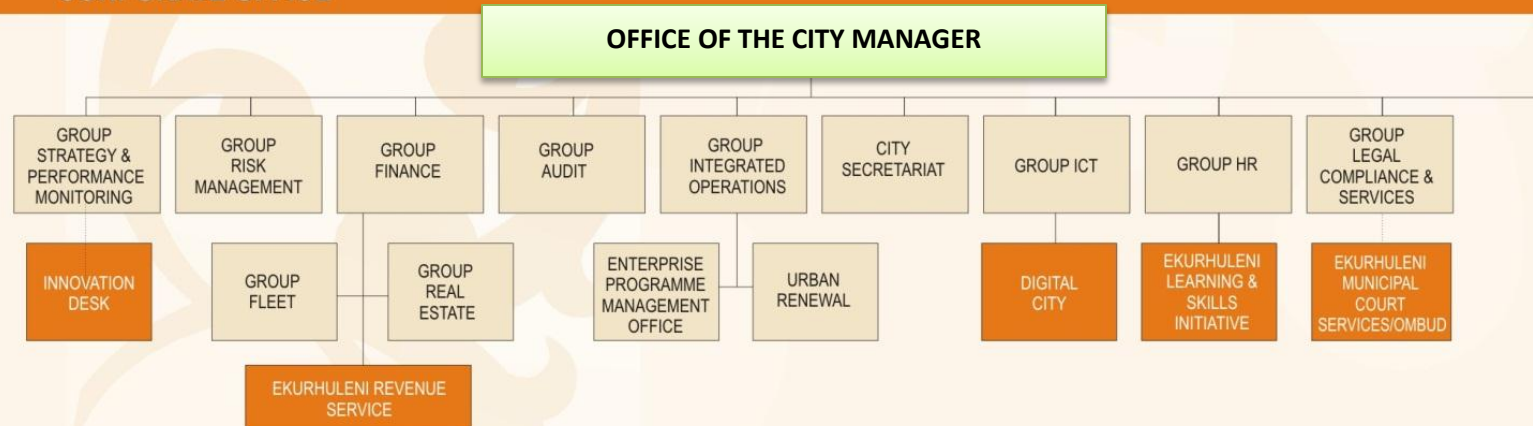
Much has already been done to ensure that the municipality's administration can carry out its mission. More work remains to be done, but the momentum has been developed and the structures are in place for better delivery and greater responsiveness to community needs, including the needs of investors.

Reflecting its commitment to good governance, the EMM operates on a balanced budget approach. Most of its revenue is raised through rates and service charges, although it also benefits from grants and subsidies from the national and provincial governments.

The operating model of the Metro, as adopted by Council during 2010, is reflected below.

EMM OPERATING MODEL

CORPORATE OFFICE



CORE BUSINESS OPERATIONS



SERVICE DELIVERY PLATFORMS



CHAPTER TWO

PERFORMANCE HIGHLIGHTS

a partnership that works



CHAPTER TWO: PERFORMANCE HIGHLIGHTS

Service Provided by the Metro

The following services are rendered by the Metro:

Departments Providing Institutional Management

Institutional Strategy, Monitoring and Oversight and Research, Communication, City Secretariat, Executive Support, Internal Audit, Risk Management, Chief Operating Officer (Service Delivery Co-ordination, including Urban Management, Urban Renewal, Customer Relations Management and Enterprise Programme Management)

Corporate Services Departments

Corporate and Legal, Human Resources, Finance, Information & Communication Technology

Service Delivery Departments

Roads and Stormwater, Public Transport, Energy, Water and Sanitation, Environmental Resource Management, Waste Management, Housing, Economic Development, Emergency and Disaster Management, Ekurhuleni Metro Police Department, Health and Social Development, City Planning, Sport, Recreation, Arts and Culture.

The Metro has three municipal entities, namely:

Brakpan Bus Company

Provision of a Bus Service to the community of Brakpan.

East Rand Water Care Company (ERWAT)

Wastewater Purification for the entire Ekurhuleni Metro and portions of the City of Johannesburg.

Ekurhuleni Development Company (EDC), including the EDC Management Company, the

Germiston Pharoe Park Co, the Pharoe Park Phase II Co and the Lethabong Housing Institute. Social Housing (Rental) in Germiston.

In addition, the EMM holds a 20% share in the Rand Airport but has no control over the company and as such the company is accounted for as a long term investment and not an entity.

The aggregate budget of the Metro is presented on the following two pages. The budgets of the entities are contained in the section dealing with municipal entities. The entities are self-funded, however, subsidies are granted to the entities as per the Municipal Entities Support Policy. The revenue sources of the entities are:

ERWAT – Mainly EMM for sewer purification service rendered

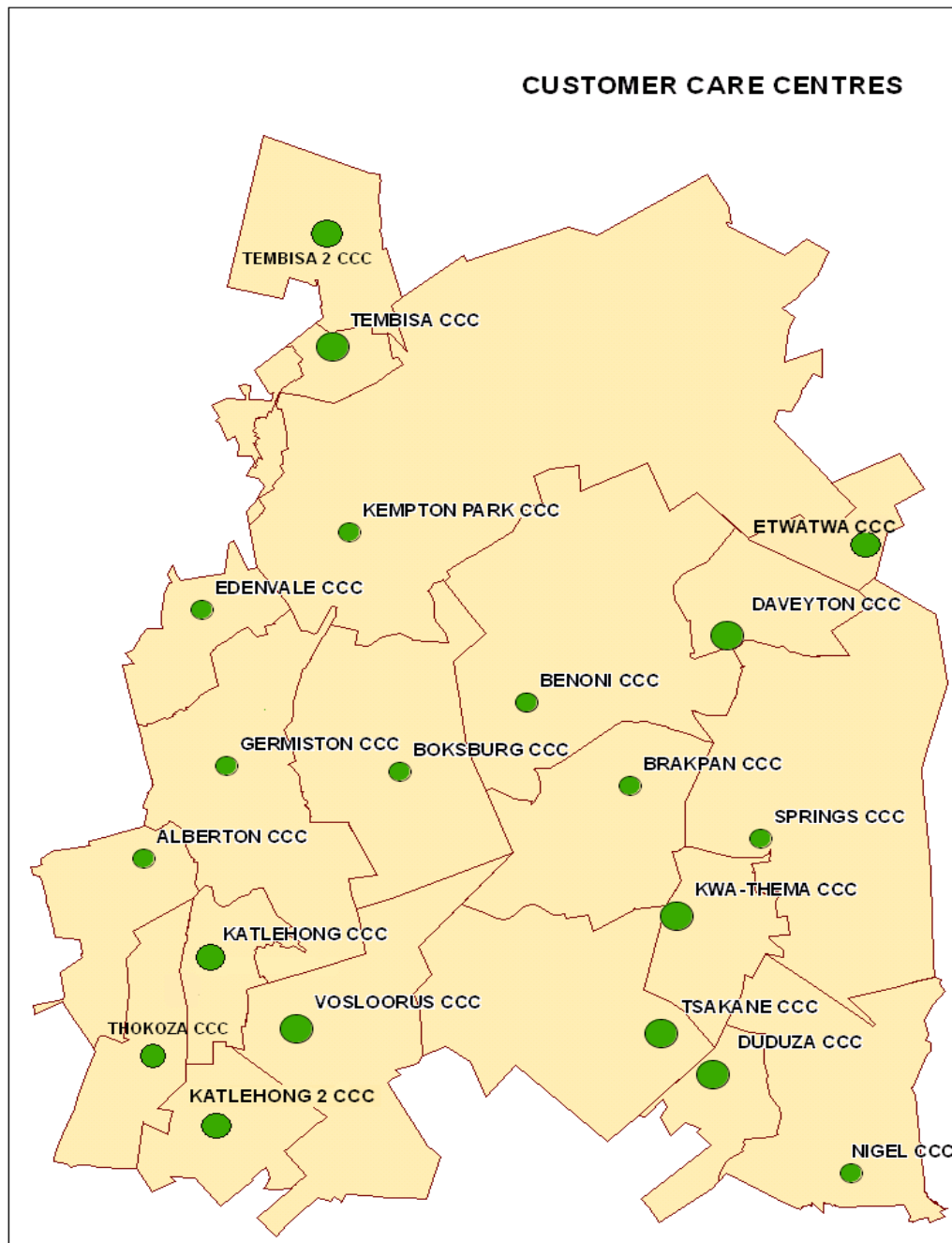
EDC – Rental received for housing units, supplemented with EMM subsidy

BBC – Subsidy received from National Department of Transport, bus fares with subsidised institutional and logistical support from the EMM.

Service Delivery Model

The Metro has adopted a service delivery model that takes services closer to the community through the establishment of 20 Customer Care Areas with a Customer Care Centre in each of the areas. These centres ensure that there is a “one-stop shop” for customers. This reduces customers’ frustrations of being sent from pillar to post. This also allows for immediate interventions to correct/ intervene on any service delivery matter.

Figure 8: Customer Care Areas



Standards of Services

The Ekurhuleni metro subscribes to the following levels of service for municipal services:

Water supply

Informal Settlements	Communal standpipe within 200m radius
Low cost housing	Metered connection per stand
Residential establishments	Metered connection per stand

Sanitation provision

Informal Settlements	VIP facility / Chemical facility
Low cost housing	Water borne sewer
Residential establishments	Water borne sewer

Refuse Removal

Informal settlements	Where access is provided via infrastructure, refuse is removed once per week Where access is limited at least every fortnight by means of removal of accumulated waste.
Residential areas CBD's	Once per week (formal developed areas) At least once to three times per week, depending on service requirement
Industrial Areas	At least once to three times per week, depending on service requirement

Electricity supply

Informal Settlements	No service provided
Low income housing	Metered connection per stand, prepayment, 20 to 80 Ampere (backlog exists)
Residential establishments	Metered connection per stand, prepayment or credit, 20 to 80 Ampere, higher upon successful application
Business and Industry	Any connection size, upon successful application and subject to availability of supply
Quality of Supply	As per NRS 048 specifications

Services Backlogs

Service providers were appointed during 2009 for the development, installation and population of software to allow Council to be in compliance with the GRAP 17 requirements with regards to Council's assets. This exercise involved the status quo investigation of all infrastructure services assets including Social infrastructure.

Due to the detailed investigation, it was also possible to determine Council's infrastructure services backlog by comparing the approved minimum level of standards with the existing level of services.

Background information with regards the infrastructure status of the EMM is:

- Approximately 2,8 million residents
- EMM has no city core due to amalgamation of nine towns resulting in barriers to economy of scale in services provision
- Total replacement value of assets R 82.5 billion (including ERWAT R 5.4 billion)
- Approximately 7 989 site based facilities
- Approximately 68 869 km linear assets
- Backlogs mainly resulting from formation of informal settlements, historical services backlogs and ageing infrastructure
- Availability of land is the biggest constraint due to dolomites and shallow undermining
- A 28% customer growth is expected up to 2025 (237 067 new customers)

A baseline backlog study was done in June 2009. The following categories of backlogs were determined:

- Access backlog : Total infrastructure backlog of existing customers
- Technical backlog : Total existing upgrading and renewal infrastructure backlog
- Growth : Demand for new infrastructure due to expected growth to 2025
- Renewal : Future renewal demand due to ageing of infrastructure

The findings of the study are summarised in the tables hereunder:

Table 3: Summary of Consumers

Category	Units	%	Notes
Domestic	572 336	62%	
Informal	150 076	16%	
Indigent	42 029	5%	
Backyard	43 267	5%	Not regarded as a consumer unit since they are associated with other users. Their demand and revenue impact is through the primary user on a site.
Households associated with industrial/commercial uses	10 530	1%	Households attached to industrial and commercial uses. This includes key personnel housing and onsite worker housing. It is also possible that there are still domestic users living formally in industrial areas but the extent thereof is not possible to determine.
Households associated with institutional	27 426	3%	These households are associated with institutional users such as hospitals, hostels,

Category	Units	%	Notes
consumers			retirement homes and educational facilities such as schools and crèches. For consumer category purposes they are not regarded as individual entities but are included under the institutional categories.
Total households	845 664	92%	
Business	18 502	2%	
Industrial/Commercial	12 487	1%	Metering data only indicates 2 750 customer units. However, when zoning was applied and analysed on the GIS it is clear that there are at least 9 396 industrial zoned sites which are classified as domestic in the Council's metering data that are located on industrial zoned land in the major industrial/commercial areas.
Institutional - Private	39	0%	
Institutional - Public	43 031	5%	
Total potential consumers	919 723	100%	
Unknown (excluded from customer base)	30 686	4%	These are entities that are classified as unknown in the billing system and where it was not possible to relate it to any valuation, land use or zoning category. A visual assessment on the GIS shows that some of them are un-serviced cadastral units. Dormant temporary meters are also included.

Table 4: Summary of Access Backlogs

Service class	Service/ facility type	Consumer units		
		Adequate access	Access backlog	% backlog
Public amenities	Airports	924 049	-	0%
	Civic centres	824 369	25 621	3%
	Community halls	521 970	328 020	39%
	Indoor sports & recreation facilities	806 345	43 645	5%
	Libraries	828 838	21 152	2%
	Museums/galleries/theatres	239 666	610 324	72%
	Parks	786 940	63 050	7%
	Outdoor sports & recreation facilities	785 074	64 916	8%
Community facilities	Building plan offices	897 776	26 273	3%
	Cemeteries	838 181	11 809	1%
	Clinics / Care Centres	691 798	158 192	19%
	Crèches	204 419	645 571	75%
	Fire / Ambulance stations	751 208	172 841	19%
	Pay / Enquiry points	895 694	28 355	3%
	Vehicle testing stations	349 688	574 361	62%
Infrastructure services	Electricity distribution	744 255	103 797	12%
	Roads	527 620	315 206	37%
	Storm-water	582 413	260 413	31%
	Solid waste	842 826	-	0%
	Water	688 813	154 001	18%
	Sanitation	688 111	154 703	18%

The remaining asset value was determined by evaluating the condition of all assets and applying accepted industry formulas for different types of assets to derive at the remaining value. This also informed the remaining useful life as required by GRAP 17.

Table 5: Remaining Asset Values

Asset Sub-Category #	Replacement Value (CRC) ¹	Current value (DRC) ²	Remaining asset value
Community facilities *	R5 658	R2 774	49%
Electricity network	R24 386	R12 962	53%
ERWAT (estimated)	R5 372	R2 847	53%
Information and communications network @	R635	R508	80%
Operational buildings ^	R1 771	R897	51%
Roads, storm-water network and rail	R31 260	R17 225	55%
Water supply network	R6 199	R3 058	49%
Sanitation network	R4 966	R2 628	53%
Solid waste facilities	R 2214	R 1173	53%
TOTAL	R82 462	R44 071	53%

By applying the accepted minimum level of standards with the status quo analysis, Table 6 provides the calculated backlogs as at June 2009.

Table 6: Summary of total backlogs at June 2009

Sector	Access backlog	Renewal backlog	Upgrading backlog	Growth	Ongoing renewals	Total
Water	1 001	138	254	1 648	782	3 823
Sanitation	878	73	85	1 554	213	2 803
ERWAT	1 189	1 849	1 849	1 837	678	7 402
Roads, Storm-water, and Rail	8 825	1 130	0	9 598	7 844	27 397
Electricity	2 522	175	4 183	6 983	1 725	15 588
Solid Waste	0	13	0	724	50	787
Community Facilities (incl ICT)	219	298	0	1 043	1 571	3 131
Operational Buildings (incl ICT)	28	248	0	239	707	1 222
TOTAL	14 662	3 924	6 371	23 626	13 570	62 152

The renewal needs (Table 7) were calculated by applying the industry accepted costing norms and standards and applying that to the conditional assessments of all infrastructure assets. The general principle is not to allow the condition of infrastructure services to deteriorate to such an extent where it has to be replaced.

Table 7: Renewal needs 2010-2015

Sector	2009/10	2010/11	2011/12	2012/13	2013/14
Water	.2	4.5	5.4	13.0	41.4
Sanitation	8.4	2.3	2.0	18.3	11.7
ERWAT	168.5	168.5	168.5	168.5	168.5
Roads, Storm-water, and Rail	409.9	875.5	197.2	797.7	1 042.2
Electricity	.2	12.0	1.5	120.7	35.2

¹ Capital Replacement Cost

² Depreciated Replacement Cost

Sector	2009/10	2010/11	2011/12	2012/13	2013/14
Solid Waste	.9	1.3	.5	4.5	9.9
Community Facilities (incl ICT)	.6	8.7	21.2	80.8	204.2
Operational Buildings (incl ICT)	.5	16.1	46.3	113.8	83.1
TOTAL	589	1 089	443	1 317	1 596

The total capital expenditure budget for the 2009/10 as well as 2010/11 financial years were evaluated and all projects which contributed towards the eradication of the services backlogs were identified. By allocating this to the 2009 baseline backlogs, the re-calculated backlogs were determined as at June 2011.

Table 8: Summary of total backlogs at June 2011

Sector	Access backlog	Renewal backlog	Upgrading backlog	Growth	Ongoing renewals	Total
Water	908	113	171	1648	782	3622
Sanitation	797	49	76	1554	213	2689
ERWAT	1189	1849	1836	1837	678	7389
Roads, Storm-water, and Rail	7897	2235	0	9598	7844	27574
Electricity	2077	112	4004	6983	1725	14901
Solid Waste	0	0	0	724	50	774
Community Facilities (incl ICT)	11	182	0	1043	1571	2807
Operational Buildings (incl ICT)	23	124	0	239	707	1093
TOTAL	12 902	4 664	6 089	23 626	13 570	60 849

Using the same principle, the approved multi-year capital budget for 2011 to 2013 was then evaluated versus the June 2011 backlog (Table 8) which provided the estimated services backlog at June 2013.

Table 9: Summary of total backlogs at June 2013

Sector	Access backlog	Renewal backlog	Upgrading backlog	Growth	Ongoing renewals	Total
Water	798	11	103	1 648	759	3 319
Sanitation	552	0	2	1 554	182	2 290
ERWAT	1189	2 018	1 818	1 837	4	6 866
Roads, Storm-water, and Rail	7 320	2 046	0	9 598	5 564	24 528
Electricity	1 822	79	3 725	6 983	1 591	14 200
Solid Waste	0	0	0	724	43	787
Community Facilities (incl. ICT)	0	90	0	1 043	1 460	2 593
Operational Buildings (incl ICT)	4	50	0	239	530	823
TOTAL	11 685	4 294	5 648	23 626	10 133	55 406

It is clear from Table 9 that certain assumption anomalies existed in the original backlog study. This can be seen from the zero backlog figures under Solid Waste, Community facilities and operational buildings. The backlog study will be further revised during the GDS review process and thereafter on a yearly basis as part of the asset register bureau appointment.

With the total CAPEX demand to eradicate backlogs (access, technical as well as future growth) estimated at R62 billion at June 2009, and with an average present available CAPEX of approximately R 2.3 billion per year, it is clear that it will take Council approximately 27 years to eradicate all backlogs and cater for future growth.

This does not cater for any in migration or growth in the informal settlements neither does it make any provision for escalation in services costs.

Council is in the process of reviewing its Growth and Development Strategy (GDS) and the ensuing CAPEX prioritization model. It is thus of the utmost importance that this imbalance between Capital needs and available funds be addressed when determining the "Future EMM". The Capital Infrastructure Framework (CIF) should also be aligned with the GDS while the Housing strategy should play an important role in the GDS review.

The GDS should thus be an integrated strategic planning tool to be used in determining the future allocation of Capital funds.



The GDS should also pronounce on economic growth aspects to broaden Council's income base and thus enabling Council to increase its own spending on Capital projects.

Financial Performance for the year

Capital Expenditure per Department

The table below provides the capital spent per department as at financial year end. The sub total shows the percentage of the capital budget spent by the capital intensive departments. These departments implement more than 80% (in monetary value) of the capital projects of council.

Table 10: Capital Expenditure per Department

	FULL YEAR BUDGET	ACTUAL RESULTS	Actual Spent %
	TOTAL	TOTAL	Year to Date
Department			
IS: RTCW	551,032,215.00	495,727,651.96	89.96%
Housing	333,183,907.00	189,563,439.35	56.89%
Electricity & Energy	327,359,949.00	357,956,670.36	109.35%
IS: Water and Wastewater	208,895,547.00	199,069,615.60	95.30%
Environmental Development: Solid Waste	147,995,965.00	135,255,271.42	91.39%
SRAC	120,711,000.00	90,988,811.06	75.38%
Health	116,389,440.00	119,561,689.80	102.73%
Environmental Development: Parks	104,642,063.00	104,534,654.75	99.90%
CCA's	76,318,089.00	41,034,214.47	53.77%
ICT	73,604,588.00	62,048,331.66	84.30%
Community Safety	64,861,184.00	55,529,353.47	85.61%
Sub Total	2,124,993,947.00 	1,851,269,703.90	87.12%
Economic Development	47,237,247.00	33,456,632.49	70.83%
Finance	18,658,000.00	14,628,199.05	78.40%
Council General	14,909,570.00	7,942,643.33	53.27%
Environmental Development: Environment	9,768,435.00	4,410,632.10	45.15%
IDP	6,011,500.00	4,852,905.40	80.73%
Political Office	4,749,600.00	2,458,357.86	51.76%
Corporate and Legal Services	4,118,000.00	2,590,220.67	62.90%
Fleet Management	3,527,182.00	1,646,200.97	46.67%
City Development	1,600,000.00	885,128.71	55.32%
Human Resources	670,000.00	617,136.06	92.11%
Environmental Development: Environmental H	450,000.00	409,852.19	91.08%
Internal Audit	445,000.00	438,448.76	98.53%
Communications and Marketing	319,200.00	294,130.30	92.15%
City Manager	105,300.00	34,601.76	32.86%
DCM : Strategic Services	91,200.00	79,989.00	87.71%
Research and Development	50,000.00	38,215.70	76.43%
DCM: Operations	18,000.00	-	0.00%
Grand Total	2,237,722,181.00	1,926,052,998.25 	86.07%

When comparing the spending trend with that of previous years, a typical spending pattern emerges. The pattern is known as the “hockey stick” where expenditure increases exponentially in the last three months of the financial year.

Detailed evaluations of the CAPEX expenditure as well as project implementation revealed the following:

- EMM is still implementing projects as though we have a one year budget cycle. Our project implementation maturity level has to be increased to a level where all Departments and project managers are **thinking and doing multiyear** planning and implementation.
- A serious challenge exists within Departments regarding the capacity and experience of project managers as well as project/program overseers (Departmental champion).
- The different project cycles are totally underestimated during the planning phases of a project.
- Project managers are not well trained in the procurement policies and procedures resulting in poorly evaluated and compiled tender evaluation reports. This leads to referred back items and delays in project implementation.
- Some capacity constraints exist in the tender office which is aggravated by an uneven cyclic procurement program.

To address the challenges outlined above, Council purchased and enhanced project management and monitoring software to track and monitor progress of project implementation.

This software, if properly used, will allow Departments to plan projects in terms of a three year cycle and thus eliminate the one year implementation approach. It will also allow the EPMO to monitor and report on financial and physical progress on a monthly basis.

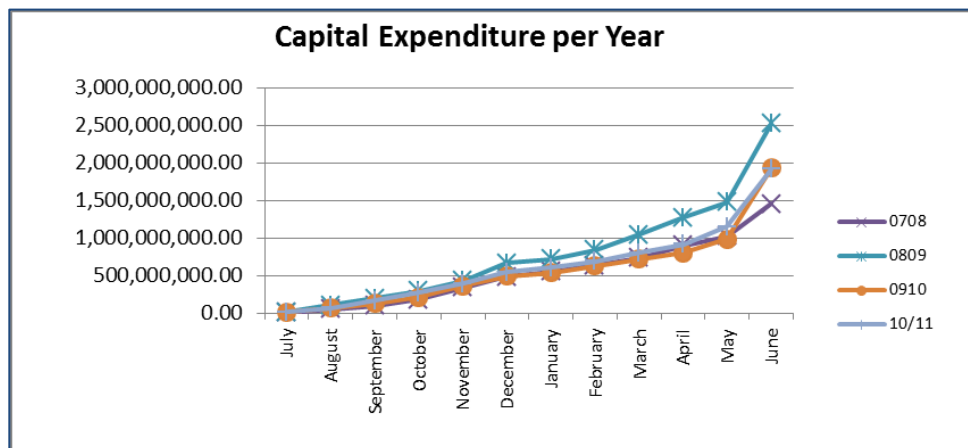
It will also allow program managers (Departmental champions) and the EPMO to identify non-performing projects in time and assist getting projects back on track. It will furthermore assist Council to consider the January adjustment budget making use of scientific and actual project related progress information.

Council is currently in the process of procuring the services of a training service provider to assist in the training of individual Departmental project managers.

The tender office is also working on training material to enhance report writing and procurement skills.

Independent contractors will be appointed to enhance the project overseeing (Departmental champions) capacity.

Figure 9: Comparison of capital spending with previous years



Repairs and Maintenance per Department

Table 11: Repairs and Maintenance Expenditure per Department

	BUDGET 2010/2011	TOTAL EXPENDITURE		% SPENT
Electricity & Energy	370,915,911	368,144,821.95	↑	99.25%
IS: Roads, Transport & Civil Works	347,639,615	337,268,409.00	↑	97.02%
IS: Water and Waste Water	148,040,838	143,031,675.45	↑	96.62%
Environmental Development: Solid Waste	98,270,353	79,370,368.83	↑	80.77%
Information & Communication Technology	59,044,835	33,714,388.08	↓	57.10%
Environmental Development: Parks	47,470,668	44,835,369.13	↑	94.45%
Sport, Recreation, Arts & Culture	24,227,997	21,252,138.65	↑	87.72%
Council General	18,924,000	17,762,285.87	↑	93.86%
Finance	20,076,001	3,824,301.51	↓	19.05%
Housing	19,413,020	14,713,361.68	→	75.79%
Customer Care Centres	15,163,327	8,458,731.95	↓	55.78%
Community Safety	20,194,873	16,769,075.68	↑	83.04%
Ekurhuleni Metro Police Dept (EMPD)	13,333,668	12,093,681.96	↑	90.70%
Legal and Administrative Services	7,265,494	5,071,820.74	↓	69.81%
Health	5,330,479	4,417,837.46	↑	82.88%
Environmental Development: Environmental & Environmental Health	6,535,264	5,293,928.36	↑	81.01%
Human Resources	1,101,405	710,835.98	↓	64.54%
IS: Fleet Management	1,377,192	1,044,870.77	→	75.87%
Springs Fresh Produce Market	1,080,531	1,046,069.90	↑	96.81%
City Development	646,439	334,385.15	↓	51.73%
Economic Development	374,423	179,588.59	↓	47.96%
Political Office	359,056	115,868.94	↓	32.27%
Internal Audit	167,725	116,231.84	↓	69.30%
Communications & Marketing	89,322	65,451.13	→	73.28%
Deputy City Manager: Strategic Services	73,652	62,080.41	↑	84.29%
Deputy City Manager: Corporate Services	58,652	3,223.39	↓	5.50%
City Manager	35,208	22,220.27	↓	63.11%
Integrated Development Planning	18,720	63.11	↓	0.34%
Research & Development	15,592	14,799.34	↑	94.92%
TOTAL	1,227,247,912	1,119,737,885.12	↑	91.24%

Spending on repairs and maintenance was at an acceptable level with 91.24% of the budget spent. The target is to spend at least 95% of the repairs and maintenance budget in future years to ensure all of Council's assets are maintained at an acceptable level so that service interruptions are minimised.

Gross and Net Margins on Services

Gross and Net Margins (in other words, the profit, gross or net, expressed as a percentage of sales – this is not the same as mark up, mark up is the gross profit expressed as a percentage of the cost of sales) are stated on the main services of Council.

The margins are shown both as a total for the service, but also excluding the capital grants (to show the results of operations alone) as well as excluding the equitable share grant (to show the results of operations without taking government support into account).

Electricity

Table 12: Electricity Gross and Net Margins

	BUDGET 2010/2011 Adjusted R	ACTUAL 2010/2011 Un-audited R
ELECTRICITY		
Sales	7,493,919,242.00	7,403,442,587.52
Less Cost of Sales (Bulk Purchases)	4,841,864,393.00	4,746,661,733.16
Gross Profit	2,652,054,849.00	2,656,780,854.36
Gross Profit as a % of Sales	35.39%	35.89%
Plus Other Income	835,978,944.00	837,638,300.42
Less Other Expenditure	2,627,824,602.00	2,418,456,207.23
Nett Profit	860,209,191.00	1,075,962,947.55
Nett Profit as a % of Sales	11.48%	14.53%
Less Capital Grants	69,715,347.00	70,478,406.53
Nett Profit (Excl Capital Grants)	790,493,844.00	1,005,484,541.02
Nett Profit as a % of Sales (Excl Capt Grants)	10.55%	13.58%
Less Equitable Share	414,434,358.00	414,434,291.00
Nett Profit (Excl Capital Grants and Eq Share)	376,059,486.00	591,050,250.02
Nett Profit as a % of Sales (Excl Capt Grants and Eq Share)	5.02%	7.98%

Electricity showed a better than budgeted net profit margin, mainly as a result of lower than budgeted expenditure (both cost of sales).

Water and Sanitation

Table 13: Water and Sanitation Gross and Net Margins

	BUDGET 2010/2011 Adjusted R	ACTUAL 2010/2011 Un-audited R
WATER		
Sales	2,106,889,786.00	1,764,991,547.48
Less Cost of Sales (Bulk Purchases)	1,435,088,907.00	1,357,614,155.27
Gross Profit	671,800,879.00	407,377,392.21
Gross Profit as a % of Sales	31.89%	23.08%
SEWER		
Sales	665,238,407.00	662,933,910.01
Less Cost of Sales (Bulk Purchases)	330,940,954.00	330,940,953.96
Gross Profit	334,297,453.00	331,992,956.05
Gross Profit as a % of Sales	50.25%	50.08%
WATER AND SANITATION		
Plus Other Income	1,160,020,874.00	1,048,819,515.79
Less Other Expenditure	1,333,913,508.00	1,181,958,456.90
Nett Profit	832,205,698.00	606,231,407.15
Nett Profit as a % of Sales	30.02%	24.97%
Less Capital Grants	69,332,545.00	50,906,604.43
Nett Profit (Excl Capital Grants)	762,873,153.00	555,324,802.72
Nett Profit as a % of Sales (Excl Capt Grants)	27.52%	22.87%
Less Equitable Share	645,975,560.00	645,975,560.00
Nett Profit (Excl Capital Grants and Eq Share)	116,897,593.00	-90,650,757.28
Nett Profit as a % of Sales (Excl Capt Grants and Eq Share)	4.22%	-3.73%

The water and sanitation service had a worse than budgeted net profit margin. There was a significant difference between budgeted and actual sales, whilst cost of sales was only marginally lower than budgeted. Council is currently working towards the minimisation of water losses (both commercial and real losses) which will contribute to the service being profitable.

Solid Waste

Table 14: Solid Waste Gross and Net Margins

	BUDGET 2010/2011 Adjusted R	ACTUAL 2010/2011 Un-audited R
SOLID WASTE		
Income	1,125,295,421.00	1,060,070,438.56
Less Expenditure	956,677,172.00	860,572,113.31
Nett Profit	168,618,249.00	199,498,325.25
Nett Profit as a % of Sales	14.98%	18.82%
Less Capital Grants	18,000,000.00	14,974,047.27
Nett Profit (Excl Capital Grants)	150,618,249.00	184,524,277.98
Nett Profit as a % of Sales (Excl Capt Grants)	13.38%	17.41%
Less Equitable Share	326,803,123.00	326,803,123.00
Nett Profit (Excl Capital Grants and Eq Share)	-176,184,874.00	-142,278,845.02
Nett Profit as a % of Sales (Excl Capt Grants and Eq Share)	-15.66%	-13.42%

The Solid Waste Service had a net deficit on the service, but it must be emphasised that this includes the income generating (round collections and landfill sites) as well as non-income generating services such as litter picking and illegal dumping. Council is currently working on new tariff setting strategies which would pave the way towards a break even situation.

Key Financial Statistics and Financial Ratio's

Table 15: Key Financial Statistics

Key Financial Indicators	2009/10	2010/2011	Variance (%)
Cash & Investment Balances (R)	995,601,754.18	1,589,758,752.85	59.68%
Growth in Total Revenue (%)	21.00%	22.79%	8.54%
Growth in Grants (%)	16.14%	18.11%	12.18%
Growth in Assessment Rates (%)	19.88%	13.34%	-32.91%
Growth in Service Charges (%)	30.53%	29.70%	-2.74%
Growth in Total Expenditure (%)	6.01%	13.36%	122.41%
Growth in Operating Expenditure (%)	11.33%	15.08%	33.06%
Growth in Capital Expenditure (%)	-23.41%	-0.46%	-98.02%
Surplus (R)	(1,534,904,740.12)	(686,751,867.37)	-55.26%
Growth in total gross debtors (%)	14.85%	13.52%	-8.95%
Growth in total net debtors (%)	13.92%	15.39%	10.51%
Growth in net consumer debtors (%)	4.14%	17.52%	322.88%
Borrowings to Revenue (%)	19.26%	22.64%	17.56%

Performance Highlights for the Year

Table 16: SDBIP Performance for Operations Departments

Indicator	Unit of Measurement	Target	Actual
Electricity and Energy			
Percentage of downtime for electricity services in kWh lost	% kWh lost (Less than)	Less than 0.9%	0.9%
Number of protective structures/boxes installed	Number of protective structures installed	3,000	4,949
No of high mast lights provided	No of high mast lights provided	70	118
No of street lights replaced with efficient luminaires	Energy Efficiency	10,000	10,383
No of solar geysers installed	Energy Efficiency	2,000	7,600
Pre-payment vending – No of customers not purchasing over a 90 day period – 18,500 meters by-passed	No of customers not purchasing over a 90 day period	Reduce by 10%	12,40%
No of poles provided with streetlights	No of poles provided with streetlights	570	1100
No of electricity supply connections	Number of stands/households	10,000	9,152
Water and Wastewater			
Failure / Unplanned interruptions of service	No of interruption of service	25,000	14,211
Failure / Unplanned interruptions of service	No of interruptions exceeding 24 hrs	30,000	41,581
Water purchased vs water billed	Volume of water purchased (kl)	332,283,696	332,557,257
Reduction of stands not metered	No of stands not metered	10,000	8,707
Compliance with SANS 0241	Percentage compliance	>95%	97,8%
Usable meter readings	Percentage of usable meter readings	>95%	79%
No of Job opportunities	Person Days	1,000	108,791
Roads, Transport and Civil Works			
Kilometers of Existing Roads Rehabilitated	No. of kilometers	240km	255km
Kilometers of New Roads Constructed.	No. of kilometers	90km	94km
Provision of new pedestrian walkways measured in kilometers	No of kilometers	15km	30,4km
An expanded and improved strategic road network in EMM	No of kilometers	6km	13,6km
No of modal transfer facilities provided at stations	No of stations upgraded	2	2
Construction of Storm-water Conduits	No. of Kilometers	80km	56km
Environmental Development - Solid Waste			
Backlog service points serviced	Number of service points	8,000	6,550
Identified illegal dumping hot spots eliminated	No of illegal dumping hot spots eliminated	6	24
Prepared waste disposal airspace provided	Volume of airspace in m3	200,000	200,000
Methane gas extracted per year	Tonnes of gas extracted	80,000	46,934
Environmental Development - Metro Parks			
Planting of trees	No of trees planted	12,000	13,000

Designated standards for turf grass management	m2 of area maintained per cycle	195,000,000	290,438,363
Private stands with cut grass after notices served	No of stands with cut grass after notices served	3,200	897
Community parks upgraded	No of community parks upgraded	20	29
Environmental Development – Environmental Health			
Ambient Air monitoring stations operational	No of Ambient Air monitoring stations operational	8	6
Sport, Recreation, Arts and Culture			
Sport and Recreational facilities upgraded according to norms and standards	Number of facilities completed	80	185
Increased participation by community members	Number of programmes	2	43
Library facilities maintained according to norms and standards	No of new library facilities maintained	43	43
Number of Arts and Culture capacity building programmes	Number of capacity building programmes	5,670	4,160
Library media resources increased and developed for the community	Number of new library media provided	18,000	23,257
Number of Heritage Initiatives	Number of heritage initiatives	8	13
Presented Library programmes to enhance a culture of reading	Number of library programmes	20	36
Housing			
Community outreach sessions	Number of community outreach sessions per annum	10	14
Stands planned	Land identified for number of stands per annum	20,000	20,394
Serviced stands	Number of serviced stands per annum	7,396	333
No of stands with access to sanitation	Stands in informal settlements with access to sanitation per year	70,000	8,714
No of Jobs per month	No of jobs created per month	3,600	1,5572
Health			
No of clients with access to Antiretroviral Therapy	No of clients with access to Antiretroviral Therapy	9,000	33,888
Total no. of Indigents registered	Total no. of Indigents registered for the year	7,000	16,088
Awareness programmes on Domestic Violence against Women	Awareness programmes on Gender based violence	21	38
Community HIV & Aids Interventions	No of HIV/AIDS programmes developed and implemented to reduce the impact of HIV/AIDS	16	97
Awareness campaigns for older persons	No of Awareness campaigns for older persons	9	32
Provide care support and protection of children including orphans and vulnerable children	No. of Programmes implemented on Care, Support and Protection of Children.	9	23
Linkage of Early Childhood Development Programmes with Expanded Public Works Programme	No. of Early Childhood Development Practitioners trained annually	45	1,689

Community Safety and EMPD			
Observance of nationally defined speed of response	Speed of response as defined by National Standards	75%	84.42%
Enforcement of Emergency Services By-Laws	No of by-law operations conducted	50	50
Risk assessment identified and conducted	No of premises with reportable quantities of dangerous goods identified and assessed	1,300	2,105
Licensing facilities established	No of facilities established	3	4

Building and Zoning Plans for the Year

Table 17: Average time taken to approve building plans

Architectural area of buildings	Average turn-around time
Less than 500m ²	30 days
500m ² or larger	90 days

Table 18: Number of building plans submitted for consideration and number of outstanding building Plans.

Category	Number of New Applications received 2010/2011	Total Rand Value of Applications Received	Applications outstanding 30 June 2011
Residential	5 763	R5,887,080.30	2 065
Residential additions	5 387	R4,741,239.50	1 644
Business	198	R849,487.77	106
Commercial	50	R466,301.70	31
Industrial	185	R3,203,207.00	106
Swimming Pool	47	R13,435.00	6
Congregation	44	R195,942.42	26
Guard House	16	R13,338.00	5
Clinic	4	R31,376.00	0
Walls	149	R45,553.00	15
Tank/ Cell Mast	92	R63,190.00	39
Educational	35	R115,041.80	18
Lapa	24	R10,474.80	17
Other	179	R454,874.54	130
Total	12 173	R16,090,541.61	4 208

Table 19: Town planning Application Statistics

Applications Outstanding 1 July 2010	Category	Number of new Applications Received 2010/2011	Applications Considered	Applications outstanding 30 June 2011
399	Residential	141	83	457
96	Retail	13	20	89
49	Commercial	11	15	45
55	Industrial	16	19	52
	Other(Specify)			
4	Agriculture	7	3	8
1	Educational	4	2	3
13	Special	2	5	10
617	TOTAL	194	147	664

CHAPTER THREE

HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT

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CHAPTER THREE: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT

Statistics on Staffing

Table 20: Number of positions per department

	Professionals		Semi-skilled workers		Senior Management		Skilled Workers		Top management		Unskilled workers		Grand Total	
Function	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant
2010 Office		4		5	1	3	3	10		1		2	4	25
Administrative Office	2		2									1	4	1
Administrative Support Office		1	5				2						7	1
City Development Department	20	11	8	2	6	1	132	36	1		2		169	50
Communication and Marketing Office	16	2	7		2	2	19	1					44	5
Community Safety Department	89	6	2636	174	16	12	570	139	1		386	54	3698	385
Corporate and Legal Services	54	13	112	17	11	1	159	20	1		92	9	429	60
Corporate Services Cluster				1			1			1			1	2
Customer Care Area	19	1	37	3			39	2		1			95	7
Customer Care Centre Management Office														
Economic Development Department	8	2	1		6		16	6		1			32	8
Electricity and Energy Department	43	9	319	70	10	1	345	48	1		290	45	1008	173
Employment Equity / Transformation Office			1		1		3	2					5	2
Environmental Development Department	41	4	1395	183	10	2	288	31		1	1691	213	3425	434
Finance Department	67	14	454	117	13		416	83	1		63	23	1014	237
Fresh Produce Market		1	18	2			2	2			15		35	5
Health Department	123	3	337	17	9	5	677	39	1		191	7	1338	71
Housing Department	7	5	15	11	13	4	71	24	1		99	8	206	52
Human Resource Management & Development Department	29	2	69	9	5	3	113	9	1		10		227	23
IDP Office (0)	3		2	1	1		1						7	1
Information Communication	33	4	25	6	4	2	101	13	1		1		165	25

	Professionals		Semi-skilled workers		Senior Management		Skilled Workers		Top management		Unskilled workers		Grand Total	
Function	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant
Technology Department														
Infrastructure Services Department	63	14	725	164	30	7	445	126		1	1202	54	2465	366
Internal Audit Office (1)	14	2	2		1	2	32	1			1		50	5
Mayoral Committee (3)							18	2					18	2
Municipal Public Accounts Committee Office	1		1				1						3	
Office Of The Chief Whip			3	1			10						13	1
Office of the City Manager Cluster			1		1				1				3	
Office Of The Executive Mayor Cluster							1						1	
Office Of The Speaker	1	1					2						3	1
Operations Cluster							2			1			2	1
Organisational Performance Office			1	1	1		4	1		7			7	8
Political Support Office	4	2											4	2
Risk Management Office					1								1	
Sport, Recreation, Arts & Culture Department	36	1	651	84	5	1	193	21	1		473	53	1359	160
Strategic Services Cluster			1				1			1			2	1
Youth Unit					1		5						6	
Grand Total	673	102	6828	868	148	46	3672	616	11	15	4516	469	15842	2116

Employment Equity

The Ekurhuleni Metropolitan Municipality implements comprehensive employment equity, training and development and education strategies to redress historic and existing inequalities, imbalances, prejudices and injustices in the workplace by:

- Ensuring equal employment opportunity practices;
- Enforcing the right of fundamental equality and opportunity between men and women in employment as well as the right of every person to be protected against employment or procurement discrimination on the grounds of race, gender ethnic or social origin, colour, age, culture, language, marital status, disability or economic status.
- Committing itself to a consultative process of effective planning and implementing affirmative action and employment equity to redress past imbalances, and identifying the skills, occupational categories required in the future to ensure the attainment of a socially responsible, efficient and racially integrated workforce, representative and sensitive to the needs of the community.

Table 21: Workforce EE profile as at 30 June 2010

Workforce EE profile June 2010	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Total Workforce	8545	490	136	1171	4403	337	99	794	15 975
Recruitment 09/10	713	110	43	97	582	81	23	34	683
Terminations 09/10	364	13	5	73	91	7	5	44	602

Table 22: Workforce EE profile as at 30 June 2011

Workforce EE profile June 2011	MALE				FEMALE				TOTAL
	A ³	C ⁴	I ⁵	W ⁶	A	C	I	W	
Total Workforce	8299	534	139	1147	4483	361	104	775	15 842
Recruitment 10/11	813	92	13	64	699	49	14	31	1 775
Terminations 10/11	802	37	9	81	390	21	6	51	1 392

Skills Development

Skills development is one of the highest priorities of the Metro. Skills development has both an internal as well as an external focus.

Bursaries

A total of a 62 bursaries were allocated to the members of the community to give study opportunities.

Learnerships - The following learnership programmes were implemented:

- Information, Communication and Technology learnership programme for 100 women
- Horticultural programme for 172 candidates (drawn from internal employees and members of the community)
- Emergency Services Learnership programme for 100 learners drawn from members of the community
- 89 learners from the Artisan Development Programme absorbed to be part of permanent staff complement.

Scare Skills Learnerships

The Human Resources Department exposed learners in the systems support as well as emergency services learnerships as part of scare skills.

³ African
⁴ Coloured
⁵ Indian
⁶ White

Electricity Training Centre



Municipal Finance Management Internship Programme (MFMIP)

A total number of 9 interns who completed finance related qualifications were appointed under this programme.

Of the 9, 6 had their contracts renewed until June 2012 and 4 were appointed at the Finance and Internal Audit Departments respectively.

The remaining interns are involved in a project that deals with the assistance towards the establishment of the Real Estate Department/Division.

Young Professionals

The Revenue Management and Enhancement Programme engaged 3 students with finance related qualifications through the Development Bank of South Africa Siyenza Manje Project.

Implementation of National Treasury Regulations on Minimum Competency Requirements

National Treasury has issued **Regulations on the Minimum Competency Levels** (National Treasury Regulation No. R493 - gazetted on 15 June 2007). In terms of the Regulations, the City Manager of the Municipality and the Chief Executive Officers of the respective Municipal Entities must ensure that competencies of all financial officials and supply chain management officials are assessed in order to identify and address gaps in competency levels of those officials.

Staff will be assessed on, and must comply with, three areas by 1 January 2013:

- Formal qualification;
- Work-based experience; and
- Unit standards prescribed for financial and supply chain management competency areas.

A Task Team, comprising the Human Resources and Finance Departments as well as the municipal entities, has been established to drive the process of implementation.

On-going assessment on progress of implementation is managed through regular reporting to the Senior Management Team, Council and National Treasury. Ekurhuleni management perceive the intervention as being a win-win situation for staff and the municipality to benefit from enhanced skills sets in financial management and strategic leadership within the municipality.

Training provided to employees covered in terms of the Gazette (To be compliant by January 2013)

- 27 employees attended the Certificate Programme in Management Development at Wits Business School – 11 employees declared competent on 19 Modules. Others are in a process of completing the course. So far only one employee is fully competent on all the modules.
- 23 employees attended the Municipal Finance Management Programme. So far only 4 Managers were declared fully competent. Others are in a process of completing the course.
- 221 Managers attended an internal programme focused on six unit standards.
- 15 employees in the finance Departments are currently in a process of being assessed in order to recognize prior learning.
- One employee and two interns are nominated to participate in a programme by the National Treasury.

Other Finance Employees

- 15 Employees were trained for AAT NQF 3, and 12 successfully completed the course.
- 24 Employees were trained for AAT NQF 4
- 17 Employees underwent Supply Chain Management Training

Table 23 NT Minimum Competency Levels Return as at 30 June 2011

- See next page

MFMA: MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS

SIX MONTHLY IMPLEMENTATION REPORT: SCHEDULE

Every municipality must submit this schedule to National Treasury disclosing for the 6 months ending 31 December and 30 June:

1. the total number of financial and supply chain management officials employed by the municipality and each of its municipal entities, and of those officials:
2. how many have undertaken a competency assessment, and
3. how many have complying performance agreements, including the attainment of competencies as a performance target.
4. Should you wish to provide additional information please include comments in the box below or forward a separate letter to the

National Treasury MFMA Implementation Unit, Private Bag X115, Pretoria, 0001.

The schedule must be submitted no later than one month after the 6 month period end (i.e.30 January and 30 July). No extension of time will be given. This information must also be reflected in the municipality's Annual Report as at the end of the financial year to which the report relates. A municipal entity must submit its information to the parent municipality no later than 20 January and 20 July and also reflect this in its own Annual Report.

To save the file press the following keys at the same time with Caps Lock off: Ctrl-Shift-S. Save file as: Muncde_COM_ccyy_Sn.xls (e.g. GT411_COM_2008_S1.xls)

The electronic return must be emailed to lgdatabase@treasury.gov.za.

DECLARATION: The Municipal Manager/ Chief Executive Officer certifies this to be a true and accurate record of the implementation of the MFMA Municipal regulations on Competency Levels for officials in the municipality and/ or municipal entity for the six month period.

Municipal Manager/ CFO name:	Khaya Ngema		Email:		khaya.ngema@ekurhuleni.gov.za	
Telephone:	011-999-0481		Date (ccyy/mm/dd):		6/30/2011	
Mun Code:	GT000		Municipality Name:		Ekurhuleni Metro	
Financial Year:	2010/11		Six Month Period:		S2 Jan - June	
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	3	4	0	0	0
Chief financial officer	1	3	4	0	0	0
Senior managers	10	24	34	0	0	0
Any other financial officials	450		450	0	0	5
Supply Chain Management Officials						
Heads of supply chain management units	1		1	0	0	0
Supply chain management senior managers	0	0	0			0
TOTAL	463	30	493	0	0	5

Trends of total personnel expenditure over the last 3 years

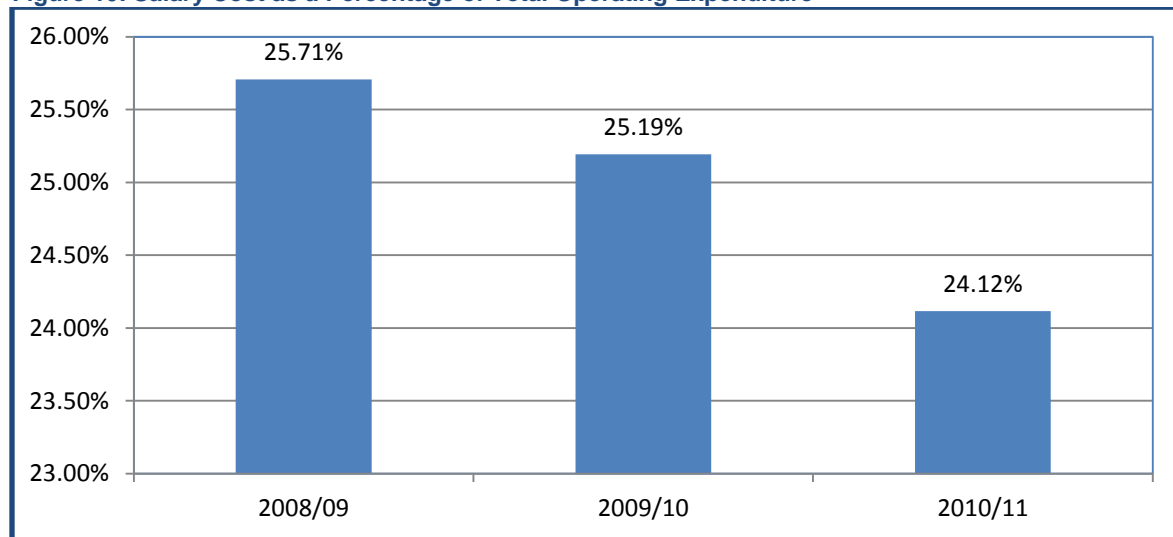
The total personnel expenditure over the last three years increased higher than inflation due to changes made to the salary scales of employees.

Table 24: Employee costs: 2008/09 – 2010/11

	2008/2009	Increase	2009/2010	Increase	2010/2011	Increase
Salaries & Wages	2,725,458,650	24%	3,075,315,987	13%	3,396,237,924	10%
Social Contributions	630,348,572	18%	748,828,499	19%	839,705,708	12%
TOTAL	3,355,807,222	23%	3,824,144,486	14%	4,235,943,632	11%

Salaries and wages expressed as a percentage of total expenditure constantly moved downwards during the last four years, amongst others as a result of the higher than inflationary increases to the cost of electricity.

Figure 10: Salary Cost as a Percentage of Total Operating Expenditure



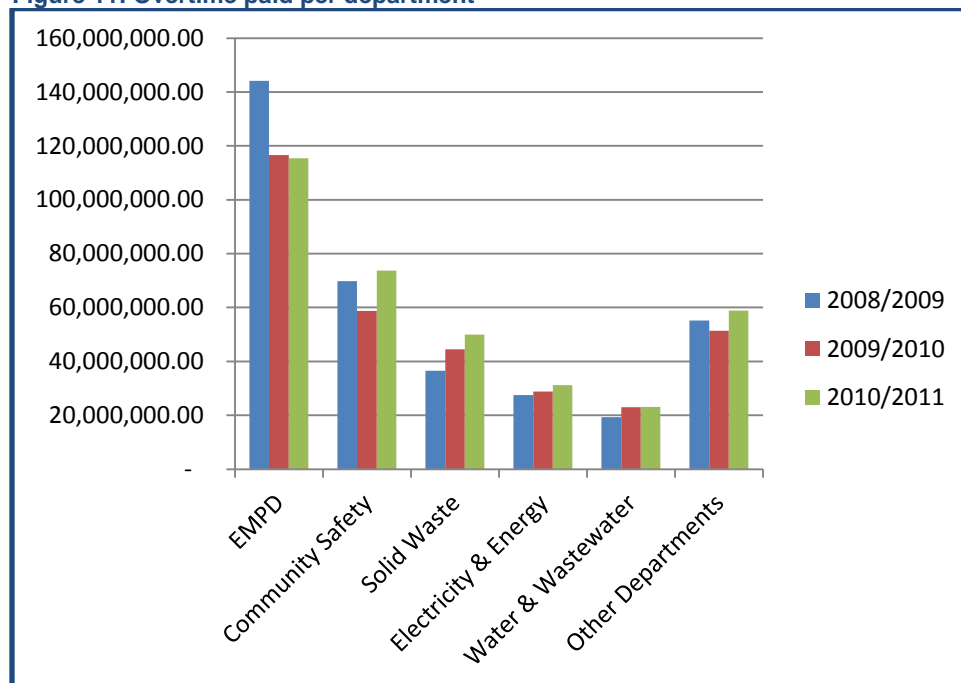
The overtime cost, however has increased between 2007/08 to 2008/09, but as a result of an intensified programme of overtime reduction, a lower expenditure was incurred during 2009/10. Overtime increased again in 2010/2011, both as a result of increased salary cost and increased overtime worked.

The departments that account for the bulk of the overtime is the Ekurhuleni Metro Police Department and Community Safety as a result of the 24/7 service that is provided to the community.

Table 25: Overtime cost per department

Department	2008/2009	2009/2010	2010/2011
EMPD	144,171,844.36	116,546,598.02	115,362,929.17
Community Safety	69,759,008.17	58,800,496.66	73,700,202.95
Solid Waste	36,482,782.74	44,444,905.15	49,963,390.17
Electricity & Energy	27,455,159.16	28,829,588.69	31,146,550.39
Water & Wastewater	19,284,337.03	22,989,306.64	23,059,977.06
Other Departments	55,192,261.79	51,411,887.19	58,902,853.29
Total	352,345,393	323,022,782	352,135,903

Figure 11: Overtime paid per department



Pension Funds

For most people employed by the EMM, the investment they make in their employer sponsored retirement fund is probably larger than any other investment that they make. It is therefore of vital importance that both employees and employers ensure that the funds they participate in are managed efficiently and effectively and with the utmost good corporate governance.

The staff of the Ekurhuleni Metro belongs to the following pension funds:

Table 26: Municipal Pension Funds

Name of Fund	Number of Members in Fund	New Membership for 2010/11 financial year	Employer Contribution
Defined Benefit Funds			
Municipal Employees Pension Fund	1 997	30	22%
Joint Municipal Pension Fund	162		22%
Germiston Municipal Retirement Fund	0		26.78%
South African Local Authority Pension Fund	172	1	18%
Defined Contribution Funds			
National Fund for Municipal Workers	1 831	169	22%
Municipal Gratuity Fund	9 476	394	22%
Municipal Employees Union Retirement Fund	15		22%
Germiston Municipal Retirement Fund (Provident)	1 595	139	26.78%
South African Local Authority Provident Fund	31		9%
Greater Benoni Provident Fund	62		22%
South African Municipal Workers Union Provident Fund	496	7	22%

Risk Factors associated with the pension funds

The major risk to EMM rests in the defined benefit funds (DBF). This is so because all the risk of meeting the full pension benefit, payable to employees, rests with EMM. Thus, if at any time the fund has liabilities greater than assets (i.e. it is in an actuarial deficit), EMM will be responsible to ensure that the deficit does not result in any employee receiving a pension less than that defined in the rules of the fund. It is considered that all DBF create significant risk for EMM.

There is a specific risk to Council insofar as the Germiston Municipal Retirement Fund is concerned. In terms of the rules (section 10(8)) and in terms of the recent court judgment, Council is required to fund any shortfall between the actual investment yield of the pension fund and 5.5% as minimum investment yield. With the recent market volatilities, there is a potential risk that the actual investment yield of the municipality could have dropped to below the minimum 5.5%.

The defined contribution funds (DCF) have no deficit contribution requirement and therefore has limited or no risk. However, all the funds, both DBF and DCF, have an additional set of liabilities in terms of the rules of each fund. They are as follows:

- The costs of death benefits not covered by elements of the overall contributions.
- The costs of retrenchment.

Medical Schemes

The Metro is associated with five medical aid schemes, being:

Table 27: Medical Aid Schemes

Name of Medical Aid Scheme	No of employees belonging to the scheme	Council Contribution paid during 2010/11
Bonitas	4,973	81,438,327.38
Hosmed	876	20,093,911.35
Key Health	1,522	44,439,912.84
LA Health	2,719	45,225,598.13
SAMWU Med	271	3,495,985.13
TOTAL	10,361	194,693,734.88

Certain staff members have post-retirement medical aid benefits. The following amounts have been paid out as post-retirement benefits for existing pensioners:

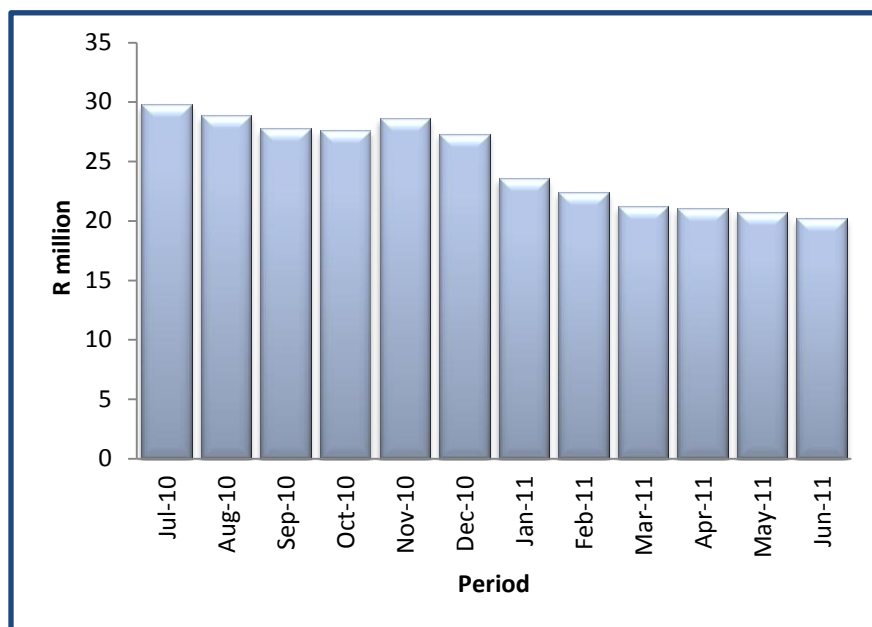
Table 28: Post-Retirement Medical Aid Benefits

Name of Medical Aid Scheme	No of employees belonging to the scheme	Council Contribution paid during 2010/11
KEY HEALTH	1,569	51,665,212.97
BONITAS	112	2,055,236.72
PRO SANO	2	57,254.40
LA HEALTH	12	201,552.55
HOSMED	21	377,795.40
TOPMED	1	38,596.80
SAMWUMED	2	5,143.24
TOTAL	1 719	54,400,792.08

An actuarial valuation of the potential post retirement liability of existing employees amounted to R1.37 billion (R1.28b as at 30 June 2010) as an unfunded liability. A provision has been created for this liability as a prior year adjustment. No assets are being set aside for the liability as the payments are done on an annual basis and funded from the operating budget. The provision, however, gives the reader an understanding of the commitment that the Metro has in respect of post-retirement medical aid cover.

Arrears owed to the municipality by staff and councillors

Municipal Staff - As at 30 June 2011, an amount of R 20,2 million (2010 = R 30,8) was owed by 7 702 staff members in respect of municipal services accounts. This amount represents debt



older than 30 days of R 9.98 million (2010 = R 23.3) as well as debt repayment arrangements of R 10,1 million (2010 = R 7,5).

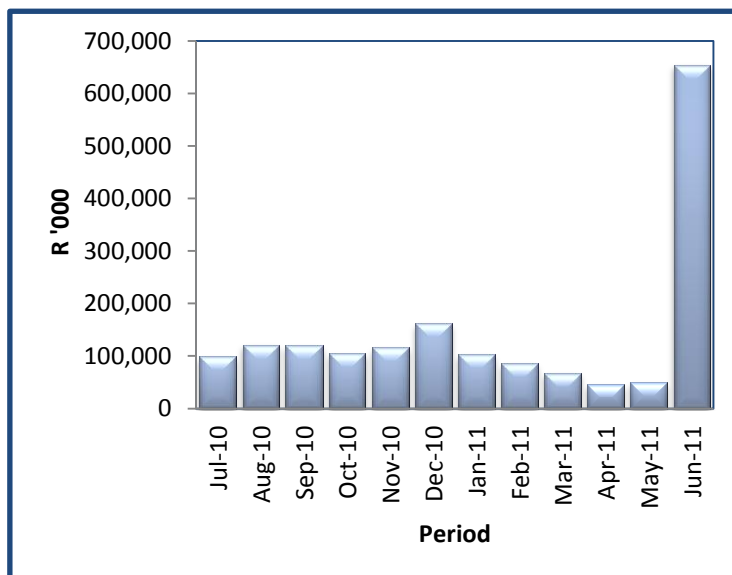
Figure 12: Staff arrears: Amounts in arrears plus arrangement accounts

Councillors - Municipal elections took place on the 18 May 2011 which resulted in the appointment of new council as from effective date. Prior to date

of election, outstanding services account debt in respect of elected councillors amounted R 49 930. These accounts were managed in terms of provisions of Systems Act.

The appointment of 129 new councillors as from election date resulted in drastic increase in outstanding debt value to R654 359 in respect of debt older than 30 days and debt repayment arrangements. Required processes are in place to again manage all accounts within the provisions Systems Act.

Figure 13: Councillor arrears: Amounts in arrears plus arrangement accounts



Legislative Compliance

Legislation Related To Departmental Functions

Finance

- Local Government Municipal Systems Act 32 of 2000
- Local Government Municipal Finance Management Act 56 of 2003
- Local Government Municipal Property Rates Act 6 of 2004

Human Resource Management & Development

- Labour Relations Act
- Basic Conditions of Employment Act
- Employment Equity Act
- Skills Development Act 97 of 1998
- Occupational Health and Safety Act
- Skills Development Levies Act

Information Communications Technology

- Telecommunications Act 103 of 1996
- Electronic Communications Act 36 of 2005

Corporate & Legal Services

As custodians of legal support and interpretation for the Municipality and all its structures, the Department must interpret all Local Government Legislation to enhance good governance processes within the Constitutional framework of which a few examples are:

- The Constitution of the Republic of South Africa
- Promotion of Access to Information Act 2 of 2000
- Promotion of Administrative Justice Act 3 of 2000
- Local Government: Municipal Finance Management Act 56 of 2003
- Local Government: Municipal Structures Act 117 of 1998
- Local Government: Municipal Systems Act 32 of 2000
- National Credit Act 34 of 2005

Health Department

- National Health Act 61 of 2003
- Nursing Act 1978 (Act No. 50 of 1978) as amended
- Pharmacy Act 1974 (Act No. 53 of 1974)

Community Safety

- Fire Brigade Services Act 99 of 1987
- Disaster Management Act 57 of 2002

- Road Traffic Management Corporation Act 29 of 1999
- National Road Traffic Act 93 of 1996

EMPD

- Road Traffic Act 29 of 1989
- National Road Traffic Act 93 of 1996
- Administrative Adjudication of Road Traffic Offences Act 46 of 1998
- Also see Traffic and Road Transport Library on Jutastat
- SA Police Services Act 68 of 1995

Housing

- Housing Act 107 of 1997
- Gauteng Housing Act 6 of 1998
- Rental Housing Act 50 of 1999
- Formalities in respect of leases of Land Act 18 of 1969
- Prevention of illegal eviction from and unlawful occupation of Land Act 19 of 1998

Infrastructure Services

- Electricity Act 41 of 1987
- Electricity Regulation Act 4 of 2006
- Local Government Roads Ordinance 44 of 1904
- Roads Ordinance 22 of 1957
- Local Government Ordinance 17 of 1939
- Water Services Act 108 of 1997
- National Water Act 36 of 1998
- National Land Transport Act 5 of 2009
- National Building Regulations and Building Standards Act 103 of 1977

Environment Development

- Environment Conservation Act 73 of 1989
- Environment Conservation Extension Act 100 of 1996
- National Environmental Management Act 107 of 1998

City Development Department

- Removal of restrictions Act 84 of 1967
- Physical Planning Act 88 of 1967
- Environment Conservation Act 73 of 1989
- Less Forman Township Establishment Act 113 of 1991
- Physical Planning Act 125 of 1991
- Development Facilitation Act 67 of 1995
- Gauteng Removal of Restrictions Act 3 of 1996
- Town Planning and Townships Ordinance 15 of 1986
- Division of Land Ordinance 20 of 1986

Sport, Recreation, Arts and Culture

- Commission for the promotion and protection of the rights of Cultural, Religious and Linguistic Communities Act 200, No 19 of 2002
- Cultural Institutions Act 1998, No 119 of 1998
- Cultural Promotion Act 1983, No 35 of 1983
- Safety at Sport and Recreational Events Bill, September 2006
- National Arts Council Act 1997, No 56 of 1997
- National Heritage Council Act 1999, No 11 of 1999
- National Heritage Resources Act 1999, No 25 of 1999
- South African World Heritage Convention 1999, No 49 of 1999
- South African Geographical names Council Act, Act 1998, No 118 of 1998
- National White Paper on Arts, Culture and Heritage, 1996
- National Sport and Recreation Act of 1998
- Safety at Sport and Recreation events Act of 2010
- South African Boxing Act of 2001
- 2010 FIFA World Cup South Africa special measures Act of 2010
- The South African Sports Commission Act of 1998.
- Provincial Library and Information Services Act, No 7 of 2001
- The Promotion of Access to Information Act, No 2 of 2002
- The National Council for Library and Information Services Act, No 6 of 2001.
- The Copyright Act, No 98 of 1978.
- The Legal Deposit Act, No 54 of 1997,
- The South African Library for the Blind Act, No 91 of 1998
- The National Library of South Africa Act, No 2 of 1998.

In addition to the above Acts, the municipality has the legislative authority to pass by-laws to govern and regulate issues within its area of jurisdiction.

Generally there is compliance with the above acts and by-laws. However there have been isolated incidents of non-compliance with the above legislation.

More information on litigation in which Council is involved can be found in Note 43 of the Annual Financial Statements dealing with contingent assets and liabilities.

Areas of known non-compliance

Ekurhuleni Metro

- The oversight report has not been finalised as required by Section 122 of the MFMA. *A new MPAC committee has been announced by the Executive Mayor and the finalisation of the oversight report is currently being dealt with.*
- The performance contracts of senior management has not been finalised within the deadlines as prescribed by Section 75(d) of the MFMA. *This was as a result of the*

review of the GDS and Institutional review and the need to incorporate the revised deliverables in the contracts. The contracts have been finalised in the last quarter of the financial year.

ERWAT

- The board of directors has not approved the annual budget for the 2011/2012 financial year as per sec 87(3) of the MFMA before the 1st June 2011.

Ekurhuleni Development Company

- None

Brakpan Bus Company

- None

CHAPTER FOUR

AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

a partnership that works



City of
Ekurhuleni

CHAPTER FOUR: AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

Report of the Chief Financial Officer

Treatment of Matters Raised by the Auditor General during the 2009/10 Audit

The audit outcomes of the Ekurhuleni Metropolitan Municipality for the 2009/2010 audit were as follows:

EMM Consolidated	Unqualified
ERWAT	Unqualified
BBC	Unqualified
EDC Group	Unqualified

Comments on the Consolidated Audit Report of the Metro and its entities:

Table 29: Comments on the AG Report

Subject Matter	Comments of the Accounting Officer
Restatement of corresponding figures	<p>Figures of the 2008/2009 financial year were re-stated as part of the compilation of the 2009/2010 financial year. The biggest restatement related to the fixed assets – with the full adoption of GRAP 17 during 2008/2009, the asset values were based on engineering assumptions. The physical infrastructure audits were conducted during the 2009/2010 financial year which led to adjustments to the infrastructure values.</p> <p>It is anticipated that prior year adjustments will reduce in future years, but it is unlikely that there will be no prior year adjustments in future as this is a requirement of GRAP 3 (in cases where errors are detected, or changes in accounting standards are implemented).</p>
Material losses / Impairments	<p>Water and Electricity Distribution Losses (Unaccounted for consumption) are disclosed in this section. The greatest concern is the unaccounted for water.</p> <p>Unaccounted for water are dealt with as detailed in Chapter 5, Water and Sanitation department.</p> <p>The unaccounted for electricity is within the acceptable norm of less than 5%. Due to the high cost of electricity, the amount is in excess of R100 million.</p>
Fruitless, wasteful and irregular expenditure	<p>There was a huge reduction in the extent of fruitless, wasteful and irregular expenditure compared to the 2008/2009 audit, however, it is the aim of the Metro to have no incidents of fruitless, wasteful and irregular expenditure. A new policy and procedure on how to avoid, detect and deal with fruitless, wasteful and irregular expenditure have been</p>

	compiled in the 2010/2011 financial year.
Report on other legal and regulatory requirements	<p>In addition to the correctness of the annual financial statements, the AG also expresses an opinion on other legislated matters. This section of the audit report impacts on whether the report is “clean”. In addition to being unqualified, this section should have no findings for a report to be “clean”.</p> <p>The report indicates that the AFS were not in compliance with the MFMA as amendments were made to the statements insofar as assets and debtors are concerned. Additional quality control measures have been implemented in the 2010/2011 financial year in that the Internal Audit department also pre-audited the assets and debtors information before finalisation of the AFS.</p> <p>Non-compliance with the SCM Regulations - the areas of non-compliance relates to investigations conducted by the EMM's Internal Audit Department. None of the non-compliances were detected by the AG, but was both detected and disclosed by the EMM as per the MFMA. The Metro is taking a zero tolerance approach on non-compliance with the SCM and disciplinary action is taken where appropriate.</p>
Internal Control	The AG expressed the opinion that the internal control environment is deemed to be appropriate, with the exception of assets and debtors which led to the adjustments to the AFS.

The Metro is currently working towards the achievement of a “Clean Audit” and not only an unqualified audit:

The official definition of the Auditor General on what constitutes a “Clean Audit” is:

“An Auditor’s Report with no:

- Qualification on the financial statements
- Findings on Predetermined objectives
- Findings on Compliance with Laws and Regulations
- Internal Control Deficiencies”

Progress made towards the achievement of a Clean Audit Report

When the management letter items/matters are compared for the 2009 and 2010 audits, the following conclusions can be reached:

Number of items as per the 2009 audit:	196
Number of items as per the 2010 audit:	103 (47%Improvement)
Number of new items as per the 2010 audit: (Which weren't issues raised in the previous financial year)	43
2009 audit items dealt with sufficiently:	136 (69% of total matters)

2009 audit items not yet dealt with sufficiently:

60 (31% of total matters)

The City Manager has established an Operation Clean Audit Steering Committee which is chaired by the Chief Financial Officer. This committee reports directly to the City Manager to ensure all matters raised by both the Internal and External Auditors are adequately dealt with.

Accounting Framework for 2010/11

The Ekurhuleni Metro implemented the Generally Recognised Accounting Practices (GRAP) framework during the 2008/09 financial year. No changes to the accounting framework were implemented during the 2009/10 financial year. Additional standards were approved by the Accounting Standards Board during the financial year, but no standards became effective before the 30th June 2011. The EMM has, however opted for the early adoption of the revisions to GRAP 16 (Investments Properties) and GRAP 17 (PPE).

Key Financial Statistics and Financial Ratio's

Table 30: Key Financial Statistics 2010/2011

Key Financial Indicators	2009/10	2010/2011	Variance (%)
Cash & Investment Balances (R)	995,601,754.18	1,589,758,752.85	59.68%
Growth in Total Revenue (%)	21.00%	22.79%	8.54%
Growth in Grants (%)	16.14%	18.11%	12.18%
Growth in Assessment Rates (%)	19.88%	13.34%	-32.91%
Growth in Service Charges (%)	30.53%	29.70%	-2.74%
Growth in Total Expenditure (%)	6.01%	13.36%	122.41%
Growth in Operating Expenditure (%)	11.33%	15.08%	33.06%
Growth in Capital Expenditure (%)	-23.41%	-0.46%	-98.02%
Surplus (R)	(1,534,904,740.12)	(686,751,867.37)	-55.26%
Growth in total gross debtors (%)	14.85%	13.52%	-8.95%
Growth in total net debtors (%)	13.92%	15.39%	10.51%
Growth in net consumer debtors (%)	4.14%	17.52%	322.88%
Borrowings to Revenue (%)	19.26%	22.64%	17.56%

Analysis of Financial Performance for the 2010/11 Financial Year – Revenue

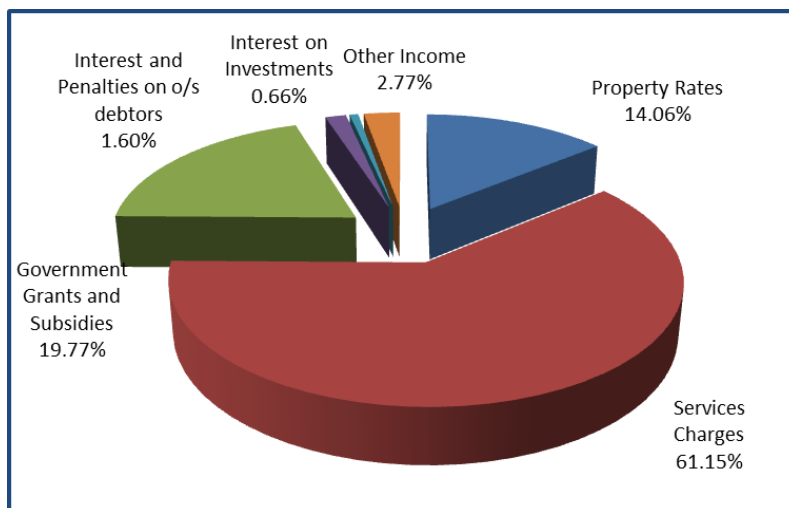


Figure 14: Operating Revenue – 2010/2011 financial year

Analysis of Financial Performance for the 2010/11 Financial Year – Revenue

Table 31: Financial Results Compared to Adjusted Budget

Budget vs. Actual	Budget 1011	Actual 1011	Variance (%)	Comments on Deviations
Property Rates	2,527,357,558.00	2,416,331,522.22	➡ -4.39%	The assessment rates were exactly as budgeted but the income forgone were more than anticipated.
Penalties Imposed on Property Rates	100,345,916.00	62,530,965.64	↓ -37.68%	Reduction in interest rate as well as effect of the credit control policy resulted in reduced income.
User Charges for Services	10,963,998,877.00	10,505,855,676.35	➡ -4.18%	Elec sales lower by 2% and Water by 14%.
Rental from facilities and equipment	41,870,732.00	49,063,907.48	↑ 17.18%	Lease income under budgeted for. Increased income resulting from improved management of leases.
Interest Earned - External Investments	56,373,001.00	119,552,608.00	↑ 112.07%	Additional interest received due to improved cash position.
Interest Earned - Outstanding debtors	338,677,921.00	212,198,108.39	↓ -37.35%	Reduction in interest rate as well as effect of the credit control policy resulted in reduced income.
Fines	184,938,688.00	135,348,767.54	↓ -26.81%	Traffic fines realised less than anticipated.
Licenses and Permits	25,703,553.00	30,049,465.94	↑ 16.91%	Income on permits and building plans more than anticipated.
Income from Agency Services	149,362,314.00	186,876,573.34	↑ 25.12%	Income on licenses and certificates & permits higher due to increase in fees.
Government Grants and Subsidies	3,661,779,814.00	3,397,688,307.46	↓ -7.21%	Not all capital grants recognised as income due to expenditure not being incurred in full.
Other Income	96,105,552.00	69,723,590.00	↓ -27.45%	Unpredictable portion of income, varies from year to year.
Gains on disposal of PPE	-	4,871,992.33		Profit on sale of assets not budgeted for.
Total Revenue	18,146,513,926.00	17,190,091,484.69	↓ -5.27%	
Footnote 1: A negative variance is indicative of actual income being less than budgeted income				
Footnote 2: Variance Indicators				
Green - 98% or more of budgeted revenue realised				
Amber Arrow - 95% - 97% of budgeted revenue realised				
Red Arrow - Less than 95% of budgeted revenue realised				

Revenue performance for the year was, as expected, just about 6% below budget. The greatest contributors to the non-achievement of the revenue targets were Solid Waste and Water sales.

The category for interest earned on unpaid accounts (both penalties imposed on property rates and interest earned on outstanding debtors) is showing a reducing trend over the last number of years as a result of a decline in the interest rates as well as the increased collection rates. Due to increased credit control activities, more arrangements are entered into which reduces the interest charged. The interest portion is currently mainly charged on old outstanding debtors which are fully provided for as bad debt.

Table 32: Financial Results Compared to Previous Year

Statement of Financial Performance	2009/2010	2010/2011	Variance (Rand)	Variance (%)	Reason for Variance
Property Rates	2,131,999,384.61	2,416,331,522.22	284,332,137.61	↑ 13.34%	Tariff increases and supplementary valuation rolls.
Penalties Imposed on Property Rates	71,207,518.99	62,530,965.64	(8,676,553.35)	↓ -12.18%	Increased credit control initiatives.
User Charges for Services	8,100,302,358.51	10,505,855,676.35	2,405,553,317.84	↑ 29.70%	Tariff increases.
Rental from facilities and equipment	48,719,058.66	49,063,907.48	344,848.82	↓ 0.71%	Limited increases in lease income - contracts to be re-negotiated
Interest Earned - External Investments	90,343,076.20	119,552,608.00	29,209,531.80	↑ 32.33%	Increased cash balances.
Interest Earned - Outstanding debtors	270,958,630.75	212,198,108.39	(58,760,522.36)	↓ -21.69%	Increased credit control initiatives.
Fines	97,679,268.92	135,348,767.54	37,669,498.62	↑ 38.56%	Increased credit control initiatives.
Licenses and Permits	27,662,851.28	30,049,465.94	2,386,614.66	→ 8.63%	Tariff increases.
Income from Agency Services	156,773,259.49	186,876,573.34	30,103,313.85	↑ 19.20%	Increased licensing fees.
Government Grants and Subsidies	2,876,826,077.00	3,397,688,307.46	520,862,230.46	↑ 18.11%	Increased DORA allocations.
Other Income	92,012,250.00	69,723,590.00	(22,288,660.00)	↓ -24.22%	Varies from year, 2009/10 had extra-ordinary high other income
Gains on disposal of PPE	34,665,026.22	4,871,992.33	(29,793,033.89)	↓ -85.95%	Dependant on nature of assets disposed of during the year.
Total Revenue	13,999,148,760.63	17,190,091,484.69	3,190,942,724.06	↑ 22.79%	
Footnote 1: Variance Indicators					
Green - Increase of 10% or more					
Amber Arrow - Increase of between 3% and 10%					
Red Arrow - Increase of less than 3% or reduction in income					

The significant tariff increases, particularly in the electricity industry is evident in the year on year increase in the User charges for services category. The increased cash balances had a positive effect on the interest earned category which shows a 25% increase from the previous financial year when the lowest cash balances over the last 4 years were experienced.

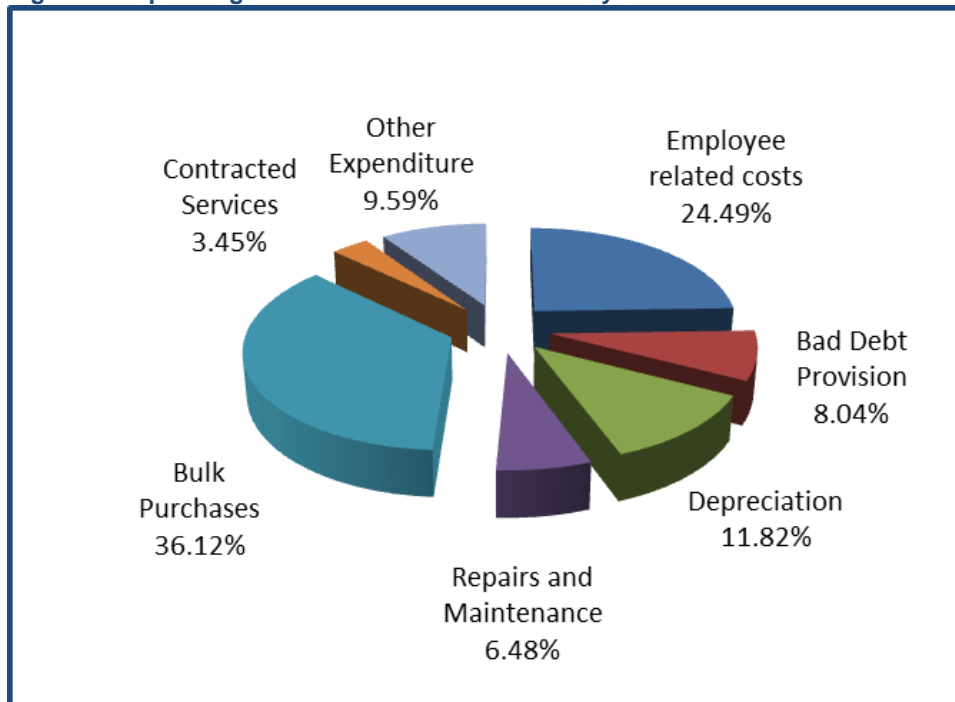
Analysis of Financial Performance for the 2010/11 Financial Year – Expenditure

The operating expenditure budget performance was acceptable with only depreciation showing over-expenditure. All other expenditure categories remained within budget. In total, just over 4% of the operating budget remained unspent.

Table 33: Financial Results Compared to Adjusted Budget

Budget vs. Actual	Budget 1011	Actual 1011	Variance (%)	Comments on Deviations
Employee related costs	4,441,821,592.00	4,364,281,070.58	➡ 1.75%	Savings as a result of vacancies.
Remuneration of councillors	69,740,424.00	66,908,485.42	➡ 4.06%	
Bad Debt Provision	1,658,089,305.00	1,445,304,490.42	↑ 12.83%	Lower payment rate of consumers resulted in increase of doubtful debt
Collection Costs	124,875,202.00	112,614,929.91	↑ 9.82%	Third party commission is less than budget due to debit and credit card payment method not implemented
Depreciation	1,951,840,280.00	2,114,462,826.81	↓ -8.33%	
Repairs and Maintenance	1,227,240,288.00	1,155,269,965.75	➡ 5.86%	Mainly related to underspending in the Solid Waste, ICT and CCA departments.
Interest Paid	438,408,966.00	382,613,438.02	↑ 12.73%	Municipal Bond taken up July 2010.
Bulk Purchases	6,607,894,254.00	6,435,216,842.39	➡ 2.61%	Elec purchases corresponds with the 2% reduction in electricity sales. Bulk Water is 6% less than budgeted.
Contracted Services	695,458,365.00	614,833,793.93	↑ 11.59%	Cost saving measures implemented by Council - limited new contracts awarded.
Grants and Subsidies	138,552,620.00	123,792,034.00	↑ 10.65%	Cost of services granted to indigents less than anticipated.
General Expenditure	1,265,948,656.00	1,036,873,776.00	↑ 18.10%	Cost saving measures implemented by Council.
Impairment Loss	-	(101,698.24)		
Loss on disposal of PPE	-	24,773,397.07		
Total Expenditure	18,619,869,952.00	17,876,843,352.06	➡ 3.99%	
Footnote 3: A negative variance is indicative of actual expenditure being more than budgeted expenditure				
Footnote 4: Variance Indicators				
Green - Savings of more than 6% realised				
Amber Arrow - Operational savings of between 0% and 6%				
Red Arrow - More than 100% of budgeted expenditure incurred				
Net Surplus /) for the year	(473,356,026.00)	(686,751,867.37)	-45.08%	

Figure 15: Operating Revenue – 2010/2011 financial year



In general, the year on year increases were greater than 6% which is shown as a negative performance in the table above. Whilst the expenditure categories performed within budget, it exceeds the 3% - 6% inflation target set by National Government. The Repairs and Maintenance have also increased by more than the National Treasury target of 6%, the improved maintenance of council owned assets is necessary for improved and on-going service delivery.

Table 34: Financial Results Compared to Previous Year

	2009/2010	2010/2011	Variance (Rand)	Variance (%)	Reason for Variance
Employee related costs	3,971,687,008.00	4,364,281,070.58	392,594,062.58	↓ 9.88%	Cost of living increase and additional staff appointed.
Remuneration of councillors	62,513,463.61	66,908,485.42	4,395,021.81	↓ 7.03%	Cost of living increase.
Bad Debt Provision	1,417,262,543.30	1,445,304,490.42	28,041,947.12	↑ 1.98%	Increased collection level achieved thus reduction in real terms.
Collection Costs	73,529,768.40	112,614,929.91	39,085,161.51	↓ 53.16%	Increased collection actions taken.
Depreciation	2,081,909,359.36	2,114,462,826.81	32,553,467.45	↑ 1.56%	Value of assets reducing in real terms as replacement of assets are not done at the same pace as what assets are depreciating.
Repairs and Maintenance	1,004,887,003.18	1,155,269,965.75	150,382,962.57	↓ 14.97%	Inflationary Increase.
Interest Paid	307,457,612.00	382,613,438.02	75,155,826.02	↓ 24.44%	Increased borrowings - New bond of R800m taken up.
Bulk Purchases	5,150,063,183.30	6,435,216,842.39	1,285,153,659.09	↓ 24.95%	Tariff increases.
Contracted Services	563,519,769.39	614,833,793.93	51,314,024.54	↓ 9.11%	Inflationary Increase.
Grants and Subsidies	57,093,069.21	123,792,034.00	66,698,964.79	↓ 116.82%	Re-classification of FBE from Income Foregone to Grants and Subsidies.
General Expenditure	842,873,554.00	1,036,873,776.00	194,000,222.00	↓ 23.02%	Inflationary Increase.
Impairment Loss	330,955.00	(101,698.24)	(432,653.24)	↑ -130.73%	Not related to previous year - depends on annual asset conditions.
Loss on disposal of PPE	926,212.00	24,773,397.07	23,847,185.07	↓ 2574.70%	Not related to previous year - depends on annual asset disposals.
Total Expenditure	15,534,053,500.75	17,876,843,352.06	2,342,789,851.31	↓ 15.08%	
Footnote 2: Variance Indicators					
Green - Increase of 3% or less					
Amber Arrow - Increase of between 4% and 6%					
Red Arrow - Increase of greater than 6%					
Footnote 3: National Govt. Inflation Target is between 3% and 6%					
Net Surplus /) for the year	(1,534,904,740.12)	(686,751,867.37)	848,152,872.75	-55.26%	Deficit reduced in line with MTEF strategy
Footnote 4: Decrease in deficit is a POSITIVE variance					

Analysis of Financial Position as at 30 June 2011

Table 35: Net Assets as at 30 June 2011

Statement of Financial Position	June 2010	June 2011	Movement R	Variance (%)	Comments
Current Assets	2,659.43	3,479.28	(120.05)	-4.51%	Increased debtor and cash balances
Non-Current Assets	46,848.74	46,768.43	(349.95)	-0.75%	Net assets are reducing due to depreciation exceeding annual PPE purchases
Total Assets	49,508.18	50,247.71	(470.00)	-0.95%	
Current Liabilities	3,651.67	3,492.76	723.33	19.81%	Reduction mainly due to reduced short term portion of long term liability. Most of the INCA loans matured on the 30th June 2011.
Non-Current Liabilities	4,025.27	5,596.98	298.09	7.41%	Increased Borrowings to fund Infrastructure
Total Liabilities	7,676.93	9,089.74	1,021.42	13.31%	
Net Assets	41,831.24	41,212.73	(1,491.42)	-3.57%	

Cash and Cash Equivalents, Investments and Liquidity Ratio's

The Metro's cash and cash equivalents held at financial year end were as follows over the last three years:

Table 36: Cash and cash equivalents as at 30 June 2011

	June 2010	June 2011
Cash and Cash Equivalents	664,625,412.18	1,338,863,441.93
Liquidity Ratio	0.73	1.00
Acid Test Ratio	0.69	0.95
Number of day's total cash held (total cash and inv)	30.32	40.50
Number of day's total cash held (operating cash)	14.19	12.16
Number of day's total cash held (un-encumbered cash)	(20.76)	(14.67)
Cost Coverage	0.47	0.40

Cash and cash equivalents have increased significantly as a result of the following:

- Increased borrowings to fund long term infrastructure
- Increased collections
- On-going cost reduction strategies – all heads of departments have cost savings targets included in the performance agreements

Consumer Debtors

Table 37: Consumer Debtors as at 30 June 2011

Net Outstanding Debtors	2009/10	2010/11
Total Debtors	8,033,779,783.00	9,289,820,647.78
Consumer Debtors deemed to be collectable	1,217,263,682.72	1,475,872,894.33
Consumer Debtors provided for as bad debt	(6,255,038,588.28)	(7,187,582,562.00)
Other Debtors	561,477,512.00	626,365,191.45

Consumer and Other Debtors have increased during the year under review, mainly as a result of increased service costs and not due to a weakening in collections. The collection rate increased to 91.94% from the previous high of 90.59 in 2009/2010.

Figure 16: Consumer Debtors: Collectable vs. Non Collectable

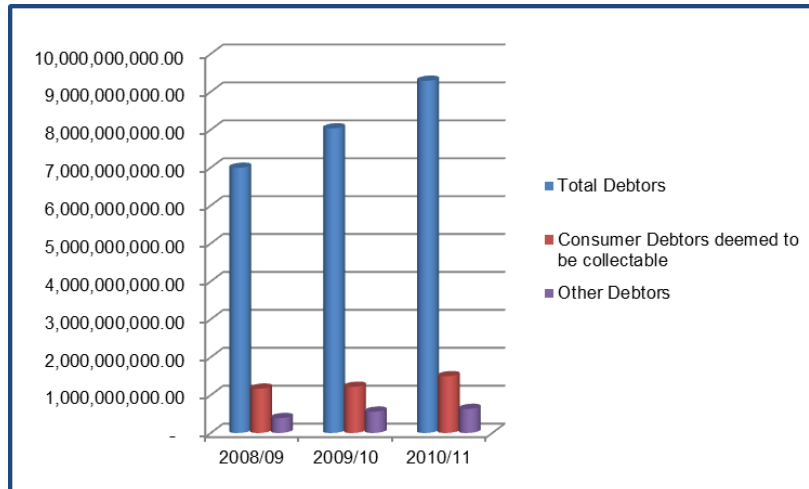
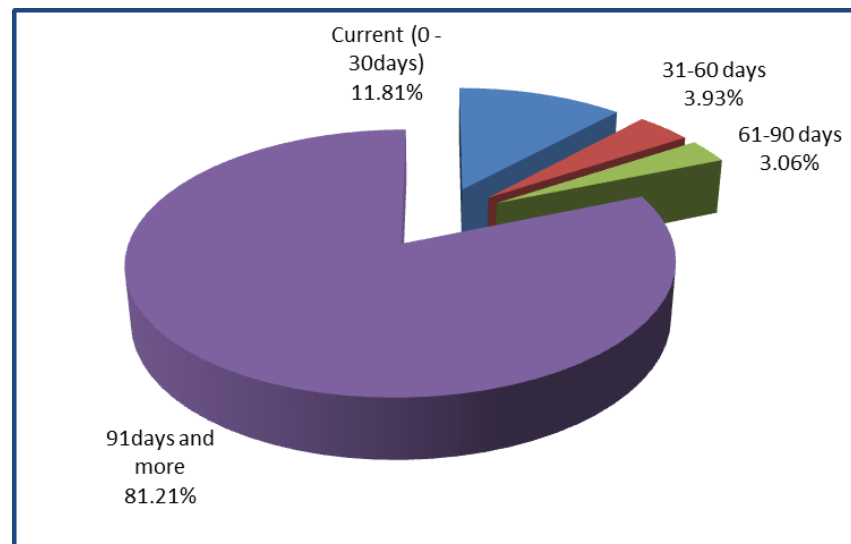
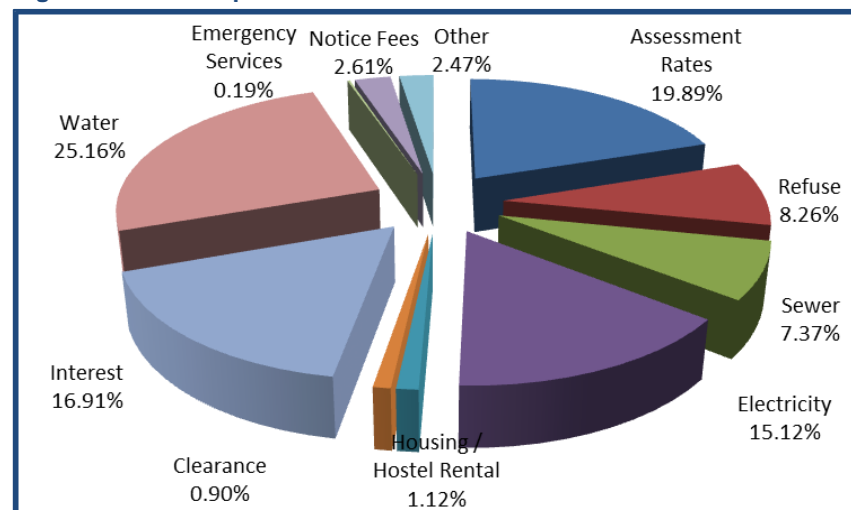


Figure 17: Debtors Age Analysis



Consumer debtors are residential debtors in the main (85%), with 81.21% being historical debt outstanding for longer than 91 days.

Figure 18: Debtors per Service



When analysing consumer debtors per service, it is evident that the greatest challenge lies with the collection of water, and more so in the areas where Eskom is supplying electricity directly to the residents of Ekurhuleni.

The provision for doubtful debt is calculated in terms of Council's policy on the provision of doubtful debt.

Category of Debtor	Percentage of Debt regarded as Collectable	Percentage of Debt Provided for as Irrecoverable (i.e. Impairment Percentage)
Credit balances	Zero	Zero
In-active accounts	Zero	100%
Hand-over accounts to panel of debt collectors, legal hand-overs and clearance handover (Debt outside Section 118)	Average payment collection rate over preceding 12 months	100% less Average payment collection rate over preceding 12 months
Approved Indigents	Zero	100%
Pending Indigents	Zero	100%
No payment received during preceding 6 months	Zero	100%
Formal arrangement debt in excess of 30 day's	Zero	100%
Disconnection of services in excess of 6 times during preceding 12 months	Zero	100%
Debt ageing 1080+ Days (36 Months)	Zero	100%
Debt ageing between 1080 and 180 day's	Average payment collection rate over preceding 12 months	100% less Average payment collection rate over preceding 12 months
Debt ageing less than 180 days	100%	Zero
Housing Rental Debtors		
• Debt ageing 30 days+	Zero	100%
• Current debt	100%	Zero

Also refer to the section dealing with Revenue Management and Enhancement which details some initiatives that the municipality has embarked upon to improve the collection of outstanding debtors.

Fixed Assets

Ekurhuleni embarked on an infrastructure asset management programme which had the following aims:

- The development of an integrated framework for the management of infrastructure assets in the EMM.
- Alignment between the integrated infrastructure asset management framework and an electronic asset management system.
- Training of staff in the integrated infrastructure asset management framework.

- Ensuring the integrity and completeness of data in the municipality immovable asset register.
- To prepare asset management plans per service group/category and a comprehensive municipal infrastructure asset plan.

During the first year of the project the municipality's management information systems were investigated to identify the municipality's infrastructure assets. These assets were then verified and then also componentised in accordance with the requirements of the Generally Recognised Accounting Practice (GRAP) standards. Furthermore, these assets were also assessed which included the condition grading and criticality determined in order to perform a depreciated replacement cost valuation of these assets and then recorded in the IMQS asset management system. Where data gaps were identified, knowledgeable and suitable engineering assumptions had been made and confidence gradings were assigned where estimates were made. The result of the exercise, in accordance with the GRAP standards, was adjusted in the financial statements to account for the abovementioned assets during the 2008/2009 financial year.

This process was continued with during the 2009/2010 financial year. During the 200/2010 financial year the assessment were extended to include all immovable properties which include *inter alia* operational buildings, community facilities, sports and recreation facilities, bridges, rail infrastructure, historic buildings and other heritage assets including the componentisation of these assets. A verification process was also initiated to confirm the assets recognise and the engineering estimates made during the previous financial year.

Infrastructure assets were therefore adjusted to reflect actual assets installed. The adjustment is attributable to bridges being recognised and a large volume of water pipe networks identified through a separate bureau appointment which was never recorded in the management information systems and have now been recognised and recorded. All asset adjustments were based on a depreciated replacement cost and were accounted for as correction of prior year errors in terms of the relevant GRAP standards.

During the current financial year the project focussed on the completion of asset management plans per service group/category and a comprehensive municipal infrastructure asset plan which had been completed.

The total acquisitions for the past two financial years are depicted below:

Figure 19: Asset acquisitions: 2009/2010 financial year

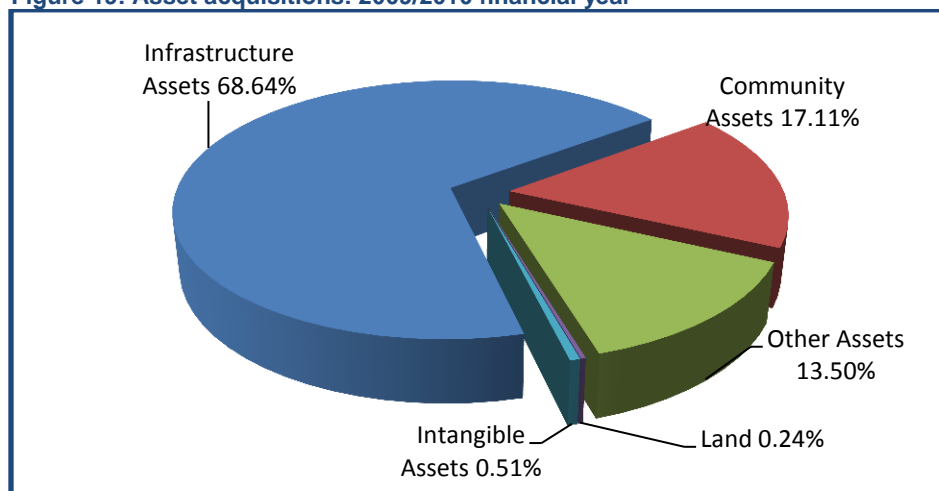
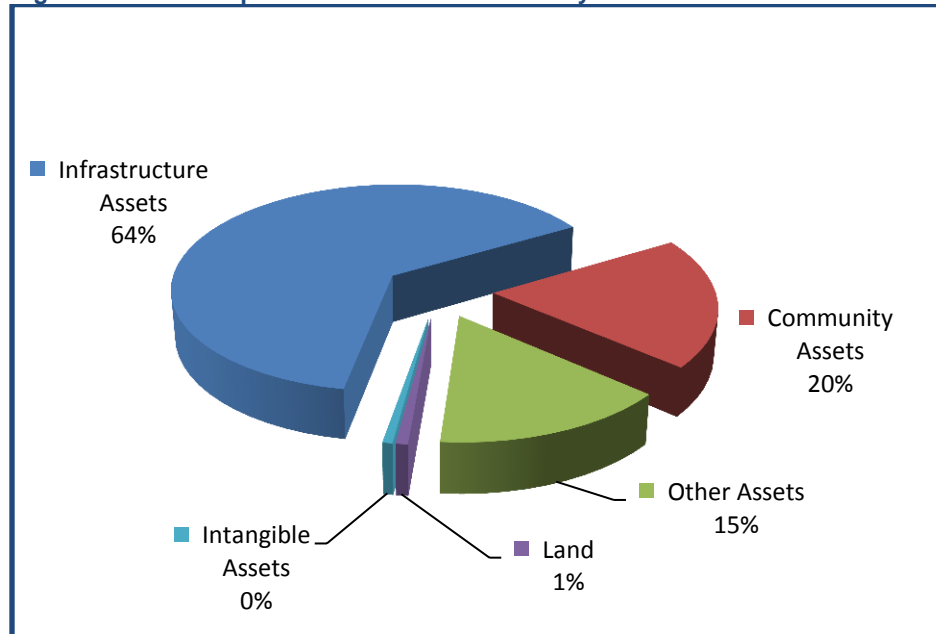
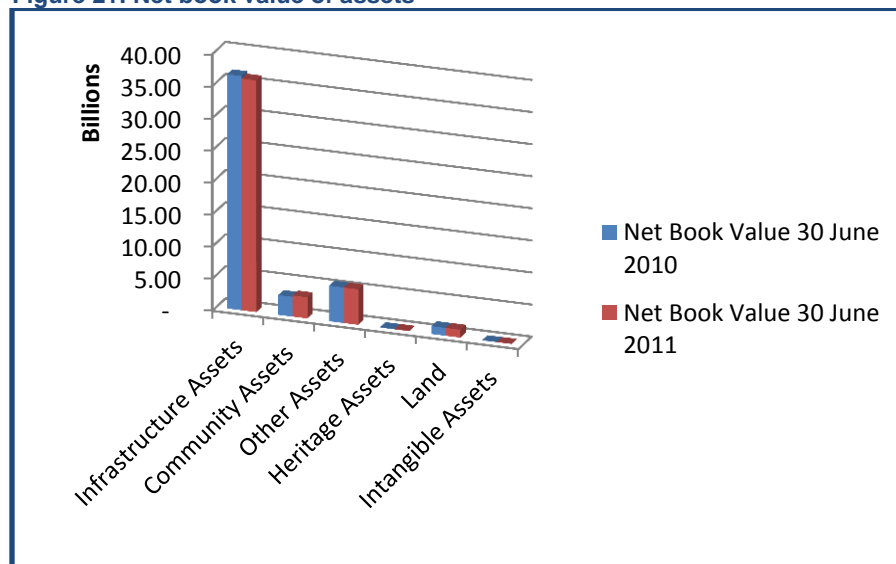


Figure 20: Asset acquisitions: 2010/2011 financial year



The net book value of all assets for the past two financial years is:

Figure 21: Net book value of assets



As required per the GRAP standards the useful lives, depreciation methods, testing for impairments had been performed and all necessary adjustments and applicable disclosures had been made in the financial statements. Refer to note 5 of the financial statements for more details.

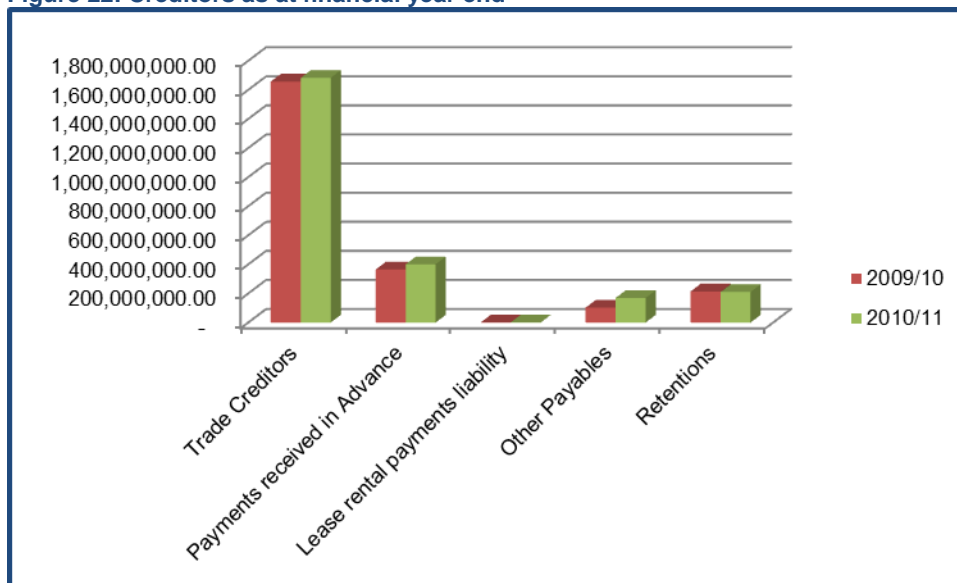
Creditors

Creditors as at financial year end mainly related to creditors accrued at financial year end.

Table 38: Creditors as at 30 June 2011

Creditors per Category	2009/10	2010/11
Trade Creditors	1,657,261,021.00	1,682,577,165.00
Payments received in Advance	364,697,290.00	400,915,727.00
Lease rental payments liability	692,452.00	937,757.00
Other Payables	102,763,248.00	169,149,344.00
Retentions	213,823,671.00	209,940,397.00
Total	2,339,237,682.00	2,463,520,390.00

Figure 22: Creditors as at financial year end



Long Term Debt

Long term debt increased from R2,695 million to R3,891 million during the year under review. This is as a result of the issuing of the first municipal bond for R815 million on the 23rd July 2010 to fund a portion of the capital infrastructure programme for the 2009/10 financial year as well as a portion of the capital programme for the 2010/11 financial year. The bond was issued for a 10 year period at a fixed interest rate of 10.56%. A R4 billion Medium Term Domestic Note Programme was registered at the Johannesburg Stock Exchange (of which the R815m was the first issue).

The second EMM bond was issued on the 11th March 2011 at an amount of R800 million. This bond was taken up to finance the remainder of the capital programme for the 2010/11 financial year. The book filled at 185 basis points and the final interest rate was fixed at 10.72%, being the R208 at 8.87% (as at the time of finalising the bookbuild) + 185 basis points.

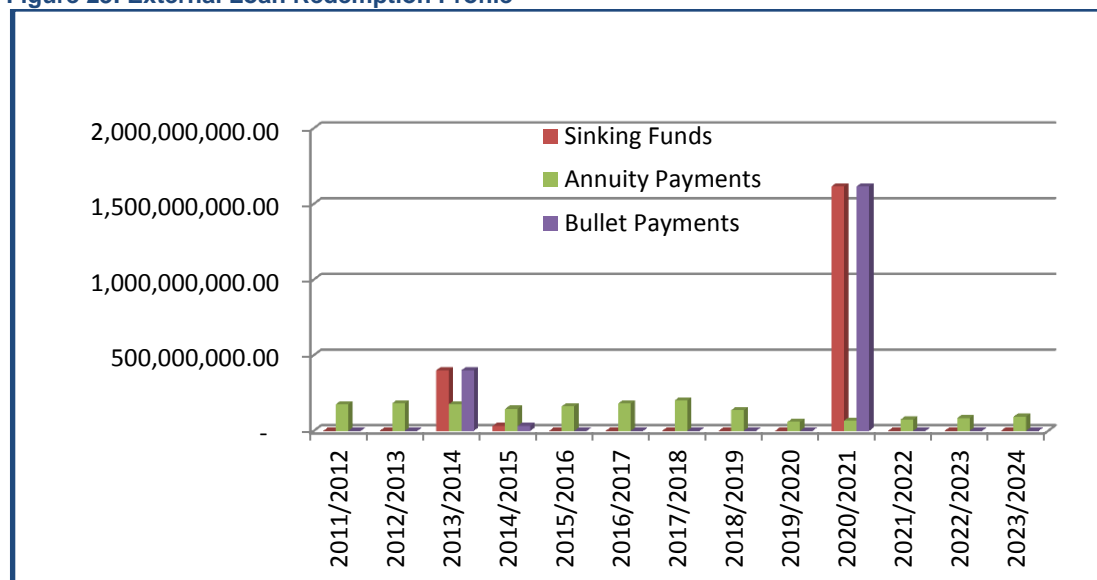
The long term loans with bullet redemption profiles will be funded from sinking funds. The value of sinking funds as at 30 June 2011 was R221.5 million (against a liability of R1 367 million).

The municipality is in the process of establishing a sinking fund for the following loan:

- R800m Municipal bond maturing on the 11th March 2021

The redemption profile for the current debt book (as at 30 June 2011) is as follows:

Figure 23: External Loan Redemption Profile



Accumulated Surplus

The year under review was closed with an accounting deficit of R686 751 867 for the EMM. This was a planned deficit as part of the municipality's strategy to phase in the full recovering of the increased depreciation cost as a result of the full implementation of GRAP 17 and the resulting revaluation of infrastructure assets as well as land and buildings during the 2008/2009 financial year.

The municipality has an accumulated surplus of R41 144 489 734 and the portion of the depreciation not yet recovered through assessment rates and service charges, is funded from the accumulated surplus.

The accounting process followed was the establishment of an "Internal Reserve" of R10 257 755 840.74 ringfenced in the accumulated surplus to be used for the funding of the depreciation (termed offset depreciation).

The phasing in of the full recovery of the depreciation cost has been adopted as follows:

Table 39: Phasing in of full recovery of the depreciation cost

	Opening Balance	Offset Depreciation	Closing Balance
2008/2009	10,257,755,840.74	3,082,840,747.60	7,174,915,093
2009/2010	7,174,915,093.14	1,598,133,018.63	5,576,782,075
2010/2011	5,576,782,074.51	1,239,284,905.45	4,337,497,169
2011/2012	4,337,497,169.07	1,084,374,292.27	3,253,122,877

	Opening Balance	Offset Depreciation	Closing Balance
2012/2013	3,253,122,876.80	929,463,679.09	2,323,659,198
2013/2014	2,323,659,197.71	774,553,065.90	1,549,106,132
2014/2015	1,549,106,131.81	619,642,452.72	929,463,679
2015/2016	929,463,679.09	464,731,839.54	464,731,840
2016/2017	464,731,839.54	309,821,226.36	154,910,613
2017/2018	154,910,613.18	154,910,613.18	-

For the year under review, an amount of R1,2 billion has been funded from the accumulated surplus, resulting in a net “surplus” for the year (when eliminating the effect of the depreciation).

Statistics on Registered Indigents

Table 40: Movement on indigent register for the 2010/2011 financial year

	Disabled	Medically Boarded	Pensioner	Un-employed	Total
Approved 30 June 2010	1,808	2,208	18,231	24,802	47,049
Alberton	107	27	1,936	1,842	3,912
Benoni	276	26	3,130	1,608	5,040
Boksburg	163	87	781	1,961	2,992
Brakpan	284	88	1,596	4,066	6,034
Edenvale	82	165	1,237	2,007	3,491
Germiston	547	1,472	4,457	4,297	10,773
Kempton Park	271	305	2,352	4,416	7,344
Nigel	25	23	691	1,226	1,965
Springs	53	15	2,051	3,379	5,498
New Applications / Renewals 2010/11	573	869	7,584	10,326	19,352
Alberton	25	32	636	855	1,548
Benoni	22	14	1,001	765	1,802
Boksburg	112	46	678	1,094	1,930
Brakpan	59	112	793	2,059	3,023
Edenvale	35	43	338	484	900
Germiston	160	497	1,512	1,740	3,909
Kempton park	91	92	1,093	1,752	3,028
Nigel	46	12	625	603	1,286
Springs	23	21	908	974	1,926
Cancelled 2010/11	1,455	1,888	14,427	18,134	35,904
Alberton	84	16	1,326	1,166	2,592
Benoni	245	25	2,524	1,342	4,136
Boksburg	94	67	457	1,055	1,673
Brakpan	248	12	1,053	2,363	3,676
Edenvale	58	105	908	1,556	2,627
Germiston	496	1,425	4,316	3,649	9,886
Kempton Park	174	214	1,630	3,139	5,157
Nigel	19	18	624	1,142	1,803

Springs	37	6	1,589	2,722	4,354
Approved 30 June 2011	926	1,189	11,388	16,994	30,497
Alberton	48	43	1,246	1,531	2,868
Benoni	53	15	1,607	1,031	2,706
Boksburg	181	66	1,002	2,000	3,249
Brakpan	95	188	1,336	3,762	5,381
Edenvale	59	103	667	935	1,764
Germiston	211	544	1,653	2,388	4,796
Kempton Park	188	183	1,815	3,029	5,215
Nigel	52	17	692	687	1,448
Springs	39	30	1,370	1,631	3,070
Pending Verification 30 June 2011	81	261	1,035	2,200	3,577
Alberton	9	9	144	246	408
Benoni	15	4	183	217	419
Boksburg	10	16	57	231	314
Brakpan	4	2	67	264	337
Edenvale	3	2	22	83	110
Germiston	21	138	216	554	929
Kempton Park	3	10	139	224	376
Nigel	14	72	96	154	336
Springs	2	8	111	227	348

Measures implemented to improve financial performance of future years:

Revenue Management and Enhancement

The municipality finds itself in a precarious position in its debt management. The level of debt is significantly high which inhibits cash flow and the risk of debt write off. This high level of debt necessitates a strategic thinking and approach to revenue management and enhancement which should be remarkably different from current practises and should result in improved revenue levels.

As a result of the above the Strategic Management Team (SMT) met and resolved that the Revenue Management & Enhancement Committee consisting of cross-departmental technical personnel be formed to facilitate Revenue Management & Enhancement Programme (RMEP). This team has effectively listed some fifty six (56) critical projects which were prioritized into sixteen main projects that will improve above situation. Other projects will be attended to as the programme gains momentum. Of the prioritized projects, some projects have already started and timelines to complete the prioritized projects range from 3 to 18 months.

The Revenue management and Enhancement Programme will be driving projects for the financial year 2010/11 that have been termed a non-negotiable and have to be delivered with success. The projects cover the following six areas:

- Metering and billing value chain,
- Water and electricity losses,
- Key accounts management unit

- Indigent management
- Telephone query management and
- Data quality

The programme has identified the following key business themes which serve as strategic objectives that should drive and support revenue management and enhancement programme.

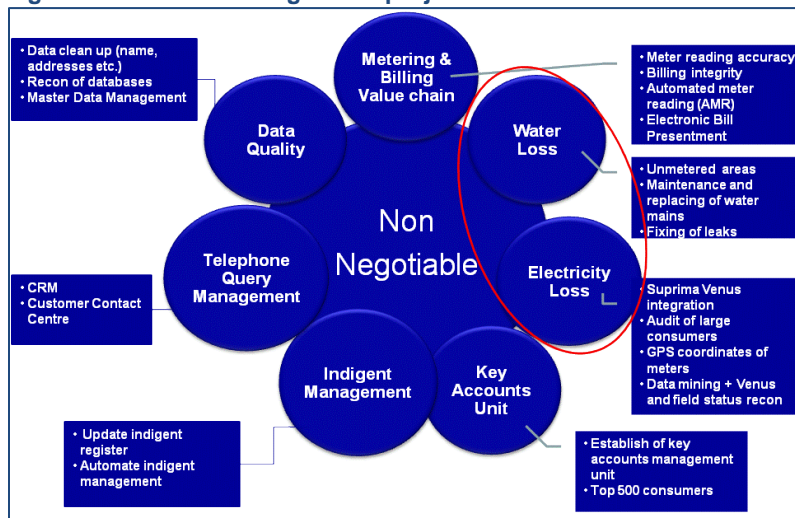
- Reduction of consumer debt through appropriate credit control and debt collection to improve revenue
- Improved, Consistent and Accurate /Integrative property value chain
- Improved Customer Services
- Monitoring and Evaluation of consumption processes and efficiencies
- Revenue Collection

The objectives of the programme include:

- Reduction of consumer debt through appropriate credit control and debt collection to improve revenue
- Improved, Consistent and Accurate /Integrative property value chain
- Improved Customer Services
- Monitoring and Evaluation of consumption processes and efficiencies
- Revenue Collection

A number of non-negotiable projects have been prioritised for implementation which was the focus of the 2010/2011 financial year:

Figure 24: RMEP Non-negotiable projects



The projected revenue that is targeted by the Revenue Management and Enhancement Programme together with all EMM Departments is a cumulative amount of R 5 billion over a period of 5 years. It is projected that from current projects for the 2010/11, R 500 million should be realised.

Figure 25: Projected Revenue from RMEP projects from 2010/11 to 2015/16

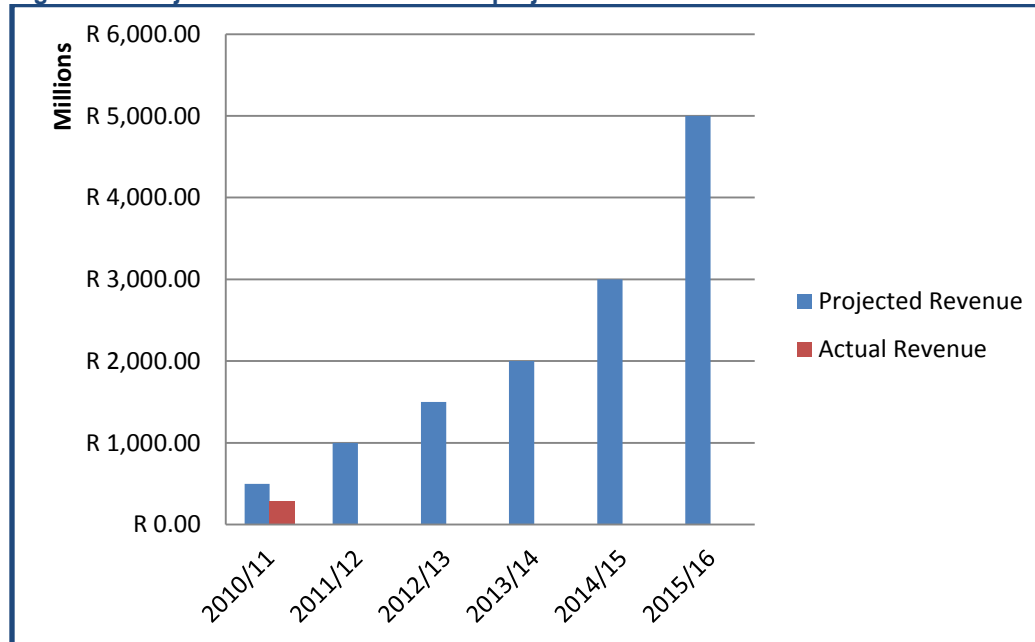


Table 41: Actual Revenue Received on RMEP projects

PROJECT NAME	PROJECTED POTENTIAL REVENUE (2010/11 to 2011/12)	TOTAL REVENUE RECEIVED
EMM Real Estate Project	R 43,000,000.00	R 26,326,721.00
OR TAMBO International	R 14,863,491.20	R 13,591,818.24
Electricity Revenue Protection Measures	R 72,752,645.19	R 203,497,697.00
Interest Waiver Campaign	R 589,000,000.00	R 4,444,025.00
Selling Rights to Collect Debtor's Book	R 300,000,000.00	Not yet launched
Landfill Gas Recovery	R 30,574,900.00	-
Total	R 1,116,065,636.39	R 287,622,641.24

Table 42: RMEP Achievements 2010/11 financial year

Project	Status	Comments
Key Accounts Management (Top 500 business customers)	A list of customers that form part of the top 500 segment finalised	Strategy and implementation plan to be tabled 30 September 2011
	Needs research is underway	
e-Siyakhokha (electronic bill presentment and payment portal)	Service has been launched to EMM customers.	New functionality e.g. SMS, MMS delivery of statements to be developed in 2011/12 financial year.
	Registered customers = 3 547	
	No. of accounts = 4 499	
	No. of payment = 223	
Suprema Venus Integration (prepaid vending system integration with the financial system)	Value of payments = R 391, 295.99	Application for a prepaid electricity meter is now automated. This automates the creation of customer records and links all information required for future credit control. It will assist with proper accounting and
	Phase 1 completed.	
	Over 10,000 applications have since been processed through the new workflow.	

		reconciliation of purchases of prepaid electricity.
Automated Meter Reading	Over 6000 customers have automated meter reading technology installed to record readings from the electricity meters. This enables up to the minute readings to be recorded and downloaded within hours of having concluded a month end.	60% of electricity revenue is derived from these customers.
		The process will be mapped out streamlined and automated during 2011/12 financial year.
Interest Waiver Scheme	Phase 1 was completed 31 March 2011	R4.4 million of payments were receipted.
	Phase 2 is currently underway	
		Phase 2 kicked off on the 1st April 2011 and is a targeted programme aimed at business and customers that display the inability to afford clearing their arrears.

Report of the Chairperson of the Audit Committee

Report of the Chief Audit Executive

Report of the Auditor General on the Annual Financial Statements

Annual Financial Statements

CHAPTER FIVE

FUNCTIONAL AREA SERVICE DELIVERY REPORTING

a partnership that works



City of
Ekurhuleni

CHAPTER FIVE: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

Departmental Performance Reports

This report focuses on the performance of the various departments for the 4th quarter of the 2010/2011 financial year, with an aim of isolating the core service delivery performance and also highlights issues of underperformance, as reported on in the SDBIP.

OPERATIONAL SERVICES

Electricity and Energy Department

Departmental Key Performance Areas

- Revenue Services
- Energy Services
- Planning Services
- Operations & Maintenance Services
- Administrative Support Services.

The Strategic Focus of the Electricity and Energy Department is as follows:

- To reduce unplanned interruptions to ensure electricity service reliability
- To reduce the overall purchases from Eskom to create space for new development (Energy Efficiency)
- To generate adequate revenue in order to ensure that the entire revenue chain is effective
- To manage cable and copper theft
- To address the reduction of connection backlogs within the funding constraints
- The roll-out of the Solar Geyser Programme
- To provide street and area lighting
- To ensure the proper protection of electricity meters

Departmental Performance Report

Summary of departmental achievements

The first Funding Agreement for Rendering Free Basic Electricity (FBE) in the Eskom supplied areas within Ekurhuleni Metropolitan Municipality was signed on 10 June 2005. The agreement provided for the roll-out of Ekurhuleni funded free units of electricity to all households in the areas supplied by Eskom, as well as the payment of monthly accounts for the free basic electricity rendered by Eskom. The agreement has been extended until 2013 to ensure continuation of this service within our boundaries. The total number of electricity customers

receiving free basic electricity in Eskom Supply Areas at this stage is given at approximately 69 000. 100 units of FBE are provided to all Tariff A (IBT) residential customers.

The electricity tariff structure was significantly revised from that which served Council over the last ten years, in an attempt to respond effectively to the changing tariff structure of our bulk supplier, as well as our own risk on the collection of revenue.

In terms of Power Quality compliance, which is a NRS 048-2 licence condition, 98% of voltage measurements do not exceed voltage limits of NRS 048-2.

Proper resources and structures are in place to address the problem of cable, copper and electricity theft and approximately R30 million per annum is spent on mitigating this scourge.

A comparison of the conductor theft statistics indicates the following:

- A decrease of 59% on the number of incidents reported (from an average of 1 104 to 643).
- Over the last 12 months the statistics shows an average of 1,7 incidents recorded per day throughout Ekurhuleni. This is less than two incidents per day where we in the past experienced at least four to five incidents per day.
- A decrease in overall network interference.
- A decrease in value of material stolen
- A total of 582 perpetrators were arrested in 2008-2010.
- A conviction rate in court with those arrested shows a 90% + success rate in court. The sentences range from three months to seven years imprisonment.
- 211 Pepper gas systems installed in substations, 68 cable theft alarms and 11 camera sites.
- 33+ sites are being guarded that include substations, cable sites and newly installed cable sites.
- Protect all sites during strikes and do strike management with separate teams.
- A collective sentence of 340.5 years of jail sentence were issued to the accused arrested and convicted since the inception of the project.

Power interruptions are captured and monitored on a daily basis. The percentage of downtime for electricity services in kWh lost is less than 1% (all wards) and the standards for time taken to restore power outages as determined by NERSA, are met by the Department.

Various network expansion/strengthening projects are implemented by the Department to ensure that well maintained electricity services are provided to all areas. The implementation of a maintenance management system in terms of the Asset Refurbishment Strategy ensuring electricity asset maintenance occurs according to set criteria and intervals. A sustainable maintenance fund has been set up since 2005, which channels dedicated funding to maintenance and refurbishment work only.

A total of 14 900 solar water heaters were installed in areas such as the Kwa-Thema Hostel, Enhlanzeni Hostel, Vosloorus Hostel, Daveyton Hostel, Buhle Park, Rondebult/Roodekop, Vila Lisa, Graceland, Greenfields, Eden Park and Kwenele. The installation of solar water heaters at Council owned housing stock and low cost housing assists to eradicate energy poverty, free capacity from the Eskom National Grid and reduce EMM requirements by releasing capacity, to

save home expenses on purchasing electricity and to save the environment from any greenhouse gas emissions and mitigate climate change.



*High
pressure
systems
on Corrie
Oberholzer*

42 706 energy efficient lights of varying sizes from 0.3m to 2.4m for 28W and 36W lighting technology, have been installed at various Council Buildings. 10 383 street lights were also converted to energy efficient street lights.

A project whereby customers on demand metering were migrated to automated meter reading was completed. Close co-operation with an internet metering service provider created a world-class system, which not only suits our needs, but also provides large customers with invaluable electricity information. This information is used by customers to react to tariff signals, also to make visible any abnormal electricity spikes, etc.

By nature, large electricity accounts are very complex and the opportunity for a customer to question values is very high and very difficult to respond to. The automated system provides readings on a 30 minute basis, which means that the City knows exactly what every customer consumed, every 30 minutes. Queries are, therefore, resolved instantaneously, with no room for doubt. This, in itself, secures revenue. Currently Ekurhuleni is achieving 97,2% accuracy in respect of electricity demand meter readings.

The total value of the accounts generated in this method is at about 55% of the total electricity income from sales. Managing large meters in this way removes extreme revenue risk in terms of failures of meters and associated plant, possible fraudulent activities around the meter and meter readings, as well as the billing of these accounts.

Prepayment meters are our third biggest segment of customer, at 180 000 customers. Customers tampering with their meters are penalized and on-going projects to address tampering has seen a reduction of 12,4% in the number of tampered meters.

Third party vending has been strengthened and 750 electricity Point of Sale vending points are operational (cellular, internet and over the counter). A reliable and effective vending system ensures that tampering is not encouraged by frustrating customers who wish to purchase electricity units. It also encourages more of our existing credit meter customers to move to prepayment metering, with the resultant benefits to these customers, i.e. no meter reading, no billing errors, etc.

Summary of corrective measures to be instituted where targets were not achieved

The Palm Ridge project had delays where the community took the Department to court complaining about process followed when appointing the local labourers. The problem had to be resolved politically.

Summary of key capital projects implemented

Some of the larger projects include upgrading of the Benoni Industries Substation to improve the quality of supply to Benoni South Industries as well as Actonville, Wattville and Tamboville, Benburg Substation, Vorsterskroon Substation, Daveyton Substation to provide capacity for Chief Albert Luthuli Park and Mayfield areas.

The construction of the 33/6.6kV substation in Palm Ridge has been completed which will provide additional capacity to the 20 000 residential supply connections (to be completed in 2014 subject to funding) to the Palm Ridge area.

9 152 stands have been provided with electricity service connections in areas such as Esselen Park, Winnie Mandela Park, Eden Park, Tinasonke, and Palm Ridge. However, the target of 10 000 connections were not achieved due to delays experienced in the Palm Ridge project. The community took Council to court, complaining about the process followed to appoint local labour. The matter was resolved by the MMC for Water and Energy, Clr. Aubrey Nxumalo.

The Eastgate Substation which is a public private partnership between Ekurhuleni and Liberty Life is complete and will provide additional capacity for the Eastgate Shopping Centre as well as further development in the area. Priority will be given to projects that are aimed at creating upstream supply capacity in line with the Electricity and Energy Department Network Master Plan.



***Eastgate
Substation, opened
by the former
Executive Mayor,
Clr N Mekgwe in
August 2010***



4 949 meters have been protected in the 2010/2011 financial year to reduce vandalism and tampering with electrical equipment. The achievements in the protection of meters can specifically be seen in areas such as Langaville and Geluksdal, where the electrical units sold in the areas have increased dramatically since the introduction of protective structures and prepaid meters.

118 high mast lights have been installed and 50 of these high mast lights have specifically been installed in informal settlement areas, such as Harry Gwala, Lindelani, Madelakufa 1 and 2 and Vusi Musi, to address safety and security needs in these communities. 1 100 poles have been provided with street lights in Winnie Mandela, Esselen Park, Eden Park, Tinsonke and Palm Ridge.



A total of 293 supply connections and street lights were installed in Esselen Park.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached most of its targets, highlighted in the table below and narration:

Description of target	Year Target	Achieved Target	Comment
Meter protection structures/boxes installed [No of meters protected]	3,000	4,949	✓ Target Exceeded
High mast lighting [No of high mast with lighting]	70	118	✓ Target Exceeded
No of poles provided with street lights	570	1100	✓ Target Exceeded
Electricity supply connections [no of stands/households supplied]	10,000	9,152	☑ Target partly achieved - see note 1
Percentage of downtime for electricity services [% kWh lost]	less than 0.9%	0.22%	✓ Target Exceeded
95% Percentage of voltage measurements not to exceed voltage limits of NRS 048-2 [Quality compliance (NRS 048-2 license condition)]	95%	98%	✓ Target Exceeded
Percentage of arrests leading to conviction [prevent cable and copper theft]	10%	85%	✓ Target Exceeded
Power interruptions NRS 048-3 FII Index: Trf capacity lost + average duration of interruptions improvement (baseline 2007, excl major events) [Forced interruption index NRS 048 - 3 license condition Forced interruption index]	1.5%	13.7%	☒ Target not achieved - - see note 2
No of street lights replaced with efficient luminaries [Energy Efficiency (Electricity Regulation Act, 2006 – 18 July 2008)]	10,000	10,383	Target Exceeded
Energy efficient lights in all EMM buildings – No of lamps replaced [Energy Efficiency (Electricity Regulation Act, 2006 – 18 July 2008)]	20,000	42,706	✓ Target Exceeded
Smart metering by January 2012 – 1 000 kWh and above [Energy Efficiency (Electricity Regulation Act, 2006 – 18 July 2008)]	0	0	See “Other notes” below.
No of solar geysers installed [Energy Efficiency (Electricity Regulation Act, 2006 – 18 July 2008)]	2,000	7,600	✓ Target Exceeded
Electricity Demand Meter Readings Accuracy - 12 Monthly Figures, Averaged Over 12 Months - Baseline of 2 000 meters [12 Monthly Figures, Averaged Over 12 Months]	95.0%	97.2%	✓ Target Exceeded
Prepayment Vending - No of Customers Not Purchasing Over a 90 Day Period - 18 500 Meters Bypassed [No of Customers Not Purchasing Over a 90 Day Period]	Reduce by 10%	Reduced by 12.4%	✓ Target Exceeded
Electricity Tariffs Implemented [Electricity	On 1	Implemente	✓ Target Achieved

Description of target	Year Target	Achieved Target	Comment
Tariffs Implemented	July	d	

Targets not achieved

1. Actual achievement of 9 152 against the target of 10 000. The Department indicated that there were delays in the procurement process when appointing contractors. Positive comments could not be sourced before the fund re-allocation which was only approved during the budget adjustment. The Palm Ridge project also had delays where the community took the Department to court complaining about process followed when appointing the local labourers. The problem had to be resolved politically.
2. The initial target was set at a 1,5% annual improvement which is not achievable due to the reasons stated below. A different but better measure is situated at 15% with no annual improvement. Actual interruption of 13.7% against the target of 1.5%. The department report that more interruptions for longer periods are being experienced and higher number of KVA capacity is lost during interruptions. Longer restore times contribute to index not meeting the target. Longer restore times are attributed to skills not being available. Germiston, Brakpan and Kempton Park are without Chief Area Engineers, therefore supervisory and management skills are lacking, with 43% technically skilled vacancies in the Department. A more technical realistic target would be 15%.

Other notes

Smart metering by January 2012 – 1 000 kWh and above [Energy Efficiency (Electricity Regulation Act, 2006 – 18 July 2008) Smart metering by January 2012] - The target could not be met due to barriers related to smart metering that must still be resolved by the National Department. Small scale projects are being implemented by the Department to determine the technical robustness of some systems.



Housing Department

Departmental Key Performance Areas

The focus of the Housing Department during the 2010/2011 Financial year was to promote, facilitate, deliver and monitor provision of and access to sustainable human settlements by:

- Promoting multi-sectoral approach to human settlement development.
- Facilitating integrated human settlement planning and development.
- Delivery of Housing programmes
- Monitoring of Inter-intra departmental coordination

In order to achieve these goals there is the need:

- To highlight the need for various tenures based on need: demand defined, supply negotiated;
- For Informal Settlement Management by creating access to basic services;
- For Renewal Programmes focused on Inner City and Townships – Housing to act as a key driver/catalyst;
- For the availability of well located, suitable land by innovative land disposal and acquisition of land for housing delivery and to focus on high density;
- To promote Institutional Capacity by the retention of skills, linkage of skills development to department needs and the re-alignment of current functions to effectively and efficiently meet the vision of the EMM Department of Housing.

The functions of EMM Housing included the creation and promotion of Sustainable Human Settlements through:

- Identification of Land for Human Settlements.
- Facilitating the Planning of Land by the Gauteng Department of Local Government and Housing (GLG & H).
- Implementation of the design and construction of Essential Services.
- Roll-out of Chemical Toilets to Informal Settlements.
- Facilitation of access to serviced erven for House construction by the GLG & H.
- Facilitating the provision of rental accommodation.
- Facilitating the redevelopment of Hostels implemented by the GLG & H.
- Land invasion and resettlement management.
- Policy formulation and implementation.
- Co-ordination of the Germiston, Tembisa & Wattville Urban Renewal programme.
- Facilitation of the Regularization and Transfer of Ownership Programme (RETRO) and Transfer Of Residential Properties Programme (TORPS)
- Co-ordination of the Neighbourhood Development Partnership Grant.
- Co-ordination of Quick Wins programme

Key Deliverables of the Department for 2010/2011 Financial

The Key Deliverables of the Housing Department for the 2010/2011 financial year were measured on a quarterly basis, and include the following:

- A target of 4 646 serviced stands per annum
- Land identified for 20 000 stands per annum
- 1 Hostel redevelopment business plan
- 10 Community outreach sessions
- 50 000 stands with access to sanitation
- 3 600 jobs created per month.

Departmental Performance Report

Summary of departmental achievements

On the 4th of March 2011, the Ekurhuleni Metropolitan Municipality was awarded an Accreditation Certificate by the National Minister of Human Settlements and the Gauteng MEC for Local Government and Housing.

The Accreditation Certificate serves as an official confirmation that the Ekurhuleni Metropolitan Municipality has achieved the capacity required to perform the level One and Two Accreditation functions. By being awarded the certificate, EMM is now officially delegated to perform housing functions that were previously performed by the Gauteng Department of Local Government and Housing as from the 1st of July 2011.

The new functions include:

- Beneficiary management, including the processing and approval of beneficiary housing subsidy applications at the municipal level;
- Subsidy budget planning and allocation, enabling the municipality to plan and make decisions on the housing programmes and projects that should be implemented within our municipality without waiting for the approval from the Provincial Government; and
- Full programme management and administration of all housing programmes at the local level.

Accreditation will also benefit the community of the municipality by ensuring that the housing delivery services are brought closer to our people, and enabling them to make housing related enquiries nearer to their places of residence with less travelling expenditure.

Increase in tenure security

The EMMHD is facilitating the Regularization and Transfer of Ownership Programme (RETRO) and the Regularization and Transfer of Ownership Programme (RETRO) aimed to transfer the state owned houses and flats to qualifying occupants and the following progress has been made:

- 1 426 properties transferred through RETRO programme; and
- 19 799 properties transferred through TORPS programme.

The Department's project launches outreach and Title Deeds Handover outreach events are aimed at informing communities about impending housing developments within their respective wards as well as create awareness on the importance of title deeds amongst RDP housing beneficiaries as there are still approximately 12 000 title deeds lying uncollected within Housing Offices.

A total of 14 outreach events were successfully convened by MMC: Housing in line with the planned 12 departmental outreach events.

The Gauteng Department of Local Government and EMM Housing have been requested to conduct feasibility studies on 38 portions of land identified by the EMM: Housing Department, comprising 526 Ha, which is estimated to yield approximately 20 394 stands at an average density of 50 units/Ha.

The following were achieved through the Mayoral End of Term Project:

- Improved sanitation services in informal settlements - 1 064 Chemical toilets commissioned at Informal Settlements
- Increased maintenance of rental stock - 32 Carports completed at Tweedy Park Flats
- Refurbishment completed at the following rental complexes: Andries Schribante, Van Dyk Park, Reiger park, Kruinhof Cottages, Wall Heyward, Beacon House, Cora Erasmus, Agra Court, Aligarth Court, Ajmery Court
- Refurbishment work completed at 5 hostels: Nguni Hostel, Kwa Mazibuko Hostel, Kwesine Hostel, Masisulo Hostel, Khutsong Hostel
- Increased tenure secured - 192 Tenants reallocated to refurbished units at Buyafuthi Hostel
- Reduced hazardousness of households - 130 Families relocated from sewer line at Ramaphosa Informal Settlement and 3 252 Families relocated from Bapsfontein Informal Settlement to a suitable land.
- Inter departmental management and provision of services to informal settlements - An Inter departmental Task Team was established with the objective of ensuring that municipal services are rendered at all informal settlements. Some informal settlements were identified for the purpose of piloting an integrated approach in rendering municipal services to the informal settlement areas.

Summary of corrective measures to be instituted where targets were not achieved

The review of the planning and time-lines of projects has been instituted, along with the monitoring of these projects through Council's Project Control System. New projects will furthermore follow a design and subsequent construction route, as a result of delays experienced due in obtaining authorizations for contingency work necessary to complete combined design and construct projects. Project will be closely monitored by EMM project Managers and lead consultants and at monthly meetings adjustments will be made to time-lines and cash flows as and when needed.

Summary of key capital projects implemented

The R 200 Million plus Palm Ridge Bulk and Essential Services project commenced during the latter part of the 2010/11 financial year, which is aimed to have a dramatic impact on the provision of access to Housing opportunities in the Katorus area. Furthermore the Chief Albert Luthuli 6 bulk/link sewer line was completed early in the financial year. A number of new essential services projects also commenced during this financial year such as Alliance Extension 9 and Payneville Extension 1, which will alleviate the housing needs of identified informal settlements. The Langaville project cancellation had a very negative impact on our budget as the matter was held up in court and this resulted in failure to spend the funds as this project budget constituted almost 15% of our total essential services budget.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached some of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Serviced stands [No of Serviced stands per annum]	4646	333	☒ Target not achieved - see note 1
Stands planned [land identified for no of stands per annum]	20,000	20 394	✓ Target Achieved
Hostel Redevelopment Business plans [no of business plans approved]	1	1	✓ Target Achieved
Community outreach sessions [no of community outreach sessions/meetings]	10	14	✓ Target Exceeded
No of stands with access to sanitation [stands in informal settlements with access to sanitation per year]	50,000	87140	☑ Target Exceeded
No of jobs per month [No of jobs created per month]	3,600	1572	☒ Target Partly Achieved - see note 2

Targets not achieved

1. Actual achievement of 333 against the target of 4646. The department indicated that the delivery target of 4 646 serviced erven by end of Quarter 4 as per the Quarter 1 comments, will not be attained. This is as a result of the suspension of the contract awarded on the Vlakfontein Ptn. 36 (Langavile Ext 10 - 1 610) project, inclement weather, collapsing of clay trenches, unforeseen graves on site and late feedback from GLG&H regarding toilet structures affecting the Eden Park West & Ext 1 project, as well as the delay that was experienced in the award of the bid for the Kwa-Thema Extension 3 project, awarded in December 2010. As a result of the aforementioned it is expected that only 1 311 serviced erven will be delivered by June 2011. The balance of 75 erven will be taken over by another contractor during 2011/2012. The Mayfield 1 contract will be terminated due to non-performance by the contractor. Alra Park 3 due to unforeseen soil conditions (hard rock) not

enough funds available to complete project. Etwatwa 19 could not be completed due to challenges experienced with the contractor.

2. Actual achievement of 1,572 against the target of 3,600. The department indicated that the new projects, such as Payneville Ext 1 and Alliance Ext 9, received design approval late in the 4th quarter. Furthermore the award and commencement of the Palm Ridge Project, which is a sustainable project, only commenced in May 2011. The target therefore was not achieved.

Water and Wastewater Department

Departmental Vision and Mission

The provision and management of water services in an effective, efficient, affordable, equitable and sustainable manner, applying appropriate standards and the optimal utilisation of resources, guided by the principles of Batho Pele whilst taking into consideration the environment, developmental needs and services backlog of the communities.

Departmental Key Performance Areas

The main achievements for the year include:

- Retaining the Blue Drop Certificate – affirmation by Department of Water Affairs and Environment that the quality of water supply meet the stringent international and national standards
- Retaining the Green Drop Certificate – affirmation by the same department that the wastewater management (that includes effluent discharged) meets national standards. This certification also affirms that actions taken by EMM consider environmental impacts.
- 100% access to water services as per the national department's guidelines
- 100% access to sanitation services as per national department's guidelines

Departmental Performance Report

Summary of departmental achievements

This report must be read in the context for the period 1 July 2010 up to 30 June 2011.

It should also be noted that the Water Services Division will become the Water and Sanitation Department as per a Council resolution for the next reporting period (i.e. 01 July 2011 up to 30 June 2012).

The Water Services Division rendered the following services to the communities of Ekurhuleni Metropolitan Municipality during the reporting period 01 July 2010 up to 30 June 2011.

Supply 6kl free water and sewer services - The Water Services Division has provided to all its customers within the jurisdiction of Ekurhuleni Metropolitan Municipality (EMM) 6kl free basic water and sewer services. All registered indigent households have been granted an additional 3kl per month (i.e. 9kl total) free basic water and sewer services.

All informal settlements receive 6kl basic potable water free. The informal settlement in the Bapsfontein area receives chlorinated borehole treated water for their daily consumption.

Water provision to Informal Settlements - The process of providing potable water to Informal Settlements is currently being dealt with jointly by the Water Services Division and Council's Housing Department. In brief, should a request be submitted for additional potable water to any Informal Settlement, the Housing Department will first investigate and obtain consent from the

private land owner/s. Once this has been established a written instruction is issued to the Water Services Division to do the physical work against a dedicated vote number.

It is worthwhile noting at this stage that the water and sanitation infrastructure component currently being executed by Council's Housing Department will be transferred to the Water and Sanitation Department as from 01 July 2011 (next reporting period).

Establishment of organizational staff structure - The Water Services Division consists of four Directorates, namely Planning, Revenue Services, North-East District and South-West District, as approved by Council during 2008.

The above directorates are responsible for potable water distribution and waste water conveyance within the entire EMM area of jurisdiction. The function of operations and physical implementation of the capital budget resides within these districts, whereas the budgeting, policy, procedures, comment on township developments takes place within the corporate planning directorate. The Revenue services directorate focuses solely on the retail aspects of water services, water quality and industrial effluent in its entirety (i.e. meter installation / connections / reading, water sampling, testing, inspection, etc.).

Water Demand Management - Due to water being such a scarce resource the Department of Water Affairs (DWA) has set a target for the Vaal River catchment/drainage area. Consequently this target is filtered through to all municipalities receiving potable water from Rand Water. Each municipality must reduce its volume purchased from Rand Water to pre-set sub-targets, based on their individual purchase volumes, in order to eventually achieve the total target of a reduction of 15% for the next two years (base year 2008).

This is an important target to reach as the Integrated Vaal River System is running short of supplying sufficient potable water to the Gauteng Province to meet the ever increasing demand. The earliest that the second phase of the Lesotho Highlands Water Scheme can start augmenting supply to Gauteng is only in 2019.

The increase in purchase volume is evident by the fact that 332.6 million m³ was purchased the past financial year, which is 12.76 million m³ higher than the 319.8 million m³ purchased the previous financial year. Comparing this with the budgeted bulk purchase of 332.28 million m³, it is clear that serious water demand management will have to be implemented in order to curtail an increase in potable water purchased in the next financial year.

Water Conservation / Water Demand Management (WC/WDM) remains one of our crucial challenges. The Water Services will therefore focus hugely on projects which positively impacts towards achieving this requirement. Projects such as the relocation, isolation of mid-blocks and pressure management initiatives has a direct positive on WDM.

The Non-Revenue Water (NRW) is currently standing on 38.5% and unaccounted for water is 29.62%.

Asset Management - The Water Services Division has, through the recent update of its Management Information System (IMQS), exercised in conjunction with the Finance Department, created an up to date asset register of its entire immovable infrastructure. This division also now endeavors to maintain compliance with the GRAP 17 requirements. The municipality received an unqualified audit on its asset register on immovable assets.

Water standards and quality - EMM came second within the Gauteng Province and obtained 4th place nationally. EMM has also being awarded a Platinum Blue Drop status for excellence by the Department of Water Affairs for obtaining Blue Drop status and being amongst the top 10 scores for the past three years with a score of 97.44%.

EMM and ERWAT also received one Green Drop Award for Dekema Waste Water Drainage system regarding its waste water management programme. EMM and ERWAT on a weighted average scored 78,8% for all its 17 waste water drainage systems. Therefore they did not obtain a Green Drop award as municipality and service provider. They should have scored above 90% to obtain a Green Drop Certification. EMM and ERWAT scored the 19th highest score nationally and scored the 3rd highest for Gauteng.

Summary of corrective measures to be instituted where targets where not achieved

Various targets have been set for the 2010/2011 financial year. Most of the targets have been achieved except for the following:

- **Reduction of stands not metered** - the process identifying the relevant stands are time consuming and requires some extended resources and expertise. A process has been put into place in the last quarter of the financial year to systematically identify those stands that are not metered and to rectify the situation.
- **Percentage of usable meter readings** - the process of meter reading still remains a huge challenge for the municipality. The Water Services Division in collaboration with Finance department is in the process of cleaning data which definitely will enable the Water Services Division to comply to the set targets.
- **Volume of water purchased** - As indicated in paragraph above, water demand initiatives will have to receive a higher priority in the next financial year in order to stay within the prescribed targets of the Department of Water Affairs.

Unaccounted for water remains one of the Metro's greatest challenges. A holistic Water Consumption / Water Demand Management Strategy has been implemented which includes the following initiatives:

- Ekurhuleni has been subdivided into 82 x water District Metering Areas (DMAs) and a water balance has been done for each DMA. The DMAs have been ranked from the highest to lowest Non-Revenue Water (NRW) from which short-medium- and long term projects have been identified, which if implemented, will lead to a huge reduction in water losses.
- According to the above ranking system Tsakane/Langaville/Geluksdal DMA was ranked the DMA with the highest water wastage, hence the need to implement the first large scale WC/WDM Leak Repair Project (LRP) in this area. The Tsakane LRP is currently in the planning phase, and tenders are expected to be called before the end of 2011. This area is made up of 46 000 stands, and the expected water savings on completion of the project is estimated at R35 million per annum.

- The leak repair project mentioned above will also include universal water metering of all properties, which is a requirement of the Water Services Act.
- Leak fixing of Indigent households is receiving high priority in the division.
- Pressure management (reduction of unnecessary high pressures in the water distribution system) has been implemented throughout in the EMM area in selected areas, and huge water savings have been achieved via this initiative. These pressure management devices are attended to on a regular basis to ensure their proper functioning and effectiveness.
- Steel Pipes in excess of 400mm diameter have been assessed and condition rated, and prioritised for Cathodic Protection, to prevent them from corroding (corrosion of large diameter steel pipes lead to huge water losses).

Summary of key capital projects implemented

The Water Services Division was able to spend approximately 90% of its allocated budget of just over R208 Million during 2010/2011. The final audited expenditure is not available at this stage due to the Finance “closing-off” process.

To achieve this expenditure level some drastic amendments were required during the January 2011 Budget Review. Funds from projects that were delayed for various reasons were re-allocated to other projects that were ready to proceed.

Six projects were completed during the year and nineteen were under construction at the end of the financial year and will be completed in the 2011/2012 year. Thirty projects are at various stages of the tender process and fifteen were still in the planning stage. Construction is expected to commence during the next financial year.

Areas where potable water pipes are still located in the back yard of proclaimed stands have been removed to the street front. This project is a long term project with the aim to eliminate all current back yard potable water pipes throughout the municipality, to the street front of the stands. Certain phases of this have been completed within this financial year, such as Vosloorus and the Kwa-Thema areas.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached most of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Failure/Unplanned interruption of service [No of interruptions exceeding 48 hours]	25,000	14,211	✓ Target Exceeded
Failure/Unplanned interruption of service [No of interruptions exceeding 24 hours]	30,000	22,531	✓ Target Exceeded
Reduction of stands not metered [No of stands not metered]	10,000	8,707	⊗ Target Partly achieved - - see note 1
Compliance with SANS 0241 [percentage]	>95%	97,80%,	✓ Target Achieved

Description of target	Year Target	Target achieved	Comment
compliance (%)]			
Usable meter readings [percentage (%) usable meter readings]	>95%	79%	☒ Target Partly achieved - - see note 2
Water purchased vs. water billed [Volume of water purchased (kl)] - 1. To ensure that every drop of potable water is contained in the system. 2. To minimize total consumption	332, 283 696	332,557,257	✓ Target achieved -
Number of job opportunities [person days]	1000	108,791	✓ Target Exceeded
Number of people injured - To minimize the number of disabling injuries	20	2	✓ Target Achieved

Targets not achieved

1. Actual achievement of 8,707 against the target of 10,000. The non-achievement of this target was due to insufficient budget.
2. The non-achievement of this target was due to issues that related to data that was not accepted by the billing system. As mentioned above, the division in conjunction with the Finance department is embarking on a continuous drive to clean the data.

Environmental Development Department

Departmental Vision and Mission

The mission of Environmental Development Department is to serve our community by rendering essential affordable municipal services, providing facilities, creating a safe and healthy environment and facilitating economic growth.

Departmental Key Performance Areas

The Key Performance areas of the department are as follows:

- Waste Management Services
- Metro Parks and Cemeteries
- Environmental Health
- Environmental Management termed as Policy and Planning and;
- Support Services.

Departmental Performance Report

Summary of departmental achievements

A total of 250 community members were trained through various projects. A total of 1 335 Million square metres of grass was cut.

At least 1 023 Jobs were created through the Expanded Public Works Programme (EPWP) projects and community participation. Fencing and alarms were installed at Mahlathini Park, Spruitview, Kwenele Park, Alberton Dam, Jan Smuts Park, Brakpan, Blaauwpan Nature Reserve, Coen Scholtz in Birchleigh North, Tsakane Multi Purpose Park and one park stand in Brakpan North and Germiston Lake. Wheelchair ramps were constructed at all Major Metro Parks and Cemetery facilities.

The Sunday Tribune Garden & Leisure Show in Pietermaritzburg is the largest horticultural show in South Africa and has been running for over 30 years. Over 20,000 people visit the show each year from all over South Africa. The show has been linked to the famous Chelsea Show in the UK. The division Metro Parks has participated in the show since 2007, exhibiting a keynote garden. Over a dozen municipalities participate in the show. Each year the show organizers determine a theme and the judges award points for the exhibits in terms of compliance with the theme. Ekurhuleni officials have been honoured to be part of the organizing committee in 2009 and 2010. Participation in the show enables young horticulturists to hone their skills as is evident from the results obtained over the past three years. They also gained exposure on the national arena. Each year the team has improved on the results obtained of the previous year, in both 2009 and 2010 we obtained a "Silver Award".

It is the responsibility of the municipality to ensure that food supplied in its area of jurisdiction is safe. All premises where food is prepared for public consumption must be compliant with the health regulations and be in possession of a Certificate of Acceptability in terms of Section 3 of R918 of 31 July 1999. Following the monitoring that is done by the Environmental Health Practitioners in this regard, there are about 6 905 premises that are in possession of Certificates

of Acceptability which represents 87% compliance rate. The aim of this is to minimise the incidences of food poisoning cases and other food diseases which have been maintained at a very low level thus far.

Rodent infestation is a problem that is affecting almost all cities and towns in South Africa and Ekurhuleni Metropolitan Municipality is not an exception. The following methods were utilized in the implementation of the plan: there has been over 50 000 rodents caught and killed in the areas of Katlehong, Thokoza, Vosloorus and Tembisa using the method of trapping with cages. Due to this method being labour intensive, it is currently operating in the area of Tembisa where there are volunteers who are involved in the programme.

Ekurhuleni is an Atmospheric Emission Licensing Authority in terms of National Environmental Management air Quality Act, 2004 with effect from 01 April 2010 and this implies that it must license all listed activities or industries within its area, monitor the air quality levels and improve it. The EMM has implemented a project aimed at reducing the levels of pollution particularly in informal settlements. A service provider was appointed who targeted 70 000 households with an aim of achieving a 15 000 households conversion rate. This means that out of the total of 70 000 houses targeted it was expected that 15 000 households would manage to change their behaviour and be able to apply the method after the training. Wetland Rehabilitation, have been done at Kwenele Wetland, Bullfrog Pan, Kaalspruit, Riebeeck Park 1, Esselen Park, Norkem Park 1&2 and work is continuing on the wetlands at Marievale, Tembisa, Boksburg and Benoni lakes. The 8 ambient monitoring stations are in the process of being resuscitated /operated again to monitor criteria pollutants (Sulphur dioxide, Ozone, Carbon monoxide, Lead, Oxides of Nitrogen, Particulate matters) which have a significant negative impact on climate change, human health and environment. There are ambient standards that Ekurhuleni must ensure that they are compliant with.

The Waste Management Directorate strove to stabilize refuse removal services in both in-house and outsourced areas of the EMM. A significant success was achieved in all outsourced areas where services were normalized in accordance with the routine schedule and the services rate in accordance with routine scheduled rose above 90%. The Department Waste Management Services made some inroads in respect of improving service delivery to informal settlements by rolling out scheduled door to door refuse removal services covering 100 000 service points.

Challenges are still being faced with the in-house collection where human resource policies and fleet problems are still hampering the service delivery improvements, however, refuse removal services rate was above 71%. Plans to improve the situation are in place and amongst others include the finalization of the Institutional Review. Deployment of the procured specialized refuse removal vehicles is progressing well and helped to alleviate the backlog created by industrial action. The rollout of these specialized refuse removal vehicles reduced the life span average of the Waste Management fleet from 21 years to 9.8 years which is closer to the minimum requirement of 7 years.

As part of stabilization and refuse removal services improvements, the roll out of the 240l wheelie bins in Tembisa was identified, and this pilot project resulted in over 35 000 wheelie bins purchased in the financial year 2010/2011 to cover part of Tembisa as phase 1 of the project.

In a bid to improve service delivery in EMM, the Directorate embarked on outsourcing some of the services areas in EMM, benefits realized in these areas are:

- Sustainable waste management services;
- Skill development for local communities;
- Parity in service delivery;
- Sustainable Job creation.

In this model approximately 449 746 services points were covered and this remained stable (Approximately 49.42 % of the total domestic service points). Seven hundred and ninety eight jobs were created and a total number of 56 Community Based Contractors were appointed. Equivalent to 46 934 tons of carbon dioxide was flared from all landfill sites as a result of the carbon emission reduction strategy implemented in all active landfill sites. A total of 1 706 125 tons of refuse were safely disposed of and treated in the five (5) permitted and licensed landfill sites owned by EMM in 2010/2011 as compared to a total of 1 440 571 treated in the previous year.

Summary of key capital projects implemented

World class parks and sanctuaries/nature reserves were developed and upgraded. Regional Parks were upgraded, for example Dries Niemandt in Kempton Park, Germiston Lake in Germiston, President Park in Springs and Kwenele in Katlehong.

Sanctuaries/Nature Reserves were upgraded such as the Rondebult Bird Sanctuary in Germiston, Bokkie Park in Boksburg, Bunny Park in Benoni and Nigel Dam in Nigel.

Multipurpose parks upgraded are Bulithando in Kwa-Thema , Marivate in Daveyton, Rocky Park in Duduza and the award winning Spruitview Multi-purpose Park in Germiston. Tsakane multipurpose park, Mahlathini community park in Vosloorus and Sali park in Katlehong were also upgraded. Nyoni park in Vosloorus and four community parks in Wattville was renovated. The Wattville community park was officially opened on 11/5/2011.



Spruitview Multi-Purpose Park - The Spruitview site lies south of Germiston on a moderately steep slope on dolomite rock.

Tsakane Multi-Purpose Park – High Class development within an area with no other park development of this nature. Budget for this development was R4 000 000 in 2009/2010 and R11 820 000 in the 2010/2011 financial year. The park was opened by the Mayor on 5/5/2011.



The nature of the intended parkland use i.e. a multipurpose park with sports fields and amphi-theatre required extensive earthworks of approximately 8000 m3.

An exclusively indigenous plant plan was used as an ecological and water-friendly option.

41 Town entrances were developed and upgraded in the Metro.



The following cemeteries were upgraded: Vlakfontein, Mooifontein, Alra Park and Kromvlei Cemeteries.



Upgrading of Mooifontein Cemetery : The cemetery was officially opened on 13/5/2011.



Kromvlei Cemetery – Upgraded at a cost of R5 294 000.

Playground equipment has been erected at various parks namely Brentwood Park, Hospital View, Jolin Street Park, Mashimong Park, Tsakane, Brakpan, Alberton, Thokoza and Katlehong. Planting and distribution of fruit trees took place in Tembisa 1 and 2, Kwa Thema, Duduza, Tsakane, Wattville, Daveyton and Katlehong and a total of 12 000 trees per annum was set. R3 000 000 was made available for urban greening.

5 Community nurseries are being constructed for future training of community members at Kempton Park, Boksburg, Alberton, Brakpan and Vlakfontein Cemetery.

OR Tambo/ Leeupan Regional Park and Environmental Education Facility is situated in the Wattville area. The project includes Environmental education facility, regional park and wetlands rehabilitation.

LEEUPAN REGIONAL PARK: ENVIRONMENTAL EDUCATION CENTRE design

NewTown Landscape Architects, MIMBA architects



Environmentally friendly construction methods are being used and the completed project will be a pioneer in Ekurhuleni. The first phase of the project amounts to ± R70 m. The total project cost is ± R140 m. The contractors for the construction of the first phase of the OR Tambo/ Leeupan Environmental Education and Narrative centre was appointed in September 2010. Date for completion of first phase is October 2011.

LEEUPAN REGIONAL PARK: ENVIRONMENTAL EDUCATION CENTRE design

NewTown Landscape Architects, MIMBA architects



As this project is situated in a natural area, and very close to the well known bird haven of Leeuwpn, the instructions to the architects was to preserve nature as far as possible. With this instruction, the architects designed Ekurhuleni's first "green" building. The following "green" methods are being used: Rammed earth construction, Strawbale construction, Cob wall construction, Green roof technology, Thermal mass earth floor, Evaporative cooling system,

Earthtube technology, Solar energy, Trombe wall technology, Rain water harvesting and black water harvesting. The opening of phase 1 of the project will co-inside with Tambo month and is planned for the 27th of October 2011.

Waste Management 's key capital projects were:

- Cell and storm water constructions in some of EMM landfill sites;
- Upgrades and renewal of some of transfer stations;
- Waste Management Fleet refurbishment in EMM;
- Acquisition of Specialized vehicles for the Directorate;
- Supply of recycling bins;
- Erection of palisade fences in some of EMM landfill sites;
- Installation of gas flare wells in some of EMM landfill sites.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached many of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Inspection of residential stands for rodent control [no of residential stands inspected for rodent control]	24,000	21,341	☒ Target Partly achieved- - see note1
Treatment reports for rodent control on council premises [No of treatment reports issued for council premises treated for rodent control]	240	260	✓ Target Exceeded
Private stands with cut grass after notices served [No of stands with cut grass after notices served]	3,200	897	☒ Target not achieved - - see note 2
Diesel driven vehicles tested [no of diesel driven vehicles tested]	1,800	1,800	✓ Target achieved
Formal food premises inspected [No of formal food premises inspected]	26,000	29,404	✓ Target Exceeded
Permits issued in terms of public health by laws [No of permits issued in terms public health by laws]	120	396	✓ Target Exceeded
Number of fines issued in terms of public health by laws [No of fines issued in terms of public health by law]	120	62	☒ Target Partly achieved- - see note 3
Inspections carried out at funeral undertakers premises [number inspections carried out at funeral undertakers premises]	320	435	☒ Target Exceeded
Ambient air monitoring stations operational [No of ambient air monitoring stations operational]	8	6	☒ Target Partly Achieved - - see note 4
Designated standards for turf grass management [m² of area maintained per cycle]	30,000,000	290,438,363	✓ Target Exceeded
Formal Regional Parks developed [no of community parks upgraded]	2	2	Target Achieved
Community Parks upgraded [no of community parks upgraded]	20	29	✓ Target Exceeded

Description of target	Year Target	Target achieved	Comment
Planting of trees [no of trees planted]	12,000	10,510	☒ Target Partly achieved - - see note 5
Cemeteries developed / upgraded for additional burial space [no of cemeteries developed / upgraded for additional burial space]	2	2	✓ Target Achieved
Promote conservation and environmental awareness [no of events]	3	1	☒ Target not achieved - see note 6
Rehabilitation of wetlands [No of wetlands rehabilitated]	2	3	✓ Target Exceeded
Wards and schools entering BkB competition; realign introduce new community based environmental sustainable livelihoods with old BkB (poverty alleviation) projects [No of wards entered]	30	15	☒ Target Partly achieved - see note 7
Capacity building of schools on environment (incl. educators and learners) [No of schools capacitated]	50	74	✓ Target exceeded
Youth environmental co-operatives participating in environmental capacity and green business development projects; each youth cooperative comprises of ten(10) young people/ EYE program [No of Environmental Youth cooperatives capacitated and participating]	3	3	✓ Target Achieved
Ward based capacity building of community members on environmental issues via environmental forums [No of forums established] - To improve, prevent and minimise negative environmental impacts within the EMM	20	0	☒ Target Not Achieved - see note 8
Community members trained and used as Eco-guides [No of trained and deployed eco-guides]	600	668	✓ Target Exceeded
Bi-annual environmental news letter copies distributed throughout the city's environmental partners, CCC's, schools and libraries [No of copies distributed for circulation and public consumption]	100,000	41,600	☒ Target Partly achieved - see note 9
Meeting national target of conserving of 10% of EMM land for biodiversity purposes by 2025 [Hectares of land under conservation]	100	0	☒ Target Not Achieved - see note 10
Consider and comment on development applications as legally required – Basic assessments, EIA's, EMP's and Land alienation [% of applications concluded within 30 days]	80%	75%	☒ Target partly achieved - see note 11
Refuse removal Backlog service points serviced [no of service points]	8,000	6,550	☒ Target Partly Achieved - see

Description of target	Year Target	Target achieved	Comment
			note 12
Identified illegal dumping hot spots eliminated [no of illegal dumping hot spots eliminated]	6	24	✓ Target Exceeded
Recyclable material recovery facilities provided [No of facilities]	3	0	☒ Target not achieved 13
Prepared waste disposal airspace provided [volume of airspace in m³]	200,000	200,000	✓ Target achieved
Methane gas extracted per year [Tonnes of gas extracted]	80,000	46 934	☒ Target partly achieved – see note14

Summary of corrective measures to be instituted where targets where not achieved

1. Actual achievement of 21,341 against the target of 24. The department indicated that the target was not achieved due to lack of capacity. The Directorate will increase capacity through external stakeholders and consultants involvement to deal with the problem.
2. Actual achievement of 897 against the target of 3,200. The department indicated that the target was not achieved as result of service provider not yet appointed. Tender process is in progress, quotations will be used. Tender process is to be completed for the grass cutting cycle to continue normal.
3. Actual achievement of 62 against the target of 120. The department indicated that the target was not achieved due to a lack of capacity. The training of Peace Officers needs to be completed and aligned to Courts.
4. Actual achievement of 6 against target of 8. The department indicated that the target was not achieved as the other 2 stations that were maintained by Gauteng Department of Agriculture and Rural Development (GDARD) are not yet operational. The remaining 2 stations will be handed back to Ekurhuleni in November 2011 and will be audited in terms of current appointed service provider contract.
5. Actual achievement of 10,510 against the target of 12,000. The department indicated that they are in the process of planting the remaining trees.
6. Actual achievement of 1 against the target of 3. The target was set for 3 events within Metro Parks however only 1 was achieved due to industrial action. The organizers of the Gardenex Show cancelled the show due to the economic recession.
7. Actual achievement of 15 against the target of 30. The department indicated that only 15 wards and 34 schools participated by submitting entry forms and / or Environmental Management Plans. Adjudication was done by the Bontle Ke Botho (BKB) task team and the winning ward and school will be announced in the next term.
 - Intensify the BkB programmes awareness among ward councillors

- Appoint a development focused external service provider to assist wards and schools with the development of business plans and also to monitor the implementation thereof.
8. Actual achievements of 0 against target of 20. The department indicated that monitoring and support is provided to the existing wards towards the establishment of environmental forums. No new forums were thus established. The Department wants to develop and establish functional Environmental forums in each and every ward in the Metro. However this department has been experiencing challenges in terms of servicing and sustaining those little forums we have setup due to capacity and resource limitations. Hence a decision was taken to rather not focus on developing new forums but rather to ensure proper functioning and sustaining of the existing forum.
 9. Actual achievement of 41,600 against the target of 100,000. The department indicated that 500 booklets on BKB 15,000 copies of the environmental publication and 100 copies of the environmental career guide were distributed. Due to capacity constraints it was unable to reach the target. The department aims to improve on project planning by capacitating employee skills on project management.
 10. Actual achievements of 0 against target of 100 hectares. The department indicated that due to staff shortage and lack of clarity at national level regarding the proclamation of conservation areas not much progress has been made. The department is working with Provincial and National Environmental Departments to ensure that identified conservation land in EMM gets Gazetted in being declared "conservation areas" as per legislation. The department will be engaging with private land owners that will be affected by this Gazetting.
 11. Actual achievement of 75% against the target of 80%. The department indicated that only 2 permanent employees deal with all the applications. Awaiting the finalisation of the Institutional review in order to appoint more officials. This was noted in Q1 but the number of applications concluded did increase from 49% in the 1st Quarter to 75% in the last Quarter.
 12. The department indicated that the target was not achieved due to slow procurement process. No other indication has been made. The deployment of specialized vehicles will assist in reaching the target. The roll out of 240ℓ wheelie bins into other areas of the EMM is set to correct the situation. The appointment of Development contractors to cover additional 100 000 service points in informal settlements is another correctional measure to realize the set target.
 13. Actual achievements of 6,550 against the target of 8,000. Although the department indicated that the project was on target in the 1st and 2nd quarter, the project could not be implemented due to the fact that there is no strategy in place. Appointment of Development contractors is packaged with waste minimization strategy to address this target.
 14. Actual achievement of 0 against the target of 3. Although the department indicated that the project was on target in the 1st and 2nd quarter, the project could not be implemented due to the fact that there is no strategy in place.

15. Actual achievement of 46,934 against the target of 80,000. The flare at the Simmer & Jack landfill has been turned off for the whole year due to unstable soil conditions underneath the flare. The flare has been dismantled completely to conduct geo-technical investigations to determine whether the flare can be erected at the same location. The investigation is in the final stage of being concluded. The horizontal wells at the Rooikraal landfill site have not been turned on due to a blockage in the gas pipeline. This blockage is also being investigated and the gas wells will be opened shortly after the blockage has been removed.



*Air quality reduction
project: testing of diesel
driven vehicles*

Sports, Recreation Arts and Culture Department

Departmental Vision and Mission

- Utilization of Sport, Recreation, Arts and Culture programs to enhance social cohesion
- Provision of sports, libraries and arts and culture facilities
- To ensure equitable access to Sport ,Recreation Arts and Culture Facilities
- Preservation and Promotion of Ekurhuleni's Heritage and Identity
- Transformation and Development of Library media resources, services and access to information
- Transformation of society to be self-reliant through capacity building

Departmental Key Performance Areas

The Key Deliverables for the 2010/2011 financial year as guided by the departmental focus areas are as follows:

- Provision of Sport, Recreation, Arts and Cultural facilities
- Preservation and Promotion of Ekurhuleni's Heritage and Identity
- Transformation and Development of Library Media Resources, Services and Access to information
- Utilization of Sport, Recreation, Arts and Culture programs to enhance Social Cohesion

Departmental Performance Report

Summary of departmental achievements

Promotion of greater participation in library programs and services - Library hours were increased to support the Gauteng Department of Education matric recovery plan in 2010; twenty four libraries opened on Saturdays from 8h00 – 16h00 and Sundays from 9h00 – 16h00 between 18 September and 5 December 2010, increasing access.



Strongest link reading program that supports youth in building their reading, comprehension and speaking skills was presented to 1700 learners from 78 schools. 149 learners qualified for the competition which was held on 15 April 2011. To provide convenient access to reading materials for the competition, 292 books published in IsiZulu, SeSotho, English and Afrikaans were added to the library media collection.

To support literacy and educational goals for adults, the adult basic education training (ABET) Multimedia / Face to Face Programme was presented to six facilitators. The ABET Multimedia / Face to Face Programme will be presented to 45 community members in Kwa Thema, Tembisa West and Vosloorus libraries during 2011/12. The reading circles with seniors and book clubs continue in libraries.

Computer literacy training was provided to twenty two unemployed youth who have Matric and are members of libraries. The aim is to develop digital solidarity and create opportunities for the youth to get employment. Participation in the knowledge society requires that all citizens be given access to the Internet and computing services. Libraries continued to provide free access to the Internet and computing services.

To support people with visual impaired or print disabilities, a workshop was held to determine their library needs and subsequently alternate forms of library collections such as Daisy players were increased. Twenty six organizational representatives attended.

Libraries continued building its collection to satisfy the diverse information needs of communities. 23 257 library media items including books in indigenous languages were added to the libraries media collection.

The 2010 year saw completion of a new library facility project in Phomolong with improved library spaces, integrating information management technology and community centred setting; optimal functioning of two state of the art mobile library busses and Information and Communication Technology (ICT) Training Centre in Germiston library as well as renovation of two library facilities in Elsburg and Boksburg.

Opening of new library facilities and arranged events provided opportunities for residents to engage in neighbourhood celebrations. To understand changing customer needs and expectation for library service, an indaba was held in March 2011. Other consultation included the user satisfaction survey which drew hundreds of responses about satisfaction on library service and engagement through the library committees which meet bi-monthly to discuss library programs and services.

Arts, Culture and Heritage - The SDBIP provides a framework for sustainable Arts, Culture and Heritage Development within all communities of Ekurhuleni. The Directorate: Arts Culture and Heritage encompasses visual arts and crafts, performing arts and heritage initiatives. All programmes developed by the Directorate are committed to the development and promotion of art and cultural activities and artists in Ekurhuleni through empowering the community to improve their participation in arts activities and by providing skills, information and opportunity. The key deliverables for the financial year 2010/2011 on Capital Infrastructure Development for Arts Culture and Heritage include the final phases of the upgrade of the Katlehong Art Centre and Moses Molelekwa Art Centre. The first phase of the development and construction of the Tree of Remembrance was completed, commemorating all deceased Councillors since the inception of Ekurhuleni Metropolitan Municipality in 2000.

The following programmes were successfully implemented as part of the provision of social integration and development for Ekurhuleni: Oliver Tambo, Chris Hani and Heritage Month. The Thami Mnye Fine Arts Awards as a National Art Competition for Visual Artists was successful and well promoted for Ekurhuleni. Jazz Festivals as part of Community Cultural Theatre was presented within the boundaries of Ekurhuleni.

Numerous other visual arts and crafts, performing art programmes, events and theatre productions were successfully presented. Successful Art Development and Art as Healing classes together with Cinematography and Elementary Music Classes were presented in all areas as part of Capacity Building Programmes. Various Heritage Initiatives were presented focusing on Oral History, Indigenous Knowledge Systems and Indigenous Language Promotion.

Sport and Recreation - As part of minimizing drowning during the swimming season, a Learn to swim programme was implemented (between the 1st September 2010 and the 31st March 2011). 10 primary schools participated. During October and November we hosted a successful African Women Soccer Championship at both Makhulong and Sinaba stadiums. This tournament is the ultimate competition in women football on the continent.

We also participated and won the O.R Tambo Municipal games that were held in Westonaria in November. This is a competition where all municipalities in Gauteng compete against each other in 24 sporting codes. EMM won the competition for the 5th consecutive year.

To cater for pre-scholars we presented our annual Kiddies-Olympics which were held on the 27th May 2011 where 5 and 6 year olds participate in recreational activities. These kids are drawn from all crèches throughout the Metro. For the disabled we had the spirit games on the 27th November in conjunction with the Provincial Department of Sport, Arts, Culture and Recreation.

Various coaching clinics and workshops on various sporting codes throughout Ekurhuleni were presented. The following facilities were upgraded: Benoni Northern Sport Depot, the Sedibeng Sport Complex, the Ebuhleni Golf course, the Primrose Bowling Club and the Olifantsfontein Sport club.

Summary of corrective measures to be instituted where targets were not achieved

The actual achievement under "Access to new libraries established" is three against the target of four - The bid for an appointment of a contractor for Vosloorus library is still in Bid Evaluation stage pending transfer of erf 21058, extension 20, Vosloorus to Council. There has been a delay in expediting the transfer of the land.

The validity of the tender SRAC 06/2010 for the appointment of a contractor will be extended

All targets in the 2010/2011 SDBIP for Arts Culture and Heritage were achieved. The strategic focus of the Directorate: Arts Culture and Heritage is on developing specific programming choices to adhere to Council Targets and Strategic Objectives as well as facilitating individual arts organizations and artists within Ekurhuleni to maximize attendance and participation, and thus grow the proportion of the overall Ekurhuleni population which engages with the Arts. To enable the Directorate to achieve these targets full support is required from Council.

Summary of key capital projects implemented



The construction of the new library on erf 2959 Phomolong, Chloorkop, extension 52, Tembisa, in ward 67 was completed on the 13 October 2010. Phomolong library is situated on the corner of Cira Avenue and S M Sondo Drive, Phomolng, Tembisa. An official opening of the library

was on 12 February 2011. The event was combined with the launch of two state of the art mobile library busses.



The mobile library busses provide library and information services in areas where there are no fixed library facilities. These include the informal settlements, where a static service is not viable and where population of the area is vast and scattered. The mobile library busses are standard size busses. Inside they are structured like a normal small library with among other settings, the following:

reception counter which is used as circulation desk; shelves with books, laptop with docking station, 3 in 1 photocopier/printer/scanner to provide auxiliary services; 40 inch LCD screen, DVD and Hi-Fi system and surround sound, 4 Portable PA systems to present children's programs; awning on the left side of the bus, stage with lights, tables and chairs for presentation of programs outside the bus; access at the rear for disabled people by means of an electrical operated wheelchair ramp.

We have managed to rehabilitate and bring back into operation the following 3 swimming pools, Geluksdal swimming pool, Actonville swimming pool and Olympia Park swimming pool. We also erected concrete palisade fencing around the 6 following facilities, Benoni Town hall, Charl Baard stadium, Brakpan bowling club, Dinwiddie swimming pool, Nigel sport complex and Actonville Community centre Sport depot, Ebuhleni Golf Course, Sedibeng Sport Complex, Primrose Bowling Club Depot, Olifanstfontien Depot. The Upgrade of the Sport and Recreation Offices at the Germiston Stadium was also done.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached most of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Development of cultural facilities [No of upgrades projects completed]	2	2	✓ Target Achieved
Provision of social integration and development programmes to reclaim our African identity [No of programmes]	79,230	86,935	✓ Target exceeded This should reflect number of participants in programmes and not number of programmes
Number of Arts and Culture capacity building programmes [No of capacity building programmes]	5,670	4,160	☒ Target partly Achieved – see note 1

Description of target	Year Target	Target achieved	Comment
			This should reflect number of participants in programmes and not number of programmes
Number of heritage initiatives [No of heritage initiatives]	8	13	✓ Target exceeded
Access to new libraries established [No of new libraries established]	4under construction	3under construction	☒ Target partly Achieved - see note 2
Library facilities upgraded according to norms and standards [No of new library facilities upgraded]		2 and 1 WIP	✓ Additional target Achieved
Library facilities maintained according to norms and standards [No of libraries maintained]	43	43	✓ Target Achieved
Presented Library programmes to enhance a culture of reading [No of library programmes]	20	36	✓ Target Exceeded
Library media resources increased and developed for the community [unit(s) of Measure: No of new library media provided]	18,000	23,257	✓ Target Exceeded
Sport and Recreational facilities upgraded according to norms and standards [No of facilities completed]	16	16	✓ Target achieved
Sport and Recreational facilities maintained according to norms and standards [No of facilities completed]	80	185	✓ Target Exceeded
Increased participation by community members [No of programmes]	10	43	✓ Target Exceeded

Targets not achieved

1. Actual achievements of 4,160 against target of 5,670. The department reported that the target was not achieved. No specific reasons have been provided.
2. Actual achievement of 3 against target of 4. The department indicated that the contractors are onsite at Winnie Mandela, Langaville and Olifantsfontein libraries. 92% of work has been completed in Winnie Mandela, the completion date is 12 August 2011. 47% of work has been completed in Langaville, 8% of work has been completed in Olifantsfontein library. The bid for an appointment of a contractor for Vosloorus library is still in Bid Evaluation stage pending transfer of erf 21058 to Council. There has been a delay in effecting the transfer of the land.

Community Safety Department

Departmental Vision and Mission

The Community Safety Department was established to provide an efficient and effective multi-disciplinary service which focuses on elimination of threats, risks and vulnerabilities to all the people of Ekurhuleni.

Departmental Key Performance Areas

The Community Safety Department consists of the following service delivery divisions, each with different core functions, particular to the type of services it renders:

- Emergency Services
- Disaster Management and Emergency Communication Services
- Licensing Services

The Focus of the Community Safety Department is: *“To Increase Safety of the Ekurhuleni Community”*

Departmental Performance Report

Summary of departmental achievements

The Community Safety Department (Emergency Services Personnel) took part in the Japan Earthquakes Rescue Mission in March 2011. The Executive Mayor awarded certificates to fire fighters who rescued frail and disabled People at Pieter Wessels Old Age Home and Frail People. These individuals successfully handled the Pieter Wessel fire and rescued 84 old age persons. Unfortunately, 23 persons lost their lives. Due to the nature and set-up of informal settlements in Ekurhuleni, the department trained more than 90 community members in fire prevention and safety awareness in accordance with the Community Emergency Response Team (CERT) Program. The trained members were from Makause, Marathon, Bapsfontein, Gugulethu/Everest and Empilisweni.

A sod turning was held in February 2011 for the building of the Tsakane Fire Station in ward 82. This is a multi-year capital project which is scheduled to be completed in the 2012/2013 Financial Year. The department also managed to repair all CCTV cameras in Alberton and Kempton Park. These Street Surveillance Cameras will also assist in creating a safe environment for the community.

The department managed to replace the ageing fleet at the fire stations. Over and above that, the department successfully conducted more than 10 public education and awareness initiatives on the importance of child restraint safety devices in vehicles.

Summary of key capital projects implemented

Emergency Services specialized vehicles were purchased to the total amount of R21,796,185.

The sod turning occasion for the construction of the Tsakane Fire Station was held in February 2011 and Phase 2 thereof has been completed which was funded to the value of R6,000,000. Phase 1 for the construction of Duduza and Zonkizizwe Fire Stations was completed, which consists of the finalization of the plans and the securing of the land.



The Disaster Management Satellite Office was officially opened by the Executive Mayor on 3 May 2011.



Phase 1 for the construction of Duduza and Zonkizizwe Fire Stations was completed, which consists of the finalization of the plans and the securing of the land. These are Multi-Year Capital Projects to be completed in 2012/2013.

The establishment of four Motor Vehicle Registration Authorities Drive Thru's (i.e. Duduza, Katlehong, Kwa-Thema and Springs) for the total Amount of R4,260,000, is almost completed.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached most of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Public education contact session conducted [No of community members educated and sessions conducted]	150 / 2000	480 / 26370	✓ Target Exceeded
Complete Phase 1 construction of 3 x Fire Stations	3	3	✓ Target Achieved
Emergency Service Vehicles replaced [No of Emergency vehicles replaced]	5	9	✓ Target Exceeded
Observance of nationally defined speed of response [speed of response as defined by National Standards]	75.00%	84.42%	✓ Target Exceeded
Enforcement of Emergency Services By-Laws [No of by-law operations conducted]	50	50	✓ Target achieved

To identify and conduct risk assessment on premises with reportable quantities of dangerous goods [No of premises with reportable quantities of dangerous goods identified and assessed]	1,300	2,105	✓ Target Exceeded
Community members trained as Emergency Service response team [No of educators trained]	40	90	✓ Target Exceeded
Licensing facilities established [No of facilities established]	3	4	☒ Target Not Achieved - see note 1.
Implementation of outreached programmes for all Licensing Services [No of outreached programmes conducted]	40	40	Target achieved
Optimally functional security systems in all Licensing facilities [No of facilities with optimally functional security system]	7	1	☒ Target Not Achieved - see note 2.
Fully upgraded repeater sites for communication services [No of repeater sites upgraded]	1	1	✓ Target Achieved
Fully functional Disaster Management satellite offices to be introduced [No of satellite offices to be introduced]	2	1	☒ Target Not Achieved - see note 3.
Performance Indicator: Alignment of the EMM Disaster Management Framework with the Provincial and National Frameworks [No of EMM Disaster Management frameworks aligned and approved by Council]	1	1	✓ Target Achieved
Implementation of the risk reduction programmes [No of EMM Disaster Management frameworks aligned and approved by Council]	1	1	✓ Target Achieved
Community based disaster risk assessment [No of community based risk assessment]	4	4	✓ Target Achieved
Implementation of disaster management information and communication system [No of information and communication systems implemented]	1	1	✓ Target Achieved
Implementation of disaster response and recovery programmes [No of programmes implemented]	1	1	✓ Target Achieved

Targets not achieved (including corrective measures)

1. The Drive Thru's of Katlehong, Duduza and Kwa Thema are between 60 and 70% completed. Springs Drive Thru has some challenges and all indications are that it will be completed by the end of August 2011. Interns were used for construction of all four projects instead of three. The delay experienced, is as a result of early winter rains, the project is anticipated to be completed at the end of August 2011. Although the use of interns also contributed to the delay in completing the projects, it also assisted the programme of the Infrastructure Services Department to provide training to these individuals.
2. Optimally functional security systems in all licensing facilities (Number of facilities with optimally functioning systems)

Actual achievements: 1 implemented out of a target of 7. The department indicated that the total amount of R2 000,000 was allocated to EMPD who allocated only R18, 934 to the needs of the Licensing Division. The EMPD has been allocated a total of more than R5 million in 2011/2012 Financial Year for installation and upgrading of security systems in EMM. The Licensing Services Division has been requested to submit a detailed list of security needs to EMPD in order for it to be prioritized in 2011/2012 Financial Year.

3. Actual achievement: 1 implemented out of a target of 2. The department indicated that the Katlehong satellite office was officially opened on 3 May 2011. There was a delay in delivering of the first floor slab by the service provider for the Tsakane satellite office. As a result the project was not completed as scheduled. It is anticipated that the project will be finalized before the end of September 2011.

Ekurhuleni Metro Police Department (EMPD)

Departmental Vision and Mission

A Safer City - An environment in which the people of Ekurhuleni live and conduct their business free of the fear and experience of crime (including crime against council property and people) and disorder (by-laws; traffic congestion and traffic related fatalities).

To achieve the above, the EMPD will provide quality police services to the people of Ekurhuleni by protecting life and property with the intent to reduce the experience and fear of crime and lawlessness. EMPD will do this by enforcing the law without fear and favour; with integrity and in partnership with our diverse communities.

Departmental Performance Report

Summary of departmental achievements

The focus of the EMPD in the period covered by this annual report was to get better at tackling the four menaces of lack of compliance to by-laws; high traffic fatalities, increasing crime in the city and improving security in the Municipality. In this respect, the EMPD sought to define its own approach that will make it better responsive at mitigating the challenges in the four areas of its mandate. Today, the EMPD has a well-defined framework which is being implemented on the ground which accounts for the substantial successes all round.

In the area of by-law enforcement, the EMPD tabled a new framework on which basis the by-law compliance centre was approved on the macro structure and is in the process of being created under the Urban Management Unit. The thrust of this framework is that by-law compliance can only be increased if there is a coordinated interdepartmental effort targeting not just enforcement, but education and provision of services that will make it easier for people to comply. As a result of this intervention, by-law enforcement in the city has improved for the better both in quality and also in frequency of interventions.

A new security framework was approved which delineate security of assets, people and information. An overhaul of security in EMM is taking place based on this new approach. Emphasis is now placed on security risk assessments on the basis of which tailored solutions are then designed. Also, emphasis is being placed on physical environmental defects which must be corrected to make it difficult for criminal activity to occur in the environs of EMM. As a result of these Ongoing interventions, robberies and theft in council premises are down.

The EMPD works as a force multiplier to the SAPS on crime prevention. Joint operations with the SAPS were prioritized and due to improved relations with the SAPS, the EMPD was able to overachieve in this regard. Joint operations are important in that they pull together otherwise scattered resources for maximum impact. Also, EMPD has limitations in respect of its mandate that the SAPS does not have. For instance, crime intelligence and statistics are provided by the SAPS. EMPD thus benefits immensely from the improved relations with SAPS which are expressed in a form of joint operations on the ground.

EMPD was also able to substantially increase its own target anti-crime operations resulting in numerous arrests for murder, armed robbery, rape, cash in transit heist, house breaking among others. In the area of social crime prevention, once again with a relatively small unit, the EMPD

made significant strides in its interventions and campaigns aimed at raising awareness. In the period of the new political term and as a direct result of our successes in this area, the EMPD intends to intensify its work by growing the unit in size and deepening its capabilities.

In the area of traffic law enforcement, the EMPD was unable to reduce fatalities in the area of Ekurhuleni. The strategy on the basis of which traffic law enforcement is affected places emphasis on policing of hotspots and on driver and vehicle fitness. In addition, the Road Traffic Management Council's rolling enforcement plan has ensured that hundreds of thousands of vehicles are stopped for both driver and vehicle fitness assessments. The increase in the number of fines issues to non-compliant motorists also attests to renewed vigor on the part of EMPD to drive down road fatalities and ensure free traffic flow. However, a disturbing trend has been noticed of an increase in fatalities on roads that are under construction. Even as the EMPD has achieved declines in traditional hotspots, there has been an increase in accidents in areas under construction. It is hoped that the situation will be remedied with the conclusion of the road construction projects.

Summary of corrective measures to be instituted where targets were not achieved

The only targets not achieved were an increase in drunk driver prosecutions and traffic fatalities. This could be attributed to issues surrounding the legality of the breathalyzer tests. This has resulted in the suspension of prosecution of cases involving drunken driving pending the finalization of court processes. As reflected above, it has also been observed that traffic fatalities have increased in areas where there is road construction. As these construction projects are finalized, we will see a reduction in accidents in these areas and consequently a reduction in fatalities.

The Department is in partnership with the SAB to establish Alcohol Evidence Centers in the three policing areas of EMPD. To date, two centers have been established in the North and South. In the coming financial year, a center will be established in the East. These centers make the prosecuting of drunk drivers relatively easy in that they help with collection of evidence and proper administrative processing. The centers are used also by the SAPS and other law enforcement agents. With this initiative, the EMPD will be able to prosecute many more cases for drunk driving.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached all of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Development and Implementation of a Crime Prevention Strategy [approve a Crime Prevention Strategy]	1	1	✓ Target Achieved
Development and Implementation of a Crime Prevention Strategy [quarterly reports to Council]	4	4	✓ Target Achieved
Development and Implementation of a Social Crime Prevention Strategy [approve a Social Crime Prevention Strategy]	1	1	✓ Target Achieved
Development and Implementation of a Social Crime Prevention Strategy [4	4	✓ Target Achieved

Description of target	Year Target	Target achieved	Comment
quarterly reports to Council]			
Focus on Operations [targeted Special Operations]	36	4,457	✓ Target Exceeded
Focus on Operations [quarterly reports to Council]	4	4	✓ Target Achieved
Improve the Traffic Contravention System [project Plan on the implementation of the system]	1	1	✓ Target Achieved
Improved compliance to Road Traffic Laws [20% Reduction in Road Fatalities per annum]	20%	297	
Improved compliance to Road Traffic Laws [20% Reduction in Road Traffic Accidents at identified Hot Spots per annum]	20%	0%	
Improved compliance to Road Traffic Laws [5% Increase in Drunken Driving Prosecutions]	5%	714	☒ Target not achieved
Development and Implementation of a By-Law Enforcement Strategy [approve a By-Law Enforcement Strategy]	1	1	✓ Target Achieved
Co-ordinate By-Law Enforcement [establishment of a By-Law Enforcement Centre]	1	0	
Development and Implementation of a Security Policy [approve a Security Policy]	1	1	✓ Target Achieved
Development and Implementation of a Security Policy [25% Reduction in theft and/or loss of Council's Assets and Information]	25%	0%	

Health Department

Departmental Key Performance Areas

- Primary Health Care
- Community Development
- Special Programmes
- Programmes and Logistical Support Services

The following were the key deliverables of the department for 2010/11:

- Access to Primary Health Care
- Minimization of Life threatening Communicable Diseases
- Minimization of Life threatening Non-Communicable Diseases
- To conduct Community HIV and AIDS Programme to increase awareness on HIV and AIDS
- Improved education, information and awareness on social economic status of all target groups
- To eradicate poverty through establishment of co –operatives
- Verify and register all deserving Indigents in the Indigent register

Departmental Performance Report

Summary of departmental achievements

Primary Health Care Services - Primary Health Care services were planned using a one-stop approach, according to the National Primary Health Care Service Package for South Africa which includes but are not limited to:

- Non-Communicable Disease Management
- Communicable Disease Management
- Expanded Program on Immunization
- Outbreak Response of Communicable Diseases and Epidemiological Preparedness
- Health Information, Education and Communication
- HIV, AIDS, Sexually Transmitted Infection and Tuberculosis (HAST) Control and Management Programme

HIV and AIDS Multi-sectoral Programme - HIV and AIDS Programme with the four pillars as per the National Strategic Plan being prevention, treatment, Care and Support were rolled out. In addition, Community Participation in HIV and AIDS stakeholder and ward fora were facilitated and the departments participated in the Aids Council. The Door-to-door Campaigns (a Mayoral Priority) was successfully implemented. The Community Support Program (CSP) led by volunteer teams is on-going to educate communities on HIV and AIDS and linking them to local services through referrals.

Primary Health Care services were rendered in close collaboration with the Gauteng Department of Health and Social Development (GDoH and SD) in different categories of health facilities as indicated in the table below:

Table 43: Primary Health Care Facilities in the EMM Health District 30 June 2011

	EAST		NORTH		SOUTH		TOTAL		
	EMM ⁷	GDHO &SD ⁸	EMM	GDHO &SD	EMM	GDHO &SD	EMM	GDHO &SD	Total
Community Day Centre	1			1			1	1	2
Community Health Centre	2	1	1		2	1	5	2	7
Clinic	24	1	24	1	27	1	75	3	78
Health Post	1						1		1
Mobile Clinic	2		3	2	2		7	2	9
Satellite Clinic					1		1		1
	30	2	28	4	32	2	90	8	98
Grand Total	32		32		34		98		98

Primary Health Care (PHC) is the first line of contact for any person who seeks health care. A key objective of the PHC Strategy is to promote and ensure accessibility of PHC services for communities.

The Ekurhuleni Metropolitan Municipality (EMM), jointly with the Gauteng Department of Health and Social Development (GDoH and SD) has embarked on a strategy to increase accessibility of PHC services by extending service hours at strategically placed PHC facilities to 12 hours or 24 hours or to render services on Saturdays.

There are twenty two (22) PHC facilities that are rendering extended services as at 30 June 2011 as listed in the table below.

Table 44: PHC facilities rendering extended service hours as at 30 June 2011

Extended Hours	Facility Name	Ward	Customer Care Area	Date Implemented
24-Hours	Daveyton Main Community Day Centre	71	Daveyton	June 2008
	Esangweni Community Health Centre	10	Edenvale	Feb 2008
	Jabulane Dumani Community Health Centre	46	Vosloorus	Sept 2008
	Kwa-Thema Community Health Centre	78	Kwa-Thema	Feb 2010
	Nokuthela Ngwenya Community Health Centre	98	Nigel	Sept 2008
	Pholapark Community Health Centre	57	Thokoza	April 2009
	Ramokonopi Community Health Centre	59	Katlehong 2	Feb 2011
	Phillip Moyo Community Health Centre	66	Etwatwa	8 May 2011
	24-Hours Total		8	
12-Hours	Mary Moodley Memorial Clinic	29	Benoni	April 2009
	12-Hours Total		1	
Saturdays 08:00 to 14:00	Boksburg Civic Centre Clinic	32	Boksburg	April 2008
	Dawn Park Clinic	43	Vosloorus	April 2008
	Dresser Clinic	56	Thokoza	Nov 2010
	Duduza Clinic	87	Duduza	1996
	Goba Clinic	55	Katlehong 1	March 2008

⁷ Ekurhuleni Metropolitan Municipality

⁸ Gauteng Provincial Department of Health & Social Development

Extended Hours	Facility Name	Ward	Customer Care Area	Date Implemented
	Itireleng Clinic	13	Edenvale	March 2010
	Katlehong North Clinic	52	Katlehong 1	March 2008
	Kempton Park Civic Centre Clinic	16	Kempton	Jan 2008
	Reiger Park Clinic	34	Boksburg	March 2008
	Tembisa Health Care Centre Clinic	6	Tembisa 1	Sept 2005
	Tsakane Clinic	82	Tsakane	1996
	Geluksdal Clinic	99	Tsakane	7 May 2011
	Brakpan Clinic (Kingsway Clinic)	97	Brakpan	7 May 2011
	Saturdays 08:00 to 14:00 Total		13	
Grand Total			22	

There are seven Midwife Obstetric Units (MOU) in the Community Health Centres which render Maternity and Obstetric services for normal deliveries. The MOU's as listed below are staffed and managed entirely by the GDoH and SD and are operational 24 hours per day:

Table 45: Primary Health Care facilities rendering 24 hour midwife obstetric services as at 30 June 2011:

Name of Facility	Ward No.	Customer Care Area	Days week of	Extended Hours Per week
Phola Park MOU	58	Thokoza	Everyday	24 hours
Ramokonopi MOU	59	Katlehong 2	Everyday	24 hours
Jabulane Dumane MOU	64	Vosloorus	Everyday	24 hours
Esangweni MOU	10	Edenvale	Everyday	24 hours
Kwa-Thema MOU	78	Kwa-Thema	Everyday	24 hours
Phillip Moyo MOU	55	Etwatwa	Everyday	24 hours
Nokuthela Ngwenya MOU	81	Nigel	Everyday	24 hours

Access to Primary Health Care - A total of four million, seven hundred and seventy two thousand, six hundred and thirty six (4,772,636) patients attended the PHC facilities during the year under review which indicated an increase of 5% compared to the previous year when the attendance was four million, five hundred and twelve thousand, four hundred and eighty one (4 512 481).

Minimization of Life Threatening Communicable Diseases - An integrated approach was followed that addressed HIV/AIDS, Sexually Transmitted Infections, Tuberculosis and Vaccine Preventable Diseases. All facilities offered HIV Counselling and Testing (HCT) services and Sexually Transmitted infections were also treated according to recommended protocols using the syndromic approach.

The number of clients tested with the HIV, Counselling and Testing Programme during the 2010/2011 was six hundred and eighty three thousand, nine hundred and twenty three (683 923) compared to the previous year when one hundred and seventy thousand, five hundred and seventy six (170 576). This reflects an increase of 13% clients that were tested. The HIV Counselling and Testing (HCT) Campaign was launched by President Zuma in April 2010 in Ekurhuleni and since then it was rolled-out to all PHC Facilities in Ekurhuleni. This campaign promotes the testing of all clients and stresses the importance of treating patients holistically. This is a wellness campaign that includes screening for diabetes mellitus, hypertension, and

anaemia (Hb), pap-smear and TB. The number of people tested for HIV through the HCT Campaign as at June 2011 is 683 923, 77% of target. The campaign is on-going.

The overall HIV Prevalence Rate in Ekurhuleni was 34% in 2009, indicating an increase from the previous years when the HIV Prevalence Rate was; 31.5% in 2008, compared to 33.3% in 2007 and 32,2% in 2006 as per the results of the Annual National Antenatal Survey. The increase in the HIV Prevalence Rate despite the implementation of HIV prevention programmes, poses a question of what are the underlying determinants behind this rapid increase given the existing prevention programmes in the district. The results for the 2010 survey are still outstanding from the National office.

The number of clients with access to Antiretroviral Therapy during the year under review has increased from twenty thousand, two hundred and seventy six (20 276) to twenty nine thousand, five hundred and sixty (29 560). This dramatic increase may be ascribed to the intensified strategy of rolling-out Antiretroviral at 86% of PHC facilities, as well as the Philinathi Private Public Partnership (P4) where Medical Doctors render the Antiretroviral Therapy Services to AIDS Patients in far-to-reach areas. Total number of patients initiated by P4 Doctors is above eight hundred.

The HAST Programme has reflected a significant improvement in the TB Control Outcomes with consistent improvements in the TB Cure Rate from 81% in 2009/10 to 86.9% in 2010/11. This can be credited to the employment of nine HAST Coordinators by the Ekurhuleni Metropolitan Municipality (EMM), improved facility TB management strategy, formulation of a TB tracer team consisting of twenty (20) retired professional nurses and implementation of quarterly 'Hot-spot' awareness campaigns conducted by volunteers from PEPFAR funded partners, local NGOs and Community Support Programme (CSP).

An Immunization Coverage Rate of 101% was achieved thus exceeding the set target of 90% for children under the age of one year.

Various immunization Campaigns were conducted to improve the health status of children:

- Total number of children reached for Vitamin "A" by August 2010: 192.258.
- The H1N1 Campaigns continued until 2011. H1N1 Influenza vaccine has been included in the daily routine immunization from the Health facilities. The statistics is submitted to the HIS on a daily basis. Total people immunized by August 2010: 46216
- Fourteen Mom and Baby Edu-shows awareness campaigns were conducted during the month of February in Ekurhuleni. Four thousand six hundred and twelve (4 612) people were reached. The Mom and Baby Edu-Shows are conducted in partnership with the Awuzwe Brand Communication which is a private company focusing on Millennium Development Goals.
- The National Polio Eradication Awareness Week was conducted from the 4th to the 10th April 2011 in Ekurhuleni. One thousand five hundred people were reached and educational pamphlets were distributed.
- The National Immunization Awareness Week was conducted in August 2011 from the 1st to the 7th August. One thousand five hundred people were reached and seventeen children were immunized.
- The Healthy Baby Initiatives (Competitions) were conducted in September 2011 and one of the Ekurhuleni babies from the Southern Sub-district won at the finals at

Johannesburg Zoo Lake. The baby competitions are conducted annually in partnership with Johnson & Johnson.

- Five Vaccine fridges were bought in 2010 and distributed to the Sub-districts.

Multi-sectoral HIV/AIDS Programme - The Community Support Programme (CSP) which uses volunteers who are paid a stipend and who were trained to provide HIV and AIDS related support in all one hundred and one wards is still on-going. The number of CSP Volunteers was increased to two hundred and seventy six. The support networks were strengthened in the communities through the fifteen Team Leaders and fifteen trainers to serve in all the one hundred and one wards of Ekurhuleni.

The number of people reached through the Community Support Programme Door-to-door HIV and AIDS Programme, was one million, four hundred and forty two thousand three hundred and ninety (1 442 390) people and four hundred and sixty nine thousand five hundred and seven (469 507) households.

Management of Life Threatening Non-Communicable Diseases (NCD) - Various awareness campaigns focusing on saving mothers and children were conducted.

Cervical Cancer Screening - The percentage of women, 30 years and above that have been screened for cervical cancer during the 2010/11 year is at 56.6%.

Community Participation - The new term of office for the Clinic Committees (PHCFCs) commenced in July 2010. Clinic Committee members were appointed by the MEC: Health & Social Development and induction of the Committees took place in October 2010. A consultative meeting addressed by the MEC: Health & Social Development as well as the Deputy Minister of Health was held on 6 May 2011.

Community Development Services - Training of forty eight young persons on technical skills took place in partnership with Emperor's Palace. Training of four people with disabilities on Banking was undertaken and funded by BMW S.A. Training of two hundred and forty one Early Childhood Development Practitioners took place and a total of 244 ECD Practitioners were trained in partnership with Early Child Development Institute (ECDI) and the Department of Basic Education.

Alleviation of Poverty through co-operatives and integrated food security projects – The Health department also has programmes on eradicating poverty through the establishment of co-operatives as well as establishment of food gardens. One hundred and twenty two co-operatives were registered with the Registrar of cooperatives during the reporting period and one hundred and eighty seven food gardens were established throughout EMM.

Indigents - Sixteen thousand and eighty eight (16,088) indigents were registered. Health also embarked on awareness campaigns in all Customer Care Areas to register all the deserving households as indigent and to create an awareness of the benefits of the indigent programme.

Summary of key capital projects implemented

Five new health facilities were built and commissioned in 2010/11:

- Katlehong North Clinic,
- Reedville Clinic,

- Wannenburg Clinic,
- Slovo Park Clinic and
- Tsakane X10 Clinic.

Seven social facilities were constructed and four commissioned in 2010/11:

- Duduza Early Childhood Development (ECD) Centre,
- Tsakane Early Childhood Development Centre,
- Kwa Thema Early Childhood Development Centre,
- Etwatwa Early Childhood Development Centre.
- Katlehong, Tembisa and Daveyton Early Childhood Centres will be commissioned in 2011/12

Review of departmental performance against pre-determined measurable performance indicators

The Department exceeded all of its targets, highlighted in the table below:

Description of target	Year Target	Target achieved	Comment
Utilisation of Primary Health Care (PHC) [No of Clients Attending Primary Health Care Facilities]	4,005,000	4,772,636	✓ Target Exceeded
Tuberculosis Cure Rate [Percentage of new smear positive (+) Tuberculosis patients cured]	80%	85%	✓ Target Exceeded
Immunisation Coverage Rate - children under one year old [percentage of children under one (1) year fully immunised]	90%	105.6%	✓ Target Exceeded
Clients tested for HIV [No of clients tested for HIV]	160,000	233,396	✓ Target Exceeded
Number of Clients with access to Antiretroviral Therapy [No of clients with access to Antiretroviral Therapy]	9,000	33,888	✓ Target Exceeded
Door-to-door visits to households - no of people visited [No of people to be reached through door to door visits on HIV/AIDS and Tuberculosis Programme]	610,000	1,522,409	✓ Target Exceeded
Community HIV & Aids Interventions [No HIV/AIDS Programmes developed and implemented to reduce the impact of HIV/AIDS]	16	97	✓ Target Exceeded
Delivery of sustainable and comprehensive Programmes for Youth [No of sustainable and comprehensive Programmes for Youth implemented & no of People to be reached annually]	17 (2,063 people)	20 (11,106 people)	✓ Target Exceeded
Implement Awareness Programmes on Social Pathologies for Men [No of Awareness Programmes presented on Social Pathologies for Men annually. No of people to be targeted annually]	12 (293 people)	15 (922 people)	✓ Target Exceeded

Provide care support and protection of children including orphans and vulnerable children [No of Programmes implemented on Care, Support and Protection of Children. No of Persons to be reached annually]	9 (338 people)	23 (1,908 people)	✓ Target Exceeded
Linkage of Early Childhood Development Programmes with Expanded Public Works Programme [No of Early Childhood Development Practitioners trained annually]	45	1,685	✓ Target Exceeded
Awareness Programmes on Domestic Violence against Women [Awareness programmes on Gender based violence against women & no of people reached]	21 (2,025 people)	38 (2,260 people)	✓ Target Exceeded
Improved socio-economic status for Women [No. of Programmes aimed at improving the Socio-Economic status of Women. & No of People to be Targeted annually]	9 (248 people)	19 (1,124 people)	✓ Target Exceeded
Training and Educational Programmes for optimal functioning and extra income for People with Disabilities [No. of Educational Programmes implemented to enhance training and education for People with Disabilities. No of People to be Targeted annually]	4 (53 people)	13 (221 people)	✓ Target Exceeded
Awareness Campaigns for Older Persons [No of Awareness Campaigns for Older Persons implemented. No of Persons to be Targeted annually]	9 (2,700 people)	32 (4,710 people)	✓ Target Exceeded
Awareness Campaigns for People with Disabilities [No of Awareness Campaigns and information sessions for People with Disabilities implemented. No of Persons to be Targeted annually]	6 (1,575 people)	17 (1,594 people)	✓ Target Exceeded
Establish sustainable food gardens [No of co-operatives established]	60	122	✓ Target Exceeded
Establish sustainable food gardens [No of food security projects established]	75	187	✓ Target Exceeded
Registration of Indigents [Total no of Indigents Registered]	7,000	16,088	✓ Target Exceeded

Roads Transport and Civil Works Department

Key Focus of the Department

The key focus of the department is the provision of Public Transport, Roads and Stormwater services. Other functions include the provision and maintenance of municipal buildings, the control of the building activities and outdoor advertising, the management of development on dolomitic land and the provision of fleet management services to the municipal departments.

Departmental Performance Report

Summary of departmental achievements

Roads & Stormwater - Approximately 94 kilometres of gravel roads were upgraded to paved roads during the financial year under the department's design & construct road building project. Approximately 56 kilometres of stormwater pipes and culverts were also installed. These projects have had a major impact in addressing problems and backlogs in the various areas where the projects were implemented.

Approximately 30 kilometres of paved walkways were constructed to improve pedestrian safety and alleviate the dire conditions that pedestrians have to deal with.

The expanding and ageing paved road network of the municipality requires increased funding to maintain and improve the condition of the network. During the course of the financial year, an additional R45m was allocated by Council towards the maintenance of paved roads. During the year 255km of roads were resurfaced or rehabilitated. Extensive patching was also done on numerous other roads.



During the period, 56km of stormwater pipes and culverts were constructed in an effort to address flooding problems experienced by our communities. The compilation of the first phase of the municipality's Stormwater Management System has been completed. The majority of the catchments have been analysed. The estimated cost to implement the projects identified in the study exceeds R1bn.

Public Transport - Integrated Rapid Public Transport Network (IRPTN) - The planning and implementation of the IRPTN for Ekurhuleni is being executed through the following 5 separate but interdependent work streams:

- Project Management
- Operations plan
- Business Plan
- Marketing and Communications
- Preliminary and Detailed Design of the Phase 1 corridor.

IRPTN is an integrated public transport system, consisting of various modes of transport that enables a person to move from any place in Ekurhuleni to any other place with seamless transfers. All the IRPTN corridors have been identified and a priority corridor (Phase 1) identified for immediate implementation as the north-south route from Tembisa to Kathorus.

The IRPTN will enable road-based public transport to operate quicker, safer and more reliably with focused law enforcement, branding, maps and timetables and passenger interchange facilities along the routes. Increasingly, over time, more minibus taxi and bus route-based operating licences as well as the Provincial- and City-subsidized bus services will be incorporated into the IRPTN. It will provide a new, attractive and permanent, legible grid of road-based public transport services supporting PRASA's passenger rail network in the EMM.

Specialist firms have been engaged for the first three work streams noted above and a total of R27.7 million has been committed for these three appointments. The Communication and Marketing work stream is currently being tendered and should be awarded in the first quarter of the 2011/2012 financial year.

Civil Works - The Ekurhuleni Government Precinct Masterplan was developed and later approved by the Mayoral Committee. The revision of the Masterplan in order to align it with the Urban Renewal Strategy for the Germiston CBD is also in process.

Five major sinkholes in the Katlehong area were rehabilitated by the department.

The Building Development division were instrumental in the construction of numerous buildings such as Customer Care Centres and Clinics for other departments

Summary of corrective measures to be instituted where targets were not achieved

1. The target for the construction of stormwater conduits was not met. The indicator is kilometres of stormwater constructed. Unfortunately the unit cost of a stormwater system increases exponentially as the size increases. During the year, many high capacity systems with high unit costs were constructed leading to less kilometres of conduits. It is anticipated that the stormwater systems to be implemented in 2011/12 will be more varied and that the target will be met.
2. The target for the completion of works orders for building maintenance repairs was not met due to strike action and the resignation of personnel. "As and when required" Maintenance Contracts have been awarded to assist the department with the execution

of the work and it is anticipated that a better service will be provided to client departments in 2011/12.

Summary of key capital projects implemented

1. Construction of tertiary roads and stormwater systems in previously disadvantaged townships.
2. Construction of pedestrian walkways.
3. Construction of “new” Elgin Road to link OR Tambo International Airport to Pomona commercial developments (project 90% completed).
4. Stormwater channels in Harmelia (project 70% completed)
5. Oakmoor Taxi Rank (informal traded facilities still outstanding)
6. Construction of an overflow system for the Brakpan Dam.
7. Upgrading of lifts in various municipal buildings.

During 2010/2011 financial year, a number of other public transport planning and implementation projects were identified and implemented. Some of the projects were delayed due various reasons and are currently under planning or in implementation stage.

The following key projects were completed during the financial year 2010/2011:

- Rhodesfield
- Oakmoor Station Rank
- The Upgrading of the Germiston Depot
- The Installation of a bus washday machine at the Boksburg Depot
- Daveyton station Taxi Rank – only 10% of construction completed

A total of 12 ranks were also upgraded as part of the Taxi Recapitalization Project. Only the two ranks are outstanding and these were to be envisaged to be completed at the end of June 2011.

Apart from capital or construction projects, the division is also completed the following public transport planning projects (preliminary and detailed designs) were completed by end of June 2011.

- Bluegum Taxi Rank
- Rondebult Taxi Rank
- Palm Ridge Taxi Rank
- Windmill Park Taxi Rank
- Dunswart Station Intermodal Facility
- Daveyton CDB Taxi Rank (detailed designs complete)
- New Vosloorus Hospital Taxi Rank- detailed designs on-going

Review of departmental performance against pre-determined measurable performance indicators

The Department reached most of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
A reliable municipal bus services [key milestones: Positive expansion of bus services]	0	0	- see note 1
A wall to wall stormwater master plan for the EMM [no of plans]	1	1	✓ Target achieved-see note 2
Works orders completed [key milestones No. of WO received]	4 700	3 664	⊗ Target partly achieved - see note 3
An expanded and improved strategic Road Network in EMM [kilometres]	6km	13.6km	✓ Target Exceeded
The number of modal transfer facilities provided at stations [No of Stations upgraded]	2	2	✓ Target Achieved
Construction of storm water conduits measured by length [kilometres]	80	56	⊗ Target partly achieved - see note 4
Provision of new pedestrian walkways measured in kilometres [kilometres]	15	30.4	✓ Target Exceeded
Paved roads resurfaced or rehabilitated [km's/annum]	240	255	✓ Target Exceeded
Tarred roads according to the approved standards [km's/annum]	90	94	✓ Target Exceeded

Targets not achieved

1. The department indicated that the implementation of phase 1 is continuing and that there is funding constraints to continue with phase 2 & 3 and contingency plan being developed in the interim.
2. First phase of storm water master plan completed. Master plans have been completed for the majority of EMM catchments. The indicator of a "Wall -to-wall Storm water Master plan" is incorrect as it was never the intention to develop the master plan for the entire municipal area. The master plan is required for developed and developing areas. Extending the master plan to rural areas is unnecessary and would be a waste of resources.
3. Received 946 and completed 620 works requests. Outstanding works requests were related to departments not providing a vote number as well as capacity constraints in the department due to the resignation of senior staff.
4. Actual achievement of 56 against the target of 80. The department indicated that the target was not met due to the large expenditure on high capacity bulk system resulting in higher unit costs per length of storm water system.

STRATEGIC AND CORPORATE SERVICES

City Development Department

Departmental Key Performance Areas

The Key Performance Areas of department are:

- Spatial Planning
- Land Use Management
- Corporate Geo-Informatics

The City Development Department renders a host of services to the community, including the following:

- Information and advice on township/ suburb layouts and erf numbers
- Information and advice on township names, street names and street addresses
- Information and advice on property sizes
- Information and advice on property boundaries
- Information and advice on property rights
- Advise on the use of properties
- Information and advice on development legislation regulating the use of properties
- Information and advice on the future spatial planning and vision of EMM for an area
- Formulate future development frameworks for an area through public participation
- Provide contact information of private planning consultants to lodge applications
- Provision of spatial maps showing the status quo, as well as future planning maps
- Facilitate development applications
- Facilitate objections to development applications
- Facilitate objections to the illegal use of land
- Co-ordination of Urban Management across departments
- Provision of GIS services to all stakeholders, e.g. <http://gis.ekurhuleni.gov.za>
- Provision of Land Survey services on Council owned land and registered indigents

The key focus area of the newly established Urban Management Section is the improved coordination of service delivery and by-law enforcement to create functional, sustainable and attractive areas.

The key focus area of the Land Use Management division is to facilitate development and control land use in the EMM built environment in the manner that ensures orderly and legally compliant development.

The key focus area of Spatial Planning Division is the formulation of Spatial Development Frameworks that guide investment and development in the city.

Departmental Performance Report

Summary of departmental achievements

Urban Management Framework – framework was completed which proposes a more integrated and coordinated approach to the management of the urban environment of EMM and provides strategic direction to assist in prioritizing goals and organizing actions. It posed the central question: What is the state/performance of the urban areas in EMM and what should be done to achieve greater urban sustainability - safe, clean and well-managed urban environments?

Extensive consultation and engagement with the City Improvement District Management Body for Edenvale has taken place to ensure that the application for a City Improvement District (CID) for Edenvale CBD has been processed in compliance with the legislative requirements of the Gauteng City Improvement District Act.

By-law compliance and enforcement processes have been greatly enhanced through the roll-out of the Integrated By-Law Programme. The programme targeted identified 'by-law hotspot' areas across EMM on a two-weekly basis by deploying a multi-disciplinary team of by-law enforcers to address infringements in the urban environment. The operations also had an awareness and education focus which increased the public's knowledge of EMM's by-laws and has resulted in a higher rate of compliance. An EMM By-Law Offences Manual has also been developed to act as a quick reference guide for finding the by-law relating to a particular issue, the department or entity responsible for enforcing the by-law and the penalty or fine for a contravention. This manual will assist in by-law awareness and education both internally and externally and ultimately in increased compliance and safer and healthier environments.

Development Facilitation and approvals - Between July 2010 and June 2011 a total of 134 rezoning applications and 41 Township establishment applications were approved. Six DFA Land Development applications were approved.

The above are major land development applications that were approved, and eventually contributed to EMM's growth and job creation include hotels, guest houses, residential townships, industrial townships, shopping centres (particularly in the previously disadvantaged areas) and the expansion of CBDs.

Compilation of a new uniform Land Use Scheme - Land Use Scheme clauses and zonings have been completed, as the critical part towards replacing the 19 town planning scheme with a uniform metro-wide land use scheme. The draft Land Use Scheme is 90% completed.

Street naming - 239 street names have been completed through ward-based public participation.

Public education on town planning scheme - During 2010 public education programme on town planning scheme was conducted in seven previously disadvantaged areas. A total of 253 ward committee members benefitted from the programme.

Land Use Management Policy-making - During the year under review two policies were approved, being the Open Space Contribution Policy and the Limited payout machines Policy.

Metro Spatial Development Framework (MSDF) - The review of the MSDF was completed and approved by Council in April 2011. The Capital Investment Framework (CIF) was included as part of the approved MSDF which will guide integrated planning and budgeting in the near future.

The ward delimitation process was completed, which led to successful Local Government Elections.

Summary of corrective measures to be instituted where targets were not achieved

User-friendly web-based access to spatial information on intranet and the internet mapping application [Intranet and Internet mapping viewer] – the department will be enhancing the on line mapping viewer to be able to accommodate the Map Guide viewers. On-line mapping services will be upgraded to incorporate the map guide viewers. Training will continue in capacitating the users of the viewer usage on an on-going basis.

The department plans to dedicate a team of Planners to the Land Use Scheme project on a full time basis until the project is completed and the Land Use Scheme is finally promulgated.

The commitment of Ward Councillors to facilitate the public participation in those wards with outstanding street names is required.

Summary of key capital projects implemented

Review of departmental performance against pre-determined measurable performance indicators

The Department reached some of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Compliant Rezoning applications concluded in time [No of Applications concluded within 12 months of submission]	Full compliance to legislation and departmental checklist (111)	134	See other comments (1)
Compliant Township applications concluded in time [No of applications not concluded within 18 months of submission]	Full compliance to legislation and departmental checklist (33)	41	See other comments (2)
Land use contraventions dealt with in time [No of contraventions resolved/ceased and/or referred for prosecution within 3 months]	Full compliance	87	See other comments (3)
Formulation of Metro-wide Land use management Scheme [Completed Land Use Database]	Completion of Land use database in 3 CCC's	Land use database in 3 CCC's 98 % complete	See other comments (4)

Formulation of Local Spatial Development Frameworks (LSDF's) for strategic areas in accordance with the recommendations of the Wits Academic Critique on LSDF's for the EMM area [No of LSDF's completed]	In accordance with the Wits critique the last 3 LSDFs formulated in 2010/2011 are Etwatwa, Daveyton, Bapsfontein. All other lsdf will be informed by RSDFs.	All 3 almost finalized.	☑ Target Partly achieved 95% Etwatwa, 95% Daveyton, 90% Bapsfontein. Six (6) RSDF areas have been created in line with the Wits Critique
Approval of LSDFs and Urban design plan for Rhodesfield and Kempton Park CBD	Approve all applications submitted to Spatial Planning in terms of the UDF	Achieved	Project taken over by Housing Dept.
Approval of LSDF'S for Germiston CBD and surroundings and completion of a urban design for the area	LSDF was approved by the portfolio committee	Achieved	Urban design project taken over by the Housing Dept. See other comments (7)
Formulation of densification policy	Approve all applications in line with MSDF	Achieved	See other comments (8) Land use assessing applications in line with policy. Policy incorporated into MSDF and applications to be assessed and considered in line with the MSDF
Formulation of Spatial development frameworks to include N12/N17/R21 corridor	National already part of Spatial Framework	N/a	See other comments (9) Covered in MSDF and will be covered with formulation of RSDFs
User-friendly web-based access to spatial information on intranet and the internet mapping application [Intranet and Internet mapping viewer]	Compliance with the mash-up	Target partially met	See other comments (10)
Interface between GIS information and other systems/databases [Units of Measure: GIS, Deeds and Valuation roll system integrated]	Status quo on math-up	GIS/Billing=98.3% GIS/Val=97.1%	See other comments (11)
(1) Implementation of municipal changes; (2) Compliance to the Spatial Data Infrastructure Act no 54 of 2003 [Uniformity, standardisation within the division]	100% compliance of policy, measures and standards	100% compliance	✓ Target Achieved

Enhancement of core datasets [Property Information & Supply of Aerial Photography]	100% compliance	100% compliance	✓ Target Achieved
One Urban Management Framework [No of Urban Management Plans completed]	100%	100%	✓ Target Achieved
Compliance with Gauteng City Improvement District Act [Minutes of meetings with business organisations and/or approved CID's subject to submission]	100%	100%	✓ Target Achieved
Analysis of identified contraventions and monitoring of effective law enforcement [Report with Map(s)]	100%	See comments	See other comments (12)
By-Law Offences Manual [No. of Manuals completed]	100%	100%	✓ Target Achieved

Other comments

1. No indication is given by the department regarding the achievement of the set target but the following comments were given: "A total of 24 rezoning applications were approved, broken down as follows: Portfolio Committee (PC) approved 27 rezoning applications and the ED approved 21 rezoning applications during the quarter. There is a backlog in approval of PC delegated applications since there were no PC meetings during May and June 2011."
2. No indication is given regarding the achievement of the set target but the following comments were given: "A total of 17 township establishment applications were approved. There is a backlog in approval of PC delegated applications since there were no PC meetings during May and June 2011"
3. No indication is given regarding the achievements of the set target but the following comments were given: "87 contraventions ceased and 29 were referred to Corporate & Legal department for legal action."

1, 2 and 3 should be measured against the actual number of applications reviewed or the progress in dealing with backlogs to give an indication regarding the achievement of the set target.

4. (i) Annexure and zoning scanning complete: verification ongoing (ii) Capturing of consent uses ongoing and significant progress made. However progress is not quantifiable as GIS sub-directorate captures data on basis of what is being provided. (iii) Site inspections already initiated to verify zoning of specific erven throughout CCAs. (iv) Conversion tables 98% complete. (v) Mapping ongoing; with integration of remaining data the draft scheme for EMM will be tabled in line with the June 2011 target. 98% complete.
5. Etwatwa development proposals 90% finalised. Daveyton development proposals 90% finalised. Bapsfontein LSDF 70% completed.
6. Approval of LSDFs and Urban design plan for Rhodesfield and Kempton Park CBD

Consultants appointed to finalize and amend the draft UDF. Approval of applications submitted to Spatial Planning in terms of the UDF is part of the Land Use Management function. Unit of measure was removed in January 2011 with the adjustment budget.

7. This function has been handed over to Housing Department. This performance indicator was removed in the January 2011 with the adjustment budget.
8. All applications received in terms of densification policy will be referred to Land Use Management.
9. Formulation of LSDF for the N12/N17/R21 corridor not to be proceeded with. The performance indicator to be removed with the adjustment budget.
10. Map Guide system phased out. The enhancement of the viewer has not been finalized and mash up can't take place in accommodating the Map Guide users. Training offered on Arc GIS viewer for capacity.
11. GIS/Billing = 98.2% GIS/Val = 97%. Validation and verification of GIS (563 856) and Billing (580 331) databases on-going to reach 100%. GIS and Valuations data depends on the registration of land parcels at the deeds office, hence the percentage is lower.

Communications and Marketing Department

Departmental Key Performance Areas

The Communications and Marketing department contributed towards various projects in the Metro in terms of advertising, marketing, media liaison, designing and printing of publications, organising events as well as internal and external communication.

Departmental Performance Report

Summary of departmental achievements

Communications

Internal Communication - In order to create awareness and understanding amongst staff members on EMM projects, policies, procedures etc., the Communications and Marketing Department utilised various channels to communicate with employees.

A quarterly employee magazine which contains a wide-range of issues was published including the new leadership of the council.

External Communication - Corporate campaigns were also given support in terms of development and implementation of communication strategies, ie **Siyakhokha Siyathuthuka** Campaign which focussed on the Ekurhuleni Interest Waiver Incentive Scheme, the Germiston Urban Renewal integrated Communications and Marketing Strategy, the communication strategy for the Environment Policy and Planning Directorate and the Integrated Communications and Marketing Strategy for the Executive Mayor's End of Term Programme.

Publications - the Design and Publications Division produced various publications during the 2010/2011 financial year, including six external newsletters (Ekurhuleni Talks to the Community) It's distributed with the municipal services accounts (just under 800 000 copies printed).

In addition, a quarterly community newspaper, **Lentswe la Ekurhuleni**, (now converted into monthly publication from February 2011) was produced. It's distributed to all residents of the informal settlements in Ekurhuleni.

Media Relations

The Media relations unit had achieved 85% of positive media publicity in the last financial year. The Media Unit had on numerous occasions identified publicity opportunities to highlight the service delivery successes and the municipal programmes. The municipality had received extensive media coverage on major events like the State of the City Address. It had received extensive television coverage from the National Parliamentary Channel on DSTV and the Budget Speech that was also covered by ETV's **Sunrise** and **Morning Live** shows.

As a result of the cordial relations between the municipality and the local media the two occasions featured prominently in the local and mainstream media. On average, the Media Unit release 35 media statements per month, and that gave the municipality mileage in free publicity.

On average, the City of Ekurhuleni had been receiving approximately R2, 5 million per month in free publicity from the broadcast, print and online media.

In an effort to strengthen relations between the municipality and the media, the Media Unit engaged with **Media 24**, and this led to establishment of the Ekurhuleni Edition of Daily Sun Newspaper, the **Sun Ekurhuleni**. An agreement was also struck reached between the Media Unit and local radio stations to have the Executive Mayor Clr Mondli Gungubele and Members of the Mayoral Committee to regularly feature in their current affairs programmes.

The agreement bore fruit as the executive mayor featured on local radio stations before the May 18, 2011 local government election. The Members of Mayoral Committee and the Speaker of Council were also interviewed. In an effort to strengthen ties the locals radio stations the Media Unit hosted breakfast to celebrate their different anniversaries.

The Unit had also placed advertorials in the service delivery publications such as **Succeed Magazine**. The Executive Mayor had a breakfast with the Caxton Group of Editors as part of the municipality's effort to cement relations with the local media.

Outside Broadcasts were also arranged for major events such as the Business Week, State of the City Address, Integrated Development Programme's consultative sessions, **Siyakhokha Siyathuthuka** interest waiver scheme and the official opening of the Reedville Community Clinic.

Marketing

The Marketing division aims to build a positive brand image for the Ekurhuleni Metropolitan Municipality (EMM) by positioning departments as providers of safe and reliable services. It has also supported economic development endeavours to ensure the retention of investors and attraction of new investments opportunities. The main key project in the last financial year was *One Clear City Identity*.

As a result, branding was extended to the Customer Care Centres (CCC), municipal buildings, entrances of towns and townships in the region as part of the 10 year campaign with the theme *10 Years of Access to Services*.

It had contributed in the implementation of some of the municipality's projects such as the **CAF Women's tournament** that was held in Daveyton and Tembisa townships in October 2011.

The Marketing division in conjunction with the Economic Development Department compiled and implemented the **Business Week project**, which was held at Carnival City in Brakpan. The conference was attended by 2 000 local business owners, and succeeded in sharing information regarding business opportunities in the Agro-processing, Automotive and Tourism sectors.

It had also assisted in the conceptualisation and implementation of the 2011 **Youth Career Expo project** by coordinating the logistics, advertising and exhibition stands for Ekurhuleni departments and stakeholders. The Expo attracted 40 exhibitors and received a joint sponsorship of R100 000 from Birchwood and Basil Read.

The Marketing division also assisted in the development and implementation of radio, print and outdoor advertising campaigns for the **Siyakhokha Siyathuthuka Interest Waiver scheme**. It also spearheaded the **Decade of Excellence** radio adverts to highlight service delivery achievements in the past 10 years.

Vodacom Challenge – A Partnership sponsorship enabled the City of Ekurhuleni to display the brand on national electronic media (TV and radio) during the tournament in July. The event had placed the City of Ekurhuleni as a tourism destination.

Summary of corrective measures to be instituted where targets were not achieved

Although a lot was achieved in terms of improving internal and external communication within the Metro, there will always be room for improvement. Challenges were outlined and plans were drafted to address these challenges in the revised IDP and SDBIP.

In terms of internal communication, registration on the employee sms system will be encouraged through internal campaigns. In order to promote two-way communication, a employee suggestion scheme will be implemented. This has already started by producing staff suggestion boxes for buildings where people do not have access to computers.

In order to find ways of improving pro-active communication support to departments, research was undertaken and a five year corporate communication strategy will be drafted through which challenges will be addressed. Through the strategy, a way forward will also be outlined in terms of communicating the key strategic priorities of the Metro both internally and externally.

Although the corporate website was revamped successfully, the Tourism website has not fully been integrated into the corporate website – an issue that will be addressed as part of the plans for the new financial year.

As part of Good Governance the Anti-Fraud and Corruption Hotline campaign was successfully launched internally and will now be rolled out externally.

The 10 year History Books were compiled as part of the Ekurhuleni 10 year celebrations. These books will be printed and launched in the 2011/2012 financial year.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached all of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
The recognition of the EMM brand [% of corporate identity recognition and awareness milestones]	Continue with roll-out of City of Ekurhuleni	The beautification of town and township entrances with the Decade of Excellence theme was completed	✓ Target Achieved
Welcome signage for suburbs and townships entrances [% of corporate identity recognition and awareness milestones]	90% of signs erected	100% of the welcome signage in the suburbs and township entrances completed.	✓ Target Exceeded
Corporate signage for all EMM CCC's [No of CCC's branded inside and outside]	80% of signage installed	90% of signage and branding for five Customer Care Centre buildings; a new clinic	⊗ Target not Achieved - see note 1

Description of target	Year Target	Target achieved	Comment
		and a new library.	
Level of communication achieved [channels, standard and coverage - in percentages]	60% Public 70% Staff 40% Stakeholders	60% Public 80% Staff 50% Stakeholders	✓ Target Achieved

Targets not achieved

1. Target was set to brand all EMM CCC's inside and outside. Only 5 CCC's were branded and 1 clinic and 1 library. No comments provide on what the total number of CCC's that are fully branded

ICT Department

Departmental Vision and Mission

The ICT department is responsible for the provision of an integrated information communication and technology function for the Metro.

Departmental Key Performance Areas

- Effective governance that promotes close alignment between ICT, business and customers
- Responsive customer relationship management systems
- Stable and secure ICT infrastructure and systems with proactive management of the infrastructure
- Reengineered and automated processes
- Application Rationalisation and Business case for ERP
- Improved service to internal customers
- Development of Digital City Services

Key Deliverables of the Department for 2010/2011 Financial

- Provision of internet access to libraries
- Connect new Customer Care Centre to EMM Network
- Provision of Single View of Venus
- Phase 1 of Business Process Management
- Phase 1 of Master Data Management
- Installation of Fibre for the connection of Next Generation Network

Departmental Performance Report

Summary of departmental achievements

Significant progress has been made on the infrastructure management and some of the issues raised by the Auditor General. The department still need to streamline the operational issues so that management can focus on strategic outcomes.

In addition, the following were done:

- Connected 4 sites with fibre
- Relocated the Call Centre to Bedfordview
- Lightning protection has been installed on 7 sites
- ICT Governance framework has been approved
- 41 Radios have been upgraded
- Project Management methodology has been approved
- Completed Oracle single view of Venus
- Stabilised the AIX servers (Venus, Payday, CRM and Library system)
- Successfully tested high availability (failover from Germiston to Boksburg)
- ICT Steering committee and Architecture Review Committee are active

Summary of corrective measures to be instituted where targets were not achieved

- Review Service Level Agreements to include penalties
- Approval of Policies and Procedures
- Review of ICT Master Plan
- Development of the Network Operation Centre
- Rationalize and consolidate applications
- Include business in ICT Change Management Committee
- Appoint consultants to assist with skill shortages

Summary of key capital projects implemented

- Fibre
- Radio
- Business Process Management (BPM)
- Master Data Management (MDM)
- Rationalisation of databases (Oracle single view of Venus)

Review of departmental performance against pre-determined measurable performance indicators

The Department reached some of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Connected Users to ICT network [no of citizens and internal EMM user accounts residential and commercial connected to Broadband (Access connectivity for Citizens and EMM users to ICT Network)]	200	344	✓ Target exceeded – see note 1
Roll out of next generations sites [No of citizens and internal EMM user accounts residential and commercial connected to Broadband (Access connectivity for Citizens and EMM users to ICT Network)]	0	Maintaining existing	See other comments 2
Roll out of network equipment [no of Network Devices deployed (Access, Distribution and Core) including Wireless]	0	43	Not indicated See other comments 3
No of KM [no of KM of 96 core underground Fibres connecting CCC where Network distributed) connected (commissioned)]	0	Not indicated	Not indicated See other comments 4
Rationalization of Databases [no of Oracle databases]	10	10	✓ Target Achieved
Business Process Management [EMM Departments Processes]	0	5	See other comments (5)
Centralized Master customer Data [No of Customer information systems centralized]	0	Not indicated	See other comments (6)
Number of Policies reviewed / developed [applications / Data integrity Policies]	10	5	⊗ Target partly achieved

Other comments

1. 5 CCC's were connected, 2 CCC's were not connected because of the project that was stopped.
2. Maintain the equipment.
3. 2 switches were deployed to new CCCs and 41 radios
4. 4 sites were connected.
5. 5 Customers services processes (plus 34 Sub processes) have been modelled in Aris Business Processes Modelling tool.
6. Project Initiation Document Completes including Project Plan and Project Charter.

Ekurhuleni Project Monitoring Office

Departmental Key Performance Areas

The “Case for change” report approved in June 2009 identified a serious gap in EMM regarding centralized and standardized monitoring and reporting mechanisms on CAPEX related project performance. It also indicated that project planning was done on a single year basis and as such complicated an effective multiyear project implementation methodology. As a high priority solution, it was proposed that a centralized PMU (Project management unit) be established.

The roles and responsibilities of the EPMO entail the following:

- Consult with senior managers in order to agree on the planning, reporting and project management frameworks.
- Monitor progress made with the implementation of the mentioned capital budget projects.
- Facilitate solutions to challenges experienced with the implementation of the projects on the Capital budget.
- Facilitate the training of project managers involved with the implementation of projects in EMM.
- Conduct training sessions with branches to prepare them for the following year of business planning and project planning.
- Facilitate the implementation of high priority and multi Departmental projects.
- Provide hands-on-support to branches to develop detailed project plans for all projects identified in the current Business Plan.
- Provide ongoing support and maintenance of the PMO system
- Generate standardized progress reports.
- Capture projects on the EPMO capturing template and support the development of reports for the EMM reporting requirements.
- Oversee the development of activity based time lines and cash flows by Departments using the approved installed centralized software.
- Administer the software to be used for the multiyear planning and implementation of Councils Capital budget.

Departmental Performance Report

Summary of departmental achievements

Capacity to head the EPMO unit was appointed to assist with setting up the unit and rolling out the project management concept. An interim Project Management Steering Office Steering Committee was established, pending the adoption of the Terms of Reference by the Strategic Management Committee (SMT). A number of meetings have been held as part of the process to institutionalise the functioning of the Steering Committee.

Monitoring of Capital Expenditure - Due to the very low Capital expenditure after the third quarter of the 2010/11 financial year, the EPMO in conjunction with the Finance Department facilitated a weekly CAPEX progress meeting attended by all Departments involved with capital projects. A spread sheet was used with updated cash flow figures on a weekly basis. In this

meetings short term challenges were identified and addressed as far as possible and assistance were provided to Departments where needed. The total CAPEX expenditure, which was projected at 75% in March, reached a final total of 85.57% at the end of June 2011.

Aerotropolis - In the words of Professor Kasarda, a leading authority on the concept of Aerotropoli, *“Major airports now serve as regional multi-modal surface-transportation nodes and as magnets for businesses, trade, information exchanges and leisure activities. As their terminals transform into shopping malls and artistic venues, airports are also spawning aviation-linked clusters of hotels; convention, trade and exhibition facilities; corporate offices; and retail complexes along with culture, entertainment and recreation centres.”* (Kasarda, 2011).

The majority of visitors and cargo enter the country through the OR Tambo airport, which has elevated the discussion on how Ekurhuleni as an airport city will use the airport as a catalyst for regional economic growth, creation of decent jobs and prosperity, to a strategic level. The growth of Ekurhuleni as an Aerotropolis will have a significant impact on the strategic decisions to be taken and development initiatives required on the nature of development planning and land use, urban renewal, transport planning, support for sectors, the nature of investment and industrial mix needed, and business competitiveness. All of these will have the resultant positive effect on the much needed job creation, and citizen quality of life.

Organisational Performance Management

Departmental Key Performance Areas

The department is responsible for the following functions:

- Monitoring and Evaluation
- Growth and Development Strategy
- Institutional Review
- Research and Development
- Integrated Development Planning

Departmental Performance Report

Research and Development

Service delivery surveys; Household, Business and Customer Care Areas - The overall purpose of the surveys is was to measure the satisfaction levels of the people of Ekurhuleni with regards the services provided to them by the EMM. The aim of the surveys is to provide updated information on Ekurhuleni, and inform indicators of governance, service delivery, human development and communication.

The EMM provides services to provides services to an estimated 849 349 households in Ekurhuleni. There is also about 41 000 businesses registered in Ekurhuleni.

The surveys assessed the following indicators;

- *Profile Indicators* - critical features of the household profile such as demographics and income and expenditure.
- *Municipal Service Delivery Indicators* - the availability, accessibility, affordability and satisfaction with all municipal services provided to the household directly at the homestead and the neighbourhood, as well as more general services provided at other locations (e.g., municipal offices, etc.) and via specialised units (e.g., emergency services, etc.)
- *Quality of Life Indicators* – To assess overall quality of household life so as to properly contextualise satisfaction with the EMM
- *Income-Expenditure Indicators* – household financial state of health and vulnerability to short term crises and shocks
- *Municipal Governance Indicators* – citizen participation in municipal governance at ward and other levels and evaluation of ward and municipal governance.

Continually refine GDS indicators - The 2010/11 framework was designed to cascade policy and performance from long term (2025 Growth and Development Strategy (GDS), through to medium (IDP and 3 year budget) to the short term (SDBIP) and create a management framework that places community and business sector impact at the heart of service delivery and service improvements.

A list of performance indicators in line with the GDS milestones was compiled to assess progress in line with the milestones set in the GDS.

Socio-economic data - The directorate conducted a study to update the socio-economic data of Ekurhuleni. The study produced an extensive “AS IS PICTURE” of Ekurhuleni covering all the important indicators such as population, economy, education and Ekurhuleni’s contribution to the economy of the country. The study also looked at some international trends in terms of the economic growths and developments and how Ekurhuleni compares to them. The study also played an important role in informing the Growth and Development Strategy review process.

Support to other departments - The department provides research support to other departments. A Library user satisfaction study was performed for the SRAC department. The purpose of employing the 2008 survey was to provide detailed information about the users’ opinion of the service; help clarify the organization’s concept of the service as well as assumptions about the user’s needs; indicate problems and suggest solutions. The information gathered in the study is about users overall perception of the library, quality of its services, perceptions of specific services and the characteristics of specific services.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached some of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Customer satisfaction studies conducted [no of surveys conducted]	1	Business and CCA surveys completed	✓ Target achieved
Extend the use of impact targets for performance measurement [updated information]		IDP office	This work is now done by IDP & Finance
Extend the use of impact targets for performance measurement [annually update EMM Socio-economic Data]	Annual review	Achieved	✓ Target achieved
Extend the use of impact targets for performance measurement [to annually organise and implement round table events]	0	0	See "Other notes" below

Other notes

1. Customer satisfaction studies conducted [no of surveys conducted] - Household Satisfaction Survey results presented to Mayoral. Draft reports of Library, CCA survey presented to CCA Managers. Both surveys to be presented to the Senior Management Committee.
2. Extend the use of impact targets for performance measurement (please note that this is the objective, the Performance Indicator is “To annually update the EMM socio-economic data” It should be corrected in the SDIP document itself. This has been achieved.

3. Extend the use of impact targets for performance measurement [performance review milestones], it should read "To annually organize and implement roundtable events". The department indicated that the roundtables on Strategy and Lakes and dams were postponed and will take place during August and September 2011.

IDP Office

Public Participation - EMM is striving to deepen the democratic process of governance in Ekurhuleni. Community Based Planning (CBP) is one of the initiatives identified to achieve this objective. CBP is a planning and implementation process that provides a platform for the communities to engage in interactive participation in planning and decision making for implementation in their wards.

The municipal planning system, as elaborated in the Municipal Systems Act, 2000, has been formulated to play a critical role in determining how resources are allocated, especially the budgets of the municipality. The process took the shape of workshops held in each Customer Care Area with ward councillors and ward committee members from 12 July until 20 August 2010. It focused on the following key matters:

1. Feedback on the implementation of the 2009/2010 departmental projects and programmes in the wards in the specific CCA and if it could not be implemented what was the reason therefore
2. Report on approved 2010/2011 Capital Budget projects earmarked for the wards in the CCA
3. Departmental Plans in terms of maintenance in the wards in the respective CCA's
4. Alignment of departmental plans to ward priorities
5. Report back on R100 000 CDP project implementation

Officials from all service departments attended and participated in the process. Officials participated on the basis of knowledge on the departmental strategy (IDP) and how it relates to the departmental projects and programmes in the wards in the CCA's and its implementation in the specific CCA's.

The process was very intense and participation from ward committee members and councillors good which contributed to the finalisation of the review of the IDP. On 19 March 2011, a further three regional public meetings took place where communities and stakeholders were provided information on the draft IDP and Budget.

The Department reached all of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Consider comments received and finalise IDP for submission to Council [final IDP prepared and submitted to Council] - To finalise the review of the IDP for submission to the Council and the MEC for Local Government	1	1	✓ Target Achieved
Draft IDP Review Document to be tabled to Council by February 2011 [draft IDP tabled to Council]	1	1	✓ Target Achieved

Description of target	Year Target	Target achieved	Comment
Prepare Public Participation Schedule for consultation on Draft IDP [schedule of Public Participation meetings]	1	1	✓ Target Achieved
Publish the Draft IDP for comments [draft IDP Published for Comments]	1	1	✓ Target Achieved
Submit Final approved IDP to the MEC for Local Government [final Approved IDP submitted to the MEC for Local Government]	1	1	✓ Target Achieved
To finalise the review of the IDP by June 2011[finalised IDP Review submitted to Council and the MEC for Local Government]	1	1	✓ Target Exceeded – see note 1

Notes

1. IDP submitted and adopted by Council on 20 April 2011, a month before schedule.

Economic Development Department

Key Focus of the Department

- SMME Development
- Skills Development
- Informal Economy Development
- Economic Transformation
- Economic Diversification and Beneficiation
- Economic Empowerment
- Agricultural Development
- Job Creation and Poverty Alleviation
- Investment Promotion and
- Tourism Promotion
- Market the City of Ekurhuleni as a preferred tourism destination
- Facilitate transformation in the Tourism Industry
- Develop tourism products and improve infrastructure
- Facilitate growth of tourism SMMEs through access to training, finance and markets
- Link established business with emerging tourism business
- Establish baseline to measure growth of industry
- Monitor the development and formulation of regional tourism events and marketing strategies
- Tourism education and awareness projects and programmes for communities
- Drive and develop responsible tourism private public partnerships

Summary of departmental achievements

Economic Development - 9 Street Trading Facilities Developed, constructed and allocated to Traders. A waste Management Pilot Project was established and the Tsakane Business Park almost completed.

75 SMMEs were provided with trading spaces at various public viewing areas creating 225 short term jobs during the 2010 World Cup Games. 2 Cooperatives were supported and sponsored to a Trade Fair to Portugal to market their products and services

Tourism Destination Marketing - Various tools of communication and promotion were used to market Ekurhuleni Tourism Product offering. These include participating at key Tourism Expos like the annual Tourism Indaba and Meetings Africa; placing of advertisements in key tourism publications like Sawubona, Equinox and Tourism Update; Roadshows to KwaThema, Tembisa and Katlehong promoting domestic tourism and through SA Tourism, hosting of international conference organisers to promote business tourism. The Ekurhuleni Tourism Forum is still meeting monthly and is in the process of formalizing itself into an Association.

Also, through the Mobile visitor information Centres, the destination was promoted at identified events like Marula festival in Limpopo, Rand Easter show, the 17th World Festival of Youth and Students, Dischem Ride for Sight Cycle Challenge and African Women's Soccer Championship

Tourism Development - Through EPWP Keditseane Cultural Village was renovated where 25 jobs were created and currently in partnership with NDT, chalets at Keditseane are under construction with 65 jobs being created. 20 Jobs were also created during the construction of Tembisa Information Centre. Also, a concept document and design was developed for the construction of a CODESA Centre.

73 tourism SMMEs were trained on Business Management, Marketing, Finance in partnership with the Tourism Business Partnership (TEP) whilst 10 were sponsored to participate at the Tourism Indaba and Meetings Africa Expo.

A target was set to grade 24 B&Bs but this could not take place as the Grading Council of South Africa revised the grading criteria which led to most of the B&Bs wanting to upgrade their establishments in order to qualify for the star grading they are looking for.

Summary of corrective measures to be instituted where targets were not achieved

The targets set in the SDBIP of the 2010/2011 financial year were not SMART. In future, targets will be set to be specific, measurable, achievable, realistic and to be time bound.

Summary of key capital projects implemented

As part of Economic Infrastructure Upgrade, Economic Development is allocated a Capital Budget to Upgrade and Improve the Trading conditions and environment for Informal and Street Traders. The allocation of funds is based to cover the whole scope of Ekurhuleni Metropolitan Municipality. Priority is determined on the basis of need, availability and approval of an area to be developed as per the regulations and procedures applicable.

Ibaxa - This Project was undertaken on a massive scale given the capacity of the department. The project included Supply of Material and Installation of Street Trading Stalls, Laying of Paving and Erection of Ablution Facilities. The project is implemented in an area called Ibaxa (formerly known as Ebafazini Market) in Tembisa.

The project was implemented through EPWP (Extended Public Works Program). The benefit of



the Project is that Learner Contractors were successfully appointed. For the duration of the project, there is a formula being used to determine Jobs Created.

In Total Twenty Five Stalls were built, Twenty are Open Stalls and Five are Fully Serviced. Included in the project was the provision of Ablution Block and Entertain Area with Playing Facilities.



Leralla - This Project was undertaken on massive scale given the capacity of the department. The project included Supply of Material and Installation of Street Trading Stalls, Laying of Paving AND Erection of Ablution Facilities. The project is implemented at Umzimvubu Street in an area around Leralla Rail Station.

The project was implemented through EPWP (Extended Public Works Program). The

benefit of the Project is that Learner Contractors were successfully appointed. For the duration of the project, there is a formula being used to determine Jobs Created.

In Total One Hundred and Fifty Stalls were built, all stalls are open. Included in the project was the provision of Ablution Block.



Masongo corridor - The request from the traders was only the provision of Paved Area. The facility is not being utilized on the daily basis because the activities of Informal Trading are informed and determined by activities of the church (St John Church) especially the activities referred to as "UMGIDI" in church terms.

Provision of shelter, street trading furniture and ablution facilities are excluded. In terms of the request and mandate from the Church and the Informal/Street Traders, the project has been implemented successfully and is completed.

Tsakane Mall - This was an area outside the Tsakane mall that had been taken over by informal traders who were trading using tents and cardboard as shelters. A total number of 20 street trading stalls were constructed to accommodate the traders.

Daveyton - A total number of 33 trader stalls were constructed on the main road outside the Daveyton mall and the existing trader stalls were painted.

Wattville - The Actonville flee market was operating for many years at the Actonville traffic circle and 50 trader stalls were constructed and this has caused growth in the flee market and there is a great need for the market to expand.

Kwa Thema - This area in Majola street, 27 trader stalls were constructed. And a next phase would be needed.

Springs - 30 lockable units were built to accommodate traders. These are fully serviced units (electricity and water is provided).

In addition, the Tsakane Business Park at has been completed at a cost of R20m.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached some of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Built Street Trading Facilities [No of facilities completed]	9	9	✓ Target Achieved
Business Linkages Centres (BLC)Established [No of facilities completed]	2	1	⊗ Target not achieved - see note 1
Small Business Assisted through the BLC program [No of SMMEs linked to finance, training and markets]	400	429	⊗ Target not achieved - see note 2
Small Business assisted through Tender Advice Centre [% No of EMM tenders awarded to SMMEs]	45%	48%	✓ Target achieved
Tender Training [No of SMMEs assisted by TAC]	2,000	0	⊗ Target not achieved - see note 3
Promoted positive image of the municipality regarding BBEE [No of procurement contracts successfully awarded to BBEE per sector and industry in the Municipality]	120	128	✓ Target Exceeded
Municipal Procurement Targets for BBEE [amount and proportion of procurement contracts successfully awarded to BBEE per sector and industry in the Municipality]	70%	48%	⊗ Target not achieved - see note 4
Stakeholder Engagement Conferences [Number and proportion of businesses failing per sector and industry in the Municipality owned by Historically Disadvantaged Persons]	Conference report	3	Not indicated, see comments - see note 5
Stakeholder Engagement Conferences [Value and proportion of business lost as a result of failing businesses per sector and industry in the Municipality owned by Historically Disadvantaged Persons]	Conference report	R429 379 799	Not indicated, see comments - see note 6
Historically Disadvantaged Persons meaningfully engaged in the economic activities [No of businesses per sector and industry in the Municipality owned by Historically Disadvantaged Persons]	6,150	206	⊗ Target not achieved - see note 7
Historically Disadvantaged Persons meaningfully engaged in the economic activities [Value and proportion of business per sector and industry in the	60%	R1 216 999 324. 32	No % indicated - see note 8

Description of target	Year Target	Target achieved	Comment
Municipality owned by Historically Disadvantaged Persons]			
Historically Disadvantaged Persons meaningfully engaged in the economic activities [No of new businesses created per sector and industry in the Municipality owned by Historically Disadvantaged Persons]	20	639	✓ Target Achieved
Historically Disadvantaged Persons meaningfully engaged in the economic activities [Value and proportion of business created per sector and industry by new businesses in the Municipality owned by Historically Disadvantaged Persons Historically Disadvantaged Persons]	0%	0%	N/A See comment 9
Improved Business and Consumer Confidence [Economic growth rate]	6%	2.9%	⊗ Target not achieved - see note 10
Improved Business and Consumer Confidence [Number and proportion of new businesses created per sector and industry in the Municipality]	0%	639	No target was indicated
Improved Business and Consumer Confidence [Value of all business created per sector and industry by new businesses in the Municipality]	0%	-	No target was indicated
Balanced and sustainable improvement in the distribution of socio - economic opportunities [Average levels of household savings]	10%	0%	⊗ Target not achieved - see note 11
Balanced and sustainable improvement in the distribution of socio - economic opportunities [Number and proportion of children between 0 – 15 years of age receiving child support grants]	0%	0%	No target set Health & Social Dev indicator
Balanced and sustainable improvement in the distribution of socio - economic opportunities [Number and proportion of households paying assessment rates for properties that exceed R150, 000]	0%	85%	Not relevant for Eco Dev, Finance indicator
Balanced and sustainable improvement in the distribution of socio - economic opportunities [Number and proportion of households that pay for their services in time, where they are not utilizing prepaid services]	0%	12%	Not relevant for Eco Dev, Finance indicator
Promoted positive image of the Municipality regarding increased employment and reduced unemployment [No of meaningful and decent jobs created per sector and industry in the Municipality]	100	120	⊗ Target not achieved - see note 12
Promoted positive image of the Municipality regarding increased employment and reduced unemployment [Value of jobs created per sector and industry in the Municipality]	300	R1400 000.00	Not indicated if target was achieved - see note 13
Promoted positive image of the Municipality	300	24121 by end	Not indicated if

Description of target	Year Target	Target achieved	Comment
regarding increased employment and reduced unemployment [No of meaningful and decent jobs lost per sector and industry in the Municipality]		2010	target was achieved - see note14
Promoted positive image of the Municipality regarding increased employment and reduced unemployment [Value of jobs lost per sector and industry in the Municipality]	300	0	☒ Target not achieved - see note15
Promoted positive image of the Municipality regarding skills levels of citizens in the Region [% increase in trained Entrepreneurs successfully operating businesses]	0%	0%	Not target set
Promoted positive image of the Municipality regarding skills levels of citizens in the Region [% decrease in trained Entrepreneurs unsuccessfully operating business]	0%	0%	Not target set
Balanced and sustainable improvement in the distribution of socio - economic opportunities [% of Graduates in the Region who are employed]	0%	0%	Not target set
Balanced and sustainable improvement in the distribution of socio - economic opportunities [% of Graduates in the Region who are unemployed]	0%	0%	Not target set
Promoted positive image of the Municipality regarding increased employment and reduced unemployment opportunities [% decrease in the indigent registry unemployment]	0%	0%	Not target set
Promoted positive image of the Municipality regarding increased employment and reduced unemployment [% decrease in the dependency on grants by citizens in the Region]	0%	0%	Not target set
Establish College of Engineering in EMM [College Established]	Feasibility Study Complete	0%	Not indicated if target was achieved - see note16
Development of Tourism Routes and Attractions [No of facilities upgraded or developed]	2	2	✓ Target achieved
Marketing Reach Achieved [No of Visitor and Visitor Spend (Growth Percentage)]	Baseline Report Completed	100%	✓ Target achieved
Promoting Business Tourism [Business Tourism to increase by 50% by 2020]	5%	5%	✓ Target Achieved
Implementation of BEE Tourism Charter Targets within our region [Charter Percentage Targets]	24 Graded	0	☒ Target not achieved (17)
Rendered support to SMMEs [No of Tourism SMME,s assisted]	50	73	✓ Target Achieved
Attract Smart Industries into the region [No of New Industries Attracted]	0	Not indicated	Not indicated
Attract New Investment [Value of New investments]	R100M	1.9 billion	

Targets not achieved

1. The department reported that the target was not met due to centralisation of funds on Awareness Campaigns, Community Development and Special Events has negatively impacted on the securing of funds. Reiger Park BLC 1 of the 2 targeted was however launched.
2. Actual achievement of 250 against the target of 400. The department indicated that information is difficult to come by since the budget was centralised and cut, resulting in no funds being granted by the Business Linkage Centres (BLC's).
3. The department indicated that the target was not met due to the tender advice centre still being under construction.
4. Actual achievements of 48% against the target of 70%. The department indicated that 60% of contracts were awarded to non-Ekurhuleni based campaigns. 48% of contracts were successfully awarded to the HDI's. Preferential procurement framework act has been passed by National Treasury and it will improve the number of businesses allocated to EMM companies.
5. The department indicated that the conference report does not belong here: 3 businesses failed to honour their contract obligations. No other indications were given.
6. The department indicated the conference report does not belong here, while during the operating time, 3 businesses failed to honour their contract obligations. The conference was held even though it's misplaced.
7. Actual achievement of 206 against the target of 6,150. The department indicated that the figure is based on those companies quoting or tendering for municipal contracts. However, the figure should be much higher based on the number of total companies in Ekurhuleni being at 41,000. No other indications were given.
8. The department indicated that the figure is based on the value of contracts awarded to SMME's since July 2010 to June 2011. No other indications were given.
9. The department indicated that it is indeterminate at this stage. No other indications were given.
10. The department indicated that the percentage is as determined by statistics S.A. No other indications were given.
11. The department indicated that talks were initiated between the Ekurhuleni Chambers through the Ekurhuleni Business Association (EBA) as well as Statistics South Africa but more importantly the engagement of National Department of Economic Development on improving the measures of economic growth at a local level. No other indications were given.
12. The department indicated that the target was exceeded. EPWP Projects created 327 jobs for women and 659 jobs for youth.

13. The department indicated the percentage of the value of contracts awarded to EPWP contracts went into wages of the employed workers.
14. The department indicated that information would be compiled in the next quarter's form. The figure is based on the value of contracts awarded to SMME's since July 2010 to June 2011.
15. The department indicated that there is no research budget. This information has to be obtained from various sources including DTI's CIPRO, Department of Labour, municipal register of tenders, chambers of commerce, StatsSA, research organisations and so on. Indeterminable at this stage.
16. The department indicated that a Consultant was appointed, a report was produced, suitable locations were looked at. This is to be reconsidered differently.
17. The department indicated that only 3 B&B's on the list are now ready for grading within the new system and they will be graded in the next financial year.

Finance Department

Departmental Key Performance Areas

The department is tasked with the provision of financial services in an accountable, effective and transparent manner, through service excellence with a cohesive and motivated team.

The department has the following divisions:

- Income
- Expenditure
- Financial Control
- Budget and Financial Management
- Administration and Support Services

Departmental Performance Report

Summary of departmental achievements

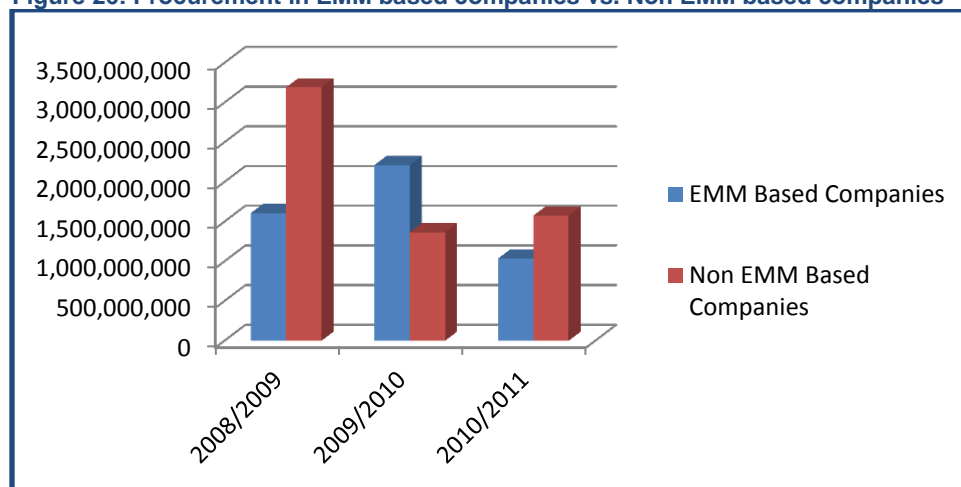
Local Procurement

The Ekurhuleni Metro aims to procure from locally based companies as part of the Metro's strategy to grow the local economy. During the year under review, 60.3% of procurement was from local companies.

Table 46: Procurement in EMM based companies vs. Non EMM based companies

	EMM Based Companies	%	Non EMM Based Companies	%
2008/2009	1,607,938,692	33.5%	3,192,174,140	66.5%
2009/2010	2,213,204,456	62.0%	1,366,532,656	38.0%
2010/2011	1,035,721,426	60.3%	1,575,544,615	39.7%

Figure 26: Procurement in EMM based companies vs. Non EMM based companies



The MFMA stipulates that all payments must be made within 30 days of receipt. Compliance for the year under review was as follows:

Table 47: Number of days for payments to be made

	Based on date submitted for payment		Based on invoice date	
< 30 Days	176 734	99.49%	99 027	55.54%
> 30 Days, < 60 Days	751	0.42%	47 936	26.88%
> 60 Days	153	0.09%	31 343	17.58%
TOTAL	177 638	100.00%	178 306	100.00%

There is a challenge in respect of invoices delivered to departments where the invoices are not certified and submitted for payment timeously. This will be addressed during the Institutional Review process by providing additional support to departments through the deployment of finance staff to key departments to assist with finance related processes.

Credit Rating

Moody's Investor Services issued a credit rating for the Ekurhuleni Metropolitan Municipality based on the 2009/10 audited financial statements during May 2011. The rating awarded was an AA2za with a stable outlook.

Global Credit Rating Agency (GCR) also issued a credit rating for the Ekurhuleni Metropolitan Municipality based on the 2009/10 audited financial statements during May 2011. The rating awarded was an AA- with a rating outlook.

The salient features of the ratings were as follows:

Moody's Investor Services

- Ekurhuleni Metro's Aa2.za/P-1.za national scale issuer and debt ratings are underpinned by:
 - Its relatively large economic base,
 - its moderate – albeit growing – debt levels (including municipally owned entities),
 - and its traditionally conservative financial management approach.
- The ratings also consider the fiscal challenges arising from low, but gradually improving, revenue collection rates and the municipality's high expenditure requirements, and their impact on the city's financial performance and liquidity position.
- Ekurhuleni is rated at the high end of the five metropolitan municipalities rated by Moody's in South Africa, whose ratings span from Aa2.za to Aa3.za.
- Ekurhuleni's relative position reflects lower debt and debt service levels than the median of large metros.
- Notwithstanding its comparatively weaker financial performance, Ekurhuleni's liquidity ratio's remain in line with the sector's median overall.
- What Could Change the Rating – Up - The rating is unlikely to be upgraded in the near term.
- What Could Change the Rating – Down - The rating could experience downward rating pressure if the municipality fails to improve revenue collection and to manage municipal expenditure prudently, so as to preserve fiscal balances, restore a comfortable liquidity cushion and control debt levels. Any substantial increase in contingent liabilities could also foster downward rating pressure.

Global Credit Rating Agency (GCR)

- Increasing levels of borrowing to support the capital programme, however, debt levels are below those of its peers and are deemed manageable
- Sharp decline in cash holdings and liquidity ratios
- Relatively poor collection rates with large working capital absorptions on an annual basis

Both rating agencies highlighted the collection rate as a negative factor that impacts on the rating. The medium to long term financial sustainability of the Metro is largely dependent on the collection rates. Debt finance can be used as funding instrument only insofar as the operations of Council generate sufficient revenue to service the debt finance. It is thus of critical importance that collection rates be improved to at least the targeted 93% per annum.

Issuing of Municipal Bonds

The Ekurhuleni Metropolitan Municipality has raised R1.615b through the issuing of 10-year, fixed-rate municipal bond issuances. Ekurhuleni is the third metropolitan municipality in South Africa to issue in the local debt capital market following the City of Johannesburg and the City of Cape Town.

Pricing on both bond issuances was within pricing guidance given by the arranger of the bonds. The first bond was 1.9 times oversubscribed and the second bond 2.05 times showing the marketing appetite for EMM bonds. Both bond issuances priced at 185 basis points over the relevant government benchmark bond (R208).

Municipal Property Rates Act

The valuation roll, compiled in terms of provisions of Municipal Property Rates Act, was implemented as from 1 July 2009 and included valuation of all sectional title units.

During the 2010-11 financial year, the following supplementary valuation rolls were implemented:

- | | | |
|-------------------|-------------------------------|---------------|
| • Supplementary 4 | Effective date 1 July 2010 | 8 820 entries |
| • Supplementary 5 | Effective date 1 October 2010 | 5 340 entries |
| • Supplementary 6 | Effective date 1 march 2011 | 3 134 entries |
| • | | |

Reconciliation of valuation roll and billing records are being performed on continuous basis. As at 30 June 2011, 99.33% of properties on valuation roll were matched to billing records.

Collection Rate

Annual collection target of 93% has been set for 2010/11 financial year. During the four quarters of the financial year, collection performance was as follows:

- | | |
|---------------------------|--------|
| • 1 st Quarter | 85.23% |
| • 2 nd Quarter | 92.44% |
| • 3 rd Quarter | 95.21% |
| • 4 th Quarter | 93.19% |

Figure 27: Twelve month collection rate

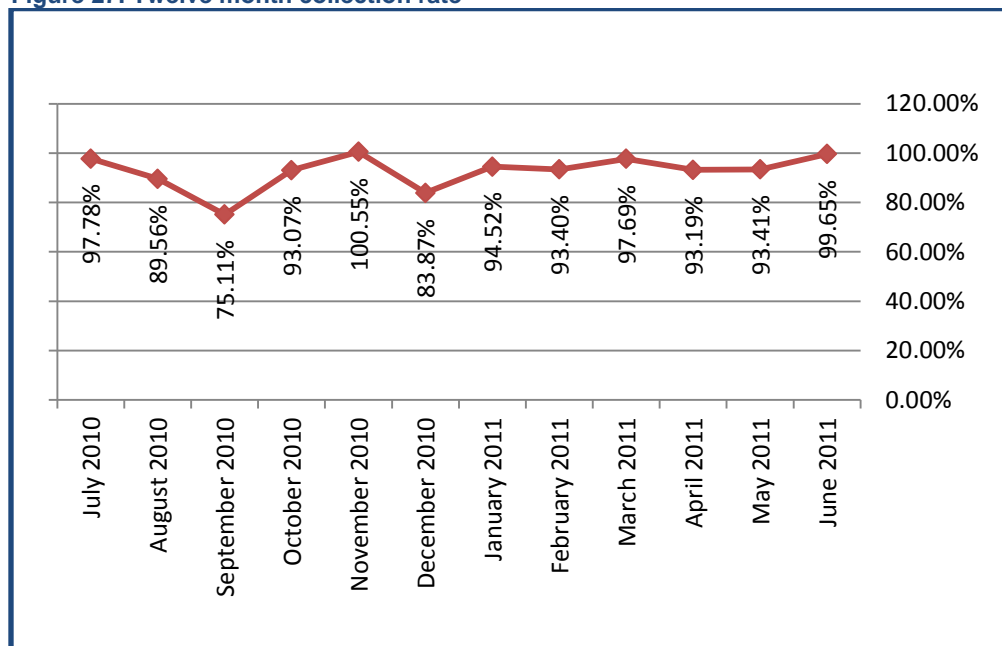
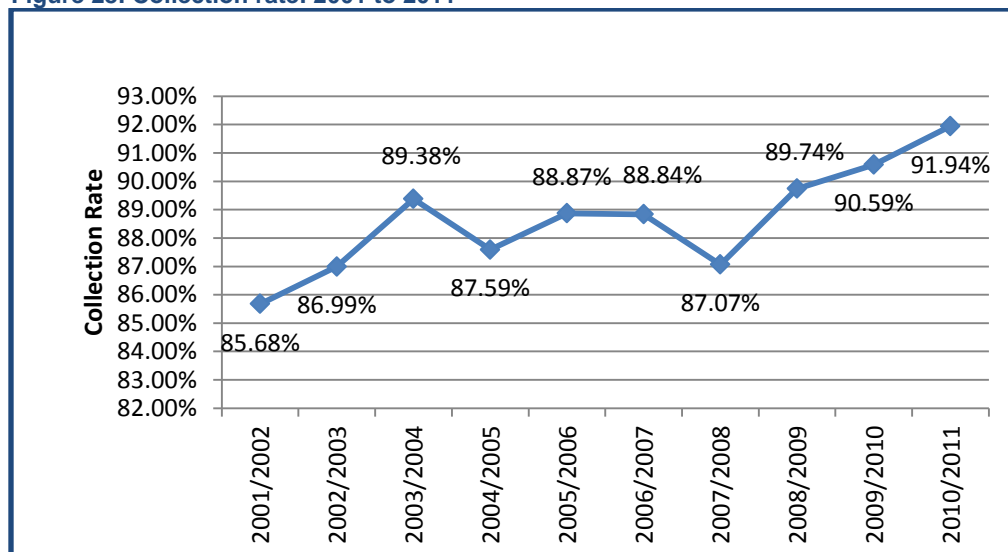


Figure 28: Collection rate: 2001 to 2011



Substantial services tariff increases as from 1 July 2010 with associated winter electricity consumption affected collection results negatively during first quarter of the financial year. Collection rate increased during each quarter thereafter and although the annual collection rate amounts to 91.94%, it represents a 0.86% average increase over previous financial year.

Billed services during financial year increased by 24.60% over previous financial year whilst total receipts increased by 26.46%.

Insurance Statistics

A number of 1499 insurance claims to the value of R43 919 248 were registered for the 2010/2011 financial period (claims submitted not paid). Over the same period a number of 1 149 to the value of R6 169 744 were settled. It would be very difficult to draw a correlation between claims submitted and claims paid in view of the variables applicable to each claim. It should also be mentioned that some claims takes years to conclude in view of the complexity thereof. The 43 919 248 comprises of R547 402 liability claims and R5 622342 asset claims.

The majority of liability claims falls under accidental damage which refers to pothole and power surge claims. This is followed by collision claims where council vehicles are involved.

The highest value claims in this category (above R 1m) are all made up of wrongful arrests and instances where third parties claim against EMM for the Emergency Services Department failed to act in time in case of fires.

The departments responsible for the highest value claims paid are Community Safety with R262 195 and Infrastructure Services (RTCW) with R69 644.

Asset claims (Claims made) - Asset claims are broken down into the following categories:

Table 48: Asset insurance claims for the 2010/2011 financial year

Claims Category	Number of claims	Rand value
Accident Sundry	4	524,046.00
All Risks	61	480,369.00
Building Combined	117	4,443,084.00
Computer	8	150,516.00
Fire/Accident Combined	111	1,266,566.00
Fleet	533	9,073,281.00
Glass	5	21,864.00
House Owners	6	265,050.00
Money	1	2,900.00
Office Comprehensive	2	22,000.00
Personal Accident	2	20,000.00
Stated Benefits	40	3,785,977.00
Theft/Burglary	76	1,810,232.00
Total	966	21,865,885.00

The most number of claims as well as highest value occurred in the fleet section. Buildings combined together with Fire and Accident had the second and third highest number respectively. Stated benefits which relate to death claims as a result of unnatural causes and injury related claims also carried a relatively high monetary value.

As with liability claims the Community Safety Department, including EMPD are responsible for the highest number (413) as well as value (R9 986 750) claims. Second is the Electricity Department with 181 claims at a value of R 2 934 809. The single highest claim in this category originated in the Environment Department at a value of R1 154 680.

Injury on duty claims - A total of 391 injuries on duty claims were reported for the 2010/2011 financial year.

Recoveries - Recoveries made or in progress for the 2010/2011 financial year are summarised as follows:

Table 49: Insurance recoveries made or in progress for the 2010/2011 financial year

Description	Amount
Recoveries in progress	R 3,884,637.74
Recoveries made	R 1,615,727.08
Abandoned	R 78,967.89

To successfully recover losses from third parties legal processes have to be followed which can costly. Recoveries are abandoned when it becomes obvious that the cost will exceed the potential income.

Summary of key capital projects implemented

The department is not capital intensive and no major capital projects were implemented. Projects implemented related to upgrades to pay points as well as the replacement of equipment required to run the department.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached many of its targets, highlighted in the table below and narration:

Description of target	Set Target	Target achieved	Comment
The collection of all taxes and levies from citizens and business within the billing year [Percentage of taxes and levies collected]	93.00%	91.94%	✓ Target not met
Billing based on actual meter readings [Percentage of meters with 3 consecutive months interim readings (Target to be jointly achieved with IS departments)]	90.00%	91.60%	✓ Target Exceeded
Percentage of invoices paid within 30 days as required by the MFMA [Percentage of invoices paid within 30 days of receipt of invoice by Finance Department]	95%	99.49%	✓ Target Exceeded
Percentage of invoices paid via the ordering system as opposed to sundry payments	90%	74,26%	⊗ Target partly achieved - see note 1
Percentage of invoices paid via EFT as opposed to cheque payments	90%	74.07%	⊗ Target partly achieved - see note 2
Reduction of irregular expenditure events originating from the Finance department (Finance Specific)	20%	0%	✓ Target Achieved

Description of target	Set Target	Target achieved	Comment
[Reduction of No of irregular expenditure events by 20% year-on-year]			
Reduction of deviations from SCM Policy - (Other than sole suppliers and emergencies) originating from the Finance Department(Finance Specific) [Reduction of No of deviations from the SCM policy by 20% year-on-year]	Two items	1 item	✓ Target achieved
Rationalised stock items/levels [Rationalisation (optimisation) of stock levels]	Planning	Completed	✓ Target Achieved
Reporting of Financial Results [Submission of monthly financial results to SMT and Portfolio Committee for ongoing monitoring of financial performance]	12	12	✓ Target Achieved
Reporting of Financial Results [Mid-year review of financial results and adjustments budget for 2010/11 to be submitted to Council by 31 January 2011]	Report by 31 st January 2011	Report submitted on 27 January 2011	✓ Target Achieved
Budget Compilation [Budget tabled to Council by 31 March 2011 and Approved by Council by 31 May 2011-Budget must be in full compliance with MFMA Budget and Reporting Regulations]	Approved budget by 31 st May 2011	Budget approved on 20 April 2011	✓ Target Exceeded
Annual Financial Statements and Consolidated Financial Statements [Annual financial statements completed by 31 August 2010 and Consolidated financial statements by 30 September 2010]	Annual Financial Statements completed by 31 st August 2010	Annual Financial Statements completed by 31 st August 2010	✓ Target achieved in 1 st quarter
Annual Financial Statements and Consolidated Financial Statements [Achievement of unqualified audit opinion for the 2009/10 financial year]	Unqualified audit opinion	Received unqualified audit opinion	✓ Target Achieved
Credit Rating [Attainment of AA long term credit rating]	AA	AA	Credit Rating target met
In-house section established for maintenance of valuation roll [Establishment of in-house section for the maintenance of the valuation roll]	Establishment of in-house valuation section	0	⊗ Not achieved due to Institutional review
Workplace Skills Plan [Compilation of Workplace Skills Plan for the Finance Department]	WSP developed and implemented	WSP submitted and implemented	✓ Target met in 3 rd quarter
Percentage of training budget spent	85%	100%	✓ Target

Description of target	Set Target	Target achieved	Comment
			Exceeded
Participation in events arranged by the HR department [No of events participated in aimed at gender equality]	4	4	✓ Target achieved
Staff trained in compliance with NT Regulations on Minimum Competency Levels [No of staff members to be trained per year to achieve 1 January 2013 deadline]	5	7	✓ Target Exceeded
Compilation of the risk register using the input from Finance Divisions and reporting for Finance (monthly reports)	12	12	✓ Target Achieved
Mitigation Plans aimed at controlling losses [Requesting mitigation plans for controllable losses and reporting accordingly (monthly reports)]	4	1	✓ Target partly Achieved
Renewal of Insurers	Renewal of Insurers	Achieved	✓ Target Achieved
Compilation of asset register [Compilation of GRAP 17 infrastructure asset register through Phase 2 of the integrated asset register project to achieve unqualified audit opinion for the 2009/10 financial year]	1	1	☒ In process See comment 3
Asset Management Plans [Compilation of the Asset Management Plans with the input from all departments through Phase 2 of the integrated asset register project]	1	1	✓ Target achieved
Investment Property Asset Register [Project manage the compilation of Investment Property Asset Register project resulting in unqualified audit opinion for the 2009/10 financial year]	1	1	✓ Target achieved
Physical asset verification [Monitor that physical verification of all movable assets of Council and updating the asset register with asset movements resulting in unqualified audit opinion for the 2009/10 financial year]	-	1	See comment 4

Notes on Targets not achieved

1. The automation of the ordering system project is currently being implemented. Once fully implemented, this target will be improved upon. Automation due for completion on 1 October 2011.
2. The department indicated that a meeting was held with relevant departments on 11 July 2011 for feedback by 23 July 2011 to comply with GRAP 17 requirements. Accountability statements are also in some cases outstanding and follow-up was done to submit the outstanding documentation.

3. The department indicated that accountability statements were received except for 3 departments and two CCA's.

Also refer to the Chief Financial Officer's Report in Chapter 4.

Human Resources Management and Development Department

Departmental Key Performance Areas

The department comprises of six divisions that are responsible for the entire Human Resource function.

The labour relations division manages the disputes, disciplinary cases and grievances. This division facilitates and co-ordinates all disputes/grievances and disciplinary cases. The Division also deals with collective bargaining, conflict management, and inter-governmental relations.

The Provisioning and Maintenance division implements an integrated recruitment process by filling the vacant positions. This Division is also responsible for compensation and benefits and the management of the HR System.

The Education, Training and Development division provides Human Resource Development services to the EMM departments and members of the community. The Division advertises for bursaries, learnerships and experiential training. This Division has to plan and schedule training for employees. One hundred and forty one employees from technical departments have been assessed against technical qualification for recognition of prior learning purposes. It is the vision of the department that lower level employees who do not have formal education are assisted to acquire formal qualifications. Sixty two learners have been placed on experiential learning programmes in different departments, with the purpose of assisting them to acquire workplace experience. Six of the employees have been appointed as permanent employees.

The Organisation Management Division conducts organization and work studies. This division aligns the EMM structure to the strategic objectives of the organisation and the facilitation of productivity enhancement in the EMM. The Division also develops and maintains all OM related policies for the EMM.

The Employee Well-Being division provides employee well-being services [psychological and Occupational Health and Safety (OHS)] to employees by providing counselling, occupational health services and support. The division also ensures the maintenance of a healthy and safe work environment.

The Employment Equity and Transformation division promotes the equality and diversity in the workplace. This division implements and develops employment equity in respect of recruitment, employment and promotions.

Departmental Performance Report

Summary of departmental achievements

- 360 Managers were trained as Presenting and Presiding Officers on Disciplinary cases.

- The Institutional Review macro structure was approved by Council on the 25 November 2010.
- 552 employees were trained on Productivity Awareness Programme
- 62 students identified from the previously disadvantaged backgrounds were awarded bursaries. The bursaries were also awarded to students who deserved them based on merit.
- 3759 employees were trained on different skills programmes. This training was focused on scarce and critical skills as identified by the Departments in their Departmental WSP's.
- 1775 people were employed either internally or externally. Of these appointments, 736 were temporarily employed due to Institutional Review process underway.
- The WSP was submitted to the LGSETA on 30 June 2011
- The Occupational Health and Safety audits were conducted in the Fresh Produce Market, Office of the City Manager, Strategic Services Cluster, SRAC, Health, ICT and Legal and Administration.
- 8 669 employees were exposed to well-being services, i.e. financial planning workshops, HIV and AIDS Awareness, health educational programmes, consultation at the Wellness Centres, attendance of support groups, and exposure to EAP services
- 3 638 employees were exposed to financial wellness programme

Summary of corrective measures to be instituted where targets were not achieved

Enhance relationship with Labour through regular meetings as per Organisational Rights Agreement - The objective was not achieved. However, the service provider has been identified and Labour has agreed to share the cost of facilitation. Organised Labour would continuously be engaged.

Review and amend Labour Relations related policies - The objective was not achieved. The Policies have been reviewed and standardized. Senior Management was consulted on the policies however the change of political leadership has delayed the finalization of these policies. Once the separation of powers and structures are finalized, the process of consultation will continue.

Monitor the implementation of the EE Plan - The objective was not achieved. Awareness campaigns were conducted as per the DG recommendation.

Cultivate a culture of valuing diversity - The objective was not achieved. The service provider has been appointed to conduct the Culture Survey.

Gender Capacity - The objective was not achieved. A formal written price quotation was advertised. There was only 1 bidder who did not meet technical specifications. The Bid would be re-advertised.

Review and amend OM related policies - The objective was not achieved. The Policies have been reviewed and standardized. Once the new module of Governance and the delegation have been finalized, the Political leadership will be consulted.

Fully tested and operational Human Resources System Core Module - The Legal Opinion from Legal and Admin on the legality of NDT's contract has been sought for Phase II of the project as is still awaited. The Legal Department has been engaged.

Implement a professional, integrated recruitment and selection process - The objective was not achieved. The Policies have been reviewed and standardized. Senior Management was consulted on the policies however the change of political leadership has delayed the finalization of these policies. Once the separation of powers and structures are finalized, the process of consultation will continue. However the baseline report on competencies required for recruitment purposes has been developed.

Establish an Ekurhuleni Learning Academy to encompass and co-ordinate all HRD structures and activities - The objective was not achieved because of the fact that there is a need to establish a physical academy and not a virtual one. The process is being aligned with the approved Macro structure that perpetuates the Ekurhuleni learning and skills initiative. A draft concept paper has been prepared and benchmarking process against good practices particularly with Organizations that are already running their academy is being undertaken.

EMM complied with the MFMA in respect of Minimum Competency levels for Managers as regulated by the National Treasury - The objective was not achieved. The process of competency self-assessment was finalised in the 3rd quarter, however the verification of the assessment is being conducted by the subject matter expert.

Occupational Hygiene programme implemented - The objective was not achieved. The noise survey measurements were conducted during the 3rd quarter and the results were received. The base line screening test will be conducted based on the results of the survey.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached many of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Develop basis for industrial relations skills for managers and supervisors [milestones]	200	360	✓ Target Exceeded
Enhance relationship with Labour through regular meetings as per Organisational Rights Agreement	Awareness campaign of the RBO resolution	0	⊗ Target not achieved - see note 1
Review and amend Labour Relations related policies [No of employees/workstations tested]	Submit developed policies to Council for approval	0	⊗ Target not achieved - see note 2
Monitor the implementation of the EE Plan [milestones]	Annual Progress	0	⊗ Target not achieved - see note 3
Cultivate a culture of valuing diversity [milestones]	Formulate programmes emanating from the Culture Survey	0	⊗ Target not achieved - see note 4
Gender Capacity	Facilitate	0	⊗ Target not

Description of target	Year Target	Target achieved	Comment
	Ergonomics study		achieved - see note 5
To align organisational structures to the EMM Strategy [milestones]	Submit functional overview of the Support services Department report for approval	In progress	Implementation programme approved by Council on the 24 February 2011 - see note 6
To enhance productivity within the EMM	300	522	✓ Target Exceeded
Review and amend OM related policies	Submit developed policies to Council for approval	0	⊗ Target not achieved - see note 7
Fully tested and operational Human Resources System Core Module [milestones]	Build, test and implement COID module	0	⊗ Target not achieved - see note 8
Implement a professional, integrated recruitment and selection process [milestones]	Submission of a report and policy document	0	⊗ Target not Achieved - see note 9
Implement bursary and learnership strategy [No of Learnerships & Bursaries]	Needs analysis of study fields for bursaries and learnerships 2011/2012 in place	1	✓ Target Achieved
Establish an Ekurhuleni Learning Academy to encompass and co-ordinate all HRD structures and activities [milestones]	The EMM learning Academy Brand implemented	0	⊗ Target not achieved - see note 10
Learning Programmes in line with the needs driven Workplace Skills Plan implemented [milestones]	3000 employees trained on different skills programmes	2260	⊗ Target not achieved - see note 11
Workplace Skills Plan Developed [milestones]	Generate Organisational WSP	WSP finalised and submitted to LGSETA	✓ Target Achieved
EMM complied with the MFMA in respect of Minimum Competency levels for Managers as regulated by the National Treasury [milestones]	Report on the outcome	Competency Assessment conducted	✓ Target Achieved
Occupational Hygiene programme implemented [No of employees/workstations tested]	Procure a service provider to conduct baseline screening tests		⊗ Target not achieved - see note 12
Occupational Health and Safety audit [number established]	Conduct Occupational Health	Yes	✓ Target Achieved

Description of target	Year Target	Target achieved	Comment
	and Safety audits on various Departments		
Integrate wellness centres services [number established]	Render Employee Well-Being Services to 3000 employees	9 289	☒ Target Exceeded
Financial wellness programme implemented [number established]	100	3 509	☒ Target Exceeded
Fully tested and operational Human Resources System [milestones]	Rollout of the project, change management processes	0	☒ Target not achieved - see note 13
Improve a effective integrated recruitment and selection process [approved strategy]	Consultation on the Baseline Report and implementation plans	0	☒ Target not achieved - see note 14

Targets not achieved

1. The department indicated that the target was not met due to the process to develop the implementation guidelines was started by forming a task team consisting of all stakeholders, however, this could not be finalised as there is currently a labour impasse which created a breakdown in communication.
2. The department indicated that the target was not met due to a change in political leadership which delayed the process of consultation.
3. The department indicated that the target was not met. The Department of Labour has been invited to discuss the challenges that the EMM has in the implementation of the Director General's (DG's) review process as there is currently an impasse with the largest representative Union. Awareness campaigns were conducted as per the DG recommendation.
4. The department indicated that the target was not met. The service provider has been appointed. No other indications were given.
5. The department indicated that the target was not met. A formal written price quotation was advertised but could not award as none of the bidders qualified.
6. The department indicated that the target was not met due to a change in political leadership.
7. The department indicated that the target was not met due to the Legal Opinion from Legal and Admin on the legality of NDT's contract has been sought for Phase II of the project and is still awaited.
8. The department indicated that the target was not achieved due to the process awaiting engagement with political principals.

9. The department indicated that the target was not met. The concept document has however been developed.
10. Actual achievement of 2 260 against the target of 3 000. The department indicated that the target was not met because at the date of the generation of the report (22 March 2011), 713 employees were trained on different skills training programmes.
11. The department indicated that the target was not met. The objective was not achieved. The process of competency self-assessment was finalised in the previous quarter, however the verification of the assessment is being conducted by the subject matter expert. This process commenced on June 2011.
12. The department indicated that the target was not met due to the legal opinion from Legal and Admin on the legality of NDT's contract has been sought for Phase II of the project and is still awaited
13. The department indicated that the target was not met due to the legal opinion from Legal and Admin on the legality of NDT's contract has been sought for Phase II of the project and is still awaited.

Also refer to the Chapter 3 dealing with Human Resource and Organisational Management.

Internal Audit Department

Departmental Vision and Mission

The mission of the Internal Audit Function is to provide independent, objective assurance and consulting services, within Ekurhuleni and its entities, designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Departmental Key Performance Areas

In order to achieve its aims, Internal Audit strives to:

- meet and/or exceed, the stakeholder's objectives for internal audit;
- meet and/or exceed, the requirements of internal audit from the Institute of Internal Auditors, the latest King report on Corporate Governance and other leading practice requirements;
- maintain the required skills and competencies of internal auditors; and
- Uphold high standards of ethics and independence.

The scope of work of the internal audit function is to determine whether the organization's risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Inter-action with the various governance groups occurs, as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected;
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in Ekurhuleni's control processes.
- Significant legislative or regulatory issues impacting Ekurhuleni are recognized and addressed properly.

The scope of internal audit encompasses the following activities:

- Facilitate a risk assessment through obtaining an understanding of the Ekurhuleni's objectives and related risks impacting its performance, assessing the business risks after consultation with management which includes interviews/workshops with management of each department evaluation and assessment of significant risks areas and related key control;
- Prepare a strategic three-year rolling internal audit plan, inclusive of an annual internal audit coverage plan and submit to the Audit Committee for approval;
- Review the adequacy and effectiveness of internal control systems;
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;

- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have significant impact on its operations and reports, and determining whether the organization is in compliance;
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
- Review means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Reviewing and appraising the economy and efficiency with which resources are employed;
- Review contracts and other agreements with outside firms providing goods and services as appropriate. Review the records and documentation of these outside firms when deemed necessary to ascertain compliance with the contracts terms;
- Co-ordinate audits efforts with those of the external auditors and to eliminate duplication of audit efforts;
- Examine the validity of measures used to assess the achievement of operational objectives;
- Review the organization's compliance guidelines for ethical business conduct;
- Evaluate plans and actions taken to correct reported conditions;
- Provide adequate follow-up to ensure corrective action is taken and evaluate its effectiveness;
- Conduct special examinations or investigations at the request of management or audit committee;
- Monitor fraud control and preventative mechanisms;
- Report on loss control;
- Manage the and create awareness of the Fraud Hotline; and
- Report to the Audit Committee as to whether;
 - Appropriate action has been taken on significant audit findings and the status of corrective action;
 - Audit activities have been directed toward highest exposures to risk and toward increasing efficiency, economy, and effectiveness of operations;
 - There is any unwarranted restriction on access by management to internal auditors on all organizations activities, records, property, and personnel.
- Opportunities for improving management control, service delivery and the organisation's image may be identified during audits and, communicated to the appropriate level of management.

Departmental Performance Report

Departmental Achievements

OBJECTIVE	ACHIEVEMENTS
To establish risk based audit planning to determine the priorities of internal audit activities consistent with the organization's goals	<p>The EMM risk profile has just been completed and validated by EMM senior management. The 2010/2011 risk based audit plan was completed by the end October 2010 and considered by the Audit Committee during the November 2010 meeting.</p> <p>The 2011/2012 risk based audit plan will be completed by the end August 2010 and be considered by the Audit Committee during the first meeting of the new audit Committee.</p>

To annually update the internal audit charter, audit committee charter and internal audit methodology.	The updated Audit Committee Charter and Internal Audit Charter were approved by Council at the meeting held on 24 February 2011. The yearly update of all charters is progressing well and will be tabled at the first meeting of the newly appointed audit committee. The yearly updates of the methodologies are progressing well and will be tabled at the first meeting of the newly appointed audit committee.
Finalize audit reports as stipulated on the approved three year strategic audit plan and annual plan	60 Audits were completed, reports signed and tabled to the audit Committee during the year.
Implementation and monitoring of quality assurance and improvement program, internal audit charter and audit committee charter.	All audits completed were quality reviewed by the managers and internal quality review unit before they were issued. In case the audit was outsourced, the quality review was performed by the firms' quality review section.
Research, Development, implementation and monitoring of acceptable innovative business solutions and best practices.	Team-Mate workshop sessions were held with all the divisions and 100% compliance was achieved. Compliance with ACL manual was met in all respects for the quarter. Reports were issued for all legitimate calls that were received by the fraud hotline and audits were registered for all the reported calls.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached most of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Approval of the three year strategic audit plan by the audit committee [approval of the three year audit plan and annual plan one month before financial year end]	1	1	✓ Target achieved
Approval of the updated internal audit charter and audit committee charter by Council [yearly approval of the updated internal audit charter and audit committee charter by Council and yearly approval of the updated audit methodology by audit committee]	1	1	✓ Target Achieved
Yearly approval of the updated Audit methodology by the audit Committee [yearly approval of the updated internal audit charter and audit committee charter by Council and yearly approval of the updated audit methodology by audit committee]	1	Partly	☑ Target partly achieved - see note 1
Audit reports produced in accordance with the approved audit plan [No of audit reports finalised]	45	60	✓ Target Exceeded
Generally conforms the Internal Audit Activity has policies and processes that are in accordance with the Standards. Opportunities for enhancement may exist	0	0	The set target is planned for 2011/12 year

Description of target	Year Target	Target achieved	Comment
[generally conforms rating as defined by the Institute of Internal Auditors (internal/external) and 100% compliance with the internal audit charter and audit committee charter]			
100% compliance with the Internal quality control checklist [generally conforms rating as defined by the Institute of Internal Auditors (internal/external) and 100% compliance with the internal audit charter and audit committee charter]	100%	100%	✓ Target Achieved
100% compliance with the internal audit charter checklist [generally conforms rating as defined by the Institute of Internal Auditors (internal/external) and 100% compliance with the internal audit charter and audit committee charter]	100%	100%	✓ Target Achieved
100% compliance with the audit committee charter checklist [(Generally conforms rating as defined by the Institute of Internal Auditors (internal/external) and 100% compliance with the internal audit charter and audit committee charter]	100%	100%	✓ Target Achieved
100% compliance with teammate manual [100% completion and implementation of approved innovation projects by end June each year and monitoring of teammate suite, ACL tool and Fraud Hotline]	100%	100%	✓ Target Achieved
Research, Development, implementation and monitoring of acceptable innovative business solutions and best practices [100% completion and implementation of approved innovation projects by end June each year and monitoring of teammate suite, ACL tool and Fraud Hotline]	100%	100%	✓ Target Achieved
100% reports generated by a fraud Hotline system from the number of calls received [100% completion and implementation of approved innovation projects by end June each year and monitoring of teammate suite, ACL tool and Fraud Hotline]	100%	100%	✓ Target Achieved

Targets not achieved

1. The department indicated that the target was not met due to the yearly updates of the all charters, but it is progressing well and will be tabled at the first sitting of the new audit committee to be announced in August 2011.

Corporate and Legal Services Department

Departmental Vision and Mission

The Department Corporate and Legal Services provides pro-active, professional and responsive legal and administrative support services to the Ekurhuleni Metropolitan Municipality and all its structures. The Department's focus area is to guide, advice and enhance good governance processes within the Constitutional framework by providing innovative and excellent legal and administrative support services.

Departmental Performance Report

Summary of departmental achievements

The Department consists of three divisions and without listing the normal day to day activities/responsibilities/challenges of the Department, the following highlights are listed of achievements/progress made on targets set during the previous financial year in achieving improved support services to all its stakeholders.

Division: General Administration and Auxiliary Services

1. By-law Manual: A reference manual to assist Departments in the drafting of By-laws was developed. This Manual should assist not only in the planning of new By-laws but also with the legislative drafting quality of By-laws.
2. Registry Services: The Central Registry Section of the Department has finalised a process in terms of the National Archives Act of appraisal and destruction of old Ekurhuleni Records that were kept at an offsite private storage facility on tender – saving the Municipality a large monthly storage bill. This is the first phase in evaluating and structuring all records to be kept by the Central Records Section in terms of the Act.
3. Records are created/captured as required by the National State Archives regulations. There is a single, operational standard for the creation/capturing of records, its maintenance, destruction or archiving across the Ekurhuleni Metropolitan Municipality.
4. Grants-in-Aid: Another successful grants-in-aid allocation process has been completed where Council was able to within present financial constraints assisted qualifying beneficiaries in various categories of the Community.

Division: Legal and Property Administration

1. The adjudication of claims received in respect of Council owned shops which have been outstanding for a great number of years was finalised and an item was presented to Council on 27 October 2010. A total of **389** claims were received of which 152 were found to be meeting the requirements of the Conversion of Certain Rights into Leasehold or Ownership Act, 1988, and therefore are to be referred to the Gauteng Housing Department for consideration of the transfers to the individual qualifying claimants. The remainder of the shops (237), are shops which are to be retained as part of the rental portfolio of the EMM. An inter-departmental task team has been established to come up

with the model that will ensure the possible improvement of these shops into mixed-use where both retail and residential component will be considered. This is part of the strategy to ensure that sustainable centres of economic activity are created in the former black township areas where these shops are located.

2. During the past year, task teams were making progress in respect of *inter alia* the drafting of a standard engineering services agreement for “Ordinance 15 of 1986 townships”, the standard tender document, alienation procedures i.r.o. shops, and restriction of access. The Standard Pro-forma tender documents were finalised and approved by Council. These tender documents are in line with the principles adopted in the Land Disposal Framework & Guidelines where the targeted groups such as Women, Disabled and Youth are taken into consideration in particular during the disposal of residential land. These tender documents also attempt to close the gap where first time home-owners who earn above the maximum amount to qualify for government subsidized housing and not enough to obtain home loans from banks.
3. Investments in excess of R285 million has been facilitated during 2010/11 financial year. It mainly consists of industries expanding their operations within the EMM area. They identified EMM land adjacent to their factories for expansion. These companies are Distell (Pty) Ltd and Technopol (SA) Ltd in Springs as well as FB Crane Builders (Pty) Ltd in Wadeville. These factories’ expansions are expected to yield in excess of 150 additional permanent jobs.
4. The rendering of legal comments has been streamlined (clustered) and is being controlled to ensure that comments are dealt with speedily and to identify bottlenecks and/or slow delivery. This has resulted in most matters being responded to within 10 working days.
5. Major legal cases for and against Council – some that run over a number of years – were finalized.

Division: Committee & Secretariat Services, Councillor Support and Public Participation

1. Councillors were enrolled to attend various courses, internal and external, with a view to further enhance their capacity.
2. Administrative support provided to Councillors/their family members that passed on to ensure that effect is given to the insurance policy and burial fund to which Councillors belong to.
3. The process of implementing electronically generated agendas and minutes were further developed in terms of which agendas and minutes have been provided to Councillors and other users in an electronic format. This has resulted in noticeable cost savings and has assisted in the faster distribution of documents with agendas being sent out at least 96 hours prior to meetings and minutes distributed within 72 hours after the meeting.
4. In preparation of an electronic Resolution Tracking System being investigated, resolutions are being circulated to all Heads of Departments as the first step in ensuring the speedy execution of all Council resolutions.

5. In order to further strengthen the quality of services, a Performance Management System has been developed for the Committee and Secretariat Services which will eventually also be rolled out to the other sections.
6. The system of dealing with questions at Council was streamlined to ensure quality and speedy attention.
7. The aftermath of Local Government Elections (LGE) 2011 propelled the Municipality in terms of the Municipal Structures Act 1998 (as amended) to commence with the establishment of ward committees. The process of demarcation established 13 new wards which denote that the Ekurhuleni Metropolitan Municipality has now 101 wards. The preparations for establishing 101 ward committees consisting of 1 010 ward committee members are underway. The elections of ward committees are to be finalized by November 2011 to enable the community to participate in governance and Council's decision making processes.
8. The Public Participation & Petitions Committee has consistently and successfully co-ordinated the resolution of a large number of petitions submitted to Council.
9. Following the election of ward committees, the monthly and quarterly reports of Ward Committees are to be submitted to Council which ensures that democracy is prevalent in all sections and the views of the residents of the Municipality are brought to the attention of Council for action and intervention.

Summary of corrective measures to be instituted where targets were not achieved

Quarterly report back sessions coinciding with the quarterly SDBIP reports are held to monitor progress of improving service delivery. Although progress during the past financial year indicates a positive trend of improved support services being rendered, the Department acknowledges that various internal problems and the Institutional Review processes that have placed additional pressure on the Department's structures and morale, have resulted in a perception that the Department has not rendered its support services at the level expected from its internal stakeholders. This will definitely improve in the year to come.

Summary of key capital projects implemented

The Department's Capital Budget focused mainly on internal service delivery requirements and was focused on the provision of office accommodation to Ward Councillors, the replacement of redundant ICT Equipment in the Department and the delivery of banquet hall tables for the new council chamber.

Review of departmental performance against pre-determined measurable performance indicators

The Department reached some of its targets, highlighted in the table below and narration:

Description of target	Year Target	Target achieved	Comment
Effective administration of property applications [No of applications received versus number processed]	100%	100%	✓ Target achieved
Provide legal comments on items to council committees	100%	84%	☑ Target partly

Description of target	Year Target	Target achieved	Comment
and departments [Provision of Legal comments within 10 working days]			achieved - see note 1
Resolving of labour legal cases [No of cases attended to in a Quarter]	100%	6%	☒ Target not achieved - see note 2
Resolving of legal compliance cases [No of cases attended to in a Quarter]	100%	2%	☒ Target not achieved - see note 3
Resolving of commercial legal cases [No of cases attended to in a Quarter]	100%	16%	☒ Target not achieved - see note 4
Compile & maintain registers on By-laws (Municipal Code), Tariffs, Delegated Powers and Policies and update within set standards [Compliance with set standards in updating of registers (time frames and legal requirements)]	100%	100%	✓ Target Achieved
Filling of vacancies in department to ensure full complement of staff	100%	7.00%	☒ Target not achieved - see note 5
To render and maintain an effective document registration system [No of departments compliant with EMM File Plan]	100%	61%	☑ Target partly achieved - see note 6
Agendas of Committees of Council delivered at least 72 hours prior to scheduled meetings [Date of receipt by councillors versus date of meeting]	100%	100%	✓ Target Achieved
To render an effective committee service to all scheduled Council committee meetings to ensure effective decision making processes [Compilation & distribution of agendas / minutes and provision of logistics to all approved Council committee meetings]	301	290	☑ Target partly Achieved - see note 7
Council and Mayoral Committee resolutions communicated to departments [Communication of all draft Council and Mayoral Committee resolutions to departments within 5 working days after meeting took place]	35	35	✓ Target Achieved
Deal with petitions in terms of approved time frames and processes	100%	66%	☑ Target partly achieved - see note 8
To provide effective logistical and administrative support to Councillors [Training and capacity building of Councillors]	100%	75%	☑ Target partly achieved - see note 9

Targets not achieved

It will be noticed from the following notes that although not all targets were met, acceptable reasons for it exist but where the department felt that improvements are required, steps taken have been indicated:

1. Actual achievement of 84% against the target of 100%. The department indicated that of the 157 items received for legal comments, 132 were responded to within 10 working days. Further information had to be sought for the other items and also due to unclearly indicated dates on some items, which made it difficult to determine the 10 day period. Amended monitoring processes have been introduced to improve on the completeness of documents received for legal comments and control on the speedily rendering of comments.
2. Actual achievement of 6% against the target of 100%. The department indicated that of the 34 cases that required attendance, only 2 were resolved, and this translates into 6%. This big variance is due to the fact that some cases are either on-going, on review or on appeal. This type of variances will, due to the nature of legal cases always be a factor. The final control and oversight come about with the quarterly reporting to the Legislature on legal matters being dealt with.
3. Actual achievement of 2% against the target of 100%. The department indicated that of the 340 cases that required attendance, only 6 were resolved, and this translates into 5%. This is due to the fact that some cases are either on-going, on review or on appeal. (also see note 2)
4. Actual achievement of 16% against the target of 100%. The department indicated that of the 38 cases that required attendance, only 6 were resolved, and this translates into 16%. This is due to the fact that some cases are either on-going, on review or on appeal (also see note 2).
5. Actual achievement of 7% against the target of 100%. The department indicated that of the 44 vacancies that existed; 3 were filled, and this translates to 7%. This variance is due to a number of vacancies which are still in the process of being filled. A big factor for longstanding vacancies is the non-evaluated vacancies that cannot be filled until they are evaluated.
6. Actual achievement of 61% against the target of 100%. The department indicated that of the 18 departments in the metro, only 11 are compliant. This translates into 61%. The main reason for non-compliance is lack of personnel and resources such as filing cabinets at the various departments. The necessary processes of training and guidance to departments are underway to assist all departments to reach full compliance as soon as possible.
7. Actual achievements of 290 against the target of 301. The department indicated that a number of meetings of council committees didn't take place due to the local government elections activities and also due to cancellation of some, hence the variance of 11. For those meetings that did take place full services were rendered
8. Actual achievement of 66% against the target of 100%. The department indicated that of the 30 petitions that needed resolution by various departments, only 20 were resolved. The other 10 petitions are being attended to by various departments involved. Some departments' report back to the Petition Committee could not take place due to the timing of the elections.

9. Actual achievement of 75% against the target of 100%. The department indicated that 202 councillors embarked on training or capacity building programmes for the quarter; only 150 were inducted as there was no need for inducting returning councillors.

The Department is convinced that with dedicated and focused efforts the Department will achieve its goals of enhanced support services to all its stakeholders and wish to thank all – Political leaders, Municipal Senior Management, other departments and its own dedicated officials - for the support and participation to assist in achieving these goals.

CHAPTER SIX

OUTCOMES AGAINST GRANT FUNDING RECEIVED

a partnership that works



City of
Ekurhuleni

CHAPTER SIX: OUTCOMES AGAINST GRANT FUNDING RECEIVED

MIG Cities Grant / USDG

The MIG Cities Grant was introduced by National Treasury at the beginning of the 2008/09 financial year. As a strategic goal MIG Cities seeks to supplement capital revenues of selected large urban municipalities to support their infrastructure investment programmes with special emphasis on:

- The provision of basic municipal infrastructure for poor households, micro enterprises and social institutions
- Improving performance in integrated human settlement development outcomes
- Incentivising performance improvements in capital financing, asset management and development outcomes over the medium term

MIG Cities differs from other infrastructure grants in that it seeks to regulate all outputs and outcomes of municipal capital expenditure programmes through a multi-year MIG Cities Performance Framework that allows municipalities to allocate grant resources in an integrated manner across their capital budgets. The MIG Cities grant is monitored as part of the overall capital budget reported on in terms of Municipal Finance Management Act (MFMA) and subject to any other requirements related to expenditure outputs and outcomes.

From the 2011/12 financial year, the MIG Cities Grant has been consolidated into the Urban Settlement Development Grant (USDG).

Table 50: MIG Cities allocation for the 2010/2011 financial year

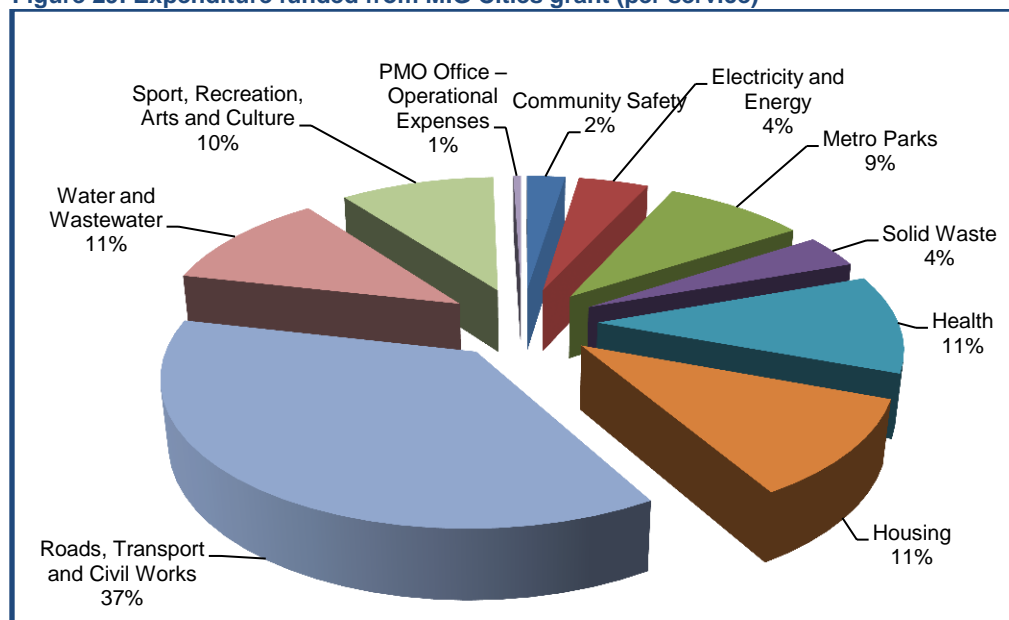
2009/10 Unspent Funds	2010/11 DORA Allocation	2010/11 Expenditure	2010/11 Unspent Funds
(135,060,052)	501,395,000	400,780,471	(34,445,523)

Table 51: Expenditure funded from MIG Cities grant (per service)

Municipal Service	2010/11 Expenditure
Community Safety	9,757,761
Electricity and Energy	17,840,583
Metro Parks	35,922,664
Solid Waste	14,974,047
Health	44,198,103
Housing	43,894,167
Roads, Transport and Civil Works	147,934,343
Water and Wastewater	45,110,155
Sport, Recreation, Arts and Culture	39,190,480
PMO Office – Operational Expenses	1,958,167.82
Total	400,780,471

The expenditure from various services is reflected in the following graph:

Figure 29: Expenditure funded from MIG Cities grant (per service)



Measurable Outputs

The following assets were created through the MIG programme:

Table 52: MIG Cities Grants: Measurable outputs for the 2010/11 financial year

Asset Type	Units	Sum of Quantity (if applicable)	Average of Percentage Completed (if applicable)	2010/11 Actual Expenditure
	(if Qty)			
Access Road	km	6.24	100%	11,023,501.42
Buildings	No	2	84%	6,364,496.95
Developed Landfill Sites	No	2	81%	14,974,047.26
Developed Multi-purpose Parks	No	4	84%	11,515,150.03
Electricity	No	1	100%	857,167.98
High Mast Lights	No	25	100%	10,278,209.44
New Cemetery	No	2	100%	24,407,513.52
New Clinics	No	7	94%	38,642,888.33
New Libraries	No	1	100%	2,184,849.29
Pump stations	No	2	100%	2,325,345.24
Rehabilitation of Roads	km	18.9	100%	33,280,297.65
Sidewalks	km	4.8	100%	7,015,462.54
Sport Stadiums	No	1	100%	33,997,979.09
Stormwater	km	5.95	100%	14,496,028.47
Streetlights	No	2,276.00	100%	6,705,205.46
Taxi Rank	No	1	56%	2,228,865.77
Tertiary Roads and Stormwater	km	43.58	100%	113,170,485.16
Upgrade Clinics	No	1	100%	5,555,214.44
Upgrade Fire Stations	No	1	100%	6,400,915.59

Asset Type	Units	Sum of	Average of	2010/11 Actual
Water and Sewerage Pipes	km	35		53,118,412.34
Water Tower	MI	5	100%	280,266.77
Total				398,822,302.74

Grants received from National Departments

Finance Management Grant (FMG)

The Finance Management Grant seeks to promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act (MFMA). Some of the measurable outputs that the grant seeks to achieve are:

- Improved and sustained skills development including internship programme on financial management
- Preparation and implementation of multi-year budgets meeting uniform norms and standards
- Assist in the preparation of financial recovery plans
- Improvements in internal and external reporting on budgets, finances, SDBIP, in-year and annual reports

Ekurhuleni's allocation on the 2010/11 financial year was R1, 000, 000 and the full allocation was utilised for the internship programme. Six interns were re-appointed on a two year internship programme at the beginning of the 2010/11 financial year.

Neighbourhood Development Partnership Grant (NDPG)

The Grant aims to support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector developments, towards improving the quality of life of residents in targeted undeserved neighbourhood (township generally). Projects that were undertaken during the 2010/11 financial are:

Table 53: NDPG Expenditure

Project Description	2010/11 Expenditure
Construction of Sontonga Street	4,294,962.33
Landscaping Palm Ridge	703,724.07
Etwatwa New Building	4,844,133.09
Katlehong 2 New Building	1,908,161.29
Kwa Thema New Building/Extension	2,587,298.07
Tsakane New Building/Extension	4,941,209.72
Develop: Community Parks Wattville	13,141,582.02
Leralla trade Structures	2,423,975.86
Total	34,845,046.45

Public Transport Infrastructure and Systems Grant (PTIS)

The Grant provides for accelerated planning, establishment, construction and improvement of new and existing public transport and non-motorised transport infrastructure and system. Measurable outputs include:

- Number of households within 50 metres of a public access point
- Sufficient infrastructure to meet the needs of the 2010 FIFA World Cup
- Improved public transport facilities, construction of access roads, airport-city links, public transport priority lanes, bus stops, taxi ranks, rail system transport plans, bicycle lanes, pedestrian lanes, signage, shelters and coaches.

The National Department of Transport (DoT) Public Transport Strategy mapped out the process to fast-track implementation of public transport facilities and programmes that target the development of a high quality, public transport facilities in EMM and high quality Integrated Rapid Public Transport Network (IRPTN) in at least 12 Metropolitan Areas in South Africa.

The allocation of R20m could not be fully utilised on the 2010/11 financial year due to considerable delay in appointing the consultants for the designs of the IRPT networks. The problems were aggravated by lack of capacity and resources within the Public Transport and of clear and precise specifications which resulted in two non-awards of the IRPTN designs. A non-award Item was therefore submitted to EMM Bid Evaluation and Adjudication Committees and was approved. Subsequent to that, a new holistic approach was adopted in 2010, which resulted in the unbundling of the project scope into different work streams, namely, Operational Plan, Business Plan, Marketing and Communications, Project Management and Planning and Detailed Preliminary Design of the system.

Table 54: PTIS Expenditure

Project Description	2010/11 Expenditure
Provide Dunswart Station Modal Transfer	201,600.00
Road Based SPTN for Vosloorus 2010	1,351,323.02
Daveyton Station Taxi Rank	6,661,805.61
Integrated Rapid Public Transport Network(IRPTN)	4,916,093.13
Total	13,130,821.76

Electricity Demand Side Management Grant (EDSM)

The purpose of the grant is to assist municipalities with the development of capacity to deliver on Electricity Efficiency Demand Side Management smart metering (EEDSM) projects. Furthermore to implement the EEDSM programme by providing capital subsidies to licensed distributors to address the EEDSM in residential dwellings, community and commercial buildings in order to mitigate the risk of load shedding and supply interruptions.

These are the projects undertaking in the 2010/11 financial year:

- Retrofitting Buildings
- Streetlights
- Energy efficient traffic lights
- Solar geysers rollout

Table 55: EDSM Expenditure

Grant Name	2009/10 Unspent funds	2010/11 DORA Allocation	2010/11 Expenditure	Unspent Funds
EDMS	(72,574)	25,000,000	24,971,420.93	(43,995.17)

Integrated National Electrification Programme (INEP)

The purpose of the grant is to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply. EMM has completed and submitted close-up reports for the following electrification projects funded in the 2010/11 financial year.

- Chief Albert Luthuli ext 4
- Winnie Mandela Phases 2 & 3
- Esselen Park ext 1

Permission has been granted by Department of Minerals and Energy to start with the projects for the 2011/12 financial year on the savings identified on the 2010/11 financial year.

Table 56: INEP Expenditure

Grant Name	2009/10 Unspent funds	2010/11 DORA Allocation	2010/11 Expenditure	Unspent Funds
INEP	(16,976)	25,000,000	26,412,986.64	(1,429,962.48)

Expanded Public Works Programme (EPWP)

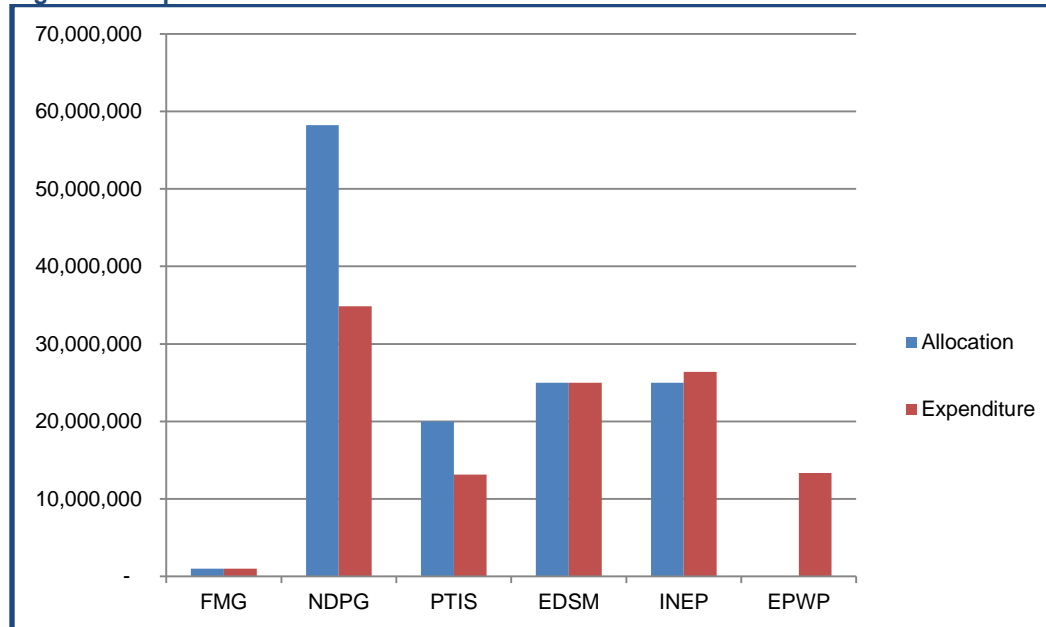
The Grant seeks to incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skills development in line with EPWP Guidelines. The funds were utilized as follows:

Table 57: EPWP Expenditure

Project Description	2010/11 Expenditure
Industrial Parks & Community Agric Projects	3,140,043
Urban greening	2,660,568
The Upgrading of Roads and Stormwater Networks in Tembisa Ext 23 and Tswelopele Ext 6	1,508,253
The Construction of Sidewalks in Ekurhuleni: Eastern Region	1,295,181
Turnkey Roads (South)	1,319,587
Fencing for SRAC Facilities	2,128,468
Upgrade of Bibliographic & Technical Services Building	1,292,351
Total	13,344,451

The expenditure from various grants can be illustrated graphically as follows:

Figure 30: Expenditure incurred on National Grants: 2010/2011 Financial Year



Grants received from National Departments

HIV/AIDS Grant – Department of Local Government

The purpose of the grant is to build community capacity to address HIV and Aids prevention, care and support and utilize local services appropriately in collaboration with existing government services, by developing a local based multi-sectoral response to AIDS through Councilors, Ward Committees and CBO's.

The grant for the 2010/11 financial year was utilized for the payment of the stipends for the community workers of the Community Support Programme. The stipends were paid to 202 community workers.

The outcomes of the activities were as follows:

- Educating the communities on HIV and AIDS in all 88 Wards
- 773 676 number of people reached through visiting 242 646 houses from July 2010 to December 2010
- Education was supported by the distribution of HIV/AIDS pamphlets and stickers.

Community Care Centres – Gauteng Department of Social Welfare

The grant is earmarked for the construction of 20 Priority Township Programme projects at Daveyton, Duduza, Katlehong, Wattville, Tsakane, Tembisa and Kwa Thema for the planning of Seven Early Childhood Development Centres and two Day Care Centres for the Aged in the Ekurhuleni Townships.

An amount of R7, 577,308 was not spent on the 2009/10 financial year; it has since been spent during the 2010/11 financial year. Allocated amount and expenditure for the financial year is reflected below.

Township Initiatives – Recapitalisation of Libraries - Gauteng Department of Sport, Recreation, Arts and Culture

The purpose of this grant is to build better communities and upgrade local, social and economic infrastructure. The project involved rehabilitation of existing library facilities in townships. During 2010/2011 financial year funds were utilised for the following:

- Upgrading of Libraries
- Reading Programme
- Library Media
- Construction of the Olifantsfontein Library
- ICT Equipment for Libraries

As at 30 June 2011, an amount of R6, 698,610 remained unspent mainly due to the tenders for Upgrading of Libraries and Olifantsfontein Library only being awarded in June 2011. A roll over request has been submitted to Gauteng Department of SRAC.

Local Economic Development - Gauteng Department of Economic Development

The purpose of this grant is for the implementation of Local Economic Development projects in support of the Tembisa Urban Renewal Project and Thokoza. An amount of R9,950,000 was allocated to EMM.

The list of projects / programmes and funds allocations is indicated as follows:

- Tembisa Shared Industrial Production Facility - R 6,000,000
- Thokoza Shared Industrial Production Facility (Equipment) - R 500,000
- Tembisa Municipal Environmental Recycling Buy Back Centre - R 1,250,000
- Tembisa Township Service Enterprise Hub: R 1,500,000
- Thokoza Fabrication Laboratory (FabLab - Equipment): R 700,000

The above mentioned projects are as a result of the Department responding to the commitment made by the Premier to support Tembisa Urban Renewal Programme. Furthermore the Thokoza projects have been identified jointly with Ekurhuleni for implementation to enhance Local Economic Development in these areas. The funds were received during December 2010 and a memorandum of understanding has not been signed yet. The funds will therefore be spent on the 2011/12 financial year.

Allocation and Expenditure for the financial year 2010/11

Table 58: Expenditure incurred on Provincial Grants: 2010/2011 Financial Year

Grant Name	2010/11 Provincial Gazette Allocation	2010/11 Municipal Receipts	2010/11 Expenditure
HIV / AIDS Grant	2,044,985	1,436,985	1,888,203
Community Care Centres	11,000,000	11,000,000	24,153,302

Grant Name	2010/11 Provincial Gazette Allocation	2010/11 Municipal Receipts	2010/11 Expenditure
Township Initiatives – Recapitalisation of Libraries	6,220,000	6,220,000	4,821,516
LED	9,950,000	9,950,000	-

Note: Differences in allocations are due to differences in financial years.

CHAPTER SEVEN

PERFORMANCE OF MUNICIPAL ENTITIES

a partnership that works



CHAPTER SEVEN: PERFORMANCE OF MUNICIPAL ENTITIES

This report focuses on the performance of the various municipal entities for the 2010/2011 financial year, with an aim of isolating the core service delivery performance and also highlights issues of underperformance, as reported on in the SDBIP.

ENTITY: Ekurhuleni Development Company – Pharoe Park

Vision and Mission of the Entity

Ekurhuleni Development Company (EDC), including the EDC Management Company, the Germiston Pharoe Park Co, the Pharoe Park Phase II Co and the Lethabong Housing Institute provides a Social Housing (Rental) service in Germiston and the development of land in Bedfordview.

Performance Report

Summary of achievements

In order to provide institutional housing of good quality and ensure that the tenants live in a sustainable environment, the entity needs to maintain its properties on a regular basis. The entity did not achieve all of its SDBIP targets because the target is based on the budget being spent, and the budget estimates were based on what was done in the prior years.

Due to the implementation of planned maintenance there was a reduction in the need for emergency or reported maintenance and as a result the budget was not all spent and the target was not achieved. The target will be based on planned maintenance in the future. The results are highlighted in the below table and narration:

Description of target	Set Target	Achieved Target	Comment
To maintain Pharoe Park units effectively	813 200	484 197	<input checked="" type="checkbox"/> Target Not Achieved
To maintain 95% payment level	95%	88.3%	<input checked="" type="checkbox"/> Target Not Achieved
To maintain a 95% occupancy rate	95 %	95.6%	✓ Target Achieved

Targets not achieved

1. A maintenance audit done during 2009/2010 indicated a maintenance backlog of R15.1 million in Pharoe Park. A building maintenance plan was drawn up for the next 3-5 years to inform the maintenance budget. For 2010/2011 out of the grant from EMM R1.5 million was set aside for planned maintenance and tenders awarded for the entire amount. As at 30

June 2011 R1,154,156 (76.94%) of the budget was spent over and above the amount for emergency maintenance reflected in the table above.

2. Current payment levels are at 91.41%. Credit control was stringently followed however evictions were suspended since February 2011 at the request of the political office to try and resolve the tenant disputes first. The suspension of evictions resulted in a number of tenants abusing the situation by withholding payments altogether. This situation was brought under the attention of the Executive Mayor on 28 June 2011. The full credit control has been reinstated with a few evictions taking place and the tenants brought an application to the High Court to stop the evictions. The court granted them a month in which to prepare a proper application and in the meantime the evictions were reversed. This action had a positive effect on the payments but a negative effect on the tenant relations.

Summary of corrective measures to be instituted where targets were not achieved

The maintenance target will be based on planned maintenance in the future and not on emergency/ reported maintenance.

Stringent credit control measures will be implemented and improved relations with tenants.

Financial Report

The company is showing a surplus of R2,733,271 which is in part due to the EMM grant received during the year. The company has to maintain a surplus to ensure that sufficient cash is available to repay the loans raised on the acquisition of its rental properties. The capital redemption payments for the year amounted to R 2.9 million.

The budget for services was R 1,341,996 and the actual spent was R 2,142,214 due to the high increase in municipal services and the cost of services exceeded the budget by R 800,218. The vacancy rate for the year was kept at 4.26% and it met the target which is meant to be 5% and below.

ENTITY: Ekurhuleni Development Company – Germiston Phase II Properties

Performance Report

Summary of achievements

The same target and explanation goes for Germiston Phase 2 in as far as maintenance of units is concerned.

The Entity did not achieve all of its quarterly targets, the results are highlighted in the below table and narration:

Description of target	Set Target	Target achieved	Comment
To maintain Germiston Phase II units effectively	848 000	578 213	<input checked="" type="checkbox"/> Target Not Achieved
To maintain 95% payment level	95%	89.75 %	<input checked="" type="checkbox"/> Target Not Achieved
To maintain a 95% occupancy rate	95 %	98.45%	✓ Target Achieved

Financial Report

A maintenance audit done during 2009/2010 indicated a maintenance backlog of R18.7 million. A building maintenance was drawn up for the next 3-5 years to inform the maintenance budget. For 2010/2011 out of the grant from EMM R1.5 million was set aside for planned maintenance and tenders awarded for the entire amount. As at 30 June 2011 R1,750,167 (116.67%) of the budget was spent over and above the amount for emergency maintenance reflected in the table above.

Technically the budget in one company (Pharoe Park) was under spent by about 23% and exceeded by about 17% in another (Germiston Phase 2) but the overall budget of R3 million was not exceeded and 96.81% of it was spent on planned maintenance.

Current payment levels are at 91.56% and same explanation above goes for Germiston Phase 2.

The company is showing a surplus of R 4,125,283 and the capital redemption payments for the year amounted to R 2.9m. The budget for services was R1,543,025 and the actual spent was R3,119,005 also to due to the high increase in municipal services. The increased cost of services exceeded the budget by R 1,575,980. The vacancy rate for the year was kept at 1.35% and the target which is meant to be 5% and below was met.

ENTITY: Ekurhuleni Development Company – Lethabong Housing Company

Performance Report

Summary of achievements

The Entity did not achieve all of its quarterly targets, the results are highlighted in the below table and narration:

Description of target	Set Target	Target achieved	Comment
Finalise the planning and groundwork	Finalise planning	Preliminary designs (architectural and engineering) finalised. Quantity Surveying finalised.	✓ Target Achieved
To implement middle class housing project in Bedfordview: Stanford Gardens Phase 3	Obtain a township establishment to commence with development. Sell units of the plan. Complete tender process for a developer.	Town planners appointed and in the process of finalising the township establishment. Tender for the appointment of a developer in its initial stages. (Bid Specification Committee)	☒ Target Not Achieved
To implement middle class housing project in Bedfordview: Tennis courts	Develop the land	Preliminary designs and costing is completed. Town planning issues are being finalised. Tender for the appointment of a developer is in its initial stages. (Bid Specification Committee)	☒ Target Not Achieved
To wind down LHI a Section 21 company	Merge housing companies	Tender for the appointment of a consulting firm to merge the housing companies was referred back by the Bid Specification Committee and will be done in house.	☒ Target Not Achieved

Summary of corrective measures to be instituted where targets were not achieved

To implement middle class housing project in Bedfordview: Stanford Gardens Phase 3 - Town planning takes a minimum of 73 weeks which means it goes over one financial year. It is anticipated that the town planning issues will be finalised during the 2011/2012 financial year.

To implement middle class housing project in Bedfordview: Tennis courts – the project will be commenced with as soon as the town planning issues have been finalised

To wind down LHI a Section 21 company – Preliminary work will be done through a small team of advisors and once costed, a bid will advertised to finalise the process.

Financial Report

This company is dependent on revenue generated by developments and the subsequent sale of properties it owns. However the timing of this process is not always predictable.

The company is currently showing a deficit of R 1.5m.

The company is experiencing cash flow problems and if problems are encountered with the sale of its developments will impact its viability and ability to remain a going concern.

ENTITY: Brakpan Bus Company

Vision and Mission of the Entity

The Brakpan Bus Company has is responsible for the transportation of passengers and the availing of more affordable, efficient and reliable transport mode to passengers / workers and scholars from Tsakane to Brakpan, Springs and Nigel.

Performance Report

Summary of achievements

The company has managed to secure a R15m loan from Nedbank to acquire ten new buses and leased an additional ten buses from the Ekurhuleni Metropolitan Municipality to replace the old fleet and thereby improving the quality of services.

There are indeed several challenges ahead of the company. The challenges include:

- To engage with the Department of Transport (National and Provincially) to correct the wrongly calculated subsidy rate
- To secure a long-term contract with the Department of Transport (National and Provincially)
- Management to engage with the shareholder representatives so that the Council is well informed of the BCC's activities
- Management to ensure that the BBC's strategic objectives are more aligned to EMM's strategy
- BBC to strengthen the existing stakeholder relationships, i.e. communities, financial institutions, associations, relevant forums, etc.

The Entity did not achieve all of its SDBIP targets, the results are highlighted in the below table and narration:

Description of target	Set Target	Target achieved	Comment
Increase the number of passengers to be transported	1 378 687	1 409 230	✓ Target Achieved Not
To expand BBC's operational kilometres	1 481 322	1 048 423	☒ Target Achieved Not
Reliability, efficiency. Affordability , accessibility and user-friendly of service currently rendered & in future	25 804 Trips	27 893 Tips	✓ Target Achieved
To evaluate/measure bus utilisation in the BBC	53 passengers per trip	53 passengers per trip	✓ Target Achieved
To sustain subsidy and passenger revenue	22 233 767	19 125 885	☒ Target Achieved Not

Description of target	Set Target	Target achieved	Comment
Passenger/Revenue Effect	R14.16 per passenger	R14.72 per passenger	✓ Target Achieved
Revenue per km travelled	R13.80	R 17.26	✓ Target Achieved

Targets not achieved

1. The budget for kilometres travelled was not achieved because charter authority on our permits was omitted and we were unable to operate special trips that went out of Province .
2. BBC did not achieve its revenue budget for due to subsidies not being paid according to prior agreement and the special trips that we were unable to operate

Summary of corrective measures to be instituted where targets where not achieved

1. Negotiations with Gautrans are in progress to correct the payment of subsidies based on a rate per kilometre
2. We have applied for charter authority to be included on our permits which was included from June 2011. With this authority Brakpan Bus Company is able to operate on special bus trips with destinations outside of Province.

Financial Report

The Directors assumed responsibility for preparing financial statements that fairly present the financial position of the company at the end of the 2010/2011 financial year and the results of its operations and cash flow for the year. The external auditors are responsible for independent reviews and reporting on those financial statements. The financial statements have been prepared by management in accordance with generally accepted and appropriate accounting practice. These accounting policies have been consistently applied, and are supported by reasonable and practice judgments and estimates.

Internal Control

The BBC's Internal accounting controls and systems are designed to provide reasonable assurance regarding the integrity and reliability of its financial information and to safeguard its assets. These controls include proper delegation of authority, effective accounting procedures and adequate segregation of duties which are monitored throughout the company and all employees are required to act with integrity under all circumstances. The internal audit function is performed by the Internal Audit Department of the Ekurhuleni Metropolitan Municipality.

Going Concern

The Directors have no reason to believe the company will not be operating as a going concern in the foreseeable future based on cash forecasts and available cash resources. The viability of the company is supported by the financial statements.

ENTITY: East Rand Water Care Company

Vision and Mission of the Entity

Vision - The water company of choice

Mission - To provide sustainable, affordable, quality water services through innovative, effective organizational practices

Performance Report

Summary of achievements

There are two critical performance areas for the company, namely affordability (measured in cents/kilolitre of water purified) and quality of effluent. The measurement used for the effluent standards is the standards determined by Department of Water Affairs. ERWAT has identified three measurements as being the most critical. These are COD (Chemical Oxygen demand), PO4 (Phosphates) and SS (Suspended Solids).

The 2010/11 performance in terms of these four objectives are as follows:

Description of target	Set Target	Target achieved	Comment
To improve water quality in terms of COD	57 513 kg	34 034 kg	✓ Target Achieved
Improve water quality with respect to PO4-Phosphates	767 kg	351 kg	✓ Target Achieved
Improve water quality with respect to SS-Suspended Solids	19 170 kg	11 846 kg	✓ Target Achieved
Determine the appropriate price of water	R131.29	R112.09	✓ Target Achieved

Explanatory notes on targets achieved

1. COD: Chemical Oxygen Demand, measured in KG/Day, This target is calculated by multiplying the national standard with the actual volumes, actual analysis times standard produce actuals. Actuals should always be less than target.
2. PO4, Phosphates, measured in KG/Day, This target is calculated by multiplying the national standard with the actual volumes, actual analysis times standard produce actuals. Actuals should always be less than target
3. Suspended Solids, measured in KG/Day, This target is calculated by multiplying the national standard with the actual volumes, actual analysis times standard produce actuals. Actuals should always be less than target.
4. The reasons for the projected increases are twofold, first inflation and secondly to provide for the necessary capital expenditure to provide sufficient treatment capacity

Green Drop certification

The Department of Water Affaris launched the Green Drop certification programme for wastewater care works in late 2008. This initiative is an effort to ensure that wastewater care works progressively improve their operations so as not to impact negatively on the water bodies into which they discharge their product. The system aims at awarding water service authorities with Blue and/or Green Drop status if they comply with drinking water and wastewater legislation and other best practices required by the DWA. This incentive-based regulatory approach is a first for South Africa, and is internationally regarded as unique in the drinking-water regulatory domain. During the 2010/2011 financial year ERWAT achieved an overall score of 78.8% and we are confident that it will improve in the next year.

In terms of Regulation 2834 of the National Water Act (No 36 of 1998), it is required that all wastewater care works be classified according to size and technology. In preparation for the next Green Drop classification, ERWAT has received classification certificates from DWA for each of its works, ranging from Class A for the bigger works to Class D for the smallest.

ERWAT also received classification for operators and process controllers in terms of relevant qualifications and experience.

Licensing

Section 40 of the National Water Act (No 36 of 1998) requires all wastewater care works to be licensed by the Department of Water (DWA).

Old permits issued in terms of the previous Water Act are to be replaced with licenses. ERWAT has applied for licenses for fourteen of its nineteen works. Both the Heidelberg and the Ratanda WWCW have already been licensed, while Welgedacht and Hartebeestfontein will be licensed during the planned upgrades to the works. Esther Park, ERWAT's smallest wastewater care works, does not need a license.

Financial Report

Funding plan - The ERWAT funding plan incorporates the identification of capacity needs, using a facilities development plan (FDP), which enables the company to determine with a reasonable degree of accuracy when and where facilities are needed. This information is used in conjunction with a long-term financial model indicating the impact of large projects on cash flows and tariffs for the company. The optimal timing of these projects combined with the negotiation of the best possible terms and conditions on long term loan funding as well as careful cash management have enabled ERWAT to keep tariffs to a minimum over the eighteen years of its existence.

Tariffs - With the establishment of ERWAT eighteen years ago, huge economies of scale were achieved. Despite difficult economic conditions and increased demands on capacity, ERWAT still effectuates significant savings on wastewater purification costs for its members. In 2009/10, the tariffs were R1.11 per kilolitre while the final tariff cost for 2010/11 was R1.17 per kilolitre.

The water business - ERWAT provides bulk wastewater conveyance as well as a highly technical and efficient wastewater treatment service to some 2 000 industries and more than

3,5 million people who have access to sanitation services. It is currently the custodian of 19 wastewater-care works, treating a combined capacity of some 717 megalitres (Ml) of wastewater, both domestic and industrial, per day. Most of ERWAT's operations are located in the Ekurhuleni Metropolitan Council in the east of Johannesburg.

Receiving flows - Despite experiencing excessively high flows at almost all of ERWAT's wastewater care works (WWCWs), the company has managed to meet the requirements as determined by the Department of Water Affairs (DWA). Major infiltration and storm-water ingress, prevalent during the rainy season, combined with extensive development in the region, place huge demands on ERWAT's nineteen works. The company is constantly evaluating capacity needs, in order to meet the increased demand.

Like many other sectors in the country, the water industry is experiencing increased pressure as a result of the current economic downturn. The rising cost of electricity resulted in high variable costs incurred in all ERWAT's operations.

Nevertheless, investments made by the company in terms of technology and training enabled the company to remain relatively competitive, thus maintaining a reasonable low treatment cost.