

Committing
to a promising future

A world class African city that is resilient, sustainable and liveable



City of Johannesburg
**Integrated Annual Report
2012/2013 (Abridged Version)**



a world class African city

Contents

About the Integrated Report (Abridged Version).....	3
Executive Mayor's Foreword.....	9
City Manager's Executive Summary.....	13
City of Johannesburg at a Glance.....	19
Operating Context.....	23
Our Strategy: GDS 2040.....	26
Operating Model and Management Frameworks.....	32
Service Delivery Performance Review.....	40
Economic Growth Cluster.....	47
Human and Social Development Cluster.....	52
Good Governance Cluster.....	60
Organisational Development Performance.....	64
Chief Financial Officer's Summary.....	68
Auditor General's Findings.....	76
Future Outlook.....	82
Stakeholder Responsiveness Framework.....	87
Report of the Group Audit Committee.....	99
Appendix A: Committees and Committee Purposes.....	100
Appendix B: List of Municipal Entities.....	
Appendix C: List of abbreviations and Acronyms	102

View Annual Reports online

Both the Integrated Annual Report (Abridged Version) - this report - and the detailed Integrated Annual Report for the period 1 July 2012 to 30 June 2013 are available on the City's website as downloadable documents in PDF format. The two books should be read in conjunction to obtain a comprehensive view of the City's performance during the year.

Available on:

www.joburg.org.za

The detailed Integrated Annual Report will also be available in all Regional Offices of the City of Johannesburg for oversight and public consultation.

Performance commentary

Commentary on the performance for each of the City of Johannesburg's four clusters is indicated throughout the report by means of the following icons:



Sustainable Services Cluster



Economic Growth Cluster



Human and Social Development Cluster



Good Governance Cluster

Referencing the Integrated Annual Report (Book 2)

This Abridged Integrated Annual Report (Abridged Version: Book 1) stands alone and also links to the detailed Integrated Annual Report (Book 2). In instances where summarised information points to more detailed sections in Book 2, the following referencing icon has been used to guide the reader to more comprehensive commentary.



**CITY
OF
JOBURG**



About the Integrated Report (Abridged Version)

Statutory Annual Report Process

The Municipal Finance Management Act (MFMA) requires that the City of Johannesburg and its municipal entities prepare an annual report for each financial year. Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year. The report sets out the performance of the municipality and its external service providers and provides a comparison of performance relative to performance in the previous year, together with measures to improve performance. The annual performance report must form part of the annual financial report. The City of Johannesburg's 2012/13 Integrated Annual Report reflects performance of the City and its entities

for the period 1 July 2012 to 30 June 2013. Performance is reported against targets provided for in the 'Joburg 2040', 2012/16 Integrated Development Plan (IDP) and the 2012/13 Service Delivery Budget Implementation Plan (SDBIP).

Structure of the report

This Integrated Annual Report (Abridged Version) forms part of a two-part annual integrated reporting framework. It provides an abridged integrated view of the City's performance for the 2012/13 reporting year and forms the primary report to all stakeholders. A second comprehensive Integrated Annual Report provides a detailed representation of the City's performance for the year. It includes the consolidated Financial Statements, Annual Performance Report and the Auditor General's Audit report.

Figure 1: The City of Johannesburg's reporting for 2012/13 consists of two books

	Book 1	Book 2
		
Content	The 2012/13 Integrated Annual Report (Abridged version) is the City's primary report to all stakeholders and is an abridged representation of the Consolidated Annual Report.	The 2012/13 Integrated Annual Report contains the Consolidated Financial Statement, Annual Performance Report and the Auditor General's Audit report.
Distribution	Printed and distributed. Also available online in PDF/HTML format: www.joburg.org.za	Printed and distributed. Also available online in PDF/HTML format: www.joburg.org.za
Informed by	<ul style="list-style-type: none"> • Municipal Finance Management Act (MFMA) • Public Finance Management Act (PFMA) • Generally Recognised Accounting Principles (GRAP) • Section 46(1) of the Municipal Systems Act (MSA) • King III Code on Corporate Governance (King III) • Discussion papers issued by the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC) • International Financial Reporting Standards (IFRS) • GRI Framework • Millennium Development Goals • Joburg 2040 Growth and Development Strategy (GDS) • 2012/16 Integrated Development Plan (IDP) 	

An integrated approach to reporting

This Report is the first in which we purposely attempt to comply with the principles-based approach of integrated reporting as proposed by the International Integrated Reporting Council (IIRC) and the South African Integrated Reporting Committee (IRC SA). The integrated approach to reporting aligns with the City's integrated approach to strategy formulation and operational management. Accordingly, we have adopted this approach to enhance our commitment to the recommendations of the King III Code on Corporate Governance, which sets out international leading practices for governance of private and public organisations, including a recommendation that these organisations undertake integrated reporting.

The report further complies with legislative prescripts and conforms to National Treasury guidelines on annual reporting,

with respect to emphasising the integration of strategic plans and operational budgets to improve operational effectiveness. The main aim of interlinking plans and budgets is to ensure that key objectives and priorities are budgeted for and achieved. The National Treasury guidelines note the inherent tension between strategic planning and budgeting, which often makes it difficult to achieve the desired level of integration. In this report we provide an abridged view of the City's forward-looking strategic planning in relation to its service performance and financial performance for the 2012/13 year, thereby providing a strategic long-term context for short to medium-term operational and budgetary information. Chapter 3 of the Integrated Annual Report (Book 2) provides a comprehensive view of operational performance in the context of our strategic plans and operational budgets.

Table 1 below outlines the integrated reporting principles followed, as well as instances in both the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) where these principles have been applied.

Table 1: Principles-Based Integrated Reporting Index (Covering Book 1 and Book 2)

Integrated reporting principles	Instances where these principles have been applied in both the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2)	
	Book 1: This Abridged Report	Book 2: Integrated Annual Report
Strategic focus and future orientation of information	<ul style="list-style-type: none"> Executive Mayor's Foreword City Manager's Executive Summary City of Johannesburg at a glance: A value-based strategy; 10 Priorities for the future; Programme delivery through four clusters Governance: Cluster Mayoral Sub-Committees The City of Johannesburg: A vision for the future Joburg 2040 GDS: A roadmap for a resilient, sustainable and liveable city The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table in this report. Cluster reviews: performance against SDBIP targets Future outlook at the end of this report, aligns with the Executive Mayor's State of the City Address (accessible at: www.joburg.org.za: > home > speeches) 	<ul style="list-style-type: none"> Executive Mayor's Foreword City Manager's Executive Summary Chapter 2: Governance - Cluster Mayoral Sub-Committees Chapter 2: The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table Chapter 3: Planning for the future: Joburg 2040; A value-based strategy; Priority programmes; Johannesburg's Spatial Development Framework (SDF); Service Cluster reviews: performance against SDBIP targets
Connectivity of information	<ul style="list-style-type: none"> The use of icons to reference interlinking cluster-related information Inter-connectivity between this Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table in this report. 	<ul style="list-style-type: none"> The use of icons to reference interlinking cluster-related information Chapter 3: performance commentary relative to budgetary performance The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table in the report.
Stakeholder responsiveness	<ul style="list-style-type: none"> Stakeholder responsiveness framework Inviting reader feedback on this report Future outlook emphasis on stakeholder priorities. 	<ul style="list-style-type: none"> Stakeholder responsiveness framework Inviting reader feedback on the report

Integrated reporting principles	Instances where these principles have been applied in both the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2)	
	Book 1: This Abridged Report	Book 2: Integrated Annual Report
Materiality and conciseness	<ul style="list-style-type: none"> Table 2 : Defining 'material' issues for integrated reporting Stakeholder responsiveness framework Interconnectivity of strategic and operational information as referenced by cluster icons 	<ul style="list-style-type: none"> Table 2 : Defining 'material' issues for integrated reporting Interconnectivity of strategic and operational information as referenced by cluster icons
Reliability and completeness	<ul style="list-style-type: none"> Assurance of the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) The approval of the Integrated Annual Report (Abridged Version: Book 1) by the Executive Mayor 	<ul style="list-style-type: none"> Assurance of the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) The approval of the Integrated Annual Report (Abridged Version: Book 1) by the Executive Mayor
Consistency and comparability	<ul style="list-style-type: none"> The Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) are the first in which the City purposely attempts to comply with the principles-based approach of integrated reporting as proposed by the IIRC and IRC SA. Accordingly it is setting a firm foundation for future reporting by: <ul style="list-style-type: none"> Introducing recognisable cluster icons to facilitate ease of information access and comparison between this and future reports. Introducing a stakeholder responsiveness framework to facilitate ease of access to stakeholder priorities and the City's commitments, to be updated each consecutive year as a guide to our performance. Introducing a principles-based approach to integrated reporting through which cluster performance can be easily grouped, accessed and compared. Including tabled performance indicators and 2012/13 performance against SDBIP targets. Including the Principles-Based Integrated Reporting Index (Covering Book 1 and Book 2) to gauge "reporting maturity" in future integrated reports. 	<ul style="list-style-type: none"> The Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) are the first in which the City purposely attempts to comply with the principles-based approach of integrated reporting as proposed by the IIRC and SAIRC. Accordingly it is setting a firm foundation for future reporting by: <ul style="list-style-type: none"> Introducing recognisable cluster icons to facilitate ease of information access and comparison between this and future reports. Introducing a stakeholder responsiveness framework to facilitate ease of access to stakeholder priorities and the City's commitments, to be updated each consecutive year as a guide to our performance. Introducing a principles-based approach to integrated reporting through which cluster performance can be easily grouped, accessed and compared. Including tabled performance indicators and 2012/13 performance against SDBIP targets. Including the Principles-Based Integrated Reporting Index (Covering Book 1 and Book 2) to gauge "reporting maturity" in future integrated reports.

Materiality

We have applied the principle of "materiality" in determining pertinent content and disclosure. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and our ability to create value in the short, medium and long term. The following internal and external criteria were used to identify material issues:

Table 2: Defining 'material' issues for integrated reporting

Internal criteria	External criteria
City of Johannesburg Growth and Development Strategy (Joburg 2040 criteria and objectives.	Critical opportunities and challenges the City is geared to respond to.

Internal criteria	External criteria
National and Provincial Agenda.	Changes in the socio-economic developmental agenda and priorities of National and Provincial Government.
12 National Outcomes of Government.	Changes in the national and provincial political environment and a changing regulatory landscape.
Enterprise Risk Management Process; including key risks impacting the City's strategic and operational objectives and the associated mitigating activities.	Factors which may impact the City's reputation, thereby influencing its ability to promote sustainable growth.
Stakeholder expectations and feedback – e.g. from residents, rate-payers, business community, Non-Governmental Organisations (NGOs), National and Provincial Government, neighbouring municipalities, designated targeted groups, academics, investors and the media.	The provisions of various frameworks including: Municipal Finance Management Act (MFMA); Public Finance Management Act (PFMA); Section 46(1) of the Municipal Systems Act (MSA); King III Code on Corporate Governance (King III); Discussion papers issued by the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC); International Financial Reporting Standards (IFRS); GRI Framework; United Nations Global Compact; Millennium Development Goals; Carbon Disclosure Project; B-BBEE Code.
City of Johannesburg's mission, vision and values.	
City of Johannesburg's governance framework and policy environment.	

Our perspective on sustainability

We view 'sustainability' - in its most inclusive sense – as balancing the societal needs of the present generation with the regenerative conditions of the broader social, economic and ecological environment which sustains them. We strive toward minimal reliance on and increased preservation of our natural resources. This requires our vigilance in reducing pollution, improving waste management, and ultimately ensuring efficient land use through appropriate urban spatial development, all supported by a proactive and genuinely participative stakeholder engagement process. We envisage a city that contributes minimally to climate change and where our spatial form celebrates our natural diversity and reflects our informed approach to resource utilisation and renewal.

From a social perspective, sustainability requires that communities have equitable access to key services and can participate in systems of human interaction that value cultural diversity; can experience a sense of community ownership; and are able to fulfil their own needs where possible.

From an economic perspective, sustainability requires that assets are used efficiently so that they may continue to function

profitably over time and that current economic activity does not disproportionately burden future generations.

From an ecological perspective, sustainability refers to a sustained condition of balance, resilience, and interconnectedness that allows citizens to satisfy their needs without exceeding the capacity of the supporting ecosystems to regenerate the resources necessary to meet their present and future needs and without diminishing biological diversity.

It is widely accepted that the trio of environmental, economic and social sustainability pillars are a sufficient model to address sustainability. However, because we are a public sector institution with clear accountability and public engagement imperatives, a sustainable governance framework provides the overall framework to support the three sustainability pillars.

From a governance perspective we have an obligation to report, clarify and to be accountable for the impact of our decisions on behalf of the communities we represent. Further, we have a responsibility to implement decisions and follow processes that optimise the use of the available human, financial and material, resources to ensure the best possible results for the long-term economic, social and environmental sustainability of our City. Ultimately, sustainability requires that citizens are free to contribute to political decision-making and enables communities at a local level to express their needs.

Engaging stakeholders

This Integrated Annual Report (Abridged Version) strengthens our accountability and transparency processes and complies with legislative prescripts for regular, impartial feedback to stakeholders, including Johannesburg residents, National Treasury, Provincial Government and the Auditor General, among others.

Our stakeholder engagement processes play a critical role in

providing insight into the quality of the City's relationships with key stakeholders. We are committed to responding to stakeholders' legitimate needs, interests and expectations through effective and efficient service delivery. In so doing, the City engages its residents collaboratively so that it works with and for residents.

We are further committed to strengthening meaningful stakeholder engagement and participation going forward to respond to developmental challenges. For this reason,

the City has embraced the programme: "Engaged Active Citizenry", which is informed by one of the Integrated Development Plan's ten priorities.

In the year ahead, the 2013/14 business planning and outreach process will provide us with an opportunity to communicate draft plans and budget to a larger audience and enable communities at a local level to express their needs.

Table 3: Stakeholder engagement process during the review period

Vehicles for engaging stakeholders	Stakeholders	Stakeholder priorities
Calls for public comment	<ul style="list-style-type: none"> Residents Rate-payers Business community Non-Governmental Organisations (NGOs) National and Provincial Government Neighbouring municipalities Designated targeted groups Academics Investors and the media 	A municipality that is functional and responsive to the needs of its citizens.
Newspaper advertisements		Provision of quality services and addressing the basics.
Councillor engagement sessions		Continue the agenda of transformation.
IDP Outreach process		Communicate and engage with citizens on the development agenda.
Regional stakeholder meetings		Address service delivery backlogs.
Ward committee activities		
GDS Investor Roadshows and Roundtables		
Service delivery disputes, protests and petitions		
Deploying regional MMCs for focused engagements with regional stakeholders		
Project-Based engagement and petitions		

Assurance

Assurance on the Integrated Annual Report was done through engagements with the Group Performance Audit Committee (GPAC) and Group Audit Committee (GAC). Council will undertake oversight of the Annual Report between February and March 2014, through its Municipal Public Accounts Committee (MPAC).

We will continue to refine our approach to integrated reporting in future annual reports to further align with international reporting standards and to promote consistency, accessibility and accountability with respect to our multi-faceted role in creating and sustaining value for all citizens of Johannesburg.

Feedback

We aim to establish and maintain constructive and informed relationships with our stakeholders. Accordingly we wish to encourage all stakeholders reading our Integrated Annual Report (Abridged Version) to provide feedback on their views. This will enable us to gauge the adequacy and quality of our integrated reporting. To provide feedback, kindly complete the printed feedback form included in this report or download a form at www.joburg.org.za. Feedback forms can be submitted at regional offices or emailed to salatialc@joburg.org.za

Performance achievements for 2012/13

Below is a consolidated view of our performance achievements for the year under review. Please see more comprehensive performance tables for each of the four clusters further on in this report.



Executive Mayor's Foreword

"Johannesburg has a clear roadmap for delivery— in the immediate, medium and long term"



Executive Mayor
of the City of Johannesburg
Councillor Mpho Parks Tau

I am pleased to present the City of Johannesburg's 2012/13 Integrated Annual Report, covering the period 1 July 2012 to 30 June 2013. The report provides a measure of our progress in line with the City's Growth and Development Strategy (GDS), 'Joburg 2040' and tracks operational performance in the context of the City's approved 2012/16 IDP priorities.

To become increasingly accountable in our reporting; and to enhance transparency in respect of our budgetary, monitoring and oversight processes, we present an Integrated Annual Report which emphasises the connection between our strategic planning processes and our operational achievements. Accordingly, we share our successes and challenges during the year in the context of the strategic imperatives of our 'Joburg 2040' GDS, thereby deepening our communication with stakeholders and setting the bar high for future performance reporting in all areas of the City's service, infrastructure and administrative delivery.

I would like to take this opportunity to acknowledge efforts of the City's leadership and administration in positively advancing the City's strategic and transformative agenda during the year; and to thank them for their perseverance and readiness in boldly implementing the objectives of the GDS in the context of a changing and increasingly unpredictable

development paradigm.

In 2012/13 we attained some notable achievements firstly, by improving our ability to monitor and measure the implementation of strategic priorities — a critical focus area for the last two years. This entailed further aligning key performance indicators with the strategic priorities that drive our implementation processes. Second, in an effort to fulfil our agenda of socio-economic transformation — and dismantling of a City still labouring under the responsibilities of its history of separate development — we implemented a series of flagship programmes towards 'Joburg 2040'.

Committing to a promising future

The 2012/13 financial year marked a critical period in the implementation of our long-term strategy in that we had to show, tangibly, our firm commitment to the development of a resilient, sustainable and liveable Johannesburg for all our citizens. 2012/13 represents our second year in the implementation of our current five-year Integrated Development Plan (IDP). We have been decisive in identifying what is required as part of the long journey towards 2040 and resolute in demonstrating our commitment to our vision.

R100
billion infrastructure
investment over
ten-years

Committing to spatial equality

The new democratic South Africa secured political participation for all, facilitated greater access to economic participation and ensured the freedom of movement of people. However, not everyone has benefited equally from this transformation. We see this in the existing urban spatial form in which the majority of Johannesburg's residents live and play far from where they work. We have demonstrated our commitment to our vision by committing

to invest R100 billion in infrastructure development over ten years with the aim of eradicating spatial inequality. This will be achieved by 're-stitching' the City of Johannesburg and reclaiming parts of the City to ensure that transport nodes become "Corridors of Freedom"; and that Johannesburg's urban form is transformed into one where residents live and play close to where they work.

7% increase in total assets to **R60.2 billion**

R3.4 billion surplus

Committing to a financially sustainable and resilient City

It gives me pleasure to report that the City is firmly on course to becoming financially sustainable and resilient. In 2012/13 we collected 92% of all billed revenue and concluded the year in a strong financial position, with a net surplus of R3.4 billion. We continued the upward trend of increasing the City's total assets to R60 191 121 billion, up from R56 374 108 billion in 2011/12. We concluded the year with a progressive increase in cash and cash equivalents of R5.4 billion, up from R2.2 billion. Our capital investment in the City continued to rise to R4.5 billion up from R3.7 billion in the preceding financial year. Our positive financial performance was further supported by the significant progress we have made towards eliminating billing issues. Our commitment and efforts towards addressing billing

challenges are yielding positive results. The 2012/13 customer satisfaction survey recorded significant improvement in efficiency in dealing with incorrect accounts, the highest improvement recorded over a six year period. The City is in an improved state of responsiveness to billing issues, as a result of open days and the Revenue Step Change Programme, both of which have led to a marked improvement in the resolution of queries, while the R3.4 billion surplus enables the City to further increase the capital investment to R7.66 billion in the 2013/14 year.

35 953
Rea Vaya passengers per day

27 091
Solar water heaters installed

Committing to a sustainable city

Rea Vaya, our world-class, affordable and reliable mode of public transport is indeed a proud achievement. In 2012/13 the Bus Rapid Transit system conveyed an average of 35 953 passengers daily while Metrobus ferried 16 489 457 passengers during the year. We are on track to increasing public transport patronage, and in the process, are decongesting the streets and reducing carbon emissions through advanced transport technology. In continuing to enhance our transport system during the year, we took every opportunity to create jobs and to ensure that busses used in the BRT system are manufactured locally.

We made positive progress toward environmental sustainability during the year by moving towards low carbon infrastructure and by introducing programmes to further conserve energy. We installed 27 091 solar water heaters in various communities and are working towards including sectors with a large carbon footprint in our programme to reduce carbon emissions through low carbon infrastructure. Our waste management programmes resulted in the diversion of more than 90 000 tonnes of waste from our stretched landfill sites. Our integrated waste management programme also received a boost with the establishment of additional waste sorting facilities and buy-back centres and other programmes such as the "waste for food" programme.

The 2011 Census revealed that 23% of Johannesburg's population is impoverished, of whom 42% go without food for two to three days per month. The City has responded to this with a programme to address poverty and income inequality through food security and the promotion of urban agriculture. We recognise the immediate need for measures to alleviate poverty among our city's poor and vulnerable; and for poverty eradication in the long term to ensure self-reliant communities. Accordingly, we established six agri-resource centres in Regions A, C and G. During the year, these centres offered agricultural training, as well as provided seeds and implements to small-scale urban farmers. The City further provided 'hub-and-spoke' support for small-scale producers in Orange Farm and Poortijie. Food gardens have been established in Regions A and G.

Creating a safe and secure city is a priority for Johannesburg and we have made significant progress through our "Joburg 10+" community policing initiatives as well as the 'smart practices' introduced to improve public safety and disaster readiness. These innovations – combined with our 'complete streets' programme to enhance road safety and our efforts to create safer public spaces – have contributed to making Johannesburg a safer and more secure city overall, with reductions in both violent and petty crimes.

36 588
EPWP opportunities

Committing to inclusive economic growth

We continue to excel in the implementation of the Expanded Public Works Programme (EPWP). Johannesburg was awarded the 2012 Kamoso Award for Excellence for the implementation of its EPWP programme. In 2012/13 the City created 36 588 EPWP job opportunities against a target of 38 176. We continue to enhance our contribution to the growth of small to medium scale enterprises (SMMEs) to develop the economy of Johannesburg. In the financial year we supported close to 400 SMMEs and sourced funding for the Soweto Energy SMME incubator to the value of R27 million. To further promote inclusive economic growth, commercial connectivity and bridging the digital divide, the City completed the laying of over 900 kilometres of fibre optic cable as part of our Broadband Network Programme.

Committing to building sustainable partnerships

We recognise the need to foster strong partnerships across all spheres of Government, and to nurture our partnerships with our stakeholders and communities so as to remain relevant and accessible to our stakeholders. The work we are doing to transform Johannesburg's spatial form also requires a commitment to the citizens of Johannesburg, that they are not inert observers or passive recipients of Government services, but rather active partners in shaping our City's future. Accordingly, we rolled out 'community-based planning' (CBP) in Region E on a pilot basis and with the successful implementation in Region E in 2012/13 ratifying the merits of this model, we will be implementing the programme in other Regions in future.

The newly elected ward committees and refined ward committee structures assisted with consultations around the preparation of ward plans and also enhanced accountability in the implementation of key City programmes, in the process demonstrating our collaborative approach to stakeholder engagement. Our 'Joburg 10+' flagship programme, for instance, epitomises our commitment to sustainable partnerships with communities to create a safe and secure Johannesburg. As we progress toward our envisioned future, we remain mindful of our ability to mobilise the collective energy and efforts of the people of Johannesburg who have brought us this far and continue to enable us to meet the transformation agenda.

Committing to good governance

Enhancements in our governance processes have resulted in improved financial performance and an improved audit opinion, advancing us to an Unqualified Audit Opinion in 2012/13. We continue to be committed to fiscal responsibility and the highest standards of financial management.

We are committed to improving our performance in the year ahead. The City has introduced stretch targets based on an improvement in current performance. We are confident that we will continue to meet the expectations of our stakeholders as we drive implementation of our long, medium and short-term strategies.

We look back on 2012/13 as a year during which we continued to cement our position as the leading metro in South Africa and in Africa. The hosting of the opening and closing ceremonies of the Africa Cup of Nations football tournament validated the important position of Johannesburg as a leading African city, which embraces its African identity and represents a melting pot of the spontaneity and vibrancy of the diverse cities across the continent.

**2012/2013
Unqualified Audit
Opinion**

Looking ahead

Notwithstanding our notable achievements, we recognise the magnitude of our task in addressing the enduring concerns of inequality as well as transforming the economic landscape of our City. We are responding to these challenges through proactive and creative interventions to continually enhance the quality of our service delivery. This includes our commitment to investing R100 billion over ten years in infrastructure development; improving integrated waste management efforts; ensuring food security; maintaining a safety-net for the indigent; driving an inclusive economy; creating respectable jobs; and growing commercial opportunities for SMMEs and local service providers.

The City holds the hopes and aspirations of its entire people. Our vision of a promising future has a finite end-goal, of a liveable, sustainable and resilient Johannesburg. We are providing liveable communities in which our people live and play close to where they work. Through deliberate infrastructure investment we are transforming the urban spatial form of Johannesburg, reclaiming certain areas to ensure this vision is achieved. We are providing affordable, safe, reliable public transport systems that will ultimately reduce congestion on our streets, while decreasing our carbon footprint through state-of-the-art transport technology. We envisage that these transport nodes will become the centre of living activities within Johannesburg. We are creating safer caring communities and providing a safety-net for the indigent, in line with our position as a leading caring city. Globally, Johannesburg is claiming its pride of place as a one of the world's leading cities, and the leading City in Africa.

The 2012/13 Integrated Annual Report carries the theme "Committing to a promising future of a world-class African City that is resilient, sustainable and liveable". Johannesburg has a clear roadmap for delivery – in the immediate, medium, and long term – and this Annual Report provides a snapshot of our achievements during the 2012/13 financial year. It also outlines our commitments for the coming financial year. The Report addresses issues that are material and provides a fair representation of the integrated performance of the City of Johannesburg and its entities for the period 1 July 2012 to 30 June 2013.

Clr Mpho Parks Tau
Executive Mayor of the City of Johannesburg

City Manager's Executive Summary

"Collectively, we remain committed to efficient service delivery and the attainment of a liveable, sustainable Johannesburg"



City Manager
of the City of Johannesburg
Trevor Fowler

Introduction

The 2012/13 Integrated Annual Report carries the theme 'Committing to a promising future'. The future we envisage is that of a world-class African city that is resilient, sustainable and liveable. This theme represents our long-term commitment to residents and stakeholders of Johannesburg to deliver a City that is resilient, liveable and able to preserve resources for future generations. It is strategically embodied in 'Joburg 2040' the City's Growth and Development Strategy (GDS) and operationally applied through the flagship programmes provided for in our Service Delivery and Budget Implementation Planning (SDBIP).

2012/13 was our first year of implementing the 'Joburg 2040' GDS. To give tangible expression to the commitments we have made in the GDS, we have pledged to spend R100 billion toward infrastructure development over ten years, thereby enabling Johannesburg to make a decisive break with apartheid era spatial planning. Further, our targeted flagship programmes are designed to address short and medium-term challenges whilst maintaining focus firmly on our long-term vision of 'Joburg 2040'. The City is committed to enhancing its

interactions with citizens and other stakeholders going forward, particularly through the implementation of Community-Based Planning (CPB) initiatives.

For 2012/13, using the principles of resilience, sustainability and liveability we reviewed the five-year Integrated Development Plan (IDP) and committed to the following ten flagship programmes to drive our service and infrastructure delivery:

- Financial sustainability and resilience.
- Greenways and mobility
- Agriculture and food security.
- From informal settlements to sustainable human settlements.
- Citizen Participation and Empowerment.
- Integrated Waste Management
- Urban water management
- Investment attraction, retention and expansion.
- Shift to low carbon infrastructure.
- A safe secure and resilient City that protects, serves, builds and empowers communities.

The service delivery review section (Page 40) provides a consolidated view of our performance with respect to the ten priorities listed above.

Overview of City of Johannesburg

4.6
million population

1.4
million households

The City of Johannesburg (CoJ) continues to be South Africa's primary city, providing services to over 4.4 million people. This translates into approximately 8% of the total national population. Service delivery is facilitated through an employee base of over 25 000 employees. Recognised as one of the leading cities globally, the City of Johannesburg is known as a city of innovation and economic dynamism; a city that mobilises the strengths and qualities of its diverse population; and also a city that cares deeply for all its residents through its commitment to world-class service delivery for all.

Johannesburg, the largest and wealthiest city in South Africa accounts for 16% of the country's Gross Domestic Product (GDP). It hosts South Africa's largest corporations as well as many other international corporations operating on the African continent.

Johannesburg is the provincial capital of Gauteng, the wealthiest and most popular province in South Africa; and is one of the 40 largest metropolitan areas in the world. Johannesburg is the centre of a rapidly urbanising Gauteng Province. It is projected that by 2015, the urban portion of Gauteng - comprising mainly the cities of Johannesburg, Ekurhuleni (the East Rand) and Tshwane (greater Pretoria) - will be a polycentric urban region with a projected population of some 14,6 million people.

The City continues to offer its residents a high quality of life and endless economic opportunities by:

- Providing excellent transport and telecommunications infrastructure services.
- Being Africa's economic powerhouse and one of the world's leading emerging market economies.
- Promoting a well-structured regulatory environment.
- Hosting institutions of exceptional quality recognised in global competitiveness surveys.
- Creating an environment for Johannesburg to maintain its position as a centre for sound banking and financial system.
- Having a good credit rating supported by good financial governance.
- Being recognised for its low cost of living and being the least expensive African city out of 214 cities on five continents; Johannesburg is almost three times less expensive than the most expensive city, Tokyo.
- Providing a shopping mecca for sub-Saharan Africa as well as ensuring strong cross-border trade.
- Providing a spring-board to Africa's markets.
- Providing good socio-economic infrastructure.

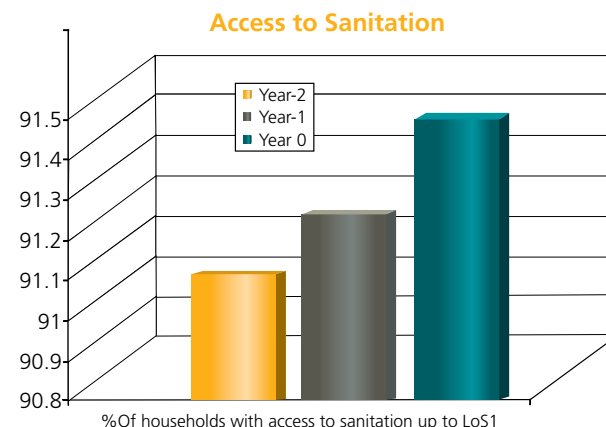
Every year, the City commits significant resources to support service delivery. In 2012/13, R31.9 billion was committed to service delivery programmes. In 2013/14 this increased and exceeded R40 billion, consisting of an operational budget of R36.3 billion while R7.5 billion was allocated towards capital expenditure. In 2013, Johannesburg became the first municipality in South Africa to pass a multi-year capital budget of R30.1 billion. The magnitude of these figures indicates Johannesburg's commitment to high quality service delivery and confidence in its future as a leading metropolitan municipality.

We are striving for urban wellbeing and are winning the battle against urban poverty, spatial inequality, and social exclusion. In the last ten years we have made significant investments in infrastructure, such as Bus Rapid Transit infrastructure to support Johannesburg's world-class public transport system as well as the creation of mixed housing opportunities. We forecast that the City will spend a further R100 billion investment over a ten year period in infrastructure development. This intervention aims to address poverty and to confront spatial inequality by transforming urban spatial form through reclaim particular areas of the City and re-stitching the City such that major transport nodes become "Corridors of Freedom" that promote densification but facilitate quick movement of residents. This is necessary because poverty and inequality in Johannesburg are geographically concentrated, with stark spatial differences in the levels of poverty and inequality. Massive infrastructure investment is required to undo the pattern of residential segregation enforced during the years of apartheid.

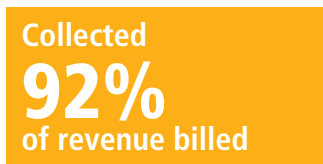
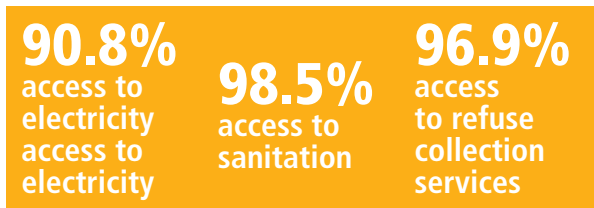
Service delivery overview



Figure 2



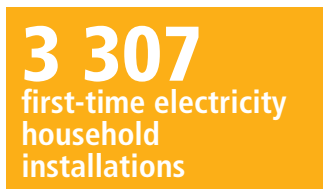
During the 2012/13 financial year, City of Johannesburg made progress in key service delivery areas — as aligned with the City's Integrated Development Plan (IDP) and SDBIP:



Financial sustainability and resilience: The City improved its response rate to billing queries through open days, the 'Revenue Step Change' process and 'Zero Tolerance' project during the year, resulting in many queries being resolved and accounts being corrected. Collections from alternative revenue streams further buoyed financial stability. These interventions, together with a strong focus on fiscal responsibility and the

development of prudent financial management practices, resulted in the City achieving its revenue target and collecting 92% of revenue billed. The City also maintained an upward trajectory in key indicators such as increasing the value of assets, increases in cash and cash equivalents as well as increase in surplus.

Agriculture and food security: This programme promotes food security with the aim of combatting hunger and addressing chronic lifestyle diseases which is as a result of poor dietary habits and sedentary lifestyles. Surveys indicate that 42% of the City's poor households go without food 2 – 3 days a month. The programme supports vulnerable communities in our society, including children and seniors. In addition, initiatives were undertaken to provide support to small emerging farmers to become self-sufficient in producing their own crops and to sell fresh produce to their communities and local markets. Six-Agri resource centres were established to provide training of the use of seeds and implements in areas of most unemployed in Region A (Ivory Park: Hikhensile & Diepsloot Skill Development Centre); Region C (Itsoseng Informal Settlement & Tshepisong-Vlakfontein Phase 7); Region G (Orange Farm Skills Centre and Poortije Skills Centre); These centres provided training, of seeds and implements. The City also developed a total of 322 new food gardens which will be expanded in the future.



From informal settlements to sustainable human settlements: We delivered 3470 mixed housing opportunities in 2012/13 and recognise that there is still a long way to go till we can respond fully to the challenge of housing within a sustainable urban form. We are responding to the housing challenge through a commitment to reshape the urban spatial form by committing R100 billion towards infrastructure development to construct a future city based on liveability, sustainability, and spatial equity. At the core of this approach is the City's 'Corridors of Freedom' initiative, representing a spatial incentive for knitting the urban form together and facilitating the mass transit of people and goods along corridors that strengthen the connectedness of different parts of the city

2012/13 further confirmed Johannesburg's position as a leading South African metropolitan city, with more people than ever before, accessing key basic services, such as water and sanitation, electricity and waste removal. The quality of the City's drinking water was maintained at 99.9% against the South African National Standard (SANS) 241. The City's final treated effluent was maintained at 95.2% of industry standards as set by the Department of Water Affairs' (DWA) Effluent Discharge Permits. In 2012/13 we provided more than 3 000 new households with first-time connectivity to electricity.

Greenways and mobility: The annual performance recorded a high number of commuters on the City's world-class public transport system, Rea Vaya. There were on average, 35 953 passengers being transported daily on Rea Vaya, despite the challenges of labour unrest. Metrobus carried over 16 million passengers in the financial year. As we continue to improve the public transport system, we are improving mobility on the City's streets and, in the process, reducing our carbon footprint by using advanced technology on our public transport system. The City achieved its target on BRT roadways and the stations and depots. Improvements were undertaken in preparation for Phase 1B operations as a depot (at Dobsonville) was completed. In addition to the rollover of Phase 1B and the restructuring of Metrobus we developed complete streets, introduced managed lanes and upgraded gravel roads. Jobs were created by manufacturing the BRT buses locally.



Supporting the learning needs of our communities: The opening of E-world library in Orlando.

Citizen Participation and Empowerment: 2012/13 saw 130 Ward plans developed these ward plans include ward profiles and costed capital projects that will be implemented within individual wards. The City also successfully implemented Community Based Planning (CBP) pilot in Region E. Experiences from Region E will guide comprehensive CBP implementation across the City. As part of the pilot, included with CBP plans for Region E are Capex projects to be implemented in each ward; costed operational plans for each city department and entity; and community identified initiatives. As a result of these activities, the City is refining administrative processes of planning and budgeting to meet the basic needs of our communities. Johannesburg further

strengthened its commitment to cultivating meaningful stakeholder relations and to engaging stakeholders collaboratively in response to priority developmental needs. Accordingly, the IDP outreach processes were of great importance in building a collective and shared vision for the future of Johannesburg as a leading African city.

Smart City: During the year, our aspiration of building a high-performance organisation and to improve the culture of technological innovation, performance management and accountability evolved through the roll-out of enhanced broadband technology and capabilities. Public access to Internet services was enhanced through the Broadband Network Core Infrastructure and the Public Access to Internet in Libraries (PAIL) programme. Two City Libraries were connected to the internet, namely, Orlando East and Johannesburg Central Library. The City provided 315 (thin client laptops) for the 20 libraries. Landing pages were updated with eLearning content as well as training of staff and community members on E-learning.

900 km
Of fibre optic cable
laid

3 967
SMME's supported

88 987
Verifiable Emissions
Reductions

99 517
Tonnes of dry waste
diverted from landfill
sites

80 000
Tonnes of green
waste diverted from
landfill sites

Investment attraction, retention and expansion: The City recognises the need to create an inclusive economy through increasing the contribution of SMME's to the economy. Johannesburg is committed to developing competitiveness, innovation and increased investment through support for SMMEs. During the year, a total of 3 967 SMMEs were supported through our SMME development programmes. This support included assisting informal traders to obtain trading licences, and mentoring 21 SMMEs for a full calendar year in partnership with the Gauteng Enterprise Propeller. In addition, the Expanded Public Works Programme (EPWP) aims to reduce unemployment and alleviate poverty by creating on-the-job training. During the year, the City created 36 588 work opportunities (against a target of 35 000), thereby exceeding our target by 1 588 work opportunities. Despite these achievements there is a long way to go in achieving a totally inclusive economy and to eradicate unemployment.

Shift to low carbon infrastructure and integrated waste management: In 2012/13, the City accumulated 88 987 Verifiable Emission Reductions (VERs) from its 'landfill gas to energy' project at two landfill sites. Further, Johannesburg remains committed to the goal of '7% waste to landfills', implementing separation at source projects across the City in partnership with the community. The City also made substantial progress in rolling out our 'green strategic projects' by retrofitting community facilities with environmentally appropriate design elements. During the year, 27 091 solar water heaters (geysers) were installed in low income various areas, including Alexandra, Devland, Lehae, Pimville, Pennyville, Tshepisoong and Vlakfontein.

A safe, secure and resilient City that protects, serves, builds and empowers communities: We are building a City that is safe, secure and resilient; and that protects, serves, and empowers our communities. During the year, we reduced assaults in our Inner City by 13% and fought serious traffic violations. While progress is acknowledged in creating a safer City, the city recognises the enormity of the task and will therefore upscale implementation of its safety programmes to preserve the safety and security of its residents.

Urban Water Management: We placed particular focus on repair and maintenance of water network to reduce water losses as well as repair and maintain dams that play a critical role in storm water management. We intensified water demand management strategies, pipe replacement, pressure management and waste water upgrades and introduced new storm water management strategies. Technical, social and financial interventions led to us meeting the target of bringing Unaccounted

for Water (UFW) to below 32%. . We developed a Consolidated Infrastructure Plan CIP to inform future and new capital investment plans for infrastructure to achieve further gains in water management.

Notwithstanding recorded achievements, the City acknowledges missed targets. To enhance the attainment of these the City is improving its environmental and operational issues, improving its capacity, and to improve the skills of its workforce to ensure improved delivery against set targets. The City is also improving communication of programmes to communities to ensure that programmes such as its waste 'separation at source' programme have a better uptake from households in identified areas. The City will proactively respond to the risk of labour unrest to reduce the impact to service delivery.

A detailed review of our performance against SDBIP targets can be found at the end of each cluster review in this report, reflecting where our targets were either met or missed.



Please see detailed commentary on our performance against our SDBIP targets in the Integrated Annual Report (Book 2) on pages 119 - 166 available on www.joburg.org.za and at all Regional Offices.

Financial health overview

7% increase in total assets to **R60.2 billion**

This report confirms that the City of Johannesburg has stabilised its finances. The City recorded significant progress towards the goal of financial sustainability and resilience as evidenced by its ability to generate a healthy net surplus, improve cash and cash equivalents as well as its responsiveness to customers as part of resolving billing queries. During the year, four of the key ratios that measure prudent financial management improved, namely: solvency, debt to revenue, net operating margin and cash coverage. The City realised a surplus of R3.4 billion and thus increased its capital budget by over 60% for the 2013/14 financial year. Our total asset base increased by 7% to R60.2 billion, driven largely by our capital expenditure of R4.2 billion, increased debtors and a significantly improved cash position of R5.4 billion. Collectively these efforts improve the City's ability to achieve its medium-term goal of spending more towards

2011/12	2012/13
Increase in cash and cash equivalents	
R2 220 393 000	R5 401 407 000

infrastructure development as part of its commitment to spend R100 billion over ten years. The City still recognises that, despite this progress more work must be done to completely eliminate issues around billing. The City is committed to sound financial strategies and prudent financial management practices

infrastructure development as part of its commitment to spend R100 billion over ten years. The City still recognises that, despite this progress more work must be done to completely eliminate issues around billing. The City is committed to sound financial strategies and prudent financial management practices

Organisational development overview

The City's biggest asset is its employees who bear responsibility for delivering its mandate to communities. They are the foundation and drivers of our collective success. Accordingly, the City strives to create value by attracting, developing and retaining skilled and competent people. Through our Human Resources Management (HRM) function, we are committed to inspiring and growing people through individual development analysis and plans, as well as career management programmes and by recognising performance excellence.

The City is committed to recruiting from within its communities while also ensuring a deliberate focus on developing a local skills base where this may not exist. Our Human Resources Strategy (HRS) is designed to develop professional, diverse and competent human capital to align with our vision of a world-class African city.

Auditor General Report

2011/2012
Qualified Audit
Opinion

2012/2013
Unqualified Audit
Opinion

In 2012/13 the City made significant progress and attained an Unqualified Audit Opinion, progressing from a position of a qualified audit in 2011/12. This reflects progress toward meeting the national target of 'Clean Audit 2014' for local Government.

The City also improved its attainment of performance objectives by 45% from 2011/12 year, with 56% of all targets completely achieved and significant progress recorded towards the complete attainment of the rest of the City's objectives. The City is responding comprehensively to all matters raised by the Auditor General to ensure progress towards the national objective of a clean audit.

Appreciation

I would like to express my appreciation for the support received from the political leadership in Council, including the Executive Mayor, Councillor Mpho Parks Tau and the Mayoral Committee, Speaker of Council and Section 79 Committees; as well as the City's advisory committees which encompass the Group Audit Committee and Group Performance Management Committee and Group Risk Committee. Administratively I would like to thank the Chief Operations Officer, Gerald Dumas, Group Heads, Cluster Convenors, Executive Heads, Boards of Directors, Managing Directors and the entire staff of the City and its entities for their continued support. Collectively we remain committed to efficient service delivery and the attainment of a liveable, sustainable and resilient Johannesburg.

Trevor Fowler
City Manager of City of Johannesburg Metropolitan Municipality

City of Johannesburg at a glance



Our vision

Johannesburg – a World Class African City of the Future – a vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society.

Our values

Resilience: Our ability to work together and support each other in times of need and to adapt to difficult situations by recognising our strengths and assets, and mobilising these to deliver on our promises.

Sustainability: Using our resources to address inequality and poverty and to create a better life for all. We are committed to ensuring that resources are carefully managed to achieve our long-term vision without compromising the environment for future generations.

Liveability: Creating an environment that promotes civic engagement and a sense of place through access to safe sustainable choices for economic opportunities. Johannesburg is committed to providing access to adequate, affordable, environmentally sustainable and coordinated transport system as well as housing opportunities.

‘Joburg 2040’: An Outcome-based strategy

‘Joburg 2040’ Growth and Development Strategy (GDS) is our long-term response to emerging challenges and opportunities, a lens through which we view, conceptualise and enhance the City’s strategic approach to development issues. It is informed by the United Nations eight Millennium Development targets and represents a commitment to the citizens of Johannesburg that their City will not treat them as passive recipients of government services, but rather as active agents in shaping their own future.

‘Joburg 2040’ GDS identifies a set of long-term tactical outputs and qualitative outcomes to realise the City’s long-term vision. Table 4 below provides a description of each of the four over-arching GDS outcomes and references which of the 12 correlating National Outcomes each relates to (as informed by the United Nations’ Millennium Development Goals).

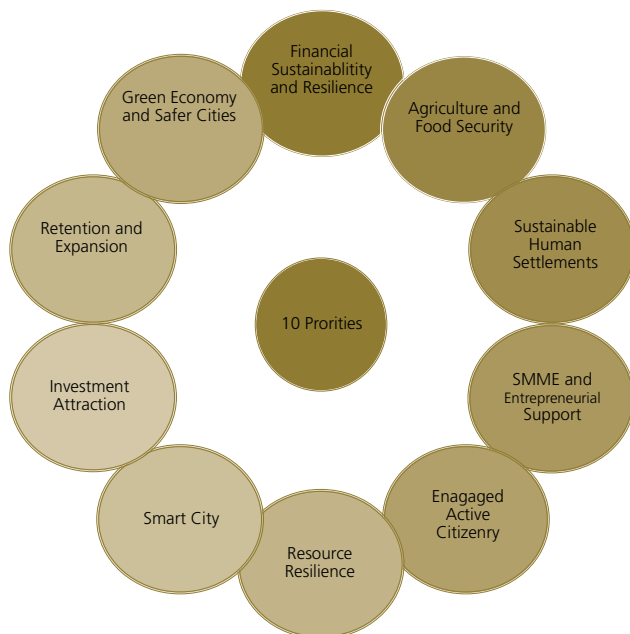
Table 4: 'Joburg 2040' GDS Outcomes

Outcomes		Description	Associated National Outcomes (as informed by the Millennium Goals)
<p>Outcome 1</p> 	<p>Improved quality of life and development-driven resilience for all.</p>	<p>The City envisages a future that presents significantly improved human and social development realities by targeting poverty reduction, food security, self-sustainability development initiatives, improved health and life-expectancy, and authentic social inclusivity. By 2040, the City aims to achieve a significantly enhanced quality of life for all.</p>	<ul style="list-style-type: none"> • Outcome 1: Improved quality of basic education • Outcome 2: A long and healthy life for all South Africans • Outcome 3: All people in South Africa are and feel safe • Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all • Outcome 8: Sustainable human settlements and improved quality of household life • Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world
<p>Outcome 2</p> 	<p>Provide a resilient, liveable, sustainable urban environment underpinned by infrastructure supportive of a low-carbon footprint.</p>	<p>The City plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (e.g. housing, eco-mobility, energy, water, waste, sanitation and information and communications technology), to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives.</p>	<ul style="list-style-type: none"> • 10: Environmental assets and natural resources that are well protected and continually enhanced
<p>Outcome 3</p> 	<p>An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens.</p>	<p>The City of Johannesburg plans to support the creation of an increasingly competitive, 'smart' and resilient city economy, when measured in relation to national, continent and global performance. The City aims to promote economic growth and sustainability through the meaningful mobilisation of all who work and live in Johannesburg, and through collaborating with others to build job-intensive long-term growth opportunities and prosperity.</p>	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive economic growth • Outcome 5: A skilled and capable workforce to support an inclusive growth path • Outcome 6: An efficient, competitive and responsive economic infrastructure network
<p>Outcome 4</p> 	<p>A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.</p>	<p>The City envisages a future where it will drive a caring, responsive, efficient and progressive service delivery and developmental approach within the Gauteng City Region (GCR) and within its own metropolitan space, to enable both to reach their full potential as integrated and vibrant spaces.</p>	<ul style="list-style-type: none"> • Outcome 9: A responsive, accountable, effective and efficient local government system • Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenry

10 Priorities for the future

The City's five-year IDP translates the long-term outcomes of the Growth and Development Strategy (GDS) into implementable programmes for a specific term of office. The City's ten strategic "priorities" were approved with a view to reducing poverty and inequality, promoting investment and business retention, with efficient, reliable and cost effective service delivery, and redeveloping areas in decline.

Figure 3: Ten strategic priorities for 2012/13



Programme delivery through four clusters

The City's strategy is delivered through four clusters that are aligned with the principles of Sustainable Services, Economic Growth, Human and Social Development and Good Governance. These principles underpin the 'Joburg 2040' GDS, and enable the City to design targeted programmes to achieve the following long-term imperatives: eradicating poverty, promoting social inclusion; building an inclusive economy; providing sustainable services and settlements; ensuring resource security and environmental sustainability.

The diagram below provides an overview of the four clusters and their associated programme focus areas. Flagship programmes have been designed for each cluster as part of the City's Service Delivery and Budget Implementation Plan (SDBIP).

Figure 4: Programme delivery through four clusters





Operating Context



A vision for the future

Johannesburg is committed to proactive, quality service delivery and the creation of a city environment that is resilient, sustainable and liveable. Our 'Joburg 2040' initiative is facilitated through targeted long-term programmes to promote quality services; to drive economic growth; to develop our society and the individuals within it; to ensure the optimal management of natural resources; to safeguard the environment; and to promote sound governance in all the City does.

Six principles inform 'Joburg 2040':

- Eradicating poverty
- Building and growing an inclusive economy
- Building sustainable human settlements
- Ensuring resource security and environmental sustainability
- Achieving social inclusion through support
- Enabling and promoting good governance.

Operating context

Our 'Joburg 2040' Strategy acknowledges that, worldwide, cities experience increasingly complex challenges. With the future of cities becoming more unpredictable and uncertain, the development paradigm in relation to cities has changed. In this context, city strategies must navigate uncomfortable tensions between defining a chosen development growth path, and accommodating uncertainty resulting from population growth, migration, urbanisation, climate change, poverty and socio-economic inequalities. Factors of

population growth, unemployment, regionally concentrated economic growth and environmental sustainability present key challenges, opportunities and risks that Johannesburg, as a leading metro must respond to in an integrated way. This overview provides a meaningful backdrop for a discussion on the City's integrated approach to long-term value creation for its citizens.

Population growth

The growth in urban population in South Africa is outstripping national population growth. This implies an increasing urgency for infrastructure development in South Africa's cities to support increases in population. This presents challenges for the management of water and sanitation, waste, energy, electricity, transport and social infrastructure.

Johannesburg is home to more than 4.4 million people, accounting for about 36% of Gauteng's population and 8% of the national population. Over the last decade the City has grown faster than the Gauteng region as a whole, as it continues to be the leading metropolitan gateway for migrants from other provinces and international migrants.

Unemployment

Youth unemployment remains a major challenge both nationally (above 35%) and for the City. The City faces a 31.5% youth unemployment rate, which is atypical of a city that attracts youth looking for employment opportunities. Johannesburg is populated predominantly by youth, concentrated in working age group of between 20 years and

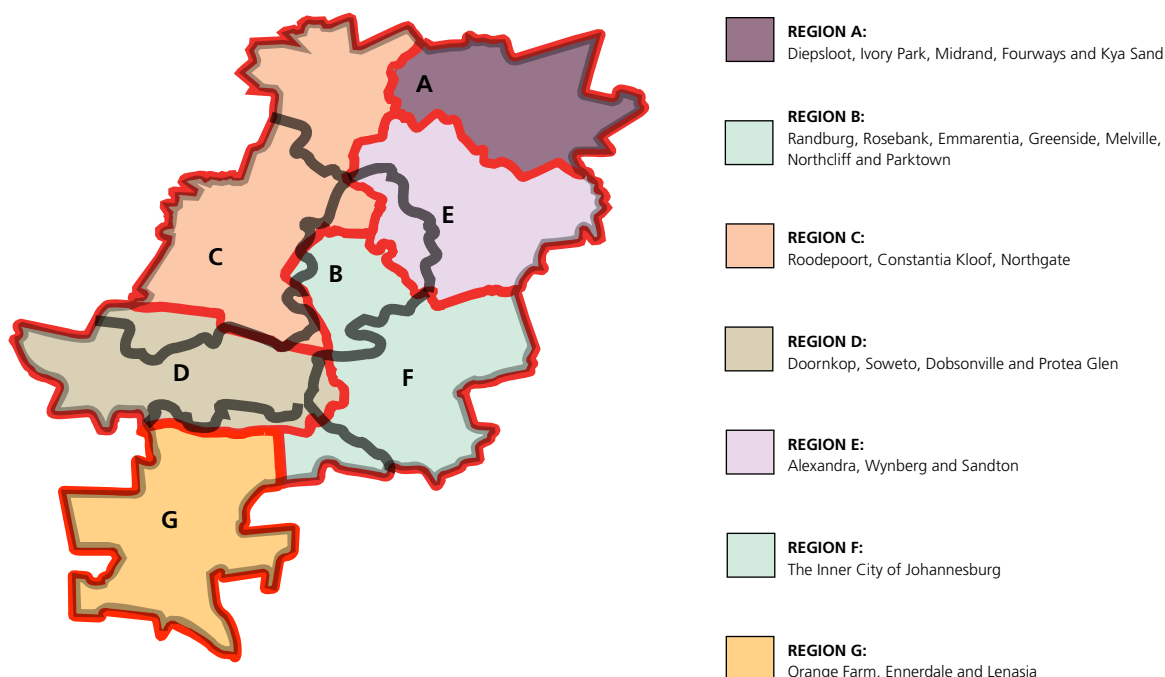
39 years. These demographics result primarily from economic immigration. As an economic hub of the country and the region, Johannesburg is a primary destination for job seekers across the region and the country as a whole. However, by attracting the young population, the City is presented with a growing youth unemployment challenge.

The issue of unemployment cannot be meaningfully addressed without a deeper investigation of youth unemployment. Johannesburg has made significant progress through positive economic growth and programmes such as the Expanded Public Works Programme (EPWP) among others, resulting in a 13.5% reduction in youth unemployment over the last decade. The City is committed to creating value through its long-term Growth and Development Strategy (GDS) to generate sustained growth and to address the challenges of unemployment.

Economic growth

Based on the latest census data (Census 2011) the bulk of the population (12.27 million) is concentrated in the province of

Figure 5: City of Johannesburg regions



In Johannesburg, 'Region G' has the highest number of people living in poverty followed by 'Regions D' and 'A', while 'Region B' has the lowest number of people living in poverty. Although a considerable number of Johannesburg's residents are poor, it has a substantial middle and upper class which competes in global financial and trade markets and adheres to international norms of urban consumption and culture. In addition, the city's growing middle class presents opportunities for economic growth and supports the City's drive to increase its revenue base. This growth requires that a variety of services

Gauteng, both as a consequence of population growth and increased migration. The City's economy is the main driver of national growth, historically performing at 50% higher in growth rates relative to national growth. However, given this strong link between the City's economy and that of South Africa, the impact of a struggling global economy is also felt locally. During 2012 manufacturing growth slowed and was further affected by shrinking export sales, high production costs and the increasing cost of credit, resulting in a slow-down of the GDP to 2.7% during 2012. Within Johannesburg, the slow-down of the economy was evident in the moderate rate of economic growth at 2.5% in 2012, down from 3.5% in 2011.

Inequality and poverty

The factors contributing to poverty encompass both spatial inequality and structural jobless economic growth, which is reinforced by low levels of skills. These factors inform the City's Developmental Service Delivery approach and Public Works Programmes. The City recognises that spatial inequality is a contributing factor to poverty.

and amenities are made accessible to all citizens.

Food security

Food security is a significant challenge for the City. Poor households are particularly at risk given the high proportion of income used for food. Statistics reflect that as many as 42% of poor households are 'food insecure'. Poverty and food insecurity have a clear impact on health. The City identified

specific social mobility and human development priorities to address the issue of poverty and of food security.

Our GDS, IDP and SDBIP are also informed by National Government's 12 Outcomes as well as Provincial Government's outcomes to ensure the coordinated delivery of services to citizens in line with the Intergovernmental Relations Framework Act, Act No 13 of 2005. This allows national priorities to be delivered through local processes. These include housing, infrastructure development, provision of electricity and job creation.

The 12 National Outcomes of Government (as informed by the United Nations Millennium Development Goals) have a strong bearing on the following programmes implemented in Johannesburg:


- Improving the quality of basic education and health and life expectancy.
- Ensuring that all people in South Africa are protected and feel safe.
- Creating decent employment through inclusive economic


growth, and creating a skilled and capable workforce to support inclusive economic growth.

- Creating an efficient, competitive and responsive economic infrastructure network.
- Creating vibrant, equitable and sustainable rural communities and food security.
- Promoting sustainable human settlements and improved quality of household life.
- Building a responsive and accountable, effective and efficient local government system.

In 2012/13 we responded to these national and provincial priorities and socio economic factors through programmes that emphasised improved sustainable financial efficiencies, improved basic services, job creation, support for sustainable human settlements and deepened democracy through refined ward committee modelling. We recognise that building an effective developmental state and a cohesive and caring society will require a collective effort from all spheres of Government.



 technologies
itoi image to intelligence

 technologies
itoi image to intelligence

City of Johannesburg's CCTV Command Centre

Our strategy: GDS 2040



“It’s about the ability to mobilise business, communities and labour to be part of a broad coalition of people that are working towards a common objective of achieving a better city and a better Johannesburg for all.”

The ‘Joburg 2040’ (GDS) is our roadmap to becoming a resilient, sustainable and liveable city. Through the three pillars of sustainable services, human and social development, and economic growth we strive toward minimal resource reliance and increased preservation of our natural resources. This entails reducing pollution, improving waste management, and promoting efficient land use through appropriate urban spatial development.

It is widely accepted that the trio of environmental, economic and social sustainability pillars are a sufficient model to address sustainability. However, because we are a public sector institution with clear accountability and public engagement imperative, governance provides the overall framework to support the three sustainability pillars and relies on authentically participative stakeholder engagement practices.

With our ‘Joburg 2040’ Growth and Development Strategy (GDS), we changed course and undertook a sustainability transition process, emphasising more sustainable policies, programmes, behaviours, and relationships. As a result, in Johannesburg, sustainability is less an end state – or a set of specific policy, behavioural, and institutional outcomes – but a socially instituted process of adaptive change that occurs over time at different levels.

The GDS not only provides a vision for a sustainable future, but importantly, it defines clear outcomes against which to measure our progress. Six value-based imperatives inform the GDS:

1. Assisting the poor in proactive ways.
2. Engaging more citizens to promote shared economic opportunities.

3. Building ‘equality neighbourhoods’ and integrating communities.
4. Protecting the natural environment for future generations.
5. Promoting unity and togetherness to ensure a collective sense of belonging.
6. Promoting meaningful interactions between the City and its citizens.

There was no better time than 2011/12 for Johannesburg to commit to sustainability and liveability. Johannesburg’s population keeps increasing in line with global trends in which over 50% of the world’s population live in cities and urban areas. Such population increases present risks for the environment, natural resources and infrastructure. Over and above our primary concern for the environment – and the ability of our future generations to benefit from our natural resources – we are concerned with providing our residents with urban spaces that are liveable and foster social connections.

By giving expression to the GDS imperatives through our Service Delivery and Budget Implementation Planning (SDBIP) process – and tacking our performance against the SDBIP targets – we aim to demonstrate our on-going commitment to an urban spatial form that not only addresses the skewed configurations of the past but one that ensures that our residents will prosper well into the future.

The table below outlines the GDS’s key drivers, as well as their desired outcomes. It further provides the indices we use to measure our performance. Going forward, we will continue to refine our reporting around these indicators to ensure

comparable and transparent mapping of our progress and to promote enhanced integrated reporting on our sustainability practices.

Primary drivers	Outcomes/Outputs	GDS Indicators
Human and social development: <ul style="list-style-type: none"> Hard issues (access to infrastructure, social services and amenities) Soft issues (social cohesion) 	Improved quality of life and development-driven resilience : <ul style="list-style-type: none"> Reduce poverty and dependency Promote food security; health, literacy and skills, safe and secure city 	<ul style="list-style-type: none"> HDI: 2020:0.79; 2030:> 0.8 Poverty Rate: 21% to 5% HIV: 29% to <5% Safety Index: 56 to >80
Sustainable services: <ul style="list-style-type: none"> Infrastructure talks to resource security, withstand 'shocks' and Smart City 	Resilience, liveable, sustainable urban environment: <ul style="list-style-type: none"> Eco-mobility Sustainable human settlements Climate change resilience Environmental protection 	<ul style="list-style-type: none"> UFW: 38% to 20% (2020) Private/Public transport ratio (30:70) Ecological footprint Zero waste to landfill (2020) Energy Mix: 50%
Economic growth: <ul style="list-style-type: none"> Diverse, innovative and competitive economy (labour intensive slant) 	Job-intensive, resilient and competitive economy	<ul style="list-style-type: none"> GVA: 2.69 to >50% Unemployment: 23% to <10% Gini-coefficient: 0.62 to 0.40
Governance: <ul style="list-style-type: none"> Participation/empowerment, integration beyond known boundaries, accountability, and a 'capable 'State' 	Leading metropolitan Government	<ul style="list-style-type: none"> CSI: 64% to 70%

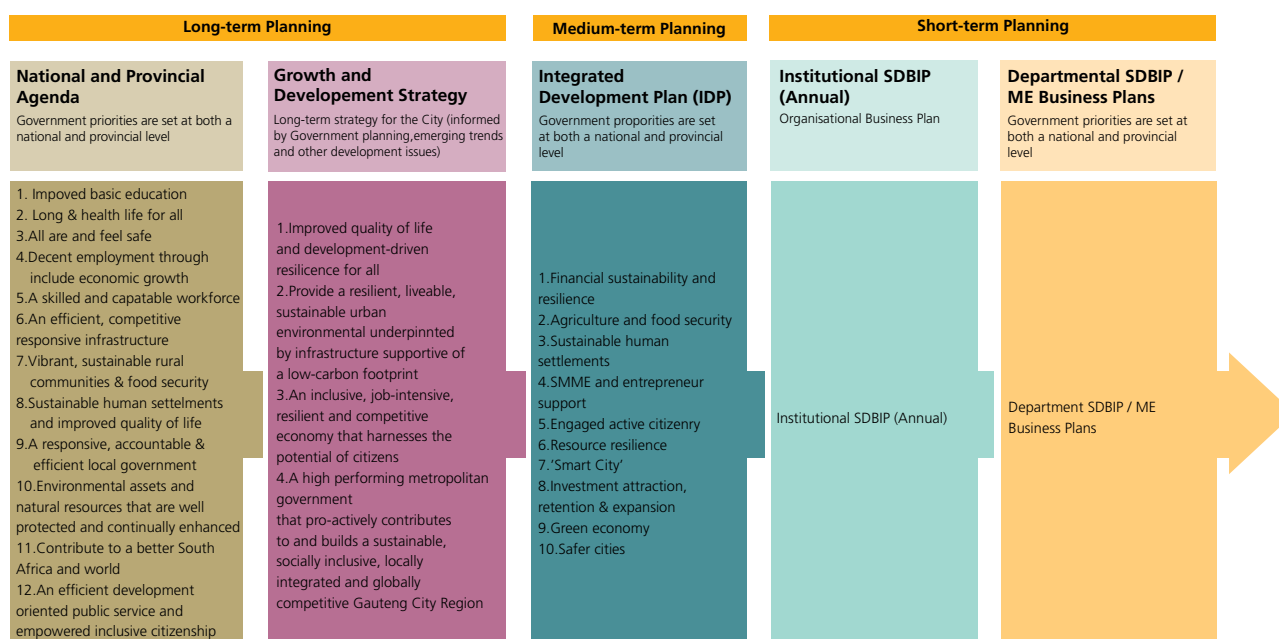
'Joburg 2040' GDS: Structure and implementation

The 'Joburg 2040' GDS identifies a set of long-term tactical outputs and qualitative outcomes to realise the City's long-term vision. The City's five-year IDP translates the long-term outcomes into implementable programmes for a specific term of office. Business planning is a short-term planning tool

that addresses annual operational planning. It is the basis for budget allocations that allow for the implementation of five-year IDP sub-programmes and projects. The City has sought to capture the complex multiple processes of planning through:

- Long-term planning: The 'Joburg 2040' Strategy.
- Medium-term planning: The revised 2012/16 IDP.
- Short-term implementation: The core departments and municipal entities' annual business plans and Service Delivery and Budget Implementation Plan (SDBIP).



Figure 6: The complex process of planning: Long-term, medium-term and short-term planning



The following key IDP priority or 'flagship' programmes have been approved for implementation for the current term of office:

Table 6: IDP priority or 'flagship' programmes approved for implementation for the current term of office

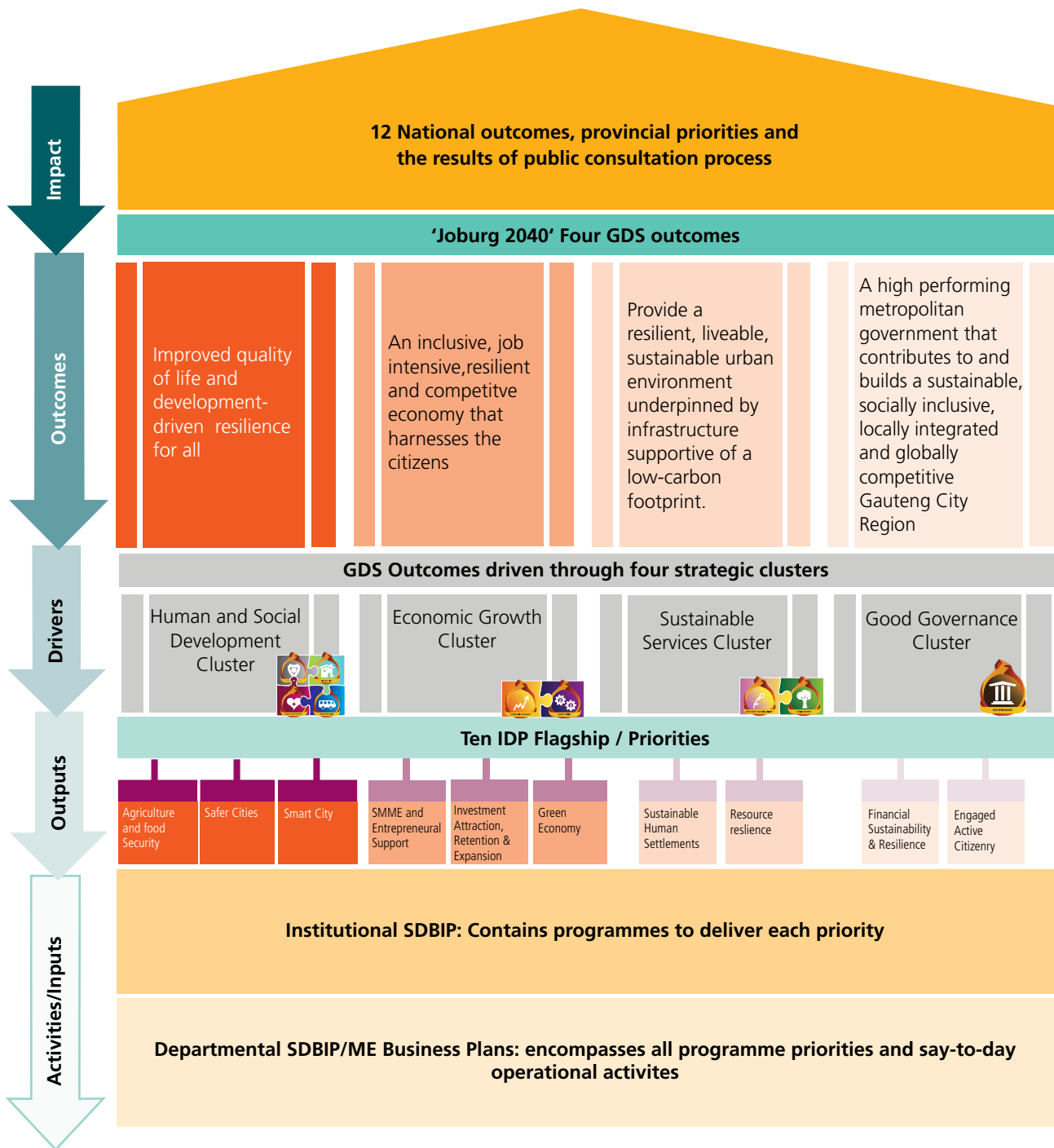
Priority programme	Programme enablers
<p>Financial sustainability and resilience</p> 	<ul style="list-style-type: none"> • Enhancing revenue. • Optimising customer service centres and channels to enhance customer care. • Creating a sound financial management environment.
<p>Shift to low carbon infrastructure</p> 	<ul style="list-style-type: none"> • Promoting 'Demand Side Management'. • Smart metering. • Energy generation and sales (energy mix) • Gas to landfill. • Timing of use management at household level.
<p>Integrated waste management</p> 	<ul style="list-style-type: none"> • Separating waste at source. • Composting of organic waste. • Recycling initiatives.
<p>Greenways and mobility</p> 	<ul style="list-style-type: none"> • Quality service delivery of Rea Vaya BRT. • Restoring pedestrian bridges and dams to protect lives and livelihoods. • Re-sealing of roads and promoting road safety and public transport usage. • Upgrading gravel roads. • Introducing managed lanes, walking, cycling and other recreational activities. • Integrating different modes of public transport – especially with rail.
<p>Sustainable human settlements</p> 	<ul style="list-style-type: none"> • Providing basic services to vulnerable households. • Upgrading marginalised areas/ areas of high deprivation. • Formalisation and security of tenure. • Enabling housing typologies (e.g. social housing, revitalisation of rental stock) that support Transit Orientated Development.
<p>Urban water management</p> 	<ul style="list-style-type: none"> • Reducing water losses. • Introducing stormwater management programmes. • Implementing water demand management strategies. • Diversifying sources of water (e.g. rain water harvesting) to address water scarcity and to increase revenue.
<p>Citizen participation and empowerment</p> 	<ul style="list-style-type: none"> • Promoting community-based planning and budgeting. • Reviving 1-stop Centres targeted at citizen partnerships and engagements and citizen empowerment.
<p>Strategic communications and marketing</p> 	<ul style="list-style-type: none"> • Devising an integrated communication and marketing strategy to support the City Strategy. • Promoting the 'Buy, Sell, Invest and Visit' initiative. • Entrenching and positioning Johannesburg as an ideal destination.
<p>Human capital development and management</p> 	<ul style="list-style-type: none"> • Introducing efficiency and productivity benchmarks, assessment and monitoring instruments. • Creating labour stability. • Integrating the COJ Group Human Capital Governance Framework and strategy. • Aligning talent management in support of the City's imperatives through a skilled workforce (by developing, retaining and acquiring the appropriate skills). • Establishing a municipal academy / university.

Priority programme	Programme enablers
<p><i>A safe, secure and resilient City that protects, serves, builds and empowers communities</i></p> 	<ul style="list-style-type: none"> • Promoting community-based policing and partnerships. • Implementing 'smart technology' (implement disaster management centres). • Promoting and facilitating life-long learning. • Introducing safe social spaces for cultural interaction. • Promoting public safety. • Introducing a 'healthier lifestyles' programme.
<p><i>Economic growth</i></p> 	<ul style="list-style-type: none"> • Promoting area-based development. • Implementing the Oasis in Soweto initiative, Alexandra and Ivory Park etc. • Accelerating the implementation of a skills hub. • Introducing Joburg Broadband.
<p><i>A city where none goes hungry</i></p> 	<ul style="list-style-type: none"> • Subsidising food programmes to ensure safe, affordable food for all (people's restaurants, new markets, food exchanges and so forth.) • Introducing Agri-resource centres.

An integrated approach to long-term value-creation

Figure 6 provides a consolidated view of the various strategic components impacting the City's 'Joburg 2040' Growth and Development Strategy, such as the South African Government's 12 National Outcomes (as informed by the United Nations' Millennium Development Goals), provincial priorities and the results of the public consultation process. It further shows the integration between the outcomes of the GDS – as driven through four strategic clusters – and the 10 IDP priorities; and reflects the ultimate delivery of strategic outcomes through the City's Institutional SDBIP, Departmental SDBIP and Municipal Business Plan.

Figure 7: Integrated approach to long-term value-creation

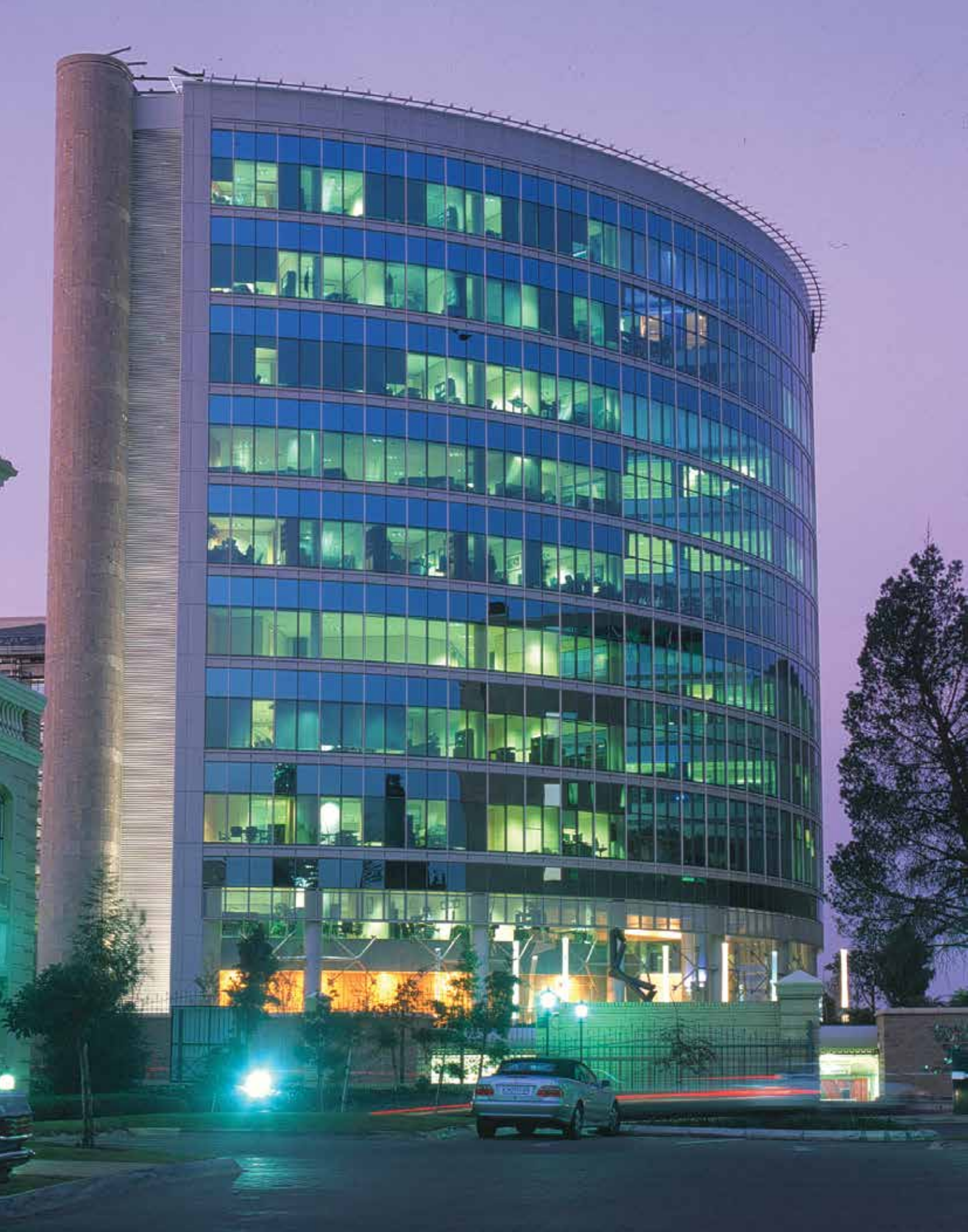


Our strategy seeks to achieve a sustainable city by focussing on the following:

- Reducing poverty and inequality through urban re-engineering.
- Integrating urban design.
- Reducing the establishment of new suburban developments at the periphery of the City (compact design, mass transit systems).

Our strategic approach capitalises on economies of scale, thereby reducing the costs associated with service delivery, investment promotion, business retention, and the redevelopment of areas that are in decline.

The City's flagship programmes are supported by sound governance, which emphasises the engagement of citizens in decision-making, as well as financial sustainability, accountability and transparency.



Stock exchange building_Sandton

Operating model and management frameworks

“Joburg 2040 blueprint encourages efficient administration of the municipality”.

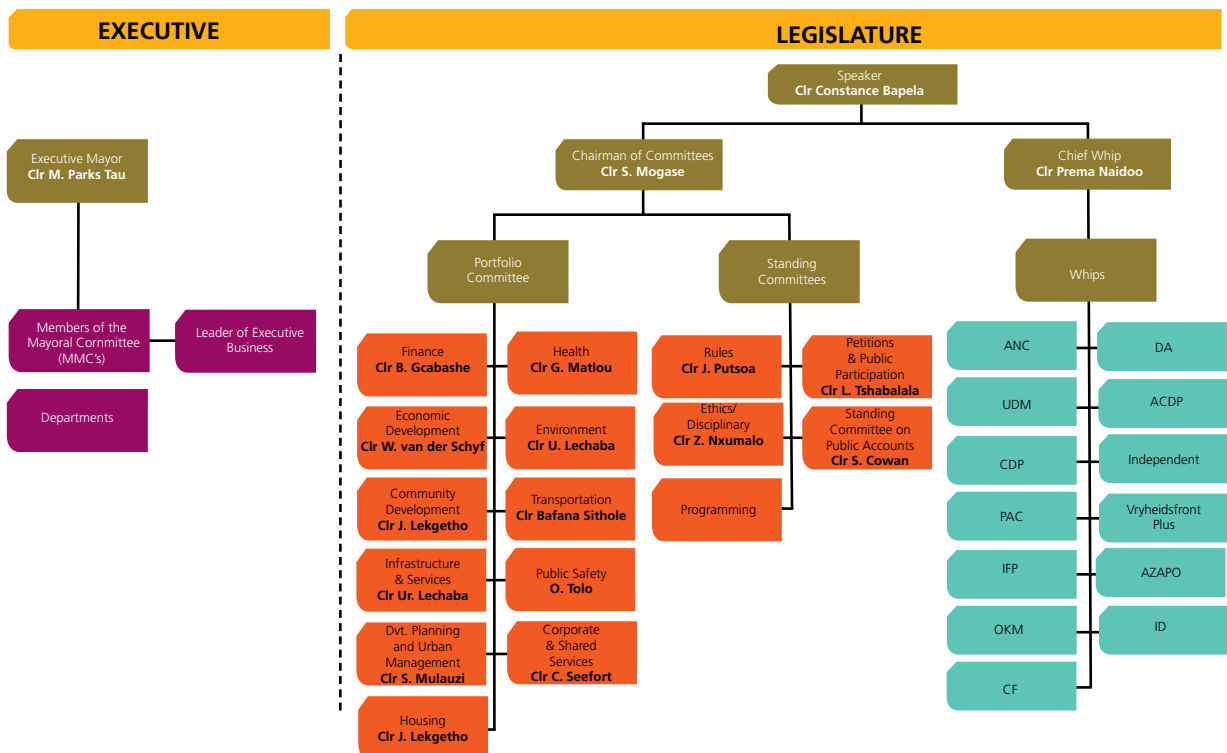


The City’s governance and institutional practices are core to achieving our objective of a well governed, world-class African city; therefore our governance structures, systems and policies are underpinned by sound values and ethics to support the implementation of ‘Joburg 2040’ GDS. Over time, the City’s governance models have been refined to facilitate a clear separation of policy-making, regulation and

implementation. The City’s core administration is responsible for service delivery, policy-making and regulation. Municipal Entities (MEs) form the implementation arm of the City and create focused, specialised and non-bureaucratic processes. Its regional structures monitor service delivery and citizen care and provide a link between the City, its citizens and other stakeholders.

Currently, the City implements a political governance model similar to that of provincial and national parliament, emphasising the separation of executive and legislative functions to promote oversight, accountability and public participation. The separation of functions between legislative and executive arms of Council enhances oversight and public participation in Council programmes. This separation is achieved through the delegation of legislative and executive functions of Council to the legislative and executive arms respectively. Service delivery implementation and policy issues, such as integrated development planning (IDP) and tariffs, are delegated to the Executive, which is led by the Executive Mayor and supported by an administrative structure led by the City Manager. The legislative function of oversight is implemented by Council and its committees, led by the Council Speaker.

Figure 8: Johannesburg institutional structures



Legislative arm of Council: Political leadership



Speaker of Council

Councillor Constance Bapela

The Speaker is Chairperson of Council presiding over Council meetings in accordance with Council's Standing Rules. In Johannesburg, the Speaker is also responsible for Section 79 oversight committees as well as for

Councillor Affairs to develop political governance capacity among Councillors.



Chief Whip of Council

Councillor Prema Naidoo

The Chief Whip of Council is an official office bearer, a member of the majority party and Chief Whip of the Majority Party. The Chief Whip ensures proportional distribution of Councillors to various Committees of Council.

The Chief Whip maintains sound relations among the various political parties represented in Council.

Council oversight and scrutiny

In July 2012 Council established committees of Council in terms of Section 79 of the Municipal Structures Act, chaired by non-executive councillors from the majority party. These committees assist Council in executing its responsibilities. Section 79 Portfolio Committees perform an oversight role by monitoring the delivery and outputs of the Executive. These committees do not have any delegated decision-making powers. Their functions include:

- Reviewing, monitoring and evaluating departmental policies.
- Reviewing and monitoring city plans and budgets.
- Considering quarterly and annual departmental reports.
- Examining the link between the City's strategy, plans and budgets.
- Holding the political Executive accountable for performance against policies and City priorities.

Appendix A contains a comprehensive list of all committees of Council and their functions.

In 2011/13 the City also introduced ground-breaking innovations to support greater oversight. This entailed creating oversight committees for both the Mayoral Office and Legislature.

In 2012/13 the mandate of the Legislative Arm of Council focused on the following themes:

- Accountability, oversight and scrutiny.
- Strengthening the capacity of the Legislative Arm of Council.
- Public participation to safeguard local democratic processes.
- Sound financial management.

Legislative functions of Council also include the approval of by-laws, policies, budgets, the Integrated Development Plan (IDP), tariffs, rates and service charges.

Political oversight functions of Council are exercised primarily through the work of Section 79 Committees. Clear guidelines pertaining to the way these committees handle oversight are outlined in the Oversight and Scrutiny Framework. Councillors also physically visit sites where projects - especially service delivery projects - are implemented to fulfil their oversight role. Additional oversight 'tools' include questions from individual Councillors to hold the Executive to account, as well as motions to ensure debate on Council issues.

To promote oversight and accountability, committees determine priority areas for oversight in respect of each portfolio. The various portfolios are guided by the priorities of the City, as contained in its strategic agenda. Quarterly oversight reports are submitted to Council and are based on departmental quarterly reports. In addition, committee visits to projects and service delivery sites assist and complement the Committees' oversight function.

Executive arm of the Council: Political leadership

The Executive constitutes Council's policy and programme implementation arm. The Municipal Systems Act defines "*executive authority*" in relation to a municipality to mean the "municipality's executive authority envisaged in Section 156 of the Constitution" (read with Section 11 of this Act). Section 156 of the Constitution defines the executive role as the administration of local government matters and any other matters delegated to it by the national and provincial governments.



Executive Mayor
Councillor Mpho Parks
Tau

The Executive Mayor is tasked with the identification and prioritisation of community needs, drafting strategies to deliver those needs and to oversee the delivery of services by the City's administration.

views during consultations.

Members of the City's Mayoral Committee for 2012/13 are included in Table 9 below.

Cluster Mayoral Sub-Committees, Clusters and regional oversight model

The City has strengthened its governance structures to promote better coordination and integration of service delivery packages, as well as greater accountability and oversight. The City established sub-committees to attend to city-wide, cross cutting programmes. Mayoral Sub-Committees are complemented by a system of political oversight of key service delivery interventions in the regions to enable better coordinated service delivery. The sub-committees assist the Mayoral Committee in fulfilling its executive functions by enhancing decision-making and focusing on the strategic mandate of the City.





The City has also established four clusters that are aligned with the principles of Sustainable Services; Economic Growth; Human and Social Development and Good Governance. These principles underpin the 'Joburg 2040' GDS, and enable the City to design targeted programmes to achieve the following long-term imperatives: eradicating poverty, promoting social inclusion; building an inclusive economy; providing sustainable services and settlements; and ensuring resource security and environmental sustainability.

The Mayoral Committee

Section 60 of Municipal Structures Act provides for establishment of a Mayoral Committee when a Municipal Council has more than nine members. The Executive Mayor appointed a Mayoral Committee from among elected Councillors. The City's Mayoral Committee performs those elements of the Executive Mayor's powers and functions as may be designated by the Municipal Council, exercising and performing them in support of the Executive Mayor.

The City's Mayoral Committee ensures that service delivery takes place, including but not limited to improving efficiency, credit controls and revenue, and administration of the municipality. Annually, the Committee must report on community involvement and ensure regard is given to public

Table 7: Composition of Mayoral Sub-Committees

Sub-committee	Focus area	MMCs responsible
Sustainable Services 	<ul style="list-style-type: none"> Resource management of (water, energy) Sustainable Human Settlements Mass public transport and, non-motorized transport Climate change resilience Waste minimization Informal Settlement Upgrading 	<ul style="list-style-type: none"> MMC: Development Planning MMC: Environment Infrastructure and Services MMC: Housing MMC: Transportation
Economic Growth 	<ul style="list-style-type: none"> Activist Government Job Intensive economic growth Small business, entrepreneurship and informal economy Competitiveness Support Smart City Financial Sustainability 	<ul style="list-style-type: none"> MMC: Finance MMC: Economic Development MMC: Corporate and Shared Services MMC: Development Planning
Human and Social Development 	<ul style="list-style-type: none"> Cohesion and inclusion Community Safety HIV/AIDS and non-communicable diseases ECD, ABET and learning Food Security and poverty Support 	<ul style="list-style-type: none"> MMC: Public Safety MMC: Health and Human Development MMC: Community Development
Good Governance 	<ul style="list-style-type: none"> Clean, accountable and productive governance Civic collaboration and participation Citizen and Customer Care 	<ul style="list-style-type: none"> Executive Mayor MMC Corporate and Shared Services MMC Finance MMC Economic Development

Administrative governance structures

Executive Management Team



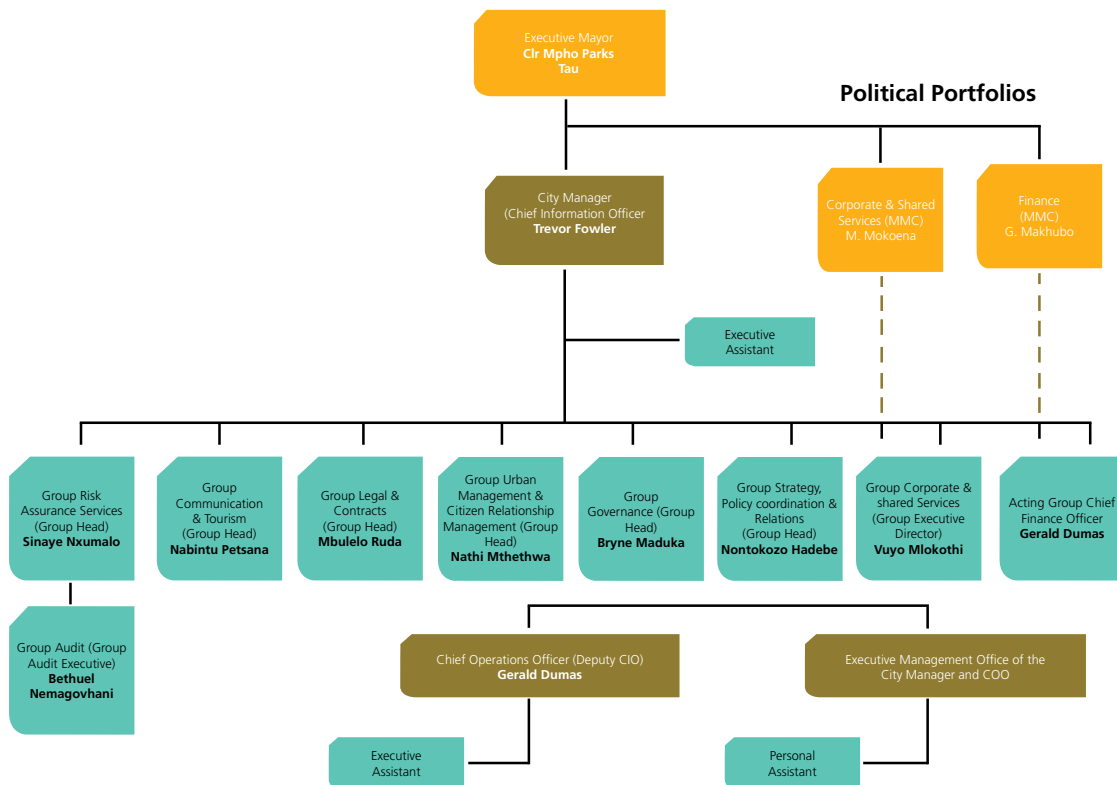
City Manager of City of Johannesburg Metropolitan Municipality

Trevor Fowler

The City Manager is the accounting officer of the municipality, providing guidance on compliance with political structures, as well as the responsibilities of political office bearers, officials of the municipality, and all City entities. The City Manager heads the City's administration and is Chairperson of the Executive Management Team. He is responsible for the day-to-day management and administration of the municipality. The City Manager operates in terms of relevant sections of the Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act.

In discharging his responsibilities in the 2012/13 financial year, the City Manager was assisted by the Executive Management Team, as represented by the diagram below:

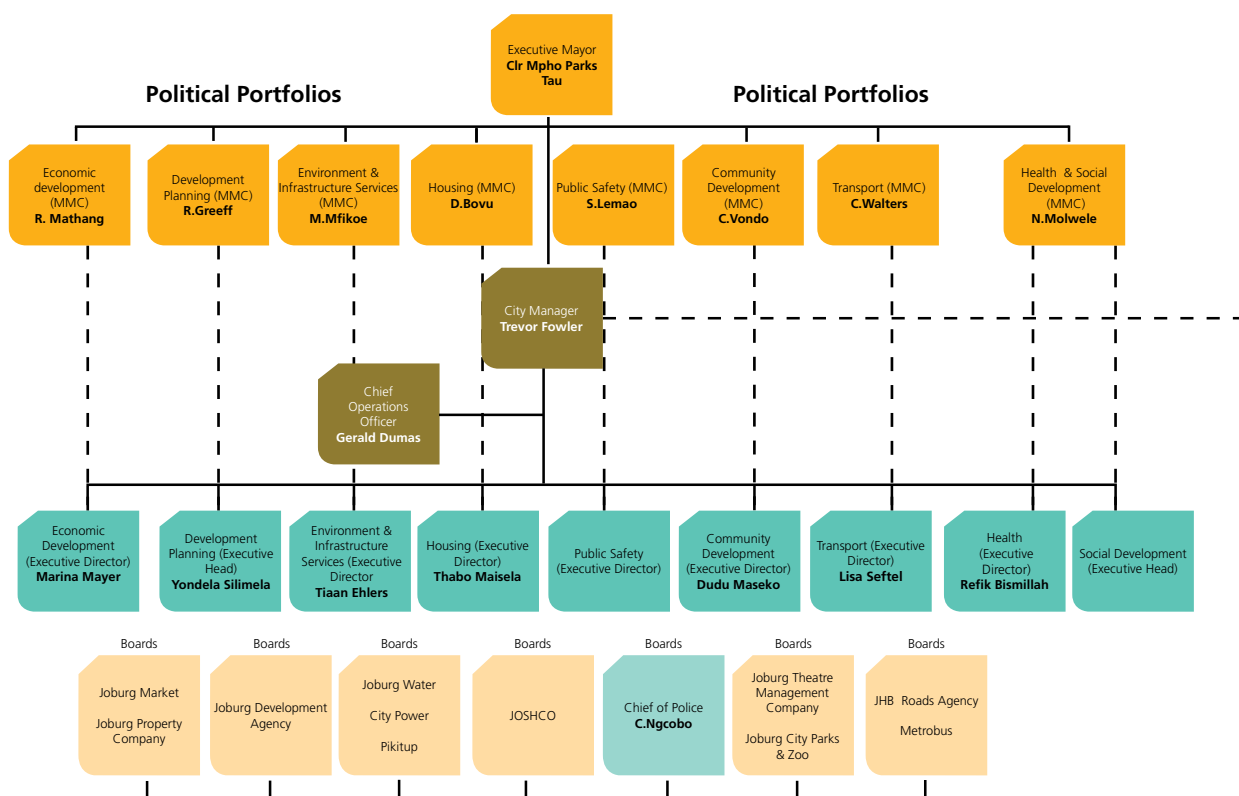
Figure 9: office of the city Manager, Group functions and relevant political portfolios



Municipal entities (MEs)

The City established wholly owned municipal entities under the Companies' Act of 2008 that exist purely as service delivery agents for the City, who in this case, is the principal or shareholder. The entities are governed through a Service Delivery Agreement signed between the shareholder (City) and the company. Although the entities have an individual corporate identity, they remain fully controlled by the Metropolitan Council. The full list of entities and their respective mandates are contained in **Appendix B**.

Figure 10: City of Johannesburg line functions reporting to the City Manager, MEs and relevant political portfolios



Corporate governance

To adequately discharge our governance responsibilities in line with applicable legislation and leading practice, the City established independent structures to provide unbiased opinions and guidance to Council. These structures include:

- Group Audit Committee
- Group Performance Audit Committee
- Group Risk Governance Committee
- Municipal Entity Board of Directors
- Municipal Entity Audit Committee
- Entity Social and Ethics Committee

These Committees comprise individuals who are not employees of the City. Committee members have broad competencies spanning specialised disciplines across the functional areas of Strategy, Finance, Legal, Risk Management, Engineering, Accounting, Performance management and Human Resources.

The City ensured the stability of the Entity Boards and Group Committee in the year under review. This was achieved by retaining experienced members so that the strategic direction can be sustained uninterrupted. The City encourages a developmental approach to capacitation of the Boards and Committees, including the annual rotation of seasoned board members. This creates opportunities for new and less experienced individuals to serve with experienced members.

During the year, we renewed our focus on governance and improved our governance footprint by creating a secretariat department called Group Governance. This department not only focuses on the entities and how they are governed but is also responsible for the governance standards for the entire City Group. Since its formation, Group Governance has embarked on a process to create and promote a stable environment for effective governance within the City. An essential aspect of this process is the development of a Governance Strategic Framework for the City, which will support and inform the City's 'Joburg 2040' GDS vision.

By-Laws

The MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. In 2012/13 the City considered two by-laws: the Waste Management By-Law and the Ombudsman By-law. Public consultations were conducted from March to February and from July to August 2013.

Anti-Corruption and Fraud

The risk of fraud and corruption was ranked seventh (7th) in the top 15 strategic areas identified in the financial year. Therefore, some of the strategic policy interventions include:

- Developing a city-wide anti-corruption and anti-fraud strategy.
- Establishing a Mayoral Anti-Corruption Advisory Panel.
- Implementing a centralised whistle-blowing mechanism by way of a centralised and independent 24-hour fraud hotline service, anti-corruption and anti-fraud awareness campaign to mobilise City officials and citizenry.
- Introducing fraud awareness workshops.

There is a concerted effort to conduct fraud risk assessments focusing on processes, such as supply-chain management, so that the City can implement appropriate systems of controls to either prevent or detect incidents of fraud, corruption and theft.

Since the launch of the anonymous tip-off hotline, which is available in all 11 official languages, we have seen a dramatic increase in the number of tipoffs received from the public. The calls received range from service delivery related issues to illegal water and electricity connections, other irregularities and allegations of fraud and corruption. We acknowledge the need to increase capacity for forensic investigations, and are developing strategies accordingly. We are also working with the country's law enforcement agencies. A number of officials have been suspended and disciplinary action taken, and ten employees have been arrested.

State of internal controls within the City

The City's Internal Audit function follows an effective combined and integrated assurance approach to enhancing the provision of value-add assurance services to the City. The Internal Audit function is mandated in terms of an approved internal audit charter and has functional accountability to the Group Audit Committee. During the financial year, audit focus was placed on effective implementation of the City's annual audit coverage plan, which is risk based.

Enterprise risk management (ERM) achievements

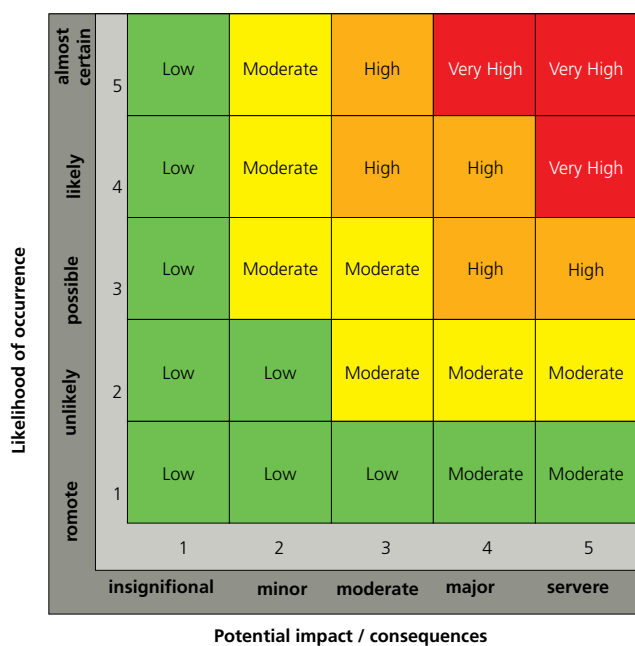
The embedding of risk management processes improved during the year although there are still certain areas that require effort by management and the Group Risk and

Assurance Services Department. During the year, city-wide strategic risk assessments were conducted and the City's top 15 strategic risk register was monitored on an on-going basis.

Table 8 reflects our integrated approach to enterprise risk management (ERM) by linking the top five identified risks to the City's strategic outcomes and Mayoral priorities. It ranks each risk according to the relative priority settings within the overall hierarchy of risks.

The residual risk 'heat map' is a guide to the priority levels for each of the risks outlined in the table below.

Figure 11: Residual risk 'heat map'



Kindly consult the section on Risk Management on page 25 of the City's Integrated Annual Report 2012/13 (Book 2) for a detailed description of potential sources of risks and a view of established controls and on-going mitigation activities.

Table 8: City of Johannesburg's top five risks

Risk Rank	Impacted Service Clusters	Strategic perspective		Risk Landscape
		Risk description	Strategic outcomes	Mayoral Priority Programmes
1		Stakeholder Management Risk: Inability to meet community expectations and demands	<ul style="list-style-type: none"> Improved quality of life and development driven resilience for all 	<ul style="list-style-type: none"> All priority programmes
2		ICT Governance Risk: Inadequate IT governance and IT delivery (ICT Risks)	<ul style="list-style-type: none"> A leading metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR 	<ul style="list-style-type: none"> Smart City Green Economy Financial Sustainability
3		Financial sustainability risk: ensuring the financial sustainability of the City	<ul style="list-style-type: none"> A leading metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR 	<ul style="list-style-type: none"> Financial Sustainability and Resilience
4		Asset management risk: Asset management and ageing infrastructure	<ul style="list-style-type: none"> Improved quality of life and development driven resilience for all Provide a resilient, liveable, sustainable urban environment -underpinned by infrastructure supportive of a low-carbon economy 	<ul style="list-style-type: none"> Sustainable human settlements Resource sustainability Smart city Investment attraction, retention and expansion Financial Sustainability and resilience
5		Risk of resistance to spatial transformation: Social, economic and infrastructural challenges creating a resistance to spatial transformation.	<ul style="list-style-type: none"> A leading metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR 	<ul style="list-style-type: none"> Sustainable Human Settlements Green Economy Active Engaged Citizenry Financial Sustainability Smart City



Launch of Rea Vaya Phase 1b

Service delivery performance review



35 953 passengers per day transported on Rea Vya

16,489,457 Passengers commuted by Metrobus

Drinking water quality standard met and exceeded at 99.9%

27 091 solar water heaters installed in various areas

5 343 New public lights installed

3 307 households electrified

Review of Service Delivery Performance



Provide a resilient, liveable, sustainable urban environment underpinned by infrastructure supportive of a low-carbon footprint



Please see detailed commentary on the Sustainable Services Cluster in the Integrated Annual Report (Book 2) on page 40 available on www.joburg.org.za and at all Regional Offices.

Overview of the Sustainable Services Cluster

The City's Joburg Vision 2040 strategy promotes interventions to adapt and shape the urban environment through structural changes that promote equality, access to economic opportunities and the efficient use of land and energy resources.

The most efficient urban form is compact, with mixed land-use and an extensive public transport network that includes high intensity movement corridors, with attractive environments for walking and cycling. Energy efficiency is not the only

reason for promoting compact cities - there are also social and economic sustainability reasons, which encompass issues of access, inclusion, health, social cohesion, household savings and air quality.

The Sustainable Services Cluster has the following key outputs:

- The provision of sustainable and integrated delivery of water, sanitation, energy and waste.
- Enabling eco-mobility.
- Ensuring climate change resilience and environmental protection.
- Promoting sustainable human settlements.

The Sustainable Services Cluster achieves its mandated outputs through the following priority programmes:

Urban water management

The objective of this programme is to roll out programs in support of water Demand Side Management to ensure that we reduce water demand, curb water losses, and reduce the level of Unaccounted for Water, whilst simultaneously investigating alternative water supplies and the use of recycled water. The secure and safe supply of water and the protection of essential water resources is the backbone of any economy. Johannesburg has the dual challenge of water scarcity and the increasing cost of water provision and network maintenance. The City has become the motor of the South African economy, accounting for more than a third of the GDP. Water is central to economic production and the well-being of our residents, yet most of the City's water is imported from elsewhere.

In our IDP we placed particular emphasis on implementation of demand reduction measures to avert a water crisis and reduce water wastage through on-going repair and maintenance of existing infrastructure to prevent water losses and pollution of water sources. The City is also investigating alternative water resources to preserve our potable water and to promote green infrastructure. We will be implementing the principles of SUDS that institutionalises the urban water cycle of waste water, potable water and storm-water, and grey water reuse (particularly for new developments); and

- Water harvesting programs – with these being implemented worldwide, through well-established mechanisms (although this approach would need to be practiced alongside others, given the obvious dependency of water harvesting on rain).
- Rehabilitation of rivers, streams and impoundments for a healthy state of water resources

Integrated waste management



Waste removal

The City is running out of landfill space and existing airspace is depleting at a rapid pace. The objective of this programme is to adopt a new approach to waste collection and management in the City. Projects include waste minimisation through

reduction, reuse, reduce and reclamation to support the City objectives of job creation, urban management, public health, sustainability and resilience. Projects under this programme include development of integrated waste disposal and treatment systems and solutions that simultaneously address waste issues and the city's need for reliable, affordable energy (e.g. solutions such as mining of methane, and the use of waste-to-energy plants). Revenue generation benefits are also associated with many of these technologies, with waste being both a hazard and a commodity with an attached value.



Johannesburg's landfill gas to energy project

The concept of bottom-up waste management as both household practice and commercial opportunity provides a strong cross-linkage to the Mayoral Food resilience flagship programme led by the Human and Social Development cluster, A City Where None Go Hungry. The food resilience programmes include amongst others the new forms of food consumption subsidy to be rolled out as a food for waste exchange. This will allow qualifying individuals to trade a portion of pre-separated, recyclable waste for a quantity of fresh food.

Greenways and mobility



Launch of BRT phase 1b

The long-term objective of the greenways and mobility programme is to make walking, cycling and public transport the modes of choice for Johannesburg's residents. This involves:

- The construction and maintenance of environmentally appropriate transport infrastructure which accommodates all road users, including public transport

users, pedestrians, cyclists and motorists.

- The provision of quality public transport services including Rea Vaya and Metrobus.
- The improvement of mobility and making roads accessible to all.

The programme aims to reduce the current 31% carbon emissions from the transport sector, thereby becoming a key enabler of a restructured city that promotes healthy living and a reduced carbon footprint. Central to the implementation of the programme and its related deliverables, is the necessity for stakeholder partnerships and a renewed collaboration with the City's communities. This requires a paradigm shift in the way stakeholders view their relationship to – and hence their responsibility toward – city infrastructure. It further requires behavioural change and a collective reclaiming of roads as safe, attractive public spaces.



Shift to low carbon infrastructure

This programme aims to reduce energy demand, decrease greenhouse gas emissions and enhance energy security for the future. However, programme incentives go beyond simply the challenges of energy supply; there are a myriad of opportunities inherent in a shift to low carbon solutions, both in terms of supply and demand. This programme aims to move the City from a carbon intensive economy, which releases large quantities of greenhouse gases into the atmosphere (mainly from coal and oil) to a less carbon intensive economy, with minimal greenhouse gas emissions. Reducing the carbon load requires three major shifts:

- Changing the composition of energy supply, shifting towards renewables.
- Changing consumer behaviour to limit energy consumption, including creating options such as public transport, which enable lower-carbon choices.
- Developing and retrofitting infrastructure to ensure maximum energy efficiency.

The programme further enables deprived spaces to access off-the-grid energy, as renewables are the main ingredients in the energy mix proposed for these areas in the short term.

From informal settlements to sustainable human settlements

The objective of the programme is to bridge the deficit in living conditions between the least deprived and most deprived residents of the city. In the short term, the operational priority is to provide for basic levels of service regardless of whether or not permanent settlement is possible on a given site. This frequently requires creating off-grid, portable and non-permanent solutions to bridge service gaps. In the medium term the focus is on creating fully functional and liveable residential areas that will replace current informal settlements, either through upgrade or relocation. This entails not only a full mix of basic services, but also detailed integration of commercial and social facilities that can give life to economic aspirations of residents while promoting social cohesion. Our integrated implementation approach allows multiple departments to play a role in the implementation of this programme. This process of collaborative intervention, partnership, policy development and standard setting will ensure an improvement in the quality of household life for residents of afflicted informal settlements.

This programme includes significant integration and involvement of Municipal Entities (MEs) to ensure improved:

- Roads and sidewalks for mobility and walkability by JRA and JDA;
- Provision of water and sanitation by Joburg Water;
- Provision of free basic energy including solar water geysers by City Power;
- Provision of waste services, reduction of illegal dumping and job creation by Pikitup; and
- Provision of social and economic facilities.



Performance highlights

Table 9: Sustainable Services Cluster performance highlights

Flagship Programme	Performance Achievement
<i>Urban water management</i>	The year's percentage of unaccounted for water (UFW) was at 32.4 %.
	Meter reading performance increased to 86.32%.
	Drinking water quality recorded at 99.9% (target: 99%) and the overall final treated effluent quality recorded at 93.3% (target: 97%).
	BBBEE recognition target of 75% for this service area was exceeded, with an achievement of 92% (R288.8 million) and percentage spend on Qualifying Small Enterprises (QSE) and Exempted Micro Enterprises (EME) suppliers was 115% (R50.3 million) against a target of 60%.
	Unplanned water service interruptions response times recorded at 84.16% (target: 91%) and sewerage blockages emergency response times recorded at 95.26% (target: 95%).
	Joburg Water provided water services LOS-1 (communal standpipe within 200m), with performance at 98.10% against a plan of 98.05%.
	Installation of 27 091 solar water heaters (geyser) in Alexandra, Devland, Lehae, Pimville, Pennyville, Tshepisoong and Vlakfontein.
	Installed 5 343 public lighting units during the year.
	A total of 3 307 households have been electrified during the financial period.
<i>Integrated waste management</i>	Pikitup remained within the target of maintaining the 123 informal settlement areas at the multiple days per week schedule, and increased the service to 133 informal settlements during the last quarter of 2012/13.
	22 Hostels were cleaned on a regular basis during the year and were able to maintain a 'Level 3' cleanliness ranking.
	Pikitup achieved 53.62% on landfill compliance and 68% for operational sites.
<i>Greenways and mobility</i>	Rea Vaya services reflected a reliability of fleet and performance according to schedule. However, labour instability affected overall numbers of passengers transported. An average of 35 953 Rea Vaya passengers were transported per day during the year.
	4.92 km of roadways and 4 stations completed on Phase 1 and 2 of Rea Vaya infrastructure project.
	16 489 457 Passengers were commuted by Metrobus during the year.
	Gravel roads were upgraded to surfaced standards in Braamfischerville, Diepsloot, Ivory Park and Orange Farm.
	Open storm water drains were converted to underground systems in Braamfischerville, Diepsloot, Alexandra and Orange Farm. Designs were drafted for the rehabilitation of Naledi bridge, New Canada and Emmarentia Dam.
<i>Shift to low carbon infrastructure</i>	Completion of Phase 1 of the City's Spatial Development Framework.
	A 12% reduction of E.coli was achieved for the review period. The majority of monitoring is done in indigent communities to ensure good quality of surface water.
	Six waste buy back centres were established and achieved an 8% diversion of waste destined for landfills.
	The City accumulated 88 987 Verifiable Emission Reductions (VERs) from the 'landfill gas to energy' project at two landfill sites, namely Marie Louis and Robinson Deep.
	In terms of monitoring environmental compliance of flagship projects (Alexandra Renewal Project, Cosmo City and Gautrain) the City achieved an environmental compliances rate of 93.75% during the year (2011/12:94.6%).
<i>From Informal settlements to sustainable human settlements</i>	3 470 Mixed income housing opportunities were delivered

Future outlook

The City faces a number of spatial challenges arising from our legacy of the apartheid era and its spatial planning. This has led to urban sprawl, traffic congestion and the high cost of transport particularly for poor communities who are forced to live on the periphery of the city and far from centres of work and learning. Traffic congestion is exacerbated by the predominance of private cars and a City form shaped by the prioritisation of private car users.

The City will continue to roll out the BRT to its identified strategic transit oriented development (TOD) nodes and corridors, including the upgrading of station precincts. We envisage a City of low carbon emissions and endeavour to reduce energy demand, decrease greenhouse gas emissions and enhance energy security for the future. The City of Johannesburg is ranked amongst the largest emitters of greenhouse gases in South Africa. With the short-term interventions, waste will be converted into an economic resource. The City will continue to deliver on its mandate of sustainable integrated waste management services whilst introducing a shift towards addressing the imperatives of the GDS 2040. The City will lead

its citizens to implement 'separation at source' projects across the City, and communities will be mobilized to sort waste at a household level as a first step towards overall waste reduction and the creation of a clean city.

Sustainable services cluster performance against annual planned targets of the SDBIP



Please see detailed commentary on performance against SDBIP targets for the Sustainable Services Cluster in the Integrated Annual Report (Book 2) on page 119 available on www.joburg.org.za and at all Regional Offices.

IDP Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
Greenways and mobility	Roll out of Rea Vaya	45 000 Passengers per day on Phase 1A of the Rea Vaya BRT system.	<p>Annual target partially met.</p> <ul style="list-style-type: none"> An overall annual average of 35 953 passengers carried per day. The under achievement is attributed to external pressures such as the number of strikes experienced – including the three weeks national bus driver strike during the fourth quarter, which lasted for longer than envisaged. (Figure to be confirmed)
Greenways and mobility		<p>Original approved target Phase 1B completed and Phase 1C planned.</p> <p>Revised approved</p> <ul style="list-style-type: none"> 4.92. Km Phase 1B 4 Stations constructed 4 Stations (as per list attached) and 100 % depot completed (Dobsonville depot for Rea Vaya phase 1B completed) 134 Buses purchased 	<p>Annual target partially met.</p> <ul style="list-style-type: none"> The annual target on both the roadways, stations and depot was achieved. 4.92kms of roadways and 4 stations completed. Improvements underway in preparations for Phase 1B operations during second quarter of 2013/2014 Financial Year. 1 Depot (at Dobsonville) completed. On the 134 buses purchased: Significant progress was achieved: Buses have been ordered and a prototype bus was inspected. Negotiations with affected operators although not concluded are on-going. Delays of the delivery of buses due to the change in the bus requirements to include local content towards job creation.
		<ul style="list-style-type: none"> Phase 1C Sustainability study and business plan completed¹. 	<p>Annual target partially met.</p> <ul style="list-style-type: none"> The Rea Vaya phase 1C sustainability study was completed. Consultation with various stakeholders both internal and external on the findings of the study has commenced. Phase 1C business plan not completed.

IDP Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
	Public transport Facilities	Facility completed ² .	Target not achieved. <ul style="list-style-type: none"> By the end of the financial year, the facility was still under construction and was not completed on targeted date. The delays caused by contractor cash flow problems.
Shift to low carbon economy	Improve network performance and quality of supply and service (Improve restoration times, reduction in unplanned outages, improvement of network health) ³	11.7 Minutes System Average Interruption Duration Index.	Target not achieved. <ul style="list-style-type: none"> This is as a result of cable theft; the City continues to work with JMPD, SAPS and relevant communities in dealing with cable theft.
		3.08 Average number of interruptions per customer interrupted per year.	The annual target not achieved. <ul style="list-style-type: none"> An average of 4.78 interruptions per year was achieved. This is also mainly related to cable theft as indicated above.
		368 Minutes Customer Average Interruption Index.	Target achieved. <ul style="list-style-type: none"> 280 Minutes was recorded as the average interruption index for customers' year to date.
		1.2 Average number of interruptions per customer interrupted per year	The annual target achieved. <ul style="list-style-type: none"> 0.06 Is the average number of interruptions per customer interrupted per year.
		70:30 Planned maintenance and unplanned maintenance.	The annual target partially achieved. <ul style="list-style-type: none"> Year-to-date: 64:36; planned maintenance was 64% while unplanned maintenance was 36% vs. a target of planned maintenance of 65% and unplanned maintenance of 35%
	Diversification of energy sources (waste to energy, landfill gas to energy, fuel conversion)	Waste to energy – EIA study done. Fuel conversion study and one pilot.	Target partially achieved. <ul style="list-style-type: none"> Waste to energy feasibility study completed. Landfill gas to energy feasibility study completed. Fuel conversion feasibility study completed and Draft feasibility for fuel conversion and diversification.
	Roll out of solar water heaters in RDP homes (reduction in carbon emissions)	20 000 Solar water heater installed in Alexandra and various regions.	Annual target achieved and exceeded. <ul style="list-style-type: none"> 27 091 Solar water heaters were installed for the year.
	Meter roll out (relief in tariffs, Smart City, reduction in accounted for electricity losses)	20 000 Smart meters installed.	Annual target not met. <ul style="list-style-type: none"> 19 598 Smart meters have been rolled out.
Urban Water Management (reduce water demand, curb water losses, reduce UFW - secure water supply)	Demand Side Management: unaccounted water.	Unaccounted for Water < 34% 37% (for Soweto deemed areas)	Annual target achieved and exceeded. <ul style="list-style-type: none"> Unaccounted for Water 31.4 %.
	Demand Side Management: pressure management and retrofitting	20 000 ML volume of water demand reduced.	Annual target not achieved. <ul style="list-style-type: none"> The set annual target of a 20 000 ML volume reduction of water demand was not achieved; year to date an increase of 12 583 ML volumes of water was experienced. City will undertake aggressive awareness and education campaign to promote water savings

¹NF12: Corronationville Station, NF006: UJ Sophiatown Station, CBD21: Park Station, NF17: Noordgesig Ext Station.

²One (1) Public Transport Facility (Roodepoort Rank 5) constructed and completed (similarly not specific, how will we know that 100% has been achieved and how it will be verified).

³City Power implementing an international tool which is not giving the ideal envisaged outcomes.

IDP Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
	New and expansion of treatment works	100% Roll-out of WWTW Expansion annual plan.	Annual target not achieved. <ul style="list-style-type: none"> The set annual target of a 100% roll-out of the 'WWTW Expansion' annual plan was not achieved, but should be concluded in the 2013/14 financial year.
	Improved water quality of rivers	4% Reduction of E. coli count.	Target achieved. <ul style="list-style-type: none"> A 12% reduction was achieved for the financial year.
	Management of impoundments	100% Rehabilitation of urban impoundments (Zoo Lake and Orlando Dam)	Annual target partially achieved. <ul style="list-style-type: none"> Zoo Lake: the project is still at procurement stage, but procurement for implementation will take place in the next financial year. Orlando Dam: target achieved clearing alien vegetation and planting of indigenous plants and Fencing off the wetland and installation of signage.
	Implementation of sustainable urban drainage system (SUDS) principles for new developments.	60 Developments where urban drainage system (SUDS) principles have been adopted.	Target achieved and exceeded. <ul style="list-style-type: none"> Actual performance recorded was 84 developments where urban drainage system (SUDS) principles have been adopted for the financial year.
	Development of Sustainable Urban Drainage System guidelines	100% Completion.	Target achieved. <ul style="list-style-type: none"> 100% Development of Sustainable Urban Drainage System guidelines.
Integrated Waste Management	Waste diverted from landfills: Reduce, reuse, recycle and reclaim (Community participation in separation at source – SLA's with PPP's)	<ul style="list-style-type: none"> 99 517⁴ Tonnes of dry recyclable waste diverted from landfill sites. 80 000 Green waste tonnes diverted. 	Annual target partially met. <ul style="list-style-type: none"> The targeted total for waste diverted from landfill sites as at the end of year was not achieved. However, total waste diverted - through City and Industry interventions was 88 934 tonnes out of 1 163 941 tonnes amounting to an 8% diversion for the financial year. Green waste diverted was 23 356; lower than target of 80 000 due to challenges with compost plant during period under review.
	Construction of buy-back centres, drop-off centres and garden sites (sorting facilities)	3 Buy-back centres/garden sites	Target achieved. <ul style="list-style-type: none"> 4 Garden sites upgraded: Allie Street, Meredale, Migson Manor and Randburg are operational. 5 Buy back centres conceptualized and designs completed in the 2012/13 financial year to be constructed in 2013/14 financial year: Diepsloot, Protea North, Mapetla Chiawelo and Orange Farm⁵.

⁴Targets are indicative and they will be verified through a survey.

⁵ The development plan requires land to be allocated, lease agreements to be concluded, designs to be completed before construction takes place. Capital funding has been allocated in 2013/14 to construct the facilities as well as the design for further facilities indicated in phase 2 of the project.

Economic Growth Cluster



Sandton City

155 properties transferred through the Land Regularisation Project in Soweto, Orange Farm, Ivory Park and Alexandra.

3 967 SMMEs supported through the SMME development programmes.

21 SMMEs mentored for a full calendar year in partnership with the Gauteng Enterprise Propeller.

900 Kilometres of fibre optic cable rolled out as part of Joburg's Broadband Network project

36 588 work opportunities created through the Expanded Public Works Programme - up from 35 149 in 2011/12.

8 987 Verifiable Emissions Reductions

8% diversion of waste to landfill up from 7%



An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens



Please see detailed commentary on the Economic Growth Cluster in the Integrated Annual Report (Book 2) on page 80 available on www.joburg.org.za and at all Regional Offices.

Overview of the Economic Growth Cluster

There are major economic opportunities that come with a transition away from a carbon-intensive economy to a sustainable economy. Within Johannesburg the Economic Growth Cluster is mandated to lead the City in the pursuit of its vision of an inclusive, job-intensive, resilient competitive economy. In so doing, it must also champion the City's approach in transforming the economy of Johannesburg and in addressing the triple challenges of unemployment, poverty and inequality. We view our transition to a sustainable Johannesburg not as an environmental policy but as a blueprint to economic prosperity.

Johannesburg's socio-economic profile makes it imperative for us to prioritise programmes that increase job opportunities,

improve skills within our communities, reduce the cost of doing business and improve business competitiveness. While Johannesburg has unemployment levels that are below the average rate of unemployment in South African metropolitan cities, the City places particular emphasis on job creation to further reduce unemployment. Unemployment statistics in Johannesburg were recorded at approximately 25% in 2011, down from 29.6% in 2001. Using the broader definition that includes discouraged workers, the rate is pushed to above 30% in 2011. Youth unemployment remains a major challenge both nationally (above 35%) and for the City.

The Department of Economic Development (DED) is the 'command centre' for economic growth in the City, working proactively in collaboration with other key stakeholders such as the private sector, civil society, other City Departments, Municipal Entities (MEs), and other spheres of Government. At the same time it capitalises on the City's own economic levers such as City-owned assets and other indirect instruments to leverage and stimulate both local and foreign investment.

During our Integrated Development Planning (IDP) process we responded to these challenges by prioritising the following programmes that reflect our commitment to reduce unemployment, poverty and inequality.

Multi-level skills development



Waste management initiatives provide opportunities for informal employment

Multi-level skills development comprises of the Jozi Skills Hub and Expanded Public Works Programmes (EPWP). To address skills shortage we established the LMID website-based system to assist jobseekers with placement in different economic sectors. We set out with an annual target for facilitating 1000 job placement. However, the target was revised at midyear to 500. By the end of the financial year the cluster facilitated a total of 794 job placements in the Tourism sector alone.

Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) initiative is our flagship programme to reduce unemployment and alleviate poverty by facilitating on-the-job training. In 2012/13, we set out to create a total of 35 000 work opportunities. At the end of the financial year, the total number of employment opportunities created during the year was 36 588, surpassing the planned target by 1 588 work opportunities.

Leveraging city-owned assets

Our flagship initiative to transformation the Inner City through the Inner City Property Scheme (ICPS) has enabled us to acquire eight properties, either through abandonment, expropriation or prescriptions. During 2012/13 we initiated developments covering at least 10 properties previously awarded for ICPS1 and created employment by directing construction work to Broad Based Black Economic Empowerment (BBBEE) service providers.

Transfer of properties to intended beneficiaries

We recognise the significant demand for transferring properties to rightful owners in the Greater Soweto area, Greater Orange farm, Ivory Park and Alexandra. We are also cognisant of the complex process and legal challenges associated with the facilitation of a single transfer. Such challenges result in transfers taking longer than expected. We set out to transfer 150 properties in the 2012/13 financial year and transferred 155 properties to targeted beneficiaries despite these challenges.

Mixed development projects

Through the Economic Growth Cluster, we aim to support the development of a dynamic entrepreneurial spirit, competitiveness and innovation within our city's formal and informal economic sectors, as well as promote economic development through increased investment in SMME support. This entails creating partnerships to provide city-wide enterprise development and support. A total of 3 967 SMMEs were supported through our SMME programmes, including informal traders assisted with trading licences, and 21 SMMEs mentored for a full calendar year in partnership with the Gauteng Enterprise Propeller. The Department also facilitated funding for the Soweto Energy SMME Incubator to the value of R27 million from the Eskom Foundation and the Department of Trade and Industry.

Performance highlights

Table 10: Economic Growth Cluster performance highlights

Flagship Programme	Performance Achievement
Sector diversification and competitiveness	3967 SMMEs supported through SMME development programme 27 million spent to support Soweto Energy SMME Incubator
Reduce unemployment	794 job placements in the Tourism Sector. 36 588 work opportunities created
Optimal use of the City's assets	More than 150 properties transferred to beneficiaries (Soweto, Orange Farm, Ivory Park, Alexandra) Broadband infrastructure layout also completed (over 900 km) as planned across the City.



Executive Mayor of Joburg, Clr Mpho Parks Tau opens the door to a better quality of life for a Kanana resident in Orange Farm as he receives the keys to his new home.



Economic Growth Cluster performance against annual planned targets of the SDBIP



Please see detailed commentary on performance against SDBIP targets for the Economic Growth Cluster in the Integrated Annual Report (Book 2) on page 136 available on www.joburg.org.za and at all Regional Offices.

IDP Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
Sector diversification, productivity and competitiveness support	Green Infrastructure and Manufacturing Strategic Framework and Implementation Plan	Original approved target Framework and Implementation plan developed. Revised approved target 100% Completion of the Framework and Implementation plan	Target not achieved. <ul style="list-style-type: none"> The economic strategy and framework (which identifies city wide projects) is 95% completed. The 5% outstanding is the submission to relevant structures for approval.
	The Joburg Broadband Network project	Original approved target 920 Kilometres of fibre optic cable rolled out (cumulative target). Addition to the original target Number of jobs created over a 6 month period.	Target partially achieved. <ul style="list-style-type: none"> 900 Kilometres of fibre optic cable has been rolled out during the period under review. A total of 197 jobs were created (cumulative jobs created is 2581).
Leveraging on City-owned assets	Transform the Inner-City through implementation of the Inner City Property Scheme (ICPS)	Original approved target 20 Properties acquired for the transformation of the Inner-City and launch of ICPS II. Revised approved target <ul style="list-style-type: none"> Acquire 8 additional land/properties for ICPS. Get investors to initiate developments covering at least 10 properties in the 30 previously awarded properties for ICPS I and create job opportunities. 	Target achieved. <ul style="list-style-type: none"> A total of 8 properties have been acquired during the period under review. Commenced with development on the 10 properties that were previously awarded for ICPS I.
	Land regularisation project - Transfer properties in the Greater Soweto Area, the Greater Orange Farm Area, Ivory Park and surroundings as well as Alexandra	Transfer 150 properties to beneficiaries.	Target achieved. <ul style="list-style-type: none"> A total of 155 properties were transferred for the current financial year.
	Mixed development projects	1 085 Jobs created.	Target achieved. <ul style="list-style-type: none"> A total of 1 949 jobs were created during the period under review.

IDP Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
Multi- level skills development	Jozi Skills Hub	Original approved target 1 000 Job placement facilitations. Revised approved target 500 Job placement facilitations.	Target achieved. <ul style="list-style-type: none"> A total of 794 placement opportunities were facilitated in during the current financial year.
	Coordinate implementation of Social, Infrastructure, Environment and Culture Sector labour intensive projects	35 000 New work opportunities created citywide.	Target achieved. <ul style="list-style-type: none"> Total work opportunities created for the year is 36 588 against the annual target of 35 000.
Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment through SMME support	Create partnerships to provide Citywide enterprise development and support for SMME	Original approved target 12 000 SMMEs supported. Revised approved target 750 SMMEs supported.	Target achieved. <ul style="list-style-type: none"> A total of 3 967 SMMEs were supported in the current financial year.

⁶ 2012/16 CBP Concept, Region E Stakeholder Consultation, Region E Ward Plans, Region E CBP Pilot Case Study, 2013/14 CBP Citywide Implementation Plan

⁷ Implementation refers to piloting of the charter, confirmation of adherence to standards, finalising charter and customer charter launch as per quarterly targets.

⁸ Community Outreach to 65 wards to promote responsible active citizenry and sustainable urban governance.

Human and Social Development Cluster



Soweto Theatre

The “Ijozi Ihlomile” health programme expanded to 30 additional new wards across the City. A total of 1 697 244 people reached with face to face education.

The Johannesburg 10+ project implemented toward creating safer communities.

72% reduction in illegal advertising.

678 adults and 356 children were removed from streets and placed in shelters.

1 782 Individuals participated in small-scale poverty alleviation projects.



Improved quality of life and development-driven resilience for all



Please see detailed commentary on the Human and Social Development Cluster in the Integrated Annual Report (Book 2) on page 86 available on www.joburg.org.za and at all Regional Offices.

The Department of Community Development provides services and programmes with respect to sport, recreation, arts, culture, heritage, libraries and information services. The Department also provides access to various community-based facilities, ranging from multi-purpose centres, sporting grounds, museums; as well as other public space enhancements, such as public art forms and monuments.

- 460 000 People accessed museums, galleries and art centres across the city.
- 7 129 049 People utilised libraries.

Johannesburg is widely considered to be one of South Africa’s most vibrant and diverse cultural centres.

Overview of Human and Social Development

The Human and Social Development Cluster integrates the work of several city departments and entities that take strategic and practical lead from the City’s constitutional mandate of promoting social development and upliftment of its residents. Reflecting on these goals, the mandate of the Human and Social Development Cluster is to:

- Transform the poorest communities, reducing inequalities by addressing imbalances in access to income and economic opportunities access to social infrastructure and access to services.

- Provide a robust and sustainable safety that seeks to uplift the working age and able bodied to self-sufficiency while enabling a basic level of care for the vulnerable.
- Raise the level of social cohesion across the City decade on decade.
- Improve the total health profile of the City.
- Improve the total public safety profile of the City.
- Strategic management of public space to increase positive social contact and combat social problems.
- Mobilising the private sector and civil society to act in positive and transformative ways that are aligned to the City's goals.
- Reducing risks faced by citizens and the burden on the city by ensuring as far as possible that all sections of the public understand the dangers they can bring upon themselves and their communities through their lifestyle, their behaviour and their failure to follow the city's by-laws.
- Deploying programmes and interventions that promote literacy and enable people of all age groups to get the most out of the education options available, working with low-literacy adults as well as learners and children attending early childhood development (ECD) programmes within the City's boundaries.

During the year, this translated into a commitment to improve social as well as health and safety conditions city wide. Emphasis was placed on poverty alleviation and a strong push to promote social inclusion and self-sustaining transformation. Johannesburg is achieving this through a combination of the following strategies:

- Smartly integrated services using technology to link city staff, NGO's and the private sector into a common and efficient system which can respond to specific issues quickly and effectively.
- Enforcement that is progressive and ultimately transformative rather than simply reactive.

Performance highlights

Table 11: Human and Social Development Cluster performance highlights

Flagship Programme	Performance Achievement
Addressing poverty and dependency	678 Adults and 356 children were removed from the streets and placed in shelters and/or provided with other assistance to become more self-sustained. 1 782 Individuals participated in small-scale poverty alleviation projects.
Community development, cultural diversity	7 129 049 People utilised libraries; 400 956 people utilised sport and recreation centres; 460 000 people accessed museums, galleries and art centres across the city. The 2012/13 phase of Orange Farm Library Project was completed.
Healthcare	The "Ijozi Ihlomile" programme was expanded to 30 additional new wards across the City and a total of 1 697 244 people were reached with face to face education.
Environmental health	30 primary schools had access to Integrated Environmental Education programmes 688 'blitzes' carried out to control rodents in 404 hot spots
Policing	5 341 arrests for drinking and driving, 13 arrests for possession of illegal firearms, 116 arrests for possession of illegal drugs, and 50 arrests for possession of stolen vehicles. Compared to the previous year (2011/12), the Inner City experienced a decrease of 268 (-13%) assaults and an increase of 189 (60%) in robberies. This resulted in a total decrease of 79 (-3%) in assaults and robberies. Policing around by-laws resulted in 8 486 fines for illegal street trading, 1 399 fines for illegal dumping and littering, 2 531 fines for illegal electricity connections, and 1 446 fines for illegal advertising. Key operations implemented to improve compliance to traffic regulations and improve traffic management resulted in 58 074 fines issued for driving without valid driver and vehicle documentation, 723 691 for moving violations, 119 928 for vehicle roadworthiness, and 3 471 568 for speeding.
Food security	A programme promoting food security was rolled out during the year with the aim of combating hunger and addressing chronic lifestyle diseases resulting from poor dietary habits and the lack of physical activity.



Soccer city



Human and Social Development Cluster performance against annual planned targets of the SDBIP



Please see detailed commentary on performance against SDBIP targets for the Human and Social Development Cluster in the Integrated Annual Report (Book 2) on page 141 available on www.joburg.org.za and at all Regional Offices.

Key Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
A safe, secure and resilient city that protects, serves builds and empowers communities	A safe, secure and resilient city: Promoting social cohesion through access to common social spaces and common cultural opportunities	10 Developments in open spaces (parks) constructed.	<p>Target achieved and exceeded.</p> <ul style="list-style-type: none"> Developments were constructed in 13 open spaces as follows: 8 Parks, 1 cemetery and 3 in road islands as a beautification project. The immediate community residing within the parameters of the facility is served by the developments (parks, road islands). Between +/-500 to 2 000 community members access the facility on day-to-day basis. Cemeteries: The greater Johannesburg population will be served by the facility.
		2 New public spaces developed to increase and maintain the cultural capital.	<p>Target achieved.</p> <ul style="list-style-type: none"> Public art was installed in 2 public spaces as outlined below: <ol style="list-style-type: none"> Revitalisation of Westgate Precinct (the old Ferreirastown). New artwork installed opposite Chancellor House, public space upgraded, and street furniture introduced. Back to the city: development of open spaces in Newtown Mary Fitzgerald Square. Artwork/ murals to revitalise the spaces.
		1 Programme across all regions.	<p>Target achieved.</p> <ul style="list-style-type: none"> 1 Programme was implemented in terms of Regional carnival camps across all Regions in December 2012.
		2 Public performances supported through the public spaces programme.	<p>Target achieved.</p> <ul style="list-style-type: none"> 3 Performances were supported as follows: 1) Joburg Arts Alive; 2) Joburg Carnival; 3) Africa Day celebration.

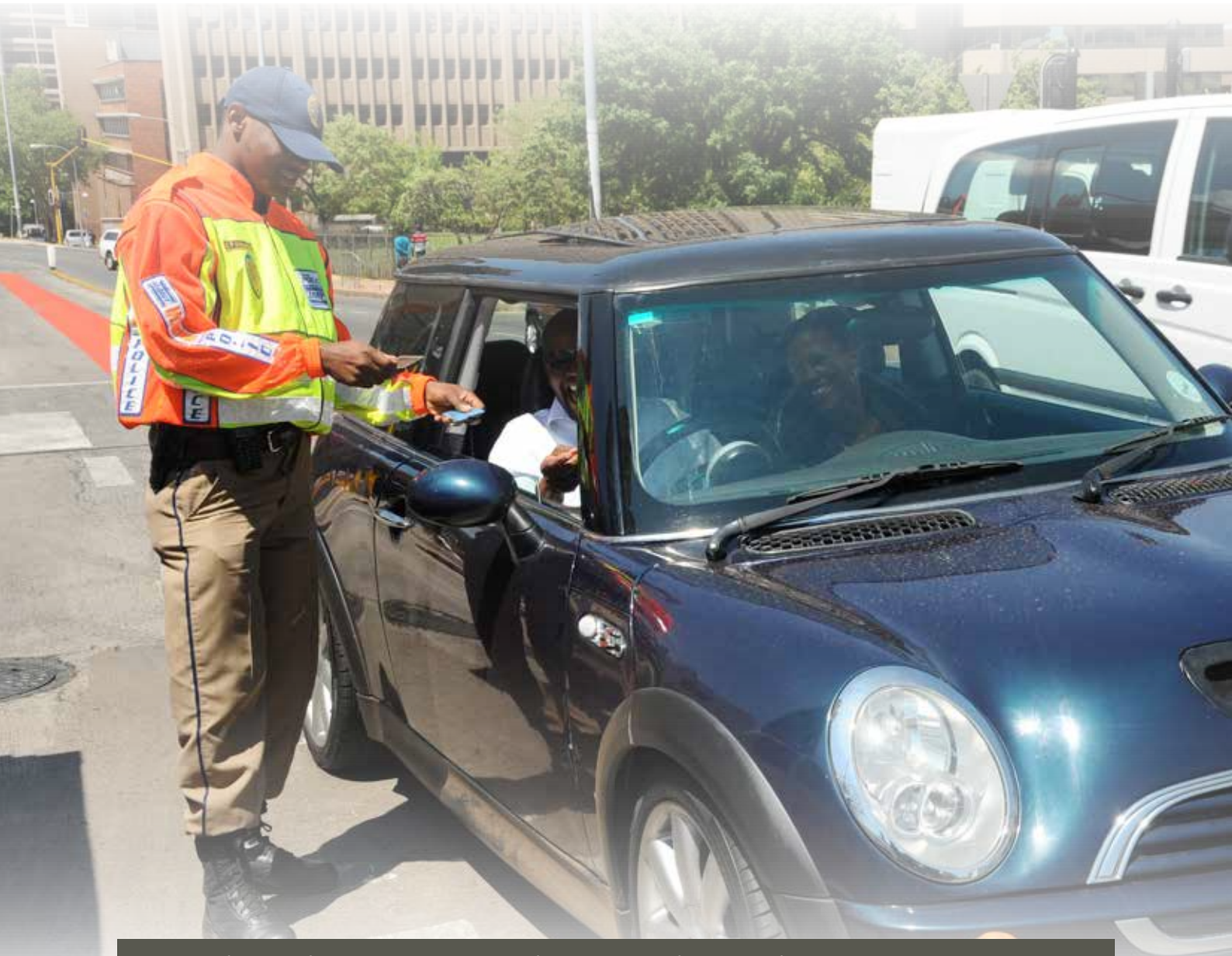
Key Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
	A safe, secure and resilient city : Promoting social cohesion through dialogue, engagement and outreach	1 000 Senior citizens participating in day care centres.	Target achieved and exceeded. <ul style="list-style-type: none"> A total of 1 251 senior citizens were assisted. The Day Care for Senior Citizens provides: Fitness and recreational programmes; a family support programme, a care and support programme, social security and extended social services packages.
		10 (2 new) old age centres supported with chronic medication health promotion and Environmental health system (EHS).	Target achieved. <ul style="list-style-type: none"> A total of ten old age homes and elderly day care centre are supported with chronic medication, health promotion and EHS.
		7 Sites established for women empowerment.	Target achieved. <ul style="list-style-type: none"> The Women Empowerment Zones are located as follows: Region A: Hikhensile Social Development Centre; Region B: Randburg Techno Centre; Region C: Cosmos City Skills Development Centre; Region D: Meadowlands Welfare Centre; Region E: Paterson Park; Region F: Bertrams Skills Centre; Region G: Poortjie Skills Development Centre.
		5 Projects socially or economically empowering women.	Target achieved and exceeded. <ul style="list-style-type: none"> 6 Projects were supported as follows: <ol style="list-style-type: none"> SA National Women's Development Co-op (Mothers of the Nation): offered use of space at Orchards project and linked the women supported with The Business Place for business planning and financial training. The Directors of the women's co-op received training at the Orchards centre by The Business Place. Supported female artist Usha Seejarim with her solo exhibition at the Joburg Art gallery. Supported women artist and photographer, Iris Dawn Parker to exhibit her "Quotidian life" exhibition at Museum Africa as part of the support for female artists programme. Supported Art with Heart Africa by providing free office space at the Worker Museum. This organisation has now moved from the museum to the vacant Joburg Artbank building so the support continues. Through the 2012 Arts Alive programme, we supported 253 female artists. Supported Phumzile Buthelezi with her exhibition at Worker Museum by providing free space, curatorial support and financial support for the framing of the artworks in the exhibition.

Key Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
		5 Africa Day counter xenophobia programmes.	<p>Target achieved and exceeded.</p> <ul style="list-style-type: none"> 7 Programmes implemented as part of Africa Day include: <ol style="list-style-type: none"> 1. Ubuntu Cup – participating schools from 7 regions. Schools teams representing African countries. Using soccer as a vehicle to counter xenophobia. Held at Bezuidenhout Park in Region F with 1 000 participants. 2. Mamas and Papas – held at the Zoo, on 26 May 2013. 3. New Africa Movement Art Exhibition displays at Museum Afrika as part of Africa Day. 4. Indigenous Music Festival - held in partnership with Jazz and Indigenous Music Incubator (JIMI) to support the development of indigenous music. The festival was held at Soweto Theatre on 25 May 2013. 5. Indigenous Reading Programme – held at the City's libraries in celebrating the Africa Month. Books in African languages being read. 6. Africa History Work in May to commemorate Africa Day. 7. World Refugee Day was celebrated. The events were coordinated in partnership with stakeholders that are active participants in the JMAC and JMAP.
	A safe, secure and resilient city : Empowering and supporting learners	2 200 (Revised to 1 200 ECD practitioners accessing accredited training).	<p>Target not achieved.</p> <ul style="list-style-type: none"> As of the end of the 4th quarter a total of 919 practitioners had been trained. The training covered the following areas: <ol style="list-style-type: none"> 1. ECD Level 4 by Gauteng Department of Education. 2. Training on Nutrition – Adill Institute.
		450 ECD facilities empowered through educational and skills development support.	<p>Target achieved.</p> <ul style="list-style-type: none"> A total of 493 ECD facilities were supported. The ECD centres are assessed using an assessment tool measuring them from level 1-4. The centres are then assisted as per their needs and progressively moved to the next level.
		800 ECD facilities provided with education on by-law enforcement and compliance.	<p>Target achieved.</p> <ul style="list-style-type: none"> 800 Facilities were provided with education on by-law enforcement and compliance. The number compliant facilities inspected is derived as follows: <ul style="list-style-type: none"> 200 Inspections on facilities were targeted per quarter and were all achieved.
		2 Libraries with public access to ICT, procurement of equipment and furniture for libraries.	<p>Target achieved.</p> <ul style="list-style-type: none"> 2 Libraries were connected to internet, namely; Orlando East and Johannesburg Central Library. The implemented of ICT panned out as follows: <ul style="list-style-type: none"> LIS procured 315 (thin client laptops) for the 20 libraries. A user survey has been done at Orlando East Library. Updated landing pages with eLearning content. Training of staff and community members on E-learning.

Key Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
		3 Programmes with 13 projects to increase functionality through reading development, community literacy and education, and information literacy programmes.	<p>Target achieved.</p> <ul style="list-style-type: none"> 3 Programmes with 13 projects implemented across City's libraries as follows: <ol style="list-style-type: none"> Reading Development Programme; Ready to Read, Battle of the Books, Story Skirmish and Indigenous reading programme.(4 projects) Community Literacy Programme; Computer based literacy, Traditional literacy/ABET and family literacy. (3 projects) Education and Information Literacy Programme: Science scuffle, Homework assistance (information literacy), School Support, Study and Reference Support and Thematic displays and business information Literacy (6 projects).
A safe, secure and resilient city: Changing behaviour to reduce years of life lost		<p>Original approved target 1 Additional fully functional BESAFE centre.</p> <p>Revised target Maintain the 7 existing BESAFE centres.</p>	<p>Target achieved.</p> <ul style="list-style-type: none"> A deviation was submitted and approved by Council since there was no funding for an additional BESAFE centre and all 7 pre-existing BESAFE centres were maintained throughout the fiscal year. The 7 BESAFE centres maintained throughout the fiscal year are located as follows: <ol style="list-style-type: none"> Region A – Alexander and Ivory Park Region C – Florida Region D – Dube and Jabulani Region F – Berea Region G – Orange Farm Areas related to safety dealt with by/in the centres include: <ol style="list-style-type: none"> By-law education/awareness First Aid Community Emergency Responds Risk Awareness Learn not to burn Risks identification Disaster Preparedness Drug Abuse Awareness School Emergency Response Disaster Evacuation Building codes/standards awareness.
		5% Reduction in assaults and robberies in CCTV coverage areas.	<p>Target not achieved.</p> <ul style="list-style-type: none"> For the 2012/13 financial year 2 263 assaults and robberies were responded to. This resulted in a 3% reduction.
		10% Reduction in physical and social disorder issues.	<p>The target has been achieved and exceeded.</p> <ul style="list-style-type: none"> There was a 72 % and 68% reduction in illegal advertising and illegal dumping/waste management respectively.
		20% Reduction in road fatalities within the City.	<p>Target achieved.</p> <ul style="list-style-type: none"> There has been a 20% reduction in road fatalities.

Key Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
		14 Community oriented primary care pilot sites established.	<p>The target not achieved.</p> <ul style="list-style-type: none"> 11 Community oriented primary care pilot sites are functional with trained team leaders and Community Health Workers. 11 Sites are functional in the following wards: <ol style="list-style-type: none"> 1. Region A-Ward 96 2. Region B-Ward 69 3. Region C-Ward 114 4. Region D-Wards 39, 42, 51 and 52; 5. Region F-Wards 56 and 60 6. Region G-Wards 4 and 5
A City where none go hungry	Intensive small-scale urban agriculture support : Establishment of Agri resource centres and linked EPWP training programmes	7 Agri resource centres established.	<p>Target not achieved.</p> <ul style="list-style-type: none"> 6 Agri resource centres were established. <ul style="list-style-type: none"> Region A: Ivory Park: Hikhensile and Diepsloot Skill Development Centre; Region C: Itsoseng Informal Settlement and Tshepisoong- Vlakfontein phase 7; Region G: Orange Farm Skills Centre and Poortjie Skills Centres.
		7 Linked EPWP programmes on training sites.	<p>Target achieved.</p> <ul style="list-style-type: none"> The Department of Social Development works through the Community Works Programme funded by the Province in the Regions A, C, and G – with a number of participants involved in agriculture initiatives. The programmes are situated as follows: <ul style="list-style-type: none"> Region A (Lord Khanyile and Diesploot Youth Centre); Region C Witpoortjie Skills Centre; Region G (Finetown and Orange Farm Skills Centres). A number of participants registered in the Expanded Social Package ESP.
	Hub and spoke support for small-scale producers: Establishment of a hub and spoke support sites for intensive small-scale farmers	2 Hub-and-spoke support sites established.	<p>Target not achieved.</p> <ul style="list-style-type: none"> Orange Farm and Poortjie Skills Centres have infrastructure for the operationalization of the hub-and-spoke support sites e.g. cold room facilities. Farmers who are to utilise the hub-and-spoke facilities have organised into forums in both areas. In preparation they have also been exposed to the Joburg Market on the operation of packaging and storage facility. The farmers have also received a variety of training aimed at improving their knowledge of effective operations to supply the market.
	At scale industrial farms supporting food resilience systems: Establishment of commercial scale farming operations to support food resilience systems (with partner entities and organisations)	2 Pilot commercial farming operations established on city-owned land.	<p>Target not achieved.</p> <ul style="list-style-type: none"> The two targeted farms were the Northern Farm in Region A and Allanvale Farm in Region G. However none of the farms became functionally operational. However, in Region G an SLA was drafted to involve UNISA in the mentoring and incubation of small famers that will be part of the project in these large farms.

Key Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
	Food security and access	100% Completion of food security research.	Target achieved. <ul style="list-style-type: none"> Research was undertaken and a preliminary research report has been completed.
	Development of food gardens in deprived areas	2 Food gardens.	Target achieved. <ul style="list-style-type: none"> City Parks 2 food gardens developed in Regions A and G; Social Development, Target achieved. A total of 322 new food gardens have been developed for the identified households
	Exchanging food for waste	5 000 Households benefiting from exchange food for waste programme.	Target achieved and exceeded. <ul style="list-style-type: none"> 7 223 Households benefited. The partnering with Red Farmers has resulted in increased number of beneficiaries in targeted Regions A, C, G.



Our vision of Public Safety is to build a city where life, property and lifestyle are safe and secure, so that residents and businesses can live and operate free from crime, threats to public safety, personal emergencies and disasters.

Good Governance Cluster



Collected 92% of revenue billed

The City allocated 90% of its total capital expenditure for the 2012/13 financial, which is an improvement of 4% compared to the previous year.

Cash and cash equivalents increased to R5 401 407 from R2 220 393 in 2012

13% improvement in Net Assets position to R30.4 billion

3.4 billion net surplus

100% implementation of CBP in Region E



A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City



Please see detailed commentary on the Good Governance Cluster in the Integrated Annual Report (Book 2) on page 112 available on www.joburg.org.za and at all Regional Offices.

Overview of the Good Governance Cluster

We acknowledge that a city that cannot govern itself is not sustainable and recognise the role of governance in defining and making a transition to a more sustainable society by 2040. Governance matters not only as a critical system in itself but in enabling progress in our environmental, economic, and social systems. Sustainability requires that we maintain a balance between our environmental, economic and social systems, using sound governance as the critical enabling paradigm. For Johannesburg, effective governance is a set of capacities that facilitates sustainability in its broad dimensions. Therefore, we place particular focus on issues of participation, equity and transparency, critical dimensions of sustainability.

We consider good governance to be the fourth pillar of sustainability on par with environmental, economic, and social systems of sustainability. Governance enables the City to function and achieve the other sustainability imperatives. Values of efficiency, participation, empowerment, transparency, accountability and equity are central to our definition and analysis of sustainability. In this report we present Johannesburg's governance capacities, structures, and processes as they relate to sustainability.

We are committed to meeting the core expectations of governance — consultation and engagement — to implement collective decisions and provide basic services to sustain the ecological, social, and economic aspects of the concept of sustainability. Our understanding of governance in a sustainable organisation is demonstrated by our current political and administrative governance arrangements. This cluster has the following five outputs:

- An active and effective citizen-focused Gauteng City Region (GCR)
- A responsive, accountable, efficient and productive metropolitan government.
- A financially and administratively sustainable and resilient city.
- Meaningful citizen participation and empowerment.
- Guaranteed customer and citizen care and service.

The Good Governance Cluster, through its stated outputs above, envisages a future where the City will promote caring, responsive, efficient and progressive service delivery through a proactive developmental approach within its own metropolitan region and the GCR to enable both to reach their full potential as integrated and vibrant spaces.

Priorities include:

- A need to perform strategic reviews of the powers, function, structures and legislative environment impacting on a developing government in the face of citizens' growing expectations of service delivery, mobility and infrastructural development.
- A need for meaningful stakeholder collaboration, participation and engagement – extending to the provision of sufficient capacity and support to all stakeholders (including internal stakeholders, such as councillors and officials, and factoring uniformity of service delivery as well as differing community needs into the City's planning processes;
- A need to strengthen intergovernmental cooperation, especially within the context of Gauteng City Region (GCR).
- A need to build financial sustainability and resilience which require new approaches in procurement and contracting (translating as better value for money); long-term funding options; alternative funding sources and sound financial management practices.
- A need for a well capacitated, resourced and efficient organisation to enable a high performance culture and a continuous learning organisation.

Mandate and organisation of the cluster

The mandate of the Good Governance Cluster is informed by

the need to respond to the overarching challenges faced by the City, and the need to ensure financial sustainability, create institutional efficiencies, address negative public perceptions, promote a progressive corporate climate, and promote labour stability within the City of Johannesburg as a Group, all of which necessitate an institutional configuration which facilitates effective planning and delivery.

Citizen participation and empowerment



Stakeholder consultation

The Citizen Participation and Empowerment programme aims to democratise the City's planning and budgeting processes through the implementation of community-based planning and by managing customer and employee perceptions about the City's services through employee and customer education awareness programmes. Employees receive qualitative training on the City's delivery activities and desired standards as well as how to render professional services to customers.

The Revenue Step Change project supports citizen participation and empowerment by responding to customers' needs. While emphasis is on the customer, the project internally advances business process improvements. The following are the key outputs of the project:

- Customer centricity - the aim being to provide a wholesome customer experience citywide.
- Efficient and prudent response to customer queries.
- Providing concise customer feedback.
- Improving service delivery standards.
- Issuing accurate bills at predictable intervals.

Table 12: Good Governance Cluster performance highlights

Flagship Programme	Performance Achievement
A responsive, accountable, efficient and productive metropolitan government	Innovation and knowledge sharing: Annual Target of 100% implementation not fully achieved. However progress was made and three innovative projects were identified based on the set criteria. The three projects identified were the Outdoor Green Gyms: promoting healthy lifestyles in the City, Landfill Gas to Energy Clean Development Mechanism and the Bus Rapid Transit (BRT).
	Governance, Risk and Compliance: Group integrated assurance framework and combined assurance model completed. Implementation achievements to date (100%).
	Combined assurance and integrated planning for 13/14 completed (core admin); City-wide strategic risk analysis for 2013/14 performed
	Total of 19 Forensic Investigations completed in the core administration.

Flagship Programme	Performance Achievement
	Completed investigation and conducted follow-ups on disciplinary action relating to AGSA audit finding on SCM Section 44 non-compliance (officials doing business with the City).
	Fraud awareness and City's Code of Conduct awareness training in high risk departments, attended by 222 employees.
Financially and administratively sustainable and resilient city	Financial Sustainability: 92% of revenue collected from revenue billed – annual target achieved.
	Cash and cash equivalents increased to R5 401 407 from R2 220 393 in 2012
	13% improvement in Net Assets position to R30.4 billion
Meaningful citizen participation and empowerment	Community Based planning implemented 100% in Region E.
	130 Ward plans have been developed for all wards in the City of Johannesburg as originally planned. Ward plans include ward profiles and costed capital projects for individual wards.
	A Community Based Planning (CBP) pilot has been successfully completed in Region E and will guide comprehensive CBP implementation across the City. We also concluded a detailed case study to capture key learning's from this pilot as the intention is to replicate the CBP model in other regions within the City of Johannesburg.
	The Customer Service Charter was finalised and approved by the Mayoral Committee. Following the approval, the charter was widely distributed throughout the regions as well as electronically via the intranet and CoJ website. There are 57 Service Level Standards. Of the 57 Service Level Standards 25 have reached a 100% target. This translates to 41.07% and the departments and entities have committed to reach a 100% by August 2014.
	The City's Civic Education and Awareness programmes were enhanced, with more than 50 outreach programmes being undertaken and a total of 80 wards being reached.
	Enhancement of the Civic Education awareness: annual target exceed with a total of 80 wards reached against the projected 65 wards.

Future outlook

We will continue to refine our governance capability to ensure the long-term financial, environmental and social sustainability of Johannesburg. As a consequence, a core governance capacity of a sustainable city will be that of integrating cross-system policies through a comprehensive city-wide governance model that recognises our current configuration. We are confident that the City's ability to make strategic long-term policy decisions within a multi-system framework will define us as a sustainable and resilient City by 2040.

We acknowledge that the path to a sustainable future lies in preserving our natural capital – including our people, our natural resources and our intellectual capital – and valuing it more appropriately than in the past. We further acknowledge that our political cultural and institutional setting requires and supports widespread citizen engagement. The collective aspects of sustainability require expanded participation from the City's citizens to promote the collective realisation that a transition toward sustainability is in all our best interest.



Good Governance Cluster performance against annual planned targets of the SDBIP



Please see detailed commentary on performance against SDBIP targets for the Good Governance Cluster in the Integrated Annual Report (Book 2) on page 157 available on www.joburg.org.za and at all Regional Offices.

IDP Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
Citizen participation and empowerment	Community based planning and budgeting	130 Ward based plans developed.	Target achieved. <ul style="list-style-type: none"> 130 Ward based plans have been developed for all wards in the City of Johannesburg. These ward plans include ward profiles and costed capital projects that will be implemented within individual wards.

IDP Flagship Programme	Project/s	Annual targets	Achievement as 30 June 2013
		100% Implementation of Community Based Plan (CBP) in Region E .	Target achieved. <ul style="list-style-type: none"> The Community Based Planning pilot has been successfully completed in Region E and it will be able to guide comprehensive CBP implementation across the City. Included with CBP plans for Region E is Capex projects to be implemented in each ward; costed operational plans for each city Department and entity; and community identified initiatives.
	Implementation of customer services charter	Implementation of the customer services charter commitments.	Target achieved. <ul style="list-style-type: none"> The charter was finalised for piloting in the period under review. The charter was printed and widely distributed throughout the regions as well as electronically via the intranet and CoJ website. Relevant entities/Departments initiated implementation. There are 57 Service Level Standards, of the 57 Service Level Standards 25 have reached a 100% target.
	Enhancement of the civic education awareness programme	Civic education programmes in seven regions .	Annual Target achieved and exceeded. <ul style="list-style-type: none"> A total of 80 wards were reached against a projected 65 wards, covering all seven regions as per annual target.
	Ensure that Citizenship care is entrenched	Increased number of petitions submitted.	<ul style="list-style-type: none"> 300 petitions submitted. 25% resolved.
Human capital development and management	Group Human Capital governance Framework and strategy	1. 5% improvement on the employee climate survey rating	7 of the 8 interventions were concluded translating to 87% implementation of identified change interventions and therefore 87% achievement of the 100% projected annual target.
		Implementation of identified components of the Group Human Capital governance Framework and strategy	Annual target as set not fully achieved.
		22 HCM policies for the CoJ Group Developed and implemented	Policies have been developed, however reporting did not articulate actual number in relation to the 22 policies projected to be developed by year end.
		Implementation of the SHE compliance and monitoring programme for CoJ Group and Entities	SHE Scorecard was implemented by year end. Annual target fully achieved.
		Implementation of the fleet compliance contract as per the scorecard deliverables	Key milestones include the development and approval of fleet utilization policy framework, fleet optimization and renewal with key achievement s including accrual of R114 million fleet costs in FY12-13, 80% use of the new vehicles.
Financial Sustainability	Revenue Step Change	Original target 94% of revenue collected from revenue billed Revised target 92% of revenue collected from revenue billed	Annual Target achieved 92.5% (Annual)
Financial Sustainability		2.09:1 Solvency ratio	2.027:1
		36.7% Debt: Revenue	34.43%
		37.8% Remuneration: Expenditure	37.4% Remuneration: Expenditure
		4.3% Repairs and maintenance: Expenditure	2.2% Repairs and Maintenance: Expenditure
		4.9% Interest: Expenditure	4.5% Interest: Expenditure
		12.3% Net operating margin	22.79%
		25.7 Cash cover days	92.46 DAYS

Organisational development performance



Employee games women football

“Our employees are our greatest assets”

Operational performance overview

Our biggest asset is our employees who carry the responsibility of delivering our mandate to communities. To remain a leading City, we need to continue to invest in our people. They are the foundation and drivers for our success. We strive to create value by attracting, developing and retaining competent people. Through our Human Resources Management function we are committed to inspiring and growing our people through individual development and career management programmes and by recognising and rewarding performance excellence. We seek to provide a complete and innovative HR function that addresses skills development and enhances optimal administrative performance. We are firmly committed to recruiting from communities in which we operate while ensuring that we place a deliberate focus on developing a local skills base where this may not exist. Our human resources strategy has a vision of delivering professional, diverse and competent human capital for a world-class African City through the development of human resources in all aspects.

Vacancies and turnover

We successfully recruited 20 of the 22 Section 54A and Section 56 positions as well as CEOs/MDs for 10 of the 11 Municipal Entities. Processes are in place to recruit individuals for the remaining positions and will be concluded early in the 2013/14 year. The two outstanding positions under recruitment are the Group CFO and the Executive Director Public Safety. The Group CFO position was advertised twice in 2012/13 but a suitable candidate could not be identified due to scarcity of group financial skills. The recruitment of Executive Director: Public Safety could not be concluded in 2012/13 either as the report proposing the appointment was withdrawn at a Council meeting to clarify the status of the proposed candidate.

Our staff turnover rate was low at 3.57% in 2012/13 (excluding seasonal terminations). Our ability to attract and retain skills at levels below that of Section 57 is good. However, with staff turnover being potentially low, there is a risk of stagnation and an increase in the average age of employees. The City experiences certain areas (hotspots) where turnover is higher than the average. For this purpose we have various interventions to retain skills including talent management, succession planning and delegations in terms of remuneration.

The table below depicts the vacancy rate

Vacancy Rate			
Designations	Total approved posts	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	17	0.5	2.94
Other S57 Managers (Finance posts)	17	0.5	2.94
Police officers	2528	53	2.10
Fire fighters	1148	29.16	2.54
Senior management: Levels 13- 15 (excluding Finance Posts)	816	46.83	5.74
Senior management: Levels 13- 15 (Finance posts)	871	48.75	5.60
Highly skilled supervision: levels 9-12 (excluding Finance posts)	6225	340.5	5.47
Highly skilled supervision: levels 9-12 (Finance posts)	6490	346.16	5.33
Total	18114	866.4	4.78

Workforce expenditure

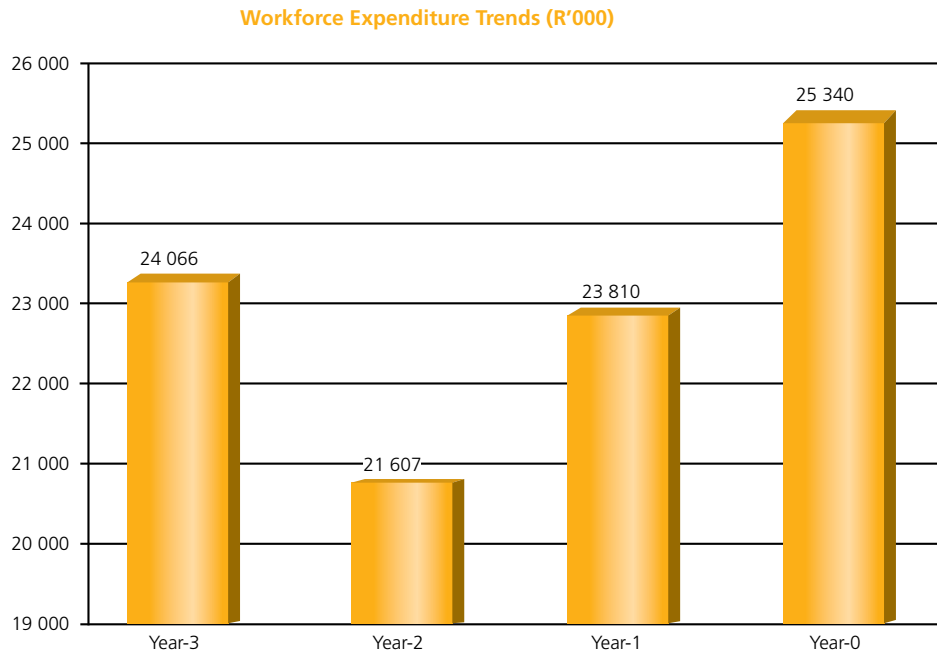
During the year, the City analysed its workforce expenditure (employee cost) and found that:

- Personnel costs have been rising above annual inflation in the last seven years.
- Head count has been increasing while the municipal powers and functions, as well as services, have remained relatively the same.
- There are negative correlations between productivity, revenue collection and personnel costs.
- There is a perception that hundreds of the City's employees are under-employed.
- The employee cost vs. operating cost (less bulk purchases) is unacceptably high at 37.8%.

To address the latter point, we sought to reduce the ratio of employee cost vs. total operating cost (less bulk purchases). Preliminary results indicate that the City has managed to reduce this ratio to 32%. This was achieved through:

- Natural attrition and optimum utilisation of existing staff.
- Capping the salaries of ex-FTC employees that are being remunerated outside the band – that is, they will not qualify for annual increases until their salaries are again within the required range (in line with the FTC Settlement Agreement with the Unions).
- All appointments being subject to oversight by the Staffing Vacancy Committee.
- Charging the salary cost of staff that manages capital projects to the relevant capital project.
- Charging the salary cost of staff that manage maintenance projects to the relevant maintenance line item.

Figure 12: Workforce Expenditure Trends



The employee cost steadily increased at a rate above inflation as illustrated in the table above; however, the Employee Cost Reduction Project has kept the rate of increase of employee cost at only 4.22% during the past year, which is below inflation. This has had a positive effect on the ratio of employee cost vs. operating cost, which is now at 32%.



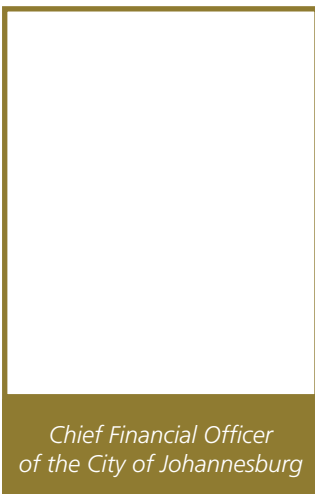
Please see more comprehensive commentary on the following Human Capital related performance areas in the Integrated Annual Report (Book 2) on page 168 available on www.joburg.org.za and at all Regional Offices:

- Entities and citywide turnover as well as vacancies
- HR Policies effective at the beginning of the financial year 2012/13
- Commentary on workforce policy development
- Employees affected by injuries, sickness and suspensions in 2012/13
- Number of days and the cost of leave days taken by municipal employees in 2012/13



Assisting members of the public with billing accounts

Chief Financial Officer's summary



I am pleased to report that the City made significant progress during the year, both operationally and financially, despite a challenging operational and economic environment. A clear financial strategy, coupled with advanced planning, reliable monitoring and reporting mechanisms, as well as prompt decisive actions by our political leadership enabled the City to strengthen its

financial platform for sustainable performance going forward.

Revenue

Our revenue composition has remained relatively unchanged from the previous year, with service charges and property rates accounting for approximately 70% of the total revenue generated. Government grants for the current year contributed 20% to total revenue, which is lower than the previous year's 22% contribution. We demonstrated less reliance on grants in the year under review.

Figure 13: Revenue % composition

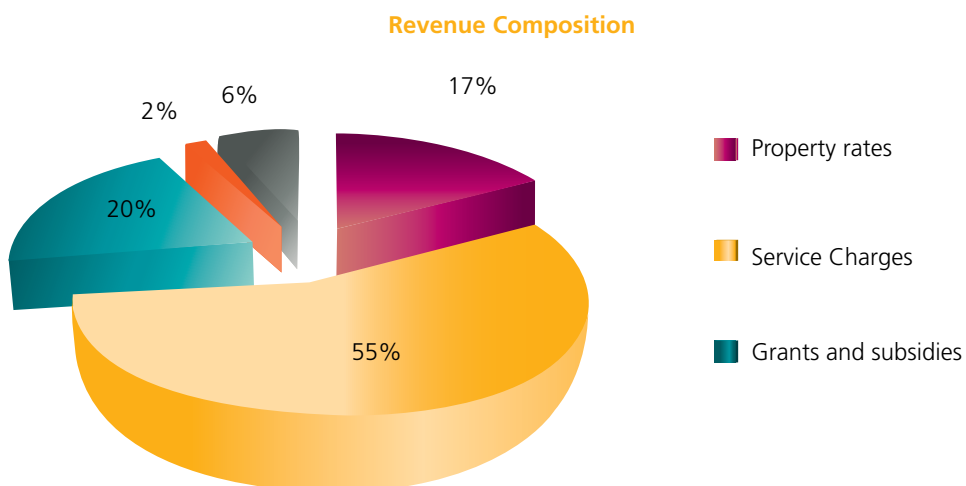


Figure 14: Revenue trend analysis

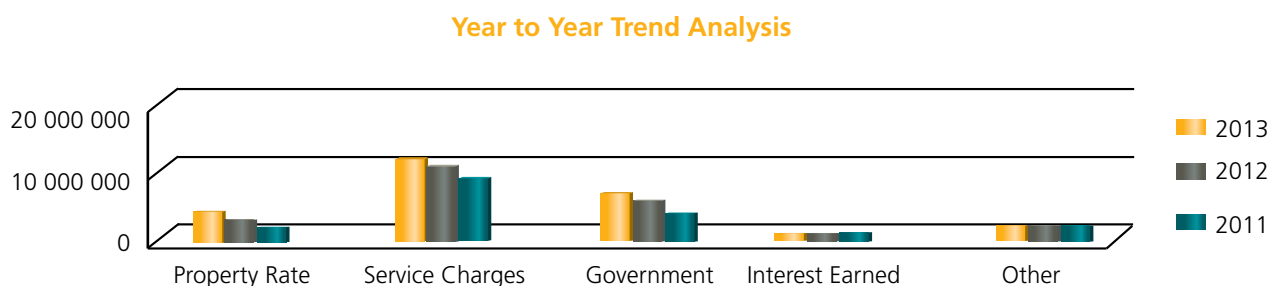


Table 12: Breakdown of property rates

Figures in Rand thousand	2013 Actual		2012 Actual	
	R'000	%	R'000	%
Residential	2 249 405	37%	1 839 826	34%
Commercial	3 715 484	62%	3 441 982	64%
State	51 087	1%	50 782	1%
Municipal	18 970	0%	80 024	1%
	6 034 946	100%	5 412 614	100%

The composition of revenue from property rates remained relatively unchanged, although residential property rates contributed marginally higher compared to the previous year, due mainly to newly rateable properties added to the residential and commercial categories. The 11% increase in revenue from total property rates is attributable to a 6% tariff increase and efforts made by the City to bring in rateable properties that were outside the net. Commercial customers continue to be the largest contributors to revenue derived from property rates at 62% (2012: 64%).

Service charges increased by 6% (See table below). The revenue increase was mainly due to the tariff increases for electricity, water and refuse removal charges.

Table 13: Breakdown of service charges

Figures in Rand thousand	2013 Actual		2012 Actual	
		%		%
Service Charges comprise				
Sale of electricity	12 214 776	64%	11 831 619	65%
Sale of water	3 973 745	21%	3 136 732	17%
Surcharges: Electricity	6 835	0%	125 281	1%
Surcharges: Water	25 847	0%	31 226	0%
Surcharges: refuse	2 787	0%	2 424	0%
Refuse removal	963 666	5%	890 487	5%
Sewerage and sanitation charges	1 898 223	10%	2 001 116	11%
Other services	134 219	1%	116 588	1%
	19 220 098	100%	18 135 473	100%

The main contributor of service charges is electricity at 64%, as it was in the previous financial year, with water being the second highest contributor at 17%.

Refuse removal has increased despite Round Collected Refuse (RCR) removal, which was affected by the condition of the fleet. Pikitup worked hard to ensure that Round Collected Refuse remained regular and consistent; and the introduction of a new fleet management and monitoring regime assisted in resolving the fleet challenges of the past.

Expenditure

Figure 15: Expenditure % composition

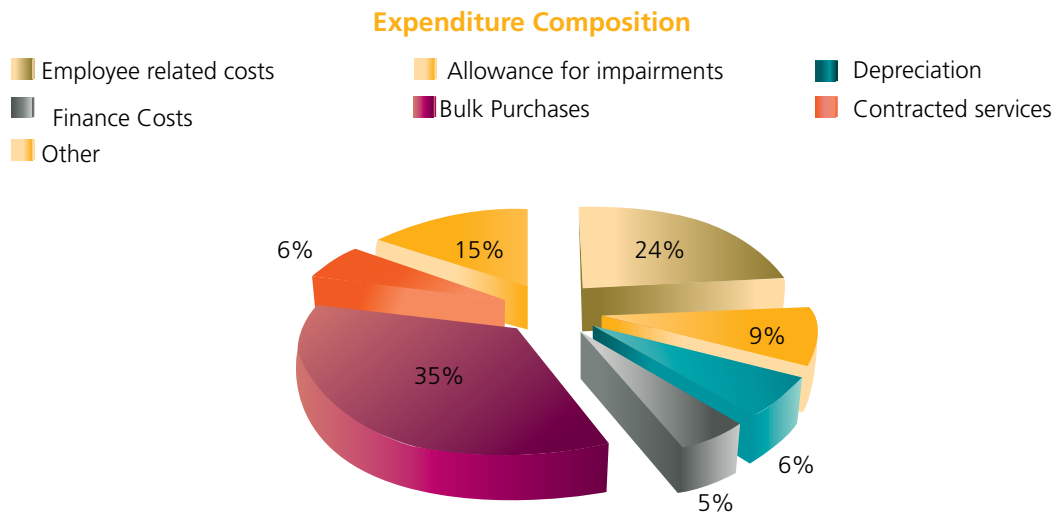
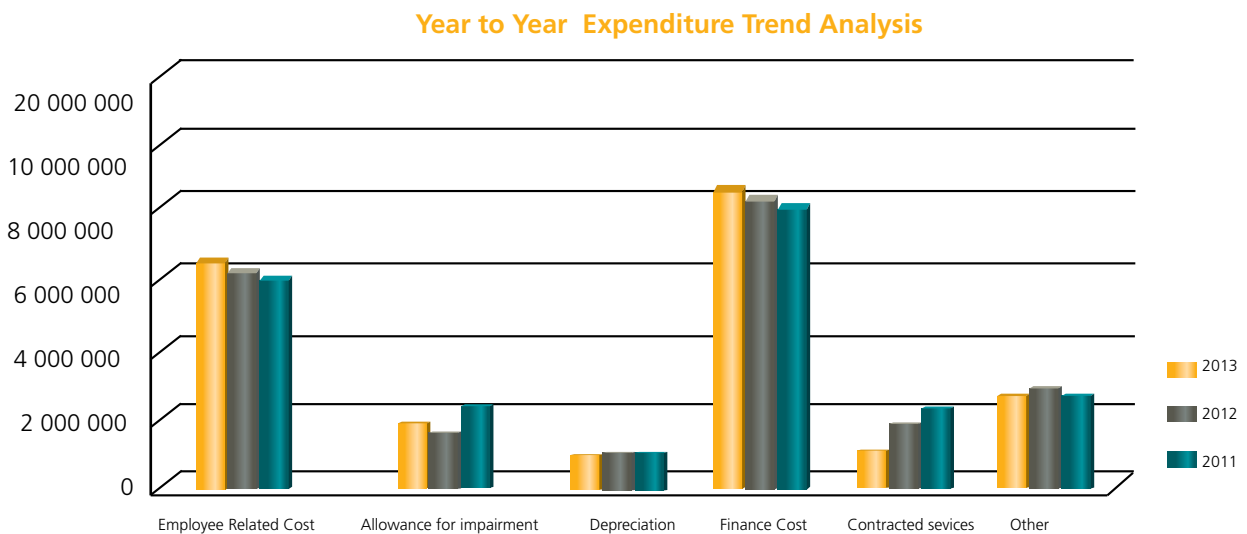


Figure 16: Expenditure trend analysis



In 2012/13, the City's high value cost drivers were bulk purchases, employee-related costs and contracted services. Bulk purchases are throughput costs for the City, and are recovered through revenue generated from water and electricity.

Employee related costs increased by 8% which is attributable to the absorption of third party staff in Pikitup and general annual salary increases.

The decline in contracted services is testament to our increased ability to do work in-house which was previously outsourced.

Our customers continue to face economic pressure and as a result collection levels for consumer debts are still depressed, albeit improved, hence an increased allowance for impairment. We continue to follow a conservative and prudent approach in our impairment assessment model.

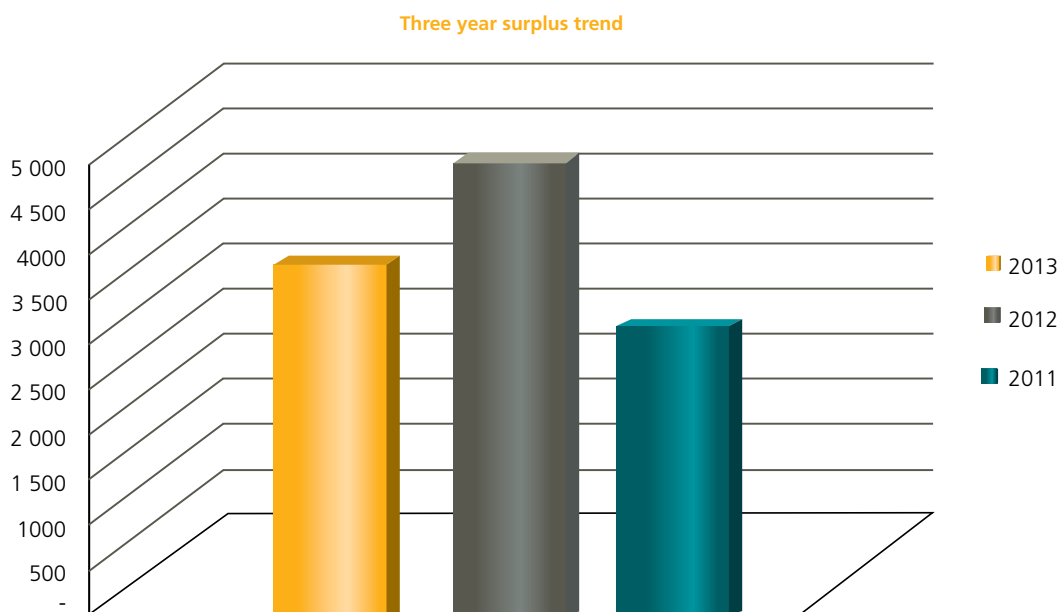
Finance charges decreased by 8% compared to the previous

year and are under budget by 7%. This is due to the City incurring the long-term capital debt late in the financial year, which resulted in a saving. We relied on internally generated cash for most of the year which is further testament to our improved liquidity management approach.

Annual surplus generated

Despite the challenging economic climate, we generated a healthy net surplus of R3.4 billion, which is a 26% decline from the previous year's R4.6 billion. The decrease is largely due to a 30% increase in impairment charge. The achievement of a surplus is in line with our Growth and Development Strategy and augurs well towards achieving financial sustainability and resilience.

Figure 17: Three-year surplus trend



Johannesburg is committed to its robust R100 billion capital expenditure programme which will be partially funded from internally generated reserves, hence the importance of this surplus. The City aims to commit its own funds out of surpluses alongside the contributions made by investors and Government in order to realise our capital expenditure programme.

Statement of Financial Position

Figures in Rand thousand	2013	2013	2013	2012	Growth	Variance
		Original Budget	Adjusted Budget		%	%
Net Assets and Liabilities						
Net Assets	30 434 769	28 615 320	30 824 461	27 021	13%	6%
Non-current liabilities	16 358 977	18 447 708	16 864 549	16 067	2%	-11%
Current liabilities	13 397 375	8 250 840	9 307 372	13 285	1%	62%
	60 191 121	55 313 868	56 996 382	56 374 108	7%	9%
Assets						
Non-current assets	46 304 989	45 507 281	45 350 184	44 136	5%	2%
Current assets	13 886 132	9 806 587	11 646 198	12 237	13%	42%
	60 191 121	55 313 868	56 996 382	56 374 108	7%	9%

Our Net Assets position has improved by 13% to R30.4 billion. The increase in net assets is a result of the surplus reported in the statement of financial performance.

Non-current liabilities increased by a modest 2%, while current liabilities increased by 1% when compared to the

previous year.

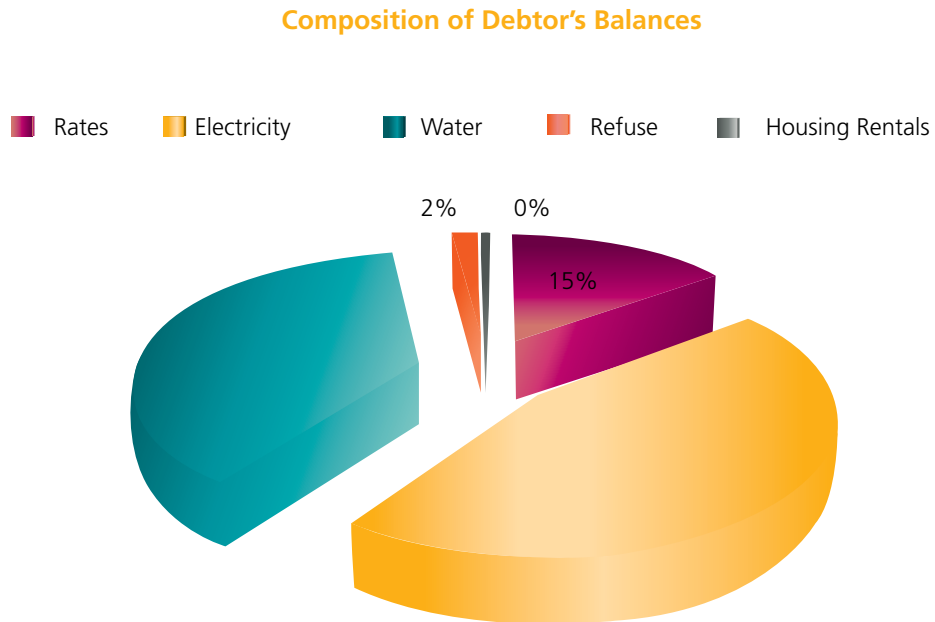
The City's total assets increased by 7%, which is mainly due to a rise in trade receivables as well as a significant increase in cash and cash equivalents as at year end.

Table 14

Figures in Rand thousand	2013	2012
Cash and cash equivalents at end of the year	5 401 407	2 220 393

The cash and cash equivalents increased by 143% to R5.4 billion reflecting the results of an improved liquidity management approach adopted by the City. The surplus achieved in the current year also contributed to the significant increase in cash and cash equivalents.

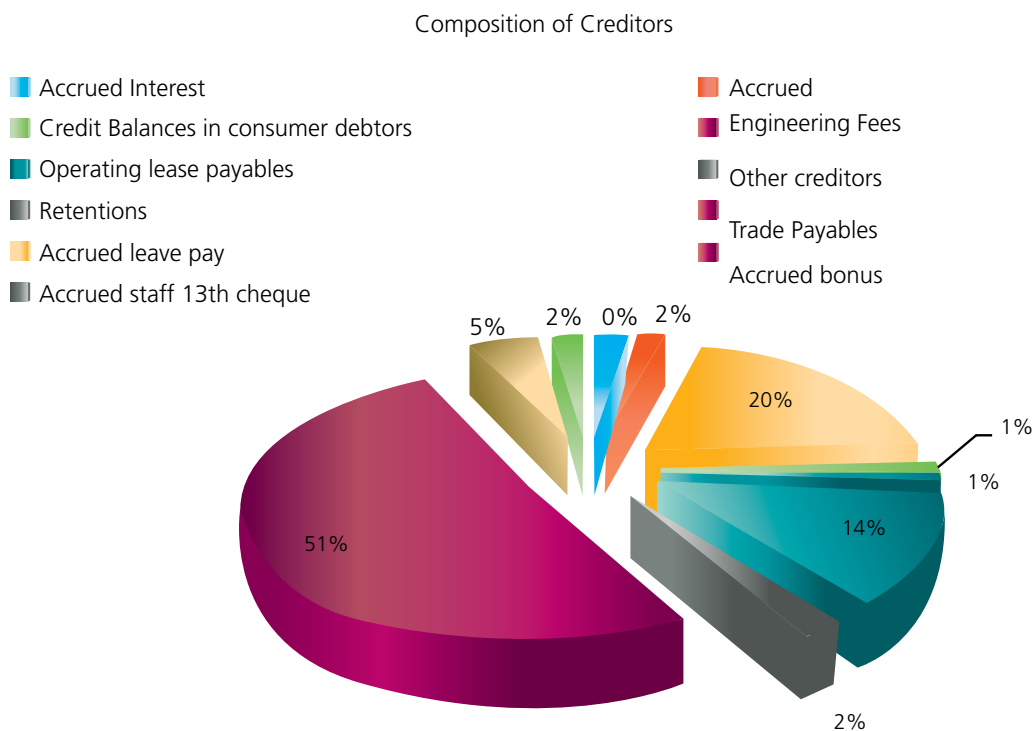
Figure 18: Composition of debtors



Electricity has the highest number of outstanding debtors and the electricity debtors have increased as compared to the previous year. This is due largely to the significant spike in tariff increases impacting negatively on consumers.

Electricity and water debtors account for 83% of the total consumers debtors balance. This is in line with the revenue generated from these services. The year-on-year increase can be partly attributed to the tariff increases implemented in the current year. The debtors collection rate improved considerably during the year, contributing to the City's cash position.

Figure 19: Composition of creditors



The main contributors to the creditors are the trade payables, credit balances and other creditors.

The increase in expenditure in the last quarter, accompanied by the increased level of accruals at year end, is the reason for the significant growth of the trade payables.

Capital expenditure

Capital expenditure amounted to R4.2 billion in the current year against the approved budget of R4.5 billion.

The increase in the percentage spent from 89% in the previous year to 93% in the current year reflects the City's ability to spend its Capex budget to improve service delivery.

Financial ratios

Table 15

Financial ratios	30-Jun-13	30-Jun-12	Target
Current ratio	1.04	0.92	1,00
Solvency ratio	2.02	1.92	2,00
Debt: Revenue	38.77%	41.21%	45,0%
Remuneration: Expenditure	36.59%	35.76%	30,0%
Maintenance: Expenditure	2.19%	1.63%	7,0%
Interest: Expenditure	4.69%	5.44%	5,0%

The current ratio reflects an improvement from the previous year and is currently above the City's own target of 1. This is mainly due to an increase in current assets, especially with regards to cash and cash equivalents.

The debt to revenue ratio at 38.77% is significantly down from 41.21% reported in the previous year. This ratio is below the self-imposed target limit of 45%; however with the City rolling out its planned capital expenditure programme of over R100 billion in ten years, borrowings will increase and therefore push this ratio up, albeit within the target level.

The remuneration to expenditure ratio is calculated excluding bulk purchases, at 36.6% up from 35.8% in the previous year. We are implementing initiatives to effectively contain and reduce this ratio and to improve productivity levels.

Although the ratio of maintenance to expenditure has improved to above 2% in the current year, it remains well below the target of 7% set internally. It is our objective

going forward to increase spending levels on maintenance to address the current gap towards the target. It is worth noting that 85% of our assets are underground and require continuous attention to ensure that the value of the assets is safeguarded through routine maintenance.

Overall the City has shown improvements in all but one key ratio in the reporting year. Remuneration costs and maintenance costs require deliberate actions by the City in the years ahead.

Audit opinion

Our efforts and dedication towards achieving a clean audit are beginning to bear fruits with the achievement of an Unqualified Audit Opinion for the 2012/13 year. The detailed audit opinion is available on p x of the Integrated Annual Report (Book 2). The City is proud of this achievement and will continue to work very hard toward achieving a clean audit by 2014.

Credit rating

The City has maintained commendable credit ratings from both its international rating agencies as reflected below.

The City's credit rating for the period ending June 2013 was as follows:

Moody's	A1.za/P-1.za	Negative Outlook
Fitch	AA-.zaf/F1+.zaf	Stable Outlook

The credit ratings by both international rating agencies reflect the City's status as solid investment grade quality counterparty. The negative outlook by Moody's is based on concerns about the sovereign contagion, which is not a City-specific issue. The rating agencies have also raised concerns with respect to deteriorating economic conditions and also the weakening of public finances in general. The City is proud to have maintained such a good credit rating in a very challenging economic environment, thereby ensuring that its listed bonds remain attractive to investors.



Revenue and billing

Our Roadmap for Revenue and Billing was launched in November 2011 to resolve billing queries from customers and to wipe out the backlog of outstanding queries. Between January and March 2013, we rolled out a regional campaign in our walk-in centres with the intention of resolving non-technical queries, reducing customer waiting times, providing technical product knowledge, and promoting a culture of efficiency and professionalism. By the end of the financial year the City received 15 000 billing queries per month, which were resolved within 30 days. This is a significant improvement from the levels achieved in previous years. We will continue to improve interactions with customers and work towards minimising the billing queries.

Analysis of the annual financial statements for the financial year 2012/13

Statement of Financial Position

	2013	2013	2013	2012	Budget	Change	%Of Total	
	Actual	Original Budget	Adjusted Budget	Actual	Variance		2013	2012
	R'000	R'000	R'000	R'000	%	%		
INCOME								
Property rates	6 034 946	5 969 165	5 869 165	5 412 614	3%	11%	17%	16%
Service charges	19 220 098	20 166 322	19 817 325	18 135 473	-3%	6%	55%	53%
Government grants	6 823 877	7 150 386	7 403 075	7 540 386	-8%	-10%	20%	22%
Interest received	561 710	330 668	344 806	433 721	63%	30%	2%	1%
Other	2 186 980	2 722 771	3 043 076	2 718 218	-28%	-20%	6%	8%
	34 827 611	36 339 312	36 477 447	34 240 412	-5%	2%	100%	100%
EXPENDITURE								
Employee related costs	7 450 682	7 598 293	7 757 249	6 876 153	-4%	8%	24%	23%
Allowance for impairments of current receivables								
Depreciation and amortisation	2 850 709	2 050 289	1 895 371	2 191 637	50%	30%	9%	7%
Finance costs	1 997 802	1 880 379	1 827 612	1 789 827	9%	12%	6%	6%
Bulk purchases	1 477 487	1 589 062	1 584 278	1 598 227	-7%	-8%	5%	5%
Contracted services	11 113 587	11 856 276	11 419 554	10 159 070	-3%	9%	35%	35%
Other	1 882 488	2 878 764	2 986 726	1 978 748	-37%	-5%	6%	7%
	4 701 082	4 040 915	4 597 902	4 796 583	2%	-2%	15%	16%
	31 473 837	31 893 978	32 068 692	29 390 245	-2%	7%	100%	100%
Fair value adjustments	159 931			91 759				
(Loss)/gain on non-current assets held for sale or disposal	(1 743)			55 153				
share of surplus/(deficit) of associate accounted for under the equity method	2 226			(70)				
SURPLUS BEFORE TAXATION	3 514 188			4 997 009				
Taxation	75 732			382 328				
NET SURPLUS AFTER TAXATION	3 438 456			4 614 681				

The detailed City Consolidated Annual Financial statements are available in Book 2 on page xxx and on www.joburg.org.za

Looking forward

In light of the ambitious targets that the City has set itself in implementing the corridors of freedom and other priority plans, financial sustainability remains our first priority. We will continue to strengthen financial management practices and

discipline throughout the City to ensure long-term financial sustainability and resilience.

We remain committed to the continued strengthening of the City's financial position, the attainment of a clean audit and the achievement of the long-term goals of a financially sustainable and resilient City.

Reggie Boqo
Group Chief Financial Officer



REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the consolidated and separate financial statements of the City of Johannesburg Metropolitan Municipality set out on pages xx to xx, which comprise the consolidated and separate statement of financial position as at 30 June 2013 and the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DORA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the City of Johannesburg Metropolitan Municipality (municipality) and its entities as at 30 June 2013, and their financial performance and cash flow for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. As disclosed in note 51 to the consolidated financial statements, the municipality and its entities are the defendants in various lawsuits. The ultimate outcome of these matters cannot currently be determined and reliably measured, therefore no provision for any liabilities that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 52 to the consolidated financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during the year ended 30 June 2013.

Material impairments

10. As disclosed in note 10 to the consolidated financial statements, receivables have significantly been impaired. The impairment of receivables amounts to R14 440 605 000 (2012: R13 360 488 000), which represents 75% (2012: 71%) of consumer debtors. The contribution to the provision for debt impairment in the current year was R1 080 117 000 (2012: R2 869 675 000).

Material losses

11. As disclosed in note 53 to the consolidated financial statements, material losses to the amount of R2 144 771 000 (2012: R1 554 360 000) were incurred as a result of electricity distribution losses. The total technical losses incurred amounted to R754 332 (2012: R709 461). Non technical losses of electricity incurred amounted to R1 390 439 000 (2012: R844 899 000) and are due to non-metering of electricity and unauthorised consumption.
12. As disclosed in note 53 to the consolidated financial statements, material losses amounting to R820 600 000 (2012: R769 300 000) were incurred as a result of water distribution losses. The total technical losses incurred amounted to R389 004 152 (2012: R374 806 920). Non technical losses amounted to R431 600 000 (2012: R443 800 000) and are due to non-metering of water and unauthorised consumption.

Restructuring of entities

13. As disclosed in note 18 to the consolidated financial statements, the municipality finalised the process of re-structuring some of the functions conducted through its municipal entities. This process will result in the legal deregistration of some of the municipal entities.

Additional matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

15. The supplementary information set out on pages xx to xx does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS PAA REQUIREMENTS

16. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages xx to xx of the annual report.
18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information (FMPPPI). The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
19. The material findings are as follows:

Usefulness of information

Presentation

Measures taken to improve performance not disclosed Consistency

20. Section 46 of the Municipal Systems Act (MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for a total of 44% of the planned targets not achieved by the municipality were not reflected in the annual performance report. This was due to the fact that management was not able to apply the requirements of the FMPPPI due to capacity constraints.

Changes to indicators not approved

21. Section 25(2) of the MSA determines that an integrated development plan adopted by a municipal council may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council. Therefore, if the integrated development plan is changed during the year this process has to take place in accordance with the process as prescribed per section 34 of the MSA. A total of 31% of indicators relating to Economic Growth cluster of the municipality were changed during the-year without following the process as prescribed in section 34 of the MSA. This was due to a lack of management review and monitoring of compliance with applicable laws and regulations governing predetermined objectives.

Measurability

Performance targets not specific

22. The FMPPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 39% of the targets relating to Sustainable Services were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was not able to apply the requirements of the FMPPPI due to capacity constraints.

Performance Indicators/measures not well defined

23. The FMPPI requires that indicators/measures should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 25% of the indicators and targets relating to Sustainable Services cluster of the municipality were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was not able to apply the requirements of the FMPPI due to capacity constraints.

Performance targets not measurable

24. The FMPPI requires that performance targets be measurable. With regards to PIKITUP Johannesburg SOC Ltd the required performance could not be measured for a total of 27% of targets relevant to upgrading of landfill sites, extension of landfill airspace and regular domestic waste collection. This was due to management not implementing all required FMPPI prescripts.

Reliability of information

25. The FMPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. 26. With regards to Johannesburg Metropolitan Bus Services SOC Ltd material targets with respect to Finance, Customer Perspective and Growth and Safety and Security objectives were not reliable .The evidence provided to support performance information reported was not adequate. 27. This was due to the lack of standard operating procedures for the accurate recording of actual achievements and frequent review of validity of reported achievements against source documentation.
26. With regards to Johannesburg Metropolitan Bus Services SOC Ltd material targets with respect to Finance, Customer Perspective and Growth and Safety and Security objectives were not reliable .The evidence provided to support performance information reported was not adequate. 27. This was due to the lack of standard operating procedures for the accurate recording of actual achievements and frequent review of validity of reported achievements against source documentation.

Additional matters

28. In addition to the above material findings, I draw attention to the following matters and these do not have an impact on the predetermined objective findings reported above.

Achievement of planned targets

29. Of the total number of 162 targets planned for the year, 71 targets were not achieved by the municipality during the year under review. This represents 44% of the total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.
30. Of the total number of 56 targets planned for the year, 23 targets were not achieved during the year under review for City Power Johannesburg SOC Ltd. This represents 42% of total planned targets that were not achieved during the year under review .This was as a result of the entity not considering the evidential requirements during the annual strategic process.
31. Of the total number of 24 targets planned for the year, nine were not achieved during the year under the review for Johannesburg Water SOC Ltd. This represents 37% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.
32. Of the total number of 18 targets planned for the year, six targets were not achieved during the year under review for PIKITUP Johannesburg SOC Ltd. This represents 33% of total planned targets that were not achieved during the year under review. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process.

33. Of the total number of 26 targets planned for the year, 14 of targets were not achieved during the year under review for Johannesburg Metropolitan Bus Services SOC Ltd. This represents 54% of total planned targets that were not achieved during the year under review. This was due to reduced number of bus trips due to aging fleet.
34. Of the total number of 31 targets planned for the year, seven targets were not achieved during the year under review for Johannesburg City Parks Soc Ltd. This represents 23% of total planned targets that were not achieved during the year under review. This was as a result of the institution reprioritisation of the budget during the year under review.
35. Of the total number of 21 targets planned for the year, five targets were not achieved during the year under review for Johannesburg Property Company SOC Ltd. This represents 24% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.
36. Of the total number of 41 targets planned for the year, 20 targets were not achieved during the year under review for Johannesburg Road Agency SOC Ltd. This represents 49% of total planned targets that were not achieved during the year under review. This was as a result of the institution reprioritisation of the budget during the year under review.

Material adjustments to the annual performance report

37. Material audit adjustments in the annual performance report of the municipality were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

38. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Budget

39. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.
40. The total unforeseen and unavoidable expenditure incurred exceeded R15 million in contraventions of Municipal Budget and Reporting Regulation 72. Annual financial statements
41. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of revenue, receivables and property, plant and equipment identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Assets management

42. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2) (a) of the MFMA.

Procurement and contract management

43. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by National Treasury's Municipal Supply Chain Management regulation (SCM regulation) 13(c).
44. Awards were made to providers who are in the service of other state institutions or whose directors/ principal shareholders are in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulations 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).

45. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) & (c).
46. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

Expenditure management

47. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.

Leadership

48. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting. The municipality did not have sufficient monitoring controls to ensure that financial and performance reports submitted for audit are accurate and complete.

Financial and performance management

49. There is lack of proper record management system that provides for the maintenance of information reported in the financial statements and performance reporting. Non-compliance with laws and regulations such as the MFMA, SCM regulations and MSA regulations could have been prevented had compliance been properly reviewed and monitored.

OTHER REPORTS

Investigations

50. Twenty cases of alleged irregularities were being investigated. Five of these were conducted by external investigators and the remainder were investigated by the forensic section of the municipality's internal audit division during the 2012-13 financial year. Of these, three have been finalised. The nature of the cases covered a wide spectrum of activities, namely, bribery, theft, financial corruption, tender irregularities and various other issues.

Johannesburg

14 December 2013



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Future outlook



“The ‘Corridors of Freedom’ will change current entrenched settlement patterns of the City made up by urban sprawl and uncontrolled spread of low-density developments on the fringes of the city to high-density developments and environments made up of a mixture of residential space with office accommodation, retail, leisure and recreational opportunities”.

Aligning vision and planning

To implement our 'Joburg 2040' Growth and Development Strategy (GDS), we revised our 2012/16 IDP to ensure we develop and implement a series of intervention and flagship programmes that will support us in meeting our envisioned outcomes.

We have reviewed and finalised our priorities for 'decade 1' and for the remainder of the present term of office. Using the principles of resilience, sustainability and liveability we have continued to refine our five-year Integrated Development Plan (IDP) as well as developing an annual Service Delivery Budget Implementation Plan (SDBIP) aligned to the five-year IDP. In the process, we placed particular focus on refining and enhancing priorities of the previous IDP's flagship and master programmes. These priorities include:

- Financial sustainability and resilience.
- Agriculture and food security.
- Sustainable human settlements.
- SMME and entrepreneurial support.
- Engaged active citizenry.
- Resource resilience.
- 'Smart City'.
- Investment attraction, retention and expansion.
- Green economy.
- Safer cities.

Re-shaping urban form

Under our Executive Mayor's leadership, we are re-shaping the City's urban form, and actively breaking with the spatial forms of the apartheid era, thereby constructing a future based on equity, accessibility and sound economic principles. At the core of this drive to re-shape the City, is an emphasis on 'Corridors of Freedom'. As the name suggests, these 'corridors' will be developed to support freely accessible, inclusive, high-density, mixed-use spatial developments to reduce commuting times and costs. Through this initiative, we seek to slow down the process of urban sprawl and the uncontrolled spread of low-density developments on the fringes of the City. During the year, using a model of transit oriented development (TOD), the City began the process of knitting the urban form together and facilitating the mass transit of people and goods along corridors that strengthened the connectedness of different parts of the city. To this end we plan to invest R100 billion over the next 10 years in partnership with the private sector to create the required infrastructure to unlock economic opportunities, expand investment and create jobs as part of the restructuring of our urban form.

Our Spatial Development Framework (SDF) which encompasses transit oriented developments (TODs) will continue to transform Johannesburg into an urban environment characterised by walkability, accessibility and safe neighbourhoods; and where cycling and the use of non-motorised transport in the City will be promoted and supported. In 2012/13 we deliberately

reoriented a number of programmes toward the urban spatial form we seek to achieve. In the housing sector, the city is shifting away from the exclusive focus on RDP housing to rental and mixed-use housing. The impact of this will be higher density developments that will grow up around the corridors and development nodes, resulting in a more efficient and liveable city. This shift will continue into the future and will also focus on the following initiatives:

- Focussing development around multi-nodal centres of activity.
- Building effective transportation networks that work for all and connect economic opportunities.
- Developing public transport nodes and corridors.
- Emphasising the benefits of rental accommodation.

Focusing development around multi-nodal centres of activity

Clustering a mix of land uses at accessible nodal locations provides the City with a network of commercial, residential, social and institutional hubs. The City's historic Inner City, contemporary Greenstone node, and the emerging nodes of Jabulani and Stretford represent examples of historic and future nodal developments where mixed-use development is being cultivated. Other specialist, industrial uses are typically found in the City's industrial nodes, many of which are clustered in and around the mining belt. Although the City's nodes have contrasting characters, land use profiles and management issues they accommodate the majority of the City's economic activities and employment prospects, as reflected in the City's Gross Value Added (GVA) performance measure, as well as provide a growing residential stock in a number of the key metropolitan and regional nodes.

The vibrancy and feasibility of the City's nodal points are directly linked to the functioning and health of the City's economy and also to specific locations within the City. Addressing the lack of nodal opportunities and mixed use development in the historically marginalised areas remain a key developmental challenge that is being addressed on a programmatic basis. Future economic growth, development and job creation is to be facilitated through focused and prioritised public and private sector investment as well as a re-investment in services and infrastructure within existing (mature and emerging) and planned nodes in the City.

Effective transportation networks that work for all and connect economic opportunities



BRT Line

The City's efficiency relates directly to the efficiency of its transport system; that being the ability to move goods and people within and beyond Johannesburg's municipal boundary. We are committed to reducing the time and cost of transportation and expanding the modal choices available to our citizens and trade partners. The inherited and fragmented City structure and historic transportation networks has inhibited equitable access and choice to both communities and businesses within the City. An increased emphasis and investment in public transport and non-motorised transport – such as cycling and pedestrian infrastructure – is the City's short to medium-term response to these prevailing conditions. Future development and investment will need to demonstrate urban design responses to these emerging networks. The move towards a more effective single-ticketing approach to public transport modes will also assist existing users and inspire new potential users.

The emerging backbone of a new public transport system based on the City's Rea Vaya infrastructure, as well as existing commuter rail and the Gautrain, affords the City new and exciting opportunities to facilitate mixed-use, mixed income development at increased densities and greater bulk than considered previously. To support these bold objectives, we will require significant capital investment going forward. In addition, clear development guidelines and pragmatic expectations in facilitating both public and private developments in a manner that is supportive of transit orientated development principles, are critical success factors in realising our SDF transformation agenda.

The vertebral column of our public transportation system is formed by the commuter rail stations located centrally and to the south of the City; as well as the existing and emerging Metrobus and BRT routes; formal taxi ranks; the Gautrain rail stations; and feeder routes with their and associated precincts.

Where these different modes are located in close proximity to each other the transportation options available to commuters increase exponentially; as do the opportunities to introduce additional amenities, facilities and services to meet new and growing needs of these passengers.

Transit oriented design (TOD) is typified by higher-density, walk up housing typologies based on both rental and freehold options. The design is further supportive of office and retail developments as well as social amenities, and is underpinned by a high standard of urban design and effective management. Within the City context these TOD precincts would provide environments that promote an inclusionary social profile – that is, a mixed income profile, that is neither the preserve of only the most or least wealthy within the City and develops opportunities for citizens to live, work and play within walkable distances of each other.

Linking the prospective TOD precincts and inherent public transportation infrastructure are public transportation corridors that represent the broader routes traversed by the current and envisioned BRT, rail and Gautrain stations. Beyond the regularly spaced and convenient transit stops and stations provided by the respective modes of public transport, a ‘complete streets’ approach to design and use of roads would be key features within these corridors. The public transportation corridors that will be targeted for implementation during the current Term of Office are:

- Louis Botha

- Empire-Perth
- Turffontein
- Randburg-Marlboro
- The Mining Belt
- Diepsloot-Randburg

Emphasis on rental accommodation

We recognise that not all residents’ needs are the same and that a significant proportion of the City’s residents consider ‘home’ to be beyond the country’s borders. Accordingly, there is a strong focus on expanding flexible living opportunities through rental accommodation within the full range of rental markets.

Although our Sustainable Human Settlements Urbanisation Plan (SHSUP) considered a split of tenure typologies throughout the City in illustrating potential development yields, the public transport corridors and nodes will be the focal areas of rental, high-density accommodation typologies. We have aligned most of these locations and the registered Social Restructuring Zones lodged with the Social Housing Registration Authority (SHRA). Beyond the formal intensification of development initiatives by role players such as JOSHCO and the Johannesburg Housing Company (JHC), the City will also re-consider the role and impact of informal



Graphic rendition of the future look of the city

'backyard rental units' in formally developed, state-sponsored housing developments.

Going forward, we will continue to prioritise the following strategic imperatives:

- **Financial Sustainability and Resilience:** We will persist with the intention of prioritising the City's financial position to ensure that, finances are at all times sustained so that the City has the resilience to recover easily and immediately from unexpected, unfavorable occurrences that may have a severe impact on the City's operations. In 2013/14 we will seek to achieve 97% bill collection rate, disciplined expenditure management and to attract high levels of confidence in the City by private sector partners and citizens. We will implement effective management, oversight and monitoring of people and processes while pursuing value for money via smart and efficient supply chain management procurement. Overall, we will continue to retain and improve the competitive edge of the City.
- **Agriculture and food security:** Johannesburg will continue to address poverty and income inequality. We recognise the immediate need for poverty alleviation measures (focusing on poor and vulnerable) and poverty eradication in the long term to ensure self-reliant communities. We will pursue a reduction in food insecurity by 50% in identified areas and mobilise appropriate incentives - as well as an enabling environment for high value food commodities (e.g. vegetables, fruit and animal products to be sold locally) - thereby linking small farmers in their own areas with large food retailers, distributors and manufacturers to create a localised system to ensure food security.
- **Sustainable human settlements:** We have made a firm commitment to address spatial inequality and create the material conditions for economic growth with an emphasis on strengthening the inclusive nature of entrepreneurial, middle, working class and marginalised economic activity. In 2013/14 the City will pursue improved accessibility of people and goods, reduced commute times and costs, as well as safe, affordable and reliable public transport. We will also endeavour to establish integrated living spaces enable people to live, work and play, with sufficient open and recreational spaces. We will provide increased economic opportunities that, enhance and enable both formal and informal economic activities. We will promote a range of accommodation options – typologies, affordability levels, tenure options as well as social cohesion — using the spatial form (and a public transportation system) to enable social cohesion.
- **SMME and entrepreneurial support:** Within the same objective of addressing poverty and inequality, we will identify key success factors to facilitate interventions which will optimise the development of the entrepreneurial and middle classes. We will seek to create a physical and regulatory environment to ensure transformation in the SMME sector while defining economic sectors where SMMEs will thrive and will ensure growth in the economy. We will promote smart partnerships to ensure development of SMMEs and develop Empowerment Zones and Hubs. We will establish programmes to develop an entrepreneurial culture culture as an alternative to formal employment fall back and will institutionalise exit strategies for SMMEs.
- **Engaged Active Citizenry:** The city will encourage residents of Johannesburg to take an active interest in their communities by motivating them to show inspirational leadership at all levels of society, and by enlisting community based structures to re-energise the City. The latter will be achieved by developing shared responsibility and values through the creation of social, compact and effective urban governance. The City will actively enhance the vision of a caring City, promote meaningful state-society engagements and encourage values of responsible citizenship and solidarity.
- **Resource Sustainability:** We recognise that economic growth is strongly inter-related with the demand for water, electricity, liquid fuel and mining. Managing limited natural resources - as well as the consequences of using these natural resources - and unlinking economic growth from natural resource extraction is, therefore, very important. We will continue to promote clean air and reduced GHG emissions, adapting to climate change impacts and work to ensure the security of our water supply. This will extend to the improvement of the quality of our river health and the protection of our eco-systems and bio-diversity. We will endeavor to minimise waste to landfill sites and reduce environmental pollution. We will place particular emphasis on resilient and consolidated infrastructure planning and asset management and behavioral change around demand side management; and promote behavioral change environmental sustainability.
- **Smart City:** Johannesburg is alive to the benefits of building a Smart City. This will result in economic development and job creation, promoting resource efficiency and mitigating climate change. It will provide a greater place to live and work while enabling the City to run efficiently. To this end we will strive to become a technologically competent institution, with enhanced service efficiencies and productivity. We will promote smart and effective service delivery while ensuring quality information, Communication and Technology systems (ICT) and services to support and enhance active citizen involvement and engagement. This will be based on our established broadband infrastructure.
- **Investment attraction, retention and Expansion:** This will be a key priority focussing on recruiting investment into the city, and positioning Joburg as a world-class business destination of choice by promoting the City's value added goods and services as well as the strategies for commercial and / or economic infrastructure funding models.
- **Green Economy:** This priority aims to shift the City's economy toward one that grows and creates jobs as a

result of economic opportunities from more sustainable and 'green' production. This includes manufacturing and services such as the production of bioethanol, the manufacturing of solar geysers and the provision of public transport. Major focus will be placed on job creation and income generation based on energy diversification, green re-fleeting for both private and public transport vehicles as well as City fleets. Further, waste recycling initiatives will provide additional opportunities for job creation and income generation. As a result of such innovations, Johannesburg will become a leader in harnessing the many opportunities presented by a green economy.

- **Safer city:** We will continue the trend of becoming a safe, secure and resilient City that protects and builds communities through integrated law enforcement and the use of 'Smart City Solutions'. We will also improve our urban planning and design guidelines to further develop a Safer City approach which emphasises enhanced urban safety and security.

To conclude, beyond the above commitments to the future renewal of our city, we will endeavour to consistently meet

our stakeholders' expectations of us, as gauged through our many varied interactions with different stakeholder groupings during the year.

Stakeholder Responsiveness Framework (SRF)

The Stakeholder Responsiveness Framework (SRF) table that follows provides an integrated view of the priorities raised by different stakeholder groups and our response to these priorities. The table further references (partial) where associated information can be sourced in the Integrated Annual Report (Abridged Version: Book 1) and in the more comprehensive Integrated Annual Report (Book 2). We will continue to update and refine the framework going forward to ensure our performance is measurable, transparent and comparable with future reports.



Joburg Open Day

Stakeholder Responsiveness Framework



Engaging the community on issues of importance

Our perspective on sustainability (as expressed through our 'Joburg 2040' GDS - is informed by National Government's 12 Outcomes, which in turn has been informed by the United Nations' eight Millennium Development Goals. Broadly, these outcomes seek to halve poverty and unemployment by 2014, ensure the more equitable distribution of the benefits of economic growth, improve the nation's health profile, eradicate gender and racial biases, and reduce crime.

Reference Key: The 12 National Outcomes

Outcome 1: Improved quality of basic education

Outcome 2: A long and healthy life for all South Africans

Outcome 3: All people in South Africa are and feel safe

Outcome 4: Decent employment through inclusive economic growth

Outcome 5: A skilled and capable workforce to support an inclusive growth path

Outcome 6: An efficient, competitive and responsive economic infrastructure network

Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all

Outcome 8: Sustainable human settlements and improved quality of household life

Outcome 9: A responsive, accountable, effective and efficient local government system

Outcome 10: Environmental assets and natural resources that is well protected and continually enhanced

Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world



Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenry

Table 15: Stakeholder Responsiveness Framework



Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) Youth development oriented NGOs 	<p>Recreational facilities and facility maintenance.</p> <p>National Outcome/s –2, 11 and 12</p>  	<ul style="list-style-type: none"> Devising recreation activities and promoting competitive sports and mass participation at recreation facilities. Promoting community access to facilities and major events such as the AFCON tournament, Mayoral Cup, Kiddies Olympics, Gauteng Future Champions Challenge, and so forth. Overall Johannesburg has 111 recreation centres, 239 sports facilities, and 59 swimming pools across the City's seven regions. 2012/13 Achievement: 7 129 049 People utilised libraries; 400 956 People utilised sport and recreation centres; 460 000 People accessed museums, galleries and art centres across the city. The city has approved a maintenance programme for community development facilities to ensure that sports and recreation facilities comply with acceptable national operating standards, which will encourage federations and clubs to host provincial and national tournaments. The city introduced green gyms to promote healthy lifestyles in the City. 	<ul style="list-style-type: none"> Human and Social Development Cluster: pp 53- 55 	<ul style="list-style-type: none"> Human and Social Development Cluster: pp 116-120; 156-158; 162 Human and Social Development cluster performance against the SDBIP: p 203; Good Governance Cluster: p 229
<ul style="list-style-type: none"> Residents and rate-payers Beneficiaries of housing projects The media Provincial Government Neighbouring municipalities 	<p>Completion of housing projects. Address service delivery backlog.</p> <p>National Outcome/s – 8, 11 and 12</p> 	<ul style="list-style-type: none"> In Housing the city is shifting away from exclusive focus on RDP housing to rental and mixed-use housing. In the last ten years we have made significant investments in infrastructure and housing development and have forecasted a further R100 billion investment over the next ten years. The Department of Housing, in consultation with its stakeholders developed a framework for conceiving and implementing its housing strategy in different wards of the City. Although the reporting year represented a functional planning year in the City's human settlements space, 3 470 mixed income opportunities were delivered. The City's 'readiness level' to be assigned the housing function has received a substantial institutional boost, whereby key departments within the City rallied around the process, forming different working group streams, such as 'Asset and Liabilities', 'Programmes and Projects', and 'Human Capital'. 	<ul style="list-style-type: none"> Sustainable Services Cluster: pp 13-14 Sustainable Services Cluster performance highlights: p 41 Future Outlook: p 68 	<ul style="list-style-type: none"> Sustainable Services Cluster: p 11 Performance highlights for the Sustainable Service Cluster: p 46 Housing: pp 67-68


Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) NGOs Business community Investors Provincial Government Neighbouring municipalities 	<p>Quality of infrastructure development.</p> <p>National Outcome/s – 6, 10 and 12</p> 	<ul style="list-style-type: none"> The City took a determined step to reshape the urban spatial form by committing R110 billion towards infrastructure development The annual target on Phases 1 and 2 of the Rea Vaya infrastructure project (roadways, stations and depot) was achieved during 2012/13. 4.92 Kilometres of roadways and four stations were completed. The City developed a consolidated infrastructure plan (CIP) to inform future capital investment plans for new infrastructure and to refurbish or upgrade existing infrastructure. The CIP facilitates funding of maintenance plans to keep current assets in good working order. Phase 1 of this plan was developed in 2012/13 and is assisting the City to identify and prioritise bulk infrastructure upgrading and renewal projects for the next ten years. R354 million has been allocated for commencing new projects in the year ahead. The majority of the investment has been allocated toward the upgrade and renewal marginalized areas in Soweto and bulk water projects. Electrical infrastructure projects consist of the upgrading of electrical networks, network development and load management and meter installation projects. The budget was expended in projects such as metering, the conversion of LV bare conductors to ABC conductors, emergency projects and various upgrades of electrical infrastructure projects. Total expenditure for the year amounted to R872 million. Roodepoort, Rank 5 public transport facility is being built in line with a new sustainable model for public transport facilities. Various initiatives to provide integrate public transport were also facilitated in partnership with other stakeholders. These included the realignment of Metrobus routes to integrate with Gautrain at Park station. Stakeholders continued to be engaged on the management of travel demand, which included a study on park and rides with Gautrain. During the year, the City's Broadband infrastructure layout was completed (over 900 km) as planned across the City. 	<ul style="list-style-type: none"> City Manager's Executive Summary: pp 13-16 Overview of the Sustainable Services Cluster: p 40 Economic Growth Cluster performance highlights: p 48 Introduction to the Human and Social Development Cluster: p 52 Sustainable Services Cluster: pp 20-21; 39 Human and Social Development Cluster: p 53 Future Outlook: p 55 Re-shaping urban form: pp 68-70 	<ul style="list-style-type: none"> City Manager's Executive Summary: p 12 Johannesburg Spatial Development Framework: p 44-45 Resilience through structural change: 46 Sustainable Services Cluster: pp 11; 26-31; 45-46; 60; 75; 99 Economic Growth Cluster: p 106 Sustainable services cluster performance against the SDBIP: p 186 Economic growth cluster performance against the SDBIP: p 193

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, and youth) Youth development-oriented NGOs 	Access to basic education (including adult education and health and environmental education) and educational facilities.	<ul style="list-style-type: none"> The City is also investigating alternative water resources to preserve our potable water and to promote green infrastructure The "Ijozi Ihlomile" programme was expanded to 30 additional new wards across the City and a total of 1 697 244 people were reached with face to face education since July 2012 through this programme. Overall 53 wards (out of 130 wards / (40.7%) have implemented the programme, thereby creating job opportunities for 1 116 schools-leavers. 	<ul style="list-style-type: none"> Performance highlights: p 9 Human and Social Development Cluster: pp 53-55; 61-65 	<ul style="list-style-type: none"> Human and Social Development Cluster: p 119; 13
	National Outcome/s – 1 	<ul style="list-style-type: none"> Integrated environmental health educational programmes were conducted at 30 primary schools. Eight campaigns relating to chemical safety were conducted by environmental health staff city-wide. The City has deployed programmes and interventions that promote literacy and enable people of all age groups to get the most out of the education options available; as well as working with low-literacy adults as well as learners and children attending early childhood development (ECD) programmes within the City's boundaries 		<ul style="list-style-type: none"> Sustainable Services Cluster performance against SDBIP: pp 183-186; 209-213; 224
<ul style="list-style-type: none"> Designated target groups (women) Adult education NGOs Business community The media 	Unemployment of women and women empowerment and p nal Outcome/s – 4 and 5  	<ul style="list-style-type: none"> The Expanded Public Works Programme (EPWP) initiative is our flagship programme to reduce unemployment and alleviate poverty by facilitating on-the-job training. (During the year, the City created 36 588 work opportunities (against a target of 35 000). Seven sites for women empowerment which largely focus on skills development were established in Regions A, B, C, D, E, F, and G. The City supported projects socially or economically empowering women, such as; the SA National Women's Development Co-op and the support of 253 female artists through the 2012 Arts Alive programme. 	<ul style="list-style-type: none"> Human and Social Development Cluster: p 63-64; 66 Economic Growth Cluster: p 57 	<ul style="list-style-type: none"> Human and Social Development Cluster: pp 129; 203-207 Economic Growth cluster: p 110-117; 199; 127; 217

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Business community Investors Provincial Government Neighbouring municipalities 	<p>Address basic services and service backlog.</p> <p>National Outcome/s – 8, 11 and 12</p> 	<ul style="list-style-type: none"> The City's budget seeks to give effect to the long term plans and IDP Programmes as identified during the city's public outreach process. During 2012/13 the budget focused on ensuring continues delivery of basic services and to extend basic services to all citizens. The city has aligned its IDP (Integrated development planning) and SDBIP (service delivery budget implementation) to local government manifesto expectations as well as complaints/issues raised by stakeholders. The city has designed an economic transformation policy framework and a draft combined infrastructure master plan to address infrastructure and service delivery requirements. The city has instituted a 'continues monitoring and intervention' initiative to monitor service backlogs. The city made progress with regards to its basic water programme during the year with performance at 98.10% against a plan of 98.05%. In line with the cities Expanded Social Package (ESP) policy the city's infrastructure and services sector provides free basic services to indigent community households. These basic services include distribution of free basic water and free basic electricity. The City achieved 91.48% coverage of sanitation services (ventilated pit latrines) in the less formal areas, against a target of 91.40%. 	<ul style="list-style-type: none"> Sustainable Services Cluster: pp 48-50 Human and Social Development Cluster: p 123 Good Governance Cluster: p 67 Financial overview: p 25 Future outlook: p 79 	<ul style="list-style-type: none"> Sustainable Services Cluster: p 51-77 Human and Social Development Cluster: p 118 Sustainable Services Cluster performance against SDBIP: pp 186-187 Financial performance: p 259
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) NGOs Vulnerable communities The media 	<p>Health and social Development: healthcare and child-care, particularly early childhood development (ECD)</p> <p>National Outcome/s – 2</p> 	<ul style="list-style-type: none"> The City's Social Development Department oriented its child care initiatives to enhance Early Childhood Development (ECD) care givers' training, assisting 919 untrained ECD practitioners to gain access accredited training. Furthermore. 493 ECD centres were empowered through educational and skills development support to meet the requirements of the enforcement standard framework. In addition 800 ECD facilities were provided with education on by-law enforcement and compliance and 600 ECD Facilities were inspected for compliance. 490 Children between ages of 5 and 6 from the seven regional ECD centres participated in a Kiddies Olympics. 	<ul style="list-style-type: none"> Performance highlights: p 41 The City of Johannesburg: 29-31 Sustainable Services Cluster: 49 Human and Social Development Cluster: pp 61-65 Future outlook: p 77 	<ul style="list-style-type: none"> Solid waste service policy objectives derived from the IDP: p 64 Human and Social Development Cluster performance highlights: p 116-119 Performance Overview: pp 120-128



Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
		<ul style="list-style-type: none"> 11 Community Oriented Primary Care (COPC) pilot sites were established in Regions A, B, C, D, F, and G. This was below the set target of 14. Even though three more COPC pilot sites were ready, as they could not be included as pilot sites because their team leaders (who are professional nurses) were not yet trained as per the National Health Department guidelines. To enhance management of chronic diseases, a total of 6 820 men were screened for prostate cancer during the year (against a target of 4 000). In addition 14 awareness campaigns were conducted, including several 5 kilometre walks to raise awareness for chronic diseases. A number of HIV/AIDS, STI and TB campaigns were conducted to educate communities (a total of 6 per region). 		<ul style="list-style-type: none"> Human and Social Development Cluster: pp 136-138; 161; 200-202; 206-209; 212-220
<ul style="list-style-type: none"> Residents Designated target groups (women, the elderly, disabled residents) NGOs 	<p>Care for the aged</p> <p>National Outcome/s – 2 and 7</p> 	<ul style="list-style-type: none"> Food support is included in the Department of Social Development's child care and care for the aged initiatives. The Social Development Department developed a 'Senior Persons Package' with different social support components, including food security support, an advocacy office and social networking. Senior Citizens' Day Care Centres have been established in all regions and are operating daily with 1 251 senior citizens having accessed them to date. The number of senior citizens participating in wellness programmes was 6 500. During 2012/13, the City supported ten homes for aged and elderly day care centres (in regions A, B, D and F) with chronic medication and elementary health services. A total of 1 200 elderly citizens benefited from the programme. 	<ul style="list-style-type: none"> City Manager's Executive Summary: p 15 Human and Social Development Cluster: pp 61-63 	<ul style="list-style-type: none"> Human and Social Development Cluster: pp 130-131 Human and Social Development Cluster: pp 205-206

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Designated target groups (women, the elderly, disabled residents and the youth) NGOs Vulnerable communities 	<p>Food security</p> <p>National Outcome/s – 6 and 10</p> 	<ul style="list-style-type: none"> A programme promoting food security was rolled out during the year with the aim of combatting hunger and addressing chronic lifestyle diseases resulting from poor dietary habits and sedentary lifestyles. 7 223 Households received food security assistance during the financial year. A total of 322 new food gardens have been developed for the identified vulnerable household. The Social Development Department's food support programme prioritised the development of urban agriculture and with that in mind implemented projects providing support to small emerging farmers. The programme aims to empower small farmers to become self-sufficient in producing their own crops and to sell fresh produce to their communities and local markets. A 'food for waste exchange programme' has been introduced – 7 223 households benefited from the programme during the year. 	<ul style="list-style-type: none"> The City of Johannesburg: p 29-31 Sustainable Services Cluster: p 49 Human and Social Development Cluster performance highlights: 62 Human and Social Development Cluster performance against SDBIP targets: 67 	<ul style="list-style-type: none"> Strategy and service delivery performance: p 36-37; 44 Human and Social Development Cluster performance highlights: p 118-119; 130-132; Flagship programme: a city where none go hungry: p 219
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) NGOs Vulnerable communities 	<p>Assisting vulnerable and displaced communities</p> <p>National Outcome/s – 3, 8, 11</p> 	<ul style="list-style-type: none"> The city embarked on social service interventions including: basic service subsidies, specialised services for vulnerable groups and housing/shelter, including subsidised rental for example – as part of the single window for the poor and vulnerable Flagship Programme. As part of the programme 114 016 individuals were connected with at least 1 social service over the course of the financial year. In an effort to provide opportunities for displaced people to find refuge beyond the streets 2 110 individuals without permanent housing were enrolled in targeted support services for the displaced. 1 200 Homeless children and adults have been supported or assisted off the streets and placed through the City's Displaced Persons Management plan. 	<ul style="list-style-type: none"> IDP priority programmes: p 33 	<ul style="list-style-type: none"> Human and Social Development Cluster performance against SDBIP targets: p 221-222

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) Business community Investors 	<p>Strengthening of law enforcement operations and social crime prevention programmes.</p> <p>National Outcome/s – 3</p> 	<ul style="list-style-type: none"> Crime prevention initiatives in the City resulted in 5 341 arrests for drinking and driving, 13 arrests for possession of illegal firearms, 116 arrests for possession of illegal drugs, and 50 arrests for possession of stolen vehicles. Policing around By-Laws resulted in a 72% reduction in illegal advertising. Furthermore policing around by-laws resulted in 8 486 fines for illegal street trading, 1 399 fines for illegal dumping and littering, 2 531 fines for illegal electricity connections, and 1 446 fines for illegal advertising. 	<ul style="list-style-type: none"> Human and Social Development: p 60-62; 79 	<ul style="list-style-type: none"> Human and Social Development Cluster performance highlights: p 116 Human and Social Development Cluster: p 119; 148-149; 211
<ul style="list-style-type: none"> The media Provincial Government Neighbouring municipalities 		<ul style="list-style-type: none"> In line with reducing specific physical and social disorder issues in targeted areas in the City through improved by-law enforcement; the City achieved a 72 % and 68% reduction on illegal advertising and illegal dumping/waste management respectively. Key operations to improve compliance to traffic regulations and improve traffic management were implemented. These resulted in 977 059 vehicles stopped, 58 074 fines issued for driving without valid driver and vehicle documentation, 723 691 for moving violations, 119 928 for vehicle roadworthiness, and 3 471 568 for speeding. When clustered together the Inner City experienced a total decrease of 79 incidents (-3%) in assaults and robberies for the current financial year. However, there was an increase in robberies compared to the year before when viewed alone. Decreasing both contact crimes of assault and robbery remain a priority in terms of the City's IDP Programme and the 'Joburg 2040' strategy. 		

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) Business community The media Provincial Government Neighbouring municipalities Academics 	<p>Assisting vulnerable and displaced communities</p> <p>National Outcome/s – 3, 8, 11</p> 	<ul style="list-style-type: none"> The 2013/14 business planning and outreach process will provide the City with an opportunity to communicate its draft plans and budget to a larger audience and enabled communities at a local level to express their needs. Through the IDP Flagship Programme of 'citizen participation and empowerment' the Community Based Planning Project (CBP) has developed 130 ward plans, as originally planned. A Community Based Planning pilot which should be able to guide comprehensive CBP implementation across the City has been successfully completed in Region E. Through the outreach process the City communicates and engages with citizens on the development agenda The City ran civic education programmes in seven regions (a total of 80 wards reached). There were 300 petitions submitted by citizens, with 25% being resolved. 	<ul style="list-style-type: none"> Sustainable Services Cluster Performance highlights: p 56 Good Governance Cluster: p 68-71 	<ul style="list-style-type: none"> Good Governance Cluster: p 165; 222- 226
<ul style="list-style-type: none"> Residents and rate-payers Business community Investors Provincial Government Neighbouring municipalities 	<p>Tarring of roads and fixing potholes in arterial roads as well as open space beautification</p> <p>National Outcome/s – 6, 11</p>	<ul style="list-style-type: none"> The Johannesburg Road Agency (JRA) which is responsible for the design, maintenance, repair and development of Johannesburg's road network and stormwater infrastructure - efficiently conducted an emergency repair of a sinkhole in Anchorville, Lenasia. The JRA developed its Service Delivery Improvement Plan (SDIP) to escalate and improve performance in key areas. There was a total of 16.99 kilometres of new road tarred, 5.2 kilometres of existing tar roads reconstructed and 73.47 kilometres of existing tar roads resurfaced in the financial year. Gravel roads were upgraded in the marginalised areas of Greater Ivory Park, Diepsloot, Braamfischerville and Greater Orange Farm. 13 Developments in open spaces were constructed; 8 Parks, 1 cemetery and 3 in road islands - as a beautification project. In order to increase and maintain the city's cultural capital and a sense of collective identity and efficacy through the public spaces programme two new public spaces were developed with public art being installed in them. In addition, 14 new public art installations were completed. 	<ul style="list-style-type: none"> IDP flagship Programmes: p 33 Sustainable Services Cluster: p 51; 	<ul style="list-style-type: none"> Sustainable Services Cluster: p 77; 83-92 Human and Social Development Cluster performance against SDBIP: 203-204

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) Business community Investors The media Provincial Government Neighbouring municipalities 	<p>Programmes to address unemployment.</p> <p>National Outcome/s – 4 and 5</p> 	<ul style="list-style-type: none"> The City's Expanded Public works Programme (EPWP) is the flagship programme to reduce unemployment and alleviate poverty – by facilitating on-the-job training. The total number of employment opportunities created during the year was 36 588 against a target of 35 000. The Expanded Public Works Programme (EPWP) has resulted in a 13.5% reduction in youth unemployment over the last decade. As part of our efforts to reduce unemployment we are committed to developing competitiveness, innovation and increased investment through support for SMMEs. With that in mind during the year, a total of 3 967 SMMEs were supported through our SMME development programmes. 	<ul style="list-style-type: none"> City Manager's Executive Summary: p 16 The City of Johannesburg: p 29 Sustainable Services Cluster: p 50; 57; 66 Economic Growth Cluster: P 57-60 	<ul style="list-style-type: none"> City Manager's Executive Summary: p 12; Operating context: p 32 Economic Growth Cluster: 108-110; 114-115
<ul style="list-style-type: none"> Designated target groups (vulnerable communities) Business community Investors The media Provincial Government Neighbouring municipalities Environmental groups 	<p>Roll-out of energy efficient programmes, e.g. solar geysers.</p> <p>National Outcome/s – 10 and 11</p> 	<ul style="list-style-type: none"> 27 091 Solar water heaters (geyser) were installed in various areas including Alexandra, Devland, Lehae, Pimville, Pennyville, Tshepisoong and Vlaktefontein during the financial year. In line with a shift to a low carbon environment the City completed the final draft 'Building Retrofit for Energy Efficiency Guideline Document'. 	<ul style="list-style-type: none"> Performance achievements: p 10 City Manager's Executive Summary: p 16 Sustainable Services Cluster: p 50; 54 	<ul style="list-style-type: none"> City Manager's Executive Summary: p 14 Sustainable Service Cluster: Performance highlights for the p 47; 59; 62-63 Sustainable Services Cluster performance against SDBIP: p 183
<ul style="list-style-type: none"> Residents and rate-payers Designated target groups (women, the elderly, disabled residents and the youth) Business community 	<p>Visibility of street names and public lighting.</p> <p>National Outcome/s – 3 and 12</p> 	<ul style="list-style-type: none"> The City installed 5 343 public lighting units during the year. 	<ul style="list-style-type: none"> Performance achievements: p 10 Sustainable Services Cluster: 50 	<ul style="list-style-type: none"> Sustainable Services Cluster: 47-48; 59; 61; 63 Sustainable Services Cluster performance against SDBIP: p 187

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Business community (Business Forum) Investors The media Provincial Government Neighbouring municipalities Environmental groups 	<p>Environmental diversity and protection</p> <p>National Outcome/s –2, 10 and 11</p> 	<ul style="list-style-type: none"> The City of Johannesburg facilitates environmental sustainability programmes for the conservation of water, land and air through its Environmental Management Department (EMD) and the Infrastructure and Services Department (collectively known as 'EISD'). These programmes are aligned with national conservation objectives relating to water conservation; integrated waste management; the protection of biodiversity; air quality management; energy diversification; and the impacts of climate change. As such, the City endeavours to ensure reliability and availability of acceptable quality and quantity of water to promote communal health, positive livelihoods and commercial production for the citizens of Johannesburg for example. With this in mind the City undertakes continuous water quality monitoring in identified 'hot spots' and achieved a 3% reduction of E.coli in the identified hot spots . As part of the City's objective to preserve priority conservation areas a bioregional plan was applied to 40 development applications processed. 	<ul style="list-style-type: none"> Performance achievements: p 10 City Manager's Executive Summary: p 15 Sustainable Services Cluster: 49; 55 	<ul style="list-style-type: none"> City Manager's Executive Summary: p 13 Sustainable Services Cluster: p 47; 50; 96-99; 106
<ul style="list-style-type: none"> Residents and rate-payers Environmental groups Designated target groups (women, the elderly, disabled residents and the youth) 	<p>Public transport and biodiversity corridor along Kliprivier drive.</p> <p>National Outcome/s – 6 and 10</p> 	<ul style="list-style-type: none"> During the year, the Transport Department's delivery agenda promoted walking, cycling, public transport and safety for all road users. During the year a sustainability study was completed for the Rea Vaya Phase 1C route, which concluded that Rea Vaya BRT, with improvements, was the appropriate mode to provide safe, affordable and reliable public transport on this route. Our aim is to increase the number of commuters on our world-class public transport system like Rea Vaya for instance, with an average of 39 000 passengers being transported daily and in the process, reduce our carbon footprint by using advanced technology on our public transport system. We achieved an overall annual average of 35 953 passengers per day; this under achievement is attributed to external pressures such as the number of strikes experienced. 	<ul style="list-style-type: none"> City Manager's Executive Summary: p 14 Sustainable Services Cluster: p 43 	<ul style="list-style-type: none"> Sustainable Services Cluster p: 74; 75

Stakeholders:	Material issues to each stakeholder group and associated National Outcome to which it relates	The City's Response	Where in this Abridged Report (Book 1) – Partial list	Where in Integrated Annual Report (Book 2) – Partial list
<ul style="list-style-type: none"> Residents and rate-payers Business community (Business Forum) Investors NGOs The media Provincial Government Neighbouring municipalities Environmental groups Academics 	<p>Initiation of integrated sustainable management and reporting frameworks.</p> <p>National Outcome/s – 9 and 12</p> 	<ul style="list-style-type: none"> In order to become increasingly accountable in our reporting; and to enhance transparency with respect to our budgetary, monitoring and oversight processes, we present an integrated annual report which emphasises the interrelation between our strategic planning processes and our operational achievements. This Report is the first in which the City purposely attempts to comply with the principles-based approach of integrated reporting as proposed by the International Integrated Reporting Council and the South African Integrated Reporting Committee. The integrated approach to reporting aligns with the City's integrated approach to strategy formulation and operational management. 	<ul style="list-style-type: none"> An integrated approach to reporting: p 2 	<ul style="list-style-type: none"> Structure of the Integrated Annual Report: p 3
<ul style="list-style-type: none"> Designated target groups (women, the elderly, disabled residents and the youth) Business community (Business Forum) SMME supporting NGOs Investors Provincial Government Neighbouring municipalities 	<p>SMME and entrepreneurial support</p> <p>National Outcome/s – 4, 5 and 11</p>	<ul style="list-style-type: none"> During the year the City supported 3 967 SMMEs through the SMME development programmes. The support included assisting informal traders to obtain trading licences, and the mentoring 21 SMMEs for a full calendar year in partnership with the Gauteng Enterprise Propeller. The Department of Economic Development (DED), the 'command centre' for economic growth in the City facilitated funding for the Soweto Energy SMME Incubator to the tune of R27 million from the Eskom Foundation and the Department of Trade and Industry. 	<ul style="list-style-type: none"> Performance highlights: p 10 Service delivery overview: p 15 Mixed development projects: p 48 	<ul style="list-style-type: none"> Service delivery overview: p 12 Economic Growth Cluster Performance highlights: p 106 Economic growth cluster performance against the SDBIP: p 196

Appendix A: Committees and committee purposes

Municipal committees	Purposes of committee
Section 79 committees	
Housing	Public participation and oversight over the IDP, budget and by-law processes of the Department of Housing.
Economic Development	Public participation and oversight over the IDP, budget and by-law processes of the Department of Economic Development.
Safety	Public participation and oversight over the IDP, budget and by-law processes of the Department of Safety.
Transportation	Public participation and oversight over the IDP, budget and by-law processes of the Department of Transportation.
Health and Human Development	Public participation and oversight over the IDP, budget and by-law processes of the Department of Health and Human Development.
Community Development	Public participation and oversight over the IDP, budget and by-law processes of the Department of Community Development.
Environment, Infrastructure and Services	Public participation and oversight over the IDP, budget and by-law processes of the Department of Environment, Infrastructure and Services.
Finance	Public participation and oversight over the IDP, budget and by-law processes of the Department of Finance.
Development Planning	Public participation and oversight over the IDP, budget and by-law processes of the Department of Development Planning.
Corporate and shared Services	Public participation and oversight over the IDP, budget and by-law processes of the Department of Corporate and shared Services.
Standing committees	
Municipal Public Accounts Committee	Political oversight over financial management and value for money in the City.
Rules committee	Review over amendments to the membership/s to council and its committees and review of a local/internal legislation (processes, policies, standing rules, etc.).
Oversight Committee on the Legislature	Public participation and oversight over the IDP, budget and by-law processes of the legislative arm of Council.
Gender Youth and People With Disability	Public participation and oversight over the IDP, budget and by-law processes of programmes that target designated groups.
Mayoral Committees	Sub-Mayoral clusters are established to assist the Mayoral Committee in fulfilling its executive or strategic function.
Ethics and Disciplinary	Resolution over breaches in the code of conduct for municipal employees and councillors.

Appendix B: List of Municipal Entities

Entity	Function
City Power	City Power is responsible for electricity supply and therein, contributes to improved quality of life. It further educates customers about the safe use of electricity, participates in renewal projects that empower entire communities, and provides and maintains the public lighting that reduces crime and keeps communities safe.
Johannesburg City Parks	City Parks is responsible for developing and maintaining all city parks, open spaces, cemeteries and conserved areas.
Joburg Theatre Company	The Joburg Theatre is Africa's leading provider of live entertainment, presenting world-class international and home-grown theatre. It is responsible for providing venues where performing arts professionals and amateurs alike can showcase their work.
Johannesburg Development Agency (JDA)	JDA is responsible for stimulating and supporting area-based economic development initiatives throughout the Johannesburg metropolitan area in support of the long-term Growth and Development Strategy (GDS).
Johannesburg Fresh Produce Market (JFPM)	JFPM is South Africa's major centre for the marketing of fresh produce. It is also the largest fresh produce market in Africa. It deals in fruit, vegetables, meat, fish and general groceries, most of them on sale to the public at wholesale prices.
Johannesburg Property Company (JPC)	JPC is responsible for property development; alienation of the Greater Johannesburg Metropolitan Council properties; property management services; and all associated ancillary services. The company develops and manages Council-owned properties for the purpose of maximising both social and commercial opportunities for the Council in the short and longer term.
Johannesburg Social Housing Company (Joshco)	Joshco provides and manages affordable rental housing stock for the lower income market as part of its contribution to eradicating the housing backlog.
Johannesburg Roads Agency (JRA)	JRA is responsible for the design, maintenance, repair and development of Johannesburg's road network and stormwater infrastructure, including bridges and culverts, traffic lights and signage.
Johannesburg Tourism Company	JTC is a destination marketing organisation, dedicated to promoting tourism growth in Johannesburg and to promote Johannesburg as a business, lifestyle, and sport and leisure destination, both locally and internationally.
Johannesburg Water (JW)	JW is mandated to provide water and sanitation services to the residents of Johannesburg. It supplies water and sanitation services to an area stretching from Orange Farm, in the south of Johannesburg, to Midrand in the north, Roodepoort in the west and Alexandra in the east. It operates in six regions with 10 network depots and six wastewater treatment plants.
Johannesburg Zoo	Johannesburg Parks and Zoo is responsible for the accommodation, enrichment, and husbandry and medical care of wild animals. The Johannesburg Zoo also offers a variety of educational and entertainment programmes.
Metrobus	Metrobus is responsible for providing customer-friendly public bus transport within greater Johannesburg.
Metro Trading Company	Metro Trading Company is responsible for informal traders and taxis, giving developmental support to the sector and managing the facilities the City has set aside for micro retailers and taxi operators.
Pikitup	Pikitup is responsible for keeping the city clean and preserving an attractive and hygienic environment for residents and visitors.
Roodepoort Theatre	Roodepoort Theatre is responsible for providing a venue where performing arts professionals and amateurs alike can showcase their work.

Appendix C: List of abbreviations and acronyms

ACDP	African Christian Democratic Party
AFC	Automated Fare Collection
AFS	Annual Financial Statements
AMD	Acid Mine drainage
ANC	African National Congress
APC	African Peoples' Convention
ARP	Alexandra Renewal Project
AZAPO	Azanian Peoples' Organisation
BEPP	Built Environment Performance Plan
CAII	Customer Average Interruption Index
CBD	Central business district
CBP	Community Based Planning
CCTV	Closed circuit television
CERT	Emergency Response Teams
CIMs	Capital Investment Management Systems
CIP	Consolidated infrastructure plan
CLOs,	Community Liason Officers
Clr	Counsellor
COJ	City of Johannesburg
COPC	Community orientated primary care
COPE	Congress of the People
CRM	Customer Relationship Management
CRUM	Citizen Relations and Urban Management
DA	Democratic Alliance
DEA	Department of Environmental Affairs
DoE	Department of Energy
DSDM	Developmental Service Delivery Model
DWA	Department of Water Affairs
ECD	Early Childhood Development
EE	Employee equity
EHS	Environmental health system
EIAs	Environmental Impact Assessments
EISD	Environmental Management Department and the Infrastructure and Services Department (collective description)
EME	Exempted Micro Enterprises
EMS	Emergency Management Services
EMT	Executive Management Team
EPWP	Expanded Public Works Programme
ESP	Expanded Social Package
F/Y	Financial year
FT	Full time
FTE	Full time employees
GCR	Gauteng City Region
GDS	Growth Development Strategy
GHG	Green House Gas

GPG	Gauteng Provincial Government
HH	Households
HRM	Human Resources Management
ICPS	Inner City Property Scheme
ICT	Information Communications Technology
IDP	Integrated Development Plan
IFP	Inkatha Freedom Party
IGR	Intergovernmental Relations
IIIP	Integrated Infrastructure Investment Plan
IIRC	International Integrated Reporting Council
IR	Integrated Reporting
ITP	Integrated Transport Plan
JBF	Johannesburg Business Forum
JBN	Joburg Broadband Network
JCL	Johannesburg City Library
JCP	Johannesburg City Parks
JCPZ	Johannesburg City Parks Zoning
JDA	Johannesburg Development Agency
JFPM	Johannesburg Market
JIMI	Jazz and Indigenous Music Incubator
JMAC	Johannesburg Migration Advisory council
JMAP	Johannesburg Migration Advisory Panel
JMPD	Johannesburg Metropolitan Police Department
Joshco	Johannesburg Social Housing Company
JPC	Johannesburg Property Company
JRA	Johannesburg Roads Agency
JSE	Johannesburg Securities Exchange
JSH	Jozi Skills Hub
JTC	Johannesburg Tourism Company
JW	Johannesburg Water (JW)
KK	Kliprivier / Klipspruit
KPI	Key performance indicator
LED	Light-emitting diode
LIS	Land Information System
MARs	Mine Residue Areas
MEs	Municipal Entities
Metrobus	Metropolitan Bus Service
MFMA	Municipal Finance Management Act
MOEs	Municipal Owned Entities
MotF	Market of the future
MOU	Memorandum of Understanding
MSA	Municipal Systems Act
MTC	Metro Trading Company
NEMA	National Environmental Management Act
OCIO	Office of Chief Information Officer
OHS	Occupational Health and Safety
OKM	Operation Khanyisa Movement

OVC	Orphans and Vulnerable Children
PAC	Pan Africanist Congress
PAIL	Public Access to Internet in Libraries
PFMA	Public Finance Management Act
PIE	Prevention of Illegal Eviction Act
PM	Particulate Matter
PMO	Project Management Office
PMTCT	Prevention of Mother to Child Transmission
PPP	Public Private Partnership
PRASA	Passenger Rail Agency of South Africa
PT	Part time
PWD	People with disabilities
QSE	Qualifying Small Enterprises
RCR	Round Collected Refuse
RFP	Request for proposal
SAIDI	System Average Interruption Duration Index
SCM	Supply chain management
SDA	Service Delivery Agreement
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SDS	Service delivery standards
SEMA _s	Specific Environmental Management Acts
SEMT	Strategic Executive Management Team
SEZ	Soweto Empowerment Zone
SHS	Shareholder Services
SHSUP	Sustainable Human Settlements and Urban Planning
SITPF	Integrated Transport Plan Framework
SLA	Service Level Agreement
SMME	Small, medium enterprises
SOCA	State of the City Address
SPTN	Strategic Public Transport Network
SS	Sustainable Services
SUDS	Sustainable Urban Drainage System
TBP	The Business Place
TDM	Travel Demand Management
TOD	Transit Oriented Developments
TIR	Transport Information Register
UDM	United Democratic Movement
UDZ	Urban Development Zone Scheme
UFW	Unaccounted for water
UNFCCC	United Nations Framework Convention on Climate Change
UPS	Uninterrupted Power Supply
USDG	Urban Settlement Development Grant
VER _s	Verifiable Emission Reductions
WDM	Water demand management
WWTW	Waste Water Treatment works
YTD	Year to date

City of Johannesburg
Department

1st Floor A Block
Metropolitan Centre
158 Loveday Street
Braamfontein

PO Box 1049
Johannesburg
South Africa
2000

Tel +27(0) 11 407 7356
Fax +27(0) 11 403 7372

www.joburg.org.za