

CITY OF CAPE TOWN

SPEECH BY EXECUTIVE MAYOR, ALDERMAN DAN PLATO, AT THE COUNCIL MEETING OF 28 OCTOBER 2009

Speaker, I would like to welcome all Councillors, City Officials and members of the public.

I thank Dr Gardener for this magnificent representation of the man who symbolises freedom and reconciliation in South Africa. Nelson Mandela is South Africa's most celebrated son and we are very proud to have him here. Thank you.

On behalf of Council, both officials and councillors, I would like to express our outrage at the stabbing of a Traffic Officer which occurred in Gugulethu a few weeks ago. I am relieved that the officer has been discharged from hospital and is recovering at home. The protection of our law enforcement staff is of vital importance, and as a result, I announced that the City would offer a R10 000 reward for information that could lead to the arrest and prosecution of those responsible for this crime. I am happy to announce that, since then, two suspects have been arrested. I commend the South African Police Services and I trust that they will be speedily brought to trial. I wish to also commend the City's Safety and Security Directorate for the assistance given to the Traffic Officer.

The City Council has launched an awareness campaign hosted by the City's Health Department to alert communities to the importance of washing their hands regularly. This initiative must be implemented across the city, and we need a City and community partnership to make it a success. As a municipality we must support this action with improved service delivery to all the affected areas.

Speaker, on Tuesday, 20 October 2009, all Mayors and City Managers across the country had an opportunity to engage with President Zuma regarding service delivery issues in local government.

We, at the City of Cape Town, welcome the statement made by President Zuma that the government will not tolerate the destruction of property and the violence that often accompanies service-delivery protests.

Speaker, the City of Cape Town has been rated as the top city in South Africa for Service Delivery by Empowerdex, an economic

empowerment rating agency. I would like to congratulate and thank all City of Cape Town staff not only for achieving this recognition, but for their service and commitment to the residents of Cape Town.

City Manager, this award acknowledges the hard work of the City's staff. It should motivate us to work even harder and use our available resources as wisely, responsibly and cost-effectively as possible. The eyes of the world will be on Cape Town during the FIFA final draw on 4 December and during the World Cup next year, and this award gives us confidence in our preparations.

By any measure, this municipality has much to be proud for the way in which it contributes to the day-to-day wellbeing of its residents. The City scored 95 percent for refuse removal and the provision of electricity, 92 percent for sanitation, 90 percent for water provision and 85 percent for housing. We will not, however, rest on our laurels – we can and will do better.

Speaker, the global economic downturn coupled with major increases in electricity charges for the next three years has had a significantly negative impact on the City's budget.

The collection charges for services and rates have declined and the central wage settlement for municipal staff was significantly more than budgeted for by the municipality.

The capital and operational budget investment in staging 2010 World Cup, whilst having significant long-term benefits for the city and its economic base, has resulted in additional budget pressures.

National Government has been similarly affected by constrained economic conditions, service delivery demands and declining revenue and will not be able to offer any significant help to the City.

This Council and this Administration will have to come up with much more than a short-term response of:

- reducing capital projects, and
- operational and staff vacancy budgets.

It requires a permanent change of mindset, of establishing clear priorities in saving and using what we have in the most effective way. We cannot afford to compromise this city's financial stability and affordability.

Yes, there will be sacrifices. Yes, we will have to manage expectations. But we are not alone. All organisations face the same

challenges. Let there be no doubt that we, as elected civic representatives and the managers within the administration, will have to lead by example. This must become the way we run this organization.

Councillors, the City administers over 82 clinics which are grouped according to the eight health sub-districts. City Health is committed to providing a health care service of high quality within its available resources. We promote a patient-friendly attitude and ensure that all staff work according to the principles of Batho Pele.

Despite negative media coverage about the City's clinics it is important to restate that the independent, externally commissioned investigation into the death of the 17-month-old Unabantu revealed that the events leading to her death were not due to the negligence of health facility staff.

The City's facilities were found to have good protocols in place to manage patients. The only recommendation made was the need to put a system in place to inform patients of their rights – Nyanga CHC has always had a patient rights charter & complaint management process in place.

City Health has always and continues to work with the Council for Health Service Accreditation of Southern Africa (COHSASA) to achieve accreditation, based on international standards of quality of care, for a number of its health facilities. COHSASA grades each clinic in the programme according to international health standards and this is a continuous process that includes follow-up visits to assess compliance.

Speaker, the City has noted with concern recent proposals in the media to merge the Metro Police and the South African Police Services. It has requested information from the office of the National Police Commissioner as to the exact nature and impact of this intended course of action. To date we have not received any feedback to our written request.

Our second course of action has been to source a legal opinion via senior counsel to examine in greater detail the relevant legislation and the implications of any possible merger. This is in preparation for any formal communication on this matter from the Saps.

Speaker, two weeks ago the City was the recipient of the South African Housing Foundation merit award in partnership with Standard Bank and Bitol Developments for its newly built Gap housing project in Elsies River.

Leo Mews is a unique project that has been built to accelerate and stimulate the delivery of affordable housing to qualifying households across the city. The project won the prestigious award for its interpretation of the City's brief to create aesthetically pleasing, affordable high density housing for people in a manner that is socially and environmentally sustainable for all stakeholders.

The units are priced between R237 000 and R254 000, enabling people with a combined monthly income of as low as R7 200 to qualify as potential buyers. The Housing Directorate is commended for its contribution towards winning the award, and in making Leo Mews an example of what can be achieved when public and private sectors form strong partnerships.

Speaker, on 4 December Cape Town will host the 2010 Final Draw in the Cape Town International Convention Centre. At this event the match order of the 32 participating teams will be determined, after which the teams will decide where to base themselves for the World Cup. This is a major event for our city and will be watched live in some 200 countries.

Before the end of the year there will be events over several weeks, starting with:

- the switch-on of the festive lights on Sunday, 29 November
- the Final Draw event itself and public viewing in Long Street
- the opening of FIFA's first Football for Hope Centre in Khayelitsha
- the hosting of the World Broadcasters Conference; and
- the completion of our stadium on 14 December.

Speaker, there have been some negative reports recently about the new stadium in Green Point being a "white elephant". This criticism and unrealistic and unwarranted doomsday scenarios have come from known critics over the past three years.

Today, Council is considering two important reports – one for the naming of the stadium and the other to consider the approval of the lease agreement with SAIL/Stade de France, the operator of the stadium after the 2010 World Cup.

The hosting of 2010 World Cup is a South African and African effort. Our stadium is part of a national business plan, led by the national government. It is a multi-purpose stadium suitable for soccer, rugby, events and concerts. SAIL is one of the largest sport marketing companies in South Africa and Stade de France, who operate a successful and profitable 80 000 multi-purpose stadium,

were successful bidders to operate the stadium in an international tender. Their bid is confirmation of the stadium's viability and sustainability.

The City will receive 30% earnings before tax. This will be based on formal audited statements. The stadium is brand new, so in the initial years when we have to establish and market the stadium, maintenance costs should be low. With its proximity to the tourism and business centre of the city and its unique and incredibly beautiful location, we believe it will become a major asset and attraction for our city.

It is quite significant that property prices in the surrounding Green Point area have risen significantly since the start of the stadium construction.

When we started the Convention Centre, critics said we did not need it. Now it hosts up to 120 090 delegates per year and it is booked out years in advance.

Speaker, because of the World Cup, Cape Town is receiving an injection of around R12 billion into its economic base from new and upgraded infrastructure. This investment will make Cape Town a better place to live for many decades to come.

The key new infrastructure improvements are upgrades to the airport, the rail system, several major road interchanges, the Grand Parade, and the Philippi and Athlone stadiums and the redevelopment of the Green Point Common as an urban park and sport precinct. Cape Town needs all of this for 2011 and beyond, but it's 2010 that has kick-started it into actually happening.

Hosting 2010 is a global marketing opportunity. The key to the long-term benefits flowing from this event are contained in two words: 'visitor experiences'. If Capetonians are superb hosts and they offer excellent service and goods at fair prices, we will have thousands of ambassadors, return visitors and investors. This is a chance to prove what we're worth on a scale that has never before been possible.

Speaker, by the end of the month we expect to have resolved the illegal occupation of a pavement in Symphony Way. The Symphony Way eviction application commenced in February and was postponed on various occasions to enable the respondents to obtain legal representation and file answering affidavits.

The application was for the eviction of approximately 103 families who are occupying a pavement some 400 metres long in Symphony Way, Delft and would allow for the removal of their make-shift shelters. The City sought to relocate the parties further down the road to the Symphony Way Delft Temporary Relocation Area ('Blikkiesdorp') where better shelters and services are available.

On Monday 19 October the matter was finalised in the Western Cape High Court and an eviction order was obtained.

The Judge ordered the parties to engage meaningfully in order to reach consensus. Due to intensive negotiations with the community, the relocation of the first 23 families commenced on Monday 26 October and the community has committed to complete the relocation by the end of this week. As Mayor I would like to commend the Housing Directorate for ensuring and assisting the smooth relocation, and thank the community for working with the City to manage this in a peaceful manner.

There has been a great deal of media publicity around an article in a local newspaper that labelled Cape Town a racist city. The article is centred on a selective study of some companies in the retail, finance and petro-chemical industries. Many of our leading industries like agriculture, tourism, advertising and the creative arts were not consulted and neither was the City of Cape Town.

As the largest employer in the Western Cape I think it is important that the public are made aware of the City of Cape Town's progress with regards to integration and employment equity.

The City of Cape Town, like all municipalities in South Africa, faces a wide range of historically created challenges to integrating its diverse communities and working towards a situation where every citizen, regardless of their background, has equal opportunities in life.

In order to achieve this, the City has a number of initiatives underway, including plans for ambitious urban spatial development planning that will minimise the geographic divides that separate some areas of our city. One important component of this is the new Integrated Rapid Transit system, which will make urban mobility more accessible for all of Cape Town's residents.

The City of Cape Town far exceeds most of the benchmark targets for Employment Equity:

- The benchmark for Black males is 15,8 %, while we at City have a rating of 16,5%

- For Coloured males the benchmark is 27,3 %, while we have a rating of 44, 3%
- The sentiment that special preference is being given to Whites is also unfounded. For White males the benchmark is 10% and we have a rating of 9,4%

Gender equity in the workplace remains a world-wide challenge and the City of Cape Town is making significant strides in addressing this issue.

The City of Cape Town actively drives and supports the principles and implementation of Employment Equity and the attraction, development and retention of this category of scarce skills is a high priority.

Through the Human Capital Management Programme and Strategy the City is focusing on the attraction, development and retention of all talented individuals. This strategy is multi-faceted and focuses on a wide range of interventions including the provision of bursaries, learnerships and graduate internships; innovative attraction strategies focused at various stages of the employee life cycle; a wide range of developmental programmes including personal developmental plans, defined career pathing and other interventions supporting career and succession planning.

Speaker, in a bid to address the current situation with regard to the relatively low levels of black professionals willing to relocate to Cape Town, the concept of a collaborative forum comprising of employers in the Western Cape, tertiary institutions and other relevant stakeholders is proposed. The City is currently already in such a collaborative partnership with the four tertiary institutions in the Western Cape.

This partnership has provided fertile ground for exploring and seeking solutions to some of the problem areas. It needs to be expanded to include local business and other stakeholders in order to adequately and holistically address the core issues. There is little point in each employer 'going it alone' on this issue. There needs to be a shift in the branding strategy away from a purely employer of choice perspective to a destination of choice perspective. We must brand Cape Town as an attractive location to live and work in; this type of branding will require close collaboration and the support of other stakeholders.

The City welcomes the debate that this article has created, but hopes that a full analysis of the existing realities will be taken into account, so that meaningful progress can be made towards a truly

harmonious and integrated South Africa. It is important that we manage any negative perceptions of our city and remember that we are all worthy of being called Africans, regardless of our language or the colour of our skin.

In Cape Town provision of basic services to our numerous informal settlement areas is a challenge. This is exacerbated by continuous migration into the city.

However, significant investment has taken place in the informal settlement over the past three years.

Five informal settlements were selected as pilot project sites to test a revised approach to service delivery to informal settlements. This revised approach will develop and benchmark best-practices in respect of a sustainable, inclusive and participatory community-based service delivery.

The testing of this new approach has started in five settlements with the first phase being the Partnership Development Phase,. This will provide us with a community-based Area Development Strategy which will inform programmes, budget and resources.

The provision of basic services that have been delivered since the inception of the Informal Settlements Master Plan in 2007 has increased dramatically.

- Provision of water services has increased from 71,4% in 2007 to 82,2% as of September 2009
- Sanitation from 58,8% to 77,7%
- Solid waste from 61% to 100%
- Electrification from 30% to 48,4%

Speaker, over the last three financial years, more than 1.6 billion rand has been spent and will be spent in Khayelitsha alone. 39,5% of the total housing opportunities provided over the past three years have been invested in Khayelitsha. Mitchells Plain and Wallacedene have each been the beneficiaries of 8% of all housing opportunities from 2006 to 2009. Details of some of the major Urban Renewal Projects in Khayelitsha are:

- The development costs for the first phase of the Khayelitsha CBD development is R451.6million.
- The South African Railway Commuter Corporation in partnership with the City of Cape Town extended the Khayelitsha railway line at a cost of R430 million - R115 million of which was paid for by the City.
- The new Town Two Clinic is under construction for R20 million.

- The Kuyasa Node Development and the Site C Area Development will be funded from the R310 million, NDPG (Neighbourhood Partnership Dev Grant) allocations for Khayelitsha.
- The Urban Design Framework Plan for Site C and TR Section has been completed
- Khayelitsha District Hospital currently under construction represents a R500 million investment

It is therefore very clear, that a lot has been accomplished, but a lot still needs to be achieved but our budget cannot allow a lot more to happen.

Speaker, the City of Cape Town is committed to implementing a quality public transport system. An accessible, efficient, frequent and high-quality public transport system is a vital requirement for a city's long-term economic growth and international competitiveness.

The investment required to launch and operate a public transport system is significant. It is important that in implementing the Integrated Rapid Transit (IRT) System the City strikes a balance between affordability and viability while still providing a quality public transport service for the city's commuters.

In achieving this balance in the current constrained economic climate the City must be financially prudent. It must match expenditure and implementation to available funding while still meeting our commitments to provide a transport service for the World Cup next year.

Today Council will be considering a report that proposes a programme for the IRT that matches implementation with available funding.

The report proposes that:

The project will only spend money that is made available to the City through the Division of Revenue Act by National Government for the IRT project.

The City will ensure that our commitments to FIFA as a host city and to the stadium operator are met by implementing a public transport service that provides:

- Inner city circulatory service;
- Match day shuttle service; and
- Airport city shuttle service.

In order to provide the service the City seeks authority to:

- negotiate with its preferred supplier to procure the necessary buses, which are eight 18m articulated buses, thirty 12m standard buses and seven 12m airport buses at a cost of R101,5m);
- negotiate to lease, with the option to purchase, the land for the inner city depot (R18,5m); and
- continue its engagement with the existing public transport industry (scheduled bus & mini-bus taxi industry) to secure an operator for the 2010 World Cup event.

Work on contracts already committed will continue. The City will be negotiating with the existing contractor on the R27 to extend the existing contract to include the construction of the Bayside IRT station in the existing work (estimated value of extension of work R14 million).

Additional contracts to complete Phase 1A will be initiated once funding is secured from national government. Should additional funding be received from the National Department of Transport or National Treasury, the roll-out of the IRT project will be reassessed and matched according to funding.

The report asks that the City be given a mandate to negotiate with national government to gain certainty about:

- allocations regarding existing DORA funding on outer years' allocations,
- accessing additional funds, and
- ensuring early payment of funding within a given financial year in line with the IRT project cash flow needs.

The projected estimated cost of phase 1a is R4, 2 billion with the estimated operating deficit increasing to R125 million per annum when the full phase 1a is operational. The roll-out of the IRT project will be limited according to the currently proposed national government funding of R2,355 billion; should this national government funding be reduced, the scope of the project will be limited to available funds.

As a result of the increases in estimated infrastructure and operating costs, the City is undertaking a strategic review of the future implementation of the IRT, to ensure that the system is cost-efficient while still providing a quality public transport service. Speaker, the first phase of the forensic investigation into the City of Cape Town's IRT project has been completed. City Manager Achmat Ebrahim instituted the investigation on 6 August. The audit's terms of reference encompassed the reasons for the cost escalation, the

underestimates, the process, expenditure and who was responsible for certain decisions.

The forensic investigation found that there is no evidence of fraudulent activities, but has found that there is enough evidence to warrant that the City commence a disciplinary process against a staff member. The process will be driven by an external facilitator. The City will announce the outcome of the process when it has been completed.

The implementation of the IRT project is currently one of the biggest infrastructure development projects ever undertaken in the city. The importance, cost and scope of this project make it imperative that the City ensures that all processes have been correctly followed.

The City is committed to implementing the IRT Project, which will benefit both residents and visitors to Cape Town. The City will work closely with national government to resolve remaining concerns about this important local and national project.

Speaker, currently informal trading takes place in the walkways and squares in the Mitchells Plain Town Centre, in contravention of a number of by-laws. This results in extreme congestion in the walkways, and the obstruction of display windows and shop entrances. To aggravate matters, trader structures and goods are left overnight.

The City, using National Government funding has started a phased process to upgrade the Mitchells Plain Town Centre to once again make it a premier shopping centre in the area.

The following upgrades have been planned:

- Integration of the different spatial areas within the CBD – this is currently taking place
- Provision of Taxi Rank Facilities and a new Bus Terminus – this has been completed
- Provision of Informal Trading Market facilities and Informal Trade Infrastructure – this has been completed
- Public Space Improvements and Landscaping - half completed – walkways and Squares outstanding
- New Road Infrastructure – completed
- Provision of public buildings – completed
- Installation of CCTV cameras – completed
- An additional pedestrian bridge – completed

- The establishment of a City Improvement District/Management Structure to coordinate the management and operations of the Town Centre in a sustainable way and with the maximum involvement of the community - under consideration

Total investments for this will amount to approximately R130 million.

In conclusion, Speaker, the Metro Police have stepped up their enforcement campaign by raiding identified houses dealing in drugs. Operation Razor – a drug fighting initiative launched by the Metro Police has been extremely successful.

Major successes to date include:

- In an operation held in Tafelsig, Mitchells Plain, eight houses were searched and six suspects were arrested for drug related offences and a total of two hundred and fifteen traffic fines were issued.
- 25 Mandrax Tablets and 533 rounds of ammunition were confiscated in Athlone

This is an ongoing operation to reinforce the City of Cape Town's zero tolerance policy when it comes to drug and alcohol abuse.

Prostitution remains a concern and regular enforcement actions are being undertaken in all areas that are known for sex trading. The staff have succeeded in removing underage persons from the road whose parents were not even aware of the activities of their children. I would like to commend the Safety and Security Directorate for their commitment and dedication.

Lastly, it gives me great pleasure to congratulate the community of Mitchells Plain on their 35th anniversary. We hope to see the area promoted as a safe tourist and business location and to unite residents in the area.

Thank you