

SPEECH BY EXECUTIVE MAYOR ALDERMAN DAN PLATO: COUNCIL MEETING OF 27 OCTOBER 2010

Mr Speaker, councillors, City Manager, officials, ladies and gentlemen.

Firstly, I would like to acknowledge the loss of Councillor Peace Stimela. Our deepest sympathies are with his family and friends. He will be sorely missed by his fellow councillors, City officials, and the community he served.

Over the past few months our city has gone through some very challenging times. However, it is thanks to the fact that we have a strong and fully functional municipality that we are able to overcome these difficulties.

Efficient and caring service remains the cornerstone of our City's focus. This is borne out by the fact that the City of Cape Town has been acknowledged as the best run metro in the country.

Over the past 18 months as Mayor I embarked on a campaign to understand the issues that Capetonians face. It has been most informative and useful. The biggest lesson learnt is how important it is to be open, available and ready to listen. As political office bearers one of our most important tasks is just being willing to listen and show we care.

What was interesting for me to hear was that residents of Cape Town acknowledged the good that the City has done. However, residents, councillors and officials recognise that there is still much to be done. But it is only through consistent engagement and transparency with our residents that we can work to address these gaps.

The City has been hard at work and this has borne many fruits.

In the past year, the City of Cape Town:

- achieved its sixth consecutive unqualified audit,
- was voted the Best city in Africa and the Middle East by the readers of Condé Nast Traveler for the second time,
- for the second consecutive year the City was widely acknowledged for its access to information policies and practices,
- was awarded a 98% score in the Blue Drop Drinking Water Quality certification process

However, we acknowledge that times are hard at the moment, and that our residents across the city are suffering due to a tough national economic environment. Recent layoffs show us that we are not completely

out of the recession. The City also suffers as a result of these hard times and wherever we can, we seek to lessen the burden on our residents. The City's decision to provide over R1 billion in financial relief for the indigent in this financial year is one of many examples where we have tried to intervene.

However, Mr Speaker, I cannot and will not condone the acts of vandalism and violence that have recently erupted in some of our communities as part of public protests. Such actions do not aid in the development of our city but are rather a major hindrance. The most horrific case being last night when it was reported that a councillor present in this chamber instructed residents to kill officials that disconnect illegal and dangerous electricity connections.

This behaviour from an elected official who, despite his political affiliations, is an official representative of this body is unacceptable. I will be requesting the Speaker to investigate what sanction would be appropriate in this matter.

The only effective way of delivering services within our budget is through constructive dialogue between the City and the communities. I have always maintained an open door policy and will be engaging with several communities in due course. Let me reiterate that the City will not tolerate any calls for vandalism and violence. We will ensure that the full might of the law is brought against the perpetrators of such unnecessary vandalism.

It is more important now than ever that we work in partnership on a common programme to respond to our tough economic climate.

Mr Speaker, we will continue with our programme to build economic and social infrastructure.

One of the biggest infrastructure investment projects over the past few years was the 2010 FIFA Soccer World Cup™. We successfully hosted the tournament and have received legacy benefits that will benefit our city for years to come.

Speaker, although much success has been achieved over the past four years in getting the basics right, Cape Town needs a longer term strategic plan, that is underpinned by a forward looking approach focused on sustainability. The challenges facing the city mean that a shift in thinking and action is needed to secure Cape Town's viability and prosperity for current and future generations.

The City cannot continue with a 'business as usual' approach; old ways of meeting new challenges are likely to fail. We are living in a world of rapid,

unprecedented change and we have to change with it in a pro-active, imaginative and visionary way.

A City Development Strategy(CDS) is a long-term vision, with appropriate implementation programmes and projects, to improve the quality of life for all residents. Research has shown that cities that have a CDS fare significantly better than those without it. The performance of cities can change enormously within 10 to 20 years as a result of having focused strategies in place.

Speaker, our draft CDS is ready for input from Capetonians. Phase 1 of the engagement process starts in November with three meetings planned with leaders from business, universities and education and professional bodies. The City will get feedback from these meetings, with additional engagements planned in 2011. We plan to have a revised framework for further discussion before the end of June 2011. This is the beginning of laying the foundation for a long term vision for this City that guides how we plan to develop.

Mr Speaker, Cape Town faces the same transport problems as other large cities around the world: traffic congestion, which worsens almost every day, and an antiquated transport system. The result? Intolerable frustration for our citizens, many of whom spend hours every day commuting to work - and, of course, unacceptable pollution of our skies.

We had to take action. We started building an Integrated Rapid Transit system - MyCiTi.

MyCiTi's first task was to provide an event service for the World Cup. Those who used the bus all said they absolutely loved it. The service consisted of a central city route and a shuttle bus between the central city and the airport. This airport shuttle is still running today.

Council acknowledges that since the World Cup the airport shuttle service has not seen the ridership that we would like. We know that this route is a small start of a bigger project that will spread across this city. This week saw the start of an advertising campaign in our media that will encourage Capetonians and visitors to use the Airport Shuttle service and later the Gardens, Central City, Waterfront route and in the first quarter of 2011 the West Coast route from Table View. I encourage all of you to catch the bus, it is a clean, affordable and efficient way of travelling to and from the airport.

MyCiTi is a hugely ambitious project.

We plan to deliver a bus service to within 500m of almost every household in the metropole, in the next 15 to 20 years. It will make a

radical difference to the city, which still sees many of our poorest people living on the periphery of the city and struggling to reach the central city. MyCiTi will carry them around quickly, efficiently, and at an affordable price.

MyCiTi may be ambitious, but it is anything but rash. BRT systems are being implemented across the world as they are recognised as a credible intervention in the public transport environment.

Just 35 years ago, there was no such thing as BRT. Now, more than 49 BRT systems have been constructed in cities across the world, and 90 more are under way, including the four now being built in South Africa - in Cape Town, Johannesburg, Tshwane and Nelson Mandela Bay.

Today Council passes an important milestone in the implementation of this service. Council is being asked to approve the Business Plan for Phase 1a which lays out how the service in the first phase of the city will be implemented. With this guiding document in place the City's team can implement a project which will support a radical change to this city in the medium term.

Mr Speaker, we must work together to do more to fight crime, especially during the festive season. The City is seeking to establish a transformed and integrated law enforcement system that is well-managed and properly resourced. This will be co-ordinated with the South African Police Services. The City's various law enforcement branches have had a successful year and will continue to focus on problem issues going into the festive season.

Traffic Services has expanded their Ghost Squad to include a unit for taxis, in addition to the unit policing private vehicles. They also opened up a new driver's licence testing centre in Fish Hoek to keep up with the demand in the area. Last week Traffic Services launched new payment options for its Operation Reclaim roadblocks – ensuring that it is now easier than ever for motorists to pay outstanding traffic fines.

Metro Police have focused heavily on the sale of drugs and counterfeit goods in recent months. Operation Choke and Operation Razor have resulted in numerous arrests and the confiscation of narcotics, counterfeit merchandise and other illegal goods. They have also seen major successes thanks to tip-offs from members of the public.

This type of partnership works and we thank the public for their cooperation and encourage them to continue aiding us. Earlier this month 20 Metro Police sergeants underwent a training course to better equip them to deal with sexual offenders. Cape Town is the first metropole in

South Africa to receive this training, which was conducted by the American Federal Bureau of Investigation.

Law Enforcement Services has brought various specialised units to life over the past four years, including the Metals and Theft Unit, also known as the Copperheads, and the Liquor Unit. These units have been immensely successful in curbing the theft and trade of scrap metal and the presence of illegal 'shebeens' respectively. We look forward to the upcoming festive season, after two particularly successful years.

Emergency Services is positive going into the festive season, after being integral to a successful and safe 2010 FIFA World Cup™. They oversaw the planning and execution of important services during the tournament and the implementation of countless safety measures. Emergency Services set up and maintained a disaster management centre during the tournament which ensured fast response times and a direct link to the ground. They have implemented pro-active winter planning programmes over the last two years and will be doing the same going into this festive season.

The Safety and Security Directorate has worked hard to protect all residents and visitors in Cape Town. They have also taken a hard line against fraud and corruption over the last 18 months and will continue to do so.

The City's law enforcement branches have had a successful year not only because the staff are dedicated and passionate, but because we've had the 100% support of the public. I appeal to the public to give us this same level of support going into the festive season.

Mr Speaker, since the multi-party coalition took control of the City in 2006 it has strived to administer services to the highest standards of governance and financial stewardship. It has pursued full compliance with legislation and above all, an open and transparent administration.

Confirmation of this has been numerous awards for its policies and practices, but also an unqualified audit report for every year that the coalition has been in control, something that no other metro in South Africa has achieved.

Indeed, whilst Cape Town has been attaining the highest standards of financial management, other ANC-led metros have incurred a cash-flow crisis by failing to collect revenue, failing to pay creditors and needing to be bailed out with government grants and guarantees.

I mention this because of recent developments in the process of the annual audit by the Auditor-General's Office.

At the last Mayoral Committee meeting, an item was tabled to undertake a public participation process aimed at amending the City's Corporate Scorecard. The Scorecard is an important document as it is the City's compact with the community. It defines the targets that have been agreed to in order to achieve the strategic objectives of the City. These objectives have been set in consultation with stakeholders through the IDP process. Once set, they must be taken very seriously and pursued to the very best of our ability. The resulting achievements must be reported on in the Annual Report and submitted to Council.

It is therefore reasonable to have the Auditor-General comment on the claimed results of the City. One of the important functions of auditors is to provide an independent assurance to stakeholders that information being made public is accurate.

However, and this is the key point, it is not the role of auditors to determine what the City should set as its targets in the Corporate Scorecard through dogmatic and unrealistic definitions of key performance criteria.

The changes that are now necessary to the Corporate Scorecard are being dictated by the Auditor-General. In evaluating the reported outcomes made by the City, the auditor is claiming that he is unable to assess the validity of the performance targets. The Key Performance Indicators that are affected are the provision of basic services for which the City strives to ensure 100% access for all households.

The auditor has determined, at a national level, that unless the City can provide a formal list of all "households" in the City, which includes formal housing, backyard structures, informal housing, then he cannot offer an opinion. In audit terms, he will issue a disclaimer. As a consequence to this, we are being forced to amend our Scorecard, from a strategic document to a compliance document.

Mr Speaker, this is not desirable. The City cannot be dictated to by the Auditor-General's Office on its service delivery targets, which are agreed with our residents. I propose to engage with the Auditor-General to discuss this.

Before leaving the subject of good governance, Themba Godi, the head of Parliament's SCOPA watchdog committee commented recently that "the government is in trouble unless it deals with poor leadership, improves internal risk control and bolsters audit committees in each department, (otherwise) the rot of corruption, fraud and maladministration will continue". He continued "We are in trouble because it appears that there's

no alignment between what public entities do and the strategic objectives of the state.”

These are objectives that the coalition government in the City fully subscribes to and pursues. This is why we have achieved clean audit reports over the past five years.

This cannot now be undermined by being forced to provide a “compliance” Scorecard instead of a strategic document; in order to avoid a technical “disclaimer of opinion” because its performance information is complex and difficult for an auditor to verify.

Mr Speaker, on Monday I requested that the forensic investigation into the construction of the toilets in the Silvertown housing project be released.

The investigation clearly shows the extent to which City officials went to get consensus from the community and politicians in the area alike to provide a service over and above the minimum service delivery targets. The negotiations between the community and the City resulted in 1265 families receiving an individual toilet that they enclosed themselves. These toilets were in addition to the already installed toilets in line with the national minimum of 1 toilet per 5 households.

Rather than supporting the City’s initiatives to improve municipal services, blatant political inference has made the Makhaza matter a very difficult and sad situation. The City has consistently said that it will re-install the remaining unenclosed toilets in Makhaza with galvanised steel enclosures at its own cost once it receives an undertaking by the ANC Youth League that the toilets will not be destroyed for a third time.

No such undertaking has been received as yet. This matter is now before the court. The City hopes that this matter will be resolved through a thorough investigation of the facts.

It is striking to note the urgency with which the Makhaza complaint was treated by the SAHRTC when compared with the lack of action in the case lodged against Viljoenskroon, where a large number of unwallied toilets remain in spite of the charge laid with the SAHRC.

Compounding our concern of a political agenda the SAHRC is, at its own initiative, undertaking another investigation that we believe is also politically motivated. The SAHRC has announced that it will investigate the recent events at Hangberg, where the South African Police Service’s supported the City’s law enforcement agencies in removing unoccupied, illegal shelters built in the firebreak and nature reserve.

The removal of the unoccupied shacks came after years of working with the community to upgrade the informal settlement. This included a commitment from the community to stop the further building of illegal structures. They understood that if densities became too high, it would be impossible to install the infrastructure required for services. Despite this, more and more structures were built, not only in the settlement, but also in the abutting firebreak and nature reserve.

After repeated requests to remove the structures in the firebreak and nature reserve, the SAPS and Metro Police acted. When they were targeted by some residents hurling stones, flares and petrol bombs, the Metro Police and SAPS were required to respond. Tragically, three people lost an eye in the incident while others were less seriously injured. 16 Metro Police officers sustained injuries.

Such action and its consequences are always deeply regrettable, and should not have been necessary. The point also needs to be made that when people attack this country's law enforcement agencies they need to respond to maintain law and order. We cannot allow a situation to develop where people act outside of the law with no sanction.

The City is following the legal process to have the dwellings removed as they pose a severe safety risk especially as the fire season approaches.

The City's position remains the same and will form the basis of the City's court application and discussion with the applicants: the City is committed to upgrading the area to provide housing and municipal services to those residents who have been living legally in the area for a number of years. The illegally built structures in and above the firebreak on the Sentinel must be removed as they place the entire Hangberg community in danger.

Speaker, one in four South African drinkers drink at hazardous or harmful levels over weekends, a phenomenon that seems to be getting worse. There is also evidence of increases over time in levels of binge drinking by youth, with binge drinking by males in grades 8 to 11 increasing from 29% in 2002 to 34% in 2008. For females the corresponding percentages are 18% and 24%.

Speaker, in terms of negative consequences, alcohol has been shown to be the third largest risk factor for death and disability in South Africa, accounting for roughly 7% of all years lost through premature death or years lived with a disability.

The cost of alcohol misuse to the public sector has been conservatively calculated as being in excess of R17 billion per year, with total costs to society estimated to be around 2% of GDP, or roughly R43 billion

annually. Research has shown the Western Cape to be particularly burdened by alcohol-related crime and violence, and also by problems associated by foetal alcohol syndrome.

It is for these reasons that the City needed to intervene in whatever manner possible to limit the harmful impact of alcohol abuse on our society, while recognizing that we are a tourist oriented city. The City of Cape Town's LIQUOR TRADING DAYS AND HOURS BY-LAW was passed by full Council in July 2010.

This followed a two year project which involved public participation with industry leaders (which included Fedhasa) and members of the public.

It was published in the Government Gazette to come into effect on the 1 January 2011.

It was at this point that FEDHASA realised that existing hotels in residential areas would have to close their bar facilities at 11pm.

This was not the intention of the by-law.

It was found that five hotels around the city could be unintentionally affected by this by-law, which seeks to reduce the negative impact of these facilities in residential areas. In some areas residentially zoned erven allowed hotels to open and operate.

Accordingly the Liquor Policy Task Team met with representatives of Fedhasa and Cape Chamber of Commerce and have amended the by-law which will be tabled at PEPCO on Tuesday 2 November to make its way to Council for approval so we can still make the start date of the 1 January 2011.

The changes as a result of our meeting with Fedhasa and the Cape Chamber of Commerce are:

- That hotels will be allowed to trade their bar facilities until 2am
- The by-law now allows the sale of sparkling wine and champagne from appropriately licenced premises from 8am – 11am when the normal licence hours commence. The current laws state that establishments can only serve alcohol after 10am.

Speaker, I would like to thank all the interested parties that engaged in the rigorous public participation process on this by-law. We can see from the amendments that the City values the opinions of our residents, is responsive and encourages comment and debate.

Mr Speaker, there has been an ongoing public debate about the future of Cape Town Stadium, since the announcement that the operator and the City of Cape Town agreed to part ways. It is a challenge, but not an unexpected one. Worldwide, many cities have taken time to find sustainable ways to manage and maintain facilities built for events such as the FIFA World Cup. The trick is to make it work, sustainably. This will take time, and it will take effort.

The operator, SAIL/Stadefrance, is busy handing over to an interim City team. The City will start a fresh tender process and is confident that it will find the right long-term operator. The current operator and City agree on the medium to long term viability of the stadium.

We have seen wild speculation, assumptions and sweeping statements about the stadium. Most of these arguments are fuelled by emotion, rather than facts or reason.

Even as some ask for the demolition of the stadium or allowing homeless to live there, the super group U2's concert on 18 February next year sold 58 000 of the available 73 000 tickets within the first day. Bafana Bafana takes on the United States in an international game on 17 November and superstar Neil Diamond performs at Cape Town Stadium on 11 April next year. Mega events such as these have only come to Cape Town because there is now a suitable venue. Success breeds success, and more will follow.

Mr Speaker, let us examine the facts. The City does not have to repay a loan of R4, 4 billion for the stadium. The only loan amount is R306 million. I think a proud and successful World Cup host city with 3, 5 million residents and a R22 billion per year budget should be able to manage this. The rest of money came from the City's capital reserves and as grants from national and provincial government and the Development Bank of Southern Africa. These grants do not have to be re-paid, as incorrectly suggested in the press.

These grants were not discretionary funding that the City could have used for housing or any other purposes. It was money provided by the Treasury purely for the national World Cup effort. So in effect Cape Town has a magnificent stadium which residents and ratepayers received through national funding.

All municipal facilities cost money to run. They are there to serve residents and enhance the quality of life, not primarily to make money. Athlone Stadium costs money, so does the Good Hope Centre, community halls and public amenities. They need staff, operating and maintenance budgets. Cape Town Stadium and all the other stadiums built or upgraded are no different. They all face the same challenges and bring the same

benefits and opportunities as the Cape Town Stadium, just on varying scales.

The cost of running these facilities can, however, be reduced. This is done by creating income. When people pay to rent and use the venue, when tickets are sold, when sponsors pay money for exposure or broadcasters pay for television rights this produces income. This income may not fully cover costs, but certainly brings down the cost of running the facilities.

Many without all the facts have done their sums on the operating cost of the Cape Town Stadium. Some have concluded that amounts of R50 million and much more per year will make the stadium a white elephant. These calculations are overstated and not based on hard figures. The City team is in the process of taking over the running of the stadium from the operator. We are carefully calculating the operating costs. These include water, electricity, refuse, sanitation, security and other service charges.

While the expenditure thus far is a guideline, it is not a figure we can automatically apply. For the first test events we took no chances on security and services. We could not afford any mishaps before the World Cup. During the World Cup FIFA ran the stadium for a unique event. Only now does business as usual begin to start.

The City will constantly refine our operating model to open and use only what is needed, to determine the right service and security level analysing the requirements and features of every event. And we will look for the most cost-effective way of using items such as water and electricity. Once we are confident that we have the right figures, we will make them known.

There has been engagement with national government for their longer term support of the maintenance of our and other stadia. Much money has been invested. We must maintain these assets to avoid bigger repair bills.

Cape Town played a key role in the success of South Africa's World Cup and gained some R14 billion of infrastructure upgrades at its airport, rail system, road system, public places and venues.

It is also worthwhile to note that the Stadium recently won the German steel award for its stadium construction as well an award from the Southern African Institute of steel.

These have enduring benefits that would not have come about if Cape Town had not been a host city, and the tremendous global boost the World Cup gave the Mother City as a tourism destination is almost beyond price.

Residents can contribute to that success by attending some of the great events that the stadium will be hosting, and reviving some of the atmosphere, pride and sheer 'gees' that made the World Cup such a spectacular event.

Mr Speaker, I would like to wish all the Grade 12 learners who have started writing their final exams the best of luck over the next few weeks. I urge them all to buckle down and give it their best effort. And to the parents, teachers and caregivers, I encourage you all to be there for your children during this particularly stressful time. Good luck and thank you.