

EKURHULENI TALKS

BUSINESS

June 2016

The City of Ekurhuleni has received the highest investment grade rating from Moody's Investors Services, affirming the prudent management of the City's finances.

Moody's placed Ekurhuleni at Aaa.za/Prime-1 national scale rating, a four notch upgrade from a previous rating of A1.za/Prime-1. The City also received a global scale rating of Baa2/Prime-2. The good credit profile, in terms of Moody's, means that Ekurhuleni has an "extremely strong" capacity to meet its financial commitments. This allows Ekurhuleni to raise debt at favourable rates putting less onerous debt repayment costs on residents.

"This rating makes it easier for the City to compete in the international bond markets as well as other project finance and investment opportunities

to address infrastructure funding," said City Manager Khaya Ngema.

He added that the rating reflects the City's prudent financial management which also saw it awarded two consecutive clean audits. Ekurhuleni is rated at the high end of the range of South African Municipalities. The municipal debt and debit service levels are relatively lower than the median of rated metropolitan municipalities.

"EMM reflects its relatively large economic base, strong liquidity and traditionally conservative approach to financial management. However, the ratings also reflect the challenges

associated with growing, albeit moderate, debt levels," said Moody's in its report. It notes the City's diverse and resilient industrial base stretching from Springs to Wadeville and Isando and hosting world class manufacturers of glass, breakfast cereal and steel.

The City and five of the entities including Brakpan Bus Company (BBC) responsible for municipal bus service in the eastern region, Ekurhuleni Development Company (EDC) responsible for social housing, and Germiston Housing received two consecutive years of clean audits.

MOODY'S

GIVES CITY HIGHEST INVESTMENT RATING



City of
Ekurhuleni

a partnership that works

By-laws move to the GREEN side



Industries that produce carbon emissions have been called on to adhere to strict environment laws in the battle to achieve clean air in the City.

Speaking in Germiston at an environmental legal compliance seminar, MMC for Environmental Resource Management Cllr Ndosi Shongwe said the City of Ekurhuleni is working hard to address the 2014 findings by the National Air Quality, which found it had the worst air pollution.

“The findings are an unwelcome poor image on our part, and we need to join hands with you as industries to significantly reduce carbon emissions. One of our priorities is to create a clean and green city, and the issue of gas emissions becomes critical,” said MMC Shongwe.

As part of its response strategy to ensuring cleaner

air, Ekurhuleni has established a specialised unit - Legal Compliance - to assist industries obtain atmospheric emission licences and providing guidelines on how to comply with set emission limits.

The specialised unit is also responsible for monitoring the industrial community through spot checks and ensuring compliance of the municipal by-laws.

Industries need to be mindful of the health risks posed by pollution, and the municipality has already started greening its municipal by-laws which will see an amendment to some laws that govern harmful emissions.

“We believe this will ensure that all industrial and municipal activities comply with the standards and requirements of protecting and caring for the environment,” said the MMC.

Watt the City is doing about Germiston power INTERRUPTIONS

Over R100 million has been set aside to stabilise the power supply in Germiston, which has been plagued by power outages.

Intermittent power failures due to ageing medium voltage (MV) underground cables as well as cable theft has left this area in the dark. All power interruptions are recorded and trends analysed to identify potential weak spots, and frequently failing distribution equipment within the electricity distribution network.

Every unplanned power interruption, due to a network fault, causes other equipment failures on the existing infrastructure due to the stress placed on the equipment.

This has led to a number of double faults on the electrical distribution network leaving consumers without electricity for an extended

period.

Seven medium voltage underground cable feeders have been prioritised for immediate replacement to stabilise the network, as well as improve reliability and performance. About R50 million in the current financial year goes to upgrade electricity lines in Germiston.

A total of 29.4km of new cables will be laid by the end of June. In the next financial year R80 million will further upgrade the electricity distribution infrastructure.

“It is important to note that the upgrading of the underground cables does not cause electricity interruptions as engineers lay the new cables adjacent to the existing infrastructure without affecting supply of electricity,” explains Member of the Mayoral Committee for Water and Energy, Cllr Doctor Xhakaza.

The City continues to monitor and analyse the network performance to ensure timeous interventions are implemented as and when required to reduce electricity downtime.

Corridor development makes way for new urban design

Three corridors of development are set to give the City a new design as it moves to grow the economy and create jobs.

This was introduced by the first citizen at the State of the City Address in April when Cllr Mondli Gungubele outlined the three corridors that are set to drive the City’s economy in areas such as logistics, manufacturing, education, trade, construction and hospitality.

“The approach of building a new city and an identity means that a significant proportion of this administration’s time was vested in the development of spatial development frameworks. This new city design has led to the conceptualisation of an effective way to reconfigure our urban spaces, and economic centres, along three key functional economic corridors,” Gungubele said.

The corridors are:

- the *Thami Mnyele corridor* which focuses development in a straight line from Tembisa to Vosloorus, including all surrounding areas along this corridor. The main driver for development is high level roads and transport infrastructure.
- the *OR Tambo Aerotropolis* core looks at development along the triangle formed by Kempton Park, Boksburg and Germiston - including Edenvale and Benoni. This corridor leverages on creative, gateway trade, technology research and development, and logistics sectors.
- the *Thelle Mogoerane corridor* runs from Vosloorus to Nigel, and incorporates developments such as the Carnival Junction and OR Tambo inland port aimed at unlocking the logistic potential of the City. Developments in this area will have mixed land use including industry and human settlements located nearby.

The City is taking a new approach to densify the provision of houses through building high rise residential units, including flats for both RDP, rental and or buying through bank loans. The Brakpan old location development, for instance, would have yielded 2500 units but will now give us 11 598 units as part of this policy.

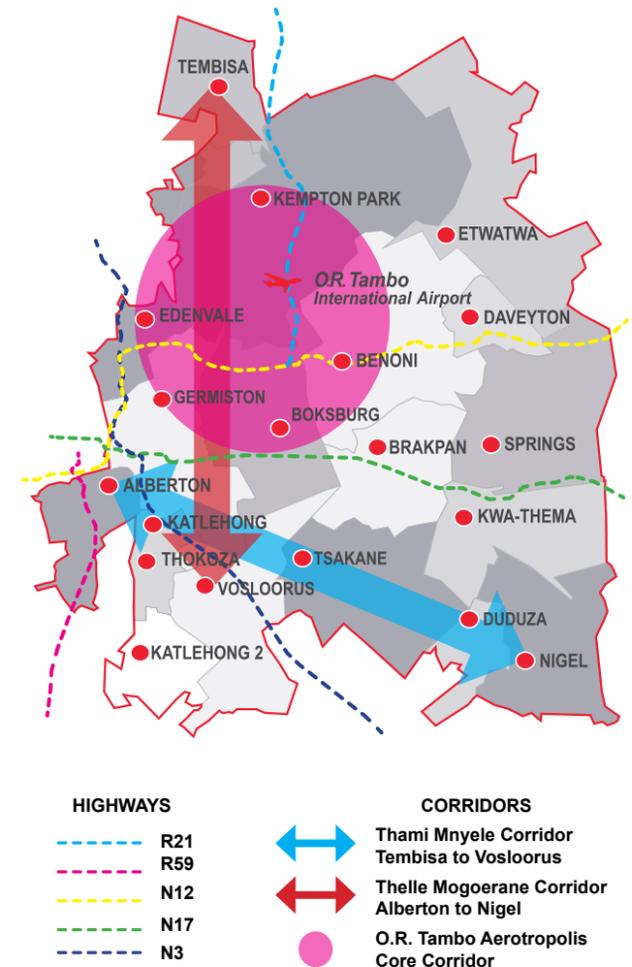
“This new approach will lead to a quantum leap in housing development in Ekurhuleni enabling us to efficiently accommodate more people and provide more livable human settlements with a full basket of services and social amenities such as schools, clinics and public transport,” Mayor Gungubele said.

The Mayor also touched on the service delivery programme for the past five years, which saw all townships

now having their own fire station; the rollout of free Wi-Fi over 1 500 hotspots; introduction of e-Health that shortens waiting time and removes the need to open files if your details are already on the system; as well as investing over R2.7 billion in roads and storm-water infrastructure.

The call centre continues to be a single point of contact for residents to report service interruptions; the Harambee bus is on track to roll out from July in Tembisa, CDBs are kept clean through the Inner City Night Cleaning programme and clean neighbourhood Fridays continue. In addition, Ekurhuleni continues to have clean water, attaining the Blue Drop status once again.

He said the work done in the last five years in improving the management of its finances, reporting on service delivery and compliance to legislation was rewarded by the two back-to-back clean audits.



STATE OF THE CITY ADDRESS

Initiatives to re-industrialise the City towards radical spatial and economic transformation were highlighted at the State of the City Address.

Held in Tsakane on 20 April, it was the last address for the Executive Mayor for this term of office. He also gave an overview of what had been achieved since 2011, and provided a baseline for the City to move forward.

Socio-Economic Analysis

Executive Mayor Cllr Mondli Gungubele said that the City's regional economic assets have appreciated over time, when referring to the five-year journey towards building a developmental city.

"In particular, is the acknowledgement that Ekurhuleni is a crucial component of Africa's most globalised province which specialises in financial and business services; advanced manufacturing; engineering services; good international infrastructure connectivity; and an ideal destination for trade, tourism and investment," he said.

In the past 15 years Ekurhuleni transitioned from a fragmented city, reactive, slow, complex, in-equitable and risk-averse to laying a firm foundation for a *Delivering City* from 2016 to 2021. As it moves forward it will be seen to be cohesive, pro-active, fast, modern, simple, equitable and risk managed, with a special focus on investment.

"The performance of the City's economy is inextricably linked to the global and domestic economic environment wherein sovereignty considerations have had an adverse impact on overall performance. South Africa's real gross domestic product at market prices increased by a negligible 0.6% during the fourth quarter of 2015, compared to previous performances where the economy grew by 1.3% in 2015, 1.5% in 2014 and 2.2% in 2013," said the first citizen.

Furthermore, as the global economy continues to be characterised by the US growth outperformance, the unexpected dramatic rise in the value of the US dollar against developed and emerging market currencies, such as the rand, has had detrimental consequences for the manufacturing sector in Ekurhuleni. The

economic activity in the manufacturing industry reflects a negative growth of minus 2.6% due to decreases in the prices of basic iron and steel, non-ferrous metal products, metal products, machinery and many more.



Critical asset

The OR Tambo International Airport is a critical asset positioning the City as an important international aviation node, offering comparative and competitive advantages for business in their economic connections.

"Considering that we are a landlocked area, the freight corridors further enable mobility of goods through air, road, rail and seaports - as per the Strategic Integrated Programme 2 and 7 of the Presidential Infrastructure Coordinating Commission," explains Gungubele.

He goes on to say the urban form of Ekurhuleni has been transformed into densified, compact, economically viable and integrated city corridors that leverage inherent economic capabilities. This approach of building a new City and an identity means a lot of time has been invested in the development of spatial development frameworks (SDFs).

These SDFs are anchored on the national high-speed freight corridor to Durban; international freight corridor to Maputo; and the Innovation Corridor around Germiston, Boksburg, Benoni to a mega-regional triangle that connects Johannesburg, Sandton and Tshwane. They are anchored on the OR Tambo International Airport that integrates regional airports through the Aerotropolis programme, as well as a systematic effort that creates a larger network of inextricable regional economic linkages that create hope for the unemployed.

"Bearing in mind that our City is characterised by extensive informal sector markets that are concentrated at transport interchanges, the transport oriented development approach was a critical feature in the design and development of these corridors in order to leverage seamless mobility, and stimulation of economic activity," announced the first citizen.

New City design

The new city design led to the conceptualisation of an effective way to reconfigure urban spaces, and economic centres along three key functional economic corridors: **Thami Mnyele Corridor; OR Tambo Aerotropolis Core Corridor; and Thelle Mogoerane Corridor.**

The *Thami Mnyele Corridor* is a key spatial integration of the City, integrating Tembisa and Vosloorus. High level roads and transport infrastructure is the main driver for economic development here. It is in this area where the first phase of the Integrated Rapid Public Transport Network (IRPTN) starts.

This corridor has the potential to transform Ekurhuleni's spatial landscape and integrate the disparate towns and

scattered communities of the area. Key catalytic projects include Riverfields, a multi-billion-rand development along the Albertina Sisulu highway, where R2 billion has already been invested.

Full alignment with the Provincial Spatial Framework, the Integrated Transport Master Plan, road, rail, bus and Non-Motorised Transport (NMT) systems is already complete. Just over 110 000 job opportunities are projected from this investment, which incorporates the M-T Development and Plumbago Industrial Park. A R19 billion International Africa Trade Precinct Project in Rhodesfield is also being put together that is intended to connect Africa to the world through the establishment of an integrated trade investment. The facility will provide many African countries with a single window for transacting with the best markets in the world.

This corridor will be home to the R2 billion Aviation Simulation and Training Centre, a unique facility set to bring pilots from all over the world for training - at Denel in Bonaero Park. The facility promotes technology and knowledge transfer, and creates jobs for locals. It will have flight simulators to meet the country's training needs, classrooms, emergency management, and high technology equipment.

Phase 1 of the Gauteng IDZ programme, which focuses on mineral beneficiation is proceeding, already has bulk infrastructure laid. Concurrent to this, which started in October and is set to be completed early next year, is the Gauteng IDZ which is also undertaking an investment drive. This is aimed at securing investors and tenants for this competitively located High Value-Low Mass Mineral Beneficiation Zone.

The Jewellery Manufacturing Precinct aims to enhance the reindustrialisation of the jewellery manufacturing and diamond beneficiation industries, due to the challenges and constraints in the industry through a clustered mixed-used development programme.

Seen as the economic heartbeat is the *OR Tambo Aerotropolis Core* that integrates Kempton Park, Boksburg, Germiston, Edenvale and Benoni. It is made up of the Creative, Gateway Trade, Technology Research and Development and Logistics hubs.

- The *Creativity Hub* will epitomise the best and the brightest of the Ekurhuleni Aerotropolis. With unrivalled access to the airport itself, the area is set to be a vibrant and exciting meeting spot for entrepreneurial residents and visitors from across the globe.
- The *Gateway Trade Hub* has three major catalytic projects, tied together through the addition of dedicated office development, hotels and conference facilities -

incorporating the recreational amenity of an improved existing wetland.

- The *Tech R+D Hub* is the most unique, as it rings the airport and is the technological driver for the region's future. It is home to three signature catalytic projects: Digital City; TVET College; and the Discovery Park R&D Business Incubator.
- The *Logistics Hub* entails the development of a multi-tenant large warehouse industrial village for retail fulfilment, as well as logistics and supply chain firms. The development of retail fulfilment and logistics warehouses has already sprung up along Albertina Sisulu Highway, north of the airport. This catalyst project seeks to formalise and augment these initial developments.

Some of the projects already under construction, and bulk infrastructure construction, is being fast tracked, where needed. Meanwhile, key catalytic projects that have progressed significantly in this core area include:

- **Carnival Junction** is an extensive, large scale mixed use development forming part of the Greater Carnival Node, and includes development of retail, automotive, offices and a private hospital. The first phase, Dalpark Extension 19, contains a number of planned commercial uses such as a Makro, Build-It and a Hyundai dealership.
- **Leeuwoort** will be used to build affordable mixed-use and mixed-income. Approximately 16 887 housing units, of both subsidised and bonded houses, will be constructed creating no less than 30 000 job opportunities.
- **Green Reef** is a R50 billion investment, economically inclusive and socially integrated mixed-use/mixed-income innovation district. It is set to transform Ekurhuleni through the development and infusion of a new CBD hub; high-density residential precincts; innovative, knowledge-based technology and manufacturing industries; and state-of-the-art basic, vocational and tertiary education facilities. Green Reef is centrally located in Ekurhuleni and will greatly improve the mining belt.

The *Thelle Mogoerane Corridor* is an integration of Vosloorus and Nigel, aimed at unlocking the logistic potential of the City. The corridor comprises multi-billion rand catalytic projects pronounced by the Premier last year, and include the much-anticipated R51 billion Prasa New Rolling Stock and the Tambo Springs Inland Port development projects. Construction of both, which are expected to yield thousands of jobs, is already underway.

A business-case has been established to enable strategic investment in social and economic infrastructure along, and within, these corridors so that they become the building blocks of the envisaged new city design. The buy in of stakeholders is needed to take the process forward.

The Ekurhuleni Investment Centre was established where dedicated committees of senior officials have been deployed to serve in the Investment, Development Facilitation and Catalytic Projects committees. In addition, National Treasury and the World Bank Group have been solicited to develop a comprehensive investment facilitation programme for the City.

Strides are being made by the Catalytic Projects Task Team to improve investment and development facilitation, as well as the overall investment conditions by institutionalising a comprehensive investment stimulus package. Already land is being assembled and property packages located within the Aerotropolis catchment area, as well as the CBDs of Boksburg, Kempton Park and Germiston to drive the City's strategic development programme.

Development of the 30-year Aerotropolis Master Plan has enhanced the investment profile and attractiveness of the region. In partnership with ACSA, Denel and related strategic partners, the sky can only be the limit. To date, inward investment valued at R20 billion has been facilitated with the potential to sustainably employ 16 000 people.

Furthermore, the City is already witnessing a massive private sector investment to the tune of R100 billion, that includes the following prioritised projects for immediate implementation:

- Temperature Controlled Cold Storage Value Chain;
- Just-In-Time Bulk Storage Warehouse;
- Advance Manufacturing Industrial Estate;
- Corporate Administrative City;
- e-Commerce Distribution Hub;
- Film City and Media Studio; and
- International Trade Centre and ICC.

Township Economy



One of the key areas of focus is revitalising township economy, which has also been elevated by the Gauteng Provincial Government. Projects that have put Ekurhuleni on a pedestal include:

1. The development of five new township economic hubs in Etwatwa, Vosloorus, Duduza and KwaThema - at a cost of R90 million per annum;
2. Awarding projects worth R140 million to 20 emerging contractors through the progressive *Vukuphile* programme. We will soon have an intake of 100 new emerging contractors and 100 construction supervisors on a new three-year *Vukuphile* learnership to carry out projects worth R500 million;
3. A total of 128 SMMEs have been incubated in construction, jewellery, base metal, chemicals, automotive and agriculture;
4. We awarded 10 agriculture cooperatives R1.2 million in Grant-in-Aid, and 37 SMMEs and cooperatives will be allocated R6 million seed funding to boost their initiatives and programmes;
5. A total of 1 100 households get free food parcels owing to the introduction of the Ekurhuleni Food Bank;
6. So far we have awarded R350 million worth of procurement opportunities to local companies owned by women, youth and people with disabilities. This is part of the R2.9 billion ring-fenced Mintirho ya Vulavula Community Empowerment programme; and
7. We provided 500 SMMEs with mentorship, business support services and access to funding in partnership with the likes of Business Place, SEDA, SEFA, and Anglo Zimela.

To achieve the broader Provincial Township Revitalisation imperatives, the following projects have been earmarked for the new financial year:

- R53 million to develop six community farms' infrastructure and irrigation systems to incubate 100 emerging farmers;
- R150 million to develop a municipal township industrial park to enhance township economies and encourage the development of Black industrialists in Labore and Withoek Industrial park, Geluksdal/Tsakane;
- R90 million to build and/or refurbish municipal buildings to set up six new Fabrication Laboratories in all townships to stimulate innovation and entrepreneurship;
- R45 million to refurbish and develop at least 10 township municipal shops to stimulate the Township Economies Development programme;
- R60 million to build a new Township Enterprise Hub at Reiger Park and construction of Ramaphosa Vocational Skills Centre; and
- R33 million to build multi-purpose trading facilities at Lamola Street at Nhlapho section in Katlehong and other priority areas.



Energy

Power quality in Ekurhuleni is of a high standard. The network is reliable, which provides a competitive advantage to the City's huge base of business and industrial customers. Electricity remains at the heart of structural developments in the economy. An investment of R1.6 billion has been made for the upgrading and refurbishment of the City's electricity network.

Moving ahead

For many years Germiston Station has not lived up to its status as the biggest shunting station in Africa, and is the most integrated railway network in the country.

An MOU has been signed with Prasa and the Gauteng Provincial Government to turn the Germiston Station into a world-class intermodal facility. Detailed designs are nearing completion and construction should get underway before the end of the year.

On the IRPTN front, one of the City's major interventions for the integration of our society 7,1kms of the dedicated BRT trunk routes have already been completed, with just under 3kms left of the targeted 10kms. These dedicated routes allow buses free movement - thus reducing travel time. It is also one of the key drivers for the regeneration of inner-cities

and the renewal of townships in the area.

In achieving the goal of being a smart and sustainable city, a state-of-the-art Transport Management Centre (TMC), which is the nerve centre for the management of our BRT, was opened. The facility is vital in monitoring all activities along the transport corridor through CCTV cameras – improving turnaround time to any disruption or act of crime.

When the City undertook the Digital City project it did so because it identified the benefit from the growth opportunities brought about by interconnectedness between regions and major cities around the world. This programme will lead to improved revenue generation and controls around information processing, storage and retrieval. The Digital City also enable the City to provide effective broadband infrastructure that supports business services, commercialisation of the fibre and connectivity to those in the region.

Key to its success is making sure the fibre and wireless grid is properly connected, maintained and monitored 24/7. A R2 billion injection on fibre roll out ensures the City remains on track. Soon the City will use digital technologies to enhance performance and wellbeing, reduce costs of doing business and development, improve resource use and consumption, and benefit its citizens.

Already, moving to e-Health is being implemented at most clinics with the rest soon to follow. This allows patients to register at any clinic and visit any clinic as their details will be on the system.



You can read the full State of the City Address on our website - www.ekurhuleni.gov.za

Business talks Budget

Service delivery and maintenance of infrastructure remains the priority for the City of Ekurhuleni with R2.9 billion being set aside and an additional R200 million for construction of roads and storm-water systems.

This was highlighted in the City's budget speech in April, delivered by the head of the finance portfolio, Cllr Moses Makwakwa.

A capital budget of R5.1 billion was approved, driven in the main by the projects that stem from the Growth and Development Strategy 2055 and projects that the community and business identified, as well as backlog in services. The financial sustainability of the budget depends on a 93% payment rate of municipal services. Ekurhuleni's operating

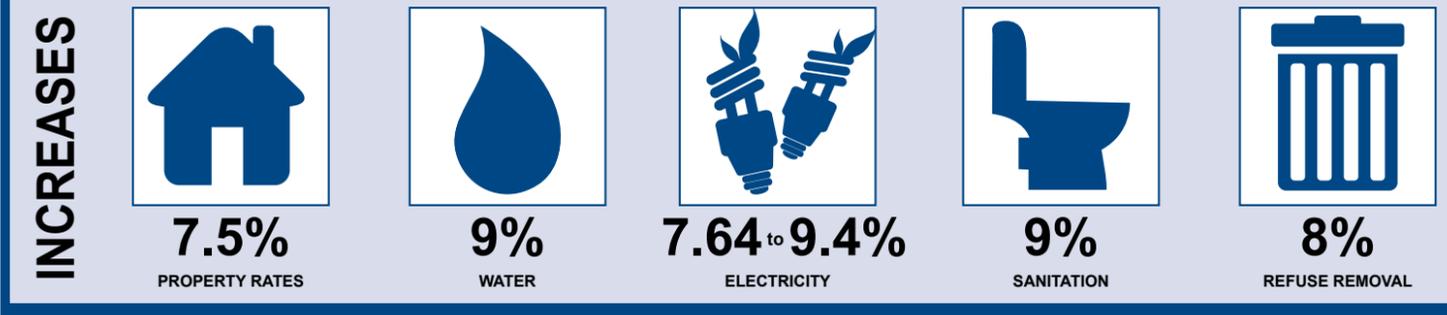
budget is R34.3 billion for the 2016/17 financial year, an increase of 4.5% on the previous financial year.

The current slowdown of the economy continues to put pressure on municipal revenue generation and collection, which is why a conservative approach was taken for projecting revenue. These circumstances make it essential for municipalities to reprioritize expenditure and implement stringent cost-containment measures.

The 2016/17 budget is based on an expected growth rate of 1% for all services, except electricity. Based on the decline in electricity sales over the past two years, it is expected that the demand will decline with 3% in the following budget.

Tariff increases

As from 1 July 2016, there will be an increase in service tariffs:



What will it be spent on?

To reindustrialise the City R141 million will go towards strengthening industrial competitiveness through the development of the Aerotropolis and investor information centres and the Ekurhuleni innovation hub. In addition, tourism route busses, high tech tourism management systems and waterfront facilities will be developed and an enterprise hub in Reiger Park and vocational skills centre in Ramaphosa to promote small, medium enterprises.

The City will reindustrialize corridors with a R211 million budget that will see the installation of bulk infrastructure to enable new development, and other key developments include Tambo Springs Inland Port and Prasa manufacturing plant in Nigel.

In promoting township economies, R78 million will be used to build and operationalize fabrication laboratories in Duduza, develop Labore and Withoek industrial park in Tsakane, tourism node in Khumalo Street, Thokoza, trading facilities in Katilehong and refurbish Council-owned shops.

When it comes to reurbanising, R3.2 billion goes to, among others, the construction and upgrading of roads and storm-water systems, human settlements, water services, construction of reservoirs, the IRPTN and electricity.

Economic transformation

To support local economies R3.6 billion will be used for the community empowerment package, named Mintirho Ya Vulavula, that will go to:

- Expand procurement spent to youth-owned entities;
- Solidify the foundation and growth of Vukuphile leaner contractors;
- Change the outlook of townships through the Lungile Mtshali Community Development Project and other community works programmes;
- Support social entrepreneurship through grant in aid; and
- Step up on the black industrialist programme.

To successfully implement Mintirho, the City will capacitate the project management unit within supply chair, identify and ring fence projects across departments, dedicate procurement committees to process these projects and call for feasible, viable and bankable proposals in respect of black industrialists.

To read the full budget visit www.ekurhuleni.gov.za

Partnership with business important for future development

Businesses from across the City and senior municipal officials gathered on 5 May at the City Meets Business event to discuss key developments and achievements over the past five years.

The focus was on the State of the City Address (SoCA), in which the executive mayor outlined many of the achievements in this term of office, including significant infrastructure development, reshaping the City through spatial development, roll out of the Bus Rapid Transport system and the launch of the master plan towards the development of the Aerotropolis.

All this signifies a very positive and exciting future for businesses in the City and creates the opportunity for significant investment across a broad spectrum of industries.

One of the guest speakers was MMC for Finance, Cllr Moses Makwakwa, who had recently delivered the City's budget, a very important element in the continued delivery of services in the City but also in the development of the infrastructure needed to support significant investment. City Manager Khaya Ngema shared information about the current financial strength of the City, bolstered by achieving four successive unqualified reports, two clean audits as well as receiving a prime credit rating upgrade to Aaa.za on a national scale from the Moody's rating agency.

The event also marked the announcement of the City of Ekurhuleni's newly appointed corporate banker, Nedbank, for a three-year period.



Free Wi-Fi opens opportunities for small business

With 235 sites and over 1 500 hotspots the City already has around 300 000 users since the launch of the free Wi-Fi late last year.

Already approximately R2 billion has been invested in fibre roll-out to ensure the fibre and wireless grid are accurately connected, maintained and monitored on a daily basis. Free Wi-Fi is available at municipal buildings, such as customer care areas, clinics, and libraries where 250MB is available daily to users who can surf the net for free within a 200m radius of the hotspots.

The roll-out of free Wi-Fi will be completed in 2017. In addition, the City will soon launch a portal to provide users with important information about the City, including jobs and educational opportunities.



Biggest Makro store opens in the City

Leading retailer Makro closed off April in a BIG way with the successful opening of its new store, Makro Carnival in the Ekurhuleni, which saw around 20 000 people visiting the store on opening day.

The addition of Makro Carnival brings the number of stores across South Africa to 20.

The addition of this environmentally friendly Makro store in the area has had a positive effect on job creation in the community. The new store has a total full-time staff complement of 387, with local community residents accounting for 80% of the total.

The store size is over 22 000 square metres, with 13 500 square metres of trading space, making it the biggest Makro store to date.

The various sustainability measures at this store includes:

- Solar panels that will be producing roughly 80 percent of the building's electricity needs during the day.



Aerial shot of the Makro store on opening day.

- 100% LED lighting and natural lighting to reduce the amount of electrical lighting required.
- Harvesting of rain and refrigeration condensate water. The harvested water will be used for the garden irrigation system and to improve the efficacy of the air conditioning and refrigeration system.
- The restrooms use a metered water system for taps and a cistern dual flushing system that makes use of harvested rain water for toilets, which assists in reducing water usage.
- Indigenous plants will be used throughout the store where possible. During the course of the building of the store, endangered and precious plants are kept in a safe place to be used when the building is complete.



Massmart CEO Guy Hayward and Makro Operations Director Gert Lourens helped Makro CEO Doug Jones cut the ribbon to officially open the Makro Carnival store on 20 April.

Ekurhuleni amongst the financially sound institutions

The City of Ekurhuleni is one of 53 municipalities in the country to show consistent improvement in the audit outcomes, Auditor General Thembekile Makwetu said recently.

Gauteng MEC for Co-operative Governance and Traditional Affairs and Human Settlements, Paul Mashatile, attributes the success - recorded from 2011/12 to 2014/15 financial years - to strong and capable institutions that are managed and governed efficiently.

Ekurhuleni has every right to smile, having achieved four successive unqualified reports, two clean audits as well as a prime credit rating upgrade to Aaa.za on a national scale from the Moody's rating agency.

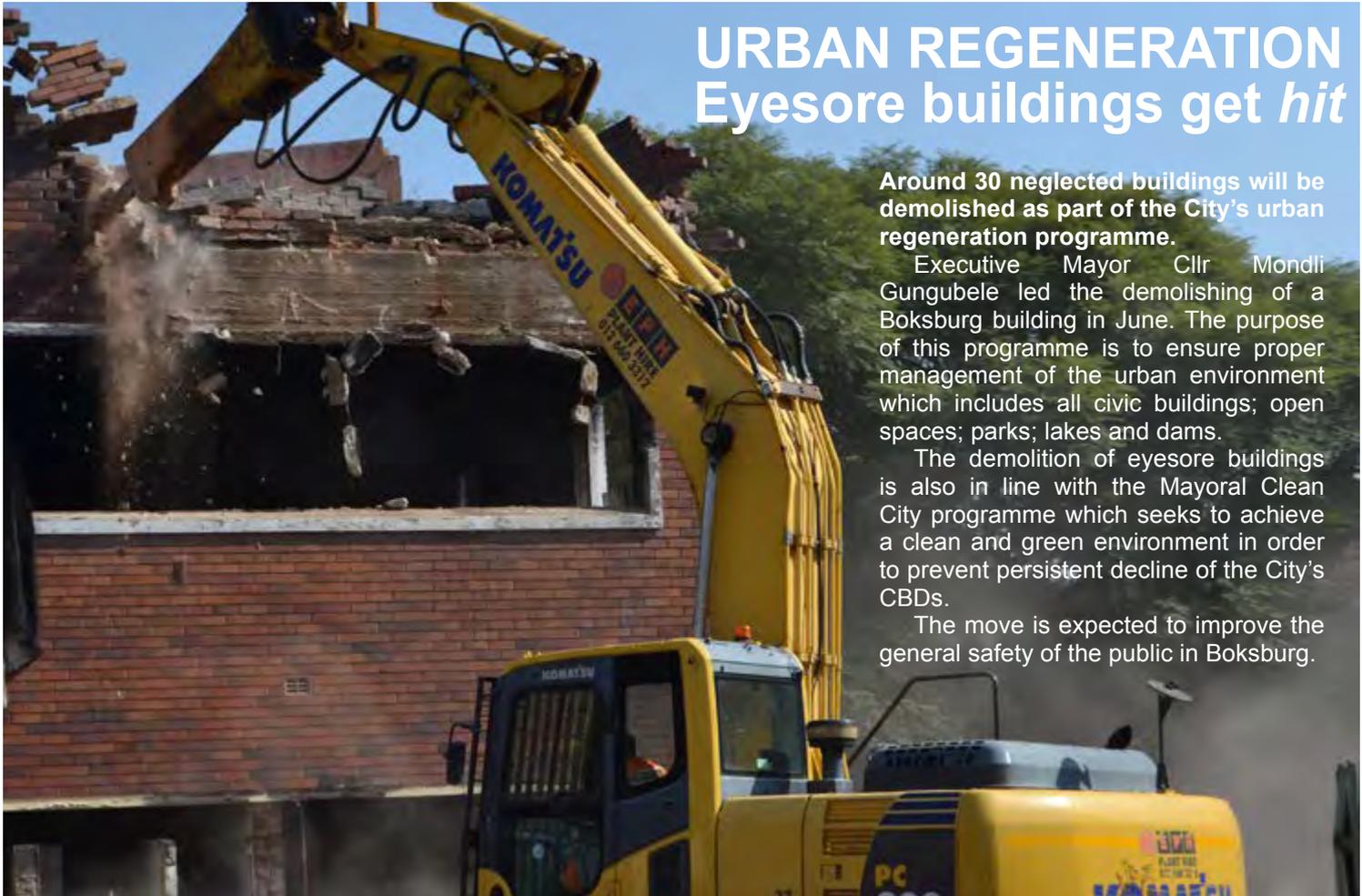
City Manager Khaya Ngema said these achievements were not a point of arrival, saying the City will pay special attention to wasteful expenditure. His commitment reflects

the concern of the Auditor-General, who noted an increase in irregular, fruitless and wasteful expenditure.

Ngema said that Ekurhuleni's political and administrative will to deal with Auditor-General's concerns has been demonstrated when the City reduced wasteful expenditure from R20.8 million in the 2013/14 financial year to R1.8 million in the last financial year.

The City has also reduced its irregular spending from R235 million to R68 million in the last financial year, reducing it by R187 million.

Ngema explains that the dawn of a new era in the City's finances can be attributed to, among other interventions, improved quality of management in the different departments, not just on governance and risk but, more crucially, in operations and project management. Also important is improved administrative oversight.



URBAN REGENERATION Eyesore buildings get *hit*

Around 30 neglected buildings will be demolished as part of the City's urban regeneration programme.

Executive Mayor Cllr Mondli Gungubele led the demolishing of a Boksburg building in June. The purpose of this programme is to ensure proper management of the urban environment which includes all civic buildings; open spaces; parks; lakes and dams.

The demolition of eyesore buildings is also in line with the Mayoral Clean City programme which seeks to achieve a clean and green environment in order to prevent persistent decline of the City's CBDs.

The move is expected to improve the general safety of the public in Boksburg.

Illegal mining in the spotlight

Illegal mining was highlighted at a summit hosted by the City in May.

Presenters included Kgothatso Nhlegethwa of Wits University, who offered proposals to long term solutions for illegal mining, from her research thesis on this topic, while Moathlodi Pitse spoke about One Gold's involvement in ploughing back into the communities.

This engagement was also as a result of the arrest of two illegal miners on 22 May at the Knights DRD Ergo mines in Germiston. Ekurhuleni Metropolitan Police Department Warrants Section officers acted on a tip-off while checking drivers for outstanding warrants on traffic fines. The two were caught red-handed dipping buckets and digging with spades at a nearby stream, and two Basotho nationals were found in possession of a bag full of gold dust. They were arrested and charged.

The City is engaged in ongoing discussions with affected stakeholders to find long term solutions to this scourge which, in Ekurhuleni alone, is responsible for no less that one death every week.

