Western Cape Government

SEP

SOCIO-ECONOMIC PROFILE

City of Cape Town

2017

CONTENTS

City of Cape Town: At a Glance

Demographics

Population Estimates, 2018; Actual households, 2016

Population	Households
4 232 276	33 097

Education

2016

Matric Pass Rate	92.4%
Learner-Teacher Ratio	44.7
Gr 12 Drop-out Rate	31.7%

Poverty

2016

Gini Coefficient	0.58
Human Development Index	0.67

Health

2016

Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies - Delivery rate to women U/18
16	65.1%	0.1	8.4%

Safety and Security

Percentage change between 2016 and 2017 in number of reported cases per 100 000

Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
-2.0%	19.1%	-5.7%	35.3%	30.3

Access to Basic Service Delivery

Percentage of households with access to basic services, 2016

Water	Refuse Removal	Electricity	Sanitation	Housing
98.4%	78.7%	90.1%	92.8%	77.5%

Road Safety

2016

Fatal Crashes	37
Road User Fatalities	49

Labour

2016

Unemployment Rate

11.9%

Socio-economic Risks

Risk 1	Drought
Risk 2	Financial Sustainability (Grant dependency)
Risk 3	Stagnating Economic Growth

Largest 3 Sectors

Contribution to GDP, 2015

Wholesale and retail trade, catering and accommodation	Finance, insurance, real estate and business services	Agriculture, forestry and fishing
17.8%	16.6%	14.1%

1

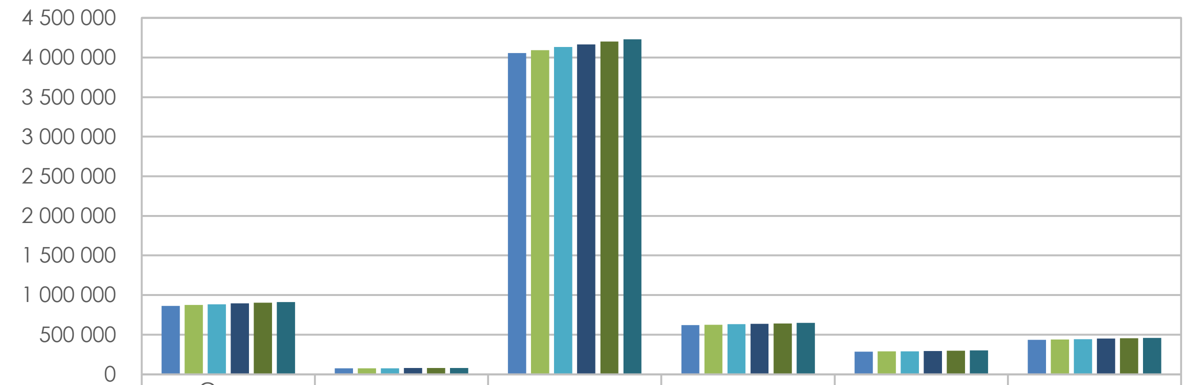
DEMOGRAPHICS

This first chapter of the SEP focusses on the people living in the City of Cape Town. A demographic perspective on a municipality allows to observe not only simple changes in population growth, but also to look at other various developments that influence the social life of every citizen. Demographics allow to emphasise aspects of society like, e.g. gender, race, migration or life expectancy. Decisions made by politicians as well as by the administration affect in almost every case at least one aspect of Demographics. Therefore, a good understanding of this area is crucial for the government's work.

The overview of key demographic factors given in this chapter comprises of the estimates of population size, the distribution of population within age cohorts and furthermore the dependency ratio, which is of high importance for understanding economic activity in the area as well as for planning welfare systems. With this short, but informative overview, the SEP tries to help the municipalities in their budgeting process by delivering precise data as a solid foundation for future decisions.

Data source: Department of Social Development, 2017

POPULATION



	Cape Winelands District	Central Karoo District	City of Cape Town	Eden District	Overberg District	West Coast District
2018	864 028	75 688	4 055 580	619 224	284 272	433 445
2019	874 413	76 354	4 094 582	625 186	287 752	439 036
2020	884 565	77 020	4 131 722	631 005	291 150	444 497
2021	894 441	77 685	4 167 003	636 682	294 466	449 847
2022	904 058	78 350	4 200 484	642 220	297 701	455 051
2023	913 391	79 014	4 232 276	647 627	300 860	460 132

The City of Cape Town's population is expected to expand rapidly across the next 5 years, growing from 4 055 580 people in 2018 to 4 232 276 in 2023. This equates to a 0.9 per cent year-on-year growth rate.

AGE COHORTS

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2011	**928 334**	**2 604 209**	**207 494**	**43.6**
2018	**1 061 002**	**2 733 119**	**261 460**	**48.4**
2023	**1 073 016**	**2 849 207**	**310 051**	**48.5**

The above table depicts the population composition regarding age cohorts. The total population is broken down into three different groups: Age 0 - 14: children; Age 15 - 65: working age population; Age 65+: seniors. A comparison between the 2018 and 2023 estimates show that the aged population will increase at 3.4 per cent year-on-year whereas the child cohort will only increase by 1.2 per cent. The working age population is in turn expected to only grow at 0.8 per cent year-on-year. These dynamics will increase the City's dependency rate which implies a greater strain on social systems and the delivery of basic services.

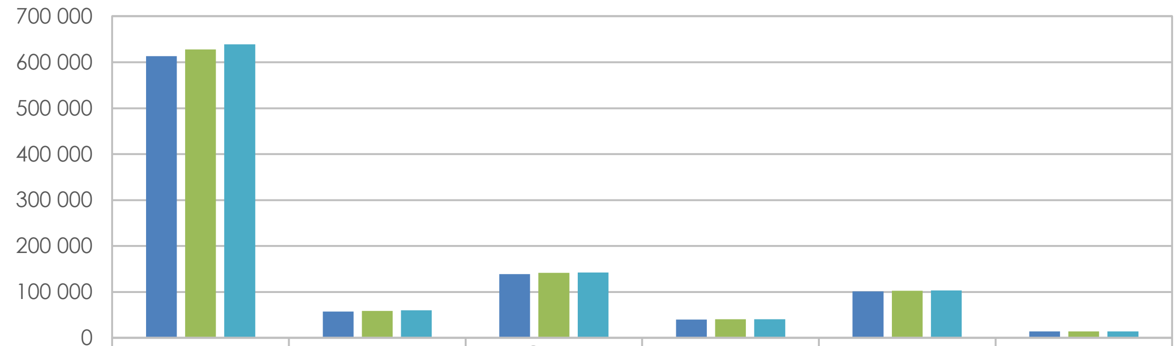
2

EDUCATION

Education and training improves access to employment opportunities and helps to sustain and accelerate overall development. It expands the range of options available from which a person can choose to create opportunities for a fulfilling life. Through indirect positive effects on health and life expectancy, the level of education of a population also influences its welfare.

Data source: Western Cape Education Department, 2017

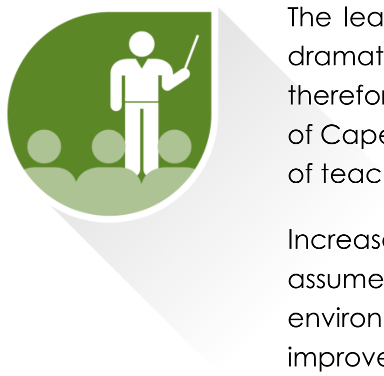
LEARNER ENROLMENT



	City of Cape Town	West Coast District	Cape Winelands District	Overberg District	Eden District	Central Karoo District
2014	613 393	57 501	139 088	39 542	101 165	14 151
2015	628 048	58 909	141 263	40 501	102 412	14 182
2016	639 251	60 348	142 130	40 841	103 011	14 333

Learner enrolment within the Cape Metro area increased at an average annual rate of 2.1 per cent between 2014 and 2016. This is the second highest learner enrolment rate amongst the various Districts of the Western Cape, with the West Coast District growing at 2.4 per cent across the same period. The Western Cape's average annual learner enrolment growth is 1.8 per cent.

LEARNER-TEACHER RATIO



The learner-teacher ratio within the City of Cape Town is rising at a dramatic rate from 30.3 in 2014 to 39.8 in 2015 and 40.1 in 2016. It is therefore evident that the increase in the number of learners in the City of Cape Town is not being met by a reciprocal increase in the number of teachers.

Increased learner-teacher ratios are a major concern as it is commonly assumed that children receive less personalised attention in larger class environments and that high learner-teacher ratios are detrimental to improved educational outcomes.

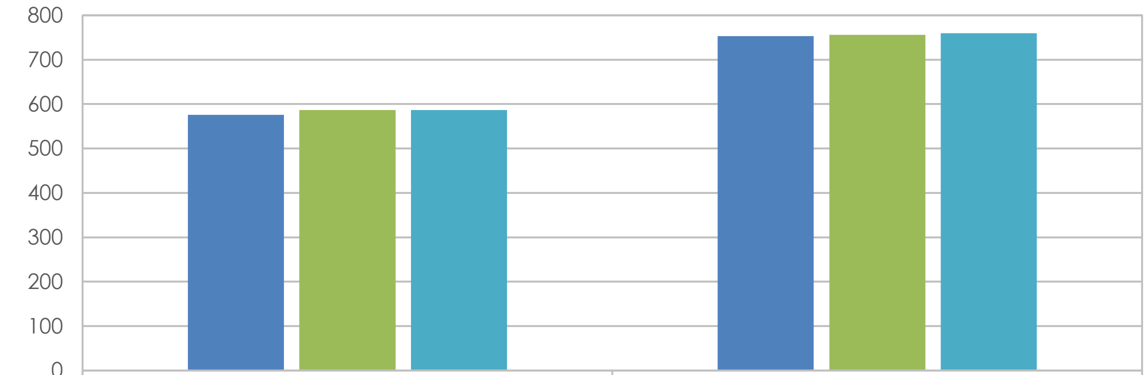
GRADE 12 DROP-OUT RATES

The high school drop-out rate for the City of Cape Town increased from 31.9 per cent in 2014 to 33.7 per cent in 2015, but improved to 32.7 per cent in 2016. Although this rate improved between 2015 and 2016, it is still concerning to note that 32.7 per cent of all learners that enrolled in Grade 10 within the Metro in 2014 dropped out of school by the time they reached Grade 12 in 2016.

These high levels of drop-outs are influenced by a wide array of economic factors including unemployment, poverty, indigent households, high levels of households with no income or rely on less than R515 a month and teenage pregnancies.

EDUCATIONAL FACILITIES

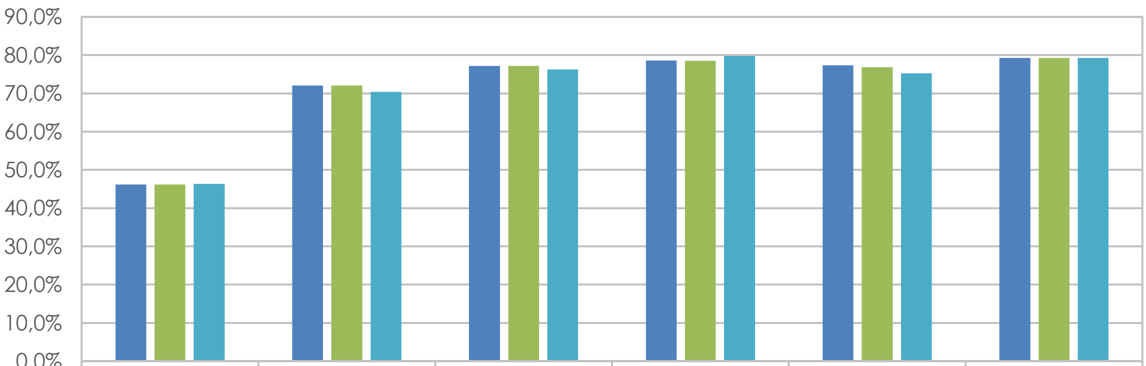
The availability of adequate education facilities such as schools, FET colleges and schools equipped with libraries and media centres could affect academic outcomes positively.



	Number of Schools with Libraries	Total Number of Schools
2014	576	753
2015	587	756
2016	587	760

The number of schools within the greater City of Cape Town increased gradually since 2014 amidst rising population figures which increased the demand for educational facilities. There were 760 schools within the greater City of Cape Town in 2016 which accommodated 639 251 learners.

The number of schools equipped with libraries increased from 576 in 2014 to 587 in 2015, but remained unchanged towards 2016.



	City of Cape Town	West Coast District	Cape Winelands District	Overberg District	Eden District	Central Karoo District
2014	46,2%	72,1%	77,2%	78,6%	77,4%	79,3%
2015	46,2%	72,1%	77,2%	78,6%	76,9%	79,3%
2016	46,3%	70,4%	76,3%	79,8%	75,3%	79,3%

Above graph depicts the percentage of no-fee schools within the various districts of the Western Cape. There were a total of 760 schools in the City of Cape Town in 2016 of which 352 were considered to be no-fee schools (46.3 per cent). Constraining economic conditions will particularly be hard felt within the Metro which will give rise to the number of parents that are unable to pay school fees.

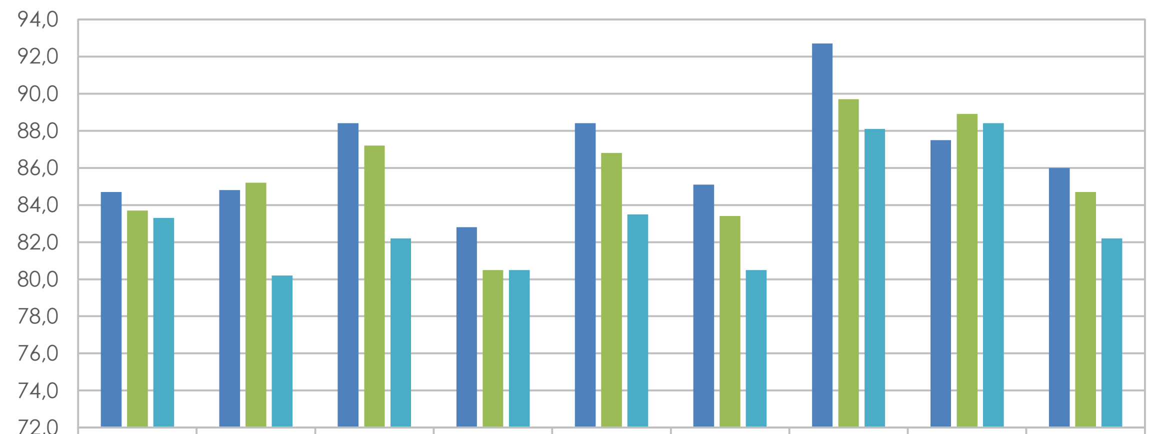
EDUCATION OUTCOMES

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the broader market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economy and poverty reduction plans can be realised.

The Western Cape is divided into eight (8) education districts, which each manage the quality of education and education institutions within its jurisdiction. The districts include four rural districts (West Coast, Cape Winelands, Eden and Karoo, and Overberg), and four urban districts (Metro North, Metro South, Metro East and Metro Central).

Rural district boundaries are based on municipal boundaries, while urban district boundaries are based on those of city wards. The boundaries also allow for an equitable distribution of schools and resources across education districts and circuits.

Below graph depicts the 2016 matric pass rates of these eight education districts.



	Cape Winelands	Eden And Central Karoo	Metro Central	Metro East	Metro North	Metro South	Overberg	West Coast	Western Cape
2014	84,7	84,8	88,4	82,8	88,4	85,1	92,7	87,5	86,0
2015	83,7	85,2	87,2	80,5	86,8	83,4	89,7	88,9	84,7
2016	83,3	80,2	82,2	80,5	83,5	80,5	88,1	88,4	82,2

The Western Cape average matric pass rate for 2016 was 82.2 per cent, a gradual decline from 86.0 per cent in 2014 to 84.7 in 2015. The highest pass rate in 2016 is attributed to the West Coast District with 88.4 per cent, followed closely by the Overberg District with 88.1 per cent. The lowest pass rate in 2016 was that of the combined Eden and Central Karoo District (80.2) per cent.

Despite having the second highest pass rate in 2016, the Overberg District's rate has been deteriorating in the last few years. This is concerning, given that the Overberg in 2014 achieved the highest pass rate (92.7 per cent) of any district across the last three years.

Within the City of Cape Town, the Metro North region had the highest pass rate at 83.5 per cent in 2016 with the Metro East and South each achieving an 80.5 per cent pass rate.

3

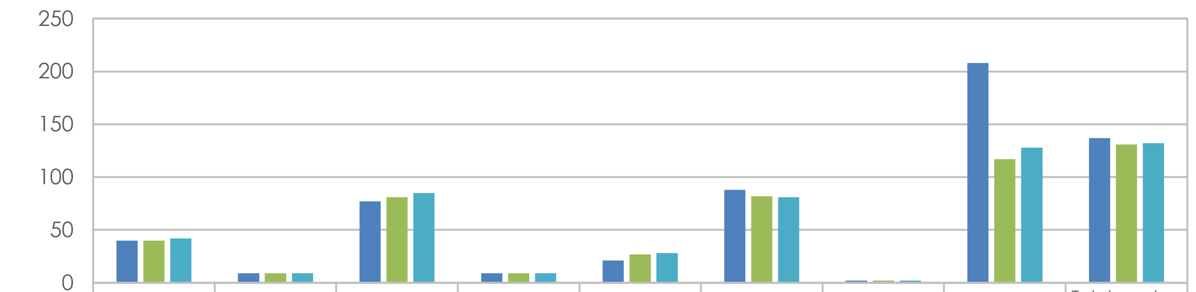
HEALTH

Health is another major factor contributing to the general quality of life within the City of Cape Town. It is therefore important to monitor the public health facilities as well as a variety of factors such as diseases like HIV or TB and general topics that affect the community, like maternal health. This Socio-economic Profile provides the basic statistics concerning those issues. Since this profile focusses on the public health facilities, private facilities do not appear in it.

Data source: Department of Health, 2017

HEALTHCARE FACILITIES

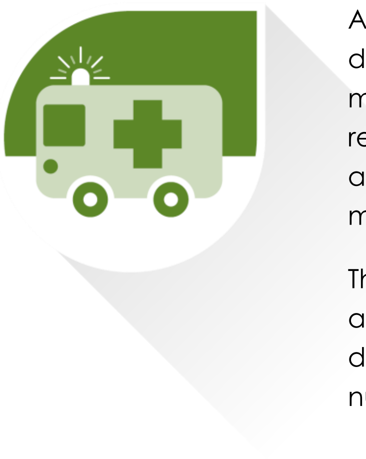
All citizens' right to access to healthcare services are directly affected by the number and spread of facilities within their geographical reach. South Africa's healthcare system is geared in such a way that people have to move from primary, with a referral system, to secondary and tertiary levels.



	Community Day Centres	Community Health Centre	Number of ART clinics/ treatment sites	Number of district hospitals	Number of PHC Clinics - non-fixed (mobiles/ satelite)	Number of PHC Clinics - Fixed	Number of regional hospitals	Number of TB clinics/ treatment sites	Total number of PHC facilities (Fixed Clinics, CHCs and CDCs)
2014	40	9	77	9	21	88	2	208	137
2015	40	9	81	9	27	82	2	117	131
2016	42	9	85	9	28	81	2	128	132

In 2016, the City of Cape Town had a total number of 132 primary healthcare facilities – 81 fixed PHC clinics, 42 community day centres as well as 9 community health centres. In addition, there are 85 ART and 128 TB treatment sites as well as 2 regional hospitals within the City's boundaries. The number of ART treatment sites and non-fixed PHC clinics has gradually been increasing since 2014. The number of TB clinics however decreased notably between 2014 (208) and 2015 (117). The number of district and regional hospitals has remained unchanged since 2014.

EMERGENCY MEDICAL SERVICES



Access to emergency medical services is critical for rural citizens due to rural distances between towns and health facilities being much greater than in the urban areas. Combined with the relatively lower population per square kilometre in rural areas, ambulance coverage is greater in rural areas in order to maintain adequate coverage for rural communities.

The number of ambulances per 10 000 people in the Cape Metro area is 0.25 in 2016, down from 0.28 in 2014 and 0.25 in 2015. This decrease can in part be attributed to rapidly rising population numbers.

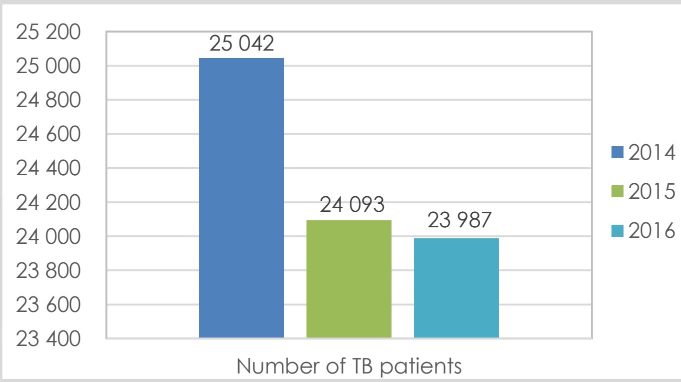
HIV/AIDS

HIV/AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

Area	Registered patients receiving ART			Number of new ART patients			HIV Transmission Rate		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
City of Cape Town	131 177	145 232	162 704	27 663	30 275	32 268	1.3	1.3	0.7
West Coast	6 521	7 651	8 910	1 484	1 790	1 835	1.4	1.5	0.8
Cape Winelands	19 615	23 172	27 162	4 595	5 195	5 097	1.7	1.7	1.5
Overberg	7 233	8 703	10 397	1 451	1 983	1 767	1.3	0.6	0.0
Eden	14 805	17 391	20 127	3 278	3 820	3 603	1.6	1.4	1.8
Central Karoo	1 418	1 416	1 631	327	300	299	3.4	4.3	1.4

The number of registered patients receiving antiretroviral treatment (ART) increased by 11.4 per cent year-on-year between 2014 and 2016 in the City of Cape Town. The total number of registered patients were in 2016 recorded at 162 704 whilst there were a total of 32 268 new patients. These patients were treated at 85 treatment sites across the City. The increase in the number of registered patients correspond with the increase in treatment facilities in the Metro. In addition to improving the quality of life of the patient, antiretroviral treatment to mothers both before and at birth, also decreases the chances that infants will contract HIV from their mothers. Progress made to increase access to ART medication contributed to the HIV transmission rate between mother and child decreasing considerably since 2015.

TUBERCULOSIS



The number of tuberculosis (TB) patients in the City has gradually been declining from 25 042 patients in 2014 to 24 093 in 2015 which equates to a 3.8 per cent decline. This number again decreased to 23 987 in 2016.

CHILD HEALTH

Health Indicator	City of Cape Town	Western Cape
Immunisation	82.2%	79.9%
Malnutrition	1.8	2.3
Neonatal mortality rate	4.0	4.6
Low birth weight	14.0%	14.0%

The Department of Health strongly advises mothers to protect their children from infectious diseases by getting them vaccinated from birth to when they are 12 years old. Vaccination is free of charge at all health facilities. The Department also runs immunisation campaigns and health workers are sent to nursery schools and crèches to immunise the children. The **full immunisation coverage rate** for children under the age of one in the City of Cape Town in 2016 was 82.2 per cent which is higher than the Western Cape rate of 79.9 per cent.

There were 1.8 **malnourished children** under five years per 100 000 people in the City of Cape Town in 2016 which is lower than that of the Western Cape rate of 2.3.

At 4.0 deaths, the City of Cape Town has already achieved the Province's target of reducing **neonatal deaths** to 6 per 1 000 live births by 2019.

A total of 14.0 per cent of all babies born in the City of Cape Town and the Western Cape as a whole in 2016 were considered to be **underweight.**

DEFINITIONS

Immunisation: *The immunisation rate is calculated as the number of children immunised as a percentage of the total number of children less than one year of age.* Immunisation protects both adults and children against preventable infectious diseases. Low immunisation rates speak to the need for parents to understand the critical importance of immunisation, as well as the need to encourage parents to have their young children immunised.

Malnutrition: *Expressed as the number of malnourished children under five years per 100 000 people.* Malnutrition (either under- or over-nutrition) refers to the condition whereby an individual does not receive adequate amounts or receives excessive amounts of nutrients.

Neonatal mortality rate: *Measured as the number of neonates dying before reaching 28 days of age, per 1 000 live births in a given year.* The first 28 days of life (neonatal period) represent the most vulnerable time for a child's survival. The Province's target for 2019 is 6.0 per 1 000 live births.

Low birth weight: *Percentage of all babies born in facility that weighed less than 2 500 g.* Low birth weight is associated with a range of both short- and long-term consequences.

MATERNAL HEALTH

Health Indicator	City of Cape Town	Western Cape
Maternal Mortality Ratio	0.1	0.1
Delivery Rate to Women under 18 years	5.0%	5.7%
Termination of Pregnancy Rate	1.5%	1.1%

The **maternal mortality ratio** for both the City of Cape Town and the Western Cape 0.1 which attests of improve maternal healthcare interventions such as the upskilling of health professionals, especially nurses, and the implementation of best practices.

The **delivery rate to women under the age of 18 years** in the City of Cape Town increased slightly from 4.8 per cent in 2015 to 5.0 per cent in 2016. The Western Cape rate for 2016 was slightly higher at 5.7 per cent.

The **termination of pregnancy rate** in the City was at 1.5 per cent higher than that of the Province at 1.1 per cent.

DEFINITIONS

Maternal health refers to the health of women during pregnancy, childbirth and the postpartum period.

Maternal mortality rate: *Maternal deaths per 100 000 live births in health facilities.* Maternal death is death occurring during pregnancy, childbirth and the puerperium of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the duration and site of pregnancy and irrespective of the cause of death (obstetric and non-obstetric).

Births to teenage mothers: *Percentage of babies born to mothers under the age of 18 years.* Teenage pregnancy is almost always unplanned; as a result, when young parents are placed in a position to care for their children, life can become particularly tough, especially if they do not have family or social support.

Termination of pregnancy: *The percentage of terminations as a proportion of the female population aged 15 to 44 years.* Government hospitals, designated private doctors and gynaecologists, and non-profit providers offer safe and legal termination of pregnancy. To have a free abortion, the request must be made at a primary healthcare clinic, where the pregnancy will be confirmed, counselling provided, an appointment made, and a referral letter be given to a facility where the procedure can be performed.

4

POVERTY

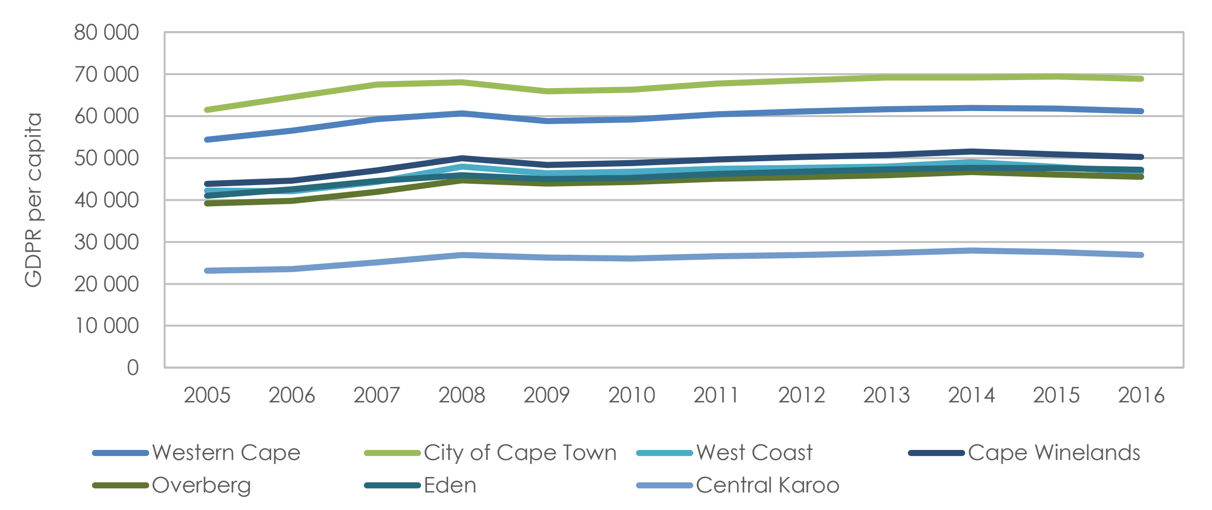
This section shows living conditions and economic circumstances of households within the City of Cape Town based on most recent data including Statistics South Africa's Non-Financial Census of Municipalities 2016 and Quantec. Economic theory suggests that when an economy prospers its households are expected to enjoy a good standard of living. On the contrary, a declining economy tends to lower the standards of living of people. This section uses indicators in terms of GDP per capita, income inequality, human development, as well as indigent households and free basic services to show the current reality of households residing in the Cape Metro.

The deteriorating financial health of households and individuals under the weight of economic pressures, specifically between 2011 and 2015, has resulted in an increase in the poverty levels, according to the Poverty Trends in South Africa report released by Statistics South Africa in 2017. The report cites rising unemployment levels, low commodity prices, higher consumer prices, lower investment levels, household dependency on credit, and policy uncertainty as the key contributors to the economic decline in recent times. These recent findings indicate that the country will have to reduce poverty at a faster rate than previously planned.

According to the report the categories of people vulnerable to poverty remained to be African females, children 17 years and younger, people from rural areas, and those with no education. Inflation-adjusted poverty lines show that food poverty increased from R219 in 2006 to R531 per person per month in 2017. The lower-bound poverty line has increased from R370 in 2006 to R758 per person per month in 2017 while the upper-bound poverty line has increased from R575 in 2006 to R1 138 per person per month in 2017.

GDPR PER CAPITA

An increase in real GDPR per capita, i.e. GDPR per person, is experienced only if the real economic growth rate exceeds the population growth rate.

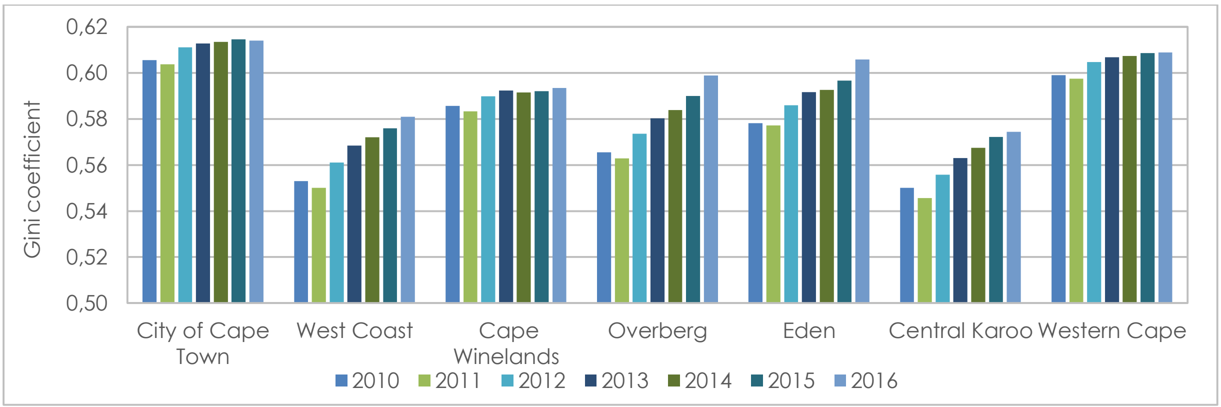


Source: Stats SA 2017, own calculations

GDPR per capita is highest in the City of Cape Town, more so than in any of the other districts of the Western Cape. The City's per capita contribution to GDPR is also notably higher than the Western Cape average. These high levels of GDPR per capita is reflective of the City's strong position in terms of economic output in relation to that of the other districts.

INCOME INEQUALITY

The National Development Plan has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. The City's Gini coefficient is currently 0.61 (2016).

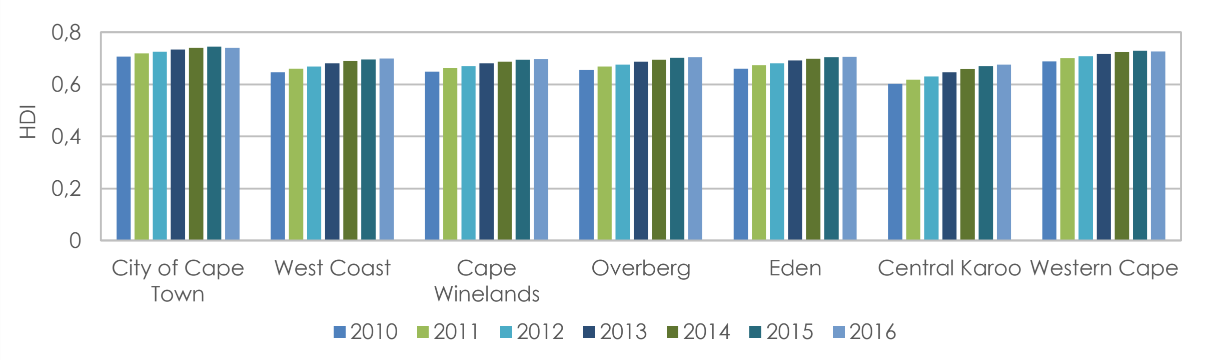


Source: Global Insight, 2017

It is concerning to note that income inequality has in general been on the increase throughout the various districts and the broader Western Cape Province as well. Income equality has however been increasing less abruptly in the City than in the other districts. Households and individuals within the City therefore benefit more equally from regional growth.

HUMAN DEVELOPMENT

The United Nations uses the Human Development Index (HDI)[1] to assess the relative level of socio-economic development in countries.



Source: Global Insight, 2017

Despite increasing levels of income inequality across the Western Cape, overall human development appears to gradually be on the increase in all districts. Although the HD Index in the City has slightly decreased between 2015 (0.7448) and 2016 (0.7394), it is significantly higher than any other district.

INDIGENT HOUSEHOLDS

The constraining macro-economic climate is expected to impact heavily on the various municipal areas of the Western Cape, especially in rural communities where an economic downturn will result in significant job losses across. Rising unemployment figures will subsequently result in a decrease in expendable household income which, coupled with rising inflation rates, will force many families into poverty. Municipal services will ultimately become unaffordable, resulting in these households becoming reliant on free basic service which will in turn strain the already limited resources of a municipality.

Area	2014	2015	2016
City of Cape Town	289 294	379 232	377 813
Western Cape	404 413	505 585	516 321

Source: Department of Local Government, 2017

The number of indigent households within the City of Cape Town increased exponentially between 2014 and 2015, but dropped notably in 2016. Macro-economic challenges are expected to impact heavily on the City which will increase the number of poor households going forward.

[1] The HDI is a composite indicator reflecting education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

5

BASIC SERVICE DELIVERY

The Constitution of the Republic of South Africa states that every citizen has the right to access to adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to services such as potable water, basic sanitation, safe energy sources and refuse removal services, to ensure that households enjoy a decent standard of living.

This section reflects on housing and basic services access levels (Census 2011) and the incremental progress municipalities have made hereto within the last 5 years (Community Survey 2016).

HOUSEHOLDS

In order to ensure basic service delivery to all, municipal budget allocations should be informed by credible and accurate assumptions regarding the number of households within a municipal area.

Access to formal housing and services in the City of Cape Town is measured against a total of 1 068 573 households in 2011 and 1 264 849 in 2016 which equates to average annual growth of 3.4 per cent (39 255 households).

Area	2011	2016	Average annual increase	Average annual growth 2011 - 2016
City of Cape Town	1 068 573	1 264 849	3.4%	39 255
Western Cape	1 634 000	1 933 876	3.4%	59 975

ACCESS TO HOUSING

SERVICE STANDARD DEFINITION: Households with access to a formal dwelling.

Area	2011	2016	Total increase 2011 - 2016	Average annual increase 2011 - 2016	Average annual growth 2011 - 2016
City of Cape Town	78.4%	81.6%	194 965	38 993	4.3%
Western Cape	80.4%	82.4%	280 254	56 051	3.9%

The percentage of households with access to a formal dwelling within the City of Cape Town increased from 78.4 per cent in 2011 to 81.6 per cent in 2016 which indicates that housing delivery across the Metro takes place at a faster rate than the growth in the total number of households. The number of formal dwellings in the City increased by 194 965 between 2011 and 2016, at an average annual rate of 4.3 per cent, which translates into approximately 38 993 additional formal dwellings per year over this period.

ACCESS TO WATER

Given the Western Cape's current drought situation, great focus is currently placed on water availability, supply and quality. Access to safe potable water is essential to prevent the contraction and spread of diseases and maintaining a healthy life.

SERVICE STANDARD DEFINITION: Households with access to piped water inside the dwelling or yard or within 200 metres from the yard.

Area	2011	2016	Total increase 2011 - 2016	Average annual increase 2011 - 2016	Average annual growth 2011 - 2016
City of Cape Town	99.3%	99.8%	200 521	40 104	3.5%
Western Cape	99.1%	99.0%	294 292	58 858	3.4%

The number of households in the City increased by 196 276 between 2011 and 2016 whilst an additional 200 521 households were provided with access to piped water. This increase indicates that the City's service delivery efforts are keeping up with the demand for water services. Access to water services subsequently increased from 99.3 per cent in 2011 to 99.8 per cent in 2016. The City's water-services function will in 2017 become strained as a result of the ongoing drought.

ACCESS TO SANITATION

Access to sanitation promotes health and dignity through the provision of safe disposal and treatment of human waste. Where sanitation systems are inadequate, negative health effects can be extremely serious. The current drought highlights challenges in the use of potable water within the sanitation services process.

SERVICE STANDARD DEFINITION: Households with access to a flush or chemical toilet connected to the sewerage system.

Area	2011	2016	Total increase 2011 - 2016	Average annual increase 2011 - 2016	Average annual growth 2011 - 2016
City of Cape Town	91.4%	94.3%	216 933	43 387	4.1%
Western Cape	90.5%	94.6%	351 662	70 332	4.4%

The City has made notable progress in terms of extending sanitation services above the minimum standard to all households - a total of 94.3 per cent of all households enjoy access to a flush or chemical toilet connected to a sewerage system, up from 91.4 per cent in 2011. The City's delivery rate in 2016 does however remain slightly below that of the Western Cape.

ACCESS TO ELECTRICITY

Energy is essential for human life and households generally apply electricity for cooking, heating and lighting purposes. Energy sources also have usage risks; for example, health and safety risks especially in the use of paraffin and open flame usage.

SERVICE STANDARD DEFINITION: Households with access to electricity as the primary source of lighting.

Area	2011	2016	Total increase 2011 - 2016	Average annual increase 2011 - 2016	Average annual growth 2011 - 2016
City of Cape Town	94.0%	97.7%	231 672	46 334	4.2%
Western Cape	93.4%	96.5%	340 551	68 110	4.1%

The provision of electricity to households within the City accelerated from 94.0 per cent in 2011 to 97.7 per cent in 2016. An additional 231 672 households were therefore provided with access to electricity as primary lighting source between 2011 and 2016 which equates to a 4.2 per cent averages annual growth. These increases can largely be attributed to the enhanced roll-out of the integrated national electrification programme (INEP). Not all of these households are however necessarily connected to a legal electricity connection. Several households participating in the 2016 Community Survey indicated that they are connected to an "other" source.

ACCESS TO REFUSE REMOVAL

Refuse removal is an essential service that ensures that health related problems are kept at bay. A lack of or inadequate service is likely to result in illegal dumping. There are growing concerns around the land and environmental limitations in the creation and lifespan of landfill sites. This would benefit greatly from the 'reduce – reuse – recycle' approach, that encourages non-wasteful consumption practices (reduce), the reuse of products where possible (reuse) and the recycling of the product where its use in current form has been exhausted (recycle).

SERVICE STANDARD DEFINITION: Households who have solid waste removed by local authorities at least weekly.

Area	2011	2016	Total increase 2011 - 2016	Average annual increase 2011 - 2016	Average annual growth 2011 - 2016
City of Cape Town	94.3%	87.8%	102 942	20 588	2.0%
Western Cape	89.9%	86.8%	211 083	42 217	2.7%

The percentage of total households that enjoy access to refuse removal services at least once a week in the City of Cape Town decreased notably between 2011 and 2016. Although there was a net increase in access to refuse removal services across this period, household growth outpaced the provision of such services.

6

SAFETY AND SECURITY

The Constitution upholds the notion that everybody has the right to freedom and security of the person. The safety of persons and property is therefore vitally important to the physical and emotional well-being of people and business. Without the respect of person and property, it would be impossible for people to live peacefully, without fear of attack and for businesses to flourish.

The extent of crime in South Africa does however not only have a significant impact on the livelihood of citizens, but also affects the general economy. Crime hampers growth and discourages investment and capital accumulation. If not addressed with seriousness, it has the potential to derail both social and economic prosperity.

People's general impressions, as well as official statistics on safety and crime issues, mould perceptions of areas as living spaces or place in which to establish businesses. The discussion in this section that follows is limited to the reported contact and property-related crime such as murder and sexual crimes, as well as crime heavily dependent on police action for detecting drug-related crimes and driving under the influence of alcohol/drugs.

Note: Percentage change calculation will differ from the actuals reflected due to rounding down to per 100 000 population.

Data source: The data depicted in the following section was sourced from the 2017 Crime Statistics released by the South African Police Service (SAPS) in October 2017. Incidences of crime per 100 000 were calculated using actual crime and estimated population figures provided by SAPS. Also note that although the crime data contained in the following section is for ease of reference depicted as a single calendar year, it is in actual fact referring to criminal activity within a financial year i.e. incidences of murder for 2016 is referring to occurrences within the period April 2016 to March 2017.

The information relating to fatal crashes and crash fatalities were sourced from the Department of Transport and Public Works.

MURDER

Area	2016	2017	% Change
City of Cape Town (per 100 000)	59	59	-0.4
Western Cape (per 100 000)	50	50	0.5

Definition: *Murder is a social contact crime resulting in the loss of life of the victim, but excludes cases where the loss of life occurred as a result of a response to a crime, for example self-defence.*

Although incidences of murder per 100 000 people in the City of Cape Town remain relatively unchanged between 2016 and 2017, the actual number of murders across this period did indeed decrease slightly. Greater City of Cape Town area decreased ever so slightly between 2016 and 2017. The murder rate per 100 000 people in the City is higher than in any other district of the Western Cape. The murder rate in the Western Cape remained unchanged at 50 incidences per 100 000 population between 2016 and 2017.

SEXUAL OFFENCES

Area	2016	2017	% Change
City of Cape Town (per 100 000)	100	96	-4.0
Western Cape (per 100 000)	111	108	-2.3

Definition: *Sexual offences includes rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking.*

The rate of sexual violence in South Africa is amongst the highest in the world. In addition, a number of sexual offence incidences often go unreported (as in the case of rape).

The number of reported cases of sexual offences per 100 000 people in the City decreased from 100 incidences in 2016 to 96 in 2017 (4.0 per cent decrease). In turn, sexual offences in the Western Cape as a whole decreased slightly from 111 incidences per 100 000 people in 2016 to 108 in 2017 (2.3 per cent decrease). The City also had the lowest sexual offences rate amongst all the districts in the Province.

DRUG-RELATED CRIMES

Area	2016	2017	% Change
City of Cape Town (per 100 000)	1 468	1 613	9.9
Western Cape (per 100 000)	1 461	1 633	11.8

Definition: *Drug-related crimes refers to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs. This is a crime detected through police activity rather than reports by members of the public. An increase in crimes of this nature may therefore reflect an increase in police.*

Drug-related crimes have a negative impact on human development by degrading the quality of life as it infiltrates all aspects of society including families, health, the work environment and the economy. It is very concerning to note that drug-related offences increased considerably between 2016 and 2017 in both the City of Cape Town (9.9 per cent) and the Western Cape as a whole (11.8). At 1 613 reported cases per 100 000 people in 2017, drug-related crimes within the City is lower than in any other district in the Western Cape.

DRIVING UNDER THE INFLUENCE

Area	2016	2017	% Change
City of Cape Town (per 100 000)	196	219	11.5
Western Cape (per 100 000)	182	196	7.6

Definition: *DUI refers to a situation where the driver of a vehicle is found to be over the legal blood alcohol limit. This is a crime detected through police activity rather than reports by members of the public.*

Despite concerted efforts by government, our roads are still considered amongst the most dangerous in the world. Reckless driving and alcohol consumption remain the top reason for road accidents. The number of cases of driving under the influence of alcohol or drugs per 100 000 people in the City increased by 11.5 per cent from 196 incidences in 2016 to 219 in 2017. This increase is concerning, especially heading into the festive period. The number of DUI cases across the Western Cape as a whole increased notably from 182 reported cases in 2016 to 196 in 2017 (7.6 per cent).

RESIDENTIAL BURGLARIES

Area	2016	2017	% Change
City of Cape Town (per 100 000)	671	620	-7.5
Western Cape (per 100 000)	739	700	-5.3

Definition: *Residential burglary is defined as the unlawful entry of a residential structure with the intent to commit a crime, usually a theft.*

Given its regular occurrence and the psychological impact on victims, residential burglaries are an obstinate concern in South Africa. It is relieving to note that residential burglaries are on the decrease within the City of Cape Town – the number of burglaries per 100 000 people decreased from 671 reported cases in 2016 to 620 in 2017 which amounts to a 7.5 per cent decrease. Similarly, burglaries across the Western Cape as a whole decreased from 739 cases in 2016 to 700 in 2017, a 5.3 per cent decrease.

FATAL CRASHES

Area	2015	2016	% Change
City of Cape Town (per 100 000)	708	720	1.7
Western Cape (per 100 000)	1 202	1 228	2.2

Definition: *A crash occurrence that caused immediate death to a road user, i.e. death upon impact, flung from the wreckage, burnt to death, etc.*

Above graphic indicates that in 2015 there were a total of 708 fatal crashes involving motor vehicles, motorcycles, cyclists and pedestrians within the Cape Metro. This number increased by 1.7 per cent to 720 in 2016. The number of fatal crashes in the broader Western Cape increased by 2.2 per cent from 1 202 crashes in 2015 to 1 228 in 2016.

ROAD USER FATALITIES

Area	2015	2016	% Change
City of Cape Town	725	748	3.2
Western Cape	1 357	1 397	3.0

Definition: *The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians.*

According to a recent study, the majority of road fatalities in Africa fall within the working age cohort - between the ages of 15 – 44 years – whilst three out of four fatalities were found to be male (Peden et al., 2013). The untimely death of these primary breadwinners therefore impacts directly upon not only the livelihood of family structures, but deprive society of active economic participants that contribute towards growth and development. The socio-economic impact of such road fatalities has proven to be particularly devastating in South Africa where the majority of road users hail from poor and vulnerable communities.

The previous section specified that a total of 720 fatal crashes occurred within the Cape Metro area in 2016. A total of 748 road users succumbed in those crashes. This is 23 more deaths than the 725 recorded in 2015 which equates to a 3.2 per cent increase in road user fatalities.

Additional, lower-level information regarding the time, location, gender, ages of above specified crashes are available from the Department of Transport and Public Works upon request.

7

THE ECONOMY

Economic growth at the municipal level is essential for the attainment of economic development, the reduction of poverty and improved accessibility. Fostering this growth requires an in-depth understanding of the economic landscape within which each respective municipality operates.

Most municipalities within the Western Cape are currently experiencing hydrological drought conditions where the severe weather is affecting groundwater levels in natural springs, streams, reservoirs and dams to the extent that potable water has reached alarmingly low levels. An overview of the current economic reality facing the municipalities of the Western Cape would therefore not be complete without elaborating on the manner in which the drought impacts upon the short and medium term financial and economic sustainability of local authorities.

ECONOMIC SECTOR PERFORMANCE

The City of Cape Town's economy contributed 71.8 per cent to the Western Cape's GDP in 2016. The economy maintained an average annual growth rate of 2.9 per cent since 2005 whereas the Western Cape's growth across this period was 3.0 per cent. The City was in the post-recessionary period (2.5 per cent across 2010 – 2015) not able to recover to its long-term growth trend average. GDP growth across this period was also slightly below the provincial average of 2.6 per cent.

The largest contributor to GDPR within the Metro in 2015 was the Tygerberg planning district (17.8 per cent), an area dominated by finance, insurances, real estate and business services. Despite its large contribution to GDPR, the district maintained moderate average annual growth of 2.4 per cent between 2005 and 2015 which was notably lower than the Metro's average (2.9 per cent) across the same period. The nature of activities within the Tygerberg planning district area makes the local economic extremely susceptible to external fluctuations – the current constraining macroeconomic environment impacts heavily on subsector activities, evident from the fact that the Tygerberg planning district is expected to only grow at 0.3 per cent in 2016, the lowest GDPR growth rate amongst all the other planning districts contributing to the Metro's economy. The fastest growing area within the City of Cape between 2005 and 2015 was the Blaauwberg planning district, growing at a rate of 4.2 per cent which was considerably higher than the Metro's average across the same period. This area also maintained the highest growth rate for the period 2010 - 2015 (3.8 per cent).

Below table reflects the extent to which the various sectors contributed towards the GDPR of Cape Town.

	Contribution to GDPR (%)	Trend		Real GDPR growth (%)					
Sector	2015	2005 - 2015	2010 - 2015	2011	2012	2013	2014	2015	2016e
Primary Sector	**1.5**	**3.1**	**3.9**	**4.0**	**3.2**	**4.8**	**7.5**	**0.1**	**-4.8**
Agriculture, forestry and fishing	1.3	3.7	4.1	4.2	3.5	5.0	7.6	0.0	-4.6
Mining and quarrying	0.2	-0.1	3.1	2.7	1.5	3.2	69	1.1	-6.0
Secondary Sector	**23.6**	**1.9**	**1.3**	**2.8**	**2.1**	**1.4**	**0.2**	**0.1**	**0.2**
Manufacturing	15.0	1.6	1.2	3.4	2.2	0.9	-0.4	-0.3	0.8
Electricity, gas and water	3.0	-0.7	-0.5	1.9	-0.2	-0.9	-1.2	-1.9	-5.0
Construction	5.6	5.2	2.8	1.1	2.7	4.6	3.1	2.3	0.3
Tertiary Sector	**74.9**	**3.2**	**2.8**	**4.3**	**3.0**	**2.8**	**2.1**	**1.9**	**1.2**
Wholesale and retail trade, catering and accommodation	16.9	2.6	2.7	4.2	3.8	2.3	1.6	1.5	1.2
Transport, storage and communication	11.6	2.6	2.2	3.3	1.9	2.2	2.9	0.5	0.4
Finance, insurance, real estate and business services	27.8	3.8	3.0	4.5	2.9	2.6	1.8	3.1	1.6
General government	11.8	3.9	3.8	6.2	3.6	4.7	3.2	1.1	1.5
Community, social and personal services	6.7	2.0	1.8	1.9	2.1	2.3	1.7	0.7	0.1
Total Cape Town	**100**	**2.9**	**2.5**	**3.9**	**2.8**	**2.5**	**1.8**	**1.5**	**0.9**
Western Cape	100	3.0	2.6	3.8	2.9	2.6	2.2	1.5	0.7

The economy in Cape Town is dominated by **tertiary sector** activities, which contributed approximately 74.9 per cent to GDPR in 2015. This sector maintained a 3.2 per cent average annual growth rate across the period 2005 to 2015 which was not only above that of the greater Metro area, but the Province as a whole. Consideration of the post-recessionary period indicates that the sector has been recovering well, maintaining average annual growth of 2.8 per cent since 2010. Despite this average, the sector's growth has been tapering off in recent years and is expected to only be 1.2 per cent by 2016.

Although the **secondary sector** contributed 23.6 per cent of the GDPR of the Cape Metro in 2015, the sector has historically grown at 1.9 per cent (2005 – 2015), a sluggish pace far below the average of the Cape Metro (2.9 per cent) and the Western Cape (3.0 per cent) across this period. The secondary sector is however expected to grow by 1.2 per cent in 2016 which is above that of the Metro (0.9 per cent) and the Western Cape (0.7 per cent).

Primary sector activities contribute the least to the Cape Metro area's economy compared to the secondary and tertiary sectors. The Cape Metro's geographical area is to a large extent urban, which significantly limits the potential for agricultural activities. The primary sector has however been the fastest growing sector in the Cape Metro since 2010, maintaining average annual growth of 3.9 per cent. This sector recorded aggressive growth in 2013 and 2014 before contracting dramatically in 2015 largely as a result of a decrease in global commodity prices as well as the drought, the full extent of which will be felt towards the end of 2017.

From a subsector performance perspective, the economy of the Cape Metro is largely driven by the activities within the finance, insurance, real estate and business services (27.8 per cent contribution to GDPR), wholesale and retail trade, catering and accommodation (16.9 per cent) and the manufacturing (15.0 per cent) subsectors. These subsectors collectively contributed 59.7 per cent to the GDPR of the Cape Metro area. It was however the agriculture, forestry and fishing subsector that maintained the highest annual average growth rate (4.1 per cent) in recent times (2010 – 2015). As however mentioned previously, the primary sector, which is essential driven by agricultural activities, is expected to have contracted significantly in 2016.

LABOUR

The number of people employed in Cape Town was in 2015 estimated to be approximately 1 563 297 which equates 63.1 per cent of all employment in the Western Cape. Considering the large concentration of economic activity within the City, it was to be expected that the Metro would as a whole continue to create jobs in the post-recessionary period. Employment creation in the Metro continued to grow during 2016, albeit at a significantly lower rate than in 2015, which is in line with the decline in economic growth for this period.

As an alternative data source, please consult the results of Statistics South Africa's Quarterly Labour Force Survey (QLFS) for the 3rd Quarter of 2017. According to the QLFS, the City's labour force amounted to 2 012 000 people during the period June to September 2017 of which 1 545 000 were formally employed. The City's unemployment rate was therefore estimated to be 23.2 per cent. This is slightly higher than the 22.7 per cent recorded for the previous quarter (April – June 2017).

Below table reflects the employment growth trends within each economic sector contributing to the Cape Metro economy.

	Contribution to employment (%)	Number of jobs	Trend		Employment (net change)					
Sector	2015	2015	2005 - 2015	2010 - 2015	2011	2012	2013	2014	2015	2016e
Primary Sector	**2.5**	**39 677**	**-980**	**10 769**	**-144**	**3 329**	**2 737**	**-963**	**5 810**	**170**
Agriculture, forestry and fishing	2.5	38 858	-726	10 972	-145	3 297	3 032	-984	5 772	162
Mining and quarrying	0.1	819	-254	-203	1	32	-295	21	38	8
Secondary Sector	**19.4**	**303 019**	**-6 754**	**14 117**	**1 320**	**247**	**4 997**	**3 329**	**4 224**	**2 041**
Manufacturing	10.7	167 231	-36 529	-9 026	-2 688	-5 052	2 189	-3 904	429	-1 288
Electricity, gas and water	0.4	5 770	1 800	806	243	223	76	63	201	148
Construction	8.3	130 018	27 975	22 337	3 765	5 076	2 732	7 170	3 594	3 181
Tertiary Sector	**78.1**	**1 220 601**	**275 647**	**147 571**	**24 413**	**26 276**	**36 831**	**29 750**	**30 301**	**6 999**
Wholesale and retail trade, catering and accommodation	24.5	382 476	89 585	46 657	9 234	10 665	7 991	8 060	10 707	3 001
Transport, storage and communication	6.2	96 415	29 102	14 636	902	4 299	4 719	-671	5 387	-5 734
Finance, insurance, real estate and business services	19.8	309 114	39 336	21 576	3 929	2 016	5 244	1 408	8 979	3 102
General government	13.0	202 759	55 727	22 941	8 923	3 956	3 288	11 569	- 4 795	4 318
Community, social and personal services	14.7	229 837	61 897	41 761	1 425	5 340	15 589	9 384	10 023	2 312
Total Cape Metro area	**100.0**	**1 563 297**	**267 913**	**172 457**	**25 589**	**29 852**	**44 565**	**32 116**	**40 335**	**9 210**

Source: Quantec Research, 2017 (e denotes estimate)

It is evident that the majority of people employed within the City are concentrated within the tertiary sector in 2015. The subsectors within the tertiary sector contributing the most to employment in the Cape Metro area include the wholesale and retail trade, catering and accommodation (24.5 per cent), finance, insurance, real estate and business services (19.8 per cent) and the community, social and personal services (14.7 per cent) subsectors. These subsectors collectively contributed 59.0 per cent towards all employment within the City and created 63.8 per cent of all new jobs in the Metro between 2010 and 2015.

The secondary sector has over the last decade (2005 – 2015) shed a large number of jobs (6 754), but recovered well in recent times to create an additional 14 117 employment opportunities (2010 – 2015). Secondary sector employment is largely influenced by the manufacturing subsector which, despite its significant contribution to GDPR, only employed 10.7 per cent of working individuals within the City. This subsector shed 36 529 jobs between 2005 and 2015. This can be attributed to the below average growth of the sector in terms of GDPR, but also due to increased mechanisation in the manufacturing sector due to rising labour costs. This subsector is expected to shed 1 288 jobs in 2016.

The agriculture, forestry and fishing sector in 2015 only employed 2.5 per cent of the total labour force. This sector created 10 769 new job opportunities between 2010 – 2015) created a significant number of jobs.

Area	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016e
City of Cape Town	18.8	18.4	17.6	18.1	18.5	18.8	19.2	18.8	19.3	20.0	21.0
West Coast	7.2	7.6	7.9	8.5	8.7	9.2	10.1	10.4	11.0	11.3	11.7
Cape Winelands	9.0	9.2	9.2	9.8	9.8	10.1	10.7	10.6	10.9	11.2	11.6
Overberg	10.0	10.3	10.2	10.9	11.0	11.4	12.1	12.0	12.4	12.8	13.5
Eden	16.0	16.1	15.5	15.9	16.1	16.5	17.0	16.6	17.1	17.8	18.7
Central Karoo	20.6	20.9	20.7	21.0	20.8	21.2	22.0	21.6	22.1	22.6	23.2
Western Cape	15.8	15.7	15.3	15.8	16.1	16.4	17.0	16.7	17.2	17.8	18.7

Source: Quantec Research, 2017 (e denotes estimate)

Unemployment has gradually been on the increase within the City of Cape Town since 2013[2]. At 21.0 per cent, the unemployment rate in the Metro is only surpassed by that of the Central Karoo at 23.2 per cent. The City's unemployment rate is notably higher than that of the Western Cape as a whole (18.7 per cent).

At 31.8 per cent, the Khayelitsha/Mitchells Plain Planning District recorded the highest unemployment rate in the Cape Metro area during the reference period. This district however in recent times experienced exponential employment growth (49 924 additional job opportunities created since 2010) which attests of a larger labour force which cannot be absorbed by the market. The increasing labour force can in turn be attributed to labour migration.

2 Stats SA, as an alternative data source, estimates that the City's unemployment rate actually improved in 2015 and 2016.

8

INFRASTRUCTURE DEVELOPMENT

As economic theory and empirical work suggest that public investment in infrastructure will boost economic growth by stimulating related private sector investments – the so-called "crowding-in effect" – as well as providing a solid foundation for social development (Swilling, 2006). In South Africa the importance of infrastructure has not only been emphasised at national level but also at regional level. The Western Cape Government's main infrastructure budgets and investment, both in social and economic infrastructure over the 2017 MTEF, includes spending by provincial government departments and public entities; as well as spending on public private partnerships.

In the Western Cape, the region needs efficient transport systems, water and sanitation, telecommunications and power supplies in order to influence the standard of living of their populations and regional economic growth. There is, thus, a pressing need to determine whether government's strategy on infrastructure investment will yield the desired economic growth benefits at micro (i.e. project or sector level) or at national or macro level.

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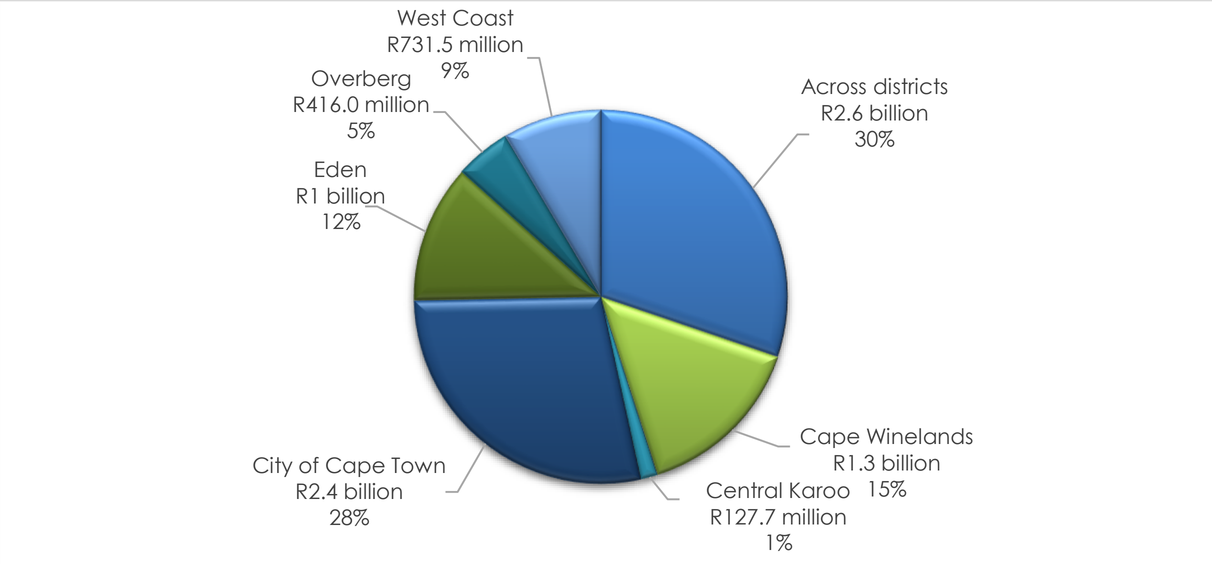
PROVINCIAL INFRASTRUCTURE SPEND

In fulfilment of Provincial Strategic Goal 1 (PSG 1: Grow the economy and create jobs), the Western Cape Government has dedicated R28.0 billion towards infrastructure development across the 2017 Medium Term Expenditure Framework (MTEF). This amount will be spent on new assets, replacements assets maintenance and repairs, upgrades and additions, rehabilitation, renovation as well as the refurbishment of existing assets (Western Cape Estimates of Provincial Revenue and Expenditure, 2017). Of this total, an amount of R26.1 billion has been set aside for physical infrastructure developments whilst R231.0 million and R1.7 billion will respectively be channelled towards broadband connectivity and public private partnerships.

The total Provincial Infrastructure budget for 2017/18 amounts to R8.6 billion which will be split amongst the various municipal districts by taking into consideration a wide array of socio-economic variables, most notably anticipated population growth trends as well as estimated economic growth potential, the latter being influenced largely by the 2014 Growth Potential Study of Towns (Donaldson et al., 2014). Below graph depicts the spatial distribution of provincial infrastructure spend for the 2017/18 financial year.



Source: Provincial Treasury, 2017

The City of Cape Town assumes the majority of the Western Cape's infrastructure allocations with an estimated infrastructure spend of R2.4 billion (28.0 per cent of Provincial allocation). The Cape Winelands region is another notable receiver of Infrastructure funding with approximately R1.3 billion (15.0 per cent of Provincial allocation) allocated from the Provincial Government.

Provincial Infrastructure Allocations: Cape Metro

There have been varying levels of infrastructure investments and development across the 131 towns outside the Cape Town Metropolitan areas. Some towns have solid development potential while others are declining. A number of growth factors have contributed to this decline (Donaldson et al., 2010). Amongst these factors is a deteriorating infrastructure. Municipal infrastructure consists mainly of bulk treatment plants, pump networks, pump stations treatment works, reservoirs and distribution pipelines, electricity transmission and distribution infrastructure. In some municipalities infrastructure remains under threat and requires increasingly more astute management whilst other municipalities have invested significantly in infrastructure provision and experience high growth rates.

The previous graph indicated that of the R8.6 billion total 2017/18 WCG infrastructure budget, an amount of R2.4 billion (28.0 per cent) will be spent within the Cape Metro area. Below table indicates towards which functional areas this amount is allocated.

Vote R'000	City of Cape Town	West Coast	Cape Winelands	Overberg	Eden	Central Karoo	Across Districts	Total
CapeNature	-	-	-	16 961	-		26 865	43 826
Education	511 981	22 600	90 030	65 000	101 108	-	823 325	1 614 044
Health	269 122	75 862	71 219	13 531	42 537	4 431	338 761	815 463
Human Settlements	621 054	79 928	258 841	128 091	265 104	34 739	839 001	2 226 758
Public Works	320 391	10 000	11 258		46 621	4 072	307 565	699 907
Roads	697 088	543 021	844 055	192 383	574 102	84 470	264 535	3 199 654
Social Development	364	116	92	-	-	-	-	572
Total	**2 420 000**	**731 527**	**1 275 495**	**415 966**	**1 029 472**	**127 712**	**2 600 052**	**8 600 224**

Source: Provincial Treasury, 2017

The Provincial Government has allocated R621.1 million towards the development of human settlement (service sites and top structure constructions) within the Cape Metro area. This allocation will alleviate the pressure created by rising population numbers and the subsequent increased demand for adequate housing and basic service delivery.

Provincial infrastructure spend within the City of Cape Town will however in 2017/18 mostly be directed towards the road transport function. This allocation, to the value of R697.0 million, will fund road upgrade and maintenance projects to address traffic congestion challenges which are threatening to impact negatively on the region's economic growth ambitions.

The ever-increasing population inflow has also over time given rise to learner enrolment and the subsequent demand for quality education. As outlined previously, the City does experience several socio-economic challenges relating to education, most notable a high learner-teacher ratio, drop-out rate as well as the number of no-fee schools. The education allocation, which will in 2017/18 amount to R512.0 million, will over time improve education outcomes across the Metro.

The following table lists the Top 10 2017/18 MTEF provincial infrastructure projects (in terms of value) in the Cape Metro.

Sector	Project Description	2017/18 R'000	2018/19 R'000	2019/20 R'000	Total MTEF R'000
Transport	C1046 AFR N1 Durban Road i/c	170 000	170 000	10 000	350 000
Transport	C1090 PRMG N7 Wingfield-Melkbos	50 000	132 000	18 000	200 000
Health	CI860012: Observatory - Observatory FPL – Replacement	20 181	73 139	60 000	153 320
Transport	C733.5 Mariner's Way	-	40 000	100 000	140 000
Transport	C1038 N7 Potsdam & Melkbos i/c	-	30 000	100 000	130 000
Transport	C1049 PRMG Kromme Rhee Road-Protea-Waarburgh Road reseal	-	10 342	101 536	111 878
Transport	C1039 AFR Realign Borcherds Quarry phase 2	-	-	105 000	105 000
Transport	C1025 AFR Wingfield i/c	-	-	100 000	100 000
Public Works	Modernisation - HO CapeNature (Woodstock Hospital)	2 500	42 290	40 470	85 260
Public Works	Alexandra Precinct: Upgrade exam reprographic centre and EDO Central	51 411	17 500	-	68 911

Source: Provincial Treasury, 2017

It is clear from above that provincial infrastructure spend within the City will in 2017/18 predominantly be directed towards road transport projects. The biggest project (in terms of total MTEF spend) relates to road and bridge upgrades on the N1 towards Durban Road. This project aims to not only alleviate traffic congestion, but to enhance transportation flow towards strategic business nodes along the Voortrekker Corridor which will in turn stimulate further development and encourage private sector invest.

An amount of R153.3 million (total MTEF) will also be directed towards the health function to replace the forensic pathology laboratory in Observatory (mortuary).

MUNICIPAL INFRASTRUCTURE SPEND

National and Provincial Transfers

The sources of infrastructure funding at municipal level mostly emanate from either National or Provincial Government in the form of grants. Municipalities can however also fund infrastructure projects through internal (own) revenue sources. or from municipal own revenue.

The National Government recognises that infrastructure investment is the cornerstone to economic and social upliftment. To this end in 2004 the Government introduced a Municipal Infrastructure Grant to complement their capital budgets. Of the capital expenditure budget allocated to municipalities within the Cape Winelands a large percentage of it goes to Economic and Environmental Services and Trading Services (economic infrastructure) whilst the remainder goes to Governance and Administration and Community and Public Safety.

The combination of dedicated provincial and municipal infrastructure spend will truly set the Municipality and ultimately the Province on a higher growth path and improved socio-economic environment.

The following table contains the capital transfers and grants received by the City of Cape Town from National Government for the 2017/18 MTREF.

Funding Source R'000	Audited Outcomes			Current Year 2016/17	2017/18 Medium Term Revenue and Expenditure Framework		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Marine & Coastal Management Grant	245	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant	16 000	-	12 000	14 400	9 600	19 400	10 000
Integrated National Electrification Programme Grant	24 500	5 000	5 000	-	5 000	5 000	19 000
NT: Expanded Public Works Programme	-	-	-	400	400	-	-
NT: Infrastructure Skills Development Grant	-	-	-	1 000	1 000	1 000	-
NT: Integrated City Development Grant	-	57 171	50 826	37 071	52 319	56 740	59 917
NT: Local Government Restructuring Grant	-	-	-	275	50	-	-
NT: Neighbourhood Development Partnership Grant	26 000	30 784	44 310	25 180	2 109	30 000	58 093
NT: Other	-	-	-	2 194	-	-	-
NT: Urban Settlements Development Grant	1 193 497	1 358 879	1 387 760	1 295 294	1 278 988	1 352 963	1 440 120
Public Transport Infrastructure and Systems Grant	-	-	-	40 000	128 875	2 021	2 681
Transport Infrastructure Grant	946 241	1 069 140	-	-	-	-	-
Public Transport Network Grant	-	-	881 501	689 482	711 492	509 287	562 547
Total	**2 206 483**	**2 520 974**	**2 381 397**	**2 105 295**	**2 189 832**	**1 976 411**	**2 152 358**

Source: City of Cape Town, 2017/18 Approved Budget Schedules (SA18)

The single largest grant allocation received from National Government in 2017/18 – the Urban Settlements Development Grant – complements the City's integrated approach towards development planning and spatial transformation which aims to connect new housing developments that will provide all communities equal access to economic opportunities within central business nodes. The City's Spatial Development Framework and the Build Environment Performance Plan (BEPP) provides strategic direction in this regard.

This allocation also gives effect to strategic focus areas 3: The Caring City, through which the City promotes dignified living by rendering services above and beyond the national accepted norm. To this end, the City will not only direct substantial capital funding towards economic and social infrastructure developments, but prioritise and extensive list of social service and programmes to reflect its holistic commitment towards citizen welfare. The City will also mainstream its basic service delivery efforts to those in informal settlements and backyard dwellers.

A substantial amount has also been received in the form of a Public Transport Network Grant to the value of R711.0 million which will be applied towards strategic economic infrastructure projects. This allocation will complement the Provincial Government's road transport spend within the Metro.

In addition to the direct infrastructure spending by Provincial Government within the jurisdiction of the Cape Metro, provincial government departments transfer funding directly to the City. These transfers each have a specific purpose and form part of the City's total capital budget. Below table outlines the transfers received from Provincial Government in 2017/18. The information depicted below was obtained from the budget schedules within the Municipality's 2017/18 approved budget. The names of specific grants may therefore differ from their official wording.

Funding Source R'000	Audited Outcomes			Current Year 2016/17	2017/18 Medium Term Revenue and Expenditure Framework		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Library Services (Conditional Grant)	-	-	-	14 126	15 850	-	-
Library Services: Metro Library Grant	-	-	5 000	8 537	10 000	10 000	10 000
Public Access Centres	-	-	-	127	-	-	-
Human Settlements Development Grant	-	-	-	9 738	53 002	115 175	40 994
Previous years' Gazetted allocations	-	-	-	20	-	-	-
Community Development Workers (CDW) Grant Support	-	-	-	150	150	150	150
Fibre Optic Broadband Roll Out	-	10 700	7 298	-	-	-	-
Transport Safety and Compliance - Rail Safety	-	-	-	3 594	-	-	-
Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	-	-	-	15 219	-	-	-
Provincial Government	**-**	**10 700**	**12 298**	**51 511**	**79 002**	**125 325**	**51 144**

Source: City of Cape Town, 2017/18 Approved Budget Schedules (SA18)

Total provincial transfers to the City of Cape Town will in 2017/18 amount to R79.0 million. The single largest allocation is received from the Department of Human Settlements (total value of R52.0 million) which will be applied towards formal housing programmes and upgrades to informal settlements.

The City also receives an amount of R15.9 million from the Department of Cultural Affairs and Sport in the form of the Library Services Grant (conditional grant) to build new libraries or upgrade existing libraries, particularly within previously disadvantaged communities.

Funding Source R'000	Audited Outcomes			Current Year 2016/17	2017/18 Medium Term Revenue and Expenditure Framework		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
National Government	2 206 483	2 520 974	2 381 397	2 105 295	2 189 832	1 976 411	2 152 358
Provincial Government	-	10 700	12 298	51 511	79 002	125 325	51 144
Other Grant Providers	32 675	44 412	47 088	76 566	84 900	87 200	90 600
Total Capital Transfers and Grants	**2 239 158**	**2 576 086**	**2 440 783**	**2 233 372**	**2 353 735**	**2 188 936**	**2 294 102**

Source: City of Cape Town, 2017/18 Approved Budget Schedules (SA18)

As per above table, the total capital budget of the City will in 2017/18 amount to R6.975 billion of which, as per above table, R2.354 billion (33.7 per cent) will be funded through grants and transfers from external sources i.e. either National or Provincial Government or other grant providers (public contributions or donors). The rest of the capital budget will be funded through borrowings (41.5 per cent) or internally generated revenue (24.8 per cent).

The Municipality will apply the allocations received from above specified funding sources to prioritise the following projects for 2017/18:

Municipal Vote	Project Description	2017/18 R'000	2018/19 R'000	2019/20 R'000
Transport and Urban Development Authority	Built Environment Management: IRT Phase 2A	310 807	145 687	136 057
Corporate Services	Information Systems and Technology: Dark Fibre Broadband Infrastructure	260 155	260 155	260 155
Informal Settlements, Water and Waste Services	Water and Sanitation: Meter Replacement Programme	235 000	270 000	270 000
Informal Settlements, Water and Waste Services	Water and Sanitation: Zandvliet WWTW-Extension	199 080	230 747	137 300
Transport and Urban Development Authority	Built Environment Management: Non-Motorised Transport Programme	155 485	106 000	195 650
Informal Settlements, Water and Waste Services	Water and Sanitation: Construction of new Head Office	146 632	-	-
Transport and Urban Development Authority	Asset Management and Maintenance: IRT Vehicle Acquisition	128 875	2 021	2 681
Energy	Electricity Generation and Distribution: Electrification	110 500	110 500	124 500
Energy	Electricity Generation and Distribution: MV System Infrastructure	105 000	123 000	120 000
Transport and Urban Development Authority	Built Environment Management: Congestion Relief Projects - Renewal	104 250	71 000	141 000

Source: City of Cape Town, 2017/18 Approved Budget Schedules (SA36)

The capital budget in 2017/18 applied towards a wide variety of projects that combine to give effect to the City's strategic vision and objectives to ultimately ensure the effective and efficient delivery of basic services (including housing and human settlement developments) to all households as well as the expansion of the current integrated transport system.

The projects listed above and those defined within budget Schedule SA36 have all been prioritised within the context of the City's strategic planning frameworks such as the IDP, BEPP, economic growth strategy and the spatial development framework.

SOURCES

1. **Demographics**
    - Population: *Department of Social Development, 2017*
    - Age cohorts: *Department of Social Development, 2017*
2. **Education**
    - Learner enrolment: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2016*
    - Learner-teacher ratio: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2016*
    - Grade 12 drop-out rates: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2016*
    - Educational facilities: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2016*
    - Educational outcomes: *Western Cape Education Department, 2017; Annual Survey of Public and Independent Schools (ASS), 2016*
3. **Health**
    - Healthcare facilities: *Department of Health, 2017*
    - Emergency medical services: *Department of Health, 2017*
    - HIV/AIDS: *Department of Health, 2017*
    - Tuberculosis: *Department of Health, 2017*
    - Child health: *Department of Health, 2017*
    - Maternal health: *Department of Health, 2017*
4. **Poverty**
    - GDP per capita: *Statistics South Africa, 2017;* own calculations
    - Income Inequality: *IHS Global Insight, 2017*
    - Human Development: *IHS Global Insight, 2017*
    - Indigent households*: Department of Local Government, 2017*

SOURCES

5. Basic Services

- Households: *Statistics South Africa, Census 2011 and Community Survey 2016*
- Access to housing: *Statistics South Africa, Census 2011 and Community Survey 2016*
- Access to water: *Statistics South Africa, Census 2011 and Community Survey 2016*
- Access to electricity: *Statistics South Africa, Census 2011 and Community Survey 2016*
- Access to sanitation: *Statistics South Africa, Census 2011 and Community Survey 2016*
- Access to refuse removal: *Statistics South Africa, Census 2011 and Community Survey 2016*

6. Safety and Security

- Murder: *South African Police Service (SAPS), 2017*
- Sexual offences: *South African Police Service (SAPS), 2017*
- Drug-related crimes: *South African Police Service (SAPS), 2017*
- Driving under the influence: *South African Police Service (SAPS), 2017*
- Residential burglaries: *South African Police Service (SAPS), 2017*
- Fatal crashes: *Department of Transport and Public Works, 2017*
- Road user fatalities: *Department of Transport and Public Works, 2017*

7. Economy

- Sector Performance: *Quantec Research, 2017*
- Labour: *Quantec Research, 2017*

8. Infrastructure Development

- Provincial Infrastructure Spend: *Provincial Treasury, 2017*
- Municipal Infrastructure Spend: *Municipal Budget Schedules (SA18 & SA36)*