

A GROWING COMMITMENT TO ENTERPRISE DEVELOPMENT

At the CTICC we appreciate the need for economic structural transformation in South Africa. We place a high value on working with SMME suppliers, B-BBEE and women-owned enterprises. As a municipal entity we are obliged to comply with the Municipal Finance Management Act of South Africa, 2003 (Act 56 of 2003) and we adhere to the accompanying Supply Chain Regulations.

In line with our ongoing commitment to help develop businesses in our sector and beyond, our B-BBEE spend for the 2015/16 financial year was over R522.4m. It currently amounts to 92.8% of our total spend, compared with 86.4% in 2014/15. Based on the previous financial year, the percentage has increased by 6.4%. This is a pleasing result bearing in mind that the previous year's figure was already very high. The spend itself is also significantly up on the R263m of the previous year – an increase of 98%.

Procurement via SMME suppliers for this period was at 29.45% of our total procurement spend.

Procurement from women-owned companies represented 30% of total supplier spend for the year, up from 28% in the previous year.

Supporting local suppliers

While the Municipal Finance Management Act (MFMA) places limitations on preferential treatment of suppliers, due consideration is given to the B-BBEE status, SMME status, sustainability criteria (where relevant) and location of

businesses. Where possible, we prefer to use local suppliers, as long as the procurement procedures fall within MFMA regulations and meet its competitive pricing requirements. We define local suppliers as those situated within the borders of the Western Cape.

A total of R522.1m, or 92.8% of total procurement was with locally based suppliers in the 2015/16 financial year. This is slightly higher than the 90.3% of the previous financial year and shows that our proactive procurement practices are having a positive impact.

CAPITAL EXPENDITURE: INVESTING TO COMPETE FOR THE FUTURE

In the events and tourism sector, nothing stays the same. New entrants come into the market, like the new Century City Conference Centre locally and Kigali International Convention Centre in Rwanda, and established ones upgrade constantly. We have no choice but to do the same, simply to stay competitive.

At the CTICC we recognise that economic sustainability is only possible through a willingness to continually invest back into our product offering and infrastructure. To this end, over the past financial year, we have continued to invest significantly into enhancing our systems, processes, services, infrastructure and facilities via a total of 26 large capital investment projects.

A total of 25 projects were initiated in the period under review with a further project carried over from the previous financial year.

CTICC capital project expenditure in 2015/16

	Carry Over 2014/15	2015/16	Consolidated 2015/16
Total capex projects planned	1	25	26
Actual capex projects completed/in progress	1	25	26
Percentage projects achieved	100%	100%	100%
Percentage unattained	0.00%	0.00%	0.00%
Total capex budget	R4 500 000	R22 844 109	R27 344 109
Actual capex spend	R4 500 000	R21 410 795	R25 910 795
Actual capex unspent	R0	R1 433 313	R1 433 313
Percentage spend achieved (R)	100%	93.73%	94.76%
Percentage unspent (R)	0.00%	6.27%	5.24%

Health and safety: making the CTICC ever safer

- Additional roof safety rigging points have been installed, enhancing health and safety and reducing operational costs.
- Our voice evacuation system has been upgraded, enhancing the coverage in identified areas.
- Additional security fencing has been installed, enhancing environmental safety.
- Fire detection systems have been upgraded to utilise aspiration technology, enhancing the operation and detection sensitivity of the system.

Risk management: backed up and ready for all eventualities

- Power feeds to communications rooms have been upgraded to make use of a secondary power supply from an alternative power feed.
- Back-up power generation capacity systems have been designed and procured and will be installed during the upcoming year.
- Environmental monitoring alarms have been installed to reduce the possibility of downtime for the UPS system.