



a world class African city



JOBURG
PROPERTY COMPANY

JPC MID-TERM REPORT 2024/25



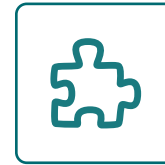
Vision

Our vision is to provide property management, property development, facilities management, property asset management, and outdoor advertising, in order to maximise the social, economic and financial benefit to the City of Johannesburg (CoJ) and support the CoJ's delivery objectives on a cost-competitive basis.



Mission

The Joburg Property Company (JPC) is an agent of the CoJ, responsible for maximising the social, economic and financial value of the CoJ's total property portfolio and enhancing the efficiency of its use. JPC provides property asset management, property management, facilities management, property development, and outdoor advertising, and interacts with the public in respect of the property portfolio. JPC supports the achievement of the CoJ's strategic priorities, including economic and social development and the CoJ's service delivery objectives.



Values

Company values are the ethical foundation of JPC and are therefore fundamental to its success. Such values are not just important but crucial to the overall ascendancy of JPC. The following values were identified and adopted by JPC:

- **Professionalism:** We take pride and ownership in all that we do and say.
- **Accountability:** We are fully accountable for our work.
- **Responsibility:** We generate trust through the responsibility and accountability we demonstrate in our promises, actions and decisions.
- **Customer Service:** We take delight in servicing our customers.
- **Trust:** We act with integrity at all times, providing quality service, and being reliable and responsible.



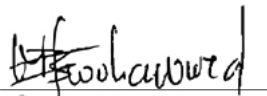
Council
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Inside



OFFICIAL SIGN-OFF

It is hereby certified that this Mid-term Report:

- Was developed by the management of JPC (SOC) Ltd under the guidance of the executive management.
- Considers all the relevant policies, legislation, and other mandates for which JPC (SOC) Ltd is responsible.
- Accurately reflects the performance that JPC (SOC) Ltd has achieved in the period under review of the 2024/25 financial year.



Mr Imjaan Bhamjee
Acting Chief Financial Officer
Date of approval: 27/01/2025



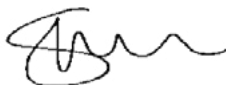
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Mr Musah Makhunga
Acting Chief Executive Officer
Date of approval: 27/01/2025



Cllr Nomoya Mnisi
Member of the Mayoral Committee:
Economic Development
Date of approval: 05/02/2025



Mr Simon Motha
Chairperson of the Board
Date of approval: 27/01/2025



ACRONYMS

AG	Auditor-General
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
CAPEX	Capital expenditure
CEO	Chief Executive Officer
CoJ	City of Johannesburg Metropolitan Municipality
DED	Department of Economic Development
DR	Disaster recovery
EAC	Executive Adjudication Committee
EAP	Economically active population
EMT	Executive Management Team
EDRMS	Electronic Records and Document Management System
ESG	Environmental, social and governance
FLISP	Finance-Linked Individual Subsidy Programme
FMMU	Facilities Management and Maintenance Unit
FY	Financial year
GDHS	Gauteng Department of Human Settlements
GDS 2040	Growth and Development Strategy 2040
GFIS	Group Forensic and Investigation Services
GRAP	Generally Recognised Accounting Practice
HC	Human Capital
HR	Human Resources
IAC	Independent Audit Committee
ICT	Information and communication technology
IT	Information technology
JMPD	Johannesburg Metropolitan Police Department
JOSHCO	Johannesburg Social Housing Company
JPC	City of Joburg Property Company (SOC) Ltd



ACRONYMS

KPI	Key performance indicator
MFMA	Municipal Finance Management Act, 2003
MMC	Member of the Mayoral Committee
MOEs	Municipal-owned entities
MTC	Metropolitan Trading Company (SOC) Limited
NED	Non-Executive Director
OHSA	Occupational Health and Safety Act
OSO	Office space optimisation
PDP	Personal Development Plan
PHRAG	Provincial Heritage Resources Agency of Gauteng
POPIA	Protection of Personal Information Act
PTOB	Permission to Occupy and Build
PPPFA	Preferential Procurement Policy Framework Act
R&M	Repairs and maintenance
RDP	Reconstruction and Development Programme
RFP	Request for proposal
RFQ	Request for quotation
SCM	Supply chain management
SEC, HR & REMCO	Social and Ethics, Human Resources and Remuneration and Transformation Committee
SLS	Service level standard
SMME	Small, medium and micro enterprise
SOC	State-owned company
TSD	Transactions and Service Delivery
UIFW	Unauthorised, irregular, fruitless, and wasteful
VAT	Value-added tax
YTD	Year-to-date



Table of Contents

List of Acronyms	05		
List of Tables	07		
List of Figures	07		
Chapter 1: Leadership and Corporate Profile	10	Chapter 4: Human Resources and Organisational Management	78
Section 1: Chairperson’s Overview Report	11	Section 1: Human Resources and Organisational Management	79
Section 2: Chief Executive Officer’s Overview	12	Section 2: Human Capital Landscape	79
Section 3: Financial Overview	13	Section 3: Key Vacancies	81
Section 4: Overall Company Performance	15	Section 4: Employment Equity and Workforce Demographics	82
Section 5: Corporate Profile and Overview of the Entity	24	Section 5: Employee Capacitation	84
Section 6: Strategic Objectives	25	Section 6: Disciplinary Matters and Outcomes	84
		Section 7: Union Representation	85
Chapter 2: Governance	27	Section 8: Leave Provision	86
Section 1: Corporate Governance Statement	28	Section 9: Employee Benefits	87
Section 2: Role of the Board	28		
Section 3: Board and Committees Meetings	29	Chapter 5: Financial Performance	89
Section 4: Entity Remuneration Policy	33	Section 1: JPC Statement of Financial Position	90
Section 5: Risk Management	36	Section 2: JPC Statement of Financial Performance	92
Section 6: Company Secretarial Function	43	Section 3: JPC Statement of Cashflow	94
Section 7: Stakeholder Engagement	43	Section 4: Portfolio Statement of Financial Position	95
Section 8: Anti-corruption and Fraud	43	Section 5: Portfolio Statement of Financial Performance	97
Section 9: Sustainability CSR	44	Section 6: Capital Projects and Expenditure	98
Section 10: Compliance with Laws and Regulations	44	Section 7: Analysis of Ratios	100
		Section 8: Supply Chain Management	103
Chapter 3: Service Delivery & Performance	46	Section 9: Fruitless, Wasteful, and Irregular Expenditure	105
Section 1: Asset Management	47	Section 10: Pending Litigation and Possible Liabilities	106
Section 2: Commercial and City-Focused Intervention Projects	50	Section 11: Insurance Claims Against/to JPC	106
Section 2.1: Development Facilitation Unit	50	Section 12: Statement of Amount Owed to Government Departments and Public Entities	106
Section 2.2: Acquisition & Municipal Unit	55		
Section 3: Informal Trading Unit	55	Chapter 6: Internal and External Audit Outcomes	107
Section 4: Mega Projects	59	Section 1: Results of Internal Audit	108
Section 5: Special Projects	64	Section 2: Progress on Resolution of Internal Audit Findings	108
Section 5.1: Property Analysis	64	Section 3: Progress on Resolution of External Findings	109
Section 5.2: Leasing and Sales Unit	69	Section 4: State of Internal Controls	109
Section 5.3: Leasing and Space Planning	70		
Section 6: Outdoor Advertising	70	Annexure A: Compliance Regulatory Assessment	110
Section 7: Information Technology	71	Annexure B: Internal Audit Findings	113
Section 8: Client Business Operations	73	Annexure C: AGSA Findings	115
Section 9: Marketing and Communications	76		



List of Tables

Table 1: Company Performance	15
Table 2: Corporate Scorecard Dashboard	15
Table 3: KPI 1	16
Table 4: KPI 2	16
Table 5: KPI 3	17
Table 6: KPI 4	17
Table 7: KPI 5	17
Table 8: KPI 6	18
Table 9: KPI 7	18
Table 10: KPI 8	19
Table 11: KPI 9	19
Table 12: KPI 10	20
Table 13: KPI 11	20
Table 14: KPI 12	21
Table 15: KPI 13	21
Table 16: KPI 14	21
Table 17: KPI 15	22
Table 18: KPI 16	22
Table 19: KPI 17	22
Table 20: KPI 18	23
Table 21: KPI 19	23
Table 22: KPI 20	23
Table 23: JPC's Contribution to Mayoral Priorities	26
Table 24: JPC Board Committees	30
Table 25: Board Meeting Dates	31
Table 26: Board-Approved Submissions Recommended by the Sub-Committees	32
Table 27: Director Emoluments for Meetings	33
Table 28: Executive Management Remuneration for the Period Under Review	34
Table 29: Rating Scale Method Adopted by JPC	36
Table 30: Strategic Risk Register	38
Table 31: Summary of Regulatory	45
Table 32: High Level Portfolio Summary	47



List of Tables

Table 33: Monthly Movements by Quantity	48
Table 34: Monthly Movements by Value	48
Table 35: Asset Register Net Movement Value	50
Table 36: Property Acquisitions	55
Table 37: Stall Occupations by Informal Traders	56
Table 38: Verified Traders	57
Table 39: Challenges and Mitigating Measures	58
Table 40: Buildings Deemed Unfit for Human Habitation	64
Table 41: Number of Transactions in the CoJ System	73
Table 42: Number of Open Petitions	74
Table 43: Service Level Standards	75
Table 44: Key Vacancies	81
Table 45: Employment Equity and Workforce Demographics	82
Table 46: JPC Workforce Demographics in Terms of EAP Targets	82
Table 47: Disciplinary Cases	84
Table 48: Grievances	84
Table 49: External Matters	85
Table 50: Distribution of JPC Employee Pension Fund Membership	87
Table 51: Distribution of JPC Employee Medical Aid Fund Membership	87
Table 52: JPC – Financial Position as at 31 December 2024	90
Table 53: JPC – Statement of Financial Performance as at 31 December 2024	92
Table 54: JPC – Cash flow Statement as at 31 December 2024	94
Table 55: Portfolio – Financial Position as at 31 December 2024	95
Table 56: Portfolio – Financial Performance as at 31 December 2024	97
Table 57: Capital Projects and Expenditure	100
Table 58: Ratio Analysis	100
Table 59: Statement of Financial Performance	101
Table 60: Supply Chain Management Reports	103
Table 61: Fruitless and Wasteful Expenditure	105
Table 62: Year-on-Year Movement of Irregular Expenditure	105
Table 63: Reasons for Irregular Expenditure	105
Table 64: Rating Table	108
Table 65: Internal Audit Review and Progress	108
Table 66: Findings Identified by the AGSA	109



List of Figures

Figure 1: JPC Priorities	25
Figure 2: High-Level Structure	35
Figure 3: Risk Maturity Levels	43
Figure 4: Compliance Regulatory Requirements for 2024/25 Financial Year	45
Figure 5: Summary per Region – % Value	47
Figure 6: Acquisition Values per Region	48
Figure 7: Southern Farms Masterplan	60
Figure 8: Southern Farms Development Precinct Plan	60
Figure 9: Map of Soweto Gateway Site	61
Figure 10: Aerial View of Soweto Gateway Site	61
Figure 11: Inner City Working Group	65
Figure 12: Linkages Between Precincts	66
Figure 13: Usindiso Block – Marshalltown	67
Figure 14: Total Staff Working Overtime & Financial Impact End December 2024 – YTD	80
Figure 15: Staff Turnover Rate End December 2024 – YTD	80





Chapter 1 Leadership and Corporate Profile



Section 1 Chairperson’s Overview



Mr Simon Motha

Chairperson of the Board

As the Chairperson of the Board, it is my privilege to reflect on the Johannesburg Property Company’s (JPC) performance for the midterm period of the 2024/25 financial year. This period has been characterised by a delicate balance of progress and challenges, reinforcing the importance of effective governance in achieving JPC’s strategic objectives.

The Board remains steadfast in its commitment to uphold the principles of good governance, as outlined in King IV. Through its delegation arrangements, the Board ensures independent judgment, balanced power dynamics, and effective execution of its duties.

The work of our three committees remains aligned with relevant legal and regulatory frameworks. These committees play a crucial role in supporting the achievement of JPC’s strategic objectives. Each committee continues to ensure robust governance and oversight in their respective areas:

Audit and Risk Committee:

- Strengthening risk management practices.
- Enhancing transparency and accountability in financial reporting.

Social and Ethics, Human Resources, Remuneration, and Transformation:

- Driving ethical leadership and corporate social responsibility.
- Overseeing HR policies, staff development, and remuneration strategies.
- Promoting transformation and diversity in line with organisational goals.

Transactions and Service Delivery (TSD) Committee:

- Ensuring effective management of property transactions.
- Monitoring service delivery to meet stakeholder expectations.

These efforts collectively reinforce JPC’s commitment to achieving its mission of delivering sustainable property solutions for the City of Johannesburg.

Governance and Oversight

This period has seen the Board strengthening its oversight and monitoring frameworks to ensure cross-functional alignment. Recognising the interdependence of our committees, we have introduced mechanisms, including joint committee sessions for items with cross-functional impact, to avoid parallel decision-making and drive cohesion.

The Board’s focus during this period included:

- Approval of statutory matters, such as fourth quarter performance, the SCM report, the Integrated Annual Report

- and the Annual Financial Statements.
- Approval of five HR policies: Overtime, Payroll Management, Employee Health and Wellness, and the Code of Conduct and Ethics.
- Appointment of an Acting CEO, and extension of the CEO’s employment contract.
- Board induction and strategic review.

The Board has noted delays in supply chain processes impacting CAPEX expenditure, insufficient budgets for building repairs and maintenance, and underperformance in job creation and SMME support. These areas have been prioritised for intervention, with clear strategies in place to address these gaps in the upcoming quarters.

Commitment to Excellence

The Board is committed to ensuring that JPC continues to operate as a values-driven and forward-thinking organisation. By strengthening governance practices, fostering collaboration across committees, and driving accountability, we aim to position JPC as a leader in urban transformation and sustainability.

On behalf of the Board, I wish to thank the management team, employees, and our stakeholders for their unwavering dedication and support in this journey. Together, we remain committed to building a thriving and inclusive City of Johannesburg.

Mr Simon Motha
Chairperson of the Board





Section 2 Acting Chief Executive Officer’s Foreword



Mr Musah Makhunga

Acting Chief Executive Officer

As we reflect on the first half of the 2024/25 financial year, the Johannesburg Property Company (JPC) remains committed in its mission to drive innovation, sustainability, and economic growth for the City of Johannesburg Metropolitan Municipality (CoJ). This period has been marked by notable achievements, as well as challenges that call for continued focus and strategic realignment.

In the quarter under review, JPC evaluated 20 key performance indicators (KPIs), of which 10 (50%) were achieved.

One of the key highlights was unlocking a substantial **R4.5 billion** investment attraction through various development agreements. This milestone underscores the impact of our strategic partnerships and reinforces the importance of our long-term investment approach.

Organisational highlights include:

- **R406.8 million** was invested in various projects, demonstrating our active contribution to the city’s growth and transformation.
- The acquisition of three properties valued at **R8.9 million** for the Department of Human Settlements, achieved through registration of land rights and transfer.
- Seven properties, worth **R3.7 million**, packaged and released for tender in accordance with Section 79(18) of the Local Government Ordinance and the City’s supply chain processes for land.
- A total of 519 training and development initiatives conducted to strengthen employee capacity and organisational performance.
- An unqualified audit opinion from the Auditor-General, with a 100% resolution rate of prior findings, demonstrating JPC’s commitment to robust governance.

However, this period also presented challenges. The 10 KPIs not achieved (50%) reflect areas requiring further attention, including:

- Creation of job opportunities
- Support for SMMEs
- Progress on the annual refurbishment of the Metro Centre Precinct
- Income generation
- CAPEX and operating budget expenditure
- Addressing Internal Audit findings

Low CAPEX stemmed primarily from delays in the supply chain management processes, while an inadequate budget for repairs and maintenance of CoJ buildings further constrained progress. Additionally, reducing unauthorised, irregular, fruitless, and wasteful (UIFW) expenditure remains a citywide challenge that impacts overall performance.

Despite such setbacks, JPC is committed to strengthening its efforts to overcome these obstacles. As we advance, we will refine our strategies, address inefficiencies, and prioritise key initiatives to ensure we remain on track to meet our objectives. Looking ahead, our vision remains clear: to create sustainable, inclusive, and transformative urban spaces that benefit all stakeholders. Together, we can build a resilient and thriving Johannesburg, fostering innovation and economic opportunities.

Mr Musah Makhunga
Acting Chief Executive Officer





Section 3 Acting Chief Financial Officers' Review



Mr. Imraan Bhamjee

Acting Chief Financial Officer

I am pleased to provide a mid-term overview of the Joburg Property Company's performance for the period 1 July 2024 to 31 December 2024. The mid-term budget review for 2024/25 is currently underway and is scheduled to conclude before the end of the third quarter.

JPC will submit its revised proposals for the next three financial years, focusing on supporting the CoJ as its shareholder with the required rebasing exercise, necessitated by the CoJ's cash flow challenges. The rebasing exercise will require JPC to assess its operations and service delivery to maximise value from limited financial resources in the short and medium term. Given JPC's mandate and close relationship with the CoJ, the cash flow challenges faced by the CoJ as the shareholder directly affect JPC's finances.

In line with our commitment to transparency and accountability, the

mid-term has revolved around the annual external audit of the Auditor-General of South Africa (AGSA), in which JPC achieved an unqualified audit opinion for the 2023/2024 financial year. In response to the findings and recommendations from both internal and external audit functions, management is actively reviewing controls and the reporting environment to enhance outcomes for the 2024/25 financial year. Supply Chain was highly active during the second quarter, with various committees convening to specify, evaluate, and adjudicate the organisation's diverse service delivery and demand management needs, resulting in numerous appointments.

The entity's financial performance indicates a year-to-date surplus of **R93 865 238**. The primary contributors to the surplus are:

Revenue

- Revenue is slightly below budget by 1.9%.
- Commission on rentals and outdoor advertising to increase as leases are being finalised.
- Cell mast revenue for the second quarter will be received in quarter three, in line with standard practice.

Expenditure

- Expenditure was well controlled, with operational expenses—including

alternative accommodation for departments relocated from the Metro Centre—being effectively managed.

- Board of Directors' fees, office expenses, and contracted expenses were all significantly below budget.
- Repairs and maintenance, cleaning materials, and pest control spending were particularly low due to delays in planned work and the prioritisation of cash flow management.
- The management of expenses has resulted in a 19.9% reduction in total expenditure for the first and second quarters.

Financial Ratios and Liquidity

JPC has a liquidity ratio of 1:1, which has improved marginally from the 2024 financial year-end and the entity is currently owed R1.044 million from trade and intercompany debtors. JPC Finance engaged with all departments owing the City in September 2024 in an effort to recover outstanding debts. This resulted in over R200 million being collected in cash during the second quarter.

JPC's financial position has remained stagnant since the conclusion of the 2024 financial year. Consequently, the solvency ratio has increased marginally from 1.03:1 to 1.09:1 (against the norm





of 2:1), indicating that JPC remains both factually and commercially solvent, with sufficient financial resources to service its operational obligations as they arise. This solvency is illustrated by a net asset position of R127.3 million.

Increased revenue from facilitation fees and outdoor advertising and rentals will bolster JPC’s solvency position through commissions receivable from Portfolio. Emphasis will be placed on continuing to reduce related party debt in the coming months and aligning cash inflows with outflows to improve the entity’s net asset position. The rebasing of the budget and more stringent cost management will

require JPC to balance cash inflows and outflows.

Looking forward

As we move into the third quarter, our focus will shift to enhancing our operational efficiency following the numerous work appointments made for both operational expenditure and capital expenditure in the second quarter. This will lead to improved spending in both areas during the remaining quarters of the financial year. We will focus on finalising the budget for the 2025/26 financial year and the mid-term budget for 2024/25, ensuring that our financial strategies align with the long-term goals of JPC and the

City. In addition, we will continue to prioritise the collection of outstanding debts to improve cash flow and strengthen our financial position.

We look forward to a productive and prosperous year ahead as we work towards achieving our strategic objectives.

Mr Inraan Bhamjee
Acting Chief Financial Officer





Section 4 Overall Company Performance

This section focuses on organisational performance in respect of the corporate scorecard.



OVERVIEW OF THE ENTITY

In the period under review:

- Of the 20 KPIs scheduled for evaluation in this quarter, 10 (**50%**) were achieved.
- The financial performance of the JPC in the mid-term reflects a surplus of **R93 865 000**.
- Ratios: The entity has a liquidity ratio of 1.00:1 and a solvency ratio of 1.09:1 against the City's benchmarks of 1:1 and 2:1, respectively.



HIGHLIGHTS

- Development and long-term lease agreements concluded in respect of seven (7) properties, resulting in a total investment of over **R3.7 million**.
- **R406.8 million** investment spend on projects.
- **519** Training and development initiatives.
- Unqualified audit with findings.
- 100% resolution rate of the Auditor-General's findings.
- Council approved twelve (12) acquisitions to the value of **R46.3 million** during the quarter under review.
- The donation of information and communication technology (ICT) equipment to identified schools that fall within the CoJ's borders.
- Unlocking a substantial **R4.5 billion** investment attraction through various development agreements.



LOWLIGHTS

- The 10 KPIs reflecting the 50% that were not achieved relate to:
 - > SMMEs supported
 - > Annual refurbishment for the Metro Centre Precinct
 - > Income generation
 - > CAPEX
 - > Percentage spent on operating budget
 - > Percentage spent on repairs and maintenance
 - > Percentage resolution of Internal Audit findings
 - > Renewal of office accommodation leases
 - > UIFW
 - > Release of properties
- CAPEX was low due to delayed supply chain management (SCM) processes.

Table 1: Company Performance

The dashboard in Table 2 reflects the targets on the corporate scorecard.

QUARTER 1	
Achieved	9
Not achieved	8
KPI at risk	0
KPI not yet due	3

QUARTER 2	
Achieved	10
Not achieved	10
KPI at risk	0
KPI not yet due	0

Table 2: Corporate Scorecard Dashboard





TARGET ACHIEVED



TARGET NOT ACHIEVED



NOT YET DUE

1.1 Unlocking Investments/Business Through Property Transactions and Developments

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R3 billion	R0 investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R3 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract
Actual	R2.7 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1.8 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract			R4.5 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract

TARGET ACHIEVED

Table 3: KPI 1

1.2 Investment Spend Within CoJ Boundaries Based on Construction Value on the Ground

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R500 million	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R500 million investment spend on projects within CoJ boundaries based on construction value on the ground
Actual	R172.8 million investment spend on projects within CoJ boundaries based on construction value on the ground	R234 million investment spend on projects within CoJ boundaries based on construction value on the ground			R406.8 million investment spend on projects within CoJ boundaries based on construction value on the ground

TARGET ACHIEVED

Table 4: KPI 2





1.3 Job Opportunities Created

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 1 000	250 job opportunities created	250 job opportunities created	250 job opportunities created	250 job opportunities created	1 000 job opportunities created
Actual	95 job opportunities created	250 job opportunities created			345 job opportunities created



TARGET ACHIEVED

Table 5: KPI 3

1.4 SMMEs Supported Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 700	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	700 SMMEs supported
Actual	73 SMMEs supported	44 SMMEs supported			117 SMMEs supported



TARGET NOT ACHIEVED

Because of the delayed commencement of CAPEX projects, including repairs and maintenance work. These delays stemmed from SCM processes falling behind schedule. Another reason is that some information provided by service providers for jobs and SMMEs did not meet the audit criteria for means of verification. We are currently training service providers on the required standards and compliance measures.

Table 6: KPI 4

1.5 Number of Properties Acquired on Behalf of City Departments and Entities

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target : 10	Acquisition of 0 properties	Acquisition of 0 properties	Acquisition of 5 properties	Acquisition of 5 properties	Acquisition of 10 properties
Actual	3 properties acquired	0 properties acquired			3 properties acquired and transferred to the CoJ through the conditions of town establishment



TARGET ACHIEVED

Table 7: KPI 5





1.6 Release of 150 Properties on Social and Economic Leases Including Servitudes and Sales

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 150	0 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	150 properties released on social and economic leases including servitudes and sales
Actual	22 properties released on social and economic leases including servitudes and sales	25 properties released on social and economic leases including servitudes and sales			47 properties released on social and economic leases including servitudes and sales



TARGET NOT ACHIEVED

Currently, sixty-five (65) transactional reports are at various CoJ committees.

Table 8: KPI 6

1.7 Implementation of the Outdoor Advertising Masterplan

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 100%	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	100% implementation of the outdoor advertising masterplan
Actual	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan			50% implementation of the outdoor advertising masterplan



TARGET ACHIEVED

Table 9: KPI 7





1.8 Implementation of Annual Refurbishment Plan for the Metro Centre Precinct

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 100%	25% implementation of annual refurbishment plan for Metro Centre	25% implementation of annual refurbishment plan for Metro Centre	25% implementation of annual refurbishment plan for Metro Centre	25% implementation of annual refurbishment plan for Metro Centre	100% implementation of annual refurbishment plan for Metro Centre
Actual	0% implementation of annual refurbishment plan for Metro Centre	0% implementation of annual refurbishment plan for Metro Centre			0% implementation of annual refurbishment plan for Metro Centre



TARGET NOT ACHIEVED

JPC has earmarked the Metro Centre Precinct for redevelopment in line with the Office Space Optimisation (OSO) Programme. JPC has registered the project with the National Treasury as a public-private partnership. JPC, assisted by the CoJ’s Chief Operating Officer, has concluded the terms of reference with the National Treasury’s Government Technical Advisory Centre and has commenced with the procurement of transactional advisory services for the Office Space Optimisation (OSO) Programme; inclusive of the Metro Centre Precinct. An RFP was issued in November 2024 and it will close on 17 January 2025, with an appointment expected before the end of March 2025.

Table 10: KPI 8

1.9 Renewal of Office Accommodation Leases

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 27	6 renewals of office accommodation leases	7 renewals of office accommodation leases	7 renewals of office accommodation leases	7 renewals of office accommodation leases	27 renewals of office accommodation leases
Actual	6 renewals of office accommodation leases	0 renewals of office accommodation leases			6 renewals of office accommodation leases



TARGET NOT ACHIEVED

New leases were concluded in quarter 1 for a period of 9 years, 11 months. Therefore only “contract management” of the said leases in quarter 2 were conducted, as the leases are current and there were no “renewals”.

Table 11: KPI 9





1.10 Implement Training and Development Initiatives to Address Competency Gaps

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 950	237 employees trained	237 employees trained	238 employees trained	238 employees trained	950 employees trained
Actual	122 employees trained	397 employees trained			519 employees trained

TARGET ACHIEVED

Table 12: KPI 10

1.11 Income Generated Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R125 million	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R125 million income raised from acquisition, outdoor advertising, leases, servitudes and sales
Actual	R18.9 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R15.2 million income raised from acquisition, outdoor advertising, leases, servitudes and sales			R34.1 million income raised from acquisition, outdoor advertising, leases, servitudes and sales

TARGET NOT ACHIEVED One hundred and thirty-two (132) transactional reports were in the committee system. Currently, sixty-five (65) transactional reports are at various CoJ committees.

Table 13: KPI 11





1.12 Allocated CAPEX Spend

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	25% spend on allocated CAPEX	25% spend on allocated CAPEX	25% spend on allocated CAPEX	20% spend on allocated CAPEX	95% spend on allocated CAPEX
Actual	16% spend on allocated CAPEX	0% spend on allocated CAPEX			16% spend on allocated CAPEX



TARGET NOT ACHIEVED

Due to delays in the SCM processes, the appointment of service providers was finalised in the second quarter. Consequently, the related expenditures are expected to be realised in the third and fourth quarters.

Table 14: KPI 12

1.13 Percentage Spent on Operating Budget Against Approved Operating Budget

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	20% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	95% spent on operating budget against approved operating budget
Actual	18.63% spent on operating budget against approved operating budget	21.40% spent on operating budget against approved operating budget			40.03% spent on operating budget against approved operating budget



TARGET NOT ACHIEVED

Most initiatives remain in the planning stages, potentially causing a lag in expenditure. Improvement is anticipated in the upcoming quarter.

Table 15: KPI 13

1.14 Percentage of Budget Spent on Repairs and Maintenance

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 8%	0% of repairs and maintenance budget spent	4% of repairs and maintenance budget spent	2% of repairs and maintenance budget spent	2% of repairs and maintenance budget spent	8% of repairs and maintenance budget spent
Actual	0% of repairs and maintenance budget spent	0% of repairs and maintenance budget spent			0% of repairs and maintenance budget spent



TARGET NOT ACHIEVED

Most initiatives remain in the planning stages, potentially causing a lag in expenditure. Improvement is anticipated in the upcoming quarter.

Table 16: KPI 14





1.15 Percentage of Valid Invoices Paid Within 30 Days of Invoice Date

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 100%	100% of valid invoices paid within 30 days of invoice date	100% of valid invoices paid within 30 days of invoice date	100% of valid invoices paid within 30 days of invoice date	100% of valid invoices paid within 30 days of invoice date	100% of valid invoices paid within 30 days of invoice date
Actual	100% of valid invoices paid within 30 days of invoice date	100% of valid invoices paid within 30 days of invoice date			100% of valid invoices paid within 30 days of invoice date

TARGET ACHIEVED

Table 17: KPI 15

1.16 Percentage Reduction in Unauthorised, Irregular, Fruitless, and Wasteful (UIFW) Expenditure Incurred Citywide

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 50%	0% reduction in UIFW expenditure incurred citywide	20% reduction in UIFW expenditure incurred citywide	20% reduction in UIFW expenditure incurred citywide	10% reduction in UIFW expenditure incurred citywide	50% reduction in UIFW expenditure incurred citywide
Actual	0% reduction in UIFW expenditure incurred citywide	0% reduction in UIFW expenditure incurred citywide			0% reduction in UIFW expenditure incurred citywide

TARGET NOT ACHIEVED The majority of initiatives remain in the planning phase, resulting in a delay in expenditure. However, improvements are anticipated in the upcoming quarter.

Table 18: KPI 16

1.17 Percentage Achievement of Service Standards Levels in Terms of the Shareholder Compact

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	95% compliance with CoJ service standards	95% compliance with CoJ service standards	95% compliance with CoJ service standards	95% compliance with CoJ service standards	95% compliance with CoJ service standards
Actual	100% compliance with CoJ service standards	100% compliance with CoJ service standards			100% compliance with CoJ service standards

TARGET ACHIEVED

Table 19: KPI 17





1.18 Audit Opinion

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: Unqualified Audit	N/A	Unqualified audit	N/A	N/A	Unqualified audit
Actual	Target not due this quarter	Unqualified audit outcome			Unqualified audit outcome

TARGET ACHIEVED

Table 20: KPI 18

1.19 Resolution of Auditor-General’s Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	95% of the previous AG’s letter	95% of the previous AG’s letter	50% of the current/new AG’s letter	95% of the current/new AG’s letter	95% resolution of AG’s findings
Actual	100% of the previous AG’s letter	100% of the previous AG’s letter			100 % of the previous AG’s letter

TARGET ACHIEVED

Table 21: KPI 19

1.20 Percentage Resolution of Internal Audit Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings
Actual	0% resolution of Internal Audit findings	43% resolution of Internal Audit findings			43% resolution of Internal Audit findings

TARGET NOT ACHIEVED

Limited improvement was noted in the implementation of controls and measures addressing previously reported deficiencies in the internal controls within the entity compared to previous quarters. The respective units have committed to resolving the Internal Audit findings, with these measures at various stages of implementation and subject to monthly follow-up.

Most findings were resolved by the end of the second quarter of the 2024/25 financial year, including those related to Record Management, Human Resources, and ICT. The Internal Audit Unit is in the process of assessing and reviewing the supporting evidence.

Table 22: KPI 20

**In this reporting cycle, the report reflects amendments effected through the financial year as a result of Internal Audit’s reconciliation of the reported achievements against the evidence provided.*





Section 5 Corporate Profile and Overview of the Entity

The Joburg Property Company (SOC) Ltd (JPC) was established in 2000 as a private company, and is wholly owned by the City of Johannesburg (CoJ). The company was reconstituted as a state-owned company (SOC) after the implementation of the Companies Act of South Africa, 2008 (Act No. 71 of 2008). JPC must comply with the legislative framework and reporting requirements applicable to any company in South Africa, including, but not limited to, the Companies Act. As an independent municipal entity, JPC is also subject to the Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003).

Mandate and Core Business

The entity has **1 504** employees who are based at the head office and JPC's depots. JPC derives its mandate from a signed Service Delivery Agreement with its sole Shareholder, the CoJ. The core functions of JPC are:

1. Asset Management

JPC aims to implement sound asset management practices, including sustainable and affordable access to new assets. Asset management objectives include:

- **Land strategy development and implementation:** The land strategy guides new business development and focuses on monitoring and evaluating the optimisation of the portfolio, i.e. to create a high-yielding asset.
- **Asset Register:** Ensure compliance of the Asset Register, account for movements, maintain safekeeping of title deeds, and conduct property valuations.

2. Property Development

JPC aims to maximise the return on City-owned land. The objectives for public land development encompass three key types of returns:

- **Delivering on City objectives:** This entails attending to the priorities identified in the Service Delivery and Budget Implementation Plan, the Integrated Development Plan, and the Growth and Development Strategy 2040 (GDS 2040).
- **Transforming the property industry:** This includes empowering emerging developers and contractors, supporting the City's youth programme, and providing guidance on development for enterprises.
- **Creating high-yielding property assets with a sustainable income stream:** A large portion of the City's assets are vacant land with inherent low asset value and associated low returns. However, should this value be unlocked through developments, a base of long-term recurring income can be created by facilitating the development of properties with high potential.

3. Facilities Management and Cleaning Services

This function encompasses multiple disciplines to ensure the functionality, comfort, safety, and efficiency of the property and built environment. It is largely rooted in facilities upkeep and improvement of the physical building. The role also includes the implementation of new sustainability and green initiatives. Lastly, the service offering in this function extends to the provision of cleaning services.

4. Property Management

This function involves maximising the efficiency of the CoJ's portfolio of properties, generating rental income on leased properties, and identifying leasing opportunities, including outdoor advertising leases (i.e. street furniture, street pole advertising, cell mast sites erected on CoJ land, and/or assets).



Johannesburg
Council Chamber
Studio





Section 6 Strategic Objectives

JPC’s corporate strategy is aligned with GDS 2040, the Integrated Development Plan, and the mayoral priorities. JPC recognises and emphasises its role as an economic and social property company in achieving positive developmental outcomes. Following the political transition to the Government of Local Unity, the City had eleven (11) confirmed mayoral priorities. The entity contributes to these priorities in the areas illustrated in Figure 1.



Figure 1: JPC Priorities

JPC is in alignment with the mayoral priorities (as depicted in Table 23) and has the following long-term strategic objectives:

- Supporting economic development
- Supporting community development and social initiatives
- Utilising the property portfolio to address social imperatives and priorities
- Building cooperative and intergovernmental partnerships
- Utilising the portfolio as a vehicle for transformation
- Ensuring efficient, economic, and effective service delivery to clients, customers, and stakeholders
- Becoming a financially and administratively sustainable and resilient City










Mayoral Priorities	JPC's Contribution to the Priorities Included in the Annual Corporate Scorecard
 <p>Sustained Economic Growth</p>	<ul style="list-style-type: none"> • R3 billion investment/rand value attraction of investment on CoJ property • R500 million investment spend on CoJ property/construction value on the ground • Acquisition of 10 properties on behalf of departments and municipal entities for the advancement of the City's service delivery objectives
 <p>Job Opportunity Creation</p>	<ul style="list-style-type: none"> • 1 000 job opportunities created through property transactions • 700 SMMEs supported through property transactions
 <p>Good Governance</p>	<ul style="list-style-type: none"> • Audit opinion/unqualified audit opinion (clean audit) • 50% reduction in UIFW expenditure incurred citywide • 95% resolution of Auditor-General's findings • 95% resolution of internal audit findings • 100% of valid invoices paid within 30 days of the invoice date • 950 employees trained to address competency gaps • 100% implementation of annual refurbishment plan for Metro Centre
 <p>Financial Sustainability</p>	<ul style="list-style-type: none"> • R125 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales • 95% spent on the operating budget against the approved operating budget • 8% spent on property, plant, and equipment repairs and maintenance in respect of JPC facilities • 150 properties released on social and economic leases, including servitudes and sales • 95% spent of the allocated capital expenditure budget • 100% implementation of the outdoor advertising masterplan • 27 office accommodation leases renewed
 <p>Active % Engaged Citizenry</p>	<ul style="list-style-type: none"> • 95% achievement of service standards

Table 23: JPC's Contribution to Mayoral Priorities





a world class African city



Chapter 2 Governance

Section 1

Corporate Governance Statement

The Joburg Property Company (SOC) Limited (JPC) has a unitary board comprising Executive and Non-Executive Directors. In accordance with the Companies Act 71 of 2008, and in line with the principles of King IV, a Non-Executive Director (NED), Mr Simon Motha, is the presider of the Board of Directors (“the Board”). The Board convenes regularly (at least quarterly), with special and statutory meetings to consider statutory reports and any other urgent matters. The Board retains full control of the organisation.

The Board remains accountable to the City of Johannesburg Metropolitan Municipality (CoJ) as its sole Shareholder, its stakeholders, and the citizens of Johannesburg. A Service Delivery

Agreement and the Shareholder Compact are concluded in accordance with the provisions of the Municipal Systems Act. These documents govern the entity’s relationship with the CoJ.

Our commitment to sound corporate governance and effective leadership stands as a cornerstone of our value-creation process. This foundational element ensures the sustainability of our operations and enhances long-term performance, thereby benefiting all our stakeholders.

The Board is our custodian of governance. It uses its board and committee meetings to discharge its duties in terms of the Board Charter, the Companies Act, King IV, and

legislation regulating local municipalities, always ensuring adherence to the highest ethical standards and best international corporate governance practices.

Sound corporate governance practices are implicit in our values, culture, and processes, and our internal controls promote an awareness of risk, compliance, and good governance in every area of the business. By ensuring that our structured operational frameworks are in place and that the various governance processes are incorporated into all our activities, the Board can focus on the business and make informed decisions in the best interests of the company and all its stakeholders.

Section 2

Role of the Board

Board Composition and Diversity

During the period under review, the Shareholder held its Annual General Meeting on 31 July 2024, and the following appointments were made:



Non-Executive Directors



Executive Directors

Board Members (Non-Executive Directors)

- | | |
|--|----------------------|
| • Simon Motha (Chairperson of the Board) | • Moeketsi Rabodila |
| • Mxolisi Zondo | • Sivuyisiwe Gwebani |
| • Fulufhelo Ratshikhopha | • Yolisa Ngxabazi |
| • Bettycourt Teffo | • Tshepang Thatelo |
| • Ntombikayise Tini | • Thapelo Mashamaite |
| • Sandy Collophen | |



Board Members (Executive Directors)

- Helen Botes (Chief Executive Officer)
- Imraan Bhamjee (Acting Chief Financial Officer)

Independent Audit Committee Members

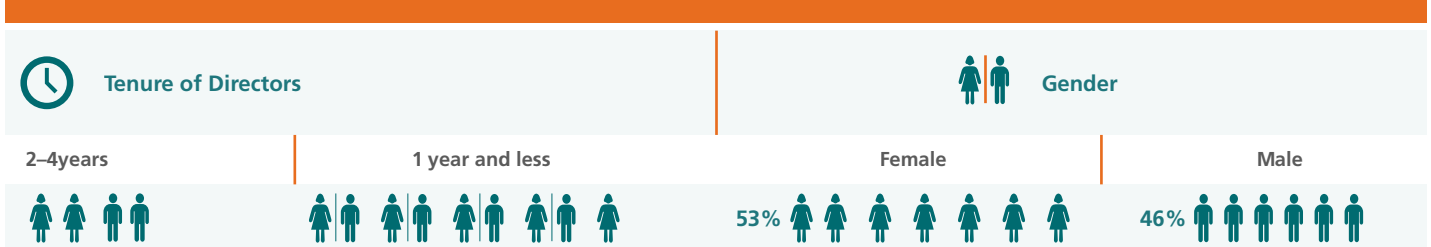
- Yongama Pamla
- Rachel Makwela
- Motsamai Karedi
- Khethukuphila Ngubane

The independence of Non-Executive Directors is periodically assessed by the CoJ’s Group Governance Shareholder Unit prior to appointment and/or reappointment during the Annual General Meeting.

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills and expertise, experience, diversity, and independence.

Board Diversity

Board diversity is prioritised and viewed as a key component of value creation. To this end, the Shareholder and the Board have adopted a policy to promote broader diversity at board level, specifically focusing on diversity of gender, race, culture, age, field of knowledge, skills, and experience. Promoting diversity also facilitates proactive and constructive engagement with management.



Section 3 Board and Committee Meetings

The Board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties in line with King IV. The Board has delegated roles and responsibilities to its three (3) committees, namely the Audit and

Risk Committee (ARC), the Social and Ethics, Human Resources and Remuneration and Transformation Committee (SEC, HR & REMCO), and the Transactions and Service Delivery (TSD) Committee, based on relevant legal requirements, as well as what is appropriate for JPC.





Cross-Functional Responsibilities

The board acknowledges the cross-functional responsibilities that exist between committees. These committees are regulated and statutory, and have a framework to monitor their activities and responsibilities. To avoid parallel decision-making, joint committees are convened for specific items that have a cross-functional impact.



**Ms Yolisa Ngxabazi
Chairperson**

SEC, HR, & REMCO Committee

The mandate of the Social and Ethics, Human Resources and Remuneration, and Transformation Committee (SEC, HR & REMCO) includes the statutory duties of a Social and Ethics Committee, in accordance with applicable regulations.

The committee assists in determining the key components of remuneration and performance review criteria.

In addition, it evaluates, monitors, and makes the appropriate recommendations to the Board in terms of its scope and mandate.

**Four independent
Non-Executive Directors:**

- Ms Ntombikayise Ntini (NED)
- Ms Sandy Collophen (NED)
- Ms Bettycourt Teffo (NED)
- Mr Moeketsi Rabodila (NED)

**Key focus areas for
2024/25 FY:**

- Promoting good corporate citizenship
- Enhancing ethical leadership and conduct practices
- Strengthening stakeholder relationships and corporate social investment
- Managing communication and marketing-related matters
- Providing oversight of ethics management
- Overseeing the Diversity and Inclusion Forum
- Human Capital Management
- Reputational Management



**Mr Thapelo Mashamaite
Chairperson**

Audit and Risk Committee

The focus of the Audit and Risk Committee (ARC) is on financial reporting, risk management, and compliance.

The internal audit and risk management function assists the ARC with its review of risk management controls and procedures.

**One Non-Executive
Director:**

- Mr Fulufhelo Ratshikhopha (NED)

**Four Independent Audit
Committee Members:**

- Ms Yongama Pamla (IAC)
- Ms Rachel Makwela (IAC)
- Mr Motsamai Karedi (IAC)
- Mr Khethukuphila Ngubane (IAC)

**Key focus areas for
2024/25 FY:**

- Integrated Annual Report and Annual Financial Statements
- Budget and Business Plan, including the mid-term adjusted Budget Plan
- Supply chain management (SCM) reporting and acquisition plans
- Strategic Risk Register
- Quarterly review of the financial position and performance of the business
- Compliance management
- Information and communication technology (ICT) and governance thereof
- Internal and external audits





The Transactions and Service Delivery (TSD) Committee considers and recommends transactions for acquisitions, developments, and disposals for approval.

**Ms Sivuyisiwe Gwebani
Chairperson**

**Four independent
Non-Executive Directors:**

**Consider and recommend to the Board
and Council for approval of the
following:**

**Transactions and Service
Delivery**

Mr Mxolisi Zondo (NED)
Ms Bettycourt Teffo (NED)
Mr Simon Motha (NED)
Ms Tshepang Thatelo (NED)

- Alienation of property
- Acquisition of property sales and developments
- Amending, acquiring, and/or cancellation of servitudes
- Property donations
- Property-related transactions such as leases, mixed-use properties, and management agreements
- Monitoring compliance with legislation
- Outdoor advertising and cell masts
- Property management and development

Table 24: JPC Board Committees

The Board meets quarterly, and additional meetings are convened when necessary for urgent matters or statutory obligations.

Name	Board		Audit and Risk Committee		Transactions & Service Delivery Committee		SEC, HR & REMCO Committee		
	O	S	O	S	O	S	O	S	
Mr Simon Motha	3/3	1/1			2/2	0/0	1/2	0/0	
Ms Sivuyisiwe Gwebani	2/3	1/1			1/2	0/0			
Mr Sabelo Mtloto	1/3	0/1	1/4	0/0					
Ms Tshepang Thatelo	3/3	1/1			1/2	0/0	1/2	0/0	
Mr Mxolisi Zondo	3/3	1/1	2/4	0/0	2/2	0/0			
Ms Yolisa Ngxabazi	2/3	1/1					1/2	0/0	
Ms Bettycourt Teffo	3/3	1/1			2/2	0/0	2/2	0/0	
Ms Ntombikayise Tini	3/3	1/1					2/2	0/0	
Ms Sandy Collophen	2/3	1/1					1/2	0/0	
Mr Moeketsi Rabodila	2/3	1/1					1/2	0/0	
Mr Thapelo Mashamaite	1/3	1/1	1/4	0/0					
Mr Fulufhelo Ratshikhopa	3/3	1/1	4/4	0/0	1/2	0/0			
Ms Yongama Pamla	3/3	0/1	3/4	0/0					
Ms Rachel Makwela			4/4	0/0					
Mr Khethukuphila Ngubane	3/3	0/1	3/4	0/0					
Mr Motsamai Karede	3/3	0/1	3/4	0/0					
Ms Ellen Rakodi	1/3	0/1					1/2	0/0	
Mr Thabang Chiloane	1/3	0/1	1/4	0/0					
Mr Xola Lingani			1/4	0/0					
Legend	O	Ordinary scheduled meetings							
	S	Special meetings							





Ordinary Board Meeting	Special Board Meeting	Ordinary ARC	Special ARC	Ordinary TSD Meeting	Special TSD Meeting	Ordinary SEC, HR & REMCO Meeting	Special SEC, HR & REMCO Meeting
23.07.24	19.09.24	10.07.24	22.11.24	16.07.24		18.07.24	
27.08.24	28.11.24	19.08.24		15.10.24		22.10.24	
23.10.24		22.08.24					
		21.10.24					
3	2	4	1	2	0	2	0

Table 25: Board Meeting Dates

During the period under review, the Board approved the following submissions recommended by the sub-committees:

Matters considered by the Board
• JPC Fourth-Quarter Performance Report for 2023/24 FY
• JPC First-Quarter Acquisition Plan for 2024/25 FY
• Code of Conduct and Ethics Policy
• Employee Health and Wellness Policy
• Overtime Policy
• Job Evaluation Policy
• Payroll Management Policy
• Draft JPC Annual Financial Statements for the year ended 30 June 2024 authorising management to hand over the draft AFS to Auditor-General SA
• Draft JPC Integrated Annual Report for the year ended 30 June 2024, authorising management to hand over the draft report to Auditor-General SA
• CEO’s contract of employment extension for the period six (6) months, effective 01 October 2024 until 31 March 2025
• Appointment of sub-committee Chairperson and the composition of Board committees
• JPC First Quarter Performance Report 2024/25
• Approval of the JPC Audited Annual Financial Statements for the year ended 30 June 2024
• Approval of the JPC Audited Integrated Annual Report for the year ended 30 June 2024
• Auditor-General SA’s Management Report and Audit Opinion for the year ended 30 June 2024 was noted by the Board

Table 26: Board-Approved Submissions Recommended by the Sub-Committees

The Board is satisfied it has fulfilled its responsibilities for the reporting period in terms of its approved charter.



Riverside View



Section 4

Entity Remuneration Policy

The Directors of the Board are appropriately rewarded as prescribed by the Directors' Emoluments Framework.

Name of Director	Designation	YTD Directors' Payments as at 31 December 2024
Mr Simon Motha	Chairperson of the Board	R150 000.00
Mr Thapelo Mashamaite	Chairperson (ARC)	R90 000.00
Ms Sivuyisiwe Gwebani	Chairperson (TSD)	R3 902.58
Ms Yolisa Ngxabazi	Chairperson (SEC, HR & REMCO)	R0.00
Mr Sabelo Mtloto	Non-Executive Director	R22 000.00
Ms Bettycourt Teffo	Non-Executive Director	R92 000.00
Ms Tshepang Thatelo	Non-Executive Director	R102 000.00
Ms Ellen Rakodi	Non-Executive Director	R20 000.00
Ms Ntombikayise Tini	Non-Executive Director	R76 000.00
Mr Fulufhelo Ratshikhopha	Non-Executive Director	R144 000.00
Mr Mxolisi Zondo	Non-Executive Director	R94 000.00
Ms Sandy Collophen	Non-Executive Director	R68 000.00
Mr Moeketsi Rabodila	Non-Executive Director	R70 000.00
Independent Audit Committee Members		
Mr Xola Lingani	Independent Audit Committee Member	R9 200.00
Ms Yongama Pamla	Independent Audit Committee Member	R40 000.00
Mr Thabang Chiloane	Independent Audit Committee Member	R8 000.00
Ms Rachel Makwela	Independent Audit Committee Member	R48 000.00
Mr Khethukuphila Ngubane	Independent Audit Committee Member	R32 000.00
Mr Motsamai Karedi	Independent Audit Committee Member	R32 000.00
Total Payments		R1 101 102.58

Table 27: Director Emoluments for Meetings

Disclosure of Interest

Prior to each meeting of the Board or of its sub-committees, a specific agenda item is included for the declaration of any conflicts of interest and their nature. During the period under review, no conflicts of interest were recorded. The attendance registers and declaration of conflict of interest records are kept on file by the Company Secretary and remain open for scrutiny.

In addition to the specific agenda item, Section 75(5) of the Companies Act stipulates that if a Non-Executive Director or an Independent Audit Committee member has a personal financial interest in any matter in which the entity is involved, a declaration of conflict of interest must be submitted annually. These declarations are also kept on file by the Company Secretary.



Name	Basic Salary	Travel Allowance	Housing Allowance	Leave Encashment	Acting Allowance	Performance Bonus/13th	Final Leave Pay	Non-Pensionable Allowance	Company Contribution	TOTAL
Helen Botes	R1 372 125	R125 000	R-	R329 304	R-	R201 817	R371 287	R-	R19 497	R2 419 030
Sizeka Tshabalala	R918 388	R60 000	R-	R68 843	R-	R282 867	R-	R-	R212 934	R1 543 033
Mduduzi Makhunga	R924 861	R48 000	R-	R-	R-	R282 867	R-	R-	R213 391	R1 469 120
Sipho Mzobe	R754 830	R50 000	R4 539	R-	R-	R282 867	R-	R-	R172 540	R1 264 777
Phaqa Mhlongo	R995 655	R-	R-	R-	R-	R282 867	R-	R-	R173 684	R1 452 206
Tshepo Mokataka	R951 267	R-	R-	R-	R-	R282 867	R-	R-	R218 072	R1 452 207
Imraan Bhamjee	R1 176 140	R48 000	R-	R-	R-	R194 975	R-	R-	R244 424	R1 663 538
Dlamini Gontse	R645 941	R-	R6 686	R41 340	R-	R107 657	R-	R-	R142 384	R944 008
Sifiso Mabizela	R747 516	R-	R-	R53 905	R-	R-	R-	R-	R131 695	R933 116
Sathekge Ogotlhe	R922 735	R-	R-	R-	R-	R-	R-	R-	R132 132	R1 054 867
	R9 409 458	R331 000	R11 225	R493 392	R0	R1 918 784	R371 287	R0	R1 660 753	R14 195 899

Table 28: Executive Management Remuneration for the Period Under Review



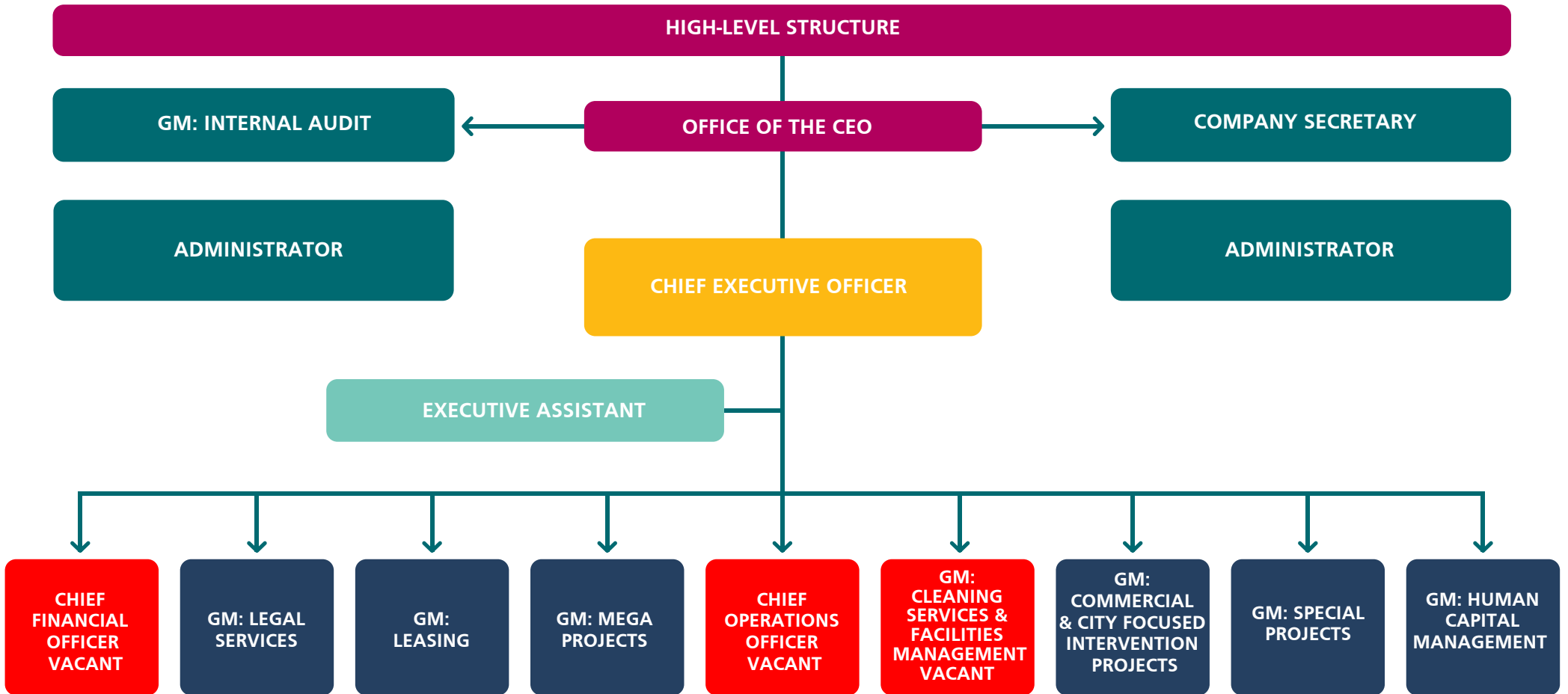


Figure 2: High-Level Structure



Section 5 Risk Management

JPC’s Board monitors risk through the ARC, which ensures an effective risk management process and system is in place. The committee recommends risk strategies and policies that need to be set, implemented, and monitored. JPC management is responsible for identifying, assessing, and monitoring risks reported to the various governance structures, as per the Risk Reporting Framework.

JPC has a Risk Management Strategy that follows an enterprise-wide risk management system, in which all identified risk areas are managed systematically and on an ongoing basis at departmental level. The Risk Registers are treated as a working risk management document because risks are subject to change; as such, any changes are recorded and managed.

Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the Risk Register.

JPC submits its risk management reports to the City of Johannesburg’s Group Risk and Governance Committee. The committee assesses all risks affecting the CoJ and its municipal entities in a holistic manner and makes recommendations to the City Manager and Council on the general effectiveness of risk management processes in the City of Johannesburg.

Risk Management Process

Risk identification and assessment is an ongoing process, which will be further enhanced since the movement of the risks has been stagnant. JPC’s management

conducts an annual strategic and operational risk assessment by following a comprehensive Risk Management Framework. This approach ensures that the organisation proactively addresses risks and strengthens its internal control environment to meet strategic goals, while maintaining compliance with regulatory standards that govern the entity.

Strategic Risk Register

Key risk indicators have been developed and linked to risk categories and risk impacts. These key risk indicators are aligned to the organisation’s key performance indicators (KPIs) in order to monitor the defined milestones and targets in pursuit of the set objectives. The entity has adopted a 5 x 5 (25) rating scale method, as reflected in Table 29.

IMPACT	Critical 5	Low 5	Moderate 10	High 15	Very High 20	Very High 25
	Major 4	Low 4	Moderate 8	High 12	High 16	Very High 20
	Moderate 3	Low 3	Moderate 6	Moderate 9	High 12	High 12
	Minor 2	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
	Rare 1	Low 1	Low 2	Low 3	Low 4	Low 5
		Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5
LIKELIHOOD						

Table 29: Rating Scale Method Adopted by JPC





The strategic risks outlined in Table 30 prompt reporting to EXCO and the ARC, allowing them to intervene, treat, and monitor these risks more closely to ensure expected performance is achieved. A residual risk rating level of amber (high) and red (very high) must be reported to EXCO and the ARC to allow early intervention, as per JPC’s adopted Risk Management Framework.

A total of 13 (thirteen) strategic risks were identified in the 2024/25 financial year.

No changes were made to the strategic risk rating during the first quarter. Thirteen strategic future mitigation plans were scheduled to be implemented in the first quarter, cumulative from the fourth quarter of 2023/24. However, of the 13 mitigation plans, none have been implemented thus far. Table 30 depicts the overall achievement in the implementation of strategic risk mitigations for the period under review.

Considering the information contained

in Table 30, there is a heightened level of concern regarding the risks that have exceeded their risk tolerance thresholds. These risks, if not effectively managed to reduce JPC’s residual risk exposure, threaten the achievement of its key strategic objectives. They could also impact JPC’s vision of being a trusted manager of the CoJ’s assets, committed to maximising the social, economic, and financial value of the CoJ’s property portfolio.



LEGEND  INCREASE  DECREASE  NO MOVEMENT

No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
01	Inability to maximise revenue	Very High	High		<ul style="list-style-type: none"> Implement the outdoor advertising master plan, as it depends on the City's finalisation of the new by-laws. Develop a financial turnaround strategy (i.e. growth of outdoor income, increasing land sales, land acquisitions, property development, property management, and repairs and maintenance for other departments), which includes lease renewal. Manage and reduce dependency on the CoJ's assistance. Verify traders and collect rental. (Leases are dependent on the rollout of a permit system by the Department of Economic Development).
02	Inadequate facilities management	Very High	High		<ul style="list-style-type: none"> Manage asset life cycles. Conduct facilities assessments. Develop a detailed, three-tiered facilities management plan, including: <ul style="list-style-type: none"> a) Proactive, ongoing, day-to-day facility maintenance. b) Addressing findings from the building assessment. Implement preventative maintenance programmes. Develop employment and occupant engagement programmes to encourage proactive reporting. Implement energy efficiency practices and technologies. Provide safety and compliance training. Establish emergency response plans. Develop and implement sustainability programmes. Manage suppliers and contracts. Utilise facilities management software. Provide skills development and training. Establish an independent facilities committee. Proactively implement repair and maintenance strategies. Accelerate setting up of effective governance structures on the Occupational Health and Safety Act (OHSA). Conduct a quarterly conditional assessment of all facilities. Hold quarterly meetings with stakeholders of the various facilities to identify their needs and challenges. Educate residents about cleanliness until it makes sense to them. Ensure the JPC-approved organogram is filled with competent officials to effectively execute the cost-benefit analyses of corporate buildings. Engage with the OHSA Department on health and safety issues.






LEGEND  INCREASE  DECREASE  NO MOVEMENT

No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
03	Loss of value of City-owned land and properties	Very High	High		<ul style="list-style-type: none"> Conduct an audit and verify the Asset Register. Approve and implement the Land Strategy and Asset Management Plans. Partner with Group Forensic and Investigation Services (GFIS), the Johannesburg Metropolitan Police Department (JMPD), and the South African Police Service on the land invasion strategy. Continuously promote fraud prevention and fraud hotline awareness with GFIS. Initiate an awareness campaign.
04	Unhygienic conditions prevailing at CoJ buildings	Very High	High		<ul style="list-style-type: none"> Review placing of cleaning staff at JPC or obtain the requisite salary budget from CoJ. Capacitate the cleaning function with sufficient cleaning staff, equipment, cleaning materials, cleaning supervisor, and management. Approve and adopt the hybrid model for cleaning. Sign Service Level Agreement with all City departments regarding the recoverability of the cleaning services rendered. Ensure monthly cleaning and deep cleaning. Engage with organised labour at Local Labour Forum to agree on cleaners' salaries.
05	Non-compliance with legislation, policies, and procedures	High	Low		<ul style="list-style-type: none"> Monitor changes in labour and statutory laws, and ensure adherence. Conduct ongoing probity, regulatory, and legislative compliance reviews of bid processes. Perform quarterly reporting on the JPC compliance checklist. Human Resources (HR) to conduct annual awareness workshops. Review all policies annually. Update the JPC Compliance Management Framework, which is aligned to the City-wide Compliance Management Framework. Implement consequence management. Work with GFIS on fraud corruption issues and implement based on consequence management measures.





LEGEND  INCREASE  DECREASE  NO MOVEMENT

No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
06	Inability to attract investment	High	Medium		<ul style="list-style-type: none"> • Hold an investors property conference/summit to attract investors to the City. • Timeously conclude the property development agreement and leases. • Hold a property summit. • Ensure legal compliance with bid specification.
07	Inadequate contract management	Very High	High		<ul style="list-style-type: none"> • Secure a budget for JPC to appoint dedicated contract management officials. • Portfolio management to appoint dedicated staff to manage and monitor new and current leases of facilities. • Implement integrated automated contract management system.
08	Inadequate ICT delivery and electronic storage system	Very High	High		<ul style="list-style-type: none"> • The implementation of the Electronic Document and Records Management System (EDRMS) will ensure adherence to regulations over three years, while safeguarding personal information. The project has commenced, with Phase 1 completed through the extraction of business analytics for every documented process, followed by the development of a methodology and framework that will incorporate electronic documents and records management, ensuring compliance with the Protection of Personal Information Act (POPIA) and other regulations. • Training to enable employees to use the system is underway. • Prepare an onboarding pack for all new recruits, which should also cover ICT induction processes for JPC.



LEGEND  INCREASE  DECREASE  NO MOVEMENT

No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
09	Negative public perception	Very high	High		<ul style="list-style-type: none"> • Re-establish the Marketing Communications Unit. • Integrate internal and external communication channels through policy and strategy. • Communicate clear change management processes. • Rebrand the organisation. • Cascade the stakeholder matrix down to all JPC employees. • Implement business processes and systems integration (link the JPC Call Centre to the Property Information Management System and the Total Records and Information Management System, which will improve the tracking and monitoring of stakeholder and client enquiries). • Conduct roadshows on the CoJ asset per region. • Ensure the Client Business Organisation responds timeously to all queries. • Facilitate external stakeholder engagement to align with JPC's strategic objectives. • Organise a property indaba and arrange outdoor advertisements. • Educate residents and other stakeholders on how JPC works. • Encourage stakeholders to report any crime committed against JPC. • Induct the media on JPC's and the City's processes.
10	Inadequate acquisition of land to support the CoJ's Spatial Development Framework	High	High		<ul style="list-style-type: none"> • Obtain approval for and implement a Land Strategy.



LEGEND

 INCREASE
  DECREASE
  NO MOVEMENT




No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
11	Insufficient capacity and misalignment of skills for current business model and demand	High	High		<ul style="list-style-type: none"> Review the Human Capital Strategy and Operating Model. Develop and implement an integrated talent management system and process. Review and implement updated Human Capital Policies and Procedures. Develop a Line Management Guide in relation to HR processes. Capacitate Human Capital in line with reviewed structure.
12	Incomplete asset register	Very high	High		<ul style="list-style-type: none"> Ensure that the Asset Register is checked quarterly.
13	Environmental, Social and Governance (ESG) Risk	High	Medium		<ul style="list-style-type: none"> Draft and implement a comprehensive ESG Policy within the organisation.

Table 30: Strategic Risk Register



Risk Maturity Assessment Approach

Based on the Risk Maturity Assessment conducted using the Maturity Model outlined in the City of Johannesburg Metropolitan Municipality's Enterprise Risk Management Framework, the Maturity

Model allows CoJ entities to use a single, effective Risk Management Framework to manage their Risk Management Programme, while providing reports to meet any standard their internal or

external stakeholders require. JPC is deemed to have reached an established maturity level, as depicted in Figure 3 below.

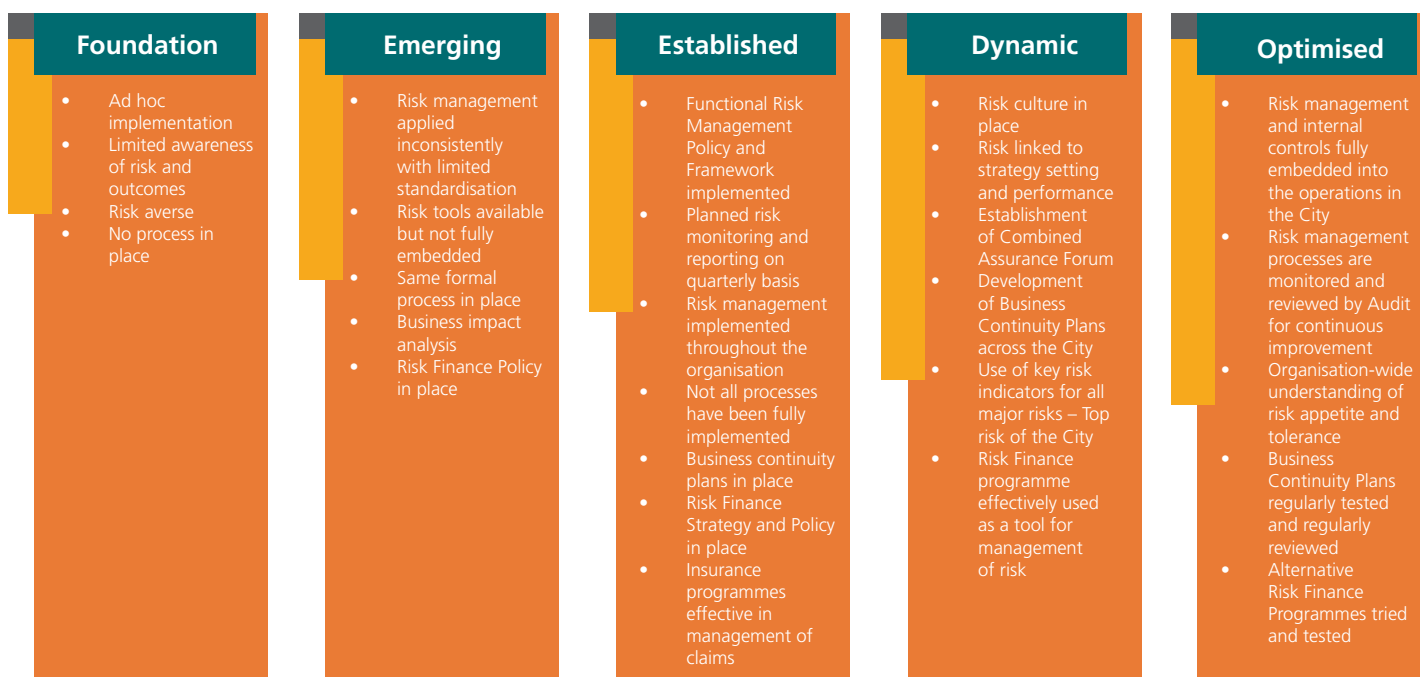


Figure 3: Risk Maturity Levels

Section 6 Company Secretarial Function

This function is responsible for developing systems and processes to enable the Board and sub-committees to perform their oversight role. It is also responsible for all statutory returns to the Companies and Intellectual Property Commission. The Company Secretary advises the Board on corporate governance matters, the requirements of the Companies Act, and other relevant regulations and legislation.

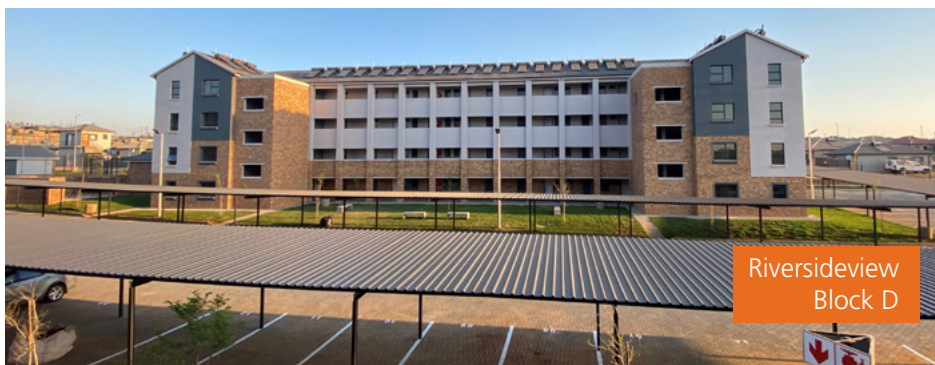
In addition, this role provides guidance to management on all governance matters and acts as a link between the Shareholder, the Board, and management.

Section 7 Stakeholder Engagement

The entity values its Shareholder and stakeholders, including tenants, employees, and suppliers, and engages with them through regular communications and meetings to ensure their interests are considered in the decision-making process.

Section 8 Anti-Corruption and Fraud

JPC has zero tolerance for fraud and corruption and related irregularities. This is in line with the JPC's Anti-Fraud Policy. This policy is compliant with the Prevention and Combating of Corrupt Activities Act, 2004, and its related regulations. It is also aligned with the Shareholder's Anti-Fraud Policy.



Section 9 Sustainability and Corporate Social Responsibility

JPC is committed to sustainable development and environmental stewardship. The entity's corporate social responsibility initiatives focus on community development, employee wellbeing, and environmental conservation.

Section 10 Compliance with Laws and Regulations

The Board is responsible for ensuring that the Johannesburg Property Company complies with applicable laws, regulations, guidelines, and standards per its identified compliance universe. The company has a Compliance Risk Framework, which guides the process of managing compliance risks. This compliance risk process is as prescribed by the Compliance Institute of South Africa and includes identification, measurement, management, and monitoring.

Focus areas include the Municipal Finance Management Act (MFMA) Circular 68 (irregular, fruitless and wasteful expenditure), MFMA Section 65(2)(e) (thirty-day late payment reporting), declaration of interest by the employee, POPIA, as well as other Acts that are core to JPC. A review has been undertaken to ensure compliance with core Acts and to ensure that adequate and effective controls are in place and regularly monitored.

At each ARC meeting, an update on compliance is presented. This update includes significant legislative developments within the environment in which JPC operates. Key areas of non-compliance, if any, are also brought to the attention of this committee. Management performs a quarterly

assessment of the level of compliance with key legislation to ensure that adequate controls are in place and implemented accordingly. During the period under review, the Risk and Compliance Unit embarked on a process of reviewing the core Acts to ensure the entity is complying. The process began with the risk profiling of individual legislation, subsequent to which existing controls were assessed for adequacy and effectiveness in ensuring that the organisation complies with the spirit of the law.

During the second quarter of the 2024/25 FY, no penalties and/or other forms of sanction were issued against the Company, and no directors or senior management members were accused of or held liable for non-compliance with any laws, regulations, or codes of conduct.

Irregular and Fruitless Expenditure

During the period under review, JPC and Portfolio have not recorded any new irregular, fruitless, or wasteful expenditure. However, JPC recorded the continuation of irregular expenditure in respect of leases, fleet, and information technology (IT) in the sum of **R70 710 172**.

Failure to Pay Service Providers Within 30 Days

For the period under review in the 2024/25 financial year, all invoices were paid within 30 days.

Declaration of Interest

During the first quarter of 2024/25, **94%** of employees submitted their declarations of interest.

Regulatory Compliance

The JPC compliance universe reflects 55 (40 core and 15 generic) pieces of legislation with which the Company needs to comply. However, for reporting purposes, only core Acts with a potentially high impact are monitored and reported.

Management performs a quarterly assessment on the level of compliance with key legislation to ensure that adequate controls are in place and implemented accordingly. The Risk and Compliance Unit embarked on a process of reviewing certain core Acts (as outlined in Table 31) to ensure compliance by the entity. The process began with the risk profiling of individual legislation, subsequent to which existing controls were assessed for adequacy and effectiveness in ensuring that the organisation complies with the spirit of the law.



FNB & Wesbank Headquarters.



Regulatory Requirements	Information Technology	Records Management	Human Capital
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	Compliant	Compliant	Compliant
Protection of Information Act, 1982 (Act No. 84 of 1982)	Compliant	Compliant	Compliant
Protected Disclosures Act, 2000 (Act No. 26 of 2000)	Compliant	Compliant	Compliant
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	Compliant	Compliant	Compliant
National Archives and Record Service of South Africa, 1996 (Act No. 43 of 1996)	In-progress	Non-compliant	Non-compliant

Table 31: Summary of Regulatory Acts

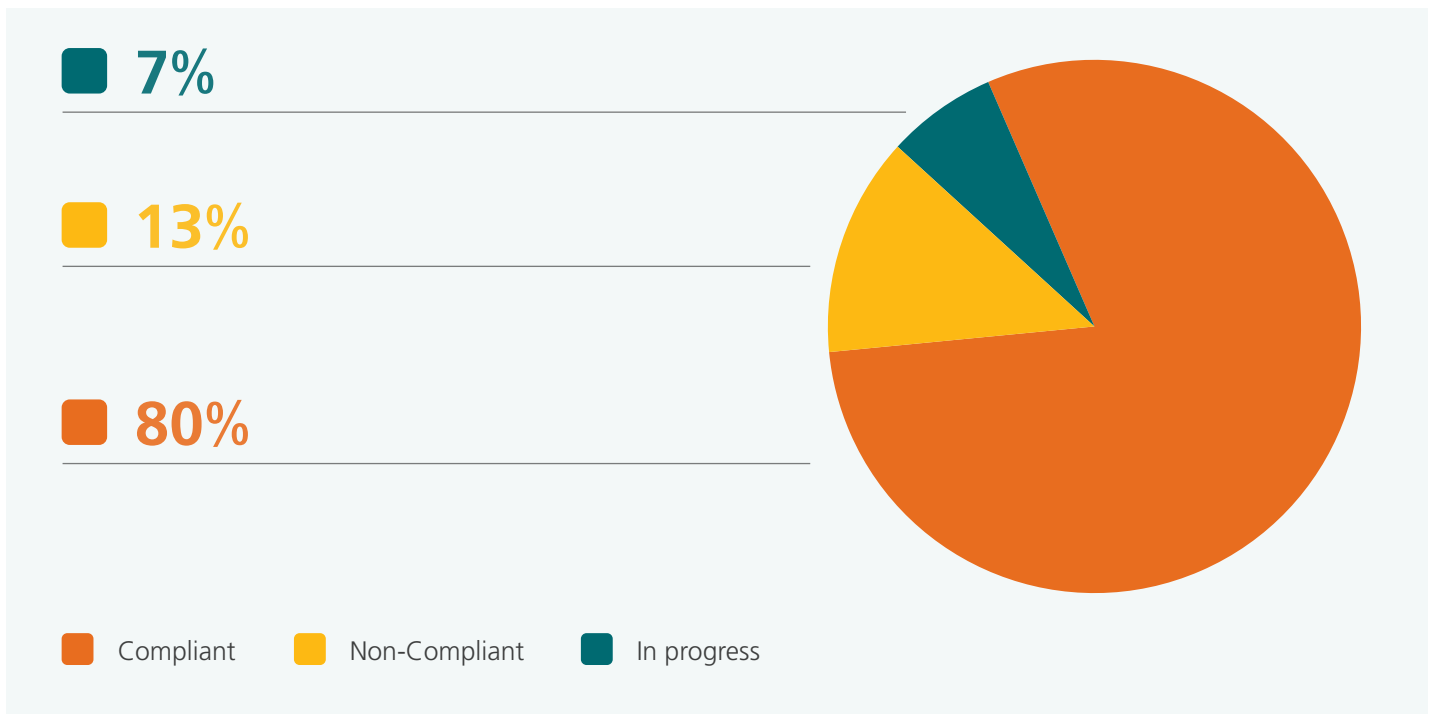


Figure 4: Compliance Regulatory Requirements for 2024/25 Financial Year





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Chapter 3 Service Delivery and Performance



Section 1 Asset Management

The City’s portfolio has a total value of R10.3 billion, comprising 28 882 properties as of the quarter ending 31 December 2024. Table 32 provides a high-level summary, outlining the number of properties and value per region.

Region	No. of Properties	Value %	Historical Book Value
Region A	1 702	11%	R1 164 514 492.28
Region B	3 514	16%	R1 624 939 768.10
Region C	2 578	11%	R1 145 564 083.86
Region D	5 853	8%	R830 860 102.23
Region E	4 341	16%	R1 644 567 663.18
Region F	5 279	16%	R1 679 310 620.97
Region G	5 319	17%	R1 804 480 798.28
Outside CoJ	296	4%	R429 026 050.01
Grand Total	28 882	100%	R10 323 263 578.91

Table 32: High-Level Portfolio Summary

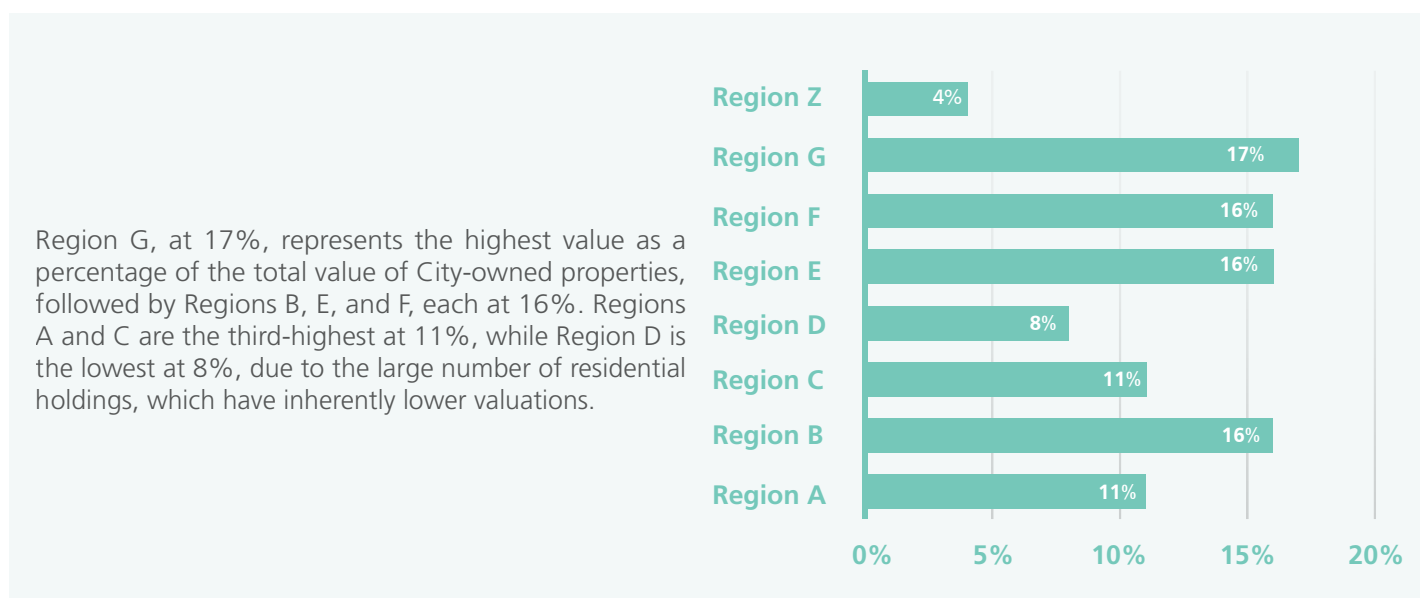


Figure 5: Summary per Region – % Value



Asset Register Movements

Tables 33 and 34 illustrate the movement updates of the Asset Register during the mid-term period of the 2024/25 financial year in relation to the property transfers that occurred.

Movement Category	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	TOTAL
Acquisitions	3	2	2	3	0	22	32
Disposals	-26	-26	-7	-19	-58	-15	-151
Net movement	-23	-24	-5	-16	-58	7	-119

Table 33: Monthly Movements by Quantity

Movement Category	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	TOTAL
Acquisitions	R14 328 744.00	R3 210 636.00	R7 060 000.00	R4 013 000.00	R0.00	R44 260 000.00	R72 872 380.00
Disposals	-R1 119 591.00	-R80 644.00	-R475 715.00	-R237 188.00	-R1 620 400.00	-R2 395 611.00	-R5 929 149.00
Total	R13 209 153.00	R3 129 992.00	R6 584 285.00	R3 775 812.00	-R1 620 400.00	R41 864 389.00	R66 943 231.00

Table 34: Monthly Movements by Value

Acquisitions

Thirty-two (32) properties to the value of **R72 872 380** were taken on during the reporting period as follows:

- Four (4) properties were acquired on behalf of the CoJ Housing Department using the allocated capital budget.
- One (1) property was transferred to the CoJ in terms of the Conditions of Township Establishment.
- One (1) property was vested to CoJ.
- Five (5) properties were transferred back to CoJ as rectification by the CoJ Housing Department.
- Two (2) properties were subjects of consolidation.
- Nineteen (19) properties were devolved to CoJ by the Gauteng Provincial Government. These properties are situated in Regions A, C, D, F, and G. The regional representation of the properties is outlined on the graph in Figure 6.



Figure 6: Acquisition Values per Region



Disposals

One hundred and fifty-one (151) properties to the value of **R5 929 149.00** were disposed of in the reporting period as follows:

Housing Conversions

One hundred and twenty (120) properties relate to the transfer of residential homes to beneficiaries, which are carried out in terms of the City’s service delivery mandate for the provision of housing through the CoJ Housing Department. The properties reported on in this document were transferred to beneficiaries during the reporting period in fulfilment of the City’s housing delivery mandate as prescribed by the Housing Act. All these properties are full title residential houses.

Land Regularisation

Two (2) properties (a church and a shop) were transferred to entitled beneficiaries under the Conversion Act 81 of 1988, which governs the conversion of rights.

Unbundling

Two (2) properties were subjects of unbundling—sectional title schemes were registered on these two properties and all units

were transferred to beneficiaries. Twenty-six (26) properties were subjects of consolidation.

Recon Clean-Up Item

Investigation of one (1) property revealed that it does not exist spatially, meaning that it is not a registered property. It was therefore removed from the Asset Register as part of the deeds reconciliation clean-up process.

Net Movements

This section provides an indication of the movement impact on the value of the Asset Register. The reporting period shows a positive net movement of **R66 943 231**, which translates to an increase of 0.65% of the entire portfolio, as outlined in Table 35.





Month	Opening Balance	Movement	Closing Balance
Jul-24	R10 256 320 347.90	R13 209 153.00	R10 269 529 500.90
Aug-24	R10 269 529 500.90	R3 129 992.00	R10 272 659 492.90
Sept-24	R10 272 659 492.90	R6 584 285.00	R10 279 243 777.90
Oct-24	R10 279 243 777.90	R3 775 812.00	R10 283 019 589.90
Nov-24	R10 283 019 589.90	-R1 620 400.00	R10 281 399 189.90
Dec-24	R10 281 399 189.90	R41 864 389.00	R10 323 263 578.90
Net Movement		R66 943 231.00	
		0.65%	

Table 35: Asset Register Net Movement Value

Section 2

Commercial and City-Focused Intervention Projects

Section 2.1: Development Facilitation Unit

Mixed-Use Development Transactions

Development and long-term lease agreements were concluded during the period under review in respect of seven (7) properties—Portions 246 and 247 of the Farm Braamfontein (known as the Parkhurst Bowling Club), Erf 419 Klipspruit, Erven 159–169 and 530 Cottesloe, Erven 13, 14, and 15 Orlando Ekhaya—resulting in a total investment of over **R3.7 billion**.

The Urban Design Framework for the Orlando Ekhaya Precinct is currently being

revised. The outcome of this revision will impact on the development of Erf 16 Orlando Ekhaya, whilst Erven 31, 36, and 41 were successfully packaged for release to the market for development and lease during the period under review. Request for proposal (RFP) documents have been considered by the Bid Specification Committee and will be released once the concerns raised have been resolved and probity approved.

Jabavu Extension 6, located on the

former Jabavu Stadium and Homemakers site, received Township Establishment approval. This mixed-use development will also yield at least 768 Reconstruction and Development Programme (RDP) units to house the informal settlement on site, whilst the retail and recreation facilities will provide much-needed job opportunities in this part of Soweto. The Department of Human Settlements concluded a Service Level Agreement with JPC for the management of the social housing component of the development.



Council Chambers inside





Projects at Construction Phase/Stage

Project Name: Lifestyle Complex Development: Erf 53 Alan Manor

2024/25 FY Project Developments

Erf 53 Alan Manor is located at the corner of Caro and Constantia Avenues, situated in the South of the City of Johannesburg in Region F. The site is surrounded by the prestigious suburbs of Mondeor, Winchester Hills, Meredale, Mulbarton, and Aspen Hills.

The development of this lifestyle complex will comprise 83 units upon completion.

The development on this Erf will consist of a two-storey-building project, comprising four residential typologies: two-bedroomed units and one-and-a-half beds.

- The first phase of 32 units of this development was completed on 15 April 2023.
- The second phase of another 32 units will commence by the end of August 2024.

Project Status

- 32 units have been completed.
- 27 units have been sold.



Project Challenges/Delays

The developer has delayed commencing Phase 2 due to slow sales in Phase 1.

Project Opportunities/Focus

- Job creation during the construction period
- Skills transfer
- Property ownership by first time homeowners



Lifestyle Complex Development





Projects at Construction Phase/Stage

Project Name: Jabulani Housing Development
Project Description : Erven 14 & 15 Jabulani Ext. 1 (Proposed Portion 15 of Erf 2612)

2024/25 FY Project Developments

As part of the Jabulani CBD Precinct, the Jabulani Development Company (Pty) Ltd, together with Calgro M3, have initiated plans to develop rental housing units in partnership with International Housing Solutions on the proposed Portion 15 of Erf 2612 Jabulani Extension 1 (Parcel A).

The land parcel is located directly below/to the south of the Soweto Theatre site and is bordered to the west by Legogo Street. The estimated development value is **R300 million**.

- The development on this Erf aims to cater for approximately 576 sectional housing units.
- A full development professional team has been appointed and is currently working towards the implementation of Joburg Water's requirements, i.e. in the form of provision of engineering services that will cater for the newly created portions. In this regard, a stormwater catchment area has been constructed by the developer.
- The first phase of the development of 396 units was completed in June 2023.
- 55% of the 396 units have been sold to date.
- Construction of the second phase, comprising 180 units, commenced on 01 September 2024.
- The project spend to-date is R15 million (excluding VAT).

Project Challenges/Delays

The developers have delayed commencing Phase 2 due to slow sales in Phase 1. They attributed the sluggish sales to increased interest rates and affordability challenges, resulting in reduced buying power.

Project Opportunities/Focus

- Job creation during the construction period
- Skills transfer
- Property ownership by first-time homeowners

Project Status

- 396 units have been completed and 55% have been sold.
- 224 units have been sold.
- The project spend to-date is **R15 million** (excluding VAT).



Jabulani Housing Development





Projects at Construction Phase/Stage

Project Name (Riverside View Mega Housing Development)
Project Description: The remainder of Portion 5 of the Farm Diepsloot 388-JR, part of the remainder of Portion 1 of the Farm Diepsloot 388-JR

2024/25 FY Project Developments

- The project is located on the remainder of Portion 5 of the Farm Diepsloot 388-JR, part of the remainder of Portion 1 of the Farm Diepsloot 388-JR-CoJ. The development was awarded to Valumax Northern Farms (Pty) Limited.
- Riverside View Mega City is an exciting mega-scale integrated housing development project located within one of the fastest growing economic nodes within the City of Johannesburg Metropolitan Municipality.
- The project's proximity to Steyn City, which represents arguably one of the most affluent developments in the country, serves as a token of integration as well as a direct antidote to former exclusionary spatial planning practices.
- In addition, the project's proximity to Diepsloot aids in the transformation of housing provision in that the project provides a healthy alternative to the expansion of the Diepsloot informal settlement area. The development is structured in such a way that (in terms of tenure models) individuals who reside in informal settlements are able to access housing opportunities in the Riverside View Mega Housing Project

The development yields:

- 10 414 total residential units

Breakdown of units

(development yields/total housing mix):

- 3 113 single residential Finance-Linked Individual Subsidy Programme (FLISP) units
- 4 332 high-density walk-up RDP units
- 2 969 high-density walk-up rental units

Project Status

The project is in the final stages of construction.

Progress made:

To date, 10 145 units have been completed:

- Housing units completed to date, registered and occupied: 8 253
- Housing units under construction/registered/occupied: 1 836
- Single residence: 2 948 multi storey RDPs
- 184 units completed and handed over to JOSHCO November 2024

Still to be completed:

- 744 Multi-storey JOSHCO units
- 124 Multi-storey FLISP and 464 RDP units
- Total units still to be completed: 1 332

Cumulative jobs created to date: 22 648

Project Challenges/Delays

- Community unrest/project stoppages – caused by unregulated business forums.
- Eskom—as the supplier of the bulk of electricity for the project—caused various delays during the lifecycle of the project.
- Delays in approval of USDG budgets by CoJ or budget cuts, resulting in delays with implementation of bulk infrastructure programmes.
- Delays in approval of Human Settlement Development Grant budgets by the Gauteng Department of Human Settlements (GDHS) or budget cuts, resulting in delays with construction of RDP top-structures and services.
- Delays in payments of invoices by CoJ and GDHS, creating cash flow pressure.
- Delays with beneficiary identification and allocation once RDP buildings are completed, putting vacant buildings at risk of invasion and resulting in high security costs for the developer. This has necessitated the protection of land and vacant buildings from illegal occupation/invasion.

Project Opportunities/Focus

- Eradication of informal settlements and providing beneficiaries with formal housing.



Riverside View Mega Project Development





Projects at Construction Phase/Stage

Project Name: Paterson Park : Erven 42 – 46 Victoria Ext. 3

2024/25 FY Project Developments

- Paterson Park precinct has been earmarked for the development of a high-density mixed-income residential development in support of the Louis Botha Corridor.
- Roads Agency and Pikitup depot functions need to be relocated to alternative sites to make land available for the mixed-income residential development. These old depots comprise Erven 409, 110, and 111 Norwood (Pikitup depot) and Erven 6, 7, 8 and 9, Orchards (JRA depot). Numerous consultations were held with the various depots.

Project Status

- Relocation strategy for City Parks completed.
- Re-issue of the RFP for the appointment of the Development Facilitator for the relocation of the JRA and Pikitup depots.
- RFP (first phase of 744 mixed-income residential developments) for development and sale/long-term lease of the site to be released.

Project Challenges/Delays

- Delays in relocating CoJ depots to make land available for housing development
- Lack of funding
- Development delays due to the re-advertisement of bids following poor bid responses
- Extensive timelines for planning application approvals



Patterson Park Development



Section 2.2: Acquisition & Municipal Unit

Acquired Properties

Acquisition of properties on behalf of the CoJ Department of Human Settlements was accomplished during the period under review.

Property Description	Beneficiary Department	Amount	Commission
Holding 42 Sonnedal	Department of Human Settlements	R3 060 000	R306 000
Holding 45 Sonnedal	Department of Human Settlements	R5 917 020	R591 702
Holding 103 President Park	Department of Human Settlements	R3 500 000	R350 000
TOTAL		R8 977 020	R897 702

Table 36: Property Acquisitions

Service Delivery

The Unit has received numerous requests for the allocation of Council-owned properties for service delivery purposes, in line with the mandate of the requesting entity. Five (5) properties were released to the Department by means of a Permission to Occupy and Build (PTOB) agreement in the second quarter.

Acquisitions at Negotiation Stage

Council approved twelve (12) acquisitions to the value of **R46.3 million** during the period under review. However, transfer is anticipated within the current financial year, pending negotiations with the property owners.

Management of Sanitary Lanes City-Wide (Released Properties)

Fifteen (15) properties to the value of **R45 000** were processed for management contracts. The numbers have dropped significantly compared to previous financial years due to various challenges encountered by adjoining property owners.

Transactions Approved at EAC Level

Seven (7) properties to the value of **R3.7million** have been approved by the Executive Adjudication Committee (EAC) for various development leases.

Section 3 Informal Trading Unit

Income Collection

During the period under review ending December 2024, the Informal Trading Unit collected **R574 963.71** for the stalls and shops occupied by traders.





Leasing of Shops and Stalls

Table 37 depicts the facilities that have experienced movement in the number of vacant stalls, paying occupied stalls, and non-paying traders. The figures in the table are extracted from the rent roll and are verified by Informal Trading Officials at the facilities.

Facility	No. of Stalls	Vacant	Occupied	Paying	Non-Paying
Yeoville	166	0	166	3	163
Jeppie	108	0	108	54	54
Hillbrow	193	7	186	6	180
Rosebank	9	1	8	8	0
Hoek	52	0	52	0	52
Bara	462	0	462	20	442
Fordsburg	128	0	128	110	18
Diepsloot	25	0	25	0	25
Big Ben	14	3	11	4	7
New Doornfontein	13	0	13	13	0
Kwa Mai Mai	226	0	226	103	123
Faraday	100	0	100	42	58
Dobsonville	161	161	0	0	0
Total	1 657	172	1 485	363	1 122

Table 37: Stall Occupations by Informal Traders

The non-payment of rental by traders presents a major challenge in the Informal Trading Unit. The issuing of trading permits by the Department of Economic Development (DED) and the subsequent signing of leases between informal traders and JPC will assist in combating non-payment, as well as subletting and hijacking of stalls by traders. These leases will include all trader particulars, including the monthly rental amount. The signing of leases will act as a legally binding document to manage the relationship between informal traders and JPC.

Most traders currently do not have leases, making it challenging for the Informal Trading Unit to hold them accountable for non-payments. The unit has identified discrepancies between the rent roll and the traders occupying stalls, such as subletting and vacant stalls stemming from the

absence of formal lease agreements.

The unit is currently in the process of reconciling verified traders and traders on the rent roll. Traders who have been successfully verified and are still occupying the stalls but have outstanding debts will be prioritised for obtaining their leases and need to acknowledge their outstanding debts to bring their accounts up to date.

The Unit is engaging with the Legal Department to determine how to handle traders occupying stalls not registered in their names, particularly where the original owner has an outstanding debt.

Verification of Informal Traders

The Informal Traders' Verification Plan was drafted by DED and JPC officials. As part of this process, team leaders were selected to oversee the implementation

of the plan in various transport facilities and markets. The process began with stakeholder consultation to obtain buy-in for the plan. The verification process is aimed at auditing the traders occupying the CoJ trading stalls and updating the rent roll prior to permit system roll-out. The verification forms were signed by traders and the traders committee. The traders not listed on the rent roll have been recorded on the suspense register.

The overall total number of verified traders is 384, with 169 verified traders on the rent roll and 215 traders on the suspense register (traders who are not on the rent roll). The verification will continue in the next quarter. Table 38 shows the number of verified traders in the various markets.





Name of Facility	Verification Forms	Suspense Register	Total Number Verified
Kliptown	42	40	82
Hillbrow	52	8	60
Rosebank	6	0	6
New Doornfontein	9	2	11
Big Ben	9	6	15
Jeppe	20	84	104
Kwa Mai Mai	31	75	106
Total	169	215	384

Table 38: Verified Traders

Stakeholder Engagement and Market Tours

During the period under review, the JPC CEO and the Unit, along with various CoJ departments, conducted site visits from 01 November 2024. The purpose of the visits was to inspect the status of various facilities and advise on interim and long-term intervention measures.

During the visits, the following challenges were identified in different facilities, coupled with mitigation measures:

Kwa-Mai Mai Market

- **Plumbing issues, drain blockages and water leakages at the facility:** The Facilities Management and Maintenance (FMMU) Department is to attend to the plumbing issues at the facility.
- **Dilapidated paving:** Facilities, together with the Supply Chain Management (SCM) Unit, will need to issue a request for quotation (RFQ) to address the repairs.
- **Food court and parking space:** The Special Projects Unit will be responsible for redesigning the structure at the food court and creating parking space.
- **Safety and compliance:** Certificate of electrical compliance and EMS fire report to be obtained.

- **Illegal cars:** The Johannesburg Metropolitan Police Department (JMPD) will be contacted to remove all illegal parked cars in the facility and increase security personnel.
- **Cleaning:** Ten (10) cleaners were allocated to this facility; however, an additional twenty (20) cleaners are required, as the current number is insufficient.

Faraday Market

- **Plumbing issues, drain blockages and water leakages at the facility:** The FMMU department to attend to the plumbing issues at the facility
- **Facility maintenance:** Grass cutting inside and around the facility to be attended to as well as the removal of damaged Standard Bank ATM.
- **Traders committee interaction:** JPC team and Traders committee met to discuss demarcating/partitioning the area into stalls and operating within it.

Yeoville Market

- **Erf 658 Yeoville:** Old library site adjacent to Yeoville Market to be demolished by Special Projects Unit, subject to budget availability.
- **Safety and compliance:** The electrical distribution board needs

to be cleaned and covered, and to comply with fire safety regulations.

- **Fire specialist for fire safety strategy:** The department received budget confirmation from the Finance Department and the RFG for a Mechanical or Fire Engineer has been finalised and will be uploaded on the JPC website by 14 November 2024. The department anticipates that the bids will be evaluated and awarded by 13 January 2025.

Market of the Future

- Budget confirmation has been obtained from Finance.
- The Board Steering Committee composition memo for the appointment of a multi-disciplinary team for rezoning, design concept, and financial feasibility for the proposed redevelopment of the Yeoville Priority Block has been submitted to the CEO.
- RFP documents have been drafted for the Board Steering Committee's consideration.
- The estimated project period is six (6) months from its commencement date.





Piloting of Permit System

To address the complexities associated with the permit system, dry-runs will be conducted at various market sites. This is necessary to account for the diverse dynamics encountered, such as the size of the market, the number of traders, and the number of stalls. During the period under review, the system was piloted at Jeppe Market. Three (3) examples of the permit system were printed to test the system. The Department of Economic Development will confirm the official date of the launch of the permit system.

The Informal Trading Unit is grappling with the following challenges and mitigation measures, which influence its ability to generate revenue and secure and maintain the facilities:

Challenges	Mitigating Measures
Non-payment of rent: Many traders are not paying their rent, which affects revenue collection.	Trader engagement: <ul style="list-style-type: none"> Communicate the lease renewal process and its importance to traders. Engage with traders to ensure they understand the benefits and obligations of having formal leases. Hold regular meetings with traders to discuss issues, provide updates, and address concerns. This can help build trust and cooperation.
Subletting of stalls/discrepancies in rent roll: Issues arise from traders subletting their stalls, complicating management and accountability. Discrepancies between traders listed on the rent roll and those occupying the stalls lead to problems such as subletting and vacant stalls.	Verification and audits: Continue with the verification and auditing of traders and stalls to address discrepancies in the rent roll versus actual occupancy. Implementation of CoJ Informal Trading Policy: <ul style="list-style-type: none"> Enforce the CoJ Informal Trading Policy to address issues such as stall allocations, trader rights and duties, law enforcement, and permit issuance. Use the policy as a framework to manage and regulate informal trading activities effectively. Ensure all traders have formal lease agreements. This will facilitate the enforcement of rent payments and effective management of stalls. Make sure lease agreements clearly outline the terms, including rent amounts, payment schedules, and consequences for non-payment. Utilities management: Work closely with other departments, such as the Legal Department and Transport Department, to address issues such as non-payment for utilities and security challenges.
Lack of leases: Most traders do not have formal leases, making it difficult to enforce rent payments and manage stalls effectively.	Credit control measures: <ul style="list-style-type: none"> Implement stricter credit control measures to ensure timely rent payments. Lock stalls where traders are not paying their rent to enforce compliance. This is dependent on security capacity. Conduct workshops and information sessions to educate traders on the importance of timely rent payments. Provide traders with convenient payment options, including online, mobile, and in-person payment methods.
Security issues: Continuous burglaries and crime taking place within the facilities, such as pickpocketing and robberies, are a significant concern.	Security enhancements: <ul style="list-style-type: none"> JMPD must implement a hybrid security model to address current security challenges. Increase security measures to reduce crime and burglaries within facilities.
Facility maintenance: Capacity to secure and maintain cleanliness and repairs of facilities is inadequate.	Facility maintenance: <ul style="list-style-type: none"> Collaborate with JPC Project Managers and the Transport Department to develop and execute plans for maintaining and repairing distressed facilities. Ensure that facilities are kept clean and secure to provide a better trading environment.
Non-payment for utilities: The Transport Department is not paying for water and electricity, resulting in cut-offs.	Debt acknowledgment: <ul style="list-style-type: none"> Require traders with outstanding debts to acknowledge their debts and set up payment plans to bring their accounts up to date. Debit order mechanism: <ul style="list-style-type: none"> Implement a debit order mechanism to facilitate easier and more reliable rent payments. Encourage traders to use this system to avoid missed payments and reduce administrative burdens.
Tension between traders and taxi associations: Competition amongst informal traders and taxi operators for the space in which to operate results in conflict	By-law enforcement: <ul style="list-style-type: none"> Enforce by-laws more strictly to eliminate illegal activities within trading facilities to help reduce crime and create a safer environment for traders and customers. Ensure that traders comply with all regulations to maintain order and safety.





Challenges	Mitigating Measures
<p>Capacity challenges: The City lacks sufficient staff to manage 46 taxi rank facilities citywide. Some facilities lack administrators.</p>	<ul style="list-style-type: none"> Utilities management: Work closely with other departments, such as the Legal Department and Transport Department, to address issues such as non-payment for utilities and security challenges. Risk management: Develop, implement, and monitor a Risk Register with mitigating actions.
<p>Sense of entitlement: Some traders have a sense of entitlement, and want to claim family inheritance of the municipal stalls.</p>	
<p>Takeover by taxi associations: Takeover of the management of certain aspects of transport facilities by taxi associations poses an imminent threat.</p>	

Table 39: Challenges and Mitigating Measures

Section 4 Mega Projects

Project Name: Southern Farms

2024/25 Project Developments	Project Status
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The Southern Farms Biodiversity Development Project concept entails the establishment of a network of conservation-based inclusionary mixed-use precincts. The Precinct Plan provides for seven (7) sub-precincts or “urban villages” referred to as Precincts A, B, C, D, E, F, and G. Each of these precincts is designed to be a self-sustaining human settlement that integrates into the larger Southern Farms Development.

Phasing of the Project

Given the nature and size of the Southern Farms Project, the implementation will need to follow a phased approach. Therefore, the development will be undertaken in two phases.

Phase 1 (Precincts A1, A2, C1, C2, and C3) located to the west of the N1 Highway, on either side of the Golden Highway (R553), is best suited for immediate development and will be the focus area to start the project.

In terms of the development sequence, **Phase 2 (Precincts B, D, E, F, and G)**, which is primarily located to the east of the N1 highway, will be developed once **Phase 1** has been completed and the bulk and link infrastructure has been upgraded to the east of the N1 Highway. **Precinct E** will only be developed once the privately owned properties have been acquired for the development.

The precincts will include the following components:

- Residential (bonded, FLISP residences, rentals, RDPs/sites, and services)
- Public facilities and infrastructure such as government schools, government social amenities, emergency medical services, government hospitals and clinics, municipal offices, etc.
- Private land use such as retail, commercial, industrial-warehousing, and medical (private)

The total number of residential units is estimated at 42 000 units. However, this is subject to township approval for all the land portions, as well as Site Development Plans being approved for all residential 3 stands.

Phase 1

Phase 1 comprises multiple mixed-precinct parcels and covers 936 hectares of the site. The mixed-use precincts will seamlessly combine residential units, retail establishments, industrial developments, and more. Phase 1 will also include the construction of filling stations, schools, community facilities, businesses, restaurants, sports facilities, commercial facilities, industrial warehouses, and storage facilities, as well as public open spaces.

The residential yield for Phase 1 is **12 363** housing units. It includes the following typologies:

- Multi-storey RDPs = 4 495
- Residential 3 multi-storey FLISP = 4 819
- Residential 1 single-storey FLISP = 317

- The township establishment, environmental impact assessment, and water use license applications for Phase 1 are currently underway. Phase 1 of the Southern Farms Mega City project will include Precinct A1, A2, C1, C2, and C3 – located to the west of the N1 highway. Phase 1 is anticipated to yield approximately 15 195 units.
- Applications for Phase 1 for the establishment of 17 townships were submitted to planning for processing and approval. Anticipated township establishment approval is expected by the end of September 2024.
- The City of Joburg, through the Department of Human Settlements, still needs to confirm the 2024/25 budget allocation before the Southern Farms Project can proceed with its bulk and link infrastructure programme using USDG funding.
- Installation of infrastructure was anticipated to commence towards the end of 2024, subject to township approval and issuance of the water use license, as well as budget confirmation by CoJ for this process.
- Environmental impact assessment approval has been obtained for all 17 townships.
- Although the Southern Farms area covers 4 000 hectares, a significant portion of it is taken up by the Olifantsvlei Nature Reserve, which extends across 2 000 hectares. To facilitate this critical development, it is imperative to de-proclaim the Nature Reserve in accordance with the applicable legislation. The Reserve, which was officially proclaimed in 1957, has never been managed or operated, and has not functioned in accordance with the provisions of the Protected Areas Act. As a result, no loss in protected areas will be incurred if this land is de-proclaimed. A letter was sent to the MEC of the Gauteng Department of Environment seeking the Department’s assistance and requesting that it starts the de-proclamation. The MEC now needs to obtain approval from the Gauteng Legislature before it can be gazetted.
- A draft advertisement for the appointment of a Community Liaison Officer (CLO) is with JPC’s CEO for approval before distributing it in the relevant wards.
- An Acquisition Report has also been submitted to JPC’s Transactions Committee for acquiring the 11 privately owned portions of the land that are within the Southern Farms Precinct, as this is critical in ensuring that the Southern Farms Project is established as one large uninterrupted integrated development.
- This report was presented to Council on 27/28 November 2024 and was approved. JPC will need to request a budget from the City to enter into negotiations with the private land owners.





Ownership of the Southern Farms Land

The majority of the project land is Council-owned. However, 11 privately owned portions located in Precinct C will have to be acquired by the City so that the developer can be in control of all the development portions of land. A report for the acquisition of these privately owned portions is currently in the system awaiting Council's approval.

Developable Land vs Undevelopable and Environmentally Sensitive Land

The Southern Farms project area, including the privately owned land parcels, is approximately 3 997 hectares in size. Of the total project area, approximately 2 902 hectares are unsuitable for development due to environmental sensitivities, heritage, and major road reserves (PWV 5 and K-routes). The majority of these will form part of the Biodiversity Conservation Area, representing approximately 73% of the total project area. Only a relatively small portion of the total project area—approximately 1 094 hectares (27%)—is considered suitable for development.

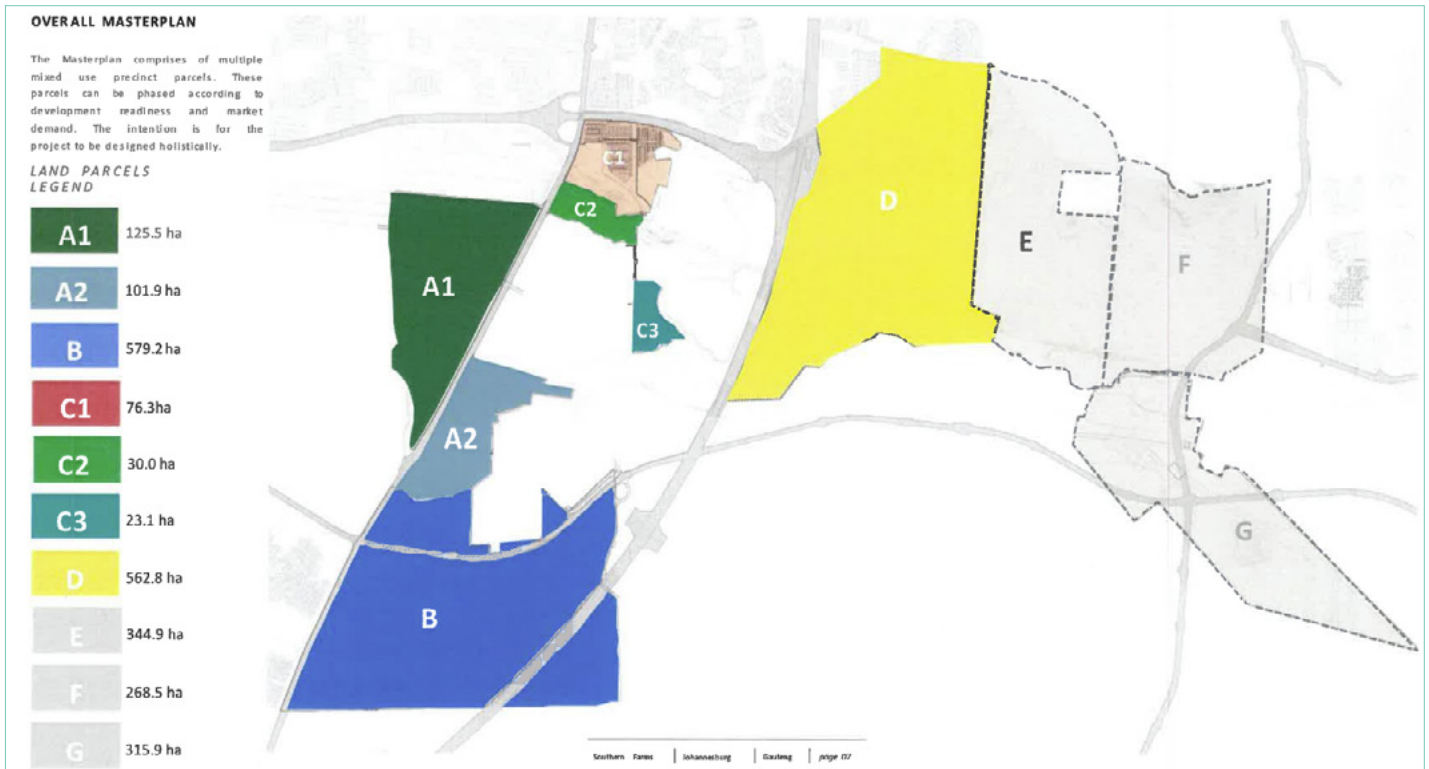


Figure 7: Southern Farms Masterplan

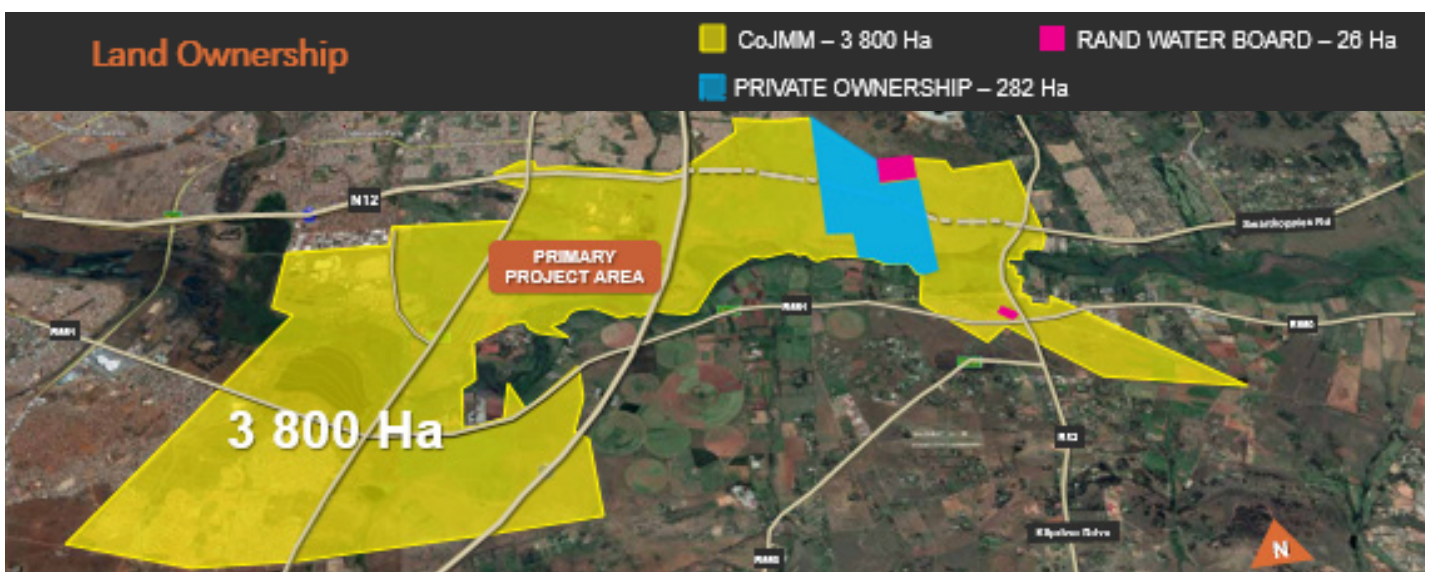


Figure 8: Southern Farms Development Precinct Plan





Project Name: Soweto Gateway

2024/25 FY Project Developments

This proposed development is a mixed-use initiative, accommodating diverse land uses and taking advantage of the site's location as an entrance into the Soweto/Baralink Node. It will reinforce surrounding activities, such as institutional, educational, local manufacturing, training facilities, and commercial enterprises. It will be supported by medium- to high-density, mixed-income residential developments, community facilities, recreation areas, and public spaces within a well-balanced and sustainable urban structure that is connected and accessible to the rest of Soweto and the City. It is envisaged that it will be an iconic entrance point into Soweto—a place to live, work and play.

The development phases are:

Phase 1: Consists of Erven 4, 5, and 6, which comprise four-storey dwelling units yielding 724 social and inclusionary housing units

Phase 2: Consists of Erven 7, 9, and 10, which comprise four-storey dwelling units yielding 3 578 housing units.

Way forward

Conclude township establishment and proclamation.

- Ncube Incorporated Attorneys have been appointed to handle the removal of the restrictive condition in the title deed.
• Section 33 notices were sent to National and Provincial Treasury for their comments. Notices were also advertised in the newspapers and on the JPC website for comments, together with an Information Statement and the Draft Agreement.
• Following the comments received from both treasuries, a section 33 report is currently advancing through the committee approval process.
• A Sale and Lease Agreement has been negotiated between the parties. This has been signed by Calliper and is awaiting JPC's signature, following section 33 approval. Plans for the replacement boundary wall were submitted by Calliper to the City on 11 October 2024 for approval.

Project Status

- In terms of the EAC award, it was resolved that in the event of the joint venture's withdrawal, the second highest bidder would be awarded the tender.
• The second highest bidder, Calliper Consulting Engineers (Calliper), was approached and indicated its eagerness to accept the award and to proceed with the development.
• A letter of award was sent to Calliper on 1 July 2024 and an acceptance letter was received on 2 July 2024.
• Environmental authorisation was obtained from the Gauteng Department of Agriculture and Rural Development.
• Township establishment is currently underway.



Figure 9: Map of Soweto Gateway Site



Figure 10: Aerial View of Soweto Gateway Site





Project Name: Power Park Student Accommodation

2024/25 FY Project Developments

The Power Park Student Accommodation Project aims to provide high-quality living spaces for students, with modern amenities and a vibrant community atmosphere. The development is strategically designed to cater to the needs of approximately 2 348 students across two phases. It aims to enhance students' university experience with modern amenities and a supportive community environment

Phase 2 has commenced, focusing on earthworks to facilitate the construction of an additional 1 500 beds. This phase is designed to harmonise with the architectural style and community feel established in Phase 1.

Current earthworks activities

- **Excavation:** Site preparation is ongoing, with excavation work being conducted to create a solid foundation for the new buildings.
- **Grading:** The site is being graded to facilitate proper drainage and structural integrity.
- **Soil testing:** Soil stability assessments are being performed to ensure safety and compliance with building standards.

Community impact

- **SMME empowerment:** 22 small, medium, and micro enterprises (SMMEs) have been empowered during the period under review, promoting local economic growth.
- **Job creation:** A total of 144 additional jobs have been created during the period under review, benefiting the community of Soweto and surrounding areas.

Next Steps

- **Finalise Phase 1:** Complete final touches and prepare for the official opening in due course.
- **Advance Phase 2:** Continue with earthworks and transition to the construction phase, ensuring that design and construction standards align with Phase 1.

The Power Park Student Accommodation Project is progressing successfully, with Phase 1 nearing completion and Phase 2 actively underway. The commitment to providing quality living spaces is evident, and the project promises to enhance the student experience significantly.

The project not only addresses student housing needs but also supports local economic development, demonstrating a commitment to community engagement and sustainable growth.

Project Status

- **Completion rate:** 80%
- **Building type:** Purpose-built student accommodation
- **Capacity:** Approximately 848 students in single rooms
- **Amenities:** Includes essential urban amenities such as study areas, common rooms, laundry facilities, and a fitness centre
- **Construction value to date:** R235 million
- **Activities:** Construction of final finishes, utility connections, and landscaping are underway to prepare for the opening in due course.

Project Challenges/Delays

Challenges encountered:

- **Weather conditions:** Rain has occasionally impacted the schedule, but the project team is actively managing these delays.
- **Utility coordination:** Working with existing underground utilities has required careful planning to avoid disruptions.





Project Name: Orlando Ekhaya Waterfront Development

2024/25 FY Project Developments

Development Objectives

The Orlando Ekhaya precinct is a mixed-use development located at the eastern entrance to Soweto. This area is centred around the Orlando Dam and Orlando Towers, which are vibrant attractions and popular for various adventure activities. The precinct aims to become a regional hub for:

- Affordable housing
- Affordable student accommodation
- Retail outlets
- Sports and recreation
- Tourism attractions
- Investment opportunities

- Promote a variety of land uses that take advantage of its prime location near the Baralink Node.
- Complement and enhance existing commercial, educational, retail, hospitality, and training facilities.
- Improve connectivity between neighbourhoods, enhance urban spaces, diversify land use, activate waterfront areas, and identify key development projects within the precinct.
- Centre development around the Orlando Dam and Towers, which are known for adventure activities.
- Ultimately, establish a proud destination for the local community that enhances Soweto's identity.

The Orlando Ekhaya Precinct is making significant progress, with three properties awarded to developers for affordable housing and student accommodation. There is a clear commitment to delivering quality living spaces, which will enhance the experiences of both residents and students. This project addresses housing needs while also fostering local economic development, sustainable growth, job creation, and support for SMMEs, reflecting a strong commitment to community engagement and sustainability.

Property Description

Project Status

Project Development Type

Erven 13, 14 & 15 Orlando Ekhaya

Released and awarded through an open public tender process.

Mixed-use development focused on affordable housing and student accommodation

Property undergoing necessary town planning process.

Erven 31, 36 & 41 Orlando Ekhaya

Scheduled for release via an open public tender process in October 2024. The properties have undergone various land studies (i.e. valuation of the properties, as well as geotechnical and environmental studies)

Mixed-use development emphasising commercial, educational, retail, conferencing, institutional, sports, recreation, and training facilities

Erf 38 Orlando Ekhaya

Scheduled for release via an open public tender process in Q3

Mixed-use development featuring a commercial recreation facility that includes various sports facilities, wellness centres, conference centres, restaurants, and a recreation resort with ancillary uses

Vision for the Precinct

The objective is to revitalise Soweto into a dynamic urban district that offers job opportunities, diverse amenities, and essential social services. This initiative aims to enhance the local economy and support small businesses. Key features of the proposed mixed-use area include:

- A striking entrance to Orlando Ekhaya that draws in tourists.
- Job creation for the local community.
- Support for SMMEs.
- A vibrant, 24-hour hub for nearby residents.
- Affordable housing and student accommodation options.



Section 5 Special Projects

Section 5.1: Inner City Revitalisation

Johannesburg Inner City Revitalisation

The Johannesburg Inner City Revitalisation is to be implemented in the following two phases:

Phase 1: Short Term

The following properties are CoJ-owned and heritage-protected and have been deemed unsafe for human habitation. The High Court has since issued evacuation orders for the following buildings:

Name of Building	Property Description	Current Use
1. Vannin Court	Erf 5216 Johannesburg	Residential
2. MOTH Building	Erf 1349 Berea	Residential
3. Casa Mia	Erf 1865 Johannesburg	Residential

Table 40: Buildings Deemed Unfit for Human Habitation

JPC is part of the CoJ Inner City Executive Team, led by the City Manager and the Group Chief Operating Officer, that is in the process of evacuating the occupants from the uninhabitable buildings in line with the evacuation declaratory orders obtained from the courts.

JPC has provided the Executive Team with a list of appropriate sites (e.g. applicable zoning and correct size) to be used as potential evacuation sites. The other departments are conducting an occupancy audit and affordability assessment, evacuation site land preparation (cleaning, rubble removal, land grading, and installation of services) and stakeholder engagements.

In terms of the plan, the CoJ Inner City Executive Team intended to demolish the buildings immediately after evacuation to prevent re-invasion. However, this has been halted by the Provincial Heritage Resources Agency of Gauteng (PHRAG), which insists that due to the Court's declaratory order, the buildings are

heritage-protected. The PHRAG requires a formal heritage application, including a comprehensive structural assessment report, to be submitted to their office for approval prior to demolition.

Once the building has been evacuated, JPC will immediately secure and make Vannin Court uninhabitable, while the Johannesburg Social Housing Company (JOSHCO) will do the same for the MOTH building and the Casa Mia building. JPC intends to release Vannin Court out on tender for mixed-income residential development.

Phase 2: Long Term

Derelict and problematic buildings (both private and government-owned) have been identified as significant contributors to Inner City decay. These buildings include:

- Slumlorded buildings
- Abandoned buildings
- Hijacked (illegally occupied) buildings
- Dilapidated and uninhabitable buildings

JPC has identified various strategic interventions to regain control of these buildings, including:

- **Abandonment:** Properties are acquired through a process whereby owners voluntarily relinquish properties to the CoJ in lieu of outstanding debt.
- **Purchase:** Properties are sometimes acquired on the open market for strategic purposes. This may include acquiring adjacent properties to enable the efficient development of City-owned property.





- **Mixed-use development:** Properties are acquired to facilitate a mixed-use building. This may include a linear market on the ground floor, storage facilities for traders, and workshop spaces (for artisans) on the first and second floor, and residential units (whether via CoJ, Human Settlements, JOSHCO, or private developers) on the remaining upper floors.
- **Expropriation:** Properties are

acquired in terms of the Expropriation Act. This method should only be used once the acquisition agreement has been rejected or has been unsuccessful. Properties should only be expropriated in the public's interest and for the public good. This may be due to properties being neglected, unsafe, or used for unlawful activities.

- **Donations:** The Municipality may approach landowners and negotiate

the acquisitions of land through a donation process. The Municipality may use incentives (tax exemptions) during negotiations.

In order to address the challenge of problematic buildings, a working group comprising JPC, the Johannesburg Development Agency, and CoJ Development Planning was created.

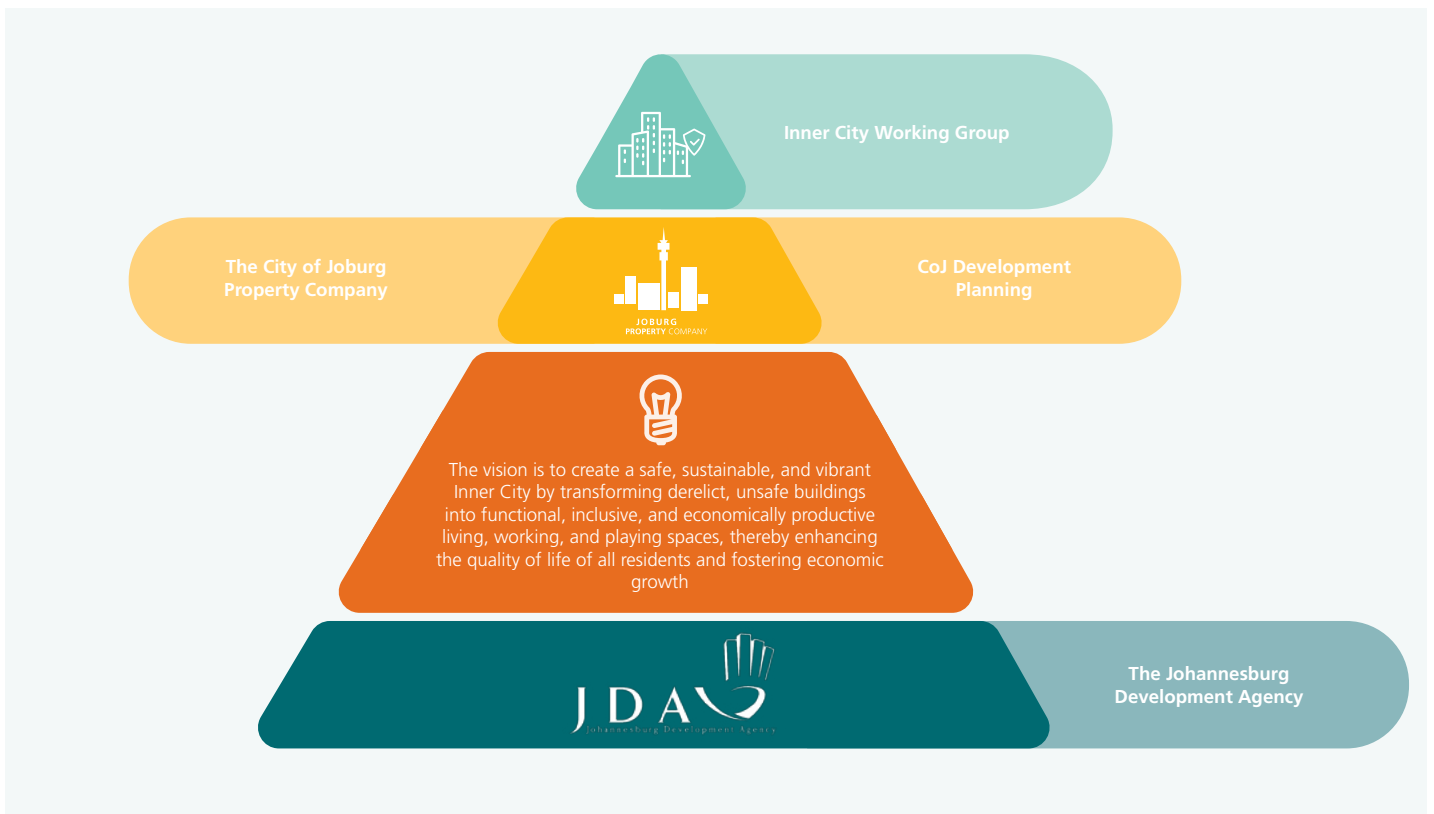


Figure 11: Inner City Working Group





Through a coordinated and seamless approach, the working group agreed to address Inner City decay, which includes problematic buildings, using a precinct approach. The precincts should consider:

- Identification of problematic buildings and mechanisms of regaining control.
- Identification and assessment of heritage issues to ensure integration of cultural preservation in redevelopments, as well as clear guidelines for addressing heritage issues.
- Analysis of densification opportunities.
- Completion of comprehensive structural assessments.
- Execution of infrastructure audits and upgrades.
- Analysis of market demand.
- Implementation of public environment upgrade.
- Adoption of a joint approach with CoJ Human Settlements to determine housing development requirements for both CoJ and private developers and required temporary alternative accommodation.

- Identification of potential partnerships (development and/or facilities maintenance).
- Development of a robust financial model that will ensure private sector access to funding.
- Creation of a baseline study that will provide data on project planning, project design, and decision-making processes. Components of the baseline study include:
 - Site and surroundings analysis: A detailed description of the precincts, geographical location, size, current and historic land use patterns, zoning, an environmental study relating to chemicals that could be released during demolition (e.g. asbestos), a socio-economic profile, and demographics of the area.
 - Economic analysis: Assessment of employment rates, income levels, and main sources of livelihood.
 - Infrastructure assessment: Analysis of availability and condition of utilities (water, sewage, and electricity),

transportation networks within the Inner City, and future upgrade plans.

- Regulatory framework analysis: Review of zoning, land use regulations, environmental property regulations, property ownership and tenure, and building and urban management legislation.
- Stakeholder management plan: Development and implementation of engagement strategies.

The working group prioritised the following precincts, with other precincts to be incorporated later:

- Usindiso Precinct
- Kwa Mai Mai Precinct
- High Court Precinct
- Lillian Ngoyi Precinct

The plan in Figure 12 illustrates the linkages between the precincts.



Figure 12: Linkages Between Precincts





Usindiso Precinct

Forty-two (42) privately owned problematic buildings have been identified, and JPC has appointed a tracing company to locate the registered owners of these buildings.

- The municipal accounts of 3 of the 42 problematic buildings are in arrears of more than R1 million.
- The following three (3) CoJ-owned problematic buildings are located within the precinct:

- Erf 1210 Marshalltown
- Erf 342 and 343 City and Suburban
- Erven 272, 273, 274, 279 and Portions 269, 271 and 280 City and Suburban

Erf 1210 Marshalltown

Zoning: Industrial

Current use: Portions of the building remaining after the fire

Proposed use: The site, together with Erven 342 and 343 City and Suburban (CoJ owned) and Erven 339, 340, 341, 144, 345, 346, and 347 City and Suburban (privately owned), is to be consolidated and redeveloped in support of the Usindiso Block Regeneration Project. The Usindiso Block is to be developed as a medium- to high-density mixed-use node, with good quality, affordable rental housing units of different typologies as the main driver.

The report pertaining to the acquisition of Erven 339, 340, 431, 344, and 345 City and Suburban is at Sub-Mayoral level, with Council approval anticipated by February 2025.

Plan of action:

- A comprehensive structural assessment is to be completed by a Structural Engineer by the end of October 2024.
- A Heritage Specialist is to be appointed by mid-October 2024 and the heritage application submitted by the end of October 2024.
- A Town Planner is to be appointed for the consolidation and rezoning of the properties in support of the Usindiso Block Regeneration Project.
- A section 14(2) report was approved by JPC Transactions and the Executive Management Team (EMT), and approval by Sub-Mayoral, Mayoral, and Council was anticipated by November 2024.
- The site is to be consolidated with Erven 342 and 343 City and Suburban (CoJ-owned) and Erven 339, 340, 341, 344, 345, 346, and 347 City and Suburban (privately owned) in support of the Usindiso Block Regeneration Project.
- The report for the privately owned properties, Erven 339,



Figure 13: Usindiso Block – Marshalltown

340, 341, 344, 345, 346, and 347 City and Suburban was approved by JPC Transactions and the EMT, and we anticipate having the report approved by Sub-Mayoral, Mayoral and Council by no later than end November 2024.

Erf 342 and 343 City and Suburban

Zoning: Industrial

Current use: Three-storey buildings with residential units and shops on the ground floor

Proposed use: The site, together with Erf 1210 Marshalltown (CoJ-owned) and Erven 339, 340, 341, 144, 345, 346, and 347 City and Suburban (privately owned), is to be consolidated and redeveloped in support of the Usindiso Block Regeneration Project. The Usindiso Block is to be developed as a medium- to high-density mixed-use node, with good quality, affordable rental housing units of different typologies as the main driver.

The report pertaining to the development and lease of Erven 342 and 343 City and Suburban is to be tabled at Sub-Mayoral level, scheduled for 12 December 2024 and Council approval is anticipated by the end of March 2025.

Plan of action:

- Occupancy audit to be conducted by end October 2024.
- The above occupancy audit will be conducted by the end of February 2025 to enable JPC to develop a Temporary Alternative Accommodation strategy in consultation with Human Settlements.
- Relocation strategy to be finalised by the end of November 2024.
- A section 14(2) report was approved by JPC Transactions and the EMT, and approval by Sub-Mayoral, Mayoral, and Council was anticipated by November 2024.
- A Town Planner is to be appointed for the consolidation and rezoning of the properties in support of the Usindiso Block Regeneration Project.





Erven 272, 273, 274, 279, and Portions 269, 271, and 280 City and Suburban

Zoning: Industrial

Current use: Old filling station used as an illegal taxi holding area

Proposed use: Filling station with ancillary uses.

Plan of action:

- A request was submitted to the Department of Mineral Resources and Energy to confirm whether the site license exists and/or is valid. JPC is still awaiting feedback.
- A section 14(2) report was approved by JPC Transactions and the EMT, and we anticipate having the report approved by Sub-Mayoral, Mayoral, and Council by November 2024.
- The anticipated approval date has been set for 12 December 2024.
- JPC has requested the Department of Mineral Resources to confirm whether a site license is available on-site. Confirmation is expected by January 2025.

Kwa Mai Mai Precinct

- Twenty-seven (27) privately owned problematic buildings have been identified in the Kwa Mai Mai Precinct, and a tracer has been appointed to locate the registered owners of these buildings.
- The municipal accounts of 3 of the 42 problematic buildings is in arrears of more than R1 million.
- The CoJ owns three problematic buildings within the precinct.
- CoJ Human Settlements has submitted a report to Council requesting permission to acquire more than 13 land parcels located within the Kwa Mai Mai precinct from Transnet
- The working group and CoJ Human Settlements are to appoint an Urban Designer to develop a precinct plan of the area to provide a framework for guiding development and identifying catalytic projects, by the end of November 2024.
- We anticipate having the precinct plan completed by June 2025.

JPC is to implement the following interventions in support of the revitalisation of Kwa Mai Mai:

- Infrastructure maintenance: The RFQ has been advertised and will be awarded by 20 December 2024, with implementation commencing by 07 January 2025.
- Food court: The appointment of an architect for the redesign and reconfiguration of the Kwa Mai Mai food court is expected to enhance both functionality and aesthetics. The RFQ for this was advertised and is to be awarded by

20 December 2024 and implementation to commence by 07 January 2025.

- Fire safety compliance: CoJ EMS is to facilitate compliance requirements by 07 January 2025.
- Occupancy audit: The RFQ for those residing on the premises will be advertised by 13 January 2025 and awarded by the end of January 2025. This information will assist in the formulation of the Temporary Alternative Accommodation Strategy.
- Repairs and maintenance (R&M): Various R&M work is underway.

CoJ Human Settlements is in the process of acquiring a number of properties in the area to address the housing backlog.

High Court Precinct

- More than 80% of the building is in a good condition and comprises, among others, the High Court, Marble Towers, the Post Office Mall anchored by Boxer, Schreiner and Pitjeng Chambers, and the National Prosecuting Authority offices.
- The 20% of the buildings that are problematic include Erven 1093 to 1095 Johannesburg (Tower House), Erven 4803 and 4804 Johannesburg, and Erven 4850, 611, 4548 Johannesburg.
- JPC is to obtain the rates account balance of the problematic buildings from revenue and locate the owners to enable it to determine the appropriate approach of gaining control of these buildings.
- Street traders occupy the pavements, making it difficult for pedestrians to navigate the streets.
- Small street traders play music at high volumes, disrupting court proceedings.

Lillian Ngoyi Precinct

- Thirty-five (35) privately owned problematic buildings have been identified; JPC has appointed a tracing agent to locate the registered owners of these buildings.
- The municipal accounts of more than six (6) of these buildings are in arrears of more than R1 million.
- Lillian Ngoyi Street was recently damaged by an explosion and the contractor that was appointed to repair and reinstate the street has since been terminated.
- Public infrastructure upgrades have been proposed.





Bertrams Precinct

- This precinct is bounded by Bertrams Road, Liddle Street, Berea Road, and Gordon Street in Bertrams.
- CoJ awarded the development of Erven 93, 94, 95, 114, 116, 118, 121, and 122 Bertrams to Gauteng Partnership Fund-nominated developers.
- **Construction by Developer 1** (Development of Erven 96, 121, and 122 Bertrams): The properties are to be developed into student accommodation and will yield 107 beds. Construction is 70% complete and practical completion is to be reached by the end of June 2025.
- **Construction by Developer 2** (Development of Erven 114, 116, and 118 Bertrams): The properties are to be developed into student accommodation and will yield 2 beds. Funding approval and planning approvals have been obtained and construction is to commence in February 2025.
- **Construction Developer 3** (Development of Erven 93, 94, and 95 Bertrams): The properties are to be developed into student accommodation and will yield 105 beds. The developer has obtained funding from primary funders and is awaiting approval from a secondary funder by April 2025. Construction is set to commence by July 2025.

A Council resolution has been passed for the development and lease of Erven 86, 87, 92, 119, and 120 in Bertrams. The rezoning application of the site was submitted, and one (1) objection was received. JPC is awaiting a tribunal date from Development Planning. A comprehensive condition assessment will be conducted on Erf 88, Bertrams (Luxmor Building) to enable the JPC Legal team to submit an application for the evacuation of occupants, as the building is not structurally sound.

Mining Belt

The property is located at 31 Ashburton Street in Riverlea, along the mining belt of the City of Johannesburg. It is adjacent to the Riverlea residential area and borders the N1 on the western side, Colorado Drive to the east, and Turkey Road on the property of the site.

The site was previously used for mining purposes by DRD Gold Ergo (DRD), which currently holds the mining rights and has completed mining operations on the site. DRD has informed the CoJ about the reclamation and rehabilitation process they have commenced to make the site developable by CoJ.

Progress to date by DRD

- Mining activities concluded
- Mining residue removed
- Radiological clearance obtained
- DRD anticipates having the property fully rehabilitated and handed over to the CoJ

Section 5.2: Leasing and Sales Unit

The Unit is currently negotiating and finalising the lease of Erf 170 Newtown with Brickfields Housing Company for social housing development, at an estimated development cost of **R18 247 583**. The contract has been submitted to legal to facilitate the signing thereof.

Fifteen (15) properties to the value of **R634 million** were to be released out on tender for development lease and/or sale at the beginning of the second quarter of the 2024/25 financial year, with agreements anticipated to be finalised and signed at the beginning of the third quarter.

Construction of the following three (3) projects is to commence in the beginning of the third quarter:

Erven 495–501, and 516 Vrededorp (R60 million): Town planning approvals, site development plans, and building plans have been obtained. The funding application is at an advanced stage and the developers anticipate obtaining financial closure by the beginning of November 2024. The developers were to utilise their equity to commence civil works by the end of October 2024, and the building works are to commence by 25 January 2025. The advertisement for the appointment of a Community Liaison Officer is underway and was anticipated to be finalised by the end of September 2024.

Erven 114, 116, and 118 Bertrams (R35 million): Town planning approvals, site development plans, and building plans have been obtained. Funding and planning approvals have been obtained and construction is to commence in March 2025.

Erven 1633, 1637, 1638, and 1640 Turffontein (R40 million): Town planning approvals have been obtained. The funding application has been submitted and the developers anticipated obtaining the term sheet by mid-October 2024. Financial closure was expected by the end of November 2024, and construction is to commence between March and April 2025.





Section 5.3: Leasing and Space Planning

Office Accommodation and Parking Facilities for CoJ Departments and Entities for 9 years, 11 months

Project Challenges/Delays

JPC embarked on a competitive bidding process to secure leased office accommodation and parking facilities for all CoJ departments and entities for a period of 9 years, 11 months. The following buildings have been earmarked for the various departments:

- BCX Building (Region A) Ward Councillor
- 137 Daisy Street (Region E)
- Old Mutual Building (JRA/Transport)
- BCX Building (Region A)
- Traduna Centre (Region F User departments)
- 66 Jorrisen Place (DED)
- 66 Jorrisen Place (Pikitup)
- Libridge Building (Ombudsman)
- JD House (GICT)
- Eureka House (Region F, Springfield)
- Sappi Building (GSPCR)
- Sappi Building (GRAS/GFIS)
- Libridge Building (Metro Centre)
- Standard Bank Building (Metro Centre)

EAC approval reports were submitted to the EAC for the extension of leases in respect of Community Development Libraries for all regions of the City.

EAC reports were submitted for the extension of leases in respect of 222 Smith Street (Human Settlements), Turbine Hall (Joburg Water), and Braampark (JPC and Group Governance).

Project Challenges/Delays

No challenges or delays were experienced

Section 6 Outdoor Advertising

Project Description: Consent letters

To date, we have issued letters of consent to the media owners listed below, allowing the Planning Department to process their applications for the signs situated at Council-owned properties for consideration in terms of the CoJ's outdoor advertising by-laws:

- JCDecaux SA (Pty) Ltd
- Primedia Outdoor (Pty) Ltd
- FrontSeat One (Pty) Ltd
- Media Genius (Pty) Ltd

So far, 174 applications have been submitted for approval for various advertising formats. No approvals have been issued by the Planning Department.

Project Challenges/Delays

- Current by-laws do not permit the digitalisation of gantries, which will affect the approval of these signs.
- By-law approvals take a considerable amount of time to be issued by the Department of Development Planning.
- Revenue collection will be affected if high-value signs, such as gantry signs, are not approved in accordance with the by-laws.
- Low occupancy (i.e. when sites are not booked) will affect revenue collection as the majority of current erected signs are not booked by media buyers for advertising.

Project Opportunities/Focus

- Increase revenue to the City.
- Improve the profitability of out-of-home advertising media within the City.
- Address illegality and declutter the City.
- Ensure that all outdoor advertising media owners are properly contracted to display their signs. Currently, seven (7) lease agreements have been signed with various media owners.
- Ensure that the outdoor advertising sector is aligned with the transformation objectives of the City of Johannesburg. Currently, leases have been signed with black media owners.



Section 7

Information and Communication Technology

JPC has ten (10) projects aimed at improving the entity's information and communication technology (ICT) capabilities and operations. These projects focus on digital transformation, connectivity, backup continuity, disaster recovery, digital security, and ICT infrastructure.

The highlight of the quarter under review relates to the donation of ICT equipment to identified schools within the CoJ's borders.

Project Description	2024/25 FY Project Developments	Status
Digital transformation (Electronic Document and Records Management System – EDRMS)	<ul style="list-style-type: none"> Process mapping for departments (business process and analysis) has been completed. File plan drafts – two units are left for completion (Stakeholder Management and Cleaning Department); assets review is required. Training for the entire system – Managers' training is complete. Document module rollout is going live (on-the-spot training) – 39 uploads and review by Managers have been completed. Implementation of the Asset Management module is underway. 	Ongoing over a period of 36 months
JPC site connectivity	<ul style="list-style-type: none"> JPC and Metropolitan Trading Company (SOC) Limited (MTC) held a meeting to discuss connectivity of the JPC sites and additional sites. MTC forwarded a JPC connectivity proposal for all sites. JPC's Information Technology (IT) Unit started the SCM process to request proposals. A memo for approval to go out on tender was sent to the CEO's office. 	50% complete
Website hosting	<ul style="list-style-type: none"> Budget was approved for a 12-month hosting period. The motivation was approved for website hosting. The scope of work is being finalised, in line with Marketing Department requirements. SCM has completed the scoring and shortlisting. The SCM appointment process is being finalised. 	90% complete
Microsoft updated related projects	<ul style="list-style-type: none"> Microsoft Defender for Endpoint Microsoft Azure Arc Microsoft Azure Update Manager Microsoft Defender for Cloud Microsoft Sentinel Windows Hello For Business 	95% complete
Backup continuity and disaster recovery	<ul style="list-style-type: none"> Deploy Microsoft ASR Replication appliance on-premises. Configure Recovery Services Vault on Azure. Replicate one proof of concept (POC) server to Azure. Test disaster recovery of POC server. 	100% complete
Digital security and ICT infrastructure	<ul style="list-style-type: none"> Biometric and CCTV RFQs are both out for advertisement. 	50% complete
JPC Data Centre Service	<ul style="list-style-type: none"> Aircon RFQ is out on tender advertisement. 	50% complete
Licences for ICT applications such as Adobe Programme	<ul style="list-style-type: none"> The SCM process is being finalised. 	45% complete





Project Challenges/Delays

Project Opportunities/Focus

Digital Transformation – EDRMS:

- Automation for all established workflow process due to budget
- Additional licensing for all laptop users due to budget
- Reliance on primacy systems with CoJ as per the CoJ Smart City Programme
- User availability
- System workspace not aligning with File Plans

Automated centralised systems for all business processes

JPC Site connectivity

MTC forwarded a JPC connectivity proposal for all the sites; however, the proposal did not include the following services:

- Mimecast mail filtering
- 3G/LTE with APN for 400 users, with a monthly shared pool of 1TB – with a management portal
- DR – either a full-rack hosting solution or cloud hosting for virtual servers and storage
- MTC responded that they would not be able to provide these services

Backup continuity and disaster recovery (DR)

Migration to Azure is not supported on Windows Server 2008 R2 servers; therefore these servers need to be upgraded to a minimum compatible version (Server 2012 and higher) or decommissioned. All servers have been uploaded to Azure. Test outcome: The DR confirmed the server’s ability to recover from a simulated disaster scenario without any issues. Quality assurance: To ensure ongoing reliability and performance, additional DR testing is currently being conducted as part of our quality assurance processes.

Website Hosting

A Technical Evaluation Report was conducted, resulting in the need for further screening.

Details

Initial evaluation.



Council Chambers wall art & stairway



Section 8 Client Business Operations

Business Operations

In the previous quarter, one hundred and thirty-two (132) transactional reports were in the committee system. Currently, sixty-five (65) transactional reports are with the following CoJ committees:

- Five (5) reports are awaiting the MMC’s signature.
- Fifteen (15) reports remain pending for tabling at the Sub-Mayoral Committee.
- One (1) report remains pending for tabling at the Mayoral Committee.
- Twelve (12) reports remain pending for tabling at the S79 Economic Development Committee.
- Thirty-two (32) reports remain pending for tabling at Council.

In the period under review, fifty-five (55) reports were tabled and approved at the Council meeting held on 27–28 November 2024. These transactions include development leases, sales, and registration of servitudes.

Forty-two (42) matters arising stem from the various committees. The highest number of these matters emanates from the section 79: Economic Development Committee and has not been tabled for several meetings. The breakdown of the matters arising is presented in Table 41.

Name of Committee	Quarter 2 Number of Submitted Reports – Awaiting Tabling	Outstanding
Matters Arising: Section 79: Economic Development	34	4
Matters Arising: Section 79: Human Settlement	0	1
Matters Arising: Inner City Sub-Mayoral	0	2
S79 Petitions	0	1

Table 41: Number of Transactions in the CoJ System



Metro Centre





Open Petitions

In the quarter under review, the CoJ’s Petitions Unit undertook a process of resuscitating historical petitions that had not been resolved. Through this exercise, JPC was identified to have six (6) outstanding historical petitions. The total number of petitions stands at seven (7), comprising six (6) historical and one (1) current petition.

Petition Number	Description of Petition	Status
P104/02/16	Conversion to a multi-purpose centre and verification of ownership of Mampuru Hall in Dube	Open – Report was submitted to the Committee but was deferred to the next meeting.
P222/06/17	Request for construction of churches on institution sites (Site 554, 838, 1017, 383) – from Naledi Ext. 2 Soweto	Open – Report was submitted to the Committee but was deferred to the next meeting.
P250/04/18	Request for institutional land allocation for building of a church on stand no. 1915, Cnr Nkelenga & Manamane Streets, Stand 521 Cnr Umvumvu & Shimapana Streets, Stand 1002 Monee Street, Stand 11324 Cnr Nkelenga & Monamane Streets, Stand 1883 Cnr Nkelenga & Mulembu Street – from Lefhereng Ward 53	Open – Report was submitted to the Committee but was deferred to the next meeting.
P221/04/19	Request for fencing, maintenance, security, or demolishing of a structure on Erf 419 between Twala and September Streets due to its dilapidated condition and its use as a criminal hide-out – from Ward 25 Region D	Open – Report was submitted to the Committee but was deferred to the next meeting.
P107/11/19	Closure of passageways in Kenilworth	Open – Report was submitted to the Committee but was deferred to the next meeting.
P65/02/21	The illegal occupation of Municipal-owned property adjacent to Forest Farm Centre on the Western Bank of the Braamfontein Spruit, opposite the Field and Study Centre, Bryanston	Open – Awaiting submission from the author.
P135/01/24	Request for removal of illegal occupants at Parkhurst Bowling Club and Soccer Club on Victory Road, Parkhurst (Portion 246 and 247 Farm Braamfontein 53R) in Ward 117, covering Ward 87, Ward 117, Ward 90, Ward 80, and Ward 99 – Region B.	Open – Report was submitted to the Committee but was deferred to the next meeting.

Table 42: Number of Open Petitions





Client Servicing Unit

The Client Servicing Unit (CSU) attended to a total of one thousand five hundred and fifty-five (1 555) walk-in clients for the period under review relating to general property information, zoning, and ownership. A total of thirty-nine (39) enquiries were forwarded to Asset Management for further analysis. The assessments are conducted to determine whether properties are eligible to undergo circulation processes. These include matters wherein a caveat exists on a particular property, and/or if information on hand suggests potential transactions, and/or complexities requiring resolution by either a CoJ entity or department, or another sphere of government before JPC can transact.

JPC Performance Service Standards

In compliance with its service level standards (SLSs), JPC has adhered to the CoJ’s Shareholder Compact relating to client service functionality and turnaround times. Ten (10) SLSs are applicable for JPC. Table 43 outlines the service level standards over the current review period.

It should be noted that the reasons for the average fluctuation percentage of the quarterly SLSs are in line with the evidence provided by affected business units. The following key performance indicators (KPIs) were not measured, and therefore their performance was not scored;

KPI 7 was not measured because no tender was placed following Council and the CoJ Executive Adjudication Committee. No request for the internal allocation for land and buildings with a budget was received from departments and entities during this period.

KPI 9 was not measured because no survey was conducted on the condition of plant and equipment to assess the repairs and maintenance required for facilities managed by JPC.

Core Service	Service Level Standard	Q1	Q2	YTD TOTAL	Variance explanation
SLS 1.1 – Response in acknowledgement of requests, enquiries and complaints	Within 1 day of logged call	441	324	765	None
SLS 1.2 – Provision of answers and/or results related to the receipt of the requests and enquiries regarding properties	Within 3 days of logged call	301	189	790	None
SLS 1.3 – The performance of emergency work for JPC-managed facilities	Within 1 day of logged call	205	145	350	None
SLS 1.4 – Performance of minor works on facilities managed by JPC	Within 2 days of logged call	91	85	350	None
SLS 1.5 – Performance of major works on facilities managed by JPC	Within 5 days of logged call	09	01	10	None
SLS 1.6 – Completion of the sale or lease and registration of servitudes of Council-owned land	Within 6 months after Council approval in terms of Section 14(2) of the MFMA	0	12	12	None
SLS 1.7 – Placement of tender after Council and CoJ EAC approval	Within 4 months of CoJ EAC approval	0	0	0	None
SLS 1.8 – Internal allocation of land and buildings to City departments and entities (Permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	0	05	05	None
SLS 1.9 – Performance of surveys on the condition of plant and equipment to allow assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	15	0	15	None
SLS 1.10 – Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	25/25= 100%	14/14= 100%	39/39= 100%	None

Table 43: Service Level Standards





Section 9 Marketing and Communications

During the period under review, the following interventions/activities were undertaken:

JPC Wellness Day

On 6 December 2024, the entity successfully hosted a Wellness Day designed to boost employee well-being and productivity. The highlight of the event was the team-building activities, which strengthened teamwork and unity among staff.

Various services were provided by different stakeholders, including health screening, physical activities, financial planning consultations, and aerobics sessions.

Farmers Market and SMME Day

JPC presented its agricultural land parcels available for farming opportunities at the Joburg Farmers Market and SMME Day. Through a Permission to Occupy agreement, JPC will allocate land parcels to Joburg Market, enabling residents and entrepreneurs to cultivate fresh produce, thereby promoting economic sustainability. This event was aired on 15 December 2024 on Living Land, a show broadcast by SABC 2.



Nelson Mandela Day

JPC organised a Nelson Mandela Day event in which employees rallied together to embody the spirit of service and community that Mandela championed throughout his life.

A high point of the day was a collaborative effort to clean up the Randburg Civic Centre, Market, and Taxi Rank by removing rubble, repairing windows, and general maintenance.

Media Coverage

During the period under review, media queries receiving prompt responses related to the Orange Grove Waterfall, Orlando Ekhaya, the CEO's contract coming to an end in September, Walter Sisulu Square of Dedication, Mofolo South Properties, and Portion 46 of Farm Houtkoppes 193 IQ.



Furthermore, media briefings were organised and focused on:

- **Metro Centre:** The office space accommodation initiative and its progress. Operation Clean-Up took place in a bid to improve the tidiness of the area and make it more presentable.
- **Parkhurst Bowling Club:** The site experienced illegal removal of occupants, along with the erection of fencing around the premises. Efforts were underway to clear the site, including the removal of debris.

- **MOTH Building:** The evacuation project forms part of an ongoing initiative to address pressing property concerns and hijacking of buildings in the Inner City. One hundred and forty-five (145) occupants were evacuated from the building.

Outreach and Awareness Campaigns

In the quarter under review, the following outreach and awareness campaigns took place:

- As part of our ongoing education and awareness efforts, the Stakeholder Management Team visited Kaalfontein to engage with the community, educate residents, and raise awareness about JPC's role and services.
- JPC joined forces with various stakeholders to support SMMEs in Roodepoort. The day was focused on leasing of municipal assets and providing entrepreneurs with crucial insights into accessing JPC-managed properties to drive business growth and opportunities.
- A site visit was conducted at Kwa Mai Mai and Faraday to gain a deeper understanding of the needs of informal traders and explore opportunities to improve market facilities, benefiting both traders and local communities. Additionally, the team performed an audit on stalls at the Kwa Mai Mai Market, focusing on compliance and the organisation of the trading environment.
- Informal trading verifications and engagements with traders were seamlessly conducted at Kliptown and Bara as part of the Department of Economic Development's informal traders' permit system.
- To ensure that all informal trading activities comply with City by-laws and regulations, a verification of traders and stalls was conducted at





Fordsburg on 16 August 2024. This would allow the City to better manage services such as waste management, water, and sanitation in trading areas.

- The JPC team conducted a verification process for informal traders at the Hillbrow Market to ensure compliance with regulations. This initiative aimed to support a fair and safe trading environment for all traders.
- The team participated in a civic education drive in Diepsloot, together with other City departments.
- JPC participated in a community-based planning meeting, held at Danie van Zyl Hall.
- The JPC team visited Region F in Kensington, at Royal Oak and Leicester, to engage with residents about the management of sanitary lanes. During this informative session, the team shared details about the processes involved and provided guidance on how residents can apply.

Newsletter

The internally published Zikhiphani newsletter keeps employees informed about and engaged with JPC’s projects, programmes, activities, and achievements.



Brand Visibility and Social Media Updates

As part of Women’s Month celebrations, Joburg Pulse Radio interviewed JPC’s Property Portfolio General Manager. She shared her remarkable journey in the property industry and highlighted JPC’s crucial role in the City’s development.

Media House

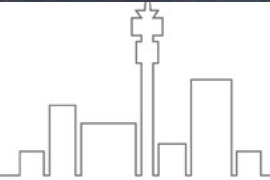
JPC received approximately 2 033 870 positive mentions from various media houses.

Instagram Page

JPC’s previously dormant Instagram page was revived in October 2024 and has since achieved 1 900 views.

Facebook Updates

Facebook reach has grown significantly, with a 12.3% increase in visits to the JPC page and a 42.9% rise in followers since October 2024. The page has attracted 93 000 views.





Chapter 4 Human Capital Management



Section 1 Human Resources and Organisational Management

JPC’s Human Capital (HC) enables the business to provide an environment that is empowering and conducive to excellence and high performance. To support the new JPC’s strategic intent, vision, mission, and values, an HC Strategy and a Culture and LeaderShift Programme were developed as a blueprint for high levels of performance.

Critical to implementation of the strategy is effective sponsorship, collaboration, and championing of HC programmes, as well as HC capability and capacity. Through effective employee engagement, a change management programme will ensure the embedding of an ideal culture, strengthen the foundation of HC service delivery, and support JPC in acquiring necessary new capabilities.

Human Capital will embark on the following critical initiatives:

- Launching a culture and LeaderShift journey.
- Determining organisational critical, priority, and scarce skills, as well as functional and leadership competency frameworks.
- Fostering engagement and consultative processes with labour to enhance sound employment relationships.
- Building HC capacity to ensure the effective delivery of people management practices.
- Developing a cadre of exceptional property management and development practitioners.

- Designing and implementing an Onboarding Programme for both new and existing employees.
- Digitising HR processes, such as a careers webpage and a high-potential assessment system.

Section 2 Human Capital Landscape

Organisational Management

The approved staff establishment comprises **2 148** positions, with a total of **645** vacancies. Of these, **610** are unfunded and 35 are funded. The entity’s vacancy rate stands at **30%**, which is considered high and is exacerbated by the lack of funding of vacancies.

Employee Remuneration and Cost Including Executives

The mid-term salary bill for July to December 2024 amounted to **R308 908 592**.

The following transactions occurred during the second quarter payroll:

- 4.5% cost-of-living increase for the current financial year.
- Politically Facilitated Agreement notch adjustments to qualifying employees with back payment for July 2024.
- Adjustment of all related employee benefits such as homeowners allowance, which increased to **R1 114.39** and the medical aid limit which is now **R5 514.86**.
- Payment of acting allowances for critical vacancies that have not been filled due to budget constraints.
- Leave encashments.
- 13th cheque payouts.

Overtime

The total overtime expenditure for the mid-term of the 2024/25 financial year amounts to **R10 307 639**, accrued by an average of **389** employees per month.

Recognising that high overtime may pose a risk to employee wellbeing, along with the associated costs, strategic measures are needed to manage workloads and schedules more effectively. Human Capital, in collaboration with the Cleaning and Facilities Department, has identified ways to reduce overtime from previous months. The departments work closely to enable an effective and cost-efficient shift pattern, particularly in areas where overtime occurs most frequently.

The graphs in Figure 14 illustrate overtime staff and expenditure per quarter, revealing a notable reduction in costs between the first and second quarters. This decrease can be attributed to the implementation of an overtime verification process, in which overtime submitted for payroll input is validated against the authorisation granted to the department.

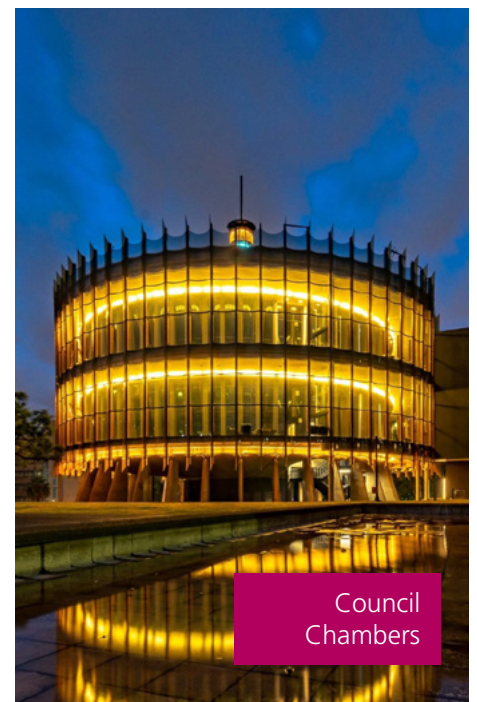




Figure 14: Total Staff Working Overtime & Financial Impact End December 2024 – YTD

Staff Movements

As indicated in Figure 15, at a rate of 1%, staff turnover was low, primarily due to the following breakdown of nineteen (19) employees who were terminated during the reporting period.

Deceased: Six (6) employees passed away.	Retirements: Two (2) employees resigned.	Dismissals: Six (6) employees were dismissed.	Retirements: Five (5) employees retired.
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The six dismissals were a result of abscondment. Several requests for the extension of retirement have been made and will be managed through a mentorship programme, set to be implemented in October 2024. This will enable the sharing of knowledge and shadowing of pre-retirees by the younger generation for sustainability and an empowered workforce.

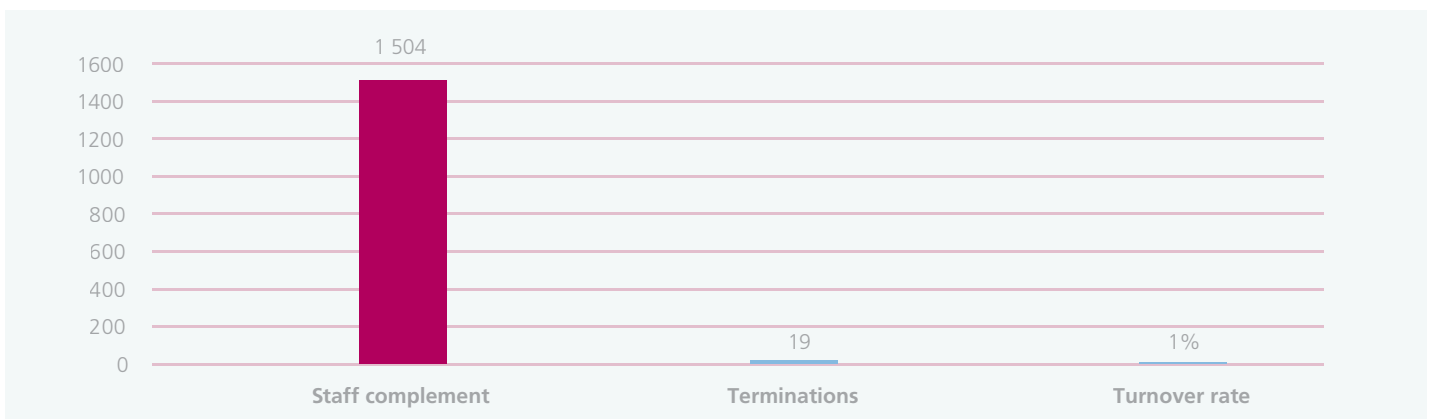


Figure 15: Staff Turnover Rate End December 2024 – YTD





Section 3 Key Vacancies

The process of filling strategic and critical positions will be revisited to capacitate the business so that it meets its strategic goals. The positions outlined in Table 43 were approved as critical positions and will be advertised and filled before the end of third quarter of the 2024/25 financial year. JPC is complying with the City of Johannesburg Metropolitan Municipality’s objective of ensuring that critical positions are presented at the Strategic Appointment Panel. This is to ensure that internal displaced employees are considered prior to advertising positions.

Position	Department	Status
Chief Operating Officer	Operations	The position will be re-evaluated and advertised
Chief Financial Officer	Finance	The position will be readvertised, with an acting incumbent currently filling the role.
Committee Officers	Finance & SCM	These positions will be advertised and filled before the end of the third quarter of the current financial year 2024/25
Senior Manager: Supply Chain	Finance & SCM	
Manager: Supply Chain	Finance & SCM	
Manager: Finance	Finance & SCM	
Manager: Debtors	Finance & SCM	

Table 44: Key Vacancies





Section 4 Employment Equity and Workforce Demographics

JPC’s total employment equity demographics in Table 45 include permanent and temporary employees. For the period under review, the total workforce is **1 504**, including two (2) temporary employees.

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	I	W	
Top Management (1&2)	0	0	0	0	0	1	0	0	0	0	1
Senior Management (3&4)	6	0	1	0	4	0	0	0	0	0	11
Professional qualified & experienced specialists and mid-management (5&6)	20	1	2	2	21	1	2	3	0	0	52
Skilled & qualified workers, junior management, supervisors, foremen, superintendents (7&8)	83	5	6	5	94	14	2	0	1	0	210
Semi-skilled and discretionary decision making (9&10)	44	5	1	0	14	9	0	0	0	0	73
Unskilled and defined decision making (11)	297	0	0	1	848	9	0	0	0	0	1 155
Total Permanent Staff	449	11	10	8	981	34	4	3	1	0	1 501
Temporary Employees	1	1	0	0	0	0	0	0	0	0	2
GRAND TOTAL	450	12	10	8	981	34	4	3	1	0	1 504

Table 45: Employment Equity and Workforce Demographics

Racial and Gender Split with Gap Analysis Against EAP Targets

JPC’s workforce status is based on the current provincial economically active population (EAP) as at the end of December 2024.

EAP Target Demographics	JPC Actuals								
	Male %	Female %	Target Total %	Male %	Female %	Total %	Male No.	Female No.	Total Number
Africans	45%	35.9%	80.90%	29.94%	65.27%	95.21%	450	981	1 431
Coloureds	1.70%	1.60%	3.30%	0.80%	2.26%	3.06%	12	34	46
Indians	2.10%	1.10%	3.20%	0.67%	0.27%	0.93%	10	4	14
Whites	7.00%	5.70%	12.70%	0.53%	0.20%	0.73%	8	3	11
Total	55.80%	44.30%	100.1%	32.00%	68.00%	100.00%	481	1 022	1501
People with Disabilities			2.00%			0.40%			6

Table 46: JPC Workforce Demographics in Terms of EAP Targets





Gender and Racial Split Analysis

JPC’s gender distribution consists of 68% female and 32% male representation. No significant changes in percentages were recorded for terminations or in the racial split.

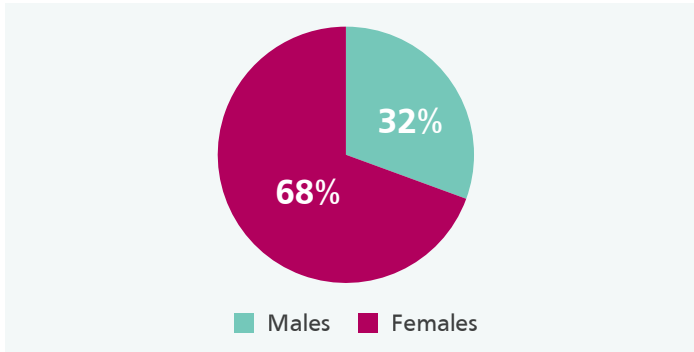


Figure 16: Gender Split

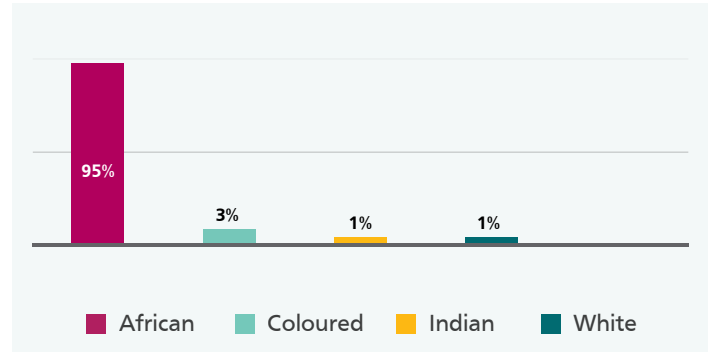


Figure 17: Racial Split

Objectives of the Employment Equity Skills Development Forum

The primary objective of the Employment Equity Skills Development (EESD) Forum is to ensure that JPC adheres to its legal obligations under the Employment Equity Act and the Skills Development Act. The forum aims to promote equitable representation in the workplace and facilitate continuous employee development to enhance productivity and growth within the organisation. JPC conducted an employment equity and skills development awareness nomination and election across various departments from 8 to 12 July 2024. The nomination process was inclusive, covering all regions from A to F, ensuring every JPC employee had the opportunity to participate.

- Simphiwe Ngejane: Senior Manager: EESD
- Nelson Koma: EESD Chair
- Zinhle Dongo: EESD Deputy Chair
- Kayuri Maharaj: EESD Secretary
- Jeremiah Motau: EESD Deputy Secretary
- Maryn May: Project Coordinator
- Jeanette Gongotha: Project Coordinator
- Athi-Enkosi Duda: Project Coordinator
- Mfundo Mdlalana: EESD HR Representative
- Kgomotso Molepo: EESD HR Representative

culture. The overall outcome is a healthier, more equitable workplace that is better positioned to adapt and thrive in the future. By making EESD a core part of the organisational strategy, we aim to create a culture that drives sustainable growth and diversity, as well as employee engagement and satisfaction.

Composition of the EESD EXCO Forum

The EESD Forum comprises 24 members, ensuring diverse representation of the company’s workforce and reinforcing its commitment to inclusivity. The following members were elected as part of the EXCO and will primarily ensure ongoing, two-way communication between the forum and senior management.

Impact of Organisational Culture

The integration of employment equity and skills development has a far-reaching impact on organisational culture. It fosters inclusion, fairness, learning, and collaboration, while promoting ethical leadership and strengthening the organisation’s reputation for social responsibility. Employees are more engaged, innovative, and aligned with the company’s goals, leading to a more dynamic and resilient organisational





Section 5

Employee Capacitation

Implemented Training and Development Initiatives to Address Competency Gaps

During the period under review, HC Management has been consolidating Individual Development Plans to ensure a more targeted approach to development, as well as publicising the training calendar. Three hundred and ninety-seven (397) employees were trained through various skill development initiatives, reinforcing

our commitment to employee growth and wellbeing.

Career development opportunities and wellness play a pivotal role in fostering a positive work environment. These efforts not only reduce turnover but also significantly enhance employee

morale. When employees feel valued and supported, their job satisfaction naturally increases, resulting in greater loyalty and improved performance. This, in turn, drives tangible business outcomes, including increased profitability and stronger competitive advantage.

Section 6

Disciplinary Matters and Outcomes

Current Internal Cases

Seven (7) disciplinary cases are historical and predate the period under review. These cases encompass a broad range of violations as outlined in Table 47, including breaches of company policies and the Municipal Finance Management Act (MFMA). Currently, four (4) disciplinary matters are in progress, with proceedings

set to determine their outcome or resolution.

Four (4) cases have been concluded, resulting in the dismissal of six (6) employees, for abscondment, two (2) for fraud, corruption and bribery, and one (1) with a final written warning.

Nature of Incident	Status	Action Taken
Fraud and corruption	Resolved	Dismissed
Irregular expenditure, insubordination and misrepresentation	Ongoing	The matter has sat down and will continue in the third quarter.
Irregular expenditure	Ongoing	Hearing will commence in the third quarter.
Bribery and misrepresentation	Resolved	Dismissed
Bribery, dishonesty and misrepresentation	Ongoing	Hearing will commence in the third quarter.
Abscondment	Ongoing	Hearing will commence in the third quarter.
Bribery and corruption	Resolved	Final written warning and two days' suspension
Abscondment (six cases)	Resolved	Dismissed

Table 47: Disciplinary Cases





Grievances

Three (3) grievance cases have been filed, one (1) of which has been resolved to the employee’s satisfaction. The remaining two (2) cases remain unresolved as the session had to be postponed due to the representative’s unavailability.

Nature of Grievance	Status	Action Taken
Harassment	Ongoing	Postponed due to the unavailability of the representative; to be rescheduled.
Ill-treatment	Ongoing	Postponed due to the unavailability of the representative; to be rescheduled.

Table 48: Grievances

External Disputes

During the period under review, two (2) matters have been referred for external dispute resolution. The first case, involving an unfair labour practice, is being handled by the South African Bargaining Council and remains unresolved. The second matter, a review application, is with the Labour Court and is yet to be finalised.

Forum	Date Resolved	Status
SALGBC	28 August 2024	Closed: Application was Dismissed
Labour Court	October 2024	Application closed.

Table 49: External Matters

Section 7

Union Representation

Implemented Training and Development Initiatives to Address Competency Gaps

Union representation among JPC is as follows: 79% are members of SAMWU (South African Municipal Workers’ Union), 33% belong to IMATU (Independent Municipal and Allied Trade Union), and 1% are non-union members subject to agency shop fees. It must be noted that the percentages for both SAMWU and IMATU includes members with dual membership.

The term of SAMWU shop stewards concluded on 16 October 2024, after several extensions dating back to March 2024. Due to the absence of elections for SAMWU shop stewards at JPC, the previous shop stewards lack locus standi.





Section 8 Leave Provision

The leave encashment during the period under review amounts to **R8 373 069**. Peak months during this financial year were July to October, as employees sought to alleviate financial strains.

Absenteeism: 2024/25 YTD (July – December 2024)

The absenteeism rate per department at JPC for the mid-term stands at 5%, which is considered high given the acceptable South African threshold of 3.6% to 6%. The elevated rate of unplanned leave is attributed to a flu outbreak during the winter season. This calculation aligns with national standards designed to uphold optimal employee performance and attendance within the organisation.

Abscondment Cases with Cost

To date, the total cost of abscondments amounts to **R1 090 490.15**. This cost

has been reconciled through payroll, as employees have since returned to work and have signed an Acknowledgement of Debt to enable the organisation to recover the salary amounts paid to employees who were absent without authorisation from line management.

Progress to Date

- Nine (9) cases were discovered between Q1 and Q2, increasing the number of live cases from sixteen (16) to twenty-five (25).

- Of the 25 cases, 11 employees have resumed work and signed Acknowledgements of Debt while awaiting resolution. Six (6) employees were dismissed in October 2024 for their abscondment.
- At this point, HC management is handling nineteen (19) abscondment cases, awaiting the appointment of the presiding officer.



Council Chambers Inside





Section 9 Employee Benefits

Table 50 illustrates the distribution of JPC employees’ membership across accredited pension funds. Pension fund membership is compulsory for all JPC employees, with the exception of the Chief Executive Officer, medically boarded employees already receiving pension fund payments, and temporary employees. Pension fund contributions increase in line with salary increases, as per the salary and wage collective agreement.

Pension Fund Membership	Total	Remarks
eJoburg Retirement Fund	1 461	Defined contributions
City of Johannesburg Pension Fund	31	Defined benefits
Municipal Employees Pension Fund	3	Defined contributions
Municipal Gratuity Fund	2	Defined contributions
Joint Municipal Pension Fund	1	Defined benefits
Non-Membership	5	CEO exception rule, temporary employees, and medically boarded employees
Totals	1 503	

Table 50: Distribution of JPC Employee Pension Fund Membership

Accredited Medical Aid Schemes Membership Distribution

Table 51 specifies the accredited medical aid schemes and distribution of membership to each scheme as at the end of December 2024. The provision is based on the 60/40 principle as set out in the Main Collective Agreement. The current maximum medical aid employer contribution rate to the accredited medical schemes is **R5 277.38** for the 2024/25 financial year, pending ongoing wage negotiations.

Medical Aid Scheme	Membership
Bonitas	184
Discovery	8
Sizwe Hosmed	38
KeyHealth	74
LA Health	209
SAMWUMed	217
Total Membership	730

Table 51: Distribution of JPC Employee Medical Aid Fund Membership





Declaration of Interest

Staff communication was issued for submission of the 2024/25 Declarations of Interest form, with the deadline set for 30 September 2024. A total of 1 418 employees submitted their declarations, out of a staff complement of 1 504, with only 21 employees declaring an interest. The compliance percentage is **94%**, and we are working to ensure that the

remaining 6% submit their forms.

Employee Wellness

JPC has partnered with Metrobus to contribute to employee wellness through their transport service. This six-month agreement will remain in effect until the appointment of a wellness service

provider. Human Capital management, in collaboration with Communications and Marketing, organised a wellness service day on 06 December 2024. Five (5) Employee Assistance Programme referrals were processed during this period, addressing grief, loss, financial distress, and family matters, with counselling sessions ongoing.





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Chapter 5 Financial Performance



Section 1

JPC Statement of Financial Position

	Note	2025 R,000	2024 R,000	Variance R,000	Variance %
Assets					
Current Assets		1 376 809	1 250 389	126 420	10.11%
Cash and cash equivalents	1	2	2	–	0.00%
Receivables from exchange transactions	2	1 049 171	931 203	117 967	12.67%
Loans to shareholders	3	325 242	318 594	6 647	2.09%
Receivables from non-exchange transactions	4	142	142	–	0.00%
Current tax receivable	5	2 253	–	2 253	100.00%
VAT receivables	6	–	448	448	-100.00%
Non-Current Assets		158 391	103 594	54 797	52.90%
Property, plant, and equipment	7	70 471	77 051	–6 580	–8.54%
Intangible assets	8	198	223	–25	–11.19%
Deposits	9	62 624	1 223	–61 402	5021.72%
Deferred Tax Asset	10	25 097	25 097	–	0.00%
Total Assets		1 535 200	1 353 983	181 217	13.22%
Liabilities					
Current Liabilities		1 379 178	1 291 826	91 631	7.09%
Payables from exchange transactions	11	279 167	345 490	–66 323	–19.20%
Current tax payables	12	–	7 747	–7 747	–100.00%
Finance lease obligation	13	5 760	8 279	–2 519	–30.43%
Loans from shareholders	14	1 043 998	920 356	153 643	16.69%
Provisions	15	3 479	7 757	–4 279	–55.16%
VAT payable	16	14 578	–	14 578	100.00%
Operating lease liability	17	2 196	2 196	–	0.00%
Non-Current Liabilities		28 685	28 685	–	0.00%
Finance lease obligation	13	28 002	28 002	–	0.00%
Employee benefit obligation	18	683	683	–	0.00%
Total Liabilities		1 407 863	1 320 511	91 631	6.94%
Net assets		127 337	33 472	93 865	280.43%
Share capital	19	5 143	5 143	–	0.00%
Accumulated surplus/(deficit)	20	122 195	28 329	93 865	331.33%
Total Net Assets/(Liabilities)		127 337	33 472	93 865	280.43%

Table 52: JPC – Financial Position as at 31 December 2024





Notes to the Statement of Financial Position

1. The petty cash float is maintained at R2 000 every month.
2. Included in trade receivables is a provision for bad debts related to facilitation fees amounting to R34 million. The total outstanding debt from related parties is R1.044 billion. JPC Finance engaged with all departments owing the City in September 2024 in an effort to collect these debts, resulting in cash collections exceeding R200 million during the second quarter.
3. This represents the CoJ Portfolio loan account with JPC and the sweeping account of R321.1 million. The cash position of JPC slightly increased, due to positive cash collections from departments. However, JPC continues to make payments to related-party loans to reduce its reliance on City-provided funding for day-to-day operations.
4. This relates to staff debtors for employees who have signed Acknowledgements of Debt.
5. This relates to income tax receivable, as the provisional tax payment made in July 2024 exceeded that income tax expense, as per the audited 30 June 2024 JPC Annual Financial Statement.
6. VAT input exceeded VAT output in the month of June, resulting in a VAT receivable in the prior year. In the second quarter, as indicated in Note 16, VAT output exceeded VAT input.
7. Property, plant, and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Where possible, the useful life of fixed assets has been extended due to their good condition. The increase in asset value can be attributed to the acquisition of laptops through a finance lease.
8. Intangible assets comprise computer software that has been procured or internally generated. The decrease in asset value is a result of amortisation expense as per Generally Recognised Accounting Practice (GRAP) 31. The City is currently working on the SAP system to be used in the near future.
9. Electricity deposits (R1.2 million) with Eskom are for the Baragwanath informal trading facility and the Lenasia facilities management buildings. Interest on the deposit accrues at financial year-end. In the first quarter, JPC also paid deposits amounting to R61.4 million for buildings occupied by the City.
10. Deferred tax has been calculated to account for movements in the balance sheet and temporary differences. Due to the profitability of the prior period, deferred tax assets were utilised in the financials of the 2024 financial year.
11. This refers to current liabilities that will become due and payable in the next 12 months. These liabilities include accruals, related-party accruals, and other similar obligations. Comparatively, JPC has experienced a reduction in trade payables year on year due to the timely payment of creditors.
12. A provisional tax payment of R10 million was made for the 2024 financial year. The R3.4 million asset is netted-off with the income tax expense incurred in the 2024 financial year.
13. The amount of R33.7 million (comprising a current portion of R5 760 013 plus a non-current portion of R28 001 618) results from finance leases entered into in May 2023 for the acquisition of motor vehicles and in November 2023 for the acquisition of new laptops.
14. This relates to loan accounts payable between JPC and various CoJ departments for JPC and its insourced cleaners' payroll, as well as transactional loan accounts for the acquisition of property for CoJ. Increased receipts from related-party receivables will enable JPC to pay its related-party liabilities, thus reducing this amount.
15. The provision relates to bonuses due to EXCO members for the 2022/23 and 2023/24 financial years. Payment of R4.2 million was made in the first quarter.
16. VAT payable is R14.5 million as at 31 December 2024, as JPC has had more VAT output than VAT input.
17. This refers to the GRAP 13 adjustment for the straight-lining of operating leases over the lease duration of office accommodation buildings. The GRAP 13 straight-lining will be performed at year-end.
18. Provision on post-retirement medical aid raised based on the 2023/24 actuarial valuation report in respect of personnel that qualify for the benefit. The reports are prepared annually and a new value will be calculated and provided by the actuaries at year-end.
19. No changes have been made to the share capital of JPC in the current financial year.
20. The accumulated surplus includes surpluses and losses from the previous and current financial year.





Section 2

JPC Statement of Financial Performance

	Note	Year-to-date			Annual	Variance
		Actual R'000	Budget R'000	Variance R'000	Budget R'000	%
Revenue						
Revenue from Non-Exchange Transactions		328 594	328 751	-156	657 501	-0.05%
CoJ – Subsidies received	1	328 199	328 199	0	656 397	0.0%
Other Income	2	396	552	-156	1 104	-28.3%
Revenue from Exchange Transactions		171 913	188 374	-16 031	376 748	-8.7%
Cleaning services recoveries	3	131 624	137 707	-6 083	275 413	-4.4%
Management fees	4	16 484	5 507	10 977	11 014	199.3%
Commission on Portfolio rentals	5	6 611	11 750	-5 139	23 500	-43.7%
Commission on outdoor advertising	6	5 189	7 475	-2 286	14 949	-30.6%
Commission on property acquisition	7	430	-	430	-	100.0%
Assets under management fees	8	3 589	3 855	266	7 710	-6.9%
Facilitation fees	9	2 084	15 928	13 844	31 856	-86.9%
Ad hoc fees	10	-	-	-	-	0.0%
Cell mast	11	5 904	6 153	249	12 306	-4%
Other Income		10 277	3 580	-6 698	7 159	187.1%
Interest received	12	8 928	3 580	-5 348	7 159	149.4%
Other income	13	1 349	-	-1 349	-	100.0%
Total Revenue		510 784	520 704	9 490	1 041 408	1.9%
Expenditure						
Board of Directors' fees and expenses	14	986	1 451	465	2 902	32.0%
Office operational expenses	15	111 636	185 716	74 080	374 136	39.9%
Contracted expenses	16	6 135	15 870	9 735	31 740	61.3%
Cleaning materials	17	1 004	3 687	2 683	7 374	72.8%
Repairs & maintenance	18	26	14 075	14 049	28 150	99.8%
Salaries	19	285 730	278 504	-7 226	557 007	-2.6%
Interest paid	20	1 609	9 856	8 247	17 008	83.7%
Depreciation	21	9 355	11 546	2 190	23 091	19.0%
Loss on disposal of assets	22	437	-	437	-	-100.0%
Total Expenditure		416 919	520 704	103 785	1 041 408	19.9%
(Deficit)/Surplus Before Taxation		93 865	-	93 865	-	-
Net (Deficit)/Surplus		93 865	-	93 865	-	-

Table 53: JPC – Statement of Financial Performance as at 31 December 2024





Notes to the Statement of Financial Performance

1. Subsidies provided to JPC for the 2024/25 financial year cover salary, rental, fleet, and repairs and maintenance (R&M) expenditure for the financial year.
2. JPC received refunds from Old Mutual for employees placed on medical boarding. While these refunds are lower than budgeted, their unpredictable nature makes accurate budgeting challenging.
3. Cleaning service costs are billed and recovered for services rendered. This is lower than budgeted as a result of the continued closure of the Metro Centre.
4. JPC earns a 10% management fee for cleaning, facilitating, and managing R&M and capital expenditure (CAPEX) projects for the CoJ's departments and other municipal-owned entities (MOEs). Income exceeded the budget following JPC's implementation of a 10% charge on cleaning services from July 2024, as stipulated in the Service Level Agreement entered into with departments.
5. The CoJ's Rental Collection Commission, Servitudes, and Rates & Taxes are 43.7% below budget, corresponding with rental collections in Portfolio. A current initiative to renew leases is expected to increase both Portfolio's collectible revenue and JPC's receivable commission.
6. Outdoor advertising commission collected in Portfolio remains below budgeted objectives, pending resolution of advertiser contracts and by-laws.
7. JPC earned commission during November on property acquisition, resulting in a positive budget variance of R430 000.
8. This item relates to the management fee for the administration of the CoJ's Fixed Asset Register and is slightly below budget.
9. Facilitation fees for the current financial period are below budget due to site preparation challenges delaying project initiation. The Soweto Gateway project, which contributes to facilitation fees, has been awarded and is in the contractual agreement phase.
10. Ad hoc fees, which represent the recovery of property services from MOEs within JPC, are not budgeted as they are utilised on an as-needed basis.
11. Cell mast revenue is slightly below budget by 4% for the second quarter, with recovery expected from the third quarter onwards.
12. JPC's accrued interest on the sweeping account is higher than budgeted for Q2, as the account is in surplus of R321.1 million.
13. Other income comprises rental recovery, specifically related to Forum 1 premises.
14. Board of Directors' fees and expenses are in line with Board activity, as well as costs associated with conducting various strategic sessions. Overall, for the year-to-date, the expenditure is below the budget allocated.
15. General and operating expenditure is 39.9% below the YTD budget. The expenditure will increase in Q3 and start aligning to the budgeted amount.
16. Contracted expenses are 61.3% below the YTD budget, the expenditure is expected to increase in Q3.
17. Cleaning materials are 72.8% below the YTD budget. Service providers were appointed in Q2, with expenditure expected to increase in Q3 and Q4.
18. R&M is 99.8% below the YTD budget. Following service provider appointments in Q2, expenditure will be realised in Q3 and Q4.
19. Salary expenditure is 2.6% above the YTD budget. The annual increase of 4.5% has been paid and back-dated from July 2024 and paid in October (Q2). JPC has requested additional budget in the adjustment budget submitted to the City to cover the slight shortfall and to fund critical vacancies within the organisation.
20. JPC incurred no interest on the sweeping account, due to its surplus position. Interest incurred relates solely to finance leases.
21. Depreciation is 19.0% below the YTD budget due to lower than budgeted additions in the prior year.
22. This item represents the write-off of obsolete computer equipment during the current financial year.





Section 3

JPC Statement of Cash flow

	31-Dec-24 R'000	30-Jun-24 R'000
Cash Flows from Operating Activities		
Rendering of services	201 346	355 043
Subsidies	328 199	623 131
Interest income	8 928	24 789
	538 473	1 002 963
Payments		
Employee costs	-285 730	-517 336
Suppliers	-321 171	-258 883
Finance costs	-1 609	-2 034
Taxation paid	-10 000	35
	-618 510	-778 218
Net Cash flows from Operating Activities	-80 037	224 746
Cash Flows from Investing Activities		
Purchase of personal protective equipment	-1 913	-
Purchase of deposits	-61 402	-
Purchase of intangible assets	-	-
Net Cash Flows from Investing Activities	-63 315	-
Cash Flows from Financing Activities		
Net movement of Shareholder loan	146 995	-211 373
Finance lease payments	-3 343	-13 373
Net Cash Flows from Financing Activities	143 652	-224 746
Net Increase/(Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the Beginning of the Period	2	2
Cash and Cash Equivalents at the End of the Period	2	2

Table 54: JPC – Cash flow Statement as at 31 December 2024

Notes on Statement of Cash flow

The Statement of Cash Flow reflects JPC's cash generation and utilisation as at 31 December 2024. Key observations include:

- Cash inflows remain constrained due to limited collections from trade receivables and subsidy payments.
- Cash outflows to suppliers exceed service rendering inflows, reflecting

JPC's compliance with the provisions of the Municipal Finance Management Act (MFMA) requirement to settle supplier payments within 30 days.

- CAPEX budgets have been directed towards strengthening JPC's information technology (IT) infrastructure and cleaning services capability.

- Financing activities show an inflow of R146 million, primarily through increased Shareholder loans, as the entity's funding relies on financing activities with the Shareholder. This financing requirement stems from outstanding related-party debtors exceeding R1 billion.





Section 4

Portfolio Statement of Financial Position

	Ref	Dec-24	Dec-23	Variance
Assets				
Current Assets				
Trade and other receivables		214 793 726	142 694 752	72 098 974
		189 243 203	119 323 894	69 919 309
Debtors – Rentals	1	212 909 636	162 014 299	50 895 336
Doubtful debts – Move provision	2	(61 568 527)	(73 471 415)	11 902 888
Debtors – Other: CoJ	3	2 976 556	2 735 024	241 533
CoJ Portfolio – VAT claim/payable account	4	–	8 129 484	(8 129 484)
JPC Portfolio loan account	5	2 539 163	18 889 830	(16 350 667)
Capital expenditure: Current year	6	11 181 752	961 671	10 220 081
Capital expenditure: Prior year	6	21 204 623	65 000	21 139 623
Cash and cash equivalents		25 550 523	23 370 858	2 179 665
Standard/ABSA Bank - Tenant deposit account	7	25 033 669	23 370 858	2 179 665
Non-Current Assets				
		–	–	–
Total Assets				
		214 793 726	142 694 752	72 098 974
Equity and Liabilities				
Current Liabilities				
Trade and other payables		302 272 225	225 002 956	77 269 269
Standard Bank CoJ loan account – Bank sweeping	8	190 136 037	154 870 404	35 265 633
	9	27 459 076	–	5 243 866
Accruals	4	856 669	22 215 210	856 669
CoJ Portfolio – VAT claim/payable account		–	–	–
Receipts in advance – Rentals	10	9 262 789	9 950 495	(687 706)
Deposits received: Tenants	11	11 310 950	11 310 950	–
JPC Portfolio loan account	12	–	–	–
JPC Portfolio loan account: Commission	12	20 009 838	–	20 009 838
Property portfolio loan: MOEs	13	360 455	173 975	186 480
JMPD	14	40 360 324	19 694 587	20 710 737
		2 424 850	–	–
Prepaid – Deposit received on land sales	15	2 424 850	6 741 098	(4 316 248)
Creditor (Khulu Outdoor)	16	91 237	91 237	–
Non-Current Liabilities				
		–	–	–
Total Liabilities				
		302 272 225	237 344 722	69 928 159
Net Assets				
		(87 478 499)	(82 308 204)	(5 170 295)
Accumulated Surplus/(Deficit)		(87 474 499)	(82 308 204)	(5 170 295)
Total Net Assets and Liabilities				
		(87 474 499)	(82 308 204)	(5 170 295)

Table 55: Portfolio – Financial Position as at 31 December 2024





Notes to the Portfolio Statement of Financial Position

1. This item refers to the debtors' balance as per the age analysis.
2. The current provision for bad debts pertains to outstanding debtors in the lease register. Bad debts are primarily from informal trading debtors and will be proposed for write-off by Council in the current financial year.
3. This relates to Councillors' rental accommodation and community participation projects. It has been agreed with CoJ that the JPC Portfolio will cover the monthly rentals for office space, with the City reimbursing Portfolio for expenses incurred.
4. VAT generated by Portfolio is declared to the CoJ each month. This VAT is consolidated in the CoJ's VAT return, which is subsequently submitted to the South African Revenue Service.
5. The JPC loan account reflects the commissions due to JPC: 25% on rentals and outdoor advertising, and 10% on land sales. It includes amounts received and paid on behalf of the CoJ Portfolio.
6. The approved CAPEX budget for the year 2024/25 is R81.8 million. To date, R13.2 million has been expended.
7. The amount reflects tenant deposits held in the CoJ trust account, including interest, as well as payments received for the Rissik Post Office insurance claims.
8. The sweeping account is in overdraft due to the reclassification of projects previously accounted for as CAPEX, now reclassified as operational expenditure. Portfolio is only reimbursed for CAPEX projects.
9. This item reflects accruals raised, of which R39.5 million remains outstanding.
10. This item reflects rental paid in advance for 30 years by RMB Properties, allocated on a straight-line basis, with 11 years remaining on the contract.
11. This item refers to tenant deposits held in the trust account.
12. The JPC loan account reflects commissions due to JPC: 25% on rentals and 10% on land sales and assets under management. It also includes amounts paid on behalf of the CoJ Portfolio.
13. The property portfolio loan account reflects amounts due to MOEs based on the income received on their behalf. Rentals from MOEs are paid into the JPC Portfolio main account and are typically paid over to MOEs the following month.
14. This amount pertains to the security services provided by the Johannesburg Metropolitan Police Department for securing informal trading facilities and properties.
15. This item relates to the full land purchase price that has been paid to the JPC Portfolio, including bank guarantees. However, the transfer of land to the client has not taken place.
16. This item reflects payments received from Khulu Outdoor. However, as no contract exists, the amounts are due and payable to clients.





Section 5

Portfolio Statement of Financial Performance

	Note	YTD Actual Dec 2024	YTD Budget Dec 2024	Variance	Variance %	Approved Budget 2024/25
Revenue						
Rent of facilities and equipment	1	15 128 409	19 330 500	-4 202 091	-21.74%	77 322 000
Interest received – Arrear debtors	2	1 793 542	1 062 000	731 542	68.88%	4 248 000
Outdoor advertising – CoJ	3	2 057 219	100 000 000	-97 942 781	-97.9%	400 000 000
Total Income		18 979 171	120 392 500	101 413 329	-84.24%	481 570 000
Expenditure						
Contracted services: Business advisory: Project management and research	4	–	11 752 577	11 752 577	100.0%	47 010 307
Contracted services: Business advisory valuer	5	–	668 173	668 173	100.0%	2 672 693
Refuse removal	6	–	595 750	595 750	100.0%	2 383 000
Grass cutting services	7	–	414 000	414 000	100.0%	1 656 000
RM: buildings	8	–	10 234 000	10 234 000	100.0%	40 936 000
Bad and doubtful debts	9	–	12 185 250	12 185 250	100.0%	48 741 000
Advertising, publicity and marketing	10	–	789 500	789 500	100.0%	3 158 000
General expenses: Assessment rates	11	255 301	284 750	29 449	10.3%	1 139 000
Internal recoveries: JPC commission	12	4 573 321	11 800 750	7 227 429	61.2%	47 203 000
Internal recoveries: Internal charges cleaning	13	3 401 916	12 933 000	9 531 084	73.7%	51 732 000
Depreciation: Other assets	14	–	160 250	160 250	100.0%	641 000
Total Expenditure		8 230 538	61 818 000	53 587 462	86.69%	247 272 000
Surplus/(Deficit)		10 748 633	58 574 500	47 825 867	81.6%	234 298 000

Table 56: Portfolio – Financial Performance as at 31 December 2024





Notes to the Portfolio Statement of Financial Performance

1. CoJ Rentals: The overall revenue anticipated from rental collection is 21.74% below the targeted budget of R19 330 500. Delays in the approval of reports by the Executive Adjudication Committee have resulted in the lease renewal period being longer than the average three months it typically takes for a lease to be renewed. Delays in Council approvals for potential new leases have also constrained income received from the rental of facilities and equipment.
2. This item reflects interest charged on overdue tenant accounts. The interest generated on the debtors' accounts is 68.88% above the targeted YTD budget.
3. Income derived from outdoor advertising and promotions is 97.9% below the budget. JPC is currently finalising the signing of new outdoor advertising contracts.
4. This line item pertains to expenditure on contracted services for business advisory project management and research. To date, expenditure is 100% below the YTD budget. Appointments are in progress, and expenditure is expected to be realised in the second quarter.
5. This quarter recorded a 100% underspend compared to the YTD budgeted expenditure. Appointments are in progress and expenditure should be incurred in the second quarter.
6. No expenditure was recorded this month.
7. No expenditure was recorded this month.
8. This line item relates to R&M costs on buildings. A 100% underspend was recorded this month. Expenditure is expected to pick up from the second quarter.
9. No expenditure was recorded in the first quarter.
10. Expenditure on advertising, publicity, and marketing is 61.2% below the YTD budget for the first quarter. Expenditure is expected to pick up from the second quarter going forward.
11. Assessment rates are 10.3% below budgeted expenditure in the first quarter.
12. JPC commission is 59.4% below the YTD budget. The delay in the conclusion of new leases, lease renewals, servitude registrations, and land sales will result in JPC not meeting its target.
13. Internal charges for cleaning are 73.7% below the budgeted expenditure.
14. No depreciation expenditure was recorded in the period under review.

Section 6
Capital Projects and Expenditure

Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
City-wide revamping of the Informal Trading Stalls and Linear Markets	2284	5 250	–	5 250	0%	The budget is to be spent on the refurbishments of Kwa Mai Mai and installations of security measures such as Clearview fencing and gates at the Fordsburg Market.
Orlando Ekhaya Waterfront Development Renewal Park Orlando Ekhaya D Regional	2522	12 000	10 919	1 081	91%	Project completed
Computer Equipment – New computer upgrades (acquisition and installation of the digital security and ICT WAN)	2669	2 600	–	2 600	0%	This project deals with access, security, installation of cameras, and biometrics. The bid specifications have been outlined and bid evaluation is underway.





FINANCIAL PERFORMANCE



Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
Erf 43-46 Victoria Ext. 3 (Paterson Park Node) Victoria Ext. 3 E Regional	4142	1 726	–	1 726	0%	The appointment of a Quantity Surveyor is underway for the relocation of offices.
Office Space Optimisation Programme New Precinct Redevelopment Johannesburg F City Wide	4184	6 586	–	6 586	0%	The supply chain management (SCM) process has been initiated to appoint a service provider for refurbishment of the Metro Centre. The budget will be committed.
Marlboro Station Project Land Preparation	6309	400	–	400	0%	The Town Planner has submitted a township establishment application to the Planning Department for approval.
Inner City Rejuvenation Programme/Project	22740	6 000	–	6 000	0%	A report is currently awaiting tabling at Council for the acquisition of buildings. Following Council approval, negotiations with the property owners will commence.
Acquisition of various properties in Soweto	23543	800	158	642	20%	A Tracing Agent has been appointed and is locating the beneficiaries to ensure that the acquisitions can be finalised.
Acquisition of cleaning equipment	23560	2 694	1 913	781	71%	The remaining cleaning equipment required will be acquired in the coming quarters.
23776_Walter Sisulu Square Upgrade	24027	15 000	–	15 000	0%	The security project is awaiting completion (the palisade fencing is completed and the anticlimbing wall is 60% completed). An advertisement for the appointment of the Quantity Surveyor to manage the CAPEX budget was issued for tender on 4 October 2024, including both priced and unpriced Bills of Quantities.





Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
JPC Furniture fittings/office alterations and equipment	31126	4 000	–	4 000	0%	The following processes are being undertaken: A comprehensive assessment of the building, engagements with related heritage regulatory bodies, market analysis for adaptive reuse plans, project feasibility, and an infrastructure audit.
Temporary emergency accommodation	31138	24 786	-	24 786	0%	Stakeholder engagements are underway to secure buy-in from the affected communities, including those being relocated. Once this process is complete, progress will be made on the CAPEX.
Total		81 842	12 990	68 852	16%	

Table 57: Capital Projects and Expenditure

Section 7

Analysis of Ratios

Part A: JPC

Liquidity Ratio

Ratio	2025	2024
Liquidity ratio (1:1)	1.00	0.97
Solvency ratio (2:1)	1.09	1.03
Trade receivables turnover – Related parties (30 days)	1 054	881
Provision for Bad Debts	34 356 745	34 356 745
Trade receivables to total assets (%)	68%	69%
Cash coverage ratio (1:1)	0.77	0.32
Cash Position	321 163 775	291 688 290

Table 58: Ratio Analysis





JPC currently has a liquidity ratio of 1:1, which has slightly improved from the 2024 financial year-end. The entity is currently owed R1.044 million from trade and intercompany debtors. JPC Finance has engaged with all departments owing the City in September 2024 in an effort to collect these debts, resulting in cash

collections exceeding R200 million during the second quarter.

The sweeping account currently reflects a positive balance of R321.1 million, with related-party loans exceeding R1.044 million. Salary costs for previous and current financial years are still due to

be paid to the CoJ's Group Finance and Corporate Shared Services. The increase in the cash position stems from JPC receiving over R200 million in outstanding payments from the CoJ for facilities management services rendered. These cash receipts have been used to improve creditors payments.

Solvency Ratio

JPC has a solvency ratio of 1.09:1, against the norm of 2:1, and is factually solvent, as the financial statements indicate sufficient assets to cover all liabilities. The solvency is illustrated by a net asset position of R127.3 million. Given the financial support and access to cash facilities, JPC remains commercially solvent, with sufficient resources to service its operational obligations as they arise. Increased revenue from facilitation fees, outdoor advertising, and rentals will further bolster JPC's solvency position through commissions receivable from Portfolio.

Cost Coverage Ratio

Due to JPC's positive cash position, the cost coverage ratio stands at 0.77:1. Management has reviewed JPC's cash flows and aims to improve the ratio to between 1.5:1 and 2:1 in the third and fourth quarters of the 2024/25 financial year. Any surplus cash will be used to settle CoJ's salary loan accounts.

Debtors Collection Period

JPC has a debtors' collection period in excess of two years for third-party/external debtors. The collection of third-party debtors has declined significantly due to timing differences in receiving cell mast income and the non-recovery of facilitation fees for

the 2019 and 2020 financial years. The debtors' collection period for intercompany and related party debtors is 1 054 days. The collection period for intercompany debtors' is poor due to inadequate servicing of old debt by CoJ departments and other MOEs for services rendered by JPC, as well as for cleaning services that have yet to be recovered.

Provision for Bad Debts

JPC has raised a provision for bad debts related to facilitation fees previously invoiced. The provision accounts for 100% of the total external debtors; however, this applies only to old debt, as debtors continue to service current debt. The facilitation fees are due and payable based on the stage of completion. However, the companies awarded the sites for development have not initiated their projects due to various delays. From an accounting perspective, JPC has made a 100% provision for bad debts against these facilitation fees, reflecting the full value of the awards.

Creditors Payment Cycle

JPC currently pays service providers and creditors within 30 days, as defined by the MFMA.

Statement of Financial Performance

	31 Dec 2024	30 June 2024
Profit before tax	93 865 179	40 027 801
Net surplus/(Deficit)	93 865 179	28 173 569
Net operating margin (%)	18.38%	3.05%
Non-exchange revenue to total revenue (%)	66.34%	65.80%
Exchange transactions to total revenue (%)	33.66%	34.20%
Employee costs to total expenditure (%)	68.53%	57.28%
R&M to total expenditure (%)	0.01%	2.63%
Rental to total expenditure (%)	24.40%	17.39%

Table 59: Statement of Financial Performance





Surplus/(Deficit)

The net surplus as at 31 December 2024 is R93.8 million, reflecting a surplus of R28.2 million compared to figures for the period ended 30 June 2024. Major contributors to the surplus include JPC’s approach of preparing a breakeven budget, where estimated income is matched with estimated expenditures. The majority of JPC’s expenses are fixed, with the exception of R&M. However, expenditure is closely managed to ensure that overspending does not occur.

Expenditure

A review of JPC’s expenditure reveals that the primary drivers are employee costs, R&M, security, and leased office accommodation. Due to the underspend on R&M for the first quarter, the expense base upon which the ratios are determined is lower than in the previous financial year. Employee costs have risen year-on-year, with their share of total expenditure increasing to 68.53%.

Rental expenditure is expected to increase even further in 2024/25, as office accommodation lease contracts have come to the end of their lease terms and are in the process of extension and renewal. The supply chain processes for these extensions and renewals are initiated and approved by the CoJ’s Executive Adjudication Committee. This approval process has led to delays in commencing the lease renewals. Once the lease renewal process is concluded, rental expenditure is anticipated to increase in 2024/25, as the leases will be renewed at current market rates for office accommodation.

Part B: CoJ-JPC Portfolio

Liquidity Ratio

The CoJ-JPC Portfolio currently has a liquidity ratio of 0.55:1, below the norm of 2:1, and has reported a negative cash flow of R190 million for the period under review, compared to a negative cash flow of R154 million in the 2023/24 financial year. Debtors currently owe Portfolio R212 million, with R61.5 million of this amount allocated as a provision for bad debts, primarily related to informal trading. As Portfolio represents only the debtors’ component of CoJ’s property portfolio, debtors account for 85% of its total assets. The financial risk posed to JPC is significant, as the non-recovery of the outstanding debt negatively impacts JPC’s ability to generate commission.

Cash Collection Rate

The cash collection cycle is the number of days taken to collect accounts receivable. This measure is crucial for assessing a business’s ability to extend credit to worthy customers and collect receivables promptly.

Portfolio’s cash collection rate currently stands at 29%. The collection rate excludes debt owed by other debtors.

Solvency Ratio

The CoJ-JPC Portfolio has a solvency ratio of 0.55:1, compared to the norm of 2:1, and is considered insolvent. As Portfolio holds no non-current assets or liabilities, the solvency and liquidity ratios are equivalent. However, these ratios are largely immaterial as the revenue-generating property assets reside in the CoJ. JPC is exploring ways to enhance and diversify Portfolio’s revenue generation.

Debtors Collection Period

The collection period for the CoJ-JPC Portfolio is 59 days, slightly better than the industry norm of 60 days, and accounts for irrecoverable debts. A bad debts report has been prepared and submitted to Core Accounting, with weekly follow-ups. This report is scheduled to be presented to the Mayoral Committee for approval.

Cost Coverage Ratio

Portfolio’s cost coverage ratio stands at –14.64:1. This negative ratio is attributed to a negative sweeping account balance of R120.4 million and an average monthly expenditure of R2.7 million for the first quarter. Portfolio primarily uses its cash for capital expenditure, and recovery from CoJ is contingent on the completion and verification of projects. Monthly collections range from R5 million to R9 million, which is adequate to cover the average monthly expenditure.

Creditors Payment Cycle

Portfolio currently pays service providers and creditors within 30 days, as stipulated by the MFMA.





Section 8 Supply Chain Management

JPC conducts its supply chain management (SCM) activities in accordance with the MFMA and the Preferential Procurement Policy Framework Act (PPPFA). The PPPFA provides guidelines on the allocation of preferential points, while JPC’s SCM Policy and the SCM Policy for Land offer additional frameworks for the entity’s operations. Table 60 outlines the reports resulting from the implementation process.

Report Description	Declarations
Review of implementation of SCM Policy for Land GS within 20 days of year – to Council and Board	<p>The policy was presented and approved by the JPC Board in January 2024. The policy is aligned with the CoJ SCM Policy. Council approves the City’s policy, whereas the Board approves JPC’s Policy.</p> <p>The main changes in the policies are the application of preferential goals, as set out in the Preferential Procurement Regulations of 04 November 2022, and thresholds for written price quotations and competitive bids, as set out in the Amendments to Regulations Regarding Supply Chain Management, dated 14 December 2023.</p>
Report on deviations/irregular expenditure in implementation of policy and any remedial action taken or envisaged	<ul style="list-style-type: none"> • No deviations were noted. • No new irregular, fruitless, and wasteful expenditure was recorded in the quarter under review. • Continuation of leases, fleet, and IT was addressed .
Report on all awards to close family members or employees of state	<ul style="list-style-type: none"> • No awards were offered to close family members or employees of the state.
Report on declarations of gifts made and received by employees	<ul style="list-style-type: none"> • No declarations of gifts received were recorded.
Report on bidder or official found guilty of improper conduct	<ul style="list-style-type: none"> • No bidder or official was found guilty of improper conduct.
Report on sponsorship/donation from lessee or prospective lessee, holder or prospective holder of optimisation rights	<ul style="list-style-type: none"> • JPC has not received/recorded any sponsorship/donation from the lessee or prospective lessee, holder or prospective holder of optimisation rights.
Report on any bidders found guilty of bribery	<ul style="list-style-type: none"> • No bidders were found guilty of bribery.
Report on contracts awarded whose duration ends over 3 (three) years and contracts above R100 000 000 for goods and services	<ul style="list-style-type: none"> • No contracts where duration ends over 3 (three) years and contract is above R100 million for goods and services were entered into during the period under review.

Table 60: Supply Chain Management Reports





Tender Awards (Request for Proposal)

During the period under review, no requests for proposal were awarded.

Deviations/Ratification

JPC Entity

JPC did not record/approve any new deviations/ratifications of contracts during the period under review. The current deviations were identified and approved in the previous periods and are now running their term.

City Portfolio

No deviations were recorded.

Payment Within 30 Days

JPC and Portfolio currently pay service providers and creditors within 30 days, as defined by the MFMA. This compliance with 30 days is one of the reasons the two accounts reflect a negative cash flow, as the City departments do not settle the intercompany debts within 30 days.





Section 9

Fruitless, Wasteful, and Irregular Expenditure

Fruitless and wasteful expenditure refers to unnecessary expenditure that would have been avoided had reasonable care been exercised. JPC has not incurred any fruitless expenditure in the period under review.

Fruitless and Wasteful Expenditure	2025	2024
Opening balance	4 103 153	70 754 362
Current year additions	–	3 588 850
Less: Amount written off – Current	–	(70 240 059)
Closing Balance	4 103 153	4 103 153

Table 61: Fruitless and Wasteful Expenditure

For the financial year, irregular expenditure increased by **R70 710 173**.

Irregular Expenditure	2025	2024
Opening balance	267 968 911	216 366 561
Current year additions	70 710 172	219 545 375
Prior period additions	–	–
Amount written off	–	(167 943 025)
Closing Balance	338 679 083	267 968 911

Table 62: Year-on-Year Movement of Irregular Expenditure

The incidents that gave rise to the irregular expenditure are as follows:

Category	Description	Disciplinary Status	
Non-compliance with laws and regulations	Deviation – Not meeting regulation 36 requirements	Tender process currently underway	64 807 153.88
Non-compliance with laws and regulations	Contract expired. The City to take over the process	Service Level Agreement finalised with the City, awaiting connectivity	1 860 344.47
Non-compliance with laws and regulations	Centralised fleet contract	City dealing with the matter	4 042 674.98
Total			70 710 173.33

Table 63: Reasons for Irregular Expenditure





Section 10 Pending Litigation and Possible Liabilities

JPC Entity

JPC currently has six matters of litigation against the entity from external parties. The matters are currently in varying stages of litigation, with the likelihood that they may be concluded and settled in the current 2024/25 financial year.

City Portfolio

Legal action brought by JPC on behalf of CoJ: None

Section 11 Insurance Claims Against/to JPC

JPC Entity: None

Section 12 Statement of Amount Owed to Government Departments and Public Entities

JPC does not have amounts owed to any government departments or public entities.





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Chapter 6 Internal and External Audit Outcomes



Section 1 Results of Internal Audit

The Internal Audit Department is currently working on the three-year rolling plan for the period 01 June 2024 to 31 May 2027, as well as the annual Internal Audit Plan for 2025 to 2026. The plan will be submitted to the Audit and Risk Committee (ARC) for review and approval during the second quarter of this financial year.

Twenty (20) audit projects are planned for the 2024/25 financial year, including nineteen (19) comprehensive audits, follow-ups on findings of the Auditor General (AG) and Internal Audit, ad hoc projects, and probity audits.

Two (2) of the comprehensive audits (Audit of Pre-determined Objectives and Service Level Standards) will be conducted on a quarterly basis, while the remaining audits will commence during the third quarter of the 2024/25 financial year.

Quarterly projects	Allocated	Actual completed
Quarter 1	2	Completed
Quarter 2	2	In-progress
Quarter 3	2	None
Quarter 4	20	None

Table 64: Rating Table

Section 2 Progress on Resolution of Internal Audit Findings

On a quarterly basis, Internal Audit also conducts a follow-up on the implementation of external and internal audit recommendations. These reports are presented to the ARC, which monitors the progress made by management on the implementation of recommendations.

Internal Audit Findings

During the 2024/25 financial year, Internal Audit raised twenty-eight (28) findings. Management is in the process of resolving the findings, which were finalised at the end of November 2024. Refer to Annexure A for the full breakdown.

Category	Total	Resolved	Unresolved
Very high	4	3	1
High	10	4	6
Medium	12	5	7
Low	2	0	2
Total	28	12	16
%	100%	43%	57%

Table 65: Internal Audit Review and Progress





Section 3 Progress on Resolution of External Findings

The Auditor General of South Africa (AGSA) commenced with the audit for the financial year ended 30 June 2024, which was anticipated to be finalised by 30 November 2024. No audit findings remain unresolved from the previous financial year’s end.

Table 66 outlines the findings identified by the AGSA and the Audit opinion for the past year. Refer to Annexure B for a more detailed breakdown.

Category	Total as at Nov 2024	Resolved	Not Resolved
Matters reported in the Auditor’s report that should be addressed.	3	2	1
Matters to be addressed to prevent material misstatements in the financial statements, material findings in the annual performance report, and compliance with legislation in the future. This also includes matters that significantly affected audit performance.	10	9	1
Matters that do not have a direct impact on the audit outcome or a significant impact on audit performance, but were communicated to assist in improving processes and mitigating risks.	0	0	0
Total	13	11	2

Table 66: Findings Identified by the AGSA

Section 4 State of the Internal Controls

The audit conducted during the fourth quarter of the previous financial year (2023/24) indicated that controls for the audited processes were partially adequate and partially effective. However, a few specific weaknesses were noted.

Given that the audit was finalised during August 2024 of the new financial year, management is in the process of resolving the findings identified.

Effective Controls

100% of the AGSA’s findings for 2023/24 have been resolved. This is a significant improvement in the system of internal control.



ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
01	Advertising on Roads and Ribbon Development Act, 1940 (Act No. 21 of 1940)	GENERIC (Outdoor)	Non-compliant
02	Advertising on Roads and Ribbon Development, 1940 (Act No. 21 of 1940)	CORE (Outdoor)	Non-compliant
03	Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	CORE (Legal)	Compliant
04	Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)	CORE (HR)	Compliant
05	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	CORE (SCM)	Compliant
06	Companies Act, 2008 (Act No. 71 of 2008)	CORE (All)	Compliant
07	Companies Act Regulations	CORE (All)	Compliant
08	Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)	CORE (SCM)	Compliant
09	Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	CORE (All)	Compliant
10	Consumer Protection Act, 2008 (Act No. 68 of 2008)	CORE (PDU)	Non-compliant
11	Disaster Management Act, 2002 (Act No. 57 of 2002)	CORE (OHSA)	Non-compliant
12	Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)	CORE (IT)	In progress
13	Employment Equity Act, Code of Good Practice: Human Resource Policies and Practices	CORE (HR)	Compliant
14	Employment Equity Amendment Act, 2022 (Act No. 4 of 2022)	CORE (HR)	Non-compliant
15	Employment Equity Act, 1998 (Act No. 55 of 1998)	(HR)	Non-compliant
16	Employment Equity Regulations	CORE (HR)	Non-compliant
17	Gauteng Planning and Development Act, 2003 (Act No. 3 of 2003)	GENERIC (Property Portfolio)	Not Applicable
18	Generally Accepted Compliance Practices Framework	GENERIC (All)	Compliant
19	Generally Recognised Accounting Practice	CORE (Finance)	Compliant
20	Hazardous Substances Act, 1973 (Act No. 15 of 1973)	GENERIC (OHSA)	Non-compliant
21	King IV Code on Corporate Governance	GENERIC (All)	Compliant
22	IIA Code of Conduct and Ethics	CORE (HR)	Compliant



ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
23	Income Tax Act, 1962 (Act No. 58 of 1962)	CORE (Finance)	Compliant
24	Intergovernmental Relations Framework, 2005 (Act No. 13 of 2005)	CORE (Property management)	Not applicable
25	Local Government Anti-corruption Strategy	GENERIC (Legal)	Compliant
26	Local Government: Municipal Planning and Performance Management Regulations, 2001	GENERIC (Strategic support)	Compliant
27	Local Government: Municipal Finance Act, 2003 (Act No. 56 of 2003)	CORE (All)	Partially compliant
28	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	CORE (All)	Compliant
29	Municipal Finance Management Act (MFMA) – Asset Transfer Regulations	CORE (All)	Non-compliant
30	Municipal Property Rates Act, 2004 (Act No. 6 of 2004)	CORE (All & Property management)	Non-compliant
31	Municipal Structures, 1998 (Act No. 117 of 1998)	GENERIC (All)	Compliant
32	Municipal Supply Chain Management Regulations Gazette No. 27636, 30 May 2005	CORE (SCM)	Compliant
33	National Archives and Record Service of South Africa, No. 43 of 1996	CORE (CSM Records)	In progress
34	National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	CORE(Assets)	Compliant
35	National Heritage Resources Act, 1999 (Act No. 25 of 1999)	CORE (Assets)	Not applicable
36	National Qualifications Framework Act, 2008 (Act No. 67 of 2008)	CORE (HR)	Compliant
37	National Road Traffic Act, 1996 (Act No. 93 of 1996)	GENERIC (Logistics) JPC Fleet	Non-compliant
38	National Treasury Public Sector Risk Management Framework	CORE (SCM & Finance)	Compliant
39	Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)	CORE (HR)	Non-compliant
40	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	CORE (SCM)	Compliant
41	Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	CORE (All)	Compliant
42	Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	CORE (All)	Not applicable
43	Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	CORE (All)	Compliant
44	Property Practitioners Act, 2019	GENERIC (Assets)	Compliant



ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
45	Protected Disclosures Act, 2000 (Act No. 26 of 2000)	CORE (HR)	Compliant
46	Protection of Information Act, 1982 (Act No. 84 of 1982)	CORE (HR)	Compliant
47	Protection of Personal Information Act, 2013 (Act No. 4 of 2013)	CORE (HR)	Compliant
48	Public Audit Amendment Act, 2018 (Act No. 5 of 2018)	CORE (Internal Audit)	Compliant
49	Regulation of Interception of Communications and Provision of Communication-Related Information Act, 2002 (Act No. 70 of 2002)	CORE (Comms & stakeholder)	Not applicable
50	Skills Development Act, 1998 (Act No. 97 of 1998)	GENERIC (HR)	Compliant
51	Skills Development Levies Act, 1999 (Act No. 9 of 1999)	GENERIC (HR)	Compliant
52	Unemployment Insurance Act, 2001 (Act No. 63 of 2001)	GENERIC (HR)	Compliant
53	Unemployment Insurance Contributions Act, 2002 (Act No. 4 of 2002)	GENERIC (HR)	Compliant
54	Value-Added Tax Act, 1991 (Act No. 89 of 1991)	CORE (Finance)	Compliant



Annexure B: Internal Audit Findings

	FINDING HEADING	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
1	Records management policy not approved by the Board.	The documents will be amended as per the findings and will be submitted for deliberation by EXCO to be approved in the third quarter.	Medium	Yes	Record Management	Unresolved
2	Documents at the offsite storage not disposed.	We noted the finding however all the documents will be looked at by the responsibly department or management of that specific documents.	Medium	No	Record Management	Unresolved
3	Inadequate access control.	Currently the documents are stored safely and storeroom is locked with access log . The access control will be improved once biometrics project is implemented by ICT.	Medium	Yes	Record Management	Unresolved
4	Contract with document warehouse has expired.	The contract will be advertised for renewal, we are in the process of going out on tender just waiting for the SCM/chairperson of the commit to set the date.	High	No	Record Management	Resolved
5	No stakeholder management policies and procedure manuals.	To develop the stakeholder management SOP.	Very High	No	Stakeholder Management	Unresolved
6	No fleet management policies and standards operating procedures.	To develop the SOP and policies.	High	No	Fleet Management	Unresolved
7	Vacant critical positions not filled .	Vacant positions to be filled not later than December 2024.	High	No	Fleet Management Status	Unresolved
8	Fleet Steering Committee not in place	To this end, JPC is part of the City's Fleet Steering Committee. Mr Ndzamela is part of the City's Fleet steering Committee.	High	No	Fleet Management Status	Resolved
9	No valid contract in place for non-specialised vehicles on a full maintenance lease.	Afrient maintain all others JPC vehicles.	High	No	Fleet Management	Resolved
10	Discrepancies noted in the work order request.	Monthly visits to all depots to check all necessary documents and compliance.	Medium	No	Fleet Management	Unresolved
11	Non-compliance to the fuel limit requirements.	Monitoring of the limits as per instruction to FNB on a monthly basis.	Medium	No	Fleet Management	Unresolved
12	Fuel receipts not provided for fuel poured on vehicles.	Monitoring of receipts for fuel consumption on a weekly.	High	No	Fleet Management	Unresolved
13	Fuel receipts not recorded on the register.	Monitoring of the register being filled out properly on a weekly basis.	High	No	Fleet Management	Unresolved
13	Fuel receipts not recorded on the register.	Monitoring of the register being filled out properly on a weekly basis.	Medium	No	Fleet Management	Unresolved



Annexure B: Internal Audit Findings

	FINDING HEADING	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
14	Reasons to deviate from normal SCM processes were not sufficiently stated in the Internal Memo.	Awaiting management response	Very High	No	SCM	Resolved
15	Physical security on information assets should be improved.	Management is in the project of finalising tender for new office accommodation in which the concept of security is covered by the landlord for Access by visitors, Biometric and CCTV's.	High	No	ICT	Unresolved
16	The approval for policies reviewed in 2023 could not be obtained.	Policies were tabled for noting at ARC on the 16th of July 2024.	Medium	No	ICT	Resolved
17	Inadequate management of access to the data centre.	A service provider is in the process of fixing the biometric access.	Medium	No	ICT	Unresolved
18	Inadequate user access management processes.	The team will update the user access creation forms to list all the applications in JPC. The relevant application that the user requires access to will be selected/ticked and the access required will be clearly documented. User access reviews and a clean-up will be done on the Trim application.	Low	No	ICT	Unresolved
19	Audit logging not enabled (Nicor).	JPC will engage with the Service provider and verify that all user activities performed on the application are logged, recorded and retained.	Low	No	ICT	Unresolved
20	Untimely removal of users leaving the organization.	IT to engage with HR, ensuring on a monthly basis all employee movements are reported to the IT department.	Medium	No	ICT	Resolved
21	Unnamed accounts that are not service accounts.	JPC IT notes this finding. The two unnamed accounts on Trim have been disabled. JPC will engage the service provider on the Nicor accounts and confirm what they are used for. If they are not required, they will be disabled.	Medium	No	ICT	Resolved
22	Inadequate user access management processes.	JPC IT will ensure that all tickets are recorded, prioritised accordingly and accounted for every month going forward process in place to manage incidents.	Medium	No	ICT	Resolved
23	Manual calculation of 10% fee that is charged by JPC for invoices.	Currently the city is procuring a system that will automate this charge, JPC is unable to automate this function.	Medium	No	ICT	Resolved



Annexure B: Internal Audit Findings

	FINDING HEADING	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
24	Human capital management policies are not reviewed and approved timeously.	Policies have been reviewed, and five (5) approved by the Board of Directors. Other policies are currently being consulted with labour to ensure final presentation to the next Remuneration and Ethics Committee.	High	No	HR	Unresolved
25	Non-establishment of the moderation and job evaluation committee.	Currently JE were done through City due to shortage of staff at JPC. However, the new structure allows for appointment of an Talent and Organisational Design Specialist who will be able to manage this from within JPC. A tender is due to be published to source services of service provider – Job Evaluation and Job Design to mitigate this risk	High	No	HR	Unresolved
26	Personal Development Plans (PDPs) not implemented within the Joburg Property Company (JPC).	PDPs communique issued in July 2024.	Very High	No	HR	Resolved
27	Daily attendance register not signed by the line manager/supervisor.	Communique issued to the line managers , to ensure that the attendance registers are monitored and managed effectively.	No	No	HR	Resolved
28	Inadequate management of overtime worked.	Human Capital ensures that approval is only granted to pre-approved overtime. In cases where overtime has been exceeded, the CEO's approval is sought prior to implementation.	Very High	No	HR	Resolved



Portion 1 and 2 of Erf 1 Arena JBXT4259



Annexure C: Auditor General of South Africa's Findings

NO	FINDING	STATUS
1	Non-disclosure of accounting policy employee-related cost	Resolved – Adjustment was made to the AFS
2	Taxation – Current year accrued expenses adjusted at an incorrect amount	Resolved – Adjustment was made to the AFS
3	Related-party differences – Prior year trace receivables	Resolved – Adjustment was made to the AFS
4	Related-party differences and related-party receivables	Resolved – Adjustment was made to the AFS
5	Revenue from exchange transactions	Resolved – Adjustment was made to the AFS
6	General expenses – Differences between general ledger and invoices	Resolved – Adjustment was made to the AFS
7	Incomplete prior period error note	Resolved – Adjustment was made to the AFS
8	Contingent liabilities	Resolved – Adjustment was made to the AFS
9	Current year irregular expenditure overstated	Resolved – Adjustment was made to the AFS
10	Employee related cost – skills development levy and Unemployment Insurance Fund	Resolved – Adjustment was made to the AFS
11	VAT receivable	Resolved – Adjustment was made to the AFS
12	Construction Industry Development Board – Winning contractor's grading not suitable for value of contract	Not resolved
13	Prevention of fruitless and wasteful expenditure	Not resolved



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