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JPC  
FOURTH QUARTER REPORT  
2024/25



## GENERAL INFORMATION

<b>Registration number</b>	2000/017147/07
<b>Registered address</b>	3rd Floor I Forum I I Braam Park I 33 Hoofd Street I Braamfontein
<b>Postal address</b>	PO Box 31565 Braamfontein 2017
<b>Telephone number</b>	+27 010 219 9000
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<b>Website</b>	<a href="http://www.jhbproperty.co.za">www.jhbproperty.co.za</a>
<b>Email Address</b>	<a href="mailto:clientservicingunit@jhbproperty.co.za">clientservicingunit@jhbproperty.co.za</a>
<b>Bankers</b>	Standard Bank South Africa
<b>Auditors</b>	Auditor-General of South Africa
<b>Company Secretary</b>	Gontse Dlamini





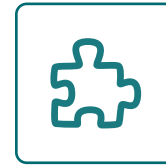
## Vision

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
- > Accountability
- > Responsibility
- > Customer Service
- > Trust



Metro  
Centre





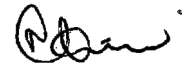
## OFFICIAL SIGN-OFF

It is hereby certified that this quarterly report:

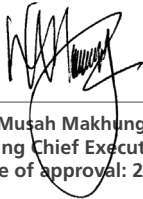
- Was developed by the management of JPC (SOC) Ltd under the guidance of the executive management.
- Considers all the relevant policies, legislation, and other mandates for which JPC (SOC) Ltd is responsible.
- Accurately reflects the performance that JPC (SOC) Ltd has achieved in the period under review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



Mr Mfanafuthi Zondo  
Acting Chief Financial Officer  
Date of approval: 23/07/25



Ms Catherine Setlhako  
CoJ Legal  
Date of approval: 25/07/25



Mr Musah Makhunga  
Acting Chief Executive Officer  
Date of approval: 23/07/25



Mr Mathopane Masha  
Executive Director: Economic  
Development  
Date of approval: 28/07/25



Mr Simon Motha  
Chairperson of the Board  
Date of approval: 24/07/25



Cllr Nomoya Mnisi  
Member of the Mayoral Committee:  
Economic Development  
Date of approval: 11/08/2025





## LIST OF ACRONYMS

<b>AGSA</b>	Auditor-General of South Africa
<b>ARC</b>	Audit and Risk Committee
<b>BOQ</b>	Bill of Quantities
<b>CAPEX</b>	Capital expenditure
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CIDB</b>	Construction Industry Development Board
<b>CLO</b>	Community Liaison Officer
<b>CoJ</b>	City of Johannesburg Metropolitan Municipality
<b>COO</b>	Chief Operating Officer
<b>DED</b>	Department of Economic Development
<b>EAC</b>	Executive Adjudication Committee
<b>EAP</b>	Economically active population
<b>EDRMS</b>	Electronic Records and Document Management System
<b>EESD</b>	Employment Equity and Skills Development
<b>EISD</b>	Environment and Infrastructure Services Department
<b>EMT</b>	Executive Management Team
<b>FLISP</b>	Finance-Linked Individual Subsidy Programme
<b>FY</b>	Financial year
<b>GCSS</b>	Group Corporate and Shared Services
<b>GDARD</b>	Gauteng Department of Agriculture and Rural Development
<b>GDHS</b>	Gauteng Department of Human Settlements
<b>GDS 2040</b>	Growth and Development Strategy 2040
<b>GFIS</b>	Group Forensic and Investigation Services
<b>GPF</b>	Government Property Fund
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>GRAS</b>	Group Risk and Assurance Services
<b>HC</b>	Human Capital
<b>HR</b>	Human Resources
<b>IAC</b>	Independent Audit Committee
<b>ICT</b>	Information and communication technology





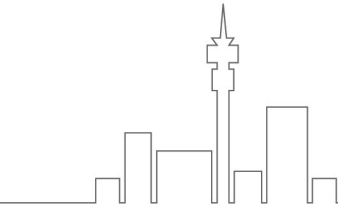
## LIST OF ACRONYMS

<b>IT</b>	Information technology
<b>JMPD</b>	Johannesburg Metropolitan Police Department
<b>JOSHCO</b>	Johannesburg Social Housing Company
<b>JPC</b>	City of Joburg Property Company (SOC) Ltd
<b>JRA</b>	Johannesburg Roads Agency
<b>KPI</b>	Key performance indicator
<b>MFMA</b>	Municipal Finance Management Act, 2003
<b>MMC</b>	Member of the Mayoral Committee
<b>MOEs</b>	Municipal-owned entities
<b>MTC</b>	Metropolitan Trading Company (SOC) Limited
<b>NED</b>	Non-Executive Director
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>OHSA</b>	Occupational Health and Safety Act
<b>OPEX</b>	Operating expenditure
<b>PDP</b>	Personal Development Plan
<b>POPIA</b>	Protection of Personal Information Act
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>R&amp;M</b>	Repairs and maintenance
<b>RDP</b>	Reconstruction and Development Programme
<b>RFP</b>	Request for proposal
<b>RFQ</b>	Request for quotation
<b>SCM</b>	Supply chain management
<b>SDA</b>	Service Delivery Agreement
<b>SDP</b>	Site development plan
<b>SEC, HR &amp; REMCO</b>	Social and Ethics, Human Resources and Remuneration and Transformation Committee
<b>SLA</b>	Service Level Agreement
<b>SLS</b>	Service level standard
<b>SMME</b>	Small, medium and micro enterprise
<b>SOC</b>	State-owned company
<b>TEA</b>	Temporary emergency accommodation
<b>TIA</b>	Traffic Impact Assessment



LIST OF ACRONYMS

TMPL	Thabo Mbeki Presidential Library
TSD	Transactions and Service Delivery
TVET	Technical and vocational education and training
UIFW	Unauthorised, irregular, fruitless, and wasteful
UJ	University of Johannesburg
VAT	Value-added tax
WSSD	Walter Sisulu Square of Dedication
YTD	Year-to-date



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## Chapter 1 Leadership and Corporate Profile





## Section 1

### Chairperson's Overview



**Mr Simon Motha**

Chairperson of the Board

It is my privilege, in my capacity as Chairperson of the Board, to present the Joburg Property Company's (JPC) Fourth Quarter Report for the 2024/25 financial year, on behalf of the Board of Directors. This report, which covers the period from 1 April to 30 June 2025, provides a strategic account of the Company's performance and key achievements during the final quarter. The insights presented herein reaffirm JPC's ongoing commitment to spatial transformation, community development, and the facilitation of sustainable investment within the City of Johannesburg.

As the Board brings the financial year to a close, our focus is firmly directed toward strengthening **governance assurance, reinforcing strategic alignment, and sustaining forward momentum** into the next planning cycle.

#### Governance Oversight and Assurance

- **Strategic Outlook and Transition Planning:** With the 2025/26 Business Plan already approved by the Board and Council, the focus now shifts to ensuring effective implementation through clear strategic prioritisation, confirmed budget allocations, and proactive stakeholder engagement as the new financial year begins.

- **Financial Accountability:** The entity closed the financial year with a surplus of R179.6 million, reflecting prudent fiscal management. However, the Board has critically scrutinised the underperformance in key financial indicators—particularly the low operating and capital expenditure levels—against approved budgets. While the reported investment spend of R127.5 million is noted, the Board remains concerned about the pace of budget execution and has emphasised the need for improved alignment between financial planning and delivery to maximise value creation.
- **Performance Against Targets:** At this stage, the overall organisational performance stands at 74%, with five (5) key performance indicators not achieved—accounting for the remaining 26%. On this same note, the Board has noted and evaluated the impact of flagship projects (e.g. Orlando Ekhaya Towers, Southern Farms Megacity, Power Park Phase 2) as progressing per scope, budget, and socio-economic returns, especially student housing, job creation, spatial justice, and youth empowerment.
- **Risk Management:** The Board has undertaken a comprehensive reassessment of the organisation's enterprise risk profile, with particular focus on delivery timelines, land value preservation, and reputational exposure in public-private partnerships. Following this review, the Board approved the revised set of strategic risks to ensure strengthened risk mitigation and alignment with evolving operational realities.

#### Reporting, Compliance and Close-Out:

- **Audit Preparedness and Compliance:** Ensuring that financial and performance data are fully audit-ready, we focused on addressing and resolving any instances of unauthorised, irregular, fruitless, and wasteful expenditure (UIFWE), as well as outstanding audit findings from previous quarters. In this period under review, the entity managed to resolve the internal and external audit findings.
- **Close-out Reporting:** As the Board, our focus will shift to ensuring that Management delivers a high-quality and transparent Integrated Annual Report that articulates JPC's performance, impact, and value-add to Council, oversight bodies, and stakeholders.
- **Board Reflection and Governance Review:** The Board actively reflects on its effectiveness, draws insights from governance lessons learned, and strengthens oversight mechanisms in preparation for the upcoming performance cycle.

As with previous periods, the Board remained steadfast in fulfilling its fiduciary responsibilities across several key dimensions:

- **Leadership and Institutional Stability:** The recruitment process for the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) roles remains a top priority. While this process unfolds, acting appointments and internal controls remain in place to ensure operational continuity and leadership accountability.





- **Stakeholder Engagement and Impact:** The quarter saw JPC deepen its engagements with both public and private sector stakeholders, laying the groundwork for collaborative projects and ensuring that developments meet the needs of the communities they serve.

While the full-year corporate performance and final key performance indicators (KPIs) are still being consolidated, the momentum generated in the final quarter has set a strong foundation for the year ahead. The Board remains committed to ensuring that JPC continues to be a high-performing municipal entity that delivers lasting impact and inclusive growth for

the residents of Johannesburg.

**On behalf of the Board**, I extend our heartfelt appreciation to the City leadership, JPC management, and our valued partners for their continued support and commitment to building a transformed and inclusive urban future.

We are proud to share that our **Acting CEO, Musah Makhunga**, has been honoured by the **South African Institute of Black Property Practitioners (SAIBPP)** as one of the **SAIBPP100 Top Black Property Leaders for 2025**. This recognition acknowledges ethical leadership and impactful contributions that has shaped transformative policies,

programmes, and institutions within the property sector. His leadership in the public sector—particularly his efforts to drive transformation and unlock value within the CoJ—has been instrumental in advancing these goals. His leadership in the public sector—particularly his efforts to drive transformation and unlock value within the CoJ—has been instrumental in advancing these goals.

**Mr Simon Motha**  
Chairperson of the Board



Alex Mall Birds  
Eye view





## Section 2

### Acting Chief Executive Officer's Foreword



**Mr Musah Makhunga**

Acting Chief Executive Officer

As we conclude the fourth quarter of the financial year, this report presents a summary of our performance, key milestones, and strategic progress. The period reflects JPC's resilience and continued commitment to delivery, despite constrained resources and the inability to fill critical vacancies. Notwithstanding these challenges, the Company remained focused on driving implementation of strategic projects. The work completed during this quarter lays the groundwork for long-term value creation, with benefits and returns expected to materialise in the coming year.

In addition, emphasis was placed on assessing the readiness and feasibility of the project pipeline for the 2025/26 financial year, ensuring alignment with strategic priorities and delivery capacity.

Key highlights from the quarter include:

- **The launch of the Orlando Ekhaya Towers and the groundbreaking of the Power Park Student Accommodation Phase 2** projects—both in Soweto—reflect JPC's commitment to community-centred development. These transformative initiatives will not only revitalise the

urban landscape but also provide much-needed affordable housing for students, addressing a critical socio-economic need.

- The **Southern Farms Megacity Project** reached a major milestone with the formal site handover in May. This catalytic development is poised to be a game-changer in regional spatial planning, housing provision, and economic stimulation within the City's southern corridor.
- The **Thabo Mbeki Presidential Library**, set to be developed on City-owned land through a long-term lease, will attract investment exceeding **R1 billion**, affirming JPC's role in leveraging public land for significant cultural and economic returns.
- **Revenue Generation:** During this quarter, JPC generated R42.5 million and R19 million from cell mast rentals—demonstrating progress in unlocking property-based revenue streams to support municipal sustainability.

During this quarter, investment spend stood at **R127.5 million, with an overall year-to-date total of R660 million**, reflecting sustained infrastructure-led development across strategic precincts. These initiatives are aligned with the City's Integrated Development Plan and its broader goals of equitable growth, urban renewal, and youth empowerment.

#### Achievements Against Predetermined Objectives

The quarterly performance for corporate KPIs averaged 74%, indicating solid progress with opportunities for further improvement. Key highlights include:

- **R5.5 billion** attracted in investment through property transactions and developments.
- **R660.4 million** invested as construction spend within City of Johannesburg boundaries.
- Capacity building initiatives trained **1 147** staff year-to-date, strengthening institutional resilience.
- **100% resolution rate** of Auditor-General findings.
- **97% resolution rate** of internal audit findings.

These outcomes reflect a focused effort to reposition JPC as a capable, ethical, and high-performing municipal entity. While progress is evident, JPC remains committed to enhancing credibility, amplifying impact, and delivering measurable value in alignment with the City's development priorities.

The relatively low capital expenditure reflects critical decision-making in response to upcoming budget constraints. The Board and management carefully evaluated the impact of budget reductions for the next financial year, including whether to complete or defer projects—such as the temporary emergency accommodation (TEA) development—pending confirmation of future funding availability.

#### Stakeholder Engagement

JPC has strengthened its strategic communications to enhance relationships with communities, business partners, and government stakeholders, reinforcing its reputation as a credible enabler of inclusive urban development. Notably, JPC played a leading role in sponsoring and facilitating expert discussions at the SA Institute of Black Property Professionals (SAIBPP)







conference in June, demonstrating its commitment to thought leadership and collaborative partnership opportunities within the sector.

### Strategic Outlook

With the 2025/26 Business Plan approved, JPC is positioned to transition from planning to execution, with a clear focus on revenue generation and operational impact. Key strategic priorities include:

- **Revenue Growth:** Implement targeted property transactions to unlock new income streams and strengthen the Company's financial position.

- **Investment Enablement:** Leverage the City's property portfolio to attract private sector investment and support precinct development.
- **Job Creation and SMME Support:** Use property development and leasing strategies to drive job opportunities and empower SMMEs.
- **Asset Value Optimisation:** Ensure the City's property assets are strategically managed to retain value and enable future growth.
- **Delivery Readiness:** Align internal capacity and the project pipeline to support effective roll-out of 2025/26 initiatives, despite existing operational constraints.

### Acknowledgements

I extend my sincere appreciation to our dedicated employees, supportive board members, and valued stakeholders. Your unwavering commitment and collaboration are appreciated. As we embark on a new financial year, we are committed to building on past progress as we seek to scale to greater performance heights in achieving our strategic goals and mandate.

**Mr Musah Makhunga**  
Acting Chief Executive Officer



The Thabo Mbeki  
Presidential Library







## Section 3

### Acting Chief Financial Officer's Overview



**Mr. Mfanafuthi Zondo**

Acting Chief Financial Officer

I am pleased to present the fourth quarter overview of the Joburg Property Company's performance for the period 01 April 2025 to 30 June 2025.

JPC is both factually and commercially solvent, with adequate resources to meet its obligations to its creditors. Moving forward, emphasis will be placed on continuing to improve solvency and liquidity ratios in the first quarter of the new financial year. As JPC does not receive regular payments from departments, the entity continues to struggle with converting related-party debtors of more than a billion rand into cash.

The financial performance indicates a year-to-date surplus of **R179.6 million**. The main contributors are:

#### Revenue

- Management fees are in line with expectations post finalisation of appointments and Service Level Agreements (SLAs), which translated to increased management fees for JPC in the 2025 financial year.

- Several outdoor advertising agreements are currently awaiting Executive Adjudication Committee (EAC) approval, which is delaying generation of income. As a result, the commission on outdoor advertising is slightly behind budget.
- Several land transaction awards have been issued. Facilitation fees materialised accordingly in the current year (2025/26).
- Overall, revenue is in line with expectations.

#### Expenditure

- Included in office operational expenses is office accommodation expenditure relating to alternative accommodation for departments that previously occupied the Metro Centre. The Executive Adjudication Committee has awarded the tenders, and the final process required by MFMA section 33 has been completed. A report was submitted to the Council, and expenditure will start once contracts have been completed. The contract for the Newtown lease was finalised late in the 2024/25 financial year.
- Through the prudent management of JPC's bank account, the entity has successfully avoided incurring any interest charges on expenditure.

During the period under review, CoJ undertook a rebasing exercise, which resulted in a revenue increase of R128 million. Expenditure was also increased

by the same amount, with a significant increase in repairs and maintenance budget. Capital expenditure (CAPEX) was reduced from R81.8 million to R64 million.

No deviations were identified for the period under review.

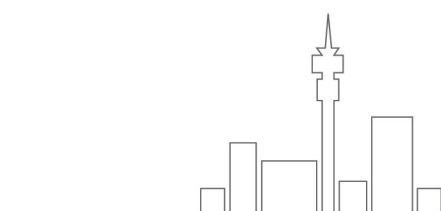
JPC continues to incur irregular expenditure on the following:

- **Office accommodation** – Contract negotiations have started, which will end the irregular expenditure.
- **Connectivity** – The City is in the process of taking over the contract as part of centralising the Information Technology Strategy.
- **Fleet** – This is a centralised contract procured at the City, and the City is implementing measures to address it.

Looking ahead to the new financial year (2025/26), we anticipate increased spending on repairs and maintenance, and on capital expenditure. Preparations for the 2025 annual financial year audit, to be conducted by the Auditor General (AG), are underway and will be meticulously executed.

As we navigate through these challenges, JPC remains steadfast in its commitment to financial prudence, operational excellence, and delivering value to our stakeholders.

**Mr Mfanafuthi Zondo**  
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 nineteen (19) KPIs scheduled for evaluation in this quarter, fourteen (14) **74%** were achieved.
- One (1) KPI was not due for valuation in this quarter under review.
- A surplus of **R179.6 million** was recorded.
- The liquidity ratio was 1.08 and the solvency ratio was 1.18.



#### HIGHLIGHTS

- **1 147** training and development initiatives were completed.
- A **R1 billion** development agreement was signed with a year-to-date total of **R5.5 billion**.
- **R127.5 million** investment spend was achieved for the quarter with **R660.4 million** for the year on projects within CoJ boundaries based on construction value on the ground.
- JPC successfully resolved 100% of the AGSA's findings for the financial year ending 30 June 2025.
- Two (2) development projects were launched: Orlando Ekhaya Waterfront and Power Park Student Accommodation.
- Fourteen (14) properties to the value of **R62 684 008** were approved by Council for acquisition.
- Three hundred and eighty-eight (388) properties to the value of **R42 922 370** were disposed of.



#### LOWLIGHTS

- The five (5) KPIs reflecting the **26%** that were not achieved relate to:
  - Percentage spent on operating budget
  - Renewal of office accommodation leases
  - Release of properties
  - CAPEX
  - SMME's supported

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

Table 1: Company Performance

QUARTER 1		QUARTER 2		QUARTER 3		QUARTER 4	
Achieved	9	Achieved	10	Achieved	13	Achieved	14
Not achieved	8	Not achieved	10	Not achieved	6	Not achieved	5
KPI at risk	0	KPI at risk	0	KPI at risk	6	KPI at risk	0
KPI not yet due	3	KPI not yet due	0	KPI not yet due	1	KPI not yet due	1

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
<b>Annual Target: R5 billion</b>	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	R2 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R2 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R5 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract
<b>Actual</b>	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	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	R5.5 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract
 <b>TARGET ACHIEVED</b>					

Table 3: KPI 1.1

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


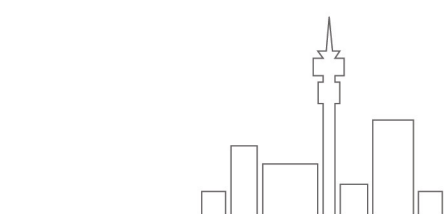
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target: R500 million</b>	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million 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
<b>Actual</b>	R172.8 million investment spend on projects within CoJ boundaries based on construction value on the ground	R269.4 million investment spend on projects within CoJ boundaries based on construction value on the ground	R90.5 million investment spend on projects within CoJ boundaries based on construction value on the ground	R127.5 million investment spend on projects within CoJ boundaries based on construction value on the ground	R660.4 million investment spend on projects within CoJ boundaries based on construction value on the ground
 <b>TARGET ACHIEVED</b>					

Table 4: KPI 1.2







### 1.3 Job Opportunities Created


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 1 000	250 job opportunities created	250 job opportunities created	250 job opportunities created	250 job opportunities created	1 000 job opportunities created
<b>Actual</b>	95 job opportunities created	212 job opportunities created	225 job opportunity created	487 job opportunities created	1 019 job opportunities created
 TARGET ACHIEVED					

Table 5: KPI 1.3

### 1.4 SMMEs Supported Through Property Transactions


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 700	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	700 SMMEs supported
<b>Actual</b>	73 SMMEs supported	57 SMMEs supported	106 SMMEs supported	150 SMMEs supported	386 SMMEs supported
 TARGET NOT ACHIEVED					

Table 6: KPI 1.4

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


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target :</b> 10	Acquisition of 0 properties	Acquisition of 0 properties	Acquisition of 5 properties	Acquisition of 5 properties	Acquisition of 10 properties
<b>Actual</b>	03 properties acquired	0 properties acquired	06 properties acquired	01 properties acquired	10 properties acquired
 TARGET ACHIEVED					

Table 7: KPI 1.5





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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 150	0 properties released on social and economic leases including servitudes and sales	40 properties released on social and economic leases including servitudes and sales	60 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
<b>Actual</b>	22 properties released on social and economic leases including servitudes and sales	42 properties released on social and economic leases including servitudes and sales	16 properties released on social and economic leases including servitudes and sales	16 properties released on social and economic leases including servitudes and sales	96 properties released on social and economic leases including servitudes and sales
 <b>TARGET NOT ACHIEVED</b> <p>Efforts to release properties through public tender have been hindered by the delay in securing approval from the City Manager for the Bid-Sec composition memorandum. Without this critical approval, the entity has been unable to proceed with initiating tender processes for the release of additional properties.</p>					

Table 8: KPI 1.6

## 1.7 Implementation of the Outdoor Advertising Masterplan


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 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
<b>Actual</b>	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
 <b>TARGET ACHIEVED</b>					

Table 9: KPI 1.7



## 1.8 Implementation of Annual Refurbishment Plan for the Metro Centre Precinct


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 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
<b>Actual</b>	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	100% implementation of annual refurbishment plan for Metro Centre	100% implementation of annual refurbishment plan for Metro Centre
 TARGET ACHIEVED					

Table 10: KPI 1.8

## 1.9 Renewal of Office Accommodation Leases


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 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
<b>Actual</b>	6 renewals of office accommodation leases	0 renewals of office accommodation leases	0 renewals of office accommodation leases	0 renewals of office accommodation leases	6 renewals of office accommodation leases
 TARGET NOT ACHIEVED           There is a strong likelihood that this KPI will not be achieved, as JPC is currently in the contract management phase for all approved 9-year and 11-month leases. No further leases are to be entered into during this financial year due to budget constraints and the limited availability of office space for rental.					

Table 11: KPI 1.9







## 1.10 Implement Training and Development Initiatives to Address Competency Gaps

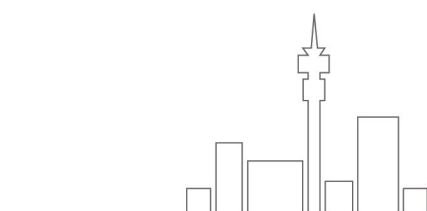
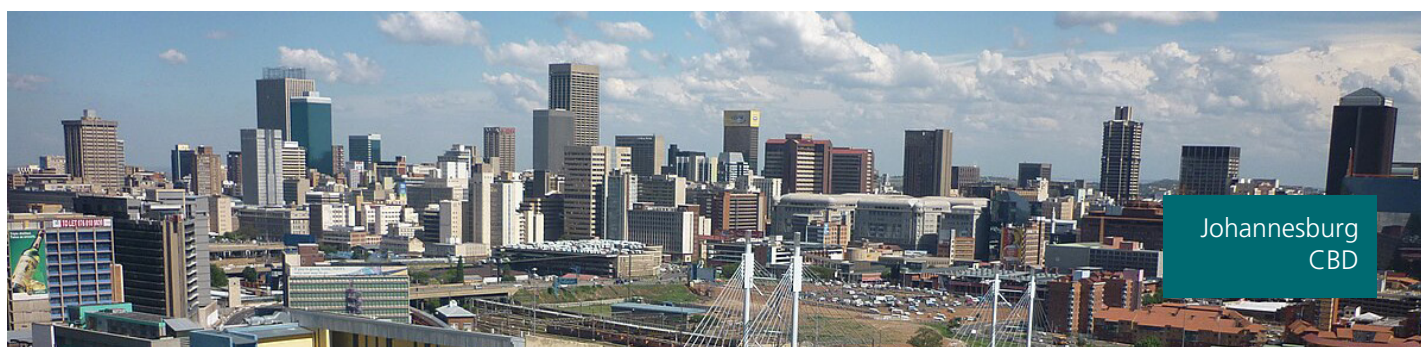
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target: 950</b>	237 employees trained	237 employees trained	238 employees trained	238 employees trained	950 employees trained
<b>Actual</b>	122 employees trained	397 employees trained	541 employees trained	87 employees trained	1 147 employees trained
TARGET ACHIEVED					

Table 12: KPI 1.10

## 1.11 Income Generated Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target: R125 million</b>	R28.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R28.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R33.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R33.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R125 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales
<b>Actual</b>	R40.16 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R21.24 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R28.28 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R40.21 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R129.90 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales
TARGET ACHIEVED					

Table 13: KPI 1.11





## 1.12 Allocated CAPEX

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 97%	25% spend on allocated CAPEX	25% spend on allocated CAPEX	23.50% spend on allocated CAPEX	23.50% spend on allocated CAPEX	97% spend on allocated CAPEX
<b>Actual</b>	16% spend on allocated CAPEX	0% spend on allocated CAPEX	25% spend on allocated CAPEX	45% spend on allocated CAPEX	45% spend on allocated CAPEX



**TARGET NOT ACHIEVED**

Temporary emergency accommodation had a budget of R22 million in the current year. This was a multi-year project; however, the budget was cut in the outer years, and spending the amount allocated for the current year would have resulted in audit risks for JPC. Work in progress or halted projects have been highlighted as an area of poor planning by the AG in the City. Additionally, JPC had a R6 million budget for the Inner City Rejuvenation Programme/Project, but the negotiations were not positive. The property valuation amounted to R3.7 million, and the owner wanted R7 million, which was not backed by a valuation. The deal did not materialise. JPC will then initiate the expropriation process.

Table 14: KPI 1.12

## 1.13 Percentage Spend on Operating Budget Against Approved Operating Budget

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 97%	25% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	23.50% spent on operating budget against approved operating budget	23.50% spent on operating budget against approved operating budget	97% spent on operating budget against approved operating budget
<b>Actual</b>	18.63% spent on operating budget against approved operating budget	21.40% spent on operating budget against approved operating budget	15.77% spent on operating budget against approved operating budget	82.6% spent on operating budget against approved operating budget	82.6% spent on operating budget against approved operating budget



**TARGET NOT ACHIEVED**

Office operational expenses are 31.8% below the YTD budget. This is because of leases commencing later in the financial year than initially planned. Furthermore, office optimisation yielded cost savings by placing staff in spaces JPC was already contracted for.

Table 15: KPI 1.13

## 1.14 Percentage of Budget Spend on Repairs and Maintenance

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 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
<b>Actual</b>	0% of repairs and maintenance budget spent	0% of repairs and maintenance budget spent	6% of repairs and maintenance budget spent	8.63% of repairs and maintenance budget spent	8.63% of repairs and maintenance budget spent



**TARGET ACHIEVED**

Table 16: KPI 1.14





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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 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
<b>Actual</b>	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



TARGET ACHIEVED

Table 17: KPI 1.15

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target:</b> 50%	0% reduction in UIFW expenditure incurred citywide	20% reduction in UIFW expenditure incurred citywide	15% reduction in UIFW expenditure incurred citywide	15% reduction in UIFW expenditure incurred citywide	50% reduction in UIFW expenditure incurred citywide
<b>Actual</b>	0% reduction in UIFW expenditure incurred citywide	0% reduction in UIFW expenditure incurred citywide	0% reduction in UIFW expenditure incurred citywide	88% reduction in UIFW expenditure incurred citywide	88% reduction in UIFW expenditure incurred citywide



TARGET ACHIEVED

Table 18: KPI 1.16

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

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



TARGET ACHIEVED

Table 19: KPI 1.17







## 1.18 Audit Opinion


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target: Unqualified Audit</b>	N/A	Unqualified audit	N/A	N/A	N/A
<b>Actual</b>	Target not due this quarter	Unqualified audit outcome	Target not due this quarter	Target not due this quarter	Target not due this quarter
 TARGET NOT DUE					

Table 20: KPI 1.18

## 1.19 Resolution of Auditor-General's Findings


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target: 95%</b>	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% of the current/new AG's letter
<b>Actual</b>	100% of the previous AG's letter	100% of the previous AG's letter	92% of the current/new AG's letter	100% of the current/new AG's letter	100% of the current/new AG's letter
 TARGET ACHIEVED					

Table 21: KPI 1.19

## 1.20 Percentage Resolution of Internal Audit Findings


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Annual Target: 95%</b>	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
<b>Actual</b>	0% resolution of Internal Audit findings	43% resolution of Internal Audit findings	82% resolution of Internal Audit findings	97% resolution of Internal Audit findings	97% resolution of Internal Audit findings
 TARGET ACHIEVED					

Table 22: KPI 1.20

*\*In this reporting cycle, the report reflects amendments effected through the financial year because of Internal Audit's reconciliation of the reported achievements against the evidence provided.*





## Section 5

### Corporate Profile and Overview of the Entity

JPC was established in 2000 as a private company and is wholly owned by the 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 is required to 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 **1 476** employees who are based at the head office and JPC's depots. JPC derives its mandate from a signed Service Delivery Agreement (SDA) 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:

- **Developing and implementing land strategy:** Develop and implement the land strategy to guide new business development and optimise the portfolio through monitoring and evaluation, thereby creating high-yielding assets.
- **Maintaining Asset Register compliance:** Maintain compliance of the Asset Register, account for asset movements, ensure safekeeping of title deeds, and conduct regular property valuations.

#### 2. Property Development

JPC aims to maximise returns 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

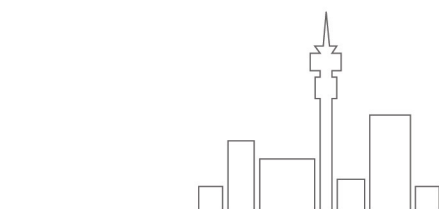
This function encompasses multiple disciplines to ensure the functionality, comfort, safety, and efficiency of the property and built environment. It is largely rooted in upkeep of facilities and improvement of physical buildings. The role also includes the implementation of new sustainability and green 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).



Metro Centre





## 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
 <b>Sustained Economic Growth</b>	<ul style="list-style-type: none"> <li>• R5 billion investment/rand value attraction of investment on CoJ property</li> <li>• R500 million investment spend on CoJ property/construction value on the ground</li> <li>• Acquisition of 10 properties on behalf of departments and municipal entities for the advancement of the City's service delivery objectives</li> </ul>
 <b>Job Opportunity Creation</b>	<ul style="list-style-type: none"> <li>• 1 000 job opportunities created through property transactions</li> <li>• 700 SMMEs supported through property transactions</li> </ul>
 <b>Good Governance</b>	<ul style="list-style-type: none"> <li>• Audit opinion/unqualified audit opinion (clean audit)</li> <li>• 50% reduction in UIFW expenditure incurred citywide</li> <li>• 95% resolution of Auditor-General's findings</li> <li>• 95% resolution of Internal Audit findings</li> <li>• 100% of valid invoices paid within 30 days of invoice date</li> <li>• 950 employees trained to address competency gaps</li> <li>• 100% implementation of annual refurbishment plan for Metro Centre</li> </ul>
 <b>Financial Sustainability</b>	<ul style="list-style-type: none"> <li>• R125 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales</li> <li>• 97% spent on the operating budget against approved operating budget</li> <li>• 8% spent on property, plant, and equipment repairs and maintenance in respect of JPC facilities</li> <li>• 150 properties released on social and economic leases, including servitudes and sales</li> <li>• 97% spent of the allocated CAPEX budget</li> <li>• 100% implementation of the outdoor advertising masterplan</li> <li>• 27 office accommodation leases renewed</li> </ul>
 <b>Active % Engaged Citizenry</b>	<ul style="list-style-type: none"> <li>• 95% achievement of service standards</li> </ul>

**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 Chairperson 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 (SDA) 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



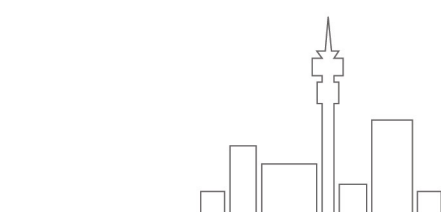
Non-Executive Directors



Executive Directors

#### Board Members (Non-Executive Directors)

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





### Board Members (Executive Directors)

- Musah Makhunga (Acting CEO)
- Mfanafuthi Zondo (Acting CFO) (effective 1 April 2025)

### Independent Audit Committee Members

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

The independence of the 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.

Sivuyisiwe Gwebani, a Non-Executive Director, resigned on 31 March 2025, bringing the composition of the board to ten (10) Non-Executive Directors.

### 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.

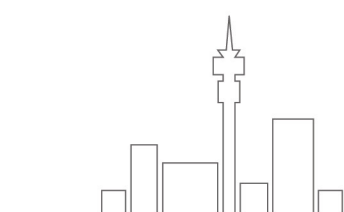


## Section 3

### 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 appropriate recommendations to the Board in terms of its scope and mandate.

### Four independent Non-Executive Directors:

Ms Ntombikayise Tini (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
- Marketing and communications
- Ethics 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 (IAC) 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



**Mr Mxolisi Zondo**  
Chairperson

**Transactions and Service  
Delivery Committee**

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

**Three independent  
Non-Executive Directors:**

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

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

- 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	1/1	0/0			1/1	0/0		
Ms Tshepang Thatelo	1/1	0/0	0/1		1/1	0/0		
Mr Thapelo Mashamaite	1/1	0/0	1/1	1/1				
Ms Yolisa Ngxabazi	1/1	0/0					1/1	0/0
Mr Mxolisi Zondo	1/1	0/0			1/1	0/0		0/0
Ms Sandy Collophen	1/1	0/0			1/1	0/0		0/0
Ms Bettycourt Teffo	1/1	0/0			1/1	0/0	1/1	0/0
Ms Ntombikayise Tini	1/1	0/0					1/1	0/0
Mr Moeketsi Rabodila	1/1	0/0					1/1	0/0
Mr Fulufhelo Ratshikhopha	1/1	0/0	1/1	1/1				
Ms Yongama Pamla			1/1	1/1				
Ms Rachel Makwela			1/1	1/1				
Mr Khethukuphila Ngubane			1/1	1/1				
Mr Motsamai Karedi			1/1	1/1				
<b>Legend</b>	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
24.04.25		22.04.25	23.06.25	15.04.25	21.02.25	15.01.25	16.04.25
1	0	1	1	1	1	1	1

Table 25: Board Meeting Dates

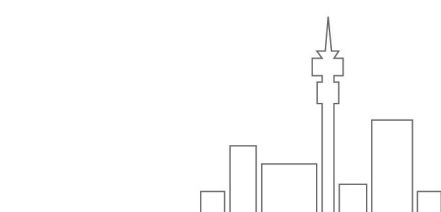
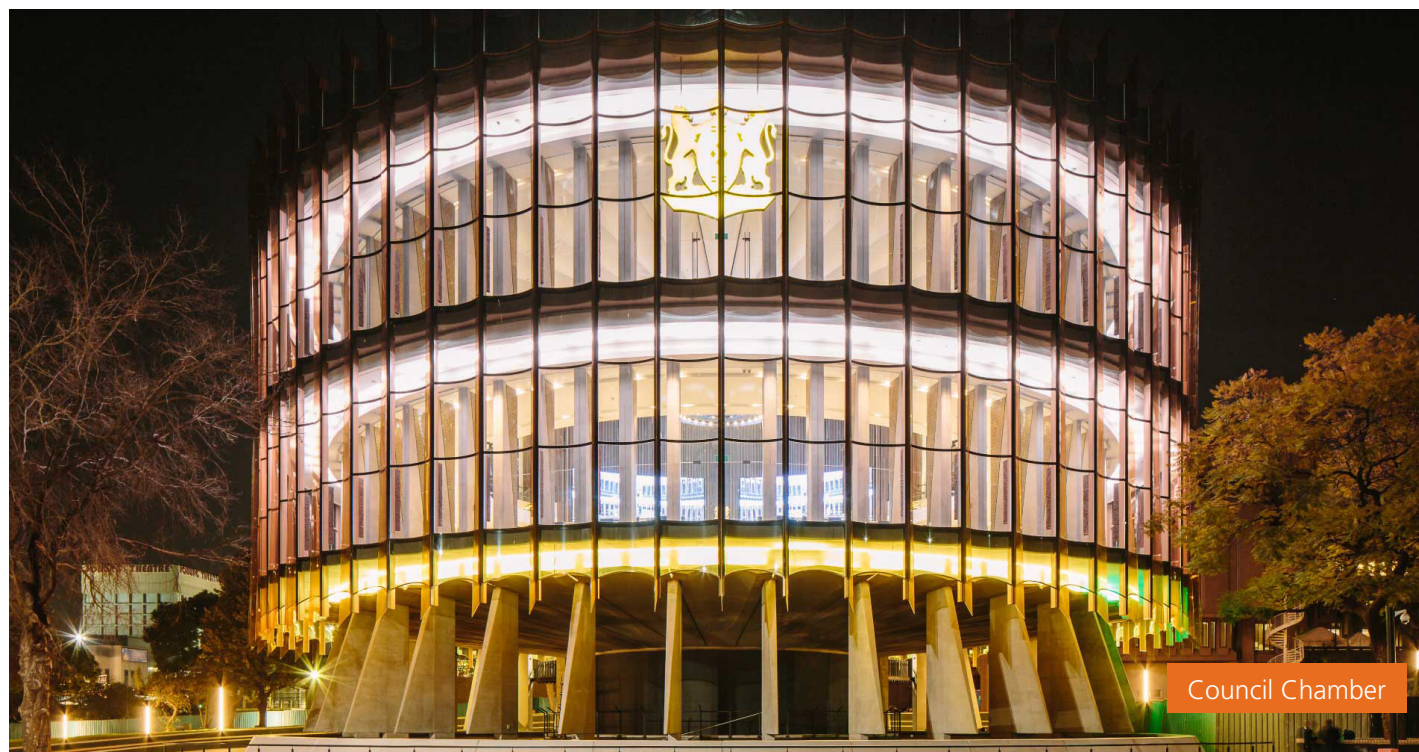
During the period under review, the Board approved the following submissions recommended by the sub-committees:

#### Matters Considered by the Board

- JPC Third-Quarter Performance Report for 2024/25 FY
- JPC Third-Quarter Acquisition Plan for 2024/25 FY
- JPC Strategic Risk Register Report 2024/25
- JPC Business Plan 2025/26
- UIFW Expenditure Write-Offs
- JPC Supply Chain Management Policy (SCMP)
- JPC Fixed Assets Policy
- Debtors Policy
- Extension of Acting Tenures: JPC Executives (ACEO: Musah Makhunga and ACFO: Mfanafuthi Zondo)

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.





## 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 June 2025
Mr Simon Motha	Chairperson of the Board	R40 000.00
Mr Thapelo Mashamaite	Chairperson (ARC)	R54 000.00
*Ms Yolisa Ngxabazi	Chairperson (SEC, HR & REMCO)	
Ms Bettycourt Teffo	Non-Executive Director	R38 434.78
Ms Tshepang Thatelo	Non-Executive Director	R38 434.78
Ms Ntombikayise Tini	Non-Executive Director	R32 000.00
Mr Fulufhelo Ratshikhopha	Non-Executive Director	R54 000.00
Mr Mxolisi Zondo	Non-Executive Director	R34 000.00
Ms Sandy Collophen	Non-Executive Director	R52 000.00
Mr Moeketsi Rabodila	Non-Executive Director	R48 000.00
Independent Audit Committee Members		
Ms Yongama Pamla	Independent Audit Committee Member	R8 000.00
Ms Rachel Makwela	Independent Audit Committee Member	R24 000.00
Mr Khethukuphila Ngubane	Independent Audit Committee Member	R8 000.00
Mr Motsamai Karedi	Independent Audit Committee Member	R8 000.00
Total Payments		R842 019.78

Table 27: Director Emoluments for Meetings

Table 27 above pertains to invoices received and paid by Finance. The discrepancy in payments to IAC members stems from differences in value-added tax (VAT) status. One member is a registered VAT vendor and therefore submits invoices inclusive of VAT. One (1) NED is a government employee.

\*Yolisa Ngxabazi; did not claim for board fees, travel, or data costs.

Board and subcommittee Chairpersons attend City meetings quarterly and are compensated for their participation.



Johannesburg City Skyline



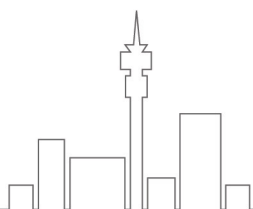
Name	Basic Salary	Travel Allowance	Housing Allowance	Leave Encashment	Acting Allowance	Performance Bonus/13th	Final Leave Pay	Non-Pensionable Allowance	Company Contribution	TOTAL
Helen Botes	R2 744 250	R250 00	R–	R329 304	R–	R419 195	R371 287	R–	R44 784	R4 158 820
Sizeka Tshabalala	R1 845 739	R120 000	R–	R68 843	R–	R223 034	R–	R–	R426 286	R2 693 902
Mduduzi Makhunga	R1 858 672	R96 000	R–	R–	R87 384	R304 905	R–	R–	R429 478	R2 776 439
Sipho Mzobe	R1 669 560	R110 000	R9 985	R–	R–	R233 034	R–	R–	R389 366	R2 408 946
Phaqa Mhlongo	R1 981 182	R–	R–	R–	R–	R–	R–	R–	R341 998	R2 323 180
Tshepo Mokataka	R923 476	R–	R–	R–	R–	R233 034	R–	R–	R439 547	R2 596 058
Imraan Bhamjee	R2 362 483	R96 000	R–	R–	R–	R383 589	R–	R–	R493 998	R3 336 070
Gontse Dlamini	R1 326 781	R–	R13 373	R41 340	R–	R107 657	R–	R–	R292 665	R1 781 815
Sifiso Mabizela	R1 500 054	R–	R–	R53 905	R–	R232 565	R–	R–	R266 857	R2 053 381
Sathekge Ogotlhe	R1 869 186	R–	R–	R52 295	R–	R214 000	R–	R–	R267 021	R2 402 502
	<b>R19 081 382</b>	<b>R672 000</b>	<b>R23 358</b>	<b>R545 687</b>	<b>R87 384</b>	<b>R2 361 014</b>	<b>R371 287</b>	<b>R–</b>	<b>R3 389 001</b>	<b>R26 531 113</b>

**Table 28:** Executive Management Remuneration for the Period Under Review

## Disclosure of Interest

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.

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.



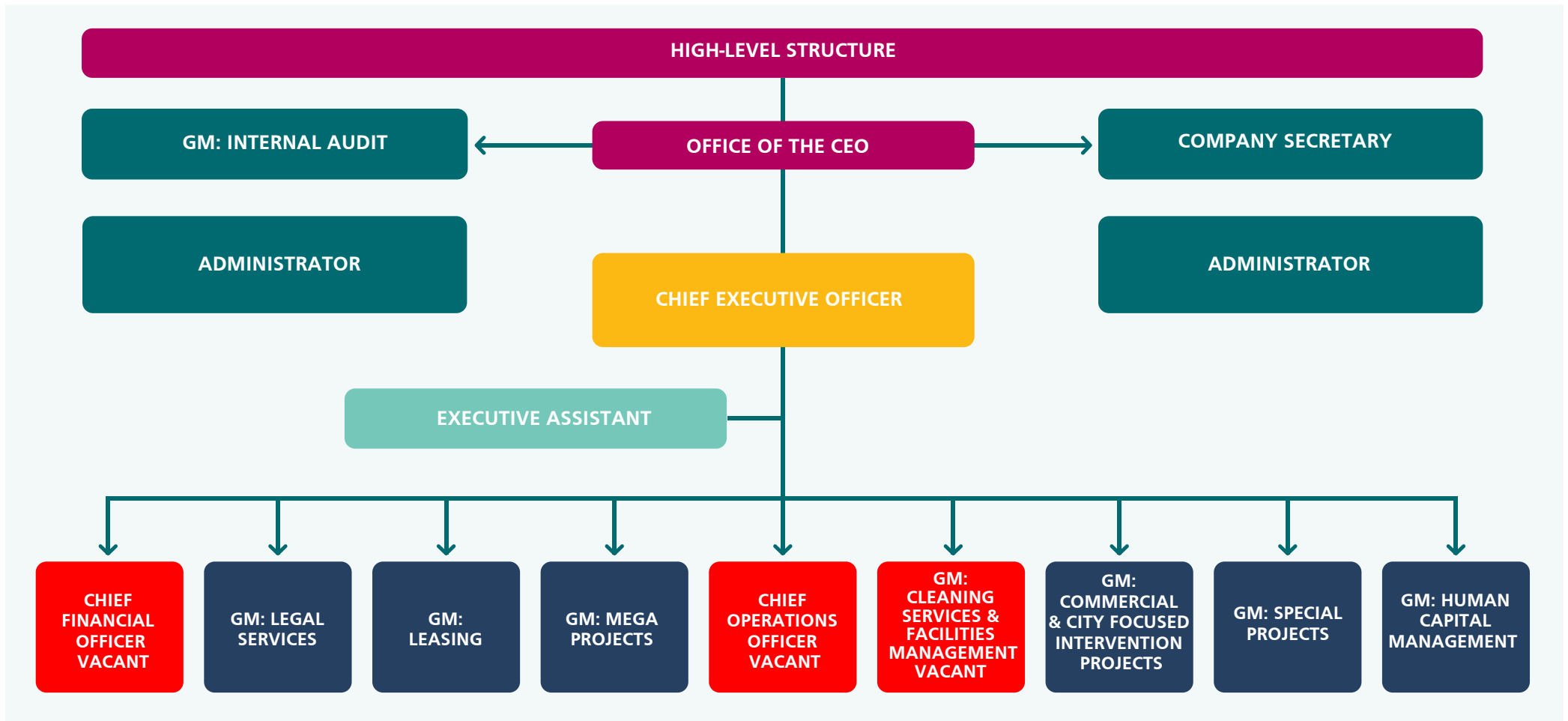
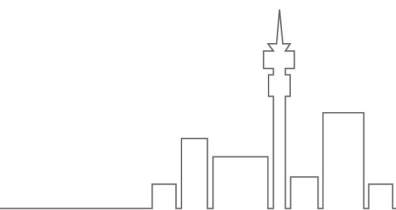


Figure 2: High-Level Structure



## Section 5

### Risk Management

The JPC Board, through the ARC, oversees the entity's risk governance framework, ensuring that risk strategies and policies are effectively implemented and monitored. JPC management is responsible for identifying, assessing, and mitigating risks in line with the Risk Reporting Framework and enterprise-wide Risk Management Strategy. This strategy ensures that risk is managed systematically across departments and updated regularly through active use of Risk Registers, which are treated as living documents due to the dynamic nature of risk.

Risk management efforts are aligned with JPC's core objectives, which include:

- Realising social, financial, and economic value for the CoJ
- Supporting economic development by aligning the property portfolio with City priorities
- Promoting the effective use of municipal and social properties
- Managing risks and returns across the CoJ's property transactions and portfolio

JPC submits quarterly risk reports to the CoJ's Group Risk and Governance Committee, which reviews risks across all municipal entities and provides recommendations to the City Manager and Council.

#### Risk Management Process

Following the review and assessment of the Strategic Risk Register, the fourth quarter reflects the movements and progress of mitigation efforts, enabling the measurement and assessment of their effectiveness.

#### Risk Methodology

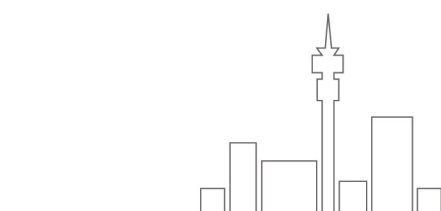
JPC applies the City's risk assessment methodology, which evaluates risks based on likelihood and impact, assigning them residual risk ratings to guide response strategies as outlined in Table 29:

EXPOSURE	RATING	ASSESSMENT	ACTION REQUIRED
Very high	20–25	Unacceptable	Requires immediate attention from management on implementation of corrective measures
High	12–19	Unacceptable	Implementation of improvement opportunities and validation of current controls
Medium	6–11	Acceptable with caution	Evaluation and improvement of current controls
Low	1–5	Acceptable	Validation and optimisation of controls

Table 29: Methodology

#### Changes in the Strategic Risk Register

Key risk indicators have been aligned with JPC's key performance indicators (KPIs) and mayoral priorities to monitor performance and early warning signs. The updated Strategic Risk Register reflects a reduced and more focused list of 10 strategic risks for the current financial year.





## Analysis of Identified Strategic Risks: Heat Map, Inherent vs Residual Risk Rating, and Control Effectiveness

Ten (10) strategic risks were mapped to the strategic goals, with inherent and residual risks rated as outlined in Table 30.

	RISK CATEGORY Current Risks 2025/26	Inherent Risk Rating	Residual Risk Rating
1	Financial instability	25	20
2	Disempowered facilities management	25	18
3	Loss of value of City-owned land and properties	25	18
4	Non-compliance with legislation, policies, and procedures	25	17
5	Failure to attract, retain, and expand investment	25	17
6	Lagging digital and innovative ICT infrastructure, applications, and tools to support the mandate and respond to security incidents	25	18
7	Negative public perception/reputational harm and brand damage	25	19
8	Inadequate acquisition and disposal of strategic land parcels	25	18
9	Insufficient capacity and misalignment of skills for the current business model and demand	25	19
10	Inefficiencies in adaptation to climate change	20	16

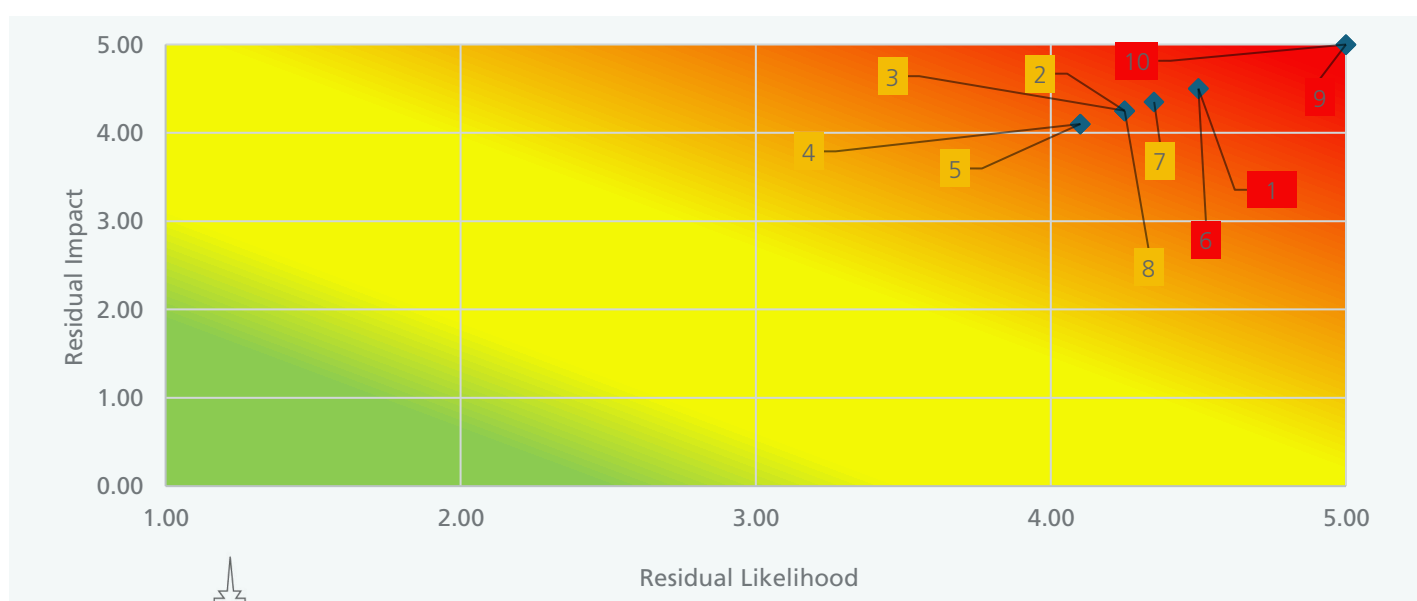
**Table 30:** Identified Risks

At the close of the reporting period, no significant progress was recorded in implementing mitigation measures for the ten identified strategic risks. As a result, the residual risk ratings remain unchanged from the inherent risk levels, indicating limited movement in reducing the organisation's overall risk exposure. This static risk posture raises governance concerns, particularly regarding the execution and oversight of risk mitigation strategies. The absence of tangible progress may signal gaps in accountability,

ownership, or the integration of risk management into operational planning.

To uphold sound governance principles, the organisation urgently needs to strengthen monitoring mechanisms, enforce clear lines of responsibility, and escalate unresolved mitigation actions to relevant oversight structures. Failure to address these gaps may compromise both strategic execution and organisational resilience.

A heat map is a risk matrix in which risks are ranked based on their potential impact and likelihood of occurrence, allowing JPC to prioritise those risks that pose the greatest threat. A 5×5 scale was used to measure the impact and likelihood of the identified risks. The heat map in Figure 3 depicts the risk profile for JPC based on residual risk ratings. The overall risk profile is high, with four (4) very high risks and six (6) high risks, after accounting for the controls in place.



**Figure 3:** JPC Heat Map



### Inherent vs Residual Risk Rating

Table 30 indicates the residual ratings compared to the inherent rating for each identified risk. After the board session, risk number 10 (inefficiencies in adaptation to climate change) was revisited, and the inherent rating was reduced from 25 (very high) to 15 (high).

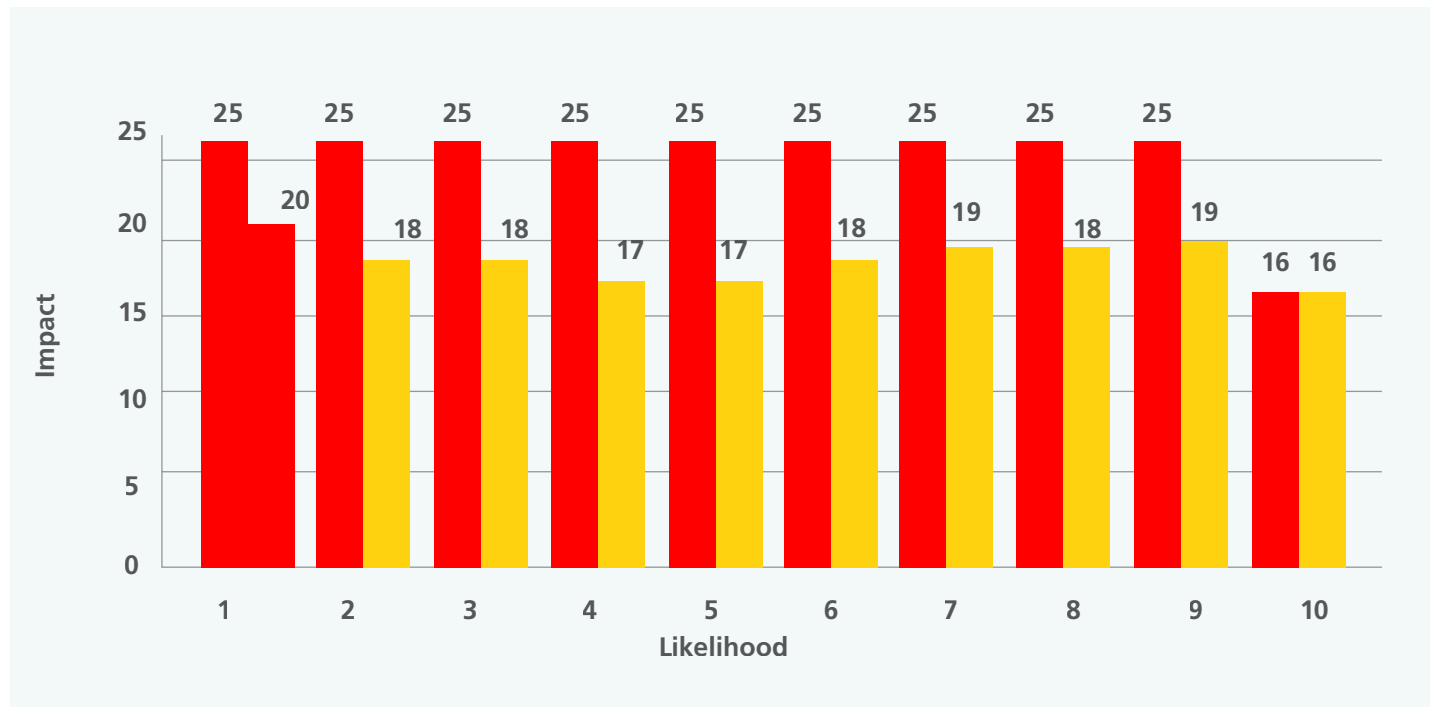


Figure 4: Inherent vs Residual Risk

Of the ten (10) strategic risks, six (6) have “ineffective” controls and 4 have “none” controls.

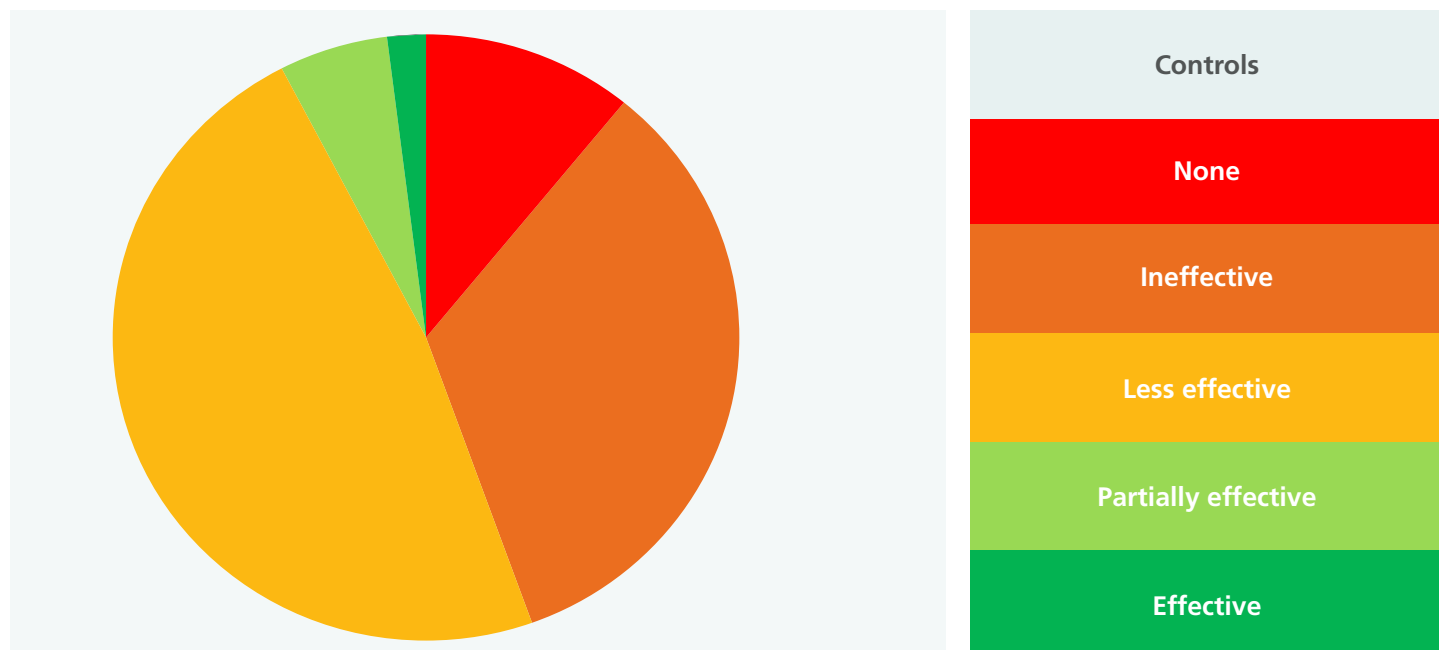


Figure 5: Control Effectiveness



## Risk Management Recommendations – Implementation Focus

Following the risk assessment, ten (10) strategic risks were identified—one (1) was rated as very high, and 9 as high. Control effectiveness for most risks was assessed as less effective, ineffective, or none, highlighting the urgent need for stronger internal controls.

To address this, JPC must:

- **Strengthen risk controls:** Implement improvement actions and validate existing controls, as guided by the risk management framework.
- **Integrate risk with performance:** Align risk monitoring with quarterly performance reporting to ensure active oversight of residual risks.
- **Enhance oversight:** Internal Audit should monitor adherence to strategic controls, with non-compliance flagged for corrective action.

- **Enforce executive ownership:** Executive management must take full accountability for driving the risk management process.

- **Define risk appetite and tolerance:** Clearly articulate risk thresholds—both qualitative and quantitative—to guide performance and decision-making.

- **Advance risk maturity:** Conduct a risk maturity assessment to identify or confirm the current level and develop a roadmap to progress on the maturity scale.

These steps will reinforce JPC's ability to proactively manage risk and align risk management with its strategic and operational goals.

The fourth quarter serves as a critical period to track risk movements and

evaluate the effectiveness of mitigation measures. This will allow the company to assess the strength of existing controls and identify any areas requiring further action.

## Risk Maturity Assessment Approach

Based on the Risk Maturity Assessment conducted using the Maturity Model outlined in the CoJ's Enterprise Risk Management Framework, JPC is deemed to be at an established maturity level, as depicted in Figure 6. The model allows CoJ entities to use a single, effective framework to manage their risk management programme and produce reports that meet the requirements of both their internal and external stakeholders.

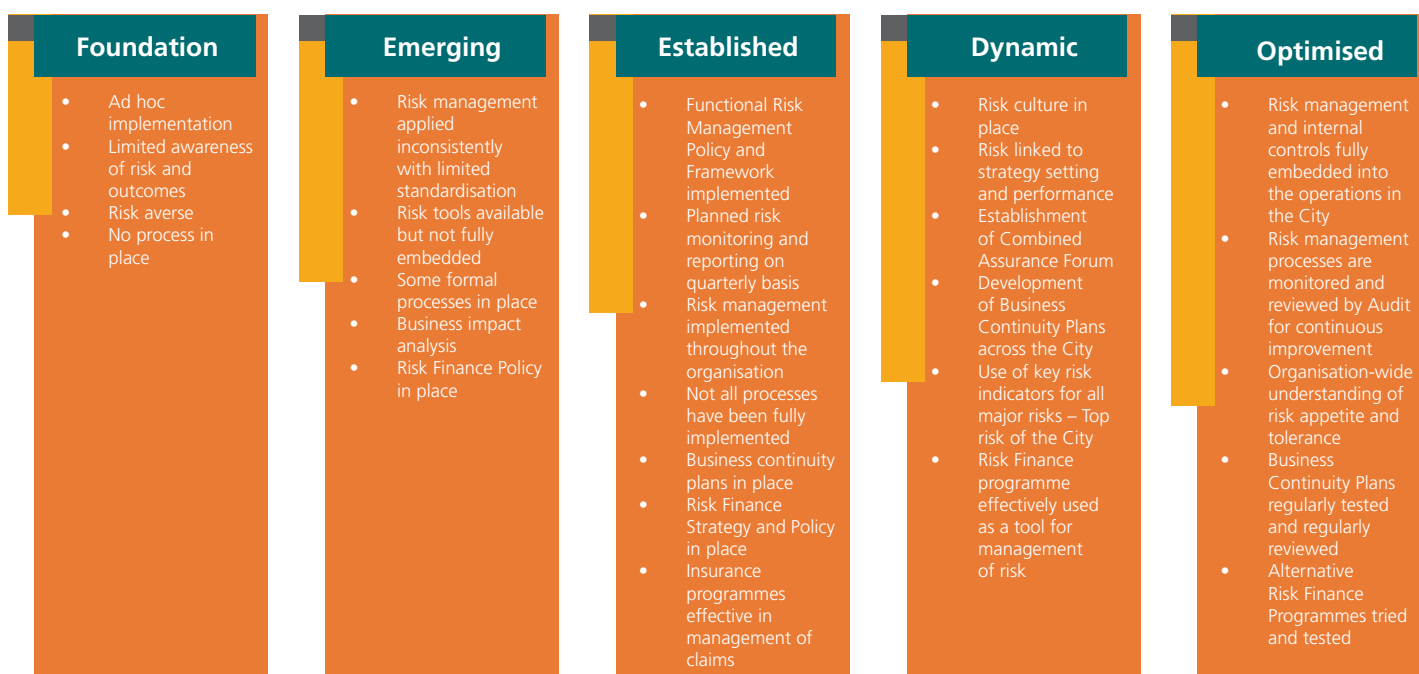
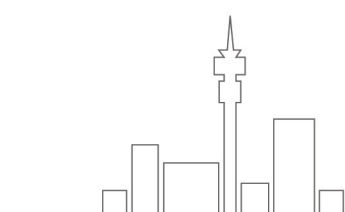


Figure 6: Risk Maturity Levels





## Section 6 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 7 Anti-Corruption and Fraud

JPC has zero tolerance for fraud and corruption and related irregularities. This is in line with 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 8 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 9 Compliance with Laws and Regulations

The Board is responsible for ensuring that JPC complies with applicable laws, regulations, guidelines, and standards within 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) (30-day late payment reporting), declaration of interest by employees, 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 fourth 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, the entity identified irregular expenditure of **R153 295 754**. The incidents that gave rise to the irregular expenditure and non-compliance with the MFMA are as follows:

- Deviation due to non-compliance with Regulation 36 requirements (leases): **R141 906 879**
- Expired contracts, which the CoJ will take over (Dimension Data): **R3 691 966**
- Afrisent: **R7 696 912**

### 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 quarter under review, employee compliance with declaration of interest requirements increased by 1% from the third quarter to 98% in the fourth quarter. The company issued urgent compliance notices to employees who had not submitted their declarations.

### Regulatory Compliance in Accordance with GRAS

Management performs a quarterly assessment on the level of compliance with key legislation to ensure that adequate controls are in place and are implemented accordingly. During the period under review, the Risk and Compliance Unit embarked on a process of reviewing certain core Acts 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.

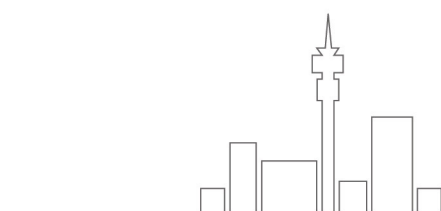


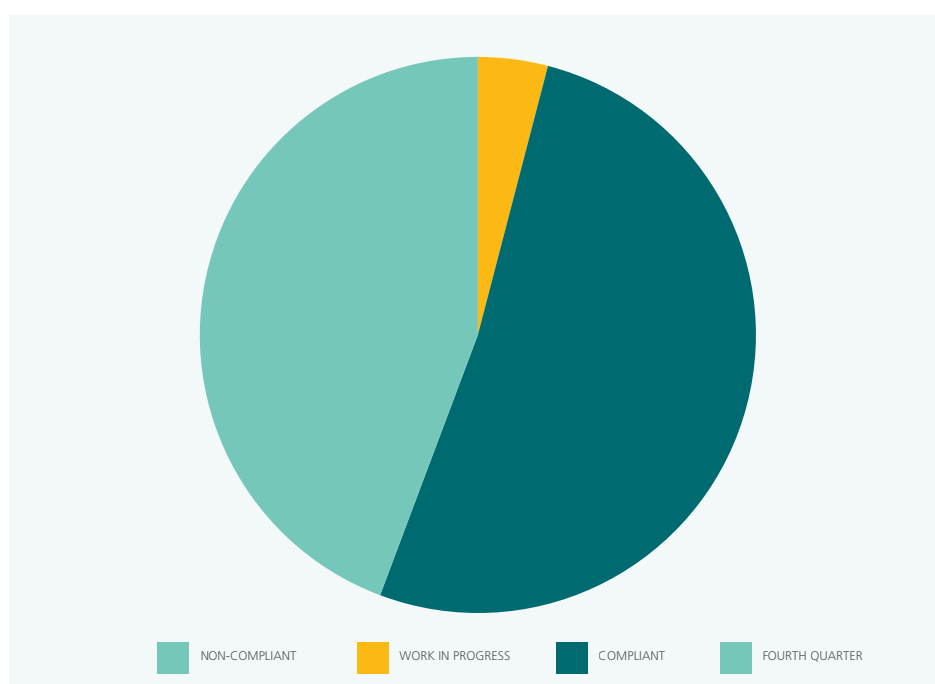
Table 31 outlines compliance with the Acts and legislation for the fourth quarter as reported to GRAS.

Regulatory Requirement	Property Intelligence and Asset Management	Supply Chain Management	Finance	Human Capital	Mega Projects	FMMU
Protection of Personal Information Act				Compliant		
Skills Development Act				Compliant		
Skills Development Levies Act				Compliant		
Unemployment Insurance Act				Compliant		
Unemployment Insurance Contributions Act				Compliant		
Preferential Procurement Policy Framework Act/MFMA		Compliant				
Municipal Supply Chain Management Regulations Gazette		Compliant				
Prevention and Combating of Corrupt Activities Act		Compliant				
CIDB (Construction Industry Development Board)		Compliant				
Broad-Based Black Economic Empowerment		Compliant				
Advertising on Roads and Ribbon Development Act					Compliant	Compliant
Gauteng Planning					Compliant	Compliant
Preferential Procurement Policy Framework Act/MFMA			Compliant			
Municipal Supply Chain Management Regulations Gazette			Compliant			
CIDB			Compliant			
Local Government Municipal Finance Act			Compliant			
Local Government Anti-Corruption Strategy	Compliant					
Municipal Property Rates Act	N/A					
Occupational Health and Safety Act	N/A					
Prevention and Combating of Corrupt Activities Act	Compliant					
Promotion of Administrative Activities	Compliant					

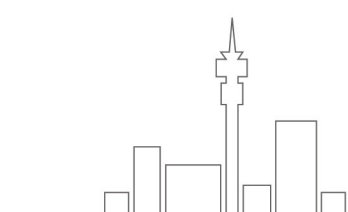
**Table 31:** Summary of Regulatory Acts

## Compliance with Core Acts

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, which could have a high impact, are monitored and reported.



**Figure 7:** Regulatory Compliance Requirements for Fourth Quarter 2024/25







a world class African city



## Chapter 3

### Service Delivery & Performance





## Section 1

### Asset Management

As of the quarter ending 30 June 2025, the City's portfolio had a total value of R10.5 billion, comprising 29 091 properties. 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	1 669	11%	R1 168 734 216.28
Region B	3 504	15%	R1 630 766 630.10
Region C	3 114	12%	R1 240 602 958.62
Region D	5 572	8%	R829 011 671.09
Region E	4 337	16%	R1 643 186 372.14
Region F	5 295	16%	R1 707 824 043.97
Region G	5 306	18%	R1 906 592 860.04
Outside CoJ	294	4%	R429 026 050.01
<b>Grand Total</b>	<b>29 091</b>	<b>100%</b>	<b>R10 555 744 802.24</b>

Table 32: High Level Portfolio Summary

Region G has the highest value expressed as a percentage of the total value of city-owned properties, at 18%, followed by Regions E and F, which are equal at 16%, and Region B at 15%. Regions A and C follow, at 11% and 12%, respectively, while Region D is the lowest, at 8%, due to its many residential holdings, which are inherently lower in valuation.

### Asset Register Movements

Tables 33 and 34 illustrate the Asset Register movement updates during the period under review for the 2024/25 financial year regarding property transfers that occurred.

Movement Category	Apr-25	May-25	Jun-25	Total
Acquisitions	19	12	76	107
Disposals	-293	-34	-61	-388
Net movement	-274	-22	-16	-281

Table 33: Monthly Movements by Quantity

Movement Category	Apr-25	May-25	Jun-25	Total
Acquisitions	R22 802 000.00	R879 658.00	R94 102 172.58	R117 783 830.58
Disposals	-R13 519 885.00	-R18 984 064.00	-R10 418 421.00	-R42 922 370.00
Total	R9 282 115.00	-R18 984 064.00	R83 683 751.58	R74 861 460.58

Table 34: Monthly Movements by Value



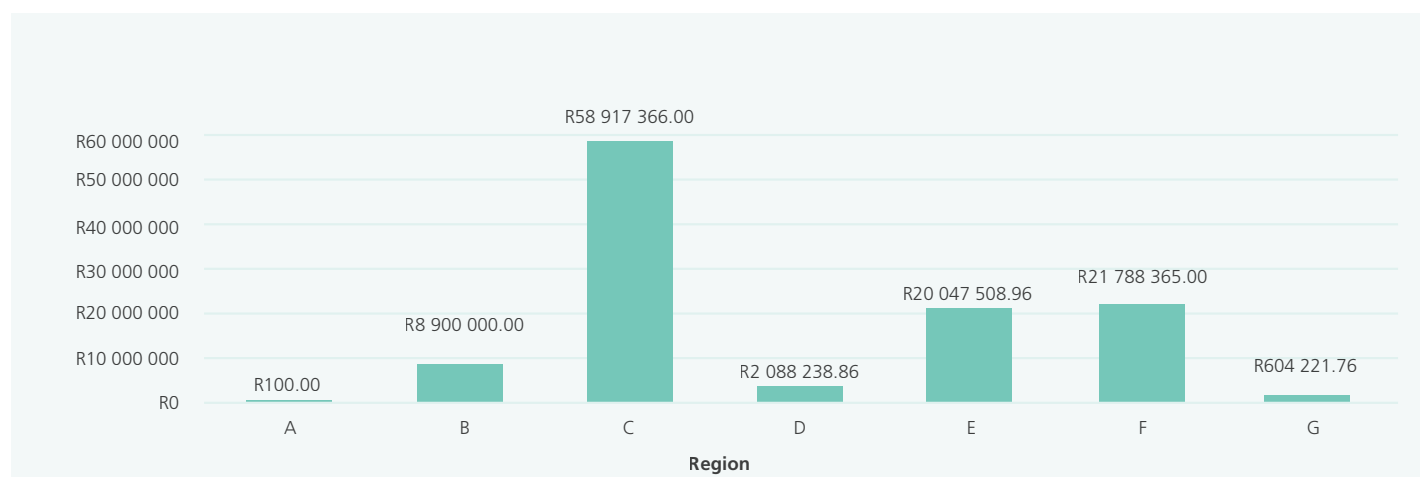


## Acquisitions

One hundred and seven (107) properties to the value of **R117 783 830** were taken on during the reporting period as follows:

- Three (3) properties were acquired on behalf of the CoJ Housing Department using the allocated capital budget.
- Fifteen (15) properties were transferred to the CoJ in terms of the Conditions of Township Establishment.
- One (1) property was transferred back to the CoJ as rectification.
- Seventeen (17) properties were devolved to the CoJ by the Gauteng Provincial Government.
- Seventy-one (71) properties were taken on as part of the alignment of the Asset Register. These properties are situated across all seven Regions.

The regional representation of the properties is outlined on the graph in Figure 8.



**Figure 8:** Acquisition Values per Region

## Disposals

Three hundred and eighty-eight (388) properties to the value of **R42 922 370** were disposed of in the reporting period as follows:

### Housing Conversions

Seventy-five (75) properties relate to the transfer of residential homes to beneficiaries, which were carried out in terms of the City's service delivery mandate for the provision of housing through the

CoJ Housing Department. The properties reported were transferred to beneficiaries during the reporting period in fulfilment of the City's housing delivery mandate as prescribed by the Housing Act.

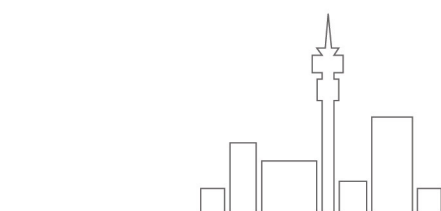
### Spatial Matters

Two hundred and sixty-four (264) properties had a withdrawn status, while twenty (20) properties were spatially

not existent, meaning that they were not registered properties. These were processed as part of the Asset Register clean-up.

### Duplicate Items

Twenty-nine (29) duplicates were noted and processed as part of the Asset Register clean-up.





## 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 **R74 861 460**, which translates to an increase of 0.71% of the entire portfolio, as outlined in Table 35.

Month	Opening Balance	Movement	Closing Balance
Apr-25	R10 480 883 341.66	R9 282 115.00	R10 490 165 456.66
May-25	R10 490 165 456.66	-R18 104 406.00	R10 472 061 050.66
Jun-25	R10 472 061 050.66	R83 683 751.58	R10 555 744 802.24
<b>Net Movement</b>		<b>R74 861 460.58</b>	
		<b>0.710%</b>	

**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

#### Pipeline Projects

##### Project Name: Jabavu Extension 6

##### 2024/25 FY Project Developments

Established on the former Jabavu Stadium and Homemakers site, Jabavu Ext. 6 received approval for its township establishment application.

This mixed-use development will yield at least 768 Reconstruction and Development Programme (RDP) units to house the informal settlement on site, while its 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 (SLA) with JPC for the facilitation of the development project for the social housing component of the development.

In line with the proposed development, the conditions of township establishment have been approved along with the layout plans. Compilation of the general plan for submission to the Surveyor General is under way, and construction of bulk services is anticipated to commence in May 2025.

##### Project Status

Further preparations for construction were initiated with the introduction of the contractor to the community by the Ward Councillor, Cllr Hamilton Chetsang. This introduction was accompanied by the advertisement of the Community Liaison Officer (CLO) position for all members of the community to participate by submitting their applications. The appointment of the CLO was then concluded in the first week of June 2025. The contractor is now stationed on site awaiting site preparation

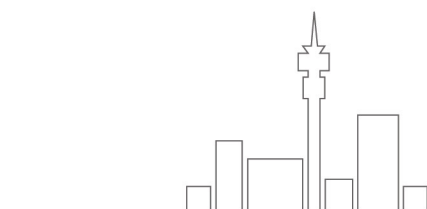


##### Project Name: Erf 57 Crown Mines

##### 2024/25 FY Project Developments

An application was received for the registration of a right of way servitude in favour of Erven 109 and 110 Crown North Ext. 10.

These properties are landlocked, and the registration of the servitude will enable access to the proposed development, thus attracting investment to the City and creating much-needed jobs. Council has since granted permission to register the servitude, and an agreement is currently with the applicant for consideration.







## Project Name: Thabo Mbeki Presidential Library (Portions 3 &amp; 7 of Erf 14 Riviera)

## 2024/25 FY Project Developments

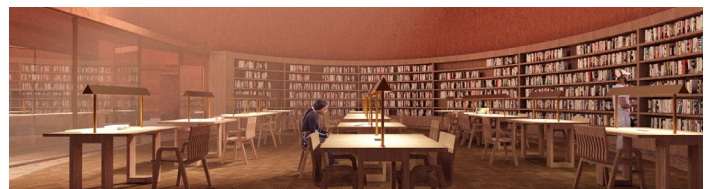
During the final quarter of the 2024/25 financial year, the City successfully concluded a Development and Lease Agreement with the Thabo Mbeki Foundation for Portions 3 and 7 of Erf 14 Riviera. This agreement paves the way for the establishment of the African Renaissance Precinct, anchored by the development of the Thabo Mbeki Presidential Library (TMPL).

With an estimated investment of close to **R1 billion**, the TMPL is envisioned as a living library and museum that will chronicle the legacy of former President Thabo Mbeki and other prominent African leaders. Positioned within the broader context of African liberation, the library aims to educate, inspire, and empower African citizens to become active participants in the continent's ongoing renaissance.

The TMPL will incorporate a wide range of functions and facilities, including:

- A museum and temporary exhibition space
- A research centre and archive for special collections
- An auditorium and seminar rooms
- A women's empowerment centre
- A reading room, digital experience space, shop, and cafeteria
- Office and recreational spaces to support community engagement

Beyond its primary educational and research objectives, the TMPL is designed to serve as a **catalyst for economic development, cultural enrichment, and social cohesion**. By integrating a mix of land uses within a single precinct, the project is expected to attract a diverse audience and generate sustainable community impact. The library will not only be a repository of knowledge but also a vibrant, multifunctional space contributing to nation-building and urban regeneration in Johannesburg.



THABO MBEKI FOUNDATION  
THABO MBEKI PRESIDENTIAL CENTRE  
INFRASTRUCTURE PROGRESS REPORT



April 2024



Thabo Mbeki  
FOUNDATION

Dedicated to Africa's Renaissance





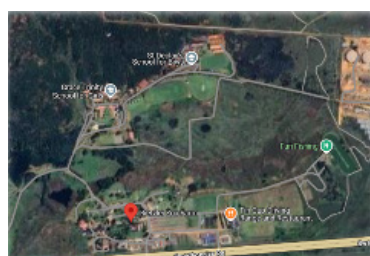
## Project Name: Rietvlei Zoo Farm known as Portion 3 of Farm Rietvlei 53 IR, Portion 8 of the Farm Palmietfontein and Farm Liefde-en-Vrede

### 2024/25 FY Project Developments

The property, known as Rietvlei Zoo Farm, is located in the southern region of Johannesburg and spans approximately 528 hectares, covering Portion 3 of the Farm Rietvlei, Portion 8 of the Farm Palmietfontein, and the Farm Liefde-en-Vrede. Positioned near key landmarks such as the Mall of the South and Brackenhurst, the site is recognised for its environmental sensitivity, rich heritage, and significant potential for eco-tourism, recreation, education, and eco-sensitive residential development.

Given its ecological and heritage value, permissible land uses include:

- Nature conservation areas focused on biodiversity protection
- Outdoor and tourism-related amenities such as hiking trails, eco-lodges, boutique hotels, restaurants, curio markets, and conference centres
- Social infrastructure including educational institutions, places of worship, and recreational facilities



### Project Status

To guide the future use of this strategically located site, Council resolved on 27–28 November 2024 that a Public Participation Process be undertaken to solicit input from stakeholders and the general public.

#### As part of this process:

- A Section 79(18) public notice was published in local newspapers and the Government Gazette on 4 June 2025.
- Correspondence was issued to both the Provincial and National Treasury, with formal feedback received from the Provincial Treasury. Feedback from the National Treasury is still pending.
- The proposal was also circulated to relevant City departments and municipal-owned entities (MOEs). Several departments have since submitted their comments.

Upon conclusion of the Section 79(18) notice period and once all feedback from stakeholders—including National Treasury and internal departments—has been received, a consolidated report will be submitted to the City's relevant committees for consideration. Pending committee support, the matter will be escalated for final approval by Council.

The outcome of this process will inform the City's strategic direction for the sustainable, inclusive, and environmentally responsible development of the Rietvlei Zoo Farm site.

## Project Name: Erf 15 Orlando Ekhaya

### 2024/25 FY Project Developments

The proposed development is situated at 134 Kingsley Sithole Street in Orlando Ekhaya. The property, measuring 25 424 m<sup>2</sup>, is zoned Business 1 and has been earmarked for a mixed-use development, with a strategic focus on student accommodation.

The project will feature a blend of studio, one-bedroom, and two-bedroom units, purpose-designed to meet the unique needs of the student population. Development will take place over three phases, as detailed below:

#### Unit Breakdown by Phase:

- **Phase One:** 171 units
- **Phase Two:** 171 units
- **Phase Three:** 75 units
- **Total Units:** 417 units



### Project Status

The following technical studies and regulatory submissions are currently under way or have been completed:

- **Stormwater Outline Scheme Report** (inclusive of sewer and water assessments)
- **Traffic Impact Study**
- **Environmental Assessments**
- **Rational Fire Design Compliance Submission**
- **Site Development Plan** – Submitted in **May 2025**
- **Building Plans** – Submitted to **Building Control**

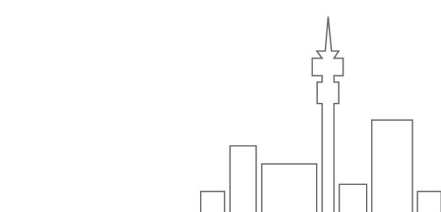
#### Enterprise Development and Investment

In alignment with the City's transformation agenda, three SMMEs have been appointed for key project roles:

- **Architect**
- **Quantity Surveyor**
- **Contractor**

To date, a total investment of **R4.1 million** has been committed towards planning, design, and preliminary works.

This catalytic project will not only address student housing needs but also contribute to economic activity and local job creation in the Orlando Ekhaya precinct.



**Project Name: Portion 109 Farm Zandfontein 42 IR****2024/25 FY Project Developments**

This property is a strategically located vacant land parcel situated at the corner of Pongola Avenue and Amalinda Street, along Katherine Street in Zandfontein, bordering Sandton within Region E, Sub Area 13. The site forms part of a neighbourhood node with development objectives that include environmental protection and managed urban containment.

**Property Information**

- **Location:** Corner of Amalinda and Katherine Street, Zandfontein
- **Total Area:** 8 864 381 m<sup>2</sup>
- **Current Zoning:** Agricultural
- **Proposed Zoning:** Business

The property was disposed of under its existing Agricultural zoning, with the understanding that the developer would undertake, at their own cost, the township establishment process to obtain the necessary development rights. The intended development aligns with the Regional Spatial Development Framework for the area.

**Proposed Development**

The property is optimally suited for a **commercial mixed-use development**, which is expected to include:

- Retail outlets
- Restaurants and cafés
- Office spaces
- A hotel and executive suites
- Showrooms
- Supporting infrastructure such as structured and surface parking

This mixed-use development is designed to enhance the area's commercial appeal and contribute to local economic growth.

**Project Status****Challenges Affecting Development Progress**

The township establishment process remains incomplete, primarily due to unresolved matters related to the developer's road contribution obligations. JPC is currently engaging with the Johannesburg Roads Agency (JRA) to finalise these requirements. Delays in achieving consensus on this critical infrastructure component have stalled progress and are preventing the realisation of the site's full development potential.

Resolving this issue remains a top priority, as it will unlock significant commercial and economic opportunities aligned with the City's spatial and development objectives.







## Projects at Construction Phase / Stage

**Project Name: Lifestyle Complex Development: Erf 53 Alan Manor**

### 2024/25 FY Project Developments

Located at the corner of Caro and Constantia Avenue in the southern region of the CoJ (Region F), Erf 53 Alan Manor is positioned within a prime residential node surrounded by established suburbs including Mondeor, Winchester Hills, Meredale, Mulbarton, and Aspen Hills. The total estimated development value is approximately **R64 million**.

The development comprises a two-storey lifestyle complex consisting of 83 residential units, offering a blend of one-bedroom and two-bedroom apartments aimed at delivering modern, secure urban living.

### Design Features and Amenities

The development offers an integrated lifestyle experience and will include the following amenities:

- Guardhouse and controlled access / lapa and braai (barbecue) facilities / outdoor gym
- Recreational parks and landscaped open spaces and solar energy infrastructure for improved sustainability

### Project Status

#### Phase One

- **Number of Units:** 32
- **Completion Date:** July 2024

#### Phase Two

- **Earthworks Commenced:** November 2024
- **Units Constructed:** 32 (all two-bedroom units)
- **Expected Completion:** 22 units to be completed and registered as part of Phase Two
- **Remainder:** 5 units to be completed in Phase Three

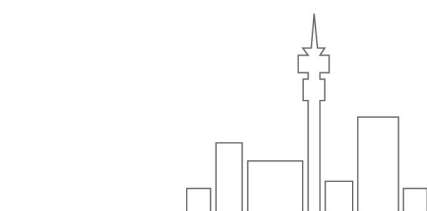
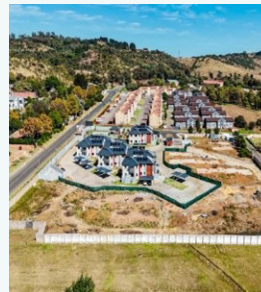
### Sales Summary (Phase Two)

- **Units Sold:** 16
- **Units Available:** 6
- **Total Units Sold Across All Phases:** 20
- **Total Units Available Across All Phases:** 7

### Project Opportunities/Focus

- Top Structure Completion / Handover: 30 June 2025
- Unit Registration: 30 August 2025

**Financial Summary:** The value of work completed between April and June 2025, including cumulative spend to date, amounts to R14 690 421.60, excluding VAT.







## Project Name: Riverside View Mega Housing Development

### 2024/25 FY Project Developments

Riverside View Mega City is an exciting mega-scale integrated housing development project located within one of the fastest-growing economic nodes within the CoJ 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 by providing 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
- 10 117 units completed
- 892 due for completion

### Project Challenges/Delays

- Protection of land and vacant buildings from illegal occupation
- Community unrest/project stoppages – caused by unregulated business forums
- Various delays during the lifecycle of the project caused by Eskom as the supplier of the bulk of electricity for the project
- Delays in approval of Urban Settlements Development Grant 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 the 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 Status

The project is in the final stages of construction. To date, 10 145 units have been completed:

- Single Res FLISP units completed: 2 948 out of 3 113 planned
- Multi-storey FLISP units completed: 904 out of 1 028 planned
- Multi-storey RDP units completed: 4 140 out of 4 604 planned
- Multi-storey rental completed: 457
- Multi-storey (JOSHCO): 364 out of 1 108 planned

### Project Opportunities/Focus

- Eradication of informal settlements and providing beneficiaries with formal housing





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

## 2024/25 FY Project Developments

- The Paterson Park precinct has been earmarked for the development of a high-density mixed-income residential development in support of the Louis Botha Corridor.
- Johannesburg Roads Agency and Pikitup depot functions need to be relocated to alternative sites to free up land for the development. These old depots include Erven 409, 110, and 111 Norwood (Pikitup depot) and Erven 6, 7, 8 and 9, Orchards (JRA depot). Numerous consultations have been held with the various depots.
- The proposed inclusive, mixed-use development will include approximately 800 new housing units, a hotel or facilities for similar use, as well as cultural and artistic spaces. Its delivery is dependent on the relocation of the existing Pikitup and JRA depot and the Pikitup garden refuse site.
- The total project area is approximately 3.5 hectares, with an estimated development cost of **R550 million**.

## Project Challenges/Delays

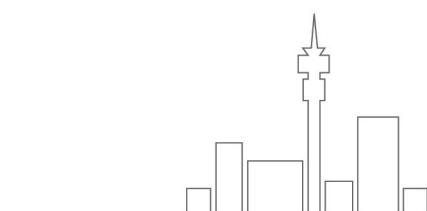
- Delays in relocating CoJ depots to make land available for housing development
- Lack of funding
- Development delays due to the re-advertisement of bids following poor bid responses
- Extensive timelines for planning application approvals

## Project Status

- Section 14(2) approval obtained.
- Landscaping and construction of parking completed.
- Request for quotation (RFQ) for the refurbishment of the Bowling Club released and the service provider appointed to refurbish the entire building.
- Request for proposal (RFP) – first phase of 744 mixed-income residential development for development and sale/long-term lease of the site to be released – awaiting bid specification composition memo for the approval of the committee, which has been submitted to the City Manager for signature.

## Project Opportunities/Focus

- To link more development opportunities to the public transport backbone introduced by Rea Vaya along Louis Botha Avenue.
- Packaging and preparations of the alternative site identified for the relocation of the JRA and Pikitup depots to make land available for housing development opportunities for a mixed-income residential development comprising 744 units.
- Advertise the property on tender for the development and sale.



**Project Name: Victory Park Lifestyle Development (Previously known as Parkhurst Bowling Club)****2024/25 FY Project Developments**

Located in Parkhurst, the property is bounded by Victory Road to the south, Rustenburg Road to the west, and Parkhurst Road to the east. The site measures approximately 8.3046 hectares. The property consists of two structures, which are currently occupied by vagrants.

The proposed development will feature a mixed-use precinct comprising a modern, energy-efficient shopping centre, social and affordable housing units, and ample parking for both retail and residential use.

The retail centre will be an inclusive facility, offering residents of Parkhurst and surrounding areas a well-located, large-scale, integrated retail development that provides convenience and is easily accessible.

The shopping centre will have a total gross lettable area of 20 875 m<sup>2</sup>, while the social and housing component will cover 9 504 m<sup>2</sup> and comprise 294 units. The development will also include a clubhouse with changing rooms, meeting rooms, and a swimming pool for residents.

**Project Status**

The **Site Development Plan (SDP)** application is currently under review by various departments within the **CoJ**. Notable progress has been made across key technical and statutory processes, as outlined below:

- **Township Establishment and Zoning Application:** The appointed Town Planners have submitted the formal application.
- **Geotechnical Investigation:** A comprehensive geotechnical study has been conducted.
- **Traffic Impact Assessment (TIA):** A draft TIA was submitted to the JRA. Feedback received from the JRA is currently being addressed and incorporated into the final submission package.
- **Environmental Application:** Documentation has been updated in line with statutory requirements. The 30-day public participation process is currently in progress to ensure stakeholder input and compliance with environmental regulations.
- **Bulk Services (Water, Stormwater, Electrical, Sewerage):** Outline Services Scheme Reports have been approved in principle for all required bulk services. Approval of the final service connections is subject to the submission and assessment of detailed design drawings.

**Project Challenges/Delays**

- The unavailability of temporary emergency accommodation (TEA) to remove the illegal occupants.
- Awaiting approval from CoJ departments regarding the service delivery agreement (SDA) application.

**Project Opportunities/Focus**

The following benefits will be derived from the development:

- Generate revenue for the Municipality through rental and rates and taxes
- Create jobs during and after the development stage
- Revitalise asset and infrastructure development
- Provide easy access to social and economic amenities
- Facilitate skills transfer
- Promote SMME empowerment





## Project Name: Erf 419 Klipspruit

## 2024/25 FY Project Developments

The project, located in Klipspruit, Soweto, aims to address the increasing demand for student housing in the area, particularly among NSFAS (National Student Financial Aid Scheme) students. The project's establishment was driven by the growing student population from nearby educational institutions, including the University of Johannesburg Soweto Campus and the South West Gauteng TVET colleges (George Tabor and Molapo campuses).

The development site covers 2.1806 hectares and upon completion of construction, the development lease agreement will run for up to 50 years. The site is accessible via September and Mochub Streets and lies approximately 650 m from Maponya Mall and 250 m from the Nike Football Training Centre.

## Project Status

- The SDP is circulating among various CoJ departments for comment and approval. Its endorsement is contingent on the municipality's consent-use application. Architectural layouts have been submitted to the progression team for review.
- Town planning processes are under way to authorise the consent use of the development, as future phases of the project will comprise four-storey blocks.
- The consent-use application to the CoJ has been partially approved; the floor area ratio has been increased to the proposed level, with approval of the height increment still pending. Meanwhile, structural, civil, mechanical, and electrical designs are in progress.
- The Development Lease Agreement has been concluded with the preferred bidder.
- Structural, civil, mechanical, and electrical engineers' designs for the phase are 90% complete.





**Project Name: Erven 159–169 & Erf 530 Cottesloe****2024/25 FY Project Developments**

The primary objective is to consolidate Erven 159–169 and Erf 530 Cottesloe to become a single erf for the development of student accommodation around the University of Johannesburg (UJ) Auckland Park campus.

The development conditions on the zoning certificate will not change for the consolidation, and rezoning will be the next phase of the project to ensure that the zoning aligns with student housing.

The current status of the land will ultimately change once consolidation is approved. The currently unused site will be transformed into an economic asset for the municipality and will contribute to the modernisation of the surrounding area at UJ.

The risk of illegal occupation will be significantly reduced as the site becomes actively managed and developed. The project is expected to:

- Generate revenue for the City
- Create employment opportunities during construction and post-completion
- Empower local SMMEs, in line with the City's inclusive development objectives

This initiative represents a key step toward sustainable urban transformation and economic development in one of Johannesburg's key academic corridors.

**Project Context and Impact**

The property, previously used for student accommodation, is strategically located near **UJ's main campus**, which surrounds the site. To the west lies the **SABC building**, placing the site in a prime position for redevelopment.

Upon finalisation of the **erven's consolidation** and the **SDP**, the vacant and underutilised land will be transformed into a **modern, revenue-generating asset** for the City. The proposed development will help address the **student housing shortage**, support **urban renewal** of the UJ precinct, and contribute to the **economic activation** of the surrounding area.

**Project Status**

- The project is currently at the Site Development Plan (SDP) design stage.
- Consolidation of the 10 erven has been approved, paving the way for unified development.
- A Heritage Application is currently in progress to ensure compliance with regulatory and preservation requirements.
- A hijacked single-storey structure currently occupying the site is earmarked for demolition, enabling preparation for future development.

**Section 2.2: Acquisition and Municipal Unit****Acquisitions at Negotiation Stage**

Council approved fourteen (14) acquisitions to the value of **R62.6 million** during the period under review. Transfer is anticipated within the current financial year, subject to an upward adjustment of the budget in favour of the Department of Human Settlements and acceptance of offers by the property owners.

**Management of Sanitary Lanes City-Wide (Released Properties)**

One (1) management agreement to the value of **R3 000** was released during the quarter under review. The numbers have dropped significantly compared to previous financial years due to various challenges encountered by adjoining property owners.





## Section 3

### Informal Trading Unit

#### Income Collection

During the period under review, the Informal Trading Unit collected **R26 136.00** for stalls and shops occupied by traders.

#### Leasing of Shops and Stalls

Table 36 outlines 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	233	0	233	3	230
Jeppe	124	0	124	54	70
Hillbrow	336	7	186	6	180
Rosebank	10	2	8	8	0
Hoek	52	0	52	0	52
Bara	510	0	510	20	490
Fordsburg	128	0	128	110	18
Diepsloot	10	0	10	10	0
Big Ben	12	3	9	9	0
New Doornfontein	14	0	13	13	0
Kwa Mai Mai	217	0	217	103	114
Faraday	328	0	100	42	58
Dobsonville	161	161	0	0	0
<b>Total</b>	<b>1 990</b>	<b>170</b>	<b>1 590</b>	<b>378</b>	<b>1 212</b>

**Table 36:** Stall Occupations by Informal Traders

Non-payment of rental fees by traders is a significant challenge for the Informal Trading Unit. The Department of Economic Development's (DED) issuance of trading permits, coupled with the subsequent signing of leases between informal traders and JPC, will help address issues such as non-payment, subletting, and hijacking of stalls. These leases will include all trader

details, including monthly rental amounts, providing a legally binding framework to manage the relationship between informal traders and JPC.

Currently, most traders lack formal leases, making it difficult for the Informal Trading Unit to enforce rental payments. This has resulted in discrepancies between the rent

roll and actual stall occupancy, including unauthorised subletting and vacant stalls. The unit is actively reconciling the list of verified traders with those on the rent roll. Verified traders who are still occupying stalls will be given priority when the permit issuance process begins on 27 June 2025.





## Section 4

### Mega Projects

**Project Name: Power Park Student Accommodation and Orlando Ekhaya Waterfront Development**

#### 2024/25 FY Project Developments

The Orlando Ekhaya and Power Park Housing Projects are not only reshaping the physical fabric of Soweto, but are also reimagining the future of township development through a powerful blend of innovation, inclusivity, and long-term planning. These projects represent a model of urban transformation where dignity, access, and opportunity lie at the heart of development.

The CoJ proudly celebrates this achievement as a blueprint for future integrated housing precincts—demonstrating the impact of well-structured public-private partnerships and socially responsive investment.

#### Project Developments at a Glance:

##### Power Park Student Accommodation

- 850 beds already occupied by students
- 1 450 additional beds currently under construction
- Total: 2 300 beds in Phase One
- Of these, 848 beds will be allocated at no cost to qualifying students—demonstrating a strong commitment to education equity and social upliftment

##### Orlando Ekhaya FLISP/Bonded Housing

- 648 units under construction
- 136 units already occupied by homeowners

##### Social Housing

- 1 740 units planned across Erven 47 & 48
- Sites are fully zoned and proclaimed, with bulk infrastructure already installed

##### RDP Housing

- Over 2 000 units planned across various parcels, including:
  - › Power Park Ext. 2
  - › Orlando Ekhaya Erven 22, 23, and 24

These developments signal a **paradigm shift in township housing delivery**—linking infrastructure, economic empowerment, education, and social upliftment in one cohesive precinct. As construction progresses, the Orlando Ekhaya and Power Park projects continue to stand as **symbols of progress**, driving the City closer to a more **equitable, vibrant, and inclusive Johannesburg**.

#### Project Status

##### Project Launch and Strategic Milestone

On 23 May 2025, the CoJ, in collaboration with JPC, officially launched the Orlando Ekhaya and Power Park Housing Precinct—a landmark initiative and one of the most ambitious urban development projects undertaken by the City to date.

With over **R439 million** in private sector investment secured, these developments directly support the City's mission to:

- Deliver affordable, dignified housing at scale
- Rectify historic spatial disparities
- Promote inclusive, sustainable growth within township communities

During the launch, MMC for Economic Development, Cllr Nomoya Mnisi, emphasised the project's far-reaching social and economic significance, stating that it “transcends the provision of housing” and plays a critical role in addressing spatial injustice while building connected, equitable communities.

JPC's Acting CEO, Mr Musah Makhunga, reaffirmed the alignment of the project with the City's spatial transformation agenda, noting: “This project reflects our unwavering commitment to creating inclusive urban environments that respond to the needs and aspirations of all Johannesburg residents.”

The ceremonial launch featured a ribbon-cutting at the affordable housing site, and a sod-turning and plaque unveiling at the student accommodation location. The ceremonies were led by JPC Board Chairperson Mr Simon Motha, joined by the MMC and City Councillors.







## Project Name: Southern Farms

## 2024/25 FY Project Developments

The Southern Farms Project is a cornerstone of the City's long-term spatial transformation strategy and reflects a coordinated effort to address housing demand, infrastructure backlogs, and inclusive economic growth in the south of Johannesburg.

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** 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

## Project Launch

The Southern Farms Urban Development Project was launched in two phases.

- The initial internal launch took place in March 2025, led by the MMC for Human Settlements.
- This was followed by the official public launch on 9 May 2025 at the Bushkoppies site, where the Executive Mayor, Cllr Dada Morero, officiated at the groundbreaking ceremony, accompanied by Cllr Mlungisi Mabaso, Cllr Nomoya Mnisi, and Mr Musah Makhunga, Acting CEO of the JPC.

## Project Status

**Township Establishment**

Of the 17 township applications submitted, two have been approved to date:

- Naturena Extension 54
- Naturena Extension 9

The remaining 15 applications are currently pending before the Municipal Planning Tribunal due to objections received from interested parties. The appointed developer is revising the applications to address these objections prior to resubmission.

**On-Site Activities and Job Creation**

The developer, operating as part of a Valumax-SafDev Joint Venture, has appointed Civtek (Pty) Ltd as the civil contractor for the implementation of the internal bulk and link infrastructure services in Phase 1. Site preparation works are under way for Naturena Extensions 54 and 9, with 33 local jobs created during the initial phase—demonstrating the project's early contribution to local employment and skills development.

**De-Proclamation of Olifantsvlei Nature Reserve**

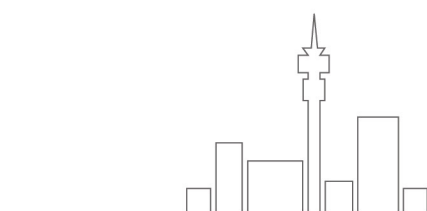
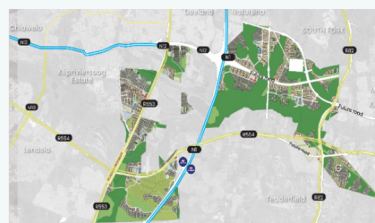
A formal application for the de-proclamation of the Olifantsvlei Nature Reserve has been submitted to the Gauteng Department of Agriculture and Rural Development (GDARD) by the appointed Environmental Assessment Practitioner. Supporting letters from the CoJ have accompanied this submission.

The process awaits the publication of a public notice by the MEC in the Government Gazette. If unopposed, the Gauteng Provincial Legislature will proceed to approve the de-proclamation, which will be finalised through the issuance of a formal notice.

In the meantime, GDARD has granted conditional consent for the construction of Phase 1 to proceed.

**Land Acquisition**

The valuation process is currently under way for 11 privately owned land portions required to unlock the full development area. This process is being undertaken in alignment with municipal acquisition protocols.







## 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 functions, educational programmes, 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

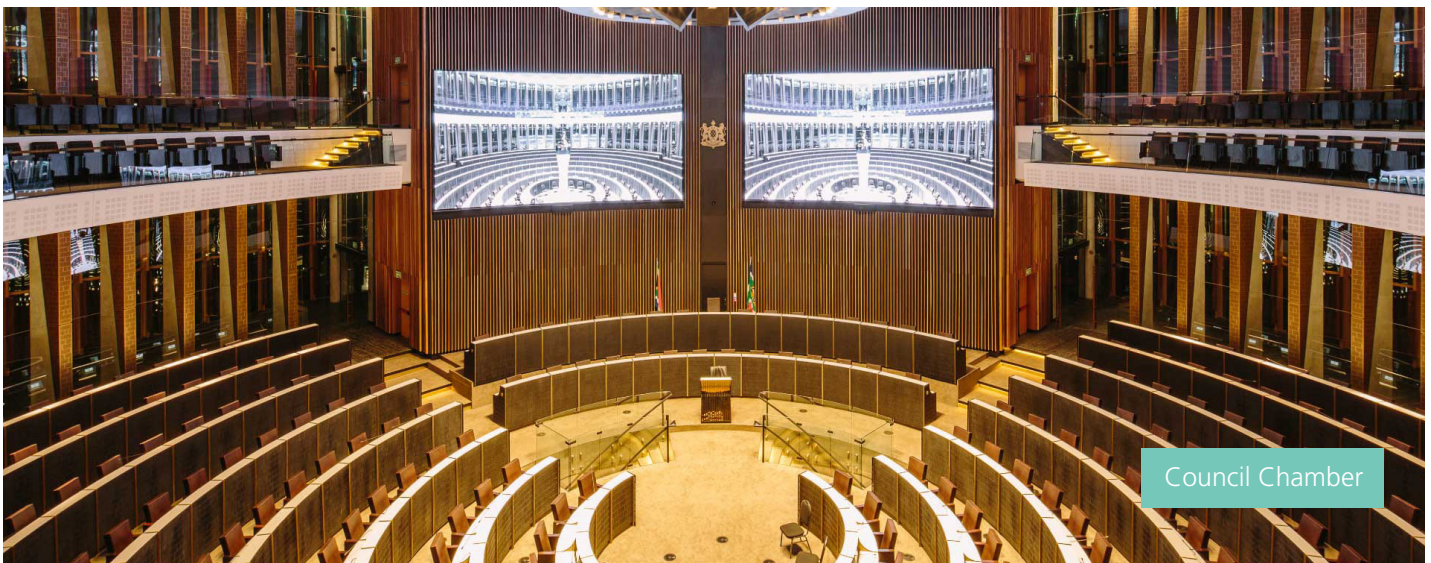
**Phase 2:** Consists of Erven 7, 9, and 10, which comprise four-storey dwelling units yielding 3 578 housing units

#### Way forward

Concluding the township establishment and proceeding with the proclamation.

### Project Status

- The township establishment process is currently ongoing, with formal proclamation to follow upon completion. Progress has been delayed due to internal challenges within the Development Planning Department. In response, JPC has formally requested the intervention and support of the Executive Director: Development Planning to address and resolve the internal bottlenecks, in order to bring the project back on track and avoid further delays.
- The developer has submitted plans to the Department of Development Planning for the erection of a perimeter wall to secure the site. These are currently under review.
- A Section 33 compliance report has been tabled at the Section 79 Committee and is scheduled for submission to Council. Subject to Council approval, the lease agreement with Calliper may then be concluded.
- The developer's professional team is currently engaged in master planning activities, aimed at guiding the spatial and technical framework of the development.



Council Chamber



**Project Name: Orlando Ekhaya Waterfront Development****2024/25 FY Project Developments**

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 and economic growth opportunities
- Complementing and enhancing existing commercial, educational, retail, hospitality, and training facilities.

**Development Objectives**

The development aims to promote a variety of land uses that take advantage of its prime location near the Baralink Node.

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

**Property Description****Project Status**

Erven 13 & 14, Orlando Ekhaya

Released and awarded for mixed-use development focused on affordable housing and student accommodation. Currently undergoing the necessary town planning process (e.g. SDP and building plans).

Erven 31, 36 & 41, Orlando Ekhaya

Scheduled for release via an open public tender process in October 2025. Various land studies have been completed (i.e. property valuations, geotechnical studies, and environmental studies).

Erf 38, Orlando Ekhaya

Scheduled for release via an open public tender process in October 2025. Feedback from the Environment and Infrastructure Services Department (EISD) highlighted the site's environmental sensitivity, and solutions are currently being explored. EISD will provide development guidelines to ensure the site can be utilised without exacerbating existing environmental challenges.







## Project Name: Redevelopment of the Metro Centre Public-Private Partnership

## 2024/25 FY Project Developments

## Securing the Metro Centre

Despite the successful **decanting of the Metro Centre**, the building remains the property of the **CoJ** and continues to house **critical municipal infrastructure, equipment, and archived records**. These assets are essential to the City's operations and must be safeguarded accordingly.

However, the site remains vulnerable to **unauthorised access, vandalism, and theft**, posing a significant risk to public safety and municipal resources. As such, robust security interventions have been initiated to **protect the premises, prevent illegal occupation**, and **preserve the integrity of the building and its contents**.



## Project Status

## Security Measures Implemented

To mitigate these risks and ensure site safety, the following measures have been implemented:

- **Deployment of Armed Security Personnel:** A total of 70 armed security guards have been assigned to the Metro Centre, with 35 deployed during the day and 35 during the night. These personnel have replaced the interim patrols previously provided by the Johannesburg Metropolitan Police Department (JMPD), ensuring continuous, professional protection of the site.
- **Perimeter Securing and Infrastructure Works:** To reinforce physical security, JOSHCO has appointed a contractor to construct a concrete boundary wall, which will be reinforced with barbed wire for added protection.
  - › The site was officially handed over to the contractor on 2 June 2025.
  - › Preparatory works and supplier engagements are currently in progress.
  - › All contractual documents were received on 10 June 2025 and are under active review by the Project Manager and the client team.
  - › Adequate time has been allocated to ensure thorough review and finalisation of all contractual processes prior to full-scale implementation.

These measures form part of a broader City strategy to secure high-value municipal assets and ensure their safe repurposing in line with future redevelopment plans.







## Project Description: Outdoor Advertising

### Kena Outdoor

As part of the City's initiative to regularise and optimise revenue from outdoor advertising on Council-owned properties, 41 letters of consent have been issued to Kena Outdoor. These letters enable the submission and processing of signage applications in line with the CoJ's Outdoor Advertising by-laws.

### Project Progress and Status

- 41 signage applications have been formally submitted to the City's Planning Department for assessment and approval under applicable by-law provisions.
- Copies of all letters of consent issued to Kena Outdoor are attached as supporting evidence.
- Three Executive Adjudication Committee (EAC) resolutions have been secured to facilitate lease agreements.
  - › Lease negotiations are at an advanced stage and progressing toward finalisation.

### Outdoor Advertising Portfolio Overview

- JCDecaux SA – Manages a street furniture portfolio comprising 7 780 advertising signs.
- Ad Outpost – Holds a total of 16 advertising signs, including both street pole and street furniture installations.
- Movie Magic – Operates a single billboard sign within the City's jurisdiction.
- Draft lease agreements for each operator are attached as evidence and are currently undergoing internal compliance review.

This project reflects the City's ongoing efforts to enhance governance, unlock economic opportunities through advertising, and promote inclusive participation through SMME development and job creation.

### Project Challenges/Delays

The current outdoor advertising by-laws prohibit the digitalisation of gantry signs, limiting approvals and delaying potential revenue. Additionally, the approval process through the Department of Development Planning is lengthy, further extending implementation timelines. Revenue is also constrained by low occupancy rates, with many signs remaining unbooked by media buyers. However, the Planning Department has drafted revised 2024 by-laws, which, once approved, are expected to improve portfolio management and boost revenue collection through a streamlined, "less is more" approach.

### Project Opportunities/Focus

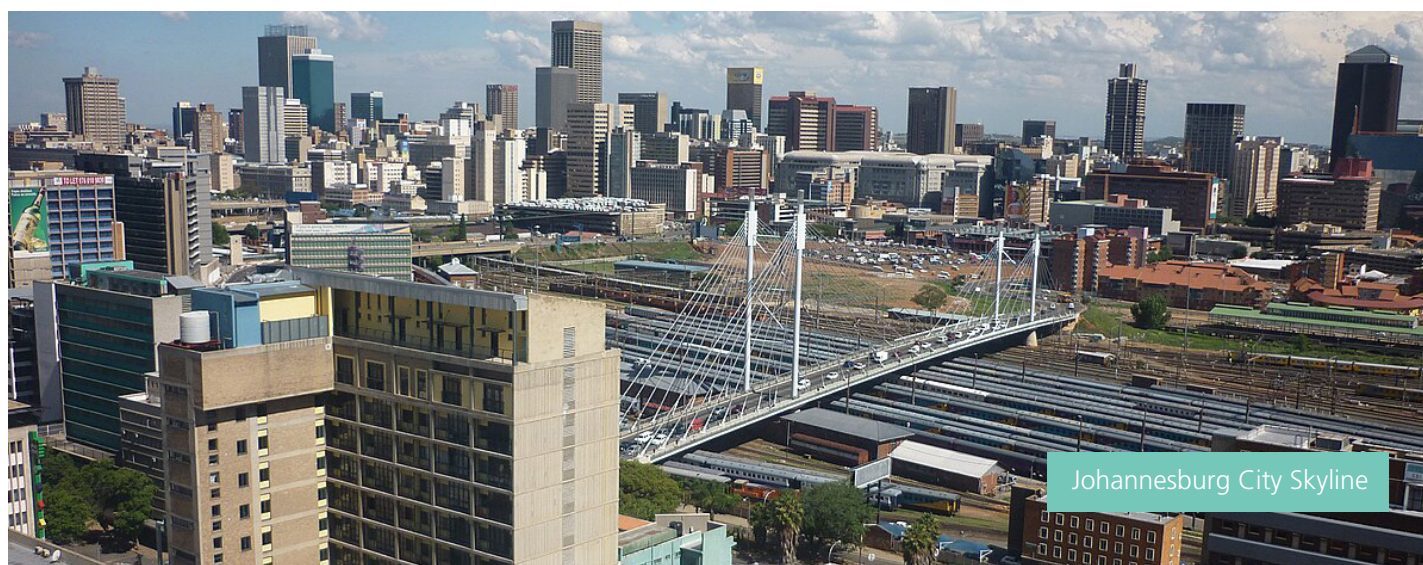
The primary objectives are to increase City revenue, enhance the profitability of the out-of-home advertising sector, and reduce illegal signage to declutter the urban landscape. Efforts are under way to formalise relationships with media owners, with draft lease agreements issued to Ad Outpost, JCDecaux, and Movie Magic for review and signature. In support of its transformation agenda, the City has also finalised lease agreements with Black-owned media companies, aligning the outdoor advertising portfolio with broader equity and inclusion goals.

### Revenue Collected

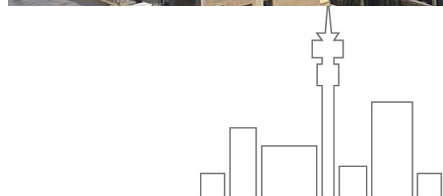
Total revenue collected: **R55 352 358.28**

Rental payments made to K&R Attorneys: **R14 500 013.28**

Total cell mast receipts: **R19 703 821.67**



Johannesburg City Skyline







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

### Leased Office Accommodation and Parking: Competitive Bidding and Lease Extensions

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

- 137 Daisy Street – Region E
- Old Mutual Building – JRA/Transport
- BCX Building – Region A
- Traduna Centre – Region F user departments
- 66 Jorissen Place – DED and Pikitup
- Libridge Building – Ombudsman and Metro Centre offices
- JD House – GICT
- Eureka House – Region F (Springfield)
- Sappi Building – GSPCR and GRAS/GFIS
- Standard Bank Building – Metro Centre

In addition, memos have been submitted to the City Manager (Accounting Officer) for the appointment of Bid Specification Committee and Bid Evaluation Committee members for new RFPs related to Community Development Libraries and Region B office accommodation.

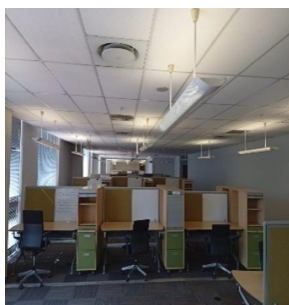
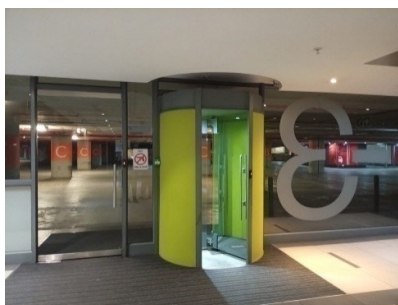
A Council report regarding the extension of the following leases—each for up to 9 years and 11 months—has been finalised, following compliance with Sections 116 and 33 of the MFMA, and is currently in the Council system for noting. The affected properties include:

- Braampark
- 222 Smit Street
- 66 Jorissen Street
- JD House
- Nedbank Building, Newtown
- Turbine Hall

**Office Accommodation for Group Finance:** The Bid Specification Committee process for Group Finance office accommodation has been completed. Approval to advertise the RFPs is currently pending from the City Manager.

### Project Challenges/Delays

- Delays in submitting reports to Council
- Slow turnaround in receiving Council resolutions
- Postponements in relocating departments to designated buildings
- Late rental payments by certain tenants
- Additional relocation requests from other City departments



## Project Status

### New Lease Activations and Office Relocations

New lease agreements have been activated, effective **1 September 2024**, with several buildings now secured under **9-year, 11-month lease terms**:

- **BCX Building**
- **137 Daisy Street**
- **Traduna Centre**
- **Old Mutual Building**
- **Eureka House**
- **SAPPI Building**
- **JD House**

### Nedbank Building – Newtown Lease and Occupation Plan

A 24-month lease has been signed for the Nedbank Building in Newtown. The building offers:

- **45 221 m<sup>2</sup>** of office space
- **1 752 parking bays**
- Capacity to accommodate approximately **2 100 employees**

The following departments have been identified as priority occupants for relocation to the Nedbank Building:

- Development Planning (including the MMC's Office)
- Johannesburg Development Agency (JDA)
- Office of the Chief Operating Officer (COO)
- Office of the Group Corporate and Shared Services (GCSS), including the MMC's Office

### Decanting Plan: Newtown Building: The relocation will occur in two phases:

#### Phase 1:

- **Development Planning** team to be relocated by **23 June 2025**, with priority given to staff currently working remotely.
- **Office of the COO** and GCSS to move by **31 July 2025**.

#### Phase 2:

- **JDA** to occupy space following fit-out completion, with the move scheduled for **30 September 2025**.

**JD House:** The Mayor's Office, Group Legal, MMC for Health, and the Office of the City Manager are scheduled to relocate to **JD House** in the near future.

Following the relocation of the Mayor's Office and the Offices of the City Manager and COO from the **SAPPI Building**, JPC will appoint an **independent space planner** to conduct a comprehensive space rationalisation exercise across all corporate buildings occupied by City departments.

### Support Services and Readiness

- **Space planning and approvals** have been completed for all departments.
- **IT infrastructure installations** are fully completed and ready for use.

### Project Opportunities/Focus

JPC will provide departments and entities with the following key benefits related to office accommodation:

- Safe, secure, and OHS-compliant office environments
- Reliable continuous service delivery, including backup power and water supply
- Convenient access for the public and constituencies





## Section 5

### Special Projects

#### Approach to gaining control over privately owned bad buildings

JPC has initiated negotiations with the owners of dilapidated buildings to acquire these properties, considering factors such as their current condition, non-compliance with National Building Regulations, by-laws, and outstanding municipal accounts, among others. This process is expected to be completed by mid-August 2025.

#### Precinct-by-precinct approach

##### Usindiso Precinct

This precinct is bordered by Von Wielligh, Anderson, Grahamstown, and Goud Streets in Marshalltown and City and Suburban.

##### Project Status

**Erf 1210 Marshalltown:** The report requesting Council's approval for the disposal of the site through a development and long-term lease has been recommended for approval by the JPC Board, Executive Management Team (EMT), Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval was obtained in March 2025, and Section 79(18) notice was officially published on 22 May 2025. Should no objections be received by 22 June 2025, the Supply Chain Management (SCM) process will commence thereafter. The rezoning application has been submitted, with approval anticipated by the end of the upcoming fiscal year.

been submitted, with approval anticipated by the end of the upcoming fiscal year.

##### **Erven 272, 273, 274, 279, and portions 269, 271, and 280 City and Suburban:**

The report requesting Council approval for the disposal of the site through a development and long-term lease was recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval was obtained in March 2025, and the Section 79(18) notice was formally published on 22 May 2025. In the absence of any objections by 22 June 2025, the SCM process will be initiated. JPC has also

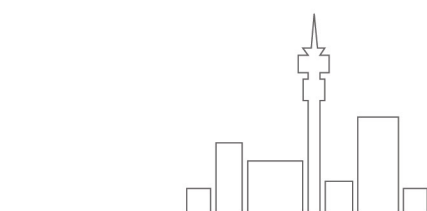
submitted a request to the Department of Mineral Resources and Energy to verify the existence and validity of a site licence and is currently awaiting formal confirmation.

##### **Acquisition of Erven 339, 340, 341, 344, and 345 City and Suburban:**

The properties are to be acquired in support of the Usindiso Redevelopment Block. The report requesting Council approval for the acquisition of the properties was recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval was secured in March 2025. The negotiations with the private owners have commenced to acquire the properties.

##### **Erf 342 and 343 City and Suburban:**

The report requesting Council's approval for the disposal of the site through a development and long-term lease has been recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval was obtained in March 2025, and Section 79(18) notice was officially published on 22 May 2025. Should no objections be received by 22 June 2025, the SCM process will commence thereafter. The rezoning application has





## Bertrams Precinct

This precinct is bounded by Bertrams Road, Liddle Street, Berea Road, and Gordon Road in Bertrams. The CoJ awarded the development of Erven 93, 94, 95, 96, 114, 116, 118, 121, and 122 in Bertrams to developers nominated by the Government Property Fund (GPF) as part of a development programme provided by GPF.

### Project Status

- Construction by Developer 1 (development of Erven 96, 121, and 122 Bertrams): The properties are to be developed into student accommodation, yielding 107 beds. The developer is still awaiting additional funding to initiate construction.
- Construction by Developer 2 (development of Erven 114, 116, and 118 Bertrams): The properties are to be developed into student accommodation, yielding 102 beds. A few delays have affected the commencement of the construction of the second phase. Construction is expected to start in the new financial year.
- The Bid Specification Committee composition memo for the development and long-term lease of Erven 86, 87, 88, 89, 90, 91, and 92 in Bertrams was submitted to the Acting City Manager, and approval is anticipated by the end of July 2025.
- JPC has appointed a Structural Engineer to conduct a comprehensive structural assessment, including non-destructive tests, to determine the building's structural integrity in support of the Heritage application and the evacuation order application. Completion of the assessment was anticipated by the end of April 2025. The final structural report has been received, and has concluded that the building is structurally unsound, and has recommended its demolition in the new financial year.
- JPC has engaged with JOSHCO to conduct an occupancy audit of the building to support the development of a temporary accommodation arrangement.

### Work Completed

#### Phase 1 – Work Completed

- Land Acquisition: Finalised and secured
- Bulk Services Confirmation (CoJ): Secured
- Environmental Impact Assessment: Not required – waiver granted by the City of Johannesburg Heritage Unit
- Zoning Approval: Successfully obtained
- Site Development Plan (SDP) and Building Plan: Approved by the Municipality
- Surveyor-General Diagram: Approved and secured
- Consent to Commence Construction (Department of Labour): Pending
- Occupation Certificate: Pending
- NSFAS Operational Approval (Student Tenancy Authorisation): Pending



Luxmore Block – Bertrams







### Vrededorp Student Accommodation

The site, strategically located between Hull, 8th, and Solomon Streets in Vrededorp, is near key academic institutions, including UJ's Bunting Campus and the University of the Witwatersrand, ensuring excellent accessibility for students.

The development will provide 36 residential units accommodating a total of 167 student beds, addressing the increasing demand for student housing. This initiative will support both the academic and personal growth of students, significantly contributing to Johannesburg's educational infrastructure.

During construction, the project is expected to create substantial employment opportunities for local residents, including skilled, semi-skilled, and unskilled labour, while also supporting SMMEs. Workers will primarily be sourced from the surrounding Wards 58/69, promoting local economic development and community empowerment.

Importantly, this marks the City's first turnkey development project dedicated to affordable rental housing with a focus on student accommodation—a major step forward in addressing the housing needs of the student population.

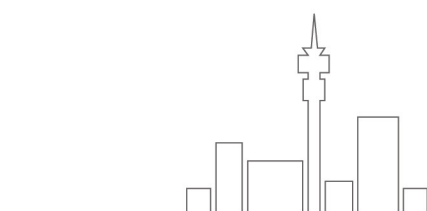
### Project Status

The CoJ's EAC has approved the development and granted a 50-year long-term lease of Erven 495, 496, 497, 498, 499, 500, 501, and 516 in Vrededorp to Izicwe Consulting for the establishment of student accommodation. The project is estimated to cost R42 million.

Town planning approvals, SDPs, and building plans have been secured. The funding application is at an advanced stage, with the developer aiming to achieve financial closure by early June 2025. The developer plans to use their equity to begin civil works by the end of October 2025, with building construction scheduled to commence on 25 January 2026.



Figure 9: Vrededorp Student Accommodation





### Orange Grove Development Precinct (Orange Grove and Houghton Estate)

The Orange Grove Development Corridor is a strategic property initiative led by the CoJ to unlock the value of underutilised City-owned properties acquired since 2014 under the Transit-Oriented Development strategy.

The project involves consolidating 70 erven across Orange Grove (Erven 1, 3, 5; Erven 14, 17–24, 26, 28, 29; Erven 31, 32; Erven 35–37, 39, 40, 42; Erven 45–48; Erven 201, 202; Erven 227–229; Erven 245, 247, 249, 251, 253) and Houghton Estate (Erven 326, 327; Rem/328, 329; Erven 300–305; Erven 332–337), covering a total land area of 26 129 m<sup>2</sup>. The proposed mixed-use development will provide affordable housing, student accommodation, and supporting commercial infrastructure, aligned with the City's goals for spatial transformation and urban densification.

#### Project Status

##### Key Milestones Achieved:

- Town Planning Approvals: Rezoning, removal of restrictive conditions, consolidation certificates, and Surveyor-General status obtained
- Legal Finalisation: Ncube Attorneys appointed (25 July 2024) to complete outstanding land-use processes
- Governance Compliance: Council approvals secured in line with MFMA Section 14(2) and relevant legislation
- Project Design: Development concept and phasing currently under internal review
- Community Engagement: Stakeholder consultations initiated to foster local support and transparency

##### Financial Summary:

- Estimated Development Cost: **R261 578 982**
- Current Zoning: Residential 4 (allows student housing)
- Proposed Zoning: Mixed-use development (approval pending)

**Strategic Value:** This development aligns with the City's urban renewal agenda by transforming fragmented, dormant land assets into vibrant housing and commercial precincts. Consolidation into 17 development-ready sites will enhance yield, enable more efficient infrastructure delivery, and attract greater private sector investment.

##### Next Steps – Q1 FY 2025/26:

- Finalise issuance of new title deeds
- Secure full planning rights for mixed-use zoning
- Begin site preparation, internal servicing, and permitting





## Walter Sisulu Square of Dedication (WSSD)

## Project Status

## Restoration Plan and Long-Term Development

In partnership with JOSHCO, JPC has appointed a Project Management Consultant from its panel of approved service providers to lead the development and implementation of a comprehensive Restoration Plan for the square. The consultant has commenced work and will be delivering several key outcomes:

1. **Comprehensive Structural Assessment:** Including non-destructive testing to evaluate the current condition and safety of the existing infrastructure.
2. **Heritage-Aligned Repurposing Proposal:**
  - A proposal that respects the site's heritage significance.
  - Preparation and submission of heritage applications to the South African Heritage Resources Agency, UNESCO, and other relevant authorities.
3. **Market Demand Analysis:** An in-depth study to identify potential economic uses and investment opportunities.
4. **Stakeholder Engagement:** Inclusive consultations with community members, businesses, cultural leaders, and government entities to ensure transparency and collaboration.
5. **Infrastructure Audit and Costed Upgrade Plan:** A full audit of existing infrastructure, including a detailed costing for required improvements.
6. **Interim Activation Proposals:** Concepts for temporary uses of the space to keep it active and functional during the restoration period.
7. **Self-Sustainability Strategy:** Recommendations for ensuring the long-term financial and operational sustainability of the WSSD.

JPC remains deeply committed to preserving the legacy of Walter Sisulu and transforming the square into a vibrant, inclusive, and economically resilient public space. The entity will continue to provide regular updates as the restoration progresses and stakeholder engagement advances.

In line with its commitment to restoring and revitalising this landmark public space, JPC has implemented several key initiatives to improve safety, functionality, and public access:

- **Daily Cleaning Operations:** A comprehensive cleaning campaign has been launched and continues on a daily basis to enhance the square's cleanliness and aesthetic appeal.
- **Security Office Refurbishment:** On-site offices have been repaired and refurbished to accommodate dedicated security personnel, supporting improved site safety and active management.
- **Public Facility Upgrades:** Repairs to public restrooms have been completed, and roll-up security doors will be installed to safeguard and manage access to these facilities.
- **Re-electrification and Lighting:** Work is underway to restore electrical infrastructure and install lighting to ensure the square remains safe and welcoming, day and night.
- **Security Deployment:** Dedicated security personnel have been deployed daily to safeguard the site and prevent further vandalism as upgrades continue.
- **Mining Belt Redevelopment:** The report requesting Council's approval to allow JPC to initiate the public participation process was recommended for approval by the JPC Board, EMT, and Sub-Mayoral Committee. Council granted approval in March 2025, and the Section 79(18) notice was published on 22 May 2025. Provided no objections were received by 22 June 2025, the SCM process would commence thereafter.







## Section 6

### Information and Communication Technology

JPC has ten (10) projects aimed at improving the entity's ICT, with a focus on digital transformation, connectivity, backup continuity, disaster recovery, digital security, and ICT infrastructure.

Project Description	2024/25 FY Project Developments	Status
Digital transformation (Electronic Document and Records Management System – EDRMS)	<ul style="list-style-type: none"> <li>Phase 2 of the implementation process is under way, and involves uploading of the following registers: <ul style="list-style-type: none"> <li>Outdoor Advertising Register</li> <li>Property Asset Register</li> <li>Fixed Assets Register – this will run in parallel with the automation of the land process, as per JPC's business requirements.</li> </ul> </li> <li>Phase 3 processes for SCM and Finance will not form part of the Odoo implementation, as they fall within the CoJ's SAGE system, and are aligned with Municipal Standard Chart of Accounts regulations. Additionally, a new memo/reporting module has been introduced.</li> <li>Phase 4 has commenced, which includes User Acceptance Testing and training. Employees will begin on Odoo immediately after completing their training.</li> <li>A high-level demonstration of the Odoo system was presented to management. System testing will be conducted with users before going live.</li> </ul>	Ongoing over a period of 36 months
JPC site connectivity	<ul style="list-style-type: none"> <li>Engagements with the Group Chief Technology Officer are under way to secure approval for the installation of JPC site connectivity, as the alternatives provided by the Metropolitan Trading Company (MTC) were not viable.</li> <li>The JPC site connectivity budget for 36 months has been approved.</li> </ul>	50% complete
Website hosting	<ul style="list-style-type: none"> <li>Following the website RFQ process, a service provider has been appointed. The website is now hosted and has officially gone live.</li> </ul>	100% complete
Microsoft updated related projects	<ul style="list-style-type: none"> <li>Microsoft Defender for Endpoint</li> <li>Microsoft Azure Arc</li> <li>Microsoft Azure Update Manager</li> <li>Microsoft Defender for Cloud</li> <li>Microsoft Sentinel</li> <li>Windows Hello for Business</li> </ul>	100% complete
Digital security and ICT infrastructure	<ul style="list-style-type: none"> <li>Biometric Project completed. Payment from Finance is outstanding.</li> <li>CCTV Project completed. Payment from Finance is outstanding.</li> </ul>	100% complete
Mobile Communication Services	<ul style="list-style-type: none"> <li>The RT 15-2021 National Treasury contract for the supply and delivery of mobile communication assets has been extended for 24 months.</li> <li>The order to procure these assets for employees has been finalised and the allocation and distribution of the mobiles is in process.</li> </ul>	90% complete
Adobe Programme  Licences for ICT applications such as Adobe Programme	<ul style="list-style-type: none"> <li>The service provider has been appointed, and JPC is currently awaiting delivery of the required service.</li> </ul>	95% complete





## Project Challenges/Delays

### Digital Transformation – EDRMS:

- Automation for all established workflow processes due to budget constraints
- Reliance on primary systems with CoJ as per the CoJ Smart City Programme
- Reliance on the CoJ for functions that may support Odoo implementation (one drive for all)
- User availability
- System workspace not aligning with file plans

## Project Opportunities/Focus

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
- Disaster recovery – 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:

Migration to Azure is not supported on Windows Server 2008 R2 servers; therefore these servers must be upgraded to a minimum compatible version (Server 2012 and higher) or decommissioned. All servers have been successfully migrated to Azure.

### Test outcome:

The disaster recovery test confirmed the servers' ability to recover from a simulated disaster scenario without any issues.

### Quality assurance:

To ensure ongoing reliability and performance, additional disaster recovery testing is currently being conducted as part of JPC's quality assurance processes.

### Website hosting:

A Technical Evaluation Report was conducted, which indicated the need for further screening.

### Details:

Initial evaluation.



Orlando Ekaya





## Section 7

### Client Business Operations

#### Business Operations

A total of seventeen (17) transactional reports are currently progressing through various stages of the committee system. During this reporting period, five (5) matters arising from previous committee engagements remain outstanding—all originating from the Section 79: Economic Development Committee.

A key departmental highlight for the quarter is the successful tabling and resolution of thirty-eight (38) matters arising from various strategic committees. The detailed breakdown of these matters is presented in Table 37.

Name of Committee	Quarter 3 Number of Submitted Reports – Awaiting Tabling	Outstanding
Matters Arising: Section 79: Economic Development	0	5
Matters Arising: Section 79: Human Settlements	0	0
Matters Arising: Inner City Sub-Mayoral	0	0
Matters Arising: Oversight Committee on the Legislatures	0	0
Section 79 Petitions	0	0

**Table 37:** Number of Transactions in the CoJ System

#### Open Petitions

The Petitions Standing Committee has formally transitioned to the digital GPL ePetition Portal. To support this shift, the Petitions Unit is actively conducting civic education initiatives aimed at fully digitising the petition process by the end of 2025.

As of this reporting period, JPC has nine (9) active petitions, comprising seven (7) historical petitions and two (2) ePetitions. Additionally, one (1) petition was successfully closed during this period. A detailed breakdown of the petitions is provided in Table 38.

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 – Revised report is outstanding and awaiting author's submission
P222/06/17	Request for construction of churches on institution sites (Site 554, 838, 1017, 383) – from Naledi Ext. 2 Soweto	Open – Revised report is outstanding and awaiting author's submission
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, Stands 1002 Monee Street, Stand 11324 cnr Nkelenga & Monamane Streets, Stand No 1883 cnr Nkelenga & Mulembu Street – from Lefhereng Ward 53	Open – Revised report is outstanding and awaiting author's submission
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	<b>Closed</b> - Petition was resolved and closed by Committee.







P107/11/19	Closure of passageways in Kenilworth	Open – Revised report is outstanding and awaiting author's submission
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 – Revised report is outstanding and awaiting author's submission
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 53IR) in Ward 117, covering Ward 87, Ward 117, Ward 90, Ward 80, and Ward 99 – Region B	Open – Revised report is outstanding and awaiting author's submission
P09/07/18	Erf 1835 Molapo Township Multi-Purpose Centre Region D	Open – Revised report is outstanding and awaiting author's submission
EP20251063	Repair and refurbishment of Observatory Bowling Club	Open – Revised report is outstanding and awaiting author's submission
EP10251090	Unkept property on the owner of Mary Road and Vincent Avenue, Risidale, Johannesburg	Open – Revised report is outstanding and awaiting author's submission

Table 38: Open Petitions

## Client Servicing Unit

The Client Servicing Unit attended to a total of twenty-eight (28) walk-in clients for the period under review, relating to general property information, zoning, and ownership.

A total of five (5) enquiries was forwarded to Asset Management for further analysis. The assessments were conducted to determine whether properties were eligible to undergo circulation processes. These include matters where 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.

The Geographic Information System

experienced system challenges during April and May, resulting in prolonged downtime and diminished operational capacity.

## 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 to JPC. Table 39 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:

- **SLS 1.6** was not measured because

no sale or lease and registration of servitudes of Council-owned land was completed during this period.

- **SLS 1.7** was not measured because no tender was placed after approval from Council and the EAC.
- **SLS 1.8** was not measured because no internal allocation of land and buildings to City departments and entities for permission to occupy and build, or lease office space from third parties was completed. Furthermore, no request for internal allocation for land and buildings with a budget was received from departments and entities during the period under review.
- **SLS 1.9** was not measured as no surveys were conducted on the condition of plant and equipment to assess the required repairs and maintenance for facilities managed by JPC.





Core Service	Service Level Standard	APR	MAY	JUN	YTD TOTAL	Variance explanation
SLS 1.1 – Response in acknowledgement of requests, enquiries, and complaints	Within 1 day of logged call	116	1 654	186	467	None
SLS 1.2 – Provision of answers and/or results related to the receipt of requests and enquiries regarding properties	Within 3 days of logged call	58	83	126	267	None
SLS 1.3 – The performance of emergency work for JPC-managed facilities	Within 1 day of logged call	78	72	85	238	None
SLS 1.4 – Performance of minor work on facilities managed by JPC	Within 2 days of logged call	38	41	30	109	None
SLS 1.5 – Performance of major work on facilities managed by JPC	Within 5 days of logged call	0	02	02	04	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	0	0	0	None
SLS 1.7 – Placement of tender after Council and CoJ EAC approval	Within 4 months of CoJ EAC approval	0	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	0	0	0	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	0	0	20	20	None
SLS 1.10 – Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	02/02 = 100%	03/03 = 100%	07/07 = 100%	12/12 = 100%	None

Table 39: Service Level Standards





## Section 8

### Marketing and Communications

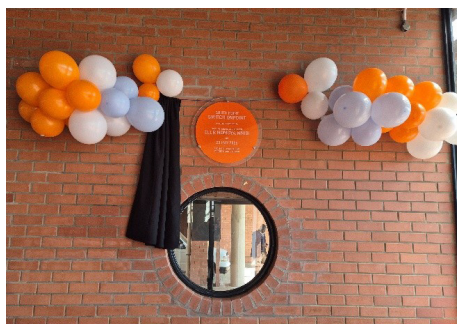
During the period under review, the following interventions and activities were undertaken:

#### Orlando Ekhaya and Power Park Housing Precinct Launch

On 23 May 2025, the Department successfully hosted the official launch of the Orlando Ekhaya and Power Park Housing Precinct. The event featured a keynote address by the MMC for Economic Development, Cllr Nomoya Mnisi, who reaffirmed the City's commitment to inclusive urban development and youth empowerment.



The Acting CEO of JPC, Mr Musah Makhunga, presented an overview of the project, highlighting its strategic significance and vision. He reported on the successful completion of the initial phase, which includes the development of purpose-built student accommodation comprising 2 300 beds—of which 848 beds will be allocated to students at no cost. This initiative reflects the City's dedication to accessible education and integrated urban growth.



#### Southern Farms Megacity Project Site handover

On **09 May 2025**, the CoJ officially broke ground on the **R27 billion Southern Farms Mega City Project** at the Bushkoppies site. The ceremony was led by **Executive Mayor Cllr Dada Morero**, joined by **MMCs Cllr Mlungisi Mabaso and Cllr Nomoya Mnisi**, along with JPC's Acting CEO Musah Makhunga. The site handover marked the launch of a transformative development initiative for the City.

Spanning **4 000 hectares**, Southern Farms is Johannesburg's first **biodiversity-led development**, envisioned to deliver more than **43 000 housing opportunities**. The project will also drive significant socio-economic impact by creating jobs, empowering youth, and establishing essential infrastructure—including schools, clinics, and facilities for small businesses. It represents a bold step toward a more inclusive and sustainable future for thousands of Johannesburg residents.



#### Kwa Mai Mai Oversight Visit

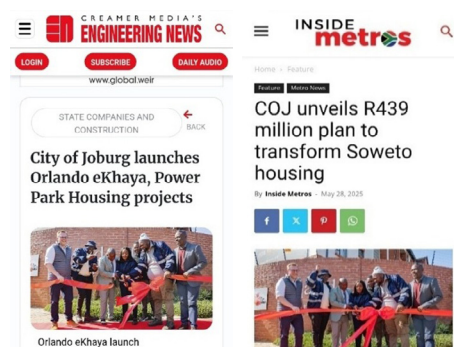
The Acting CEO, Mr Musah Makhunga, together with the MMC for Economic Development, Cllr Nomoya Mnisi conducted an oversight visit to the Kwa Mai Mai Market—one of Johannesburg's oldest informal trading hubs. The purpose of the visit was to assess the current

state of the market and engage with stakeholders on key developmental issues. A follow-up visit was subsequently undertaken to evaluate the progress made since the initial assessment and to ensure continued improvements.



#### Media Coverage

During the period under review, JPC has received media coverage across various platforms, both print and online. This coverage highlighted key projects such as the Orlando Ekhaya and Power Park Precinct launch, as well as the Walter Sisulu Square of Dedication.







## Outreach and Awareness Campaigns

As part of its ongoing community outreach efforts, the Department actively participated in a series of Integrated Development Plan (IDP) sessions across various regions:

- 12 April 2025 – Orlando, Soweto: The Department set up a service delivery stall to offer on-the-spot assistance and engage directly with community members on matters related to property management and development services.
- 15 April 2025 – Region A: Officials participated in the IDP session, engaging with the local community to raise awareness about JPC and its mandate.
- 10 May 2025 – Region D: The Department was on the ground to provide information about JPC's services, address community queries, and promote awareness around property management, development opportunities, and service delivery support.

These sessions form a critical part of the Department's strategy to enhance transparency, improve service accessibility, and strengthen community relationships.

## Brand Visibility and Social Media Updates



Celebrating excellence in property leadership, JPC's Acting CEO, Musah Makhunga, was honoured by the South African Institute of Black Property Practitioners (SAIBPP) as one of the SAIBPP100 Top Black Property Leaders for 2025. This recognition celebrates ethical leadership and meaningful contributions that have shaped transformative policies, programmes, and institutions within the property sector. Makhunga's leadership in the public sector, particularly in advancing transformation and unlocking value in the City of Johannesburg, exemplifies these ideals.

The Gauteng Department of Cooperative Governance and Traditional Affairs hosted a Gauteng Communicators Forum, where JPC was represented. This was done to coordinate and integrate communication among Gauteng departments. This platform helps to amplify and grow the JPC brand through cooperation and integration among Gauteng government communicators.



## Newsletter

The internally published newsletter *Zikhiphani* keeps employees informed about the latest developments within the organisation.



## Instagram Page

With a growing follower base and expanding reach, JPC's Instagram page is driving greater visibility and awareness for the brand.

## Facebook Updates

Facebook reach has seen a significant increase in followers and content interactions from April 2025 to the present. Our page has garnered 123 000 views and continues to engage the community.

## X (Twitter) Page

The X page has gained notable momentum, reaching a wide audience and generating substantial views. It continues to be highly engaging for followers.







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## 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 strong performance. To support JPC's new 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 undertake the following critical initiatives:

- Embarking on 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 current staff establishment comprises **2 065** positions, of which **1 476** positions are filled, **536** are unfunded, and **52** are funded. The entity's vacancy rate stands at **28%**, which is considered high and is exacerbated by the lack of funding of vacancies.

#### Employee Remuneration and Cost Including Executives

The fourth quarter salary bill amounted to **R130 125 920**. The remuneration cost includes the following transactions that occurred during the quarter:

- Employee transfers
- Leave encashments
- Year-to-date payroll reconciliations for tax year-end
- Acting allowances paid to staff covering critical vacancies
- Employee movements due to transfers and new placements
- Overtime

#### Overtime

Overtime claimed and paid in the fourth quarter was equivalent to **R179 297**, which is a significant reduction in comparison to the previous quarters for overtime costs, which amounted to **R4 716 031**. An average of twenty-eight (28) staff worked overtime per month. Below are key factors contributing to the reduction of overtime:

- Enhanced Verification Controls: A stricter overtime approval process has been implemented, ensuring that requests are thoroughly vetted and aligned with departmental

mandates. This has effectively curtailed unnecessary and unjustified overtime expenditure.

- Focused Oversight in the Cleaning Unit: Given the unit's operational flexibility and variable workload, the Cleaning Unit has historically incurred high overtime costs. By applying tighter controls and monitoring, the organisation has managed to maintain responsiveness while reducing excess spending.
- Proactive Line Manager Engagement: Line managers now play a more active role in aligning staffing with operational demands. Through improved planning and resource allocation, they have significantly reduced reliance on overtime to meet daily performance requirements.

#### Staff Movements

As indicated in Figure 10, staff turnover was low at a rate of 1%, primarily due to the following breakdown of seven (7) employee terminations during the reporting period:

- **Early retirement:** One (1) employee took early retirement due to ill health.
- **Deceased:** Three (3) employees passed away.
- **Dismissals/retrenchment:** Three (3) employees were dismissed following disciplinary action, reflecting the effective enforcement of company policies and consequence management.

Several retirement extensions were granted, and a mentorship process and programme will guide knowledge transfer by allowing younger employees to shadow pre-retirees, ensuring workforce sustainability and empowerment.







Figure 10: Staff Turnover Rate End June 2025 – YTD

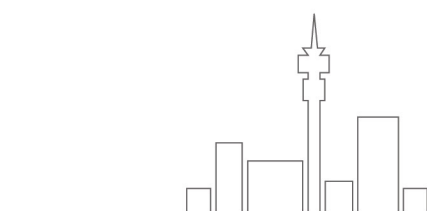
## Section 3

### 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 40 were approved as critical positions and will be advertised. 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. Further submissions have been made to the Strategic Approval Panel following engagements with line managers on critical priority roles to be filled before the end of the financial year.

Position	Department	Status
Chief Executive Officer	Entity	A recruitment agency was appointed to manage the recruitment process, with advertisements circulated in print media and talent portals. The advertisements closed on 9 March 2025 for print media and on 15 March 2025 for talent portals. Awaiting commencement date for the selection process.
Chief Financial Officer	Finance	A recruitment agency was appointed to manage the recruitment process, with advertisements circulated in print media and talent portals. The advertisements closed on 9 March 2025 for print media and on 15 March 2025 for talent portals. Awaiting commencement date for the selection process.
Senior Manager: Supply Chain	Finance & SCM	The recruitment process has been put on hold at shortlisting stage due to budget constraints
Manager Financial Management	Finance	The recruitment process has been put on hold at the candidate verification stage due to budget constraints.
Committee Officer	Finance & SCM	The recruitment process was completed, and the interviewed candidates failed to display concise knowledge of SCM processes.
HR Assistant	Human Capital Management	The recruitment process has been put on hold at the appointment stage due to budget constraints.

Table 40: Key Vacancies





## Section 4

### Employment Equity and Workforce Demographics

JPC's total employment equity demographics in Table 41 include permanent and temporary employees. For the period under review, the total workforce is **1 476**.

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
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)	18	1	2	2	20	1	2	3	0	0	49
Skilled & qualified workers, junior management, supervisors, foremen, superintendents (7 & 8)	79	5	6	4	89	13	2	0	1	0	199
Semi-skilled and discretionary decision making (9 & 10)	40	5	0	0	17	9	0	0	0	0	71
Unskilled and defined decision making (11)	292	0	0	1	844	9	0	0	0	0	1 146
<b>Total Permanent Staff</b>	<b>435</b>	<b>11</b>	<b>9</b>	<b>7</b>	<b>974</b>	<b>33</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1 476</b>
<b>Temporary Employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>435</b>	<b>11</b>	<b>9</b>	<b>7</b>	<b>974</b>	<b>33</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1 476</b>

**Table 41:** 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 June 2025.

EAP Target Demographics	JPC Actuals								
	Male %	Female %	Target Total %	Male %	Female %	Total %	Male No.	Female No.	Total Number
<b>Africans</b>	45%	36%	81%	30%	65%	95%	434	974	1 408
<b>Coloureds</b>	2%	2%	3%	1%	2%	3%	11	33	44
<b>Indians</b>	2%	1%	3%	1%	0.33%	1%	9	4	13
<b>Whites</b>	7%	6%	13%	1%	0.20%	1%	7	3	10
<b>Foreign Nationals</b>							1	0	1
<b>Total</b>	<b>56%</b>	<b>44%</b>	<b>100%</b>	<b>32%</b>	<b>68%</b>	<b>100%</b>	<b>462</b>	<b>1 014</b>	<b>1 476</b>
<b>People with Disabilities</b>			2.00%			0.54%			<b>8</b>

**Table 42:** JPC Workforce Demographics in Terms of EAP Targets





## Gender and Racial Split Analysis

JPC's gender distribution consists of 68.70% female and 31.30% male representation. No significant changes in percentages were recorded for terminations or in the racial split.

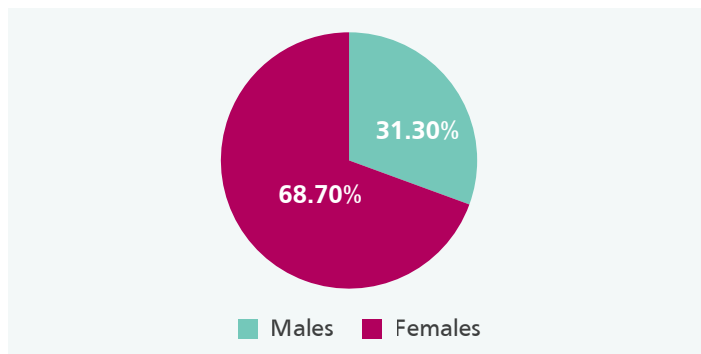


Figure 11: Gender Split

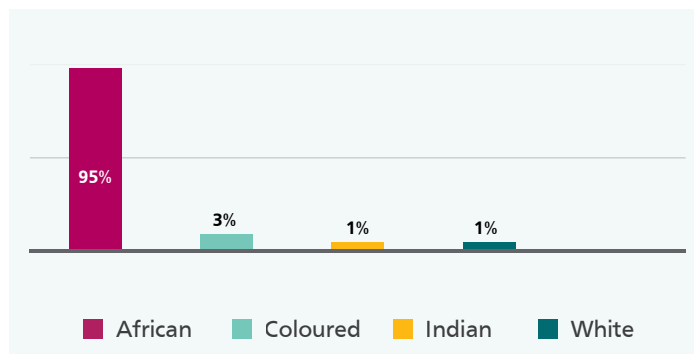


Figure 12: Racial Split

## Employment Equity and Skills Development (EESD) Transformation Initiatives

In advancing the Employment Equity agenda, the Committee established a dedicated Committee for People Living with Disabilities. The Committee Chair and some members of the EESD have been exposed to several forums with the City which will enable JPC to engage on empowerment, inclusive dialogue, and the intentional recruitment and support of people living with disabilities.

These collective efforts are instrumental in embedding the Human Capital Strategy, while actively supporting the achievement of both JPC objectives.

## Section 5

### Employee Capacitation

#### Implemented Training and Development Initiatives to Address Competency Gaps

In the fourth quarter, Human Capital Management implemented targeted external training interventions aimed at addressing competency gaps. These sessions focused on enhancing employee understanding of key behavioural expectations and operational processes relevant to daily functions. The overall annual training target was successfully exceeded with 1 147 employees trained.





## Section 6

### Disciplinary Matters and Outcomes

#### Current Internal Cases

Twenty-seven (27) disciplinary cases predate the period under review. These cases encompass a broad range of violations as outlined in Table 43, including breaches of company policies and the MFMA. Currently, eight (8) disciplinary matters are awaiting

sanctions to be finalised. Three (3) cases have been concluded, resulting in the dismissal of the implicated employees, and fourteen (14) employees have been issued with warning letters.

Nature of Incident	Status	Action Taken
Irregular expenditure, insubordination, and misrepresentation	Resolved	The employee has been dismissed.
Bribery, dishonesty, and misrepresentation	Resolved	The employee has been dismissed
Abscondment	Ongoing	8 employees' awaiting sanctions
		2 employees' cases postponed (no date has been confirmed)
	Resolved	14 employees' issued with written warnings
		1 case provisionally withdrawn

Table 43: Disciplinary Cases

#### Appeals

One appeal was lodged following a dismissal in August 2024 for misconduct. The appeal has been resolved. The dismissal for misconduct was overturned and reclassified as a dismissal for incapacity.

#### Conflict Management

During the period under review, two (2) conflict management matters were addressed:

- **Interpersonal Conflict:** A dispute between two employees is being addressed by line management, including actions to resolve the conflict and assess related misconduct.
- **Office Space Allocation:** This matter has been resolved through direct intervention from the CEO.

#### Investigations

Investigations are initiated by management when employees' conduct raises concern. These investigations may lead to disciplinary action or a wellness intervention, depending on the findings.

One (1) investigation is currently in progress. However, proceedings have been delayed due to the employee's health.





## Grievances

Nature of Grievance	Status	Action Taken
Bullying and intimidation	Ongoing	External chairperson has been appointed to preside over the matter.
Salary disparity	Ongoing	Matter to be set down in the new financial year.

Table 44: Grievances

## External Disputes

Forum	Status	Action Taken
SALGBC	New dispute	Hearing was held 23 May 2025; awaiting outcome.
CCMA	Resolved	Finalised; applicant withdrew.

Table 45: External Disputes

## Section 7 Union Representation

	Status
SAMWU Members	1 166
IMATU Members	494
Dual Membership (SAMWU & IMATU)	207
Non-Unionised Members	18

Table 46: Union Representation Membership

*\*Due to dual membership, the overall total is higher than the actual number of staff.*

## Section 8 Leave Provision

The leave provision for the quarter under review amounts to **R40 217 268.00**, and the leave encashment amounts to **R729 719.00**.

### Absenteeism

The absenteeism rate per department at JPC for the fourth quarter stands at 8%, which is considered high compared to the acceptable South African threshold of 3.6% to 6%. The absenteeism calculation aligns with national standards, ensuring that the organisation strives for optimal employee performance and attendance.

This elevated rate of unplanned leave indicates employee fatigue, stemming from the organisation's shortage of human resources due to budget constraints and the stringent recruitment process implemented by the CoJ Strategic Appointment Committee.





### Abscondment Cases with Cost

The cost of AWOL (absent without leave) currently amounts to **R1 022 098.19**, which shows a decrease in comparison to the previous quarter, primarily due to employees returning to work and signing Acknowledgements of Debt. Final values were revised based on actual AWOL days, statutory deductions, and employee benefits. The amount recovered to date is **R224 272.21**, which has increased during the period under review. Deliberate actions have been taken to empower employees and line managers, thus ensuring that corrective measures are taken against those not adhering to JPC policies and procedures.

For terminated employees, the amounts owed could not be recovered as they had no salaries from which to deduct the debt. JPC is initiating a legal process to acquire a court order, as this is a requirement of the pension fund to recover the debt.

## Section 9

### Employee Benefits

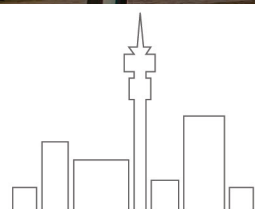
Table 47 illustrates the distribution of JPC employees' membership across accredited pension funds. Pension fund membership is compulsory for all JPC employees, with the exception of the Chief Executive Officer, medically boarded employees already receiving pension fund payments, and temporary employees. 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	1 439	Defined contributions
City of Johannesburg Pension Fund	28	Defined benefits
Municipal Employees Pension Fund	3	Defined contributions
Municipal Gratuity Fund	2	Defined contributions
Joint Municipal Pension Fund	1	Defined benefits
Non-Membership	3	Not compulsory and medically boarded employees
<b>Total</b>	<b>1 476</b>	

**Table 47:** Distribution of JPC Employee Pension Fund Membership



Orlando Towers Lifestyle Estate





## Accredited Medical Aid Schemes Membership Distribution

Table 48 specifies the accredited medical aid schemes and distribution of membership to each scheme as at the end of June 2025. The provision is based on the 60/40 principle as set out in the Main Collective Agreement.

Medical Aid Scheme	Membership
Bonitas	200
Discovery	8
Sizwe Hosmed	29
KeyHealth	85
LA Health	223
SAMWUMED	202
<b>Total Membership</b>	<b>747</b>

**Table 48:** Distribution of JPC Employee Medical Aid Fund Membership

## Declaration of Interest

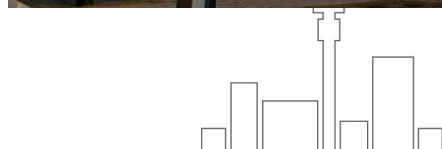
A total of **1 468** employees submitted their declarations, out of a staff complement of **1 476**, with only 22 employees declaring an interest. The compliance percentage is 98%, with the remaining 2% attributed to employee absenteeism due to ill health; JPC is working to ensure these employees submit their forms.

## Employee Wellness

There are currently nine (9) EAP referrals, which are managed mostly by Metrobus, while the remainder are with the City and other Entities. This situation continues to pose a serious challenge and risk as the number of cases are increasing without a dedicated professionally accredited Wellness / EAP Practitioner. Various initiatives, including *secondment*, *appointing interns*, or *transferring a resource* from any of the City's Entities, are under consideration. To further mitigate this matter, whilst awaiting approval to source a dedicated Wellness Practitioner, a process to source an external service provider is also being pursued as the previous tender was non-responsive.



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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 %
<b>Assets</b>					
<b>Current Assets</b>		<b>1 272 324</b>	<b>1 250 389</b>	<b>21 935</b>	<b>1.75%</b>
Cash and cash equivalents	1	2	2	–	0.00%
Receivables from exchange transactions	2	824 336	931 203	–106 867	–11.48%
Loans to shareholders	3	376 478	318 594	57 884	18.17%
Receivables from non-exchange transactions	4	142	142	–	0.00%
Current tax receivable	5	64 402	–	64 402	100.00%
VAT receivables	6	6 965	448	6 516	1455.75%
<b>Non-Current Assets</b>		<b>149 846</b>	<b>103 594</b>	<b>46 253</b>	<b>44.65%</b>
Property, plant and equipment	7	61 954	77 051	–15 097	–19.59%
Intangible assets	8	171	223	–52	–23.18%
Deposits	9	62 624	1 223	–61 402	5021.72%
Deferred tax asset	10	25 097	25 097	–	0.00%
<b>Total Assets</b>		<b>1 425 944</b>	<b>1 353 983</b>	<b>71 961</b>	<b>5.31%</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>		<b>1 178 990</b>	<b>1 291 826</b>	<b>–105 088</b>	<b>–8.13%</b>
Payables from exchange transactions	11	312 291	345 490	–33 198	–9.61%
Current tax payables	12	–	7 747	–7 747	–100.00%
Finance lease obligation	13	1 004	8 279	–7 275	–87.87%
Loans from shareholders	14	863 285	920 356	–57 071	–6.20%
Provisions	15	214	7 757	–7 543	–97.24%
VAT payable	16	–	–	–	100.00%
Operating lease liability	17	2 196	2 196	–	0.00%
<b>Non-Current Liabilities</b>		<b>28 685</b>	<b>28 685</b>	<b>–</b>	<b>0.00%</b>
Finance lease obligation	13	28 002	28 002	–	0.00%
Employee benefit obligation	18	683	683	–	0.00%
<b>Total Liabilities</b>		<b>1 128 511</b>	<b>1 320 511</b>	<b>–184 252</b>	<b>–13.95%</b>
<b>Net assets</b>		<b>214 495</b>	<b>33 472</b>	<b>181 023</b>	<b>540.82%</b>
Share capital	19	5 143	5 143	–	0.00%
Accumulated surplus/(deficit)	20	209 352	28 329	181 023	639.00%
<b>Total Net Assets/(Liabilities)</b>		<b>297 433</b>	<b>33 472</b>	<b>263 960</b>	<b>931.75%</b>

Table 49: JPC – Financial Position as at 30 June 2025







## 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 R824 million. JPC Finance has engaged with all departments owing the City from September 2024 to date in an effort to collect. This engagement has resulted in over R440 million being collected from the second quarter to date.
3. This represents the CoJ: Portfolio loan account with JPC and the sweeping account of R365 million. JPC's cash position has slightly increased due to positive cash collections from departments. However, JPC is continuing 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 debt acknowledgement letters.
5. This relates to income tax receivable, as the provisional tax payment made in June 2025 exceeded the 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; thus the VAT receivable in the prior year.
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 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 is accrued at financial year-end. The JPC entity also paid in the first quarter deposits amounting to R61.4 million on 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 had a decrease 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 2025 financial year. The R2.2 million asset is netted-off with the income tax expense incurred in the 2024 financial year.
13. The amount of R31 million (comprising a current portion of R3 058 850 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 insourced cleaners' payroll, as well as transactional loan accounts for the acquisition of property for the CoJ. Increased receipts from related-party receivables will enable JPC to pay its related-party liabilities, thus reducing this amount. Furthermore, JPC agreed with Public Safety to apply the offsetting principles of GRAP, as permitted by GRAP 104.
15. The provision relates to bonuses due to EXCO members for the 2022/23 and 2023/24 financial years. Payment of R4.1 million was made in the third quarter.
16. VAT payable is nil as at 30 June 2025, 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 is to be performed at year end.
18. This relates to the 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 statement includes accumulated surpluses and losses from the previous and current financial year.



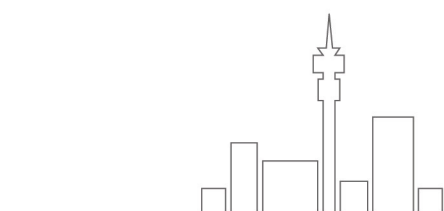


## Section 2

### JPC Statement of Financial Performance

	Note	Year-to-date			Annual	Variance
		Actual R'000	Budget R'000	Variance R'000	Budget R'000	%
<b>Revenue</b>						
<b>Revenue from Non-Exchange Transactions</b>		<b>702 030</b>	<b>696 836</b>	<b>-5 194</b>	<b>696 836</b>	<b>-0.75%</b>
CoJ – Subsidies received	1	695 732	695 732	0	695 732	0.0%
Other Income	2	6 298	1 104	-5 194	1 104	-470.5%
<b>Revenue from Exchange Transactions</b>		<b>415 861</b>	<b>465 748</b>	<b>49 886</b>	<b>465 748</b>	<b>10.7%</b>
Cleaning services recoveries	3	316 320	364 413	48 093	364 413	13.2%
Management fees	4	47 445	11 014	-36 431	11 014	-330.8%
Commission on Portfolio rentals	5	12 333	23 500	11 167	23 500	47.5%
Commission on outdoor advertising	6	12 873	14 949	2 076	14 949	13.9%
Commission on property acquisition	7	430	–	430	–	100.0%
Assets under management fees	8	7 710	7 710	–	7 710	0.0%
Facilitation fees	9	2 083	31 856	29 772	31 856	93.5%
Ad hoc fees	10	81	–	81	–	100%
Cell mast	11	16 585	12 306	-4 280	12 306	-34.8%
<b>Other Income</b>		<b>26 088</b>	<b>7 159</b>	<b>-18 929</b>	<b>7 159</b>	<b>-264.4%</b>
Interest received	12	25 110	7 159	-17 951	7 159	-250.8%
Other income	13	977	–	-977	–	100.0%
<b>Total Revenue</b>		<b>1 146 420</b>	<b>1 169 743</b>	<b>23 322</b>	<b>1 169 743</b>	<b>2%</b>
<b>Expenditure</b>						
Board of Directors' fees and expenses	14	2 433	2 675	242	2 675	9.0%
Office operational expenses	15	329 402	394 363	64 961	394 363	16.5%
Contracted expenses	16	14 354	31 740	17 386	31 740	54.8%
Cleaning materials	17	6 764	7 374	610	7 374	8.3%
Repairs & maintenance	18	10 109	117 150	107 040	117 150	91.4%
Salaries	19	579 806	576 342	-3 464	576 342	-0.6%
Interest paid	20	4 128	17 008	12 880	17 008	75.7%
Depreciation	21	18 355	23 091	4 736	23 091	20.51%
Loss on disposal of assets	22	437	–	437	–	-100.0%
<b>Total Expenditure</b>		<b>966 791</b>	<b>1 169 743</b>	<b>202 952</b>	<b>1 169 743</b>	<b>17.4%</b>
<b>(Deficit)/Surplus Before Taxation</b>		<b>179 630</b>	<b>–</b>	<b>179 630</b>	<b>–</b>	<b>–</b>
<b>Net (Deficit)/Surplus</b>		<b>179 630</b>	<b>–</b>	<b>179 630</b>	<b>–</b>	<b>–</b>

Table 50: JPC – Statement of Financial Position as at 30 June 2025





## Notes to the Statement of Financial Performance

- |  |  |   |
|--|--|---|
| <p>1. The subsidy provided to JPC for the 2024/25 financial year covers salary, rental, fleet and repairs, and maintenance expenditure for the financial year.</p> <p>2. Other income relates to rental recovery for Forum 1.</p> <p>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.</p> <p>4. JPC earns a 10% management fee for cleaning, facilitating, and managing R&amp;M and CAPEX projects for the CoJ's departments and other MOEs. Income exceeded the budget following JPC's implementation of a 10% charge on cleaning services from July 2024, as per the Service Level Agreement entered into with departments.</p> <p>5. The CoJ rental collection commission, servitudes, and rates &amp; taxes are 47.5% below budget, corresponding with rental collections in the Portfolio. An undertaking to renew leases will increase the amount of revenue the Portfolio can collect and the commission receivable by JPC.</p> <p>6. Outdoor advertising commission that is collected in the Portfolio is below budgeted objectives, pending resolution of advertiser contracts and the conclusion of by-laws.</p> <p>7. JPC earned commission during November on property acquisition, resulting in the higher than budgeted variance of R430 000.</p> | <p>8. This item relates to the management fee for the administration of the CoJ's fixed asset register and is slightly below budget.</p> <p>9. Facilitation fees for the current financial period are below the 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.</p> <p>10. No budget is provided for ad hoc fees, as they relate to the recovery of property services within JPC from MOEs, and are utilised as and when the need arises.</p> <p>11. Cell mast revenue is above budget by 34.8% for the fourth quarter, exceeding expectations.</p> <p>12. JPC accrued interest on the sweeping account is higher than budgeted for Q4 as the account is in surplus of R365 million.</p> <p>13. JPC received refunds from Old Mutual for employees placed on medical boarding. This is above budget; however, due to its nature, it cannot be accurately budgeted for.</p> <p>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.</p> <p>15. Office operational expenses are 16.5% below the YTD budget. This is as a result of leases being</p> | <p>expended later in the financial year than planned. Furthermore, office optimisation yielded cost savings.</p> <p>16. Contracted expenses are 54.8% below the YTD budget.</p> <p>17. Cleaning materials are 8.3% below the YTD budget, aligned with office optimisation yielding cost savings.</p> <p>18. Repairs &amp; maintenance is 91.4% below the YTD budget. Service providers were appointed in Q2, and expenditure will materialise in Q3 and Q4. It is important to note that the City erroneously approved an additional R89 million in the adjusted budget, which will result in this line item not being fully spent by the end of the fourth quarter.</p> <p>19. Salary expenditure is 0.6% over 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. To this end, a R19 million additional budget was approved, which does not cover the shortfall.</p> <p>20. JPC incurred no interest on the sweeping account due to its surplus position; interest incurred relates solely to finance leases.</p> <p>21. Depreciation is 20.51% below the YTD budget due to lower than budgeted additions in the prior year.</p> <p>22. This item represents the write-off of obsolete computer equipment during the current financial year.</p> |
|--|--|---|







## Section 3

### JPC Statement of Cash flow

	30-Jun-25 R'000	30-Jun-24 R'000
<b>Cash Flows from Operating Activities</b>		
Rendering of services	440 461	355 043
Subsidies	695 732	623 131
Interest income	25 110	24 789
	<b>1 161 303</b>	<b>1 002 963</b>
<b>Payments</b>		
Employee costs	-579 750	-517 336
Suppliers	-300 609	-258 883
Finance costs	-4 128	-2 034
Taxation paid	-72 500	35
	<b>-956 987</b>	<b>-778 218</b>
<b>Net Cash Flows from Operating Activities</b>	<b>204 316</b>	<b>224 746</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of personal protective equipment	-1 913	-
Purchase of deposits	-61 402	-
Purchase of intangible assets	-	-
<b>Net Cash Flows from Investing Activities</b>	<b>-63 315</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>		
Net movement of Shareholder loan	-126 315	-211 373
Finance lease payments	-14 686	-13 373
<b>Net Cash Flows from Financing Activities</b>	<b>-141 001</b>	<b>-224 746</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>2</b>	<b>2</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>2</b>	<b>2</b>

Table 51: JPC – Statement of Cash Flow

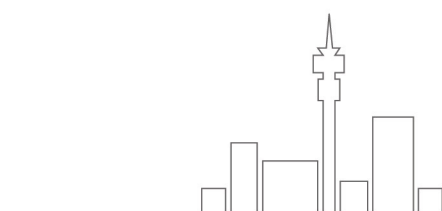
#### Notes to the Statement of Cash flow

The statement of cash flow reflects the entity's cash generation and utilisation. A review of JPC's statement of cash flows as at 30 June 2025 indicates:

- A constrained inflow of monies from trade receivables and the subsidy.

- Cash outflows to suppliers below inflows from the rendering of services, in accordance with JPC's adherence to the provisions of the MFMA, which requires settlement of suppliers within 30 days.
- Utilisation of CAPEX budgets to capacitate JPC's cleaning services.

- A slight decrease in financial obligation for loans from the Shareholder as the entity's funding is primarily through financing activities with the Shareholder.





## Section 4

### Portfolio Statement of Financial Position

	Note REF	ACTUAL June-25	ACTUAL June-24	Variance
<b>Assets</b>				
<b>Current Assets</b>		<b>190 990 557</b>	<b>130 932 970</b>	<b>60 057 587</b>
Trade and other receivables		<b>164 454 381</b>	<b>106 240 930</b>	<b>58 213 451</b>
Debtors – Rentals	1	210 161 359	133 339 363	76 821 996
Doubtful debts – Move provision	2	(61 568 527)	(61 568 527)	–
Debtors – Other: CoJ	3	3 051 013	2 922 754	128 259
CoJ Portfolio – VAT claim/payable account	4	–	10 342 718	(10 342 718)
JPC Portfolio loan account	5	258 455	–	258 455
Capital expenditure: Current year	6	12 512 126	21 139 623	(8 627 496)
Capital expenditure: Prior year	6	39 955	65 000	(25 045)
Cash and cash equivalents		<b>26 536 176</b>	<b>24 692 039</b>	<b>1 844 136</b>
Standard/ABSA Bank – Tenant deposit account	7	26 536 176	24 692 039	1 844 136
<b>Non-Current Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Assets</b>		<b>190 990 557</b>	<b>130 932 970</b>	<b>60 057 587</b>
<b>Equity and Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables		<b>264 783 446</b>	<b>311 236 856</b>	<b>(46 453 410)</b>
Standard Bank CoJ loan account – Bank sweeping	8	154 851 235	97 772 500	57 078 734
CoJ Portfolio – VAT claim/payable account	4	2 268 594	–	2 268 594
Accruals	9	24 633 576	47 989 184	(23 355 608)
Receipts in advance – Rentals	10	8 861 627	9 549 333	(687 706)
Deposits received: Tenants	11	11 310 950	11 310 950	–
JPC Portfolio loan account	12	–	26 905 907	(26 905 907)
JPC Portfolio loan account: Commission	12	9 082 030	79 471 956	(70 389 926)
Property portfolio loan: MOEs	13	–	999 904	(999 904)
JMPD	14	51 259 347	36 908 534	14 350 812
Prepaid – Deposit received on land sales	15	2 424 850	237 350	2 187 500
Creditor (Khulu Outdoor)	16	91 237	91 237	–
<b>Non-Current Liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Liabilities</b>		<b>264 783 446</b>	<b>311 236 856</b>	<b>(46 453 410)</b>
<b>Net Assets</b>		<b>(73 792 889)</b>	<b>(180 303 887)</b>	<b>106 510 998</b>
Accumulated Surplus/(Deficit)		(73 792 889)	(180 303 887)	106 510 998
<b>Total Net Assets and Liabilities</b>		<b>190 990 557</b>	<b>130 932 970</b>	<b>60 057 587</b>

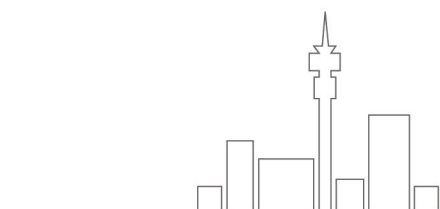
Table 52: Portfolio Statement of Financial Position





## Notes to the Portfolio Statement of Financial Position

1. Debtors balance as per age analysis.
2. The current provision for bad debts related to outstanding debtors in the lease register. The bad debts are comprised primarily of informal trading debtors and will be proposed for write-off by Council in the current financial year.
3. This relates to rental accommodation for Councillors' Community Participation Projects. It was agreed with the CoJ that the JPC Portfolio will pay for the monthly rentals for the office space and in turn the City will refund the Portfolio for expenses incurred.
4. The VAT generated by the Portfolio is declared to the CoJ each month. The VAT is consolidated in the CoJ's VAT return, which is in turn submitted to the South African Revenue Service.
5. The JPC Loan account reflects the commissions due to JPC: 25% on rentals and outdoor advertising, 10% on land sales, and includes amounts received and paid on behalf of the CoJ Portfolio.
6. The approved adjustment budget for capital expenditure (CAPEX) is R64 068 425 for the year 2024/25 and to-date the overall spending is R16 256 256.
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 projects that were previously accounted for as CAPEX being reclassified and accounted for as OPEX. The Portfolio only gets reimbursed for CAPEX projects.
9. This item reflects accruals raised of which R24.6 million is still to be paid.
10. This item reflects rental paid in advance for 30 years by RMB Properties, which is allocated on a straight-line basis, with 11 years remaining on the contract.
11. Tenant deposits held in trust account.
12. The JPC Loan account reflects the 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. MOEs' rentals are paid into the JPC Portfolio main account and are normally paid over to MOEs the following month.
14. This amount relates to the JMPD's security services for the securing of informal trading facilities and properties.
15. This item relates to the full land purchase price that has been paid over to JPC Portfolio including bank guarantees but the transfer of land to the client has not taken place.
16. Payments received from Khulu Outdoor – no contract exists; thus amounts are due and payable to clients.







## Section 5

### Portfolio Statement of Financial Performance

	Note REF	YTD Actual approved 2024/2025	YTD Budget approved 2024/2025	Variance approved	Variance %	Approved Adjusted Budget 2024/25
<b>Income / Billings</b>						
Commercial rental	1	13 709 794	22 489 105	8 779 311	-0	22 489 105
Residential rental	1	124 171	262 374	138 202	-1	262 374
Non-commercial	1	11 137 559	16 063 280	4 925 721	-0	16 063 280
Development rentals	1	4 023 396	4 258 016	234 620	-0	4 258 016
Recoveries – Water, refuse, sanitary fees, assessment rates, parking	1	20 104 416	34 249 226	14 144 810	-0	34 249 226
Interest received – Arrear debtors						
Outdoor advertising – CoJ	2	4 917 648	4 248 000	-669 648	0	4 248 000
	3	48 294 277	100 000 000	51 705 723	-1	100 000 000
<b>Total Income</b>		<b>102 311 262</b>	<b>181 570 000</b>	<b>79 258 738</b>	<b>-0</b>	<b>181 570 000</b>
<b>Expenditure</b>						
Contracted services: Business advisory PM & research	4	4 778 319	45 010 307	40 231 988	1	45 010 307
Contracted services: Business advisory valuer	5	601 458	2 672 693	2 071 236	1	2 672 693
Security services	6	344 703	2 000 000	1 655 298	1	2 000 000
Refuse removal	7		2 383 000	2 383 000	1	2 383 000
Grass cutting services	8	–	1 656 000	1 656 000	1	1 656 000
R&M Buildings	9	1 036 679	40 936 000	39 899 321	1	40 936 000
Bad and doubtful debts	10	–	48 741 000	48 741 000	1	48 741 000
Advertising, publicity and marketing	11	396 328	3 158 000	2 761 672	1	3 158 000
General expenses: Assessment rates	12	1 252 257	1 139 000	-113 257	-0	1 139 000
General expenses: Sundries	13	–	–	–	1	–
Internal recoveries: JPC commission	14	32 265 262	47 203 000	14 937 738	0	47 203 000
Internal recoveries: Internal charges:	15	26 053 586	97 245 000	71 191 414	1	97 245 000
Cleaning & security						
Depreciation: Other assets	16	–	641 000	641 000	1	641 000
<b>Total Expenditure</b>		<b>66 728 592</b>	<b>292 785 000</b>	<b>226 056 408</b>	<b>1</b>	<b>292 785 000</b>
<b>Surplus/(Deficit)</b>		<b>35 582 670</b>	<b>-111 215 000</b>	<b>-146 797 670</b>	<b>1</b>	<b>-111 215 000</b>

Table 53: Portfolio Statement of Financial Performance





## Notes to the Portfolio Statement of Financial Performance

1. CoJ Rentals: The overall revenue anticipated from rentals collection is recorded at 33.84% below the targeted budget of R77 322 000. Delays in the approval of reports by the EAC have resulted in the lease renewal period being longer than the average three months it takes for a lease to be renewed. Delays in Council approvals for potential new leases have also stifled 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 15.76% above the targeted YTD budget.
3. Income derived from outdoor advertising and promotions is 51.7% below the budget. JPC is currently finalising the signing of new outdoor advertising contracts and the revenue will start picking up.
4. This line item relates to expenditure spent on contracted services: business advisory PM & research. Expenditure under this line item reflects total expenditure at 89.4% below the YTD budget recorded at the month ending 30 June 2025.
5. Contracted services: security services is 82.8% below the YTD budget.
6. Contracted services: business advisory valuer recorded at 77.5% below YTD budget in the month ending 30 June 2025.
7. Contracted services: refuse removal services – no expenditure was recorded this month.
8. Contracted services: grass cutting services – no expenditure was recorded this month.
9. This line item relates to repairs and maintenance costs on buildings. A 97.5% saving has been recorded as at 30 June 2025.
10. This line item relates to bad and doubtful debts. No expenditure was recorded in the month of June 2025.
11. General expenses: assessment rates, electricity supply – expenditure incurred. Total expenditure recorded on this line item is 9.9% above YTD as at 30 June 2025.
12. This line item relates to advertising, publicity, and marketing – 87.5% saving has been recorded as at 30 June 2025.
13. Internal recoveries: JPC commission is recorded at 31.6% 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.
14. Internal recoveries: internal charges cleaning – total expenditure recorded in this line item is 73.2% below YTD budget as at the month ending 30 June 2025.
15. No depreciation expenditure was recorded in the month of June 2025.

## 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	2 250	2 229	21	99%	Completed.
Orlando Ekhaya Waterfront Development Renewal Park Orlando Ekhaya D Regional	2522	12 000	11 904	96	99%	Completed.
Computer Equipment – New computer upgrades (acquisition and installation of the digital security and ICT WAN)	2669	2 000	2 000	0	0%	Completed.





## 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	332	1 394	<b>19%</b>	RFQ awarded for refurbishment R400 000.
Office Space Optimisation Programme New Precinct Redevelopment Johannesburg F City-Wide	4184	8 586	4 000	4 586	<b>53%</b>	Phase one: Service provider has been appointed to construct a perimeter wall and conduct infrastructure works.
Marlboro Station Project Land Preparation	6309	400	305	95	<b>76%</b>	Completed.
Inner City Rejuvenation Programme/Project	22740	6 000	–	6 000	<b>0%</b>	The negotiations were not positive. The property valuation amounted to R3.7 million and the owner wanted R7 million which was not backed by a valuation. The deal did not materialise. JPC will initiate the expropriation process.
Acquisition of various properties in Soweto	23543	800	157	643	<b>20%</b>	Currently there is a stand-off due to property owners demanding that the offers include the costs of enhancements made to the properties. The entity is consulting on the expropriation of these properties.
Acquisition of cleaning equipment	23560	1 913	1 913	50	<b>100%</b>	This project has been completed.







Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
23776_Walter Sisulu Square Upgrade	24027	4 000	3 862	137	97%	Spent.
JPC Furniture fittings/office alterations and equipment	31126	2 000	2 000	–	100%	This project has been completed.
Temporary emergency accommodation	31138	22 393	–	22 393	0%	This was a multi-year project; however budget was cut in the outer years. Spending the current year amount would have resulted in audit risks for JPC. Work in progress or halted projects have been highlighted as an area of poor planning by the AG.
<b>Total</b>		<b>64 068</b>	<b>29 124</b>	<b>34 944</b>	<b>45%</b>	

Table 54: Capital Projects and Expenditure

## Section 7

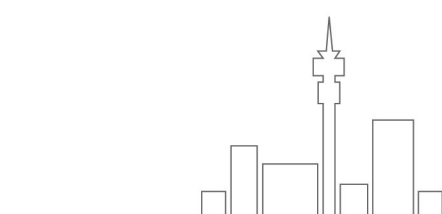
### Analysis of Ratios

#### Part A: JPC

##### Liquidity Ratio

Ratio	2025	2024
Liquidity ratio (1:1)	1.08	0.97
Solvency ratio (2:1)	1.18	1.03
Trade receivables turnover – Related parties (30 days)	353	881
<b>Provision for Bad Debts</b>	<b>34 356 745</b>	<b>34 356 745</b>
Trade receivables to total assets (%)	58%	69%
Cash coverage ratio (1:1)	4.64	1.85
<b>Cash Position</b>	<b>365 989 309</b>	<b>291 688 290</b>

Table 55: Ratio Analysis





### Current Ratio

JPC's current ratio of 1.07 reflects a slight improvement compared to the 2024 financial year-end. JPC is currently owed **R824 million** from trade and intercompany debtors. In September 2024, JPC Finance engaged with all departments owing the City in an effort to collect. This resulted in over **R200 million** being collected in the second quarter, **R140 million** in the third quarter, and a further **R100 million** in the fourth quarter.

The sweeping account currently reflects a positive **R365 million**, while related-party loans exceeding **R863 million** for salary costs are still to be paid to the CoJ's Group Finance and Corporate Shared Services for previous and current financial years. The increase in the cash position is the result of JPC receiving over **R100 million** in outstanding monies from the CoJ for facilities management services rendered to the CoJ. The cash receipts have been used to improve creditors' payments.

### Solvency Ratio

JPC has a solvency ratio of 1.18 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 **R214.4 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 the Portfolio.

### Cost Coverage Ratio

Due to JPC's positive cash position, the cost coverage ratio is positive at 4.64 (in months). This is a marked improvement from the previous year, which stood at 1.85 (in months). Surplus cash, if any, will be utilised to settle CoJ salary loan accounts.

### Debtors Collection Period

JPC has a debtors' collection period in excess of one year, with a collection ratio of 353 days. The intercompany debtors' collection ratio has improved due to improved collections in the current year and the application of GRAP 104 offsetting principles.

### 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

	30 June 2025	30 June 2024
Profit before tax	179 629 845	40 027 801
Net surplus / (Deficit)	179 629 845	28 173 569
Net operating margin (%)	15.67%	3.05%
Non-exchange revenue to total revenue (%)	61.24%	65.80%
Exchange transactions to total revenue (%)	36.27%	34.20%
Employee costs to total expenditure (%)	59.97%	57.28%
R&M to total expenditure (%)	1.05%	2.63%
Rental to total expenditure (%)	23.77%	17.39%

Table 56: Statement of Financial Performance





## Surplus/ (Deficit)

The net surplus as at 30 June 2025 is **R179.6 million**, reflecting a surplus of **R28.2 million** compared to the figure for the period ended 30 June 2024. Major contributors to the surplus are as follows:

- JPC prepares a breakeven budget, matching estimated income with estimated expenditure. The majority of JPC's expenses are fixed, with the exception of R&M; however, expenditure is managed to avoid overspending.
- Revenue from management fees exceeded budget by over **R36 million**.
- Office expenses are the main contributor and are 16.5% below budget.

## Expenditure

A review of JPC's expenditure indicates 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, and the percentage representation of expenditure has slightly increased, resulting in a ratio of 59.97% of total expenditure.

Rental expenditure is expected to increase even further in 2025/26, as office accommodation lease contracts have come to the end of their lease terms and are undergoing the extension and renewal process. The supply chain processes for these extensions and renewals are activated and approved by the CoJ's Executive Adjudication Committee. This approval process has led to delays in initiating the lease renewals. Upon conclusion of the lease renewal process, expenditure is anticipated to increase in 2025/26, as the leases will be renewed at current market rates for office accommodation.

## Part B: CoJ-JPC Portfolio

### Liquidity Ratio

CoJ-JPC Portfolio has a current ratio of 0.72:1 as compared to the norm of 2:1, with a negative cash flow of R154 million for the period under review as compared to a negative cash flow of R97 million in the 2024 financial year. Debtors currently owe Portfolio R21 million with R61.5 million as a provision for bad debts, predominantly related to informal trading. As the Portfolio represents only the debtors' component of the CoJ's property portfolio, debtors account for 78% of the total assets

of the Portfolio. The financial risk posed to JPC is substantial 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 it takes to collect accounts receivable. The measure is important for tracking the ability of a business to grant a reasonable amount of credit to worthy customers, as well as to collect receivables in a timely manner.

The Portfolio's cash collection rate is currently at 49%. The collection rate excludes debt owed by other debtors.

### Solvency Ratio

CoJ-JPC Portfolio has a solvency ratio of 0.72:1 against the norm of 2:1 and is currently insolvent. As the Portfolio has no non-current assets or liabilities, the solvency and liquidity ratio will equate to the same ratio. The ratios for the Portfolio are immaterial as the property revenue-generating assets reside in the CoJ. JPC is, however, exploring avenues to source and grow the revenue generation of the Portfolio.

### Debtors Collection Period

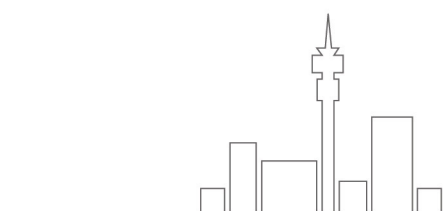
The collection period for the CoJ-JPC Portfolio is 59 days, slightly better than the industry norm of 60 days, and accounts for irrecoverable debts. A bad debts report has been prepared and submitted to Core Accounting, with weekly follow-ups. This report is scheduled to be presented to the Mayoral Committee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

### Cost Coverage Ratio

The Portfolio's cost coverage ratio stands at -14.64:1. This negative ratio is attributed to a negative sweeping account balance of R154 million and an average monthly expenditure of R2.7 million for the first quarter. The Portfolio primarily uses its cash for capital expenditure, and recovery from the CoJ is contingent on the completion and verification of projects. Monthly collections range from R5 million to R10 million, which is adequate to cover the average monthly expenditure.

### Creditors Payment Cycle

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







## Section 8

### Supply Chain Management

Report Description	Declarations
Report on deviations/irregular expenditure in implementation of policy and any remedial action taken or envisaged	<ul style="list-style-type: none"><li>• No deviations were noted.</li><li>• No new irregular, fruitless, and wasteful expenditure was recorded in the quarter under review.</li><li>• Continuation of leases, fleet, and IT was addressed.</li></ul>
Report on all awards to close family members or employees of the state	<ul style="list-style-type: none"><li>• No awards were offered to close family members or employees of the state.</li></ul>
Report on declarations of gifts made and received by employees	<ul style="list-style-type: none"><li>• No declarations of gifts received were recorded.</li></ul>
Report on bidder or official found guilty of improper conduct	<ul style="list-style-type: none"><li>• No bidder or official was found guilty of improper conduct.</li></ul>
Report on sponsorship/donation from lessee or prospective lessee, holder or prospective holder of optimisation rights	<ul style="list-style-type: none"><li>• JPC has not received/recorded any sponsorship/donation from the lessee or prospective lessee, holder or prospective holder of optimisation rights.</li></ul>
Report on any bidders found guilty of bribery	<ul style="list-style-type: none"><li>• No bidders were found guilty of bribery.</li></ul>
Report on contracts awarded whose duration ends over 3 (three) years and contracts above R100 million for goods and services	<ul style="list-style-type: none"><li>• No contracts with a duration ending over 3 (three) years and a contract above R100 million for goods and services were entered into during the period under review.</li></ul>

Table 57: 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 the 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 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.

Fruitless and Wasteful Expenditure	2025	2024
Opening balance	4 103 153	70 754 362
Current year additions		3 588 850
Amounts recovered	(143 894)	
Less: Amount written off – Current	(206 812)	(70 240 059)
<b>Closing Balance</b>	<b>3 752 447</b>	<b>4 103 153</b>

Table 58: Fruitless and Wasteful Expenditure

For the financial year, irregular expenditure increased by **R153 295 754**.

Irregular Expenditure	2025	2024
Opening balance	219 628 409	216 366 561
Current year additions	153 295 754	171 202 873
Prior period additions	–	–
Amount written off	–138 932 540	–167 943 025
<b>Closing Balance</b>	<b>233 991 623</b>	<b>219 626 409</b>

Table 59: 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 under way. Current year movement up to 14 May 2025 has been written off as irrecoverable.	141 906 876
Non-compliance with laws and regulations	Contract expired. ALL IT procurement has been centralised and made by the CoJ.	Under review by the CoJ. Current year movement up to 14 May 2025 has been written off as irrecoverable.	3 691 966
Non-compliance with laws and regulations	Centralised fleet contract. ALL fleet procurement has been centralised and made by the CoJ.	Has been investigated by Internal Audit. Current year movement up to 14 May 2025 has been written off as irrecoverable.	7 696 912
<b>Total</b>			<b>153 295 754</b>

Table 60: 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 function operates in accordance with Section 165 of the Municipal Finance Management Act (MFMA), along with other applicable legislation and governance frameworks.

The primary scope of Internal Audit is to provide reasonable assurance on the effectiveness of the organisation's risk management, control, and governance processes, as designed and implemented by management. This includes assessing whether:

- Operations are conducted efficiently and effectively
- The organisation adequately complies with applicable laws and regulations, and any significant legislative or regulatory issues are appropriately addressed
- Organisational assets are safeguarded
- Risks are properly identified, assessed, and managed
- Key financial, operational, and performance-related information is accurate, reliable, and produced in a timely manner

The **Three-Year Strategic Plan** and **Annual Internal Audit Plan for 2024/25** were approved by the Board.

## Section 2

### Progress on Resolution of Internal Audit Findings

On a quarterly basis, Internal Audit 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, management resolved the twenty-seven (27) of the twenty-eight (28) Internal Audit findings which then translated to 97% resolution rate. Refer to **Annexure B** for the full breakdown.

Category	Total	Resolved	Not Resolved
Very high	4	4	0
High	10	9	1
Medium	12	12	0
Low	2	2	0
<b>Total</b>	<b>28</b>	<b>27</b>	<b>1</b>
<b>%</b>	<b>100%</b>	<b>97%</b>	<b>3%</b>

**Table 61:** Internal Audit Review and Progress





## Section 3

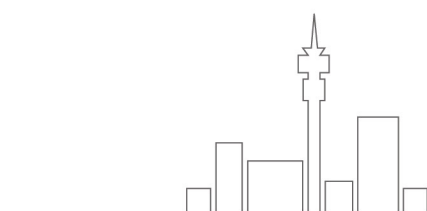
### Progress on Resolution of External Findings

For the current review period, the municipal entity received an unqualified audit opinion with findings relating to non-compliance with laws and regulations. The entity has achieved a 100% resolution rate of the thirteen (13) AGSA findings.

The key findings identified by the AGSA are outlined in Table 62. Please refer to **Annexure C**.

Category	Total as at Nov 2024	Resolved	Percentage	Not Resolved	Percentage
		No.	%	No.	%
Matters reported in the Auditor's report that should be addressed	3	3	100%	0	0%
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, including matters that significantly affected audit performance	10	10	100%	0	0%
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%	0	0%
<b>Total</b>	<b>13</b>	<b>13</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Table 62:** External Audit Findings







## Section 4

### State of the Internal Controls

JPC has demonstrated **meaningful progress** in strengthening its internal control environment during the fourth quarter, with controls assessed as **adequately designed and operating effectively** across most functional areas.

This improvement is substantiated by two key audit resolution metrics:

- A **100% resolution rate** of all findings raised by the AGSA for the financial year ending 30 June 2025; and
- A **97% resolution rate** for internal audit findings (27 out of 28 findings), indicating a high level of responsiveness by management and sustained focus on closing control gaps.

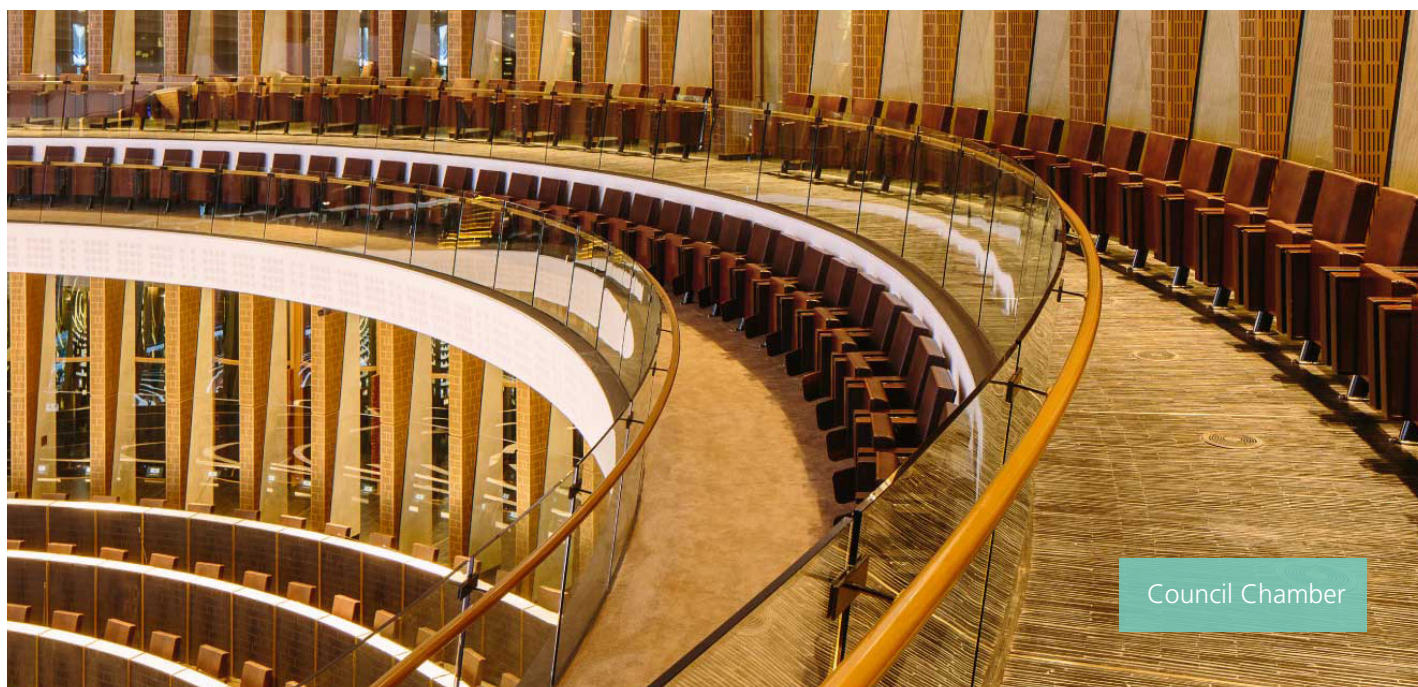
These outcomes point to the increasing effectiveness of internal controls, particularly in response to audit engagements. Management's proactive efforts — including the stabilisation of departments through the filling of critical vacancies — have further contributed to improved compliance and operational consistency.

That said, the strategic risk profile continues to reflect areas of concern. Of the ten identified strategic risks:

- **Six are currently subject to ineffective controls, and**
- **Four remain without any formal controls in place.**

This highlights the need for urgent intervention to establish or enhance control measures in key strategic risk areas to fully align with the entity's governance and performance objectives.

Internal Audit, in line with its legislated mandate under Section 165 of the MFMA and the approved Audit Charter, will continue to provide independent oversight and assurance. Ongoing collaboration across the organisation remains critical to **embedding a culture of risk responsiveness, regulatory compliance, and strong internal controls** as part of JPC's operational DNA.



Council Chamber





## ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:	REGULATION	CATEGORY	COMMENTS
01	Advertising on Roads and Ribbon Development Act, 1994 (Act No. 21 of 1994)	GENERIC (Outdoor)	Compliant
02	Advertising on Roads and Ribbon Development Act, 1994 (Act No. 21 of 1994)	CORE (Outdoor)	Compliant
03	Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)	CORE (HR)	Compliant
04	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	CORE (SCM)	Compliant
05	Companies Act, 2008 (Act No. 71 of 2008)	CORE (All)	Compliant
06	Companies Act Regulations	CORE (All)	Compliant
07	Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)	CORE (SCM)	Compliant
08	Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	CORE (All)	Compliant
09	Consumer Protection Act, 2008 (Act No. 68 of 2008)	CORE (PDU)	Compliant
10	Disaster Management Act, 2002 (Act No. 57 of 2002)	CORE (OHSA)	In progress
11	Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)	CORE (IT)	Compliant
12	Employment Equity Act, Code of Good Practice: Human Resource Policies and Practices	CORE (HR)	Compliant
13	Employment Equity Amendment Act, 2022 (Act No. 4 of 2022)	CORE (HR)	Compliant
14	Employment Equity Act, 1998 (Act No. 55 of 1998)	(HR)	Compliant
15	Employment Equity Regulations	CORE (HR)	Compliant
16	Gauteng Planning and Development Act, 2003 (Act No. 3 of 2003)	GENERIC (Property Portfolio)	Compliant
17	Generally Accepted Compliance Practices Framework	GENERIC (All)	Compliant
18	Generally Recognised Accounting Practice	CORE (Finance)	Compliant
19	Hazardous Substances Act, 1973 (Act No. 15 of 1973)	GENERIC (OHSA)	In progress
20	King IV Code on Corporate Governance	GENERIC (All)	Compliant
21	IIA Code of Conduct and Ethics	CORE (HR)	Compliant





## ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
22	Income Tax Act, 1962 (Act No. 58 of 1962)	CORE (Finance)	Compliant
23	Intergovernmental Relations Framework, 2005 (Act No. 13 of 2005)	CORE (Property Management)	Compliant
24	Local Government Anti-Corruption Strategy	GENERIC (Legal)	Compliant
25	Local Government: Municipal Planning and Performance Management Regulations, 2001	GENERIC (Strategic support)	Compliant
26	Local Government: Municipal Finance Act, 2003 (Act No. 56 of 2003)	CORE (All)	In progress
27	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	CORE (All)	Compliant
28	Municipal Finance Management Act (MFMA) – Asset Transfer Regulations	CORE (All)	Compliant
29	Municipal Property Rates Act, 2004 (Act No. 6 of 2004)	CORE (All & Property management)	Compliant
30	Municipal Structures Act, 1998 (Act No. 117 of 1998)	GENERIC (All)	Compliant
31	Municipal Supply Chain Management Regulations Gazette No. 27636, 30 May 2005	CORE (SCM)	Compliant
32	National Archives and Record Service of South Africa Act, 1996 (Act No. 43 of 1996)	CORE (CSM Records)	In progress
33	National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	CORE(Assets)	Compliant
34	National Heritage Resources Act, 1999 (Act No. 25 of 1999)	CORE (Assets)	Compliant
35	National Qualifications Framework Act, 2008 (Act No. 67 of 2008)	CORE (HR)	Compliant
36	National Road Traffic Act, 1996 (Act No. 93 of 1996)	GENERIC (Logistics: JPC Fleet)	In progress
37	National Treasury Public Sector Risk Management Framework	CORE (SCM & Finance)	Compliant
38	Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)	CORE (HR)	In progress
39	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	CORE (SCM)	Compliant
40	Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	CORE (Legal)	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)	Compliant
43	Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	CORE (All)	Compliant

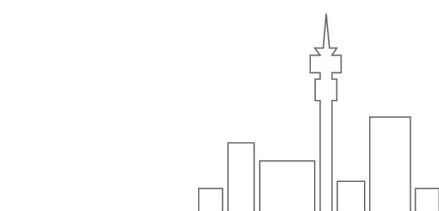






## ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
44	Property Practitioners Act, 2019 (Act No. 22 of 2019)	GENERIC (Assets)	Compliant
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 (POPIA), 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)	Compliant
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	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
1	Records management policy not approved by the Board		Medium	Yes	Record Management	Resolved
2	Documents at the offsite storage not disposed of		Medium	No	Record Management	Resolved
3	Inadequate access control		Medium	Yes	Record Management	Resolved
4	Contract with document warehouse has expired		High	No	Record Management	Resolved
5	No stakeholder management policies and procedure manuals		Very High	No	Stakeholder Management	Resolved
6	No fleet management policies and standard operating procedures		High	No	Fleet Management	Resolved
7	Vacant critical positions not filled		High	No	Fleet Management	Resolved
8	Fleet Steering Committee not in place		High	No	Fleet Management	Resolved
9	No valid contract in place for non-specialised vehicles on a full maintenance lease		High	No	Fleet Management	Resolved
10	Discrepancies noted in the work order request		Medium	No	Fleet Management	Resolved
11	Non-compliance with the fuel limit requirements		Medium	No	Fleet Management	Resolved
12	Fuel receipts not provided for vehicle refuelling		High	No	Fleet Management	Resolved
13	Fuel receipts not recorded on the register		Medium	No	Fleet Management	Resolved
14	Reasons to deviate from normal SCM processes were not sufficiently stated in the internal memo.		Very High	No	SCM	Resolved
15	Physical security on information assets should be improved		High	No	ICT	Resolved
16	The approval for policies reviewed in 2023 could not be obtained.		Medium	No	ICT	Resolved
17	Inadequate management of access to the data centre		Medium	No	ICT	Resolved
18	Inadequate user access management processes		Low	No	ICT	Resolved





## Annexure B: Internal Audit Findings

	FINDING HEADING	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
19	Audit logging not enabled (Nicor)		Low	No	ICT	Resolved
20	Untimely removal of users leaving the organisation.		Medium	No	ICT	Resolved
21	Unnamed accounts that are not service accounts		Medium	No	ICT	Resolved
22	Audit logging not enabled (Nicor)		Low	No	ICT	Resolved
20	Untimely removal of users leaving the organisation.		Medium	No	ICT	Resolved
21	Unnamed accounts that are not service accounts		Medium	No	ICT	Resolved
22	Inadequate user access management processes		Medium	No	ICT	Resolved
23	Manual calculation of 10% fee that is charged by JPC for invoices		Medium	No	ICT	Resolved
24	Human Capital Management policies are not reviewed and approved timeously.	Approval of HC Policies is still outstanding due to Labour Consultation that couldn't happen due to challenges with Organised Labour. However, following SAMWU shop steward election in June 2025, and onboarding of the shop steward scheduled in July 2025, it is anticipated that the Policy consultation will commence in August 2025 through LLF Task Team and for final approval in the 2nd quarter.	High	No	HR	Unresolved
25	Non-establishment of the Moderation and Job Evaluation Committee		High	No	HR	Resolved
26	Personal Development Plans (PDPs) not implemented within JPC		Very High	No	HR	Resolved
27	Daily attendance register not signed by the line manager/supervisor		High	No	HR	Resolved
28	Inadequate management of overtime worked		Very High	No	HR	Resolved







## Annexure C: Auditor-General of South Africa's Findings

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







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