



JPC

FIRST QUARTER REPORT

2025/26



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



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 2025/26 financial year.




Mr Mfanafuthi Zondo
Acting Chief Financial Officer

28/10/2025
Date of approval



Mr Musah Makhunga
Chief Executive Officer

28/10/2025
Date of approval



Mr Simon Mofha
Chairperson of the Board

28/10/2025
Date of approval



Ms Catherine Setlhako
CoJ: Legal

29/10/2025
Date of approval



Mr Mathopane Masha
Executive Director: Economic Development

31/10/2025
Date of approval



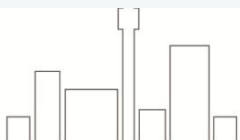
Cllr Nomoya Mlisi
Member of the Mayoral Committee: Economic Development

13/11/2025
Date of approval



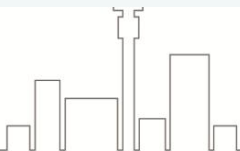
List of Acronyms

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



List of Acronyms Continued

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

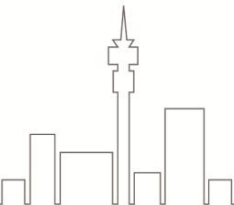
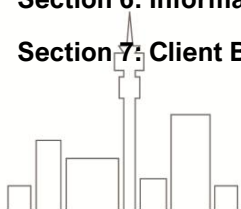


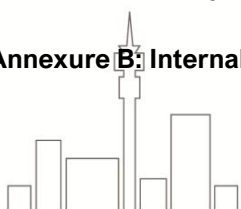
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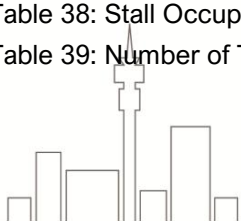




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Chapter 1 Leadership and Corporate Profile

Section 1

Chairperson's Overview



Mr Simon Motha
Chairperson of the Board

It is my privilege to present the Chairperson's Overview for the first quarter of the 2025/26 financial year. This reporting period represents an important phase in the Johannesburg Property Company's journey — one marked by renewed leadership, enhanced stakeholder engagement, and continued progress in advancing the City's property and development agenda.

During this quarter, the Board oversaw the steady implementation of the organisation's approved business plan, ensuring that our strategic objectives remain aligned with the broader priorities of the City of Johannesburg. This alignment continues to underpin JPC's role as a key municipal entity responsible for leveraging public property to drive economic growth, social

inclusion, and spatial transformation.

Leadership Transition and Strategic Direction

The first quarter of the 2024/2025 financial year marked a period of consolidation and focused leadership transition for the Johannesburg Property Company (JPC). During this period, the Board successfully concluded the recruitment process for the Chief Executive Officer, ensuring that the entity is positioned for stability, strategic continuity, and enhanced performance delivery. In parallel, the Board also initiated the recruitment process for the Chief Financial Officer, with the intention to finalise this appointment within the second quarter to further strengthen the organisation's financial governance and sustainability.

The Board maintained active engagement with the Auditor-General of South Africa (AGSA) through the audit strategy and planning sessions, aimed at ensuring a transparent and well-coordinated audit process for the 2024/2025 financial year. The approval of the Integrated Annual Report and Annual Financial Statements represented a critical milestone, reflecting the entity's commitment to accountability, sound governance, and credible financial reporting.

In line with the City of Johannesburg's expectations of improved alignment and governance coherence across its municipal entities, the JPC Board continued to work closely with Group Governance to address matters raised by the Shareholder and external stakeholders. This collaboration underscores the Board's dedication to reinforcing compliance, strengthening institutional capacity, and ensuring that JPC remains a key driver of spatial transformation, revenue generation, and sustainable urban development within the City.

Strategic Communication and Media Engagement

The quarter also saw significant strides in strategic media engagement and corporate visibility, reflecting JPC's commitment to transparency, accountability, and proactive stakeholder communication. The Board commends management for effectively managing high-profile public discussions and ensuring that the company's position was clearly articulated across multiple platforms.

The Board also acknowledges the successful launch of JPC's corporate digital eBook in July 2025 — a significant milestone in corporate storytelling. The publication effectively highlights the company's strategic vision, flagship projects, and leadership team, positioning JPC as a credible and forward-thinking municipal entity within the property development landscape.





Strategic Development Initiatives

During the quarter under review, notable progress was achieved on key strategic development projects, most significantly marked by the official launch of the Jabavu Project in Soweto. This milestone represents a major advancement in JPC's commitment to spatial transformation and inclusive economic growth. The project is designed to unlock mixed-use development opportunities within the township economy, enhance local infrastructure, and stimulate community-based enterprise participation.

The Board is encouraged by the momentum these developments are gaining, as they reflect tangible progress toward achieving JPC's broader objectives of spatial equity, job creation, and sustainable urban renewal. Furthermore, the Jabavu initiative exemplifies JPC's integrated approach to development — one that combines public land optimisation, private-sector investment, and social impact outcomes to transform underutilised spaces into thriving community assets.

Looking Ahead

As the financial year progresses, the Board is confident that JPC is firmly positioned to deliver improved performance, financial resilience, and meaningful developmental impact. Under the leadership of the new CEO and the continued strategic oversight of the Board, focus will centre on strengthening governance, accelerating project implementation, and expanding revenue streams to secure long-term sustainability.

The Board extends its appreciation to the Shareholder — the City of Johannesburg — and to all stakeholders, management, and staff for their continued commitment. The progress achieved this quarter lays a strong foundation for sustained delivery. Together, we will advance JPC's mandate with integrity, accountability, and purpose — driving property transformation that reshapes Johannesburg's economic and spatial future.

A handwritten signature in black ink, appearing to read 'Simon Motha', written over a horizontal line.

Mr Simon Motha
Chairperson of the Board



Section 2

Chief Executive Officer's Foreword



Mr Musah Makhunga

Chief Executive Officer

It is an honour to present the first-quarter performance report for the 2025/26 financial year — a period that marks both renewal and accountability for the JPC. Since assuming office on 1 September 2025, I have emphasised that JPC must evolve — operating with greater efficiency, discipline, and integrity. Our focus for the year ahead is clear: **drive financial sustainability, strengthen operational performance, and rebuild stakeholder confidence through a culture of accountability and transparency.**

While the quarter reflected areas requiring improvement, it also demonstrated the organisation's resilience. JPC recorded a **R71.1 million surplus**, with a **liquidity ratio of 1.06** and **solvency ratio of 1.15**, confirming sound financial health. Revenue initiatives generated **R10 million in outdoor advertising** and **R9.4 million from property transactions**, supported by a **100% resolution rate of AGSA audit findings**, reaffirming our commitment to governance excellence.

Beyond financial performance, the quarter signalled a shift in how JPC engages — internally and externally. Strategic initiatives such as the **EmpowaWoman Leadership Summit**, targeted **media engagements** on key platforms, and the **launch of JPC's digital corporate eBook** strengthened our visibility and demonstrated our intent to reposition the company as a transparent, accountable, and development-driven entity.

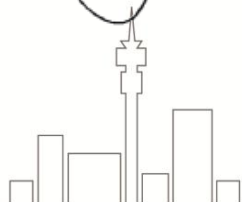
Looking ahead, the organisation will prioritise:

- **Operational efficiency** through process reform and tighter performance management;
- **Revenue growth** via lease renewals, outdoor advertising expansion, and strategic land releases;
- **Culture change**, embedding accountability and service excellence; and
- **Stakeholder engagement** to build trust and restore JPC's reputation as a credible and responsive municipal entity.

I extend my gratitude to the Board for its guidance, to management and staff for their commitment, and to the City of Johannesburg for its continued partnership. Together, we will reposition JPC as a **financially sustainable, high-performing organisation** that delivers tangible value to the City and its residents.



Mr Musah Makhunga
Acting Chief Executive Officer



Section 3

Acting Chief Financial Officer's Overview



Mr Mfanafuthi Zondo
Acting Chief Financial
Officer

It is my privilege to present the JPC financial performance report for the first quarter of the 2025/26 financial year, covering the period from 1 July to 30 September 2025.

The first quarter of the financial year typically reflects subdued operational activity, as departments focus on finalising their demand plans and completing year-end processes. In line with this trend, the quarter was largely dedicated to closing out the 2024/25 financial year, including the submission of our Annual Financial Statements on 31 August 2025. Preparations for the Auditor-General's audit, which is currently in progress, also formed a key focus area during the period under review.

Financial Overview

Due to the transitional nature of Q1, CAPEX remained at zero for the year to date. Total expenditure was 75% below target, while revenue is 1% above budget. Despite this, JPC reported a year-to-date surplus of R70.7 million, supported by controlled operational spending and the strategic deferral of non-critical expenditure.

Key revenue streams, including outdoor advertising and several land transactions, were delayed due to pending internal and external approvals. These are expected to materialise in the second quarter, positively impacting our revenue trajectory.

Revenue and Expenditure Performance

Revenue generation was notably affected by delays in approvals, particularly relating to outdoor advertising agreements. On a positive note, management fees were in line with expectations, supported by the timely finalisation of Service Level Agreements (SLAs).

However, revenue from cleaning services recoveries fell short by 75%, and income from facilitating and managing repairs, maintenance (R&M), and CAPEX projects for the City of Johannesburg (CoJ) and its municipal-owned entities (MOEs) declined by 10% year-on-year, reflecting a reduced volume of projects in the current quarter.

Operational expenditure remained tightly managed. Costs related to alternative accommodation for departments relocated from the Metro Centre were effectively contained. Spending on R&M, cleaning materials, and pest control was minimal, primarily due to project delays and prudent cash flow prioritisation.

Liquidity, Solvency and Financial Ratios

JPC's liquidity and solvency ratios continue to reflect pressure from delayed payments by the CoJ and its MOEs for services rendered, particularly facilities management and cleaning. As of the end of Q1:



- **Trade and intercompany debtors** stood at **R1.2 billion**
- **Liquidity ratio** was **1.06:1**, above the 1:1 preferred norm
- **Solvency ratio** was **1.15:1**, below the ideal norm of 2:1, but still indicative of a factually solvent organisation
- **Net asset position** remained positive at **R227.3 million**

The **debtors' collection ratio**, at 993 days, highlights the ongoing challenge of delayed receipts and reinforces the importance of sustained engagement with stakeholders to improve cash flow. Despite these challenges, **cash coverage** remained healthy at **1.25:1**, providing adequate capacity to meet our short-term obligations.

Supply Chain Management and Procurement

During the quarter, the Panel of Professional Quantity Surveyors was finalised. Work on the bid specifications for other panels and tenders commenced and will be finalised in Quarter 3.

A total of **33 Requests for Quotations (RFQs)** were awarded, valued at **R4.17 million**. These awards contribute to job creation and economic participation, particularly Black Youth-Owned Entities, Women-Owned Entities and SMMEs. All RFQs were evaluated using the 80:20 preferential procurement framework, ensuring alignment with JPC's transformation and empowerment goals.

Looking Ahead

As we progress into the second quarter, JPC will continue to strengthen its operational and financial performance. Key priorities include:

- Finalising the external audit
- Updating our Supply Chain Management (SCM) policies
- Developing the 2026/27 budget
- Reviewing the 2025/26 mid-term budget
- Accelerating the collection of outstanding debtors to support liquidity

We remain committed to prudent financial management, enhancing revenue generation, and aligning our strategic initiatives with the broader goals of the City of Johannesburg.

We look forward to a productive and impactful year ahead as we work to deliver value to our stakeholders and contribute to the city's socio-economic development.



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	 HIGHLIGHTS	 LOWLIGHTS
<p>In the period under review:</p> <ul style="list-style-type: none"> > Of the fifteen (15) KPIs scheduled for evaluation in this quarter, eleven (11) 73% were achieved. > seven (07) KPIs was not due for evaluation in this quarter under review. 	<ul style="list-style-type: none"> > R10 million derived from income generated from outdoor advertising initiatives > 19.3% spent on operating budget against approved operating budget > R9.4 million income generated through property transactions > 100% resolution of external audit findings > A surplus of R71.1 million was recorded. > The liquidity ratio was 1.06 and the solvency ratio was 1.15. 	<p>The four (04) KPIs reflecting the 27% that were not achieved relate to:</p> <ul style="list-style-type: none"> > Percentage of RFQ bids awarded > Percentage resolution of internal audit findings > Percentage of Spend on R&M Against Allocated Budget > Percentage Achievement of Service Level Standard in Terms of the Shareholder Compact

Table 1: Company Performance

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

 QUARTER 1	Achieved	11	73%
	Not achieved	04	27%
	KPIs at risk	0	
	KPIs not yet due	07	

Table 2: Corporate Scorecard Dashboard



	TARGET ACHIEVED		TARGET NOT ACHIEVED		TARGET NOT YET DUE
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1.1 Unlocking Investments/Business Through Property Transactions and Developments

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R5 billion	R0 investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	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	R0 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract
Actual	R0 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract				R0 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract

Table 3: KPI 1.1

 Target Not due

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R600 million	R100 million investment spend on projects within CoJ boundaries based on construction value on the ground	R100 million investment spend on projects within CoJ boundaries based on construction value on the ground	R200 million investment spend on projects within CoJ boundaries based on construction value on the ground	R200 million investment spend on projects within CoJ boundaries based on construction value on the ground	R100 million investment spend on projects within CoJ boundaries based on construction value on the ground
Actual	R100 million investment spend on projects within CoJ boundaries based on construction value on the ground				R100 million investment spend on projects within CoJ boundaries based on construction value on the ground

Table 4: KPI 1.2

 Target achieved


1.3 Job Opportunities Created

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 1 500	375 job opportunities created	375 job opportunities created	375 job opportunities created	375 job opportunities created	375 job opportunities created
Actual	375 job opportunities created				375 job opportunities created

Table 5: KPI 1.3



Target achieved

1.4 SMMEs Supported Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 850	210 SMMEs supported	210 SMMEs supported	210 SMMEs supported	220 SMMEs supported	210 SMMEs supported
Actual	210 SMMEs supported				210 SMMEs supported

Table 6: KPI 1.4



Target achieved

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 05	Acquisition of 0 properties	Acquisition of 0 properties	Acquisition of 2 properties	Acquisition of 3 properties	Acquisition of 02 properties
Actual	02 properties acquired				02 properties acquired

Table 7: KPI 1.5



Target achieved



1.6 Release of Number of Properties on Social and Economic Leases

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 150	10 released of number of properties leases including servitudes and sales	40 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	10 properties released on social and economic leases including servitudes and sales
Actual	10 properties released on social and economic leases including servitudes and sales				10 properties released on social and economic leases including servitudes and sales

Table 8: KPI 1.6**Target achieved****1.7 Income Generated from Outdoor Advertising Initiatives**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R150m	R0 million income generated from Outdoor Advertising Initiatives	R50 million income generated from Outdoor Advertising Initiatives	R50 million income generated from Outdoor Advertising Initiatives	R50 million income generated from Outdoor Advertising Initiatives	R10 million income generated from Outdoor Advertising Initiatives plan
Actual	R10 million income generated from Outdoor Advertising Initiatives				R10 million income generated from Outdoor Advertising Initiatives

Table 9: KPI 1.7**Target Achieved**

1.8 Feasibility Study for Implementing a PPP for Metro Centre Precinct Development

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: Feasibility Study	*	*	*	Approval of Feasibility Study	0%
Actual	0%	0%	0%		0%

Table 10: KPI 1.8**Target not due:**

* This KPI carries an annual target rather than quarterly milestones, as its outcome is dependent on the approval of a feasibility study, which is a single deliverable scheduled for completion and submission within the financial year.

1.9 Percentage of Municipal Skills Development Levy Recovered

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 30%	*	*	*	30% of municipal skills development Levy recovered	0% of municipal skills development Levy recovered
Actual	0%	0%	0%		0% of municipal skills development Levy recovered

Table 11: KPI 1.9**Target not due**

* The mandatory grants are only disbursed by the SETA after the end of March, which affects the timing of performance recognition against this KPI.

1.10 Percentage Spend of Allocated Training and Development Budget

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 85%	10% spend of allocate training and development budget	15% spend of allocate training and development budget	20% spend of allocate training and development budget	40% spend of allocate training and development budget	10% spend of allocate training and development budget
Actual	10% spend of allocate training and development budget				10% spend of allocate training and development budget

Table 12: KPI 1.10**Target achieved**

1.11 Income Generated Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R50 million	R5 million income generated through property transactions	R15 million income generated through property transactions	R20 million income generated through property transactions	R10 million income generated through property transactions	R9.4 million income generated through property transactions
Actual	R9.4 million income generated through property transactions				R9.4 million income generated through property transactions

**Target achieved****Table 13: KPI 1.11****1.12 Income Generated from Disposal of Non-Core Assets**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R500 million	R0 million income generated from Disposal of None-Core Assets	R0 million income generated from Disposal of None-Core Assets	R250 million income generated from Disposal of None-Core Assets	R250 million income generated from Disposal of None-Core Assets	R0 million income generated from Disposal of None-Core Assets
Actual	R0 million income generated from Disposal of None-Core Assets				R0 million income generated from Disposal of None-Core Assets

**Target Not due****Table 14: KPI 1.12****1.13 Percentage Spend Of Allocated CAPEX**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 97%	0% spent of allocated CAPEX	27% spent of allocated CAPEX	35% spent of allocated CAPEX	35% spent of allocated CAPEX	0% spent of allocated CAPEX
Actual	0% spent of allocated CAPEX				0% spent of allocated CAPEX

**Target not due****Table 15: KPI 1.13**

1.14 Percentage Spent on Operating Budget Against Approved Operating Budget

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 97%	7% of spent on operating budget against approved operating budget	20% of spent on operating budget against approved operating budget	35% of spent on operating budget against approved operating budget	35% of spent on operating budget against approved operating budget	19.3% of spent on operating budget against approved operating budget
Actual	19.3% of spent on operating budget against approved operating budget				19.3% of spent on operating budget against approved operating budget

Table 16: KPI 1.14**Target achieved****1.15 Percentage of Spend on R&M Against Allocated Budget**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 80%	20% of spend on R & M against allocated budget	20% of spend on R & M against allocated budget	20% of spend on R & M against allocated budget	20% of spend on R & M against allocated budget	4% of spend on R & M against allocated budget
Actual	4% of spend on R & M against allocated budget				4% of spend on R & M against allocated budget

Table 17: KPI 1.15**Target not achieved:** Various R&M projects are at procurement phase. Majority project completions and invoices are expected materialize in the third and fourth quarter.**1.16 Percentage of RFQ Bids Awarded within 30 Calendar days from Bids Closing date**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 90%	90% of RFQ bids awarded within 30 days calendar days from bids closing date	90% of RFQ bids awarded within 30 days calendar days from bids closing date	90% of RFQ bids awarded within 30 days calendar days from bids closing date	90% of RFQ bids awarded within 30 days calendar days from bids closing date	48% of RFQ bids awarded within 30 days calendar days from bids closing date
Actual	48% of RFQ bids awarded within 30 days calendar days from bids closing date				48% of RFQ bids awarded within 30 days calendar days from bids closing date

Table 18: KPI 1.16**Target not Achieved**

1.17 Percentage of RFPs/Tender Bids Awarded within 3 months from bids closing

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 90%	90% of RFP/Tender bids awarded within 3 months from bids closing	90% of RFP/Tender bids awarded within 3 months from bids closing	90% of RFP/Tender bids awarded within 3 months from bids closing	90% of RFP/Tender bids awarded within 3 months from bids closing	0% of RFP/Tender bids awarded within 3 months from bids closing
Actual	0% of RFP/Tender bids awarded within 3 months from bids closing				0% of RFP/Tender bids awarded within 3 months from bids closing

Table 19: KPI 1.17

Target not measured: There were no RFPs initiated in the first quarter. Delays in the internal evaluation and adjudication processes, coupled with extended approval timelines from relevant committees, resulted in no RFP/Tender bids being awarded within the three-month period following bid closure.

1.18 Percentage of Valid Invoices Paid Within 30 Days of Invoices Date

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

Table 20: KPI 1.18**Target achieved****1.19 Percentage Reduction in UIFW Expenditure Incurred**

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

Table 21: KPI 1.19**Target not due**

1.20 Percentage Achievement of Service Level Standard in Terms of the Shareholder Compact

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Actual
Annual Target: 100%	100% compliance with CoJ service standards	100% compliance with CoJ service standards	100% compliance with CoJ service standards	100% compliance with CoJ service standards	70% compliance with CoJ service standards
Actual	70% compliance with CoJ service standards				70% compliance with CoJ service standards

Table 22: KPI 1.20

Target not achieved: Property transactions were not concluded within the nine months from Council resolution due to non-responsive bids and delays in the SCM process.

1.21 Percentage Resolution of External Audit Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Actual
Annual Target: 97%	97% of the previous year findings	97% of the previous year findings	50% of the current year findings	97% of the current year findings	100% of the previous year findings
Actual	100% of the previous year findings				100% of the previous year findings

Table 23: KPI 1.21

Target achieved

1.22 Audit Opinion

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: Unqualified Audit	N/A	Unqualified audit	N/A	N/A	N/A
Actual	N/A				N/A

Table 23: KPI 1.22

Target not due



1.23 Percentage Resolution of Internal Audit Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Actual
Annual Target: 97%	97% resolution of Internal Audit findings	97% resolution of Internal Audit findings	97% resolution of Internal Audit findings	97% resolution of Internal Audit findings	0% resolution of Internal Audit findings
Actual	0% resolution of Internal Audit findings				0% resolution of Internal Audit findings

Table 24: KPI 1.23



Target not achieved: The internal audit has raised 12 findings, which were finalized at the end of August 2025. Management is currently in the process of providing supporting evidence and addressing the findings. These findings are expected to be resolved in Quarter 2 of 2025/26, as management is presently engaged with the AGSA audit.

**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 **1 468** 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).

Section 6

Strategic Objectives

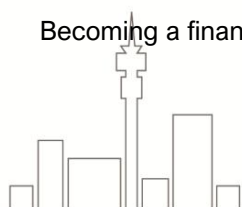
JPC's corporate strategy is aligned with GDS 2040, the Integrated Development Plan, and the mayoral priorities. JPC recognises and emphasises its role as an economic and social property company in achieving positive developmental outcomes. Following the political transition to the Government of Local 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
 Sustained Economic Growth	<ul style="list-style-type: none"> > R5 billion investment/rand value attraction of investment on CoJ property > R600 million investment spend on CoJ property/construction value on the ground > Acquisition of 05 properties on behalf of departments and municipal entities
 Job Opportunity Creation	<ul style="list-style-type: none"> > 1 500 job opportunities created through property transactions > 850 SMMEs supported through property transactions
 Good Governance	<ul style="list-style-type: none"> > Audit opinion/unqualified audit opinion (clean audit) > 50% reduction in UIFW expenditure incurred citywide > 97% resolution of Auditor-General's findings > 97% resolution of Internal Audit findings > 100% of valid invoices paid within 30 days of invoice date > 85% spend of allocated training and development budget > Feasibility study for implementing a PPP for Metro Centre Precinct Redevelopment
 Financial Sustainability	<ul style="list-style-type: none"> > R50 million income generated through property transactions > R150 million income generated from outdoor advertising Initiatives > 97% spent on the operating budget against approved operating budget > 80% spent on repairs and maintenance against allocated budget > R500 million generated from disposal of non-core assets > 150 properties released on social and economic leases > 30% of municipal skills development levy recovered > 97% spent of the allocated CAPEX > 90% of RFQ bids awarded within 30 calendar days from bid closing date > 90% of RFPs/tenders of bids awarded within 3 months from bids closing
 Active % Engaged Citizenry	<ul style="list-style-type: none"> > 100% achievement of service standards in terms of the shareholder compact

Table 25: JPC's Contribution to Mayoral Priorities




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 Colloppen |
| > Mxolisi Zondo | > Moeketsi Rabodila |
| > Fulufhelo Ratshikhopha | > Yolisa Ngxabazi |
| > Bettycourt Teffo | > Tshepang Thatelo |
| > Ntombikayise Tini | > Thapelo Mashamaite |

Board Members (Executive Directors)

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

Independent Audit Committee Members

- > Yongama Pamla-Dhludhlu
- > 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.





At its Special In-Committee meeting held on 28 August 2025, the Board considered the process undertaken by the recruitment panel, as well as the feedback report from REMCO and its recommendation, tabled by the Committee Chairperson.

The Board expressed full satisfaction in relation to the rigorous process undertaken by the recruitment Panel and its Committee the (REMCO). Accordingly, the Board endorsed the recommendations and approved that Mr. Musawakhe Makhunga be appointed CEO OF JPC on a fixed five (5) year tenure, effective 01 September 2025.

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.



Tenure of Directors		Gender	
2–4years	1 year and less	Female	Male
		 50%	 50%

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.



Yolisa Ngxabazi
Chairperson

SEC, HR & REMCO

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 Colloopen (NED)
Ms Bettycourt Teffo (NED)
Mr Moeketsi Rabodila (NED)

Key focus areas for 2025/26 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

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.

Audit and Risk Committee	<p>One Non-Executive Director:</p> <p>Mr Fulufhelo Ratshikhopha (NED)</p> <p>Four Independent Audit Committee (IAC) Members:</p> <p>Ms Yongama Pamla-Dhludhlu (IAC)</p> <p>Ms Rachel Makwela (IAC)</p> <p>Mr Motsamai Karedi (IAC)</p> <p>Mr Khethukuphila Ngubane (IAC)</p>	<p>Key focus areas for 2025/26 FY:</p> <ul style="list-style-type: none"> ➤ 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
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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.

<p>Four independent Non-Executive Directors:</p> <p>Mr Moeketsi Rabodila (NED)</p> <p>Ms Bettycourt Teffo (NED)</p> <p>Mr Simon Motha (NED)</p> <p>Ms Tshepang Thatelo (NED)</p>	<p>Consider and recommend to the Board and Council for approval of the following:</p> <ul style="list-style-type: none"> ➤ 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
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Table 26: JPC Board Committees



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

Name	Board		ARC		TSD		SEC, HR & REMCO	
	O	S	O	S	O	S	O	S
Mr Simon Motha	1/1	1/1			1/1	0/0		
Ms Tshepang Thatelo	1/1	1/1			1/1	0/0		
Mr Thapelo Mashamaite	1/1	1/1	1/1	1/1				
Ms Yolisa Ngxabazi	1/1	1/1					1/1	1/1
Mr Mxolisi Zondo	1/1	1/1			1/1	0/0		0/0
Ms Sandy Collophen	1/1	1/1				0/0	1/1	1/1
Ms Bettycourt Teffo	1/1	1/1			1/1	0/0	1/1	1/1
Ms Ntombikayise Tini	1/1	1/1					1/1	1/1
Mr Moeketsi Rabodila	1/1	1/1			1/1		1/1	1/1
Mr Fulufhelo Ratshikhopha	1/1	1/1	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	1/1	1/1				
Mr Motsamai Karedi	1/1	1/1	1/1					
Legend	O – Ordinary scheduled meetings				S – Special meetings			

Ordinary Board Meeting	Special Board Meeting	Ordinary ARC	Special ARC	Ordinary TSD Meeting	Special TSD Meeting	Ordinary SEC, HR & REMCO Meeting	Special SEC, HR & REMCO Meeting
24.07.25	28.08.25	17.07.25	25.08.25	16.07.25	0	15.07.25	26.08.28–
1	1	1	1	1	0	1	1

Table 27: Board Meeting Dates

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

Matters Considered by the Board
<ul style="list-style-type: none"> ➤ JPC Fourth-Quarter Performance Report for 2024/25 FY ➤ JPC Fourth-Quarter Acquisition Plan for 2024/25 FY ➤ Amended JPC Delegations of Authority Framework ➤ AGSA Audit Strategy ➤ Drafted Unaudited JPC Integrated Annual Report (IAR) 2024/25 FY ➤ Drafted Unaudited JPC Annual Financial Statements (AFS) 2024/25 FY ➤ Approved the Appointment of JPC Chief Executive Officer

Table 28: 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 30 September 2025
Mr Simon Motha	Chairperson of the Board	R64 000.00
Mr Thapelo Mashamaite	Chairperson (ARC)	R80 000.00
Ms Yolisa Ngxabazi	Chairperson (SEC, HR & REMCO)	R58 000.00
Ms Bettycourt Teffo	Non-Executive Director	R56 000.00
Ms Tshepang Thatelo	Non-Executive Director	R32 000.00
Ms Ntombikayise Tini	Non-Executive Director	R48 000.00
Mr Fufufhelo Ratshikhopha	Non-Executive Director	R40 000.00
Mr Mxolisi Zondo	Non-Executive Director	R34 000.00
Ms Sandy Collophen	Non-Executive Director	R40 000.00
Mr Moeketsi Rabodila	Non-Executive Director	R48 000.00
Ms Yongama Pamla-Dhluhlu	Independent Audit Committee Member	R16 000.00
Ms Rachel Makwela	Independent Audit Committee Member	R8 000.00
Mr Khethukuphila Ngubane	Independent Audit Committee Member	R16 000.00
Mr Motsamai Karedi	Independent Audit Committee Member	R16 000.00
Total Payments		R556 000.00

Table 29: 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.

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	R228 688	R20 833	R-	R-	R-	R-	R167 678	R-	R4 307	R421 506
Sizeka Tshabalala	R499 616	R30 000	R-	R-	R-	R-	R-	R-	R113 300	R642 916
Mduduzi Makhunga	R500 822	R24 000	R-	R-	R87 384	R-	R-	R-	R114 020	R726 227
Sipho Mzobe	R487 991	R30 000	R2 723	R-	R-	R-	R-	R-	R111 098	R631 812
Phaqa Mhlongo	R-	R-	R-	R-	R-	R-	R457 978	R-	R4 580	R462 558
Tshepo Mokataka	R525 040	R-	R-	R-	R-	R-	R-	R-	R117 937	R642 976
Imraan Bhamjee	R625 840	R24 000	R-	R-	R-	R-	R-	R-	R131 457	R781 296
Gontse Dlamini	R375 552	R-	R3 343	R-	R-	R-	R-	R-	R81 639	R460 534
Sifiso Mabizela	R397 885	R-	R-	R-	R30 974	R-	R-	R-	R69 551	R498 411
Sathekge Ogothe	R498 580	R-	R-	R-	R-	R-	R-	R-	R72 382	R570 961
	R4 140 012	R128 833	R6 067	R-	R118 359	R-	R625 656	R-	R820 271	R5 839 198

Table 30: 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.

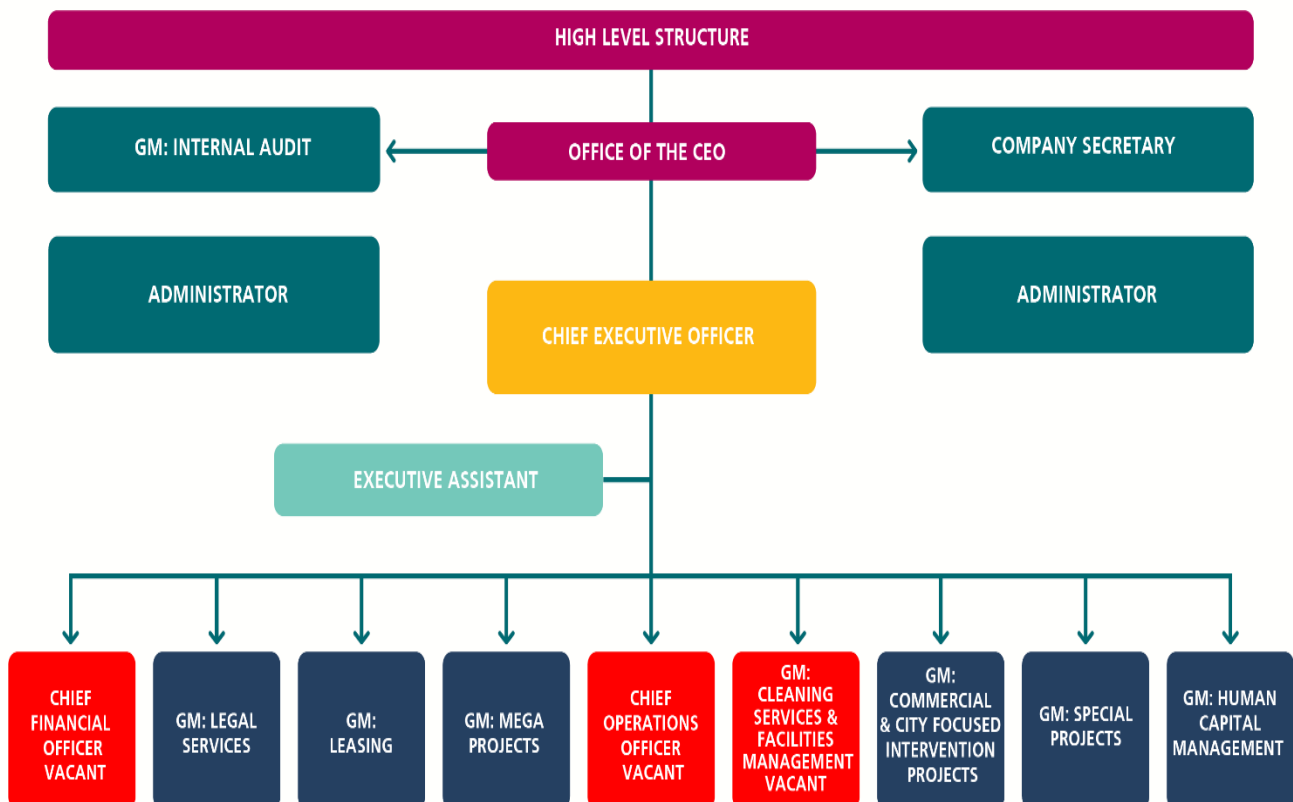


Figure 2: High-Level Structure

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

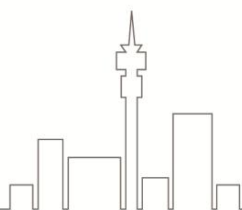
JPC applies the City's risk assessment methodology, which evaluates risks based on likelihood and impact, assigning them residual risk ratings to guide response strategies as outlined in Table 29:

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 31: Methodology

Changes in the Strategic Risk Register

The first quarter of the 2025/26 financial year reflects the ongoing execution of mitigation strategies identified in the Strategic Risk Register. The review and assessment undertaken during this period provide insight into early progress, residual risk exposure, and the effectiveness of controls implemented to date.



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 32: Identified Risks

At the close of the first quarter of the 2025/26 financial year, no notable progress was achieved in implementing mitigation measures for the ten identified strategic risks. Consequently, the residual risk ratings remain consistent with the inherent risk levels, reflecting minimal movement in reducing the organisation's overall risk exposure. This static risk profile highlights governance concerns, particularly in relation to the execution, monitoring, and oversight of mitigation strategies.

The limited progress suggests potential gaps in accountability, ownership, and the integration of risk management within operational and strategic planning processes. To uphold sound governance principles and enhance organisational resilience, the entity must urgently strengthen its monitoring mechanisms, clarify lines of responsibility, and escalate unresolved mitigation actions to appropriate oversight structures. Failure to address these deficiencies may undermine both strategic delivery and risk management effectiveness.

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.



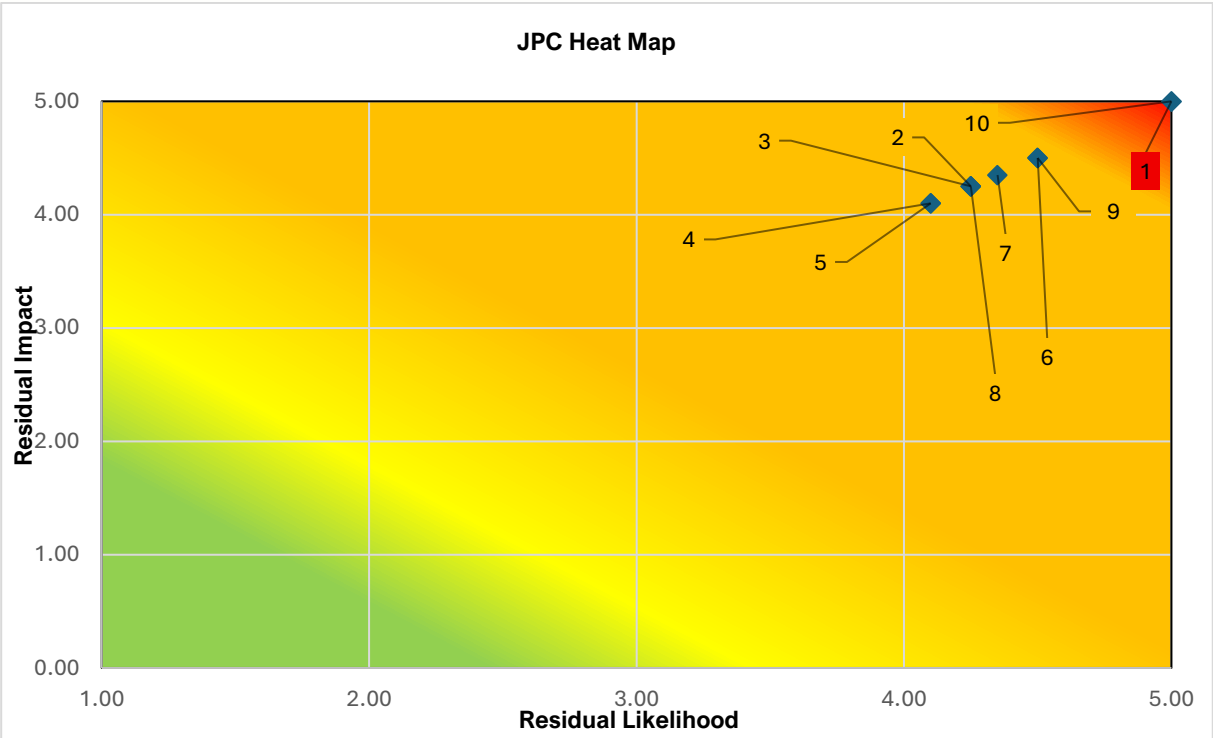


Figure 3: JPC Heat Map

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).

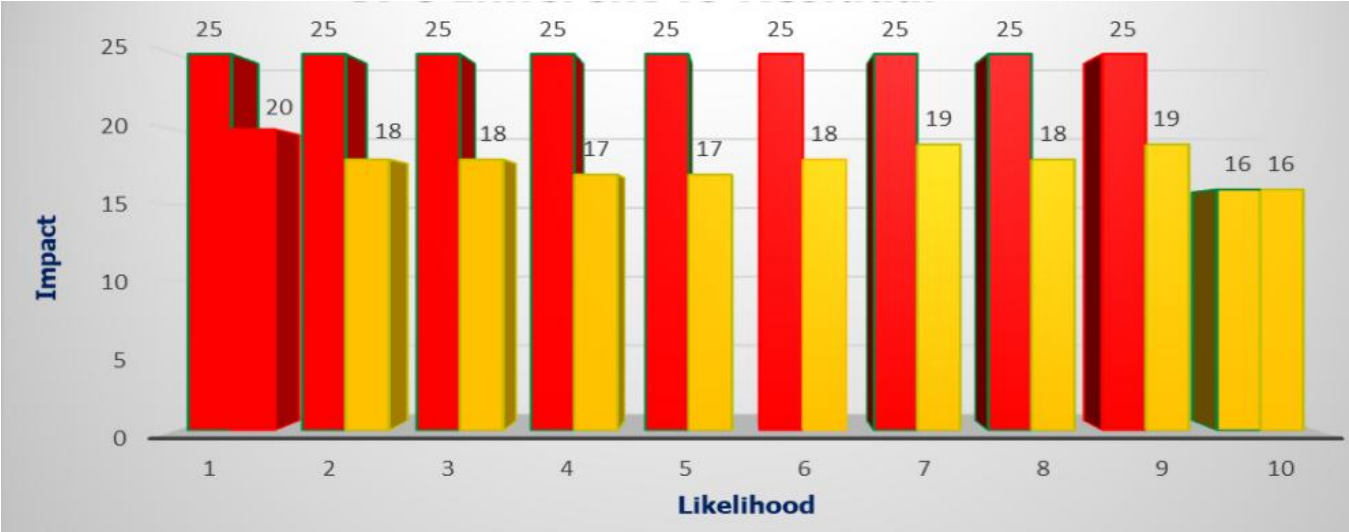
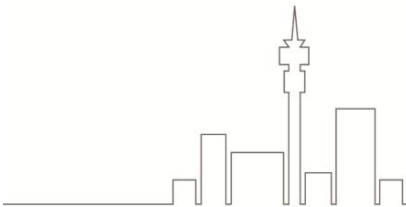


Figure 4: Inherent vs Residual Risk



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

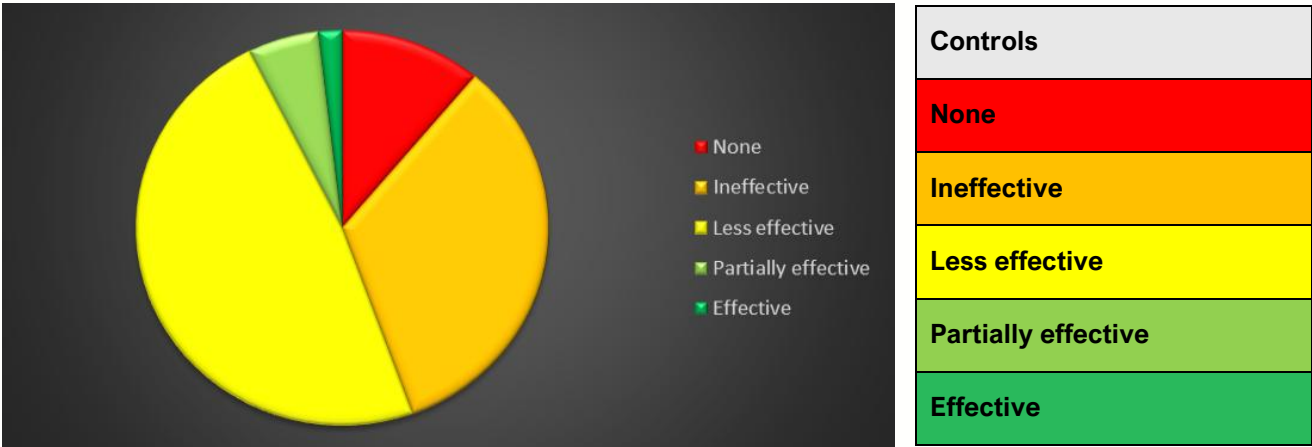


Figure 5: Control Effectiveness

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.



Emerging / New Risk identified for JPC for the 2025/26 FY

Risk Area	Potential Impacts on JPC	Mitigation / Early Actions
Infrastructure & Municipal Service Delivery Breakdown	Increased repair/maintenance costs, tenant dissatisfaction, negative reputation, interruptions to property use, possible legal liabilities.	Map out infrastructure dependencies per property; perform regular audits; build in contingency budgets; negotiate maintenance / service level agreements; consider private backup solutions (generators, water storage).
Water Shortages / Water Service Disruptions	Impacts on building operations, fire safety risk, strain on tenants; risk of non-compliance with safety regs; need for alternate water sources; reputational risk.	Ensure backup water supplies (tanks), test water pressure etc.; adapt maintenance plans; liaise with municipal authorities; monitor water risk exposure for each property.
Electricity / Energy Cost Pressure & Reliability (Load-shedding, Blackouts)	High energy costs reduce margins; interruptions cause losses; need for alternate supply (solar, generators) may require capital investment.	Energy audits; invest in efficiency improvements; explore renewable energy / solar installations or backup systems; negotiate favourable contracts; build energy cost rises into lease agreements where possible.
Regulatory / Compliance Pressure & ESG Requirements	Risk of fines / penalties / delays for non-compliance; higher costs for compliance; investor / stakeholder expectations shift; difficulty in securing financing without good ESG credentials.	Perform a regulatory compliance audit; ensure policies & systems in place; engage ESG advisors; monitor changes in legislation; build ESG metrics into performance monitoring.
Repurposing / Conversion Risk	Assets that are underperforming in their current use may lose value; structural / zoning / regulatory / cost challenges in conversion; risk if market demand shifts unexpectedly.	Identify underused or high-vacancy properties; perform feasibility studies on conversions; monitor municipal zoning and building compliance; engage communities / stakeholders early.
Climate Change and Environmental Risks	Damage to property & assets; increased insurance costs; regulatory or investor pressure for more resilient / sustainable design; possibility of stranded assets (if climate risk not accounted for).	Climate-risk mapping for property locations; resilient design features; adjust maintenance; ensure insurance covers climate-related damage; reduce exposure in highly risky zones; incorporate green building / sustainable practices.
Security & Crime / Safety Risk	Increased cost for security; increased insurance premiums; tenant dissatisfaction; possible damage; risk to reputation.	

Table 33: New Risk Identified 25/26

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.

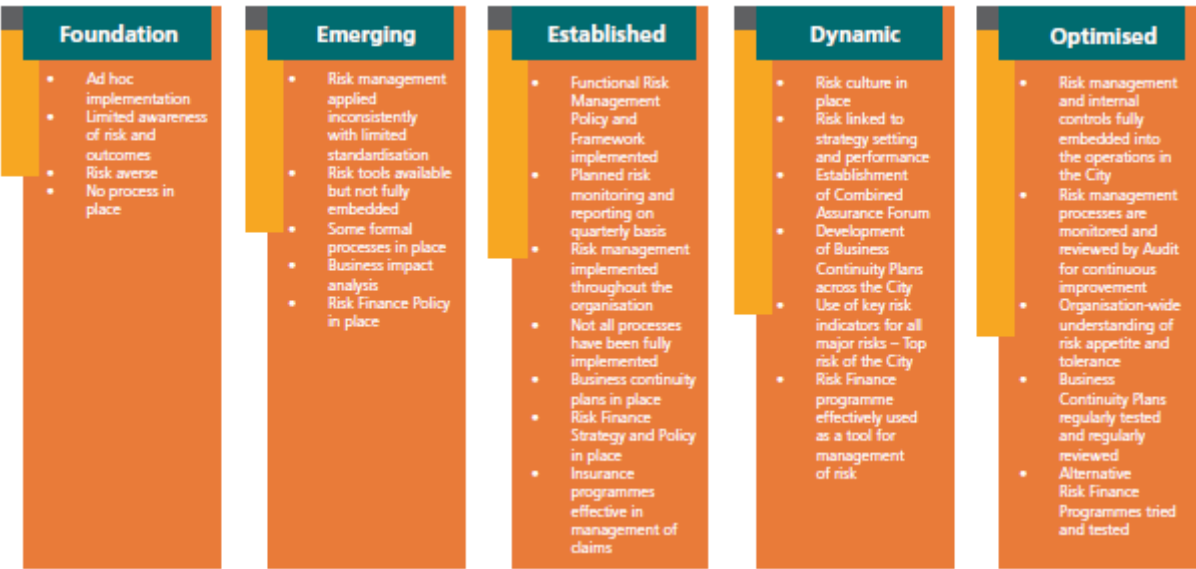


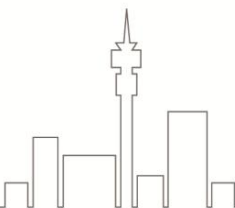
Figure 6: Risk Maturity Levels

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. The entity will look into creating a hotline for Fraud and Corruption.



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 first quarter of the 2025/26 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 **R26 817 029.38**. 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): **R24 727 208**
- Expired contracts, which the CoJ will take over (Dimension Data): **R857 929**
- Afrirent: **R1 231 891**



Failure to Pay Service Providers Within 30 Days

For the period under review in the 2025/26 financial year, all invoices were paid within 30 days.

Declaration of Interest

During the quarter under review, the organisation conducted compliance monitoring of employee Declarations of Interest. A total of 72% of the staff complement complied with the requirement, while 28% had yet to submit their declarations for the 2025/26 financial year.

Regulatory Compliance in Accordance with GRAS

Management continues to perform quarterly assessments of compliance with key legislation. The Risk and Compliance Unit's process of reviewing core Acts, risk profiling individual legislation, and assessing existing controls for adequacy and effectiveness is ongoing. Specific compliance statuses for quarter one of the 2025/26 FY for the extensive list of Acts and legislation are in the table below.

Table 31 outlines compliance with the Acts and legislation for the first 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 34: 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.

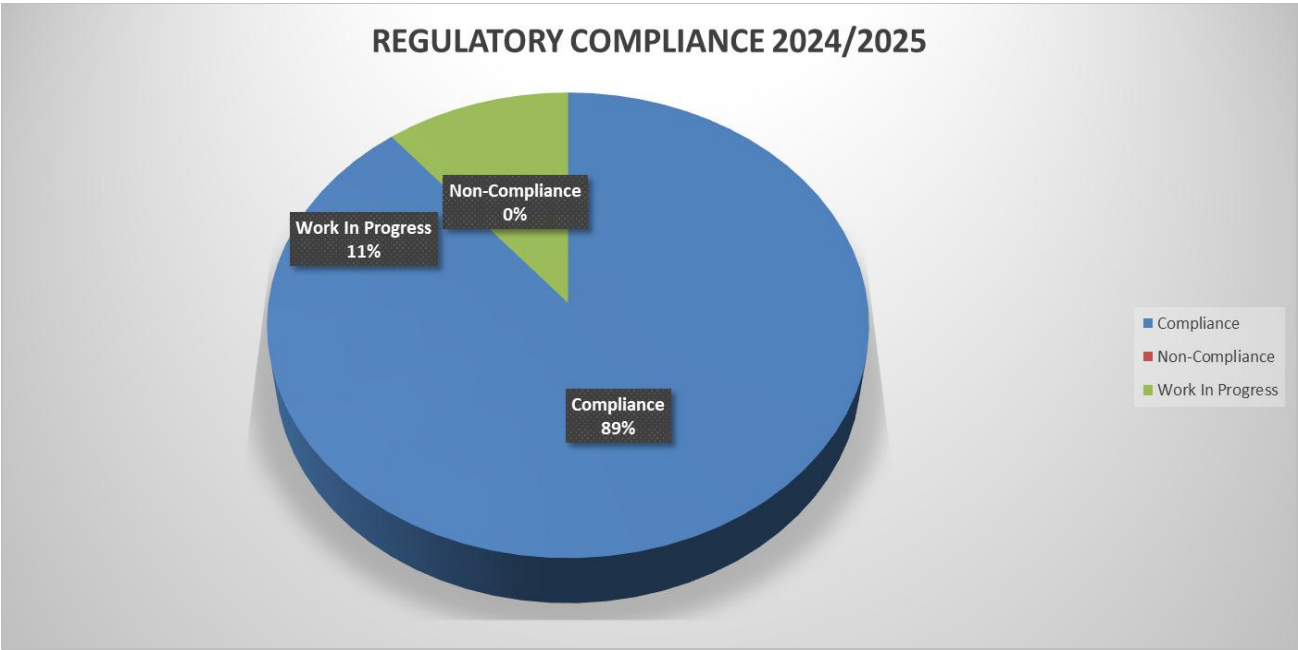
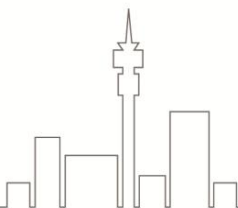


Figure 7: Regulatory Compliance Requirements for First Quarter2025/26





Chapter 3

Service Delivery and Performance

Section 1

Asset Management

As of the quarter ending 30 September 2025, the City's portfolio had a total value of **R10.6 billion**, comprising 29 051 properties. Table 34 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 169 337 236.28
Region B	3 503	15%	R1 630 764 630.10
Region C	3 113	12%	R1 240 600 958.62
Region D	5 569	9%	R931 726 735.48
Region E	4 329	15%	R1 643 167 372.14
Region F	5 297	16%	R1 724 436 043.97
Region G	5 289	18%	R1 903 535 860.04
Outside CoJ	282	4%	R424 077 690.01
Grand Total	29 051	100%	R10 667 645 886.63

Table 35: 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 Region F at 16% followed by Regions B and E are which are equal at 15%, Regions A and C follow, at 11% and 12%, respectively, while Region D is the lowest, at 9%, due to its many residential holdings, which are inherently lower in valuation.

Asset Register Movements

Tables 35 and 36 illustrate the Asset Register movement updates during the period under review for the 2025/26 financial year regarding property transfers that occurred.

Movement Category	Jul-25	Aug-25	Sep-25	Total
Acquisitions	4	3	0	7
Disposals	-16	-11	-20	-47
Net Movement	-12	-8	20	-40

Table 36: Monthly Movements by Quantity

Movement Category	Ju-25	Aug-25	Sep-25	Total
Acquisitions	R112 744 034.39	R8 755 000.00	R0.00	R21 499 034.39
Disposals	-R3 559 780.00	-R650 330.00	-R5 387 840.00	-R9 597 950.00
Total	R109 184 254.39	R8 104 670.00	-R5 387 840.00	R111 901 084.39

Table 37: Monthly Movements by Value



Acquisitions

Seven (7) properties, situated in Regions A, D, F and G, to the value of R121 499 034 were taken on during the reporting period as follows:

- One (1) property was acquired on behalf of the CoJ Housing Department using the allocated capital budget.
- Two (2) properties were transferred to the CoJ in terms of the Conditions of Township Establishment.
- Two (2) properties were transferred back to the CoJ as rectification.
- One (1) property was vested CoJ.
- One (1) property was taken on as part of bundling.

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

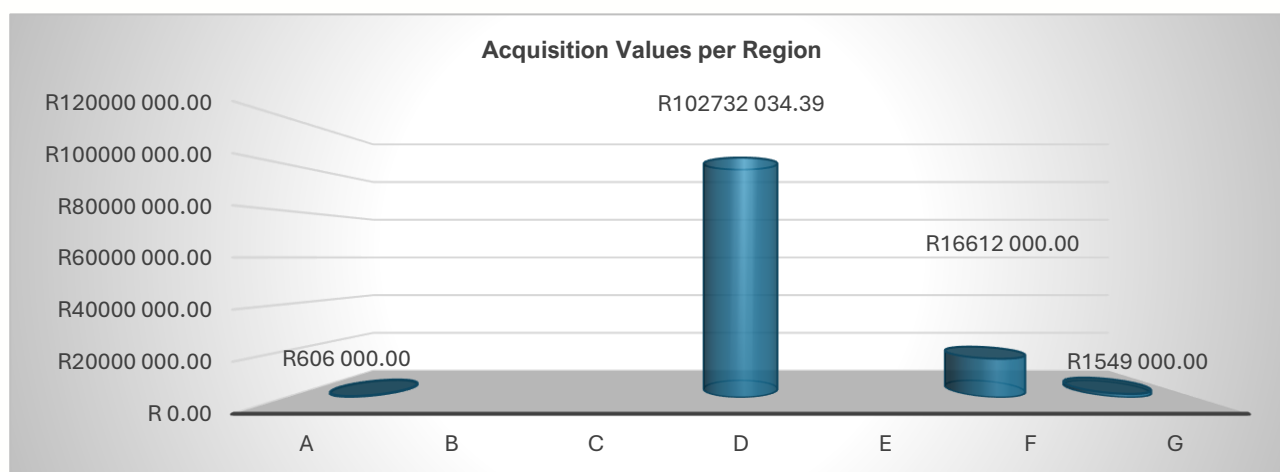


Figure 8: Acquisition Values per Region

Disposals

Forty-seven (47) properties to the value of **R9 597 950** were disposed of in the reporting period as follows:

➤ Housing Conversions

Thirty-five (35) 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.

➤ Vesting to City of Ekurhuleni

Twelve (12) properties were vested to City of Ekurhuleni as they were erroneously registered under the name of City of Johannesburg, and they are well within their municipal boundaries. 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 **R111 901 084**, which translates to an increase of 1.05% of the entire portfolio, as outlined in Table 35.

Month	Opening Balance	Movement	Closing Balance
Jul-25	R10 555 744 802.24	R109 184 254.39	R10 664 929 056.63
Aug-25	R10 664 929 056.66	R8 104 670.00	R10 673 033 726.63
Sep-25	R10 673 033 726.63	—R5 387 840.00	R10 667 645 886.63
Net Movement		R111 901 084.39 1.05%	

Table 38: 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: Wanderers Cricket Stadium (Portion 420 Portion of portion 281 of the Farm Syferfontein

2025/26 FY Project Developments

The Wanderers Cricket Stadium, located on Farm Syferfontein 51 IR near Sandton, Melrose Arch, and Rosebank, is a significant property for the CoJ. The current lease agreement, signed in 1991, allows the Lessee to lease the property until 2040 for a nominal fee with an option to extend the lease for another 49 years until 2089.

Property Information

Location: The property is situated along Corlett Drive in Illovo

Total Area: 50,231 m²

Current Zoning: Special

Proposed Development

The Lessee aims to redevelop the stadium to its full potential. This redevelopment plan, with an estimated cost **R500 million**, includes new construction of the following:

- > Sports and business hotel
- > High performance sports centre and parkade
- > Luxury apartments
- > Upgraded stadium facilities

Project Status

JPC undertook to amend the existing lease agreement. This amendment would also allow the lessee to sublet parts of the property to third parties to manage the new developments.

To make this amendment, the CoJ is following Section 116 (3) of the MFMA, 2003, which requires a Council resolution and public notice for any changes to the agreement.

A public notice was advertised and a report was submitted to obtain Council approval for the proposed amendment of the Development Lease Agreement on Portion 420 Syferfontein 51 IR, commonly known as Wanderers Cricket Stadium. The report was reviewed and approved by the Section 79 Committee, with certain amendments. These amendments have now been incorporated, and the report has been resubmitted for final Council approval.



Project Name: Pirates Sports Club (Erf 1319, Erf 1330, Erf 1318 Greenside Township, and The Remainder of Erf 2184 Parkhurst Township)

2025/26 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 commenced during the reporting period, with the Ward Councillor, Cllr Hamilton Chetsang, formally introducing the appointed contractor to the community. This engagement was accompanied by the advertisement and transparent selection of a Community Liaison Officer (CLO), with the appointment concluded in the first week of June 2025. The contractor is now stationed on site, awaiting final site preparation before full construction begins.



Project Name: Erf 57 Crown Mines

2025/26 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 & 7 of Erf 14 Riviera)

2025/26 FY Project Developments

The Thabo Mbeki Foundation owns several properties in Riviera, Johannesburg, earmarked for the development of the **Thabo Mbeki Presidential Library (TMPL)** — a heritage-led, mixed-use precinct designed to serve as a cultural, educational, and social landmark. The development will include research and educational facilities, exhibition and seminar spaces, archives, administrative offices, a restaurant, and other public amenities. The adjacent City-owned Portions 3 and 7 of Erf 14 Riviera, which are largely vacant, have been incorporated into the project under a lease agreement to support an integrated precinct development.

Strategic Impact:

The TMPL is envisioned as a catalytic project that will promote economic development, cultural enrichment, and social cohesion. It is expected to generate employment, attract investment, and enhance Johannesburg’s status as a centre of heritage and knowledge. The development will contribute to urban regeneration while providing a space for community engagement and empowerment, particularly through initiatives such as the planned Women’s Empowerment Centre.

Project Status

A lease agreement with the Thabo Mbeki Foundation Trust for the development of the Presidential Library Heritage Site, including an option to purchase, was concluded following the Council resolution dated 25 April 2024. The leased properties — Portions 3 and 7 of Erf 14 Riviera, measuring approximately 1 984m² — will be rezoned from Residential 1 to Institutional to enable development.

To proceed with construction, a right-of-way servitude over the adjacent property must be granted in accordance with the Subdivision and Consolidation Certificate and the Planning Department’s recommendations. This condition remains outstanding and is required before construction can commence.

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

Permissible land uses on the site include nature conservation, outdoor and tourism-related amenities (such as eco-lodges, hiking trails, boutique hotels, restaurants, curio markets, and conference centres), and social infrastructure (including educational institutions, places of worship, and recreational facilities).

Project Status

To determine the sustainable and inclusive development framework for the site, Council resolved on 27–28 November 2024 to initiate a Public Participation Process. In line with this resolution:

- A Section 79(18) public notice was published in local newspapers and the Government Gazette on 4 June 2025.
- Correspondence was issued to the Provincial and National Treasuries. Feedback has been received from the Provincial Treasury, while National Treasury feedback remains pending.
- The proposal was also circulated to relevant City departments and Municipal Owned Entities (MOEs), several of which have since submitted their comments.

Once the notice period concludes and all inputs—including those from National Treasury and internal stakeholders—are received, a consolidated report will be submitted to the relevant City committees for consideration. Subject to committee endorsement, the matter will be escalated to Council for final approval.

The outcome of this process will guide 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 m², is zoned Business 1 and has been earmarked for a mixed-use development, with a strategic focus on student accommodation.

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.

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.



Project Name: Old FNB Building Erven 334, 336, and 339 Orange Grove**2025/26 FY Project Developments**

In April 2003, First National Bank (FNB) announced the closure of its Orange Grove branch, citing purely economic reasons for the decision. The announcement was met with opposition from the Residents Association of Orange Grove and the newly formed Louis Botha Business Association. These groups argued that, with the establishment of a City Improvement District (CID), security concerns were being addressed, and a broader initiative to rejuvenate Orange Grove had begun—with the full support of the Council, local businesses, and residents.

In 2024, a Permission To Occupy and Built (PTOB) agreement was signed between the JPC and the Department of Social Development. However, following the development of the Paterson Park Recreational Centre by the JDA, the FNB Orange Grove property remained vacant and underutilized.

Project Status: JPC now plans to advertise the property for tender as a long-term lease, intended to benefit the Orange Grove community and surrounding areas. This will take place following consultation and confirmation from the Department of Social Development that the property is no longer required for its operations

In a positive development, all parties agreed to engage in discussions to explore possible alternatives. One proposed solution involved repurposing the existing branch building and parking area for the benefit of the community. An agreement was reached among FNB, the Residents Association, and the Louis Botha Business Association, with participation from representatives of Region E, the Economic Development Unit, and the Johannesburg Development Agency (JDA).

The following key points were highlighted in a joint proposal:

- Since community responsibility and support were central themes, it was proposed that, if the building were to be donated, it should be used specifically for community-oriented purposes;
- FNB expressed its preference to donate the property directly to the Council;
- FNB would consider the donation on the condition that:
 - a. the building would be committed to ongoing use that directly benefits the wider community; and
 - b. FNB may retain ATM facilities on the premises, depending on the building's future use.



Project Name: The 13th Street Property**2025/26 FY Project Developments**

This part of the overall Paterson Park precinct this property can be seen as a standalone entity. However, due to its strategic location, both relative to the Art Complex and the fact that it borders onto Orange Grove, it is a critical part of the overall precinct. The many possibilities that it can be utilized for, such as a center for office use that NGOs and other similar operations can make use of is just one part of the attractiveness of this site. It is also a flagship for the precinct in that it has a historically valuable building located thereon. The potential for restoration and hence enhanced profile of the property is great, and being a possible gateway to part of the precinct this must be maximized.

The house and outbuildings are being built on Erf 206. However, the house is actually built straddling the boundary of Erven 206 and 207 and the outbuildings were built on the back boundary straddling the boundary of Erven 207 and 208. There have been some alteration to the building. These alterations include an extension to the kitchen and pantry on the north, built in brick with a concrete floor, enclosure of the veranda on the west and a small ante-room as an outside entrance to the kitchen on the northeast corner.

The existing development occupies a relatively small part of the site. The rest of the property needs to be attractively landscaped and made into something that enhances both the use that the building is put as well as an advert for the rest of the precinct. Appropriate care must be given to the look and feel of the overall property, so that it is both seen as a destination as well as a stepping stone to the rest of the precinct.

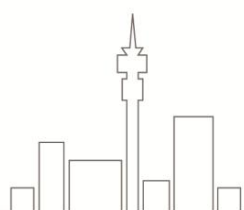
The Property is presumed and sited on a wetland. The excessive and obvious perennial ground water runoff confirms our observation. A geotechnical report opinion is crucial.

Challenges:

- The property is currently illegally occupied by a few households.
- Overgrown vegetation and scattered scrap materials are present on the property.
- The property is prone to being used as an illegal recycling facility.

Mitigation Measures:

- JPC plans to follow the legal process to evict the illegal occupants.
- The property will be advertised through a tender process for a long-term lease.



Project Name: Paterson Park Clubhouse: Part of the Remaining Extent of Portion 48 the Farm Klipfontein 58 IR
2024/25 FY Project Developments

The property was previously used as a Bowling Club. Due to the Paterson park Precinct development. The property measures approximately 4500M² including parking in size. The recommendation is that the old bowling club be refurbished and be leased as a restaurant. The refurbishment should include parking bays to be developed by the leasee. This parking will be available to general park users, as well. Public open space means "land zoned public open space which is used by the public as open space, park, garden, square, of for any game, sport, recreation or cultural activity or other uses as may be permitted by the City Council and includes restaurant, cafes." It is proposed that the property should be leased for 20 years as a restaurant

Project Status

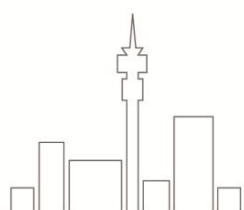
- Council resolution obtained
- Section 79 process underway
- The refurbishment of the bowling club was completed.
- The memo for the composition of the Bid-Spec has been submitted to the City Manager's office for approval.
- The memo for the composition of the Bid-spec committee has been submitted to the City Manager's office for approval.

Challenges

- Faulty underground plumbing and piping systems, which are affecting the property and causing dampness beneath the building.
- Electrical faults throughout the property.
- Excessive electricity bills owed to City Power.

Mitigation Measures

- Appointment of a service provider through the supply chain process to repair the plumbing and piping issues on the property.
- Appointment of a service provider through the supply chain process to resolve all electrical faults affecting the property.
- Engagement with the City Power Department to address and resolve the outstanding electricity bill.
- Advertising the property through a tender process for a long term lease.



Project Name: Portion 109 Farm Zandfontein 42 IR

2025/26 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

- **Total Area:** 8 864 381 m²
- **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 including 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.



Project Name: Jabulani Crossing in Jabulani CBD

2025/26 FY Project Developments

As part of the Jabulani CBD Precinct, the Jabulani Development Company Pty Ltd will be developing the Jabulani Crossing Retail Centre on the Portion 20 of Erf 2614, the land parcel located to the west of Jabulani Police Station. There are two access points into the site with the main access being off Bolani Street.

Anticipated Investment:

Development Value R215 million
Construction Value R121 million

Property Size:

3,7418m² development will consist of approx. 19,000m² GLA retail centre with two anchor tenants on each end. Included are a number of secondary national convenience stores, KFC drive-thru, Nando's drive-thru, a fast food piazza and taxi service facility. A full development professional team including the leasing agent have been re-activated.

Project Status

The SDP pack is ready for submission and the developer is finalising the financial closure process of the top structure, and awaiting consent to enable optimal utilization of Erf 2616 that further strengthens the commercial viability of Jabulani Precinct.

Studies updated include:

- Retail market study
- All site related surveys and services availability



Projects at Construction Phase / Stage

Project Name : Lifestyle Complex Development: Erf 53 Alan Manor

2025/26 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:** 20
- **Units Available:** 2
- **Total Units Sold Across All Phases:** 25
- **Total Units Available Across All Phases:** 2

Project Opportunities/Focus

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

Financial Summary: The value of work completed between July -September 2025, including cumulative spend to date, amounts to **R19,648,072.55**, excluding VAT.





Project Name: Riverside View Mega Housing Development

2025/26 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

Project Status

The project is in the final stages of construction.

To date, 10 117 units have been completed:

- > Units near completion: 896
- > Single Res FLISP units completed: 2 948
- > Multi-storey FLISP units completed: 1 464
- > Multi-storey RDP units completed: 4 140
- > Multi-storey rental completed: 457
- > Multi-storey (JOSHCO): 1 108

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.

Mitigations

Although the property was awarded and sold to the developer, JPC continues to provide support when required, especially in:

- > Facilitating stakeholder engagements
- > Supporting intergovernmental coordination when necessary.

Project Opportunities/Focus

- > The development intention is based on the principles of integrated development, which serves as a direct cure to former exclusionary practises and to address the critical housing backlog that exists in the Diepsloot area.
- > The objective of the project is to directly target informal settlements within Region A and to eradicate informal settlements and provide beneficiaries with formal housing.



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

2025/26 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 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 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 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)

2025/26 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 m², while the social and housing component will cover 9 504 m² and comprise 204 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:

- **Surveyor General Diagram (SG Diagram):** The consolidation of the property is currently underway and still pending.
- **Township Establishment and Zoning Application:** The public participation process has been concluded on 11 July 2025 and there where objections received. These objections are being reviewed and responses in draft format by the Town Planners. Engagements with the neighbouring Resident Associations are ongoing.
- **Geotechnical Investigation:** A comprehensive geotechnical study has been conducted, checked and verified and no dolomitic conditions are evident.
- **Traffic Impact Assessment (TIA):** Parking ratios, taxi bays and overall parking considerations have been updated and incorporated in alignment with the comments received from JRA and CoJ Transportation. Updated report to be presented by end of September 2025.
- **Environmental Application:** The document has been updated and the 30 day public participation process was concluded 12 June 2025. As part of the feedback received, further studies and surveys of the Braamfontein Spruit have been concluded and delineation of the flood lines have been surveyed and recorded by the Geohydrologist.
- **Bulk Services (Water, Stormwater, Electrical, Sewerage):** Outline Services Scheme Reports have been approved in principle pending detail design drawings. Joburg Water confirmed the approval of Water and Stormwater and sewer, the electrical outline scheme report was also approved.

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 and promote SMME empowerment
- Revitalise asset and infrastructure development
- Provide easy access to social and economic amenities
- Facilitate skills transfer

Project Name: Erf 419 Klipspruit

2025/26 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 lies approximately 650 m from Maponya Mall and 250 m from the Nike Football Training Centre. And is accessible via September and Mochub Streets.

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 and 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.
- > **Geotechnical:** The investigations are complete.
- > **Structural Engineer:** The structural designs for Phase 1 are 99% complete. The designs are pending the regulatory body approvals.
- > **Civil Engineer:** The reports have been submitted to the JRA and Joburg Water for approvals.
- > **Electrical Engineer:** designs for phase 1 are 99% complete. Eskom has acknowledged receipt of the connection application.

Project Challenges / Delays

- > There has not been a clear indication as to when the SDP approval will be granted as part of the approval requires that the sewer upgrades be approved and implemented as recommended by Joburg Water.
- > The architects are in the process of coordinating the designs for the entire development for the submission to the CoJ Building Control for approvals.



Project Name: Erven 159–169 & Erf 530 Cottesloe

2025/26 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.
- Joburg Water: Confirmed water availability and support for development in review for official approval.
- City Power: The scheme report submitted for approval, in review for official approval.
- A Heritage Application is currently in progress to ensure compliance with regulatory and preservation requirements. PHRAG closed the concerns and an agreement was made to support the development after receipt of the report from the heritage consultant.
- 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

Management of Sanitary Lanes City-Wide (Released Properties)

Six (6) management agreement to the value of **R18 000** were released during the quarter under review.

Section 3 Informal Trading Unit

Income Collection

During the period under review, the Informal Trading Unit collected **R21 721** for stalls and shops occupied by traders.

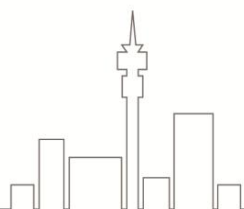
Leasing of Shops and Stalls

Table 38 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
Total	1 990	170	1 590	378	1 212

Table 39: 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.

FACILITIES MANAGEMENT AND CLEANING SERVICES

Facilities management

During the period under review, the Facilities Management generated revenue to the value of **R211 233.56** for repairs and maintenance work undertaken to departments.

Cleaning Services

During the period under review, revenue generated to the value of **R9 845 167.19** through rendering hygiene and cleaning services to departments. Operating cost of **R85 610.50** were billed to departments in the form of salaries as a result of services rendered.

Challenges and Mitigation Measures

Departments not submitting maintenance plans and framework orders: Letters of reminders are being sent out to all departmental HOD's and CEO/MD's of COJ entities by the JPC:CEO reminding the departments and entities to submit the maintenance plans and framework orders. The letters also address the non – payment of contractors.

Contractors refusing to undertake emergency work due to non-payment of previous invoices: Letters of reminders sent out to all departmental HOD's and CEO/MD's of COJ entities by the JPC:CEO urging the departments and entities to submit their framework orders so that the contractors invoices can be paid.

No current panel of contractors to undertake repairs and maintenance work: Project implementation plans are in place. Once the panel of contractors are appointed, the repairs and maintenance of all projects planned for 2025/26 FY will commence.

Insufficient supervisors in the portfolio: Awaiting budget approval and advertisement thereafter. The Unit requires approximately, six (6) Supervisors to be appointed.

Shortage of staff: Since insourcing the Unit lost over 100 cleaning staff, due to resignations, retirements and death and these has affected the various sites. Awaiting budget approval and advertisement thereafter.

Shortage of staff due to 15 new Rea Vaya stations opening in October: Awaiting budget approval and advertisement of the positions thereafter. EPWP being considered in the meantime to mitigate the staff shortage.



Section 4

Mega Projects

Project Name: Power Park Housing and Student Accommodation

2025/26 FY Project Developments

The Power Park development is a major pillar of the Soweto urban transformation strategy—balancing affordable housing with student accommodation and integrated community services. Through multi-phased construction and sustained investment, Power Park reflects a model of growth that anchors township revitalisation through educational access and infrastructure-led development.

Project Developments at a Glance:

Power Park Student Accommodation: Phase One 2 300 beds

- 850 beds already occupied by students
- 1 450 beds currently under construction
- 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

Economic Empowerment and Strategic Milestone

This intervention prioritise youth upliftment and education equity, aligning with the City's broader social development objectives. The city's strategic priority is also realised in a form of Job creation and SMMEs support. 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



Project Name: Southern Farms

2025/26 FY Project Developments

The Southern Farms Biodiversity Development Project is a landmark city-driven initiative aimed at creating a network of conservation-focused, inclusive mixed-use precincts across a large landholding in Johannesburg's southern region. Officially launched in May 2025, the project supports the City's broader spatial transformation objectives. Its vision is to deliver integrated, sustainable human settlements while safeguarding the area's ecological assets.

The Southern Farms Development comprises seven sub-precincts (A–G), each designed as a self-sufficient “urban village” to deliver affordable housing, infrastructure upgrades, job creation, and efficient land use.

Implementation will occur in two phases:

Phase 1: Precincts A1, A2, C1, C2, and C3 (west of the N1 along the Golden Highway).

Phase 2: Precincts B, D, E, F, and G (east of the N1), contingent on bulk infrastructure upgrades and, for Precinct E, the acquisition of 11 privately owned parcels.



Township Establishment: 17 township applications were submitted to Development Planning. To date, Extensions 54 and 9 have been approved, while the remaining applications faced objections and are set to be adjudicated by the Municipal Planning Tribunal (MPT) on 1 October 2025.

Site establishment and clearing began in March 2025, whilst, installation of bulk and link services is currently in progress

On 9 September 2025, a site visit was conducted with the Section 79 Committee and the JPC Board. The purpose of the visit was to present the project to the relevant stakeholders, following a request to engage them prior to their consideration of the S116(3) report, which had previously been withdrawn at Council. The approval of this report is critical, as it will enable the amendment of the agreement and allow JPC to continue with the contractual terms with the developer.

De-Proclamation of Olifantsvlei Nature Reserve: The Gauteng Department of Environment has been requested to initiate de-proclamation. GDARD has granted conditional consent for Phase 1 to proceed during the legislative process.

Land Acquisition: Council has approved the Acquisition Report for 11 privately owned land parcels. The valuations for these properties were finalised in June 2025. A budget request has since been submitted to the ED: Human Settlements, and feedback is pending. The attorneys appointed have already begun the negotiation process to see what the figures the private owners have in mind.

Environmental Approvals: Positive Records of Decision (RODs) received for all submitted townships: Precincts C1-C3, A1, and A2.

Water Use License Applications (WULA) were submitted for Precincts C1-C3, A1, and A2. However, DWS declined the applications due to capacity issues at the Olifantsvlei Wastewater Treatment Works. The developer submitted a formal letter of appeal to the Water Tribunal in response to the Department of Water and Sanitation's (DWS), and is still awaiting a response.

Funding: R100 million has been requested for the 2025/26 FY.



Project Name: Soweto Gateway

2025/26 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

- Finalising and concluding the township establishment process.
- Proceeding with proclamation of the township.
- Securing Council approval of the Section 33 report to enable conclusion of the Development Sale and Lease Agreement.
- Upon Council approval of the Section 33 report, the agreement will be concluded and signed by the developer.
- Thereafter the site will be formally handed over to the developer to manage, secure and maintain.

Project Status

- The project remains in its planning phase, with critical milestones yet to be achieved
- A meeting to present the Funding Proposal to MMC & ED : Human Settlements was held on Wednesday 9 July 2025.
- The township establishment process is still ongoing. Progress has been delayed due to internal administrative challenges within the Development Planning Department. JPC has formally engaged the Executive Director: Development Planning to assist in addressing these internal constraints and expedite progress. The approval of the Township establishment is still pending Planning's approval.
- A Section 33 compliance report is at the final stage of approval and is awaiting tabling at the next Council meeting.
- The lease agreement with Calliper can only be concluded upon Council approval.
- The developer has submitted plans for the erection of a perimeter wall to secure the site. The plans were reviewed and approved by Building Development Management in June 2025.
- The project has been presented to the Department of Human Settlements to outline funding requirements, for USDG funding.

While physical progress remains limited, the project has advanced significantly in terms of technical planning and institutional engagement.

Once the township establishment is concluded, and the Agreement is in place, the project will transition into implementation, which will be the installation of bulk and link services.

Project Name: Orlando Ekhaya Waterfront Development

2025/26 FY Project Developments

The Orlando Ekhaya Housing Project continues to demonstrate the City of Johannesburg's commitment to reshaping township development through a balanced integration of affordable housing, infrastructure investment, and social upliftment. This precinct is being positioned as a benchmark for future mixed-income, inclusive housing developments in the City.

The Orlando Ekhaya development includes a dynamic mix of bonded/FLISP, social, and RDP housing options. These typologies are carefully integrated to promote a sustainable and inclusive community model.

This development supports economic empowerment and spatial redress by bringing integrated, dignified housing closer to key transport and economic nodes.

Project Status

- Professional planning completed for 1,740 social housing units
- Site Development Plan (SDP) approvals secured
- Design finalised for 600 additional units at Orlando Towers Lifestyle Estate
- Earthworks and civil services completed for Phases 2–4 (630 units)
- Building plans approved and units enrolled with National Home Builders Registration Council (NHBR)

Bonded/FLISP Housing:

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

Social Housing:

- 1,740 units planned across Erven 47 & 48
- Sites fully zoned and proclaimed
- Bulk infrastructure installation completed

RDP Housing:

Over 2,000 units planned across various parcels, including Erven 22, 23, and 24



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

2025/26 FY Project Developments

Securing the Metro Centre

Although the Metro Centre has been successfully decanted, the building remains the property of the City of Johannesburg (CoJ) and continues to accommodate critical municipal infrastructure, equipment, and archived records. These assets are vital to the City's operations and require ongoing protection.

The site, however, remains susceptible to unauthorised access, vandalism, and theft, posing significant risks to both public safety and municipal resources. Consequently, comprehensive security measures have been implemented to safeguard the premises, prevent illegal occupation, and preserve the integrity of the building and its contents.

Project Status

Security Measures Implemented

The initiatives implemented this quarter aim to ensure the continued safety, integrity, and eventual repurposing of the Metro Centre precinct are as follows:

Perimeter Wall Project: JOSHCO as PM and implementor

The project entails the placement of concrete perimeter walls around the Metro Centre campus, supplemented with Clearvu fencing in areas where engineering constraints prevent panel installation. Together, the wall and fencing will serve as a temporary but long-term security measure, safeguarding the Metro Centre against vandalism and theft.





Project Description: Outdoor Advertising

Revenue Performance

As part of the City’s “Transitional Period” initiative, aimed at regularising contracts, addressing illegal signage, and optimising revenue from valid outdoor advertising contracts on Council-owned property, JPC has collected **R10 million** for outdoor advertising and cell mast receipts for the first quarter.

Efforts are underway to formalise relationships with media owners. Draft lease agreements have been issued to Ad Outpost, JCDecaux, and Movie Magic for review and signature. In line with the City’s transformation agenda, lease agreements with black-owned media companies have also been finalised, ensuring the outdoor advertising portfolio supports broader equity and inclusion goals.

Project Challenges/Delays	Project Opportunities/Focus
Revenue generation continues to be constrained by low occupancy rates, with a significant number of advertising sites remaining vacant. The Planning Department has drafted revised 2024 by-laws, which, once approved, are expected to support media owners in improving portfolio management and increasing revenue collection through a streamlined, “less is more” approach.	Key objectives include: <ul style="list-style-type: none">➤ Increasing City revenue from the outdoor advertising portfolio.➤ Enhancing the profitability of the out-of-home advertising sector.➤ Reducing illegal signage to declutter the urban environment.





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

JPC has initiated a competitive bidding process to secure leased office accommodation and parking facilities for all City of Johannesburg (CoJ) departments and entities for a period of nine years and eleven months.

Buildings identified to accommodate various departments include:

- > **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, GRAS/GFIS, and Office of the Ombudsman
- > **Nedbank Building, Newtown** – Metro Centre

Memos have been submitted to the City Manager (Accounting Officer) for the appointment of Bid Specification Committee (BSC) and Bid Evaluation Committee (BEC) members for new RFPs relating to Community Development Libraries and Region B office accommodation.

A Council report regarding the extension of existing leases—each for up to nine years and eleven months—has been finalised in 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, and approval to advertise the RFPs is pending from the City Manager.

Project Status

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

- > Successful relocation of the Development Planning department (including the MMC's Office) was concluded on 23 June 2025.
- > **Johannesburg Development Agency (JDA):** In September 2025, JPC received correspondence from the entity stating that they no longer require to be relocated due to budget constraints. To utilise the space identified for JDA, the following departments have been identified for relocation to commence in Q2.
 - o **Dep of Health**
 - o **Dep of Social Development and**
 - o **Group Comms.**
- > **Office of the Chief Operating Officer (COO):** Relocation will be concluded once GICT has finalised the connection services (i.e. Wi-Fi, cabling, etc) on the 2nd floor. Relocation to commence in Q2
- > **Office of the Group Corporate and Shared Services (GCSS),** including the MMC's Office – Awaiting the arrival of furniture. Relocation to commence in Q2
- > **JD House:** The Mayor's Office, Group Legal, MMC for Health, has successfully relocated to JD house.
- > **The Office of the City Manager** relocation plan is pending Council approval for amendment to the lease for additional space for JD House.
- > The MMC (Comdev) and Comdev Department has relocated to 66 Jorissen Place.

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.



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

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 Opportunities/Focus

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

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

Section 5

Special Projects

Johannesburg Inner City Revitalisation

Presidential Johannesburg Working Group - Workstream 8: Inner City and Township Rejuvenation

The Presidential Johannesburg Working Group established a *Bad Buildings and Living Spaces* task team to develop strategies addressing the growing crisis of unsafe and derelict buildings in the Inner City. This multi-stakeholder group includes representatives from National Treasury, the City Support Programme, JPC, Human Settlements, JOSHCO, Development Planning, Group Legal, JDA, Region F CRUM, and Social Development.

A workshop held on **25 July 2025** brought together public and private stakeholders, including developers and property owners, to discuss key issues such as **alternative accommodation, building redevelopment, funding models, and legal compliance**. Consensus was reached on adopting a **holistic, inclusive approach** that integrates social, economic, and spatial interventions to address the needs of diverse residents while promoting affordability and sustainability.

Key Focus Areas:

- **Alternative Accommodation:** Profiling of building occupants, identification of temporary relocation sites, and development of financing models for temporary and long-term housing solutions.
- **Redevelopment and Investment:** Fast-tracking the release of City-owned properties, creating a dedicated facilitation unit to unblock approvals, and encouraging private sector participation.
- **Incentive Framework:** Introducing affordable housing tariffs, reviewing development costs, implementing rates rebates, and establishing an Inner City Special Development Zone (SDZ) to attract investment.
- **Legal Compliance and Urban Management:** Strengthening by-law enforcement, improving safety and security through technology (e.g., drones), and formalising urban management structures for sustainable building maintenance.

A dedicated project implementation team has been established and has commenced work on the above focus areas to accelerate delivery and coordination across departments and stakeholders.

Approach to gaining control over privately owned bad buildings

JPC has initiated negotiations with private owners of derelict and non-compliant buildings to acquire these properties for redevelopment. Factors under consideration include building condition, regulatory compliance, and outstanding municipal accounts. The process, initially targeted for completion by August 2025, is ongoing.

On 23 September 2025, JPC was formally mandated by the Bad and Hijacked Buildings Sub-Work Group to lead the Private Sector Engagement Sub-Theme, focusing on:

- Promoting developer participation through structured incentives.
- Safeguarding the long-term affordability of low-cost rental housing.
- Exploring innovative partnerships to expand shelter and shared accommodation facilities.

In support of this, JPC has submitted proposals to the Office of the COO, Group Finance, and other departments for development-related exemptions aimed at lowering upfront costs, accelerating project delivery, and enhancing feasibility. This initiative directly supports the City's socio-economic and spatial transformation agenda through inclusive urban regeneration.



Precinct-by-precinct approach

Usindiso Precinct (Marshalltown & City and Suburban)

Council approval was obtained in March 2025 for the disposal and long-term lease of multiple erven (Erf 1210, 342–343, 272–280). Section 79(18) notices were published on 22 May 2025, with the SCM process scheduled to commence following the close of the objection period. Rezoning applications have been submitted, with approval expected by year-end.

Additionally, JPC has initiated negotiations for the acquisition of Erven 339–345 to support the broader Usindiso Redevelopment Block and is awaiting confirmation from the Department of Mineral Resources and Energy on site licence validity.

Bertrams Precinct

The CoJ has awarded the development of several erven (93–122) to Government Property Fund (GPF)-nominated developers for student accommodation projects providing over 200 beds.

- **Developer 1** (Erven 96, 121, 122): Awaiting additional funding to commence construction.
- **Developer 2** (Erven 114, 116, 118): Construction of Phase 2 expected to begin in the new financial year. Supporting processes include structural assessments confirming demolition requirements for unsafe buildings and coordination with JOSHCO on temporary accommodation.
- Phase 1 (land acquisition, zoning, and service approvals) have been completed, with remaining statutory approvals pending.

Vrededorp Student Accommodation

Located between Hull, 8th, and Solomon Streets, the Vrededorp development will provide 36 units and 167 student beds near major universities.

The EAC has approved a 50-year long-term lease (Erven 495–501, 516) to Izicwe Consulting for the R42 million project. Town planning and building plan approvals have been secured. Financial closure is expected by June 2025, with civil works commencing in October 2025 and construction in January 2026.

The project will create significant employment and SMME opportunities within local Wards 58 and 69 and represents the City's first turnkey affordable student housing initiative.



Figure 9: Vrededorp Student Accommodation

Orange Grove Development Precinct (Orange Grove and Houghton Estate)

This Transit-Oriented Development (TOD) project consolidates 70 erven (26,129 m²) for a mixed-use development combining affordable housing, student accommodation, and commercial spaces.

Project Status

Key achievements:

- Town planning, rezoning, and consolidation approvals secured.
- Legal processes finalised under Ncube Attorneys.
- Governance compliance achieved in line with MFMA Section 14(2).
- Community engagement underway.

Estimated Project Cost: R261.6 million

Next Steps (FY 2025/26):

- Finalise new title deeds and mixed-use zoning rights.
- Begin site preparation, internal servicing, and permitting.

This initiative represents a major step toward spatial transformation, densification, and the revitalisation of dormant City assets through private sector collaboration.

Walter Sisulu Square of Dedication (WSSD) – Restoration Plan and Long-Term Development

Background

In partnership with the JOSHCO, the JPC has appointed Loocon (Pty) Ltd as Project Manager to oversee the restoration and long-term redevelopment of the Walter Sisulu Square of Dedication (WSSD) in Kliptown, Soweto — the historic site where the Freedom Charter was adopted in 1955.

The project aims to repair vandalism damage from the July 2021 civil unrest, address infrastructure deficiencies, and reposition the square as a mixed-use cultural and economic hub integrating heritage, education, sports, markets, and retail.

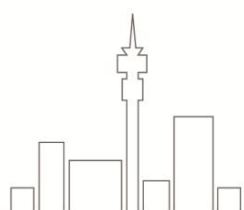
Key Project Outcomes and Progress

Structural Assessment: Viability Report 50% complete; structural and technical designs underway. Site data being compiled due to absence of as-built drawings.

Heritage-Aligned Repurposing: Concept presentation completed; Stage 1 Heritage Assessment finalised; Notice of Intent to Develop in progress with **SAHRA**.

Market Demand Analysis: Site valuation and tenant mix study ongoing; opportunities for shared offices and museum collaboration being explored.

Stakeholder Engagement: Initial site walk completed; engagement with informal traders and local community planned for next phase.



Walter Sisulu Square of Dedication (WSSD) – Restoration Plan and Long-Term Development

Infrastructure Audit and Costed Upgrade Plan: Stage 1 Viability Report and financials submitted; 73% of Stage 2 work completed.

Interim Activation: Development of an art and education activation strategy underway; **Beehive Culture Worx** proposed as an anchor tenant for creative and training facilities.

Self-Sustainability Strategy: Research on safe, inclusive community spaces and trade areas ongoing; proposals for public furniture, lighting, and an event bandstand under design.

Implementation Progress

JPC has undertaken several on-site improvement initiatives to stabilise and enhance the precinct:

- Daily cleaning operations to improve cleanliness and public image.
- Refurbishment of the security office and deployment of on-site personnel.
- Upgrades to public facilities, including restrooms and roll-up security doors.
- Re-electrification and lighting restoration for improved safety.

Current Project Phase:

Phase	Status
Inception	100% Complete
Concept & Viability	50% Complete
Detail Design	Not Started
Documentation	Not Started
Construction	Not Started
Close-Out	Not Started

Summary: The WSSD restoration is progressing steadily through the concept and viability phase, with strong alignment to heritage preservation and socio-economic revitalisation goals. JPC remains committed to restoring the square as a vibrant, safe, and inclusive landmark, celebrating Walter Sisulu's legacy while fostering cultural, educational, and economic activity in Klieptown.



Section 6

Information and Communication Technology

JPC is driving a portfolio of ten strategic ICT initiatives, four of which have already been successfully completed. These projects are central to our digital transformation agenda, enhancing connectivity, strengthening backup and disaster recovery capabilities, fortifying digital security, and modernizing our ICT infrastructure projects aimed at improving the entity's ICT, with a focus on digital transformation, connectivity, backup continuity, disaster recovery, digital security, and ICT infrastructure.

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. Four (4) of these projects are successfully completed.

Project Description	2025/26 FY Project Status	Status
Digital transformation (Electronic Document and Records Management System – EDRMS)	<ul style="list-style-type: none"> ➤ Phase 2 of the implementation process is underway and involves uploading of the following registers: <ul style="list-style-type: none"> ➤ Outdoor Advertising Register ➤ Property Asset Register ➤ Fixed Assets Register – this will run in parallel with the automation of the land process, as per JPC's business requirements. ➤ 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. Additional modules that have been completed: <ul style="list-style-type: none"> ➤ Property Dashboard, ➤ Front Desk, ➤ Fixed Assets, ➤ Marketing Social Media & Website, ➤ JPC Discuss, Memo, Report, Notes, ➤ Helpdesk – IT, Legal, FMM, Property Management. ➤ Phase 4 has commenced, which includes User Acceptance Testing and training. Employees will begin to operate on Odoo immediately after completing their training. User Acceptance Testing and training are completed with the following user departments: <ul style="list-style-type: none"> ➤ Property Management, ➤ Legal, ➤ CBO & Reception, ➤ Supply Chain Management & Finance, ➤ Outdoor Management, ➤ Facilities Management, ➤ Corporate Strategic Support, and ➤ Marketing. ➤ Training is ongoing, for every module rollout. ➤ The Skills Audit and Employee Declaration Form automation with Odoo has been implemented and in testing phase. 	Ongoing over a period of 36 months



Project Description	2025/26 FY Project Status	Status
JPC site connectivity	<ul style="list-style-type: none"> IT is actively engaging with the Group CTO and MTC to secure final approval for the rollout of JPC site connectivity. Funding has been fully allocated, ensuring the project proceeds seamlessly and without procedural constraints within COJ Upgrading our ICT infrastructure is a strategic imperative, as all JPC sites currently rely on outdated systems that pose escalating maintenance costs and operational risks. ICT Infrastructure Upgrade: All JPC sites currently operate on legacy systems that are increasingly costly to maintain. Upgrading our ICT infrastructure is a strategic imperative to reduce long-term costs and enhance system reliability 	10%
Website hosting	Following the successful appointment of a service provider through the RFQ process, our new website is now fully hosted and live. It has been seamlessly integrated into the Odoo platform, advancing our goal of centralizing JPC's digital environment and providing a unified access point for all stakeholders.	100% complete
Microsoft updated related projects	<ul style="list-style-type: none"> Microsoft Defender for Endpoint Microsoft Azure Arc Microsoft Azure Update Manager Microsoft Defender for Cloud Microsoft Sentinel Windows Hello for Business 	100% complete
Digital security and ICT infrastructure	<ul style="list-style-type: none"> Biometric-Project has been completed. CCTV-Project completed. 	100% complete
Mobile Communication Services	<ul style="list-style-type: none"> The RT 15-2021 National Treasury contract for the supply and delivery of mobile communication services has been extended for 24 months. The procurement and upgrade of employee mobile devices has been successfully completed, with distribution finalised across all departments. Allocation to the cleaning division is currently underway, ensuring full resource enablement for every JPC employee in support of the centralised Odoo system rollout 	90% complete
Adobe Programme Licences for ICT applications such as Adobe Programme	The service provider has been appointed, and services are delivered; training has now been completed for 8 licenses.	100% complete

Project Challenges/Delays	Project Opportunities/Focus
Digital Transformation – EDRMS: <ul style="list-style-type: none"> Automation for all established workflow processes and change management for business units. Reliance on primacy systems with CoJ as per the CoJ Smart City Programme Reliance on the CoJ for functions that may support the Odoo implementation (GIS, LIS, Windeed & SAGE(Starting in November 2026) User availability 	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: <ul style="list-style-type: none"> Mimecast mail filtering: GICT has been 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 Engagement with Group Chief Technology Officer and Group Information and Communication Officer to provide the business requirement services, MTC responded that the services are not feasible. 	



Project Description	2025/26 FY Project Status	Status
<p>Backup continuity and disaster recovery: All on-premises servers have been successfully replicated to the Microsoft Azure environment in preparation for phased decommissioning. JPC's business information is now fully managed within Azure, with comprehensive cloud-based backup protocols in place. Additionally, Microsoft 365 operates on a global infrastructure, necessitating a specialized backup configuration.</p> <p>Test outcome: The disaster recovery test confirmed the servers' ability to recover from a simulated disaster scenario without any issues. This testing was successful.</p> <p>Quality assurance: To ensure ongoing reliability and performance, additional DR testing is currently being conducted as part of JPC's quality assurance processes.</p>		

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 39.

Name of Committee	Quarter 1 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 40: Number of Transactions in the CoJ System

Open Petitions

The Petitions Standing Committee (PSC) has not tabled petitions in two (2) months under the period we are reporting. Petitions Standing Committee (PSC) 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 seven (7) historical petitions and two (2) ePetitions. A detailed breakdown of the petitions is provided in Table 40.

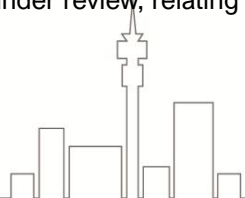


Petition Number	Description of Petition	Status
P104/02/16	Conversion to a multi-purpose centre and verification of ownership of Mampuru Hall in Dube	Open – Revised report is outstanding and awaiting author's submission
P222/06/17	Request for construction of churches on institution sites (Site 554, 838, 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	Closed – 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 53 IR) 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 41: Open Petitions

Client Servicing Unit

The Client Servicing Unit attended to a total of one hundred and sixteen (116) walk-in clients for the period under review, relating to general property information, zoning, and ownership.



A total of seventeen (17) 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.

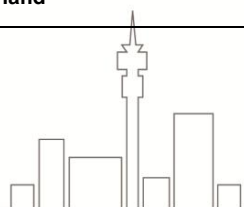
JPC Performance Service Standards

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 41 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.
- **SLS 1.10** ten (10) applications/interest to lease or acquire (formal applications) land and/or buildings were submitted to Assets during the period under review. No response were received issued to the applicants within the required time-frame due to departmental staff absence.

Core Service	Service Level Standard	Jul	Aug	Sep	YTD TOTAL	Variance explanation
SLS 1.1 – Response in acknowledgement of requests, enquiries, and complaints	Within 1 day of logged call		202	0		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		142	0		None
SLS 1.3 – The performance of emergency work for JPC-managed facilities	Within 1 day of logged call		89	0		None
SLS 1.4 – Performance of minor work on facilities managed by JPC	Within 2 days of logged call		56	0		None
SLS 1.5 – Performance of major work on facilities managed by JPC	Within 5 days of logged call		02	0		None
SLS 1.6 – Completion of the sale or lease and registration of servitudes of Council-owned land	Within 9 months after Council approval in terms of Section 14(2) of the MFMA		0	0		None



Core Service	Service Level Standard	Jul	Aug	Sep	YTD TOTAL	Variance explanation
SLS 1.7 – Placement of tender after Council and CoJ EAC approval	Within 5 months of CoJ EAC approval		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 6 months of receipt of request of Permission to Occupy and build (PTOB) from Departments and Entities with confirmation of budget allocation.		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		None
SLS 1.10 – Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application		10/103 = 100%	0/0 = 100%		None

Table 42: Service Level Standards

Section 8

Marketing and Communications

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

Mandela Day Commemoration

On **18 July 2025**, the Johannesburg Property Company (JPC) proudly participated in the **Nelson Mandela International Day** commemoration under the theme: *“It’s still in our hands to combat poverty and inequity.”* This theme underscored the collective responsibility to foster positive change and uplift communities.

JPC marked the occasion with a two-part programme:

- **Outreach Initiative – 3 Kotze Shelter, Hillbrow:** Staff members distributed food, clothing, and hygiene essentials to displaced persons, reflecting JPC’s continued commitment to compassion and community empowerment.
- **Community Cleanup – Walter Sisulu Square of Dedication:** Teams led a large-scale cleanup and market reorganisation campaign, restoring order and vibrancy to this important heritage and trading precinct.



The initiative exemplified JPC’s dedication to social impact, volunteerism, and service in honour of Nelson Mandela’s enduring legacy.



Empowawomen Leadership Summit 2025



On **30 August 2025**, JPC, in partnership with **Empowaworx**, hosted the **Empowawomen Leadership Summit 2025**—a landmark gathering celebrating Africa’s leading women innovators, executives, and changemakers.

As part of the programme, **Ms. Nomthandazo Dlanga**, Manager: Business Operations, represented JPC and shared insights into the company’s role in driving **economic development and transformation** through strategic property management.

The summit marked a fitting conclusion to **Women’s Month**, celebrating the leadership, resilience, and excellence of the women shaping JPC’s success and the broader property sector.

Media Coverage

During the reporting period, the Marketing and Communications Department managed several key media activities to promote transparency and enhance JPC’s public profile:

Media Statements Issued:

- Announcement of **Mr. Musah Makhunga’s** appointment as CEO.
- Clarification statement addressing **misinformation on the review of long-term lease agreements**.

Advertorial Feature:

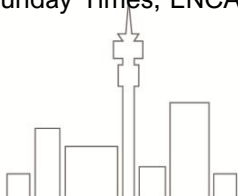
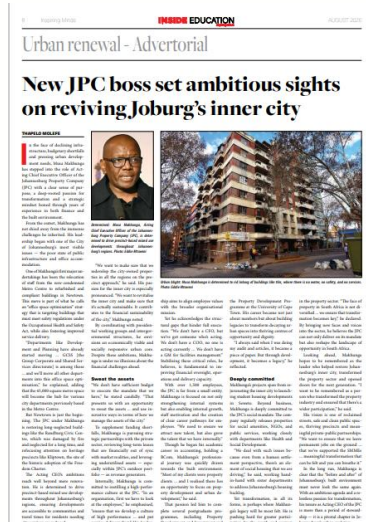
An in-depth article profiling CEO **Mr. Makhunga’s** strategic vision for the revitalisation of Johannesburg’s Inner City was published in *Inside Metros*. The feature emphasised his commitment to **urban regeneration, improved service delivery, and inclusive economic growth**.

Media Engagements:

Ms. Sizeka Tshabalala represented JPC in several interviews across major media platforms:

- Netwerk24** – Addressed claims regarding city park land and low-cost housing.
- Carte Blanche** – Clarified public concerns around Marks Park, reaffirming JPC’s commitment to transparency and the preservation of recreational spaces.
- Radio 702** – Discussed the R2 annual lease with Killarney Country Club and plans to renegotiate outdated agreements.

These stories received widespread coverage across media outlets, including SAFM, News24, IOL, Sowetan, Sunday Times, ENCA, Newzroom Afrika, and TimesLIVE, among others. While the media sentiment during



this period was mixed, JPC proactively managed misinformation through clear and functional communication, reinforcing public confidence in its operations

Outreach and Awareness Campaigns

On 12 August 2025, the Marketing Department participated in the Informal Trader Verification Process at Pan Africa Mall, supporting the profiling and registration of informal traders operating in the area. This initiative strengthened stakeholder engagement and contributed to improved data accuracy and trader compliance within City-managed spaces.

Brand Visibility and Social Media Updates

Corporate eBook Launch



In July 2025, JPC released a digital eBook profiling the organisation's strategic vision, leadership, and flagship projects. The publication highlights JPC's contribution to urban renewal, property development, and economic transformation within the City of Johannesburg. The eBook also features a dedicated profile on Mr. Musah Makhunga, the newly appointed Chief Executive Officer, outlining his leadership vision and commitment to driving sustainable growth.

Internal Communications

Responsibility for internal communications has been officially transferred to the Marketing Department. This transition enhances message consistency, responsiveness, and alignment across business units, ensuring timely dissemination of organisational updates and improved coordination with internal stakeholders.

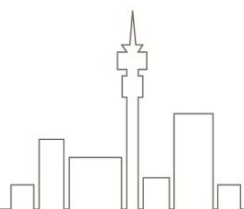
Newsletter

The department continues to promote internal engagement through the regular publication of internal newsletters, ensuring that employees remain informed about corporate developments, key projects, and strategic initiatives.

Social Media Insights

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

- Facebook: Recorded strong growth with 139,000 views, reflecting increased visibility and consistent audience engagement.
- Instagram: Continued upward growth in reach and engagement, showcasing heightened audience interest in visual storytelling.
- X (formerly Twitter): Expanded audience reach and interaction, though limited analytics are available due to the platform's standard (non-professional) account status.
- LinkedIn: Administrative access successfully restored. The page will now be reactivated and regularly updated to strengthen professional visibility and stakeholder engagement.





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 **1 468** positions are filled, **540** are unfunded, and **56** 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 total salary expenditure for the first quarter amounted to **R144 019 380**. This figure includes several remuneration-related transactions processed during the period, namely:

- A **5.01% cost-of-living adjustment** applied across all employee levels.
- **Leave encashments** processed for eligible employees.
- **PFA notch adjustments** implemented for qualifying staff members.
- **Acting allowances** paid to employees temporarily filling critical vacancies that remain unfilled due to budget constraints.
- **Employee benefit adjustments**, including:
 - Increase in the **homeowners allowance** to **R1,170.23**.
 - Increase in the **medical aid limit** to **R5,791.15**.
- **Overtime payments** made in line with approved operational requirements.

Overtime

Overtime claimed and paid in the first quarter amounted to **R301 038**, reflecting a significant reduction in overtime expenditure compare to previous quarters. On average, twenty-eight (28) employees worked overtime per month. The reduction in costs can be attributed to the following key factors:

- **Enhanced Verification Controls:** A stricter overtime approval process has been implemented, ensuring that all requests are thoroughly reviewed and justified in line with departmental mandates. This has effectively eliminated unnecessary and unwarranted overtime claims.
- **Focused Oversight in the Cleaning Unit:** Historically, the Cleaning Unit has experienced higher overtime costs due to its variable operational demands. Through improved monitoring and tighter control measures, the organisation has succeeded in maintaining service responsiveness while significantly reducing excess spending.
- **Proactive Line Manager Engagement:** Line managers have taken a more active role in workforce planning and scheduling, aligning staffing levels with operational needs. This proactive approach has minimised reliance on overtime to meet daily performance targets and improved overall efficiency.



Staff Movements

As indicated in Figure 10 below, staff turnover was low at a rate of 0.48%, 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.
- > **Retirement:** One (1) employee retired naturally
- > **Deceased:** Four (4) employees passed away.
- > **Contract Expiry:** One (1) employee contract reached its end date and was not renewed

Several retirement extensions were granted, which were informed by the 2023 LLF deliberations. Majority of the request are from Cleaning department.

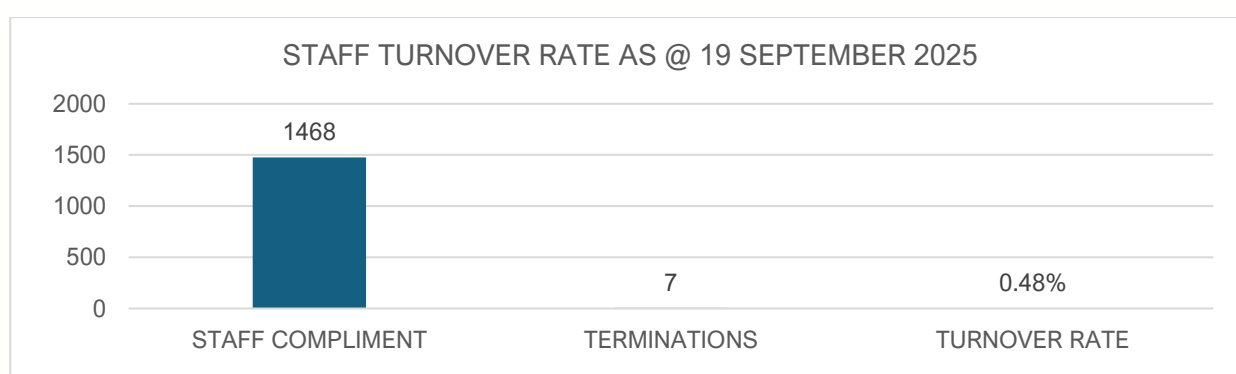


Figure 10: Staff Turnover Rate End September 2025 – YTD

Section 3

Key Vacancies

The process of filling strategic and critical positions is being revisited to ensure that the organisation is adequately capacitated to achieve its strategic objectives. The positions listed in Table 40 have been approved as critical and will be advertised accordingly.

In alignment with the City of Johannesburg Metropolitan Municipality's requirements, JPC is ensuring that all critical positions are submitted to the Strategic Appointment Panel for consideration. This process prioritises the placement of internally displaced employees before external advertisements are issued.

Following consultations with line managers, further submissions have been made to the Strategic Appointment Panel for approval of critical priority roles to be filled before the end of the financial year.



Position	Department	Status
Chief Executive Officer	Entity	The position has been successfully filled as at 01 September 2025.
Chief Financial Officer	Finance	The recruitment process has been put on hold due to panel unavailability
Senior Manager: Supply Chain	Finance & SCM	The position will be re-advertised subsequent to it being put on hold due to budget constraints
Manager Financial Management	Finance	
Committee Officer	Finance & SCM	
HR Assistant	Human Capital Management	The recruitment process has completed and only one incumbent has accepted the offer, the other position will need to be readvertised

Table 43: Key Vacancies

Approved vacancies for the current financial year

The following positions were approved by the Strategic Appointment Panel in the current financial year in July, however, cannot be filled due to budget constraints. The Acting CFO is engaging the City with regard to allocation of budget to enable JPC to employ and be able to deliver on its mandate.

- > Assistant Manager: Cleaning Services (2)
- > Assistant Manager: Planned Maintenance
- > Contract management Officers (2)
- > General Manager: Cleaning and Facilities Management
- > Human Capital Administrator
- > Human Capital Coordinator
- > Manager: Building Compliance
- > Manager: Human Capital Transactions and Operations
- > Property Administrator
- > Senior Manager: Talent & Organisational Efficiency
- > Sourcing Officers (2)
- > Wellness Practitioner (the Wellness Practitioner was sourced through an internal transfer from Metrobus)



Section 4

Employment Equity and Workforce Demographics

JPC's total employment equity demographics in Table 43 include permanent and temporary employees. For the period under review, the total workforce is **1 468**.

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	0	0	0	0	0	0
Senior Management (3 & 4)	6	0	1	0	4	0	0	0	0	0	10
Professional qualified and experienced specialists and mid-management (5 & 6)	18	1	2	2	20	1	2	3	0	0	49
Skilled and qualified workers, junior management, supervisors, foremen, superintendent (7 & 8)	79	5	5	4	90	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)	286	0	0	1	843	9	0	0	0	0	1 139
Total Permanent Staff	428	11	8	7	974	32	4	3	1	0	1 468
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
Grand Total	428	11	8	7	974	32	4	3	1	0	1 468

Table 44: 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 September 2025.

EAP Target Demographics	JPC Actuals								
	Male %	Female %	Target Total %	Male %	Female %	Total %	Male No.	Female No.	Total Number
Africans	45 %	36 %	81%	29%	66%	95%	428	974	1 402
Coloureds	2%	2%	3%	1%	2%	3%	11	32	43
Indians	2%	1 %	3%	1%	0.27%	1%	8	4	12
Whites	7%	6%	13%	1%	0.20%	1%	7	3	10
Foreign Nationals							1	0	1
Total	56%	44%	100%	31%	69%	100%	455	1 013	1 468
People with Disabilities	2.00%			0.54%			8		

Table 45: JPC Workforce Demographics in Terms of EAP Targets



Gender and Racial Split Analysis

JPC's gender distribution consists of 69% female and 31% male representation. No significant changes in percentages were recorded for terminations or in the racial split in the quarter under review.

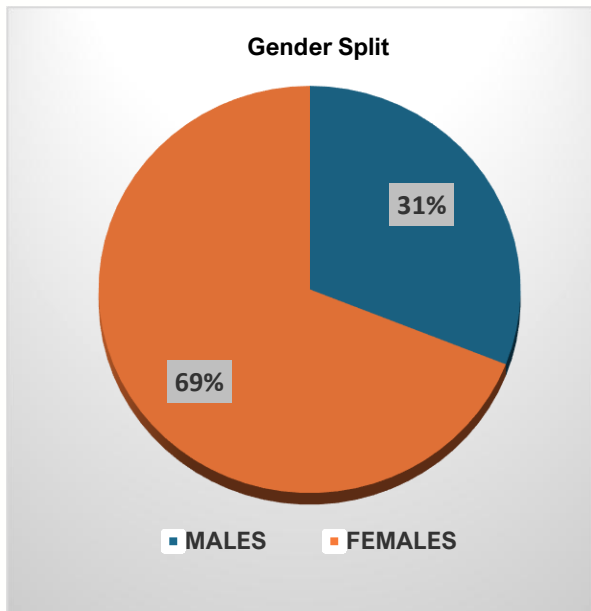


Figure 11: Gender Split

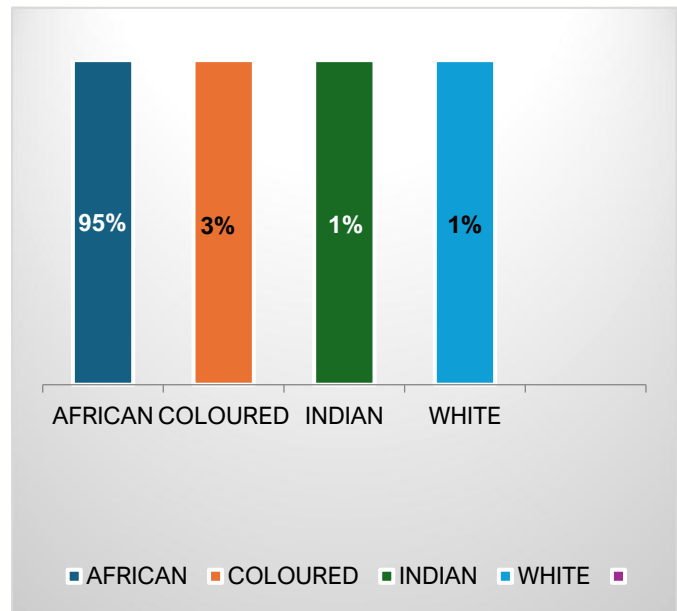


Figure 12: Racial Split

Employment Equity Initiatives

During the period under review JPC, held an event to celebrate the strength, resilience, and brilliance of women. It was further to create a platform for empowerment, knowledge sharing, and engagement among female employees.

The event had inspirational talks focusing on women's empowerment, resilience, and well-being, participation by employees across departments, with attendees dressing according to the shades of pink theme and the recognition of women's contribution to the workplace and broader community.

The event was well attended by staff, with active involvement in discussions and activities reflecting strong employee engagement and reinforced JPC's commitment to promoting inclusivity, diversity, and staff well-being.



Section 5

Employee Capacitation

Implemented Training and Development Initiatives to Address Competency Gaps

During the quarter, no training interventions were implemented. The HCM unit is currently in the process of initiating a tender to establish a new panel of training service providers, as the previous panel's term has expired. Personal Development Plans (PDPs) are being consolidated to support a more targeted and strategic approach to employee development.

In addition, a Competency Profiling and Skills Development Project has been launched to review both functional and generic competencies in alignment with property industry and professional standards. This initiative will provide JPC with a comprehensive view of its organisational skills profile and facilitate the development of fit-for-purpose assessment tools to enhance talent management and workforce planning.

Section 6

Disciplinary Matters and Outcomes

Current Internal Cases

Nature of Incident	Status	Action Taken
Irregular expenditure	Ongoing	2 X Employees served with charges: One case concluded, awaiting a ruling. Another is underway.
Abscondment or absent without leave	Pending	2 X cases were postponed <i>sine dire</i> , since employees were attending EAP.

Table 46: Disciplinary Cases

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	Resolved	The matter (Step 3) was settled amicably via mediation conducted by an externally appointed Chairperson on 18 August 2025 .
Salary disparity	Ongoing	Matter was at Step 3. It has been concluded regarding the merits and is now awaiting the outcome from the Chairperson.
Intimidation and Ill-treatment of employees	Resolved	This matter was at Step 3 of the Grievance hearing. An external Chairperson was appointed and gave his decision on 27 August 2025 .
Intimidation and Ill-treatment of employees	Resolved	This matter was at Step 3 of the Grievance hearing. An external Chairperson was appointed and gave his decision on 16 September 2025 .
Unfair treatment of employees that belong to IMATU.	Pending	
Lack of Transfer and Job Description; Team exclusion	Pending	The issue is currently at Step 3, and we are now waiting for the Chairperson's ruling.
Abuse of position; Intimidation; Conflict of Interest.	Pending	
Salary disparity	Pending	This is a new matter at Step 2 of the grievance process. Line has been advise to address it upon the employee's return from leave.
Abuse of authority	Pending	This is a new matter at Step 2 of the grievance process. Line has been advised to address the matter.

Table 47: Grievances

External Disputes

No	Forum	Status	Action Taken
1.	SALGBC	Arbitration	Matter is set down for arbitration on 26 September 2025
2.	SALGBC	Conciliation	Not date provided as yet.

Table 48: External Disputes





Section 7

Union Representation

SAMWU Members	1 104
IMATU Members	610
Dual Membership (SAMWU & IMATU)	266
Non-Unionised Members	15

Table 49: Union Representation Membership

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

Section 8

Leave Provision

For the first quarter, leave encashments totalled **R4 292 692**. The higher level of encashments observed during this period is largely due to the start of the new financial year. Employees who had previously exercised their encashment option in the prior financial year became eligible to encash leave again, contributing to the increase recorded this quarter.

Absenteeism

For this quarter, the absenteeism rate at JPC was 8%, exceeding the South African benchmark of 3.6% to 6%. The increase is largely attributed to the winter months, during which employees are more prone to flu and related illnesses. In response, Human Capital Management plans to implement a wellness campaign, including flu vaccinations, ahead of the winter season.

The elevated absenteeism may also indicate employee fatigue, stemming from ongoing staff shortages caused by budget constraints and the rigorous recruitment process governed by the City of Johannesburg’s Strategic Appointment Committee. Despite these challenges, absenteeism continues to be measured in accordance with national standards, reflecting JPC’s commitment to maintaining high levels of attendance, productivity, and performance.

Abscondment Cases with Cost

During the first quarter of the 2025/26 financial year, the total cost of abscondment (AWOL) cases amounted to **R926,339.05**, reflecting a decrease compared to the previous quarter of FY 2024/25, which recorded R1,022,098.19. This reduction is primarily attributed to employees returning to work and signing Acknowledgements of Debt (AODs), as well as the application of statutory deductions and adjustments to employee benefits based on actual AWOL days.



The amount recovered during the quarter was **R84,372.48**, an increase in recovery compared to previous periods, demonstrating the effectiveness of corrective measures and proactive management by line managers to enforce adherence to JPC policies.

For terminated employees, amounts owed could not be recovered directly through payroll deductions due to the absence of salary payments. As a result, JPC has initiated legal proceedings to obtain a court order, in line with pension fund requirements, to recover outstanding debts.

Overall, deliberate interventions, including the empowerment of employees and line managers, have contributed to improved recovery rates and strengthened compliance with organisational policies.

Section 9

Employee Benefits

Table 49 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	1 430	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
Provident Fund	1	Defined contributions
Non-Membership	3	Not compulsory and medically boarded employees
Total	1 468	

Table 50: Distribution of JPC Employee Pension Fund Membership



Accredited Medical Aid Schemes Membership Distribution

Table 50 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	201
Discovery	8
Sizwe Hosmed	28
KeyHealth	84
LA Health	225
SAMWUMED	198
Total Membership	744

Table 51: Distribution of JPC Employee Medical Aid Fund Membership

Declaration of Interest

During the quarter under review, JPC had a total staff complement of 1 468, of which 1 049 employees (72%) had submitted their declarations of interest for the 2025/26 financial year. This leaves 28% of employees yet to declare, in line with the reporting requirements for the first quarter.

JPC continues to enforce its policy requiring all employees to submit declarations to promote transparency and prevent conflicts of interest. In the previous financial year (2024/2025), compliance was higher, with 96% of employees submitting their declarations, and urgent reminders issued to those who had not yet complied.

Employee Wellness

A total of twenty-two (22) cases were recorded across July to September 2025. Psychosocial support emerged as the highest reported need, reflecting demand for mediation, family support, trauma counselling, and ill-health assistance. Managerial referrals remained consistent throughout the quarter, highlighting ongoing concerns about absenteeism and performance management. Functional assessments were minimal, with one case in July leading to a gradual return to work strategy. Applications for medical boarding and reasonable accommodation indicate a growing focus on employee health management and employer-initiated support interventions.

Employee Wellness

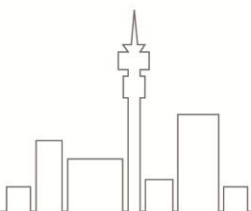
As part of continuous education and awareness campaign a communique on suicide prevention was shared with employees. The aim was to raise awareness during Suicide Prevention month. The message encouraged resilience, positive coping strategies, and peer support. It also provided information on available support services and resources. This initiative forms part of our commitment to promoting Holistic wellness in the workplace





Chapter 5

Financial Performance



Section 1:

JPC Statement of Financial Position

Note	2026	2025	Variance	Variance %
	R'000	R'000	R'000	
Assets				
Current assets	1 541 665	1 386 778	-154 887	-11.17%
Cash and cash equivalents	2	2	-	0.00%
Receivables from exchange transactions	1 230 615	994 538	-236 077	-23.74%
Loans to shareholders	301 533	376 417	74 884	19.89%
Receivables from non-exchange transactions	41	41	-	0.00%
Prepayments	-	-	-	0.00%
Vat receivables	9 475	15 781	6 306	39.96%
Non-current assets	157 811	162 637	4 826	2.97%
Property, plant and equipment	51 375	56 185	4 811	8.56%
Intangible assets	161	176	15	8.62%
Deposits	62 698	62 698	-	0.00%
Deferred Tax Asset	30 113	30 113	-	0.00%
Current tax receivable	13 464	13 464	-	0.00%
Total Assets	1 699 477	1 549 415	-150 061	-9.69%
Liabilities				
Current Liabilities	1 452 108	1 373 207	-78 901	-5.75%
Payables from exchange transactions	260 601	308 093	47 492	15.41%
Current tax payables	-	-	-	0.00%
Finance lease obligation	7 982	9 368	1 386	14.80%
Loans from shareholders	1 151 827	1 008 267	-143 560	-14.24%
Provisions	4 196	4 196	-	0.00%
Vat payable	-	15 781	15 781	-100.00%
Operating lease liability	27 503	27 503	-	0.00%
Non-Current Liabilities	19 600	19 600	-	0.00%
Finance lease obligation	18 881	18 881	-	0.00%
Employee benefit obligation	719	719	-	0.00%
Total liabilities	1 471 708	1 392 807	-78 901	-5.66%
Net Assets	227 768	156 608	-71 161	-45.44%
Share Capital	5 143	5 143	-	0.00%
Accumulated Surplus/(Deficit)	222 626	151 465	-71 161	-46.98%
Total Net Assets / (Liabilities)	227 768	156 608	-71 161	-45.44%

Table 52: JPC – Financial Position as at 30 September 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 to the value of R34 million. The total outstanding debt from related parties is R1.2 billion. The collection from related parties has slowed down in the first quarter as per the norm. This is expected to pick in the second quarter going forward.
3. Represents the COJ: Portfolio loan account with JPC and the sweeping account of R292 million. The cash position of JPC has slightly decreased, as payments to JPC creditors has increased.
4. Prepayments are currently sitting at zero..
5. Vat receivable is as a result of successful objections by JPC for SARS additional input VAT claims granted.
6. 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.
7. 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. PIMS software is considered impaired due to JPC not using it and not anticipating any near future usage. The City is currently working on the SAP system to be used in the near future.
8. Electricity deposits with Eskom are for the Baragwanath informal trading facility and the Lenasia facilities management buildings. Also included, is the deposits paid as per the lease agreements.
9. Deferred tax has been calculated to account for movements in the balance sheet and temporary differences.
10. Provisional tax payments were made for the 2025 financial year slightly in excess of the of tax expense hence JPC has a receivable.
11. Consists of current liabilities that will become due and payable in the next 12 months. These liabilities include accruals, related party accruals, etc. Comparatively, JPC has had an increase in trade payables year on year due to none payment of related party creditors.
12. This relates to normal tax expense incurred in the current year, as a result of leases not being renewed in the current year as anticipated. This was netted off against the provisional tax payments made in 2025.
13. The R26.8 million (current portion of R7 982 000 plus non-current of R18 881 000) is as a result of the finance leases entered into in May 2023 for the acquisition of motor vehicles; and November 2023 for the acquisition of new laptops.
14. Relates to loan accounts payable between JPC and various CoJ departments for the JPC and insourced cleaners' payroll as well as transactional loan accounts for the acquisition of property for the CoJ. Improved receipts from related party receivables will allow JPC to pay its related party liabilities thus reducing this amount.
15. The provision relates to bonuses due to EXCO members.
16. VAT payables is nil as at 30 June 2025 as JPC has had more VAT input than vat output as at June 2025.
17. 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. Provision on post-retirement medical aid raised based on the 2024/25 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. There are no changes 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 Position

		YEAR-T0-DATE		Year-on-year Variance	
REF		30-Sep-25	30-Jun-25	%	R
		R'000	R'000		R'000
Revenue					
Revenue from exchange transactions		107 339	454 792	-76%	347 453
Cellmast services	1	700	21 034	-97%	20 334
Commissions and ad hoc fees	2	4 344	25 717	-83%	21 373
Management fees	3	12 198	24 673	-51%	12 475
Other Revenue	4	2 168	5 770	-62%	3 602
Cleaning services	5	85 741	347 888	-75%	262 147
Facilitation fees	6	-	2 084	100%	2 084
Interest received	7	2 188	27 626	-92%	25 438
Revenue from non-exchange transactions		198 092	697 594	-72%	499 502
Medical boarding refunds	8	248	977	-75%	729
SETA refunds	9	312	651	-52%	339
COJ - Subsidies received	10	197 532	695 732	-72%	498 200
Interest received	11	-	-	100%	-
Total Revenue		305 431	1 152 386	-73%	846 955
Expenditure					
Employee related costs	12	143 560	573 780	-75%	430 220
Depreciation and amortisation	13	4 826	19 779	-75.60%	14 953
Impairment losses	14	-	-	100.00%	0
General and operating expenses	15	33 098	199 184	-83%	166 086
Interest and finance costs	16	225	4 369	-95%	4 144
Debt impairment	17	-	-	100%	0
Lease rentals on operating leases	18	52 988	185 627	-71%	132 639
Loss on disposal of fixed assets	19	-	8 551	-100%	8 551
Total expenditure		234 697	991 290	-76.32%	756 593
(Deficit)/surplus before taxation		70 734	161 096	-56.09%	90 362
Taxation	20	-	45 985	-100.00%	45 985
(Deficit)/surplus for the year		70 734	115 111	-38.55%	44 377

Table 53: JPC – Statement of Financial Position as at 30 September 2025



Notes to the Statement of Financial Position

1. The Cellmast revenue is generated in line with the contract. The 97% variance is expected the decrease as the year progresses.
2. The COJ Rental Collection Commission, Servitudes, and Rates & Taxes is in line with rental collections in Portfolio. There is currently an undertaking to further renew leases, this will increase the amount of revenue Portfolio can collect and the commission receivable by JPC.
3. JPC earns a 10% management fee for facilitating and managing R&M and CAPEX projects for the COJ's departments and other MOEs. Income decreased by 10% compared to the prior year due to less R&M and CAPEX projects facilitated by JPC for the COJ's departments and other MOEs.
4. Other revenue relates to rental recovery for forum 1 rental.
5. Cleaning service costs are billed and recovered for services rendered. The cleaning cost rate has been revised as a fixed rate plus 10% that will cover all costs associated with the cleaning services that JPC provides. This has yielded higher revenue from previous financial years.
6. Relates to development facilitation fees. For the YTD no transaction has transpired.
7. Interest received from the sweeping account increased year-on-year as the account has accumulated to a R292 million surplus by 30 September 2025. The increase in interest rates throughout the financial year have also been beneficial to the growth of the account balance.
8. Medical boarding is the inability of an employee to work according to the requirements of his/her job as a result of ill-health or injury. Refunds claimed vary and can't be budgeted or planned for.
9. JPC received refunds from the Services SETA for staff training that was conducted during the financial year.
10. The subsidy was provided to JPC for the 2025/26 financial year.
11. Interest received is nil compared to the previous year.
12. Due to JPC being a service based business that is human capital intensive employee related costs represent 61% of JPC's expenditure. The expenditure has slightly increased year-on-year to align with the reductions in budget, however this has come at a disadvantage as the entity is not able to capacitate its critical vacancies.
13. Depreciation amortisation is in line with expectation with no major changes year on year.
14. No impairment has been recognised.
15. Operational expenditure includes large expenditure items such as repairs and maintenance, utilities, and security- which have increased in the current year.
16. JPC incurred interest due to mainly the finance lease entered into in the prior years.
17. The recoverability of third-party debtors is assessed annually and the provision for bad debts is adjusted accordingly in line with the requirements of GRAP 104. No debt impairment has been raised in the first quarter.
18. Lease rentals increased year-on-year as annual escalations on existing office accommodation leases came into effect.
19. Loss on disposal of fixed assets is as a result of scrapped items of property plant and equipment. No loss on disposal of fixed assets has been raised in the first quarter.
20. Taxation will be calculated at mid-term when estimating and paying the first provisional payment.



Section 3:

JPC Statement of Cashflow

	30-Sep-25 R'000	30-Jun-25 R'000
Cash flows from operating activities		
Rendering of services	155 559	367 048
Subsidies	197 532	695 732
Interest Income	2 188	27 860
	355 279	1 090 640
Payments		
Employee costs	-143 560	-577 306
Suppliers	-317 047	-392 414
Finance costs	-225	-4 369
Taxation paid	34 621	72 211
	-495 453	-1 046 300
Net cash flows from operating activities	-140 174	44 340
Cash flows from investing activities		
Purchase of PPE	-	-4 974
Purchase of Deposits	-	-61 476
Purchase of intangible assets	-	-
Net cash flows from investing activities	-	-66 450
Cash flows from financing activities		
Net movement of shareholders loan	143 560	30 088
Finance lease payments	-1 386	-7 978
Net cash flows from financing activities	142 174	22 110
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 01 July 2024	2 000	2 000
Cash and cash equivalents at 30 June 2025	2 000	2 000

Table 54: JPC – Statement of Financial Position as at 30 September 2025





Overview for Statement on Cashflow

The statement of cash flows indicates who the entity has generated its cashflow and what it has done with its cash. Review of the JPC's statement of cash flow as at 30 September 2025 indicates:

- A constrained inflow of monies from trade receivables and the subsidy.
- As JPC abides by the provisions of the MFMA to settle its suppliers within 30 days, the cashflows to suppliers are greater than the inflows from the rendering of services.
- An increased financial obligation for loans from shareholders are the funding of the entity. This is indicated by the R40 million outflow from operating activities and the R142 million inflow from its financing activities. The position is expected to change in the second quarter going forward as per the norm.



Section 4:

Portfolio Statement of Financial Position

		NOTE	ACTUAL	ACTUAL	
		REF	September-25	September-24	VARIANCE
ASSETS					
CURRENT ASSETS			171 457 152	168 126 663	3 330 489
Trade and other receivables			144 593 233	143 092 994	
Debtors - Rentals	1		215 566 436	156 472 788	59 093 648
Doubtful Debts - Move Provision	2		(102 670 733)	(61 568 527)	(41 102 206)
Debtors - Other: COJ	3		3 241 422	2 957 881	283 542
COJ Portfolio - VAT Claim/Payable Account	4		6 146 332	10 490 764	(4 344 433)
JPC Portfolio Loan Account	5		-	2 459 190.80	(2 459 191)
Capital Expenditure: Current Year	6		-	11 076 275	(11 076 275)
Capital Expenditure: Prior Year	6		22 309 777	21 204 623	1 105 154
Cash and cash equivalents			26 863 918	25 033 669	1 830 249
STD/ABSA Bank - Tenant Deposit Account	7		26 863 918	25 033 669	1 830 249
NON-CURRENT ASSETS			-	-	-
TOTAL ASSETS			171 457 152	168 126 663	3 330 489
EQUITY AND LIABILITIES					
CURRENT LIABILITIES					
Trade and Other Payables			317 555 757	307 272 881	10 282 876
STB COJ Loan Account - Bank Sweeping	8		147 437 886	120 491 617	26 946 269
COJ Portfolio - VAT Claim/Payable Account	4		-	-	-
Accruals	9		33 736 377	39 532 203	(5 795 826)
Receipts In Advance - Rentals	10		8 689 701	9 377 407	(687 706)
Deposits Received: Tenants	11		11 310 950	11 310 950	-
JPC Portfolio Loan Account	5		7 640 992	2 290 619	5 350 373
JPC Portfolio Loan Account: Commission	5		27 540 629	82 731 914	(55 191 286)
Property Portfolio Loan: MOE's	12		27 572	387 655	(360 083)
JMPD	13		80 843 063	38 634 429	42 208 634
Prepaid - Deposit received on land sales	14		237 350	2 424 850	(2 187 500)
Creditor (Khulu Outdoor)	15		91 237	91 237	-
NON CURRENT LIABILITIES			-	-	-
TOTAL LIABILITIES			317 555 757	307 272 881	10 282 876
NET ASSETS			-146 098 605	-139 146 218	-6 952 387
Accumulated Surplus/(Deficit)			-146 098 605	-139 146 218	-6 952 387
TOTAL NET ASSETS AND LIABILITIES			171 457 152	168 126 663	3 330 489

Table 55: 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 of Councillors, Community Participation Projects. It was agreed with COJ that the JPC Portfolio will pay for the monthly rentals for the office space and in turn the City will refund 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 & 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 is R39 750 for the year 2025/2026 and to-date the overall spending is sitting at zero. R22 309 777 from 2024/2025 fy still needs to be paid.
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 R33 736 377 still to be paid.
10. This item reflects rental paid in advance for 30 years by RMB properties which are allocated on a straight-line basis, with 10 years remaining on the contract.
11. Tenant deposits held in trust account.
12. The Property Portfolio Loan account reflects amounts due to MOEs based on the income received on their behalf. MOE's Rentals are paid into the JPC Portfolio Main Account and are normally paid over to MOEs the following month.
13. This amount relates to the JMPD security services for the securing of Informal Trading facilities and properties.
14. 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.
15. 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 SEPTEMBER 2025/26	YTD BUDGET SEPTEMBER 2025/26	VARIANCE approved	VARIANCE %	APPROVED ADJ BUDGET 2024/2025
INCOME / BILLINGS						
Commercial Rental	1	1 166 444	5 880 915	4 714 470	-80.17%	23 523 659
Residential Rental	1	499	68 611	68 112	0.00%	274 443
Non Commercial	1	1 864 203	4 200 557	2 336 355	-60.37%	16 802 230
Development Rentals	1	1 044 827	1 113 474	68 647	-5.75%	4 453 895
Recoveries - Water, Refuse, Sanitary fees, Assessment Rates, Parking	1	4 464 995	8 956 193	4 491 199	-50.15%	35 824 773
Interest Received - Arrear Debtors	2	928 089	1 110 750	182 661	-20.08%	4 443 000
Outdoor Advertising - COJ	3	10 514 718	26 150 000	15 635 282	-70.55%	104 600 000
TOTAL INCOME		19 983 775	47 480 500	27 496 725	-57.91%	189 922 000
EXPENDITURE						
Contacted Services: Business Advisory PM & Research	4		9 024 795	9 024 795	100.0%	36 099 181
Contacted Services: Business Advisory Valuer	4		744 705	744 705	100.0%	2 978 819
Refuse Removal	4		622 500	622 500	100.0%	2 490 000
Grass cutting services	4		432 750	432 750	100.0%	1 731 000
Security services	4		2 500 000	2 500 000	100.0%	10 000 000
Pests/Fumigation Port	4		125 000	125 000	100.0%	500 000
RM: Buildings	5	55 732	10 214 750	10 159 018	99.5%	40 859 000
Bad and Doubtful Debts	6		12 745 750	12 745 750	100.0%	50 983 000
Advertising, Publicity and Marketing	7	6 790	803 500	796 710	99.2%	3 214 000
General Expenses: Assessment Rates	8	447 558	270 750	-176 808	-65.3%	1 083 000
Internal Recoveries: JPC Commission	9	6 302 502	11 317 750	5 015 248	44.3%	45 271 000
Internal Recoveries: Internal Charges Cleaning & security	10	2 811 936	25 087 250	22 275 314	88.8%	100 349 000
Depreciation: Other Assets	11	-	167 500	167 500	100.0%	670 000
TOTAL EXPENDITURE		9 624 519	74 057 000	64 432 481	87.00%	296 228 000
SURPLUS / (DEFICIT)		10 359 256	(26 576 500)	-36 935 756	139.0%	(106 306 000)

Table 56: 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 -57.76% below the targeted budget of R20 219 750 for the quarter. Delays in the approval of reports by EAC has resulted in the lease renewal period being longer than the average 3 months it takes for a lease to be renewed. Delays in council approvals for potential new leases has 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 debtor's accounts is -20.08% below the targeted YTD budget.
3. Income derived from outdoor advertising and promotions, -70.55% below the budget. JPC is currently finalizing the signing of new Outdoor Advertising contracts and the revenue will start picking up
4. This line item relates to expenditure spent on Contacted Services: Business Advisory PM & Research, Refuse removal, Grass cutting, Security & Pest/fumigation. Expenditure under this line items reflects 0% expenditure recorded against the YTD budget.
5. This line item relates to repairs and maintenance costs on buildings at 99.5% below YTD Budget spend as at the end 30 September 2025.
6. This line item relates to Bad and Doubtful Debts. No expenditure recorded as at the end 30 September 2025.
7. This line item relates to Advertising, Publicity and Marketing. 99.2% below YTD Budget was spend as at the end 30 September 2025.
8. General Expenses: Assessment Rates, Electricity supply- expenditure incurred. 65.3% below YTD Budget was spend as at end 30 September 2025.
9. Internal Recoveries: JPC Commission is recorded at 43.9% 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 it's target.
10. Internal Charges on Cleaning and Security insourcing recorded at 88.8% below YTD Budget as at the end 30 September 2025.

No depreciation expenditure recorded in the month as at the end 30 September 2025.



Section 6:

Capital Projects and Expenditure

Project Name	Budget 2025/26 (R 000)	YTD Actuals (R 000)	YTD Variance (R 000)	% Spent	Status
City wide revamping of the Informal Trading Stalls and Linear Markets	5 494	-	5 494	0%	Service provide appointed
Replacement/ Upgrading of lifts in Corporate Buildings within the CoJ	3 752	-	3 752	0%	The Bid Specification documents are currently being drafted to go out on tender.
Inner City Rejuvenation Programme/Project	15 252	-	15 252	0%	Service provide appointed
23776_Walter Sisulu Square Upgrade	15 252	-	15 252	0%	Inception phase is complete, concept and viability stage is 70% complete, design development phase will be done (stage 3)
	39 750	-	39 750	0%	0%

Table 57: Capital Projects and Expenditure

Section 7:

Analysis of Ratios

Part A: JPC

Liquidity Ratio

Ratio	2026	2025
Liquidity ratio (1:1)	1.06	1.08
Solvency ratio (2:1)	1.15	1.18
Trade receivables turnover		
Related parties (days)	993	353
Provision for Bad Debts	34 356 745	34 356 745
Trade receivables to total assets (%)	72%	55%
Cash coverage ratio (1:1)	1.25	0.47
Cash Position	292 952 132	368 430 613

Table 58: Ratio Analysis



Liquidity Ratio

JPC is currently owed **R1.2 billion** from trade and intercompany debtors with cash collections in excess of **R300 million** being achieved for the YTD for trade receivables. The amount is usually high in the first quarter as a result of increased accruals in the fourth quarter of the last financial year, and a slower receipts from departments in the first quarter. This will improve in the second quarter going forward as per norm.

The sweeping account currently reflects a positive **R292.9 million**. The reduction in the cash position is the result of JPC receiving limited outstanding monies from the COJ for facilities management services that have been rendered to the COJ and an improved settlement of creditors by JPC reflected by a reduced payables from exchange balance.

Solvency Ratio

JPC has a solvency ratio of 1.15:1 against the norm of 2:1, and is factually solvent, as the financial statements indicate sufficient assets to cover all liabilities. The solvency is illustrated by a net asset position of **R227.3 million**. Given the financial support and access to cash facilities, JPC remains commercially solvent with sufficient resources to service its operational obligations as they arise. Increased revenue from facilitation fees, outdoor advertising, and rentals will further bolster JPC's solvency position through commissions receivable from the Portfolio.

Cost Coverage Ratio

Due to the positive cash position of JPC, the cost coverage ratio is positive 1.25:1. Management has reviewed the cash flows of JPC and will seek to maintain the ratio between 1.5:1 to 2:1 into the 2026 financial year. Surplus cash, if any, will be utilised to settle COJ salary loan accounts.

Debtors Collection Period

JPC has a debtors' collection ratio in excess of two years for 3rd party/external debtors. This ratio has disimproved in the first quarter due to slow receipts from related parties in the first quarter as per the norm. The intercompany debtors' collection ratio is due to non-payment by COJ departments and other MOEs for services rendered by JPC as well as for cleaning services that are yet to be recovered.

Provision for Bad Debts

JPC raised a provision for bad debts related to facilitation fees previously raised. The provision accounts for 100% of total external debtors, however this is just relating to old debt as debtors service the current invoices/debt. The facilitation fees are due and payable based on the stage of completion, however, the companies that were awarded the sites for development have not initiated their projects due to various delays. From an accounting perspective, JPC has raised a provision for bad debts against these facilitation fees at 100% of the value of the awards. Per GRAP 104, additional debtors have been added to the provision by discounting active third party debtors at amortised cost at an effective interest rate linked to the prime lending rate.

Creditors Payment Cycle

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



Statement of Financial Performance

	2026	2025
Profit before tax	70 734 000	161 095 136
Net surplus / (Deficit)	70 734 000	115 110 394
Net operating margin (%)	23.47%	15.67%
Non-exchange revenue to total revenue (%)	65.44%	61.24%
Exchange transactions to total revenue (%)	33.76%	36.27%
Employee costs to total expenditure (%)	61.17%	58.60%
R&M to total expenditure (%)	0.51%	1.05%
Rental to total expenditure (%)	32.36%	18.49%

Table 59: Ratio Analysis - Statement of Financial Performance

Surplus/ (Deficit)

The net surplus as at 30 September 2025 is **R71.1 million** and was at a surplus of **R115.1 million** when compared to figures for the period ended 30 June 2025. Major contributors to the surplus are as follows:

- JPC prepares a breakeven budget; estimated income is matched with estimated expenditures. Majority of JPC's expenses are fixed with the exception of repairs and maintenance; however, expenditure is managed to ensure that overspending does not occur.

Expenditure

Review of the expenditure of JPC indicate that the main drivers are employee costs, repairs and maintenance, security and leased office accommodation. Due to the under-spend on R&M for the financial year, the expense base upon which the ratios are determined are lower than the previous financial year. Employee costs are higher year-on-year, and the percentage representation of expenditure has increased resulting in a ratio of 61.17%.

Rental expenditure is expected to increase even further in 2025/2026 as office accommodation lease contracts have come to the end of their lease terms and undergoing the extension and renewal process. The supply chain processes for the extensions and renewals are activated and approved by the Executive Adjudication Committee of the COJ, undergoing this approval has resulted in delays in initiating the renewal process of the leases. Upon conclusion of the lease renewal process, expenditure is anticipated to increase in 2025/2026 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 0.54:1 as compared to the norm of 2:1, with a negative cash flow of R147 million for the period under review as compared to a negative cash flow of R120 million in the 2024 financial year. Debtors currently owe Portfolio R216 million with R102 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, being 66% 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 8%. The collection rate excludes debt owed by other debtors.

Solvency Ratio

CoJ-JPC Portfolio has a solvency ratio of 0.06:1 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"> > No deviations were noted. > No new irregular, fruitless, and wasteful expenditure was recorded in the quarter under review. > Continuation of leases, fleet, and IT was addressed.
Report on all awards to close family members or employees of the state	<ul style="list-style-type: none"> > No awards were offered to close family members or employees of the state.
Report on declarations of gifts made and received by employees	<ul style="list-style-type: none"> > No declarations of gifts received were recorded.
Report on bidder or official found guilty of improper conduct	<ul style="list-style-type: none"> > No bidder or official was found guilty of improper conduct.
Report on sponsorship/donation from lessee or prospective lessee, holder or prospective holder of optimisation rights	<ul style="list-style-type: none"> > JPC has not received/recorded any sponsorship/donation from the lessee or prospective lessee, holder or prospective holder of optimisation rights.
Report on any bidders found guilty of bribery	<ul style="list-style-type: none"> > No bidders were found guilty of bribery.
Report on contracts awarded whose duration ends over 3 (three) years and contracts above R100 million for goods and services	<ul style="list-style-type: none"> > 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.

Table 60: Supply Chain Management Reports

Tender Awards (Request for Proposal)

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

Deviations/Ratification JPC Entity

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

City Portfolio

No deviations were recorded.

Payment Within 30 Days

JPC and 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	2026	2025
Opening balance	3 983 917	4 103 153
Current year additions	-	231 470
Amounts recovered	(51 703)	(143 894)
Less: Amount written off – Current	-	(206 812)
Closing Balance	3 932 214	3 983 917

Table 61: Fruitless and Wasteful Expenditure

Treasury Guidelines on irregular expenditure provide that this is only recognised when payment pertaining to non-compliance is actually made. Any irregular expenditure determined prior to a payment being made shall only be regarded as non-compliance until the payment is made; at which point the irregular expenditure shall be recorded.

Irregular Expenditure	2026	2025
Opening balance	233 989 623	219 626 409
Current year additions	26 817 029	153 295 754
Prior period additions	-	-
Amount written off	-	(138 932 540)
Closing Balance	260 806 652	233 989 623

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

For the financial year irregular expenditure increased by R26 817 029. The incidents that gave rise to the irregular expenditure are as follows:

Category	Description	Disciplinary status	Amount
Non-compliance with laws and regulations	Deviation – Not meeting Regulation 36 requirements	Under review by the CoJ	24 727 208
Non-compliance with laws and regulations	Contract expired. The City to take over the process	Under review by the CoJ	857 929
Non-compliance with laws and regulations	Centralised fleet contract.	Under investigation by Internal Audit	1 231 891
Total			26 817 028

Table 63: Reasons for Irregular Expenditure



Section 10: Pending Litigation and Possible Liabilities

JPC Entity

JPC currently has six matters of litigation against the entity from external parties. The matters are currently in varying stages of litigation, with the likelihood that they may be concluded and settled in coming 2025/26 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.





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), as well as other applicable legislation and governance frameworks. Its primary objective is to provide reasonable assurance on the effectiveness of JPC's risk management, control, and governance processes as designed and implemented by management. Key areas of focus include:

- Ensuring operations are conducted efficiently and effectively.
- Assessing compliance with applicable laws and regulations and addressing significant legislative or regulatory issues.
- Safeguarding organisational assets.
- Ensuring risks are properly identified, assessed, and managed.
- Verifying that key financial, operational, and performance-related information is accurate, reliable, and produced in a timely manner.

The three-year rolling Internal Audit Strategic Plan (01 July 2026 – 30 June 2029), along with the Annual Internal Audit Plan for 2025/26, will be presented to the ARC during the second quarter of 2025/26 for review and approval, as required annually.

Progress on the Annual Internal Audit Plan

For the year ending 30 June 2026, a total of 22 audit projects are planned. These include:

- 19 comprehensive audits
- Follow-ups on findings from the Auditor-General and previous Internal Audits
- 1 ad hoc project
- 1 Probity audit

Two of the comprehensive audits—Audit of Pre-determined Objectives and Service Level Standards—will be conducted on a quarterly basis, while the remaining audits are scheduled to commence in second quarter of 2025/26.

Quarterly projects	Allocated	Actual completed
Quarter 1	2	None
Quarter 2	2	None
Quarter 3	2	None
Quarter 4	19	None

Table 64: Rating Table



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, the internal audit has raised 12 audit findings. The resolution rate for the internal audit findings for quarter 1 of the 2024/25 financial year is 0%; however, the management is in the process of resolving the findings, as they were finalized at the end of August 2025.

Category	Total	Resolved	Not Resolved
Very high	0	0	0
High	3	0	3
Medium	9	0	9
Total	12	0	12

Table 65: Internal Audit Review and Progress

Section 3

Progress on Resolution of External Findings

The Auditor-General of South Africa (AGSA) commenced the audit for the financial year ending 30 June 2025, with completion anticipated by 30 November 2025. There are no outstanding audit findings from the previous financial year. Key findings identified by the AGSA for the current audit are outlined in **Table 64**. For detailed information.

Category	Total as at Nov 2024	Resolved		Not Resolved	
		No.	%	No.	%
Matters that will be reported in the auditor's report and should be addressed urgently	3	3	100%	0	0%
Matters that should be addressed to prevent material misstatements in the financial statements or material findings on the annual performance report and compliance with legislation in future; also includes matters that significantly affected auditee performance	10	9	90%	0	0%
Matters that do not have a direct impact on the audit outcome or a significant impact on auditee performance, but were communicated to assist with improving processes and mitigating risks	0	0	0%	0	0%
Total	13	13	100%	0	0%

Table 66: External Audit Findings





Section 4

State of the Internal Controls

JPC has made meaningful progress in strengthening its internal control environment, with controls assessed as adequately designed and operating effectively across most functional areas. The overall evaluation for the first quarter of 2025/26 indicates that internal controls have improved, and are now considered adequate and effective.

This assessment is supported by several key factors, including the successful resolution of 100% of previous AGSA findings from the 2023/24 financial year. The evaluation of internal controls is critical to ensuring that JPC has robust systems, processes, policies, and procedures that support the achievement of organisational objectives. These controls are designed and implemented by management as part of day-to-day operations, with Internal Audit providing an independent assessment based on audit results and interactions across the organisation.

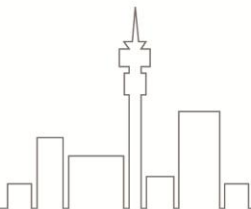
Internal Audit, in line with its legislated mandate under Section 165 of the MFMA and the approved Audit Charter, continues to provide independent oversight and assurance. Ongoing collaboration across JPC is essential to embed a culture of risk responsiveness, regulatory compliance, and strong internal controls, ensuring these principles remain integral to the organisation's operational framework.



Annexure A: Compliance Regulatory Assessment

REGULATION	CATEGORY	COMMENTS
Advertising on Roads and Ribbon Development Act, 1994 (Act No. 21 of 1994)	GENERIC (Outdoor)	Compliant
Advertising on Roads and Ribbon Development Act, 1994 (Act No. 21 of 1994)	CORE (Outdoor)	Compliant
Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)	CORE (HR)	Compliant
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	CORE (SCM)	Compliant
Companies Act, 2008 (Act No. 71 of 2008)	CORE (All)	Compliant
Companies Act Regulations	CORE (All)	Compliant
Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)	CORE (SCM)	Compliant
Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	CORE (All)	Compliant
Consumer Protection Act, 2008 (Act No. 68 of 2008)	CORE (PDU)	Compliant
Disaster Management Act, 2002: (Act No. 57 of 2002)	CORE (OHSA)	In Progress
Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)	CORE (IT)	Compliant
Employment Equity Act, Code of Good Practice: Human Resource Policies and Practices	CORE (HR)	Compliant
Employment Equity Amendment Act, 2022 (Act No. 4 of 2022)	CORE (HR)	Compliant
Employment Equity Act 1998 (Act No. 55 of 1998)	(HR)	Compliant
Employment Equity Regulations	CORE (HR)	Compliant
Gauteng Planning and Development Act, 2003 (Act No. 3 of 2003)	GENERIC (Property Portfolio)	Compliant
Generally Accepted Compliance Practices Framework	GENERIC (All)	Compliant
Generally Recognised Accounting Practice	CORE (Finance)	Compliant
Hazardous Substances Act, 1973 (Act No. 15 of 1973)	GENERIC (OHSA)	In Progress
King IV Code on Corporate Governance	GENERIC (All)	Compliant
IIA Code of Conduct and Ethics.	CORE (HR)	Compliant
Income Tax Act, 1962 (Act No. 58 of 1962)	CORE (Finance)	Compliant
Intergovernmental Relations Framework, 2005 (Act No. 13 of 2005)	CORE (Property Management)	Compliant
Local Government Anti-Corruption Strategy	GENERIC (Legal)	Compliant
Local Government: Municipal Planning and Performance Management Regulations, 2001	GENERIC (Strategic support)	Compliant
Local Government: Municipal Finance Act, 2003 (Act No. 56 of 2003)	CORE (All)	In Progress
Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	CORE (All)	Compliant
Municipal Finance Management Act (MFMA) – Asset Transfer Regulations	CORE (All)	Compliant
Municipal Property Rates Act, 2004 (Act No. 6 of 2004)	CORE (All & Property management)	Compliant
Municipal Structures Act, 1998 (Act No. 117 of 1998)	GENERIC (All)	Compliant
Municipal Supply Chain Management Regulations Gazette No. 27636, 30 May 2005	CORE (SCM)	Compliant
National Archives and Record Service of South Africa Act, 1996 (Act No. 43 of 1996)	CORE (CSM Records)	In progress

REGULATION	CATEGORY	COMMENTS
National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	CORE (Assets)	Compliant
National Heritage Resources Act, 1999 (Act No. 25 of 1999)	CORE (Assets)	Compliant
National Qualifications Framework Act, 2008 (Act No. 67 of 2008)	CORE (HR)	Compliant
National Road Traffic Act, 1996 (Act No. 93 of 1996)	GENERIC (Logistics) JPC Fleet	In Progress
National Treasury Public Sector Risk Management Framework	CORE (SCM & Finance)	Compliant
Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)	CORE (HR)	In progress
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	CORE (SCM)	Compliant
Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	CORE (Legal)	Compliant
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	CORE (All)	Compliant
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	CORE (All)	Compliant
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	CORE (All)	Compliant
Property Practitioners Act, 2019 (Act No. 22 of 2019)	GENERIC (Assets)	Compliant
Protected Disclosures Act, 2000 (Act No. 26 of 2000)	CORE (HR)	Compliant
Protection of Information Act, 1982 (Act No. 84 of 1982)	CORE (HR)	Compliant
Protection of Personal Information Act (POPIA), 2013 (Act No. 4 of 2013)	CORE (HR)	Compliant
Public Audit Amendment Act, 2018 (Act No. 5 of 2018)	CORE (Internal Audit)	Compliant
Regulation of Interception of Communications and Provision of Communication-Related Information Act, 2002 (Act No. 70 of 2002)	CORE (Comms & stakeholders)	Compliant
Skills Development Act, 1998 (Act No. 97 of 1998)	GENERIC (HR)	Compliant
Skills Development Levies Act, 1999 (Act No. 9 of 1999)	GENERIC (HR)	Compliant
Unemployment Insurance Act, 2001 (Act No. 63 of 2001)	GENERIC (HR)	Compliant
Unemployment Insurance Contributions Act, 2002 (Act No. 4 of 2002)	GENERIC (HR)	Compliant
Value-Added Tax Act, 1991 (Act No. 89 of 1991)	CORE (Finance)	Compliant



Annexure B: Internal Audit Findings

#	Finding heading	Auditable Section	Management Action Plan	Implementation date	Status per management assertion	Classification	Repeat Finding
1	Absence of a Centralized Contract Management Office and Register	Finance and Supply Chain Management	Management intends to establish a dedicated Contract Management Office; however, this initiative is contingent upon the availability of sufficient funds to capacitate the office and establish the necessary IT tools.	Dependent upon budget availability	Not resolved	Medium	No
2	Gaps identified in the fleet and fuel management policy.	Facility and Cleaning Management	The fleet management team will update the fleet policy to incorporate gaps identified by the auditors.	Immediately	Not resolved	Medium	No
3	Inadequate controls over fleet key management	Facility and Cleaning Management	<p>Management will implement the following action plans to address the gap identified by the auditors:</p> <ul style="list-style-type: none"> • To ensure that at each depot, there will be a key register going forward. • To ensure that no vehicle leaves without a job card signed by the supervisor. • To ensure that there are records of opening and closing kilometres on completion of each job request. • To ensure that keys are returned to the supervisors on completion of each job request. • To ensure that vehicles used for after-hours jobs are monitored by the fleet office 	Immediately	Not resolved	Medium	No
4	Inadequate safeguarding and control of fuel and toll cards	Facility and Cleaning Management	Each Depot Manager / LTO will take responsibility to safeguard the flue cards and distribute it accordingly when needed. Flue cards are only to be distributed with the trip authorization for each job. Flue register to be completed upon arrival for each flue transaction.	Immediately	Not resolved	Medium	No
5	Incomplete documentation and weak controls over fleet movement and trip authorizations	Facility and Cleaning Management	The fleet office will create a job card for all Depots to complete a detailed job card, which is to be attached to each job request.	Immediately	Not resolved	Medium	No
6	Non-adherence to Fleet Management Policy for after-hours vehicle operations	Facility and Cleaning Management	The fleet office will arrange a meeting amongst management to discuss how best the team can monitor the use of vehicles after hours and during weekends. The plan will determine if the fleet office works overtime to closely monitor the vehicles after hours and on weekends.	Immediately	Not resolved	Medium	No



7	Lack of approved records management policy and procedure manuals (Repeat finding)	Records Management	We anticipate completing the policy review and revision at the end of Sept 2025. We will provide an update on the progress. We will engage the relevant stakeholders to ensure the revised policy is signed.	End of Sept 2025	Not resolved	High	No
8	Absence of a signed Service Level Agreement (SLA) with the appointed service provider	Records Management	We are planning to go out on tender because the time frame for the negotiation has lapse.	End of Sept 2025	Not resolved	High	No
9	Non-disposal of records beyond the retention period	Records Management	We will ensure that all necessary stakeholders sign off on the Policy. Once the policy is signed, we will implement the disposal procedures. We appreciate the auditors' feedback and we are committed to finalizing the Records Management Policy and implementing the necessary changes to ensure effective records management.	Once the Policy is signed	Not resolved	High	No
10	Inadequate storage practices for SCM and Finance records	Records Management	During the audit period under review, JPC undertook office partitioning of open spaces, which led to the mixing of documents due to other departments placing their files in the SCM storage room during the process. We will, however, initiate the reorganisation and proper packing of documents in line with the required document management standards.	31 December 2025	Not resolved	Medium	No
11	Incomplete records indexing	Records Management	We will ensure that all the loopholes identified by the auditors are addressed by doing a quality check when sending information for Off-Site Storage, by retrieving a few items back to us after the service provider or The Document Warehouse has captured our documents or information.	End of Sept 2025	Not resolved	Medium	No
12	Lack of capacity within the finance unit	Finance	During the review of the Statement of Financial Performance, it was noted that the AFS was prepared and reviewed by the same person. Acting CFO.	End of December 2025	Not resolved	Medium	No
13	Weaknesses identified in ICT policies	ICT	The strategic mandate from the city to centralize all applications and infrastructure is underway and not yet completed. Once, completed the policies will be revised and centralized within the city and JPC.	30 June 2027	Not resolved	Medium	No
14	Vacant role within ICT Organogram and unsigned Job Descriptions	ICT	<ul style="list-style-type: none"> IT has engaged previously with HR, there is not sufficient budget for the appointment of this IT manager post. Attempt to secure budget to fill the Organogram. 	Once the budget is made available.	Not resolved	Medium	No

15	Expired service level agreement for Internet Service supplier	ICT	<p>JPC IT has provided all the relevant evidence in attempt to ascertain ISP services from COJ as per the mandate from the City manager for consolidation of ICT , also JPC IT has been issued a limited capex budget in order to complete this project, although loaded on JSIPS, business case submission and multiple requests to COJ, CIO forum, MTC, Group ICT, and The -GCTO.</p> <p>There has been no progress thus far; in the continuation of business continuity, operations and reliant ICT connectivity, JPC will continue on a month-to-month basis with Dimension data/ NTT Data, since 2019, no additional services have been committed nor amended or signed as per the Status Quo,</p>	30 June 2026	Not resolved	High	No
16	Business case not approved for ICT projects	ICT	We will modify the business case template to include the key areas identified.	31 December 2025	Not resolved	Low	No
17	Inconsistencies noted within new user notification forms	ICT	We have removed the incorrect template and will be circulating the correct template to all members of the ICT department for correct usage and will make sure the access is selected before granting on the system.	31 August 2025	Not resolved	Low	No
18	Lack of an ICT helpdesk application	ICT	The new IT Helpdesk system has been developed and implemented, with an effective date of 01 September 2025. A memorandum has been distributed to all JPC staff announcing the launch of the system and advising that all ICT support requests are to be logged through the new helpdesk platform.	01 September 2025	Not resolved	Low	No
19	Sensitive information disclosure	ICT	<ul style="list-style-type: none"> Update resolved Update IIS <p>Implement IIS URL Rewrite Module to remove and hide some of the headers that expose internal Ips within web-configuration.</p>	Sept 2025	Not resolved	Medium	No
20	Username enumeration was possible on legacy website	ICT	<ul style="list-style-type: none"> Site will be removed; it happened to be available due to the website upgrade. To be removed decommissioning of the legacy site. 	30 August 2025	Not resolved	Medium	No
21	Insecure Transport Layer Security (TLS) detected	ICT	<p>Unfortunately, IT have been unable to resolve this issue, in the event of enabling SSL/TLS we experience complete mail outages on the on prem mail server, this server is required for now due to the limitations of 365 licences allocated by COJ to the JPC entity.</p> <p>To be decommissioned within this 25/26 year, once COJ allocated additional licences.</p>	02 January 2026	Not resolved	Medium	No



22	Secure Shell (SSH) vulnerabilities detected	ICT	<ul style="list-style-type: none"> JPC IT will be migrating to the COJ network this will include the central firewall services throughout all MOE's. Migrate to the COJ central firewall. 	02 January 2026	Not resolved	Medium	No
23	Printer remote command execution (RCE) exploitation	ICT	JPC IT to update all firmware across the printing fleet	31 December 2025	Not resolved	High	No
24	Broken authentication vulnerability exploitable	ICT	<ul style="list-style-type: none"> Default password changed. FTP disabled. Matter Resolved. 	21 August 2025	Not resolved	High	No
25	Server Message Block (SMB) signing was not enforced	ICT	Enabled SMB signing on all affected hosts. Resolved.	21 August 2025	Not resolved	Medium	No
26	Internet Information Services (IIS) server default page	ICT	Implemented a Group Policy targeting all servers, to enable SMB Signing.	Sept 2025	Not resolved	Low	No
27	Outdated and Unsupported software in use	ICT	These are not live systems and will be de commissioned once we have verified all the data on the systems.	31 December 2025	Not resolved	High	No
28	Services which transmit data in clear text were in use	ICT	<ul style="list-style-type: none"> 21 hosts, 19 of these hosts, have been disabled and telnet and enabled. The two host are inaccessible due to the connectivity being down, will be resolved once the connectivity is restored 	31 December 2025	Not resolved	Medium	No



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