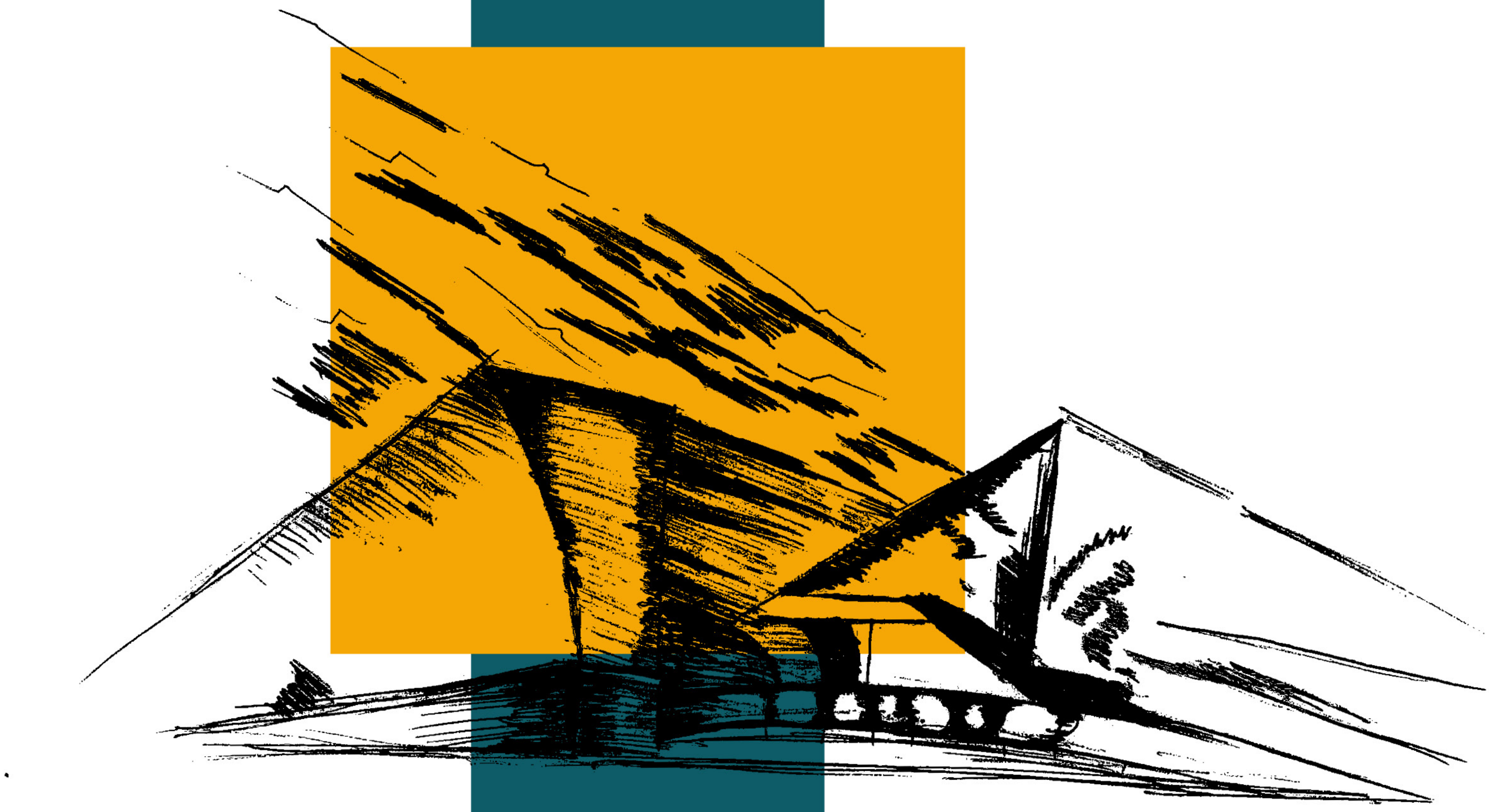
a world class African city

JOBURG
PROPERTY COMPANY



JPC THIRD QUARTER REPORT 2024/25

GENERAL INFORMATION

Registration number	2000/017147/07
Registered address	3rd Floor I Forum I I Braam Park I 33 Hoofd Street I Braamfontein
Postal address	PO Box 31565 Braamfontein 2017
Telephone number	+27 010 219 9000
Fax number	+27 010 219 9400
Website	www.jhbproperty.co.za
Email Address	clientservicingunit@jhbproperty.co.za
Bankers	Standard Bank South Africa
Auditors	Auditor-General of South Africa
Company Secretary	Gontse Dlamini

Vision

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

Mission

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

Values

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

- **Professionalism**
- **Accountability**
- **Responsibility**
- **Customer Service**
- **Trust**

Council Chambers

OFFICIAL SIGN-OFF

It is hereby certified that this quarterly report:

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

Mr Mfanafuthi Zondo
Acting Chief Financial Officer
Date of approval: 24/04/25

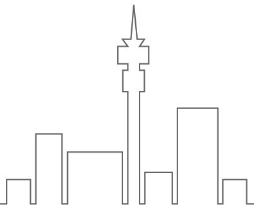
Ms Catherine Setlhako
CoJ Legal
Date of approval: 08/05/25

Mr Musah Makhunga
Acting Chief Executive Officer
Date of approval: 24/04/25

Mr Mathopane Masha
Executive Director: Economic Development
Date of approval: 09/05/25

Mr Simon Motha
Chairperson of the Board
Date of approval: 24/04/25

Cllr Nomoya Mnisi
Member of the Mayoral Committee: Economic Development
Date of approval: 13/05/25



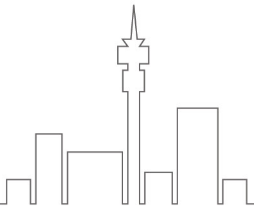
ACRONYMS

AG	Auditor-General
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
CoJ	City of Johannesburg Metropolitan Municipality
CSR	Corporate social responsibility
DED	Department of Economic Development
DR	Disaster recovery
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
ESG	Environmental, social and governance
FLISP	Finance-Linked Individual Subsidy Programme
FY	Financial year
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

ACRONYMS

JOSHCO	Johannesburg Social Housing Company
JPC	City of Joburg Property Company (SOC) Ltd
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
PPP	Public-private partnership
PPPFA	Preferential Procurement Policy Framework Act
PTOB	Permission to occupy and build
R&M	Repairs and maintenance
RDP	Reconstruction and Development Programme
RFP	Request for proposal
RFQ	Request for quotation
SCM	Supply chain management
SDP	Site development plan
SEC, HR & REMCO	Social and Ethics, Human Resources and Remuneration and Transformation Committee
SLS	Service level standard
SMME	Small, medium and micro enterprise
SOC	State-owned company
TSD	Transactions and Service Delivery
TVET	Technical and vocational education and training
UIFW	Unauthorised, irregular, fruitless, and wasteful
USDG	Urban Settlements Development Grant
VAT	Value-added tax
VS/JV	Valumax-SafDev Joint Venture
WSSD	Walter Sisulu Square of Dedication
YTD	Year-to-date

Table of Contents



List of Tables

List of Tables

List of Figures

Erf 44
Far East
Bank

Chapter 1

Leadership and Corporate Profile

Section 1
Chairperson's Overview

Mr Simon Motha

Chairperson of the Board

It is with great honour that I, in my capacity as Chairperson of the Board, present the Johannesburg Property Company's (JPC) Third Quarter Report for the 2024/25 financial year, on behalf of the Board of Directors. This report—covering the period from 1 January to 31 March 2025—offers a strategic reflection on the entity's performance and progress, highlighting both its financial position and operational milestones.

This period underscores the Board's continued commitment to sound corporate governance, strategic oversight, and ethical leadership in guiding JPC's mandate. Our focus remains on ensuring transparency, accountability, and prudent decision-making in support of the City's developmental agenda and in fostering stakeholder confidence.

As the custodian of the City's property portfolio, JPC plays a vital role in driving spatial transformation, economic renewal, and sustainable urban development. During the third quarter, the Board provided critical oversight in several priority areas:

Strategic Alignment and Performance Oversight:

The Board maintained regular engagement with management to ensure that the company's activities remain aligned with the City's Integrated Development Plan and spatial vision. Where performance deviations were identified, the Board directed targeted interventions to enable corrective actions. This led to the approval of the 2024/25 Deviation Report, the proposed adjusted budget, the Draft 2025-2026 Business Plan and the Draft Mid-term Budget.

Leadership Stability, Governance, and Accountability:

The Board placed strong emphasis on restoring stability and strategic continuity within the organisation by prioritising the filling of key executive leadership roles. Recognising that effective leadership is fundamental to organisational performance and accountability, the Board exercised its oversight mandate by initiating recruitment processes for both the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) positions. These critical posts have been advertised, and the Board remains fully committed to a transparent, merit-based recruitment process to ensure the appointment of competent, visionary leaders capable of driving the entity forward and reinforcing robust financial governance.

In the interim, the Board has put appropriate acting arrangements in place to maintain operational continuity and uphold accountability. These transitional measures are underpinned by strong internal controls and oversight mechanisms, allowing for seamless leadership while succession planning efforts progress. Our focus remains on strengthening institutional leadership capacity in a manner that enhances strategic delivery, financial stewardship, and long-term sustainability.

Risk and Compliance Oversight:

The Board maintained its strategic focus on strengthening internal controls, enhancing risk mitigation, and ensuring full audit compliance. This commitment was clearly demonstrated during the strategic risk workshop held on 5 March 2025, in which a comprehensive review of the Strategic Risk Register was conducted. Consequently, the number of strategic risks was streamlined from 13 to 10, reflecting improved clarity and prioritisation. The Board also continued to monitor audit outcomes and the implementation of corrective action plans, reaffirming its dedication to accountability, transparency, and sound governance practices.

Stakeholder Engagement and Public Trust:

As a municipal entity, public trust remains central to our mandate. The Board acknowledges the management team's ongoing efforts to strengthen service delivery, particularly through collaborative engagements with the Executive Mayor and the Member of the Mayoral Committee (MMC) for Economic Development. These efforts were clearly demonstrated during the high-impact, accelerated service delivery operations focused on inner city revitalisation, informal trading, and market infrastructure. The Board continues to prioritise meaningful engagement with communities, intergovernmental stakeholders, and the private sector, ensuring that JPC's role as a catalyst for inclusive, sustainable urban renewal is both visible and broadly endorsed.

Portfolio Optimisation and Property Strategy:

The Board continued to exercise strategic oversight of the management and optimisation of the City's property portfolio. Key focus areas included the redevelopment of underutilised sites and the activation of high-potential precincts with catalytic development value. The Board placed particular emphasis on enabling mixed-use developments that support inclusive economic participation and urban regeneration objectives. In alignment with the City's revenue enhancement strategy, the Board also recommended for Council approval, the disposal of several non-core assets, aimed at unlocking value and generating much-needed revenue to support service delivery priorities.

During the third quarter of 2024/25, JPC achieved **68%** of its corporate key performance indicators (KPIs) and recorded a surplus of **R165.9 million**, partly due to cell mast upliftment fees. While this reflects financial resilience, performance remains below the City's target of **85%**. The Board is actively working with management to strengthen delivery and accountability mechanisms. As we enter the final quarter, we are confident that the foundation laid thus far will enable the organisation to meet its strategic goals. Our focus remains on integrity, continuous improvement, and impactful public service delivery.

On behalf of the Board, I extend my gratitude to the Executive Management, the City's leadership, and our stakeholders for their continued collaboration and commitment to building a better, more inclusive Johannesburg.

Mr Simon Motha
Chairperson of the Board


Metro Centre Birds Eye view

Section 2

Acting Chief Executive Officer's Foreword

Mr Musah Makhunga

Acting Chief Executive Officer

Stepping into the role of Acting CEO at this pivotal point in JPC's trajectory, I am honoured and resolute in my commitment to guiding the organisation through this transition with purpose and stability.

The third quarter has been characterised by both measurable progress and persistent challenges as we continue to operate within a dynamic and often complex municipal landscape. This period has called for agility, strategic responsiveness, and above all, a renewed focus on rebuilding institutional credibility.

Considering heightened media scrutiny and public interest, JPC has escalated its strategic communications efforts. A targeted brand management campaign has been implemented, emphasising proactive media engagement and stakeholder outreach. These efforts aim not only to clarify our position but to foster trust through open dialogue, consistent messaging, and tangible action. At the heart of these initiatives is our broader commitment to reform, transparency, and public confidence.

To this end, the organisation has launched a series of targeted interventions, structured around five key pillars:

Leadership Stabilisation:

The Board has prioritised the recruitment of key executives, and the process to appoint a CEO and CFO are currently under way. This marks a critical step in ensuring long-term operational continuity and governance accountability.

Governance Reinforcement:

We have sharpened our focus on risk oversight and compliance. A strategic risk workshop held in March led to the refinement of the Strategic Risk Register—streamlining our focus from 13 to 10 core risks and aligning risk mitigation strategies with our operational priorities.

Operational Turnaround:

A thorough review of internal inefficiencies has resulted in improved processes in procurement, lease administration, and contract management—directly addressing Auditor-General findings. Additionally, the Board approved several property disposal transactions, unlocking revenue from non-core assets for the City.

Service Delivery Integration:

JPC continues to play a central role in the City's accelerated service delivery initiatives. Notably, we have partnered with the Executive Mayor and MMC for Economic Development on high-impact operations in inner city revitalisation, informal trading, and market upgrades.

Stakeholder Engagement:

JPC has intensified strategic communications to reinforce our relationships with communities, business partners, and all spheres of government—ensuring that the organisation is recognised as a credible enabler of inclusive urban development.

Revenue Generation:

During this quarter, JPC generated **R38.4 million** and **R11.036 million** from cell mast rentals—demonstrating progress in unlocking property-based revenue streams to support municipal sustainability.

100 Days Programme:

As part of our renewed commitment to driving performance and accountability, the launch of the 100 Days Programme marks a pivotal step in our strategic agenda. This focused initiative is designed to accelerate progress across three key pillars: marketing, stakeholder engagement, and organisational digital transformation.

Central to this drive is the development of an electronic Asset Register, which will enhance transparency, data accuracy, and operational efficiency. This programme reflects our dedication to modernising the entity, strengthening partnerships, and ensuring that JPC remains responsive to the evolving needs of the City and its residents.

Organisational Performance

The quarter reflects a mixed performance profile. While the organisation achieved a surplus of R165.9 million, partially bolstered by cell mast upliftment fees, corporate KPI performance stood at 68%. However, encouraging signs of momentum are emerging:

Internal Audit Compliance: 23 findings were resolved, with only 5 outstanding—demonstrating enhanced internal control measures.

Auditor-General of South Africa (AGSA) Findings: 92% of findings (12 of 13) were resolved, underscoring a commitment to clean governance.

Capacity Building: 1 120 staff were trained year-to-date, reflecting a strong investment in human capital and institutional resilience.

These responses are part of a broader, deliberate effort to reposition JPC as a capable, ethical, and high-performing municipal entity. As we enter the final quarter of the financial year, we remain focused on restoring credibility, driving impact, and delivering tangible value aligned with the City's developmental priorities.

Looking Forward

As we move into the final quarter of the 2024/25 financial year, we remain focused on our core values: delivering quality services, promoting sustainability, and working closely with communities. While we continue to face challenges, the progress made in improving service delivery, upgrading public spaces, and managing City properties shows that we are heading in the right direction.

We will keep working together with all our partners—across government, business, and the community—to support Johannesburg's growth and ensure that the Johannesburg Property Company plays a key role in shaping a better, more inclusive City.

Thank you to our staff, the Board, the MMC's Office, and all our stakeholders for your ongoing support. Together, we are building a stronger, more vibrant Johannesburg for everyone.

Mr Musah Makhunga
Acting Chief Executive Officer

Melville
27 Boxes

Section 3
Acting Chief Financial Officers' Review

Mr. Mfanafuthi Zondo

Acting Chief Finacial Officer

I am pleased to present an overview of JPC's performance for the third quarter of the 2024/25 financial year, covering the period from 1 January 2025 to 31 March 2025.

JPC remains both factually and commercially solvent, with adequate resources to meet its financial obligations. While our solvency and liquidity ratios have improved, further enhancements will be prioritised in the fourth quarter. Notably, JPC has successfully reduced debtors to **R733 million**, compared to over R1 billion at the end of the 2023/24 financial year.

These efforts have reinforced our financial position, while proactive engagement with City departments since September 2024 has led to the collection of over **R200 million** in the second quarter and **R140 million** in the third quarter. In addition, JPC has implemented the offsetting principles of GRAP, as permitted by GRAP 104, resulting in the offset of financial assets and liabilities exceeding **R400 million.**

The company's financial position has strengthened since the conclusion of the 2024 financial year. The solvency ratio has increased from 1.03:1 to 1.17:1, demonstrating that JPC remains financially stable and able to meet its obligations. Continued efforts will be made to reduce related-party debt and effectively manage cash flows to enhance the entity's net asset position.

For the year to date, JPC has recorded a surplus of **R165 942 073**, driven by the following factors:

Revenue Performance

- Revenue is slightly below budget by 3.4% due to lower-than-anticipated facilitation fees.
- Cell mast upliftment fees received in the third quarter resulted in the cell mast revenue exceeding the budget by 19.6%.

With ongoing efforts to finalise lease agreements and increase commissions from rentals and outdoor advertising, JPC anticipates a significant improvement in revenue collection during the fourth quarter, ensuring the company achieves its revenue targets for the financial year.

Expenditure Management

- Operational expenses, including alternative accommodation for relocated departments, were effectively controlled.
- Board of Directors' fees, office expenses, and contracted services remained significantly below budget.
- Repairs, maintenance, and cleaning expenditures were lower than expected due to planned work delays and a strong focus on cash flow management. However, several maintenance appointments have now been made, and expenditure in this area is set to increase.
- Interest expenses were avoided through prudent bank account management, with interest incurred only on finance leases for vehicles and laptops.

Financial Ratios and Liquidity

JPC's current ratio stands at 1.07:1, reflecting an improvement since the 2023/24 financial year-end. The company's net asset position of **R199.4 million** confirms its financial stability. With continued financial support and access to cash facilities, JPC remains commercially sound and well-positioned to meet its operational commitments. Further enhancements are expected through increased revenue from outdoor advertising and rental commissions.

Looking Ahead

As we move into the final quarter, JPC anticipates increased spending on repairs, maintenance, and capital projects nearing completion. Preparations for the 2025 audit, to be conducted by the Auditor-General (AG), are under way and will be carefully managed in anticipation of the financial year-end.

Additionally, we are finalising the budget for the 2025/26 financial year. A key focus in the fourth quarter will be on early planning to ensure improved expenditure patterns in the coming financial year. This aligns with the City of Johannesburg's directive requiring demand plans with clear timelines and responsibilities for each project. Efforts to enhance our cash flow and financial position will continue through the aggressive collection of outstanding debts, while a number of procurement panels that closed in the third quarter will be finalised in the fourth quarter, ensuring operational efficiency and service delivery.

We look forward to concluding the financial year on a strong note as we work towards achieving our strategic objectives.

Mr Mfanafuthi Zondo
Acting Chief Financial Officer

Section 4

Overall Company Performance

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

OVERVIEW OF THE ENTITY

In the period under review:

- Of the 19 KPIs scheduled for evaluation in this quarter, 13 **(68%)** were achieved.
- The financial performance of JPC in the mid-term reflects a surplus of **R165 942 073.**
- **Ratios:** The entity has a liquidity ratio of 1.07:1 and a solvency ratio of 1.17:1 against the City's benchmarks of 1:1 and 2:1, respectively.

HIGHLIGHTS

- **601** Training and development initiatives.
- **92%** of the current/new Auditor-General's findings
- Reduction of intercompany debt to **R733 million**, compared to over R1 billion at the end of the 2023/24 financial year.
- During this quarter, JPC generated **R38.4 million.** Revenue collected for outdoor advertising and cell mast totalled **R11.036 million.**
- Sixty-nine (69) properties to the value of **R10 879 130** were disposed of.

LOWLIGHTS

- The 6 KPIs reflecting the 32% that were not achieved relate to:

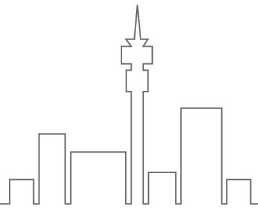
> Annual refurbishment for the Metro Centre Precinct
> Percentage spent on operating budget
> Renewal of office accommodation leases
> Reduction of UIFW
> Release of properties
> Percentage resolution of audit findings

Table 1: Company Performance

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

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

Table 2: Corporate Scorecard Dashboard



☺ TARGET ACHIEVED ⊘ TARGET NOT ACHIEVED ○ NOT YET DUE

1.1 Unlocking Investments/Business Through Property Transactions and Developments

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

☺ TARGET ACHIEVED

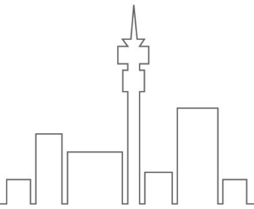
Table 3: KPI 1

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R500 million	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R375 million investment spend on projects within CoJ boundaries based on construction value on the ground
Actual	R172.8 million investment spend on projects within CoJ boundaries based on construction value on the ground	R269.4 million investment spend on projects within CoJ boundaries based on construction value on the ground	R128 million investment spend on projects within CoJ boundaries based on construction value on the ground		R570.2 million investment spend on projects within CoJ boundaries based on construction value on the ground

☺ TARGET ACHIEVED

Table 4: KPI 2



1.3 Job Opportunities Created

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 1 000	250 job opportunities created	250 job opportunities created	250 job opportunities created	250 job opportunities created	750 job opportunities created
Actual	95 job opportunities created	212 job opportunities created	255 job opportunity created		562 job opportunities created

☺ TARGET ACHIEVED

Table 5: KPI 3

1.4 SMMEs Supported Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 700	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	525 SMMEs supported
Actual	73 SMMEs supported	57 SMMEs supported	180 SMMEs supported		310 SMMEs supported

☺ TARGET ACHIEVED

Table 6: KPI 4

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target : 10	Acquisition of 0 properties	Acquisition of 0 properties	Acquisition of 5 properties	Acquisition of 5 properties	Acquisition of 5 properties
Actual	3 properties acquired	0 properties acquired	4 properties acquired		7 properties acquired

☺ TARGET ACHIEVED

Table 7: KPI 5

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 150	0 properties released on social and economic leases including servitudes and sales	40 properties released on social and economic leases including servitudes and sales	60 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	100 properties released on social and economic leases including servitudes and sales
Actual	22 properties released on social and economic leases including servitudes and sales	42 properties released on social and economic leases including servitudes and sales	31 properties released on social and economic leases including servitudes and sales		95 properties released on social and economic leases including servitudes and sales

TARGET NOT ACHIEVED

Delays in CoJ committees sitting have hindered the approval of eighty-four (84) transactional reports, which are currently awaiting review across various CoJ committees. To address these challenges, we will fast-track approval at the Executive Approval Committee (EAC) level and implement measures to prevent tender expirations.

Table 8: KPI 6

1.7 Implementation of the Outdoor Advertising Masterplan

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 100%	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	75% implementation of the outdoor advertising masterplan
Actual	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan		75% implementation of the outdoor advertising masterplan

TARGET ACHIEVED

Table 9: KPI 7

1.8 Implementation of Annual Refurbishment Plan for the Metro Centre Precinct

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

TARGET NOT ACHIEVED

The team has finalised the BOQ and the tender process is scheduled to take place in the first week of the fourth quarter. The proposal is to erect a concrete wall around the Metro Centre, block off the windows for additional security and provide cameras and 24-hour surveillance.

Table 10: KPI 8

1.9 Renewal of Office Accommodation Leases

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 27	6 renewals of office accommodation leases	7 renewals of office accommodation leases	7 renewals of office accommodation leases	7 renewals of office accommodation leases	20 renewals of office accommodation leases
Actual	6 renewals of office accommodation leases	0 renewals of office accommodation leases	0 renewals of office accommodation leases		6 renewals of office accommodation leases

TARGET NOT ACHIEVED

There is a strong likelihood that this KPI will not be achieved, as JPC is currently in the contract management phase for all approved 9-year and 11-month leases. No further leases are to be entered into during this financial year due to budget constraints and the limited availability of office space for rental.

Table 11: KPI 9

1.10 Implement Training and Development Initiatives to Address Competency Gaps

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 950	237 employees trained	237 employees trained	238 employees trained	238 employees trained	712 employees trained
Actual	122 employees trained	397 employees trained	601 employees trained		1 120 employees trained

☺ TARGET ACHIEVED

Table 12: KPI 10

1.11 Income Generated Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R125 million	R28.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R28.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R33.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R33.750 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R91.250million income raised from acquisition, outdoor advertising, leases, servitudes, and sales
Actual	R18.9 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales	R51.2 million income raised from acquisition, outdoor advertising , leases, servitudes, and sales	R38.4 million income raised from acquisition, outdoor advertising , leases, servitudes, and sales		R108.5 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales

☺ TARGET ACHIEVED

Table 13: KPI 11

1.12 Allocated CAPEX Spend

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

☺ TARGET ACHIEVED

Table 14: KPI 12

1.13 Percentage Spend on Operating Budget Against Approved Operating Budget

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 97%	25% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	23.50% spent on operating budget against approved operating budget	23.50% spent on operating budget against approved operating budget	73.50% spent on operating budget against approved operating budget
Actual	18.63% spent on operating budget against approved operating budget	21.40% spent on operating budget against approved operating budget	15.77% spent on operating budget against approved operating budget		55.8% spent on operating budget against approved operating budget

⊘ TARGET NOT ACHIEVED

Low expenditure on office accommodation is attributed to the ongoing lease renewal process, resulting in the non-attainment of the OPEX target. However, improvements are anticipated as progress is made in relocating departments to their allocated workspaces in the Newtown building, in line with the signed leases.

Table 15: KPI 13

1.14 Percentage of Budget Spend on Repairs and Maintenance

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 8%	0% of repairs and maintenance budget spent	4% of repairs and maintenance budget spent	2% of repairs and maintenance budget spent	2% of repairs and maintenance budget spent	6% of repairs and maintenance budget spent
Actual	0% of repairs and maintenance budget spent	0% of repairs and maintenance budget spent	6% of repairs and maintenance budget spent		6% of repairs and maintenance budget spent

☺ TARGET ACHIEVED

Table 16: KPI 14

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

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

☺ TARGET ACHIEVED

Table 17: KPI 15

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 50%	0% reduction in UIFW expenditure incurred citywide	20% reduction in UIFW expenditure incurred citywide	15% reduction in UIFW expenditure incurred citywide	15% reduction in UIFW expenditure incurred citywide	35% reduction in UIFW expenditure incurred citywide
Actual	0% reduction in UIFW expenditure incurred citywide	0% reduction in UIFW expenditure incurred citywide	0% reduction in UIFW expenditure incurred citywide		0% reduction in UIFW expenditure incurred citywide

⊘ TARGET NOT ACHIEVED

A service provider has been appointed to carry out the UIFW investigation and verification following the AGSA's audit outcome. The process is expected to be finalised by the end of April 2025.

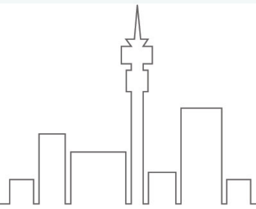
Table 18: KPI 16

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

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

☺ TARGET ACHIEVED

Table 19: KPI 17



1.18 Audit Opinion

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

☺ TARGET NOT DUE

Table 20: KPI 18

1.19 Resolution of Auditor-General's Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	95% of the previous AG's letter	95% of the previous AG's letter	50% of the current/new AG's letter	95% of the current/new AG's letter	50% of the current/new AG's letter
Actual	100% of the previous AG's letter	100% of the previous AG's letter	92% of the current/ new AG's letter		92% of the current/ new AG's letter

☺ TARGET ACHIEVED

Table 21: KPI 19

1.20 Percentage Resolution of Internal Audit Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings	95% resolution of Internal Audit findings
Actual	0% resolution of Internal Audit findings	43% resolution of Internal Audit findings	82% resolution of Internal Audit findings		82% resolution of Internal Audit findings

🚫 TARGET NOT ACHIEVED

Some internal audit findings are contingent on the approval of policies, which will be submitted in the fourth quarter. Other findings are related to the filling of critical vacancies, which remains a challenge due to limited funding allocated by the City. As a result, prioritisation of vacancies is necessary, and not all critical positions will be filled during this financial year.

Table 22: KPI 20

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

Section 5

Corporate Profile and Overview of the Entity

The Joburg Property Company (SOC) Ltd (JPC) was established in 2000 as a private company, and is wholly owned by the City of Johannesburg (CoJ). The company was reconstituted as a state-owned company (SOC) after the implementation of the Companies Act of South Africa, 2008 (Act No. 71 of 2008). JPC 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 **1 488** employees who are based at the head office and JPC's depots. JPC derives its mandate from a signed Service Delivery Agreement with its sole Shareholder, the CoJ. The core functions of JPC are:

1. Asset Management

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

- **Land strategy development and implementation:** Develop and implement the land strategy to guide new business development and optimise the portfolio through monitoring and evaluation, thereby creating high-yielding assets.

- **Asset Register:** 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 the return on City-owned land. The objectives for public land development encompass three key types of returns:

- **Delivering on City objectives:** This entails attending to the priorities identified in the Service Delivery and Budget Implementation Plan, the Integrated Development Plan, and the Growth and Development Strategy 2040 (GDS 2040).

- **Transforming the property industry:** This includes empowering emerging developers and contractors, supporting the City's youth programme, and providing guidance on development for enterprises.

- **Creating high-yielding property assets with a sustainable income stream:** A large portion of the City's assets are vacant land with inherent low asset value and associated low returns. However, should this value be unlocked through developments, a base of long-term recurring income can be created by facilitating the development of properties with high potential.

3. Facilities Management and Cleaning Services

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

4. Property Management

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

Alexandra Mall

Section 6

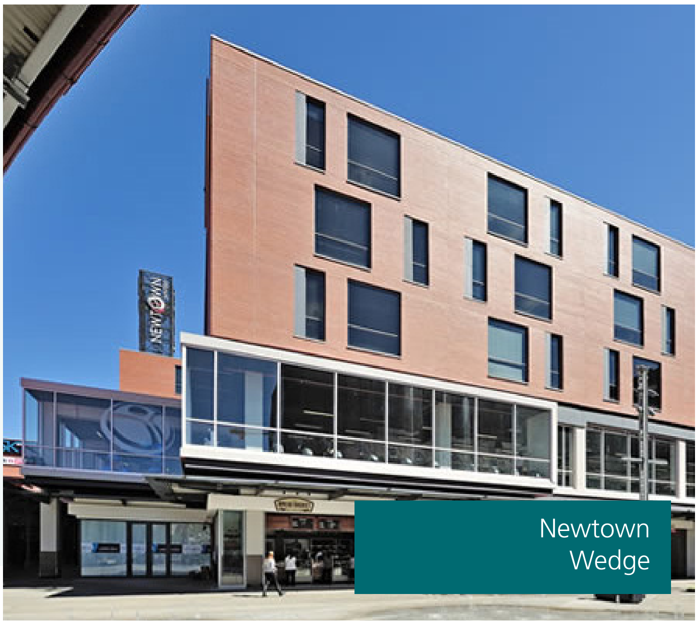
Strategic Objectives

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


Newtown Wedge

Mayoral Priorities	JPC's Contribution to the Priorities Included in the Annual Corporate Scorecard
Sustained Economic Growth	• R5 billion investment/rand value attraction of investment on CoJ property • R500 million investment spend on CoJ property/construction value on the ground • Acquisition of 10 properties on behalf of departments and municipal entities for the advancement of the City's service delivery objectives
Job Opportunity Creation	• 1 000 job opportunities created through property transactions • 700 SMMEs supported through property transactions
Good Governance	• Audit opinion/unqualified audit opinion (clean audit) • 50% reduction in UIFW expenditure incurred citywide • 95% resolution of Auditor-General's findings • 95% resolution of Internal Audit findings • 100% of valid invoices paid within 30 days of invoice date • 950 employees trained to address competency gaps • 100% implementation of annual refurbishment plan for Metro Centre
Financial Sustainability	• R125 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales • 97% spent on the operating budget against approved operating budget • 8% spent on property, plant, and equipment repairs and maintenance in respect of JPC facilities • 150 properties released on social and economic leases, including servitudes and sales • 97% spent of the allocated capital expenditure budget • 100% implementation of the outdoor advertising masterplan • 27 office accommodation leases renewed
Active % Engaged Citizenry	• 95% achievement of service standards

Table 23: 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 presider of the Board of Directors ("the Board"). The Board convenes regularly (at least quarterly), with special and statutory meetings to consider statutory reports and any other urgent matters. The Board retains full control of the organisation.

The Board remains accountable to the City of Johannesburg Metropolitan Municipality (CoJ) as its sole Shareholder, its stakeholders, and the citizens of Johannesburg. A Service Delivery Agreement and the Shareholder Compact are concluded in accordance with the provisions of the Municipal Systems Act. These documents govern the entity's relationship with the CoJ.

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

The Board is our custodian of governance. It uses its board and committee meetings to discharge its duties in terms of the Board Charter, the Companies Act, King IV, and legislation regulating local municipalities, always ensuring adherence to the highest ethical standards and best international corporate governance practices.

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

Section 2

Role of the Board

Board Composition and Diversity

= 11

Non-Executive Directors

= 2

Executive Directors

Board Members (Non-Executive Directors)

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

Board Members (Executive Directors)

- Musah Makhunga (Acting Chief Executive Officer)
- Imraan Bhamjee (Acting Chief Financial Officer) (until 31 March 2025)

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

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

Independent Audit Committee Members

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

Board Diversity

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

Section 3

Board and Committee Meetings

The Board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties in line with King IV. The Board has delegated roles and responsibilities to its three (3) committees, namely the Audit and Risk Committee (ARC), the Social and Ethics, Human Resources and Remuneration and Transformation Committee (SEC, HR & REMCO), and the Transactions and Service Delivery (TSD) Committee, based on relevant legal requirements, as well as what is appropriate for JPC.

Cross-Functional Responsibilities

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

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

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

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

Ms Yolisa Ngxabazi
Chairperson

SEC, HR, & REMCO Committee

Four independent Non-Executive Directors:

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

Key focus areas for 2024/25 FY:

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

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.

Mr Thapelo Mashamaite
Chairperson

Audit and Risk Committee

One Non-Executive Director:

Mr Fulufhelo Ratshikhopha (NED)

Four Independent Audit Committee Members:

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

Key focus areas for 2024/25 FY:

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

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

Ms Sivuyisiwe Gwebani Chairperson	**Four independent Non-Executive Directors:**	**Consider and recommend to the Board and Council for approval of the following:**
Transactions and Service Delivery	Mr Mxolisi Zondo (NED) Ms Bettycourt Teffo (NED) Mr Simon Motha (NED) Ms Tshepang Thatelo (NED)	• Alienation of property • Acquisition of property sales and developments • Amending, acquiring, and/or cancellation of servitudes • Property donations • Property-related transactions such as leases, mixed-use properties, and management agreements • Monitoring compliance with legislation • Outdoor advertising and cell masts • Property management and development

Table 24: JPC Board Committees

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

Name	Board		Audit and Risk Committee		Transactions & Service Delivery Committee		SEC, HR & REMCO Committee	
	O	S	O	S	O	S	O	S
Mr Simon Motha	1/1	0/1			1/1	1/1		
Mr Sivuyisiwe Gwebani	1/1	1/1			1/1	1/1		
Ms Tshepang Thatelo	1/1	1/1	1/1	1/1	1/1	1/1		
Mr Thapelo Mashamaite	1/1	1/1	1/1	0/1				
Ms Yolisa Ngxabazi	1/1	1/1					0/1	0/1
Mr Mxolisi Zondo	1/1	1/1			1/1	1/1		
Ms Sandy Collopen	1/1	1/1			1/1	1/1		
Ms Bettycourt Teffo	1/1	1/1			1/1	1/1	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
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	0/1				
Mr Motsamai Karedi			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
23.01.25	27.02.25	17.01.25	24.02.25	16.01.25	21.02.25	15.01.25	20.01.25
1	1	1	1	1	1	1	1

Table 25: Board Meeting Dates

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

Matters Considered by the Board
• JPC Mid-Term Performance Report for 2024/25 FY
• JPC Second-Quarter Acquisition Plan for 2024/25 FY
• JPC Deviation Report 2024/25
• JPC Adjusted Budget 2024/25
• JPC Internal Audit Unit to investigate unauthorised, irregular, fruitless and wasteful (UIFW) expenditure
• Draft JPC Business Plan 2025/26

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

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


Riverside View

Section 4

Entity Remuneration Policy

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

Name of Director	Designation	YTD Directors' Payments as at 31 December 2024
Mr Simon Motha	Chairperson of the Board	R108 000.00
Mr Thapelo Mashamaite	Chairperson (ARC)	R158 000.00
Ms Sivuyisiwe Gwebani	Chairperson (TSD)	R8 019.78
Ms Yolisa Ngxabazi	Chairperson (SEC, HR & REMCO)	R0.00
Ms Bettycourt Teffo	Non-Executive Director	R92 000.00
Ms Tshepang Thatelo	Non-Executive Director	R76 000.00
Ms Ntombikayise Tini	Non-Executive Director	R64 000.00
Mr Fulufhelo Ratshikhopha	Non-Executive Director	R72 000.00
Mr Mxolisi Zondo	Non-Executive Director	R76 000.00
Ms Sandy Collopen	Non-Executive Director	R64 000.00
Mr Moeketsi Rabodila	Non-Executive Director	R24 000.00
Independent Audit Committee Members		
Ms Yongama Pamla	Independent Audit Committee Member	R36 000.00
Ms Rachel Makwela	Independent Audit Committee Member	R8 000.00
Mr Khethukuphila Ngubane	Independent Audit Committee Member	R24 000.00
Mr Motsamai Karedi	Independent Audit Committee Member	R32 000.00
Total Payments		**R842 019.78**

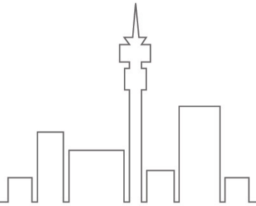
Table 27: Director Emoluments for Meetings

The discrepancy in payments to Independent Audit Committee members stems from differences in value-added tax (VAT) status. One member is a registered VAT vendor and therefore submits invoices inclusive of VAT. Two (2) NEDs, are government employees—Sivuyisiwe Gwebani 's claims relate to travelling expenses, while Yolisa Ngxabazi; did not claim for board fees, travel or data costs. Board and Subcommittee Chairpersons attend City meetings quarterly and are compensated for their participation. Table 27 above pertains to invoices received and paid by Finance.


Riverside View

Name	Basic Salary	Travel Allowance	Housing Allowance	Leave Encashment	Acting Allowance	Performance Bonus/13th	Final Leave Pay	Non-Pensionable Allowance	Company Contribution	TOTAL
Helen Botes	**R2 058 188**	R187 500	R-	R109 768	R-	R419 195	R371 287	R-	R36 892	R2 419 030
Sizeka Tshabalala	**R1 379 823**	R90 000	R-	R68 843	R-	R233 034	R-	R-	R320 422	R1 543 033
Mduduzi Makhunga	**R1 389 529**	R72 000	R-	R-	R-	R304 905	R-	R-	R322 170	R1 469 120
Sipho Mzobe	**R1 209 962**	R80 000	R7 262	R-	R-	R233 034	R-	R-	R281 675	R1 264 777
Phaqa Mhlongo	**R1 498 599**	R-	R-	R-	R-	R-	R-	R-	R260 253	R1 452 206
Tshepo Mokataka	**R1 432 137**	R-	R-	R-	R-	R233 034	R-	R-	R329 047	R1 452 207
Imraan Bhamjee	**R1 766 462**	R72 000	R-	R-	R-	R383 589	R-	R-	R370 659	R1 663 538
Gontse Dlamini	**R970 526**	R-	R10 030	R41 340	R-	R107 657	R-	R-	R214 428	R944 008
Sifiso Mabizela	**R1 122 091**	R-	R-	R53 905	R-	R232 565	R-	R-	R200 494	R933 116
Sathekge Ogotlhe	**R1 390 031**	R-	R-	R52 295	R-	R214 000	R-	R-	R200 921	R1 054 867
	R14 217 347	**R501 500**	**R17 292**	**R326 151**	**R-**	**R2 361 014**	**R371 287**	**R-**	**R2 536 959**	**R14 195 902**

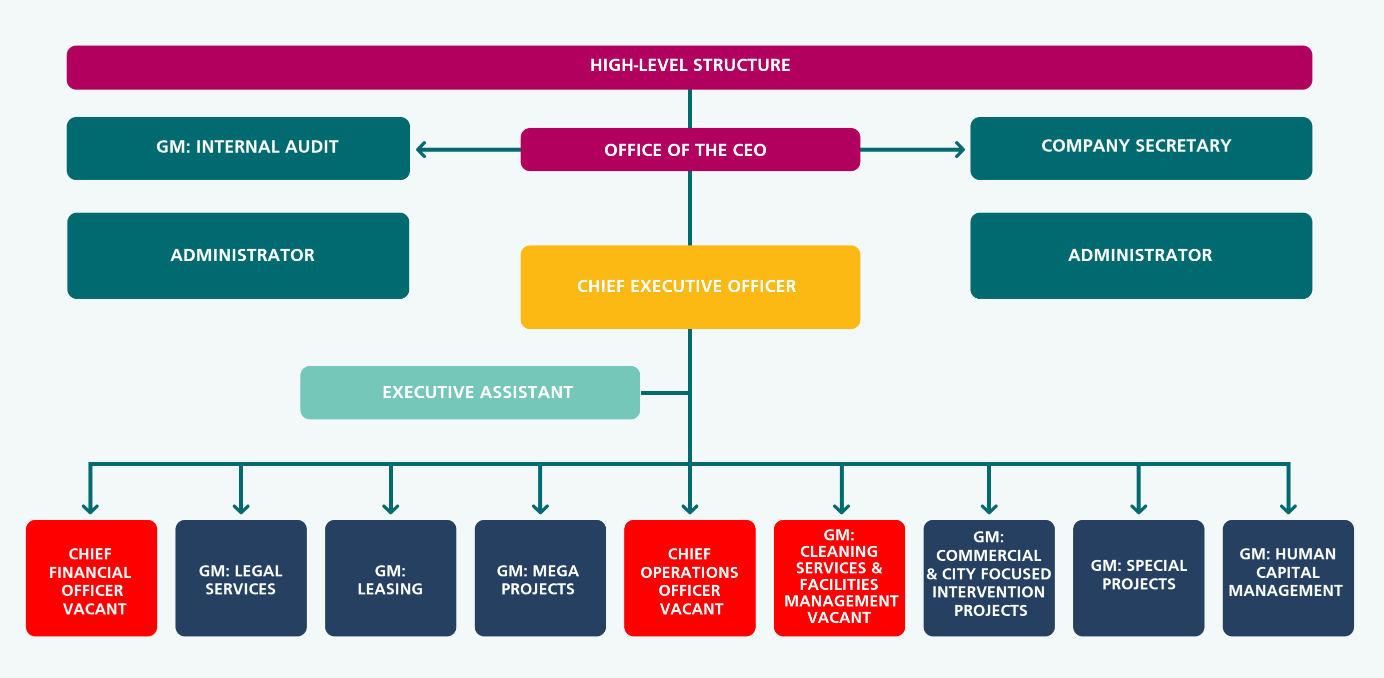
Table 28: Executive Management Remuneration for the Period Under Review



Disclosure of Interest

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

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


HIGH-LEVEL STRUCTURE

GM: INTERNAL AUDIT

OFFICE OF THE CEO

COMPANY SECRETARY

ADMINISTRATOR

CHIEF EXECUTIVE OFFICER

ADMINISTRATOR

EXECUTIVE ASSISTANT

CHIEF FINANCIAL OFFICER VACANT

GM: LEGAL SERVICES

GM: LEASING

GM: MEGA PROJECTS

CHIEF OPERATIONS OFFICER VACANT

GM: CLEANING SERVICES & FACILITIES MANAGEMENT VACANT

GM: COMMERCIAL & CITY FOCUSED INTERVENTION PROJECTS

GM: SPECIAL PROJECTS

GM: HUMAN CAPITAL MANAGEMENT

Figure 2: High-Level Structure

Section 5
Risk Management

The JPC Board, through its Audit and Risk Committee (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

During the third quarter, JPC hosted a strategic risk workshop with the Board and Executive Management. The workshop aimed to:

- Enhance leadership's understanding of risk management practices
- Review and update the Strategic Risk Register
- Reassess mitigation strategies for effectiveness
- Identify and prioritise new or evolving risks in response to the changing business landscape

Following the workshop, the number of strategic risks was streamlined from 13 to 10, reflecting a more focused and responsive risk posture.

Risk Methodology

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

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

Table 29: Methodology

Changes in the Strategic Risk Register

Key risk indicators (KRIs) have been aligned with JPC's key performance indicators (KPIs) and Mayoral priorities to monitor performance and early warning signs. The updated Strategic Risk Register reflects a reduced and more focused list of 10 strategic risks for Q3 2024/25.


Wesbank

Review of Strategic Risks

JPC's primary emerging risk is climate change. Its management examines various climate-related scenarios within its business context to identify and analyse specific risk relating to climate change that would threaten the achievement of the entity's goals, including JPC's impact on the environment and the effect of severe weather events on its assets.

In JPC's risk management programme, all identified risks undergo comprehensive analysis to understand their context, drivers, and potential consequences. Each risk is assessed and rated at both an inherent level (prior to implementing controls) and a residual level (after controls are in place). The risk level is determined based on its impact on the business and its likelihood of occurrence. Risks with a residual risk score equal to or greater than nine out of 25 are reported.

JPC's risk profile evolves over time. Some movements are driven by changes to the risk itself, its context, or the effectiveness of its mitigation. As such, risks reflected in JPC's top risk profile are expected to change over time.

Changes in Strategic Risks

Changes to the Strategic Risk Register were made to simplify risk descriptions and remove items classified as operational or as underlying causes of other risks such as:

- Unhygienic conditions prevailing at CoJ buildings
- Inadequate contract management (forms part of the risk of non-compliance with legislation, policies, and procedures)
- Incomplete Asset Register

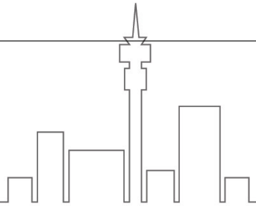
Furthermore, six of the remaining strategic risks have shown increased levels of exposure.

2025/26 REVISED Strategic Risks			**2024/25 PRIOR Strategic Risks**		
🟥 25	1.	Financial instability	🟥 18	1.	Inability to maximise revenue / financial instability
🟥 25	2.	Disempowered facilities management	🟧 18	2.	Inadequate facilities management
🟥 25	3.	Loss of value of City-owned land and properties,	🟧 18	3.	Loss of value of City-owned land and properties
🟥 25	4.	Non-compliance with legislation, policies, and procedures	🟧 18	4.	Non-compliance with legislation, policies, and procedures
🟥 25	5.	Failure to attract, retain, and expand investment	🟧 18	5.	Inability to attract investment
🟥 25	6.	Lagging digital and innovative ICT infrastructure, applications and tools to respond to the mandate and security incidents.	🟥 20	6.	Lack of innovative ICT infrastructure, applications and tools
🟥 25	7.	Inadequate acquisition and disposal of strategic land parcels.	🟧 18	7.	Negative public perception
🟥 25	8.	Negative public perception / reputational and brand damage.	🟧 18	8.	Inadequate acquisition of land to support the spatial development framework of CoJ / inadequate strategic land banking
🟥 25	9.	Insufficient capacity and misalignment of skills for current business model and demand.	🟥 25	9.	Insufficient capacity and misalignment of skills for current business model and demand
🟥 25	10.	Inefficient capacity and misalignment of skills for the current business model.	🟥 25	10.	Environmental, social, and governance (ESG) risk.
			🟥	11.	Theft and loss of assets due to lack of physical security at premises
			🟥	12.	Threat of the future existence of JPC due to lack of land banking under acquisition
			🟥	13.	Inadequate maintenance of CoJ properties

Risk 2024/25		**Motivation**
1	Inability to maximise revenue / financial instability	Changes to the risk description
2	Inadequate facilities management	Changes to the risk description
5	Inability to attract investment	Changes to the risk description
6	Lack of innovative ICT infrastructure, applications, and tools	Changes to the risk description
7	Negative public perception	Changes to the risk description
8	Inadequate acquisition of land to support the spatial development framework of CoJ / inadequate strategic land banking	Changes to the risk description
9	Insufficient capacity and misalignment of skills for current business model and demand	Changes to the risk description
10	Environmental, social and governance (ESG) risk	Changes to the risk description

LEGEND 🟥 Very High 🟧 High 🟨 Moderate 🟩 Low

Table 30: Review of Strategic Risks



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 31.

	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 31: Identified Risks

Following the review and assessment of the Strategic Risk Register during the workshop, the fourth quarter will reflect the movements and progress of mitigation efforts enabling the measurement and assessment of their 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 5x5 scale was used to measure the impact and likelihood of the identified risks. The heat map below 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.

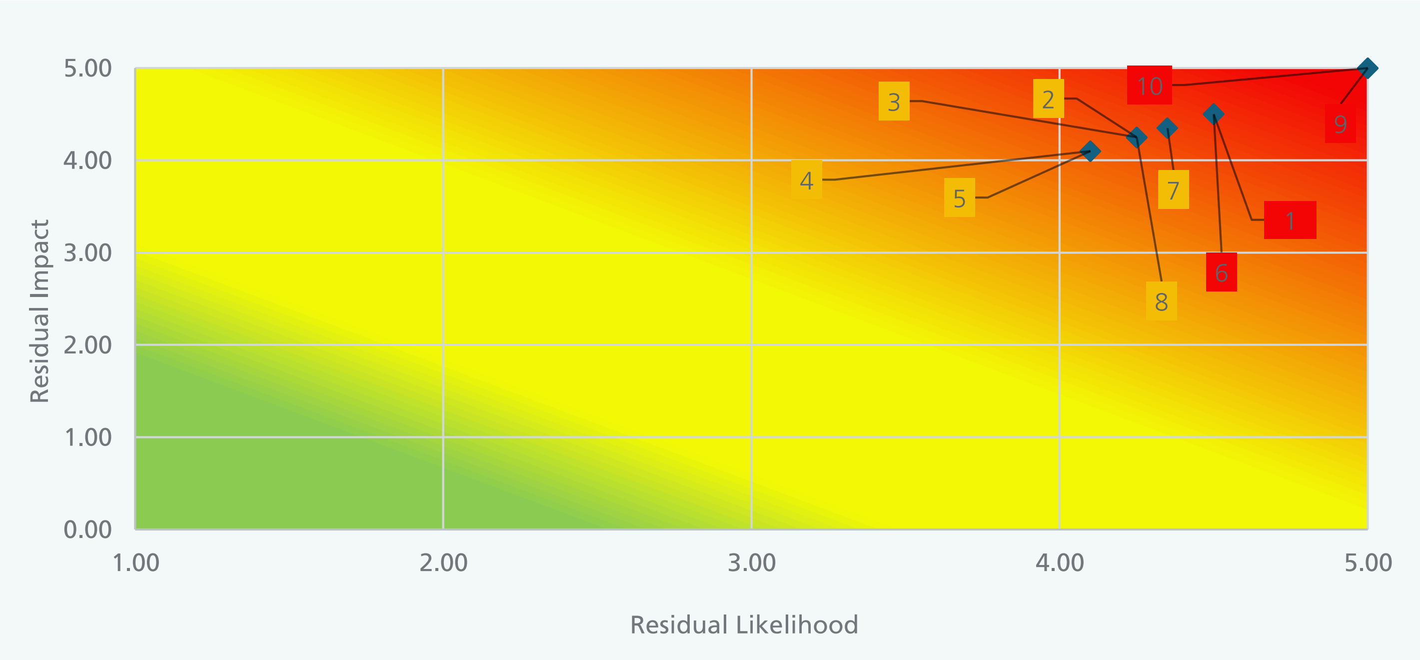


Figure 3: JPC Heat Map

Inherent vs Residual Risk Rating

Table 31 indicates the residual ratings (RR) compared to the inherent rating (IR) for each identified risk. After the board session, risk number 10 (inefficiencies in adaptation to climate change) was revisited and the inherent rating was reduced from 25 (very high) to 15 (high).

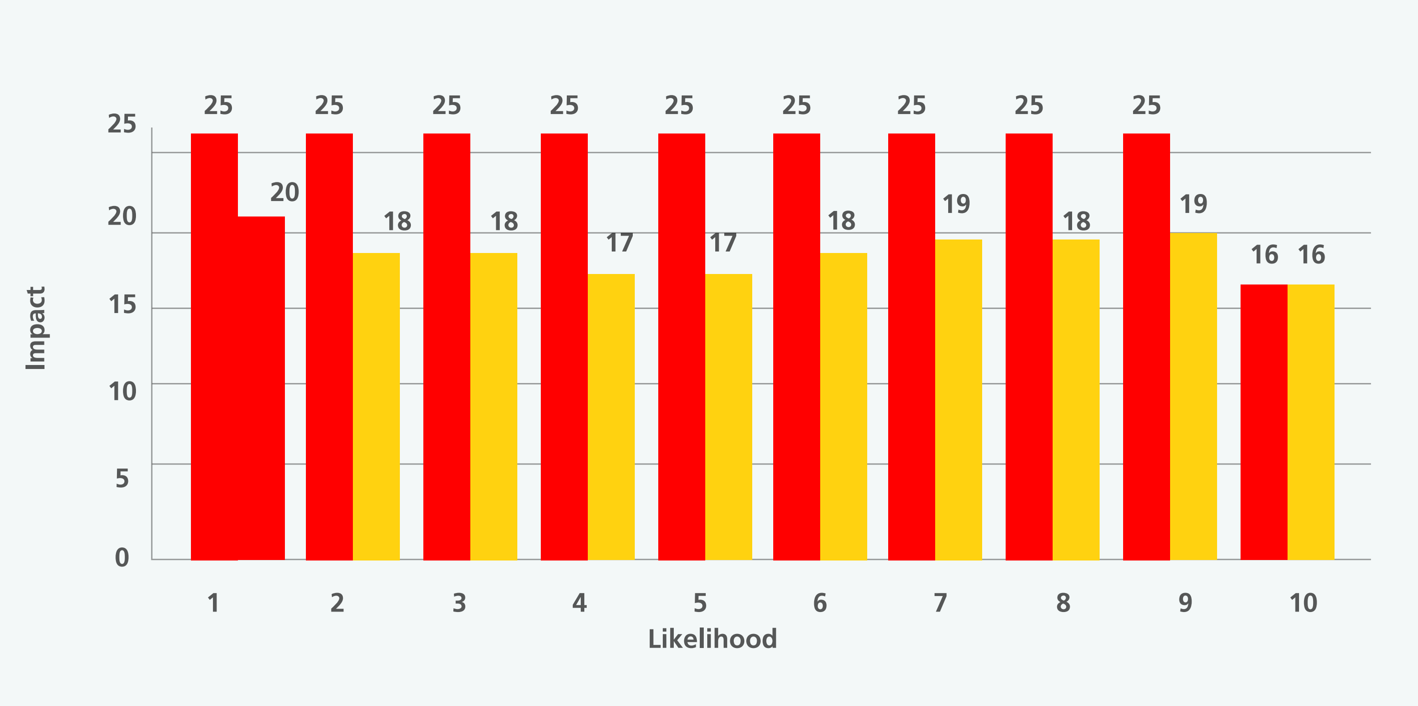


Figure 4: Inherent vs Residual Risk

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

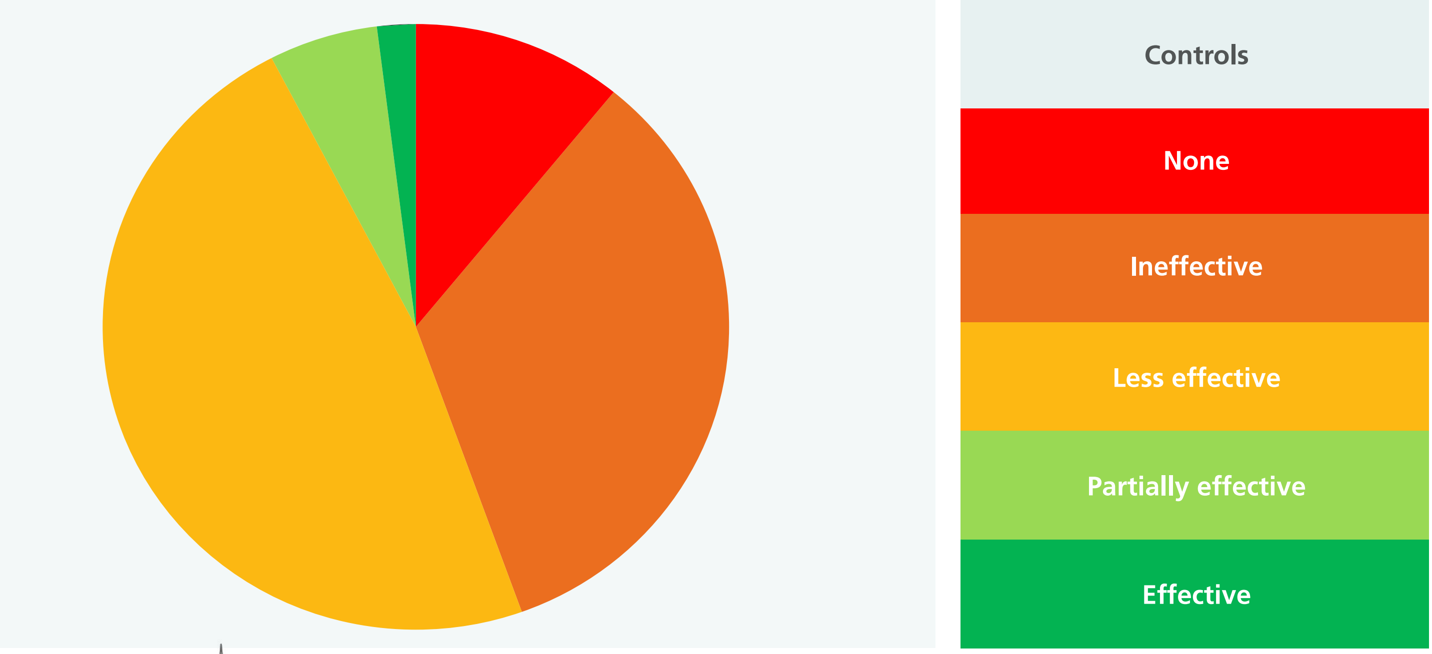


Figure 5: Control Effectiveness

Risk Management Recommendations – Implementation Focus

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

To address this, JPC must:

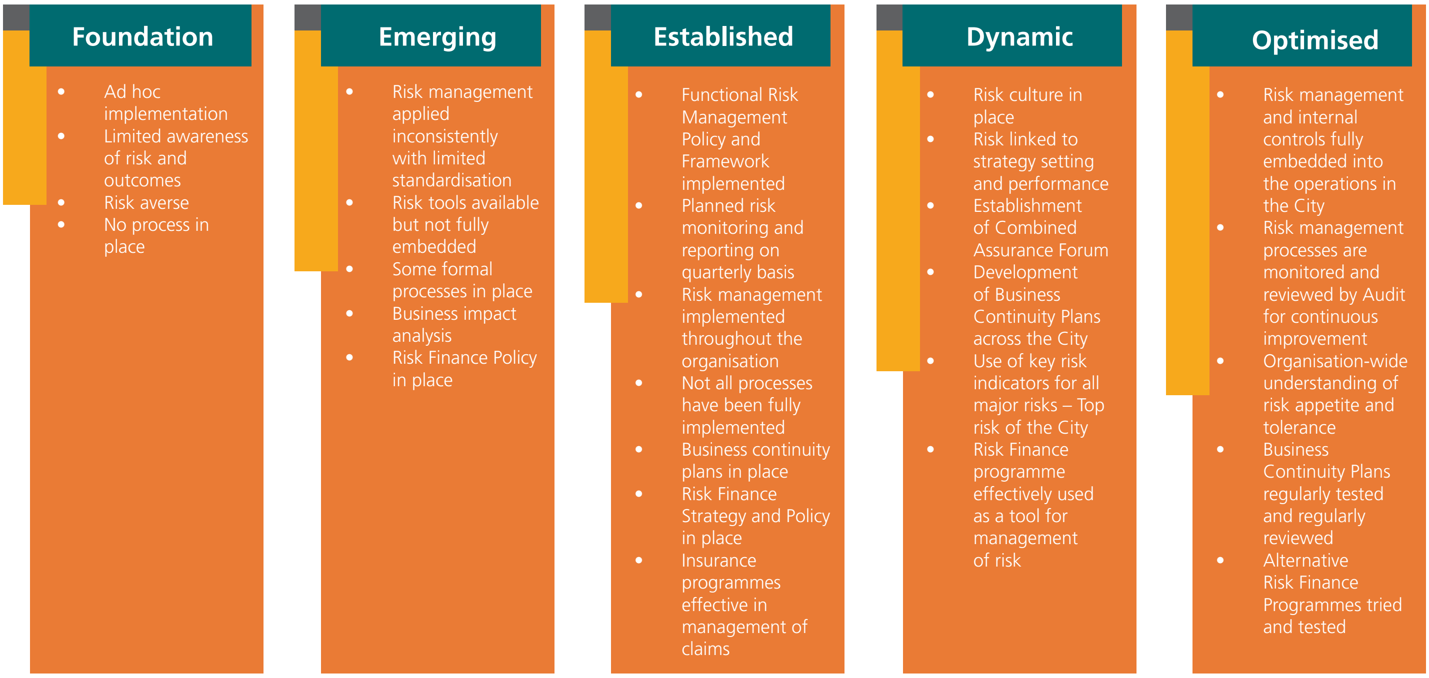
- **Strengthen risk controls:** Implement improvement actions and validate existing controls, as guided by the risk management framework.
- **Integrate risk with performance:** Align risk monitoring with quarterly performance reporting to ensure active oversight of residual risks.
- **Enhance oversight:** Internal Audit should monitor adherence to strategic controls, with non-compliance flagged for corrective action.
- **Enforce executive ownership:** Executive management must take full accountability for driving the risk management process.
- **Define risk appetite and tolerance:** Clearly articulate risk thresholds—both qualitative and quantitative—to guide performance and decision-making.
- **Advance risk maturity:** Conduct a risk maturity assessment to identify or confirm the current level and develop a roadmap to progress on the maturity scale.

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

The fourth quarter will serve as a critical period to track risk movements and evaluate the effectiveness of mitigation measures. This will allow the company to assess the strength of existing controls and identify any areas requiring further action.

Risk Maturity Assessment Approach

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



Foundation	Emerging	Established	Dynamic	Optimised
• Ad hoc implementation • Limited awareness of risk and outcomes • Risk averse • No process in place	• Risk management applied inconsistently with limited standardisation • Risk tools available but not fully embedded • Some formal processes in place • Business impact analysis • Risk Finance Policy in place	• Functional Risk Management Policy and Framework implemented • Planned risk monitoring and reporting on quarterly basis • Risk management implemented throughout the organisation • Not all processes have been fully implemented • Business continuity plans in place • Risk Finance Strategy and Policy in place • Insurance programmes effective in management of claims	• Risk culture in place • Risk linked to strategy setting and performance • Establishment of Combined Assurance Forum • Development of Business Continuity Plans across the City • Use of key risk indicators for all major risks – Top risk of the City • Risk Finance programme effectively used as a tool for management of risk	• Risk management and internal controls fully embedded into the operations in the City • Risk management processes are monitored and reviewed by Audit for continuous improvement • Organisation-wide understanding of risk appetite and tolerance • Business Continuity Plans regularly tested and regularly reviewed • Alternative Risk Finance Programmes tried and tested

Figure 6: Risk Maturity Levels

Section 6
Stakeholder Engagement

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

Section 7
Anti-Corruption and Fraud

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

Section 8
Sustainability and Corporate Social Responsibility

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

Section 9
Compliance with Laws and Regulations

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

Focus areas include the Municipal Finance Management Act (MFMA) Circular 68 (irregular, fruitless and wasteful expenditure), MFMA Section 65(2)(e) (30-day late payment reporting), declaration of interest by the employee, POPIA, as well as other Acts that are core to JPC. A review has been undertaken to ensure compliance with core Acts and to ensure that adequate and effective controls are in place and regularly monitored.

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

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

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

Irregular and Fruitless Expenditure

During the period under review, the entity identified irregular expenditure of **R113 932 014**. 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): **R106 227 986**,
- Expired contracts, which the CoJ will take over (Dimension Data): **R2 327 576**, and
- Afrirent: **R5 326 451**.

Failure to Pay Service Providers Within 30 Days

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

Declaration of Interest

During the quarter under review, 95% of employees submitted their declarations of interest.

Regulatory Compliance in Accordance with GRAS

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

Table 32 outlines compliance with the Acts and Legislations for the third quarter as reported to GRAS.

Regulatory Requirement (RR)	Property Intelligence and Asset Management	SCM	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		Compliant				
BEE		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 32: 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.

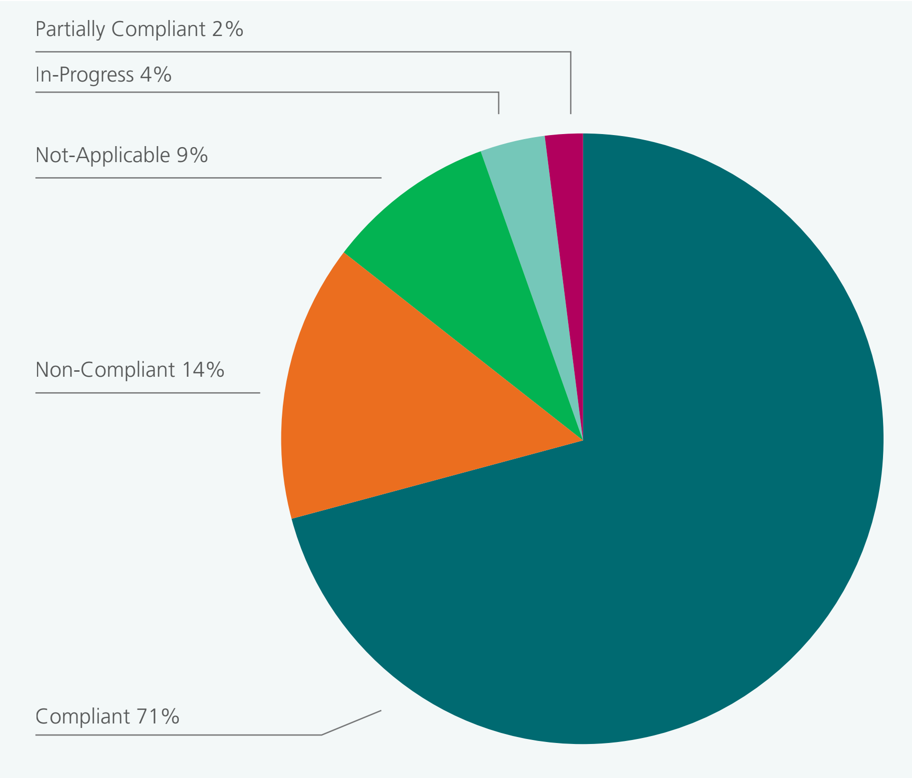


Figure 7: Compliance Regulatory Requirements for Third Quarter 2024/25

a world class African city

JOBURG PROPERTY COMPANY

Chapter 3

Service Delivery & Performance

Section 1
Asset Management

As of the quarter ending 31 March 2025, the City's portfolio had a total value of R10.4 billion, comprising 29 372 properties. Table 33 provides a high-level summary, outlining the number of properties and value per region.

Region	No. of Properties	Value %	Historical Book Value
Region A	1 686	11%	R1 170 031 752.28
Region B	3 514	16%	R1 624 939 768.10
Region C	3 083	11%	R1 182 792 196.62
Region D	5 855	8%	R831 265 462.23
Region E	4 338	16%	R1 644 560 013.18
Region F	5 285	16%	R1 687 094 620.97
Region G	5 317	18%	R1 911 173 478.28
Outside CoJ	294	4%	R429 026 050.01
Grand Total	**29 372**	**100%**	**R10 480 883 341.66**

Table 33: High Level Portfolio Summary

Region G, at 18%, represents the highest value as a percentage of the total value of City-owned properties, followed by Regions B, E, and F, each at 16%. Regions A and C are the third-highest at 11%, while Region D is the lowest at 8%, due to the large number of residential holdings, which have inherently lower valuations.

Asset Register Movements

Tables 34 and 35 illustrate the movement updates of the Asset Register during the period under review of the 2024/25 financial year in relation to the property transfers that occurred.

Movement Category	Jan-25	Feb-25	Mar-25	Total
Acquisitions	555	4	0	**559**
Disposals	–53	0	–16	**–69**
Net movement	**502**	**4**	**–16**	**–490**

Table 34: Monthly Movements by Quantity

Movement Category	Jan-25	Feb-25	Mar-25	Total
Acquisitions	R157 814 686.76	R10 684 206.00	R0 000 000.00	**R168 498 892.00**
Disposals	–R9 516 970.00	R00 000.00	–R1 362 160.00	**–R10 879 130.00**
Net movement	**R148 297 716.76**	**R10 684 206.00**	**–R1 362 160.00**	**R157 619 762.76**

Table 35: Monthly Movements by Value

Acquisitions

Five hundred and fifty-nine (559) properties to the value of **R168 498 892** were taken on during the reporting period as follows:

- Eight (8) properties were acquired on behalf of the CoJ Housing Department using the allocated capital budget.
- Five hundred and five (505) properties were transferred to the CoJ in terms of the Conditions of Township Establishment.
- Five (5) properties were vested to CoJ
- Forty-one (41) properties were devolved to CoJ by the Gauteng Provincial Government. These properties are situated in Regions A, C, D, F, and G.

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

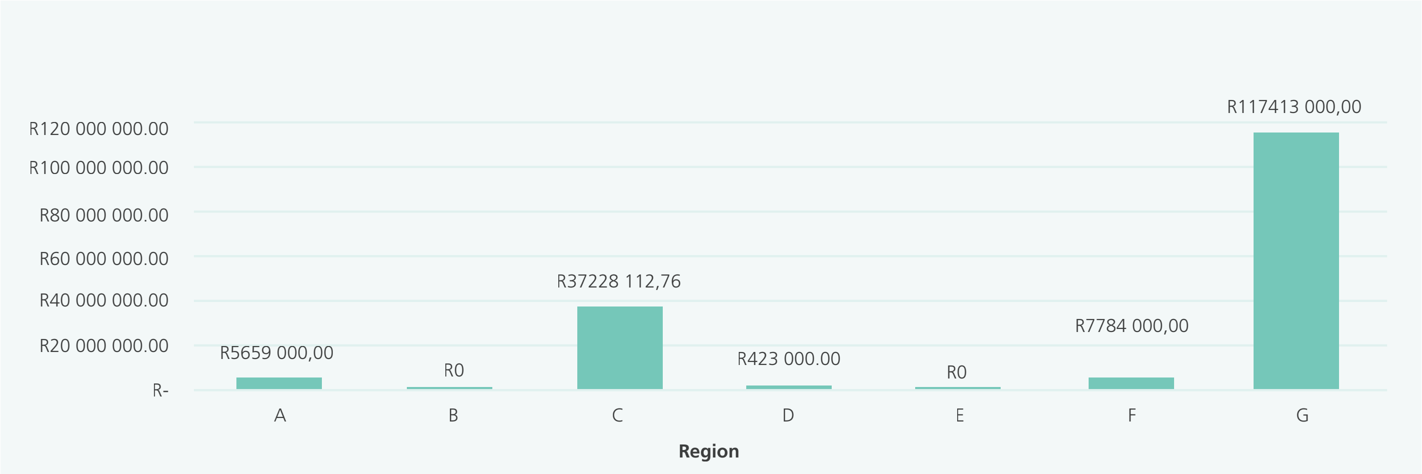


Figure 8: Acquisition Values per Region

Disposals

Sixty-nine (69) properties to the value of R10 879 130 were disposed of in the reporting period as follows:

Housing Conversions

Sixty-five (65) properties relate to the transfer of residential homes to beneficiaries, which are carried out in terms of the City's service delivery mandate for the provision of housing through the CoJ Housing Department. The properties reported on in this document were transferred to beneficiaries during the reporting period in fulfilment of the City's housing delivery mandate as prescribed by the Housing Act. All these properties are full title residential houses.

Land Regularisation

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

Ekurhuleni

Two (2) properties were transferred to the City of Ekurhuleni. These properties vest in Ekurhuleni as they are situated within its municipal boundaries.

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 **R157 619 762.76,** which translates to an increase of 1.50% of the entire portfolio, as outlined in Table 36.

Month	Opening Balance	Movement	Closing Balance
Jan-25	R10 323 263 578.90	R148 297 156.76	R10 471 561 295.66
Feb-25	R10 471 561 295.66	R10 684 206.00	R10 482 245 501.66
Mar-25	R10 482 245 501.66	-R1 362 160.00	R10 480 883 341.66
Net Movement		**R157 619 762.76**	
		1.50%	

Table 36: Asset Register Net Movement Value

Section 2

Commercial and City-Focused Intervention Projects

Section 2.1: Development Facilitation Unit

Mixed-Use Development Transactions

Projects at Construction Phase/ Stage

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

This mixed-use development will yield at least 768 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 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.

Projects at Construction Phase/Stage

Project Name: Lifestyle Complex Development: Erf 53 Alan Manor

2024/25 FY Project Developments

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

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

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

Project Opportunities/Focus

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

Project Status

- **64** units have been completed in Phase 1 and 2.
- **27** units have been sold and transferred.

Lifestyle Complex Development

Projects at Construction Phase/Stage

Project Name:
Riverside View Mega Housing Development

2024/25 FY Project Developments

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

The development yields:

- 10 414 total residential units

Breakdown of units
(development yields/total housing mix):

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

Project Challenges/Delays

- 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 USDG budgets by CoJ or budget cuts, resulting in delays with implementation of bulk infrastructure programmes.
- Delays in approval of Human Settlement Development Grant budgets by the GDHS or budget cuts, resulting in delays with construction of RDP top-structures and services.
- Delays in payments of invoices by CoJ and GDHS, creating cash flow pressure.
- Delays with beneficiary identification and allocation once RDP buildings are completed, putting vacant buildings at risk of invasion and resulting in high security costs for the developer. This has necessitated the protection of land and vacant buildings from illegal occupation/invasion.

Project Opportunities/Focus

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

Project Status

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

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

Riverside View Mega Project Development

Projects at Construction Phase/Stage

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

2024/25 FY Project Developments

- 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.
- Roads Agency and Pikitup depot functions need to be relocated to alternative sites to free up land for the development. These old depots, comprise Erven 409, 110, and 111 Norwood (Pikitup depot) and Erven 6, 7, 8 and 9, Orchards (JRA depot). Numerous consultations have been held with the various depots.
- The proposed inclusive, mixed-use development will include approximately 800 new housing units, a hotel or 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.
- Re-issue of the RFP for the appointment of the development Facilitator for the relocation of the JRA and Pikitup depots.
- RFP (first phase of 744 mixed-income residential developments) for development and sale/long-term lease of the site to be released.

Project Challenges/Delays

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

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.

Patterson Park Development

Projects at Construction Phase/Stage

Project Name:
Victory Park Lifestyle Development (Previously known as Parkhurst Bowling Club)

2024/25 FY Project Developments

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

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

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

The shopping centre will have a total gross lettable area of 20 875 m², while the social and housing component will cover 9 504 m² and comprise 294 units. The development will also include a clubhouse with changing rooms, meeting rooms and a swimming pool for residents.

Project Status

- The portion of land that was previously occupied by recyclers has been cleared and fenced off with security personnel being deployed to the site.
- The other portion of land is still illegally occupied due to the unavailability of temporary emergency accommodation (TEA). JPC is working with Human Settlements to ensure that this process is followed through and the illegal occupants are removed.
- The site development plan application is currently in circulation with the relevant CoJ departments.

Project Challenges/Delays

- The unavailability of a TEA to remove the illegal occupants.
- Awaiting approval from CoJ departments regarding the service delivery agreement 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
- Revitalised asset and infrastructure development
- Easy access to social and economic amenities
- Skills transfer
- SMME empowerment

Projects at Construction Phase/Stage

Project Name:
Erf 419 Klipspruit

2024/25 FY Project Developments

The project, located in Klipspruit, Soweto, aims to address the increasing demand for student housing in the area, particularly among NSFAS 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. Meanwhile, structural, civil, mechanical, and electrical designs are in progress.

Projects at Construction Phase/Stage

Project Name:
Erven 159-169 & Erf 530 Cottesloe

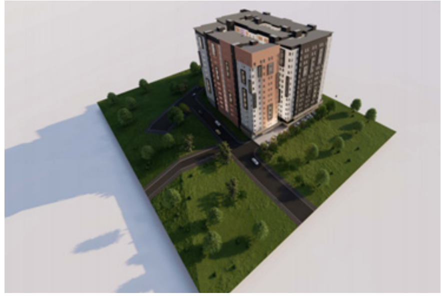
2024/25 FY Project Developments

The primary objective is to consolidate Erven 159 to 169 and Erf 530 Cottesloe to be a single erf for the development of student accommodation around the 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 to an economic asset for the municipality and will contribute to the modernisation of the surrounding area at UJ.

The mitigation strategy is to minimise the risk of occupation by illegal occupants and to transform the site into an economic asset, that contributes to the modernisation of the surroundings.



Project Status

The properties have since been awarded to the preferred developer.

The current zoning of the erven is institutional and no restrictive conditions of the title need to be removed prior to the consolidation.

SDPs are being drafted for the proposed student accommodation buildings.

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
- Revitalised asset and infrastructure development
- Easy access to social and economic amenities
- Skills transfer
- SMME empowerment

Section 2.2: Acquisition & Municipal Unit

Acquired Properties

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

Property Description	Beneficiary Department	Amount	Commission
Erf 186 Berea	Department of Human Settlements	R4 300 000.00	R430 000.00
Erf 188 Berea	Department of Human Settlements		
Erf 627 Zandspruit	Department of Human Settlements	R3 900 000.00	R390 000.00
Erf 628 Zandspruit	Department of Human Settlements		
TOTAL		**R8 200 000.00**	**R820 000.00**

Table 37: Property Acquisitions

Acquisitions at Negotiation Stage

Council approved ten (10) acquisitions to the value of **R42.6 million** during the period under review. Transfer is anticipated within the current financial year, subject to an upward adjustment of the budget in favour of the Department of Human Settlements and acceptance of offers by the property owners.

Management of Sanitary Lanes City-Wide (Released Properties)

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

Section 3

Informal Trading Unit

Income Collection

During the period under review, the Informal Trading Unit collected **R250 303.20** for stalls and shops occupied by traders.

Erf 44 Far East Bank

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	166	0	166	3	**163**
Jeppe	108	0	108	54	**54**
Hillbrow	193	7	186	6	**180**
Rosebank	9	1	8	8	**0**
Hoek	52	0	52	0	**52**
Bara	462	0	462	20	**442**
Fordsburg	128	0	128	110	**18**
Diepsloot	25	0	25	0	**25**
Big Ben	14	3	11	4	**7**
New Doornfontein	13	0	13	13	**0**
Kwa Mai Mai	226	0	226	103	**123**
Faraday	100	0	100	42	**58**
Dobsonville	161	161	0	0	**0**
Total	**1 657**	**172**	**1 485**	**363**	**1 122**

Table 38: Stall Occupations by Informal Traders

The non-payment of rental by traders presents a major challenge in the Informal Trading Unit. The issuing of trading permits by the Department of Economic Development (DED) and the subsequent signing of leases between informal traders and JPC will assist in combating non-payment, as well as subletting and hijacking of stalls by traders.

These leases will include all trader particulars, including the monthly rental amount. The signing of leases will act as a legally binding document to manage the relationship between informal traders and JPC.

Most traders currently do not have leases, making it challenging for the Informal Trading Unit to hold them accountable for non-payment. The Unit has identified discrepancies between the rent roll and the traders occupying stalls, such as subletting and vacant stalls stemming from the absence of formal lease agreements. The Unit is currently in the process of reconciling verified traders and traders on the rent roll.

Traders who have been successfully verified and are still occupying the stalls but have outstanding debts will be prioritised for obtaining their leases and will need to acknowledge their outstanding debts to bring their accounts up to date.

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

Section 4
Mega Projects

Project Name: Southern Farms

2024/25 FY Project Developments

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

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

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

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

The precincts will include the following components:

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

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

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

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

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

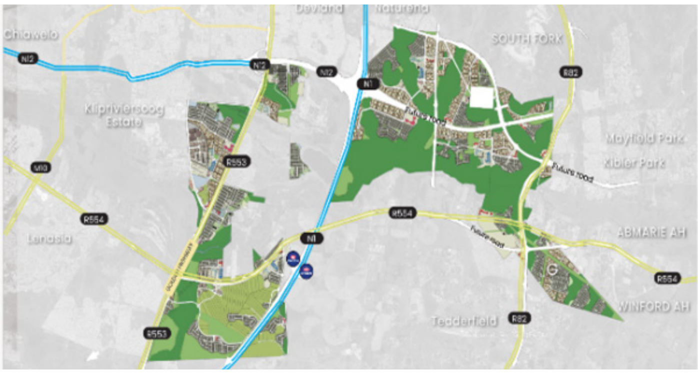
Project Status

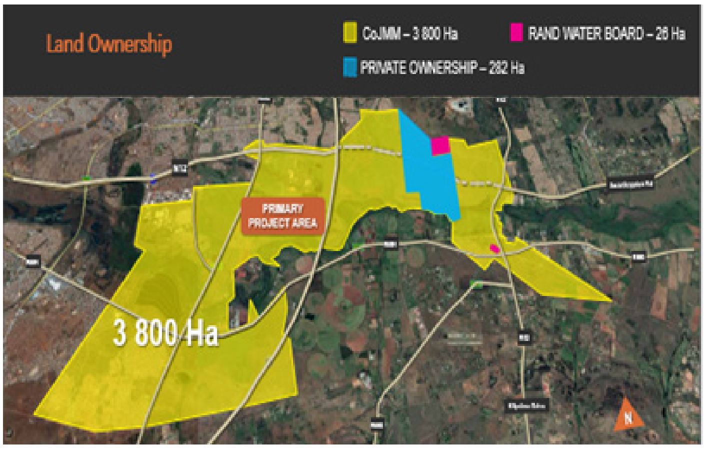
- The following two townships have been approved:
  - Naturena Extension 54
  - Naturena Extension 9

- The remaining 15 townships will be going to a Municipal Planning Tribunal due to objections raised by some parties. The Planning Department will schedule the hearings.
- Environmental approval has been obtained.
- The developer is awaiting Water Use Licence Application approvals.
- The Department of Human Settlements has confirmed **R84 million** from USDG funding for this financial year for bulk and link services installation.
- The Community Liaison Officer has been appointed and briefed.
- A successful project briefing workshop was conducted with CoJ region G officials.
- The developer, Valumax and SafDev Joint Venture (VS/JV), has completed the tender process for the civil and electrical works for Phase 1 of the Southern Farms project.
- Site establishment for bulk and link services was scheduled to start during the week of 03 to 07 March; however, the developer and contractors had to leave the site due to community members demanding jobs.
- An acquisition report for purchasing the 11 privately owned land portions within the development area has been approved by Council, and JPC has requested a budget from Human Settlements to acquire these land portions.
- JPC is in the process of appointing an independent valuer to obtain the current value of these land portions.

Project Challenges/Delays

- VS/JV is actively addressing the concerns raised, as it is their intention to proceed with site establishment as quickly as possible.
- Community unrest has risen due to the installation of bulk services.





Project Name: Soweto Gateway

2024/25 FY Project Developments

This proposed development is a mixed-use initiative, accommodating diverse land uses and taking advantage of the site's location as an entrance into the Soweto/Baralink Node.

It will reinforce surrounding activities, such as institutional functions, educational programmes, local manufacturing, training facilities, and commercial enterprises. It will be supported by medium- to high-density, mixed-income residential developments, community facilities, recreation areas, and public spaces within a well-balanced and sustainable urban structure that is connected and accessible to the rest of Soweto and the City. It is envisaged that it will be an iconic entrance point into Soweto—a place to live, work, and play.

The development phases are:

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

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

Way forward
Concluding the township establishment and proceeding with the proclamation.

Project Status

- Calliper Consulting Engineers are the appointed developers for Soweto Gateway.
- Environmental authorisation was obtained from the Gauteng Department of Agriculture and Rural Development.
- Township establishment is at the conclusion stage. Thereafter the proclamation will ensue.
- Construction plans for securing the site with a perimeter wall have been submitted by the developer to the Department of Planning for approval.
- The Section 33 compliance report is currently under review at Section 79 and will be on the next Council agenda. Thereafter the lease agreement will be concluded with Calliper.
- The developer's team is actively engaged with the master planning of the development.
- The development will yield over 4 000 mixed-income residential units with community facilities, public open spaces, commercial and health facilities as well as retail outlets.

Project Name: Power Park Student Accommodation

2024/25 FY Project Developments

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

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

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

- **Building type:** Purpose-built student accommodation
- **Capacity:** Approximately 848 students in single rooms
- **Amenities:** Includes essential urban amenities such as study areas, common rooms, laundry facilities, and a fitness centre

Project Challenges/Delays

Challenges encountered:

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

Project Status

- **Completion rate of Phase 1:** 80%
- **Activities:** Construction of final finishes, utility connections, and landscaping are under way to prepare for the opening in due course.

Current earthworks activities:

- Earthworks, site preparations, grading, and soil analysis are under way.

Next Steps

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

Project Name: Orlando Ekhaya Waterfront Development

2024/25 FY Project Developments

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

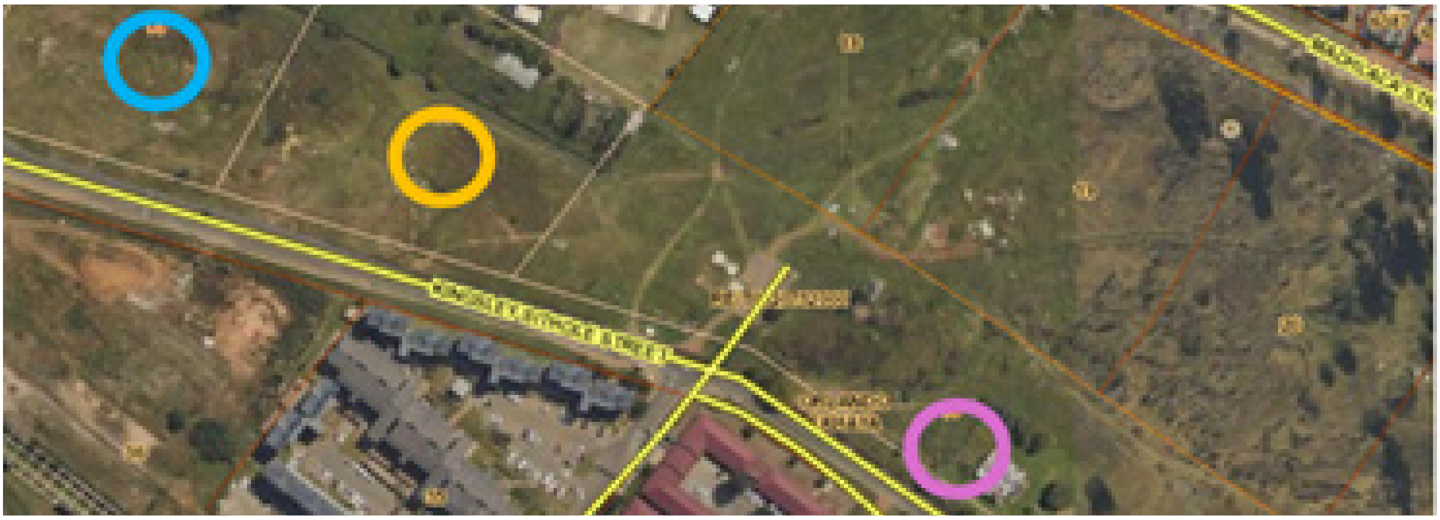
- Affordable housing
- Affordable student accommodation
- Retail outlets
- Sports and recreation
- Tourism attractions
- Investment and economic growth opportunities
- Complementing and enhancing existing commercial, educational, retail, hospitality, and training facilities.

Development Objectives

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

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

Property Description	Project Status
Erven 13, 14 & 15 Orlando Ekhaya	Released and awarded for mixed-use development focused on affordable housing and student accommodation. Undergoing the necessary town planning process (e.g. SDP building plans).
Erven 31, 36 & 41 Orlando Ekhaya	Scheduled for release via an open public tender process in October 2025. Various land studies have been completed (i.e. property valuations, geotechnical and environmental studies).
Erf 38 Orlando Ekhaya	Scheduled for release via an open public tender process in Q3. Feedback from the Environment and Infrastructure Services Department (EISD) highlighted the site's environmental sensitivity, and solutions are currently being explored. EISD will provide development guidelines to ensure the site can be utilised without exacerbating existing environmental challenges.



Metro Centre

Project Name: Redevelopment of the Metro Centre PPP

2024/25 FY Project Developments

JPC, in collaboration with the Office of the COO of the CoJ, is leading a public private partnership (PPP) process for the redevelopment of the Metro Centre. As a municipal-owned entity, JPC must comply with the MFMA and National Treasury regulations governing PPPs to ensure transparency, value for money, and appropriate risk allocation. To facilitate compliance, JPC and the CoJ are working with National Treasury's Government Technical Advisory Centre, which is assisting in procuring a transactional advisor. The bid specification and advertising processes have been concluded, with the next step being the constitution of the bid evaluation committee and the awarding of the tender in the current financial year.

The PPP project cycle consists of six key phases, which ensure the project is properly structured, implemented, and managed in compliance with legislative and regulatory requirements. Below is an overview of these phases, along with their relevance to the Metro Centre PPP project:

Phase 1 – Inception: This phase marks the formal initiation of the PPP project. It involves identifying and registering the project with the relevant treasury, appointing a project officer, and engaging a transactional advisor. This phase establishes compliance with Treasury regulations and lays the foundation for the project's implementation. The conclusion of this phase is expected by the end of June 2025.

Phase 2 – Feasibility Study: A comprehensive feasibility study will be undertaken to assess the project's affordability, value for money, and risk allocation. This includes technical, financial, and legal assessments. The study will determine whether a PPP model is the most viable approach or whether an alternative procurement model should be pursued. If the feasibility study recommends a PPP model, Council and Treasury approval will be required before proceeding to the procurement phase. Conclusion of this phase is expected by the end of June 2027.

Phase 3 – Procurement-: In this phase, bid documentation is drafted, a request for proposals (RFP) is advertised, and a preferred bidder is selected. The procurement process follows a structured, transparent approach, including bid evaluation and negotiations, ensuring that the chosen private partner meets all financial and technical requirements. Council and Treasury approval is required before finalising this stage. Conclusion of this phase is expected by the end of June 2029.

Phase 4 – Development: Once the PPP agreement is signed, the private partner commences the design, financing, and construction of the required infrastructure. The project is closely monitored to ensure adherence to agreed timelines, quality standards, and contractual obligations. Conclusion of this phase is expected by the end of June 2032, based on design, financing, and construction sub-phases.

Phase 5 – Delivery: This phase involves the operational rollout of the PPP agreement, in which the private partner delivers contracted services under a performance-based agreement. The government monitors service delivery, enforces contractual provisions, and ensures compliance with key performance indicators. The duration of the PPP is yet to be determined.

Phase 6 – Exit: The final phase involves either the transition of assets or services back to the CoJ, or the renewal or renegotiation of the contract. The institution assesses the project's overall performance, regulatory compliance, and long-term sustainability. Effective exit planning is crucial for maintaining service continuity and ensuring optimal public resource utilisation. The appointment of a transaction advisor is currently awaited.

Project Status

The following security measures were undertaken during Q3 to ensure that the building is safe from further vandalism and theft :

- A total of 70 armed security guards (35 day and 35 night) have been positioned on the site and replaced the services of the JMPD patrol.
- The perimeters of the Metro Centre are being secured with a concrete wall, reinforced with barbed wire. Each wall panel measures approximately 2.5 m in height and 1.5 m in width. This process is being facilitated by JOSHCO via a signed SLA. Completion is anticipated by the end of the 2024/25 financial year.

Project timelines provided by JOSHCO are as follows:

- Official site handover meeting on 18 March 2025.
- Appointment of Land Surveyor: The process will begin on 20 March 2025.
- Land survey and reporting: The Surveyor will take four (4) days to complete the survey and submit the report (24 March to 27 March).
- Structural design development: Following receipt of the survey report, the Structural Engineer will require three (3) days to finalise the design (28 March to 01 April).
- Bill of Quantities (BOQ) preparation: A quantity surveyor will then require two (2) days to develop a detailed BOQ (02 April to 07 April).
- Tender process for contractor appointment: Once the design and BOQ are ready, JOSHCO will initiate the contractor appointment process by placing the project on tender. This process will be open for seven (7) days, closing on 16 April 2025. Another seven (7) days will be required to evaluate and appoint a contractor (25 April 2025).

Site handover to the constructor: 28 April 2025. A comprehensive programme of works will be issued once the contractor is appointed. The project is expected to take approximately two to three months from the date of handover.

Outdoor Advertising

Project Description: Outdoor Advertising

To date, three (3) signed EAC resolutions have been received, subsequent to which draft contracts were submitted to the media owners listed below:

- JCDecaux SA (Pty) Ltd – Street furniture contract
- Ad Outpost (Pty) Ltd – Billboards contract
- Movie Magic (Pty) Ltd – Billboards contract
- To date, 174 applications have been submitted for approval for various advertising formats. No approvals have been issued by the Planning Department.

Revenue collected during the quarter under review for outdoor advertising totals **R38.1 million** and cell masts **R11.036 million**.

Project Challenges/Delays

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

Project Opportunities/Focus

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

Leasing and Space Planning

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

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

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

EAC approval reports were submitted to the EAC for the extension of leases in respect of Community Development Libraries for all regions of the City, including leases in respect of 222 Smith Street (Human Settlements), Turbine Hall (Joburg Water), and Braampark (JPC and Group Governance). The EAC resolution was received in January 2025 for a lease to be extended for an additional 9 years, 11 months (subject to compliance with section 116(3) and section 33 of the (MFMA).

Project Status

Newtown Building: The space available in the Nedbank building is 45 221m^2 with 1 652 parking bays. Approximately 2 100 people will need to be relocated to the office space.

The following departments have been identified as priorities to be decanted to occupy office space at the Nedbank Building:

- Development Planning team
- JDA
- Office of the City Manager
- Office of the COO
- Office of the GCSS including the MMC's Office
- Department of Community Development and MMC's Office
- Department of Health

Decanting Plan: The decanting into the Newtown Building will take place in two phases as follows:

- **Phase 1:** Prioritises moving employees into workspaces, especially those working remotely.
- **Phase 2:** Involves relocating Development Planning to the ground and first floors, followed by other departments. The move is contingent on the signing of a 24-month lease with Atterbury, procuring stored furniture, the finalisation of space planning (with limited space for revisions), and the completion of IT installations once the furniture is in place.

JD House: The Mayor's Office will be moving to JD House shortly, while the Office of the CM and COO will be moving to the Nedbank Building in Newtown. Once these offices have vacated the SAPPI building, JPC will appoint an independent space planner to rationalise all spaces occupied by City departments at SAPPI.

The leases for Turbine Hall, 222 Smit Street, Thuso House, Jorissen, and Braam Park will need to be extended through a deviation.

Tender processes are under way for office space for Group Finance and libraries.

Project Name: Repairs and Renovations Braam Park Forum 1

Forum 1 Braam Park, currently the Head Office of JPC, has been in urgent need of repairs and maintenance. A service provider has been appointed to carry out the necessary repairs and maintenance in JPC's existing office space.

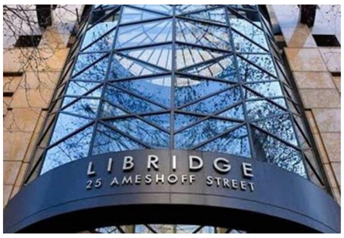
Project Challenges/Delays

- Delays in submitting reports to EAC.
- Delays in receiving resolutions from EAC.
- Delays in relocating departments to earmarked buildings.
- Some tenants failing to pay rentals timeously.
- Tenants wanting to be relocated.

Project Opportunities/Focus

JPC will be providing the departments and entities with the following opportunities in terms of office space:

- Safe, secure, and OHSA-compliant office accommodation.
- Continuous service delivery, including back-up power supply and water.
- Access to the public and its constituencies.



Section 5

Special Projects

Approach on gaining control over privately owned bad buildings

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

Precinct-by-precinct approach

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

- **Erf 1210 Marshalltown:** The report requesting Council's approval for the disposal of the site through a development and long-term lease has been recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral and Section 79 Committee. Council approval is anticipated by the end of this quarter. The rezoning application has been submitted, with approval anticipated by the end of the financial year.
- **Erf 342 and 343 City and Suburban:** The report requesting Council's approval for the disposal of the site through a development and long-term lease has been recommended for approval by the JPC Board, EMT, Sub Mayoral, Mayoral, and Section 79 Committee. Council approval is anticipated by the end of this quarter. The rezoning application has been submitted, with approval anticipated by the end of the financial year.

Figure 9: Usindiso Block – Marshalltown

- **Erven 272, 273, 274, 279, and portions 269, 271, and 280 City and Suburban:** The report requesting Council approval for the disposal of the site through a development and long-term lease was recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval is expected by the end of this quarter. JPC has requested the Department of Minerals Resources Agency to confirm whether a site license exists and is still awaiting confirmation.
- **Acquisition of Erven 339, 340, 341, 344, and 345 City and Suburban:** The property is to be acquired in support of the Usindiso Redevelopment Block. The report requesting Council approval for the acquisition of the properties was recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 committee. Council approval is anticipated by the end of this quarter.
- **Bertrams Precinct:** This precinct is bounded by Bertrams Road, Liddle Street, Berea Road, and Gordon Road in Bertrams. The CoJ awarded the development of Erven 93, 94, 95, 96, 114, 116, 118, 121 and 122 in Bertrams to developers nominated by the Government Property Fund (GPF) as part of a development programme provided by GPF. The developers are as follows:

1. Construction by Developer 1 (development of Erven 96, 121, and 122 Bertrams): The properties are to be developed into student accommodation, yielding 107 beds. The developer is still awaiting additional funding to enable completion of construction.
2. Construction by Developer 2 (Development of Erven 114, 116, and 118 Bertrams): The properties are to be developed into student accommodation, yielding 102 beds. A few delays have affected the commencement of the construction of the second phase. Construction is expected to start by June 2025.
3. The BSC composition memo for the development and long-term lease of Erven 86, 87, 88, 89, 90, 91 and 92 in Bertrams was submitted to the Acting City Manager and approval is anticipated by the end of April 2025.
4. JPC has appointed a Structural Engineer to conduct a comprehensive structural assessment, including non-destructive tests (NDTs) to determine the building's structural integrity in support of the Heritage application and the evacuation order application. Completion of the assessment is anticipated by the end of April 2025.
5. JPC has also requested Human Settlements to conduct an occupancy audit of the building to support the development of TAA.

- Mining Belt Redevelopment: The report requesting Council to grant JPC permission to initiate the public participation process was recommended for approval by the JPC Board, EMT, and Sub-Mayoral. JPC anticipates obtaining Council approval by the end of April 2025.
- Walter Sisulu Square of Dedication (WSSD): The public participation process for appointing a professional team to develop the adaptive reuse and regeneration plan for the WSSD is under way. In line with the Municipal Asset Transfer Regulations, the process began on 20 January 2025 and will conclude on 30 March 2025. Finalisation of the appointment is anticipated by the end of April 2025.
- Vrededorp Student Accommodation: The EAC of the CoJ has granted approval for the development and a 50-year long-term lease of Erven 495, 496, 497, 498, 499, 500, 501, and 516 in Vrededorp to Izicwe Consulting for the purpose of establishing student accommodation. The anticipated development cost is R42 million.

The designated site is strategically situated, bounded by Hull, 8th, and Solomon Streets in Vrededorp. Its proximity to renowned academic institutions such as the University of Johannesburg's Bunting Campus and the University of the Witwatersrand underscores the project's excellent accessibility and relevance to the student community.

This proposed development is poised to meet the growing demand for student accommodation, providing a total of 36 residential units, which will accommodate 167 student beds. In doing so, the project will play a vital role in supporting the academic and personal growth of students in the City of Johannesburg, significantly contributing to the local education ecosystem.

Moreover, the construction phase of this development is expected to generate substantial employment opportunities for local residents, including skilled, semi-skilled, and unskilled labourers, alongside support for small, medium, and micro enterprises (SMMEs). These workers will predominantly be sourced from the surrounding areas of Ward 58/69, fostering local economic growth and creating employment opportunities for the community.

The MMC for Economic Development will officially inaugurate and commence the groundbreaking ceremony for this development. Notably, this initiative represents the first turnkey development project focused on affordable rental housing, with particular emphasis on the provision of student accommodation, marking a significant milestone in the City's commitment to addressing housing needs for its student population.

Section 6

Information and Communication Technology

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

Project Description	2024/25 FY Project Developments	Status
Digital transformation (Electronic Document and Records Management System – EDRMS)	• Phase 2 of the implementation process is under way and involves uploading of the following registers: • 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. • A high-level demonstration of the Odoo System has been presented to management. System testing will be conducted with users before going live. • 1 300 user licences have been procured for all employees across the entire system – managers' training is complete.	Ongoing over a period of 36 months
JPC site connectivity	• Engagements with the Group Chief Technology Officer are under way to secure approval for the installation of JPC site connectivity, as the alternatives provided by MTC were not viable. • The JPC site site connectivity budget for 36 months has been approved.	50% complete
Website hosting	• The first RFQ advertisement was non-responsive and had to be reissued. The bid evaluation has been completed and is currently awaiting probity. This appointment should be finalised in the fourth quarter.	90% complete
Microsoft updated related projects	• 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	• A biometric service provider is on site and currently engaged in the installation and configuration of biometric multi-factor authentication. • SCM has completed the CCTV scoring and shortlisting, and the process of appointing a service provider is under way.	75% complete
Mobile Communication Services	• The RT 15-2021 National Treasury contract for the supply and delivery of mobile communication assets has been extended for 24 months. • The order to procure these assets for employees has been finalised and the allocation and distribution of the mobiles will take place in the coming quarter.	90% complete
Adobe Programme Licences for ICT applications such as Adobe Programme	• The RFQ advertisement was non-responsive; SCM will re-advertise. • The SCM process is being finalised.	50% complete 45% complete

Project Challenges/Delays	Project Opportunities/Focus
Digital Transformation – EDRMS: • Automation for all established workflow processes due to budget • 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 (one drive for all) • User availability • System workspace not aligning with file plans	Automated centralised systems for all business processes

JPC Site connectivity

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

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

Backup continuity and disaster recovery

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

Test outcome:

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

Quality assurance:

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

Website hosting:

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

Details:

Initial evaluation.

Council Chambers wall art & stairway

Section 7
Client Business Operations

Business Operations

In the quarter under review, eighty-four (84) transactional reports were at various stages of the committee system.

In this reporting period, forty-three (43) matters arising from the various committees remain outstanding. The majority of these matters emanate from S79: Economic Development Committee and have not been tabled at several meetings. A special meeting will be convened to table all outstanding matters arising. The breakdown of the matters arising is reflected in Table 39.

Name of Committee	Quarter 3 Number of Submitted Reports – Awaiting Tabling	Outstanding
Matters Arising: Section 79: Economic Development	33	9
Matters Arising: Section 79: Human Settlements	0	1
Matters Arising: Inner City Sub-Mayoral	0	0
Section 79 Petitions	0	0

Table 39: Number of Transactions in the CoJ System

Open Petitions

JPC has seven (7) outstanding historical petitions and one (01) petition has been closed during this reporting period. The Petitions Standing Committee (PSC) has introduced the GPL ePetition Portal, a digital operating system that will be administered through the Gauteng Provincial Government. This system will transform the administering of petitions and bolster service delivery. CBO has received one (1) new e-petition in this quarter.

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 submitted and awaiting tabling at the next meeting.
P250/04/18	Request for institutional land allocation for building of a church on stand no. 1915, cnr Nkelenga & Manamane Streets, Stand 521 cnr Umvumvu & Shimapana Streets, 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 submitted and awaiting tabling at the next meeting.
P221/04/19	Request for fencing, maintenance, security, or demolishing of a structure on Erf 419 between Twala and September Streets due to its dilapidated condition and its use as a criminal hide-out – from Ward 25 Region D	**Closed** - Petition was resolved and closed by Committee.
P107/11/19	Closure of passageways in Kenilworth	Open – Revised report is submitted and awaiting tabling at the next meeting.
P65/02/21	The illegal occupation of Municipal-owned property adjacent to Forest Farm Centre on the Western Bank of the Braamfontein Spruit, opposite the Field and Study Centre, Bryanston	Open – Revised report is outstanding and awaiting author's submission.
P135/01/24	Request for removal of illegal occupants at Parkhurst Bowling Club and Soccer Club on Victory Road, Parkhurst (Portion 246 and 247 Farm Braamfontein 53IR) in Ward 117, covering Ward 87, Ward 117, Ward 90, Ward 80, and Ward 99 – Region B	Open – Revised report is submitted and awaiting tabling at the next meeting.
P09/07/18	Erf 1835 Molapo Township Multi-Purpose Centre Region D	Open – Revised report is submitted and awaiting tabling at the next meeting.
EP20251063	Repair and refurbishment of Observatory Bowling Club	Open – The petition is in progress.

Table 40: Open Petitions

Client Servicing Unit

The Client Servicing Unit attended to a total of one hundred and fifty-nine (159) walk-in clients for the period under review relating to general property information, zoning, and ownership.

A total of twenty (20) enquiries were forwarded to Asset Management for further analysis. The assessments are conducted to determine whether properties are eligible to undergo circulation processes. These include matters wherein a caveat exists on a particular property, and/or if information on hand suggests potential transactions, and/or complexities requiring resolution by either a CoJ entity or department, or another sphere of government before JPC can transact.

JPC Performance Service Standards

In compliance with its service level standards (SLSs), JPC has adhered to the CoJ's Shareholder Compact relating to client service functionality and turnaround times. Ten (10) SLSs are applicable for JPC. Table 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:

KPI 1.6 was not measured because no sale or lease and registration of servitudes of Council-owned land was completed during this period.

KPI 1.7 was not measured because no tender was placed after approval from Council and the EAC.

KPI 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.

KPI 1.9 was not measured because no survey was conducted on the condition of plant and equipment to assess the required repairs and maintenance for facilities managed by JPC.

Core Service	Service Level Standard	JAN	FEB	MAR	YTD TOTAL	Variance explanation
SLS 1.1 – Response in acknowledgement of requests, enquiries, and complaints	Within 1 day of logged call	**157**	**174**	**186**	**517**	**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	**91**	**135**	**126**	**352**	**None**
SLS 1.3 – The performance of emergency work for JPC-managed facilities	Within 1 day of logged call	**70**	**74**	**74**	**218**	**None**
SLS 1.4 – Performance of minor work on facilities managed by JPC	Within 2 days of logged call	**15**	**12**	**29**	**56**	**None**
SLS 1.5 – Performance of major work on facilities managed by JPC	Within 5 days of logged call	**0**	**1**	**1**	**02**	**None**
SLS 1.6 – Completion of the sale or lease and registration of servitudes of Council-owned land	Within 6 months after Council approval in terms of Section 14(2) of the MFMA	**0**	**0**	**0**	**0**	**None**
SLS 1.7 – Placement of tender after Council and CoJ EAC approval	Within 4 months of CoJ EAC approval	**0**	**0**	**0**	**0**	**None**
SLS 1.8 – Internal allocation of land and buildings to City departments and entities (Permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	**0**	**0**	**0**	**0**	**None**
SLS 1.9 – Performance of surveys on the condition of plant and equipment to allow assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	**0**	**0**	**17**	**17**	**None**
SLS 1.10 – Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	**06/06= 100%**	**07/07= 100%**	**07/07= 100%**	**20/20= 100%**	**None**

Table 41: Service Level Standards

Section 8
Marketing and Communications

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

Corporate Social Responsibility

Donation Drive

As part of its corporate social responsibility (CSR) initiatives, JPC organised a desktop and laptop donation drive, benefiting three underserved schools: Tshireletso, Lekang, and Mikateka Primary Schools. Each school received 20 desktops and 9 laptops. The drive took place in Region D on 13 February and in Region A on 26 February 2025.

It was a resounding success, garnering media coverage and receiving strong support from the CoJ and internal stakeholders.

MIPIM 2025 Conference

JPC delegates attended the MIPIM conference, the world's leading real estate exhibition and conference. MIPIM brings together global experts in real estate, investors, and developers. It showcases, market trends and technology related to green and blue economies. Participation was crucial for the organisation's ongoing research into best practices and provided JPC with the opportunity to benchmark itself, contribute, engage, and position itself within key national and international structures. The JPC delegation was led by the MMC of Economic Development Cllr Nomoya Mnisi and Health and Community Development Cllr Ennie Makhafola, alongside JPC's Acting CEO, Mr Musah Makhunga. They engaged with world-class experts in smart city innovation, infrastructure and sustainable real estate. These discussions align with the CoJ's vision of leveraging world-class urban development trends to ensure that City-owned properties drive investment, sustainability, and economic growth.

Media Coverage

During the period under review, JPC was analysed across fifty-five (55) media items. The CSR initiative of contributing desktop computers and laptops to under-resourced schools in Regions A and D contributed to the positive media attention.

A service provider has been appointed to place advertisements in *Inside Metros* is the nand *Soweto Life* online publications on behalf of JPC for a period of three (3) months, with the aim of profiling JPC and creating hype and awareness around its projects. This initiative is intended to educate, raise awareness, build and maintain sustainable relations with JPC stakeholders and the broader property industry and promote JPC as a professional, transformational and customer-centric organisation.

Outreach and Awareness Campaigns

As part of the Mayor's high-impact service delivery acceleration operation, JPC played a key role in addressing illegal trading, unlawful advertising, and neglected or derelict buildings, with support from the Acting CEO. The operation aims, among other objectives, to improve living conditions, enhance safety, and create a more sustainable urban environment for all Joburg residents. JPC will continue its involvement in this operation throughout the month of March.

JPC has launched an awareness and educational campaign to intensify awareness of crimes committed against JPC—specifically fraudulent leases and fake letters of intent currently in circulation. The campaign encourages residents to come forward and report such incidents while also educating the public about JPC's work. These campaigns will take place at various venues across the City's region.

Brand Visibility and Social Media Updates

Group Communications and Marketing recorded a short video, featuring the Acting CEO, Mr Musah Makhunga, who provided an update on the current status of the Metro Centre and addressed misconceptions about the building. The video was shared across various social media platforms.

Newsletter

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

As everyone took a moment to soak in the emotions of the moment, the students erupted in cheers and applause with great jubilation. Meanwhile, the Vice Principal and SGB couldn't stop expressing their heartfelt thanks to Joburg Property Company for such an inspiring and selfless act.

In the same spirit, the team then proceeded to the second school, Tshireletso Primary, where they handed over 20 desktops and 9 laptops. During the handover, the principal, Ms. Ghardy Mokgethi, expressed her deepest gratitude to JPC for forming such a meaningful partnership. She emphasized how crucial this donation is for ensuring that their students continue to receive ICT education, allowing them to be on par with more affluent schools.

The Donation Drive doesn't end here! Next week, our Acting CEO will be personally handing over laptops and desktops to another underserved school in Ivory Park.

We are excited to share this special moment once again and continue making a difference!

#JPCshowsLove
#JPCcares

Spreading Love this Valentine's Day!

On this special day, we just want to take a moment to say you are valued, appreciated and truly make a difference. Your dedication and handwork do not go unnoticed.
May your day be filled with kindness, joy and a little extra love-whether from colleagues, friends or family.

Happy Valentine's Day!

Instagram Page

In just two months of activity, JPC's Instagram page has experienced a 37.6% increase in views, with growing momentum in user interactions.

Facebook Updates

Facebook reach has grown significantly, with increased visits and follower growth on the JPC page from January 2025 to date. The page has attracted 143 000 views.

ZIKHIPHANI

EDITION 1 14 FEBRUARY 2025

2025 is in full swing! Let's Go!

The year is off to a flying start, and so are we! While February may be here, it's never too late to say Happy New Year! Welcome to the very first edition of our 2025 newsletter - your go-to for exciting updates, key highlights and moments that matter.

Let's make 2025 a year to remember.

Stay informed. Stay inspired. Stay ahead!

JPC SPREADS LOVE THROUGH GIVING!

February is the month of love, and at JPC, we believe that love is best expressed through action. This year, we are celebrating by making a meaningful impact— donating laptops and desktops to underprivileged schools to help bridge the digital divide and empower students with the tools they need to succeed.

On the 13th of February 2025, JPC launched a donation drive focused on two special schools: Lekang Primary School in Jabavu and Tshireletso Primary School in Meadowlands, Soweto.

The delegation began their visit at Lekang Primary School, where they were warmly welcomed with celebratory praise and jubilation from both teachers and students. It was truly a heartwarming moment!

As the program unfolded, the Senior Manager of Marketing and Communications introduced the speaker of the day, the Acting Chief Executive Officer of JPC, Mr. Musah Makhunga.He took to the stage, warmly interacting with and addressing the students. He shared the exciting news that 20 desktops and 9 laptops were being donated to them, reminding them that it would be their responsibility to ensure the devices are well cared for. He also assured the school that this would not be the last visit, as a lasting partnership would

X (Twitter) Page

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

Piazza

a world class African city

JOBURG PROPERTY COMPANY

Chapter 4
Human Capital Management

Section 1

Human Resources and Organisational Management

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

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

Human Capital will undertake on 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 **2 148** positions, of which **1 488** positions are filled, **627** are unfunded and **37** are funded. The entity's vacancy rate stands at **31%**, which is considered high and is exacerbated by the lack of funding of vacancies.

Employee Remuneration and Cost Including Executives

The third quarter salary bill amounted to **R141 701 009**. The remuneration cost includes the following transactions that occurred during the quarter:

- Employee transfers
- Leave encashments
- Year-to-date payroll reconciliations for tax year-end
- 1.5% salary increase
- Overtime

Overtime

Overtime claimed and paid in the third quarter amounts to R4 716 031, with payments being processed in March due to temporary withholding of overtime from payroll. This deferral allowed for a thorough review of approvals to ensure the accuracy of overtime claims and to address financial constraints.

A stringent verification process was introduced for approving overtime, aimed at preventing unnecessary costs. This process ensures that overtime is approved only when essential and in alignment with departmental authorisations, thereby reducing instances of unchecked overtime claims. By verifying overtime submissions against CEO-authorised limits, the organisation has successfully controlled overtime costs, leading to measurable savings.

This reduction reflects the success of HCM initiatives in collaboration with line managers. This is a clear indicator that efforts to manage workload distribution, improve operational efficiency, and control overtime costs are yielding positive results. A plan has been developed to utilise EPWP to curb overtime costs and reduce JPC's salary bill.

Staff Movements

As indicated in Figure 10, staff turnover was low at a rate of 1%, primarily due to the following breakdown of nine (9) employee terminations during the reporting period:

- **Retirement:** One (1) employee retired, completing their career within JPC.
- **Early retirement:** Two (2) employees took early retirement due to ill health.
- **Deceased:** Five (5) employees passed away.
- **Dismissals/retrenchment:** One (1) employee was dismissed following disciplinary action, reflecting the effective enforcement of company policies and consequence management.

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

Council Chambers

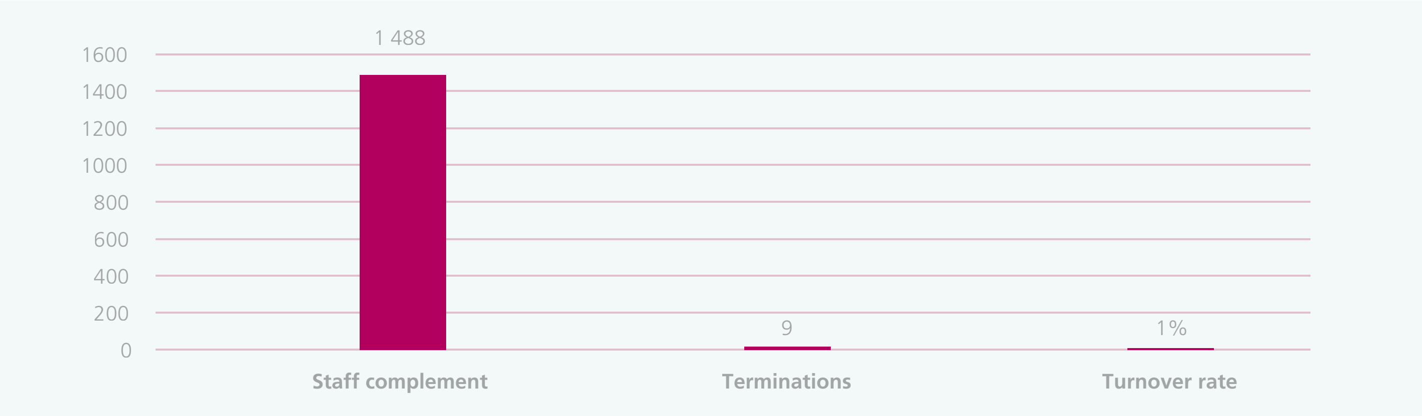


Figure 10: Staff Turnover Rate End December 2024 – YTD

Section 3

Key Vacancies

The process of filling strategic and critical positions will be revisited to capacitate the business so that it meets its strategic goals. The positions outlined in Table 42 were approved as critical positions and will be advertised and filled before the end of the third quarter of the 2024/25 financial year. JPC is complying with the City of Johannesburg Metropolitan Municipality's objective of ensuring that critical positions are presented at the Strategic Appointment Panel. This is to ensure that internal displaced employees are considered prior to advertising positions. Further submissions have been made to the Strategic Approval Panel following engagements with line managers on critical priority roles to be filled before the end of the financial year.

Position	Department	Status
Chief Executive Officer	Entity	A recruitment agency was appointed to manage the recruitment process, with advertisements circulated in print media and talent portals. The advertisements closed on 9 March 2025 for print media and on 15 March 2025 for talent portals. The next steps will entail short-listing applications.
Chief Financial Officer	Finance	A recruitment agency was appointed to manage the recruitment process, with advertisements circulated in print media and talent portals. The advertisements closed on 9 March 2025 for print media and on 15 March 2025 for talent portals. The next steps will entail short-listing applications.
Senior Manager: Supply Chain	Finance & SCM	The recruitment process has been initiated, with advertising closing on 27 February 2025. The process is now at the shortlisting stage.
Manager Financial Management	Finance	The recruitment process has been initiated, with advertising closed on 18 March 2025. The next steps will entail short-listing applications.
Committee Officer	Finance & SCM	The recruitment process has been initiated, and the advertisement closed on 9 March 2025. Advertising in print media and talent portals closed on 15 March 2025. The next steps will entail shortlisting applicants.

Table 42: Key Vacancies

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 **1 488**, including two (2) temporary employees.

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management (1&2)	0	0	0	0	0	1	0	0	0	0	1
Senior Management (3&4)	6	0	1	0	4	0	0	0	0	0	11
Professional qualified & experienced specialists and mid-management (5&6)	20	1	2	2	20	1	2	3	0	0	53
Skilled & qualified workers, junior management, supervisors, foremen, superintendents (7&8)	79	5	7	4	89	13	2	0	1	0	210
Semi-skilled and discretionary decision making (9&10)	41	5	0	0	17	9	0	0	0	0	67
Unskilled and defined decision making (11)	294	0	0	1	847	9	0	0	0	0	1 152
Total Permanent Staff	440	11	10	7	977	33	4	3	1	0	1 494
Temporary Employees	1	1	0	0	0	0	0	0	0	0	2
GRAND TOTAL	**441**	**12**	**10**	**7**	**977**	**33**	**4**	**3**	**1**	**0**	**1 488**

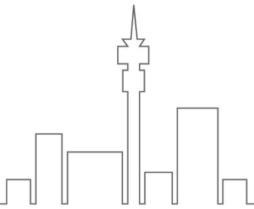
Table 43: Employment Equity and Workforce Demographics

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 March 2025.

EAP Target Demographics	JPC Actuals								
	Male %	Female %	Target Total %	Male %	Female %	Total %	Male No.	Female No.	Total Number
Africans	45%	35.90%	80.90%	29.64%	65.66%	95.30%	441	977	1 418
Coloureds	2%	1.60%	3.30%	0.81%	2.22%	3.02%	12	33	45
Indians	2%	1.10%	3.20%	0.67%	0.27%	0.94%	10	4	14
Whites	7%	5.70%	12.70%	0.47%	0.20%	0.67%	7	3	10
Foreign Nationals							1	0	1
Total	**56%**	**44.30%**	**100.10%**	**31.65%**	**68.35%**	**100.00%**	**471**	**1 017**	**1 418**
People with Disabilities			2.00%			0.54%			**8**

Table 44: JPC Workforce Demographics in Terms of EAP Targets



Gender and Racial Split Analysis

JPC's gender distribution consists of 68.35% female and 31.65% male representation. No significant changes in percentages were recorded for terminations or in the racial split.

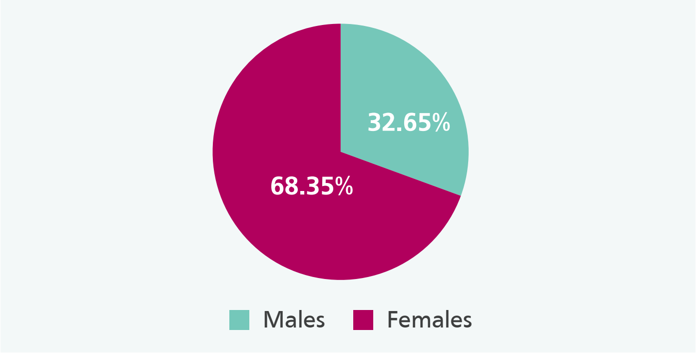


Figure 11: Gender Split

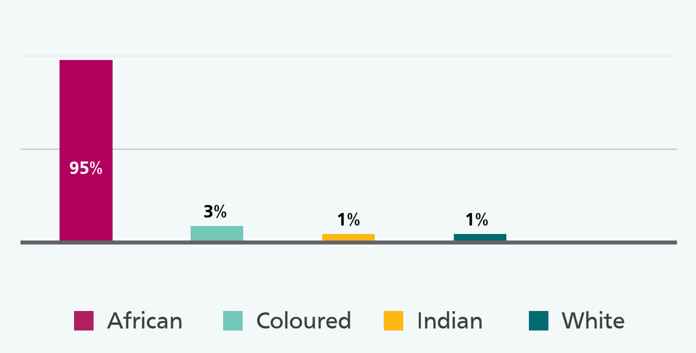


Figure 12: Racial Split

Employment Equity and Skills Development (EESD) Transformation Initiatives

Following the establishment of the EESD Forum, the Committee in partnership with Human Capital Management, has worked on a range of skills development initiatives. Key areas of focus include the 2025/26 Workplace Skills Plan and the Annual Training Report, which form the foundation for future workforce development reporting and planning.

In a significant step towards educational equity, the Committee, supported by Human Capital, has successfully developed governance for employee bursary applications. This milestone reflects a strong commitment to fairness, transparency, and accessibility in awarding bursaries to JPC employees.

Further advancing the transformation agenda, the Committee has also established a dedicated Committee for People Living with Disabilities. This initiative marks the beginning of broader engagements on diversity, inclusivity, and belonging, with plans to launch fully fledged forums in the 2025/26 financial year. These forums will serve as platforms for empowerment, inclusive dialogue, and the intentional recruitment and support of people living with disabilities.

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

Impact of Organisational Culture

The integration of employment equity and skills development has a far-reaching impact on organisational culture. It fosters inclusion, fairness, learning, and collaboration, while promoting ethical leadership and strengthening the organisation's reputation for social responsibility. Employees are more engaged, innovative, and aligned with the company's goals, leading to a more dynamic and resilient organisational culture. The overall outcome is a healthier, more equitable workplace that is better positioned to adapt and thrive in the future. By making EESD a core part of the organisational strategy, JPC aims to create a culture that drives sustainable growth and diversity, as well as employee engagement and satisfaction.


Portion 1 and 2 of Erf 1 Arena JBXT4259

Section 5

Employee Capacitation

Implemented Training and Development Initiatives to Address Competency Gaps

During the period under review, HC Management consolidated Personal Development Plans to ensure a more focused approach to employee development, alongside promoting the training calendar. HCM also engaged with the CoJ to provide training interventions aimed at helping the workforce transition smoothly and align with the CoJ's ways of working. HCM implemented both internal and external training interventions to address competency gaps, raise awareness, and educate employees on relevant behaviours and processes for their day-to-day work.

The following six hundred and thirty-nine (639) training interventions were successfully implemented:

- Ethics and Professionalism: 120 employees trained
- Performance Management: 183 employees trained
- Digital Record Management: 65 employees trained
- Contract Management: 52 employees trained
- Financial Management Awareness: 181 employees trained
- SCM Policy and vetting: 38 employees trained

Section 6

Disciplinary Matters and Outcomes

Current Internal Cases

Four (4) disciplinary cases are historical and predate the period under review. These cases encompass a broad range of violations as outlined in Table 45, including breaches of company policies and the MFMA. Currently, three (3) disciplinary matters are in progress, with proceedings set to determine their outcome or resolution. One (1) case has been concluded, with the employee found not guilty.

Nature of Incident	Status	Action Taken
Irregular expenditure, insubordination, and misrepresentation	Ongoing	The matter has been heard but remains unresolved due to a deadlock in settlement negotiations. Proceedings are set to continue in the fourth quarter.
Irregular expenditure	Resolved	**The employee was acquitted, found not guilty of all charges, and has since returned to work.**
Bribery, dishonesty, and misrepresentation	Ongoing	The hearing will resume in the fourth quarter, following several postponements caused by the unavailability of either the chairperson, employee representative, or prosecutor, as well as the employee's ill-health.
Abscondment	Ongoing	The matter has been postponed and will continue in the fourth quarter. The delay in commencement was due to the finalisation of the process of appointing a legal service provider to handle the proceedings.

Table 45: Disciplinary Cases

Conflict Management

An ongoing investigation, which began in February 2025, concerns a conflict between two (2) employees in management positions. A CoJ official has been assigned to look into the matter and is working to finalise the investigation report.

Grievances

Nature of Grievance	Status	Action Taken
Harassment	Ongoing	Resolved to the satisfaction of the employee.
Ill-treatment	Ongoing	Employee not willing to pursue the matter further.

Table 46: Grievances

External Disputes

Forum	Date Resolved	Status
SALGBC	New dispute	Set down for arbitration 23 May 2025.
CCMA	Unresolved	Arbitrated on 02 April 2025 waiting for a ruling on a preliminary point raised by JPC.

Table 47: External Disputes

Section 7
Union Representation

	Status
SAMWU Members	**976**
IMATU Members	**291**
Dual Membership (SAMWU & IMATU)	**201**
Non-Unionised Members	**20**
Total	**1 488**

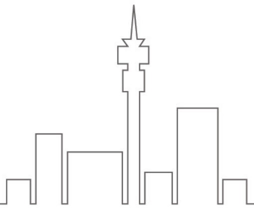
Table 48: Union Representation Membership

Section 8
Leave Provision

The leave provision for the quarter under review amounts to **R37 662 836.57**, and the leave encashment amounts to **R10 297 687.**

Absenteeism

The absenteeism rate per department at JPC for the third quarter stands at 7%, which is considered high compared to the acceptable South African threshold of 3.6% to 6%. The absenteeism calculation aligns with national standards, ensuring that the organisation strives for optimal employee performance and attendance. This elevated rate of unplanned leave indicates employee fatigue, stemming from the organisation's shortage of human resources due to budget constraints and the stringent recruitment process implemented by the CoJ Strategic Appointment Committee.



Abscondment Cases with Cost

The cost of AWOL (absent without leave) currently amounts to R1 197 310, primarily due to employees returning to work following salary stoppages and the issuance of disciplinary letters. This slight increase from the previous quarter is attributed to the addition of one (1) abscondment case, bringing the total number of live cases to twenty (20). Deliberate actions have been taken to empower employees and line managers, thus ensuring that corrective measures are taken against those not adhering to JPC policies and procedures.

PROGRESS TO DATE:

- Thirteen (13) employees have returned to work, and Payroll has calculated the amounts owed based on attendance registers from the time they were last present until their return. This exercise reduces the AWOL amount, as salary stoppages are implemented but the true value can only be calculated once the employee returns or is dismissed.
- Two (2) employees have fully refunded the amounts owed, after returning to work upon receiving recall letters from their respective line managers.
- Five (5) employees whose salaries were stopped are back at work. Line managers and Payroll are collating their attendance registers to enable calculation of the actual debt owed.

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

Section 9

Employee Benefits

Table 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	1 447	Defined contributions
City of Johannesburg Pension Fund	29	Defined benefits
Municipal Employees Pension Fund	3	Defined contributions
Municipal Gratuity Fund	2	Defined contributions
Joint Municipal Pension Fund	1	Defined benefits
Non-Membership	6	Not compulsory and medically boarded employees
Total	**1 488**	

Table 49: 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 March 2025. The provision is based on the 60/40 principle as set out in the Main Collective Agreement.

Medical Aid Scheme	Membership
Bonitas	199
Discovery	9
Sizwe Hosmed	28
KeyHealth	86
LA Health	221
SAMWUMED	208
Total Membership	**751**

Table 50: Distribution of JPC Employee Medical Aid Fund Membership

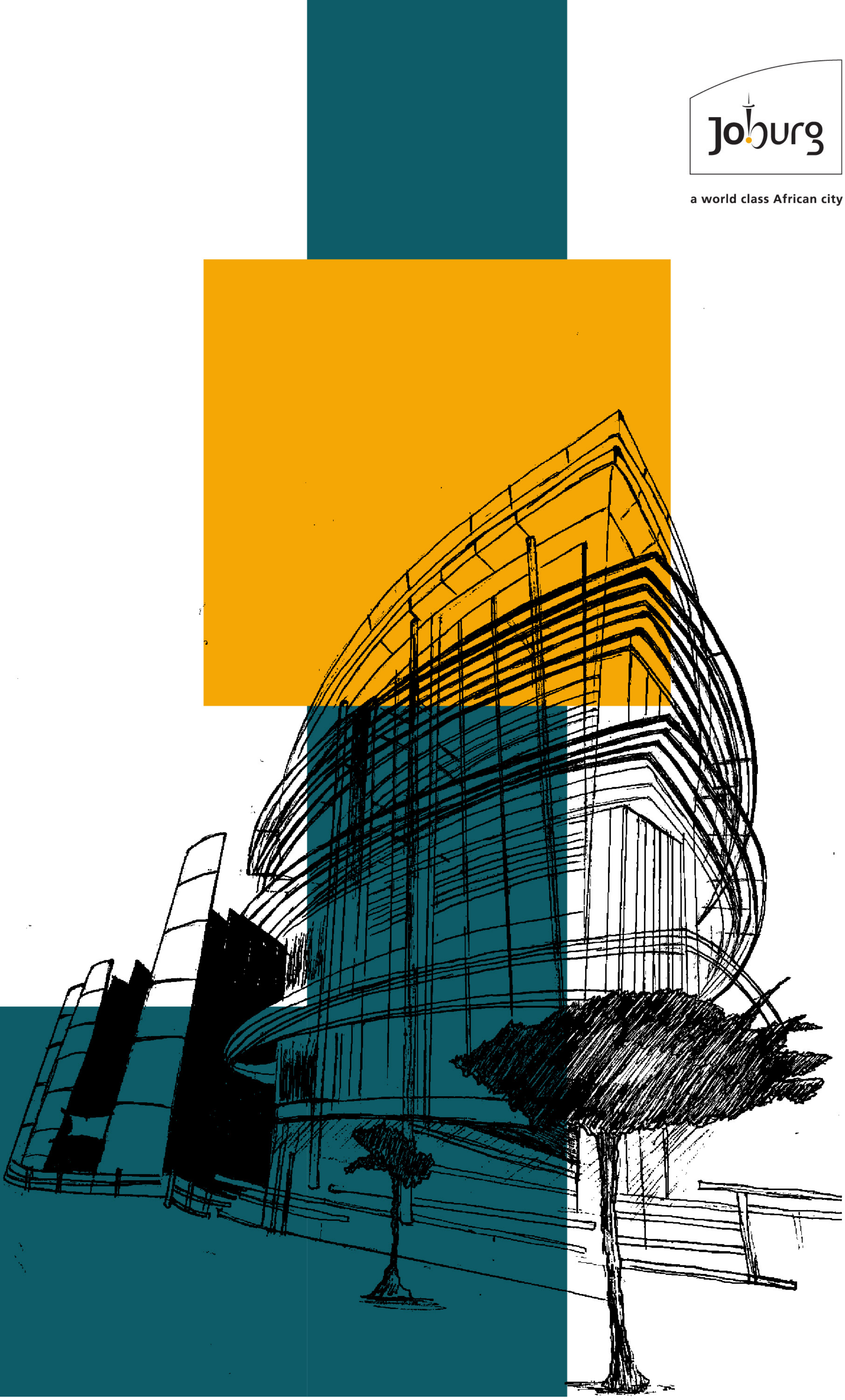
Declaration of Interest

A total of **1 426** employees submitted their declarations, out of a staff complement of **1 488**, with only 21 employees declaring an interest. The compliance percentage is 95%, and JPC is working to ensure that the remaining 5% submit their forms.

Employee Wellness

Health and wellness programmes play a pivotal role in promoting a healthy lifestyle and supporting preventive healthcare. Through its partnership with Metrobus, JPC provides employees with access to holistic wellness services. This collaboration has enabled the rollout of the Financial Wellness Programme for all employees equipping them with valuable insights and practical tools to manage their finances more effectively, build financial security, and achieve their financial goals.

Metro Centre street view



a world class African city

JOBURG PROPERTY COMPANY

Chapter 5
Financial Performance

Section 1

JPC Statement of Financial Position

	Note	2025 R,000	2024 R,000	Variance R,000	Variance %
Assets					
Current Assets		**1 209 085**	**1 250 389**	**-41 303**	**-3.30%**
Cash and cash equivalents	1	2	2	-	0.00%
Receivables from exchange transactions	2	734 954	931 203	-196 249	-21.07%
Loans to shareholders	3	471 735	318 594	153 141	2.09%
Receivables from non-exchange transactions	4	142	142	-	0.00%
Current tax receivable	5	2 253	-	2 253	100.00%
VAT receivables	6	-	448	448	-100.00%
Non-Current Assets		**151 998**	**103 594**	**54 797**	**52.90%**
Property, plant and equipment	7	64 094	77 051	-12 957	-16.82%
Intangible assets	8	183	223	-40	-18.02%
Deposits	9	62 624	1 223	-61 402	5021.72%
Deferred tax asset	10	25 097	25 097	-	0.00%
Total Assets		**1 361 083**	**1 353 983**	**7 100 696**	**0.52%**
Liabilities					
Current Liabilities		**1 132 984**	**1 291 826**	**-151 095**	**-11.70%**
Payables from exchange transactions	11	206 288	345 490	-139 202	-40.29%
Current tax payables	12	-	7 747	- 7 747	-100.00%
Finance lease obligation	13	3 059	8 279	-5 220	-30.43%
Loans from shareholders	14	905 461	920 356	-14 894	-1.62%
Provisions	15	59	7 757	-7 698	-99.24%
VAT payable	16	15 920	-	15 920	100.00%
Operating lease liability	17	2 196	2 196	-	0.00%
Non-Current Liabilities		**28 685**	**28 685**	-	**0.00%**
Finance lease obligation	13	28 002	28 002	-	0.00%
Employee benefit obligation	18	683	683	-	0.00%
Total Liabilities		**1 161 669**	**1 320 511**	**-151 095**	**-11.44%**
Net assets		**199 415**	**33 472**	**165 942**	**495.76%**
Share capital	19	5 143	5 143	-	0.00%
Accumulated surplus/(deficit)	20	194 272	28 329	165 942	585.76%
Total Net Assets/(Liabilities)		**199 415**	**33 472**	**165 942**	**495.76%**

Table 51: JPC – Financial Position as at 31 December 2024

Notes to the Statement of Financial Position

1. The petty cash float is maintained at R2 000 every month.

2. Included in trade receivables is a provision for bad debts related to facilitation fees, amounting to R34 million. The total outstanding debt from related parties is R734 million. JPC Finance has engaged with all departments owing the City from September 2024 to date in an effort to collect. This engagement has resulted in over R200 million being collected in the second quarter, and R140 million in the third quarter. Furthermore, JPC in agreement with Public Safety and Group Finance, has applied the offsetting principles of GRAP, as permitted by GRAP 104. This resulted in financial assets and liabilities exceeding R400 million being offset.

3. This represents the CoJ: Portfolio loan account with JPC and the sweeping account of R465 million. The cash position of JPC slightly increased, due to positive cash collections from departments. However, JPC is continuing to make payments to related-party loans to reduce its reliance on City-provided funding for day-to-day operations.

4. This relates to staff debtors for employees who have signed debt acknowledgement letters.

5. This relates to income tax receivable, as the provisional tax payment made in July 2024 exceeded the income tax expense as per the audited 30 June 2024 JPC AFS.

6. VAT input exceeded VAT output in the month of June; thus the VAT receivable in the prior year. In the third quarter, as can be seen in note 16, VAT output exceeds VAT input.

7. Property, plant, and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Where possible, the useful life of fixed assets has been extended due to their good condition. The increase in asset value can be attributed to the acquisition of laptops through a finance lease.

8. Intangible assets comprise computer software that has been procured or internally generated. The decrease in asset value is a result of amortisation expense as per GRAP 31. The City is currently working on the SAP system to be used in the near future.

9. Electricity deposits (R1.2 million) with Eskom are for the Baragwanath informal trading facility and the Lenasia facilities management buildings. Interest on the deposit is accrued at financial year-end. The JPC entity also paid in the first quarter deposits amounting to R61.4 million on buildings occupied by the City.

10. Deferred tax has been calculated to account for movements in the balance sheet and temporary differences. Due to the profitability of the prior period, deferred tax assets were utilised in the financials of the 2024 financial year.

11. This refers to current liabilities that will become due and payable in the next 12 months. These liabilities include accruals, related-party accruals, and other similar obligations. Comparatively, JPC has had a decrease in trade payables year on year due to the timely payment of creditors.

12. A provisional tax payment of R10 million was made for the 2025 financial year. The R2.2 million asset is netted-off with the income tax expense incurred in the 2024 financial year.

13. The amount of R31 million (comprising a current portion of R3 058 850 plus a non-current portion of R28 001 618) results in finance leases entered into in May 2023 for the acquisition of motor vehicles, and in November 2023 for the acquisition of new laptops.

14. This relates to loan accounts payable between JPC and various CoJ departments for JPC and insourced cleaners' payroll, as well as transactional loan accounts for the acquisition of property for the CoJ. Increased receipts from related-party receivables will enable JPC to pay its related-party liabilities; thus reducing this amount. Furthermore, JPC agreed with Public Safety and Group Finance, to apply the offsetting principles of GRAP, as permitted by GRAP 104. This resulted in financial assets and liabilities exceeding R400 million being offset.

15. The provision relates to bonuses due to EXCO members for the 2022/23 and 2023/24 financial years. Payment of R4.1 million was made in the third quarter.

16. VAT payable is R15.9 million as at 31 March 2025, as JPC has had more VAT output than VAT input.

17. This refers to the GRAP 13 adjustment for the straight-lining of operating leases over the lease duration of office accommodation buildings. The GRAP 13 straight-lining is to be performed at year end.

18. This relates to provision on post-retirement medical aid raised based on the 2023/24 actuarial valuation report in respect of personnel that qualify for the benefit. The reports are prepared annually and a new value will be calculated and provided by the actuaries at year end.

19. No changes have been made to the share capital of JPC in the current financial year.

20. The statement includes accumulated surpluses and losses from the previous and current financial year.

Section 2

JPC Statement of Financial Performance

	Note	Year-to-date			Annual	Variance
		Actual R'000	Budget R'000	Variance R'000	Budget R'000	%
Revenue **Revenue from Non-Exchange Transactions**		**495 751**	**493 125**	**-2 625**	**696 836**	**-0.53%**
CoJ – Subsidies received	1	492 298	492 298	0	695 732	0.0%
Other Income	2	3 453	828	-2 625	1 104	-317%
Revenue from Exchange Transactions		**305 309**	**349 311**	**44 001**	**465 748**	**12.6%**
Cleaning services recoveries	3	236 689	273 310	36 620	364 413	13.4%
Management fees	4	30 438	8 261	-22 178	11 014	-268.5%
Commission on Portfolio rentals	5	10 053	17 625	7 572	23 500	43%
Commission on outdoor advertising	6	8 828	11 212	-2 384	14 949	21.3%
Commission on property acquisition	7	430	-	430	-	100.0%
Assets under management fees	8	5 694	5 783	89	7 710	1.5%
Facilitation fees	9	2 084	23 892	21 808	31 856	-86.9%
Ad hoc fees	10	58	-	58	-	100%
Cell mast	11	11 036	9 230	-1 806	12 306	-19.6%
Other Income		**17 628**	**5 369**	**-12 258**	**7 159**	**-228.3%**
Interest received	12	16 981	5 369	-11 612	7 159	-216.3%
Other income	13	647	-	-647	-	100.0%
Total Revenue		**818 688**	**847 806**	**29 118**	**1 169 743**	**3.4%**
Expenditure						
Board of Directors' fees and expenses	14	1 857	2 006	149	2 675	32.0%
Office operational expenses	15	188 776	294 724	105 949	394 363	35.9%
Contracted expenses	16	10 741	23 805	13 064	31 740	54.9%
Cleaning materials	17	5 402	5 531	128	7 374	2.3%
Repairs & maintenance	18	1 666	87 863	86 197	117 150	98.1%
Salaries	19	426 278	432 256	5 978	576 342	1.4%
Interest paid	20	3 014	14 784	11 770	17 008	79.6%
Depreciation	21	14 573	17 318	2 745	23 091	15.8%
Loss on disposal of assets	22	437	-	437	-	-100.0%
Total Expenditure		**652 745**	**878 288**	**225 541**	**1 169 743**	**25.7%**
(Deficit)/Surplus Before Taxation		**165 942**	**–**	**165 942**	**–**	**–**
Net (Deficit)/Surplus		**165 942**	**–**	**165 942**	**–**	**–**

Table 52: JPC – Statement of Financial Position as at 31 March 2025

Notes to the Statement of Financial Performance

1. The subsidy provided to JPC for the 2024/25 financial year covers salary, rental, fleet and repairs, and maintenance expenditure for the financial year.

2. Other income relates to rental recovery for Forum 1.

3. Cleaning service costs are billed and recovered for services rendered. This is lower than budgeted as a result of the continued closure of the Metro Centre.

4. JPC earns a 10% management fee for cleaning, facilitating, and managing R&M and CAPEX projects for the CoJ's departments and other MOEs. Income exceeded the budget following JPC's implementation of a 10% charge on cleaning services from July 2024, as per the Service Level Agreement entered into with departments.

5. The CoJ Rental Collection Commission, Servitudes and Rates & Taxes are 43% below budget, corresponding with rental collections in the Portfolio. An undertaking to renew leases, will increase the amount of revenue the Portfolio can collect and the commission receivable by JPC.

6. Outdoor advertising commission that is collected in the Portfolio is below budgeted objectives, pending resolution of advertiser contracts and the conclusion of by-laws.

7. JPC earned commission during November on property acquisition, resulting in the higher than budgeted variance of R430 000.

8. This item relates to the management fee for the administration of the CoJ's fixed asset register and is slightly below budget.

9. Facilitation fees for the current financial period are below the budget due to site preparation challenges, delaying project initiation. The Soweto Gateway project, which contributes to facilitation fees, has been awarded and is in the contractual agreement phase.

10. No budget is provided for ad hoc fees, as it relates to the recovery of property services within JPC from MOEs, and is utilised as and when the need arises.

11. Cell mast revenue is above budget by 19.06% for the third quarter, in line with expectations.

12. JPC accrued interest on the sweeping account is higher than budgeted for Q3 as the account is in surplus of R465 million.

13. JPC received refunds from Old Mutual for employees placed on medical boarding. This is above budget; however, due to its nature, it cannot be accurately budgeted for.

14. Board of Directors' fees and expenses are in line with board activity, as well as costs associated with conducting various strategic sessions. Overall, for the year-to-date, the expenditure is below the budget allocated.

15. Office operational expenses are 35.9% below the YTD budget. This includes office accommodation leases that still need to be approved by the EAC.

16. Contracted expenses are 54.9% below the YTD budget, and are expected to increase in Q4.

17. Cleaning materials are 2.3% below the YTD budget, reflecting an improvement in spending in the third quarter.

18. Repairs & Maintenance is 98.1% below the YTD budget. Service providers were appointed in Q2, and expenditure will materialise in Q3 and Q4. It is important to note, that the City erroneously approved an additional R89 million in the adjusted budget, which will result in this line item not being fully spent by the end of the fourth quarter.

19. Salary expenditure is 1.4% below the YTD budget. The annual increase of 4.5% has been paid and back-dated from July 2024 and paid in October (Q2). JPC has requested additional budget in the adjustment budget submitted to the City to cover the slight shortfall and to fund critical vacancies within the organisation. To this end, a R19 million additional budget was approved.

20. JPC incurred no interest on the sweeping account due to its surplus position; interest incurred relates solely to finance leases.

21. Depreciation is 15.8% below the YTD budget due to lower than budgeted additions in the prior year.

22. This item represents the write-off of obsolete computer equipment during the current financial year.

Section 3
JPC Statement of Cash flow

	31-Mar-25 R'000	30-Jun-24 R'000
Cash Flows from Operating Activities		
Rendering of services	140 461	355 043
Subsidies	492 298	623 131
Interest income	16 981	24 789
	649 740	**1 002 963**
Payments		
Employee costs	-430 382	-517 336
Suppliers	-167 609	-258 883
Finance costs	-3 014	-2 034
Taxation paid	-10 000	35
	-611 005	**-778 218**
Net Cash Flows from Operating Activities	**38 735**	**224 746**
Cash Flows from Investing Activities		
Purchase of personal protective equipment	-1 913	-
Purchase of deposits	-61 402	-
Purchase of intangible assets	-	-
Net Cash Flows from Investing Activities	**-63 315**	-
Cash Flows from Financing Activities		
Net movement of Shareholder loan	-14 894	-211 373
Finance lease payments	-9 686	-13 373
Net Cash Flows from Financing Activities	**-24 580**	**-224 746**
Net Increase/(Decrease) in Cash and Cash Equivalents	**-**	**-**
Cash and Cash Equivalents at the Beginning of the Period	**2**	**2**
Cash and Cash Equivalents at the End of the Period	**2**	**2**

Table 53: JPC – Statement of Cash Flow

Notes to Statement of Cash flow

The statement of cash flow reflects the entity's cash generation and utilisation. A review of JPC's statement of cash flows as at 31 March 2025 indicates:

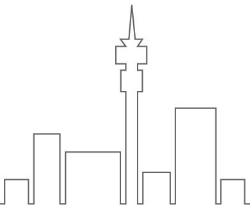
- A constrained inflow of monies from trade receivables and the subsidy.
- Cash outflows to suppliers exceeding inflows from the rendering of services, in accordance with JPC's adherence to provisions of the MFMA, which requires settlement of suppliers within 30 days.
- Utilisation of CAPEX budgets to capacitate JPC's cleaning services.
- A slight decrease in financial obligation for loans from shareholders as the entity's funding is primarily through financing activities with the Shareholder.

Section 4

Portfolio Statement of Financial Position

	Note	March-25	March-24	Variance
Assets				
Current Assets		**204 989 082**	**140 838 629**	**64 150 453**
Trade and other receivables		**178 782 426**	**116 653 447**	**62 128 979**
Debtors – Rentals	1	222 339 669	168 430 347	53 909 322
Doubtful debts – Move provision	2	(61 568 527)	-73 471 415	11 902 888
Debtors – Other: CoJ	3	2 976 556	2 847 802	128 755
CoJ Portfolio – VAT claim/payable account	4	-	9 848 841	(9 848 841)
JPC Portfolio loan account	5	2 828 210	-	2 828 210
Capital expenditure: Current year	6	12 153 819	8 932 872	3 220 946
Capital expenditure: Prior year	6	52 699	65 000	(12 301)
Cash and cash equivalents		**26 206 656**	**24 027 680**	**2 178 976**
Standard/ABSA Bank – Tenant deposit account	7	26 206 656	24 027 680	2 178 976
Non-Current Assets		-	-	-
Total Assets		**204 989 082**	**140 838 629**	**64 150 453**
Equity and Liabilities				
Current Liabilities				
Trade and other payables		**287 088 317**	**196 347 717**	**90 740 601**
Standard Bank CoJ loan account – Bank sweeping	8	183 465 642	115 250 827	68 214 815
CoJ Portfolio – VAT Claim/Payable Account	4	2 007 668	-	2 007 668
Accruals	9	24 889 934	23 927 338	962 595
Receipts in advance – Rentals	10	9 033 554	9 721 259	(687 706)
Deposits received: Tenants	11	11 310 950	11 310 950	-
JPC Portfolio loan account	12	-	8 975 878	(8 975 878)
JPC Portfolio loan account: Commission	12	2 577 162	-	2 577 162
Property portfolio loan: MOEs	13	27 973	679 542	(651 569)
JMPD	14	51 259 347	19 649 587	31 609 760
Prepaid – Deposit received on land sales	15	2 424 850	6 741 098	(4 316 248)
Creditor (Khulu Outdoor)	16	91 237	91 237	-
Non-Current Liabilities		-	-	-
Total Liabilities		**287 088 317**	**196 347 717**	**90 740 601**
Net Assets		**-82 099 236**	**-55 509 088**	**(26 590 148)**
Accumulated Surplus/(Deficit)		(82 099 236)	(55 509 088)	(26 590 148)
Total Net Assets and Liabilities		**(82 099 236)**	**(55 509 088)**	**(26 590 148)**

Table 54: Portfolio – Financial Position as at 31 March 2025



Notes to the Portfolio Statement of Financial Position

1. This item refers to the debtors' balance as per the age analysis.

2. The current provision for bad debts pertains to outstanding debtors in the Lease Register. Bad debts are primarily from informal trading debtors and will be proposed for write-off by Council in the current financial year.

3. This relates to Councillors' rental accommodation and community participation projects. It was agreed with the CoJ that the JPC Portfolio will cover the monthly rentals for office space, with the City reimbursing the Portfolio for expenses incurred.

4. VAT generated by the Portfolio is declared to the CoJ each month. This VAT is consolidated in the CoJ's VAT return, which is subsequently submitted to SARS.

5. The JPC loan account reflects the commissions due to JPC: 25% on rentals and outdoor advertising n and 10% on land sales. It includes amounts received and paid on behalf of the CoJ Portfolio.

6. The approved adjustment budget for capital expenditure is R64 068 425 for the 2024/25 financial year and overall spending to date is R14 066 819.

7. This amount reflects tenant deposits held in the CoJ trust account, including interest, as well as payments received for the Rissik Post Office insurance claims.

8. The sweeping account is in overdraft due to the reclassification of projects previously accounted for as CAPEX, now reclassified and accounted for as OPEX. The Portfolio is only reimbursed for CAPEX projects.

9. This item reflects accruals raised, of which R24.8 million remains outstanding.

10. This item reflects rental paid in advance for 30 years by RMB properties allocated on a straight-line basis, with 11 years remaining on the contract.

11. This item refers to tenant deposits held in the trust account.

12. The JPC loan account reflects the commissions due to JPC: 25% on rentals and 10% on land sales and assets under management. It also includes amounts paid on behalf of the CoJ Portfolio.

13. The property portfolio loan account reflects amounts due to MOEs based on the income received on their behalf. Rentals from MOEs are paid into the JPC Portfolio main account and are typically paid over to MOEs the following month.

14. This amount relates to JMPD security services for securing informal trading facilities and properties.

15. This item relates to the full land purchase price that has been paid over to the JPC portfolio, including Bank guarantees; however, the transfer of land to the client has not taken place.

16. This item reflects payments received from Khulu Outdoor. However, as no contract exists, the amounts are due and payable to clients.

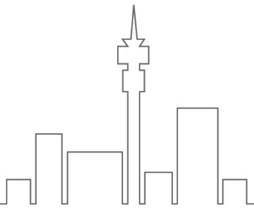

Wesbank

Section 5

Portfolio Statement of Financial Performance

	Note	YTD Actual 2024/25	YTD Budget 2024/25	Variance	Variance %	Approved Adjusted Budget 2024/25
Revenue						
Commercial Rental	1	15 032 170	16 866 829	1 834 659	-10.88%	22 489 105
Residential Rental	1	175 107	196 780	21 673	-11.01%	262 374
Non Commercial	1	11 212 284	12 047 460	835 176	-6.93%	16 063 280
Development Rentals	1	3 005 685	3 193 512	187 826	-5.88%	4 258 016
Recoveries – Water, Refuse, Sanitary fees, Assessment Rates, Parking	1	15 746 209	25 686 919	9 940 711	-38.70%	34 249 226
Interest Received – Arrear Debtors	2	6 339 381	3 186 000	-3 153 381	98.98%	4 248 000
Outdoor Advertising - COJ	3	38 177 366	75 000 000	36 822 634	-49.1%	100 000 000
Total Income		**89 688 202**	**136 177 500**	**46 489 298**	**-34.14%**	**181 570 000**
Expenditure						
Contracted services: Business advisory: Project management and research	4	3 559 515	35 257 730	31 698 215	89.9%	47 010 307
Contracted services: Business advisory valuer	5	125 000	2 004 520	1 879 520	93.8%	2 672 693
Refuse removal	6	-	1 787 250	1 787 250	100.0%	2 383 000
Grass cutting services	7	-	1 242 000	1 242 000	100.0%	1 656 000
RM: buildings	8	770 016	30 702 000	29 931 984	97.5%	40 936 000
Bad and doubtful debts	9	-	36 555 750	36 555 750	100.0%	48 741 000
Advertising, publicity and marketing	10	38 828	2 368 500	2 329 672	98.4%	3 158 000
General expenses: Assessment rates	11	499 340	854 250	354 910	41.5%	1 139 000
Internal recoveries: JPC commission	12	24 613 817	35 402 250	10 788 433	30.5%	47 203 000
Internal recoveries: Internal charges cleaning and security	13	23 466 068	72 933 750	49 467 682	67.8%	97 245 000
Depreciation: Other assets	14	-	480 750	480 750	100.0%	641 000
Total Expenditure		**53 072 584**	**219 588 750**	**166 516 166**	**75.8%**	**292 785 000**
Surplus/(Deficit)		**36 615 619**	**(83 411 250)**	**-120 026 869**	**143.9%**	**(111 215 000)**

Table 55: Portfolio – Financial Performance as at 31 March 2025



Notes to the Portfolio Statement of Financial Performance

1. CoJ Rentals: The overall revenue anticipated from rentals collection is recorded at 14.68% below the targeted budget of R57 991 500. Delays in the approval of reports by EAC have 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 have also constrained income received from the rental of facilities and equipment.
2. This item reflects interest charged on overdue tenant accounts. The interest generated on the debtors' accounts is 98.98% above the targeted YTD budget.
3. Income derived from outdoor advertising and promotions is 41.1% above the budget. JPC is currently finalising the signing of new outdoor advertising contracts.
4. This line item pertains to expenditure spent on contracted services: business advisory project management, and research. To-date expenditure is 89.9% below the YTD budget. Appointments are in progress and expenditure is expected to be realised in the last quarter.
5. This relates to contracted services: business advisory valuer and is 93.8% below the YTD budget expenditure recorded this quarter. Appointments are in progress and expenditure is expected to be realised in the quarter.
6. No expenditure for contracted services: refuse removal were recorded this quarter.
7. No expenditure for contracted services: grass cutting services were recorded this quarter.
8. This line item relates to repairs and maintenance costs on CoJ buildings, which are 97.5% below budget this quarter. Expenditure is expected to increase in the last quarter.
9. This line item relates to bad and doubtful debts. No expenditure was recorded in the quarter.
10. This line item relates to advertising, publicity, and marketing and is 98.4% below the YTD budget for expenditure recorded in this quarter.
11. General expenses: assessment rates are 41.5% below budgeted expenditure in this quarter.
12. Internal recoveries: JPC commission is 30.5% below the YTD budget. The delay in the conclusion of new leases, lease renewals, servitude registrations, and land sales will result in JPC not meeting its target.
13. Internal charges of cleaning and security insourcing are 67.8% below the budgeted expenditure.
14. No depreciation expenditure was recorded in this quarter.

Section 6
Capital Projects and Expenditure

Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
City-wide revamping of the Informal Trading Stalls and Linear Markets	2284	2 250	-	2 250	**0%**	A contractor has been appointed and is on site.
Orlando Ekhaya Waterfront Development Renewal Park Orlando Ekhaya D Regional	2522	12 000	11 904	96	**99%**	The project is in its final stage.
Computer Equipment – New computer upgrades (acquisition and installation of the digital security and ICT WAN)	2669	2 000	-	2 000	**0%**	Fingerprint biometrics have been installed, which will be followed by the configuration of multi-factor authentication for enhanced digital security.

Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
Erf 43–46 Victoria Ext. 3 (Paterson Park Node) Victoria Ext. 3 E Regional	4142	1 726	-	1 726	**0%**	The appointment of a Quantity Surveyor is under way for the relocation of offices.
Office Space Optimisation Programme New Precinct Redevelopment Johannesburg F City-Wide	4184	8 586	-	8 586	**0%**	The SCM process has been initiated to appoint a service provider for refurbishment of the Metro Centre. The budget will be committed.
Marlboro Station Project Land Preparation	6309	400	-	400	**0%**	The Town Planner has submitted a township establishment application to the Planning Department for approval.
Inner City Rejuvenation Programme/Project	22740	6 000	-	6 000	**0%**	A report is currently awaiting tabling at Council for the acquisition of buildings. Following Council approval, negotiations with the property owners will commence.
Acquisition of various properties in Soweto	23543	800	157	643	**20%**	Currently there is a stand-off due to property owners demanding that the offers include the costs of enhancements made to the properties. The entity is consulting on the expropriation of these properties.
Acquisition of cleaning equipment	23560	1 913	1 913	50	**100%**	This project has been completed.
23776_Walter Sisulu Square Upgrade	24027	4 000	-	4 000	**0%**	The security project is awaiting completion (the palisade fencing is complete and the anticlimbing wall is 60% completed). An advertisement for the appointment of a Quantity Surveyor to manage the CAPEX budget was issued for tender on 4 October 2024, including both priced and unpriced Bills of Quantities.

Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
JPC Furniture fittings/office alterations and equipment	31126	2 000	2 000	-	**100%**	This project is in its final stage.
Temporary emergency accommodation	31138	22 393	-	22 393	**0%**	Stakeholder engagements are under way to secure buy-in from the affected communities, including those being relocated. Once this process is complete, progress will be made on the CAPEX.
Total		**64 068**	**15 974**	**48 094**	**25%**	

Table 56: Capital Projects and Expenditure

Section 7

Analysis of Ratios

Part A: JPC

Liquidity Ratio

Ratio	2025	2024
Liquidity ratio (1:1)	1.00	0.97
Solvency ratio (2:1)	1.17	1.03
Trade receivables turnover – Related parties (30 days)	465	881
Provision for Bad Debts	**34 356 745**	**34 356 745**
Trade receivables to total assets (%)	54%	69%
Cash coverage ratio (1:1)	6.57	1.85
Cash Position	**465 658 983**	**291 688 290**

Table 57: Ratio Analysis

JPC's current ratio of 1.07 reflects a slight improvement compared to the 2024 financial year-end. JPC is currently owed **R734 million** from trade and intercompany debtors. In September 2024, JPC Finance engaged with all departments owing the City in an effort to collect. This resulted in over **R200 million** being collected in the second quarter and **R140 million** in the third quarter. Furthermore, JPC agreed with Public Safety and Group Finance to apply the offsetting principles of GRAP, as permitted by GRAP 104. This resulted in financial assets and liabilities exceeding **R400 million** being offset.

The sweeping account currently reflects a positive **R465 million**, while related-party loans exceeding **R905 million** for salary costs are still to be paid to the CoJ's Group Finance and Corporate Shared Services for previous and current financial years. The increase in the cash position is the result of JPC receiving over **R140 million** in outstanding monies from the CoJ for facilities management services rendered to the CoJ. The cash receipts have been used to improve creditors' payments.

Solvency Ratio

JPC has a solvency ratio of 1.17:1 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 **R199.4 million.** Given the financial support and access to cash facilities, JPC remains commercially solvent with sufficient resources to service its operational obligations as they arise. Increased revenue from facilitation fees, outdoor advertising, and rentals will further bolster JPC's solvency position through commissions receivable from the Portfolio.

Cost Coverage Ratio

Due to JPC's positive cash position, the cost coverage ratio is positive at 6.57 (in months). This is a marked improvement from the previous year, which stood at 1.85 (in months). Surplus cash, if any, will be utilised to settle CoJ salary loan accounts.

Debtors Collection Period

JPC has a debtors' collection period in excess of one year, with a collection ratio of 465 days. The intercompany debtors' collection ratio has improved due to improved collections in the current year and the application of GRAP 104 offsetting principles.

Provision for Bad Debts

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

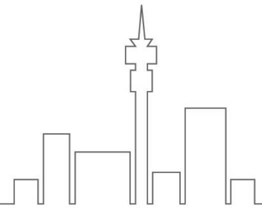
Creditors Payment Cycle

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

Statement of Financial Performance

	31 March 2025	30 June 2024
Profit before tax	165 942 073	40 027 801
Net surplus/(Deficit)	165 942 073	28 173 569
Net operating margin (%)	20.27%	3.05%
Non-exchange revenue to total revenue (%)	60.55%	65.80%
Exchange transactions to total revenue (%)	37.29%	34.20%
Employee costs to total expenditure (%)	65.31%	57.28%
R&M to total expenditure (%)	0.26%	2.63%
Rental to total expenditure (%)	24.60%	17.39%

Table 58: Statement of Financial Performance



Surplus/(Deficit)

The net surplus as at 31 March 2025 is **R165.9 million**, reflecting a surplus of **R28.2 million** compared to the figure for the period ended 30 June 2024. Major contributors to the surplus are as follows:

- JPC prepares a breakeven budget, matching estimated income with estimated expenditure. The majority of JPC's expenses are fixed, with the exception of R&M; however, expenditure is managed to avoid overspending.
- Office expenses are the main contributor and are 35.9% below budget.

Expenditure

A review of JPC's expenditure indicates that the primary drivers are employee costs, R&M, security, and leased office accommodation. Due to the underspend on R&M for the first quarter, the expense base upon which the ratios are determined is lower than in the previous financial year. Employee costs have risen year-on-year, and the percentage representation of expenditure has slightly increased, resulting in a ratio of 65.31% of total expenditure.

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

Part B: CoJ–JPC Portfolio

Liquidity Ratio

The CoJ–JPC Portfolio currently has a ratio of 0.71:1 compared to the norm of 2:1, with a negative cash flow of **R183 million** for the period under review, compared to a negative cash flow of **R115 million** in the 2024 financial year. Debtors currently owe the Portfolio **R222 million**, with **R61.5 million** provided for bad debts, predominantly related to informal trading. As the Portfolio represents only the debtors' component of the CoJ's property portfolio, debtors account for 83% of its total assets. The financial risk posed to JPC is substantial, as the non-recovery of outstanding debt negatively impacts JPC's ability to generate commission.

Cash Collection Rate

The cash collection cycle is the number of days taken to collect accounts receivable. This measure is crucial for tracking a business's ability to extend credit to worthy customers and collect receivables in a timely manner. The Portfolio's cash collection rate currently stands at 29%. The collection rate excludes debt owed by other debtors.

Solvency Ratio

The CoJ–JPC Portfolio has a solvency ratio of 0.71:1 against the norm of 2:1, and is currently insolvent. As the Portfolio holds no non-current assets or liabilities, the solvency and liquidity ratios are equivalent. However, these ratios are immaterial, as the property revenue-generating assets reside in the CoJ. JPC is exploring avenues to source and grow the Portfolio's revenue generation.

Debtors Collection Period

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

Cost Coverage Ratio

Portfolio's cost coverage ratio stands at –14.64:1. This negative ratio is attributed to a negative sweeping account balance of **R183.4 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

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

Section 8
Supply Chain Management

JPC conducts its supply chain management (SCM) activities in accordance with the MFMA and the Preferential Procurement Policy Framework Act (PPPFA). The PPPFA provides guidelines on the allocation of preferential points, while JPC's SCM Policy and the SCM Policy for Land offer additional frameworks for the entity's operations. Table 59 outlines the reports resulting from the implementation process.

Report Description	Declarations
Review of implementation of SCM Policy for Land GS within 20 days of year – to Council and Board	The policy was presented and approved by the JPC Board in January 2024. The policy is aligned with the CoJ SCM Policy. Council approves the City's policy, whereas the Board approves JPC's Policy. The main changes in the policies are the application of preferential goals, as set out in the Preferential Procurement Regulations of 4 November 2022, and thresholds for written price quotations and competitive bids, as set out in the Amendments to Regulations Regarding Supply Chain Management, dated 14 December 2023.
Report on deviations/irregular expenditure in implementation of policy and any remedial action taken or envisaged	• 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	• No awards were offered to close family members or employees of the state.
Report on declarations of gifts made and received by employees	• No declarations of gifts received were recorded.
Report on bidder or official found guilty of improper conduct	• 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	• 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	• 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	• No contracts where duration ends over 3 (three) years and contract is above R100 million for goods and services were entered into during the period under review.

Table 59: Supply Chain Management Reports

Tender Awards (Request for Proposal)

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

Deviations/Ratification JPC Entity

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

City Portfolio

No deviations were recorded.

Payment Within 30 Days

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

Riversideview

Section 9

Fruitless, Wasteful, and Irregular Expenditure

Fruitless and wasteful expenditure refers to expenditure that was made in vain and would have been avoided had reasonable care been exercised.

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

Table 60: Fruitless and Wasteful Expenditure

For the financial year, irregular expenditure increased by **R113 932 014.**

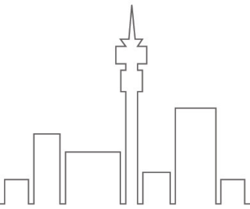
Irregular Expenditure	2025	2024
Opening balance	219 628 409	216 366 561
Current year additions	113 932 014	171 202 873
Prior period additions	-	-
Amount written off	-	-167 943 025
Closing Balance	**333 558 423**	**219 626 409**

Table 61: Year-on-Year Movement of Irregular Expenditure

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

Category	Description	Disciplinary Status	
Non-compliance with laws and regulations	Deviation – Not meeting regulation 36 requirements	Tender process currently under way	106 277 986
Non-compliance with laws and regulations	Contract expired. The City to take over the process	Under review by the CoJ	2 327 576
Non-compliance with laws and regulations	Centralised fleet contract	Under investigation by Internal Audit	5 326 451
Total			**113 931 013**

Table 62: Reasons for Irregular Expenditure



Section 10

Pending Litigation and Possible Liabilities

JPC Entity

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

City Portfolio

Legal action brought by JPC on behalf of CoJ: None

Section 11

Insurance Claims Against/to JPC

JPC Entity: None

Section 12

Statement of Amount Owed to Government Departments and Public Entities

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

Metro Mall

Chapter 6

Internal and External Audit Outcomes

Section 1
Results of Internal Audit

The three-year rolling audit plan for 2024–2027 was approved by the Audit and Risk Committee (ARC) and the Board in the 2023/24 financial year. The Internal Audit Unit intends to submit the Annual Internal Audit Plan for 2024/25 to the ARC and the Board for review and approval during Quarter 3 of 2024/25.

The Internal Audit Unit is planning to commence the annual internal audit for 2024/25 in April 2025, in line with the approved three-year rolling plan for 2024–2027 and the annual plan for 30 June 2025, in preparation for year-end and the AGSA audit. Twenty (20) audit projects are planned for the year ended 30 June 2025, consisting of 19 comprehensive audits, follow-ups on AG and Internal Audit findings, ad hoc projects, and a probity audit.

Two (2) of the comprehensive audits—the audit of pre-determined objectives and the audit of service level standards—will be conducted on a quarterly basis. The remaining audits were scheduled to commence in the third quarter of 2024/25.

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

Table 63: Rating Table

Section 2
Progress on Resolution of Internal Audit Findings

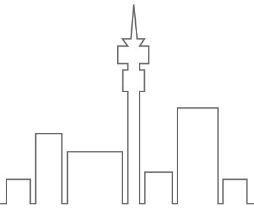
On a quarterly basis, Internal Audit also conducts a follow-up on the implementation of external and internal audit recommendations. These reports are presented to the ARC, which monitors the progress made by management on the implementation of recommendations.

Internal Audit Findings

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

Category	Total	Resolved	Not Resolved
Very high	4	3	1
High	10	7	3
Medium	12	11	1
Low	2	2	0
Total	**28**	**23**	**5**
%	**100%**	**82%**	**18%**

Table 64: Internal Audit Review and Progress



Section 3
Progress on Resolution of External Findings

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

Table 65 outlines the findings identified by the AGSA and the audit opinion for the past year. Refer to Annexure B for a more detailed breakdown.

Category	Total as at Nov 2024	Resolved	Percentage	Not Resolved	Percentage
		No.	%	No.	%
Matters reported in the Auditor's report that should be addressed.	3	3	100%	0	0%
Matters to be addressed to prevent material misstatements in the financial statements, material findings in the annual performance report, and compliance with legislation in the future, including matters that significantly affected audit performance.	10	9	90%	1	10%
Matters that do not have a direct impact on the audit outcome or a significant impact on audit performance, but were communicated to assist in improving processes and mitigating risks.	0	0	0%	0	0%
Total	**13**	**12**	**92%**	**1**	**8%**

Table 65: Unresolved External Audit Findings

Section 4
State of the Internal Controls

The audit conducted during the third quarter indicated that controls for the audited processes were adequate and effective. However, a few specific weaknesses were noted. Conclusions on each of the control audits are summarised in Annexures B and C. Based on the analysis of these annexures, certain internal control weaknesses remain unresolved. These are attributed to material, persistent, and pervasive deficiencies in control, including matters affecting the external audit report.

ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
01	Advertising on Roads and Ribbon Development Act, 1940 (Act No. 21 of 1940)	GENERIC (Outdoor)	Non-compliant
02	Advertising on Roads and Ribbon Development Act, 1995 (Act No. 21 of 1940)	CORE (Outdoor)	Non-compliant
03	Basic Conditions of Employment Act,1997 (Act No. 75 of 1997)	CORE (HR)	Compliant
04	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	CORE (SCM)	Compliant
05	Companies Act, 2008 (Act No. 71 of 2008)	CORE (All)	Compliant
06	Companies Act Regulations	CORE (All)	Compliant
07	Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)	CORE (SCM)	Compliant
08	Constitution of the Republic of South Africa,1996 (Act No.108 of 1996)	CORE (All)	Compliant
09	Consumer Protection Act, 2008 (Act No. 68 of 2008)	CORE (PDU)	Non-compliant
10	Disaster Management Act, 2002 (Act No. 57 of 2002)	CORE (OHSA)	Non-compliant
11	Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)	CORE (IT)	In progress
12	Employment Equity Act, Code of Good Practice: Human Resource Policies and Practices	CORE (HR)	Compliant
13	Employment Equity Amendment Act, 2022 (Act No. 4 of 2022)	CORE (HR)	Compliant
14	Employment Equity Act, 1998 (Act No. 55 of 1998)	(HR)	Compliant
15	Employment Equity Regulations	CORE (HR)	Compliant
16	Gauteng Planning and Development Act, 2003 (Act No. 3 of 2003)	GENERIC (Property Portfolio)	Not Applicable
17	Generally Accepted Compliance Practices Framework	GENERIC (All)	Compliant
18	Generally Recognised Accounting Practice	CORE (Finance)	Compliant
19	Hazardous Substances Act, 1973 (Act No. 15 of 1973)	GENERIC (OHSA)	Non-compliant
20	King IV Code on Corporate Governance	GENERIC (All)	Compliant
21	IIA Code of Conduct and Ethics	CORE (HR)	Compliant

ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
22	Income Tax Act, 1962 (Act No. 58 of 1962)	CORE (Finance)	Compliant
23	Intergovernmental Relations Framework, 2005 (Act No. 13 of 2005)	CORE (Property Management)	Not applicable
24	Local Government Anti-Corruption Strategy	GENERIC (Legal)	Compliant
25	Local Government: Municipal Planning and Performance Management Regulations, 2001	GENERIC (Strategic support)	Compliant
26	Local Government: Municipal Finance Act, 2003 (Act No. 56 of 2003)	CORE (All)	Partially compliant
27	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	CORE (All)	Compliant
28	Municipal Finance Management Act (MFMA) – Asset Transfer Regulations	CORE (All)	Non-compliant
29	Municipal Property Rates Act, 2004 (Act No. 6 of 2004)	CORE (All & Property management)	Non-compliant
30	Municipal Structures Act, 1998 (Act No. 117 of 1998)	GENERIC (All)	Compliant
31	Municipal Supply Chain Management Regulations Gazette No. 27636, 30 May 2005	CORE (SCM)	Compliant
32	National Archives and Record Service of South Africa Act, 1996 (Act No. 43 of 1996)	CORE (CSM Records)	In progress
33	National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	CORE(Assets)	Compliant
34	National Heritage Resources Act, 1999 (Act No. 25 of 1999)	CORE (Assets)	Not applicable
35	National Qualifications Framework Act, 2008 (Act No. 67 of 2008)	CORE (HR)	Compliant
36	National Road Traffic Act, 1996 (Act No. 93 of 1996)	GENERIC (Logistics) JPC Fleet	Non-compliant
37	National Treasury Public Sector Risk Management Framework	CORE (SCM & Finance)	Compliant
38	Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)	CORE (HR)	In progress
39	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	CORE (SCM)	Compliant
40	Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	CORE (Legal)	Compliant
41	Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	CORE (All)	Compliant
42	Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	CORE (All)	Not applicable
43	Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	CORE (All)	Compliant

ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:		CATEGORY	COMMENTS
44	Property Practitioners Act, 2019 (Act No. 22 of 2019	GENERIC (Assets)	Compliant
45	Protected Disclosures Act, 2000 (Act No. 26 of 2000)	CORE (HR)	Compliant
46	Protection of Information Act, 1982 (Act No. 84 of 1982)	CORE (HR)	Compliant
47	Protection of Personal Information Act (POPIA), 2013 (Act No. 4 of 2013)	CORE (HR)	Compliant
48	Public Audit Amendment Act, 2018 (Act No. 5 of 2018)	CORE (Internal Audit)	Compliant
49	Regulation of Interception of Communications and Provision of Communication-Related Information Act, 2002 (Act No. 70 of 2002)	CORE (Comms & stakeholder)	Not applicable
50	Skills Development Act, 1998 (Act No. 97 of 1998)	GENERIC (HR)	Compliant
51	Skills Development Levies Act, 1999 (Act No. 9 of 1999)	GENERIC (HR)	Compliant
52	Unemployment Insurance Act, 2001 (Act No. 63 of 2001)	GENERIC (HR)	Compliant
53	Unemployment Insurance Contributions Act, 2002 (Act No. 4 of 2002)	GENERIC (HR)	Compliant
54	Value-Added Tax Act, 1991 (Act No. 89 of 1991)	CORE (Finance)	Compliant


Council Chambers Wall Art

Annexure B: Internal Audit Findings

	FINDING HEADING	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
1	Records management policy not approved by the Board	The documents will be amended as per the findings and will be submitted for deliberation by EXCO to be approved in the third quarter.	Medium	Yes	Record Management	Unresolved
2	Documents at the offsite storage not disposed of	We noted the finding; however all the documents will be looked at by the responsible department or management of that specific documents.	Medium	No	Record Management	Resolved
3	Inadequate access control	Currently the documents are stored safely and the storeroom is locked with an access log. Access control will be improved once the biometrics project is implemented by ICT.	Medium	Yes	Record Management	Resolved
4	Contract with document warehouse has expired	The contract will be advertised for renewal. The tender process is under way, pending confirmation of the date by the SCM Unit and Chairperson of the committee.	High	No	Record Management	Resolved
5	No stakeholder management policies and procedure manuals	The stakeholder management standard operating procedures will be developed.	Very High	No	Stakeholder Management	Unresolved
6	No fleet management policies and standard operating procedures	The fleet management policies and standard operating procedures will be developed.	High	No	Fleet Management	Unresolved
7	Vacant critical positions not filled	The vacant positions will be filled no later than December 2024.	High	No	Fleet Management Status Unresolved	Unresolved
8	Fleet Steering Committee not in place	JPC is part of the City's Fleet Steering Committee and Mr Ndzamela represents JPC on the committee.	High	No	Fleet Management	Resolved
9	No valid contract in place for non-specialised vehicles on a full maintenance lease	Afrirent currently maintains all other JPC vehicles.	High	No	Fleet Management	Resolved
10	Discrepancies noted in the work order request	Monthly visits will be conducted to all depots to check all necessary documents and ensure compliance.	Medium	No	Fleet Management	Resolved
11	Non-compliance to the fuel limit requirements	Fuel limits will be monitored monthly as per the instructions provided to FNB.	Medium	No	Fleet Management	Resolved
12	Fuel receipts not provided for vehicle refuelling transactions	Fuel receipts will be monitored for fuel consumption on a weekly basis.	High	No	Fleet Management	Resolved
13	Fuel receipts not recorded on the register	Monitoring of the register being filled out properly on a weekly basis.	Medium	No	Fleet Management	Resolved

Annexure B: Internal Audit Findings

	FINDING HEADING	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
14	Reasons to deviate from normal SCM processes not sufficiently stated in the internal memo	Management response is awaited.	Very High	No	SCM	Resolved
15	Physical security on information assets should be improved	Management is in the process of finalising a tender for new office accommodation, in which physical security (including visitor access, biometrics, and CCTV coverage) is provided by the landlord for	High	No	ICT	Resolved
16	Approval for policies reviewed in 2023 could not be obtained	The policies were tabled for noting at the ARC meeting on 16 July 2024.	Medium	No	ICT	Resolved
17	Inadequate management of access to the data centre	A service provider is currently addressing the biometric access controls at the data centre.	Medium	No	ICT	Resolved
18	Inadequate user access management processes	The team will update the user access creation forms to list all the applications in JPC. The relevant applications that users require access to will be selected/ticked and the access required will be clearly documented. User access reviews and a clean-up will be done on the Trim application.	Low	No	ICT	Resolved
19	Audit logging not enabled (Nicor)	JPC will engage the service provider to verify that all user activities performed on the application are logged, recorded, and retained.	Low	No	ICT	Resolved
20	Delayed removal of users leaving the organisation	IT will coordinate with HR to receive monthly reports of all employee movements, ensuring timely removal of access for staff exiting the organisation.	Medium	No	ICT	Resolved
21	Unnamed accounts that are not service accounts	JPC IT notes this finding. The two unnamed accounts on Trim have been disabled. JPC will engage the service provider regarding the Nicor accounts and confirm their purpose. If they are not required, they will be disabled.	Medium	No	ICT	Resolved
22	Inadequate user access management processes	JPC IT will ensure that all tickets are recorded, prioritised appropriately, and accounted for each month, with a formal process in place to manage incidents.	Medium	No	ICT	Resolved
23	Manual calculation of the 10% fee charged by JPC for invoices	Currently, the City is procuring a system that will automate this charge. Until this system is in place, JPC will be unable to automate the calculation of this fee.	Medium	No	ICT	Resolved

Annexure B: Internal Audit Findings

	FINDING HEADING	MANAGEMENT ACTION PLAN	CLASSIFICATION	REPEAT FINDING	AUDITABLE SECTION	STATUS
24	Human capital management policies not reviewed and approved timeously.	Policies have been reviewed, and five (5) have been approved by the Board of Directors. The remaining policies are currently under consultation with labour for final presentation to the next Remuneration and Ethics Committee.	High	No	HR	Unresolved
25	Non-establishment of the Moderation and Job Evaluation Committee	Currently, job evaluations are being conducted through the City due to staffing shortages at JPC. However, the new structure allows for the appointment of a Talent and Organisational Design Specialist who will be able to manage this function internally. A tender is being prepared to procure a service provider for job evaluation and job design to mitigate this risk.	High	No	HR	Resolved
26	Personal development plans (PDPs) not implemented within JPC	A communique on PDP implementation was issued in July 2024.	Very High	No	HR	Resolved
27	Daily attendance register not signed by the line manager/ supervisor	A communique was issued to line managers to ensure that attendance registers are effectively monitored and managed.	High	No	HR	Resolved
28	Inadequate management of overtime worked	Human Capital ensures that approval is granted only for pre-approved overtime. In cases where overtime is exceeded, CEO approval is sought prior to implementation.	Very High	No	HR	Resolved

Portion 1 and 2 of Erf 1 Arena JBXT4259

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

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


Riversideview Block D

Joburg Property Company

Phone: +27 10 219 9000
Fax: +27 10 219 9400
Email: clientservicingunit@jpcproperty.co.za

Postal Address

P.O. Box 31565
Braamfontein
2017