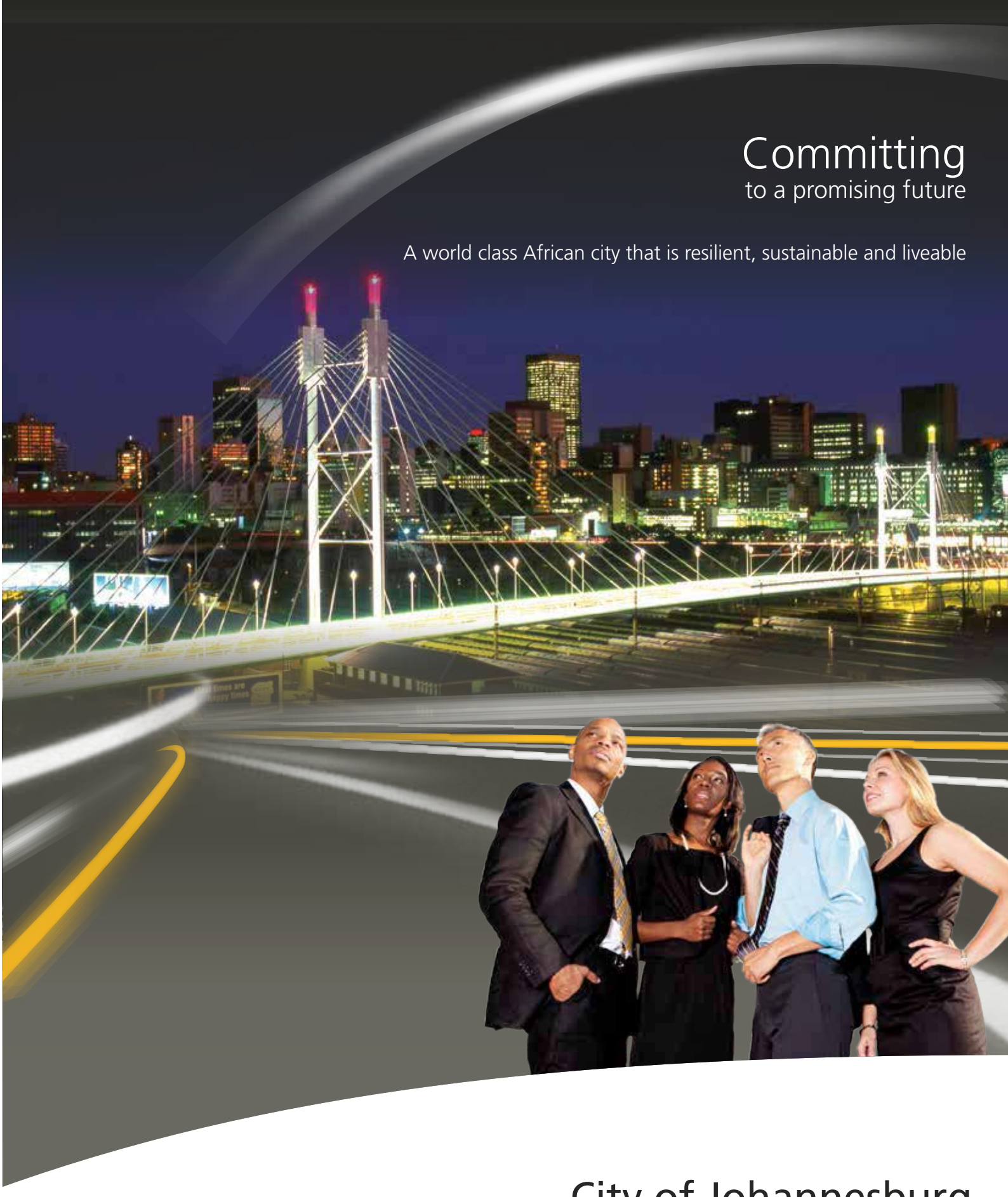
Committing
to a promising future

A world class African city that is resilient, sustainable and liveable

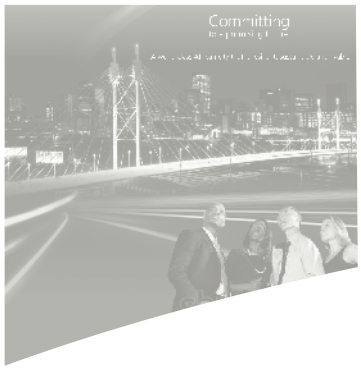


City of Johannesburg

Integrated Annual Report 2012/2013

Joburg

a world class African city



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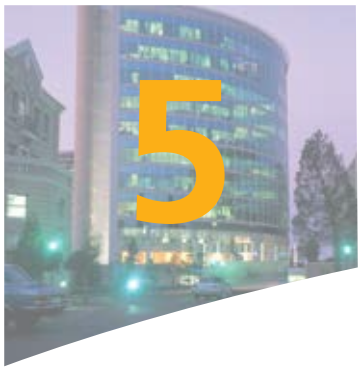

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CITY
OF
JOBURG

Structure of the Integrated Annual Report

National Treasury's MFMA Annual Report Circular 63 requires municipalities and municipal entities to adopt the following format for an Annual Report:

- Chapter 1: Mayor's Foreword and Executive Summary.
- Chapter 2: Governance.
- Chapter 3: Service Delivery Performance.
- Chapter 4: Organisational Development Performance.
- Chapter 5: Financial Performance.
- Chapter 6: Auditor General's Findings.
- Appendices.
- Volume II: AFS.

This report forms part of a two-part annual integrated reporting framework. It provides a comprehensive integrated view of the City's performance for the 2012/13 reporting year. It has been compiled in line with the format outlined above and includes the consolidated Financial Statements, Annual Performance Report and the Auditor General's Audit report.

A second Integrated Annual Report (Abridged Version: Book 1) provides an abridged representation of the City's performance for the year and forms the primary communication report to all City stakeholders.

Figure 1: The City of Johannesburg's reporting for 2012/13 consists of two books

	Book 1	Book 2
	2012/13 Integrated Annual Report (Abridged Version)	**2012/13 Integrated Annual Report**
Content	The 2012/13 Integrated Annual Report (Abridged version) is the City's primary report to all stakeholders and is an abridged representation of the Consolidated Annual Report.	The 2012/13 Integrated Annual Report contains the Conslidated Financial Statement, Annual Performance Report and the Auditor General's Audit report.
Distribution	Printed and distributed Also available online in PDF/HTML format: wwww.joburg.org.za	Printed and distributed Also available online in PDF/HTML format: wwww.joburg.org.za
Informed by	• Municipal Finance Management Act (MFMA) • Public Finance Management Act (PFMA) • Generally Recognised Accounting Principles (GRAP) • Section 46(1) of the Municipal Systems Act (MSA) • King lll Code on Corporate Govemance (King lll) • Discussion papers issued by the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC) • International Financial Reporting Standards (IFRS) • GRI Framework • Millennium Development Goals • Joburg 2040 Growth and Development Strategy (GDS) • 2012/16 Integrated Development Plan (IDP)	

An integrated approach to reporting

This Report is the first in which the City purposely attempts to comply with the principles–based approach of integrated reporting as proposed by the International Integrated Reporting Council and the South African Integrated Reporting Committee. The integrated approach to reporting aligns with the City's integrated approach to strategy formulation and operational management. The City has adopted this approach to enhance its commitment to recommendations of the King III Code on Corporate Governance, which sets out international leading practices for governance of private and public organisations, including a recommendation that these organisations undertake integrated reporting.

The report further complies with legislative prescripts and conforms to National Treasury guidelines on annual reporting, which emphasises the integration of strategic plans and operational budgets to improve operational effectiveness. The main aim of interlinking plans and budgets is to ensure that key objectives and priorities are budgeted for and achieved. The National Treasury guidelines note the inherent tension between strategic planning and budgeting, which often makes it difficult to achieve the desired level of integration. Chapter 3 of this report interlinks the City's forward-looking strategic planning perspective with its reporting of both service performance and financial performance for the 2012/13 year, thereby providing a strategic long-term context for short to medium-term operational and budgetary information.

In addition, the report has been informed by the guiding principles of the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC). These include the principles-based requirements of a strategic focus and future orientation; the connectivity of information; stakeholder responsiveness; materiality and conciseness; reliability and completeness; as well as consistency and comparability.

The table below outlines the integrated reporting principles followed, as well as instances in both this Integrated Annual Report (Book 2) and the Integrated Annual Report (Abridged Version: Book 1) where these principles have been applied.

Table 1: Principles-Based Integrated Reporting Index (Covering Book 1 and Book 2)

Integrated reporting principles	Instances where these principles have been applied in both the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2)	
	Book 1: Abridged Version	Book 2: Integrated Annual Report
Strategic focus and future orientation of information	• Executive Mayor's Foreword • City Manager's Executive Summary • City of Johannesburg at a glance: A value-based strategy • City of Johannesburg at a glance: 10 Priorities for the future • City of Johannesburg at a glance: Programme delivery through four clusters • Governance: Cluster Mayoral Sub-Committees • The City of Johannesburg: A vision for the future • Joburg 2040 GDS: A roadmap for a resilient, sustainable and liveable city • The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table in this report. • Cluster reviews: performance against SDBIP targets • Future outlook at the end of this report, aligns with the Executive Mayor's State of the City Address (accessible at: www.joburg.org.za: > home > speeches)	• Executive Mayor's Foreword • City Manager's Executive Summary • Chapter 2: Governance - Cluster Mayoral Sub-Committees • Chapter 2: The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table • Chapter 3: Planning for the future: Joburg 2040 • Chapter 3: A value-based strategy • Chapter 3: Priority programmes • Chapter 3: Johannesburg's Spatial Development Framework (SDF) • Chapter 3: Service Cluster reviews: performance against SDBIP targets
Connectivity of information	• The use of icons to reference interlinking cluster-related information • Inter-connectivity between this Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) • The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table in this report.	• The use of icons to reference interlinking cluster-related information • Chapter 3: performance commentary relative to budgetary performance • The interlinking of Mayoral Programmes, strategic imperatives and the City's top five risks in the ERM table in the report.

Integrated reporting principles	Instances where these principles have been applied in both the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2)	
	Book 1: Abridged Version	Book 2: Integrated Annual Report
Stakeholder responsiveness	• Stakeholder responsiveness framework • Inviting reader feedback on this report • Future outlook emphasis on stakeholder priorities.	• Stakeholder responsiveness framework • Inviting reader feedback on the report
Materiality and conciseness	• Table 2: Defining 'material' issues for integrated reporting • Stakeholder responsiveness framework • Interconnectivity of strategic and operational information as referenced by cluster icons	• Table 2: Defining 'material' issues for integrated reporting • Interconnectivity of strategic and operational information as referenced by cluster icons
Reliability and completeness	• Assurance of the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) • The approval of the Integrated Annual Report (Abridged Version: Book 1) by the Executive Mayor.	• Assurance of the Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) • The approval of the Integrated Annual Report (Abridged Version: Book 1) by the Executive Mayor.
Consistency and comparability	• The Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) are the first in which the City purposely attempts to comply with the principles–based approach of integrated reporting as proposed by the IIRC and IRC SA. Accordingly it is setting a firm foundation for future reporting by: o Introducing recognisable cluster icons to facilitate ease of information access and comparison between this and future reports. o Introducing a stakeholder responsiveness framework to facilitate ease of access to stakeholder priorities and the City's commitments, to be updated each consecutive year as a guide to our performance. o Introducing a principles-based approach to integrated reporting through which cluster performance can be easily grouped, accessed and compared. o Including tabled performance indicators and 2012/13 performance against SDBIP targets. o Including the Principles-Based Integrated Reporting Index (Covering Book 1 and Book 2) to gauge "reporting maturity" in future integrated reports.	• The Integrated Annual Report (Abridged Version: Book 1) and the Integrated Annual Report (Book 2) are the first in which the City purposely attempts to comply with the principles–based approach of integrated reporting as proposed by the IIRC and IRC SA. Accordingly it is setting a firm foundation for future reporting by: o Introducing recognisable cluster icons to facilitate ease of information access and comparison between this and future reports. o Introducing a stakeholder responsiveness framework to facilitate ease of access to stakeholder priorities and the City's commitments, to be updated each consecutive year as a guide to our performance. o Introducing a principles-based approach to integrated reporting through which cluster performance can be easily grouped, accessed and compared. o Including tabled performance indicators and 2012/13 performance against SDBIP targets. o Including the Principles-Based Integrated Reporting Index (Covering Book 1 and Book 2) to gauge "reporting maturity" in future integrated reports.

This Integrated Annual Report strengthens the City's accountability and transparency processes and complies with legislative prescripts for regular, impartial feedback to stakeholders, including Johannesburg residents, National Treasury, Provincial Government and the Auditor General, among others.

The City is committed to enhancing its integrated reporting process going forward.

Materiality

The City of Johannesburg has applied the principle of "materiality" in determining pertinent content and disclosure. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the City's ability to create value in the short, medium and long term. The following internal and external criteria were used to identify material issues:

Table 2: Defining 'material' issues for integrated reporting

Internal criteria	External criteria
City of Johannesburg Growth and Development Strategy (Joburg 2040 criteria and objectives.	Critical opportunities and challenges the City is geared to respond to.
National and Provincial Agenda.	Changes in the socio-economic developmental agenda and priorities of National and Provincial Government.
12 National Outcomes of Government.	Changes in the national and provincial political environment and a changing regulatory landscape.
Enterprise Risk Management Process; including key risks impacting the City's strategic and operational objectives and the associated mitigating activities.	Factors which may impact the City's reputation, thereby influencing its ability to promote sustainable growth.
Stakeholder expectations and feedback – e.g. from residents, rate-payers, business community, Non-Governmental Organisations (NGOs), National and Provincial Government, neighbouring municipalities, designated targeted groups, academics, investors and the media.	The provisions of various frameworks including: Municipal Finance Management Act (MFMA); Public Finance Management Act (PFMA); Section 46(1) of the Municipal Systems Act (MSA); King III Code on Corporate Governance (King III); Discussion papers issued by the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC); International Financial Reporting Standards (IFRS); GRI Framework; United Nations Global Compact; Millennium Development Goals; Carbon Disclosure Project; B-BBEE Code.
City of Johannesburg's mission, vision and values.	
City of Johannesburg's governance framework and policy environment.	

Engaging stakeholders

Our stakeholder engagement processes play a critical role in providing insight into the quality of the City's relationships with its key stakeholders. We are committed to responding to stakeholders' legitimate needs, interests and expectations through effective and efficient service delivery. In so doing, the City engages its residents collaboratively so that it works with and for residents.

We are further committed to strengthening meaningful stakeholder engagement and participation going forward to respond to developmental challenges. For this reason, the City has embraced the adage: "Engaged Active Citizenry", which informs one of its ten approved priorities.

In the year ahead, the 2013/14 business planning and outreach process will provide the City with an opportunity to communicate its draft plans and budget to a larger audience and enabled communities at a local level to express their needs.

Table 3: Stakeholder engagement process during the review period

Vehicles for engaging stakeholders	Stakeholders	Stakeholder priorities
Calls for public comment	• Residents • Rate-payers • Business community • Non-Governmental Organisations (NGOs) • National and Provincial Government • Neighbouring municipalities • Designated targeted groups • Academics • Investors and the media	A municipality that is functional and responsive to the needs of its citizens.
Newspaper advertisements		Provision of quality services and addressing the basics.
Councillor engagement sessions		Continue the agenda of transformation.
IDP Outreach process		Communicate and engage with citizens on the development agenda.
Regional stakeholder meetings		Address service delivery backlogs.
Ward committee activities		
GDS Investor Roadshows and Roundtables		
Service delivery disputes, protests and petitions		
Deploying regional MMCs for focused engagements with regional stakeholders		
Project-Based engagement and petetions		

Our perspective on sustainability

The City of Johannesburg views 'sustainability' - in its most inclusive sense – as balancing the societal needs of the present generation with the regenerative conditions of the broader social, economic and ecological environment which sustains them.

From a social perspective, sustainability requires that communities have equitable access to key services and can participate in systems of human interaction that value cultural diversity; can experience a sense of community ownership; and are able to fulfil their own needs where possible.

From an economic perspective, sustainability requires that assets are used efficiently so that they may continue to function profitably over time and that current economic activity does not disproportionately burden future.

Generations from an ecological perspective, sustainability refers to a sustained condition of balance, resilience, and interconnectedness that allows citizens to satisfy their needs without exceeding the capacity of the supporting ecosystems to regenerate the resources necessary to meet their present and future needs and without diminishing biological diversity.

From a governance perspective Local Government has an obligation to report, clarify and be accountable for the impacts of the decisions it makes on behalf of the community it represents. Further, it has a responsibility to implement decisions and follow processes that optimise the use of the available people, resources and time to ensure the best possible results for the long-term economic, social and environmental sustainability of its community. In addition, sustainability requires that citizens are free to contribute to political decision-making, particularly at a local level.

Guidelines for reading the Integrated Annual Report

Commentary on the performance for each of the clusters is indicated throughout the report by means of the following icons:

Sustainable Services Cluster

Economic Growth Cluster

Human and Social Development Cluster

Good Governance Cluster

Assurance

Assurance on the Integrated Annual Report was done through engagements with the Group Audit Committee (GAC) and Group Assurance Services (GRAS). Council will undertake oversight of the Annual Report between February and March 2014, through its Municipal Public Accounts Committee (MPAC). The report will be communicated to all City stakeholders.

The City will continue to refine its approach to integrated reporting in future annual reports to further align with international reporting standards and to promote consistency, accessibility and accountability with respect to its multi-faceted role in creating and sustaining value for all citizens of Johannesburg.

Feedback

The City of Johannesburg aims to establish and maintain constructive and informed relationships with its stakeholders. Accordingly we wish to encourage all stakeholders reading our Integrated Annual Report to provide feedback on their views. This will enable Council to gauge the adequacy and quality of its integrated reporting. To provide feedback, kindly complete the printed feedback form included in this report or download a form at www.joburg.org.za. Feedback forms can be submitted at regional offices or emailed to salatialc@joburg.org.za.

Chapter 1

Executive Mayor's Foreword and City Manager's Executive Summary

Executive Mayor of the City of Johannesburg Councillor Mpho Parks Tau

Executive Mayor's Foreword

I am pleased to present the City of Johannesburg's 2012/13 Integrated Annual Report, covering the period 1 July 2012 to 30 June 2013. The report provides a measure of our progress in line with the City's Growth and Development Strategy (GDS), 'Joburg 2040' and tracks operational performance in the context of the City's approved 2012/16 IDP priorities.

To become increasingly accountable in our reporting; and to enhance transparency in respect of our budgetary, monitoring and oversight processes, we present an Integrated Annual Report which emphasises the connection between our strategic planning processes and our operational achievements. Accordingly, we share our successes and challenges during the year in the context of the strategic imperatives of our 'Joburg 2040' GDS, thereby deepening our communication with stakeholders and setting the bar high for future performance reporting in all areas of the City's service, infrastructure and administrative delivery.

I would like to take this opportunity to acknowledge efforts of the City's leadership and administration in positively advancing the City's strategic and transformative agenda during the year; and to thank them for their perseverance and readiness in boldly implementing the objectives of the GDS in the context of a changing and increasingly unpredictable development paradigm.

In 2012/13 we attained some notable achievements firstly, by improving our ability to monitor and measure the implementation of strategic priorities — a critical focus area for the last two years. This entailed further aligning key performance indicators with the strategic priorities that drive our implementation processes. Second, in an effort to fulfil our agenda of socio-economic transformation — and dismantling of a City still labouring under the responsibilities of its history of separate development – we implemented a series of flagship programmes towards 'Joburg 2040'.

Committing to a promising future

The 2012/13 financial year marked a critical period in the implementation of our long-term strategy in that we had to show, tangibly, our firm commitment to the development of a resilient, sustainable and liveable Johannesburg for all our citizens. 2012/13 represents our second year in the implementation of our current five-year Integrated Development Plan (IDP). We have been decisive in identifying what is required as part of the long journey towards 2040 and resolute in demonstrating our commitment to our vision.

Committing to spatial equality

The new democratic South Africa secured political participation for all, facilitated greater access to economic participation and ensured the freedom of movement of people. However, not everyone has benefited equally from this transformation. We see this in the existing urban spatial form in which the majority of Johannesburg's residents live and play far from where they work. We have demonstrated our commitment to our vision by committing to invest R100 billion in infrastructure development over ten years with the aim of eradicating spatial inequality. This will be achieved by 're-stitching' the City of Johannesburg and reclaiming parts of the City to ensure that transport nodes become "Corridors of Freedom"; and that Johannesburg's urban form is transformed into one where residents live and play close to where they work.

Committing to a financially sustainable and resilient City

It gives me pleasure to report that the City is firmly on course to becoming financially sustainable and resilient. In 2012/13 we collected 92% of all billed revenue and concluded the year with a strong financial position, with a net surplus of R3.4 billion. We continued the upward trend of increasing the City's total assets to R60 191 121 billion, up from R56 374 108 billion in 2011/12. We concluded the year with a progressive increase in cash and cash equivalents of R5.4 billion, up from R2.2 billion. Our capital investment in the City continued to rise to R4.5 billion up from R3.7 billion in the preceding financial year. Our positive financial performance was further supported by the significant progress we have made towards eliminating billing issues. The City is in an improved state of responsiveness to billing issues, as a result of open days and the Revenue Step Change Programme, both of which have led to a marked

improvement in the resolution of queries, while the R3.4 billion surplus enables the City to further increase the capital investment to R7.66 billion in the 2013/14 year.

Committing to a sustainable city

Rea Vaya, our world-class, affordable and reliable mode of public transport is indeed a proud achievement. In 2012/13 the Bus Rapid Transit system conveyed an average of 35 953 passengers daily while Metrobus ferried 16 489 457 passengers during the year. We are on track to increasing public transport patronage, and in the process, are decongesting the streets and reducing carbon emissions through advanced transport technology. In continuing to enhance our transport system during the year, we took every opportunity to create jobs and to ensure that busses used in the BRT system are manufactured locally.

We made positive progress toward environmental sustainability during the year by moving towards low carbon infrastructure and by introducing programmes to further conserve energy. We installed 27 091 solar water heaters in various communities and are working towards including sectors with a large carbon footprint in our programme to reduce carbon emissions through low carbon infrastructure. Our waste management programmes resulted in the diversion of more than 90 000 tonnes of dry waste and over 80 000 tonnes of green waste from our stretched landfill sites. Our integrated waste management programme also received a boost with the establishment of waste sorting facilities and buy-back programmes – such as our "waste for food" programme.

The 2011 Census revealed that 23% of Johannesburg's population is impoverished, of whom 42% go without food for two to three days per month. The City has responded to this with a programme to address poverty and income inequality through food security and the promotion of urban agriculture. We recognise the immediate need for measures to alleviate poverty among our city's poor and vulnerable; and for poverty eradication in the long term to ensure self-reliant communities. Accordingly, we established six agri-resource centres in Regions A, C and G. During the year, these centres offered agricultural training, as well as provided seeds and implements to small-scale urban farmers. The City further provided 'hub-and-spoke' support for small-scale producers in Orange Farm and Poortijie. Food gardens have been established in Regions A and G.

Creating a safe and secure city is a priority for Johannesburg and we have made significant progress through our "Joburg 10+" community policing initiatives as well as the 'smart practices' introduced to improve public safety and disaster readiness. These innovations – combined with our 'complete streets' programme to enhance road safety and our efforts to create safer public spaces – have contributed to making Johannesburg a safer and more secure city overall, with reductions in both violent and petty crimes.

Committing to inclusive economic growth

We continue to excel in the implementation of the Expanded Public Works Programme (EPWP). Johannesburg was awarded the 2012 Kamoso Award for Excellence for the implementation of its EPWP programme. In 2012/13 the City created 36 588 EPWP job opportunities against a target of 38 176. We continue to enhance our contribution to the growth of small to medium scale enterprises (SMMEs) to develop the economy of Johannesburg. In the financial year we supported close to 400 SMMEs and sourced funding for the Soweto Energy SMME incubator to the value of R27 million. To further promote inclusive economic growth and commercial connectivity, the City completed the laying of over 900 kilometres of fibre optic cable as part of our Broadband Network Programme.

Committing to building sustainable partnerships

We recognise the need to foster strong partnerships across all spheres of Government, and to nurture our partnerships with our stakeholders and communities so as to remain relevant and accessible to our stakeholders. The work we are doing to transform Johannesburg's spatial form also requires a commitment to the citizens of Johannesburg, that they are not inert observers or passive recipients of Government services, but rather active partners in shaping our City's future. Accordingly, we rolled out 'community-based planning' (CBP) in Region E on a pilot basis and with the successful implementation in Region E in 2012/13 ratifying the merits of this model, we will be implementing the programme in other Regions in future.

The newly elected ward committees and refined ward committee structures assisted with consultations around the preparation of ward plans and also enhanced accountability in the implementation of key City programmes, in the process demonstrating our collaborative approach to stakeholder engagement. Our 'Joburg 10+' flagship programme, for instance, epitomises our commitment to sustainable partnerships with communities to create a safe and secure Johannesburg. As we progress toward our envisioned future, we remain mindful of our ability to mobilise the collective energy and efforts of the people of Johannesburg who have brought us this far and continue to enable us to meet the transformation agenda.

Committing to good governance

Enhancements in our governance processes have resulted in improved financial performance and an improved audit opinion, advancing us to an Unqualified Audit Opinion in 2012/13. We continue to be committed to fiscal responsibility and the highest standards of financial management.
Notwithstanding our notable achievements, we recognise the magnitude of our task in addressing the enduring concerns of inequality as well as transforming the economic landscape of our City. We are responding to these challenges

through proactive and creative interventions to continually enhance the quality of our service delivery. This includes our commitment to investing R100 billion over ten years in infrastructure development; improving integrated waste management efforts; ensuring food security; maintaining a safety-net for the indigent; driving an inclusive economy; creating respectable jobs; and growing commercial opportunities for SMMEs and local service providers.

We are committed to improving our performance in the year ahead. The City has introduced stretch targets based on an improvement in current performance. We are confident that we will continue to meet the expectations of our stakeholders as we drive implementation of our long, medium and short-term strategies.

We look back on 2012/13 as a year during which we continued to cement our position as the leading metro in South Africa and in Africa. The hosting of the opening and closing ceremonies of the Africa Cup of Nations football tournament validated the important position of Johannesburg as a leading African city, which embraces its African identity and represents a melting pot of the spontaneity and vibrancy of the diverse cities across the continent.

Looking ahead

The City holds the hopes and aspirations of its entire people. Our vision of a promising future has a finite end-goal, of a liveable, sustainable and resilient Johannesburg. We are providing liveable communities in which our people live and play close to where they work. Through deliberate infrastructure investment we are transforming the urban spatial form of Johannesburg, reclaiming certain areas to ensure this vision is achieved. We are providing affordable, safe, reliable public transport systems that will ultimately reduce congestion on our streets, while decreasing our carbon footprint through state-of-the-art transport technology. We envisage that these transport nodes will become the centre of living activities within Johannesburg. We are creating safer caring communities and providing a safety-net for the indigent, in line with our position as a leading caring city. Globally, Johannesburg is claiming its pride of place as a one of the world's leading cities, and the leading City in Africa.

The 2012/13 Integrated Annual Report carries the theme "Committing to a promising future of a world-class African City that is resilient, sustainable and liveable". Johannesburg has a clear roadmap for delivery – in the immediate, medium, and long term – and this Annual Report provides a snapshot of our achievements during the 2012/13 financial year. It also outlines our commitments for the coming financial year. The Report addresses issues that are material and provides a fair representation of the integrated performance of the City of Johannesburg and its entities for the period 1 July 2012 to 30 June 2013.

Clr Mpho Parks Tau
Executive Mayor of the City of Johannesburg

City Manager of Johannesburg Trevor Fowler

City Manager's Executive Summary

Introduction

The 2012/13 Integrated Annual Report carries the theme 'Committing to a promising future'. The future we envisage is that of a world-class African city that is resilient, sustainable and liveable. This theme represents our long-term commitment to residents and stakeholders of Johannesburg to deliver a City that is resilient, liveable and able to preserve resources for future generations. It is strategically embodied in 'Joburg 2040' the City's Growth and Development Strategy (GDS) and operationally applied through the flagship programmes provided for in our Service Delivery and Budget Implementation Planning (SDBIP).

2012/13 was our first year of implementing the 'Joburg 2040' GDS. To give tangible expression to the commitments we have made in the GDS, we have pledged to spend R100 billion toward infrastructure development over ten years, thereby enabling Johannesburg to make a decisive break with apartheid era spatial planning. Further, our targeted flagship programmes are designed to address short and medium-term challenges whilst maintaining focus firmly on our long-term vision of 'Joburg 2040'. The City is committed to enhancing its interactions with citizens and other stakeholders going forward, particularly through the implementation of Community-Based Planning (CPB) initiatives.

For 2012/13, using the principles of resilience, sustainability and liveability we reviewed the five-year Integrated Development Plan (IDP) and committed to the following ten flagship programmes to drive our service and infrastructure delivery:

- Financial sustainability and resilience.
- Greenways and mobility
- Agriculture and food security.
- From informal settlements to sustainable human settlements.
- Citizen Participation and Empowerment.
- Integrated Waste Management
- Urban water management
- Investment attraction, retention and expansion.
- Shift to low carbon infrastructure.
- A safe secure and resilient City that protects, serves, builds and empowers communities.

The service delivery review section (Page 40) provides a consolidated view of our performance with respect to the ten priorities listed above.

Overview of City of Johannesburg

The City of Johannesburg (CoJ) continues to be South Africa's primary city, providing services to over 4.4 million people. This translates into approximately 8% of the total national population. Service delivery is facilitated through an employee base of over 25 000 employees. Recognised as one of the leading cities globally, the City of Johannesburg is known as a city of innovation and economic dynamism; a city that mobilises the strengths and qualities of its diverse population; and also a city that cares deeply for all its residents through its commitment to world-class service delivery for all.

Johannesburg, the largest and wealthiest city in South Africa accounts for 16% of the country's Gross Domestic Product (GDP). It hosts South Africa's largest corporations as well as many other international corporations operating on the African continent.

Johannesburg is the provincial capital of Gauteng, the wealthiest and most popular province in South Africa; and is one of the 40 largest metropolitan areas in the world. Johannesburg is the centre of a rapidly urbanising Gauteng Province. It is projected that by 2015, the urban portion of Gauteng - comprising mainly the cities of Johannesburg, Ekurhuleni (the East Rand) and Tshwane (greater Pretoria) - will be a polycentric urban region with a projected population of some 14,6 million people.

The City continues to offer its residents a high quality of life and endless economic opportunities by:

- Providing excellent transport and telecommunications infrastructure services.
- Being Africa's economic powerhouse and one of the world's leading emerging market economies.
- Promoting a well-structured regulatory environment.
- Hosting institutions of exceptional quality recognised in global competitiveness surveys.
- Creating an environment for Johannesburg to maintain its position as a centre for sound banking and financial syste.
- Having a good credit rating supported by good financial governance.
- Being recognised for its low cost of living and being the least expensive African city out of 214 cities on five continents; Johannesburg is almost three times less expensive than the most expensive city, Tokyo.
- Providing a shopping mecca for sub-Saharan Africa as well as ensuring strong cross-border trade.
- Providing a spring-board to Africa's markets.
- Providing good socio-economic infrastructure.

Every year, the City commits significant resources to support service delivery. In 2012/13, R31.9 billion was committed to

service delivery programmes. In 2013/14 this increased and exceeded R40 billion, consisting of an operational budget of R36.3 billion while R7.5 billion was allocated towards capital expenditure. In 2013, Johannesburg became the first municipality in South Africa to pass a multi-year capital budget of R30.1 billion. The magnitude of these figures indicates Johannesburg's commitment to high quality service delivery and confidence in its future as a leading metropolitan municipality.

We are striving for urban wellbeing and are winning the battle against urban poverty, spatial inequality, and social exclusion. In the last ten years we have made significant investments in infrastructure, such as Bus Rapid Transit infrastructure to support Johannesburg's world-class public transport system as well as the creation of mixed housing opportunities. We forecast that the City will spend a further R100 billion investment over a ten year period in infrastructure development. This intervention aims to address poverty and to confront spatial inequality by transforming urban spatial form through reclaim particular areas of the City and re-stitching the City such that major transport nodes become "Corridors of Freedom" that promote densification but facilitate quick movement of residents. This is necessary because poverty and inequality in Johannesburg are geographically concentrated, with stark spatial differences in the levels of poverty and inequality. Massive infrastructure investment is required to undo the pattern of residential segregation enforced during the years of apartheid.

Service delivery overview

During the 2012/13 financial year, City of Johannesburg made progress in key service delivery areas — as aligned with the City's Integrated Development Plan (IDP) and SDBIP:

Financial sustainability and resilience: The City improved its response rate to billing queries through open days, the 'Revenue Step Change' process and 'Zero Tolerance' project during the year, resulting in many queries being resolved and accounts being corrected. Collections from alternative revenue streams further buoyed financial stability. These interventions, together with a strong focus on fiscal responsibility and the development of prudent financial management practices, resulted in the City achieving its revenue target and collecting 92% of revenue billed. The City also maintained an upward trajectory in key indicators such as increasing the value of assets, increases in cash and cash equivalents as well as increase in surplus.

Agriculture and food security: This programme promotes food security with the aim of combatting hunger and addressing chronic lifestyle diseases which is as a result of poor dietary habits and sedentary lifestyles. Surveys indicate that 42% of the City's poor households go without food 2 – 3 days a month. The programme supports vulnerable communities in our society, including children and seniors. In addition, initiatives were undertaken to provide support to small emerging farmers to become self-sufficient in producing their own crops and to sell fresh produce to their communities and local markets. Six-Agri resource centres were established to provide training of the use of seeds and implements in areas of most unemployed in Region A (Ivory Park: Hikhensile & Diepsloot Skill Development Centre); Region C (Itsoseng Informal Settlement & Tshepisong- Vlakfontein Phase 7); Region G (Orange Farm Skills Centre and Poortije Skills Centre); These centres provided training, of seeds and implements. The City also developed a total of 322 new food gardens which will be expanded in the future.

From informal settlements to sustainable human settlements: We delivered 3470 mixed housing opportunities in 2012/13 and recognise that there is still a long way to go till we can respond fully to the challenge of housing within a sustainable urban form. We are responding to the housing challenge through a commitment to reshape the urban spatial form by committing R100 billion towards infrastructure development to construct a future city based on liveability, sustainability, and spatial equity. At the core of this approach is the City's 'Corridors of Freedom' initiative, representing a spatial incentive for knitting the urban form together and facilitating the mass transit of people and goods along corridors that strengthen the connectedness of different parts of the city

2012/13 further confirmed Johannesburg's position as a leading South African metropolitan city, with more people than ever before, accessing key basic services, such as water and sanitation, electricity and waste removal. The quality of the City's drinking water was maintained at 99.9% against the South African National Standard (SANS) 241. The City's final treated effluent was maintained at 95.2% of industry standards as set by the Department of Water Affairs' (DWA) Effluent Discharge Permits. In 2012/13 we provided more than 3 000 new households with first-time connectivity to electricity.

Greenways and mobility: The annual performance recorded a high number of commuters on the City's world-class public transport system, Rea Vaya. There were on average, 35 953 passengers being transported daily on Rea Vaya, despite the challenges of labour unrest. Metrobus carried over 16 million passengers in the financial year. As we continue to improve the public transport system, we are improving mobility on the City's streets and, in the process, reducing our carbon footprint by using advanced technology on our public transport system.
The City achieved its target on BRT roadways and the stations and depots. Improvements were undertaken in preparation for Phase 1B operations as a depot (at Dobsonville) was completed. In addition to the roroll out of Phase 1B and the restructuring of Metrobus we developed complete streets, introduced managed lanes and upgraded gravel roads. Jobs were created by manufacturing the BRT buses locally.

Citizen Participation and Empowerment: 2012/13 saw 130 Ward plans developed these ward plans include ward profiles and costed capital projects that will be implemented within individual wards. The City also successfully implemented Community Based Planning (CBP) pilot in Region E. Experiences from Region E will guide comprehensive CBP implementation across the City. As part of the pilot, included with CBP plans for Region E are Capex projects to be implemented in each ward; costed operational plans for each city department and entity; and community identified initiatives. As a result of these activities, the City is refining administrative processes of planning and budgeting to meet the basic needs of our communities. Johannesburg further strengthened its commitment to cultivating meaningful stakeholder relations and to engaging stakeholders collaboratively in response to priority developmental needs. Accordingly, the IDP outreach processes were of great importance in building a collective and shared vision for the future of Johannesburg as a leading African city.

Smart City: During the year, our aspiration of building a high-performance organisation and to improve the culture of technological innovation, performance management and accountability evolved through the roll-out of enhanced broadband technology and capabilities. Public access to Internet services was enhanced through the Broadband Network Core Infrastructure and the Public Access to Internet in Libraries (PAIL) programme. Two City Libraries were connected to the internet, namely, Orlando East and Johannesburg Central Library. The City provided 315 (thin client laptops) for the 20 libraries. Landing pages were updated with eLearning content as well as training of staff and community members on E-learning.

Investment attraction, retention and expansion: The City recognises the need to create an inclusive economy through increasing the contribution of SMME's to the economy. Johannesburg is committed to developing competitiveness, innovation and increased investment through support for SMMEs. During the year, a total of 3 967 SMMEs were supported through our SMME development programmes. This support included assisting informal traders to obtain trading licences, and mentoring 21 SMMEs for a full calendar year in partnership with the Gauteng Enterprise Propeller. In addition, the Expanded Public Works Programme (EPWP) aims to reduce unemployment and alleviate poverty by creating on-the-job training. During the year, the City created 36 588 work opportunities (against a target of 35 000), thereby exceeding our target by 1 588 work opportunities. Despite these achievements there is a long way to go in achieving a totally inclusive economy and to eradicate unemployment.

Shift to low carbon infrastructure and integrated waste management: In 2012/13, the City accumulated 88 987 Verifiable Emission Reductions (VERs) from its 'landfill gas to energy' project at two landfill sites. Further, Johannesburg remains committed to the goal of '7% waste to landfills', implementing separation at source projects across the City in partnership with the community. The City also made substantial progress in rolling out our 'green strategic projects' by retrofitting community facilities with environmentally appropriate design elements. During the year, 27 091 solar water heaters (geysers) were installed in low income various areas, including Alexandra, Devland, Lehae, Pimville, Pennyville, Tshepisong and Vlakfontein.

A safe, secure and resilient City that protects, serves, builds and empowers communities: We are building a City that is safe, secure and resilient; and that protects, serves, and empowers our communities. During the year, we reduced assaults in our Inner City by 13% and fought serious traffic violations. While progress is acknowledged in creating a safer City, the city recognises the enormity of the task and will therefore upscale implementation of its safety programmes to preserve the safety and security of its residents.

Urban Water Management: We placed particular focus on repair and maintenance of water network to reduce water losses as well as repair and maintain dams that play a critical role in storm water management. We intensified water demand management strategies, pipe replacement, pressure management and waste water upgrades and introduced new storm water management strategies. Technical, social and financial interventions led to us meeting the target of bringing Unaccounted for Water (UFW) to below 32%. . We developed a Consolidated Infrastructure Plan CIP to inform future and new capital investment plans for infrastructure to achieve further gains in water management.

Notwithstanding recorded achievements, the City acknowledges missed targets. To enhance the attainment of these the City is improving its environmental and operational issues, improving its capacity, and to improve the skills of its workforce to ensure improved delivery against set targets. The City is also improving communication of programmes to communities to ensure that programmes such as its waste 'separation at source' programme have a better uptake from households in identified areas. The City will proactively respond to the risk of labour unrest to reduce the impact to service delivery.

A detailed review of our performance against SDBIP targets can be found at the end of each cluster review in this report, reflecting where our targets were either met or missed.

Financial health overview

This report confirms that the City of Johannesburg has stabilised its finances. The City recorded significant progress towards the goal of financial sustainability and resilience as evidenced by its ability to generate a healthy net

surplus, improve cash and cash equivalents as well as its responsiveness to customers as part of resolving billing queries. During the year, four of the key ratios that measure prudent financial management improved, namely: solvency, debt to revenue, net operating margin and cash coverage. The City realised a surplus of R3.4 billion and thus increased its capital budget by over 60% for the 2013/14 financial year. Our total asset base increased by 7% to R60.2 billion, driven largely by our capital expenditure of R4.2 billion, increased debtors and a significantly improved cash position of R5.4 billion. Collectively these efforts improve the City's ability to achieve its medium-term goal of spending more towards infrastructure development as part of its commitment to spend R100 billion over ten years. The City still recognises that, despite this progress more work must be done to completely eliminate issues around billing. The City is committed to sound financial strategies and prudent financial management practices

Organisational development overview

The City's biggest asset is its employees who bear responsibility for delivering its mandate to communities. They are the foundation and drivers of our collective success. Accordingly, the City strives to create value by attracting, developing and retaining skilled and competent people. Through our Human Resources Management (HRM) function, we are committed to inspiring and growing people through individual development analysis and plans, as well as career management programmes and by recognising performance excellence.
The City is committed to recruiting from within its communities while also ensuring a deliberate focus on developing a local skills base where this may not exist. Our Human Resources Strategy (HRS) is designed to develop professional, diverse and competent human capital to align with our vision of a world-class African city.

Auditor General Report

In 2012/13 the City made significant progress and attained an Unqualified Audit Opinion, progressing from a position of a qualified audit in 2011/12. This reflects progress toward meeting the national target of 'Clean Audit 2014' for local Government. The City also improved its attainment of performance objectives by 45% from 2011/12 year, with 56% of all targets completely achieved and significant progress recorded towards the complete attainment of the rest of the City's objectives. The City is responding comprehensively to all matters raised by the Auditor General to ensure progress towards the national objective of a clean audit.

Appreciation

I would like to express my appreciation for the support received from the political leadership in Council, including the Executive Mayor, Councillor Mpho Parks Tau and the Mayoral Committee, Speaker of Council and Section 79 Committees; as well as the City's advisory committees which encompass the Group Audit Committee and Group Performance Management Committee and Group Risk Committee. Administratively I would like to thank the Chief Operations Officer, Gerald Dumas, Group Heads, Cluster Convenors, Executive Heads, Boards of Directors, Managing Directors and the entire staff of the City and its entities for their continued support. Collectively we remain committed to efficient service delivery and the attainment of a liveable, sustainable and resilient Johannesburg.

Trevor Fowler
City Manager of City of Johannesburg Metropolitan Municipality

Chapter 2

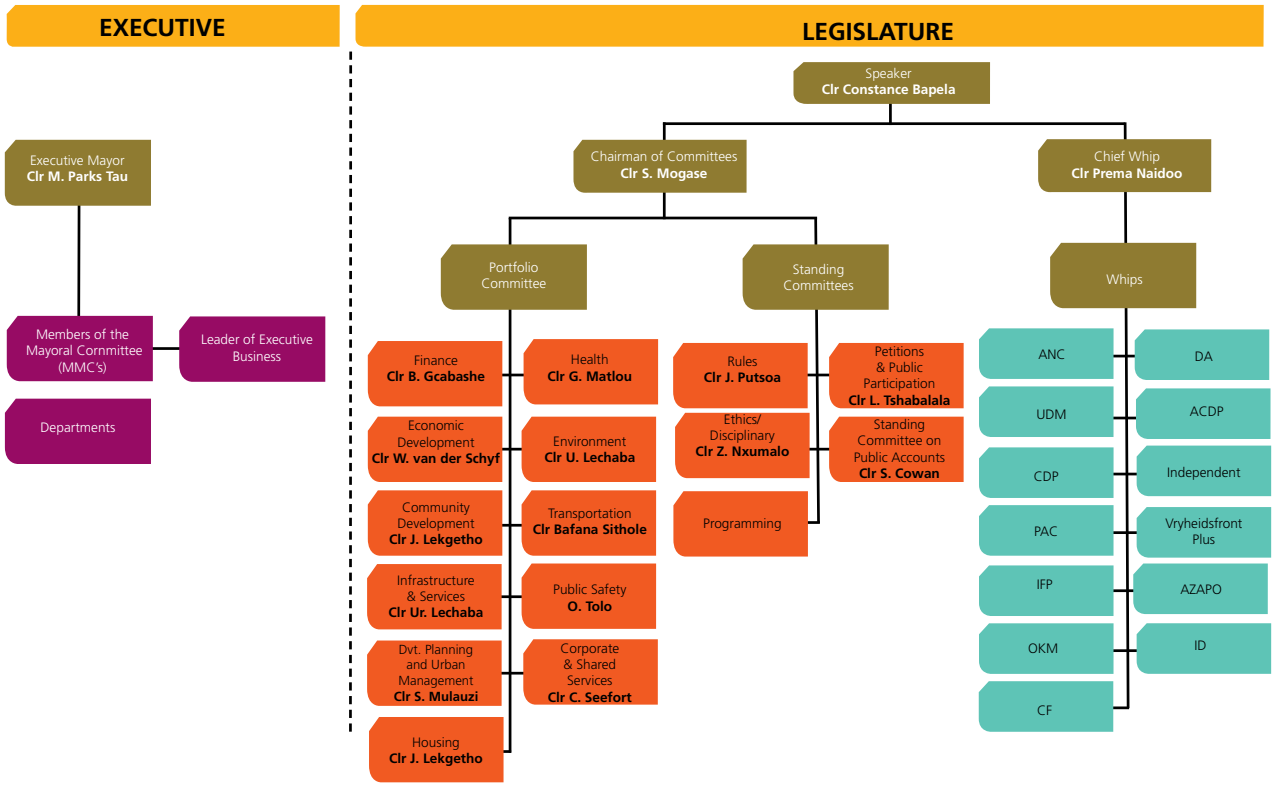
Governance

Introduction

The City's governance and institutional practices are core to achieving its vision of a well governed, world-class African city; and its governance structures, systems and policies are underpinned by sound values and ethics to support the implementation of its *Joburg 2040* GDS. Over time, the City's governance models have been refined to facilitate a clear separation of policy-making, regulation and implementation. The City's core administration is responsible for service delivery, policy-making and regulation. Municipal Entities (MEs) form the implementation arm of the City and create focused, specialised and non-bureaucratic processes. Its regional structures monitor service delivery and citizen care and provide a link between the City, its citizens and other stakeholders.

Currently, the City implements a governance model similar to that of provincial and national parliament, emphasising the separation of executive and legislative functions to promote oversight, accountability and public participation. The separation of functions between legislative and executive arms of Council enhances oversight and public participation in Council programmes. This separation is achieved through the delegation of legislative and executive functions of Council to the legislative and executive arms respectively. Service delivery implementation and policy issues, such as integrated development planning (IDP) and tariffs, are delegated to the Executive, which is led by the Executive Mayor and supported by an administrative structure led by the City Manager. The legislative function of oversight is implemented by Council and its committees, led by the Council Speaker. The diagram below shows the positioning of Johannesburg's institutional structures.

Figure 2: Johannesburg institutional structures



Governance structures

Legislative arm of Council: Political leadership

Speaker of Council
Councillor Constance Bapela

The Speaker is Chairperson of Council presiding over Council meetings in accordance with Council's Standing Rules. In Johannesburg, the Speaker is also responsible for Section 79 oversight committees as well as for Councillor Affairs to develop political governance capacity among Councillors.

Chief Whip of Council
Councillor Prema Naidoo

The Chief Whip of Council is an official office bearer, a member of the majority party and Chief Whip of the Majority Party. The Chief Whip ensures proportional distribution of Councillors to various Committees of Council. The Chief Whip maintains sound relations among the various political parties represented in Council.

Council oversight and scrutiny

In July 2012 Council established committees of Council in terms of Section 79 of the Municipal Structures Act, chaired by non-executive councillors from the majority party. These committees assist Council in executing its responsibilities. Section 79 Portfolio Committees perform an oversight role by monitoring the delivery and outputs of the Executive. These committees do not have any delegated decision-making powers. Their functions include:

- Reviewing, monitoring and evaluating departmental policies.
- Reviewing and monitoring city plans and budgets.
- Considering quarterly and annual departmental reports.
- Examining the link between the City's strategy, plans and budgets.
- Holding the political Executive accountable for performance against policies and City priorities.

Appendix B contains a comprehensive list of all committees of Council and their functions.

In 2011/13 the City also introduced ground-breaking innovations to support greater oversight. This entailed creating oversight committees for both the Mayoral Office and Legislature.

In 2012/13 the mandate of the Legislative Arm of Council focused on the following themes:

- Accountability, oversight and scrutiny.
- Strengthening the capacity of the Legislative Arm of Council.
- Public participation to safeguard local democratic processes.
- Sound financial management.

Legislative functions of Council also include the approval of by-laws, policies, budgets, the Integrated Development Plan (IDP), tariffs, rates and service charges.

Political oversight functions of Council are exercised primarily through the work of Section 79 Committees. Clear guidelines pertaining to the way these committees handle oversight are outlined in the Oversight and Scrutiny Framework. Councillors also physically visit sites where projects - especially service delivery projects - are implemented to fulfil their oversight role. Additional oversight 'tools' include questions from individual Councillors to hold the Executive to account, as well as motions to ensure debate on Council issues.

To promote oversight and accountability, committees determine priority areas for oversight in respect of each portfolio. The various portfolios are guided by the priorities of the City, as contained in its strategic agenda. Quarterly oversight reports are submitted to Council and are based on departmental quarterly reports. In addition, committee visits to projects and service delivery sites assist and complement the Committees' oversight function.

Executive arm of Council: Political leadership

The Executive constitutes Council's policy and programme implementation arm. The Municipal Systems Act defines *"executive authority"* in relation to a municipality to mean the "municipality's executive authority envisaged in Section 156 of the Constitution" (read with Section 11 of this Act). Section 156 of the Constitution defines the executive role as the administration of local government matters and any other matters delegated to it by the national and provincial governments.

Executive Mayor
Councillor Mpho Parks Tau

The Executive Mayor is tasked with the identification and prioritisation of community needs, drafting strategies to deliver those needs and to oversee the delivery of services by the City's administration.

The Mayoral Committee

Section 60 of Municipal Structures Act provides for establishment of a Mayoral Committee when a Municipal Council has more than nine members. The Executive Mayor appointed a Mayoral Committee from among elected Councillors. The City's Mayoral Committee performs those elements of the Executive Mayor's powers and functions as may be designated by the Municipal Council, exercising and performing them in support of the Executive Mayor. The City's Mayoral Committee ensures that service delivery takes place, including but not limited to improving efficiency, credit controls and revenue, and administration of the municipality. Annually, the Committee must report on community involvement and ensure regard is given to public views during consultations.

In 2012/13 the City's Mayoral Committee was composed as follows:

Sello Lemao
Public Safety

Nonceba Molwele
Health and Social Development

Mally Mokoena
Corporate and Shared Services

Chris Vondo
Community Development

Dan Bovu
Housing

Ros Greef
Development Planning

Geoffrey Makhubo
Finance

Ruby Mathang
Economic Development

Matshidiso Mfikoe
Environment, Infrastructure and Services

Christine Walters
Transportation

Cluster Mayoral Sub-Committees

The City has strengthened its governance structures to promote better coordination and integration of service delivery packages, as well as greater accountability and oversight. The City established sub-committees to attend to city-wide, cross cutting programmes. Mayoral Sub-Committees are complemented by a system of political oversight of key service delivery interventions in the regions to enable better coordinated service delivery. The sub-committees assist the Mayoral Committee in fulfilling its executive functions by enhancing decision-making and focusing on the strategic mandate of the City.

The City has formed four clusters that are aligned with the principles of Sustainable Services; Economic Growth; Human and Social Development and Good Governance. These principles underpin the Joburg 2040 GDS, and enable the City to design targeted programmes to achieve the following long-term imperatives: eradicating poverty, promoting social inclusion; building an inclusive economy; providing sustainable services and settlements; and ensuring resource security and environmental sustainability.

Table 4: Composition of sub-committees

Sub-committee	Focus area	MMCs responsible
Sustainable Services	• Resource management of (water, energy) • Sustainable Human Settlements • Mass public transport and, non-motorized transport • Climate change resilience • Waste minimization • Informal Settlement Upgrading	• MMC: Development Planning • MMC: Environment • Infrastructure and Services • MMC: Housing • MMC: Transportation
Economic Growth	• Activist Government • Job Intensive economic growth • Small business, entrepreneurship and informal economy • Competitiveness Support • Smart City • Financial Sustainability	• MMC: Finance • MMC: Economic Development • MMC: Corporate and Shared Services • MMC: Development Planning
Human and Social Development	• Cohesion and inclusion • Community Safety • HIV/AIDS and non-communicable diseases • ECD, ABET and learning • Food Security and poverty Support	• MMC: Public Safety; MMC: Health and Human Development; MMC: Community Development
Good Governance	• Clean, accountable and productive governance • Civic collaboration and participation • Citizen and Customer Care	• Executive Mayor; MMC Corporate and Shared Services • MMC Finance • MMC Economic Development

The main function of the Mayoral Sub-Committees is to provide political leadership, guidance and oversight for co-ordinated and integrated service delivery.

The mandate includes:

- Identifying priority multi-sectoral programmes for coordination and integration (Programme of Action Plan).
- Ensuring overall co-ordination and alignment of service delivery between Sectors/Portfolios within the cluster.
- Providing guidance and oversight in the implementation of service delivery programmes.
- Overseeing the development of business plans for cross-sectorial programmes.
- Overseeing the allocation and use of resources for identified programmes.
- Monitoring progress and impact of identified programmes among other functions.

Regional political oversight

The City of Johannesburg's seven Regions (A-G) are unique in terms of location, socio-economic profiles and other characteristics. Through successful regional development the City is able to improve the quality of life of the local citizens, ensure sustainable and resilient service delivery, sustainable economic growth and promote a caring, responsive and activist local government.

In 2012/13 the City emphasised the role of Regions in the service delivery value chain as they are best positioned to co-ordinate, integrate, and monitor service delivery on the ground and also to ensure local stakeholder management. The City strategically strengthened and allocated leadership to the Regions to fulfil these very important functions through a political oversight mechanism, thereby providing a support structure for the Regions. Members of the Mayoral Committee were assigned political oversight responsibilities over service delivery implementation in each Region.

In the 2012/13 financial year the Regional MMCs were:

- Region A: N. Molwele
- Region B: D. Bovu
- Region C: R. Moosajee
- Region D: C. Vondo
- Region E: S. Lemao
- Region F: R. Greef
- Region G: M. Mokoena

Functions of Regional MMCs

The key challenge for the City of Johannesburg has been to integrate service delivery at a regional and ward level as well as real-time service delivery monitoring and evaluation. Political oversight by the respective MMCs broadly involves:

- Overseeing resolution of regional service delivery issues that arise from time to time (e.g. petitions referred by the Chairperson of the Petitions Committee, citizen complaints through JO-SERVE or service delivery protests).
- Overseeing and advising Sub-committees and/or Executive Mayor on implementation of Regional Urban Management Plans.
- Identifying and escalating to relevant MMCs key service delivery issues per Region (e.g. by-law infringements).
- Coordination of quarterly service delivery forums (with ward councillors, communities, operational depots within the Region).

Administrative governance structures

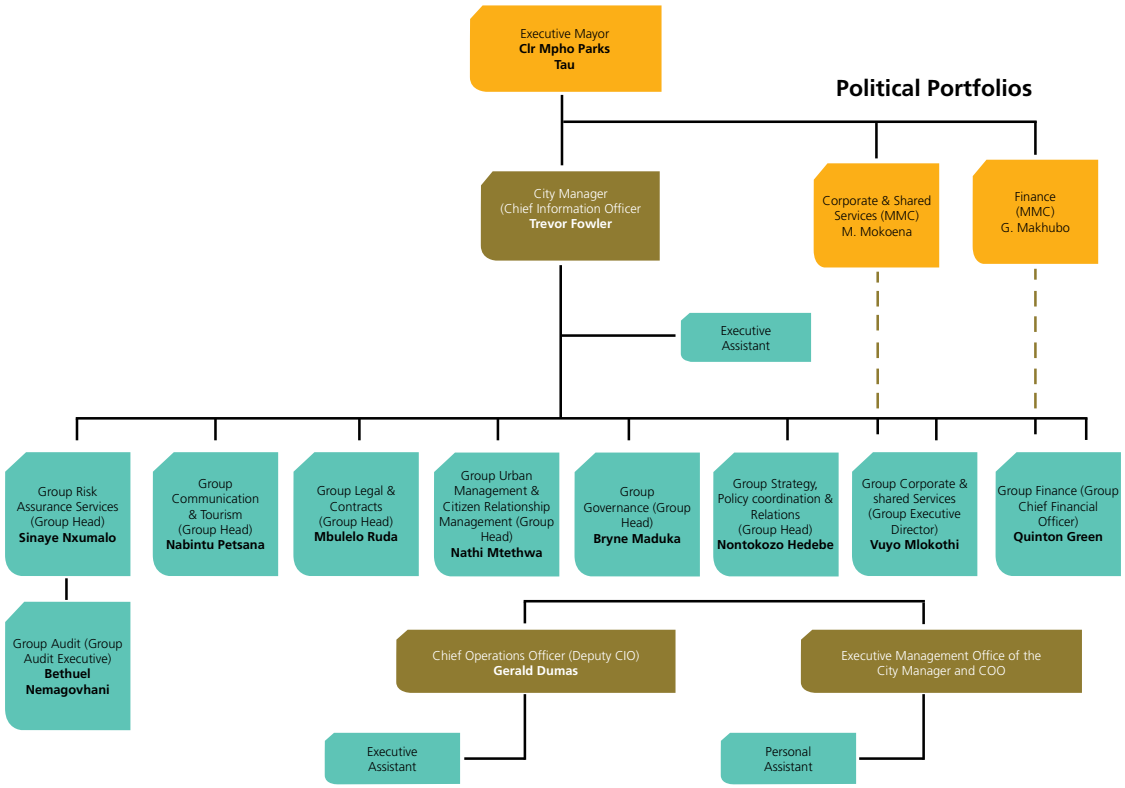
Executive Management Team

City Manager of City of Johannesburg Metropolitan Municipality
Trevor Fowler

The City Manager is the accounting officer of the municipality, providing guidance on compliance with political structures, as well as the responsibilities of political office bearers, officials of the municipality, and all City entities. The City Manager heads the City's administration and is Chairperson of the Executive Management Team. He is responsible for the day-to-day management and administration of the municipality. The City Manager operates in terms of relevant sections of the Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act.

In discharging his responsibilities in the 2012/13 financial year, the City Manager was assisted by the Executive Management Team, as represented by the diagram below:

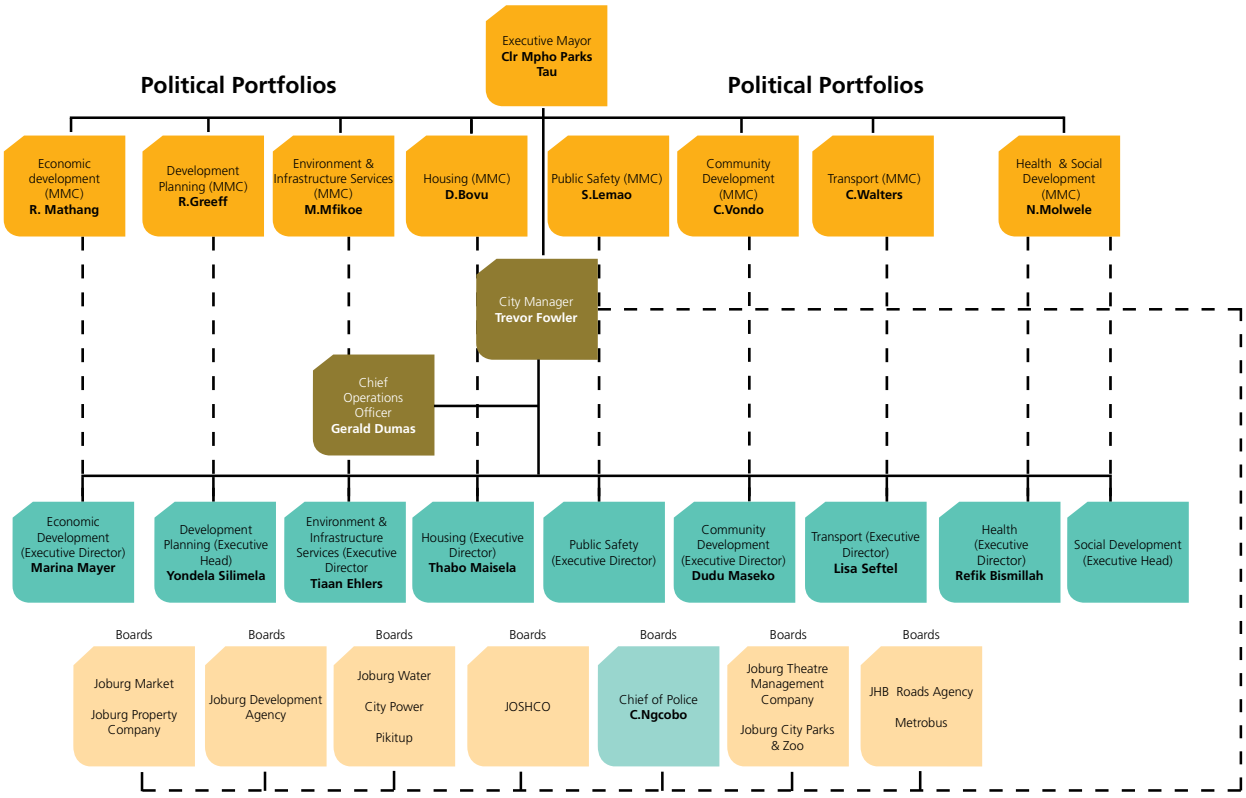
Figure 3: Office of the city Manager, Group functions and relevant political portfolios



Municipal Entities

The City established wholly owned municipal entities under the Companies' Act of 2008. Such entities exist purely as service delivery agents for the City, who in this case, is the principal or shareholder. The entities are governed through a Service Delivery Agreement signed between the shareholder (City) and the company. Although the entities have an individual corporate identity, they remain fully controlled by the Metropolitan Council.

Figure 4: City of Johannesburg Line functions reporting to the City Manager, MEs and relevant political portfolios



Corporate governance summary

To adequately discharge its governance responsibilities in line with applicable legislation and leading practice, the City established independent structures to provide unbiased opinions and guidance to Council. These structures include:

- Group Audit Committee
- Group Performance Audit Committee
- Group Risk Governance Committee
- Municipal Entity Board of Directors
- Municipal Entity Audit Committee
- Entity Social and Ethics Committee

These Committees comprise individuals who are not employees of the City. Committee members have broad competencies spanning specialised disciplines across the functional areas of Strategy, Finance, Legal, Risk Management, Engineering, Accounting, Performance management and Human Resources.

The City ensured the stability of the Entity Boards and Group Committee in the year under review. This was achieved by retaining experienced members so that the strategic direction can be sustained uninterrupted. To counter some of the prevailing historical disadvantages created by Apartheid policies, the City encourages a developmental approach to capacitation of the Boards and Committees. This approach includes a mechanism whereby seasoned members rotate annually, thereby creating opportunities for new and less experienced individuals to serve with experienced members. This creates a considerable platform for growing the competencies of young professionals.

During the year, the city renewed its focus on governance and improved its governance footprint by creating a secretariat department called Group Governance. This department not only focuses on the entities and how they are governed but is also responsible for the governance standards for the entire City Group. Since its formation, Group Governance has embarked on a process to create and promote a stable environment for effective governance within the City. An essential aspect of this process is the development of a Governance Strategic Framework for the City, which will support and inform the City's Joburg 2040 GDS vision.

By-Laws

The MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. In 2012/13 the City considered two by-laws: the Waste Management By-Law and the Ombudsman By-law. Public consultations were conducted from March to February and from July to August 2013.

Anti-Corruption and fraud

The risk of fraud and corruption was ranked seventh (7th) in the top 15 strategic areas identified in the financial year. Therefore, some of the strategic policy interventions include:

- Developing a city-wide anti-corruption and anti-fraud strategy.
- Establishing a Mayoral Anti-Corruption Advisory Panel.
- Implementing a centralised whistle-blowing mechanism by way of a centralised and independent 24-hour fraud hotline service, anti-corruption and anti-fraud awareness campaign to mobilise City officials and citizenry.
- Introducing fraud awareness workshops.

There is a concerted effort to conduct fraud risk assessments focusing on processes, such as supply-chain management, so that the City can implement appropriate systems of controls to either prevent or detect incidents of fraud, corruption and theft.

Since the launch of the anonymous tip-off hotline, which is available in all 11 official languages, the City has seen a dramatic increase in the number of tipoffs received from the public. The calls received range from service delivery related issues to illegal water and electricity connections, other irregularities and allegations of fraud and corruption. The City notes the need to increase capacity for forensic investigations, and is developing strategies accordingly. The City is also working with the country's law enforcement agencies. A number of officials have been suspended and disciplinary action taken, and ten employees have been arrested.

State of internal controls within the Group

The City's Group Internal Audit Unit follows an effective combined and integrated assurance approach to enhancing the provision of value-add assurance services to the City. The Group Internal Audit Unit is mandated in terms of its approved internal audit charter and has functional accountability to the Group Audit Committee. During the financial year, Group Internal Audit focused on the effective implementation of the City's Core Administration's annual audit coverage plan, which is risk based.

Enterprise risk management (ERM) achievements

The City's drive to embed risk management processes and policies throughout its operations improved during the year, albeit there are still areas requiring interventions from management and the Group Risk and Assurance Services Department.
Every department and municipal entity has an operational risk register for both strategic and unit-level risks. During the year, city-wide strategic risk assessments were performed and the City's 'top-15 strategic risk register' was regularly monitored and updated. The implementation of risk treatment plans was monitored quarterly and risk movements were reported accordingly.

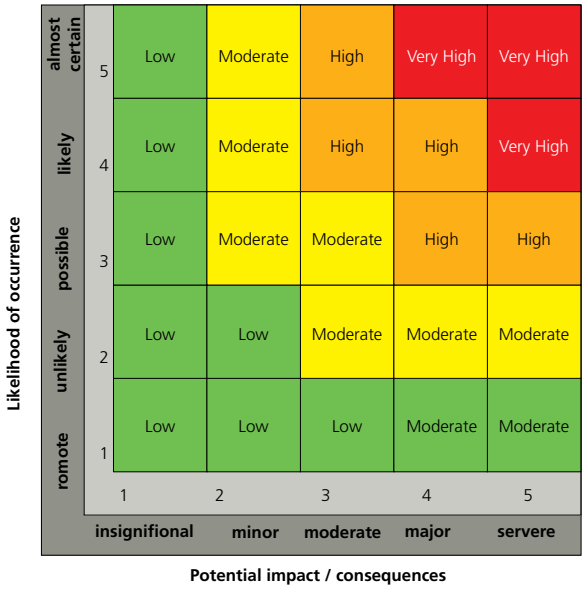
Although the implementation of risk treatments and mitigation action plans progressed well during the year, various key risk exposures remained high. This was often due to the nature of the risk area and external influencing factors. By year-end, the City's overall residual risk profile had improved significantly. For example, improvements were observed in the management of financial sustainability risk, and the implementation of infrastructure projects.

The table that follows reflects the City's integrated approach to enterprise risk management (ERM) by linking the top five identified risks to the City's strategic outcomes and Mayoral priorities. It ranks each risk according to the relative priority settings within the overall hierarchy of risks.

The table further highlights the potential sources of risks and provides a view of established controls and on-going mitigation activities.

The residual risk 'heat map' is a guide to the priority levels for each of the risks outlined in the table that follows.

Figure 5: Residual risk 'heat map'



Risk Rank	Strategic perspective		Risk environment		Control environment
	Mayoral Priority Programme	Strategic outcomes	Risk Landscape / Risk Name	Risk probability description, including potential sources of risks and key challenges: (Partial)	Mitigation activities (Partial)
1	All priority programmes	Improved quality of life and development driven resilience for all	**Stakeholder Management Risk:** Inability to meet community expectations and demands	• Inability to effectively communicate the 10 Priority Programmes, Projects and Mayoral priorities to communities, resulting in a lack of understanding of long-term objectives for city-wide transformation and renewal. • Potential capacity challenges and delays in implementation of priority programmes and projects. • Conflicting priorities of communities. • Potential inability of the City to leverage its spending and supply chain management processes to ensure economic transformation and empowerment, thereby failing to bridge the economic divide. • Public service delivery backlogs: housing, access to basic services, roads and transportation resulting in strained community relations and reputational risk. • Increase in service and tariff charges (due to affordability) resulting in an expectation gap.	• Integrated Development Planning (IDP) and Service Delivery Budget Implementation (SDBIP) planning aligned to local government manifesto expectations and consolidation of complaints / issues raised by community, ratepayers, civil organisations, political parties, other stakeholders and responsive strategies. • Targeted IDP stakeholder engagement programme. • COJ Economic Transformation Policy Framework and draft combined infrastructure master plan. • CoJ Growth Development Strategy programme • Individual infrastructure plan (10yrs) aligned to CAPEX budget 3 yearly (roll funds) / Preventative Maintenance plan / Infrastructure asset register / Infrastructure breakages reported quarterly • City's Local Economic Development Strategies and EPWP. • Expanded Social Package Programme. • Pro-active communication e.g. in case of service disruptions. • Procurement and Contracting in consultation with local communities. • Service Delivery JOC – continuous monitoring and interventions.

Risk Rank	Strategic perspective		Risk environment		Control environment
	Mayoral Priority Programme	Strategic outcomes	Risk Landscape / Risk Name	Risk probability description, including potential sources of risks and key challenges: (Partial)	Mitigation activities (Partial)
2	Smart City Green Economy Financial Sustainability	A leading metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR 	**ICT Governance Risk:** Inadequate IT governance and IT delivery (ICT Risks)	• Delayed roll out of IT strategy enterprise-wide. • Misaligned understanding of roles and responsibility between ICT and business. • Slow ICT policies implementation and inadequate oversight capability (ICT governance structures). • Fragmented or silo-based budgeting processes for ICT investments. • Ageing IT infrastructure • Network unreliability and inadequate security.	• Group ICT Governance Framework and Strategy approved and in process of roll-out / Approved ICT policies and procedures in process of being roll-out • MOU/OLA (operational level agreement) with internal units and SLA with service provides with penalty clauses • Utilisation of IT consultants to support ICT management with a governance model • Approved ICT Management structure in place • Approved CAPEX and OPEX for new financial year (incl. 100% spend of 2012/13 adjustment budget for infrastructure re-investments) • Acquired servers for SAP and non-SAP applications to improve processing and storage capacity. • Updated virus protection and firewalls • Change-approval process implemented for systems. • Daily and weekly back-ups of City information. • Centralised development and/or acquisition of application software solutions

Risk Rank	Strategic perspective		Risk environment		Control environment
	Mayoral Priority Programme	Strategic outcomes	Risk Landscape / Risk Name	Risk probability description, including potential sources of risks and key challenges: (Partial)	Mitigation activities (Partial)
3	Financial Sustainability and Resilience	A leading metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR	**Financial sustainability risk:** ensuring the financial sustainability of the City	• Potential inadequate financial management and planning in terms of budgetary pressures, cash flow forecasting and robustness of financial development plan. • Actual financial performance ratios not aligned to target financial ratios. • Lack of completeness and integrity of customer data / non-reliability of customer information for billing municipal services, property valuations and assessment rates. • Lack of an integrated approach to revenue management processes across the City. • Inadequate administrative procedures for revenue receipting and collections. • Cash flow management challenges impacting on operations. • Inadequate sources of revenue. • Unaccounted losses of water and electricity. • Rising customer debt levels and cut-offs. • Over-expenditure / Under-expenditure • Inadequate Management Accounting capacity (e.g. regular variance reporting) • Failing to secure a positive credit rating.	• City's Financial Strategy reviewed quarterly and presentations made to Executive Management Team (EMT). • Revenue Management Strategy developed by the Department and reported improvements in revenue billing and collections. • Revenue value chain management project to address weaknesses in billing. • Monthly revenue management reports tracking performance on billing and collections as well as queries. • Analysis of the various sources of current revenues and trends (inclusive of municipal entities); as well as associated risk and control environment (is this not happening). • Implementation of credit control procedures. • Re-prioritising of CoJ annual budget in new financial year with mid-year adjustments. • Cost control procedures implemented on non-key expenditures with monthly monitoring and variance reporting. • Monitoring of financial performance through financial ratio analysis (ALCO) on a quarterly basis (Cash flow and Liquidity risk; Debt Coverage, Debt to Revenue, Current and Quick ratios; as well Investments risk, interest rate risk exposures) • Treasury risk management function responsible for managing financial risk exposures, and monitors borrowings and cost of borrowings; and investments. • Maintenance of a good credit rating

Risk Rank	Strategic perspective		Risk environment		Control environment
	Mayoral Priority Programme	Strategic outcomes	Risk Landscape / Risk Name	Risk probability description, including potential sources of risks and key challenges: (Partial)	Mitigation activities (Partial)
4	Sustainable human settlements Resource sustainability Smart city Investment attraction, retention and expansion Financial Sustainability and resilience	Improved quality of life and development driven resilience for all Provide a resilient, liveable, sustainable urban environment -underpinned by infrastructure supportive of a low-carbon economy 	**Asset management risk:** Asset management and ageing infrastructure	• Challenges associated with infrastructure assets management and investment, including: legacy challenges on infrastructure assets, roads infrastructure and network systems, electricity infrastructure network system, water infrastructure network systems. • Inadequate monitoring of utilisation of assets / infrastructure / land including heritage sites, library centre and fleet. • Pressure for new assets relative to the upgrade of existing assets. • Poor prioritisation of future and current spending on assets. • Inadequate planning of maintenance and maintenance not integrated and coordinated. • Improper upgrading / fixing of infrastructure (e.g. "quick fixes vs. sustainable upgrading) • Loss or theft of Assets • Challenges around historical information on assets / lack of knowledge on the history of the assets.	• Planned maintenance activities. • CAPEX requests supported by business case. • Combined assets infrastructure register. • Financial target set for maintenance spend for city wide. • Plan for new infrastructure in place / Planning department coordinating all infrastructure development. • Contract management in place for infrastructure development. • Implementation of the Capital Investment Management System. • 3-Year capital budget approval (rolling of budget). • Capital monitoring programme managing the CAPEX expenditure. • Approval and implementation of PMO for CAPEX expenditure.
5	Sustainable Human Settlements Green Economy Active Engaged Citizenry Financial Sustainability Smart City	A leading metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR 	**Risk of resistance to spatial transformation:** Social, economic and infrastructural challenges creating a resistance to spatial transformation.	• Legacy planning issues and challenges. • Insufficient funding to address service delivery backlog. • Inadequate capacity in Service Delivery Cluster to deal with backlog. • Future urbanisation and influx of immigrants. • Reliability / timeliness of the data affecting the backlog. • Fragmented spatial planning (Development Planning, Economic Development, MOEs)	• Functional development planning department. • Economic development spatial planning unit and framework. • Allocation of funds aligned to the corridors of freedom strategy. • Approved IDP which aligns service delivery needs to the Service Delivery Cluster's outputs. • LED strategy aligned to spatial needs. • Identification of additional properties for spatial planning. • Alignment of the CoJ Spatial planning framework to the National Development Framework.

Chapter 3

Strategy and service delivery performance

Planning for the future: Joburg 2040

Vision

Johannesburg – a World Class African City of the Future – a vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society.

Values

Our Vision is informed by a value system that promotes:
Resilience: Our ability to work together and support each other in times of need and to adapt to difficult situations by recognising our strengths and assets, and mobilising these to deliver on our promises.

Sustainability: Using our resources to address inequality and poverty and to create a better life for all. We are committed to ensuring that resources are carefully managed to achieve our long-term vision without compromising the environment for future generations.

Liveability: Creating an environment that promotes civic engagement and a sense of place through access to safe sustainable choices for economic opportunities. Johannesburg is committed to providing access to adequate, affordable, environmentally sustainable and coordinated transport system as well as housing opportunities.

Committing to a promising future

The City of Johannesburg is committed to proactive, quality service delivery and the creation of a city environment that is resilient, sustainable and liveable. The City's ***"Joburg 2040"*** initiative is facilitated through targeted long-term programmes to promote quality services; to drive economic growth; to develop our society and the individuals within it; to ensure the optimal management of natural resources; to safeguard the environment; and to promote sound governance in all the City does.

Six principles inform ***Joburg 2040***:

- Eradicating poverty
- Building and growing an inclusive economy
- Building sustainable human settlements
- Ensuring resource security and environmental sustainability
- Achieving social inclusion through support
- Enabling and promoting good governance.

Operating context

The City's ***"Joburg 2040"*** Strategy acknowledges that, worldwide, cities experience increasingly complex challenges. With the future of cities becoming more unpredictable and uncertain, the development paradigm in relation to cities has changed. In this context, city strategies must navigate uncomfortable tensions between defining a chosen development growth path, and accommodating uncertainty resulting from population growth, migration, urbanization, climate change, poverty and inequalities.

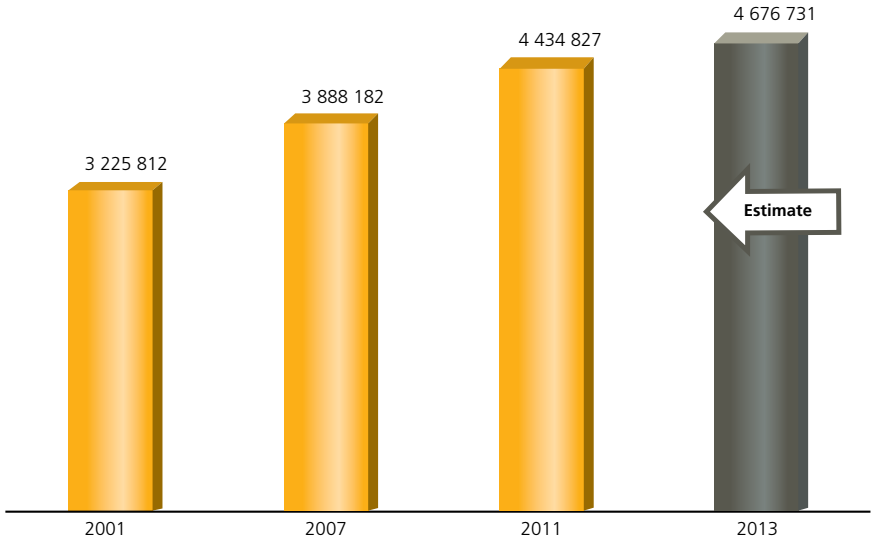
The following summary view of the City of Johannesburg highlights some of the key challenges associated with factors of population growth, unemployment, regionally concentrated economic growth and environmental sustainability. This overview provides a meaningful backdrop for a discussion on the City's integrated approach to long-term value creation for its citizens.

Population growth

The growth in urban population in South Africa is outstripping national population growth. This implies an increasing urgency for infrastructure development in South Africa's cities to support increases in population. This presents challenges for the management of water and sanitation, waste, energy, electricity, transport and social infrastructure.

Johannesburg is home to more than 4.4 million people, accounting for about 36% of Gauteng's population and 8% of the national population. Over the last decade the City has grown faster than the Gauteng region as a whole, as it continues to be the leading metropolitan gateway for migrants from other provinces and international migrants.

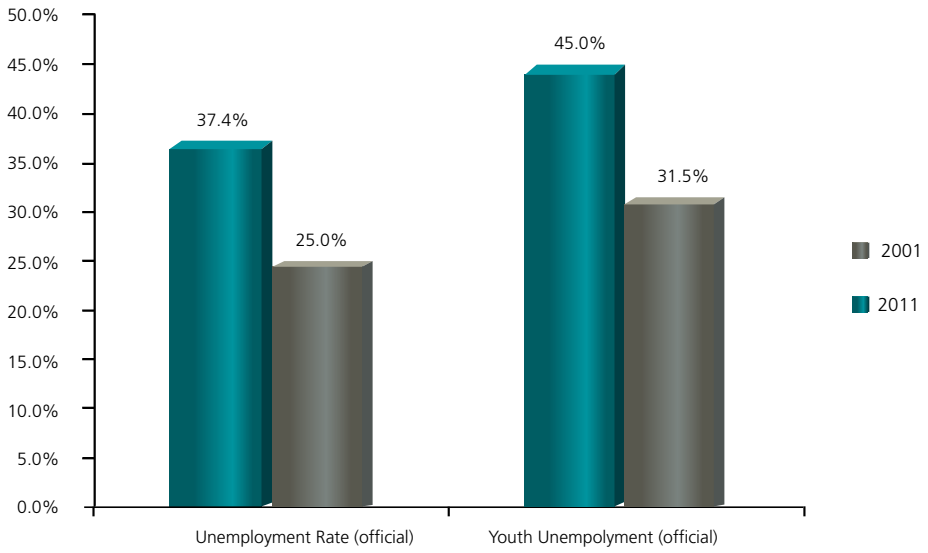
Figure 4: City of Johannesburg Population Movement[1]



Unemployment

Youth unemployment remains a major challenge both nationally (above 35%) and for the City.

Figure 5: Unemployment Rate/Youth Unemployment Rate[2]



The City faces a 31.5% youth unemployment rate, which is atypical of a city that attracts youth looking for employment opportunities. Johannesburg is populated predominantly by youth, concentrated in working age group of between 20 years and 39 years. These demographics result primarily from economic immigration. As an economic hub of the country and the region, Johannesburg is a primary destination for job seekers across the region and the country as a whole. However, by attracting the young population, the City is presented with a growing youth unemployment challenge.

The issue of unemployment cannot be meaningfully addressed without a deeper investigation of youth unemployment. Johannesburg has made significant progress through positive economic growth and programmes such as Expanded Public Works Programme (EPWP) among others, resulting in a 13.5% reduction in youth unemployment over the last decade. The City is committed to creating value through its long-term Growth and Development Strategy (GDS) to generate sustained growth and to address the challenges of unemployment.

[1]StatsSA Census 2011. The 2013 estimate was obtained from Municipal IQ.

[2]StatsSA Census 2011

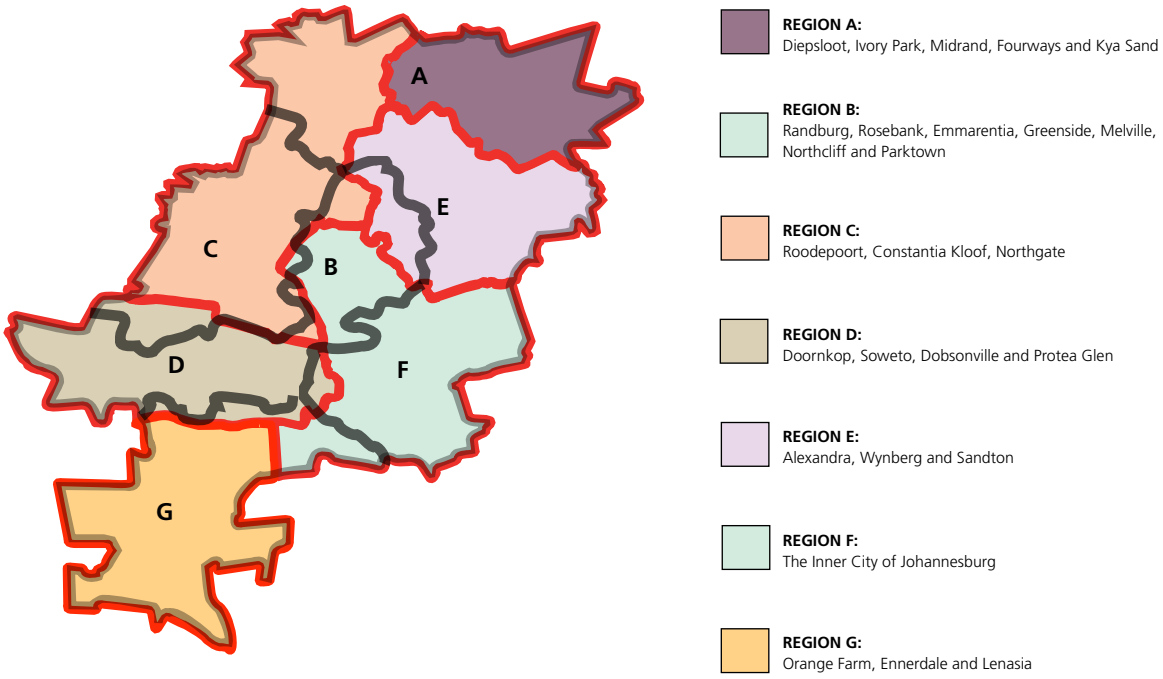
Economic growth

Based on the latest census data (Census 2011) the bulk of the population (12.27 million) is concentrated in the province of Gauteng, both as a consequence of population growth and increased migration. The City's economy is the main driver of national growth, historically performing at 50% higher in growth rates relative to national growth. However, given this strong link between the City's economy and that of South Africa, the impact of a struggling global economy is also felt locally. During 2012 manufacturing growth slowed and was further affected by shrinking export sales, high production costs and the increasing cost of credit, resulting in a slow-down of the GDP to 2.7% during 2012. Within Johannesburg, the slow-down of the economy was evident in the moderate rate of economic growth at 2.5% in 2012, down from 3.5% in 2011.

Inequality and poverty

The factors contributing to poverty encompass both spatial inequality and structural jobless economic growth, which is reinforced by low levels of skills. These factors inform the City's Developmental Service Delivery approach and Public Works Programmes. The city recognises that spatial inequality is a contributing factor to poverty.

Figure 6: City of Johannesburg regions



In Johannesburg, 'Region G' has the highest number of people living in poverty followed by 'Regions D' and 'A', while 'Region B' has the lowest number of people living in poverty. Although a considerable number of Johannesburg's residents are poor, it has a substantial middle and upper class which competes in global financial and trade markets and adheres to international norms of urban consumption and culture. In addition, the city's growing middle class presents opportunities for economic growth and supports the City's drive to increase its revenue base. This growth requires that a variety of services and amenities are made accessible to all citizens.

Food security

Food security is a significant challenge for the City. Poor households are particularly at risk given the high proportion of income used for food. Statistics reflect that as many as 42% of poor households are 'food insecure'. Poverty and food insecurity have a clear impact on health. The City identified specific social mobility and human development priorities to address the issue of poverty and of food security.

A value-based strategy

The City of Johannesburg's Growth and Development Strategy (GDS) – which will lead the City toward its Vision of 2040 - is underpinned by a set of core values, a tangible vision of the future, and importantly, measurable outcomes to facilitate meaningful progress reporting.

Six value-based imperatives inform the GDS:

- Assisting the poor in proactive ways.
- Engaging more citizens to promote shared economic opportunities.
- Building 'equality neighbourhoods' and integrating communities.

- Protecting the natural environment for future generations.
- Promoting unity and togetherness to ensure a collective sense of belonging.
- Promoting meaningful interactions between the City and its citizens.

These imperatives are mutually expressed in the maxim: *"Johannesburg 2040 vision – a vision for the City of the future".*

"Johannesburg – a World Class African City of the Future – a vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society."

The GDS is the City's long-term response to emerging challenges and opportunities, a lens through which the City views, conceptualises and enhances its strategic approach to development issues. It represents a commitment to the citizens of Johannesburg that their city will not treat them as passive recipients of government services, but rather as active agents in shaping their own future. As local government, creating spaces for conversation is the city's duty as it seeks to partner its citizens in addressing the challenges and opportunities going forward. The GDS not only provides a vision of the future, but importantly, it defines clear outcomes against which to measure progress.

Joburg 2040 GDS is based on four outcomes that promote resilience, sustainability and liveability:

Table 5: Joburg 2040 GDS Outcomes

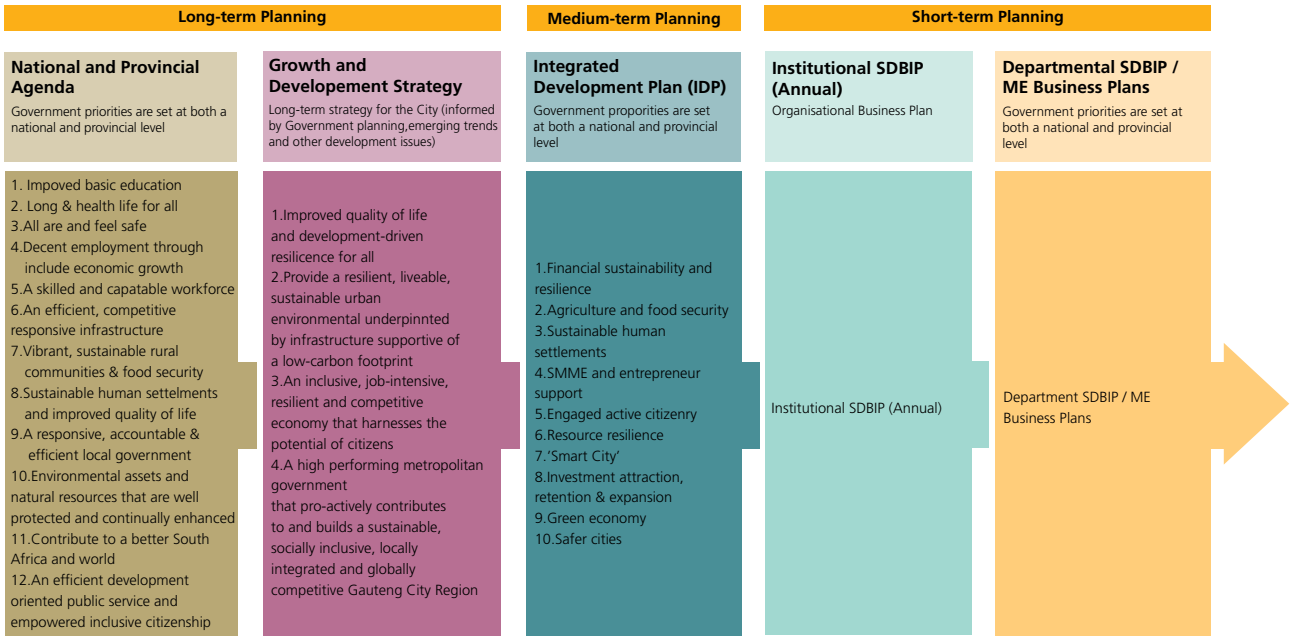
Outcomes		Description
Outcome 1	Improved quality of life and development-driven resilience for all.	The City envisages a future that presents significantly improved human and social development realities by targeting poverty reduction, food security, self-sustainability development initiatives, improved health and life-expectancy, and authentic social inclusivity. By 2040, the City aims to achieve a significantly enhanced quality of life for all.
Outcome 2	Provide a resilient, liveable, sustainable urban environment underpinned by infrastructure supportive of a low-carbon footprint.	The City plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (e.g. housing, eco-mobility, energy, water, waste, sanitation and information and communications technology), to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives.
Outcome 3	An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens.	The City of Johannesburg plans to support the creation of an increasingly competitive, 'smart' and resilient city economy, when measured in relation to national, continent and global performance. The City aims to promote economic growth and sustainability through the meaningful mobilisation of all who work and live in Johannesburg, and through collaborating with others to build job-intensive long-term growth opportunities and prosperity.
Outcome 4	A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.	The City envisages a future where it will drive a caring, responsive, efficient and progressive service delivery and developmental approach within the Gauteng City Region (GCR) and within its own metropolitan space, to enable both to reach their full potential as integrated and vibrant spaces.

Joburg 2040 GDS structure and implementation

The *Joburg 2040* GDS identifies a set of long-term tactical outputs and qualitative outcomes to realise the City's long-term vision. The City's five-year IDP translates the long-term outcomes into implementable programmes for a specific term of office. Business planning is a short-term planning tool that addresses annual operational planning. It is the basis for budget allocations that allow for the implementation of five-year IDP sub-programmes and projects. The City has sought to capture the complex multiple processes of planning through:

- Long-term planning: The Joburg 2040 Strategy.
- Medium-term planning: The revised 2012/16 IDP.
- Short-term implementation: The core departments and municipal entities' annual business plans and Service Delivery and Budget Implementation Plan (SDBIP).

Figure 7: The complex process of planning: Long-term, medium-term and short-term planning



The City's ten strategic "Priorities" were approved with a view to reducing poverty and inequality, promoting investment and business retention, reducing the cost of service delivery, and redeveloping areas in decline.

Priority programmes

Various priority plans were identified to launch the implementation process and to form the basis of the approved 2012/16 IDP and annual operational plans, which consist of the annual service delivery budget implementation plan (SDBIPs) and business plans.

These priority plans and subsequent projects are not simply a 'means to an end' but drive the following short, medium and long-term objectives:

- Short term: emphasise continuity and address basic service delivery.
- Short term: enable conditions and catalytic interventions.
- Medium term: focus on the process of deep transformation.
- Long term: enable citizens to lead interventions in a self-sustaining manner where appropriate.

Figure 8: Ten strategic priorities for 2012/13

The following key IDP priority programmes have been approved for implementation in the current term of office:

Table 6: IDP priority programmes approved for implementation for the current term of office

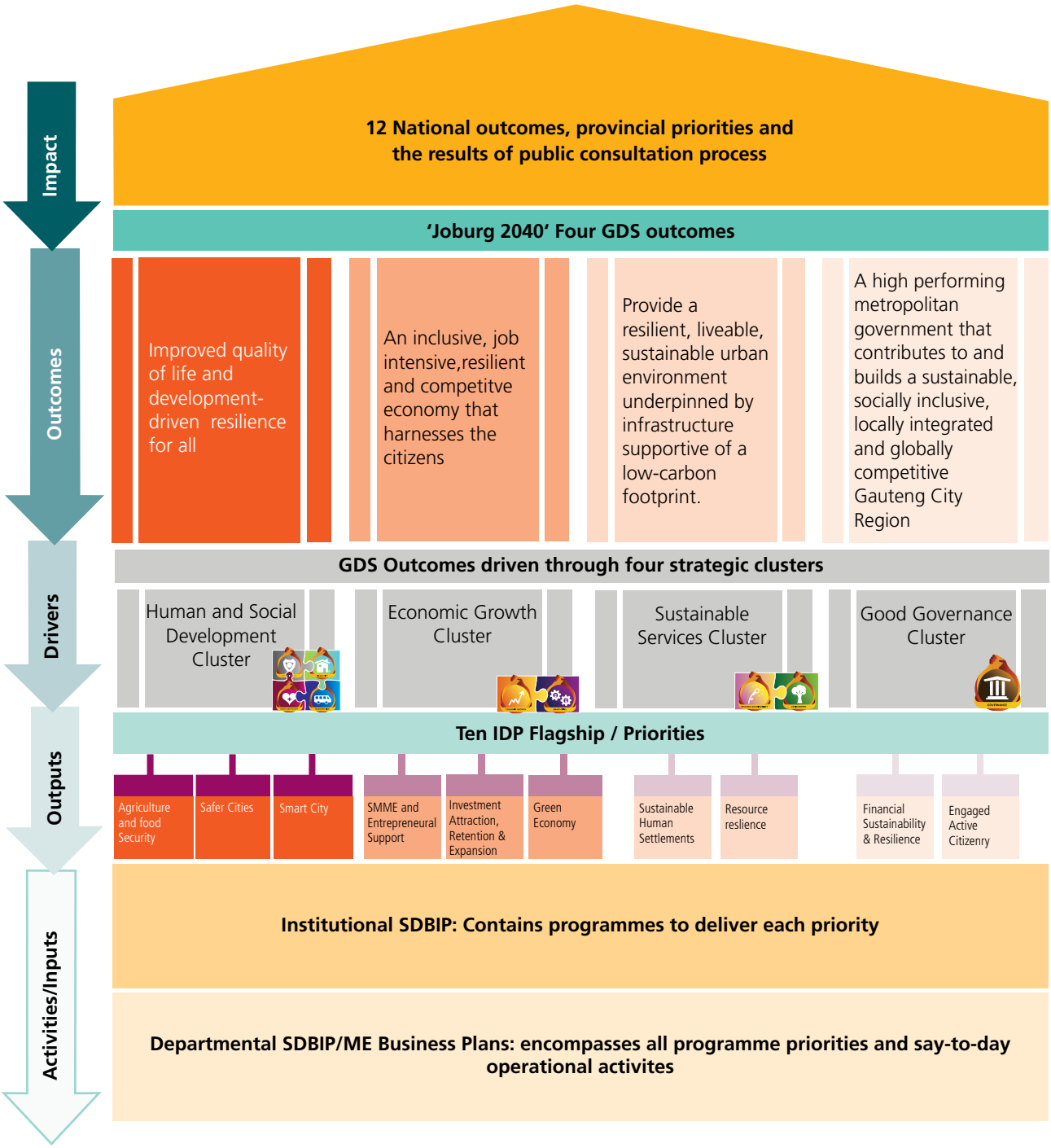
Priority programme	Programme enablers
Financial sustainability and resilience	• Enhancing revenue. • Optimising customer service centres and channels to enhance customer care. • Creating a sound financial management environment.
Shift to low carbon infrastructure	• Promoting 'Demand Side Management'. • Smart metering. • Energy generation and sales (energy mix) • Gas to landfill. • Timing of use management at household level.
Integrated waste management	• Separating waste at source. • Composting of organic waste. • Recycling initiatives.
Greenways and mobility	• Quality service delivery of Rea Vaya BRT. • Restoring pedestrian bridges and dams to protect lives and livelihoods. • Re-sealing of roads and promoting road safety and public transport usage. • Upgrading gravel roads. • Introducing managed lanes, walking, cycling and other recreational activities. • Integrating different modes of public transport – especially with rail.
Sustainable human settlements	• Providing basic services to vulnerable households. • Upgrading marginalised areas/ areas of high deprivation. • Formalisation and security of tenure. • Enabling housing typologies (e.g. social housing, revitalisation of rental stock) that support Transit Orientated Development.
Urban water management	• Reducing water losses. • Introducing stormwater management programmes. • Implementing water demand management strategies. • Diversifying sources of water (e.g. rain water harvesting) to address water scarcity and to increase revenue.
Citizen participation and empowerment	• Promoting community-based planning and budgeting. • Reviving 1-stop Centres targeted at citizen partnerships and engagements and citizen empowerment.
Strategic communications and marketing	• Devising an integrated communication and marketing strategy to support the City Strategy. • Promoting the 'Buy, Sell, Invest and Visit' initiative. • Entrenching and positioning Johannesburg as an ideal destination.

Priority programme	Programme enablers
Human capital development and management	• Introducing efficiency and productivity benchmarks, assessment and monitoring instruments. • Creating labour stability. • Integrating the COJ Group Human Capital Governance Framework and strategy. • Aligning talent management in support of the City's imperatives through a skilled workforce (by developing, retaining and acquiring the appropriate skills). • Establishing a municipal academy / university.
A safe, secure and resilient City that protects, serves, builds and empowers communities	• Promoting community-based policing and partnerships. • Implementing 'smart technology' (implement disaster management centres). • Promoting and facilitating life-long learning. • Introducing safe social spaces for cultural interaction. • Promoting public safety. • Introducing a 'healthier lifestyles' programme.
Economic growth	• Promoting area-based development. • Implementing the Oasis in Soweto initiative, Alexandra and Ivory Park. • Accelerating the implementation of a skills hub. • Introducing Joburg Broadband.
A city where none goes hungry	• Subsidising food programmes to ensure safe, affordable food for all (people's restaurants, new markets, food exchanges and so forth.) • Introducing Agri-resource centres.

These flagship programmes contextualise and inform the City's performance for the period under review, as reported in Chapter 3 of this report.

Figure 9 provides a consolidated view of the various strategic components impacting the City's GDS, such as the South African Government's 12 National Outcomes, provincial priorities and the results of the public consultation process. It further shows the integration between the outcomes of the GDS - as driven through four strategic clusters - and the ten IDP priorities; and reflects the ultimate delivery of strategic outcomes through the City's Institutional SDBIP, Departmental SDBIP and Municipal Business Plan.

Figure 9: Integrated approach to long-term value-creation



Johannesburg's Spatial Development Framework (SDF)

The City's long-term strategy is supported by a Spatial Development Framework (SDF), which provides a structural context for delivering on its deliberate plan to restructure and re-engineer the City's urban form. The SDF is underpinned by a set of policies and strategies which are used to direct the City's strategic decision-making processes and policy development for local area development and land use management. Johannesburg population distribution highlights the need for effective planning that will address the issues of a growing population and increasing urban edge. The SDF is focussed on accessibility, efficiency and the City's sustainability aspirations, as illustrated below.

Table 7: Spatial Development Framework (SDF) principles and outcomes

Principles	Outcomes	Key to Implementation
Sustainability	• Responsible use of the City's natural and heritage resources (water, open spaces, rivers and so forth). • A sustainable rates base and financial model. • Safe and secure urban environments promoted through safety and design principles. • Affordable energy supply and consumption patterns. • Low emissions and pollution levels. • Promotion of food security within the city and province. • Protection and conservation of the City's cultural heritage. • Sustainable economic growth and job creation.	• Demand management and resource protection. • Protection and management of environmental systems. • Quality of infrastructure and service delivery (engineering and social) – the role technology can play in future delivery modes and management. • Sustainable human settlements – affordable, sustainable housing solutions.
Efficiency	• An efficient and robust urban form and structure that facilitates: • Appropriate and functional service delivery. • Affordability of business and living costs. • Managed growth within the constraints of future plans relating to infrastructure provision. • A connected and effective movement system (in terms of time and cost).	• High density, compact, mixed use urban systems. • An efficient and affordable public transportation system. • Pedestrian-friendly cities and neighbourhoods. • Quality of infrastructure and service delivery.
Accessibility	• Facilitating physical access to opportunities for all communities and citizens through an economy that caters for a full spectrum of skills and experience for job seekers. • Diversity of opportunities, e.g. economic, social and institutional, afforded by the City. • All modes of transport supporting good access to opportunities • A range of housing typologies and tenure models enabling residents to live with dignity and enjoy quality of life.	• An efficient and affordable public transportation system. • Pedestrian friendly cities and neighbourhoods. • Avoid large enclaves of poverty

Strategies for spatial development

The development principles of the SDF influenced the City's six spatial development strategies. The strategies enable the City to address alternative outcomes where undesirable urban trends occur in the City. These strategies are in line with the *Joburg 2040* Strategy principles and outcomes.

Strategy 1: Supporting an efficient movement system

The desired urban form for this strategy includes multi-modal transportation and land-use patterns that support public transport and pedestrian movement. It further prioritises the development of existing public-transport infrastructure, especially for higher density residential uses.

Strategy 2: Ensuring strong viable nodes

The desired urban form for this strategy includes a managed hierarchy of nodes within the City. Non-residential uses are limited to existing and emerging, managed nodal points and an increased profile of the pedestrian and public-transport aspects of the nodes.

Strategy 3: Supporting sustainable environmental management

The desired urban form for this strategy emphasises public space, i.e. the pedestrian environment, public parks and facilities, and prioritises the protection of wetland systems, priority habitats and biodiversity areas.

Strategy 4: Initiating and implementing corridor development

The desired urban form for this strategy includes delineation of two development corridors, focused infrastructure delivery to support corridor development and a series of goals and objectives established per corridor.

Strategy 5: Managing urban growth and delineating an urban development boundary

The desired urban form for this strategy includes infill, "brown-fields" developments, the abatement of urban sprawl on the periphery of the City and conservation of the rural character of areas beyond the urban development boundary.

Strategy 6: Increased densification of strategic locations

The desired urban form for this strategy includes higher densities and clustered activities in identified strategic locations and coordinated investment in infrastructure to support densification initiatives.

Sustainable Services Cluster

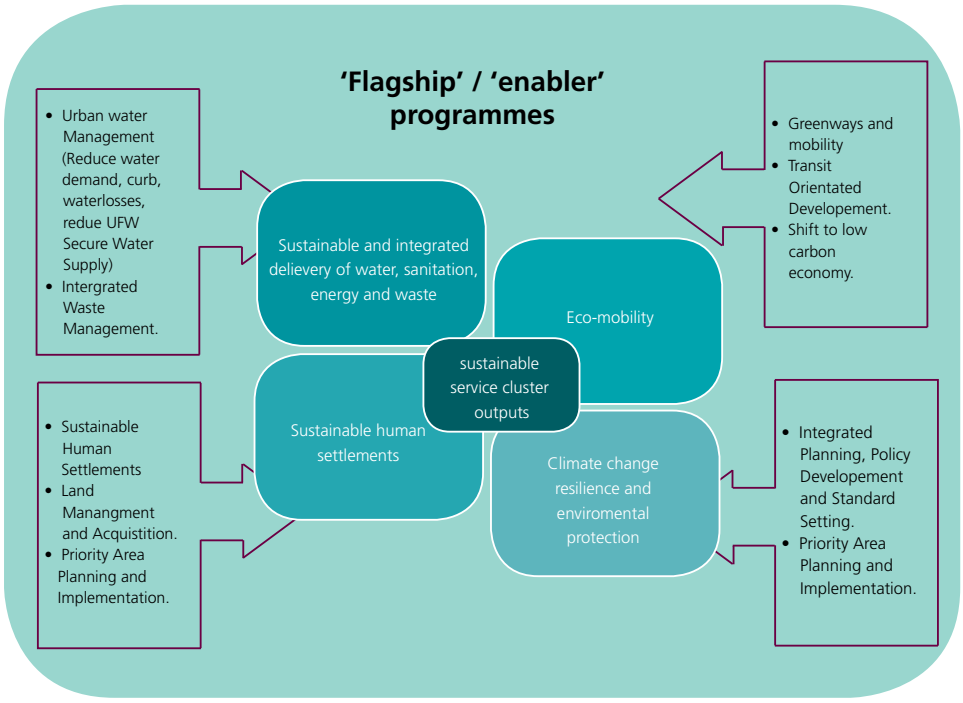
Provide a resilient, liveable, sustainable urban environment underpinned by infrastructure supportive of a low-carbon footprint

Resilience through structural change

The City's Joburg Vision 2040 strategy promotes interventions to adapt and shape the urban environment through structural changes that promote equality, access to economic opportunities and the efficient use of land and energy resources.
The most efficient urban form is compact, with mixed land-use and an extensive public transport network that includes high intensity movement corridors, with attractive environments for walking and cycling.

Energy efficiency is not the only reason for promoting compact cities - there are also social and economic sustainability reasons, which encompass issues of access, inclusion, health, social cohesion, household savings and air quality. The Sustainable Services Cluster intervenes directly in the physical adaptation and transformation of the City, with the prime objective of progressively creating a metropolitan environment that is resilient, liveable and sustainable - both for Johannesburg and the greater city-region, of which it is part.

Figure 10: Outputs for the Sustainable Service Cluster, with associated 'Flagship' / 'enabler' programmes



Performance highlights

Table 8: performance highlights for the Sustainable Service Cluster

Performance overview

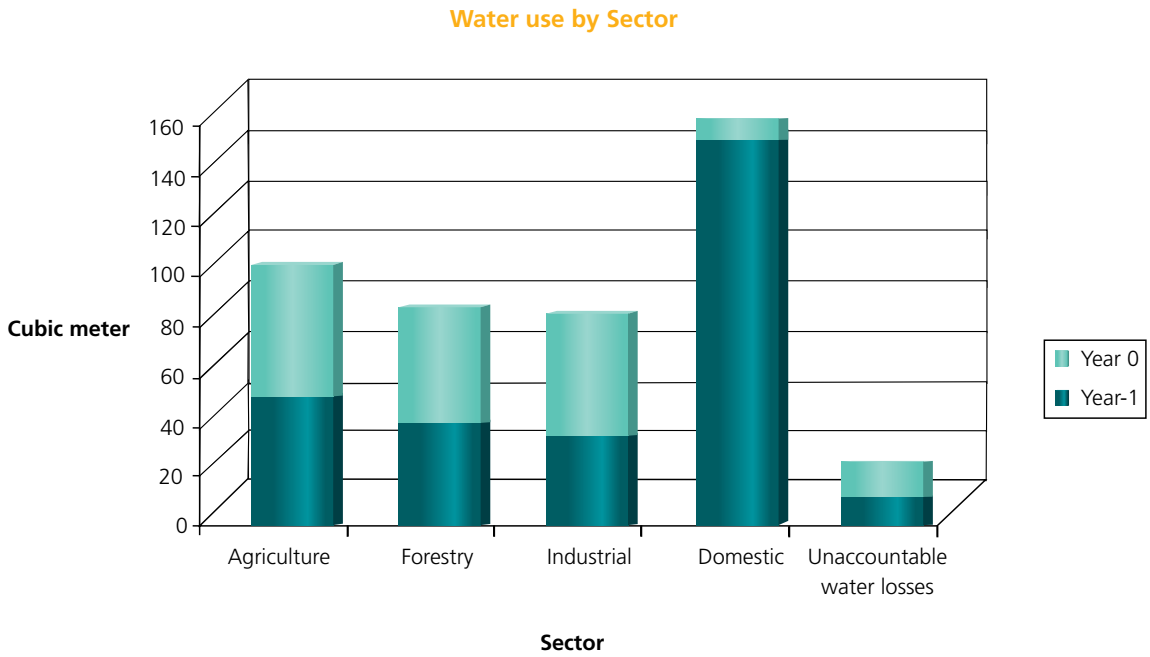
Service area	Performance highlight
Urban water management	The year's percentage of unaccounted for water (UFW) was at 32.4 %, with 14.2 % relating to physical losses and 17.2% being commercial losses.
	Meter reading performance increased to 86.32%.
	Drinking water quality recorded at 99.9% (target: 99%) and the overall final treated effluent quality recorded at 93.3% (target: 97%).
	BBBEE recognition target of 75% for this service area was exceeded, with an achievement of 92% (R288.8 million) and percentage spend on Qualifying Small Enterprises (QSE) and Exempted Micro Enterprises (EME) suppliers was 115% (R50.3 million) against target of 60%.
	Unplanned water service interruptions response times recorded at 84.16% (target: 91%) and sewerage blockages emergency response times recorded at 95.26% (target: 95%).
	Joburg Water provided water services LOS-1 (communal standpipe within 200m), with performance at 98.10% against a plan of 98.05%.
	Installation of 27 091 solar water heaters (geyser) in various areas including Alexandra, Devland, Lehae, Pimville, Pennyville, Tshepisong and Vlakfontein.
	Installation of 5 343 public lighting units during the year.
	A total of 3 307 households were electrified during the financial period.
	The EPWP initiative created 3 318 work opportunities for the financial year.
Integrated waste management	Pikitup remained within the target of maintaining the 123 informal settlement areas at the multiple days per week schedule, and increased the service to 133 informal settlements during the last quarter of 2012/13.
	22 Hostels were cleaned on a regular basis during the year and were able to maintain a 'Level 3' cleanliness ranking.
	Pikitup achieved overall 53.62% on landfill compliance and 68% for operational sites.
Greenways and mobility	Rea Vaya services reflected a reliability of fleet and performance according to schedule. However, labour instability affected overall numbers of passengers transported. An annual average of 35 953 passengers per day were transported during the year.
	The annual target on Phases 1 and 2 of the Rea Vea infrastructure project (roadways, stations and depot) was achieved. 4.92 Kilometres of roadways and four stations were completed.
	16 489 457 Passengers were commuted by Metrobus during the year.
	Gravel roads were upgraded to surfaced standards in Braamfischerville, Diepsloot, Ivory Park and Orange Farm.
	Open storm water drains were converted to underground systems in Braamfischerville, Diepsloot, Alexandra and Orange Farm. Designs were drafted for the rehabilitation of Naledi bridge, New Canada and Emmarentia Dam.
	Construction was started on Alexandra and Le Roux Avenue bridges.
	The repair of the sinkhole in Anchorville, Lenasia, reflected the JRA's state of readiness to respond to emergency situations without compromising supply chain management processes or the quality of the end product.
	The City allocated 90% of its total capital expenditure for the 2012/13 financial, which is an improvement of 4% compared to the previous year.
	During the review period, various programmes were implemented to address storm water improvements, city-wide road resurfacing and reconstruction, the upgrading and installation of traffic signals, and sinkhole repairs. A challenge affecting service delivery during the year was the lack of reliable fleets.

Service area	Performance highlight
Shift to a low carbon economy	Completion of Phase 1 of the City's Spatial Development Framework.
	Completion of the final draft *'Building Retrofit for Energy Efficiency Guideline Document'*; completion of the framework for the *'Johannesburg Built Environment Standards and Guidelines' (the Joburg 'Red Book')*; and completion of the *'Future City Model'*, including 3-D images of the future City form, from 'Decade 0' (present day) to 'Decade 3' (2040).
	A 3% reduction of E.coli was achieved for the review period. The majority of monitoring is done in indigent communities to ensure good quality of surface water.
	The City established six waste sorting facilities (buy back centres) and achieved an 8% diversion of waste destined for landfills.
	The City accumulated 88 987 Verifiable Emission Reductions (VERs) from the 'landfill gas to energy' project at two landfill sites, namely Marie Louis and Robinson Deep. The VERs can be claimed from The United Nations Framework Convention on Climate Change (UNFCCC) as certified emission reductions, commonly known as carbon credits.
	The City achieved an 8% diversion of waste to landfill (2011/12: 7%).
	In terms of waste licencing, 277 registrations were undertaken during the year (2011/12: 498) and 607 licenses issued (2011/12: 1 160).
	In terms of monitoring environmental compliance of flagship projects (Alexandra Renewal Project, Cosmo City and Gautrain) the City achieved an environmental compliances rate of 93.75% during the year (2011/12:94.6%).
Sustainable human settlements	3 470 Mixed income housing opportunities were delivered against a target of 6 800 units.
	Rental collection reached 58.13%, despite efforts to ensure a 100% expenditure on repairs and maintenance on rental units.
	Challenges for the year included the slow pace of formalising informal settlements; budgets cuts that resulted in reduced delivery; the misalignment of delivery targets with key departments; a lack of monitoring and evaluation capability; and unsatisfactory communication of the Department's programmes to the electorate.

Water provision

Joburg Water provides services to approximately 750 000 domestic, commercial and industrial customers, constituting an estimated consumer base of 3.8 million people. The City's service area stretches from Orange Farm (south) to Midrand (north), Roodepoort (west) and Alexandra (east).

Figure 11: Total use of water by sector (cubic meters)



The City introduced programmes to facilitate pipe replacements, pressure management and waste water upgrades, all of which are essential for maintaining service reliability and preventing leakage deterioration. Additional service benefits resulting from these programmes include more accurate metering and reduced interruptions to supply. Joburg Water targeted 26 suburbs with 46 kilometres of water pipelines that have a remaining life of less than two years. During the year, the replacement cost of near-redundant pipelines was R45 million. To avoid the negative impact imposed by rising electricity prices, the City implemented a project to promote low consumption, using biogas to generate energy as a fuel source to provide electricity at the Northern Waste Water Treatment Works. The City intends to expand similar innovations to other Waste Water Treatment Works.

The City developed a consolidated infrastructure plan (CIP) to inform future capital investment plans for new infrastructure and to refurbish or upgrade existing infrastructure. The CIP facilitates funding of maintenance plans to keep current assets in good working order. Phase 1 of this plan was developed in 2012/13 and is assisting the City to identify and prioritise bulk infrastructure upgrading and renewal projects for the next ten years. R354 Million has been allocated for commencing new projects in the year ahead. The majority of the investment has been allocated toward the upgrade and renewal of marginalised areas in Soweto and bulk water projects.

The current percentage of unaccounted for water (UFW) is at 32.4 %, with 14.2 % relating to physical losses and 17.2% being commercial losses.

During the year, programmes were implemented to reduce water losses. Technical, social and financial interventions are being implemented to reduce the current UFW from 29.5% to 22% by 2016/17. It is anticipated that water savings resulting from these programmes will amount to R368 million in financial value by the end of 2013/14.

Water service delivery levels

Water and treated effluent quality - In compliance with both South African National Standard (SANS) 241 and Department of Water Affairs (DWA) Effluent Discharge Permits, drinking water quality and the overall final treated effluent quality were 99.9% and 93.3% against the targets 99% and 97%, respectively.

Water and sewer incidents response times - The unplanned water service interruptions and sewerage blockages emergency response times were 84.16% and 95.26% against the targets of 91% and 95% respectively.

The table below provides details pertaining to water services standards as per National Treasury requirements and how the City performed during 2012/13 compared to the previous three years.

Table 9: Water service delivery levels

Households				
Description	**Year -3 (2009/10)**	**Year -2 (2010/11)**	**Year -1 (2011/12)**	**Year 0 (2012/13)**
	Actual no.	**Actual no.**	**Actual no.**	**Actual no.**
Water: (above min level)				
Piped water inside dwelling	972 657	972 657	972 657	972 657
Piped water inside yard (but not in dwelling)	45 835	45 835	45 835	45 835
Using public tap (within 200m from dwelling)	107 331	110 213	110 213	115 427
Other water supply (within 200m)	-	-	-	-
Minimum service level and above sub-total	1 125 823	1 128 705	1 128 705	1 137 912
Minimum service level and above percentage (%)	77%	97%	97%	98%
Water: (below min level)				
Other water supply (more than 200m from dwelling)	330 111	25 705	25 705	21 850
No water supply	536	386	386	386
Below minimum service level sub-total	330 647	26 091	26 091	22 236
Below minimum service level percentage (%)	23%	3%	3%	2%
Total number of households	1 456 470	1 154 796	1 154 796	1 160 148
* To include informal settlements				

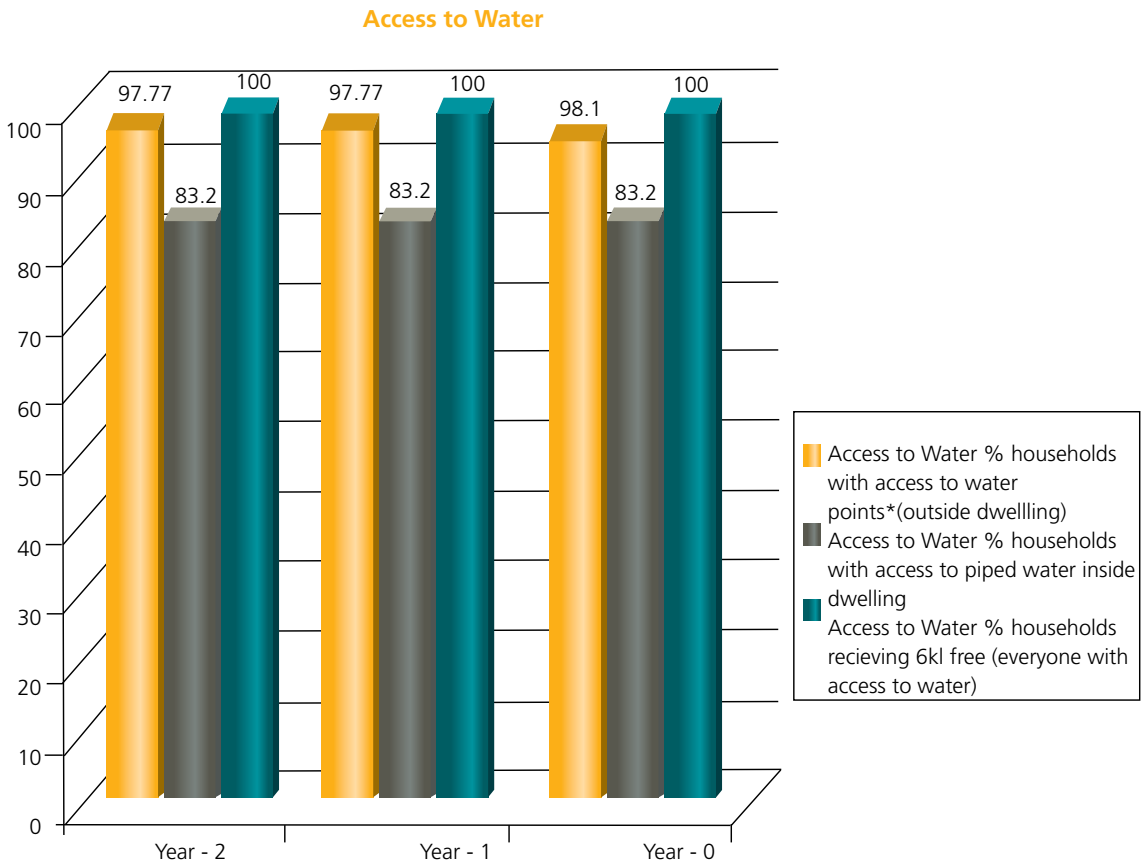
Table 10: Water service delivery levels below the minimum

Households						
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0 (2012/13)**		
	Actual no.	**Actual no.**	**Actual no.**	**Original budget no.**	**Adjusted budget no.**	**Actual no.**
Formal settlements						
Total households	972 657	972 657	972 657	972 657	972 657	972 657
Informal settlements						
Total households	196 391	196 391	196 391	196 391	196 391	196 391
Households below minimum service level	33 011	26 091	26 091	22 981	22 981	22 264

Access to basic services

The City made progress with regards to basic water programme in 2012/13, Joburg Water provided water services LOS-1 (communal standpipe within 200m), and the performance was 98.10% against a plan of 98.05%.

Figure 12: Access to water



Water service policy objectives derived from the IDP

Table 11 contains the Electricity Services policy objectives derived from the IDP and shows a comparison of performance for 2012/13 relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 11: Water service policy objectives derived from the IDP

Water service policy objectives derived from the IDP									
Service objectives / Service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target		Actual	Target		
		Previous year		Previous Year	Current year		Current year	Following year	Following year
Households without minimum water supply.	Additional households provided with minimum water supply during the year (reduce number of households (HHs) without supply at year end).	-	-	-	3 110	3 827	3 362	3 022	2 428
	HH outstanding.	26 091	26 091	26 091	22 981	22 264	19 619	13 410	10 982
% of Water bursts restored within 48 hours of notification.	-	90%	88.87%	90%	91.00%	88.67%	95%	95.00%	95.00%
% of Sewer blockages cleared within 24 hours of notification.	-	95%	94.14%	95%	95%	96.39%	95%	95%	95%

Employees: Sanitation services

The table below shows an analysis of Sanitation Services staff positioning during the review period. Of 904 posts, 827 were filled during the year, with 65 vacancies remaining.

Table 12: Analysis of Water and Sanitation Services staff positioning

Employees: Water services					
Job level	Year -1 (2011/12)	Year 0 (2012/13)			
	Employees no.	Posts no.	Employees no.	Vacancies (FTE)	Vacancies (as a %of total posts) (%)
10	555	568	540	40	6.90%
11	0	0	0	0	0.00%
12	8	8	8	0	0.00%
13	33	36	18	5	21.74%
14	19	23	21	3	12.50%
15	3	4	3	1	100.00%
16	147	159	148	18	10.84%
17	25	27	25	2	7.41%
18	38	39	37	4	9.76%
19	148	160	143	10	6.54%

Employees: Water services					
Job level	Year -1 (2011/12)	Year 0 (2012/13)			
	Employees no.	Posts no.	Employees no.	Vacancies (FTE)	Vacancies (as a %of total posts) (%)
20	12	12	16	1	5.88%
21	52	57	53	4	7.02%
22	40	44	38	4	9.52%
23	3	4	3	0	0.00%
24	18	18	10	0	0.00%
25	2	2	12	0	0.00&
26	1	2	1	2	66.67&
27	5	5	4	1	20.00%
28	1	1	0	2	100.00%
29	1	1	1	0	0.00%
Total	1 111	1 170	1 078	97	8.26%

Table 13: 2012/13 Financial performance: Water Sewer Services

Financial performance Year 0: Water and sewer services R'000					
Details	Year -1 (2011/12)	Year 0 (2012/13)			
	Actual	Original budget	Adjustment budget	Actual	Variance from budget (%)
Total operational revenue	5,845,946	6,420,173	6,559,458	6,637,128	0.032%
Expenditure:					
Employees	632,564	676,085	695,085	690,762	0.02%
Repairs and maintenance	258,992	274,532	274,532	285,707	0.03%
Other	4,369,795	4,868,390	4,813,063	4,848,682	-0.004%
Total operational expenditure	5,261,351	5,819,007	5,782,680	5,825,151	0.00%
Net operational expenditure (profit)	(584,595)	(601,166)	(776,778)	(811,977)	0.25%

Waste Water

The City of Johannesburg's sanitation status is above the minimum requirements. A main feature for 2012/13 was the installation of flushing toilets, with the main aim of eradicating the bucket system in the City of Johannesburg. Figure 13 shows that this goal has been achieved

Figure 13: Performance of sanitation service delivery for the period 2012/13

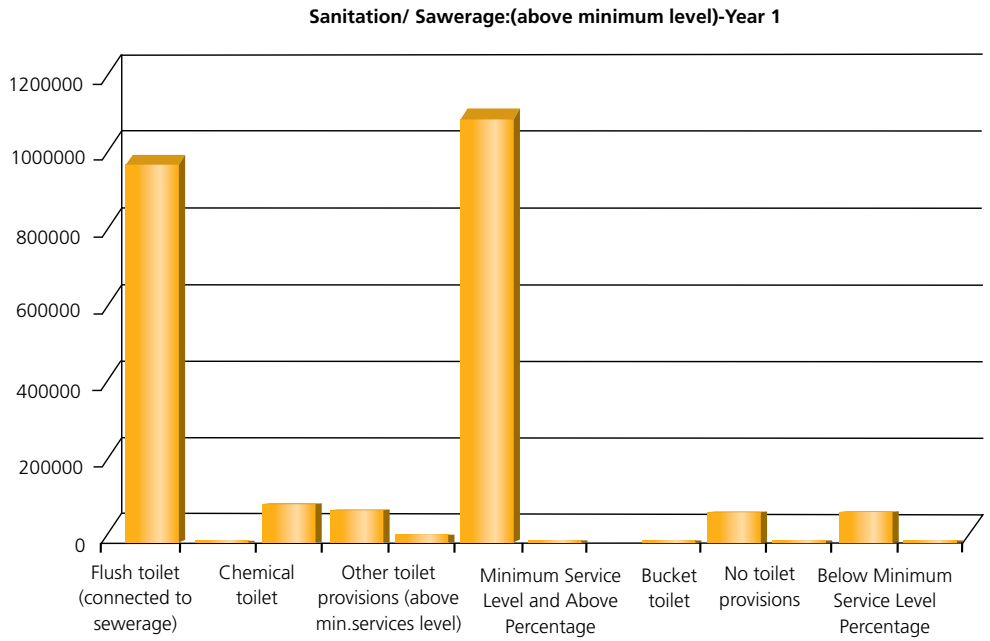


Table 14: Sanitation service delivery levels

Households				
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0 (2012/13)**
	Outcome no.	**Outcome no.**	**Outcome no.**	**Original budget no.**
Sanitation/sewerage (service delivery above minimum level)				
Flush toilet (connected to sewerage)	972 657	972 657	972 657	972 657
Chemical toilet	69 011	66 741	66 215	57 861
Pit toilet (ventilated)	34 212	36 482	50 260	54 242
Other toilet provisions (above min service level)	7 549	7 549	7 549	43 212
Above minimum service level sub-total	1 083 429	1 083 429	1 096 681	1 127 972
Above minimum service level percentage (%)	96%	96%	96%	94%
Sanitation/sewerage (service delivery below minimum level)				
Other toilet provisions (below min. service level).	48 522	46 252	45 558	41 076
Below minimum service level sub-total	48 522	46 252	45 558	41 076
Below minimum service level percentage (%)	4%	4%	4%	4%
Total households	1 131 951	1 129 681	1 142 239	1 169 048

Table 15: Households – sanitation service delivery levels below the minimum

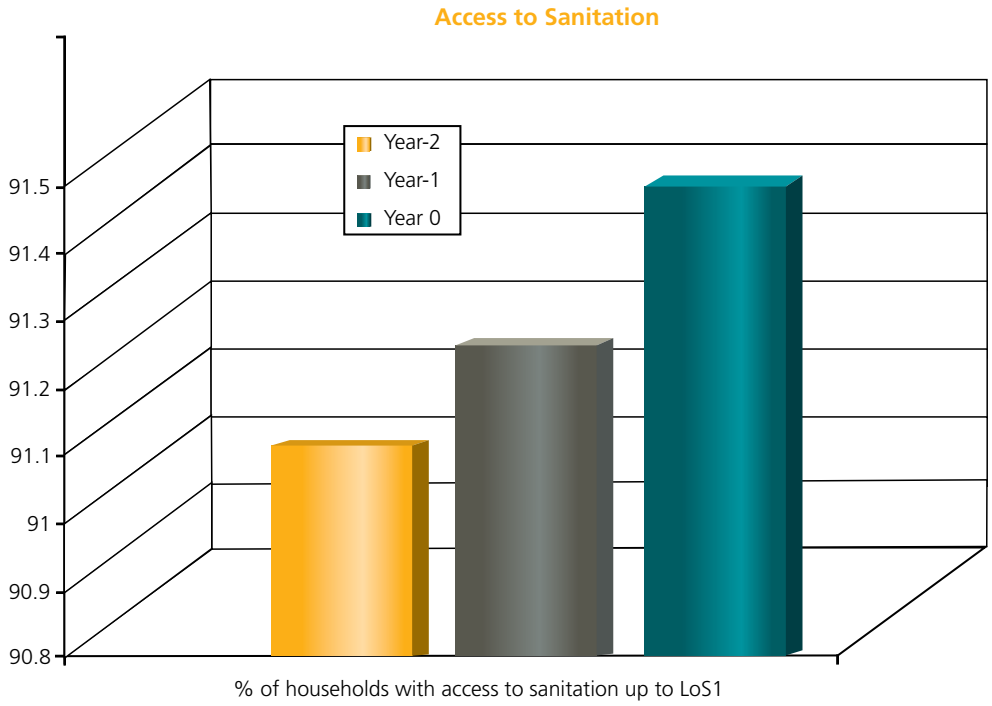
Households						
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0 (2012/13)**		
	Actual No.	**Actual No.**	**Actual No.**	**Original Budget No.**	**Adjusted Budget No.**	**Actual No.**
Formal settlements						

Households						
Description	Year -3	Year -2	Year -1	Year 0 (2012/13)		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Total households	972 657	972 657	972 657	972 657	972 657	972 657
Informal settlements						
Total households	196 391	196 391	196 391	196 391	196 391	196 391
Households below minimum service level	107 022	104 752	103 056	99 101	99 101	98 937
Proportion of households below minimum service level %	54%	53%	52%	50%	50%	50%

Access to sanitation

The Basic Sanitation Programme for the period 2012/13 progressed well. The City achieved 91.48% coverage of sanitation services (ventilated pit latrines) in the less formal areas, against a target of 91.40%.

Figure 6: Access to sanitation for the period 2012/13



Waste water (sanitation) service policy objectives derived from the IDP

Table 16 contains the waste water policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the next three years, as envisaged in the IDP. The past two financial years indicate the performance progress achieved by the entity.

Table 16: Waste water (sanitation) service policy objectives derived from the IDP

Waste water (sanitation) service policy objectives derived from the IDP									
Service objectives / Service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year		Current year	Following year	Following year
Service objectives									
Provision of toilets within standard.	Additional households (HHs) provided with minimum sanitation during the year. Number of HHs remaining without minimum sanitation at year end.	1 696	1 696	1 696	3 043	2 877	2 860	2 527	2 375
	Outstanding households.	102 544	102 544	102 544	99 501	99 337	96 641	91 426	89 031

Electricity services

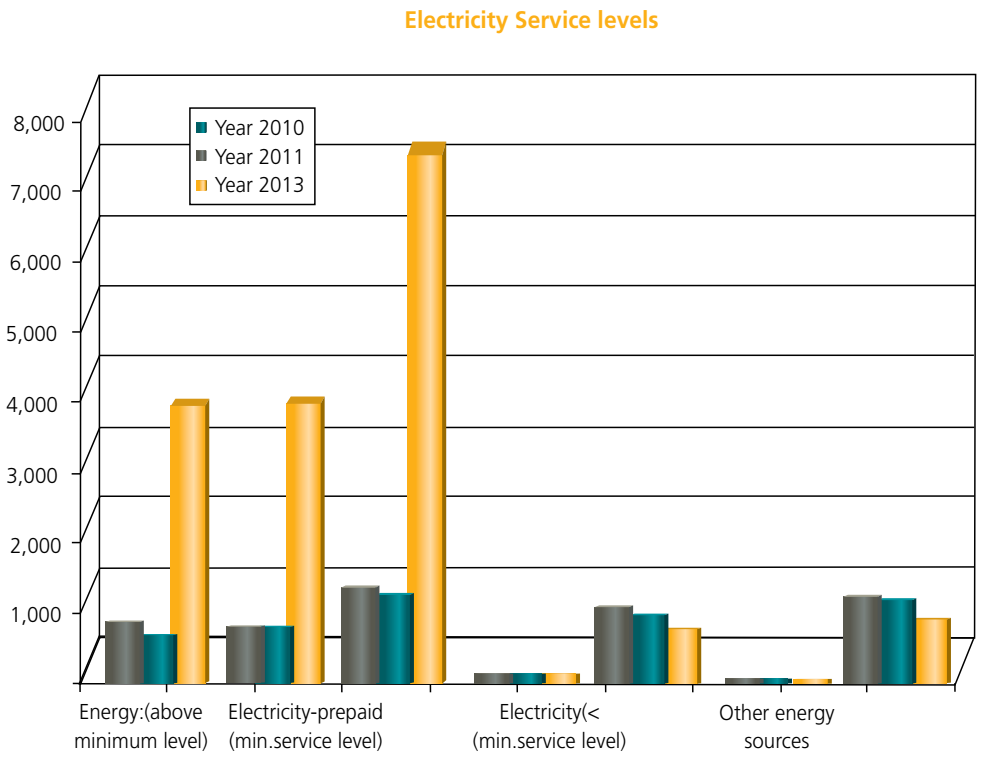
City Power Johannesburg (SOC) Ltd is the electricity distribution service provider for Johannesburg Council. The business's core competency is to purchase, distribute and sell electricity within its geographical business footprint. The Council, by means of a Service Delivery Agreement, regulates service in respect of financial issues (such as tariffs and capital expenditure), human resource issues (such as skills development), delivery targets (maintenance of assets and addressing assets), and standards of customer care.

In 2012/13 City Power continued to introduce interventions to improve electricity services. These included meter readings; clearing of billing errors; improving the functionality of street lights; the reduction of outages; the installation and maintenance of public lights; the installation of bulk meters and the conversion to prepaid metering; and the removal of illegal connections.

Over 10 000 faulty meters were identified and replaced or repaired as part of "Metering War Plan". Additional major achievements for the entity during 2012/13 include the following:

- The City introduced interventions such as the 'Revenue Step Change' initiatives (Revenue Step Change and Zero Tolerance Project), which resulted in accounts being corrected.
- 27 091 Solar water heaters (geyser) were introduced in various areas, including Alexandra, Devland, Lehae, Pimville, Pennyville, Tshepisong and Vlakfontein.
- City Power installed 5 343 public lights.
- A total of 3 307 households were newly electrified during the year.
- During the year, the number of prepaid customers getting connected increased, resulting in higher purchases of prepayment vouchers.

Figure 15: Electricity services offered by City Power to its customers



The table below provides a comparison of electricity service delivery levels, showing the energy minimum level and the total number of households serviced by City Power.

Table 18: Electricity minimum service levels

Electricity service delivery levels				
Households				
Description	**Year -3 (2009/10)**	**Year -2 (2010/11)**	**Year -1 (2011/12)**	**Year 0 (2012/13)**
	Actual no.	**Actual no.**	**Actual no.**	**Actual no.**
Prepaid	180 062	216 019	249 213	263 163
Domestic	166 639	177 571	158 268	147 516
Agriculture	29	29	29	8
Business	8 762	10 209	10 744	10 063
Large power users	3 391	4 078	4 113	3 909
Total number of households	358 873	407 906	422 367	424 659

Electricity customers

The table below provides details of electricity customers according to budget distribution for both formal and informal settlements.

Table 19: Electricity customers according to budget distribution

Description	Year 2010	Year 2011	Year 2012	Year 2013 Actual		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
Formal settlements						
Total customers	7 235 256	9 786 301	11 082 032	12 633 509	12 381 078	11 726 368

Electricity service policy objectives derived from the IDP

The table below contains the electricity services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 20: Electricity service policy objectives derived from the IDP

Electricity service policy objectives derived from the IDP									
Service objectives /Service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year	Unaudited figures	Current year	Following year	Following year
Service objective: Financial resilience and sustainability									
Improve revenue collection.	Increase payment Levels.	92%	92.37%	92%	94%	94.77%	96%	98%	98%
	Improve meter reading performance.	98%	75.3%	98%	98%	78.11%	96%	96%	98%
Service objective: Resource sustainability									
Reduce losses.	Losses (technical and non-Technical).	12.05%	17.21%	12.05%	15%	30.13%	13.5%	12%	10%
Expansion and strengthening of network.	Additional capacity.	-	-	0	40 mW	45 mW	90 mW	120 mW	120 mW
	Electrification (additional number of households electrified).	4 000	5 610	4 000	3 000	3 307	3 400	3 600	3 800
	Provision of public lights (number of public lights installed).	4 000	5 126	4 000	4 200	5 343	4 400	4 600	4 800
Improve network performance.	NRS 048 (quality of supply).	97%	99.20%	97%	100%	100%	97%	97%	97%
Smart city.	Meter roll out (number of smart meters installed).	20 000	17 110	20 000	20 000	19 598	100 000	150 000	200 00

Electricity service policy objectives derived from the IDP									
Service objectives /Service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year	Unaudited figures	Current year	Following year	Following year
Service objective: Green economy									
Promote energy efficiency.	After Diversity Maximum Demand (ADMD).			New KPI FOR 2012/13 and beyond.	0.12kVA	0.12kVA	0.3kVA	0.46kVA	0.6kVA
	Energy mix %.			New KPI FOR 2012/13 and beyond.	7.5%	1.5%	0	0.01%	0.02%
	Solar Water Heaters (number of solar water heaters installed).			New KPI FOR 2012/13 and beyond.	20 000	27 091	30 000	30 000	40 000

Commentary on capital expenditure for the year ended 30 June 2013 for electricity services

Electrical infrastructure projects consist of the upgrading of electrical networks, network development and load management and meter installation projects. The budget was expended in projects such as metering, the conversion of LV bare conductors to ABC conductors, emergency projects and various upgrades of electrical infrastructure projects. Total expenditure for the year amounted to R872 million, which is R196 million above the budget of R676 million. The overspending was accommodated by the R200 million additional allocations.

Year-end expenditure for public lighting amounted to R102 million, compared to the year-end budget of R115 million. This reflects an under-spending of R12 million. The Department of Energy (DoE) had made the funds available for the Building Retrofit Project; however given that the project could not start due to a delay in finalising the procurement process in 2012/13, the funds were ultimately deferred. During the year, the City engaged the DoE regarding the deferment of the funds. The fund allocation encompasses projects such as Sebenza, the Transformer Programme, and the upgrade of Kelvin - Cydna substations.

In 2013 Johannesburg installed 27 091 solar water heaters (geyser) in various areas, including Alexandra, Devland, Lehae, Pimville, Pennyville, Tshepisong and Vlakfontein. Overall, 5 343 public lights were installed and 3 307 households were newly electrified.

Table 21: 2012/13 Capital expenditure: Electricity services

Capital Projects (Controllable)	Year 0 (2012/13)			
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget (%)
Total all	827, 835	1, 007, 337	1, 192, 196	31%
Electrification	54, 349	8, 712	8, 712	-524%
Public Lighting	99, 886	115, 499	102, 415	2%
Electrical Infrastructure	518, 553	673, 479	869, 791	40%
Power Systems	17, 700	14, 676	14, 676	-21%
Other Capex & asset purchases	51, 023	92, 660	93, 309	45%
Refurbish of Bulk Infrastructure	86, 324	102, 311	103, 293	16%

Capital Projects (Non-Controllable)	Year 0 (2012/13) Budget	Adjustment Budget	Actual Expenditure	Variance from original budget (%)
Total all	125, 065	90, 000	96, 340	-30%
Electrification	0	0	0	0%
Public lighting	0	0	1, 366	100%
Electrical infrastructure	0	0	3, 520	100%
Service connections	125, 065	70, 000	68, 343	-83%
Township reticulation	0	0	2, 437	100%
Refurbish of bulk Infrastructure	0	0	4, 213	100%
Insurance	0	20, 000	16, 461	100%

Waste management

Pikitup Johannesburg SOC Limited has a mandate to provide waste management services.

During the year, Pikitup embraced the shift towards a new waste management model, which advocates 'waste avoidance', 'waste recycling and reuse', and 'disposal as the last resort'. Resulting structural challenges within the organisation were addressed in the remodelling of Pikitup, now complete, which entailed refining the operational structure and appointing a new management team. In 2012/13 Pikitup provided a wide range of waste management services to approximately 4.4 million people.

Street cleaning: Street cleaning entails picking and collection of litter in the Outer City and sweeping in high population density areas. Targeted areas of the Inner City have a 24/7 cleaning schedule. Alexandra is cleaned for eight hours seven days a week. The Outer City is cleaned for eight hours, five days a week and a sixth day cleaning programme per week has been added in targeted areas to improve the level of cleanliness. Areas such as Lenasia, Midrand and Melville/Brixton are on a five-day, two-shifts cleaning service. In areas where lanes exist, such as in the Inner City, Turffontein and Rosettenville, the cleaning of lanes is undertaken as an integrated part of street cleaning. Outside perimeters of taxi ranks, shopping malls and bus stations are also cleaned as part of street cleaning.

Illegal dumping: At the core of illegal dumping is a lack of awareness of how to maintain a healthy environment as well as inadequate by-law enforcement. Whilst inadequate by-law enforcement is a challenge for the entire City, low levels of environmental awareness is more prevalent in low income areas.

Informal settlements: During the year, Pikitup remained within the target of maintaining the 123 informal settlement areas at multiple days per week schedule, and increased service to 133 informal settlements during the last quarter of 2012/13. These areas consist of 184 275 units, which constitutes 94% of all settlements city-wide. The remaining 6% areas were serviced on a one-day service per week schedule from Pikitup Depots. Since the absorption of 3rd party contract workers in the Southdale depot area, the cleanliness level ranking has improved from 'Level 3' to 'Level 4'.

Hostel cleaning: Pikitup renders a cleaning service to hostels based on an agreement with the Department of Housing. As part of the agreement, 22 hostels were cleaned on a regular basis during the year and were able to maintain a 'Level 3' cleanliness ranking.

The service rendered was aligned to the DoE agreement and budget allocation. Illegal electricity connections in some hostels complicated access by heavy waste vehicles, and at times made it impossible.

Separation at source – In 2010 Pikitup implemented a project to encourage residents to separate waste at household level. Initially the project was only implemented in the Waterval Depot area, but during the review period the project was implemented in additional depot areas, including Zondi, Diepsloot and Orange Farm. A gradual increase in tonnages was reported in areas where the project had been implemented and where recyclable waste had been separated at source. The present overall rate of participation of residents from these areas is estimated at 17%, providing an opportunity for significant increase as the project unfolds. Pikitup will introduce robust initiatives to market and improve awareness for the benefits of the project in the year ahead.

Solid waste management services

The table below provides Pikitup's service delivery levels for solid waste management and includes both formal and informal settlements in terms of budget distribution for the review period and future demands.

Table 22: Solid waste management services: Pikitup service delivery levels

Description	Year -3	Year -2	Year -1	Year 0 (2012/13)	
	Actual	Actual	Actual	Original budget	Adjusted budget
Formal settlement					
Total household	908 000	868 000	824 000	785 000	789 000
Informal settlement					
Total household	160 000	168 000	177 000	190 000	186 000

Solid waste service levels

A completion time of round collected refuse (RCR) was impacted during the year, as a result of fleet availability. This improved during the fourth quarter as a result of additional fleet being made available. However, on average completion times were below the target of 17h00. The table below details the Pikitup solid waste services levels.

Table 23: Pikitup solid waste removal service levels

Description	Year -3	Year -2	Year -1	Year 0 (2012/13)
	Actual	Actual	Actual	Actual
Solid Waste Removal				
Removed at least once a week	1 068 000	1 036 000	1 001 000	973 000
Total number of households	1 068 000	1 036 000	1 001 000	973 000

Solid waste service policy objectives derived from the IDP

Table 24 contains the solid waste services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 24: Solid waste service policy objectives derived from the IDP

Solid waste service policy objectives derived from the IDP							
Service objectives / service indicators	**Indicator**	**Year -1 (2011/12)**	**Year 0 (2012/13)**		**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Actual achievement	**Target**	**Actual**	**Annual targets**		
Waste diverted from landfills. Reduce, reuse, recycle and reclaim.	Tonnes of waste diverted from landfills as result of Pikitup activities.	26 300 tonnes waste diverted.	99 517 tonnes of dry waste[3] diverted. 80 000 tonnes green waste[4] .	4 956 tonnes dry waste diverted. 23 356 tonnes green waste diverted.	20 000 tonnes dry waste diverted. 15 000 tonnes green waste diverted.	60 000 tonnes dry waste diverted. 25 000 tonnes green waste diverted.	100 000 tonnes dry waste diverted. 35 000 tonnes green waste diverted.
Separation at source extended to additional areas (Randburg, Marlboro, Central Camp and Southdale).	Participation rate in targeted areas. (%)	58%	60%	17%	30%	50%	70%

[3]Overall citywide targets on waste diversion (including contribution from private sector).

[4]Overall citywide targets on waste diversion (including contribution from private sector).

Solid waste service policy objectives derived from the IDP							
Service objectives / service indicators	**Indicator**	**Year -1 (2011/12)**	**Year 0 (2012/13)**		**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Actual achievement	**Target**	**Actual**	**Annual targets**		
Construction of buy-back centres, drop-off centres and garden sites (sorting facilities).	Number of additional buy-back centres, drop-off centres and garden sites constructed.	New indicator.	3	4	10 additional.	10 additional.	10 additional.
Upgrade land fill sites to comply with regulations and to extend landfill airspace.	% Landfill compliance to regulations. (%)	58%	60%	68%	80%	85%	90%
Number of informal areas cleaned multiple times per week.	Number of informal areas [5] cleaned.	119	19	133	All areas.	All areas.	All areas.
Exchanging food for waste.	No. of households benefitting from food for waste project.	New indicator.	5000	0[6]	142	250	350
Coordinating cleaning of bins project, contributing to employment creation.	Number of youths participating in bin cleaning project.	New Indicator.	150	179	300	450	600
Cleanliness levels of the city.	Cleanliness[7] level of inner city (including removal of illegal dumping) as evidenced by photometric evidence and described in approved levels of Service by COJ.	Level 3	Level 5	Level 4	Level 5	Level 5	Level 5
	Cleanliness level of outer city.	Level 2 and 3	Level 3	Level 3	Level 4	Level 4	Level 4

[5] Informal areas refer to informal settlements within CoJ.

[6]The intention was to implement a food for waste exchange programme during the financial year. The project proposal was amended to focus on illegal dumping and additional agreements had to be concluded with Johannesburg Property Company, Fresh Produce Company and others. The Board therefore resolved that the projects be deferred and implemented in the 2013/14 financial year after conclusion of various agreements.

Employees: solid waste management services (Pikitup)

During the year under review, Pikitup consisted of 5 077 employees and 2 911 vacancies. The table below provides an analysis of Pikitup staff positioning.

Table 25: Employee positioning for Pikitup solid waste management services during 2012/13

	Year -1 (2011/12)	Year 0 (2012/13)			
Job level	**Employees no.**	**Post no.**	**Employee no.**	**Vacancies no.**	**Vacancies (as a % of total posts)**
F2	1	1	1	0	0%
F1	10	10	10	0	0%
E1	17	26	17	9	35%
D	89	148	95	53	36%
C	197	365	197	168	46%
B	560	1 073	560	513	48%
A	4 203	6 392	4 224	2 168	34%
Total	5 077	8 015	5 104	2 911	28.31%

Table 26: 2012/13 Financial performance: Pikitup solid waste management services

Financial performance Year 0: Solid waste management services R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget (%)**
Total operational revenue	1,329,595	1,333,983	1,392,596	1,417,534	6%
Expenditure:					
Employees	539,367	662,418	727,784	724,591	9%
Repairs and maintenance	1,938	5,381	5,050	3,858	-39%
Other	770,761	666,184	659,762	730,029	9%
Total operational expenditure	1,312,065	1,333,983	1,392,596	1,458,479	9%
Net operational expenditure	-17,530	-	-	40,945	100%

Commentary on capital expenditure for the year ended 30 June 2013 for solid waste management services (PIKITUP)

The table below shows capital expenditure for Pikitup for the year under review. Pikitup provided waste management services to 741 455 domestic customers and 9 658 business 'round collected refuse' (RCR) customers. They further delivered bulk services to 1 666 customers; 752 dailies and 522 institutions. They also serviced several customers requiring compost related services.

[7]Cleanliness levels refer to levels and descriptions as prescribed by COJ.

Table 27: 2012/13 Capital expenditure: Pikitup

Pikitup Capital expenditure YTD June 2013 (Year 0) R'000				
	Actual	**Committed**	**Budget**	**Variance**
Orange Farm depot (MIG)	478	-	478	0
Landfill	12,190	1,129	16,300	2,981
Randburg garden site	548	-	548	0
Garden sites, New Plant & EIA	5,311	-	8,418	3,107
Transfer station	-	-	-	-
Composting	-	-	-	-
Recycling, glass banks and bins	-	-	-	-
Kerbside collections	3,000	-	3,000	0
Garden site skips	500	-	500	0
Signage	833	150	1,000	17
IT	1,089	964	2,082	29
Building alterations	487	-	1,929	1,442
Street furniture	14,842	-	19,945	5,103
Total	39,278	2,243	54,200	12,679

Housing

The Department of Housing and the Johannesburg social Housing Company (JOSHCO) has the mandate for delivering housing opportunities that:

- Provide alternative tenure options.
- Are located close to economic opportunities.
- Are adequately serviced.
- Are affordable.
- Are preferably found in high-density environments.

It executes this mandate within the ambits of the Joburg 2040 GDS outcome of "building a resilient, liveable, sustainable urban environment underpinned by infrastructure supportive of a low-carbon economy".

The Department, in consultation with its stakeholders, developed a framework for conceiving and implementing its housing strategy in different wards of the City. The programme targets for the review period are as follows:

- Rental accommodation: Deliver 4 600 rental units under the rental programme.
- Hostel upgrading: Deliver 500 hostel units.
- Housing opportunities: Deliver an annual target of 6 800 housing opportunities through the mixed income housing programme.
- Proficient management of City stock: Implement the repairs and maintenance plan and collect rentals with an annual target of 80% rental collections.
- Administration of the National Housing Programme: Implement 'Level 1' and 'Level 2' accreditation requirements.

Although 2012/13 represented a functional planning year in human settlements space, the Department delivered 3 470 mixed income opportunities against a target of the 6 800 units. Rental collection reached 58.13%, despite efforts by the Department to ensure a 100% expenditure on repairs and maintenance on rental units. The City's 'readiness level' to be assigned the housing function has received a substantial institutional boost, whereby key departments within the City rallied around the process, forming different working group streams, such as 'Asset and Liabilities', 'Programmes and Projects', and 'Human Capital'.

A key challenge for the year was the slow pace of formalising informal settlements.

Housing service policy objectives derived from IDP.

The table below contains the housing services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 28: Housing service policy objectives derived from the IDP

Housing service policy objectives derived from the IDP								
Service objectives / Service indicators	**Outline service targets**	**Year 0 (2012/13)**		**Year 1 (2013/14)**			**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**		**Actual**	**Target**	
		2011/12	**2012/13**	**2012/13**	**2013/14**	**2013/14**	**2014/15**	**2015/16**
Facilitate rental accommodation.	Number at rental units facilitated.	4 600	0	4 600	1 200	-	10 000	10 152
Provision of housing opportunities.	Number of housing opportunities provided.		3 470	6 800	5 000	-	11 500	12 471
Stock transfer to households.	Number of title deeds issued.	1 000	2 890	1 000	1 000	-	2 469	-
Sectional title.	Number of sectional title schemes.	1 083	0	704	500	-	972	3 500
Accelerate upgrade of informal settlements.		-	-	-	-	-	-	517
Upgrade households in informal settlements.	Number of households with basic services and tenure security in informal settlements.	0	8 136	2 000	6 335	-	6 334	6 335
Relocate informal settlements.	Number of informal settlements relocated.	5	1	9	6	-	7	9
Formalise informal settlements.	Number of informal settlements formalised.	4	0	5	3	-	10	-
Formalise informal settlements.	Number of informal settlements formalised.	4	3	4	3	-	4	4

Table 29: 2013/14 Financial performance: Housing services

Finance performance Year 0: Housing services R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget (%)**
Total operational revenue	162,269	47,210	207,604	190,080	75.16 %
Expenditure:					
Employees	144,638	156,981	156,981	150,695	(4.17)%
Repairs & maintenance	13,980	13,658	13,658	10,233	(33.47)%
Other	368,110	230,966	412,667	418,726	44.84%
Total operational expenditure	526,728	401,605	583,306	579,654	30.72%
Net operational expenditure	526,728	401,605	583,306	579,654	30.72%

Table 30: 2012/13 Capital expenditure: Housing services

Capital expenditure Year 0: Housing services R'000					
Capital projects	Year 0 (2012/13)				
	Budget	Adjusted budget	Actual expenditure	Variance from budget	Total project cost
Braamfischerville Ext 12&13	12,000	10,547	11,832	-1,285	17,901
Devland Ext 1,27,30,31&33	46,000	72,000	67,730	4,270	40,200
Diepkloof hostel renewal	4,000	0,00	-	0,00	-
Diepsloot West Ext 5	5,950	0,00	-	0,00	-
Drieziek Ext.5 (1540)	1,500	1,000	0,00	1,000	-
Dube hostel renewal	4,000	0,00		0,00	-
Elias Motsoaledi	4,000	20,000	5,840	14,160	-
Emma Flats renewal	10,000	10,000	13,879	- 3,879	14,826
Ennerdale South (1902 stands) (formerly Finetown Proper)	19,810	500,000	0,00	500,000	-
Finetown Ext 1 (106).	850	0,00	0,00	0,00	-
Finetown Proper (1878 stands)	16,900	500	0,00	500	-
Flats and stock upgrading city wide renewal	12,000	12,000	-	12,000	-
Fleurhof mixed development	45,000	99,000	153,170	-54,170	101,208
Formalisation of informal settlements across the city	24,615	18,615	19,505	- 890	-
Helen Josephs refurbishment and upgrading of women's hostel	5,000	5,000	-	5,000	-
Ivory Park 12 Chris Hani	7,120	0,00	-	0,00	-
Ivory Park Ext 8 Hlophe	1,800	0,00	-	0,00	-
Ivory Park Ext 9(Goniwe)	5,128	0,00	-	0,00	-
Jabulani Flats renewal	2,000	0,00	-	0,00	-
Kanana Park Ext 3,4 & 5	18,000	500	229	271	-
Klipspruit/Kliptown Ext 11	9,500	8,000	6,641	1,358	-
Lakeside Ext 1,2,3 & 5	12,500	12,463	13,830	- 1,367	37,000
Land purchases	40,000	57,015	54,721	2,294	-
Lehae Ext 1	39,000	124,650	132,540	- 7,890	120,000
Lehae Ext 2 (expansion area) (4337).	22,000	0,00	-	-	-
Lufhereng mixed development	85,487	23,000	14,562	8,438	-
Matholesville Proper Ext 1	15,000	15,587	402,499	15,185	71,679
Meadowlands Hostel renewal	1,300	3,322	0,00	3,322	-
Old age homes	5,000	5,000	-	5,000	-
Operational capital	736	736	-	-	-
Orange Farm Ext. 9 (935)	8,800	6,800	4,283	-	91,935
Orlando women's hostel renewal	2,600	0,00		0,00	-
Rabie Ridge Ptn 1075 & 1345	400	0,00	-	0,00	-
Sol Plaatjies	16,000	16,611	11,282	5,329	25,503
South Hills Housing mixed development	10,000	0,00	-	0,00	-
Vlakfontein Ext 3 (2045)	12,000	3,500	4,901	-1,401	17,955
Vlakfonteint Ext 1 (935)	4,000	4,550	4,455	94,719	33,713
Total	529,996	530,896	519,805	7,838	571,920

Free basic services and indigent (electricity)

In line with the City's Expanded Social Package (ESP) policy, the infrastructure and services sector provides free basic services to indigent community households in the City of Johannesburg. These basic services include distribution of free basic water and free basic electricity. The table below shows the distribution of free basic services to low income households during 2012/13.

Table 31: Distribution of free basic services to low income households in 2012/13

Free basic services to low income households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	100 000	18 000	12 000	67%	10 000	56%	21 729	121%	7 000	39%
Year -1	103 000	18 500	13 000	70%	11 000	59%	21 729	117%	8 000	43%
Year- 0	105 000	19 000	15 000	79%	12 000	63%	21 070	111%	9 000	47%

Table 32: 2012/13 Financial performance: Free basic services

Financial performance Year 0: Cost to municipality of free basic services delivered R'000					
Services delivered	Year -1 (2011/12)	Year 0 (2012/13)			
	Actual	Budget	Adjustment budget	Actual	Variance from budget (%)
Water	200	244	250	248	2%
Waste water (sanitation)	220	240	250	245	2%
Electricity	90,772	-	-	1,553,581	100%
Waste management (solid waste)	105	110	120	125	12%
Total	91,297	594	620	1,554,199	100%

Transport, roads and waste

The City of Johannesburg's transport sector comprises the core Transport Department, the Johannesburg Roads Agency (JRA) and the Metropolitan Bus Service (Metrobus). JRA is responsible for planning, design, construction, operation, control, rehabilitation and maintenance of roads and storm water infrastructure in the City of Johannesburg. The JRA's main responsibilities include construction and maintenance of bridges and culverts, traffic signals and traffic signal systems, footways, road signage and road markings. Metrobus is a wholly owned bus company tasked with provision of customer-friendly public bus transport to the residents of Johannesburg.

Transport Department

During the year, the Transport Department's delivery agenda promoted walking, cycling, public transport and safety for all road users. Interventions can be summarised as follows:

Public transport service provision through the Rea Vaya BRT project: This phase of Rea Vaya BRT project started operations in August 2009. During 2012/13, an average of 35 953 passengers were commuted per day. A bank-based smart card Automated Fare Collection (AFC) system was also piloted from May 2013 to be fully operational by 1 July 2013.

During the year a sustainability study was completed for the Rea Vaya Phase 1C route, which concluded that Rea Vaya BRT, with improvements, was the appropriate mode to provide safe, affordable and reliable public transport on this route. Stakeholder engagements and consultation commenced on the basis of the sustainability study. In addition, the Transport Department commenced detailed design of roadways and other required infrastructure. Rea Vaya Phase 1C will be rolled out from the Johannesburg CBD to Alexandra and to the Sandton CBD.

Public transport infrastructure provision through public transport facilities and integration of public transport: the Department commenced with construction of the Roodepoort, Rank 5 public transport facility. This facility is being built in line with a new sustainable model for public transport facilities. Various initiatives to provide integrate public transport were also facilitated in partnership with other stakeholders. These included the realignment of Metrobus routes to integrate with Gautrain at Park station. Stakeholders continued to be engaged on the management of travel demand, which included a study on park and rides with Gautrain.

Integrated Transport Plan (ITP): as part of the review for the ITP, the draft Strategic Integrated Transport Plan Framework (SITPF) was prepared for consultation. The household survey was completed including the draft Transport Information Register (TIR).

Municipal bus service data: Transport Department (Rea Vaya BRT)

The overall annual average of 35 953 passengers per day was achieved. The table below shows 2012/13 Rea Vaya BRT services data.

Table 33: Rea Vaya BRT service data for 2012/13

Municipal bus service data: Transport Department (Rea Vaya BRT)				
	2011/12 F/Y	2012/13 F/Y		2013/14 F/Y
	Actual no.	Estimate no.	Actual no.	Estimate no.
Passenger journeys	42 000	45 000	39 362	68 000
Seats available for all journeys	62 840	62 840	62 840	141 021
Average Unused Bus Capacity for all journeys (%)	33%	28%	38%	52%
Size of bus fleet at year end	134	134	134	277
Average number of buses off road at any one time	13	13	13	25
Proportion of the fleet off road at any one time (%)	9%	9%	9%	9%
No. of Bus journeys scheduled	129	129	129	249
No. of Journeys cancelled	8436	N/A	33234	N/A
Proportion of journeys cancelled	1.2%	N/A	0.6%	N/A

Transport Department (Rea Vaya) Bus Service policy objectives derived from the IDP

The table below contains the Transport Department (Rea Vaya) bus services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 34: Transport Department (Rea Vaya) Bus Service policy objectives derived from the IDP

Transport Department Bus Service policy objectives derived from the IDP								
Service objectives / service indicators	Service targets	Year -1 (2011/12)		Year 0 (2012/13)		Year 1 (2013/14)	Year 2 (2014/2015)	Year 3 (2015/16)
		Target	Actual	Target	Actual	Targets		
Rea Vaya BRT rollout (Phase 1B: trunk from Noordgesig to Parktown.	Phase1B operational and 45 000 passengers per day.	Construction of Dobsonville Depot, 4,92 km of roadways and 4 stations on Phase 1B. 70% BOC established.	BOC contracting and formation policy done; dispute resolution process (seat allocation) agreed upon; method for providing technical support done; tender for independent facilitators issued; negotiation mandate of city prepared.	45 000 passengers per day.	An average of 39 362 passengers carried per day.	30 000 passengers per day.	43 000 passengers per day.	45 000 passengers per day.

Transport Department Bus Service policy objectives derived from the IDP								
Service objectives / service indicators	**Service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**		**Year 1 (2013/14)**	**Year 2 (2014/2015)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**	**Actual**	**Targets**		
Rea Vaya BRT rollout (Phase 1C: trunk from Parktown to Alexandra and then Sandton.	Phase 1C 100% operationalized.	N/A	N/A	Phase 1C planned.	Phase 1C sustainability study completed.	Detailed design of infrastructure 25% complete and detailed operations design commenced.	Construction of infrastructure 80% complete. Fleet purchase, company contracting and formation in process.	System 100% operationalized.
Integrated Transport Planning (ITP).	ITP review completed.	Completion of household travel survey and TIR.	Rank surveys in other parts of the city, 80% information on public transport operators other than minibuses collected and public transport facility audit 95% complete.	ITP completed.	SITPF done and stakeholder consultation commenced. Household	Finalisation of long term integrated network of public transport, NMT and freight.	Detailed transport planning for identified nodes and corridors.	Detailed transport planning for further identified nodes and corridors.
					Survey done. Draft TIR in place.			

Table 35: Employee positioning for Rea Vaya during 2012/13

Employees: Transport Services					
Job level	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Employees no.	**Posts no.**	**Employees no.**	**Vacancies (fulltime equivalents)**	**Variances (as a % total posts) (%)**
0-3	7	9	7	2	0.18%
4-6	25	35	32	3	1.05%
7-9	37	315	278	37	4.1%
10-12	4	211	157	54	7.1%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	73	570	474	96	12.49%

Table 36: 2012/13 Financial performance: Rea Vaya transport services

Financial performance Year 0: Transport services R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget**
Total operational revenue	55,050	65,107	75,107	75,133	(26)
Expenditure:					
Employees	40,388	55,518	85,518	83,655	2
Repairs and maintenance	13,009	40,607	0	38,167	6
Other	374,425	518,566	472,496	379,879	20
Total operational Expenditure	427,822	614,691	633,121	576,834	56,287
Net operational expenditure	372,772	549,173	558,014	501,701	-

Table 37: 2012/13 Capital expenditure: Rea Vaya

Capital expenditure Year 0: Transport services R'000					
Capital projects	**Year 0 (2012/13)**				
	Budget	**Adjustment budget**	**Actual expenditure**	**Variance from budget**	**Total project value**
Total all	992,615	993,615	498,205	-494,410	
Roodepoort Rank 5	15,000	17,310	12,500	-2,500 (17%)	17,310
EPWN: NMT	-	118	118	118 (100%)	118
Road safety priority interventions	-	1,822	1,442	+1,442 (100%)	1,442
Managed lanes	-	300	-	0 (0%)	300
Transportation safety	-	810	809	809 (100%)	809
Orlando NMT project supervision	-	450	-	0 (0%)	450
Operational capital	400	400	-	-178 (44%)	400
Rea Vaya	970,215	972,405	483,114	-487,101 (50%)	972,405
Kaserne redevelopment	2,000,000	-	-	-2,000,000 (100%)	2,000,000
Non-motorised transport: Kaalfontein	5,000,000	-	-	-5,000,000 (100%)	5,000,000

The passenger journey commuted per year was 16 489 457 passengers carried by the Metrobus.
The table below shows 2012/13 Metrobus services data.

Table 38: Municipal bus service data: Metrobus

Municipal bus service data: Metrobus				
	Year -1 (2011/12)	Year 0 (2012/13)		Year 1 (2013/14)
	Actual no.	Estimate no.	Actual no.	Estimate no.
Passenger journeys	15 585 221	16 306 277	16 489 457	18 889 483
Seats available for all journeys	29 506 287	32 612 554	32 627 289	33 023 571
Average unused bus capacity for all journeys (%)	47%	50%	49%	43%
Size of bus fleet at year end	455	455	451	451
Average number of buses off road at any one time	87	89	117	117
Proportion of the fleet off road at any one time (%)	19.1%	19.5%	25.9%	25.9%
No. of Bus journeys scheduled	491 073	454 995	442 898	488 750
No. of Journeys cancelled	9 232	4 550	12 097	4 888
Proportion of journeys cancelled (%)	2%	1%	3%	1%

Table 39: 2012/13 Financial performance: Metrobus

Financial performance Year 0: Metrobus R'000					
Details	Year -1 (2011/12) Actual	Year 0 (2012/13)			
		Original budget	Adjustment budget	Actual	Variance from budget
Total operational revenue	394,785	434,466	447,466	426,068	21,398
Expenditure:					
Employees	203,079	220,508	217,954	212,344	5,610
Repairs and maintenance	53,892	44,636	47,191	55,793	(8,602)
Other	190,001	181,462	194,461	196,561	(2,099)
Total operational expenditure	446,972	446,606	459,606	464,698	(5,092)
Net operational expenditure	(52,187)	(12,140)	(12,140)	(38,630)	26,489

Table 40: 2012/13 Capital expenditure: Metrobus services

Capital expenditure Year 0: Metrobus services R'000				
Capital projects	Year 0 (2012/13)			
	Budget	Adjustment budget	Actual expenditure	Variance from budget
Total all	6,500	10,486	9,973	3,473
Building - various upgrades	200	610	436	236
Gear box replacements & engines	3,925	4,925	6,532	2,607

Capital expenditure Year 0: Metrobus services R'000				
Capital projects	Year 0 (2012/13)			
	Budget	Adjustment budget	Actual expenditure	Variance from budget
Furniture replacements	500	700	206	(294)
IT equipment	1,100	1,776	827	(273)
Plant and machinery replacement	200	400	81	(119)
Replace vehicle fleet	250	1,750	-	(250)
Software licences	325	325	1,891	1,566

Roads

The Johannesburg Road Agency is committed to delivering quality services in accordance with the Service Delivery Agreement (SDA) with the City of Johannesburg. During the year, to improve efficiencies within the company and ensure the JRA delivered on its mandate, the company embarked on a turnaround strategy to deliver on this objective. The JRA developed its Service Delivery Improvement Plan (SDIP) to escalate and improve performance in key areas. Of significance, was the alignment of the JRA improvement activities to the new service delivery standards (SDS) as expressed in the Customer Charter and service level agreement (SLA) with the City of Johannesburg.

The JRA operates under the Sustainable Services and Economic Growth clusters, which mainly focus on three key concepts: resilience, sustainability and liveable urbanism.
A resilient city is one that is able to continually change and adapt, yet remain within sustainable thresholds of existence, even when confronted with complexity and uncertainty.
Major projects implemented during the year include:

- Upgrading of gravel roads to surfaced standards in Braamfischerville, Diepsloot, Ivory Park and Orange Farm.
- Conversion of open storm water drains to underground systems in Braamfischerville, Diepsloot, Alexandra and Orange Farm. Designs were drafted for the rehabilitation of Naledi Bridge, New Canada and Emmarentia Dam.
- Construction was commenced on Alexandra and Le Roux Avenue bridges.
- Various storm water improvements were implemented.
- Road resurfacing and reconstruction was performed city wide, and traffic signal systems were upgraded.
- The repair of the sinkhole in Anchorville, Lenasia, reflected the JRA's state of readiness to respond to emergency situations. The project was completed within the allocated time, budget and the required quality.

Through JRA, the City continued to address challenges affecting service delivery, including resource capacitation, system integration, vandalism of infrastructure, underground water, vandalism of road traffic equipment, and overloading.

Gravel roads infrastructure

Table 41: Gravel roads infrastructure

Gravel roads infrastructure Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgrade to tar	Gravel roads graded / maintained
2010/11	997	0	13.02	1 952
2011/12	1 010	0	21.05	2 482
2012/13	1 031	0	16.99	789

Table 42: Tarred roads infrastructure

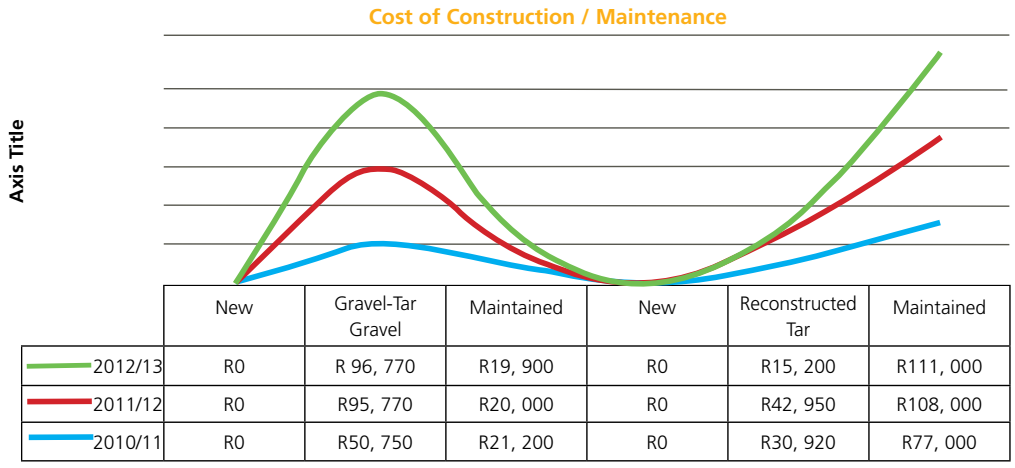
Tarred roads infrastructure Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads reconstructed	Existing tar roads resurfaced	Tar roads maintained
2010/11	8 324	13.2	14.25	146.23	Level 1 sweeping: 320.96 kilometres Chemical control: 320.96 kilometres

Tarred roads infrastructure Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads reconstructed	Existing tar roads resurfaced	Tar roads maintained
2011/12	8 337	21.05	15.86	151.76	Level 1 sweeping: 335.24 kilometres Chemical control: 335.24 kilometres
2012/13	8 358	16.99	5.2	73.47	Level 1 sweeping: 157.34 kilometres Chemical control: 157.34 kilometres

Table 43: Cost of construction and maintenance

Cost of construction / maintenance R'000						
Year	Gravel			Tar		
	New	Gravel - tar	Maintained	New	Reconstructed	Maintained
2010/11	0,00	50,75	21,2	0,00	30,92	77,00
2011/12	0,00	95,77	20	0,00	42,95	108,00
2012/13	0,00	96,77	19,9	0,00	15,20	111,00

Figure 16: Cost of gravel road construction and maintenance for the year, compared to previous years



Road service policy objectives derived from the IDP

The table below contains the road services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 44: Road service policy objectives derived from the IDP

Road service policy objectives taken from IDP								
Service objectives / service indicators	**Service target**	**Year -1 (2011/12)**		**Year 0 (2012/13)**		**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**	**Actual**	**Target**		
Sustainable services: Greater Ivory Park marginalised area.	Kilometres of road constructed with sidewalks. Gravel roads upgrade.	R25 million budgeted towards road construction, sidewalks and gravel roads upgrade.	R22.63 million /4.26 kilometres.	R25.8 million for detailed design and road construction.	R25.17 million / 5.8 kilometres.	R60 million for detailed design and road construction.	R60 million for detailed design and road construction.	R60 million for detailed design and road construction.
	R15.5 million for Con-struction of bridges.	R0.00 for The construction of one pedestrian bridge.	R0.00	R0.00 for The construction of one pedestrian bridge.	R0.00	R5 million for The construction of one pedestrian bridge.	-	R5 million for The construction of one pedestrian bridge.
Diepsloot marginalised area.	Upgrade 80% of gravel roads in 5-year period.	R25 million for The upgrading of roads.	R24.07 million / 7.5 kilometres.	R25 million for The upgrading of roads.	R23.96 mil-lion / 4.59 kilometres.	R44 million for The upgrading of roads.	R44 million for The upgrading of roads.	R44 million for The upgrading of roads.
	Three pedestrian bridges constructed.	R0.00 for The construction of one bridge.	R0.00	R0.00 for The construction of one bridge.	R0.00	R3 million for the construction of one bridge.	R3 million for The construction of one bridge.	R3 million for The construction of one bridge.
Greater Orange Farm marginalised area.	81 kilometres of road constructed. Gravel roads upgraded.	R28 million.	R25.71 million / 3.49 kilometres.	25%-20 kilometres of road constructed.	R25.17 million / 3.5 kilometres.	75% - 30 kilometres of road constructed.	100% - 31km constructed.	
Urban Water Management Programme: Promote and pilot new stormwater management strategies.	100% development of a manual and incorporation into project requirement and development approvals.	Stormwater management and by-laws.	N/A	50% of manual developed.	0% of the Manual was developed due to the Service Level Agreement not been finalised.	100% of the Manual developed.	50% application of the manual within CoJ projects and development approvals.	70% application of the manual within CoJ projects and development approvals.

Waste water: Stormwater drainage

The City's waste water services sector is responsible for installing and upgrading stormwater systems; resurfacing, rehabilitating and reconstructing roads; and installing and upgrading traffic signals.

During the year, stormwater systems were included in gravel road upgrade projects. This ensured stormwater could be properly drained from the road area. The conversion of open drains to enclosed stormwater systems is on-going as budget is allocated. Given the magnitude of open drains to be replaced, it will take many years to achieve acceptable replacement levels. A priority has been to replace open drains around schools to ensure the safety of children.

Over the years the City has neglected the upgrading of stormwater systems and the repair of erosion damage from storms in the various streams. In the year ahead, there will be a sharper focus on these requirements, especially with the potential impacts of climate change.

The increased surface areas resulting from additional complexes and shopping centres being built have further increased the run-off into existing stormwater systems and

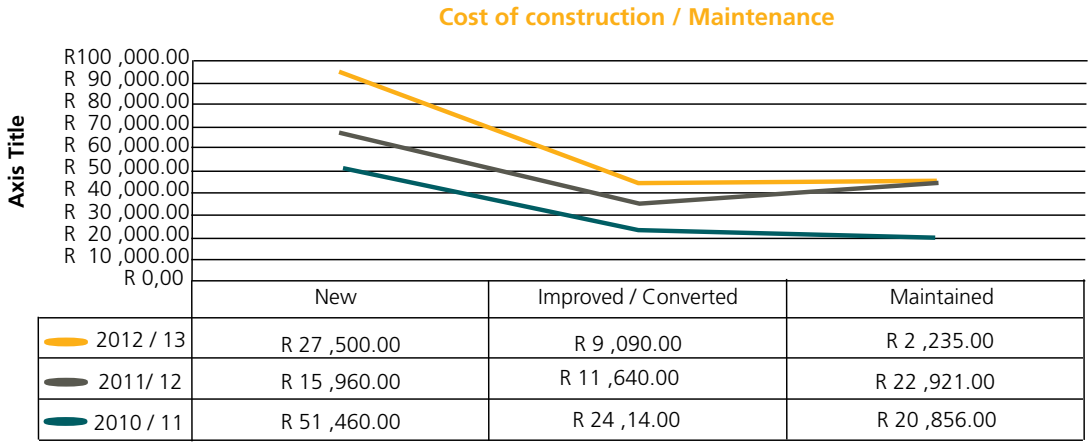
keeping ahead of the additional erosion remains a challenge. Numerous projects have been delayed due to the more stringent regulations from the Department of Water Affairs. Accordingly, the Johannesburg Road Agency has had to intensify preplanning efforts to ensure all legislation requirements are complied with before projects are identified for construction.

The table below provides a comparative analysis of stormwater infrastructure and the subsequent cost of construction.

Table 45: Stormwater infrastructure: cost of construction

Stormwater infrastructure Kilometres				
Year	**Total stormwater measures**	**New stormwater measures**	**Stormwater measures improved and /or converted**	**Stormwater measures maintained**
2010/11	3 571	3.2	2.1	6.68
2011/12	3 574.2	7.9	2.6	3.26
2012/13	3 653.2	4.6	3.1	2.08
Cost of construction/maintenance R'000				
Stormwater measures				
Year	New	**Improved / converted**		**Maintained**
2010/11	51,460	24,140		20,856
2011/12	15,960	11,640		22,921
2012/13	27,500	9,090		2,235

Figure 17: Cost of stormwater infrastructure construction and maintenance for the year compared to the previous years



Waste water: Stormwater drainage service policy objectives derived from the IDP

Table 46 contains the stormwater drainage services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 46: Waste water (Stormwater) service policy objectives derived from the IDP

Waste Water (Stormwater drainage) service policy objectives derived from the IDP								
Service Objectives	**Service target**	**2011/12**		**2012/13**		**2013/14**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**	**Actual**	**Target**		
Sustainable Services: Greater Ivory Park marginalised area.	Complete stormwater upgrade.	Stormwater master plan and implementation for IvoryPark.	R1,96 million Stormwater implementation.	R2 million Stormwater master plan.	R3.1 million Stormwater implementation.	R30 million implementation.	R30 million implementation.	R30 million implementation.
Urban Water management Programme:	100% of Plan developed.	N/A	N/A	25% of Plan revised.	0% of Plan revised.	50% of Plan revised.	75% of Plan revised.	100% of Plan revised.
Promote and pilot new stormwater management strategies.	100 % of Identified stress areas.	N/A	N/A	25% of Identified stress areas.	0% of Identified stress areas.	50% of Identified stress areas.	75% of Identified stress areas.	100% of Identified stress areas.
	100% of Guideline developed.	N/A	N/A	50% of Guideline developed.	0% of Guideline developed.	100% of Guideline developed and by-law review initiated.		

Employees: Road and stormwater services

During the review period, the road and stormwater service sector consisted of 1 562 employees, 105 vacancies (fulltime equivalents), with vacancies constituting 6.18% of total posts. The table below provides the analysis of road and stormwater service staff positioning.

Table 47: Employee positioning for roads and stormwater services during 2012/13

Employees: Road and stormwater services					
Job level	**2011/12 FY**	**2012/13**			
	Employee no.	**Posts no.**	**Employee no.**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts) (%)**
1-2	4	7	6	3	0.06%
3-5	173	224	190	34	2.04%
6-9	1 496	1 434	1 366	68	4.08%
Total	1673	1 665	1 562	105	6.18%

Table 48: 2012/13 Financial performance: Roads and stormwater services

Financial performance 2012/13: Road and stormwater services R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjusted budget**	**Actual**	**Variance from budget (%)**
Total operational revenue	546,428	548,190	597,607	652,281	19%
Employees	326,308	310,851	340,701	330,969	6%
Repair & maintenance	166,478	170,000	180,000	191,367	12%
Other	214,213	67,339	76,906	71,454	6%
Total operational expenditure	706,999	548,190	597,607	594,060	8%

Financial performance 2012/13: Road and stormwater services R'000					
Details	Year -1 (2011/12)	Year 0 (2012/13)			
	Actual	Original budget	Adjusted budget	Actual	Variance from budget (%)
Net operational expenditure	160,571	0	0	58,221	-

Comment on capital expenditure for the year ended 30 June 2013 for Roads and stormwater services

The City experienced numerous delays in the execution of its 2012/13 capital projects, including work stoppages due to labour disputes; water and sewerage overflow; and cash flow challenges experienced by contractors. The City allocated 90% of its total capital expenditure for the 2012/13 financial, which is an improvement of 4% compared to the previous year. In the year ahead, the approved capital expenditure budget for 2013/14 will incorporate minor variances within programmes, without impacting the overall budget allocation for the year.

During the review period, various programmes were implemented to address stormwater improvements, city-wide road resurfacing and reconstruction, the upgrading and installation of traffic signals, and sinkhole repairs. Two challenges affecting service delivery during the year were the lack of reliable fleets; and pre-planning delays resulting from longer lead-times for meeting environmental compliance requirements.

Table 49: 2012/13 Capital expenditure: Roads and stormwater services

Capital expenditure Year 0: Stormwater service R'000			
Capital projects	Year 0 (2012/13) budget	Expenditure as at 30 June 2013	Variance from budget (%)
Conversion of open drains	15,500,000	9,167,865	63%
Storm-water maintenance	39,858,000	25,791,352	64%
Dam management – New Canada	5,000,000	659,522	13%
Road rehabilitation-resurfacing	18,000,000	18,737,504	127%
Road reconstruction	15,000,000	15,161,137	101%
Road construction – Westlake	1,500,000	0	0%
Gravel roads upgrade	96,056,000	95,418,437	101%
Bridge management	42,144,000	25,112,003	65%
Traffic signal management	22,000,000	20,716,798	103%
Low carbon infrastructure	5,000,000	5,000,000	0%
Citizen participation – June 16	4,809,000	4,717,817	103%
Planning management	6,000,000	970.777	17%
Yellow plant	0	17,622,931	-
Operational capex	15,000,000	9,465,869	56%
UPS & solar panels EPWP	5,000,000	0	103%
Total	290,867,000	248,542,012	90%

Planning and development

The City's Department of Development Planning is responsible for formulating medium to long-term spatial strategies and policies to guide development in the City towards the achievement its Joburg 2040 Vision and GDS outcomes.

The Department provides the regulatory policy framework for decision-making on development issues in the City. All other departments and municipal entities (MEs) are required to align with the framework towards achieving the City's future vision. The Department's robust strategic urban planning function is supported by statutory operations of land use and building development management. These daily operations are critical in supporting economic growth, as the improvement and regulation of property development are key determinants for directing revenue to the City.

As property is the primary building block for urban development, the Department is also the custodian of the City's property information as well as other core data-sets, such as street addresses and aerial photography. The property lifecycle is managed through the property value chain and maintained in the Land Information System (LIS), which is the source of property information for billing purposes.

The Department performs the following strategic 'enabling' functions:

- Strategic metropolitan planning and spatial development.
- Land-use development management and statutory enforcement.
- Building development management and statutory enforcement.
- Spatial data, spatial mapping and spatial information dissemination.
- City-wide capital prioritisation and coordination.

Given the Department's role as strategic 'enabler' in the City, it is the key driver of the location, type and scale of development in the City. In parallel, the Department has to manage this development so that that the City's goals of urban restructuring are achieved. By providing an effective and efficient land-use and building control service, the Department plays a pivotal role in the management of the built environment to support the City's sustainable economic growth.

The following achievements were reported during the year:

- Completion of Phase 1 of the City's Spatial Development Framework.
- Completion of final draft 'Building Retrofit for Energy Efficiency Guideline Document'.
- Completion of the framework for the 'Johannesburg Built Environment Standards and Guidelines' (the Joburg 'Red Book').
- Completion of the 'Future City Model', including 3-D images of the future City form, from 'Decade 0' (present day) to 'Decade 3' (2040).

The completion of the Future City Model was the Department's milestone achievement for the year under review, as the model provides the basis for the 'Corridors of Freedom' announced by the Executive Mayor in his State of the City Address. The 'Corridors of Freedom' are the anchor of the City's urban restructuring mandate over the next three decades leading up to 2040. The Future City Model is, therefore, the current spatial policy output produced by the Department to provide the primary development decision-making framework to guide and enable both the City's political leadership and the administration at large to work towards the collective realisation of the future City, as envisaged by Joburg Vision 2040.

During the year, the Department prioritised the processing of town planning and building applications, as well as the legal enforcement of approved applications.

To improve efficiency in this regard, the Department completed the process design for a re-engineered law enforcement system, which will be implemented in the year ahead. Further, the turnaround times for the processing of both town planning and building applications were maintained during the review period, with only a slight reduction in the percentage of building plans processed in the fourth and final quarter of 2012/13.

The Department prioritised the reconciliation of disparities between the SAP system and the Land Information System (LIS). Accordingly, further resources were allocated to intensify the resolution of SAP/LIS mismatches. As at the end of 2012/13, 98% of deeds transfers were processed on the LIS and 100% of new mismatches between the graphic information system (GIS) and monthly deeds downloads were resolved.

Table 50: Applications for building development management

Applications for building development management				
Detail	**Township applications**		**Re-zoning applications**	
	Year -1 (2011/12)	**Year 0 (2012/13)**	**Year -1 (2011/12)**	**Year 0 (2012/13)**
Planning application received	82	125	692	651
Townships concluded	100	98	539	581
Applications outstanding at year end (accumulation from previous years)	112	71	255	331

Planning and development service policy objectives derived from the IDP

Table 51 contains the planning and development policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 51: Planning and development service policy objectives derived from the IDP

Planning and development service policy objectives derived from the IDP								
Service Objective/ service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
Service indicators processing of town planning applications (3 types)		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year		Current year	Current year	Following year
Service objective: processing of town planning applications (3 types)									
(1) Rezoning applications. (months)		7	Less than 6 months	7	5.8	5.8	5.5	5.5	5.5
(2) Township applications. (months)		7	Less than 6 months	7	5.8	5.8	5.5	5.5	5.5
(3) Consent use applications. (months)		3	Less than 3 months	3	2.8	2.8	2.5	2.5	2.5

Employees: Department of Development

During the year, employees for the Department of Development consisted of 378 employees, 389 vacancies (fulltime equivalents); and vacancies constituted 51% of total posts.

Table 52: Employee positioning for the Department of Development Planning during 2012/13

Employee: Planning services					
Job level	Year -1 (2011/12)	Year 0 (2012/13)			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) (%)
1 & 2	0	1	1	0	0%
3 & 4	13	15	14	1	7.00%
5 & 6	61	161	81	80	5%
7 & 8	236	465	200	265	1%
9 & 10	87	90	72	18	20%
11	6	35	10	25	0.71%
Total	403	767	378	389	51%

Table 53: 2012/13 Financial performance: Planning services

Financial performance Year 0: Planning services R '000					
Details	Year -1 (2011/12)		Year 0 (2012/13)		
	Actual	Original budget	Adjustment budget	Actual	Variance from Budget (%)
Total operating revenue	139,800	127,187	253,802	119,398	-6.52%
Expenditure:					
Employees	304,837	310,162	338,734	157,474	-96.96%
Repairs and maintenance	1,652	8,505	11,864	6,060	-40.35%

Financial performance Year 0: Planning services R '000					
Details	Year -1 (2011/12)		Year 0 (2012/13)		
	Actual	Original budget	Adjustment budget	Actual	Variance from Budget (%)
Other	142,880	227,465	164,272	90,741	-150.67%
Total operational expenditure	449,369	546,132	514,870	254,275	-114.78%
Net operational expenditure	309,569	418,945	261,068	134,877	-210.61%

Table 54: 2012/13 Capital expenditure: Planning services

Capital expenditure Year 0:Planning services R'000					
Capital projects	Year 0 (2012/13)				
	Budget	Adjustment budget	Actual Expenditure	Variance from budget (%)	Total project value
Total (all)	149,067,000	131,251,000	106,688,691	-39.72%	757,972,000
Core CBD upgrade	53,450,000	53,450,000	53,192,622	-0.48%	53,450,000
Children's Safety Centre	500,000	-	-	-	-
Iphuteng School	300,000	-	-	-	-
Lombardy East	2,200,000	-	-	-	-
People's Court	1,000,000	-	-	-	-
Retirement facility	2,000,000	-	-	-	-
Minerva School	2,000,000	-	-	-	-
Sankopano Community Centre	500,000	500,000	-	100%	500,000
Mental Health Clinic – Alexandra	2,000,000	7,800,000	2,086,183	4.13%	7,800,000
Land Audit Special Planning	2,800,000	-	-	-	-

Capital expenditure Year 0:Planning services R'000					
Capital projects	Year 0 (2012/13)				
	Budget	Adjustment budget	Actual Expenditure	Variance from budget (%)	Total project value
Refurbishment Clinic 4th Ave Alexandra	1,800,000	1,800,000	-	-	1,800,000
Linear Markets Alexandra	600,000	600,000	-	-	600,000
Toilet conversion Alexandra	1,000,000	1,000,000	-	-	1,000,000
Sub total	16,700,000	11,700,000	2,086,183	-700.51%	11,700,000
Bara Central public environmental upgrade	7,000,000	7,000,000	6,979,631	-0.29%	37,000,000
Diepsloot South public environmental upgrade	12,331,000	3,500,000	3,448,724	-257.55%	96,000,000
Land regularization	10,000,000	10,000,000	10,000,000	0.00%	20,000,000
Alexandra Automotive Cluster	11,000,000	4,850,000	-	100%	21,000,000
Stretford Station Precinct public environmental upgrade	11,000,000	11,692,000	11,669,237	5.74%	45,000,000
Zola Node public environmental upgrade	10,000,000	10,000,000	10,000,000	0.00%	50,000,000
Bambanani Ivory Park	-	6,688,000	-	-	32,000,000
Poortjie Economic Activity	9,500,000	0.00	-	-	-
Sub total	70,831,000	53,730,000	42,097,592	-68.25%	301,000,000
June 16 trail	7,586,000	6,862,000	6,036,899	-25.66%	7,586,000

Capital expenditure Year 0:Planning services R'000					
Capital projects	**Year 0 (2012/13)**				
	Budget	**Adjustment budget**	**Actual Expenditure**	**Variance from budget (%)**	**Total project value**
Sub total	7,586,000	6,862,000	R6,036,899	-25.66%	7,586,000
Operating	500,000	509,000	495,136	-0.98%	500,000
Equipment	-	5,000,000	3,027,827	100.00%	5,000,000
Sub total	500,000	5,509,000	3,027,827	83.49%	5,000,000

Environmental protection

The City of Johannesburg's facilitates environmental sustainability programmes for the conservation of water, land and air through its Environmental Management Department and the Infrastructure and Services Department (collectively known as 'EISD'). These programmes are aligned with national conservation objectives relating to water conservation; integrated waste management; the protection of biodiversity; air quality management; energy diversification; and the impacts of climate change.

Water conservation and urban water management
The City endeavours to ensure reliability and availability of acceptable quality and quantity of water to promote communal health, positive livelihoods and commercial production for the citizens of Johannesburg. It does so by developing programmes that continually enhance and protect water resources and manage water demand. In 2012/13, the City finalised its position paper on Acid Mine drainage (AMD) and mine residue areas (MARs) and proposes recommendations on the City's response towards addressing these issues. The City undertakes continuous water quality monitoring in identified 'hot spots'. A 3% reduction of E.coli was achieved for 2012/13. The majority of monitoring is done in indigent communities to ensure good quality of surface water.

The hot spots referenced below refer to indigent communities and the reporting relates to improvements or deterioration against a baseline count for E.coli in the reporting year.

Table 55: Progress (improvements / deterioration) against a baseline count for E.coli in 2012/13

Hot spot monitoring point(s)	Description	Progress against baseline count for Ecoli 2012/13
Bosmontspruit monitoring point.	Monitors water flowing through the Mayibuye informal settlements.	Showed an improvement.
Orlando Dam monitoring point.	Monitors water quality flowing along the Diepkloof-Baileyspruit area.	Showed an improvement.
Alexandra monitoring points (Inflow and Outflow).	Monitor water quality flowing into and out of Alexandra township as well as the S'tlwetla informal settlements.	Showed an improvement.
Kaalspruit Inflow and Outflow monitoring points.	Monitor water quality flowing through Ivory Park.	The inflow monitoring point showed an improvement and the outflow monitoring point showed deterioration.

Pollution control

Integrated waste management
The City provides integrated waste management services to ensure alternative and sustainable methods of waste disposal to prevent serious health and ecological degradation in Johannesburg. This is undertaken with the long-term objective of reducing the waste destined for landfill sites through recycling initiatives. For 2012/13 the City established six waste sorting facilities (buy back centres) and achieved an 8% diversion of waste destined for landfills. These facilities are conveniently located in areas for easy access by communities transporting the waste. For indigent communities, this initiative has the added benefit of providing income generation opportunities through the sale of collected materials.

The City supports community members participating in the waste reduction initiative - known as "waste reclaimers" - by providing training (such as waste recycling and financial management training) and by forming cooperatives.

Newly established facilities have also been located close to communities in the south of Johannesburg.

Energy diversification and climate change impacts
The City endeavours to ensure adequate energy supply, whilst controlling and managing the associated impact for both present and future generations. This is undertaken with the long-term objective of reducing the impact of climate change and diversifying the supply of energy. In 2012/13, the City accumulated 88 987 Verifiable Emission Reductions (VERs) from 'landfill gas to energy' projects at two landfill sites, namely Marie Louis and Robinson Deep. The VERs can be claimed from The United Nations Framework Convention on Climate Change (UNFCCC) as certified emission reductions, commonly known as carbon credits. The communities benefiting from the initiative are in Dobsonville and Braamfischerville. The benefits for these communities include reduced odours and greenhouse gases, which collectively contribute to cleaner air in the area. The initiatives also have associated opportunities for job creation and conservation oriented skills transfer.

In support of the reduction of climate change impact, the City completed the feasibility study on fuel conversion for Metrobus for future implementation. These buses are mostly used by poorer communities within Johannesburg. The implementation of fuel conversion project will further benefit these communities - and Johannesburg residents as a whole - by reducing greenhouse gases and enhancing the quality of surrounding air.

Service statistics for environmental protection

The City has a responsibility to regulate, monitor and enforce city-wide compliance with a variety of environmental laws, ranging from the Constitution, to the National Environmental Management Act (NEMA), specific environmental management acts (SEMAs) and local government by-laws. The city is constitutionally mandated to perform the above compliance related functions in terms of its original functions set out in Parts B of Schedule 4 and 5 of the Constitution.

Waste Diversion: The City monitors the ratios of 'diversion of waste to landfill site' with the aim of providing sustainable waste management service to the residents of Johannesburg. In the previous year (2011/12), the City achieved 7% diversion of waste to landfill, whilst achieving an 8% diversion of waste to landfill during 2012/13.

Waste licensing: As part of its mandate to enforce compliance with waste bylaws, the City has implemented a registration and licensing regime. The regime aims to register all waste-related activities and to issue a license once certain conditions have been met. The decline in the number of registrations during the review period is attributed to the fact that many companies and individuals are already registered on the system. The licenses issued during the year included renewals from previous years' registrations and new license applications. During the year, 277 registrations were undertaken (2011/12: 498) and 607 licenses issued (2011/12: 1 160).

Urban Water Management: The City monitors E.coli reduction to ensure good quality of water. The City recorded a 3% reduction of Ecoli during the reporting year.

Environmental compliance of flagship projects: The City monitors environmental compliance of its three flagship projects within Johannesburg. These are the Alexandra Renewal Project (ARP), Cosmo City and Gautrain. An environmental compliance calculator is used to determine the compliance levels of each of the projects on a quarterly basis and an average compliance is concluded at the end of the financial year. The City achieved an environmental compliances rate of 93.75% during the year (2011/12:94.6%).

Orlando dam rehabilitation: Johannesburg Property Company (JPC) acts as an implementing agent, and has completed the following activities at the cost of R1.3 Million (allocated in the year under review):

- Orlando Wetland Rehabilitation Plan
- Clearing alien vegetation and planting of indigenous plants
- Fencing off the wetland and installation of signage.

Environment and Infrastructure Services Department (EISD) service policy objectives derived from the IDP

The table below contains the Environment and Infrastructure Services Department's policy objectives derived from the IDP, and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 56: Environment and Infrastructure Services Department (EISD) service policy objectives derived from the IDP

Environment and Infrastructure Services Department (EISD) service policy objectives derived from the IDP									
Service objectives / Service indicators	**Outline service targets**	**Year 0 (2012/13)**		**Year 1 (2013/14)**			**Year 2 (2014/15)**	**Year 3 (2015/16)**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		Previous year		**Previous year**	**Current year**		**Current year**	**Current year**	**Following year**
Water conservation/urban water management									
Improve water quality and integrity of water courses by reducing bacteriological and chemical contamination.	% of E.coli reduction at identified hotspots.	Implementation of Klipriver/ Klipspruit (KK) interventions; continue with water quality monitoring.	3% E.coli reduction in the identified hotspots.	Implementation of KK interventions; continue with water quality monitoring.	4 hotspots improved.	Not yet available.	6 hotspots improved.	8 hotspots improved.	75% E.coli monitoring.
	% Rehabilitation of urban impoundments.	Conduct environmental impact studies to support authorization of the remaining 32 nodes.	100% Rehabilitation of Zoo Lake and Orlando Dam.	On-going.	20% of Priority areas rehabilitated and improved.	Not yet available.	50% of Priority areas rehabilitated and improved.	75% of Priority areas rehabilitated and improved.	8 water courses rehabilitated.
	% Development of AMD Position Paper.	Facilitate implementation of AMD programme.	100% Completion of AMD Position Paper.	None.	None.	Not yet available.	25% Implementation of recommended actions and mitigation measures.	50% Implementation of recommended actions and mitigation measures.	None
	Number of developments where Sustainable Urban Drainage System (SUDS) principles have been adopted.	New KPI for Year 0.	SUDS principles were applied to 84 development applications.	New KPI for Year 0.	New KPI for Year 0.	Not yet available	New KPI for Year 0.	New KPI for Year 0	None.
Water conservation/urban water management									
	% Development of SUDS guideline.	New KPI for Year 0.	100% Completion of SUDS guidelines.	New KPI for Year 0.	100 % of Guideline developed and by-law review initiated.	Not yet available.	None.	None.	None.

Environment and Infrastructure Services Department (EISD) service policy objectives derived from the IDP									
Service objectives / Service indicators	**Outline service targets**	**Year 0 (2012/13)**		**Year 1 (2013/14)**			**Year 2 (2014/15)**	**Year 3 (2015/16)**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		Previous year		**Previous year**	**Current year**		**Current year**	**Current year**	**Following year**
Integrated waste management									
Facilitate implementation of waste diversion programs	Reduction of waste tonnage to landfill.	Facilitate mechanisms for waste exchange programs for sector 1; waste separation at priority CoJ facilities.	88 934 Out of 1 163 941 tonnes of waste diverted from landfill sites amounting to 8% diversion for the financial year.	Facilitate mechanisms for waste exchange programs for sector 3; waste separation at priority CoJ facilities.	162 478 Tonnes of waste diverted.	Not yet available.	216 637 Tonnes of waste diverted.	270 797 Tonnes of waste diverted.	20 % Waste reduction.
	Number of waste diversions facilities constructed.	Establish waste recycling facilities.	Six waste diversion facilities established	Establish waste recycling facilities.	None.	Not yet available.	None.	None.	None.
Biodiversity conservation									
Increase and preserve priority conservation areas.	% of Total metropolitan areas protected (through formal biodiversity protection status allocation) in terms of the Protected Areas Act (NEMA).	Promote and implement conservation based eco-tourism products and services; development of bioregional plan and green servitude.	Bio-regional plan was developed during the financial year 2011/12. For the financial year 2013/14 a bioregional plan was applied to 40 development applications processed.	Implement conservation based eco-tourism products and services; development of bioregional plan and green servitude.	Biodiversity audit.	Not yet available.	Development of management plans for selected critical biodiversity areas.	Proclamation of selected critical biodiversity areas.	5% of Designated metropolitan area protected.
Improve air quality by reducing GHG emissions and therefore reducing the City's negative impact on climate change.	% Improvement in data collection, quality and reporting.	Upgrade of AQ monitoring; upgrading of monitoring network; establishment of laboratory.	Procurement of goods for upgrading of AQ monitoring equipment; collection of 60% data for establishment of GHG monitoring system.	Continue with AQ monitoring; maintain laboratory status.	Audit and overhaul of existing monitoring network 100% complete; 100% complete and functional GHG monitoring system.	Not yet available.	Additional monitoring station in Rietvlei Farm; enhance dispersion modelling capacity; modelling of the CoJ's future GHG emissions i.e. a business as usual trajectory.	Revision of current air quality management plan and monitoring system; develop and finalize the verification system for GHG emissions.	15% Reduction in Particulate Matter (PM 10); 15% reduction in GHG emissions.

Environment and Infrastructure Services Department (EISD) service policy objectives derived from the IDP									
Service objectives / Service indicators	**Outline service targets**	**Year 0 (2012/13)**		**Year 1 (2013/14)**			**Year 2 (2014/15)**	**Year 3 (2015/16)**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
		Previous year		**Previous year**	**Current year**		**Current year**	**Current year**	**Following year**
Air quality and climate change impacts									
Improve air quality by reducing GHG emissions and therefore reducing the City's negative impact on climate change.	Number of low carbon projects and potential funding sources.	New KPI for Year 0.	The Department (Environment and Infrastructure Service) has concluded on the assessment of three low carbon projects which are: municipal owned entities, energy efficiency improvement and emission reduction project- potential sponsor being JSE/Siemens: Greening the rooftop of Metro Centre Building - potential funder is DBSA: Food gardening project - potential funder is SANBI who has been approached in response to call for proposal for adaption funding.	New KPI for Year 0.	Convene platforms with stakeholders to explore potential low carbon projects for CoJ.	Not yet available.	Convene platforms with stakeholders to explore potential low carbon projects for CoJ.	Facilitate the realization of carbon credits from the low carbon projects.	None.

Employees: Environment and Infrastructure Services Department (EISD)

During the year, the Environment and Infrastructure Services Department had 104 employees, and 16 (13%) vacancies. Table 57 provides a breakdown of staff positioning.

Table 57: Employee positioning: Environment and Infrastructure Services Department during 2012/13

Employees: Environment and Infrastructure Services Department					
Job level	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Employees no.	**Posts no.**	**Employees no.**	**Vacancies (fulltime equivalents) no.**	**Vacancies (as a % of total posts) (%)**
0-3	11	11	9	2	18%
4-6	39	39	31	8	21%
7-9	64	64	59	5	8%
10-12	6	6	5	1	17%
Total	120	120	104	16	13%

Table 58: 2012/13 Financial performance: Environment and Infrastructure Services Department

Financial performance year-0: Environment and Infrastructure Services Department R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget**
Total operational revenue	-3,677	-57,061	-55,321	-10,660	-44,661
Expenditure:					
Employees	59,917	56,733	56,733	52,962	3,771
Repairs and maintnance	211	256	256	65	191
Other	23,842	33,137	33,297	24,057	9,240
Total operational expenditure	83,970	90,126	90,286	77,083	13,203
Net operational expenditure	80,293	33,065	34,965	66,423	-31,458

Table 59: 2012/13 Capital expenditure: Environment and Infrastructure Services Department (EISD)

Capital expenditure Year 0: Environment and Infrastructure Services Department R'000					
Capital projects	**Year 0 (2012/13)**				
	Budget	**Adjustment budget**	**Actual expenditure**	**Variance from budget**	**Total project value**
EPWP: Ivory Park Wetland rehabilitation	700,000	-700,000	-	-	-
Upgrade and maintenance of air quality	1,000,000	-	911,854.93	88,145.07	1,000,000
Rehabilitation of Orlando Dam	1,300,000	-	1,265,005.55	34,994.45	1,300,000
Zoo Lake rehabilitation	2,000,000	-	1,754,325	245,675	2,000,000
Establishment of Buyback Centre	1,700,000	-	1,491,221.02	208,778.98	1,700,000.00

Looking ahead

During the 2012/16 term of office, the Sustainable Service Cluster aims to institute programmes that are transformative (changing course), whilst taking care of the core business of municipal infrastructure provision and maintenance (continuity), with a view to intersecting programmes which can optimise City revenue

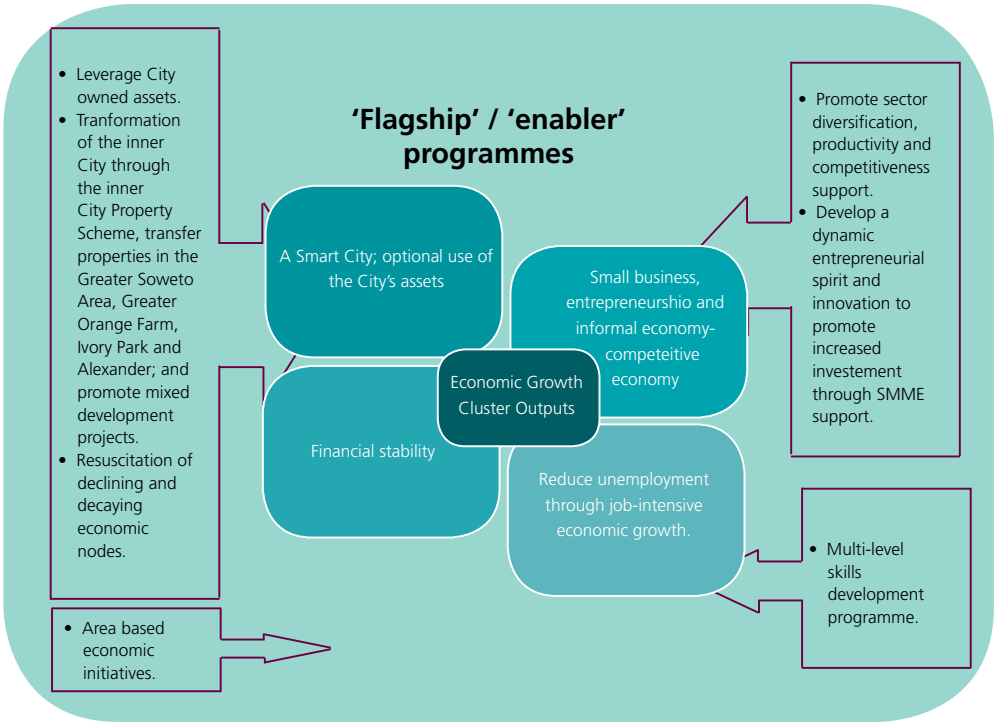
Economic Growth Cluster

An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens

Vision of an inclusive, job-intensive, resilient and competitive economy

The Department of Economic Development is mandated to lead the City in the pursuit of its vision of an inclusive, job-intensive, resilient and competitive economy. In so doing, it must also champion the City's approach to the economic transformation of Johannesburg and, therein, the city's efforts to address the triple challenges of unemployment, poverty and inequality. One of the Department's primary tasks is to develop a coherent economic development policy framework for the City, to provide clarity, guidance and leadership on its development agenda.

Figure 18: Outputs for the Economic Growth Cluster, with associated 'Flagship' / 'enabler' programmes



Performance highlights

Table 60: Economic Growth Cluster Performance highlights

Strategic imperative	Performance highlight
Sector diversification and competitiveness	A total of 3 967 SMMEs were supported through the SMME development programmes. This support included assisting informal traders to obtain trading licences, and mentoring 21 SMMEs for a full calendar year in partnership with the Gauteng Enterprise Propeller.
	The Soweto Energy SMME Incubator supported with funding to the value of R27 million from the Eskom Foundation and the Department of Trade and Industry.

Strategic imperative	Performance highlight
Reduce unemployment	Facilitated a total of 794 job placements in the Tourism Sector.
	The City created 36 588 work opportunities (against a target of 35 000), thereby exceeding its target by 1 588 work opportunities.
Optimal use of the City's assets	The City initiated developments covering at least ten properties in the previously awarded ICPS and created employment by directing construction work to Broad Based Black Economic Empowerment (BBBEE) service providers.
	More than 150 properties transferred to beneficiaries (Soweto, Orange Farm, Ivory Park, Alexandra.)
	Broadband infrastructure layout also completed (over 900 km) as planned across the City; in the next step it is critical to realise intended objectives of access/connectivity.

Performance overview

During the City's Integrated Planning Process (IDP) the Economic Growth Cluster identified a number of priority programmes, which include:

- Promoting sector diversification, productivity and competitiveness support.
- The leveraging of City-owned assets - which encompasses the transformation of the Inner City through the Inner City Property Scheme (ICPS), the transfer of properties in the Greater Soweto Area, Greater Orange Farm, Ivory Park and Alexandra; as well as the promotion of mixed development projects.
- A Multi-level skills development programme, which comprises the Jozi Skills Hub and the Expanded Public Works Programmes (EPWP).
- A programme to develop a dynamic entrepreneurial spirit, competitiveness, innovation and to promote increased investment through SMME support. The latter entails creating partnerships to provide City-wide enterprise development training and support.

A consolidated SDBIP and performance progress is contained at the end of Chapter 3.

Multi-level skills development

Jozi Skills Hub (JSH)

The City established the Jozi Skills Hub website to assist jobseekers with placements across different sectors. The City facilitated a total of 794 job placements in the Tourism Sector.

Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) aims to reduce unemployment and alleviate poverty by creating on-the-job training. During the year, the City created 36 588 work opportunities (against a target of 35 000), thereby exceeding its target by 1 588 work opportunities.

Leveraging city-owned assets

Inner City Property Scheme (ICPS)

In line with its commitment to transform the Inner City of Johannesburg through the Inner City Property Scheme (ICPS), the City acquired eight properties during the year. The City initiated developments covering at least ten properties in the previously awarded ICPS and created employment by directing construction work to Broad Based Black Economic Empowerment (BBBEE) service providers.

Transfer of properties to targeted beneficiaries

During the year, the City achieved and exceeded its planned transference target of 150 properties, by transferring 155 properties to targeted beneficiaries.

SMME development

A total of 3 967 SMMEs were supported through SMME development programmes. This support included assisting informal traders to obtain trading licences, and mentoring 21 SMMEs for a full calendar year in partnership with the Gauteng Enterprise Propeller. The Department of Economic Development also facilitated funding to support the Soweto Energy SMME Incubator to the value of R27 million from the Eskom Foundation and the Department of Trade and Industry.

Table 61: Gross value added by SMMEs by sector

Gross value added by sector (GVA-R) current prices (R 1000)			
	2010/11	2011/12	2012/13
Agriculture	1,130,638	1,218,566	1,397,072
Mining	10,665,736	10,845,650	10,188,391
Manufacturing	57,013,305	55,506,949	57,700,668
Electricity	10,250,384	11,679,213	12,717,599

Gross value added by sector (GVA-R) current prices (R 1000)			
Construction	18,734,627	20,383,678	22,938,319
Trade	68,471,064	76,742,388	86,240,892
Transport	31,134,527	35,514,969	38,025,762
Finance	113,791,968	127,177,607	139,051,084
Community services	81,626,347	91,429,875	99,015,174
Total industries	392,818,596	430,498,896	467,274,962

Table 62: Employee numbers by sector for formal and informal sectors during 2012/13

Total employment by sector (Formal + Informal)			
	2010/11	**2011/12**	**2012/13**
Agriculture	8 511	8 159	9 071
Mining	15 331	13 876	13 946
Manufacturing	258 711	255 901	252 977
Electricity	13 005	12 569	13 369
Construction	131 908	132 214	132 486
Trade	470 248	482 322	486 440
Transport	128 484	130 964	137 551
Finance	485 221	503 906	518 858
Community services	325 887	348 654	367 820
Households	161 334	156 198	159 421
Total	1 998 639	2 044 764	2 091 940

Table 63: Work opportunities created through EPWP projects 2012/13

The table below depicts work opportunities created through EPWP projects. During the year, the City of Johannesburg exceeded its planned target of 35 000 jobs created through EPWPs by creating 36 588 jobs.

Table 64: Work opportunities created through EPWP projects 2012/13

Job creation through EPWP projects		
Details	**EPWP projects no.**	**Job created through EPWP projects no.**
2009/10	250	41 183
2010/11	318	86 711
2011/12	391	30 732
2012/13	281	36 588
Total	1 240	195 214

Local economic development service policy objectives

Table 65 contains the local economic development policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 65: Local economic development service policy objectives derived from the IDP

Local economic development service policy objectives derived from the IDP									
Service objectives / Service indicators	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**		**Actual**	**Target**		
		Previous year		**Previous year**	**Current year**	**Current year**			
Service objectives									
Sector diversification, productivity and competitiveness support.	Green economy framework to facilitate city-wide green initiatives (SS) including trade & investment, environment, DP, JPC, and other industry players such as City Power's retrofitting of buildings and Pikitup's separation of waste at source.	N/A	N/A	N/A	% Completion of green economy infrastructure and green economy strategic framework and implementation plan.	The green economy strategy and framework has been completed.	Attract 10% investment into City's green investment projects. 10%	Attract 25% investment into City's green investment projects. 25%	Attract 50% investment into City's green investment projects. 50%
	Buy, sell, invest and visit Joburg initiative (T&I) incl. all City Depts. MEs, DoFA and other industry role players.	N/A	N/A	N/A	1. Successful implementation of Buy, Sell, Invest Visit Joburg 2012/13 event. 2. Post conference impact assessment report.	1. Conference moved to 17-19 September 2013. 2. An electronic copy of a brochure is 100% developed. 3. The post conference assessment report could not be done, since the conference was postponed.	Hosting a successful BSIV Joburg. The rand value of business transactions and market penetration of value added goods and services from the City's exposure of SMME and BEE's branding and image building.	Hosting a successful BSIV Joburg. The rand value of business transactions and market penetration of value added goods and services from the City's exposure of SMME and BEE's branding and image building.	Hosting a successful BSIV Joburg. The rand value of business transactions and, market penetration of value added goods and services from the City's exposure of SMME and BEE's Branding and image building.
	Support the information and communication technology sector by the rolling out of a broadband network (access and connectivity).	Roll out 910 kilometres Johannesburg Broadband Network Project JBNP fibre throughout the City.	750 kilometres of fibre was laid out in line with the approved implementation plan.	Roll out 910 kilometres JBNP fibres throughout the City.	920 kilometres (Cumulative target) and number of jobs created.	900 kilometres has been rolled out. Cumulative number of jobs created is 2 581.	25% of Targeted buildings/ users accessing the Joburg Broadband Network (JBN).	25% of Targeted buildings/ users accessing the JBN.	50% of Targeted buildings/ users accessing the JBN.

Local economic development service policy objectives derived from the IDP									
Service objectives / Service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year	Current year			
Service objectives									
Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment through support to SMMEs.	Number of beneficiaries – citywide, from LMID system.	Facilitate training under Skills Hub.	The Skills Hub was successfully launched with a total of 300 youth on the social development database uploaded onto Labour Market Information Database (LMID) for joint assistance by two of the City's departments (DED and Social Development) with specific objectives of training and placement.	Facilitate training under Skills Hub.	500 job placements facilitation.	A total of 794 placement opportunities were facilitated in the current financial year.	2 000 Youth placements facilitated.	20 000 Youth placements facilitated.	50 000 Youth placements facilitated.
	Number of beneficiaries benefitting from EPWP.	50 000	A total 32 296 new employment opportunities were created.	50 000	35 000 new work opportunities created city wide.	Total work opportunities created for the year is 36 588.	50 000 EPWP Work opportunities and developmental COJ Public Works Programmes.	70 000 EPWP work opportunities and 4 000 sustainable jobs.	100 000 EPWP work opportunities and 12 000 sustainable jobs.
	Create partnerships to provide City-wide enterprise development support.	60 Co-ops supported. Provide integrated support to an average 10 000 SMMEs per year.	224 co-ops were assisted. A total of 14 819 SMMEs have been assisted through The Business Place (TBP).	60 Co-operatives supported. Provide comprehensive and integrated support to average 10 000 SMME per year.	750 SMMEs supported.	A total of 3 967 SMMEs and 28 co-ops	4 000 SMMEs and 30 co-ops supported.	10 000 SMMEs and 80 co-ops supported.	20 000 SMMEs and 150 co-ops supported.

The table below provides a breakdown of the positioning of employees in the Department of Economic Development.

Table 66: Employee positioning within the Department of Economic Development during 2012/13

Employees: Department of Economic Development					
Job level	Year -1 (2011/12)	Year 0 (2012/13)			
	Employee no.	Posts no.	Employee no.	Vacancies	Vacancies (as a % of total posts) (%)
2	1	1	1	0	0%

Employees: Department of Economic Development					
Job level	Year -1 (2011/12)	Year 0 (2012/13)			
	Employee no.	Posts no.	Employee no.	Vacancies	Vacancies (as a % of total posts) (%)
3	6	6	6	1	16%
4	22	32	18	14	43,7%
5	21	39	16	23	58,9%
6	5	5	5	0	0%
7	22	-	14	0	0%
8	30	20	30	0	0%
9	4	-	2	0	0%
10	3	-	2	0	0%
11	2	-	2	0	0%

Table 67: 2012/13 Financial performance: Economic Development Department

Financial performance year 2012/13: Local economic development services R'000					
	Year -1 (2011/12)	Year 0 (2012/13)			
	Actual	Original budget	Adjustment budget	Actual	Variance from budget
Total operational revenue	1,321,131	5,432	8,190	7,274	916
Expenditure:					
Employees	59,075	64,272	62,323	52,671	11,601
Repairs and maintenance	7,170	5,157	1,000	751	4,406
Other	36,241	35,395	36,545	33,708	1,687
Total operational expenditure	102,486	104,824	99,868	87,130	17,694
Net operational expenditure	1,218,645	-99,392	-91,678	-79,856	-16,778

The table below shows capital expenditure for the year in the provision of economic development services.

Table 68: 2012/13 Capital expenditure: Local economic development services

Capital expenditure Year 0: Local economic development services R'000					
Details	Year 0 (2012/13)				
	Original budget	Adjustment budget	Actual expenditure	Variance from budget (%)	Total project value
Total all	4,471	514	248	-94%	4,471
Capital replacement reserve	400	514	248	-38%	400
EPWP: Retail node in Alexandra New Build	4,071	0	0	-100%	4,071

Human and Social Development Cluster

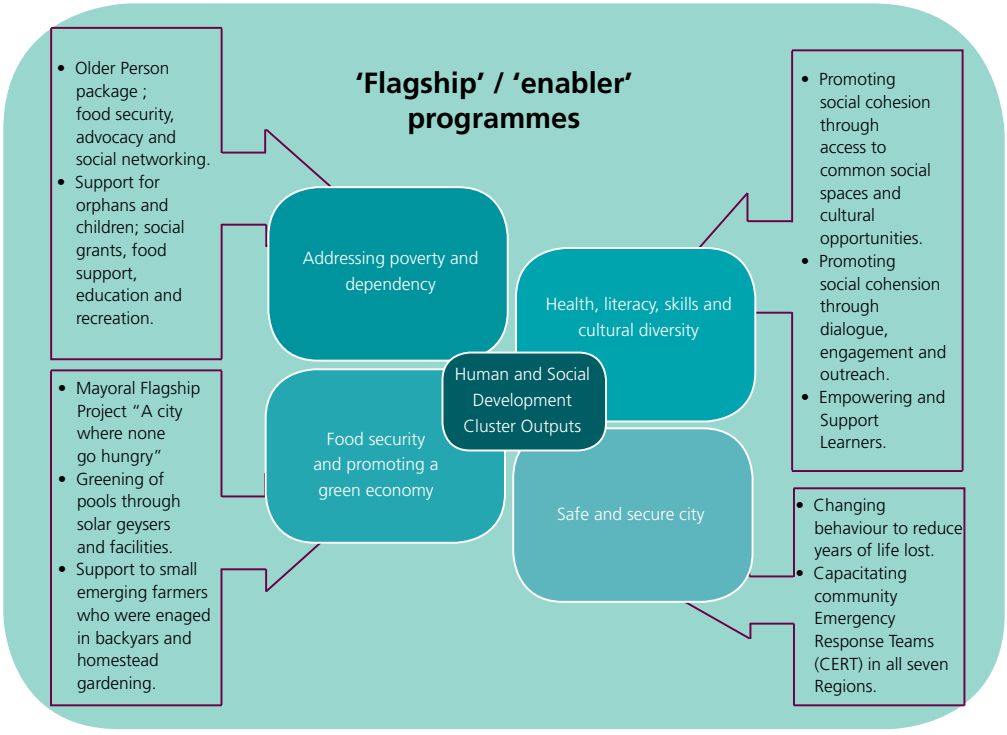
Improved quality of life and development-driven resilience for all

Vision of a development-driven city

The Human and Social Development Cluster contributes to all four strategic outcomes as set out in the Joburg 2040 GDS, however, its own outputs are primarily organised around the GDS outcome of: "An improved quality of life and development-driven resilience for all".

In being development-driven, the City is committed to establishing an inclusive City where the standard of living is increased for all through income opportunities, food security and universal access to education, as well as the provision of world-class basic services. The outcome envisioned is a city which fosters and upholds institutions that promote human dignity and respect for all, while providing the necessary support for a free and economically mobile population.

Figure 19: Outputs for the Human and Social Development Cluster, with associated 'Flagship' / 'enabler' programmes



Performance highlights

Table 69: Human and Social Development Cluster performance highlights

Service area	Performance highlight
Addressing poverty and dependency	678 Adults and 356 children were removed from the streets and placed in shelters and/or provided with other assistance to become more self-sustained.
	1 782 Individuals participated in small-scale poverty alleviation projects.
Community development, cultural diversity	7 129 049 People utilised libraries; 400 956 People utilised sport and recreation centres; 460 000 People accessed museums, galleries and art centres across the city.
	The 2012/13 phase of Orange Farm Library Project was completed.

Service area	Performance highlight
Healthcare	The "Ijozi Ihlomile" programme was expanded to 30 additional new wards across the City and a total of 1 697 244 people were reached with face to face education since July 2012 through this programme. Overall 53 wards (out of 130 wards / (40.7%) have implemented the programme, thereby creating job opportunities for 1 116 schools-levers.
Environmental health	Integrated environmental health educational programmes were conducted at 30 primary schools. Eight campaigns relating to chemical safety were conducted by environmental health staff city-wide.
	In terms of vector control (rodent or pest control), 404 hotspot areas were identified and 688 'blitzes' carried out.
Child care and care of the aged	During the year, the Department oriented its child care initiatives to enhance Early Childhood Development (ECD) care givers' training, which included accredited training on ECD Levels 1-4, as well as basic entrepreneurial/financial training, and literacy and business skills.
Policing	Crime prevention initiatives in the City resulted in 5 341 arrests for drinking and driving, 13 arrests for possession of illegal firearms, 116 arrests for possession of illegal drugs, and 50 arrests for possession of stolen vehicles.
	Compared to the previous year (2011/12), the Inner City experienced a decrease of 268 (-13%) assaults and an increase of 189 (60%) in robberies. This resulted in a total decrease of 79 (-3%) in assaults and robberies (when clustered together) for the current financial year.
	Policing around by-laws resulted in 8 486 fines for illegal street trading, 1 399 fines for illegal dumping and littering, 2 531 fines for illegal electricity connections, and 1 446 fines for illegal advertising.
	Key operations implemented to improve compliance to traffic regulations and improve traffic management resulted in 58 074 fines issued for driving without valid driver and vehicle documentation, 723 691 for moving violations, 119 928 for vehicle roadworthiness, and 3 471 568 for speeding.
Food security	A programme promoting food security was rolled out during the year with the aim of combating hunger and addressing chronic lifestyle diseases resulting from poor dietary habits and the lack of physical activity.

Performance overview

Community development services

The Department of Community Development provides services and programmes with respect to sport, recreation, arts, culture, heritage, libraries and information services. The Department also provides access to various community-based facilities, ranging from multi-purpose centres, sporting grounds, museums; as well as other public space enhancements, such as public art forms and monuments.

Community development services are targeted at various social groupings across the City's regions, including children, particularly vulnerable children and orphans in indigent communities, the youth, and senior persons.

Libraries, museums, galleries and community facilities

The Department delivers on its mandate to promote an engaged, active and cohesive citizenry through the following priority social services:

Library and information services

- Providing books and other information resources for enhancing library facilities, including reading development support programmes.
- Providing E-Learning initiatives, such as 'eWorld', remote access to 'Symphony', techno literacy skills, Wi-Fi access for communities in libraries.
- Providing information services at the City's public libraries.

Art, culture and heritage

- Supporting emerging artists on artistic development programmes and ensuring all community members – including orphans and vulnerable children – have access to galleries, museums tours and events.
- Promoting heritage programmes by developing adequate and well maintained built environments for social interaction and identity preservation, including monuments, plaques and public art.
- Fostering cultural dialogues through exhibitions, workshops, tours and commemorative events to foster common citizenship. This includes public tributary days such as National Remembrance Sunday, June 16, Youth Day and Africa Day. It further includes the naming (and renaming) of streets and places of interest to promote social identity.

Promote sport and recreation

- Devising recreation activities and promoting competitive sports and mass participation at recreation facilities.
- Promoting community access to facilities and major events such as the AFCON tournament, Mayoral Cup, Kiddies Olympics, Gauteng Future Champions Challenge, and so forth.

Safe city

- Ensuring optimal facilities management, including 'intelligent social design' and refurbishment of community facilities to enable wide-spread community access and participation.

Green economy

- Moving towards 'green strategic projects' by retrofitting community facilities with environmentally appropriate design elements.

Service statistics for libraries, museums, galleries and community facilities

During the year, the following statistics were recorded for the utilisation and access to community development facilities:

- 7 129 049 People utilised libraries.
- 400 956 People utilised sport and recreation centres.
- 460 000 People accessed museums, galleries and art centres across the city.

Libraries, museums, galleries and community facilities service objectives derived from the IDP

The table below contains the priority service objectives for libraries, museums, galleries and community facilities derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 70: Libraries, museums, galleries and community facilities service policy objectives derived from the IDP

Libraries, archives, museums, galleries and community facilities service objectives derived from the IDP									
Service objectives	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target current year**		**Actual**	**Target**		
				Previous year	**Current year**		**Following year**	**Following year**	**Following year**
Support to schools and lifelong learning.	Develop library collections at public libraries through selection and procurement of books, audio visual materials, e- resources etc. and create and maintain an online bibliographic database (library catalogue).	Provide access to Johannesburg city Library (JCL) special collections.	Access to special collections on books, audio visual materials, e- resources etc. and create and maintain an online bibliographic database (library catalogue).	Provide access to the JCL special collections.	% Expansion and maintenance of library collections.	70% Expansion and maintenance of library collections.	80% Expansion and maintenance of library collections.	100% Expansion and maintenance of library collections.	Maintain collections.

Libraries, archives, museums, galleries and community facilities service objectives derived from the IDP									
Service objectives	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target current year**		**Actual**	**Target**		
				Previous year	**Current year**		**Following year**	**Following year**	**Following year**
Libraries, museums, galleries and community facilities: Objectives taken from IDP									
Support to schools and lifelong learning.	Develop library collections at public libraries through selection and procurement of books, audio visual materials, e- resources etc. and create and maintain an online bibliographic database (library catalogue).	Provide access to Johannesburg city Library (JCL) special collections.	Access to special collections on books, audio visual materials, e- resources etc. and create and maintain an online bibliographic database (library catalogue).	Provide access to the JCL special collections.	% Expansion and maintenance of library collections.	70% Expansion and maintenance of library collections.	80% Expansion and maintenance of library collections.	100% Expansion and maintenance of library collections.	Maintain collections.
Support to schools and lifelong learning.	Provide access to children in need of protection and care through arts and culture and community mobilization efforts to coordinate assistance to these children and their families.	Ensure that at least 2 000 Orphans and Vulnerable Children (OVC) per annum have access to museum programmes and offerings through our mobile units.	2 000	Ensure that at least 2 000 OVC per annum have access to museum programmes and offerings through our mobile units.	OVCs supported through inclusion at events, heritage tours and museum and culture activities.	1 777	12 Education programmes run at museums and gallery and outreach programmes.	14 Education programmes run at museums and gallery and outreach programmes.	16 Education programmes run at museums and gallery and outreach programmes.

Libraries, archives, museums, galleries and community facilities service objectives derived from the IDP									
Service objectives	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target current year		Actual	Target		
				Previous year	Current year		Following year	Following year	Following year
Libraries, museums, galleries and community facilities: Objectives taken from IDP									
Targeting of deprived spaces and communities.	Enhance the facilities maintenance programme. Ensure that sports and recreation facilities comply with acceptable national operating standards, which will encourage federations and clubs to host provincial and national tournaments.	Revise the repairs and maintenance database backlog and implement the program.	Approved maintenance programme for community development facilities.	Revise the repairs and maintenance database backlog and implement the program.	% Refurbishment of facilities.	60%	100% Facilities maintenance and enhancement.	100%	100%

Table 71: Capital projects completed during 2012/13

Facility	Fund	Budget	Description	Progress
Orange Farm Library	COJ	R800 000	• Extension of the children's section, tiling of interior, electrical upgrading as well as toilets upgrade. • Installation of new carports and landscaping.	The 2012/13 phase of this project was completed. There is an additional funding allocation for this project for the 2013/14 financial year.
Riverlea Library	USDG	R1 000 000	• Extension of children's playroom and kitchen. • Electrical upgrading. • Installation of new flooring.	Project completed by June 2013.

Cemeteries and crematoriums

Introduction to cemeteries and crematoriums

Greater Johannesburg has a population of approximately 4 million people. To accommodate the burial needs of a community of this size up to the year 2040, an additional 1500 hectares of suitable land will have to be obtained for cemetery use.

At present and also in the future, cemetery space will continue to play a vital role in the history, heritage and culture of the community of Johannesburg.

Cemeteries enrich the quality of community life by providing reassurance of a final and dignified resting place. At present, of the 37 cemeteries within the City, 27 are considered 'passive', allowing only for second burials. Collectively, they consist of a total of 1 200 hectares of land, of which only 250 hectares are presently available for burial. Avalon cemetery is fully occupied and unavailable for primary burials; however, Avalon extension of 25 hectares will rapidly be utilised, given that it accommodates 65% of all burials within the City.

The strategic direction of cemetery development is informed by the business imperatives contained in the Johannesburg City Parks Zoning (JCPZ) Business Plan, which supports the expansion of the City's geographic boundaries and population density to meet community needs within the scope of the Joburg 2040 vision. During the year, the City performed primary stakeholder analysis to support the zoning strategy and a 400-hectare site at Olifantsvlei farm, South-East of Soweto, is currently being developed to provide burial space for the next 50 years. A provisional element for cremation has also been factored into the strategy as well as the life expectancy rate.

Figure 20: Numbers of burials for 2012/13

Service statistics for cemeteries and crematoriums

The graph below depicts 14 207 burials for 2012/13 including paupers and indigent burials.

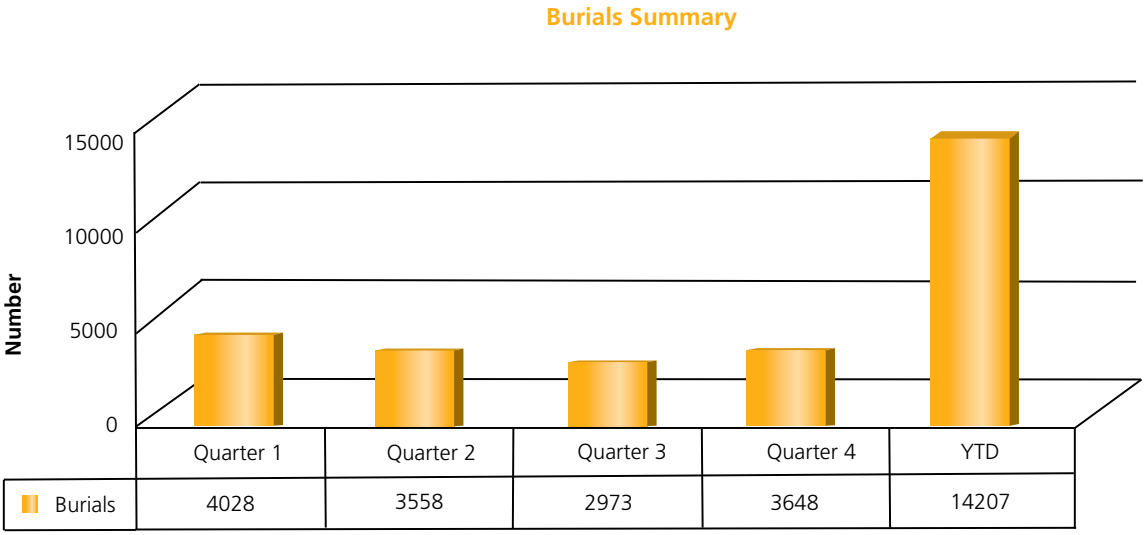
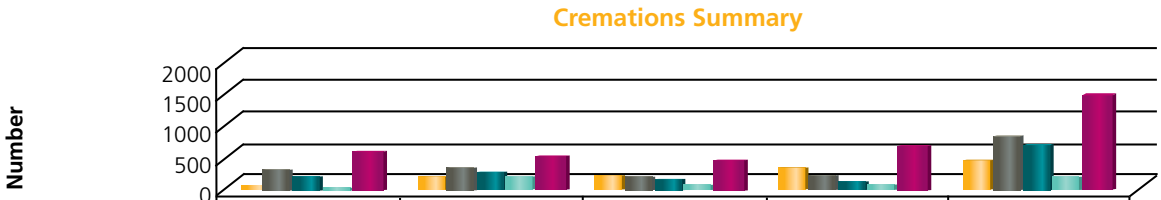


Figure 21: Number of cremations for 2012/13

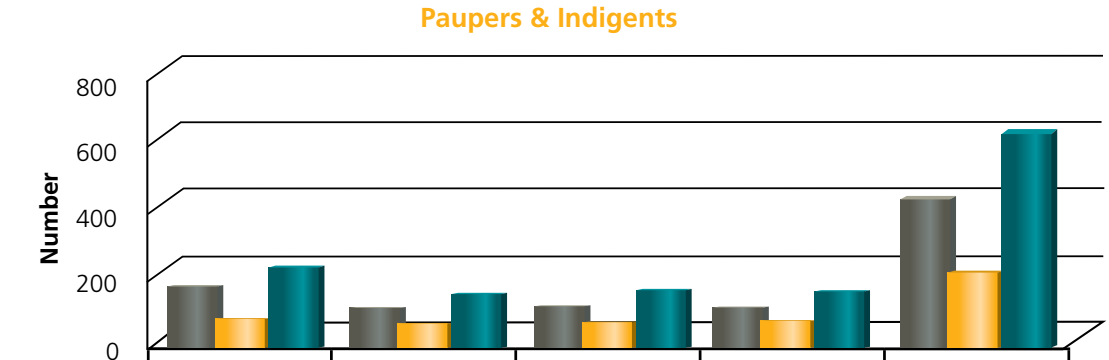
The graph below depicts 1909 cremations in all city crematoriums for the financial year



	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Braamfontein	0	51	169	24	461
Brixton	333	228	152	168	881
Lenasia	184	135	82	112	513
Wits Mes Sch	0	54	0	0	54
Total	517	468	403	521	1909

Figure 22: Number of pauper and indigent burials for 2012/13

The graph below depicts a total of 628 indigent and pauper burials per quarter across the City for 2012/13.



	Qu 1	Quarter 2	Quarter 3	Quarter 4	YTD
Paupers	155	89	94	89	427
Indigent	57	45	49	50	201
Total	212	134	143	139	628

Cemeteries and crematoriums service policy objectives derived from the IDP

The table below contains priority service objectives for cemeteries and crematoriums derived from the IDP; and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 72: Cemeteries and crematoriums service policy objectives derived from the IDP

Cemeteries and crematoriums service policy objectives derived from the IDP								
Service objectives / service indicators	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**		**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015-16)**
		Target	**Actual**	**Target**	**Actual**	**Target**		
Service delivery	**Maintenance of all cemeteries in a 14 day cycle.**	**Previous year**				**Current year**	**Current year**	**Following year**
		14 Day cycle.	14 Days.	14 Day cycle.	32 Days.	14 Day cycle.	14 Day cycle.	14 Day cycle.

Employees at cemeteries and crematoriums

The Cemeteries and Crematoriums Department consists of 118 employees and 7 vacancies (fulltime equivalents) within the establishment. The table below provides a breakdown of City Parks and Zoo staff positioning at cemeteries and crematoriums.

Table 73: Employee positioning for City Parks and Joburg Zoo at cemeteries and crematoriums during 2012/13

Job level	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Employees no.	**Posts no.**	**Employees no.**	**Vacancies (fulltime equivalents) no.**	**Vacancies (as a % of total posts) (%)**
0 – 3	-	-	-	-	-
4 – 6	120	125	118	7	0.05%

Job level	Year -1 (2011/12)	Year 0 (2012/13)			
	Employees no.	Posts no.	Employees no.	Vacancies (fulltime equivalents) no.	Vacancies (as a % of total posts) (%)
Total	120	125	118	7	0.056%

The table below shows that the total capital expenditure for cemeteries and crematoria during the year.

Table 74: 2012/13 Capital expenditure: Cemeteries and crematoria

Capital expenditure year 0: Cemeteries and Crematoria R'000		
Capital projects	**Year 0 (2012/13)**	
	budget	**Adjustment budget**
Olifantsvlei Cemetery (USDG)	22,000	22,000

Child care, aged care and social programmes

Introduction to child care, aged care and social programmes

The Social Development Department is responsible for promoting social development programmes to uplift the lives of residents. It achieves this by providing the following service benefits:

- Support programmes and services to vulnerable households and indigent communities, migrants, children and the homeless.
- Victims' empowerment programmes and support for people living with disabilities.
- Skills development programmes for targeted beneficiaries, specifically, women, the youth and former combatants.
- A range of food resilience activities in support of the Mayoral Flagship Project "A City where none go hungry".

The Social Development Department provides these services in the context of three priority areas:

Child care: In 2012/13, the Department oriented its child care initiatives to enhance Early Childhood Development (ECD) care givers' training, which included accredited training on ECD Levels 1-4, as well as basic entrepreneurial/ financial training, and literacy and business skills. Further, on-going support for Orphans and Vulnerable Children (OVC) ensures eligible children are linked to a basket of ECD services, including social grants, food support, health support, educational support and recreation.

Aged care: Programmes oriented around care of the City's senior citizens emphasised programmes promoting overall health and wellbeing. The Department developed a 'Senior Persons Package' with different social support components, including food security support, an advocacy office and social networking. Senior Citizens' Day Care Centres have been established in all regions and are operating daily.

Food security: A programme promoting food security was rolled out during the year with the aim of combatting hunger and addressing chronic lifestyle diseases resulting from poor dietary habits and lack of physical activity.

This programme was designed to contribute to the Joburg 2040 GDS outputs of:

- Ensuring food security that is both healthy and safeguarded.
- Substantially reducing HIV/ Aids prevalence and non-communicable diseases.

Accordingly, the programme prioritised the development of urban agriculture and the promotion of a healthy life-style:

- **Urban agriculture and food security:** projects providing support to small emerging farmers who have been engaged in backyard/homestead gardening as well as small plot cultivation. The programme aims to empower small farmers to become self-sufficient in producing their own crops and to sell fresh produce to their communities and local markets.

- **Healthy lifestyle:** projects and campaigns promoting a healthy lifestyle through partnerships with various private and public-sector stakeholders. The campaign promotes healthy diets and increased physical activity; reduced or no smoking and limited or no alcohol use. Physical testing is promoted to detect early symptoms of hypertension, diabetes, mellitus, HIV, and 'common cancers'.

Child care, aged care and social programmes service policy objectives derived from the IDP

The table below contains the priority service objectives for child care, aged care and social programmes derived from the IDP; and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 75: Child care, aged care and social programmes service objectives derived from the IDP

Child care, aged care, social programmes service policy objectives derived from the IDP									
Service objectives/ Service indicators	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**		**Actual**	**Year**	**Year**	**Following year**
				Previous year	**Current year**				
Supporting orphan and vulnerable children (OVC) through a basket of services.	Number of orphans and vulnerable children supported through basket of services.	5 000	6 664	5 000	6 000	7 017	6 000	5 800	5 600
Assist untrained ECD practitioners to access accredited training.	Number of untrained ECD practitioners receiving training.	750	843	1 000	1 200	919	3 400	4 100	5 000
Empower ECD centres to meet requirements of enforcement standards framework.	No. of ECD centres empowered through educational and skills development support to meet the requirements of the enforcement standard framework.	200	130	200	450	493	1 350	2 000	2 800
Senior citizens accessing day care centres as one stop service points.	No. of senior citizens accessing regional day care centres as one stop service points.	n/a	n/a	n/a	1 000	1 067	2 800	4 300	6 000
	Number of senior citizens participating in wellness programme.	6 000	5 906	6 000	6 500	6 617	19 500	27 000	35 000
Create single window as the access point to all City of Johannesburg services provided to poor and vulnerable of the population.	Number of individuals connected to at least one social service/ intervention.	140 000	131 510	140 000	100 000	114 016	100 000	100 000	100 000

Child care, aged care, social programmes service policy objectives derived from the IDP									
Service objectives / Service indicators	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**		**Actual**	**Year**	**Year**	**Following year**
				Previous year	**Current year**				
Implementation of management plan for displaced persons.	Number of individuals removed from the street and placed in shelters and/or provided with other assistance to exit the street.		364 adults and 15 operations.			675 adults and 356 children.	1 000	2 000	3 000
Facilitate the establishment of small poverty alleviation projects benefiting vulnerable individuals.	Number of individuals participating in small scale poverty alleviation projects. programme.	1 000	980	1 000	2 000	1 782	2 000	2 400	2 800
Provide food security assistance to vulnerable households.	Number of households receiving food security assistance.	3 000	4 757	3 000	5 000	7 223	100 % of Food insecure households assisted.	100 % of Food insecure households assisted.	100 % of Food insecure households assisted.

Table 76: 2012/13 Capital expenditure: Child care, aged care and social programmes

Capital expenditure: Child care, aged care, social programmes R'000								
Capital projects	**Year -1 (2011/12)**	**Year 0 (2012/13)**	**Year 1 (2013/14)**			**Year 2 (2014/15)**	**Year 3 (2015/16**	**Total project value**
	Actual	**Actual**	**Original budget**	**Actual expenditure**	**Variance from budget (%)**			
Total all	1,025	572	27,000	-	100%	20,200	14,400	61,600
Construction of Golden Harvest Drug & Rehab Centre	199	475	9,300	-	100%	-	-	9,300
Extended Social Package (ESP) Equipment – New Plant & Equipment	426	97	1,400	-	100%	-	-	1,400

Table 77: Child care, aged care, and social programmes: Operational expenditure for 2012/13 compared to the previous year and targets for the next three years ahead

Operational Expenditure: Child care, aged care, social programmes R'000								
Details	Year -1 (2011/12)	Year 0 (2012/13)	Year 1 (2013/14)				Year 2 (2014/15)	Year 3 (2015/16)
	Actual	Actual	Original budget	Adjustment budget	Actual expenditure	Variance from budget (%)		
Total operational revenue	985	210	2,475	2,475	17	0.69%	500	525
Expenditure:								
Employees	73,358	80,768	90,388	90,388	7,241	8.01%	94,763	99,513
Repairs and maintenance	50	2,016	3,038	3,038	233	7.67%	3,767	4,671
Other	16,541	26,823	46,597	46,597	5,963	12.80%	49,067	51,521
Total operational expenditure	89,949	109,607	104,518	104,518	1,511	1.45%	147,597	155,705
Net operational expenditure	88,964	109,397	102,043	102,043	1,494	1.46%	147,097	155,180
Establishment of the Agri Resource Centre & Associated Packaging Houses	400	-	9,300	-	100	2.00%	2,000	13,300
Operational capital	-	-	1,000	-	100	1,200 (%)	1,400	3,600
Upgrading of the People with Disabilities (PWDs) access in/to community facilities – Phiri	-	-	2,000	-	1000	50%	1,000	4,000
Refurbishment of Ezakheni Renewal Community Hall – Lenasia Ext 6	-	-	-	-	-	6,000	-	6,000
Refurbishment of the Yetta Nethan Community Centre – Orlando West	-	-	2,000	-	100	-	-	2,000
Shelters for displaced people - Johannesburg	-	-	2,000	-	100	10 000	10,000	22,000

During the year, major capital projects included:

- The completion of an ECD Renewal Community Centre.
- The construction of the Golden Harvest Drug and Rehab Centre.
- Establishment of the Agricultural Resource Centre and Associated Packaging Houses.

Theatres

Johannesburg is widely considered to be one of South Africa's most vibrant and diverse cultural centres. With the City also being one of the most densely populated cities in the country, with a large number of educational institutions – many of which encourage

innovative self-expression – Johannesburg has cultivated a thriving visual and performing arts community.

Joburg City Theatres is responsible for the managere performing arts professionals and amateurs can showcase their work. Through its strategy to transform and invigorate theatres, Joburg City Theatres aims to promote cultural inclusion and cohesion in deprived areas by ensuring access to quality visual and performing art productions and by encouraging creative use of public spaces.

City theatres service policy objectives derived from the IDP

The table below contains priority service objectives for City theatres derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 78: City theatres service policy objectives derived from the IDP

City theatres service policy objectives derived from the IDP								
Service objective/ service indicators	**Outline service targets**		**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1 (2013/14)**
			Target	**Actual**	**Target**		**Actual**	**Target**
			Previous year		**Previous year**	**Current year**		**Current year**
Promote inclusion and cohesion in deprived areas by access to quality of life enhancement through arts and culture.	Targeting deprived spaces and communities.	% Attendance at The Mandela. (%)	65%	58%	65%	60%	57%	60%
		% Attendance at The Fringe. (%)	53%	53%	53%	50%	48%	50%
		Profit achieved from in-house productions and co-productions at The Mandela Theatre.	2%	-22%	2%	R2.5 Million	New KPI	R2.5 Million
		% Proportion of earned income against revenue including subsidy. (%)	44%	42%	44%	45%	42%	45%
		Number of youth related projects developed by the theatre.	18	23	18	20	New KPI	20
		Number of school learners attending shows in The Mandela on discounted tickets.	5 000	24 519	5 000	10 000	New KPI	10 000

Table 79: 2012/13 Financial performance: Joburg City Theatres

R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget**
Total operational revenue	63,285	77,334	0,00	77,334	0
Expenditure:					
Employees	27,067	31,610	0,00	31,610	0
Repairs and maintenance	663	784	0,00	784	0
Other	0,00	0,00	0,00	0,00	0

R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget**
Total operational expenditure	61,550	72,140	0,00	72,140	0
Net operational expenditure	5,221	1,603	0,00	1,603	0

The table below depicts employee positioning at Joburg City Theatres.

Table 80: Employee positioning at Joburg City Theatres during 2012/13

Employees at the Joburg City theatres					
Job level	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Employees no.	**Posts no.**	**Employees no.**	**Vacancies (fulltime equivalents) no.**	**Vacancies (as a % of total posts) (%)**
0 – 3	1	1	1	0	0%
4 – 6	8	12	12	0	0%
7 – 9	16	19	19	0	0%
10 – 12	10	38	38	0	0%
13 – 15	49	50	50	0	0%
16 – 18	0	0	0	0	0%
Temps/Casuals	20	60	60	0	0%
Total	104	180	180	0	0%

Healthcare services

The City's Health Department is focused on developing a high quality, efficient, equitable health system that is accessible to all residents. The service delivery priorities for the City include:

- Strengthening the development of district health systems through improved access to primary health care services.
- Promoting municipal ward-based outreach teams.
- Facilitating functional integration within healthcare provision.
- Rationalising health facilities.
- Improving health literacy levels as well as improving community participation and co-operative governance in the health sector.
- Improving access to antenatal care services.
- Enhancing access to TB curative practices and thereby improving cure rates.
- Consolidating the City's focus on Environmental Health Services (Municipal Health Services) through promotional and educational programmes.

The Department is responsible for the provision of primary health care services through its network of 82 clinics (80 fixed, 1 satellite and one mobile) as well as HIV and AIDS campaigns and Public health and Environmental Health programmes. These City's clinics operate in conjunction with the health facilities managed by Gauteng Department of Health, which include 22 fixed clinics, 10 community health centres, one district hospital (South Rand), three regional hospitals (Coronation, Helen Joseph and Edenvale), two tertiary hospitals (Chris Hani Baragwanath and Charlotte Maxeke), and two specialised hospitals (Tara and Sizwe Tropical). There are also two non-governmental organisations that render primary health care services: Alexandra Health Centre and Witkoppen Clinic.

During 2012/13, the City supported ten homes for aged and elderly day care centres with chronic medication and elementary health services. A total of 1 200 elderly citizens benefited from the programme. 67 Clinics out of 80 fixed clinics (83.75%) are now providing comprehensive public healthcare services.

To improve access to antenatal care, all clinics offer antenatal care services including the dual therapy for the Prevention of Mother to Child Transmission (PMTCT) programme. The counselling and testing of babies, infants and children exposed to HIV infection has also been strengthened across all public healthcare facilities.

To enhance management of chronic diseases, a total of 6 820 men were screened for prostate cancer during the year (against a target of 4 000). In addition 14 awareness campaigns were conducted, including several 5km walks to raise awareness for chronic diseases. On-going community involvement was encouraged and progress and achievements were shared during several workshops targeting the management of chronic disease management. Community-based health workers, including traditional healers, provided home-based care and also facilitated 'directly observed treatment' (DOT) of TB. Door-to-door health promotion campaigns and community outreach programmes further supported the on-going awareness

programmes around chronic diseases. Support in the form of training and health promotional materials were also provided. This included the "Ijozi Ihlomile" programme which was expanded to 30 additional new wards across the City, targeting indigent informal settlements. The community-based outreach project educates communities to respond appropriately to the HIV and Aids pandemic and benefits from the Mayoral Aids Fund. A total of 1 697 244 people were reached with face-to-face education since July 2012 through this programme. Overall 53 wards (out of 130 wards / 40.7%) have implemented the programme, thereby creating job opportunities for 1 116 schools-levers.

Clinics

Six clinics were identified for upgrading or building during 2012/13. Two were completed (i.e. Davidsonville in Region C and Petervale in Region E) and four clinics are due for completion in 2013/14 financial year. These are Slovoville in Region D, Freedom Park in Region G, Mpumelelo in Region A and Mountain View in Region G. Further, minor upgrades were undertaken at various clinics including Rosettenville, Bellavista, Yeoville, Thulamntwana, Lawley and Zandspruit.

Table 81: Service data for clinics as prescribed for 2012/13 relative to the past two years

Details		Year -2 (2010/11)	Year -1 (2011/12)	Year 0 (2012/13)
		Actual no.	Actual no.	Actual no.
1	Average number of patient visits on an average day.	12 880	13 604	14 416
2	Total medical staff available on an average day.	8	9	10
3	Average patient waiting time.	90 minutes	91 minutes	129 minutes
4	Number of HIV/AIDS tests undertaken in the year.	258 238	231 337	245 412
5	Number of tests in 4 (above) that proved positive.	58 860	49 694	40 288
6	Number of children immunised that are less than 1 year of age.	81 368	81 292	78 167
7	Child immunisation in 6 (above compared) with the child population under 1 year of age.	99.4%	99.3%	94.3%

Clinics services policy objectives derived from the IDP

The table below contains the clinics services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 82: Clinics service policy objectives derived from the IDP

Clinics service policy objectives derived from the IDP						
Service objectives / Service indicators	Outline service targets	Year 0 (2012/13)		Year -1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target	Target	Target
		Current year		Following year	Following year	Following year
Long and healthy life for all	% of Children under 1 year that are immunised. (%)	100%	94.3%	100%	100%	100%
	% of Those tested for HIV/AIDS that proved positive (number of those tested). (%)	19.0%	16.4%	15.5%	14.5%	13.5%
	Number of HIV/AIDS, STI and TB campaigns conducted to educate communities.	6 per region.	6 per region.	7	7	7
	Number of campaigns conducted per region on lead awareness.	7	7	7	7	7
	Number of campaigns conducted per region on dumping and waste management.	7	7	7	7	7

The table below shows employee positioning at all city clinics, reflecting a vacancy rate of 30%.

Table 83: Employees positioning at all city clinics on a daily basis including vacancies during 2012/13

Job level	Year -1 (2011/12)		Year 0 (2012/13)		
	Employees no.	Posts no.	Employees no.	Vacancies (fulltime equivalents) no.	Vacancies (as a % of total posts) (%)
4 - 6	28	46	28	18	39.1
7 - 9	717	1 097	717	380	34.6
10 - 12	144	144	144	0	0
Total	889	1 287	889	398	30

Table 84: 2012/13 Financial performance: Clinics

Financial performance: Clinics R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment Budget**	**Actual**	**Variance from budget**
Total operational revenue	-163,000	-23,100	-25,393	-24,294	-1,099
Expenditure:					
Employees	292,952	306,529	317,326	317,305	21
Repairs and maintenance	1,509	1,442	2,114	1,973	141
Other	22,662	15,203	25,866	24,846	1,020
Total operational expenditure	317,123	323,174	345,306	344,124	1,182
Net operational expenditure	316,960	300,074	319,913	319,830	83

Table 85: 2012/13 Capital expenditure: Clinics

Capital expenditure Year 0: Clinics R'000				
Clinics	**Budget**	**Adjustment budget**	**Actual expenditure**	**Variance from budget**
Total all	27,000	-	25,643	1,356,724
Davidsonville Clinic	4,037	4,037	3,835,541	201,459
Petervale Clinic	3,765	3,765	3,567,658	197,342
Minor upgrades	1,607	1,607	1,523,348	83,652
Slovoville	6,000	6,063	6,104,090	41,090
Freedom Park	10,528	10,528	9,736,382	791,618
Mountain View	500	500	462,901	37,099
Mpumelelo	4,500	500	413,356	86,099

During the year, efforts to upgrade clinics focussed on areas that were previously deprived of clinic services.

Ambulance services

The provision of ambulance services is the responsibility of Emergency Management Services (EMS) Department. The City has a memorandum of understanding (MOU) with the Gauteng Provincial Government (GPG) Department regarding the provision of ambulance services on an agency bases. The service is provided in line with basic norms and standards determined by Provincial Government. The personnel providing the service are multi-skilled, and trained in both fire and ambulance services. The City of Johannesburg has 28 fire stations, which are used as ambulance bases as well. The service is provided on a 24/7-basis in a four shift system.

The province has provided 60 ambulances to the City. Key challenges in 2012/13 included insufficient ambulances as well as the unreliability of the current fleet, which affected service turnaround times. The City procured 60 additional ambulances to complement the current ambulance fleet so as to meet service standards. This includes dispatching services within three minutes of a service call. The dispatch time is measured from the time the call is acknowledged until the time the service is dispatched.

Table 86: Ambulance service data as prescribed

Ambulance service data				
Details		Year -1 (2011/12)	Year 0 (2012/13)	
		Actual no.	Estimated no.	Actual no.
1	Number of patients taken to medical facilities during the years.	200 456	200 456	190 266
2	Average time from emergency call to arrive at the patient-in urban areas.	9 to 12 minutes	9 to 12 minutes	9 to 12 minutes
4	Average time from emergency call to the transportation of patients to a medical facility – in urban areas.	10 to 30 minutes	10 to 30 minutes	10 to 30 minutes
6	Number of ambulances.	120	120	117
7	Number of paramedics.	1 485	1 503	1 485

Table 87: Positioning of ambulance employees as well as vacant posts during 2012/13

Employees: Ambulance services						
Level	Year -1 (2011/12)		Year 0 (2012/13)		Year 1 (2013/14)	
	Employees	Vacant posts	Employees	Vacant posts	Employees	Vacant posts
3	0		0		1	0
4	N/A	N/A	N/A	N/A	0	2
5	N/A	N/A	N/A	N/A	6	0
6	N/A	N/A	N/A	N/A	0	0
7	14	16	13	17	88	87
8	1 199	-	1 144	0	1 250	432
9	N/A	N/A	N/A	N/A	38	24
10	N/A	N/A	N/A	N/A	3	3
11	N/A	N/A	N/A	N/A	20	10
Total	1 213	16	1 157	17	1 406	558

Health inspection, food licensing and inspection

The Environmental Health section of the City's Health Department is mainly concerned with consolidating the City's focus on Environmental Health Services (Municipal Health Services) through promotional, educational and enforcement programmes. In terms of the National Health Act of 2003, the City is responsible for provision of municipal health services, which are listed as follows:

- Water quality monitoring.
- Food control.
- Waste management.
- Health surveillance of premises.
- Surveillance and prevention of communicable diseases, excluding immunization.
- Vector control.
- Environmental pollution control.
- Disposal of the deceased as well as chemical safety.

During the year, the Department consolidated its focus on Environmental Health Services (Municipal Health Services) through promotional and educational initiatives that included integrated environmental health education programmes conducted at 30 primary schools. Eight campaigns relating to chemical safety were conducted by environmental health staff city-wide.

In terms of vector control (rodent or pest control), 404 hotspot areas were identified and 688 'blitzes' carried out. Vector control measures were instituted at the same time. Illegal dumping and the careless disposal of food and waste material are the primary causes of rodent and pest infestations. The vector initiative resulted in an improvement in households' understanding of the need to reduce rodent infestation. In addition the use of owls in the control of rodent infestation was piloted at schools in the City's Region E.

During the year, all the City's formal and informal food establishments were inspected for compliance with legislation as part of the food resilience programme. This ensured that no cases of food poisoning were reported during the year.

Environmental health service policy objectives derived from the IDP

The table below contains the environmental health services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 88: Environmental health service policy objectives derived from the IDP

Environmental health services policy objectives derived from the IDP						
Service objective	**Service indicators**	**Target**	**Actual**	**Target**	**Target**	**Target**
		Year 0 (2012/13)		**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
Food resilience programme.	% Inspection of formal food establishments for compliance with legislation.	100%	100%	100%	100%	100%
	% Inspection and education/training of informal food establishments for compliance with legislation and basic hygiene.	100%	100%	100%	100%	100%

Table 89: Employee positioning for environmental health services during 2012/13

Job level	Year -1 (2011/12)		Year 0 (2012/13)		
	Employees no.	**Posts no.**	**Employees no.**	**Vacancies (fulltime equivalents) no.**	**Vacancies (as a % of total posts) (%)**
4 - 6	10	10	10	0	0%
7 - 9	219	238	219	19	4%
Total	229	238	229	19	4%

Table 90: 2012/13 Financial performance: Environmental health

Financial performance Year 0: Environmental health R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget**
Total operational revenue	-1,622	-1,709	-1,749	-1,429	-320
Expenditure:					
Employees	97,188	101,340	102,285	100,933	1,352
Repairs and maintenance	281	642	184	169	15
Other	6,562	5,623	5,710	1,489	4,221
Total operational expenditure	104,031	107,605	108,179	102,591	5,588
Net operational expenditure	102,409	105,896	106,430	101,162	5,268

Security and safety

The City's vision of public safety is "to build a city where life, property and lifestyle are safe and secure, so that residents and businesses can live and operate free from crime, threats to public safety, personal emergencies and disasters".

The Department comprises of the Johannesburg Metropolitan Police Department (JMPD) and Emergency Management Services (EMS). The mandate of Johannesburg Metropolitan Police Department is to provide road traffic policing, by-law enforcement and crime prevention. Other services include the provision of driver and vehicle testing and licensing, prosecutorial services against traffic offenders and administrative support services to the municipal courts.

Public safety strategic objectives have been developed in line with the IDP priorities and the Joburg 2040 strategy as follows:

- Preventing and reducing crime, injury and loss of life through integrated multi-agency interventions, including social, rehabilitative and enforcement activities.
- Decreasing selected contact crimes, such as assaults and robberies.
- Increasing the level of compliance to City by-laws with respect to street trading, waste management, water, electricity, and advertising.
- Increasing the level of compliance to traffic regulations and improving traffic management.
- Being a proactive and well-capacitated disaster management and emergency response service, with a sustained 100% state of readiness.
- Providing community awareness on dangers and empowerment of communities in the mitigation of disasters.
- Providing efficient and effective responses to emergency incidents.
- Being a vigilant custodian of safety prescripts.

Police

The Johannesburg Metropolitan Police Department (JMPD) is primarily responsible for road traffic policing, by-law enforcement and crime prevention.

During the year, the three service delivery priorities for the JMPD were as follows:

- Preventing and reducing crime.
- Increasing the level of compliance to City by-laws.
- Increasing the level of compliance to traffic regulations and improving traffic management.

Key operations implemented city-wide to prevent and reduce crime during the year included visible and undercover patrols, 'stop and search' operations, daily roadside checkpoints, roadblocks, 'cordon and search' operations at buildings and hostels, rapid response to reported crime (10111 and CCTV), and surveillance technology (CCTV).

During the year, activities to prevent and reduce crime in the City resulted in 5 341 arrests for drinking and driving, 13 arrests for possession of illegal firearms, 116 arrests for possession of illegal drugs, and 50 arrests for possession of stolen vehicles.

A key priority for the JMPD during the year was to handle cases of assault and robberies in areas covered by CCTV (mainly the Inner City). The department deployed Metro Police Officers on foot and in vehicle patrols in the Inner City to enhance visible patrols, thereby deterring offenders from committing assault and robberies. In addition the Department also monitored the streets of the Inner City by using surveillance cameras, and incidents detected via CCTV were responded to by dedicated reaction units.

Compared to the previous year (2011/12), the Inner City experienced a decrease of 268 (-13%) assaults and an increase of 189 (60%) in robberies. This resulted in a total decrease of 79 (-3%) in assaults and robberies (when clustered together) for the current financial year.

The decrease in assaults, together with an increase in arrests, can be attributed to numerous factors such as, the efficiency of patrol officers to detect and respond to these crimes, the ability of CCTV monitors to detect crimes together with rapid dispatch reaction units, and the alertness of residents and businesses in the Inner City. Similarly factors that may have contributed to the increase in robberies, include the downtime of CCTV cameras and the lack of safety awareness of pedestrians and road users.

Key operations implemented city-wide to police municipal by-laws and regulations included the implementation of visible and undercover patrols, complaint handling, compliance inspections, monitoring of problematic areas, and the use surveillance technology (CCTV).

In terms of policing municipal by-laws, priority was given to illegal street trading, illegal dumping, illegal electricity connections and illegal advertising. The enforcement resulted in 8 486 fines for illegal street trading, 1 399 fines for illegal dumping and littering, 2 531 fines for illegal electricity connections, and 1 446 fines for illegal advertising.

Key operations implemented to improve compliance to traffic regulations and improve traffic management included the implementation of visible patrols, daily roadside checkpoints, major roadblocks, point duty, and speed and red light violations enforcement (manual and electronic). These operations resulted in 977 059 vehicles stopped, 58 074 fines issued for driving without valid driver and vehicle documentation, 723 691 for moving violations, 119 928 for vehicle roadworthiness, and 3 471 568 for speeding.

Table 91: Metropolitan Police Service data as prescribed:

Metro police service data					
No.	**Details**	**Year -1 (2011/12)**	**Year 0 (2012/13)**		**Year 1 (2013/14)**
		Actual no.	**Estimate no.**	**Actual no.**	**Estimate no.**
1	Number of road traffic accidents during the year.	2 271	N/A	1 869	N/A
2	Number of priority by-law infringements attended.	42 875	N/A	13 862	N/A
3	Number of police officers in the field on an average day.	2 400	N/A	2 400	2 450
4	Number of police officers on duty on an average day.	2 400	N/A	2 400	2 450

City Police service policy objectives derived from the IDP

The table below contains the policy objectives for the City's police services derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 92: City police service objectives derived from the IDP

City Police service policy objectives derived from the IDP								
Service Objectives / Service Indicators	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**		**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**	**Actual**	**Target**	**Target**	**Target**
A safe, secure and resilient city:	% Reduction in road accidents over the target for the previous year.	0% Reduction	0% Reduction	1% Reduction	1% Reduction	2% Reduction	5% Reduction	5% Reduction
Changing behaviour to reduce years of life lost.	Reduction in road accidents	5% reduction	3% Increase	5% Reduction	3% Reduction	8% Reduction	12% Reduction	15% Reduction
	Reduce assaults and robberies in areas covered by CCTV.	Response times of 10-11 minutes	Responded within 12.52 minutes on average	5% Reduction	3% Reduction	5% Reduction	10% Reduction	15% Reduction
	Decrease of road accident fatalities in the City.	5% Reduction	2% Reduction	5% Reduction	3% Reduction	8% Reduction	12% Reduction	15% Reduction

Employees: Police

The table below depicts Police of different ranks that are on duty on an average three-shift day. The JMPD structure is currently under review and all vacant posts are put on hold until unit-level structures are finalised. All employees are employed full time.

Table 93: Police of different ranks on duty for an average three-shift day

Police	**Year -1 (2011/12)**	**Year 0 (2012/13)**
Job level	**No. of Employees**	**No. of Employees**
0 – 3 Chief of Police Directors	1 4	1 4
4 – 6 Deputy Directors Chief Superintendents	10 11	10 11

Police	Year -1 (2011/12)	Year 0 (2012/13)
Job Level	**No. of Employees**	**No. of Employees**
7 – 9	33	33
Superintendents		
Inspectors	15	15
Sergeants		
Metro police officers	231	231
	2 673	2 673
Total	2 978	2 978

Table 94: 2012/13 Financial performance: Police

Financial performance Year 0: Police R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget (%)**
Total operational revenue	547,255	418,997	442,625	399,421	-0.04%
Expenditure:					
Police officers	778,702	794,679	804,400	806,941	0.01%
Repairs and maintenance	6,946	15,030	10,030	8,405	-0.78%
Other	392,965	412,170	317,661	290,709	-0.41%
Total operational expenditure	1,178,613	1,221,879	1,132,091	1,106,055	-0.10%
Net operational expenditure	631,358	802,882	689,466	706,634	-0.13%

Table 95: 2012/13 Capital expenditure: Police

Financial performance Year 0: Police R'000					
Capital projects	**Year 0 (2012/13)**				
	Budget	**Adjustment budget**	**Actual expenditure**	**Variance from budget (%)**	**Total project value**
Total all	2,632	3,826	6,026	0.56%	-
Tetra Portable Radio	1,200	0	1,200	0%	1,200
Upgrading of weighbridges	1,000	0	1,000	0%	1,000
Capital replacement reserve	432	3,826	3,826	0.88%	3,826

Fire services

The City of Johannesburg has 28 fire stations to provide fire and rescue services to two operational regions. The regions are divided into six districts. Employees within the service are multi-skilled in terms of fire, rescue and ambulance services. The fire stations are *SANS10090 compliant – Community protection against fire.*

The City's priority objectives in terms of fire services include:

- Creating an end-to-end customer relationship management (CRM) strategy.
- Ensuring emergency and disaster management preparedness.
- Promoting effective custodianship of the City's by-laws and prescripts.
- Empowering communities.

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The City's priority objectives in terms of fire services include:

- Creating an end-to-end customer relationship management (CRM) strategy.
- Ensuring emergency and disaster management preparedness.
- Promoting effective custodianship of the City's by-laws and prescripts.
- Empowering communities.
- Achieving a transformed organisation.
- Ensuring sound financial management

Fire fighting

Table 96: Fire service data as prescribed

	Details	Year -1 (2011/12)	Year 0 (2012/13)		Year 1 (2013/14)
		Actual No.	Estimated no.	Actual No.	Estimated no.
1	**Total fires attended in the year.**	13 771	9 547	8 673	9 547
2	**Total of incidents attended in the year.**	425	370	400	350
3	Average turnout time –urban areas.	10 minutes	8 minutes	8 minutes	8 minutes
4	Average turnout time –rural areas.	20 minutes	20 minutes	20 minutes	20 minutes
5	Fire fighters in posts at year end.	1 485	1 503	1 485	1 600
6.	**Total fire appliance at year end.**	100	100	100	104
7.	Average number of appliance off road during the years.	13	13	13	10

Fire service policy objectives derived from the IDP

The table below contains the electricity services policy objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 97: Fire service policy objectives derived from the IDP

Service objectives/ service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)		Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target	Actual	Target		
The over-arching objective is the creation of a safe, secure and resilient city that protects and serves, builds, empowers and supports communities.	Number of fully equipped integrated BESAFE centres.	8 Fully equipped integrated BESAFE centres.	7 Fully equipped integrated BESAFE centres.	8 Fully equipped integrated BESAFE centres.	7 Fully equipped integrated BESAFE centres.	9 Fully equipped integrated BESAFE centres.	10 Fully equipped integrated BESAFE centres.	11 Fully equipped integrated BESAFE centres.
	Compliance to the building by-laws.	53% Compliance.	60% compliance.	65% Compliance. (800 buildings)	65% Compliance. (800 buildings)	Building 71%.	Building 73%.	Building 75%.

The table below shows employee positioning for emergency fire services.

Table 98: Employee positioning for emergency fire services during 2012/13

Employees positioning for emergency fire services				
Level	Year -1 (2011/12)	Year 0 (2012/13)	Year 1 (2013/14)	
	Employees	Employees	Employees	Vacant posts
3	1	1	1	0
4	0	0	0	0
5	6	1	5	1
6	0	0	0	0
7	52	78	51	56
8	1	0	1	1
9	8	0	10	14
10	0	0	0	0
11	0	1	0	0
Total	66	81	68	72

Table 99: 2012/13 Financial performance: Fire services

Employees positioning for emergency fire services					
Details	Year -1 (2011/12)	Year 0 (2012/13)			
	Actual	Original budget	Adjusted budget	Actual	Variance from budget
Total operation revenue	119,636	136,028	136,144	111,657	22
Expenditure:					
Fire fighters	493,842	501,653	501,653	503,366	0
Other employees	131,179	159,892	53,095	135,777	18
Repairs and maintenance	4,803	8,750	8,750	3,191	174
Other:					
Total operational expenditure	629,824	670,295	63,498	642,334	4
Net operational expenditure	510,188	534,267	527,354	530,677	26

Table 100: 2012/13 Capital expenditure: Fire services

Employees positioning for emergency fire services					
Capital projects	Year 0 (2012/13)				
	Budget	Adjusted budget	Actual expenditure	Variance from budget	Total project value
Total all	7,500	7,600	3,649	-106	-
Project A (EPWP wash bays)	3,500	3,500	3,268	-7	3,500
Project B (Telephone Management System and 2 way radios)	-	1,507	-	-	5,000
Project C (fire equipment)	3,600	2,193	381	-845	530
Project D (standby generator)	400	400	-	-	22,900

Disaster management and vehicle licensing

The City's Disaster Management services focus on integrated and coordinated disaster risk management to prevent or reduce the risk of disasters, ensure preparedness, and promote rapid and effective response to disasters and post disaster recovery. Directorate activities for Disaster Management are guided by the Disaster Management Act no. 57 of 2002 and the Policy Framework.

The top three service disaster management delivery priorities include:

1. Reducing the City's top ten risks.
2. Strengthening and expanding the Community Emergency Response Teams (CERT) programme to vulnerable areas (informal settlements prone to fires, flooding, and so forth.)
3. Conducting seasonal awareness programmes on the prevalent risks for identified vulnerable areas (informal settlements).

Two critical disaster management related risks prevalent in the City include fires, especially in informal settlements, and flooding. During the year, a total of 504 shack fires, 34 structural fires and 18 flooding incidences were responded to. Affected communities were provided with relief in the form of blankets and food parcels with assistance from the City's Social Development Department, the South African Social Security Agency and non-governmental organisations (NGOs). The City further capacitated Community Emergency Response Team (CERT) champions in all seven City regions. Campaigns were implemented to promote disaster prevention awareness. These included campaigns relating to water safety, basic first aid, basic fire fighting and the 'Stay Alive Till We Arrive' and 'Learn not to Burn' campaigns.

Vehicle licensing

The Johannesburg Metropolitan Police Department is responsible for the provision of vehicle and driver licensing. It operates as an agent for Gauteng Department of Transport with regards to motor vehicle registration and driver license testing centres within the City.

Table 101: Turnaround times for vehicle registrations and licence renewals

Average turnaround times:			
No.	**Process**	**Year -1 (2011/12)**	**Year 0 (2012/13)**
1	Vehicle license renewals	20 minutes	24 minutes
2	Vehicle registration	50 minutes	52 minutes

Table 102: Employees stationed at vehicle licensing premises that manage new vehicle licensing and license renewals.

Job level	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
Police	**Employees**	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts) (%)**
0 – 3 Directors	1	1	1	0	0%
4 – 6 Deputy Directors Heads	1 4	1 5	1 4	0 1	0% 20%
7 – 9 Managers Supervisors Admin support General worker Metro Police Officer	8 35 240 8 127	9 39 336 8 145	8 35 240 8 127	1 4 96 0 18	11% 10% 29% 0% 12%
Total	424	544	424	120	22%

Table 103: 2012/13 Financial performance: Licensing

Financial performance: Licensing R'000					
Details	Year -1 (2011/12)	Year 0 (2012/13)			
	Actual	Original budget	Adjustment budget	Actual	Variance from budget (%)
Total operational revenue	194,945	195,466	205,466	199,813	0.02%
Expenditure:					
Police officers	-	-	-	-	-
Other employees	78,754	99,739	99,739	82,463	-0.20%
Repairs and maintenance	-	-	-	-	-
Other	15,482	18,760	18,760	14,432	-0.29%
Total operational expenditure	94,236	118,499	118,499	96,895	-0.22%
Net operational expenditure	-100,709	-76,967	-86,967	-102,918	0.25%

Table 104: 2012/13 Capital expenditure: Licensing

Capital expenditure Year 0: Licensing R' 000					
Capital projects	Year 0 (2012/13)				
	Budget	Adjustment budget	Actual expenditure	Variance from budget (%)	Total project value
Total all	1,030	1,267	1,267	0.18%	1,267
Upgrading of weighbridges	1,000	1,000	1,000	0%	1,000
Capital replacement reserve	30	267	267	0.88%	267

Table 105: Employee positioning for licensing services during 2012/13

Level	Year -1 (2011/12)	Year 0 (2012/13)	Year 1 (2013/14)	
	Employees	Employees	Employees	Vacant posts
3	1	1	1	0
4	0	0	0	1
5	3	3	3	0
6	0	0	0	0
7	35	33	33	16
8	1	0	19	18
9	5	1	14	6
10	4	4	1	4
11	9	7	1	5
Total	58	49	72	50

EMS capital projects

Wash bays are required facilities at EMS fire stations to ensure a safe, clean environment for EMS staff when cleaning and sterilizing vehicles and equipment, as per a citation issued by the Department of Labour and the OHS Act 85 of 1993. They are further required to mitigate the risk of staff being infected after being exposed to medical, biological and chemical waste; and ultimately to minimize the City's exposure to possible liabilities.

The project to build 21 wash bays and to revamp three existing bays for City of Joburg Emergency Management

Services (EMS) was initiated in October 2010. The allocated funding of R3.5 million served to build three new wash bays and revamp two existing bays. The additional funding will be used to build five more wash bays and to create additional job opportunities. The Project is spread over a period of three years.

Table 106: Wash bay revamp project implementation progress

No	Fire station	Scope	Contractor	Contract amount (R'000)
1	Brixton	New	TedVest	893,509.00
2	Eldorado Park	New	TedVest	921,628.00
3	Florida	Upgrade	TedVest	502,075.00
4	Jabulani	New	Microzone	736,643.50
5	Midrand	Upgrade	Microzone	374,332.75
6	**Total**			3,428,188.25

In 2012/13, new wash bays were completed at Brixton fire station, Eldorado Park Fire Station Jabulani fire station as well as the upgrade of Florida fire station and Midrand fire station. This was achieved at as total cost of R3 428 188 against the allocated budget of R 3 500 000.00.

Sports and recreation

The Sports and Recreation Directorate oversees provision of sporting, recreational and social opportunities and formulates policies. It further focuses on social upliftment, ensuring that City communities, especially marginalised ones, are involved in its projects and take ownership of them. The directorate oversees a total of 565 facilities, 394 for sports, 108 for recreation and 63 for aquatics.

Sport and recreation services are responsible for:

- Maintaining sporting and other facilities.
- Formulating policy.
- Addressing issues of social upliftment through the initiation and overseeing of projects and functions.
- Encouraging the involvement of communities by implementing programmes and by making facilities available.

Sports facilities include various stadiums, some of international standard such as Ellis Park and Wanderers, while others meet national and regional standards. Grass and gravel fields are provided, as are open, indoor and multipurpose facilities. Recreational facilities range from simple indoor structures to multi-purpose indoor facilities, outdoor play areas and wide-open spaces at parks. Aquatic facilities vary from international standard swimming pools, such as Ellis Park, to standard pools, both outdoor and indoor. The City has a number of heated pools, such as at Coronation, Ellis Park and Linden.

Overall Johannesburg has 111 recreation centres, 239 sports facilities, and 59 swimming pools across the City's seven regions

Sport and recreation service policy objectives derived from the IDP

The table below contains the sport and recreation policy objectives derived from the IDP; and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 107: Sport and recreation service policy objectives derived from the IDP

Sports and recreation service policy objectives derived from the IDP									
Service objectives	**Outline service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1**	**Year 2**	**Year 3**
		Target	**Actual**	**Target**		**Actual**			
				Previous year	**Current year**				
Support to schools and lifelong learning.	Provide sustainable sport development programmes in all the regions.	Increase the number of (sport programmes) codes to 8.	9 Sport programmes Codes.	Increase the number of (sport programmes) codes to 8.	Develop prospective sports professionals through the HPS Development Programme in all transformational codes [8].	73 Professionals /clubs developed.	Increase number of clubs supported with training programmes to 28.	Increase number of clubs supported with training programmes to 34.	Increase Number of clubs supported with training programme to 40.

[8]HPS – High Performance Sports Development Programme in all the transformational sporting codes.

Sports and recreation service policy objectives derived from the IDP									
Service objectives	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1	Year 2	Year 3
		Target	Actual	Target		Actual			
				Previous year	Current year				
Engaged and active citizenry.	Ensure that the 'learn to swim' programmes to ECDs, primary school children and PWDs are provided with a developmental aspect to groom for this sporting code. Aspect to groom for this sporting code.	Increase the number of pools offering programme by four pools.	Number of pools offering programme increased by five.	Increase the number of pools offering the programme by four pools	Number of citizens able to swim through the - learn to swim programme.	11 849 Number of citizens who learned to swim.	Minimise incidents of drowning through the 'learn to swim' programme. 2 700 swimming volunteers trained.	Minimise incidents of drowning through the 'learn to swim' programme. 3 000 swimming volunteers trained.	Minimise incidents of drowning through the 'learn to swim' programme. 3 200 swimming volunteers trained.

Employees: Sport and recreation

Table 108: Employees responsible for various programmes within the sports and recreation directorate

	Year -1 (2011/12)	Year 0 (2012/13)			
Job level	Employees no.	Posts no.	Employees no.	Vacancies (full time equivalents)	Vacancies (as a % of total posts) (%)
0-3	1	N/A	1	Director	100%
4-6	1	N/A	1	Manager	36%
7-9	14	N/A	14	Recreation officer	16%
7-9	9	N/A	9	Sports officer	35%
10-11	11	N/A	11	Workers	4%

Table 109: 2012/13 Capital expenditure: Sport and recreation

Capital expenditure Year 0: Libraries, archives, museums, galleries, community facilities, other R'000					
Capital projects	Budget	Adjustment budget	Actual expenditure	Variance from budget	Total project value
Total All	-	-	-	-	-
Project A: Bosmont Recreation Centre	1,500.000	0	1,444,696.95	55,303.05	1,500
Project B: Eldorado Park Swimming Pool	500,000	0	496,361.61	3,638.39	500,000

Capital expenditure Year 0: Libraries, archives, museums, galleries, community facilities, other R'000					
Capital projects	**Budget**	**Adjustment budget**	**Actual expenditure**	**Variance from budget**	**Total project value**
Total All	-	-	-	-	-
Project C: Linden Swimming Pool	1,500,000	0	1,654	35	1,500,000
Project D: Dlamini MultiPurpose Centre	2,200,000	0	2,199,313.50	686.50	2,200,000

Good Governance Cluster

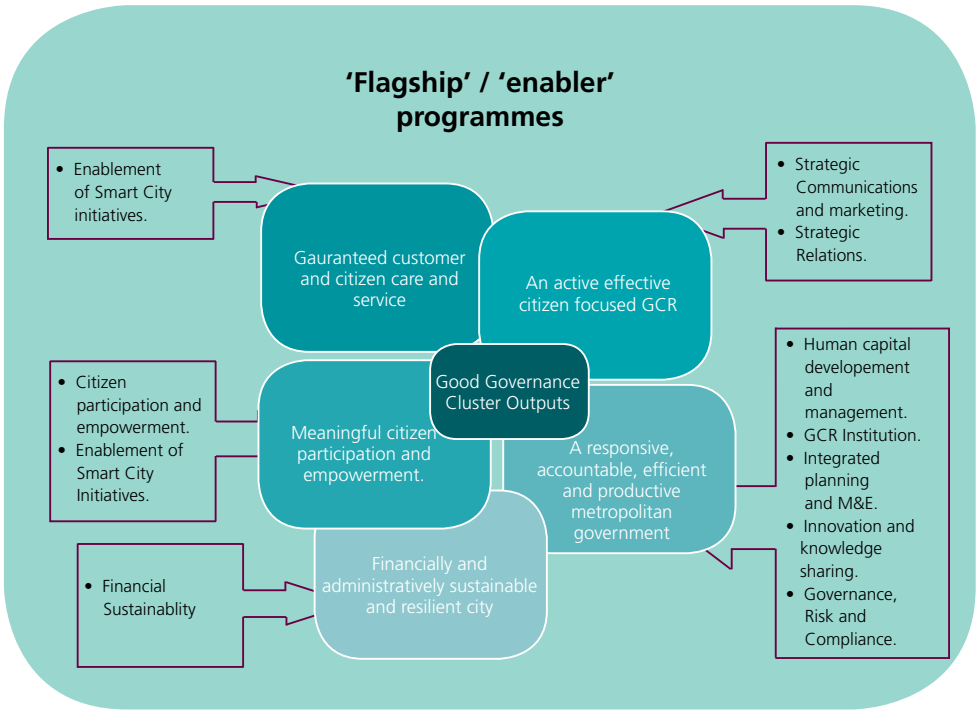
A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region

Perspective on good governance

Good governance relates to the processes for making and implementing decisions. It is less about making 'correct' decisions, than about ensuring the best possible process to structure and implement the outcomes of those decisions. Good decision-making processes, and therefore good governance, share several characteristics in that they have a positive effect on the various aspects of local government, including consultation policies and practices; meeting procedures; service quality protocols; the conduct of councillors, officers and employees; role clarification; and the promotion of good working relationships.

Accountability is a fundamental requirement of good governance. Local government has an obligation to report, explain and be answerable for the impact of the decisions it makes on behalf of the community it represents. It further has a responsibility to implement decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for the long-term economic, social and environmental sustainability of its community.

Figure 23: Outputs for the Good Governance Cluster, with associated 'Flagship' / 'enabler' programmes



Performance highlights

Table 110: Good Governance Cluster performance highlights

Service area	Performance highlight
A responsive, accountable, efficient and productive metropolitan government	Innovation and knowledge sharing: Annual Target of 100% implementation not fully achieved. However progress was made and three innovative projects were identified based on the set criteria. The three projects identified were the Outdoor Green Gyms: promoting healthy lifestyles in the City, Landfill Gas to Energy Clean Development Mechanism and the Bus Rapid Transit (BRT).
	Governance, Risk and Compliance: Group integrated assurance framework and combined assurance model completed. Implementation achievements to date (100%).
	Combined assurance and integrated planning for 13/14 completed (core admin); City-wide strategic risks 2013/14 performed.
	Total of 19 Forensic Investigations completed during 4th quarter in the core administration.
	Completed investigation and conducted follow-ups on disciplinary action relating to AGSA audit finding on SCM Section 44 non-compliance (officials doing business with the City).
	Fraud awareness and City's Code of Conduct awareness training in high risk departments, attended by 222 employees.
Financially and administratively sustainable and resilient city	Financial Sustainability: 92% of revenue collected from revenue billed – annual target achieved.
Meaningful citizen participation and empowerment	130 Ward plans have been developed for all wards in the City of Johannesburg as originally planned. Ward plans include ward profiles and costed capital projects for individual wards.
	Enhancement of the Civic Education awareness: annual Target exceed with a total of 80 wards reached against the projected 65 wards.

Performance overview

The Joburg 2040 Strategy recognises the importance of sound governance practices that will support the City in the attainment of its long-term objectives and goals. The Governance Cluster supports the GDS outcome of: "A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region."

This GDS outcome is further supported by the Cluster's five core outputs:

- An active and effective citizen focused Gauteng City Region (GCR).
- A responsive, accountable, efficient and productive metropolitan government.
- A financially and administratively sustainable and resilient city.
- Meaningful citizen participation and empowerment.
- Guaranteed customer and citizen care and service.

The Governance Cluster envisages a future where the City will drive a caring, responsive, efficient and progressive approach to service delivery and development within the GCR.

Information and communication technology (ICT) services

The City's aspiration of becoming a leading Smart City through the roll-out of Broadband technology and capabilities is underpinned by its information and communications technology (ICT) strategy, which in turn is enabled by adopting sound governance processes. The upgrade of the City's ICT infrastructure assets has increased the number of departments connected to a common interoperable 'Smart City' platform. During the year, public access to internet services was increased through the PAIL (Public Access to Internet in Libraries) programme and the Broadband Network Core Infrastructure. PAIL implementation is planned to continue in the year ahead and will be continually refined in future years.

The City's ICT objectives include:

- Improving productivity.
- Improving efficiencies by deploying appropriate ICT systems and solutions.
- Ensuring the implementation of an ICT Governance Framework and supporting structures.
- liminating the 'Digital Divide' that still exists between different social groupings.

ICT service policy objectives derived from the IDP

Table 111 contains the ICT service objectives derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the next three years, as envisaged in the IDP. The past two financial years indicate the performance progress achieved by the entity. During the year the SAP system maintained an average uptime/availability of more than 95%. With regard to ICT Outsourced Operations, the table below indicates aggregated average performance per Service Level Agreement (SLA) in each functional area.

Table 111: ICT service policy objectives derived from the IDP

ICT service policy objectives derived from the IDP R'000									
Service objectives / service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 3	
		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year		Current Year	Current year	Following year
Improvement of ICT resources, infrastructure, integration and collaboration across the core admin and ME's.	Computers	0	-	333,798	15,000	8,732	10,000	-	-
	Furniture	0	-	60,756	18,000	1,076	-	-	-
	Office machines	0	-	34,722	12,000	3,214	-	-	-
	SAP infrastructure	0	-	0	40,000	5,451	40,000	-	-
	Enterprise PMO and change management	0	-	0	47,273	47,237	35,030	-	-
	SAP performance management	0		0	1,000	0	-	-	

ICT service policy objectives derived from the IDP R'000									
Service objectives / service indicators	Outline service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 3	
		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year		Current Year	Current year	Following year
	IT infrastructure	42,442	39,479	12,400	12,400	12,400	18,000	-	-
	Enterprise PMO and change management	0	0	0	12,827	12,827	-	-	-
	Lotus conversion to Microsoft Outlook	0	0	0	5,000	0	6,8000	-	-
	SAP application upgrade	0	0	0	0	-	127,000	-	-
	WAN/LAN upgrade	0	0	0	0	-	68,000	-	-
	Data centre upgrade	0	0	0	0	-	60,000	-	-
Enablement of Smart City initiatives	Initial migration to broadband services	0	0	-	0	-	2,000	-	-
	Smart City enable	-	-	-	-	-	5,000	-	-

Table 112: 2012/13 Financial performance: ICT services

Financial performance Year 0 :ICT services R'000					
Details	Year -1 (2011/12)	Year 0 (2012/13)			
	Actual	Original budget	Adjustment budget	Actual	Variance from budget
Total operational revenue	194	-	-	579	-
Expenditure	292,622	318,246	317,406	253,826	63,580
Employees	15,793	20,193	20,193	16,331	3,862

Financial performance Year 0 :ICT services R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget**
Repairs and maintenance	106	702	704	85	619
Other	276,732	2,97,351	296,509	237,410	59,099
Total operational expenditure	292,622	318,246	317,406	253,826	63,580
Net operational expenditure	292,428	318,246	317,406	253,247	64,159

Table 113: Skills development and training

Management level	**Gender**	**Employees in post as at 30 June, Year 0**	**Number of skilled employees required and actual as at 30 June, Year 0**											
			Learnership			**Skills programmes and other short courses**			**Other forms of training**			**Total**		
		No.	**Actual: End of Year -1**	**Actual: End of Year 0**	**Target Year 0**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Target Year 0**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Target Year 0**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Target Year 0**
MM and s57	Female	-	-	-	-	-	-	-	-	-	-	-	-	-
	Male	-	-	-	-	-	-	-	-	-	-	-	-	-
Councillors, senior officials and managers	Female	-	-	-	-	600	399	108	33	198	79	633	597	187
	Male	-	-	-	-	499	459	216	38	180	71	537	639	287
Technicians and associate professionals	Female	-	-	-	-	11	566	200	5	477	93	16	1043	293
	Male	-	-	-	-	30	799	390	6	449	103	36	1248	493
Professionals	Female	-	-	-	-	450	579	199	94	234	110	544	813	309
	Male	-	-	-	-	299	199	380	55	240	62	354	439	442
Sub total	Female	-	-	-	-	-	1544	507	-	899	-	-	2453	789
	Male	-	-	-	-	-	1457	986	-	839	-	-	2326	1222
Total		0	0	0	0	1889	6002	2986	231	3516	518	2120	9558	4022

Corporate policy offices: Financial services

In line with the City's Institutional Review process, the Revenue and Customer Relations Management and Finance departments form the Group Finance Department, which has oversight of the financial well-being of the City.

The Department has the following key outputs:

- Increasing the bill collection rate (complete revenue).
- Ensuring disciplined expenditure management.
- Promoting high confidence levels in the City, for private sector partners and citizens.
- Ensuring effective management oversight and monitoring of people and processes.
- Creating value for money via smart and efficient supply chain management (SCM) procurement.
- Retaining and improving the competitive edge of the City.
- Promoting a financially stable City with healthy financial reserves.

Performance highlights

Table 114: Group Finance Department's performance highlights

Output area	Performance highlight
Reducing unnecessary expenditure	The Department introduced austerity measures during the year to reduce employee related costs and unnecessary expenditure, which yielded positive results.
Billing	Checks and balances were refined to validate the accuracy of bills delivered to customers. Systemic parameters were implemented and human interventions introduced to ensure accurate bills are dispatched to customers. This has resulted in reduced customer complaints and increased revenue collections. Dedicated teams were deployed at regional level to receive and resolve customer queries at points of contact.
Revenue collection	The Department enhanced its efforts to improve the collection of billed revenue. Credit control measures were intensified. The speedy resolution of customer queries relating to billing and meter readings (amongst others) resulted in a steady improvement in the collection ratio.

Table 115: Group Finance Department's performance on billing and revenue collection

Performance on billing and revenue collection: R'000							
	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	
Details of the types of account raised and recovered	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year (%)	Billed in the year	Collected for the year	Proportion of accounts value billed that were collected in the year (%)	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that will be collected (%)
Assessment rates	5,727,335	85.41%	5,715,908	5,400,528	94.48%	6,150,309	94.96%
Electricity	12,876,303	90.21%	13,582,407	12,967,718	95.47%	14,965,440	96.80%
Water and sewerage	6,041,824	75.15%	6,691,309	5,419,089	80.99%	7,098,873	92.50%
Refuse	1,088,460	83.27%	1,093,222	984,509	90.06%	1,097,809	90.00%
Other (surcharge)	200,151	365.23%	255,034	606,659	237.87%	221,082	100%
Total	25,934,073	87.47%	27,337,880	25,378,503	92.83%	29,533,514	95.10%

Group Finance Department service policy objectives derived from the IDP

The table below contains the policy objectives for the Group Finance Department derived from the IDP and shows a comparison of performance for the review period relative to planned performance for the years 2013-2016, as envisaged in the IDP. Year -1 (2011/12) and Year 0 (2012/13) indicate progress achieved against IDP plans.

Table 116: Group Finance Department service policy objectives derived from the IDP

Group Finance Department service policy objectives derived from the IDP									
Service objectives	Service targets	Year -1 (2011/12)		Year 0 (2012/13)			Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
		Target	Actual	Target		Actual	Target		
		Previous year		Previous year	Current year				
Revenue completeness.	% Revenue collection ratio.	89.67%	93.80%	93.80%	94%	92.5%	94%	96%	97%

Group Finance Department service policy objectives derived from the IDP									
Service objectives	**Service targets**	**Year -1 (2011/12)**		**Year 0 (2012/13)**			**Year 1 (2013/14)**	**Year 2 (2014/15)**	**Year 3 (2015/16)**
		Target	**Actual**	**Target**		**Actual**	**Target**		
		Previous year		**Previous year**	**Current year**				
Expenditure management.	Reduction of personnel remuneration as a % of operating costs.	New indicator.	36.4%	36.4%	37.7%	37.8%	37.7%	37.2%	36.3%
Financial sustainability.	Achievement of selected profitability and liquidity ratios.		Current ratio: 0.80:1 Solvency ratio: 1.82:1 Debt to revenue: 46.6% Remuneration to expenditure: 35.2% Maintenance to expenditure: 2.7% Interest to expenditure 5.7% Net operating margin: 8% Cash coverage (days): 10.7 days	Current ratio: 1.3:1 Solvency Ratio: 2.2:1 Debt to revenue: 40.1% Remuneration to expenditure: 37.8% Maintenance to expenditure: 3.5% Interest to expenditure: 5% Net operating margin: 12% Cash coverage (days): 48.4 days	Current ratio: 1.25:1 Solvency ratio: 2.09:1 Debt to revenue: 36.7% Remuneration to expenditure: 37.8% Maintenance to expenditure: 4.3% Interest to expenditure: 4.9% Net operating margin: 12.3% Cash coverage (days): 25.7 days	Current ratio: 1.113:1 Solvency ratio: 2.027:1 Debt to revenue: 34.43% Remuneration to expenditure: 37.4% Maintenance to expenditure: 2.2% Interest to expenditure: 4.5% Net operating margin: 22.79% Cash coverage (days): 92.46 days	Current ratio: 1.3:1 Solvency ratio: 2.3:1 Debt to revenue: 39.4% Remuneration to expenditure: 37.7% Maintenance to expenditure: 4.8% Interest to expenditure: 4% Net operating margin: 14% Cash coverage (days): 52.0 days	Current ratio: 1.2:1 Solvency ratio: 2.4:1 Debt to revenue: 41.3% Remuneration to expenditure: 37.2% Maintenance to expenditure: 4.9% Interest to Expenditure 4% Net operating margin: 14% Cash coverage (days): 32.9 days	Current ratio: 1.1:1 Solvency ratio: 2.5:1 Debt to revenue: 42.0% Remuneration to expenditure: 36.3% Maintenance to expenditure: 5.1% Interest to Expenditure 5% Net operating margin: 13% Cash coverage (days): 21.0 days

Table 117: Employees for the Group Finance Department

Job level	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Employees no.	**Posts no.**	**Employees no.**	**Vacancies (fulltime equivalents) no.**	**Vacancies (as a % of total posts) (%)**
0 - 3	16	14	14	0	0%
4 - 6	147	188	181	7	4%
7 - 9	1683	1591	1590	1	0%
10 - 12	159	163	163	0	0%
Total	2005	1956	1948	8	0.4%

Table 118: 2012/13 Financial performance: Group Finance Department

Financial performance Year 0: Group Finance Department R'000					
Details	**Year -1 (2011/12)**	**Year 0 (2012/13)**			
	Actual	**Original budget**	**Adjustment budget**	**Actual**	**Variance from budget (%)**
Total operational revenue		-12,640,645	-12,259,490	-12,414,425	-2%
Employees		656,546	617,464	595,711	-10%
Repairs and maintenance		5,430	5,387	3,451	-57%
Other		5,748,492	5,819,514	5,722,134	0%
Total operational expenditure		6,410,468	6,442,365	6,321,296	-1%
Net operational expenditure		-6,230,177	-5,817,125	-6,093,129	-2%

Table 119: 2012/13 Capital expenditure: Group Finance Department

Capital expenditure: Group Finance Department R' 000					
Capital projects	**Year 0 (2012/13)**				
	Budget	**Adjustment budget**	**Actual expenditure**	**Variance from budget (%)**	**Total project value**
Total all	29,038	-25,062	3,734	-678%	n/a
Computers	650	2,188	2,763	76%	n/a
Furniture	150	194	329	54%	n/a
Office machines	150	-66	63	-138%	n/a
Upgrade – Braamfontein	14,300	-14,300	0	0%	n/a
Security measures	2,900	-2,731	80	-3,525%	n/a
USDG	10,888	-10,888	0	0%	n/a
Plant and equipment	0	416	328	100%	n/a
Insurance replacement	0	125	69	100%	n/a

Cluster performance against SDBIP targets for 2012/ 13

Table 120: Sustainable services cluster performance against the SDBIP

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Greenways and Mobility.	Roll-out of Rea Vaya.	Original approved Indicator: Rea Vaya – Phase 1A: Quality service delivery; Phase 1B: Operationalization; and Phase 1C: Planning. Revised approved indicator: Phase 1 A: Average number of passengers per day . [9]	Tickets sales.	41 000 passengers.	45 000 passenger per day on Phase 1A of the Rea Vaya BRT system.	Annual target partially met. The Rea Vaya BRT system achieved an overall annual average of 35 953 passengers per day. The under achievement is attributed to external pressures such as the number of strikes experienced including a 3 week national bus driver strike during the fourth quarter which lasted for longer than envisaged.
						Alternative measures are being explored to mitigate challenges to meeting the set annual target, particularly during strikes. The department will continue to provide quality services including marketing and communications.
		Kilometres of dedicated road ways constructed, numbers of stations constructed and % of depots completed and purchase of buses.	Visual inspection. Phase 1B buses: Agreement with affected operators.	Completed Rea Vaya Phase 1A infrastructure	Original approved target: Phase 1B completed and Phase 1C planned. Revised Approved target: Phase 1B – 4.92 kilometres of roadways and 4 stations constructed (4 stations as per list attached); 100 % completion of depot (Dobsonville depot for Rea Vaya); and 134 buses purchased.	Annual target partially met. The annual target on both the roadways and the stations and depots was achieved, that is 4.92 kilometres of roadways and 4 stations (asper list attached) were completed. Improvements underway in preparations for Phase 1B operations during second quarter of 2013/2014 financial year. 1 Depot (at Dobsonville) completed. Preparations to launch the Rea Vaya services in the new financial year (2013/2014) on this Phase 1B route are underway. Regarding the 134 buses purchased, significant progress was achieved: The buses have been ordered and a prototype bus was inspected; negotiations with affected operators although not concluded are on-going; There are delays on the delivery of the buses however, due to the change in the bus requirements to include local content towards job creation. The Phase 1B delivery of 134 buses will be done in the next financial year. Authorization for deviation from the original target was sought and approved at midyear.

[9]The average number of passengers per day denotes the number of passengers commuted through Phase 1B operations of the Rea Vaya BRT system. Phase 1B operationalization includes purchase of 134 buses to run the service, negotiations with the affected operators and the establishment of a second BOC to run the operations.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Planning for Phase 1C commenced (Phase 1C sustainability study and Phase 1C business plan completed) towards phase 1C implementation.	Sustainability study. Business plan.	New indicator.	Phase 1C sustainability study and business plan completed [10].	One annual target achieved. The Rea Vaya phase 1C sustainability study was completed. Consultation with various stakeholders both internal and external on the findings of the study has commenced. The Phase 1C business plan not completed.
	Introduction of managed lanes.	No. of kilometres of managed lanes[11].	Feasibility study. No. of kilometres.	New indicator.	Original approved target: Feasibility study and at least 1 managed lane implemented. Revised Approved Target: 2 kilometres of public transport managed lanes introduced (bypass lanes & dedicated public transport lanes in inner city).	Annual target partially achieved. The annual target on the feasibility study (at Ntemi Peliso) was achieved. The traffic volumes however did not warrant implementation of managed lanes on this road. A follow-up broader study for the area is to be done in the new year (2013/2014) - aimed at introducing managed lanes particularly where they will be warranted.
		Original approved Indicator: Managed lanes implemented. Revised Approved Indicator: Number of kilometres of managed lanes implemented in the Inner City[12] .	No. of kilometres implemented.	New indicator.	Original approved target: Feasibility study and at least 1 managed lane implemented. Revised Approved Target: 2 kilometres of managed lanes (bypass lanes & dedicated public transport lanes in Inner City) introduced / implemented in the Inner City (Ntemi Peliso street).	The annual target on managed lanes on the identified route (Ntemi Peliso) was not achieved. The feasibility study for possible implementation of managed lanes at this road (Ntemi Peliso) was done. However, the 2 kilometres of dedicated lanes envisaged for implementation on the road (Ntemi Peliso) was not implemented. This is because the results of the feasibility study indicated it would not be practicable. Traffic volumes are too high to introduce a dedicated lane on this road. A comprehensive study will now be done in the next financial year to look at the overall impact in the CBD for introducing dedicated lanes.

[10] NF12: Corronationville Station, NF006: UJ Sophiatown Station, CBD21: Park Station, NF17: Noordgesig Ext Station.
[11] Feasibility study conducted on possible implementation of managed lanes in the Inner City (e.g. Ntemi Peliso Street) aimed at implementing managed lanes to enhance mobility and reduction of congestion particularly in the Inner City.

[12]Ntemi Peliso Street and Rosherville to enhance mobility and reduce congestion.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Improved movement of freight within the borders of the City.	Original approved Indicator: Manage movement of freight. Revised approved indicator: Implementation of a freight policy through managed lanes.	Parking audits. Freight policy.	New indicator.	Original approved target. Complete freight policy.	Annual target partially met. A target of twenty five parking audits was achieved. The implementation of parking audits study and development of policy to commence in the new year (2013/2014).
	Streets Alive.	Open Street programme [13].	Open Street activities.	New indicator.	Number of Open Street activities in different regions[14].	The target of three events was achieved and exceeded. 2 Streets Alive: Open Streets activities were held on 21 April 2013 and 1 May 2013 respectively. Cumulatively 7 (including through partnerships) Open Streets events / activities were held) during the 2012/13 financial year. The areas where Open Street activities were held include Orlando to Bosmont (with estimated 300 people), Alexandra (with estimated 1000), Eldorado Park (with estimated 400), Roodepoort (with estimated 200) and Dlamini (with estimated 800). Open Streets activities will continue in the new year (2013/2014).

[13]The number of open streets activities/programmes (of which there were 13) implemented along the identified route from Vilakazi Street in Orlando to Sandton Square aimed at reclaiming City roads as public spaces.
[14]Three open streets activities/programmes implemented.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Travel Demand Management.	Development and implementation of travel demand policy.	TDM policy and measures. Number of TOD interventions measures interventions introduced.	New indicator.	100% Development of policy and implementation started [15].	Target not achieved. However, a draft TDM policy was developed for internal use and was included in the strategic Integrated Transport Plan framework. Various measures were introduced on TDM interventions, these included: Park and rides study on potential areas; Participation in a study on Nasrec as venue with PRASA; and The twenty five parking audits mentioned above for small CBDs (list attached) included TDM recommendations.
Greenways and Mobility.	Public transport facilities.	Model Taxi Facility: Roodepoort Rank 5 constructed [16].	Completed facility.	Design and earthworks completed.	Facility completed[17].	Target not achieved. The facility is still under construction and was not completed on targeted date. Delays were caused by contractor cash flow problems. This facility will be completed by the end of first quarter of the 2013/2014 financial year.
Shift to low carbon economy.	Improve network performance and quality of supply and service. (Improve restoration times, reduction in unplanned outages, improvement of network health) .[18]	System Average Interruption Duration Index (SAIDI).	Minutes.	<1 138 minutes system average interruption.	11.7 minutes system average interruption.	This is as a result of cable theft, City continues to work with JMPD and SAPS and communities in dealing with cable theft.

[15]TDM policy developed and four (4) interventions introduced including through partnerships.
[16]Number of public transport facilities constructed in line with the new model of ranks aimed at promoting walking, cycling and public transport.
[17]One Public Transport Facility (Roodepoort Rank 5) constructed and completed.
[18]City Power implemented an international tool which is not giving the ideal envisaged outcomes.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		System Average Interruption Frequency Index.	Number (average number of interruptions per customer interrupted per year).	<3.08 As the average number of interruptions per customer interrupted per year.	3.08 As the average number of interruptions per customer interrupted per year.	The annual target not achieved. An average of 4.78 interruptions per year was achieved. The annual target not achieved. An average of 4.78 interruptions per year was achieved. This is related to mainly cable theft as previously indicated.
		Customer Average Interruption Duration Index.	Minutes.	<368 Minutes Customer Average Interruption Index.	368 Minutes Customer Average Interruption Index.	Target achieved. 280 minutes was the customer average interruption for the year to date.
		Customer Average Interruption Frequency Index.	Number (average number of interruptions per customer interrupted per year).	0.08 As the average number of interruptions per customer interrupted per year.	1.2 As the average number of interruptions per customer interrupted per year.	The annual target achieved. 0.06 Is the average number of interruptions per customer interrupted per year.
		Planned: unplanned maintenance %.	Ratio.	60 Planned maintenance and 40 unplanned maintenance.	65:35 Planned maintenance and unplanned maintenance.	The annual target partially achieved. The ratio year to date was 64:36. Planned maintenance was 64% while unplanned maintenance was 36% vs. the target of planned maintenance of 65% and unplanned maintenance of 35%.
	Diversification of energy sources (waste to energy, landfill gas to energy, fuel conversion).	% Completion of feasibility studies and pilots completed on landfill gas to energy project . [19]	Completion of feasibility study and pilots.	Project report.	Original target: Waste to energy – EIA study done. Fuel conversion study and 1 pilot completed. Revised target: Issue of RFP Power Purchase Agreement in place for all sites. 100% Completion fuel conversion strategy.	Target partially achieved. Waste to energy feasibility study completed, landfill gas to energy feasibility study completed, fuel conversion feasibility study completed and draft feasibility for fuel conversion and diversification completed.

[19]100% Implementation of Landfill Gas to Energy, establishing alternative waste treatment technology and % Completion of feasibility studies for gas conversion fuel switching. Completion of waste to energy feasibility study. Completion of landfill gas to energy feasibility study. Completion of fuel conversion feasibility study. Number of pilots done on diversification of energy sources.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Roll-out of solar water heaters in RDP homes (reduction in carbon emissions).	No. of solar water heaters rolled out.	Number of solar water heaters.	New.	20 000 Solar water heaters installed in Alexandra and other regions.	Exceeded the set annual target. 27 091 Solar water heaters installed for the year.
	Meter roll-out (relief in tariffs, Smart City, reduction in accounted for electricity losses).	Total number of smart meters installed.	Total number of meters installed.	New.	20 000 Smart meters installed.	19 598 Meters have been rolled out.
Urban water management (reduce water demand and waste, curb water losses, and reduce UFW - secure water supply).	Demand side management: reduction in unaccounted water.	% Reduction of unaccounted for water (UFW) – Soweto rehabilitation.	% Reduction.	32.8% Reduction of unaccounted for water. 43.4% for deemed area – where the Soweto intervention is aimed at.	Unaccounted for Water to be less than 34%.	Annual target achieved and exceeded. Unaccounted for water was reduced to 31.4 %.
	Demand side management: pressure management and retrofitting.	Volume of water demand reduced.	Mega litres.	0	A 20 000 mega litre volume of water demand reduction.	Annual target not achieved. Year to date a volume increase of 12 583 mega litres was experienced. The City will undertake an aggressive awareness and education campaign to promote water savings.
	New as well as expanded treatment works.	% Of treatment works upgraded, and constructed as per project plans.	%	0%	100% Roll-out of WWTW expansion annual plan.	Annual target not achieved. The set target of was not achieved, but should be concluded 2013/14 financial year.
	Improved water quality of rivers.	Reduction in E.coli count.	E.coli count per 100ml.	2%	4% Reduction of E.coli count.	Target achieved. There was a 12% reduction in the E.coli count for the financial year.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Management of impoundments.	% Rehabilitation of urban impoundments (Zoo Lake and Orlando Dam).	%	0%	100% Rehabilitation of urban impoundments (Zoo Lake and Orlando Dam).	Annual target partially achieved. Zoo Lake: the project is still at procurement stage — procurement for implementation in the next financial year. Orlando Dam: target achieved; clearing alien vegetation and planting of indigenous plants and fencing off the wetland and installation of signage.
	Implementation of sustainable urban drainage system (SUDS) principles for new developments.	Number of developments where urban drainage system (SUDS) principles have been adopted.	No. of developments proposals.	Stormwater by-laws.	60	Target achieved and exceeded. There were 30 development applications for the quarter and 84 for the financial year.
	Stormwater upgrading, dam and bridge rehabilitation.	% Projects completed (Including New Canada, Bruma).	%	On-going stormwater upgrading e.g. conversion of channels.	New Canada and Bruma interim works completed as well as Alexandra and Ivory Park bridges rehabilitated.	Target not achieved, due to budget constraints.
	Acid mine drainage. Alternate uses for Joburg.	Original approved indicator: CoJ position paper.	New	Engagements at IGR forums. Drainage.	Development of a CoJ position paper on acid mine water drainage.	100% Completion of COJ position paper on acid mine water drainage.
	New as well as expanded treatment works.	% Of treatment works upgraded, and constructed as per project plans.	%	0%	100% Roll-out of WWTW expansion annual plan.	Annual target not achieved. The set target of was not achieved, but should be concluded in the 2013/14 financial year.
	Improved water quality of rivers.	Reduction in E.coli count.	E.coli count per 100ml.	2%	4% Reduction of E.coli count.	Target achieved. There was a 12% reduction in the E.coli count for the financial year.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Integrated Waste Management	Waste diverted from landfills. Reduce, reuse, recycle and reclaim (community participation in separation at source – SLAs with PPP's).	Dry recyclable waste diverted from landfills 99517 tonnes. 80 000 Green waste tonnes.	Waste tonnes.	99 778 Tonnes. 10 000 Tonnes.	99 517 tonnes. 80 000 tonnes.	Annual target partially met. The total waste diverted from landfill site as at the end of the year was not achieved. The total waste diverted through City and Industry interventions was 88 934 tonnes out 1 163 941 tonnes disposed. Green waste diverted was 23 356. It was lower than the target of 80 000 due to challenges with compost plant during period under review.
	Construction of buy-back centres, drop-off centres and garden sites (sorting facilities).	Number of sites.	Number of buy-back centres.	4 Buy-back centres.	3 Buy-back centres.	Target achieved. 4 Garden sites were upgraded in Allie Street, Meredale, Migson Manor and Randburg, and they are operational. 5 buy back centres were conceptualized with designs completed in the 2012/13 financial year to be constructed in 2013/14 financial year in Diepsloot, Protea North, Mapetla Chiawelo and Orange Farm .[21]
	Roll-out of separation at source. Community participation, education and awareness, taking responsibility for environment and poverty alleviation.	Participation rate in targeted areas.	% Participation.	0%	60% Average participation rate.	The set annual target was not achieved. 17% Average participation rate in targeted depot areas, Diepsloot, Orange Farm, Zondi and Waterval. The various areas perform at different rates; with certain areas such as Waterval have a higher participation rate. This is due to fact that the project has been in operation for more than a year in some areas whereas areas such as Orange Farm only started the project during the last 4 months and not enough households are fully aware of the project.

[0]Targets are indicative and they will be verified through a survey.

[21]The development plan requires land to be allocated, lease agreements to be concluded, designs to be completed before construction takes place. Capital funding has been allocated in 2013/14 to construct the facilities as well as the design for further facilities indicated in phase 2 of the project.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Coordinating cleaning of bins project contributing to employment creation.	Number of youths participating.	Number.	0	150 Youth participating.	Annual target achieved and exceeded. 202 Youth participated in the bin cleaning project in Soweto.
	Upgrade land fill sites to comply and to permit conditions and extend landfill airspace.	% Landfill compliance.	% Compliance	55 %	60% Compliance to permit conditions.	Target partially achieved. An overall level of 53.62% for landfills and 68% for operational sites compliance to permit conditions - as issued by the DEA [22],was achieved.
Sustainable human settlements.	Upgrade of informal settlements households.	Provision of basic services to 12 000 households in informal settlements.	Number of Informal settlement households with access to basic services.	New.	12 000 households with access to basic services.	Target not achieved. An overall 10 280 stands were serviced.
	Upgrade of informal settlements households.	Provision of basic services to 12 000 households in informal settlements.	Number of informal settlement households upgraded.	2 000 Informal settlement households with access to basic services.	2 000 Informal settlement households upgraded.	Target achieved. 4 055 Households were upgraded in during this financial year.
	Upgrade of informal settlements households (more people with access to electricity, economic growth).	Provision of electrification and public lights.	Project report.	New.	4 200 Public lights, and the electrification of 3 200 households.	Targets were partially achieved. Electrification of households equalled 3 037 (target slightly missed) and, public lighting equalled 5 343 (annual target exceeded).
	Number of households with improved sanitation services.	% and Number of households with improved sanitation services.	Project report.	2 782 households.	91.4 % Being 3 043 households.	Target achieved, 91% otherwise stated as 3 043 households were improved with regards to sanitation services.
	Number of households with basic water services. Relocation of informal settlements.	% and Number of households with basic water services.	Project report.	4 030	98.05 % Being 3110 households.	Target achieved. 98.05 % Otherwise stated as 3 110 households with basic water services.

[22]Action Plan is developed for each landfill site to address matters of non-compliance. In the 2012/13 financial year some of the mitigation plans have been implemented such as fencing at sites, weighbridges fixed etc. These are aimed to improve compliance by the next audit. Capital Funds have also been allocated in the 2013/14 financial year to address further items where there was non-compliance and will be implemented in the next financial year.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Number of informal settlements relocated.	Number of informal settlements relocated.	New.	9 Informal settlements relocated.	Target not achieved. 1 Informal settlement was relocated in the 2012/13 financial year. CoJ housing is expected to relocate settlements in totality to achieve the KPI. However, the number of housing opportunities is less than the number of households in settlements. The Department has reviewed the business plan to produce a realistic target.
	Settlements formalised, programme - link.	Number of programme -linked informal settlements formalized.	Number of programme- linked informal settlements formalized.	New.	5 Programme - linked informal settlements formalized.	Target not achieved. There were no settlements formalised under programme- linked.
		Number of non - programme - linked settlements formalized.	Number of non –programme – linked settlements.	New.	4 Non-programme - linked settlements.	Target not achieved. 3 Settlements out 4 non – programme-linked Informal settlements formalized. The Department has allocated personnel to focus on land identification and acquisition for 4 new projects. Once suitable land has been identified the settlements will be linked to that land. Negotiations are underway for land in Diepsloot.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Cleaning of informal areas.	Number of informal cleaned.[23]	Number of informal settlements receiving the basic standard of waste services based on regulated waste standards (Levels 1-4).	119	123 informal areas cleaned.	Target achieved. 133 Informal areas were cleaned.
Integrated planning, policy development and standard setting.	Spatial development framework.	% Review of the spatial development framework.	%	50% of Draft special development framework document incorporating GDS and SHSUP elements.	Review of the special development framework in line with the Growth Development Strategy - GDS. [24]	Target achieved. 25% SDF revision (phase 1). Draft SDF is complete.
	Built Environment Performance Plan BEPP.	% Review of the Built Environment Performance Plan BEPP.	%	100% Revised BEPP document including outcomes of SHSUP and access to facilities modelling.	Review BEPP document and submit to National Treasury.[25]	Annual target achieved. The final BEPP has been submitted and presented to National Department of Human Settlements.
	Integrated Infrastructure Investment Plan (IIIP).	% Update of the Integrated Infrastructure Investment Plan.	%	CIMS 1 213 output.	Compile Integrated Infrastructure Investment plan (phase1) .[26]	Annual target achieved. Draft IIIP completed.
	Joburg Red Book to specify minimum standards for infrastructure e.g. complete roads.	% Development of Joburg Red Book.	%	None.	Update Red Book with new standards developed in previous year. [27]	Annual target achieved. Framework for Red Book standards and guidelines is complete
	Built environment improvement.	% Compliance with urban design principles.	%	SHS, TOD guidelines.	1.) 100% Establishment of key design parameters. 2.) 80% Compliance of all major (Res =20 units +, Non-Res Sites of 2 000 msq and more) development SDPs with key urban design parameters (outcome based).	Annual target achieved. 1.) The SHS Indices and TOD policy guidelines are used as the design parameters for the evaluation of applications. 2.) The UDAC assesses the SDPs for major developments and for this category of SDPs, 80% compliance was achieved.

[23] Settlements receiving the basic standard of waste services based on regulated waste standards (Levels 1-4).

[24]25% SDF revision Phase 1 of the SDF review is the inclusion of Planning Policy Guidelines (PPGs) to respond to spatial planning issues such as densification, the urban development boundary and resource sustainability. These are essentially revised spatial planning tools/policies to assist in realising the City's development vision as per the GDS 2040 and IDP.

[25]The review of the BEPP entails the inclusion of any new planning policy, guideline or standard that will have an impact on the BEPP.

[26]50% operationalize CIMS.

[27]50% revised BEPP with 'access to facilities model'.

IDP flagship program	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	DM funding.	-	%	-	-	-
	Future city model.	% Completion of Design of a 3D model depicting current and future projected growth.	%	None.	50% Completion of base model showing current profiles for city.	Annual target achieved. Single ESRI platform reflecting strategic areas of the City complete.
Land management and acquisition.	City owned land earmarked and acquired for strategic purposes linked to developed criteria.	Strategic land portions earmarked for acquisition.	Number.	BEPP	50% Completion of base model showing current profiles for city.	Annual target achieved. Single ESRI platform reflecting strategic areas of the City complete.
Transit oriented development.	Park Station precinct.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (JDA is an implementation agent and DPF plays facilitation and oversight role).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% of Development outcomes reached according to the development guidelines and plans for the area.
	Westgate station precinct.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (JDA is implementation agent DPF plays facilitation and oversight role).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% Of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% of Development outcomes reached according to the development guidelines and plans for the area.

IDP flagship program	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Randburg CBD.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (JDA is implementation agent DPF plays facilitation and oversight role).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% of Development outcomes reached according to the development guidelines and plans for the area.
	Nancefield station precinct.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (JDA is implementation agent DPF plays facilitation and oversight role).	% of Outcomes met as per target related to budget allocations	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% of Development outcomes reached according to the development guidelines and plans for the area.
	Jabulani station precinct.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (JDA is implementation agent DPF plays facilitation and oversight role).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% of Development outcomes reached according to the development guidelines and plans for the area.
	Pennyville Station precinct.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (JDA is implementation agent DPF plays facilitation and oversight role).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% Of development outcomes reached according to the development guidelines and plans for the area.

IDP flagship program	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Other existing TOD precincts.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (JDA is implementation agent DPF plays facilitation and oversight role).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% Of development outcomes reached according to the development guidelines and plans for the area.
Priority area planning and implementation.	Greater Ivory Park marginalised area.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (DPF plays facilitation, coordination and oversight role for various implementation agents).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% Of development outcomes reached according to the development guidelines and plans for the area.
	Diepsloot marginalised area.	% of Development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (DPF plays facilitation, coordination and oversight role for various implementation agents).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	Target achieved. 100% of Development outcomes reached according to the development guidelines and plans for the area.

IDP flagship program	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Greater Orange Farm marginalised area.	% Of development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (DPF plays facilitation, coordination and oversight role for various implementation agents).	% of Outcomes met as per target related to budget allocations.	Plan and development guidelines for area.	% of Development outcomes reached according to the development guidelines and plans for the area.	The Alexandra Renewal Project has indicated that there are challenges (procurement and construction wise).
	Alexandra regeneration.	% Of business plan implemented.	% of Outcomes met as per target related to budget allocations.	None.	% of development outcomes reached according to the development guidelines and plans for the area. Related to budget allocations for capital - to be specified and agreed to at outset of project. (DPF plays facilitation, coordination and oversight role for various implementation agents).	The Alexandra Renewal Project has indicated that there are challenges (procurement and construction wise)
	Inner city regeneration.	% Of business plan implemented.	% Of outcomes met as per target related to budget allocations.	None.	% Of development outcomes reached according to the development guidelines and plans for the area.	Target not achieved. Deferred to the next financial year. Assessment of outcomes (facilitation role) to be conducted in terms of new inner city roadmap.

Table 121: Economic growth cluster performance against the SDBIP

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as at 30 June 2013
Sector diversification, productivity and competitiveness support.	Green Infrastructure and Manufacturing Strategic Framework and Implementation Plan.	Original approved indicator: Development of framework and implementation plan. Revised approved indicator: % Completion of Economic Green Infrastructure and Manufacturing Strategic Framework and Implementation plan.	Completed framework and implementation plan.	New indicator.	Original approved target: Framework and implementation plan developed. Revised approved target: 100% Completion of the framework and implementation plan.	Target not achieved. The economic strategy and framework (which identifies city wide projects) is 95% completed. The 5% outstanding takes the form of submission to the relevant structures for approval.
	Buy Sell Invest Visit Joburg Initiative.	Package investment projects and incentives.	Value of investment generated.	-	Original approved target: R500 million investment generated. Revised approved target: 1. Successful implementation of Buy, Sell, Invest Visit Joburg 2012/13 event. 2. Develop a brochure of fully bankable and costed projects and sell packaged projects. 3. Post conference impact assessment report.	Target not achieved. The Buy, Sell, Invest Visit event planned for June 2013 was rescheduled to 17-19 September 2013 to attract more participants from the private sector. An electronic copy of a brochure is 100% developed.
	The Joburg Broadband Network project.	Original approved target: Roll out fibre optic cable throughout the City in line with the implementation plan. Revised approved indicator: Number of kilometres of fibre optic cable rolled out. Revised Addition to the original target: Number of jobs created over a six month period.	Number of kilometres of fibre optic cable rolled out.	610 Kilometres of fibre optic cable rolled out.	Original approved target: 920 km of fibre optic cable rolled out (cumulative target). Addition to the original target: Number of jobs created over a six month period.	900km Has been rolled out during the period under review. A total of 197 jobs were created (cumulative jobs created is 2581).

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as at 30 June 2013
	Market of the future (MotF)/ Premium Hall incl. Treasury and other industry players.	Increase volumes of fresh produce, price stabilisation facilitated through operationalization MotF, enterprise development support.	-	Business plan and financial plan completed.	Finalise baseline studies. Appoint transaction advisors.	The target was not achieved. CoJ approved the budgeted funding of MotF.
Leveraging on city-owned assets.	Transform the Inner-City through implementation of the Inner City Property Scheme (ICPS).	Original approved indicator: Acquire additional properties for implementation and launch of ICPS II. Revised approved indicator: Transfer properties to targeted beneficiaries.	Number of properties acquired and ICPS II launched.	30 properties acquired for implementation and launch of ICPS I.	Original approved target: 20 properties acquired for and launch of ICPS II. Revised approved target: 1. Acquire 8 additional properties / land for ICPS. 2. Get investors to initiate developments covering at least 10 properties in the 30 previously awarded properties for ICPS I and create job opportunities.	Target achieved. A total of 8 properties have been acquired during the period under review. Commenced with development on the 10 properties that were previously awarded for ICPS I.
	Land regularisation project - transfer properties in the Greater Soweto Area, the Greater Orange Farm Area, Ivory Park and surroundings as well as Alexandra.	Transfer properties to targeted beneficiaries.	Number of title deeds transferred.	200 Actual transfers & allocations of properties.	Transfer 150 properties to beneficiaries.	Target achieved. A total of 155 properties were transferred for the current financial year.
	Mixed development projects.	Original approved indicator: Creation of jobs. Revised approved indicator: Number of jobs created through mixed development projects.	Number of jobs created.	800 Jobs.	1 085 Jobs created.	Target achieved. A total of 1 949 jobs created for the period under review.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as at 30 June 2013
Multi - level skills development.	Jozi Skills Hub.	Original approved indicator: Nil Revised approved indicator: Number of beneficiaries benefiting citywide from LMID system.	Number of jobseekers placed.	Established LMID database and website.	Original approved target: 1 000 Job placement facilitations. Revised approved target: 500 job placement facilitations.	Target achieved. A total of 794 placement opportunities were facilitated in the current financial year.
	Coordinate implementation of labour intensive projects for social, infrastructure, and environment and culture sectors.	Number of beneficiaries benefiting from EPWP programmes.	Number of new EPWP jobs created.	30 000 Work opportunities created.	35 000 New work opportunities created citywide.	Target achieved. Total work opportunities created for the year is 36 588 against the annual target of 35 000.
Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment through SMME support.	Create partnerships to provide city-wide enterprise development and support for SMME.	12 000 SMMEs supported through the Jozi Rising Project and the Business Place.	Number of SMMEs supported.	Approved COJ SMME strategy.	Original approved target: 12 000 SMMEs supported. Revised approved target: 750 SMMEs supported.	Target achieved. A total of 3 967 SMMEs were supported in the current financial year.
Resuscitation of declining and decaying economic nodes (including Inner-City regeneration).	The Urban Development Zone Scheme.	Original approved indicator: Value of cumulative investment inflow into the UDZ. Revised approved indicator: Rand value of cumulative investment inflow into the UDZ.	R2 billion additional investment attracted under the UDZ Tax incentive.	R9.5 billion.	Original approved target: R2 billion worth of investment attracted into Inner-City. Revised approved target: R1.2 billion worth of investment attracted into the inner-city.	Target achieved. A cumulative R1.367 billion was attracted to UDZ in the current year.
	The Railway Decking Initiative.	Original approved indicator: Completion of various studies and business model. Revised approved indicator: % Completion of various studies and business model.	Completed studies and business model.	Approved baseline studies.	Original approved target: Approved business model. Revised approved target: 100% Completion.	Target not achieved. The social impact study was concluded, however the business model was not approved.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as at 30 June 2013
Area based economic initiatives.	Oasis in Soweto Initiative.	Mixed use development covering vacant land (132 800 sq.) stretching from Moroka Police Station in the West to Klipvalley Road in the East.	Long term lease agreement between JPC and developer & approved detailed implementation plans.	Approved development rights.	Implement the Oasis in Soweto Initiative as per the approved plan.	Target not achieved. The lease agreement between uThongathi Development Corporation and the Joburg Property Company were finalised.
	Soweto Empowerment Zone (SEZ).	2 Cluster Champions secured.	Signed lease agreements with cluster champions and SMME operations.	1 Cluster Champion secured.	2 Cluster Champions attracted to the SEZ.	Target not achieved. Annual target of attracting 2 Cluster Champions has been met. However, the lease agreements between the City and the Cluster champions have not been concluded as yet but should be concluded in 2013/14.
	The City Deep Freight and Logistics Initiative.	Original approved target: Approved feasibility for road conversion into a one way. Revised approved target: Stakeholder's engagement with property owners to agree on directional changes for Rosherville into a one way. Implementation of the interim directional solution for Rosherville road.	Approved implementation plan and MOU with Province.	Draft implementation plans.	Original approved target: To relieve traffic congestion for more efficient transferring of cargo through the City Deep / Kaserne precinct. Revised approved target: 1 Road to be converted from a two-way into a one-way road to relieve traffic congestion in City Deep.	Target achieved. The conversion of Rosherville road was concluded.
Sector diversification, productivity and competitiveness support.	Property Development ("Sweating of the Asset").	Finalize vacant land development plan.	1 Plan.	Development framework report.	1 Plan.	Target not achieved. The site analysis and public process participation was not completed during the reporting period.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as at 30 June 2013
	Conduct and facilitate CoJ economic research for sector analysis and sub-sector identification.	CoJ Sector Prioritisation Development and Strategic Framework (to inform and support all City Departments).	Number of sectors profiled.	New indicator.	3 Sectors profiled.	Target not achieved. Only 1 sector has been profiled for current financial year.
	Economic policy development.	Approved.	1 Policy framework developed.	Feasibility study conducted.	Approved second economy policy framework.	Target not achieved. Work already done constitutes 50% of the policy which will be completed in the 2013/14 financial year.
Multi - level skills development.	Establishment of fresh produce training academy.	Roll out of academy training programmes.	Number of training sessions conducted and number of people trained.	New indicator.	45 (sessions) and 230 people trained.	Target to roll out training was achieved. 130 training sessions were conducted and 230 people were trained.
Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment through support to SMMEs.	Improving and upgrading of Kliptown, Bara, Ikwezi and Lenasia markets.	Informal trading markets upgraded and managed.	Number of markets refurbished.	RI million.	100% Refurbishment work completed.	The following markets were completed in the financial year under review: Lipton, Lenasia, Bara. There was no work done on Ikwezi market due to integration process between JPC and MTC which led to spending on the CAPEX not being met and it was deferred to 2013/14.
	Construction of new linear markets at Orange Farm and the informal market at Dobsonville.	Informal trading managed through the construction of linear markets.	Number of new markets constructed.	New Indicator.	100% Construction work completed.	Target achieved.

Table 122: Human and social development cluster performance against the SDBIP

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
A safe, secure and resilient city that protects serves builds and empowers communities.	A safe, secure and resilient city: Promoting social cohesion through access to common social spaces and common cultural opportunities.	Number of developments in open spaces (parks) constructed.	No. of open public spaces.	5 Developments in open spaces (parks) constructed.	10 Developments in open spaces (parks) constructed.	Target achieved and exceeded. Developments were constructed in 13 open spaces as follows: 8 Parks, 1 cemetery and 3 in road islands - as a beautification project. The immediate community residing within the parameters of the facility are served by the developments (parks, road islands). Between +/-500 to 2 000 community members access the facility on a day-to-day basis. Cemeteries: The greater Johannesburg population will be served by the facility (cemetery). Expected primary burials in Olifantsvlei cemetery is +/-500 000.
		Number of new public spaces developed to increase and maintain the cultural capital and a sense of collective identity and efficacy through the public spaces programme.	Number of new public spaces developed.	New indicator.	2 New public spaces developed to increase and maintain the cultural capital.	Target achieved. Public art was installed in 2 public spaces as outlined below. 1) Revitalisation of Westgate Precinct (the old Ferreirastown). New artwork installed opposite Chancellor House. The public space has been upgraded, and street furniture was introduced. 2) Back to the city: development of open spaces in Newtown Mary Fitzgerald Square. Artwork/murals to revitalise the spaces.
		Number of carnival arts programmes culminating in the annual carnival.	Number of programmes.	1 Programme across all regions.	1 Programme across all regions.	Target achieved. 1 Programme was implemented in terms of regional carnival camps across all regions. The annual carnival was conducted in December 2012.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Number of public performances supported through the public spaces programme.	Number of public performances.	New indicator.	2 Public performances supported through the public spaces programme.	Target Achieved. 3 Performances were supported as follows: 1) Joburg Arts Alive 2) Joburg Carnival 3) Africa Day celebration with activities such as: 4th SANNA Festival at Museum Afrika. Indigenous Jazz Festival at Soweto Theatre. New Africa Movement Exhibition at Museum Afrika.
		Number of new public art installations through the public spaces programme.	Number of new public art installations.	10 New public art installations through the public spaces programme.	12 New public art installations through the public spaces programme.	Target achieved and exceeded. 14 New public art installations: Silverton, 3 artworks in Diepkloof Zone 3. Blue Plaque in Region F Ward 60. Pair of Angels in Cosmo City. A total of 4 heritage plaques were completed and installed at: • Markhams • Transvaal Chinese United Club • Battle of Fordsburg Square • David Webster House. 4 Public art murals developed for the City of gold Urban Arts festival. 2 Public art murals developed for the Back to the City Festival.
		Number of visitors accessing zoo through Masibambane project.	Number of visitors.	N/A	11 000 Visitors accessing zoo through Masibambane project.	Target achieved. A total of 14 003 people visited the zoo.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	A safe, secure and resilient city: Promoting social cohesion through dialogue, engagement and outreach.	The number of senior citizens participating in day care centres operating as one stop service points.	Number of senior citizens.	500 senior citizens participating in day care centres.	1 000 Senior citizens participating in day care centres.	Target achieved and exceeded. A total of 1 251 senior citizens were assisted. The day care centres for senior citizens providing services are as follows: Region A: Diepsloot Skills Development Centre. Region B: TDC Westbury. Region C: Leratong Centre and satellites in Cosmo City and Doornkop. Region D: Phiri Day Care. Region E: Phuthadichaba in Alex. Region F: South Hills. Region G: Orange Farm. The day care for senior citizens provides: Fitness and recreational programmes, a family support programme, a care and support programme, an extended social services package, awareness campaigns and information providing services.
		Number of old age homes and day care centres supported with chronic medication, health promotion and EHS.	Number of old age homes and day care centres.	8 Old age centres supported with chronic medication health promotion and EHS.	10 Old age centres supported with chronic medication health promotion and EHS.	Target achieved. A total of 10 old age homes and elderly day care centre are supported with chronic medication, health promotion and EHS. Region A – Diepsloot. Region B - Japura, Horseshoe, Frederick s Place centre, Portuguese Welfare Society and Huis Hoeveldt. Region D -Phiri Day Care Centre. Region F - Annie Burger, Elize Venter and Carrick Place.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Number of senior citizens assisted through NGO partners paid through single window.	Number of senior citizens.	New indicator.	2 000. Revised target: 1 050 Senior citizens assisted through NGO partners.	Target not achieved. The NGO appointed as per NGO Paid Per Service in the quarter was able to assess a total of 345 senior citizens, however only 63 of these have received services as per the agreement by end of the quarter.
		Number of sites established for women empowerment.	Number of sites.	7 Sites established for women empowerment.	7 Sites established for women empowerment.	Target achieved. The Women Empowerment Zones located as follows: Region A: Hikhensile Social Development Centre; Region B: Randburg Techno Centre; Region C: Cosmos City Skills Develeopment Centre; Region D: Meadowlands Welfare Centre; Region E: Paterson Park; Region F: Bertrams Skills Centre; Region G: Poortjie Skills Dev Centre.
		Number of projects socially or economically empowering vulnerable women.	Number of projects socially or economically empowering women.	New indicator.	5 Projects socially or economically empowering women.	Target achieved and exceeded. 6 Projects supported as follows: 1) SA National Women's Development Co-op (Mothers of the Nation): Offered use of space at Orchards project and linked them with the Business Place for business planning and financial training. The directors of the women's co-op received training at the Orchards centre by The Business Place. 2) Supported female artist Usha Seejarim with her solo exhibition at the Joburg Art gallery (free space and curatorial support). 3) Supported women artist and photographer, Iris Dawn Parker to exhibit her "Quotidian life" exhibition at Museum Africa as part of the support for female artists programme.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
						4) Supported Art with Heart Africa (owned by Vivienne Abrahmans – Aliveriotis) by providing free office space at the Worker Museum. This organisation has now moved from the museum to the vacant Joburg Artbank where the support continues. 5) Through the 2012 Arts Alive programme, we supported 253 female artists. 6) Supported Phumzile Buthelezi with her exhibition at Worker Museum by providing free space, curatorial support and financial support for the framing of the artworks in the exhibition.
		Number of policy elements on integrating migrants implemented (reception services, tracking systems for regular and irregular migrants, early warning systems for tracking xenophobic tensions).	Number of policy elements.	1 Policy element on integrating migrants.	2 Policy elements on integrating migrants.	Target achieved. 2 Policy elements of the COJ Migrant Integration Policy implemented as follows: i) Reception and tracking: Language courses/ Information booklet/ migrant desks. ii) Inter-sectorial collaboration: Joburg Migration Advisory Panel and the Joburg Migration Advisory Council.
		Africa Day series of counter-xenophobia programmes.	Number of events.	5 Africa Day counter xenophobia programmes.	5 Africa Day counter xenophobia programmes.	Target achieved and exceeded. 7 Programmes implemented as part of Africa Day include: 1) Ubuntu Cup – participating schools from 7 regions. Schools teams representing different African countries using soccer as a vehicle to counter xenophobia. Held at Bezuidenhout Park in Region F with 1000 participants. 2) Mamas and Papas – held at the zoo, on 26 May 2013. 3) New Africa Movement Art Exhibition displays at Museum Afrika as part of Africa Day.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
						4) Indigenous Music Festival - held in partnership with Jazz and Indigenous Music Incubator (JIMI) to support the development of indigenous music. The festival was held at Soweto Theatre on 25 May 2013. 5) Indigenous Reading Programme – held at the City's libraries in celebrating the Africa Month. Books in African languages being read. 6) 4th Quarter events related to the counter xenophobia programme implemented namely: 6.1) Africa History Work in May to commemorate Africa Day. 6.2) World Refugee Day was celebrated. The events were coordinated in partnership with stakeholders that are active participants in the JMAC and JMAP.
	A safe, secure and resilient city: Empowering and Supporting Learners.	Number of ECD practitioners accessing accredited training.	Number of untrained ECD practitioners.	1 000 ECD practitioners accessing accredited training.	2 200 (Revised to 1 200 ECD practitioners accessing accredited training).	As of the end of the 4th quarter a total of 919 practitioners have been trained. The training covered the following areas: 1) ECD Level 4 by Gauteng Department of Education. 2) Training on nutrition – Adill Institute.
		Number of day mothers trained in looking after a maximum of six children in a home based ECD environment.	Number of Day Mothers.	New indicator.	750 (revised to 500).	Target not achieved. As at the end of the financial year, a total of 465 day mothers were trained in the basic child minder programme. A campaign was run through flyers, posters and 1 community radio opportunity.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Number of ECD facilities empowered through educational and skills development support to meet the requirements of the 'Enforcement Standard Framework' for compliance.	Number of ECD facilities.	350 ECD facilities empowered through educational and skills development support.	450 ECD facilities empowered through educational and skills development support.	Target achieved. A total of 493 ECD facilities were supported. The ECD centres are assessed using an assessment tool measuring them from level 1 - 4. The centres are then assisted as per their needs and progressively moved to the next level. The assistance covered: *By -law Compliance *Provincial Dept. of Social Development *Child Development *Child Nutrition *Toy Making *Centre Management
		Number of ECD facilities provided with education on by-law enforcement and compliance.	Number of ECD facilities.	New.	800 ECD facilities provided with education on by-law enforcement compliance.	Target achieved. 800 facilities were provided with education on by-law enforcement and compliance. The number of compliant facilities inspected is derived as follows: 200 Inspections on facilities were targeted per quarter and were all achieved.
		Percentage of ECD facilities (as per database) inspected for compliance with environmental health related legislation.	Percentage of ECD facilities.	New indicator.	99% (600 ECD facilities inspected).	Target achieved. 600 Facilities were inspected for compliance. Breakdown of ECD facilities is as follows: Region A = 67 Region B =71 Region C = 114 Region D = 106 Region E = 34 Region F =110 Region G = 66
		Number of awareness programmes on the prevention of childhood accidents & injuries including lead poisoning.	Number of awareness programmes.	7 (1 per region).	7 (1 per region).	Target achieved. Awareness programmes were conducted in all 7 regions.
		Number of students that meet requirement registered with Tshwane University and Emergency Management Services. Fire and Rescue training programme.	Number of students.	New indicator.	20 Students registered per annum.	Target achieved 20 Students were registered. Academic results were received for the 18 students who passed and the mentorship programme was launched.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Number of ECD Kiddies Olympics programmes presented by Sport and Recreation.	No. of ECD Kiddies Olympics.	New 1 new ECD kiddies Olympics programme.	1 ECD kiddies Olympics programme.	Target achieved. 1 Programme, as targeted was successfully implemented. ECD Kiddies Olympics programme began during the 3rd quarter with regional playoffs being played in the regions. The 490 children between ages of 5 and 6 from the 7 regional ECD centres participated. Olympics were held on 20 May 2013 at Klipriviersberg Recreation Centre.
		Number of awareness programmes on substance abuse, teenage pregnancy & HIV and AIDS (including male medical circumcision) conducted at primary & high schools (including provision of dignity packs where necessary).	Number of awareness programmes.	New.	21 Primary & 21 high schools.	Target achieved and exceeded. 30 Primary and 36 high schools against 21 and 21 respectively. Awareness programmes on substance abuse and teenage pregnancy were conducted at 3 additional high schools and 4 primary schools in the fourth quarter resulting in a total of 66 schools as at the end of the financial year.
		Number of libraries with public access to ICT, as a measure to increase access to information & communication technology (ICT) at public libraries.	Number of libraries.	2 Libraries.	2 Libraries, procurement of equipment and furniture for libraries.	Target achieved. 2 Libraries were connected to internet, namely, Orlando East and Johannesburg Central Library. Implementation as follows: LIS procured 315 (thin client laptops) for the 20 libraries. A user survey has been done at Orlando East Library. Updated landing pages with eLearning content Training of staff and community members on e-learning.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Range of programmes implemented with 13 projects to increase functionality through reading development, community literacy and education, and information literacy programmes.	Range of programmes.	3 Programmes.	3 Programs with 13 projects.	Target achieved. 3 Programmes with 13 projects implemented across City's libraries as follows: 1) Reading Development Programme. Projects include: Ready to Read; battle of the Books; Story Skirmish; and Indigenous reading programme. (4 projects) 2) Community Literacy Programme Projects include: Computer based literacy; traditional literacy/ABET; and family literacy.(3 projects) 3) Education and Information Literacy Programme. Projects include: Science scuffle; Homework assistance (information literacy); School Support; Study and Reference Support; and Thematic displays and business information literacy. (6 projects)
	A safe, secure and resilient city: Changing behaviour to reduce 'years of life lost'.	Number of fully functional BESAFE centres.	Number of BESAFE centres.	7 Centres.	1 Additional (giving a total of 8). Revised target: 7 Existing BESAFE centres.	Target achieved. A deviation was submitted and approved by council as there was no funding for an additional eighth BESAFE centre and all 7 pre-established BESAFE centres were maintained (fully functional). All 7 BESAFE centres have been maintained throughout this fiscal year. Region A – Alexander & Ivory Park Region C – Florida Region D – Dube and Jabulani Region F – Berea Region G – Orange Farm. The centres deal with the following:

<table>
<tr><th>Key flagship programme</th><th>Project/s</th><th>Indicator</th><th>Measurement unit</th><th>Baseline</th><th>Annual targets</th><th>Achievement as 30 June 2013</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1.By-Law education/ awareness
2. First Aid
3. Community Emergency Responds
4. Risk Awareness
5. Learn not to burn
6. Risks identification
7. Disaster Preparedness
8. Drug Abuse Awareness
9. School Emergency Response
10. Disaster Evacuation
11. Building codes/ standards awareness.</td></tr>
<tr><td></td><td></td><td>Reduction of assaults and robberies in areas of CCTV coverage.</td><td>% Reduction.</td><td>2 342 Assaults and robberies.</td><td>5% reduction in assaults and robberies in CCTV coverage areas.</td><td>Target not achieved

For the 2012/13 financial year 2 263 assaults and robberies were responded to. This resulted in a 3% reduction.</td></tr>
<tr><td></td><td></td><td>% Reduction of specific physical and social disorder issues in targeted areas in the City through improved by-law enforcement.</td><td>% Reduction</td><td>New indicator.</td><td>10% Reduction in physical and social disorder issues.</td><td>The target has been achieved and exceeded with 72 % and 68% reduction on illegal advertising and illegal dumping/waste management respectively.</td></tr>
<tr><td></td><td></td><td>Reduction of road accident fatalities within the City.</td><td>% Reduction.</td><td>2% Reduction in road fatalities within the City.</td><td>20% Reduction in road facilities within the City.</td><td>Target achieved.
<table><tr><th colspan="2">Deaths</th><th colspan="2">Difference</th></tr><tr><th>11/12</th><th>12/13</th><th>No</th><th>%</th></tr><tr><td>94</td><td>126</td><td>32</td><td>34%</td></tr><tr><td>93</td><td>84</td><td>-9</td><td>-10%</td></tr><tr><td>104</td><td>39</td><td>-65</td><td>-63%</td></tr><tr><td>107</td><td>69</td><td>-38</td><td>-36%</td></tr><tr><td>398</td><td>318</td><td>-80</td><td>-20%</td></tr></table>The target has been achieved with 20% reduction in road fatalities.
=Total</td></tr>
</table>

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Number of Community Oriented Primary Care (COPC) pilot sites established (integrated ward based approach as per National Health Insurance (NHI) guidelines).	Number of COPC sites.	20 Sites.	14 Community oriented primary care pilot sites.	Target not achieved. 11 Sites are functional in the following wards: Region A-Ward 96 Region B-Ward 69 RegionC-Ward114 Region D-Wards39,42,51 and 52 Region F-Wards 56 and 60 Region G-Wards 4 and 5 The target was 14 but only 11 are functional with trained team leaders and community health workers. 3 Other sites: Rosettenville, Bophelong (Region A) and Hkhensile were ready but could not be included as pilot sites because their team leaders (who are professional nurses) were not trained as per the National Health Department guidelines. This has restricted the roll-out number of the targeted sites to 11.

Table 123: Flagship Programme: ' A City Where None Go Hungry'

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
A City where none go hungry.	Intensive small-scale urban agriculture support : Establishment of Agri - resource centres and linked EPWP training programmes.	Number of Agri Resource Centres established.	Number of Agri resource centres.	New indicator.	7 Agri resource centres established.	Target slightly missed. 6 Agri resource centres established. Region A: Ivory Park: Hikhensile & Diepsloot Skill Development Centre. Region C: Itsoseng Informal Settlement & Tshepisong- Vlakfontein Phase 7. Region G: Orange Farm Skills Centre and Poortije Skills Centres. Note that the activities related to the Agri -resource centre in these regions including training, provision of seeds and implements were taking place while the procurement process for the construction of the actual physical structure was being sourced in the course of the year.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		Number of linked EPWP programmes on training sites.	Number of linked EPWP programmes.	New indicator.	7 Linked EPWP programmes.	Target achieved. The Department works with Community Works Programme, funded by the Province in the Regions A, C, and G with a number of participants involved in agriculture initiatives. In Region G (Finetown and Orange Farm Region), Region A (Lord Khanyile and Diesploot Youth Centre). Centre Region C Witpoortjie Skills. A number of participants registered in the Expanded Social Package (ESP).
	Hub-and-spoke support for small-scale producers: Establishment of hub-and-spoke support sites for intensive small-scale farmers.	Number of pilot hub-and-spoke support sites established by close of financial year.	Number of pilot hub-and-spoke support sites.	New indicator.	2 Hub-and-spoke support sites.	Target not achieved. Orange Farm and Poortijie Skills Centres have infrastructure for the operationalization of the hub-and-spoke e.g. cold room facilities. Farmers to utilise the hub-and-spoke facilities have organised into forums in both areas. The forums are to utilise the shared facilities. In preparation they have also been exposed to the Joburg Market on the operation of packaging and storage facilities. The farmers have also received a variety of training aimed at improving their knowledge of effective operations to supply the market. However, even though established the hub-and-spoke support sites were not operational by end of the financial year.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	At scale industrial farms supporting food resilience systems: Establishment of commercial scale farming operations to support food resilience systems (with partner entities and organisations).	Number of pilot commercial farming operations established on city-owned land.	Number of commercial farming operations.	New indicator.	2 Commercial farming operations.	Target not achieved. The 2 targeted farms were the Northern Farm in Region A and Allanvale Farm in Region G. None of the farms became functionally operational. However, in Region G an SLA was drafted to involve UNISA in the mentoring and incubation of small famers that will be part of the overall project on the large farms.
	Food security and access.	% Completion of food security research and recommendations.	Assessment report following research.	New indicator.	100% Completion of food security research.	Target achieved. Research undertaken and a preliminary research Report has been completed.
	Development of food gardens in deprived areas.	Number of food gardens developed.	Number of food gardens.	New indicator.	2 Food gardens.	Target achieved. City Parks – 2 food gardens developed in Regions A & G. A total of 322 new food gardens have been developed for the identified household Region A: 121 Region C: 100 Region G :101 Total: 322
	Exchanging food for waste.	Number of households benefitting.	Number of households.	New indicator.	5000 Households benefiting from the exchange food for waste programme.	Target achieved and exceeded. 7 223 Households benefited. The partnering with Red Farmers has resulted in increased number of beneficiaries in targeted Regions A, C, G.

Table 124: Human and Social Development cluster – enabler programmes

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Single window for the poor and vulnerable.	Strengthening a system of sustainable safety nets that make use of smart technologies: Social service interventions including: basic service subsidies, specialised services for vulnerable groups and housing/shelter, including subsidised rental. Access to financial support/ grants. Linkage to in-school support. Medical interventions through personalised system of care with electronic patient records. Subsidised transportation. Subsidise access to recreation/culture.	Number of individuals connected with at least 1 social service intervention.[28]	Number of individuals connected.	40 000 Individuals connected to at least 1 social service.	200 000 Individuals connected to at least 1 social service. Revised target: 100 000 individuals connected to at least one social service.	Target achieved and exceeded. 114 016 Individuals were connected with at least 1 social service over the course of the financial year.
	Empower non-profit collaborators to deliver social services to citizens based on CoJ referrals through a combination of payments per citizen served and capacity-building/non-material support.	Number of payments for service contracts with NGOs (note: 40% reserved for enabling interventions by NGOs under food resilience pilot).	Number of NGOs with payment for service contracts.	New indicator.	50 NGOs with payment service contracts.	Target not achieved. The compliance standards set up in the NGO Pay Per Service Policy led to the appointment of only 7 NGOs with service level agreements with the City finalized. A total of 49 organizations had responded to 3 proposal calls of which, only 24 met the baseline compliance standards. However only 7 were appointed by the close of the financial year.

[28]Interventions include basic Service subsidies; Specialised services for vulnerable groups; Housing / shelter, including subsidised rental; Access to financial support / grants; Linkage to in-school support; Medical Interventions through personalised system of care with electronic patient record; Subsidised Transportation; Subsidised access to recreation / culture.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Empower non-profit collaborators to deliver social services to citizens based on CoJ referrals through a combination of payments per citizen served and capacity-building non-financial support.	Number of NGOs receiving capacity building/non-financial support.	Number of NGOs	New indicator.	50	Target achieved and exceeded. 70 NGOs receiving capacity building support.
	Providing opportunities for displaced people to find refuge beyond the streets.	Number of individuals without permanent housing enrolled in targeted support services for the displaced.	Number of individuals.	900 Individuals without permanent housing enrolled in targeted support services for the displaced.	2 100 Individuals without permanent housing enrolled in targeted support services for the displaced.	Target achieved and exceeded. 2 110 Individuals were enrolled. The figure excludes the number of individuals without permanent housing enrolled in targeted support services for the displaced provided in CoJ Shelters. Support services include: -Deportation process -Medical assistance -Drug rehabilitation -Estate intervention -Missing Child (identification, verification and profiling).
	Initiative assisting people living & working on the streets.	Number of homeless children and adults supported or taken off the streets and placed through the City's Displaced Persons Management plan.	Number of homeless children and adult.	900 Homeless children and adults supported or taken off the streets and placed through the City's Displaced Persons Management plan.	1 200 Homeless children and adults supported or assisted off the streets and placed through the City's Displaced Persons Management plan.	Target achieved. 1 200 Homeless children and adults were supported through the City's Governors House Assessment Centre.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Initiative assisting people living & working on the streets.	Number of homeless people taken off the streets and placed according to the City's Management Plan.	Number of homeless people.	350 Homeless people taken off the streets and placed according to City's management plan.	500 Homeless people taken off the streets and placed according to City's management plan.	Target achieved. 1616 Homeless people were assisted. The homeless people taken off the streets and placed according to the City's Management Plan as follows: Adults: -Family reunification – 3 -CoJ Hospital Hill Shelter – 62 -CoJ 3 Kotze Overnight – 45 -Participating shelter – 18 Children: -Wembley placement – 7 -Participating Shelter - 8.
	Initiative focused on orphans and vulnerable children.	Number of awareness programmes on the prevention of childhood accidents & injuries including lead poisoning.	Number of awareness programmes.	7 (1 Per region).	7 (1 Per region).	Target achieved with awareness programmes conducted in all 7 regions.
	Masibambisane Programme.	Number of individuals from deprived areas assisted to make the zoo more accessible.	Number of individuals.	New indicator.	11 000 individuals from deprived areas.	Target achieved and exceeded. 14 003 Individuals accessed the zoo.
	Development and refurbishment of cemeteries.	Number of cemeteries developed and refurbished.	Number of cemeteries.	1 New (Olifantsvlei: 110ha of fencing + 3 boreholes).	1 (Olifantsvlei: 90ha of fencing + bulk services).	Target slightly missed. Construction was at 60%, fencing at 90%, roads at 70%, buildings at 20% and landscaping at 100% at the end of the financial year.

Key flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Targeting deprived spaces.	Functionally align all cluster-level strategic and planning processes to assign priority to the development and upliftment of the most deprived areas defined by the City of Johannesburg geographic index of deprivation, with specific emphasis on: Outreach targeting deprived areas (using iJozi Ihlomile project as a platform linked to a/the single window systems.)	Number of dimensions of deprivation programmatically targeted through coordination and/or outreach.	Number of dimensions targeted.	New indicator.	5 Dimensions of deprivation programmatically targeted.	Target not achieved. Only 1 dimension was achieved. The social surge approach, through which social work teams have targeted informal settlements in the most deprived areas and seeks – amongst other interventions - to connect children in particular with grants they are eligible for, and identify working age adults in the same households that can be connected to employment and new venture programmes. This methodology will be core to the income deprivation targeting action plan. This is reflected as 1 dimension against performance data. Action plans for the remaining dimensions of deprivation (living environment, education, employment, health) are under development with the respective departments.

Table 125: Governance Cluster performance against the SDBIP

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Citizen participation and empowerment.	Community based planning and budgeting.	Development of community based ward plans.	Ward plans.	2011 CBP pilot.	130 Ward based developed.	Finalisation of ward plans. 130 Ward plans have been developed for all wards in the City of Johannesburg, as originally planned. These ward plans include ward profiles and costed capital projects that will be implemented within individual wards.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
		New indicator. % Implementation of CBP pilot in Region E.	CBP Region E. Pilot report.		100% Implementation of CBP in Region E. [29]	Community Based Planning pilot has been successfully completed in Region E and it should be able to guide comprehensive CBP implementation across the City. Included with CBP plans for Region E is Capex projects to be implemented in each ward; costed operational plans for each city department and entity; community identified initiatives (which are still to be prioritised and detailed in the implementation plan). The Department also concluded a detailed case study to capture key learning's from this pilot as the intention is to replicate the CBP model in other regions within the City of Johannesburg. The key lessons which emerged related to the timing of the CBP process, feedback from the community and how well CBP meets the community's needs.
	Implementation of customer services charter.	Customer service charter confirmation.	Charter readiness.	Draft customer services charter.	Implementation[30] of the customer services charter commitments.	The charter was finalised for piloting. The charter was developed and finalised for piloting in the period under review. The charter was printed and widely distributed throughout the regions as well as electronically via the intranet and CoJ website. Relevant entities/departments initiated implementation. There are 57 service level standards; of the 57 service level standards 25 have reached a 100% target of completion. The charter will be approved by relevant governance structure and launched.

[29] 2012/16 CBP Concept, Region E Stakeholder Consultation, Region E Ward Plans, Region E CBP Pilot Case Study, 2013/14 CBP Citywide Implementation Plan.
[30]Implementation refers to piloting of the charter, confirmation of adherence to standards, finalising charter and customer charter launch as per quarterly targets.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Enhancement of the civic education awareness programme.	Civic education programme.	Number of civic education programmes conducted.	Civic education training plan.	Civic education programs in 7 regions.[31]	Annual target exceeded with a total of 80 wards reached against the projected 65 wards, covering all 7 regions as per annual target. Total events were 85 (Region A: 10 events; Region B: 13 events; Region C: 12 events; Region D: 15 events; Region E: 11 events; Region F: 10 events; Region G: 14 events).
	Ensure that Citizenship care is entrenched.	Petitions resolved.	Number of petitions and sight visits.	Citizenship culture index – this must be current % of petitions resolved.	Increased number of petitions submitted.	300 Petitions submitted. 25% Resolved.
Human capital development and management.	Group Human Capital governance Framework and strategy.	Original indicator: Labour stability and staff turnover. Revised indicator: % Improvement on the employee climate survey rating.	Corporate climate survey rating. (%)	CoJ core 56%. MOEs 52%.	1.5% Improvement on the employee climate survey rating.	7 Of the 8 interventions were concluded translating to 87% implementation of identified change interventions, and therefore 87% achievement of the projected annual target. Survey outcomes: 6 090 responses were received from the CoJ core and the MEs. The overall CoJ survey rating was 53%. Reductions in scoring were experienced in the core administration, from 56.4% to 52%, whilst improvements were recorded in the MOEs from 52% to 53.8%. Total number of staff trained in PMS policy by 31 June 2013 to be specified.

[31] Community Outreach to 65 wards to promote responsible active citizenry and sustainable urban governance.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
					Implementation of identified components of the Group Human Capital Governance Framework and strategy.	Annual target as yet not fully achieved.
					22 HCM policies for the CoJ Group Developed and implemented.	Policies have been developed, however reporting did not articulate actual number in relation to the 22 policies projected to be developed by year end.
					Implementation of the SHE compliance and monitoring programme for CoJ Group and Entities.	SHE scorecard was implemented by year end. Annual target fully achieved.
	Institutional efficiency and productivity.	Original approved indicator: CoJ service delivery and customer satisfaction. Revised approved indicator: Number of pilot productivity assessment projects conducted.		TBD	1. 3 Pilot Productivity assessments projects conducted. [32]	The pilot project has since been initiated with a scope change. Departments included in the pilot study cover : Revenue; Public Safety (JMPD and EMS); CRUM and Pikitup. Scope of projects included in pilot changed in May through the replacement of GSCC with CRUM and DED with Pikitup.
					2. Number of Initial ICT Governance Forums implemented per the approved ICT governance framework.	6 Initial ICT Governance Forums implemented as per the approved ICT governance framework.
					3. Implementation of staff utilisation verification interventions.	Annual target fully achieved with all advertised positions verified through a staffing panel.
					4. Implementation of identified printing cost reduction interventions.	Annual target not fully achieved. Delayed implementation attributable to procurement delays.

[32](Revenue, JMPD and EMS).

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
					5. Implementation of the fleet compliance contract as per the scorecard deliverables.	Key milestones include the development and approval of fleet utilization policy framework; fleet optimization and renewal with key achievements including accrual of R114 million fleet costs in the financial year 2012/13 and, 80% use of the new vehicles.
Financial Sustainability. [33]	Revenue Step Change.	% Revenue Collected from revenue billed.	%	89% Collection.	Original target: 94% of Revenue collected from revenue billed. Revised target: 92% of Revenue collected from revenue billed.	Annual revised target achieved. 92.5% Revenue collected from revenue billed.
		Achievement of year-1 capital spending targets.	Rand value. %	R3.62 billion	R4.12 billion	As yet still waiting for consolidated financial statements.
	Implement the Financial Turnaround strategy.	Achievement of prudential ratio targets.[34]	-	0.80:1 Current ratio.	1.25:1 Current ratio.	-
Financial Sustainability		Achievement of prudential ratio targets.	%	1.82:1 Solvency ratio	2.09:1 Solvency ratio	2.027:1
			%	46.6% Debt: Revenue	36.7% Debt: Revenue	34.43%
			%	35.2% Remuneration : Expenditure	37.8% Remuneration : Expenditure	37.4% Remuneration : Expenditure
			%	2.7% Repairs and maintenance : Expenditure	4.3% Repairs and maintenance : Expenditure	Annual target not achieved. 2.2% Repairs and maintenance : Expenditure
			%	5.7% Interest : Expenditure	4.9% Interest : Expenditure	4.5% Interest : Expenditure
			%	8% Net operating margin.	12.3% Net operating margin.	22.79%.

[33]All actuals relating to this programme based on unaudited financial statements, subject to review (where necessary).

[34]The prudential financial ratios are indicative quarterly figures.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Strategic Communications and Marketing.	External communications.	New indicator. % of Awareness campaigns undertaken.	% Rating.	New.	Awareness about City's vision and strategy locally and internationally.	Awareness of City's vision and strategy increased through annual networking session (23 November 2012); A campaign communication plan was developed and executed, driven mainly by the SOCA and the Budget address and IDP consultation. Elements of the campaign included: PR and media, advertising, advertorials, special inserts in the media, direct broadcasts through community radio stations and the selected City Parks, internet and intranet, a special edition of the staff magazine, corporate DVD's and corporate brochures. Other initiatives included: Property Valuation Roll 5km walk held in Region G, Krematart Recreation Centre, Eldorado Park.
	Tourism, brand building and strategic events.	Develop the destination marketing and business tourism strategy.	% Rating.	New.	Based on the "destination Joburg" research report outcomes – implement the destination marketing and business tourism strategy.	Target not achieved. Strategy was not developed. However, a bid was submitted for the International Congress of Cardiothoracic and Vascular Anaesthesia, 2017, the winter campaign was launched, the city was showcased as a destination at the Indaba Travel Fair and an activation was organised at the Cape Town International Jazz Festival. Joburg was profiled as a destination at the China road show. Joburg was profiled as a destination at the IMEX Frankfurt part of MICE. Joburg was showcased as a film destination at the Cannes Film Festival.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Gauteng City Region Institutionalisation	Gauteng City Region Concept.	% Implementation of GCR Action Plan.	GCR Action Plan.	2007/08 Research & documents.	Implementation of action plan.	City of Johannesburg participated and contributed towards GCR. *Development of GCR position paper on 'New directions for a citizen focused Gauteng City-Region: Joburg as another world reference for innovative citizen participation'.* Also development and submission of draft plan for *Gauteng 2055 pathway 13.*
Integrated planning and M&E.	Group performance M&E and reporting.	Development and maintenance of monitoring and evaluation tool.	Monitoring and evaluation tool.	Draft Group M&E Framework.	Develop and maintain Monitoring and Evaluation Tool.	Target not fully achieved. Full implementation of the M&E tool constrained by funding limitations. To be executed in the new financial year.
Strategic Relations.	CoJ International Relations Agenda (Africa, BRICS & North-South focus).	Number of formally defined strategic relation cooperation areas.	International Relations Strategy Implementation Plan.	Ad-hoc relations.	2 Formal strategic relationships initiated.	The Department identified at least 2 strategic cities with which to pursue for collaborative agreements i.e. Shanghai (China) and Lagos (Africa).
Innovation and knowledge sharing.	Innovation and Idea Management System.	% Implementation of Innovation and Idea Management System.	Innovation and Idea Management System.	New.	100% Implementation of Innovation and Idea Management System.	Annual target was only partially achieved. However, progress was made and 3 innovative projects were identified based on the set criteria. The 3 projects identified were the Outdoor Green Gyms, promoting healthy lifestyles in the City; Landfill Gas to Energy Clean Development Mechanism; and the Bus Rapid Transit (BRT).

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
Governance, Risk and Compliance.	City-wide combined assurance strategy and plans (CoJ Group, core administration and municipal entities) including Group risk management, internal audit and compliance functions.	Group combined assurance strategy and plan for Governance, Risk & Compliance (GRC).	Number of dashboard reports.	New (fragmented advisory and assurance reports on risk and internal control environment).	City-wide combined assurance strategy and plan; and % roll-out of plan to MEs and departments, and management training.	Group integrated assurance framework and combined assurance model completed. Implementation achievements to date (100%): Departmental organizational structure aligned to integrated assurance framework and strategy. Combined assurance and integrated planning for the financial year 2013/14 completed (core admin). City-wide strategic risks for 2013/14 conducted - risk assurance mapping for 4th quarter GRGC meeting. OPCA plan 2013/14 using combined assurance approach completed.
	Business Continuity Management Planning.	% Development of response plans for critical business processes. [35]	No. of Business continuity plans.	Business Impact Assessment (BIAs) report.	100% Development of response plans for critical business processes in collaboration with IT Audit, and OCIO.	Targets not achieved. (Deviation) – BIAs conducted; research & revised strategic approach started during 4th Quarter. BCP (developments deferred to new financial year 2013/14). Development of Business Continuity Plans to be preceded by in-depth research into new best practices and a BCP strategic framework.

[35] This will entail the development of business continuity & recovery plans in collaboration with IT Audit, and OCIO.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Ethical governance (antifraud & anticorruption) programme on proactive and re-active strategies for effective fraud risk management responses enabled by continuous monitoring tools & techniques.	Fraud and corruption incidents detected or reported; database & dashboard reporting. [36]	No. of Incidents & no. of awareness workshops & investigations.	Fraud awareness workshops.	City-wide antifraud and anticorruption policy, strategies and implementation (database access, data analytics, continuous monitoring).	Total of 19 forensic investigations completed during 4th quarter in the core administration. Completed investigation and conducted follow-ups on disciplinary action relating to AGSA audit finding on SCM Section 44 non-compliance (officials doing business with the City). Fraud awareness and City's Code of Conduct awareness training in high risk departments, attended by 222 employees. Citywide & centralized Fraud hotline independently managed. New 3-year contract with Deloittes Tip-Offs Anonymous.
	CoJ Governance protocol.	Level of integration of all related policies and frameworks into a single protocol manual. Full assignment of accountability and responsibility. [37]	Percentage integration and assignment of responsibility.	2004 Governance Protocol.	Fully integrated protocol that can serve as primary manual on corporate governance protocols and practices within the CoJ Group.	Target was not achieved. A draft corporate governance model was initiated.
	Governance Structures Effectiveness Assessments.	% Effectiveness of governance structures (EMT, Clusters, S79, MayCom, various boards of directors, board committees, and CoJ committees). % of Boards and directors assessed.	Percentage assessment and percentage effectiveness.	Board assessment framework.	Fully effective governance structures across the group; Quarterly assessments of individual directors and interventions implemented where necessary; Research and development of a mentorship programme.	Annual target not achieved. Governance structures assessment framework was deferred post development of governance model.

[36]This entails the development and implementation of City-wide anti-fraud and anti-corruption policy strategies including (database access, data analytics, continuous monitoring).
[37] Integration of all related policies and frameworks into a single protocol manual.

IDP flagship programme	Project/s	Indicator	Measurement unit	Baseline	Annual targets	Achievement as 30 June 2013
	Contract Administration and Monitoring.	Legal, commercially sound, efficient and effective contracts and contract management.[38]	Reduction in contracts which are not legal and commercially sound, efficient and effective.	New.	A contract management framework for the administration and monitoring of contract management by departments and MOEs. [39]	Annual target not achieved. CoJ is in the process of obtaining approval for the implementation of the Contract Management Framework.
	Legal Advocacy.	Identify new and review existing legislation to be amended to ensure an empowered metropolitan government that includes decentralised decision structures (sub- councils).	(a) Percentage of identified legislation that was influenced. (b) Number of amendments to legislation formulated and influenced. (c) Percentage support to establish decision making structures (sub-councils) discussion document.	New.	(a) Identify and lobby for strategic powers and functions necessary for a proper functioning metropolitan government. (b) Lobby for amendments and liaise with relevant stakeholders. (c) Develop sub-council by-laws in terms of the adopted CoJ Sub-Council Policy .[40]	Annual target not achieved. Progress was made in public participation of draft by-laws for the establishment of the Office of the Ombudsman in the City of Johannesburg; Vetted amendment of the Emergency Housing Policy and submitted opinions on review of the PIE Act; Lobbied and submitted comments on proposed amendments of the NLTA.

[38] The development of a contract management framework to facilitate and influence legal - commercially sound, efficient and effective contracts and contract management.

[39]A fully developed and approved contract management framework for the administration which will enable the monitoring of contract management by departments and MOEs.

[40]Review will cover - having identified legislation and proposed amendments, comments made on new provincial and national legislation; identify the constitutional powers and functions for amendments and approved delegations.

[40]The campaigns are intended to create awareness about the City's vision & strategy locally and internationally.

Chapter 4

Organisational development performance

Introduction to the municipal workforce

The City's biggest asset is its employees who bear responsibility for delivering its mandate to communities. They are the foundation and drivers for the City's success. Accordingly, the City strives to create value by attracting, developing and retaining skilled and competent people. Through its Human Resources Management (HRM) function, the City is committed to inspiring and growing people through individual development analysis and plans, as well as career management programmes and by recognising performance excellence.

The City is committed to recruiting from within its communities while also ensuring a deliberate focus on developing a local skills base where this may not exist. Its Human Resources Strategy has a vision of delivering professional, diverse and competent Human Capital for a World-class African City. The strategy focuses on the development of human resources in all aspects.

Table 126: Human resource management (HRM) performance highlights

Functional area	Performance highlights
Recruitment	Successfully recruited of 20 of the 22 Section 54A and Section 56 positions.
	Successfully appointed CEOs/MDs of 10 of the 11 Municipal Entities. The two outstanding positions under recruitment are the Group CFO and the Executive Director Public Safety.
Staff turnover	The City experienced a 4.71% staff turnover rate in 2012/13 (excluding seasonal terminations). Turnover 'hotspots' continue to be prioritised - where turnover is higher than the average - through skills retention strategies such as talent management, succession planning and delegations in terms of remuneration.

Table 127: Entities and citywide turnover as well as vacancies

Employees						Temporary employees	
Description	Year -1 (2011/12)	Year 0 (2012/13)					
	Employees	Approved Posts no.	Employees no.	Vacancies no.	Vacancies (%)	Year -1	Year 0
City Power	1 650	5 463	1 617	1 932	119.5%	1 890	1 914
Johannesburg Water	2 419	2 783	2 438	328	13.5%	243	17
Pikitup	4 527	8 088	5 066	2 965	58.5%	24	57
Metro Bus	883	986	857	98	11.4%	4	31
Johannesburg Roads Agency	1 562	1 983	1 533	250	16.3%	433	200
Johannesburg Development Agency	50	59	54	-	0.0%	1	5
Johannesburg Social Housing Company	76	175	85	85	100.0%	3	5
Joburg Tourism (JTC)	22	-	-	-	-	4	-
City – Transportation	98	478	476	1	0.2%	2	1
City – Environment	78	-	-	-	-	7	-

Employees						Temporary employees	
Description	Year -1 (2011/12)	Year 0 (2012/13)					
	Employees	Approved Posts no.	Employees no.	Vacancies no.	Vacancies (%)	Year -1	Year 0
City - Environment & Infrastructure Development	44	106	104	-	0.0%	-	2
City - Development Planning and Urban Management	885	414	388	2	0.5%	38	24
City – Housing	583	563	558	2	0.4%	21	3
Johannesburg Markets	276	545	274	23	8.4%	319	248
Johannesburg Property Company, Metro Trading Company & FMM	-	727	724	-	-	-	3
Metro Trading	422	-	-	-	-	24	-
Johannesburg Property	115	-	-	-	-	12	-
City - Economic Development	124	107	103	-	0.0%	11	4
City Parks and Jhb Zoo	-	1,925	1,649	195	11.8%	-	81
City Parks	1,536	-	-	-	-	12	-
Jhb Zoo	195	-	-	-	-	96	-
Joburg City Theatre's (Joburg / Soweto and Roodepoort)	-	229	120		0.0%		109
Joburg Theatre	84	-	-	-	-	20	-
Roodepoort Theatre	27	-	-	-	-	14	-
City - Health and Social Development	1 438	2 331	1 734	13	0.7%	664	584
City - Community Development	1 846	1 748	1 531	20	1.3%	310	197
City - Johannesburg Metro Police Department	3 861	4 098	3 747	4	0.1%	379	347
City - Emergency Management Services	1 710	1 631	1 630	1	0.1%	-	-
City - Corporate and Shared Services	930	499	475	1	0.2%	149	23
City - City Manager	-	743	700	3	0.4%	-	40
City - Executive Mayor	-	203	15	-	-	-	188
City Manager and Executive Mayor	271	-	-	-	-	25	-
City – Finance	400	432	377	7	1.9%	57	48
City - Revenue Department	1 604	1 594	1 576	1	0.1%	-	17
City - Speaker: Legislative Arm	183	192	186	3	1.6%	2	3
2010 Project Office	2	-	-	-	-	-	-
Grand total	**27 901**	**38 102**	**28 017**	**5 934**	**21.2%**	**4 764**	**4 151**

Table 128: Vacancy rate for various designations of the municipal workforce

Vacancy rate: Year 0 (2012/13)			
Designations	Total approved posts no.	Vacancies (Total time that vacancies exist using fulltime equivalents) no.	Vacancies (as a proportion of total posts in each category) (%)
Municipal Manager	1	0	0.005
CFO	1	1	100.00%
Other S57 managers (excluding finance Posts)	17	0.5	2.94%
Other S57 managers (finance posts)	17	0.5	2.94%
Police officers	2 528	53	2.10%
Fire fighters	1 148	29.16	2.54%
Senior management: Levels 13-15 (excluding finance posts)	816	46.83	5.74%
Senior management: Levels 13-15 (finance posts)	871	48.75	5.60%
Highly skilled supervision: levels 9-12 (excluding finance posts)	6 225	340.5	5.47%
Highly skilled supervision: levels 9-12 (finance posts)	6 490	346.16	5.33%
Total	**18 114**	**866.4**	**4.78%**

Table 129: Municipal services staff turnover rate

Turn-over rate						
Details	Total appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over rate	Seasonal recruitment	Seasonal terminations	Staff numbers at beginning of financial year
2010/11	582	506	3.57%	-	9	14 173
2011/12	423	609	4.29%	36	31	14 200
2012/13	256	660	4.71%	80	80	14 004

Managing the municipal workforce

Table 130: HR Policies effective at the beginning of the financial year 2012/13

	Name of policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
1	Affirmative Action	-	-	Forms part of EE and Transformation Policy adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
2	Attraction and Retention Succession and Promotion Policy	100%	100%	Policy adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
3	Code of Conduct for employees	100%	100%	Regulated within Conditions of Service (National Competency).
4	Delegations, Authorisation & Responsibility	100%	100%	Delegations, Authorisation & Responsibility Policy.
5	Disciplinary Code and Procedures	100%	-	Regulated within Conditions of Service (National Competency).

	Name of policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
6	Essential Services	100%	100%	Ratified agreement by National Essential Services Committee.
7	Employee Assistance / Wellness: Employee Health and Wellness Policy	100%	100%	Policy adopted in March 2005. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
8	EE and Transformation Policy	100%	100%	Policy adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
9	Exit Management	-	-	Exit Management is currently handled through the Conditions of Service. It is addressed in the revised Talent Acquisition which is 100% complete, though still awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
10	Grievance Procedures	100%	100%	Regulated within Conditions of Service (National Competency).
11	HIV/AIDS in the Workplace Policy	100%	100%	Policy adopted in March 2005. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
12	Employee Relations Policy	100%	100%	Labour Relations Policy adopted on 28/5/2009. Revised Employee Relations policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
13	Information Technology	100%	100%	Policy adopted on 10/01/2013.
14	Job Evaluation	100%	100%	Adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
15	Leave	100%	100%	Divisional agreements and conditions of service regulate leave.
16	Group Safety Policy Occupational Health and Safety	100%	100%	Adopted on 25/7/2002. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
17	Official Housing: Compulsory Occupation of Council Accommodation	100%	100%	Divisional agreements regulate compulsory housing.
18	Official Journeys: Travel and Subsistence Allowance Policy	100%	100%	Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
19	Official Transport to Attend Funerals	-	-	Discontinued in 2005.
20	Official Working Hours and Overtime	100%	100%	Divisional agreements regulate working hours and overtime.
21	Organisational Rights	100%	100%	Regulated within Conditions of Service (National Competency).
22	Payroll Deductions Payroll Management Policy	100%	100%	Adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
23	Performance Management and Development	100%	100%	Adopted by Council on 07/12/2012.

	Name of policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
24	Recruitment, Selection and Appointments: Talent Acquisition Policy	100%	100%	Adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
25	Remuneration Scales and Allowances: Remuneration Policy	100%	50%	Adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
26	Resettlement (Relocation)	-	-	Forms part of Talent Acquisition Policy which was adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
27	Sexual Harassment	100%	100%	Adopted on 28/05/2009.
28	Skills Development : Training and Development Policy	100%	100%	Adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
29	Smoking	-	-	
30	Special Skills	-	-	Forms part of Remuneration Policy which was adopted on 28/5/2009. Revised policy 100% complete however awaiting
31	Work Organisation: Organisational Structuring, Review, Design and Maintenance Policy	100%	100%	Adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
32	Uniforms and Protective Clothing	-	-	Divisional agreements regulate uniforms and protective clothing/ equipment.
33	Locomotion Allowance Policy	100%	100%	Regulated by divisional agreements however, a new Locomotion Allowance Policy is Completed and is awaiting approval of Group Governance Model before the revised policy can be submitted for consideration.
34	Employee Mobility Policy	100%	100%	Employee Mobility Policy is completed and is awaiting approval of Group Governance Model before the revised policy can be submitted for consideration.
35	Telephone Management Policy	100%	100%	Adopted on 14 June 2006. A new Telephone Management Policy is completed and is awaiting approval of Group Governance Model before the revised policy can be submitted for consideration.
36	Professional Registrations Framework	100%	100%	The Professional Registrations Framework is completed and is awaiting approval of Group Governance Model before the revised policy can be submitted for consideration.
37	Employee Assistance Policy	100%	100%	The Employee Assistance Policy is completed and is awaiting approval of Group Governance Model before the revised policy can be submitted for consideration.
38	Substance Abuse Policy	100%	100%	The Substance Abuse Policy is completed and is awaiting approval of Group Governance Model before the revised policy can be submitted for consideration.
39	HR Shared Services Policy	100%	100%	The HR Shared Services Policy is completed and is awaiting approval of Group Governance Model before the revised policy can be submitted for consideration.

	Name of policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
40	Gender Policy	100%	100%	Gender issues in the workplace forms part of the EE and Transformation Policy adopted on 28/5/2009. Revised policy 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.
41	Procurement and Usage of Printing Services	100%	100%	The Procurement and Usage of Printing Services Policy is 100% complete however awaiting approval of Group Governance Operating Model before the revised policy can be submitted for consideration.

Comment on workforce policy development

During the review period the Workforce Policy has been reviewed and will be covered by the suite of Human Capital Management Policies which include the following:

- Employee Mobility Policy
- Employee Relations Policy
- Succession and Promotion Policy
- Employment Equity and Transformation Policy
- Job Evaluation Policy
- Travel and Subsistence Allowance Policy
- Talent Acquisition Policy
- Organisational Structuring, Review, Design and Maintenance Policy
- Professional Registration
- Training and Development Policy
- Locomotion Allowance Policy
- Employee Health and Wellness Policy
- Employee Assistance Programme
- HIV and AIDS in the Workplace Policy
- Substance Abuse Policy

These Policies have all been developed in a group context and are awaiting the adoption of the Group Operating Model and subsequent Council approval.

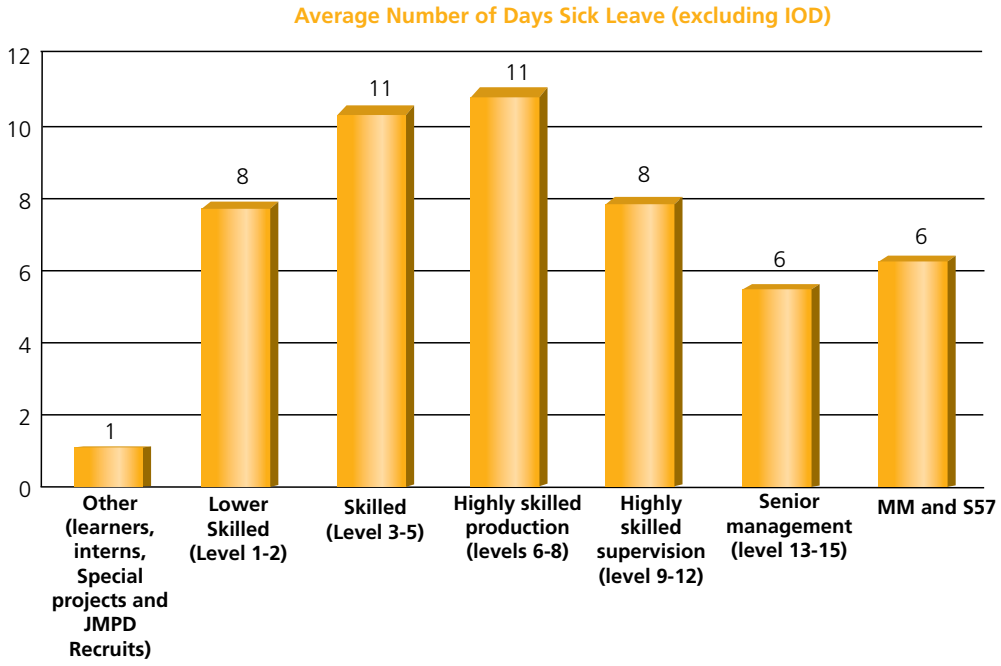
Table 131: Employees affected by injuries, sickness and suspensions in 2012/13

Number and cost of injuries on duty					
Type of injury	Days of injury leave taken	No. of Employees using injury leave	Proportion employees using sick leave (%)	Average days of injury leave per employee	Total estimated cost (R'000)
Required basic medical attention only	60	5	8%	12	60
Temporary total disablement	4 631	591	13%	78	12,000
Permanent disablement	662	7	5,8%	94	200
Fatal	0	0	0%	0	2,000
Total	**5353**	**603**	**26.8%**	**184**	**14,260**

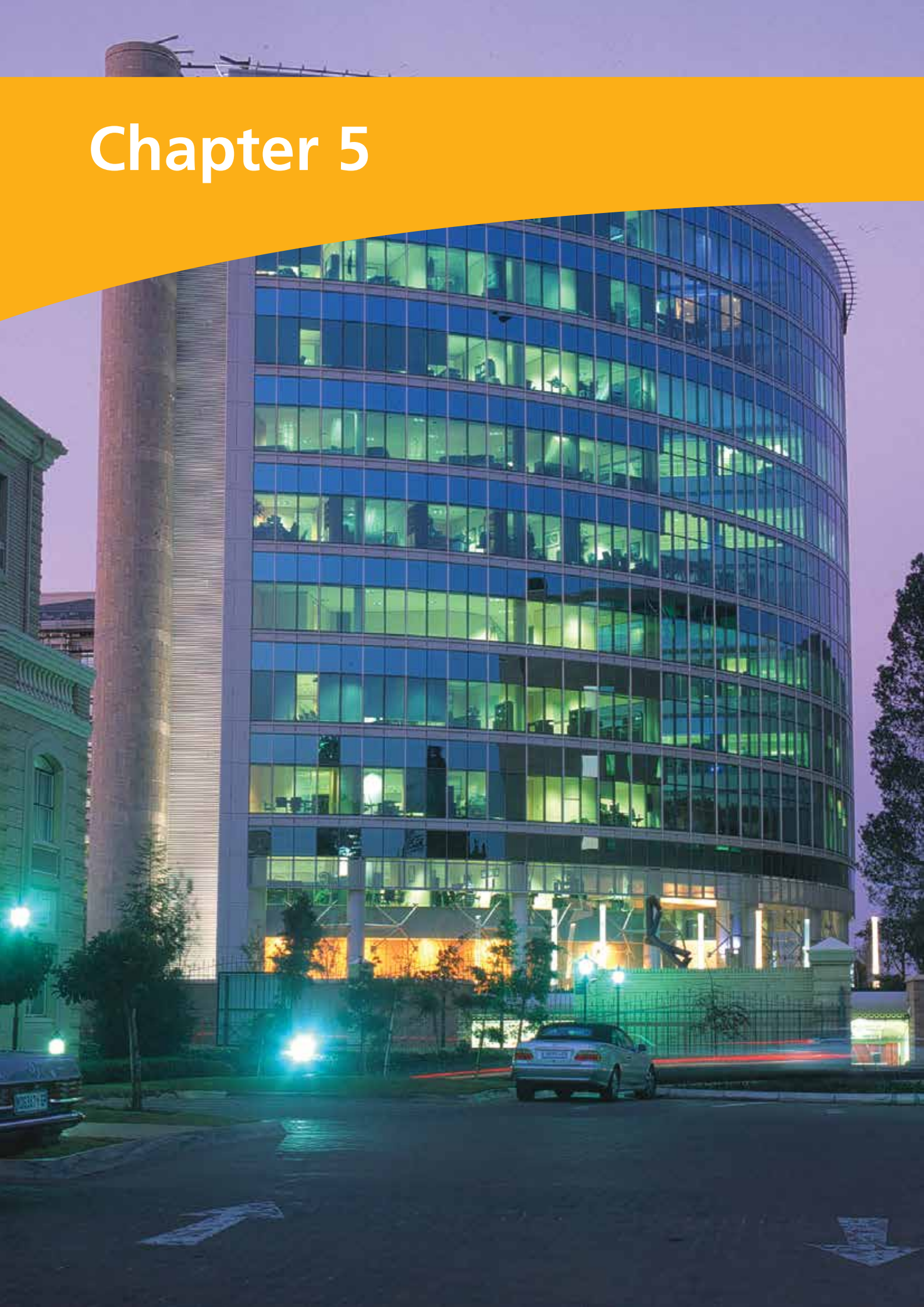
Table 132: Number of days and the cost of leave days taken by municipal employees in 2012/13

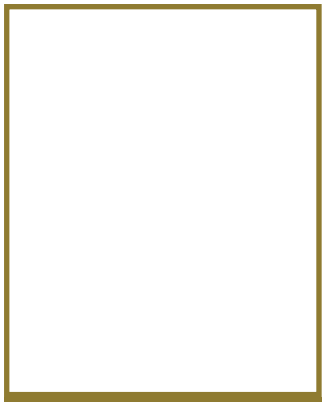
Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	Total days of sick leave	Proportion of sick leave without medical certification (%)	No. of employees using sick leave	No. of total employees in post	Average days of sick leave per employee	Estimated cost (R' 000)
Other (learners, Interns, Special Projects and JMPD Recruits)	1 189	41%	364	1 138	1	264
Lower skilled (Levels 1-2)	12 040	12%	1,040	1 536	8	4,967
Skilled (Levels 3-5)	27 920	17%	2 332	2 639	11	15,349
Highly skilled production (levels 6-8)	95 510	17%	7 896	8 749	11	71,914
Highly skilled supervision (levels 9-12)	7 346	19%	744	908	8	8,248
Senior management (Levels 13-15)	2,018	21%	263	366	6	1,959
MM and S57	103	13%	16	16	6	77
Total	**146 126**	**17%**	**12 655**	**15 352**	**10**	**102,779**

Figure 24: Average number of days sick leave (excluding IOD)



Chapter 5





Chief Financial Officer of the City of Johannesburg Reggie Boqo

Chief Financial Officer's Report

Introduction

"We commit ourselves to embrace the important position of our City on the African continent; that we are a city that embraces its African identity and represents the spontaneity and vibrancy of our diverse cities across this continent." Executive Mayor Cllr Mpho Parks Tau

It is with great pleasure that I present the consolidated Annual Financial Statements for the City of Johannesburg for the year ended 30 June 2013. These consolidated Annual Financial Statements of the Municipality incorporate the results and operations of the Core Administration as well as the Municipal Owned Entities (MOE's).

City of Johannesburg's consolidated Annual Financial Statements were prepared in full compliance with the provisions of the Generally Recognized Accounting Practice (GRAP), Generally Accepted Municipal Accounting Practice (GAMAP) and South African Generally Accepted Accounting Practice (SA GAAP) which ensures comparability against those of the prior years as well as against those of other Municipalities whose reports have been prepared on the same basis.

Financial overview

The year under review was challenging given the depressed economic growth both globally and in the domestic environment. South Africa's economic growth rate was revised downwards and the household debts levels have remained very high and possibly at unsustainable levels in this period. It is against this backdrop that the City is presenting its consolidated annual results where a surplus of R3,4 billion was achieved and the City achieved an Unqualified Audit Opinion for the first time in three years.

The City's total assets have increased by 7% to R60,2 billion driven largely by capital expenditure of R4,2 billion, increased debtors and a significantly improved cash position of R5,4 billion. The City has spent 93% of its capital expenditure budget during the year under review. The City has maintained healthy levels of liquidity and successfully redeemed listed bonds and other liabilities amounting to R2,3 billion that fell due during the year under review. This was achieved despite the City only raising new funding of R703 million whilst continuing to funds its operational activities. The current ratio at year end was above the City's target of 1 whilst the solvency ratio also exceeded the target of 2. The net assets increased by 13% to R30,4 billion as a result of the surplus achieved.

Total income increased by an insignificant 2% to R34,8 billion from prior year whilst operational expenditure increased by 7% to R31,4 billion in the same period. The increase in operational expenditure is significantly influenced by 30% increase in the impairment charge for the year of R2,9 billion. Employee related costs increased by 8% resulting in a remuneration: expenditure ratio of 36,6% which breached the target of 30% set by the City.

Cash generated by operations increased significantly to R8,7 billion from R5,3 billion in the prior year resulting in materially improved cash position at year end as reported above.

The City has maintained its respectable credit ratings with Fitch and Moody's at AA- (zaf) with a stable outlook and A1.za with a negative outlook respectively. These credit ratings will assist in containing the funding costs of the City and ensuring that the City's listed bonds remain an attractive proposition to the investors.

The City's objective is to manage financial risk in a way that "Builds a Sustainable, Resilient and Responsive Local Government". We will continue to balance the needs of short term operational expenditure against investment in infrastructure for the medium and long term in line with the aspirations of the Growth and Development Strategy (GDS).

The City remains committed to prudent management of its finances, focusing on strengthening the balance sheet; tightening credit policies and continued improvement in revenue collection strategies. These, and other strategic interventions, will continue to contribute to a financially healthy City

Analysis of the annual financial statements for the financial year 2012/13

Statement of Financial Performance

Figures in Rand thousand	2013 Actual	2013 Original Budget	2013 Adjusted Budget	2012 Actual	Budget Vari-ance	Change	%Of Total 2013	%Of Total 2012
					%	%		
INCOME								
Property rates	6 034 946	5 969 165	5 869 165	5 412 614	3%	11%	17%	16%
Service charges	19 220 098	20 166 322	19 817 325	18 135 473	-3%	6%	55%	53%
Government grants	6 823 877	7 150 386	7 403 075	7 540 386	-8%	-10%	20%	22%
Interest received	561 710	330 668	344 806	433 721	63%	30%	2%	1%
Other	2 186 980	2 722 771	3 043 076	2 718 218	-28%	-20%	6%	8%
	34 827 611	**36 339 312**	**36 477 447**	**34 240 412**	**-5%**	**2%**	**100%**	**100%**
EXPENDITURE								
Employee related costs	7 450 682	7 598 293	7 757 249	6 876 153	-4%	8%	24%	23%
Allowance for impairments of current receivables	2 850 709	2 050 289	1 895 371	2 191 637	50%	30%	9%	7%
Depreciation and amortisation	1 997 802	1 880 379	1 827 612	1 789 827	9%	12%	6%	6%
Finance costs	1 477 487	1 589 062	1 584 278	1 598 227	-7%	-8%	5%	5%
Bulk purchases	11 113 587	11 856 276	11 419 554	10 159 070	-3%	9%	35%	35%
Contracted services	1 882 488	2 878 764	2 986 726	1 978 748	-37%	-5%	6%	7%
Other	**4 701 082**	**4 040 915**	**4 597 902**	**4 796 583**	**2%**	**-2%**	**15%**	**16%**
Fair value adjustments	159 931			91 759				
(Loss)/gain on non-current assets held for sale or disposal	(1 743)			55 153				
share of surplus/(deficit) of associate accounted for under the equity method	2 226			(70)				
SURPLUS BEFORE TAXATION	**3 514 188**			**4 997 009**				
Taxation	75 732			382 328				
NET SURPLUS AFTER TAXATION	**3 438 456**			**4 614 681**				

Revenue

The revenue composition has remained relatively unchanged from prior year with services charges and property rates accounting for around 70% of the total revenue generated. Government grants for the current contribute 20% to total revenue which is lower than prior year's 22% contribution. The City has shown less reliance on grants in the year under review.

Figure 25: Revenue % composition

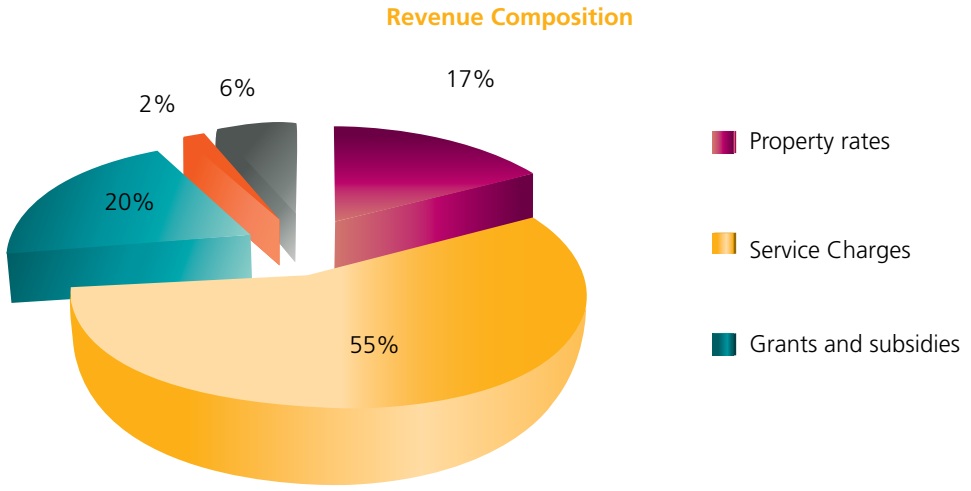


Figure 26: Revenue trend analysis

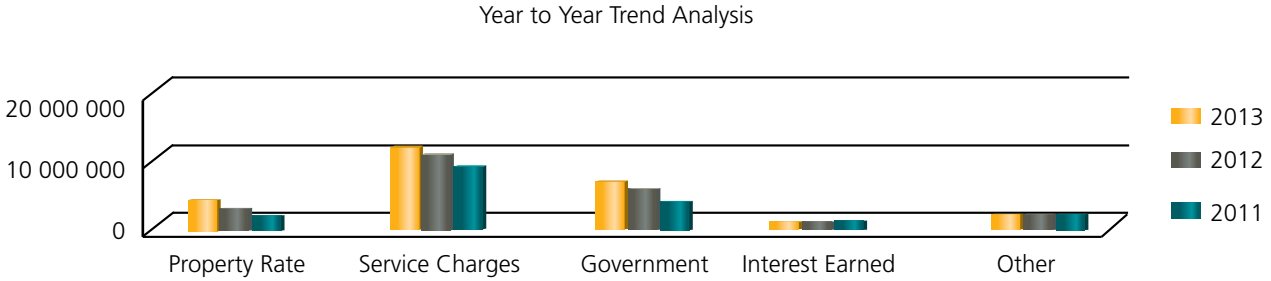


Table 133: Breakdown of property rates

Figures in Rand thousand	2013 Actual			2012 Actual	
		%			%
Residential	2 249 405	37%		1 839 826	34%
Commercial	3 715 484	62%		3 441 982	64%
State	51 087	1%		50 782	1%
Municipal	18 970	0%		80 024	1%
	6 034 946	**100%**		**5 412 614**	**100%**

The composition of property rates revenue has remained relatively unchanged although the residential property rates contribute marginally higher than in the prior year largely due to newly ratable properties added to the residential and commercial categories. The 11% increase in total property rates revenue is attributable to the 6% tariff increase and efforts made by the City to bring in ratable properties that were outside the net. Commercial customers continue to be the largest contributor to property rates revenue currently at 62% (2012: 64%).

Service charges increased by 6% (See table below). The revenue increase is mainly attributable to the tariff increases on electricity, water and refuse removal charges.

Table 134: Breakdown of service charges

Figures in Rand thousand	2013 Actual		2012 Actual	
		%		%
Service Charges comprise				
Sale of electricity	12 214 776	64%	11 831 619	65%
Sale of water	3 973 745	21%	3 136 732	17%
Surcharges: Electricity	6 835	0%	125 281	1%
Surcharges: Water	25 847	0%	31 226	0%
Surcharges: refuse	2 787	0%	2 424	0%
Refuse removal	963 666	5%	890 487	5%
Sewerage and sanitation charges	1 898 223	10%	2 001 116	11%
Other services	134 219	1%	116 588	1%
	19 220 098	**100%**	**18 135 473**	**100%**

The main contributor for service charges is electricity at 64%, as it was in the previous financial year, with water being the second highest contributor at 17%.

Refuse removal has increased in spite of Round Collected Refuse removal that was affected due to the condition of the fleet. Pikitup has worked hard to make sure that Round Collected Refuse is regular and consistent and the introduction of a new fleet management and monitoring regime has assisted in resolving the fleet challenges of the past.

Expenditure

Figure 27: Expenditure % composition

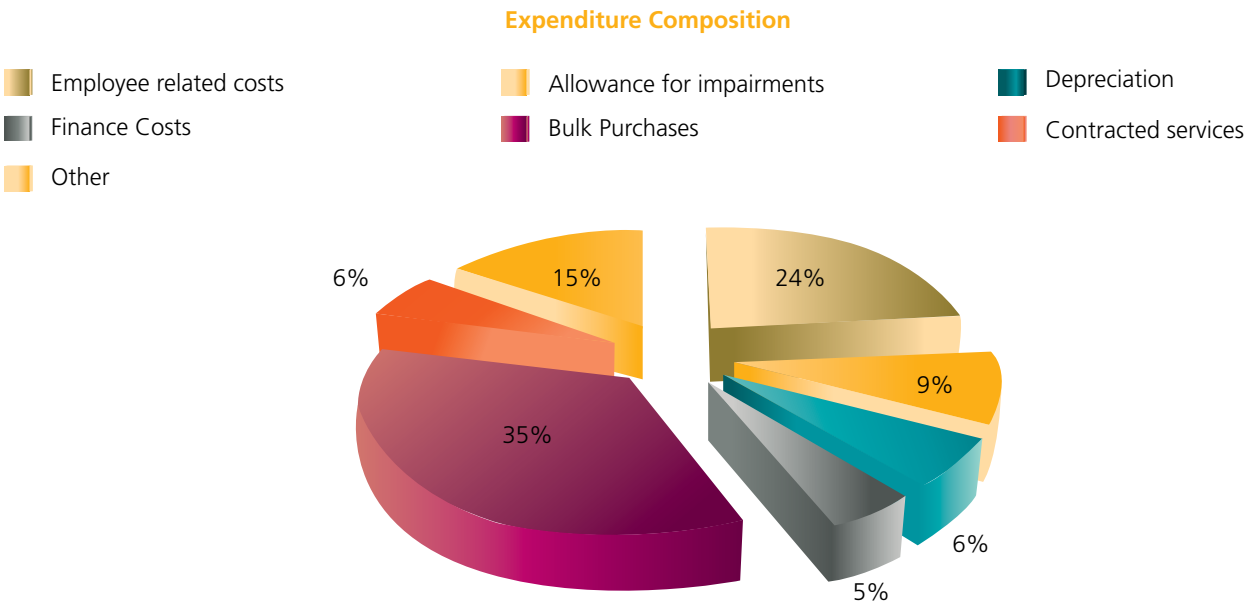
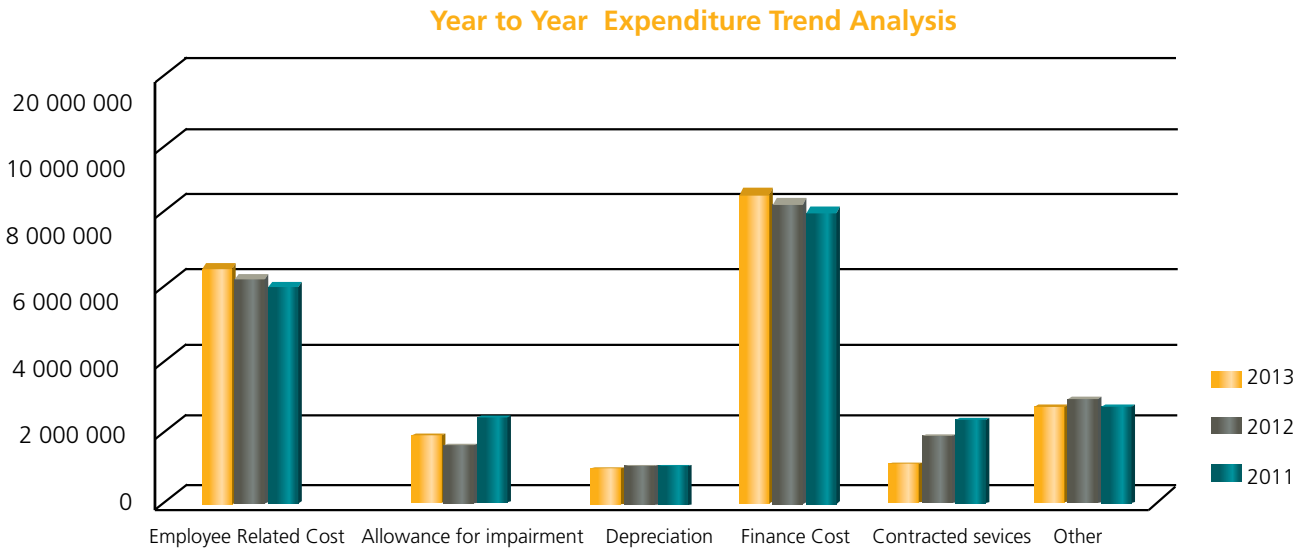


Figure 28: Expenditure trend analysis



In the financial year under review, the City's high value cost drivers were the bulk purchases, employee related costs and contracted services. Bulk purchases are throughput costs for the City which are recovered through the revenue generated from water and electricity.

Employee related costs increased by 8% which is attributable to the absorption of third party staff in Pikitup and general annual salary increases.

The decline in contracted services is testament to the City increasingly doing work in-house which was previously outsourced.

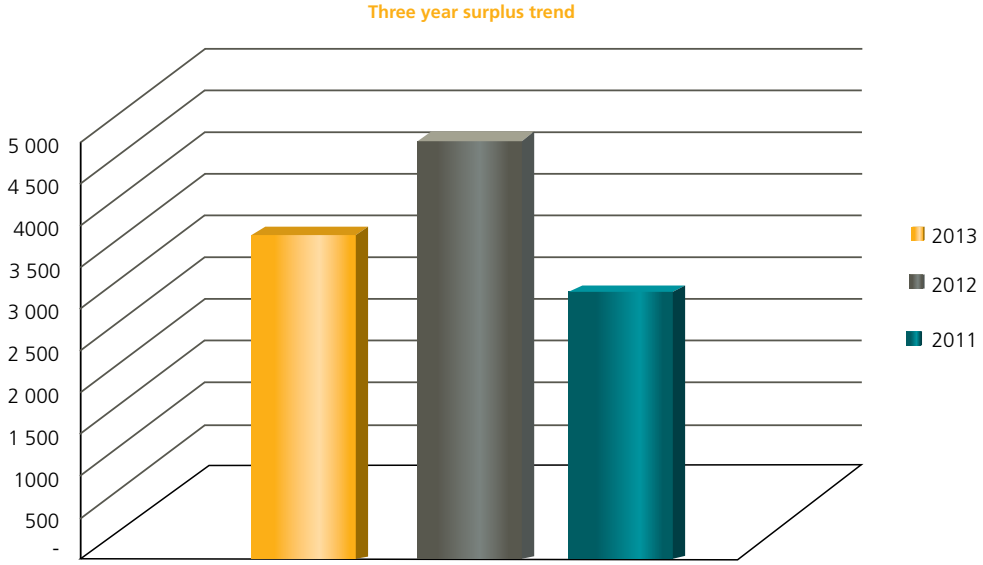
The City's customers continue to face economic pressure and as a result collection levels for consumer debts are still depressed, albeit improved, hence an increased allowance for impairment. The City continues to follow a conservative and prudent approach in its impairment assessment model.

Finance charges decreased from last year by 8% and are under budget by 7% as the City incurred the long term capital debt late in the financial year which resulted in a saving. The City has relied on its internally generated cash for most of the year which is further testament to its improved liquidity management approach.

Annual surplus generated

Despite the challenging economic climate, the City was able to generate a healthy net surplus of R3.4 billion which is a 26% decline from the previous year's R4.6 billion. The decrease is largely due to a 30% increase in impairment charge. The achievement of a surplus is in line with the City's Growth and Development Strategy and augurs well towards achieving financial sustainability and resilience.

Figure 29: Three-year surplus trend



Statement of Financial Position

Figures in Rand thousand	2013	2013 Original Budget	2013 Adjusted Budget	2012	Growth %	Variance %
Net Assets and Liabilities						
Net Assets	30 434 769	28 615 320	30 824 461	27 021	13%	6%
Non-current liabilities	16 358 977	18 447 708	16 864 549	16 067	2%	-11%
Current liabilities	13 397 375	8 250 840	9 307 372	13 285	1%	62%
	60 191 121	**55 313 868**	**56 996 382**	**56 374 108**	**7%**	**9%**
Assets						
Non-current assets	46 304 989	45 507 281	45 350 184	44 136	5%	2%
Current assets	13 886 132	9 806 587	11 646 198	12 237	13%	42%
	60 191 121	**55 313 868**	**56 996 382**	**56 374 108**	**7%**	**9%**

Composition of debtors

The City is committed to its ambitious R100 billion capital expenditure programme announced previously which will partially be funded from internally generated reserves hence the importance of this surplus. The City aims to commit its own funds out of surpluses alongside the contributions made by investors and government in order to realize the City's ambitious capital expenditure programme.

The City's Net Assets position has improved by 13% to R30,4 billion. The increase in net assets is a result of the surplus reported in the statement of financial performance.

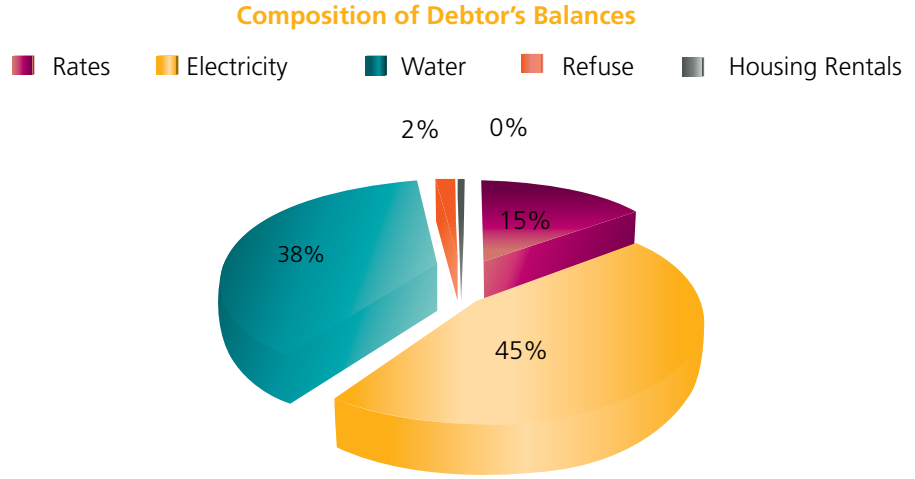
Non-current liabilities increased by a modest 2%, while current liabilities increased by 1% when compared to prior year. The City's total assets increased by 7%, which is mainly due to a rise in trade receivables as well as a significant increase in cash and cash equivalents as at year end.

Table: 135

Figures in Rand thousand	2013	2012
Cash and cash equivalents at end of the year	5 401 407	2 220 393

The cash and cash equivalents increased by 143% to R5,4 billion reflecting the results of an improved liquidity management approach adopted by the City. The surplus achieved in the current year also contributed to the significant increase in cash and cash equivalents.

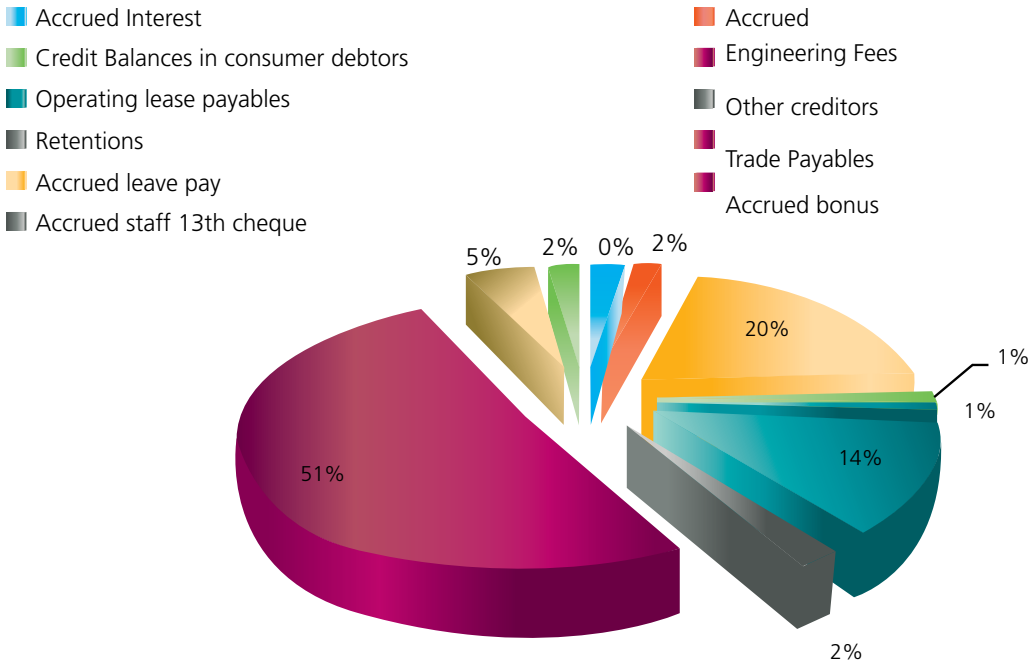
Figure 30: Composition of Debtor's Balances



Electricity has the highest number of outstanding debtors and the electricity debtors have increased as compared to the previous year. This can be considered to be the impact on consumers of the significant spike in the increase in tariffs.

Electricity and water debtors account for 83% of the total consumers debtors balance. This is in line with the revenue generated from these services. The year-on-year increase can be partly attributed to the tariff increases implemented in the current year. The debtors collection rate has improved considerably during the year under review contributing to the City's cash position.

Composition of Creditors



The main contributors to the creditors are the trade payables, credit balances and other creditors.

The increase in expenditure in the last quarter accompanied by the increased level of accruals at year end is the reason for the significant growth of the trade payables.

Capital expenditure

Capital Expenditure amounted to R4,2 billion in the current year under review against the approved budget of R4,5 billion.

The increase in the percentage spent from 89% in the prior year to 93% in the current year reflects the City's ability to spend its capex budget and its commitment towards service delivery and a better life for its citizens. This ability to spend on capex will the stand the City in good stead in delivering on its IDP as well as its Growth and Development Strategy.

Financial Ratios

Table: 136

Financial ratios	30-Jun-13	30-Jun-12	Target
Current ratio	1.04	0.92	1,00
Solvency ratio	2.02	1.92	2,00
Debt: Revenue	38.77%	41.21%	45,0%
Remuneration: Expenditure	36.59%	35.76%	30,0%
Maintenance: Expenditure	2.19%	1.63%	7,0%
Interest: Expenditure	4.69%	5.44%	5,0%

The current ratio reflects an improvement from the previous financial year and is currently above the City's own target of 1. This is mainly due to an increase in current assets especially with regards to cash and cash equivalents. The City has set up strategic interventions, as indicated in the previous year, aimed at the continued improvement of this ratio in the medium term.

The debt to revenue ratio at 38.77% is significantly down from 41.21% reported in the prior year. This ratio is now below the self-imposed target limit of 45% however with the City rolling out of its planned capital expenditure programme of over R100 billion in 10 years, borrowings will increase and therefore push this ratio up albeit within the target level.

The remuneration to expenditure ratio is, calculated excluding bulk purchases, at 36,6% up from 35,8% in the prior year. The City is implementing initiatives to effectively contain and reduce this ratio and improve productivity levels. The institutional review is one such initiative aimed at managing this ratio towards the target of 30% in the near future.

Although the ratio of maintenance to expenditure has improved to above 2% in the current year, it remains well below the target of 7% set internally. It is the City's objective going forward to increase spending levels on maintenance to address current gap towards the target. It is worth noting that 85% of the City's assets are underground and require continuous attention to ensure that the value of the assets is safeguarded through routine maintenance.

Resources will be made available to give specific focus to this process.

Overall the City has shown improvements in all but one key ratio in the year under review. Remuneration costs and maintenance costs require deliberate actions by the City in the years ahead. This overall improvement reflects the efforts of the City's leadership towards improving financial sustainability and resilience.

Audit opinion

The City's efforts and dedication towards achieving a clean audit are beginning to bear fruits with the achievement of an Unqualified Audit Opinion for the year under review. The audit opinion was issued with matters of emphasis as outlined in the report of the Auditor General of South Africa included in the annual report.

The City is proud of this achievement and its leadership is encouraged and committed to continuing working very hard towards achieving a clean audit.

The City has put in place corrective measures to ensure that the matters reported on by the Auditor General of South Africa are remedied going forward.

Credit rating

The City has maintained commendable credit ratings from both its international rating agencies as reflected below. The City's credit rating for the period ending June 2013 was as follows:

Table: 136

Moody's	**A1.za/P-1.za**	**Negative Outlook**
Fitch	**AA-.zaf/F1+.zaf**	**Stable Outlook**

The credit ratings by both the above-listed international rating agencies reflect the City as solid investment grade quality counterparty. The negative outlook by Moody's is based on concerns about the sovereign contagion which is not a City specific issue. The rating agencies have also raised concerns on deteriorating economic conditions and the weakening public finances in general.

The City is proud to have maintained such a good credit rating in a very challenging economic environment thereby ensuring that its listed bonds remain attractive to the investors.

Revenue and billing

The Roadmap for Revenue and Billing was launched in November 2011 to resolve billing queries from customers and wipe out the backlog of outstanding queries. The City committed itself to a customer-centric approach to dealing with the public at offices and call-centres. The Roadmap sets out clearly defined objectives and milestones to be achieved in the short to medium.

Several initiatives were undertaken by the City to improve billing data integrity, including meter audits and customer open days. A new number for the City's call centre was introduced – 0860 Joburg (or 0860 562874). This new city-wide number is easy to remember and makes use of improved technology, which is more stable and is not bound to any one location.

Between January and March 2013, the City rolled out a regional campaign in our walk-in-centres with the intention of resolving non-technical queries; reducing customer waiting times; providing technical product knowledge;nd promoting a culture of efficiency and professionalism. By the end of the financial a year the City received 15 000 billing queries per

month which were resolved within 30 days.

This is a significant improvement from the levels achieved in the prior years. The City will continue to improve its interactions with its customers and work towards minimizing the billing queries.

Looking forward

The theme for the year for the City: 'building corridors of freedom to our hearts desire'

The Executive Mayor put in place this vision and also set out the blueprint. The duty of the officials of the City is to ensure that the construction takes place. The task is to build the bridge to the future. The budget of the City being the bricks and cement that we will use to build this bridge that will take us to the Corridors of Freedom to our heart's desire.
In light of the ambitious targets that the City has set itself in implementing the corridors of freedom, financial sustainability remains the City's number one priority. We will continue to strengthen financial management practices and discipline throughout the city to ensure long-term financial sustainability and resilience.

The Corridors of Freedom present the City with a unique opportunity to reshape its urban form and construct a future based on equity, accessibility and sound economic principles. It is within our grasp to leave a lasting legacy for future generations based on our hearts' desire.

Conclusion

I would like to express my gratitude to the Executive Mayor, Councillors, Member of Mayoral Committee responsible for finance, Mayoral Committee, the Group Audit Committee, Municipal Manager, Chief Operations Officer, Group Heads, Boards of Directors, Managing Directors, CFO's of Municipal Owned Entities and Directors for the support they have provided during the 2012/2013 financial year.

We remain committed to continued strengthening of the City's financial position as well as to the attainment of a clean audit and the achievement of the long term goals of a financially sustainable and resilient City.

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Reggie Boqo
Group Chief Financial Officer
City of Johannesburg Metropolitan Municipality

Annual Financial Statements

Consolidated Annual Financial Statements

General Information

MAYORAL COMMITTEE

Executive Mayor	Mpho Franklin "Parks" Tau (Chairperson) (1 JUNE 2011 - 30 JUNE 2016)
Councillors	(1 JUNE 2011 - 30 JUNE 2016) Constance Bapela (Speaker of Council) Geoff Makhubo (Finance) Ruby Mathang (Economic Development) Rosslyn Greeff (Development Planning and Urban Management) Rehana Moosajee (Transportation) (1 JUNE 2011 - 28 FEBRUARY 2013) Christine Walters (Transportation) (1 MARCH - 30 JUNE 2016) Matshidiso Mfikoe (Environment and Infrastructure Services) Nonceba Molwele (Health and Human Development) Mally Mokoena (Corporate and Shared Services) Sello Lemao (Public Safety) Chris Vondo (Community Development) Daniel Bovu (Housing) Prema Naidoo (Chief Whip) Elginah Ndhlovhu (Chief of Staff) (1 JUNE 2011 - 31 DECEMBER 2012) Anthony Selepe (1 JANUARY - 30 JUNE 2016)
GRADING OF LOCAL AUTHORITY	The City of Johannesburg Metropolitan Municipality is a Grade Six Local Authority in terms of Item IV of Government Notice R999 of 2 October 2001, published in terms of the Remuneration of Public Office Bearers Act, 1998.
CITY MANAGER	Trevor Fowler
ACTING CHIEF FINANCIAL OFFICER	Gerald Dumas
REGISTERED OFFICE	Metropolitan Centre, Loveday Street, Johannesburg 2001 Telephone: +27 (0)11 407 - 6111 Facsimile: +27 (0)11 339 - 5704
POSTAL ADDRESS	P O Box 1049 Johannesburg 2000
BANKERS	ABSA Bank Limited (Till March 2013) Standard Bank (Since April 2013)
AUDITORS	The Office of the Auditor-General : Gauteng Registered Auditors 61 Central Street Houghton 2198 PO Box 91081 Auckland Park 2006

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The reports and statements set out below comprise the Group Annual Financial Statements:

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Group Annual Financial Statements for the year ended 30 June 2013

Abbreviations

AUC	Assets Under Construction
BESA	Bond Exchange South Africa
CJMM	City of Johannesburg Metropolitan Municipality
CMP	Corporate Media Platforms
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of Southern Africa
DMTN	Domestic Medium Term Note
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
JSE	Johannesburg Stock Exchange
MEC	Member of the Executive Council
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
NDR	Non-distributable Reserve
PAYE	Pay As You Earn
PPE	Property, plant and equipment
SARS	South Africa Revenue Services
SCA	Supreme Court of Appeal
UIF	Unemployment Insurance Fund
USDG	Urban Settlements Development Grant
VAT	Value Added Taxation

Municipal Manager's approval of the Group Annual Financial Statements

Group Annual Financial Statements for the year ended 30 June 2013

I am responsible for the preparation of the Group Annual Financial Statements in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The Group Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

Municipal Manager

Statement of Financial Position as at 30 June 2013

Group Annual Financial Statements for the year ended 30 June 2013

		GROUP		CORE	
Figures in Rand thousand	Note(s)	2013	2012	2013	2012
ASSETS					
Current Assets					
Inventories	3	354,468	322,774	119,852	114,188
Loans to Municipal Entities	4	-	-	906,089	805,774
Other financial assets	5	38,851	263,170	38,851	263,170
Current tax receivable		9,187	2,343	-	-
Finance lease receivables	6	-	-	34,485	26,589
Trade and other receivables	7	846,366	933,770	1,576,754	968,653
Receivables from non-exchange transactions	8	8,421	55,206	-	46,580
VAT receivable	9	154,008	121,433	143,845	104,381
Consumer debtors	10	4,488,971	4,386,591	664,901	685,712
Other financial assets at fair value	11	2,578,265	3,925,853	619,364	806,512
Cash and cash equivalents	12	5,400,918	2,219,904	5,193,519	2,042,614
		13,879,455	**12,231,044**	**9,297,660**	**5,864,173**
Non-Current Assets					
Zoo animals	13	16,872	17,878	-	-
Investment property	14	1,271,254	1,304,565	1,270,740	1,257,885
Property, plant and equipment	15	41,131,710	38,961,948	25,357,980	24,740,369
Intangible assets	16	492,541	682,900	197,148	409,273
Heritage assets	17	553,870	548,733	552,277	547,140
Investments in Municipal Entities	18	-	-	172,331	172,331
Investment in joint ventures	19	31,691	31,575	-	-
Investment in associates	20	15,847	13,737	-	-
Loans to Municipal Entities	4	-	-	5,256,976	5,436,953
Other financial assets	5	284,317	429,209	284,317	429,209
Deferred tax	21	24,094	20,744	-	-
Finance lease receivables	6	-	-	114,116	97,275
Consumer debtors	10	36,483	45,391	36,483	45,391
Other financial assets at fair value	11	2,436,147	2,069,544	1,972,106	1,725,338
		46,294,826	**44,136,387**	**35,214,474**	**34,861,164**
Total Assets		**60,174,281**	**56,374,108**	**44,512,134**	**40,725,337**

Statement of Financial Position as at 30 June 2013

Group Annual Financial Statements for the year ended 30 June 2013

		GROUP		CORE	
Figures in Rand thousand	Notes(s)	2013	2012	2013	2012
LIABILITIES					
Current Liabilities					
Loans and borrowings	23	625,164	1,523,336	624,610	1,522,804
Current tax payable		3,131	4,657	-	-
Finance lease obligation	24	35,506	37,724	36,138	38,845
Trade and other payables	25	8,808,261	6,990,683	8,551,602	5,797,600
VAT payable	9	526,705	695,484	-	-
Obligations arising from conditional grants and receipts	26	1,410,169	807,011	1,356,139	797,716
Provisions	27	63	16,691	-	15,219
Deferred income	29	11,384	12,102	-	-
Financial liabilities at fair value	11&30	1,968,096	3,189,632	9,609	8,212
Consumer deposits	31	6,313	5,887	-	-
		13,394,792	**13,283,207**	**10,578,098**	**8,180,396**
Non-Current Liabilities					
Project Funds payable	32	5,640	10,026	-	-
Loans and borrowings	23	11,399,462	11,277,553	11,381,478	11,259,017
Finance lease obligation	24	336,515	368,875	323,758	351,846
Retirement benefit obligation	28	1,865,790	1,789,466	1,863,909	1,808,066
Deferred tax	21	1,118,049	996,792	-	-
Provisions	27	548,890	615,255	20,000	20,000
Deferred income	29	88,462	98,380	51,804	54,444
Financial liabilities at fair value	11&30	531,061	453,443	67,020	109,237
Consumer deposits	31	465,108	457,494	26,402	15,688
		16,358,977	**16,067,284**	**13,734,371**	**13,618,298**
		29,753,769	**29,350,491**	**24,312,469**	**21,798,694**
		30,420,512	**27,006,777**	**20,199,665**	**18,926,643**
Total Liabilities					
Net Assets					
NET ASSETS					
Reserves					
Hedging reserve		(54,928)	(94,065)	(54,928)	(94,065)
Accumulated surplus		30,475,440	27,100,842	20,254,593	19,020,708
Total Net Assets		**30,420,512**	**27,006,777**	**20,199,665**	**18,926,643**

Statement of Financial Performance

Group Annual Financial Statements for the year ended 30 June 2013

		GROUP		CORE	
Figures in Rand thousand	Notes(s)	2013	2012	2013	2012
Revenue					
Revenue from exchange transactions					
Income from agency services		219,256	206,288	199,813	194,642
Interest received		561,710	433,721	1,072,093	1,043,344
Licences and permits		958	803	958	803
Other income	34	1,416,135	1,717,560	752,503	1,050,876
Rental facilities and equipment		220,480	195,134	84,985	73,107
Reversal of impairment	35	-	-	-	4,961
Sale of housing stock		6,973	14,693	6,973	14,693
Service charges	36	19,220,098	18,135,473	1,011,568	892,191
Total revenue from exchange transactions		**21,645,610**	**20,703,672**	**3,128,893**	**3,274,617**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	37	6,034,946	5,412,614	6,048,825	5,412,614
Transfer revenue					
Fines		320,336	435,336	320,336	435,336
Government grants	38	6,823,877	7,540,386	6,739,688	7,395,769
Public contributions, Donated and contributed property, plant and equipment		2,842	148,404	2,842	148,404
Total revenue from non-exchange transactions		**13,182,001**	**13,536,740**	**13,111,691**	**13,392,123**
Total revenue		**34,827,611**	**34,240,412**	**16,240,584**	**16,666,740**
Expenditure					
Employee related costs	39	(7,450,682)	(6,876,153)	(4,270,900)	(4,116,777)
Remuneration of councillors	40	(110,411)	(98,291)	(110,411)	(98,291)
Depreciation and amortisation	41	(1,997,802)	(1,789,827)	(1,368,810)	(1,282,651)
Impairment losses	42	(20,858)	(10,013)	(51,501)	(268,629)
Finance costs		(1,477,487)	(1,598,227)	(1,477,427)	(1,598,443)
Allowance for impairment of current receivables	43	(2,850,709)	(2,191,637)	(1,264,662)	(447,300)
Repairs and maintenance		(690,616)	(479,033)	(138,639)	(106,260)
Bulk purchases	44	(11,113,587)	(10,159,070)	-	-
Contracted services	45	(1,882,488)	(1,978,748)	(1,187,414)	(1,228,093)
Grants and subsidies paid	46	(153,955)	(132,957)	(2,776,211)	(2,618,744)
Cost of housing sold		(9,856)	(21,408)	(9,856)	(21,408)
General Expenses	47	(3,715,386)	(4,054,881)	(2,578,604)	(2,166,649)
Total expenditure		**(31,473,837)**	**(29,390,245)**	**(15,234,435)**	**(13,953,245)**
Operating surplus		**3,353,774**	**4,850,167**	**1,006,149**	**2,713,495**
(Loss)/gain on disposal assets		(1,743)	55,153	38,949	60,488
Fair value adjustments	48	159,931	91,759	162,699	110,095
Share of (deficit)./surplus of associate accounted for under the equity method		2,226	(70)	-	-
		160,414	**146,842**	**201,648**	**170,583**
Surplus before taxation		**3,514,188**	**4,997,009**	**1,207,797**	**2,884,078**
Taxationt		75,732	382,328	-	-
Surplus for the year		**3,438,456**	**4,614,681**	**1,207,797**	**2,884,078**
Attributable to:					
Owners of the controlling entity		3,438,456	4,614,681	1,207,797	2,884,078

Statement of Changes in Net Assets

Group Annual Financial Statements for the year ended 30 June 2013

Figures in Rand thousand	Note(s)	Cashflow hedge reserve	Accumulated surplus	Total equity
GROUP				
Balance at 01 July 2011		**(26,033)**	**23,132,147**	**23,106,114**
Changes in net assets				
Capitalisation Adjustment		(68,032)	-	(68,032)
Unbundling of land		-	115,380	115,380
Net revenue (expenditure) recognised directly in equity		(68,032)	115,380	47,348
Surplus for the year		-	4,614,681	4,614,681
Total recognised revenue and expenditure for the year		(68,032)	4,730,061	4,662,029
Assets under construction		-	(761,366)	(761,366)
Total changes		(68,032)	3,968,695	3,900,663
Opening balance as previously reported		(94,065)	27,392,722	27,298,657
Adjustments				
Prior year adjustments	52	-	(291,880)	(291,880)
Balance at 01 July 2012 as restated		**(94,065)**	**27,100,842**	**27,006,777**
Changes in net assets				
Capitalisation adjustment		39,137	-	39,137
Unbundling of land		-	26,088	26,088
Net revenue (expenditure) recognised directly in equity		39,137	26,088	65,225
Surplus for the year		-	3,438,456	3,438,456
Total recognised revenue and expenditure for the year		39,137	3,464,544	3,503,681
Gains from transfer of functions between entities under common control		-	(89,946)	(89,946)
Total changes		39,137	3,374,598	3,413,735
Balance at 30 June 2013		**(54,928)**	**30,475,440**	**30,420,512**

Statement of Changes in Net Assets

Group Annual Financial Statements for the year ended 30 June 2013

Figures in Rand thousand	Note(s)	Cashflow hedge reserve	Accumulated surplus	Total equity
CORE				
Balance at 01 July 2011		**(26,033)**	**16,782,616**	**16,756,583**
Changes in net assets				
Capitalisation Adjustment		(68,032)	-	(68,032)
Unbundling of land[a]		-	115,380	115,380
Net revenue (expenditure) recognised directly in equity		(68,032)	115,380	47,348
Surplus for the year		-	2,884,078	2,884,078
Total recognised revenue and expenditure for the year		(68,032)	2,999,458	2,931,426
Assets under construction		-	(761,366)	(761,366)
Total changes		(68,032)	2,238,092	2,170,060
Opening balance as previously reported		(94,065)	18,984,930	18,890,865
Adjustments				
Prior year adjustments	52	-	35,778	35,778
Balance at 01 July 2012 as restated		**(94,065)**	**19,020,708**	**18,926,643**
Changes in net assets				
Capitalisation adjustment		39,137	-	39,137
Unbundling of land			26,088	26,088
Net revenue (expenditure) recognised directly in equity		39,137	26,088	65,225
Surplus for the year		-	1,207,797	1,207,797
Total recognised revenue and expenditure for the year		39,137	1,233,885	1,273,022
Total changes		39,137	1,233,885	1,273,022
Balance at 30 June 2013		**(54,928)**	**20,254,593**	**20,199,665**

Cash Flow Statement

Group Annual Financial Statements for the year ended 30 June 2013

		GROUP		CORE	
Figures in Rand thousand	Notes(s)	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Sale of goods and services		27,582,024	26,266,305	8,428,803	8,227,627
Grants		6,823,877	7,540,386	6,739,688	7,395,769
Interest income		405,433	309,013	972,817	969,452
		34,811,334	34,115,704	16,141,308	16,592,848
Payments					
Employee costs		(7,450,682)	(6,876,153)	(4,270,900)	(4,116,777)
Suppliers		(17,154,465)	(23,300,075)	(5,134,278)	(7,385,645)
Finance costs		(1,477,487)	(1,598,227)	(1,477,427)	(1,598,443)
Taxes on surpluses		(75,732)	(382,328)	-	-
		(26,158,366)	(32,156,783)	(10,882,605)	(13,100,865)
Net cash flows from operating activities	**49**	**8,652,968**	**1,958,921**	**5,258,703**	**3,491,983**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	15	(4,143,456)	(3,677,328)	(1,919,151)	(1,858,756)
Proceeds from sale of property, plant and equipment	15	246,057	301,072	117,379	266,933
Purchase of investment property	14	(234)	(31,598)	(234)	(31,443)
Purchase of other intangible assets	16	(80,489)	(30,814)	(1,914)	(5,134)
Purchases of heritage assets	17	(1,238)	-	(1,239)	-
Non-current assets held for sale		-	3,233	-	-
Investments made		-	(672,852)	-	(535,103)
Investments redeemed		108,430	175,558	108,430	175,558
Purchase of zoo animals	13	(766)	(39)	-	-
(Increase)/decrease in non current receivables		(10,331)	(19,403)	69,331	240,519
Net cash flows from investing activities		**(3,882,027)**	**(3,952,171)**	**(1,627,398)**	**(1,747,426)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(1,020,184)	(376,074)	(1,020,184)	(376,074)
Proceeds from borrowings		703,000	1,000,208	703,000	1,000,208
Repayment of provisions		-	(115,054)	-	(355,226)
Movement in consumer deposits		8,038	11,560	10,714	11,576
Finance lease payments		(34,574)	(381,505)	(30,795)	(385,511)
Finance lease receipts		-	-	(24,737)	(123,864)
Project funds		(4,386)	(5,692)	-	-
Repayment of post retirement benefits		(137,040)	(139,765)	(116,715)	(115,741)
Financial liabilities at fair value		(1,104,781)	3,524,877	(1,683)	(749)
Net cash flows from financing activities		**(1,589,927)**	**3,518,555**	**(480,400)**	**(345,381)**
Net increase/(decrease) in cash and cash equivalents		**3,181,014**	**1,525,305**	**3,150,905**	**1,399,176**
Cash and cash equivalents at the beginning of the year		2,219,904	694,599	2,042,614	643,438
Cash and cash equivalents at the end of the year	12	**5,400,918**	**2,219,904**	**5,193,519**	**2,042,614**

Statement of Comparison of Budget and Actual Amounts

Group Annual Financial Statements for the year ended 30 June 2013

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
GROUP						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	20,166,322	(348,997)	**19,817,325**	19,220,098	**(597,227)**	
Rental facilities and equipment	219,694	31,362	**251,056**	220,480	**(30,576)**	1
Income from agency services	468,927	56,471	**525,398**	219,256	**(306,142)**	2
Licences and permits	592	-	**592**	958	**366**	3
Sale of housing stock	-	-	**-**	6,973	**6,973**	4
Other income	1,193,056	304,463	**1,497,519**	1,416,135	**(81,384)**	
Interest received	330,668	14,138	**344,806**	561,710	**216,904**	5
Total revenue from exchange transactions	**22,379,259**	**57,437**	**22,436,696**	**21,645,610**	**(791,086)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	5,969,165	(100,000)	**5,869,165**	6,034,946	**165,781**	
Government grants	7,150,386	252,689	**7,403,075**	6,823,877	**(579,198)**	
Transfer revenue						
Public contributions, Donated and contributed property, plant and equipment	470,326	(92,031)	**378,295**	2,842	**(375,453)**	
Fines	370,176	20,040	**390,216**	320,336	**320,336**	6
Total revenue from non- exchange transactions	**13,960,053**	**80,698**	**14,040,751**	**13,182,001**	**(858,750)**	
Total revenue	**36,339,312**	**138,135**	**36,477,447**	**34,827,611**	**(1,649,836)**	

Statement of Comparison of Budget and Actual Amounts

Group Annual Financial Statements for the year ended 30 June 2013

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Expenditure						
Employee related cost	7,598,293	158,956	**7,757,249**	7,450,682	**(306,567)**	
Remuneration of councillors	129,119	(13,812)	**115,307**	110,411	**(4,896)**	
Depreciation and amortisation	1,880,379	(52,767)	**1,827,612**	1,997,802	**170,190**	**7**
Impairment loss/ Reversal of impairments	-	-	**-**	20,858	**20,858**	
Finance costs	1,589,062	(4,784)	**1,584,278**	1,477,487	**(106,791)**	
Allowance for impairment of current receivables	2,050,289	(154,918)	**1,895,371**	2,850,709	**955,338**	8
Repairs and maintenance	702,149	16,340	**718,489**	690,616	**(27,873)**	
Bulk purchases	11,856,276	(436,722)	**11,419,554**	11,113,587	**(305,967)**	
Contracted Services	2,878,764	107,962	**2,986,726**	1,882,488	**(1,104,238)**	9
Grants and subsidies paid	22,123	161,463	**183,586**	153,955	**(29,631)**	10
Cost of housing sold	-	-	**-**	9,856	**9,856**	
General Expenses	3,187,524	392,996	**3,580,520**	3,715,386	**134,866**	11
Total expenditure	**31,893,978**	**174,714**	**32,068,692**	**31,473,837**	**(594,855)**	
Operating surplus	**4,445,334**	**(36,579)**	**4,408,755**	**3,353,774**	**(1,054,981)**	
Loss on disposal of assets and liabilities	(106)	**15**	**(91)**	(1,743)	**(1,652)**	
Fair value adjustments	-	-	**-**	159,931	**159,931**	
Share of (deficit)./surplus of associate accounted for under the equity method	-	-	**-**	2,226	**2,226**	
	(106)	**15**	**(91)**	**160,414**	**160,505**	
Surplus before taxation	**4,445,228**	**(36,564)**	**4,408,664**	**3,514,188**	**(894,476)**	
Taxation	460,745	(14,676)	**446,069**	75,732	**(370,337)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**3,984,483**	**(21,888)**	**3,962,595**	**3,438,456**	**(524,139)**	

Statement of Comparison of Budget and Actual Amounts

Group Annual Financial Statements for the year ended 30 June 2013

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Management considers 10% or more of variance as material. A detailed discription of the variances is provided below

Reference:

1. The revenue from licenses and permits increased by 62% in the current financial year due to an increase in applications for trade licenses and resident's permits to open day care centers. This line item is driven by public demand.

2. The revenue amount from sale housing stock was not budgeted for in the current year. Initially the amount was budgeted for as rental income of which is was later discovered that the units are sold under an instalment sales greement which in terms of the revenue statndard is should be treated as an outright sales when the ISA is effective.

3. The variance is as result of a higher positive cash balance than inticipated. The following contributed to the higher interest received:USDG funding received quarterly in advance and savings in bulk purchases.

4. The fines income is under budget by 18%. The variance is due to the following: A Service Level Agreement between JMPD and RTMC has not yet been signed and the RTIA have not been complying to the enforcement orders which has resulted in a drop in the payment of fines. The other contributing factor for the decrease in the fine revenue was due to the Post Office strike from February 2013 to April 2013.

5. The depreciation is over budget. The variance was as results of Capitalization of Assets Under Construction in the current year, which are subsequently depreciated depending on the capitalization date.

6. The debt impairment increased compared to budget. The variance is due to an increase in the provision for bad debts resulting from an increase in the debtors in the 180 days category which is attributed to the poor current economic conditions.

7. Contracted Services is under budget and the under expenditure is mostly related to the following departments:

- Transportation Department – The under expenditure is mostly related to the delay in the completion of Phase 1B of the Rea Vaya BRT project;
- Revenue Department – The under expenditure is related to a saving on expenditure on the revenue step change project;
- Corporate Services – The under expenditure is related to a saving on IT costs; and
- City Power – The decrease in the capacity charge (lease costs) due to lower units purchased from Kelvin Power.

8. The stands anticipated to be ready for implementation during the year were not ready due to some communities demanding to be employed in excess of the agreed quota which would have negatively affected our budget and/or complaining about the rates of pay \\ as well as the size of the units being constructed.

9. The general expenses are over budget mainly due to following: increase in softtware, consulting services, double increase in advertising and printing & stationary

Statement of Comparison of Budget and Actual Amounts

Group Annual Financial Statements for the year ended 30 June 2013

Budget on Cash Basis						
Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
CORE						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1,087,829	(43,988)	**1,043,841**	1,011,568	**(32,273)**	
Rental facilities and equipment	65,317	62,370	**127,687**	84,985	**42,702)**	1
Interest received	1,027,101	(51,258)	**975,843**	1,072,093	**96,250**	
Income from agency services	203,840	1,626	**205,466**	199,813	**(5,653)**	
Licences and permits	592	-	**592**	958	**366**	2
Transfers recognised - capital contributions	30,261	6,637	**36,898**	2,842	**(34,056)**	
Sale of housing stock	-	-	**-**	6,973	**6,973**	3
Total revenue from exchange transactions	**2,414,940**	**(24,613)**	**2,390,327**	**2,379,232**	**(11,095)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	5,969,165	(100,000)	**5,869,165**	6,048,825	**179,660**	
Government grants	6,646,138	202,162	**6,848,300**	6,739,688	**(108,612)**	
Transfer revenue						
Fines	370,176	20,040	**390,216**	320,336	**(69,880)**	4
Other revenue	950,739	(151,446)	**799,293**	752,503	**(46,790)**	
Total revenue from non- exchange transactions	**13,936,218**	**(29,244)**	**13,906,974**	**13,861,352**	**(45,622)**	
Total revenue	**16,351,158**	**(53,857)**	**16,297,301**	**16,240,584**	**(56,717)**	

Statement of Comparison of Budget and Actual Amounts

Group Annual Financial Statements for the year ended 30 June 2013

Budget on Cash Basis						
Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Expenditure						
Employee Related costs	4,320,621	(21,172)	**4,299,449**	4,270,900	**(28,549)**	
Remuneration of councillors	129,119	(13,812)	**115,307**	110,411	**(4,896)**	
Depreciation and amortisation	1,231,214	(7,364)	**1,223,850**	1,368,810	**144,960**	5
Impairment loss/ Reversal of impairments	-	-	**-**	51,501	**51,501**	6
Finance costs	1,536,996	(3,804)	**1,533,192**	1,477,427	**(55,765)**	
Allowance for impairment of current receivables	878,121	(227,076)	**651,045**	1,264,662	**613,617**	7
Repairs and maintenance	166,822	6,301	**173,123**	138,639	**(34,484)**	8
Contracted Services	1,395,890	89,014	**1,484,904**	1,187,414	**(297,490)**	9
Grants and subsidies paid	2,582,043	226,481	**2,808,524**	2,776,211	**(32,313)**	
Cost of housing sold	-	-	**-**	9,856	**9,856**	
General Expenses	2,067,608	201,829	**2,269,437**	2,578,604	**309,167**	10
Total expenditure	**14,308,434**	**250,397**	**14,558,831**	**15,234,435**	**675,604**	
Operating surplus	**2,042,724**	**(304,254)**	**1,738,470**	**1,006,149**	**(732,321)**	
(Loss) gain on disposal of assets	(3)	(33)	**(36)**	39,949	**39,985**	
Fair value adjustments	**-**	**-**	**-**	162,699	**162,699**	11
	(3)	(33)	(36)	202,648	202,684	
Surplus before taxation	**2,042,721**	**(304,287)**	**1,738,434**	**1,208,797**	**(529,637)**	

Management considers 10% or more of variance as material. A detailed discription of the variances is provided below

Reference:

1. The revenue from licenses and permits increased by 62% in the current financial year due to an increase in applications for trade licenses and resident's permits to open day care centers. This line item is driven by public demand.

2. The revenue amount from sale housing stock was not budgeted for in the current year. Initially the amount was budgeted for as rental income of which is was later discovered that the units are sold under an instalment sales greement which in terms of the revenue statndard is should be treated as an outright sales when the ISA is effective.

3. The fines income is under budget by 18%. The variance is due to the following: A Service Level Agreement between JMPD and RTMC has not yet been signed and the RTIA have not been complying to the enforcement orders which has resulted in a drop in the payments of fines. The other contributing factor for the decrease in the fine revenue was due to the Post Office strike from February 2013 to April 2013.

4. The depreciation is over budget 13%. The variance was as results of Capitalization of Assets Under Construction in the current year, which are subsequently depreciated depending on the capitalization date.

5. Impairments are accounting entries which are not budgeted for.

6. The debt impairment increased by 22% compare to budget. The variance is due to an increase in the provision for bad debts resulting from an increase in the debtors in the 180 days category which is attributed to the poor current economic conditions.

7. Repairs and maintenance is under budget by 20%. The under spending of the budgeted amount is related to supply chain management delays experienced in the current year in appointing the contractors for various department.

8. The contracted services are under budget by 21%. The under spending is mainly related to delays experienced in the implementation of the BRT project. The other factor was due to general decrease in consultation, expiry of fleet contract and IT costs.

9. The general expenses are over budget by 12% mainly due to the following: Settlement of contingent liability, double increase in advertising and printing & stationary.

10. Fair value adjustments are accounting entries which are not budgeted for.

1. Statement of compliance

Basis of Preparation and Presentation

The Group Annual Financial Statements have been prepared in accordance with the Generally Recognized Accounting Practice (GRAP) and the Municipal Finance Management Act (MFMA) including any interpretations, guidelines and directives issued by the Accounting Standards Board

These Group Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

1.1 Consolidation

Basis of consolidation

Consolidated group annual financial statements are the group annual financial statements of the group presented as those of a single entity.

The consolidated group annual financial statements incorporate the group annual financial statements of the core and all controlled entities, including special purpose entities, which are controlled by the core.

Control exists when the core has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The results of shareholder loans, are included in the consolidated group annual financial statements from the effective date of acquisition or date when control commences to the effective date of disposal or date when control ceases. The difference between the proceeds from the disposal of the controlled entity and its carrying amount as of the date of disposal, including the cumulative amount of any exchange differences that relate to the controlled entity recognized in net assets in accordance with the Standard GRAP on The Effects of Changes in Foreign Exchange Rates, is recognized in the consolidated statement of financial performance as the surplus or deficit on the disposal of the controlled entity.

1. Statement of compliance (continued)

An investment in an entity is accounted for in accordance with the Standards of GRAP on Financial Instruments from the date that it ceases to be a controlled entity, unless it becomes an associate or a jointly controlled entity, in which case it is accounted for as such. The carrying amount of the investment at the date that the entity ceases to be a controlled entity is regarded as the fair value on initial recognition of a financial asset in accordance with the Standards of GRAP on Financial Instruments.

The group annual financial statements of the core and its shareholder loans used in the preparation of the consolidated group annual financial statements are prepared as of the same reporting date.

When the reporting dates of the core and a controlled entity are different, the controlled entity prepares, for consolidation purposes, additional group annual financial statements as of the same date as the core unless it is impracticable to do so. When the group annual financial statements of a controlled entity used in the preparation of consolidated group annual financial statements are prepared as of a reporting date different from that of the core, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the core's group annual financial statements. In any case, the difference between the reporting date of the controlled entity and that of the core shall be no more than three months. The length of the reporting periods and any difference in the reporting dates is the same from period to period.

Adjustments are made when necessary to the group annual financial statements of the shareholder loans to bring their accounting policies in line with those of the core.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Minority interests in the net assets of the group are identified and recognised separately from the core's interest therein, and are recognised within net assets. Losses applicable to the minority in a consolidated controlled entity may exceed the minority interest in the controlled entity's net assets. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make an additional investment to cover the losses. If the controlled entity subsequently reports surpluses, such surpluses are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

Minority interests in the surplus or deficit of the economic entity is separately disclosed.

1.1 Consolidation (continued)

Investment in associates

An associate is an entity over which the core has significant influence and which is neither a controlled entity nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for- sale in accordance with Standard of GRAP on Non-current Assets Held-For-Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the group's share of net assets of the investee. The surplus or deficit of the group includes the group's share of the surplus or deficit of the investee.

The group's share of the surplus or deficit of the investee is recognised in surplus or deficit.

Distributions received from an investee reduce the carrying amount of the investment.

The most recent available group annual financial statements of the associate are used by the group in applying the equity method. When the reporting date's of the group and the associate are different, the associate prepares, for the use of the group, group annual financial statements as of the same date as the group annual financial statements of the group unless it is impractical to do so.

When the group annual financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the group, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the group's group annual financial statements. In any case, the difference between the reporting date of the associate and that of the group is more than three months. The length of the reporting periods and any difference in the reporting dates is the same from period to period.

The group's group annual financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances.

Deficits in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate. If the associate subsequently reports surpluses, the group resumes recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in surplus or deficit.

Surpluses and deficits on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

The core discontinues the use of the equity method from the date that it ceases to have significant influence over an associate and account for the investment in accordance with the Standards of GRAP on Financial Instruments from that date, unless the associate becomes a controlled entity or a joint venture, in which case it is accounted for as such. The carrying amount of the investment at the date that it ceases to be an associate is regarded as the fair value on initial recognition as a financial asset in accordance with the Standards of GRAP on Financial Instruments.

1.2 Transfer of functions between entities under common control

Definitions

An acquirer is the group that obtains control of the acquiree or transferor.

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another group so as to benefit from its activities.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

A transfer of functions is the reorganization and/or the re-allocation of functions between entities by transferring functions between entities or into another group.

A transferor is the group that relinquishes control of a function.

Common control - For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements in conformity with GRAP, management is required to make judgements, estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. These estimates and underlying assumptions are reviewed on an ongoing basis.

Significant judgements include:

Useful lives of waste water, water networks and other non-current assets

The company's management determines the estimated useful lives and related depreciation charges for the waste water, water networks and other non-current assets. This estimate is based on industry norms. Management will adjust the depreciation charge where the useful lives of these assets have changed from previous estimates. Due to the nature of assets acquired from the City of Johannesburg Metropolitan Municipality in terms of the sale of business agreement, the cost of re-assessing the useful lives of these assets will outweigh the benefits. Furthermore, the impact on the financial statements will be insignificant and therefore management have not re-assessed the useful lives of these assets.

Financial instruments at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

Available-for-sale financial assets

Allowance for slow moving, damaged and obsolete stock

Management makes an estimate of the selling price and direct cost to sell to determine the net realizable value of inventory items.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets are determined based on the higher of value-inuse calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the fair value assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of cash-generating units and individual assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for cash-generating units and individual assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are raised and management determines an estimate based on the information available.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money.

Contingent provisions on entity combinations

Contingencies recognised in the current year required estimates and judgments, refer to note on entity combinations.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions.

Debt impairment provision

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the group, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Cost model

Initial Recognition

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Subsequent Measurement.

1.4 Investment property (continued)

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value using the straight-line basis over the useful life of the property, which is as follows:

Item	Useful life
Property - Buildings	30 years

Land is not depreciated.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Cost Model.

Initial Measurement.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Measurement.

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

Items of Zoo animals are recognised as assets when it is probable that:
. the company controls the asset as a result of past events:
. it is probable that future economic benefits or service potential associated with the asset will flow to the company; and
. the fair value or cost of the asset can be measured reliably.

1.5 Property, plant and equipment (continued)

Animals are accountted for in terms of GRAP 17. The majority of animals are received as donations and transfers from other similar institutions for no consideration or from procreation. These assets are recorded at a deemed cost, and are depreciated accordingly.

Market determined prices or values are not available for certain animals due to lack of market because they are not commodities, as well as restrictions on trade of exotic animals which precludes the determination of a fair value.

The Johannesburg Zoo also acquires animals through supply chain processes and this newly acquired animals are carried at cost less accumulated depreciation and any impairment losses. the offspring of newly acquired animals shall be recorded at a deemed cost and will also be depreciated accordingly.

Property, plant and equipment with the exception of land are depreciated on the straight line basis over their expected useful lives to their estimated residual values as follows:

Item	Average useful life
Buildings	5- 50 years
• Plant and equipment	10 - 85 years
Furniture and fittings	6 - 20 years
Motor vehicles	4 - 17 years
Office equipmentv	3 - 10 years
Computer equipment	2- 10 years
Infrastructure	
• Electricity	40 - 85 years
• Housing	30 years
• Pedestrian Malls	30 years
• Roads and Paving	30 years
• Sewerage Infrastructure	4 - 100 years
• Water Infrastructure	4 - 100 years
Community	
• Recreational Facilities	20 - 30 years
• Security	5 years
Other	
• Dogs and horses	5 - 7 years
Bins and containers	5 years
	16 - 36 years
Landfill Site	
Specialised vehicles	
Library books	10 years
Emergency equipment	5 - 15 years
Leasehold improvements	3 -5 years
Zoo animals	
• Amphibia	4- 16 years
• Arachnida	2 - 20 years
• Aves	4 - 64 years
• Mammalia	6 -64 years
• Pisces	1- 35 years
• Reptilia	7 -80 years
• Insecta	4 years
Signage	

1.5 Property, plant and equipment (continued)

Specialised vehicles

- Buses — 10- 30 years

Leased infrastructure

- Leased property — 5 -20 years

1.6 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the group or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the group; and
- the cost or fair value of the asset can be measured reliably.

Cost Model.

Initial Recognition.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Subsequent Recognition.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses..

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Additional capacity rights	10 years
Computer software, internally generated	indefinite
Computer software	2 - 12 years
Operating software	3 - 7 years

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.7 Investments in Municipal Entities

CORE group annual financial statements

1.7 Investments in Municipal Entities (continued)

In the municipality's separate group annual financial statements, investments in municipal entities are carried at cost less any accumulated impairment.

The cost of an investment in a controlled entity is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the municipality; plus
- any costs directly attributable to the purchase of the controlled entity.

1.8 Financial instruments

Non-derivative financial assets.

The municipality initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the municipality becomes a party to the contractual provisions of the instrument.

The municipality derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the municipality is recognised as a separate asset or liability.

The municipality classifies its non-derivative financial assets into the following categories:

- Amortised cost; and
- Cost.

Financial assets at amortised Cost

Non-derivative financial assets are initially measured at fair value plus any directly attributable transactional costs. Subsequent to initial measurement, these assets are measured at amortised cost using the effective interest rate method, less any impairment losses

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Impairment of non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the municipality on terms that the municipality would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the municipality, economic conditions that correlate with defaults or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or financial asset at amortised costs. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Non-derivative financial liabilities

The municipality initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the municipality becomes a party to the contractual provisions of the instrument.

The municipality derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

1.8 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the municipality has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Bank overdrafts that are repayable on demand and form an integral part of the municipality's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Derivative financial instruments, including hedge accounting

The municipality holds derivative financial instruments to hedge its interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the municipality formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The municipality makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported surplus or deficit.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in surplus or deficit as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect surplus or deficit, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in net assets. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in surplus or deficit.

Other than designated through profit and loss

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in surplus or deficit.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

1.9 Leases (continued)

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the group incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the group.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

1.11 Non-current assets held for sale and disposal groups (continued)

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised insurplus or deficit.

1.12 Impairment

The municipality assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the asset. If the resulting estimate of the recoverable amount or recoverable service amount is lower than the carrying amount, the asset is written down to the recoverable amount as impairment loss.

The Impairemt loss is recognised as an expense.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years..

A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit.

Impairment of cash-generating assets.

Cash-generating assets are those assets held by the group with the primary objective of generating a commercial return.
When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.
Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
(a) the period of time over which an asset is expected to be used by the group; or
(b) the number of production or similar units expected to be obtained from the asset by the group.

Impairment of non-cash generating asset:

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return:

Non-cash-generating assets are assets other than cash-generating assets

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

1.12 Impairment (continued)

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
(a)the period of time over which an asset is expected to be used by the municipality; or
(b)the number of production or similar units expected to be obtained from the asset by the municipality.

1.13 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the group with the primary objective of generating a commercial return.
When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
(a) the period of time over which an asset is expected to be used by the group; or
(b) the number of production or similar units expected to be obtained from the asset by the group.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.14 Employee benefits (continued)

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

Bonus pensionable service and medical boarding's.

The benefits of Bonus Pensionable Service and Medical Boardings are afforded to members of certain funds in terms of the applicable rules of the relevant funds. The payments are accounted for in the statement of financial performance in the period in which it is paid.

1.15 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the group settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Additional disclosure of these estimates of provisions are included in note 27 - Provisions.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

1.15 Provisions and contingencies (continued)

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
    the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the group

No obligation arises as a consequence of the sale or transfer of an operation until the group is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition, contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised but are separately disclosed in note 51.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The group recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the group for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the group considers that an outflow of economic resources is probable, an group recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the group has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor
- effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the group;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Interest, royalties and dividends
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.17 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

1.17 Revenue from non-exchange transactions (continued)

Fines

Revenue from the issuing of fines is recognised when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The group has two types of fines: Aarto traffic fines and criminal procedure act fines.

There is uncertainty regarding the probability of the flow of economic benefits in respect of criminal procedure act fines. Legal processes have to be undertaken before the criminal procedure act fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

1.18 Investment income

Investment income comprises interest income on funds invested. Investment income is recognised on a time-proportion basis using the effective interest method.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the group on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:
- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets as per accounting policy number 1.12 and 1.13. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation of borrowing costs are suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the group completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Comparative figures

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

1.21 Unauthorised expenditure

Unauthorised expenditure means:
- overspending of a vote or a main division within a vote; and

1.21 Unauthorised expenditure (continued)

- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and when recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Irregular expenditure

The Municipality recognises irregular expenditure as defined in section 1 of the MFMA when:-

(a) expenditure incurred by the municipality is in contravention of, or is not in accordance with, a requirement of this MFMA, and which has not been condoned by National Treasury;
(b) expenditure incurred by the municipality is in contravention of, or is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
(c) expenditure incurred by a municipality is in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or.
(d) expenditure incurred by a municipality is in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.24 Presentation of currency

These Annual Financial Statements are presented in South African Rand.

1.25 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.26 Internal reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Compensation for occupational injuries and diseases (COID) reserve

The Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993) is to provide for payment of medical treatment and compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. The contribution to the COID fund is 0.75% of the salary expense. The municipality is an exempt employer in terms of Section 84 (1) (a)(ii) & (2) and as such does not pay any assessments to the COID Commissioner. In terms of the exempt status the municipality is mandated to establish its own fund and administers this fund in terms of the COID Act.

1.27 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

2. STATEMENT AND INTERPRETATIONS NOT YET EFFECTIVE

At the date of authorisation of these Annual Financial Statements, the following Standards and Interpretations were in issue but not yet effective:

Name	Effective Date
GRAP 18 - Segment Reporting	No effective date determined yet
GRAP 20 - Related Parties	No effective date determined yet
GRAP 25 - Employee benefits	01 July 2013
GRAP 105 - Transfer of functions between entities under common control	No effective date determined yet
GRAP 106 - Transfer of functions between entities not under common control	No effective date detremined yet
GRAP 107 - Mergers	No effective date detremined yet

All standards and interpretations will be adopted at their effective date (except those Standards and Interpretations that are not applicable to the City of Johannesburg).

The impact of the application of the above standards and interpretations have not been fully assessed for the following financial year.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

3. INVENTORIES

Consumable stores	286,760	231,378	59,144	43,763
Spare parts	15,426	20,320	-	-
Water	9,803	8,492	-	-
Housing stock	60,708	70,425	60,708	70,425
Work in progress	6,559	867	-	-
Fuel (Diesel, Petrol)	1,480	3,116	-	-
Bin Liners	1,809	491	-	-
Protective clothing	1,951	1,188	-	-
	384,496	336,277	119,852	114,188
Inventories (write-downs)	(30,028)	(13,503)	-	-
	354,468	**322,774**	**119,852**	**114,188**
Cost of inventories expense	**128,076**	**137,293**	**14,256**	**14,273**

4. LOANS TO MUNICIPAL ENTITIES

Shareholder loans

City Power Johannesburg (Pty) Ltd Terms and conditions: Rate = 17.5% The unsecured loan bears interest at a nominal annual rate of 17.5% (2012 : 17.5%) compounded monthly and are repayable in equal quarterly installments over a period of 10 years, maturing on 30 June 2011.	-	-	581,814	581,814
City Power Johannesburg (Pty) Ltd Terms and conditions: Rate = 14.5% The unsecured loan bears interest at a nominal annual rate of 14.5% (2012 : 14.5%) compounded monthly and are repayable in equal quarterly installments over a period of 10 years, maturing on 30 June 2012.	-	-	42,979	42,979
Johannesburg Water (Pty) Ltd Terms and conditions: Rate = 15% The unsecured loan bears interest at a nominal annual rate of 15% (2012 : 15%) compounded monthly and are repayable in equal quarterly installments over a period of 10 years, maturing on 30 June 2018.	-	-	303,242	363,894
Johannesburg Water (Pty) Ltd Terms and conditions: Rate = 14.5% The unsecured loan bears interest at a nominal annual rate of 14.5% (2012 : 14.5%) compounded monthly and are repayable in equal quarterly installments over a period of 10 years, maturing on 30 June 2018.	-	-	21,708	26,051
			949,743	**1,014,738**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

4. LOANS TO MUNICIPAL ENTITIES (continued)

Conduit and additional loans

City of Johannesburg Property Company (Pty) Ltd Terms and conditions: Rate = 12.21% Maturity = 30 June 2011	-	-	-	401
City Power Johannesburg (Pty) Ltd Terms and conditions: Rate range = 9.2% to 12.21% Maturity = 30 June 2014 to 30 June 2022	-	-	2,432,285	2,449,771
Johannesburg Metropolitan Bus Services (Pty) Ltd Terms and conditions: Rate = 9% to 10.9% Maturity = 30 June 2014 to 30 June 2018	-	-	62,379	78,864
Johannesburg Water (Pty) Ltd Terms and conditions: Rate range = 9.31% to 10.9% Maturity = 30 June 2014 to 30 June 2022	-	-	2,542,724	2,520,037
Pikitup Johannesburg (Pty) Ltd Terms and conditions: Rate range = 9% to 12.21% Maturity = 30 June 2014 to 30 June 2023	-	-	153,914	131,516
The Johannesburg Fresh Produce Market (Pty) Ltd Terms and conditions: Rate range = 9% to 10.9% Maturity = 30 June 2014 to 30 June 2022	-	-	175,935	178,916
Less impairment of loans to Pikitup Johannesburg (Pty)	-	-	5,367,237	5,359,505
Ltd	-	-	(153,915)	(131,516)
	-	**-**	**5,213,322**	**5,227,989**

Impairment of loan to Pikitup Johannesburg (Pty) Ltd

The creation of provision for impaired of receivables has been included in operating expenses in the statement of financial performance. Pikitup's loan has been further impaired due to the fact that Pikitup has just been servicing the interest and has not repaid any capital in the past 12 months.

Non-current assets	-	-	5,256,976	5,436,953
Current Assets	-	-	906,089	805,774
	-	**-**	**6,163,065**	**6,242,727**

Fair value of loans to and from municipal entities

The carrying amount is a reasonable approximation of the fair value.

Reconciliation of provision for impairment of loans to municipal entities

Opening balance			359,150	241,947
Additional impairment			29,102	122,165
Reversal				(4,962)
	-	**-**	**388,252**	**359,150**

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of financial performance. Pikitup only pays interest and does not pay capital.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

5. OTHER FINANCIAL ASSETS

At amortised cost				
Other financial asset	195,738	575,280	195,738	575,280
Housing Selling scheme loans	29,979	24,210	29,979	24,210
Other loans and receivables	99,540	94,978	99,540	94,978
	129,519	119,188	325,257	694,468
Loans and receivables - Impairments	(2,089)	(2,089)	(2,089)	(2,089)
	323,168	**692,379**	**323,168**	**692,379**
Non-current assets				
At amortised cost	284,317	429,209	284,317	429,209
Current assets				
At amortised cost	38,851	263,170	38,851	263,170

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012
	2013 Amortised Cost	**2012 Amortised Cost**	**2013 Amortised Cost**	**2012 Amortised Cost**
ABSA Investment Maturity - 20.12.2012 Rating - (AAA) Pledged as collateral cannot be sold until the related liability is settled in full	29,390	145,394	29,390	145,394
SCMB Long-term Investment Maturity - 31.08.2013 Rating - (AA) Pledged as collateral cannot be sold until the related liability is settled in full	75,314	25,977	75,314	25,977
Investment: RMB - E Maturity - 30.11.2014 Rating - (AA) Pledged as collateral cannot be sold until the related liability is settled in full	79,279	63,947	79,279	63,947
JInvestment: RMB - E Maturity - 30.11.2012 Rating - (AA) Pledged as collateral cannot be sold until the related liability is settled in full	-	254,741	-	254,741
Investment: RMB R10 Maturity - 30.11.2014 Rating - (BBB+) Pledged as collateral cannot be sold until the related liability is settled in full	-	67,312	-	67,312
Fixed Deposit - RMB Maturity - 30.11.2014 Rating - (AA) Pledged as collateral cannot be sold until the related liability is settled in full	11,755	17,909	11,755	17,909
	195,738	**575,280**	**195,738**	**575,280**

The investments pledged as collateral cannot be sold until the related liability is settled in full.

The terms and conditions are such that the collateralised asset upon maturity should be of the same value as the liability so that the liability can be redeemed.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

6. FINANCE LEASE RECEIVABLES

Gross investment in the lease due				
- within one year	-	-	47,255	37,469
- in second to fifth year inclusive	-	-	90,409	84,954
- later than five years	-	-	48,904	31,408
	-	-	186,568	153,831
less: Unearned finance revenue	**-**	**-**	(37,967)	(29,967)
			148,601	**123,864**
Non-current assets	**-**	**-**	114,116	97,275
Current assets	**-**	**-**	34,485	26,589
	-	**-**	**148,601**	**123,864**

The unguaranteed future values of assets leased under finance lease at the end of the reporting period amount to R 36,648 mil (2012: R 26,411 mil).

COJ has entered into a Financial lease on 1 March 2012 with the MOEs for specialised vehicles. The interest rate implicit on the agreement is 10%.

		GROUP		CORE	
Figures in Rand thousand		2013	2012	2013	2012

7. TRADE AND OTHER RECEIVABLES

Loans and receivables					
Accrued VAT		199,251	136,924	199,204	137,281
Housing debtors		18,892	1,881	18,899	1,891
Insurance debtor		53,031	45,530	49,611	45,186
Kelvin power		67,629	62,136	67,629	62,136
Operating lease receivables		14,078	8,059	13,482	6,799
Related party debtors		-	-	1,111,021	408,277
Sundry debtors		360,007	451,451	102,866	284,781
Trade debtors		66,989	130,739	-	-
		779,877	**836,720**	**1,562,712**	**963,359**
Other receivables					
Deposits		21,698	27,669	-	-
Fruitless and wasteful expenditure to be investigated	54	24,075	18,670	6,200	5,769
Prepayments		20,716	50,542	7,842	16,533
		66,489	96,881	14,042	22,302
Total trade and other receivables		**846,366**	**933,770**	**1,576,754**	**968,653**

8. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Government grants and subsidies		-	46,580	-	46,580
Other receivables from non-exchange revenue		8,421	8,626	-	-
		8,421	**55,206**	**-**	**46,580**

9. VAT

Receivable		154,008	121,433	143,845	104,381
Payable		(526,705)	(695,484)	-	-
		(372,697)	**(574,051)**	**143,845**	**104,381**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

10. CONSUMER DEBTORS

Gross balances				
Rates	5,339,922	4,584,666	5,339,922	4,584,666
Electricity	5,444,232	5,469,254	-	-
Water	7,034,918	6,781,346	-	-
Refuse	805,311	659,103	547,949	455,692
Housing rental	341,676	298,101	341,676	298,101
	18,966,059	**17,792,470**	**6,229,547**	**5,338,459**
Less: Allowance for impairment				
Rates	(4,671,795)	(3,943,341)	(4,671,795)	(3,943,341)
Electricity	(3,395,709)	(3,234,086)	-	-
Water	(5,322,618)	(5,360,647)	-	-
Refuse	(723,127)	(538,020)	(529,012)	(379,621)
Housing rental	(327,356)	(284,394)	(327,356)	(284,394)
	(14,440,605)	**(13,360,488)**	**(5,528,163)**	**(4,607,356)**
Net balance				
Rates	668,127	641,325	668,127	641,325
Electricity	2,048,523	2,235,168	-	-
Water	1,712,300	1,420,699	-	-
Refuse	82,184	121,083	18,937	76,071
Housing rental	14,320	13,707	14,320	13,707
	4,525,454	**4,431,982**	**701,384**	**731,103**
Current Assets	4,488,971	4,386,591	664,901	685,712
Non-Current Assets	36,483	45,391	36,483	45,391
	4,525,454	**4,431,982**	**701,384**	**731,103**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

10. CONSUMER DEBTORS (continued)

Rates				
Current (0 - 30 days)	846,759	911,264	846,759	911,264
31 - 60 days	216,834	253,924	216,834	253,924
61 - 90 days	196,224	153,860	196,224	153,860
91 - 120 days	181,092	171,472	181,092	171,472
121 - 365 days	883,128	710,480	883,128	710,480
> 365 days	3,015,885	2,383,666	3,015,885	2,383,666
	5,339,922	**4,584,666**	**5,339,922**	**4,584,666**
Electricity				
Current (0 - 30 days)	1,670,437	1,613,737	-	-
31 - 60 days	347,489	524,031	-	-
61 - 90 days	201,918	283,594	-	-
91 - 120 days	235,694	232,582	-	-
121 - 365 days	949,608	190,797	-	-
> 365 days	2,039,086	2,624,513	-	-
	5,444,232	**5,469,254**	**-**	**-**
Water				
Current (0 - 30 days)	1,010,705	946,138	-	-
31 - 60 days	332,902	290,971	-	-
61 - 90 days	245,041	183,590	-	-
91 - 120 days	254,938	241,808	-	-
121 - 365 days	1,152,267	1,102,901	-	-
> 365 days	4,039,065	4,015,938	-	-
	7,034,918	**6,781,346**	**-**	**-**
Refuse				
Current (0 - 30 days)	47,565	60,380	25,963	44,243
31 - 60 days	49,112	40,490	34,194	35,128
61 - 90 days	35,032	28,812	26,761	25,677
91 - 120 days	39,469	31,463	31,344	30,712
121 - 365 days	346,388	309,680	141,942	131,654
> 365 days	287,745	188,278	287,745	188,278
	805,311	**659,103**	**547,949**	**455,692**
Housing rental				
Current (0 - 30 days)	4,121	3,696	4,121	3,696
31 - 60 days	4,281	3,412	4,281	3,412
61 - 90 days	3,944	3,329	3,944	3,329
91 - 120 days	3,897	3,289	3,897	3,289
121 - 365 days	17,692	25,714	17,692	25,714
> 365 days	307,741	258,661	307,741	258,661
	341,676	**298,101**	**341,676**	**298,101**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

10. CONSUMER DEBTORS (continued)

Summary of debtors by customer classification

Consumers				
Current (0 - 30 days)	1,520,482	1,516,562	608,639	485,652
31 - 60 days	497,136	567,197	168,361	245,601
61 - 90 days	357,092	338,200	137,496	156,433
91 - 120 days	389,867	402,971	143,019	171,184
121 - 365 days	1,905,376	1,652,049	725,632	535,787
> 365 days	6,357,570	5,812,845	2,569,044	1,900,361
	11,027,523	10,289,824	4,352,191	3,495,018
Less: Allowance for impairment	(9,155,491)	(8,562,992)	(3,919,358)	(3,048,712)
	1,872,032	**1,726,832**	**432,833**	**446,306**
Consumers - Past due and impaired				
Current (0 - 30 days)	277,930	422,845	150,996	272,081
31 - 60 days	235,036	249,277	151,758	150,365
61 - 90 days	127,389	101,397	123,962	97,327
91 - 120 days	367,313	337,800	128,929	106,014
121 - 365 days	1,770,910	1,650,127	662,059	533,865
> 365 days	6,376,913	5,801,546	2,701,654	1,889,060
	9,155,491	**8,562,992**	**3,919,358**	**3,048,712**
Consumers - Past due and not impaired				
Current (0 - 30 days)	1,086,526	1,093,717	301,617	213,571
31 - 60 days	262,099	317,919	16,603	95,236
61 - 90 days	229,704	236,802	13,535	59,106
91 - 120 days	22,554	65,171	14,090	65,171
121 - 365 days	134,467	1,922	63,573	1,922
> 365 days	136,682	11,301	23,415	11,300
	1,872,032	**1,726,832**	**432,833**	**446,306**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

10. CONSUMER DEBTORS (continued)

Industrial/ commercial				
Current (0 - 30 days)	2,009,342	2,542,378	266,834	495,872
31 - 60 days	380,259	288,476	35,115	43,877
61 - 90 days	268,663	177,133	52,853	23,043
91 - 120 days	264,198	222,776	25,954	30,359
121 - 365 days	1,283,305	985,375	213,209	99,886
> 365 days	3,373,665	2,915,396	1,191,803	1,061,776
	7,579,432	7,131,534	1,785,768	1,754,813
Less: Allowance for impairment	(5,025,556)	(4,565,228)	(1,530,442)	(1,479,603)
	2,553,876	**2,566,306**	**255,326**	**275,210**
Industrial/ commercial - Past due and impaired				
Current (0 - 30 days)	146,691	358,444	69,377	298,103
31 - 60 days	46,361	125,924	31,252	26,378
61 - 90 days	158,029	21,363	47,039	13,853
91 - 120 days	216,361	209,907	23,099	18,250
121 - 365 days	1,105,768	933,127	189,191	61,243
> 365 days	3,352,346	2,916,463	1,170,484	1,061,776
	5,025,556	**4,565,228**	**1,530,442**	**1,479,603**
Industrial/ commercial - Past due and not impaired				
Current (0 - 30 days)	1,862,650	2,183,933	197,457	197,769
31 - 60 days	333,899	162,553	3,863	17,499
61 - 90 days	110,634	155,770	5,814	9,190
91 - 120 days	47,837	12,867	2,855	12,108
121 - 365 days	177,537	51,183	24,018	38,644
> 365 days	21,319	-	21,319	-
	2,553,876	**2,566,306**	**255,326**	**275,210**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

10. CONSUMER DEBTORS (continued)

National and provincial government				
Current (0 - 30 days)	44,345	79,895	(4,117)	4,196
31 - 60 days	25,242	23,239	3,853	2,985
61 - 90 days	14,722	16,040	4,426	3,389
91 - 120 days	15,890	18,204	2,255	3,931
121 - 365 days	70,021	59,369	13,565	9,834
> 365 days	188,884	174,365	71,606	64,293
	359,104	371,112	91,588	88,628
Less: Allowance for impairment	(259,558)	(232,268)	(78,363)	(79,041)
	99,546	**138,844**	**13,225**	**9,587**
National and provincial government - Past due and impaired				
Current (0 - 30 days)	(1,044)	358,444	(1,070)	2,522
31 - 60 days	1,553	1,856	1,503	1,795
61 - 90 days	1,813	2,121	1,725	2,038
91 - 120 days	13,606	12,673	879	2,363
121 - 365 days	59,671	47,996	5,152	6,029
> 365 days	183,959	164,964	70,174	64,294
	259,558	**232,268**	**78,363**	**79,041**
National and provincial government - Past due and not impaired				
Current (0 - 30 days)	45,389	77,235	(3,047)	1,673
31 - 60 days	23,690	21,384	2,350	1,191
61 - 90 days	12,908	13,921	2,700	1,352
91 - 120 days	2,285	5,531	1,376	1,568
121 - 365 days	10,349	11,371	8,413	3,803
> 365 days	4,925	9,402	1,433	-
	99,546	**138,844**	**13,225**	**9,587**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

10. CONSUMER DEBTORS (continued)

Total				
Current (0 - 30 days)	3,574,169	4,138,835	871,356	985,720
31 - 60 days	902,637	878,912	207,329	292,463
61 - 90 days	640,477	531,373	194,775	182,865
91 - 120 days	669,955	643,951	171,228	205,474
121 - 365 days	3,258,702	2,696,793	952,406	645,507
> 365 days	9,920,119	8,902,606	3,832,453	3,026,430
	18,966,059	17,792,470	6,229,547	5,338,459
Less: Allowance for impairment	(14,440,605)	(13,360,488)	(5,528,163)	(4,607,356)
	4,525,454	**4,431,982**	**701,384**	**731,103**
Less: Provision for debt impairment				
Current (0 - 30 days)	423,577	783,947	219,303	572,706
31 - 60 days	282,950	377,057	184,513	178,538
61 - 90 days	287,231	124,881	172,726	113,218
91 - 120 days	597,280	560,380	152,907	126,627
121 - 365 days	2,936,349	2,631,250	856,402	601,137
> 365 days	9,913,218	8,882,973	3,942,312	3,015,130
	14,440,605	**13,360,488**	**5,528,163**	**4,607,356**
Total debtor past due but not impaired				
Current (0 - 30 days)				
31 - 60 days	2,994,565	3,354,885	496,027	413,013
61 - 90 days	619,688	501,856	22,816	113,926
91 - 120 days	353,246	406,493	22,049	69,648
121 - 365 days	72,676	83,569	18,321	78,847
> 365 days	322,353	64,476	96,004	44,369
	162,926	20,703	46,167	11,300
	4,525,454	**4,431,982**	**701,384**	**731,103**
Reconciliation of allowance for impairment				
Balance at beginning of the year	(13,360,488)	(11,432,520)	(4,607,356)	(4,229,402)
Contributions to allowance	(2,631,822)	(2,191,143)	(920,807)	(377,954)
Debt impairment written off against allowance	1,554,258	263,189	-	-
Reversal of allowance	(2,553)	(14)	-	-
Balance at the end of the year	**(14,440,605)**	**(13,360,488)**	**(5,528,163)**	**(4,607,356)**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

11. OTHER FINANCIAL ASSETS AT FAIR VALUE

The total investments pledged as collateral for CJMM Bonds.

The investments pledged as collateral cannot be sold until the related liability is settled in full.

The terms and conditions are such that the collateralised asset upon maturity should be of the same value as the liability so that the liability can be redeemed.

ABSA Sinking Fund

Maturity - 30.06.2026

Other financial assets through profit or loss				
Bonds	959,526	1,980,399	871,356	985,720
Bond repos	1,487,262	1,756,254	207,329	292,463
Floating rate notes	65,609	101,932	194,775	182,865
Cash	-	-	171,228	205,474
FRA	-	-	952,406	-
Swaps	57,178	87,268	3,832,453	3,026,430
Current Assets	8,690	-	6,229,547	-
	2,578,265	**3,925,853**	**2,653,164**	**3,987,932**
Net Current assets				
Bonds	1,328,965	1,069,290	1,328,965	1,069,290
Floating rate notes	514,482	378,242	514,482	378,242
FRA	4,774	7,976	14,774	7,976
Swaps	587,926	614,036	587,926	614,036
Non-Current Assets	**2,436,147**	**2,069,544**	**2,436,147**	**2,069,544**
Net Non-Current Assets				
Other financial liabilities through profit or loss				
Bonds	1,489,192	1,727,981	1,489,192	1,727,981
Bond repos	420,579	(2,191,143)	420,579	1,410,30554)
Cash collatoral	-	-	75,313	-
FRA	30,495	43,134	30,495	43,134
Swaps	**18,221**	**-**	**18,221**	**-**
Current Liabilities	**1,958,487**	**3,181,420**	**2,033,800**	**3,181,420**
FRA	11,381	12,603	11,381	12,603
Swaps	405,365	331,603	405,365	331,603
Amort swaps	47,295	-	47,295	-
Non-Current Liabilities	**464,041**	**344,206**	**464,041**	**344,206**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

11. OTHER FINANCIAL ASSETS AT FAIR VALUE (continued)

Financial assets carried at fair value through profit or loss				
Derivatives designated and effective as hedging instruments carried at fair value	1,313,559	1,251,534	1,313,559	1,251,534
Held for trading non-derivative financial assets	3,775,752	4,805,942	3,775,752	4,805,942
	5,089,311	**6,057,476**	**5,089,311**	**6,057,476**
Financial liabilities carried at fair value through profit or loss				
Derivatives designated and effective as hedging instruments carried at fair value	512,757	387,339	512,757	387,339
Held for trading non-derivative financial liabilities	1,985,084	3,138,286	1,985,084	3,138,286
	2,497,841	**3,525,625**	**2,497,841**	**3,525,625**

Cash Collateral

Money is pledged as collateral as part of the ISDA agreement for the various interest rates swaps entered into with other municipal entities as counterparties.

12. CASH AND CASH EQUIVALENTS

Figures in Rand thousand	GROUP 2013	GROUP 2012	CORE 2013	CORE 2012
Cash and cash equivalents consist of:				
Cash on hand	5,688	579	5,122	106
Bank balances	1,337,955	744,686	1,143,210	576,295
Short-term deposits	10,797	7,182	-	-
Call investment deposits	4,045,187	1,466,213	4,045,187	1,466,213
Other cash and cash equivalents	1,291	1,244	-	-
	5,401,407	**2,219,904**	**5,193,519**	**2,042,614**
Call investment deposits				
Call Deposits STD Bank Rating - (F1+)			1,273	1,217
Fixed Deposits STD Bank Rating - (F1+)			348,000	-
Fixed Deposits ABSA Rating - (F1+)			103,129	850
Call Deposits ABSA Rating - (F1+)			1,088	163,447
Call Deposits RMB Rating - (F1+)			1,000	1,205
Fixed Deposits RMB Rating - (F1+)			382,200	-
Call Deposits INVESTEC Rating - (F1)			31,428	68,642
Fixed Deposits INVESTEC Rating - (F1)			957,300	208,100
Call Deposits NEDCOR Rating - (F1+)			442,690	33,364
Fixed Deposits NEDCOR Rating - (F1+)			510,000	-
Call Deposits CITY BANK Rating - (F1)			253,906	5,679
Fixed Deposits CITY BANK Rating - (F1+)			90,000	330,000
Call Deposits DEUTSCHE BANK Rating - (F1+)			1,500	1,144
Fixed Deposits DEUTSCHE BANK Rating - (F1+)			340,000	320,000
Call Deposits TCTA Rating - (None)			40,000	11,047
Call Deposits LANDBANK Rating - (F1+)			1,050	31,187
Stanlib Call Investment Rating - (F1+)			540,623	290,234
			4,045,187	**1,466,116**
All fixed deposits mature during July and August 2013				
Cash and cash equivalents that have been ringfenced for following future expenditure	72,000	66,000	72,000	66,000
Underwriting of COID reserve				
Capital replacement reserve	98,002	11,142	98,002	11,142
	170,002	**77,142**	**170,002**	**77,142**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

13. ZOO ANIMALS

GROUP	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	18,824	(1,952)	16,872	19,552	(1,674)	17,878

Reconciliation of zoo animals - GROUP - 2013

	Opening balance	Additions	Disposals	Depreciation	Total
	17,878	766	(1,352)	(420)	16,872

Reconciliation of zoo animals - GROUP - 2012

	Opening balance	Additions	Disposals	Depreciation	Total
Zoo animals	18,675	39	-	(836)	17,878

Non - Financial information

Quantities of each biological asset

Amphibia	249	287	-	-
Arachnida	12	12	-	-
Aves	586	628	-	-
Insecta	-	4	-	-
Mamalia	721	674	-	-
Pisces	99	164	-	-
Reptilia	188	190	-	-
	1,855	**1,959**	**-**	**-**

14. INVESTMENT PROPERTY

GROUP			**2013**			**2012**
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	**1,327,215**	**(55,961)**	**1,271,254**	**1,421,101**	**(116,536)**	**1,304,565**

CORE			**2013**			**2012**
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	**1,326,404**	**(55,664)**	**1,270,740**	**1,300,799**	**(42,914)**	**1,257,885**

Figures in Rand thousand

14. INVESTMENT PROPERTY (continued)

Reconciliation of investment property - GROUP - 2013

	Opening balance	Additions	Disposals	Transfers	Impairments	Depreciation	Total
Investment property	1,304,565	234	(256)	(20,768)	(23)	(12,498)	1,271,254

Reconciliation of investment property - GROUP - 2012

	Opening balance	Additions	Disposals	Transfers	Impairments	Depreciation	Total
Investment property	1,293,360	31,598	(8,226)	-	(23)	(12,144)	1,304,565

Reconciliation of investment property - GROUP - 2012

	Opening balance	Additions	Disposals	Transfers	Impairments	Depreciation	Total
Investment property	1,257,885	234	(256)	25,375	-	(12,498)	1,270,740

Reconciliation of investment property - CORE - 2013

	Opening balance	Additions	Disposals	Transfers	Impairments	Depreciation	Total
Investment property	1,246,563	31,443	(8,226)	-	-	(11,895)	1,257,885

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

14. INVESTMENT PROPERTY (continued)

Fair value

CORE	2,132,900	2,132,900	2,132,900	2,132,900
The Johannesburg Fresh Produce Market (Pty) Ltd	13,356	12,424	-	-
Metropolitan Trading Company (Pty) Ltd	-	55,152	-	-
	2,146,256	**2,200,476**	**2,132,900**	**2,132,900**

A register containing the information for CORE as required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The Johannesburg Fresh Produce Market (Pty) Ltd

- Stand 118 City Deep Extension 2, Johannesburg, Gauteng - comprising of retail shops.

Investment property that was purchased from The City of Johannesburg Metropolitan Municipality, in terms of the sale of business agreement, dated 03 July 2000, has not yet been transferred into the name of the entity due to the absence of a framework provided by Section 14(6) of the Municipal Finance Management Act 2003. National Treasury has been engaged by The City of Johannesburg Metropolitan Municipality with the aim of resolving the matter.

Details of valuation

CORE

The CORE valuation is based on the valuation roll and is reviewed every three years.

The Johannesburg Fresh Produce Market (Pty) Ltd

An external, independent valuation entity, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the entity's investment property portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the entity and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

The gross property rental income earned by the entity from its investment property, all of which are leased out under gross operating leases, amounted to R1025 (million) (2012: R1,424 (million).

Expenditure incurred during the year on investment property amounted to Rnil (2012:RNil).

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

15. PROPERTY, PLANT AND EQUIPMENT

GROUP	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	7,001,585	-	7,001,585	6,926,472	-	6,926,472
Buildings	11,555,790	(2,778,575)	8,787,307	10,966,736	(2,418,897)	8,547,839
Plant and machinery	10,044,000	(1,878,976)	8,165,024	8,932,026	(1,521,264)	7,410,762
Furniture and fixtures	462,853	(303,939)	158,914	488,800	(289,829)	199,014
Motor vehicles	192,161	(41,509)	150,652	99,871	(16,679)	83,192
Office equipment	701,988	(523,953)	178,035	655,252	(458,501)	196,751
Computer equipment	188,253	(125,452)	62,801	220,141	(122,672)	97,628
Infrastructure	9,260,147	(2,248,657)	7,011,490	8,896,869	(2,184,082)	6,712,787
Community	840,888	(343,248)	497,640	741,796	(297,033)	444,763
Other	6,087	(5,575)	512	6,159	(5,481)	701
Bins and containers	236,678	(190,803)	45,875	225,420	(183,903)	41,517
Work in progress	4,292,562	-	4,292,562	3,599,426	(6,173)	3,593,253
Communication equipment	13,637	(10,633)	3,004	13,070	(9,683)	3,387
Fare collection equipment	12,211	(11,793)	418	12,239	(11,450)	789
Finance lease assets	30,994	(18,021)	12,973	30,792	(9,510)	21,282
Laboratory equipment	34,838	(17,921)	16,917	23,337	(15,963)	7,374
Minor plant	88,741	(65,522)	23,219	82,957	(57,607)	25,350
Signage	5,700	(2,918)	2,782	4,792	(2,764)	2,028
Spare parts	1,314	-	1,314	1,521	-	1,521
Specialised vehicles	643,882	(218,708)	425,174	1,020,770	(485,130)	535,640
Stage equipment	6,639	(4,668)	1,971	5,518	(4,049)	1,469
Tools and loose gear	3,089	(2,056)	1,033	2,902	(1,789)	1,113
Wastewater network	1,659,946	(148,052)	1,511,894	1,492,242	(127,213)	1,365,029
Water network	3,078,663	(357,873)	2,720,790	2,987,276	(325,025)	2,662,251
Library books	619,637	(566,532)	53,105	619,346	(552,983)	66,363
Emergency equipment.	26,004	(11,124)	14,880	26,508	(12,829)	13,679
Total	**51,008,009**	**(9,876,299)**	**41,141,873**	**48,082,238**	**(9,120,290)**	**38,961,948**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

15. PROPERTY, PLANT AND EQUIPMENT (continued)

CORE	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	6,934,676	-	6,934,676	6,867,394	-	6,867,394
Buildings	10,301,958	(2,226,879)	8,075,079	9,840,330	(1,897,362)	7,942,968
Plant and equipment	221,991	(137,221)	84,770	198,368	(111,845)	86,523
Furniture and fittings	393,096	(262,982)	130,114	405,314	(250,771)	154,543
Motor vehicles	58,264	(4,258)	54,006	4,303	(4,092)	211
Office equipment	646,605	(487,692)	158,913	607,960	(432,075)	175,885
Infrastructure	8,726,276	(2,067,040)	6,659,236	8,372,428	(2,067,904)	6,304,524
Community	840,888	(343,248)	497,640	741,796	(297,033)	444,763
Other	718	(535)	183	732	(469)	263
Bins and containers	10,330	(5,477)	4,853	9,835	(4,624)	5,211
Work in progress	2,412,410	-	2,412,410	2,301,258	-	2,301,258
Specialised vehicles	392,577	(114,462)	278,115	742,674	(365,874)	376,800
Library books	619,637	(566,532)	53,105	619,346	(552,983)	66,363
Emergency equipment	26,004	(11,124)	14,880	26,463	(12,800)	13,663
Total	**31,585,430**	**(6,227,450)**	**25,357,980**	**30,738,201**	**(5,997,832)**	**24,740,369**

Figures in Rand thousand

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of investment property - GROUP - 2013

	Opening balance	Additions	Unbundling of assets	Disposals	Transfers	Developer	Depreciation	Impairment loss	Total
Land	6,926,472	11,964	26,068	(46,411)	83,492	-	-	-	7,001,585
Buildings	8,547,839	45,820	-	(3,224)	533,316	-	(346,536)	-	8,777,215
Plant and equipment	7,410,762	60,009	-	(9,806)	1,062,029	-	(357,970)	-	8,165,024
Furniture and fittings	199,014	16,871	-	(3,927)	(9,830)	-	43,260)	-	158,868
Motor vehicles	83,192	93,559	-	(107)	(125)	-	(25,867)	-	150,652
Office equipment	196,751	67,611	20	(2,652)	(17)	-	(83,695)	-	178,018
Computer equipment	97,622	19,129	-	(405)	(18,273)	-	(35,278)	-	62,795
Infrastructure	6,712,787	278,621	-	(60,158)	648,522	-	(568,282)	-	7,011,490
Community	444,763	33,314	-	(316)	66,489	-	(46,610)	-	497,640
Other	701	4	-	(1)	-	-	(192)	-	512
Bins and containers	41,517	19,041	-	(10)	364	-	(15,037)	-	45,875
Investment property	3,593,253	3,142,564	-	-	(2,443,255)	-	-	-	4,292,562
Work in progress	3,387	567	-	-	-	-	(950)	-	3,004
Communication equipment	789	-	-	-	-	-	(371)	-	418
Fare collection equipment	21,282	863	-	(21)	1	-	(9,152)	-	12,973
Finance lease assets	7,374	6,192	-	-	6,178	-	(2,827)	-	16,917
Laboratory equipment	25,350	4,614	-	(17)	1,081	-	(7,809)	-	23,219
Minor plant	2,028	908	-	-	-	-	(154)	-	2,782
Signage	1,521	-	-	(207)	-	-		-	1,314
Spare parts	535,640	69,113	-	(99,417)	-	-	(77,665)	(2,497)	425,174
Specialised vehicles	1,469	260	-	-	474	--	(232)	-	1,971
Stage equipment	1,113	196	-	(2)	-	-	(274)	-	1,033
Tools and loose gear	1,365,029	10,806	-	(213)	15,998	141,740	(17,634)	(3,832)	1,511,894
Wastewater network	2,662,251	53,965	-	(14,686)	18,272	61,488	(56,827)	(3,673)	2,720,790
Water network	66,363	291	-	-	-	-	(13,549)	-	53,105
Library books	13,679	3,946	-	(1,125)	(14)	-	(1,606)	-	14,880
	38,961,948	**3,940,228**	**26,088**	**(242,705)**	**(35,298)**	**203,228**	**(1,711,777)**	**(10,002)**	**41,131,710**

Figures in Rand thousand

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of investment property - GROUP - 2013

	Opening balance	Additions	Unbundling of assets	Disposals	Transfers	Developer	Depreciation	Impairment loss	Total
Land	6,579,321	249,571	115,380	(56,102)	83,492	-	-	-	6,926,472
Buildings	8,561,595	118,978	-	(127,922)	299,579	-	(304,391)	-	8,557,931
Plant and equipment	7,289,430	408,133	-	(20,451)	10,819	-	(277,144)	(25)	7,410,762
Furniture and fittings	232,661	16,121	-	(2,717)	816	-	(48,572)	705	199,014
Motor vehicles	7,112	85,095	-	(219)	21	-	(8,817)	-	83,192
Office equipment	212,383	72,462	-	(2,008)	4,545	-	(90,631)	-	196,751
Computer equipment	101,204	21,096	-	(4,461)	4,995	-	(25,207)	(5)	97,622
Infrastructure	5,949,985	435,886	-	-	851,372	-	(524,456)	-	6,712,787
Community	442,068	7,565	-	(87)	42,996	-	(47,779)	-	444,763
Other	827	205	-	(9)	-	-	(322)	-	701
Bins and containers	45,864	6,823	-	18	-	-	(11,188)	-	41,517
Work in progress	3,326,048	1,748,209	-	-	(1,474,831)	-	-	(6,173)	3,593,253
Communication equipment	3,460	708	-	-	377	-	(1,158)	-	3,387
Fare collection equipment	1,156	-	-	-	-	-	(367)	-	789
Finance lease assets	6,137	20,965	-	(272)	-	-	(5,548)	-	21,282
Laboratory equipment	6,539	2,925	-	-	40	-	(2,130)	-	7,374
Minor plant	30,746	3,991	-	(76)	882	-	(10,193)	-	25,350
Signage	1,795	400	-	-	-	-	(167)	-	2,028
Spare parts	1,361	160	-	-	-	-	-	-	1,521
Specialised vehicles	741,702	70,489	-	(131,944)	-	-	(144,607)	-	535,640
Stage equipment	1,858	111	-	-	-	-	(500)	-	1,469
Tools and loose gear	1,434	131	-	(21)	-	-	(431)	-	1,113
Wastewater network	1,228,781	18,657	-	-	27,935	-	(16,772)	-	1,365,029
Water network	2,251,443	192,313	-	-	187,645	-	(54,994)	-	2,662,251
Library books	77,339	3,590	-	-	-	-	(14,566)	-	66,363
Emergency equipment	15,149	472	-	(51)	-	-	(1,891)	-	13,679
	37,117,398	**3,485,056**	**115,380**	**(346,322)**	**(4,507)**	**192,272**	**(1,591,831)**	**(5,498)**	**38,961,948**

Figures in Rand thousand

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - CORE - 2013

	Opening balance	Additions	Unbundling of assets	Disposals	Transfers	Depreciation	Total
Land	6,867,394	11,707	26,068	(46,411)	75,918	-	6,934,676
Buildings	7,942,968	18,345	-	(3,224)	430,270	(313,280)	8,075,079
Plant and equipment	86,523	23,885	-	(346)	3,060	(28,352)	84,770
Furniture and fittings	154,543	11,449	-	(3,823)	4,214	(36,269)	130,114
Motor vehicles	211	54,802	-	(19)	-	(988)	54,006
Office equipment	175,885	61,276	20	(2,486)	622	(76,404)	158,913
Infrastructure	6,304,524	269,192	-	(70)	648,522	(562,932)	6,659,236
Community	444,763	33,314	-	316)	66,489	(46,610)	497,640
Other	263	4	-	(1)	-	(83)	183
Bins and containers	5,211	162	-	(10)	364	(874)	4,853
Work in progress	2,301,258	1,379,598	-	-	(1,268,446)	-	2,412,410
Specialised vehicles	376,800	51,181	-	(98,241)	-	(51,625)	278,115
Library books	66,363	291	-	-	-	(13,549)	53,105
Emergency equipment	13,663	3,946	-	(1,125)	(2)	(1,602)	14,880
	24,740,369	**1,919,152**	**26,088**	**(156,072)**	**(38,989)**	**(1,132,568)**	**25,357,980**

Figures in Rand thousand

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - CORE - 2012

	Opening balance	Additions	Unbundling of assets	Disposals	Transfers	Depreciation	Total
Land	6,520,243	249,571	115,380	(56,102)	38,302	-	6,867,394
Buildings	7,986,335	87,585	-	(127,822)	273,050	(276,180)	7,942,968
Plant and equipment	104,140	1,310	-	(307)	8,211	(26,831)	86,523
Furniture and fittings	188,538	10,010	-	(1,957)	12	(42,060)	154,543
Motor vehicles	355	-	-	-	-	(144)	211
Office equipment	191,610	67,469	-	(1,659)	3,418	(84,953)	175,885
Infrastructure	5,820,025	144,662	-	-	851,372	(511,535)	6,304,524
Community	442,068	7,565	-	(87)	42,996	(47,779)	444,763
Other	156	205	-	(9)	-	(89)	263
Bins and containers	6,092	-	-	18	-	(899)	5,211
Work in progress	2,264,758	1,255,107	-	-	(1,218,607)	-	2,301,258
Specialised vehicles	591,097	31,210	-	(130,665)	-	(114,842)	376,800
Library books	77,339	3,590	-	-	-	(14,566)	66,363
Emergency equipment	15,129	472	-	(51)	-	(1,887)	13,663
	24,207,885	**1,858,756**	**115,380**	**(318,641)**	**(1,246)**	**(1,121,765)**	**24,740,369**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The following leased assets are included in Property, Plant and Equipment listed above

GROUP	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	46,364	-	46,364	46,364	-	46,364
Office equipment	166,597	(148,709)	17,888	156,371	(129,183)	27,188
Soccer city	3,138	-	3,138	3,138	-	3,138
BRT Busses	355,021	(101,606)	253,415	355,021	(72,021)	283,000
Leasehold property	543	(450)	93	1,545	(513)	1,032
Leasehold improvements	14,739	(6,424)	8,315	14,553	(4,782)	9,771
Total	**586,402**	**(257,189)**	**329,213**	**576,992**	**(206,499)**	**370,493**

GROUP	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	46,364	-	46,364	46,364	-	46,364
Office equipment	166,597	(148,709)	17,888	156,371	(129,183)	27,188
Soccer city	3,138	-	3,138	3,138	-	3,138
BRT Busses	355,021	(101,606)	253,415	355,021	(72,021)	283,000
Total	**571,120**	**(250,315)**	**320,805**	**560,894**	**(201,204)**	**359,690**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

16. INTANGIBLE ASSETS

GROUP	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Additional capacity rights	234,182	(36,000)	198,182	171,205	(28,584)	142,621
Servitudes	1,727	-	1,727	1,727	-	1,727
Computer software, internally generated	14,231	(5,001)	9,230	14,059	(758)	13,301
Computer software	1,369,004	(1,085,602)	283,402	1,322,326	(797,841)	524,485
Other intangible assets	-	-	-	967	(201)	766
Total	**1,619,144**	**(1,126,603)**	**492,541**	**1,510,284**	**(827,384)**	**682,900**

CORE	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,130,203	(933,055)	197,148	1,096,827	(687,554)	409,273

Reconciliation of intangible assets - GROUP - 2013

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Additional capacity rights	142,621	62,977	_	_	(7,416)	_	198,182
Servitudes	1,727	-	_	_	-	_	1,727
Computer software, internally generated	13,301	173	_	_	(172)	(4,072)	9,230
Computer software	524,485	17,339	(1)	6,921	(265,342)	-	283,402
Other intangible assets	766	-	-	(589)	(177)	-	-
	682,900	**80,489**	**(1)**	**6,332**	**(273,107)**	**(4,072)**	**492,541**

Figures in Rand thousand

16. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets - GROUP - 2012

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Additional capacity rights	136,609	13,429	_	_	(7,417)	_	142,621
Servitudes	1,701	-	_	26	-	_	1,727
Computer software, internally generated	11,697	1,258	_	-	346		13,301
Computer software	684,747	15,788	(1,122)	3,236	(177,789)	(375)	524,485
Other intangible assets	584	339	-	-	(157)	-	766
	835,338	**30,814**	**(1,122)**	**3,262**	**(185,017)**	**(375)**	**682,900**

Reconciliation of intangible assets - CORE - 2013

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Computer software	409,273	1,914	-	9,714	(223,753)	-	197,148

Reconciliation of intangible assets - CORE - 2012

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Computer software	553,137	5,134	-	-	(148,998)	-	409,273

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

17. HERITAGE ASSETS

GROUP	2013			2012		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	519,788	-	519,788	484,682	-	484,682
Historical monuments	14,457	-	14,457	9,378	-	9,378
Historical buildings	19,625	-	19,625	54,673	-	54,673
Total	**553,870**	-	**553,870**	**548,733**	-	**548,733**

CORE	2013			2012		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	518,195	-	518,195	483,089	-	483,089
Historical monuments	14,457	-	14,457	9,378	-	9,378
Historical buildings	19,625	-	19,625	54,673	-	54,673
Total	**552,277**	**-**	**552,277**	**547,140**	**-**	**547,140**

Reconciliation of heritage assets GROUP - 2013

	Opening balance	Additions	Disposals	Transfers	Total
Art Collections, antiquities and exhibits	484,682	59	-	35,047	519,788
Historical monuments	9,378	1,179	-	3,900	14,457
Historical buildings	54,673	-	-	(35,048)	19,625
	548,733	**1,238**	**-**	**3,899**	**553,870**

Reconciliation of heritage assets GROUP - 2012

	Opening balance	Additions	Disposals	Transfers	Total
Art Collections, antiquities and exhibits	485,086	-	(523)	119	484,682
Historical monuments	8,251	-	-	1,127	9,378
Historical buildings	54,705	-	(32)	-	54,673
	548,042	**-**	**(555)**	**1,246**	**548,733**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

17. HERITAGE ASSETS (continued)

Reconciliation of heritage assets CORE - 2013

	Opening balance	Additions	Disposals	Transfers	Total
Art Collections, antiquities and exhibits	483,089	59	-	35,047	518,195
Historical monuments	9,378	1,179	-	3,900	14,457
Historical buildings	54,673	-	-	(35,048)	19,625
	547,140	**1,238**	**-**	**3,899**	**552,277**

Reconciliation of heritage assets CORE - 2012

	Opening balance	Additions	Disposals	Transfers	Total
Art Collections, antiquities and exhibits	483,493	-	(523)	119	483,089
Historical monuments	8,251	-	-	1,127	9,378
Historical buildings	54,705	-	(32)	-	54,673
	546,449	**-**	**(555)**	**1,246**	**547,140**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

18. INVESTMENTS IN MUNICIPAL ENTITIES

Gross investment	**% holding 2013**	**% holding 2012**	**Carrying amount 2013**	**Carrying amount 2012**
City of Johannesburg Property Company (Pty) Ltd	100 %	100 %	5,142	5,142
City Power Johannesburg (Pty) Ltd	100 %	100 %	112,466	112,466
Johannesburg City Parks	100 %	100 %	28,098	28,098
Johannesburg Development Agency (Pty) Ltd	100 %	100 %	6,623	6,623
Johannesburg Metropolitan Bus Services (Pty) Ltd	100 %	100 %	54,774	54,774
Johannesburg Roads Agency (Pty) Ltd	100 %	100 %	89,311	60,209
Johannesburg Social Housing Company (Pty) Ltd	100 %	100 %	-	-
Johannesburg Tourism Company	100 %	100 %	-	20,478
Johannesburg Water (Pty) Ltd	100 %	100 %	1	1
Metropolitan Trading Company (Pty) Ltd	100 %	100 %	97,972	97,972
Pikitup Johannesburg (Pty) Ltd	100 %	100 %	1	1
Roodepoort City Theatre	100 %	100 %	1,784	1,784
The Johannesburg Civic Theatre (Pty) Ltd	100 %	100 %	-	-
The Johannesburg Fresh Produce Market (Pty) Ltd	100 %	100 %	20,000	20,000
The Johannesburg Zoo	100 %	100 %	1,860	1,860
			418,032	**409,408**

Impairments	**Carrying amount 2013**	**Carrying amount 2012**
Johannesburg Metropolitan Bus Services (Pty) Ltd	(54,774)	(54,774)
Johannesburg Roads Agency (Pty) Ltd	(89,311)	(60,209)
Johannesburg Tourism Company	-	(20,478)
Metropolitan Trading Company (Pty) Ltd	(97,972)	(97,972)
Roodepoort City Theatre	(1,784)	(1,784)
The Johannesburg Zoo	(1,860)	(1,860)
	(245,701)	**(237,077)**

Net investment	**Carrying amount 2013**	**Carrying amount 2012**
City of Johannesburg Property Company (Pty) Ltd	5,142	5,142
City Power Johannesburg (Pty) Ltd	112,466	112,466
Johannesburg City Parks	28,098	28,098
Johannesburg Development Agency (Pty) Ltd	6,623	6,623
Johannesburg Metropolitan Bus Services (Pty) Ltd	-	-
Johannesburg Roads Agency (Pty) Ltd	-	-
Johannesburg Tourism Company	-	-
Johannesburg Social Housing Company (Pty) Ltd	-	-
Johannesburg Water (Pty) Ltd	1	1
Metropolitan Trading Company (Pty) Ltd	-	-
Pikitup Johannesburg (Pty) Ltd	1	1
Roodepoort City Theatre	-	-
The Johannesburg Civic Theatre (Pty) Ltd	-	-
The Johannesburg Fresh Produce Market (Pty) Ltd	20,000	20,000
The Johannesburg Zoo	-	-
	172,331	**172,331**

CJMM has investments in the following Municipal Entities that are less than R1,000.

Johannesburg Social Housing Company (Pty) Ltd - R120.00
Johannesburg Civic Theatre (Pty) Ltd - R10.00

Investments in ME's includes shareholder loans with no fixed repayment terms and interest

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

18. INVESTMENTS IN MUNICIPAL ENTITIES (continued)

During the year under review, the City finalized the process of re-structuring some of the functions currently conducted through it's Municipal Entities (MEs). This reorganization/ institutional review would result in the legal deregistration of some MEs. The overall functions carried out by the City through deregistered MEs would be maintained albeit through different forms and mechanisms.

1. Metropolitan Trading Company (MTC)
   MTC's functions were reintegrated into the CoJ and JPC, and the functions of MTC were transferred to the Transportation Department as well as the Department of Economic Development.
2. Johannesburg Tourism Company(JTC)
   The functions of JTC were reintegrated into the CoJ, within the Group Communications and Tourism Department.
3. Johannesburg Zoo (ZOO) and Johannesburg City Parks (JCP)
   The business activities of the Zoo was transferred to City Parks, with City Parks surviving as the new entity and the Zoo legal company being deregistered, post merger.
4. Joburg Theatre and Roodepoort City Theatre (RCT) RCT was integrated into the Joburg Theatre.

The above mentioned reorganisations has had no material impact on the group assets and liabilities, other than the dissolution of the above mentioned MEs.

19. INVESTMENT IN JOINT VENTURES

Name of company	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012
Joshco JV	55.00 %	55.00 %	31,691	31,575

The carrying amount of the joint venture is shown net of lossess of R 0,116 million (2012 : R0,152 million).

Principal activities and reporting dates of joint ventures

Name of entity	Principal activity	Reporting date	Reporting date
Joshco Madulamoho Joint Venture (JM/JV)	55%	30/06/2013	1 July 2012 to 30 June 2013

The JM/JV is an investment between Joshco and Madulamoho for social rental housing. The separate annual financial statements of the Joint Venture are available at the registered office of the entity. There are no contingent liabilities, contingent assets or commitments relating to the Joint Venture.

Restrictions on a joint venture to distribute its reserves

The Joint Venture's ability to distribute its reserves is not restricted in terms of the Joint Venture agreement.

Joint ventures pledged as security

The JM/JV has not been pledged as security.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

20. INVESTMENTS IN ASSOCIATES

Name of entity	Listed / Unlisted	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012
Fried shelf 128 (Pty) Ltd	Unlisted	50.00 %	50.00 %	15,847	13,737

The carrying amounts of associates are shown net of impairment losses.

Movements in carrying value

Opening balance	13,737	13,960
Share of surplus/(deficit)	2,110	(223)
	15,847	**13,737**

Summary of controlled entity's interest in associate

Total assets	36,767	32,449
Total liabilities	(6,430)	(6,164)
Revenue	4,810	4,373
Surplus (deficit)	4,052	3,570

Associates with different reporting dates

The financial year-end of the associate is the last day of February. The year ends of the two entities are more than three months apart. The entity made estimates to the accounts of the associate to bring the two year ends in line with each other.

Revaluations are performed by the directors who have extensive experience in the location and category of the investment property being valued.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

21. DEFERRED TAX

Deferred tax asset / (liability)

Accelerated capital allowances for tax purposes	(39)	(21)	-	-
Liabilities for health care benefits accrued	3,088	1,869	-	-
Provision against net assets	3,554	2,693	-	-
Tax losses available for set off against future taxable income	116	279	-	-
Recognised in equity	100	(74)	-	-
Fair value and amortised cost adjustments	(1,108,967)	(987,781)	-	-
Deferred income	4,880	7,315	-	-
Trade and other receivables	1,639	1,505	-	-
Leases	(4)	63	-	-
Property, Plant and Equipment & Intangibles	(3,782)	(3,976)	-	-
Trade and other payables	4,276	872	-	-
Temporary difference	(4,906)	(4,672)	-	-
Other	6,090	5,880	-	-
	(1,093,955)	**(976,048)**	**-**	**-**

Reconcilliation of deferred tax asset / (liability)

At beginning of the year	(976,048)	(629,851)	-	-
Provisions	(20,145)	(29,444)	-	-
Originating temporary difference on tangible fixed assets	(7,064)	(625)	-	-
Temporary differences on provisions	(236,661)	(190,490)	-	-
Temporary difference on retirement benefits	837	2,559	-	-
Temporary difference on provision for doubtful debts	(162)	(489)	-	-
Increase / (decrease) in tax losses available for set off against future	6,743	6,402	-	-
Movement in temporary timing differences	1,020	2,129	-	-
Income received in advance	(1,979)	2,888	-	-
Property, plant and equipment	(5,329)	1,515	-	-
Trade and other receivables	(908)	(1,057)	-	-
Calculated tax loss	118,446	(241,759)	-	-
Finance lease obligations	(2,166)	307	-	-
Other movements	(35,976)	25,481	-	-
Other deferred tax	62,253	76,264	-	-
Trade and other payables	3,223	143	-	-
Prepayments	(39)	(21)	-	-
	(1,093,955)	**(976,048)**	**-**	**-**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

22. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

GROUP - 2013

	Loans and receivables	At fair value	At amortised cost	Total
Current Assets				
Other financial assets	-	2,578,265	38,851	2,617,116
Trade and other receivables	846,366	-	-	846,366
Receivables from non-exchange	8,421	-	-	8,421
Consumer debtors	4,488,971	-	-	4,488,971
Call investment deposits	4,055,984	-	-	4,055,984
Bank balances and cash	1,343,643	-	-	1,343,643
Non-Current Assets				
Other financial assets	127,430	2,436,147	156,887	2,720,464
Consumer debtors	36,483	-	-	36,483
	10,907,298	**5,014,412**	**195,738**	**16,117,448**

GROUP - 2012

	Loans and receivables	At fair value	At amortised cost	Total
Current Assets				
Other financial assets	-	3,925,853	263,170	4,189,023
Trade and other receivables	933,770	-	-	933,770
Receivables from non-exchange	55,206	-	-	55,206
Consumer debtors	4,386,591	-	-	4,386,591
Call investment deposits	1,473,395	-	-	1,473,395
Bank balances and cash	745,265	-	-	745,265
Non-Current Assets				
Other financial assets	117,099	2,069,544	312,110	2,498,753
Consumer debtors	45,391	-	-	45,391
	7,756,717	**5,995,397**	**575,280**	**14,327,394**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

22. FINANCIAL ASSETS BY CATEGORY (continued)

CORE - 2013

	Loans and receivables	At fair value	At amortised cost	Total
Current Assets				
Loans to Municipal Entities	906,089	-	-	906,089
Other financial assets	-	619,364	38,851	658,215
Trade and other receivables	1,562,712	-	-	1,562,712
Consumer debtors	664,901	-	-	664,901
Call investment deposits	4,045,187	-	-	4,045,187
Bank balances and cash	1,148,332	-	-	1,148,332
Non-Current Assets				
Loans to Municipal Entities	5,256,976	-	-	5,256,976
Other financial assets	127,430	1,972,106	156,887	2,256,423
Consumer debtors	36,483	-	-	36,483
	13,748,110	**2,591,470**	**195,738**	**16,535,318**

CORE - 2012

	Loans and receivables	**At fair value**	**At amortised cost**	**Total**
Current Assets				
Loans to Municipal Entities	805,774	-	-	805,774
Other financial assets	-	806,512	263,170	1,069,682
Trade and other receivables	963,359	-	-	963,359
Receivables from non-exchange	46,580	-	-	46,580
Consumer debtors	685,712	-	-	685,712
Call investment deposits	1,466,213	-	-	1,466,213
Bank balances and cash	576,401	-	-	576,401
Non-Current Assets				
Loans to Municipal Entities	5,436,953	-	-	5,436,953
Other financial assets	117,099	1,725,338	312,110	2,154,547
Consumer debtors	45,391	-	-	45,391
	10,143,482	**2,531,850**	**575,280**	**13,250,612**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

23. LOANS AND BORROWINGS

Non Current portion of loans and borrowings - At amortised cost				
Structured loans *	273,683	294,263	273,683	294,263
Development Bank South Africa	1,344,430	1,432,989	1,326,446	1,414,453
Local registered stock loans	-	30,000	-	30,000
Listed bonds	6,584,334	6,751,000	6,584,334	6,751,000
Other financial liabilities	3,197,015	2,769,301	3,197,015	2,769,301
	11,399,462	**11,277,553**	**11,381,478**	**11,259,017**
Current portion of loans and borrowings - At amortised cost				
Structured loans *	13,333	444,939	13,333	444,939
Development Bank South Africa	131,080	138,426	130,526	137,894
Local registered stock loans	30,000	-	30,000	-
Listed bonds	166,666	700,00	166,666	700,000
Jozi bonds	-	10,034	-	10,034
Other financial liabilities	284,085	229,937	284,085	229,937
	625,164	**1,523,336**	**624,610**	**1,522,804**

* Structured loans are secured by an investment which will redeem the loan at maturity.

Non-current liabilities				
At amortised cost	11,399,462	11,277,553	11,381,478	11,259,017
Current liabilities				
At amortised cost	625,164	1,523,336	624,610	1,522,804
	12,024,626	**12,800,889**	**12,006,088**	**12,781,821**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

24. FINANCE LEASE OBLIGATION

Minimum lease payments due				
- within one year	69,929	80,949	68,375	74,438
- in second to fifth year	241,209	243,975	228,460	233,381
- later than five years	647,859	702,053	646,106	701,401
	958,997	1,026,977	942,941	1,009,220
less: future finance charges	(586,976)	(620,378)	(583,045)	(618,529)
Present value of minimum lease payments	**372,021**	**406,599**	**359,896**	**390,691**
Non-current liabilities	336,515	368,875	323,758	351,846
Current liabilities	35,506	37,724	36,138	38,845
	372,021	**406,599**	**359,896**	**390,691**

Registers containing the information for the Group is available for inspection at the respective registered offices of the CJMM and ME's.

It is municipality policy to lease certain buildings and equipment under finance leases.

A lease agreement for Soccer City Stadium was signed on the 7 August 2009 between the Department of Public Works (Lessor) and City of Johannesburg Metropolitan Municipality (Lessee). Term of the lease is 99 years.

Interest on Finance Leases are calculated at variable rates of interest, ranging between 9% and 15% per annum and repayments on these Finance Leases range from monthly to quarterly.

The Finance Lease terms for Office Equipment range from three years to five years. There are no renewal or purchase options and no restrictions imposed by the lease agreements.

The carrying values of the finance leased assets are included under other property, plant and equipment in the note to the financial statements.

BUS OPERATING COMPANY

Finance Lease Liabilities relate to vehicles with a lease term of 12 (2012: 12) years. The effective interest rate on Finance Leases is 9.7% (2012: 9.7%). Capitalised Lease Liabilities are secured by the related finance lease assets. Refer to note 13.

WATER: Interest on finance leases are calculated at variable rates of interest, ranging between 7.41% and 8.5% per annum, and repayments on the lease arrangements are made quarterly. The lease terms are over a period of three years. The carrying value of the finance leased assets are included in property, plant and equipment under Office equipment.

PARKS: The average lease term is 3 years and the average effective borrowing rate is 9% (2012: 9%). Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent. The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. No restrictions other than for transfer or disposal of leased property have been imposed by the lessor.

JOSHCO: The finance leases relates to the lease of office equipment. The average lease term ranges between 3 years and 5 years. The company did not default on any of the interest or capital repayments of the finance leases. Interest rates are linked to prime. All leases have fixed repayments and no arrangements have been entered into for contingent rent on the leased asset. The entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

JFPM: The average lease term was 3-5 years and the average effective borrowing rate was 13% (2012: 10%). Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent. The entity has not defaulted on any of its interest or capital repayments during the year, and none of the terms and conditions of the finance leases were re-negotiated.The entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

BUS: The average lease term was 3 years and the average effective borrowing rate was 5% (2012: 5%). All leases have fixed repayments. The entity's obligations under finannce leases are secured by the lessor's charge over the leased assets.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

24. FINANCE LEASE OBLIGATION (continued)

JRA: It is the entity's policy to lease certain assets under finance leases. The average lease term is 3 years and the average effective borrowing rate is 10%. The entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

JDA: The JDA has leased 24 photocopier machines from Motswako Office Solutions (Pty) Ltd for a period of 3 years. The lease agreement provides for monthly payments of R23,338 in advance and no residual value.

JPC: It is company policy to lease certain equipment under finance leases; These assets are leased over a period of 2 to 5 years at an average interest rate of 15%, and are secured by the assets financed.

25. TRADE AND OTHER PAYABLES

Financial liabilities				
Accrued interest	200,827	142,909	200,827	142,909
Accrued VAT	160,358	124,419	160,358	124,419
Credit balances in consumer debtors	1,665,450	1,310,230	1,581,077	1,123,708
Engineering fees	78,067	70,884	78,067	70,884
Operating lease payables	54,044	52,151	34,581	33,815
Other creditors	1,135,598	968,412	930,252	737,279
Related party creditor	-	-	4,137,096	2,566,802
Retentions	175,633	186,767	37,554	38,392
Trade payables	4,282,262	2,933,276	1,116,185	628,884
	7,752,239	5,789,048	8,275,997	5,467,092
Other liabilities				
Accrued bonus	184,080	211,141	23,366	82,732
Accrued leave pay	401,193	365,399	233,722	227,414
Accrued staff 13th cheques	10,782	9,089	-	-
Payments received in advanced	460,138	616,006	18,517	20,362
	1,056,022	1,201,635	275,605	330,508
	8,808,261	**6,990,683**	**8,551,602**	**5,797,600**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

26. OBLIGATIONS ARISING FROM CONDITIONAL GRANTS AND RECEIPTS

Obligations arising from conditional grants and receipts comprises of:

Provincial grants : Capital projects	106,075	102,057	105,576	100,576
Urban settlements development grant	-	76,439	-	76,439
Provincial grants : Top Structure of houses	425,920	84,760	425,920	84,760
Provincial grants : Operating projects	7,226	5,802	7,226	5,802
2010 Public transport (SPTN)	736,859	492,387	736,859	492,387
Neighbourhood development partnership grant	14,769	8,866	14,769	8,866
Expanded Public Works Programme (EPWP)	32,789	65	32,789	65
Orange African cup of nations	4,737	-	4,737	-
Ambulance subsidy	15,282	13,971	15,282	13,971
Social Housing Foundation Grant - City Deep	42,186	7,814	-	-
Unspent public contributions and donations	24,326	14,850	12,981	14,850
	1,410,169	**807,011**	**1,356,139**	**797,716**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

A liability is recognised for any unfulfilled conditions, criteria, obligations and other contingencies attaching to government grants or assistance.

See note 38 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

Figures in Rand thousand

27. PROVISIONS

Reconciliation of provisions - GROUP - 2013

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Settle-ment	Change in discount factor	Total
Provision for liabilities	20,000	-	-	-	-	-	20,000
Escalation on contracts	1,472	63	(1,472)	-	-	-	63
Environmental rehabilitation: Closed landfill site	147,544	-	-	(13,216)	-	7,901	142,229
Environmental rehabilitation: Open landfill sites	447,711	-	(24,937)	(60,088)	-	23,975	386,661
Pension fund provision	15,219	-	-	(15,219)	-	-	-
	631,946	**63**	**(26,409)**	**(88,523)**	**-**	**31,876**	**548,953**

Reconciliation of provisions - GROUP - 2012

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Settle-ment	Change in discount factor	Total
International Parking Management	355,054	-	(240,000)	-	(115,054)	-	-
Provision for liabilities	-	20,000	-	-	-	-	20,000
Escalation on contracts	1,175	1,378	(1,081)	-	-	-	1,472
Environmental rehabilitation: Closed landfill site	90,926	51,675	(140)	-	-	5,083	147,544
Environmental rehabilitation: Open landfill sites	216,049	275,078	(55,493)	-	-	12,077	447,711
Pension fund provision	14,545	846	(172)	-	-	-	15,219
	677,749	**348,977**	**(296,886)**	**-**	**(115,054)**	**17,160**	**631,946**

Reconciliation of provisions - CORE - 2013

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Settlement	Total
Provision for liabilities	20,000	-	-	-	-	20,000
Pension fund provision	15,219	-	-	(15,219)	-	-
	35,219	**-**	**-**	**(15,219)**	**-**	**20,000**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

27. PROVISIONS (continued)

Reconciliation of provisions - CORE - 2012

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Settlement	Total
International Parking Management	355,054	-	(240,000)	-	(115,054)	-
Provision for liabilities	-	20,000	-	-	-	20,000
Pension fund provision	14,545	846	(172)	-	-	15,219
	369,599	**20,846**	**(240,172)**	**-**	**(115,054)**	**35,219**

Non-current liabilities	548,890	615,255	20,000	20,000
Current liabilities	63	16,691	-	15,219
	548,953	**631,946**	**20,000**	**35,219**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

27. PROVISIONS (continued)

CJMM

Provision for liabilities

A claim for damages was instituted by the Plaintiff as a result of the construction of the Grayston fly-over for loss of income. The total claim is in excess of R10,000,000.00 plus interest and is not insured. SCA has ruled against the City on the matter of whether the construction amounted to a diversion. Court is to decide on Plaintiff quantum of damages suffered.

Pension fund provisions

The pension fund provision relates to the change from defined benefit plans to defined contribution plans of the pension funds. The provision is based on the actuarial valuations of the pension funds and agreement reached by management and the trustee's of the pension funds.

During the 2010 financial year the Auditor General performed an interest calculation that increased the balance of the pension fund. Subsequently there has been no claims against the fund and therefore management has taken the decision to write down the balance of the fund.

Pikitup Johannesburg SOC Limited

The provision is management's best estimate of the obligations to settle escalations on procurement service contract and the enviromental oblogations to rehabilitate the various landfill sites upon closure.

The calculations of the landfill rehabilitation are based on the following assumptions in line with the permits requirements and constistent with prior years.

- The final side slopes for each landfills are 1:3;
- The cover to waste ratio is 1:5 for each site;
- The growth rates for each site are based zero growth;
- The final landfill footprint extends over the entire landfill property size (excluding infrastructure and a 20m buffer zone between the site boundary and the toe of the landfill;
- The density of the waste is calculated using both the survey and weighbridge data;

The final landfill airspace estimation was perfomed by the Topographical surveyor appointed by the Company who has extensive experince in the field with an Advance Mine Survey Certificate - M3.

28. RETIREMENT BENEFIT OBLIGATION

For all post retirement employee liabilities, an actuarial calculation is performed at the end of the financial year.

28.1 Post retirement liabilities

Post-Retirement Medical Aid Plan	1,345,424)	(1,319,009)	(1,375,251)	(1,330,725)
Post-Retirement Housing Subsidy Plan	(2,124)	(4,085)	(459)	(2,892)
Retirement Gratuity Plan	(518,242)	(466,372)	(488,199)	(474,449)
	(1,865,790)	**(1,789,466)**	**(1,863,909)**	**(1,808,066)**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

28. RETIREMENT BENEFIT OBLIGATION (continued)

28.1.1 Post retirement medical aid plan

City of Johannesburg Metropolitan Municipality has obligations to subsidise medical aid contributions in respect of certain qualifying staff and pensioners and their surviving spouses. Post-retirement medical aid subsidies are provided to pensioners, in the service of the CJMM as at 1 January 2001, and employees 50 years and older on 1 July 2003 whilst contributory members to either LA Health or Key Health medical schemes. The subsidy remains payable only for as long as members remain contributory members to these medical schemes.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	1,345,424	1,319,009	1,247,105	1,208,785
In respect of notional accounts for employees of ME's	-	-	128,146	121,940
	1,345,424	**1,319,009**	**1,375,251**	**1,330,725**

Movements for the year

Opening balance	1,319,009	1,294,523	1,208,785	1,185,546
Benefits paid	(100,419)	(98,749)	(97,272)	(95,010)
Net expense recognised in the statement of financial performance	126,834	123,235	135,592	118,249
	1,345,424	**1,319,009**	**1,247,105**	**1,208,785**

Net expense recognised in the statement of financial performance

Current service cost	852	1,519	478	864
Interest cost	112,780	111,199	103,355	101,838
Actuarial (gains) losses	13,202	10,517	31,759	15,547
	126,834	**123,235**	**135,592**	**118,249**

Notional loan account

Opening balance	-	-	121,940	115,743
Interest received	-	-	6,206	6,197
Balance at end of year	**-**	**-**	**128,146**	**121,940**

Key assumptions used

The principal actuarial assumptions used were as follows:

Discount rates used	7.89 %	8.60 %	7.89 %	8.60 %
Expected rate of return on assets	7.89 %	8.60 %	7.89 %	8.60 %
Expected rate of return on reimbursement rights	6.70 %	7.70 %	6.70 %	7.70 %
Expected increase in salaries	5.67 %	6.70 %	5.67 %	6.70 %

Other assumptions.

Age of spouse	-	Husbands five years older than wives.
Mortality of in-service members	-	In accordance with the SA 85-90 (Light) ultimate table (rated down 3 years for females.
Mortality of pensioners	-	In accordance with the PA(90) ultimate male and female tables.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

28. RETIREMENT BENEFIT OBLIGATION (continued)

Sensitivity analysis

	Change in assumption		
	-1%	**0%**	**1%**
Liability	1,180,646	1,247,105	1,298,861
Percentage change	-5,33%	0%	4.15%
	-	-	-

Post-Retirement Mortality

	-20%	**0%**	**20%**
Liability	1,358,742	1,247,105	1,158,414
Percentage change -	8,00%	0%	-6,00%

28.1.2 Post retirement housing subsidy plan

The City of Johannesburg Metropolitan Municipality provides housing subsidies in respect of certain qualifying staff members. In the event that the housing loan that the subsidy related to is not fully repaid at retirement date, the subsidy will continue into the members' retirement. The subsidy amount is based on the subsidy received at the date of valuation. The subsidy amount is assumed to remain constant and to continue for a period of 10 years after retirement.

The above liability is unfunded. However, City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for the staff of City of Johannesburg Metropolitan Municipality who are entitled to benefits that relates to their service with the City of Johannesburg Metropolitan Municipality since the City of Johannesburg Metropolitan Municipality was established. The amount was determined at 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest and against which the company may claim benefit payments made. This loan does not constitute a plan asset and in terms of IAS 19 cannot be offset against the liability. It has however been included in the assets of the City of Johannesburg Metropolitan Municipality.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	2,124	4,085	459	2,892

The fair value of plan assets includes:

Movements for the year

Opening balance	4,085	4,767	2,892	3,245
Benefits paid	(76)	(962)	(76)	(699)
Net expense recognised in the statement of financial performance	(1,885)	280	(2,357)	346
	2,124	**4,085**	**459**	**2,892**

Net expense recognised in the statement of financial performance

Current service cost	41	42	-	-
Interest cost	349	382	247	279
Actuarial (gains) losses	(2,275)	(144)	(2,604)	67
	(1,885)	**280**	**(2,357)**	**346**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

28. RETIREMENT BENEFIT OBLIGATION (continued)

Notional loan account

Key assumptions used

Assumptions used on last valuation on 30 June 2013.

Discount rates used	8.60 %	8.60 %	8.60 %	8.60 %
Expected rate of return on assets	8.60 %	8.60 %	8.60 %	8.60 %

Sensitivity analysis

	Change in assumption		
	-1%	**0%**	**1%**
Liability	**451**	**459**	**468**
Percentage change	-1,74%	0%	1,96%

Post-Retirement Mortality

	-20%	**0%**	**20%**
Liability	**470**	**459**	**449**
Percentage change	8,00%	0%	-6,00%

28.1.3 Post retirement gratuity plan

City of Johannesburg Metropolitan Municipality provides gratuities on retirement or prior death in respect of certain qualifying staff members who have service with the City of Johannesburg Metropolitan Municipality when they were not members of one of the retirement funds and who meet certain service requirements in terms of City of Johannesburg Metropolitan Municipality's conditions of employment. The gratuity amount is based on 1 month's salary per year of non-retirement funding service.

The above liability is unfunded. However, City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for the staff of City of Johannesburg Metropolitan Municipality who are entitled to benefits that relates to their service with the City of Johannesburg Metropolitan Municipality since the company was established. This amount was determined at 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest and against which the company may claim benefit payments made. This loan does not constitute a plan asset and in terms of IAS 19 cannot be offset against the liability. It has however been included in the assets of the City of Johannesburg Metropolitan Municipality.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	518,242	466,372	198,117	182,116
In respect of notional accounts for employees of ME's	-	-	290,082	292,333
	518,242	**466,372**	**488,199**	**474,449**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

28. RETIREMENT BENEFIT OBLIGATION (continued)

Movements for the year

Opening balance	466,372	444,197	182,116	170,931
Benefits paid	(36,545)	(40,054)	(19,367)	(20,032)
Net expense recognised in the statement of financial performance	88,415	62,229	35,368	31,217
	518,242	**466,372**	**198,117**	**182,116**

Net expense recognised in the statement of financial performance

Interest cost	39,937	37,252	15,572	14,683
Actuarial (gains) losses	48,478	24,977	19,796	16,534
	88,415	**62,229**	**35,368**	**31,217**

Notional loan account

Opening balance	-	-	292,333	298,177
Interest received	-	-	14,926	15,538
Benefits payments	-	-	(17,177)	(21,382)
Balance at end of year	**-**	**-**	**290,082**	**292,333**

Key assumptions used

Assumptions used on last valuation on 30 June 2013.

The principal actuarial assumptions used were as follows:

Discount rates used	8.60 %	8.60 %	8.60 %	8.60 %
Expected rate of return on assets	8.60 %	8.60 %	8.60 %	8.60 %
Expected increase in salaries	6.70 %	6.70 %	6.70 %	6.70 %

Sensitivity analysis

	Change in assumption		
	-1%	**0%**	**1%**
Liability	184,166	198,117	213,663
Percentage change	-7,60%	0%	7.85%

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

28. RETIREMENT BENEFIT OBLIGATION (continued)

CJMM and its ME's provide post-employment benefits to all their permanent employees through defined contribution funds. The following employee contributions have been made to the defined contribution plans.

City of Johannesburg Pension Fund	42,766	40,277
eJoburg Retirement Fund	130,465	119,366
Municipal Councillors pension Fund	9,765	8,770
National Fund for Municipal Workers	903	854
Soweto City Council Pension Fund	-	80
Municipal Employees Gratuity Fund	10,151	10,316
	194,050	**179,663**

The following employee contributions have been made to the multi-employer plans.

Joint Municipal Pension Fund	1,095	1,066
Municipal Employees Pension Fund	3,885	3,802
	4,980	**4,868**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

29. DEFERRED INCOME

Bond tap

Balance unspent at beginning of year	54,444	56,828	54,444	56,828
Conditions met - transferred to revenue	(2,640)	(2,384)	(2,640)	(2,384)
Conditions still to be met - transferred to liabilities	**51,804**	**54,444**	**51,804**	**54,444**

The Bond tap is a Bond issued into the life of an existing Bond. The Tap was issued at a premium on the prevailing interest rate at the time of the Tap. The premium is amortised over the maturity of the Bond and released to interest income on an annual basis.

The tap was issued on 09 December 2008, due to mature on 05 June 2023. The tap was issued at a premium of R58,038,692.00, at an interest rate of 12.21% per annum. The notional amount was R468,000,000.00 and the issue price was R526,038,692.00.

Deferred income related to advertising income received in advance

Balance at beginning of year	167	500	-	-
Conditions met - transferred to revenue	(167)	(333)	-	-
Conditions still to be met - transferred to liabilities	**-**	**167**	**-**	**-**

Deferred income represents advertising income received in advance amounting to R1,000,000 to be recognised over a 3 year period commencing 1 January 2010 and ending 31 December 2012.

Passenger trips received in advance

Balance unspent at beginning of year	4,366	3,228	-	-
Current year receipts	-	1,138	-	-
Conditions met - transferred to revenue	(260)	-	-	-
Conditions still to be met - transferred to liabilities	**4,106**	**4,366**	**-**	**-**

Deferred income refers to the liability relating to passenger trips sold in advance through the Smartcards Multi-Journey Software. The deferred income is released as and when the passengers present these cards on the buses and the bus operators issue a ticket accordingly.

Joshco Madulamoho Joint Venture (JM/JV) Grant

Balance unspent at beginning of year	27,420	30,427	-	-
Current year receipts	-	(2,093)	-	-
Conditions met - transferred to revenue	(914)	(914)	-	-
Conditions still to be met - transferred to liabilities	**26,506**	**27,420**	**-**	**-**

Commission received

Balance unspent at beginning of year	24,085	32,003	-	-
Conditions met - transferred to revenue	(6,655)	(7,918)	-	-
Conditions still to be met - transferred to liabilities	**17,430**	**24,085**	**-**	**-**

The above deferred income relate to commission received on the conclusion of the 5 year lease agreement relating to outdoor advertising and land sales transaction not yet finalised.

Total deferred income	**99,846**	**110,482**	**51,804**	**54,444**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

30. FINANCIAL LIABILITIES AT FAIR VALUE

During the financial year 2010/2011, CJMM entered into an interest rate swap by exchanging the Nedbank R1 billion 3 months JIBAR rate + 280 bsp for a 11.66% fixed interest rate.

Swap Details

Trade Date :	30 March 2011
Settlement Date:	29 March 2018
Nominal Amount:	R 1,000 (million)
Fixed Rate:	11.66%
Payable:	Semi- annual

Interest rate swap				
Opening balance	117,449	50,166	117,449	50,166
Swap fair value changes	(40,820)	67,283	(40,820)	67,283
Closing balance	**76,629**	**117,449**	**76,629**	**117,449**
ABSA Sinking fund				
Net liability (Refer to note 11)	2,422,528	3,525,626	-	-
Current liability	1,968,096	3,189,632	9,609	8,212
Non-Current liability	531,061	453,443	67,020	109,237
	2,499,157	**3,643,075**	**76,629**	**117,449**

31. CONSUMER DEPOSITS

Non Current portion of Consumer deposits				
Electricity and water deposits	438,706	441,806	-	-
Other deposits	26,402	15,688	26,402	15,688
	465,108	**457,494**	**26,402**	**15,688**
Current portion of Consumer deposits				
Other deposits	6,313	5,887	-	-

Consumer deposits relate largely to deposits held in the JPC Portfolio Account (R12,840,214.00). The balance relates to deposits held by Community Development and the Housing Department. All consumer deposits are non-current in nature.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

32. PROJECT FUNDS PAYABLE

Project funds				
Opening balance	10,026	15,718	-	-
Funding received for the year	393,565	461,557	-	-
Expenditure for the year	(397,951)	(467,249)	-	-
Closing balance	**5,640**	**10,026**	**-**	**-**

The project funds payable relates to funding that was previously received in advance from CJMM for the implementation of projects. The remaining balances represent the projects that were either implemented below the original estimated cost or recoveries that were received after the completion of the projects.

Except for the funds from the Industrial Development Corporation and Consitution Hill, these leftover funds are from original capex advances from the CJMM for the implementation of the related projects and are therefore due and payable to the CJMM.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

33. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

GROUP - 2013

	Financial liabilities at amortised cost	Total
Current Liabilities		
Loans and borrowings	625,164	625,164
Finance lease obligations	35,506	35,506
Deferred income	11,384	11,384
Trade and other payables	7,752,239	7,754,123
Consumer deposits	6,313	6,313
Non-Current Liabilities		
Loans and borrowings	11,399,462	11,399,462
Finance lease obligations	336,515	336,515
Deferred income	88,462	88,462
Consumer deposits	465,108	465,108
	20,720,153	**20,720,153**

GROUP - 2012

	Financial liabilities at amortised cost	Total
Current Liabilities		
Loans and borrowings	1,523,336	1,523,336
Finance lease obligations	37,724	37,724
Deferred income	12,102	12,102
Trade and other payables	5,789,048	5,789,048
Consumer deposits	5,887	5,887
Non-Current Liabilities		
Loans and borrowings	11,277,553	11,277,553
Finance lease obligations	368,875	368,875
Deferred income	98,380	98,380
Consumer deposits	457,494	457,494
	19,570,399	**19,570,399**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

33. FINANCIAL LIABILITIES BY CATEGORY (continued)

CORE - 2013

	Financial liabilities at amortised cost	Total
Current Liabilities		
Loans and borrowings	624,610	624,610
Finance lease obligations	36,138	36,138
Trade and other payables	8,275,997	8,275,997
Non-Current Liabilities		
Loans and borrowings	11,381,478	11,381,478
Finance lease obligations	323,758	323,758
Deferred income	51,804	51,804
Consumer deposits	26,402	26,402
	20,720,187	**20,720,187**

CORE - 2012

	Financial liabilities at amortised cost	Total
Current Liabilities		
Loans and borrowings	1,522,804	1,522,804
Finance lease obligations	38,845	38,845
Trade and other payables	5,467,092	5,467,092
Non-Current Liabilities		
Loans and borrowings	11,259,017	11,259,017
Finance lease obligations	351,846	351,846
Deferred income	54,444	54,444
Consumer deposits	15,688	15,688
	18,709,736	**18,709,736**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

34. OTHER REVENUE

Advertising	57,685	41,760	-	-
BRT revenue	74,558	56,717	74,558	56,717
Brokerage revenue	10,672	14,480	10,672	14,480
Bulk contributions received	41,449	34,465	-	-
Bus fares	114,683	107,572	-	-
Commissions received	304,146	296,973	-	-
Cut off fees	14,714	12,771	-	-
Demand site management levy	184,266	126,250	-	-
Developer funded asset income	203,228	192,272	-	-
Gautrain maintenance fees	7,151	4,259	-	-
Hiring of halls	6,375	5,956	6,375	5,956
IPM Settlement discount	-	115,054	-	115,054
Internal recoveries - ME's	-	-	460,584	579,706
Other subsidies	149	4,405	149	4,405
Recovery of insurance	2,954	4,431	1,326	2,950
Recovery of legal costs	1,223	1,341	1,223	1,341
Sundry revenue	381,453	691,409	187,226	264,754
Training revenue	11,429	7,445	10,390	5,513
	1,416,135	**1,717,560**	**752,503**	**1,050,876**

35. REVERSAL OF IMPAIRMENT

Other loans and borrowings	-	-	-	4,961

The reversal of impairment relates to repayments of loans impaired for PIKITUP. Refer to note 29 for detail on the loans.

36. SERVICE CHARGES

Other service charges	134,219	116,588	82,106	63,519
Refuse removal	963,666	890,487	750,496	669,741
Sale of electricity	12,214,776	11,831,619	-	-
Sale of water	3,973,745	3,136,732	-	-
Sewerage and sanitation charges	1,898,223	2,001,116	-	-
Surcharges : Electricity	6,835	125,281	139,980	125,281
Surcharges : Refuse	2,787	2,424	3,277	2,424
Surcharges : Water	25,847	31,226	35,709	31,226
	19,220,098	**18,135,473**	**1,011,568**	**892,191**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

37. PROPERTY RATES

Rates received

Residential	2,249,405	1,839,826	2,249,405	1,839,826
Commercial	3,715,484	3,441,982	3,715,484	3,441,982
State	51,087	50,782	51,087	50,782
Municipal	18,970	80,024	32,849	80,024
	6,034,946	**5,412,614**	**6,048,825**	**5,412,614**

Valuations

Residential	785,395,601	699,772,776	785,395,601	699,772,776

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

38. GOVERNMENT GRANTS AND SUBSIDIES

Provincial grants : Capital projects	84,189	231,449	-	86,832
Urban settlements development grant	1,367,187	1,471,677	1,367,187	1,471,677
Financial management grant	1,250	1,250	1,250	1,250
Provincial grants : Top structure of houses	137,590	112,539	137,590	112,539
Provincial grants : Operating projects	8,448	10,875	8,448	10,875
Gautrain grant	-	349	-	349
2010 Public transport (SPTN)	805,528	1,067,528	805,528	1,067,528
Neighbourhood development partnership grant	42,097	104,032	42,097	104,032
World Anti-Doping Agency (WADA)	10,387	-	10,387	-
Expanded Public Works Programme (EPWP)	61,312	144,964	61,312	144,964
Orange African cup of nations	20,763	-	20,763	-
Confederation cup	12,972	1,123	12,972	1,123
Ambulance subsidy	91,855	100,312	91,855	100,312
Equitable share and fuel levy	4,084,995	4,189,748	4,084,995	4,189,748
Provincial health subsidies	95,304	104,540	95,304	104,540
	6,823,877	**7,540,386**	**6,739,688**	**7,395,769**

Provincial grants : Capital projects

Balance unspent at beginning of year	102,057	105,817	100,576	100,216
Current year receipts	88,207	140,497	5,000	-
Previous years AUC - Capitalised	-	86,832	-	86,832
Adjustments	-	360	-	360
Conditions met - transferred to revenue	(84,189)	(231,449)	-	(86,832)
Conditions still to be met - transferred to liabilities	**106,075**	**102,057**	**105,576**	**100,576**

Conditions still to be met - remain liabilities (see note 26)

These grants are provided to finance Capital projects in respect of Social Services and Housing.

Urban settlements development grant

Balance unspent at beginning of year	76,439	19,614	76,439	19,614
Current year receipts	1,290,748	1,027,970	1,290,748	1,027,970
Adjustments	-	500,532	-	500,532
Conditions met - transferred to revenue	(1,367,187)	(1,471,677)	(1,367,187)	(1,471,677)
Conditions still to be met - transferred to liabilities	**-**	**76,439**	**-**	**76,439**

Conditions still to be met - remain liabilities (see note 26)

This grant is made available to support municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, primarily for the benefit of poor households.

Financial management grant

Current year receipts	1,250	1,250	1,250	1,250
Conditions met - transferred to revenue	(1,250)	(1,250)	(1,250)	(1,250)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

38. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Provincial grants : Top structure of houses

Balance unspent at beginning of year	84,760	11,984	84,760	11,984
Current year receipts	461,738	230,568	461,738	230,568
Transfers to debtors	-	(57,835)	-	(57,835)
Current year receivables	17,012	-	17,012	-
Adjustments	-	12,582	-	12,582
Conditions met - transferred to revenue	(137,590)	(112,539)	(137,590)	(112,539)
Conditions still to be met - transferred to liabilities	**425,920**	**84,760**	**425,920**	**84,760**

Conditions still to be met - remain liabilities (see note 26)

Provincial grants : Operating projects

Balance unspent at beginning of year	5,802	6,630	5,802	6,630
Current year receipts	9,872	10,047	9,872	10,047
Conditions met - transferred to revenue	(8,448)	(10,875)	(8,448)	(10,875)
Conditions still to be met - transferred to liabilities	**7,226**	**5,802**	**7,226**	**5,802**

Conditions still to be met - remain liabilities (see note 26)

These grants are provided to finance community projects.

Gautrain grant

Balance unspent at beginning of year	-	349	-	349
Conditions met - transferred to revenue	-	(349)	-	(349)
Conditions still to be met - transferred to liabilities	-	-	-	-

The purpose of this grant is to provide capacity support for the Gautrain Rapid Rail Link.

2010 Public transport (SPTN)

Balance unspent at beginning of year	492,387	449,898	492,387	449,898
Current year receipts	1,050,000	998,000	1,050,000	998,000
Previous years AUC - Capitalised	-	112,017	-	112,017
Conditions met - transferred to revenue	(805,528)	(1,067,528)	(805,528)	(1,067,528)
Conditions still to be met - transferred to liabilities	**736,859**	**492,387**	**736,859**	**492,387**

Conditions still to be met - remain liabilities (see note 26)

This grant is provided to finance 2010 Public Transport System.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

38. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Neighbourhood development partnership grant

Balance unspent at beginning of year	8,866	3,136	8,866	3,136
Current year receipts	48,000	60,277	48,000	60,277
Deferred income	-	(4,613)	-	(4,613)
Previous years AUC - Capitalised	-	54,098	-	54,098
Conditions met - transferred to revenue	(42,097)	(104,032)	(42,097)	(104,032)
Conditions still to be met - transferred to liabilities	**14,769**	**8,866**	**14,769**	**8,866**

Conditions still to be met - remain liabilities (see note 26)

The purpose of this grant is to stimulate and accelerate private sector investment in poor and underserved neighborhoods.

World Anti-Doping Agency (WADA)

Current year receipts	10,387	-	10,387	-
Conditions met - transferred to revenue	(10,387)	-	(10,387)	-
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	65	21,063	65	21,063
Current year receipts	140,615	69,498	140,615	69,498
Previous years AUC - Capitalised		7,887		7,887
Transferred to receivables	(46,579)	46,581	(46,579)	46,581
Conditions met - transferred to revenue	(61,312)	(144,964)	(61,312)	(144,964)
Conditions still to be met - transferred to liabilities	**32,789**	**65**	**32,789**	**65**

Conditions still to be met - remain liabilities (see note 26)

Orange African cup of nations

Current year receipts	25,500	-	25,500	-
Conditions met - transferred to revenue	(20,763)	-	(20,763)	-
Conditions still to be met - transferred to liabilities	**4,737**	**-**	**4,737**	**-**

Conditions still to be met - remain liabilities (see note 26)

Provincial grant : Jozi Ihlomihle (Hiv/Aids)

Balance unspent at beginning of year	13,971	-	13,971	-
Current year receipts	14,283	9,506	14,283	9,506
Current year receivables	-	5,588	-	5,588
Conditions met - transferred to revenue	(12,972)	(1,123)	(12,972)	(1,123)
Conditions still to be met - transferred to liabilities	**15,282**	**13,971**	**15,282**	**13,971**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

38. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Social housing foundation

Balance unspent at beginning of year	7,814	5,347	-	-
Current year receipts	34,372	2,467	-	-
Conditions still to be met - transferred to liabilities	**42,186**	**7,814**	**-**	**-**

This grant is used to subsidise the provision of basic services to indigent community members.

Ambulance subsidy

Current year receipts	91,855	88,312	91,855	88,312
Current year receivables	-	12,000	-	12,000
Conditions met - transferred to revenue	(91,855)	(100,312)	(91,855)	(100,312)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

Gauteng province pays an annual grant to EMS for providing an ambulance service for the City of Johannesburg. This grant covers less than half of the cost of the vehicles , the manning of the vehicles and all other costs associated with providing the service by the City.

Equitable share and fuel levy

Current year receipts	4,084,995	4,189,748	4,084,995	4,189,748
Conditions met - transferred to revenue	(4,084,995)	(4,189,748)	(4,084,995)	(4,189,748)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

Provincial health subsidies

Current year receipts	95,304	66,540	95,304	66,540
Current year receivables	-	38,000	-	38,000
Conditions met - transferred to revenue	(95,304)	(104,540)	(95,304)	(104,540)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

39. EMPLOYEE RELATED COSTS

Employee related costs : Salaries and wages	5,367,902	4,873,720	3,042,748	2,853,170
Employee related costs : Pension contributions	730,884	635,231	366,889	348,122
Employee related costs : Gratuities	21,200	20,058	19,105	19,704
Employee related costs : Medical aid contributions	261,856	239,588	241,412	222,191
Employee related costs : Skills development levy	50,004	44,363	36,421	33,466
Actuarial (gains)/losses	2,045	29,212	-	32,148
Housing benefits and allowances	32,960	31,748	21,816	21,557
Overtime payments	241,377	250,055	43,367	73,484
Bonus	316,903	381,921	179,249	243,411
Travel, motor car, accommodation, subsistence and other allowances	349,788	344,924	246,872	245,865
Less: Employee costs included in other expenses	75,763	25,333	73,021	23,659
	7,450,682	**6,876,153**	**4,270,900**	**4,116,777**

Remuneration of the City Manager

Annual Remuneration	2,562	2,589
Car Allowance	128	137
Performance Bonuses	-	143
Contributions to UIF, Medical and Pension Funds	-	39
	2,690	**2,908**

Remuneration of the Executive Director : 2010

Annual Remuneration	-	391
Car Allowance	-	71
Performance Bonuses	-	213
Contributions to UIF, Medical and Pension Funds	-	7
	-	**682**

This office is closed due to the finalization of the project.

Remuneration of the Executive Director : Central Planning Unit

Annual Remuneration	-	625
Car Allowance	-	69
Performance Bonuses	-	124
Contributions to UIF, Medical and Pension Funds	-	60
Eminence	-	53
	-	**931**

Remuneration of the Chief Information Officer

Annual Remuneration Annual Remuneration	-	1,987
Car Allowance	-	202
Performance Bonuses	-	72
Contributions to UIF, Medical and Pension Funds	-	196
Eminence Allowance	-	104
Acting Allowance	-	27
	-	**2,588**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

39. EMPLOYEE RELATED COSTS (continued)

Remuneration of the Group Head : Strategy, Policy Coordination and Relations

Annual Remuneration	931	-
Car Allowance	108	-
Performance Bonuses	50	-
Contributions to UIF, Medical and Pension Funds	95	-
Eminence	(5)	-
	1,179	**-**

Remuneration of the Group Head : Communication and Tourism

Annual Remuneration	1,323	959
Car Allowance	128	116
Contributions to UIF, Medical and Pension Funds	64	26
Eminence	72	131
	1,587	**1,232**

Remuneration of the Executive Head : Group Internal Audit

Annual Remuneration	1,368	1,282
Car Allowance	288	288
Performance Bonuses	-	110
Contributions to UIF, Medical and Pension Funds	34	2
	1,690	**1,682**

Remuneration of the Group Head : Legal and Contracts

Annual Remuneration	871	835
Car Allowance	86	82
Performance Bonuses	-	165
Contributions to UIF, Medical and Pension Funds	121	84
Eminence Allowance	-	161
	1,078	**1,327**

Remuneration of the Executive Director : Finance

Annual Remuneration	-	353
Car Allowance	-	12
Performance Bonuses	-	78
Contributions to UIF, Medical and Pension Funds	-	1
	-	**444**

Remuneration of the Executive Director : Economic Development

Annual Remuneration	1,742	678
Car Allowance	-	27
Performance Bonuses	-	112
Contributions to UIF, Medical and Pension Funds	-	1
	1,742	**818**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

39. EMPLOYEE RELATED COSTS (continued)

Remuneration of the Executive Director : Revenue and Customer Relations Management

Annual Remuneration			-	1,613
Car Allowance			-	101
Performance Bonuses			-	60
Contributions to UIF, Medical and Pension Funds			-	2
			-	**1,776**

Remuneration of the Executive Director : Community Development

Annual Remuneration			1,142	1,088
Car Allowance			86	57
Performance Bonuses			-	164
Contributions to UIF, Medical and Pension Funds			126	28
			1,354	**1,337**

Remuneration of the Executive Director : Development Planning and Urban Development

Annual Remuneration			923	977
Car Allowance			108	97
Performance Bonuses			-	147
Contributions to UIF, Medical and Pension Funds			45	12
			1,076	**1,233**

Remuneration of the Executive Director : Environmental Management

Annual Remuneration			266	1,504
Car Allowance			18	108
Performance Bonuses			-	262
Contributions to UIF, Medical and Pension Funds			-	2
			284	**1,876**

Remuneration of the Executive Director : EISD

Annual Remuneration			1,150	1,526
Car Allowance			78	153
Performance Bonuses			81	-
Contributions to UIF, Medical and Pension Funds			28	2
			1,337	**1,681**

Remuneration of the Executive Director : Housing

Annual Remuneration			1,130	724
Car Allowance			88	128
Performance Bonuses			-	15
Contributions to UIF, Medical and Pension Funds			88	12
			1,306	**879**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

39. EMPLOYEE RELATED COSTS (continued)

Remuneration of the Chief of Police

Annual Remuneration			765	1,083
Car Allowance			68	102
Performance Bonuses			43	179
Contributions to UIF, Medical and Pension Funds			114	163
Eminence Allowance			147	220
			1,137	**1,747**

Remuneration of the Executive Head : Emergency Management Services

Annual Remuneration			703	1,030
Car Allowance			-	27
Performance Bonuses			-	174
Contributions to UIF, Medical and Pension Funds			32	33
Eminence Allowance			-	18
			735	**1,282**

Remuneration of the Executive Director : Transportation

Annual Remuneration			1,596	1,508
Car Allowance			73	73
Performance Bonuses			-	184
Contributions to UIF, Medical and Pension Funds			239	228
			1,908	**1,993**

Remuneration of the Executive Director : Health

Annual Remuneration			1,655	1,562
Car Allowance			108	108
Performance Bonuses			-	325
Contributions to UIF, Medical and Pension Funds			-	2
			1,763	**1,997**

Remuneration of the Executive Director : Corporate Services

			1,583	1,697
Annual Remuneration			128	158
Car Allowance			-	107
Performance Bonuses			78	30
Contributions to UIF, Medical and Pension Funds			**1,789**	**1,992**

Remuneration of the Director : Office of the City Manager

Annual Remuneration			1,079	341
Contributions to UIF, Medical and Pension Funds			49	15
			1,128	**356**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

39. EMPLOYEE RELATED COSTS (continued)

Chief of Staff

Annual Remuneration	834	580
Car Allowance	75	-
Contributions to UIF, Medical and Pension Funds	84	89
Eminence	-	125
	993	**794**

Remuneration of the Group Head : Urban Management and Citizen Relationship Management

Annual Remuneration	743	-
Car Allowance	54	-
Performance Bonuses	79	-
Contributions to UIF, Medical and Pension Funds	69	-
	945	**-**

Remuneration of the Group Head : Governance

Annual Remuneration	606	-
Car Allowance	48	-
Contributions to UIF, Medical and Pension Funds	31	-
	685	**-**

Remuneration of the Chief Operations Officer

Annual Remuneration	2,171	-
Car Allowance	144	-
Contributions to UIF, Medical and Pension Funds	114	-
	2,429	**-**

Remuneration of the Council Secretary

Annual Remuneration	122	-
Car Allowance	7	-
Contributions to UIF, Medical and Pension Funds	3	-
	132	-

Remuneration of the Secretary of Council

Annual Remuneration	472	-
Car Allowance	43	-
Contributions to UIF, Medical and Pension Funds	24	-
	539	**-**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

40. REMUNERATION OF COUNCILLORS

Executive Mayor	1,052	995	1,052	995
Mayoral Committee Members	8,812	8,229	8,812	8,229
Speaker	855	829	855	829
Councillors	78,374	79,414	78,374	79,414
Councillors' pension contribution	7,859	8,824	7,859	8,824
Chairpersons	13,459	-	13,459	-
	110,411	**98,291**	**110,411**	**98,291**

Remuneration of the Executive Mayor - Parks Tau

Annual Remuneration	808	759
Car Allowance	128	128
Contributions to UIF, Medical and Pension Funds	133	48
Cell Allowance	40	-
	1,109	**935**

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are employed on a full-time basis by the Council.

Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor and Speaker have use of a Council owned vehicle for official duties.

The Executive Mayor has four full-time bodyguards. The Speaker has two full-time bodyguards.

41. DEPRECIATION AND AMORTISATION

Property, plant and equipment	1,711,777	1,591,831	1,132,559	1,121,758
Investment property	12,498	12,144	12,498	11,895
Biological assets	420	835	-	-
Intangible assets	273,107	185,017	223,753	148,998
	1,997,802	**1,789,827**	**1,368,810**	**1,282,651**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

42. IMPAIRMENT LOSSES

Impairments/(Reversal of impairments)				
Property, plant and equipment	10,002	5,498	-	-
Investment property	23	23	-	-
Intangible assets	4,072	375	-	-
Investments in Municipal Entities	-	-	29,103	126,245
Investments in Municipal Entities. These investments were impaired due to the possible absorption of these entities into the CJMM. For a more detailed description of these impairments, refer to Note 18				
Loans to Municipal Entities	-	-	22,398	142,384
The Pikitup Johannesburg (Pty) Ltd loan was fully impaired due to the technical insolvency that the entity was facing at year end. For a more detailed description of this impairment, refer to Note 4				
Inventories	3,761	2,148	-	-
Trade and other receivables	3,000	1,969	-	-
	20,858	**10,013**	**51,501**	**268,629**

43. ALLOWANCE FOR IMPAIRMENT OF CURRENT RECEIVABLES

Impairments	31,920	80	31,920	80
Allowance - Trade and other receivables	1,744,401	254,545	320,670	54,487
Allowance - Consumer debtors	2,631,823	2,191,143	920,807	377,954
Impairment loss - Trade and other receivables	(5,730)	9,044	(8,735)	14,779
Impairment loss - Consumer debtor	(1,554,258)	(263,189)	-	-
Reversal of allowance - Consumer debtors	2,553	14	-	-
	2,850,709	**2,191,637**	**1,264,662**	**447,300**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

44. BULK PURCHASES

Electricity	8,248,278	7,672,680	-	-
Water	2,839,333	2,465,733	-	-
Sewer purification	25,976	20,657	-	-
	11,113,587	**10,159,070**	**-**	**-**

45. CONTRACTED SERVICES

Information Technology Services	206,478	238,241	206,322	238,211
Fleet Services	542,539	600,665	49,919	57,551
Operating Leases	162,227	149,205	162,227	149,205
Specialist Services	740,585	766,581	748,054	766,201
Other Contractors	230,659	224,056	20,892	16,925
	1,882,488	**1,978,748**	**1,187,414**	**1,228,093**

Refer to note 50 for future operating lease commitments

46. GRANTS AND SUBSIDIES PAID

Grants paid to ME's	**-**	**-**	**10,726**	**-**
City of Johannesburg Property Company (Pty) Ltd	-	-	502,705	457,182
Johannesburg City Parks	-	-	24,308	24,110
Johannesburg Development Agency (Pty) Ltd	-	-	319,450	293,919
Johannesburg Metropolitan Bus Services (Pty) Ltd	-	-	495,047	445,300
Johannesburg Roads Agency (Pty) Ltd	-	-	16,900	17,764
Johannesburg Social Housing Company (Pty) Ltd	-	-	-	39,917
Johannesburg Tourism Company	-	-	34,596	51,775
Metropolitan Trading Company (Pty) Ltd	-	-	1,148,779	1,076,356
Pikitup Johannesburg (Pty) Ltd	-	-	10,134	9,853
Roodepoort City Theatre	-	-	26,724	26,818
The Johannesburg Civic Theatre (Pty) Ltd	-	-	22,887	42,793
The Johannesburg Zoo	-	-	10,000	-
The Soweto Theatre	**-**	**-**	**2,622,256**	**2,485,787**
Other subsidies				
Grant paid : Housing top structures	141,160	112,942	141,160	112,942
Grant paid : Other	11,648	18,868	11,648	18,868
Grant paid : Sporting Organisations (Marks Park Sports Club)	1,147	1,147	1,147	1,147
	153,955	**132,957**	**153,955**	**132,957**
	153,955	**132,957**	**2,776,211**	**2,618,744**

Grants paid to MEs are utilised to fund capital and operational expenditure.

The grants paid are based on the approved operating and capital budgeted amounts as approved by Council.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

47. GENERAL EXPENSES

Advertising	45,303	45,083	19,422	8,759
Auditors remuneration	46,914	39,557	19,306	19,574
Bank charges	68,984	66,580	58,977	56,402
Cleaning	13,268	20,038	-	-
Commission paid	42,040	38,882	-	-
Computer expenses	45,756	34,082	-	-
Conferences and seminars	16,362	10,890	15,555	5,048
Consulting and professional fees	177,241	144,313	46,445	49,731
Cost of inventories expense	128,076	137,293	14,256	14,273
Debt collection	274,046	248,477	194,137	170,949
Free electricity	2,360	3,226	-	-
Hire	4,943	9,627	4,546	8,522
Horticulture	14,516	14,421	-	-
Hostel charges	79	-	-	-
Incident management fund	36,338	33,230	36,338	33,230
Insurance	149,183	146,189	123,474	138,454
Lease rentals on operating lease	404,817	586,626	223,465	137,503
ME - charges	-	-	490,720	318,101
Marketing	50,040	49,244	27,806	27,231
Motor vehicle expenses	54,241	48,107	-	-
Other expenses	540,970	505,076	279,871	216,932
Placement fees	8,199	3,137	-	-
Post retirement expenses	97,272	95,010	97,272	95,010
Printing and stationery	182,898	143,665	127,213	76,656
Productions	14,760	7,741	-	-
Road maintenance	346,297	392,683	-	-
Security (Guarding of municipal property)	307,117	327,036	154,986	179,684
Settlement of contingent liability	-	10,000	-	10,000
Software expenses	49,041	32,993	23,816	25,484
Staff welfare	1,249	8,142	1	28
Subscriptions and membership fees	16,604	12,734	12,710	9,408
Telephone and fax	94,942	99,247	41,822	44,143
Training	35,064	34,010	22,095	23,386
Transport and freight	10,682	(3,685)	-	-
Travel - local	15,992	17,944	5,287	5,875
Travel - overseas	7,084	6,655	5,447	5,707
Utilities	412,708	686,628	533,637	486,559
	3,715,386	**4,054,881**	**2,578,604**	**2,166,649**

Included in other expenses are gaurantee fees relating to the COJ2 bond which is held at amortised cost.

Guarantee fees	10,392	9,884	10,392	9,884

48. FAIR VALUE ADJUSTMENTS

Other	(2,768)	(16,331)	-	-
Other financial assets				
• Fair value movement on the sinking fund	159,619	109,324	159,619	109,324
• Cash flow hedge (Ineffective portion)	3,080	771	3,080	771
	159,931	**93,764**	**162,699**	**110,095**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

49. CASH GENERATED FROM OPERATIONS

Surplus	3,514,186	4,997,009	1,207,797	2,884,078
Adjustments for:				
Depreciation and amortisation	1,997,802	1,789,828	1,368,819	1,282,658
(Loss) gain on sale of assets and liabilities	(1,743)	55,153	38,949	60,488
Taxation paid	33,805	(35,980)	-	-
Debt impairment	2,850,709	2,191,637	1,264,662	447,300
Interest earned - outstanding debtors	(156,277)	(124,708)	(99,276)	(73,892)
Impairment deficit	14,097	5,896	-	-
Impairment of me loans	-	-	-	(4,961)
Grant income not recognised for asset under construction	(89,946)	(761,366)	-	(761,366)
Deferred income	(10,636)	(12,504)	(2,640)	(2,384)
Equity share in associate	(2,226)	71	-	-
Investment movement	1,252,097	(3,571,582)	211,493	(108,036)
Borrowings	(459,079)	(33,173)	(458,549)	(3,917)
Other non-cash items	45,835	(1)	2	-
Post retirement benefits	213,364	185,744	172,558	150,165
Provisions	(82,993)	69,251	(15,219)	20,846
Changes in working capital:				
Inventories	(31,694)	(75,528)	(5,664)	18,647
Trade and other receivables	87,404	227,151	(608,111)	1,343,399
Other receivables from non-exchange transactions	46,785	(45,656)	46,580	(46,580)
Consumer debtors	(2,787,903)	(2,776,107)	(1,135,667)	(840,996)
Trade and other payables	1,817,578	(184,109)	2,754,010	(1,081,377)
VAT	(201,355)	(100,787)	(39,464)	37,387
Obligations arising from conditional grants and receipts	603,158	158,682	558,423	170,524
	8,652,968	**1,958,921**	**5,258,703**	**3,491,983**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

50. COMMITMENTS

Commitments in respect of capital expenditure:

Authorised and not yet contracted for				
• Infrastucture	5,112,265	3,105,321	999,677	1,042,866
• Community	276,186	100,200	216,977	100,200
• Other	909,087	183,055	868,526	165,055
• Heritage	7,724	15,100	7,724	15,100
• Investment property	1,000	-	1,000	-
	6,306,262	**3,403,676**	**2,093,904**	**1,323,221**
Authorised and contracted for				
• Infrastructure	1,133,997	799,734	866,389	559,506
• Community	50,000	28,558	50,000	28,558
• Other	104,813	29,600	104,813	29,600
	1,288,810	**857,892**	**1,021,202**	**617,664**
	7,595,072	**4,261,567**	**3,115,106**	**1,940,885**
This expenditure will be financed from:				
External Loans	1,458,631	785,000	772,701	274,300
Capital Replacement Reserve	1,593,087	69,303	804,830	11,142
Government Grants	2,895,582	2,561,606	1,516,645	1,650,443
Internal cash	1,569,742	825,658	-	-
District Council Grants	78,030	20,000	20,930	5,000
	7,595,072	**4,261,567**	**3,115,106**	**1,940,885**
Operating leases - as lessee (Fleet)				
Minimum lease payments due				
- within one year	62,580	196,881	49,469	-
- in second to fifth year inclusive	149,225	1,513,954	96,258	-
- later than five years	3,378	-	2,074	-
	215,183	**1,710,835**	**147,801**	**-**
Operating leases – as lessee (Buildings)				
Minimum lease payments due				
- within one year	469,695	786,365	46,437	63,219
- in second to fifth year inclusive	1,724,805	1,716,692	48,530	67,988
- later than five years	1,235,480	1,527,215	2,309	2,608
	3,429,980	**4,030,272**	**97,276**	**133,815**

Lease payments made throughout the year by respective Departments and ME's are included in the Statement of Financial Performance under General Expenses, refer to Note 47.

JPC: Operating lease payments represent rentals payable by the entity for its office properties. Leases are negotiated for an average term of 9 years, 11 months and rentals are subject to yearly escalations. No contingent rent is payable.

WATER: Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable. Lease agreements over office properties are subject to escalation clauses.

JRA: Operating lease payments represent rentals payable by the entity according to the rental agreement. The lease is for 6 months and is expiring in September 2013. No contingent rent is payable.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

50. COMMITMENTS (continued)

Joshco; Operating lease payments represent rentals payable by the company for its Head office premises. Leases are negotiated for an average term of three years and rentals are fixed for one year and subject to escalation clauses. No contingent rent is payable Other than the details provided above, management is not aware of any further contingencies.

POWER: Operating lease payments represent rentals payable by the company for certain of its motor vehicles, office equipment and the capacity rights for the supply of electricity from Kelvin Power station. None of these leases are subject to escalation.

CJMM: Operating lease smoothing and calculations are based on the contracts relating to operating leases of buildings held in the various Departments of the CJMM. The average leasing term for the CJMM is 4 years and the average escalation rate is 9%. Restrictions imposed on lease agreements are limited to those contained in individual contracts. A complete register of operating leases, as well as all the contracts are maintained by facilities management.

Operating leases – as lessee (Office equipment)

Minimum lease payments due				
- within one year	668	40	-	-
- in second to fifth year inclusive	-	30	-	-
	668	**70**	**-**	**-**

Operating leases – as lessor (income)

Minimum lease payments due				
- within one year	8,376	8,013	-	-
- in second to fifth year inclusive	3,638	7,443	-	-
- later than five years	-	2,897	-	-
	12,014	**18,353**	**-**	**-**

JDA: The operating lease income relates to rental of the Bus Factory offices to tenants. The lease agreements general period is three years and is based on a rental fee per square metre of rental space.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

51. CONTINGENCIES

GROUP

Roodepoort City Theatre

Subsequent to the disciplinary hearing in respect of the Irregular expenditure referred to in Note 28, civil proceedings have commenced against the employees concerned to recover an amount of R477,035.68. It is probable that the proceedings will result in the recovery of the full amount but this recovery is virtually uncertain.

Johannesburg Roads Agency (Proprietary) Limited

These are legal claims that have arisen in the normal course of business and represent the possible amounts that could be awarded should the claims succeed against the entitiy. No provision has been made as management believes the claims will not succeed. The amounts have been based on attorneys' best estimates of the possible amount payable and are subject to interest at 15.5% from commencement date of the litigation. Refer to cases below:

Baledi Engineering solutions and Tsurikomi Engineering solutions (Questioning non appointment to the panel). The amount involved cannot be quantifiable.(2013).

Witwatersrand Estates Ltd and others (interdict to stop construction of a road and reinstatement of the property to its initial state). Amount involved current year not quantifiable (2013).

Thabang Johannes Mogashoa and Others v/s JRA (A group of residents around Diepkloof Extension 10 are complaining about flooding of their properties due to the seepage which its ground water comes to the surface and flows to the river). They allege that the see page is so severe in such that it affects their houses. Amount invloved current year not quantifiable (2013).

- Pipe Jack v JRA (Claim for unpaid invoice) - Amount involved R1,000,000.00
- Hetta Eiendoms Bpk v JRA (Claim for specific performance / Alleged damage to property due to construction).

Amount involved R1,500,000.00. -
Midnight Moon Trading (Pty) Ltd (Dispute on quality of work). Amount Involved R3,870,167.00. -
Mvelase matter vs JRA (JRA employees are jointly suing the company for injury to reputation, inconvenience, deprivation of dignity and privacy). Amount involved R2,500,000.00

The Johannesburg Fresh Produce Market (Proprietary) Limited

The company is currently involved in various legal proceedings against it. Certain of these proceedings are long outstanding, the company in consultation with its legal counsel has assessed the outcome of these proceedings and the likelihood that certain of these cases are not likely to be in the company's favour. Following this assessment the company's management has determined that no provision is required in respect of these legal proceedings as at 30 June 2013. The total estimated claims amount to R81,466,349.00 which is in respect of disputes with employees and suppliers.

The entity is involved in two (2) litigation matters and disputes relating to the dismissal of former employees. One (1) case has been lodged with the Labour court and one (1) with the Labour Appeal court. Both of the cases have been brought forward from prior years. The estimated exposure is unknown at this stage. The directors are of the opinion that the claims can be successfully defended by the company.

There are several potential claims and disputes against the entity, the outcome of which cannot at present be foreseen or reliably measured. The claims and disputes arise due to termination of contracts due to poor performance, possible noncompliance with procurement and SCM policies and possible fraud within the entity and relates to a number of suppliers or contractors.

There are also several uncertainties relating to the claims and disputes resulting from the litigation process which includes inter alia determination of possible value received and non-compliance with procurement and SCM policies.

Metropolitan Bus Services (Pty) Ltd

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

51. CONTINGENCIES (continued)

There are several labour disputes that exist between Metrobus and ex-employees. Should the disputes be settled in favour of the former employees, management estimates Metrobus could incur or be liable for claims of backpay up to R250,000. At this moment the disputes are still uncertain.

City Power (Pty) Ltd

The company has an ongoing legal action instituted by Grinpal Energy Management for the company to absorb its employees in term of section 197 of the LRA. An appeal process is underway after the applicant has obtained a Court Order compelling the company to absorb the employees.The potential liabilty is estimated at R750,000.00.

Litigation by Nicolaas Ligt 10122 cc a supplier is in progress relating to demages for alleged breach of contract by the company for failure to pay for services rendered. The potential liability is R4,268,499.00. An out of court settlement is being negotiated with the supplier. The liability has subsequently been settled.

The company has an ongoing legal dispute with the Labour union regarding non-payment of bonuses to employees for the 2012 financial year. The potential liabitlty is estimated to be R28,163,994.00.

ABB South Africa has launched legal action against the company on the basics of an irregular award of a tender. It is alleged that the consultant appointed by the company interfered with the tender process to the detriment of the applicant. The matter is being defended and potential liability is still unknown.

City Power is currently claiming consumer debtor impairment at 100% as a tax deduction. South African Revenue Services has approved a deduction of 25%. City Power is appealing the decision of the Receiver. The potential liabitity is estimated to be R160,000,000.00.

City Parks (Pty) Ltd

There is a claim against the company for possible contractual non-performance brought by Full Circle Construction for R1,707,733.90. The company has opposed the matter and filed a defendant's plea. There is a claim against the company for restitution of land brought by A Million Up Investments 81 (Pty) Ltd for R17,812.50.

Summons have been instituted against Lindie Lombard and Sonwabiso Maduna for the amount of R22,000.00.

There is a claim against Boogy Tymz for an amount of R454,746.00. The matter is proceeding in the South Gauteng High Court.

Johannesburg Development Agency (Pty) Ltd

The JDA has entered into legal proceedings regarding the relocation of illegal occupants in various buildings around the Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations areunderway with illegal occupants to settle the matter out of court. Progress made in 2012 - Some of the illegal occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The few that would be left because of inability to meet monthly rental payments will be accomodated by the Department of Housing.

The CJMM and the JDA were served with a summons by Tembu Convenience Centre CC, trading as a convenience store and Engen Fuel dealership, for loss of income amounting to more than R17,000,000.00, as a result of BRT construction works. The City has filed its papers defending the matter in the South Gauteng High Court. The trial date is set for 31January 2014.

Up to May 2008, there was a thinking that the JDA was regarded as an agent and not the principal and thus was not allowed to account for Output and Input Value Added Tax on capital expenditure funded by the City of Johannesburg on projects rolled out by the JDA. This view was upheld in a ruling issued by the South African Revenue Service dated February 2008, with reference number TCS01/2008.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

51. CONTINGENCIES (continued)

Subsequent to the said ruling, and further engagement with the South African Revenue Service through Deloitte, a second ruling by SAR dated 13 May 2008, stated the following: "The JDA acted as a principal and not an agent on behalf of the COJ. Further, the payments received by JDA constituted of consideration for a taxable supply which is subject to VAT at the standard rate in terms of section 7 (1) (a) of the VAT Act. Furthermore, JDA should have accounted for output tax on the receipt of the consideration for those services and could have been permitted to claim the VAT incurred on goods and services, pertaining to the agreement, as input tax." SARS requested the JDA to recalculate VAT for all the periods starting with the 2002 year through to 30 June 2007.

Deloitte were appointed by the JDA to calculate the net Value Added Tax payable to/ receivable from the South African Revenue Service for the periods 2002 to 2007.

A provision for Value Added Tax payable of R8,261,946.00 was raised in the financial statements in 2008/09.

During the 2011 financial year, an amount of R7,848,985.00 was paid over to SARS based on calculations prepared by Deloitte. In June 2012, SARS conducted an audit of the work performed by Deloitte after which an assessment will be issued. A final assessment has still not been issued by the South African Revenue Service. Based on the payments made, no provision has been raised in the annual financial statements until the final assessment has been received.

Subsequent to the forensic investigations in respect of the fruitless and wasteful expenditure referred to in Note 36, an insurance claim has been submitted to recover an amount of R2,935,688.00. According to forensic investigators, it is probable that the proceedings will result in the recovery of the full amount.

Johannesburg Social Housing Company (Pty) Ltd

For the financial year, the sole shareholder, made available capital infrastructure development to the value of R134,520,000.00. These funds were obtained through various Goverment Grants through the City of Johannesburg. In addition, JOSHCO secured funding from the Social Housing Regulatory Authority (SHRA) and Provincial Housing Subsidies on the development of the Fleurhof Junction project to the value of R38,000,000.00. The development related to social housing and infrastructure in Anthea, AA House, Klipspruit, Randburg Selkirk, City Deep, Orlando Ekhaya, Selby Village, Fleurhof, Roodepoort, Bellavista, Dobsonville, Lombardy East, Turffontein and Lynatex. For the year, R160,706,733.00 expenditure was incurred for the development of these projects. A marginal amount of R11,813,267.00 remains as a contingent claim by contracted developers for the project.

Operating lease payments represent rentals payable by the company for its Head office premises. Leases are negotiated for an average term of three years and rentals are fixed for one year and subject to escalation clauses. No contingent rent is payable.

Pikitup (Pty) Ltd

Freehold land, buildings and servitudes purchased from The City of Johannesburg Metropolitan Municipality in terms of the sale of business agreement, have not as yet been transferred into the name of Pikitup Johannesburg SOC Ltd. Transfer duties might be payable by the company on the transfer of property. It is not possible to estimate an expected amount.

The company has a contingent liability to the value of R10,300,000.00 in respect of disputed claims with respect to service providers.

CORE

Uninsured claims & litigations

Five Plaintiffs brought action against the Council in the 1990's, arising from major road and other construction works at the Empire Interchange, around the suburbs of Braamfontein, Milpark, Cottesloe, Melville, Parktown West, Emmarentia and Richmond. They allegedly suffered damages as a result of the Council having closed the road. (This claim was originally for R4,146,583.00 the majority of which was for loss of earnings). The approximate amount that the plaintiff could now claim would be in the order of approximately R500,000.00.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

51. CONTINGENCIES (continued)

Claim for damages for R10,000,000.00 in respect of relocation of homeless people. The Plaintiff sued the City allegedly because the City relocated homeless people onto the Defendant's property without his consent, making it impossible for him to develop the property.

Claim for damages against the COJ amounting to R11,668,746.00. The claim is based on an alleged breach of contract in that the City has allegedly failed to use its "best andeavors" to have the property transferred to the plaintiff.

Claim for R50,000,000.00 for services rendered in terms of contract for the provision of red light violation services. The matter was referred to arbitration.

Claim for at least R39,000,000.00 plus legal costs in respect of monies allegedly owing by the City of Johannesburg to a previous service provider for IT services rendered.

The Plaintiff instituted action against the City for wrongful termination of contract. It sought relief twofold, to uphold the contract, alternatively damages in the sum of R33,150,639.30. The matter was referred to arbitration, the plaintiff is however refusing to sign the arbitration agreement. The City is prepared to proceed with the arbitration however the Plaintiff has not taken any further steps for more than one year now.

The City appointed a service provider (a joint venture) to construct 1000 low cost RDP houses. The one partner to the JV subsequently ceded its rights and obligations in terms of the JV agreement to the other partner, which the City was not party to. The latter partner then only concluded 385 foundations. After various opportunities to remedy the defects, the City terminated the contract. A dispute was declared and the matter referred to arbitration in terms of the JBCC agreement for the sum of R29,406,592.00.

The City is being sued in the amount of R52,000,000.00 by a firm of consulting engineers who claim they were not paid for work done in the construction of a stadium for the 2010 Soccer World Cup in full and final settlement of all claims with regard to this contract.

Claim for unpaid services plus interest in the amount of R3,467,826.82. A tender in the amount of R1,976,616.08 plus interest and costs was made to the court. The City is disputing the difference between the amount being claimed and the amounts as per the tender.

Contingencies arising from pending litigation on wage curve agreement

On 21 April 2010 SALGA signed the "Categorisation and job evaluation wage curves collective agreement" (wage curve agreement) with IMATU and SAMWU on behalf of municipalities. The agreement established the wage curves and wage scales to be used by municipalities in determining the wages of municipal employees, based on an evaluation of employees' jobs per the TASK job evaluation system.

Subsequent to the signing of the agreement, the Unions declared a dispute with the agreement. The dispute was referred to the Labour Court and the Court delivered a ruling on 22 June 2012 that employees receive a salary increase backdated with effect from 1 July 2010 instead of 1 July 2011. SALGA, on behalf of municipalities, applied for leave to appeal this ruling and was granted the right to appeal against the judgement on 29 August 2012. To date this Labour Court of Appeal case has not been finalised.

In order to implement the CJEWCC (Categorisation and Job Evaluation Wage Curve Collective Agreement), it is a rerequisite that all municipalities must have finalised and signed off job descriptions as provided by the TASK Job Evaluation Collective Agreement.To implement the CJEWCC the CoJ therefore first had to convert to the TASK Job Evaluation System from the HAY Job Evaluation and JE Manager Job Evaluation System.

The dispute that the Unions declared meant that the CJEWCC could not be implemented. However, the City continued with the process to prepare for the implementation and to this end had started to do the conversion to the TASK Job Evaluation System. There were some challenges in this process since Labour had stopped participating in the CoJ Principal Job Evaluation Committee. The CoJ managed to submit a large number of Job Descriptions the SALGBC Gauteng Principal Job Evaluation Committee (GPJEC) for benchmarking and the issuing of a Provisional Outcomes Report (POR).

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

51. CONTINGENCIES (continued)

Due to capacitation problems at the GPJEC the Job Evaluations and Provisional Outcomes Report (POR) were delayed and the City eventually obtained approval to use a correlation table that can be used to correlate the HAY and JE Manager Job Evaluation outcomes to the TASK Job Grading Results.

The City further made the required configuration changes to the Payroll System for implementation upon the resolution of the dispute. As part of SALGA we await the outcome of the Labour Court.

As a result of the uncertainties arising from the dispute declared by the unions and the pending litigation regarding the wage curve agreement, the municipality may have an additional receivable/ payable for employee wages, depending on the outcome of the pending litigation. The amount of the obligation cannot be measured with sufficient reliability due to the requirement of the CJEWCC, that all positions must be graded according to the TASK Grading System. Once a TASK Grade is established the individual employee's grading must be compared to a TASK Grading table and placed into 1 of 26 grading results. The applicable salary for the grading result must then be compared to the Employee's salary and the Employee's salary must then be adjusted to the applicable notch salary. There are several rules attached to the adjustment of the employee's salary. In order to implement this each employee's salary must be compared to the TASK notch and without the applicable TASK Grading per Job, the calculations of the liability amount cannot be accurately calculated.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Statement of Financial position

CJMM - Trade and other receivables	(249,764)	(249,764)
CJMM - Inventories	11,176	11,176
CJMM - VAT receivable	31,335	31,335
CJMM - Finance lease receivables	123,864	123,864
CJMM - Investment property	(4,170)	(4,170)
CJMM - Property, plant and equipment	958,205	958,205
CJMM - Intangible assets	13,664	13,664
CJMM - Consumer debtors	(287,341)	(287,341)
CJMM - Receivables from non- exchange transactions	46,580	46,580
CJMM - Heritage Assets	547,141	547,141
CJMM - Provisions	58,953	58,953
CJMM - Other financial assets	(2,505,624)	(2,505,624)
CJMM - Other financial assets at fair value	2,531,850	2,531,850
CJMM - Non current assets held for sale	(136,606)	(136,606)
CJMM - Loans and borrowings	24,417	24,417
CJMM - Finance lease obligation	(312,090)	(312,090)
CJMM - Trade and other payables	131,667	131,667
CJMM - Obligations arising from conditional grants and receipts	3,924	3,924
CJMM - Financial liabilities at fair value	(117,449)	(117,449)
CJMM - Accumulated surplus	(921,948)	(921,948)
CJMM - Cash and cash equivalents	97	97
CJMM - Interest rate Swap liability	108,114	108,114
CJMM - Loans to Municipal Entities	1	1
CJMM - Investments in Municipal Entities	(20,218)	(20,218)
WATER - Property, plant and equipment	6,795	-
WATER - Finance lease obligation	(8,948)	-
WATER - Trade and other payables from exchange transactions	1,657	-
WATER - Trade and other receivables from exchange transactions	(214,985)	-
PIKITUP - Opening accumulated surplus	859	-
PIKITUP - Property, plant and equipment	60,685	-
PIKITUP - Finance lease obligation	(62,122)	-
PIKITUP - Payables from exchange transactions	237	-
PIKITUP - Loan to shareholder	1,531	-
PIKITUP - Commercial debtors	(4,335)	-
JOSHCO - Loans from group companies	1,342	-
JRA - Property, plant and equipment	9,266	-
JRA - Trade and other payables from exchange transactions	4,935	-
JRA - Trade and other receivables from exchange transactions	(23,328)	-
JRA - Finance lease obligation	(9,402)	-
PROPERTY - Payables from exchange transactions	(1,940)	-

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

PROPERTY - Opening accumulated surplus	(106)	-
JDA - Property, plant and equipment	760	-
JDA - Intangible assets	501	-
JDA - Finance lease obligation	(61)	-
JDA - Deferred tax liability	(375)	-
JDA - Trade and other receivables	10	-
JDA - VAT	(38)	-
MTC - Property, plant and equipment	691	-
MTC - Taxation payable	3,109	-
MTC - Loans from shareholders	(250)	-
MTC - Trade and other payables	74	-
MBUS - Inventories	(2,618)	-
MBUS - Trade and other payables from exchange transactions	(5,766)	-
MBUS - Opening accumulated surplus	(56)	-
MBUS - Property, plant and equipment	1,362	-
MBUS - Financial Liability	(1,038)	-
CITYPARKS - Property, plant and equipment	13,836	-
CITYPARKS - Finance lease obligation	(15,345)	-
CITYPARKS - Trade and other payables from exchange transactions	(355)	-
CITYPARKS - Trade and other receivables from exchange transactions	2	-
RCT - Opening accumulated surplus	(352)	-
RCT - Property, plant and equipment	308	-
TOURISM - Other receivables	15,739	-
TOURISM - Cash and cash equivalents	(15,739)	-
POWER - Deferred tax	32,488	-
POWER - Trade and other payables from exchange transactions	(10,928)	-
POWER - Trade and other receivables from exchange transactions	(115,866)	-
POWER - Property, plant and equipment	10,765	-
CHC - Trade and other receivables	(6,188)	-
CHC - Cash and cash equivalents	(489)	-
CHC - Property, plant and equipment	(10,163)	-
CHC - Current tax payable	528	-
CHC - Trade and other payables	2,055	-
CHC - Accumulated surplus	14,257	-
	(291,880)	35,778

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Statement of financial performance		
CJMM - Property rates	(126,863)	(126,863)
CJMM - Service charges	(26,080)	(26,080)
CJMM - Interest received	(77,120)	(77,120)
CJMM - Sale of housing stock	14,693	14,693
CJMM - Other revenue	17,359	17,359
CJMM - Gains on disposal of assets	(65,990)	(65,990)
CJMM - Depreciation and amortisation	(63,347)	(63,347)
CJMM - Net impairment losses	121,971	121,971
CJMM - Finance costs	8,839	8,839
CJMM - Allowance for impairment of current receivables	(6,740)	(6,740)
CJMM - Contracted services	66,774	66,774
CJMM - Loss on disposal of assets	69,377	69,377
CJMM - Cost of housing sold	(21,408)	(21,408)
CJMM - General Expenses	(10,078)	(10,078)
CJMM - Fair value adjustments	134,091	134,091
CJMM - Loss on non-current assets held for sale or disposal groups	300	300
WATER - Finance cost	(6,481)	-
WATER - Operating Expenditure	(59,325)	-
WATER - Finance income	55,770	-
WATER - Revenue	(194,495)	-
WATER - Cost of sales	(10,950)	-
PIKITUP - Rent	(271)	-
PIKITUP - Finance Cost	(2,190)	-
PIKITUP - COJ fleet services	9,442	-
PIKITUP - Depreciation	(6,650)	-
PIKITUP - Revenue	(3,476)	-
JOSHCO - General expenses	1,342	-
JRA - Revenue	(23,328)	-
JRA - Contractors general	4,918	-
JRA - Depreciation	(480)	-
JRA - Finance cost	(321)	-
JRA - Operating lease rental	665	-
JRA - General expenditure	17	-
PROPERTY - Revenue	(1,930)	-
PROPERTY - Operating expenses	(773)	-
JDA - Depreciation and amortisation	1,261	-
JDA - Finance costs	7	-
JDA - Taxation	(374)	-
JDA - General expenses	(455)	-
JDA - Administration	350	-
JDA - Revenue	8	-

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

MTC - General expenses	1,113	-
MTC - Taxation	1,996	-
MTC - Loss on disposals of assets	774	-
MTC - Depreciation and amortisation	(259)	-
MBUS - Insurance expense	(5,766)	-
MBUS - General expenses	(2,350)	-
CITYPARKS - Finance cost	(541)	-
CITYPARKS - Depreciation	(1,305)	-
CITYPARKS - Revenue	2	-
CITYPARKS - External services	(18)	-
RCT - Depreciation and amortisation	(44)	-
POWER - Revenue	(115,866)	-
POWER - Operating Lease	1,632	-
POWER - Depreciation	(1,405)	-
POWER - Finance cost	(390)	-
POWER - Taxation	32,488	-
	(291,880)	**35,778**

52. PRIOR PERIOD ERRORS (continued)

The correction of the error(s) results in the restatement of comparative figures as follows - Group - 2013

Johannesburg Water SOC Limited

Finance Lease - During the current financial year Johannesburg Water Entity discovered that the retained earnings, property, plant and equipment and finance lease obligation were incorrectly stated due to the fleet rental agreement between COJ and Johannesburg Water Entity which was initially treated as operating leases. The finance cost resulting from the finance lease obligation was understated and the depreciation resulting from the property, plant and equipment was also understated.

Trade and other receivables from exchange transactions - The City of Johannesburg Metropolitan Municipality has subsequently recalculated the accrual value and this amounted to a reduction in revenue for the 2012 financial year, comparatives have been adjusted.

The company has historically been discounting trade receivables and trade payables on normal credit terms (i.e.: 30 days). This was inconsistent with the accounting framework (GRAP), circular 09/2006 and common business practice, thus is has now been corrected.

Finance costs - Interest on impaired accounts was previously disclosed under Operating expenses on the Statement of Financial Position. More specifically it was accounted for as a set off against the allowance for impairment (bad debt). This practice is not permitted in term of GRAP 1. The effect of the incorrect treatment was that the allowance for impairment (bad debt) and the interest on overdue accounts were not accurately disclosed in the current and prior year's financial statements to reflect the substance of the transaction. This has now been corrected by accounting for the interest in impaired accounts under Interest Revenue on the Statement of Financial Position. The correction for prior periods is set out below.

Pikitup Johannesburg SOC Limited

During the current financial year Pikitup discovered that the retained earnings, property plant and equipment and finance lease obligations were incorrectly stated due to fleet rental agreement between Pikitup and COJ which was initially treated as operating leases. The finance cost resulting from the finance lease was understated and the depreciation resulting from the property, plant and equipment was also understated.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Johannesburg Social Housing Company SOC Limited

Correction of a prior period error resulting from a credit note received from COJ for rates and taxes that was not supposed to be billed initially as the property are capitalised in the books of COJ.

This resulted in a decrease in Intercompany loans of R1 342 004 and a decrease in municipal charges of R1 342 004.

Johannesburg Roads Agency SOC Limited

The adjustments mentioned below is based on services of prior financial year:

Provision for invoices under dispute:
The raising of Roadmark/KYK JV invoices which was not accrued due to a dispute between the contractor and JRA total amount raised R4 497 295.
The raising of TP Building services for invoices under dispute which were not accrued for, amount raised R1 010 909.
The correction of expenses which were incorrectly accrued, amounts involved are (R82 325) and (R395 794)
The correction of a payroll disbursement (R102 040)
The correction of payments in advance, amount involved are R326 513 and R776 666.
The correction of JPC related party creditor, amount involved R17 050.
The correction of subsidy to align to approved subsidy R4 620.

Developers contribution:
The reclassification of developers contribution liability to equity, amount reclassified amounts to R23 323 633 .

52. PRIOR PERIOD ERRORS (continued)

During the current financial year Johannesburg Roads Agency discovered that the retained earnings, property, plant andequipment and finance lease obligation were incorrectly stated due to the fleet rental agreement between COJ andJohannesburg Roads Agency which was initially treated as operating leases. The finance cost resulting from the finance lease obligation was understated and the depreciation resulting from the property, plant and equipment was also understated.

City of Joburg Property Company SOC Limited

Trade and other payables - Commission relating to land sales transaction was not recognised in the income statement when the property was transferred. This amount has been corrected and reflected as income. Reversal of accrual for directors emoluments. This was raised as an audit adjustment by MTC in the 2011/12 financial year. Impairment loss - The impairment on furniture and fittings was reversed as the assets have been disposed of.

Finance lease assets - The asset was incorrectly disposed of in the previous financial year when it was send back to supplier for repair and it has been subsequently brought back into use.

Non-current assets - Assets were incorrectly depreciated in the prior. This was discovered upon recalculation using the new fixed asset module on the Nicor accounting software currently in use by the finance department.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Johannesburg Development Agency SOC Limited

The correction of the error(s) results in the restatement of comparative figures as follows:

The restatement of the finance lease obligation was due to an error identified in the amortisation of the finance leases. The net change resulted in an increase in interest paid for finance leases in the prior year.

The restatement of the property, plant and equipment and intangible assets was as a result of restating the prior year carrying values for a reassessment of the useful lives. This resulted in a prior year adjustment as these assets had carrying values of Rnil.

The restatement of the loss adjustment due to further investigation that the fraud identified in the current year had a prior year financial impact.

Metropolitan Trading Company SOC Limited

Property, plant and equipment - A fixed asset verification was performed and it was found that many of the assets on the fixed asset register did not exist at year end as they could not be physically verified. This resulted in a decrease of R774 064 in cost and R259 014 in accumulated depreciation (Net book value: R515 050). Assets that were found had their uselives changed according to the condition they were in resulting in a reduction in depreciation of R259 014. During the fixed asset verification assets were discovered that were not on the register, a valuator was consuklted to provide values on these assets. A final value of R176 300 was established on all assets identified across all categories.

Taxation Payable - MTC did not submit any tax returns from 2008 upto and including 2012. This was rectified in the 2013 financial year and resulted in a taxation payable position of R3 109 513. The amount payable is made up of penalties and interest of R1 113 198 and tax of R1 996 315.

Loans from shareholders - the loan account transactions consist of BRT shift shortages of R73 884 were allocated to shareholders and the valuation of additional assets discovered of R196 300.

Johannesburg Metropolitan Bus Services SOC Limited

Management discovered that there was no accrual provided for the Insurance in the prior year amounting to R 5 765 666. This resulted in understatement of insurance expense in the prior period. The error has been corrected and led to an increase in insurance expense and a correcponding increase in accruals. Management also discovered that there was an error in the previous years inventory valuation amounting to R 2 619 199 and comparative figures have been restated accordingly.

Finance leases were incorrectly classified and accounted for in the previous financial years amounting to R1038 355, comparative figures have been restated accordingly. IT equipment relating to the company's backup system had not been capitalised, comparative figures have been restated with the related cost and accumulated depreciation totaling R1 826 313 and R547 896 respectively.

Johannesburg City Parks NPC

During the current financial year Johannesburg City Parks discovered that the retained earnings, property, plant and equipment and finance lease obligation were incorrectly stated due to the fleet rental agreement between COJ and Johannesburg City Parks which was initially treated as operating leases. The finance cost resulting from the finance lease obligation was understated and the depreciation resulting from the property, plant and equipment was also understated.

Roodepoort City Theatres

During the current financial year, the useful lives of assets were reviewed resulting in the carrying value of the assets increasing.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Johannesburg Tourism Company

A receivables balance relating to sweeping account was incorrectly disclosed as bank and cahs balances.

City Power Johannesburg SOC Limited

The accrual for electricity sales includes a decrease in revenue reported for the 2012 financial period and previous reporting periods.

Specialised vehicles leased from the City of Johannesburg since 1 March 2012 were previously reported as operating leases. The specialised nature of the asset requires the lease to be classified as a finance lease which has been capitalised as property plant and equipment retrospectively.

City Housing Company

A decision was taken to liquidate City Housing Company, one of CoJ wholly owned entities, on the 26th June 2006. The winding down of the company began thereafter with the final liquidation taking place in 2009. From the consolidation point of view, City Housing Company trial balance was incorrectly consolidated in Group financial statements which resulted in the mistatement of consolidated assets, liabilities and retained earnings. The effect of the error is only on statement of financial position and changes in equity as disclosed above.

The correction of the error(s) results in the restatement of comparative figures as follows - CORE - 2012

Statement of financial position

Property, plant and equipment (R 131,939 million)
Reversal of original Fleet category B and C entries

Non-current assets held for sale (R 136,607 million)
Reversal of original Fleet category A entries

Property, plant and equipment R 93,801 million
Accounting for Fleet assets due to revised calculations

Finance lease receivable R 123,762 million
Accounting for Fleet assets due to revised calculations

Trade and other payables R 12,591 million
Accounting for Fleet assets due to revised calculations

Trade and other receivables (R 333,168 million)
Accounting for Fleet assets due to revised calculations

Property, plant and equipment (R 49,559 million)
Reversing out the original library book entry

Property, plant and equipment R 66,364 million
Accounting for library books

Trade and other receivables R 160,528 million
Reversal of original fleet entry

Trade and other payables R 190,732 million
Reversal of original fleet entry

Property, plant and equipment R 291,074 million
Accounting for the BRT busses

Finance lease obligation (R 319,706 million)
Accounting for the BRT busses

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Heritage assets R 456,661 million
Adjusting for class transfers, depreciation and impairment corrections due to class transfers and heritage assets previously not accounted for at the correct value.

Property, plant and equipment R 339,263 million
Adjusting for class transfers, depreciation and impairment corrections due to class transfers.

Intangible assets R 35,070 million
Adjusting for class transfers, depreciation and impairment corrections due to class transfers.

Investment property R 3,814 million
Adjusting for class transfers, depreciation and impairment corrections due to class transfers.

Property, plant and equipment R 746,800
Accounting for land additions and disposals following reconcilliation with deeds office.

Investment property (R 0,448 million)
Accounting for land additions and disposals following reconcilliation with deeds office.

Loans and borrowings R 24,390 million
Adjusting for interest on the Jozibond buy back

VAT (R 31,335 million)
Adjustment of VAT due to SARS audit

Obligations arising from conditional grants and receipts (R 0,840 million)
Adjusting for interest on grant

Trade and other payables R 0,845 million
Adjusting for interest on Swap, Ibm and Jozibond

Trade and other payables (R 1,123 million)
Adjusting the fair value adjustment of the Swap

Trade and other receivables R 4,360 million
Reallocation of prior year interest received

Consumer debtors (R 244,669 million)
Adjusting for the correction of subsequent billing

Other financial assets R 22,121 million
Recognition of property donated

Provisions (R 58,953)
Provision for interest on contingent liability reversed

Inventory R 11,176 million
Recognition of property donated

Other financial assets (R 2,531,850 million)
Recalssification of the ABSA sinking fund

Other financial assets at fair value R 2,531,850 million
Recalssification of the ABSA sinking fund

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Statement of financial performance

Depreciation and amortisation (R 41,503 million)
Reversal of original Fleet category B and C entries

Fair value adjustments (R 25,889 million)
Reversal of original Fleet category B and C entries

Loss on non-current assets held for sale or disposal groups (R 0,300 million)
Reversal of original Fleet category B and C entries

Net impairment losses (R 40,546 million)
Reversal of original Fleet category B and C entries

Other income R 31,468 million
Reversal of original Fleet category B and C entries

Contracted services (R 13,951 million)
Reversal of original Fleet category B and C entries

Finance costs (R 6,175 million)
Reversal of original Fleet category B and C entries

Contracted services (R 51,320 million)
Accounting for the BRT busses

Depreciation and amortisation R 30,308 million
Accounting for the BRT busses

Finance costs R 31,944 million
Accounting for the BRT busses

(Loss)/gain on disposal of assets and liabilities (R 3,497 million)
Accounting for Fleet assets due to revised calculations

Interest received (R 4,296 million)
Accounting for Fleet assets due to revised calculations

Contracted services (R 30,627 million)
Accounting for Fleet assets due to revised calculations

Depreciation and amortisation R 85,257 million
Accounting for Fleet assets due to revised calculations

Finance costs R25,254 million
Accounting for Fleet assets due to revised calculations

Other income (R 51,495 million)
Accounting for Fleet assets due to revised calculations

Depreciation and amortisation (R 17,312 million)
Adjusting for depreciation and amortisation corrections due to class transfers.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

52. PRIOR PERIOD ERRORS (continued)

Depreciation and amortisation (R 14,566 million)
Reversing out the original library book entry

General expenses R 3,592 million
Reversing out the original library book entry

Depreciation and amortisation R 101,643 million
Accounting for library books

General expenses (R 3,592 million)
Accounting for library books

Net impairment losses (R 101,643 million)
Reversal of prior year impairment entries

Finance costs R 0,840 million
Adjusting for interest on grant

Finance costs (R 0,845 million)
Adjusting for interest on Swap, Ibm and Jozibond

Fair value adjustment R 1,123 million
Adjusting the fair value adjustment of the Swap

Interest received (R 4,360 million)
Reallocation of prior year interest received

Sale of housing stock R 14,693 million
Recognition of revenue through installment sale agreement

Cost of housing sold (R 21,408 million)
Sale of housing stock under installment sale agreement

Interest received (R 24,390 million
Adjusting for interest on the Jozibond buy back

Property rates (R 126,863 million)
Adjusting for the correction of subsequent billing

Service charges R 5,396 million
Adjusting for the correction of subsequent billing

Allowance for impairment of current receivables R 6,740
Bad debt provision due to adjustment of subsequent billing

Finance cost R 58,953
Provision for interest on contingent liability reversed

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT

GROUP

Price risk

City Power

Distribution Losses

Distribution Losses o the amount of [R2,145 billion] (2012: R1,554 billion) were incurred as a result of electricity distribution losses. The total technical losses incurred amounted to [R0,754 million] (2012: R0,709 million). Non technical losses of electricity incurred amounted to [R1,390 billion] (2012: R844,9 million) and are due to non-metering of electricity and unauthorised consumption.

The electricity energy losses can be classified into technical and non-technical losses, during 2012/13 financial year. The municipal entity's non-technical losses increased from 10.72% to 16.59%.The non-technical losses are attributable mainly to the following:
- Theft and bypass of meters
- Illegal decalibration of meters
- Damaged meters and faulty voltage and current transformers
- Billing errors
- Customers without meters

As part of the municipal entity's strategy to continuously reduce the impact of non-technical losses, the following interventions have been implemented and are being reviewed and improved on an annual basis:
- Installation of automatic meter management systems, for both large and small power users i.e. automated metering technologies
- Continuous replacement of faulty conventional and pre-paid meters
- Automation of process to acquire new customers and change of meters (through the implementation of automated workflow and escalation system)
- Utilisation of anonymous "hot line" to report theft, vandalism and tampering
- Random and targeted audits are performed, followed by removal of illegal connections and normalisation supply

Johannesburg Water

Water losses amounting to [R820,6 million] (2012: R769,3 million) were incurred as a result of water distribution losses. The total technical losses incurred amounted to [R389,0 million] (2012: R374,8 million). Non-technical losses amounted to [R431,6 million] (2012: R443,8 million) and are due to non-metering of water and unauthorised consumption.

GROUP

The CJMM, through Group Treasury and Finance Strategy unit (Treasury) manages financial risks through usage of two portfolios comprising of financial instruments. For purposes of this disclosure, portfolios are assigned Portfolio 1 and 2. Portfolio 1 is managed internally by the CJMM while Portfolio 2 is outsourced to a specialist Fund/Portfolio Manager.

Portfolio 1
Overview

Effective financial risk management is imperative to CJMM. The realisation of the CJMM's objectives toward service delivery depends on CJMM's sound management of financial risks which enable the City to anticipate and respond to changes in the market environment as well as making informed decisions under conditions of uncertainty.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT

The CJMM is exposed to the following financial risks from the use of financial instruments:

- Liquidity risk (including integrated cash flow management)
- Market risk.
- Credit/Counterparty risk

To ensure the execution of and compliance to overall risk management policies and guidelines in terms of exposure limits, concentration limits and volatility limits on financial assets and liabilities, CJMM plays a focal role in:

- The maintenance of sound liquidity levels such that optimal returns on surplus cash are realized and interest expenses minimized.
- Ensuring that CoJ's Credit rating is maintained or improved by ensuring that financial risk ratios fall within required limits.
- Ensuring sustainable financial viability of CoJ by avoiding the occurrence of uncontrolled losses that could arise as a result of exposure in the financial markets with the overall aim of protecting CJMM's financial position.
- To provide Council with reasonable assurance that financial risks the CJMM is exposed to are identified and, to the best extent possible, mitigated and controlled.

The Treasury Unit identifies, quantifies and sets up control measures to mitigate financial risks in close co-operation with operating units. Treasury executes its responsibility in line with the approved Treasury and Assets and Liabilities Management (ALM) policies.

Financial Risk Management Framework

The Risk Management Framework serve to raise awareness, inform and guide the Group on its approved approach to risk management. The framework, which is reviewed on a continuous basis in line with best market practices, seeks to assist the Group in the effective identification, evaluation and control of financial risks that may impact upon the realization of corporate, mayoral and service delivery objectives and priorities that the Group has set itself to achieve.

Council, through Assets and Liabilities Committee (ALCO), has overall responsibility for the establishment and oversight of the CJMM's risk management framework. ALCO, in this regard, is responsible for developing and monitoring the CJMM's financial risk management policies. ALCO reports regularly to the Mayoral Committee and Section 79 on its activities.

The CJMM's financial risk exposures are managed by the Treasury Unit. The CJMM's activities expose it to a variety of financial risks. The municipality's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the CJMM's financial performance. The group recognises that an effective risk management function is fundamental to its business. Risk awareness, control and compliance are embedded in Treasury's day-to-day activities.

The CJMM's Treasury unit reports its risk management activities to Mayoral, Council and ALCO on a regular basis. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the CJMM's activities.

Liquidity and Concentration Risk

Liquidity Risk, in this instance, refers to the risk that CJMM may not meet its periodic obligations with respect to its liabilities when they fall due. Management of liquidity risk is particularly important as it ensures that capital and operating expenditure is met. Treasury enters into liability obligations to bridge funding gaps arising from both capital and operational expenditure with the aim of ensuring that CJMM meets its liability obligations when the fall due.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

For each financial year, Council approves a funding plan that minimizes liquidity risk. Treasury manages both the long-term and short-term cash requirements, with surplus funds from operations of the City invested in short term money market instruments.

Long-term liquidity risks arising from capital project initiatives are managed through issuance of long-term debt in the form of COJ bonds or long term loans or a combination of the two.

Absa Short term facility of R 380 million, Citi Bank Committed facility of R200 million and ii) Commercial Paper Issuance. CJMM's Treasury makes sure that all short term facilities utilised within the financial year are paid before the end of the financial year in line with Section 45(4)(a) of the MFMA. A cash management policy for managing its short-term cash flows and cash balances in a cost-effective manner is in place. The cash management policy assists the Group in managing its liquidity risk through the use of cash projection models with the aim of minimizing variances between projected and actual usage.

Both Short and Long term borrowings are approved under CJMM's Domestic Medium Term Note (DMTN) programme. The table below indicates approved facilities as at end of June 2013:

Details	Approved Funding R'000	Total Utilised R'000	Available for use R'000
Short-Term Borrowings			
Standard Bank	675	-	675
Long Term Borrowings			
Borrowing	1,311	(703)	608
Total	**1,986**	**(703)**	**1,283**

Liquidity risk is also linked to Concentration risk which could be defined as the probability of high cash outflow arising from concentration of debt obligations payable around the same period, resulting in risk of default and the inability to evenly spreading liability obligations.

In line with GRAP 104, the tables below show CJMM's contractual maturity analysis of its interest rate swap and non-derivative financial liabilities.

Funding Debt Maturities

The Group funds its coupon, interest and capital payments for all liabilities, other than bonds, from a Contingency Reserve Fund (CRF). Operational surpluses generated by the City are channeled into the CRF. Capital redemptions for bonds are funded from the Sinking Fund. The CJMM's annual budget contains provisions for coupon, interest and capital payments.

Swap Redemption Analysis

Instrument	**Maturity date**	**Due in less than a year**	**Due in one to two years**	**Due in two to three years**	**Due in three to four years**	**Due in four to five years**	**Due in more than five years**
INTEREST RATE SWAP R1bn Loan	29-Mar-18	(31,061)	(20,816)	(10,129)	(1,547)	2,689	-

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Capital Redemption Analysis of Non Derivative Liabilities

Class	Balance	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
Floating Rate Loans	2,413,5	230,352	195,547	114,724	114,724	1,114,723	643,524
Fixed Rate Loans	9,592,4	394,259	744,407	1,413,251	359,630	1,940,455	4,740,492
		-	-	-	-	-	-

Maturity Analysis of Investments
The table below shows the maturity profile of investments as at 30 June 2013.

Investment type	Amortised Cost	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
Call Deposits		1,341,946	-	-	-	-	-
Short Term Investments		2,701,000	-	-	-	-	-
Escrows	195,91	37,401	199,265	-	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as interest rates and commodity prices will affect the CJMM's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable risk parameters, while optimizing the CJMM's service delivery objectives. GRAP 104 requires entities to disclose sensitivity analysis for each type of market risk as shown in the sections below. Interest rate risk is the main category of market risk which affects the Group.

Interest rate risk
This refers to the risk that the value of a financial instrument will change due to a change in i) the absolute level of interest rates; ii) in the spread between two rates; iii) in the shape of the yield curve or in any other interest rate relationship. CJMM's floating rate liabilities are exposed to interest rate risk in terms of both cash flow and fair values.

Interest Rate Fair Value Sensitivity Analysis

The fair values of the CJMM's floating rate liability portfolio are sensitive to interest rate changes. The fair values of these liabilities are based on projected cash flows calculated using market projected forward rates. The projected cash flows are then discounted using market implied discount factors. The table below shows how the fair values of floating rate liabilities change on the basis of the following assumptions:

- The base case interest rate is at current levels (0%)
- A two percent upward and one percent downward movement in interest rates Management generally expects interest rates to rise in the future.

Fair value sensitivity to the interest rate movement/shift for Floating Rate Loans

Class	Fair Value	-1%	-0.50%	0	0.50%	1%	1.50%	2%
Floating Rate Loans	2,573,471	2,500,516	2,535,008	2,573,471	2,603,992	2,638,483	2,672,975	2,707,467

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Fair Value Sensitivity Analysis of Varable Rate Liabilities

The fair value sensitivity analysis of variable rate liabilities shows that a 2% increase in interest rates will increase the fair value of floating rate liabilities by R133 million, and a 1% decrease in interest rates will decrease the fair value of floating rate liabilities by R73 million.

Interest Rate Cashflow Sensitivity Analysis

The Floating rate tables below shows the cash flow sensitivity analysis for floating rate liabilities. The sensitivity analysis is based on the following assumptions:

- The base case interest rate is at current levels
- A two percent upward and one percent downward movement in interest rates.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Cash flow sensitivity analysis

							Interest rate shift						
Loan name	**Institution**	**Nominal**	**Issue date**	**Cash Flow**	**Rate**	**Rate option**	**-1%**	**-0.50%**	**0%**	**0.50%**	**1%**	**1.50%**	**2%**
Loan 1	DBSA	75,829	31-Mar-02	30-Sep-13	3 months Jibar + 2.535%	Floating	3,749	3,841	3,932	4,023	4,115	4,206	4,298
		-		31-Dec-13									
		-		31-Mar-14									
		-		30-Jun-14									
		-		30-Sep-14									
Loan 2	DBSA	425,000	20-Aug-09	31-Dec-13	6 months Jibar + 2.85%	Floating	27,649	28,683	29,717	30,751	31,786	32,820	33,854
		-		30-Jun-14			27,428	28,419	29,411	30,403	31,395	32,387	33,378
		-		31-Dec-14			28,345	29,322	30,299	31,275	32,252	33,229	34,205
		-		30-Jun-15			28,657	29,587	30,517	31,446	32,376	33,306	34,236
		-		31-Dec-15			29,314	30,228	31,141	32,055	32,969	33,882	34,796
Loan 3	DBSA	681	31-Mar-02	30-Sep-13	6 months Jibar + 2.45%	Floating	704	706	708	710	711	713	715
Loan 4	DBSA	2,024	31-Mar-02	30-Sep-13	6 months Jibar + 2.45%	Floating	2,094	2,099	2,104	2,109	2,114	2,119	2,125
Loan 5	DBSA	495,000	17-Apr-09	31-Dec-13	6 months Jibar + 2.96%	Floating	32,893	34,096	35,299	36,503	37,706	38,909	40,113
		-		30-June-14			32,607	33,760	34,913	36,066	37,219	38,372	39,525
		-		31-Dec-14			33,650	34,785	35,919	37,053	38,187	39,322	40,456
		-		30-June-15			33,979	35,058	36,137	37,215	38,294	39,372	40,451
		-		31-Dec-15			34,714	35,772	36,831	37,890	38,948	40,007	41,066
Loan 6	CALYON	190,469	05-Sep-06	30-Sep-13	3 monts Jibar less 0.35%	Floating	11,084	11,140	11,196	11,252	11,308	11,364	11,420
		-		31-Dec-13			11,103	11,159	11,215	11,271	11,327	11,384	11,440
		-		31-Mar-14			11,007	11,062	11,118	11,174	11,229	11,285	11,340
		-		30-Jun-14			11,064	11,120	11,176	11,232	11,288	1,344	11,399
		-		30-Sep14			11,047	11,103	11,159	11,214	11,270	11,326	11,382

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Cash flow sensitivity analysis

							Interest rate shift						
Loan name	**Institution**	**Nominal**	**Issue date**	**Cash Flow**	**Rate**	**Rate option**	**-1%**	**-0.50%**	**0%**	**0.50%**	**1%**	**1.50%**	**2%**
Loan 7	NEDBANK	154,648	1-Apr-10	31-Dec-13	3 monts Jibar less 2.8%	Floating	38,842	39,038	39,234	39,430	39,627	39,823	40,019
		-		30-Jun-14			39,774	39,975	40,176	40,377	40,578	40,778	40,979
		-		31-Dec-14			40,694	40,899	41,105	41,310	41,516	41,721	41,927
		-		21-Apr-15			42,240	42,453	42,667	42,880	43,093	43,307	43,520
Loan 8	NEDBANK	1,000,000	04-Mar-10	30-Sep-13	3 monts Jibar less 2.8%	Floating	41,493		41,913	42,122	42,332	42,541	42,751
		-		31-Mar-14			41,969		42,393	42,605	42,817	43,029	43,241
		-		30-Sep-14			43,776		44,219	44,440	44,661	44,882	45,103
		-		31-Mar-15			44,631		45,082	45,308	45,533	45,759	45,984
		-		30-Sep-15			46,965		47,440	47,677	47,914	48,151	48,389
Loan 9	SCMB	69,942	19-Sep-03	30-Sep-13	CPI plus Margin	Floating	3,902	3,922	3,942	3,961	3,981	4,001	4,021
		-		31-Dec-13			3,746	3,765	3,784	3,803	3,822	3,841	3,860
		-		31-Mar-14			3,582	3,600	3,618	3,636	3,654	3,672	3,691
		-		30-Jun-14			3,429	3,446	3,463	3,481	3,498	3,515	3,533
		-		30-Sep-14			3,270	3,286	3,302	3,319	3,336	3,352	3,369

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Hedging Interest Rate Risk

Testing Hedge Effectiveness by the City of Johannesburg Dollar-

Offset Method

The City of Johannesburg test hedge effectiveness of the interest rate swap using the Dollar Offset Method. The Dollar-Offset Method compares changes in the fair value or cash flow of the hedged item and the derivative (hypothetical swap). A hypothetical swap is one that has a fixed rate which gives a zero value at inception. The fixed rate that gives a zero value at swap initiation is 11.213%.

This rate is used to generate the hypothetical swap. The all in fixed rate on the actual swap is 11.66%. The Dollar-Offset Method can be applied either period-by-period or cumulatively.

The per period approach is used generate accounting entries. Under the per period test, the movement in the swap value from one financial year to the next is compared to the movement in the hypothetical swap in the same period.

The cumulative approach is used to measure hedge effectiveness. Under the cumulative test, the movement in the swap value from inception to the next is compared to the movement in the hypothetical swap in the same period.

Should the hedge be effective, the market and credit risk gets included in Other Comprehensive Income (OCI), by deferring the minimum of the change in fair value of the actual swap and the hypothetical swap, provided the hedge effectiveness ratio is between 80% and 125%.

Per IAS 39 IG F.4.2: The expected hedge effectiveness may be assessed on a cumulative basis if the hedge is so designated and that condition is incorporated into the appropriate hedging documentation. Therefore even if a hedge is not expected to be highly effective in a particular period, hedge accounting is not precluded if effectiveness is expected to remain sufficiently high over the life of the hedging relationship.

Hedge effectiveness measurement

Assessment of the actual effectiveness as at 30 June 2013 as per the Dollar-Offset Method was calculated as shown below:

Date	Swap Value	Hypothetical Swap Value	Cumulative Effectiveness Test	Per Period Effectiveness Test
31-Mar-11	(23,397)	-	-%	-%
30-Jun-12	(117,449)	(95,210)	98.78 %	97.26 %
30-Jun-13	(76,629)	(57,469)	92.63 %	108.16 %

The effectiveness of the cash flow hedge is 92.63 percent which is within the 80-125 percent effectiveness range. Given that the cashflow hedge is effective in the current period (i.e. it is within 80-125 percent effectiveness range), CoJ will continue with hedge accounting in the future financial periods. The per period calculations as at 30 June 2013 are shown below.

Current movement on swap	40,820
Effective portion (OCI)	37,741
Ineffective portion (P/L)	3,079

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Swap Cashflow Sensitivity

The table below shows how the cashflow resulting from the swap would respond to changes in interest rates assuming:

- The base case interest rate is at current levels
- A two percent upward and one percent downward movement in interest rates

SWAP CASHFLOW SENSITIVITY ANALYSIS

Date	Z - 100Bps	Z - 50Bps	Current Cashflows	Z + 50Bps	Z + 100Bps	Z + 150Bps	Z + 200Bps
30-Sep-13	(18,560)	(18,560)	(18,560)	(18,560)	(18,560)	(18,560)	(18,560)
31-Mar-14	(21,914)	(19,461)	(17,018)	(14,573)	(12,138)	(9,709)	(7,287)
30-Sep-14	(18,805)	(16,462)	(14,131)	(11,827)	(9,534)	(7,257)	(4,997)
31-Mar-15	(15,507)	(13,319)	(11,165)	(9,019)	(6,907)	(4,819)	(2,754)
30-Sep-15	(12,626)	(10,580)	(8,564)	(6,583)	(4,631)	(2,710)	(818)
31-Mar-16	(9,776)	(7,895)	(6,057)	(4,243)	(2,470)	(731)	975
30-Sep-16	(7,412)	(5,697)	(4,022)	(2,386)	(787)	777	2,306
31-Mar-17	(5,031)	(3,496)	(2,005)	(547)	871	2,253	3,600
29-Sep-17	(3,984)	(2,601)	(1,257)	48	1,316	2,549	3,748
29-Mar-18	(2,929)	(1,700)	(510)	643	1,761	2,845	3,896
Total	**(116,544)**	**(99,771)**	**(83,289)**	**(67,047)**	**(51,079)**	**(35,362)**	**(19,891)**

From the above table we note that a 1% decrease in interest rates would decrease swap cashflows by 40%.

Swap Fair Value Sensitivity

The table below shows how the fair value of the swap would respond to changes in interest rates assuming:

- The base case interest rate is at current levels
- A two percent upward and one percent downward movement in interest rates.

Swap Fair Value Sensitivity

Instrument	Maturity date	Fair value sensitivity to the interest rate shift						
		-1%	-0.50%	0%	0.50%	1%	1.5%	2%
INTEREST RATE SWAP ON R1BN loan	29-Mar-18	(106,631)	(91,363)	(76,629)	(62,368)	(48,592)	(35,267)	(22,373)

On the basis of the above assumptions, a 1% change in interest rates will result in a 37% change in the value of the swap. There is a positive relationship between the swap value and interest rates, thus if interest rates increase, the value of the swap will increase.

Estimation of Fair Values

The fair value of financial instruments that are not traded in an active market (for example, trading and available for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the municipality is the current bid offer price. The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

To determine the fair values of floating rate instruments, the municipality uses market forward rates to estimate future interest and capital cashflows, and then utilises market implied discount rates to calculate their present values. To determine the fair values of fixed rate instruments, the municipality uses market implied discount factors to calculate their present values.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Fair Value Hierarchy

In terms of GRAP 104.130 there are different levels of fair values based on the extent that quoted prices are used in the calculation of the fair value. The fair value hierarchy applies to instruments reported at fair value on the statement of financial position. The interest rate swap is the only instrument reported at fair value and therefore needs to be classified as per fair value hierarchy. Level 2 Fair values are calculated using valuation techniques based on observable inputs either directly or indirectly other than level 1 inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data. The Level 2 all-inclusive fair value of the swap stood at -R76,6 million as at the end of 30 June 2013.

Credit/Counterparty Risk

The Group deposits surplus funds with financial institutions to mitigate against the negative cost of carry and these funds are diversified around different investment type and institutions.

The credit limit exposure table below depicts all investments with various counterparties as at the 30 June 2013. Total investments were R4,043 billion. The table also shows the credit limit approved per counterparty. Treasury constantly monitors the percentage limit utilized.

		Operational		Ringfenced				
COUNTERPARTY CLASS	Approved Limit	Call Deposits	Term Deposits	Call Deposits	Term Deposits	Total Exposure	Available for use	Percentage Utilised
DOMESTIC BANKS	5,000,000	29,802	538,500	476,011	1,732,500	2,776,814	2,223,186	56 %
INTERNATIONAL BANKS	1,050,000	255,406	260,000	-	170,000	685,405	364,594	65 %
PUBLIC SECTOR	1,200,000	41,050	-	-	-	41,050	1,158,950	3 %
ASSET MANAGEMENT FIRMS	1,600,000	540,622	-	-	-	540,622	1,059,378	34 %
	8,850,000	**866,880**	**798,500**	**476,011**	**1,902,500**	**4,043,891**	**4,806,108**	**46 %**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Credit quality of Investments

The credit qualities of CJMM's counterparties as at 30 June 2013 are shown in the table below.

	Long Term Rating											Short Term Rating					
COUNTERPARTY CLASS	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	Govt Guranvteed	Not Rated	F1+	F1	F2	F3	Govt Guaranteed	Not Rated
DOMESTIC BANKS	1		3		1							4	1				
INTERNATIONAL BANKS				1	1	1						2	1				
PUBLIC SECTOR		1								2		1				2	
ASSET MANAGEMENT FIRMS			1	1							4	2					4
Total	**1**	**1**	**4**	**2**	**2**	**1**	**0**	**0**	**0**	**2**	**4**	**9**	**2**	**0**	**0**	**2**	**4**

Portfolio 2

Introduction and overview

In order for the CJMM to meet its debt redemption obligations specific to its long-term borrowing and to mitigate the related risks, the CJMM has mandated a fund manager to operate its Debts Redemption Fund (The Fund).

The key objectives central to the fund included in the mandate are:

- Immunize the liability, in principle eliminating interest rate risk, as well as eliminating reinvestment risk by matching the investment horizon of funds with their anticipated utilization;
- Enable the CJMM to meet their redemption obligations

The fund has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

Risk Management Framework

The Fund maintains positions in a variety of derivative and non-derivative financial instruments in accordance with its investment management strategy. The Liability Plus approach entails a risk-based investment strategy that manages the fund's assets appropriately, relative to its liabilities. The strategy focuses on mitigating the risks surrounding the liability, whilst at the same time seeking a return from the asset base. Conservative hedges can be employed to provide protection against the risks embodied in the liability. An asset strategy deployed is designed to deliver above-benchmark returns, and this is overlaid on the protective derivative structures. The integrated solution mitigates risks and improves performance.

The Fund's investment manager has been given a discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the Fund's risk management framework is monitored quarterly by the Fund's Risk Committee which is chaired by the City Treasurer. Other committee members include senior treasury officials and the investment management team. Overall governance is monitored by the CJMM's Asset and Liability Committee (ALCO) whose primary objective is to manage financial risk emanating from the City's operational and borrowing initiatives.

Credit Risk

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Credit Risk

Credit Risk, in the instance of Portfolio 2, is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from derivative financial assets, cash and cash equivalents, balances due from agencies and receivables from reverse repurchase agreements.

Management of credit risk

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Fund's risk management policy. Credit risk is monitored on a daily basis by the investment manager in accordance with policies and procedures in place. Any deviations on the expected parameters of the Fund's credit risk are acted upon immediately.
In terms of this mandate, the acceptable credit exposures are:

- Government
- Parastatals
- Highly-Rated Corporate, Banks and Institutions

Exposure limits are determined as a function of the primary capital of the issuer, the credit rating provided by a rating agency and the liquidity of the instrument.

Exposure to credit risk

The Fund's maximum credit risk at the reporting date is represented by the respective carrying amount of the relevant financial assets in the statement of financial position at 30 June 2013. The Fund was invested in securities the following credit quality:

Investment	Fair Value
FRN Assets	580,091
Corporate Bond Assets	1,380,896
Gov Bonds	-
Assets	907,593
Liabilities	(1,489,193)
Swaps	-
Assets	596,617
Liabilities	(470,881)
FRA's	-
Assets	61,954
Liabilities	(41,875)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Fund's policy and the investment manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of bonds, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity risk is managed on a daily basis by the investment manager in accordance with policies and procedures in place. The Fund's overall liquidity risk is monitored on a quarterly basis by the Fund's Risk Committee and CJMM ALCO. Six months prior to any CJMM upcoming bond redemptions, the liquidity of the Fund is assessed in relation to the required redemption amount and necessary measures to meet the obligations are undertaken if necessary.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Maturity analysis for financial instruments

The following are the contractual maturities of financial assets and liabilities, including estimated interest payments:

Class	Trade NPV (Today)	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
Settled Bond Assets	2,288,486	274,453	219,933	762,579	183,672	520,503	14,611,160

Class	Trade NPV (Today)	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
Settled Bond Liabilities	(1,486,775)	(127,730)	(127,730)	(127,730)	(127,730)	(127,730)	(2,529,815)

Class	Trade NPV (Today)	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
Settled Bond Assets	596,617	127,643	121,207	94,799	65,496	60,089	354,963

Class	Trade NPV (Today)	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
Settled Bond Assets	(423,587)	(47,572)	(47,671)	(73,122)	(42,858)	(46,519)	(393,844)

Class	Trade NPV (Today)	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
FRA Assets	61 954	58 604	5 090	-	-	-	-

Class	Trade NPV (Today)	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
FRA Liabilities	(41 875)	(31 379)	(12 030)	-	-	-	-

Class	Trade NPV (Today)	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due in four to five years	Due in more than five years
FRNs	580 091	65 000	-	-	-	250 000	250 000

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Maturity Analysis of Unsettled Bonds and Repos

Bonds		
Unsettled Bond Assets	**Nominal**	**Due in less than a year**
	175,000	199,644
Unsettled Bond Liabilities		
	(125,000)	(165,123)
Repos		
Unsettled Bond Assets	**Nominal**	**Due in less than a year**
	638,000	752,763
Unsettled Bond Liabilities		
	(1,589,000)	(1,819,877)

Market Risk

Market Risk is the risk that changes in market prices such as interest rates, equity prices, foreign exchange rate and credit spreads (not relating to changes in the issuers credit standing) will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Management of market risk

The Fund's strategy for the management of market risk is driven by the Fund's objective. The Fund deploys asset-liability matching principles to design an asset management strategy to immunise the portfolio from the underlying risks inherent in the liability. In addition, an active portfolio management strategy that rebalances the assets in order to take advantage of market mispricing opportunities is followed. Directional trades are overlaid on the asset strategy to provide yield enhancement.

The Fund's market risk is managed on a daily basis by the investment manager in accordance with policies and procedures in place. The Fund manager monitors the market risk in real time using the Rand per-Point metric which defines the profit or loss that would be generated by a one basis point move in the underlying interest rate curve.

The Fund's market positions are monitored quarterly basis by the Fund's Risk Committee and CJMM ALCO.

The Fund uses derivative to manage its exposure to interest rate and other price risks. The instruments used include interest rate swaps, forward contracts, futures and options.

Interest rate risk sensitivity analysis

The Fund is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. With respect to the Fund's interest-bearing financial instruments, the Fund is subject to exposure of fair value or cash flow interest rate risk due to fluctuation in the prevailing levels of market interest rates.

The sensitivity analysis reflects how changes in underlying interest rates affect the fair value of the financial instruments.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Fair Value Sensitivity Analysis

	Fair Value Sensitivity to the interest rate movement/shift						
	R'000s	R'000s	R'000s	R'000s	R'000s	R'000s	R'000s
Asset Class	**-1%**	**-0.5%**	**0**	**0.5%**	**1%**	**1.5%**	**2%**
Liabilities	(5,462,322)	(5,316,775)	(5,176,560)	(5,041,446)	(4,911,212)	(4,785,650)	(4,664,559)
Contributions	2,764,017	2,730,946	2,698,555	2,666,826	2,635,743	2,605,288	2,575,446
Bonds	774,506	787,896	799,296	808,892	816,849	823,320	828,441
Bonds Repos	1,066,775	1,066,730	1,066,684	1,066,638	1,066,593	1,066,547	1,066,502
FRN	581,505	580,796	580,091	579,390	578,693	578,000	577,311
FRA	59,895	39,914	20,078	386	(19,165)	(38,574)	(57,843)
IRS	338,736	229,838	125,735	26,189	(69,027)	(160,122)	(247,298)
ABSA Call	69,880	69,880	69,880	69,880	69,880	69,880	69,880
SBK Collateral	5,018	5,018	5,018	5,018	5,018	5,018	5,018
Nedbank Collateral	(75,313)	(75,313)	(75,313)	(75,313)	(75,313)	(75,313)	(75,313)
Net	**122,697**	**118,930**	**113,464**	**106,460**	**98,059**	**88,394**	**77,585**

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The primary responsibility for the development and implementation of controls over operational risk rests with the Fund's Risk Committee. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- contingency plans;
- ethical and business standards;
- risk mitigation

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to CJMM.

The Fund as provided the custodian a general lien over the financial assets held in custody for the purpose of covering the exposure from providing custody services. The general lien is part standard contractual terms of the custody agreement, at present, ABSA Bank Limited provide custody services.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

53. RISK MANAGEMENT (continued)

Valuation of financial instruments

Availability of observable market prices and model inputs reduces the need for management opinion and estimation. This also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions of financial markets.

The Fund has an established control framework with respect to the measurement of fair values. This framework includes a portfolio valuation function which is independent of front office management and reports to the Funds Risk committee which has overall responsibility of significant fair value measurements. Specific controls include: verification of observable pricing inputs and re-performance of model valuation; a review and approval process for new models and changes to such models; analysis and investigation of significant daily valuation movement and reporting of significant valuation issues to the Funds Risk committee.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in the measurements:

- Level 1: Quoted prices (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs either directly i.e (as prices) or indirectly (i.e derived from prices). This category includes instruments valued using: quoted market prices in active markets for similarinstruments; quoted prices for identical or similar instruments in markets that are considered less than active;or other valuation techniques where all significant inputs are directly or indirectly observable from market data
- Level 3: Valuation techniques using significant, unobservable inputs.

This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between instruments.

Fair values or financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations.

The Fund uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest swaps that use only observable market data and require little management, judgment and/or estimation. Observable prices and model inputs are usually available in the market for listed debt, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

30 June 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair valeu through profit or loss				
Bonds	799,296	1,066,684	-	1,865,980
Bond Repos	-	580,091	-	580,091
Floating Rate Notes	-	20,078	1	20,079
Forward Rate Agreements	-	125,735	-	125,735
Interest Rate Swaps	-	1	-	1
	799,296	**1,792,589**	**1**	**2,591,886**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

54. FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure				
Opening balance	18,670	6,851	5,769	5,715
Fruitless and wasteful expenditure current year	4,147	13,372	446	112
Approved by Council or condoned	(696)	(1,502)	(15)	(7)
Transfer to receivablest	1,954	-	-	-
Fruitless and wasteful expenditure under investigation	-	(51)	-	(51)
Transfer to other debtors for verification	**24,075**	**18,670**	**6,200**	**5,769**

GROUP - 2013

1. Johannesburg City Parks

Interest was raised on overdue creditors.

Disciplinary steps/criminal proceedings : None.

2. Johannesburg Roads Agency

Interest charged by Telkom for late payment of accounts. - R7,915.00

Disciplinary steps/criminal proceedings : None.

3. PIKITUP

The amount of R1,000.00 was paid to MPD for failure to comply with the requirements for a sprinkler system which is in contravention of emergency services by- law.

Interest paid on overdue accounts.

Disciplinary steps/criminal proceedings : None.

4. Johannesburg Development Agency. Loss due to fraud - R972,841.00. Interest and penalties - R182,446.00

Disciplinary steps/criminal proceeding: Criminal case has been opened and forensic investigation is currently under way. Interest and penalties relating submission of VAT returns .The penalties is currently under objection with SARS.

5. Johannesburg Property Company& MTC

2013.The penalties reflected relates to the VAT Voluntary Disclosure repayment made by MTC. This was due to restatement of the VAT treatment on Operating Grants given to MTC between 2002 and 2006.

Disciplinary steps/criminal proceedings : None.

GROUP - 2012

1. Johannesburg City Parks

Interest was raised for late payments.
Disciplinary steps/criminal proceedings : None.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

54. FRUITLESS AND WASTEFUL EXPENDITURE

2. Johannesburg Development Agency

An email was sent to JDA purporting to be from the authentic supplier requesting changes to the existing banking details. It was later discovered after the funds were transferred that email was fraudulent.

Disciplinary steps/criminal proceedings : Employees who effected the change of banking details were issued with written warnings and the case has been reported to SAPS commercial crimes unit.

3. Johannesburg Road Agency

Interest on late payment of accounts. Disciplinary steps/criminal proceedings : None.

Disciplinary steps/criminal proceedings : None.

4. Johannesburg Metropolitan Bus Services (Proprietary) Limited

Various traffic fines was paid.

Disciplinary steps/criminal proceedings : None.

5. Metropolitan Trading Company (Proprietary) Limited

Interest was paid on overdue accounts. 98% of this was interest paid on the overdrawn sweeping account. This account was overdrawn because MTC experienced cash flow problems because of its inability to collect inter company debtors. The process issues that caused these problems were resolved in the last quarter of the financial year.

Disciplinary steps/criminal proceedings : None.

6. Johannesburg Tourism Company

Interest levied on late payments.

Disciplinary steps/criminal proceedings : None.

7. The Johannesburg Zoo

The fruitless and wasteful expenditure relates to prepayment to the supplier for the supply and installation of the acrilyc panels for the Temple of Ancient project. The supplier did not deliver in terms of the prepayment made. Legal action has been taken against the supplier to recover the amount paid. As at the date of issuing these financial statements, a forensic investigation was in progress.

Disciplinary steps/criminal proceedings : None.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

54. FRUITLESS AND WASTEFUL EXPENDITURE (continued)

CORE - 2013

Revenue and Customer Relations

Interest charged for the payment of late accounts - R10,569.38. Legal expenses - R18,712.53.

Disciplinary steps/criminal proceedings : None.

Group Corporate and Shared Services

Interest on late payment of TSS Managed Services PTY LTD Account. ICT authorized the account for payment (including interest).

Disciplinary steps/criminal proceedings : None.

Housing

Interest paid on late accounts - R196,470.00.

Disciplinary steps/criminal proceedings : None.

Development Planning and Urban Management

All matters are under investigation and a report will be forwarded to council regarding the outcomes and condonement.

Disciplinary steps/criminal proceedings : None.

JMPD

Interest charged on various invoices from Eskom for electricity to the value of R3120.56

Interest charged on various invoices from Post Office for bulk postage to the value of R0,420.47

Disciplinary steps/criminal proceedings : None

Economic Development

Telkom Interest - R8,231.00.

Disciplinary steps/criminal proceedings : None.

Emergency Management Services

The expenditure for R206,397.70 was for Alexandra Forbes, after a court order was issued for the payment to be processed.

Disciplinary steps/criminal proceedings : None.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

54. FRUITLESS AND WASTEFUL EXPENDITURE (continued)

CORE - 2012

Office of the Speaker

Non-attendance of Conferences, Seminars and Training sessions by staff after the relevant bookings and payments has been made - R10,000.00.

Disciplinary steps/criminal proceedings : None.

JMPD

Internal Affairs was not represented at the Arbitration hearing Invoice No. 0235 dated 28/01/2009 for R2,200.00, Invoice No. 0459 dated 06/03/2012 for R3,240.00 and Invoice No. 0658 dated 06/03/2012 for R3,000.00.

Disciplinary steps/criminal proceedings : Copies of invoices given to Head of Internal Affairs to take necessary action.

Economic Development, Office of the Executive Mayor, Finance, Revenue and Customer Relations, Housing, Development Planning and Urban Management, Emergency Management Services, JMPD

Interest charged on late payments - R103,038.00.

Disciplinary steps/criminal proceedings : Investigations have been made as to the cause of the problem and steps will be taken to prevent a recurrence in the future.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

55. UNAUTHORISED EXPENDITURE

Reconciliation of unauthorised expenditure

Opening balance	55,071	49,238	51,711	48,498
Unauthorised expenditure current year	3,855	148,904	-	3,213
Approved by Council or condoned	(2,400)	(142,331)	-	-
Transfer to receivables for recovery	-	(740)	-	-
	56,526	**55,071**	**51,711**	**51,711**

GROUP - 2013

1. Johannesburg Parks

Overspent on buiding capital expenditure.

Disciplinary steps/criminal proceedings : None.

2. JDA

Over expenditure against budget.

Disciplinary steps/criminal proceedings : Disciplinary steps/criminal proceedings still in progress.Criminal case opened against the fraud portion of the unauthorised expenditure.

3. JOSHCO

2010 : The operating budget for the current year was exceeded R1,730,565.00 (3%). The deficit was dealt with in accordance Section 101 of the MFMA.

Disciplinary steps/criminal proceedings : None.

GROUP - 2012

1. Johannesburg Roads Agency

This is as a result of the deficit incurred by the entity at year end.

Disciplinary steps/criminal proceedings : None.

2. Metrobus

Unauthorised expenditure could largely attributed to overspending in employee costs and contracted services.

Disciplinary steps/criminal proceedings : None.t

3. Metropolitan Trading Company

Unauthorised expenditure is largely be attributed to overspending in employee costs and contracted services.

Disciplinary steps/criminal proceedings : None.

CORE - 2013

None

CORE - 2012

Emergency Management Services

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

55. UNAUTHORISED EXPENDITURE (continued)

CORE - 2012

Emergency Management Services
Payments made to Fleet Africa for the leasing of vehicles, in the absence of sufficient budget R518,207.00.

Disciplinary steps/criminal proceedings : The Gauteng Provincial Government has signed a memorandum of understanding with the COJ EMS so as to increase the budget of leased vehicles.

Infrastructure and Services Department

During the EMT workshop that was held on the 22 November 2011, it was recommended that Departments and Municipal Entities should reprioritize their operating budgets with cuts of 5% being contributed towards the revenue challenges faced within the City. The budget reduction had an impact on the department's Employee Related Costs, as there was no other classification which could be used to reduce the budget by the required 5%, thus the over - spending on employee related costs.

Disciplinary steps/criminal proceedings : None

56. IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

Opening balance	951,960	444,949	575,120	339,732
Irregular expenditure current year	216,979	620,878	152,216	235,529
Approved by Council or condoned	(101,362)	(113,867)	(1,293)	(141)
	1,067,577	**951,960**	**726,043**	**575,120**

GROUP - 2013

1. The Johannesburg Development Agency

Services were provided past the contract term.

Disciplinary steps/criminal proceedings : Disciplinary proceedings are currently underway against the employees. Additional text

2. The Johannesburg Market

The Directors have approved a condonaton report to the value of R 52,435,319.00. The report will be submitted the mayoral committee for further condonation.

Disciplinary steps/criminal proceedings : None.

3. Johannesburg Roads Agency

Ambassador Air - contract expired.

Everest Leadership - SCM procedures not followed.

Dakalo Cleaning Services - No contract.

GNG Trading - SCM procedures not followed.

Yo'Build Construction & Trading - SCM procedures not followed.

Jilongo Trading - SCM procedures not followed.

Vimtsire - contract expired.

Otis - contract expired.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

Document Warehouse - contract expired.

Rentokil - contract expired.

Aqua Transport and Plant Hire - Trangression of SCM procedures,

Barefoot in the keys - Transgression of SCM procedures.,

Disciplinary steps/criminal proceedings: A circular was issued to all staff, advising that employees who cause the Company to incur irregular expenditure will face disciplinary hearing. A condonation report was written and this expenditure is reported to the Executive Management Team, Audit Committee Board of Directors and City of Johgannesburg Staff who caused the Company to incur irregular expenditure were issued with notices and their delegations were removed. New contracts have been made for the expired contracts.

4. Metrobus

Month to month extensions granted to suppliers pending tender procedures.

Non application of SCP relates to proper tender procedures not being followed, the tender procedures have been completed 100% Month to month extensions granted to suppliers pending tender procedures.

Contract Amount exceeded, the expenditure is directly related to unexpected or unplanned bus breakdowns.

Deviations on consultants, expenditure relates to deviations approved by the accounting officer, these relate to. Rental of equipment, Software licences, IT Support and Labour Broking.

Disciplinary steps/criminal proceedings : None.

5. Pikitup Johannesburg

The expense relates to ICT contract that lapsed and running on a month to month basis. R321,248.00 relates to amount paid for extension of lease rental running on a month to month basis.

Disciplinary steps/criminal proceedings : None.

6. Civic Theatre & Roodepoort City Theatre

The irregular expenditure was inherited from Roodpoort theatre on the !st of January 2013. It was payments that were not approved by the board of directors in terms of the delegation authorithy.

The total amount was R6,526,144.00.

Disciplinary steps/criminal proceeding: The board will retify the payments at the next board meeting.The total amount was R6,526,144.00.

Certain employees at Roodepoort theatre paid themselves excessive salaries which were not approved. The total amount was R477,032.00.

Disciplinary steps/criminal proceedings : One employee was dismissed. The other employee resigned with a 24 hour notice after she sensed that the investigation started to intensify. The are 3 cases that went to CCMA.

7. Johannesburg City Parks

Procurement without three quotations and without having followed tender process.

Disciplinary steps/criminal proceedings : None.

8. JOSCHO.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

Acquisition without 3 quotations.

Disciplinary steps/criminal proceedings : None.

9. Johannesburg Property Company & Metro Trading Company

BRT Maintenance - between October 2012 and February 2013 the service level agreement between Rea Vaya and MTC had lapsed. Rea Vaya did not update their supplier database in time for the integration and MTC continued to pay for the unkeep of the facilities. This was resolved in February 2013.

BRT Clearing - between October 2012 and February 2013 the service level agreement between Rea Vaya and MTC had lapsed. Rea Vaya did not update their supplier database in time for the integration and MTC continued to pay for the unkeep of the facilities. This was resolved in February 2013.

BRT Security - between October 2012 and February 2013 the service level agreement between Rea Vaya and MTC had lapsed. Rea Vaya did not update their supplier database in time for the integration and MTC continued to pay for the unkeep of the facilities. This was resolved in February 2013.

BRT Shortages - shift shoratages occurred when BRT employees did not bank according to what was receipted as takings.The employees were on the MTC payroll and shortages were deducted accordigly. BRT employees transferred out of MTC's payroll as of 01 September 2012 and shortages could no longer be recouped for the first quarter.

Cleaning Services - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Consumables - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Equipment Hire - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Fuel - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Gardening Services - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

General Expenses - undefined expense from the intergration of MTC into JPC. No details could be found to substantiate this BRT Expense.

Office Rental - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Printing and stationery - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Protective Apparel - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Refreshments - Emergency catering for board meeting.

Repairs & Maintenance - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

Security - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Staff Training - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Subscriptions - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Travel & Accomodation - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Telephone & Faxes - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Vehicle Hire - during the intergration staff were transferred to JPC's offices along with all documents in their possession. Some documents were misplaced during the transfer and as a result some of the expenditure cannot be supported.

Disciplinary steps/criminal proceedings : Disciplinary proceedings are currently underway against the employees.

GROUP - 2012

1. Metrobus

Supply chain policies and procedures have not adhered to.

Disciplinary steps/criminal proceedings : None.

2. Johannesburg Development Agency (Proprietary) Limited

The expenditure incurred was in contravention of the Supply Chain Management Policy, Regulation 36(1).

Disciplinary steps/criminal proceedings : The Bid Adjudication Committee's request for approval of this ratification was not approved by the Accounting Officer.

3. Metrotrading Company

No bid documentation, Awards to employees in service of the state, No quotations and Non compliance with SCM Policy.

Disciplinary steps/criminal proceedings : Under investigation so appropriate steps can be taken.

4 Pikitup (Proprietary) Limited

This relates to the ICT contract that lapsed and running on a month-on-month pending the finalization of the new tender process. A new contract is now in place.

Disciplinary steps/criminal proceedings : None

5. City Power Johannesburg

Payments were made to suppliers in contravention of declaration in terms of Supply Chain Management regulation 13.

Disciplinary steps/criminal proceedings : None.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

6. Johannesburg City Parks

Acquisitions without 3 quotations, procurements without having followed tender processes and procurements without a signed contract in place.

Disciplinary steps/criminal proceedings : None.

CORE - 2013

Office of the Speaker

ACA Krans, R922,993.00 condoned for continuing occupance of building without authorised extension of the lease contract.

Khayalami Building - leasing via JPC, EAC Decision Clause 27, amount outstanding to date, R266,422.00.

STD Bank Jabulani Building, contract renewed and signed through JPC, an amount of R369,896.61 approved for financial year end 2013.

Disciplinary steps/criminal proceedings : None.

Reclassified Deviations

1. Audit Command Language Maintenance and Support Fee, R49,008.60.
   Reason
   The Audit Command Language (ACL) Software is a tool used by Internal Audit to perform various analytics on sets of data. The software was procured from Messrs CQS Technology Holdings (Pty) Ltd as the official sole distributor of ACL and support of ACL licences in South Africa, hence the request for a deviation.

2.. Extension of the Insurance Renewal terms and the contracts of short term insurance fund, R279,780.05.
   Reason
   The existing contract (256/09) with Guardrisk Insurance Company Ltd for short term self-insurance fund contingency policy administration services will expire on 20 September 2012. The Department has commenced with the process for a new tender to be finalised within 3 months hence the request for the extension of the existing contract.

3. Procurement of General Algebraic Modelling system for Department of Economic Development, R102,400.00.
   Reason:
   The Economic Development Department commissioned the construction of a Compatible General Equilibrium (LGE) model that allows for the assessment of the impact of projects, policies and programmes on the economy and it's attributes. The General Equilibrium Models require appropriate computer software to run the simulation and GAMPACK and GAMS are commonly used software programmes, however GAMS is popular locally and is friendly to use than GAMPACK. GAMS is sold and licensed only by GAMS Development Corporation in South Africa. This makes GAMS Development Corporation the sole supplier in South Africa for GAMS hence the request for a deviation.

4. Continuation of Technical A192 : Provision of Technical and Operational Services Associated with the Macro Surveillance Closed Circuit Television System. Service Provider Omega Risk Solution R1,509,698.22.
   Reason
   The new contract for the provision of technical and operational services associated with the Macro Surveillance Closed Circuit Television System was considered by the EAC who requested that JRAS audit the process leading to the finalisation of the Bid Evaluation Committee prior to the EAC making the final award. The Deviation to extend the current contract (A192) for a further three months period is to allow JRAS to finalise its due diligence report.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

5. Adjustment of the Contract Amount for Emma Flats Box Curlert. Service Provider Nesandla Civils Pty (Ltd), R4,590,266.39.
Reason
The original contract for Emma Flats (308/11) was awarded to Nesandla Civils on the 18th July 2011 for R14,136,000.00. The current contract progress to date is 80% completed and the contractor is 20% behind due to pipe jacking activity. Prior to the commencement of the contract and even during the contract no reasonable prospects of locating the granite rock layer existed at the time of conducting geo technical investigations. The contract price needs to be adjusted in order to deal with this unforeseen circumstances hence the deviation to adjust the price.

6. Extension of the existing Lease Agreement for a further three years relating to office accommodation at Block L, 400 16th Road, Central Park, Midrand, Region A, Sevice Provider, Growthpoint Properties Limited. 1st Year R285,853.09, 2nd Year R314,141.39, 3rd Year R345,555.53.
Reason
The Housing Department Region A offices are located at Block L, 400 16th Road Central Park, Midrand, the public has been using the premises to engage with the Department, hence the request for a deviation to extend the lease for those premises as it is impractical to go out on tender on the same building.

7. Approval for Payment of the service provider : Yebo Shine (Pty) Ltd, R87,001.12.
Reason
Stakeholder Relationship Management continued to utilise the services of Yebo Shine (Pty) Ltd for a period of 4 months (January – April) form the contract which expired in 31 December 2011. This service could not be discontinued as it was going to pose a health risk to Ward Councillor Offices. Hence the ratification for approval of payment.

8. Utilisation of services of Steiner Hygiene Services (Pty) Ltd. R132,577.97.
Reason
The user department engaged the service provider under contract 176/08 approved by the City, however, the contract expired in October 2011 and the user department continued to utilised the services of Steiner Hygiene from the period December 2011 to June 2012 as discontinuing these services would have posed a serious health risk. Hence the ratification for approval of payment.

9. Service Provider Mailtronic Direct Marketing CC. R500,000.00.
Reason
The Section 49 Notification from the supplementary valuation Roll 9 needed as a matter of urgency to be posted with the monthly statements, hence Mailtronic Direct Media CC, the current service provider for the posting of monthly statements was requested to include in those statements the Section 49 notification. Unfortunately due to the urgent nature of the requirement no prior approval was obtained to secure the utilisation of this contract to include the notices, hence the ratification approval.

10. Approval of payment : Relocation of the Alexandra Renewal Project Office. Service Provider A1 Office Movers, R91,370,59.
Reason
Development Planning and Urban Management, Alexandra Renewal Project Department has been leasing the building Pendad House, for the period 01 September 2008 to 30 June 2012. The lease was terminated. Quotations for the furniture removal service providers were sourced from the three service providers on the CoJ database, as opposed to being advertised on the Notice Board for seven days as the value exceeds R30,000.00. Due to Financial year end processes it was impossible to follow normal procurement procedures on placing the requirement for the office move on the board for a period of seven days. Hence the ratification for approval of payment.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

11. Condonation and Ratification with long term resolution, Service Provider Multilingua Translation Interpretation Services, R24,888.00. Service Provider, Questek Customer Care R22,029.77.
Reason
Multilingua Translation Interpretation Services is the sole supplier for translation of languages. Questek is the sole supplier for PA Complex and PA Systems. Hence the ratification for approval of payment.

12. Ratification of activities in relation to the design layout, proof-reading, photography, translating and printing of the 2013/16 and the 2012/15 Medium Term Budget. Service Provider Cut-to-Black Media, R604,923.70.
Reason
Quotations were solicited from Proposal Nr A290B for the IDP and Budget Books for 2012. The award was made to Cut-to-Black for R1,330,380.53 on the 16th March 2012. However, additional tasks were given to Cut-to-Black for an additional amount of R604,923.70. The additional requirements could not be sourced through competitive bidding processes because they are linked to the original services/scope of work awarded to Cut-to-Black. As these services were urgently required, no authorisation was solicited prior to engagement of the service provider, hence the request for the ratification.

13. Payment to Private Security Companies in terms of Contract 270/09 for September and October 2012. Service Provider, Panel of eleven Private Security Companies, R29,103,000.00.
Reason
The increase in the value of the contract by R29,103,000.00 is due to the pay out of PSIRA Statutory increases to the eleven Private Security Companies for the period of September and October 2012.

14. Office Accomodation 222 Smit Street and Parking Bay, Service Provider Redefined Properties Limited, R2,702,278.00 and Service Provider Interpark R221,616.00.
Reason
The request for a Deviation to extend the Lease at 222 Smit Street for the office of the CIO is due to the following reasons: Critical IT infrastructure has been installed in this building. The SAP Competency Unit is housed in the building. For the above reasons and the cost associated with the removal cost, loss of productivity and the fact that the building is within close proximity to Metro Centre, it makes business sense and cost efficiency to renew the current lease, hence the request for the deviation.

15. Extension of the SAP ERP Support, SAP End User and IT Functional Training provided by EOH, UCS and BCX respectively. R13,280,000.00.
Reason
The new tender A472 was advertised and the Bid Evaluation Committee presented its report to the Bid Adjudication Committee on the 27th July 2012. The Bid Adjudication Committee raised certain concerns that were to be considered by the BEC. However, the current arrangements with EOH will expire on 31st July 2012 and hence the request for a deviation to extend the contract until 31st August 2012 to allow the finalisation of the consideration of contract A472.

16. Payment of Mailtronics, R331,668.24.
Reason
R&CRM needed to inform and educate ratepayers on changes, procedures and policies that impact their municipal accounts i.e annual tariff increase. Having no contract in place, the R&CRM Department made use of Mailtronics who have a contract with the City to book, place and ensure design of the tariff information for placement in 19 newspapers. On invoicing the Department was informed that the contract only relates to marketing and communication with regard to the printing and posting of statements. Hence the ratification for the approval of payment.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

17. Payment of Nenongwe Building Construction and All Cleaning Services, R265,050.00.
Reason
Jabulani Fire Station was revamped at the cost of R1,402,193.00 excluding VAT. During the renovations it was discovered that the water table was much higher and the soil was spongy which made it impossible to compact to the required standards. An engineer was engaged to replace the spongy soil with imported G5 and G7 soil at the cost of R265,050.00 excluding vat, hence the request for the ratification as the scope of work was extended without obtaining the necessary approval.

18. Extension of the appointment of KMPG to second an Acting Group CFO on temporary basis for a period of six (6) months from 1 October 2012 to 31 March 2013, R4,000,000.00.
Reason
On 20 December 2011 KPMG was appointed to second an Acting Group CFO on a temporary basis for a period of nine months at a cost of R5,859,000.00. Subsequent to the appointment of KPMG the City commenced with the recruitment process of an appropriate Group CFO, however no suitable candidate was found, hence the request for a deviation to extend the original engagement of KPMG by six months.

19. Extension of Paper Ticketing, Service Provider, Reakgona Inspectorate (Pty) Ltd, R528,000.00, Tony'sTime & Access R50,000.00, TMT Service & Supplies (Pty) Ltd, R1,130,000.00, Ace Wholesalers R864,000.00, G4S Cash (Pty) Ltd R490,000.00.
Reason
It was anticipated that the paper ticketing system would be replaced by the AFC system on 1 November 2012. Due to circumstances beyond the control of Rea Vaya, the commencement of the implementation of the AFC system is presently scheduled for 26 November 2012, with an introductory transition period when the two systems will run together. Hence the ratification for the approval of payment.

20. Appointment of Rea Vaya Strategic Support, Service Provider, Dirk Jacques van Zijl, R1,200.00 per hour.
Reason
The institutional review process of the City resulted in significant changes that were not anticipated, such as the closure of the Metro Trading Company (MTC) necessitating the incorporation of the entire station management function into the Rea Vaya business unit and this had required a significant number of additional hours from Van Zijl. Hence the request for the approval for the appointment of Mr. D.J (Jacques) van Zijl as a strategic support resource for the Rea Vaya BRT and Scheduled Services Agency.

21. Acquisition of services from Events Galore Event Planning & Management Company for the Special Whippery Political Caucus Meeting. Service Provider, Events Galore, R66,883.00.
Reason
The Department solicited three quotes from the service providers as required by Supply Chain procedures.
Events Galore was recommended since it was the lowest. The services were requested on an emergency basis hence the requirements were not advertised on the Notice Board nor signed off prior to engagement of the service provider by the delegated authority.

22. Increase of Current Budget to allow for the Retention of SAHA's AFC Consulting Services to Finalise the Implementation of the Rea Vaya Phase 1A AFC system, R645,810.00.
Reason
Due to mainly the ministerial Automated Fare Collection ("AFC") System Regulations, having necessitated the complete renegotiation of the contract with the City's AFC "Supply & Installation" contractor, the City's AFC Advisory Consultant's contract once again had to be further extended and provision made for the extra costs and fees occasioned by this further delay and all the additional work that had to be done in the process.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

23. Extension of Paper Ticketing Service Level Agreement, Service Provider TMT Services & Supplies (Pty) Ltd R302,841.00, Reakgona Inspectorate (Pty) Ltd R176,000.00, Tony's Time & Access R21,347.60, Ace Wholesalers R649,500.00, G4S Cash (Pty) Ltd R350,000.00.
Reason
Due to the delay in the funding of the bank account required by ABSA to load pre-paid fares on the new EMV smartcards and the fact of the integration of the AFC and APTM systems.

24. Lease of Driehoek Radio High Site from Eskom Enterprises (Pty) Ltd, R77,280.67.
Reason
This ICT high site is critical for continued uninterrupted services to COJ area and it is the only service provider for a high site in terms of specific and ICT requirements.

25. Renewal of Lease Agreements for rented Library Facilities, Service Provider Eris Property Group (Pty) Ltd, R145,245.64, Blend Property Group, R578,880.00, Redefine Properties Limited, R478,667.40, City Property Administration, R104,494.20, Heartland Leasing (Pty) Ltd, R86,701.56, Basfour 2296, R347,328.00.
Reason
The normal procurement processes were dispensed with on the basis that the procurement in question is regarded as an exceptional case where it is impractical to follow the normal procurement processes. The library facilities within the communities will be unhappy, and costs will be too much. These libraries have been established in these communities for a very long time and moving or relocating them might disadvantage the communities and will be costly.

26. Appointment of a Service Provider for use of the Private Emergency Medical Services at Primary Health Care Facilities to Prevent Loss of Life, Service Provider Netcare, R6,197.17.
Reason
The Department requested the services of the private medical emergency services at Local Government Primary Health Care (PHC) facilities in the event of non-response by Provincial Ambulances in life threatening situations and unnecessary possible medico-legal implications for the Health Department in the City.

27. Renewal/Extension of Lease Agreement, Alphen Square North Randjespark, Midrand, Service Provider, JT Ross Property Services (Pty) Ltd, R4,957,019.10, R761,624.28 and R198,076.32.
Reason
The Health Department Region A offices are located at Unit 6, 7 and 8, Alphen Square North Randjespark, Midrand. The public has been using the premises to engage with the Department, hence the request for a deviation to extend the lease for those premises as it is impractical to go out on tender on the same building.

28. Utilisation of Services of Steiner Hygiene Services (Pty) Ltd, R3,845.99.
Reason
The user department engaged the service provider under contract 176/08 which was approved by the City, however, the contract expired in October 2011 and the user department continued to utilise the services of Steiner Hygiene from the period March 2012 to June 2012 as discontinuing these services would have posed a serious health risk, hence the ratification for approval of payment.

29. Undertaking an Educational Trip and Approval to re-imburse the University of Witwatersrand for money paid, R15,648.00.
Reason
Ms. P Bafo and Mr. Ramashala who are on subsidised education from the City, are currently studying towards a Masters degree in Housing and Development Planning through the University of Witwatersrand. As part of their studies they went on a compulsory field trip to Nairobi from 11 to 15 September 2012, where they participated in a symposium and they presented a paper relevant to their observation as part of an academic assessment. Hence the ratification for approval of payment.

30. Approval of payment of the Service Provider SOS Protect Sure National Division, R1,400,000.00.
Reason
Installation of CCTV monitoring systems at Midrand and Randburg to minimise the theft, fraud and corruption at the cash sites and testing stations.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

31. Approval of payment of the Service Provider Gijima AST Holdings (Pty) Ltd, R40,757.28.
Reason
Contract No. 280/10 exists between Gijima AST Holdings (Pty) Ltd and the City of Johannesburg for upgrade, mainten ance and support for an existing Phillips telephony system installed at 66 Jorissen Street linked to 61 Jorissen Street via VOIP. The contract covers the entire telephony system and is therefore applicable for both buildings. Throughout the first year of the contract, no reconciliation of expenditure was done. On submission of the invoice, a reconciliation was done and it was established that the contract amount has been exceeded and no payment was effected.

32. Approval for payment of the service provider Munghwena Trading Projects, R102,600.00.
Reason
The absence of a contract and in compliance to Occupational Health and Safety standards, Group Finance requested Mungwena Trading Projects who was supplying the services from August 2012 to October 2012 to continue with the provision of hygiene services at 28 Harrision (Technical Call Centre). This service could not be discontinued as this was going pose a health risk to Call Centre staff and management. A request for quotations was placed on the board between the 17 October 2012 to 24 October 2012. Approval of the recommended supplier has taken longer and this has compelled the officials to continue with current service provider. Invoices for the months of November 2012 and December 2012 could not be paid for the reasons stipulated above.

33. Approval for payment of the service provider Bonamini Trading Enterprise, R117,800.00.
Reason
In the absence of a contract and in compliance to Occupational Health and Safety standards Group Finance requested Bonamini Trading Enterprise who was supplying the services from August 2012 to October 2012 to continue with the provision of cleaning services at 28 Harrison (Technical call centre). This service could not be discontinued as this was going pose a health risk to call centre staff and management. A request for quotations was placed on quotation board on 17 October 2012 and closed on 24 October 2012 (copies attached). Approval of the recommended supplier has taken longer and this has compelled the officials to continue with current service provider. Invoices for the months of November 2012 – December 2012 cannot be paid for reasons stipulated above.

34. Approval for payment of the service provider Manenzhe Hygiene Solutions, R41,040.00.
Reason
Contract number 144/08 for a panel of contractors to supply cleaning services to the City of Johannesburg expired in March 2012. In the absence of a contract and in compliance to Occupational Health and Safety standards Group Finance requested Manenzhe Hygiene Solutions to continue with the provision of cleaning services at 28 Harrison. This service could not be discontinued as this was going pose a health risk to call centre staff and management. Invoices for the month of July 2012 cannot be paid for reasons stipulated above.

35. Appointment of Two Tone Global Agency to execute AFCON 2013 Communication and Marketing Campaign. Service Provider, Two Tone Global Agency, R2,808,435.34.
Reason
The Department engaged the services of a service provider without following normal procurement processes in terms of utilisation of Panels as per Practice Note 004/2011 and the SSCM representatives were not engaged.

36. Ratification for exceeding the Value of Contract 287/10, Electronic Automate Clearing Services, Service Provider, Mindworx Consulting (Pty) Ltd, R109,982.07.
Reason
A tender No. 287/10 was advertised to a service provider to render services for the Electronic Automated Clearing services and the simplification of the payroll activities and Midworx Consulting (Pty) Ltd was appointed for the period of thirty six (36) months commencing from the date of acceptance 13 August 2010. The award was based on the contract not exceeding R1,296,000.00 for the duration of the contract.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

37. Appointment of Universal Knowledge Software to provide the Symphony Library System. Service provider Universal Knowledge Software (UKS), R5,680,000.00.
Reason
The provision and support of the Library System and that of a new contract for the supply and maintenance of the Library System for a period of thirty six (36) months, starting on 01 February 2013.

38. Delivery and installation of surveillance DVR System, Security Camera, Alarm Connectivity and monitoring of the Civic centre, Florida Park. SOS Service provider, R67,727.40.
Reason
Installation of surveillance DVR System, Security Camera, Alarm Connectivity in the walk-in centre in Roodepoort.

39. The appointment of XON to provide anti-virus protection software security support licenses. XON service provider, R1,413,146.70.
Reason
Security software support services for a period of twelve (12) months from 01 January 2013 until 31 December 2013.

40. Appointment of SKS Business Solution CC for minor works. SKS Business Solution CC service provider, R211,696.69.
Reason
Minor works at the Bellavista Clinic (Region F).

41. Actions of the officials of revenue shared services and approval of a deviation from the official procurement processes by the City Manager and the extension of scope of work on the project undertaken by Ernest & Young service provider, R1,093,906.38.
Reason
The increase in value of contract awarded to Ernest & Young to assist Revenue Shared Services Centre (RSSC) to perform additional imaging and analyses of computers in order to complete the cheque/cash management process review and forensic investigation services undertaken by the Department.

42. Ratification for exceeding the value of the contract A491, Acquisition Management Mogale Solution Providers (Pty) Ltd service provider, R214,132.36.
Reason
Appointed to facilitate the process of recruiting candidates for seven positions on the second reporting level, as an additional amount for the second headhunting process to appoint the Executive Director : Environment and Infrastructure Services.

43. Relicensing and support for the heritage collections database and ratification of actions of Arts and Culture in relation to utilising Glomas Africa service provider,
1. Ratification R144,177.16,
2. Deviation R459,635.06.
Reason
Approval payment from 01 November 2011 to 31 October 2012.
Reason
Sole Supplier of licenses and support for the STAR databases used for the City for a period of twenty four (24) months from November 2012 to 31 October 2014.

44. Expenditure incurred on EOH Contract No. A472. EOH Resources service provider, R11,935,418.10.
Reason
The Revenue Shared Service requested the assistance of EOH Resources in the clearing of error logs for Billing, invoicing and the Print Workbench. These extra resources were not included in the initial budget for 1st line and 2nd SAP Support. The huge volume of error was impacting on Revenue performance. The contract amount was reached between the OCIO and Revenue Department and though Revenue had sufficient estimate provision to accrue expenditure in the previous financial year, the department could not release the payment as approval had not been sought to increase the contract amount.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

45. Appointment of Steiner Hygiene Services R173,056.56.
Reason
Utilising the services of Steiner Hygiene Services for the period of four (4) months from 01 February 2013 to 31 May 2013.

46. Appointment of Agonamathata Air Conditions and Projects as service provider, R190,596.60.
Reason
Agonamathata Air Conditions and Projects for a period of six (6) months from 01 February 2013 to 31 July 2013, and that the requirement for a MBD 4 form in the case of Steiner Hygiene Services as well as the requirement of a signature in the case of Agonamathata Air Conditions and Projects is waivered.

47. Request for payment to Bella Recruitment Team for the service rendered to the Private Office of the Executive Mayor. R138,144.00.
Reason
The City pays Bella Recruitment Team for the services rendered for paying temporary employment of Tshepiso Mbedzi over the period of ten (10) months.

48. Extension of contract for the expanded social package (ESP) system with resultant finance. Service provider Resultant Finance, R288,728.00.
Reason
The extension of contract approved for the period of six (6) months.

49. Motivation for payment to service provider Lufhereng IT, R35,595.00.
Reason
To continue utilizing the services of Mogale Information Technologies (Pty) LTD for services rendered in June, July, August, September and October 2012. No further payment regarding Lufhereng IT will permitted. 50. Extension of lease to accommodate the department of Economic Development at Jorrisen Place. Service provider LLP, R716,816.01.
Reason
The DED continues with a month-month lease from the 1st February to 31st August 2013 lease contract with LLP, subject to changes in utility consumption and other recoveries and the 9% annual escalation rate as per the lease agreement.

51. The insurance renewal terms and the contracts of short term insurance fund/contingency policy administration services due to unfore seen delays for the appointment of insurance broker/s. Service provider Guardrisk Insurance Company Ltd, R48,000,000.00.
Reason
The Executive Director : Group Assurance be authorised to finalise and sign-off the addendum to the existing service level agreement, to effect the payment to Guardrisk in accordance with this approval.

52. Request for Payment to the Cleaning Services contract. Beef, General and Civil Construction service provider, R49,950.00.
Reason
Resulting in the continued use of a service provider without proper authorization.

53. Extension of lease agreement to accommodate ward councillors and the legislature at the ACA Krans Building Region B, R958,431.09.
Reason
Failure to include the Office of the Speaker into the new lease agreement and continuing to occupy the said premises without the approved lease agreement with the Landlord for the period of 01 August 2012 to 30 April 2013.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

54. Extension of the service level agreement. Service provider BNP Capital and Goba (Pty) Ltd, R4,189,363.20.
Reason
The contract was extended for the period of three (3) months or until the budget is exhausted. 55. Appointment of the Organ of State. Service provider CSIR Meraka Institute, R275,000.00.
Reason
Appointment approved to undertake the development of the CoJ Smart City Strategic and Implementation plan.

56. Supply and installation of the workstations. Service provider Badiri ba Setshaba business enterprise, R61,490.09.
Reason
Enable payment for approval by the City Manager.

57. Extension of the service level agreement. Service provider Exponant (Pty) Ltd, R1,014,000.00.
Reason
Enable payment for approval for six months until 31 October 2013.

58. Request for payment of Office Furniture and Equipment suppliers, Service provider, Imvelo Office Profile CC R873,231.81, Mukulu Library Furniture Manufactures, R222,452.76, Akanani Office Furniture Manufacturers, R556,291.50, Thuthuka Paper (Pty) Ltd R533,504.36.
Reason
Payment for the procurement of office furniture and equipment from Imvelo Office Profile CC, Mukulu Library Furniture Manufactures, Akanani Office Furniture Manufacturers, Thuthuka Paper (Pty) Ltd and Instant Office Furniture CC.

59. Request for payment to Insearch recruitment projects for a temporary driver/messenger. Service provider Insearch recruitment project, R120,000.00.
Reason
Authorises payment for the Insearch Recruitment Projects service rendered from 01 July 2012 to June 2013.

60. Approval of short term employment contracts with recruitment agencies for Administrative assistance. Service providers, Mandisa Human Capital, Vogue HR Services and Innovations Recruitment, R363,400.53.
Reason
Mandisa Human Capital, Vogue HR Services, Innovations Recruitment specialist for the administrative resources from 01 July 2012 to May 2013.

CORE - 2012

1. Multilingual : service acquired without contract in place - Ratification Approved, R141,215.00.

2. Events Galore : service incurred without valid order - Awaiting ratification R66,883.00.

3. Tim Dollar Cleaning Service : no valid contract - Awaiting ratification R52,150.00.

4. Butomi : procurement processes not followed (RFQ not done) - Awaiting ratification R14,475.00.

Disciplinary steps/criminal proceedings : None

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

5. Approval to Appoint a Service Provider to Supply Operational Uniforms for Emergency Services using quotations, Service Provider Fine Fit Uniforms and Overall CC, Link Reflective and Protective Designs CC, Simon Setuke Distributors CC, R9,775,275.30.
Reason
Emergency Management Services has been unable to procure and issue uniforms to employees over the past three years and the situation reached levels where employees were de-motivated, threatening industrial action and at times report to work in civilian clothes. The issue of the lack and non-provision of uniform had already been a subject of the media through some disgruntled employees and may be used as a basis by labour representatives to incite industrial action. It is on this basis that EMS management approached the City Manager and the Executive Adjudication Committee to allow the process to solicit "quotation process" on the basis of the submissions that have been received during the tender process as the process to re-advertise would be lengthy.

6. Development Planning and Urban Management Building Control, Service Provider JT Ross Properties Services (Pty) Ltd, Lease per month R31,747.00, Operating Cost R8,159.00, 12 Covered Parking R4,549.00, 3 Open Parking Bays R732.00 and Rates and Services R1,293.00.
Reason
The Department Planning & Urban Management has been leasing unit 3, 4A and 5A including 12 covered parking bays and 3 open parking bays situated at 16 street, Alphen Square North, Midrand for the past 3 years. The Department requested a deviation to continue to use/lease the premises as the public is aware of the location of the offices and it has been constructed to accommodate the need of the department.

7. Deviation from Supply Chain Management Processes Regarding the Extension of Contract No: A264 for the City of Johannesburg Website and News Agency During the Website Migration Project Implementation, Service Provider Dimension Data,
(i) Ratification: Reg 36(1)(b) 6 August to 5 September R367,891.66
(ii) Deviation: Regulation 36(1)(v) September 2011 to February 2012 R1,839,458.30.
Reason
The current contract for the hosting of the City's website expired on 5 August 2011. The user department requested that the contract be extended to facilitate migration of the website to the City's CIOG office. Sufficient lead times are required to implement the website migration project. The required extension will allow for the procurement of the required infrastructure, installation and hand over the implementation of the project.

8. Authorisation for Procurement of Catering for 500 People at the Funeral of the Late Mrs Albertina Sisulu, Service Provider Lapa La Rona Catering, R345,556.80.
Reason
Urgent requirement, it was impractical for the department to go out on tender.

9. Department of Economic Development, Liberty Life, R3,108,840.48.

10. Approval of Payment for the Service Provider: Events Galore, Service Provider Events Galore Oasis Initiative and Tsutsumani In Alexandra R1,401,118.44, Marlboro and Alexandra Techno-Hub R3,987,856.80.
Reason
(1) Quotations were solicited from a panel approved by the EAC: Proposal number A290C:Appointment of Consultants for the provisions of strategic marketing, administration on Events Management for the City of Johannesburg. The two companies recommended by the user department, are only awarded the items/services:
- Events Management
- Brand Management
- Communications

(2) The department awarded project management to the service provider Events Galore who was not allocated/awarded this item in the panel.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

11. Request to Approve Variation/Scope of Work: Gas Expansion Strategy for the City of Johannesburg, Service Provider SAHA International (Pty) Ltd R141,600.00.
Reason
The Central Adjudication Committee awarded RFP A390 to SAHA International (Pty) Ltd on 10 November 2010 to develop the strategy for the expansion of natural gas in the City. While conducting these two of the project which was scoped in the original appointment, the Energy Sector (IS) realized that the scope of the project was limited and confines itself only to natural gas. Upon evaluating the risk, cost and opportunity cost of not including other gases in the current strategy, the Energy Sector was of the opinion that the scope of contract be increased to cover other gases rather than confine narrow the assignment to natural gas alone. A decision was taken to have the service provider evaluate the scope change and its impact thereof, which resulted in the increase in the original pricing of R951,200.00 with an additional R141,600.00 hence the request for the deviation under Regulation 36(1)(a)(v).

12. Engaging a service provider without following supply chain management procurement process, Service Provider Ulwaza Protection Services, R86,251,84.
Reason
(1) There were councillors who were attacked and threatened to be attacked due to service delivery protests and a service provider was identified as a suitable service provider to undertake the risk assessment profile of two
(2) of councillors of the City. Due to the urgency and sensitivity of the matter, it was therefore impractical or impossible for the City to go out for an open Bid process after the 2011 Municipal Elections.

13. Enterprise resource planning frontline support services, Service Provider, Dimension Data, R528,000,00.
Reason
During the transitional period for Contract: A387, previous service providers continued to provide services to the department even after the expiry of their contracts hence the request for the ratification.

14. Deviation from the Normal Procurement Processes for the Supply of Resources for a Call Centre, Service Provider EOH, R6,397,281.00.

15. Deviation from the Normal Procurement Processes for Enterprise Resource Planning Post Implementation Support and End-User Training, Service Provider EOH Mthombo (Pty) Ltd, R68,706,800.00.
Reason
The City entered into an agreement with EOH Mthombo (Pty) Ltd for the period 1 July 2010 to 30 June 2011 to render the Post Programme Phakama implementation support for the 1st and 2nd line ISU/CRM. The Contract came to an end on 30 June 2011 and there was a risk that the COJ SAP ISU/CRM end-users were not skilled enough to transcut on the SAP system without the assistance from the 1st line support consultants; hence the request for the extension of the contract of the service provider to continue to provide the specified specialist post implementation support for the 1st and 2nd line end user training.

16. Legal & Compliance, Service Provider Fem Power (a Division of the Workforce Group), R137,091.00.
Reason
The process to recruit and appoint a person in the position of City Manager was considered time consuming and the need existed to ensure a smooth transition, since the contract of the former City Manager was expiring at 30 September 2011. As at that time, there was no tender in place for the recruitment of senior executives in the City. The matter for the recruitment and appointment of the City Manager was considered special and urgent where it was impossible to follow the normal procurement process hence the request for deviation.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

17. Request for Extension of Contract of Stratalign/Tokiso for the Facilitation of the Seat Allocation Working Group Talks (Talks about Talks with the Potential Operators for Phase 1B of Rea Vaya, Service Provider, StratAlign/Tokiso R1,205,760.00.
Reason
The EAC of 12 November 2010 approved the appointment of StratAlign/Tokiso to facilitate the initial preparatory talks about talks process for the determination of the business modes between the City and potential affected operators. This extension was to facilitate the further preparatory talks for phase 1B and bearing in mind the sensitivities of these talks about talks. This service provider has the detailed understanding and knowledge of the industry and the BRT process. Further the parties were asked who they would feel comfortable with and requested these service providers hence the request for a deviation, as it would be impractical for the City to go out on tender as the taxi industry has identified their choice of a service provider.

18. Transportation, Service Provider Putco Properties (Pty) Ltd, R1,636,014.00.
Reason
During August 2009, the EAC authorised conclusion of a lease with Putco of its Nancefield bus depot for two years until 31 August 2011, pending construction of the Dobsonville Rea Vaya depot. As indications were that the Dobsonville depot would be ready by the end of April 2012 and that it would take about a month to move over from Nancefield, the EAC was prior to the expiry of the existing lease with Putco during July 2011 asked for permission to w.e.f 1 September 2011 extend it by 9 months until the end of May 2012 at the agreed annually escalated (9%) rent of R181,779.30, plus VAT, per month.

19. Renewal of Taxi Storage Contract for 48 Taxis with "Bohlokoa", Service Provider Bohlokoa Outdoor Advertising (Pty) Ltd, R171,000,00.
Reason
This is for the storage of mini bus taxis which was required prior to the mini bus taxis being disposed of. The service provider was initially sourced on open tender. However as the tender needed to be extended since the process of disposal to look longer than anticipated due to the fact that some taxis had problems with their operating licenses and others still had HP amounts owing. The Transport Department working with the taxi industry have been working on solutions for these problems but at the time of this EAC request, 48 taxis still needed to be stored. It was impractical for the department to go out on competitive bidding process to finalise the assignment already undertaken and awarded to the service provider.

20. Transportation, Learncorp, Afrigis and BPS Capital, R1,434,145.00.
Reason
In a Memorandum of Understanding ("MOU") between the Taxi Industry and the City, the former Executive Mayor committed the City to: Provide the Taxi Industry with the human and material resources necessary for the industry to adequately and competently participate in the project. Assist with resources that ensure adequate consultation of the Taxi Industry on all aspects of the project. A similar Memorandum Of Agreement ("MOA") is to be signed with the present Executive Mayor and City Manager, wherein a similar commitment will be made. In the above MOA, the terms and conditions under which the POA's are able procure their own technical support are set out, including that, while there is a deviation from normal procurement processes, all other City procurement and payment processes must be adhered to.

21. Transportation, FOT Consulting CC, R359,600.00.
Reason
This was not approved by the EAC.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

22. Transportation, Saha International SA (Pty) Ltd, R5,258,454.00.
Reason
Due to various delays in the implementation of the AFC system by TMT, inter alia the above-mentioned renegotiation of the AFC Main Agreement with TMT as a consequence of the Regulations promulgated by the national Department of Transport ("DoT"), Saha was unable to complete its agreed work scope at the time of the expiry on 18 August 2011 of its AFC Consultancy Services SLA with the City, which was previously extended from 2 to 3 years for the same reasons. It furthermore transpired that, once installation of the AFC System by TMT commences, professional assurance services would be required to ensure that the City is getting what is required by the NDOT regulations as Saha had assisted with the design of the AFC system and has the necessary institutional background and the procurement of another service provider capable of taking over from Saha would be too time consuming and cause even further delays, the extension was authorized by the EAC.

23. Chief Whip Office, Robby's Place Catering, R50,000.00.
Reason
No reasons provided.

24. Ratification of Actions of Department Community Development for Exceeding Value of the Carnival 2010 Programme and Request to Increase the Value, Service Provider Event Masters R172,532.95.
Reasons
(1) The Community Development (Directorate Arts/Culture) processed a call for proposal under panel approved by the City, panel for the provision of strategic marketing services project management, administrators and event management services to manage the implementation of the 2010 carnival event.
2) However during the process of reconciling the invoices with payments made, it was established that the original budget of R2,000,000 has been exceeded by R172,532.95.

25. Corporate and Shared Services, Imbali Props 59 (Pty) Ltd, R6,720,300.00.
Reason
(1) The former Region 9 Head Office (now Region F) is located at Eureka House in Springfield for the past 9 years. The previous 3 year lease agreement expired on 28 February 2011 and the City entered into a month to month lease until end June 2011 to allow Facility Management to complete a feasibility study to evaluate the suitability of the facility for the continued occupation by the Region
(2) There are no other commercial buildings available within a radius of 5km from the current location. There are however suitable B grade facilities available within the CBS of Johannesburg but in most cases at high cost.

26. Planning Urban Management, Viking Pony Properties (Pty) Ltd, R301,251.00.
Reason
When the urban management model for the inner City was devised the quadrant approach was adopted. The Department region F faced complex challenges in its search for suitable office space to accommodate quadrant 1 and 2. After extensive research, suitable office space was identified at 137 Siverwright Avenue, new doornfontein to accommodate 20 staff members. If it would thus be impractical to undertake the entire exercise of identifying alternate office accommodation particularly with faults by management and maintenance having to take decision on the future of the region's corporate building which could impact on quadrant offices. It is therefore proposed that the lease agreement be extended for a period of twelve (12) months.

27. Extension for the Utilisation of the Sithole Human Capital, Service Provider, Sithole Human Capital R946,382.
Reason
Initial approval for work done was exceeded due to the amendment of the Strategy and this did not allow the department sufficient time to solicit additional funding and authorisation hence the request for deviation.

28. Transportation, Ernst & Young, R612,612.00.
Reason
No reasons provided.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

29. Extension of SAHA's AFC Consulting Services contract until installation of AFC System by TMT, Service Provider SAHA, R5,408,502.00.
Reason.
This motivation was taken to the EAC to report on the necessity to renegotiate the TMT AFC tendered contract after the publication of the Automated Fare Collection regulations by the National Department of transport and to seek permission to commence. It also addressed the necessity to contract ABSA outside of the banking agreement for a period of three years.

30. Extension of SAHA's AFC Consulting Services contract until installation of AFC System by TMT, Service Provider SAHA R586,135.85.
Reason
This is the deviation including a scope adjustment and it was impractical for the department to go out on tender.

31. Extension of Taxi Storage contract for 53 taxis with Bohlokoa (Pty) Ltd, Service Provider, Bohlokoa Outdoor Advertising (Pty) Ltd R63,380.
Reason
This is a further deviation in respect of the above. The number increased because some taxis that were repossessed by the banks were returned after the City paid the outstanding HP requirements, hence the request for the ratification as the vehicles were already stored at the same venue by the same service provider.

32. Extension of procurement of protection services at the Erstwhile and the newly elected executive mayors residences Service Provider, Zungizile protection services R175,050.03, R350,100,06 and R83,357,16 and R66,120.00.
Reason
Contract to provide Security Services to the residence of the Erstwhile Executive mayor and new Mayor extended due to the hand over period and pending finalization of a new procurement process to appoint a new service provider.

33. Public Liason, Thuso group T/A Thuso exhibition, R3,000,000.00.
Reason
No reasons provided.

34. Finance, Hunter Van Ryneveld (Pty) Ltd, R3,796,656.00.
Reason
No reasons provided.

35. JMPD, Nkonki Incorporated, R7,299,000.00.
Reason
No reasons provided.

36. Community Development (library and information services), Momentum Property Investments (Pty) Ltd, R132,063.00, Midrand Business Park (Halfway House Library), R448,140.00, Killarney Mall Properties (Pty) Ltd (Killarney Library), R95,278.00, Malvern Plaza CC (Malvern Library), R121,710.00.
Reason
No reasons provided.

37. Housing Department, Urban Dynamics Gauteng, R32,324,488.00.
Reason
No reasons provided.

38. Public Liason, Gear House South Africa, R475,900.00, The Moving Billboards Picture Co, R175,000.00.
Reason
No reasons provided.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

39. Community development (Library and information services), Universal Knowledge Software, R5,540,913.00.
Reason
No reasons provided.

40. Appointment of a service provider for temporary staff for the Billing Management Department, Service Provider, Mandisa Personnel CC, R481,536.00.
Reason
When the procurement process to appoint a Recruitment Agency commenced, it was established that the contract expired and that Corporate and Shared Services (Human Resources Shared Services) commenced with the tender process but that the process was not finalised. Due to the lengthy process of finalising the tenders, awarding a contract as well as the urgency of dealing with the Auditor General matters, Revenue and Customer Relations Management made a decision to obtain three quotations from an expired contract hence the request for a ratification.

41. Payment of the Service Provider:Netgen for Upgrade of the City's Waste Information System during 2010/2011 Financial Year, Service Provider Netgen R184,942.00.
Reason
All procurement process followed, however there was an oversight from the user department to obtain the signature from the delegated official in terms of SCM delegations to approve the appointment and therefore the service provider was engaged without proper authority, hence the request for a ratification.

42. Corporate Shared and Services, CEZ Investment CC, R8,012,544.00.
Reason
No reasons provided.

43. Accommodation-Health Department, Region B, Auckland Park period 3 years, service provider, ACA Krans Trust R2,661,815.52.
Reason
The Health Department has eastablished its offices at 35 Symons Road, Auckland Park over the period of 8 years and the public and the suppliers have been using the premises to engage with the Department, hence the request for a deviation to extend the lease for those premises as it is impractical to go out on tender on the same building.

44. Appointment of Events Galore Once off payment, Service provider Events R53,547.00.
Reason
Service Providers scope of work extended to cover the emergencies that occurred as a result of demonstrations by communities.

45. Appointment of Technical Support to Phase 1A BRT Mini-Bus Taxi Operators Owned Investment Companies (TOIC's) Once off payment, Service Provider FOT Consulting R154,400.00.
Reason
Extension of the original scope of work done by FOT.

46. Appointment of Gil Penelosa from "8-80 Cities" to Conduct a series of "Street Alive" Workshops for Transport Officials, Key Stakeholders and Members of the Public. Once off payment, Service provider Mr Gil Penelosa R151,864.00.
Reason
The City's Transport department has adopted the "Streets Alive" programme as part of its goals of transforming the way transport programmes are implemented in communities. The Street Alive programme is in line with the City's 2040 GDS strategy, which aims to transform Johannesburg into an African City that provides quality of life for it's citizens.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

47. Accommodation - Shareholders Unit, Service Provider Kuper Leigh Property Management Pty Ltd R1,819,041.17,
Reason
The Shareholders Unit lease at Parktown was extended on a month to month basis for a period of 3 years whilst the department awaits the outcome of the institutional design.

48. Accommodation - Corporate and Shared Services, Service provider Life Properties R11,905,710.24,
Reason
The Finance Department lease at 66 Jorissen Street was extended on a month to month basis for a period of 12 months as the department was awaiting the consolidation strategy championed by Group Corporate and Shared Services.

49. Approval of Payment of the Service Provider: Turncard Trading 111 (Pty) Ltd for Bruma Lake Bioremediation Project, Service Provider: Turncard Trading 111 (Pty) Ltd R199,785.00.
Reason
The Procurement Process relating to the advertisement of quotations on the Notice Board was followed however: The service provider was engaged without the appointment report being signed by Director SCM in terms of her SCM delegation, hence the request for a ratification.

50. Approval of Payment of the Service Provider, Kaleo Consulting, for the Facilitation of the GDS Environmental Week Session, Service provider Kaleo Consulting R96,843.00.
Reason
The GDS Co-Ordinating Committee through the Central Strategy Unit was mandated to source services for all department for the outreach process. However this could not materialise due to the short notice given and therefore Individual departments were only advised to source their services directly. This was only after the consumption of such services. Hence the request for a ratification.

51. New Lease Agreement at Traduna Centre Braamfontein, service Provider Kovacs Investment R18,449,540.00.
Reason
In terms of the institutional Review Process (IRP), the Infrastructure Services Department and Environmental Management Services Department have integrated.This has resulted in the extension of the lease at Tradunabeing extended to accommodate the integration of the two departments. Hence the request for a deviation.

52. Baseline Increase: Current Microsoft Enterprise Agreement, Service Provider, Microsoft, R3,449,089.01.
Reason
Sole provider of Microsoft Software.

53. Approval of payment of the Service Provider, Manenzhe Hygiene Solutions, Service Provider, Manenzhe Hygiene Solutions, R72,000.00.
Reason
Revenue and Customer Relations Management utilised the services of Manenzhe Hygiene Solution from FMMU approved (Contract 144/08) Panel of Service Providers to provide services to the City of Johannesburg. This contract expired in March 2012 but the department continued to untilise the service provider for a period of three months (April to June), as these services could not be discontinued as it was going to pose a health risk to call centre staff and management.

54. Approval of Payment of Service Provider: Steiner Hygiene,Service Provider Steiner Hygiene R80,401.60.
Reason
Revenue and Customer Relations Management utilised the services of Steiner Hygiene from FMMU approved Contract 176/08), which expired on the 31 September 2011. This service could not be discoontinued as it was going to pose a health risk to call centre staff and management. Hence the ratification for approval of payment.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

55. Request for subscribing to HIS Information & Insight (Global Insight) Pty and Quantec Research (Pty) Ltd Service Provider HIS Information & Insight (Pty) Ltd (Global Insight) R49,590.00 and Quantec Research (Pty) Ltd R69,084.00.
Reason
Sole Provider of Regional Explorer (Rex) Database and EasyData.

56. Approval of Payment of Service Provider: Steiner Hygiene R151,044.00.
Reason
Community Development (Art Culture and Heritage) utilised the services of Steiner Hygiene from FMMU approved (Contract 176/08) Panel of Service Providers to provide Cleaning Services to the City of Johannesburg, that later expired and R&CRM informed FMMU but response was not clear whether the contract would be renewed by FMMU. This service could not be discontinued as it was going to pose a health risk to the museum staff and public, hence the ratification for approval of payment.

57. Approval of Payment of the Service: Request to appoint Events Galore to Facilitate a Strategic Breakaway of the Private Office of the Executive Mayor 13-14, Service Provider Events Galore, R127,442.70.
Reason
The private Office of the Executive Mayor followed the normal procurement process in terms of soliciting three quotations from a approved panel, but however the adjudication report was not submitted to the Director: SCM for consideration/approval prior to the engagement of the supplier.Hence the ratification for approval of payment.

58. Ratification of Actions on contract 207/08: The Supply and Delivery of Weekday and Weekend Newspapers to the City. Service Provider Continent Transport Services R241,642.54.
Reason
Service were rendered after the expiry and within the transition to the new contract which came into effect in January 2012. the amount of R241 642.54 was for the services rendered in December 2011. Hence the ratification for approval of payment.

59. Approval of Payment of Printing for the Notifications to Property Owners of Supplementaries as printed in Supplementary Valuation roll 9 for the period, 2 January 2012 to 23 April 2012, Service Provider Mailtronic Direct Marketing CC R463,002.15.
Reason
The Sec 49 notification from the supplementary valuation Roll 9 needed in terms of urgency to be posted with the monthly statements, hence Mailtronic Direct Media cc, the current service provider for the posting of monthly stateme nts was requested to include in those statements the section 49 notification. Unfortunately due to urgent nature of the requirement no price approval was obtained. Hence the ratification for approval.

60. Extension of the existing Lease Agreement for a further period of three years relating to Office Accommodation at 222 Smit Street, Braamfontein, Service Provider Broll Property Management Company R11,301,848.02.
Reason
The Housing Department has established its offices at 222 Smit Street, Braamfontein the public and the suppliers has been using the premises to engage with the Department, hence the request for a deviation to extend the lease for those premises as it is impractical to go out on tender on the same building.

61. Extension of the existing Lease Agreement, Service Provider ACA Krans R314,094.51.
Reason
FMMU has established its offices at 222 Smit Street, Braamfontein the public and the suppliers has been using the premises to engage with the Department, hence the request for a deviation to extend the lease for those premises as it is impractical to go out on tender on the same building.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

56. IRREGULAR EXPENDITURE (continued)

62. Deviation and Ratification of actions of Community Development in Relation to the services and period of operation Service Provider Steiner Hygiene, R240,000.00.
Reason
The user department engaged the service provider under contract 176/08 approved by the city, however the contract expired in October 2011 and the user department continued to utilised the services of Steiner Hygiene from the period February to July 2012 as discountinuing these services would have posed a serious health risks.

63. Extension of the existing Lease Agreement, Service Provider Liberty Life Properties (Pty) Ltd R751,786.78.
Reason
The department had requested permission to reside in Jorissen Place from 1st January 2012 to 31 December 2012, being the period which an alternative accommodation would be sourced.

57. IN-KIND DONATIONS AND ASSISTANCE

City Power received donations from various individuals worth R222,149.00.

The Johannesburg Zoo received donations from various individuals and corporates worth R102,315.00

The Office of the City Manager received the following:

- 1 Leather Cardholder donated by Dimension data worth, R200.00.
- 1 Silver pen donated by Nedbank worth R150.00.
- 1 Bottle of Johnnie Walker red Label Scotch donated by Inquest Investigations worth R180.00.
- 1 A4 diary donated by Inquest Investigations worth R250.00.
- 1 2013 calander & diary donated by AF Van Wyk Attorneys worth R200.00.
- 1 Cooler bag donated by Metrobus worth R100.00.
- 1 bottle of The Glenlivet scotch whisky donated by Sanlam worth R290.00.
- 2 sets of Bettoni Pens donated by Mchunu Attorneys worth R274.00.
- 3 sets of Key holders, card holders and pens donated by the Auditor General worth R89.00.
- 1 pack of Mountain Tea donated by the Shangai delegation worth R300.00.
- 1 Christmas card donated by MMC Nonceba Molwele worth R70.00.
- 1 Christmas card donated by Thuli Madonsela worth R20.00.
- 1 Christmas card donated by Chiang Chie Foo permanent secretary & Mrs. Audrey Chiang worth R20.00.
- 1 Christmas card donated by Vincenzo Schioppa worth R20.00.
- 1 Christmas card and DVD donated by Wendelin Eberle worth, R150.00.
- 1 Silver pen donated by Nedbank worth R150.00.
- 1 Bottle of Walker Red Label Scotch donated Inquest Investigations worth R180.00.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

57. IN-KIND DONATIONS AND ASSISTANCE(continued)

- 1 A4 Diary donated by Inquest Investigations worth R250.00.
- 1 American mustard donated by GIS worth R30.00.
- 1 Chrismas Card donated by Bowman Gilfillan worth R20.00.
- Executive Gents gift set with a silk tie, pocket handkerchief donated by EOH worth R169.
- Joburg Places book donated by Gerald Garner: Author of the 2.0 Spaces and Places worth, R320.00.
- CD PACK : 100 Years, Mormon Tabernacle Choir, Orchestra at Temple Square donated by The Church of Jesus Christ worth, R500.00.
- Picnic Bag donated by MetroBus worth R200.00.
- Joburg Places book donated by Gerald Gardner worth R30.00.
- Braai Pack Utensils donated by Auditor General : South Africa worth R250.00.
- Strawberry Cream Liquer, Dirty Dancing CD and Teddy Bear donated by Tsogo Sun worth R400.00.
- A Book by Lulu Callinicos: Who Built Jozi donated by Professor Rob Moore Deputy Vice-Chancellor worth R350.00.
- Chivas Regal Cashew Nuts donated by Consulate of Mozambique republic in Joburg worth R300.00.
- Diary book and Pen donated by Regenesys Business School worth R100.00.
- WALKA 7 Portable TV donated by Imtiaz Patel Multichoice worth R899.00.
- Chivaz Regal Whiskey donated by Louisa Consul General Portugal - Jhb worth R150.00.
- Pen, Stand donated donated by AFCON 2013 worth R180.00.
- Wine and 2 Crystal Glasses donated by Vivian Reddy worth R500.00.
- Crafts with Identity donated by Gen Sec: Mr Alien Sauex Metropolis worth R250.00.
- ANDY C Collections: Spoon donated by Ethekwini Municipality worth R150.00.
- Business Card Holder and DVD by Marius Jovaisa donated by MAYOR OF VILNIUS R350.00.
- Johnny Waker donated by Anonymous worth R999.00.
- Beating the Odds : Socio Economic Justice for All donated by Black Management Forum worth R350.00.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

57. IN-KIND DONATIONS AND ASSISTANCE (continued)

Environmental and Infrastructure Services received the following:

- Airfare and Accommodation expenses towards Executive Director for trip undertaken to Switzerland, attending summit in the name of Tiaan Ehlers, donated by Global Energy Basel, worth $1500 for Airfare and $200 for accommodation.
- Airfare and accommodation expenses towards C40 Summit held in New York, attended by Linda Phalatse, Deputy Director, donated by C40 Cities Climate Leadership Group worth R15,374.22.
- Executive Director Tiaan Ehlers attended the international council for local environmental initiatives (ICLE) global town hall at Metropolitan Solutions, Hannover, Germany, donated by Metropolitan Solutions Forum, R37,247.73.
- Deputy Director Linda Phalatse attended the C40 Connecting Delta Cities workshop on climate adaptation and risk assessment, to be held in Rottendam, Netherlands, donated by C40 Cities Climate Leadership Group, worth R25,081.24.
- Assistant Director Simphiwe Mbuli attended the Green Hub Korea conference, donated by Global Green Hub Korea 2013 worth R16,035.00.
- Mzukisi Gwata attended the resilient cities 2013 - 4th global forum on Urban Resilience an adaption in Bonn, Germany, donated by Resilient Cities 2013, worth R22,539.00.

Johannesburg Metropolitan Police Department received the following:

- 5 Toshiba Laptops donated by Eyethu Events, totalling R29,995.00.
- 4 Dogs donated by various donors worth R2000.00.

Community Development Department received the following:

- Prizes (Pick 'n Pay Gift vouchers) for the Science Scuffle reading competition donated by Friends of the Johannesburg Public Libraries worth R6,500.00.
- Corporate donations for books donated by Van Schaik Bookstores worth R103,200.00.
- Friends of the Libraries funds donated by Various Friends of the Libraries worth R75,010.00.
- Book donations from unknown library members worth R613,874.00.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to organised local government

Council subscriptions	9,620	9,800	9,620	9,800
Amount paid - current year	(9,620)	(9,800)	(9,620)	(9,800)
	-	**-**	**-**	**-**

Audit fees

Opening balance	2,635	5,148	1,555	3,289
Current year audit fee	43,768	36,406	19,317	19,408
Amount paid - current year	(35,027)	(33,205)	(19,233)	(21,142)
Amount paid - previous years	(5,658)	(5,714)	-	-
	5,718	**2,635**	**1,639**	**1,555**

PAYE and UIF

Opening balance	60,312	64,547	50,701	49,061
Current year payroll deductions	989,480	951,706	691,536	657,897
Amount paid - current year	(926,131)	(894,583)	(635,432)	(607,196)
Amount paid - previous years	(45,705)	(61,358)	(50,701)	(49,061)
	77,956	**60,312**	**56,104**	**50,701**

Pension and Medical Aid Deductions

Opening balance	92,891	83,292	87,994	78,931
Current year payroll deductions and council contributions	1,638,546	1,468,023	1,247,514	1,113,175
Amount paid - current year	(1,536,591)	(1,375,121)	(1,147,763)	(1,025,181)
Amount paid - previous years	(86,205)	(83,303)	(87,994)	(78,931)
	108,641	**92,891**	**99,751**	**87,994**

VAT

VAT receivable	154,008	121,433	143,845	104,381
VAT payable	526,705	695,484	-	-
	680,713	**816,917**	**143,845**	**104,381**

VAT output payables and VAT input receivables are shown in note 9.

All VAT returns have been submitted by the due date throughout the year.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2013. All amounts are disclosed in Rands and are not rounded to the nearest thousand.

30 June 2013	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Jane DK	286	14	300
Jane DK	1,102	1	1,103
Louw MA	2,261	332	2,593
Mabunda HD	2,146	2	2,148
Mackay G	1,732	604	2,336
Mahlanga JP	659	790	1,449
Matladi JM	-	125	125
Mazibukwana M	116	776	892
Mbatha IN	1,515	2,833	4,348
Motha MS	43	11	54
Ndlela NM	10,419	17,603	28,022
Ntombela-Letsolo P	1,090	1,963	3,053
Nyengeza MP	67	315	382
Sibanyoni LP	449	505	954
Thomo JJ	43	27	70
Tsobane MM	888	1,044	1,932
Valentine ML	73	45	118
Valentine ML	351	335	686
Van Der Merwe MT	3,096	3,101	6,197
Weir PEH	4,006	74,256	78,262
	30,342	**104,682**	**135,024**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2012. All amounts are disclosed in Rands and are not rounded to the nearest thousand.

30 June 2012	**Outstanding less than 90 days R**	**Outstanding more than 90 days R**	**Total R**
Matladi JM	-	125	125
Radebe MT	1,747	17,066	18,813
Doydo P	516	1,656	2,172
Pretorius LR	774	5,518	6,292
Valentine ML	249	579	828
Nkoane MM	58	15,075	15,133
	3,344	**40,019**	**43,363**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

During the 2013 year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2013	Highest outstanding amount > than 90 days	Total (Rands)	Comments
Bittkau R	2,017	12,573	Up to date 30 June
Dube EA	1,924	4,548	Up to date 30 June
Dyodo P	1,893	2,625	Salary deduction
Gudlhuza SP	13,636	19,879	Up to date 30 June
Hlomendlini IN	1,876	6,994	Salary deduction
Jane DK	14	351	Arrears 90+days
Jane DK	2,687	4,681	Arrears 90+days
Louw MA	332	2,594	Arrears 90+days
Mabunda HD	220	2,994	Arrears 90+days
Mackay G	254	2,167	Arrears 90+days
Mahlanga JP	790	1,450	Arrears 90+days
Maimane MA	3	4,553	Up to date 30 June
Mathang RF	530	1,720	Salary deduction
Matladi JM	125	125	Arrears 90+days
Mazibukwana M	458	578	Arrears 90+days
Mbatha IN	789	2,215	Up to date 30 June
Mbatha IN	2,923	4,551	Arrears 90+days
Mncwabe	22,535	34,809	Salary deduction
Motala Z	1,093	3,344	Up to date 30 June
Motha MS	11	54	Arrears 90+days
Mulauzi MS	100	1,009	Up to date 30 June
Ndlela NM	3,747	5,109	Salary deduction
Ndlela NM	15,485	26,018	Arrears 90+days
Nkoane MM	6,486	7,962	Salary deduction
Nkqayi ZE	751	1,953	Arrears 90+days
Ntombela-Letsolo P	1,963	3,052	Arrears 90+days
Nyengeza MP	315	382	Arrears 90+days
Seefort CM	833	8,434	Salary deduction
Sibanyoni LP	215	737	Arrears 90+days
Sigotyana SS	3,286	4,298	Salary deduction
Sithole B	25,708	32,484	Up to date 30 June
Sun YH	1,213	7,520	Up to date 30 June
Thomo JJ	2	60	Arrears 90+days
Tolo IO	6,487	6,987	Up to date 30 June
Tsobane MM	186	1,350	Arrears 90+days
Valentine ML	949	1,146	Arrears 90+days
Valentine ML	78	452	Arrears 90+days

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

30 June 2013	Highest outstanding amount > than 90 days	Total (Rands)	Comments
Van Der Merwe MT	3,101	6,197	Arrears 90+days
Weir PEH	73,323	77,359	Arrears 90+days
Zulu MH	3	40	Up to date 30 June
	198,341	**305,354**	**2,220**

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

During the 2012 year the following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2012	Highest outstanding amount > than 90 days	Total (Rands)	Comments
Bittkau R	6,355	16,675	Arrears 90+days
Cooper JL	7,736	9,241	Arrears 90+days
Dewes DS	5,416	7,479	Salary deduction
Dewes DS	2,874	4,774	Salary deduction
Dewes DS	14,234	23,134	Salary deduction
Dube EA	33	1,794	Arrears 90+days
Dyodo P	3,925	4,290	Salary deduction
Dyodo P	1,656	2,172	Salary deduction
Gcabashe BTS	2,656	3,077	Salary deduction
Gudlhuza SP	30,022	33,363	Arrears 90+days
Gwebu JS	23,238	23,238	Salary deduction
Jane DK	2	1,187	Salary deduction
Kekana L	1,281	1,471	Salary deduction
Kubayi RM	3,509	3,974	Salary deduction
Landis R	14,597	16,901	Salary deduction
Lemao SJ	6,219	8,240	Arrears 90+days
Louw MA	229	1,475	Arrears 90+days
Mafokwane MM	1,176	4,575	Arrears 90+days
Maimane MA	708	7,179	Arrears 90+days
Maimane MA	1,169	2,704	Arrears 90+days
Maisha NP	855	2,191	Arrears 90+days
Maluleke MF	7,049	8,861	Salary deduction
Masemola MP	1,223	2,183	Salary deduction
Masemola MP	922	2,280	Salary deduction
Matladi JM	125	125	Arrears 90+days
Matlou MG	779	2,784	Arrears 90+days

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

During the 2012 year the following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2012	Highest outstanding amount > than 90 days	Total (Rands)	Comments
Mbatha IN	455	1,384	Arrears 90+days
Mgcina SE	1,365	2,234	Salary deduction
Mncwabe MH	1,919	8,846	Arrears 90+days
Mnisi MS	10,719	11,763	Salary deduction
Motahane-Mtubu TA	191	246	Arrears 90+days
Motha MS	1,190	1,233	Arrears 90+days
Motsumi LJ	954	1,112	Salary deduction
Mshayisa W	167	225	Arrears 90+days
Mthombeni SB	2,497	6,652	Salary deduction
Mthombeni SB	5,399	8,920	Salary deduction
Mulauzi MS	802	1,637	Arrears 90+days
Ndlela NM	1,728	2,689	Arrears 90+days
Netnow DM	302,496	308,207	Salary deduction
Nhose JL	2,178	2,267	Arrears 90+days
Nkhasi G	12,637	14,794	Arrears 90+days
Nkoane MM	20,724	22,039	Arrears 90+days
Nkqayi ZE	397	1,439	Arrears 90+days
Nodikane NP	2,914	3,460	Arrears 90+days
Pretorius LR	5,518	6,292	Arrears 90+days
Radebe MT	33,066	40,839	Arrears 90+days
Rakosa PM	9,178	10,290	Salary deduction
Raphata AM	2,300	3,312	Arrears 90+days
Ravid M	8,093	9,969	Arrears 90+days
Seefort CM	1,657	7,697	Arrears 90+days
Sethole PE	13,234	14,638	Salary deduction
Sibanyoni LP	73	405	Arrears 90+days
Sikweqa q	4	4	Arrears 90+days
Stewart PS	2,230	8,446	Salary deduction
Sun YH	17	5,671	Arrears 90+days
Thomo JJ	3	45	Arrears 90+days
Tseleli ET	6,285	6,948	Arrears 90+days
Tshabalala L	859	859	Arrears 90+days
Tshabalala J	3,024	8,579	Arrears 90+days
Tshabalala J	5,126	10,246	Arrears 90+days
Tsobane MM	11,090	12,148	Arrears 90+days
Twala YA	632	1,392	Arrears 90+days

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

58. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

30 June 2012	Highest outstanding amount > than 90 days	Total (Rands)	Comments
Valentine ML	182	308	Salary deduction
Valentine ML	579	828	Arrears 90+days
Valentine ML	777	1,069	Arrears 90+days
Van Der Merwe MT	3,802	3,802	Salary deduction
Van der Molen AC	119	2,162	Arrears 90+days
Vondo FC	1,848	1,942	Salary deduction
Waja Z	128	4,929	Arrears 90+days
Weir PEH	55,213	58,459	Arrears 90+days
Zondi BD	2,557	12,995	Arrears 90+days
	674,314	**828,788**	**4,050**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the group annual financial statements.

In terms of Section 36 (2) of the supply chain management regulation.

GROUP

The Johannesburg Fresh Produce Market (Pty) Ltd

1.	Sole supplier deviations	R1,723,840.00.
2.	Single source deviations	R15,508.00.
3.	Extension of contracts	R1,995,946.00.
4.	Variations deviations	R150,882.00.
5.	Emergency deviations	R25,057.00.
6.	Avoidable deviations	R13,860.00.

Johannesburg Social Housing Company (Pty) Ltd

1.	Pump & Seal	R267,223.00
2.	21st Century Pay Solutions	R2,6251.00
3.	Edward Nathan Sonnenberg Attorneys	R377,3202.00
4.	Unibyte Data Systems	R449,505.00
5.	Red Ants	R60,900.00
6.	Dumpit	R29,127.00
7.	Global Meter reading	R189, 437.00
8.	Bytes Documeny solutions	R70,568.00
9.	Cochrane (Lombardy East)	R1,106,767.00
10.	Cochrane (Turfontein)	R1,029,792.00

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

Johannesburg Roads Agency (Pty) Ltd

1. Emergency procurement in terms of MFMA: SCM regulation 36 1a(v) - Kokomoti Trading R146,060.00.
2. Emergency procurement in terms of MFMA: SCM regulation 36 1a(v) - Clifvon Civil R191,481.00.
3. Emergency maintenance works at Depots -Yo'Build Trading R13,439.00.
4. Emergency plumbing Head Office - Ntando- Thando Consulting R23 666.00.
5. Emergency plumbing Benrose and RSD - Bright ideas Projects R194,951.00.
6. Emergency plumbing Waterval - Fungai Electrical R22,494.00.
7. Emergency plumbing Motorways - Ekrog Projects R43,790.00.
8. Emergency electrical Benrose - GNG Trading R83 807.00.
9. Emergency repairs roof LAB -Botle Ba Sechaba R87 780.00.
10. Emergency plumbing Traffic Signals - Makgenene Construction R64 840.00.
11. Emergency electrical Motorways - Ditiro Tsa Trading R45,330.00.
12. Emergency electrical Traffic Signals - Kgwe Kgwe Construction R74 380.00.
13. Emergency repairs at Asphalt Plant - Rodecon Engineering R162,735.00.
14. Emergency repairs at Asphalt Plant - Southern Scale Services R3,621.00
15. Emergency repairs at Asphalt Plant - Faure Consulting R33,150.00.
16. Emergency repairs at Asphalt Plant - Mughwena Trading R35,796.00.
17. Emergency procurement in terms of MFMA: SCM regulation 36 1a(v) - Much Ashpalt R3,300,000.00.
18. Emergency procurement in terms of MFMA: SCM regulation 36 1a(v) - Silver Solutions R513,083.00.

Pikitup (Pty) Ltd

1.	Repairs and maintenance of equipment	R727,873.00.
2.	Plumbing services	R64 536.00.
3.	Wellness services	R248,281.00.
4.	Advertising	R227,305.00.
5.	Consulting and advisory	R85,500.00.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

6.	Conference	R234,180.00.
7.	Training	R55 195.00.
8.	Catering	R26,290.00

City Power (Pty) Ltd

1.	Payment of copy charges not included in the original contract R373,000.00.	
2.	Emergency procurement for repairs to 28 routers for the AMR system R123,000.00.	
3.	Final payment to a supplier after expiry of contract R4,662,000.00.	
4.	Emergency repair and permanent restoration of Kelvin- Delta 1 and 2, Kelvin-Cydna transmission lines R4,847,000.00.	
5.	Emergency repair to 33kV oil filled cables amounting to R2,028,000.00.	
6.	Emergency repairs to 2x33kV feeders cables amounting to R439,000.00.	
7.	Build mix cc	R105,355.00
8.	Essential paint and hardware	R46,836.00
9.	Intertest cc	R167,760.00
10.	Hennox 818 BK	R109,725.00
11.	Fumigation worx	R55,233.00
12.	Mboneni Teledata (Pty) Ltd	R810,407.00
13.	Software realisations cc	R3,350,931.00
14.	Oracle corporation	R6,009,620.00
15.	Wolters Kluwer tax & accounting	R260,000.00
16.	Mtechsa	R2,000,000.00
17.	Giscoe (Pty) Ltd	R1,429,902.00
18.	Business day	R41,860.00
19.	Sowetan	R16,108.00

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

City Parks (Pty) Ltd

1. Purchase order number PO033070 for procurement of EMgro was made to Chris Swanepoel for the amount of R25,842.00 as they are the sole providers of such product.

2. Purchase order number REQ6185 for procurement of tuition was made to Mancosa for the amount of R8,250.00 as a preferred institution.

3. Purchase order number REQ6235 for procurement of training was made to Commerce Edge for the amount of R3,450.00 as a preferred.

4. Purchase order number REQ6404 for procurement of training was made to Milpark business School for the amount of R7,710.00 as a preferred institution of learning.

5. Purchase order number REQ6428 for procurement of training was made to IMM Graduate School for the amount of R22,789.48 as a preferred institution of learning.

6. Purchase order number REQ6434 for procurement of training was made to The Institute of Internal Auditors for the amount of R1,275.00 as a preferred institution of learning.

7. Purchase order number REQ6446 for procurement of training was made to Wits Business School for the amount of R35,000.00 as a preferred institution of learning.

8. Purchase order number REQ6626 for procurement of event was made to Gordon Frank for the amount of R26,000.00 as he pro vides a unique type of service.

9. Purchase order number REQ6485 for procurement of training was made to Rosebank College for the amount of R7,850.00 as a preferred institution of learning.

10. Purchase order number REQ6557 for procurement of training was made to Boston City Campus for the amount of R20,100.00 as a preferred institution of learning.

11. Purchase order number REQ6496 for procurement of seminar was made to Amabhubesi Training CC for the amount of R15,937.00 as a preferred institution of learning.

12. Purchase order number REQ6708 for procurement of conference was made to EAP Association for the amount of R40,297.00 as they are the sole providers of such conference.

13. Purchase order number REQ6186 for procurement of training was made to Regent Business School for the amount of R26,700.00 as a preferred institution of learning.

14. Purchase order number REQ6708 for procurement of EAPA conference was made to EAPA Association for the amount of R40,297.00 as they are the sole providers of such conference.

15. Purchase order number REQ6845 for procurement of performance excellence was made to Ndwalaza Training for the amount of R12,999.00 as the supplier is offering unique service.

16. Purchase order number REQ6916 for procurement of staff training was made to Independent Examination Board for the amount of R4,240.00 as they are the sole providers of such training.

17. Purchase order number REQ7256 for procurement of director development presentation was made toThe Institute of Directors in Southern Africa for the amount of R10,369.23 as the are the sole providers of such training.

18. Purchase order number REQ9956 for procurement of forensic investigation was made to Grant Thornton for the amount of R285,000.00 as direct negotiations were done due to sensitivity of the matter.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

Johannesburg Water (Pty) Ltd

1. Emergencies R20,154,000.00.

2. Sole suppliers R41,445,000.00.

3. Impracticality R183,045,000.00.

4. The Johannesburg Civic Theatre (Pty) Ltd

1. Acquisition of Robe Robin Spots - R1,254,000.00 Robe is a unit imported from Czechoslovakia and only available from DWR Distri bution cc, who are the onlyauthorised distributors in South Africa.

2. Acquisition of lighting hire, stage setting, sound equipment hire, ground transportation of sets and equipment for BURN THE FLOOR production in Cape Town, Joburg and Durban.

3. Acquisition of services from marketing partners / special barter arrangements for the individual productions at Joburg Theatre. There are considerable advantages for Joburg Theatre, the marketing partner and/or other suppliers offering special barter arrangements. Joburg Theatre's brand is strengthened by the association of the partnerships formed. The partner involved gains equal exposure, its brand logo is displayed on all advertising materials for the releva how. In return for the exposure, Joburg Theatre is offered either heavily discounted rates for avertising, hotel accommodation, etc. through the partner, or often advertis- ing at no cost whatsoever.

4. Extension of the agreement between Joburg Theatre and Headline Leisure Management (HLM) for six months from January 01st to June 30th 2013.

5. Acquisition of sets, sound costs and design, lighting equipment, painting, props, special effects and costumes for the 2012 pantomime - JACK AND THE BEANSTALK.

6. Acquisition of sets, sound costs and design, lighting equipment, painting, props, special effects and costumes forthe 2013 pantomime - ALADDIN.

7. Acquisition of sets building, setspainting, stage props, special effects and/or hire of costumes, hire of lighting and sound equip ment for the production of Andrew Lloyd Webber's STARLIGHT EXPRESS in 2013.

8. Continental Outdoor (Billboards).

9. DWR Distribution (Le Maitre Haze/Smoke Machine; LSC Haze machine fluid; repair of robe fixtures; DF 50 Haze Fluid.

10. Electrosonic (Jem Martin Splitter; versalight LED RGB high power PAR64 3w).

11. Schindler Lifts (OEM - Mainenance).

12. Showads (negotiate the best possible discount sfor the live enternatinment industry in the newspapers).

13. Sennheiser Electrosonic (MK E2 EW Gold microphones).

14. Pastel Software.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

15. Prosound (Pty) Ltd (Compact Headset).

16. Roto Rooter Africa (Plumbing).

17. Finware Consulting (Pastel software installer).

18. SAMRO (South African Music Rights Association).

19. MZ Security System (repairing of central processing unit of the building management system).

20. Net-Xactics Communication SA (anti-virus software).

21. Lake Land Audio (service power amps and selectors).

22. Sound Harmonics (foam replacement for speakers).

23. Brigit Fire (repairing of DVR for the CCTV).

24. Noni Protection Services (Security and Cleaning services at Soweto Theatre).

25. Afrizim t/a Pic a Mop (Extension of contract whilst awaiting finalisation of tender process.Noni Process.

Johannesburg Tourism Company (Pty) Ltd

1. Procurement during the year under review amounting to R681,754.65 as a result of deviations from the Supply Chain manage ment policy. The deviations were documented and approved as per the normal supply chain management regulations.

2. Lack of required quotations as per the Supply Chain Management Policy and Procedures, transactions amounting to R318, 719.05 relating to Courier IT (courier services), Hamba Nathi (travel bookings) and WSE Stone Consulting (International Marketing Strategy Development for the City Of Johannesburg.

CORE

1st Quarter Deviations.

1. Approval of the Payment of the service provider : Tim Dollar Cleaning Service, R30,000.00.
Reason
Stakeholder Relationship Management utilised an expired contract. This contract expired in March 2012 but the Department continued to utilise the service provider until 30 April 2012, as these services could not be discontinued as it was going to pose a health risk to Ward Councillors Offices. Hence the ratification for approval of payment.

2nd Quarter Deviations.

2. Renewal of Bona Electronic Solutions Capital Contracts. Service Provider Bona Electronic Solutions, R10,999,689.78 and R10,121,086.96.
Reason
The contractor could not commence work on Rea Vaya Phase 1B due to various delays beyond its control with the finalisation of Rea Vaya Phase 1A, and was paid only portions of the total contract prices. Both its contracts were renewed without any additional budget in order to enable it to continue with its work until completion.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

3. Extension of Xuma Technologies Capital Contracts, Service Provider Xuma Technologies, R178,569,395.13.
Reason
The contractor could not commence work on Rea Vaya Phase 1B due to various delays beyond its control with the finalisation of Rea Vaya Phase 1A and was paid only a portion of the contract price. The contract was extended without any additional budget in order to enable it to continue with its work until completion.

4. Renewal of Questek Transit Technologies Capital Contracts, R113,888,137.90.
Reason
The contractor could not commence work on Rea Vaya Phase 1B due to various delays beyond its control with the finalisation of Rea Vaya Phase 1A, and was paid only a portion of the contract price. Its contract was extended without any additional budget in order to enable it to continue with its work until completion.

5. Payment to Microsoft for the Third Year of Enterprise Agreement and the True up fees as Sole Provider. Microsoft Corporation service provider, R3,389,928.97 and R2,445,300.00. Reason
The GH ICT & IM be authorised to pay for the annual license fees and additional products and services acquired through the True-up process.

6. The use of Microsoft as Sole Provider in terms of the conceptional design of Migration from the Lotus domino to the Microsoft exchange server. Microsoft Corporation service provider, R1,035,375.00. Reason
Conceptual Design of a messaging and calendaring platform based on the Microsoft exchange server 2013 and the Conceptual Migration design to facilitate the migration of the existing Lotus notes platform to exchange server 2013.

7. Ended the appointment of KPMG to second an Acting Group CFO on a temporary basis for a period of one month ending on the 30 April 2013. Service provider KPMG, R0.
Reason
The extension of the KPMG contract regarding the above post will not result in any cost implication to the City.

8. Extension of the service Level Agreement. Service provider, Exponant (Pty) Ltd, R1,014,000.00.
Reason
The Contract was extended for a period of Six (6) Months until 31 October 2013.

9. Extension of the insurance renewal terms and the contracts of motor and non-motor insurance brokers due to the delays for the appointment of insurance brokers. Service provider Marsh Risk and Indwe Risk services, R0.
Reason
The extension of existing contracts for motor Insurance Brokers for the period of seven (7) months to allow for the transition and handover to the winning bidder.

10. Appointment of consultants Mailtronics Direct Marketing CC, R149,880.00.
Reason
Enable payment for approval to Mailtronics Direct Marketing CC.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

59. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

11. Procurement for the Rand Easter show stand builder. Garona Communications and Projects service provider. R70,000.00. Reason
Payment to Garona Communications and Projects for the Rand Easter show stand builder.

12. Appointment of consultants. Service provider Garona Communications and Projects, R80,000.00.
Reason
Payment to Garona Communication and Projects.

13. Appointment of consultants. Service provider, Cut to Black Media, R196,472.16.
Reason
Payment to Cut to Black Media.

14. Expenditure incurred for the appointment of temporary resources. Service provider NT Ngidi Consulting (Pty) Ltd, R153,736.72.
Reason
Payment to NT Ngadi Consulting (Pty) Ltd.

15. Service provider, Sixpence Construction and Projects, R89,608.56.
Reason
The City to authorise the payment for the service provider for repairs and maintenance of six customer service centres in Region G.

16. The ICT and other departments pertaining to expenditure incurred on contract no. A387 for exceeding the budget, Service providers, Dimension Data including 3rd Parties, R22,401,411.00, TSS including 3rd PartiesR4,672,666.00 and Accenture R1,800,000.00.
Reason
The City Manager approved for the use of the current A387 contract to provide services in their respectful functional areas leading to the contract award limit value being exceeded.

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

60. HEDGING ACTIVITIES

During the financial year 2010/2011, CJMM entered into an interest rate swap by exchanging the Nedbank R1 billion 3 months JIBAR rate + 280 bsp for a 11.66% fixed interest rate.

Swap Details

Trade Date:	30 March 2011
Settlement Date:	29 March 2018
Nominal Amount:	R 1,000 (million) Fixed
Rate:	11.66%
Payable:	Semi- annual

The swap was designated as a cash flow hedge in accordance with IAS 39.88 and the actual hedge relationship was measured as 100% effective as it was between the effective range of 80% - 125% and thus the full portion of the loss on the hedging instrument shall be recognized in other comprehensive income in the statement of financial performance.

The hedge effectiveness was assessed using the following method:

- Dollar - Offset Method 108%

Note that the SWAP value presents the clean fair value as at 28 February 2013. (All inclusive price less any SWAP interest accrual outstanding).

SWAP market-to-fairvalue as at 30 June 2013

Opening Balance	(109,237)	(41,976)	(109,237)	(41,976)
Effective (loss) / gain	42,217	(67,261)	42,217	(67,261)
	(67,020)	**(109,237)**	**(67,020)**	**(109,237)**
Interest expense recognised in the statement of financial performance during the financial period	35,509	31,944	35,509	31,944

61. CASH MANAGEMENT

During the 2013 financial year the City of Johannesburg had cash losses due to fraudulent activities amounting to R 0,281million (2012 : R 0,497 million). The losses incurred involve both internal fraud by staff members and banking's made which were never credited to our bank account. Management is in the process of prosecuting personnel implicated in fraudulent activities and/or in dereliction of duty. The process of recovering losses incurred through fraudulent activities by staff will follow the outcome of the disciplinary process now underway. The process of recovering deposits not credited (long-outstanding deposited) had been commenced. The gross losses for the year amounted to: R0, 281 million.

During the 2012/2013 financial year, Community Development incurred two cash losses incidents amounting to R0, 022 million. The loss incurred involves both burglary and banking's made which does not agree to the takings. Management and JRAS are in the process of investigating if any fraudulent activity was committed by staff. The burglary was reported to the police, and an internal investigation is also underway. The gross losses for the year amounted to: R0, 022 million

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

62. RELATED PARTIES

Relationships	
Controlling entity	The City of Johannesburg Metropolitan Municipality
Other members of the group	City Housing Company (Pty) Ltd
	City of Johannesburg Property Company (Pty) Ltd
	City Power Johannesburg (Pty) Ltd
	Johannesburg City Parks
	Johannesburg Development Agency (Pty) Ltd
	Johannesburg Metropolitan Bus Services (Pty) Ltd
	Johannesburg Roads Agency (Pty) Ltd
	Johannesburg Tourism Company
	Johannesburg Water (Pty) Ltd
	Metropolitan Trading Company (Pty) Ltd
	Pikitup Johannesburg (Pty) Ltd Roodepoort City Theatre
	The Johannesburg Civic Theatre (Pty) Ltd
	The Johannesburg Fresh Produce Market (Pty) Ltd
	The Johannesburg Zoo
	The Johannesburg Social Housing Company

Related party balances

Amounts included in Loans, Trade and other receivables regarding related parties		
City Power Johannesburg (Pty) Ltd	3,553,737	3,104,329
City of Johannesburg Property Company (Pty) Ltd	1,263	107,927
Johannesburg City Parks	36,481	41,639
Johannesburg Development Agency (Pty) Ltd	554	-
Johannesburg Metropolitan Bus Services (Pty) Ltd	166,554	79,245
Johannesburg Roads Agency (Pty) Ltd	154,394	302,491
Johannesburg Social Housing Company (Pty) Ltd	98,318	76,850
Johannesburg Tourism Company	-	6,797
Johannesburg Water (Pty) Ltd	3,175,360	3,335,328
Kelvin Power (Pty) Ltd	-	62,136
Pikitup Johannesburg (Pty) Ltd	414,767	531,635
The Johannesburg Civic Theatre (Pty) Ltd	2,935	2,021
The Johannesburg Fresh Produce Market (Pty) Ltd	175,935	183,685
	7,780,298	**7,834,083**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

62. RELATED PARTIES (continued)

Amounts included in Loans, Trade and other payables regarding related parties

City Power Johannesburg (Pty) Ltd	3,294,211	2,554,890
City of Johannesburg Property Company (Pty) Ltd	96,945	201,036
Johannesburg City Parks	414,726	331,389
Johannesburg Development Agency (Pty) Ltd	196,307	174,534
Johannesburg Metropolitan Bus Services (Pty) Ltd	-	31,739
Johannesburg Roads Agency (Pty) Ltd	240,570	120,347
Johannesburg Social Housing Company (Pty) Ltd	124,812	69,345
Johannesburg Tourism Company	-	18,056
Johannesburg Water (Pty) Ltd	277,848	465,959
Pikitup Johannesburg (Pty) Ltd	236,654	409,112
The Johannesburg Civic Theatre (Pty) Ltd	2,634	38
The Johannesburg Fresh Produce Market (Pty) Ltd	67,706	31,686
	4,952,413	**4,408,131**

Related party transactions

Revenue from related parties

City Power Johannesburg (Pty) Ltd	534,975	5,167
City of Johannesburg Property Company (Pty) Ltd	134	5,665
Johannesburg City Parks	34,560	43,062
Johannesburg Development Agency (Pty) Ltd	-	50
Johannesburg Metropolitan Bus Services (Pty) Ltd	6,681	5,660
Johannesburg Roads Agency (Pty) Ltd	39,889	47,100
Johannesburg Social Housing Company (Pty) Ltd	-	26,882
Johannesburg Water (Pty) Ltd	581,916	93,911
Pikitup Johannesburg (Pty) Ltd	37,287	208,401
The Johannesburg Civic Theatre (Pty) Ltd	7,322	9,198
The Johannesburg Fresh Produce Market (Pty) Ltd	54,487	4,772
	1,297,251	**449,868**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

62. RELATED PARTIES (continued)

Subsidies paid to MOEs

City of Johannesburg Property Company (Pty) Ltd			45,322	51,775
Johannesburg City Parks			525,592	499,975
The Johannesburg Civic Theatre (Pty) Ltd			46,858	36,671
Johannesburg Development Agency (Pty) Ltd			24,308	24,110
Johannesburg Metropolitan Bus Services (Pty) Ltd			319,450	293,919
Johannesburg Roads Agency (Pty) Ltd			495,047	445,300
Johannesburg Social Housing Company (Pty) Ltd			16,900	17,764
Johannesburg Tourism Company			-	39,917
Pikitup Johannesburg (Pty) Ltd			1,148,779	1,076,356
			2,622,256	**2,485,787**

Capital Expenditure

City Power Johannesburg (Pty) Ltd			88,000	45,000
Johannesburg Water (Pty) Ltd			376,285	212,825
Pikitup Johannesburg (Pty) Ltd *			18,734	33,833
			483,019	**291,658**

Operating Expenditure

City Power Johannesburg (Pty) Ltd			239,152	878,940
City of Johannesburg Property Company (Pty) Ltd			136,775	18,819
Johannesburg City Parks *			517,966	81,412
Johannesburg Development Agency (Pty) Ltd			29,913	114,081
Johannesburg Metropolitan Bus Services (Pty) Ltd			319,450	2,659
Johannesburg Roads Agency (Pty) Ltd			499,308	21,291
Johannesburg Social Housing Company (Pty) Ltd *			16,900	27,528
Johannesburg Tourism Company *			-	574
Johannesburg Water (Pty) Ltd			4,066	350,146
Pikitup Johannesburg (Pty) Ltd *			1,169,497	140,489
The Johannesburg Civic Theatre (Pty) Ltd *			37,994	8,915
The Johannesburg Fresh Produce Market (Pty) Ltd			2,291	4,340
			2,973,312	**1,649,194**

	GROUP		CORE	
Figures in Rand thousand	2013	2012	2013	2012

63. CHANGE IN ESTIMATE

Property, plant and equipment

In terms of GRAP 17, the depreciation method applied to assets shall be reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method shall be changed to reflect the changed pattern.

For the current year under review the useful life of property, plant and equipment remained unchanged.

Intangible assets

In terms of GRAP 102, the amortisation period and the amortisation method for intangible assets with a finite useful life shall be reviewed at least at each reporting date. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method shall be changed to reflect the changed pattern.

For the current year under review the useful life of intangible assets remained unchanged.

64. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

During the year under review the municipality has given the following awards to a person who is either a spouse, child or parent of a person in the service of the state or has been in the service of the state for the previous twelve months.

Name of the person (Service of the State)	Capacity	Name of the person/ company award	Name of company	Amount
Naud Phoka Cladwick Moitsi	Strategic Advisor	Bomikazi Precious Ntsamgani-Moisti	Ubom'Hospitality Services CC	8,909
Hamilton Nhlapo	Operational Manager	Nokukganya Eugenia Nhlapo	MKN Clothing CC	24,000
Amelia Cynthia Marks	Operational Manager	Andrew Richard Marks	Andrew's Blinds CC	21,000
Stephen Lethoba	Worker	Joyce Lethoba	Valotech 242	35,935
Mirriam Moalusi	Operational Manager	Samuel Moalusi	Temoso Trading 387 CC	11,381
Fikile April Mbalula	Minister of Sports	Nozuko Mbalula	Lesoba Difference Marketing	821,036
Zodwa Celilia Ntlabathi	Operational Manager	Bafana Azaria Ntlabathi	Nomana Construction and Projects	8,426

Chapter 6

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the consolidated and separate financial statements of the City of Johannesburg Metropolitan Municipality set out on pages xx to xx, which comprise the consolidated and separate statement of financial position as at 30 June 2013 and the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DORA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the City of Johannesburg Metropolitan Municipality (municipality) and its entities as at 30 June 2013, and their financial performance and cash flow for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

8. As disclosed in note 51 to the consolidated financial statements, the municipality and its entities are the defendants in various lawsuits. The ultimate outcome of these matters cannot currently be determined and reliably measured, therefore no provision for any liabilities that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 52 to the consolidated financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during the year ended 30 June 2013.

Material impairments

10. As disclosed in note 10 to the consolidated financial statements, receivables have significantly been impaired. The impairment of receivables amounts to R14 440 605 000 (2012: R13 360 488 000), which represents 75% (2012: 71%) of consumer debtors. The contribution to the provision for debt impairment in the current year was R1 080 117 000 (2012: R2 869 675 000).

Material losses

11. As disclosed in note 53 to the consolidated financial statements, material losses to the amount of R2 144 771 000 (2012: R1 554 360 000) were incurred as a result of electricity distribution losses. The total technical losses incurred amounted to R754 332 (2012: R709 461). Non technical losses of electricity incurred amounted to R1 390 439 000 (2012: R844 899 000) and are due to non-metering of electricity and unauthorised consumption.

12. As disclosed in note 53 to the consolidated financial statements, material losses amounting to R820 600 000 (2012:R769 300 000) were incurred as a result of water distribution losses. The total technical losses incurred amounted to R389 004 152 (2012: R374 806 920). Non technical losses amounted to R431 600 000 (2012: R443 800 000) and are due to non-metering of water and unauthorised consumption.

Restructuring of entities

13. As disclosed in note 18 to the consolidated financial statements, the municipality finalised the process of re-structuring some of the functions conducted through its municipal entities. This process will result in the legal deregistration of some of the municipal entities.

Additional matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

15. The supplementary information set out on pages xx to xx does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS PAA REQUIREMENTS

16. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages xx to xx of the annual report.

18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information (FMPPI). The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

19. The material findings are as follows:

Usefulness of information

Presentation

Measures taken to improve performance not disclosed Consistency

20. Section 46 of the Municipal Systems Act (MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for a total of 44% of the planned targets not achieved by the municipality were not reflected in the annual performance report. This was due to the fact that management was not able to apply the requirements of the FMPPI due to capacity constraints.

Changes to indicators not approved

21. Section 25(2) of the MSA determines that an integrated development plan adopted by a municipal council may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council. Therefore, if the integrated development plan is changed during the year this process has to take place in accordance with the process as prescribed per section 34 of the MSA. A total of 31% of indicators relating to Economic Growth cluster of the municipality were changed during the-year without following the process as prescribed in section 34 of the MSA. This was due to a lack of management review and monitoring of compliance with applicable laws and regulations governing predetermined objectives.

Measurability

Performance targets not specific

22. The FMPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 39% of the targets relating to Sustainable Services were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was not able to apply the requirements of the FMPPI due to capacity constraints.

Performance Indicators/measures not well defined

23. The FMPPI requires that indicators/measures should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 25% of the indicators and targets relating to Sustainable Services cluster of the municipality were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was not able to apply the requirements of the FMPPI due to capacity constraints.

Performance targets not measurable

24. The FMPPI requires that performance targets be measurable. With regards to PIKITUP Johannesburg SOC Ltd the required performance could not be measured for a total of 27% of targets relevant to upgrading of landfill sites, extension of landfill airspace and regular domestic waste collection. This was due to management not implementing all required FMPPI prescripts.

Reliability of information

25. The FMPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. 26. With regards to Johannesburg Metropolitan Bus Services SOC Ltd material targets with respect to Finance, Customer Perspective and Growth and Safety and Security objectives were not reliable .The evidence provided to support performance information reported was not adequate. 27. This was due to the lack of standard operating procedures for the accurate recording of actual achievements and frequent review of validity of reported achievements against source documentation.

26. With regards to Johannesburg Metropolitan Bus Services SOC Ltd material targets with respect to Finance, Customer Perspective and Growth and Safety and Security objectives were not reliable .The evidence provided to support performance information reported was not adequate. 27. This was due to the lack of standard operating procedures for the accurate recording of actual achievements and frequent review of validity of reported achievements against source documentation.

Additional matters

28. In addition to the above material findings, I draw attention to the following matters and these do not have an impact on the predetermined objective findings reported above.

Achievement of planned targets

29. Of the total number of 162 targets planned for the year, 71 targets were not achieved by the municipality during the year under review. This represents 44% of the total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

30. Of the total number of 56 targets planned for the year, 23 targets were not achieved during the year under review for City Power Johannesburg SOC Ltd. This represents 42% of total planned targets that were not achieved during the year under review .This was as a result of the entity not considering the evidential requirements during the annual strategic process.

31. Of the total number of 24 targets planned for the year, nine were not achieved during the year under the review for Johannesburg Water SOC Ltd. This represents 37% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

32. Of the total number of 18 targets planned for the year, six targets were not achieved during the year under review for PIKITUP Johannesburg SOC Ltd. This represents 33% of total planned targets that were not achieved during the year under review. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process.

33. Of the total number of 26 targets planned for the year, 14 of targets were not achieved during the year under review for Johannesburg Metropolitan Bus Services SOC Ltd. This represents 54% of total planned targets that were not achieved during the year under review. This was due to reduced number of bus trips due to aging fleet.

34. Of the total number of 31 targets planned for the year, seven targets were not achieved during the year under review for Johannesburg City Parks Soc Ltd. This represents 23% of total planned targets that were not achieved during the year under review. This was as a result of the institution reprioritisation of the budget during the year under review.

35. Of the total number of 21 targets planned for the year, five targets were not achieved during the year under review for Johannesburg Property Company SOC Ltd. This represents 24% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

36. Of the total number of 41 targets planned for the year, 20 targets were not achieved during the year under review for Johannesburg Road Agency SOC Ltd. This represents 49% of total planned targets that were not achieved during the year under review. This was as a result of the institution reprioritisation of the budget during the year under review.

Material adjustments to the annual performance report

37. Material audit adjustments in the annual performance report of the municipality were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

38. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Budget

39. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

40. The total unforeseen and unavoidable expenditure incurred exceeded R15 million in contraventions of Municipal Budget and Reporting Regulation 72. Annual financial statements

41. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of revenue, receivables and property, plant and equipment identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Assets management

42. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2) (a) of the MFMA.

Procurement and contract management

43. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by National Treasury's Municipal Supply Chain Management regulation (SCM regulation) 13(c).

44. Awards were made to providers who are in the service of other state institutions or whose directors/ principal shareholders are in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulations 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).

45. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) & (c).

46. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

Expenditure management

47. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.

Leadership

48. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting. The municipality did not have sufficient monitoring controls to ensure that financial and performance reports submitted for audit are accurate and complete.

Financial and performance management

49. There is lack of proper record management system that provides for the maintenance of information reported in the financial statements and performance reporting. Non-compliance with laws and regulations such as the MFMA, SCM regulations and MSA regulations could have been prevented had compliance been properly reviewed and monitored.

OTHER REPORTS

Investigations

50. Twenty cases of alleged irregularities were being investigated. Five of these were conducted by external investigators and the remainder were investigated by the forensic section of the municipality's internal audit division during the 2012-13 financial year. Of these, three have been finalised. The nature of the cases covered a wide spectrum of activities, namely, bribery, theft, financial corruption, tender irregularities and various other issues.

Johannesburg

14 December 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Appendices

Appendix A: Councillors, Committee allocation and Council attendance

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Atkinson, P.G (DA)	PT	Finance, Oversight Committee on Governance	DA	20	2
Bapela, C.B (ANC)	FT	Programming	ANC	18	3
Barnes, A.E (DA)	PT	Ethics, Oversight Committee on the Legislature, Rules	DA	15	6
Bennie, A.S.S (DA)	PT	None	DA/Ward 9	19	2
Bergman, D (DA)	PT	Public Safety	DA/Ward 32	17	4
Bittkau, R (DA)	PT	Environment Infrastructure and Services	DA/Ward 101	13	8
Bogopane, B (ANC)	PT	Environment Infrastructure and Services	ANC/Ward 130	19	2
Brugman-Richards, P.M (DA)	PT	Health and Social Development	DA/Ward 88	19	2
Cassiem, O (DA)	PT	None	DA/Ward 58	13	1
Chuene, W.M (ANC)	PT	Oversight Committee on Governance, Petitions and Public Participation	ANC	20	1
Cirota, M.H (DA)	PT	Oversight Committee on the Legislature, Public Safety	DA	19	2
Clarke, S.N.M (DA)	PT	Geyodi, Programming	DA/Ward 83	20	1
Cooper, J.L (DA)	PT	Rules	DA/Ward 74	20	1
Coplan, J.M (ANC)	PT	Economic Development	ANC	15	6
Corrigan, I.M (DA)	PT	None	DA	17	4
Cowan, S.A (ANC)	FT	Mpac	ANC	20	1
Da Gama, V.M (DA)	PT	Environment Infrastructure and Services	DA	20	1
Da Rocha, C.M.D (DA)	PT	Public Safety	DA/Ward 66	19	2
De Jager, N.M (DA)	PT	Transport	DA	18	3
De Kock, G.J (DA)	PT	Corporate and Shared Services, Development Planning	DA	20	1
De lange, F (VF+)	FT	Economic Development	VF+	15	6
Deppe, A.J (DA)	PT	Community Development, Development Planning	DA/Ward 93	21	0
Dewes, D.S (DA)	PT	Economic Development	DA/Ward 70	16	5
Dhlamini, W.M (ANC)	PT	Oversight Committee on Governance	ANC/Ward 24	17	4
DlaminI, B (ANC)	PT	Corporate and Shared Services	ANC/Ward 31	21	0
Dokolwane, M (ANC)	PT	Environment Infrastructure and Services, Petitions and Public Participation	ANC/Ward 119	18	3
Dos Santos, S.J.P (DA)	PT	Development Planning	DA/Ward 54	18	3
Douglas, B.M (DA)	PT	Housing, Transport	DA	16	5
Dube, E.A (ANC)	PT	Corporate and Shared Services, Finance	ANC/Ward 15	21	0
Dyodo, P (ANC)	PT	Public Safety	ANC	21	0

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Earp, V.L (DA)	PT	Environment Infrastructure and Services	DA/Ward 103	20	1
Engelbrecht, J.J (DA)	PT	Oversight Committee on Governance	DA/Ward 97	15	6
Forsythe, A.J (DA)	PT	None	DA/Ward 87	18	4
Francisco, D.B (ANC)	PT	Geyodi	ANC/Ward 108	16	5
Fuchs, A.J (DA)	PT	Development Planning, Environment Infrastructure and Services, Ethics, Rules	DA	18	3
Gana, S.M (DA)	PT	Ethics, Finance, Rules	DA	18	3
Gcabashe, B.T.S (ANC)	FT	Finance, Mpac	ANC	16	5
Gobata, S.A (ANC)	PT	Geyodi	ANC/Ward 16	20	1
Gololo-Kubu, M.J (ANC)	PT	None	ANC	17	4
Greeff, R.J (ANC)	FT	None	ANC	18	3
Gudlhuza, S.P (DA)	PT	Mpac	DA	15	6
Gumbi, I.B (NFP)	FT	Housing, Oversight Committee on the Legislature	NFP	19	2
Gwebu, J.S (ANC)	PT	Development Planning, Rules	ANC	19	2
Herbert, B.J (DA)	PT	None	DA/Ward 99	21	0
HlomendlinI, I.N (ANC)	PT	None	ANC/Ward 52	21	0
Hunt, D.F (DA)	PT	Environment Infrastructure and Services	DA	18	3
Jane, D.K (DA)	PT	Public Safety	DA/Ward 56	17	4
Kekana, L (ANC)	PT	Finance, Oversight Committee on the Legislature	ANC/Ward 109	20	1
Kekana, S (ANC)	PT	Community Development	ANC/Ward 21	21	0
Kemp, M.S (DA)	PT	None	DA/Ward 84	17	4
Khanyl, C.J (ANC)	PT	Development Planning, Environment Infrastructure and Services	ANC	17	4
Khanyile, B.S (ANC)	PT	Corporate and Shared Services	ANC	19	2
Khumalo, P.A (ANC)	PT	Petitions and Public Participation	ANC/Ward 40	19	2
Khumalo, E.S (ANC)	PT	Housing, Public Safety	ANC/Ward 30	19	2
Khumalo, M.M (ANC)	PT	Oversight Committee on Governance	ANC/Ward 10	21	0
Kumalo, J.P.J (ANC)	PT	Finance, Oversight Committee on Governance	ANC	7	4
Knight, R.L (ANC)	PT	Mpac, Rules	ANC	21	0
Kotze, S.D (DA)	PT	Petitions and public participation	DA/Ward 86	15	6
Kruger, S.K (DA)	PT	None	DA/Ward 72	18	3
Kubayl, R.M (ANC)	PT	Ethics, Public Safety	ANC	19	2
Kwinana, L.A (COPE)	PT	Health and Social Development	COPE	18	3
Lamola, L.S (ANC)	PT	Development Planning, Petitions and Public Participation	ANC/Ward 110	21	0
Landis, R (DA)	PT	None	DA/Ward 55	19	2
Lekgetho, K.J (ANC)	FT	Housing	ANC/Ward 48	20	1
Lekgetho, M.G (ANC)	PT	Environment Infrastructure and Services, Geyodi	ANC/Ward 44	19	2
Lemao, S.J (ANC)	FT	Mayoral Committee	ANC	19	2

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Lichaba, D (ANC)	FT	Environment Infrastructure and Services	ANC	16	5
Louw, M.A (DA)	PT	Economic Development, Public Safety, Transport	DA	19	2
Lucas, D.H (DA)	PT	Economic Development, Petitions and Public Participations	DA	10	1
Lutya, R.N (ANC)	PT	Geyodi	ANC	19	2
Mabasa, M.E (ANC)	PT	Housing	ANC/Ward 22	20	1
Mabasa, S.R (DA)	PT	Geyodi, Oversight Committee on the Legislature, Petitions and Public Participation, Transport	DA	17	4
Mabotja, T.M (ANC)	PT	Health and Social Development	ANC/Ward 77	18	3
Mabuke, T.A (ANC)	PT	None	ANC/Ward 113	15	6
Mabunda, C (ANC)	PT	Oversight Committee on the Legislature	ANC/Ward 75	21	0
Mabunda, H.D (ANC)	PT	Oversight Committee on Governance,	ANC	17	4
Mackay, G (DA)	PT	None	DA/Ward 90	7	14
Mackenzie, C (DA)	PT	Economic Development	DA	20	1
Madisha, M.P (ANC)	PT	Housing	ANC/Ward 64	20	1
Mafokwane, M.M (DA)	PT	None	DA/Ward 96	19	2
Mafuna, M.A.V (ANC)	PT	Economic Development	ANC	20	1
Mafuna, M.S (ANC)	PT	Health and Social Development, Oversight Committee on the CoJ Legislature	ANC	17	4
Magalefa, P (ANC)	PT	Ethics, Health and Social Development	ANC/Ward 27	21	0
Mahlanga, J.P (ANC)	PT	Housing	ANC/Ward 78	16	5
Mahlatsi, W.J (ANC)	PT	Rules, Transport	ANC/Ward 14	19	2
Maimane, M.A (DA)	PT	Finance, Oversight Committee on Governance	DA	21	0
Maisha, N.P (ANC)	PT	Finance, Rules	ANC	21	0
Makhubele, H.R (ANC)	PT	Transport	ANC/Ward 95	18	3
Makhubo, M.G (ANC)	FT	Programming	ANC	21	0
Maluleke, M.F (ANC)	PT	Petitions and Public Participations	ANC/Ward 11	20	1
Mambo, N.M (ANC)	PT	Corporate and Shared Services	ANC	20	1
Mann, C.J (DA)	PT	None	DA/Ward 85	13	8
Maphike, G.M.M (ANC)	PT	Economic Development	ANC	21	0
Maphutha, E.R (ANC)	PT	Public Safety	ANC	20	1
Maringa, M.J (ANC)	PT	Economic Development, Ethics	ANC	19	2
Marule, B (ANC)	PT	Transport	ANC/Ward 28	19	2
Maseko, A.E (ANC)	PT	Housing	ANC/Ward 107	19	2
Masemola, M.P (ANC)	PT	Environment Infrastructure and Services, Ethics, Mpac	ANC	17	4
Mashao, T.F (ANC)	PT	Mpac, Geyodi	ANC/Ward 59	18	3
Mashele, N.H.R (ANC)	PT	Corporate and Shared Services, Health and Social Development	ANC	17	4

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Masigo, Z.S (DA)	PT	Geyodi	DA	16	5
Mathang, F (ANC)	FT	Mayoral Committee	ANC	21	0
Mathebula, I.R (DA)	PT	Health and Social Development, Petitions and Public Participation	DA	9	0
Matladi, J.M (DA)	PT	Health and Social Development, Geyodi	DA	19	2
Matlou, M.G (ANC)	FT	Health and Social Development	ANC	14	7
Mazibukwana, M (ANC)	PT	Health and Social Development, Oversight Committee on the Legislature	ANC/Ward 1	18	3
Mbatha, G.M (ANC)	PT	Economic Development, Finance	ANC/Ward 36	17	4
Mbatha, I.N (DA)	PT	Corporate and Shared Services, Health and Social Development	DA	20	1
Mbingeleli, M (ANC)	PT	Finance, Transport	ANC/Ward 116	20	1
Mbongo, P (ANC)	PT	Geyodi	ANC/Ward 41	19	2
Mendelsohn, J (DA)	PT	Finance	DA/Ward 94	20	1
Meyers, T (DA)	PT	Economic Development, Rules, Transport	DA	19	2
Mekgwe, T.R (ANC)	PT	Environment Infrastructure and Services, Petitions and Public Participation	ANC	15	6
Mfikoe, M.A (ANC)	FT	Mayoral Committee	ANC	20	1
Mgcina, S.E (ANC)	PT	Oversight on the CoJ Legislature	ANC	18	3
Mhlongo, T.W (DA)	PT	Housing, Oversight Committee on Governance	DA	19	2
Mkhonto, M.S (DA)	PT	Housing, Petitions and Public Participation, Transport	DA	18	3
Mlangeni, M.J (ANC)	PT	Development Planning, Oversight Committee on the COJ Legislature	ANC/Ward 49	21	0
Mnguni, S (DA)	PT	Transport	DA	16	5
Mnisi, M.S (DA)	PT	Community Development, Geyodi	DA	18	3
Mogane, G.K (DA)	PT	Ethics, Health and Social Development, Geyodi, Rules	DA	21	0
Mogase, S (ANC)	FT	Programming	ANC/Ward 125	19	2
Mogoshane, P.S (DA)	PT	Mpac, Petitions and Public Participation	DA	13	8
Mohlatlole, L.D (DA)	PT	Corporate and Shared Services, Development Planning, Housing	DA	20	1
Mokoena, H (ANC)	FT	None	ANC	18	3
Mogane, G.K (DA)	PT	Ethics, Health and Social Development, Geyodi, Rules	DA	21	0
Mogase, S (ANC)	FT	Programming	ANC/Ward 125	19	2
Mogoshane, P.S (DA)	PT	Mpac, Petitions and Public Participation	DA	13	8
Mohlatlole, L.D (DA)	PT	Corporate and Shared Services, Development Planning, Housing	DA	20	1
Mokoena, H (ANC)	FT	None	ANC	18	3
Moloi, J.N (ANC)	PT	Oversight Committee on Governance	ANC/Ward 76	17	4
Molutsi, M.P (ANC)	PT	Economic Development	ANC/Ward 120	19	2

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Molwele, N.A (ANC)	FT	None	ANC	17	4
Moore, S.J (DA)	PT	Corporate and Shared Services	DA/Ward 106	19	2
Morolong, M.L.J (ANC)	PT	Transport	ANC	21	0
Motala, Z (ANC)	FP	Community Development, Petitions and Public Participation, Rules	ANC	20	1
Motha, M.S (ANC)	PT	Finance	ANC/Ward 4	17	4
Mothopeng, M.D (COPE)	PT	Rules	COPE	2	0
Mothopeng-Msieleng, B.P.M	PT	-	-	14	5
Motlhamme, S.B.E (ANC)	PT	Ethics, Finance	ANC/Ward 34	21	0
Motsumi, L.J (ANC)	PT	Community Development	ANC/Ward 92	18	3
Mphole, P.N (ANC)	PT	Corporate and Shared services, Geyodi	ANC/Ward 5	19	2
Mpolobosho, M (APC)	FT	Community Development, Development Planning, Oversight Committee on Governance	APC	13	8
Mpungose, K.S (NFP)	PT	Ethics	NFP	9	12
Mshayisa, W (ANC)	PT	Development Planning, Geyodi	ANC/Ward 2	16	5
Msibi, P.T (ANC)	PT	Economic Development	ANC/Ward 39	19	2
Mthembu, S.L (ANC)	PT	Community Development, Mpac	ANC	19	2
Mtimkulu, M (ANC)	PT	None	ANC/Ward 46	18	3
Muller, L (DA)	PT	Finance, Oversight Committee on Governance	DA	17	4
Mulauzi, M.S (ANC)	FT	Development Planning	ANC	18	3
munyai, T.G (ANC)	PT	Development Planning	ANC/Ward 63	19	2
Myeki, S (ANC)	PT	Finance	ANC/Ward 67	21	0
Mzinyane, J (ANC)	PT	None	ANC/Ward 35	18	3
Naidoo, P (ANC)	PT	Rules, Programming	ANC	19	2
Naumann, K.S (DA)	PT	None	DA/Ward 69	9	12
Ndarala, J (ANC)	PT	Housing	ANC/Ward 8	17	4
Ndlela, N.M (DA)	PT	Housing, Geyodi	DA	18	3
Nefotoni, R.T (ANC)	PT	Transport	ANC/Ward 42	21	0
Nemaungani, M.J (ANC)	PT	Corporate and Shared Services, Rules	ANC/Ward 12	21	0
Nepfumbada, S.A (ANC)	PT	Ethics	ANC/Ward 6	20	1
Netnow, D.M (DA)	PT	None	DA/Ward 7	18	3
Newby, R.G (DA)	PT	Finance, Mpac	DA	19	2
Ngalonkulu, M.J (ANC)	FT	Oversight Committee on the CoJ Legislature	ANC	15	6
NgwedzenI, N (ANC)	PT	Development Planning	ANC/Ward 43	21	0
Ngwenya, J.M (ANC)	PT	Health and Social Development, Oversight Committee on the Legislature	ANC/Ward 105	21	0
Nhose, J.L (ANC)	PT	Finance	ANC/Ward 3	18	3
Niemand, G.J (DA)	PT	Ethics	DA/Ward 71	19	2
Nkoane, K.L (ANC)	PT	Petitions and Public Participation, Transport	ANC	17	4

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Nkoane, M (ANC)	PT	Health and Social Development	ANC	19	2
Nkosi, O.T (ANC)	PT	Economic Development	ANC/Ward 122	19	2
Nkqayi, Z.E (ANC)	PT	None	ANC/Ward 128	19	2
Nkwanyana, P.B (DA)	PT	Community Development, Ethics	DA/Ward 121	20	1
Nkwanyana, E (ANC)	PT	Transport	ANC	15	6
Nodikane, N.P (ANC)	PT	Community Development	ANC/Ward 111	19	2
Nontenja, C.T (UDM)	FT	Finance, Geyodi, Petitions and Public Participation	UDM	6	15
Noorbhai, A.R.G (AL JAMA-AH)	FT	Economic Development, Environment Infrastructure and Services	AL JAMA-AH	11	10
Ngcana, S.M (ANC)	PT	Community Development, Ethics	ANC	20	1
Nthite, N.T (ANC)	PT	Petitions and Public Participation	ANC	21	0
Ntingane, D.M (ANC)	PT	Geyodi	ANC	18	3
Ntombela-Letsolo, P (ANC)	PT	None	ANC	4	0
Ntuli, M.P (IFP)	FT	Development Planning, Rules	IFP	18	3
Nyengeza, M.P (ANC)	PT	None	ANC	8	0
Nxumalo, M (ANC)	PT	Development Planning	ANC/Ward 26	18	3
Nxumalo, N.A (ANC)	FT	Ethics, Mpac	ANC/Ward 37	18	3
Peetz, S (DA)	PT	Corporate and Shared Services, Economic Development	DA	16	5
Penning, V (DA)	PT	Finance, Mpac	DA	20	1
Phakathi, S (IFP)	PT	Environment Infrastructure and Services, MPAC	IFP	17	4
Phamodi, O.R (ANC)	PT	Ethics, Public Safety	ANC/Ward 33	20	1
Potter, D (DA)	PT	None	DA/Ward 102	15	6
Pretorius (DA)	PT	Health and Social Development	DA	19	2
Putsoa, A (ANC)	PT	Mpac, Rules	ANC	21	0
Radebe, B.E (ANC)	PT	Housing	ANC/Ward 53	21	
Radebe, C.M (ANC)	PT	Economic Development, Petitions and Public Participation,	ANC	15	6
Radebe, M (ANC)	PT	Community Development, Corporate and Shared Services	ANC/Ward 81	21	0
Radebe, M.T (DA)	PT	Corporate and Shared Services, Public Safety	DA	21	0
Radebe, S (ANC)	PT	Transport	ANC/Ward 124	21	0
Radzilani, T.G (DA)	PT	Community Development, Rules	DA	19	2
Rafferty, P.D (DA)	PT	None	DA/Ward 18	18	3
Rakosa, M (DA)	PT	Health and Social Services, Geyodi, Oversight on the CoJ Legislature, Petitions and Public Participation	DA	21	0

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Ramadiro, B.A.B (ANC)	PT	Economic Development, Rules	ANC/Ward 20	20	1
Ramafola, S.M (ANC)	PT	None	ANC	NEW APP	-
Raphata, A.M (ANC)	PT	Community Development	ANC/Ward 100	19	2
Ravid, M (DA)	PT	None	DA/Ward 73	17	4
Reinten, I.M (DA)	PT	Health and Social Development	DA/Ward 89	20	1
Riba, Q (ANC)	PT	Corporate and Shared Services	ANC/Ward 29	20	1
Sadiki, V.J (DA)	PT	Corporate and Shared Services, Mpac	DA	18	3
Santana, C.G (DA)	PT	None	DA/Ward 115	6	0
Schneemann, M.B (ANC)	PT	None	ANC/Ward 114	20	1
Seefort, C.M (ANC)	FT	Corporate and Shared Services	ANC	19	2
Sefolo, M.E (ANC)	PT	Public Safety	ANC/Ward 38	19	2
Sethole, P.E (ANC)	PT	None	ANC/Ward 13	18	3
Shale, L (PAC)	FT	Health and Social Development, Transport	PAC	20	1
Shange, B.V (IFP)	PT	Oversight Committee on the CoJ Legislature, Public Safety	IFP	19	2
Shezi, Z.D (ANC)	PT	Community Development	ANC/Ward 62	20	1
Shongwe, A (ANC)	PT	Ethics	ANC/Ward 25	21	0
Sibanyoni, L.P (ANC)	PT	Housing	ANC/Ward 19	19	2
Sigotyana (AZAPO)	FT	Corporate and Shared Services, Ethics, Petitions and Public Participation, Transport	AZAPO	14	7
Sifumba, N (DA)	PT	Community Development, Oversight Committee on Governance	DA	19	2
Sikweqa, Q (ANC)	PT	Development Planning, Oversight Committee on Governance	ANC/Ward 80	19	2
Simelane, M.W (IFP)	PT	Housing, Oversight Committee on Governance	IFP/Ward 65	20	1
Sithole, B.S (ANC)	FT	Transport	ANC	16	5
Sithole, P (ANC)	PT	Development Planning, Geyodi	ANC	19	2
Smit, P.A (DA)	PT	Community Development	DA/Ward 23	14	7
Stewart, A.J (DA)	PT	Economic Development	DA/Ward 91	15	6
Stewart, P.L (DA)	PT	Development Planning	DA	16	5
Stewart, P.S (DA)	PT	Corporate and Shared Services	DA/Ward 82	14	7
Thobejane-Ndoqo, R.N (ANC)	FT	Oversight Committee on Governance	ANC	18	3
Thomo, J (ANC)	PT	Development Planning, Environment Infrastructure and Services	ANC/Ward 129	17	4
Tolo, I.O (ANC)	FT	Public Safety	ANC	20	1
Tonkin, M.J (DA)	PT	None	DA/Ward 126	10	11
Truluck, T.F (DA)	PT	Environment Infrastructure and Services	DA/Ward 117	17	4

Councillors, Committees allocated and Council meeting attendance					
Council members	**FT/ PT**	**Committees allocated**	**Party/Ward**	**Council meetings attended of 21 meetings**	**Apologies for non-attendance of 21 meetings**
Tseleli, E.T (ANC)	PT	Community Development, Oversight Committee on Governance	ANC/Ward 45	21	0
Tshabalala, L (ANC)	PT	Mpac, Petitions and Public Participation	ANC	20	1
Tsobane, M (ANC)	PT	Oversight Committee on the CoJ Legislature	ANC/Ward 47	18	3
Turk, B.D (DA)	PT	Housing	DA/Ward 57	18	3
Twala, Y.A (ANC)	PT	Oversight Committee on the CoJ Legislature	ANC	20	1
Tyobeka, M.E (ANC)	PT	Rules, Public Safety	ANC/Ward 123	17	4
Valentine, M.L (DA)	PT	None	DA/Ward 17	20	1
Van der Merwe, M.T (ANC)	PT	Geyodi	ANC	20	1
Van der Molen, A.C (DA)	PT	None	DA/Ward 118	17	4
Van der Schyf, W.N (ANC)	FT	Economic Development, Mpac	ANC	18	3
Van Wyk, W.M (ACDP)	FT	Community Development, Geyodi, Public Safety, Programming	ACDP	16	5
Van Zijl, L.A (DA)	PT	Environment Infrastructure and Services	DA/Ward 98	12	9
Vena, V (ANC)	PT	Oversight Committee on Governance	ANC	20	1
Vondo, F.C (ANC)	FT	None	ANC	19	2
Volker, V.T (ANC)	PT	Transport	ANC	12	4
Walters, C.E (ANC)	FT	None	ANC	21	0
Wax, K.P (DA)	FT	Ethics, Oversight Committee on the CoJ Legislature	DA	21	0
Weir, P.E.H (COPE)	FT	Finance, Mpac	COPE	19	2
Wood, M.D (DA)	PT	Health and Social Development	DA/Ward 104	19	2
Xaba, N.A (ANC)	PT	Health and Social Development	ANC/Ward 60	19	2
Young, L.M (DA)	PT	Public Safety	DA/Ward 112	19	2
Zitha, P (ANC)	PT	Public Safety	ANC/Ward 79	19	2
Zizi, P.M (ANC)	PT	Environment Infrastructure and Services, Rules	ANC	20	1
Zondi, B.D (ANC)	PT	Ethics, Oversight Committee on Governance	ANC	16	5
Zulu, M.H (ANC)	PT	Public Safety	ANC/Ward 50	18	3
Zulu, S (ANC)	PT	Oversight Committee on the CoJ Legislature, Petitions and Public Participation	ANC/Ward 51	21	0
Zwane, M.I (ANC)	PT	Oversight Committee on Governance	ANC/Ward 61	16	5
Zwane, S (OKM)	FT	Corporate and Shared Services	OKM	13	8

Note:*Councillors appointed on a proportional basis do not have wards allocated to them

Appendix B – Committees and committee purposes

Municipal committees Section 79 committees	Purposes of committee
Housing	Public participation and oversight over the IDP, budget and by-law processes of the Department of Housing.
Economic Development	Public participation and oversight over the IDP, budget and by-law processes of the Department of Economic Development.
Safety	Public participation and oversight over the IDP, budget and by-law processes of the Department of Safety.
Transportation	Public participation and oversight over the IDP, budget and by-law processes of the Department of Transportation.
Health and Human Development	Public participation and oversight over the IDP, budget and by-law processes of the Department of Health and Human Development.
Community Development	Public participation and oversight over the IDP, budget and by-law processes of the Department of Community Development.
Environment, Infrastructure and Services	Public participation and oversight over the IDP, budget and by-law processes of the Department of Environment, Infrastructure and Services.
Finance	Public participation and oversight over the IDP, budget and by-law processes of the Department of Finance.
Development Planning	Public participation and oversight over the IDP, budget and by-law processes of the Department of Development Planning.
Corporate and Shared Services	Public participation and oversight over the IDP, budget and by-law processes of the Department of Corporate and Shared Services.
Standing committees	
Municipal Public Accounts Committee	Political oversight over financial management and value for money in the City.
Rules Committee	Review over amendments to the membership/s to council and its committees and review of a local/ internal legislation (processes, policies, standing rules, etc.).
Oversight Committee on the Legislature	Public participation and oversight over the IDP, budget and by-law processes of the legislative arm of Council.
Gender Youth and People With Disability	Public participation and oversight over the IDP, budget and by-law processes of programmes that target designated groups.
Mayoral Committees	Sub-Mayoral clusters are established to assist the Mayoral Committee in fulfilling its executive or strategic function.
Ethics and Disciplinary	Resolution over breaches in the code of conduct for municipal employees and councillors.
Petitions and Public Participation Committee	Managing the city's petitions systems and oversight over legislated public consultation processes

Appendix C: List of Municipal Entities

Entity	Function
City Power	City Power is responsible for electricity supply and therein, contributes to improved quality of life. It further educates customers about the safe use of electricity, participates in renewal projects that empower entire communities, and provides and maintains the public lighting that reduces crime and keeps communities safe.
Johannesburg City Parks	City Parks is responsible for developing and maintaining all city parks, open spaces, cemeteries and conserved areas.
Joburg Theatre Company	The Joburg Theatre is Africa's leading provider of live entertainment, presenting world-class international and home-grown theatre. It is responsible for providing venues where performing arts professionals and amateurs alike can showcase their work.
Johannesburg Development Agency (JDA)	JDA is responsible for stimulating and supporting area-based economic development initiatives throughout the Johannesburg metropolitan area in support of the long-term Growth and Development Strategy (GDS).
Johannesburg Fresh Produce Market (JFPM)	JFPM is South Africa's major centre for the marketing of fresh produce. It is also the largest fresh produce market in Africa. It deals in fruit, vegetables, meat, fish and general groceries, most of them on sale to the public at wholesale prices.
Johannesburg Property Company (JPC)	JPC is responsible for property development; alienation of the Greater Johannesburg Metropolitan Council properties; property management services; and all associated ancillary services. The company develops and manages Council-owned properties for the purpose of maximising both social and commercial opportunities for the Council in the short and longer term.
Johannesburg Social Housing Company (Joshco)	Joshco provides and manages affordable rental housing stock for the lower income market as part of its contribution to eradicating the housing backlog.
Johannesburg Roads Agency (JRA)	JRA is responsible for the design, maintenance, repair and development of Johannesburg's road network and stormwater infrastructure, including bridges and culverts, traffic lights and signage.
Johannesburg Tourism Company	JTC is a destination marketing organisation, dedicated to promoting tourism growth in Johannesburg and to promote Johannesburg as a business, lifestyle, and sport and leisure destination, both locally and internationally.
Johannesburg Water (JW)	JW is mandated to provide water and sanitation services to the residents of Johannesburg. It supplies water and sanitation services to an area stretching from Orange Farm, in the south of Johannesburg, to Midrand in the north, Roodepoort in the west and Alexandra in the east. It operates in six regions with 10 network depots and six wastewater treatment plants.
Johannesburg Zoo	Johannesburg Parks and Zoo is responsible for the accommodation, enrichment, and husbandry and medical care of wild animals. The Johannesburg Zoo also offers a variety of educational and entertainment programmes.
Metrobus	Metrobus is responsible for providing customer-friendly public bus transport within greater Johannesburg.
Metro Trading Company	Metro Trading Company is responsible for informal traders and taxis, giving developmental support to the sector and managing the facilities the City has set aside for micro retailers and taxi operators.
Pikitup	Pikitup is responsible for keeping the city clean and preserving an attractive and hygienic environment for residents and visitors.
Roodepoort Theatre	Roodepoort Theatre is responsible for providing a venue where performing arts professionals and amateurs alike can showcase their work.

List of abbreviations and acronyms

ACDP	African Christian Democratic Party
AFC	Automated Fare Collection
AFS	Annual Financial Statements
AMD	Acid Mine drainage
ANC	African National Congress
APC	African Peoples' Convention
ARP	Alexandra Renewal Project
AZAPO	Azanian Peoples' Organisation
BEPP	Built Environment Performance Plan
CAII	Customer Average Interruption Index
CBD	Central business district
CBP	Community Based Planning
CCTV	Closed circuit television
CERT	Emergency Response Teams
CIMs	Capital Investment Management Systems
CIP	Consolidated infrastructure plan
CLOs,	Community Liason Officers
Clr	Counsellor
COJ	City of Johannesburg
COPC	Community orientated primary care
COPE	Congress of the People
CRM	Customer Relationship Management
CRUM	Citizen Relations and Urban Management
DA	Democratic Alliance
DEA	Department of Environmental Affairs
DoE	Department of Energy
DWA	Department of Water Affairs
ECD	Early Childhood Development
EE	Employee equity
EHS	Environmental health system
EIAs	Environmental Impact Assessments
EISD	Environmental Management Department and the Infrastructure and Services Department (collective description)
EME	Exempted Micro Enterprises
EMS	Emergency Management Services
EMT	Executive Management Team
EPWP	Expanded Public Works Programme
ESP	Expanded Social Package
F/Y	Financial year
FT	Full time
FTE	Full time employees
GCR	Gauteng City Region
GDS	Growth Development Strategy
GHG	Green House Gas

GPG	Gauteng Provincial Government
HH	Households
HRM	Human Resources Management
ICPS	Inner City Property Scheme
ICT	Information Communications Technology
IDP	Integrated Development Plan
IFP	Inkatha Freedom Party
IGR	Intergovernmental Relations
IIIP	Integrated Infrastructure Investment Plan
IIRC	International Integrated Reporting Council
IR	Integrated Reporting
ITP	Integrated Transport Plan
JBF	Johannesburg Business Forum
JBN	Joburg Broadband Network
JCL	Johannesburg City Library
JCP	Johannesburg City Parks
JCPZ	Johannesburg City Parks Zoning
JDA	Johannesburg Development Agency
JFPM	Johannesburg Market
JIMI	Jazz and Indigenous Music Incubator
JMAC	Johannesburg Migration Advisory council
JMAP	Johannesburg Migration Advisory Panel
JMPD	Johannesburg Metropolitan Police Department
Joshco	Johannesburg Social Housing Company
JPC	Johannesburg Property Company
JRA	Johannesburg Roads Agency
JSE	Johannesburg Securities Exchange
JSH	Jozi Skills Hub
JTC	Johannesburg Tourism Company
JW	Johannesburg Water (JW)
KK	Kliprivier / Klipspruit
KPI	Key performance indicator
LED	Light-emitting diode
LIS	Land Information System
MARs	Mine Residue Areas
MEs	Municipalit Entities
Metrobus	Metropolitan Bus Service
MFMA	Municipal Finance Management Act
MOEs	Municipal Owned Entities
MotF	Market of the future
MOU	Memorandum of Understanding
MSA	Municipal Systems Act
MTC	Metro Trading Company
NEMA	National Environmental Management Act
NERSA	National Energy Regulator of South Africa
NFP	National Freedom Party
NGO	Non-governmental organisation

NHI	National Health Insurance
OCIO	Office of Chief Information Officer
OHS	Occupational Health and Safety
OKM	Operation Khanyisa Movement
OVC	Orphans and Vulnerable Children
PAC	Pan Africanist Congress
PAIL	Public Access to Internet in Libraries
PFMA	Public Finance Management Act
PIE	Prevention of Illegal Eviction Act
PM	Particulate Matter
PMO	Project Management Office
PMTCT	Prevention of Mother to Child Transmission
PPP	Public Private Partnership
PRASA	Passenger Rail Agency of South Africa
PT	Part time
PWD	People with disabilities
QSE	Qualifying Small Enterprises
RCR	Round Collected Refuse
RFP	Request for proposal
SAIDI	System Average Interruption Duration Index
SCM	Supply chain management
SDA	Service Delivery Agreement
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SDS	Service delivery standards
SEMAs	Specific Environmental Management Acts
SEMT	Strategic Executive Management Team
SEZ	Soweto Empowerment Zone
SHS	Shareholder Services
SHSUP	Sustainable Human Settlements and Urban Planning
SITPF	Integrated Transport Plan Framework
SLA	Service Level Agreement
SMME	Small, medium enterprises
SOCA	State of the City Address
SPTN	Strategic Public Transport Network
SS	Sustainable Services
SUDS	Sustainable Urban Drainage System
TBP	The Business Place
TDM	Travel Demand Management
TOD	Transit Oriented Development
TIR	Transport Information Register
UDM	United Democratic Movement
UDZ	Urban Development Zone Scheme
UFW	Unaccounted for water
UNFCCC	United Nations Framework Convention on Climate Change
UPS	Uninterrupted Power Supply
USDG	Urban Settlement Development Grant

VERs	Verifiable Emission Reductions
WDM	Water demand management
WWTW	Waste Water Treatment works
YTD	Year to date

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