2013

ANNUAL REPORT

Volume I

14 November 2013

Joburg
a world class African city

JDA
Johannesburg Development Agency

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Chapter 1

CHAPTER 1 – CHAIRPERSON'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MMC'S FOREWORD

It is my pleasure to present the 2012/13 Annual Report for the JDA. The JDA team continues to demonstrate a tireless commitment to making a difference in the lives of ordinary Johannesburg citizens and to maintaining this institution's reputation for excellence, effectiveness and efficiency.

Councillor Roslyn Greeff
Member of the Mayoral Committee for Development Planning

COMPONENT B: CHAIRPERSON'S FOREWORD

The Johannesburg Development Agency is positioned to implement the development projects that will give effect to the mission to transform the space economy in Johannesburg to create a more equitable, liveable, efficient and sustainable city form that will banish the legacy of apartheid in our urban land markets.

JDA is currently working with the City of Johannesburg's Department of Development Planning to complete Strategic Area Framework plans for three priority corridors: Empire-Perth (along Rea Vaya Trunk Route 1B which will come into operation before the end of the year); Louis Botha (which links the Johannesburg inner city with Alexandra); and the Turffontein area to the South of the inner city. These framework plans will guide the identification of strategic transit nodes that should be prioritised for area-based development in the future.

While JDA will continue to focus on developing existing transit precincts in Soweto and the inner city, we expect to make a real difference in new parts of the City as we direct our attention to new development areas like Alexandra and Ivory Park. Alex has a long history of area based development through the Alex Renewal Programme, and we will have to be deliberate in our approach to either incorporating this institution into the JDA or finding ways to support it in its current form as part of the Department of Development Planning. We will have to be innovative and determined if we are to speed up the transformation of the space economy through transit oriented development to ensure greater equity, sustainability and resilience in Johannesburg.

a. Vision, Mission and Objectives:

The JDA's vision and mission reflect the role the JDA can play in restructuring the space economy in Johannesburg.

Vision

JDA builds a more welcoming and competitive Johannesburg that is a better city to live, work and play in.

Mission

JDA is a city development agency of the City of Johannesburg that manages and facilitates developments in efficient and innovative ways to build an equitable, sustainable and resilient city.

Objectives

The objectives of the JDA are to:

- Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.
- Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.

- Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.
- Develop local economic potential in marginalised areas to promote access to jobs and markets.
- Encourage sustainable energy consumption and land-use in the city by developing strategic transit nodes and corridors.
- Promote economic empowerment through the structuring and procurement of JDA developments.
- Support productive development partnerships and co-operation between all stakeholders in these areas.

b. Key Policy Developments:

The JDA was formed as part of the CoJ's iGoli 2002 re-engineering process and the "iGoli 2010 framework". This framework established a long-term vision and strategy for the CoJ, which culminated in the Joburg 2030 Growth and Development Strategy (GDS) as the City's blueprint for economic development over three decades. The establishment of the JDA provided an agency dedicated to area-based regeneration, first in the inner city and later throughout the Johannesburg metropolitan area.

The Joburg 2040 GDS, which was launched in October 2011, responds to the multiple challenges and uncertain futures faced by the city. To cope with change, the City of Johannesburg aims to strengthen the adaptive capacity of the City and its citizens, so that it may become more resilient to potential and unpredictable futures. Rather than develop a blueprint plan for the future, the Joburg 2040 GDS lays the foundation for multi-level, integrated responses to the challenges the city faces.

> *The Joburg 2040 GDS is driven by the goal of capable and capacitated communities and individuals. With this realised, the City of Johannesburg will be able to achieve a more sustainable, inclusive future, in which communities and the individuals who live in them hold the potential and the means to imagine and grow their neighbourhoods, their communities and themselves. A balanced focus on the environment management and services, good governance, economic growth and human and social development will assist in achieving a resilient and sustainable city – and a city in which all aspire to live.*

The 2011-16 IDP contains four cluster plans which respond to the four key outcomes set out in the GDS. In terms of this process, the JDA is located in the cluster dealing with Sustainable Services, and has an interest in the cluster dealing with Economic Growth.

The JDA was established for the purpose of facilitating area based developments that give effect to the strategic city development vision and objectives. Its cumulative and growing experience in the developments it manages represents a significant asset for the CoJ. As development manager of these initiatives, JDA coordinates and manages capital investment and other programmes involving both public and private sector stakeholders. In particular, the JDA has gained significant experience in the following areas:

- Inner city regeneration
- Development of economic areas
- Regeneration of historically marginalised areas
- Transit-oriented developments

Over the last 12 years, the JDA's strategy and practice has evolved in the following ways.

	First Mayoral term 2001/02 to 2005/06	**Second Mayoral term 2006/07 to 2010/11**	**Third Mayoral term 2011/12 to 2015/16**
Strategic focus	Economic development outcomes Urban regeneration	Triple bottom-line outcomes 2010 FIFA World Cup	Resilient, sustainable and liveable city objectives Space economy transformation
Priority development areas	Mostly inner city	Inner city and marginalised areas	Transit nodes and corridors
JDA offering	Development management	Development management and technical assistance (as capital project implementer)	Development management and development facilitation

	First Mayoral term 2001/02 to 2005/06	Second Mayoral term 2006/07 to 2010/11	Third Mayoral term 2011/12 to 2015/16
Type of capital projects	Big iconic infrastructure and property development projects intended to catalyse investment by the private sector.	Smaller projects implemented over a longer period of time that respond to the needs of both investors and community members Technical assistance projects on behalf of other municipal departments or entities (eg. Rea Vaya infrastructure, and CoJ clinics)	Integrated precinct developments that will transform the space economy. The JDA's role includes precinct coordination.

The JDA will continue to expand and enhance its competencies, refine its practices, and evaluate the impact of its work to meet the needs of the City of Johannesburg.

c. Key Service Delivery Improvements:

The JDA's service of area based development management involves the delivery of a range of developments and programmes aimed at achieving the goals of the GDS, within the framework of its mandate from the CoJ.

In the provision of a development management service, JDA stimulates and implements area-based initiatives involving both capital and non-capital developments. This service involves:

- Development and project packaging: This involves identifying strategic opportunities for responding to the CoJ's focus area by bringing together all the relevant stakeholders and parties to the initiative, and developing a plan for implementation.
- Development and project facilitation and co-ordination: This involves working with various stakeholders and parties and ensuring that they are undertaking their roles as expected and required.
- Overall development implementation: This involves ensuring the development is implemented as planned. In this regard, the JDA may outsource specific project management functions within a development, while retaining its overall accountability as a development manager.
- Assessment of the impact of our developments: This is sought to analyse, review and quantify the private sector investment in the various intervention areas of the JDA and assess the socio-economic impacts of our interventions. This is undertaken, in the main, by analysing property market trends as well as the factors that influence investor interest in the JDA development areas.

The JDA promotes growth and development through the construction and promotion of efficient urban environments in defined geographic areas. The JDA is mandated to work in all parts of the CoJ including historically marginalized areas of the city. This includes working on the regeneration of areas of the city that are either in decay or declining, in order to enhance their ability to contribute to the development of the city and the quality of life of its residents. This also includes working in areas that require public investment in order to catalyse area-based regeneration and private sector investment. The assessment of private sector investments is guided in essence by the theory that public sector interventions (such as investment in infrastructure, urban environment upgrades, proper urban management, provision of tax incentives) in declining areas provides the necessary platform for private sector investment and re-investment into these areas.

Overall, the JDA achieved a project completion rate of 93% against a construction target of 100% for 2012/13. The Nancefield Station Precinct development, which is the only project in the Transit precinct category of funding, achieved 101% because of additional work funded through the contingency reserve.

The marginalised areas portfolio also came very close to achieving 100% construction completion against targets; and the inner city and technical assistance portfolios construction was above 80% of target. All of the remaining work will be completed before the end of July 2013.

The Transportation portfolio achieved 79% of planned outputs, but as this portfolio is made up of multi-year projects most of the work will continue without pause as we start a new financial year.

Some of the key projects completed by the JDA in 2012/13 are:

a) The Meadowlands Rea Vaya Bus Depot, which is constructed from recycled material and includes a state-of-the-art workshop for the Rea Vaya buses;
b) The Ndingilizi Rea Vaya Terminus, which demonstrates integrated transport systems by providing ranking space for taxis in close proximity to the Rea Vaya bus ranks;
c) The second phase of the Westgate Station Precinct development included the introduction of a heritage walking trail, and the installation of a new sculpture celebrating the life of Nelson Mandela in the Johannesburg inner city. While the private developments in the Westgate Station Precinct have not reached construction phase yet, the plans for the redevelopment of the Westgate Station have been submitted to the Council for approval, so the visible emergence of this transit-oriented precinct should begin soon.
d) The Nancefield Station Precinct is another of the new transit precincts in the JDA portfolio. The first year involved a detailed assessment of the bulk infrastructure requirements, and we are seeking innovation in the design of infrastructure so that the most sustainable services are installed at this early stage in the development. The transport connections are important to catalysing private investment, and so we focused on constructing the Tsolo road connection to the railway station as a priority.

In order to gear up for the significant increases in capital spending on infrastructure that will be driven by the space-economy framework of the Corridors of Freedom, the JDA has worked with the CoJ Department of Development Planning in order to complete strategic area framework plans for two of the priority corridors: Empire-Perth and Louis Botha; and a future development corridor to the South of the city through the Turffontein area. These framework plans are based on in depth analysis of the economic potential, social needs and physical constraints. They will provide the development priorities for the CoJ and the JDA for the medium term.

d. Public Participation:

The JDA actively implements participative planning and development approaches in all development areas. The JDA's practice was recognised by the International Association for Public Participation (IAP2) when we received the 2011 Core Values Award for Organisation of the Year.

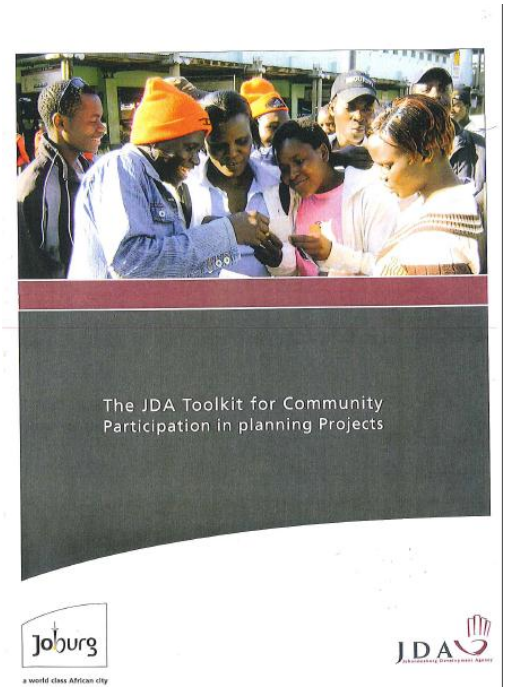
There are three phases in our area based developments that allow for community participation. These are:

- *The neighbourhood or precinct planning stage*
  Consultations during this phase are to achieve an agreed development vision for the neighbourhood; to identify the intervention types and priorities; and to initiate the establishment of community-based institutions if necessary. This phase usually consists of public workshops and stakeholder meetings that are facilitated by the professional planners who have been commissioned to produce the precinct plan or urban development framework.
  We have had mixed success with public participation strategies in this phase. In order to test new approaches to thinking about the future of neighbourhoods, the JDA is currently implementing a project with national partners that include the SA Cities Network, Architects Collective, African Centre for Cities at UCT and the CSIR, and the Mandela Bay Development Agency. This City Futures Project is intended to explore a community based consultative process in at least 6 neighbourhoods in the two cities. This will result in an exhibition of the lessons learnt which will be shown at the International Union of Architects Congress in Durban in 2014, and should inform future public participation approaches in this planning phase.

- *Capital project implementation stage*
  In order to get community buy-in for detailed design proposals for the JDA's capital works projects, there are always a series of community consultations that are facilitated by public participation professionals. While these consultations are limited to consultations, the JDA also uses components of projects such as public art

projects to have a more meaningful engagement with local communities. For example, in Diepsloot the JDA used the public art design process to involve local artists and primary school learners; and the public art production process to create opportunities for local craftsmen and artists.

– *Impact assessment stage*
  There is an unexploited opportunity to involve local community members in surveys and research to determine the impact of the JDA's area based developments. This will also help to overcome the limits of formal economic development data such as office vacancy rates and rental rates in less formal neighbourhoods such as Orange Farm.



In 2009 the JDA produced a toolkit to guide our community participation strategies. This toolkit recognizes the value of participatory planning and development, because it can:

- improve the quality of designs.
- improve the reach of City services.
- improve the community's control over development decisions.
- increase community action and responsibility for implementation and management of infrastructure.
- reduce the dependency of the community on the municipality for development projects.
- build agreement on plans.
- lay the foundation for service delivery partnerships.

e. Future Actions:

The JDA strives to be a learning organisation. We constantly reflect on our development and operational practice in order to improve our effectiveness, results and outcomes. In 2012/13 we focussed on improving our enterprise results including Black Economic Empowerment (BBBEE) expenditure, expenditure on small, medium and micro enterprises (SMMEs) and job creation through our construction projects. The JDA's Enterprise Development Programme was defined in terms of its aims and objectives, and the actions to be taken to improve construction skills, raise awareness of public sector tender processes and requirements, and develop business skills in emerging construction companies.

We also reflected on our participative planning and development methods and practice, and the JDA's Marketing and Communications team has developed a strategy that includes stakeholder engagement as a key component. In future each development area will have a communications plan that will ensure that public participation processes are supplemented by media and other public relations work.

There are also a number of system improvements that are required to improve the efficiency of supply chain management, project development, financial management and risk management in the JDA. These include more strategic structuring of contracts, medium term project planning, improvements in the processing of payments, and more regular risk assessment consultations.

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Getty Simelane, Chairperson

Chapter 1

COMPONENT C: EXECUTIVE SUMMARY

1.1. CEO'S OVERVIEW

JDA has a proud track record of enterprise development. Over the last 12 years we have always achieved the Black Economic Empowerment (BBBEE) targets set for us, and most years we have also achieved the target for small, medium and micro-enterprise (SMME) expenditure.

In the last 3 years, JDA has spent R1.3 billion on goods and services provided by black-owned businesses which is more than 85% of total expenditure. In the same time, JDA has spent R30.4 million on goods and services provided by SMME companies which is more than 46% of all operating expenditure.

We have seen at least 3 of the black-owned construction companies that do work for the JDA grow from being small operators with Construction Industry Development Board ratings of 3 or less to large construction companies with the capacity and business acumen to implement projects with budgets larger than R20 million. In 2012/13 we introduced a new Enterprise Development Programme to replicate these results and provide mentorship and work experience to develop the business skills of at least another four construction companies in the medium term. We have also structured our future developments to accommodate a greater number of SMME contractors, and to ensure that the emerging contractors who are part of the EDP achieve gains in work experience over three year sub-contracting arrangements.

The 2012/13 year was a year of consolidation and stabilisation. My five-year contract as CEO began in December 2012 and we have now filled some key vacancies in the senior management team. JDA continues to attract highly qualified and experienced individuals who are committed to the development ideals that are entrenched in this organisation. I would like to thank all of the JDA employees for their dedication and loyalty as we continued to operate in an uncertain business environment. Most of the City of Joburg's institutional review decisions have been given effect, although we still need to finalise some of the arrangements to rationalise the interface between the JDA and Johannesburg Property Company; and between JDA and the Alex Renewal Programme. There are also still a number of unfunded posts in the approved structure of the JDA, which we will seek funding for in 2013/14.

I am grateful to the members of the Board of Directors who have provided guidance and support as we geared up to take on the mandate of transforming the city through our area based development work.

1.2. JDA FUNCTIONS AND ENVIRONMENTAL OVERVIEW

The South African State of the Cities Report for 2011 defines the resilient city as one that is able to chart a different path in solving complex and unanticipated problems. It involves adapting and shaping development in order to improve the City's position through structural change. Creative and innovative development strategies are required.

If we are to promote resilience through structural change that achieves greater equality in Johannesburg, then the restructuring of city form must be a priority for Johannesburg.

The State of World Cities Report for 2010-11 identifies access to equal opportunities and improvements in the quality of life of the poor as being key to the creation of an inclusive or equitable city. By building a more robust network of sustainable and competitive economic nodes and high density movement corridors that are well served by public transport it will be possible to increase access to markets and jobs for more people, and ensure optimal use of land and energy resources. It is also important to create new activity nodes in marginalised areas in order to bring markets, services and employment opportunities to these under-developed parts of the city.

The second key reason for restructuring the city is to achieve reduced energy consumption and greenhouse gas emissions.

The spatial form of the city is important because private car use is a significant driver of energy consumption and greenhouse gas emissions in South Africa, and 80% of the variance in private car energy use is due to urban density. For example, in the South African context, if 10% of households shift to energy efficient lighting it will reduce energy consumption by 0.1%; and if 10% of low income houses have ceilings retrofitted another reduction of 0.1% can be achieved. But, if 10% of private car users shift to public transport for their daily commute, this will result in an 8% reduction in energy consumption.

The restructuring of the space economy in Johannesburg will depend on achieving the following development outcomes:

a) The regeneration of key economic nodes such as the Johannesburg inner city, and other declining economic nodes such as the Randburg and Roodepoort CBDs to enable these areas to accommodate a greater agglomeration of economic activity and more intensity of land use.
b) The development of selected nodes in marginalised areas to stimulate local economies, increase competitiveness, and broaden access to markets and jobs.
c) The development of high-density movement corridors anchored by transit nodes to restructure city form, promote efficient land use and transport energy consumption.

The most efficient urban form is compact, mixed land-use with an extensive public transport network that includes high intensity movement corridors and 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, including access, inclusion, health, social cohesion, vibrancy, economy, household savings, and air quality.

As a City Development Agency, the JDA is positioned to take on a broader role, focusing on development areas selected for their potential to satisfy strategic objectives such as restructuring the space economy. There are opportunities for the scale of JDA operations to be extended: by increasing the number of development areas; extending the types of developments undertaken by the JDA; and increasing the development facilitation role that the JDA plays in development areas.

1.3. SERVICE DELIVERY OVERVIEW

Overall, the JDA achieved a project completion rate of 93% against a construction target of 100% for 2012/13. The Nancefield Station Precinct development, which is the only project in the Transit precinct category of funding, achieved 101% because of additional work funded through the contingency reserve.

The marginalised areas portfolio achieved more than 100% construction completion against targets because construction contingency budgets were used to do additional work that was not part of the original scope of works for some projects; the inner city portfolio also achieved more than 100% against construction targets mostly because of the additional work done in the Westgate Station Precinct; and the technical assistance portfolio got to 100% of target. The Transportation portfolio achieved 83% of planned outputs, but as this portfolio is made up of multi-year projects most of the work will continue without pause as we start a new financial year.

Some of the key projects completed by the JDA in 2012/13 are:

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In order to gear up for the significant increases in capital spending on infrastructure that will be driven by the space-economy framework of the Corridors of Freedom, the JDA has worked with the CoJ Department of Development Planning in order to complete strategic area framework plans for two of the priority corridors: Empire-Perth and Louis Botha; and a future development corridor to the South of the city through the Turffontein area. These framework plans are based on in depth analysis of the economic potential, social needs and physical constraints. They will provide the development priorities for the CoJ and the JDA for the medium term.

1.4. FINANCIAL HEALTH OVERVIEW

For the financial year under review the JDA revenue was R46.8million against a budget of R46.9million. The negative variance of R150 284 is due to an under-recovery in management fees and an over-recovery from interest and other income. The development management fees line item negative variance brought about by lower than anticipated capital expenditure of 91% of the total capex budget. There was an over-recovery in the interest income line item due to a positive bank balance as a result of slower than expected capital expenditure. Furthermore there was an over-recovery of R552 602 in the other income line item due to higher than anticipated tender document sales.

For the year under review the JDA's operating expenses were R50.7 million against a budget of R46.0 million.

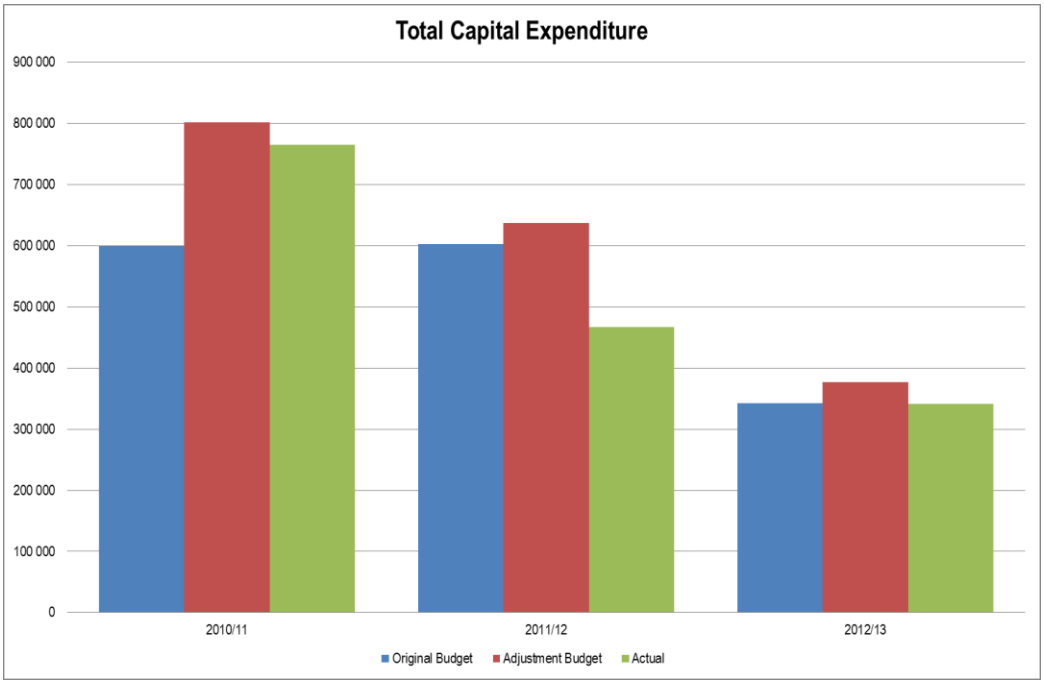
Financial Overview: 2012/13			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	24 308	24 308	24 308
Taxes, Levies and tariffs	22 894	16 533	15 858
Other	4 018	6 050	6 588
Sub Total	51 220	46 891	46 754
Less: Expenditure	51 220	46 016	50 746
Net Total*	0	875	-3 992

Operating Ratios	
Detail	**%**
Employee Cost	60%
Repairs & Maintenance	1%
Finance Charges & Impairment	1%

The majority (60%) of operating expenditure is on salaries and other employee costs. This is because the JDA provides a professional development management service as part of the City of Johannesburg group. As the JDA

does not own many assets, expenditure on repairs and maintenance is a low proportion of operating expenditure. In 2012/13 the proportion spent on finance charges was also very low as a result of sound cash flow management. In past years this expenditure has been higher due to interest payments resulting from delays in the settlement of capital claims from the City of Johannesburg.

Total Capital Expenditure: 2010/11 to 2012/13			R'000
Detail	**2010/11**	**2011/12**	**2012/13**
Original Budget (on budget)	42 800	23 772	38 000
Original Budget (off budget)	556 550	578 756	304 450
Original Budget (total)	**599 350**	**602 528**	**342 450**
Adjustment Budget (on budget)	42 800	15 000	39 178
Adjustment Budget (off budget)	758 706	622 236	337 436
Adjustment Budget (total)	**801 506**	**637 236**	**376 614**
Actual (total)	**765 035**	**466 720**	**341 871**



The JDA's capital budget allocation has declined substantially over the medium term period to 2012/13. This has resulted in a drop in actual expenditure from R765 million in 2010/11 to R342 million in 2012/13. This decline is due largely to reduced capital expenditure after the peak associated with preparations for and hosting of the 2010 FIFA World Cup. This was compounded by a sharp decline in expenditure on the Rea Vaya BRT infrastructure after the Local Government elections in 2011 when the incoming Mayoral Committee took a decision to invest in a new trunk route. This change in the route resulted in a need to undertake new planning and design and the City of Johannesburg undertook an options analysis to confirm that a BRT service was the correct transit mode for the new trunk route. We do expect that expenditure will increase sharply over the 2013/14 MTEF period as BRT construction work increases, and as the City of Johannesburg's new infrastructure investment strategies begin to have an impact.

In the last 3 years, the JDA has always been allocated additional capital funding during the mid-year adjustment. Most of this funding comes in the form of technical assistance assignments, where the JDA is requested to serve as the implementing agent for other Departments and Entities.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

During 2012/13 the JDA has been working towards the implementation of the CoJ institutional review. This includes rationalising and aligning capital project implementation capacity between JDA and the CoJ's Environment and Infrastructure Services Department, and the Departments of Economic, Community and Social Development. There is also a need to align the JDA's capacity to facilitate property developments with the Johannesburg Property Company; and finally to absorb the Alex Renewal Programme into the JDA to rationalise the CoJ area based development organisations.

The JDA's management capacity has been boosted by the appointment of two Executive Managers in the 4th quarter. Fatima Habib was appointed as EM: Corporate Services; and Barbara Mbuli was appointed as EM: Marketing and Communications. This should alleviate some of the capacity limitations experienced in the Executive team in 2011/12 and 2012/13 during the moratorium on appointments.

The resolution of the City to allow integrated multi-year budgeting for capital works projects will assist the JDA to improve on its expenditure targets as it works within a more predictable planning environment. We are certain that the new financial year will see a smoother expenditure curve as projects will achieve the construction phase earlier than in previous years.

1.6. INTERNAL AUDIT PROGRAMME

The JDA Internal Auditors, which have been outsourced to an external service provider in accordance with the provisions of Section 165 of the MFMA, also assist Management in proper risk management in the organisation through its internal audit assignments. The JDA ensures an effective internal control system which is tested continuously in order to improve efficiencies and identify possible breaches on time. The testing and monitoring of the internal control environment is undertaken by the Internal Auditors.

ANNUAL AUDIT PLAN (2012/13)		Month to start audit	Status/ proposed new audit date	Overall Rating
1	Strategic planning and Strategy	Dec 2012	Final Report	1
2	Document management	Feb 2013	Testing	N/A
3	Area Development (Projects and Project Management)	Feb 2013	Final Report	2
4	Information Technology (Logical access review)	Nov 2012	Final report	1
5	Business continuity and disaster recovery	Oct 2012	Final Report	1
6	Financial Discipline Review	Feb 2013	Final report	2
7	Performance payment	Sept 2012	Final Report	2
8	Human resources planning and strategy	Mar 2013	Final Report	N/A
9	Performance Against Objectives	Quarter 1 (Oct 2012)	Final report	2
10	Performance Against Objectives	Quarter 2 (Feb 2013)	Final Report	2
11	Performance Against Objectives	Quarter 3 (April 2013)	Final Report	N/A
12	Performance Against Objectives	Quarter 4 (August 2013)	Not started yet	Not started

1.7. STATUTORY ANNUAL REPORT PROCESS

Chapter 1

The JDA's business planning and reporting cycle was based on the following actions and timeframes relating to the 2012/13 business plan and reporting cycle.

Activity	Timeframe
Commencement of 2012/13 Budget and Business Plan production process. Annual Report, impact assessments, risk assessments and Oversight Reports are used as inputs	October 2011
JDA receives and addresses the Auditor General's comments on 2010/11 AFS.	November 2011
Mayor tabled Annual Report and audited Financial Statements to council complete with the Auditor-General's Report	
Audited Annual Report 2010/11 made public and representation was invited	
Oversight Committee (Development Planning S79 Committee) assessed Annual Report for 2010/11.	
JDA's 2012/13 budget, business plan and performance scorecard assessed by CoJ Budget Panel, Group Governance and management and oversight committees.	January 2012
Council approves 2012/13 Business Plan and Budget.	April 2012
Implementation and monitoring of approved budget and IDP commences (In-year Financial Reporting)	1 July 2012
Audit and Development & Risk committees consider draft Annual Report 2011/12	August 2012
Draft Annual Report for 2011/12 is submitted to Internal Audit and Auditor-General	August 2012
Municipal entities submit draft annual reports for Council consideration	August 2012
Auditor General review of Annual Report 2011/12 including consolidated Annual Financial Statements and Performance data	September – November 2012
First quarter performance report 2012/13 is submitted to Council and Board	October 2012
Commencement of 2013/14 Budget and Business Plan production process. Annual Report, impact assessments, risk assessments and Oversight Reports are used as inputs	October 2012
JDA receives and addresses the Auditor General's comments on 2011/12 AFS.	November 2012
Mayor tabled Annual Report and audited Financial Statements to council complete with the Auditor-General's Report	
Audited Annual Report 2011/12 made public and representation invited	
Oversight Committee (Development Planning S79 Committee) assessed Annual Report for 2011/12	
Second quarter performance report 2012/13 is submitted to Council and Board	January 2013
Third quarter performance report 2012/13 is submitted to Council and Board	April 2013
Fourth quarter performance report 2012/13 is submitted to Council and Board	July 2013
Audit and Development & Risk committees consider draft Annual Report 2012/13	August 2013
Draft Annual Report for 2012/13 is submitted to Internal Audit and Auditor-General	August 2013
Municipal entities submit draft annual reports for Council consideration	August 2013

The new budgeting and business planning cycle for 2014/15 started in August 2013.

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CHAPTER 2 – GOVERNANCE

The Board of Directors of the JDA subscribes to the letter and spirit of good corporate governance expressed in King Code III and the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, 2000 (as amended). The Board recognises the need to conduct the affairs of the municipal entity with integrity to ensure increased public confidence and the confidence of its parent municipality. It is the policy of the Board to actively review and enhance the entity's systems of control and governance on a continuous basis to ensure that the entity is managed ethically and within prudently determined risk parameters.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The JDA receives its mandate from the CoJ, acting through the Executive Mayor and Council. It is contractually accountable to the Development Planning department (DP) and the Member of the Mayoral Committee for Development Planning (MMC), who exercises political oversight and to whom the JDA undertakes compliance reporting in respect of its performance scorecard. The JDA relies on DP for service delivery direction in terms of its contractual obligations contained in the Service Delivery Agreement and on the MMC for its political mandate. The Group Governance Unit provides corporate governance and related support such as financial sustainability and compliance reporting and review.

2.1 POLITICAL GOVERNANCE

JDA interacts with the Development Planning Section 79 oversight Council Committee for oversight of its activities and functions.

In respect of strategic and operational matters the JDA management is accountable to the JDA's Board of Directors which stands in a fiduciary relationship with the company.

JDA co-ordinates its area-based development activities and other catalytic interventions, with the DP, JDA also engages with client departments that take ownership of the infrastructure and assets created by the JDA. In 2010/11 these include the Department of Transportation and municipal entities (including the Johannesburg Roads Agency); the Department of Economic Development (including Johannesburg Property Company); City Power; Johannesburg City Parks; the Department of Community Development; and the Department of Housing (including the Johannesburg Social Housing Company).

The JDA's capacity to focus on area-based development and to undertake its various functions, is dependent on both the Sustainable Services and Economic Growth Clusters' strategic leadership in respect of all of the CoJ's development activities. Further, the JDA has been appointed as the CoJ's implementing agent for the BRT, some NDPG and USDG funded projects, and a few other strategic capital works projects.

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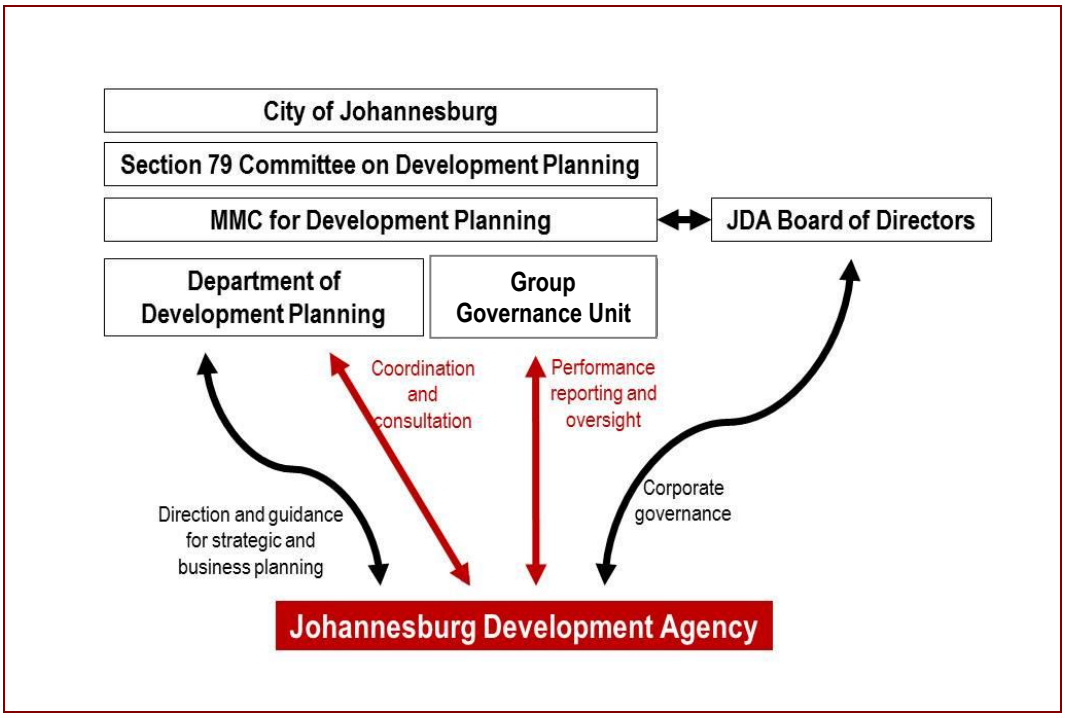

THE BOARD OF DIRECTORS

The JDA Board:

- Provides effective, transparent, accountable and coherent oversight of the JDA's affairs;
- Ensures that the JDA complies with all applicable legislation, the Service Delivery Agreement and the various shareholder policy directives issued by its parent municipality, from time to time;
- Deals with the parent municipality in good faith and communicates openly and promptly on all pertinent matters requiring the attention of its shareholder;
- Determines and develops strategies that set out the purpose, and values in accordance with the shareholder mandate and strategic documents such as the IDP;
- Review and approve financial objectives including significant capital allocations and expenditure as determined by the parent municipality; and
- Consider and ensure that the entity's size, diversity and skills make up are efficient to ensure that the entity is able to achieve its strategic objectives.

The Johannesburg Development Agency is committed to:

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;
- Carrying on business through fair commercial and competitive practices;
- Eliminating discrimination and enabling employees to realise their potential through continuous training and development of their skills;
- Being responsible toward environmental and social issues; and
- Ensuring that each of its directors declare any direct or indirect personal or business interest that might adversely affect such director in the proper performance of their stewardship of the entity

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JDA Board of Directors

Board member	Capacity: Executive / Non-Executive	Race	Gender	Board Committee Membership
T Mendrew	CEO (Executive)	Black	Male	▪ Development & Risk ▪ Human Resources & Remuneration ▪ Social and Ethics ▪ Audit (by invitation)
N V Lila	Non–executive	Black	Female	▪ Audit (Chair)
P Masilo	Non–executive	Black	Male	▪ Audit ▪ Human Resources & Remuneration (Chair)
D Naidu	Non–executive	Indian	Male	▪ Development & Risk (Chair)
G Simelane	Non-Executive	Black	Female	▪ Development & Risk
B Majola	Non-Executive	Black	Female	▪ Social & Ethics (Chair) ▪ Development & Risk
P Mashiane	Non-Executive	Black	Female	▪ Social & Ethics
P Kubu	Non-Executive	Black	Male	▪ Development & Risk ▪ Social& Ethics
A Rajah	Non-Executive	Indian	Male	▪ Human Resources and Remuneration ▪ Social & Ethics
W Thwala (Professor)	Non-Executive	Black	Male	▪ Development & Risk ▪ Human Resources and Remuneration

Together, the JDA directors have a range of different skills and experience that they bring to bear for the benefit of the entity. These include accounting, finance, legal, business management, human resources and labour relations, marketing and construction & development management.

JDA's Directors

Khangekile (Getty) Simelane is a human resources specialist, with qualifications from the University of Zululand, Wits Business School, Bath University in the United Kingdom, and North Western University (USA). She is a member of the board for Personnel Practice, and holds leadership positions with the Bridgman Youth Centre in Soweto and St Mungo's Diepsloot Social Action Company. Simelane recently completed a term as a director and chairperson of City Power and is now chair of the JDA's board of directors.

Papi Kubu has had a wide-ranging career in the military, tourism, hospitality, and media industries. He has a BA qualification from the University of London, and diplomas in journalism, auctioneering and printing techniques. He is a member of professional and industry associations; and has held directorships with the National Tourism Forum, the National Museum Council and the Veterans Foundation. Kubu is currently chairman of PKX Capital, a financial services company.

Nopasika Lila is a chartered accountant and chief financial officer of the Eskom Pension and Provident Fund. She serves as a Non-executive Director of the Johannesburg Development Agency and chairs its Audit Committee. Additionally, she serves as a member of the Audit Committee of the Department of International Relations and Cooperation (DIRCO) as well as the National Arts Festival. Her experience and areas of interest cover finance, corporate governance, management, the retirement industry, strategic issues, and training and development.

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Buyiswa Octavia Majola is a community activist with qualifications in law, public relations and business management. She has worked in various positions in the construction, security and hospitality industries, and has held leadership positions in political and community structures. Majola's interests and causes include the elderly and the youth, and she is an active member of committees representing taxi stakeholders, women, commuters and developers, among others. Majola will chair the JDA's new Social and Ethics Committee.

Popo Masilo is an attorney with eight years' practical experience specialising in commercial law, criminal law, labour law, and trusts among others. He started his career with Norton Lambrianos Incorporated, a law firm specialising in debt collection for various major banks in the country. He is a partner at R Masilo Attorneys, a law firm specialising in labour relations matters, commercial and criminal litigations. He has been a board member of Bertha Gxowa Hospital, in Germiston, for the past six years. He presently holds directorships at: Ekurhuleni Development Company (EDC) (SoC) LTD, a social housing company owned by Ekurhuleni Municipality; MAXALEX Investment (PTY) LTD, a private company investing in various business opportunities; and MAXALEX Property Development (PTY) LTD, a private company focusing on a property investment portfolio (commercial and residential).

Dayalan Naidu has a 1986 BPaed degree from the University of Durban Westville. He started his career with Scaw Metals group Haggie Rand in 1988, thereafter joining OK Distribution in 1990 as an industrial engineer. He spent four years at the retailer before moving to Spoornet, where he was an operations manager for two years. Naidu later moved to South African Breweries as an operations manager in charge of operational productivity and warehouse stock. In 1998, he joined World Class Industrial as a general manager. He is currently responsible for market development and production management.

Ashram Alli (Boeta) Rajah was a member of the negotiating team that established the first democratic local government structures in Johannesburg. He also served as a City councillor from 1994 to 2011. His responsibilities included sports, arts, culture and recreation; planning and development; housing and urbanisation; finance and services; and he served as Chair of the Inner City Committee. Rajah has qualifications in local government and project management and has experience in labour relations and dispute resolution from his time as a unionist.

Pamela Segakweng-Mashiane is founder and managing director of Segakweng Enterprise & Strategy Consulting (SEAS). She is a strategist with more than 20 years' experience in the chemical and financial services and advertising industries. She has BSc (Chemistry), Project Management, Post- graduate Diploma, Marketing, and MBA qualifications. Segakweng-Mashiane was a non-executive board member of the Joburg Theatre Complex and is still a non-executive board member of the Kgosi Neighbourhood Foundation, a non-profit aimed at helping vulnerable children in the inner city.

Wellington Didibhuku Thwala is an associate professor at the University of Johannesburg (UJ) in the Faculty of Engineering and the Built Environment. He has a PhD in Engineering from Wits University and his research focus includes the job creation impact of construction programmes. Thwala holds leadership positions in a number of professional and industry bodies, and serves as editor-in-chief of the *Journal of Construction Project Management and Innovation*.

In addition to the non-executive directors, three independent members have been appointed to the Audit Committee. These are Mr Krishna Govender, Ms Janine Vergotine, and Ms Nokuthula Selamolela.

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The Board meets regularly, retains full and effective control over the company and monitors the implementation of the company's strategic programmes by the executive management through a structured approach of reporting and accountability. It sets the strategic direction of the JDA and monitors overall performance. All JDA's Board Committees are chaired by independent non-executive directors.

The Company Secretary manages the processes that ensure the organisation complies with company legislation and regulations and keeps board members informed of their legal responsibilities. The Company Secretary is responsible for calling board meetings and ensuring the implementation of their decisions. It is also the responsibility of the Company Secretary to communicate with the shareholder on matters dealing with governance and shareholder reporting.

The Company Secretary's work covers a wide variety of functions. Typical work activities include:

- Organising, preparing agendas for, and taking minutes of meetings;
- Dealing with correspondence, collating information, writing reports, ensuring decisions madeare communicated to the relevant people;
- Contributing to meeting discussions, as and when required
- Arranging the annual general meetings.

There were no matters that required liaison with the Registrar of Companies which the Company Secretary had to attend to.

BOARD COMMITTEES

The Board meets not less than four times a year to consider matters specifically reserved for its attention. Indicated in the table below are the board meetings held during the period under review. Attendance at meetings held during the periodunder review was as follows:

Board and Board Committees Meetings & Attendance: –July 2012 to June 2013

Name	Board Meeting				Audit				Development & Risk				HR &Remco				Social & Ethics			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
N V Lila	8	7	1	0	8	8	0	0	-	-	0	0								
P Masilo	8	7	1	0	8	8	0	0					7	6	1	0				
D Naidu	8	7	1	0					6	6	0	0		-						
G Simelane	8	6	2	0					6	5	1	0								
B Majola	8	5	3	0					6	5	1	0					4	4	0	0
P Mashiane	8	4	4	0													4	3	1	0
A Rajah	8	7	1	0									7	7	0	0	4	4	0	0
W Thwala	8	7	1	0					6	6	0	0								
P Kubu	8	5	3	0					6	2	2	2					4	3	1	0
T Mendrew	8	7	1	0	8	6	2	0	6	5	1	0	7	7	0	0	4	3	1	0
J Vergotine (Independent Audit)					8	8	0	0												
N Selamolela (Independent Audit)					8	8	0	0												
K Govender (Independent Audit)					8	6	2	0												

The following committees have been formed; a non-executive director chairs each committee.

- Audit Committee
- Human Resources and Remuneration Committee
- Development and Risk Committee
- Social and Ethics Committee

Audit Committee

The Audit Committee, which consists of two non-executive directors and three independent members, meets not less than four times a year. Most members of this committee are financially literate: the Chairperson, Nopasika Lila, is a Chartered Accountant, Popo Masilo is a lawyer with a financial background, Krishna Govender is a businessman with an accounting practice, and Janine Vergotine and Nokuthula Selamolela are businesswomen. Below is a list of audit committee members:

N. Lila (Chairperson)
P Masilo
K Govender (Independent Member)
J Vergotine (Independent Member)
N Selamolela (Independent Member)

The committee has specific responsibility for ensuring that all activities of the JDA are subject to independent and objective review and financial performance oversight. The JDA Audit Committee has an Audit Committee Charter with clear terms of reference as guided by the provisions of Section 166 of the MFMA.

The Committee has the following responsibilities:

- Reviewing JDA's internal controls and published financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosure to the Board. The external and internal auditors attend these meetings, and have direct access to the Chairperson of the Committee and Chairperson of the Board;
- Reviewing reports from management, internal and external auditors, to provide reasonable assurance , but not absolute assurance that control procedures are in place and are being followed;
- Reviewing the half-yearly and annual financial statements before submission to the Board, focussing particularly on any changes in accounting policies and practices.

During the year under review the Audit Committee held 6 ordinary meetings and 2 special meetings.

Development and Risk Committee

The Committee is responsible for evaluating development proposals with a view to making recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and risk profiles. The Committee bears overall responsibility for evaluating the effectiveness of the risk management process in the organisation. It recommends to the Board risk strategies and policies that need to be set to ensure effective risk management for the entire organisation and the specific development projects. Below is a list of Development and Risk Committee members:

T Mendrew
D Naidu (Chairperson)
P Kubu
B Majola
G Simelane W Thwala

Meetings are held on a bi-monthly basis or as required by the Chairperson. During the period under review this committee met 6 times to deliberate on matters focusing mainly on the new developments and the risks and challenges that these have on the mandate and the delivery of the various developments of the JDA.

Human Resources & Remuneration Committee

In line with the best practice of corporate governance, the Board maintains a Human Resources & Remuneration Committee (HR &RemCo), comprising 3 (three) non-executive directors and chaired by a non-executive Chairperson. It is responsible for directing human resources policies and strategies for the organisation and approving the remuneration for the Chief Executive Officer, senior executives and staff. Below is a list of names of the members of the committee.

T Mendrew
P Masilo
A Rajah
W Thwala

The committee meets not less than 3 (three) times a year. The executive directors are excluded from the HR &RemCo when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg in accordance with the provisions of Section 89(a) of the MFMA.

The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the parent municipality. This committee had 4 ordinary and 3 special meetings during 2012/13.

Social and Ethics Committee

This committee is made up of Buyiswa Majola (Chair) Pam Mashiane, Boeta Rajah and Papi Kubu. This committee met 4 times during 2012/13

DIRECTORS' EMOLUMENTS

Board of Directors and senior management remuneration and allowances for year ended 30 June 2013

Name	Designation	Salary/Board Fees	Pension	Bonus/Board Retention Fees	Travel allowance	Total
Executive Directors & Senior Management						
T. Mendrew	CEO	1 374 100		120 072	-	1 494 172
Z. Mafata	CFO	1 120 117		106 082	-	1 226 199
S. Lewis	EM: Planning and Strategy	931 097		70 544	-	1 001 641
P. Arnott-Job	Snr Development Manager	1 069 035		80 995	.	1 150 030
V. Voyi	Snr Development Manager	836 449		83 273	78 000	997 722
L. Visagie	Snr Development Manager	808 087		64 334	75 000	947 421
S Monyai (In an Acting position until 13 May 2013	EM: Marketing & Communication	383 434		31 898	42 000	457 332
B Mbuli (Appointed 13 May 2013)	EM : Marketing & Communication	105 761			18 333	124 094
F Habib (Appointed 1 June 2013)	EM : Corporate Services	82 309				82 309
Sub-Total		**6 710 389**		**557 198**	**213 333**	**7 480 920**
Non-Executive Directors & Independent Audit Committee Members						
N. Lila	Board Member	127 970	-	19 840	-	147 810
D. Naidu	Board Member	89 282	-	19 840	-	109 122

Name	Designation	Salary/Board Fees	Pension	Bonus/Board Retention Fees	Travel allowance	Total
P. Masilo	Board Member	128 962	-	19 840	-	148 802
G Simelane	Board Member	81 352		39 675		121 027
P Mashiane	Board Member	36 710		19 840		56 550
B Majola	Board Member	83 338		19 840		103 178
B Rajah	Board Member	80 372		19 840		100 212
W Thwala	Board Member	83 350		19 840		103 190
P Kubu	Board Member	57 550		19 840		77 390
J Vergotine	Independent Audit Committee Member	34 720		19 840		54 560
N Selamolela	Independent Audit Committee Member	54 560		19 840		74 400
K Govender	Independent Audit Committee Member	34 720		19 840		54 560
Sub-Total		**892 886**	**-**	**257 915**	**-**	**1 150 801**
TOTAL		**R7 603 275**		**R 815 113**	**R213 333**	**R8 631 721**

The directors' emoluments were taxed according to South African Revenue Services' guidelines. The performance bonuses for the Executive Committee and Senior Development Managers in respect of 2011/12 were paid in March 2013.

In accordance with the provisions of the MFMA, the JDA implements a strict policy which prohibits any provisions of loans or advances to its Directors and Employees. During the period under review, no loans or advances were made to any of the JDA's employees, members of the Board and the independent audit committee members. Further, the JDA has not provided any loans to any organisation or person outside the employ of the JDA.

DIRECTORS AND EMPLOYEE DECLARATIONS OF INTEREST

In accordance with its Code of Conduct which is consistent with Schedule1 of the Municipal Systems Act and the provisions of the City of Johannesburg Corporate Governance Protocol for Municipal Entities JDA maintains a register of Directors' Declarations. The Register of Declarations is updated annually and as and when each Director's declared interests have changed. The JDA ensures that a declaration register is also circulated at every Board and Board Committee meeting for the Directors to declare any interests in relation to every matter that is to be discussed at a particular meeting.

In terms of the JDA's Employee Code of Ethics and Terms and Conditions of Employment, all JDA employees are required to fill in declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the JDA, gifts and hospitality and the status of their municipal accounts.

Directors' declarations of interest for the current year have been done except for one director who has indicated that he is unable to submit a declaration of interest as he has signed confidentiality agreements.

The Board of Directors of the JDA subscribes to the letter and spirit of good corporate governance expressed in King Code III and the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, 2000 (as amended). The Board recognises the need to conduct the affairs of the municipal entity with integrity to ensure increased public confidence and the confidence of its parent municipality. It is the policy of the Board to actively review and enhance the entity's systems of control and governance on a continuous basis to ensure that the entity is managed ethically and within prudently determined risk parameters.

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ASSESSMENT OF MUNICIPAL TAXES AND SERVICE CHARGES OWED TO JDA

Detail	0-30 days	31-60 days	61-90 days	91-180 days	181& over	Total
Not applicable	-	-	-	-	-	-

The JDA does not levy municipal taxes and services charges.

AMOUNTS OWED BY JDA FOR SERVICE CHARGES

Name of Entity	Amount Owed	Status	Comments
Johannesburg Water	Nil	Up to date	N/A
City Power	Nil	Up to date	N/A
City of Johannesburg	Nil	Up to date	N/A

ASSESSMENT OF DIRECTORS' AND SENIOR MANAGERS' MUNICIPAL ACCOUNTS

Name of Director/Senior Manager	Designation	Name of Municipality	Municipal Account Name/ Number	Status as at 30 June2012	Comments
S Lewis	Executive Manager: Strategy & Planning	City of Johannesburg	202365484	Nil	Account paid up
Z Mafata	Chief Finance Officer	City of Johannesburg	206944274	Nil	Account paid up
P Arnott-Job	Senior Development Manager	City of Johannesburg	402576355	Nil	Account paid up
T Mendrew	Chief Executive Officer	City of Johannesburg	Hollyland (Pty) Ltd 201030171	Nil	Account paid up
V Voyi	Senior Development Manager	CoJ and Mangaung Municipality	1002979455 (Mangaung) 1983203459 (CoJ)	Nil	Account paid up
L Visagie	Senior Development Manager	City of Johannesburg	303385695	Nil	Account paid up
B Mbuli	Executive Manager: Marketing & Communication	City of Johannesburg	900550984	-	Account in dispute
F Habib	Executive Manager : Corporate Services	City of Johannesburg	206916277	Nil	Account paid up
N Lila	Non-Executive Director	City of Johannesburg	8686144681	Nil	Account paid up
D Naidu	Non-Executive Director	City of Johannesburg	504011192	Nil	Account paid up
P Masilo	Non-Executive Director	Ekurhuleni Municipality	2603356925	Nil	Account paid up.
P Mashiane	Non-Executive Director	Ekurhuleni Municipality	2603272804	Nil	Account paid up
A Rajah	Non-Executive Director	City of Johannesburg	201411723	Nil	Account paid up

Name of Director/Senior Manager	Designation	Name of Municipality	Municipal Account Name/ Number	Status as at 30 June2012	Comments
G Simelane	Non-Executive Director	City of Johannesburg	401900792	Nil	Account paid up
W Thwala	Non-Executive Director	Ekurhuleni Municipality and Mogale City	800156046 1705254316 1705290930 008000356027018	Nil	Accounts all paid up
B Majola	Non-Executive Director	*No municipal account*			
P Kubu	Non-Executive Director	*Undeclared*			

2.2 ADMINISTRATIVE GOVERNANCE

The JDA's organisational structure is currently based on the following principles:

- a flat, non-hierarchic structure.
- a medium-sized agency, with a minimum specialist employee complement.
- JDA operates as a matrix institution, with the CEO assisted in the functions by 6 (Six) executive managers interacting together in pursuit of both the entity's operational and development objectives.
- The JDA operates with a number of development teams, each with a Senior Development Manager (SDM) who is responsible for overseeing the design and construction of developments. Going forward, they will report to an EM: Development Implementation from whom they will receive strategic input relating to specific developments. The EM:DI and SDMs are fully accountable for all aspects of the various developments through the development management process. The JDA development teams are divided into 4 portfolios with their respective Senior Development Managers reporting to the EM:DI. Portfolio A is responsible for Inner City developments. Portfolio B is responsible for the Diepsloot, Soweto and Orange Farm projects, and Portfolio C is responsible for BRT and other transportation related projects, Portfolio D is responsible for new transit and infrastructure projects.

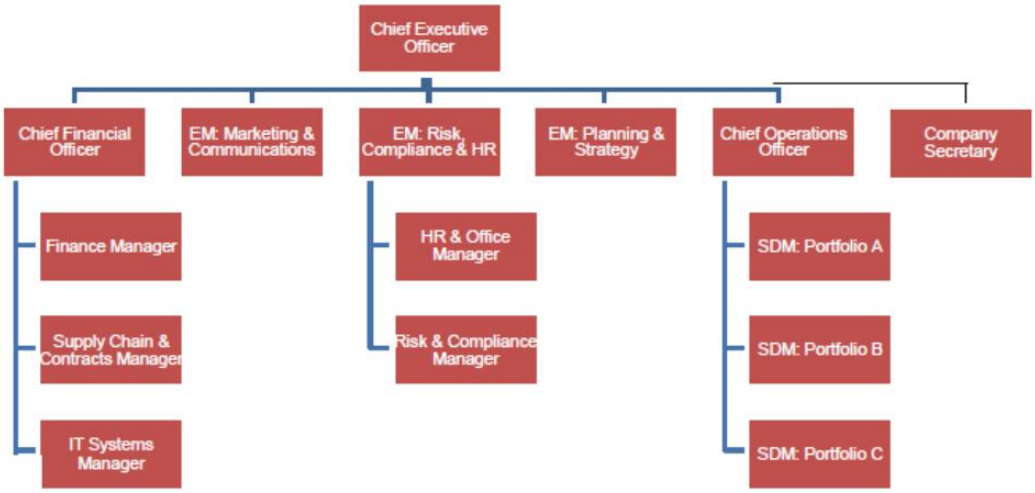
Current JDA Organisational Structure

This organisational structure for 2012/13 includes a total full time staff of 50 employees. There were 15 vacancies at the JDA for much of the year, the some of the posts frozen to accommodate the CoJ call to reduce operating costs.

The affected vacancies were:

- 1 x Procurement and Contracts Officer
- 2 x Development Coordinators
- 3 x Development Managers
- 2 x Assistant Development Manager
- 1 x Chief Operating Officer
- 1 x Housekeeper/Cleaner
- 1 x Executive Manager: Marketing and Communications.

Chapter 2


Chief Executive Officer
Chief Financial Officer
EM: Marketing & Communications
EM: Risk, Compliance & HR
EM: Planning & Strategy
Chief Operations Officer
Company Secretary
Finance Manager
Supply Chain & Contracts Manager
IT Systems Manager
HR & Office Manager
Risk & Compliance Manager
SDM: Portfolio A
SDM: Portfolio B
SDM: Portfolio C

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

As an agency of the CoJ the JDA interacts closely with the CoJ's various departments and MOEs in respect of their functional interest in development activities. The JDA:

- Operates in line with the CoJ's GDS principles as articulated in the IDP;
- Operates within existing agreed plans and frameworks. For instance, in the case of Planning, the JDA operates within the overall Spatial Development Plan of the City and takes due cognisance of the Regional Spatial Development Frameworks (RSDFs) and existing UDFs and precinct plans;
- Considers inputs in respect of development designs (especially at feasibility stage) from various Municipal Departments and Entities who will ultimately take over the developments once completed;
- Coordinates inputs in respect of development implementation specially from the Municipal Entities
- Considers inputs and seeks agreements in respect of the ongoing operations of the initiative once the development is completed;
- Acts as an implementation agent for other CoJ departments including EISD, Housing, Transportation and DP.

Where roles overlap in respect of a particular aspect of a development, JDA will consult with the relevant department or Entity accordingly. Given the intensive urban management focus of the City and the DP, the JDA will partner with the City's regional offices to ensure close cooperation. In relation to other Municipal Entities, the JDA works closely with City Power, Johannesburg Water, Johannesburg Roads Agency, Johannesburg City Parks, JPC and others from time to time.

In addition to the intergovernmental relations within the municipal sphere, the JDA has intergovernmental interactions with other Gauteng Cities, the Gauteng Province and Gauteng City Region Observatory, municipalities from KwaZulu Natal and the Western Cape, National Treasury and other National Departments that have a role to play in Economic Development. These relationships are structured through the Economies of Regions Learning Network which is set up to ensure shared learning on how to develop city regions that support shared economic growth.

JDA is also a partner in the City Futures Project which includes SA Cities Network, the African Centre for Cities at UCT, Architects Collective, CSIR and Nelson Mandela Bay Municipality (represented by the Mandela Bay Development Agency, MBDA). This project intends to test new methods to engage community members in a meaningful discussion about the future of their neighbourhoods. In Johannesburg the project is being implemented in three station precincts (Park, Rosebank and Marlboro) and the knowledge and learning will be captured in an exhibition and documentary that will be showcased at the Congress of the International Union of Architects which will take place in Durban in 2014.

The JDA and MBDA have established a learning partnership that goes beyond the City Futures Project, and we have regular learning exchanges to ensure that we share experiences and lessons.

COMPONENT C: RISK MANAGEMENT

2.4 RISK MANAGEMENT

The JDA Board monitors risk through the Development and Risk Committee. The Committee is responsible for evaluating development proposals with a view to making recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the risk financing, risk returns and risk profiles. Further, and primarily, the Committee bears accountability for ensuring that, there is an effective risk management

process and system within the organisation. This approach does not relieve the JDA Board of its accountability and responsibility in ensuring that, an adequate and effective risk management system and process is in place, as the Board is expected to exercise the duty of care, skill, and diligence identifying, assessing and monitoring risks as presented by the Development and Risk Committee. It recommends to the Board risk strategies and policies that need to be set, implemented and monitored.

The JDA's risk management strategy is guided by the principles of the enterprise-wide risk management system in terms of which all identified risk areas are managed systematically and continuously at the departmental level. The JDA has a risk register in place which is treated as a working risk management document of which the identified risks are constantly recorded and properly managed. The JDA's management monitors and evaluates the implementation and efficiency of management's controls and such actions identified as actions to improve current controls in the risk register.

The JDA provides its risk management reports to the City's Group Risk Management Committee (GRMC). The GRMC assesses all risks affecting the City and its municipal entities in a holistic manner and provides advice and recommendations to the City Manager and Council on the general effectiveness of risk management processes within the entire City.

During the period under review, the JDA updated the Strategic and Operational Risk Register in line with the mitigation plans undertaken by management to improve the Risk Management System. The Risk and Development Committee continually monitors the implementation of the Risk Tolerance Framework by management to ensure that the organisation operates within the acceptable tolerance levels. A comprehensive organisation Business Continuity plan is currently in place.

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No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner
KPA- Economic Development & Job Creation												
1	SD	Failure to create adequate number of short term jobs	• Non labour intensive projects • Delay in implementation of capital projects. • Use of undocumented labours	• Failure to meet IDP goals of job creation. • Negative political perception of JDA. • Service delivery protests against JDA.	Amber (8)	• The Risk and Compliance Unit will continuously monitor the implementation of EPWP guideline in developments.	• Minimum Requirement for contractors to appoint local community for unskilled work is included in the tender documents. • Report for short term jobs created for the month. • Use of labour intensive methods prioritised. • A no. of small contractors have been appointed for the implementation of projects	Excellent (0.20)	Green (1.6)	CEO	• The Risk and Compliance Unit will continuously monitor the implementation of EPWP guideline in developments.	Risk and Audit Officer, Development Managers
2	Fin	Failure to meet the BBBEE/SME procurement targets.	• Limited BEE business within the industry with skill and experience for big projects. • Failure to identify PDI with specialized skills within the industry • Restrictive Reg environment (CIDB,MFMA) • Lack of enterprise development programme for emerging contractors	• Future funding jeopardised. • Failure to create opportunity for small contractors leading to distrust by the community • Inability to transform the construction industry. • Reputational damage to the JDA and the City. • Failure to create jobs.	Red (16)	• Working closely with the SMME fora, City SCM unit and DED on the implementation of SMME guidelines • Closely Monitor work allocated to SMME/BEE sub-contractors. • Implement the Preferential Procurement Regulations • DED to fund the working capital of small contractors.	• A minimum of 30% of the total contractor value is set aside for sub-contracting to SMME Companies. • Efficient supply chain process in place. • Skills audit of local contractors • Appointments of clerks of work for projects management support for emerging contractors • Emerging contractor development framework had been developed and will be presented to the Board for approved during the month of April 2013	Good (0.40)	Green (4.8)	CFO	• Projects will be set aside for the implementation of Emerging contractor development framework	Supply Chain Manager/ EM: P & S
KPA: Effective Financial Management												
3	Fin	Failure of financial management systems.	• Lack of awareness of new update of Policies and Procedures • Human error • Non-implementation of	• Financial loss • Overspending of the budget • Irregular expenditure, fruitless expenditure and unauthorised	Red (20)	• Finance policies and procedures are reviewed on a regular basis to maintain an updated policies and procedures. Important elements	• Monthly Management account report • Greats Plain financial System • Staff at finance currently study for different financial management courses. • DMIS software upgraded when needed	Fair (0.750)	Red (15)	CEO	• The current controls are appropriate and we will continue to monitor them	CFO

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner
			approved business process	expenditure • Unreliable financial information. • Reputational damage to the organisation		and changes to the policies and procedures are presented to the employees at Business Training days to enforce the finance processes. • Individual Development Plans for finance staff.	• An awareness presentation on all approved policy was done during the quarterly business training days during the year. • All financial transactions were reviewed by2 senior officials					
4		Sustainable operation of the organisation	• Operating budget short fall • Recession and reduced city and national revenue • Change in city priorities • Unbalanced budget process from the City • JDA's funding model (Minimum capital budget required by the organisation to sustain itself) • Budget cut for implementation of Capital projects	• Loss of expertise due to resignation caused by lack of projects to be implemented • Lower staff morale • Lower impact of projects implemented by the JDA • Reduced service delivery • Failure to pay for operating expenditure including salaries. • Closure of the Entity	Red (20)	• Undertake further feasibility studies for more PPPs • Explore other national grant funding. Work with DPUM in accessing the efficiency of intergovernmental grants. • Refine the Institutional review to optimise JDA mandate and function. • Urban Development Frameworks and other precinct plans to be developed for new precinct.	• Funding is requested for multiple years • A pipeline of projects developed and advanced. • Longer term City development vision advance through City Future's project. • Other development facilitation functions established, including COMMDEV projects and clinics. • Institutional strategy discussion document approved by Board and recommendations approved by CoJ for implementation. • Active participation in GDS 2040 and IDP and infrastructure planning process for 2011-2016 to position JDA developments for future funding.	Good (0.40)	Amber (8)	CEO	• Secure funding for JDA developments from other govt grants (New infrastructure grants) • Submit applications for grants outside of intergovernmental system (Cities Alliance, DBSA, Jobs Fund) • Establish project preparation capacity through multi-year contract and develop pipeline of property development projects. • Get approval for new partnership programmes (inner city public places and township retail) • Support BRT planning process to ensure spending of PTIS grant	EM: Planning & Strategy
5		• Institutional review of COJ and its entities	• New leadership within the group	• Loss of highly skilled personnel. • Lower staff moral • Organisation instability and uncertainty with of employees	Red (20)	• Analysis and recommendations discussed with Board and provided as input to the CoJ institutional review process	• Institutional review discussion document approved by Board and submitted to SHU and consultants as input to process. • Staffs are continuously updated on the progress of	Good (0.4)	Amber(8)	CEO	• Analysis and recommendations on implications of institutional review to be refined and updated as decisions are made	EM: Planning & Strategy

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner
				• Non-alignment of organisation mandate and political priorities • Change Management		• Analysis and recommendations on reporting lines provided to MMC DPUM • Institutional review process and implications for JDA communicated to staff • Evidence based briefing material prepared for incoming councilors and new city manager. • Assess cost and benefits of various institutional options to refine the recommendations.	Institutional review process and implications for JDA. • Review of CV; s of staff members who could be absorbed in the JDA structure is underway from EISD.				• Lead the change management process to ensure that you functions are absorbed efficiently.	
6	MI	Ineffective Stakeholder management process within the organisation	• Ineffective consultation with different stakeholders before and after the completion of the projects • Poor or ineffective communication about the role of the JDA • Lack of formal Stakeholder management process within the JDA	• Bad reputation. • Non-implementation of decisions. • Damage to the infrastructure developed by JDA after projects are handed over to other departments for maintenance	Amber (9)	• We are planning to have media training for on the spot interviews of executives who interact with the media.	• • JDA represented in the Inner City Forum, Joburg City Tourism Association; relevant Section 79 oversight committees and CID's. • All JDA projects have a community consultant appointed to consult with the community and/or business community on planned projects. • Regular and timeous response to all media queries • JDA featured positively in electronic and print media. CEO; EM Planning and Strategy and Acting EM Marketing & Communications are designated spokespersons for JDA.	Good (0.40)	Green (3.6)	A/EM:MC	• Media training for on the spot interviews of executives who interact with the media. • Generation of more written evidence of impact and process • Production of at least one press release on JDA developments or programmes • Interviews with designated individuals on strategic JDA topics • Planning to consult user department s to ensure they budget upfront before commencement of projects	Manager: Marketing

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner
7	F&C	Fraudulent and corrupt activities.	• Weak internal control procedures • Collusion in tender fraud between employees and service providers • Limited or Ineffective hotline reporting • Failure to properly declare business interests • Submission of false supporting tender document by service providers • Internal Control Overriding by management • Dishonesty by employees responsible for procurement processes	• Financial Loss to the organisation • Receiving poor quality goods and services • Legal challenges from unsuccessful bidders. • Negative publicity for the organisation • Appointment of unsuitable service providers. • Financial losses to the entity. • Poor service delivery • Harm or loss of life to communities as a result of poor quality work	Red (20)	• All tender documents include the fraud hotline number in order to assist employees and stakeholders to report fraud and corruption. • Final Fraud Risk Assessment report was completed and a fraud risk register is in place. •Increase the awareness of the new fraud hotline through workshop and posters around the JDA building	• There is an Anti-fraud Hotline number for every tender advertisement and tender document. • Annual declaration of business interest for all staff and during all Bid Committee meetings • Approved SCM Policy. • Verification of key information on all new appointed companies. • Fraud and Corruption plan based in the detailed Fraud Risk assessment report in place. • An awareness presentation on fraud and corruption was done during the annual break away • Investigations by Internal Audit of allegations received through hotline	Fair (0.75)	Red(15)	CEO	• Increase the awareness of the new fraud hotline through workshop and posters around the JDA building	Manager: Risk & Compliance (internal audit)
8	Com	Non–compliance with applicable laws and regulations	• Ineffective compliance monitoring • Lack of awareness of new laws or amendments • Lack of understanding of the requirement of the relevant law.	• Financial penalties • Criminal liability • Reputation damage for the organisation • Costly litigations. • Liability of Board members.	Red (15)	• Risk and compliance software has been procured and the installation of the software for select individuals is currently in process. • Finalise the compilation of the Regulatory Universe which will assist management in prioritising the applicable legislation that JDA must comply with.	• Monthly MFMA compliance check list, SCM regulation checklist including unauthorised, wasteful and fruitless expenditure confirmation by the CFO. • Monthly conformation certificate by manager for payment with 30 days • The Regulatory Universe has be approved the Development and Risk Committee • A Compliance Audit on the top ten legislations has been conducted and completed. Recommendations from the outcome of the results are currently being implemented	Good (0.75)	Red (11.25)	CEO	• Monitoring of compliance with relevant legislation done on regular basis.	All managers

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No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner
9	KIM	Inadequate business management information.	• Inappropriate IT governance model. • Lack of information reporting framework. • Lack of quality assurance review	• Decisions may be based on unreliable / incomplete information (financial loss / reputational damage). • Adverse audit finding	Red (12)	To implement the performance information management framework during the next financial year.	• IT Governance model implemented through the IT governance Charter. Adoption and implementation of the COBIT framework	Good (0.40)	Green (4.8)	CEO	• Continual review of the COBIT framework implementation to improve and update as and when there are changes in the framework. Every 6 months ,there will be a review and comments on review. • Continual training /professional skills development for IT staff towards COBIT certification	All managers
1	KIM	Collapse of ICT environment.	• Internal / External disaster s (Natural. Hackers, etc.)	• Disruption of JDA business activities. • Loss of vital information	Red (12)	• To continue to test other backup information to ensure the successful restoring during disaster recovers.	Backup were done and continue to be done with users to confirm that data being backed up is done so successfully .The results are documented and signed off. The same procedure was done and continues to be done for servers, including server images	Good (0.40)	Green (4.8)	CEO	• To test backup information to ensure the successful restoring during disaster recovers.-A testing schedule is being worked on with the new service provider to ensure continuity of testing process • Find new improved ways of backing up, • Presence of an off-site recovery site for business and service continuity	Manager: IT
1	SD	Inability to deliver Capital projects.	•Downward budget adjustments •Inadequate project management skills. • Lack of co-operation by stakeholders (e.g. MOE's). •Inappropriate project plan •Loss of critical staff at crucial points of the project. •Change in CoJ	• Reduced scope of projects. • Over/ under expenditure on budget. • Overrun on project time frames. • Negative publicity • Poor service delivery.	Red (12)	• Development Managers will continue to monitor implementation of the multi-year projects to ensure that these are completed on time and within budget.	• Main Contractor had been appointed for all projects and projects are currently on the implementation stage • Monthly Area Management Meetings for three portfolios • Operations manual in place. • Stakeholder forums in place. • Adequate project management team and design capacity	Fair (0.75)	Amber(9)	CEO	• Development Managers will monitor implementation of the multi-year projects to ensure that these are completed on time and within budget. • SDMs to develop turn-around strategies in AMM reports to ensure project completion to plan. • Appoint EM:	SDM

No	RC	Risk Description	Cause	Consequence	IR	Mitigate strategy as per original Risk Assessment	Progress made to mitigate the risk to an acceptable level to date	CE	Residual risk	Risk Owner	Future actions to improve management of the risk	Action Owner
			priorities.								Development implementation as a matter of priority	
KPA: Human Resources												
1	HR	Inability to attract and retain skilled employees.	• Inability to offer attractive salaries • Poor relationship between managers and employees • Lack of sufficient skills in the market. • Fixed term contract which results in uncertainty • Poor succession and retention planning • Salary disparities within the City and low upper limits for senior employees • Reduction of budget, resulting in lack of challenging projects to implement • CoJ institutional review process creating uncertainty	• Failure to deliver on the mandate. • Delay in completion of capital projects. • High staff turnover • High recruitment and training & development cost	Red (12)	• Management drafted an action list in view of the outcome of the climate survey. • The EE Plan was updated and communicated. • Salary benchmarking completed submitted to HR and REMCO. • The Workplace Skills Plan was finalised and submitted to the SETA. • Training is taking place in terms of the plan. • JDA Champion appointed to the City's Institutional Review Forum	• Employee assistance program and annual organisational climate survey. • Performance incentives programme. • Ensuring good and productive work environment. • Salary benchmarking was completed approved by HR and REMCO. • The EE Plan was updated and communicated to staff. • The Workplace Skills Plan was finalised and submitted to the SETA which is supported by the budget amount equal to 3% of the total payroll. Training is taking place in terms of the plan. Two employees has appointed in line with EE plan	Fair (0.75)	Amber(9)	CEO	• Management will be implementing an action list in view of the outcome of the climate survey.	HR Manager

Chapter 2

COMPONENT D: SUPPLY CHAIN MANAGMENT

The JDA's Supply Chain Management Policy (SCM) uses committee systems for procurement of services and goods above specified limits. Existing committees include:

- Bid Specification Committee
- Bid Evaluation Committee and
- Bid Adjudication Committee.

There are two Bid Adjudication Committees (BACs), one for CAPEX and the other for OPEX. The members for CAPEX BAC are the Chief Financial Officer (Chair), Executive Manager: Risk and Compliance, two Senior Development Managers (whose bid is not being adjudicated on), and the Procurement Manager. The members for OPEX BAC are the Chief Financial Officer (Chair), the Procurement Manager, the Executive Manager: Marketing, and the Executive Manager: Risk and Compliance. Both BAC's are not authorised to make any procurement decisions above R10 million.

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Set out below is an analysis of the JDA's performance against its KPIs for the second quarter of 2012/13. The report analyses the performance of the JDA in terms of the performance scorecard (as approved by Council in June 2012), measuring performance in terms of both the JDA's service delivery mandate and financial and other resource management processes.

Targets are agreed between the JDA management, Board and the CoJ acting through the DPUM. These are developed with the aim of improving the organisation's performance and efficiency and achieving longer-term goals that have been set for specific developments, such as area based revitalisation. A number of targets are also set by the Shareholder Unit in compliance with Auditor-General and MFMA requirements.

Key indicators such as jobs created and capital expenditure to date are measured and verified by independent (3rd party) quantity surveyors or project managers for each of the JDA developments. In regard to job opportunities created in terms of EPWP, CoJ's Economic Development Department undertakes independent verifications of the JDA's reported job numbers on a monthly basis.

Key to indicators:

- G Target achieved (at least 75% rating)
- O Target partially achieved (at least 50% rating)
- R Target not achieved (<50% rating)

COMPONENT A: ECONOMIC DEVELOPMENT & JOB CREATION

This KPA is measured in four areas:

- Creation of short-term job opportunities
- BEE spend as a % of Total Procurement (OPEX and CAPEX)
- Procurement spend on SMME as a % of Opex Procurement.
- Investment promotion and marketing.

JOB CREATION

This indicator measures the creation of new short term jobs attributable from JDA construction projects. In the JDA's scorecard this measure has been aligned to the definition of the Expanded Public Works Programme (EPWP) as adopted by the City's Department of Economic Development (DED) as being the number of individuals employed in the JDA projects. The number of individuals employed is recorded each month for each project. This database contains the name, ID number and phone number of all individuals employed, and records the days worked and the rate per day.

In 2012/13, the following local jobs were achieved per month in each quarter:

Key Performance Area	Revised Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	2012/13 Actual	Actual / target	Achievement score
Strategic objective: Economic empowerment through the structuring and procurement of JDA developments										
1. Economic empowerment	Number of short-term EPWP job opportunities created in JDA projects (number of individuals employed per month)	3 571	2 231	427	170	798	1 342	2 737	123%	G

This means that the JDA achieved 123% of the job creation target for the year when measured against the definition of individuals employed per month.

This translates into the following breakdown of individuals employed in the year in each of the JDA developments:

	Totals 2012/13	
Project name	**Number of individuals employed**	**Number of individuals employed per month total**
Inner city: Commuter links	74	105
Inner city: Westgate Precinct Upgrade	103	634
Inner city: Transnet Land	30	46
Orange Farm: Stretford Station	61	122
Soweto: Kliptown Development	68	245
Soweto: Nancefield Station Precinct	85	276
Soweto: Orlando East Station Precinct	71	192
Soweto: Orlando East / Noordgesig	7	7
BRT	389	782
TA: Sol Plaatjie	142	230
TA: COJ Clinics	55	88
TA: Comdev	10	10
	1 095	**2 737**

Of these individuals employed, 55% are under 35 years old; and 19% are women.

In future years, JDA would like to improve on this employment outcome by ensuring that more individuals are employed, and in a more targeted way to achieve gender balance and youth employment outcomes. Some of the issues that must be addressed in order to improve this performance include:

a) The limited labour intensive construction opportunities in the BRT portfolio as this portfolio was dominated by the construction of the Meadowlands depot and the Ndingilizi Terminus in 2012/13;
b) A reduction in local labour opportunities as a result of the accelerated construction programmes that had to be rolled out in order to complete projects within the last quarter of the financial year. Better project planning and more assertive project management to avoid the last quarter rush might address this in future; and
c) The difficulty in identifying local SMMEs to participate as sub-contractors to the JDA's main contractors in some development areas. The implementation of the JDA's new Enterprise Development Programme in 2013/14 should assist us to perform better in terms of both SMME expenditure and local job creation in future.

The JDA's Enterprise Development Programme acknowledges these constraints and formal training to improve construction skills is one component of the programme.

BROAD BASED BLACK ECONOMIC EMPOWERMENT

In December 2011 the JDA made the shift from evaluating BEE on the basis of a formula that takes company Black shareholding and management into account, to the new approach of evaluating B-BBEE on the basis of an independent certification process. This process entails the level of B-BBBEE contribution as determined in terms of a predetermined formula prescribed by the relevant authority. As the JDA target was determined as a

percentage expenditure of the overall amount spent, in the final analysis the JDA will have to provide **both** the total B-BBEE percentage points and the total rand value contribution.

Tenderers must now submit their original and valid B-BBEE status level verification certificate substantiating their B-BBEE rating. Certificates must be issued by either verification agencies accredited by the South African Accreditation System (SANAS) or by registered auditors approved by the Independent Regulatory Board for Auditors (IRBA) are acceptable. B-BBEE status level means the measurement of an entity based on its overall performance using a scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act (Act No.53 of 2003). The scorecards take a range of company issues into account, including shareholding, recruitment, and social development such as corporate social investment, and procurement strategies and results.

Bidders with annual total revenue of R5 million or less are exempted and must submit a certificate, issued by a registered auditor, accounting officer or an accredited verification agency confirming this exemption.

The certificates submitted by bidders must comply with the requirements, instructions and guidelines issued by the National Treasury and must be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.

Under this new approach points and the per cent of expenditure that should be claimed are allocated to a tenderer in accordance with the **Preferential Procurement Regulations, 2011** published in Government Gazette No. 34350 dated 8 June 2011.

The following table is applicable for the JDA.

B-BBEE Status Level Of Contributor	Tenders up to R1 million		Tenders over R1 m	
	Number of Points	% expenditure claimed	Number of Points	% expenditure claimed
1	20	100	10	100
2	18	100	9	100
3	16	100	8	100
4	12	100	5	100
5	8	80	4	80
6	6	60	3	60
7	4	50	2	50
8	2	10	1	10
Exempt supplier	*12*	*100*	*5*	*100*
Non-Compliant contributor	0	0	0	0

JDA's target in respect of BEE spend as a percentage of total expenditure is 70%. This target is determined on the actual rand value spent on B-BBEE companies. Accordingly, the JDA has regarded all companies with 100% or more percentage points in terms of the Codes, namely Contribution Levels 1 to 4 as 100% BEE contribution in terms of rand value.

In the period under review the JDA achieved 105% B-BBEE contribution level in its procurement and total B-BBEE procurement value was R310.2 million (excluding JDA fees) which is equal to 96% of total expenditure.

Chapter 3

Key Performance Area	Revised Key Performance Indicators	Achievement in 2010/11	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Achievement in 2012/13	Actual / target	Achievement score
Strategic objective: Economic empowerment through the structuring and procurement of JDA developments											
1. Economic empowerment	BEE procurement spend as a % of total procurement (cumulative)	81%	81%	**70%**	78%	100%	105%	96%	96%	137%	●

The JDA has achieved 137% of the target of 70% in respect of total B-BBEE expenditure for 2012/13 and reflects a rising trend which exceeds the achievement of 81% BEE expenditure in previous years.

SMME EXPENDITURE

The annual target for SMME spend as a percentage of total operational expenditure (excluding employee costs, depreciation and amortisation) is 45%. The JDA's spend on SMMEs was R 8.6 million. This constitutes an achievement of 38% of total opex expenditure for 2012/13, which is 84% of the target for the quarter. SMME expenditure is lower than the previous year. The large value of many of the Opex contracts resulted in the most competitive bids coming from larger and more established consulting and service companies. SMME targeted procurement will be looked at during 2013/14 in order to reach a wider pool of SMME service providers.

Key Performance Area	Revised Key Performance Indicators	Achievement in 2010/11	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Achievement in 2012/13	Actual / target	Achievement score
Strategic objective: Economic empowerment through the structuring and procurement of JDA developments											
1. Economic empowerment	SMME procurement spend as a % of total OPEX Procurement (cumulative)	61%	41%	**45%**	53%	30%	19%	38%	38%	84%	●

COMPONENT B: PRODUCTIVE PARTNERSHIPS AND STAKEHOLDER RELATIONS

This KPA is measured in terms of three indicators:

- The public perception of JDA and our development areas as expressed by positive media coverage
- The number of outreach and awareness-raising activities undertaken including (a) tours of JDA development areas; and (b) development events intended to attract public attention and communicate urban regeneration results.

Key Performance Area	Key Performance Indicators	Achievement in 2010/11	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Achievement in 2012/13	Actual / target	Achievement score
Strategic objective: Support productive development partnerships and cooperation between all stakeholders in these areas											
2. Productive development partnerships	Positive media reports as a % of the total number of media reports on JDA development areas	-	98%	**>95% positive stories**	93%	92%	93%	100%	96%	100%	●
	Number of tours hosted by JDA to promote development areas	-	16	**15**	5	2	5	7	19	127%	●
	Number of development events hosted by the JDA or partners	-	6	**5**	1	3	0	2	6	120%	●

PUBLIC PERCEPTION

In 2012/13 the JDA was mentioned in 72 print and on-line media reports. The data is collected through a media monitoring service provided by an independent contractor called *Meltwater News*. Analysts from *Meltwater News* provide the rating of positive, neutral or negative as an opinion on the tone of the article and views expressed about the JDA. 96% of all stories in 2012/13 were positive, 3% were negative and 1% rated as neutral. Most of the media coverage was about the regeneration of the Johannesburg inner city, development areas, the JDA's public

art programme particularly the Shadow Boxing public artwork launched in May 2013 and the JDA's Halala Joburg Awards Programme.

OUTREACH AND AWARENESS-RAISING ACTIVITIES

JDA hosted 19 tours during 2012/13. This was more than the target of 15 tours for the year. The tours included investor tours in the inner city and Diepsloot, a tour of the Rea Vaya trunk route and transit oriented nodes in Soweto for colleagues in the Economies of Regions Learning Network. In all 573 people toured JDA developments in 2012/13. Of these 184 were development practitioners, 171 were educational partners from universities and other research agencies, 65 were investors and 128 were from the media.

There were 6 development events in 2012/13, exceeding the target set for the year. These included the Diepsloot taxi rank launch; the public art exhibition launch; the Rea Vaya Meadowlands depot launch; the Joburg City Festival media launch as well as the launch of the Shadow Boxing public art sculpture.

In total the JDA managed to reach over 51 705 stakeholders directly through its full range of marketing and communication strategies in 2012/13. This is an increase of 8% on the reach achieved in 2011/12 and it is largely due to growth in electronic communication methods, especially the social media platforms that JDA is using to communicate with stakeholders.

Summary of stakeholders reached in 2012/13	**51 705**
Total number of people reached in person (attendees at JDA events)	2 773
Total number of people reached through tours	602
Total number of people reached through electronic media (website and social media)	48 180
Total number of people reached through printed and branding material (books and reports distributed)	150

COMPONENT C: ECONOMIC EMPOWERMENT, HR DEVELOPMENT, WELLNESS AND HEALTH AND SAFETY

This KPA is measured in five areas:

- Employment Equity
- Staff Turnover
- HIV/AIDS Policy Compliance
- Occupational Health & Safety Compliance
- Expenditure on training and development of staff

Chapter 3

Key Performance Area	Key Performance Indicators	Achievement in 2010/11	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Achievement in 2012/13	Actual / target	Achievement score
Strategic objective: Economic empowerment, HR development, health and safety, and institutional efficiency											
3. Human Resources	*Compliance in respect of the Employment Equity Plan:*	100%	100%	**100% compliance**	-	-	-	-	-	-	
	% Black staff as % of total staff	88%	88%	**80%**	88%	88%	90%	90%	90%	113%	
	% Female staff as % of total staff	65%	57%	**45%**	66%	66%	66%	62%	62%	138%	
	% Black Female managers as % of total senior management	42%	40%	**35%**	60%	60%	60%	63%	63%	179%	
	% Staff Turnover	9.8%	8.0%	**<10%**	4%	2%	0%	0%	6%	100%	
	Number of HIV and Aids VCT opportunities offered at JDA wellness days	2	1	**2**	1	0	**1**	1	3	150%	
	Number of HIV and Aids information shots sent to JDA officials	4	42	**4**	10	6	10	10	36	900%	
	Number of peer counsellor training sessions	2	2	**2**	0	0	0	0	0	0%	
	% payroll invested in training (cumulative, annual)	3%	3%	**3%**	0%	0.5%	2.6%	4%	4%	117%	
	% compliance with Occupational Health and Safety Act at the Bus Factory	-	78%	**80%**	89%	92%	93%	76%	80%	100%	

EMPLOYMENT EQUITY

In respect of employment equity the JDA's current targets are as follows:

- Black staff percentage - the target of 80% of total staff complement
- Female staff - target of 45% of total staff complement.
- Black females in management positions, target of 35% of total number of employees in management

As required by legislation, the JDA's Equity Forum met on a monthly basis during 2013. The Forum members also received formal training at NQF Level 4 in June and they worked on a new Employment Equity Plan for the medium term period (2012/13 to 2016/17), which is intended to be presented to the JDA Board in August 2013.

The JDA has been consistent in achieving the employment equity targets in the scorecard. In 2012/13, all the employment equity numeric targets were exceeded.

At present 90% of the staff complement is black, 62% are female and 63% of the senior management team is made up of black women.

STAFF TURNOVER

There were three resignations in the year, representing a staff turnover of 6%; which is within the target of less than 10%.

Five new appointments were made during the year. These are an IT officer, a Development Manager and a Development Coordinator (both of whom were absorbed into the JDA from the CoJ's Environment and Infrastructure Services Department), an Executive Manager: Corporate Services and an Executive Manager: Marketing and Communications.

Staff Movement

Staff Movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	2	2				1			**5**

Staff Movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Resignations	2	1							3
Dismissals									
Retirements									
Absenteeism									
Termination / Other									
Total	**4**	**3**				**1**			**8**

HIV AND AIDS POLICY

The JDA's HIV and Aids policy is fully aligned with that of the City of Joburg. In 2012/13 wellness days were hosted in July 2012, January 2013 and June 2013. Each of these days included a voluntary counselling and testing opportunity for all staff, and at least 36 e-mails were circulated to all JDA staff from the JDA's employee assistance programme service providers, each email dealt with some topic related to HIV and Aids, including prevention strategies.

There were no peer counsellor training sessions during 2012/13. The demand for peer counselling is much lower than expected. As a result the existing peer counsellors have been trained adequately for the moment.

TRAINING AND CAPACITY BUILDING

By the end of the year a total of R 727 622 had been spent on training (including software training) and staff development and this amounts to 2.4% of payroll. The JDA has also taken on four interns in collaboration with the Technology Innovation Agency (TIA) for a period of one year in the following Business Units Marketing, Human Resources, Information Technology and the Developments. The budget for these training positions is R320 000. This means that with the additional sponsorship, the JDA has exceeded the target for expenditure on training in 2012/13.

OCCUPATIONAL HEALTH AND SAFETY

Seven occupational health audit certificates were issued to the JDA in 2012/13. On average, the JDA compliance score was 86% and the tenants scored 74%.The average score is therefore 80% which is equal to the target for OHSACT compliance.

Two Emergency Evacuation Drills were carried out at the Bus Factory in March and June 2013.The events were overseen by the CoJ SHE Unit, and were monitored by the JDA's Occupational Health and Safety service providers.

Two incidents took place on JDA construction sites during 2012/13. In the first incident, an employee of a contractor fell into a ditch while assisting a truck driver who was delivering paving bricks to the Ndingilizi Rea Vaya Terminus. The employee was fatally injured in the incident. In the second incident, an employee of a contractor sustained minor injuries at the Freedom Park clinic construction site. After treatment the employee was fit to continue with his duties. The JDA has instructed its health and safety consultants to apply the procedures more strictly to ensure that all our construction sites are safe and properly secured.

COMPONENT D: SYSTEM AND INSTITUTIONAL EFFICIENCY

This KPA is measured in the following areas:

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- Clean Audits
- Operating Budget Management
- SCM compliance
- GRAP Compliance
- ICT network availability

Key Performance Area	Key Performance Indicators	Achievement in 2010/11	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Achievement in 2012/13	Actual / target	Achievement score
4. Financial management and corporate governance	Unqualified audit reports	100%	100%	**100%**	100%				100%	100%	
	% Overspending against operating budget	0%	0%	**0%**	0%	0%	0%	2%	2%	0%	
	Written objections received to contract award as a % of all contracts awarded	-	4%	**<5%**	0%	0%	0%	0%	0%	100%	
	Fully GRAP-Compliant Asset Register		100%	**100%**	100%	100%	100%	100%	100%	100%	
	IT network availability - local area network		na	**70%**	100%	100%	100%	100%	100%	143%	
	IT network availability		na	**70%**	100%	100%	100%	100%	100%	143%	

CLEAN AUDITS

The 2012/13 audit was completed in the second quarter, and the JDA obtained an unqualified audit report. The JDA's Audit Committee, assisted by Internal Audit, has continued to monitor the JDA's internal control environment and ensured that management continues to implement recommendations by Internal Audit in an effort to achieve clean audits for the organisation.

OPERATING BUDGET MANAGEMENT

This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

During the period under review the JDA almost achieved the targeted revenue missing it by only 1%. On the expenditure front the 8% over-spending with the main contributors to the over-recovery being legal fees as well as recruitment costs.

SUPPLY CHAIN COMPLIANCE

No written complaints or objections were received in relation to JDA's tenders or contract awards in 2012/13. There were some matters of emphasis raised by the Auditor General in relation to records management, but overall the JDA's supply chain system is sound, allowing us to achieve the objectives of value-for-money, transparency and fairness in the purchase of goods and services.

GRAP COMPLIANCE

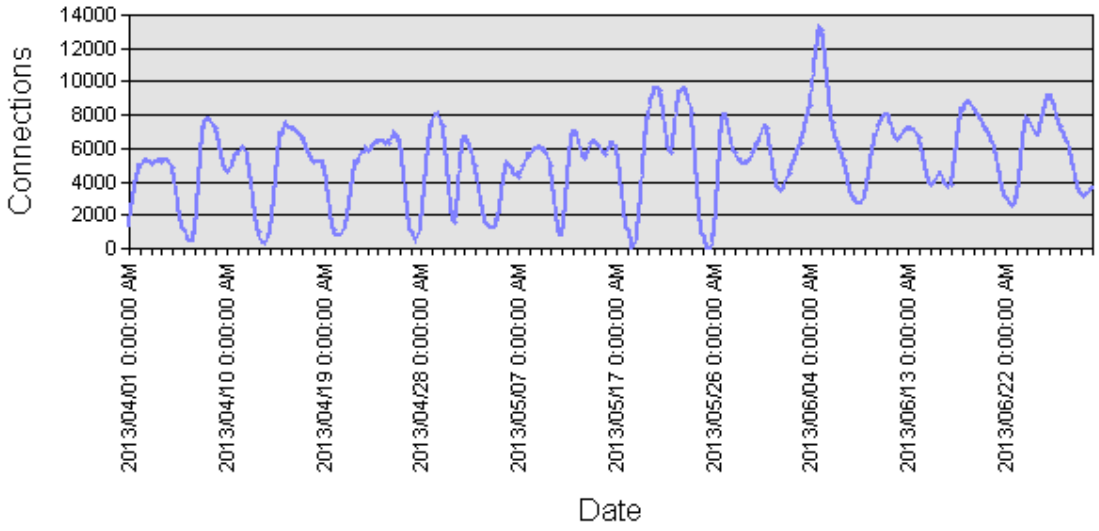
This target is determined annually as it pertains to the finance reporting of the entity at the end of the financial year. Thus, in order to improve the general skills within the JDA, the Chief Finance Officer, the Finance Manager and the Accountant annually attend GRAP refresher seminars to ensure that our employees are able to ensure continuous compliance by the entity with GRAP in its financial reporting processes. In March 2013, the finance team attended a GRAP update and basics seminar hosted by SAICA.

ICT EFFECTIVENESS

The JDA's internal and external networks performed very well in the fourth quarter of 2012/13.

The internal network received a "makeover" in the fourth quarter of 2012/13. This included replacing all the hybrid switches to Cisco Switches increasing data transport capacity to 1Gigabyte per second from 10 Megabytes per second.

The network had 100% uptime during the year, a clear indication that the internal network resources are able to handle all internal network traffic all of the time. The following graph illustrates the data flows in the fourth quarter of the year. The graph shows peak traffic when server backups are taking place.



There was also no downtime experienced on internet services in 2012/13.

COMPONENT E: CAPITAL BUDGET MANAGEMENT

This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

The overall CAPEX expenditure is R341.8 million against a budget of R376.6 million which relates to 91% of the annual budget. The major variance relates to the BRT expenditure which was R169 million against a budget R197 million which is only 86% of the annual budget.

COJ, USDG, NDPG and ICF projects were completed at almost 100% of the annual budget. However, other funding projects were completed at a cost of just than 93% of budget.

Key Performance Area	Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score
5. Programme performance	% Capital budget spent:	100%	**100%**	5%	10%	29%	91%	91%	●
	CoJ capital grant to the JDA	100%	**100%**	1%	6%	29%	100%	100%	●
	DP budget: Inner city upgrading	100%	**100%**	1%	11%	17%	98%	98%	●
	DP budget: Neighbourhood Development Partnership Grant	100%	**100%**	0%	6%	21%	91%	91%	●
	Housing budget: Urban settlement development grant	na	**100%**	3%	4%	48%	101%	101%	●
	Transportation budget: Public Transport Infrastructure and Systems Grant	100%	**100%**	6%	10%	33%	86%	86%	●
	Other funds (CoJ clinics, EPWP, Comdev projects and Sol Plaatjie)	100%	**100%**	8%	22%	25%	93%	93%	●

COMPONENT F: ORGANISATIONAL PERFOMANCE SCORECARD

PERFORMANCE AGAINST TARGETS

This indictor measures overall project implementation progress against project completion targets set for each quarter for all JDA projects.

Projects are grouped by the source of funding. The aggregate score is calculated as a weighted average based on the relative budget allocations for the projects in the group. For example, a small project with a relatively insignificant budget allocation will not affect the aggregate completion score as much as a large project with a significant budget.

JDA projects are weighted in the following way in 2012/13:

Project portfolio	**Weighting as % of budget**
CoJ Budget	*7*
ICF Budget	*15*
NDPG Budget	*4*
Housing Budget: USDG (Nancefield)	*6*
Transportation Budget	*50*
Other funds(CoJ Clinics, EPWP, Comdev and Sol Plaatjie)	*18*

Programme performance is measured according to project completion against the predetermined quarterly targets. The performance scorecard separates construction progress clearly from overall project completion rates.

Overall, the JDA achieved a project completion rate of 88% against a construction target of 100% for 2012/13.

The Nancefield Station Precinct development, which is the only project in the Transit precinct category of funding achieved 101% because of additional work funded through the contingency reserve. The marginalised areas portfolio achieved over 100% construction completion against targets and the technical assistance portfolios was also completed. The inner city portfolio achieved an overall completion rate of 91% with all projects due to be completed early in the new financial year.

The Transportation portfolio achieved 83% of planned outputs, but as this portfolio is made up of multi-year projects most of the work will continue without pause as we start a new financial year.

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Key Performance Area	Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score
	% Construction progress against target	100%	**100%**	5%	45%	57%	88%	88%	●
	Inner city portfolio	89%	**100%**	0%	11%	28%	91%	91%	●
	Marginalised areas portfolio	104%	**100%**	0%	0%	6%	100%	100%	●
	Transit precinct portfolio	100%	**100%**			31%	101%	101%	●
	Transportation portfolio	85%	**100%**	8%	59%	75%	83%	83%	●
	Technical assistance portfolio	100%	**100%**	3%	70%	21%	99%	99%	●

There are four projects funded through the **COJ Capital grant** in 2012/13. As a portfolio, these projects achieved 95% completion against construction targets, and all remaining construction should be completed before the end of July.

Key Performance Area	Revised Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score
COJ FUNDED PROJECTS				**0%**	**0%**	**6%**	**100%**	**100%**	●
% progress achieved in project delivery against targets: **JDA010/1: Kliptown Development**	Detailed design completed	100%	**100%**	100%		100%	100%	100%	●
	Construction tender awarded	100%	**100%**	0%	100%	100%	100%	100%	●
	Public environment upgrade in Kliptown (Phase 5)	100% of Phase 4	**100%**		0%	58%	108%	108%	●
% progress achieved in project delivery against targets: **JDA048: Orlando East Phase 3**	Detailed design completed and construction tender awarded	100%	**100%**	100%		100%	100%	100%	●
	Construction tender awarded	100%	**100%**	0%	100%	100%	100%	100%	●
	Public environment upgrading in Orlando East Station precinct (Phase 3)	100% of Phase 2	**100%**		0%	14%	100%	100%	●
	Public environment upgrading in Noordgesig (EPWP project) - new deliverable	EPWP project completed in 2011/12	**100%**			42%	100%	100%	●
% progress achieved in project delivery against targets: **JDA070: Jabulani Station Precinct**	Detailed design completed	100%	**100%**	0%	0%	0%	90%	90%	●
% progress achieved in project delivery against targets: **JDA 019/02: Randburg CBD**	Detailed design completed	100%	**100%**	0%	0%	0%	100%	100%	●
	Redevelopment of Civic Precinct Property (clinic relocation phase 1)	-	**100%**		0%	0%	100%	100%	●

The Kliptown Development has achieved 108% of project targets through an extension in the scope of work that was funded through the project contingency. The Orlando East and Noordgesig EPWP projects achieved 100% of construction targets. The 4th quarter performance report prepared at the end of June 2013 showed 98% and 95% complete for both of these projects. The final construction and snagging was completed in July 2013 and all of the planned construction work in Orlando East and Noordgesig is done.The design work for the Jabulani Station Precinct was at 90% complete at the end of June 2013 and the completed designs were approved in August 2013.

The Randburg Civic Precinct development was originally planned to start with a small capital works intervention to install at least one public artwork as a gateway and branding element for the Randburg CBD. The concept designs were completed and consultations had taken place but a more urgent priority became apparent in the course of the year. The R1 million was therefore redirected to fund the refurbishment of part of the Randburg Civic Building to allow for the relocation of the Randburg Clinic so that the construction of the Selkirk Street social housing

project on the Southern portion of the civic precinct site could proceed. The refurbishment work for the clinic for this phase of the project is at 50% complete, with the remainder to be completed before the end of July.

There have been some unexpected extensions in the scope of work as a result of the regulatory requirements for clinics. This means that the Directorate of Health and Joshco will supplement the project funding in 2013/14 to ensure that the clinic can be relocated by October 2013.

In the set of inner city regeneration projects, that are funded through the **inner city upgrading** allocation on the budget of the Department of Development Planning, overall portfolio completion is at 100% in the 4th quarter.

Key Performance Area	Revised Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score
INNER CTY FUND PROJECTS				**0%**	**11%**	**28%**	**91%**	**91%**	
% progress achieved in project delivery against targets: **JDA056 ICF4: Commuter links / Art Gallery (Rea Vaya) Station Precinct Upgrade**									
	Detailed design completed and construction tender awarded	100%	**100%**	0%	98%	100%	100%	100%	
	Public environment upgrading in the Commuter links (Art Gallery) precinct (Phase 3)	100% of phase 1	**100%**	0%	0%	0%	100%	100%	
% progress achieved in project delivery against targets: **JDA058 ICF6: Westgate Station Precinct upgrade**									
	Detailed design completed and construction tender awarded	na	**100%**	100%		100%	100%	100%	
	Public environment upgrading (Phase 2)	na	**100%**	0%	29%	77%	100%	100%	
% progress achieved in project delivery against targets: **JDA059: Transnet land / Metro Park**									
	Detailed design completed and construction tender awarded	na	**100%**			100%	100%	100%	
	First phase of metro park construction.	na	**100%**	0%	0%	0%	80%	80%	
% progress achieved in project delivery against targets: **Public Places Challenge**									
	Detailed design completed and construction tender awarded	na	**100%**	0%		80%	100%	100%	
	Public environment upgrading (Round 1). At least one partnership project completed.	na	**100%**	0%	0%	0%	80%	80%	

The Westgate Station Precinct Development has achieved full completion, and the Art Gallery Rea Vaya Station Precinct / Commuter Links project is at 100% for this phase of the project. Construction will continue in 2013/14 as this is a multi-year project. The Transnet Land / Metro Park project is at 80% construction progress against the defined scope of work for this year. The construction should be finished before the end of August.

The delivery target for the Inner City Public Places Challenge was to complete one of the partnership projects. Two of the three projects in the first round have been started. One of these, the Braamfontein Alleyway upgrade, has reached 80% completion. The work funded by the JDA is expected to be completed by the end of July, and the work funded by the Braamfontein Management District will be completed by the end of September. The second project to upgrade streets and sidewalks in the Maboneng Precinct has begun with the purchase of building materials. The construction work funded by JDA should also be complete by the end of July 2013.

The two **NDPG** funded projects achieved 100% of construction target. There are just some minor works to be done in the first two weeks of July to finish the public environment upgrading in the Stretford Station Precinct in Orange Farm.

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Key Performance Area	Revised Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score
NDPG FUNDED PROJECTS				0%	0%	25%	100%	100%	
% progress achieved in project delivery against targets: **JDA037: Diepsloot Development**	Detailed design completed	100%	**100%**	0%	0%	100%	100%	100%	
% progress achieved in project delivery against targets: **JDA036/2: Stretford Station /**	Detailed design completed and construction tender awarded	100%	**100%**		100%	100%	100%	100%	
	Construction tender awarded	100%	**100%**	0%	100%	100%	100%	100%	
	Completion of public space upgrading in Stretford Station Precinct (phase 4)	100% of phase 3 completed	**100%**		0%	0%	100%	100%	

As reported previously, the Diepsloot Development was reconceptualised in line with new programme directives from the National Treasury. The detailed designs for the completion of the upgrading of Ngonyama Road have been completed and approved by JDA's Exco for construction in 2013/14. This will bring this phase of the Diepsloot Development to an end, and the full grant commitment from the National Treasury will be spent by the end of June 2014 as planned.

The JDA has also been in consultation with the World Bank as they are planning a technical assistance programme to support the Diepsloot Development. Their support might include aspects such as small business development, smart city infrastructure innovation and interventions in health and education.

The Stretford Station Precinct construction is complete. As this is the last year of JDA's development programme we will assess the impact of our work as part of the close-out process.

The **Urban Settlement Development Grant (USDG**) from the National Department of Human Settlements funds the Nancefield Station Precinct development, one of the new Transit-oriented development (TOD) nodes in the City of Johannesburg. This project has progressed well, with the completion of detailed designs achieved in August 2012. The construction work was completed in time to extend the scope by a further 1% to use up some of the contingency reserve. This has resulted in an overall achievement of 101% against construction targets for 2012/13.

Key Performance Area	Revised Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score
USDG FUNDED PROJECTS				0%	0%	56%	101%	101%	
% progress achieved in project delivery against targets: **Nancefield Station Precinct**	Detailed design completed	na	**100%**	25%	100%	100%	100%	100%	
	Construction tender awarded	na	**100%**	0%	100%	100%	100%	100%	
	Completion of first phase of Nancefield station precinct infrastructure	Na	**100%**		0%	56%	101%	101%	

The **Rea Vaya BRT** portfolio achieved a final tally of 79% construction progress against targets. This is lower than anticipated and the variations and reasons are explained in detail below.

The busway and road construction component of the portfolio achieved 83% of the construction target. This group of projects included:

a) The Babiana access road construction which was completed in the third quarter of the year.
b) Hamilton Street upgrade (1km) which was completed in the fourth quarter.
c) Hoy and Griffiths Street upgrades (2km) completed in June 2013.
d) Braamfischer Road intersection upgrades (3 intersections) completed to 99% by end June with snagging and final completion to be achieved in July 2013.
e) FuelPrice pedestrian bridge construction (20 m of pedestrian bridge over the railway lines) is at 50% complete by end June. This project will be continued and completed in 2013/14.

f) Non-motorised transit infrastructure consisting of 3.5 km of sidewalk and kerb upgrades. This work is 95% complete and will be concluded in July 2013.

Key Performance Area	Revised Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score
TRANSPORTATION FUNDED PROJECTS				32%	59%	75%	83%	83%	
% progress achieved in project delivery against targets: **JDA045: Bus Rapid Transit**	Busways and roads	100% of 11/12 busway	**100%**	51%	67%	90%	81%	81%	
	Depot construction	100% of 11/12 depot construction	**100%**	98%	100%	98%	93%	93%	
	Stations (universal access retrofit, bus stops, and station design for Trunk Route 1C)	Na	**100%**	72%	84%	0%	30%	30%	
	Station precinct environmental upgrades	100%	**100%**	100%	0%	100%	100%	100%	
	Land purchase and operating readiness (including service connections, signage and lane colourisation)	100%	**100%**	80%	0%	5%	70%	70%	

The depot construction component of the portfolio achieved 90% completion by the end of June. This is lower than the rate reported in the 3rd quarter because of the reallocation of funds from planned works to allow for new projects to be prioritised in order to avoid under-spending.

The portfolio originally consisted of capital works and land purchase towards the construction of four bus depots (Meadowlands, City, Avalon and Randburg/Wynberg). The Meadowlands depot was completed and launched in November 2012. By mid-year it had become clear that the Rea Vaya bus operations require a more sophisticated bus management approach and so a layover site (the Booysens layover) was brought forward in the BRT implementation plans to go into construction in 2012/13. This project was designed to be implemented over two financial years, with an initial budget of R5 million for 2012/13 to finalise the design, appoint a contractor and establish the site. This has been achieved, so although there is no construction progress yet the project is running according to schedule. The works are intended to be at 60% in the first quarter of 2013/14 with completion by December 2013.

The Department of Transportation also identified the importance of integrating the Rea Vaya bus stations with other public transport facilities in a more seamless way. The JDA was therefore requested to design and implement the Ndingilizi Terminus as a new interchange between bus and taxi operations, with park-and-ride facilities. This project was fast-tracked and it achieved 75% completion by end June. The rest of the works are scheduled to be completed in the first quarter of 2013/14.

While the preparatory work on the other three bus depots has been deprioritised, it has not been stopped. These are multi-year projects, and activities include negotiations with land-owners, technical investigations and detailed design work. However, as there is no construction work involved it is not possible to verify the completion rate at this point, so 0% is reported for all three.

The stations component of projects in 2012/13 involves retrofitting the existing stations in Trunk Route 1 B to prepare them for operations which are planned to start by October 2013. While a construction progress rate of 30% was achieved, the stations will be ready to commence BRT operations on time.

The station precinct upgrades have been completed as planned.

The last component of projects relate to land purchase, lane colourisation and operating readiness. In 2012/13 the lane colourisation project achieved 70% completion, and the signage project achieved 69% completion.

In the mid-year adjustment, the JDA was allocated a number of technical assistance projects by various Departments and Entities from the City of Johannesburg Group. These include the CoJ clinics programme, Sol

Plaatjie road construction, and the repair and refurbishment of a number of community facilities for the Department of Community Development.

Key Performance Area	Revised Key Performance Indicators	Achievement in 2011/12	2012/13 Target	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual / target	Achievement score	Evidence	Validation Methodology
TA PORTFOLIO					0%	25%	99%	99%			
HEALTH			100%		0%	64%	100%	100%			
% progress achieved in project delivery against targets: **Clinics**	Detailed design completed and construction tender awarded for Clinics I	na	**100%**			100%	100%	100%		Development quarterly reports	Signed contract
	Construction work (phase 2 of clinics I)	na	**100%**		0%	64%	100%	100%		Quarterly Reports	External report and/or external sign-off
COMDEV					0%	0%	95%	95%			
% progress achieved in project delivery against targets: **Comdev projects**	Detailed design completed and construction tender awarded for Comdev projects	na	**100%**			100%	100%	100%		Development quarterly reports	Signed contract
	Construction work Comdev projects	na	**100%**		0%	0%	95%	95%		Quarterly Reports	External report and/or external sign-off
HOUSING					0%	0%	100%	100%			
% progress achieved in project delivery against targets: **Sol Plaatjie**	Detailed design completed and construction tender awarded for Sol Plaatjie	na	**100%**			100%	100%	100%		Development quarterly reports	Signed contract
	Construction work Sol Plaatjie	na	**100%**		0%	0%	100%	100%		Quarterly Reports	External report and/or external sign-off

The clinics programme is being implemented by the JDA on behalf of the Directorate of Health of the City of Johannesburg. In 2012/13 this programme included the repair of the roof of the Rosettenville clinic which was completed in July 2012, and construction that was completed for the Petervale, Davidsonville and Freedom Park clinics. As this is a multi-year portfolio of projects the completion rate for the planned works is reported at

There are another two clinics that are still under construction: Slovoville has achieved 8.7% construction completion against a target of 10% for end June 2013; and the detailed designs have been completed for Mountainview clinic so that construction can begin early in 2013/14.

The repair and refurbishment of community facilities for the Department of Community Development involves the following components: Refurbishment of the Central Library (disabled access and fire retardent system); repair and refurbishment of the Johannesburg Art Gallery; and refurbishment of the roof at Norscott Manor. Overall these projects achieved 95% completion for the year. The remaining work involved the installation of services such as security systems and air conditioners and this was completed by the end of July 2013.

This project to construct a road as part of the Sol Plaatjie informal settlement upgrading project of the Department of Housing has achieved 98% project completion against target by end of June and was completed in full by end July 2013. An additional R20 million was added to the project budget during the mid-year adjustment, so this project has delivered more than 80% in additional outputs than originally planned for 2012/13.

Chapter 3

KEY PROJECT DETAILS

3.1 JDA010/1: KLIPTOWN RENEWAL PRECINCT (PHASE 2.3)

Nature of Development	**Region: D** **2012/13 Budget:**
Area-based regeneration of the Greater Kliptown area	• R 10.000 million
Rationale for Development & Strategic Alignment	**Source of Funding / Amount (R):**
Kliptown, given its historical significance, is a celebrated site. The area-based regeneration programme undertaken in Greater Kliptown is intended to extend the economic and social benefits of the development to local residents and shop-owners in this area.	• City of Johannesburg: R10.000 million **GDS Priorities / Sector Plan:** • Economic development • Spatial form & urban management **5 Year Strategic Objectives addressed:** • Economic base of underdeveloped areas of the City increased over five years **IDP Programmes addressed:** • Area-based economic development programme

Objectives & Outcomes

The development will serve to improve the sustainability of the WSSD, the Kliptown Hotel and the neighbourhood as a whole; and it will extend the economic and social benefits of the large investment in this area to the surrounding neighbourhoods.

Overview

The Walter Sisulu Square of Dedication (WSSD) was built to commemorate the Congress of the People that adopted the Freedom Charter in 26 June 1955. The square was successfully completed and opened by the State President of South Africa on 26 June 2005. The Greater Kliptown Regeneration Development is a major urban regeneration initiative in Soweto and the goal of the development is the sustainable and integrated development of the area. In 2008/09 a basement parking facility was completed to serve the newly opened Hotel on the square and to accommodate the parking needs of the area-based facilities such as the museum, community centre and visitors' centre.
Despite this investment, there is still a disconnect between the square and the neighbouring businesses on Union Street and the pedestrian links across the railway line and from the railway station remain degraded. In 2010/11 the new phase of regeneration in Kliptown should include upgrading of at least one of the heritage buildings on the Union Street side of the square; and some improvements to the pedestrian bridge across the railway line and the promenade along the railway line to the station; in 2011/12 the youth centre was upgraded, along with some more work on street upgrades and a public art programme.

Delivery Programme

Development Stage	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**
Business Plan							
Implementation							
Exit							
Evaluation							

Deliverables in 2012/13

Further phase of public environment upgrade to strengthen links to the Kliptown Railway Station. Repair of pedestrian bridge over the railway line.

Completion Schedule: 2012/13 Planned Progress per Quarter (%)

Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
Public environment upgrade in Kliptown Renewal Precinct Phase 2.3	0%	10%	50%	100%	100%

Completion Schedule: 2011/12 Actual Progress per quarter (%)					**Year to date**
Public environment upgrade in Kliptown Renewal Precinct Phase 2.3	0	0%	58%	108%	**108%**

ORLANDO EAST STATION PRECINCT (AND NOORDGESIG)

Nature of Development	**Region: D** **2012/13 Budget:**
The upgrading of Orlando station node	
Rationale for Development & Strategic Alignment	

An urban development framework has been completed for Orlando East and Noordgesig. This has established a number of intervention areas to improve community spaces and increase efficiency, density and rationalise development. A first intervention is the upgrading of the Orlando station node which hosts the Orlando railway station and a number of civic uses as well as two BRT stations. The node is a critical transit interchange point, an important pedestrian environment and a crucial institutional node in Orlando East. It is also the point of arrival for visitors to Orlando stadium. A number of improvements are recommended for Noordgesig. A small intervention that will have significant impact is the reinstatement of a pocket park located centrally within the suburb. A key link between Orlando East and Noordgesig and a key node on the BRT system is the intersection of Mooki Street and Soweto highway where increased density and mixed use is proposed. The establishment of guidelines and encouragement of redevelopment in this node is a priority.	• R 10.683 million **Source of Funding / Amount (R):** • City of Johannesburg: R 6.000 million • EPWP incentive grant R4.683 million **GDS Priorities / Sector Plan:** • Spatial Form and Urban Management **5 Year Strategic Objectives addressed:** • Public investment in marginalised areas to facilitate crowding in of private sector spending **IDP Programmes addressed:** • Economic area based regeneration

Objectives & Outcomes

To optimise the potential of Orlando East given its strategic location and historical significance.

Overview

Detailed design was completed in 2009/10. To implement the plan for this node, the JDA will focus on upgrading the link between the BRT service in Mooki Street and the Orlando East railway station. In 2010/11 JDA upgraded parking and created a new public square with sports facilities; in 2011/12 Rathebe street was upgraded as a key pedestrian link to the transit services, and a public art programme was implemented by local artists.

Delivery Programme

Development Stage	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**
Initial Investigation						
Detailed Investigation						
Business Plan						
Implementation						
Exit						
Evaluation						

Deliverables in 2012/13

Extension of public environment upgrading around Plantation Square.

Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
2012/13 Planned Progress per Quarter (%)					
Public environment upgrading in Orlando East Station Precinct Phase 2	0%	10%	50%	100%	**100%**
EPWP public environment upgrade project in Noordgesig	0%	0%	30%	100%	**100%**
Completion Schedule: 2012113 Actual Progress per quarter					**Year to date**
Public environment upgrading in Orlando East Station Precinct Phase 2	0%	0%	0%	100%	**100%**
EPWP public environment upgrade project in Noordgesig	0%	0%	42%	100%	**100%**

INNER CITY COMMUTER LINKS/ ART GALLERY REA VAYA STATION PRECINCT

Nature of Development Public space upgrading to allow better movement of commuters to and from the Art Gallery BRT station (one of the busiest BRT stations in the inner city) and strengthen links with other modes of transport. **Rationale for Development & Strategic Alignment** The BRT service is proving to be an efficient and popular public transport option. Great care has been taken to make the BRT stations appealing and user-friendly, but now there is a need to improve the pedestrian access to and from these stations and the quality of the public environment in their vicinity. The Art Gallery BRT station is one of the busiest ones in the inner city. **Objectives & Outcomes**	**2012/13 Budget** • R 10.000 million **Source of Funding / Amount (R):** • City of Johannesburg ICF: R 10.000 million **GDS Priorities / Sector Plan:** • Economic area regeneration programme • Increased use by people with disabilities (PWDs) of the public transport system. Improved accessibility to private and public transport in marginalised areas • Design and implement codes to create safer communities,

To improve pedestrian and traffic links to and from the Art Gallery BRT station.	legibility, functionality and aesthetics of the urban environment • Corridors and mobility routes planned, developed and managed in the way that supports the overall development framework of high intensity nodes on a lattice of connecting routes

Overview

The Art Gallery BRT station is close to a number of key public transport facilities. It is within easy walking distance of Park Station, and the Jack Mincer and Park City taxi ranks. It is also within close proximity to high density residential areas in Hillbrow. To improve access to the Art Gallery BRT station, and to increase pedestrian safety the following interventions are proposed:

- Lighting and repairs to paving along Twist Street from BRT station to Plein Street;
- Streetlighting improvements throughout the precinct
- Improvements to the flow of taxis into and out of Jack Mincer and Park City taxi ranks

Delivery Programme *(to be shaded)*

Development Stage	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**
Detailed Investigation						
Business Plan						
Implementation						
Exit						
Evaluation						

Deliverables in 2012/13

Repairs and improvements to paving and lighting along the Noord Street market.

Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
2012/13 Planned Progress per Quarter (%)					
Detailed designs for public environment upgrading in the Art Gallery Rea Vaya BRT station precinct (Phase 2)	0%	0%	30%	100%	**100%**
Completion schedule: 2012/13 Actual progress per quarter					**Year to date**
Detailed designs for public environment upgrading in the Art Gallery Rea Vaya BRT station precinct (Phase 1)	0%	0%	0%	90%	**90%**

WESTGATE STATION PRECINCT

Nature of Development

Public environment upgrade in the South Western part of the inner city in accordance with the Inner City Charter commitments for year 5.

Rationale for Development & Strategic Alignment

There is increasing evidence that the City's interventions are revitalising the inner city and leading to increased private sector confidence and investment. In support of the Inner City Charter the CoJ continues to commit money to the Inner City Fund in order to undertake key infrastructure and other projects that will continue to promote the redevelopment of the inner city and attract private investors.

2012/13 Budget

- R 20 million

Source of Funding / Amount (R):

- City of Johannesburg ICF: R 20million

GDS Priorities / Sector Plan:

- Economic development
- Spatial form & urban management

5 Year Strategic Objectives addressed:

- Increase investor confidence in declining & under-performing areas.

Objectives & Outcomes

The challenge is to continue intensive regeneration efforts to ensure more rapid, even and sustained positive impacts on the entire Inner City, without having a detrimental effect on Inner City communities. The Charter proposes that all stakeholders envisage the future Inner City as a place:

- That will be developed in a balanced way in order to accommodate all people and interests;
- Which remains as the vibrant business heart of Johannesburg as a whole, but which balances future commercial, retail and light manufacturing development with a large increase in residential density;
- Which works, as many other cities do elsewhere in the world, asa key residential node where a diverse range of people from different income groups and backgrounds can have their residential needs met. Our Inner City will not be a dormitory for the poor, nor an exclusive enclave of loft apartments, galleries and coffee shops;
- Of first entry into Johannesburg, but also a place where people want to stay because it offers a high quality urban environment with available social and educational facilities, generous quality public open space, and ample entertainment opportunities;
- Which serves as both the key transportation transit point for the entire Gauteng Global City Region, but also as a destination point where people want to walk in the streets;
- Where the prevailing urban management, safety and security concerns are a thing of the past.

Overview							
To begin area based interventions in the Westgate Station Precinct in the inner city; to address the quality of the public environment to both respond to and stimulate private sector investment in this area.							
Delivery Programme							
Development Stage	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**	**14/15**
Detailed Investigation							
Business Plan							
Implementation							
Exit							

Deliverables in 2012/13					
Public environment upgrading in the Westgate Station Precinct, including upgrading and repair of paving, lighting and public spaces and redesign of sidewalks along Market, Commissioner, Fox, Main, Marshall, Alexander, Miriam Makeba, Gerard Sekoto and Ntemi Piliso Streets. This will include the development of new public places, and infrastructure for a heritage trail.					
Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
2012/13 Planned Progress per Quarter (%)					
Public environment upgrading in the Westgate station precinct phase 1	0%	25%	60%	100%	**100%**
Completion schedule: 2012/13 Actual progress per quarter					**Year to date**
Public environment upgrading in the Westgate station precinct phase 1	**0%**	29%	77%	100%	**100%**

TRANSNET LAND / METRO PARK

Nature of Development

The development of land previously owned by Transnet along the railway line in Northern Newtown to include a large scale park for the inner city.

Rationale for Development & Strategic Alignment

The JDA has investigated various development options for the vacant land previously owned by Transnet along the railway line in Newtown North. The Newtown North Urban Development Framework proposed an International Transit and Shopping Centre on the Kazerne property, and the feasibility of this project has been investigated to some extent. There are also plans to develop a new phase of the Brickfields housing project. A design competition was also run by JDA in 2009 to identify the best concept for a large metro park. Finally, the decking project initiated by the JDA has been developed into a business plan to guide long term implementation plans. All of these options will be taken into account in developing a multiyear public environment upgrading project, and a PPP project to develop the Kazerne property.

Region: F

2010/11 Budget:

- R13.500 million

Source of Funding / Amount (R):

- City of Johannesburg ICF: R 13.500 million

GDS Priorities / Sector Plan:

- Spatial form and urban management

5 Year Strategic Objectives addressed:

- Increase investor confidence in declining and under-performing areas

IDP Programmes addressed:

- Economic area based regeneration

Objectives & Outcomes

The challenge is to continue intensive regeneration efforts to ensure more rapid, even and sustained positive impacts on the entire Inner City, without having a detrimental effect on Inner City communities. The Charter proposes that all stakeholders envisage the future Inner City as a place:

- That will be developed in a balanced way in order to accommodate all people and interests;
- Which remains as the vibrant business heart of Johannesburg as a whole, but which balances future commercial, retail and light manufacturing development with a large increase in residential density;
- Which works, as many other cities do elsewhere in the world as, a key residential node where a diverse range of people from different income groups and backgrounds can have their residential needs met. Our Inner City will not be a dormitory for the poor, nor an exclusive enclave of loft apartments, galleries and coffee shops;
- Of first entry into Johannesburg, but also a place where people want to stay because it offers a high quality urban environment with available social and educational facilities, generous quality public open space, and ample entertainment opportunities;
- Which serves as both the key transportation transit point for the entire Gauteng Global City Region, but also as a destination point where people want to walk in the streets;
- Where the prevailing urban management, safety and security concerns are a thing of the past.

Overview						
To improve and develop the vacant land previously owned by Transnet in order to stimulate private investment in new property developments in line with the City's development vision for Newtown North.						
Delivery Programme						
Development Stage	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**

Business Plan						
Implementation						
Exit						
Evaluation						
Deliverables in 2012/13						
Public environment upgrading on Post Office land to accommodate temporary taxi holding and investment in new Park infrastructure						
Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**	
2012/13 Planned Progress per Quarter (%)						
Transnet land investment phase 1	0%	30%	60%	100%	**100%**	
Completion schedule: 2012/13 Actual progress per quarter					**Year to date**	
Transnet land investment phase 1	0%	0%	0%	90%	**90%**	

DIEPSLOOT DEVELOPMENT

Nature of Development

Area-based regeneration of the Diepsloot area

Rationale for Development & Strategic Alignment

Diepsloot is a relatively new residential neighbourhood on the Northern periphery of the City of Johannesburg. It is a very underdeveloped area. It contains a mix of informal housing, RDP housing and bonded housing, with very little commercial land use and few community facilities. Population densities are high and public infrastructure and services are limited and of a poor quality. This is a key area for public investment to support improved quality of life and economic development.

Region: A

2012/13 Budget:

- R 3.800 million

Source of Funding / Amount (R):

- National Treasury NDPG: R3.800 million

GDS Priorities / Sector Plan:

- Sustainable Economic development
- Liveability

5 Year Strategic Objectives addressed:

- Economic base of underdeveloped areas of the City increased over five years

IDP Programmes addressed:

- Area-based economic development programme

Objectives & Outcomes

The development will serve to improve the sustainability of Diepsloot both in social and economic terms.

Overview

Preliminary planning work was done for the activity zone in 2009, and an urban development framework was done for the Diepsloot area (in 2010), that identified priority projects along an activity street, in a government precinct, around a business zone and around the taxi rank that serves the area. First phases of public space upgrading projects were implemented around the government precinct (Ngonyama Street) during 2009/10. In 2010/11 interventions will include construction of at least two pedestrian bridges across the river, and some public space upgrading across the area, but especially in the business zone. In 2011/12 the Ngonyama Road upgrade was continued.

Delivery Programme

Development Stage	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**
Detailed Investigation							
Business Plan							
Implementation							
Exit							
Evaluation							

Deliverables in 2012/13					
Completion of detailed designs for Ngonyama Road completion in order to secure the next phase of funding from National Treasury.					
Completion Schedule: 2012/13 Planned Progress per Quarter (%)					
Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
Detailed design for upgrading on Ngonyama Road	0%	0%	30%	100%	**100%**
Completion schedule:2012/13 Actual progress per quarter					**Year to date**
Detailed design for Ngonyama Road upgrade	0%	0%	100%	100%	**100%**

STRETFORD STATION PRECINCT, ORANGE FARM

Nature of Development

Develop the station node in order to attract private investment in the area.

Rationale for Development & Strategic Alignment

Stretford Station is situated in Orange Farm on the Johannesburg-Vereeniging boundary, approximately 40km to the south of the Johannesburg CBD.
It falls under Region G as per RSDF and Stretford is classified as a District Node. A district node can serve a few neighbourhoods but is mainly focused on the local community. The most critical issue to address in a District Node is easy and interconnected pedestrian movement. Due to the strategic location of the Stretford Station in the node, the node is envisaged as a transportation–based node to be developed in line with the principles of TOD.

Region: G

Source of Funding / Amount (R):

- NDPG: R11.200 million

GDS Priorities / Sector Plan:

- Spatial form & urban management
- Economic development
- Community development

5 Year Strategic Objectives addressed:

- Public investment in marginalised areas to facilitate crowding in of private sector spending

Objectives & Outcomes

The attraction of new private sector investment to complement and enhance the facilities already available in the Stretford Node. The overall purpose for the development of this node is to create an environment that will allow the station to efficiently function as a public transport inter-modal facility and to support the development of a local economic node.

Overview

In 2008/09 an Urban Development Framework and construction work began on the ridge walkway in the Stretford Station node. This work focused on the crucial pedestrian connection from the body of the Orange Farm settlements to Streford station. The walkway across the ridge leading to the station is being upgraded and the public environment surrounding the existing and proposed facilities in the node will be addressed with focus enhancing the linkages between facilities and ensuring comfortable and safe pedestrian movement. The ridge walkway was completed in 2009/10 and anecdotal evidence suggests that it has made a very big difference in commuters' and residents' lives.
During the last rainy season, high and sustained rainfall showed up weaknesses in the storm-water drainage system in Orange Farm. This has resulted in flooding that caused damage to roads, paths and other infrastructure. In 2011/12 further work was done on public environment upgrading of the pedestrian links towards Stretford Station.

Delivery Programme

Development Stage	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**
Initial Investigation						
Detailed Investigation						
Business Plan						
Implementation						
Exit						

Deliverables in 2012/13

Public environment upgrading and further stormwater solutions.

Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
2012/13 Planned Progress per Quarter (%)					
Public environment upgrading in Stretford station precinct (Phase 3)	0%	0%	30%	100%	**100%**
Completion schedule:2012/13 Actual progress per quarter					**Year to date**
Public environment upgrading in Stretford station precinct (Phase 3)	0%	0%	0%	100%	**100%**

NANCEFIELD STATION PRECINCT

Nature of Development

Develop the station node in order to attract private investment in the area and in order to create a high intensity transit oriented precinct with a large supply of affordable rental housing

Rationale for Development & Strategic Alignment

Region: G

Source of Funding / Amount (R):

- USDG: R20.000 million

GDS Priorities / Sector Plan:

- Liveability
- Sustainable Economic development

Nancefield Station is located in Soweto on the main commuter railway line. It is identified as a strategically important node to be developed as a transit oriented precinct in terms of the new Joburg 2040 strategy. In 2011/12 an urban development framework was developed for the precinct, and priority infrastructure investments were identified. In addition to the first of these projects, the JDA will support DP to coordinate investments by other Departments and entities; and a thorough bulk infrastructure plan will be developed.	• Transit oriented development **5 Year Strategic Objectives addressed:** • Public investment in marginalised areas to facilitate crowding in of private sector spending

Objectives & Outcomes

The attraction of new private sector investment to complement and enhance the facilities already available in the Nancefield Station Node. The overall purpose for the development of this node is to create an environment that will allow the station to function as a public transport inter-modal facility and to support the development of a local residential and economic node.

Delivery Programme

Development Stage	**10/11**	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**
Initial Investigation						
Detailed Investigation						
Business Plan						
Implementation						
Exit						

Deliverables in 2012/13

Public environment upgrading along Tsolo Road and further stormwater solutions.

Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
2012/13 Planned Progress per Quarter (%)					
Public environment upgrading in Nancefield station precinct (Phase 1)	0%	0%	10%	100%	**100%**
Completion schedule:2012/13 Actual progress per quarter					**Year to date**
Public environment upgrading in Nancefield station precinct (Phase 1)	0%	0%	56%	101%	**101%**

REA VAYA BUS RAPID TRANSIT INFRASTRUCTURE

Nature of Development Delivery of the Bus Rapid Transit System (BRT). **Rationale for Development & Strategic Alignment** The City of Johannesburg (COJ) has adopted an urban development policy which aims to create compact cities and limit urban sprawl. The COJ has decided to implement the Rea Vaya – Bus Rapid Transit (BRT) system. BRT is simply the idea of creating a rail-like performance using road-based technologies that are affordable to most cities. It refers to a high quality bus based transit system that delivers fast, comfortable, and cost-effective urban mobility through the provision of segregated right-of-way infrastructure, rapid and frequent operations, and excellence in marketing and customer service.	**Region: Various** **2012/13 Budget:** • R 189.000 million **Source of Funding / Amount (R):** • City of Johannesburg (NDoT PTIS):R189.000 million **GDS Priorities / Sector Plan:** • Spatial form & urban management • Economic development • Community development **5 Year Strategic Objectives addressed:** • Improved Public Transport System

Objectives & Outcomes

The development targets the improvement of public transport in the City of Johannesburg for the 2010 World Cup and beyond. This is the major structuring element of the CoJ's transit oriented development strategy outlined in Joburg 2040. By investing in mass transit services in strategic public transit corridors, the City can restructure land use in key station precincts including Nancefield, Westgate, Orlando East, Art Gallery, and Ellis Park. In future transit corridor strategic area frameworks will define the key nodes along the Empire Perth and Louis Botha trunk routes.

Overview

The project is to be delivered in Phases as funding allows. In 2011/12 the second trunk route infrastructure completed and planning and preparation will be undertaken for the 3rd trunk route. In 2012/13 the detailed designs (including testing of prototypes) will be undertaken for the Busways and stations on Trunk Route 1C. Station precincts will be further developed, and associated infrastructure projects such as the construction of bus depots will be undertaken.

Delivery Programme

Development Stage	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**
Implementation						

Evaluation						
Deliverables in 2012/13						
1. Completion of first bus depot (Meadowlands Depot) 2. Upgrading of station precincts **3.** Design and planning for Sections 8 and 15 on Trunk Route 1C						
Deliverable	**Q1**	**Q2**	**Q3**	**Q4**	**Year (R)**	
2012/13 Planned Progress per Quarter (%)						
Busways and roads (Section 2, Babiana access, Hoy / Griffiths, Section 15, Section 8)	0%	10%	30%	100%	100%	
Depot 1 Dobsonville	50%	100%	100%	100%	98%	
Depot 2 City	0%	0%	20%	100%	88%	
Depot 3 Randburg/ Wynberg	0%	0%	30%	100%	100%	
Depot 4 Avalon	0%	0%	30%	100%	100%	
Ndinglizi terminus in Soweto (first phase)	0%	0%	0%	100%	100%	
Stations and precincts (universal access retrofit and bus stops)	0%	10%	30%	100%	72%	
Signage, signals, road markings, bus station precincts and lane colourisation	0%	0%	30%	100%	100%	
Land purchase, station signage and walk-in centres	0%	0%	30%	100%	80%	
Completion schedule:2012/13 Actual progress per quarter					**Year to date**	
Busways and roads (Section 2, Babiana access, Hoy / Griffiths, Section 15, Section 8)	0%	67%	90%	83%	83%	
Depot 1 Dobsonville	90%	100%	100%	100%	100%	
Depot 2 City	0%	0%	0%	0%	0%	
Depot 3 Randburg/ Wynberg	0%	0%	0%	0%	0%	
Depot 4 Avalon	0%	0%	0%	0%	0%	
Ndinglizi terminus in Soweto (first phase)	0%	0%	0%	75%	75%	
Booysens Layover				0%	0%	
Stations and precincts (universal access retrofit and bus stops)	0%	84%	100%	100%	100%	
Signage, signals, road markings, bus station precincts and lane colourisation	0%	0%	5%	70%	70%	
Land purchase, station signage and walk-in centres	0%	0%	5%	30%	30%	

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Top Management	1	1	1	0	0%
Executive	5	9	7	2	22%
Senior Management	6	9	6	3	33%
Middle Management	16	21	17	3	14%
Coordinators and administrators	18	23	18	5	22%
Housekeepers	6	6	6	0	0%
Totals	**52**	**69**	**55**	**13**	**19%**

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2010/11	54	5	9%
2011/12	50	5	10%
2012/13	54	3	6%

The CoJ had issued a moratorium on filling of vacancies while the restructuring and organizational development process was underway and as a result, the positions of CEO, COO, EM:Marketing and Communications and EM:Risk, Compliance and HR (EM:RCHR) remained vacant for over two years.

The CEO was appointed as part of the City's recruitment drive for filling vacancies of senior staff after the restructuring. The City then lifted the moratorium in the third quarter of the year, at which point the JDA also re-looked at its organogram and staff establishment given the extended mandate.

The process resulted in the JDA having a new organogram which was approved by the Board in April 2013 and the recruitment for all funded senior positions that were budgeted for, was undertaken. The positions of EM:MM and the EM Corporate Services (previously EM:RCHR)

The initial process of filling the EM: Development Implementation (previously COO) did not yield any positive results and a decision was then taken to head hunt for the position and a service provider has been appointed to finalize the process.

Chapter 4

COMPONENT B: MANAGING THE WORKFORCE

4.2 POLICIES

The table overleaf provides a summary of the HR policies.

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Board of Directors or comment on failure to adopt
1	Affirmative Action	100%	1-Jun-13	All reviewed policies were endorsed
2	Attraction and Retention	100%	1-Jun-13	
3	Code of Conduct for employees	100%	1-Jun-13	
4	Delegations, Authorisation & Responsibility	100%	1-Jun-13	
5	Disciplinary Code and Procedures	100%	1-Jun-13	
6	Essential Services			
7	Employee Assistance / Wellness	100%	1-Jun-13	
8	Employment Equity	100%	1-Jun-13	
9	Exit Management			
10	Grievance Procedures	100%	1-Jun-13	
11	HIV/Aids	100%	1-Jun-13	
12	Human Resource and Development	100%	1-Jun-13	
13	Information Technology	100%	1-Jun-13	
14	Job Evaluation		1-Jun-13	
15	Leave			
16	Occupational Health and Safety	100%	1-Jun-13	
17	Official Housing			
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime			
21	Organisational Rights			
22	Payroll Deductions		1-Jun-13	
23	Performance Management and Development	100%	1-Jun-13	
24	Recruitment, Selection and Appointments	100%	1-Jun-13	
25	Remuneration Scales and Allowances	100%	1-Jun-13	
26	Resettlement			
27	Sexual Harassment			
28	Skills Development	100%	1-Jun-13	
29	Smoking			
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing			
33	Other:			

4.3 EMPLOYMENT EQUITY

The following principles continue to guide our employment equity initiatives:

- Appropriate structures have been put in place to coordinate and monitor employment equity implementation across the organisation. The JDA undertakes an annual review of its EE process and general employment practices.
- The Employment Equity Statistics are sourced to review progress and provide direction regarding progress in the implementation of the employment equity plan.
- To ensure focus, the Executive Committee and the Board's Human Resources and Remuneration Committee also provide regular input to the strategies and initiatives regarding EE and its implementation in the organisation.

Employment Equity Demographics Status for 2012/13

Staff Movement

Staff Movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	2	2				1			5
Resignations	2	1							3
Dismissals									0
Retirements									0
Absenteeism									0
Termination / Other									0
Total	4	3	0	0	0	1	0	0	8

Employment Equity Status (Demographics)

Levels	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Executive & Senior Management	2	6	1	0	1	2	1	1	14
Middle Management	7	4	0	3	0	0	2	1	17
Co-ordination / Administration	4	10	0	1	1	2	0	0	18
Housekeepers / Cleaners	1	5	0	0	0	0	0	0	6
Total	14	25	1	4	2	4	3	2	55
% of Total	26%	45%	2%	7%	4%	6%	6%	4%	100%
	African :	71%	Coloured :	9%	Indian :	10%	White :	10%	

Gender Equity

Levels	Black		White		Total
	Male	Female	Male	Female	
Executive & Snr Management	4	8	1	1	14
Middle Management	7	7	2	1	17
Co-ordination / Administration	5	13	0	0	18
Housekeepers / Cleaners	1	5	0	0	6
Total	18	33	3	2	55

% of Total	32%	58%	5%	4%	100%
	Black	90%	White :	10%	
	Male :	36%	Female:	64%	
	Black Female Management		57%		

Management Level Demographics

Levels	Total	African	66%	Coloured	13%	Indian	6%	White	17%
		Male	Female	Male	Female	Male	Female	Male	Female
Executive & Senior Management	8	1	3	1	0	1	1	1	1
Middle Management	17	4	4	1	3	1	0	2	1
Total	25	5	7	2	3	2	1	3	2
% of Total	100%	32%	33%	3%	10%	2%	7%	5%	2%

Staff Turnover

Total Staff	55	
Movements (excl. Appointments)	0	0%

Levels	JDA Positions
Senior & Executive Management:	Chief Executive Officer, Executive Manager: Development Implementation , Chief Finance Officer, Executive Manager: Development Facilitation Executive Manager: Planning and Strategy, Executive Manager: Marketing & Communications; Executive Manager: Corporate Services, Chief Audit Executive, Senior Development Managers, Human Resource Manager, Supply Chain and Contracts Manager, Finance Manager and IT and Systems Manager, Risk and Compliance Manager and Facilities Manager
Middle Management	Development Managers, Accountants, Audit & Risk Officer, Procurement Officer, Marketing Managers, and Company Secretary.
Co-ordination/Administrative:	Coordinators, Receptionist, Personal Assistants, Accounts Payable Officer, Accounts Receivable Officer, IT Officers, Fixed Asset Register Officer, Messenger/Caretaker and Procurement Co-ordinator
Housekeeping	Housekeepers, General Worker

- The JDA currently has 90% Black staff, which exceeds the target of 80% provided in the Employment Equity Plan. The JDA currently has 64% female staff against the target of 45%.
- The JDA currently has 57% Black females in management positions against a target of 35%.

The JDA currently employs 2 people with physical disabilities. This constitutes 4% of the total JDA staff compliment. This exceeds the City's strategic target of ensuring that at least 2% of all CoJ employees should be people within disabilities.

Succession Planning

Due to the size of the JDA, comprising 55 staff members, it is not possible to employ replacement staff for each critical position within the organisation. However, the training and development of staff is aimed at preparing them for positions above their own level.

Employee Retention Scheme

The JDA plans to formalise a retention scheme for the organisation. The annual salary benchmarking exercise is aimed at ensuring that the JDA pays market related salaries for its staff. An annual organisational climate survey ensures that management is in touch with perceptions and expectations of staff. The limited number of resignations in the first two quarters are evidence that the JDA is regarded as an employer of choice for our staff.

All new JDA staff join the E-Joburg Retirement Fund. Other benefits provided to staff are the following:

- JDA Life Cover which is extended to non-executive directors

- Educational Grant Scheme and
- Company cell phones for those staff as determined by the JDA Exco.

Performance Management and Bonus System

The performance management system (PMS) is designed to ensure that the JDA's business strategy is translated into measurable key performance areas and indicators (KPAs and KPIs) for employees. Each employee has concluded a performance management contract with a scorecard and a performance review in respect of the 2011/12 financial year was completed during the quarter under review. Bonus payments to qualifying employees will be paid after the finalisation of the 2011/12 audit and on receipt of an unqualified audit report from the Auditor General.

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	7	7	47672.37	100%
	Male	1	1	5624.01	100%
Skilled (Levels 3-5)	Female	9	9	249327.37	100%
	Male	2	2	39821.09	100%
Highly skilled production (levels 6-8)	Female	5	5	208369.25	100%
	Male	5	5	151083.41	100%
Highly skilled supervision (levels 9-12)	Female	9	9	555979.18	100%
	Male	6	6	403813.45	100%
Senior management (Levels 13-15)	Female	3	3	259898.82	100%
	Male	2	2	145328.65	100%
MM and S57	Female				
	Male	1	1	120071.95	100%
Total		50	50		

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

JDA is committed to sustaining a continuous programme of training and development for its management and staff in order to advance with best practices and technology, thus ensuring professional delivery and a competitive edge.

Our vision is to provide an integrated learning experience to our employees that will strengthen their commitment to the JDA's values, enhance the leadership capability and improve capacity to meet current and future business requirements. The learning strategy is based on four pillars:

- understanding the educational requirements of the organisation based on competency assessments;
- best practice learning design, using a blended approach where appropriate;
- timeous and appropriate learning delivery; and
- assessment of the impact of learning interventions on overall company performance.

Most of the training budget was spent on short courses and ad hoc training for predominantly junior middle management employees. Generally, the bulk of the training budget is spent in the 3rd quarter due to registrations for studies in the yew year.

A Workplace Skills Plan has been finalised and submitted to the Local Government Sector Education and Training Authority (LGSETA) in accordance with the Skills Development Act and the Skills Development Levies Act. The JDA also submitted its Annual Training plan before the deadline of 30 June, for the training conducted within the past financial year.

The JDA always makes funds available for appropriate on-going training and development for programmes that are practical and outcomes based. We have also created a culture of on-the-job and off-the job learning in the organisation and every single employee embraces this. Training is an on-going process of improving employees' knowledge, skills and attitude with the view to improving either job performance and/or competitiveness for growth, career advancement and internal promotions. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity, bearing in mind that these must be aligned with our core business.

In 2012/13 the CEO, CFO and Supply Chain Manager attended Financial Competency training which is mandatory according to National Treasury prescripts.

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	1	0
Chief financial officer	1	0	1	0	1	0
Senior managers	0	0	0	0	0	0
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior managers	0	0	0			
TOTAL	**3**	**0**	**3**	**1**	**3**	**1**

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

For 2012/13 the JDA's revenue was R46.8 million, of which operating expenses were R47.9 million. Employee costs were R30.3 million against a budget of R30.7 million. Employee costs are limited by filling funded vacancies according to an approved organogram; improving efficiencies in the allocation of responsibilities; and paying lower salaries than market benchmarks. Despite the lower salaries, the JDA has been able to recruit highly skilled employees because of the sound reputation of the organization, but this is a significant risk to the retention of skilled staff.

CHAPTER 5 – FINANCIAL PERFORMANCE

For the financial year under review the JDA revenue was R46.4million against a budget of R46.9million. The negative variance of R500 000 is due to an under-recovery of R1.5million and a over-recovery of R1m from interest and other income. The development management fees line item negative variance of R1.5m was brought about by lower than anticipated capital expenditure of only 91% of the total Capex budget. There was an over-recovery of R658 000 in the interest income line item due to a positive bank balance brought about by the majority of the Capex being spent in the last month of the financial year. Furthermore there was an over-recovery of R462 000 in the other income line item due to higher than anticipated tender document sales as well as sundry income for work done on behalf of Transportation Department

For the financial year under review the JDA's operating expenses were R47.9 million against a budget of R46.9 million. The major variances arose in the legal fees and staff recruitment costs line items.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2013

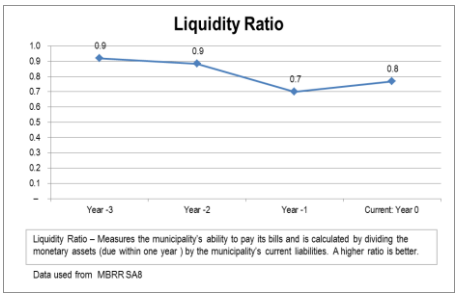
	2013 Actual R'000	2013 Budget R'000	2013 Variance R'000
Gross revenue	41 072	41 891	(819)
Operating costs	(50 606)	(46 891)	(3 715))
Gross deficit	**(9 534)**	**(5 000)**	**(4 534)**
Operating deficit	(9 534)	(5 000)	(4 534)
Interest Expense	(256)	(0)	(256)
Interest Income	5 682	5 000	682
Deficit before tax	**(4 108)**	**0**	**(4 108)**
Taxation	116	0	116
Surplus/(Deficit) after tax	**(3 992)**	**0**	**(3 992)**

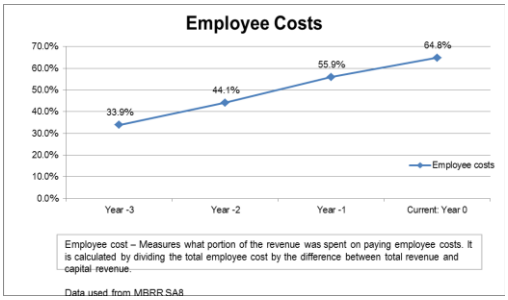
Chapter 5

Table A1 Financial Summary										
										R' 000
Description	2009/10	2010/11	2011/12	A				Medium Term Revenue and expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Audited outcome	Budget Year 2013/14	Budget Year 2014/15	Budget Year 2015/16
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	**20 450**	**21 637**	**24 110**	24 308	24 308	**24 308**	24 308	24 977	26 035	26 210
Other own revenue	**49 038**	**37 925**	**23 775**	26 912	22 583	**22 583**	22 446	34 534	38 326	50 993
Total Revenue (excluding capital transfers and contributions)	**69 488**	**59 562**	**47 885**	51 220	46 891	46 891	46 754	59 511	64 361	77 203
Employee costs	**23 546**	**26 291**	**26 766**	29 530	29 599	**29 599**	29 152	37 674	40 075	42 707
Remuneration of councillors	**795**	**697**	**510**	850	1 124	**1 124**	1 126	1 050	1 050	1 050
Depreciation & asset impairment	**1 409**	**1 162**	**1 013**	1 204	1 026	**1 026**	1 129	1 207	1 271	1 335
Finance charges	**4 392**	**23**	**79**	100		**–**	257	50	50	50
Materials and bulk purchases	–	–	–	–		–	–	–	–	–
Transfers and grants	–	–	–	875		**–**	517	781	822	864
Other expenditure	**33 452**	**23 902**	**15 901**	18 661	15 142	**15 142**	18 566	18 749	21 093	31 197
Total Expenditure	**63 594**	**52 075**	**44 269**	**51 220**	**46 891**	**46 891**	**50 746**	**59 511**	**64 361**	**77 203**
Surplus/(Deficit)	**5 894**	**7 487**	**3 616**	–	0	0	(3 992)	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**5 894**	**7 487**	**3 616**	–	0	0	(3 992)	–	–	–
Share of surplus/ (deficit) of associate	–	**0**	**0**	0	0	0	0	0	0	0
Surplus/(Deficit) for the year	**5 894**	**7 487**	**3 616**	0	0	0	(3 992)	0	0	0
Capital expenditure & funds sources										
Capital expenditure	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**28 963**	40 956	19 386	42 386	–	–	42 386	82 500	191 500	148 500
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	**28 963**	**40 956**	**19 386**	**42 386**	–	42 386	**42 386**	**82 500**	**191 500**	**148 500**
Financial position										
Total current assets	**435 382**	**372 394**	**187 999**	116 269	116 269	**116 269**	209 400	123 299	130 388	136 907
Total non current assets	**6 862**	**7 044**	**7 383**	6 577	6 577	**6 577**	8 395	7 235	7 958	8 356
Total current liabilities	**400 235**	**329 073**	**131 611**	72 104	72 104	**72 104**	161 477	79 115	87 126	91 482
Total non current liabilities	**4 716**	**4 001**	**13 000**	3 316	3 316	**3 316**	9 163	3 178	2 832	2 974
Community wealth/Equity	**37 293**	**46 364**	**50 771**	47 426	47 426	**47 426**	47 155	48 241	48 388	50 807
						–				
Cash flows										
Net cash from (used) operating	**266 593**	**(36 205)**	**(36 946)**	(1 995)	(1 995)	**(1 995)**	(61 567)	55	70	74
Net cash from (used) investing	**(474)**	**(454)**	**(737)**	93	93	**93**	(738)	80	78	82
Net cash from (used) financing	**(266 058)**	**36 710**	**37 734**	1 997	1 997	**1 997**	62 349	–	–	(75)
Cash/cash equivalents at the year end	**1 146**	**1 196**	**1 247**	**1 342**	**1 342**	**1 342**	1 291	1 477	1 625	1 706

When looking at the JDA's solvency and liquidity, comparing 2012 and 2013, the outlook is positive. This is evidenced by the following ratios: Solvency ratio (which compares the company's total assets to its total liabilities) is 129% for 2013 and 136% for 2012. In terms of liquidity, there is again a positive outlook year-on-year. The following ratios apply: Net working capital ratio (which compares the company's current assets less current liabilities) is R48.3 million for 2013 and R56.4 million for 2012. Current ratio (which compares the current assets over the current liabilities) is 130% for 2013 and 143% for 2012. Debtors' collection period (which looks at the number of days that debtors to settle the debts owed to the company) is 4.56 days for 2013 and 15.85 days for 2012.

JDA's operating expenditure has been relatively stable over the medium term period. Cost drivers include employee costs and associated operating expenditure including recruitment costs in 2012/13. The employee costs were driven upwards as a result of new appointments following the lifting of the CoJ moratorium on senior appointments. As a proportion of revenue (See graph below) employee costs rose. This is due largely to a decline in revenue as a result of decreasing fees resulting from the declining capital budget allocations.


Liquidity Ratio
1.0
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
–
0.9
0.9
0.7
0.8
Year -3
Year -2
Year -1
Current: Year 0
Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.
Data used from MBRR SA8


Employee Costs
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
33.9%
44.1%
55.9%
64.8%
Year -3
Year -2
Year -1
Current: Year 0
Employee costs
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.
Data used from MBRR SA8

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

To be completed when audit report is done.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS 2011/12

Auditor-General Report on Financial Performance: Year -1	
Audit Report Status*:	**Unqualified opinion with other matters**
Non-Compliance Issues	**Remedial Action Taken**
Material amendments to AFS	External consultant was contracted to review financial statements to ensure compliance with GRAP in 2012/13. Stricter controls were exercised during the preparation of the AFS.
Payments made over 30 days	A monitoring control was introduced and all invoices paid over 30 days were documented along with evidence of reasonable steps taken as required by MFMA.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 30 JUNE 2013

6.2 AUDITOR GENERAL REPORT YEAR 30 JUNE 2013

REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL LEGISLATURE ON JOHANNESBURG DEVELOPMENT AGENCY SOC LTD

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Johannesburg Development Agency SOC LTD (JDA) set out on pages 01 to 65, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement, the 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 financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Companies Act of South Africa, 2008 (Act No. 71 of 2008), and for such internal control as the accounting officer determines is necessary to enable the preparation of 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 2001) (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 financial statements present fairly, in all material respects, the financial position of the Johannesburg Development Agency SOC Limited as at 30 June 2013, and its net assets, cash flows and comparison of budget and actual amounts flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the MFMA.

Emphasis of matter

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in note 32 to the financial statements, the corresponding figures for 30 June 2012 as a result of an error discovered during 30 June 2013.

Material losses

9. As disclosed in note 36 to the financial statements, material losses to the amount of R981 847 for the current year and R1 953 841 for the previous financial years were incurred as a result of fraud which was identified.

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of this matter.

Other reports required by the Companies Act

11. As part of our audit of the financial statements for the year ended 30 June 2013, I have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports I have not identified material inconsistencies between the reports and the audited financial statements. I have not audited the reports and accordingly do not express an opinion on them.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

PUBLIC AUDIT ACT REQUIREMENTS

12. 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

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages … to … of the annual report.

14. 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 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* (FMMPI).

    The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

16. Although no material findings concerning the usefulness and reliability of performance information were identified in the annual performance report, I draw attention to the matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Material adjustments to the annual performance report

17. Material misstatements in the annual performance report were identified during the audit, 100% of which were corrected by management.

Compliance with laws and regulations

18. 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:

Annual financial statements

19. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements on the trade and other payables, disclosure for trade and other receivables, contingent asset and statement of comparison of budget and actual amount and prior period error was identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

20. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

21. The accounting officer did not adequately exercise oversight responsibility regarding financial reporting and compliance with applicable laws and regulations.

Financial and performance management

22. Management did not prepare accurate and complete financial reports as material misstatements were identified during the audit and corrected by management.

23. Management did not adequately monitor compliance with applicable laws and regulations.

Chapter 6

Johannesburg

30 November 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer) 30 November 2013

T 6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should

GLOSSARY

	be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

Abbreviations and Acronyms

AG	Auditor General
BEE	Black Economic Empowerment
BRT	Bus Rapid Transit
CBD	Central Business District
CBO	Community Based Organisation
CEO	Chief Executive Officer
CID	Central Improvement District
CJP	Central Johannesburg Partnership
CoJ	City of Johannesburg
DED	Department of Economic Development
DevCo	Development Company
DP	Department of Development Planning
ED	Executive Director
EPWP	Expanded Public Works Programme
FIFA	Fédération Internationale de Football Association.
GDS	Growth and Development Strategy
GPG	Gauteng Provincial Government
HBY	Hillbrow, Berea, Yeoville
HR	Human Resources
IC	Inner City
ICDS	Inter City Distribution System
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IEMP	Integrated Environmental Management Policy
JDA	Johannesburg Development Agency
JPC	City of Joburg Property Company
KPA	Key Performance Area
KPI	Key Performance Indicator
LPTF	Lenasia Public Transport Facility
MOE	Municipal-owned entity
MFMA	Municipal Finance Management Act
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act
MTC	Metropolitan Trading Company
NDPG	Neighbourhood Development Partnership Grant
NGO	Non-Governmental Organisation
OSHACT	Occupational Health & Safety Act
RSDF	Regional Spatial Development Framework
SEZ	Soweto Empowerment Zone
SHU	Shareholder Unit
SMME	Small Medium & Micro Enterprises
SPTN	Strategic Public Transport Network
TI	Taxi Industry
UDF	Urban Development Framework

VOLUME II: ANNUAL FINANCIAL STATEMENTS

See Audited Annual Financial Statements submitted under separate cover.