City of Johannesburg

Integrated Annual Report

2018/2019

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LIST OF ABBREVIATIONS

AET	Adult Education and Training
AFS	Annual Financial Statement
AG	Auditor-General
AGSA	Auditor-General of South Africa
ARP	Alexandra Renewal Project
AWTT	Alternative Waste Treatment Technologies
BOCA	Bus Operating Contract Agreement
BOC	Bus Operating Company
BoD	Board of Directors
BRT	Bus Rapid Transit
CAPEX	Capital Expenditure
CBD	Central Business District
CEO	Chief Executive Officer
CIO	Chief Information Officer
COGTA	Cooperative Governance & Traditional Affairs
CPF	Community Policing Forum
CRO	Chief Risk Officer
CM	City Manager
CoJ	City of Johannesburg
DEA	Department of Environmental Affairs
DDI	Domestic Direct Investment
DWS	Department: Water & Sanitation
EAP	Employee Assistance Programme
ECD	Early Childhood Development
ECDC	Early Childhood Development Centre
EEA	Environmental Education and Awareness
EISD	Environment and Infrastructure Services Development
EMS	Emergency Management Services
EMT	Executive Management Team
EPWP	Expanded Public Works Programme
ESP	Expanded Social Package
FBS	Free Basic Services
4IR	Fourth Industrial Revolution
FTC	Fixed Term Contract

GAC	Group Audit Committee
GDARD	Gauteng Department of Agriculture and Rural Development
GDP	Gross Domestic Product
GDS	Growth and Development Strategy
GFIP	Gauteng Freeway Improvement Programme
GHCM	Group Human Capital Management
GHG	Greenhouse Gas
GPAC	Group Performance Audit Committee
GRAP	Generally Recognized Accounting Practice
GRGC	Group Risk Governance Committee
GVA	Gross Value Added
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IIRF	International Integrated Reporting Framework
ILP	Individual Learning Plan
IMATU	Independent Municipal Allied Trade Union
ICT	Information and Communication Technologies
IT	Information Technology
ITS	Intelligent Transport Systems
IWMP	Integrated Waste Management Plan
JCPZ	Johannesburg City Parks and Zoo
JCT	Joburg City Theatres
JDA	Johannesburg Development Agency
JITI	Johannesburg International Transport Interchange
JMPD	Johannesburg Metropolitan Police Department
JOSCHO	Johannesburg Social Housing Company
JPC	Joburg Property Company
JRA	Johannesburg Roads Agency
JW	Johannesburg Water
KPI	Key Performance Indicator
LIS	Library and Information Services
ME	Municipal Entity
MFMA	Municipal Finance Management Act
MOE	Municipal-owned Entity
MPAC	Municipal Public Accounts Committee

MSA	Municipal Systems Act
MTC	Metro Trading Company
NMT	Non-motorised Transit
NT	National Treasury
OHS	Occupational Health and Safety
OOC	Out-Of-Commission
OPCA	Operation Clean Audit
Opex	Operating Expenditure
PAAZA	Pan African Association of Zoos and Aquaria
PAIA	Public Access to Information Act
PSHB	Polyphagous Shot Hole Borer
PWD	Persons with Disabilities
RCR	Round Collected Refuse
REMCO	Remuneration Committee
ROI	Return on Investment
SADC	Southern African Development Community
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SAMWU	South African Municipal Workers' Union
SANDF	South African National Defence Force
SAPS	South African Police Service
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SHRA	Social Housing Regulatory Authority
SLA	Service Level Agreement
SMMEs	Small, Medium and Micro Enterprises
TOD	Transit-oriented Development
TOR	Terms of Reference
UDF	Urban Development Framework
UN	United Nations
UPS	Uninterrupted Power Supply
USDG	Urban Settlement Development Grant
VIP	Ventilated Improved Pit
WBOT	Ward Based Outreach Teams
WIMS	Waste Information Management System

WMU	Water Management Units
WSP	Workplace Skills Plan
WWTW	Wastewater Treatment Works

About this report

Statutory Annual Reporting Process

The Local Government: Municipal Finance Management Act 56 of 2003 (the 'MFMA'), the Municipal Systems Act 32 of 2000 (in section 46) and the National Treasury's MFMA Annual Report Circular 63, require the City of Johannesburg ('the City' or 'CoJ') and its municipal entities to prepare an annual report for each financial year covering both financial and non-financial performance aspects. The report is informed by the guidelines provided by National Treasury in MFMA Circular 63.

This report comprises six (6) chapters, namely:

- Chapter 1: Forewords and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational Development Performance
- Chapter 5: Financial Performance
- Chapter 6: Audit and Oversight Matters
- Annexures

Online Referencing

The City of Johannesburg's 2018/2019 Integrated Annual Report is available on the City's website: www.joburg.org.za.

Scope and Boundary of the Integrated Report

This report relates to the integrated performance of the City of Johannesburg for the period 1 July 2018 to 30 June 2019. The Integrated Report will be considered by the Council in January 2020.

Feedback

The City of Johannesburg aims to establish and maintain constructive and informed relations with its stakeholders. You are invited to give feedback on this report to Ms Hlulani Chauke (e-mail: hlulanic@joburg.org.za).

Assurance

The integrity of the Integrated Annual Report is overseen by the City's independent oversight committees (i.e. the Group Performance Audit Committee and Group Audit Committee) and the City's Municipal Public Accounts Committee (MPAC). Furthermore, the Auditor-General of South Africa has audited the City's reported financial and non-financial performance.

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CHAPTER 1: FOREWORDS AND EXECUTIVE SUMMARY

1.1 Executive Mayor's Foreword

Service Delivery Performance

While the 2017/18 financial year signalled the beginning of a new chapter for the City of Johannesburg - the multi-party government passed its own, full year budget - the current financial year under review was one in which we made good on our promises to the City's more than 5 million residents.

With the 2018/19 budget, we continued with directing substantial resources away from non-core expenditure items towards service delivery related infrastructure projects. In fact, 71% of this year's budget was allocated towards capital projects that would improve service delivery.

As always, challenges will remain, but the single-mindedness of the multi-party government in ensuring that we transform the lives of ordinary residents by bringing real, meaningful change meant that these challenges were not insurmountable. Through this single-mindedness and determination, we have once again ensured that the City is in the best financial position it has ever been, as seen by the City's cash position at the closing of the financial year under review. This improved performance should be credited to stable management, courtesy of the City Manager, Dr Ndivhoniswani Lukhwareni and his entire senior management team.

The one area wherein a new approach is beginning to bear fruit, is in housing, specifically during the year under review. However, there are challenges in this area, which unfortunately will remain with us for the foreseeable future. Although conservatively estimated at more than 300 000 units, our housing backlog surely has surpassed this mark, leading to even more people seeking refuge in several informal settlements throughout the City. Therefore, our approach to tackling the housing issue in the City has had to go against the grain of what has taken place over the last 25 years, in South Africa. Among several other priorities, housing is an area that will require a substantial cash injection from National Government, in the medium to long term, if we are to satisfy ourselves that we are making headway in this area.

The City is still faced with a significant infrastructure backlog, which is steadily being addressed through a pro-poor budget that prioritises service delivery related capital projects, such as the R160 million rehabilitation of the M2 Highway Bridge which was re-opened in

October 2019.This infrastructure, however, continues to come under the strain of worsening in migration of approximately 3000 people a month.

Our ambitious Inner-City Rejuvenation Programme - aimed at turning the Joburg Inner City into a construction site - offers hope to the thousands of residents in desperate need of housing, especially near economic opportunities. This programme is centred on the City taking over ownership of hi-jacked, abandoned and dilapidated buildings in the Inner City, and offering them to private developers. This is a process that went through open tender for redevelopment into low-cost housing, cheaper student accommodation and affordable rental space for small businesses.

In 2018/19, 27 awards were made to investors for the inner city programme. This translates to 91 inner city properties having been released to private sector for redevelopment, with a lease value amounting to R1 691 billion. An additional 70 properties were expected to be put out to tender in September and October 2019. While we look forward to more success arising out of the Inner-City Rejuvenation Programme, we understand that, in order to convince more people to adopt the Inner City as a place to live, work and play once again, we must restore the Rule of Law.

With our first adjustment budget in early 2017, the JMPD recruited 1 579 new officers to bolster the number of police on our streets. This was especially important considering that the City only had 700 officers patrolling at any given time. While these cadets completed their training in the year under review, the first group of 1085 officers are expected to be on active duty by the beginning of January 2020, with the remaining cohort set to join in the second half of the year.

Despite this, JMPD was able to make major inroads in dealing with crime and lawlessness in the Inner City and beyond. A large part of this success can be attributed to the JMPD's K-9 unit, which has been successful in undoing several drug networks throughout various parts of the City. In May 2019, the City launched a new anti-crime initiative using surveillance cameras in the Inner City.

More than 400 CCTV surveillance cameras are now operating in the Joburg Inner City to clamp down on escalating crime. The cameras are watched over by more than 100 agents in this 24-hour operations centre. Information on crime-related activity is relayed to 80 hand-selected officers patrolling in plain clothes.

Credit goes to the MMC for Public Safety, Councillor Michael Sun, and the Chief of Police, David Tembe, for providing effective political oversight and energizing the JMPD, respectively. On the anti-corruption front, the City's Group Forensic and Investigation Services (GFIS) has increased the number of cases it has unearthed from 4000 investigations of corruption and maladministration worth R24 billion to 6000 cases involving transactions totalling R33 billion.

A major source of frustration for the City has been the National Criminal Justice system's lack of enthusiasm for prosecuting what we view as clear-cut cases. After numerous attempts at engaging various actors in the National Prosecuting Authority (NPA), we approached Parliament to force the hand of the NPA.

Above all, the 2018/19 financial year was the year of *Diphetogo* - an initiative aimed at ensuring that the City directs most of its financial resources to those projects that are urgent, and which will have the biggest and most immediate material impact on our people. This initiative – aimed at driving real, transformational change in the City - saw an accelerated drive towards directing more money to the things that matter most, including basic services, infrastructure, housing and public safety. In the year under review, this initiative has enabled the City to increase the number of clinics operating on extended hours from 13, in the previous year, to 26. In the 2019/20 financial year, additional resources will be deployed to extend operating hours at more clinics.

Financial Performance

The two financial years preceding the year under review were difficult, specifically because of prevailing external economic circumstances on which the City had absolutely no influence over. Therefore, the City was forced to take tough but necessary decisions that would enable Johannesburg to withstand the headwinds.

The City continued to function within a constrained environment, owing largely to a national economy that is still forecast to grow at between 1% and 2%, according to optimistic economic forecasts. This had a negative bearing on the ability of the City to collect revenue for services as more and more people fell into the unemployment line.

Despite this, the City has recorded significant successes backed up by policy certainty which has given investors, confidence to invest in Johannesburg like never before. This is evidenced by the City facilitating external investment to the amount of R17.29 billion, up from R8.7 billion in the previous year. An internal audit revealed the preliminary figures which showed that

facilitated external investment stood at R16.3 billion, the City had under-reported by R937.3 million.

Additionally, preliminary figures show that the City of Johannesburg ended its 2018/2019 financial year in a stronger financial position:

- With a closing cash balance of approximately R4.4 billion;
- Where long-term assets more than sufficiently cover our long-term liabilities;
- With a Redemption Fund valued at approximately R2.5 Billion to meet its long-term bullet debt maturing obligations, valued at R2.5 Billion at the end of the financial year; and
- With a debt to revenue ratio that remains in line with National Treasury's norm.

Since coming into office, the multi-party government has placed focus on identifying those who can afford to pay for services, but instead consume them illegally. Through the efforts of Operation Buya Mthetho we have sought to target this kind of criminality and improve the City's financial sustainability.

Gratitude

I would like to thank the City Manager, Dr Lukhwareni, and the more than 30 000 employees of the City who have embraced the notion of *Service with Pride*. I would also like to express my appreciation to the Members of the Mayoral Committee for working tirelessly to deliver on our changed mandate in the respective City departments and entities. Accordingly, I would like to thank the DA caucus as well as members of our coalition government; the IFP, ACDP, COPE, UDM and Freedom Front Plus for their continued support in delivering quality basic services to our residents.

I am also thankful for the contributions of the EFF which, although not a member of the coalition, voted with us on an issue by issue basis. Finally, I must thank the Speaker of Council for his ongoing support and the leading role he plays in ensuring that Council fulfils its important oversight function.

In the 2019/20 financial year, I look forward to continued progress in restoring the City of Joburg as a beacon of opportunity. I maintain my belief that a Johannesburg that works is a South Africa that works.

Executive Mayor

Councillor Herman Mashaba

1.2 City Manager's Foreword

Overview

In 2018/19 the City's agenda was premised on a commitment to 'non-negotiables' that will deliver transformational change for residents of Johannesburg. The City confirmed its strategic focus areas, specifically against the Growth and Development Outcomes and the nine Strategic Priorities. These strategic drivers together form the basis and focus of our interventions and our objective to strive to enhance the lives of Johannesburg's residents. To this end we have focused on improving the quality of infrastructure through increased repairs and maintenance of basic infrastructure; provision of housing through the Housing Department and JOSCHO; investing in improving the conditions in informal settlements through all the City's entities; improving the environment to stimulate economic growth and ultimately reduce unemployment; creating a safer environment through investments in the Johannesburg Metropolitan Police Department among many other interventions. The detailed performance information is contained later in this report, here I highlight some of the key successes of the year under review.

Achieving economic growth that reduces unemployment

In 2018/19 the City facilitated R17.29 billion worth of investment, managing to double the investment facilitated by the City for the second year in a row. In striving to create an enabling environment that supports job creation, the City has opened seven Opportunity Centres in Diepsloot, Roodepoort, Alexandra, Soweto, Klipfontein, the Inner City, and Montclare, as well as the Orange Farm Business Centre in partnership with Discovery. These centres will support and equip young job seekers.

Moreover, the City aims to ensure optimally managed job opportunities within its own institutional framework – with an awareness of additional long-term spin-off prospects of these opportunities, into the wider city environment. The City continues to offer Expanded Public Works Programme (EPWP) opportunities for the unemployed. Furthermore, we have dramatically increased the number of SMMEs supported, and have successfully insourced over 4000 security guards at no additional cost to the City.

Addressing inequality and poverty through uplifting poor communities

This is about ensuring that the City's resources and funds are focused on addressing spatial and all forms of income inequality, in order to ensure inclusive and diverse communities. We have specifically worked hard to upgrade informal settlements. I am proud to announce that

3191 structures in informal settlements have been provided with electricity - more than double the initial target of 87.03 % of households in informal settlements now have access to water and 76 524 informal households have access to sanitation through the efforts of Joburg Water.

This year the City adopted a new Inclusionary Housing Framework, marking the fact that, in the future, developers will have to make at least 30% of developments available for affordable housing. In the meantime, hundreds of social and affordable housing units were developed for underprivileged residents across the city. More than 1000 title deeds were transferred to residents. In the Inner-City, 27 awards were made to investors. This translates to 91 inner city properties having been released for redevelopment, with a lease value amounting to R1 691 billion.

Financial sustainability

The City's ability to generate and collect revenue, and enforce a level of financial accountability, is key to its long-term financial stability and attracting financing and investment in the future. The City continues to work to improve investor confidence and mobilise financial resources from public and private partnerships, in order to continue to support service delivery and improve the quality of life.

National Treasury 's preliminary Local Government Revenue and Expenditure Results ranked the City of Johannesburg as the top performing metro in South Africa in terms of aggregate revenue (at 98.5% of budgeted revenue). In terms of expenditure the City also performed with excellence, coming second only to Buffalo City at 97.5% of budgeted expenditure. The City's pre-audited financial statements for the 2018/19 financial year show almost universal improvement to the City's key financial ratios. We can celebrate the significant increase in operating revenue, resulting in a substantial improvement in the city's liquidity position with Moody's noting that the "City's strong administration has managed to implement prudent financial practices over the years."

Improving the quality of services

This is about ensuring that all employees of the City uphold the mantra of 'service with pride' to create a professional, committed and responsive civil service. Over the past three years, the City has engaged in a comprehensive skills audit of employees, with the final audit of levels 5 and 6 nearing completion in 2018/19. In addition, the City has been developing a public service charter so that residents know what level of service to expect from the City. This will detail new, benchmarked service standards to support transparent and quality service delivery for customers.

We have placed a greater focus on infrastructure investment in order to start making significant inroads into the City's infrastructure backlog. Importantly, infrastructure projects are implemented under strict monitoring and evaluation procedures to ensure that while expenditure increases, the City's financial sustainability is not compromised. Stemming from this process, the percentage of the City's capital budget allocated towards transport, water & sanitation, electricity and housing has increased from last year. In doing so the City seeks to ensure a reliable supply of basic services, conducive to economic growth and improved quality of life for residents.

By prioritising repairs and maintenance, we have been able to turn the tide on water pipe bursts. 131.6 km of water pipes were replaced, and the total number of water pipe bursts has decreased from a high 45 177 in 2016/17 to 42 977 during the 2018/2019 year. 95.57% of sewer blockages were cleared within 24 hours of notification and 42.8 km of sewer pipes replaced.

Improving public safety

The focus here is on the need for more visible policing in the city, in order to improve public safety and develop a greater sense of security for the residents of Johannesburg. There are currently no less than 700 JMPD officers on duty on any given shift every day enhancing our commitment to visible policing. An additional 1 500 JMPD officers have been recruited and are currently undergoing training. This priority also intends to provide equal access to quality police services and safety support across the entire city.

The launch of our flagship Integrated Intelligent Operation Centre (IIOC) Reaction Unit this year has resulted in a significant decrease in response time and increase in arrests. The JMPD's response to by-law infringements has seen a stellar return with 1 422 by-law enforcement operations enacted in the City. Traffic enforcement has also improved with 6 326 traffic enforcement operations undertaken in 2018/19 to ensure orderly road traffic control.

The City's multi-departmental operation Buya Mthetho aimed at bringing back the rule of law to the City of Johannesburg through recovering funds from revenue defaulters, halting illegal connections, illegal dumping and building plan violations has gone from strength to strength. Since the launch of Buya Mthetho last year, over R1.3 billion in lost revenue has been recovered by the City to date.

An honest and transparent City that fights corruption

The City's GFIS team is engaging in active investigations to identify areas of mismanagement and maladministration with the objective of creating an honest and transparent City that serves the poor and fights corruption. This financial year, GFIS has been able to complete complex cases outstanding from previous years. Furthermore, there was an increase in capacity that contributed to completion of investigations. We have also witnessed an improvement in the prosecution success rate of City courts, which has increased from 4% in November 2018 to 25% in June 2019.

The overall 2019 customer satisfaction survey findings show a significant increase in satisfaction – and it is important that we celebrate these successes, but equally we must pay close attention to the work we still have to do as lower satisfaction scores are overwhelmingly concentrated and observed in our more informal areas and in the inner city. This is a challenge that we are determined to address.

Upholding a customer-centric perspective

Ensuring that our customers and citizens feel acknowledged is critical. Customers will see clear evidence of the care the City takes in responding to queries and delivering quality services. They will experience responsiveness and a proactive stance from all who work within the City. Regardless of the mechanism or platform through which the City is engaged, 44 public participation meetings were held in 2018/19, enabling our residents' voices to inform programme decisions, budget allocation and the strategic agenda for their city.

The Service Standards Charter will promote the ease of doing business within the city, enhancing efficient building plan approvals, issuing of clearance certificates and quick turn-around on resolving queries or disruptions. We have built on the success of previous year, and this year another 13 City clinics offered extended hours of service culminating to a total of 26 clinics offering extended hours of service. Five Community Substance Abuse Centres have been opened by the City, providing free assistance to drug addicts. We have seen outstanding responsiveness from the Department of Health. More residents have been initiated on treatment for HIV and TB enhancing the quality of life of all residents. The increase in percentage of children under 1-year who have been immunized is heart-warming.

The Department of Community Development out did themselves with the number of lifestyle programmes implemented, with the likes of indigenous reading programmes, social cohesion programmes through arts, culture and heritage and programmes. I am delighted with the extension of library hours in 11 libraries. We have seen a growing number of museum

programmes implemented, exhibitions, education tours, theatre attendees and visitors to our beloved Joburg Zoo.

Towards a sustainable future

The preservation of the city's resources for future generations is critical to ensure a sustainable future. This will foster economic growth, promote social and human development, make sure that there is good governance and do no harm to the environment. Johannesburg will be able to provide a clean, healthy, safe environment to our children's generation and for generations after that.

The City plays an important role in ensuring the preservation of good quality water, clean air, the management of land, and ensuring by-law enforcement regarding the exploitation of natural resources. To this end, the City recently won the prestigious Waste Pickers Integration in the Municipal System 2019 award, which recognises local and metropolitan cities that have excelled at all levels of sustainable development.

Encouraging innovation and efficiency

The development of innovative small businesses, and the creation of access to market opportunities is critical. The City's Smart City programme will link its capabilities and create a better-performing government. Partnerships with knowledge partners, technology companies, research institutes and universities that are at the forefront of research and development are being set up, and improved service delivery will take place through real-time monitoring, information management, and optimal management of resources.

The revised draft Smart City Strategy will promote citizen centric smart citizens, smart efficient services, safe city and sustainable, liveable & resilient city through a living lab approach – promoting an environment of innovation and flourishing of new practical ideas and solutions by citizens, especially young people, by promoting, piloting, and demonstrating new solutions.

These performance highlights are evidence of a municipal workforce that is committed to making real change in the lives of City's communities. In 2019/20 the City will continue placing significant emphasis on bringing real change to residents, targeting improving the quality of infrastructure through increased access to housing; expanding sites and services; basic urban management; Inner-City revitalisation; concerted revenue collection; sustainable funding of capital projects; correct billing; and fighting crime and corruption. The City will upscale its smart City initiatives to ride on the 4th industrial revolution.

In conclusion, let me thank the Executive Mayor, Members of the Mayoral Committee and other political leadership for their support over the past financial year. The Speaker of Council, Section 79 Committees and the City's Advisory Committees which continue to play critical roles in supporting and monitoring delivery in the City.

On the administrative side, I am grateful to the Chief Operations Officer, Group Chief Financial Officer, Group Heads, Cluster Conveners, Executive Heads, Boards of Directors, Managing Directors and the entire staff of the City and its entities for their support in ensuring effective service delivery and the achievement of the City's goals, especially in so far as they related to ongoing clean governance and building a professional civil service.

As we continue to emphasise in all our programmes and projects, we aim to establish an honest, responsive and customer-centric government; that listens to the people and prioritises their needs. The 2018/19 financial year has seen significant progress in this regard, and I remain committed to our leadership's goals of delivering services to the people of Johannesburg and ensuring that we always put the residents of our city first.

Dr Ndivhoniswani Lukhwareni

City Manager

Statement by the City Manager, Dr Ndivhoniswani Lukhwareni

COMPONENT A: MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 The City's strategic direction

The City has developed a series of strategic plans that will respond to, and achieve, the City's outcomes and vision in addressing its challenges. These include:

- Long-term plans in the form of the Growth and Development Strategy (GDS);
- Medium-term planning i.e. the City's regular five-year Integrated Development Plans (IDP); and
- Short-terms plans which are contained in the annual Service Delivery and Budget Implementation Plan (SDBIP) and annual IDP reviews, as well as in the annual business plans of departments and municipal entities.

The long-term strategy identifies five key growth and development outcomes for the City:

1. A growing, diverse and competitive economy that creates jobs;
2. An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development;
3. Enhanced, quality services and sustainable environmental practices;
4. Caring, safe and secure communities; and
5. An honest, transparent and responsive local government that prides itself on service excellence.

In addition, nine strategic priorities were identified as key for this term of office. These are detailed in the figure below.

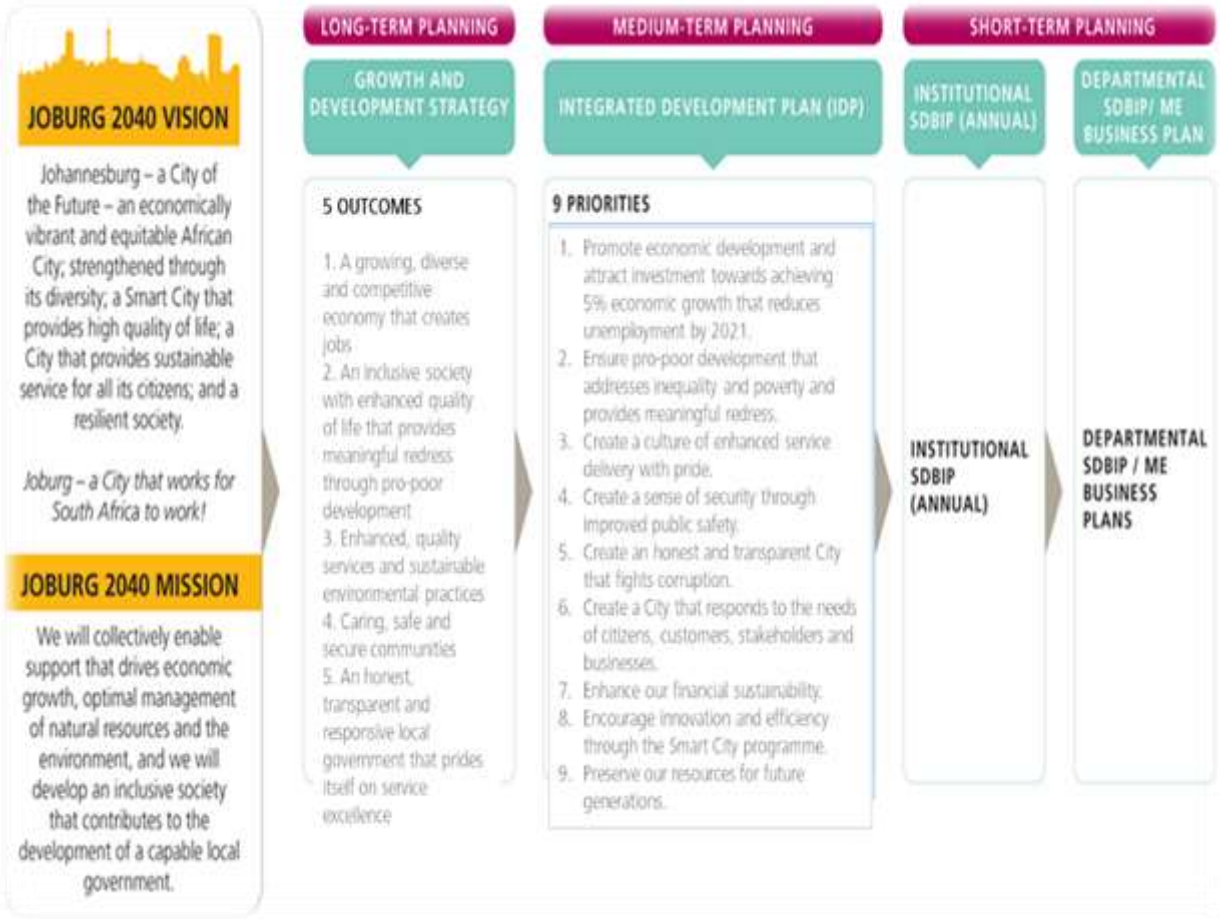


Figure 1: CoJ Strategic planning

1.2.2 Socio-Economic Overview of Johannesburg: A Growing City

The City of Johannesburg is a vibrant and culturally rich city, but one that struggles with the typical challenges associated with developing countries. The rapid urbanisation experienced by many cities in the developing world means that faster population growth rates often contribute to large-scale urban poverty, housing shortages, infrastructure backlogs and environmental degradation. The City of Johannesburg recognises these challenges and is committed to making real change to improve the lives of our residents. In addressing these challenges, it is first necessary to understand the situation we are dealing with.

1.2.3 Demographics and Population

Johannesburg is home to about 5.5 million people, making it the biggest metro by population size in South Africa. The metro also prides itself as the economic and financial hub of the country. In 2018, the city housed nearly 10% of South Africa's total population. The largest

share of Johannesburg's population, about 40%, is within the young working age (25-44 years) category (see Figure 2 below). Relative to the national population, Johannesburg has a significantly larger share of the working age population between 25 and 49 years old. This is because many young people migrate to Johannesburg looking for better opportunities. This implies that the City of Johannesburg has a major task towards job and employment creation.

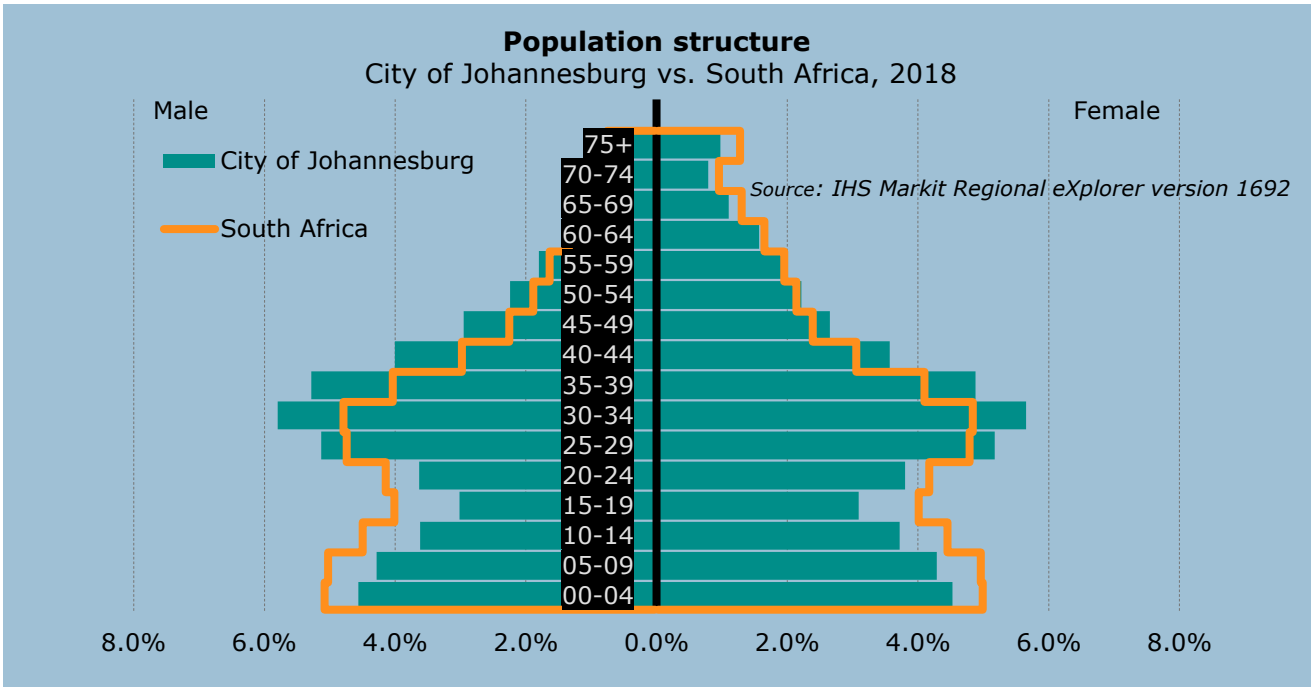


Figure 2: Age structure of CoJ population

Between 2008 and 2018 Johannesburg's population grew at an average of 2.91% per annum which is nearly double the growth rate of South Africa as a whole (1.56%). The number of households is growing at an even faster rate than that of the population. There are around 1 850 000 households in Johannesburg with approximately 3 individuals per household. In many ways this rapid urbanisation is a sign of success – people move to Johannesburg because of the economic opportunities that the City offers; at the same time this expanding population brings challenges as it can put a strain on service infrastructure and needs. In the next five years the city is expected to continue growing at an annual average growth rate of 1.8%. However, with the right support systems in place, this growing economically active population can be a strong resource, strengthening the stability and sustainability of Johannesburg.

1.2.4 Unemployment

The negative side of a fast growing, young population is that unemployment in the city has increased by 1% since last year. In May 2019, the Quarterly Labour Force Survey indicated that the overall, unemployment levels, using the narrow definition was 29.8% while the broader definition of unemployment was at 31.7%. The CoJ recognises that a large youth (18-35) population also has great potential. As such the City is committed to fostering skills and entrepreneurship opportunities among the youth. A fundamental contributor to the structure of unemployment in Johannesburg is the structure of the Johannesburg economy which tends to be specialised and highly skilled.

1.2.5 Structure of Johannesburg Economy

Johannesburg's finance sector enjoys a comparative advantage over the national economy and most of Johannesburg's Gross Value Add (GVA) is concentrated in this sector (28.1%). The second largest contributor is the community services sector which includes government services, at 24.7%, followed by the trade sector with 14.7%.

In the future, the transport sector is expected to grow fastest at an average of 2.80% annually. It is anticipated that mining will be the slowest growing sector with negative growth rate of -0.85%. The finance sector is estimated to remain the largest sector with a total share of 33.3% growing at an average annual rate of 2.7%. The Johannesburg economy therefore needs to be well placed and SMART to capitalize on business, information and communication technologies.

The City of Johannesburg contributes14.91% of the Gross Domestic Product (GDP) of South Africa. Formal employment accounts for 83.54% of total employment figures in the city. Informal sector account for 16.46% of total employment. Over the past decade, employment through the informal sector has seen an average grown rate of 5.6%.

1.2.6 Poverty and Inequality

In 2018, the City of Johannesburg had a Human Development Index (HDI) of 0.724 which is better than that of South Africa generally, which sits at 0.654. HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. Over the past decade the city has seen a slow but steady improvement in

HDI. Similarly, the Gini coefficient of the city, a measure of income inequality, moved from 0.64 in 2008 to 0.62 in 2018.

Despite these developments, Johannesburg continues to struggle with high levels of inequality, poverty, social exclusion and underdevelopment. In 2018, about 45% of the city's population lived in poverty. These issues are exacerbated further because many people live in informal conditions with poor access to basic services with long and costly commutes as a result of the city's apartheid spatial planning.

Johannesburg has an inequality and poverty challenge and the ability of the City of Johannesburg to drive a pro-poor agenda depends primarily on sustainable economic growth and a re-distribution of the benefits of growth. Given the rate of the population growth and high structural unemployment, stronger economic growth is required to deal with the challenge of poverty. The city needs to grow economically, in order to create jobs and take care of its social obligations for those who may not be in economically viable situations. The likely effect of high sustained in-migration patterns and population growth is that the growth in demand for jobs and services far outpaces the number of jobs and infrastructure available thereby putting pressure on the service.

In 2018/19, the strategic focus of the City has been to create transformative change that makes a real difference for the residents of Johannesburg. This is what we call *Diphetogo*. The key to accelerating change is narrowing focus to the most critical needs of the City. These include economic growth and job creation; infrastructure development including repairs and maintenance; housing; and public safety. *Diphetogo* demands that the City ensures residents and stakeholders of Johannesburg experience exceptional service coupled with transparent governance and an enabling economic environment.

COMPONENT B: STATUTORY ANNUAL PROCESS

1.3 Business planning and reporting process

1.3.1 Legislative Requirements

Section 25 of Municipal Systems Act (MSA) states that municipal councils must “within a prescribed period after the start of its elected term, adopt a single inclusive and strategic plan for the development of a municipality”.

Section 28 of the MSA further states that “a municipality must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan”.
In addition, Section 40 of the MSA states that “a municipality must establish mechanisms to monitor and review its performance management system”.

Section 21 of the Municipal Finance Management Act (MFMA) requires the Mayor to coordinate processes for preparing the annual budget and reviewing the IDP and budget-related policies to ensure that these are mutually consistent and credible. MFMA further states that "at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget".

1.3.2 Management of the Process Plan

Section 30 of the MSA: "the executive committee or executive mayor must, in accordance with section 29 [of the Act], manage the drafting of the integrated development plan, assign responsibilities in this regard to the municipal manager, and submit the draft plan to the municipal council for adoption".

Three (3) core structures form an integral part of the management of the IDP process plan, namely:

1. City Manager (IDP Manager) (EMT);
2. Integrated Planning Committee (Strategic Management Support); and
3. Public Consultation Process.

These structures are required to play a key role throughout the implementation of the process plan. The below table details the various structures with their roles which are responsible for the development of the IDP process plan.

Table 1: Structures responsible for the IDP process plan

Structure	Key Roles
IDP Public Consultation	1. Ensures and encourages public participation in the IDP process 2. Represent the interests of communities. 3. Provide a mechanism for discussion, negotiation and joint decision-making. 4. Ensure proper communication between the City and its stakeholders (sectors). 5. Monitor the performance of the planning and implementation process.
Integrated Planning Task Team	1. Provide strategic support in the management and coordination of the IDP process plan. 2. Determine mechanisms for ensuring vertical and horizontal alignment of key programmes and projects with the City's strategic direction. 3. Make inputs into and contribute to the crafting of plans and make technical recommendations. 4. Create an enabling environment for strategic dialogue, knowledge and information-sharing and peer-review.

1.3.3 Planning Cycle/Phase

The below figure outlines the different stages in the planning cycle of the city of Johannesburg as the City streamline planning process.

Figure 3: Planning cycle

1.3.4 Integrated Planning Process

The IDP and Budget process plan are critical planning documents that seek to improve efficiency, decision making and effective planning. The process plan outlines the institutional arrangements in terms of the management of the IDP and budget process plan (including roles and responsibilities); a time schedule indicating the various phases and respective timeframes; and public participation mechanisms.

Table 2: Integrated Development Plan and Budget timelines:

Legislative Action	Legislative Requirement	Date
Approval of the IDP and Budget Process Plan by Council	Table the IDP and Budget time schedule at least 10 months before the start of the financial year. This should outline key deadlines for the development of the IDP and annual budget of the municipality.	31 August 2019
Submission of proposed Municipal Entity (ME) budgets	ME proposed budgets must be submitted to the shareholder at least 150 days before the start of the financial year. If necessary, a revised budget must be submitted to the shareholder not later than 100 days before the start of the financial year.	31 January 2020; 20 March 2020

Legislative Action	Legislative Requirement	Date
Tabling of the Medium-Term Budget, IDP, Tariffs and the Institutional Service Delivery Budget Implementation Plan (SDBIP)	The Mayor of the municipality must table an annual budget at a Council meeting at least 90 days before the start of the financial year. This must include supporting documentation such as the IDP, Tariffs and the Institutional SDBIP (Section 17 of the MFMA).	31 March 2020
Approval of Municipal Entities' business plans and budgets by Boards	The Board of Directors of MEs must approve ME budgets at least 30 days before the start of the financial year.	31 May 2020

The table below illustrates the key milestones followed for City's strategic planning processes,

Table 3 Key milestones and processes for the integrated development plan and budget timelines

Key Milestones and Processes	Timeframes
Integrated Planning Committee Workshop	27 July 2018
Consideration and incorporation of GAC, GPAC and EMT comments onto the Annual Report	27-31 August 2018
Submission of the Draft Annual Report (including financials) to Auditor General	31 August 2018
Executive Management Team Lekgotla	17-18 September 2018
Mayoral Lekgotla	28-29 October 2018
IGR Workshop	October 2018
Technical Budget Steering Committee panel workshop	02 November 2018
Technical Budget Steering Committee	21-24 November 2018
1st draft Business Plan submission	07 December 2018
Submission of the Mid-year Review (Deviation)	12 December 2018
GAC and GPAC Mid-year Review	09 January 2019
Budget Steering Committee	11-16 January 2018
EMT Budget Lekgotla	24-25 January 2019
Budget Mayoral Lekgotla II	15-16 February 2019
Mid-year Review to Council	21 February 2019
Distribution of the tabled Integrated Annual Report for public comment	01 – 26 February 2019
Finalisation of Group Integrated Report	March 2019

Key Milestones and Processes	Timeframes
Tabling of the City's draft 2018/19 IDP Review, Budget, ME Business Plans and the Service Delivery, Budget Implementation Plan (SDBIP) and Tariffs for Public comment	15 March 2019
IDP and Budget Outreach process	March – April 2019
Special GPAC meeting to consider IDP, Budget, Business Plan and Tariffs	5 April 2019
Approval of the City's 2018/19 IDP Review, the Midyear Budget and Tariffs	24 May 2019
Approval of ME Business Plans and the Institutional Service Delivery, Budget Implementation Plan (SDBIP)	21 June 20219

1.3.5 Annual Report Timeline

The below table outlines the various activities by different structures in the compilation of the annual report as well as the timelines for each activity per legislative requirements.

Table 4: Integrated annual report timelines

Activity	Provision	Key Dates
Submission of Draft Group Annual Report to Auditor General for auditing	MFMA Section 126(1)(a)	30 August 2019
Submission of Final Group Annual Report to Auditor General for auditing	MFMA Section 126(1)(a)	30 September 2019
Receipt of Auditor General's Regularity Audit of the CoJ for the Year Ended 30 June 2018	MFMA Section 126(3)(b)	December 2019
Noting of Annual Report by Mayoral Committee	MFMA Section 127(2)	January 2020
Tabling of Group Annual Report to Council	MFMA Section 127(2)	31 January 2020
Tabling the Annual Report to Auditor-General, Provincial Treasury and Gauteng Department of Local Government and Housing	MFMA Section 127(5)(b)	31 January 2020
Tabling the Annual Report to the Municipal Public Accounts Committee for oversight and Speaker's Office for public participation	MFMA Section 127(5)(a)	31 January 2020
Oversight of the annual report by MPAC	MFMA Section 127(5)(a)	01 February 2020-30 March 2020

Activity	Provision	Key Dates
Invitation of public comments on Annual Report	MFMA Section 127(5)(a)	01 February 2020 to 15 February 2020
Consideration of public comments by Council and formulation of oversight report	MFMA Section 129	16 February to 15 March 2020
Consideration and adoption of final Annual Report and Oversight Report by Council	MFMA Section 129(1)	29 March 2020
Submission of final Annual Report and Oversight Report to Auditor General, Provincial Treasury and Gauteng Department of Local Government and Housing	MFMA Section 129(2)(b)	31 March 2020
Publication of final Annual Report on the website	MFMA Section 129(3)	31 March 2020

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINIISTRATIVE GOVERNANCE

2.1 Introduction to Political and Administrative Governance

The City of Johannesburg Metropolitan Municipality is a Category A Municipality in South Africa, as defined in the Municipal Structures Act, Act No. 117 of 1998, as amended. In line with having a well-defined politically governed system, the municipality upholds the principles of a well governed administrative system. At the heart of a well-governed administration, lies the principles of King IV on Good Corporate Governance. These principles are not only adopted at ME level, but equally applies to the departments that form the Core administration of the Group.

The City's governance model mirrors National and Provincial government, as is made up of the executive and legislative functions. The legislative function is the political administration or Council, led by the Council's Speaker and holds monthly meetings to discuss Council matters. The Executive arm comprises the Mayoral Committee, chaired by the Executive Mayor, as well as an administrative function led by the City Manager (CM).

The key role of Council is to focus on legislative, participatory and oversight roles. Council delegated its executive function to the Executive Mayor and the Mayoral Committee. Its principal role is that of a policy-maker. The municipal council is mandated with the role of formulating and approving by-laws, approving policies and programmes which will be in the best interest of the public. It also debates issues publicly, facilitates political debate and discussion and plays an oversight role in the municipality.

The figure below depicts the governance model adopted by the City.

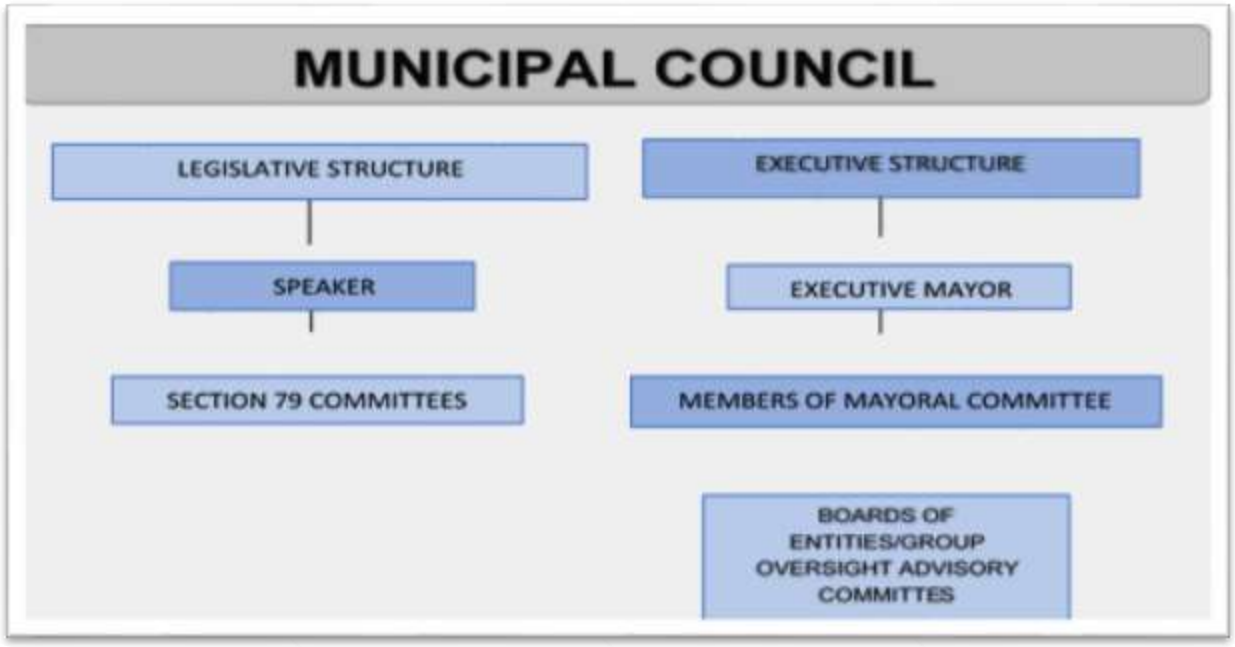


Figure 4: Legislative and Executive composition of the City of Johannesburg

In relation to the structures in the municipality, delegations of authority are schematically depicted in the figure below. The Executive arm of the municipality is headed by the Executive Mayor who is responsible for performing functions and exercising powers delegated by the municipal council. The administrative arm, led by the City Manager, is responsible for ensuring administrative performance in the rendering of services to the public.

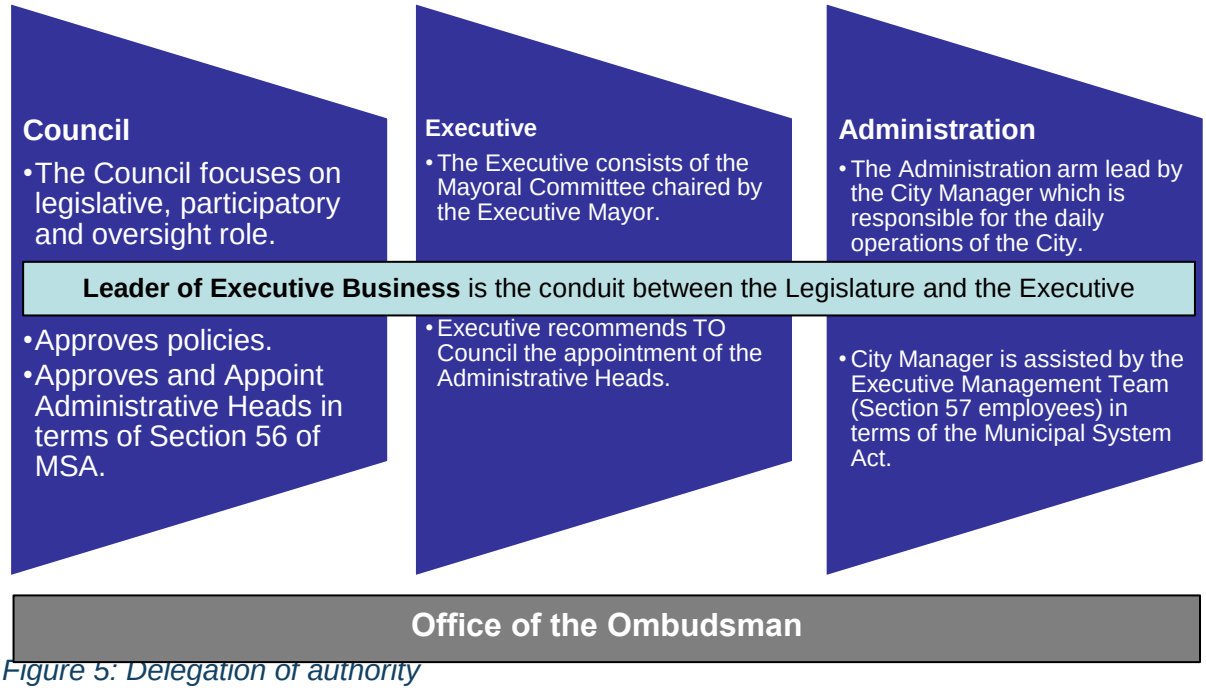


Figure 5: Delegation of authority

2.1.1 Political Governance

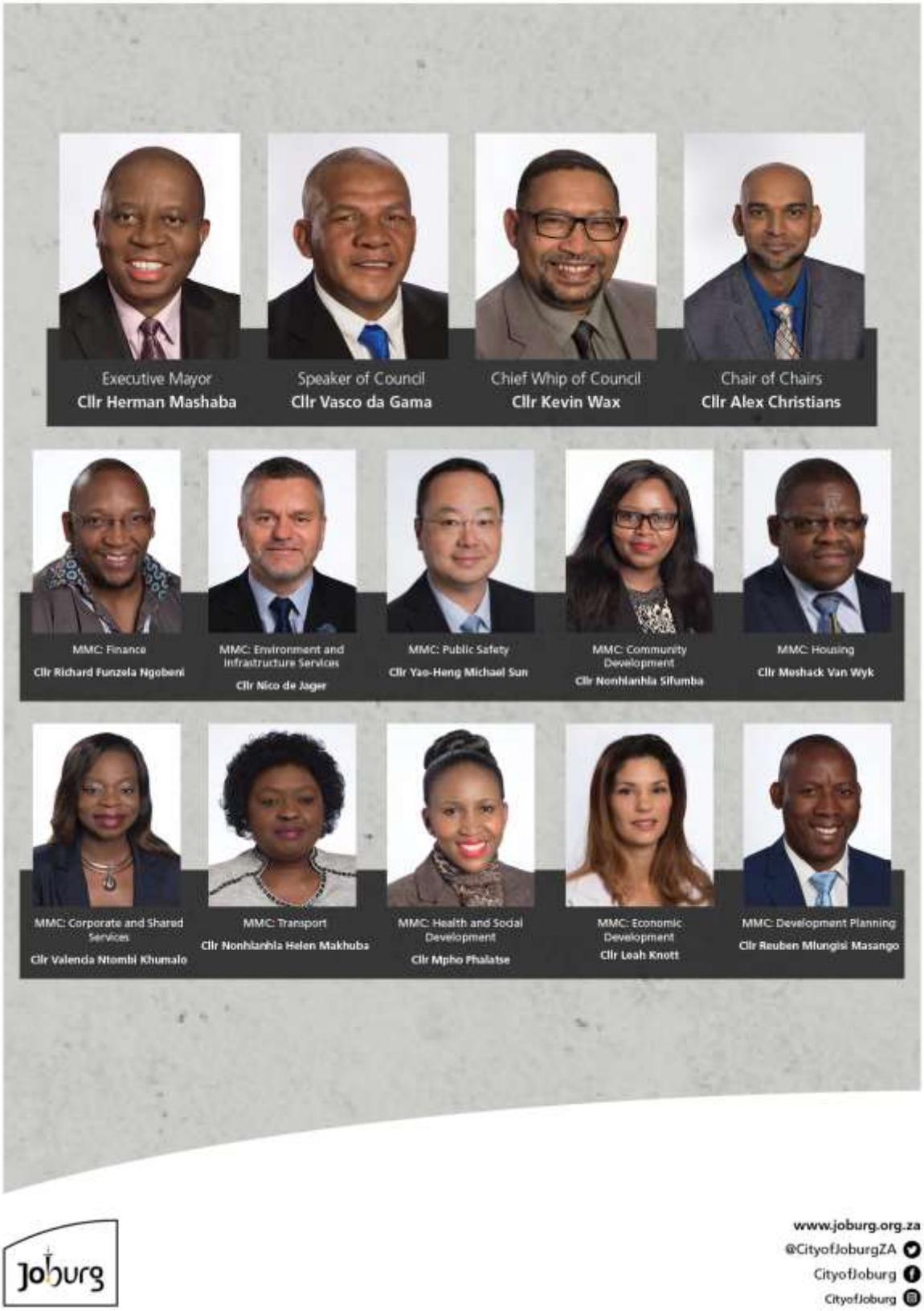
Politically, the City was led by DA working with coalition partners, consisting of IFP, ACDP, UDM, COPE, VF+, and Al Jama-ah, supported by EFF in 2018/19. Council, with both legislative and executive functions, remain the main decision-making political governance structure of the City. The Administration is responsible for service delivery and regulation. The City uses Municipal Entities (MEs) as implementation arms, creating focussed, specialised and non-bureaucratic processes. There are also regional structures that monitor service delivery and citizen care, which evaluate service delivery on the ground. They provide a link between the City, its citizens and other stakeholders.

To further entrench good governance and accountability, the City is operating on the separation of powers model framework, whereby the Executive is separated from the Legislative arm of Council to promote oversight; accountability and public participation. This model mirrors that of provincial and national Parliament, and is achieved through the delegation of legislative and executive functions of Council to the legislative and executive arms, respectively.

Service delivery implementation and policy issues such as Integrated Development Planning and tariffs, are delegated to the Executive (led by the Executive Mayor). Legislative functions are delegated to Council and its committees and these include oversight and public participation. The latter is fundamental to the successful delivery of services, accountability and public consultation in local government.

The City established independent oversight committees, including the Municipal Public Accounts. Committee (MPAC), and boards for its municipal entities. These committees enable improved political and administrative oversight, as well as greater scrutiny and increased accountability within Council and its entities. This improved oversight and scrutiny has helped to improve the levels of clean governance in the City, as well as the levels and intensity of citizen engagement through processes of consultation and communication. The role of MPAC through conducting oversight on the City’s Annual Report has undoubtedly improve accountability, transparency, economical, effective and efficient use of public resources in executing municipal functions giving effect to service delivery.

POLITICAL STRUCTURE



Councillors

As of August 2016, after the municipal elections, the City of Johannesburg Municipal Council increased to a total of 270 Councillors. This total number of councillors is divided into (a) 135 ward councillors who have been elected by first-past-the-post voting in 135 wards; and (b) 135 councillors elected by Proportional Representation (PR) from party lists (so that the total number of party representatives is proportional to the number of votes received).

Ward councillors have more local responsibilities, including chairing ward committees in their wards, to raise local issues, commenting on town planning and other local matters in their ward, and liaising with local ratepayers' and residents' associations. PR councillors are usually allocated to more political tasks within their party structures and within the City of Johannesburg.

Political Decision-Taking

Council is the main decision-making political structure in the City of Johannesburg Metropolitan Municipality. The Executive reports quarterly to Council on the implementation of passed Council resolutions. The respective Section 79 committees conduct oversight on the implemented resolutions and report back to Council. Based on the recommendations of the Section 79 committees, Council may pronounce on the implementation of the Council resolutions by the Executive. Between July 2018 and June 2019, Council passed a total of 1435 resolutions. The table below captures the resolutions taken in each Council meeting:

Table 5: Council meeting held for 2018/19 and total resolutions

Council meeting	Number of resolutions
25th Ordinary Council meeting: 30 August 2018	67
26th Ordinary Council meeting: 26 September 2018	112
26th Ordinary Council meeting: 27 September 2018	199
27th Ordinary Council meeting: 31 October 2018	227
28th Ordinary Council meeting: 28 November 2018	96
28th Ordinary Council meeting: 29 November 2018	44
29th Ordinary Council meeting: 30 January 2019	31
30th Ordinary Council meeting: 21 February 2019	60
31st Ordinary Council meeting: 14 March 2019	320
32nd Ordinary Council meeting: 28 April 2019	38
33rd Budget Speech Council meeting: 22 May 2018	0
34th Debate on the Budget Speech Council meeting: 24 May 2019	36
35th Ordinary Council meeting: 13 June 2018	205

Council meeting	Number of resolutions
TOTAL COUNCIL DECISIONS	**1 435**

2.1.2 Administrative Governance

The City of Johannesburg Metropolitan Municipality, as is the case in the National and Provincial Government, is made up of a Legislative arm (the Council); an Executive arm (consisting of the Executive Mayor and the Mayoral Committee); and an administrative arm.

Council

The main responsibility of Council is legislative, oversight and public participation. Council executive functions are delegated to the Executive Mayor and the Mayoral Committee. Council provides a critical platform for debate and discussion. More importantly, Council passes resolutions on behalf of the municipality.

As per the Section 160(2) of the Constitution, the City of Johannesburg Metropolitan Council has sole power to approve by-laws, City policies, the Integrated Development Plan, tariffs for rates and service charges, and the City's annual budget. Its delegated powers also include the power to appoint a Building Control Officer in terms of Section 5 of the National Building Regulations and Building Standard Act.

Further to its power to take decisions on service delivery agreements in terms of Section 76(b) of the Municipal Systems Act; the Council also champions good governance and accountability by exercising its oversight function over the Executive Mayor and the Mayoral Committee through the various Section 79 committees.

Structure of Council

The City of Johannesburg Council is made up of 270 councillors representing various political parties, as follows:

Table 6: Structure of the Council

Party	Ward	PR	Total	%
African National Congress	84	37	121	44.4
Democratic Alliance	51	53	104	38.4
Economic Freedom Fighters	0	30	30	11.1
Inkatha Freedom Party	0	5	5	1.7
African Independent Congress	0	4	4	1.5
Freedom Front Plus	0	1	1	0.3
African Christian Democratic Party	0	1	1	0.3
Al Jama-ah	0	1	1	0.2
United Democratic Movement	0	1	1	0.2
Congress of the People	0	1	1	0.2

The primary responsibility of councillors, an in particular ward councillors, is to represent the needs and interests of their constituents. They are further responsible for building community involvement, with ward committees playing an important role in providing information on the needs and interests of local communities and ensuring that public voices are heard. The Council debates local government issues - involving both policy and by-laws - and proposals are ratified or rejected. There are various structures dealing with the wide-ranging tasks of Council and the below sections attempt to explain each structure and its role:

The Speaker of Council

The role of Speaker of Council mainly includes:

- Presiding at meetings of the Council;
- Performing the duties and exercising the powers delegated to the Speaker;
- Ensuring that the Council meets at least quarterly;
- Maintaining order during meetings;
- Ensuring compliance by councillors with the Code of Conduct; and
- Ensuring that Council meetings are conducted in accordance with the rules and orders of the Council.

The Chief Whip of Council

The main role of the Chief Whip of Council is to maintain cohesion within the governing party and to build relationships with other political parties. Other tasks include:

- Making sure that each of the political parties are properly represented on the various committees;

- Maintaining sound relations between the various political parties; and
- Attending to disputes amongst political parties.

Section 79 committees

The role of the Section 79 committees mainly includes:

- Exercising oversight on the performance of the Executive;
- Facilitating public participation by receiving submissions from the public on municipal matters; and
- Considering matters or investigating matters referred by Council.

Standing committees

The City of Johannesburg Metropolitan Municipality has the following standing Committees: Ethics & Disciplinary; MPAC; Petitions; Programming; and Rules Committees. Both Section 79 and Standing Committees play an oversight role and are not delegated any decision-making powers.

Table 7: Section 79 committee chairpersons

Section 79 Committee	**Chairperson**
Chair of Chairs	Cllr A Christians
Rules Committee	Cllr GK Mogale
Ethics/Disciplinary Committee	Cllr Niemand
Housing Committee	Cllr S Clarke
Petitions Committee	Cllr SD Kotze
Corporate & Shared Services Committee	Cllr J Mendelsohn
Environment, Infrastructure & Services Committee	Cllr M S Arnolds
Finance Committee	Cllr V Penning
Transport Committee	Cllr T Meyers
Economic Development Committee	Cllr FC De Lange
Community Development Committee	Cllr M P Ntuli
Municipal Public Accounts Committee	Cllr TC Nontenja
Development Planning Committee	Cllr G de Kock
Health and Social Development Committee	Cllr IM Reinten
Oversight Committee on Gender, Youth & People with Disabilities	Cllr NK Sharif

Section 79 Committee	Chairperson
Oversight Committee on Governance	Cllr S Dos Santos
Oversight Committee on the Legislature	Cllr J Maharaj
Public Safety Committee	Cllr H Masera

Ward Committees

The City of Johannesburg Municipality has ward committees in all wards. Ward committees are meant to encourage participation by the community. Each of these committees are chaired by a ward councillor and comprises 10 members. Ward committees act as advisory bodies, meaning that they make recommendations to the Council, but they do not have the power to take decisions on their own.

Leader of the Executive Business

As the result of the separation of the executive and legislative functions, the Leader of Executive Business plays a critical role in liaising between the two arms of Council. This position ensures that executive business is effectively processed to Council via the Programming Committee. The Leader of Executive Business represents the executive in the Council and the position is occupied by a Member of the Mayoral Committee (MMC).

Chairperson of Committees (Chair of Chairs)

The Chair of Chairs is elected by Council resolution. Responsibilities include overseeing and co-ordinating the work of all Council committees, except those chaired by the Speaker. He/she presides at Council meetings when the Speaker is absent.

The Executive Mayor and Mayoral Committee

The executive sphere of the municipality is spearheaded by the Executive Mayor (Cllr H. Mashaba) who is responsible for the strategic leadership of the City. The Executive Mayor performs functions and exercise the powers delegated by the municipal council and assigned by legislation. The administrative structure is spearheaded by the City Manager.

The Executive Mayor is assisted by an appointed Mayoral Committee. Each member of the Mayoral Committee is responsible for a specific portfolio within the City structure and is directly accountable to the Executive Mayor. The City's Mayoral Committee ensures that service delivery takes place, including but not limited to improving efficiency, credit controls and revenue, as well as the administration of the municipality.

The Administration

The municipal administration is led by the City Manager, who is supported by an Executive Management Team. The role of the Administrative arm is to translate policy into workable programmes and/or deliverables that are measurable. The high level Executive and Administrative structures are depicted in figures 5 & 6 below:-

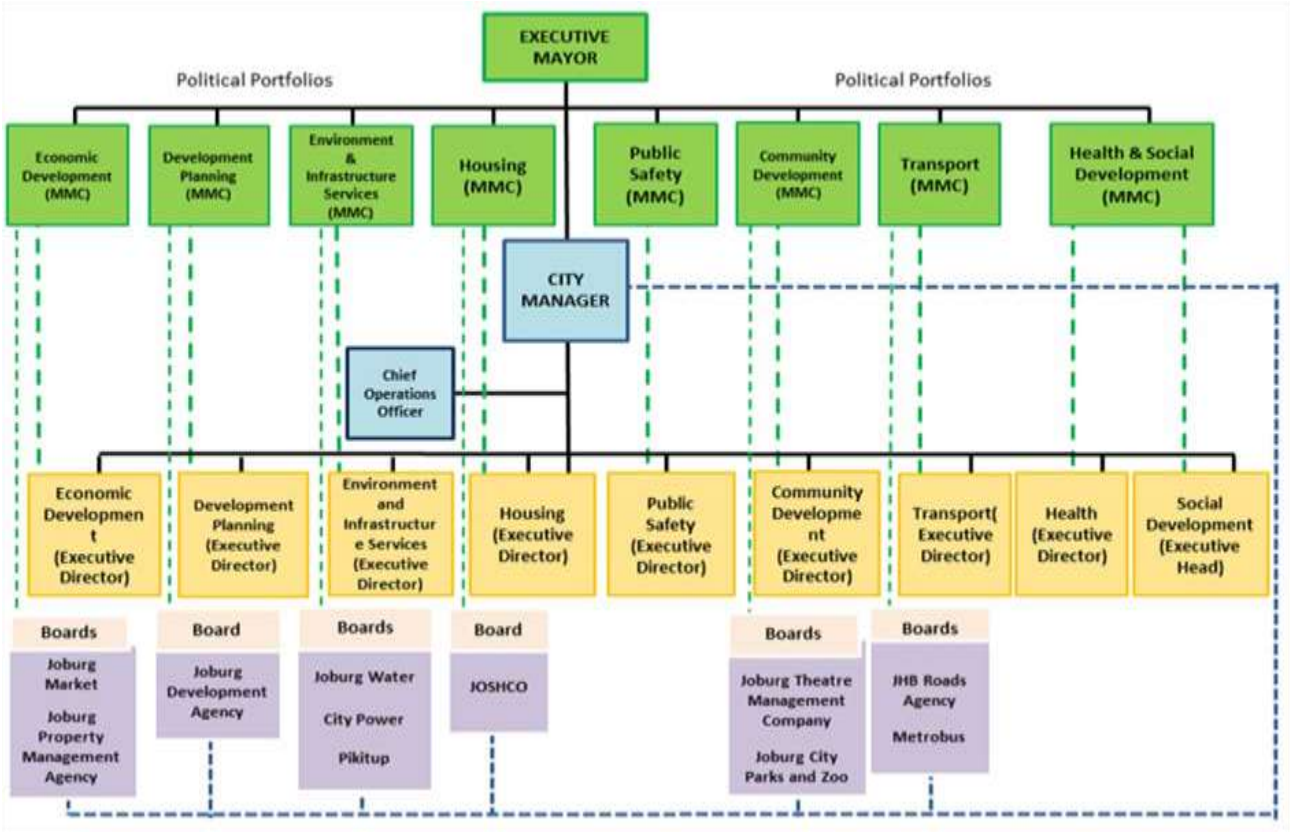


Figure 6: High level Executive & Administrative structure

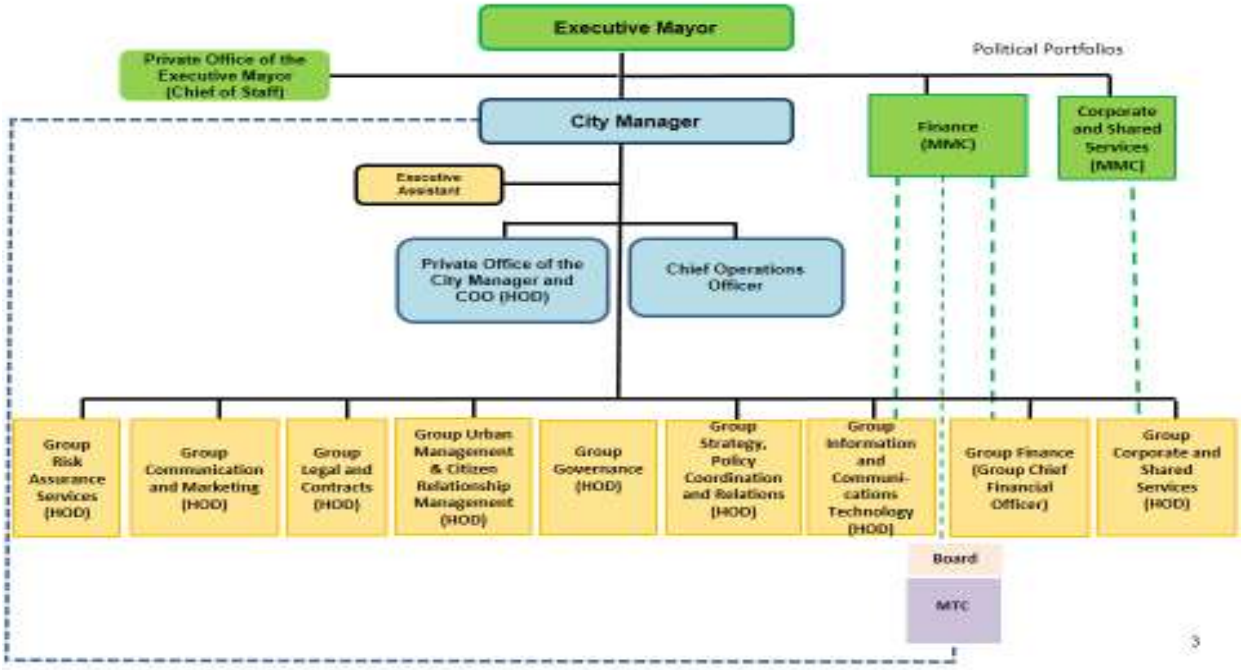


Figure 7: High level Executive & Administrative structure - Group Functions

The City Manager

The City Manager is appointed by the Council in terms of Section 82 of the Municipal Structures Act and is therefore, designated as the Accounting Officer and the Administrative Head of the City. He/she is also the Chief Information Officer of the City and is responsible for the management of the PAIA requirements. Responsibilities of the City Manager include managing financial affairs and service delivery in the municipality.

Executive Management Team

Under the leadership of the City Manager, the Executive Management Team (EMT) works to achieve the strategic objectives, as outlined in the SDBIP and IDP each year. The EMT is made up of Executive Heads, Group Heads, Managing Directors and Chief Executive Officers of the City's departments and entities.

Group Functions

The role of the Group Functions is to ensure that there is alignment and consistency in the strategic approach and implementation of the respective discipline across the entire City of Johannesburg Group i.e. both Core Departments and Municipal Entities. This is done in a manner that provides the required flexibility within the system to meet the specific needs of the Municipal Entities.

The City of Johannesburg Group Functions are:

- Group Strategy, Policy Coordination and Relations, which includes Innovation and Knowledge Management, Corporate Strategy and Research, International and Intergovernmental Relations, Integrated and Community-Based Planning, and Monitoring and Evaluation.
- Group Finance, which includes Revenue Shared Services, Treasury, Group Accounting, Core Accounting, and Supply Chain Management.
- Group Corporate and Shared Services, which includes Group Human Capital Management, Occupational Health, Safety, Environment, Logistics, Administration and Fleet Contract management, as well as Strategic and Management Support Services.
- Group Governance, which includes Committee Support, Shareholder Services and Governance.
- Group Risk Assurance Services, which includes Group Risk Services, Group Compliance and Monitoring, and Combined Assurance and Business Process Excellence and Reporting.
- Group Audit, which includes Group Internal Audit, Regulatory and Compliance.
- Group Forensic and Investigation Services which deals with investigating cases related to fraud and corruption, theft of assets, maladministration etc.
- Citizen Relationship and Urban Management which includes Citizen Relationship and Interface, and Regional Urban Management (Regions A to G).
- Group Information & Communications Technology which is responsible for the provision of Information and Communication technology.

City departments

The role of the departments in the City is to ensure that the operations of the City are executed. The City of Johannesburg departments are:

- **Department of Health:** including integrated Health Policy, Planning and Research and Public Health Services.
- **Department of Social Development**: including Integrated Social Development Policy, Planning and Research, Social Benefits programmes and the Food Resilience Project Office.

- **Department of Community Development:** including Integrated Community Development Policy, Planning and Research, Arts, Culture and Heritage programmes and Sport and Recreation programmes.
- **Department of Public Safety:** including Emergency Management Services, Johannesburg Metropolitan Police and Licensing**.**
- **Department of Housing**: including Integrated Housing Policy, Planning and Research and Human Settlements programmes.
- **Department of Transportation:** including Integrated Transport Policy, Planning and Research, Transport Transformation and Economic Mobility.
- **Department of Environment and Infrastructure Services (EISD**): including Resource Sustainability Policy, Planning and Research, Integrated Infrastructure Planning and Coordination and Environmental Protection and Resilience.
- **Department of Economic Development**: including Economic Development Policy, Planning and Research and Economic Development Facilitation**.**
- **Department of Development Planning:** including Land Use Development Planning, Building Development, and Corporate Geo-Informatics.

Group reporting processes

Reporting flows as outlined in the section below, i.e. from the entities and departments up to the Council where applicable.

Group reporting processes

The reports in City-wide, flows as outlined in the section below, i.e. from the entities and departments up to the Council where applicable.

Figure 8: Group Reporting Process

Group audit opinions

The focus on good corporate governance and activism of the shareholder has assisted the City in obtaining unqualified audit opinions over the past seven financial years. A lot of improvement is still required to achieve the required audit outcomes, such as having clean audit outcomes for most of the municipal entities.

Table 8: Three -year on audit opinions

ENTITY	2016/17	2017/18	2018/19
CoJ Group	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
City Power	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
Joburg Water	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
Pikitup	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
JOSHCO	Unqualified audit with no material findings (Clean audit)	Unqualified with material audit findings	Unqualified with material audit findings
JCT	Unqualified audit with no material findings (Clean audit)	Unqualified audit with no material findings (Clean audit)	Unqualified audit with no material findings (Clean audit)

JCPZ	Unqualified audit with no material findings (Clean audit)	Unqualified audit with no material findings (Clean audit)	Unqualified with material audit findings
JRA	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
JPC	Unqualified audit with no material findings (Clean audit)	Unqualified audit with no material findings (Clean audit)	Unqualified with material audit findings
JDA	Unqualified audit with no material findings (Clean audit)	Unqualified audit with no material findings (Clean audit)	Unqualified audit with no material findings (Clean audit)
Metrobus	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
Joburg Market	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
MTC	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings

Group advisory oversight committees

Group Advisory Committees have Terms of Reference (ToRs) that assist them in delivering their legislative and advisory mandates. The ToRs are reviewed annually by the committees and recommended to the Mayoral Committee for approval.

Table 9: Advisory committee and meetings held

Advisory Committee	Number of meetings
Group Audit Committee	6
Group Performance Audit Committee	7
Group Risk Governance Committee	3

Group Audit Committee (GAC)

In terms of Section 166 of the MFMA, the GAC is established as an independent oversight and advisory body to advise the City, Council, Mayoral Committee, Accounting Officer and the management, as well as the municipal entities on matters relating to:

- Internal financial control and internal audits;

- Risk management;
- Accounting policies;
- The adequacy, reliability and accuracy of reporting and information;
- Performance management and evaluation;
- Effective governance; and
- Any other issues referred to it by COJ or Mayoral Committee.

GAC primary role is to provide oversight with respect to the financial control environment of the City of Johannesburg and to advise the Mayoral Committee in this regard. The GAC is tasked with *inter alia,* the approval and monitoring of Internal Audit and the Audit Strategy, the review and recommendation for adoption of the Annual Financial Statements (AFS) of the City to Council, and providing reasonable assurance within the Combined Assurance Framework on the adequacy and effectiveness of the CoJs Internal Control Environment as well as the CoJ policies and procedures in this regard. The table below refers to composition of Group Audit Committee.

Table 10: Group Audit Committee composition

Member Name	Qualification
Nalini Maharaj (Chairperson)*	LLB; B. Proc; Course in Financial Accounting Public Entities
Nala Mhlongo (Chairperson)**	CA (SA); CGMA; ACMA; Advance Certificate in Tax
Zola Fihlani**	CA (SA); Higher Diploma Tax
Sathiaseelan Gounden	Chartered Director (SA); CA (SA); Higher Diploma in Accounting (CTA); B. Compt; CSSA; Certificate in Forensic Accounting & Fraud
Karen Muthen (Cross Member)	CA(SA); MBA; LLM
Lazola Lufefe Mfenyana (Cross Member)	CA (SA); B. Compt. Hons. (Accounting); B. Com. (Accounting)
Malusi William Shezi.	MBA; CA (SA); Postgraduate diploma in Accountancy (CTA); Bachelor of Accountancy; Advanced Certificate in Auditing
Tumi Ramonotsi (Cross Member)	B. Tech. (Information Technology); N. Dip: (Information Technology); Management Advance Program (MAP)
Richard Newby**	CA (SA)
Norman Baloyi (Cross Member) **	MBA; MPhil Development Finance; MSc Electronics; MSc Electrical Engineering; CISA; CISSP; CISM

**Assumed GAC Chairperson Role on 17 April 2019*

***Members term ended 31 March 2019*

Group Performance Audit Committee (GPAC)

In accordance with the provisions of section 14(2) of the Regulations, GPAC is established as an independent oversight and advisory body to advise the City, Council, the Executive Mayor and Mayoral Committee, Accounting Officer and the management on matters relating to:

- Performance management;
- Performance evaluation;
- Compliance with the MSA and any other applicable law; and
- Any other issues referred to it by COJ or Mayoral Committee.

GPAC, amongst other responsibilities, assesses and oversees the organisational performance management system and its service delivery performance including the municipal entities. The other primary objective of the GPAC is to assist the Mayoral Committee in fulfilling its oversight responsibilities and reviewing the performance targets, as set out in the Business Plans, IDP and the SDBIP. The table below refers to the composition of the GPAC.

Table 11: GPAC Composition

Member Name	Qualification
Ayanda Phikolomzi Wakaba (Chairperson)	MBA; B. Com. Hons (Accounting Sciences); Bachelor of Commerce (Accounting); Advanced Diploma in Accounting Science
Shelmadene Petzer (Cross Member)	CA (SA); CTA
Moganambal Karen Muthen (Cross Member)	CA (SA); MBA; LLM
Phathutshedzo Lukhwareni	Bcom (Hons); Bcom (Economic, Bus Management); Certified Fraud Examiner (CFE); Certified Government Auditor (CGAP); Certified Ethics Offices (CEO); Approved ISO 31000 Risk management; Approved ISO 31000 Lead Trainer; Certified Business Continuity Specialist (CBCS)
Malusi William Shezi. (Cross Member)	MBA; CA (SA); CTA; Bachelor of Accountancy; Postgraduate diploma in Accountancy; Advanced Certificate in Auditing
Gloria Lindiwe Maqubela	LLB

Member Name	Qualification
Griffiths Zabala**	Master of Management in the Human Resources Area; B.A. Social Work, Certificate in Small, Medium & Micro-Enterprises; Diploma in Social Development,
Bheki Dladla**	MBA
Norman Baloyi**	MBA; MPhil Development Finance; MSc Electronics; MSc Electrical Engineering; CISA; CISSP; CISM
Adrian Schofield**	ACCA Part

***Members term ended 31 March 2019*

Group Risk Governance Committee (GRGC)

The GRGC is established as an independent oversight and advisory body that advises the City, Council, the Executive Mayor and Mayoral Committee, Accounting Officer and the management on matters relating to:

- Governance Risk and Compliance, corporate governance practices as per KING III and KING IV;
- Enterprise risk management;
- City wide risk profile and appetite;
- Compliance management processes;
- Information security management; and
- Any other issues referred to it by COJ or Mayoral Committee.

The City's GRGC provides oversight advisory services on matters relating to Risk Governance and Compliance as well as overseeing the Enterprise Risk Management System. The committee also ensures that all risks that might affect service delivery and the attainment of clean audits, are addressed and measures are put in place to prevent future occurrences. The table below refers to the composition of GRGC:

Table 12: GRGC composition

Member	Qualification
Reginald Thomas Haman (Chairperson)*	MBA; PDBA; GDCD; National Higher Diploma – School of Science
Tumi Ramonotsi (Cross Member)	B. Tech. (Information Technology); N. Dip: (Information Technology); Management Advance Program (MAP)
Glory Lindiwe Maqubela	LLB

Member	Qualification
Nare Thupana.	CIA; CSSA; GARP; ISACA
Lazola Lufefe Mfenyana (Cross Member)	CA (SA); B. Compt. Hons. (Accounting); B. Com. (Accounting)
Shelmadene Petzer (Cross Member)	CA (SA); CTA
Adrian Schofield**	ACCA Part 1
Khumo Shongwe**	MSc Clinical Psychology
Zola Fihlani**	CA (SA); B Compt (Hons); Higher Diploma Tax
Bheki Dladla**	MBA

**Assumed GRGC Chairperson Role on 17 April 2019*

***Members term ended 31 March 2019*

Board of Directors in the Municipal Entities

The City has ensured the stability of the Entity Boards and Group Advisory Committees in 2018/19. This was done through retaining experienced members to ensure that strategic direction is uninterrupted.

The City continued its developmental approach to capacitate the boards and Oversight Committees, where the annual rotation of seasoned members creates a balance and opportunity for new and less experienced individuals to serve with experienced members in the boards and committees. This creates an enormous platform for growth of young professionals. The focus on good corporate governance and activism of the shareholder has seen sustained and improved performance in the audit outcomes at a number of Municipal Entities as well as at core.

Role and Responsibilities of the Board of Directors

The Directors shall be appointed in accordance with the City Group Policy or any other policy determined by the Shareholder from time to time. The Board of Directors is mandated to manage the affairs and the business of the Company and is accountable to the Shareholder for compliance with the applicable legal framework. The Board shall further ensure that the Company complies with the provisions of the Companies Act, MFMA, the Systems Act and other applicable legislations, regulations and/or guidelines issued by the National Treasury and/or any other document or agreement governing the relationship between the parties.

Role and Responsibilities of the Chairperson of the Board

The Board must be led by a chairperson, who shall be independent non-executive director duly appointed in terms of the City's Group Policy. The Chairperson of the Board of the Company together with the CEO shall be the point of contact in dealings with the Shareholder unless otherwise delegated. The chairperson's responsibilities must be separate from those of management led by the CEO.

Role and Responsibilities of the CEO or MD

The Board shall in consultation with the City procure the appointment of the CEO and who shall be appointed as a full-time employee of the Company and manager of the Company's office. The CEO shall be a member of the Board and is accountable to the Board for the management of the Company. The CEO must ensure that the operations of the Company, ensuring that the Company are run effectively and effectively in accordance with the strategic decisions of the Board. The CEO shall be responsible for the day to day management of the Company and to provide the Board with accurate and relevant information provided to the Board timeously.

Term of office and removal

The term of office of each Director shall be determined by the City Group Policy or any policy determined by the City from time to time. A member may resign by giving three months' notice to the City or such notice as determined by the City from time to time. The resigning director must promptly return to the Company all confidential information and other documentation, which may have been given to him as a result of his position as director of the Company. The City shall have sole and absolute discretion to remove or recall one or more Directors of the Company without giving reason thereof.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 Intergovernmental Relations

The legislative imperative that guides the City's Intergovernmental Relations (IGR) activities is the Constitutional values of cooperative governance alluded to in Chapter 3 and subsequently expressed in the IGR Framework Act which seeks to promote cooperative governance across the three spheres of government. The City's IGR function resides within the Integrated and Community Based Planning Unit (ICBP) and this is as an acknowledgement of the collaborative role that IGR plays in the promotion of integrated planning.

The City participates in the various IGR structures that are geared towards the actualization of collaboration in the integrated planning sphere. The Provincial IGR Practitioners Forum is a useful platform to engage with the Office of the Premier for feedback purposes as well as for deliberation in terms of the plans of the provincial government. The Broad Inter-sectoral Forum is an essential platform for the provincial departments in that they present their respective annual plans to municipalities for interrogation. The forum seeks to unblock constraints relating to service delivery. Other key IGR forums in which the City participates in includes Member of the Executive Committee and Member of Mayoral Committee Forums (MEC/MMC), and the Premiers Coordinating Forum. The Cities Budget Forum is a metro specific forum convened by National Treasury to address budgeting and financial planning in the metros.

The City further continued with its participation in the programmes of structures of government. In this instance the City played a key role in the NCOP's "Taking Parliament to the People" Programme that was held in the Gauteng Province. The City's intergovernmental relations discourse also finds expression in inter-municipal relations which are geared towards information exchange and benchmarking. This manifest itself in various forms inter alia information exchange, study visits, technical expertise and mentoring. To this end the City has engaged with Nelson Mandela Bay Metropolitan Municipality, Metsimaholo Local Municipality, Modimolle Local Municipality and Greater Garden Route District Municipality.

2.3 Public meetings

Ward committees

Ward councillors are responsible for representing the needs and interests of their constituents. Linked to this is the establishment of ward committees in terms of the Local Government Act, 1998, and Section 72 of the Municipal Structures Act, 1998. These committees intend to enhance participatory democracy in local government by assisting ward councillors in carrying out their mandate. Specifically, ward committees should boost the participation of the public in the affairs of Council. They also advise and make recommendations to ward councillors on matters that are affecting the ward.

Ward committees are constituted by portfolios including Housing, Transport, Public Safety, Finance and Economic Development, Infrastructure and Services, Community Development, Health and Social Development, Development Planning and Urban Management. Meetings are held monthly to discuss issues raised within the community and to obtain feedback from the ward councillor on significant issues and decisions reached at council.

The Speaker of the Council manages the effective functioning of ward committees, in order to ensure ongoing and improved community participation in local government.

2.4 IDP Participation and Alignment

The participatory initiatives employed by the City of Johannesburg are derived from Legislation and Council policies. In line with these pieces of legislation and policies, ward councillors are expected to convene one public meeting per quarter, to communicate the IDP and Budget processes, performance management, service delivery issues and other related matters that affects the ward. The target audience is usually members of the community, NGOs, residents' associations, policing forums and various stakeholders that are active in the ward. However, most councillors due to the vastness of their wards, break their wards up into sections, blocks and zones to have smaller meetings, to reach as many residents as possible.

Other methods that are being used for public engagements include social media. The information is disseminated through these platforms to reach out to those community members who are unable to physically attend public meetings. For the 2018/19 financial year; the following IDP/Budget community engagements took place:

Cluster conversations

The City held a total of 38 regional ward-cluster community consultation sessions (Cluster Conversations) across the City's 7 Regions between 31 October 2017 and 27 November 2017. These sessions were aimed at giving feedback on the issues that were raised in the 2017/18 IDP Review cycle, as well as to inform the 2018/19 IDP Review.

Regional Summits

Eight (8) Regional IDP Summits took place in April and May of 2018. The purpose of these summits was to allow the community to engage with the draft 2018/19 IDP Review and to provide feedback on the issues raised during the Cluster Conversations. The table below details the community participation reflections during the 2018/19 IDP review process.

Table 13: Community participation reflections

Region	No. of Cluster Conversations	Attendance at Cluster Conversations	Attendance at Regional Summits	Verbal Inputs	Written Inputs
A	5	1030	220	89	289
B	3	360	101	65	118
C	6	1134	620	47	535
D	7	1413	800	148	1727
E	6	1057	220	52	172
F	4	700	110	110	208
G	7	1193	609	45	554
TOTAL	**38**	**6887**	**2680**	**556**	**3386**

102 emailed inputs were received from residents' associations and private individuals as well as well as 3000 social media comments.

COMPONENT D: CORPORATE GOVERNANCE

2.5 Risk Management

The City has affected an effective, efficient and transparent system of risk management and governance. The process is applied in strategy setting and linked to performance management system across the organisation. It is designed to identify potential events that may affect the City, and to manage such risks to be within the risk appetite. The City's Enterprise Risk Management (ERM) also provides reasonable assurance regarding the achievement of the City's strategic objectives, Mayoral Priorities and GDS 2040 outcomes. The risk governance structure, and related roles and responsibilities, is designed to ensure that risks are managed effectively throughout the City. The risks are linked to key performance indicators, and failure to manage or mitigate potential risk will have negative effect on service delivery and overall City performance as per the IDP and SDBIP commitments.

The Group Risk and Advisory department has developed a Risk Management Framework to guide and standardise risk management activities across the City. This Framework is aligned to the COSO Enterprise Risk Management Integrated Framework as well as considering the principles of the National Treasury's Public Sector Risk Management Framework, ISO 31000 and King IV Report on Corporate Governance. The Group Risk Governance Committee provides oversight on city-wide risk governance.

The risk management process if effected at the three organisational levels and has resulted in the following levels of risk registers being developed:

- City Wide Top Risk Register;
- Department and Entity Strategic Risk Register; and
- Department and Entity Operational Risk Register.

In the 2018/19 financial year, the city-wide risk assessment yielded 18 Top City-Wide Strategic Risks based on the Mayoral Priorities.

Table 14: City-wide risk assessment

RISK	RISK
1. Inability to achieve set economic growth targets (GVA 5% by 2021)	10. Inadequate ICT governance
2. Theft, fraud and corruption	11. Cyber and ICT security Threats
3. Poor employee performance	12. Deterioration of assets and infrastructure
4. Unavailability of suitable land for development	13. Non-Compliance to regulatory requirements
5. Inability to meet high increasing demand for service delivery (housing, water, electricity, transport)	14. Outbreak of communicable diseases
6. Increasing crime	15. Environmental degradation
7. Inability to secure financial sustainability	16. Inadequate stakeholder engagement
8. Inability to integrate Smart City plans and resources	17. Poor Contract Management
	18. Socio-economic ills

In accordance with the City's Governance architecture, risk management reporting plays an important role in ensuring that management and oversight structures have a handle on the risks the City is facing and that mitigating activities are carried to control the risk.

2.6 Anti-corruption and Fraud

The City established an independent Department called Group Forensic and Investigation Service (GFIS), which is mandated to implement an Anti-Fraud and Corruption Strategy. Its aim is to prevent, detect, investigate and resolve all cases reported related to fraud and corruption, theft of City's assets, maladministration, illegal connections, breach of security and hijacked properties. Reporting and investigation of relevant cases is centralised at GFIS. Anti-fraud and corruption awareness programmes are implemented to educate officials and members of communities. Furthermore, there are other programmes such as vetting and joint operations which are implemented in collaboration with other law enforcement agencies (LEAs), in order to deter crimes committed against the City. The process for monitoring the implementation of recommendations emanating from investigations, is now being intensified and is guided by the Group Audit Committee (GAC).

2.7 Supply Chain Management

In the year under review, the City introduced probity audits of significant procurements of goods and services, e.g. all tenders above R5 million. No audits are conducted on procurement of goods and services under contracts secured by other organs of state (in terms of Regulation 32 of Municipal Supply Chain Management Regulations). It is recommended that the City should consider conducting probity audits on Regulation 32 procurement in future.

2.8 By-laws

In 2018/19, the following by-laws were gazetted:

Table 15: Gazetted by-laws

BY-LAWS INTRODUCED DURING 2018/19 FY			
Item	**Revised**	**Public Participation Conducted Prior to adoption of By-Law (Yes/No)**	**By-laws Gazetted (Yes/ No)**
1	Special Rating area By-Law	Yes	Yes
2	Special Rating Area Policy	Yes	Yes
3	Air Pollution Control By-Laws	Yes	Yes
4	Air Quality Management Plan	Yes	Yes
5	Water Services By-Laws	Yes	Yes
6	Problem Properties By-law	Yes	Yes
7	Emergency Services By-law	Yes	Yes
8	Office of Ombudsman for the City of Johannesburg By-law	Yes	No
9	Waste Management By-law	withdrawn	
10	By-law relating to Dogs and Cats	Yes	Yes
11	Joburg Market By-law	Yes	No

Legal Framework for developing by-laws

In terms of Section 12(3) (a) & (b): The Local Government: Municipal Systems Act, 2000 ("the Systems Act"), "*No by-law may be passed by a municipal council unless all the members of the council have been given reasonable notice; and the proposed by-law has been published*

for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law."

Whereas Section 7(1) of the Gauteng Rationalisation of Local Government Affairs Act, 1998 ("the Rationalisation Act) provides that:

a) To make a by-law, a municipal Council must pass a resolution declaring its intention to this effect.
b) Subsection (2)(b) of the Act, the notice in which the public's comments are invited on a proposed by-law must state that:
    - comments are invited,
    - in summarized form what the by-law deals with,
    - a contact name and address where enquiries may be directed,
    - a place where copies of the by-law can be obtained,
    - where the by-law may be inspected, and
    - the period during which comments may be made which may not be less than a month and the place where comments on the by-law may be lodged.

2.9 Websites

Section 75 of the MFMA requires that a municipality places key documents and information on its website, including the Integrated Development Plan (IDP), annual report, the annual budget, adjustments budgets and budget-related documents and policies. As such the municipality's website is an integral part of its communication strategy, and if managed effectively, it will allow for easy access to relevant information, serve as a tool for community participation and improve stakeholder involvement in monitoring and evaluation of municipal performance, thereby giving impetus to the key elements of good governance, namely transparency and accountability.

Over the past performance year, it can be said that the redesigned website, which can be accessed through the domain name https://joburg.org.za/, has contributed to enhance the interactivity, transparency and openness of the municipality, which are all considered as positive values to increase citizen trust and improve citizens' perceptions about the City of Johannesburg (CoJ), and government in general. It is more user- and search-friendly, with cleaner content presentation and it boasts improved functionality, which includes:

- Social media integration and sharing of content on social media;
- Live-streaming;
- Search engine optimisation;
- Cross-browser compliance; and
- Mobile device compatibility, etc.

Apart from creating a new look and feel, over 13 000 pages were migrated from the old website. Content was edited and updated, where required, and content pages were redesigned for a fresh and cleaner presentation. The website is currently being updated on a daily basis through engagement with departments and stakeholders.

In terms of section 75(1) of the said Act, there are content shortcomings that need to be addressed by the City's senior management. Management action to ensure improved compliance by all departments, business units and entities, may include the implementation and monitoring of a website self-assessment checklist, which will give guidance to the Executive Management Team (EMT) about the financial and non-financial information and documents that should be published on the website.

To maximise the communication between the municipality and its internal and external stakeholders, the Group Communication Department is assigning pages to web officers in the City and training them on managing their web pages. Departments and stakeholders are also engaged in respect of the design of web pages, as well as the updating and maintenance of content.

The City's website is ranked amongst the top 10 high-traffic websites in the country, attracting over a million-page views per month (i.e. an average of 55 000 eyeballs per day). In 2018/2019, over 70 million website visits were recorded and as a result of continued efforts and online marketing tactics, the website reached over 12 million people.

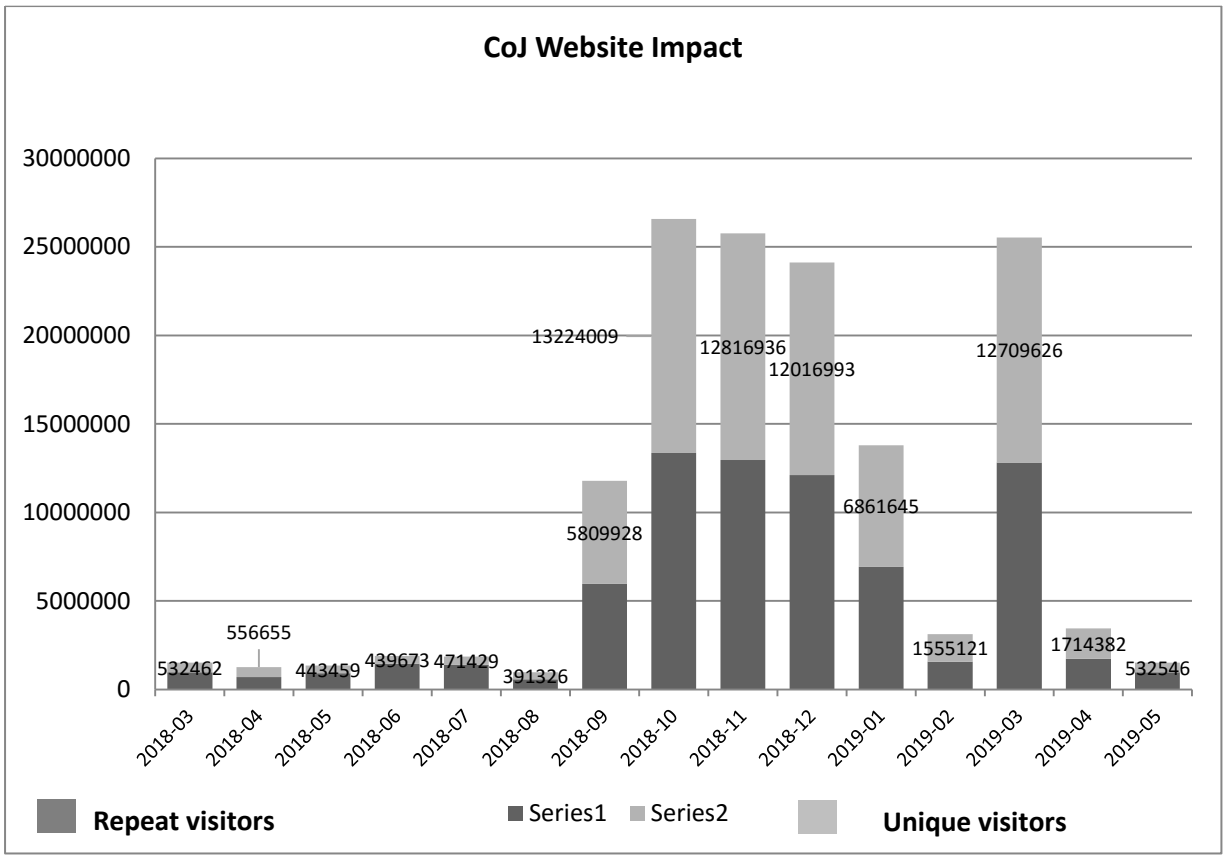


Figure 9: CoJ Website impact

As a communication tool, the redesigned website has improved social consciousness and citizen engagement by bringing the City's agenda and activities closer to the citizens. It has contributed to the improvement of services by opening dialogue with residents and using social media to drive solutions to service delivery queries.

As a media sharing platform it provides for a mixture of functionalities. For example, the new website allows users to access and share videos (YouTube), photographs (i.e. on social media), key documents, public notices, etc. The links to the City's social networks are useful for exchanging information and facilitating robust discussions about service delivery and other government matters. It can furthermore be used to send instant messages to citizens to announce municipal events through Twitter, for example, and it allows insightful perspectives on how the City's events, programmes and projects are perceived by citizens.

As an organisational learning tool, it has also improved knowledge management and will continue to transform relationships within the organisation and between different municipal entities.

The City will increasingly look at new ways of interacting with citizens to increase its own efficiency and to be more pro-active in its citizen relations. The last phase in improving interactivity on the website will include integration with the SAP CRM system. This will allow residents access to a "log-a-call" functionality for reporting service delivery failures. It is envisaged that the service will be available to residents from November 2019.

In 2018/2019 communication action was taken on a variety of fronts and the City's messages were amplified through the contents of the CoJ website. In the next financial year, the City will ensure that it maximises the value of its information by using the evolving website as a 'clearing house'1 for all information related to the City's programmes and activities in order to promote higher levels of transparency and encourage citizens to become involved in shaping their own future.

2.10 Customer Satisfaction Survey on Municipal Services

The City conducts a biennial Customer Satisfaction Survey (CSS) that aims to assess and enhance satisfaction with City services. This project offers our residents a space to express their views; and reciprocally allows the City the opportunity to show that we are listening and responding accordingly.

The CSS fieldwork was conducted from February to March 2019. Face-to-face Computer Assisted Personal Interviews (CAPI) were used to collect data from 5000 respondents across all seven regions of the City. The survey sample is representative at regional and ward level.

The overall 2019 CoJ Household Satisfaction Index is 73%. This is a significant increase in the satisfaction levels, up from 61% in 2017. The survey results show strong satisfaction, but there is still much work to do as the lower satisfaction scores are concentrated in informal areas and the inner city. The key perception areas to improve upon are customer care and public safety.

[1] An agency or organisation which collects and distributes something, especially information (Online Dictionary).

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES PROVISION

3.1 Basic Services Provision

3.1.1 Johannesburg Water: Water and Sanitation

Introduction

Johannesburg Water (JW) SOC Ltd was incorporated on 21 November 2000 and commenced business on 1 January 2001. Johannesburg Water is a municipal entity, wholly owned by the City of Johannesburg, and is mandated to provide water and sanitation services to the residents of Johannesburg. Its strategic objectives are linked to the shareholder objectives through the SDBIP and cluster plans and Johannesburg Water is assigned to the Sustainable Services Cluster. In addition, the relationship between the company and the shareholder is governed through the SDA, which is reviewed from time to time and prescribes the company's mandate. The entity provides services to an area stretching from Orange Farm in the south to Midrand in the north, Roodepoort in the west and Alexandra in the east. The entity has no competitors for the services offered, however, it should be noted that the provision of water and sanitation were ranked number one (1) and two (2), respectively in the 2018 City of Johannesburg Customer Satisfaction Survey.

The entity employs 2 716 people and functions within six (6) regions, with ten (10) networks depots and six (6) wastewater treatment plants. It supplies 1.6 billion litres per day of potable water, procured from Rand Water, through a water distribution networks of 12 288 km, 127 reservoirs and water towers, and 37 water pump stations. Wastewater is then collected and reticulated via 11 710 km of wastewater networks and 38 sewer pump stations. Johannesburg Water treats 926 Ml/day of sewer at its six (6) wastewater treatment works (WWTW), which include two biogas-to-energy plants where methane gas is converted to energy.

Significant Factors Affecting the External Environment

During the year under review, load-shedding was implemented due to limited power generation, which impacted the entire country. The impact for Johannesburg Water was that water supply was interrupted in areas where water needed to be pumped into supply towers or directly into the network.

Although the water interruption was not more than two (2) hours in most areas, challenges were experienced in the Crosby and Brixton reservoir supply areas. In these areas, load-shedding resulted in water interruptions of longer than eight (8) hours in some cases. These two reservoir complexes are linked. Water is pumped from the Crosby Reservoir to the Brixton Reservoir and then again from the Brixton Reservoir to the Brixton Tower. Since both the complexes were on the same load-shedding schedule, water could not be pumped from Crosby to Brixton and into the tower. This then resulted in the Brixton reservoir running low and once power was restored, the reservoir had to be recovered before pumping could commence into the tower. This then led to water outages of more than eight (8) hours in the tower area.

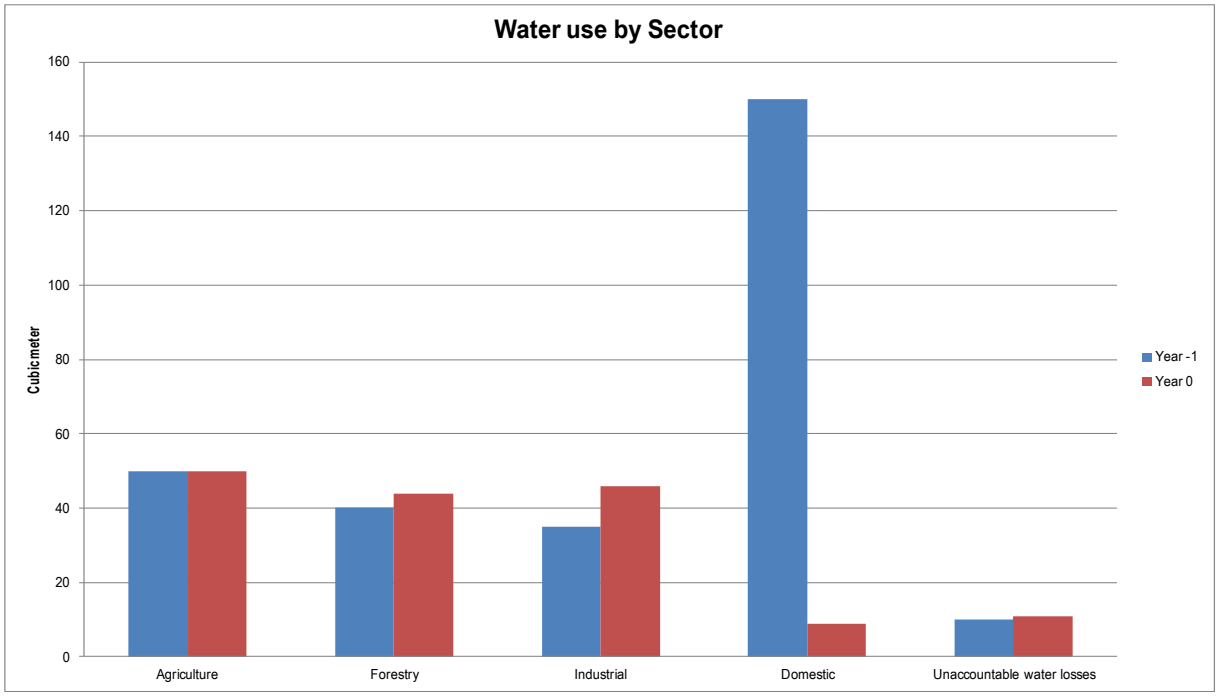


Figure 10: Water use by sector

Water provision and use

Table 16: Water Service Delivery Levels and Households

Description	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	Actual No.	**Actual No.**	**Actual No.**	**Accrual No.**
Water: (above min level)				
Piped water inside dwelling	1 292 571	1 292 571	1 292 571	1 292 571
Piped water inside yard (but not in dwelling)	52 365	52 365	52 365	52 365
Using public tap (within 200m from dwelling)	131 530	131 530	118 893	107 960

Description	2016/17	2017/18	2018/19	2019/20
	Actual No.	Actual No.	Actual No.	Accrual No.
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	1 476 466	1 476 466	1 463 829	1 452 896
Minimum Service Level and Above Percentage	100.00%	100.00%	99.14%	98.40%

Table 17: Water Service Delivery Levels Below the minimum by household

Description	2016/17	2017/18	2018/19	2019/20	Adjusted	
	Actual No.	Actual No.	Actual No	Original Budget No.	Budget No.	Actual No.
Formal settlements						
Total households	1 292 571	1 292 571	1 292 571	1 292 571	-	1 292 571
Households below minimum service level	0	0	0	0	-	0
Proportion of households below minimum service level	0	0	0	0	-	0
Informal Settlements						
Total households	183 895	183 895	183 895	183 895	-	183 895
Households below minimum service level	0	0	12 637	23 570	-	23 570
Proportion of households below minimum service level	0.00%	0.00%	6.87%	12.82%	-	12.82%

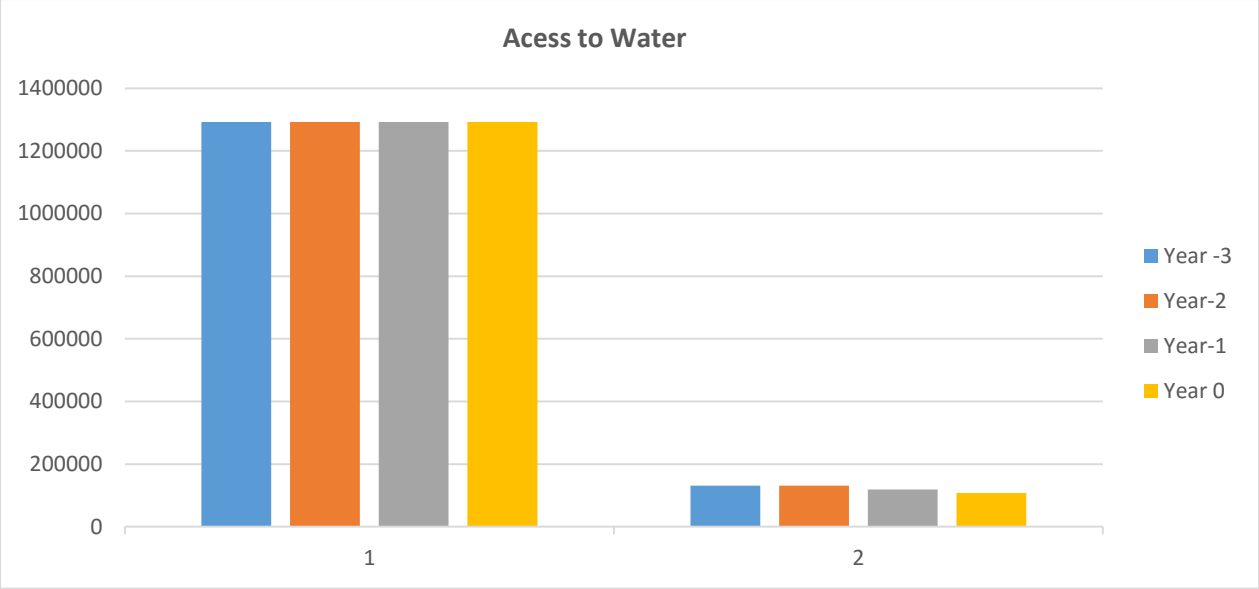


Figure 11: Access to water

*1 Proportion of households with access to water points

** 2 Proportion of households with access to piped water

*** Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month.

Water Service Policy IDP Deliverables

Table 18: Water Service Policy strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service Target(s)	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 3: Create a culture of enhanced service delivery with pride.								
Households without minimum service supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end	2290 additional HHs (31857 outstanding)	0 additional HHs (31857 outstanding)	2290 additional HHs (31857 outstanding)	8004 additional HHs (23853 outstanding)	8287 additional HHs (23570 outstanding)	10933 additional HHs (12637 outstanding)	12637 additional HHs (0 outstanding)

Employees

Table 19: Employees: Water Services

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
Professionally Qualified	15	13	21	21	0	0
Senior Technicians	288	217	231	214	17	7,36
Semi-Skilled	183	181	219	164	55	25,11
Unskilled	375	408	578	476	102	17,65
Total	**861**	**819**	**1 049**	**875**	**174**	**50.12**

Financial Performance

Table 20: 2018/2019 Financial Performance Year: Water Services

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Original budget**	**Adjusted budget**	**Actual**	**Variance to budget**
Total Operational Revenue	8,501,222	10,088,096	11,585,560	11,585,560	11,718,323	132,763
Expenditure:						
Employees	924,129	973,536	(1,080,882)	(1,100,630)	(1,090,096)	10,534
Repairs and maintenance						
Other	7,617,515	8,118,807	(9,109,407)	(9,266,663)	(9,277,736)	(11,073)

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Original budget**	**Adjusted budget**	**Actual**	**Variance to budget**
Total operational expenditure	8,541,644	9,092,343	(10,190,289)	(10,367,293)	(10,367,832)	(539)
Net operational expenditure	(40,422)	995,753	1,395,271	1,218,267	1,350,491	132,224
Net profit before tax						

Capital Expenditure

Table 21: Capital Expenditure: Water, Sanitation and Waste-Water

R'000			
PROJECT DESCRIPTION	**18/19 FY RE-ADJUSTED BUDGET**	**18/19 FY ACTUALS**	**VARIANCE**
Operational Capital: Corporate Requirements of Johannesburg Water New Corporate Service Assets City Wide	11,037	12,585	-1,548
Operational Capital: Operations and Maintenance Renewal Operate and Maintain Assets City Wide	127,163	126,202	961
Water Demand Management	17,998	11,550	6,448
SUB-TOTAL: CR,WDM,O&M	**156,198**	**150,337**	**5,861**
Midrand: Halfway house Reservoir 20ML		569	-569
Sandton/ Alexandra: Woodmead Reservoir 22ML	1,735	1,735	-0
Southdale/ Langlaagte: Crown Gardens Tower 0.9ML	14,231	13,807	424
Southdale/ Langlaagte: Aeroton Direct Tower1.4ML	13,428	13,560	-132
Roodepoort/Diepsloot: Robertville Tower 2.25ML	11	-	11
SUB-TOTAL: NEW INFRASTRUCTURE	**29,405**	**29,671**	**-266**

R'000			
PROJECT DESCRIPTION	**18/19 FY RE-ADJUSTED BUDGET**	**18/19 FY ACTUALS**	**VARIANCE**
Operational Capital: Planning and engineering studies for Johannesburg Water New Operate and Maintain Assets MARSHALLS TOWN City Wide	8,963	8,970	-7
SUB-TOTAL: PLANNING ENGINEERING	**8,963**	**8,970**	**-7**
Operational Capital: Information Technology New Customer Service Assets MARSHALLS TOWN City Wide	17,454	17,841	-387
SUB-TOTAL: INFORMATION TECHNOLOGY	**17,454**	**17,841**	**-387**
Doornkop West/Protea Glen District: Upgrade water infrastructure	21,559	21,558	1
Lenasia Pump station & Rising Main	50,568	53,774	-3,206
Provision of basic water to informal services	20,585	20,670	-85
SUB-TOTAL: SPECIAL PROJECTS	**92,712**	**96,003**	**-3,291**
Operational Capital: Provision for Emergency Work	53,000	52,904	96
Sandton/Alexandra: Planned Replacement Watermains	103,213	117,595	-14,382
Roodepoort/Diepsloot: Planned Replacement Watermains	82,168	64,896	17,272
Johannesburg Central: planned Replacement Watermains	49,475	52,658	-3,183
Perth Empire Corridor (JW: Water) Renewal Corridors of Freedom Intervention	1,892	1,892	0
Planned replacement: Sewer Mains (UR_113)	10,950	11,328	-378
Planned replacement: Sewer	770	770	0
Roodepoort/ Diepsloot: Diepsloot Sewer Pipelines and Bridge	2,559	2,559	-0
Sandton/ Alexandra: Louis Botha Corridor (JW: Sewer) Renewal Corridors of Freedom Intervention	-	746	-746
Sandton/ Alexandra: Planned Replacement Sewer Mains	893	892	1
Roodepoort/ Diepsloot: Planned Replacement Sewer Mains	64,377	62,156	2,221
Roodepoort/ Diepsloot: Lanseria Outfall Sewer Upgrade	2,606	2,606	-0
Johannesburg Central: Planned Replacement Sewer Mains	83,070	83,299	-229
Midrand: Ivory Park North Upgrade Sewer	1,511	1,511	0

R'000			
PROJECT DESCRIPTION	**18/19 FY RE-ADJUSTED BUDGET**	**18/19 FY ACTUALS**	**VARIANCE**
Soweto: Anthea Nancefield Sewer (Klipspruit River) Phase 1	1,923	3,642	-1,719
Soweto: Planned Replacement Sewer Mains	1,845	879	966
SUB-TOTAL: UPGRADING AND RENEWAL	**460,252**	**460,333**	**-81**
OV: Infrastructure Renewal Plan	700	415	285
BK: Infrastructure Renewal Plan	2,490	2,489	1
LA: Module 1	3,218	3,217	1
Olifantsvlei: Refurbish Unit 2	823	823	-0
Driefontein Works: IRP (DF: Conc Lining)	33,372	33,086	286
Northern works: Unit 5 mod 2	7,106	7,106	0
Bushkoppies Works: IRP (BK Balancing Tank)	49,453	48,772	681
Olifantsvlei Works: IRP/OV (Digester Heating and Mixing)	5,685	5,262	423
Olifantsvlei Works: Belt Presses # 1	623	623	0
Northern Works: Belt Presses New #4	2,207	2,209	-2
Northern Works: Unit 4 liquor treatment	600	575	25
Northern Works: Desludge and line Dam 02	4,274	4,855	-581
WWTW Upgrade and refurbish	90	878	-788
Goudkoppies Works: Infrastructure Renewal Plan	33,353	33,862	-509
Northern Works: Infrastructure renewal	3,723	3,723	0
Driefontein Works: Drying bed extension	14	13	1
Driefontein Works: Refurbish WAS and RAS p/s	25	25	-
Driefontein Works: Infrastructure Renewal Plan	25	25	-
Bushkoppies: New PSTs number 2	1,425	1,425	0
Bushkoppies Works: Upgrade main Blowers and Pipework	3,346	3,346	0
Northern Works: Digesters Number 4	3,741	3,741	-0
Northern Works: Unit 4: Replacement of Electromechanical	4,918	4,917	1
Ennerdale Works: Replace module mixers and motors	990	989	1
Northern Works: Unit 3 electro mech/ cabling bios 1 and 3	1,455	1,455	0

R'000			
PROJECT DESCRIPTION	**18/19 FY RE-ADJUSTED BUDGET**	**18/19 FY ACTUALS**	**VARIANCE**
SUB-TOTAL: BULK WASTE WATER	**163,656**	**163,831**	**-175**
GRAND TOTALS:	**928,640**	**926,985**	**1,655**

Sanitation (Waste Water) Provision

Sanitation Provision

As a service-delivery oriented entity, Johannesburg Water has identified key programmes to ensure the delivery of reliable and quality services to all residents, including marginalised areas. This entails the provision of basic sanitation in informal settlements and sewer infrastructure to various areas, including marginalised spots. About 6 528 households were provided with basic sanitation against a target of 4 834 households in informal settlements.

Table 22: 2018/2019 Sewer Pipe Replacement Programme

Region(s)	Annual Plan (Metres)	Actual (Metres)	Comments
Midrand Region (A)	1 916	50	Work was planned to commence with sewer pipe replacement in Carlswald. Land has not been acquired. The length planned for sewer pipe replacement was substituted and implemented where projects were progressing well in other regions. Project to be expedited in the next financial year.
Sandton – Alex Region (E)	10 705	154	The Louis Botha and Homestead sewer projects were allocated to contractors in March 2019. The Houghton sewer pipeline work allocation is awaiting

			environmental authorisation. Project to be expedited in the next financial year.
Roodepoort – Diepsloot-Randburg Region (B&C)	17 884	21 853	Achieved
Johannesburg Central Region (F)	958	20 662	Achieved
Soweto Region (D)	10 238	120	The Thulani sewer 1 and 2 were allocated and in construction phase. Physical works commenced in April 2019. Project to be expedited in the next financial year.
Deep South Region (D)	0	0	2 Orange Farm Ext 1 sewer projects recently allocated.
TOTAL:	**41 701**	**42 839**	

Table 23: 2018/2019 Household Sanitation Service Delivery Levels

Description	**Sanitation Service Delivery Levels *Households**			
	2016/17	**2017/18**	**2018/19**	**2019/20**
	Outcome No.	**Outcome No.**	**Outcome No.**	**Actual No.**
Sanitation / Sewerage (above min level)				
Flush toilet (connected to sewerage)	1 292 571	1 292 571	1 292 571	1 292 571
Flush toilet (with septic tank)	0	0	0	0
Chemical toilet	90 180	95 900	98 426	100 568
Pit toilet (ventilated)	67 837	64 977	62 451	60 309
Other toilet provisions (above min service level)	23 745	20 885	18 358	16 215
Minimum Service Level and Above	***1 474 333***	***1 474 333***	***1 471 806***	***1 469 663***

Description	Sanitation Service Delivery Levels *Households			
	2016/17	2017/18	2018/19	2019/20
	Outcome No.	Outcome No.	Outcome No.	Actual No.
Sub-total:				
Minimum Service Level and Above Percentage:	***99.86%***	***99.86%***	***99.68%***	***99.54%***

Table 24: 2018/2019 Household Sanitation Service Delivery Levels below the Minimum

Description	2016/17	2017/18	2018/19	2019/20		
	Actual No.	Actual No.	Actual No	Original Budget No.	Adjusted Budget No.	Actual No.
Formal settlements						
Total households	1 292 571	1 292 571	1 292 571	1 292 571	0	1 292 571
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0.00%	0.00%	0.00%	0.00%	0	0.00%
Informal Settlements					**0**	
Total households	183 895	183 895	183 895	183 895	0	183 895
Households below minimum service level	***2 133***	***2 133***	***4 660***	***6 803***	***0***	***6 803***
Proportions of households below minimum service level	***1.16%***	***1.16%***	***2.53%***	***3.70%***	***0***	***3.70%***

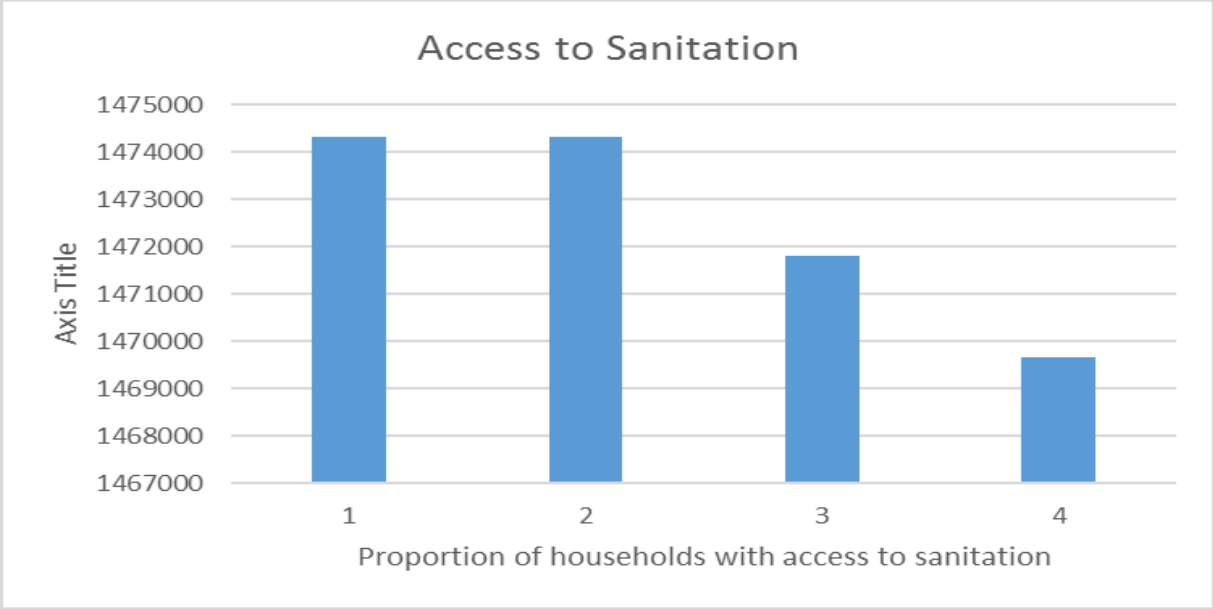


Figure 12: Access to Sanitation

3.1.2 Pikitup

Introduction

Pikitup Johannesburg Limited is a municipal entity, wholly owned by the City of Johannesburg (CoJ) as sole shareholder, and mandated to provide waste management services to the residents of Johannesburg. The entity's strategic goals are linked to the shareholder objectives through the Service Delivery Budget Implementation Plan (SDBIP) and cluster plans. Pikitup is assigned to the Sustainable Services Cluster. In addition, the relationship between the company and shareholder is governed by a Service Delivery Agreement (SDA) that is reviewed from time to time. The entity's strategy is further derived from Growth and Development Strategy (GDS 2040), the Integrated Waste Management Plan and the National Waste Management Strategy to reduce, re-use and recycle waste streams, while extracting value from the waste stream along the waste value chain.

The mandate includes the provision of services to ensure the overall cleanliness of the City's streets (approximately 9 000 kilometres), central business districts, open spaces and certain public areas. Pikitup provides waste collection services through three categories in the main, as follows:

- Level of service 1 (LoS-1) – provided with 240 litre wheelie bins and once a week waste collection service;
- Level of service 2 (LoS-2) – provided with multiple 85 litre plastic bags and once a week or more waste collection service; and
- Level of service 3 (LoS-3) – provided with strategically placed 6m3 communal waste skips and bi-weekly to daily waste collection service.

In the year under review, the entity has provided weekly refuse removal services to approximately 1 182 997 formal households, (Level of service LoS-1), serviced and maintained 157 recognised informal settlement areas at multiple days a week. These areas consist of 249 819 units and 422 communal skips (Level of Service, LoS-3), rudimentary cleaning services has also been provided to 22 hostels within the City, which comprises litter picking, clearing of illegal dumping, bulk container removal and domestic waste collection depending on the requirements of each hostel and 107 055 waste was disposed and diverted.

Monthly clean-up campaigns such as *A Re Sebetseng*, in partnership with key stakeholders, were implemented across the City's seven regions; and 34 illegal dumping spots were eradicated and rehabilitated into food gardens, parks and recreational centres. A total of 32 598 wheelie bins were distributed to formalised areas. The 2019/20 business plan has been aligned to *Diphetogo* and waste-minimisation programmes, namely:

- Further placement of street litter bins to curb littering at high density precincts and walkways and the enhancement of the separation at source programme to ensure maximum participation by the residents of the City of Johannesburg;
- Continued distribution of 240l wheelie bins at formalised areas that have not been provided with bins previously to appropriately contain and curb illegal dumping of household waste (provision of LoS:1); and
- The improvement of refuse containment and collection in informal settlements, hostels including backyard dwellers by providing waste bags (85l) and strategically placing 6m3 skips (LoS:2 and 3 respectively). This supports the City's pro-poor priority.

Table 25: Households - Solid Waste Service Delivery Levels Below the minimum

Description	2018/19	2017/18	2016/17		
	Actual No.	Actual No.	Actual No	Original Budget No.	Adjusted Budget No.
Formal settlements					
Total households	1 182 997	982 000	890 162	-	-
Households below minimum service level	98% of LoS	98% of LoS	98% of LoS	-	-
Proportion of households below minimum service level	N/A	N/A	N/A	-	-
Informal Settlements					
Total households	249 819	249 819	183 757		
Households below minimum service level	100% of between LoS 2 and LoS 3	100% of between LoS 2 and LoS 3	100% of between LoS 2 and LoS 3		
Proportion of households below minimum service level	N/A	N/A	N/A		

Table 26: Solid Waste Service Delivery Levels

Description	2018/19	2017/18	2016/17
	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (min level)	N/A	N/A	N/A
Removed at least once a week	N/A	N/A	N/A
Minimum Service Level and Above Sub-total	N/A	N/A	N/A
Minimum Service Level and Above Percentage	N/A	N/A	N/A
Solid Waste (below min level)	Daily	Daily	Daily
Removed less frequently	N/A	N/A	N/A
Using communal refuse dump	422	422	422
Using own refuse dump	N/A	N/A	N/A
Other rubbish disposal	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A
Below Minimum Service Level Sub-total	N/A	N/A	N/A

PIKITUP IDP Deliverables

Table 27: Pikitup - Objectives taken from the IDP Deliverables

Service Objectives / Service Indicators	Service target(s)	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 7: **Preserve our resources for future generations**								
Percentage (%) landfill compliance to GDARD regulations and permit	Sustain continuity of disposal capability of the City	100%	92%	95%	94.16%	95%	94%	95%
Tonnes of green waste Diverted	Divert and isolate green waste away from landfills	120 000	48 978	70 000	35 615	40 000	50 958	40 000
Tonnes of builder's rubble diverted	Reduce illegal dumping of	100 000	62 032	50 000	29 482	50 000	8 224	40 000

Service Objectives / Service Indicators	Service target(s)	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
	builders' rubble							
Tonnes of dry waste diverted through Pikitup interventions	Provide economic incentives to community - based recycling and waste reduction, and separation at source	80 000	38 296	60 000	29 258	32 550	25 991	38 000
Number of garden sites converted to Integrated	Divert waste away from	3	2	5	0	10	4	7

Service Objectives / Service Indicators	Service target(s)	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Waste Management Facilities	landfills, waste sorting and recovery of waste material for economic benefit							

Employees

Table 28: Employees: Pikitup

Job Level	2016/17 Employees No.	2017/18 Employees No.	2018/19 Posts 2018/19 No.	2018/19 Employees (Filled) No.	2018/19 Vacancies (Full time equivalent) No.	2018/19 Vacancies (as a % of total) %
Top Management (F Level)	5	3	7	4	3	43
Senior Management (E Level)	19	19	18	8	11	57
Professional Qualified (D Level)	48	85	137	83	75	55
Skilled Technical (C Level)	98	196	387	193	145	48
Semi-Skilled (B Level)	400	481	684	445	239	35
Unskilled (A Level)	1725	3274	5140	4685	481	9
Total	**2294**	**4058**	**6373**	**5418**	**954**	**18**

Financial Performance

Table 29: 2018/2019 Financial Performance Year: Pikitup

Detail	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to Budget
Total Operational Revenue	2 228 423	2 330 707	2 333 922	2 371 274	2 488 094	116 820
Expenditure:						
Employees	946 815	973 083	1 199 137	1 213 380	1 140 884	72 496
Repairs and maintenance	100 534	102 518	63 851	91 649	86 357	5 292
Other	959 359	1 075 574	1 070 934	1 066 245	1 170 253	-104 008
Total operational expenditure	2 006 708	2 151 175	2 333 922	2 371 274	2 397 494	-26 220
Net operational expenditure	221 715	179 532	-	-	90 600	90 600

Capital Expenditure

Table 30: Capital Expenditure: Pikitup

R'000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total	R108 676 000	R59 577 647	R60 110 000	R60 061 287	R461 765 597	R86 217 000	R74 581 044		

Comment on Waste Management Services' overall performance

During the year under review, the entity implemented a number of capital projects to the value of R74 581 044.91 against the budget of R86 217 000,00 million. This translates to an achievement of 86% against a target of 95%. The non-achievement of the target was mainly due to delays in the procurement process and non-availability of internal audit support with regard to probity. The entity is addressing this challenge by means of the appointment of audit service providers to support SCM committees on audit requirements on an ongoing basis.

The capital plan for 2019/20 continues to focus on rolling out projects as well as the renewal of infrastructure and capacity upgrades, in line with the entity's waste minimisation plan. The capital budget for 2019/20 was reduced by R77.8 million (R180.047m – R102.250m). Capex projects that are on the acquisition for implementation in the 2019/20 financial year, have been procured and will be implemented in time to ensure that SDBIP targets are met.

3.1.3 City Power

Introduction

As the electricity distribution service provider of the City of Johannesburg, the core competency of City Power Johannesburg (SOC) Ltd (City Power) is to purchase, distribute and sell electricity within its geographical footprint. City Power is not the sole provider of electricity services for the city. The areas not covered by City Power (predominantly Soweto and Sandton) are serviced by Eskom.

The Council, by means of a Service Delivery Agreement, regulates the service in respect of the following: financial issues (such as tariffs and capital expenditure), human resource issues (such as skills development), delivery targets (maintenance of assets and addressing assets) and standards of customer care.

City Power Strategy

The mandate of City Power is to provide reliable supply of energy to the City of Johannesburg by implementing the VUCA strategy. It entails the strategic use of a mix of technologies and energy sources while maintaining the financial sustainability of the business. The value proposition for City Power derived from the company strategy is shown in the figure below.

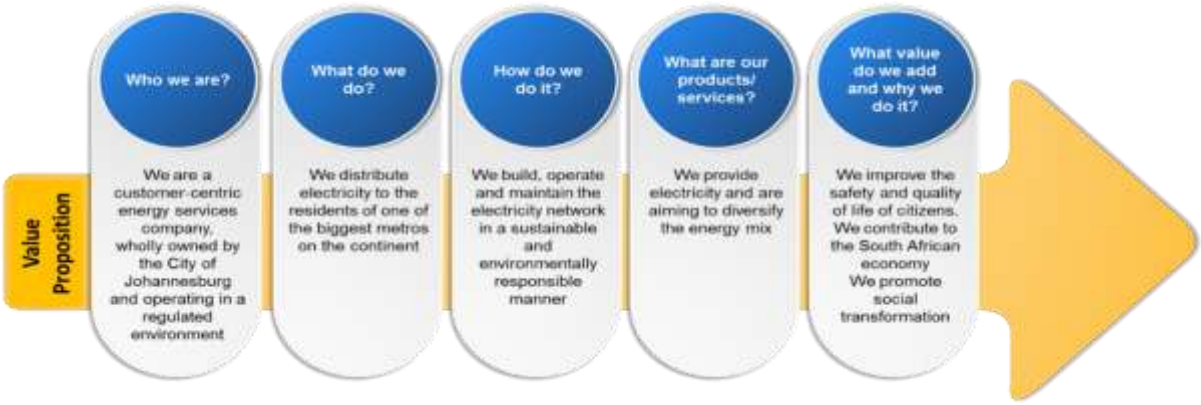


Figure 13: City Power Value Proposition

City Power was impacted by external and internal factors that have been taken into account in its 2019/20 strategic focus. These include the slowdown in economic growth, emergence of disruptive technologies and the fourth industrial revolution, not to mention the impending unbundling of Eskom. Internally, factors such as the ageing infrastructure, increasing demand for quality service delivery, financial sustainability, escalating unplanned outages, and the need for an enabling culture and leadership have also been considered and decrease in

numbers. These factors contribute to City Power finding itself in a volatile, uncertain and complex environment.

To navigate this environment, City Power developed a five-year strategy dubbed VUCA. The strategy aims to ensure that the company becomes financially sustainable, it's a smart utility, it's customer-centric and boasts engaged and skilled employees. The company's five-year strategy and supporting plan are summed up in the shareholder *vision, understanding the sustainability game plan, re-gaining customer confidence, and making our people more agile*, which is aligned to the City's imperatives. The VUCA Strategy is outlined below:

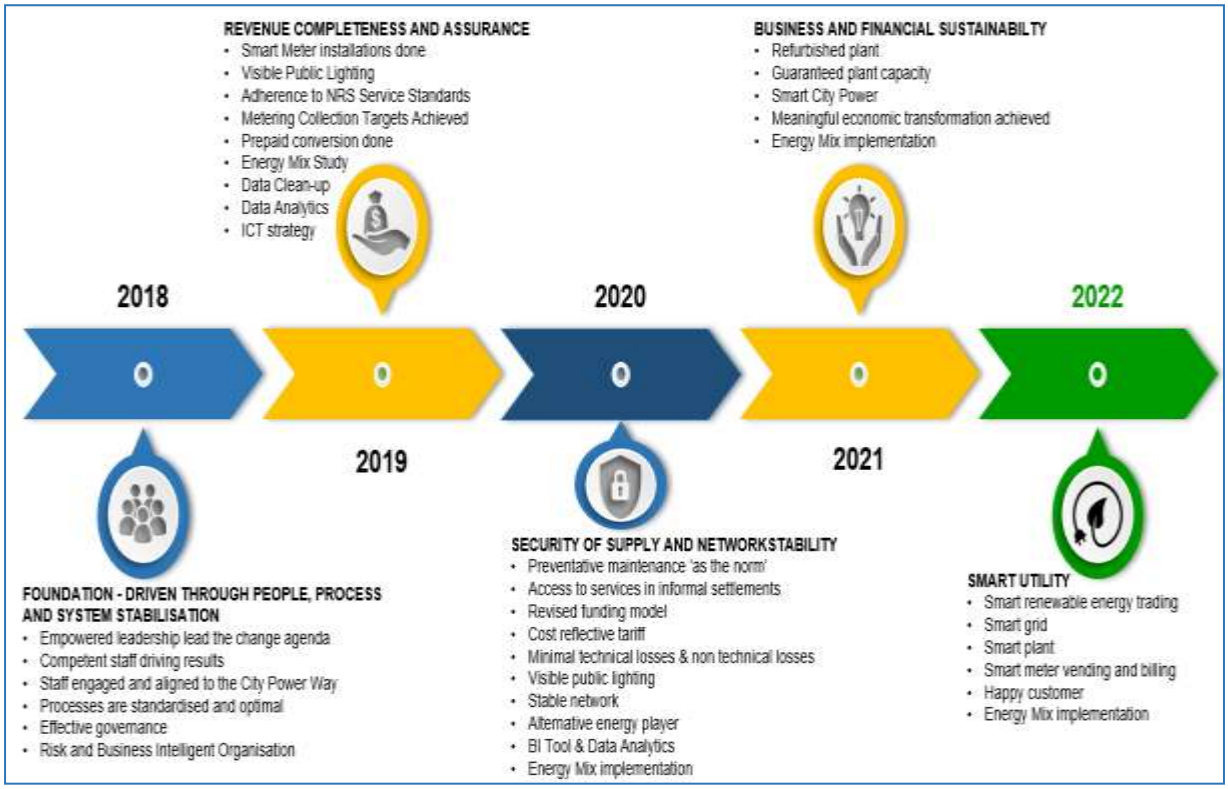


Figure 14: VUCA Strategy

Strategy Execution

The performance on the VUCAs strategic objectives (short, medium and long term) is shown in the figure below:

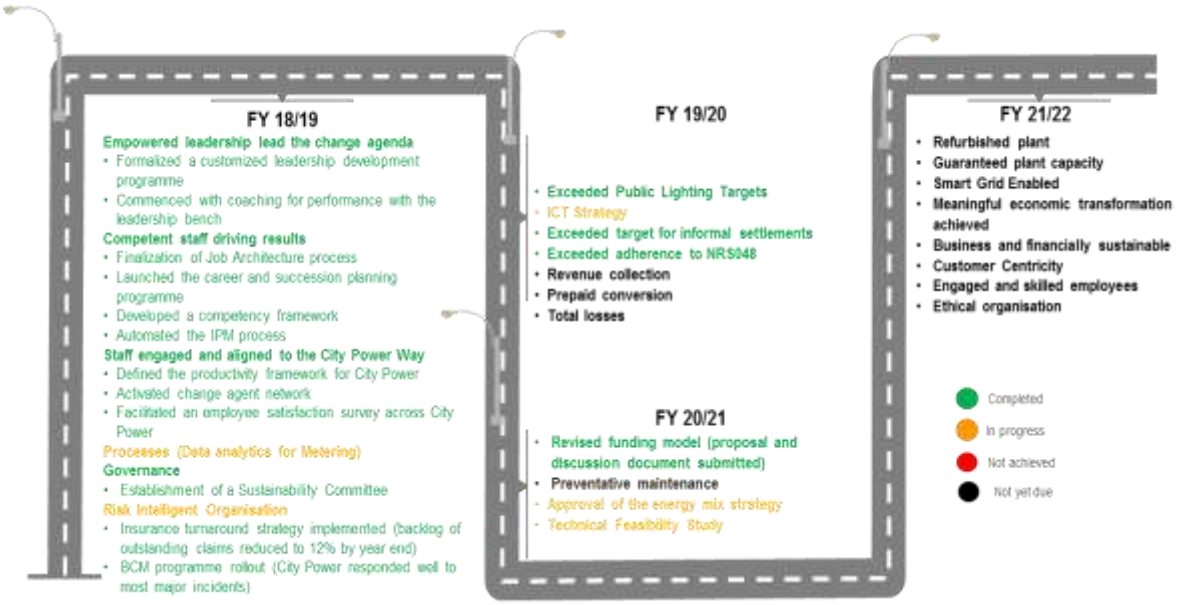


Figure 15: Performance on the VUCAs strategic objectives

In response to changes in the market and industry, City Power has developed a framework to source alternative energy in terms of the GDS 2040, the City's Energy Plan of 2017 and the Integrated Resource Plan (IRP). The framework was drafted in response to the Minister of Energy's stated intent to permit municipal distributors to procure power from sources other than Eskom. The City Power board of directors (BoD) has given a mandate to comment on the IRP dealing with the allocations for embedded generation and energy storage systems.

The management team will continue to fully execute critical priorities of the business, as listed below:

i) Continue to derive and maintain benefits emanating from the Revenue War Room;
ii) Work with the City to on-board and integrate the device management back into City Power operations, including the impact on the labour and processes;
iii) Finalise the feasibility study and embark on a procurement process for the energy mix in order to execute City Power's critical strategic objectives of "partnerships and collaborations";
iv) Agree and finalise the alternative funding solutions and commence discussions with Group Finance and National Treasury; and
v) Finalise the labour memorandum of agreement as part of building a resilient and engaged workforce.

Our customer profile

The service is provided to customers in five (5) main living standard measures (LSM), as seen in the tale below:

Table 31: Electricity Service Delivery Levels

Description	2016/17 Outcome No.	2017/18 Outcome No.	2018/19 Outcome No.
Customer Base			
Agriculture	25	27	25
LPU (Large Power Users)	3 911	3 803	4 008
Business	9 588	11 699	9 371
Domestic (Small Power Users)	139 311	134 874	118 647
Prepayment (Prepaid Customers)	261 042	235 164	243 660
Total number of households	413 877	385 567	375 711

Capital Projects

Capital expenditure is driven by planned network and asset life-cycle maintenance to support operational reliability, new environmental regulations and renewable energy generation. This require early considerations for major capital projects and related funding, as well the consideration of the impact of finance on the balance sheet of City Power and the City.

The City is confronted by a backlog in electrification projects, which is exacerbated by an influx into the City by rural South Africans and migrants in search of better opportunities. This increase is putting a strain on the City's infrastructure, including the electrical network that is already old and decaying as a result of historical disinvestment. Moreover, new technologies that include the roll out of SCADA to enable remote controlling of the substations to improve security and visibility of the network are necessary as these will, over time, enable self-diagnosis that reduces human intervention and improved efficiencies. While this is the case, capital expenditure that is allocated to City Power is never adequate to address these infrastructural needs.

The current funding arrangement for City Power is mainly dependent on external loans arranged by the City of Johannesburg as well as grants. In terms of the agreement between City Power and the shareholder, all financing arrangements of City Power are handled by the City's Treasury office. Internal funds generated by City Power, which can be deployed towards infrastructure maintenance, have over time diminished owing to poor financial performance. Before 2015, City Power provided electricity to proclaimed areas, since then that company

provides service to formal and informal settlement. The table below highlights the number of additional households electrified in informal settlements:

Table 32: Electricity Service Policy Objectives taken from IDP

Service objectives Service indicators	Outline Service Targets	2018/19		2019/20		2020/21
		Target	Actual	Target	Actual	Target
Service Objectives: Number of household in informal settlements provided with Electricity						
Provision of minimum supply of electricity of household in informal settlements	Additional Households provided with minimum supply during the year (Number of households (HHs) without minimum electricity at year end	1580	3191	2000	0	2500

Households - Electricity Service Delivery Levels Below the minimum

Table: 33: Electricity Service Delivery Levels Below the minimum (households)

Description	2016/17	2017/18	2018/19	2019/20		
	Actual No.	Actual No.	Actual No	Original Budget No.	Adjusted Budget No.	Actual No.
Formal settlements						
Total households (Domestic)	139 311	134 874	118 647	118 647	118 647	118 647
Informal Settlements						
Total households (Electrified)	4850	2167	3191	2500	2500	0

The above services are provided by 1 742 employees, as outlined below:

Employees

Table 34: Employees: City Power

Job level	2018/19	2019/20			
	No. of employees	No. of posts	No. of employees	Vacancies (full time equivalents No.)	Vacancies (as a % of total posts) %
Top Management is level 1 and 2	7	8	6	2	25
Senior Management is level 3 and 4	117	159	116	43	27
Professionally qualified and experienced specialists and mid-management level 5 and 6	436	550	437	113	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents level 7 and 8	445	532	446	86	16
Semiskilled and discretionary decision-making level 9 and 10	686	681	668	13	2
Unskilled and defined decision-making level 11	51	54	51	3	6
Total number:	**1742**	**1984**	**1724**	**260**	**13**

Financial Performance

Table 35: Actual Financial Performance against Budget: City Power

Year to date	2016/17		2017/18		2018/19 Actual	2018/19 Budget	Variance R'000
	Target	Actual	Target	Actual			
Revenue and other income	17,597,380	15,726,508	16,105,055	14,435,964	15,225,513	16,411,617	-1,186,104
Expenditure (incl. tax)	16,001,554	15,543,375	15,174,626	14,820,185	15,609,813	16,152,554	542,741
Surplus(Deficit)	1,595,826	183,133	930,429	-384,221	-384,300	259,063	-643,363
Capital expenditure	1,939,397	1,813,872	831,477	882,921	1,127,090	1,139,859	-43,264

Table 36: Financial Performance: Expenditure: City Power

Description	2016/17		2017/18		2018/19			% Variance
	Target	Actual	Target	Actual	Actual	Budget	Variance	
Bulk Purchases	10,623,030	10,588,851	9,950,427	10,297,590	10,718,639	10,975,821	257,182	2%
Employee Related costs	1,045,959	962,991	1,111,770	1,087,605	1,121,564	1,196,215	74,651	6%
Administration	90,859	84,859	152,713	95,241	98,687	170,046	71,359	42%
Depreciation	446,069	500,476	502,184	487,407	567,741	577,196	9,455	2%
Finance costs	470,210	431,575	352,414	453,465	541,719	483,180	-58,539	-12%
Lease rentals	602,012	671,991	604,875	627,187	609,041	412,669	-196,372	-48%
Debt Impairment	500,624				625,474	587,768	-37,706	-6%
Repairs and Maintenance	N/A				848,126	1,103,729	255,603	23%
General Expenses	N/A				535,863	645,930	110,067	17%

Capital Expenditure

Table 37: Capital Expenditure: City Power

Project Detail (By Project)	Adjusted Budget	June 2019		Budget
		YTD Actuals	YTD Variance	2019/20
Electrification	254,850,000	186,249,408	68,600,592	250,000,000
Service Connections	63,295,000	119,134,479	-55,839,479	48,146,000
Upgrading of Electrical Network	75,000,000	240,635,138	-165,635,138	160,278,000
Building Alterations/ Construction	700,000	0	700,000	1,099,500
Computers	1,600,000	4,175,517	-2,575,517	2,650,000
				818,600
Information Technology-Software	17,700,000	12,930,684	4,769,316	7,200,000
Tools and Loose Gear	2,300,000	613,283	1,686,717	2,156,285
Plant and Machinery	150,000	0	150,000	290,000
Telecommunication	8,380,000	2,455,822	5,924,178	17,200,000
Fire & Security	5,880,000	0	5,880,000	9,417,000
Meters	135,000,000	125,642,030	9,357,970	63,900,000
Load Management		0	0	
SCADA	12,480,000	2,692,958	9,787,042	10,000,000
Protection	7,880,000	3,166,056	4,713,944	25,112,000
Furniture	750,000	86,998	663,002	785,615
Public Lighting	65,000,000	36,334,297	28,665,704	80,000,000
Refurbish of Bulk Infrastructure	488,394,000	373,611,608	114,782,392	222,178,000
Insurance		19,137,410	-19,137,410	0
TOTAL	**1,139,859,000**	**1,127,090,086**	**12,768,914**	**901,321,000**

Strategic focus

In the year ahead, management will focus on improving the finances of the organisation. Billing and collection impact heavily on the sustainability of the energy business and they have become major concerns and focus areas. Plans have been developed to turn the situation around and are now at a stage of implementation. City Power also continues to focus on preventative maintenance to reduce outages and improve restoration times to increase customer confidence and allow it to collect the revenue it sorely needs.

Approximately 80% of City Power's energy is currently generated by massive coal-fired power plants. These plants are old as they were built in the 60s and 70s. Eskom will have decommissioned 12 000-megawatt by 2030. This is a third of the utility's generating capacity. Nuclear plants provide near constant electricity and emit almost no greenhouse gases. Despite those advantages, future nuclear development in South Africa is extremely unlikely as it is hugely expensive. As a signatory of the Paris Agreement on climate change, South Africa has committed to reducing carbon emissions. This implies it will gradually close most of the existing ageing coal plants. The reduction of cost for the renewable energy has significantly altered the economics relating to the energy sector globally. By 2030, it is estimated that the national grid will be a mixture of:

Table 38: National Grid Mix

No	Source of Energy	Percentage contribution
1	Wind	15%
2	Gas	16%
3	Photovoltaic	11%
4	Nuclear	2%
5	Coal	45%
6	Others	11%
Total		**100%**

3.1.4 Free Basic Services and Indigent Support

Introduction: Expanded Social Package

The package

The Department enhances and expands the core logic of the existing special cases policy for municipal service subsidies (more generally known as the indigent or social package policy) but combines it with a single-window approach to social assistance delivery and – critically – alters the targeting mechanism from a household based means test to an individually tied poverty index. During 2018/2019, the unit registered 99 285 individuals on the database which comprised new, re-registrations and South African Social Service Agency (SASSA) Grant Recipients who accessed benefits via the automated platform.

Objectives:

- Access to social package by qualifying households;

- Database management;
- Streamline and coordinate the access of vulnerable groups to other basket of services linked to the programme;
- Align and coordinate the FBS benefit pass through targeting the City's indigents;
- Stakeholder engagement; and
- Marketing and communication of the programme.

Operations

During the financial year, 39 sites operated as opposed to 41, due to theft of equipment in Lenasia South and Vlakfontein.

Performance highlights

The following achievements can be reported for the year under review, namely:

In July 2018, the unit successfully managed to roll-out the registration footprint to six (6) informal settlements, as listed below:

Table 39: Registration footprint

Name of Informal Settlement	Ward	Region
Slovo Park	119	G
Elias Motsoaledi	24	G
Freedom Park	24	G
Thembelihle	8	G
Protea South	10	G
Organic Market	81	E

- Internal data cleansing towards maintaining a credible database;
- Creation of 127 EPWP employment opportunities; and
- ESP poverty index income bands increased by 4.9 % average Consumer Price Index (CPIX), based on figures made available by Statistics South Africa allowed more individuals to access FBS.

Free Basic Service Policy IDP Deliverables

Table 40: Free Basic Service Policy objectives taken from the IDP

Indicators	2016/17		2017/18			2018/19	
	Target	Actual	Target		Actual	Target	Actual
	Previous Year		Previous Year	Current year			
Water	3022	0	2428	2492	0	8004	8287
Sanitation	2527	620	2375	0	620	4834	6528

Challenges

- The unit has a highly complex coordination role and has no formal control over the last mile delivery of Expanded Social Package benefits. This means the unit must constantly exercise oversight over benefits passed.
- Old/aging/lack of network infrastructure limited the roll-out of the programme to other informal settlements, including other identified city centres.
- Theft of capital and leased equipment.
- Households not collecting FBS.
- Households not purchasing services such as pre-paid water and pre-paid electricity, affect benefit pass through, even though they may have registered to benefit from FBS.
- Master data from entities is corrupted and therefore inaccurate account information is presented by clients during registration.
- Conversion of households from conventional to pre-paid electricity accounts.
- Communal facilities in areas such as Orange Farm and Alexandra limit registration for FBS, as there is no account number to link services.
- Households bridging electricity.

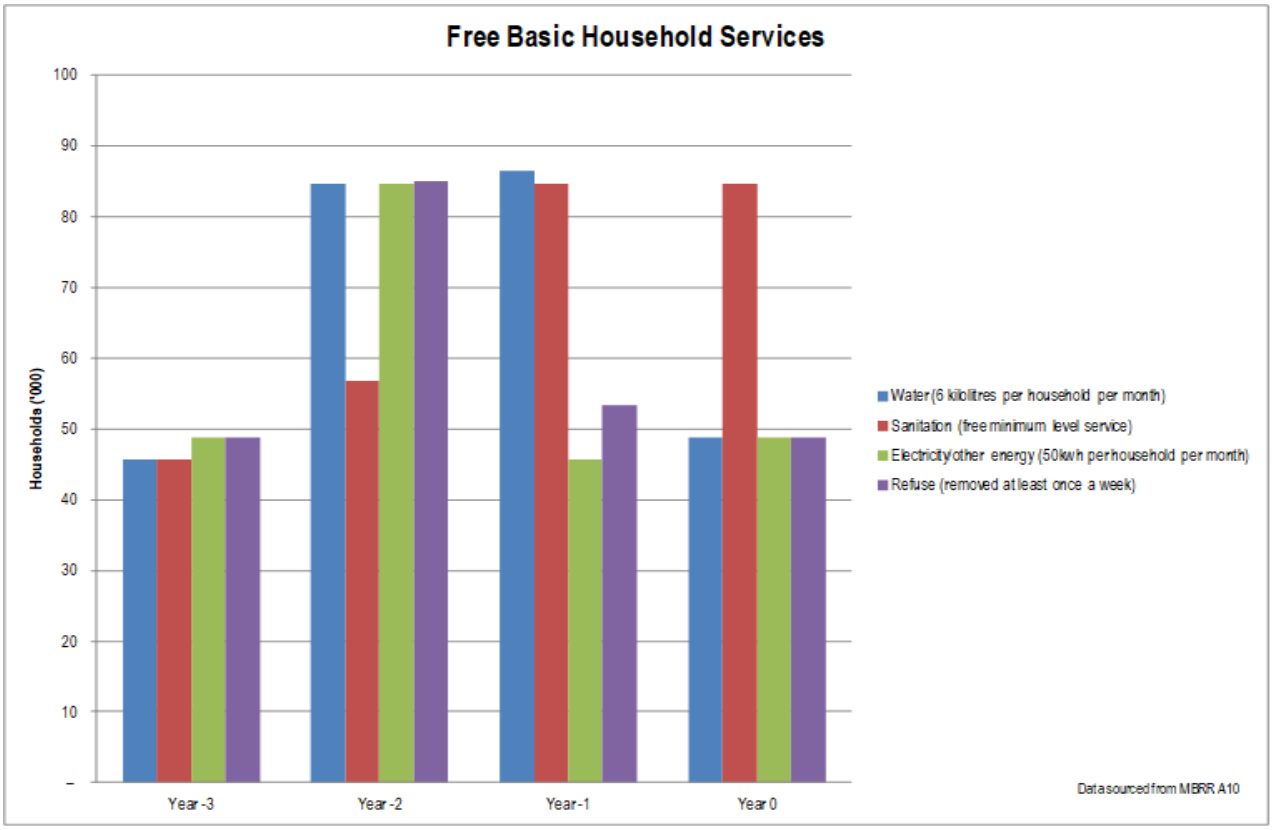


Figure 16: Free Basic Household Services

Financial Performance

Table 41: 2018/2019 Financial Performance Year: Cost to Municipality of Free Basic Delivered

Service Delivered	**Year 2018/19**			
	Original Budget	**Adjustment Budget '000**	**Actual Expenditure '000**	**Variance from original budget**
Water	R30,000,000	R20.585,000	R20,670,000	R85,000
Waste Water (sanitation)	R45,000,000	R43,000,000	R20,963,000	R22,037,000

Table 42: 2018/19 Free Basic Services – Expanded Social Package

2018/19													
Service	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Apr-19**	**May-19**	**Jun-19**	**Annual Totals Per Service**
Free Basic Electricity	15,929	17,403	16,659	15,809	15,967	15,742	15,762	13,178	11,083	11,213	11,592	11,520	**137,343**
Free Basic Water	33,487	33,317	33,124	22,146	21,912	21,509	21,158	22,453	20,861	20,815	20,613	14 110	**244,068**
Rates	123,487	122,893	122,632	68,037	68,048	66,811	65,935	67,929	64,799	64,968	64,723	21,237	**770,571**
Sewer	39,999	39,629	39,345	25,454	25,575	24,902	24,482	25,696	24,113	24,056	23,965	13,593	**287,801**
Refuse	115,743	115,371	115,053	62,193	62,206	60,996	60,139	62,035	59,080	59,214	59,016	19,924	**772,486**
Monthly Totals Per Service	**330,825**	**330,936**	**326,813**	**193,639**	**193,708**	**189,960**	**187,476**	**191,291**	**179,936**	**180,266**	**179,909**	**66,274**	
Indigent Register: SAP CRM 7 & Sassa File	126,891	127,958	127,295	127,638	50,583	49,384	50,518	50,885	51,096	50,481	50,514	50,804	**914,047**

Table 42: 2017/18 Free Basic Services – Expanded Social Package

2017/18													
Service	**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**	**Jan-18**	**Feb-18**	**Mar-18**	**Apr-18**	**May-18**	**Jun-18**	**Annual Totals Per Service**
Free Basic Electricity	17,612	18,216	19,090	17,825	17607	14,296	15,264	11,858	15,300	16,153	16,078	15,848	**195,147**
Free Basic Water	32755	34,541	35,390	36,080	36,446	36,541	36,648	35,516	35,339	34,701	34,086	33,423	**421,466**
Rates	122752	124,384	125,914	127,101	127,250	126,908	125,798	124,184	122,722	122,459	121,996	122,929	**1,494,397**
Sewer	40682	42,228	43,205	43,856	43,766	43,508	43,269	41,638	40,949	40,733	40,529	39,842	**504,205**
Refuse	113773	117,252	119,526	120,637	120,840	120,666	119,614	117,757	116,716	116,442	116,000	115,225	**1,414,448**
Monthly Totals Per Service	**327,574**	**336,621**	**343,125**	**345,499**	**328,302**	**341,919**	**340,593**	**330,953**	**331,026**	**330,488**	**328,689**	**327,267**	
Indigent Register: SAP CRM 7 & Sassa File	128971	131,608	129,398	127,417	127,642	127,900	127,274	128,564	128,120	127,055	127,072	127,660	**1,538,681**

Table 43: 2016/17 Free Basic Services – Expanded Social Package

2016/17													
Services	**Jul-16**	**Aug-16**	**Sep-16**	**Oct-16**	**Nov-16**	**Dec-16**	**Jan-17**	**Feb-17**	**Mar-17**	**Apr-17**	**May-17**	**Jun-17**	**Annual Totals Per Service**
Free Basic Electricity	31,532	31,715	31,746	31,686	31,475	31,182	30,883	33,258	23,937	23,103	16,273	16,981	**333,771**
Free Basic Water	32,836	32,502	32,602	32,651	33,002	32,119	31,309	31,538	31,176	30,851	30,885	31,394	**382,865**
Rates	122,187	121,487	121,610	121,727	122,285	121,480	120,179	120,661	119,912	119,349	119,151	119,934	**1,449,962**
Sewer	41,424	41,023	40,844	40,532	40,906	40,204	39,321	39,560	39,078	38,754	38,723	39,171	**479,540**
Refuse	113,390	112,657	112,781	112,769	113,238	112,437	111,183	111,718	111,076	110,566	110,387	111,007	**1,343,209**
Monthly Totals Per Service	**341,369**	**339,384**	**339,583**	**339,365**	**340,906**	**337,422**	**332,875**	**336,735**	**325,179**	**322,623**	**315,419**	**318,487**	
Indigent Register: SAP CRM 7 & Sassa File	128,034	128,003	128,186	127,919	127,963	126,836	126,639	126,729	126,171	125,299	125,998	130,286	**1,528,063**

COMPONENT B: HOUSING SERVICES

3.2 Housing and Social Housing Services

The City of Johannesburg's housing backlog is estimated at over 300 000. It's made up of informal settlements, overcrowding in hostels, the non-regulated backyard rental sector, inner city overcrowding, housing waiting list and homeless people in general. To tackle housing demand, a concerted effort at vertical and horizontal level is required. This will also require the human settlement sector to upscale housing delivery and to increase its efforts in partnering with the private sector and meaningfully engage with the communities in general.

In the 2018/2019 financial year, Housing focused on: upgrading informal settlements, construction of mixed housing opportunities, construction of serviced sites, issuing of title deeds to beneficiaries, upgrading and surfacing roads in existing RDP projects and the installation of solar geysers.

The targets of these programmes fell short in addressing the City's ever-increasing housing backlog. The Executive Mayor and his political administration raised concerns and insisted on having Housing make a meaningful impact on the current backlog. To this end, the Executive Mayor has introduced *Diphetogo*, game changers, for the remaining period of his political term, 2018/2019 – 2020/2021.

According to *Diphetogo*, the Department of Housing and the Johannesburg Social Housing Company (JOSHCO) must deliver 100 000 housing opportunities and 20 000 units in the inner city. These housing opportunities will be composed of rental units, free housing (RDP), serviced sites/stands, and bonded houses. It is envisaged that these opportunities will be delivered in partnership with the private sector and JOSHCO delivering on the social rental units.

This requires the department to reconsider its approach in the development of the 2019/2020 business plans and the MTEF targets. The programmes and targets must be in line with Housing's *Diphetogo's* programme and targets.

The increase in the number of units is limited by funding the City receives from the Provincial Government as the Human Settlements Development Grant (HSDG). This grant has been reduced and that cuts the number of housing opportunities that can be delivered by Housing.

3.2.1 Housing Department

Introduction

The Department of Housing is mandated to deliver housing opportunities that provide alternative tenure options; are located close to economic opportunities; are adequately serviced; are affordable; and are preferably found in high-density environments.

The Housing Department derives its mandate from the Constitution of the Republic of South Africa 108 of 1996, which says that: -

- “Everyone has the right to have access to adequate housing”;
- Housing is a concurrent function (National and Provincial); and
- National and Provincial governments must assign the Housing function, subject to any conditions, the administration of housing programmes.

The Housing Act 107 of 1997, defines how municipalities must be accredited with regard to the “Administration of national housing programmes by municipalities”. The City of Johannesburg was accredited to administer the national housing programmes, as defined in the Housing Code of 2009 on 4 March 2011. The Housing Code defines the accredited municipality, the City of Johannesburg, as the developer of programmes and projects in its jurisdiction.

Comment on overall performance

In the 2016/17 financial year, Housing managed to construct 3418 housing units, and in 2017/18, 2103 units were completed.

Human Settlement Development Grant spend for 2016/17 was 98.6%, and in 2017/18 it was at 65.745%. In 2018/19 it reduced to 58.02%. The capital spending target was achieved at 92.74% in 2016/17, and 86.80% in 2017/18, and then increased to 98% in 2018/19.

Key challenges in the environment

Internal factors:

- Low rental collection;
- High vacancy rate;
- Continuous change of leadership; and
- Inconsistent strategic direction due to change of leadership.

External factors:

- Too little housing: The current housing backlog in Johannesburg is in excess of 300 000 due to immigration. This is evident in sprawling informal settlements, an overcrowded inner city, and mushrooming backyard shacks in township areas.
- Too expensive housing: The property market in Johannesburg is too expensive for the poor to afford in terms of buying or renting. This has seen prices double and triple over the past five years and the cost of newly built housing has also escalated. This has made housing unaffordable to many city residents and most first-time buyers and has also limited the purchasing power of the state subsidy. A key component of the high cost of new housing, is the cost of land and the shortage of it, which has also increased exponentially in recent years. In the context of rising unemployment and high levels of income poverty in the City, the cost of housing has become increasingly difficult for Johannesburg households to bear. There is a clear need to create opportunities for people to move out of subsidised housing when their income improves, however, the current profile of available housing in the city makes this impossible.
- Access to and affordability of well-located land (including land in the infrastructure/amenities-rich inner city and other old centres) for housing development: The prevalent entitlement to land in the periphery and buildings in the core (informal settlements/squatting), has meant that housing development has in the past years consolidated rather than reversed the disjunctive spatial patterns set in motion by apartheid planning.
- Proclamations of townships: Development Planning and MOEs have yet to approve or relax the townships where the second directive properties were built in order to enable Housing to register and issue title deeds to qualifying beneficiaries.

Performance highlights

- The department has issued a total of 8,933 title deeds against a target of 8,900 title deeds to beneficiaries;
- For the past 3 years the department has created a total 5,929 housing opportunities against a target of 5,917 during the current spending the HSDG allocated budget;
- Gauteng Premier launched Riverside View Mixed Project. This Housing Project will yield 10 000 housing opportunities;
- 50,246 km of road was completed this financial year against the target of 50km; and
- The entire USDG and CAPEX budget for the 2017/2018 was spent.

Housing Deliverables

Table 45: Housing - Strategic objectives taken from the IDP

Service Objectives / Service Indicators	2016/17		2017/18		2018/19		2019/20
	Target	Actual	Target	Actual	Target	Actual	Target
Number of informal settlements upgraded.	1500[2]	2732	10	3	10	0	12
Number of Mixed housing opportunities created.	2800	3418	2190	2103	927	408	2381
Number of title deeds transferred to eligible beneficiaries.	3900	3694	3000	3597	2000	1610	3818

Table 46: Number of households with access to basic housing

Year	Total number of households in informal settlements	Households in formal settlements that were identified in areas in areas that are developable	Number of houses built
2016-17	The Department was working on the Master list of	The Informal Settlement Master list was divided into five categories:	3418

[2] In 2016/17 the KPI measured the number of households and not the number of informal settlements.

Year	Total number of households in informal settlements	Households in formal settlements that were identified in areas in areas that are developable	Number of houses built
	180 informal settlement is the 183 456 households	- Category 1 **(99,136):** Informal settlement upgrading project = Settlements in the process of being formalized as a township that will result in land ownership at the current location. - Category 2 **(16,697)**: Informal settlements relocation projects= Settlements linked to a project where a township is being established and will result in land ownership at alternative location. -Category 3 **(30,896)**: Informal Settlements regularizes projects= settlements that can be regularized in a current location with acknowledgement of communal tenure. - Category 4 **(16,489):** Informal settlements programme linked= settlements that are being linked to a specific project - Category 5 **(20,238**): Informal Settlements not linked to a project = settlements that cannot remain in current location and not linked to a project	
2017-18	Same as above	Same as above	2103
2018-19	119 006 This is based on the informal settlements that were enumerated through the NUSP Process	12 250 These are settlements categorized as either Category A and B1 (in line with NUSP methodology)	408

Year	Total number of households in informal settlements	Households in formal settlements that were identified in areas in areas that are developable	Number of houses built
	(also known as Rapid Assessments and Categorisation)		

Employees

Table 47: Employees: Housing Services

Job level	2018-19	2017/18			
	No. of employees	No. of posts	No. of employees	Vacancies (full time equivalents No.)	Vacancies (as a % of total posts) %
Level 1- 2	0	1	0	1	0
Level 3	5	6	5	1	83.33
Level 4	13	33	13	22	39.39

Job level	2018-19	2017/18			
	No. of employees	No. of posts	No. of employees	Vacancies (full time equivalents No.)	Vacancies (as a % of total posts) %
Level 5	18	84	18	66	21.43
Level 6	17	272	17	255	6.25
Level 7 - 8 skilled tech	134	389	134	255	34.45
Level 9 - 10	57	102	102	45	34.45
Level 11	154	238	154	84	64.71

Financial Performance

Table 47: 2018/2019 Financial Performance Year: Housing

Detail	2016/17	2017/18	2018/19

	Actual	Actual *Restated	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	**373 641**	**421 014**	**329 903**	**295 144**	**224 165**	**70 979**
Expenditure:						
Employees	163 641	158 053	180 735	167 613	170 408	-2 795
Repairs and maintenance	34 386	23 772	55 272	26 725	17 611	9 114
Other	476 330	470 768	483 195	437 905	399 606	38 299
Total operational expenditure	**674 357**	**652 593**	**719 202**	**632 243**	**587 625**	**44 618**
Net operational expenditure	**-300 716**	**-231 579**	**0389 299**	**-337 099**	**-363 460**	**26 361**

Capital Expenditure

Table 48: Capital Expenditure: Housing

R'000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Braamfisher Ext 12 & 13	12 000 000	7 178 636	57 502 000	71 794 609	43 498 000	17 112 000	13 521 000	29 977 000	107 918 140
Cosmo City Phase 2	45 000 000	46 734 589	15 000 000	19 682 212	173 994 000	93 495 000	74 675 000	80 499 000	432 987 757
Devland Ext 1,27,30,31 & 33	111 906 000	133 927 478	38 271 000	42 134 580	0	704 000	701 000	0	
Diepkloof					15 000 000	10 935 000	0	15 000 000	160 540 902
Diepsloot	66 000 000	63 301 738	154 000 000	174 816 552	62 000 000	151 705 000	231 199 000	-169 199 000	108 802 620
Driezek Ext 3	5 000 000	2 636 247	31 261 000	27 532 234	30 000 000	29 289 000	29 055 000	945 000	120 717 760
Drieziek Ext 4			0	0	0	12 150 000	7 888 000	0	

R'000									
Capital projects	2016/17		2017/18		2018/19				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Driezek Ext 5	5 000 000	5 000 000	10 000 000	22 192 049	34 000 000	34 000 000	38 760 000	-4 760 000	120 717 760
Elias Motsoaled	47 000 000	40 253 443	6 300 000	5 587 953	5 000 000	5 468 000	693 000	4 307 000	
Ennerdale South	0	0	9 250 000	0	30 000 000	10 935 000	2 577 000	19 065 000	
Finetown Proper	2 000 000	0	8 250 000	0	30 000 000	10 935 000	0	10 065 000	
Fleurhof Mixed Dev	100 000 000	98 756 409	0	0	65 804 000	174 081 000	221 628 000	-108 277 000	2 043 124 328
Formalisation	10 000 000	29 828 416	65 458 000	2 547 504	134 000 000	97 686 000	525 000	133 475 000	
Helen Joseph	3 000 000	0	3 000 000	1 304 614	20 000 000	16 200 000	7 735 000	12 265 000	
Inner City Upgrading	15 000 000	15 000 000	30 812 000	-14 548 190	50 000 000	80 000 000	13 156 000	36 844 000	
Jabulani Flat & Hostel	1 500 000	0	0	0	0	0	0	0	

R'000									
Capital projects	2016/17		2017/18		2018/19				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Kanana Park	3 000 000	0	25 250 000	0	51 000 000	18 225 000	2 358 000	48 642 000	
Klipsruit/ Kliptown	16 000 000	1 425 637	30 000 000	141 684.40	37 000 000	3 645 000	2 519 000	34 481 000	
Kliprivier Oog	0	0	0	0	15 000 000	0	0	15 000 000	
Kya Sands	0	0	0	0	5 000 000	3 645 000	0	5 000 000	
Lakeside Ext 1,2,3 4 & 5	10 000 000	8 473 322	16 828 000	15 234 000	30 000 000	11 093 000	6 895 000	23 105 000	
Land Acquisition	10 149 000	4 632 265	2 950 000	1 660 000	20 000 000	7 290 000	4 111 000	15 889 000	
Lehae Ext 1 Bulk Water Line	108 100 000	103 813 213	136 000 000	129 185 054	21 000 000	7 290 000	4 799 000	16 210 000	
Louis Botha	1 000 000	0	0	0	0	0	0	0	
Lufhereng Mixed Development	246 500 000	205 817 571	59 645 000	153 481 806	100 000 000	167 813 000	222 135 000	-122 135 000	1 207 765 224

R'000									
Capital projects	2016/17		2017/18		2018/19				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Madala Hostel	0	0	0	0	15 000 000	12 150 000	6 704 000	8 296 000	
Matholesville Proper	30 000	0	0	0	10 000 000	7 293 600	638 000	7 293 6000	
Meadowlands Hostel	1 000 000	0	10 000 000	0	10 000 000	7 290 000	0	10 000 000	
Moffatview	15 000 000	1 349 130	2 000 000	0	8 000 000	3 645 000	0	8 000 000	
Orlando Women's Hostel	1 000 000	0	0	0	0	0	0	0	
Poortjie Dark City	500 000	0	5 085 000	0	15 000 000	10 935 000	0	15 000 000	
Princess Plot	1 000 000	0	10 000 000	0	15 000 000	10 935 000	2 011 000	12 989 000	
Rabie Ridge	0	0	0	0	0	0	0	0	
SHSUP Interv	8 700 000	0	2 000 000	0	0	0	0	0	

R'000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Sol Plaatjie	0	0	0		0	11 000 000	10 396 000	604 000	
Stock Upgrade	0	0	0	-1 261 894	0	50 000 000	0	50 000 000	
South Hills	43 733 000	45 958 914	90 000 000	81 539 449	0	60 000 000	102 421 000	-42 421 000	409 376 396
Tshepisong	0	0	0	0	25 000 000	2 187 000	0	2 187 000	
Unavillie	0	0	0	0	2 000 000	9 290 000	7 290 000	-5 290 000	
Turfontein	0		20 694 000	14 621 596		0	0	0	
Vlakfontein	50 000 000	59 526 560	7 112 000	123 923	55 000 000	14 580 000	1 398 000	53 602 000	
TOTAL	**942 118 000**	**873 613 576**	**819 668 000**	**711 539 784**	**1 142 296 000**	**1 166 998 000**	**1 072 376 234**		

3.2.2 Johannesburg Social Housing Company

Introduction

The Johannesburg Social Housing Company SOC Ltd (JOSHCO) was established in November 2003 and received its mandate in March 2004 from the City of Johannesburg (CoJ). JOSHCOs mandate is to provide and manage affordable rental housing for the lower income market as an integral part of efforts to eradicate the housing backlog of CoJ. JOSHCO is a registered social housing institution and is accredited by the Social Housing Regulatory Authority (SHRA).

The core business of JOSHCO includes: the development of social rental housing; refurbishments, upgrading and management of Council-owned rental housing properties (including hostels); housing management and the refurbishment, conversion and management of inner city buildings into social housing units. As a municipal-owned entity, JOSHCO is required to comply with all the relevant legislation (such as the Municipal Finance Management Act; Municipal Systems Act and the Companies Act). The policies and strategy of JOSHCO are strongly influenced by the vision of the City, as outlined in the Growth Development Strategy 2040 (GDS) and the Integrated Development Plan (IDP).

Performance highlights

- In 2018/2019, JOSHCO delivered a total of 297 social and affordable rental housing across the City of Johannesburg through brownfields (inner city conversions) projects. The units were delivered from Plein Street (216 units), Claim Street (48 units), Durban Street (32 units) and 1 unit from the Chelsea project. Though the units are not yet occupied, they reached practical completion stage by end of the 2018/19 FY;
- The company managed to reduce the extensive application form to a reasonable number of four (4) pages and it is loaded on the property management system for future use;
- The company was able to pay all service providers within 30 days of receiving invoices. This ensures that SMMEs who rely on these payments remain sustainable;
- On average, JOSHCO spent 80% of its capital budget on companies that are 51% black owned and 17% on SMMEs that operate within the vicinity of its projects. The entity continues to promote the BBBEE principles in its operations and contributes to the economic development of Johannesburg; and

- JOSHCO has managed to spend R313 192 665 of its allocated R321 000 000 capex, translating into 98% performance against the annual target of 95%.

Key challenges

The main challenge that JOSHCO encountered during the year was the loss of potential revenue due to rental boycott. JOSHCO experienced vandalism in some of its projects such as Devland, where approximately 75 units were vandalised.

Table 49: Social Housing Developed

Detail	Greenfield		Inner city	
	2018/19	2017/18	2018/19	2017/18
Social housing developed in a year[3]	-	356	297	776

Table 50: Social Housing Units under JOSHCOs Management

Detail	Greenfield		Inner city	
	2018/19	2017/18	2018/19	2017/18
Social housing units under management	5460	4617	2946	2739

[3] *Note: The number of units reported under the 2018/19 financial year refer to units that have only reached practical completion stage and are not tenanted. As such, 297 units were not included in the social housing units that are under JOSHCOs management.*

JOSHCO IDP Deliverables

Table 51: JOSHCO Objectives taken from the IDP Deliverables

Service Objectives / Service Indicators	Service target(s)	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 2: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.								
% Capital Budget Spent	95%	95%	83%	95%	95%	95%	98%	95%
No. of Social Housing Units developed for the disadvantaged beneficiaries	160	160	816	356	545	360	297	239
	464	464	356	766	766	-	-	655
Revenue Collection Rate	91%	91%	90%	91%	91%	100%	72%	100%

Employees

Table 52: Employees: JOSHCO

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No. (Warm Bodies)	Vacancies (Full time equivalent) No.	Vacancies (as a % of total)
Top management	4	4	2	2	0	0
Senior management	5	5	5	4	1	20
Middle management	21	22	31	19	12	38,71
Skilled Technical and academically qualified	64	64	122	67	55	45,08
Semi-skilled	15	13	11	7	4	36.36
Internship	0	6	0	6	-6	0
Unskilled	3	3	4	3	1	25
Total	**112**	**117**	**175**	**108**	**67**	**38.28**

Financial Performance

Table 53: 2018/2019 Financial Performance Year: JOSHCO

Detail	2016/17	2017/18	2018/19			
	Actual	Actual *Restated	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	147, 405	156 481	181 884	196 668	178 139	-9%
Expenditure:						
Employees	37, 706	43 883	47 815	62 599	52 079	-17%

Repairs and maintenance	51, 465	21 524	34 120	34 120	13 706	-60%
Other	54, 150	101 793	99 359	98 045	152 587	56%
Total operational expenditure	(143, 321)	(167 200)	(180 384)	(195 168)	(218 372)	12%
Net operational expenditure	4, 084	(10 719)	(1 500)	(1 500)	(40 233)	2582%

Comment on overall performance

JOSHCOs revenue collection target for the 2018/19 financial year was 100% (2017/18: 92%) of billing. We have performed 28% below budgeted target, as on average, we collected 72% (2017/18: 84%) for the financial year. JOSHCO was able to spend 98% of the budgeted R321 million capital budget, which is evidenced by the development of 297 units against a target of 360 units.

COMPONENT C: ROADS, TRANSPORT AND MUNICIPAL BUS SERVICES

3.3 Transportation Services

Introduction

The transport sector of the City of Johannesburg comprises the Transport Department, the Johannesburg Roads Agency (JRA), and the Metropolitan Bus Services (Metrobus).

The Transport Department is responsible for setting the sector's strategic direction and policy framework; transport planning; transport promotions; road safety; public transport infrastructure and the provision of public transport services including the rollout of Rea Vaya BRT system.

The Johannesburg Roads Agency (JRA) is responsible for the planning, design, construction, operation, control, rehabilitation and maintenance of the roads and storm water infrastructure in the City of Johannesburg. This responsibility includes the construction and maintenance of bridges/culverts, traffic signals/traffic signal systems, footways, road signage and road markings.

The Johannesburg Metropolitan Bus Services (Metrobus) is responsible for the provision of quality bus services to Johannesburg residents.

Strategic agenda of Transport services

The strategic agenda of the transport sector is aligned to the City's strategic priorities for 2016-2021, including *Diphetogo*. Central to the transport agenda is pro-poor development and the promotion of economic development by means of addressing the scourge of congestion, enhanced mobility on city roads and spatial transformation.

The transport sector's goals which guide the delivery agenda can be summarised as follow:

- Building a leading, responsive transport sector in the City which works in partnership with stakeholders and residents;
- Developing integrated transport plans at City wide, regional, local and precinct level to

ensure the alignment of land use and spatial planning and that each transport mode plays its rightful role;

- Building a value-based culture to enable behavioral change towards transport issues including use of public transport and road safety;
- Providing high quality, safe, accessible, affordable and environmentally friendly public transport services within 1 km of places of work and residence and that travel times are reduced;
- Building, maintaining and managing our road, public transport and non-motorised transport infrastructure and systems to ensure safety, accessibility and mobility for all road users including pedestrians; and
- Transforming the construction, maintenance and management of storm water to respond to climate change and water scarcity and ensure the safety of residents and infrastructure.

3.3.1 Transport Department

Performance Highlights

During the period under review, various projects and programmes were implemented as summarised below:

(i) **Rollout of the Rea Vaya Bus Rapid Transit (BRT) system** - The Rea Vaya BRT system is aimed at providing fast, safe, affordable, effective, efficient and convenient public transport services in areas of high demand. It is also aimed at transit-orientated development, road safety and economic empowerment of mini bus taxi operators. The Rea Vaya project is implemented in phases with both phase 1A and 1B operational and operating on average 52 710 passenger trips per working day. Phase 1C(a), the 3rd phase, is currently being implemented taking into account the lessons learnt from the first two phases (i.e. 1A and 1B). The following progress can be reported:

- Phase 1A starts from Thokoza Park in Soweto to Ellis Park with phase 1B running on the route from Soweto to the Johannesburg CBD past Noordgesig, New Canada, New Clare, Westbury, Coronationville, Westdene, Auckland Park and Parktown.
- The services are run through two (2) BOCs (Bus Operating Companies),

namely: Piotrans and Litsamaiso, owned by previously disadvantaged public transport operators. The relationship between the City and these two companies is managed through Bus Operating Contract Agreements (BOCAs) and the companies are paid on a fee per km basis.

- An annual average of 52 710 passenger trips per working day ridership can be reported for the review period.
- Phase 1C(a) which stretches between Johannesburg CBD, Alexandra and the Sandton CBD, is currently being implemented. Progress on construction of this route is as follow:
  - Progress on the remaining sections of roadways on the trunk route is at 40%;
  - Average progress on the nine (9) phase 1C(a) stations is at 80%, albeit disruptions and work stoppages;
  - Phase 1 and 2A of the Rea Vaya Selby depot is in place. Progress on the implementation of phase 2B is at 45%. The facility is expected to be completed by June 2020;
  - The construction progress of phase 1 of the Alexandra depot is at 65%;
  - Work on the rehabilitation of Rea Vaya roads and stations infrastructure is in progress;
  - In terms of ITS (Intelligent Transport Systems), the fibre cable was installed. The screens were also installed at the new operations control room centre; and
  - Negotiations with affected public transport operators on phase 1C(a) is underway.

The table below displays the Rea Vaya Bus rapid Transit (BRT) operational service statistics.

Table 54: Municipal Bus Service Data: Transport Department (Rea Vaya BRT)

Detail		2017/18	2018/19		2019/20
		Actual No.	Target	Actual No.	Estimate No.
1	Passenger journeys	Rea Vaya : 49,062	53 000	52 710	53 000
2	Seats available for all journeys	Rea Vaya : 108,801	108,801	108,801	108,801

Detail		2017/18	2018/19		2019/20
		Actual No.	Target	Actual No.	Estimate No.
3	Average Unused Bus Capacity for all journeys	Rea Vaya : 18,6%	54 %	55%	54%
4	Size of bus fleet at year end	Rea Vaya : 277	277	277	277
5	Average number of Buses off road at peak	Rea Vaya : 27	27	27	27
6	Proportion of the fleet off road at peak	Rea Vaya : 9%	9.7%	9.7%	9.7%
7	No. of Bus journeys scheduled per day	Rea Vaya : 2561	2561	2561	3375
8	No. of journeys cancelled per day	Rea Vaya : N/A	52	20	52
9	Proportion of journeys cancelled	Rea Vaya : N/A	2%	0.8%	2%

Transport transformation

This mainly encompasses the transformation of public transport operators, particularly mini bus taxis industry. The milestones for the period under review include:

- Hundred (100) mini bus taxi operators were trained through Wits School of Governance towards running successful businesses. This is the second group as 100 operators were also trained during last financial year;
- As reported above, the negotiations with the affected public transport operators on phase 1C(a) route are underway towards the establishment of a Bus Operating Company (BOC) owned by the affected operator;
- Preliminary verification for affected public transport operators was done;
- The collection of operators' information for regularisation was completed. It is anticipated that the regularisation process will be completed in the new financial year; and
- Engagements towards partnering with mini bus taxi and bus company representatives to operationalise the long distance and cross-border Johannesburg International

Transport Interchange (JITI) in the Inner City. This facility which accommodates cross-border operations will ensure the safety and dignity of residents and visitors.

Transport infrastructure includes public transport facilities, complete streets and managed lanes. The Transport Department is responsible for the design, construction and upgrading of public transport facilities. The following can be reported in this regard for the period under review:

Public Transport Facilities

- A new contractor at JITI (Johannesburg International Transport Interchange) was appointed after the previous one was liquidated. Work towards the completion of this facility which will accommodate cross border busses, is in progress;
- The construction of Drieziek is underway albeit challenges which included ongoing interruptions and work stoppages;
- The detail designs for small commuter public transport facilities at Tshepisong, Zola, Orange farm and Zakariya Park were completed with construction work commencing in the new financial year; and
- Concept designs for a public transport facility at Kya Sands were completed with work on detail designs commencing in the new financial year.

Complete streets

Complete Streets are streets constructed or retrofitted to accommodate all road users (pedestrians, public transport, motorists, etc.). These streets also enhance the safety of road users and the following can be reported for the period under review:

- The complete streets projects at Dube, Merafe and Mzimhlophe are being completed;
- The detail designs for complete streets on the route between Orlando East to Soweto UJ were completed with construction work commencing in the new financial year. This project is funded through external funding from KfW (German Development Bank); and
- The conceptual designs for complete streets links to Chiawelo railway station are completed. Detail designs will be undertaken in the new financial year.

Managed lanes

Phase 1 of managed lanes at Eloff Street in the Inner City is in place. Phase 2 of the project will be completed in the new financial year.

Cycling promotion

The Department annually distributes bikes to disadvantaged learners as part of cycling promotion. In the 2018/19 financial year, the following can be reported:

- Two thousand and ninety-six (2096) bikes were distributed. The areas covered included Orlando, Alexandra, Orange Farm and Sandton. The beneficiaries included learners and low-income earners.

Road safety education, behavioural change and partnerships

As part of promoting safety of road users and behavioural change, the Department implemented seventy-seven (77) road safety education and outreach programmes in partnership with stakeholders and the community. These interventions were implemented at various areas across the city.

During October 2018, the Transport Month programme was implemented in partnership with stakeholders and the community. The programme included the following:

- The commencement of Metrobus digital campaigns: dissemination of safety messages targeted at general public;
- Launch of Metrobus emergency response three weeks training programme;
- Region A senior citizens: experiencing public transport;
- Safety on roads: quality road marking;
- Joburg Public transport: Kasi-to-Kasi public transport adventure;
- Transport career exhibition at Sci-bono;
- Rea Vaya safety: Anti-vandalism;
- Metrobus: aspired women owned SMMEs development programme;
- Freedom ride: Region B, D and F; and
- Metrobus customer campaign.

Strategic transport plans

The following can be reported for the period under review:

- The citywide integrated public transport network (IPTN) plan was developed and will be submitted for approval in the new financial year. Work on the implementation plan is in progress; and
- Work on the Greater Soweto business plan is in progress. The stabilisation plan is part of the IPTN plan and its implementation plan is in progress.

Transport regulation

The transport by-laws are being reviewed. The next phase will be the public participation process which will be undertaken in the new financial year.

Transport IDP Deliverables

Table 55: Transport Objectives taken from the IDP Deliverables

Service Objectives / **Service Indicators**	**Service target(s)**	**2016/17**		**2017/18**		**2018/19**		**2019/20**
		Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**
Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021. **Priority 2: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.**								
Average number of Rea Vaya passenger trips per working day.	53 000	53 000	51 389	53 000	49 062	53 000	52 710	53 000

Employees

Table 56: Employees: Transport Department (including Rea Vaya) Bus Services

Job Level(s)	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-4	29	32	35	28	7	25
5-6	21	18	34	17	17	49
7-8	84	78	130	72	58	80
9-12	454	425	504	388	116	29.8
13-15	0	0	0	0	0	0
16-18	0	0	0	0	0	0
19-20	0	0	0	0	0	0
Total	**588**	**553**	**703**	**505**	**198**	**39**

Financial Performance

Table 57: Financial Performance Year 2018/19: Transport Department

Details	2016/17	2017/18	2018/19			
	Actual (000)	Actual (000)	Original budget (000)	Adjusted budget (000)	Actual (000)	Variance to budget (000)
Operating Grants	242 700	193 263	(485 936)	(405 914)	(252 465)	(153 449)
Rea Vaya fare revenue	108 641	124 356	(141 530)	(141 530)	(158 698)	17 168
Total Revenue	**351 341**	**317 619**	**(627 466)**	**(547 444)**	**(413 163)**	**(136 281)**
Employee related costs	165 798	184 566	195 268	184 224	182 722	1 502
Depreciation and asset impairment	526 319	387 177	634 945	634 945	438 866	196 079
Repairs and maintenance	171 357	37 746	169 536	101 004	56 782	44 222
Contracted services	613 124	510 073	649 401	623 119	565 350	57 769

Details	2016/17	2017/18	2018/19			
	Actual (000)	Actual (000)	Original budget (000)	Adjusted budget (000)	Actual (000)	Variance to budget (000)
Grants and Subsidies	2 100	499	34 020	24 140	14 047	10 093
Other Expenditure	58 881	80 061	177 794	67 121	31 850	35 271
Internal Charges	30 953	78 191	9 707	232 906	155 064	77 842
Finance Charges			5	5	4	1
Total Operational Expenditure	**2 271 214**	**1 278 313**	**1 870 676**	**1 867 464**	**1 444 685**	**422 779**

Capital Expenditure

Table 58: Capital Expenditure: Transport Department

R'000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget (000)	**Actual Expenditure (000)**	**Adjusted Budget (000)**	**Actual Expenditure (000)**	**Budget (000)**	**Adjusted Budget (000)**	**Actual Expenditure (000)**	**Variance from original budget (000)**	**Total Project Value**
Redevelopment of Inner City Ranks	-	-	10 000	1 461	10 000	10 000	943	-9 057	30 904
Dube complete streets	-	-	-	-	5 000	30 000	28 527	-1 473	38 667
Construction of Kya Sand Superstop	-	-	-	-	1 000	1 000	291	-709	36 791
Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route	-	-	1 000	-	4 000	1 000	403	-597	24 403
Small Public Transport Facility at Zola	800	678	1 500	1 006	5 000	2 000	150	-1 850	61 156

R'000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget (000)	**Actual Expenditure (000)**	**Adjusted Budget (000)**	**Actual Expenditure (000)**	**Budget (000)**	**Adjusted Budget (000)**	**Actual Expenditure (000)**	**Variance from original budget (000)**	**Total Project Value**
New Laybys and Street Furniture JOHANNESBURG City Wide	1 000	735	1 500		2 000	2 000	-	-2 000	13 660
Park and Ride Facility in Greenside Region E	-	-	1 500	352	4 000	4 000	61	-3 939	7 413
Small Public Transport Facility in Zakariya Park Region G	800	733	1 500	306	3 000	3 000	709	-2 291	41 015
Small Public Transport Facility in Orange Farm Ext 7 (Region G)	800	796	1 500	1 332	5 000	2 000	114	-1 886	61 446
Complete streets links to Tsiawelo Metrorail Station: Mhlaba / C Hani	-	-	0	0	1 500	1 000	232	-768	21 932
Parking Solutions for small nodes JOHANNESBURG City Wide	2 000	391	1 750	1 461	1 500	1 000	-	-1 000	16 922

R'000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget (000)	**Actual Expenditure (000)**	**Adjusted Budget (000)**	**Actual Expenditure (000)**	**Budget (000)**	**Adjusted Budget (000)**	**Actual Expenditure (000)**	**Variance from original budget (000)**	**Total Project Value**
Dedicated Public Transport Lanes: Inner City	10 000	-	13 000	0	16 000	20 000	3 246	-16 754	28 000
Small Public Transport Facility at DRIEZIEK EXT.3	5 000	4 185	5 000	576	33 800	33 800	8 552	-25 248	35 928
Small Public Transport Facility in Tshepisong	-	-	1 500	194	4 000	2 000	108	-1 892	54 302
Complete streets links to Merafe and Mzimhlophe railway stations - Region D	-	-	40 000	39 618	-	36 600	25 091	-11 509	64 709
Operational Capital	500	369	530	452	0	500	356	-144	1 530
Redevelopment of Karzene (JITI), NEWTOWN EXT.1 Region F	112 300	111 213	111 000	109 678	68 600	20 000	19 312	-688	354 483
Rea Vaya New Bus Rapid Transit JOHANNESBURG F City Wide	808 808	807 717	706 131	685 585	661 022	661 022	660 256	-766	8,488,000

R'000									
Capital projects	2016/17		2017/18		2018/19				
	Adjusted Budget (000)	Actual Expenditure (000)	Adjusted Budget (000)	Actual Expenditure (000)	Budget (000)	Adjusted Budget (000)	Actual Expenditure (000)	Variance from original budget (000)	Total Project Value
Total	1 004 808	921 175	-	-	830 922	830 922	748 351	-82 571	13,024,461

3.3.2 Johannesburg Roads Agency

The Johannesburg Roads Agency or “JRA” is a municipal-owned entity that was established by the City of Johannesburg in 2001. The primary mandate of the entity is the design, construction and maintenance of roads, road reserves, storm water infrastructure, and roads-related infrastructure such as traffic signals and road-signs. As a service delivery agent of the City of Johannesburg, the JRA has a socio-economic responsibility of balancing available public funds and the service requirements of the ratepayers and road users of Johannesburg. The JRA Strategy 2022 focusses on the following four strategic pillars, namely:

- Service Delivery;
- Good Governance and Sound Financial Management; Human Capital Development and Management; and
- Stakeholder and Customer Relations.

Roads Infrastructure Services

Table 59: Gravel Roads Infrastructure (km)

Period	***Total gravel roads***	***New gravel roads constructed***	***Gravel roads upgraded to tar***	***Gravel roads graded/maintained***
2016/17	*3839*	*N/A*	*32.26*	*2164*
2017/18	*3806.74*	*N/A*	*31.34*	*1221*
2018/19	*3775.40*	*N/A*	*25.39*	*1861*

Table 60: Tarred Roads Infrastructure (km)

Period	***Total tarred roads (m2)***	***New tar roads***	***Existing tar roads re-tarred***	***Existing tar roads re-sheeted***	***Tar roads maintained***
2016/17	*9123*	*32.26*	*520.09*	*N/A*	*90%*
2017/18	*124.53*	*31.34*	*301.12*	*N/A*	*90%*
2018/19	*12406.103*	*25.39*	*291.05*	*N/A*	*90%*

Table 61: Cost of Roads Construction/Maintenance (R'000)

Period	Gravel		Tar	
	New & Gravel - Tar	Maintained	New & Re-worked	Maintained
2016/17	336,638	17,903,985.03	539,035	61,934,421.27
2017/18	311, 896	18,066,975.49	383,396	66,041,371.01
2018/19	333,368	22,662,852.40	507,682	80,342,165.82

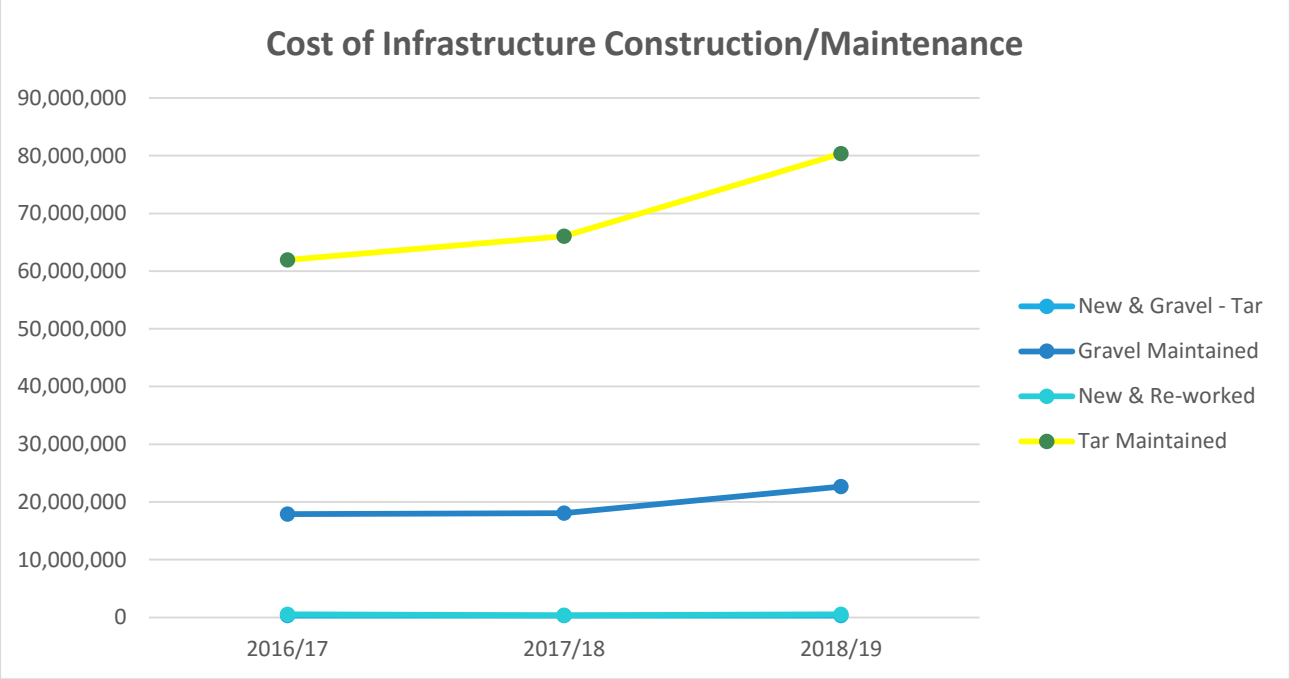


Figure 17: Storm water Drainage Infrastructure Services

Table 62: Storm water infrastructure (km)

Period	Total stormwater measures	New Stormwater measures	Stormwater upgraded	Stormwater measures maintained
2016/17	-	-	0.3	38
2017/18	-	-	2.214	51
2018/19	-	-	1.264	47

Table 63: Cost of storm water infrastructure construction and maintenance (R'000)

Period	*Stormwater Measures*		
	New	*Upgraded*	*Maintained*
2016/17	*128,542*	*New and upgraded one amount*	*48,843,612.37*
2017/18	*131,050*	*New and upgraded one amount*	*63,104,737.43*
2018/19	*152,023*	*New and upgraded one amount*	*75,325,367.26*

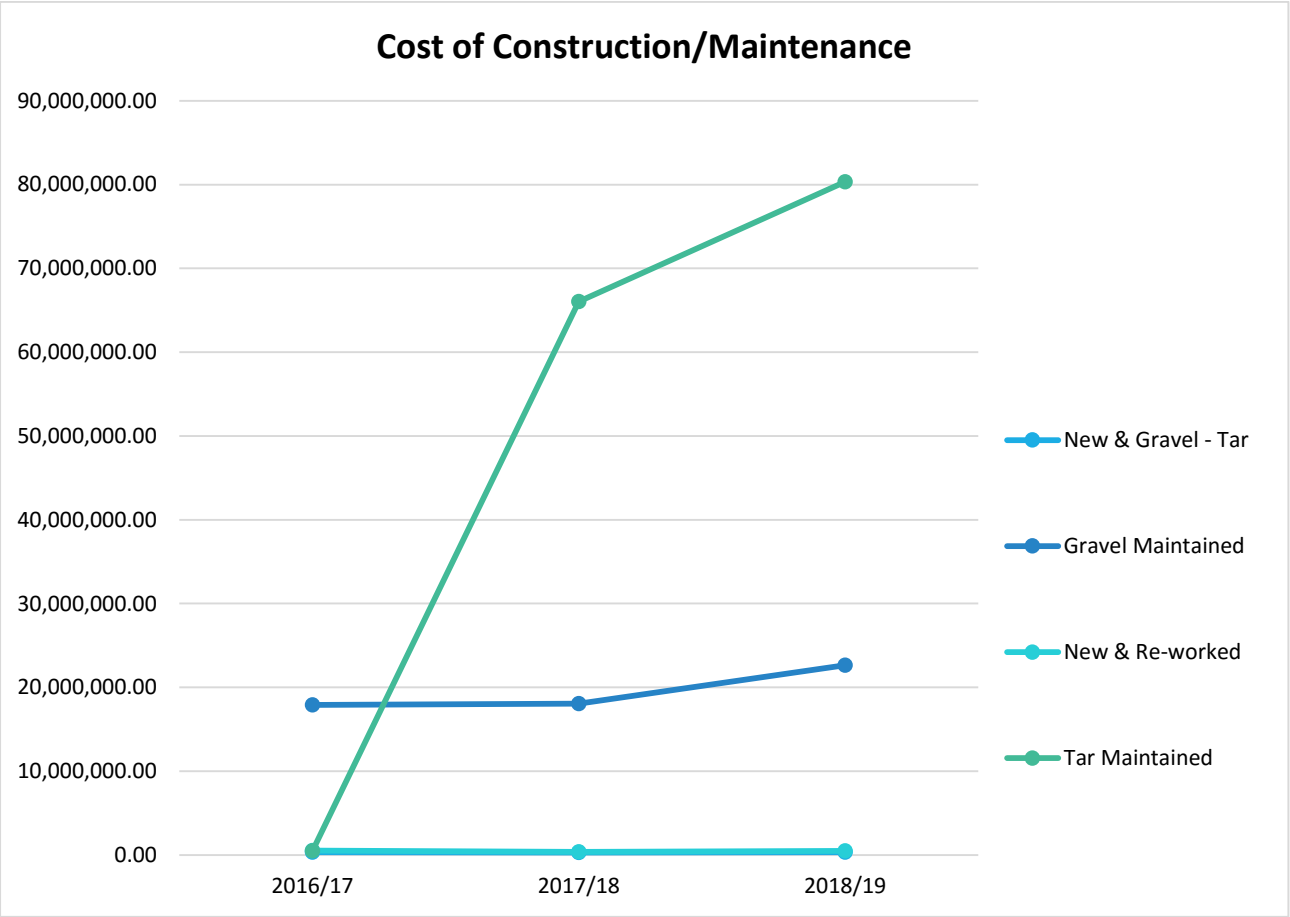


Figure 18: Cost of Construction/Maintenance

Road Service Policy IDP Deliverables

Table 64: Road Service Policy strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 2: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.								
Kilometers of gravel roads tarred	35,92km	35,92km	32.24km	27 km	31.34 km	25 km	25.39 km	30 km
Number of L/Km of roads resurfaced	358 l/km	358 l/km	520,09 l/km	250 l/km	301.12 l/km	220 l/km	291.05 l/km	180l/km
Km of open storm water drains converted to underground systems	1.6 km	1.6 km	0.3 km	2.9 km	2.214 km	1.5 km	1.264 km	2.8km

Employees

Table 65: Employees: JRA

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as at a % of total posts)
0 – 2	7	5	9	6	3	33
3	28	27	29	26 (Includes Fixed Term contracts)	6	20
4	71	93	104	72	6 (32)	5
5	139	193	211	139	21 (72)	9
6 – 8	503	849	867	545	97 (322)	11
9	799	1377	1383	921	80 (462)	5
Total	1 547	2544	2 603	1 709	214	8

Capital Expenditure

Table 66: Capital Expenditure: JRA

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 206 506	1 301 847	1 292 090	9 757	1 292 090

Comment on overall performance

Aligned to the City's pro-poor development focus and the capital investment work, the JRA focused on upgrading of road infrastructure, rehabilitation and reconstruction programme, resurfacing and bridges programme. Some of the key milestones achieved by the JRA in the 2018/19 financial year include:

- Launch of the asphalt plant at the beginning of the financial year;

- Achievement of 74.73% of its pre-determined objectives on the corporate scorecard;
- Contribution to institutional performance by meeting its targets roads resurfacing (291.05Lkm) and roads upgrading (25.014km) contained on the City-wide Institutional Service Delivery Budget Implementation Plan (SDBIP);
- Capex expenditure of 99% against a target of 95%, inclusive of allocated grant funds contributing to the completion of several planned infrastructure projects as well as operating budget expenditure at 91%;
- 97.74% Broad Based Black Economic Empowerment (BBBEE) spending against a target of 75%; and
- The Company exceeded its year-to-date targets for several indicators, including EPWP opportunities created (1512) against a target of 1500; and the number of SMMEs, and supported (153) against a target of 100.

During the financial year several bridges were identified to have a variety of structural defects and require either rehabilitation and or reconstructions. The implementation of these bridge projects as at various stage based on the scope of works. Some like the M1 Double Decker Bridge, Selby and Karsene Bridge and South are already at construction stage whereas most at different design stages.

3.3.3 Metrobus

Introduction

Metrobus is a provider of conventional bus services poised to become an important player in the Integrated Public Transport Network, contributing to the provision of seamless transport services to the citizens of Johannesburg. The 2018/19 financial year has been a year full of activities aimed at improving the service offering to our commuters.

The year was focussed on realigning the organisation to be capable to deliver a reliable and efficient service. We have consistently delivered the service we advertise, operating 93% of the planned trips. This is a significant improvement in comparison to the 87% operated in the previous financial year. We also exceeded our on-time performance target of 95% from the starting point; achieving 97% for the vast majority of morning and afternoon peak periods. This achievement came as a result of having leased ten (10) articulated buses with a carrying capacity of approximately one hundred and fifty (150) passengers per bus as well as on-going matching of schedule with available fleet (trip rationalisation). This year saw a 66% ridership in respect of route 05 and 16% for route 80, augmented by the introduction of articulated buses.

Overall, ridership in the 2018/19 financial year was at 8.1 million. Ridership has been declining since 2014 due to various factors, including bus fleet availability affecting service reliability and changes in customer mobility. Another important factor that has adversely impacted the measurement of rides, is the obsolete revenue collection system which makes it impossible to accurately account for all the rides.

In an effort to re-establish sustained ridership growth, we launched a market research assessing travel demand patterns and route performance in the year under review. The outcome of the market research will inform ridership growth strategy, revenue strategy, fleet management strategy, route rationalisation strategy as well communications and marketing strategy. The overall scope for the project consists of a determination of the market segment that Metrobus currently services, including the sales volume in the industry, as well as ascertaining market size, key role players, current and potential competitors, the need for the service and potential risks. The research includes mapping target market characteristics, spending habits, locations, as well as industry buying patterns.

Performance highlights

- Introduction of new Sales Outlets
- Tag & Ride Campaign
- Management Competency Enhancement: International Training
- C40 Cities participation
- Global Citizens Festival: MANDELA 100 YEARS CENTINARY
- Strides in Green Economy: Fuel Technology Project
- Occupational Health and Safety
- Commuter Health and Safety
- Explored new frontiers in Marketing and Communication
- Celebrating Women at Metrobus
- Take-a-Girl-Child to work participation
- 93 Jobs created

Opportunities

- Increase in passenger numbers
- Increase reliability of service
- Opportunity to meet unmet demand, currently estimated at 2.5 million potential users
- Opportunity to be leader in the use of green fuels

Challenges

- Inadequate fleet availability
- Inadequate investment in technology
- Vacancy rate

Planning Strategies

- Re-fleeting Strategy – Strategy formulated and approved by board of directors (BoD).
- Route Rationalization Strategy – Research has been completed towards the outcome of ensuring that fleet is more appropriately deployed in pursuit of optimal satisfaction of present need and meeting unmet demand.
- Digitisation – The introduction of intelligent transport systems into Metrobus operations. A road map in this regard in alignment with City transport has been developed.

Delivery Priorities

- Meeting the target in relation to trips operated versus trips planned. The target in this regard was 90% for the year under review and a performance level of 95% was achieved.
- Meeting of target on passenger trips per working day, set at 42 000. A performance level of 33 237 was reached.
- Meeting targets in relation to blameworthy accidents. The target in this regard is an accident rate of less than 0.75 per 1000 kilometres travelled. A performance level of 0.76 was achieved.

Metrobus IDP Deliverables

Table 67: Metrobus Objectives taken from the IDP Deliverables

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.								
Average number of Metrobus passenger trips per working day	51000	51 000	42 775	51 000	38 693	42 000	33 237	45 000

Employees: Metrobus

Table 68: Employees: Metrobus

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-3	79	132	112	78	30	15.15
4-6	736	804	798	600	106	53.54
7-9	21	40	49	21	54	27.27
10-12 etc.	14	13	30	12	8	4.04
Total	**850**	**989**	**989**	**711**	**198**	**27.85**

Financial Performance

Table 69: 2018/2019 Financial Performance Year: Metrobus

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	633 688 135	614 286 520	717 081 000	668 433 000	643 597 672	-24 835 328
Expenditure:						
Employees	-299 389 595	-293 134 646	-333 759 000	-287 111 000	-295 561 932	-8 450 932
Repairs and maintenance	-48 609 286	-52 476 236	-48 479 000	-48 479 000	-82 870 378	-34 391 378
Other	-305 010 448	-433 400 93	-334 843 000	-332 843 000	-292 046 692	40 796 308
Total operational expenditure	-672 507 229	663 371 068	-717 081 000	-668 433 000	-670 479 002	-2 046 002

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Net operational expenditure	-19 321 194	-49 084 548	-	-	-26 881 330	-26 881 330

Capital Expenditure

Table 70: Capital Expenditure: Metrobus

	2016/17		2017/18		2018/19			
Capital projects	**Adjusted Budget**	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**
Total	**310 498 000**	**181 244 855**	**29 750 000**	**29 423 023**	**40 250 000**	**47 250 000**	**40 814 388**	**6 435 612**
Building Alterations	1 200 000	3 896 101	3 750 000	3 750 000	4 000 000	9 000 000	10 587 699	-1 587 699
Engine and Gear Boxes overhaul	7 110 000	9 820 209	6 300 000	7 071 332	5 000 000	5 000 000	7 046 159	-2 046 159
Office Furniture	400 000	426 014	500 000	509 182	750 000	750 000	812 478	-62 478
IT Equipment	1 300 000	936 881	11 000 000	10 889 135	3 500 000	5 500 000	7 207 611	-1 707 611
Plant and Machinery	5 300 000	321 441	500 000	100 593	2 000 000	2 000 000	1 851 935	148 065
Bus Refurbishment	-	-	7 200 000	6 022 601	25 000 000	25 000 000	13 308 506	11 691 494
Replacement of vehicles	300 000	-	500 000	-	-	-	-	-

	2016/17		2017/18		2018/19			
Capital projects	**Adjusted Budget**	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**
Bus management system	-	-	-	1 080 180	-	-	-	-
Purchases of new buses	277 500 000	160 700 794	-	-	-	-	-	-
Gas refueling station	7 000 000	5 143 415	-	-	-	-	-	-
Bus refurbishment	10 388 000		-	-	-	-	-	-

COMPONENT D: ECONOMIC DEVELOPMENT AND PLANNING SERVICES

3.4. Economic Development and Tourism

Introduction to Economic Development

The Department of Economic Development (DED) is mandated to provide strategic economic direction to the City, and to help steer it towards the achievement of 5% economic growth and a reduction in unemployment to under 20%, by 2021. The mandate of DED is drawn from the economic objectives of the IDP priorities and GDS outcomes, namely to:

- Support the alignment of City plans and policies towards achieving a 5% economic growth rate and bringing down unemployment to less than 20% by 2021;
- Support and promote the development of SMMEs;
- Facilitate the creation of an enabling environment that attracts investment and provides dedicated incentive packages for investors, with a focus on the Inner City;
- Entrench Johannesburg as a leading tourism destination in collaboration with key stakeholders;
- Enhance collaboration with public and private sector stakeholders; and
- Ensure business regulation, compliance and enforcement within the informal trade sector.

Economic Development Strategy

The Department is also mandated to drive the implementation of the City's approved Economic Development Strategy, which has a longer-term horizon beyond the 5% growth target. The strategy aims to move the City toward:

- Increasing localised production - replacing imports through getting firms in Johannesburg and South Africa to become competitive suppliers;
- Increasing economic activity in different regions within the City - promoting increased economic growth in regions based on their different profiles and comparative advantage;
- Increasing small entrepreneurship activity - through increased collaboration with the private sector value-chains and City supported-SMME hubs; and
- Increasing connectivity with the rest of Africa - through increased trade and investment links with the rest of Africa, including targeted development of economic precincts that reflect that Johannesburg is the economic hub of southern and eastern Africa.

Projects

Some of the Department's projects include the following:

i) Inner City Economic Development and Investment Roadmap / Masterplan

The Inner City Economic and Investment Roadmap is a partnership between the City of Johannesburg and the French Development Agency (AFD). The roadmap is developed in collaboration with local stakeholders, city/government departments and other relevant entities. The strategy includes the following:

- A definition of 'inner city' (section 2);
- Importance of the inner city (section 3);
- Situational analysis of the inner city economy (section 4);
- Future trends (section 5);
- Vision for the inner city (section 6);
- Proposed economic strategy for the inner city (section 7); and
- The way forward (section 8).

The Inner City Office directs the Department in the development of the roadmap and coordinates the implementation of it. The roadmap is intended to provide strategic economic development direction to the City as well as much-needed insight into crucial interventions to promote the redirection of economic and investment promotion within the inner city.

The following key milestones were achieved during the year, namely:

- Final draft roadmap completed in May 2019;
- Steering Committee Workshop held on 14 May 2019 to discuss final findings and recommendations with key departments and entities;
- Presentations were made to the Inner City Technical Cluster on 23 May 2019, the Inner City Sub-Mayoral on 30 May 2019 and the Economic Growth Sub-Mayoral on 12 June 2019; and

- The report for approval was completed, but deferred to July 2019 following a request that the committee be provided with more time to engage the detailed strategy. The deadline for comments by the committee was at the end of June 2019.

ii) Cross Border Shopping Precinct Implementation

The Department appointed a service provider to commission work on the Cross-Border Shopping Precinct Implementation Plan. The project follows research commissioned by the Johannesburg Inner City Partnership (JICP) in 2016/2017 on the nature of cross- border shopping in the inner city of Johannesburg. The Department undertook work looking into an implementation plan to package the Cross-Border Shopping Precinct for investment attraction and brand promotion, in order to help define the future state of the area. The final draft Cross-Border Shopping Precinct Implementation Plan was concluded in May 2019 and presentations of the final draft were tabled at the various COJ committees for review during May and June 2019.

The following key milestones were achieved, namely:

- Final draft implementation plan completed in May 2019;
- Presentations were made to the Inner-City Technical Cluster on 23 May 2019, the Inner City Sub-Mayoral on 30 May 2019 and the Economic Growth Sub-Mayoral on 12 June 2019 for review and comments; and
- The report for approval was completed, but deferred to July 2019 following a request that further revisions be made to the final strategy. The committee members were provided with additional time to consult the final draft and the deadline for all comments was at the end of June 2019.

iii) Priority Economic Zones

A site visit to Aeroton was undertaken by a multi-sectorial team of officials from Pikitup, JMPD, Social Development, Health and Group Citizen Relationship and Urban Management. The main purpose of the tour was to get a better understanding of the challenges hampering business growth and development, and the design interventions required to deal with these obstacles. Emanating from the Aeroton site visit and subsequent engagements with relevant stakeholders, the following interventions were implemented:

- Development of a database of informal traders to assist in regularising the operations of traders, to provide support and ensure compliance;
- Commencement of an initiative to identify suitable sites for traders that are in contravention of by-laws, which includes education on environmental health issues. This project is championed by the DED, working in collaboration with the Health Department and the JMPD;
- JRA successfully resolved long outstanding challenges, *inter alia*, the reprinting of street names and kerbs, stop-sign road markings, the replacement of stop-sign posts, stormwater drain covers and rutting on Adcock Ingram Avenue; and
- Operations were undertaken by Pikitup and City Power to ensure that the environment is aesthetically pleasing and business-friendly. JMPD continues to patrol once a week in an effort to curb crime and ensure by-law compliance.

iv) Economic Development Facilitation Framework

The Economic Development Facilitation Framework is complete and in the process of being approved. The main purpose of the framework is to create an enabling environment for enterprises, local business people, groups, non-profit organisations and the private sector to enter into strategic partnerships with the Department. The objectives of the framework are to:

- Provide a broad framework and a conducive environment so that the strength of strategic partners in terms of their efficiencies, flexibility, and innovativeness are utilised by the Department. This will ensure the provision of optimal services and best value for money;
- Ensure that partnership project-planning takes place within an enabling environment, including political support and buy-in from key stakeholders;
- Put in place a transparent, consistent and efficient administrative mechanism to create a level playing field for all stakeholders;
- Ensure an open and fair public process for soliciting and considering partnership opportunities;
- Provide the Department with full and final decision-making on any partnership opportunity, thus protecting its integrity and the integrity of its facilities and services;
- Help officials, potential partners and the public to better understand the processes and procedures related to partnerships;

- Ensure that there is a deliberate and systematic manner of responding to partnership proposals received by the Department, be it solicited, unsolicited or in-kind;
- Provide a systematic approach to sourcing funding in order to provide the required gap-funding where essential events/programmes funding are intrinsically insufficient; and
- Provide clear guidelines and processes for consideration and approval in respect of unsolicited partnership proposals presented to the Department by potential partners.

Joburg Tourism

Tourism - as a key economic sector - contributes significantly to the City's developmental priority of promoting and attracting investment towards achieving 5% economic growth that will reduce unemployment by 2021.

Joburg Tourism's operations are guided by the City's 2040 Growth and Development Strategy. It contributes to the economic development imperatives of the City and the GDS 2040 outcomes, and in particular to an economy that is competitive, inclusive, and resilient and harnesses the potential of Johannesburg's citizens.

The tourism goal for the City is to become a leading business and leisure tourism destination in Africa through tourism development and marketing. Joburg Tourism implements experience-based destination and tourism marketing as well as demand-driven tourism to stimulate tourism growth and development. Therefore, in execution of its strategy, it aims to align its activities with the overall desired strategic impact, namely:

- Shared sustainable economic growth and development;
- Tourism sector transformation; and
- Stimulating a vibrant second economy.

Joburg Tourism is supported by various smaller business units which all contribute to the overall performance of the Directorate, namely:

- Visitors Services Bureau
- Convention Bureau (Business Tourism)
- Tourism Development
- Tourism Management
- Destination Marketing

Key Service Delivery Highlights

Service delivery highlights for the Department include the following:

- On 12 April 2019, Khoebo Opportunity Centre (OC) hosted a SMME Development Seminar and Networking Session together with the US Consulate.
- On 30 May 2019, the Department hosted a professional delegation from Kenya. The delegation comprised the IDEAS Technical Implementation team, Kenyan State Department of Devolution, Kenyan National Treasury and Council of Governors and the Kenya School of Government who engaged in a ten (10) day study tour of South Africa.
- On 6 and 7 June 2019, the Department hosted the South African Cities Networks (SACN) EPWP Reference Group.
- On 10 June 2019, Khoebo OC hosted a Youth Summit at the Metro Centre. The summit aimed at engaging the youth on entrepreneurship and unemployment issues.
- On 13 June 2019, the Department in collaboration with Gauteng Department of Agriculture and Rural Development, coordinated the SMME Economic Roadshow in Orange Farm.
- On 19 June 2019, the Executive Mayor officially launched the Thusanang Opportunity Centre at the Klipfontein View Multi-purpose Centre.
- On 24 June 2019, the MMC: Economic Development opened the Ikamvalethu Opportunity Centre at the Alexandra Multi-purpose Centre.
- On 25 June 2019, 100 artisans graduated at the Skills Village in Bertrams. The City's representation was led by the MMC for Economic Development.
- On 27 June 2019, the Executive Mayor officially opened the Atlehang Opportunity Centre at the Soweto Empowerment Zone (SEZ) in Diepkloof and the Simunye Opportunity Centre at the Danie van Zyl Recreation Centre.
- Johannesburg won a bid to host the South African Association for the Conference Industry (SAACI) in July 2020.
- City of Johannesburg, in collaboration with Hyatt Regency Johannesburg, was awarded the bid to host the World Federation of Haemophilia in August 2019.
- Johannesburg Tourism Ambassador Programme was launched on 28 May 2019 at the Joburg Theatre. Coverage for the launch included interviews with the MMC for Economic Development on JoburgToday.tv [https://www.joburgtoday247.tv/?t=v&mid=fygzdSzk&fid=JLDHi1bI], as well as China Global Television News (CGTN), with an estimated viewership of 1.8 billion globally.

- Participation at the Africa Travel Indaba (Tourism Indaba) exhibition from 2 to 4 May 2019 at the King Albert Luthuli International Convention Centre in Durban.
- Successfully staged Meetings Africa 2019 (27-28 February 2019) in collaboration with Gauteng Tourism Authority at the Sandton Convention Centre, Johannesburg.
- Johannesburg won a bid to host Africa Travel Association (ATA) 2019 and 2nd Brand Summit and Awards 2019.
- Successfully hosted AfroPunk Joburg Festival 2018.
- Launch of “Jazzy Joburg Market" in partnership with Standard Bank Joy of Jazz on 28 September 2018.
- The department hosted the 12th Annual Smart Procurement World Indaba 2018.
- Launch of the Visitor Information Centre in Sandton, Tourism website and Mobi App on 21 September 2018.

Local Job Opportunities

The following EPWP jobs were created through Local/Regional Economic Development initiatives or projects funded by the capital and operational budgets of the City, as well as the National Department of Public Works EPWP Grant:

Table 71: Job creation through EPWP projects

Period	Number of EPWP projects	Number of jobs created
2018/19	420	18 680
2017/18	429	21 696
2016/17	290	18 820

Economic Development IDP Deliverables

Table 72: DED - Objectives taken from the IDP Deliverables

Service Objectives / Service Indicators	Service Targets	2016/17		2017/18		2018/19		2019/20-2020/21
		Target	Actual	Target	Actual	Target	Actual	Target
Rand value of investment and business facilitated	R4 billion	R4 billion	R4.451 billion	R8.5 billion	R8.69 billion	R15 billion	R17.29 billion	R25 billion
Number of EPWP work opportunities created city-wide	23 227	23 227	18 820	24 809	21 696	29 065	18 680	10 762
Number of SMMEs supported by the City	10 000	10 000	11 619	8 000	8 969	16 000	16 818	11 000
Reform Action Plans for business standard	N/A	N/A	N/A	3	0	3	3	3
Development of the Economic Development Facilitation Framework	N/A	N/A	N/A	N/A	N/A	Approved City Economic Development Facilitation Framework.	The framework has been completed and submitted.	N/A

Service Objectives / Service Indicators	Service Targets	2016/17		2017/18		2018/19		2019/20-2020/21
		Target	Actual	Target	Actual	Target	Actual	Target
						Prefeasibility on identified project.		
% increase in the number of tourists coming into the City of Johannesburg	N/A	N/A	N/A	N/A	N/A	3%	According to Euromonitor International: "*Top 100 City Destinations 2018*" in Middle East and Africa: Top 10 Johannesburg recorded 5.9 million arrivals in 2018, moving up to number 3 after Dubai (UAE) and	N/A

Service Objectives / Service Indicators	Service Targets	2016/17		2017/18		2018/19		2019/20-2020/21
		Target	Actual	Target	Actual	Target	Actual	Target
							Mecca (Saudi Arabia), respectively.	
Number of Regional Economic Development Frameworks	N/A	N/A	N/A	N/A	N/A	2	2	N/A

Employees: Economic Development

Table 73: Employees: DED

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-3	7	8	11	9	2	22%
4-6	53	48	86	44	42	95%

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
7-9	39	38	63	37	25	68%
10-12 etc.	4	3	3	3	0	0%
Total	**103**	**97**	**163**	**93**	**69**	**74%**

Financial Performance

Table 74: Financial Performance: DED

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue:	149	1 492	34 737	22 698	22 698	0
Expenditure:						
Employees	80 646	73 002	90 898	71 888	70 553	1 335
Repairs and maintenance	8 060	6 000	8 994	5 224	4 801	423
Other	0	65 975	123 249	68 794	40 608	28 186
Total operational expenditure	114 928	148 725	223 141	145 906	115 962	29 944

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Net operational expenditure	114 779	147 233	188 404	123 208	93 264	

Capital Expenditure

Table 75: Capital Expenditure: DED

R'000								
Capital projects	**2016/17**		**2017/18**		**2018/19**			
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**
Total	**18 466**	**12 929**	**8 772**	**5 400**	**9 960**	**5 660**	**4 930**	**730**
Opportunity Seekers Database	0	0	0	0	2 500	2 500	2 500	0
Develop Region G Eco-Tourism Product New Economic Infrastructure ORANGE FARM G Regional	0	0	0	0	6 000	0		

R'000								
Capital projects	**2016/17**		**2017/18**		**2018/19**			
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**
Operational Capital (DED) Renewal Operational Capex JOHANNESBURG F City Wide	500	478	1 300	841	660	3 160	2 430	730
Cross-border Support Hub New Small Business Hub JOHANNESBURG F Ward	0	0	0	0	800	0	0	0

3.5 Development Planning

Introduction

The City of Johannesburg's Growth and Development Strategy is used by the Department of Development Planning to effectively guide future growth and development and enhance the standard of living and quality of life for all citizens. The general welfare of the community is affected by the way in which it grows, and integrated spatial planning is meant to remove the patterns of spatial segregation and mono-functional use of the urban space that impede people's welfare and prosperity.

It is the strategic intention of Development Planning to push for a more coherent integrated spatial planning that uses a form-based approach to intensification and compaction to stimulate a more rational organization and use of urban spaces, prudent land use and investment and sustainable natural resource use.

The work of the Department has a direct impact on the investment attractiveness of the City since it involves implementing and taking decisions on development applications which have a direct bearing on economic opportunities, densities and housing options. The implementation of approved development proposals, both public and private, in line with the City's multi-scale strategic spatial plans and frameworks, results in urban development, increased urban land values and economic growth.

Summary of performance

The Department is responsible for coordinating and facilitating various strategic processes within the City to improve overall integrated planning and implementation processes. The key focus is on priority areas, as identified in the City's approved Spatial Development Framework, e.g. the Transformation Zone areas (Inner City, Mining Belt, Transit-oriented Development Corridors and precincts) and Deprivation areas (such as Diepsloot and Ivory Park).

The Department's work supports the strategic agenda for 2016-2021, as expounded below:

Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty.

(i) **Inner City Regeneration:** The Department is providing direction to the urban regeneration programme of the Inner City by means of its spatial plans and capital programming. The focus this year was to finalise the formulation of the Newtown Urban Development Framework (UDF). The UDF was published for comments in Quarter 4 and open sessions were held over several days in Newtown, where stakeholders could engage directly with the proposals and the project team. Many comments were received from both internal and external stakeholders. The document is being finalised for submission to the City's committees and Council for approval in the first quarter of 2019/2020.

(ii) **Detailed assessment and intervention plan for the City's economic nodes**: The Department has completed its nodal review process during 2018, redefining the spatial approach to density and land use intensity for the City's economic nodes to transform them into compact, generative, inclusive urban spaces. The Nodal Review report still needs to be reconsidered by the Section 79 Oversight Committee. The Department has also assessed several economic nodes according to the Assessment Framework that was completed in the 2nd quarter. The nodes assessed range from potential nodes in marginalized areas (Stretford and Ennerdale) to well-established nodes such as Rivonia and Greater Sloane.

Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress.

(i) **Inclusionary housing:** This is a housing programme that requires private developers to dedicate a certain percentage of new rental housing developments to low income and low middle-income households at affordable housing cost. The final report was submitted to Council for consideration and approved in February 2019. Implementation of inclusionary housing is being monitored.

(ii) **Transit-oriented Development (TOD) Corridors-:** The implementation of projects in prioritised TOD precincts will ensure the transformation of urban spaces around Gautrain and Transnet railway stations and Rea Vaya bus stations, into vibrant mixed-use and mixed-income activity hubs that bring people together. The Department coordinates a range of catalytic projects to create an environment conducive to urban development. Some of the projects and interventions include:

- **Empire-Perth Corridor -** The *Noordgesig Social Cluster* has reached completion in Quarter 3 and the contractor has been completing the snagging list during the fourth quarter. The site will only be handed over to the client departments (i.e. Community Development and Johannesburg City Parks and Zoo) once all outstanding aspects have been addressed. This precinct, which consists of an upgraded swimming pool and park, new public space, library and recreation centre, is linked to the Rea Vaya station and new clinic via a network of pedestrian routes. The precinct serves communities from Orlando East and Pennyville, as well as the existing residents of Noordgesig, creating stronger links between different people and places. The ArtmyJozi Public Art Programme is part of this implementation process and has brought new life into this community through co-production processes. Several murals have been completed over the course of the financial year along the pedestrian route; creating new landmarks and way-finding markers for residents and visitors alike. It also creates opportunities to link Noordgesig into the tourism economy, by celebrating local heritage people and places in a visible way. Local artists and artisans were also involved in creating some play furniture for the upgraded library.

  The *Brixton Social Cluster* is the new community heart of the Empire-Perth Corridor which will serve residents from the University precinct around Auckland Park, Brixton and inner-city suburbs like Fordsburg and Mayfair. The construction of Phase 1 is on track at the end of quarter 4 with 75% of construction completed. The concrete works, roof structure and roof coverings have been completed. The contractor is currently busy with internal and external finishes and the aim is to complete this phase before the end of 2019.

  Public engagements are also being undertaken as part of the ArtmyJozi Public Art Programme to refine place-making interventions as part of Phase 1 implementation. The tender for Phase 2, which comprises the upgraded library, will be initiated in the first quarter of the next financial year, together with some green building interventions as part of the Department’s New Building Efficiency process.

The *Brixton Social Cluster* is the only sizeable community facility within a 10km radius in an area with significant residential growth and it is critical that this facility be completed in the short term.

- **Soweto Corridor –** *The Jabulani Transit Oriented Development* - The JDA continues to implement strategic, catalytic projects to transform Jabulani in support of the visionary precinct plan for the area. Projects for 2018/2019 include upgrading Bolani Road to include safe pedestrian movement whilst accommodating informal traders and public transport infrastructure and finishing the construction of a new SAFA sports facility. These projects are mainly funded through the Neighbourhood Development Partnership Grant.

  The Department is also formulating a spatial development plan for Vilakazi Street and surrounds, to guide public and private investment in this vibrant local area. The planning process has also involved other spheres of government, specifically with regards to the tourism and local economic development potential of the area. It is important that Corridor interventions link smaller scale economic initiatives into the larger network of urban activities.

- **Louis Botha Corridor -** *Paterson Park Social Cluster*: The construction of a new social cluster in Paterson Park, consisting of a new library and multi-purpose sports facilities and upgraded recreational centre has been underway since 2015. Unfortunately, a new contractor had to be appointed to complete the project. The new contractor has established site in November 2018, and has made very good progress. Work on the storm water infrastructure in this precinct is also continuing, but requires substantial investment by the City over time to not only repair aging infrastructure, but to create additional capacity for increased storm water run-off.

  Paterson Park new residential development forms part of the City's land release to the private sector. Development Planning has assisted with the design and town-planning aspects of this project and is currently working with JPC on the land release process. The tender was advertised during the third quarter and evaluations took place in the last quarter. This new residential development

should not only include some inclusionary housing units, but also respond to the requirement of more resource efficient designs.

The Department is also working with the JPC to rezone 82 properties acquired in the Louis Botha Corridor to prepare for release to the private sector. The town-planning applications were lodged in June 2018. The town-planning process is almost complete, with reports for Municipal Tribunal Hearings to be finalised in July 2019. The properties were advertised on public tender and tenders closed at the end of July 2019.

Priority 9: Preserve our resources for future generations.

(i) **Integrated Planning, Policy Development and Standard Setting** contributes to this priority area. The Department plays a leading role in compiling the Built Environment Performance Plan (BEPP) annually for the City to comply with National Treasury's grant requirements. The Department has completed its draft 2019/2020 BEPP document in the third quarter and submitted it to National Treasury.

(ii) The Department has initiated a new policy formulation process related to a "**Green Building" Policy** for the City. This process, which will be led by Development Planning with strong support from EISD (Climate Change Directorate) and various MEs (e.g. City Power, Joburg Water and Pikitup), as well as C40, will be a 2-year policy and by-law formulation process. It forms part of a broader programme aimed at reducing the City's carbon footprint. The strategic analysis phase has just been completed.

Planning is a legislated activity and several laws and regulations from national to local government govern the way the development Planning Department operates. The Department is responsible for setting out the City's future development trajectory, and for processing the site-level development applications which over time collectively aim to achieve the future city vision. Enterprise-wide development facilitation and coordination is therefore the fulcrum of the Department's role in the City.

Unfortunately, this role is intangible from a programme budget perspective, as it is embedded within the mainly statutory operations that are undertaken as day-to-day services. However, this

role is critical in the attainment of strategic outputs and outcomes of the City's collective institutional machinery.

The Department is the primary decision-maker of the location, type and scale of development within the City. Its strategic urban planning and development management mandates are underpinned by a world-class spatial information system which is of great service delivery value to the Council, the development industry and the public at large.

The Department has the following three (3) primary daily operations with tangible service delivery impact on the City, namely:

- Land use development management (i.e. town planning applications) and law enforcement;
- Building development management (i.e. building plan and outdoor advertising applications) and law enforcement; and
- The processing of property information from the Deeds Office.

To maintain and/or improve the standard of service delivery, the Department has set turnaround times and targets for each of the above operations. Although the department would like to shorten the turnaround times, most of the service standards are governed by legislation and/or statutory frameworks with set time frames to be adhered to.

Applications for Land Use Development

Table 76: Applications for land use development

Detail	Formalisation of townships		Rezoning		Consent	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Planning applications received	156	111	944	810	902	745
Determination made in year of receipt	136	112	926	582	417	324

Applications outstanding at year-end	19	-	246	-	906	-

Development Planning IDP Deliverables

Table 77: Development Planning Objectives taken from the IDP Deliverables

Service Objectives / Service Indicators	Service targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Performance objective or Priority: *Create a City that responds to the needs of the citizens, customers, stakeholders and businesses.*								
% processing of building plans less than 500 square metres are concluded[4] within statutory timeframes (30 days)	77%	77%	86%	85%	71%	100%	85.4%	100%
% processing of building plans larger than 500 square metres within statutory timeframes (60 days)	-	New Indicator 2018/19				100% building plans less than 500 square metres are concluded	97%	100%

[4] Refers to processing of applications- assessment assist the local authority to grant approval or refuse to grant its approval and give written reasons for such refusal.

Service Objectives / Service Indicators	Service targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
						within statutory timeframes (30 days)		
% rezoning applications processed within the set turnaround times	Average of 5.5 months	Average of 5.5 months	Average of 5.5 months	85% rezoning applications within 5.5 months	77%	85% rezoning, applications within 5.5 months	87%	85%
% consent use applications processed within the set turnaround times	Average of 2.5 months	Average of 2.5 months	Average of 2.5 months	85% consent, applications processed within 2.5 months	72.5%	85% consent use applications within 2.5 months	87%	85%
% township applications processed	Average of 5.5 months	Average of 5.5 months	Average of 5.5 months	85% consent,	72.5%	85% township applications	88%	85%

Service Objectives / Service Indicators	Service targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
within the set turnaround times				applications processed within 2.5 months		within 5.5. months		
% of mismatches between GIS and monthly deeds downloads resolved for accurate reconciliation of property information	95% of mismatches between GIS and monthly deeds downloads resolved within 5 days	95% of mismatches between GIS and monthly deeds downloads resolved within 5 days	95%	85% consent, applications processed within 2.5 months	97.71%	97% of mismatches between GIS and monthly deeds downloads resolved within 5 days	97% of mismatches between GIS and monthly deeds downloads resolved within 5 days	
% implementation of inclusionary housing policy for private sector	-	New Indicator (Only introduced in 2018/19 FY)				5% implementation of inclusionary housing for	20% implementation of inclusionary housing for	

Service Objectives / Service Indicators	Service targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
developments within identified priority areas						private sector developments within identified priority areas	private sector developments within identified priority areas	

Employees:

Table 78: Employees: Development Planning

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-3	8	7	10	8	2	-
4-6	74	80	147	82	4	-
7-9	333	359	596	358	20	-
10-12 etc.	9	9	21	9	0	-
Total	**424**	**455**	**774**	**457**	**26**	**-**

Financial Performance

Table 79: Financial Performance Year: Development Planning

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	192 092	194 765	198 270	234 352	220 819	5.77%

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Expenditure:						
Employees	201 992	219 602	249 471	247 256	239 933	2.96%
Repairs and maintenance	441	1	1 358	1 278	135	89.44%
Other	85 897	81 416	106 302	104 265	77 743	25.44%
Total operational expenditure	288 330	301 018	357 131	352 799	317 811	9.92%
Net operational expenditure	96 238	106 253	158 861	118 447	96 992	18.11%

Capital Expenditure

Table 80: Capital Expenditure: Development Planning

Capital projects	2016/17		2017/18		2018/19			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Total								
Alexandra Automotive Facility	23,000,000.00	8,834,284.50	7,000,000.00	7,318,438.59		7,000,000.00	6,420,499.78	7,000,000.00
Jabulani TOD	37,730,000.00	37,673,751.66	38,482,000.00	35,575,616.31	40,120,000.00	80,000,000.00	65,433,367.24	39,880,000.00
Nancefield Station TOD: Community Centre	26,000,000.00	25,313,603.45	-	-	-	-	-	-
Jabulani Amphitheatre	15,746,000.00	7,991,671.34	-	-	-	-	-	-
Golden Harvest Rehabilitation Centre, Randburg	4,000,000.00	3,802,451.73	-	-	-	-	-	-
Thoko Mngoma Clinic, Alexandra	19,000,000.00	17,438,154.74	-	-	-	-	-	-

Capital projects	2016/17		2017/18		2018/19			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Park Station Precinct - Inner City Commuter Links Phase-Noord Street	17,500,000.00	14,652,264.10			-	-	-	-
Hillbrow Tower Precinct	30,000,000.00	28,833,547.59	30,000,000.00	29,277,368.17	-	-	-	-
Inner City Core PEU	19,400,000.00	7,376,700.87	30,000,000.00	35,180,030.26	-	-	-	-
Park station to Civic Centre PEU	20,000,000.00	17,964,819.29	5,562,000.00	5,242,532.81	1,200,000.00	1,080,000.00		(120,000.00)
Inner City Eastern Gateway	2,500,000.00	1,032,034.50	15,500,000.00	10,545,435.42				-
Inner City Partnership Fund			3,000,000.00	1,807,410.68	18,500,000.00	11,000,000.00	6,614,124.86	(7,500,000.00)
Fordsburg PEU	1,200,000.00	789,990.10	1,500,000.00	1,295,937.10				-
Mayfair PEU	1,200,000.00	959,316.38	2,000,000.00	1,168,681.63				-

Capital projects	2016/17		2017/18		2018/19			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Ghandi Square East			1,500,000.00	236,722.50	18,500,000.00	18,500,000.00	10,432,573.05	-
Pink Building in Newtown	2,400,000.00	2,376,000.01	-	-	-	-	-	-
Noordgesig - Social Precinct Implementation	10,000,000.00	4,532,599.38	45,000,000.00	28,334,301.68	8,000,000.00	18,000,000.00	15,465,762.96	10,000,000.00
Langlaagte Pharmacy Depot	15,000,000.00	17,556,697.33	-	-	-	-	-	-
Orchards Clinic	17,000,000.00	157,500.00	-	-	-	-	-	-
Westdene Dam-precinct interventions	10,000,000.00	6,951,018.08	-	-	-	-	-	-
Paterson Park - stormwater &new	80,000,000.00	46,822,673.63	50,130,000.00	28,427,738.50	40,000,000.00	27,377,000.00	37,331,124.45	(12,623,000.00)

Capital projects	2016/17		2017/18		2018/19			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
social facilities, park and road upgrading								
Brixton Social Cluster	25,000,000.00	6,109,046.66	32,000,000.00	32,052,221.53	36,354,000.00	61,386,000.00	49,601,493.11	25,032,000.00
Noordgesig Clinic	11,000,000.00	4,213,408.87	-	-	-	-	-	-
Milpark Precinct Implementation	2,520,000.00	2,344,071.99	13,000,000.00	17,761,663.14	-	-	-	-
Corridor naming and Branding, Pubic Art, and Pace making	3,142,000.00	4,322,973.75	4,000,000.00	3,533,860.19	5,000,000.00	5,120,000.00	6,011,114.12	120,000.00
Land Acquisition	52,638,000.00	41,344,841.65	6,200,000.00	6,105,502.89	-	-	-	-
Special Development Zone	3,000,000.00	2,105,263.16	-	-	-	-	-	-
Mining Belt West	2,000,000.00	1,775,445.00	-	-	-	-	-	-

Capital projects	2016/17		2017/18		2018/19			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Fleurhof Urban Development Framework Intervention	-	-	1,000,000.00	752,942.89	-	-	-	-
Detail Roads Master Plan: Mining Belt	-	-	1,000,000.00	854,557.00	10,000,000.00	8,000,000.00	6,617,953.31	(2,000,000.00)
Mining Land East	700,000.00	614,035.09	2,300,000.00	2,016,214.91	-	-	-	-
Westdene Dam-precinct interventions	-	-	13,008,000.00	6,363,067.12	-	-	-	-
JSIP Maintenance	-	-	2,500,000.00	2,179,600.01	5,000,000.00	4,150,000.00	3,586,233.04	(850,000.00)
Operational Capex	-	-	2,640,000.00	2,409,147.74	700,000.00	2,700,000.00	2,032,993.13	2,000,000.00

Comment on overall performance of physical planning

The four largest capital projects in terms of adjustment capital budget allocation for 2018/2019, are Jabulani TOD (R80m); Brixton Social Cluster (R61m); Paterson Park Social Cluster (R27m); and Ghandi Square East (R18,5m).

These capital budget projects a critical part of the investment strategy to restructure the city around public transport (i.e. Transit-oriented Development) and the Inner City as main economic core. Implementation of the Paterson Park project was accelerated and R37 million was spent (i.e. an additional R10m to the approved budget with CM and CFO approval). Budget from the Ghandi Square East project which had an under-expenditure of R10 million, was also used for Paterson Park's acceleration. Jabulani TOD implementation consists of more than one project, funded by NDPG. The under-expenditure will be rolled over to 2019/2020 and implementation is taking place in accordance with the approved Business Plan (National Treasury). Although there was under-expenditure on the Brixton Social Cluster, the project is proceeding according to the planned milestones and will be completed on time and within budget in 2019/20.

3.6 Johannesburg Development Agency

Introduction

The Johannesburg Development Agency (JDA) implemented capital projects in 2018/2019 to the value of R1.043 billion. This translates into over R86 million being spent on average per month. This has taken JDAs capital expenditure over the past 7 years to over R7 billion. However, decreases in the three-year budget estimates over the MTEF indicate that the JDA will have to work smarter to ensure that it sustains both the project implementation as well as the socio-economic outcomes in the communities it operates in.

The JDA implemented just under 90 capital projects across four programmes in the 2018/2019 financial year. The major driver of the JDAs capital expenditure was from Public Infrastructure Delivery (Programme 3). This programme specifically deals with the large construction works that are being undertaken on the Rea Vaya trunk routes along Louis Botha Avenue. It further includes projects to install pedestrian and non-motorised transport (NMT) infrastructure that serves to connect commuters with the Rea Vaya BRT system and commuter rail services. Programme 3 includes a managed portfolio of projects in the City's more marginalised areas, including internal roads and stormwater infrastructure in Braamfischerville for the Department of Housing, the Lehae Multi-purpose Centre for the Department of Community Development through to a range of clinics for the Department of Health. The JDA itself began a new cycle of planning in preparation for projects in Diepsloot where the JDA has worked for many years.

The Strategic Economic Node Programme (Programme 2) has encouraged the optimal development of transit hubs and corridors across the city. The JDA projects in Transit-oriented Development (TOD) Corridors, such as Jabulani, the developments in Orange Grove / Paterson Park, and Rotunda / Turffontein, have laid a solid foundation for these nodes to not only provide affordable accommodation and transport opportunities, but to also emerge as desirable and highly liveable neighbourhoods with vibrant public spaces and good community services.

The renewed focus on the Johannesburg inner city as a Mayoral Priority is strongly aligned with JDAs Inner City Programme (Programme 1). This programme serves to strengthen the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city. It has delivered both large iconic projects such as the

Johannesburg International Transport Interchange (JITI) facility on the western side of Park Station as well as through more localised neighbourhood projects in the Inner City Core and the Eastern Gateway precinct. In 2018/2019, the JDA also began a new planning cycle for areas in and around Gandhi Square and Yeoville as part of the *Our City, Our Block* initiative. Some exciting developments are expected in both of these areas in the following years.

The Alexandra Renewal Programme (Programme 4) has played its role in the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community-based initiatives and local economic development strategies. Most of the JDAs projects in Alexandra focussed on community and social infrastructure and includes, for example, the Alex Automotive Hub and the 4th Avenue clinic. Various projects in Alexandra, such as the Safe Hub and the Alex Hospice will continue into the 2019/2020 financial year.

Environmental context

A foremost goal of urban development in the transformation of South African cities remains the need to address spatial and systemic inequalities. Striving for a more equitable and just city would result in access to a greater range of opportunities, jobs, livelihood opportunities and services to all of its citizens. Johannesburg, like other South African cities, is changing rapidly and, sometimes, in unpredictable ways. This rapid urbanisation brings with it both challenges and opportunities for urban development. The goal would be to benefit and unlock the urban dividend. As stated in the 2016 Integrated Urban Development Framework (IUDF), the 'urban dividend' describes an optimal situation where the increasing concentration of an economically active population translates into higher levels of economic activity, greater productivity and higher rates of growth. The potential of urban areas is maximised with the alignment and the integration of investments in the following primary drivers of urban development, namely:

- Transportation (public modes and roads);
- Human settlements;
- Infrastructure networks comprising social, economic and ecological infrastructure; and
- Various land-use regulations and effective governance that underpin all of the above.

As a metropolitan municipality, it is our responsibility to use our policies, resources and institutions such as the JDA to bring about the necessary integration and focus, in key areas and unlock the 'urban dividend'. Given this context, it is important that in 2019/2020 the JDA, as the implementer of strategic City projects, continues to both deepen its efforts as well as catalyse new development that supports the spatial transformation of the City of Johannesburg. JDA must continue to make strides in place-making and the development of key infrastructure. We have placed high expectations and trust in the role JDA plays in the TOD Corridors, as well as other priority development areas across the City.

Strategic response

The JDAs responses to five outcomes, nine priorities, *Diphetogo* and spatial policies against which it can be measured and held accountable, are outlined in the table below:

Table 81: Alignment to Priorities for 2016-2021: JDA

Key CoJ Priority Programmes	Key CoJ IDP Programme/s	*Diphetogo*	Matching JDA Programme/s	JDA Activities	Interventions
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.	Inner city regeneration, including key economic nodes. Increased infrastructure investment (from both public and private sectors). Working to cut red tape and improve the ease of doing business in the City.	Housing Infrastructure Economic Development	Inner City Transformation Programme (1) Strategic Economic Node Programme (2) Public Infrastructure Delivery Programme (3) Economic Empowerment Programme (5)	JDA policy reserves a percentage of the value of all construction contracts for local SMMEs. Projects will also be packaged to create opportunities for local SMMEs in line with the local job creation principles. Invest time and resources on development facilitation necessary in the key nodes and precincts in the Inner City and along the corridors to catalyse development. Nodal developments designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes.	Inner City Eastern Gateway: Jeppe Precinct Park Station Precinct Newtown Precinct Westgate Precinct: Inner City (private-sector) Mixed-use Development Hillbrow Tower Precinct Inner City Partnership Fund – My City My Block Roodepoort CBD Regeneration

Key CoJ Priority Programmes	Key CoJ IDP Programme/s	*Diphetogo*	Matching JDA Programme/s	JDA Activities	Interventions
Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.	Increasing the delivery of housing. Fast-tracking acquisition of buildings in the Inner City for housing. Residents live, work and play close to work, leisure and cultural opportunities. Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure.	• Housing • Infrastructure • Economic Development	Inner City Transformation Programme (1) Strategic Economic Node Programme (2) Public Infrastructure Delivery Programme (3) Greater Alex and Alexandra Renewal Programme (ARP) (4) Economic Empowerment Programme (5)	The continued roll-out of the Rea Vaya BRT infrastructure and service. In Alexandra and other marginalised areas most of the work involves human settlement development projects such as upgrading hostels, building housing, building community facilities and public environment upgrades such as safe routes. Under the Alex Renewal Programme mandate, the JDA also plays a strong facilitation role in Alexandra by working with local and governmental stakeholders.	Randburg CBD Regeneration Lanseria (and surrounding industrial) Regeneration Jabulani Precinct and CBD Development Watt Street TOD / Wynberg Interchange Diepsloot: Wetland reclamation and Pedestrian Routes Orange Farm: Economic Hub

Key CoJ Priority Programmes	Key CoJ IDP Programme/s	*Diphetogo*	Matching JDA Programme/s	JDA Activities	Interventions
					Ivory Park: Mobility and Access Alexandra Social Facilities i.e. Sports, Community, Youth and Health Clinics Marlboro Industrial Hub
Create an honest and transparent City that fights corruption.	Increasing forensic investigative capability and controls.	Finance	Good Governance, Management and Administration Programme (6)	Entrenching and strengthening the implementation of the recommended Internal Audit and Risk and Compliance practices in its governance structures, systems, processes and procedures. The JDAs anti-fraud and anti-corruption programme supports and fosters a culture of zero tolerance to fraud, corruption and unlawful conduct.	Internal Audit review of all tenders above the value of R5 million Bid Adjudication Process open to the public

Key CoJ Priority Programmes	Key CoJ IDP Programme/s	*Diphetogo*	Matching JDA Programme/s	JDA Activities	Interventions
Enhance our financial sustainability.	Cutting wasteful expenditure on non-core functions. Focusing on driving up capital expenditure investment in infrastructure.	Finance	Inner City Transformation Programme (1) Strategic Economic Node Programme (2) Public Infrastructure Delivery Programme (3) Greater Alex and Alexandra Renewal Programme (ARP) (4) Good Governance, Management and Administration Programme (6)	Plan, implement and deliver City infrastructure effectively, efficiently and economically. Optimal utilisation of grant funding to maximise the City's equitable share and roll out more grant funded programmes.	JDA target is 100% expenditure of grant funding 30% procurement spend on SMMEs Financial solvency and liquidity ratios achieved Payment of all valid invoices within 30 days of receipt

Key CoJ Priority Programmes	Key CoJ IDP Programme/s	*Diphetogo*	Matching JDA Programme/s	JDA Activities	Interventions
Encourage innovation and efficiency through the Smart City programme.	Focussed improvement of ICT equipment and software.	Finance	Good Governance, Management and Administration Programme (6)	JDA continues to align itself with the smart cities initiative, through the continued SAP implementation, among other Smart City initiatives.	Operationalisation and optimisation of ERP System (SAP)
Daily Operations.	Day-to-Day Programmes	Finance Economic Development	Economic Empowerment Programme (5)	Maximise job creation through labour intensive construction. Develop skills and enterprises development within the construction industry in Johannesburg.	Successful manage and address strategic risk Comply and further BBBEE, SMME and EPWP policies

Performance highlights

In 2018/2019, the JDA implemented just under 90 capital projects across five programmes and therefore continues to support the City in transforming the spatial economy by "Building a Better City".

The capital expenditure was R1,04 billion (2017/18: R1,43 billion) against an annual budget of R1,187 billion (2017/18: R1,55 billion). This translates to 88% (2017/18: 92%) of the total annual budget and 92% against the year-to-date target of 95% or R1,127 billion.

The JDA continued to play an important role in the work needed to achieve the spatial and economic goals set out in the Joburg 2040 GDS and in the priorities, as defined by the New Strategic Agenda 2016-2021. Of particular importance are "*Priority 1: To promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty*"; and "*Priority 2: To ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress*".

In 2018/2019, the JDA supported these priorities through its focus on the Inner City, the transport station or TOD precincts, public transit and mobility infrastructure along the corridor routes and on-going investments in marginalised areas, including Alexandra, Ivory Park, Noordgesig and Westbury.

The JDA also contributed to job creation in the construction sector in Johannesburg, as well as local SMMEs' development and BBBEE. The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. For 2018/2019, the overall BBBEE share of expenditure was R1,079,203,801.22 . This constitutes an achievement of 106% per cent. The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDAs operating and capital expenditure was R293,343,187.37 for the 2018/2019 financial year. This constitutes an achievement of 29% for the period under review (Capex R279,170,768.01 or 29 %; Opex R14,172,419.36 or 22%).

A total of 493 EPWP opportunities supported by reliable supporting evidence, such as identity documents, attendance registers and proof of payments were reported against the annual target of 1500.

Other milestones include the confirmation that the JDA received a Clean Audit Report from the Auditor-General. This is a huge milestone for us and to achieve it for four consecutive years sets us apart from other City entities' governance structures.

This increased confidence in the agency's capacity to implement projects is clearly shown in its increased capital expenditure budget, as outlined in the table below:

Table 82: Performance of the JDA over the past five (5) years

Performance Indicator	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Projects in the Implementation Phases	98	91	105	93	90
Number of Employees	86	87	96	87	98
SMME Share of expenditure	R390,342,000	R228,748,457	R417,322,240	R281,484,204	R293,343,187
BBBEE share of expenditure	R1,466,054,000	R1,275,963,352	R1,376,164,339	R1,212,362,509	R1,079,203,801
Operating Budget	R88,853,200	R105,185,000	R104,555,000	R106,079,000	R129,186,000
Operating Expenditure	R76,400,000	R102,083,310	R94,588,202	R87,455,879	R100,053,000
Capital Budget	R1,678,046,000	R1,599,560,995	R1,705,000,000	R1,536,262,954	R1,187,863,475
Capital Expenditure	R1,426,557,000	R1,482,716,598	R1,396,628,214	R1,408,980,363	R1,043,429,080
Number of EPWP Work Opportunities	9611	1219	1262	866	493
Number of Media Releases Marketing Projects	N/A	N/A	75	160	392
Audit Opinion	Clean	Clean	Clean	Clean	Clean

Performance against IDP targets

In terms of the twenty-one strategic KPIs in 2018/2019 financial year, the JDA fully achieved 52% of its set targets. Fourteen percent (14%) of the targets were partially achieved and 33% were not achieved. In the 2017/2018 financial year, the JDA achieved 42% of its performance targets for nineteen (19) strategic KPIs (11% partially achieved and 47% not achieved).

JDA IDP Deliverables

Table 83: JDA Objectives taken from the IDP Deliverables

IDP Priority	IDP programme	Target Achieved (95% - 100% rating)		Target Partially Achieved (80% - 94% rating)		Target Not Achieved (<79% rating)	
		No. of KPIs	%	Count	%	Count	%
Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress.	Inner city regeneration, including key economic nodes Increased infrastructure investment (from both public and private sectors) Working to cut red tape and improve the ease of doing business in the City Residents live, work and play close to work, leisure and cultural opportunities Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure	5	56%	1	11%	3	33%

Priority 5: Create an honest and transparent City that fights corruption.	Increasing forensic investigative capability and controls	0	0%	1	100%	0	0%
Priority 7: Enhance our financial sustainability.	Focusing on driving up capital expenditure investment in infrastructure	3	75%	1	25%	0	0%
Priority 8: Encourage innovation and efficiency through the Smart City programme.	Focused improvement of ICT equipment and software	0	0%	0	0%	1	100%
Day-to-day Programme	Other IDP or Day-to Day programmes	3	50%	0	0%	3	50%
		11	**52%**	**3**	**14%**	**7**	**33%**

Employees:

Table 84: Employees: JDA

Job Level	**2016/17**	**2017/18**	**2018/19**			
	Employees No.	**Employees No.**	**Posts No.**	**Employees No.**	**Vacancies (Full time equivalent) No.**	**Vacancies (as a % of total) %**
Top Management	1	1	1	0	0	100%
Executive Management	5	5	8	6	2	25%

Senior Management	18	16	17	18	0[5]	0%
Middle Management	31	32	49	37	12	24%
Skilled technical/Junior Management	30	22	27	28	0[6]	0%
Semi-skilled	3	3	4	3	1	25%
Unskilled housekeepers/Cleaners / Interns / Learners	8	8	6	6	0	0%
TOTAL	**96**	**87**	**112**	**98**	**15**	**13%**

[5] Additional resources required on a temporary basis.
[6] Additional resources required on a temporary basis.

Financial Performance

Table 85: Financial Performance Year: JDA

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Adjusted Budge**	**Target**	**Actual**	**% Achievement for Annum**
Revenue	97 306	R98 985	110 510	110 510	99 706	90%
Costs	94 537	99 885	110 510	110 510	99 000	90%
Net surplus/(deficit)	2 197	899	-	0	(198 706)	-

Capital Expenditure

Table 86: Capital Expenditure: JDA

R'000								
Capital projects	**2016/17**		**2017/18**		**2018/19**			
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**
Total	1 705 000	1 385 636	1 536 263	1 408 980	1 259 869	1 187 863	1 043 429	0.82

Table 87: Operational Revenue: JDA

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	**97 306**	**R98 985**	**129 074**	**110 510**	**99 706**	**90%**
Expenditure:						
Employees cost	62 170	65 388	86 542	83 909	74 238	88%
Repairs and maintenance	Nil	Nil	200	100	Nil	0%
Other	29 650	34 496	42 332	26 501	25 820	97%
Total operational expenditure	**94 537**	**99 884**	**129 074**	**110 510**	**100 058**	**91%**
Net operational expenditure	**2 717**	**(899)**	**-**	**0**	**(352)**	

3.7 Joburg Property Company

Introduction to Joburg Property Company

The Joburg Property Company (JPC) is mandated to manage and develop the City's property portfolio worth R9, 237 billion, and comprises of 29 454 properties for the financial year ending 30 June 2019. The entity utilises council-owned land to leverage private sector investment in public infrastructure, promoting innovative solutions as part of economic growth. The core functions of the JPC are as follows:

- Asset management;
- Property development;
- Facilities management;
- Property management; and
- Outdoor advertising.

JPC's corporate strategy is aligned to the vision and mission of the Integrated Development Plan (IDP), the Growth and Development Strategy (GDS) 2040 and the mayoral priorities. JPC recognises and emphasises its role as an economic and social property company to achieve positive developmental outcomes. JPC's strategic objectives are long-term plans that contribute annually to the vision of the organisation through the annual target linked to the mayoral priorities.

JPC Strategy

The following long-term strategic objectives ensure delivery on the mandate, as indicated in the Corporate Strategy, namely:

- Supporting economic development;
- Supporting community development and social initiatives;
- Utilising the property portfolio to address social imperatives and priorities;
- Utilising the portfolio as a vehicle for transformation;
- Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders; and
- Ensuring a professionally managed and sustainable company.

Performance Highlights

JPC achieved 86% against its performance scorecard. Achievements that contributed to the below-mentioned strategic priorities, were the following:

Priority 1: Promote economic development and attract investments towards achieving 5% economic growth that reduces unemployment by 2021

(i) JPC has managed to facilitate long-term property development leases, which led to investment attraction amounting to R1, 691, 206, 904.00 on COJ property as part of stimulating economic growth. The release of properties by JPC is aligned to the COJ Spatial Development Framework (SDF) and ensures balanced service provision; proximity to social and economic opportunities, including affordable housing for residents.

(ii) Council has approved the development plans for four (4) civic precincts in accordance with the SDF. The four precincts are Midrand (Region A), Roodepoort (Region B), Randburg (Region C) and Wynberg: Watt Street (Region E). A Civic Precinct is an important symbolic and functional space to promote inclusive development and optimise office space. Its purpose is to:

- Promote economic renewal and infrastructure investment;
- Influence structural elements of the spatial form of the precinct with regard to the current quality of the built form, heritage etc.;
- Catalyse the revitalisation of nodes in marginalized areas;
- Create mixed-use precincts that provide for the City's office accommodation needs in order to improve service delivery;
- Unlock commercial and residential opportunities with a particular focus on the provision of social and affordable housing opportunities;
- Increase employment trends; and
- Address the demand for housing, cultural trends and other socio-economic pressures.

These construction projects has led to a rand value investment spend on COJ land worth R744, 932, 600.00.

Priority 2: Ensure pro poor-development that addresses inequality and poverty and provides meaningful redress.

(i) Two hundred and fifty (250) Asset Management plans were formulated to ensure that Council properties are used optimally, addressing service delivery and maximising return on investment for the City;
(ii) Nineteen (19) properties were acquired as part of addressing City departments' service delivery requirements;
(iii) Twenty-seven (27) Inner-City Redevelopment Projects were awarded as part of the key focus on the City's SDF transformation themes, for example: Inclusive City that ensures balanced service provision; proximity to social and economic opportunities, including affordable housing;
(iv) The refurbishment projects: Protea Glen Fire Station, Diepsloot Licensing Centre and Sandton Licensing Centre contributed to improved service delivery; and
(v) JPC was instrumental in securing space and refurbishing three (3) Opportunities Centres for the Department of Economic Development.

Priority 7: Enhance our financial sustainability.

JPC has managed to generate revenue amounting to R87, 858, 819.00 from Outdoor Advertising leases. This improvement was as result of Council's approval of the Outdoor Advertising transition plan. The approval by Council of a transitional period enjoins both JPC and the Department of Development Planning to effect measures to resolve various challenges facing the outdoor advertising portfolio through engagements and other mechanisms to usher the sector into an era of lawfulness without any further litigation beyond the 36-month transitional period. The measures implemented focus on formalising lapsed contracts and regulating illegal advertising signs during the 36-month transitional period.

Property transactions being initiated

The table below reflects client enquiries on COJ properties or land for leasing and buying purposes, which prompted the initiation of property transactions:

Table 88: Property Management Services: JPC

Detail	Residential		Commercial		Social	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Property applications [1]received	49	178	183	451	94	277
Determination[2] made in year of receipt	48	115	167	290	79	215
Determination made in the following year	1	63	16	161	15	62
Applications withdrawn/rejected	27	97	23	215	37	179
Applications outstanding at year-end	4	63	24	161	15	62
Detail	**Escalations**		**Responded**		**Withdrawn/Rejected**	
Period	**2018/19**	**2017/18**	**2018/19**	**2017/18**	**2018/19**	**2017/18**
Total number	326	906	294	620	87	491

[1] Applications to buy, lease etc.

[2] Determination refers to the processing of the requests received buy or lease the properties etc. How many were granted approved in the period in question and/or in the following year. How many were rejected or withdrawn. Outstanding refer to those that are awaiting addition documentation/approval etc.

Joburg Property Company IDP Deliverables

Table 89: JPC strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.								
Rand value of investment attracted on COJ Property	R1.3 billion	R1.2billion	R1.3billion	R1.3 billion	R1.4 billion	R1.4 billion	R 1.7 billion	R1.5 billion
Priority 2: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.								
Number of Inner City Property redevelopment projects approved in Council for release to the private sector	N/A	N/A	N/A	10	0	25	27	100

Employees: JPC

Table 89: Employees: JPC

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total posts) %
0-3	5	4	6	4	2	33.33%
4-6	69	59	99	60	39	39.39%
7-9	323	299	502	220	282	56.18%
10-11 etc.	152	144	394	203	191	48.48%
Total Permanent	**N/A**	**N/A**	**1001**	**487**	**514**	**53.95%**
Temps	N/A	N/A	N/A	13	N/A	N/A
Total	**549**	**506**	**1001**	**500**	**514**	**53.95%**

Financial Performance

Table 90: Financial Performance: JPC

R' 000						
Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	444 702 514	473 709 225	546 094 212	587 399 992	632 695 503	42 295 511
Expenditure:						
Employees	(245 126 965)	(259 300 742)	(271 186 000)	(282 033 083)	(278 751 722)	3 281 361

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Original budget**	**Adjusted budget**	**Actual**	**Variance to budget**
Repairs and maintenance	(26 433 362)	(41 397 892)	(36 946 000)	(36 946 000)	(32 651 385)	4 294 615
Other	(205 842 225)	(205 809 044)	(237 962 212)	(268 420 909)	(239 385 247)	29 035 662
Total operational expenditure	(477 402 552)	(506 507 678)	(546 507 678)	(587 399 992)	(550 788 354)	36 611 638
Net operational expenditure	(32 700 038)	(32 748 453)	-	-	81 907 149	81 907 149
Net profit before tax	(32 155 082)	(32 879 790)	-	-	81 346 518	81 346 518
Taxation	24 970 492	1 231 522	-	-	(25 870 363)	(25 870 363)
Net profit after tax	(58 125 574)	(34 111 492)		-	107 216 881	107 216 881

Capital Expenditure

Table 91: Capital Expenditure: JPC

R' 000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total	R271 700	R270 899	R128 239	R127 840	R115 900	R126 900	R126 496	R404	R126 900
Computer Equipment New Computer Upgrades BRAAMFONTEIN WERF EXT.1 F City Wide	R4 000	R4 000 000	R1 700	R1 700	R2 000	R2 000	R2 000	R0	R2 000
Erf 43-46 Victoria Ext 3(Paterson Park Node) New Housing Development VICTORIA EXT.3 E Regional	R20 000	R20 000	R3 000	R2 991	R5 000	R5 000	R5 000	R0	R5 000
FMMU - Public Conveniences New Public toilets JOHANNESBURG F Ward	R7 500	R7 500	R10 000	R10 000	R5 000	R5 000	R 5000	R0	R5 000

R' 000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Upgrading of the Hillbrow Public Transport Facility linear market and taxi rank upgrade New Operational Capex JOHANNESBURG F Ward	R2 000	R2 000	R1 080	R1 080		-	-	-	
Kliptown Market & Taxi Rank (Improving Trading Facilities) Renewal Informal trading Stalls PIMVILLE ZONE 9 D Ward	R3 500	R3 500	-	-		-	-	-	
Dobsonville Informal Trading Market Upgrading and construction of Informal	R2 000	R 2 000	R1 459	R1 459	R5 000	R5 000	R4 974	R26	R5 000

R' 000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Trading Facility New Informal trading Stalls DOBSONVILLE D Ward									
Jabulani CBD Precinct development New Operational Capex JABULANI D Ward	R9 000	R9 000	R3 000	R3 000	R5 000	R5 000	R5000	R0	R5 000
Land Regularisation Renewal Operational Capex JOHANNESBURG F City Wide	R5 000	R5 000	-	-	-	-	-	-	
Office Space Optimisation Program New Precinct Redevelopment	R128 000	R128 000	R2 000	R2 000	R8 600	R9 600	R9 569	R31	R9 600

R' 000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
JOHANNESBURG F City Wide									
Orlando Ekhaya Waterfront Development Renewal Park ORLANDO EKHAYA D Regional	R8 000	R8 000	R3 000	R3 000	-	-	-	-	
Randburg CBD Renewal Building Alteration Renewal Building Alterations FERNDALE B Regional	R2 000	R2 000	R3 000	R2 972	-	-	-	-	
Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex	R10 000	R10 000	R15 000	R15 000	R10 000	R20 000	R20 000	R0	R20 000

R' 000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
JOHANNESBURG F Ward									
Rissik Street Post Office Restoration Project New Heritage JOHANNESBURG F Regional	R20 000	R20 000	R40 000	R40 000	-	-	-	-	
Rosebank Linear Park Re-development New Precinct Redevelopment ROSEBANK B Regional	R2 000	R2 000	-	-	R10 000	R10 000	R10 000	R0	R10 000
Sandown Extension 49 Erf 575RE Renewal Building Alterations SANDOWN EXT.49 E	R35 000	R34 204	R35 000	R35 000	R27 300	R27 300	R27 300	R0	R27 300
Site Development Projects New Land	R8 700	R8 700	R4 000	R4 000	R5 000	R5 000	R5 000	R0	R5 000

R' 000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Preparation JOHANNESBURG F City Wide									
Walter Sisulu Square of dedication (Refurbishment)	R5 000	R 5 000	-	-	-	-	-	-	
Purchase & Development of land in Perth Empire, Louis Botha and Turffontein Corridors New Corridors of Freedom Intervention CORONATIONVILLE F City Wide	-	-	R2 000	R2 000	-	-	-	-	
Neighbourhood Development for Bertrams Priority Block	-	-	R1 000	R987	R10 000	R10 000	R9 999	R1	R10 000

R' 000									
Capital projects	**2016/17**		**2017/18**		**2018/19**				
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
New Building Alterations BERTRAMS F Regional									
Newtown Land Preparation and Packaging	-	-	-	-	R5 000	R5 000	R4 874	R126	R5 000
Newtown Public Park Upgrade and service connections	-	-	-	-	R10 000	R10 000	R9 782	R218	R10 000
Midrand Station Development public environment upgrade	-	-	-	-	R3 000	R3 000	R2 999	R1	R3 000
Soweto Empowerment Zone New Economic Infrastructure DIEPKLOOF D Regional	-	-	-	-	R3 000	R3 000	R3 000	R0	R3 000

3.8 Joburg Market

Introduction to the Joburg Market

The Joburg Market SOC Limited, formally known as the Johannesburg Fresh Produce Market, is wholly owned by the City of Johannesburg Metropolitan Municipality. It was created in terms of the provision for alternative delivery mechanisms as embodied in the Municipal Systems Act, and converted into a state-owned company in line with the provisions of the Companies Act 71 of 2008.

The Joburg Market (JM) is the biggest fresh produce market in Africa in terms of the volume of fresh produce traded and has a staff complement of 304 employees. JM trading facilities are made available to farmers across the country, whose produce is marketed and exposed daily to thousands of buyers from the South Africa and the Southern African Development Community (SADC) region. JM, market agents and tenants operating at the market create over 5000 jobs within the sector.

JM plays a critical role in influencing the price for the fresh produce industry in South Africa since it represents 45.5% of the market share of the National Fresh Produce Market, in both volume and turnover. It is the only fresh produce market with a South African National Accreditation System (SANAS TO532) accredited laboratory to ensure the maintenance of food safety standards.

As a shareholder, the City expects the Joburg Market to operate a well-functioning trading facility that create financial returns, and supports the producer, traders, communities and citizens of Johannesburg in the delivery of its strategic agenda. In the process, the company is expected to deliver key outcomes such as food security, a well-nourished and healthy population, job creation and food safety. The following are the entity's strategic objectives, namely:

- Ensure financial sustainability and growth of the entity;
- Operate a sustainable, resilient, premier marketing and trading facility;
- Become an agent for socio-economic transformation;
- Ensure that our staff are engaged skilled; motivated and satisfied;
- Become a high-performance organisation; and

- Ensure effective stakeholder engagement.

JM as the largest market on the African continent is regarded as a preferred channel for fresh produce marketing. This is reflected in the trading results of the entity.

Performance highlights

Key achievements during the 2018/2019 financial year included the following:

- **Improved financial performance:** A turnover achievement of R7.9 billion, which represents a positive growth of 5.6% compared to the budgeted turnover of R 7.5 million;
- **Promulgation of a new set of JM by-laws:** The new bylaws were published for public comment and members of the public were provided with an opportunity to provide written inputs. Subsequently, the Section 79 Oversight Committee facilitated a public consultation session.
- **Recapitalisation Strategy and Plan:** A Recapitalisation Strategy and Plan was developed during the year under review and used for strategic engagements with key stakeholders. This resulted in the JM being allocated a R304 million capital budget in terms of the Mid-Term Expenditure Framework;
- **Joburg Market Precinct Development Plan:** In conjunction with the Recapitalisation Strategy and Plan, a Joburg Market Precinct Development Plan was also developed and approved. This plan now informs the deployment of each project at the Joburg Market;
- **Strategic projects:** The Joburg Market successfully completed a number of strategic projects, *inter alia*, the resurfacing of the internal ring road, installation of public Wi-Fi, upgrade of the Exit Gate and the acquisition of new IT infrastructure and accessories;
- **Job creation:** A total of 215 new jobs were created against a target of 200 jobs; providing opportunities to largely the youth and women;
- **Standardised rental rates:** The Board of Directors approved the new standardised rental rates for implementation and stakeholder engagements are underway to discuss new rental rates; and
- **Resolution of legacy litigation:** A ten-year-long outstanding legal case with SCAI was successfully resolved after protracted legal engagements between JM and SCAI legal teams.

Although the overall performance of the Joburg Market during the business planning period was considered satisfactory, several lowlights were encountered, for example:

- **Inter-company invoicing:** The invoicing from Pikitup remains erratic, which makes validations of the accuracy of services rendered challenging;
- **Fatality on campus:** A fatality occurred when a contractor of Pikitup lost a staff member during a waste removal exercise at JM;
- **Infrastructure repairs:** Infrastructure repair and maintenance work were not adequately executed due to the delay in the appointment of service providers; and
- **Inadequate trading space:** Sufficient trading space remains a major challenge, as market agents had to temporarily store fresh produce on the platforms and in the roadway.

To ensure the future growth and sustainability of the Joburg Market the following key interventions to future-proof the entity, have been implemented, namely:

- Review of the corporate strategy and business plan to strategically position the company as a leader in the industry;
- Review of the organisational structure to bring on board new capabilities that will take the company forward; and
- Motivating for and being appropriated in the medium term, capital of R305 million to recapitalize the infrastructure and invest in new business requirements.

Joburg Market IDP Deliverables

Table 92: Joburg Market strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service Targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.								
% Targeted market share held by JM in relation to other FPMs	42.5 %	41.0%	43.470%	42.0%	43.0%	44.0%	45.5%	45.8%

Employees: Joburg Market

Table 93: Employees: Joburg Market

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
1.Top management	0	1	1	1	0	0
2.Senior Management	4	3	4	2	2	0.61
3. Mid Management	41	35	40	31	9	2.74

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
4. Junior Management	74	69	103	68	35	10.67
5. Semi-Skilled	168	168	140	165	-25	-7.62
6. Unskilled	40	38	40	35	5	1.52
Total	**327**	**314**	**328**	**302**	**26**	**7.92**

Financial Performance

Table 94: Financial Performance: Joburg Market

Details	2016/17	2017/18	2018/19		
	Actual	Actual	Original budget	Adjusted budget	Actual
Total Operational Revenue	R 415 230 512	R 451 540917	R 453 930 000	R 453 930 000	R 496 573 822
Expenditure:					
Employees	R 134 550 536	R 136 011 858	R 130 308 000	R 130 308 000	R 141 940 177
Repairs and maintenance	R 26 513 243	R 19 978 040	R 32 700 000	R 22 588 000	R 13 957 000
Other	R 137 930 401	R 140 097 894	R 160 148 000	R 176 260 000	R 153 699 827
Total operational expenditure	R 298 994 180	R 296 087 792	R 323 156 000	R 323 156 000	R 318 521 028

Details	2016/17	2017/18	2018/19		
	Actual	Actual	Original budget	Adjusted budget	Actual
Net operational expenditure	R 56 394 189	R 95 838 404	R 101 503 000	R 101 503 000	R 128 765 000

Capital Expenditure

Table 95: Capital Expenditure: Joburg Market

Capital projects	2016/17		2017/18		2018/19				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total	R74.2m	R29.8m	R15.355m	R13.442m	R39.7m	R39.7m	R33.910m	R5.766m	R33.910m

The table below depicts the top five largest capital projects that were rolled out in 2018/2019.

Table 96: Capital Expenditure: Top 5 largest capital projects: Joburg Market

Details	Budget	Actual	Variance
Office equipment New/Renewal New Office Equipment	3 600	4 090	-490
Rehabilitation of Internal Road	13 926	11 913	
Renovations and upgrades to the Main Building	5 950	6 534	-584

Details	Budget	Actual	Variance
Operational Capital: Computer Equipment Renewal Computer Upgrades CITY DEEP EXT.2 F Regional	4 000	4 306	-306
Operational Capital: Computer Hardware New/Renewal Renewal Computer Hardware CITY DEEP EXT.22 F Regional	6 600	6 716	-116
TOTAL	**39 676.00**	**33 910**	**5 766**

Comment on the overall performance of the Joburg Market

The overall performance of the Joburg Market can be summarised as follows:

- Excellent financial performance was posted by the company, as follow:
    - Turnover recorded at R7.9bn, which represents an increase of R381m above budget;
    - Revenue recorded at R496m, which equates to R43m above budget; and
    - Net surplus achieved at R123m, which equates to R28m above prior year.
- Stakeholder engagement sessions to the Top 10 producers and buyers were prioritised and undertaken;
- Significant progress was made on the implementation of capital projects, with an achievement rate of over 86% spent on new infrastructure investments at JM. These project investments are critical to the Joburg Market for the following reasons:
    - The Road Rehabilitation Project was stakeholder-driven and complaints were escalated to the highest office in the City;
    - There was a requirement to ensure that design plans and specifications for the Mandela Market Development Project were finalised so that the project could be rolled-out in the new financial year; and
    - The greatest enabler of the Smart Market Strategy was investment in ICT, particularly computers and server hardware. These projects exceeded the target due to the Rand/Dollar Exchange Rate variation.

COMPONENT E: COMMUNITY DEVELOPMENT AND SOCIAL SERVICES

(Community Development - Libraries; Museums; Galleries, Community Centres and Swimming pools; Johannesburg City Parks and Zoo; and Social Development)

3.9 Community Development Department

Introduction to the Department of Community Development

The Community Development Department advances the delivery of sport and recreation; arts, culture, heritage, libraries and information services within the City. These services promote holistic development and learning as well as overall community well-being through the facilitation and implementation of initiatives that promote social cohesion, support nation building and deliver improved quality of life for residents in the City of Johannesburg.

Community Development seeks to coordinate the efforts of other departments and agencies in the City to ensure alignment of all social cohesion programmes and the achievement of national outcomes related to socio-economic inclusion en equality. Key interventions are designed to impact positively on the development of common values and creatively addressing inequalities and exclusions.

Key focus areas

The department has been progressing well in enabling access to facilities, where residents can enjoy the programmes, services and projects delivered by Libraries, Arts, Galleries and Museums. The objective is to build active and sustainable communities by ensuring equitable access, development and excellence, thereby enhancing social inclusion prospects, and the quality of life using our facilities as a launching pad. In 2018/19, a total number of 5 million people accessed the City's facilities.

The extension of library hours sought to enable access to libraries outside the normal library hours. Libraries are now open on Saturdays from 13:00 to 17:00 and Sundays from 09:00 – 17:00 at eleven (11) regional libraries.

The programmes delivered at Museums and Galleries were aimed at showcasing exhibitions, maximising educational tours and attracting tourists. These have contributed towards the citizens

of Joburg appreciating the inner-city cultural life as well as other areas such as Soweto and Roodepoort where our museums are located.

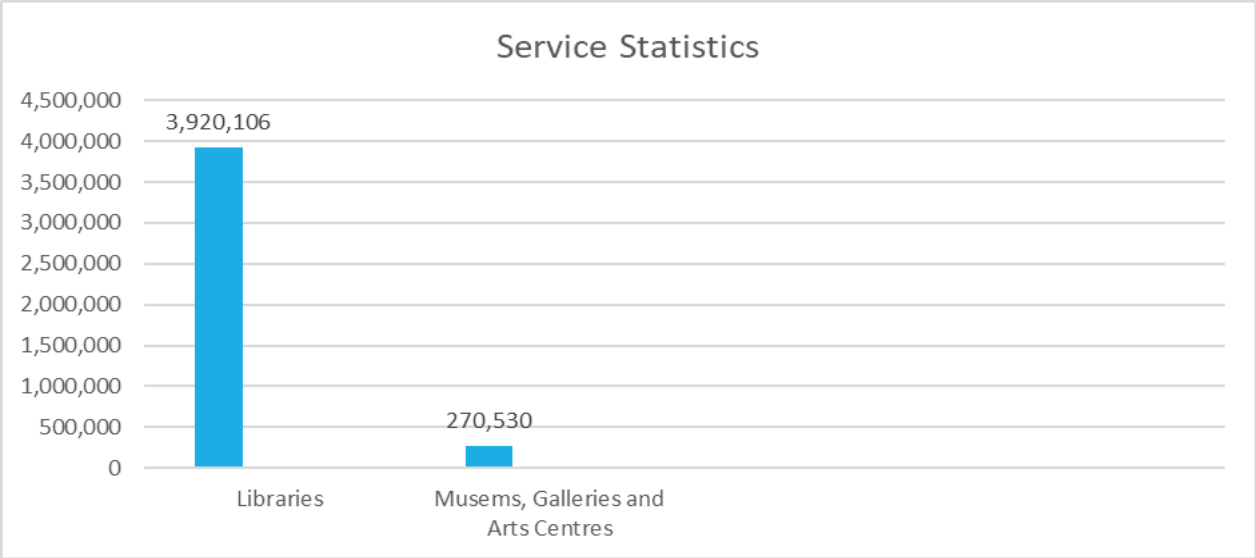


Figure 19: Libraries Service Statistics

Community Development IDP Deliverables

Table 97: Community Development Objectives taken from the IDP Deliverables

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Libraries, Archives, Museums, Galleries, Community Facilities Policy Objectives taken from the IDP.								
Number of participants in e-Learning programme at libraries	100,000	50,000	50,842	12,500	56,320	40,000	41,611	45,000
Number of people participating in the extended hours at libraries	50,000	-	-	10,000	26,953	13,000	14,602	14,000
Number of schools supported towards reading development programmes to improve literacy skills	450	450	687	650	658	620	644	620
Number of partnership	35	7	7	7	7	7	7	7

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
agreements signed with stakeholders with Libraries								
Number of Social Cohesion programmes through Libraries	22	2	4	4	6	4	5	4
Number of individuals accessing Libraries	5 million	1 million	2 million	2, million	2,8 million	3 million	3,9 million	4 million
Number of partnership agreements signed with stakeholders with Museums and Galleries	20	4	5	4	6	4	6	4
Number of commemorations programmes held to	10	3	3	3	3	2	2	2 Remembrance Sunday

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
animate public spaces and promote interaction by diverse communities								June, 16 Commemoration
% of creative industries value chain beneficiaries who have been consistent participants in the practice of arts development.	80%	88%	100%	-	-	-	-	N/A
Number of Museum programmes implemented[7]	60	-	-	12	14	16	20	16
Number of Social Cohesion	22	2	2	4	4	4	5	4

[7] In 2017/18 the indicator measured a % in the business plan (community development)

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
programmes through Arts, Culture and Heritage programmes								
Number of individuals accessing ComDev facilities	8 million	4 million	5,4million	5 million mil	7,5 million	6 million	8,8 million	7 million

Employees: Community Development: Libraries, Museums, Galleries, Community facilities, Sport and Recreation

Table 98: Employees: Community Development

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-3	8	8		8	7	86%
4-6	13	17		23	23	100%
7-9	66	71		62	62	100%
10-12	396	392		389	389	100%
13-15	410	702		403	251*	62%
16-18	598	481		452	452	100%
Total	1,491	1,671		1,338	1,186	

**152 are seasonal workers who are not permanent*

Financial Performance: Community Development

Table 99: Financial Performance: Community Development

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Adjusted Budge**	**Target**	**Actual**	**% Achievement for Annum**
Total Operational Revenue	(1,832)	(2,082)	(995)	(995)	(2,302)	(131%)
Expenditure:	55,217	64,746	78,797	69,300	57,316	(17.29%)
Employees	33,570	37,932	37,992	38,006	41,320	8,71%
Repairs and maintenance	75	234	3,165	3,165	66	(97.91%)
Other	-	-	-	-	-	-
Total Operational Expenditure	68,369	74,437	83,446	81,949	69,911	(14.68%)
Net Operational Expenditure	155,399	175,267	202,405	191,425	166,311	-131%

Table 100: Financial Performance: Community Development

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Adjusted Budge**	**Target**	**Actual**	**% Achievement for Annum**
Total Operational Revenue	(30,080)	(22,700)	(20,720)	(20,270)	(19,602)	(5,3%)
Expenditure:	220,718	207,824	235,473	223,623	208,923	(6,5%)

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Adjusted Budge**	**Target**	**Actual**	**% Achievement for Annum**
Employees	134,614	145,437	158,229	158,674	156,546	(2.1%)
Repairs and maintenance	4,254	142	12,349	3,649	17	(99.5%)
Other	(1,408)	(473)	(549)	(549)	(302)	(45,5)
Total Operational Expenditure	220,773	207,879	247,603	235,753	208,923	(6.2%)
Net Operational Expenditure	548,871	538,109	632,385	600,880	554,505	-1

Capital Expenditure

Table 101: Capital Expenditure – Libraries

Project name	**2016/17**		**2017/18**		**2018**			
	Adjusted budget	**Actual**	**Adjusted budget**	**Actual**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from original budget**
Operational Capital JOHANNESBURG, F	529,000	331,000	1,330,000	517,000	1,410.000	1,410,000	431,000	69%
ACH- Joburg Art Gallery Upgrade, Johannesburg, F	4,000.000	65,000	1,500.000	1,496.000	2,500.000A	2,500.000	0	100%

Project name	2016/17		2017/18		2018			
	Adjusted budget	Actual	Adjusted budget	Actual	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
ACH – Monuments New Construction City Wide New Heritage Area, Braamfontein Werf, F	1,000.000	0	179,000	0	N/A	N/A	N/A	-
ACH – Museum Africa Upgrade Heritage Area Upgrade, Newtown, F	2,000.000	0	4,000.000	0	N/A	N/A	N/A	-
Operational Capital Arts and Culture New information technology, Johannesburg F	258,000	0	1,136.000	1,013.000	4,228.000	1,743.000	161,000	91%
Beatification of the four streets name after heroines	2,000.000	0	1,000.000	995,000	N/A	N/A	N/A	-
Purchasing and installation of green mechanism in facilities (solar geysers, lights, waste separation bins etc)	1,000.000	0	N/A	-	N/A	N/A	N/A	-
Purchasing of collection management software	700,000	0	N/A	-	N/A	N/A	N/A	-
Upgrading of heritage buildings in the Inner City, F	2,000.000	2,000.000	5,000.000	0	N/A	N/A	N/A	-

Project name	2016/17		2017/18		2018			
	Adjusted budget	Actual	Adjusted budget	Actual	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
ACH - Upgrading of the June 16 Acre Memorial Renewal Heritage Area Upgrade JABAVU CENTRAL WESTERN D	N/A	-	N/A	N/A	N/A	N/A	N/A	-
ACH - Building Restorations Renewal Heritage Area Renewal Library JOHANNESBURG F	N/A	-	821,000	176,000	2,500.000	0	0	100%
Lib- Hillbrow Library upgrade Berea, F	1,000.000	0	N/A	-	N/A	N/A	N/A	-
Lib-Randburg Library Renewal Library KLIPFONTEIN VIEW B	N/A	-	N/A	-	3,200,000	N/A	N/A	-
Lib Book detector system installation Libraries New Library Braamfontein Werf, F	3,800.000	3,762,000	N/A	N/A	N/A	N/A	N/A	-
Operational Capital Libraries New Information Technology JOHANNESBURG F	275,000	64,000	0	0	3,552,000	1,095.000	39,000	96%
Lib - Bryanston Library BRYANSTON EXT.5 E	N/A	-	N/A	N/A	500,000	N/A	N/A	-
Lib - Strubenvallei Library STRUBENSVALLEI EXT.4 C	N/A	-	N/A	N/A	600,000	N/A	N/A	-
Lehae MPC New Construction LEHAE G	7,000.000	6,958.000	18,000.000	11,573.000	18,000.000	9,000.000	5,270.000	41%

Project name	2016/17		2017/18		2018			
	Adjusted budget	Actual	Adjusted budget	Actual	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Lib - Diepkloof Zone 5 Public Library DIEPKLOOF EXT D	N/A	-	N/A	N/A	1,600.000	N/A	N/A	-
Lib. Brixton Library Renewal Library upgrade Corridors of Freedom Intervention WESTBURY B	N/A	-	N/A	N/A	500.000	500.000	431.000	14%
Lib.Johannesburg Library (Centre of Excellence) JOHANNESBURG F	N/A	-	N/A	N/A	1,000.000	1,000.000	295,000	71%
Lib.Emmerentia Public Library GREENSIDE EAST EXT.1 B	N/A	-	N/A	N/A	800.000	N/A	N/A	-
Lib.River Park Library ALEXANDRA EXT.36 F	N/A	-	N/A	N/A	800.000	N/A	N/A	-
Lib.RFID tagging for books New Library BRAAMFONTEIN WERF F	3,000.000	2,589.000	5,000	N/A	18,194.000	1,500.000	0	100%
Rec - Construction of the new multipurpose centre (Library included) at Kaalfontein(Ebony Park) New Community Centre KAALFONTEIN EXT.4 A Ward	10,000.000	9,735.000	5,000.000	3,753.000	3,200.000	10,000.000	1,504.000	85%

Project name	2016/17		2017/18		2018			
	Adjusted budget	Actual	Adjusted budget	Actual	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Rec - Construction of the new multipurpose in Orange Farm (Drieziek) Region G New Community hall DRIEZIEK EXT.5 G Ward	10,000.000	8,608.000	N/A	-	3,552.000	15,000.000	502.000	97%
Aqua - Construction of the IVORY PARK new swimming pool EXT.2 A Ward	15,000.000	12,087.000	13,000.000		500.000	20,000.000	79.000	100%
Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward	15,000.000	0	N/A	-	18,000.000	3,000.000	0	100%
Upgrading of Meadowlands Stadium Renewal Community Centre MEADOWLANDS D Ward	333.000	0	2,000.000	1,400.000	N/A	N/A	N/A	-
Operational Capital Sports and Recreation New Information Technology JOHANNESBURG F	583,000	280,000	867,000	364,000	1,600.000	1,392.000	663.000	52%
Construction of a new MPC in Matholesville New Community Centre MATHOLESVILLE C Regional	9,500.000	6,921.000	8,600.000	4,786.000	500.000	15,000.000	1,194.000	92%
Rec- Construction of Drieziek MPC (ACH and Sports and Recreation)	14,000.000	-	N/A	N/A	1,000.000	15,000.000	502.000	97%

Project name	2016/17		2017/18		2018			
	Adjusted budget	Actual	Adjusted budget	Actual	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Minor works at various recreational facilities: Citywide	N/A	-	N/A	N/A	800.000			
Minor upgrade of Swimming pools Community Centre Johannesburg, F, Citywide	2,000.000	2,000.000	N/A	N/A	3,200.000	5,000.000	72,000	99%
Aqua Murray Park Swimming pool Renewal Community Centre, Jeppestown, F	2,000.000	0	N/A	N/A	3,552.000	N/A	N/A	-
Brixton MPC (Rec, Sports filed and pool) upgrade Mayfair west, B	500,000	0	6,000.000	N/A	500.000	N/A	N/A	-
Construction of a new MPC in Phiri New Community Centre, Phiri, D	10,000.000	10,000.000	N/A	N/A	18,000.000	N/A	N/A	-
Dipesloot West MPC new Construction	10,000.000	0	N/A	N/A	1,600.000	N/A	N/A	-
Installation of electronic signature New Plan and Equipment Braamfontein Werf, F, City wide	1,500.000	0	N/A	N/A	500.000	N/A	N/A	-
Installation of Flood Lights at Lenasia Cricket Stadium	3,507,000	0	N/A	N/A	1,000.000	N/A	N/A	-

Project name	2016/17		2017/18		2018			
	Adjusted budget	Actual	Adjusted budget	Actual	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Installation of turnstiles in facilities New Plant and Equipment, Braamfontein Werf, F Citywide	2,000.000	0	N/A	N/A	800.000	N/A	N/A	-
Modular containers in informal settlements New Community Centre, Braamfotein	3,000.000	0	N/A	N/A	N/A	N/A	N/A	-
Orlando Ekhaya new Community Centre, Orlando Ekhaya, D	8,156.000	0	N/A	N/A	N/A	N/A	N/A	-
Public access to Internet (Cyber Rooms) New Plant and Equipment, Braamfontein Werf, F Citywide	1,500.000	0	N/A	N/A	N/A	N/A	N/A	-
Rabie Ridge Sport Centre, new construction	9,000.000	8,913.000	13,700.000	12,706.000	3,200.000	N/A	N/A	-
Rec – People with disabilities access, Johannesburg, F	1,000.000	0	N/A	N/A	N/A	N/A	N/A	-
Rec-Stabilisation of soccer fields, New Community Centre, Johannesburg, F Citywide	1,000.000	0	N/A	N/A	N/A	N/A	N/A	-
Rec – Lombardy East Driving range Renewal Community Centre, Lombardy East, E	1,097.00	0	N/A	N/A	N/A	N/A	N/A	-

Project name	2016/17		2017/18		2018			
	Adjusted budget	Actual	Adjusted budget	Actual	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Security measures in facilities new Plant and Equipment	1,000.000	0	N/A	N/A	N/A	N/A	N/A	-
Union Stadium renewal building alternations, Westbury Ext 3, B	8,000.000	8,00.00	N/A	N/A	N/A	N/A	N/A	-

3.10 Child Care, Aged Care and Social Programmes

Senior Citizens' Programme

In support of our senior citizens, the Social Development Department committed to provide a basket of services to 11 500 elderly people in the 2018/19 financial year. The basket of services is inclusive of social support, empowerment, nutrition, healthy living and excursions. One beneficiary can receive more than one of the basket of services listed. The unit started off in the first quarter by identifying 3 310 senior citizens in need of the social support package. In the second quarter, an additional 3 752 senior citizens were reached. In Quarter 3, the pay-per-services NGOs commenced and they had to identify 8 000 senior citizens for programme implementation in the third and fourth quarters. A total of 14 195 senior citizens were reached and programme implementation took place as outlined below:

- Healthy lifestyle: 9 584 senior citizens were reached. Programmes included exercises and elderly games. The CoJ Health Department assisted in delivering chronic medication to senior citizens in daycare centres. Health screening and information on healthy diet for diabetic patients and ways to prevent diseases and maintain a healthy lifestyle was also delivered.
- 11 616 senior citizens were supported through the following programmes: blanket distribution in partnership with local NGOs, hosting of regional forum meetings, inter-generational dialogue, Mandela Day celebrations, story-telling, support to luncheon clubs, devotions and choirs at daycare centres. The Integrated Referral System is functional and five project teams are operational.
- 9 901 senior citizens attended the following sessions: awareness on substance abuse, available services from the CoJ and other stakeholders, awareness on violence and abuse, organisational development, assist with fund-raising and peace education.
- 11 727 senior citizens were assisted with ESP registration, applications for grants from SASSA, and new SASSA cards.
- 10 925 senior citizens were provided with meals, received information on healthy eating and also benefited from food gardens and food parcels.
- 743 senior citizens went on excursion. The Integrated referral system is functional and regional forums are operational.

- Migration: Orientation programmes enable new comers to adjust to the culture of the local communities and to receive information on how to connect to opportunities, learn about by-laws and also participate in the active life of host communities. Workshops, dialogues, awareness campaigns assisted in changing perceptions about migrants, xenophobia and in general, they promoted social cohesion in communities.

3.11 Joburg City Theatres

Introduction

The Joburg Theatre (SOC) Ltd, known as Joburg City Theatres (JCT), is an independent municipal entity that is wholly owned by the City of Johannesburg. The JCT operates the Joburg Theatre (Braamfontein), Roodepoort Theatre and Soweto Theatre.

Joburg Theatre is also permanent home to Joburg Ballet, which is supported by an annual grant from Joburg City Theatres; as well as the Peoples Theatre Company – performing throughout the year to children between the ages of 3 and 13 – and one of the country's most respected community development projects in the arts, the tiny 'black-box' theatre known as space.com. Since 2017, the Joburg Philharmonic Orchestra is also supported through an annual grant from Joburg City Theatres.

While not its core mandate, over the period since 2013, the hospitality, catering and restaurant services provided by Joburg City Theatres have also matured and grown, contributing significantly to revenue generation and to the suite of services that the Joburg City Theatres offers.

As part of the Social and Human Development Cluster and located under the Department of Community Development with the MMC as Executive Authority, Joburg City Theatres is primarily tasked to support all the GDS Outcomes, aimed at a future that presents significantly improved human and social development realities. It relates to issues of social cohesion and inclusivity and improved quality of life, supported by the establishment of development-driven resilience, and particularly resonates with the work of Joburg City Theatres.

JCT Strategy

GDS Outcomes 3 and 4 form the primary tenet of Joburg City Theatres' strategic intent. JCT's contribution in the cluster is *"targeting deprived spaces and communities through Arts and Culture Programming"*.

The legislated five-year IDP process assists in translating the Growth and Development Strategy's - Joburg 2040 - long-term impacts and outcomes into measureable and achievable targets. In the CoJs case, these are framed within the context of the Mayoral Flagship Programmes, located

within five-year IDPs that contain cluster-specific priorities and plans. The company's strategic objectives include the following: -

- Provision of opportunities for the youth, including future arts practitioners and entrepreneurs;
- High quality performing arts and entertainment experiences and facilities;
- Affordable access to and use of theatres by communities;
- Good governance, financial sustainability and sound management; and
- Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT.

The 2018/19 performance information of JCT flows from a direct line-of-sight to the above strategic objectives and result areas / IDP Programmes. The outputs by JCT through the arts programming included the following: -

- Increased accessibility - exploring the increased funding opportunities from other spheres of government and the public sector in order to make theatre-going practical for disadvantaged communities;
- Youth development and partnerships - Developing future audience, practitioners and entrepreneurial skills;
- Increased literacy, skills and lifelong learning amongst all citizens;
- Increased earned revenue; and
- Maximised accessibility and usage of theatre facilities by the City of Johannesburg citizens.

Outputs, linked to the SDBIP, IDP and GDS are: -

- Increase self-generated revenue - a city at work building the economy;
- Expenditure management - cost containment – a city at work building the economy;
- Promotion and % procurement spend on SMME's - a city at work building the economy;
- Increase literacy, skills and lifelong learning amongst Joburg citizens - a city at work building better communities;

- Youth development - develop future audiences, practitioners and entrepreneurial skills - a city at work building better communities;
- Maximise accessibility and usage of the theatre facilities by Johannesburg citizens - a city at work building better communities; and
- Increase accessibility - explore the increased funding opportunities from other spheres of government and the private sector in order to make theatre-going practical for disadvantaged communities - a city at work building better communities.

Outcomes are as follows: -

- Commissioning of quality productions aligned to the vision and mission of JCT;
- Increased numbers of learners attending theatres annually developing new audiences for the future;
- Empowered learners and teachers;
- Improved perception of the role of JCT in Youth development;
- Engagement with communities bringing new audiences into contact with JCT venues;
- Structured opportunities for in-depth development of the talents and skills of young people opening up future opportunities for future employment;
- Foundation laid through pilots for three-year relationships and co-productions, widening the participation of local producing partners engaged with JCT;
- Improved operational efficiency, optimization of resources and performance;
- Increased positive social contact and accessibility of theatre through management of the three theatres;
- Increased SMME support through procurement;
- Support and optimize opportunities to promote creative industry; and
- Increased number of emerging young producers and artists.

JCT contributes directly and indirectly to the CoJs achievement of its objectives and priorities, by making available the theatres' facilities and resources throughout the year for departments and entities to explain and promote such priorities. The achievements captured in this report are aligned to the strategic priorities of the City of Johannesburg which drives the strategic direction of the company ensuring that these priorities are implemented in the form of measurable targets and deliverables.

JCT upheld its vision statement: "*A leading African artistic platform providing sustainable, development-oriented and diverse programming."* The Board and management remain committed to achieving strong financial and operational results, ensuring good corporate governance and transparent compliance to legislation while delivering on the mission of the company:

To produce and present innovative and relevant indigenous and international entertainment programmes that promote multiculturalism, diversity and social cohesion.

Performance highlights

JCT set a total of 18 key performance indicators in the approved business plan for the current financial year (2018/19). The performance was recorded as follows:

- Of the 18 targets due for reporting in the period under review, a total of 17 targets were achieved, translating to 94% target achievement.
- One KPI (on financial sustainability) was not achieved due to the economic climate. However, JCT has put plans in place to rectify this in the next reporting period.

JCT set a total of 18 key performance indicators in the approved business plan for the current financial year (2018/19). The performance was recorded as follows:

During the period under review, we made real progress towards achieving the JCT vision for the 2018/19 financial year, while continuing to expand our range of innovative products and services. The company delivered satisfactory corporate performance during the period under review, under strained financial resources.

JCT maintained a varied blend of programming through rentals, co-productions, and in-house productions. Roodepoort Theatre leads the way as far as rentals go; the theatre has maintained a healthy list of loyal programme producers who mainly provide youth and family oriented programmes. The mobile theatre truck is used to reach communities that are unable to come to the theatre. Soweto Theatre also maintains a strong list of rental clients, but it is through music and theatre co-productions that the theatre is making its mark.

JCT had over one hundred and fifty (150) shows that took place in its different theatre spaces and attracted over two hundred and seventy one thousands and two hundred and ninety nine (271

299) patrons for the full financial year. These were different shows ranging from in-house productions, co-productions with other external producers, and externally produced shows that rented the facilities. Below are the highlights of productions that took place through the year under review.

As part of JCT's continued 'Legacy Programme' and also to as part of the nationwide centenary celebrations of Nelson Mandela's posthumous 100th birthday: Joburg Theatre brought together four living South African musical legends; Jonas Gwangwa, Abigail Khubeka, Sipho 'Hotsticks' Mabuse, and Dorothy Masuka together with the nation's foremost youth vocal ensemble, the Mzansi Youth Choir for a 3 night only concert to honour and celebrate, in song, the late great global icon, Madiba. The concert, aptly named *Legends Celebrating Madiba*, was an audience success.

The winners of the 15th annual Naledi Theatre Awards were announced on the Mandela Stage at the Joburg Theatre on 20 May 2019. These awards are an affirmation of the exceptional skills and world-class talents that exist in South Africa. *The biggest winner of the night was the musical The Color Purple, which collected seven awards*. This is a very special occasion for Joburg City Theatres and for the City of Joburg itself. The all-South African creative team and cast of The Color Purple will be flying the flag for Joburg when they take this glorious production internationally in 2020.

Joburg City Theatres was nominated for 23 Awards in collaboration with renowned producers, *Lara Foot for Tshepang, the third testament* & *Bernard Jay* for both *The Color Purple & Snow White Pantomime.* The nominations received also included recognition for Akhona Bozo – Senior Sound Technician at Joburg Theatre who has been with the company for 13 years.

Best Production of a Musical:
The Color Purple - Produced by Joburg Theatre and Bernard Jay, Written by Marsha Norman, Brenda Russell, Allee Willis and Stephen Bray, and Directed by Janice Honeyman;
Best Musical Director:
Rowan Bakker for The Color Purple;
Best Director of a Musical/Revue:
Janice Honeyman for The Color Purple;
Best Supporting/Featured Performance by a Female in a Musical:

Lelo Ramasimong as “Shug Avery” for The Color Purple;

Best Supporting/Featured Performance by a Male in a Musical:

Yamikani Mahaka-Phiri as “Harpo” for The Color Purple;

Best Lead Performance in a Musical (Female):

Didintle Khunou as “Celie” for The Color Purple;

Best Original Choreography in a Play/ Musical:

Oscar Buthelezi for The Color Purple;

Best Director of a Play:

Lara Foot for Tshepang: The Third Testament;

Financial performance

The theatre business continues to be challenged by stiff competition from the other theatres around and other forms of entertainment particularly with advancing technology in the digital age, while financially the consumers of our products and services remain squeezed by the lower disposable income. These challenges require innovative ways to remain in business and run sustainable operations. The economy has seen a contraction of 3.2% in GDP in the first quarter of this year and unemployment rising to 27.6%. JCTs performance is therefore not immune from the effects of these macro-economic factors, more so that the operations of the entity are in entertainment which is viewed as a luxury in the context of a struggling economy. Notwithstanding the aforementioned economic challenges, the entity has shown resilience and relatively maintained satisfactory revenue performance.

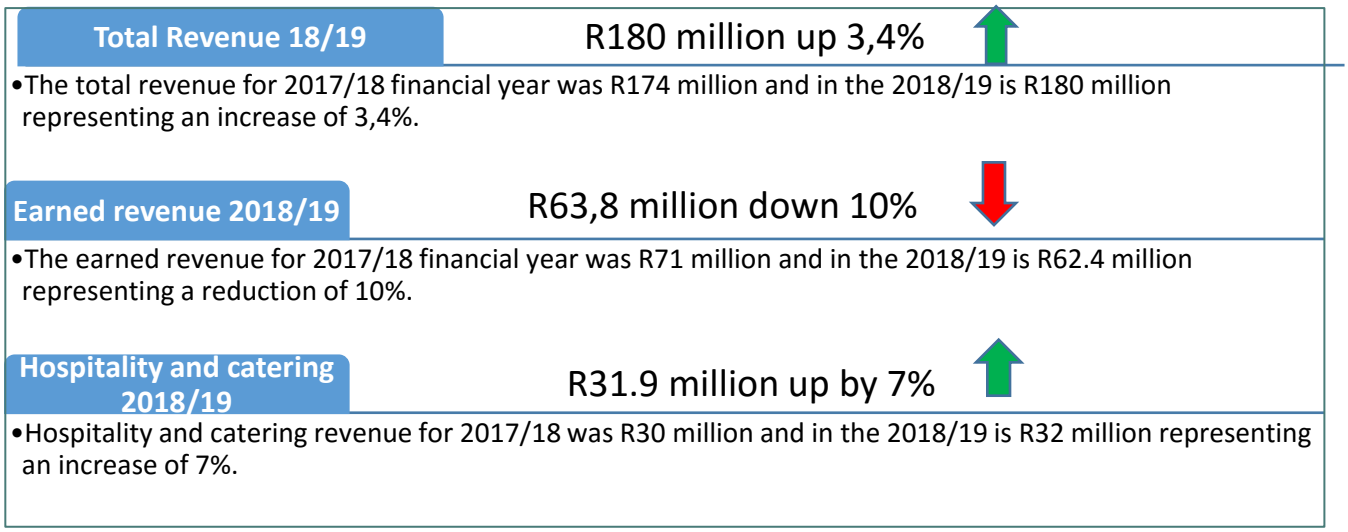


Figure 20: Financial Performance: JCT

Reduction on earned revenue primarily results from a shortfall in in-house productions, rentals of facilities and equipment, arts alive budget cut from R10 million to R8.7 million, and the DAC has not sponsored the Africa month celebrations in the current year.

Graph below is a summary of main revenue items:

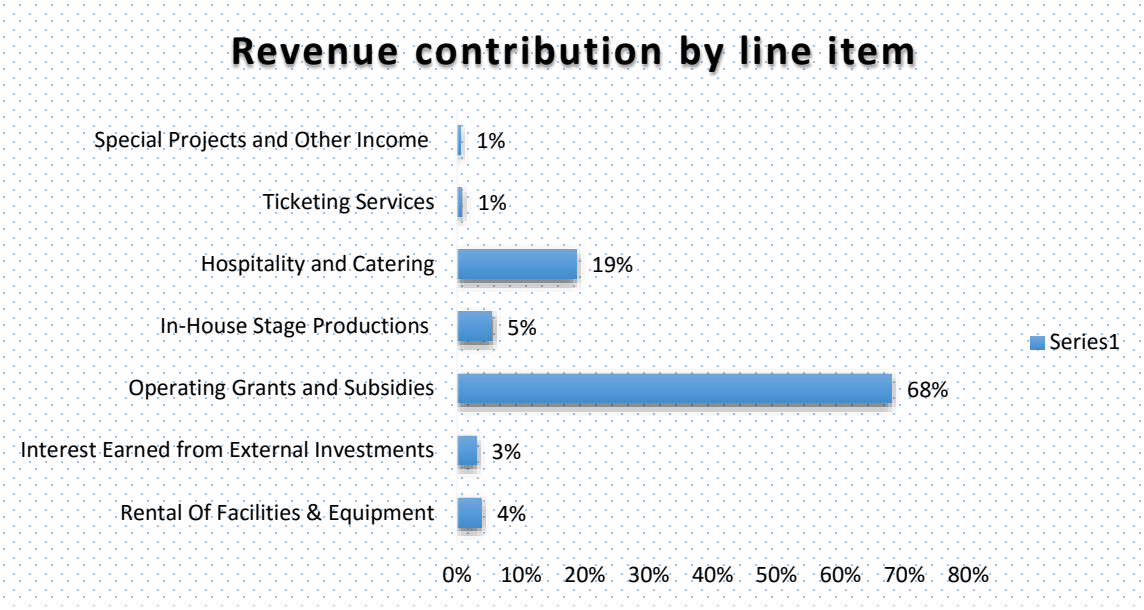


Figure 21: Summary of main revenue items

Revenue for the past 5 years – the revenue for the entity has been increasing for the past 5 years from R100m to R180m which translate to an average increase of 16% per annum. The increase is above inflation rate year on year which indicates a good performance and market growth.

Consolidated Revenue JCT					
	Actuals R'000				
Revenue category	**2019**	**2018**	**2017**	**2016**	**2015**
Subsidy	116 447	104 432	94 072	73 502	68 823
Earned Income	63 842	70 506	68 145	69 956	38 927
	180 289	**174 938**	**162 217**	**143 458**	**107 750**

Consolidated Expenditure JCT					
	Actuals R'000				
Expenditure category	**2019**	**2018**	**2017**	**2016**	**2015**
Salaries and wages	77 557	70 050	63 301	44 794	37 534
Grants and subsidies paid	20 467	19 339	8 000	8 000	8 000
General expenses	87 365	85 054	83 901	90 181	62 141
	185 389	**174 443**	**155 202**	**142 976**	**107 675**
Surplus for the period	**-5 100**	**495**	**7 015**	**482**	**75**

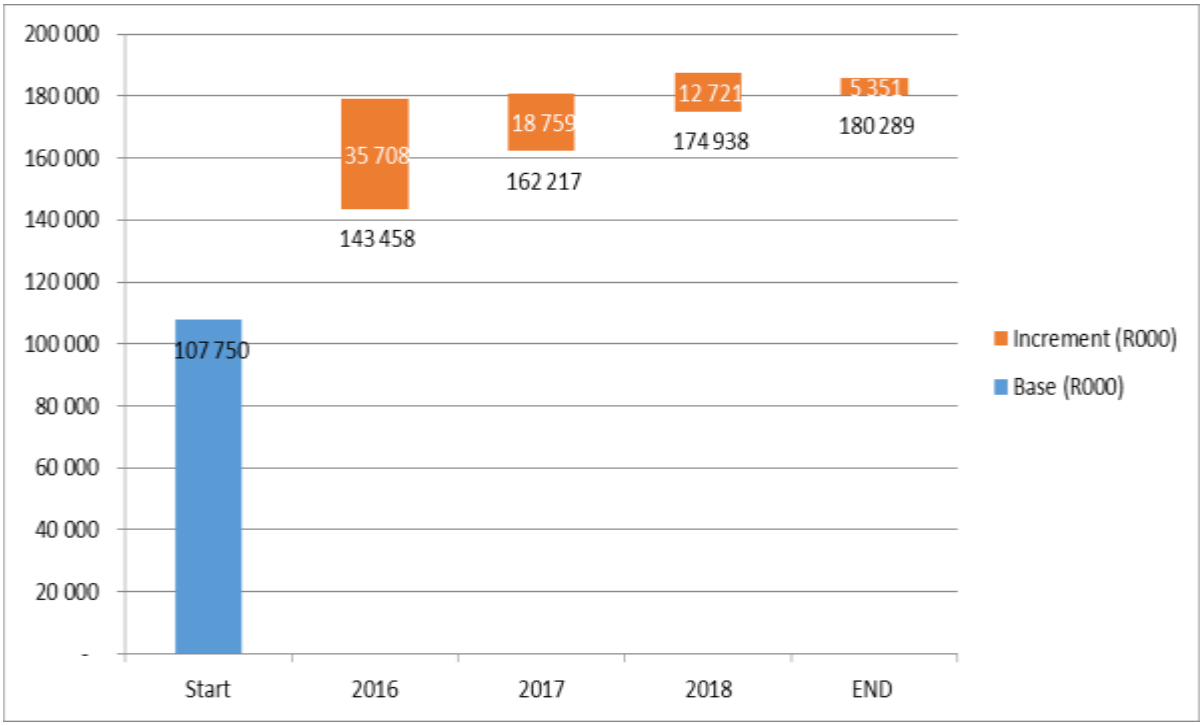


Figure 22: Revenue for the past 5 years - JCT

Capital expenditure

The budget for 2018/19 financial year is R 25,294,000. Joburg City Theatres managed to spend and achieve target, which is in line with City's vision to ensure that capital expenditure budget is 100% spent. The diagram below depicts the current status quo for JCT capital expenditure.

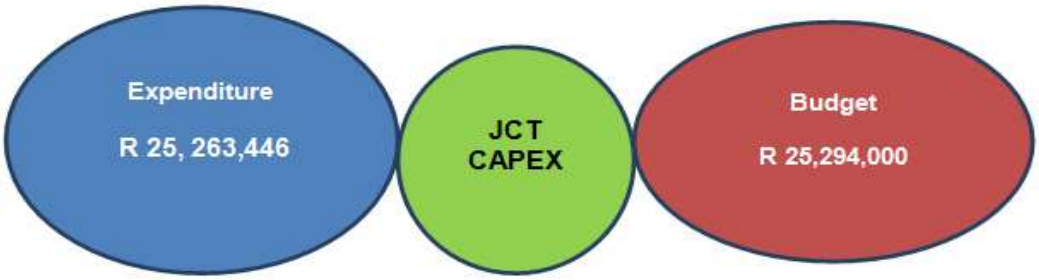


Figure 23: Status quo - JCT capital expenditure

Employees

As at June 30th 2018, the company had a total of 159 permanent employees. The current approved structure has 174 positions, out of which 159 have been filled and 14 positions are vacant Every employee of the theatre is trained to offer services to the clients, namely the entity renting a part of the complex for any relevant core or support business purpose; and the customer, i.e. the patron choosing to participate in a core or support business of the theatre.

Table 102: Joburg City Theatres' staff establishment

Description	**2018/19**			
	Approved no. of posts	**No. of employees**	**No. of vacancies**	**% of vacancies**
Top management	5	4	1	-25%
Executive management	16	15	1	-7%
Middle management	30	29	1	-3%
Skilled technical/junior management	45	43	2	-5%
Semi-skilled	64	60	4	-7%
Unskilled housekeepers/cleaners	14	8	6	-75%
Total	**174**	**159**	**15**	**-9%**

3.12 Johannesburg City Parks and Zoo

Corporate Profile And Overview Of JCPZ

Johannesburg City Parks and Zoo (JCPZ) is a non-profit Company (NPC), duly registered and incorporated in accordance with the Company Laws of the Republic of South Africa under registration number: 2000/028782/08. JCPZ has been legislatively mandated to exist as a mechanism for service delivery. The Company is wholly – owned (i.e. 100%) by the City of Johannesburg (CoJ) Metropolitan Municipality. As a municipal owned entity, JCPZ's mandate which is clearly stipulated in the Shareholder Agreement, is as follows:

The sustainable provision, preservation and management of open spaces, biodiversity, environmental and conservation services through education, research, direct conservation action and recreation, with a focus on the zoo, parks and cemeteries.

The rights and responsibilities of the Entity are limited as the Shareholder retained ownership of all land and buildings at establishment. The Shareholder is also responsible for all policies, by-law development and enforcement pertaining to the portfolio. The Entity is not sharing any power with other Entities in the CoJ or departments or other municipalities.

The Shareholder exercises an oversight role over the Entity through the Member of the Mayoral Committee (MMC) Community Development as Political Head and the Group Governance Department which manages protocol and reporting between the City and its Entities. The City further appoints and mandates the Board of Directors as to the strategic imperatives and performance objectives expected of the Entity.

The company has a portfolio in excess of 20 000 ha of public green open spaces including parks, cemeteries, nature reserves and approximately 3.2 million trees.

The Zoo has in its collection a total of 323 species and 50 Subspecies. This comprise 2737 specimens of which 1302 specimens are currently housed at the Zoo and currently on display, whilst 32 specimens are out on loan to other Zoos within South Africa, and 1 435 belong to Group Arks (Group Arks is an animal record keeping system for animals that are either in Aviaries (birds) or frogs and fish which cannot be easily counted and thus are grouped together).

The diverse species in the Zoo are demarcated into zones according to their places of origin, and this sets Johannesburg Zoo apart from other zoos. The majority of the species come from Africa and the big five is the draw card. The zones include animals from Savannah grasslands, comprising the majority of antelopes and animals from the rain forests of Central African, with gorillas and chimpanzees as some of the charismatic species.

The Amazonia section is dominated by species from Brazil, represented by a wide range of fresh water specimens such as reptiles and fish species. The Madagascar zone comprises of the animals from that island, including the lemurs. There are also species from the extreme hot and cold climates, that are unique to Johannesburg Zoo, and include camels, lamas and tigers.

Compared to other Zoos in South Africa, Johannesburg Zoo is still regarded as one of the most affordable tourism facilities that is easily accessible by the majority of Gauteng residents. It has a range of services such as a state owned, well managed outdoor restaurant which offers a variety of food, and coffee shops scattered across the whole facility, as well as a very affordable ferry that transports visitors to and from all directions of the facility.

The Company manages the following products and services:

- Urban parks, recreation and leisure facilities;
- Johannesburg Zoo;
- The Zoo conservation and research farm;
- Cemeteries and crematoria;
- Botanical services;
- Nature reserves, including bird sanctuaries, nature trails, dams and lakes;
- Environmental education;
- Biodiversity and conservation management;
- Eco-tourism products and services; and
- Trees and arboriculture services.

RESPONSE TO STRATEGIC DIRECTION

JCPZ has aligned its Business Plan with specific reference to the Strategic Objectives and Key Performance Indicators, to the priorities of the CoJ. The following outlines how the Company has

performed against these predetermined objectives:

STRATEGIC OBJECTIVE 1: SERVICE DELIVERY: To provide our services with pride to all citizens, and to redress imbalances of the past: 75% achieved.

STRATEGIC OBJECTIVE 2: RESPONSIVE GOVERNMENT: To provide a service based on the needs of the community at all times. There are 2 KPIs linked to this strategic objective, and both have been achieved, namely: “Number of educational programmes implemented per annum”, and “Open planning research”

STRATEGIC OBJECTIVE 3: JOB CREATION: To facilitate jobs through our resources and partnerships. All four KPIs have been achieved namely: “Number of EPWP job opportunities created”; “Number of jobs created through the Enterprise Development programme”; “Number of primary co-operatives developed and supported”; and “The development and approval of an ecotourism, outdoor and adventure plan for JCPZ”.

STRATEGIC OBJECTIVE 4: SAFETY IN COMMUNITIES: To provide safe facilities to communities through awareness, technology and patrolling: KPI has been achieved.

STRATEGIC OBJECTIVE 5: SOUND GOVERNANCE AND EFFECTIVE MANAGEMENT: To ensure sound governance and financial management and internal controls: Six of the nine KPIs have been achieved.

Service Delivery Performance

The organisation delivered on target with the Service Delivery Agreement as all service delivery key performance areas were achieved, i.e. horticultural, arboriculture, biodiversity and ecological maintenance.

JCPZ’ operations in the period under review have focused on getting the basics right in providing service delivery through the maintenance of all our facilities, particularly in townships, while changing our focus to connecting with customers by responding rapidly to their complaints and to providing timeous feedback.

Cemeteries and Crematoriums

Cemeteries & Crematoria are responsible for the interments of mortal remains within the City of Johannesburg, together with cremations. A critical challenge is the inadequate burial space available. There are only 4 cemeteries, namely Olifantsvlei, Diepsloot, Westpark and Waterval cemeteries that are currently active for new burials in the City of Johannesburg. Region D & G carries the majority of the burials both with new and reopens amounting to 79% of all burials. The bulk of the funerals in the South are directed to Olifantsvlei Cemetery. Doornkop Cemetery is only conducting second burials as it now fully passive. With Region D & G carrying the majority of the burials, sourcing of additional suitable burial land in the southern areas of the City is critical; this is to meet the needs of the community and to alleviate the congestion at Olifantsvlei cemetery. The North cemeteries namely Waterval Cemetery and Diepsloot Memorial (Regions A and E) account for 4% of Burials and have sufficient burial space based on the current burial trend. The Central cemeteries namely Westpark Cemetery (Region B) account for 17% and has about 15 hectares available and also caters for communities in Regions B, C, D and F. The average burial rate has stabilised to +/- 14,000 per year over the last five (5) years, while the cremations were for 2018/19. for Outlined below is the available burial space in all active cemeteries within the City of Johannesburg:

Table 103: JCPZ - Cemeteries and Crematoriums

FACILITY	AVAILABLE BURIAL SPACE	APPROXIMATELY BURIAL\ LIFESPAN OF THE CEMETERY
Olifantsvlei	120 Hectares (+200 ha's Undeveloped)	Developed section – 240,000 / 100 years *
Doornkop	0 Hectares	Fully Passive(only second burials)
Waterval	210 Hectares	420 000 – 100 years **

Diepsloot	45 Hectares	90 000 – 45 years
Westpark	15 Hectares (Incl. Muslim and Jewish)	30 000 – 12 years ***

*No funds allocated for development for the next 2 years

**These numbers are pending the outcome of the court case between the CoJ and the Waterval Islamic Institute

***Muslim to last for 2 years and Jewish 2 to 3 years

In the period under review, burials increased to **14 878,** compared to **the 13 528** for the same period in the previous financial year. Outlined below is the graphical display of the activities:

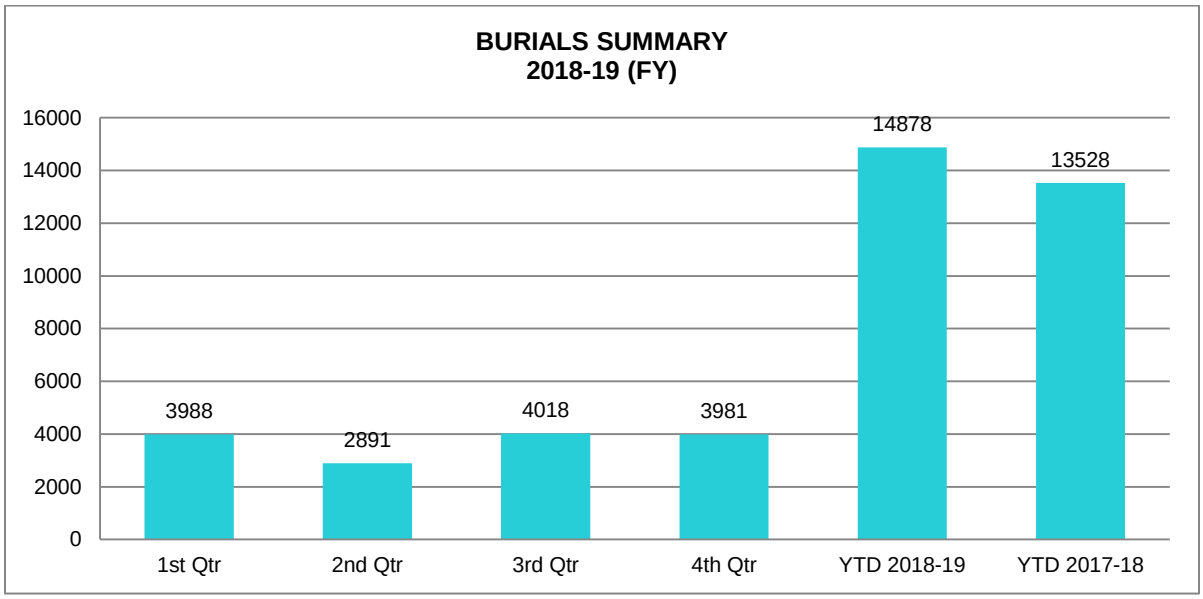


Figure 24: Burials summary 208-19 (FY)

Reopens/ 2nd burials from **4 006** in the 17-18 (FY) period up to a total of **4 297**

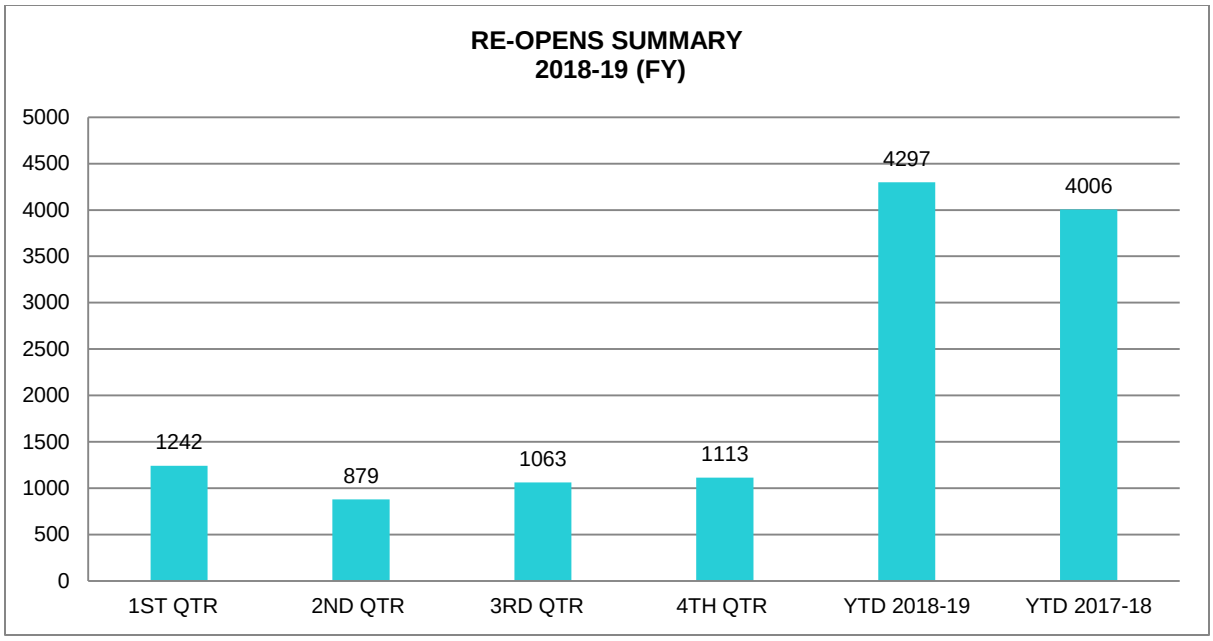


Figure 25: Re-Opens Summary 2018-19 (FY)

Cremations

A total of **3 107** cremations were carried out compared to the **3 260** for same comparative period in 2017/18 (FY):

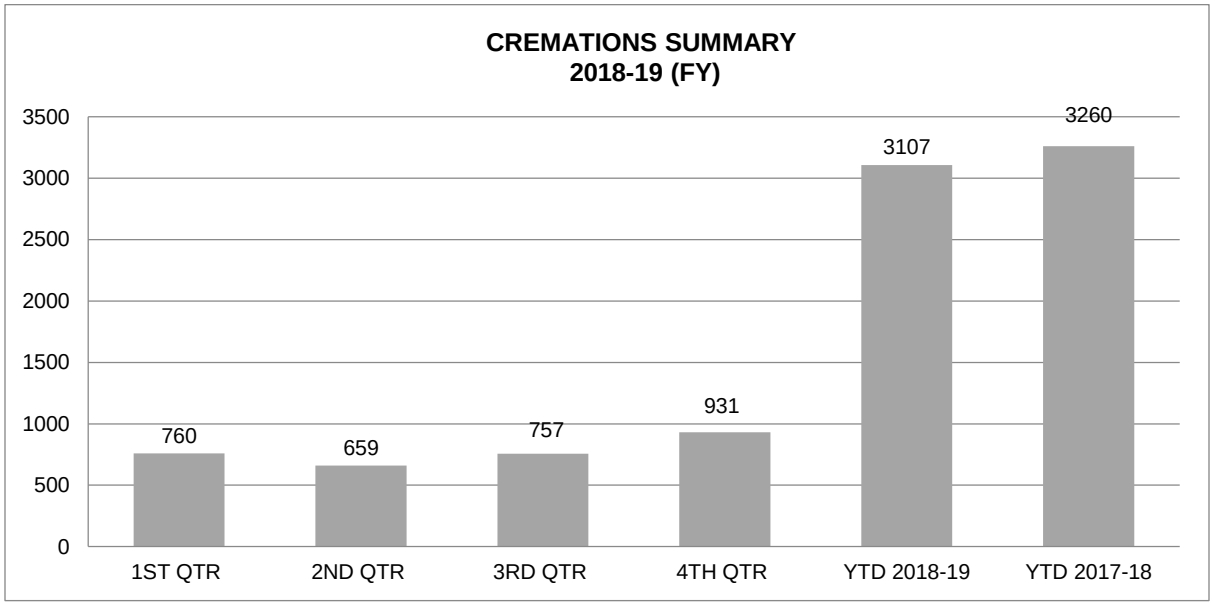


Figure 26: Cremation Summary 2018-19 (FY)

PERFORMANCE AGAINST SERVICE STANDARDS

Table 104: JCPZ - Actual performance against the service standards

Service Level Standard 2018/19		
Core Service	**Target**	**Actual**
1)Maintenance of Flagship Parks	12 cycles	14 cycles
2)Maintenance of Developed Parks	3 cycles	3 cycles
3)Maintenance of Undeveloped Parks	1 cycle	1 cycle
4)Maintenance of Main Arterials	3 cycles	4 cycles
5)Maintenance of Landscaped Islands and Town Entrances	6 cycles	6 cycles
6)Maintenance of Flagship/Active cemeteries	6 cycles	6 cycles
7)Maintenance of passive cemeteries	2 cycles	3 cycles
8)Response to calls logged for removal of fallen trees	80% of calls attended to	98% of calls attended to
9)Response to calls logged for damaged park infrastructure	80% of calls attended to	80% of calls attended to
10)Com-pliance to the PAAZA (Pan-African Association of Zoos and Aquaria) standards	100% compliance	N/A

The Zoo

In the last financial year, the Zoo received 515 623 visitors against the annual target of 480 000, and more than 29 000 were afforded an opportunity to enter the zoo for free through environmental education programmes such as Masibambisane, and biodiversity events such as Arbor Day, Rhino Day, World Environment Day, Bird Week, Earth Hour, Science Week, Flufftail, and Wetland Day.

In the year under review the Zoo achieved the following progress with regard to conservation projects:

- The Pickers gill's reed frog project is progressing very well: 250 Pickers gill's reed frogs were released in their natural environments in KwaZulu Natal.
- The Southern ground hornbill project steering committee approved that one pair from Joburg Zoo be moved to the farm in Parys. The farm has got a conducive atmosphere for animals to mate and breed without disturbance. The process is awaiting a transport permit approval from GDARD.
- The Zoo successfully bred four dwarf burrowing skinks in captivity as the first zoo to breed this species in South Africa as part of Conservation project.
- The new outdoor amphibian enclosure (bull frog) next to the Creature Feature was completed and the specimens have been introduced.

The Agri farming project at the Rietkuil Conservation and Research farm supporting the Joburg Zoo with vegetables and meat, has been fully implemented with no budget allocated.

Table 105: Employee - JCPZ

RACE GROUP	TOP MANAGEMENT	SENIOR MANAGEMENT	PROFESSIONALS	SKILLED / TECHNICAL	SEMI SKILLED	UNSKILLED	PERMANENT	NON PERMANENT	GRAND TOTAL
Male African	**1**	**1**	**32**	**101**	**661**	**84**	**880**	**37**	**917**
Male Coloured	0	0	3	9	22	2	**36**	0	**36**
Male Indian	0	0	3	4	2	1	**10**	0	**10**
Male White	0	0	3	15	6	1	**25**	0	**25**
Female African	0	2	17	94	219	47	**379**	25	**404**

Female coloured	0	0	1	11	8	1	**21**	1	**22**
Female Indian	0	0	2	5	0	0	**7**	0	**7**
Female White	0	1	2	11	2	0	**16**	3	**19**
Total	1	4	63	250	920	136	1374	66	1440

Financial Performance

Table 106 JCPZ – Financial performance

Year- to- date performance	**2017/18 (Audited previous financial year)**	**2018/19 Actual**	**2018/19 Budget**	**Variance %**	**Variance**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
Revenue and other income	901 309	1 034 258	1 020 535	1%	13 723
Expenditure	(861 657)	(1 018 753)	(1 020 535)	0%	1 782
Surplus/(Deficit)	39 651	15 505	-		15 505
Capital and project expenditure	54 041	46 762	54 279	14%	7 517

Capital Projects and Expenditure

For the 2018-19 financial year the capital budget allocation afforded to the organisation through various city funding sources amounted to R36.0 million as outlined in the table below. During the mid-term budget adjustment, the Company's capital development budget was adjusted upwards to R54.3 million. The Company was allocated additional budget for the Olifantsvlei Cemetery project of R15 million, Zoo animals purchase of R1 million and ICT hardware and software of R5

million. Other projects were reduced to partially fund these increases, mainly the Rabie Ridge Park project by R2.2 million, that cannot be implemented currently.

As at 30 June 2019 the Company has spent 86% of its capital expenditure budget against an actual expenditure target of at-least 95%.

The following table shows details of the expenditure.

Table 107 JCPZ –Capital Expenditure

Description	Actual spent R '000	Annual Budget R '000	% Actual R '000
Inner-city Parks (COJ)	5 525	5 525	100%
Louis Botha - Corridors of Freedom	2 739	3 000	91%
Pieter Roos Park (COJ)	1 896	1 950	97%
Lenasia Wetlands (COJ)	635	900	70%
Furniture (COJ)	1 040	700	149%
Olifantsvlei Cemetery	9 005	15 000	60%
IT Equipment (COJ)	5 978	6 129	98%
Plant & Equipment (COJ)	615	415	148%
Pioneer Park (COJ)	4 482	4 592	98%
JHB Botanical Gardens	2 998	3 000	100%
Upgrade Parks to OHAS Standards (COJ)	650	806	81%
Stretford Park	173	173	100%
Kliprivier Nature Reserve		450	0%
Rabie Ridge Park (COJ)	796	800	100%
Zoo - Buildings (Infrastructure) (COJ)	4 775	4 846	99%
Zoo - Animal Purchases (COJ)	2 437	2 717	90%
Zoo - Parking Area Development (COJ)	1 255	1 255	100%
Zoo Animal Hospital (COJ)	927	1 000	93%
Head Office Building	836	1 021	82%
Total	**46 762**	**54 279**	**86%**

COMPONENT F: HEALTH SERVICES AND ENVIRONMENTAL PROTECTION

3.13 Health Department

Introduction to Health Services

The Health Department is mandated to develop a high quality, efficient, equitable health system that is accessible to all of Johannesburg's residents. The Department is responsible for the provision of primary health care services in the City of Johannesburg through its network of 79 clinics (78 fixed and one satellite).

The City's clinics operate in conjunction with health facilities managed by the Gauteng Department of Health, which include: 30 clinics; 11 community health centres; two district hospitals (South Rand and Bheki Mlangeni); three regional hospitals (Rahima Moosa, Helen Joseph and Edenvale), two tertiary hospitals (Chris Hani Baragwanath, Charlotte Maxeke); and two specialised hospitals (Tara and Sizwe Tropical).

The City is also responsible for the delivery of municipal health services (environmental health services) that are provided as a legislative obligation bestowed to the City in terms of the National Health Act 61 of 2003. Municipal health services encompass those aspects of human health that are determined by physical, chemical, biological, social and psycho-social factors in the environment.

The City's Health Services is therefore mandated to protect the environment and to safeguard the public from contracting communicable diseases from food, water and other environmental impacts. This service is an obligatory service to be rendered by municipalities and is defined in the National Health Act, 2003, as "Municipal Health Services".

Municipal Health Services are listed as:

- Water quality monitoring;
- Food control;
- Waste management;

- Health surveillance of premises;
- Surveillance and prevention of communicable diseases, excluding immunisation;
- Vector control;
- Environmental pollution control;
- Disposal of the dead; and
- Chemical safety.

The City's Health Department also contributes to the strengthening the delivery of primary healthcare services by:

- Strengthening district health systems through improved access to primary health care services;
- Training and deploying municipal, ward-based outreach teams (WBOT);
- Improving health literacy levels;
- Community participation and co-operative governance in health;
- Improving access to antenatal care services;
- Improving the TB cure rates;
- Increasing the number of clinics providing ARV and HIV treatment services; and
- Consolidating the City's focus on Environmental Health Services (Municipal Health Services) through promotional, educational and enforcement programmes.

Performance highlights

Highlights for the 2018/19 financial year included the following: -

- The Executive Mayor's Pilot Project which was launched on 31 October 2016, at Princess Clinic, has now been extended to 26 clinics in the city;
- Since the launch of the eHealth@Joburg that took place at Jabavu Clinic on 8 June 2016, a total of 66 clinics now have the electronic health record system;
- The Department achieved 91.28% and 91% compliance, respectively, among formal and informal food premises against the target of 90%;
- The Department further achieved 85% compliance to Environmental Health legislation by schools against a target of 80%;

- A total of 167 (13 doctors and 154 nurses) were trained in the identification of early warning signs for substance abuse and possible medical interventions against a target of 81 (71 nurses and 10 doctors);
- There was an 8.7% increase in antenatal care early booking rate from the baseline of 63.9% in 2017/18 to 69.5% in 2018/19;
- In terms of the percentage of people tested positive for TB and initiated on treatment, for the period July 2018 - June 2019, there were 31,286 TB symptomatic clients (5 years and older) with sputum sent and 2,558 (8.2%) tested positive. Of these, 2,442 (95.5%) patients were placed on treatment. Others were lost to follow-up due to wrong addresses (untraceable);
- In terms of the percentage of children under 1-year immunization coverage: (Integrated) for the period July 2018 - June 2019, this was 84.8% (webDHIS 2018 under 1yr Population estimates = 94,591 as at 26 Jun 2018);
- 100% of public sector clinics and 100% of public sector hospitals were inspected per quarter; and
- All air quality and water quality management requests were attended to.

Capital expenditure

Table 108: Health Capital expenditure

Project detail	Original budget	Adjustment budget	Expenditure to date:	Expenditure to date:
			Amount	Percentage
Claremont Renewal C	22 230	17 230	17 206	100%
EBONY PARK Renewal C	22 230	37 230	36 848	99%
Florida clinic New C	22 230	17 230	16 849	98%
Bophelong Clinic	0	1 000	982	98%
Protea South Clinic	1 000	500	404	81%
Bezuidenhout Valley	6 800	800	782	98%
Naledi clinic New Bu	1 000	1 500	1 493	100%
Operational Capital	1 700	2 700	2 609	97%

Project detail	Original budget	Adjustment budget	Expenditure to date:	Expenditure to date:
			Amount	Percentage
Procurement of Health Information System	30 000	30 000	28 477	95%
MINOR WORKS at various clinics across	4 800	24 517	23 705	97%
Totals:	**111 990**	**132 707**	**129 325**	**97%**

3.14 Environmental and Infrastructure Services Development (EISD)

Introduction

Unlike most other global cities that are anchored by trade routes or access to oceans or navigable rivers, Johannesburg is founded on the mineral resources found underground. The economic activities that characterise Johannesburg have been responsible for the rapid urban growth within the city, both in terms of physical development and the number of urban dwellers, which drives the transformation of large areas of natural land cover to more 'urban' uses. Uncontrolled, the transformation leads to problems such as urban sprawl, inefficient transportation, environmental pollution, loss of ecosystem functioning, food insecurity and a general decay in perceived urban quality.

The management of natural resources either as pristine resources or as valuable economic commodities is the prime objective of the Environment and Infrastructure Services Department *(EISD)* with a focus on the potential consequences of utilizing these natural resources for human activity. The strain that these actions put on the environment, resulting in the incapability of the planet's ecosystems to sustain future generations, cannot be taken for granted.

The Department's main function is policy development, regulatory and compliance monitoring in respect of environmental matters rather than being an implementation agent or a service delivery agent. The mandate of the Department is embedded in the strategic functions of the Department as is reflected in the following key performance areas:

- **Urban Water Management** - meant to ensure supply of water security and also ensure the quality of river health;
- **Bio-diversity Protection** - which is concerned with ensuring protection of eco-systems and bio-diversity;
- **Air Quality Management -** which supports interventions that will lead to clean air (e.g., mitigate against mine dust);
- **Climate Change** - which is aimed at ensuring that City's greenhouse gas emissions are reduced to minimise its contribution towards climate change (mitigation) and to ensure resilience through adaptation;
- **Waste management and minimization** - aims to reduce environmental pollution and also to minimize waste going to the landfill sites (taking into consideration the fact that the City has a challenge around the shortage of landfill space);
- **Infrastructure planning and coordination** is one of the integral areas of focus as it is meant to ensure adequate and resilient infrastructure to support the City's spatial vision; and
- **Environmental education & awareness** is aimed at behavioral change on environmental sustainability.

Programmes

In 2018/19, EISD focussed on various programmes across the key performance areas, as outlined above. For the purposes of this report, the Department has selected a few programmes to report on, as detailed in the sections to follow:

Integrated Waste Management

Table 109: EISD - Diversion of Waste to Landfill

Waste Streams	Tonnages Diverted
Commercial	93 944
Dry Waste	25 991
Green Waste	50 959
Builders Rubble	5 978
Waste diverted	176 872

Waste Streams	Tonnages Diverted
Waste disposed	951 492
Waste Generated	1 128 364
Percentage	15.7%

The City during 2018/19, continued to encourage waste minimisation as well as improving the regulatory performance of Waste Management Activities (WMA). For the year under review, the overall total of waste diverted from landfill was **176 872** tonnages against **1 128 364** tonnages of waste generated resulting in **15.7%** reduction of waste to landfill. The total waste diverted is a result of the various initiatives including the Commercial Waste Diversion, Dry Waste Recycling, Green Waste Diversion and Builders Rubble Diversion.

Alternative Waste Treatment Technologies (AWTTs)

The City's operating landfill sites have been challenged by declining landfill airspace. The Alternative Waste Treatment Technology Projects were initiated to ensure that the City achieves its objectives of:

- Reduction of waste to landfill;
- Generation of renewable energy; and
- Creation of jobs.

The AWTT projects initiated by the City are outlined below:

- *Waste to Energy Plant* - A Feasibility study for this project was conducted and approved by the Council. The project structure is a Public Private Partnership (PPP) where a private entity will build, operate and maintain the waste to energy facility on behalf of the City for a period of 20 years. The project entails treatment and disposal of waste. This initiative will minimise waste disposal by landfill and generate electricity from waste through mass burn technologies. The City is currently embarking on Public Notification Process for this project has been completed and the City is in the process of soliciting National Treasury Views and Recommendation (TVR1) approval.

- *Bio-digester Pilot Plant* - A feasibility study was undertaken and concluded that a 50 ton per day Anaerobic Digestion (AD) plant would be financially and technically beneficial to the City. The pilot would use 30 tonnes per day of wet waste from the Johannesburg Produce Market (JPC), and 20 tonnes from other sources such as restaurant food waste, and garden waste [from Pikitup and Johannesburg City Parks and Zoo (JCPZ)].

  The project entails the treatment and disposal of biodegradable waste in line with the Waste Management Strategy to avoid and minimise waste disposal by landfill and to recover energy from the waste through the generation of bio fuel. The plant will be located in Region F at the Robinson Deep Landfill site. The project is currently at design phase.

Climate Change Action

The City of Johannesburg (CoJ) is amongst the biggest emitters of greenhouse gases in South Africa mainly from industrial activity, transport and residential areas. Anticipated future minimum and maximum daily surface temperatures are expected to be higher than they are at present. On average maximum temperature will be 2 – 3^{o}C higher than present. In addition, rainfall projections indicate episodes of heavy downpours that will result in flooding in many areas in the city. Industrial activity, veld fires, coal-fired stoves in residential areas and vehicular emissions are major contributors to deteriorating air quality in the city. The following projects were undertaken in 2018/19:

- *Tonnes of CO2 offset in GHG emissions based on sector projects* - The City's Growth and Development Strategy 2040 (GDS 2040), envisions a City that is resilient, sustainable and liveable. The GDS 2040 further commits to Climate Change Mitigation and equally to Climate Change Adaptation, and further identifies climate change as a cross sectoral imperative of the City. The City's approach to this is that of mainstreaming climate action into normal City processes, such as land use planning and decision making, infrastructure roll-out and service delivery. The Climate Change Strategic Framework is the means to integrate and leverage on the work of key sectors such as the Planning Department, the Transportation Department, and some key entities such as City Power, Joburg Water, and Pikitup, etc. These sectors are encouraged to implement projects and programmes that benefit carbon reduction and build resilience in the City. The EISD undertakes the responsibility of monitoring and reporting on the performance of these projects. Projects that were monitored and reported on in FY2018-19 are as reported below:

Table 110: EISD - Tonnes of CO2 offset in GHG emissions based on sector projects

Sector	Project	Tons of C02e GHG emissions offset
a. Energy Sector	Energy Mix by Technology	28 334.7 tCO2e
b. Waste Sector	Green Waste Diversion	16 612.63 tCO2e
c. Transport Sector	Rea Vaya BRT project	40 137.28 tCO2e
Total		**85 84.61 tCO2e**

- *Development of the Climate Action Plan (CAP)* - The department has initiated a process to develop a Climate Action Plan (CAP). CAP is the City's strategic plan with the objective to prioritize evidence-based transformational actions with the aim of transitioning the City of Johannesburg towards an emission neutral, climate resilience city by 2050. It is envisaged that the CAP will be a City-wide action plan or a public plan to be actioned by the City administration (including the city's Municipal Entities), private sector, civil society, youth etc. The expected outputs of the CAP project are separated in various work packages that will indicate the project milestones. The following are the work packages:

  - Scenario modelling and target setting;
  - Development of climate action and implementation plan; and
  - Stakeholder engagement and reporting.

  The project will be completed in the next financial year and implementation will then commence.

Air Quality Management

Air Quality in the City of Johannesburg (CoJ) is influenced by emissions of gaseous and particulate pollutants from anthropogenic activities and natural sources. Transportation and domestic fuel burning are the largest sources of air pollutants in the CoJ with contributions from listed and non–listed industrial activities and commercial activities, open fires and dust from sources such as mine dumps, open areas, construction sites, paved and unpaved roads. Programmes undertaken in 2018/19 to manage the ambient air quality include:

- *Atmospheric Emission Licensing* - EISD is mandated to undertake the responsibility of implementing and enforcing the National Environmental Management: Air Quality Act 39 of, as amended. The key function for the City - through EISD - is to perform the function of the Air Quality Officer which includes the licensing of the listed industrial activities. The type of industrial activities that are regulated by the City have a potential to release emissions that may have a significant detrimental effect on the environment, as well as health, social and economic conditions. To date, the City has issued 37 active Atmospheric Emission Licenses (AELs) which are valid for a period of five (5) years.
- *Ambient Air Quality Monitoring* - The City has a total of eight (8) air quality monitoring stations, which are strategically placed throughout the 7 regions. These stations measure a number of criteria pollutants such as PM10, PM2.5, SO2, NO, NO2, NOx, O3 and CO. At each of these stations' measurements are also done for meteorological data such as wind speed and wind direction, ambient temperature, relative humidity, rainfall, solar radiation and barometric pressure.

Table 111: EISD - Ambient monitoring stations located across the City for the monitoring of Air Quality pollution

Hotspot Zone	Monitoring Station to represent Hotspot Zone	Region	Address	Rationale
1	Buccleuch (26^{0}02'42.7"S & 28^{0}05'56.6"E)	A	Between M1 South and N1 South/N3 interchange	Traffic emissions
2	Alexandra (26^{0}06'24.5"S & 28^{0}06'36.8"E)	E	1562 Springbok Cresent, Alexandra	Domestic Fuel Burning
3	Delta Park (26^{0}07'30.0"S & 28^{0}00'31.0"E)	B	77 Craighall Road, Delta Park, Randburg	Urban Background
4	Orange Farm (26^{0}28'48.0"S & 27^{0}52'01.2"E)	G	Orange Farm (Home Affairs next to Police Station)	Domestic Fuel Burning
5	Jabavu (26^{0}15'10.8"S & 27^{0}52'19.2"E)	D	10282 Phamuli Street, Jabavu, Soweto	Domestic Fuel Burning
6	Diepsloot (25^{0}55'19.2"S & 28^{0}01'08.4"E)	A	382 Main Road, Diepsloot	Domestic Fuel Burning

Hotspot Zone	Monitoring Station to represent Hotspot Zone	Region	Address	Rationale
7	Ivory park (25^{0}59'34.8"S & 28^{0}12'14.4"E)	A	8786 Molwantwa Street, Ivory Park, Midrand	Domestic Fuel Burning
8	Davidsonville (26.154186"S & 27.849570"E)	C	Davidsonville Clinic	Rehabilitation of Mine dump: Monitor dust

Managing Water Services

Water security is one of the biggest challenges facing the City and the country as a whole. The City is the largest consumer from the Integrated Vaal River System (IVRS). Although the City is currently implementing the Water Conservation and Demand Management Strategy, alternative water sources need to be explored, to avoid a situation where the demand exceeds the supply. Key Programmes implemented in 2018/19 by EISD were:

- *Exploration and Development of Groundwater Resource* - The programme entails two separate projects running concurrently, with the first dealing with groundwater exploration by drilling of boreholes across the City (called Groundwater Exploration Study Phase 2) and the second dealing with the equipping and commissioning of the boreholes that were drilled in the previous financial years (called Equipping and Commissioning of groundwater boreholes – Phase A).
- *Groundwater Exploration Study Phase 2:* The scope of work for the project included borehole siting, drilling and pump testing of 11 borehole sites across the City, as part of the City's efforts to augment water supplies from alternative sources. Geophysics surveys were conducted for all 11 sites for the preparation of the drilling of the boreholes. Pump testing (which is water testing and sustainable yields) was done for 10 of the 11 boreholes because the 11th borehole was found to be dry.
- *Equipping and Commissioning of groundwater boreholes – Phase A*: This project entailed equipping and commissioning of a total of 16 boreholes that were drilled across the City in previous financial years (FY2015/16 and FY2017/18). The project has been completed and the boreholes are ready for utilization.

Biodiversity conservation

The City of Johannesburg contains twelve (12) out of forty-one (41) threatened plant species recorded in Gauteng, three (3) threatened and special concern mammal species and (3) threatened invertebrate species. Eight (8) vulnerable bird species and four (4) near threatened species are particularly reliant on the Gauteng region, and a number of others also occur occasionally. Seven (7) of these bird species are found in the City of Johannesburg.

To achieve its biodiversity conservation objectives, the City developed a draft Bioregional Plan in 2011. This is a map of biodiversity priorities with accompanying land-use planning and decision-making guidelines, to inform land-use planning, environmental assessment and authorizations, and natural resource management by a range of sectors whose policies and decisions impact on biodiversity. With the overall biodiversity objective of enhancing human development and wellbeing through sustainable use of biological resources and equitable sharing, the Department implemented the projects below:

- *Review of bioregional plan* - The draft Bioregional Plan classifies Biodiversity Priority Areas into two main categories namely: Critical Biodiversity Areas (CBAs) and Ecological Support Areas. The Draft Bioregional Plan (2011) and its ground verification was concluded in 2016. However, the mandatory stakeholder consultation process (for mandatory users and affected government agencies, as well as civil society stakeholders and land owners), and the process of submitting the bioregional plan for publication has not yet been undertaken. The plan is currently in the process of being gazetted.
- *Development of Alien and Invasive Species Monitoring, Control & Eradication Plan* - Section 8 of the Invasive Species Regulations of the National Environmental Management: Biodiversity Act 2004 (Act no. 10 of 2004) requires management authorities of protected areas and organs of state in all spheres of government to prepare Invasive Species Monitoring, Control and Eradication Plans. The development of this plan has been concluded.

Alien Vegetation Control

EISD and Johannesburg City Parks and Zoo (JCPZ) have agreed on scope of work for Alien Invasive Vegetation Control Project. JCPZ was appointed as the implementing agent and the project was conducted over a period of three months. A total of 244 hectares have been cleared and a total of 98 job opportunities were created across the various regions of the city.

EISD IDP Deliverables

Table 112: EISD Policy Objectives taken from the IDP Deliverables

Service Objectives / Service Indicators	Service Targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 9: Preserve our resources for future generations.								
Percentage waste diverted from landfill	20%	20%	14.2%	25%	14.4%	18%	15.7%	15 %
Tons CO_2 offset in greenhouse gas emissions through **energy** sector projects	886.99 tons CO2e offset in GHG emissions	886.99 tons CO2e offset in GHG emissions	10 864.1 tCO2e	24 205 tons CO2e offset in GHG emissions	41355.5 tCO2e	24000 tons offset in GHG emissions	28334,7 tCO2e	No targets (to be informed by Climate Action plan once concluded)
Tons CO_2 offset in greenhouse gas emissions	893 tons CO2e offset in GHG emissions from waste diverted	893 tons CO2e offset in GHG emissions from waste diverted	15 977 tCO2e	3 202 tons CO_2 offset in GHG	11610.52 tCO2e	3200 tons offset in GHG emissions	16612,63 tCO2e	No targets (to be informed by Climate

Service Objectives / Service Indicators	Service Targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
through from **waste** projects				emissions from waste diverted				Action plan once concluded)
Tons CO_2 offset in greenhouse gas emissions through **transport** sector projects	40 000 tons CO2 e offset in GHG emissions	40 000 tons CO2 e offset in GHG emissions	48 080 tCO2e	40 000 tons CO_2 offset in GHG emissions	42 114.25 tCO2e	40000 tons offset in GHG emissions	40 137,28 tCO2e	No targets (to be informed by Climate Action plan once concluded)
Number of days where PM2.5 levels exceeded guideline levels (circular 88)	-	-	-	-	-	30 days where PM2.5 levels exceeded guideline levels	The operating monitoring stations recorded 42 days during the fourth quarter where	Requested exemption not to report on KPI

Service Objectives / Service Indicators	Service Targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
							PM2.5 was exceeded	
Number of AQ monitoring stations providing adequate data over a reporting year	-	-	-	-	-	5 out of 7 AQ monitoring stations providing adequate data over a reporting year	5 out of 7 AQ monitoring stations providing adequate data over a reporting year	5 out of 9 AQ monitoring stations reporting adequate data

Financial Performance

Table 113: Financial Performance Year: EISD

Details	2016/17	2017/18	2018/19			
	Actual	**Actual**	**Original budget**	**Adjusted budget**	**Actual**	**Variance to budget**
Total Operational Revenue	84,231	88,541	75,520	75,300	74,422	878
Expenditure:						
Employees	63,153	64,763	78,188	69,679	68,040	1,639
Repairs and maintenance	1,755	1, 245	2,559	2,155	839	1,316
Contracted Services	73,512	10,839	57,794	22,713	19,988	2,725
General Expenses	5,340	3,331	6,046	3,346	3,104	242
Provision for bad debts	31,044	31,192	32,300	47,300	45,300	2,000
Depreciation	3,912	3,608	5,900	9,400	11,101	(1,701)
Total operational expenditure	**178,716**	**114,168**	**182,787**	**154,593**	**148,373**	**6,220**
Net operational expenditure	(94,485)	(25,627)	(107,267)	(79,293)	(73,951)	(5,342)

Employees

Table 114: Employees: EISD

Job Level	2016/17	2017/18	2018/19	
	Employees No.	Employees No.	Employees No.	Vacancies (as a % of total) %
Top management	1	0	0	**198**
Senior management	16	21	20	
Professionally qualified and experienced specialists and mid-management	46	39	34	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	31	32	38	
Semi-skilled and discretionary decision making	1	4	2	
Unskilled and defined decision making	3	3	3	
Total	**97**	**99**	**97**	**49%**

Capital Expenditure

Table 115: Capital Expenditure: EISD

R'000							
Capital projects	2016/17		2017/18		2018/19		
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure
Waste Treatment technologies	-	-	9,305	-	20,000	18,500	18,500

R'000							
Capital projects	**2016/17**		**2017/18**		**2018/19**		
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**
Mshenguville wetland rehabilitation New	3,300	3,300	3,300	2,801	-	-	-
Rehabilitation of Ivory Park water management unit	-	-	-	-	10,000	1,500	1,121
Far Eastbank New Ecological Infrastructure	1,500	1,242	-	-	-	-	-
Rehabilitation of the Braamfontein spruit	-	-	-	-	4,000	4,000	1,633
Bosmontspruit Rehabilitation Renewal	10,000	9,899	15,000	10,330	-	-	-
Exploration of ground water by drilling boreholes	-	-	2,400	-	3,500	3,500	2,200
Lombardy East New Ecological Infrastructure	-	-	-	-	1,000	1,000	257
Kaalspruit Rehabilitation Programme New	5,000	4,567	2,000	2,000	-	-	-
Ambient air quality analyzers	3,000	(340)	3,300	1,895	-	1,350	959

R'000							
Capital projects	**2016/17**		**2017/18**		**2018/19**		
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**
for the air quality monitoring network							
Diepsloot East River Side Park New E	3,000	3,000	1,500	841	-	-	
Catchment Rehabilitation (Jukskei) New Ecological Infrastructure	-	-	-	-	-	2,000	-
Pampoenspruit Catchment Rehabilitation New Ecological Infrastructure	-	-	-	-	-	4,000	373
Jukskei Alexandra Water Management Unit New Ecological Infrastructure	10,000	10,000	5,800	5,245	-	2,250	2,162
Kelland/Fairlands river and Wetland rehabilitation	200	-	-	-	-	-	-
Green Energy Initiative New	12,000	9,643	-	-	-	-	-

R'000							
Capital projects	**2016/17**		**2017/18**		**2018/19**		
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**
Green Infrastructure							
Total	**48,000**	**41,311**	**43,605**	**23,112**	**39,440**	**39,440**	**27,205**

Comment on performance

The capital projects implemented are addressing the City's priority of preserving our resources for future generations. The department will continue with the management of natural resources either as pristine resources or as valuable economic commodities with a focus on the potential consequences of using these natural resources for sustainable human development, activity and will strive to enhance the capability of the planet's ecosystems to sustain future generations.

COMPONENT F: PUBLIC SAFETY AND SECURITY

The Public Safety Department is mandated to champion by-law management, crime prevention and traffic management, disaster management, emergency related responses and licensing services. Public Safety responds primarily to the City's priorities and objectives with respect to creating a sense of security through improved public safety. The Department comprises the following business units, namely:

- Johannesburg Metro Police Department (JMPD);
- Licensing Department;
- Emergency Management Services (EMS); and
- Disaster Management (DM).

The Department is entrusted with the responsibility of reducing lawlessness and bringing about improved safety in the city so that development and service delivery can prosper in a liveable, resilient and sustainable city.

3.15 Johannesburg Metropolitan Police Department

Introduction

Chapter 12 of the South African Police Services Act 68 of 1998 makes provision for the establishment of municipal and metropolitan police services. In terms of section 64E of the said Act, the metropolitan police is responsible for the following functions, namely: traffic policing (subject to any legislation relating to road traffic), the policing of municipal by-laws and regulations which are the responsibility of the municipality, and the prevention of crime.

Performance highlights

During December 2018 to February 2019, the JMPD developed a deployment strategy to reduce road fatalities. Officers were deployed at all on- and off-ramps to major roads, e.g. N1 from Grasmere to Centurion, M1 from Crown Interchange to Buccleuch and the M2 East and West.

One hundred (100) officers, 37 vehicles, 8 motorcycles and 2 Nyala's were deployed to cover thirty-seven locations. The increased visibility contributed to a 28% reduction in accidents and 29 % reduction in fatalities during the festive season as compared to the previous year.

The introduction of EBAT machines also increased the success rate of convictions within a reasonable period. With the EBAT machine, the alcohol level of a driver is determined conclusively from his/her breath without undergoing blood testing. JMPD arrested more than 750 people using the EBAT machines in the period from 21 December 2018 to February 2019. This technology has contributed greatly to the achievement of one of the main objectives of the Department, which is to improve road safety and minimize road fatalities as a result of drinking and driving.

Table 116: Metropolitan Police Service Data

Details	**2018/19**		**2019/20**
	Estimate No	**Actual No**	**Estimate No**
No. of road traffic accidents during the year.	120 000	103 757	120 000
No. of by-law infringements attended.	6 123	4 965	6 123
No. of police officers in the field on an average day.	1200	900	1200
No. of police officers on duty on an average day.	1300	1000	1300

The following areas of concern should, however, be pointed out, namely:

- The number of officers available is determined by sampling the number of officers in the field and in offices and stations on the same day, sampling different times of day and different days of the week throughout the year:
    - JMPD implemented the 4-day in and off shift system during the month of July 2018;
    - There are 2 shifts, i.e. morning shift (06:00-18:00) and night shift (18:00-06:00);
    - JMPD has more than 1800 operational officers in the field at any given day; and
    - More than 900 officers in the morning and 900 officers at night.
- Of the 103 757 accidents recorded in 2018/19, 552 were fatal, 1958 were serious, 11414 were slight and 89 833 were damage only.

Johannesburg Metropolitan Police Department IDP Deliverables

Table 117: JMPD - Strategic objectives taken from the IDP

Service Objectives / Service Indicators	Services Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 4: Create a sense of security through improved public safety.								
Number of by-law enforcement operations in the City to restore law and order	250 by-law enforcement operations	200	245	200	250	250	1 422	300
Number of drug search and seizure operations	70 drug search and seizures operations	50	187	50	70	70	143	75
Number of traffic enforcement operations in the City to ensure an orderly road traffic control	5 000 enforcement operations	3 500	6 059	3 500	5 000	5 000	6 326	5 500

Percentage of reported fraud and corruption cases investigated	100% of reported fraud and corruption cases investigated	100%	100%	100%	100%	100%	100%	100%

Employees

Table 118: Employees: JMPD

Employees								
Job level	**2016/17**	**2017/18**	**2018/19**					
	Employees	**Employees.**	**Approved Posts (Establishment)**	**Employees**	**Vacancies full time Equivalent (Funded)**	**Vacancies full time Equivalent (Unfunded)**	**Vacancies (funded) as at June 2019**	**Vacancies (unfunded) as at June 2019**
	No.	**No.**	**No.**	**No.**	**No.**		**%**	**%**
0-3	17	20	23	18	2	3	0.43%	**0.08%**
4-6.	209	268	502	361	12	129	2,61%	**3.23%**
7-9.	5,485	5,166	9,154	5234	326	3,573	71.00%	**89.00%**
10-11	72	8	4,070	2755	3	1,312	0.65%	**32.80%**
Totals	**5,783**	**5,462**	**13,749**	**8,368**	**343**	**5,017**		

Financial Performance

Table 119: Financial Performance: JMPD

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Original budget**	**Adjusted budget**	**Actual**	**Variance to budget**
Total Operational Revenue	R282 429 000	R260 719 000	R1 076 461 000	R914 678 000	R924 754 000	R10 076 000 1% Over-Recovery
Expenditure:						
Employees	R1 410 507 000	R1 242 829 000	R2 133 507 000	R2 244 094 000	R2 396 634 000	R152 540 7% Overspending
Repairs and maintenance	R12 226 000	R41 492 000	R17 222 000	R17 222 000	R8 064 000	R9 158 000 58% Underspending
Other	R86 328 000	R145 970 000	R153 475 000	R203 475 000	R172 288 000	R31 187 000 15% Underspending
Total operational expenditure	R1 892 409 000	R1 942 968 000	R2 979 014 000	R3 040 861 000	R2 963 132 000	R77 729 000 3% Underspending
Net operational expenditure	R1 609 980 000	R1 682 249 000	R1 899 553 000	R2 126 183 000	R2 038 378 000	4% Underspending

R' 000						
Details	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Original budget**	**Adjusted budget**	**Actual**	**Variance to budget**
Net profit /(deficit)before tax	(R1 609 980 000)	(R1 682 249 000)	(R1 899 553 000)	(R2 126 183 000)	(R2 038 378 000)	4% Underspending
Taxation						
Net profit/(deficit) after tax	(R1 609 980 000)	(R1 682 249 000)	(R1 899 553 000)	(R2 126 183 000)	(R2 038 378 000)	4% Underspending

Comment on overall performance

Overall, the JMPD performed well in terms of budget spend, except for the fact that a new pound could not be purchased by end of 30 June 2019 which led to an under-expenditure.

Creating a sense of security through improved public safety involves *inter alia*, towing and pounding of vehicles that pose a danger to the public. Two (2) breakdowns were procured to render this service.

3.16 Licensing

Outreach Programmes

The establishment of an outreach programme has enhanced the Licensing Department's revenue and its campaign against fraud and corruption. The objective of the programme is to engage members of the public about the risks and the consequences of obtaining licenses and any other services through fraudulent means. Furthermore, the campaigns also assist in educating members of the public about the services that the Department renders and how to access it.

Extended hours

Opening the licensing centres on Saturdays enables our clients to do their personal licensing activities when it suits them, and also assists to reduce long queues and decongest licensing centres across the City.

Satellite offices

Nine (9) satellite offices were assessed and approved by Department of Transport. The opening of new satellite offices aims to make licensing services accessible to remote and difficult to reach communities around the City of Johannesburg.

Performance highlights

(i) **Marlboro Licensing Centre** - The improvement and upgrading of the Sandton Licensing facility included the implementation of modern technology to assist in minimising corruption, managing queues and improving the customer's experience through digital information of turnaround times and services. The licensing facility serves as a 'smart', innovative model that can be replicated throughout the Gauteng Province.

(ii) **Project identification and conceptualisation of Business Desk & Revenue Enhancement Unit in Midrand** - The Business Desk and Revenue Enhancement Unit will be constructed in Midrand (Region A) and will serve as a one-stop-service for corporate clients.

(iii) **Cashless system** - The following stations were migrated from monetary systems to being cashless:

- Wemmer Cash Hall
- Wemmer Super Bulk
- Martindale Bulk Centre
- Randburg DLTC & MVRA
- Sandton DLTC & MVRA
- Rossetenville Satellite
- Lenasia Satellite
- Ennerdale Satellite

Licensing Department IDP Deliverables

Table 120: Licensing - Strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 3: Create a culture of enhanced service delivery with pride. Priority 6: Create a City that responds to the needs of citizens, customers, stakeholders and businesses.								
Priority 3: Create a culture of enhanced service delivery with pride . Priority 5: Create an honest and transparent City that fights corruption. Priority 6: Create a City that responds to the needs of citizens, customers ,stakeholders and businesses. Priority 7: Enhance our financial sustainability								
Licensing service revenue Generated will be increased by R3 million	R 204 110 646.74	R 204 110 646.74	R989 303 816.40	R989 303 816.40	R1 032 252 470.25	R1 036 905 715.00	R1 265 570 051.49	R1 328 848 554.04
Number of outreach programme	N/A	N/A	N/A	120 Outreach Programmes	30 Outreach Programmes	40 Outreach Programmes	62 Outreach programmes	70 outreach Programmes

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Number of licensing transactions processed during the extended service hour (Saturdays)	N/A	N/A	N/A	Indicator did not exist however as at end of financial year a report on extended hours was required.	145 053 transactions processed	150 000 transactions processed	235 265 transactions processed	250 000 Transactions processed
Establish a licensing satellite office in previously disadvantaged area	N/A	N/A	N/A	1 satellite established	Diepsloot	1 satellite established	9 satellite offices identified and approved by Department of Transport. However,	It is envisaged that 9 satellite offices will be signed off and opened

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
							the Dept still has to provide system equipment and cabling	

3.17 Emergency Management Services and Disaster Management

During 2018/19 financial year EMS was running with +- 8 Fire Engines that covered the whole of Johannesburg, therefore service delivery was affected.

These fire engines were allocated per district as there are 6 districts in EMS. Those 6 Fire engines were placed at fire stations with high call volumes and next to the high risk areas where there are lot of informal settlements. The department would want to place 1 fire engine per fire station in the future.

Emergency Management Services' IDP Deliverables

Table 121: EMS - Strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 3: Create a culture of enhanced service delivery with pride. **Priority 6: Create a City that responds to the needs of citizens, customers, stakeholders and businesses.**								
% Priority 1 medical calls responded to within 15 minutes.	% Priority 1 medical calls responded to within 9 min	75% Priority 1 medical calls responded in 9 min	75% Priority 1 medical calls responded in 9 min	65% Priority one medical calls responded to within 9 min	84% Priority one medical calls responded to within 15 min	70% Priority one medical calls responded to within 15 min	88.6%Priority one medical response times responded to in 15 min	80% Priority 1 medical calls responded to within 15 min

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 1 medical calls dispatched in 3 minutes.	N/A	N/A	N/A	N/A	N/A	30% priority 1 medical calls were dispatched in 3 min	34% priority 1 medical calls were dispatched in 3 min	____% Priority 1 medical calls dispatched in 3 min
Priority 2 medical response times in 3 minutes.	N/A	N/A	N/A	N/A	N/A	30% priority 2 medical calls dispatched in 3 min	19% priority 2 medical calls dispatched in 3 min	Priority 2 medical response times in 3 min

Financial Performance

Table 122: Financial Performance: EMS

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	141 050 000	145 863 000	193 960 000	193 960 000	158 023 000	35 937 000
Expenditure:						
Employees	676 681 000	782 501 000	701 633 000	913 745 000	1 011 912 000	(98 167 000)
Repairs and maintenance	32 267 000	9 183 000	42 195 000	8 536 000	3 768 000	4 768 000
Other	174 690 000	195 311 000	215 332 000	248 047 000	194 961 000	53 086 000
Total operational expenditure	**883 638 000**	**986 995 000**	**959 160 000**	**1 170 328 000**	**1 210 641 000**	(40 313 000)
Net operational expenditure	**742 588 000**	**841 132 000**	**765 200 000**	**976 368 000**	**1 052 618 000**	(76 250 000)

Ambulance and Fire Services

Table 123: Ambulance Service Data

Details		2016/17	2017/18		2018/19
		Actual No.	Estimate No.	Actual No.	Estimate No.
1.	Average time from emergency call to arrival at the patient – in urban areas.	12 min	12 min		15 min
2.	Average time from emergency call to arrival at the patient – in rural areas.	12 min	12 min		15 min
3.	Average time from emergency call to the transportation of patient to a medical facility – in urban areas.	N/A	N/A	N/A	N/A
4.	Average time from emergency call to the transportation of patient to a medical facility – in rural areas.	N/A	N/A	N/A	N/A
5.	No. ambulance.	N/A	N/A	N/A	N/A
6.	No. paramedics.	N/A	N/A	N/A	N/A

Fire's IDP Deliverables

Table 124: Fire - Strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service Target	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 3: Create a culture of enhanced service delivery with pride. **Priority 4: Create a sense of security through improved public safety.** **Priority 6: Create a City that responds to the needs of citizens, customers, stakeholders and businesses.**								
% fire calls responded to in 15 minutes as per SANS.	% response to Priority 1 fire calls responded to in 12 min	80% Priority 1 fire calls responded in 12 min	To be updated	65% fire calls responded to in 12 min	77.6% Fire calls responded to within 15 min as reported for the month of April	70%	58.6% achieved against target of 70%	

During 2018/19 financial year, EMS operated with approximately eight (8) fire engines for the entire Johannesburg, and service delivery was severely affected. These fire engines were allocated per district – there are six districts in EMS. The 6 fire engines were allocated to fire stations with high call volumes and that are situated next to high risk areas with numerous informal settlements. The Department is aiming to place at least one fire engine per fire station in the near future.

Employees: Ambulance and Fire Services

Table 125: Employees: Ambulance & Fire Services

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-3	1-3	7		7	5	
4-6	73	100		125	125	
7-9	1586	1617		1579	1579	
10-12	16	13		16	16	
13-15	N/A	N/A		N/A	N/A	
16-18	N/A	N/A		N/A	N/A	
19-20 (Learnership Volunteers)	N/A	N/A		47	N/A	
Total						

COMPONENT G: METROPOLITAN TRADING COMPANY

3.18 Metropolitan Trading Company

Introduction

The Metropolitan Trading Company (MTC) operates as an independent municipal entity, wholly owned by the City of Johannesburg Metropolitan Municipality (CoJ), since 4 September 2015. It is entrusted with the mandate to enable smart city programmes as well as rendering the full spectrum of ICT services to the City and many of its municipal entities. It furthermore provides capacity on the Johannesburg Broadband Network to the City and to ICASA licensed operators and the public at a cost-effective price, while being profitable.

Performance highlights

Highlights in the 2018/19 performance year, included the following:

- Service Desk and Network Monitoring solution;
- Monitoring and service management tools;
- Communication infrastructure;
- Cost reduction for COJ entities and departments in the 2018/2019 financial year;
- Improving delivery of health care;
- Improving safety and security in the City;
- Capacitation; and
- Efficiency in procurement of ICT solutions.

Challenges

Challenges encountered in the 2018/19 performance year included the following:

- Civil construction works, and vandalism is an ongoing problem to Telco networks;
- The equipment that was due for replacement to improve the efficiency of the network, was not replaced because the awarded supplier is under investigation and therefore MTC cannot proceed with the project;
- Investigation of City contracts has resulted in MTCs free Wi-Fi projects being severely affected;
- Limited capital expenditure budget to improve infrastructure;
- Critical staff shortage;
- GICT receivables outstanding;
- Shareholders loans;
- MTC funding models; and
- Tax matters

MTC IDP Deliverables

Table 126: MTC - Strategic objectives taken from the IDP

Service Objectives / Service Indicators	Service target(s)	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.								
Percentage of network availability Uptime (Network, Wifi and Cctv sites)		99%	99%	98%	99.5%	98%	90.7%	99%
Priority 7: Enhance our financial sustainability.								
Amount of revenue achieved in millions of Rands	N/A	325	333	335	352	335	538	350
Priority 8: Encourage innovation and efficiency through the Smart City programme.								
No of new and existing fibre links connected (COJ sites, Wifi sites and Cctv sites)	N/A	312	321	410	450	625	536	625

Employees

Table 127: Employees: MTC

Job level	2017/18	2018/19	2019/20			
	No. of employees	No. of employees	No. of posts	No. of employees	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts) %
Top Management	1	1	4	1	3	25
Senior Management	0	7	18	6	12	33
Professional Qualified	3	7	16	9	7	56
Skilled Technical	8	15	41	22	19	53
Semi-Skilled	1	1	1	1	0	100
Unskilled	1	1	1	1	0	100
Total number:	**14**	**32**	**81**	**40**	**41**	

Financial Performance

Table 128: Financial Performance: MTC

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue	288 874	352 232	395 717	440 397	564 284	123 887
Expenditure:						
Employees	(9 140)	(12 903)	(31 604)	(21 383)	(22 849)	(1 466)
Repairs and maintenance						
Other	(257 791)	(297 703)	(364 113)	(419 014)	(439 991)	(20 977)

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total operational expenditure	(266 931)	(304 605)	395 717	(440 397)	(462 840)	(22 443)
Net operational expenditure	21 943	47 368	0	0	70 667	70 667

Capital Expenditure

Table 129: Capital Expenditure: MTC

Details	2016/17	2017/18	2018/19			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total	38 076 000	23 109 000	4 000 000	4 500 000	4 404 000	96 000

Comments on overall capital expenditure

The entity spent 98% of its capital budget as at year-end. Spending was initially slow during the first and second quarters, but accelerated in the third and fourth quarters. Some of the key capital expenditure for the year are as follows:

- New fibre links - Sandton, Roodepoort, Troyville and Joburg Market;
- Purchase of laptops, office furniture and office equipment; and
- Video conferencing system.

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SUPPORT SERVICES

3.19 Group Information and Communication Technology

The Group Information Communications Technology and Information Management Department is responsible for implementing smart city enablement programmes, and furthermore, it has to ensure that the City embraces fourth industrial revolution (4IR) technologies as far as possible and within means.

The department's primary focus is aligned to the following key strategic objectives: -

- Develop, implement and maintain a sound ICT Governance Framework across the City;
- Implement sound ICT Enterprise Architecture for the City;
- Support the Smart City Enablement Agenda;
- Develop and maintain the City's ICT Infrastructure;
- Ensure the adoption and usage of ICT Services both internally and externally;
- Modernise all legacy ICT Systems;
- Provide a robust, reliable and efficient ICT service to enable smart service delivery;
- Develop and support green and blue economy;
- Develop and grow the establishment of ICT Hubs within the City`s communities for future ICT skills/literate;
- Ensure development through ICT as centres of development;
- Ensure the development of the informal economy in alignment with BBBEE;
- Create equally shared economic resources within the City;
- Create the competence and capability to enable and integrate City`s objectives, operations and related services;
- Ensure the development and implementation of standardised ICT related competency centre/s for the City in a secure and sustainable manner;
- Create a centralised information competence for the City; and
- Demonstrate ICT Investment and Value to the City relating to the ICT project investments, including the management and oversight of supplier relationships, engagement and governance.

Performance overview

Deployment of Wi-Fi Hotspots across the City

Connectivity and Universal Access is a Smart City programme which is within the Department's area of service. This programme ensures that the City bridges the digital divide between the '*haves'* and the '*have nots'*.

Due to the challenge of budget and legal disputes, the Department failed to achieve this, and the KPI was deviated accordingly. Wi-Fi was deployed on 80 sites across the City. However, the hotspots were not activated during the financial year under review, due to a legal dispute. The dispute has been resolved as at the end of the 2018/19 financial year.

Automation of the City's IDP System

The department is in the process of deploying one of the biggest ERP System installations, namely SAP S4 Hana. One of the modules within this deployment is used for automation of the IDP System. All the City's business and entity KPIs have been automated in the SAP SSM module. The system is operational and GSPCR is responsible for the SAP SSM module.

Establishment of the City's Cyber Security War Room

The City's Cyber Security operation centre has been established. Tasks such monitoring of cyber threats, compliance checks of the City's ICT systems and incident reporting and investigation is now happening. In June 2019, the department appointed 15 interns to capacitate the centre. There is a need for the SOC to operate 24/7. The capacitation of the centre is an ongoing project.

Refreshment of the End User Hardware (desktops and laptops)

GICT is responsible to refresh the end-user computing desktops and laptops. The Department consolidates the refresh requirements for the City after looking at the lifespan of the computer equipment. In this reporting cycle, 1438 machines were procured to refresh 'out of warranty' machines within the City's environment.

Refreshment of the WAN and LAN

The City continues to transform its ICT environment, deploying new systems and modernising all legacy systems. The GICT department must also deal with the City's obsolete network infrastructure that has reached its end of life and end of support, which requires massive investment for its upgrade and replacement of faulty equipment. The Department therefore embarked on a project to refresh the outdated network hardware as well as the replacement of faulty hardware.

The objective of the project was to ensure that the City's network infrastructure is robust and responds with speed to the dynamic technology requirements. Network infrastructure has been upgraded and installed at 64 clinics plus 135 other sites across the City's regions.

ICT Services Systems Availability

Systems availability is at 97% and ICT Systems are made up of the following: -

- Windows Servers - hosts the following systems and services, E-Mail, Intranet, Authentication Services, e-Health System, e-Venus Cash Receipting System, SharePoint for team sites, Electronic Document Management System and Property and Revenue Value Chain Systems;
- Solaris Servers - provide SAP service (CRM, R3, Billing, Business Warehouse)
- Internet Services – Web browsing, Social Media and video and audio streaming. (Note that currently social media, video and audio streaming is limited to a department such as Marketing);
- AIX Servers - provides LIS, Metro Cash Router and Library System Service; and
- Hosting Availability- which services the Metro Centre, Roodepoort and IS Data Centres. Metro and Roodepoort data centres are undergoing refurbishment which will ensure that availability improves.

Note: The Department's infrastructure environment is obsolete and must be upgraded to enable the improvement in uptime to 99.9%.

Deployment of the New Telephony System

GICT is moving all the City's telephone systems to VOIP. The aim is to centralise management and reduce the telephone bill by using the City's network, where possible, to make calls. A VOIP PABX has been installed at Metro Centre and its functionalities have been extended to other City's sites.

Upgrade of the City's Hardware Infrastructure

The SAP Business Transformation Program Infrastructure (SAP 4HANA) is a priority. The development and quality assurance infrastructure for SAP was delivered and configured in May 2019.

Another aspect of upgrading the infrastructure is to ensure the provision of modern Data Centre Infrastructure Environment. In this regard, the generators and air conditioners upgrade has been concluded. The Data Centre hosting area has been refurbished to improve the data transmission lines with proper security switches. Civil and electrical work at the Roodepoort Data Centre has also been completed.

The Metro Data Centre currently has a water leakage problem. An assessment was done and a decision taken in February 2019 to relocate the Data Centre to the JD Building where the Group ICT Department was moving into. There was a delay in the commencement of the JD House Data Centre construction due to the COJ and the landlord taking longer to agree on the conditions of the lease. The upgrade of the switches at Roodepoort and IS Data centre, has been completed.

Tlhabologo - Modernisation of Legacy Applications

The purpose of this project is to provide a modernised platform of all legacy applications. Applications which are accommodated in this project are those that will not be part of the SAP Business Transformation Program, as they are usually referred to as Non-SAP Applications. This project has seven waves. Three (3) out of the seven (7) waves have been delivered, namely: electronic document management, intranet, website and e-services. There was a contractual dispute between the City and the service provider which impacted negatively on the progress of the project. The dispute was resolved with the service provider towards the end of this financial year.

The scope of the programme was reviewed and applications not relevant to current business requirements were removed and replaced with new applications, e.g. E-Petitions. The work resumed on 24 June 2019 with the following prioritised: -

- Document Management (Committees);
- Property Information Search;
- SPLUMA; and
- TAS.

SAP Business Transformation Project

The City of Johannesburg is currently deploying a very large and complex SAP Programme. This is the biggest SAP installation in Africa; if not in the world. Since the City's current SAP version is 4.7, the implementation cannot be referred to as an upgrade hence the programme is called the SAP Business Transformation Program (SAP BTP). Already, a technical Go Live has been achieved for Release 1A and 1B.

The SAP target could not be achieved as the target was not aligned to the SAP BTP timelines (see below).

The programme timelines are depicted below:

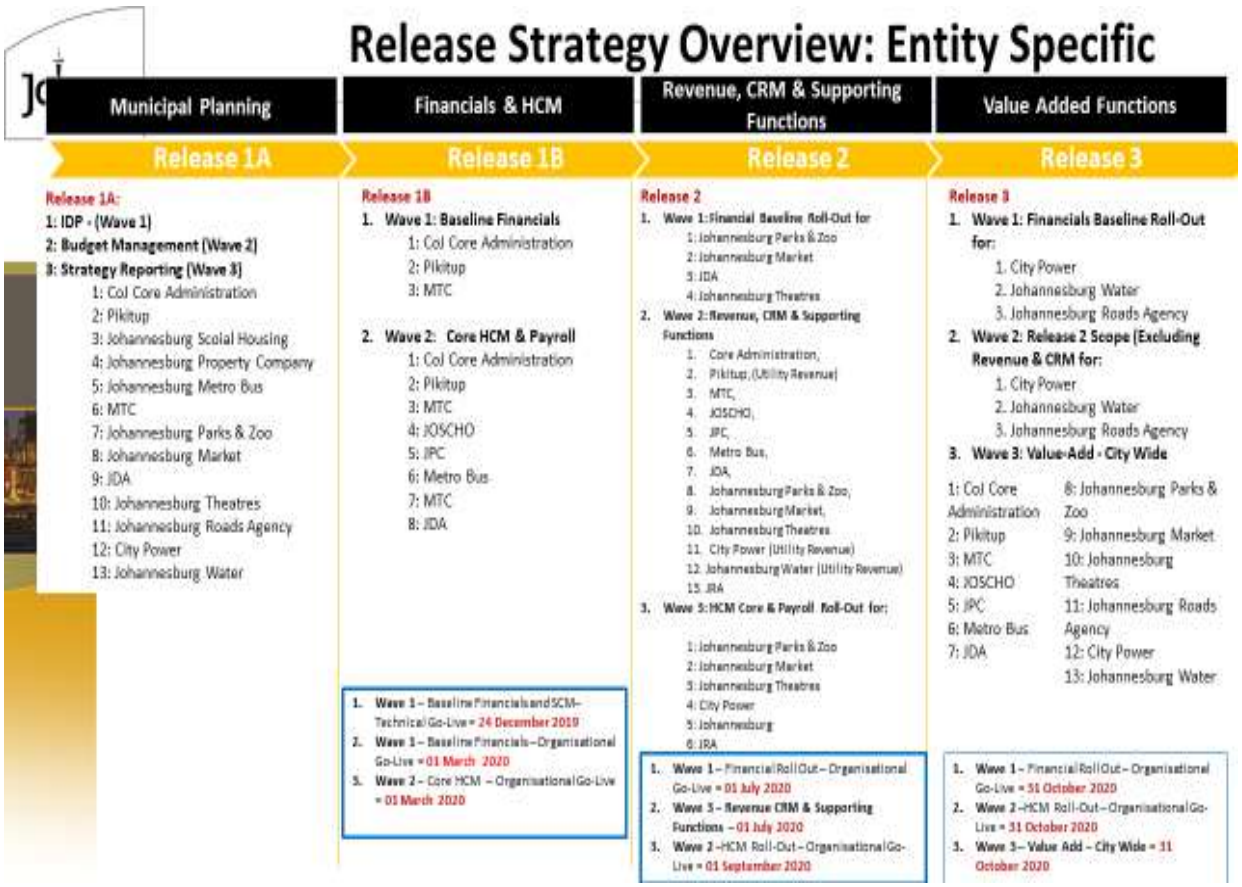


Figure 27: SAP BTP timelines

Group Information and Communication Technology IDP Deliverables

Table 130: GICT – Strategic objectives taken from the IDP

Service Objectives/ Indicators	2016/17		2017/18		2018/19		2019/20
	Target	Actual	Target	Actual	Target	Actual	Target
Number of Wi-Fi hotspots rolled out	N/A	N/A	1,000 Wi-Fi hotspots rolled out	Not Achieved / Deviated	1000 HOTSPOTS	The KPI was deviated	1000 Hotspots
% SAP Software Upgrade to latest SAP	N/A	N/A	30% SAP Software Upgrade to latest SAP	Not Achieved	30%	Not Achieved	
ICT Infrastructure end- user computer refresh	N/A	N/A	900	Achieved 900 machines	1200 machines	Achieved 1483	1000 machines
Number of Microsoft Licenses deployed	N/A	N/A	14,000 Microsoft	Achieved 14,000	N/A	N/A	COJ Users incl MoE's.
Percentage Uptime of ICT systems	N/A	N/A	99% Uptime	Achieved 99% ICT	99% Systems uptime	Achieved 99%	99%
% Implementation of COJ cyber security SOC	N/A	N/A	50% Implementation of COJ cyber security SOC	Achieved 50%	75%	Achieved	100%
Percentage SAP & Non-SAP Archiving	N/A	N/A	30 % SAP & Non-SAP Archiving	Not Achieved lack of budget	N/A	N/A	100%

% Non- SAP Application Modernization	N/A	N/A	100%	Not Achieved	100%	Not Achieved	75%
Percentage stabilization of the LIS Environment	N/A	N/A	100 % stabilization of the LIS Environment	Achieved	N/A	N/A	N/A
Percentage Development of ICT Enterprise Architecture	N/A	N/A	100% Development of ICT Enterprise Architecture for the City	Not Achieved	N/A	N/A	N/A
%Automation of IPD	N/A	N/A	N/A	N/A	100%	Achieved	N/A
Number of Sites Rolled out with Telephony System	N/A	N/A	N/A	N/A	4 Sites	Achieved	N/A
Smart Boardrooms	N/A	N/A	N/A	N/A	5 Boardrooms	Achieved	5 Boardrooms
laptops installed with the tracking and monitoring tool	N/A	N/A	N/A	N/A	N/A	N/A	2000 Laptops

Employees

Table 131: Employees: GICT

Job Level	2016/17	2017/18	2018/19			
		Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-3	N/A	2	2	1	6	85.7

4-6	N/A	40	44	49	10	20.4
7-9	N/A	56	51	45	3	6
10-12 etc.	N/A	1	1	1	1	100
Total	N/A	**99**	**98**	**96**	**20 (funded)**	

Financial Performance

Table 132: Financial Performance: GICT

R'000						
Detail	**2016/17**	**2017/18**	**2018/19**			
	Actual	**Actual**	**Original budget**	**Adjusted budget**	**Actual**	**Variance to budget**
Total Operational Revenue (Internal)	N/A	36 210	36 000	36 000	27 034	25%
Expenditure:						
Employees	N/A	36 079	61 228	61 228	58 113	5%
Repairs and maintenance	N/A	571	861	501	33	93%
Other	N/A	576 351	610 845	599 025	527 923	11%
Total operational expenditure	N/A	611 848	672 934	660 754	586 069	11%
Net operational expenditure	N/A	576 791	636 934	624 754	559 035	11%

Capital Expenditure

Table133: Capital Expenditure: GICT

R'000								
Capital projects	**2016/17**		**2017/18**		**2018/19**			
	Adjusted Budget	**Actual Expenditure**	**Adjusted Budget**	**Actual Expenditure**	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**
Total	N/A	N/A	427 000	413 415	543 200	780 200	756 388	3%

3.20 Group Forensics and Investigations Services (GFIS)

Introduction

In this period, Group Forensic and Investigation Service (GFIS) continued with the implementation of its approved mandate as mentioned below. This mandate was executed by the following business units within GFIS:

Table 134: GFIS business units and functions

Business Unit	Function
Commissioner	The Commissioner is responsible for the overall leadership and management of the Department.
Operations	This business unit is responsible for investigation of cases related to fraud and corruption, theft of City assets and Maladministration.
Hijacked Properties	This business unit is responsible for investigation of cases related to property crimes and slum lording towards reduction of hijacked properties.
Forensic Investigation Management Centre	This business unit is responsible for Minimum Information Security Standards (MISS) within the City. This includes pre-employment vetting, physical security assessment, facilitation of threat and risk assessments, vetting co-ordination, security breaching investigations, security awareness workshops, support investigations pertaining to profiling of suspects.
Criminal Prosecution Services	This business unit is responsible for the monitoring of the implementation of recommendations regarding criminal, disciplinary and civil action emanating from the recommendations of investigations.
Strategic Stakeholder Management	This business unit is responsible for the promotion of sound relationships with key stakeholders to enable GFIS to deliver on its mandate.
Strategic Management Services	This business unit is responsible for providing strategic planning and performance monitoring, finance management, human resource management, risk

	management, administrative support and transversal business development to enable GFIS to deliver on its mandate.

The core mandate of GFIS is to: -

- Prevent, detect, investigate and resolve all reported cases of fraud and corruption, theft of the City's assets, maladministration, illegal connections, and breach of security as well as hijacked properties;
- Facilitate the arrest and prosecution of offenders;
- Address serious and complex economic crimes through prosecution driven investigations, focusing on the criminal syndicates/enterprises;
- Effective implementation of the Minimum Information Security Standards (MISS) in accordance with the provisions of the National Intelligence Act, Municipal Finance Management Act, Municipal Systems Act etc. This will ensure the protection and safety of personnel, information and assets of the City from any identified or perceived threats through vetting, screening and physical security, etc.;
- Establish a multi-disciplinary team that will work in an integrated manner;
- Monitor implementation of forensic investigation outcomes;
- Provide advice on the resolution of all disciplinary, criminal and civil matters post investigation; and
- Establish and maintain good working relations with stakeholders especially with the Chapter Nine institutions and other relevant stakeholders. Furthermore, engage with internal and external stakeholders through stakeholder engagements forums.

Performance highlights

- GFIS partnered with the Association of Certified Fraud Examiners (ACFE) for the International Fraud Awareness Day which was held on 16th November 2018 at the Old Council Chamber Wing, Metropolitan Centre were the Executive Mayor Herman Mashaba gave a key note address. The event was attended by about 200 delegates.
- Fraud awareness sessions were successfully conducted for Johannesburg Property Company (JPC) staff across the City between the 4th and 13th December 2018.
- A Twitter page for the Department was created during this period. Followers of the page are able to report matters of fraud & corruption, theft of city assets,

maladministration and hijacked buildings through the platform. Matters that are reported through this platform are referred to investigators.

- GFIS has an operational face book account as from 1 October 2018 this platform will be used to promote an anti-fraud and corruption culture.
- Community outreach sessions were held in various shopping malls across Johannesburg which include Fourways Crossing, Cedar Square, Cresta Mall, Clearwater Mall, Northgate Mall, Maponya Mall and Southgate Mall.

- Pamphlets for hijacked properties and generic fraud and corruption messages were designed, printed and distributed. These pamphlets are displayed in the reception area of GFIS and other floors where community members can access them.
- GFIS also participated and made presentations in fraud awareness sessions which were organised by the various departments and Entities of the City. Pamphlets were distributed during the awareness session.
- Outreach programmes were conducted as follows:
  - Re-opening of the Marlboro Licensing Centre on 18 April 2019 - Pamphlets were distributed to create awareness around the fraud and corruption that is taking place within the City;
  - Region E Open Day awareness drive on 13 May 2019 in Alexandra - This was a build-up campaign to the Region E open day where GFIS distributed pamphlets and engaged with members of the community; and
  - Region E Open Day took place on 17 May 2019 at Alexandra Stadium where the Department joined other City departments in engaging with members of the community to talk about the work that GFIS does.
- GFIS participated in two “A Re Sebetseng” campaigns which took place on 18 May 2019 in Glenanda, Johannesburg and 20 June 2019 in Lenasia CBD, respectively. On these days officials from GFIS took part in cleaning the streets while also engaging with residents about the work that the Department does in the City of Johannesburg.
- On 29 June 2019, GFIS conducted an awareness campaign at Cosmo City Mall. On the day, the officials engaged with the community members on how GFIS conducts its work and received concerns that community members have and issues relating to their reported cases.
- As part of strengthening intergovernmental relations, GFIS Department was invited by the Garden Route District Municipality (GRDM) to share the understanding of the impact of corruption on service delivery in the local government sector.

- GFIS was invited to the 12th Annual Leadership for Women in Law Enforcement conference to present on the importance of professional values and ethics for women in law enforcement.
- GFIS presented at the Institute of Traffic Law Enforcement Organisation conference held in Kwa-Zulu Natal, Ethekwini on 14-16 November 2018.
- Of the 9 property owners who regained control of their properties from the hijackers, 5 have been engaged with the intention to enter into compliance agreements regarding the redevelopment of those properties.
- Continued with the investigations and resolving reported cases.
- The acquisition of the War Room equipment was finalised in consultation with Metro Trading Company (MTC) and Group Information Communication and Technology (GICT). It is envisaged that the War Room will be functional in the next financial year.
- GFIS participated in the Public Participation process together with the Committee on Oversight over Governance (OCG) for the Problem Properties By-Law.
- Of the 9 property owners who regained control of their properties from the hijackers, 5 have been engaged with the intention to enter into compliance agreements regarding the redevelopment of those properties.
- For the Security Insourcing Project, GFIS concluded the verification of the vetting data that was conducted on criminal checks.
- The collaboration between GFIS Department and South African Police Services (SAPS) Gauteng Provincial Office has yielded positive outcomes in tackling property hijacking cases through crime prevention intervention and investigations. On the 2nd of April 2019, a meeting between GFIS Department and South African Police Service (SAPS) Provincial Commissioner was held to address the challenges that GFIS experienced when dealing with criminal cases of property hijacking.
- GFIS and SAPS have established a task team which comprises of six detectives to deal with the cases of property hijacking within the City.
- In the spirit of good governance it was decided that all employees in the City of Johannesburg will be subjected to the vetting process as prescribed by chapter 5 of the MISS document. The process includes the completion of a Z204 form issued by the SSA. On the basis of the information contained on the Z204 and other supporting documents, a detailed criminal, financial and relationship background check is conducted by the SSA. At the end of this reporting period 25 Executive Management Team (EMT) were vetted as supported by the City Manager's intervention.

- 51 joint operations were conducted for the period under review and these were supported by the JMPD, SAPS, Home Affairs and other relevant stakeholders.

GFIS Deliverables

Table 135: GFIS - Strategic objectives taken from the IDP

Service Objectives / Service Indicators	2016/17		2017/18		2018/19		2019/20
	Target	Actual	Target	Actual	Target	Actual	Target
% of fraud and corruption, theft and maladministration cases resolved	N/A	N/A	50%	27%	30%	54%	33%

Employees

Table 136: Employees: GFIS

Job Level	2016/17	2017/18	2018/19			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
0-3	N/A	7	7	7	0	0%
4-6	N/A	26	92	53	39	42%
7-9	N/A	4	10	7	3	30%
10-12 etc.	N/A	7	6	0	6	100
Total	**N/A**	**44**	**115**	**57**	**48**	**42%**

Financial Performance

Table 137: Financial Performance: GFIS

Financial Performance Year 2018/19:								
Details	**2016/17**		**2017/18**		**2018/19**			
	Budget R'000	**Actual** R'000	**Budget** R'000	**Actual** R'000	**Original budget** R'000	**Adjusted budget** R'000	**Actual** R'000	**Variance to budget** R'000
Total Operational Revenue	0	0	0	0	0	0	0	0
Expenditure:								
Employees	8 000	5 020	39 333	29 524	41 752	42 702	42 723	(21)
Repairs and maintenance	50	0	50	6	53	53	0	53
Other	16 950	32 103	88 036	49 196	92 790	59 969	32 862	27 107
Total operational expenditure	25 000	37 123	127 419	78 726	134 595	102 724	75 585	27 139
Net operational expenditure	25 000	37 123	127 419	78 726	134 595	102 724	75 585	27 139

REASONS FOR UNDER/OVER SPENDING OPEX

Employee Related Cost

The Department has spent 104% of its budget allocated to employee related cost.

Depreciation

The Department has 100% expenditure on depreciation as it is a non-cash item.

Repairs and Maintenance

There was no expenditure for repairs and maintenance and this is because there were no assets to be repaired.

Contracted Services

The Department was allocated a total amount of R34 million for contracted services which is mainly for the establishment of a forensic panel. At this stage the forensic panel is not yet finalized and the process is at bid evaluation stage. It is envisaged that the panel will be appointed in the first quarter of the new financial year 19/20. The 14% spending of contracted services was used for items such as fleet.

General Expenses

R24.8 million was allocated for general expenses and the actual expenditure was R19.2 million (77%). As a result there is an under expenditure of R5, 5 million (23%) due to the following:

1. Rent – reimbursement from Offices of the Ombudsman and City Manager
   As from November 2018, GFIS is subletting some of its office space to the Offices of the Ombudsman and City Manager and as a result, the monthly payments from these two offices offset the total rental expenditure. The total amount received for rental is (R430 000X6months) =R2, 5 million.
2. Advertising and Branding – The under-spending of R800 000 is due to the delay in procurement processes.

3. Telephones – under-spending of R800 000 is due to year end and journals still being processed.

4. Strategic Break Away - The Department had budgeted an amount of R1 million for the team breakaway that could not take place due to internal cost containment reasons.

Internal Charges

There was no expenditure to the R1, 1 million budget for internal charges which takes into account Insurance, Internal Printing and Vetting Services. This under expenditure was due to Insurance transactions not charged to GFIS account and procurement processes of Vetting Services through Metro Trading Company (MTC) did not happen in 18/19 financial year.

Capital Expenditure

Table 138: Capital Expenditure: GFIS

R'000								
Capital projects	2016/17		2017/18		2018/19			
	Budget	Actual Expenditure	Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Total	0	0	10 000	4 489	20 500	20 500	17 982	12%

The Department was allocated a total amount of R20.5 million for the furnishing of the War Room. An amount of R17 982 million (88%) has been spent. It is to be noted that the 12% is the VAT portion, which will reflect in the books of Group Finance.

COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

3.21 Institutional Service Delivery Budget Implementation Plan 2018/19

This section contains the Annual Performance Report on the City's approved strategic plans implemented by the Municipality's Departments and Entities who are responsible for actual performance against the planned targets as derived from the Municipality's IDP and SDBIP.

Table 139: Institutional Service Delivery Budget Implementation Plan 2018/19

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
Priority: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021					
1.	Rand value of investment and business facilitated	R8.69bil	R8.69bil	R15bil	R17.29billion Target achieved
2.	Number of EPWP work opportunities created citywide	23 227	23 227	29 065	18 680 Target not achieved due to under-reporting by Departments and Municipal Entities. Mitigation: Continue tracking CAPEX project spending and implementation. Conduct workshops to ensure that all Departments and Municipal Entities partake in EPWP implementation and reporting. EPWP workshop for MMCs.
3.	Number of SMMEs supported by the City	10 000	10 000	16 000	16 818 Target achieved

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
Priority: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress					
4.	Number of Inner-City property development projects awarded, approved in Council for release to the private sector	129	129	25	27 awards were made to investors translating to 91 inner city properties released for redevelopment Target achieved
5.	Percentage of informal Households with access to water at minimum LoS1	82.62%	82.62%	87.03%	87.18% Target achieved
6.	Percentage of informal Households with access to sanitation at minimum LoS1	37.72%	37.72%	40.69%	41.61% Target achieved
7.	Number of unit structures in informal settlements with access to electricity	6 796	6 796	1 580	3 191 Target achieved
8.	Number of informal settlements upgraded	2	2	10	0 Target not achieved due to the current wording of the KPI reflect outcome based, as upgrading of the informal settlement is 7 to 13 years. The KPI must be amended to reflect specific deliverable each year. Mitigation: 2019/20 KPI will be reworded to measure the number of informal settlements layout plans developed, implementation will be done according to the NUSP.

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
9.	Number of mixed housing opportunities constructed	3750	3750	967	408 Target not achieved due to the HSD grant was reduced by the Province and after the City intervention it was reinstated and that delayed the procurement process as the results the department did not achieve the target. Mitigation: Speed up the appointment of contractors for Riverside View and Lufhereng projects by quarter 1 of 209/20. Furthermore, the City will strengthen relations with the National and Provincial to ensure transparency facilitation and allocation of the grants.
10.	Percentage of all City recognised informal settlement households provided with integrated waste management services	100%	100%	100%	69.34% Target not achieved, poor data collection management by the entity. Mitigation: Entity's IT will create a processes to upload all the informal settlement list in the BIS to ensure that all source documents are captured and reports will be generated monthly for ease of reporting.

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
11.	Number of title deeds transferred to eligible beneficiaries	2 762	2 762	2 000	1 610 Target not achieved, due to delays in registration with the deeds office attributable to queries and changes between the new and old addresses. Mitigation: Continuous engagements between with Deeds Office, Group Finance and Conveyances to unlock the delays encountered in lodging and registration of title deeds.
12.	Percentage of qualifying residents receiving free basic services	100 000 individuals with access to ESP	100%	100%	81% Target not achieved, due to the following reasons: Misalignment between the department and City Power on smart meters Poor data-capturing resulting in system errors Mitigation: Quarterly workshops to re-iterate the SOP Re-training of staff
13.	Number of social and affordable housing units developed for underprivileged beneficiaries City-wide	360 (with 260 in the inner City)	360	360	268 Target not achieved, due to project behind schedule. Mitigation: The remaining 92 units will be ready for occupation in quarter 1 of 2019/20
Priorit: Create a culture of enhanced service delivery with pride and dignity					

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
14.	Percentage completion of skills audit of employees	100% (levels 1 to 2)	100%	100%	98.86% (1475 of 1492) Target not achieved Mitigation: Skills audit to be completed in the next Financial year.
Priority: Create a sense of security through improved public safety					
15.	Number of by-law enforcement operations in the City to restore law and order	173	173	250	1 422 Target achieved
16.	Number of traffic enforcement operations in the City to ensure orderly road traffic control	4 464	4464	5 000	6 326 Target achieved
Priority: Create an honest and transparent CoJ that fights corruption					
17.	Percentage increase in customer satisfaction levels	59%	59%	1%	>1% Target achieved
18.	% of investigated fraud, corruption, theft and maladministration cases resolved	New Indicator	New Indicator	30%	35% Target achieved
Priority: Create a City that responds to the needs of the citizens, customers, stakeholders and business					
19.	Number of public participation meetings held with respect to planning and budgeting	New Indicator	New	30	44 Target achieved

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
20.	% processing of building plans less than 500 square meters is concluded within statutory timeframes (30 days)	71.7%	71.7%	100%	85.2% Target not achieved due to building plans that were processed by the plans examiner that were not captured in the BAS system. There is a time delay of 5 days due to manual processing and lack of adequate capacity. Mitigation: The importance of capturing the information has been communicated to the plan examiner. The chief plans examiners are conducting a follow up on all plans that were submitted from Admin to identify the plans that were not captured.
21.	Average number of Rea Vaya passenger trips per working day	47 000	48 434	53 000	52 710 Target not achieved, Low passenger figures is due to various reasons including service delivery protests, vandalized Rea Vaya stations that are currently not in use and continued encroachment by motorists on Rea Vaya dedicated lanes Mitigation: Service promotions and commuter engagements.

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
22.	Average number of Metrobus passenger trips per working day	51 000	38 693	42 000	33 237 Target not achieved, due to non-availability of buses. Mitigation: Refurbishment of buses, implementation of the integrated maintenance strategy and rationalised shift configuration research.
23.	Number of City clinics that offer extended service hours	13	11	13	13 Target achieved
24.	Number of additional nurses and doctors trained in the identification of early warning signs for substance abuse and possible medical interventions	125 (114 nurses & 11 doctors)	125 (114 nurses & 11 doctors)	81 (71 nurses and 10 doctors)	167 (154 Nurses and 13 Doctors) Target achieved
25.	Number of public lights installed	2961	1 374	2000	2 198 Target achieved
26.	% of people tested positive for HIV and initiated on treatment	88.5%	88.70%	85%	90.8% Target achieved
27.	% of people tested positive for TB and initiated on treatment	88.5%	90.30%	94%	95.5% Target achieved
28.	% of children under 1-year immunization coverage	81.9%	81.9%	1% increase from baseline	84.8% (4.4% increase from baseline of 81.9%) Target achieved

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
29.	% reduction in the prevalence rate of recent and current use of illicit drugs in the overall population of the City	New Indicator	3.7% reduction	1.5%	2% reduction Target achieved prevalence rate was reduced from 12.8% to 10.8%
30.	Number of visitors to the Zoo	480 000	503 696	480 000	518 433 Target achieved
31.	Number of museum programmes implemented[8]	80%	100%	16	22 Target achieved
32.	Number of attendees to theatres	195 772	241 567	255 000	271 299 Target achieved
33.	% compliance with the grass cutting schedule orders for City departments and entities	80%	100%	95%	91% Target not achieved due to non-compliance of contractors with regards to SARS, which delays implementation and results in work stoppages in certain regions. Mitigation: Ongoing communication to clients to place orders according to maintenance plans.
34.	Number of lifestyle programmes implemented	15	17	14	22 Target achieved
Priority: Enhance our financial sustainability					

[8] Business plan (Community Development) measures a %

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
35.	Percentage procurement spend on SMMEs	New Indicator	4.80%	5%	49% Target achieved
36.	Percentage of budget spent on City-wide infrastructure	90%	91%	95%	91% Target not Achieved, due to failure to timely initiate, implement and close a number of capital projects (procurement challenges, under-estimation and delays in the finalization of feasibility studies and geo-technical work, poor management of contractors, community challenges, variations in scope, poor performance by contractors and capacity constraints) Mitigation: For multi-year projects where there is a potential to improve spending in the 2019/20 FY. Section 31 of the MFMA on accelerated capital spending will be used to align spending patterns to cash flow patterns required by moving projects and further biased towards the prioritization of grant funded projects.
37.	Percentage spend on repairs and maintenance to Property, Plant and Equipment	3.5%	4.00%	6.3%	4.46% Target not achieved, due to various reasons at department and municipal entity level. Mitigation: Ongoing monitoring of financial indicators

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
38.	Number of profitability and liquidity ratios achieved	7	6	8	6 of 8 ratios Target not achieved due to various reasons at department and municipal entity level. Mitigation: Ongoing monitoring of financial indicators
39.	Percentage collection of revenue in respect to service billings	91%	90.79%	94.4%	89.2% Target not achieved due to systemic challenges including data quality and revenue value chain. Mitigation: To implement the following measures: Credit Control Policy Section 118 (3) Integrated collections strategy with JMPD Outbound Collection Call Centre Open days Legal offensive, high value debt Deceased estate collections Revenue recovery collections ITC services – Tracking & tracing
40.	Percentage of customers receiving accurately billed invoices for all five (5) services	97.7%	New Indicator	97.7%.	99.61% Target achieved

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
41.	Percentage resolution of billing queries as per the service level agreement	97.7%	81.15%	97.7%	85.95% Target not achieved due to prioritized resolution of queries which are outside the SLA and slow response from municipal entities in providing supporting documents for query resolution. Mitigation: Increase focus on queries as they are received daily Develop a training manual to help Back-office and Customer Interface to perform better Grant access to Front Office to expedite the capturing of meter readings and change of property ownership in the LIS system.
42.	Percentage of valid invoices paid within 30 days of invoice date	98%	83%	98%	85.95% Target not achieved due to non-compliance to the internal process. Mitigation: Provide monthly payment age analysis in addressing reasons for late payments and actions taken to resolve this.

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
43.	Audit Opinion	Unqualified	Unqualified without material findings	2017/18 Unqualified with material findings	2017/18 opinion unqualified with material findings. 2018/19 opinion is awaiting for AGSA to finalise the audit. Target not achieved
Priority: Encourage innovation and efficiency through the Smart City Programme					
44.	Number of participants in the e-learning programmes in the libraries	56 320	56 320	40 000	41 665 Target achieved
Priority: Preserve our resources for future generations					
45.	Percentage waste diverted from landfill	15%	14.4%	18%	15.7% Target not achieved, low diversion is due to malfunctioning of the existing crusher plant and equipment and lack of requisite crusher plant and equipment capacity for oversize rubble material resulting in frequent blockage and breakdown. Mitigation: Crusher plant and equipment to be repaired by quarter 1 of 2019/20. Procurement new crusher plant and equipment in the 2019/20.
46.	Number of L/Km of roads resurfaced	358km	358km	220 l/km	225.05 L/km Target achieved

KPI No.	Key Performance Indicator	Baseline	2017/18 Actual Annual Performance	2018/19 Target	2018/19 Actual Annual Performance
47.	Number of km of gravel roads upgraded to surfaced roads	26.58km	26.58km	25km	25.24 km Target achieved
48.	Km of open storm water drains converted to underground systems	1.6km	2.214km	1.5km	1.264 km Target not achieved due to delays in SCM process, several community work stoppages, on the gravel roads upgrade projects in Region A, C and G and poor performing service providers. Mitigation: Review of JRA supply chain process

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

The operations of Group Human Capital Management are guided by the City's objective of "a Well Governed, Efficient and Effective Metropolitan Government Administration, with Professional and Efficient Staff and Resources that Serve with Pride to make the City Work – so that South Africa Can Work"."

The City is committed to the provision of professional, effective and efficient service delivery to its community. For this service delivery to take place the City ensures a skilled workforce by employing people with the required skills, experience and ability to add value to the City's service delivery.

The process to recruit employees with the required profile is supported by Group Human Capital Management (GHCM) through the implementation of the Talent Acquisition Policy and other policies. Through these policies, GHCM assesses the human capital capacity of the City going forward, evolves to adapt to a changing environment and ensures that employees possess the required skills and competencies to deliver the required services.

Specifically, the Human Capital Management Enhancement Programme links directly to the professionalisation of the City as some of the elements that it addresses are:

- Performance Management System;
- Competency Framework;
- Job Profiles inclusive of Job Descriptions and Grading;
- Salary Parity across the City Group;
- Skills Audit; and
- Organisation Culture.

Employee Relations and Development-

The Employee Relations and Development operating principles are:

- Customer centric;
- Provide customers and stakeholders with reliable information and advice;
- Be available always;
- Provide cost effective labour relations solutions; and
- Promote a culture of learning.

The core business activities are:

- The promotion and maintenance of progressive and sound Labour Relations;
- Development implementation and maintenance of Labour Relations policies and procedures;
- Training in Labour Relations;
- Labour Relations advocacy;
- Dispute management, conflict resolution;
- Discipline and grievance resolution;
- Compliance with legislation, collective agreements, policies and procedures;
- Enhance and maintain relationship with organised labour (unions) and employees;
- Enhance and maintain relationship with other stakeholders;
- Communication around Labour Relations issues;
- Collective Bargaining;
- Labour legislation review;
- Industrial action management;
- Change /transformation management; and
- Labour litigation.

The parties to the South African Local Government Bargaining Council (SALGBC) comprise of SALGA, IMATU and SAMWU. These parties engage under the auspices of the SALGBC to conclude collective agreements on amongst others, the Disciplinary Procedure Collective Agreement which was concluded on 01 February 2019, multi-year Salary and Wage Collective Agreement which was concluded on 15 August 2018 and effective from 01 July 2018 until 30 June 2021.

These National Collective Agreements contribute to Labour Stability in the Municipal environment.

There were no strikes on a national scale in the past five (5) years. However, there was a locally triggered strike in 2018 at one of the City's departments relating to parity issues and the implementation of the Party Facilitated Agreement (PFA).. It should be noted that the work stoppage was un-protected, and the City has since applied the no-work-no-pay principle with an option to take disciplinary action.

The management of the Labour Relations environment still faces challenges because of the two (2) factions within SAMWU. This matter has been referred to courts for an appropriate remedy which it is hoped, will bring about collective bargaining stability in the division.

The City continuously creates awareness with all employees regarding the Code of Conduct as prescribed in the Municipal Systems Act through roadshows, presentations and internal publications.

In order to equip senior and middle management levels, the City continues with the Management and Leadership Development Programmes. Skills Audits and the subsequent identification of skills gaps lead to specific development of employees as a priority for the City. These actions ensure that the required skills to ensure the delivery of a professional service are developed for individual employees in line with the specific functions that they perform to ensure value-add to the City's objectives.
Skills development consists of both daily informal mentoring and quarterly coaching of employees as well as formal training and developmental programmes. The City further implements some external outreach programmes to contribute to the development of the community with a specific intent for the youth to be skilled and obtain experience and exposure in order for them to become employable.

The following employee focused initiatives were implemented:

- Subsidized Education to enhance City specific skills and career development;
- Career path development for employees through Performance Management and Individual Learning Plan processes;
- Leadership and Management Development Training Programmes;
- Minimum Competency Training Programme to develop competencies in line with National Treasury Competency requirements;
- Adult Educational Training (AET) Programmes for the previously-disadvantaged;
- Matric Programme for the previously-disadvantaged; and
- Skills Development Consulting Services to our internal clients (business units).

The following external Outreach Programmes were implemented:

- Internship Programme that allow students to complete the practical component linked
- to their studies which may allow such Interns to become employable;

- Learnership Programme for the community to make an educational contribution of theoretical and practical skills which may allow such Learners to become employable; and
- A Bursary Scheme for the community with a strategic intent to focus these bursaries on City specific skills requirements.

Job profiles inclusive of Job Descriptions and Grading

The New Job Profile Format was designed for input into the SAP Enhancement Project to allow for an employee self-service module. This necessitated the multiple methodology systems to run in parallel, the Job Description Writing session combined with the New Job Profile Format awareness and training sessions. The success of the New Job Profile Format is dependent on the full understanding and comprehension of Job Descriptions.

The train-the-trainer methodology was envisaged where HR Practitioners who are partners with client departments are fully empowered on the writing and possess knowledge competency of Job Profile and the Job Description. However, other Mayoral priorities such as the Insourcing of Security and Cleaning Projects could not be avoided and rendered a rather limited impact of this initiative.

Following the initiation of the Institutional Review during 2017, the Organisation Development (OD) team proceeded with the compilation of Job Profiles for new designated posts titled “Strategic Executive Management” (SEM), which reported directly to the City Manager. Since the Institutional Review process was however terminated the approval of the profiles was not concluded. To date, the following six (6) SEM job profiles have been completed: -

- SEM: Public Safety;
- SEM: Infrastructure Services;
- SEM: Chief Technology Officer;
- SEM: Economic Development;
- SEM: Transportation; and
- SEM: Strategic Management Support.

Since Job Description writing is a challenge in the organisation – the new Job Profile Format empowerment initiative provided an opportunity to start the process with Job Description writing; where parts of the New Profile format were incorporated into the current Job Description to build a “New Job Description Format” This approach was targeted to ensure full capacitation of client departments. The department opted to rather start with an awareness program on Job

Descriptions compilation to build a foundation in preparation for the roll-out of the New Job Profile Format. The CoGTA Staff Regulations (not yet promulgated) were also utilised as part of the awareness program. This was to provide a solution to Job Description writing challenges experienced by the HR Business Partners and Client Line Departments. The status to date of the awareness program to line departments is highlighted below:

Group ICT	8 - 14 December 2018
Group Strategy Policy Coordination and Relations	25 February 2019
JMPD Academy (Wemmer)	06 May 2019
Group Forensic and Investigations Services (GFIS)	17 May 2019
Group Supply Chain	22 May 2019

Employee Wellness Programme

Employee Wellness Programme is designed to create an enabling environment by providing wellness services that enhance mental health, coping skills, and healthy relationships, thereby resulting in improved employee well-being and productivity. The following are the interventions that Employee Assistance Programme (EAP) rendered based on EAP core technologies:
Therapeutic Interventions

The purpose of psycho-social support is to address employee's personal and/ or work problems that may hinder their productivity. There were 49 new cases received between April and May and 23 of these cases were formal referrals by line managers. The number of cases dealt with during this quarter is 270. The majority of the presented problems were Family problems and relationship problems. Workplace stress cases were eleven (11). Refer to the table below for detailed statistics.

Prevention, awareness & educational activities

The unit conducted Financial Management workshops in the following areas:

- Jabulani Civic Centre on 30 May 2019. A total of eighteen (18) employees attended the session;
- Dobsonville Fire station on 22 May 2019. A total of thirteen (13) employees attended the session;
- Rietfontein Training academy on 29 May 2019. A total of thirteen (13) employees attended the session;

Presentations on Incapacity Leave Policy Framework took place in the following areas:

- Metro Centre a total of fourteen (14) Human resource personnel attended the session.

- Social Development Department, Sandton Library on 20 May 2019 where fourteen (14) executive managers attended.
- Transport Department, JRA building on 31 May 2019 where forty-seven (47) employees reached

(c) EAP marketing

The following activities were conducted to promote EAP services:

- Presentations during induction of new recruits (55 employees were reached).
- EAP presentation at Florida (three employees attended).

Rewards & Recognition

During the 2018/2019 financial year, a draft Recognition and Reward Policy was developed and is in the process of going through the various approval structures of the City.

The draft Policy was developed to attract and retain a quality workforce. It is therefore important to recognise the efforts made by employees in terms of performance, attitude and achievements. The policy aims to provide a fair framework within which such recognition or rewards may be given.

Recognitions and rewards will be applicable to all employees within City Group i.e. City Core and Municipal Entities (MEs). Insofar as it relates to performance rewards, Section 56 employees are excluded as they are rewarded for performance in terms of the applicable legislation and the City's policy framework for managing performance.

The policy framework will recognise and reward outstanding contributions, service excellence and achievements that fall outside the scope of an employee's normal duties. These will be measured against the:

- Integrated Development Plan and should be linked to the City's mission;
- Departmental service delivery objectives and business plan;
- Specific agreed individual or group objective and outcomes; and
- Individual job profiles that further the goals and objectives of the City.

The objectives of the policy framework are to:

- Recognise and promote positive behaviours that support individual, groups, divisions and departments in achieving the City's mission, vision and values;

- Assist in creating a culture of mutual respect, reward, and recognition for employees at all levels;
- Provide timely recognition to employees in a non-monetary reward based on the significance of the contribution;
- Improve employee productivity and quality of work;
- Provide standards and procedures for the recognition and reward for outstanding contributions;
- Recognise employees for excellent and outstanding achievements on specific Key Performance Indicator (KPI) objectives and targets as reflected in individual performance scorecards;
- Assist in creating a positive environment where employees are motivated to achieve service excellence;
- Assist in creating a culture of acknowledgement for “walking the extra mile”; and
- Improve staff retention, especially in terms of critical skills.

Employment Equity

Section 23 of the Employment Equity Act states that before the end of the term of its current EE plan, a designated employer (City of Johannesburg) must prepare a subsequent EE plan prior to expiry of the current EE Plan. This section further states that if an organisation (the City) fails to do so it can be liable to a fine of R1 500 000 or 2% to 10% of annual turnover. The City presently has a one (1) year EE plan, which was developed in 2018 after a review by the Department of Labour. This EE plan is for the period of July 2018 to June 2019, which means that the City must have developed a new EE plan by June 2019.

The City embarked on an intensive analysis of all employment-related policies. An independent external service provider conducted this on behalf of the City. The EE Forums were consulted on the process and outcome of the analysis. A report on the analysis of policies, practice and procedures has been presented to the EE and Transformation office. All this information will form part of the plan. The Employment equity compliance for both quantitative and qualitative was an overall 84% for the City Core.

Employee positioning, vacancies and turnover

The City Group has 32 316 employees across the various Departments and MEs and a total staff establishment of 34 741. There are 2 425 vacancies as at the 31 June 2019 with a vacancy rate of 6.98%. Table 85 below depicts the City Group staff establishment and vacancies as at 30 June 2019.

Table 140: Employee positioning - CoJ

Description	2017.18	2018.19			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
CM: Citizen Relationship & Urban MNGT	421	441	412	29	7%
CM: Executive Management Office (OCM & COO)	32	26	25	1	4%
CM: G/Strategic, Policy Co-ordination & Relations	47	50	44	6	12%
CM: Group Communication & Tourism	55	56	53	3	5%
CM: Group Governance	43	53	44	9	17%
CM: Group Legal & Contracts	78	96	89	7	7%
CM: Group Risk And Assurance Services(GRAS)	80	104	86	18	17%
Group Information & Communication Technology management	96	104	100	4	4%
CM: Group Forensic & Investigation Services	38	63	57	6	10%
CM: Private Office of the City Manager	2	0	0	0	0%
CM: Office of the Chief Operations Office	0	13	11	2	15%
Community Development	1,403	1,606	1,337	269	17%
Development Planning	459	511	457	54	11%
Economic Development	100	104	89	15	14%
Environment & Infrastructure Service Department	98	101	94	7	7%
Group Corporate & Shared Services	374	435	413	22	5%
Group Finance	1,797	1,850	1,730	120	6%

Description	2017.18	2018.19			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Health	1,842	2,251	2,102	149	7%
Housing (Housing Department part of Johannesburg Core Administration)	425	430	400	30	7%
Legislature (Office of the Speaker)	213	239	218	21	9%
Office of the Executive Mayor	61	132	121	11	8%
Public Safety	5,643	9,411	9,081	330	4%
Social Development	300	326	300	26	8%
Transportation (Transportation Department part of Johannesburg Core Administration)	551	550	501	49	9%
Sport and Recreation (City Parks and Zoo - Municipal Entity)	1,383	1,549	1,376	173	11%
Electricity (City Power - Municipal Entity)	1,657	1,606	1,606	0	0%
Development Implementation (Johannesburg Development Agency - Municipal Entity)	93	1	0	1	100%
Housing (Johannesburg Social Housing Company (JOSHCO) - Municipal Entity)	98	115	108	7	6%
Johannesburg Property Company (Municipal Entity)	524	544	492	52	10%
Roads (Johannesburg Roads Agency - Municipal Entity)	1,667	1,703	1,662	41	2%
Water (Johannesburg Water - Municipal Entity - Water, Sanitation and Stormwater Drainage)	2,628	3,051	2,682	369	12%

Description	2017.18	2018.19			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Metro Trading Company (MTC)		110	53	57	52%
Johannesburg Market (Municipal Entity)	316	343	305	38	11%
Transport Metrobus – (Municipal Entity)	753	780	707	73	9%
Johannesburg Theatre (Municipal Entity)	140	168	158	10	6%
Waste Management (Pikitup - Municipal Entity)	4,056	5,819	5,403	416	7%
Totals	**27,473**	**34,741**	**32,316**	**2,425**	**6.98%**
.			*includes 797 Temps*		

Vacancies and Staff Turnover

The staff vacancy and staff turnover for the City Group for 2018/2019 is 5.49% per annum. The turnover increased (as per Table 87 below) and is indicative of a stable labour environment. Resignations comprised 1.5% of the Turnover Rate and the balance is made up of retirements, deaths, contract terminations, dismissals and medical boarding.

The vacancy and staff turnover rate for Section 56 Senior Managers was 26.89%. It must however be noted that Section 56 Senior Managers are on five (5) year Fixed Term Contracts (FTCs) and the largest proportion of these contracts normally expire after the Local Government Elections because the appointments at this level are mostly made following these elections. These Senior Managers include the City Manager and direct reports which includes Heads of Departments and Managing Directors/Chief Executive Officers of Municipal Entities.

Due to continuous investigations into alleged fraud and corruption, some senior managers have been suspended and some have resigned before the termination of their FTCs which also influenced the turnover rate on this level.

It remains a challenge to appoint specific scarce and critical skills within certain career groups e.g. Nursing, Medical Doctors, Emergency Services Trainers, Valuers, Town Planners, Environmental Specialists, Urban Designers and Engineers.

Table 142: Vacancy rate for 2018/19 - CoJ

Description	***Total Approved Posts**	***Vacancies (Total time that vacancies exist using fulltime equivalents)**	***Vacancies (as a proportion of total posts in each category)**
	No.	**No.**	**%**
CM: Private Office of the City Manager	1	0	0.00
CM: Citizen Relationship & Urban MNGT	1	1	50.00
CM: Executive Management Office(OCM & COO)	32	10	32.59
CM: G/Strategic, Policy Co-ordination & Rel	0	0	0.00

Description	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
CM: Group Communication & Tourism	2,681	75	2.81
CM: Group Governance	1,361	44	3.21
CM: Group Legal & Contracts	697	80	11.54
CM: Group Risk And Assurance Services(GRAS)	105	14	13.75
Group Infor & Comm Techn & Infor MNGT	2,040	146	7.18
CM: Group Forensic & Investigation Services	277	24	8.49
Totals	**7,195**	**395**	5.49

Figure 28: Vacancy Rate

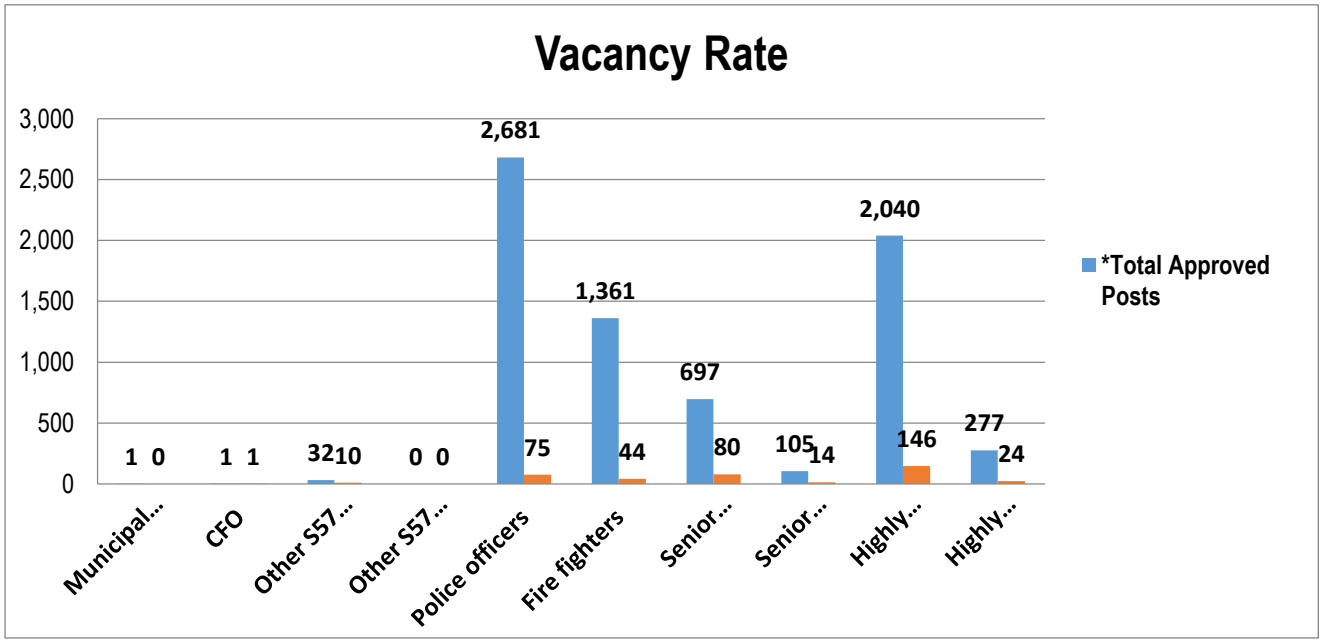


Table 143: Turn-over rate comparison per year

Details	Total Appointments as of beginning of Financial Year (Excluding Temporary Employees)	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year 0 (2016.17)	27,191	1,199	4.41
Year 0 (2017.18)	27,360	1,387	5.07
Year 0 (2018.19)	31,519	1,346	4.27

Group Human Capital Management

Group Human Capital Management (GHCM) provides the following functions/services across the City Group:

- Strategic Human Capital Management;
- Talent Acquisition;
- Remuneration, Benefits Management and Job Evaluation;
- Transformational Services inclusive of Employment Equity, Gender Mainstreaming and People with Disabilities;
- Individual Performance Management Implementation, Monitoring, Evaluation and Reporting;
- Employee Relations Management;
- Employee Development;
- Employee Assistance Programmes;
- Business Partnering;
- Labour Relations;
- Employee Assistance Programme (EAP);
- Human Capital Management Administration and Transactional Services (Payroll);
- Group Human Capital Management Reporting; and
- Organisational Development.

The provision of all of the above functions contributes to the stability of the City and the delivery of a professional, effective and efficient service, specifically with regard to the institutional design, employee development, appropriate policy frameworks, the acquisition of suitably qualified and experienced employees as well as engagement with stakeholders on different levels and forums

All the above is done in compliance to legislative requirements as well as the roll out of National, Provincial and City imperatives.

Regulatory Compliance, Policy and Planning

The City Group currently consists of the Core Administration departments and twelve (12) Municipal Entities (MEs). The City Group formulates and reviews Human Capital Management Policy Frameworks and the MEs are expected to customise or align their policies without downgrading the set guidelines and standards. This contributes to a standardised Human Capital environment within the City Group.

The City ensures compliance with the legislative requirements e.g. Employment Equity Act, Skills Development Act, Labour Relations Act, Collective Agreements, etc. Specifically, for Employment Equity and Skills Development, the City reports on progress made to the applicable structures e.g. Department of Labour and the Local Government SETA.

The parity benchmarking exercise that started in 2016 with the implementation of the common salary key-scales across the City Group is currently being implemented. Phase 1 for Pikitup on the A and B bands has been concluded and Phase 2 is currently under way with the development of Salary Key-Scales.

The governing Policy Frameworks of GHCM address inequality and poverty by:

- Incorporating EE elements and principles in all policies;
- Offering a Bursary Scheme and opportunities to interns and learners;
- Providing support to the Extended Public Works Programme (EPWP) in which temporary workers are sourced from the community;
- Addressing the issue of gender and disability management in the GHCM Policies;
- Providing GHCM Policy Frameworks to the MEs as a minimum standard for supporting the City; and
- Growth and Development Strategy.

The Human Capital Policy Frameworks are due for review and a need has also been identified for the development of new Policy Frameworks.

The Department of Cooperative Development and Traditional Affairs (CoGTA) is currently in the process of drafting new Local Government Staff Regulations which include specific frameworks for certain Human Capital functions which will affect the development of new Policy Frameworks as well as the review thereof. The promulgation of these Staff Regulations is awaited.

The table below outlines all current approved Human Capital Policy Frameworks as well as those at the development stage.

Table 144: Human Capital Management Policies and Plans completed and reviewed during 2018/19

No	Name of Policy	% Completed	% Reviewed	Date adopted by council or comment on failure to adopt
Completed				
1	Group Employment Equity and Transformation Policy Framework	100%	100%	Approved by Mayoral Committee on 04/12/2014 and currently under review, Draft Group EE Policy Framework served at Mandating Committee in June 2019.
2	Group Disability Management Policy Framework	100%	100%	New Policy served at Mandating Committee in June 2019.
3	Group Talent Acquisition Policy Framework	100%	100%	Approved by Mayoral Committee on 04/09/2014, to be reviewed
4	Group Employee Assistance Programme Policy Framework	100%	100%	Approved by Mayoral Committee on 04/12/2014, to be reviewed
5	Group HIV and AIDS Policy Framework	100%	100%	Approved by Mayoral Committee on 04/12/2014 SHELA & FCM Policy
6	Group Management of Occupational Exposure to HIV Framework	100%	100%	Approved by Mayoral Committee on 04/12/2014 SHELA & FCM Policy
7	Group Training and Development Policy Framework	100%	100%	Approved by Mayoral Committee on 04/12/2014 and currently under review, Draft Policy Framework served at Mandating Committee in June 2019. Subsidised Education removed from this policy

No	Name of Policy	% Completed	% Reviewed	Date adopted by council or comment on failure to adopt
8	Group Subsidised Education Policy Framework			New Policy served at Mandating Committee in June 2019.
9	Group Safety Health and Environment Policy Framework	100%	100%	Approved by Mayoral Committee on the 04/12/2014 SHELA & FCM Policy
10	Group Employee Health and Wellness Policy Framework	100%	100%	Approved by Mayoral Committee on the 04/12/2014 SHELA & FCM Policy
11	Group Medical Surveillance Policy Framework	100%	100%	Approved by Mayoral Committee on the 04/12/2014 SHELA & FCM Policy
12	Group Vehicle and Driver Safety Policy Framework	100%	100%	Approved by Mayoral Committee on 04/12/2014 SHELA & FCM Policy
13	Group Sexual Harassment Policy Framework	100%	100%	Approved 18 July 2011 and currently under review Draft Policy Framework served at Mandating Committee in June 2019.
14	Group Organisational Structure Development & Maintenance Policy Framework	100%	100%	Approved by Mayoral Committee on 04/09/2014, to be reviewed
15	Group Employee Mobility Policy Framework	100%	100%	Approved by Mayoral Committee on 04/09/2014, to be reviewed
16	Group Payroll Management Policy Framework	100%	100%	Approved by Mayoral Committee on 04/09/2014, to be reviewed

No	Name of Policy	% Completed	% Reviewed	Date adopted by council or comment on failure to adopt
17	Group Substance Abuse Policy Framework	100%	100%	Approved by Mayoral Committee on 04/09/2014, to be reviewed
18	Group Shared Services Policy Framework	100%	100%	Approved by Mayoral Committee on 04/09/2014, to be reviewed
19	Group Recognition and Award Policy Framework	100%	100%	New Policy served at Mandating Committee in June 2019.
Under Review				
20	Group Performance Management System Policy Framework	100%	20%	Approved by Mayoral Committee on 07/12/2012 and currently under review, name changed draft Group Individual Performance Management Policy Framework served at Mandating Committee in June 2019.
21	Group Job Evaluation Policy Framework	100%	80%	Approved by Mayoral Committee on 12/12/2008 and currently under review Depending on the Parity Benchmarking progress the policy will be submitted for approval when ready.
22	Group Remuneration Policy Framework (inclusive of Rewards) delete separate policy	100%	80%	Approved by Mayoral Committee on 12/12/2008 and currently under review Depending on the Parity Benchmarking progress the policy will be submitted for approval when ready.
23	Group Strike Management Policy Framework	0%	60%	New Policy In progress and dependent on the finalisation of the Demarcation Agreement.
24	Group Employee Relations Policy Framework	0%	60%	In progress and dependent on the finalisation of the Demarcation Agreement.

No	Name of Policy	% Completed	% Reviewed	Date adopted by council or comment on failure to adopt
25	Professional Registration / Bodies	0%		New Policy
26	Group Bereavement Policy Framework	100%	100%	Approved by Council on 14 March 2019
27	Group Incapacity Leave Management Policy Framework	100%	100%	Approved by Council on 14 March 2019
28	Dress code	0%		Identified as a New Policy
29	Flexi Time	100%	0%	Approved by Mayoral Committee on 06/1/2008 and to be reviewed
30	Retention and Succession	0%	0%	Identified as a New Policy to incorporate the following policies * Career Development Policy 12/12/2008 * Succession Planning Policy 12/12/2008 * Retention Policy 1/7/2008
31	Special allowances	0%	0%	Identified as a possible new policy framework, currently in research phase.

Performance Management

Performance management implementation remain challenging due to the fact that it is a manual system, which result in difficulties with the monitoring, evaluation, and reporting.

It is imperative that The City must moves to an automated electronic system that will enable the administration and monitoring of the system and will relieve the current time-consuming administrative burden and improve the accuracy of reporting. An automated electronic Performance Management System will be a key factor for the successful integration of the MEs.

The department of Cooperative Governance and Traditional Affairs (COGTA) embarked on a national initiative of developing staff regulations for all Municipalities. The intention was to implement in 2017, however the staff regulations have not been promulgated yet. The City therefore took the initiative of revising its current approved policy framework using the tenets of the draft staff regulations as it relates to performance management.

There is a City-wide acknowledgement that an effective performance management is not just important but is a critical enabler in achieving the organisational mandate.

The rewards systems between the MEs, Core Administration and Section 56 employees differ. The CoGTA Staff Regulations Performance Management Chapter will address the rewards element of performance management and will ensure a standardised implementation of rewards across Municipalities.

The Performance Management of Section 56 Senior Managers is regulated through the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to the Municipal Managers. The effect of this is that the financial differences between the performance and reward systems will probably remain between Section 56 Senior Managers and other municipal employees.

The table below outlines performance rewards for the City’s employees for 2018/19.

Table 145: Performance rewards by Gender

Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 0 (2018.19)	Proportion of beneficiaries within group
				R' 000	%
F) Unskilled	Female	4,754	312	1,246	7%
	Male	6,205	696	2,323	11%
E) Semi-skilled	Female	2,733	374	4,183	14%
	Male	3,967	872	9,086	22%
D) Skilled & Jnr Management	Female	4,858	405	9,904	8%
	Male	6,166	1,150	27,929	19%
C) Prof & Mid Management	Female	917	335	17,554	37%
	Male	1,201	482	26,093	40%
B) Snr Management	Female	279	37	5,175	13%
	Male	418	73	10,895	17%
A) Top Management	Female	6	3	666	50%
	Male	15	6	862	40%
Total		31,519	4,745	115,916	15%

Competency Development

Roll-out of skills audit for levels 5 and 6

The skills audit assessments of professional and mid-management employees on level 5 and 6 commenced on 26 February 2019 in the City core and on 18 March 2019 in the MEs. The City group targeted 5 670 employees at levels 5 and 6 for skills audit assessments. A total of 5 532 employees completed the assessment. The 360-degree assessment method was used to assess employees, whereby the employees were assessed by their line managers, peers and clients9. Attempts were made to assist the outstanding employees/departments by sending the assessors to departments that did not achieve 100%. There was an office set aside on the 6th floor B-Block, Metro centre to assist those who were struggling or those who did not have access to computers. The interventions to achieve a 100% on the skills audit for levels 5 & 6 were the following:

- A vigorous Change Management process was followed;
- Daily status updates that were communicated to all HoDs;
- Onsite assistance was provided. SMSs and e-mails were sent out daily to remind stakeholders to attend;
- The non-compliance was also raised at the Executive Management Team as a risk.

The final percentage achieved was 98% as opposed to the 100% target due to departments and MEs being non-compliant. GCSS has initiated consequence management letters to the departments and MEs to deal with non-compliant employees.

Interventions for skill audit for levels 3 & 4

After having conducted the skills audit assessments for levels 2 and 3A employees, the next skills audit assessments were conducted at levels 3B and 4. A multi-pronged approach was used to close the gaps identified. The table below indicates the interventions that were implemented and the number of employees that have already gone through these interventions:

[9] Internal clients are defined as employees within scope providing a service/s to another employee within the City

Table 146: Programme intervention

Program Implemented	EMPLOYEES TRAINED
MFMA	119
Senior leadership program	17
Coaching for Organisational Performance	208
Sub Ed for core and ME's	
Johannesburg Parks and Zoo	25
Johannesburg Metro Bus	24
City Core	64
Total	457

Coaching for Organisational Performance

The coaching for organisational performance commenced on 27 May 2019. To date, 104 employees started attending the programme and finished in October 2019. The programme was aimed at equipping employees with people management skills such as mentoring and coaching. At the end of the programme, the managers will be able to mentor and coach their team members. Problem-solving and decision-making, creative thinking and innovation are also covered in the programme.

Interventions for level 2 & 3A

The interventions for level 2 and 3A employees are in s. Four (4) executives started the Executive Coaching Programme in April 2019 and a further 8 started on 19 June 2019. Each executive has been allocated a coach and the two agree on the development plan using the skills audit result of the executive as a base. This approach allows the executive to agree with the coach on when to meet; instead of classroom training where they will all be forced to meet at a certain time.

The table below reflects the skills levels and number of skilled employees for 2018/2019

Table 147: Skills matrix for the City's employees

Skills Matrix														
Management level	**Gender**	**Employees in post as at 30 June (2014.15) No.**	**Number of skilled employees required and actual as at 30 June Year 0(2018.19)**											
			Learnerships			**Skills programmes & other short courses**			**Other forms of training**			**Total**		
			Actual 2017.18	**Actual 2018.19**	**Target 2018.19**	**Actual 2017.18**	**Actual 2018.19**	**Target 2018.19**	**Actual 2017.18**	**Actual 2018.19**	**Target 2018.19**	**Actual 2017.18**	**Actual 2018.19**	**Ta 201**
MM and s56	Female	6	0	0	0	6	6	3	0	0	0	6	6	3
	Male	15	0	0	0	14	7	1	0	0	0	14	7	1
Councillors, senior officials and managers	Female	949	0	0	0	647	880	533	24	57	0	671	937	533
	Male	1,051	0	0	0	979	1,486	611	25	93	0	1,004	1,579	611
Technicians and associate professionals*	Female	885	0	0	0	768	833	196	369	105	0	1,137	938	196
	Male	1,497	0	0	0	1,432	1,749	160	356	63	0	1,788	1,812	160
Professionals	Female	1,658	0	0	0	636	1,422	190	65	344	0	701	1,766	190
	Male	1,018	0	0	0	411	532	175	52	244	0	463	776	175
Sub total	Female	3,498	0	0	0	2,057	3,141	922	458	506	0	2,515	3,647	922
	Male	3,581	0	0	0	2,836	3,774	947	433	400	0	3,269	4,174	947
Total		**7,079**	**0**	**0**	**0**	**4,893**	**6,915**	**1,869**	**891**	**906**	**0**	**5,784**	**7,821**	**1,8**

* Registered with professional Associate Body e.g. CA (SA)

During the past financial year the City continued to train its employees on interventions aimed at closing gaps identified through the Skills Audit process. Finance officials and Senior Managers were trained on Minimum Competency Levels. Other forms of training were aimed at gaps identified through the performance review process and career development. The Workplace Skills Plan was used to identify the trainings required and both the Workplace Skills Plan and the Annual Training Report were submitted to the Local Government SETA.

Note: The City does not have Permanent Employees participating in Learnership Programmes and therefore the applicable columns in the above tables are not populated. For the current year the Subsidized Education for the Core Administration is included in the column headed "Skills Programmes and Short Courses" while for the Municipal Entities Subsidized Education is recorded in the column headed "Other forms of training".

Training

Table: 148 Skills matrix for the City's employees

Skills Matrix													
Posts	**Gender**	**2018.19 No.**	**Number of Skills Developments Required and Actual as at 30 June Year 0 (2018.19)**										
			Learnerships			**Skills programmes & other short courses**			**Other forms of training**			**Total**	
			Actual: 2017.18	**Actual: 2018.19**	**Target 2017.18**	**Actual: 2017.18**	**Actual: 2018.19**	**Target 2018.19**	**Actual: 2017.18**	**Actual: 2018.19**	**Target 2018.19**	**Actual: 2017.18**	**Actual 2018.1**
MM and s57	Female	4	-	-	-	2	6	3	0		-	2	6
	Male	10				10	5	1	0		-	10	5
Councillors, senior officials and managers	Female	687	-	-		463	426	533	2	50	-	465	476
	Male	640	-	-		388	315	611	2	55	-	390	370

Skills Matrix													
Posts	Gender	2018.19 No.	Number of Skills Developments Required and Actual as at 30 June Year 0 (2018.19)										
			Learnerships			Skills programmes & other short courses			Other forms of training			Total	
			Actual: 2017.18	Actual: 2018.19	Target 2017.18	Actual: 2017.18	Actual: 2018.19	Target 2018.19	Actual: 2017.18	Actual: 2018.19	Target 2018.19	Actual: 2017.18	Actual 2018.1
Technicians and associate professionals*	Female	717	-	-		402	50	196	313	76	-	715	126
	Male	550	-	-		230	30	160	268	27	-	498	57
Professionals	Female	1,469	-	-		489	1112	190	14	311	-	503	1,423
	Male	812	-	-		232	149	175	21	187	-	253	336
Sub total	Female	2,877	0			1,356	1,594	922	329	437	0	1,685	2,031
	Male	2,012	0			860	499	947	291	269	0	1151	768
Total		**4,889**	**0**	**0**	**0**	**2,216**	**2,093**	**1,869**	**620**	**706**	**0**	**2,836**	**2,799**

**Registered with professional Associate Body e.g. CA (SA)*

During the 2018\19 financial year the City of Joburg continued to capacitate its employees as per the Skills Development Act requirements. Several employees w their job requirements to enable them to function at optimum level. All levels of management were trained on leadership and management skills as per the skills so that they can manage their teams better. The City also continued to train employees affected by the National Treasury requirements on Minimum Comp Financial constraints is a problem in the City and makes it difficult to provide all the capacitation required by employees. To deal with this the City has to prioritize a on urgent training needs. The City is also looking at building internal capacity in order to reduce over reliance on Service Providers. A number of applications ha to the Local Government Seta in terms of discretionary grant. The challenge here is that the LG SETA is slow in responding to such requests, and this makes it training going forward.

Skills Matrix														
Posts	Gender	2018.19 No.	Number of Skills Developments Required and Actual as at 30 June Year 0 (2018.19)											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: 2017.18	Actual: 2018.19	Target 2017.18	Actual: 2017.18	Actual: 2018.19	Target 2018.19	Actual: 2017.18	Actual: 2018.19	Target 2018.19	Actual: 2017.18	Actual: 2018.1	

The table below reflects expenditure on skills development during 2018/19

Table 149: Expenditure on skills development during 2018/19

R'000										
Management level	**Gender**	**Employees as at the beginning of the financial year No.**	**Original Budget and Actual Expenditure on skills development Year 1**							
			Learnerships		**Skills programmes & other short courses**		**Other forms of training**		**Total**	
			Original Budget	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**
MM and S57	Female	2	N/A	N/A	1,000,000	75,000	N/A	N/A	1,000,000	75,000
	Male		N/A	N/A	3,000,000	560,000	N/A	N/A	3,000,000	560,000
Legislators, senior officials and managers	Female	587	N/A	N/A	4,000,000	3,115,550	N/A	N/A	4,000,000	3,115,550
	Male	531	N/A	N/A	3,500,000	2,500,000	N/A	N/A	3,500,000	2,500,000
Professionals	Female	1,333	N/A	N/A	8,000,000	7,000,000	N/A	N/A	8,000,000	7,000,000
	Male	622	N/A	N/A	5,000,000	3,000,000	N/A	N/A	5,000,000	3,000,000
Technicians and associate professionals	Female	22	N/A	N/A	1,000,000	910,000	N/A	N/A	1,000,000	910,000
	Male	28	N/A	N/A	3,000,000	1,195,000	N/A	N/A	3,000,000	1,195,000
Clerks	Female	288	N/A	N/A	5,000,000	4,990,000	N/A	N/A	5,000,000	4,990,000

R'000										
Management level	**Gender**	**Employees as at the beginning of the financial year No.**	**Original Budget and Actual Expenditure on skills development Year 1**							
			Learnerships		**Skills programmes & other short courses**		**Other forms of training**		**Total**	
			Original Budget	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**
	Male	173	N/A	N/A	2,000,000	1,880,000	N/A	N/A	2,000,000	1,880,000
Service and sales workers	Female	724	N/A	N/A	6,000,000	3,950,000	N/A	N/A	6,000,000	3,950,000
	Male	1,241	N/A	N/A	9,000,000	8,510,000	N/A	N/A	9,000,000	8,510,000
Plant and machine operators and assemblers	Female	0	N/A	N/A			N/A	N/A	0	0
	Male	0	N/A	N/A	N/A	N/A	N/A	N/A	0	0
Elementary occupations	Female	223	N/A	N/A	5,000,000	5,079,831	N/A	N/A	5,000,000	5,079,831
	Male	116			5,000,000	3,483,619	N/A	N/A	5,000,000	3,483,619
Sub total	Female	3,179	0	0	30,000,000	25,120,381	N/A	N/A	30,000,000	25,120,381
	Male	2,711	0	0	30,500,000	21,128,619	N/A	N/A	30,500,000	21,128,619
Total		5,890	0	0	60,500,000	46,249,000	N/A	N/A	60,500,000	46,249,000

The above table (Table 91) refers to the City of Johannesburg Core Administration only. Municipal Entities operate as independent companies and do not necessarily report into a SETA and for this reason they cannot provide the required level of detail per individual.

The City does not have Permanent Employees participating in Learnership programmes and therefore the applicable columns in the above tables

are not populated.

MFMA Competency Training

Table: 150 MFMA training matrix for the City's employees[10]

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	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	45	89	134	69	65	95

[10] * *This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*

Any other financial officials	657	133	790	612	584	602
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior managers	14	9	23	18	5	12
TOTAL	**719**	**231**	**950**	**702**	**657**	**760**

COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Municipal Employee Expenditure

The Remuneration Ratio is considered as one of the important indicators which is used to analyse the employee expenditure of a municipality. The guidelines of how this Ratio is determined are provided by National Treasury and the expectation is that it should be below 30%. The Remuneration Ratio is determined by dividing Employee Remuneration by the Total Operating Expenditure (OPEX). This Ratio is an indicator of whether municipal employee cost is under control and it is also used by investors to determine if the municipality is an attractive investment destination. The City's Remuneration Ratio for 2018/2019 is 20.57%.

There are decisions that are not in the control of the municipality payroll such as the Salary and Wage Collective Agreement which determines the salary increase at a National Level and which will affect the Remuneration Ratio.

Table 94 below reflects an increase in the number of employees whose salaries have increased due to upgrading of their positions. This is as a result of the implementation of the Parity Exercise for Bands A and B. It is expected that as the Parity Exercise is further rolled out for Bands C and D, the number of employees reflected in the table below will further increase.

Table 151: Employees whose salaries were increased due to their positions being upgraded during 2018.19

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
F) Unskilled	Female	
	Male	
E) Semi-skilled	Female	16
	Male	14
D) Skilled & Jnr Management	Female	8
	Male	28
B) Professional & Mid Management	Female	3
	Male	11
C) Snr Management	Female	
	Male	
A) Top Management	Female	
	Male	

Total	**80**

Sick leave

All categories of leave are regulated through the Main Collective Agreement and Collective Agreement Conditions of Service. All processes for Leave Applications, Attendance Registers, Activity Reports and delivery of Leave Applications to the Transactions Processing Unit are manual and on hardcopy and only at the end of these processes are leave captured on the payroll system.

The manual nature of the leave administration processes results in a number of challenges such as:

- Delays from the time when the leave is applied for until it is captured;
- The above delays can result in inaccurate leave balances and subsequent inaccurate leave accrual figures being reflected in the Annual Financial Statements;
- Extensive and time-consuming control and monitoring mechanisms to ensure accuracy and to prevent attendance fraud; and
- Attendance controls through Attendance Registers is unreliable and prone to fraud and corruption;

All of the above increase the risk of audit findings against the City, which is difficult to mitigate due to the manual leave system and may very well result in a qualified audit. The automation of all leave processes and accurate attendance recording through biometric attendance systems linked to the Payroll System is crucial for accurate administration and to reduce the risk of Attendance Fraud and Auditor General Findings for incorrect Leave Accruals.

It should further be noted that the automation of the Human Capital Management processes and systems are key to the successful reabsorption of the MEs and to ensure standardised application of Human Capital Management processes within the City Group. Table 95 below reflects the average sick leave per individual employee as 3.64 days for 2018/2019, which is seen as positive. This is a decrease from the previous year of 3.88 days. Once the SAP implementation project has been concluded and all the MEs have been incorporated into one automated electronic system, then reporting for all types of absences can be more regular and the accuracy thereof will improve.

Number of days and Cost of Sick Leave (excluding injuries on duty)

Table 152: Number of days and cost of sick leave

Salary band	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	***Average sick leave per Employees**	**Estimated cost**
	Days	**%**	**No.**	**No.**	**Days**	**R' 000**
Lower skilled	35,857	13%	4,178	10,959	3.27	20,941
Skilled	37,446	18%	4,488	6,700	5.59	38,729
Highly skilled production	32,310	24%	4,685	11,024	2.93	58,272
Highly skilled supervision	6,865	22%	1,131	2,118	3.24	22,844
Senior management	2,394	29%	385	697	3.43	11,062
MM and S56	14	21%	5	21	0.67	123
Total	**114,885**	**21%**	**14,872**	**31,519**	**3.64**	**151,970**

The figure/ graph below outlines the average number of days of sick leave per employee category.

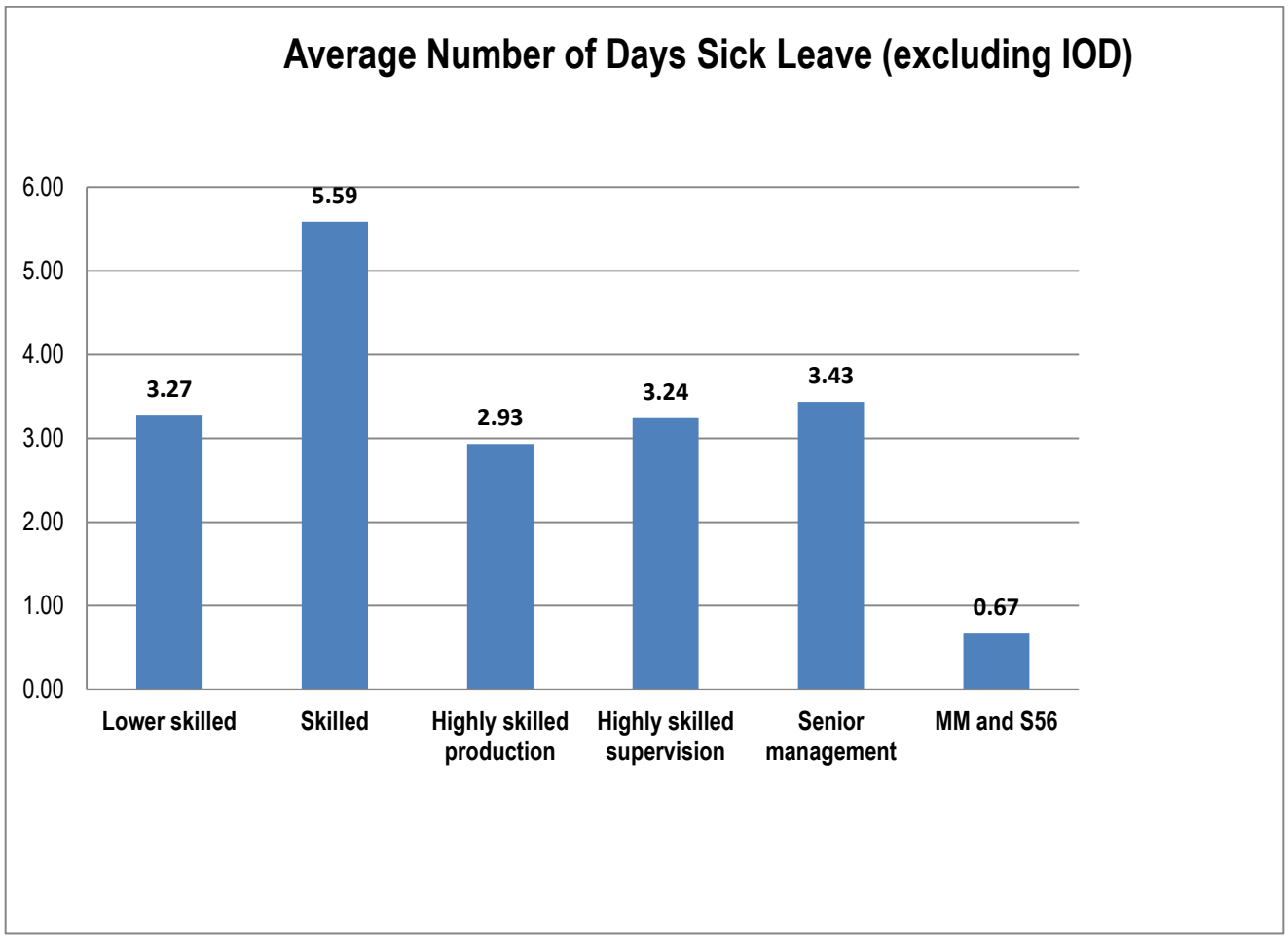


Figure 29: Average number of days' sick leave per employee cadre, excluding injuries on duty

The table below illustrates the number of days and Cost of Sick Leave (excluding injuries on duty)

Table 153: Number of days and Cost of Sick Leave (excluding injuries on duty)

Salary band	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	***Average sick leave per Employees**	**Estimated cost**
	Days	**%**	**No.**	**No.**	**Days**	**R' 000**
Lower skilled	31 189	13%	3 522	6 923	4,51	18 149
Skilled	31 966	16%	3 974	6 843	4,67	32 758
Highly skilled production	34 184	20%	5 694	10 781	3,17	53 925
Highly skilled supervision	6 459	20%	1 065	2 076	3,11	19 869
Senior management	2 295	18%	361	717	3,20	10 135
MM and S56	35	9%	7	20	1,75	311
Total	**106 127**	**16%**	**14 623**	**27 360**	**3,88**	**135 146**

The table below outlines the number and cost of injuries for municipal employees on duty for 2018/19

Table 154: Number and cost of injuries on duty

Type of injury	**Injury Leave Taken**	**Employees using injury leave**	**Proportion employees using sick leave**	**Average Injury Leave per employee**	**Total Estimated Cost**
	Days	**No.**	**%**	**Days**	**R'000**
Required basic medical attention only		3,385			10,000
Temporary total disablement		850			6,603

Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Permanent disablement		10			298
Fatal		5			Awards not yet issued by Compensation Commissioner
Total	**0**	**4250**		**0**	**16 901**

Note:

Due to the manual nature of the Leave Systems it is not possible for the Municipal Entities to provide the Injury on Duty leave. The information in the table above reflect the number of employees for whom injuries on duties were captured and the cost. The approximate cost was manually calculated by the Safety and Health Branch.

Disciplinary Action

Priority 5: Create an honest and transparent City that fights corruption.

The City endeavors to give effect to Priority five (5) of the IDP "Create an honest and transparent City that fights corruption". This is done in order to maintain discipline and harmonise employment through the adoption of Schedule 2 of the Municipal Systems Act (MSA) 32 of 2000 and Schedule 8 of the Labour Relations Act (LRA) 66 of 1995 as Disciplinary Codes and Policies that employees must observe as a standard of conduct in the workplace. The Disciplinary Procedure and Collective Agreement was concluded on 01 February 2018. A circular was issued to City Departments that all new disciplinary cases should be dealt with in terms of the new Disciplinary Procedure and Collective Agreement.

The above-mentioned legislative frameworks require of the City to follow a fair and reasonable process in instilling discipline to all employees.

Where an employee is a Municipal Manager or reports directly to a Municipal Manager, the Local Government Disciplinary Regulations for Senior Managers 2010 applies, which in many instances are similar to Schedule 2 of the MSA and Schedule 8 of the LRA.

The City strives to eradicate fraud and corruption. There is a focus on investigating alleged misconduct and the necessary disciplinary processes are followed where applicable. The status of disciplinary proceedings in the City Group is as follows:

Core Administration

At the beginning of the period under review 01 July 2018 to 30 June 2019, City Core Administration had two hundred and thirty six (236) pending disciplinary cases to be finalised. At the end of the period under review, 30 June 2019, City Core Administration had a total of one hundred forty-seven (147) pending disciplinary cases. During the period under the review there was a total of sixty-one (61) financial misconduct disciplinary cases. These cases are ongoing, and some hearings have been part-heard and some are pending finalization of investigations.

There were two (2) “Group” Disciplinary Hearings at Community Development, which were finalised, the charges emanated from investigations conducted by the CoJ Group Risk and Assurance Services (GRAS) and an external service provider. The first group of disciplinary cases involved twelve (12) employees, ten (10) of whom were dismissed and one (1) employee was issued with written warning. The second group involved four (4) employees and all four were found guilty and dismissed. The third group involved eight (8) employees from following departments: Economic Development, Group Finance, Group Legal & Contracts, GICT and EISD. The chairperson of the disciplinary hearing found all eight (8) employees guilty and subsequently they were all dismissed.

City Core Administration had one (1) disciplinary case involving a Section 56 Senior Manager. The afore-mentioned Section 56 Senior Manager was placed on precautionary suspension pending investigation into alleged misconduct. The investigation was finalised and subsequently the disciplinary hearing was conducted and concluded against the aforementioned Section 56 Manager. The chairperson of the disciplinary hearing found that the Section 56 Senior Manager guilty and subsequently the Section 56 Senior Manager was dismissed.

There were high-profile cases involving two (2) officials on the level of Group Head. The two (2) employees were placed on precautionary suspensions and were charged for acts of misconduct. One employee resigned as per a settlement agreement and the other employee’s disciplinary hearing was conducted and concluded. The employee was found guilty by the chairperson of the

disciplinary hearing and subsequently was dismissed.

There are disputes that involve senior managers which are sub adjudicate at statutory forums viz; South African Local Bargaining Council (SALGBC), Commission for Conciliation, Mediation and Arbitration (CCMA) and the Labour Court.

Other special cases involved four (4) employees from the Development Planning and GICT departments. The afore-mentioned employees were on different levels, Assistant Director (BCO), one (1) Manager, one (1) Director, and one (1) Deputy Director. The investigation was conducted by external forensic companies. The employees were charged for acts of misconduct; the disciplinary hearings have been conducted and concluded. Subsequently, they were all found guilty and dismissed.

Currently, City Core Administration does not have pending disciplinary cases of Section 56 Senior Managers.

There were disciplinary cases that were dealt by the Prosecution Unit which was established during quarter 2 of the period under review. It should be noted that during quarter 2 of the period under review, the Prosecution Unit only appointed one (1) Prosecutor and posts were y filled on 1 July 2019. During quarter 4, the Prosecution Unit dealt with a total of seventeen (17) disciplinary cases. The disciplinary cases were from the following departments: CRUM, Community Development, Sports & Recreation, GHCM, Housing, Transportation and JRA. All the seventeen (17) disciplinary cases were finalised within the 100-day timeframe. It should be noted that the newly established Prosecution Unit dealing with prosecutions/ presenting is yielding positive results, as indicated by the above figures. In terms of the percentage of finalised disciplinary cases within the 100 days, the Prosecution Unit achieved 100% as at the 4th quarter of the period under review.

A total of sixty-two (62) suspensions that were registered in the City Core Administration related to disciplinary cases pending investigations and ongoing disciplinary hearings.

Municipal Entities

The reporting below is confined to the high-level matters dealt with by the MEs and in this instance, there were two (2) disciplinary cases at Johannesburg Roads Agency involving the Managing Director and Head of Department: Planning. Both officials were placed on precautionary suspension pending investigation into alleged misconduct. The Head of Planning was placed on precautionary suspension effectively from 22 March 2019. However, the Head of Department: Planning resigned on 04 June 2019.

The Managing Director was placed on precautionary on 15 April 2019 pending investigation into alleged misconduct. Subsequently the investigation was finalised and the Managing Director was served with a charge sheet and notice of misconduct. A disciplinary hearing was scheduled for 30 and 31 October 2019. Disciplinary hearing is pending finalization.

The table below reflects the number and period of suspensions.

Table 155: Number and period of suspension

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Project Coordinator	Fraud	2017/06/08	Dismissal	2019/03/06
Clerk of Works	Fraud	2017/06/08	Dismissal	2019/05/30
Director Finance	Theft & Other	2017/12/11	Case closed - Mutual Separation Agreement	2018/11/30
Director Engineering Services	Theft & Other	2017/12/22	Case closed - Employee contract ended on 15/9/2018	2018/09/15
Project Coordinator	Gross Negligence Bringing the Council or Municipal Entities into disrepute.	2018/03/29	Dismissal	2019/02/28
Field Services Manager	Gross Negligence & Other	20f18/02/27	Arbitration Award Received, in favor of employee, Legal working on the review of the award.	
Electrician Maintenance	Bringing the Council or Municipal Entities into disrepute. Assault or threaten to assault another employee or member of public.	2018/05/09	Final Written Warning	2018/10/30
Stock Receiver	Bringing the Council or Municipal	2018/05/31	Final Written Warning	2018/09/05

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	Entities into disrepute. Assault or threaten to assault another employee or member of public.			
Stock Issuer	Bringing the Council or Municipal Entities into disrepute. Assault or threaten to assault another employee or member of public.	2018/05/31	Final Written Warning	2018/09/05
Manager: Talent Acquisition	Bringing the Council or Municipal Entities into disrepute. Maladministration.	2018/09/14	Written Warning & Transfer	2018/12/10
Cleaner	Assault or threaten to assault another employee or member of public.	2019/01/16	Employee charged. Disciplinary matter still ongoing	
Horticulture Operator	AWOL and Absenteeism	11/28/2018	Finalised	12/19/2018
Horticulture Operator	Insubordination or failure to obey a lawful instruction given by a person authorized to do so & assault or threaten to assault another employee or member of public.	2/20/2019	Discipline continuing	

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Horticulture Operator	Fraud	4/9/2019	Under Investigation	
Horticulture Operator	Sexual harassment	5/2/2019	Under Investigation	
Depot Manager	Alleged fraud	10/10/2016	Investigation in progress	
Manager: Recruitment and Selection	Alleged fraud & failure to fulfil obligations by disclosing information.	2/17/2017	Investigation in progress	
Acting Supervisor: RSD	Theft	3/22/2017	Investigation in progress	
Manager: Way leaves	Negligence	6/7/2018	Finalised. Dismissed	4/16/2019
Assistant Depot Manager	Alleged sexual harassment	5/22/2017	Finalised. Dismissed	4/15/2019
Ops Manager: Income and Assets	Offensive behaviour	6/6/2018	Finalised. Dismissed	9/17/2018
Depot Manager	Assault of colleague & irregular expenditure.	6/7/2018	Finalised. Dismissed	4/16/2019
Bookkeeper	Allegations of intimidation, refusal to take lawful instructions given and contravening the JRA Code of Ethics.	7/4/2018	Hearing in progress	
Bookkeeper	Allegations of intimidation, refusal to take lawful instructions given and contravening the JRA Code of Ethics.	7/4/2018	Hearing in progress	

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Supervisor	Allegations of assault	7/27/2018	Finalised. Final written warning	12/20/2018
Ops Manager: SCM	Irregular Expenditure	8/2/2018	Hearing in progress	
Manager: IT	Nepotism	8/2/2018	Finalised. Written warning	3/12/2019
Supervisor	Theft	10/19/2018	Investigation in progress	
Foreman	Theft	10/19/2018	Investigation in progress	
General Worker	Theft	10/19/2018	Investigation in progress	
Manager: RAMS	Unauthorized payment	10/12/2018	Resigned	12/31/2018
General worker	Recruitment fraud	11/12/2018	Investigation finalised. Allegations withdrawn.	5/9/2019
Plant operator	Misuse of JRA equipment	2/6/2019	Finalised. Acquitted	5/23/2019
HCD Officer	Misuse of JRA equipment	2/13/2019	Hearing in progress	
Manager Legal Services	Alleged gross negligence	2/27/2019	Finalised. Resigned	6/30/2019
HOD: Planning	Alleged corruption	3/22/2019	Finalised. Resigned	6/4/2019
Managing Director	Alleged corruption	4/15/2019	Hearing in progress	
General Worker	Incitement to strike	4/9/2019	Hearing in progress	
Personal Assistant	Incitement to strike	4/9/2019	Hearing in progress	
Inspector	Incitement to strike	4/9/2019	Hearing in progress	

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
General Worker	Incitement to strike	4/9/2019	Hearing in progress	
Area Supervisor	Incitement to strike	4/9/2019	Hearing in progress	
Maintenance Manager	Dishonesty	8/15/2016	The employee was found guilty and dismissed.	12/18/2018
Quantity surveyor	Dishonesty	3/1/2017	The disciplinary enquiry proceeded on the 10th May 2019 and the defense raised a point in imine. The chairperson adjourned the proceeding to make a ruling. The ruling is awaited.	
Asset clerk	Dishonesty	3/1/2017	The employee has been found guilty and dismissed.	12/18/2018
Cashier	Dishonesty	9/22/2017	The employee has been found guilty on the 20 September 2018. The chairperson has imposed a sanction of Final Written Warning plus transfer out of cashiering environment. She resumed her duties on the 1st December 2018	12/1/2018

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Core-Operations Executive	Dishonesty	6/4/2018	The employee has been found not guilty. The case is now closed.	9/22/2018
Senior Manager: Property	Dishonesty	6/11/2018	The employee has resigned from the employ of JM.	8/24/2018
Cashier	Dishonesty	9/17/2018	The outcome of dismissal was issued on the 18 December 2018.	12/18/2018
Security Officer	Misappropriation or abuse of Council or Municipal entity assets or properties	1/15/2019	The hearing was held on the 10 June 2019 and again on the 25 June 2019. The employee received a sanction of suspension without pay. The case is now closed.	6/25/2019
Procurement Manager	Dishonesty	3/13/2019	The company is in the process of appointing the service provider to conduct the investigation. The investigation is still in process.	

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Procurement Officer	Dishonesty	3/13/2019	The company is in the process of appointing the service provider to conduct the investigation. The investigation is still in process	
Forklift Driver	Assault or threaten to assault another employee or member of public.	4/17/2019	Placed on suspension and the company is in the process of drawing up charges of misconduct. The disciplinary enquiry proceeded on the 3rd June 2019 and could not conclude. The hearing was held on the 11 June 2019. We are now waiting for the outcome of the hearing.	
Foreman	Other	8/28/2018	Ongoing	
Superintendent	Other	8/30/2018	Ongoing	
Cashier	Theft	1/30/2018	Dismissed	2018/09/17
Senior Cashier	Theft	9/20/2018	Dismissed	2019/05/20
Management Acc	Theft	9/20/2018	Resigned	2019/04/30

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Cashier	Insubordination or failure to obey a lawful instruction given by a person authorized to do so.	10/12/2018	Ongoing	
Bus Operator	Insubordination or failure to obey a lawful instruction given by a person authorized to do so.	11/15/2018	Dismissed	2019/04/10
Bus Operator	Failure to fulfil statutory obligations	11/30/2018	Ongoing	
Bus Operator	Failure to fulfil statutory obligations	4/1/2019	Ongoing	
Procurement Officer	Insubordination or failure to obey a lawful instruction given by a person authorized to do so.	3/20/2019	Ongoing	
Supply Chain Manager	Fraud	2/1/2019	Ongoing	
Housing Supervisor	Fraud	8/17/2017	Ongoing	
Snr. Business Planning & Risk	Fraud	11/1/2018	Ongoing	
Financial Accountant	Fraud	11/1/2018	Ongoing	
General worker	Bringing the Council or Municipal Entities into disrepute.	10/23/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/23/2018	Finalised. Written Warning	2019/01/03

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
General worker	Bringing the Council or Municipal Entities into disrepute.	10/23/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/23/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/23/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/22/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/22/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/22/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/22/2018	Finalised. Written Warning	2019/01/03
General worker	Bringing the Council or Municipal Entities into disrepute.	10/22/2018	Finalised. Written Warning	2019/01/03
Regional Manager	Failure to fulfil statutory obligations.	5/20/2019	Investigation is still underway	
Manager: Property Portfolio	Contravention of the code of conduct	8/1/2017	Employee resigned	2018/08/24
Assistant Manager: Property Portfolio	Dishonesty and contravention of the code of conduct	8/1/2017	Case postponed	

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Assistant Manager: Cleaning & Security	Fraud	8/1/2017	Employee dismissed	2019/02/14
Deputy Director	Fraud & Dishonesty & Gross Negligence	2017.07.05	Finalised	2019.04.13
Manager	Fraud & Dishonesty & Gross Negligence	2017.07.05	Finalised	2019.04.13
Officer	Fraud & Dishonesty & Gross Negligence	2017.07.05	Finalised	2019.04.13
Personal Assistant	Fraud & Dishonesty & Gross Negligence	2017.07.05	Finalised	2019.04.13
Deputy Director	Fraud & Dishonesty & Gross Negligence	2017.07.05	Finalised	2019.04.13
Chief building inspector	Gross negligence	2/19/2018	Finalised	2019.05.01
Assistant Director	Fraud	4/1/2018	Finalised	2019.05.24
Chief building inspector	Gross negligence	2/19/2018	Finalised	2019.05.01
Admin officer	Fraud	2017.10.01	Disciplinary ongoing	
CRA	Fraud & corruption	2017.12.05	Finalised	27.06.2018
CRA	Fraud & corruption	2017.12.05	Finalised	27.06.2018
CRA	Fraud & corruption	2017.12.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
CRA	Fraud & corruption	2018.02.05	Finalised	27.06.2018
Group Head	Fraud	2018.05.14	Finalised	2018.10.23
Unit Head	Insubordination or failure to obey a lawful instruction given by a person authorised to do so.	2018.05.22	Finalised	2018.11.08
Snr Inspector	AWOL and absenteeism	2018.08.20	Disciplinary ongoing	
Deputy Director	Theft	2018.10.05	Finalised	2019.01.31
Chief of EMS	Theft	2018.08.20	Finalised	2019.01.28
Book Keeper	Dishonesty	2017.12.18	Investigation ongoing	
Deputy Director	Insubordination or failure to obey a lawful instruction given by a person authorised to do so.	2018.03.18	Investigation ongoing	

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
HR Officer	AWOL and absenteeism	2018.12.03	Investigation ongoing	
Director	AWOL and absenteeism	2019.03.13	Suspension uplifted	2019.04.01
Director	AWOL and absenteeism	2019.01.22	Suspension uplifted	2019.04.01
Director	AWOL and absenteeism	2019.03.14	Suspension uplifted	2019.04.1
GED:	AWOL and absenteeism	2019.03.18	Finalised	2019.04.24
Deputy Director	AWOL and absenteeism	2019.01.19	Suspension uplifted	2019.04.01
Deputy Director	Dishonesty	1/1/2018	Disciplinary ongoing	
Metro Police Officer	Dishonesty	2/12/2018	Disciplinary ongoing	
Metro Police Officer	Dishonesty	4/4/2018	Disciplinary ongoing	
Metro Police Officer	Dishonesty	8/28/2018	Disciplinary ongoing	
Metro Police Officer	Dishonesty	6/21/2018	Disciplinary ongoing	
Chief Superintendent	Dishonesty	8/22/2018	Disciplinary ongoing	
Chief Superintended	Dishonesty	9/7/2018	Disciplinary ongoing	
Superintended	Dishonesty	11/14/2018	Disciplinary ongoing	
Metro Police Officer	Dishonesty	9/14/2018	Disciplinary ongoing	
Metro Police Officer	Dishonesty	11/7/2018	Disciplinary ongoing	
Metro Police Officer	Dishonesty	10/5/2018	Disciplinary ongoing	
Director	Dishonesty	1/1/2019	Disciplinary ongoing	
Metro Police Officer	Dishonesty	2018.12.19	Disciplinary ongoing	
Metro Police Officer	Dishonesty	2018.12.19	Disciplinary ongoing	
Fire Fighter	AWOL and absenteeism	2019.01.18	Finalised	2019.06.01

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Fire Fighter	AWOL and absenteeism	2018.12.13	Finalised	2019.03.13
CRA	Fraud	11/1/2017	Disciplinary Hearing ongoing	
Director	Fraud	5/30/2018	Pending Investigation	
Ops Manager	Fraud	12/5/2017	Disciplinary Hearing ongoing	
CRA	Fraud	12/5/2017	Disciplinary Hearing ongoing	
CRA	Fraud	12/13/2018	Pending Investigation	
CRA	Fraud	11/1/2017	Disciplinary Hearing ongoing	
CRA	Fraud	12/5/2017	Disciplinary Hearing ongoing	
CRA	Fraud	12/13/2018	Pending Investigation	
CRA	Fraud	4/4/2019	Pending Investigation	

Table 156: Disciplinary action taken on cases of financial misconduct

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Suspended Y/N	Date Finalised
Project Coordinator	Fraud	Dismissal	Y	2019/03/06
Clerk of Works	Fraud	Dismissal	Y	2019/05/30
Manager Corporate Support	Corruption	Acquitted	N	2018/08/13
Supply Chain Coordinator	Corruption	Acquitted	N	2018/08/15
Manager Tendered Procurement	Corruption	Acquitted	N	2018/08/10
Horticulture Operator	Fraud	Under Investigation	Y	
Depot Manager	Alleged fraud	Investigation in progress	Y	
Manager: Recruitment and Selection	Alleged fraud	Investigation in progress	Y	
Depot Manager	Irregular Expenditure	Finalised. Dismissed	Y	4/16/2019
Ops Manager: SCM	Irregular Expenditure	Hearing in progress	Y	
Manager: RAMS	Unauthorised payment	Resigned	Y	12/31/2018
General worker	Recruitment fraud	Investigation Finalised. Allegations withdrawn.	Y	5/9/2019
HOD: Planning	Alleged corruption	Finalised. Resigned	Y	6/4/2019
Managing Director	Alleged corruption	Hearing in progress	Y	

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Suspended Y/N	Date Finalised
Admin officer	Alleged leave fraud	Matter in progress. Accused requested further consultation	N	
Supervisor	Allegations of fraud	Matter under investigation	N	
General worker	Fraudulent medical certificate	Finalised. Final written warning	N	12/11/2018
Supply Chain Manager	Fraud	Awaiting Disciplinary Hearing	Y	
Housing Supervisor	Fraud	Awaiting Verdict	Y	
Snr. Business Planning & Risk	Fraud	Awaiting Disciplinary Hearing	Y	
Financial Accountant	Fraud	Awaiting Disciplinary Hearing	Y	
Assistant Manager: Cleaning & Security	Fraud	Employee Dismissed	Y	2019/02/14
Project Manager	Financial Irregularities	Dismissed		
Project Manager	Financial Irregularities	Dismissed		
Project Manager	Financial Irregularities	Dismissed		
Project Manager	Financial Irregularities	Dismissed		
Project Manager	Financial Irregularities	Final Written Warning		
Ops Manager	Financial Irregularities	Dismissed		
Project Manager	Financial Irregularities	Dismissed		
Finance Officer	Financial Irregularities	Dismissed		
Assist to Executive Director	Financial Irregularities	Dismissed		
Deputy Director	Financial Irregularities	Dismissed		

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Suspended Y/N	Date Finalised
Deputy Director	Financial Irregularities	Dismissed		
Assistant Director	Financial Irregularities	Dismissed		
Assistant Director	Financial Irregularities	Dismissed		
Deputy Director	Financial Irregularities	Dismissed		
Deputy Director	Financial Irregularities	Dismissed		
Assistant Director	Financial Irregularities	Dismissed		
Coordinator Industry Relations	Financial Irregularities	Dismissed		
Deputy Director	Financial Irregularities	Dismissed		
Senior Legal Advisor	Financial Irregularities	Dismissed		
head of Department	Financial Irregularities	Dismissed		
Deputy Director	Financial Irregularities	Dismissed		
Manager	Financial Irregularities	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		
CRA	Fraud	Dismissed		

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Suspended Y/N	Date Finalised
CRA	Fraud	Dismissed		
Group Head	Dishonesty	Resigned		
GED	Dishonesty	Dismissed		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Suspended Y/N	Date Finalised
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Cashier	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		
Station Marshall	Fraud	Disciplinary ongoing		

CHAPTER 5: FINANCIAL PERFORMANCE

CHIEF FINANCIAL OFFICER'S REPORT

This report in essence highlights the City's financial position and financial performance for the year under review. The consolidated financial results herein presented are reflective of how the City's financial resources were utilised towards service delivery in all the departments (i.e. Core) and the municipal-owned entities (MEs). It therefore gives me great pleasure to present the Consolidated Group Annual Financial Statements for the year ended 30 June 2019.

These Annual Financial Statements were prepared in compliance with the provisions of the Generally Recognized Accounting Practice (GRAP), which is consistent with the prior year. The Annual Financial statements are attached as *Annexure A*.

Financial Overview

Despite the economically constrained environment the City has been operating under, the City has closed the year under review with a surplus of R6.9 billion compared to the R2.6 billion achieved in the 2018 financial year. The City has remained focussed on continuously strengthening its financial position whilst actively pursuing the achievement of its service delivery goals. Some of the key achievements include:

- Of the budgeted R8.1 billion, 91% was spent on capital investments in response to historical backlogs and to address most pressing service delivery needs. Capital investment is a key tool for improving service delivery and realizing transformational changes as articulated in the *Diphetogo* approach adopted in the City's Integrated Development Plan (IDP).
- The City's cash and cash equivalents at year-end amounted to R5.3 billion, a significant improvement from the R2.2 billion held at the end of 2018 financial year. Our focus has been, and remains, to build adequate cash reserves to fund service delivery programmes through a rigorous cash management strategy that enable agility in managing cash-flows.
- The challenging macro-economic environment continues to negatively impact on our customers' ability to pay for services. In the year under review, the City achieved a revenue collection rate of 89.2%. The City is committed to improving the customer experience throughout the revenue value chain and to this end, a number of interventions

have been put in place as part of an extensive revenue strategy adopted by management from the Revenue Strategy.

- The City has again achieved an unqualified audit opinion, as was the case in the previous financial year. This is a firm indication of the dedicated leadership, which drives governance, compliance and sound financial management. We continue to strive towards clean administration and the highest standards of corporate governance.

Global Credit Rating Co. (GCR) and Moody's recently completed their credit ratings reviews of the City of Johannesburg and the following was the outcome:

- GCR assigned the City with a long-term rating of $AA_{(ZA)}$, with the short-term rating at $A1+_{(ZA)}$ and a stable outlook.
- Moody's maintained the long-term issuer and debt ratings of $Baa3\ (Global\ scale, local\ currency)$ and $Aa1.za\ (National\ scale, local\ currency)$, whilst the short-term issuer ratings were assigned at $P-3\ (Global\ scale, local\ currency)$ and $P-1.za\ (National\ scale, local\ currency)$, whilst the outlook remains negative.

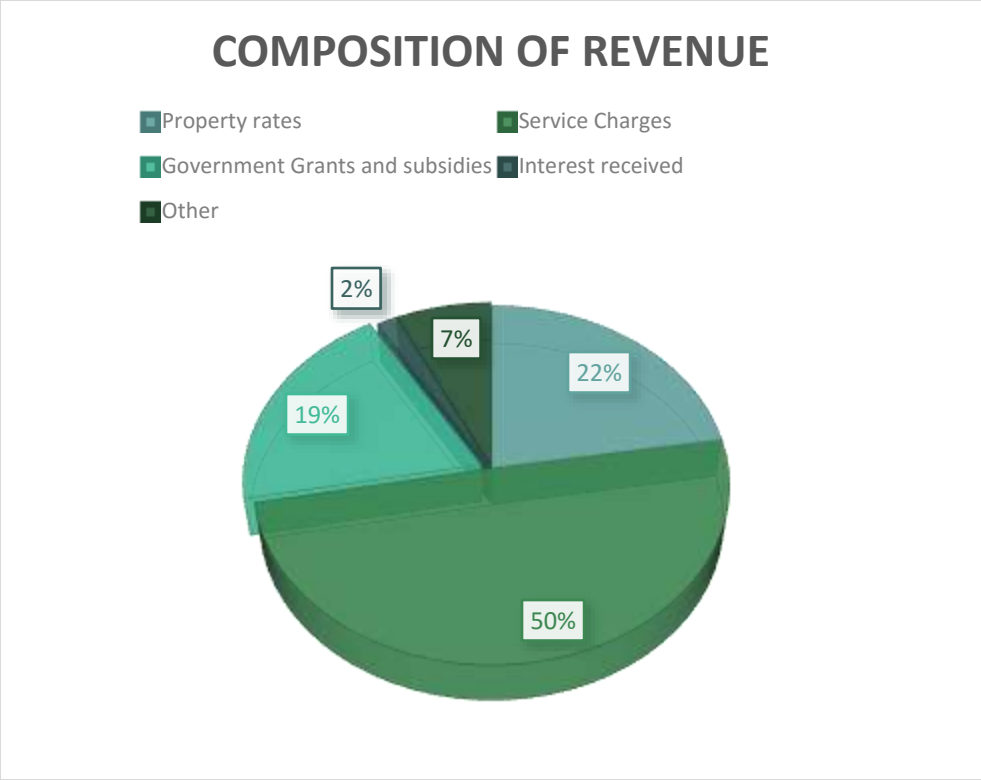
COMPONENT A: ANALYSIS OF THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR: 2018/19

5.3 Statement of Financial Performance

	Jun-19			Jun-18	2018-2019
	Actual	Budget	Variance	Actual	Growth
	R'000	R'000	%	R'000	%
REVENUE					
Property rates	12,372,032	11,123,704	11%	9,110,560	36%
Service Charges	27,466,609	30,488,077	-10%	24,824,006	11%
Government Grants and subsidies	10,743,565	11,254,518	-5%	9,782,283	10%
Interest received	839,864	330,200	154%	682,079	23%
Other	3,888,319	3,170,477	23%	3,083,368	26%
	55,310,389	**56,366,976**	**-2%**	**47,482,296**	**16%**
EXPENDITURE					
Employee related costs	12,829,832	13,327,194	-4%	10,840,728	18%
Allowance for impairments of current receivables	4,578,189	3,163,779	45%	3,379,992	35%
Depreciation and amortisation	3,186,446	4,012,891	-21%	3,132,794	2%
Finance Costs	2,434,266	2,413,286	1%	2,525,423	-4%
Bulk Purchases	16,535,145	16,933,558	-2%	15,173,013	9%
Other	8,874,033	11,266,175	-21%	9,747,932	-9%
	48,437,911	**51,116,883**	**-5%**	**44,799,882**	**8%**
Operating Surplus	**6,872,478**	**5,250,093**	**31%**	**2,682,414**	**156%**
Taxation	-10,198	24,893	-141%	67,962	-115%
NET SURPLUS / (DEFICIT) FOR THE YEAR	**6,882,676**	**5,225,200**	**32%**	**2,614,452**	**163%**

5.3.1 Revenue

Total revenue is under budget by 2%, however, there is a 16% increase when compared to 2018. The R55.3 billion revenue is mostly derived from service charges (water, electricity, refuse removal and sanitation), government grants and property rates respectively. The revenue composition remained unchanged when compared to the previous financial year with services charges and property rates accounting for 72% [2018: 72%] of the total revenue generated.



Government grants for the current year contribute 19% to total revenue, which is consistent with the prior year. Even though the city's capital budget increased in the financial year under review, the City has continued to be less reliant on grants. This was achieved through the Financial Development Plan initiatives, which have ensured continued generation of surpluses, which are a key component of the City's capital budget funding sources.

Analysis of Property Rates

	2019		2018	
	Actual R'000	%	Actual R'000	%
Property Rates Comprise				
Residential	4,588,623	37%	3,392,435	37%
Commercial	7,496,956	61%	5,530,872	61%
State	286,453	2%	187,253	2%
	12,372,032	**100%**	**9,110,560**	**100%**

The composition of property rates revenue has remained the same, with Commercial customers being the main contributors at 61%. The 36% (see table 5.3) year on year increase in total property rates revenue, is mainly attributable to an increased property value base following the

implementation of General Valuation Roll 2018 (GV2018) from 01 July 2018, in line with the Municipal Property Rates Act (MPRA).

Analysis of Service Charges

Service charge revenue average growth of 11% (See Table 5.3) is below the budgeted increases due to:

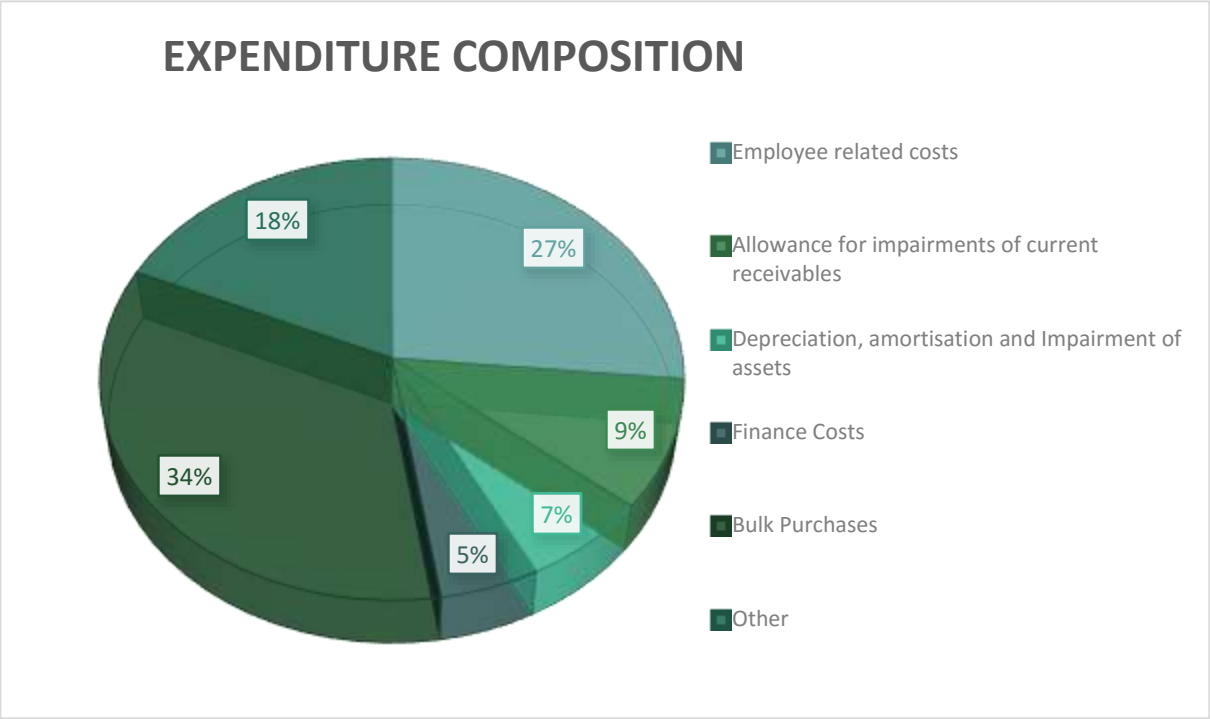
	2019		2018	
	Actual R'000	%	Actual R'000	%
Service Charges comprise				
Sale of electricity	14,076,466	51%	13,209,621	53%
Sale of water	7,043,361	26%	5,996,861	24%
Refuse removal	1,651,716	6%	1,441,113	6%
Sewerage and sanitation charges	4,115,362	15%	3,644,393	15%
Other services	579,705	2%	532,018	2%
	27,466,610	100%	**24,824,006**	**100%**

- Electricity – despite a pass through tariff increase of 7.17%, the entity was not able to realise planned improvements in management of non-technical losses, which increased from 23% to 25%.
- Water & Sanitation - Revenue billed increased by 15% mainly due to the 12.2% tariff increase as well as some volume increases.

As a result, the composition of service charges has slightly changed when compared to the previous year. Water revenue's contribution has increased by 2% from 24% in 2018, to 26% in 2019, while electricity revenue's contribution has declined by 2% from 53 % in 2018, to 51 % in 2019. Strategic interventions in the new financial year will focus on turning around the business of City power including management of non-technical losses.

5.3.2 Expenditure

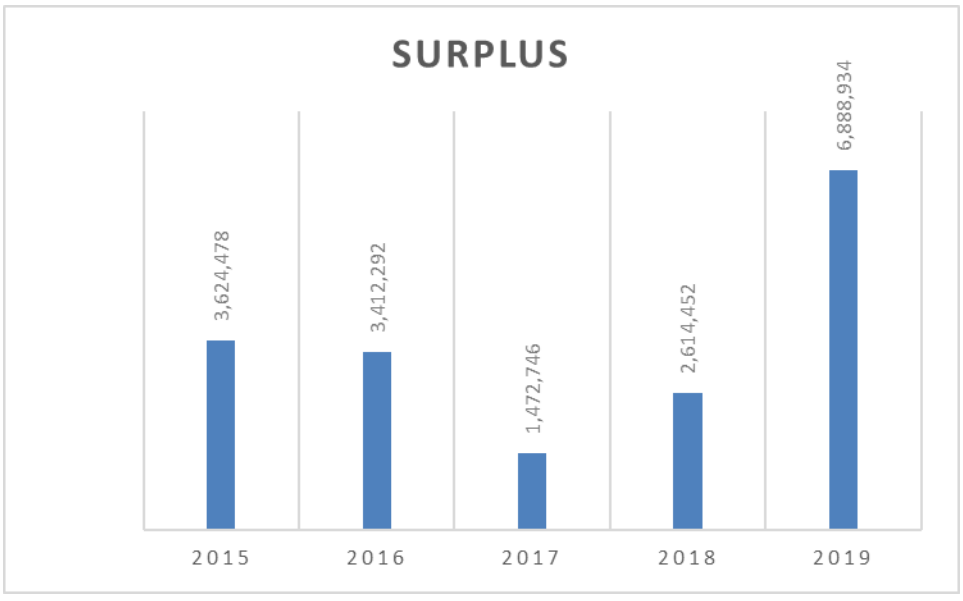
Operational expenditure increased by 8% to R48.4 billion. In the financial year under review, the City's major cost drivers were the bulk purchases, employee related cost and debt impairment, respectively.



The 18% increase in employee related cost is attributable to collective bargaining increase of 6.1% and implementation of phase 1 of security in-sourcing.

The 35% increase in allowance of impairments of receivables is mainly due to the collection level of 89.2% compared to budgeted 93%.

5.3.3 Annual Surplus Generated



Despite the challenging economic environment, the City was able to generate a net surplus of R6.9 billion. The achievement of a surplus is in line with the City's Financial Development Plan. The City commits its own funds generated through surpluses alongside investor funding and government grants in order to deliver its accelerated capital expenditure programme. The increase in the surplus in the year under review is a result of budget savings realized on some line items.

5.4 Statement of Financial Position

	Jun-19 Actual	Jun-18 Actual	2018-2019 Growth	%Of Total 2018	2017
Net Assets and Liabilities					
Net Assets	52,900,127	46,017,377	15%	55%	53%
Non-current liabilities	27,749,182	25,996,729	7%	29%	30%
Current liabilities	14,716,964	14,705,862	0%	15%	17%
	95,366,273	**86,719,968**	**10%**	**100%**	**100%**
Assets					
Non-current assets	79,565,863	75,506,668	5%	83%	87%
Current assets	15,800,410	11,213,300	41%	17%	13%
	95,366,273	**86,719,968**	**10%**	**100%**	**100%**

The Statement of Financial Position presented reflects a solid financial position of the City with total assets increasing by 10% to R95.4 billion, driven largely by annual capital expenditure in excess of R7.1 billion.

The City's net assets position has improved by 15% to R52.9 billion. The increase in net assets is attributable to the surplus generated during the year under review of R6.9 billion.

5.5 Consumer debtors

Net outstanding consumer debtors amounted to R6.3 billion as at 30 June 2019 [2018: R5.6 billion]. Electricity and water debtors account for 75% of the total net consumers debtors balance. This is in line with the revenue generated from these services. Total consumer debtors increased by 12% from the previous year, driven mostly by the disposable income pressures faced by consumers under the prevailing economic conditions as well as delays in settling property rates

while awaiting outcomes of objections and appeals. A portion of historical debtors which were previously impaired and assessed as non-recoverable or prescribed, were written off during the year under review.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The 2017/18 capital expenditure, as expressed by the additions capitalized in the current year amounted to R7.1 billion (91% of approved capital budget of R8.1 billion).

COMPONENT C: CASH FLOW MANAGEMENT

5.7. Financial Ratios

Ratio	Benchmark	2018/19
Current ratio	1.5:1 – 2:1	1.08:1
Solvency ratio	Above 2.1:1	2.1:1
Debt to Revenue	Below 45%	40%
Remuneration as % of total operating expenditure	25 – 40%	26%
Repairs & Maintenance as a % of PPE	Above 8%	4%
Capital cost (interest and redemption) as a % of total operating expenditure	6 – 8%	6%
Net Operating Surplus Margin	Above 0%	12%
Cash / Cost coverage (days)	1 – 3 months	43 days

The above ratios, which are closely monitored during the year, ensure that at all times the City remains focused on ensuring continued financial sustainability. All the ratios except for two, namely: *Repairs and Maintenance* as well as *Current Ratio* are within the set parameters.

5.8 Audit Opinion

The City is dedicated to achieving clean administration and achieved an Unqualified Audit Opinion once more at a Group level. The audit report is included in the annual report.

I am pleased to report that the following MOEs have achieved clean audits in 2018/19:

- Joburg City Theatres; and
- Johannesburg Development Agency (JDA).

While some entities that previously achieved clean audits have regressed, management is committed to improving audit outcomes in future through implementing mitigating measures and Operation Clean Audit Action plans to ensure that the matters reported on by the Auditor General are remedied.

5.9 Conclusion

I wish to express my earnest appreciation to the Executive Mayor, Councilors, Member of the Mayoral Committee responsible for Finance, Mayoral Committee, Section 79 Oversight Committees, Group Audit Committee, Group Performance Audit Committee, Group Risk Governance Committee, Municipal Manager, Chief Operations Officer, Executive Management Team, Boards of Directors, Oversight Committees, Managing Directors and Chief Financial Officers of Municipal Owned Entities and their teams, for the support they have provided during the 2018/19 financial year.

The hard work, sacrifices and collective efforts throughout the year, have ensured that the financial statements were produced and finalized within the set timelines.

While there still work to be done to improve the control environment and consequently the audit outcomes, I acknowledge the dedication of our teams in ensuring continuous improvements. We remain committed to strengthening the finances of the City, to improve the capacity to invest in development of our City. South Africa is faced with challenging economic times ahead with the prospect of decreased allocations to Local government from the national fiscus. Thus, it is imperative for the City to continue to strengthen its ability to self-fund whilst safeguarding ongoing financial sustainability.

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Manenzhe Manenzhe
Group Chief Financial Officer
City of Johannesburg Metropolitan Municipality

COMPONENT A: REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

Report on the audit of the consolidated and separate financial statements

Opinion

I have audited the consolidated and separate financial statements of the City of Johannesburg Metropolitan Municipality and its subsidiaries (the group) set out on pages xx to xx, which comprise the appropriation statement, the consolidated and separate statement of financial position as at 30 June 2019, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement, and statement of comparison of budget and actual amounts or the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the 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 the Division of Revenue Act, 2018 (Act No. 1 of 2018) (Dora).

Basis for opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.

I am I am independent of the group in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and, parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole and in forming my opinion, and I do not provide a separate opinion or conclusion on these matters.

Key audit matter	How the matter was addressed in the audit
Significant difficulties encountered in obtaining information requested for audit purpose	
In the engagement letter signed with the accounting officer it was agreed that requested information would be provided within three working days. In some cases, the municipality was unable to provide the requested documents within the agreed time. These significant difficulties had an adverse impact on the allocated time for audit execution and the evaluation of audit evidence. Accordingly,	To monitor the submission of documents in response to the request for information, a tracking mechanism was set up between the municipality and senior members of the audit team. Where information was not provided timeously, concerns were escalated to leadership at various platforms as follows:

the significant difficulties in providing requested information and the impact thereof, is considered a key audit matter.	Regular audit steering committee meetings were held to assess the significant difficulties encountered due to not obtaining the requested information. The impact on the financial statements was assessed and reported accordingly. Significant difficulties encountered in obtaining information were escalated to the accounting officer during the status of records review. Progress reports were submitted to the accounting officer on a regular basis. I am satisfied that all material outstanding information had been provided and sufficient time was available to assess and report where applicable.
Revenue recognition	
Revenue from service charges for water and electricity, as disclosed in note 34 to the consolidated and separate financial statements, was recognised based on actual meter readings or estimates of consumption. Revenue recognition for water service charges has been identified as a key audit matter due to significant judgement applied in calculating the estimations of the consumption used and the significant volume of transactions processed and	My procedures included the following: Understanding and evaluating the flow of information, the information technology (IT) system and the controls relating to the meter-reading process, the billing process and the systems interface process, which included involving my IT audit specialists. Identifying the significant risks associated with service billing and designing specific procedures to address the risks identified.

interfaced through a complex information system.	Performing substantive tests of detail using computer-assisted audit techniques by IT audit specialists on the water consumption billed to identify estimations used. Performing substantive tests of detail on a sample basis on the reasonability of estimation and meter-reading process. Performing procedures on the appropriateness of assumptions made by management in calculating the estimate to determine whether it is reasonable. I found that manual and IT controls were designed; however, these controls were not adequately implemented. I found that the significant judgements made by management in calculating the estimate were reasonable. My substantive procedures revealed that the extent of estimated readings was significant, resulting in material adjustment journals post year-end and amendments to the entity's annual financial statements. Thereafter, I were happy regarding the accounting for revenue.

Emphasis of matters

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

Restatement of corresponding figures

As disclosed in note 49 to the consolidated and separate financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors in the consolidated and separate financial statements of the municipality for the year ended 30 June 2019.

Material uncertainties

With reference to note 48 to the consolidated and separate financial statements, the municipality is a defendant in various lawsuits. The outcome of these matters cannot presently be determined and/or reliably measured; therefore, no provision for any liabilities that may result was been made in the financial statements.

Material Impairments

As disclosed in note 10 to the consolidated and separate financial statements, the consumer debtors balance has been impaired. The allowance for impairment of consumer debtors amounts to R20 365 747000 (2017-18: R16 052 473 000) which represents 76,36% (2017-18: 74,09%) of total consumer debtors. The contribution to allowance for impairment was R4 909 196 000 (2017-18: R3 156 030 000).

Material electricity losses

As disclosed in note 42 to the consolidated and separate financial statements, material electricity losses of R2 893 632 000 (2017-18: R2 508 683 000) was incurred, which represents 26,5% (2017-18: 24,2%) of total electricity purchased. Technical losses amounted to R1 029 319 000 (2017-18: R970 859 000) and was due to energy lost in the transportation of electricity from the point of supply to point of distribution through evaporation. Non-technical losses amounted to R1 864 313 000 (2016-17: R1 537 824 000) and were mainly due to theft and bypass of meters, illegal decalibration of meters, damaged meters and faulty voltage and current transformers, billing errors and customers without meters.

Other matter

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

Unaudited disclosure notes

In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the SA Standards of GRAP, and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these consolidated and separate financial statements.

A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected priorities presented in the annual performance report of the municipality for the year ended 30 June 2019:

Priorities	Pages in the annual performance report
Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021	x – x
Priority 2: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress	x – x
Priority 6: Create a city that responds to the citizens, customers, stakeholders and business	x – x
Priority 7: Enhance our financial sustainability	x – x
Priority 9: Preserve our resources for future generations	x – x

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The material findings in respect of the usefulness and reliability of the selected priorities are as follows:

Priority 2: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress

Percentage of qualifying residents receiving free basic services

I was unable to obtain sufficient appropriate audit evidence for the reported achievement for the target of 100%. This was due to limitations placed on the scope of my work as the complete listing supporting the performance reported was not submitted for audit. I was unable to confirm the reported achievement by alternative means.

Consequently, I was unable to determine whether any adjustments were required to the achievement of 81% as reported in the annual performance report.

Priority 7: Enhance our financial sustainability

Percentage resolution of billing queries as per the service level agreement

I was unable to obtain sufficient appropriate audit evidence to support the reported achievement for the target of 97,7%. This was due to limitations placed on the scope of my work as the necessary adjustments required were not made on the annual performance report. Furthermore, an inconsistent calculation was provided, resulting in the indicator not being verifiable. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 97% as reported in the annual performance report.

Percentage procurement spend on SMMEs

The achievement for the target of 5% reported in the annual performance report was 49%. However, the supporting evidence provided did not agree to the reported achievement and indicated a projected achievement of 1%.

I did not raise any material findings on the usefulness and reliability of the reported performance information for these priorities:

Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021

Priority 6: Create a City that responds to the needs of citizens, customers, stakeholders and businesses

Priority 9: Preserve our resources for future generations

Other matters

I draw attention to the matters below.

Achievement of planned targets

Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 23 to 25 of this report.

Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Priority 1: promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021; and Priority 6: create a city that responds to the citizens, customers, stakeholders and business. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Implementation of new rationalised set of indicators as per MFMA Circular 88 of 2017

MFMA Circular 88 of 2017, issued on 30 November 2017, on the rationalisation of planning and reporting requirements for the 2018-19 medium-term revenue and expenditure framework, aims to support the alignment of planning and reporting instruments for a prescribed set of performance indicators for metropolitan municipalities from the 2018-19 financial year onwards. The municipality did not include the common set of indicators in the integrated development plan and ‘top-layer’ service delivery and budget implementation plan for the 2018-19 planning and reporting cycle due to concerns raised with National Treasury on alignment of these indicators to the municipality’s environment and in order to entrench the indicators in the municipality’s standard monitoring tools.

Report on the audit of compliance with legislation

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of revenue; property, plant and equipment; and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Asset management

Capital assets were transferred without the municipal council having in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services, as required by section 14(2)(a) of the MFMA.

Expenditure management

Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Reasonable steps were not taken to prevent irregular expenditure amounting to R2 380 792 000, as disclosed in note 54 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with the Supply Chain Management (SCM) Regulation 32 and 36.

Reasonable steps were not taken to prevent unauthorised expenditure of R493 867 000, as disclosed in note 52 of the financial statements, in contravention of section

62(1)(d) of the MFMA. The majority of unauthoresed expenditure was caused by overspending on non-cash items – expenditure.

Revenue management

An effective system of internal control for debtors and revenue for the entities was not in place, as required by section 97(i) of the MFMA.

Procurement and contract management

Some of the goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

Some of the goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.

Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations. Some of the contracts and quotations were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of the 2017 preferential procurement regulation 4(1) and 4(2) of 2017.

Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.

The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA. Similar non-compliance was also reported in the prior year.

Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA section 112(j) and SCM regulation 44.

Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).

Consequence management

Some of the irregular expenditure and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and

those selected priorities presented in the annual performance report that have been specifically reported in this auditor's report.

My opinion on the consolidated and separate financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The municipality

did not have sufficient monitoring and reviewing controls to ensure that financial and performance reports submitted for auditing were accurate and complete and that action plans developed were adequately and timeously implemented.

Senior management lacked the necessary control disciplines over financial and performance reporting and compliance with key legislation. As a result, there were inadequate year-end reconciliations, a lack of review of reports and a lack of monitoring over proper control implementation. Furthermore, there was a lack of a proper record management system that could support the information reported in the consolidated and separate financial statements and the annual performance report. As a result, material errors and omissions in these reports were identified during the audit process.

Internal audit processes did not always identify internal control deficiencies and recommend appropriate corrective action effectively and timeously. This resulted in significant and recurring control deficiencies relating to the preparation of the consolidated and separate financial statements and annual performance reports and compliance with legislation.

Other reports

I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

A total of 1 173 cases of alleged irregularities relating to financial misconduct, fraudulent acts, theft and non-compliance were investigated during the financial year. The majority of these cases were investigated internally by the municipality's forensic department. All these investigations relate to irregularities identified prior to the 2018-19 financial year.

However, none of the irregularities that were identified in 2017-18 have been investigated.

Auditor - General

Johannesburg

31 December 2019

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

COMPONENT B: GROUP AUDIT COMMITTEE REPORT

We are pleased to present the Annual Audit Committee Report for City of Johannesburg Municipality for the financial year ended 30 June 2019. The Audit Committee is an independent statutory committee appointed by the Council. Duties performed by the committee are in line with the approved committee Terms of Reference as outlined in section 166 of the Municipal Finance Management Act.

Integrated Independent Oversight

The Audit committee is established as an independent oversight and advisory body, to advise CoJ, Municipal Council ("Council"), Executive Mayor and Mayoral Committee, Accounting Officer and the Management of CoJ on governance, risk management and internal controls.

The City, due to its size and complexity, established three different group advisory committees which collectively fulfil the role of an audit committee. These structures, jointly referred to as the "Audit Committee" are: Group Audit Committee (GAC), Group Risk Governance Committee (GRGC) and Group Performance Audit Committee (GPAC). The chairpersons of the three Group Advisory structures report, on a quarterly bassis, on matters within the scope of their structures to the Council via the Mayoral Committee and Municipal Public Accounts Committee (MPAC). To strengthen integration and continuous feedback, a dual membership system has been adopted. Two members from each group advisory structures represent their structure at the other structure sittings to enable report back.

Audit Committee Responsibility

The committee reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act, Act 56 of 2003 as amended, and Treasury Regulation 3.1. The committee also reports that it has adopted appropriate formal terms of reference as its

charter, has regulated its affairs during the period under review in accordance with these terms of reference and has discharged all its responsibilities as contained therein.

Audit Committee Members and Attendance

The Audit Committee consisted of an average of fifteen independent members during 2018/19 financial year with each group advisory structure commencing the reporting period with four members and closing with six members following a review of committee membership by the City. These members, appointed into the three group advisory structures collectively have sufficient qualifications and experience to fulfil their duties. The management team, representatives from the internal auditors and external auditors were standing invitees to the committee meetings. The committee also met with the external auditors and internal auditors, without management being present. The internal and external auditors have unrestricted access to the committee.

The table below lists membership of the committee as well as meeting attendance per group advisory structure:

Group Audit Committee (GAC)

Member Name	Appointment Date	End of Term	Meetings attended
Ms Nalini Maharaj (Chairperson)*	17 Apr 2019	31 Mar 2020	Zero (0)**
Mr Nala Mhlongo (Former Chairperson)	01 Apr 2015	31 Mar 2019	6/6
Mr Zola Fihlani	01 Apr 2017	31 Mar 2019	6/6
Mr Sathie Gounden	17 Apr 2019	31 Mar 2020	Zero (0)**
Ms Karen Muthen (Cross member)	01 Apr 2017	31 Mar 2020	5/6
Mr Lazola Lufefe Mfenyana (Cross member)	17 Apr 2019	31 Mar 2020	Zero (0)**
Mr Malusi William Shezi.	17 Apr 2019	31 Mar 2020	Zero (0)**
Mr Tumi Ramonotsi (Cross Member)	17 Apr 2019	31 Mar 2020	Zero (0)**
Mr Richard Newby	01 Apr 2017	31 Mar 2019	4/6
Mr Norman Baloyi (Cross member)	01 Apr 2018	31 Mar 2019	6/6

**Appointed as GAC Chairperson on 17 April 2019*

***No meetings were scheduled since appointment until 30 June 2019*

Group Risk Governance Committee (GRGC)

Member	Appointment Date	End of term	Meetings attended
Reginald Thomas Haman (Chairperson)*	01 Apr 2014	31 Mar 2020	3/3

Member	Appointment Date	End of term	Meetings attended
Tumi Ramonotsi (Cross Member)	17 Apr 2019	31 Mar 2020	Zero (0)**
Glory Lindiwe Maqubela	17 Apr 2019	31 Mar 2020	Zero (0)**
Nare Thupana.	17 Apr 2019	31 Mar 2020	Zero (0)**
Lazola Lufefe Mfenyana (Cross Member)	17 Apr 2019	31 Mar 2020	Zero (0)**
Shelmadene Petzer (Cross Member)	17 Apr 2019	31 Mar 2020	Zero (0)**
Adrian Schofield	01 Apr 2017	31 Mar 2019	3/3
Khumo Shongwe	01 Apr 2017	31 Mar 2019	3/3
Zola Fihlani	01 Apr 2018	31 Mar 2019	3/3
Bheki Dladla	01 Apr 2018	31 Mar 2019	2/3

**Appointed as GRGC Chairperson on 17 April 2019*

***No meetings were scheduled since appointment until 30 June 2019*

Group Performance Audit Committee (GPAC)

Member Name	Appointment Date	End of Term	Meetings attended
Ayanda Phikolomzi Wakaba (Chairperson)	01 Apr 2018	31 Mar 2020	7/7*
Shelmadene Petzer (Cross Member)	17 Apr 2019	31 Mar 2020	2/2**
Moganambal Karen Muthen (Cross Member)	1 Apr 2018	31 Mar 2020	7/7
Phathutshedzo Lukhwareni	17 Apr 2019	31 Mar 2020	2/2**
Malusi William Shezi (Cross Member)	17 Apr 2019	31 Mar 2020	1/2**
Gloria Lindiwe Maqubela	17 Apr 2019	31 Mar 2020	None**
Griffiths Zabala	01 Apr 2013	31 Mar 2019	4/5
Bheki Dladla	01 Apr 2018	31 Mar 2019	4/5
Norman Baloyi	01 Apr 2018	31 Mar 2019	4/5
Adrian Schofield	01 Apr 2018	31 Mar 2019	4/5

**Reappointed as GPAC Chairperson on 17 April 2019*

***Two meetings were scheduled since appointment until 30 June 2019*

Effectiveness of internal control

The committee has observed that the overall control environment of the City has not improved during the year under review as compared to the previous financial year. A key contributor for the lack of improvement was prevalence of vacancies in critical positions. It is noted that the

resolution of audit findings for both the AGSA and Internal Audit unit is not adequately attended to. The committee has also noted a number of findings relating to non - compliance with the Supply Chain Management processes. The consistently high level of Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW) remains a matter of concern to the committee. The committee raised concerns relating to cash lost in transit from from Rea Vaya stations, the high risk of embezzlement of bus fare at Metro-Bus, Pikitup commercial collection losses, as well as water and electricity losses including prepaid electricity losses.

Internal Audit

The committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate scope coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

Internal audit work conducted during the year included assignments on financial control process reviews, SCM compliance reviews, an assessment of IT processes and security, and a review of performance management information. Findings raised by Internal Audit and AGSA during the 2018/19 financial year are followed up with Management as part of the 2019/20 approved audit coverage plan. Progress is in this regard is reported to the committee on a quarterly basis.

Information and Communication Technology (ICT) Governance

The committee has reviewed the ICT governance framework of the City as well as reports on ICT operations. Significant improvements are required particularly in the area of cyber security. The crippling cyber attacks on the City's ICT system experienced subsequent to the reporting period are evidence of the continued rise of this risk. The City also needs to continue with investments in system integration as there remains a number of non-integrated systems across City departments and entities.

Performance Information

The committee reviews quarterly performance reports prepared by management as well as performance information review reports developed by Internal Audit. The reliability and usefulness of performance information is a concern to the committee. The committee further noted a concern relating to Key Performance Indicator (KPI) owners' not adequately complying with the developed performance information KPI Standard Operating Procedures (SOPs), thus exposing the City to reporting shortfalls and reputational damage. The committee is also concerned about the adequacy of the reporting validation procedures applied by the City on performance reporting relating to service level performance indicators. Lastly, the committee remains concerned about the level of performance achieved in the 2018/19 financial year. Management's effort in bolstering performance and performance information management was noted, however, prolonged vacancies in critical positions were an impediment.

Risk Management

The committee noted progress on the City's risk assessment, risk analysis as well as results of risk monitoring and mitigation actions and/or risk treatment plans on the City-wide top strategic risks, departmental and municipal entities top five strategic risks, projects and contract risks updates.

However, the committee remains concerned with lack of progress made on the implementation of the Disaster Recovery Plan and the Business Continuity Plan. The City is yet to finalise its risk appetite and tolerance framework. On compliance management, the committee expressed its concern on the number of departments that are non-compliant. The committee has noted with concern that the position of the Chief Risk Officer (CRO) remains vacant despite repeated assurances by management that the position will be filled.

Group Combined Assurance

The committee is concerned about the slow implementation and embedding of the Combined Assurance Framework by the entities and has encouraged the Group Risk and Assurance Services to step-up the implementation process.

Implementation of Corrective Actions

Group Internal Audit conducted continuous follow-up audit on previous reported audit findings to give reasonable assurance that committed actions plans are adequately and effectively addressing the root causes of the identified control deficiencies. The committee notes and appreciates the establishment of Operation Clean Audit (OPCA) Steering Committee chaired by the City Manager Office, which sit monthly to monitor and hold accountable the respective HOD on the resolution of both internal and external audit findings.

Implementation of Consequence Management

The committee is concerned with consequence management particularly relating to matters of non-compliance with legislation, fraud and corruption. While the City has established in-house capacity to investigate alleged transgressions, the pace of the implementation of the disciplinary action and/or prosecution thereof remains a concern. Exacerbating the situation are capacity gaps in the justice system evidenced by the slow or lack of progress in criminal prosecutions.

Municipal Regulations on a Standard Chart of Accounts (MSCOA) Implementation

The committee is concerned with the implementation of MSCOA as the City is behind schedule. This matter shall continue to receive the attention of the committee.

Evaluation of Financial Statements

The committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;

- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Noted and reviewed the AGSA's assessment of the usefulness and reliability of performance information examined
- Reviewed the Municipality's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the view that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Auditor-General South Africa

The committee confirms that it has met with the AGSA and that there are no unresolved issues.

Nalini Maharaj

Chairperson of the Group Audit Committee

Date: 14 January 2020

COMPONENT C: RISK ASSURANCE

Enterprise Risk Management (ERM)

The GRGC considered and approved the following frameworks, which were successfully implemented by the management with the purpose to ensure that risks are being managed and mitigated to an acceptable level:

- Group Risk Management Implementation Plan for the 2017/18 financial year;
- Annual review of the CoJ ERM Risk Governance Framework, Policy;
- Roll-out of the revised ERM Risk Governance Framework;
- Annual City-wide Strategic Risk Assessment against the Strategic objectives and Mayoral Priorities Register Review;

- Conduct annual Strategic Risk Assessments (departments and entities); and
- Project and Contracts Risk Assessments.

However, the development of Business Continuity Management remains an area which was not achieved. The Project and Contracts Risk Assessments were done, but there were challenges with risk monitoring due to a lack of capacity.

The GRGC noted progress on the City's risk assessment, risk analysis as well as results of risk monitoring and mitigation actions and/or risk treatment plans on the City-wide top risks, and summaries of departments and municipal entities' strategic top 5 risks and project risks updates.

The progress on risk management is reported to the GRGC on a quarterly basis. The committee remains concerned with lack of progress made on the implementation of the Disaster Recovery Plan and the Business Continuity Plan, which remains a high-risk area for the City.

The Citywide Top Strategic Risks 2018/19

The City uses a risk matrix to guide the priority levels for each risk as outlined below:

IMPACT						
	5 Critical	Low	Moderate 10	High 15	Very high 20	Very high 25
	4 Major	Low	Moderate 8	High 12	High 16	Very high 20
	3 Moderate	Low 3	Moderate 6	Moderate 9	High 12	High 15
	2 Minor	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
	1 Rare	Low 1	Low 2	Low 3	Low 4	Low 5
LIKELIHOOD		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain

Filling of the Chief Risk Officer (CRO) position

The committee has noted with concern that the position of the CRO remains vacant despite repeated assurances by management that the position will be filled. The committee was previously informed that the position of Chief Risk Officer was being filled, but this did not materialise. Subsequently, the position was re-advertised and is in the process of being finalised.