



**CITY OF JOHANNESBURG**

**DRAFT INTEGRATED ANNUAL REPORT**

**2019/20**

## TABLE OF CONTENTS

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY .....	1
COMPONENT A: MAYOR’S FOREWORD .....	1
COMPONENT B: EXECUTIVE SUMMARY .....	5
<b>1.1. CITY MANAGER’S OVERVIEW</b> .....	5
1.1.1 <i>Minimising the Impact of the Covid-19 Pandemic</i> .....	6
1.1.2 <i>Safeguarding the Financial Sustainability of the City</i> .....	6
1.1.3 <i>Promoting Good Governance</i> .....	7
1.1.4 <i>Ensuring Economic Development and Job-Intensive Economic Growth</i> .....	8
1.1.5 <i>Creating Integrated Human Settlements and Infrastructure for Sustainable Service Delivery</i> .....	9
<b>1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW</b> .....	1
1.2.1 <i>The City’s strategic direction</i> .....	1
1.2.2 <i>Socio-Economic Overview of Johannesburg: A Growing City</i> .....	3
1.2.4 <i>Unemployment</i> .....	6
1.2.5 <i>Structure of Johannesburg Economy</i> .....	6
1.2.6 <i>Poverty and Inequality</i> .....	7
1.2.7 <i>Service Delivery Overview</i> .....	9
<b>1.3. FINANCIAL HEALTH OVERVIEW</b> .....	15
<b>1.4. STATUTORY ANNUAL REPORT PROCESS</b> .....	16
CHAPTER 2 – GOVERNANCE .....	25
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE .....	25
<b>2.1 POLITICAL GOVERNANCE</b> .....	25
<b>2.2 ADMINISTRATIVE GOVERNANCE</b> .....	29
COMPONENT B: INTERGOVERNMENTAL RELATIONS .....	48
<b>2.3 INTERGOVERNMENTAL RELATIONS</b> .....	48
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION .....	49
<b>2.4 PUBLIC MEETINGS</b> .....	49
<b>2.5 IDP PARTICIPATION AND ALIGNMENT</b> .....	65
COMPONENT D: CORPORATE GOVERNANCE .....	66
<b>2.6 RISK MANAGEMENT</b> .....	66
<b>2.7 GROUP INFORMATION AND COMMUNICATION TECHNOLOGY</b> .....	69

<i>GCTO Strategy Alignment</i> .....	72
<b>2.8 GROUP FORENSIC AND INVESTIGATION SERVICES</b> .....	99
<b>2.8 SUPPLY CHAIN MANAGEMENT</b> .....	103
<b>2.9 BY-LAWS</b> .....	106
<b>2.10 WEBSITES</b> .....	110
<b>2.11PUBLIC SATISFACTION ON MUNICIPAL SERVICES</b> .....	113
<b>CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)</b> .....	119
<b>3.1 Basic Services Provision</b> .....	119
<b>3.1.1Johannesburg Water: Water and Sanitation</b> .....	119
<b>3.1.2 Pickitup</b> .....	136
<b>3.1.3 City Power</b> .....	153
<b>3.1.4 Housing and Social Housing Services</b> .....	173
<b>3.1.4.1 Housing Department</b> .....	175
<b>3.1.4.2 Johannesburg Social Housing Company</b> .....	192
<b>3.1.5 Free Basic Services And Indigent Support</b> .....	198
<b>COMPONENT B: ROAD TRANSPORT</b> .....	204
<b>Comment on overall performance</b> .....	216
<b>3.3 Department Of Transport (Including Metrobus and Rea Vaya)</b> .....	218
<b>COMPONENT C: DEVELOPMENT PLANNING</b> .....	240
<b>3.6 Department of Economic Development</b> .....	256
<b>3.7 Joburg Market</b> .....	294
<b>Joburg Property Company</b> .....	300
<b>COMPONENT D: COMMUNITY &amp; SOCIAL SERVICES</b> .....	316
<b>3.8 Community Development</b> .....	316
<b>3.9 Johannesburg City Parks and Zoo</b> .....	328
<b>COMPONENT E: ENVIRONMENTAL AND INFRASTRUCTURE SERVICES DEVELOPMENT (EISD)</b> .....	345
<b>3.10Environmental and Infrastructure Services Development (EISD)</b> .....	345
<b>COMPONENT F: HEALTH</b> .....	367

3.11 Department of Health .....	367
<b>COMPONENT G: PUBLIC SAFETY AND SECURITY .....</b>	<b>373</b>
3.12 Public Safety .....	373
3.12.1 Johannesburg Metropolitan Police Department.....	373
3.12.2 Licensing .....	383
3.12.3 Emergency Management Services .....	387
<b>COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES .....</b>	<b>395</b>
3.15 The Office of the Ombudsman .....	395
3.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES .....	396
<b>COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD .....</b>	<b>412</b>
CHAPTER 4: ORGANISATIONAL <b>DEVELOPMENT</b> PERFORMANCE .....	430
<b>Group Human Capital Management Strategic Priorities .....</b>	<b>431</b>
<b>Regulatory Compliance, Policy and Planning.....</b>	<b>431</b>
<b>Group Human Capital Management Functional Areas .....</b>	<b>436</b>
<b>Employee Relations .....</b>	<b>440</b>
<b><i>Employee Development</i> .....</b>	<b>444</b>
<b><i>Employee Focused Initiatives</i> .....</b>	<b>444</b>
<b><i>Subsidised Education</i> .....</b>	<b>445</b>
<b><i>Competency Development Interventions and Programmes</i> .....</b>	<b>445</b>
<b><i>Skills Audit</i> .....</b>	<b>446</b>
<b><i>Workplace Skills Plan</i> .....</b>	<b>450</b>
<b><i>Skills Development Expenditure</i> .....</b>	<b>452</b>
<b><i>External Outreach Programmes</i> .....</b>	<b>457</b>
<b>Talent Acquisition, Remuneration, Performance and Transformation .....</b>	<b>461</b>
<b><i>Rewards and Recognition</i> .....</b>	<b>461</b>
<b><i>Remuneration</i> .....</b>	<b>462</b>
<b><i>Job Evaluation</i>.....</b>	<b>463</b>



<b>Benefits and Allowances .....</b>	<b>464</b>
<b>Talent Acquisition .....</b>	<b>464</b>
<b>Employment Equity and Transformation .....</b>	<b>464</b>
<b>Performance Management .....</b>	<b>470</b>
<b>Field and Transactional Shared Services .....</b>	<b>472</b>
a) Field Shared Services .....	472
b) Transactional Shared Services .....	473
a) Vacancy rate .....	474
<b>Municipal Employee Expenditure .....</b>	<b>487</b>
<b>Disciplinary Action Table (Linked to Employee Relations Tables).....</b>	<b>494</b>
<b>City Group Number and Period of Suspension .....</b>	<b>496</b>
<b>Summary of Disciplinary Cases within Core Departments of the City .....</b>	<b>502</b>
<b>Disciplinary Action Financial Misconduct in the City .....</b>	<b>513</b>
<b>Disciplinary Action Financial Misconduct.....</b>	<b>513</b>
 CHAPTER 5: Statement of financial performance.....	 522
<b>INTRODUCTION .....</b>	<b>522</b>
<b>Overview .....</b>	<b>522</b>
The 2019/20 Financial year ushered new priorities for the City emanating from the Government of Local Unity (GLU), namely: .....	522
<b>Financial overview.....</b>	<b>523</b>
 CHAPTER 6: auditor general's reports .....	 532
<b>Report of the auditor-general to the Gauteng Provincial Legislature and the council on the City of Johannesburg Metropolitan Municipality .....</b>	<b>546</b>
<b>Report on the audit of the consolidated and separate financial statements .....</b>	<b>546</b>
<b>Opinion .....</b>	<b>546</b>
<b>Basis for opinion .....</b>	<b>546</b>
<b>Key audit matters.....</b>	<b>547</b>
<b>Emphasis of matters.....</b>	<b>547</b>

Other matters .....	548
Responsibilities of the accounting officer for the financial statements .....	548
Auditor-general's responsibilities for the audit of the financial statements.....	549
<b>Report on the audit of the annual performance report .....</b>	<b>549</b>
Introduction and scope .....	549
Other matters .....	550
<b>Implementation of new rationalised set of indicators as per MFMA Circular 88 of 2017 .....</b>	<b>551</b>
<b>Report on the audit of compliance with legislation .....</b>	<b>551</b>
Introduction and scope .....	551
<b>Other information .....</b>	<b>553</b>
<b>Internal control deficiencies .....</b>	<b>553</b>
<b>Material irregularity .....</b>	<b>554</b>
Material irregularity in progress .....	554
<b>Other reports .....</b>	<b>554</b>
<b>Annexure – Auditor-general's responsibility for the audit .....</b>	<b>556</b>
Financial statements.....	556
Communication with those charged with governance .....	557

## LIST OF ABBREVIATIONS

AET	Adult Education and Training
AFS	Annual Financial Statement
AG	Auditor-General
AGSA	Auditor-General of South Africa
ANC	African National Congress
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
COPE	Congress of the People
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 Recognised 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
IFP	Inkatha Freedom Party
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
PA	Progressive Alliance
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
VUCA	Volatility, Uncertainty, Complexity, and Ambiguity
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 2019/20 Integrated Annual Report is available on the City's website: [www.joburg.org.za](http://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 2019 to 30 June 2020. The Integrated Report will be considered by the Council in March 2021.

### 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 Mr Takalani Mmbara (e-mail: [Takalanim@joburg.org.za](mailto:Takalanim@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 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### **Executive Mayor’s foreword**

In December 2019 five months into the 2019/20 financial year, the Government of Local Unity, comprising of the following political parties: African National Congress (ANC); Inkatha Freedom Party (IFP); African Independent Congress (AIC), Congress of the People (COPE), Patriotic Alliance (PA), United Democratic Movement (UDM); and Al Jama-ah entered into a collation government. In one of its first actions, this new leadership restored the Council approved Growth and Developmental Strategy (GDS) 2040. In 2011, through our intensive consultative process, the City and its people adopted a Growth and Developmental Strategy (GDS) that reflected the aspirations of a world Class African City that is liveable, sustainable and resilient.



It is almost a decade since we committed ourselves to building a promising future for the community of Johannesburg. This commitment has become even more pertinent in the current crisis where the Coronavirus pandemic has thrust new challenges that demands us to become resilient. The COVID-19 pandemic has created profound disruptions to our economy and society. Nowhere is the economic and social impact of Covid-19 more pronounced than in our cities and largest towns.

For the year under review 2019/20 , the Services Delivery and Implementation Plan (SDBIP) was adopted by Council presenting the 11 GLU adopted Strategic Priorities and 10 Programmes that were set to guide programme implementation of the City. Below are the priority we adopted and implemented in the 6 months of in office:

1. Economic development,
2. Sustainable Environment Development,
3. Job opportunity and creation,
4. Smart City
5. Sustainable service delivery

6. Integrated human settlements
7. Safer City
8. Financial sustainability
9. Good governance
10. Active and engaged citizenry
11. Minimising the impact of COVID-19

In reflecting on our performance for the 2019/20 financial year, I'd like to highlight some notable service delivery improvements amidst complex challenges:

Scaled up efforts and re-channelling of resources in provision of water and sanitation became central in the fight against pandemic. A total of 1.47 million (98.4%) households in the city have access to services through yard connection in formalised areas and through communal standpipes within a maximum walking distance of 200 metres in informal settlements. The City has been successful in decreasing the water backlog (represented by the number of households which do not have piped water within 200 metres of their dwelling) over time. A total of 1.36 million (92.7%) of all households in the city of Johannesburg have access to sanitation through individual sewer connection to properties in formalised areas and at basic level through VIPs and ablution blocks in informal settlements. The sanitation backlog (number of households without hygienic toilets) has been steadily decreasing in the past 10 years, in 2018 there were 113 899 households with no access to basic level of sanitation which is reduced to 109 065 in 2019. An exceptional 9 959 new households were provided access to basic water at minimum LoS1 in informal settlements. 2 735 new households in informal settlements were provided access to basic sanitation at minimum LoS1.

In the financial year 2019/20, amidst the of COVID-19 pandemic, the City increased the provision of water tanks and chemical toilets in the informal settlement to address the pandemic in the majority of households (both formal and informal.) 2 029 subsidised complete housing units, and more than 300 social and affordable housing units were developed for underprivileged residents across the city and over 1000, housing units were

repaired. This includes hostels, flats and senior homes; and More than 2000 title deeds were transferred to residents. In 2019/2020, JOSHCO delivered in total of 330 units.

In the year under review, Pikitup has provided weekly refuse removal services to approximately 1 476 566 formal households, (Level of service LoS-1), serviced and maintained 211 recognised informal settlement areas at multiple days a week with 14 094 tons of waste generated. These areas consist of 168 300 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. Pikitup disposed 1 299 353 tons of waste compared to 1 101 080 in the previous year representing an 18% increase. Monthly clean-up campaigns such as KleenaJoburg, in partnership with key stakeholders, were implemented across the City's seven regions; and 60 illegal dumping spots were eradicated. A total of 11 502 wheelie bins were distributed to formalised areas.

Given this performance, the City plans to continuously deliver on its mandate in the medium term, informed by socio-economic context, existing state of development and backlogs as well as the requirements of the residents of the city. In order to exploit opportunities and take on challenges of its socio-economic environment, the City has firmed up its strategic intent. We further restate our commitment to tackle the major challenges of urbanisation and migration, globalisation, economic development and job creation, service delivery, poverty and urban renewal with a sense of commitment and determination.

In doing so, we continue to:

- Implement our spatial justice framework;
- Democratize access to shelter;
- Empower our citizens to become innovators;
- Bridge the digital divide;
- Democratize the quality of services; and

- Build confidence in a safe city,
- Create safe business district and safe neighbourhood.

The City has again achieved an Unqualified Audit Opinion, as was the case in the previous financial years. We therefore continue to strive towards a clean administration and the highest standards of corporate governance.

We will demonstrate our ability to transform the socio-economic conditions of the people we serve, as an indication of our commitment and collective effort to build a world class African city. It gives me pleasure to present the Integrated Annual Report for 2019/20 Financial Year to the citizens of City of Johannesburg.

**Geoffrey Makhubo**

**Executive Mayor**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. CITY MANAGER'S OVERVIEW

During 2019/20, the City of Johannesburg confronted several unexpected changes. The unprecedented COVID-19 pandemic, an external shock, continues to affect all aspects of our lives. Internally, the City negotiated a change in administration mid-way through the financial year. In December 2019, the Government of Local Unity was formed, which necessitated the need for a review of the City's development priorities. The administration and the executive worked in unison to ensure that the City's trajectory is one which aligns to the long-term aspirations for Johannesburg, and simultaneously responds to current challenges facing the City's citizens.



The City renewed and doubled down on its commitment to the Growth and Development Strategy (GDS) Joburg 2040. This aspirational document continues to guide the City's developmental imperatives over the long term. It outlines the type of society and City that we all aspire to as citizens. The strategy boldly states the City's commitment to confront and reverse the past injustices whilst exploiting present and future opportunities to enhance the quality of life of the City's residents and build a more sustainable and resilient city for all.

In 2019/20, under tight fiscal constraints and growing expectations, we aimed to strengthen the City's response to addressing the most pressing needs of our residents:

1. the provision of sustainable human settlements (as well as hostels, flats, etc),
2. the delivery of sustainable services, infrastructure repairs, sound urban management and enhanced public safety – including social safety such as health care, food security, and measures to protect and continue serving our citizens while minimising the spread of Covid-19.

### *1.1.1 Minimising the Impact of the Covid-19 Pandemic*

In response to the COVID-19 pandemic, the 79 clinics within the City were equipped with personal protective equipment and personnel were briefed on how to manage and handle cases of COVID-19 in line with the national and provincial guidelines and protocols. On 4 June 2020, a total of 1,823,136 people had been screened with 57,753 tests undertaken in collaboration with Gauteng Health at various Public Healthcare facilities (PHC), community outreach sites, and hospitals across Johannesburg.

Clinical teams were deployed to support the elderly and vulnerable persons through-out the City, including assisting the tracking and tracing efforts; while ward-level hotspots were identified, and specific and targeted community interventions put in place to minimise the risk of a significant outbreak in these areas. As of 30 July, a total of 126,896 food parcels have been distributed to indigent households and referral beneficiaries; while 14 shelters across the City have helped to accommodate displaced and/or homeless residents with a total occupancy rate of 965.

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Emergency infrastructure was deployed to informal settlements to respond to the crisis and improve health hygiene. This included delivering 1,081 water tanks to 137 informal settlements and constructing 204 stationary tank stands in informal areas of Ivory Park, Ennerdale and Soweto. 1,452 toilets have been delivered to 61 informal settlements, 8 recreational areas and 5 malls, and the servicing of chemical toilets was increased from twice a week to three times a week. Similarly, Pikitup increased from two to three shifts to ensure that the frequency of waste collection is twice per week in high density areas. The Department of Transport with JMPD and City parks and Zoos have worked to ensure safety precautions and compliance with social distancing to prevent the spread of the coronavirus and save lives.

### *1.1.2 Safeguarding the Financial Sustainability of the City*

We are currently experiencing the deepest economic recession since the Great Depression. The COVID-19 pandemic has necessitated a redirection of government focus, finance, spending and actions toward emergency preparations. Massive job losses and financial pressures have negatively impacted many of the City's residents and business. This

manifested as a collection short fall in the latter part of the financial year, from April to June 2020 during hard lockdown. As a response, the City has facilitated financial relief measures to support customers including the suspension of interest charges, future tariffs relief and the entering into of active payment arrangements with over 100 000 customers. Despite these serious difficulties, the City's current debt to revenue ratio remains sound, below the 45% benchmark prescribed by National Treasury, but with very limited room to increase borrowing. The City will intensify its priority to drive financial stabilisation and long-term financial sustainability for the City. The City is in the process of developing an integrated economic and financial recovery plan to stabilise revenue collection across the City. This includes ensuring minimal revenue leakage and that billed revenue translates to cash collected; more effective use of the City's balance sheet; better accountability regarding the implementation of financial controls; and identifying new revenue streams.

### *1.1.3 Promoting Good Governance*

Good governance requires a responsive, accountable, efficient and productive metropolitan government. As part of its long-term vision, the City is committed to creating a high-performing metropolitan government that proactively contributes to and builds an inclusive, resilient and sustainable Gauteng City Region (GCR). This entails sustained engagement with various stakeholders and partners – across different spheres of government, together with business and the private sectors, and between citizens and the City. Particularly in the 'new normal,' high levels of partnerships and co-development are required to tackle our developmental challenges collectively. It is also imperative that the City be a capable and agile institution, underpinned by ethical culture.

The City's GFIS team works to identify any areas of mismanagement and maladministration with the objective of creating an honest and transparent City. This financial year, more than half of all fraud, corruption, theft and maladministration cases investigated by GFIS were resolved. This priority also focuses on professionalising local government to ensure that citizens' experience with the City is that of quality and care. Over the past four years, the City has engaged in a comprehensive skills audit of employees. The main purpose of which is to identify the current, as well as the required, skills set for the City and implement targeted

development interventions to address any skill gaps. In 2019/20 the audit of level 7 and 8 operations managers, officers and artisans was conducted.

While the covid-19 pandemic and social distancing regulations did affect the City's front-line capacity, we have had innovative, agile and responsive solutions. These have included promoting online submissions for IDP consultation, as well as for land use management and building management applications. Accounts are now delivered straight to into our customer's hand via SMS, and the initiation of dedicated, regionalised email accounts has helped to streamline billing queries. In 2019/20, we enhanced our efforts to encourage an active and engaged citizenry and exceeded our target for number of public meetings, monthly engagements, and Mayoral Imbizos encouraging meaning participation among citizens in our communities.

#### *1.1.4 Ensuring Economic Development and Job-Intensive Economic Growth*

In order to stabilise the economy and encourage inclusive, job-intensive economic growth, the City is committed to leveraging and supporting Small, Medium and Micro Enterprises (SMMEs). To promote economic empowerment and transformation through the structuring and procurement of JDA developments, JDA policy reserves a percentage of the value of all construction contracts for local SMMEs. Over the past financial year,

1. More than 16 000 SMMEs benefitted from doing business with the CoJ. 12,060 work opportunities were created through the Expanded Public Works programmes (EPWP) city-wide;
2. 202 youth were trained in artisan related skills development programmes; and
3. The City was able to exceed its target in respect to investment attracted through business facilitation. R27.340 billion Rands of investment was facilitation in 2019/20. This figure is more than R10 billion above the previous financial year of R17.29 billion. As part of our recovery measures, the City is committed to enhance Wifi capacity throughout the city thus enabling more people from all walks of life to access economic opportunities and overcome the digital divide. At the same time the City will increase its support to informal entrepreneurs. We will also strive to develop productive township economies and promote local manufacturing and the revitalisation of industrial parks in partnership with National Treasury and Gauteng Provincial Government.

### *1.1.5 Creating Integrated Human Settlements and Infrastructure for Sustainable Service Delivery*

Housing remains one of the City's biggest challenges. It is likely that the City will face increasing pressure in this regard, as more people come to Johannesburg in search of economic opportunities in the wake of economic stresses brought about by the pandemic.

This year,

1. 2 029 subsidised housing units were complete, and more than 300 social and affordable housing units were developed for underprivileged residents across the city;
2. Over 1000, more than double the target, of housing units were repaired. This includes hostels, flats and senior homes; and
3. More than 2000 title deeds were transferred to residents, and an additional 2068 title deeds will be issued in the next financial year.

The City will focus investment on the repair and maintenance of infrastructure, and ensure that backlogs and deficiencies in engineering and social infrastructure in the most deprived areas of the City are prioritized to create more sustainable and liveable settlements with improved quality of life for residents. To this effect,

1. an exceptional 9 959 new households were provided access to basic water at minimum LoS1 in informal settlements. 3688 new households in informal settlements were provided access to basic sanitation at minimum LoS1. 2000 structures in informal settlements were provided with access to electricity;
2. 100% of all City recognised informal settlements were provided with integrated waste management services; and
3. The Department of Social development has worked to ensure that over 9000 people living and working on the street received social services, while 30 000 low-income households benefitted from Expanded social package (free basic services) this year.

In conclusion, let me thank the people of Johannesburg for their steadfastness during this time of crisis. I extend my thanks to the Executive Mayor, Members of the Mayoral Committee and other political leadership, the Speaker of Council, Section 79 Committees and the City's Advisory Committees for their guidance and deliberative action over the past financial year.

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 efforts to maintain effective service delivery and continue to serve the people of Johannesburg. Special thanks go out to all front-line service staff, and especially our health care professions, who courageously put the well-being of others ahead of themselves. 2019/20 has been an unprecedented year marked with unforeseeable challenges, I thank each one of you for rising to the occasion and working together to ensure that we collectively make Joburg a resilience, sustainable and liveable city for all.



**Dr Ndivhoniswani Lukhwareni**

**City Manager**

Dr Ndivhoniswani Lukhwareni

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## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 *The City's strategic direction*

The City has developed aligned strategic plans that respond to its outcomes and vision in addressing its challenges. These are:

- A long-term plan in the form of the Growth and Development Strategy (GDS);
- A medium-term plan i.e. the City's five-year Integrated Development Plan (IDP); and,
- Short-term plans which are contained in the annual Service Delivery and Budget Implementation Plan (SDBIP) and in the annual business plans of departments and municipal entities.

The long-term strategy identifies four key outcomes for the city:

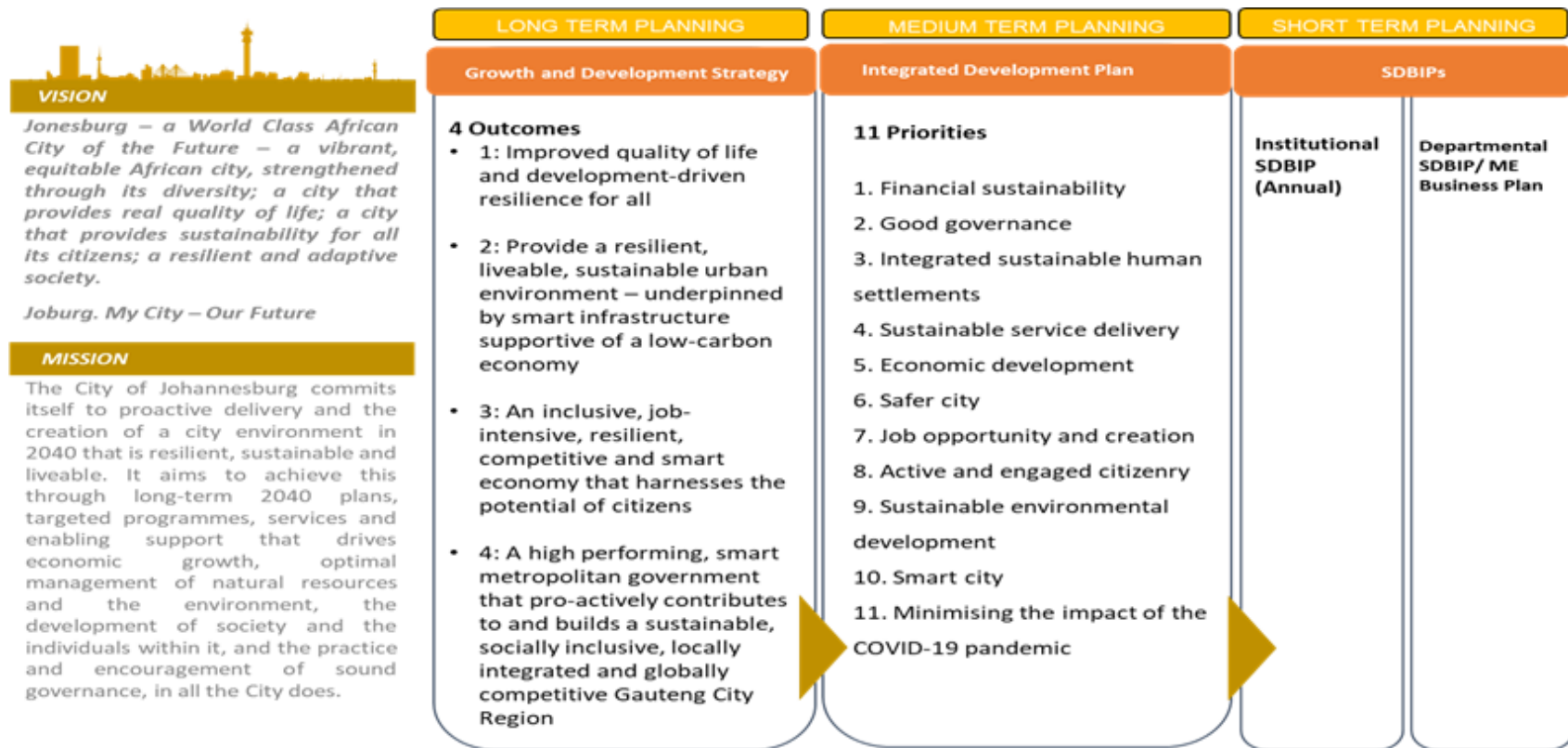
- Outcome 1: Improved quality of life and development-driven resilience for all.
- Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low-carbon economy.
- Outcome 3: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.
- Outcome 4: A high performing, smart metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.

In addition, several strategic priorities were identified as key for this term of office. These are detailed in Table 2 below.

**Table 2: CoJ Strategic Priorities**

MAYORAL PRIORITIES JULY - NOV 2019	MAYORAL PRIORITIES DEC '19 – JUNE 2020
1. Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.	i. Financial sustainability
2. Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.	2. Good governance
3. Create a culture of enhanced service delivery with pride.	3. Integrated sustainable human settlements
4. Create a sense of security through improved public safety.	4. Sustainable service delivery
5. Create an honest and transparent City that fights corruption.	5. Economic development
6. Create a City that responds to the needs of citizens, customers, stakeholders and businesses.	6. Safer city
7. Enhance our financial sustainability.	7. Job opportunity and creation,
8. Encourage innovation and efficiency through the Smart City programme.	8. Active and engaged citizenry
9. Preserve our resources for future generations.	9. Sustainable environmental development
	10. Smart city
	11. Minimising the impact of the COVID-19 pandemic

*CoJ Strategic Priorities*



**Figure 1: CoJ Aligned Strategic Planning**

### *1.2.2 Socio-Economic Overview of Johannesburg: A Growing City*

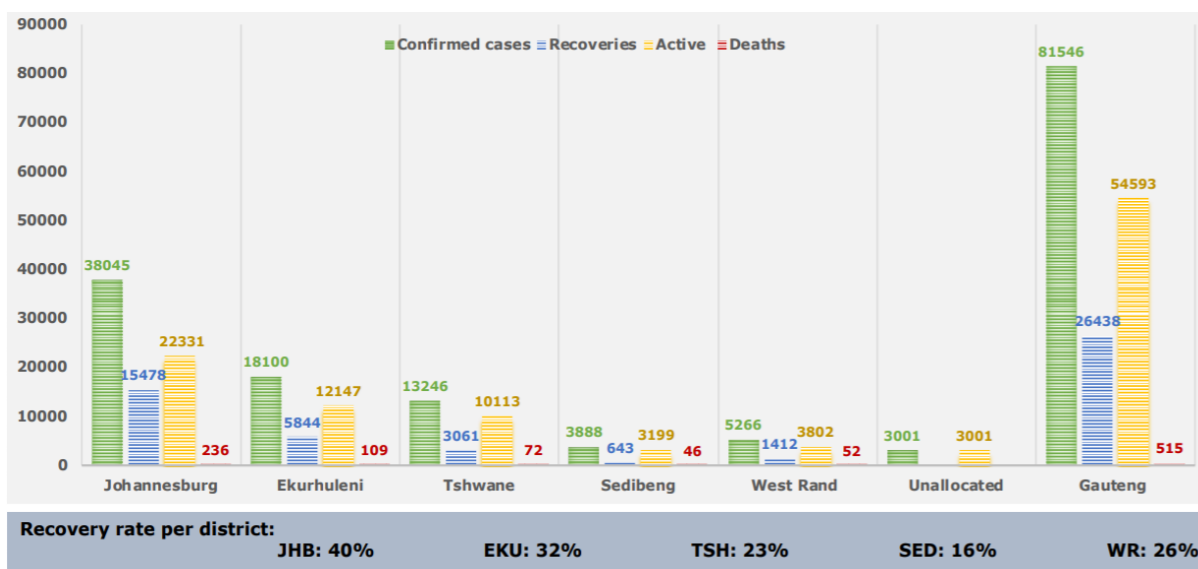
Johannesburg is a vibrant and culturally rich city, but one that struggles with the typical challenges associated with developing countries. The rapid urbanisation experienced by many cities in the developing world means that faster population growth rates often contribute to large-scale urban poverty, housing shortages, infrastructure backlogs and environmental degradation.

Furthermore, the recent outbreak of the coronavirus has presented the city with additional challenges that have exacerbated the socio-economic hardships in the city's most vulnerable communities. In March 2020, South Africa commenced a nationwide lockdown in an effort to contain the spread of the corona virus. Subsequently, various directives were issued to guide the different spheres of government in fulfilling their mandates in responding to the pandemic and minimising its impact.

Gradually, the economy opened up through a risk adjusted strategy with different alert levels announced. Since the easing of many of the lockdown restrictions in June 2020, however, the rates of new infections have soared. In Gauteng alone, the number of confirmed positive cases increased from 409 pre-lockdown to 81 546 in a period of 3 months (GPG, 2020). Within the province, Johannesburg had the highest rates of infection (38 045). However, it also had the highest recovery rate in relation to the other districts.

#### **Gauteng COVID-19: Regional breakdown of positive, recovered, active and deaths as at 9 July 2020**

The pandemic has brought to the fore the correlation between issues of health and poverty; and highlighted how public health and the economy are tightly interconnected. The City must therefore gear itself to ensure that whilst it responds to the pandemic and cushioning the blow, it also investigates avenues that will strengthen socio-economic inclusion and improve the livelihoods of its residents during this period and beyond. The City recognises these challenges and is committed addressing them. To do this expediently, it is necessary to first understand the City's context.



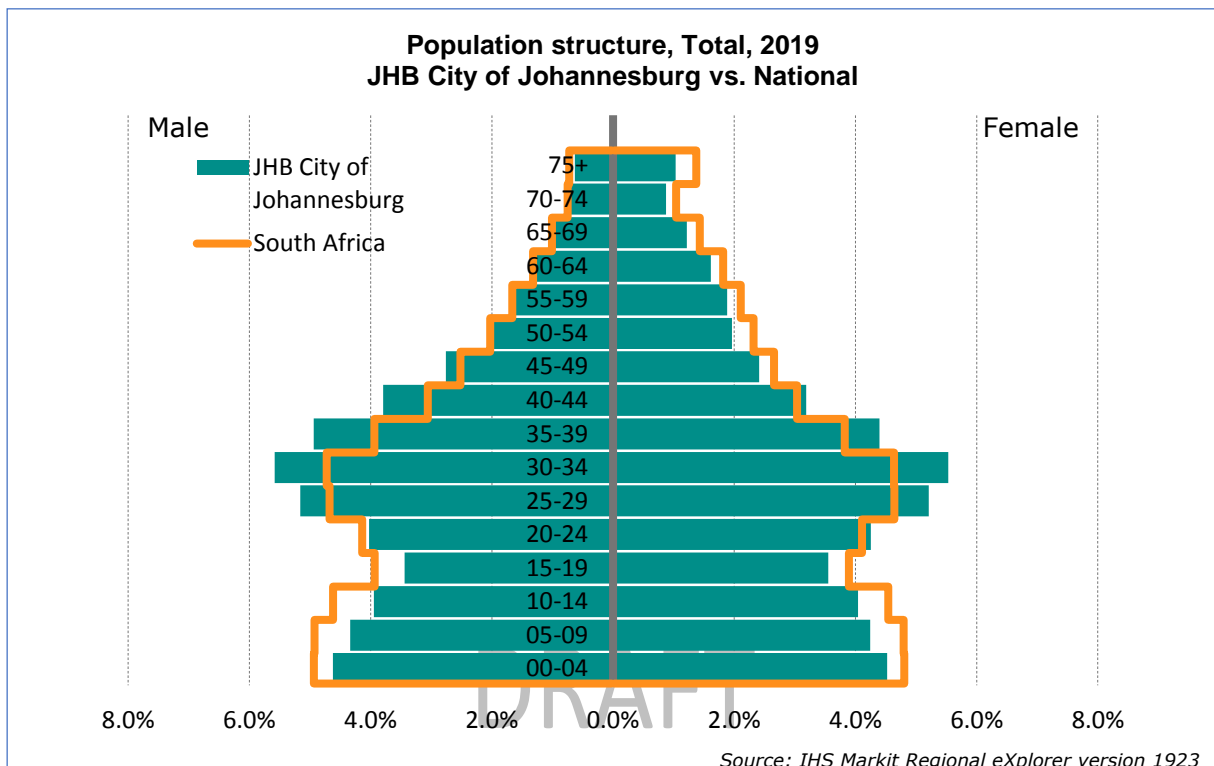
**Figure 1: Gauteng COVID-19: Regional breakdown of positive, recovered, active and deaths as at 9 Julv 2020 (Source**

### 1.2.3 Demographics and Population

Johannesburg is home to about 4.4 million people, making it the biggest metro by population size in South Africa (Stats SA, 2019). The metro also prides itself as the economic and financial hub of the country. The influx of migration has contributed to Johannesburg's population growth rate averaging 3% over the past 10 years. This is double that of the national average, with Johannesburg's population doubling since 1996. Between 1996 and 2017, the percentage of South Africans living in urban areas increased from 55.1% to 65.9%. It is estimated that Johannesburg's population could reach 5.3 million by 2021 partly due to migration and urbanisation. This requires sufficient plans for the City to deal with the challenges of an increasing city population.

In 2019, the city housed 9.76% 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 3 below). Relative to the national population, Johannesburg has a significantly larger share of the working age population between 25 and 49 years old, however there has been a decrease in number of females between the age of 45 and 49 years old in 2019. 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 3: Age structure of CoJ population**

Between 2009 and 2019 Johannesburg's population grew at an average of 3.29% per annum which is double the growth rate of South Africa as a whole (1.52%). The number of households is growing at an even faster rate than that of the population. There are around 1 850 035 households in Johannesburg (Stats SA, 2019). 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.

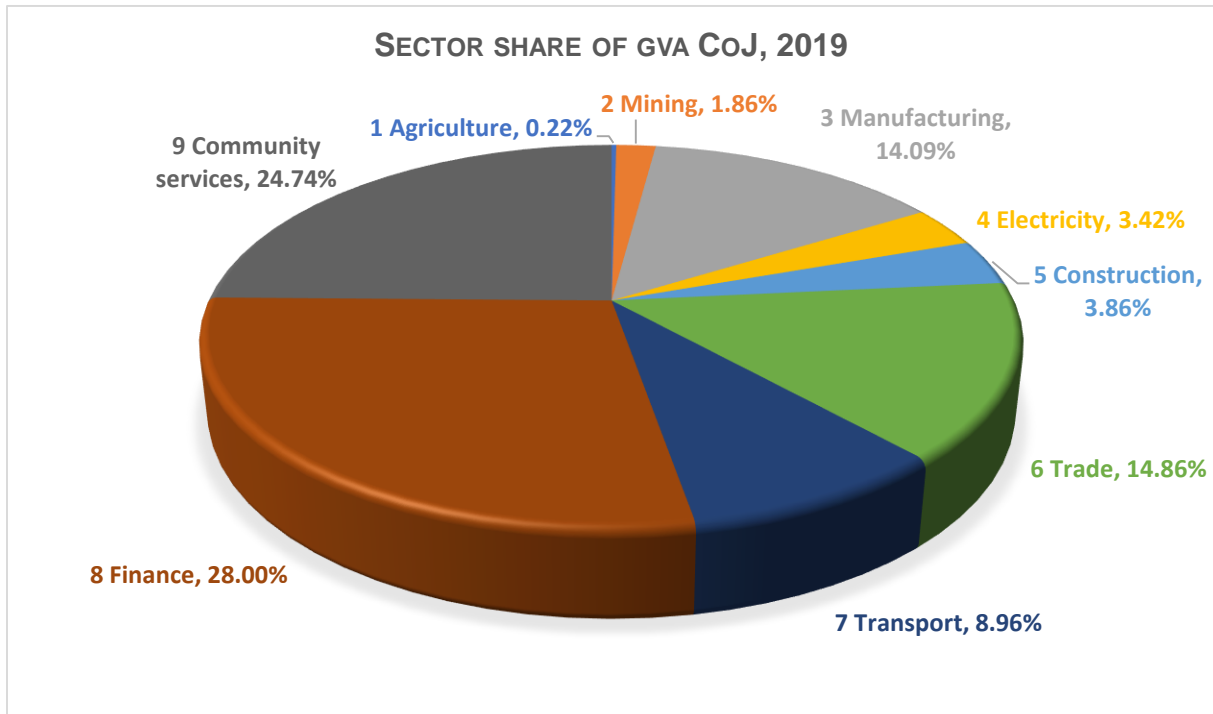


#### *1.2.4 Unemployment*

The negative side of a fast growing, young population is that unemployment in the city has increased by 2.4% since the first quarter of 2019 to the first quarter of 2020. In May 2019, the Quarterly Labour Force Survey (QLFS) indicated that the overall, unemployment rate, using the narrow definition was 29.8%. The unemployment rate for the CoJ increased to 32.7% in May 2020. 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%). The second largest contributor is the community services sector which includes government services, at 24.7%, followed by the trade sector and manufacturing sector which account for 14.9% and 14.1% respectively. See Figure 4.



**Figure 2: Sector share of GVA CoJ, 2019 (Source: IHS Markit Regional Explorer version 1923 (2020))**

Agriculture and mining contribute the least to the city's GVA. It is anticipated that mining will be the slowest growing sector with negative annual growth rate of -0.85%. The finance sector is estimated to remain the largest sector growing at an average annual rate of 2.67%. The Johannesburg economy therefore needs to be well placed and smart to capitalise on business, information and communication technologies. The City of Johannesburg contributes 15.5% of the Gross Domestic Product (GDP) of South Africa. Formal employment accounts for 81.1% of total employment figures in the city. The informal sector account for 18.9% of total employment. Over the past decade, employment through the informal sector has seen an average growth rate of 6%.

#### 1.2.6 Poverty and Inequality

In 2019, the City of Johannesburg had a Human Development Index (HDI) of 0.72 which is better than that of South Africa (0.66). 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.

Despite the improvement in the HDI, Johannesburg continues to struggle with high levels of inequality, poverty, social exclusion and underdevelopment. In 2019, about 33% of the city's population lived in poverty<sup>1</sup>. Furthermore, inequality within the city remains very high. This is illustrated by the gini coefficient, a measure on income inequality, which is currently at 0.62, whereas the global average is between 0.3 and 0.4<sup>2</sup>. Some improvement in the inequality levels in the city has occurred over the past 10 years, with the gini coefficient being relatively lower than what it was in 2009 (0.66). 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.

Despite the post-apartheid developmental trajectory, race and poverty remain stubbornly linked. While there has been progress over the past ten years, Africans remain the poorest compared to other races, with more than half (54.2%) of the African population of the City living below the poverty line. This is followed by coloureds, Asians, and whites; less than 1% of whom live under the poverty line.

The ability of the City to improve the quality of life of the most vulnerable residents depends on prioritising steps to overcome stubborn inequalities and at the same time grow and foster resilience – at the level of individuals, communities, the City itself, and the Gauteng City Region. Enhancing environmental factors contributing to living and working conditions; social conditions around integration and inclusion; and welfare policies that impact on income, food security, health and quality of life are key to building the prospects of a sustainable future city. The City will foster collaboration between local government, working together with communities and strategic partners. The City will build its adaptive capacity, ensuring it is more resilient to

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<sup>1</sup> This is according to StatsSA's lower bound poverty line of R810 (in April 2019 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose total expenditure is equal to the food poverty line (Stats SA, 2019).

<sup>2</sup> Based on Investopedia Map (2020) informed by World Bank GINI index (World Bank estimate) data

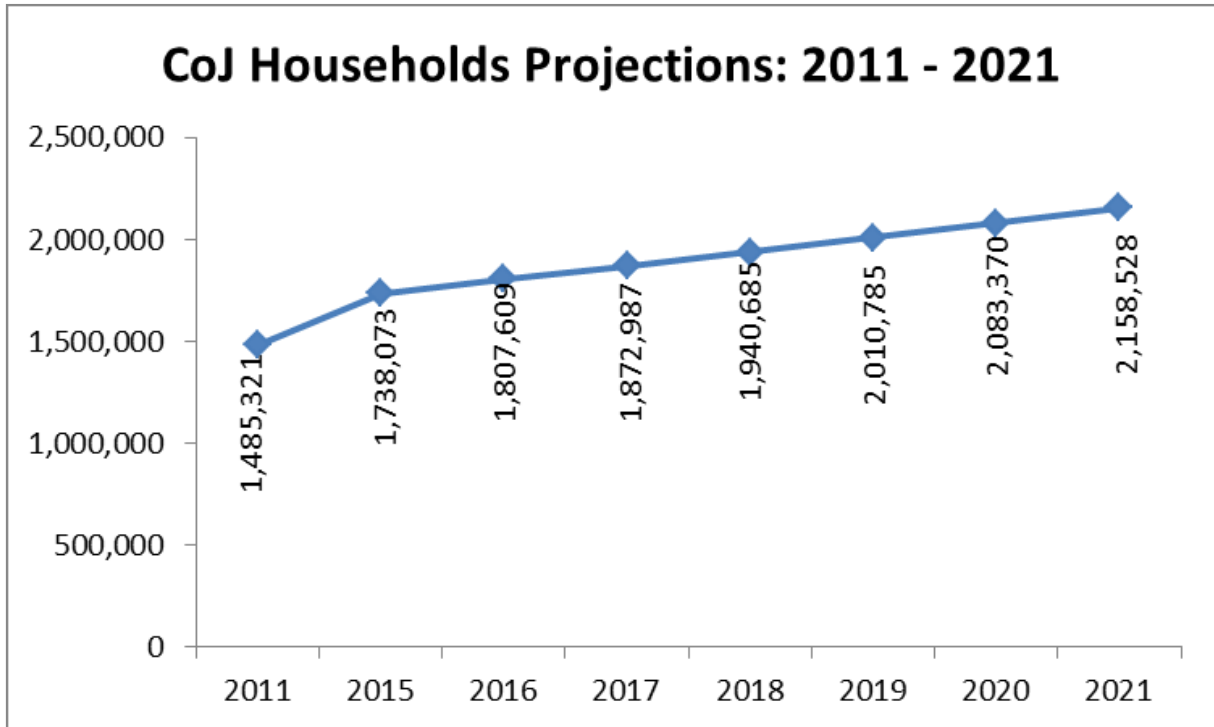
change, more sustainable and ready to weather and recover from crises, and more adept at seizing opportunities as they arise.

### *1.2.7 Service Delivery Overview*

It is a constitutional mandate for the City to ensure that all households have adequate access to basic services. Provision of basic services to the community of Johannesburg is comparatively high with the majority of households (both formal and informal) enjoying access to piped water (98.4%), sanitation (95.1%), refuse removal (92.9%), and electricity (90.8%). However, there continues to be a deficit, particularly in informal settlements. This backlog is exacerbated by high population density and local in-migration contributing to the proliferation of informal settlements. There are a total of over 1.8 million households in the city. Of these, the following service backlogs have been noted:

<b>Service</b>	<b>Households Serviced %</b>	<b>Approximate Backlog in Households</b>	<b>Backlog %</b>
<b>Housing (formal dwellings)</b>	81.5%	296000	18.5%
<b>Water</b>	98.4%	25600	1.6%
<b>Sanitation</b>	95.1%	78400	4.9%
<b>Electricity</b>	90.8%	147 200	9.2%
<b>Refuse removal</b>	92.6%	65600	7.4%

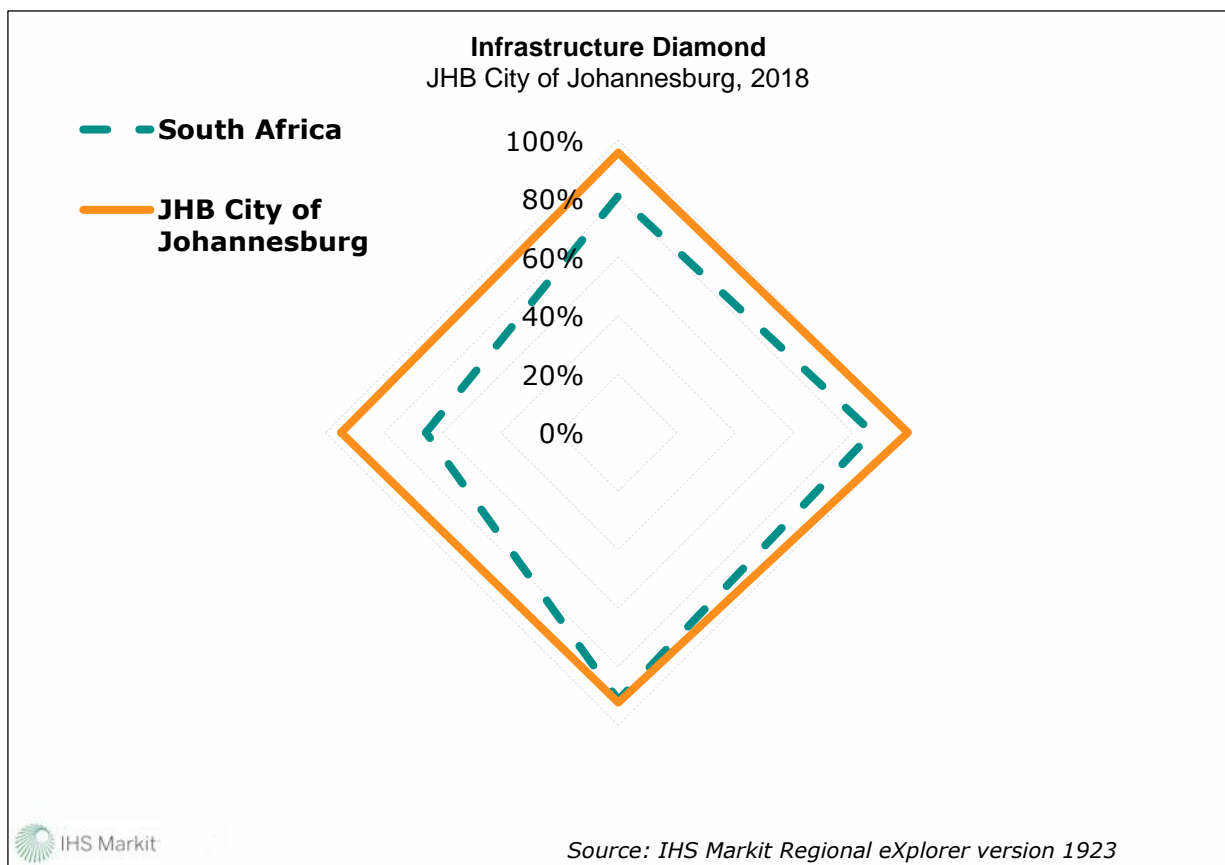
The number of households in the city has increased by an average annual rate of 3.21% from 2008 to 2018. Figure 5 shows the projected number of households and growth in CoJ.



**Figure 5: Projected number of household and growth in CoJ (Source: IDP 2016-2021)**

As the number of households increase, extra strain is placed on the existing infrastructure. In the short to medium term this can make delivery of services difficult. The City reasserts its commitment to dealing with issues of basic service delivery, infrastructure repairs and urban management.

The development diamond in Figure 6 below indicates the level of development relative to the national average (IHS Markit, 2020).



**Figure 6: Infrastructure Diamond, City of Johannesburg, 2018 (IHS Markit Regional eXplorer version 1923)**

According to the General Household Survey 2018 of the 1 850 035 households in the city the following levels of access and concomitant delivery backlogs as shown in Table 3 have been noted:

**Table 3: General Household Survey, 2018**

<b>Service</b>	<b>Households Serviced %</b>	<b>Approximate Backlog in Households</b>	<b>Backlog %</b>
<b>Housing (formal dwellings)</b>	75.0%	460 658	25.0%
<b>Water</b>	98.8%	22 200	1.2%
<b>Sanitation</b>	96.4%	66 601	3.6%
<b>Electricity<sup>3</sup></b>	92.3%	142 452	7.7%
<b>Refuse removal</b>	92.9%	131 352	7.1%

### Housing

Approximately 1.4 million (75.0%) of all households in the city live in formal dwellings. The housing backlog is conservatively estimated at 460 658. This shortage has in part led to the development over 190 informal settlements, which further complicated the City's infrastructural challenge. The formal dwelling backlog (number of households not living in a formal dwelling) is currently at 25.0%, which has worsened from 18.5% in 2017. In addition, the backlog as a proportion of total household dwelling units is growing at a rate of about 1.81% annually. Another challenge faced by the City is the limited availability of low-cost housing as Johannesburg continued to attract migrants, with an estimated 25% from outside Gauteng and 10% from outside South Africa. The housing backlog conservatively estimated to exceed 300 000 units, forces a number of residents to reside across Johannesburg's almost 200 informal settlements. The housing backlog comprises of informal settlements, overcrowding in the hostels, the non-regulated backyard rental, inner city overcrowding and homeless people in general. The City is making a concerted effort to meet the housing demand and tackle this backlog. Improving sustainable human settlements and the provision of housing is a central driver in the City's plan to deliver basic services, as people residing in formal dwellings generally have better access to water, electricity and waste removal.

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<sup>3</sup>Source: IHS Markit Regional eXplorer version 1923

## **Water and sanitation**

A total of 1.8 million (98.8%) households in the city have been serviced through yard connection in formalised areas and through communal standpipes within a maximum walking distance of 200 metres in informal settlements. A total of 1.57 million (98.4%) households in the city have access to pipe or tap water in their dwellings, off-site or on-site. The City has been successful in decreasing the water backlog (represented by the number of households which do not have piped water within 200 metres of their dwelling) over time.

Water consumption decreased to 284.9 litres per person per day in 2017/18, from 287.7 litres per person per day in 2016/17. The City has 100% compliance with sludge disposal requirements. Nevertheless, the City's water losses have reached 31%, despite the City turning the corner with regard to the number of pipe bursts per year with a reduction of approximately 2000 bursts when compared to 2016/17. This decay is reflected in available data from 2017/18 which shows that there were 33 856 water pipes burst and 59 892 metres and connection failures. This is less than the number of burst water pipes in the previous year (45 000). The number of sewer blockages experienced however, still increased during the 2017/18 financial year and were 62 363 (8.8% increase from the previous year). In the same year, the response time to water bursts restored within 48 hours of notification was 89.09% against a target of 95%, and for sewer blockages cleared within 24 hours of notification – 94.94% against a target of 96%.

A total of 1.78 million (96.4%) of all households in the city of Johannesburg have access to sanitation through individual sewer connection to properties in formalised areas and at basic level through VIPs and ablution blocks in informal settlements. Although the sanitation backlog (number of households without hygienic toilets) has been steadily decreasing in the past 10 years, in 2017 there were 78 400 households with no access to hygienic sanitation, up from 72 000 households in 2016. In 2018 there were 113 899 households with no access to basic level of sanitation which was reduced to 109 065 in 2019.

## **Electricity and energy**

A total of A total of 1.45 million (90.8%) households has electricity which they use for multiple purposes, while 11 400 (0.7%) households have electricity for lighting only. These figures include households that use solar or alternative energy sources. However, approximately 139 000 households (8.5%) have no electrical connection. On average this figure has



decreased at 0.2% per year since 2008. City Power still managed to electrify 3688 households in Informal Settlements and rolled out 2697 new public lights, in line with the targets set for service delivery in the financial year. City Power has continued to exceed compliance with NRS048. The entity has continued to implement preventative and proactive maintenance initiatives even amid financial and human resource-related constraints. Although, access to electricity in the city is relatively high (>90%), the City has not managed to achieve its access target of 97%. The lack of electricity in the city continues to be most prevalent in informal dwellings (backyard shacks) and informal settlements (households residing on un-proclaimed land zoned for development. Meter reading performance has been showing an increase up to 95%. Even though the target of 98% has not been met, the reading performance improvement show that the Metering Services strategy is producing results.

Over 27% of the bulk transformers operated beyond their useful lifespan, ranging between 48 and 91 years old. The City's oldest transformers were built in 1927 making maintenance a great difficulty. The electrical infrastructure backlog was a staggering R17 billion. This was experienced by our residents suffering 170 000 low voltage outages in the 2017/18 financial year alone. Despite these difficulties, City Power delivered well; a total of 2 167 units (structures) in informal settlements were electrified in 2017/18, exceeding the target of 810. Over the same period, the entity installed 1 374 public lights against a target of 1 000. In 2017/18, 6 226 smart meters were rolled out against a target of 12 000.

### **Waste management**

The City collects and removes 1.53 million (92.6%) households' refuse weekly. An additional 31 200 (1.95%) households have their refuse removed less often than weekly by the City. 94 351 (5.1%) of households make use of communal refuse dumps, while 14 800 (0.8%) of household use their own refuse dump, and 9 250 (0.5%) of households reportedly have no refuse removal. A total of 131 352 (7.1%) of household's experience backlogs (below formal once weekly collection). Over a ten-year period, this rate has increased. In 2017/18, waste management utility Pikitup achieved 98% in its round collected refuse, having also seen an increase in household service provision from 831 352 to 864 185 formal households. Pikitup provided waste refuse management services to 164 informal settlements consisting of 183 895 structures. Total waste diverted away from landfills decreased from last year's achievement of 149 552 tons to 94 355 tons in the 2017/18 financial year.

### Infrastructure backlogs

The City's total infrastructure backlog stood at R170 billion composed of collapsing bridges, city pavements that are in a poor condition, potholes, burst water pipes and ailing substations.

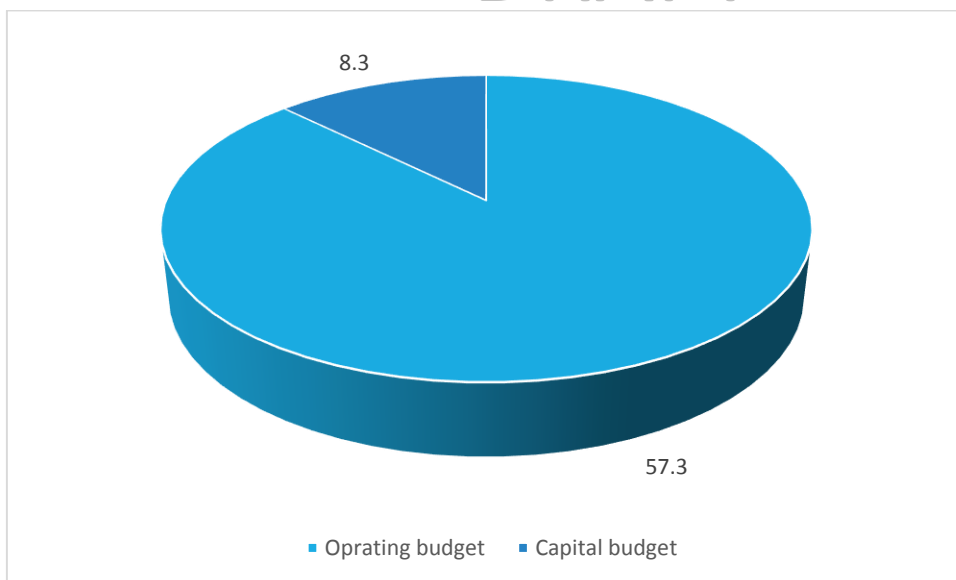
### Roads, storm water and bridges

The 100 000 potholes in our City arise from a R11.8 billion historical backlog in our road network. In 2017, over 3 900 kilometres of our network, or 32%, had fallen into the classification of poor or very poor conditions. As of the end of the 2017/18 financial year, the JRA exceeded its target of 250 lane km and resurfaced 301.1 lane km with a total of R162 million spent on road resurfacing citywide. A total capex budget of R52 million was spent on road rehabilitation and construction; R156 million on bridge rehabilitation; and R10 million on new bridges.

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## 1.3. FINANCIAL HEALTH OVERVIEW

In 2019/20, the City's total budget amount to approximately R65.6 billion, the split between operating and capital are as follows (Figure 7):



**Figure 7: City's total budget**

The City's capital budget was R8.3 bn according to Table 4.

### ***Financial Performance (revenue and expenditure)***

Table 4 shows financial performance.

***Table 4: Financial performance***

	Adjusted Budget 2018/19 R '000	Budget 2019/20 R'000	%
Revenue	52 214 845	58 533 102	12.1%
Internal Revenue	6 851 740	8 000 797	16.8%
Expenditure	59 066 585	66 533 899	12.6%
Internal Expenditure	51 116 884 6 851 740	57 271 948 8 000 797	12.0% 16.8%
Surplus (Deficit) Taxation	57 968 624 1 097 960 24 893	65 272 745 1 261 153 160 297	543.9%
Surplus (Deficit) for the year Capital grants and contributions	1 073 067 3 078 749	1 100 856 3 187 968	
Surplus (Deficit) for the year including capital grants and contributions	4 151 817	4 288 824	

The city's total budget for the financial year 2019/20 was R66 533 899, which was an increase of 12.6% from R59 066 585 in the 2018/19 financial year.

AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

Pending

#### **1.4.1 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".

#### **1.4.2 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 core structures form an integral part of the management of the IDP process plan;

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

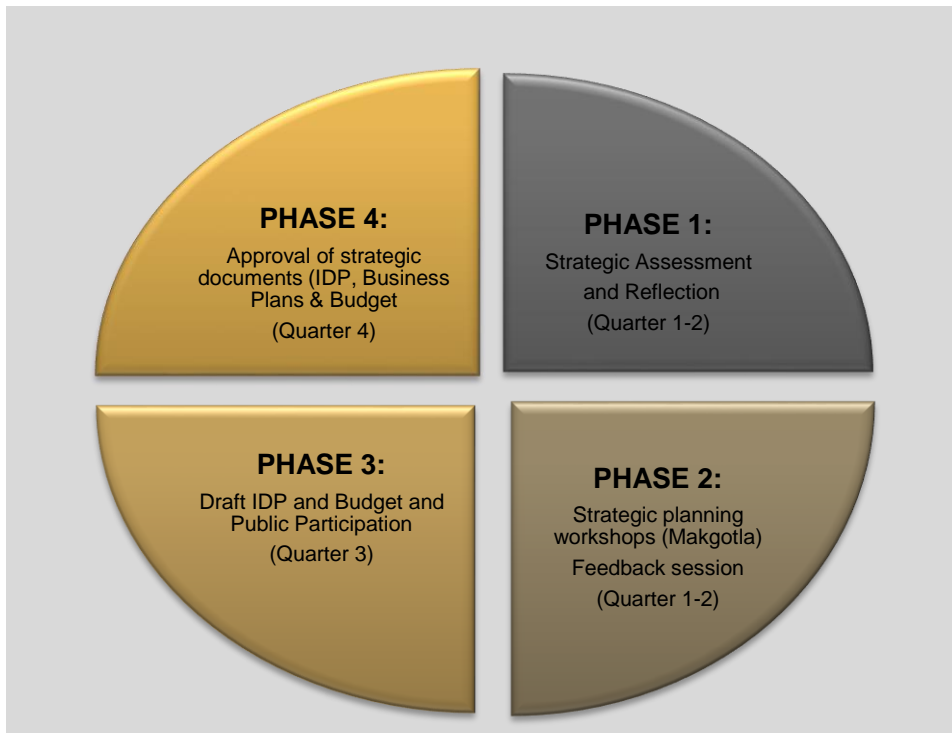
These structures are required to play a key role throughout the implementation of the process plan. Table 5 below details the various structures with their roles which are responsible for the development of the IDP process plan.

**Table 5: Structures responsible for the IDP process plan**

Structure	Key Roles
IDP Public Consultation	<ol style="list-style-type: none"> <li>1. Ensures and encourages public participation in the IDP process</li> <li>2. Represent the interests of communities.</li> <li>3. Provide a mechanism for discussion, negotiation and joint decision-making.</li> <li>4. Ensure proper communication between the City and its stakeholders (sectors).</li> <li>5. Monitor the performance of the planning and implementation process.</li> </ol>
Integrated Planning Task Team	<ol style="list-style-type: none"> <li>1. Provide strategic support in the management and coordination of the IDP process plan.</li> <li>2. Determine mechanisms for ensuring vertical and horizontal alignment of key programmes and projects with the City's strategic direction.</li> <li>3. Make inputs into and contribute to the crafting of plans and make technical recommendations.</li> <li>4. Create an enabling environment for strategic dialogue, knowledge and information-sharing and peer-review.</li> </ol>

### 1.4.3 Planning Cycle/Phase

Figure 8 below outlines streamlined stages in the planning cycle of the city of Johannesburg;



**Figure 8: Planning cycle**

#### 1.4.4 Integrated Planning Process

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The IDP and Budget process plan (see Table 6) 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 6: IDP and Budget timelines**

LEGISLATIVE REQUIREMENT	DELIVERABLES	RESPONSIBILITY	DATE
MSA section 28(1) MSA section 28(2)	IDP and Budget Process Plan: <ul style="list-style-type: none"> <li>- Workshop on the draft process plan with the Integrated Planning Committee Team</li> <li>- Tabling of the draft process plan EMT, Mayoral and Council</li> </ul>	GSPCR Budget office	August 2020

LEGISLATIVE REQUIREMENT	DELIVERABLES	RESPONSIBILITY	DATE
	<ul style="list-style-type: none"> <li>- Public notification on the IDP and Budget process plan</li> </ul>		
MSA section 23 MSA section 24	Situational analysis and strategic planning <ul style="list-style-type: none"> <li>- Convening of the Integrated Planning Committee meetings</li> <li>- EMT Lekgotla</li> <li>- Mayoral Lekgotla</li> <li>- Public engagements (feedback and identification of priority needs)</li> <li>- Alignment of plans with the national and provincial imperatives (IGR)</li> <li>- Linkage and alignment to the GDS process (GDS critical assessment)</li> </ul>	All Depts and MEs	August- November 2020
MFMA section 21 (1) MFMA section (53) (b)	Budgeting: <ul style="list-style-type: none"> <li>- MTREF review</li> <li>- Draft Priority Implementation Plans</li> <li>- Business plans of department and entities</li> <li>- Technical Budget Steering Committee (TBSC)</li> <li>- Draft tariffs process</li> </ul>	GSCPR Budget Office	October- December 2020
MSA section 26 MSA section 30 (c) MFMA section 17 (3) (d)	Drafting of Plans <ul style="list-style-type: none"> <li>- Refinement of the GDS outcomes, outputs and proposed indicators</li> <li>- Refinement of priorities (based on GDS proposal)</li> <li>- Budget Lekgotla</li> <li>- Consolidation of research and drafting of chapters</li> </ul>	GSPCR Budget office CRUM Office of the Speaker Group Governance	January- March 2021

LEGISLATIVE REQUIREMENT	DELIVERABLES	RESPONSIBILITY	DATE
	<ul style="list-style-type: none"> <li>- Provincial engagements on the MEC's comments</li> <li>- Submission of proposed ME budgets</li> <li>- Tabling of the draft IDP and Budget for public comment</li> </ul>		
MSA section 16(1) MFMA section 22	Public participation <ul style="list-style-type: none"> <li>- Advertisement of the 2021/22-2025/2026 draft IDP, Budget and Tariffs in newspapers</li> <li>- Public engagement on the 2021/22-2025/2026 draft IDP and Budget</li> <li>- Consolidation of stakeholder inputs</li> </ul>	GSPCR Budget office Group communication CRUM Office of the Speaker Private Office of the Executive Mayor	April 2020
MSA section 25	Approval of the: <ul style="list-style-type: none"> <li>- 2021/22-2025/2026 IDP, Budget, Tariffs, Business Plans of Departments and Entities by Mayoral and Council.</li> </ul>	GSPCR Budget office Group Governance	May 2021
MFMA section 53 Circular 13	Institutional SDBIP <ul style="list-style-type: none"> <li>- Approval of the 2021/22 institutional SDBIP</li> </ul>	GSPCR Private Office of the Executive Mayor	June 2021

Table 7 below shows the key milestones followed in the City's strategic planning process.

**Table 7: Key milestones and processes for the integrated development plan and budget**

ACTIVITY	TIMEFRAME
Integrated Planning Workshop	August 2020
Tabling of the draft process plan to GPAC	August 2020
Tabling of the draft process plan to Mayoral Committee	August 2020



ACTIVITY	TIMEFRAME
Tabling of the draft process plan to Council	August 2020
Submission of Draft Group Annual Report to Auditor General for auditing	August 2020
EMT Lekgotla	September 2020
CBP feedback to communities	September-October 2020
Mayoral Lekgotla	October 2020
IGR engagement	October 2020
Technical Budget Steering Committee hearings	November 2020
Submission of Draft Business Plans	December 2020
Receipt of Auditor General's Regularity Audit of the CoJ for the Year Ended 30 June 2020	December 2020
Budget steering committee	February 2021
Mid-year review	January 2021
Final submission of the 2020/21 mid-year business plan deviations	January 2021
Noting of Annual Report by Mayoral Committee	January 2021
Tabling of Group Annual Report to Council	January 2021
Tabling the Annual Report to the Municipal Public Accounts Committee for oversight and Speaker's Office for public participation	January 2021
Tabling the Annual Report to Auditor-General, Provincial Treasury and Gauteng Department of Local Government and Housing	January 2021
Submission of 2020/21 adjustment budget and SDBIP and Business Plan deviation to Mayoral Committee	February 2021
Submission of 2020/21 adjustment budget and SDBIP deviation to Council	February 2021
Budget lekgotla	February 2021
Oversight of the annual report by MPAC	February 2021
Invitation of public comments on Annual Report	February 2021
Tabling of the draft IDP to GPAC	March 2021
Tabling of the draft IDP, budget, tariffs and ME business plan for comments	March 2021

ACTIVITY	TIMEFRAME
Consideration and adoption of final Annual Report and Oversight Report by Council	March 2021
Draft IDP, Budget and Tariffs outreach process	April 2021
National Treasury engagement on the 2021/22-2025/2026 draft IDP and Budget,	April 2021
State of the City Address	May 2021
Approval of the IDP, Budget and Tariffs	May 2021
Approval of the institutional SDBIP and ME Business Plans	June 2021

#### 1.4.5 Annual Report Timeline

In terms of section 133 of the MFMA, the Executive Mayor must submit the Annual Report within (7) months after the end of the financial year. On this basis, as shown in Table 8, the report will be tabled to Council in March 2021. Council oversight processes will commence and the report will be considered at the March 2021 Council meeting. The Annual Performance Report was supposed to be submitted to the Auditor General at the end of August 2020 for auditing.

**Table 8: Annual Report timelines**

Activity	Provision	Key Dates
Submission of Draft Group Annual Report to Auditor General for auditing	MFMA Section 126(1)(a)	31 October 2020
Submission of Final Group Annual Report to Auditor General for auditing	MFMA Section 126(1)(a)	31 October 2020
Receipt of Auditor General's Regularity Audit of the CoJ for the Year Ended 30 June 2019	MFMA Section 126(3)(b)	February 2021
Noting of Annual Report by Mayoral Committee	MFMA Section 127(2)	March 2021
Tabling of Group Annual Report to Council	MFMA Section 127(2)	31 March 2021

Tabling the Annual Report to Auditor-General, Provincial Treasury and Gauteng Department of Local Government and Housing	MFMA 127(5)(b)	Section	31 March 2021
Tabling the Annual Report to the Municipal Public Accounts Committee for oversight and Speaker's Office for public participation	MFMA 127(5)(a)	Section	31 March 2021
Oversight of the annual report by MPAC	MFMA 127(5)(a)	Section	01 May 2021- 30 June 2021
Invitation of public comments on Annual Report	MFMA 127(5)(a)	Section	01 May 2021- 30 June 2021
Consideration of public comments by Council and formulation of oversight report	MFMA Section 129		01 May 2021- 30 June 2021
Consideration and adoption of final Annual Report and Oversight Report by Council	MFMA Section 129(1)		01 May 2021- 30 June 2021
Submission of final Annual Report and Oversight Report to Auditor General, Provincial Treasury and Gauteng Department of Local Government and Housing	MFMA 129(2)(b)	Section	01 May 2021- 30 June 2021
Publication of final Annual Report on the website	MFMA Section 129(3)		01 May 2021- 30 June 2021

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

The ANC's Geoff Makhubo was officially elected to the post on 4 December 2019 after he received 137 out of 268 votes. Together with all parties voted the African National Congress (ANC), in the City formed the Government of Local Unity (GLU). This happened after the resignation of Cllr Herman Mashaba who resigned as Johannesburg mayor on the 27 November 2019.

The City was led by ANC working with coalition partners, consisting of Inkata Freedom Party, Congress of the People (COPE), Progressive Alliance (PA), the 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.

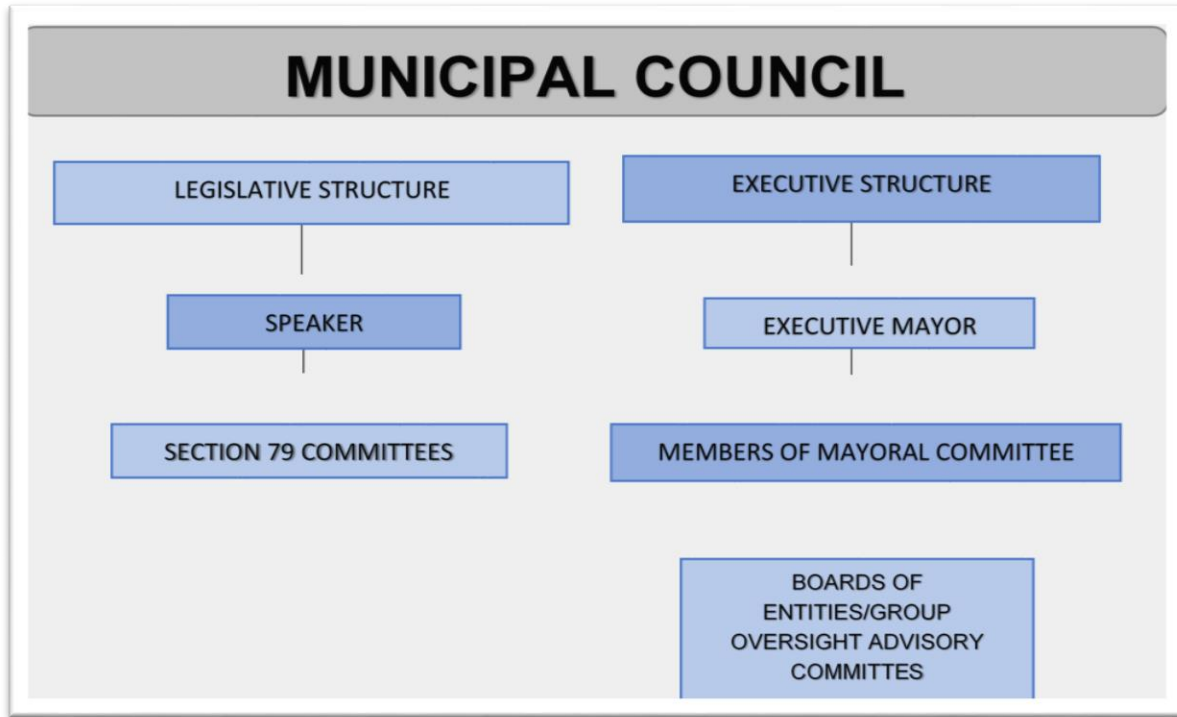
Service delivery implementation and policy issues such as Integrated Development Planning and tariffs, are delegated to the Executive (led by the Executive Mayor). Legislative functions are delegated to Council and its committees and these include oversight and public participation. The latter is fundamental 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 improved accountability, transparency, economical, effective and efficient use of public resources in executing municipal functions giving effect to service delivery.

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 according to the principles of King IV on Good Corporate Governance. These principles apply to the City's MEs and departments that form the core administration of the Group.

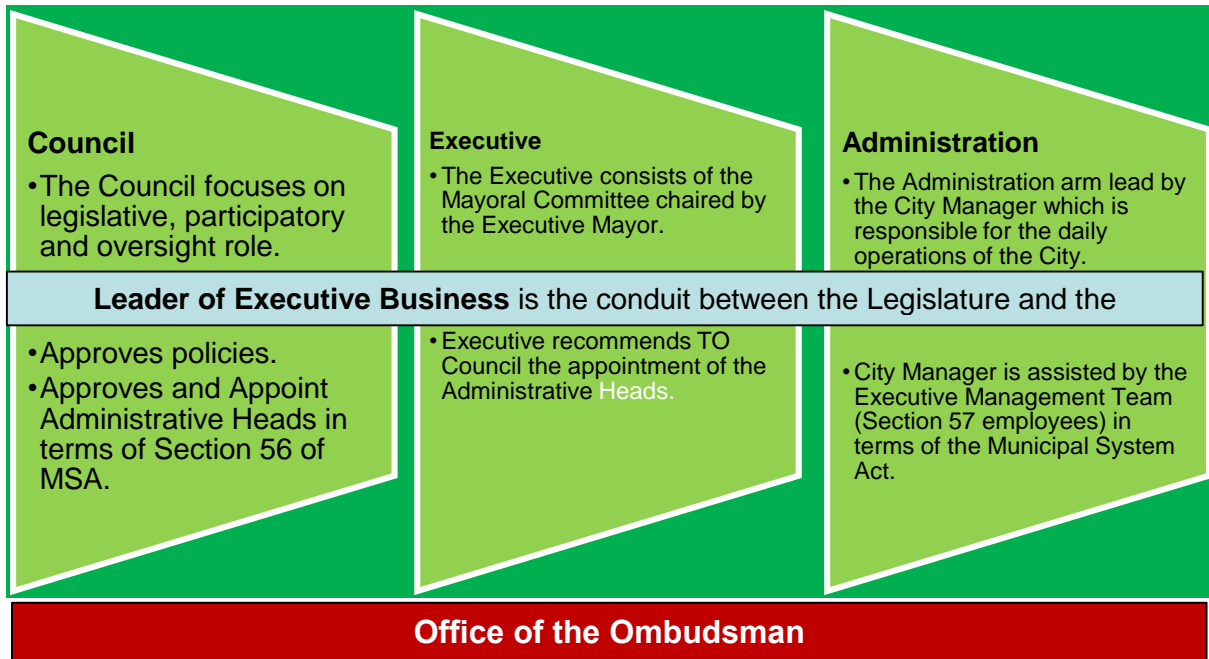
The City's governance model mirrors National and Provincial government and is made up of the executive and legislative functions. The legislative function is the political administration or Council, led by the Speaker of Council and holds monthly meetings to discuss Council matters. The Executive arm 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 policymaker. 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. Figure 9 below depicts the governance model adopted by the City.



*Figure 9: Legislative and Executive composition of the City of Johannesburg*

In relation to the structures in the municipality, delegations of authority are schematically depicted in Figure 10 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 10: Delegation of authority*

#### MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE



Executive Mayor  
Geoffrey Makhubo



Speaker of Council  
Nonceba Molwele



Chief Whip of Council  
Cllr Solly Mogase



Chair of Chairs  
Cllr Salphina Mulaudzi



MMC: Health and  
Social Development  
Cllr Eunice Mgcina



MMC: Finance  
Cllr Jolidee Matongo



MMC: Economic  
Cllr Lloyd Phillips



MMC: Community  
Cllr Margaret  
Arnolds



MMC:  
Corporate &  
Shared services  
Cllr Loyiso  
Masuku



MMC Transport  
Cllr Nonhlanhla  
Makhuba



MMC: Housing  
Cllr Mlungisi Mabaso



MMC Environment  
and Infrastructure  
Cllr Mpho Moerane



MMC Public Safety  
Cllr Mally Mokoena



MMC  
Development  
Planning  
Cllr Lawrence  
Khoza

## 2.2 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.



*a) 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.

*b) Structure of Council*

The City of Johannesburg has a council made up of 270 councillors representing various political parties. 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:

- The Speaker of Council
- The Chief Whip of Council
- Section 79 committees
- Standing committees
- Leader of Executive Business
- The Executive Mayor and Mayoral committee

The primary responsibility of councillors, and ward councillors, is to represent the needs and interests of their constituents. They are 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;

*c) 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.

*d) 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;

- Ensuring that each of the political party is properly represented on committees;
- Maintaining sound relations between the political parties; and,
- Attending to disputes amongst political parties.

*e) 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.

f) *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. Refer to Table 9.

**Table 9: Section 79 committee chairperson**

<b>Section 79 Committee</b>	<b>Chairperson</b>
Chair of Chairs	Cllr Salphina Mulaudzi
Rules Committee	4Vacant
Ethics/Disciplinary Committee	Cllr Gehard Niemand
Housing Committee	Cllr Moloko Mpholobosho
Petitions Committee	Cllr Steven Kotze
Corporate & Shared Services Committee	5 Vacant
Environment, Infrastructure & Services Committee	Cllr Matshidiso Mfikoe
Finance Committee	Cllr Meshack Van Wyk
Transport Committee	Cllr Tyrell Meyers
Economic Development Committee	Cllr Franco de Lange
Community Development Committee	Cllr Mzombazi Ntuli
Municipal Public Accounts Committee	Cllr Thandi Nontenja
Development Planning Committee	Cllr Graham De Kock
Health and Social Development Committee	Cllr Ingrid Reinten
Oversight Committee on Gender, Youth & People with Disabilities	Cllr Thandi Zizi-Boqo
Oversight Committee on Governance	Cllr Thapelo Amad
Oversight Committee on the Legislature	Cllr Themba Mhlongo
Public Safety Committee	Cllr Hilton Masera

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<sup>4</sup> Cllr Mogane resigned to be Councilor in March 2020

<sup>5</sup> Cllr J Mendelsohn retired on July 2020

*g) Ward Committees*

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

*h) Leader of the Executive Business*

As a 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).

*i) 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.

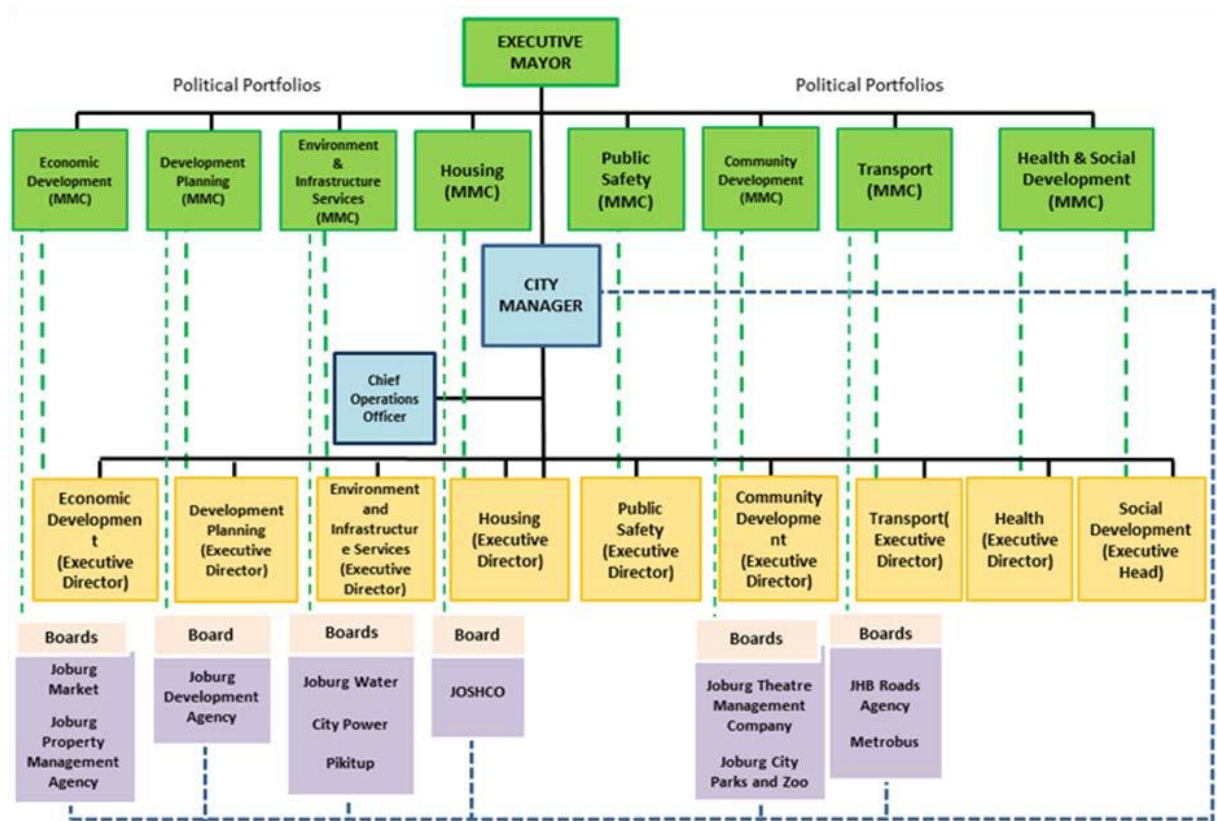
*j) The Executive Mayor and Mayoral Committee*

The executive function of the municipality is led by the Executive Mayor who is responsible for the strategic leadership of the City. The Executive Mayor performs functions and exercises the powers delegated by the municipal council and assigned by legislation. The administrative structure is spearheaded by the City Manager.

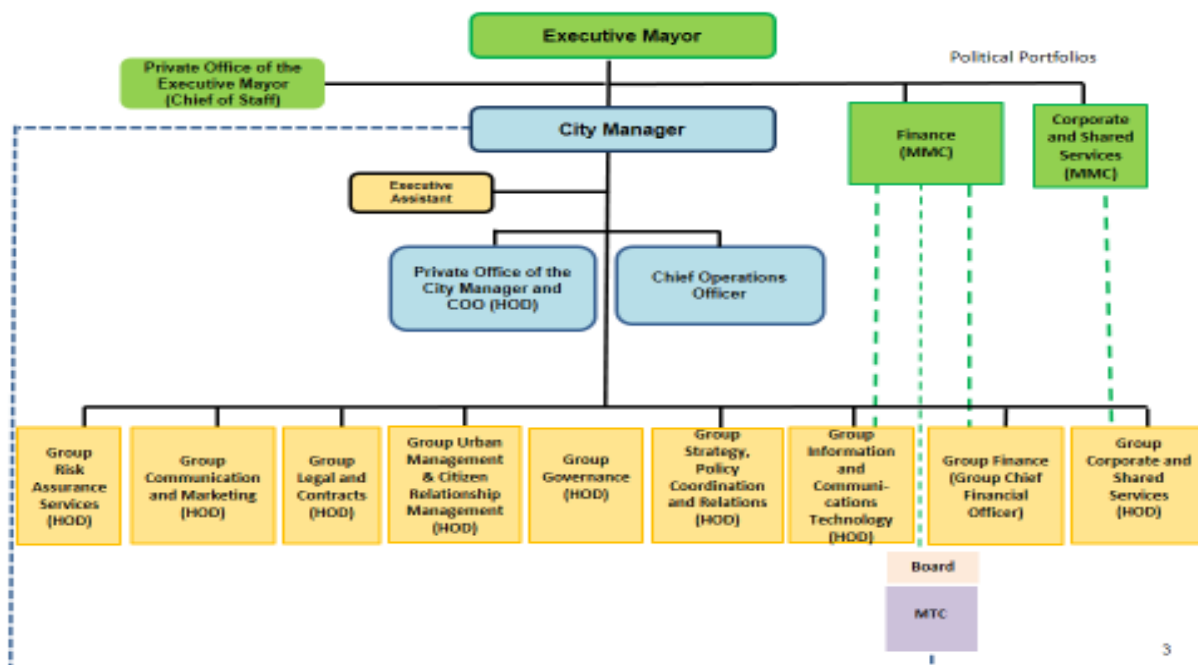
The Executive Mayor is assisted by an appointed Mayoral Committee. Each member of the Mayoral Committee is responsible for a specific portfolio within the City structure and is directly accountable to the Executive Mayor. The City's Mayoral Committee ensures that service delivery takes place, including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

k) *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 11 & 12 below:



**Figure 11: High level executive and administrative structure**



**Figure 3: High level executive and administrative structure - Group functions**

### a) 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.

### b) 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 (see Table 10). The EMT is made up of Executive Heads, Group Heads, Managing Directors and Chief Executive Officers of the City's departments and entities.

**Table 10: Executive Management Team**

City Manager	Dr Ndivhoniswani Lukhwareni
Chief Operations Officer	Floyd Brink
Group Chief Financial Officer	Manenzhe
Group Corporate and Shared Services (acting)	Anthony Ngcezula
Group Strategy, Policy Coordination and Relations	Khanyisile Cele
Group Risk and Audit Services (acting)	Rajendra Pillay
Group Governance	Rajendra Pillay
Group Legal and Contracts	Isaac Mogashoa
Group Communications and Tourism	Georgina Lefifi
Group Information & Communication Technology	Cyril Baloyi
Group Forensics and Investigations Services	Shadrack Sibiya
Ombudsman (acting)	Ernest Tshipu
Citizen Relations and Urban Management	Vicky Shuping
Chief Audit Executive (acting)	Sipho Mzobe
Private Office of the CM	Mesuli Mlandu
Secretary to Council (acting)	Loshini Govender- Andile Gobinca
Environment and Infrastructure Services Department	Shuaib Suleman
Housing (acting)	Thabo Maisela-Patrick Phophi
Development Planning	Amolemo Mothoagae
Department of Economic Development	Tembeka Mhlekwa
Transportation (acting)	Jeff Ngcobo
Health	Dr Refik Bismilla
Community Development	Kepi Madumo
Joburg Metropolitan Police Department	David Tembe
Public Safety (acting)	David Tembe
Social Development (acting)	Tinashe Mushayanyama

### c) 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:** Includes Innovation and Knowledge Management, Corporate Strategy and Research, International and Intergovernmental Relations, Integrated and Community-Based Planning, and Monitoring and Evaluation;
- **Group Finance:** Includes Revenue Shared Services, Treasury, Group Accounting, Core Accounting, and Supply Chain Management;
- **Group Corporate and Shared Services:** 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:** Includes Committee Support, Shareholder Services and Governance;
- **Group Risk Assurance Services:** Includes Group Risk Services, Group Compliance and Monitoring, and Combined Assurance and Business Process Excellence and Reporting;
- **Group Audit:** Includes Group Internal Audit, Regulatory and Compliance;
- **Group Forensic and Investigation Services:** Deals with investigating cases related to fraud and corruption, theft of assets, maladministration etc.;
- **Citizen Relationship and Urban Management:** Includes Citizen Relationship and Interface, and Regional Urban Management (Regions A to G); and,
- **Group Information & Communications Technology:** Is responsible for the provision of Information and Communication technology.



#### **d) 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 in Figure 13 from the entities and departments up to the Council where applicable;



**Figure 4: 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. See Table 11.

**Table 11: Three-year on audit opinions**

ENTITY	2016/17	2017/18	2019/20
CoJ Group	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified Audit Opinion
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 audit findings
Pikitup	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with material audit findings
JOSHCO	Unqualified with audit with no material findings (Clean Audit)	Unqualified with material audit findings	Unqualified with material audit findings

ENTITY	2016/17	2017/18	2019/20
JCT	Unqualified with audit with no material findings (Clean Audit)	Unqualified audit with no material findings (Clean audit)	Unqualified with material audit findings
JCPZ	Unqualified with audit with no material findings (Clean Audit)	Unqualified with material audit findings	Unqualified with audit with no material findings (Clean Audit)
JRA	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with audit findings
JPC	Unqualified audit with no material findings (Clean audit)	Unqualified with audit with no material findings (Clean Audit)	Unqualified with audit findings
JDA	Unqualified audit with no material findings (Clean audit)	Unqualified with audit with no material findings (Clean Audit)	Unqualified with audit with no material findings (Clean Audit)
Metrobus	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with audit findings
Joburg Market	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with audit findings
MTC	Unqualified with material audit findings	Unqualified with material audit findings	Unqualified with audit findings

#### *Group advisory oversight committees*

Group Advisory Committees have annually reviewed Terms of Reference (ToRs) that assist them in delivering their legislative and advisory mandates. Table 12 shows the number of meetings held by the advisory committees.

**Table 1: 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.

The GAC's 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 CoJ's Internal Control Environment as well as the CoJ policies and procedures in this regard. Table 13 below shows the composition of Group Audit Committee.

**Table 2: 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)

Member Name	Qualification
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
<b>New Members Appointed 11 March 2020</b>	
Sasabona Manganye (Chairperson)	PhD Information Management Technology, Master of Business Administration, B-Tech Information Technology, N-Dip Information Technology, Certificate in Business Management, Matric
Lungelwa Songqishe	Certificate Municipal Executive Financial Management, High Level Leadership and Management Development, Masters in Business Administration, Bachelor of Accounting Sciences, Certificate in Corporate Governance, Certificate program in Labour Relations and Leadership
Nalini Maharaj	B Proc, Bachelor of Laws, Financial Accounting for Public Entities, Corporate Governance
Mpho Mtsi	BSc Actuarial Science and Mathematical Statistics, MSc in Global Finance, Actuarial Society of South Africa, JSE Sponsor Development (SDP) Programme
Tumi Ramonotsi	MBA, MAP, B.TECH, PBA, ITIL, COBIT, ARIS
Nalini Maharaj (cross member GRGC)	LLB; B. Proc.; Course in Financial Accounting Public Entities

*\*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. Table 14 below refers to the composition of the GPAC;

**Table 3: 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
<b>New Members Appointed 11 March 2020</b>	
Griffith Zabala(Chairperson)	Matric, BA Social Work, Diploma in Social Development .B.A Social Work, Certificate in SMME, Master of Management in Human Resources
Ayanda Phikolomzi Wakaba	Master of Business Management and Administration, Honours-Bachelor of Accounting sciences, Bachelor of Commerce in accounting, Advanced Diploma in Accounting Sciences
Nomusa Mufamadi	Bachelor of Accounting Sciences, Postgraduate Diploma in Financial Accounting (in Progress), Diploma in Industrial Relations
Roslynn Greef	Diploma in Financial Management, Diploma in Business Management National Diploma Drama, Human Resource Management Certificate
Tumi Ramonotsi(Cross Member from GRGC to GAC)	MBA, MAP, B.TECH, PBA, ITIL, COBIT, ARIS

*Group Risk Governance Committee (GRGC)*

The GRGC is 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. Table 15 below shows the composition of GRGC.

**Table 4: GRGC Composition**

<b>Member</b>	<b>Qualification</b>
Reginald Thomas Haman (Chairperson)*	MBA; PDBA; GDCCD; 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
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
<b>New Members Appointed 11 March 2020</b>	



Member	Qualification
Shiva Makotoko (Chairperson)	Executive Leadership Programme, Masters with Honours in Economics and Management, Higher national Certificate in Business Management, O Level
Josh Molomo	CA (SA), Honours Bachelor of Accounting Sciences, Bachelor of Accounting Sciences
Michael Sass	MCom, Certificate Internal Auditor, Chartered accountant, B Compt Honours and CTA, B Com Honours , B Com Accounting
Sinesipho Maninjwa	Bachelor of Commerce Honours in Accounting, Bachelor of Commerce Accounting
Lerato Nage	Financial Modelling Valuation Analyst Certificate, Chartered Management Accountant, Masters in Finance and Investment, BCompt Accounting

*\*Assumed GRGC Chairperson Role on 17 April 2019 \*\*Members term ended 31 March 2019*

### **Board of Directors in the Municipal Entities**

The City ensured the stability of the 12 Entity Boards and 3 Group Advisory Committees in 2019/20. This was done through retaining experienced members to ensure that strategic direction and institutional memory remains uninterrupted. In addition, it resolved that the Joburg Tourism Company be resuscitated.

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 are appointed in accordance with the City of Johannesburg Group Policy on the Governance of the Group Advisory Committees, Municipal Entities Boards of Directors and

Independent Audit Committees 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 within the applicable legal framework. The Board shall further ensure that the Company complies with the provisions of The Companies Act of 2008, The Municipal Finance Management Act of 2003, the Municipal Systems Act of 2002 and all 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 an 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 shareholder recruit the appointment of the CEO who shall be appointed as a full-time employee of the Company and manager of the Company's office. The CEO shall be an Executive 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 is 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 of Johannesburg Group Policy on the Governance of the Group Advisory Committees, Municipal Entities Boards of Directors and Independent Audit Committees 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**

### **2.3 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), 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 actualisation 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 include 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 demonstrates 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

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.4 PUBLIC MEETINGS**

#### *Ward committees*

Ward councilors 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 enhance participatory democracy in local government by assisting ward councilors in carrying out their mandate. Specifically, ward committees boost the participation of the public in the affairs of Council. They also advise and make recommendations to ward councilors 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 councilor 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.

Public meetings held by ward Councilors are very important to safeguard the public accountability and public involvement in governance. For the 2019/20 financial year against an annual target of four hundred and five (405), a cumulative total of five hundred and eighty two (582) public meetings were convened. In quarter 1 (July 2019 to September 2019) the target for public meetings to be convened was one hundred and thirty-five (135). There were two hundred and forty (240) public meetings convened by ninety-nine (99) Ward Councilors.

However, thirty-six (36) Ward Councilors did not hold public meetings. In total, seventy-three (73%) Ward Councilors convened public meetings.

In quarter 2 (October 2019 to December 2019) the target for public meetings to be convened to this quarter is 135. There were 168 public meetings convened by 90 ward councilors. 45 Ward Councilors did not hold public meeting.

In quarter 3 (January 2020 to March 2020) a total of one hundred and fifty-six (156) public meetings were convened by seventy-one (71) Ward Councilors against a target of one hundred and thirty-five (135). However, sixty-four (64) Ward Councilors did not hold public meetings.

Therefore, given the above information, fifty-four percent (54%) of Ward Councilors convened Ward Committee meetings and fifty-two percent (52%) of Ward Councilors convened public meetings. A total of seventeen thousand eight hundred and eighteen (17,818) stakeholders and residents attended public meetings across the City during the quarter under review. Table 16 shows the public meetings held per quarter.

**Table 5: Public Meetings per Quarter**

First Quarter

REGION A Ward No:	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of people in attendance
Ward 77	1	08-09-2019	140
Ward 78	1	18-07-2019	190
Ward 79	1	15-09-19	249
Ward 80	1	17-08-2019	168
Ward 92	1	08-08-2019	95
Ward 95	1	03-08-2019	104
Ward 96	2	28-08-2019 18-09-2019	15 13
Ward 110	1	27-06-2019	90
Ward 111	1	30-07-2019	59
Ward 112	1	10-09-2019	24
Ward 113	2	03-08-2019 17-08-2019	84 182

REGION B	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of people in attendance
Ward No:			
Ward 87	3	18-09-2019 06-08-2019 27-08-2019	30 100 100
Ward 88	6	22-07-2019 27-07-2019 13-08-2019 24-08-2019 05-09-2019 18-09-2019	15 45 35 18 22 12
Ward 99	None	02 20-08-2019 19-09-2019	66 23
Ward 117	3	11-09-2019 12-09-2019 28-09-2019	200 55 23
REGION C	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of people in attendance
Ward 44	1	02-09-2019	24
Ward 49	2	21-09-2019 22-09-2019	210 180
Ward 50	1	25-08-2019	250
Ward 70	2	25-07-2019 03-09-2019	48 86
Ward 71	2	02-08-2019 18-08-2019	8 11
Ward 83	1	13-09-2019	13
Ward 85	1	28-08-2019	1
Ward 89	3	04-09-2019 12-09-2019 25-09-2019	23 07 13
Ward 97	1	16-07-2019	20
Ward 100	4	11-07-2019 18-07-2019 12-09-2019 28-09-2019	89 56 137 106
Ward 101	1	16-07-2019	43
Ward 114	1	15-09-2019	250
Ward 127	3	02-08-2019 13-08-2019 28-08-2019	201 106 300
Ward 128	2	11-09-2019	309 341
Ward 129	1	25-08-2019	250
REGION D1	No. of public meetings	Dates of public meetings held in the last 3 months	Number of people in attendance

Ward No:	held in the last 3 months		
Ward 10	1	16-09-2019	156
Ward 11	2	07-09-2019 10-09-2019	165
Ward 12	1	17-08-2019	196
Ward 13	2	24-08-2019 21-09-2019 28-09-2019	73 31 40
Ward 14	4	25-08-2019 03-09-2019 04-09-2019 05-09-2019	90 78 138 74
Ward 16	1	06-07-2019	153
Ward 19	1	21-09-2019	65
Ward 20	1	20-08-2019	180
Ward 21	2	07-07-2019 18-08-2019	302 350
Ward 33	4	23-09-2019 25-09-2019	50 48
Ward 34	1	15-08-2019	108
Ward 35	7	08-07-2019 11-07-2019 12-07-2019 13-07-2019 14-07-2019 06-09-2019	62 151 112 202 52 205
Ward 46	3	07-08-2019 31-08-2019 16-09-2019	71 125 97
Ward 51	1	01-08-2019	87
Ward 52	2	06-07-2019 24-08-2019	47 65
Ward 130	3	06-08-2019 07-08-2019 08-08-2019	37 91 64
<b>REGION D2</b>	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of people in attendance</b>
Ward No:			
Ward: 22	9	09-07-2019 10-07-2019 17-07-2019 12-08-2019 29-08-2019 05-09-2019 06-09-2019 16-09-2019 17-09-2019	52 42 50 40 271 38 47 58 32
Ward 24	6	20-07-2019 21-07-2019 31-07-2019	228 453 26

		01-08-2019 06-08-2019 13-08-2019	55 115 105
Ward 25	6	29-07-2019 30-07-2019 31-07-2019 01-08-2019 05-08-2019 08-08-2019	150 21 111 67 34 22
Ward 26	1	21-07-2019	50
Ward 29	7	30-07-2019 08-08-2019 18-08-2019 19-08-2019 20-08-2019 21-08-2019 16-09-2019	87 56 60 38 37 39 70
Ward 30	3	24-07-2019 19-08-2019 19-09-2019	176 145 99
Ward 31	2	31-07-2019 25-09-2019	84 45
Ward 36	1	03-09-2019	161
Ward 37	4	16-07-2019 03-08-2019 04-08-2019 24-08-2019	58 80 57 51
Ward 40	1	22-09-2019	201
Ward 42	2	13-08-2019 17-09-2019	70 56
Ward 45	6	23-07-2019 24-07-2019 25-07-2019 26-07-2019 27-07-2019 28-07-2019	108 54 108 47 24 57
<b>REGION E</b> Ward No:	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of people in attendance
Ward 32	3	01-08-2019 25-08-2019 05-09-2019	53 99 95
Ward 73	2	02-09-2019 16-09-2019	27 30
Ward 75	1	12-09-2019	132
Ward 76	1	03-08-2019	51
Ward 81	7	05-08-2019 05-08-2019 14-08-2019 24-08-2019 12-09-2019	15 300 28 30 26



		17-09-2019 26-09-2019	200 84
Ward 105	3	27-08-2019 16-09-2019 18-09-2019	431 188 90
Ward 107	4	08-07-2019 31-08-2019 12-09-2019	47 157 93
Ward 108	1	19-08-2019	49
Ward 109	3	03-09-2019 14-09-2019 25-09-2019	30 15 183
Ward 115	4	03-08-2019 15-08-2019 01-09-2019	27 16 55
Ward 116	1	18-09-2019	96
<b>REGION F</b> <b>Ward No:</b>	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of people in attendance</b>
Ward 54	2	19/09/2019 21/09/2019	10 14
Ward 56	1	27/08/2019	86
Ward 57	4	23/07/2019 24/08/2019 05/09/2019 14/09/2019	120 45 105
Ward 58	2	16/09/2019 26/09/2019	45 55
Ward 59	1	13/07/2019	28
Ward 60	3	14/07/2019 29/07/2019 26/09/2019	111 89 104
Ward 61	3	27/08/2019 28/08/2019 26/09/2019	268 91 290
Ward 62	3	04/07/2019 20/08/2019 12/09/2019	46 63 38
Ward 63	2	26/07/2019 24/08/2019	61 40
Ward 64	3	02/07/2019 12/07/2019 26/07/2019	93 56 10
Ward 65	2	21/08/2019 24/08/2019	67 54
Ward 66	1	20/07/2019	92
Ward 67	1	07/08/2019	40
Ward 118	1	27/07/2019	70
Ward 123	2	24/07/2019 28/09/2019	80 74
Ward 124	1	29/08/2019	256

REGION G Ward No:	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of people in attendance
Ward 01	1	16/08/2019	125
Ward 02	4	05/07/2019 23/07/2019 10/08/2019 10/09/2019	178 250 175 200
Ward 03	3	18/07/2019 15/08/2019 04/09/2019	275 220 250
Ward 04	2	18/08/2019 08/09/2019	100 75
Ward 05	3	03/07/2019 17/07/2019 20/07/2019	150 250 150
Ward 06	2	14/09/2019 18/09/2019	50 75
Ward 08	2	08/07/2019 05/09/2019	140 45
Ward 17	2	23/07/2019 15/08/2019	215 300
Ward 18	3	23/07/2019 15/08/2019 27/08/2019	185 192 200
Ward 119	3	18/08/2019 26/08/2019 14/09/2019	150 103 100
Ward 120	5	17/07/2019 13/08/2019 14/08/2019 15/09/2019 30/09/2019	50 68 50 100 67
Ward 121	1	21/08/19	79
Ward 122	4	13/07/2019 20/07/2019 27/07/2019 29/07/2019	250 105 150 200
Ward 131	3	07/07/2019 02/08/2019 23/09/2019	100 56 50

#### Second Quarter

REGION A Ward No:	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of Attendees
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	last 3 months		
Ward 78	1	17-11-2019	170
Ward 79	1	24-11-2019	124
Ward 80	2	05-10-2019 05-12-2019	97 30
Ward 92	1	10-11-2019	54
Ward 93	1	12-10-2019	12
Ward 95		19-10-2019	60
Ward 96	3	03-10-2019 02-12-2019 03-12-2019	164 38 72
Ward 110	1	09-10-2019	210
Ward 111	1	05-10-2019	45
Ward 113	2	05-10-2019 26-10-2019	102 119
Ward 133	1	31 -10-2019	20
<b>Region B</b> Ward No:	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of Attendees
Ward 86	1	05-10-2019	10
Ward 87	1	26-11-2019	20
Ward 88	4	21-10-2019 22-10-2019 23-10-2019 19-11-2019	14 26 13 28
Ward 99	2	09-11-2019 16-11-2019	09 12
Ward 102	1	5-11-2019	30
Ward 117	3	09-10-2019 12-10-2019 09-11-2019 21-11-2019	50 200 12 55
<b>REGION C</b> Ward No:	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of attendees

Region A	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of people in attendance
Ward No:			
Ward 77	1	16-11-2019	620
Ward 78	4	21-11-2019 21-11-2019 21-11-2019 21-11-2019	250 250 250 250
Ward 79	1	16-11-2019	134
Ward 80	4	23-11-2019 23-11-2019 23-11-2019 23-11-2019	150 150 150 150
Ward 95	1	09-12-2019	347
Ward 96	2	17-10-2019 13-11-2019	66 75
Ward 83	5	12-11-2019 12-11-2019 12-11-2019 12-11-2019 12-11-2019	83 83 83 83 83
Ward 110	2	06-10-2019 16-02-20 04-11-2019	63 309 55
Ward 133	1	12-11-2019 14-03-20 03-12-2019 06-03-2019	40 280 50 180
REGION B	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of Attendees
Ward No:			
Ward 68	1	20-02-2020 14-11-2019	19 256
Ward 104	1	10-11-2019	78
REGION C	No. of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of attendees
Ward No:			
Ward 49	1	held in the last 3 months	89
Ward 89	1	11-03-2020	12
Ward 97	1	15-02-2020	29
Ward 13	4	19-10-2019 26-10-2019	27 No register
		27-10-2019 09-11-2019	No register 83
Ward 15	1	1-10-2019	113
Ward 19	4	16-10-2019 23-10-2019 14-11-2019 23-11-2019	65 No register No register 214
Ward 20	4	23-10-2019 24-10-2019 29-10-2019 30-10-2019	60 70 82 45

Ward 33	6	01-10-2019 02-10-2019 03-10-2019 10-12-2019 11-12-2019 12-12-2019	38 66 39 43 27 33
Ward 46	1	12-10-2019	87
Ward 51	1	06-12-2019	53
Ward 52	1	30-10-19	46
<b>REGION D2</b>  Ward No:	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of Attendees</b>
Ward: 22	4	07-10-2019 08-11-2019 21-11-2019 25-11-2019	76 91 208 98
Ward: 24	3	14-10-2019 22-10-2019 14-11-2019	95 109 110
Ward 25	4	31-10-2019 07-11-2019 07-12-2019 14-12-2019	97 32 83 87
Ward 27	1	30-10-2019	78
Ward 28	1	15-11-2019	38
Ward 31	2	05-10-2019 26 -11-2019	34 128
Ward38	4	03-10-2019 21-10-2019 22-10-2019 24-10-2019	78 70 135 82
Ward 36	1	26-11-2019	64
Ward 37	1	13-11-2019	44
Ward 45	3	16-11-2019 17-11-2019 23-11-2019	50 109 105
Ward 42	1	07-11-2019	43
<b>REGION E</b>  Ward No:	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of Attendees</b>
Ward 32	1	25-11-2019	14

Ward 75	1	26-11-2019	138
Ward 76	1	16-11-2019	43
Ward 81	2	05-10-2019 07-12-2019	79 42
Ward 103	1	10-10-2019	07
Ward 105	3	28-10-2019 04-11-2019 20-11-2019	431 83 42
Ward 107	5	15-10-2019 30-10-2019 14-11-2019 21-11-2019 03-12-2019	103 117 80 231 93
Ward 108	1	13-11-2019	191
Ward 109	4	02-10-2019 11-10-2019 12-10-2019 07-11-2019	688 126 30 106
Ward 115	1	24-10-2019	218
Ward 116	3	07-10-2019 08-10-2019 09-10-2019	88 54 111
<b>REGION F</b> Ward No:	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of Attendees</b>
Ward 54	2	15-19-2019 27-11-2019	23 30
Ward 55	1	23-10-2019	97
Ward 57	3	12-10-2019 19-11-2019 10-12-2019	80 84 70
Ward 59	2	03-10-2019 26-11-2019	40 35
Ward 61	2	24-10-2019 14-11-2019	327 144
Ward 62	3	09-10-2019 12-11-2019 10-12-2019	88 76 59
Ward 63	1	26-10-2019	25
Ward 64	2	29-10-2019 26-11-2019	44 40
Ward 66	1	02-11-2019	69
Ward 67	3	27-10-2019	79

		02-11-2019 15-12-2019	43 58
Ward 118	3	01-10-2019 30-10-2019 15-11-2019	13 42 44
Ward 123	4	12-10-2019 19-10-2019 09-11-2019 16-11-2019	96 88 102 78
Ward 124	1	12-10-2019	110
Ward 125	1	15-10-2019	23
<b>REGION G</b>  Ward No:	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of attendees</b>
Ward 01	2	07-11-2019 20-11-2019	107 41
Ward 02	5	03-10-2019 09-10-2019 03-11-2019 04-11-2019 07-11-2019	200 180 116 215 105
Ward 03	3	22-10-2019 26-10-2019 19-11-2019	198 193 260
Ward 04	2	25-10-2019 21-11-2019	165 88
Ward 05	6	26-10-2019 07-11-2019 08-11-2019 13-11-2019 15-11-2019	105 66 66 65 219
Ward 06	3	02-10-2019 24-10-2019 28-10-2019	67 64 52
Ward 07	1	05-11-2019	289
Ward 08	1	21-10-2019	88
Ward 09	3	02-10-2019 30-10-2019 06-11-2019	63 30 150
Ward 17	3	08-10-2019 23-10-2019 02-11-2019	125 140 94

Ward 18	1	10-10-2019	45
Ward 120	1	22-10-2019	71
Ward 122	2	05-10-2019 13-10-2019	123 86
Ward 131	1	01-11-2019	96

REGION D1 Ward No:	No. and dates of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of attendees
Ward 10	1	05-03-2020	258
Ward 12	1	09-02-2020	120
Ward 13	1	08-03-2020	80
Ward 14	3	28-02-2020 05-03-2020 08-03-2020	105 181 119
Ward 15	1	05-03-2020	65
Ward 16	1	22-02-2020	113
Ward 19	1	08-03-2020	138
Ward 21	8	24-02-2020 25-02-2020 26-02-2020 02-03-2020 03-03-2020 04-03-2020 05-03-2020 15-03-2020	205 84 80 75 78 37 157 270
Ward 35	5	25-02-2020 27-01-2020 28-01-2020 29-01-2020 31-01-2020	110 97 102 150 88
Ward 46	2	06-03-2020 14-03-2020	30 66
Ward 47		8-02-2020 15-02-2020 22-02-2020 23-02-2020	96 127 43 54
Ward 48	6	4-02-2020 8-02-2020 11-02-2020 13-02-2020 18-02-2020	54 96 56 46 36



		19-02-2020	48
Ward 51	1	23-03-2020	15
<b>REGION D2</b> Ward No:	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of people in attendance</b>
Ward 22	2	23-01-2020 05-02-2020	199 84
Ward 25	5	01-02-2020 09-02-2020 17-02-2020 18-02-2020 24-02-2020	193 131 13 75 55
Ward 26	1	12-02-2020	49
Ward 27	1	12-03-2020	104
Ward 29	5	16-01-2020 27-01-2020 29-01-2020 26-02-2020 27-02-2020	29 29 15 11 101
Ward 30	5	24-01-2020 27-01-2020 24-02-2020 25-02-2020 26-02-2020	61 55 29 11 101
<b>REGION E</b> Ward No:	<b>No. of public meetings held in the last 3 months</b>	<b>Dates of public meetings held in the last 3 months</b>	<b>Number of Attendees</b>
Ward 32	2	25/02/2020 12/03/2020	105 91
Ward 76	1	19/02/2020	200
Ward 81	1	26/01/2020	190
Ward 105	4	01/02/2020 12/02/2020 24/02/2020 02/03/2020	211 183 97 131
Ward 107	2	06/02/2020 13/02/2020	106 123
Ward 108	1	12/03/2020	191
Ward 109	2	31/01/2020 18/03/2020	142 126
Ward 116	1	06/11/2018	102

REGION F Ward No:	No. and dates of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of Attendees
Ward 57	2	18/01/2020 28/02/2020	120 87
Ward 58	1	07/03/2020	95
Ward 59	2	29/01/2020 22/02/2020	102 60
Ward 60	2	05/03/2020 11/02/2020	122 160
Ward 61	2	02/02/2020 21/02/2020	266 164
Ward 63	2	22/02/2020 24/02/2020	60 88
Ward 67:	3	26/01/2020 01/03/2020 23/03/2020	96 53 119
Ward 123	2	05/02/2020 22/02/2020	45 60

REGION G Ward No:	No. and dates of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of Attendees
Ward 01	3	15/01/2020 22/01/2020 12/03/2020	91 92 300
Ward 02	2	05/02/2020 13/03/2020	182 248
Ward 03	3	25/01/2020 05/02/2020 12/03/2020	99 101 320
Ward 05	2	25/01/2020 26/01/2020	91 80
Ward 06	3	10/02/2020 12/02/2020 03/03/2020	51 256 167
Ward 07	3	13/02/2020	194
Ward 09	3	03/02/2020 16/02/2020	85 52
Ward 17	1	16/03/2020	80
Ward 18	1	19/02/2020	302

REGION G	No. and dates of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of Attendees
Ward No:			
Ward 01	3	15/01/2020 22/01/2020 12/03/2020	91 92 300
Ward 02	2	05/02/2020 13/03/2020	182 248
Ward 119	1	26/02/2020	209
Ward 120	None	None	None
Ward 121	None	None	None
Ward 122	3	13/01/2020 29/01/2020 13/03/2020	487 (as joint meeting with ward 8) 140 341
Ward 131	3	24/01/2020 26/01/2020 13/03/2020	300 100 230

#### Fourth Quarter (COVID Lockdown)

REGION D1	No. and dates of public meetings held in the last 3 months	Dates of public meetings held in the last 3 months	Number of Attendees
Ward No:			
Ward 47	2	10-05-2020 09-06-2020	150 (unplanned meetings where community demanded audience with councillors) no attendance registers
Ward 53	2	04-04-2020 00-05-2020	Plus minus 100 residents Unplanned meetings where community demanded audience with councillors) no attendance registers

## 2.5 IDP PARTICIPATION AND ALIGNMENT

The following are the IDP participation and alignment criteria according to the section 26 municipal systems Act 2000:

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

## COMPONENT D: CORPORATE GOVERNANCE

### Overview of Corporate Governance

#### 2.6 RISK MANAGEMENT

The City of Johannesburg Metropolitan Municipality has a Risk Management Function as one of its assurance level and Group Risk Governance Committee as its advisory oversight structure on risk operations. The overall Group Enterprise Risk Management Framework is aimed at delivering an effective and efficient city-wide Integrated Enterprise Risk Management, Risk controls, Risk Finance and business continuity management function to the City's core departments and entities. This is achieved by outlining the risk governance structures and the related roles and responsibilities.

Enterprise Risk Management (ERM) is a process applied in strategy setting and linked to performance objectives across the organisation. It is designed to identify potential events that may affect the City, and to manage such risks to be within its risk appetite. ERM also provides reasonable assurance regarding the achievement of the City's annual strategic objectives, Mayoral Priorities as infused into the Integrated Development Plan and GDS 2040 outcomes.

The sections 62(1) (c) (in) and 95(c) (i) of the Municipal Finance Management Act (MFMA) mandates the Accounting Officer to ensure that the municipality and municipal entities have and maintain effective, efficient and transparent systems of risk management. This function has been delegated to Group Risk Advisory Services Department ("GRAS"). The department develops and implements an effective and efficient system of risk management that is adopted across the organization to deal with the many risks that affect the service delivery. The risk functions entail the following areas (Figure 14):



**Figure 5: Risk functions**

### Enterprise Risk Management

During the financial year under reporting the GRAS has facilitated the development of the City's Risk Universe which consists of over 300 Risk Register that inform the "City-Wide Strategic Risk Register" that contains the City's Top Risks which are aligned to the City's Mayoral Priorities. Table 17 below outlines the City's Top 13 Strategic Risks that were managed for the 2019/2020 financial year in relation to the Mayoral Priorities and priority programmes.

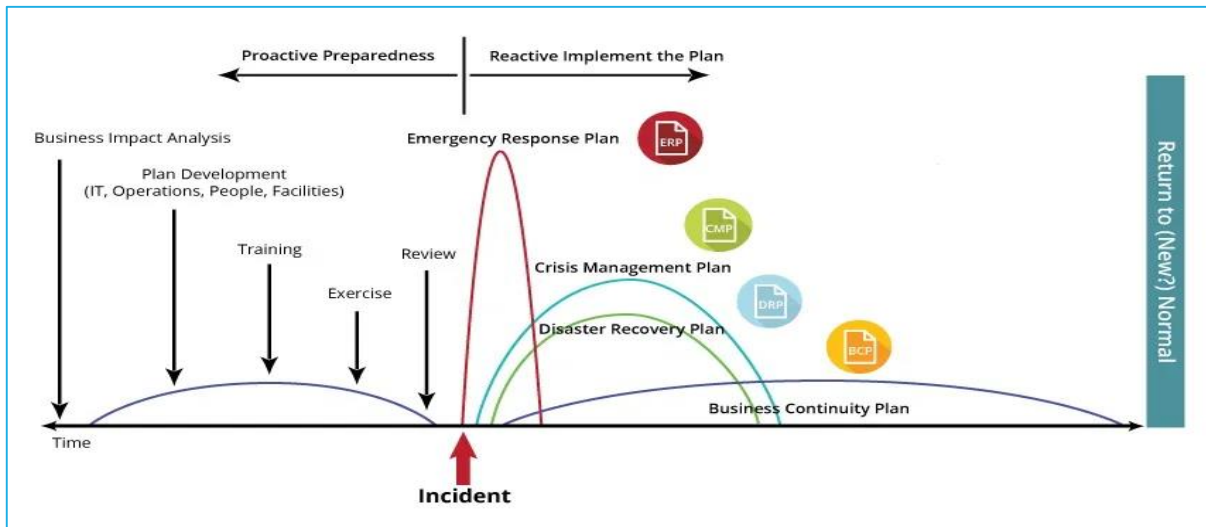
**Table 6: City's Top 13 Strategic Risks**

STRATEGIC PRIORITIES	PRIORITY PROGRAMMES	TOP STRATEGIC RISK NAME
1. Good governance 2. Financial sustainability 3. Integrated human settlements 4. Sustainable service delivery 5. Job opportunity and creation 6. Safer city 7. Active and engage citizenry 8. Sustainable Economic development 9. Smart city	1. Accelerated and visible Service delivery and re-introduction of co-production in the delivery of the basic service 2. Improve and strengthen financial position 3. Impact the housing market including the integration; development and maintenance of hostels and flats –law enforcement 5. A safer city by reintroducing ward-based policing (Joburg 10+) and effectively 6. Job opportunities and creation	1. Governance Failures 2. Financial Instability 3. Low quality of life 4. Failure to meet Service Delivery Standards 5. Failure to create sustainable job opportunities 6. Increasing Safety and Security Incidents 7. Misaligned service delivery strategies

STRATEGIC PRIORITIES	PRIORITY PROGRAMMES	TOP STRATEGIC RISK NAME
	<ul style="list-style-type: none"> <li>7. Development and support of SMMEs</li> <li>8. Community Based Planning and enhanced community engagement, including mayoral izimbizo</li> <li>9. Manage displaced communities and homelessness               <ul style="list-style-type: none"> <li>1. 9.ocmbating drug and substance abuse</li> </ul> </li> <li>10. Combat corruption; fraud and maladministration</li> <li>11. combat illegal land invasion and promote regulated land use</li> <li>12. Formalization of informal settlements and accelerated rapid land release</li> </ul>	<ul style="list-style-type: none"> <li>8. Slow Economic Growth</li> <li>9. Failure to keep abreast with technological advancements and trends</li> <li>10. Environmental degradation</li> <li>11. Inability to respond to city disasters and business disruptions</li> <li>12. Non-Compliance to regulatory requirements</li> <li>13. Un-insurability of the City</li> </ul>

### **Risk Control (Business Continuity Management)**

Business Continuity Management (BCM) is a holistic management process that identifies potential threats to the City and impact to business operations should those threats be realised. It provides a framework for building the City's resilience with capability of an effective response that safeguard the interests of its key stakeholders, reputation, brand and value-creating activities. During the reporting period GRAS facilitated the development of the revised City BCM Framework and Policy which will guide the development of Business Continuity Plan for all critical operations in the City. The BCM Framework and Policy are aligned to the requirements of International Organization for Standardization (ISO 22301) and other BCM Legislatives Framework such as Municipal Finance Management Act No 56 of 2003, Municipal Systems Act No 32 of 2000, as amended and Disaster Management Act 57 of 2002. The BCP development process which the City follows is as depicted below in Figure 15.



**Figure 6: CoJ Business Continuity Process**

### **Risk Finance (Insurance)**

Risk Finance is concerned with providing funds to cover the financial effect of unexpected losses experienced by the City. Risk financing involves the identification of risks, determining how to finance the risk. This is done by procuring insurance covers to mitigate losses. The insurance portfolio of the City of Johannesburg is categorised into Non-motor (Assets and liabilities) and Motor Fleet (Motor related). During the 2019/2020 financial year, the City appointed new insurance Brokers for the Non-Motor Insurance Portfolio. The subsequently led to the renewal of the insurance for the Non-Motor Portfolio. The procurement process for Motor Insurance Portfolio cover is currently underway to be completed by end December 2020. The City needs to implement stringent risk controls to reduce the risk exposure, insurance cover costs and ensure that the City remains insurable.

## **2.7 GROUP INFORMATION AND COMMUNICATION TECHNOLOGY**

### **Overview of the department**

The Group Information Communications Technology and Information Management department is responsible for the architecture, hardware, software and networking of computers within the City of Johannesburg environment. The department has to also ensure that it takes the City



through the fourth industrial revolution by ensuring the alignment and compliance to the standards and best practices.

### **Vision**

The Group Information Communication Technology Department's Vision is to enable the City and its Citizens to accelerate their ambitions by providing them with best technology solutions with significant contribution to their day to day lives.

### **Mission**

Our mission is to strive to assist the City and its Citizens to do excellent and facilitate growth through the provision of effective IT Service Delivery Model. The department will do so by: -

- Striving to exceed expectations in empowering our people by leveraging on their intellectual capacity to deliver cost effective solutions
- Developing the key intellectual capacity for the organisation
- Collaboration and Integrations- Integration of the City's ICT Systems is key to extracting maximum value in high level collaboration between the City's Departments and Entities.
- Flexibility for Economic Empowerment and Growth- the City will need to ensure it positions its technology assets to facilitate and support increasing demands on its infrastructure and support anticipated growth while supporting green and blue economy.
- ICT Value Delivery- the investment in the ICT must demonstrate value to the City's engagement with the Citizens.
- Agility, Predictability and Visibility- ICT must be agile, provide predictable delivery, visibility and transparency to the City's Business requirements in order to foster a sense of trust and partnership between the City and its Citizens.
- Establish the ICT Centre of Excellence to transform ICT in the City from a functional capability into a service driven centre supported by competence across the value chain of ICT.
- Institutionalise performance driven culture
- Create an Enabling City-Wide Enterprise Architecture that will Enable the City to deliver services to its Citizens and achieve the Smart City objective

The consolidated ICT mission is underpinned by the following future targets:

- **Stable and consistent service delivery** - the strategy focuses on improving and maintaining services at levels acceptable to the organization and citizens.
- **Collaboration and Integration** – integration of the city's ICT systems is key to extracting maximum value in in high-level collaboration between the City's departments and entities.
- **Flexibility for economic empowerment and growth** – the City will need to ensure it positions its technology assets to facilitate and support increasing demands on its infrastructure and support anticipated growth.
- **ICT Value Delivery** – the investment in the ICT must demonstrate value to the City and its citizens.
- **Agility, predictability and visibility** - ICT must be agile, provide predictable delivery and visibility and transparency to the City's business requirements to foster a sense of trust and partnership between the city and citizens.

### **Values**

The department is responsible for the provision of Smart and Innovative ICT Services to the City and its citizens within the following value proposition: -

- Smartness and digitalisation
- Innovativeness
- Excellency in Service
- Commitment to Professionalism

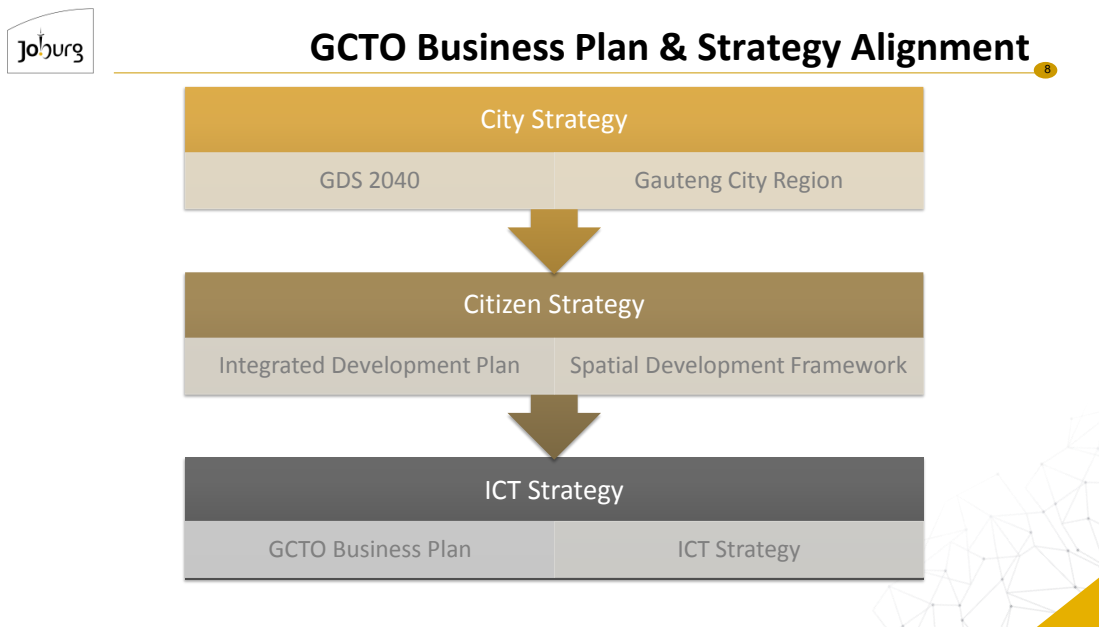
### **Group Information Communication Technology and Information Management Department's Mandate**

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

- To develop and implement sound ICT Governance Framework across the City
- To implement sound ICT Enterprise Architecture for the City
- To support the Smart City Enablement Agenda
- To Develop and Maintain the City's ICT Infrastructure
- To ensure the adoption and usage of ICT Services both internally and externally
- To Modernise all legacy ICT Systems

- Provide a robust, reliable and efficient strategic ICT services to the CoJ for smart Service Delivery

GCTO Business Plan and Strategy Alignment is shown in Figure 16. The figure indicates that this includes three strategies, namely, the city strategy, the citizen strategy as well as the ICT strategy.



**Figure 7: GCTO Business Plan and Strategy Alignment**

#### *GCTO Strategy Alignment*

The GCTO Strategy alignment purpose is to ensure that there is complete alignment between the City Strategy (GDS 2040, Gauteng City Region), Citizen Strategy (Integrated Development Plan, Spatial Development Framework), ICT Strategy (GCTO Business Plan, Current ICT Strategy) objectives and Implementation shortfalls.

#### *City Strategy Alignment*

The Johannesburg 2040 GDS is an aspirational strategy that defines the type of society the city aspires to achieve, by 2040. The strategy restates the City's resolve in confronting the past injustices created during Apartheid, working towards a democratic, non-racial, non-sexist and just City while simultaneously confronting present and future challenges as they emerge.

Therefore, it contains:

- Grow the economy and create jobs
- Enhance quality of life and take care of the environment
- Advance pro-poor development
- Build caring, safe and secure communities
- Institute an honest, responsive and productive government

The Johannesburg 2040 GDS is not a spatial vision or statutory plan. This is an important distinction, as it distinguishes this document from other long-range city plans. Instead, the Johannesburg 2040 GDS is a prerequisite for medium-term, strategic, spatially-oriented plans for the infrastructure, housing and transportation sectors. Furthermore, this strategy does not describe institutional powers, functions and operational activities. On the contrary, it provides a set of defined strategic directions that frame the five-year IDP and other medium-term plans. In support of long-term delivery, the IDP will contain specific five-year operational activities, targets and financial budgets.

The City of Johannesburg will collectively enable support that drives economic growth, optimal management of natural resources and the environment and will develop an inclusive society that contributes to the development of a capable local government. This will help it to deliver on its 2040 Vision: “Johannesburg – a City of the Future – an economically vibrant and equitable African City; strengthened through its diversity; a Smart City that provides high quality of life; a City that provides sustainable service for all its citizens; and a resilient economy”.

#### *Citizen Strategy alignment*

In line with the City of Johannesburg's Vision and Mission, the Executive Mayor, Cllr Herman Mashaba, immediately after election, identified five critical problem areas in the City that require urgent attention: unemployment, infrastructure, housing, lawlessness and corruption. Together with the administration, he announced a 10-Point Plan on 6 September 2016 as a swift response to these challenges.

**Embrace a coalition government:** This administration is the City of Johannesburg's first coalition government, the success of which lies in ensuring that the entire City embraces the

new dispensation. Successful governance under a coalition requires a higher level of consultation, and bringing together people from different walks of life and points of view to create teams that work in the interests of the people.

**Run a responsive and pro-poor government:** A responsive and pro-poor government is one that is committed to making a difference in the lives of ordinary citizens. Many poor citizens and communities were underserved in the past. The needs of underserved communities are straightforward: access to basic services, education and healthcare; better transport and housing options; cleaner and safer environment; programmes to help grow small businesses and thinking for the future; and finding solutions for how to look after the poor, elderly, the youth and the most vulnerable in society

**Work towards achieving 5% growth:** A Creating an enabling environment for the development of business, in particular small businesses and entrepreneurs, will lay the foundation to achieve a 5% economic growth rate by 2021. Key performance standards have been identified to stimulate economic growth in the City. These relate to building-plan approvals, rezoning applications, installations of new meters and clearance certificates.

**Create a professional civil service:** The new administration has identified that a skills audit is necessary for to gauge the skills available among the City's 33 000 employees. This skills audit is also intended to ensure that the most appropriate skills are deployed in their corresponding functions. The independent skills audit will also establish the level of competency of senior managers and all other City employees

**Ensure that corruption is public enemy number 1:** The Executive Mayor declared corruption public enemy number 1, as it is only when every resource available to the City is put to its most effective use that the targeted growth rate of 5% will be achieved. In essence, corruption robs the poor of basic services. Creating a higher standard of public service and exposing corruption ensures that guilty parties are dealt with and that the effects of their criminal activities are mitigated

**Produce an official housing waiting list:** A Since the first democratic national election in 1994, many citizens have been waiting to receive houses. The processes were not always clear in the past and there was never an official housing waiting list. As such, it is part of the new administration's 10-Point Plan to produce an official housing waiting list.

**Develop a list of all incomplete housing units:** A In addition to the ambiguities surrounding the official housing waiting list, there remain many incomplete housing units across the City

where construction had ground to a halt and residents were either left without shelter and explanation, or promised alternative housing. This point in the plan refers to an initiative to list all such incomplete housing units where construction had ground to a halt in order that the City can ensure that these unfinished projects are completed.

**Fast-track the handover of title deeds:** Without a title deed, an ordinary resident, church or business cannot receive a license to operate or receive financial assistance. The process of fast-tracking the handover of title deeds is under way, after which residents, churches and businesses will be able to operate effectively and productively.

**Initiate a pilot project for extended-hour clinics:** An Access to basic health services is an important indicator of quality of life in any city. While wealthier residents can afford private services, most Johannesburg residents are reliant on public clinics, many of which only open from Monday to Friday and operate for limited hours. Extending the hours of public clinics on a trial basis will allowing the City to offer better health services to its poorer residents

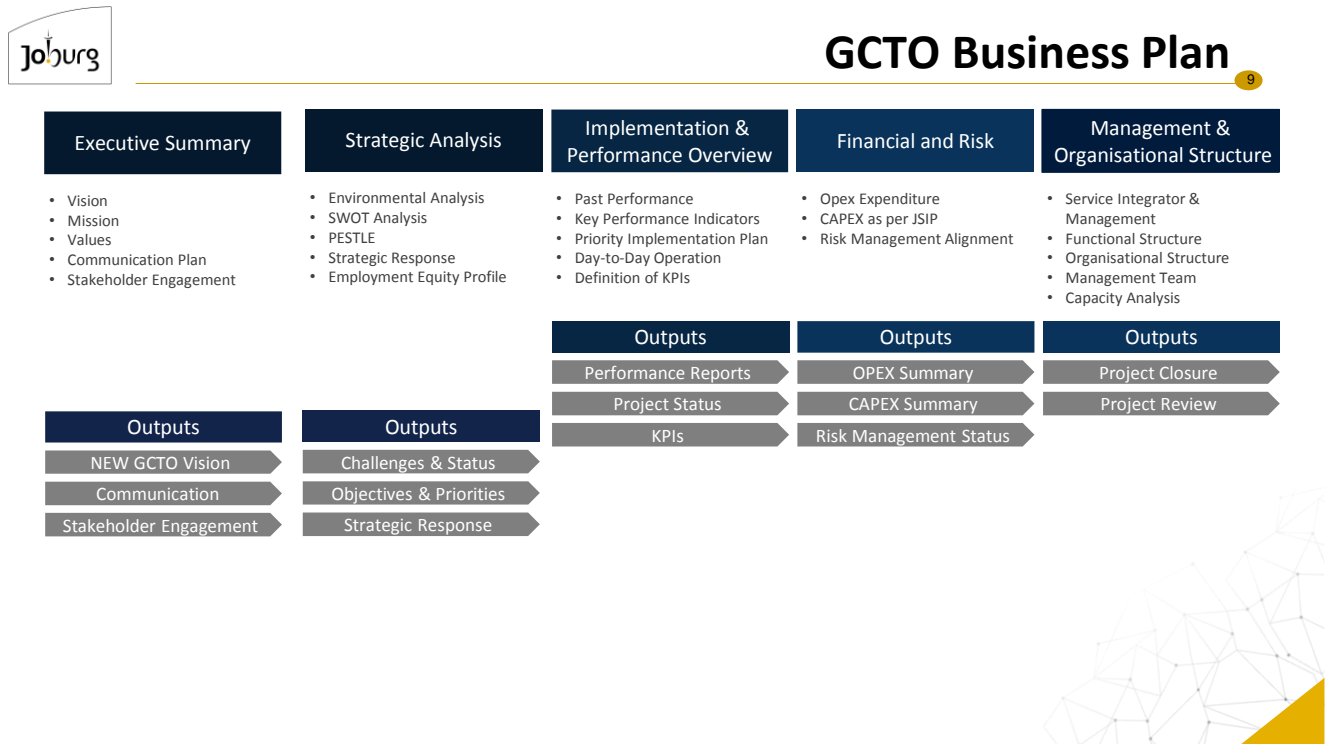
**Revitalise the inner city:** Inner-city revitalisation is a primary focus area and is necessary to achieve the minimum 5% economic growth by 2021. The inner city represents many things to Johannesburg in that it is a hub for the majority of the City's workers who rely on public transport, and is one of the few areas with the potential for affordable housing within reasonable distance for the working population. The City is focused on recovering hijacked buildings and developing the inner city into a centre of economic development and growth.

### *ICT Strategy alignment*

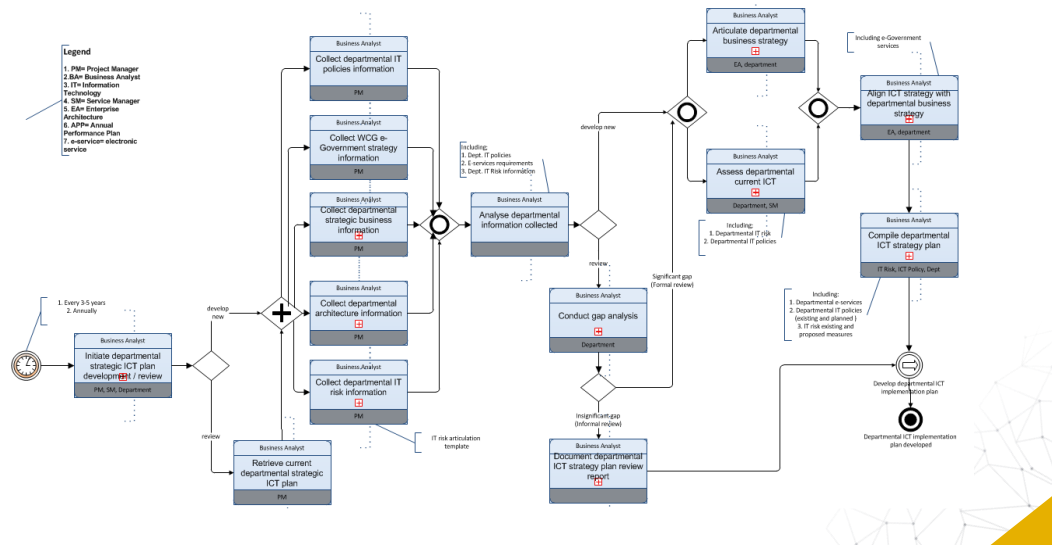
The previous ICT Strategy was in serious need for review and needed to be re-aligned to the City's new GDS2040 objectives and pillars including its IDP Priorities which supports its revised institutional goals and departmental business plans. Also, we need to revisit the status of the delivery against that strategy and determined the requirements to migrate its outcomes into the new and revised ICT Strategy. The Strategy had at its core four strategic programs;

- Revenue Step Change
- Business Transformation Framework (SAP Upgrade and COE)
- Smart City Enablement
- Strategic ICT Programmes
- ICT and Data Governance

The GCTO Business Plan and CGICT requirements are shown in Figures 17 and 18 respectively. The GCTO Business Plan involve the executive summary, strategic analysis, implementation and performance overview, financial and risk as well as management and organisational structure.



**Figure 8: GCTO Business Plan**



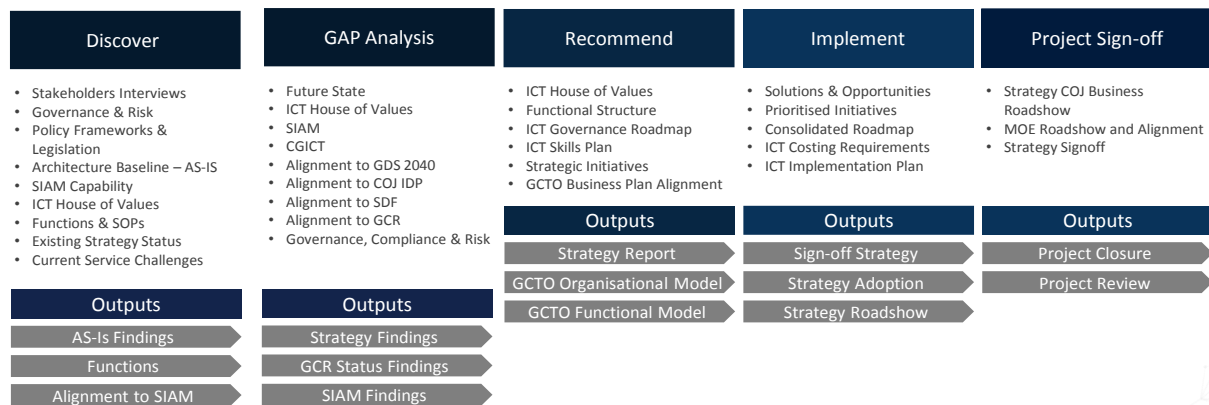
**Figure 9: CGICT Requirements**

The view that ICT should be governed and managed at a Political Leadership and Executive Management level is supported by international accepted good practice and standards in the form of King III Code of Good Governance, ISO 38500 Standard for the Corporate Governance of ICT and COBIT a comprehensive Governance ICT Process Framework. It also places accountability for governance of ICT fully in the hands of Political Leadership and Executive Management (equivalent to the Board). This accountability enables the department to align the delivery of ICT services with the department's strategic goals. The executive authority and management of departments need to extend corporate governance as a good management practice to ICT (Corporate Governance of ICT).

## GCTO Strategy Journey

To comply with the CGICTPF requirements for Government it required us to follow the preferred approach to review the ICT Strategy for the City. These activities were then grouped under the five delivery phases, namely discover, GAP analysis, recommend, implement and project sign-off as shown in Figure 19.





**Figure 10: GCTO Strategy Journey**

## 2.7.1 Establishment of the City's Cyber Security War Room

The City of Johannesburg, like any other organisation in the world is open to cyber-attacks. To mitigate against the cyber-attacks and to protect the City, in the 17/18 financial year the department appointed CSIR to establish and implement the Cyber Security Centre for the City. The Centre will assist the City to identify, protect, detect, respond and recover from cyber-attacks. The City will have the capability to monitor actively any potential threats.

The establishment of the City's Cyber Security War Room project is on track and the centre is now fully functional. The department has capacitated the Centre with 15 Internship Students. The technology skills transfer has begun, and it is expected to be concluded when the centre is fully capacitated with permanent resources.

The Covid-19 pandemic had negative impact in executing some of the Cyber Centre War Room deliverables. Furthermore, the expired CSIR contract had a negative impact on the project

progress. The department has now finalised the extension of the CSIR contract for CSIR to manage the centre on behalf of the City.

### **2.7.2 End User Hardware (desktops and laptops) Refresh**

The Department identified 1,000 machines that had reached the end of life in the 19/20 financial year. The desktops and laptops refresh project ensures that machines that have reached the end of life are removed from the environment. This will enable the City's Departments to have functional tools (computers) that are effective and efficient to deliver on the City's mandate. The department had a target to refresh 1000 workstations (desktops and laptops) in the 19/20 financial year and the target was achieved by the end of the financial year.

### **2.7.3 WAN and LAN Refresh (Achieved)**

In the financial year 2018/19, the department embarked on refreshing the network infrastructure that has reached the end of life. In the 19/20 financial year, the department continued with the refresh of the network infrastructure. This project will ensure that the City's network infrastructure is robust and responds with speed to the dynamic technology requirements. The following 17 sites have been provisioned with LAN and WAN links installed in the financial year 2019/20:

- a) Westbury TDC – Social Development (WAN Link and LAN provisioning);
- b) JMPD BMU Fenell Road – LAN provisioning;
- c) Thoko Mngoma Clinic Alexandra – LAN Provisioning;
- d) Esselen Street Clinic – LAN Provisioning;
- e) Protea Glen Fire Station – LAN Provisioning;
- f) Marlboro JMPD Testing Station – LAN Provisioning;
- g) JD House LAN Provisioning – LAN Provisioning and WAN Link;
- h) Martindale JMPD (Radwin D Plus point-to-point and Radwin Subscriber Unit);
- i) Johannesburg Development Agency;
- j) Johannesburg Civic Theatre;
- k) Orlando West Admin;
- l) Old Mutual Building;
- m) Randburg Testing;
- n) Langlaagte Pharmacy;
- o) Ebony Park Clinic;

- p) Sandton Testing Station; and
- q) Langlaagte Testing Station.

#### **2.7.4 ICT Services Systems Availability**

The systems availability average for the fourth quarter is 99.22%. 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 department such as Marketing).
- AIX Servers - provides LIS, Metro Cash Router and Library System Service.
- Hosting Availability- which services the JD House, Roodepoort and IS Data Centres. Martindale and Roodepoort data centres are undergoing refurbishment which will ensure that availability improves.

NB: The upgrade of the ICT infrastructure is an-ongoing process to enable 99.9% uptime.

#### **2.7.5 Upgrade of the ICT Infrastructure (City's Data Centres)**

As part of the Disaster Recovery programme and ensuring the provision of modern Data Centre environment. The department committed to build one (1) data centre at JD House in Braamfontein, as a replacement of Metro Data Centre, which after the work of refurbishing the Data Centre had commenced, the building was declared unsafe. Roodepoort Civic is where the other data centre is located, which also was to be refurbished in the 19/20 financial year.

- **JD House Data Centre**

The construction of the new Data Centre at JD House has been completed. All the equipment has been moved from Metro Centro to JD House. The CCTV installation and connecting system to be displayed on TV has been finalised. Installation of In Row and Outdoor Coolers for Modular Datacentre completed. Installation of all servers for Power feed B and testing was

done in January 2020. All the infrastructure and equipment required for this Data Centre was delivered. The JD House Data Centre is now operational with all ICT infrastructure which was at Metro Centre now hosted in the Data Centre.

- **Roodepoort Data Centre**

Roodepoort Data Centre is 95% complete and the entire infrastructure required was delivered. The scoping of the equipment move in preparation for the new power grid cut-over has been completed.

#### **2.7.6 Non-SAP Applications Modernization**

The purpose of this project is to provide modernised platform for all the legacy applications. The applications that are accommodated in this project are those that are not part of the SAP Business Transformation Program and they are referred to as Non-SAP Applications. The e-solution modernisation of legacy applications project entails delivery of the active and inactive applications.

The priorities for this project have been revised and the following applications were prioritised for the 19/20 financial year, that is, Electronic Document Management System (EDMS), Spatial Planning and Land Use Management Act (SPLUMA), Land Information System (LIS) Reporting Property Information Search, and Basic Accounting System (BAS). The project became stagnant due to the COVID19 pandemic. The LIS Exception Reporting, LIS Property Information Search and Inactive applications were successfully deployed.

The Electronic Document Management System (EDRMS): Meeting Decision Support System was implemented, however there was a request for security modification to be applied on the MDSS Meetings system. The security changes were successfully applied, and the solution was deployed on the 25th June 2020 and the records centre (file plan) successfully deployed on 26th June 2020.

The Committees system is live, however there was a request for modifications on Indexing and Sub sites. The modifications were applied and deployed on 07<sup>th</sup> July 2020. The system went live on the 07<sup>th</sup> July 2020.

### **2.7.7 SAP Business Transformation Project**

The city has taken a strategic decision to leverage our investment in SAP solutions by implementing a consolidated and centralized Information, Communication and Technology (ICT) Strategy for the entire City of Johannesburg, which aims to create a more efficient organization.

This strategic approach focuses on the infusion of business and technology decisions in an environment that will drive the City to promote a mature Standard / Homogeneous operating Model, based on municipal industry best practices, while simultaneously improving internal efficiencies as well as information and knowledge sharing. The City will realise a Business Transformation Vision that places strategic emphasis on:

- An Integrated City and Council;
- A Common Operating Platform (Common Business Processes and Key Value Chains);
- A Single View of The Citizen;
- Enterprise Wide Performance Management (Departments and Municipal Entities (ME's);
- Maturity to a "Smart City".

The vision will enable the City to achieve an integrated Financial Management, and Enterprise Resource Planning Business and Technology Solution across the City, which meets the National Treasury requirements and standards to enable the Municipal Standards Chart of Accounts (mSCOA). It is envisaged that the vision will enable the City to achieve the following Smart City and Information Communications Technology (ICT) outcomes:

- Enhanced institutionalised technological competency;
- Increased service delivery efficiency and productivity;
- Reinforced smart and effective service delivery;
- Augmented quality of the City of Johannesburg's ICT systems and services; and
- Support and enhance citizens' active involvement and engagement.

Release 1B Go-live with the following functionality Payroll payments, Employee Relations, Employee Self Service, Management Self Service and SCM was planned to be delivered end

March 2020 but could not be delivered as resources had to be withdrawn because of the lockdown. The new date for the 1B Go-live on HCM was April 2020.

Human Capital Management (HCM) went live with the April 2020 payroll with activation on the following units:

- CoJ Core Administration;
- Pikitup;
- Metro Trading Company;
- Johannesburg Social Housing Company;
- Johannesburg Property Company; and
- Metro Bus.

Following functionality is operational:

- Organizational Management;
- Personal Administration; and
- Payroll payments.

#### **2.7.8 Implementation of Smart City Programs**

Bus digitization project is a smart city enablement initiative by GICT to consolidate, digitize and implement an intelligent transport system for both the Metropolitan Bus Company (Mbus) and the (Rea-Vaya). The vision is for the city to have an all integrated technology platform for real time reporting, seamless integration to our core systems, integrated reconciliation processes, consolidated architecture and many other technology enabled capabilities.

The current focus of this initiative is to implement the first phase of Automatic Fare collection (AFC) system and that is currently in the procurement process. The tender closed in end of February 2020. The tender had to be cancelled after a legal concern was raised by one of the suppliers following a procurement process issue. The query relates to reasons why one of the suppliers was omitted on the responses shared with other suppliers.

The department has successfully implemented two COVID-19 Smart city projects, namely:

- Track and Trace; and

- Business intelligent reporting.

- **Track and Trace Solution**

This solution allows the City to effectively monitor the spread of the virus and also the behaviour of citizens. This solution contains features like social distancing messages to residents if they are not observing social distancing as it will have the ability to read the location of a citizen and uses other means like Bluetooth. The features on this solution are boundless as it is also enable to effectively trace people who are infected and other citizens who are potentially infected, and their behaviour in terms of quarantining and the following of regulations in terms of the Levels being decided by National government.

The demo of the solution was completed on the 30<sup>th</sup> June 2020. MTC technical team through the office of the MTC CEO presented the solution to the GICT and GCTO in the week of 13<sup>th</sup> of July 2020 after which representatives of the COJ Covid-19 Commander Centre were also work shopped on the developed solution.

- **Incident Management Solution**

The Incident management system is designed for keeping track of cases. This clear visibility is essential to enable the City of Johannesburg to take the right actions in preventing further contagion and keeping essential businesses operating. The solution will ensure that data privacy requirements continue to be met and the bidder enforce privacy with the staff or partners working on the project.

This reporting tool enables the City to have precise data on the virus at any given time ensuring that the City's Disaster Command Centre has reliable information, and a Dashboard that can be used to make informed decisions. This tool is also used in other areas of the City by administration leadership and Executive Mayor including his executive team for informed decision making in relation to the future plans for the city.

## **2.7.9 Renewal of the Software Licenses**

This Project entails renewal and consolidation of the Software licenses for both the City and MOEs. This saves the City money, ensures proper management of software, curtail duplication

of software, enable and promote ICT shared services between the City and its Entities. The project enables COJ and the Entities to have the latest Microsoft products to avoid the risk of having old versions that are not supported by Microsoft. Furthermore, it will also enable collaboration with other MEs with Microsoft platform.

MOEs licenses have been consolidated as and when their agreements expired. Joburg Water, City Power, City Theatre, JOSHCO, JRA, City Parks and Zoo, Joburg Market, JPC have been put under the City's Enterprise agreement. The pandemic impacted negatively on the completion Active Directorate (AD) sync for the JRA and City Parks, resulting in City Parks initiating with BCX to buy the office 365 license from Micro-Soft. The draft consolidated renewal agreement has been completed.

- **Integrated Call Centre (ICC) Additional Licenses**

The City of Johannesburg implemented the integrated call centre solution for the consolidation of all call centres. This will enable the city to have one contact solution across the whole city and the entities. The deployed solution also has the capability to consolidate and integrate all the telephony requirements for the city. This means that all City employees will use one telephony system at zero cost. The benefit of integrated telephony for all city employees are the following:

- Lower Costs
- Cost-Effective Hardware and Software
- Simplified Conferencing
- Mobility of Your Service
- Ease of Installation, Configuration, Maintenance
- Scalability
- Easy Integration with Other Business Systems

There has been a big uptake of the Avaya system across the city. With this uptake, there has been a depletion of licenses that were originally meant for the contact centre. This has now meant that the contact centre does not have enough licenses when they are operating at full capacity. This affects even the contact centre Back office users. In order to accommodate the



users, we need the licenses to be increased from the current 650 (This was only scoped for the call centre users with a total concurrent usage of 250 agents).

In order to achieve this, the city will require to provide the handsets and licenses to the employees over and above what has already been provisioned for the call centres. Additional licenses have been implemented and MTC is busy with VOIP solution.

### **Deviated Key Performance Indicators (Kpis)**

The following four (4) KPIs deployment of wifi, upgrade of the City's boardrooms to smart boardrooms, asset tracking and SAP & Non SAP archiving were deviated due insufficient budget allocation. However, during the Special adjustment budget on the 17 June 2020, the department was allocated R45 million for the Wi-Fi project.

- **Deployment of Wi-Fi Hotspots**

The City of Johannesburg took a decision to deploy free Wi-Fi hotspots across the City. The service is to enable City of Johannesburg citizens especially in previously disadvantaged areas to have access to information and learning/educational materials. The other vital element of which the project seek to address was job search for unemployed youth of Johannesburg to be easier and free. The use of free internet could also assist the youth to keep themselves up to date with what is happening within the City of Johannesburg boundaries, South Africa and around the globe.

The current pandemic and the "new normal" has resulted in the country and its cities and municipalities having to fast track ICT projects that have a direct impact on the lives of citizens. The provision of Wi-Fi services will have unlimited benefits to citizens including new schooling and learning opportunities that can be used by Johannesburg learners and students. The Wi-Fi rollout is a critical initiative by the City of Johannesburg to bridge the digital divide and bring down the cost of telecommunication.

#### **2.7.10 Rollout of Public Free Wi-Fi**

- **Braam MESH**

Braam MESH Wi-Fi which entails the deployment of Public Free Wi-Fi in Braamfontein Precinct has been completed. The Mesh Wi-Fi systems consists of a main network router that connects directly to the internet breakout, and a series of satellite modules, or nodes placed around specific areas for full Wi-Fi coverage. They are all part of a single wireless network and share the same SSID and password, unlike traditional Wi-Fi routers.

Braamfontein public Wi-Fi aims to transform Braamfontein neighbourhoods and strengthen the economy by expanding customer access to broadband internet services and by helping citizens, businesses, schools, community organisations and visitors make effective use of Information and Computing Technology to achieve their goals. By 30th June 2020, the Braam MESH was fully installed and ready for launch.

#### **2.7.11 Upgrade of the City's boardrooms to Smart Boardroom**

The project has been deviated due to lack of budget.

#### **2.7.12 Installation of the tracking and monitoring tool for the City's laptops**

The project has been deviated due to lack of budget.

#### **2.7.13 Implementation of Archiving for the SAP and Non-SAP**

The project has been deviated due to lack of budget

## Information and Communication Technology Objectives Taken from IDP

Table 18 shows the service objectives and service indicators of the Group Information and Communication Technology Department, together with their targets and the actual realized levels for the 2019/20 financial year. The projected percentage targets for 2020/21 are also presented.

**Table 7: Information and Communication Technology objectives from IDP**

Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
Number of Wi-Fi hotspots rolled out	1,000 Hotspots	The KPI was deviated, however the infrastructure for the Braamfontein Mesh was installed	500
Percentage Sap Software Upgrade/implementation to latest sap version	100%	<b>Not achieved</b> Human Capital Management (HCM) went live with the April 2020 payroll with activation on following units: <ul style="list-style-type: none"> <li>• CoJ Core Administration</li> <li>• Pikitup</li> <li>• Metro Trading Company</li> <li>• Johannesburg Social Housing Company</li> <li>• Johannesburg Property Company</li> <li>• Metro Bus</li> </ul>	100%

Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
		<p>Following functionality is operational:</p> <p>Organizational Management</p> <p>Personal Administration</p> <p>Payroll payments</p>	
Number of ICT Infrastructure end- user computer hardware refreshed	1000 Desktops and Laptops to be refreshed	<p><b>Achieved</b></p> <p>1000 machines (laptops and desktops) refreshed</p>	1,100
Number of Microsoft Licenses deployed for existing and new users	All COJ Users including the 12 MoEs	<p><b>Achieved</b></p> <p>The draft consolidated renewal agreement has been completed.</p>	N/A
Percentage Uptime of ICT systems	99%	<p><b>Achieved</b></p> <p>99.22%</p>	99%
Percentage Implementation of COJ cyber security war room	100%	<p><b>Achieved</b></p> <p>100% Project completion and handover</p>	75%

Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
Percentage Sap & Non-Sap Archiving of New Computer Software	100%	The KPI was deviated	100%
Percentage ICT Infrastructure Upgrade & Renewal	2 Data Centre	<b>Achieved</b> JD House Data Centre is now operational with all ICT infrastructure which was at Metro Centre hosted in this data centre. Roodepoort Data centre the entire infrastructure required was delivered	85%
Number of sites to be renewed of the ICT Network Infrastructure	30 Sites	<b>Not achieved</b> 17 Sites were provisioned with LAN and WAN Links	100 sites
Percentage Non- SAP Application Modernization	100%	<b>Achieved</b> 100% LIS Property information search, LIS exception reporting, Balance of Inactive applications. On EDMS the following were implemented: Team Sites, Record Centre, Committees and Meetings.	85%

Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
Number of Boardrooms upgraded to Smart Boardroom	5 Boardrooms	The KPI was deviated	6
Number of laptops installed with the tracking and monitoring tool	2000 Laptops	The KPI was deviated	NA

### Employee: Information and Communication Technology

Table 19 shows the job levels for the ICT employees. Job level 0-3 has the highest percentage of 43%, followed by level 7-9 (42%). Job level 10-12 etc has the lowest percentage of 20% as expected. The actual employee numbers are also indicated, with professionally qualified, and experienced and specialists and mid-management (level 5 and 6) having the largest number of 28. The total number of employees is 94.

**Table 8: ICT employees**

Job Level	2019/20			
	Posts	Employees	Vacancies (Full time equivalent)	Vacancies (as a % of total)
	No.	No.	No.	%

0-3	7	3	-	43
4-6	140	41	-	29
7-9	52	22	-	42
10-12 etc.	25	5	-	20
<b>Total</b>	<b>224</b>	<b>94</b>	-	<b>42</b>

<b>Employee numbers</b>	<b>Actual</b>
Top Management is level 1 and 2	1
Senior Management is level 3 and 4	18
Professionally qualified and experienced specialists and mid-management level 5 and 6	28
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents' level 7&8	25
Semiskilled and discretionary decision-making level 9 &10	21
Unskilled and defined decision-making level 11	1
PWD = People living with Disabilities	0

<b>Total</b>	<b>94</b>
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### Financial Performance: Information and Communication Technology

Table 20 shows the details of ICT financial performance for the year 2019/20, compared to years 2017/18 and 2018/19. It is indicated that Total Operational Revenue (Internal)'s variance to budget was 1%. The adjusted budget for 2019/20 was 36 000 000. The actual Total operational expenditure was 668170 000 which also varied by 1%. The actual Total Operational Revenue (Internal) decreased from R36 210 000 in 2017/18 to R27 034 000 in 2018/19 (-25%) from which it increased to R36 000 000 in 2019/20 (33%). This means that the revenue decreased from R36 210 000 in 2017/18 to R36 000 000 in 2019/20 by 0.6%.

**Table 20: ICT Financial Performance Year 2019/20**

<b>Financial Performance Year 2019/20 : Information and Communication Technology</b>						
<b>'000</b>						
<b>Details</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Original budget</b>	<b>Adjusted budget</b>	<b>Actual</b>	<b>Variance to budget</b>
<b>Total Operational Revenue (Internal)</b>	36 210	27 034	(36 448)	(36 448)	(36 000)	1%
<b>Expenditure:</b>						
Employees	36 079	58 113	68,947	68,947	68,000	1%



Financial Performance Year 2019/20 : Information and Communication Technology						
'000						
Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Repairs and maintenance	571	33	990	990	10	99%
Other:	576 351	527 923				
Depreciation	-	-	305,811	305,811	228,470	25%
Contracted Services	-	-	275,587	275,587	274,153	1%
General Expenses	-	-	55,380	55,380	53,488	3%
<b>Internal Charges Total</b>	-	-	81,937	8,116	80,048	-2%
<b>Total operational expenditure</b>	611 848	586 069	825,100	678,383	668,170	1%
<b>Net operational expenditure</b>	576 791	559 035				

## GROUP INFORMATION COMMUNICATION TECHNOLOGY

The following is the total revenue for the financial year 2019/20:

	Annual - 1 July 2019 to 30 June 2020						
Account Description	Budget 2019/2020	Pro Rata budget	YTD Actuals Q2	Commitment s Q2	Variance	Variance %	Reason
<b>Direct Revenue</b>	-		-	-	-		
Subsidies Government	-		-	-	-		
Other Revenue	-		-	-	-		
<b>Internal Recoveries Total</b>	<b>(36,448)</b>	<b>(36,448)</b>	<b>(36,000)</b>	-	<b>(448)</b>	<b>1%</b>	
Internal Recoveries: ME's	(36,448)	(36,448)	(36,000)	-	(448)	1%	

Internal Recoveries: Core Admin	-	-	-	-	
<b>Total Revenue</b>	<b>(36,448)</b>	<b>(36,448)</b>	<b>(36,000)</b>	<b>-</b>	<b>(448) 1%</b>
<b>Direct Expenditure</b>	<b>706,715</b>	<b>706,715</b>	<b>624,122</b>	<b>-</b>	<b>82,593 12%</b>
Salaries & Allowances	68,947	68,947.00	68,000	-	947 1%
Depreciation	305,811	305,811	228,470	-	77,341 25%
Repairs & Maintenance	990	990	10		980 99%
Contracted Services	275,587	275,587	274,153		1,434 1%
Contributions To/From					
<b>Internal Charges Total</b>	<b>81,937</b>	<b>8,116</b>	<b>80,048</b>	<b>-</b>	<b>(71,932) -2%</b>
Internal Charges ME's	80,532	80,532	79,304	-	(1,228) -1.5%
Internal Charges Core Admin	1,405	1,405	744	-	661 -47%

752,204	752,204	668,170	-	81,153	11%
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The budgeted total revenue for 2019/20 was R36 448 000. This is due to assets still being under construction and thus not ready for use. Once these are transferred to completed assets then the depreciation of these assets will start. Some major projects are expected to come on line in the current year namely:

- Project Thlabologo (majority of the waves)
- Cyber Security War – room
- SAP upgrade hardware

GICT is currently underway with the assessment if WIP and all items that qualify to be capitalized will be accounted for correctly.

### **Capital Expenditure: Information and Communication Technology**

Table 21 shows the ICT capital expenditure for 2019/20 compared to those of 2017/18 and 2018/19. The actual expenditure almost doubled from R413 415 000 in 2017/18 to R756 388 000 in 2018/19, an increase of 83%, from which it decreased to R445 350 000 in 2019/20 by 41%. This might have been due to the Covid-19 lockdown.

**Table 21: ICT Capital Expenditure**

<b>Capital Expenditure: Information and Communication Technology</b>								
<b>R'000</b>								
<b>Capital projects</b>	<b>2017/18</b>		<b>2018/19</b>		<b>2019/20</b>			
	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Budget</b>	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>
Total	427 000	413 415	780 200	756 388	406 639	486 639	445,350	41, 279

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## 2.8 GROUP FORENSIC AND INVESTIGATION SERVICES

### 2.8. 1. Introduction

Group Forensic and Investigation Services (GFIS) is one of the Departments within the City of Joburg (CoJ) and its primary responsibility is to prevent, detect, investigate and resolve all crimes committed against the CoJ relating to fraud & corruption, theft of CoJ assets, vandalism, maladministration including Unauthorised, Irregular Fruitless and Wasteful (UIFW), illegal connections, breach of security, cyber-crime as well as hijacked/problem properties.

The mandate of the Department is informed by the four (4) anti-fraud and corruption strategy pillars as follows:

- a) **Pillar 1:** Prevent all crimes committed against the CoJ relating to fraud & corruption, theft of CoJ assets, vandalism, maladministration including UIFW, illegal connections, breach of security, cyber-crime as well as hijacked/problem properties
- b) **Pillar 2:** Implement mechanisms to detect all crimes committed against the CoJ relating to fraud & corruption, theft of CoJ assets, vandalism, maladministration including UIFW, illegal connections, breach of security, cyber-crime as well as hijacked/problem properties.
- c) **Pillar 3:** Investigate all reported and detected cases on related crimes of fraud & corruption, vandalism, maladministration including UIFW, illegal connections, breach of security, cyber-crime as well as hijacked/problem properties, and
- d) **Pillar 4:** Resolve by ensuring that remedial actions are taken on those who have committed crimes against the CoJ. This is achieved through the use of a multi-disciplinary team, monitoring implementation of forensic outcomes, and providing post investigation support.

### 2.8. 2. Implementation of the Anti-Fraud and Corruption Strategy

**NATIONAL OUTCOME: CREATING A BETTER SOUTH AFRICA AND TO CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD**

The following is information on the percentages of anti-corruption findings together with the process and mitigation of top-strategic risks:

<b>KPI No</b>		<b>37</b>
<b>Key Performance Area</b>		<b>Anti-corruption</b>
<b>Key Performance Indicator</b>		% implementation of the approved anti-fraud and anti-corruption strategy
<b>Interventions</b>	finding resolved	Recovery of financial resources and embedding ethics programme
<b>Baseline 2011/16</b>	process and mitigation of top-strategic risks	80% implementation of the approved anti-fraud and anti-corruption strategy
<b>2016/21 Target</b>	finding resolved	85% implementation of the approved anti-fraud and anti-corruption strategy
<b>2016/17 Target</b>	finding resolved	85% implementation of the approved anti-fraud and anti-corruption strategy
<b>2017/18 Target</b>	finding resolved	85% implementation of the approved anti-fraud and anti-corruption strategy
<b>2018/19 Target</b>	finding resolved	85% implementation of the approved anti-fraud and anti-corruption strategy
<b>2019/20 Target</b>	finding resolved	85% implementation of the approved anti-fraud and anti-corruption strategy
<b>2020/2021 Target</b>	finding resolved	85% implementation of the approved anti-fraud and anti-corruption strategy
<b>Lead Cluster</b>		<b>Good Governance</b>
<b>Lead Department</b>		<b>Group Risk and Assurance Services</b>
<b>Supporting departments</b>		<b>All depts. And entities</b>

GFIS continued to implement the CoJ anti- fraud and corruption strategy which was supported by the following initiative programs and projects:

### **Pillar 1: Prevention**

GFIS continued to implement the anti-fraud and corruption preventative programme by conducting outreach programmes and these programmes were used to communicate Departmental programmes by engaging with stakeholders via different platforms, raise awareness on fraud and corruption to ensure that citizens change their thinking and behavior and adopt ethical responsibility, communicate the impact of fraud and corruption within the CoJ and to encourage stakeholders to report to report fraud and corruption within CoJ. GFIS has reach out to about 13 834 236 people through this programme.

In order to assist CoJ in reducing the risk of employing candidates who might pose threat and to appoint persons with integrity vetting programme/pre-employment is conducted. Vetting of 1 657 candidates was conducted which included verification of identity document, academic qualifications as well as criminal background checks for in-sourcing of security guards, cleaners and other candidates (including senior managers). The vetting process is not limited to the pre-employment only but also extends to service providers that are rendering services or intend to render services to the CoJ. Security screening of service providers at the CoJ is considered a crucial initial phase in the vetting programme as it is the first line of defense in ensuring that the CoJ is serviced by eligible and reliable service providers with a reputable track record.

GFIS screened about 43 service providers in 2019/20 financial year. A clear empirical example among the many is the recent case where the appointed service provider was involved in corruption colluding with CoJ employees. In the matter the service provider in collusion with CoJ employees defrauded CoJ an amount of R8 million where CoJ purchased more than 5 000 computers which not delivered, the service provider was arrested by GFIS working with the Hawks. Another example, CoJ purchased sanitizers from an appointed service provider who in turn rendered CoJ with sub-standard sanitizers. GFIS investigated the matter and the



service provider admitted that indeed the company delivered sub-standard sanitizers to CoJ and ended up recalling all the sub-standard sanitizers and the order was cancelled by CoJ. For the period of 19/20 GFIS coordinated the completion of Z204 forms by CoJ senior management where 25 out of 36 complied and this is an ongoing process.

## **Pillar 2: Detection**

GFIS received a number of cases via CoJ anti-fraud and corruption Hotline (0800 002 587), Emails, Walk-in clients and social media platforms. Furthermore, 71 joint operations were conducted with Johannesburg Metropolitan Police Department (JMPD), City Power, Joburg Water, Department of Home Affairs, SAPS (Hawks), Social Development, Environmental Health and Emergency Management Service (EMS). In most instances, GFIS is dependent on SAPS to apply for Section 252 (A) of Criminal Procedure Act. The purpose of these operations is to prevent and detect crime committed against CoJ including problem property by-law, illegal connection of water and electricity as well as vandalism of CoJ infrastructure. 36 hijacked properties were handed over to their lawful owner.

## **Pillar 3: Investigations**

During this reporting period, 2 799 cases (including carried overs) were investigated as follows:

- 1 128 cases of hijacked and problem property investigated and 423 resolved
- 1 671 cases of fraud, corruption, theft of City's assets and maladministration (including UIFW) investigated and 983 resolved

## **Pillar 4: Resolution**

GFIS monitored the implementation of recommendations emanating from the completed investigations to ensure remedial actions are taken against those who have committed crimes against the CoJ.

### **a) Monitoring of investigated cases recommended for remedial action (including disciplinary and control deficiencies)**

GFIS engaged the Group Audit Committee (GAC) regarding progress made in monitoring implementation of recommendations emanating from the completed investigations. This intervention necessitated the close working relationship with Group Legal and Contract Services, Labour Relations (LR). Out of 95 cases monitored 66 were finalized and 29 remained active. During the disciplinary hearing, LR process, CoJ officials who were found guilty and/or implicated action was taken those.

**b) Monitoring of investigated cases at South African Police Services (SAPS)**

GFIS monitored 94 criminal cases registered at various police stations during this period. Progress was tracked on the criminal cases under investigations at SAPS and verdicts of GFIS cases which are in court.

**c) Monitoring of investigated cases at Courts (National Prosecuting Authority)**

GFIS monitored 74 investigated cases at Courts and strengthened its working relationship with the courts and engagements are ongoing to track progress made by the court. To date 40 were finalized (4 Nolle Prosequi and 36 Withdrawn) and 34 remained active as at 30 June 2020.

In this period there were 8 property hijackers convicted as follows:

Police station	Court	No of convictions
Booyens	Johannesburg magistrate	3
Moffatview	Johannesburg magistrate	3
Moffatview	Johannesburg magistrate	2
	<b>Total</b>	<b>8</b>

## 2.8 SUPPLY CHAIN MANAGEMENT

In line with the Municipal Finance management Act 56 of 2003 (MFMA) the City of Joburg has compiled a policy which is reviewed annually and where material changes are required the policy is revised. The policy in terms of the MFMA section 112 provides guidance in a number of areas as follows:

(1) The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:

- a. The range of supply chain management processes that municipalities and municipal entities may use, including tenders, quotations, auctions and other types of competitive bidding;
- b. When a municipality or municipal entity may or must use a particular type of process;
- c. Procedures and mechanisms for each type of process;
- d. Procedures and mechanisms for more flexible processes where the value of a
- e. Open and transparent pre-qualification processes for tenders or other bids;
- f. Competitive bidding processes in which only pre-qualified persons may participate;
- g. Bid documentation, advertising of and invitations for contracts;
- h. Procedures and mechanisms for contract is below a prescribed amount, participate;
- i. The opening, registering and recording of bids in the presence of interested persons
  - (ii) the evaluation of bids to ensure best value for money;
  - (iii) negotiating the final terms of contracts; and
  - (iv) the approval of bids;
  - (i) screening processes and security clearances for prospective contractors;
- (j) Compulsory disclosure of any conflict of interest prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders or bids;
- (k) Participation in the supply chain management system of persons who are not officials of the municipality or municipal entity,
- (l) The barring of persons from participating in tendering or other bidding processes, including persons-

- (i) who were convicted for fraud or corruption during the past five years:
- (ii) who wilfully neglected, reneged on or failed to comply with Government contract during the past 5 years;
- (iii) whose tax matters are not cleared by South African Revenue Service:
- (m) Measures for-
  - (i) Combating fraud, corruption, favouritism and unfair and irregular practices in the municipal supply chain management; and
  - (ii) Promoting ethics of officials and other role players involved in municipal supply chain management: and supply chain management;
- (n) the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by-
  - (i) councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or
  - (ii) Municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act:
- (o) the procurement of goods and services by municipalities or municipal entities through contracts procured through other organs of state;
- (p) Contract management and dispute settling procedures: and
- (q) The delegation of municipal supply chain management powers and duties.

In ensuring that these are maintained Council in addition requires that for tenders above R5 million that these be subjected to probity audit by either internal or external auditor. The role of probity audit is encored on ensuring that the 17 prescripts above are adhered to by all those involved in the procurement process. Even in instances where a deviation is necessary such deviations are subjected to scrutiny first by the Supply Chain management process and the by internal audit probity. In the past City departments relied on paragraph (O) above, through vigorous processes of Supply Chain Management an abuse was detected and the use of paragraph (O) above have been done away with. Supply Chain Management policy and process guides are also used to instil discipline among those involved in the procurement process.

By guiding processes from budgeting to acquisition planning the Supply Chain Management process ensures that services are rendered at cost effective rates and at specifications that are necessary or as required by the public. The policy also allows for service providers to be given an opportunity to remedy services in instances where unsatisfactory services have been rendered. Where such remedial actions cannot be done the policy and procedures provide for cancellation of such contracts. Through the collaboration between various players in the supply chain management process including probity audits the City of Joburg was able to ensure that COVID 19 procurement dispensation was not abused and that possible irregularities were detected and stopped. These controls also assist in ensuring certainty on what is allowable or what is not.

Mechanisms put in place for procurement of goods and services within the prescribed thresholds, i.e., Below R30 000, below R200K, and above R200 000, have proven to be impractical for a municipality of Johannesburg Magnitude with a Budget of around R70million. The Municipality does not have latitude to meet the requirements of the citizens through procurement without the risk of incurring Irregular expenditure. In spite of this constraining low threshold the City continues to provide services to its residents.

Some of the challenges include retaining Supply Chain management professionals, these are in high demand and government institutions compete for the same talent. The municipality should be able to attract the right talent, but with limited budget, this becomes an insurmountable task. Graduates brought into the system through training programmes are recruited by other private institutions with bigger budgets or salary scales. In the presence of these challenges the City continues to render services to the citizens of the City of Johannesburg.

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## **2.9 BY-LAWS**

Table 22 shows the municipal By-laws and their corresponding interventions intended to protect the City's interests.

**Table 9: Municipal By-Laws**

DP OUTCOME	COJ PRIORITY & PROGRAMMES	GROUP LEGAL AND CONTRACT FOCUS	INTERVENTIONS	OUTCOME(S)	IMPACT
An honest, transparent and responsive local government that prides itself on service excellence.	Create a City that responds to the needs of citizens, customers, stakeholders and businesses.	Legal Advocacy	<p>Municipal Special Ratings</p> <p>Area By-law Was promulgated on the 22 April 2020 in the Provincial Gazette (LAN 631 PG No 79 dated 22 April 2020)</p> <p>City of Johannesburg Market By-laws</p> <p>An amended draft has been finalized and the department will present a report in the next cluster of the 2020/21 FY</p> <p>City of Johannesburg: Ombudsman by-law</p> <p>An amended draft has been finalized and the department will present a report in the next cluster of the 2020/21 FY</p> <p>City of Johannesburg: Air Pollution Control By-law</p>	Review by-laws to ensure legal and financial sustainable by-laws for the CoJ.	Protects the City's interest, thereby contributing to a responsive, accountable, efficient and productive metropolitan government. Ensures alignment of by-laws with provincial and national prescripts

			<p>New by-laws have been drafted. These are with the Speaker's Office for public participation.</p> <p>City of Johannesburg: Water Services By- law</p> <p>New by-laws have been drafted. These are with the Speaker's Office for public participation.</p> <p>Culture and Recreation</p> <p>The by-law was reviewed and proposed amendments were drafted and submitted to the Community Development Department for its comment.</p> <p>Problem Property</p> <p>It has been submitted for promulgation in March 2020.</p> <p>Public Open Spaces – The amended report will be submitted to JCPZ during the 1st Quarter of 2020/21 FY for final approval on the amendments.</p> <p>Cemeteries and Crematoria</p>		
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			<p>The amendments to the by-laws are under consideration by Group Legal in Consultation with JCPZ. The report is intended to be submitted to cluster in the 1st Quarter of 2020/21 FY.</p> <p>Dolomite Risk The Speaker's office has confirmed that the adverts for public participation were done.</p> <p>Electricity by-law By-law is due to serve section 79 in order to enable the Speakers office to publish it for public participation process</p> <p>Waste Management by-law</p> <p>By-law is due to serve at the section 79 in order to enable the Speakers office to publish it for public participation process</p> <p>Credit Control by-law</p> <p>The by-law will serve in Council for approval after it has requested enough time to interrogate it.</p>		
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## 2.10 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. 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. This gives impetus to the key elements of good governance, namely transparency and accountability.

Over the past performance year, the redesigned website, which can be accessed through the domain name <https://joburg.org.za/>, contributed to enhance the interactivity, transparency and openness of the municipality, which are all positive values to increase citizen trust and improve citizens' perceptions of 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.

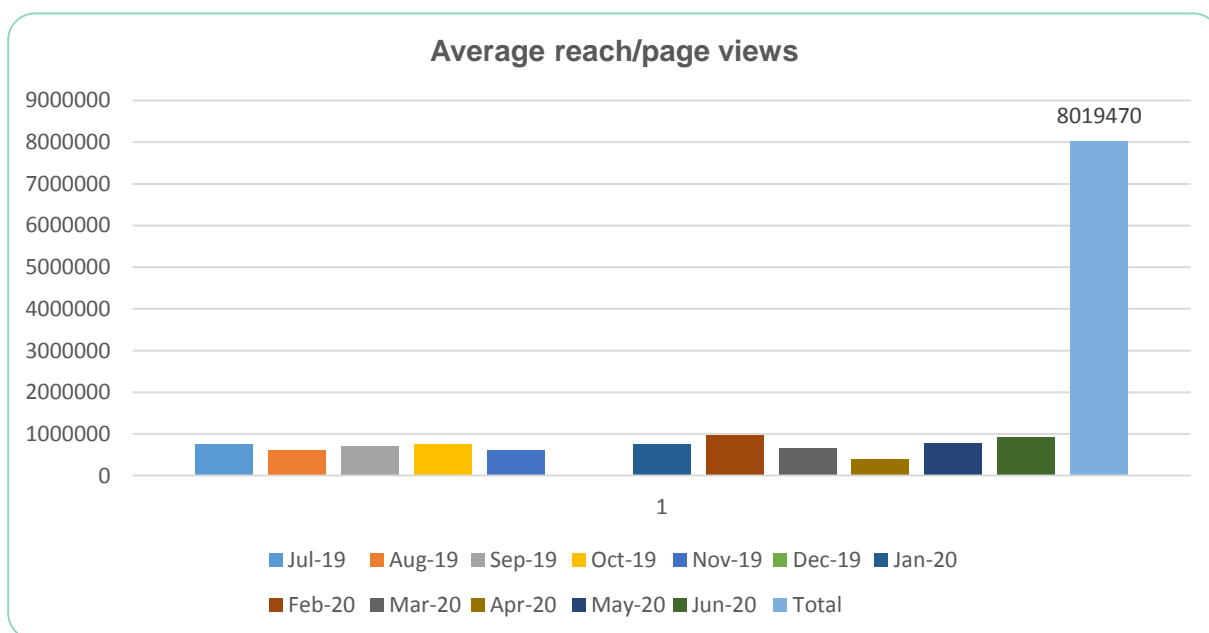
The department is still engaged in ongoing content-editing in consultation with departments and stakeholders, as well as the redesign of content pages to ensure a clean presentation and straightforward navigation.

In terms of section 75(1) of the said Act, the City will improve compliance by all departments, business units and entities, by means of the implementation and monitoring of a website self-

assessment checklist, in order to improve the financial and non-financial information and documents that are published on the website.

To maximise the communication between the municipality and its internal and external stakeholders, the Group Communication Department assigns pages to web officers in the City and supports them in 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 remains among the high-traffic websites in the country, attracting over a 600 000 page views per month (i.e., an average of over 25 000 eyeballs per day). In 2019/2020, over seven (7) million website visits were recorded as a result of the department's continued efforts and the deployment of online marketing tactics. Figure 20 illustrates the CoJ Website impact. It indicates a total of 8 019 470 views in 2019/20.



**Figure 20: 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 next phase in improving interactivity on the website includes the integration with the *Zoho* and *HubSpot* (Customer Management Software platforms) which will enable a wide range of web-based functionalities, including interactions such as smart forms for the submission of online applications for employment, social packages, etc. Smart web forms will also allow residents access to a "log-a-call" functionality for reporting service delivery failures. It is envisaged that this service will be available to residents in the 2020/21 financial year.

In 2019/2020 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 to drive digital transformation, promote higher levels of transparency and encourage citizens to become involved in shaping their own future.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### Public Satisfaction Levels

In the 2019/20 financial year, the City of Johannesburg employed a novel approach to collecting and tracking satisfaction data by conducting monthly polling surveys from July 2019 to June 2020. Each month, approximately 2000 different adults were polled on their satisfaction with various services provided by the City, resulting in a total sample of 24 052 respondents over the course of the year. \* Sampling was informed by the Enumerated Area frame and was representative of the population of each of the City's seven regions.

Computer Aided Telephonic Interviews (CATI) as well as supplementary face-to-face interviews (CAPI) were used. Due to the COVID-19 lockdown regulations, face-to-face interviews were put on hold during April and May 2020. The data collection resumed in June 2020 with the appropriate COVID-19 sanitising and social distancing measures in place to ensure the safety of respondents and interviewers. A total of 24 052 interviews were conducted between 03 July 2019 and 11 June 2020. The interview collection data collection schedule is detailed in Table 23 below:

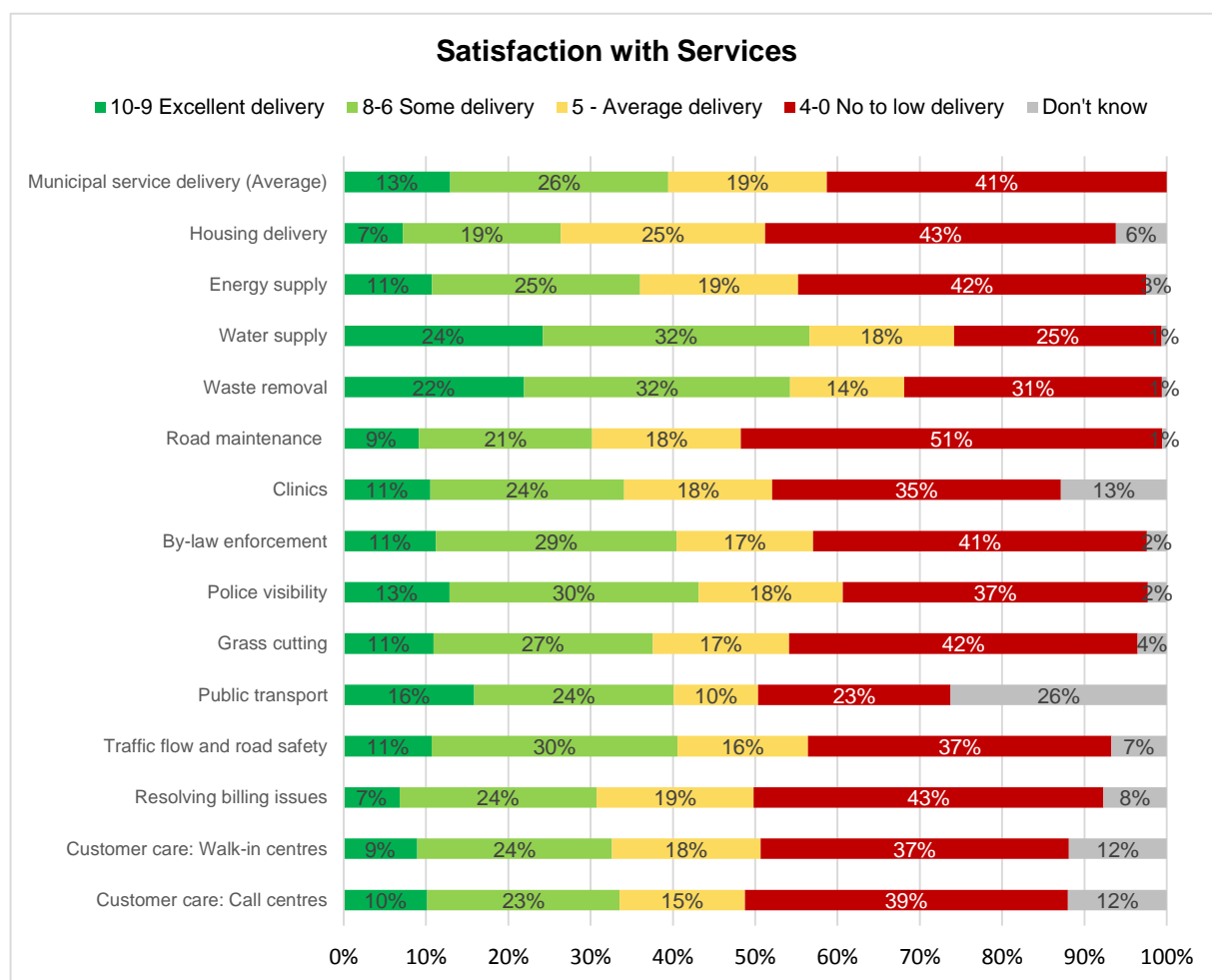
*Table 10: Interview data collection schedule*

Collection dates	CATI	CAPI	Monthly Total
03 Jul to 15 Jul 2019	1839	164	2003
24 Jul to 13 Aug 2019	1837	164	2001
21 Aug to 11 Sep 2019	1844	164	2008
16 Sep to 06 Oct 2019	1837	164	2001
16 Oct to 05 Nov 2019	1841	164	2005
06 Nov to 21 Nov 2019	1839	164	2003
10 Jan to 24 Jan 2020	1837	164	2001
10 Feb to 21 Feb 2020	1836	164	2000
06 Mar to 22 Mar 2020	1836	164	2000
30 Mar to 07 Apr 2020	1841	0	1841
23 Apr to 15 May 2020	1852	0	1852
22 May to 11 Jun 2020	1845	492	2337
<b>TOTAL</b>	<b>22084</b>	<b>1968</b>	<b>24052</b>

A graphic summary of service satisfaction over the course of the year is presented below (Figure 21).

\*Due to the nature of the polling survey some questions were not polled in all twelve iterations of the survey.

T 2.11.1



**Figure 21: Levels of Satisfaction with services**

## **Comment on Satisfaction Levels:**

### **Overall Satisfaction:**

Overall, 59% of respondents polled were satisfied with municipal service delivery, reporting average to excellent delivery across a range of services. It is noted that this is a decrease from the 73% reported in the 2019 CoJ Household Satisfaction Index, however the current figure aligns more accurately with longitudinal trends.

Satisfaction with the Municipality in general was slightly lower than satisfactions with services, with 49% of respondents reporting that quality of life in Johannesburg was either good or very good. Interesting positive sentiment increased in the last quarter of 2019/20 which correlates with City responsiveness in the initial coronavirus lockdown period.

### **Satisfaction with basic services:**

The Company maintained its satisfaction level of 71%, similar to the previous financial year. Customers were particularly satisfied with quality and uninterrupted supply of water. They were however had concerns with regards to the clear identification of staff who do repairs; interaction with staff who do repairs; the speed at which repairs and maintenance requests are attended to; and were dissatisfied with customer education campaigns.

Gauteng Government revealed that approximately 86% of CoJ residents surveyed were generally satisfied with water services; however, extrapolating from the Stats SA's Community survey results of 2016, there was still a significant proportion of households (approximately 29 000) that travel over 200m to fetch water. Approximately 77% of the respondents surveyed indicated that they were generally satisfied with sanitation; however, there was still a significant proportion of households (approximately 43146) that were still using nominal services. Over 80% of CoJ residents are satisfied with basic services, with the upper-income strata being the most satisfied; with over 90% indicating that they are satisfied with basic services. An annual stakeholder audit was conducted, which indicated that, of the 100 stakeholders interviewed, 85% were happy with Johannesburg Water's overall performance, although several stakeholders about 15% of them indicated that they were unhappy. The quality of life only

marginally improved, which signifies that all races have graduated from just basic service's needs.

The top performance of Joburg Water in providing a stable supply of water was consistent throughout the year. The company maintained its satisfaction level of 71% similar to the previous financial year, while customers continued attested to the good quality and uninterrupted supply of water. 68% of respondents were satisfied with refuse collection. This is the second-highest performing service. 55% of respondents reported satisfaction with electricity supply, however electricity was raised by residents as the key priority for the municipality to focus on across most regions irrespective of dwelling types. Road maintenance was the lowest performing service with only 48% of respondents reporting being satisfied.

#### **Information supplied by municipality to public**

75% of respondents scored the City 5 or higher out of 10 when asked to rate the effectiveness of the CoJ in communicating specific issues, policies and activities to residents as per the September 2019 poll. 60% of respondents scored the City 5 or higher out of 10 when asked *how happy are you with the amount of contact you have with the CoJ* as per the February 2020 poll. 67% of respondents who said that they had been involved in a CoJ consultative or participatory processes during the past 12 months reported being satisfied with the process in the February 2020 poll.

#### **Conclusion**

Findings from the 2019/ 2020 polling demonstrate that the City is seen to be performing adequately but that efforts are needed to enhance satisfaction. To improve public perceptions the City should focus on sound basic service delivery, both in terms of maintaining sectors that are performing well (e.g., water and waste) and improving poorly perceived sectors particularly electricity and roads. Other gains to satisfaction can be made by focusing on the quality of service provide by City clinics, housing delivery and customer care. Communicating successes in these areas to the public is likely to have a positive multiplier effect.

*T 2.11.2.*

**Table 11: Interview data collection schedule**

<b>Satisfaction on surveys undertaken during Year</b>				
<b>Subject matter of survey</b>	<b>Survey method</b>	<b>Survey date</b>	<b>No of people included in survey</b>	<b>Survey results indicating satisfaction or better</b>
<b>Overall satisfaction with:</b>				
a) Municipality	91.8% CATI + 8.2% CAPI	Monthly survey over 12 months (July 2019-June 2020)	n =24 049 total	49% of respondents feel the quality of life in Johannesburg is good or very good
b) Municipal service delivery	91.8% CATI + 8.2% CAPI	Monthly survey over 12 months (July 2019-June 2020)	n =24 049 total	59% of respondents satisfied or better
c) Mayor				
<b>Satisfaction with:</b>				
a) Refuse collection	91.8% CATI + 8.2% CAPI	Monthly survey over 12 months (July 2019-June 2020)	n =24 049 total	68% of respondents satisfied or better
b) Road maintenance	91.8% CATI + 8.2% CAPI	Monthly survey over 6 months (Jan 2019-June 2020)	n =12 031 total	48% of respondents satisfied or better
c) Electricity supply	91.8% CATI + 8.2% CAPI	Monthly survey over 12 months (July 2019-June 2020)	n =24 049 total	55% of respondents satisfied or better
d) Water supply	91.8% CATI + 8.2% CAPI	Monthly survey over 12 months (July 2019-June 2020)	n =24 049 total	74% of respondents satisfied or better



Satisfaction on surveys undertaken during Year				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better
e) Information supplied by municipality to public	91.8% CATI + 8.2% CAPI	21 August - 11 September 2019	n = 2 008	74% of respondents satisfied
f) Opportunities for consultation on municipal affairs	91.8% CATI + 8.2% CAPI	10-21 February 2020	n = 2 000	60% of respondents satisfied or better

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

### COMPONENT A: BASIC SERVICES

This component includes water; wastewater (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

#### 3.1 Basic Services Provision

##### 3.1.1 Johannesburg Water: Water and Sanitation

###### *Introduction*

###### **Vision**

To be a world class African water and sanitation utility

###### **Mission**

To provide all people of Johannesburg with access to quality water and sanitation services.

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. The company's strategic objectives are linked to the Shareholder's priorities through the Service Delivery Budget Implementation Plan (SDBIP), the Integrated Development Plans (IDP) and cluster plans whereby Johannesburg Water is assigned to the Sustainable Services Cluster

The relationship between the company and the shareholder is governed through an SDA, 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.

The company employs 2 760 people (as at June 2020) and operates within six (6) regions, with ten network depots and six (6) wastewater treatment plants. As at the end of June 2020, the Entity supplied 1 616 MI per day the Entity supplied 1.6 billion litres per day of potable water, procured from Rand Water, through a water distribution network of 12 307 km, 128 reservoirs and water towers, and 38 water pump stations. Wastewater was then collected and reticulated through 11 769 km of wastewater networks and 39 sewer pump stations. Johannesburg Water treats 979 MI/day of sewer at its six (6) Wastewater Treatment Works (WWTW), which includes one of its pilot biogas-to-energy plants where methane gas is converted to energy.

For the financial year under review, the Company spent 95% of its total capital budget of 1 012 409 000 against a target of 95%. This achievement is commendable given the disruptions to the Company's operations due to the COVID-19 pandemic as it reinforces the company's commitment to creating a better life for all our residents. The company reintroduced the six kilolitres (6kl) of free basic water to all the customers of the CoJ.

The Entity has taken cognisance of King IV Report on Corporate Governance for South Africa's principles 4 and 5, which postulate that the governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process and that the governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and the organisations short-, medium and long-term prospects. Alignment of the strategic goals to the CoJ's priorities and programmes Johannesburg Water is driven by six strategic goals, which are aligned to the City priorities. In executing the shareholder's mandate, Johannesburg Water has taken cognisance of the vision of the CoJ, which is detailed in the Growth and Development Strategy (GDS 2040). Table 25 below shows the strategic goals and achievements of 2019/20. There were some improvements only for a few services; others worsened. For example, there were 527 sewer blockages in 2018/19 whereas there were 554.32 sewer pipe blockages

experienced per 100 km of pipe length in 2019/20; but while 120 SMMEs were supported in 2018/19, 153 SMMEs were supported in 2019/20.

**Table 25: strategic goals and achievements**

<b>Strategic Goals or Objectives</b>	<b>Achievements 2018/19</b>	<b>2019/20 Achievements</b>
Strategic Goal 1:	<ul style="list-style-type: none"> <li>• 527 sewer blockages per 100 km of pipe length</li> <li>• 350 pipe bursts per 100 km of pipe length</li> <li>• 1.23% renewal rate on the network and WWTW</li> <li>• 99.7% capital expenditure spent</li> <li>• 126% B-BBEE procurement spend</li> <li>• 120 SMMEs supported</li> <li>• 2 630 EPWP job opportunities</li> <li>• 120 SMMEs supported</li> </ul>	<ul style="list-style-type: none"> <li>• 453.83 water pipe bursts were experienced per 100 km of pipe length.</li> <li>• 554.32 sewer pipe blockages were experienced per 100 km of pipe length</li> <li>• 1.27% renewal rate on the Network &amp; WWTW</li> <li>• 95% of Capex spent</li> <li>• 129% B-BBEE procurement spend</li> <li>• 1 896 EPWP job opportunities created</li> <li>• 153 SMMEs supported</li> </ul>
Strategic Goal 1:	<ul style="list-style-type: none"> <li>• 99.7% water quality compliance</li> <li>• 87.18% households provided with access to basic water</li> <li>• 41.61% households provided with basic sanitation</li> <li>• 78% effluent compliance</li> </ul>	<ul style="list-style-type: none"> <li>• 99.4% water quality</li> <li>• 10 393 households provided access to basic water</li> <li>• 3 838 households provided access to access to basic sanitation</li> <li>• 79.9% effluent compliance</li> </ul>
Strategic Goal 1:	<ul style="list-style-type: none"> <li>• 286 water consumption per capita (l/c/d)</li> <li>• 96% response time to sewer blockages</li> <li>• 91% response time to water bursts</li> <li>• 89% of accounts billed on actual consumption</li> </ul>	<ul style="list-style-type: none"> <li>• 275.36 water consumption per capita (l/c/d)</li> <li>• 95.30% response time to sewer blockages</li> <li>• 91.08% response to water bursts</li> <li>• 89.95% of accounts billed on actual</li> <li>• Readings</li> </ul>

### *Significant Factors Affecting the External Environment*

During the year under review, the COVID-19 pandemic has rapidly spread across the globe, hitting South Africa in the third quarter of the Entity's financial year. The President of the

Republic had to announce the Level 5 lock-down measures to combat the spread of the virus. This profound decision was necessary to preserve the health and safety of the citizens, however it had sinister economic implications. The catastrophic outcome of the lock-down measures was that businesses had to close. This closure had negative repercussions which led to job losses. The pandemic arrived as a game-changer for South Africa's ailing economy. This economic setback became evident in that the Entity's payment levels declined from 77.6% in the third quarter to 75.3% at the end of the year. This trajectory had a negative impact in the Entity's financial sustainability, and it compromised the current ratio.

The pandemic did not only have sinister financial sustainability implications on the Entity, but it strongly triggered the need for urgent mobilisation and reprioritisation of resources to ensure that customers receive an uninterrupted service delivery for both basic water and sanitation. Whilst the Entity has demonstrated capability in dealing with such abrupt disasters from a service delivery point of view, this has proved to be an epic task. Depots were intermittently closed to deal with the pandemic infections. Several operational days were lost and in some instances the entity operated at 30% capacity availability. The future looks uncertain, but what is certain is that the Entity is well positioned and ready to deal with any external factors which may be a threat to organisational operations

#### *Water provision and use*

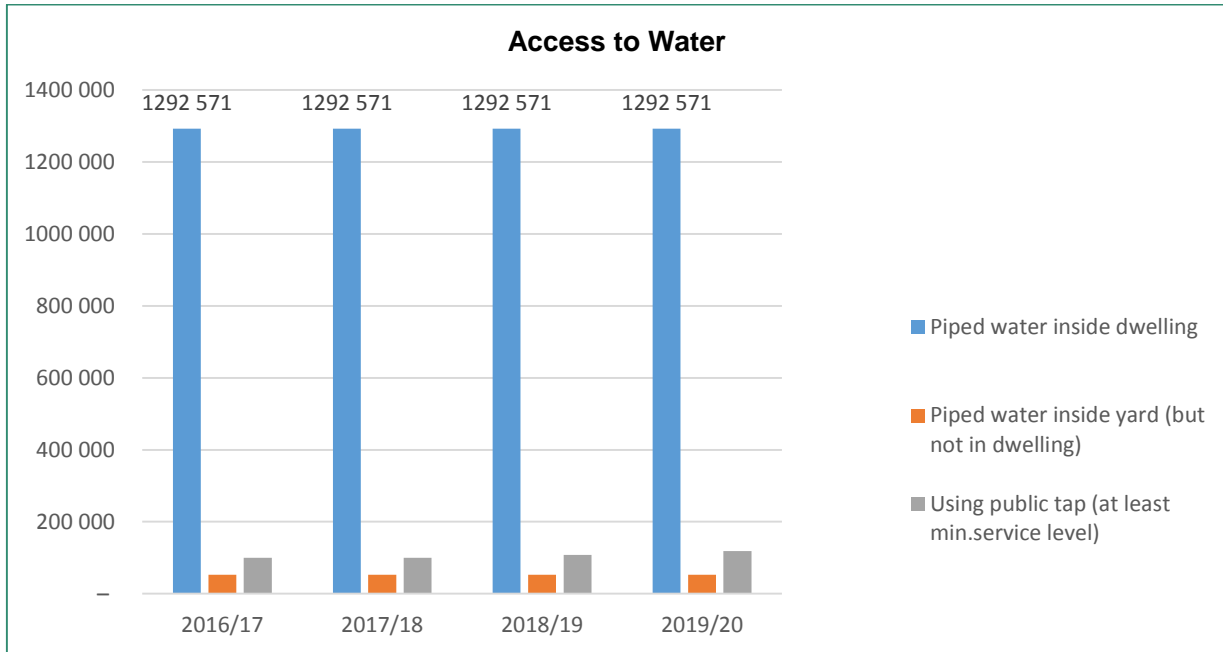
Table 12 below and Figure 22 show the water service delivery levels below the minimum by household. It should be noted that the figures for "piped water inside dwelling" and "piped water inside yard (but not in dwelling)" are suspected to be wrong, and they are therefore yet to be verified.

**Table 13: Water service delivery levels below the minimum by household**

<i>Description</i>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Accrual No.</b>
Water: (above min level)				
Piped water inside dwelling	1 292 571	1 292 571	1 292 571	1 292 571

<i>Description</i>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Accrual No.</b>
Piped water inside yard (but not in dwelling)	52 365	52 365	52 365	52 365
Using public tap (within 200m from dwelling)	99 673	99 673	107 960	118 353
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	1 444 609	1 444 609	1 452 896	1 463 289
Minimum Service Level and Above Percentage	97.8%	97.8%	98.4%	99.10%

Description	2016/17	2017/18	2018/19	2019/20	Adjusted Budget No.	Actual No.
	Actual No.	Actual No.	Actual No	Original Budget 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 27 shows the targets and actual figures for priority 3, namely, sustainable service delivery.

**Table 14: Water Service Policy strategic objectives taken from the IDP**

Service Target(s)	2017/18		2018/19		2019/20		2020/21
	Target	Actual	Target	Actual	Target	Actual	Target



Priority 3: Sustainable service delivery							
Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end	2290 additional HHs (31857 outstanding)		8004 additional HHs (23853 outstanding)	8287 additional HHs (23570 outstanding)	10933 additional HHs (12920 outstanding)	9959 additional HHs (13177 outstanding)	12920 additional HHs (257 outstanding)

### *Employees*

Table 28 below shows the numbers of employees and vacancies for financial years 2017/18, 2018/19 and 2019/20. It is indicated that there are relatively many vacant posts, especially, for semi-skilled (17.41%) and professionally qualified persons (16.67%). In total, 56.27% of the entity's posts are vacant.

**Table 15: Employees**

Job Level	2017/18	2018/19	2019/20			
	Employee s No.	Employee s No.	Post s No.	Employee s No.	Vacancies (Full time equivalent ) No.	Vacancie s (as a % of total) %
Professional ly Qualified	13	21	24	20	4	16.67
Senior Technicians	217	214	242	223	19	7.85
Semi-Skilled	181	164	224	185	39	17.41
Unskilled	408	476	495	424	71	14.34
<b>Total</b>	<b>819</b>	<b>875</b>	<b>985</b>	<b>852</b>	<b>133</b>	<b>56.27</b>

*Financial Performance*

Table 29 shows the financial performance of Joburg water. Total Operational Revenue increased from R10 076 454 in 2017/18 to R11 718 332 in 2018/19 (16%), and then to R12 742 651 in 2019/20 (8.7%). Total operational expenditure increased from R9 094 373 in 2017/18 to R10 366 142 in 2018/19 (14%), and then to R12 334 582 in 2019/20 (19%). Also, Net profit before tax increased from R1 356 438 in 2017/18 to R1 753 729 in 2018/19, from which it decreased to R810 901 in 2019/20.

**Table 16: 2019/2020 financial performance year: Water Services**

<b>R'000</b>						
<b>Details</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>			
	<b>Actual</b>	<b>Actual</b>	<b>Original budget</b>	<b>Adjusted budget</b>	<b>Actual</b>	<b>Variance to budget</b>
<b>Total Operational Revenue</b>	10,076,454	11,718,323	12,580,460	12,580,460	12,742,651	162,191
<b>Expenditure:</b>						
Employees	-975,595	-1,090,096	-1,214,274	-1,262,160	-1,260,571	1,589
Other Expenditure	-8,118,778	-9,276,046	-9,968,687	-10,517,837	-11,074,011	-556,174
<b>Total operational expenditure</b>	<b>-9,094,373</b>	<b>-10,366,142</b>	<b>-11,182,961</b>	<b>-11,779,997</b>	<b>-12,334,582</b>	<b>-554,585</b>
Other Income	534,304	483,588	330,407	526,105	484,411	-41,694
Net Interest	-159,947	-82,040	-182,193	-118,057	-81,579	36,478
<b>Net profit before tax</b>	<b>1,356,438</b>	<b>1,753,729</b>	<b>1,545,713</b>	<b>1,208,511</b>	<b>810,901</b>	<b>-397,610</b>

#### *Capital Expenditure*

Table 30 shows capital expenditure on water, sanitation and wastewater for the different projects done in the City. R1 bn was spent on the projects in 2019/20.

**Table 30: Capital Expenditure: Water, Sanitation and Wastewater**

		2019/20	2019/20	
		readjusted	Actual	Variance
JSIP	Project description	R'000	R'000	R'000
2231	Operational capital: Corporate requirements of Johannesburg Water	5 064	5 188	-124
2226	Operational Capital: Operations and Maintenance Renewal Operate and	71 762	70 436	1 205
2197	Water Demand Management	118 766	117 381	1 507
	<b>SUB TOTAL: CR,WDM,O&amp;M</b>	<b>195 592</b>	<b>193 005</b>	<b>2 588</b>
6494	Midrand: Erand Tower 2 1.5ML	1 000	-	1 000
3461	Midrand: Carlswald Reservoir - New	8 088	8 820	732
6496	Midrand: Halfway house Reservoir 20ML	3 500	3 114	386
3464	Sandton/ Alexandra: Woodmead	2 500	419	2 081
3472	Southdale/ Laaglaagte: Crown Gardens	27 406	27 406	-
3473	Southdale/ Langlaagte: Aeroton Direct	19 003	20 375	1 372
4040	Roodepoort/Diepsloot: Robertville Tower	1 000	-	1 000
2567	Midrand: Blue Hills Tower 1.8ML	-	-	-
	<b>SUBTOTAL: NEW INFRASTRUCTURE</b>	<b>62 497</b>	<b>60 134</b>	<b>2 363</b>
2225	Operational Capital: Planning and engineering studies for Johannesburg	19 000	13 453	5 647
	<b>SUBTOTAL PLANNING ENGINEERING</b>	<b>19 000</b>	<b>13 453</b>	<b>5 647</b>
2654	Operational Capital: Information Technology New Customer Service	9 758	9 758	-
	<b>SUBTOTAL INFORMATION</b>	<b>9 758</b>	<b>9 758</b>	<b>-</b>
2571	Doornkop West/Protea Glen District:	2 500	3 145	645
2375	Lenasia Pumpstation & Rising Main	35 910	35 910	-
22513	Lenasia High Level Reservoir 10ML	3 000	170	2 830
3520	Planned replacement: Sewer mains	20 329	18 749	1 580
2198	Provision of basic water to informal	44 271	39 009	5 262
	<b>SUB TOTAL SPECIAL PROJECTS</b>	<b>106 010</b>	<b>96 983</b>	<b>9 027</b>
2484	Operational Capital: Provision for	92 924	83 055	9 869
2245	Sandton/Alexandra: Planned replacement	63 481	63 481	-
2246	Roodepoort/Diepsloot: Planned	33 657	33 657	-
2248	Johannesburg Central: planned	79 090	78 635	455
4018	Louis Botha Corridor (JW: Water) Renewal Corridors of	5 000	3 546	1 454

		2019/20	2019/20	
		readjusted	Actual	Variance
JSIP	Project description	R'000	R'000	R'000
4019	Perth Empire Corridor (JW: Water) Renewal Corridors of	2 200	1 238	962
21770	Halfway House Water Upgrade	1 000		411
21887	Roodepoort Sewer Upgrade	91		-
21923	Linbro Water Upgrade	8 350		-9
21960	Planned replacement: Sewer mains	92 924		9 869
21961	Planned replacement: sewer	63 481		-
3918	Roodepoort/Diepsloot: Diepsloot sewer	33 657	91	-
4023	Sandton/ Alexandra: Louis Botha Corridor (JW: Sewer) Renewal Corridors of	79 090	8 359	455
3558	Sandton/ Alexandra: Planned	9 661	10 459	-798
3586	Roodepoort/ Diepsloot: Planned	25 727	24 506	1 221
3601	Roodepoort/ Diepsloot: Lanseria Outfall	352	352	-
3614	Johannesburg Central: Planned	219 043	218 126	917
3627	Soweto: Planned Replacement	10 126	10 126	-
22511	Soweto: Anthea Nancefield Sewer	1 000		1 000
22641	Lion Park Bulk Water and Sewer	10 000	-	10 000
	<b>SUBTOTAL UPGRADING AND</b>	<b>561 702</b>	<b>536 220</b>	<b>25 482</b>
21993	OV: Infrastructure Renewal Plan	4 597	741	3 856
3232	LA: Module 1	8 058	6 079	1 979
2534	Driefontein Works: IRP (DF: Conc Lining)	14 975	14 729	246
2519	Northern works: Unit 5 mod 2	6 614	6 614	-
2450	Bushkoppies Works: IRP (BK Balancing	25 000	24 438	562
2446	Olifantsvlei Works: IRP/OV (Digester	5 978	5 978	-
2447	Olifantsvlei Works: Belt Presses # 1	73	73	-
2308	Northern Works: Belt Presses New #4	2 500	2 084	416
3963	Northern Works: Desludge and line Dam	4 927	4 945	-18
3484	Goudkoppies Works: Infrastructure	25 300	24 751	549
3490	Northern Works: Infrastructure renewal	5 000	2 321	2 679
6546	Ennerdale Works: Dam cleaning and	1 000	459	541
6547	Ennerdale Works: Replace module	2 000	84	1 916
3964	Northern Works: Unit 3 electro mech/	-	-	-
	<b>SUB TOTAL: BULK WASTE WATER</b>	<b>106 022</b>	<b>93 296</b>	<b>12 726</b>

		2019/20 readjusted	2019/20 Actual	Variance
JSIPProject description		R'000	R'000	R'000
	<b>GRAND TOTALS</b>	<b>1 060 681</b>	<b>1 002 848</b>	<b>57 833</b>

### *Sanitation (Waste Water) 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 2 735 households were provided with basic sanitation against a target of 1660 households in informal settlements. Table 31 presents the sewer pipe replace programme for the different regions.

**Table 31: Sewer pipe replace programme**

2019/2020 Sewer Pipe Replacement Programme			
Johannesburg Water Regions (CoJ Regions)	Annual Plan (Metres)	Actual (Metres)	Comments
<b>Midrand Region (A)</b>	1 705	100	The sewer pipe replacement in Carlswald could not commence due to initial resistance by affected residents to register the servitude. Legal and stakeholder relations are re-engaging with the affected residents.
<b>Randburg Region (B &amp; C)</b>	4 738	11 447	The sewer projects which were in construction are progressing well and the majority have been completed.
<b>Soweto Region (D)</b>	4 527	2 560	The contract on Phase 1 was terminated due to contractor's poor performance.
<b>Sandton –</b>	1 179	2 354	Construction is progressing well

<b>Alex Region (E)</b>			
<b>Johannesburg Central Region (F)</b>	20 111	38 833	Construction is progressing well
<b>Deep South Region (G)</b>	4 852	3 503	Construction is progressing well
<b>Total</b>	<b>37 113</b>	<b>58 797</b>	

Table 32 shows the household sanitation service delivery levels. The data indicates that there has been a steady increase in the levels between 2016 and 2020 of between .1% and 3%. It should be noted that in tables 29 and 30, the figures in red are suspected to be wrong, and they are therefore yet to be verified.

**Table 32: 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	106 216	105 596	100 568	96 911
Pit toilet (ventilated)	59 220	59 840	60 309	60 986
Other toilet provisions (above min service level)	10 156	10 156	16 215	19 240
<b>Minimum Service Level and Above</b>	<b>1 426 553</b>	<b>1 468 163</b>	<b>1 469 663</b>	<b>1 469 708</b>

Description	Sanitation Service Delivery Levels (*Households)			
	2016/17	2017/18	2018/19	2019/20
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b>Sub-total:</b>				
<b>Minimum Service Level and Above Percentage:</b>	96.42%	99.43%	99.53%	99.50%

Table 17 shows household sanitation service delivery levels below the minimum.

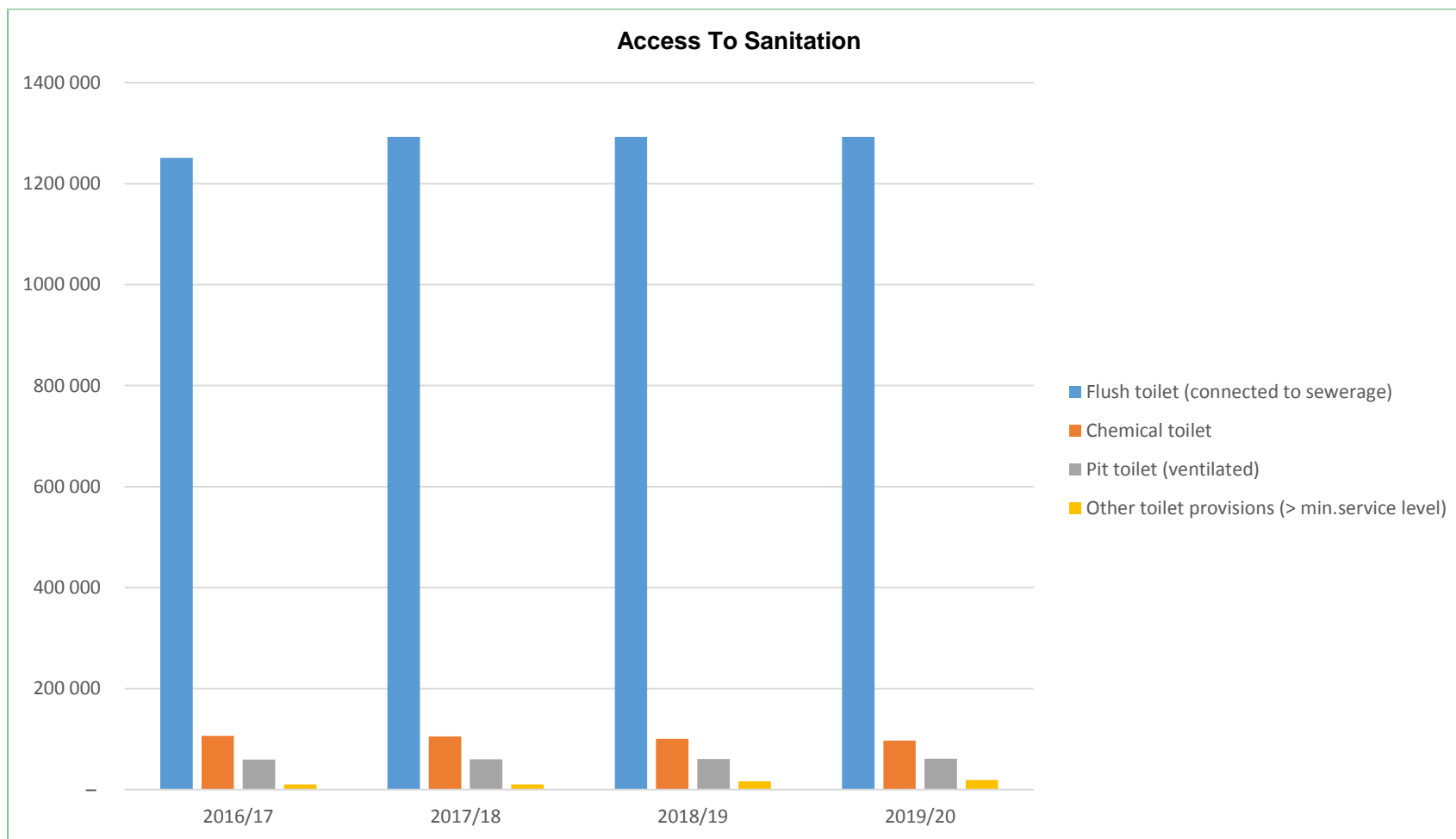
**Table 18: Household sanitation service delivery levels below the minimum**

Description	2016/17	2017/18	2018/19	2019/20		
	Actual No.	Actual No.	Actual No	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal settlements</b>						
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%
<b>Informal Settlements</b>					<b>0</b>	



Description	2016/17	2017/18	2018/19	2019/20		
	Actual No.	Actual No.	Actual No	Original Budget No.	Adjusted Budget No.	Actual No.
Total households	183 895	183 895	183 895	183 895	0	183 895
<b>Households below minimum service level</b>	8 303	8 303	6 803	6 803	0	6 758
<b>Proportions of households below minimum service level</b>	4.52%	4.52%	3.70%	3.70%	0	3.67%

Figure 23 illustrates the access to sanitation. The figure indicates that over 1 200 000 households have flush toilets.



**Figure 12: Access to sanitation**

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### 3.1.2 *Pikitup*

#### ***Introduction***

Pikitup Johannesburg Limited is a municipal entity, wholly owned by the City of Johannesburg (CoJ) 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 Government of Local Unity priorities, 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 or more 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 6m<sup>3</sup> 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 1 476 566 formal households, (Level of service LoS-1), serviced and maintained 211 recognised informal settlement areas at multiple days a week with 14 094 tons of waste generated. These areas consist of 168 300 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, and clearing of illegal dumping, bulk container removal and domestic waste collection depending on the requirements of each hostel. Pikitup disposed 1 299 353 tons of waste compared to 1 101 080 in the previous year representing an 18% increase.

Monthly clean-up campaigns such as KleenaJoburg, in partnership with key stakeholders, were implemented across the City's seven regions; and 60 illegal dumping spots were eradicated. A total of 11 502 wheelie bins were distributed to formalised areas. The 2019-2020 business plan has been aligned to the Government of Local Unity priorities namely;

- Sustainable Service Delivery – Ensure cleaning of informal settlements and high-density areas including a key focus on the cleaning of the inner City;
- Job Opportunity and Creation – Co-production and creating value in the waste value chain; and,
- Sustainable Environmental Development – Creating alternative and more sustainable waste disposal, and waste minimisation through the source separation programme.
- disposal, and waste minimisation through the source separation programme.

Tables 19 and 35 show the number of households that access solid waste services below the minimum levels.

**Table 20: Household - Solid waste service delivery levels below the minimum**

	2019/20	2018/19	2017/18	2016/17	
Actual No.	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted
<b>Formal settlements</b>					
Households below minimum service level	100% of LoS	98% of LoS	98% of LoS	98% of LoS	-
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	-
<b>Informal Settlements</b>					
Total households	168 300	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	100% of between LoS 2 and LoS 3	
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	

**Table 21: Solid waste service delivery level**

<b>Description</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>
Solid Waste Removal: (min level)	N/A	N/A	N/A	N/A
Removed at least once a week	N/A	N/A	N/A	N/A
Minimum Service Level and Above Sub-total	N/A	N/A	N/A	N/A
Minimum Service Level and Above Percentage	N/A	N/A	N/A	N/A
Solid Waste (below min level)	Daily	Daily	Daily	Daily
Removed less frequently	N/A	N/A	N/A	N/A
Using communal refuse dump	422	422	422	422
Using own refuse dump	N/A	N/A	N/A	N/A
Other rubbish disposal	N/A	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A	N/A
Below Minimum Service Level Sub-total	N/A	N/A	N/A	N/A

## PIKITUP IDP Deliverables

Table 22 shows the Pikitup IDP Deliverables for priority 7, namely, “preserve our resources for future generations”. The average percentage (%) landfill compliance to GDARD has remained high, at about 95% for all the years from 2017 to 2020.

**Table 23: Pikitup IDP Deliverables**

Service Objectives Service Indicators	Service target(s)	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
Priority 7: Preserve our resources for future generations							
Average percentage (%) landfill compliance to GDARD regulations and permit	Sustain continuity of disposal capability of the City	95%	94.16%	95%	94%	95%	95.7%
Tonnes of green waste Diverted	Divert and isolate green waste away from landfills	70 000	35 615	40 000	50 958	2000	75 007
Tonnes of builder’s rubble diverted	Reduce illegal dumping of builders’ rubble	50 000	29 482	50 000	8 224	1500	14 640
Tonnes of dry waste diverted through Pikitup interventions	Provide economic incentives to community - based recycling and waste reduction, and separation at source	60 000	29 258	32 550	25 991	2000	26 891

## Employees

Table 37 shows the number of employees for the different job levels in the company. It is indicated that the vacancy percentages are terribly high for some job levels, especially, senior management (67%), professional qualified (40%) and skilled technical (40%) job levels.

**Table 24: Pikitup Employees**

Job Level	2017/18	2018/19				2019/20			
	Employee s No.	No. Posts 2018/1 9	No. Employee s (Filled)	No. Vacancies (Full time equivalent )	Vacancie s (as a % of total)	No. Posts 2019/2 0	No. Employee s (Filled)	No. Vacancies (Full time equivalent )	Vacancie s (as a % of total)
Top Managemen t (F Level)	3	7	4	3	43	7	5	2	29%
Senior Managemen t (E Level)	19	18	8	11	57	18	6	12	67%
Professional Qualified (D Level)	85	137	83	75	55	137	82	55	40%



Skilled Technical (C Level)	196	387	193	145	48	387	233	154	40%
Semi-Skilled (B Level)	481	684	445	239	35	684	505	179	26%
Unskilled ( A Level)	3274	5140	4685	481	9	5140	4390	750	15%
<b>Total</b>	<b>4058</b>	<b>6373</b>	<b>5418</b>	<b>954</b>	<b>18</b>	<b>6373</b>	<b>5221</b>	<b>1152</b>	<b>18.08%</b>

## Financial Performance

Table 38 shows the financial performance over the years. As expected, total operation revenue has increased from R2 330 707 in 2017/18 to 2 869 595 in 2019/20 (23%). Also, total operational expenditure increased from R2 151 175 in 2017/18 to R2 600 094 in 2019/20 (21%).

**Table 25: 2019/2020 Financial Performance Year: Pikitup**

Detail	2017/18	2018/19				2019/2020			
	Actual	Original budget	Adjusted budget	Actual	Variance to Budget	Original budget	Adjusted budget	Actual	Variance to Budget
Total Operational Revenue	2 330 707	2 333 922	2 371 274	2 488 094	116 820	2 508 049	2 795 556	2 869 595	74 039
Expenditure:									
Employees	973 083	1 199 137	1 213 380	1 140 884	72 496	1 266 302	1 243 539	1 209 274	34 265
Repairs and maintenance	102 518	63 851	91 649	86 357	5 292	95 665	107 855	108 828	- 973
Other	1 075 574	1 070 934	1 066 245	1 170 253	-104 008	1 146 082	1 444 162	1 281 992	162 170
Total operational expenditure	2 151 175	2 333 922	2 371 274	2 397 494	-26 220	2 508 049	2 795 556	2 600 094	195 462
Net operational expenditure	179 532	-	-	90 600	90 600	- 0	-	269 501	269 501

### Capital Expenditure

Table 39 shows the capital expenditure on capital projects by Pikitup. There has been an increasing trend in the actual expenditure, such that it increased from R59 577 647 in 2016/17 to R76 180 250 in 2019/20, an increase of 28%.

**Table 26: Capital Expenditure: Pikitup**

Capital projects	2016/17		2017/18		2018/19					2019/20			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Total	R108 676 000	R59 577 647	R60 110 000	R60 061 287	R96 217 000	R86 217 000	R74 835 902	R21 381 098		R102 250 000	R102 250 000	R76 180 250	R26 069 750

Following the emergence of Covid19 and the declaration of state of emergency by the President, the entity had to implement preventative measures to protect its staff from contracting the virus. Pikitup services were declared essential services by the Minister of COGTA which then requires the entity to continue providing the services during the lockdown. Various preventative personnel protecting clothing (PPE) items as directed by the department of health had to be procured for the staff which includes Sanitizers, Masks, Gloves, Soap and Thermometers. Augmented services were also procured on an as and when basis at a unit price.

As at 30 June 2020, the entity incurred a total of **R4 671 189** on PPE items as detailed below.

## **Expenditure**

Amount in Rand excluding Vat

Sanitizers	R1 609 473
Masks	R2 912 615
Gloves	R 149 101
<b>Total</b>	<b>R4 671 189</b>

The following information shows that the Total Net Assets was R480 832 238 in 2020 and R411 108 113 in 2019. As at 30 June 2020, the total revenue was R2 803 330 744, and total expenditure was R2 733 606 618, leaving a surplus of R69 724 126 for the year.

<b>Statement of Financial Position as at 30 June 2020</b>			
Figures in Rand	Note(s)	2020	2019
			Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	9	1 957 045	3 681 003
Receivables from non-exchange transactions	10	143 946 912	57 276 008
Receivables from exchange transactions	11	826 915 281	676 774 191
Inter-company receivables-COJ	8	639 991 678	303 323 686
Cash and cash equivalents	12	61 423	21 984
		1 612 872 339	1 041 076 872
<b>Non-Current Assets</b>			
Property, plant and equipment	3	579 615 383	616 771 007
Intangible assets	4	181 182	242 548
Employee benefit asset	6	142 832 955	137 838 708
Inter-company receivables-COJ	7	1 154 100 141	1 185 644 969
		1 876 729 661	1 940 497 232
<b>Total Assets</b>		<b>3 489 602 000</b>	<b>2 981 574 104</b>

Liabilities			
Current Liabilities			
Finance lease obligation	15	30 133 918	41 418 704
Payables from exchange transactions	18	786 965 410	489 220 824
Provisions for performance bonus	16	9 943 254	6 885 890
Inter-company liabilities- Salaries	17	663 499 803	620 439 849
		1 490 542 385	1 157 965 267
Non-Current Liabilities			
Loans from shareholders	5	675 426 415	599 246 166
Employee benefit obligation	6	90 090 932	71 467 932
Provisions	16	752 710 028	741 786 632
		1 518 227 375	1 412 500 730
Total Liabilities		3 008 769 760	2 570 465 997
Net Assets		480 832 240	411 108 107
Share Capital	13	1 000	1 000
Owners Contribution	14	43 001 808	43 001 808
Accumulated surplus		437 829 430	368 105 305
<b>Total Net Assets</b>		<b>480 832 238</b>	<b>411 108 113</b>
Statement of Comparison of Budget and Actual Amounts			

Budget on Cash Basis						
	Approved	Adjustments	Final Budget	Actual	Difference	Note
	Budget			amounts on	Between final	
				Comparable	Budget and	
				Basis	actual	
<i>Statement of Financial Performance</i>						
Revenue						
Revenue from						
Exchange transactions						
Service charges	1 729 688 000	100 765 000	1 830 453 000	1 835 674 209	5 221 209	42A
Other revenue	6 239 000	938 000	7 177 000	7 071 298	(105 702)	42B
Interest received	28 967 000	15 834 000	44 801 000	47 765 117	2 964 117	42C
Total revenue from	1 764 894 000	117 537 000	1 882 431 000	1 890 510 624	8 079 624	
exchange transactions						
Revenue from nonexchange transactions						
Transfer revenue						
Government grants &	569 198 000	170 058 000	739 256 000	741 025 723	1 769 723	42D

subsidies						
Levies	176 049 000	(464 000)	175 585 000	171 794 397	(3 790 603)	42E
<b>Total revenue from</b>	<b>745 247 000</b>	<b>169 594 000</b>	<b>914 841 000</b>	<b>912 820 120</b>	<b>(2 020 880)</b>	
<b>non-exchange</b>						
transactions						
<b>Total revenue</b>	<b>2 510 141 000</b>	<b>287 131 000</b>	<b>2 797 272 000</b>	<b>2 803 330 744</b>		
<i>Expenditure</i>						
Personnel	(1 253 861 000)	620 000	(1 253 241 000)	(1 228 686 963)	24 554 037	42F
Fleet	(601 558 000)	(124 942 000)	(726 500 000)	(651 018 806)	75 481 194	42G
Depreciation and	(111 394 000)	31 326 000	(80 068 000)	(114 802 760)	(34 734 760)	42H
amortisation						
Finance costs	(77 052 000)	4 286 000	(72 766 000)	(113 328 800)	(40 562 800)	42I
Lease rentals on	(11 592 000)	45 000	(11 547 000)	(11 020 438)	526 562	42J
operating lease						
Debt Impairment	(161 989 000)	(170 917 000)	(332 906 000)	(389 528 212)	(56 622 212)	42K
General Expenses	(292 695 000)	(27 549 000)	(320 244 000)	(225 220 639)	95 023 361	42L
<b>Total expenditure</b>	<b>(2 510 141 000)</b>	<b>(287 131 000)</b>	<b>(2 797 272 000)</b>	<b>(2 733 606 618)</b>	<b>63 665 382</b>	
Surplus before	-	-	-	69 724 126	69 724 126	
taxation						



Actual Amount on	-	-	-	69 724 126	69 724 126
Comparable Basis as					
Presented in the					
Budget and Actual					
Comparative					
Statement					
<b>Statement of Financial Performance</b>					
Figures in Rand		Note(s)	2020	2019	
				Restated*	
Revenue					
Revenue from exchange transactions					
Service charges	20		1 835 674 209	1 706 904 344	
Other revenue			7 071 298	3 483 680	
Interest received			47 765 117	60 241 269	
<b>Total revenue from exchange transactions</b>			<b>1 890 510 624</b>	<b>1 770 629 293</b>	
<b>Revenue from non-exchange transactions</b>					
Government grants & subsidies	22		741 025 723	553 932 183	
Levies			171 794 397	161 664 303	

<b>Total revenue from non-exchange transactions</b>		<b>912 820 120</b>	<b>715 596 486</b>
<b>Total revenue</b>	<b>19</b>	<b>2 803 330 744</b>	<b>2 486 225 779</b>
Expenditure			
Employee related costs	23	(1 228 686 963)	(1 118 897 103)
Fleet		(651 018 806)	(569 420 695)
Depreciation and amortisation	24	(114 802 760)	(99 983 792)
Finance costs	25	(113 328 800)	(99 168 872)
Lease rentals on operating lease	21	(11 020 438)	(9 871 893)
Debt Impairment	26	(389 528 212)	(204 639 848)
Loss on disposal of assets		-	(5 250 523)
Loss on disposal of Investment in associate		-	(911 349)
General Expenses	27	(225 220 639)	(224 503 372)
<b>Total expenditure</b>		<b>(2 733 606 618)</b>	<b>(2 332 647 447)</b>
Surplus for the year		69 724 126	153 578 332

Statement of Changes in Net Assets				
	Share Capital	Reserves for	Accumulated	Total net
		own shares /	surplus	assets

			Share	
			repurchase	
			reserve	
Opening balance as previously reported	1 000	43 001 808	45 277 079	88 279 887
Adjustments				
Prior year adjustments	-	-	169 249 894	169 249 894
Balance at 01 July 2018 as restated*	1 000	43 001 808	214 526 973	257 529 781
Changes in net assets				
Surplus for the year	-	-	153 578 332	153 578 332
Total changes	-	-	153 578 332	153 578 332
Restated* Balance at 01 July 2019	1 000	43 001 808	368 105 304	411 108 112
Changes in net assets				
Surplus for the year	-	-	69 724 126	69 724 126
Total changes	-	-	69 724 126	69 724 126
Balance at 30 June 2020	1 000	43 001 808	437 829 430	480 832 238
Note(s) 13 14				

### *Comment on Waste Management Services' overall performance*

During the year under review, the entity implemented a number of capital projects to the value of R76 180 250 against the budget of R102 250 000. This translates to an achievement of 75% against a target of 95%. The non-achievement of the target was mainly due to delays in the approval of the adjusted budget which occurred 2 (two) weeks before the close of the financial year not leaving sufficient time and opportunity for procurement and associated expenditure to occur. The capital plan for 2020-2021 continues to focus on rolling out projects as well as the renewal of infrastructure and capacity upgrades, in line with the entity's infrastructure development plan.

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#### **3.1.3 City Power**

City Power is accountable to provide network services to all its customers, which include:

- The purchasing and distribution and sale of electricity
- Constructing networks
- Connecting customers
- Repair and maintenance of networks
- Installation and maintenance of public lighting.

#### **Approach to Materiality**

City Power's purpose as a business is to contribute positively to the GDS 2040 objective of creating a live able, resilient and sustainable Johannesburg. The GDS 2040 is the blueprint for achieving the Company's vision of growing the business, whilst decoupling the environmental impact from the business' growth and increasing its positive social impact. The City Power FY2019-2020 annual performance closed at 67.27% which is a decrease as compared to FY 2018/19 performance of 74.19%. The underperformance is mainly in service delivery and financial indicators. The Board is very concerned about the financial position of City Power, which is demonstrated by a deteriorating liquidity ratio that is below the norm and cash flow challenges associated with delayed collections. City Power has put in place turnaround initiatives to demonstrate its commitment to improve financial performance as we advance.

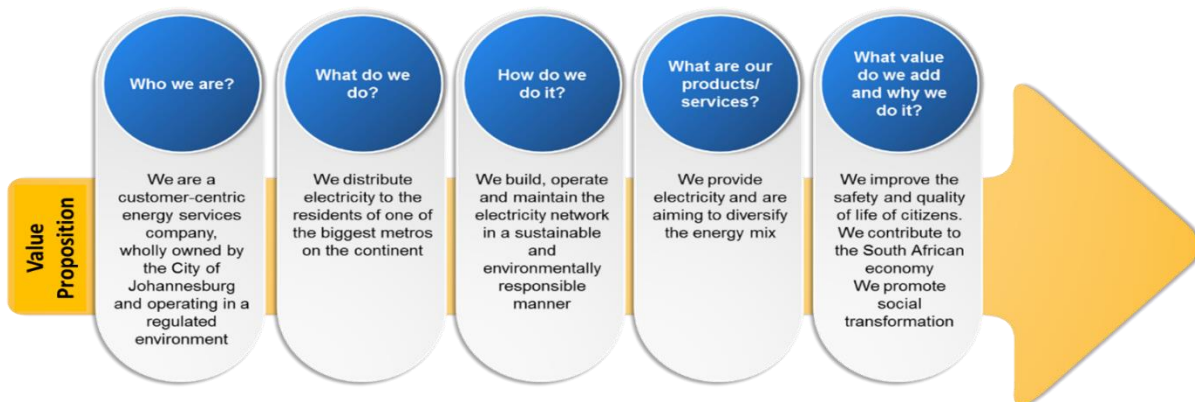
The organization has been experiencing challenges associated with the decline in revenue figures characterized by illegal connections, billing errors, and customer numbers fluctuation. Theft has also regrettably broadened and this cuts across the industry, which points to the need for a country comprehensive security initiative to reverse the current trends.

City Power FY2019-2020 performance closed at 67.27% as of 30 June 2020, which is a decrease as compared to FY 2018-2019 performance of 74.19%. On a positive note, for the financial year under review:

- 96.90% has been achieved against the target of 95% compliance to NRS048,
- 2697 against a target of 1200 public lights installed within budget,
- 3688 households have access to electricity against a target of 2000,
- upgrade/ developed 2 substations while 10 are under construction
- installed 132.56km of cable
- 97.09 % Revenue Collected against a target of 88%
- 33 163.40 Tons CO<sub>2</sub> offset in greenhouse gas emissions for the year and
- 6838 smart meters were rolled out.

#### *City Power Strategy*

The mandate of City Power is to provide reliable supply of energy to the City of Johannesburg through 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 Figure 24 below.

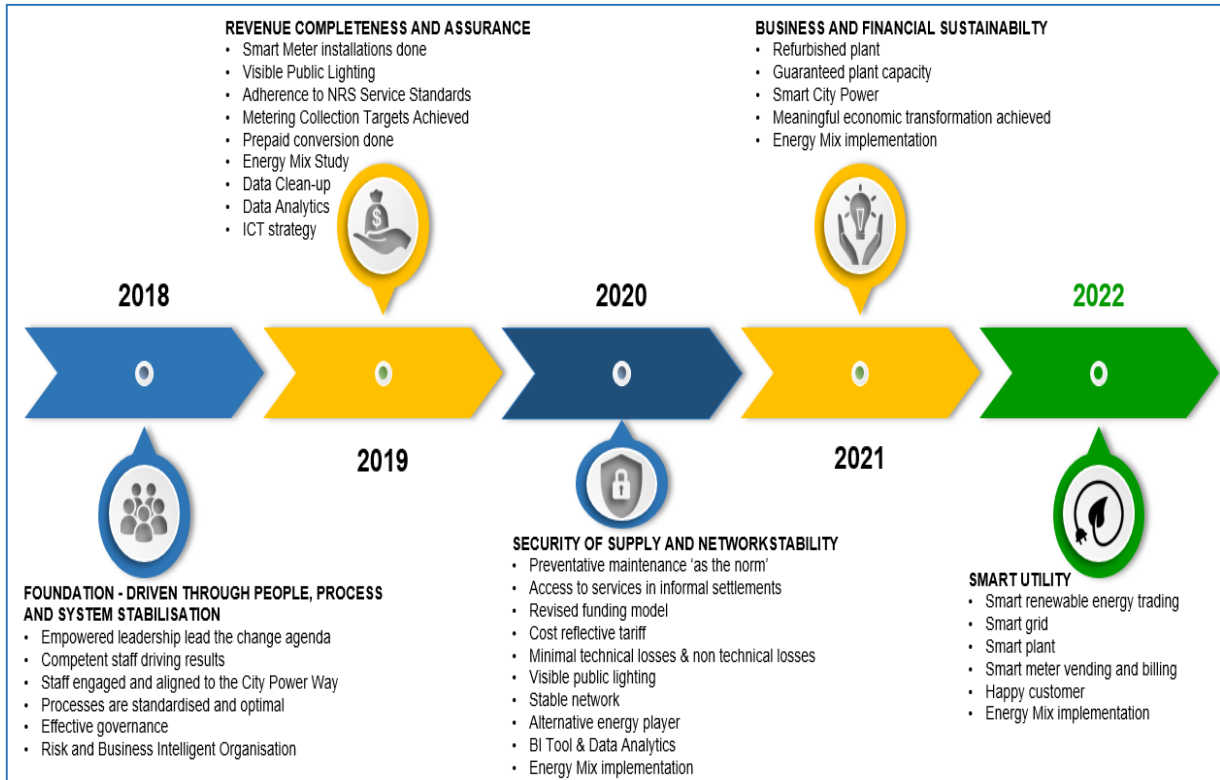


**Figure 13: City Power Value Proposition**

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; the fourth industrial revolution; and 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. These factors contribute to City Power finding itself in a volatile, uncertain and complex environment.

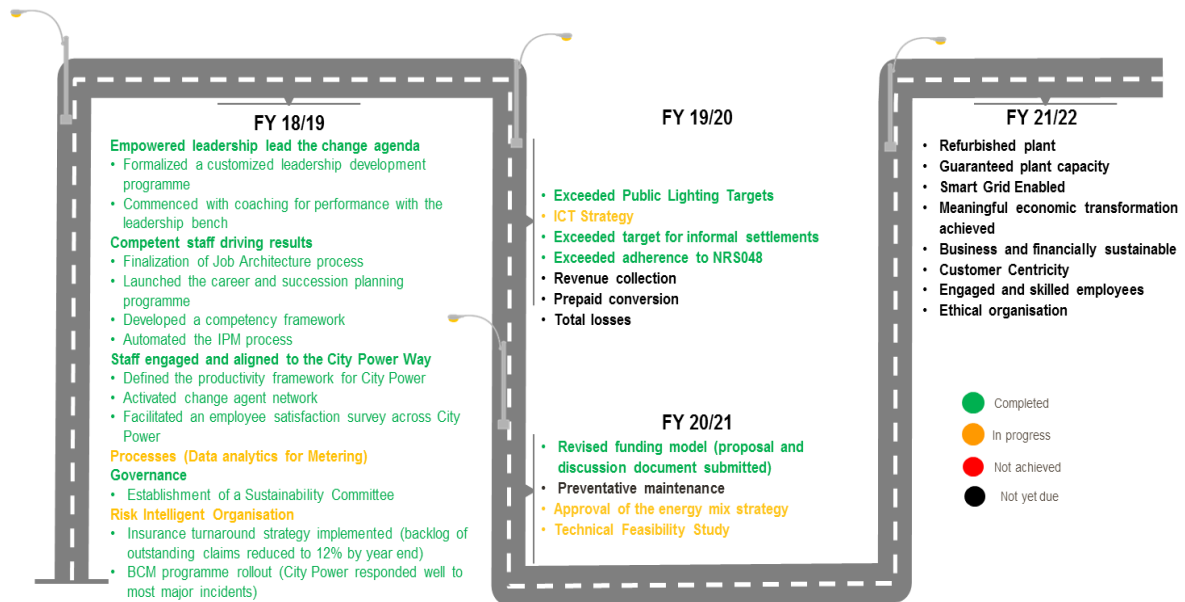
To navigate this environment, City Power developed a five-year strategy, VUCA. The strategy aims to ensure that the company becomes financially sustainable, smart, and customer-centric with engaged and skilled employees. The company's five-year strategy and supporting plan are summed up in the shareholder vision, understanding the sustainability game plan, regaining customer confidence, and making our people more agile, which is aligned to the City's imperatives. The VUCA Strategy is outlined below in Figure 25.



**Figure 14: VUCA Strategy**

### Strategy Execution

The performance on the VUCAs strategic objectives (short, medium and long term) is shown in the Figure 26 below;



**Figure 15: Performance on the VUCA 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;

- Continue to derive and maintain benefits emanating from the Revenue War Room;
- Work with the City to on-board and integrate the device management function back into City Power operations, including the impact on the labour and processes;
- 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";
- 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 profiles*

Table 40 shows City Power customer base for the past five years.

**Table 27: Customer base**

Type	2015/16	2016/17	2017/18	2018/19	2019/20
Agriculture	23	25	27	25	25
LPU	3,997	3,911	3,803	4,008	3,964
Business	10,028	9,588	11,699	9,371	9,437
Domestic	132,537	139,311	134,874	118,647	118,937
Prepayment	249,719	261,042	235,164	243,660	245,433
<b>Total</b>	<b>396,304</b>	<b>413,877</b>	<b>385,567</b>	<b>375,711</b>	<b>377,796</b>

### *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 requires 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 has a backlog in electrification projects, which is exacerbated by an increasing population of immigrants in search of better opportunities. This increase strains 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 improves efficiencies. While this is the case, capital expenditure that is allocated to City Power is never adequate to address these infrastructure 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.

In December 2019, the Government of Local Unity (GLU) took over the political leadership of Johannesburg. The GDS and the IDP were reviewed, including the vision, objectives and outcomes of the City to improve the services to the citizens of the City. The department oversees three municipal Services Entities' performance, which are City Power, Johannesburg Water and PikitUp. Upon taking over, there were concerns on City Power's performance at 59.62% at the end of Quarter 2. In January, we ensured that the organisation develops a turnaround plan. At the Annual General Meeting held in March 2020, we appointed a new Board to lead the organisation and ensure that the company performance improves. At the end of the year, City Power improved the performance to 67.27%. During this financial year, to enhance service delivery the company has:

- installed 2697 public lights,
- electrified 3688 households mainly in informal settlements,
- upgraded/ developed 2 substations while 10 are under construction
- installed 132.56km of cable

The financial year's final quarter was under Covid-19 National Lockdown conditions, which has had a negative impact on the company's overall performance. Notwithstanding the Covid-19 related constraints and challenges, the entity could still spend 98% of its Capex allocation for the financial year. In addition, City Power still managed to electrify 3688 households in Informal Settlements and rolled out 2697 new public lights, in line with the targets set for service delivery in the financial year. City Power has continued to exceed compliance with NRS048. The entity has continued to implement preventative and proactive maintenance initiatives even amid financial and human resource-related constraints.

### **3.1.2 Highlights and Achievements**

- Achievement of 67.27% of Performance Objectives
- Exceeded adherence to NRS048 (96.89% against a target of 95%)
- Exceeded public lighting targets (2697 against a target of 1200 public lights installed within budget)
- Exceeded target for electrification of informal settlements (3688 against a target of 2000)
- Revenue Collection (97.09 % against a target of 88%)
- Finalisation of the job architecture process
- Beneficiaries of job opportunities (802 against a target of 800)
- Procurement spent from companies that are 51% black owned exceeded the target (73.81% against target of 45%)
- Procurement spent from companies that are 30% black women owned exceeded the target (40.63% against target of 12%)

### **3.1.3 Key Challenges**

Challenges with achieving the following targets:

- Non-technical losses (19.42% against a target 17%)
- Resolution of Audit Findings (64.34% against a target 95%)
- Overdraft of R3,7 billion
- Vacancy rate (attained 14.06% against a target of 12%)

## **3.2 Core Business: Engineering Services**

### **3.2.1 Highlights**

- City Power has achieved 96.90% compliance to the Quality of Supply (NRS048) compared to target of 95%.
- City Power installed 2697 against a target of 1200 public lights installed while within budget. Street lights achievement and exceeding is a highlight because it is aligned to sustainable human settlement priority of the shareholder. In addition, the LED lighting projects have been executed in the Northern and Southern areas. These have proven to reduce energy consumption resulting in energy savings of around 50% when compared to conventional streetlights. The target is exceeded because of two main reasons:
- Due to theft most of the underground cables are now done with overhead cables instead of underground cables resulting in City Power getting to do more lights. In Protea Glen, Kliprivier and Malibongwe, projects were done through ABC overhead system, due to their proximity to cable theft hotspots.
- Other Public Lights are done as part of the Electrification programme in Lufhereng, Alex, Rabie Ridge & Kliptown, a total of 848 lights.

- Over 3 000 units were successfully electrified in Alexandra, Klip town and Rabie Ridge. These projects have contributed to improving the people's living and working conditions and will also provide opportunities for the creation and development of income-generating activities.
- City Power achieved overall Capex expenditure of 98% before accruals when compared to the target of 95%.
- Data accuracy for Substations, Load centres and overhead lines now exceed 98%.

### **3.2.2 Lowlights**

Prepaid conversion target not met however a plan to address this has been developed as follows:

- Re-engineering the process flow to eliminate activities that may be deemed less critical.
- The walk-in centre will make sure all required information becomes compulsory to improve the efficiency, e.g., customer cell phone number and other information.

### **3.2.3 Challenges**

- Community unrests affecting project timelines.
- Business Forums demanding local content which sometimes cannot be achieved in specialized projects like substations.
- Difficulty gaining access to customer properties when installing smart-meters.
- Illegal connections in informal settlements that are targeted for electrification.

## **3.3 Core Business: Engineering Operations**

### **3.3.1 Highlights**

- 97% Repairs and maintenance spent in 2019/20.
- Exceeded the traffic KPI by achieving 9.2 hours against 18 hours.
- Overall reduction on unplanned outages of 7.8% for 2019/20 when compared to 2018/19.
- Exceeded the Streetlights KPI in restoring Secondary and Main in Q4 by achieving an average of 1.5 days against a target of 8 days.

### **3.3.2 Lowlights**

- High call volume due to the weather.
- Delays in the restoration times due to staff driving from their homes.
- Insufficient material at the stores.
- Equipment Failures, Theft and Vandalism.

Table 41 Electricity service policy objectives and service indicators. A total of 3191 additional households in informal settlements were provided with electricity, none were added in 2019/20 but it is expected that 2500 will be added in 2020/21.

**Table 41: Electricity service policy objectives taken from IDP**

Service objectives Service indicators	Outline Targets	2018/19		2019/20		2020/21
		Target	Actual	Target	Actual	Target
Service Objectives: Number of households 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 42 shows that 118 937 households in formal settlements were provided with electricity in 2019/20 which were fewer than those provided with electricity in 2017/18 (134 874). In the informal settlements, they were 2167, 3191, and 0 in 2017/18, 2018/19, 2019/20 respectively.

**Table 42: Electricity service delivery levels below the minimum (households)**

Description	2017/18	2018/19	2019/20		
	Actual No.	Actual No	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal settlements</b>					
Total households (Domestic)	134 874	118 647	118 647	118 937	118 937
<b>Informal Settlements</b>					
Total households (Electrified)	2167	3191	2500	2000	3688

City Power has an aging workforce, as at June 2020 close to 360 employees fall within the age bracket that makes them eligible for early retirement (age 55 and above). As such for the FY2020/2021 Recruitment Plan will include a large graduate in training intake.

The cost of overtime is a major contributing factor to the high employee cost. Overtime must, however, be managed to:

- Reduce the amount spent on overtime; and
- Reduce the overtime hours in line with the BCEA.
- To give effect to the above, HR & Transformation currently manages two overtime KPIs:
- Ratio of overtime cost to total employment cost;
- Number of employees with overtime that amount to over 40 hours per month without preapproval by the GE.

In an attempt to reduce overtime and improve the efficiency, productivity and safety of our employees HR & Transformation has engaged the different Groups to identify their drivers of overtime. The Recruitment Plan was also designed to focus on areas heavily affected by the need for overtime. There is also an intention to commence with LLF negotiations with the aim of remodeling the current shift system, which is also contributing to high overtime costs.

The FY2019/20 recruitment and selection plan were approved in Q1 for implementation in Q2 to Q4 and Q1 of FY2020/21. The initial approved plan included 123 vacancies, this number

however was increased to 162 to cater for the additional requirements in Enterprise Support, Metering Services, Engineering Services, Finance and Business Sustainability Groups. The additions were to address serious capacity gaps some of which were flagged in the Auditor General report. After the plan was amended and duly approved, the number of positions advertised was 68, number of positions filled is 53, please see table below for details. Albeit the strides made, the recruitment and selection performance for FY2019/20 Q4 and FY2020/21 Q1 is negatively impacted by the COVID-19 pandemic.

The vacancy rate of an entity is impacted by a number of factors, for City Power the vacancy rate target is 12%, this target was missed by 2,06% in June 2020 with the actual of 14,06% which is a slight improvement from 14.9% reported in May 2020. This vacancy rate was impacted by a number of factors:

- 12 of the 53 appointments made were external appointments, the remainder, that is, 41 were Internal promotions and by definition internal promotions do not change the vacancy rate;
- City Power had an external graduate in training intake of 62 thus improving the vacancy rate;
- However, City Power had an employee attrition of 126 impacting negatively on the vacancy rate.

The table below provides a further way of appreciating the impact of the recruitment plan on the vacancy rate when the attrition numbers are factored in the equation. The imbalance between external appointments (external appointment and graduate in training intake) versus attrition in the current financial year is very significant in that the gains are exceeded by the rate of attrition by far (see Table 43) and this only serves to perpetuate the high vacancy rate:

***Table 43: Impact of the recruitment plan on the vacancy rate***

<b>New Appointments (External)</b>	<b>New Appointments (Internal promotions)</b>	<b>Graduate-In-Training (GIT) Intake (External)</b>	<b>Attrition</b>	<b>Net Loss for the year</b>
12	41	62	126	(52)

City Power has an aging workforce, as at June 2020 close to 360 employees fall within the age bracket that makes them eligible for early retirement (age 55 and above). As such for the FY2020/2021 Recruitment Plan will include a large graduate in training intake.

The report presents the actual performance of the Company against the budget for the period ending 30 June 2020.

### **5.1 Statement of Financial Performance**

Table 44 shows the statement of financial position. It indicates that revenue grew by 10.55% whereas expenditure grew by 6.89%. This implies that the financial situation of the entity is not health and it is not sustainable.

**Table 44: Statement of Financial Position**

	2020		2019	2019-2020
	Actual	Budget	Actual/Restated	Growth
	R'000	R'000	R'000	%
Revenue	16,726,093	17,030,036	15,129,358	10.55
Service charges	16,025,980	16,307,436	14,382,515	11.43
Other income	362,557	463,284	396,681	-8.60
Government grants	257,923	205,487	224,165	15.06
Interest revenue	41,939	41,673	74,797	-43.93
Fees earned	22,787	11,638	34,593	
Rental income	602	517	556	
Re-connection fees	14,305	-	16,051	
<b>Expenses</b>	<b>16,745,870</b>	<b>16,690,283</b>	<b>15,666,854</b>	<b>6.89</b>
Bulk purchases	11,512,422	10,963,812	10,718,639	7.41
Bad debts	453,655	629,082	625,474	-27.47
General expenses	578,409	657,662	535,863	7.94
Lease rentals on operating lease	689,973	657,778	609,041	13.29
Employee related cost	1,265,014	1,266,318	1,121,564	12.79



Finance costs	574,478	703,029	541,719	6.05
Repairs & maintenance	978,385	1,040,508	848,126	15.36
Administration	104,017	180,539	98,687	5.40
Depreciation & amortisation	589,517	591,557	567,741	3.84
Surplus before taxation	-19,777	339,752	-537,496	-96.32
Taxation	-88,723	-	-57,041	55.54
Surplus	68,946	339,752	-480,455	-114.35

2020

The following table reflects the summarized financial performance of the Company for the period under review. Detailed analysis is included elsewhere in the report. The financial results reflect a profit after tax of R69 million against a budgeted R340 million surplus. Table 45 shows the actual financial performance against Budget and Table 70 shows the revenue.

Tables 45 and 46 show Actual Financial Performance against Budget and revenue respectively.

**Table 45: Actual Financial Performance against Budget**

	2020 Year to Date Actual (R'000)	2020 Year to Date Budget (R'000)	Variance (R'000)
Revenue and Other Income	16,726,093	17,030,036	-303,942
Expenditure (incl. tax)	16,657,147	16,690,283	-33,136
Surplus (Deficit)	68,946	339,752	-270,806
Capital Expenditure	926,321	879,631	46,690

**Table 46: Revenue**

### Revenue

Description	Actual (R'000)	Budget (R'000)	Variance (R'000)	% variance	Previous Year YTD (R'000)
-------------	----------------	----------------	------------------	---------------	------------------------------

Service Charges	16,025,980	16,307,436	-281,456	-2%	15,129,358
Other Income	362,557	463,284	-100,727	-22%	396,681
Government Grants	257,923	205,487	52,436	26%	224,165
Fees Earned	22,787	11,638	11,149	96%	34,593
Rental Income	602	517	85	16%	556
Interest Income	41,939	41,673	266	1%	74,797
Re-connection fees	14,305	0	14,305		16,051

Service charges for 2019/20 is R281 million less against the revised annual budget of R16 307 million, this was due to improvement on revenue which was realized from revenue initiatives.

Table 47 shows that the staff establishment is 1,984, and out of these positions, the filled positions are 1 705. The achieved affirmative action is 92.84% compared to the target of 85%, which is commendable.

**Table 28: Employment Equity Figures**

Staff Establishment	Filled Positions	Affirmative Action		Gender Equity		People with Disabilities	
		Target	Achieved	Target	Achieved	Target	Achieved
1,984	1,705	85%	92.84%	28%	32.02%	2%	3.34%

Table 48 the actual financial performance against budget and Table 42 shows the financial performance for City Power. There was an increase in revenue and other income; it increased from R14 435 964 in 2017/18 to R15 225 513 in 2018/19 (5.5%); whereas, capital expenditure increased by a higher percentage from R882 921 to R 1 127 090 in 2018/19 (28%).

**Table 29: Actual financial performance against budget: City Power**

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

Table 49 shows the financial performance and capital expenditure for financial years 2017/18, 2018/19 and 2019/20 of City Power. For example, employee related costs of (1 087 605 (2017/18), 1 196 215 (2018/19) and R1 239 264 (2019/20) are the highest followed by those for bulk purchases (i.e., R10 297 590, R10 975 821 and R10 963 812 respectively) and repairs and maintenance (i.e., R535 863 in 2018/19 and R972 901 in 2019/20).

Table 49: Financial Performance: Expenditure City Power

Description	2017/18		2018/19		2019/20	
	Target	Actual	Actual	Target	Actual	Budget
Bulk Purchases	9,950,42	10,297,59	10,718,63	10,975,82	10,963,81	11,296,40
Employee Related costs	1,111,77	1,087,60	1,121,56	1,196,21	1,239,26	1,266,31
Administration	152,713	95,241	98,687	170,046	167,294	180,539
Depreciation	502,184	487,407	567,741	577,196	565,551	591,557
Finance costs	352,414	453,465	541,719	483,180	581,415	703,029
Lease rentals	604,875	627,187	609,041	412,669	646,554	657,778
Debt Impairment			625,474	587,768	600,715	629,082
Repairs and Maintenance	N/A		848,126	1,103,72	972,901	1,040,50
General Expenses	N/A		535,863	645,930	529,077	657,662

## Capital Expenditure

Table 50 shows capital expenditures. The report presents the actual performance of the Company against the budget for the period ending 30 June 2020. The table indicates that upgrade of electrical network (R215 910 000) corresponds to the highest capital expenditure, followed by electrification (R194 558 000), and service connections (R108 528 000). The Financials will be revisited when the AFS have been audited.

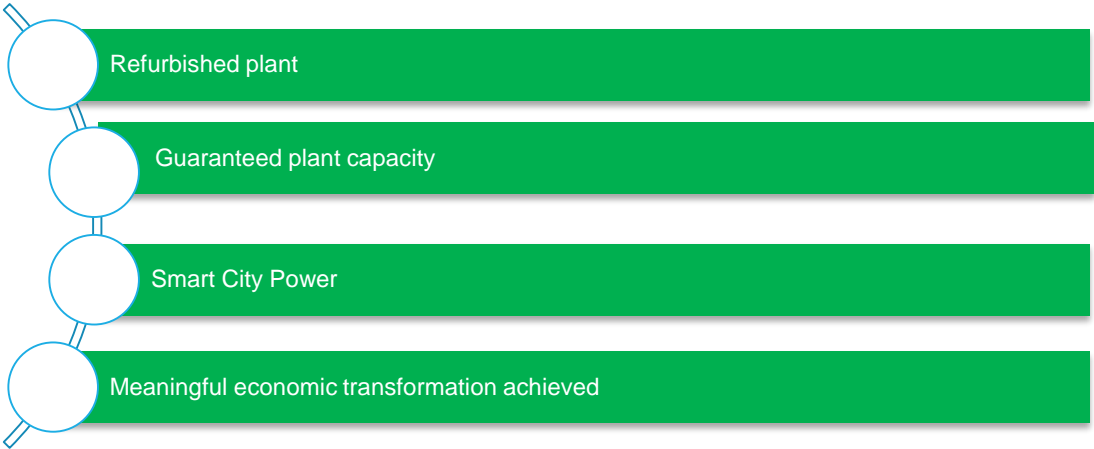
**Table 50: Capital Expenditure: City Power**

<b>Project Detail (By Project)</b>	<b>Original Budget (R'000)</b>	<b>YTD Actual (R'000)</b>	<b>YTD Variance (R'000)</b>
Electrification	200 000	194 558	5 442
Electrification Mega Projects	50 000	45 649	4 351
Service Connections	48 145	108 528	-60 383
Upgrade of Electrical Network	171 889	215 910	-44 021
Building Alteration / Construction	1 100	913	186
Computers	2 650	5 020	-2 370
Office Equipment	819	216	603
Computer Software	-19 600	59 609	-79 209
Tools and Loose Gear	2 156	738	1 419
Plant and Machinery	290	-	290
Telecommunication	17 200	8 399	8 801
Fire and Security	9 417	7 214	2 203
Meters	63 900	55 850	8 050
SCADA	9 874	10 126	-252
Protection	38 602	4 126	34 476
Furniture	786	651	134
Public Lighting	80 000	77 572	2 428
Refurbish of Bulk Infrastructure	224 004	83 192	140 812
Insurance	-	6 571	6 571
<b>TOTAL</b>	<b>901 232</b>	<b>884 842</b>	<b>16,390</b>

*Strategic focus*

In the year ahead, management will focus on improving the finances of this organization. Revenue billing and collection impacts heavily on the sustainability of our business and as such it has become one of the major concerns and focus areas. Plans have been developed to turn the situation around and are now at the stage of implementation and realizing the results. City Power will also continue to focus on preventative maintenance to reduce outages and improve restoration times, which in turn increases customer confidence and improve revenue collection.

The plan for FY 2020/21 as per VUCA 2022 is Business and Financial Sustainability



The company has started with VUCA 2022, the priority for FY 201920 is security of supply and network stability which include:



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 51 shows the national Grid Mix. The most important sources of energy are coal (45%), then gas (16%) and wind (15%). Nuclear (2%) is the least important.

**Table 51: 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%
<b>Total</b>		<b>100%</b>

#### **3.1.4 Housing and Social Housing Services**

There are more than 457,200 people registered in the National Housing Needs Register for in need of housing in the City of Johannesburg. This number grows on a daily basis and does not include the entire population of informal settlements across the City. The housing problem is also an economic challenge. The housing challenge is a manifestation of the unemployment issues we are experiencing. The inner city is collapsing under the weight of overcrowding. Struggling to absorb poor migrants seeking economic opportunities. It has become a war zone with slumlords muscling their way into buildings, hijacking them and exploiting the hapless urban poor who have no choice but to endure unsafe living conditions and insecure tenure. Buildings have become invaded; former landlords have abandoned their buildings, have become absentee landlords and absconded from their responsibilities. This has increased the housing demand in the inner city.

The housing backlog is made of informal settlements, overcrowding in the public hostels, the non-regulated backyard rental, inner city overcrowding, the housing waiting list, and homeless people in general. The City is making a concerted effort to meet the housing demand and tackle this backlog. This will require the up scaling of housing delivery, further partnering with the private sector, and meaningful engagement with communities. The City has identified a number of key programmes to address this, such as the accelerated



release of land and formalising of informal settlements; the development and maintenance of hostels and flats; managing displaced communities and homelessness; the constructing of mixed income housing opportunities; the construction of social housing and rental accommodation within the inner city and urban core; and the construction of housing opportunities along the transport corridors.

In the 2019/2020 financial year, Housing Department focused on development of layout plans with the purpose of upgrading informal settlement, construction of subsidies housing units, construction of serviced sites (rapid land release), issuing of title deeds to beneficiaries, upgrading and surfacing roads in existing RDP projects and refurbishment of the housing stock (Hostels, flats and old age home). The intent is to address to challenges confronting the human settlement in the broader context.

### **Vision, Mission and Values**

The Housing Development Agency is a national public-sector development agency that promotes sustainable communities by making well-located land and buildings available for the development of human settlements. Established by an Act of Parliament in terms of the Housing Development Agency Act (Act No 23 of 2008) the HDA's primary activities entail the assembly and release of state, private and communal land and buildings for human settlement development. Additionally, the HDA provides land and housing delivery support services to organs of state at local, provincial and national level.

### **Housing Agencies of the City**

Housing agencies include the City's housing department and Johannesburg Social Housing Company (JOSHCO), integral partners to ensuring the provision of affordable housing. The JDA provides input into strategic planning initiatives, prioritisation and budgeting for housing in the City. It also provides input into strategies for the provision of adequate housing and related social amenities in particular precincts. The JDA provides a service of implementation of refurbishment and development of housing were requested by JOSHCO or Housing Department.

### 3.1.4.1 Housing Department

#### *Introduction*

The Department of Housing is mandated to deliver housing 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 regarding 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 Department constructed 3418 housing units, and in 2017/18, 2103 units were completed. Human Settlements 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. The 2019/20 financial year arrived with global challenges of COVID 19 pandemic. This did not prevent the housing department to deliver 2029 subsidies housing units. Furthermore, the department has to respond promptly after the COVID 19 was pronounced as the pandemic by the National Command Centre (NCC) as per the National Disaster Management Act.

The National Department of Human Settlements delivered Cabinet's resolution on the de-densification of informal settlements to contain the spread of the Corona virus. The strategy is to construct Temporary Relocation Areas (TRAs) with immediate effect; and relocation of residents from high-risk areas to the temporary emergency units. The department was allocating R340 million from the USDG fund towards the project for construction of the TRAs. The Emergency Housing Programme is being implemented in terms of the Disaster Management Act, 2002 (Act No. 57 of 2002) as a result of the spread of the COVID 19 pandemic. The Emergency programme is implemented in various conditions including when - residents reside in conditions that pose immediate threats to life, health and safety; and relocation to a TRA can be provided on a temporary or permanent basis, and where households can be resettled in the future when a permanent solution becomes available. (Category 3.1 -3.3 Emergency Housing Programme).

Joburg has proven to be one of the epicentres of the virus in Gauteng with the yielding several high-density areas with a significant population located in informal settlements. The City of Johannesburg has without hesitation agreed to come on board to ensure the full implementation of the relocation project through its Housing Department, Housing Development Agencies and JOSHCO. It is therefore the City's top priority to relocate families and people living under Covid-19 high risk environments to newly constructed Temporary Relocation Areas.

#### *Key challenges in the environment*

Internal factors;

- Employees are overloaded with work due to shortage of human capital. The workload must be proportional shared amongst the employees to limit employee fatigue
- High vacancy rate that must be filled with immediate effect. The housing department is highly unionised.
- Continuous change of leadership particular the head of department, the department had acting ED for the last 2 years. This create instability within the department and
- Inconsistent strategic approach by the acting head of department of the day. Every leader their own style of management and approach. This create inconsistency in the department.

External factors;

- a) 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;
- b) 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 it 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.
- c) 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.
- d) Proclamations of townships – Development Planning Department and MOEs have yet to approve or relax the requirements for the proclamation of townships where the second directive properties were built in order to enable Housing Department to register and issue title deeds to qualifying beneficiaries.

*Performance highlights*

- a) Since the beginning of the current political term the department issued a total of 7958 title deeds to beneficiaries. This financial year the department issued 2025 title deeds to beneficiaries. There were 2068 title deeds that were registered but not issued to beneficiaries due to lockdown regulation.
- b) For the past 4 years the department has created a total of 7958 housing opportunities. The year under review the department delivered 2029 houses.

- c) The department spent 94% on the USDG and spent 91% overall for the capex budget for period under review
- d) The department through National Human Settlement and Human Development Agency (HDA) have allocated 70 Temporary Allocation Units to residents in plot 323 at Wilgeheuwel. The community have been living in tents for years.
- e) There was construction of the Temporary Allocation Units (TRU) in Lufhereng 202 foundation completed, 111 wall plate certified and 60 units in roof stage. The Lufhereng TRA has created 352 local jobs.

### *Housing Deliverables*

Table 52 shows the housing strategic objectives and service indicators for the different years. Among them, we have the number of informal settlements upgraded. In 2019/20, only one informal settlement was upgraded. At least 400 mixed housing opportunities have been created per year, a number of title deeds have been transferred to eligible beneficiaries ranging from 1610 (2018/19) to 3818 (2019/20).

**Table 52: Housing -Strategic objectives taken from the IDP**

<b>Service Objectives Service Indicators</b>	<b>2017/18</b>		<b>2018/19</b>		<b>2019/20</b>	
	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>
Number of informal settlements upgraded*.	10	3	10	0	4	1
Number of Mixed housing opportunities created.	2190	2103	927	408	2008	2029
Number of title deeds	3000	3597	2000	1610	3818	2025

Service Objectives Service Indicators	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
transferred to eligible beneficiaries.						
Number of housing stock units repaired	New KPI				457	506
Number of housing stock refurbished	New KPI				10	10

*\*2019/20 FY the informal settlement upgrade was changed to “development of the layout plan”*

#### *Households with access to basic housing*

Table 53 shows households with access to basic housing. These are households in formal settlements that were identified in areas in areas that are developable

**Table 53: Number of households with access to basic housing**

Total number of households in informal settlements	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
<b>Households in formal settlements that were identified in areas in areas that are developable</b>						
The Department was working on the Master list of 180 informal settlement is the 183 456 households	The Informal Settlement Master list was divided into five categories: <ul style="list-style-type: none"> <li>Category 1 <b>(99,136)</b>; Informal settlement upgrading project = Settlements in the process of</li> </ul>	2103				

Total number of households in informal settlements	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
Households in formal settlements that were identified in areas in areas that are developable						
	<p>being formalized as a township that will result in land ownership at the current location;</p> <ul style="list-style-type: none"> <li>• Category 2 <b>(16,697)</b>; Informal settlements relocation projects= Settlements linked to a project where a township is being established and will result in land ownership at alternative location;</li> <li>• Category 3 <b>(30,896)</b>; Informal Settlements regularizes projects= settlements that can be regularized in a current location with acknowledge ment of communal tenure;</li> <li>• Category 4 <b>(16,489)</b>;</li> </ul>					

Total number of households in informal settlements	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
<b>Households in formal settlements that were identified in areas in areas that are developable</b>						
	Informal settlements programme linked= settlements that are being linked to a specific project; and, Category 5 <b>(20,238)</b> ; Informal Settlements not linked to a project = settlements that cannot remain in current location and not linked to a project					
119 006 This is based on the informal settlements that were enumerated through the NUSP Process (also known as Rapid Assessments and Categorisation)	-	-	12 250 These are settlements categorized as either Category A and B1 (in line with NUSP methodology)	408		2029
The number of informal settlement in the City is 211. The number of households in those informal	-	-			159 informal settlement are categories in line with	2029



Total number of households in informal settlements	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
<b>Households in formal settlements that were identified in areas in areas that are developable</b>						
settlements is 168 300. The households in the City continue to mushroom due high rate of migration and people resort to erect informal structure					<p>NUSP methodologies. The categories of the informal settlement are either category A, B1, B2 and C.</p> <p><b>Category A:</b> Imminent Full Upgrading (Rapid Formalisation, full services)</p> <p><b>Category B 1:</b> Interim basic services (Provision of interim services leading to eventual formalisation)</p> <p><b>Category B 2:</b> Emergency basic services (Provision of emergency basic</p>	

Total number of households in informal settlements	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
Households in formal settlements that were identified in areas in areas that are developable						
					services BUT leading to eventual relocation )	
					<b>Category C:</b> Rapid relocation to a site which is already available or imminentl y available	

### *Employees*

The City of Johannesburg employs about 27 000 employees whom are responsible to deliver the CoJ mandate to communities. Therefore, City strives to create value by attracting, developing and retain skilled and competent people. The Human Resources Management (HRM) functions are key to inspire and grow its people through individual development, career development and by recognising performance excellence.

The City has adopted the Statistics South Africa (Stats SA) targets for the Economically Active Population (EAP) of Gauteng: 78% for Africans, 4% for Coloureds, 2% for Indians and 16% for

Whites. The gender split target is 50:50 and the target for People with Disabilities (PWDs) is 2%. The City has developed an Employment Equity Plan for the period 2016 to 2021 which includes these numerical targets. Table 54 shows the description of employees rendering for housing services. Most of them are middle managers (33), skilled technical/junior managers (28) and senior managers (17).

**Table 54: Housing Services Employees**

Description	Approved no. of posts per approved organogram	No. of employees at end of 2019/20 FY	No. of vacancies	%
Top management level				
Executive management	8	6	2	25%
Senior management	17	17	0	0%
Middle management	49	33	16	32%
Skilled technical/junior management	27	28	-1	0%
Semi-skilled	4	3	1	25%
Unskilled housekeepers/cleaners	6	5	1	16%
<b>Total</b>	<b>112</b>	<b>93</b>	<b>19</b>	

### *Financial Performance*

#### *Opex*

Table 55 shows the financial performance over the years. The total operation revenue decreased from R**421 014** in 2017/18 to R**224 165** in 2018/19. Also, total operational expenditure increased from R**652 593** in 2017/18 to R**587 625** in 2018/19 but increased to 1

176 307 000.00 in 2019/20. According to Table 56, the overall budget was R1 082 991 152.72 in 2019/20.

**Table 55: Financial Performance**

Detail	2017/18	2018/19			2019/20		Variance to budget
	Actual *Restated	Original budget	Adjusted budget	Actual	Budget	Actual	
<b>Total Operational Revenue</b>	<b>421 014</b>	<b>329 903</b>	<b>295 144</b>	<b>224 165</b>			<b>70 979</b>
<b>Expenditure:</b>							
Employees	158 053	180 735	167 613	170 408		723 562 635.70	-2 795
Repairs and maintenance	23 772	55 272	26 725	17 611	25 000		9 114
Other	470 768	483 195	437 905	399 606			38 299
<b>Total operational expenditure</b>	<b>652 593</b>	<b>719 202</b>	<b>632 243</b>	<b>587 625</b>		1 176 307 000.00	<b>44 618</b>
<b>Net operational expenditure</b>	<b>-231 579</b>	<b>0389 299</b>	<b>-337 099</b>	<b>-363 460</b>			<b>26 361</b>

**Table 56: 2019/2020 Financial Performance Year: Housing**

Details (CMIP/CLF)	Original Budget	Revised Budget	Actual	% spent
USDG	R934 627 000.00	0	R592 107 942.18	94.5%

COJ Funding	166 074 000	0	141 509 409	85%
CRR Funding	72 000 000	0	18 264 415	25%
Overall budget	R1 182 000 000.00	0	R1 082 991 152.72	91%

Table 57 shows capital expenditure for housing for the different projects. The total actual expenditures were R711 539 784, R1 072 376 234 and R635 589 741 for 2017/18, 2018/19 and 2019/20 respectively.

**Table 30: Capital Expenditure: Housing**

Capital Projects	2017/18		2018/19		2019/20			Total Project Value
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual expenditure	Variance from original budget	
Braamfisher Ext 12 & 13	57 502 000	71 794 609	17 112 000	13 521 000	25 500 000	12 174 023	29 977 000	107 918 140
Cosmo City Phase 2	15 000 000	19 682 212	93 495 000	74 675 000	60 200 000	61 791 998	80 499 000	432 987 757
Devland Ext 1,27,30,31 & 33	38 271 000	42 134 580	704 000	701 000	0	0	0	
Diepkloof			10 935 000	0	15 000 000	14 444 890	15 000 000	160 540 902
Diepsloot	154 000 000	174 816 552	151 705 000	231 199 000	51 000 000	50 998 385	-169 199 000	108 802 620
Driezek Ext 3	31 261 000	27 532 234	29 289 000	29 055 000	20 000 000	13 106 754	945 000	120 717 760
Driezek Ext 4	0	0	12 150 000	7 888 000	12 400 000	6 271 702	0	
Driezek Ext 5	10 000 000	22 192 049	34 000 000	38 760 000	15 000 000	6 538 264	-4 760 000	120 717 760
Elias Motsoaledi	6 300 000	5 587 953	5 468 000	693 000	4 127 000	3 639 169	4 307 000	
Ennerdale South	9 250 000	0	10 935 000	2 577 000	1 000 000	-1 043 207	19 065 000	
Finetown Proper	8 250 000	0	10 935 000	0	10 000 000	3 929 324	10 065 000	

Capital Projects	2017/18		2018/19		2019/20			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual expenditure	Variance from original budget	Total Project Value
Fleurhof Mixed Dev	0	0	174 081 000	221 628 000	123 000 000	143 217 759	-108 277 000	2 043 124 328
Formalisation	65 458 000	2 547 504	97 686 000	525 000	130 000 000	91 154 805	133 475 000	
Helen Joseph	3 000 000	1 304 614	16 200 000	7 735 000	20 000 000	6 046 009	12 265 000	
Inner City Upgrading	30 812 000	-14 548 190	80 000 000	13 156 000	50 000 000	43 725 000	36 844 000	
Jabulani Flat & Hostel	0	0	0	0	0	0	0	1 500 000
Kanana Park	25 250 000	0	18 225 000	2 358 000	7 000 000	0	48 642 000	
Klipsruit/ Kiptown	30 000 000	141 684.40	3 645 000	2 519 000	40 000 000	0	34 481 000	
Kya Sands	0	0	3 645 000	0	10 000 000	0	5 000 000	
Lakeside Ext 1,2,3 4 & 5	16 828 000	15 234 000	11 093 000	6 895 000	20 000 000	(351 771)	23 105 000	
Land Acquisition	2 950 000	1 660 000	7 290 000	4 111 000	50 000 000	10 785 250	15 889 000	
Lehae Ext 1 Bulk Water Line	136 000 000	129 185 054	7 290 000	4 799 000	30 000 000	4 634 355	16 210 000	
Louis Botha	0	0	0	0	0	0	0	
Lufhereng Mixed Development	59 645 000	153 481 806	167 813 000	222 135 000	100 000 000	163 663 939	-122 135 000	1 207 765 224
Madala Hostel	0	0	12 150 000	6 704 000	10 000 000	3 143 695	8 296 000	
Matholesville Proper	0	0	7 293 600	638 000	20 000 000	0	7 293 600	
Meadowlands Hostel	10 000 000	0	7 290 000	0	10 000 000	3 187 474	10 000 000	
Moffatview	2 000 000	0	3 645 000	0	0	0	8 000 000	
Orlando Women's Hostel	0	0	0	0	0	0	0	
Poortjie Dark City	5 085 000	0	10 935 000	0	0	0	15 000 000	
Princess Plot	10 000 000	0	10 935 000	2 011 000	13 500 000	1 704 872	12 989 000	
Rabie Ridge	0	0	0	0	0	0	0	
SHSUP Interv	2 000 000	0	0	0	0	0	0	
Sol Plaatjie	0		11 000 000	10 396 000	0	0	604 000	

Capital Projects	2017/18		2018/19		2019/20			
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual expenditure	Variance from original budget	Total Project Value
Stock Upgrade	0	-1 261 894	50 000 000	0	50 000 000	2 523 675	50 000 000	
South Hills	90 000 000	81 539 449	60 000 000	102 421 000	75 000 000	29 655 877	-42 421 000	409 376 396
Tshepisong	0	0	2 187 000	0	5 000 000	0	2 187 000	
Unavillie	0	0	9 290 000	7 290 000	10 000 000	0	-5 290 000	
Turfontein	20 694 000	14 621 596	0	0	0	0	0	
Vlakfontein	7 112 000	123 923	14 580 000	1 398 000	12 900 000	0	53 602 000	

## **Section 2: Employee Remuneration and Cost Including Executives**

The total salary bill equates to an amount of R383 250 145 for the 2019/20 financial year. The following reflects a comparison of cost as at 30 June 2019 versus 30 June 2020 and showcases the increase in the salary bill of 37.79%.

Line budget item: Employee related costs:

Budget			Variance
30 June 2020	30 June 2019	%	Rand value
383 250 145	278 131 608	37.79	105 118 537

### **Section 2.1.: Asset Management**

#### **Acquisitions during the period**

Seventy-two (72) properties to the value of R33 264 347.14 were taken on during the 2019/2020 financial year. Ten (10) properties to the value of R15 916 600.00 were acquired through the capital budget for housing developments purposes on behalf of the Housing Department. A total of sixty two (62) properties to the value of R17 347 748.26 were acquired by means of being vested to CoJ in terms of town planning laws wherein properties were

transferred by private developers for service delivery purposes in terms of the Conditions of Township Establishment and properties that are unbundled from mother properties for housing purposes. The Gauteng Provincial Government also devolved properties to the City for housing purposes while one property was expropriated for road infrastructure purposes. These are summarised in the table below.

<b>Category</b>	<b>Quantity</b>	<b>Municipal Value</b>
Conditions of Township Establishment	4	R5 942 000.00
Devolutions	37	R6 404 000.00
Unbundling	20	R421 748.26
Expropriation	1	R4 580 000.00
<b>Total</b>	<b>62</b>	<b>R17 347 748.26</b>

Six hundred and fifty (650) properties to the value of R32 477 276.82 were transferred during the reporting period. Six hundred and thirty two (632) housing properties to the value of R31 393 398.82 were transferred to beneficiaries for the provision of housing as mandated by the Housing Act. Fifteen (15) properties to the value of R220 878.00 were transferred to beneficiaries as part of the Land Regularisation Programme to advance the City's service delivery, housing provision and economic development objectives. Three (3) properties were sold as part of the Inner City program. The information below provides an outline of the transferred properties, worth R31 393 398.82.

#### **Category**

##### **Disposals during the period**

	<b>Quantity</b>	<b>Value</b>
Housing Transfers	632	R31 393 398.82
Land Regularisation	15	R220 878.00
Land Sales	3	R863 000.00
<b>Total</b>	<b>650</b>	<b>R32 477 276.82</b>



The Inner City rejuvenation programme has been established with the intention of building an inclusive society with an enhanced quality of life for the residents of the Inner City and surrounding areas. Since the inception of the programme, no less than 147 properties (grouped into 38 development opportunities) have been awarded, mostly to 100% black, women-owned and managed companies, each with Level 1 BBB-EE accreditation. Moreover, to-date, the total Project Investment Value is forecasted at R30bn creating approximately 12 136 jobs over time and equally empowering and creating strategic work packages to meet the 30 % Transformation/SMME target, a monumental milestone for the City of Joburg.

**Progress to date:**

A noteworthy highlight of the Programme in the 2019/20 financial year is that 11 developments consisting of 55 properties were awarded to various private entities for development in the second quarter. Through these awards JPC is set to make R 6 397 874, 44 in Facilitation Fees charged and the City's Investment Attraction through these awards stands at approximately R443 637 332.

Total Housing Yield consists of the following:

- 15 092 Fully subsidized housing units (RDP multi-storey).
- 2953 Social rental housing units (multi-storey).
- 16508 FLISP units
- 115 HA – Commercial
- 178 HA – Light industry
- 110 HA – Social and community facilities

Total development Yield consists of the following:

- 3366 mixed income residential units,
- 1389 m<sup>2</sup> of Public open space,
- 121 008 m<sup>2</sup> retail space
- 16 827 m<sup>2</sup> education space

***Section 2: Employee Remuneration and Cost Including Executives***

The total salary bill equates to an amount of R383 250 145 for the 2019/20 financial year. The table below reflects a comparison of cost as at 30 June 2019 versus 30 June 2020.

Line budget item: Employee related costs:

<b>Budget</b>			<b>Variance</b>
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## **Section 2.1.: Asset Management**

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<b>Total</b>	<b>62</b>	<b>R17 347 748.26</b>

### **3.1.4.2 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). JOSHCO's mandate is to provide and manage social and 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).

#### **Vision**

To become the best provider of quality, affordable Social housing designed to world-class standards that contributes to the City that works.

#### **Mission**

JOSHCO designs and builds quality, resource efficient, economically sustainable and affordable housing projects, that are close to transport nodes and which address the needs of the community and the environment in Johannesburg, with a strong emphasis on effective management and customer- focused service delivery.

#### **Mandate**

JOSHCO's 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 the City. JOSHCO is a special purpose vehicle to access national and provincial grant funding which a City or department cannot.

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 2019/2020, JOSHCO delivered in total of 330 units which constituted the following, 24 units completed (Chelsea), 112 units completed (80 Plein Street), 32 units (106 Claim Street), 70 units (50 Durban Street) all with no services and, 92 units (Roodeport phase 2) of which are 80% completion.
- The entity launched on of its biggest social housing project, Dobsonville. The Dobsonville project is one of the City's mega Social Housing project developed and managed by JOSHCO and which was partly funded by the Social Housing Regulatory Authority (SHRA). It yielded a total of 502 units comprising of 152 one bedrooms and, 305 two bedrooms. The City of Johannesburg Mayor launched the project on the 1st February 2020, and it is currently fully tenanted with a mixed -income of R1500 -R15000 per household per month.
- The company was able to pay 99.5% of the 1467 service providers within 30 days of receiving invoices with only 7 of the 1467 paid late as a result of banking confirmations received late.;
- On average, JOSHCO spent 35.5% of its capital budget on companies that are 51% black owned and 11% on SMMEs that operate within the vicinity of its projects; and,
- JOSHCO spent R278, 308,135.84 of its allocated R405, 700,000.00 capex (69%).

### **Key challenges**

- One of the key challenges for JOSHCO was the loss of potential revenue due to Covid-19 pandemic outbreak. The entity saw a drop in rental collection as some of its tenants were facing salary cut or laid of their employment.
- Construction works was prohibited for a period of more than two months due to National Lockdown regulations. The sector was stopped from operating when the country was put on a shut complete shutdown from the 27<sup>th</sup> March 2020 and reopened on the 1<sup>st</sup> of June

when the country was moving to level 3. This resulted in progress delays on those projects that were at construction stage and resulted in allowing contractors extension of time.

### **Housing units developed**

JOSHCO is an accredited Social Housing Institution that develops and manages social and affordable rental units. The entity develops Greenfield projects, projects constructed from an empty land that in some cases qualifies for Social Housing Regulator Authority (SHRA) funding. In the financial year 2019/20, 92 units were developed through Greenfield project. JOSHCO also develops brownfield projects, projects that are usually a redevelopment of an existing structure and are high rising buildings in nature. These are projects that are mainly developed in the inner-city. In the 2019/20 financial year, 238 units were developed through brownfield projects. In total, the entity has developed 330 units. Table 58 below reflects the annual performance

**Table 31: Social housing developed**

Detail	Greenfield		Inner city	
	2019/20	2018/19	2019/20	2018/19
Social housing developed in a year	92	-	238	297

### **Housing Units under management**

The table below reflects the social housing units that are under JOSHCO management. As at end of June 2020, JOSHCO had a total of 8 515 units in its control. The reported units are delivered through a total of 34 building/projects that were developed across the City classified under Greenfield, brownfield or hostels. The common challenge that JOSHCO experiences across the projects is the demand for ownership of the units that results in some tenants resorting in boycotting rental payment. However, the entity continued to enforce its credit control policy including application of eviction orders for tenants that are not paying their rentals. Table 58 shows the units under management in Greenfield and Inner city.

**Table 32: Units under management**

Detail	Greenfield		Inner city	
	2019/20	2018/19	2019/20	2018/19
Social housing units under management	5595	5460	2920	1807

*JOSHCO IDP Deliverables*

Table 53 shows the IDP deliverables for priority 2 of ensuring pro-poor development that addresses inequality and poverty and provides meaningful redress. Capital budget spent ranges from 69% (2019/20) to 98% (2018/19).

**Table 33: JOSHCO IDP Deliverables**

Service Objectives Service Indicators	Service target(s)	2017/18		2018/19		2019/20		2020/21
		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%	95%	98%	70%	69%	95%
No. of Social Housing Units developed for the disadvantaged beneficiaries		365	545	360	297	330	330	648
		766	766	-	-	-	-	-
Revenue Collection Rate		91%	91%	100%	72%	80%	61%	85%

## Staff Turnover

JOSHCO has witnessed a drastic increase from 108 to 583 employees by end of June 2020. The increase was mainly caused by insourcing of a large number of cleaners and securities that have been deployed across the 34 tenanted projects and head office. The insourcing was in line with the City's initiative to insources cleaners and security staff that is providing services to the city departments and entities. This has increased the salary wage bill from R37 592 960.00 to R81 999 304.00

Staff turnover is shown in table 54. Skilled technical and academically qualified has the largest figures of 64, 67 and 86 in 2017/18, 2018/19 and 2019/20 respectively.

**Table 34: Staff turnover**

Job Level	2017/18	2018/19	2019/20
	Employee No.	Employee No.	Employee No.
Top Management	2	2	2
Senior Management	7	4	3
Middle Management	22	19	32
Skilled Technical and academically qualified	64	67	86
Semi-skilled	13	7	1
Internship	6	6	6
EPWP	-	-	85
Unskilled	3	3	368
<b>Total</b>	<b>117</b>	<b>108</b>	<b>583</b>

## Financial Performance

Table 55 shows the statement of financial performance as at 30 June 2020. Employees are associated with the highest budgets.

**Table 35: Statement of Financial Performance as at 30 June 2020**

Detail	2017/18	2018/19	2019/20			
	Actual Restated R'000	Actual Restated R'000	Original budget R'000	Adjusted budget R'000	Actual R'000	Variance to budget %
<b>Total Operational Revenue</b>	156 481	178 139	201 637	182 057	199 320	9%
<b>Expenditure:</b>						
Employees	43 883	52 079	96 055	80 251	115 086	43%
Repairs and maintenance	21 524	13 706	76 131	21 227	23 860	12%
Other	101 793	178 380	27 951	79 079	140 348	77%
<b>Total operational expenditure</b>	(167 200)	(244 165)	(200 137)	(180 557)	(279 294)	55%
<b>Net operational expenditure before tax</b>	(10 719)	(66 026)	1 500	1 500	(79 974)	5 432%

*Comment on overall performance*

JOSHCO's revenue collection target for the 2019/20 financial year was 80% (2018/19: 100%) of billing. JOSHCO performed 19% below budgeted target, and on average, collected 61% (2018/19: 72%) for the financial year. The drastic decline in revenue collection was witnessed in the last quarter of the FY and this is attributed to the COVID 19 pandemic that negatively impacted some of our tenants as they were either retrenched or received salary cuts.

JOSHCO was able to spend 69% of the budgeted R405 million capital budget, which is evidenced by the development of 330 units against a target of 330 units



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### 3.1.5 Free Basic Services And Indigent Support ( Social Development)

By the nature of its developmental mandate local government is concerned with the problem of poverty. Moreover, because of the allocation of powers and functions across the spheres of government, some of the most important services for the poor fall in the jurisdiction of local government, in particular water and sanitation, electricity, waste, environmental health and planning. The fact that water, waste and electricity are not only the financial lifeblood of municipalities, but that they are traditionally provided only to those who can pay for them, underscores the imperatives of fully understanding the inter-relationship between poverty and local government in designing an indigent policy. The Expanded Social Package guides the city's initiative to improve the lives of indigents and to improve access to Free Basic services (Free Basis Water, Free Basic Sanitation, Free Basic Energy/Electricity and Free Basic Refuse Removal). It is thus aimed at including those currently excluded from access to basic services, through the provision of a social safety net. What poor people in South Africa have in common is the need to access affordable basic services that will facilitate their productive and healthy engagement in society.

The objective of the ESP are:

- The policy serves three purposes: the first part - gaining access, which relates to the need for the indigent to firstly have physical access to the service.
- The second part relates to the fact that the service provided must be properly functional in the long term if the service is to have the desired impact in improving the lives of the indigent.
- Thirdly access to the service must be properly targeted and this regard the city uses the three band system. The city applies subsidies to reduce the charge to those who are indigent and ensure that those who can afford to pay do not get subsidised.

#### **Current Legislation:**

- Local Government: Municipal Structures Act No. 117 of 1998
- Municipal Systems Act No. 32 of 2000
- Local Government Property Rates Act

- Municipal Finance Management Act No. 56 of 2003
- Water Services Act No. 108 of 1997
- Division of Revenue Act

### **Service Delivery Environment:**

The Department is responsible for the management of the indigent database in the City. The administration of the database is through an electronic system called Systems Applications & Products, Customer Relationship Management (SAP CRM 07). The footprint of the program extends to include the city's geographical coverage from Regions A to G extending the services to clinics, revenue customer service centres including multi-purpose and skills centres. Publicity about the program is marketed on social media, community radio stations & newspapers.

This report is intended to account for the performance of the Expanded Social Package (ESP) Program for the year under review. The ESP Special Project Unit delivered on its mandate thus ensuring that 110 100 indigent households benefit from Free Basic Services (FBS).

### **Performance against Key Performance Indicators (KPIs)**

During the year under review, of importance to note is that during Quarters 1, 2 & 3 the ESP Unit placed extra-ordinary effort in improving the credibility of the database by engaging in internal data cleansing exercise in efforts towards reducing audit findings. The delivery on the predetermined objective for the service standards was achieved for all quarters. This performance was maintained, against the odds of instable network infrastructure particularly in Regions A, D & G with six (6) centres in the respective regions not operating. The institutional KPI on the number of indigent households benefitting from Free Basic Services (FBS) resulted in over achievement. Since July 2019 to June 2020, 110 100 households registered to benefit from Free Basic Services (FBS).

While 2020, began with some optimism to increase the ESP database by undertaking outreach campaigns in identified areas in the city, the COVID-19 pandemic halted any prospects of mass gatherings with the communities. The pandemic further gave rise to all centres shutting down in April 2020 as the country was declared a state of national disaster. It weakened

existing resources and placed pressure on the department to introduce new ways of ensuring qualifying citizens access Free Basic Services (FBS). In response, the department in the fourth quarter passed automatic FBS to beneficiaries whose information already existed on the database. Despite, the chaos brought by the pandemic, the city in June 2020, strengthened its efforts to ensure that some customer service centres reopened to the public, enabling new beneficiaries affected by recent job losses to access the program. The total spend on FBS from July 2019 to June 2020 was R108 597 516.23.

**The highlights for the year 2019/2020 included:**

- Creation of 133 EPWP employment opportunities and 25 contract administrative assistant positions
- ESP poverty index income bands increased by 4.0 % average Consumer Price Index (CPIX), based on figures made available by Statistics South Africa allowed more individuals to access FBS.
- Enhancements to Systems Applications & Product (SAP CRM 07)
- Registration of 110 100 individuals
- Annual total of 777 639 00 Free Basic Services (FBS) passed

**The main contributors to individuals not access FBS include:**

The department 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.

### **ESP ACHIEVEMENTS**

In June 2020, the 8 centres below resumed services to the public:

<b>REGISTRATION SITE</b>	<b>CENTRE</b>	<b>REGION</b>	<b>ADDRESS</b>
Randburg Civic Centre	Revenue Centre	B	Cnr Jan Smuts and Braamfischer Rd, Randburg
Thuso House	Revenue Centre	F	61 Jorissen Street, Braamfontein
Orlando East CoJ Centre	Revenue Centre	D	1425 Sofasonke Street, Orlando East
Meadowlands	Revenue Centre	D	47 Heckoord Circle, Zone 2, Meadowlands
Chiawelo Office	Revenue Centre	D	Office 989 Tshabuse Street, Chiawelo
Protea North Admin Office	Revenue Centre	D	299/499 Kunene Street, Protea North
Lenasia Civic	Revenue Centre	G	Cnr Rose and Eland Street, Lenasia
Roodepoort Civic Centre	Revenue Centre	C	Beladina Str, Traffic Department, Roodepoort

The department has achieved 100% Compliance with Registration of all Qualifying Individuals for Free Basic Services (FBS) as per Service Level Standard.

### **2019/2020 Free Basic Services**

Table 56 shows the 2019/2020 free basic services including water, electricity, rates, sewer and refuse in every month.

**Table 56: 2019/2020 Free Basic Services**

2019/2020													
Service	Jul-19	Aug-19	Sept-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Annual Totals Per Service
<b>Free Basic Electricity</b>	11 634	11 177	11 097	8 290	9 887	11 415	10 727	11 187	10 844	15 465	14 565	14 753	141 041
<b>Free Basic Water</b>	15 176	14 914	15 672	15 434	17 774	13 628	14 655	15 174	15 021	15 496	16 661	13 206	182 811
<b>Rates</b>	22 432	22 068	23 251	22 709	23 179	21 313	21 324	22 171	22 605	23 123	24 977	19 513	26 665
<b>Sewer</b>	14 328	14 094	14 838	14 507	16 768	13 644	13 749	14 329	14 536	14 839	15 990	12 592	174 214
<b>Refuse</b>	21 086	20 693	21 779	21 262	22 909	19 942	19 970	20 770	21 173	21 658	23 383	18 283	252 908
<b>Total Monthly FBS Passed</b>	<b>84 656</b>	<b>82 946</b>	<b>86 637</b>	<b>82 202</b>	<b>90 517</b>	<b>79 942</b>	<b>80 425</b>	<b>83 631</b>	<b>84 179</b>	<b>90 581</b>	<b>95 576</b>	<b>77 252</b>	<b>777 639.00</b>

## **FBS 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 & leased equipment.
- Households not collecting FBS.
- Household's not purchasing services such as pre-paid water & pre-paid electricity affects benefit pass through even though they may have registered to benefit from FBS.
- Master data from entities corrupted 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 & Alexandra limits registration for FBS as there are no account number to link services.
- Continuous bridging of electricity by various households.

## **Child Care**

The target of the KPI titled “Number of Children Benefiting from programmes Rendered to Early Childhood Development Centres Through Various Interventions” for financial year 19/20 for was 10 000 and was reached from quarter 1 to quarter 3 with 10519 Children benefitting for the programmes. The key focus area was in terms of children accessing Early Childhood Development services, as the objective in all spheres of government is universal access of children to services in the foundation phase. The Department in this regards, works closely with key stakeholders within the communities and as such one of the key role players is ECD

forums. The forums also understand the importance of access for children.

In terms of services to children, different services were rendered to a total of 4328 children as follows:

A total of 3798 children benefitted from our annual toy drive conducted in partnership with the Motsepe Foundation. In addition, a total of 267 children benefitted from programmes rendered through the Computer Clubhouses. children also benefitted from a Career Development Expo hosted by the Computer Clubhouse in Region G. There was also a holiday programme which was implemented in the department where 439 children were reached. A total of 46 children benefitted from a leadership programme, and a further 45 benefitted from learning topics related to Child Abuse.

### **Aged Care / Elderly Services**

As part of the Elderly services, Elderly Support Programme was approved as part of the six services approved for provision through pay per service model (adjusted due to COVID Restrictions)

100

## **COMPONENT B: ROAD TRANSPORT**

This component includes roads; transport; and wastewater (stormwater drainage).

Provide brief introductory comments on the strategy, priorities and provision regarding road development and maintenance and transport including public bus services.

### **Johannesburg Roads Agency**

The Johannesburg Roads Agency is a municipal-owned entity 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*

Tables 36 and 58 shows the number of gravel Roads Infrastructure (km) and tarred roads infrastructure (km) respectively. 2019/20 has the highest numbers of gravel roads and tarred roads infrastructure (km).

**Table 37: Gravel Roads Infrastructure (km)**

Period	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar (Gravel Roads to surfaced)	Gravel roads graded/maintained (blading, re-graveling, rip and re-shaping)
2017/18	3806.74	No gravel roads constructed	31.34	1221



2018/19	3775.40	No gravel roads constructed	25.39	1861
2019/20	No gravel roads	No gravel roads constructed	21.48	354,244

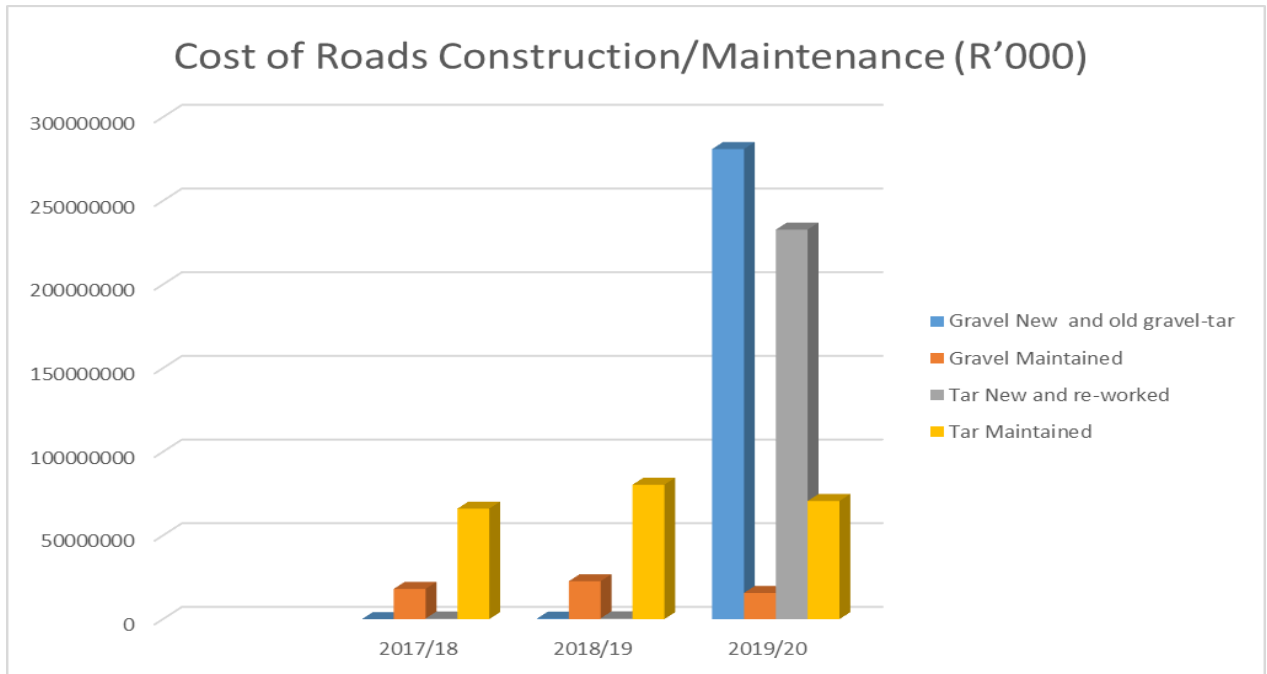
**Table 38: Tarred Roads Infrastructure (km)**

Period	Total tarred roads (m2)	New tar roads (Gravel to surfaced)	Existing tar roads re-tarred (resurfacing)	Existing tar roads re-sheeted (Reconstructed/ Rehabilitated)	Tar roads maintained
2016/17	9123	32.26	520.09	No existing tar roads re-sheeted	9123
2017/18	124.53	31.34	301.12	No existing tar roads re-sheeted	124.53
2018/19	12406.103	25.39	291.05	No existing tar roads re-sheeted	12406.103
2019/20	12407.863	21.48	193.44	1.47	12407.863

Table 59 and figure 27 show cost of roads construction/Maintenance for the different financial years. They indicate that 2019/20 had the highest costs compared to the other years.

**Table 39: Cost of Roads Construction/Maintenance**

Period	Gravel		Tar	
	New & Gravel – Tar	Maintained	New & Re-worked	Maintained
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
2019/20	280,933,687	15,656,670	232,746,729	70,591,604.00



**Figure 16: Cost of Construction/Maintenance**

Storm water infrastructure (km) and Cost of storm water infrastructure construction and maintenance are shown tables 60 and 61 respectively. Figure 28 illustrates it more clearly.

**Table 40: Storm water infrastructure (km)**

Period	Total Stormwater measures (under JRA management)	New Stormwater measures (installations/ network development)	Stormwater upgraded (conversions to underground systems)	Stormwater measures maintained
2017/18	-	-	2.214	51
2018/19	-	-	1.264	47
2019/20	46	37	2.03	109 115

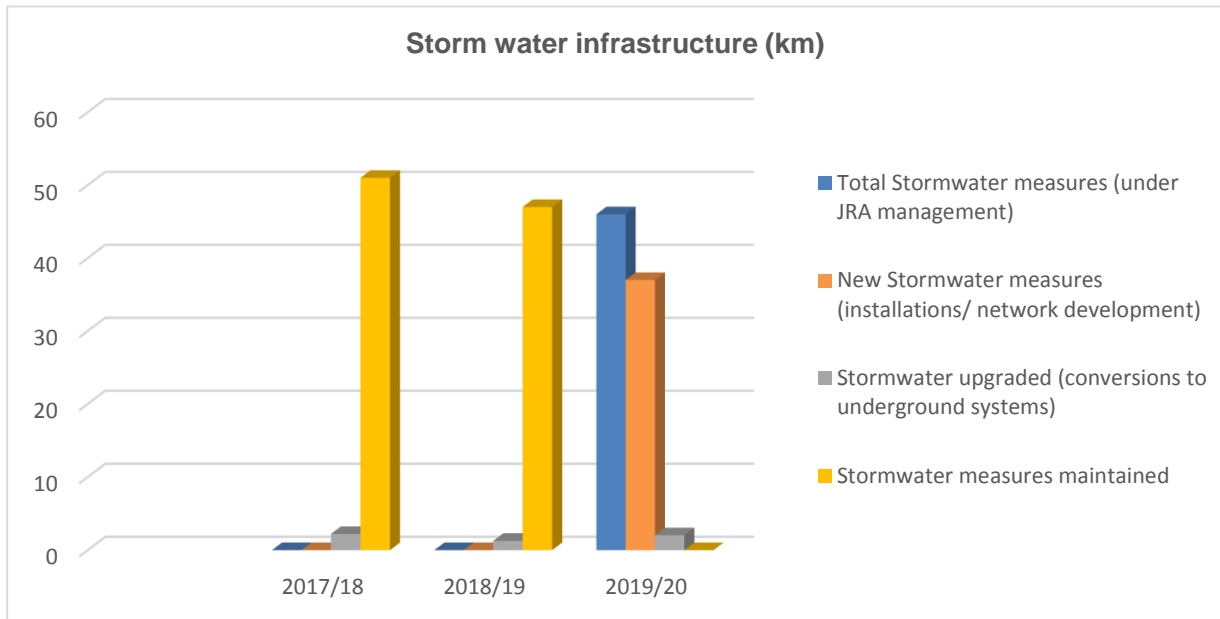


Figure 17: Stormwater infrastructure (km)

**Table 41: Cost of storm water infrastructure construction and maintenance (R'000)**

Period	Stormwater Measures	
	Upgraded	Maintained
2016/17	128,542	48,843,612.37
2017/18	131,050	63,104,737.43
2018/19	152,023	75,325,367.26
2019/20	148 985 035	46 425 183

*Road Service Policy IDP Deliverables*

Table 62 show road service policy strategic objectives for priority 2 of ensuring pro-poor development that addresses inequality and poverty and provides meaningful redress.

**Table 42: Road Service Policy strategic objectives taken from IDP**

Service Objectives Service Indicators	Service targets	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
Priority 2: Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.							
Kilometers of gravel roads tarred	35,92km	27 km	31.34 km	25 km	25.39 km	30 km	21.48 km
Number of L/Km of roads resurfaced	358 l/km	250 l/km	301.12 l/km	220 l/km	291.05 l/km	180l/km	193.44 l/km
Km of open storm water drains converted to underground systems	1.6 km	2.9 km	2.214 km	1.5 km	1.264 km	2.8km	2.03 km

## *Employees*

Table 63 shows the number of employees for each job level for 2016/17, 2017/18, 2018/19 and 2019/20. It is interesting to note that the higher the job level the higher the total number of employees, with level 6-8 and 2019/20 having the highest numbers of employees.

**Table 43: Employees: JRA**

Job Level	2016/17	2017/18	2018/19				2019/20			
	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as at a % of total posts)	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as at a % of total posts)
0 – 2	7	5	9	6	3	33	9	6	3	33.3%
3	28	27	29	26 (Includes Fixed Term contracts)	6	20	30	26 (Includes Fixed Term Contracts)	5	16.6%
4	71	93	104	72	6 (32)	5	104	75 (Includes Fixed Term Contracts)	8	7.6%
5	139	193	211	139	21 (72)	9	211	141 (Includes Fixed Term Contracts)	28	13.2%
6 – 8	503	849	867	545	97 (322)	11	2292	1429	200	8.7%

## Capital Expenditure

Table 64 shows the capital expenditure and project descriptions.

**Table 44: Capital Expenditure: JRA**

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 1 140 860 000	R 1 140 860 000	R 934 521 549,	R 206 338 451	

Project Description	2019/20 Actual Budget	Revised Budget	YTD Expenditure	% Spend
Bridges - Visual & Detailed I	5,000,000	1,753,000.00	1,753,000.00	100.00 %
Bridge Expansion Joints	5,000,000	3,102,000.00	3,101,528.33	99.98%
Bridges - Replacement (Flooding)	50,000,000	89,000,000.00	86,053,548.55	96.69%
Conrad Drive Bridge Blairgowrie	6,000,000	691,000.00	690,050.97	99.86%
Braamfontein Spruit Erosion	10,000,000	2,671,000.00	2,670,597.30	99.98%
Depot Upgrading Operational	5,000,000	5,000,000.00	2,105,797.86	42.12%
Integrated Roads & Stormwater	5,000,000	5,000,000.00	3,362,418.51	67.25%
Investigate and Design Future	1,000,000	1,600,000.00	1,485,737.07	92.86%
Complete Streets	10,000,000	9,400,000.00	3,665,312.59	38.99%
Alternative Power Sources (LED	1,000,000			53.52%

Project Description	2019/20 Actual Budget	Revised Budget	YTD Expenditure	% Spend
		1,000,000.00	535,243.41	
CCTV Cameras	2,000,000	2,000,000.00	-	0.00%
Installation New Warranted	1,000,000	1,000,000.00	917,121.04	91.71%
Intelligent Transport System	5,000,000	5,000,000.00	464,712.58	9.29%
Remote Monitoring	5,000,000	5,000,000.00	4,539,867.80	90.80%
Traffic Signal Adaptive Control	6,000,000	6,000,000.00	5,419,706.83	90.33%
Upgrading Controllers and Phase	10,500,000	10,500,000.00	8,634,696.40	82.24%
GIS Improvement	15,000,000	15,000,000.00	-	0.00%
Resurfacing of M1 Motorway	50,000,000	50,098,000.00	50,097,668.22	100.00 %
Resurfacing of M2 Motorway	50,000,000	35,514,160.00	30,772,171.29	86.65%
Stormwater Development Sandown	10,000,000	10,000,000.00	7,718,218.83	77.18%
Bezvalley Upgrade	2,000,000	370,000.00	369,573.10	99.88%
Klein Jukskei Willows Development	1,000,000	1,000,000.00	925,918.98	92.59%
Gravel Roads Drieziek	30,000,000	3,600,000.00	3,250,565.54	90.29%
Bridge Rehabilitation (BMS)	100,000,00 0	107,800,000.00	103,954,643.66	96.43%
Bridges - Visual & Detailed I	5, 000,000	3,247,000.00	3,247,000.00	100.00 %
Klein Jukskei Bond Stream Fern	15,000,000			100.31



<b>Project Description</b>	<b>2019/20 Actual Budget</b>	<b>Revised Budget</b>	<b>YTD Expenditure</b>	<b>% Spend</b>
		25,736,000.00	25,815,767.58	%
IT - New Computer Software	1,000,000	1,000,000.00	-	0.00%
Operational Capex	10,000,000	10,000,000.00	4,583,661.40	45.84%
Upgrading of Head Office	5,000,000	5,000,000.00	-	0.00%
Dam Safety Rehabilitation	4,000,000	4,000,000.00	1,707,936.68	42.70%
Emergency, Critical & Urgent S	20,000,000	40,038,000.00	39,907,493.39	99.67%
Geometric Improvements	5,000,000	7,800,000.00	7,544,310.76	96.72%
Alternative Power Sources (UPS	2,460,000	2,460,000.00	-	0.00%
Recabling of Signalised Inters	30,000,000	30,000,000.00	30,133,598.67	100.45%
SARTSM	2,000,000	2,210,000.00	2,214,324.35	100.20%
Stormwater Asset Monitoring Sy	5,000,000	5,000,000.00	2,215,853.98	44.32%
Rehabilitation of Open Drains	15,000,000	11,314,000.00	7,228,185.00	63.89%
Road Rehabilitation and Recons	80,000,000	30,000,000.00	27,587,412.09	91.96%
Resurfacing of Soweto Highway	10,000,000	10,000,000.00	6,060,490.13	60.60%
Resurfacing	109,000,000	109,000,000.00	101,190,537.04	92.84%
Spencer Road New Link	1,500,000	2,122,000.00	2,121,096.21	99.96%
Jan Smuts Dualling	5,000,000			12.47%

<b>Project Description</b>	<b>2019/20 Actual Budget</b>	<b>Revised Budget</b>	<b>YTD Expenditure</b>	<b>% Spend</b>
		5,000,000.00	623,433.29	
Traffic Calming measures	10,000,000	10,098,000.00	10,097,715.84	100.00 %
Tarring of Gravel Roads	15,000,000	15,000,000.00	12,696,945.30	84.65%
Gravel Roads Drieziek	30,000,000	26,400,000.00	23,837,480.66	90.29%
Gravel Roads Braamfischerville	30,000,000	30,000,000.00	23,869,169.41	79.56%
Resurfacing of M2 Motorway	50,000,000	4,842,840.00	4,196,205.18	86.65%
Gravel Roads Diepsloot	30,000,000	30,000,000.00	16,415,689.53	54.72%
Gravel Roads Doornkop / Thulani	30,000,000	30,000,000.00	12,312,998.05	41.04%
Gravel Roads Ivory Park	30,000,000	30,000,000.00	22,899,008.13	76.33%
Gravel Roads Lawley	14,900,000	14,986,000.00	15,055,697.13	100.47 %
Gravel Roads Mayibuye	30,000,000	24,500,000.00	12,045,549.39	49.17%
Gravel Roads Orange Farm	30,000,000	22,601,000.00	18,307,283.75	81.00%
Gravel Roads Tshepisong	30,000,000	30,000,000.00	28,738,325.04	95.79%
Gravel Roads Kaalfontein	30,000,000	30,000,000.00	29,112,472.27	97.04%
Gravel Roads Poortje	30,000,000	30,215,000.00	30,104,792.04	99.64%
Gravel Roads Slovoville	30,000,000	16,051,000.00	6,299,768.09	39.25%
Stormwater Master planning	30,000,000			79.95%

<b>Project Description</b>	<b>2019/20 Actual Budget</b>	<b>Revised Budget</b>	<b>YTD Expenditure</b>	<b>% Spend</b>
Soweto		44,000,000.00	35,178,223.45	
Conversion of Open Drains Bram	10,000,000	10,000,000.00	4,049,902.10	40.50%
Conversion of Open Drains Ivor	10,000,000	10,000,000.00	5,145,729.19	51.46%
Conversion of Open Drains Oran	20,000,000	20,000,000.00	9,093,592.03	45.47%
Traffic Management Centre	4,500,000	4,500,000.00	812,236.00	18.05%
Tarring of Zandspruit Access R	15,000,000	25,800,000.00	25,987,942.88	100.73 %
Vorna Valley	6,000,000	5,840,000.00	3,595,625.00	61.57%
		<b>1,140,860,000.00</b>	<b>934,521,549.89</b>	<b>81.91%</b>

### **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 2019/20 financial year include.

- Achievement of 89.44% (weighted score) (84.61% headcount) of its pre-determined objectives on the corporate scorecard.
- the JRA also made progress on key infrastructure development priorities, as follows; roads resurfacing (193.44 lane km resurfaced year-to-date); gravel roads upgraded to surfaced roads (21.48 km upgraded year-to-date); and, in the conversion of open storm water drains to underground systems (2.03 km converted year-to-date);

- Year-to-date interim performance on capital expenditure is 75% against a revised target of 87%; Operating budget expenditure at 88%.
- Year-to-date, interim performance on Capital expenditure is 82% against a revised target of 87%; Operating budget expenditure at 89%.
- The Company exceeded its year-to-date targets for several indicators, including the number of SMMEs supported (90 against a target of 70); implementation of risk management plan (95% against a target of 90%); resurfacing (193.44 lane km against an annual target of 135 lane km), gravel roads upgraded to surfaced (21.48 against a target of 17kms) , open storm water drains converted to underground systems (2.03km against a target of 1.5km) , 98.26% resolution of reported traffic faults on traffic signals against 80% target and 100%
- 100% resolution of reported damaged traffic signal poles against a target of 80%
- The JRA was able to respond to the COVID-19 pandemic and to comply with the regulations for the different lockdown levels including providing personal protective equipment for staff among other interventions.
- Year-to-date the JRA created over 500 job opportunities.
- Year-to-date over 17 000 proactive and reactive requests for guardrail replacement/repair were successfully resolved; over 100 000 proactive and reactive maintenance activities to clear blocked kerb inlets and pipes were undertaken, while 1 408 manhole covers were replaced.
- Through reactive and proactive maintenance over 9 000 traffic signs and poles were erected and 51 209 potholes were repaired through temporary and permanent interventions.
- 378 revised traffic signal timings at intersections against a target of 350 to improve mobility and reduce congestion. For the 2019/20 financial year the organisation has completed 281 designs against an annual target of 200, thereby exceeding the annual target.
- Year-to-date, old cables in 118 intersections have been upgraded against a planned target of 84 intersections. Included in the programme is the upgrading of existing traffic signals in line with the SARTSM standards and year-to-date 85 intersections have been upgraded.

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### **3.3 Department Of Transport (Including Metrobus and Rea Vaya)**

The transport sector of the City of Johannesburg is comprised of 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 (herein referred to as the 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 Metrobus bus services to Johannesburg residents.

The strategic agenda of the transport sector is aligned to the city's GDS2040, strategic priorities and programmes of the Government of Local Unity (GLU). Central to the transport agenda is walking, cycling and public transport including addressing the apartheid spatial planning and congestion. The enhancement of mobility on city roads is also geared towards improved quality of life and economic growth and development. The transport sector's goals which guides the delivery agenda are summarized below:

- Building a leading, responsive transport sector in the City which works in partnership with stakeholders and residents;
- Developing integrated 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-motorized 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.

## **Transport Department Performance Highlights**

During the period under review, various projects and programmes were implemented. However, the outbreak of the pandemic (coronavirus) which resulted in a lockdown impacted on the delivery of various transport projects. The monitoring of covid-19 impact and development of new mechanisms for continuity and provision of quality transport services are ongoing. Below is a summary of projects implemented during the period under review:

### *3.8.1 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 41 645 passenger trips per working day. Phase (1C) which is the third phase is currently being implemented with the latter taking into account the lessons from the first two phases (1A and 1B). The following progress can be reported:

#### *3.8.1.1 Rea Vaya BRT Services*

- 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 Noorgesig, New Canada, Newclare, Westbury, Corronationville, 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 Bus Operating Companies is managed through the Bus Operating Contract Agreements (BOCAs) and the companies are paid on a fee per km.

- An annual average of 41 645 passenger trips per working day ridership can be reported for the review period.
- Phase 1C is currently being implemented which stretches between Johannesburg CBD, Alexandra and the Sandton CBD. Progress on construction of this route is reflected below:
  - Progress at Watt street including the remaining sections of the road is at 75%.
  - Average progress on the thirteen (13) phase 1C stations is at 78%, albeit disruptions and work stoppages.
  - Phase 2B and 2C of the Rea Vaya Selby depot is in place. Progress on the implementation of phase 2B is at 43% and phase 2C 44%. The facility is expected to be completed by June 2020.
  - The construction progress of phase 1 of the Alexandra depot is at 71%.
  - The Rea Vaya phase 1C (a) ICT (Information and Communications Technology) commissioning and installations at stations and depot is at 80% completion.
  - The Rea Vaya control room was moved to Selby depot and this was preceded by the installation of the fibre cable and screens which have since been completed.
  - The engagements with the affected public transport operators on phase 1C (a) is ongoing, with key agreements reached by the negotiating team. The important resolution reached was the Compensation offer and shareholding of minibus taxi operators.

Table 65 below displays the Rea Vaya Bus Rapid Transit (BRT) operational service statistics.

**Table 45: Municipal Bus Service Data: Transport Department (Rea Vaya BRT)**

Municipal Bus Service Data: Transport Department (Rea Vaya BRT)						
		2018/19 F/Y	2019/20 F/Y		2020/21 F/Y	
		Actual No.	Target	Actual no.	Estimate No.	Actual no.

1	Passenger journeys	Rea Vaya : 52 710	41 800	41 645	18 750	
2	Seats available for all journeys	Rea Vaya : 108,801	108,801	108,801	108,801	
3	Average Unused Bus Capacity for all journeys	Rea Vaya : 51.4%	61.6% %	52.8%%	82.8%%	
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: 9.7%	9.7%	9.7%	9.7%	
7	No. of Bus journeys scheduled per day	Rea Vaya : 2561	2561	2193	2561	
8	No. of journeys cancelled per day	Rea Vaya : 52	52	20	52	
9	Proportion of journeys cancelled	Rea Vaya N/A	2%	0.9%	2%	

The Rea Vaya BRT passenger figures for the financial year under review was impacted by Covid-19. The sitting on the Rea Vaya buses had to comply with the regulations which included social distancing thus impacting on bus capacity.

### 3.8.2 Transport transformation

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

- As reported above, the engagements 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. It is anticipated that this BOC (Bus Operating Company) will be established by June 2021.

- The important key resolutions reached for the period under review was the Compensation offer and shareholding of minibus taxi operators.

### *3.8.3 Transport infrastructure including public transport facilities and complete streets*

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:

#### *3.8.3.1 Public Transport Facilities*

- The construction of JITI (Johannesburg International Transport Interchange) in the Inner City is at 85%. This facility will accommodate cross border buses.
- The construction of Driezik is underway albeit challenges which included ongoing interruptions and work stoppages. Construction progress is at 74%.
- Preparations towards the construction of small commuter public transport facilities at Tshepisoong, Zola, Orange farm and Zakariya Park are underway. The construction of these facilities is commencing in the new financial year.
- Planning work has also commenced for the construction of a public transport at Kaya sands as well as the upgrading of the existing public transport facility at Midrand. The detail designs at both facilities will commence in the new financial year.
- A feasibility study is underway for a public transport holding facility at Sandton. The development of detail designs will be undertaken in the new financial year.

#### *3.8.3.2 Complete streets*

Complete Streets are streets which are 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 phase 2 project of complete streets links to Dube railway station was completed.
- Preparations are underway for implementation of complete streets on the route between Orlando East and Soweto UJ campus.
- Concept designs were also completed for complete streets links to Chiawelo railway

station. The detail designs will be undertaken in the new financial year.

- Preparations are underway for complete streets feasibility studies at Deep South and Turfontein. This will be followed by detail designs in the new financial year.
- The feasibility study for the implementation of nodal regeneration projects for the Braamfontein precinct is in progress. The detail designs will commence in the new financial year.

#### *3.8.4 Road safety education, behavioural change and partnerships*

As part of promoting safety of road users and behavioural change, the Department implemented thirty nine (39) 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 2019, the Transport Month programme was implemented in partnership with stakeholders and the community. The programme included:

- Face to face interaction campaign at Thokoza Park;
- Mural unveiling on BRT route - Louis Both Ave in Region E
- Campaign on various issues such as safety in Buses, bus Stops
- Rea Vaya Public Transport drive on Beyers Naude Road including education and safety campaign
- Opening of Kaalfontein Pedestrian Bridge
- Career Expo at Sci-bono
- Official opening of Metrobus additional sales outlet
- Profiling of Commuter Forum Members
- JRA Blitz on accelerated service delivery
- Symposium on the reduction of fossil fuel emission and low carbon transition in the transport sector
- Engagements on opportunities available in the Transport Sector
- M2 Motorway Reopening

#### *3.8.5 Strategic transport plans*

The following can be reported for the period under review:

- The city's Integrated Public Transport Network (IPTN) was completed during the period under review.
- Work on transport master plans at Ivory Park, Inner City and Roodepoort is in progress.
- Preparations are underway for further transport master plans at Diepsloot and Randburg.

### 3.8.6 Transport regulation

The review process for transport by-laws is underway. Preparations are underway to take the draft by-law documents on a public participation process. It is anticipated that this by-law review process will be completed in the new financial year.

#### Transport IDP Deliverables

Table 66 shows transport IDP deliverables.

**Table 46: Transport IDP Deliverables**

Transport Department Objectives Taken from IDP								
Service Objectives  Service Indicators	Outline service targets	2017/18		2018/19		2019/2020		2020/2021
		Target	Actual	Target	Actual	Target	Actual	Target
Performance objective or <b>Priority</b> : <ul style="list-style-type: none"><li>• Integrated human settlements</li><li>• Sustainable service delivery</li><li>• Economic development</li></ul>								
Average number of Rea Vaya	53 000	53 000	48 501	53 000	52 710	41 800	41 645	18 750

passenger trips per working day								
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### *Employees*

Table 67 shows the employees with their corresponding categories in the transport department according to gender.

**Table 47: Employees: Transport Department (including Rea Vaya Bus Services)**

Job Level(s) )	Categories	Male				Female				Total
		A	C	I	W	A	C	I	W	
0-2	Executives Directors/Executive Heads (Level 2b & 2c)	1								1
3-4	Directors/Deputy Director	12	1		3	9				25
5-6	Prof Qualified: Assistant Directors/Managers:	7				7		1		15
7-8	Skilled Technical: Ops Manager/ Officer/ Executive Secretary/ PA/ Specialist	36	4			33	1	2	1	77
9-11	Semi-Skilled: Secretary, Admin Assistant/Accountants/Sup ervisors/Cashiers/ Ambassadors/Driver	85	2			138	4		0	229
12	Unskilled: General Worker/Office Assistant/Marshall	63				81	2			146
	<b>TOTAL</b>	<b>204</b>	<b>7</b>		<b>3</b>	<b>268</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>493</b>

## Financial Performance

Table 68 shows the details of financial performance for the department. 2019/20 has the largest figures.

**Table 48: Financial Performance: Transport Department**

Details	2017/18	2018/19	2019/20		
	Actual (000)	Actual (000)	Original Budget (000)	Adjusted budget (000)	YTD Actual (000)
Operating Grants	193,263	-254 465	(550 818)	(432 066 )	(170 064)
Rea Vaya fare revenue	124,356	-153 274	(206 760)	(127 707)	(135 693)
Total Revenue	317,619	-407 739	(757 578)	(559 773)	(305 757)
Employee related costs	184,566	181,36 7	211 045	187 156	185 733
Depreciation and asset impairment	387,177	402 475	669 232	669 232	368 035
Repairs and maintenance	37,746	56 047	126 255	58 380	53 888
Contracted services	510,073	561 520	665 677	657 475	584 4415
Grants and Subsidies	499	14 047	146 264	11 845	0
Other Expenditure	80,061	30 706	124 950	267 566	26 558
Internal Charges	78,191	140 660	159 912	233 862	131 146
Total Expenditure	1,278,31 3	1,386 826	2 103 342	2 085 523	1 349 775
Surplus/Deficit	-960,694	-979 087	(1 345 764)	(1 525 750)	(1 044 018)

## Capital Expenditure

Table 69 shows the capital expenditure for the different projects.

**Table 49: Capital Expenditure: Transport Department**

<b>R'000</b>									
<b>Capital projects</b>	<b>2017/18</b>		<b>2018/19</b>		<b>2019/20</b>				
	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Budget</b>	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Total Project Value</b>
Sandton Public Transport Holding Facility	0	0	0	0	2 000	2 000	122	1 878	73 000
Redevelopment of Inner City Ranks	0	0	10 000	943	8 500	8 500	1 581	6 919	44 000
Complete streets : Links to Dube Railway Station	0	0	30 000	28 527	10 140	10 140	9 560	580	39 560
Complete Streets: Links to Chiawelo Railway Station	0	0	1 000	232	1 700	1 700	152	1 548	22 000
Complete Streets: Orlando East to UJ Soweto Route	1 000	0	1 000	403	5 000	5 000	370	4 630	20 000
Deep South Complete Streets	0	0	0	0	1 000	1 000	0	1 000	21 000

R'000										
Capital projects	2017/18		2018/19		2019/20					
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance	Total Project Value	
Turfontein Complete Streets	0	0	0	0	1 000	1 000	0	1 000	21 000	
JITI (Johannesburg International Transport Interchange) Public Transport Facility	111 000	72 387	20 000	19 312	120 000	120 000	112 200	7 800	308 899	
Braamfontein Nodal Precinct	0	0	0	0	1 500	1 500	204	1 296	21 000	
Parking Solutions	1 750	1 461	1 000	0	1 000	1 000	0	1 000	9 000	
Greenside NMT	1 500	352	4 000	61	2 000	2 000	426	1 574	15 000	
Operational Capital	530	154	500	356	7 000	7 000	5 121	1 879	15 640	
Zola Public Transport Facility	1 500	302	2 000	150	5 000	5 000	416	4 584	75 000	
DRIEZIEK Public Transport Facility	5 000	226	33 800	8 552	26 800	26 800	21 812	4 988	33 800	
Orange Farm Public Transport Facility	1 500	1 269	2 000	114	5 000	5 000	121	4 879	64 000	
Tshepisong Public Transport Facility	1 500	194	2 000	108	5 000	5 000		5 000	32 000	

<b>R'000</b>									
<b>Capital projects</b>	<b>2017/18</b>		<b>2018/19</b>		<b>2019/20</b>				
	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Budget</b>	<b>Adjusted Budget</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Total Project Value</b>
Kya Sand Superstop	0	0	1 000	291	1 500	1 500	0	1 500	47 000
Lenasia Scholar Transport Interchange	0	0	0	0	2 000	2 000	1 919	81	69 500
Rosebank Public Transport Facility	0	0	0	0	1 000	1 000	0	1 000	47 000
Sunninghill Public Transport Facility	0	0	0	0	1 000	1 000	0	1 000	45 500
New Laybys	1 500	0	2 000	0	2 260	2 260	0	2 260	15 000
New Rea Vaya buses	0	0	300 000	0	265 000	265 000	0	265 000	475 000
Rea Vaya New Bus Rapid Transit	706 131	424 696	661 022	660 256	636 700	636 700	391 136	245 564	3 476 088
Zakariya Park Public Transport Facility	1 500	243	3 000	709	5 000	5 000	148	4 852	70 000
Upgrading of Midrand Public Transport Facility	0	0	0	0	1 000	1 000	0	1 000	24 400
<b>Total</b>	<b>910 411</b>	<b>540 930</b>	<b>830 922</b>	<b>748 351</b>	<b>1 118 100</b>	<b>1 118 100</b>	<b>545 288</b>	<b>572 812</b>	<b>5 084 387</b>



### **3.3.9 Metrobus**

#### *Introduction*

Metrobus is a provider of scheduled bus services with a scope of 229 bus routes, covering a total of 6.8 million kilometers in service of 5.1 million commuters in the 2019/20 financial year. The entity remains an important player in the Gauteng province and Johannesburg metropolitan public transport ecology. Metrobus is strategically positioned as an essential provider in the envisaged Integrated Public Transport Network for the Gauteng province. The entity is a market leader in the decarbonisation of public transport, with part of its fleet on dual fuel technology. The 2019/20 financial year's performance was negatively impacted upon by the advent of COVID-19, which in effect reduced operating time by 25%, translating into a further decline in the number of commuters in the year under review.

Key milestones include;

- During the 19/20 financial year, the efforts, which were directed towards ensuring the delivery of a reliable and efficient service, yielded positive results in that 93% of scheduled trips were successfully operated against a target of 90%. In this regard, the entity maintained its performance at the same level as the last reporting period. The entity also exceeded "on-time" performance target of 95%, achieving 96% for the vast majority of morning and afternoon peak periods.
- The enhancement of fleet through the leasing of ten (10) additional high capacity buses continues to contribute positively to bus availability and reliability. The procurement of buses through the leasing has proven to be a viable option and forms part Metrobus Fleet Renewal and Management Strategy as approved by the board during the 19/20 financial year.
- The bus refurbishment program continues to inject 5-8 years useful life into a number of our buses. During the year under review, thirty-one (31) buses underwent refurbishment and are currently deployed as part of our fit-for-purpose fleet.

- Overall, ridership in the 2018/19 financial year was at 5.1 million. Ridership has been declining since 2014 due to various micro (internal to the entity) and macro (external to the entity) level factors. The apex micro factor in this regard is the level of fleet availability, which affects service reliability. Another important factor that has adversely influenced the measurement of rides is the obsolete revenue collection system, which makes it impossible to account for all transactions and users accurately. A major contributing macro factor is the decrease in the level of employment in the country, which has translated in a decrease in the number of commuters travelling for purposes of work. Incidentally, Fifty-four percent (54%) of our commuters travel for work and business. Irrespective of the downward trend in ridership experienced in the last three years, the rate of decrease in this regard marginally slowed down in the 19/20 financial year as compare to the previous reporting period.

### **Performance highlights**

- Economic Transformation: The entity exceeded its budgeted spent on BBEEE by sixty-two (62%) while supporting sixty (90) SMME enterprises, exceeding its target in this regard by 33%
- Migration to SAP
- Zero irregular expenditure incurred
- 100% achievement of Service Standards

### **Opportunities**

- Increase in passenger numbers: the implementation of recommendations of market research will lead to viable fleet deployment contributing to an upward trend in passenger numbers.
- Increase reliability of service: the use of a mixed approach to fleet procurement (outright purchase, lease) will ensure sufficient fleet to increase reliability, meet current demand and unmet demand, which is estimated at 2.5 million potential users.
- Opportunity to be leader in decarbonisation of public transportation: Contribute towards a strong modal shift towards public transportation by offering a viable public transport

alternative, increasing commercial speed and reliability for collective modes of transport through, inter alia, priority at traffic lights and reserved corridors/lanes. A correlation exists between commercial speed and energy consumption, the higher the speed, the lesser the energy consumed and the higher the levels of reliability resulting in the attraction of more commuters.

- **Modal Shift:** Currently, 91% Gauteng commuters are using cars and minibus taxis. This contributes negatively through congestion, and time spent in transit and higher rates of road accidents while contribution to a higher level of greenhouse gas emission per capita. A reliable public transport alternative will lead to modal shifts in keeping with a green economy.
- **Eco-driving:** Eco-driving has proven to be a useful tool to increase passenger comfort and reduce energy consumption and GHG emissions. Studies have shown that economic-driving programs bring tangible benefits in the economic and environmental aspects for urban passenger transport companies.
- **Expand other revenue streams including private hire and special contracts:** Currently, the scheduled bus service stream is proportionally the biggest revenue stream at Metrobus. Opportunities exist for the increase of the contribution of other streams such as private hire and special contracts.

## **Challenges**

- Inadequate fleet availability
- Pace of technology enablement
- Rate of migration clean energy
- Pace of bus refurbishment

## **Planning Strategies**

- **Metrobus Fleet Renewal and Management Strategy** – Strategy formulated and approved by Board of Directors (BoD). The strategy approved a mixed approach for the procurement of fleet at Metrobus, which includes outright purchase and leasing of fleet.

- ICT Strategy: The strategy aims at guiding the entity towards a high level of ICT maturation through a five (5)-phase approach. The entity is currently in the third of these phases.
- Intergraded Maintenance Strategy
- Integrated Marketing and Communications Strategy
- Human Resources Development Strategy

### Delivery Priorities

- Meeting the target in relation to trips operated versus trips planned.
- Meeting of target on passenger trips per working day
- Meeting targets in relation to blameworthy accidents.
- Meeting Service Standards

### Metrobus IDP Deliverables

Tables 70 and 71 show metrobus objectives and employees respectively.

**Table 50: Metrobus Objectives taken from the IDP**

Service Objectives Service Indicators	Service Target(s)	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
Priority:							
Average Number of Passengers per Working Day		51 000	38 245	42 000	33 237	45 000	20 665

**Employees: Metrobus**

**Table 51: Employees: Metrobus**

Skills Level	Job Level	2017/18		2018/19		2019/20			
		No. of Posts	No. of Employees	No. of Posts	No. of Employees	No. of Posts	No. of Employees	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
Top Management	E0-E1	7	5	7	6	7	3	4	57%
Senior Management	D3-D5	46	15	46	16	46	17	29	63%
Professionally Qualified	D1-D2	28	8	28	7	28	10	18	64%
Senior Technicians	C4-C3	215	128	215	148	215	147	68	32%
Semi-Skilled	C1-C3 B1-B5	610	549	610	471	610	463	147	24%
Unskilled	A1-A3	83	69	83	63	266	122	144	54%
<b>Total</b>		<b>989</b>	<b>774</b>	<b>989</b>	<b>711</b>	<b>1172</b>	<b>762</b>	<b>410</b>	<b>34.98%</b>

## Employment Equity Table

Table 72 shows employment equity.

**Table 52: Employment Equity**

Skills Level	Job Level	Population group				
		Africans	Coloureds	Indians	Whites	PWDs
Top Management	E0-E1	1	0	2	0	
Senior Management	D3-D5	13	2	0	2	
Professionally Qualified	D1-D2	9	0	0	1	
Senior Technicians	C4-C3	115	16	2	14	
Semi-Skilled	C1-C3 B1-B5	437	18	1	5	4
Unskilled	A1-A3	121	1	0	0	
<b>Total</b>		<b>696</b>	<b>37</b>	<b>5</b>	<b>22</b>	<b>4</b>

## Financial Performance

Table 73 shows the financial performance.

**Table 53: Metrobus Financial Performance**

<b>R' 000</b>						
<b>Details</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>			
	<b>Actual R'000</b>	<b>Actual R'000</b>	<b>Original budget R'000</b>	<b>Adjusted budget R'000</b>	<b>Actual R'000</b>	<b>Variance to budget R'000</b>
Total Operational Revenue	614 287	643 597	773 794	730 717	705476	(25 241)
<b>Expenditure:</b>						
<b>Employee cost</b>	(293 135)	(295 562)	(347 142)	(314 130)	(298 208)	15 922
Repairs and maintenance	(52 476)	(82 870)	(95 301)	(76 394)	(81 052)	-4 658
Depreciation	(51 205)	(52 235)	(59 343)	(59 343)	(61 883)	-2 540
Finance costs	(64 718)	(60 900)	(59 812)	(59 812)	(55 973)	3 839
Other expenses	(210 973)	(179 575)	(212 196)	(221 038)	(184 847)	36 191
<b>Total Operational expenditure</b>	(672 507)	(671 142)	(773 794)	(730 717)	(681 963)	48 754
<b>Surplus /(Deficit)</b>	(58 220)	(27 545)	0	0	23 513	23 513

**Capital Expenditure Table**

Table 74 shows metrobus capital expenditure.

**Table 54: Metrobus Capital Expenditure**

2019/20						
Project	Description	(By	Budget	Adjusted	YTD Actuals	YTD
Project)				budget		Variance
	Building Alterations		5 000	5 000	2 018	2 982
	Engine and Gear Boxes overhaul		7 400	7 400	10 392	(2 992)
	Office Furniture		640	640	248	392
	IT Equipment		4 250	4 250	2 892	1 358
	Plant and Machinery		1 200	1 200	1 086	114
	Bus Refurbishment		25 000	25 000	22 840	2 160
	Automated Fare Collection (AFC)		50 000	50 000	-	50 000
	Total Capital expenditure		93 490	93 490	39 476	54 014
	Less: Procurement for by City (AFC)		50 000	50 000	-	50 000
	TOTAL		43 490	43 490	39 476	4 014



## Expenditure

Table 75 shows expenditure. It rose from R29 423 023 in 2017/18 to R35 737 152 in 2018/19 and to R36 344 996 in 2019/20.

**Table 55: Expenditure**

	2017/18		2018/19		2019/20			
Capital projects	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
<b>Total</b>	<b>29 750 000</b>	<b>29 423 023</b>	<b>47 250 000</b>	<b>35 737 152</b>	<b>93 490 000</b>	<b>93 490 000</b>	<b>36 344 996</b>	<b>7 145 004</b>
Building Alterations	3 750 000	3 750 000	9 000 000	6 507 258	5 000 000	5 000 000	1 963 532	3 036 468
Engine and Gear Boxes overhaul	6 300 000	7 071 332	5 000 000	7 046 159	7 400 000	7 400 000	10 391 619	-2 991 619
Office Furniture	500 000	509 182	750 000	812 478	640 000	640 000	253 100	386 900
IT Equipment	11 000 000	10 889 135	5 500 000	7 207 611	4 250 000	4 250 000	607 128	3 642 872
Plant and Machinery	500 000	100 593	2 000 000	1 851 935	1 200 000	1 200 000	1 086 344	113 656
Bus Refurbishment	7 200 000	6 022 601	25 000 000	12 311 711	25 000 000	25 000 000	22 043 273	2 956 727

Replacement of vehicles	500 000	-	-	-	-	-	-	-
Bus management system	-	1 080 180	-	-	-	-	-	-
Automated Fare Collection (AFC)	-	-	-	-	500 000 00	500 000 00	-	-

## COMPONENT C: DEVELOPMENT PLANNING

This component includes planning; and local economic development.

### *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's work is in support of the City's New Strategic Agenda 2016-2021. The Fourth Quarter/Annual progress of some of the Department's key programmes in support of the priorities are summarized below:

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

- **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. As mandated in the Growth and Development Strategy 2040 and the Spatial Development Framework, the Inner City is identified as the central core of the City of Johannesburg and plays a significant role in terms of economic growth and development. However, to fully realize the vision of the Inner City as an accessible, equitable and investor-ready Metropolitan Node a range of incentives and tasks have been defined that will increase investor confidence and the general quality and condition of the area.

A critical building block includes spatial development policy certainty that not only guides and directs private sector investment, but also public sector capital expenditure. Conventional tools to serve this purpose take the form of regular reviews of the relevant Spatial Policies for the Inner City and hence an evaluation to determine the validity and datedness of existing policies where conducted in 2018. The study found that most policies are i.) Severely outdated; ii.) Not aligned to the prevailing Metropolitan Spatial Development Framework; iii.) Contradictory; and iv.) Not representative of the entire geographical area within the official boundaries of the Inner City. Therefore, the formal recommendation of the assessment was to develop a single spatial policy for the entire Inner City, effectively replacing individual precinct plans and urban development frameworks.

The assessment however also yielded another critical finding – conventional spatial policies are not robust enough to deal with the dynamic and fast changing nature of the Inner City and hence by the time of completion of a conventional spatial policy, the actual context may have already changed significantly. Furthermore, the extensive rights already in place in the Inner City often renders conventional land use driven spatial policies pointless and hence should instead focus on planning and prioritizing infrastructural improvements and the provision of supporting facilities and amenities.

Given the findings from the assessment and further engagements, a more practical and usable scenario planning and capacity requirements prediction model - which would

incorporate spatial policy components – will be developed to support public and private sector investment in the Inner City.

This project will be comprised of two distinct phases: Phase 1 – Investigation and conceptualization of a feasible model (2019/20), and Phase 2 will be Developing and testing the model (2020/21). Apart from the immediate benefits for Inner City redevelopment, the intention is also to determine its scalability to the larger Metro and ultimately changing the way that spatial policy planning is conducted and delivered.

During the first quarter of the financial year, the Department has developed the Terms of Reference for Phase 1 of the project. The deliverables for Phase 1 are as follows:

- A detailed database of all existing data;
- Detailed research report and preferred model for the City of Joburg context;
- Detailed terms of reference for Phase 2 (the model).

The Terms of Reference was finalised, and the tender advertised during the 2<sup>nd</sup> quarter by the JDA.

During the 3<sup>rd</sup> quarter the bids were evaluated, and the professional team has been appointed. Phase 1 Inception occurred mid-March 2020. Given the limitations placed on engagements due to the National and Global health crisis, alternative methods of engagement and communication will be utilised to execute this Phase and may have some impacts on the initial programme and deliverables.

During the 4<sup>th</sup> quarter, the Literature Review Report was completed that contained all findings into academic and desktop research into various spatial planning tools, systems and models. Substantial stakeholder engagements were also conducted with a range of internal and external stakeholders to gain a better understanding of the City's current systems, data sets and data sharing challenges; tools and models in other cities; private sector role players in the field of urban research, technology and innovation; and; cities abroad where similar projects have been executed. A substantial

amount of knowledge and input was acquired during these engagements that ultimately set the trajectory and prioritisation for Phase 2.

- **The planning process for the Newton area has been underway since 2018/19.** This spatial framework aims to re-evaluate the urban development strategies of the past decade(s), to determine its current applicability and relevance in light with the changing inner-city context. The new Urban Development Framework for Newtown was finalised and submitted into the Committee cycle during the second quarter. The report served at both the Inner City Sub-Mayoral Committee and Mayoral committee during the third quarter.

The Council Report served at Section 79 and was approved to proceed for final approval as policy. However, given the urgency for budget approval by council the item was postponed to a later date. In addition, budget proposals for implementation was formally made subject to council approval of the midterm budget

- **Nodal review:** 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 was considered at the Section 79 Committee at the end of the second quarter and was approved by Council during the 3<sup>rd</sup> Quarter. It is envisioned to be a direct implementing mechanism of the City's Spatial Development Framework 2040, by unlocking densities in strategic areas. This will bring jobs to residential areas and housing opportunities to job centres, thereby creating sustainable and integrated developments throughout the City.
- **Development Contribution (DC's) Policy-** the Department commenced with the drafting of the Development Charges (or Bulk Services Contribution) Policy by engaging with the developers to understand the challenges with the status quo and solicit ideas to create a development friendly process. Currently the City has a bulk services contribution policy for each service (water, sewer, roads, electricity, parks) and the calculation of those is done right at the end of the application process, with different

approaches. The aim of this policy is thus to consolidate, integrate and simplify the DC's process and charges. This approach aligns with the objectives of the City's Consolidated Infrastructure Plan by consolidating and integrating planning, implementation and management of infrastructure related programmes. The biggest innovation in the conceptualisation of this policy was the introduction of a calculator which will make assist developers to know exactly how much their development will be charged right at the beginning of an application and not after the development has been approved.

The draft DC Policy has been intensely participated internally and has now been submitted through Council processes for approval. It is envisaged that the final policy will be approved by Council by 4<sup>th</sup> quarter of the 2020/2021 financial year.

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

**Transit Oriented Development (TOD) Corridors:** The implementation of projects in prioritized 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 *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 Brixton Social Cluster is the only sizeable community facility within a 10-kilometer radius in an area with significant youthful residential growth and it is critical that this facility be completed in the short term.

○

The construction of Phase 1 has reached practical completion and site handover to Community Development is underway. The tender for Phase 2, which consists of the new library and upgraded swimming pool (a heritage asset), was advertised at the beginning of Quarter 3. Bid adjudication has been finalised and the award process is

underway. Phases 1 and 2 also includes public art and place making interventions as part of the ArtmyJozi public art programme.

- **Jabulani TOD** - The JDA continues to implement strategic, catalytic projects to transform Jabulani in support of the visionary precinct plan for the area. Projects for 2019/20 include Phases 5, 6 and 7, funded through the Neighborhood Development Partnership Grant.
- **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. Building work is progressing well and the contractor is completing internal finishes, external finishes, landscaping and road works. The scope of the project has been increased to include the rehabilitation of the eastern culvert; this has necessitated the revision of the Practical Completion by three months. Considering the scope of works that remains, Practical Completion is likely to be achieved at the end of September 2020.

The town-planning processes of the properties JPC acquired in Orange Grove, Houghton and Kenilworth are almost completed – Municipal Tribunal hearings were scheduled in Quarter 2 on those applications with objections and have been approved. Post-approval processes are underway during the Fourth Quarter/Annual, which includes calculation of bulk contributions.

JPC's has been finalizing agreements with successful tenderers during quarters 3 and 4.

#### **Priority 9: Preserve our resources for future generations**

- **Joburg's 1<sup>st</sup> New Green Building Policy:** The Department has commenced with a Green Building Policy formulation process. The focus of this policy will be new buildings (including large scale refurbishments, such as Inner-City building conversions) and it will target specific building categories in the City. It will address resource efficiency on a broader level to maximise synergies, with a specific emphasis on energy, water, waste and transport.



The draft policy, which was circulated and participated internally for comments and inputs, was submitted into the Committee cycle at the beginning of quarter 4. It is yet to serve at Maycom and Council for permission to commence public commenting – it is expected that this will be forthcoming at the end of July 2020. The timelines for completion of a draft policy document is in line with the City's agreement with C40, which is supporting the City through technical assistance.

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.

While 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, it is critical in the attainment of strategic outputs and outcomes of the City's collective institutional machinery. The Department decides on 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.

**Table 56: 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 shows the development planning IDP deliverables.

**Table 57: Development Planning 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	77%	77%	86%	85%	71%	100%	85.4%	100%

Service Objectives Service Indicators	Service targets	2016/17		2017/18		2018/19		2019/20
		Target	Actual	Target	Actual	Target	Actual	Target
concluded <sup>6</sup> within statutory timeframes (30 days)								
% 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 within statutory timeframes (30 days)	97%	100%
% 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 within the set turnaround times	Average of 5.5 months	Average of 5.5 months	Average of 5.5 months	85% consent, applications processed within 2.5 months	72.5%	85% township applications within 5.5 months	88%	85%

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<sup>6</sup> 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.

*Development planning objectives taken from the Business Plan/SDBIP deliverables*

Table 78 shows development planning objectives taken from the business Plan/SDBIP.

**Table 58: Development planning objectives taken from the Business Plan/SDBIP**

Service Objectives Service Indicators	Service targets	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
% processing of building plans less than 500 square metres are concluded <sup>7</sup> within statutory timeframes (30 days)	71%	85% processing of building plans within statutory timeframes (30 – 60 days)	71.7% processing of building plans within statutory timeframes (30 – 60 days)	100 %	85.4%	70%	96.87 %
% processing of building plans larger than 500 square metres within statutory timeframes (60 days)	2018/19New Indicator	2018/19New Indicator	2018/19New Indicator	100%	97%	70%	99.5%
% rezoning applications processed within the set turnaround times	76%	85% rezoning applications within 5.5 months	77% rezoning applications within 5.5 months	85%	87%	85%	91%
% township applications processed within the set turnaround times	91%	85% township, applications processed within 5.5 months	91% township, applications processed within 5.5 months	85%	88%	85%	94%

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<sup>7</sup> 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	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
% of mismatches between GIS and monthly deeds downloads resolved for accurate reconciliation of property information	97.7%	95% of mismatches between GIS and monthly deeds downloads resolved within 5 days	97.7% of mismatches between GIS and monthly deeds downloads resolved within 5 days.	97%	97%	97% - 100%	99.53
% implementation of inclusionary housing policy for private sector developments within identified priority areas	2018/19 New indicator	2018/19 New indicator	2018/19 New indicator	5%	20%	100%	100%
% merger of an Integrated single Law-Enforcement Unit	New Indicator	2019/20 New indicator	2019/20 New indicator	2019/20 New indicator	2019/20 New indicator	75%	75%
% Development of the Bulk Contributions Policy	2018/19 New Indicator	2018/19 New indicator	2018/19 New indicator	60% Development of the Bulk Contributions Policy <sup>8</sup>	10%	85%	85%
% of monthly Deeds transfers successfully processed into LIS and XI interface within 15 number of days	90%	100% monthly deeds loaded within 3 days and 97% successfully processed into LIS	100% monthly deeds loaded within 3 days and 99.65% successfully processed into LIS	100%	100%	100%	100%

<sup>8</sup> Public Participation

Service Objectives Service Indicators	Service targets	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
		and XI interface within 15 days from date of file	and XI interface within 15 days from date of file				

### *Employees*

Tables 79 and 59 show employees and financial Performance respectively.

**Table 79: Employees: Development Planning**

Job Level	2019/20		
	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total) %
Top Management	1	0	0%
Senior Management	16	1	5.8%
Professional Qualified	76	6	7.3%
Skilled Technical	283	27	8.7%
Semi – Skilled	93	9	8.8%
Unskilled	5	0	0%
<b>Total</b>	<b>474</b>	<b>43</b>	<b>8.3%</b>

### *Financial Performance*

Total Operational Revenue increased from R194 765 in 2017/18 to R220 819 (13%) and to R239 518 in 2019/20 (8%). Total operational expenditure increased from R301 018 in 2017/18, R342 111 in 2018/19 (14%) and to R370 539 in 2019/20 (8%). Refer to Table 80.

**Table 60: Financial Performance Year: Development Planning**

Details	2017/2018	2018/2019	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
<b>Total Operational Revenue</b>	194 765	220 819	239 518	232 080	194 979	37 101
<b>Expenditure</b>						
Employees	219 602	239 933	288 370	260 211	261 302	(1 091)
Repairs and maintenance	1	135	1 576	1 076	13	1063
Other	81 416	102 043	139 976	130 109	109 224	20 885
<b>Total operational expenditure</b>	301 018	342 111	429 922	391 396	370 539	20 857
<b>Net operational expenditure</b>	106 253	121 292	190 404	159 316	175 560	16 244

*Capital Expenditure*

Table 81 shows capital expenditure.

**Table 61: Capital Expenditure: Development Planning**

Capital projects	2017/2018		2018/2019		2019/20			
	Adjusted Budget	Actual Budget	Adjusted Budget	Actual Budget	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Total	307 322	257 281	244 316	209 547	248 700	263 743	212 644	14.50 %
Alexandra Automotive Facility	7 000	7 318	7 000	6421	No Budget		No Budget	
Jabulani TOD	38 482	35 576	80 000	6 5433	65 000	80 000	55 639	14,40 %

Capital projects	2017/2018		2018/2019		2019/20			
	Adjusted Budget	Actual Budget	Adjusted Budget	Actual Budget	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Nancefield Station TOD: Community Centre	No Budget		No Budget		No Budget		No Budget	
Hillbrow Tower Precinct	30 000	29 277	No Budget		No Budget		No Budget	
Inner City Core PEU	30 000	34 023	No Budget		No Budget		No Budget	
Park station to Civic Centre PEU	5 562	5 243	1 080	-	No Budget		No Budget	
Inner City Eastern Gateway	15 500	10 545	No Budget		No Budget		No Budget	
Inner City Partnership Fund	3 000	1 807	11 000	6 614	20 000	20 000	7 988	60.06 %
Fordsburg PEU	1 500	1 296	No Budget		No Budget		No Budget	
Mayfair PEU	2 000	1 169	No Budget		No Budget		No Budget	
Ghandi Square East	1 500	237	18 500	10 433	20 000	20 000	14568	27.16 %
Pink Building in Newtown	No Budget		No Budget		No Budget		No Budget	
Noordgesig - Social Precinct Implementation	45 000	28 334	18 000	15 465	No Budget		No Budget	
Paterson Park - stormwater & new social facilities, park and road upgrading	50 130	28 427	27 377	37 331	85 000	88 500	90 561	- 6,54 %
Brixton Social Cluster	32 000	32 052	61 389	49 601	35 000	31 500	26 084	25, 4 7%
Noordgesig Clinic			No Budget		No Budget			
Milpark Precinct Implementation	13 000	17 762	No Budget		No Budget		No Budget	
Corridor naming and Branding, Pubic Art, and Pace making	4 000	3 534	5 120	6 011	No Budget		No Budget	



Capital projects	2017/2018		2018/2019		2019/20			
	Adjusted Budget	Actual Budget	Adjusted Budget	Actual Budget	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Land Acquisition	6 200	6 106	No Budget		17 000	17 000	16 135	5.09 %
Fleurhof Urban Development Framework Intervention	1 000	753	No Budget		No Budget		No Budget	
Detail Roads Master Plan: Mining Belt	1 000	855	8 000	6618	No Budget		No Budget	
Mining Land East	2 300	2016	No Budget		No Budget		No Budget	
Westdene Dam-precinct interventions	13 008	6 363	No Budget		No Budget		No Budget	
New Turffontein	No Budget		No Budget		1 000	1 000	979	2,10 %
JSIP Maintenance	2 500	2 180	4 150	3 586	5 000	5 000	0	100% **
Operational Capex	2 640	2 409	2 700	2 033	700	743	698	0,29 %

*Comment on overall performance of physical planning*

The five largest capital projects in terms of adjustment capital budget allocation for 2019/2020 are: Paterson Park Social Cluster (R88,5m); Jabulani TOD (R80m); Brixton Social Cluster (R31,5m); and two Inner City projects - Ghandi Square East and Inner-City Partnership Fund (R20m respectively).

These capital budget projects are 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 R90,5 million was spent. This project is almost 100% completed. R3,5 m from the Brixton Social Cluster project which had an under-expenditure due to the impact of Covid-19 lockdown, 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 2020/2021 and implementation is taking place in accordance with the approved Business Plan (National Treasury).
- The under-expenditure on the Brixton Social Cluster project was mainly due to delays in the appointment processes of the new contractor for Phase 2 of the project, caused by the national lockdown. This has now been finalised and the project is proceeding according to the planned milestones, with implementation taking place over the next two financial years.
- The Inner-City projects have both shown significant under-expenditure by the end of 2019/20. The Inner-City Partnership Fund, which consists of two projects being implemented in Hillbrow and Yeoville respectively, have been severely impacted by overall site delays caused by crime, local labour strikes and community challenges. The two-month site closures due to the national lockdown further exacerbated the delays. Construction of the Ghandi Square East project slowed since the beginning of 2020 and finally resulted in the termination of an under-performing contractor. Appointment of a new contractor to complete the outstanding work on phase 1 and undertake the phase 2 scope of works is almost completed and will ensure progress during 2020/21.

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### 3.6 Department of Economic Development

#### ***Introduction to Economic Development***

The mandate of DED is drawn from the economic objectives of the IDP priorities and GDS outcomes, namely to;

- 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 forward.

- 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.

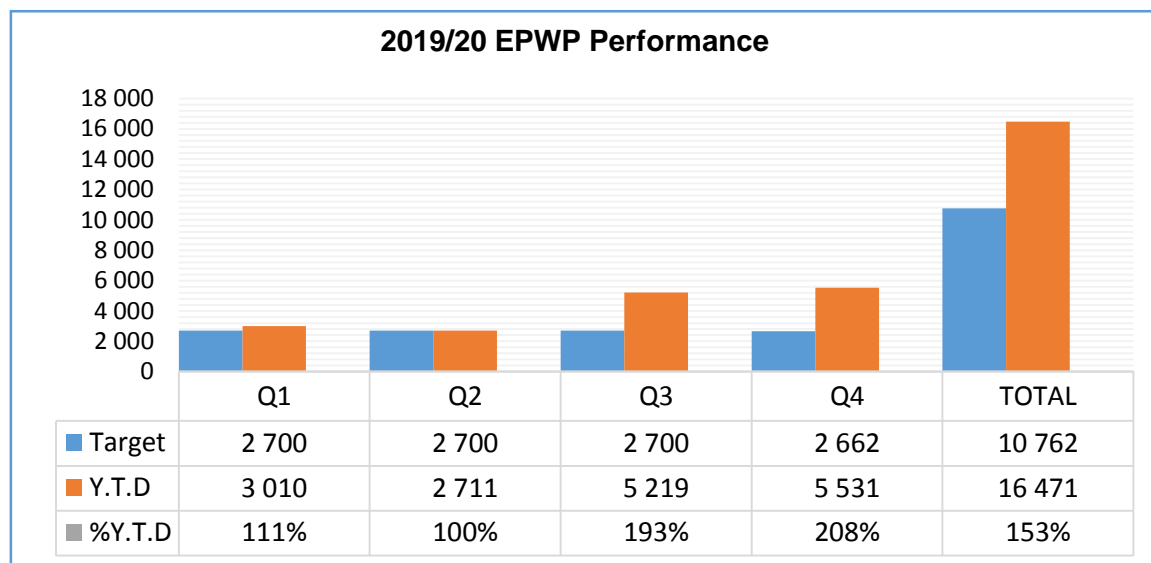
#### ***Projects***

Some of the Department's projects include the following:

**i) EPWP Work Opportunities**

The 2019/20 City EPWP target is to create 10 762 EPWP work opportunities, which are distributed across the City's Departments and Municipal Owned Entities (Depts/MoEs). The year-to-date EPWP performance is 16,471 work opportunities, which is 153% of the annual target of 10,762. The scourge of Covid-19 Lockdown, and have affected the number work opportunities reported in Q4. Refer to Figure 29.

Performance per quarter.

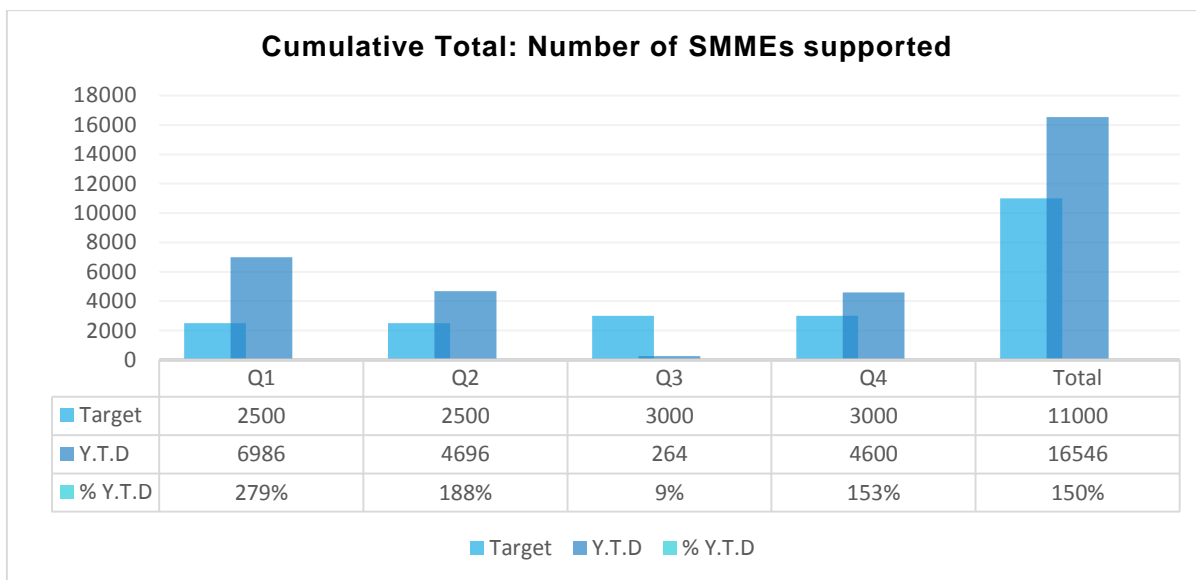


**Figure 29: EPWP Performance**

**ii) SMME Development and support**

The recent widespread of the COVID-19 pandemic has had an adverse effect on many sectors of the economy and as such, the operations of the City's Opportunity Centres have not been spared from this. The Department of Economic Development took a decision to temporary suspend all operations at the Opportunity Centres from 16 March 2020 until lockdown level 1, all business support related services were provided remotely from head office situated at 66 Jorissen Place, Braamfontein. The decision to close Opportunity Centres was to ensure that COVID-19 protocols were adhered to.

The 19/20 financial year target was to support 11 000 SMMEs. The cumulative total for Quarter 4 is 16 546, which comprise of Quarter 1 performance amounting to 6 986, Quarter 2 performance amounting to 4 696, Quarter 3 performance amounting to 264 and Quarter 4 performance amounting to 4 600. This represents a year-to-date percentage achievement of 149.8%. Figure 30 below provides a detailed quarterly breakdown of the number of SMMEs supported citywide:



**Figure 30: Number of SMMEs supported**

### Performance per quarter.

#### ✓ **Roll out of additional 2 Opportunity Centres**

To increase service offerings through Opportunity Centres:

Two sites were established in Eldorado Park and Joburg Market by the end of June 2020, the two OCs were 80% complete by the end of the financial year. The two OCs should be fully operational by October 2020 which is first month of the second quarter of 2020/2021 financial year.

#### ✓ **Mentorship and Coaching**

Mentoring and coaching of operational SMMEs and cooperatives who need business growth so as to push them to the next level in their business. The mentorship sessions

assist SMMEs and cooperatives by learning from the knowledge-base and experienced successful business people. Mentors provide invaluable insights into business development growth

✓ **Training Programmes**

Training programmes for SMMEs, Cooperatives and Jobseekers. The aim of these training programmes is to improve the level of business skills for SMMEs and Cooperatives by preparing them to run their own businesses effectively and providing them with the necessary skills to sustain their businesses. Preparing job seekers for work readiness prior to an interview.

✓ **Access to Information**

Rolling out information sharing sessions, economic roadshows and outreach programmes across the City regions with the objective of:

- Encouraging entrepreneurship and innovation in communities across all the city regions.
- Better informing SMMEs and Cooperatives to enable them to gain in-depth knowledge about enterprise development services (financial and nonfinancial) offered by different stakeholders.
- Affording SMMEs and Cooperatives an opportunity to engage directly with stakeholders within the SMME development space.
- Creating awareness about availability of the resources and support for SMMEs from both public and private sectors.
- Allowing SMMEs and Cooperatives to network, share business knowledge and best practices amongst each other.

✓ **Access to Market**

- Access to various procurement opportunities through the facilitation of Central Supplier Database (CSD), City Departments & Entities database registration and training for SMMEs and Cooperatives. Linking SMMEs and Cooperatives with available expos and exhibitions to enable them to showcase their products and services, and access more clientele.

✓ **Partnerships and Linkages**

Introducing business linkages programme to connect the SMMEs and Cooperatives with the public and private sector to facilitate their market base. A partnership will be struck with the following public and private sector institutions to allow the SMMEs and Cooperatives to access their services with ease i.e. CIPC, SARS, GEP, NYDA, productivity improvement service providers, business training institutions, SETAs and funding institutions etc.

✓ **Access to Finance**

Partnering with Development Financial Institutions (DFIs) such as National Youth Development Agency (NYDA), Gauteng Enterprise Propeller (GEP), Department of Small Business Development (DSBD) and as well as commercial banks etc. who provide tailor made funding solutions to SMMEs and Cooperatives.

✓ **Cooperative Development**

To ensure compliance, support, training and access to Youth and Women owned Cooperatives will be achieved through the following interventions:

- Facilitation of Cooperative compliance to ensure that they comply with the necessary regulations.
- Cooperatives will be assisted with registration with all the necessary platforms to ensure market readiness.
- Workshops and training sessions to ensure awareness will be coordinated to support Cooperatives.

**iii) 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';
- Importance of the inner city;
- Situational analysis of the inner city economy;
- Future trends;
- Vision for the inner city;
- Proposed economic strategy for the inner city ; and,
- The way forward (Implementation Plan).

The DED together with 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 2019-20 financial year, namely;

- Final roadmap completed in June 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.

#### **iv) 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 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 implementation plan completed in June 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.

#### **v) 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, storm water 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.

Engagements with relevant COJ Departments and MOEs servicing the following PEZs have commenced and are on-going. These have resulted in the successful establishment of Project Steering Committees to facilitate the implementation of the PEZ Framework in PEZs, namely; Lenasia West, Aeroton, Roodepoort (Florida), and Klipspruit, and Orlando West for the purpose of fostering relations and sourcing critical input for the identification and prioritisation of interventions that are critical to business growth and competitiveness in the respective PEZ regions.

#### **vi) Economic Development Facilitation Framework**

The Economic Development Facilitation Framework is complete and 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 has an important role to play in placing the South African economy on a sustainable inclusive growth trajectory. Tourism remains a key driver of South Africa's national economy and contributes towards job creation. In recognition of tourism as a national priority, with a potential to contribute significantly to economic development, the 1996 White Paper on the Development and Promotion of Tourism in South Africa provides for the promotion of domestic and international tourism. The National Development Plan recognises tourism as one of the main drivers of employment and economic growth, and envisages the promotion of South Africa as a major tourist and business events destination.

The Department of Economic Development: Tourism Directorate strategic interventions when performing the function are guided by the City of Johannesburg (CoJ) 2040 Growth and Development Strategy. It contributes to the economic development imperatives of the City and the GDS 2040 outcomes, with emphasis on outcome three (3) aiming at achieving an economy that is competitive, inclusive, and resilient and harnesses the potential of Johannesburg citizens.

The tourism goal for the City is to become a leading business and lifestyle tourism destination in Africa. As tasked with tourism development and marketing, Tourism Directorate implements experience-based destination and tourism marketing, stimulating tourism growth through demand-driven tourism development. Therefore, in execution of its strategy, it will align the roll-

out of its activities with the overall desired strategic marketing impact as articulated by the Directorate. These can be achieved through implementing the following elements;

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

Tourism Directorate is supported by various business units within its operations, which contribute to the overall performance of Joburg Tourism as a whole. Below are key focus areas supporting the tourism function:

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

Tourism has an important role to play in placing the South African economy on a sustainable inclusive growth trajectory. Tourism remains a key driver of South Africa's national economy and contributes towards job creation. The tourism industry is a major contributor to the South African economy and employment of citizens. The growth of the tourism sector has been an important element of South African economy.

According to the World Travel and Tourism Council, the 2018 contribution of the tourism sector in South Africa, directly accounted for 2.8% of real gross domestic product (GDP), which amounts to R139 billion. In essence the sector contributes about 8.2% indirect and 2.8% direct, to the country's gross domestic product (GDP). It is a sector that is thriving with tremendous potential for further growth and for the creation of enabling environment for much-needed jobs. Travel and tourism in South Africa contributed 1.5 million jobs and R425.8bn to the economy in 2018, representing 8.6% of all economic activity in the country. The City of Johannesburg accounts for an estimated 68% of total tourism expenditure in Gauteng from international and domestic tourists, totaling R63, 770.7 billion. This equates to a total contribution to the production of R90, 176.8 billion, along with a total GDP contribution of R48, 634.0 billion.

According to the Tourism Business Council of South Africa (TBCSA) in the country, more than R68 billion in tourism spend has been lost since South Africa's national lockdown began at the end of March with over 250 000 employees within the tourism value chain applied for the UIF TERS programme in April and May, which was expected to double the number in June. An estimated 49 000 SMMEs were already negatively affected, some predicted to close down their businesses. Tourism is a key economic sector for Johannesburg with remarkable traction for both global and domestic markets. While the tourism industry begins to open for business with slow easing of restrictions to allow resumption of economic activities, which is an attempt to enable the industry to rebound due to its resilience. Destination Johannesburg, in a wider spectrum of tourism activities embarked on a management approach in line with the fragile recovery stage of the economy where it geared itself for a market trigger to gain effect in September 2020 for market activities to begin from November 2020 for domestic market and in May 2021 for regional and international market.

Despite Covid-19 pandemic that resulted to a complete global shutdown on travel, Euromonitor International asserts that, Johannesburg retained its place among the top 10 cities after Dubai, Mecca, Medina, Cairo and Riyadh on account of continued business travel to South Africa in Middle East and Africa rankings as reflected below.

### **Middle East and Africa Top 10 City Destinations**

Table 82 shows Middle East and Africa Top 10 destinations.

**Table 62: Middle East and Africa Top 10 Destinations**

<b>Visitor Arrivals ('000)</b>				
<b>City</b>	<b>Country</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
1. Dubai	United Arab Emirates	15,790.0	15,920.7	16,328.3
2. Mecca	Saudi Arabia	9,800.0	9,565.2	9,833.0
3. Medina	Saudi Arabia	8,757.0	8,547.2	8,820.7
4. Cairo	Egypt	4,388.6	5,754.5	6,808.3
5. Riyadh	Saudi Arabia	5,396.8	5,267.5	5,451.9

6. Johannesburg	South Africa	4,066.3	4,120.8	4,211.0
7. Jerusalem	Israel	3,522.0	3,930.0	4,467.2
8. Dammam	Saudi Arabia	3,584.8	3,498.9	3,588.5
9. Marrakech	Morocco	2,669.9	2,838.1	3,023.4
10. Tel Aviv	Israel	2,573.5	2,777.0	2,978.1

**Source: Euromonitor International**

### *Key Service Delivery Highlights*

Service delivery highlights for the Department of Economic Development: Tourism Directorate include the following;

### *Key Service Delivery Highlights*

Service delivery highlights for the Department of Economic Development: Tourism Directorate include the following:

- a) **Successfully staged Meetings Africa 2020 from 25th -26th February 2020) in collaboration with Gauteng Tourism Authority in Johannesburg.**

### **Meetings Africa 24-26 February 2020**

On an annual basis, Tourism Directorate participates at international, regional and local tourism trade road shows and exhibitions to promote the destination in order to maximize its competitiveness and increase in travel trade opportunities in the domestic market. The objective for participation is to hold face to face engagements with strategic travel trade key role players and travel media to introduce them to Johannesburg as a business and leisure destination of choice.

Participating at these trade platforms gives the Directorate an opportunity to showcase destination offerings, launch new innovative tourism products, engage other tourism partners on partnerships and learn of the best practices in the industry. As these platforms are attended by influential trade partners and tourism association members, they also serve as valuable marketing and networking mechanism, allowing not only for the creation and consolidation of new business and trade opportunities, but help boost confidence of the destination.

Meetings Africa is the premier Annual Trade Show attended by local and international buyers who seek services and products offered by Africa's Meetings, Incentives, Conferences and Exhibitions or Events (MICE) industry. The business trade show is also attended by local and International Travel media who work on profiling destinations. Meetings Africa is hosted by South African Tourism and implemented by its internal unit called South African National Convention Bureau. South African Tourism is a 100% state owned entity. The aim of the Trade Show is to attract global MICE business to South Africa and the continent. The strategic importance for the City of Johannesburg's involvement in relation to staging Meetings Africa 2020 is the fact that, it is key for economic growth and maximizes economic impact.

Joburg Convention Bureau is focused on growing Meetings Africa and securing Johannesburg's position as the permanent home of Africa's premier business events trade show. As an official bid partner, the aim is to ensure that Tourism plays a significant role in this event to reinforce Johannesburg's positioning as the ideal business events destination. In close collaboration with the partners, South African Tourism, Gauteng Tourism Authority and Sandton Convention Centre, Joburg Convention Bureau takes the lead to ensure a growth in the number of international buyers and exhibitors who attend the event in order to increase arrivals and length of stay. The City of Johannesburg had an exhibition stand to meet with the potential buyers and event planners that might have an interest in bringing MICE activities to the City.

### **Objectives for CoJ participation**

Joburg Tourism continues to seek opportunities to grow tourism market share, promote and position Johannesburg as the leading business tourism destination. Primarily, the aim was to enhance the City's opportunity to gain immediate competitive and comparative advantage for MICE business. This enabled the destination to be pre-emptive in responding to the latest developments in the MICE industry in an effective and efficient manner. In participating in this global platform, the City of Johannesburg benefited on the following:

- i. Profiled Johannesburg as highly competitive business tourism destination.

- ii. Kept up with current trends and remain aligned with the operational system applied towards sourcing and winning association meetings.
- iii. Enhanced the City's ability to generate new MICE business leads for Johannesburg
- iv. Attended educational sessions designed for MICE business information sharing purposes.
- v. Enhanced opportunity for the City to increase visitor numbers and length of stay in the city.
- vi. Enhanced opportunities to grow number of meetings/conferences hosted in Johannesburg in order to contribute significantly towards economy growth in the city.
- vii. Enhanced opportunity to stimulate economic growth into the city through expenditure incurred by delegates during and post events (goods and services utilised during the events such as accommodation, transport, food and services).

### **Meetings Africa 2020 Overview**

This year's event has improved on a number of fronts including:

- i. 100% of the exhibitor stands sold, a vast improvement from 95% in 2019
- ii. 118 square metres more floor space sold compared to 2019
- iii. 329 exhibitors
- iv. 155 main exhibitors which is three more than 2019
- v. 321 buyers that included 205 international hosted buyers
- vi. 8,000 meetings held which is 200 more than 2019

### **Official Opening Ceremony**

Meetings Africa was officially opened at 10am on Tuesday, 26 February 2020, to an excited, energetic and enthusiastic audience. The opening ceremony was officiated by the CEO of South African Tourism and the event was officially opened by the Minister of Tourism. All the three bidding partners were acknowledged during the official opening of Meetings Africa 2020.



**b) Successfully hosted AfroPunk Joburg Festival 2019 from 30th to 31st December 2019.**

**ABOUT AFROPUNK FESTIVAL**

AfroPunk festival started as an annual event in Brooklyn, New York City, United States of America in 2005, under the broad remit of providing a place for black culture to thrive. The festival features live music, film, fashion, art and craft and a variety of food stalls produced by locals. For over 10 years AfroPunk has been defining culture in the music world, a triumph of multiculturalism and diversity for people of all races, genders, colours, creeds and tastes. It is a platform that strongly promotes self-awareness, self- appreciation and overall human excellence.

In Brooklyn, New York, the event attracts about 60 000 festival goers and in other cities between 10 and 20 000 over the two (2) of hosting; Afropunk in Johannesburg has grown to 18 000 visitors. To date the festival is hosted across the globe in the following cities where it attracts thousands of followers over two (2) days:

North America	Period	Europe	Period	Africa	Period
Brooklyn – New York	August	London - UK	July	Joburg - SA	December
Atlanta - Georgia	October	Paris - France	July		

**AFROPUNK JOBURG 2019- HIGHLIGHTS**

In 2019, Department of Economic Development: Tourism Directorate partnered with AfroPunk Joburg Festival organisers to host an incident free AfroPunk Joburg Festival at the Constitution Hill. The festival took place from 30 and 31 December 2019. The festival saw an increase in festivalgoers over the two (2) days - with 20% who came from different countries across the globe, 80% from across South Africa and 53% from Johannesburg.

During the three (3) years of being hosted in Joburg, the event has gained popularity and become a “must attend” festival to usher in the New Year. It should be noted that in 2017 the festival attracted 20 000 visitors; in 2018, it saw a drop of 2000 with 18 000 recorded. The drop was due to the summer rains which affected attendance. In 2019 the event saw an increase with a recorded 25 196 visitors over two (2) days. The weather also played an important role, as no rain fell during the festival period,

despite the weather forecasts. The event continues to be a tourism draw card because of the festival size and a mix of host activities.

## International

Below are Tables 83 and 84 illustrating the countries and local cities of origin of the festival goers who attended AfroPunk Joburg 2019:

**Table 63: International**

Africa	Asia	Europe	Americas North & South	Other
Angola	India	Austria	Brazil	Australia
Botswana	Japan	Belgium	Canada	America Samoa
Burundi	Singapore	Denmark	Mexico	Bahamas
Cameroon		France		Cayman Islands
Congo		Germany		Emirates
Egypt		Ireland		Estonia
Ethiopia		Israel		New Zealand
Ghana		Italy		
Kenya		Netherlands		Trinidad & Tobago
Lesotho		Norway		
Malawi		Spain		
Mauritius		Sweden		
Mozambique		Switzerland		
Namibia		Ukraine		
Nigeria				South Georgia and the South Sandwich Island
Namibia				Svalbard and Jan Mayen
Sudan				
Swaziland				
Tanzania				

Africa	Asia	Europe	Americas North & South	Other
Zambia				
Zimbabwe				

## South Africa

**Table 64: South Africa**

Bloemfontein – 2%	Grahamstown – 1%	Polokwane -1%	Stellenbosch – 1%
Cape Town – 10%	Johannesburg – 53%	Port Elizabeth – 2%	
Durban – 7%	Kimberley – 1%	Potchestroom – 1%	
East London – 2%	Nelspruit 1%	Pretoria – 15%	
George – 1%	Pietermaritzburg – 1%	Rustenburg – 1%	

Festivals such as the Afropunk are supported by cities and governments because they promote synergies between the music industry and the arts; ultimately contributing to community development, cultural tourism, social cohesion and local economic development.

The 2019 festival featured a mix of well-established, up and coming local and international artists, some of whom were performing for the first time on an international platform. The following artists performed at the AfroPunk Joburg Festival 2019 (Table 85):

**Table 65: Artists who performed at the AfroPunk Joburg Festival 2019**

Local Artists	Local Artists	DJs	International
Busiswa	Morena Leraba	DJ Kenzhero	Miguel
Sjava	Blinky Bill	Zara Julius	NAO
Umlilo	Darkie Fiction	Gina Jeanz	Solange
Sho Madjozi	Urban Village	LelowhatsGood	Masego
TCIYF		JazzDisciples	GoldLink
The Doberman Boys		DBN Gogo	
Urban Village		BateKoo	
Zoe Modiga		Fif_Laaa	

Morena Lerara			
Zara Julius			
Gina Jeanz			
LeloWhatsGood			
House of Diamonds			
House of Reve			
The Championship Ball			
Kwani Experience			

### **Benefits and impact of AfroPunk Joburg Festival 2019**

The following benefits were derived by the City from partnering with organizers of AfroPunk Joburg Festival:

- The event provided an international platform and exposure to twenty eight (28) South African musicians and DJs. The number included both up and coming and well established performers, as well as bands that are not well known in the international space, both in the media and on the ground.
- The City received media coverage pre, during and post hosting of AfroPunk Joburg Festival 2019 on international, regional, local online, broadcast and print media platforms to the value of R27 817 084,27 at the time of compiling this report.
- Fifteen (15) Joburg based Small Medium and Micro Enterprise (SMMEs) in the creative arts industry were given an opportunity to market and sell their products on a global platform, at the Joburg AfroPunk Market which took place from 30-31 December 2019. The SMMEs were chosen from across Joburg's Opportunity Centres and Markets.
- Tourism Directorate working together with JMPD Safety Cadet and Opportunity Centre Job Seekers programmes identified 70 unemployed youth to participate as volunteers in the festival's AfroPunk Army Programme; however only forty four – (44) turned up to participate in the programme. They were assigned jobs at different areas of the festivals in order to expose them to the intricacies of running an event, as part of event skills development.
- The #Welcome2Jozi tourism campaign was highlighted in partnership with the festival and was intended to connect the tourists directly to information on Joburg Tourism and about the destination, and thus creating much needed brand awareness and identity.

- Local and international tourists, as well as artists, spent large amounts of money on accommodation, flights, restaurants, souvenirs, transportation etc. which in turn helped improve livelihoods in the City through jobs and SMME opportunities created during the hosting of AfroPunk Festival Joburg 2019.

## **AFROPUNK JOBURG FESTIVAL 2019 SUPPORT**

In its third year running, the AfroPunk Joburg Festival has become one of the must attend festival to close off and welcome the New Year in Joburg which has gained international, regional and local traction. In light of the above, Department of Economic Development: Tourism Directorate supported the festival to ensure sustained continuity in City's tourism economic performance and for its destination profiling (destination brand positioning, brand equity, as well as a vehicle for stimulation of economic growth.

Below is the breakdown of activities which the Tourism Directorate supported in hosting the festival:

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>COST</b>
AfroPunk Army	Volunteer programme which employed 70 unemployed youth during and post the festival. Tourism Directorate recommended the utilisation of JMPD Public Safety cadets and Opportunity Centre Job Seekers Programme.	R84 000.00
Joburg AfroPunk Market (Spinthrift and Bites & Beates)	Participation and set up a Joburg AfroPunk market for 15 SMME traders. The market consisted of traders in arts, craft, homeware and food to sell their products at the festival over the two (2) days.	R225 000.00
City JOC Services	JMPD to managed traffic movement and crowd controlpre, during and post AfroPunk Joburg Festival 2019	R150 000.00
<b>TOTAL excl VAT</b>		<b>R459 000.00</b>
<b>Vat</b>		<b>R68 850.00</b>
<b>TOTAL incl VAT</b>		<b>R527 850.00</b>

### **AfroPunk Army**

- Unemployed Youth programme is a volunteer programme of the AfroPunk Global Initiative. It is a hub for volunteering, social justice, awareness and action. The programme encourages

festivalgoers to volunteer their time, passion and talents to give back to their communities in exchange for tickets to attend the AfroPunk festival. Tourism Directorate, working together with JMPD Safety Cadet and Opportunity Centre Job Seekers programme, identified 70 unemployed youth to participate as volunteers at the festival. However, forty four (44) turned up to participate in the programme. They were assigned jobs at different areas of the festivals in order to expose to intricacies of running an event, as part of event skills development. The youth were compensated with meals packs and R600.00 per day stipend as part of the EPWP program.

### **Joburg AfroPunk Market (Spinthrift and Bites & Beates)**

- In line with the promotion of economic growth, Tourism Directorate created a Joburg AfroPunk Market at the festival. The market consisted of Joburg based 15 SMMEs offering arts, craft, food and home-ware. The 15 SMMEs were selected using the Department of Economic Development criteria, from regional Opportunity Centres and various markets. The Joburg AfroPunk Market operated for two (2) days at the festival, on 30 and 31 Dec 2019. Participating at the market gave the SMMEs an opportunity to showcase and sell their crafts on a global platform.

### **Testimonies by SMMEs**

*"Thank you very much for the opportunity to be at Afropunk this year. As unexpected as it was, I made more sales than I had anticipated. I think for Shweshwekini, we were in the right crowd and had just the right product for that market. Afropunk taught me that it's the value or the product that doesn't sell, sometimes you are just not operating in the right market.*

*As such, I chatted to Camren and since the chat I expressed my interest in participating in Afropunk festivals internationally and I hope that the City of Joburg can make that happen. In total, my sales amounted to up to R5000", **Mapitso Thaisi of Shweshwekini.***

*"I would like to thank you for the opportunity to be part of such a great event and the efforts you put for us to be at AfroPunk. The event was absolutely amazing. We had a great feedback and our brand really got a great reception from a lot of tourist and the festival fanatics from here at home too.*

*The trading spaces were professionally organized and the team was really helpful. We just had a few glitches with Howler but nothing serious and the team did a great job in making sure we were up to standard with the devices. As House of Hohwa's representative I would like to thank the Tourism for*

*appreciating local brands and giving us a great experience and platform. And thanks to you there are a few good leads in Europe and America as we saw a good demand of our products”, **Kuda Matiza of House of Hohwa.***

## COMMUNICATION IMPLICATIONS

At the time of compiling the report, the total media benefited from hosting AfroPunk Joburg Festival 2019 was R27 817 084, 27 milion in print, online and broadcast media platforms. Some of the media platforms covering the event were:

- SABC 3
- Joburg.TVtoday
- ENCA
- BizCommunity.com
- Soweto live

Tourism Directorate logo featured in the “thank you” partner slide showcase regularly throughout the two (2) day festival in front of 25 196 attendees. On digital promotion, Tourism Directorate logo was featured on AfroPunk website and MobiApp which recorded approximately 54 000 visits during the campaign.

## Interviews

Tourism Directorate, Destination Marketing Manager conducted interviews on Joburg.today,tv, Metro FM and SABC news regarding the hosting of AfroPunk. Links for the interviews conducted are listed here:

- Joburg.today: <https://joburgtoday247.tv/?t=v&mid=fCxYkQA&fid=7IEkObI>
- SABC News: <https://m.youtube.com/watch?v=YIWael333Ng>
- MetroFM: Lunch With Thomas podcast

## The Social media breakdown is as follows:

Instagram	Facebook	Twitter	Mobi App
9 million impressions	1.4 million people reached	1.4 million Impressions	295 140 impressions

### **Digital promotions**

The Partners section received 28 272 page views from 01 December 2019 to 01 January 2020. Social media dedicated posts promoting the event and therefore promoting the destination as the host city, reached 15 521 impressions. Newsletter recipients were 497 521.

#### **c) Staged "Jazzy Joburg Market" in partnership with Standard Bank Joy of Jazz from 26th to 28th September 2019.**

The 22nd edition of the Standard Bank Joy of Jazz (SBJOJ22) celebrated vistas of diversity with an all-star line-up that explored various musical traditions from across the world. As South Africa's most authentic annual international jazz festival, SBJOJ22 presented an exciting program that packs powerful performances by over 30 musicians representing the living jazz heritages from across five continents: Africa, the Middle East and Thailand, along with Netherlands, Europe and the United States of America.

Jazz lovers were treated to groundbreaking collaborations and tributes by new masters to older jazz giants as celebrations unfold throughout the festival's five stages over the three nights: 26, 27 and 28 September 2019 at the Sandton Convention Centre. To leverage the City of Joburg partnership with the festival, it was a strategic fit for Tourism Directorate to partner with an event that attracts local and international patrons. Better yet, this event took place in Sandton City, at the Sandton Convention Centre, which is a walk away from the Joburg Tourism Information Centre. The partnership encouraged the festival attendees to start off at the market as they wait for doors to be opened at 19h00, while also encouraging surrounding shoppers and those in the surrounding hotels to come down and experience South African talent in its glory.

Hosting the Standard Bank Joy of Jazz Festival 2019 in Johannesburg, helped boost the City's tourism industry across the value chain namely; accommodation establishments, tourist attractions, restaurants, shopping, transport, SMMEs etc. as there was significant spend by the visiting festival goers and their families.

Below are activations which Tourism activated:

- i. Welcome activity at OR Tambo International Airport
- ii. Standard Bank Joy of Jazz Golf Day



### iii. Hosting of Jazzy Joburg Market

The aim to partner in hosting the market was to:

- Promote Joburg as a more than a stop-over destination with a lot offers for visitors.
- Identify a range of business interventions that creates viable and sustainable enterprises with employment opportunities that result in more efficient and cleaner service.
- Leverage off foot traffic from the 30,000 guests and locals attending at the Joy of Jazz festival.
- Create strategic partnership with key private partners including Sandton City Management and other key sponsors of the festival.
- Leverage off the Sunday Market on the Square which is a weekly occurrence.
- Elevate the City to be the top of mind destination to visit post the hosting of the event, thus increasing the number of tourists and strengthening Joburg brand.
- To stimulate economic growth, through support of Small Micro and Medium Enterprise (SMMEs) businesses in the City.

### **Standard Bank Joy of Jazz 2019 highlights**

For the quarter under review, Tourism Directorate in partnership with T-Musicman and Nelson Mandela Centre Management staged the second instalment of Jazzy Joburg Market from 27-29 September 2019 alongside the annual Standard Bank Joy of Jazz festival which took place at Sandton Convention Centre.

In line with the prioritisation of achieving increased visitor arrivals in the City and contributing towards the economic growth target of 5% by 2021, Tourism Directorate always seeks mechanisms to increase its presence and footprint in Gauteng, at various strategic tourism locations such as Sandton (Nelson Mandela Square). According to the Liberty Group report (Two Degrees, released on 06/09/2017), Sandton has an annual average foot traffic in excess of 24 million, hence it serves as a strategic location for the Jazzy Joburg Market.

### **Welcome activity at OR Tambo International Airport**

In collaboration with Tourism Directorate, T-Musicman created a welcome desk at OR Tambo to activate the #Welcome2Jozi campaign to welcome the artists and create awareness and

buzz about the festival. The activation took place from 21 to 26 September 2019. Performing artists came from Ghana, Mozambique, United States of America, Netherlands, Thailand, including Durban just to mention.

### **Standard Bank Joy of Jazz Golf Day**

As part of showcasing sporting facilities and promote sport tourism in the City, the Standard Bank Joy of Jazz golf day took place on 25 September 2019. Invited to partake were City of Joburg officials partnered with key strategic stakeholders.

### **3.1.3 Highlights - hosting of Jazzy Joburg Market 2019**

The second instalment of Jazzy Joburg market was staged from 27-29 September 2019 and it should be noted that due to popularity of the market, the organisers included a third day, as opposed to two days in 2018 when the market launched. The operating times were 15h00 to 20h00 on Friday and Saturday and 12h00 to 17h00 on Sunday. The market created an outstanding opportunity for artists to share their music and talent, for selected SMME's to sell their products and food at a fun-filled Jazzy Joburg Market at the Square. A showcase of diversity, musical talent, arts, crafts and food by local creative, left music lovers begging for more. Twenty two (22) SMMEs participated at the market and were sourced from various Market Associations in the City as well as Opportunity Centres operated by Department of Economic Development.

It should be noted that Tourism Directorate created another opportunity for the arts and crafts SMMEs to exhibit and sell their ware at the Welcome to Jozi welcome cocktail function which was hosted by City of Johannesburg Group Communication and Marketing Department in collaboration with the Standard Bank Joy of Jazz sponsors. Eleven (11) SMMEs who were sought from Opportunity Centres took part at the mini market, where Executive Mayor of the City of Johannesburg met and greeted them.

Former MMC for the Department of Economic Development: Cllr Leah Knott, accompanied by City Manager of the City of Johannesburg, Executive Director for Department of Economic Development and Director: Tourism, declared the market opened on 27 September 2019. It should be noted that 27 September is an important date in the tourism calendar as the world

celebrates International Tourism Day as declared by the UNWTO. In light of UNTWO World Tourism Day theme for 2019 - ***“Tourism and Jobs a better future for all”***, the support of the Jazzy Joburg Market was an ideal fit.

While on a walkabout of the Jazzy Joburg Market Former MMC Knott also took the chance to interact with small business owners. Vuyokazi Dlamini, the owner of Tinfo le Tinhle, a small clothing company based in Craighall producing bridal, corporate and African print clothing, was among businesses on display. She told former MMC Knott that the market provided access to new clients; “It is an opportunity to reach a new clientele. People all over the world are here for the jazz and while there buy a few things. I am grateful for this opportunity. It is a perfect platform for us as small business owners”, said Ms Dlamini. In its inception in 2018, the market featured musicians including Nelisiwe Sibiya, Aus Tebza, Sobantwana Zano and various other artists. The market afforded these budding artists an opportunity to showcase their talent to local and international audiences attending the annual jazz spectacle at the Standard Bank Joy of Jazz 2019 main stage.

### **GATOA and Visitor Information Centre**

As part of supporting tourism industry, Tourism Directorate supported two (2) GATOA tour operators by offering space to operate at the Sandton Visitor Information Centre (VIC) during the Jazzy Joburg Market activities. The tour operators interacted with tourists, offering their packages. The VIC operated extended hours from the normal hours to afford tourists an opportunity to find out more tourist related information about the destination. Operating hours for the VIC during the Jazzy Joburg market were:

- 27 September 2019, Friday: 17h00 to 20h00
- 28 September 2019, Saturday: 10h00 to 20h00
- 29 September 2019, Sunday: 10h00 to 17h00.

*Figure 31 shows tour packages created and promoted during Jazzy Joburg market 2019.*



**Figure 31: Tour packages created and promoted during Jazzy Joburg market 2019**

### Testimonies

*"Thank you so much for the continued support, rare, and unique opportunity you generously afforded the small business to exhibit, promote, market and sell their exclusive art and designer products to the public and tourist communities. May our collaborative efforts work, relationship, experiences continue to grow from strength to strength for us all, our city, communities and our country to prosper jointly. Our biggest and sincere expressions of gratitude, appreciation and happiness", **PP Mthombeni**.*

*"Shova would like to extend gratitude and much appreciation for the opportunity at the Jazzy Joburg Market. Thank you greatly for your continued consideration", **Shova Team**.*

#### **d) Launched of the Sandton Gautrain Tourism Information Kiosk in collaboration with Sandton Central Management District on 14 November 2019.**

In partnership with Sandton Central Management, Tourism Directorate launched the Sandton Gautrain Tourist Information Kiosk on the 15th November 2019. The Tourism Information Kiosk is the first of its kind in the City and is supported by Tourism Directorate Ambassador Programme. The kiosk is manned on a rotational basis by two staff at a time, drawn from the twelve (12) Tourism Ambassadors assigned to the Sandton area by the City's Tourism Ambassador Programme. In addition to the provision of co-branded uniforms and two way radios, the tourism ambassadors have enjoyed supportive training by the Sandton Central

management team. The Sandton Central Management District is supplementing the information services offered, by also supplying trained staff to man and operate the kiosk after-hours and on weekends. The kiosk was officially launched by Cllr Leah Knott, MMC: Department of Economic Development together with the Sandton Central Board and the City of Johannesburg Regional Director (Region E).

**e) Johannesburg recorded 4.2 million visitor arrivals (Source: Euromonitor International).**

**Methodology and Definitions**

Euromonitor International's city arrivals research covers over 400 cities. This report highlights the top 100 cities based on 2018 international arrivals. International arrivals by city includes visitors from abroad who arrive at the city under review as their first point of entry, also including visitors to the city who arrived in the country via a different point of entry, but then go on to visit the city in question during their trip. Arrivals are defined as international tourists, i.e. any person visiting another country for at least 24 hours, for a period not exceeding 12 months, and staying in paid or unpaid, collective or private accommodation. Each arrival is counted separately and includes people travelling more than once a year and people visiting several cities during one trip. Arrivals encompasses all purposes of visit, such as business, leisure and visiting friends and relatives. Arrivals excludes domestic visitors, same-day visitors, people in transit and cruise passengers as this can distort arrivals figures at important border crossings and cruise destinations, respectively. It also excludes those in paid employment abroad. Students that stay in a country for a period of more than 12 months are excluded and are considered as temporary residents. Military personnel and transportation crew are excluded, along with displaced people because of war or natural disasters. The ranking focuses on city hubs and tends to exclude beach and ski resorts that may enjoy high volumes of international visitors. The ranking tables in this white paper provide 2017, 2018 and forecast 2019 arrivals data, as well as rank movements. 2013 – 18 rank movement indicates the change in rank between 2013 and 2018 of each city based on the arrivals in 2013 and 2018. 2018–19 rank movement indicates the change in rank between 2018 and 2019, where 2019 data is an estimated arrivals figure based on part-year data.

## **Middle East and Africa**

Leading visitor destinations in the Middle East and Africa remain concentrated within the Gulf region, with 7 of the 12 cities in the ranking from the Gulf. Visitor arrivals in the Gulf countries slowed in 2018 compared to the previous year as dampened economic growth and regional geo-political tensions continued to impact both business and leisure arrivals. Both Oman and Qatar reported a decline in their number of arrivals. Dubai continues to lead the region in terms of numbers of arrivals, despite a flat growth rate during 2018. A free transit visa for two days for Dubai and Abu Dhabi helped to sustain arrival numbers. Key cities in Saudi Arabia also posted a sluggish performance due to economic factors and revisions in its visa fees, whereas the United Arab Emirates has seen a positive impact of diversifying visitor experiences to cities beyond Dubai, notably Ras Al Khaimah. There has been increased focus on enhancing tourism offerings from the Middle East and African continent, and countries are working to market natural terrains and open new locations to keep the region competitive. Leading cities with good infrastructure, such as Dubai and Riyadh, are investing in greater entertainment avenues such as theme parks, concerts, health and wellness and medical tourism. There is greater investment in the tourism sector, with governments focusing on developing regional alliances and offering flexible visa policies. Saudi Arabia opened the country to international visitors for leisure during 2019 and Saudi Arabia and Egypt collectively launched the Red Sea project. Saudi Arabia and the United Arab Emirates also plan to introduce a joint visa for both countries. In Africa, the Single African Transport Market Initiative, signed by 23 African Union member states, aims to improve aviation and transport within the region and uplift the tourism industry through shared benefits. In North Africa, Egypt remains the leading destination following an active tourism reform strategy. Sharm-el-Sheikh, Hurgada, Cairo, Alexandria and Luxor have all seen strong growth, with the return of visitors from the U.K. and Russia. Additionally, many Sub-Saharan African countries are capitalizing on local experiences and offering customized travel experiences targeting both luxury and family travellers. Johannesburg retains its place among the top 50 cities on account of continued business travel to South Africa. Key tourism destinations such as Seychelles remain popular among regional travellers. The Seychelles saw an increase in visitors on account of arrivals from countries with visa free travel and gained wider popularity as a go-to wedding destination. Mauritius has always been popular among leisure visitors for its beaches. However, as the government improves investment on other

economic fronts to improve employment and enhance infrastructure, business travel to Mauritius is forecast to grow.

**f) The following MICE activities were confirmed through bidding and facilitation:**

**Digital Media Africa Conference 2020**

Digital Media Africa is the continent-wide gathering to explore new digital revenue models and how best to engage loyal readers. Digital Media Africa Conference features the best line-up of international speakers from any publishing event on the continent. The conference also promotes world's press freedom, quality journalism, editorial integrity and business development. It is worth noting that, the conference was supposed to be held on the 8<sup>th</sup>– 9<sup>th</sup> September 2020 at The Capital Hotel in Johannesburg. However, the conference has been postpone until further notice due to the current Covid-19 pandemic. The projected Economic Impact derived from hosting WAN-IFRA 2020 will be R2 560 000, 00 based on two hundred (200) delegates and two (2) days duration of the event. The City will keep constant engagements with the Conference organiser for resuscitation of envisaged partnership once the new date has been announced.

**14th International Association of Medical Regulatory Authorities (IAMRA) International Conference 2020.**

Primarily, medical regulation protects the public. Medical regulatory authorities (MRAs) around the world strive to fulfil their mandate to protect, promote, and maintain the health and safety of the public by ensuring proper standards for the profession of medicine on a daily basis. IAMRA exists to support the world's medical regulatory authorities in this endeavour. Through scientific, educational, and collaborative activities, IAMRA strives to encourage best practices among the world's MRAs and to respond to both their current and future needs. A truly global collaboration, IAMRA welcomes applications from MRAs and other organizations involved in medical regulation, from medical schools, and from organizations involved in regulating other health professions. As a membership organization, IAMRA values the communication, participation, and interaction that are key to the success of this international collaboration.

The event has been scheduled to take place on the 14<sup>th</sup> – 18<sup>th</sup> September 2020 at the Sandton Convention Centre. In the interim, the City has linked the event association with Gauteng Tour Operators Association (GATOA) for provision of the tour packages around which will be

accessed by the Conference delegates. There are ongoing engagements amongst the CoJ, South African National Convention Bureau and the local association to forge partnership for the envisaged Conference. The projected Economic Impact derived from hosting the event will be R 16 000 000, 00 based on five hundred (500) delegates and five (5) days duration of the event.

### **Cruise Job Fair 2020**

The event is about several cruise lines, recruiters and training schools that are currently interested in meeting job seekers in the tourism and hospitality sector to work overseas. Events attracts skilled candidates with good level of the English language, particularly with some experience from 4/5\* hotels or upscale restaurants, hospitality, culinary, guest services.

The City met the event representative during Meetings Africa 2020 to engage on possible partnership and the discussions are still ongoing. The event is confirmed to take place on the 10th October 2020 at the Sandton Convention Centre. The projected Economic Impact derived from hosting Cruise Job Fair 2020 will be R3 840 000, 00 based on six hundred (600) delegates and one (1) day duration of the event.

### **Women in Mining Dialogue 2020**

South African Women in Mining Investment Holdings (SAWIMIH) Woman in Mining is an organisation that has pioneered change in the mining industry, and will be a future driver of positive change. The event is used to identify gaps within the industry as evidenced by the mining charter in relation to the participation of women.

The event has been scheduled to take place in September 2020 and the organiser is still looking for a host venue within the city. Joburg Convention Bureau assisting the event organiser to identify a suitable venue aligned to the requirements of the envisaged event. The projected Economic Impact derived from hosting Women in Mining Dialogue 2020 will be R3 200 000, 00 based on five hundred (500) delegates and one (1) day duration of the event.



### **The Africa Women Innovation and Entrepreneurship Forum (AWIEF) 2020**

The Africa Women Innovation and Entrepreneurship Forum (AWIEF) is a non-profit and pan African women economic empowerment organization which nurtures and actively promotes women innovation and entrepreneurship through its development programs. AWIEF's mission is to foster the economic inclusion, advancement and empowerment of women in Africa through entrepreneurship support and development.

The annual AWIEF conference, expo and awards event, currently in its 6<sup>th</sup> edition brings together over 1500 women entrepreneurs, thought leaders, governments, private sector, investors, academia and media, from across Africa and beyond. The AWIEF event is widely acclaimed as the largest women entrepreneurship conference platform and the biggest African gathering of leading women politicians, businesswomen and entrepreneurs on the continent. The event has been hosted in Lagos (2015 & 2016) and Cape Town (2017, 2018 & 2019). In 2020, the event owner is bringing the event to Johannesburg at the Sandton Convention Centre on the 2<sup>nd</sup> – 3<sup>rd</sup> December 2020. Engagements between the City and the event organizer commenced in February 2020. To this end, ongoing discussions are taking place to ascertain strategic partnership regarding the envisaged event. The projected Economic Impact derived from hosting the event will be R19 200 000, 00, 00 based on one thousand five hundred (1500) delegates and two (2) days duration of the event.

### **International Association of Constitutional Law World Congress in 2022**

The principal organ of the International Association of Constitutional Law (IACL) is the Council, which consists of delegates of the transnational, national and sub-national associations and the scientific institutes that are members of the IACL. The Council usually meets every four years at the time of the World Congress of the IACL, but may be summoned between Congresses on the initiative of the Executive Committee. The city submitted letter expressing support in 2016 in an attempt to host the congress in 2022. The bidding process was facilitated by Gauteng Convention & Events Bureau (Gauteng Tourism Authority). The city has received correspondence that, the bid has been confirmed to be hosted in Johannesburg on the 5<sup>th</sup> – 9<sup>th</sup> December 2022. In the interim, the host venue is yet to be confirmed. The projected Economic Impact derived from hosting IACL 2022 will be R16 928 000, 00 based on one five hundred and twenty nine (529) delegates and five (5) days duration of the event.

### **World Federation of Hemophilia**

The World Federation of Hemophilia (WFH) has provided global leadership to improve and sustain care for people with inherited bleeding disorders, including hemophilia, von Willebrand disease, rare factor deficiencies, and inherited platelet disorders. The event took place on the 31<sup>st</sup> August – 5<sup>th</sup> September 2019 at Hyatt hotel in Johannesburg. The projected Economic Impact derived from hosting the event was R4 416 000, 00 based on one hundred and fifteen (115) delegates and six (6) days duration of the event.

### **“Love Never Fails” International Convention, 6-8 September 2019**

It is one of the largest global conventions in 2019, spanning six continents and over 200 countries and presented in over 400 languages. This was a Pilgrimage tourism event hosted by Jehovah’s Witnesses as a global series of three-day conventions featuring the theme “Love Never Fails.” The highest recorded number of attendees was 58 149 while there were at least 6,000 international delegates coming from various countries such as Bolivia, Britain, Central Europe, Congo (Kinshasa), Finland, Hong Kong, Hungary, Israel, Japan, Kenya, Korea, Liberia, Madagascar, Malawi, Paraguay, Peru, Uganda, United States, Zambia, Zimbabwe.

The City benefited from hosting the event through usage of at least thirty two (32) hotels in Sandton and surrounding areas. There were over hundred (100) luxury buses which were specifically hired for the delegates through the coordination of the event organiser. The City’s involvement was limited to facilitation for effective collaborative support from hotels such as Tsogo Sun, Hilton, and Radisson. Further coordination was in line with activities such as dining and shopping experiences at Sandton City and Nelson Mandela Square for visitors to be prioritised through Sandton central management. Safe environment during the event was ensured through Johannesburg Metropolitan Police Department and South African Police Services.

**It is worth noting that, some delegates participated at planned leisure tourism experiences (excursions). Evidently,** the management of Lion and Safari Park expressed their gratitude in line with the tour that was conducted at their site wherein they alluded that, they have never seen so many different cultures and languages getting off a tour bus without

complications. The management was thoroughly impressed with how well the visitors followed directions and cooperated with the internal staff at the Lion and Safari Park.

### **Junior Chamber International (JCI) World Congress 2021**

JCI is a century old membership-based non-profit organization of young active citizens ages 18 to 40 in nearly 120 countries who are engaged and committed to creating positive impact in their communities. Active citizens are individuals invested in the future of our world. They develop the skills, knowledge and understanding to make informed decisions and take action. JCI members are active citizens from all sectors of society. They are Community Leaders, Entrepreneurs, Professionals and Students. They embrace new ideas, collaboration and diversity. Junior Chamber International (JCI) empowers young people to become active citizens, take responsibility for global challenges in their community and identify targeted, sustainable solutions. Motivated by the passion to transform their community and the world, JCI members have the courage to address the most critical challenges of our time.

The City of Johannesburg: Economic Development (Tourism Directorate) through its Convention Bureau has been awarded the bid to host the JCI World Congress 2021 in Johannesburg. The projected Economic Impact derived from hosting JCI 2021 will be R156 800 000,00 based on three thousand five hundred (3500) delegates and seven (7) days duration of the event.

### **Safe Engineering Service & Technology (SESTECH) Congress 2021**

The City of Johannesburg (CoJ) submitted a bid to host SESTECH 2021. The City further engaged with SESTECH organiser through a follow up telecommunication subsequent to bid submission. SESTECH is an independent technology conference and expo to enhance companies' competitiveness and resilience through digital transformation. SESTECH drives the adoption of technology among enterprises, providing knowledge and insight to help industry decision makers achieve business success. SESTECH provides a platform for technology leaders and IT professionals to share the latest technology trends through a comprehensive educational program, including six (6) industry breakouts and two (2) full day conference focused on cloud computing, big data, information security, artificial intelligence, mobility, and all the most important topics shaping the future of global economy. The projected Economic

Impact derived from hosting SESTECH 2021 will be R6 400 000, 00 based on five hundred (500) delegates and two (2) days duration of the event.

### **Tourism Ambassador Program**

The City of Johannesburg (CoJ) has rolled out the Tourism Ambassador program during the 1<sup>st</sup> quarter of the 2019-20 financial year. The Department of Economic Development worked together with CoJ's Department of Public Safety in recruiting the 60 Johannesburg based youth to participate in the program as well as providing training.

The program has created employment opportunities for sixty (60) unemployed youth with matric and/or above qualifications. Participation is exclusively to the unemployed youth residing in the City of Johannesburg. The Tourism Ambassadors have been placed at key tourism attractions to ensure tourism safety and create visibility at selected tourism attractions and products. The ambassadors also assist in providing tourism information to tourists.

### **Overview of the Tourism Ambassador Program**

The tourism ambassador program is constantly empowering participants to become skilled in the tourism sector through training a day to day experiential learning. During the quarter under review, there were fifty one (51) tourism ambassadors who were still part of the programme. Nine (9) ambassadors have left the program for different reasons. Four (4) of the ambassadors found other employment opportunities while four (4) left for personal reasons and the other one (1) left due to medical reasons.

It is worth mentioning that, the tourism ambassadors have been staying at home solely due to the restrictions imposed on business operations as a result of COVID-19. Most of the tourism ambassadors are based at various tourism attractions across the City, which has not been operational due to the reasons aligned to COVID-19 regulations.

### ***Economic Development IDP Deliverables***

Table 66 shows the objectives taken from the IDP Deliverables and Table 87 shows employees.

**Table 67: Objectives taken from the IDP Deliverables**

Service Objectives / Service Indicators	Service Targets	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
Rand value of investment and business facilitated	R4 billion	R8.5 billion	R8.69 billion	R15 billion	R17.29 billion	R25 billion	R27,340 billion
Number of SMMEs supported by the City	10 000	8 000	8 969	16 000	16 818	11 000	16 546
Number of youth trained through artisan related skills development programmes	200	N/A	N/A	N/A	N/A	200	206
Number of EPWP work opportunities created city-wide	23 227	24 809	21 696	29 065	18 680	10 762	16 471
Reform Action Plans for business standard	N/A	3	0	3	3	3	3
% increase in the number of tourists coming into the City of Johannesburg	N/A	N/A	N/A	3%	Johannesburg recorded 5.9 million arrivals <sup>9</sup> in 2018	2 million tourism coming to Johannesburg.	4.2 million Tourists recorded by Euromonitor International. Tourism establishments (PDIs).
Number of Quarterly Economic Reviews Completed	4 Quarterly Statistical Economic Reviews	4 Quarterly Statistical Economic Reviews	4 Quarterly Statistical Economic Reviews	4 Quarterly Statistical Economic Reviews	4 Quarterly Statistical Economic Reviews	4 Quarterly Statistical Economic Reviews	4 Quarterly Statistical Economic Reviews
Annual Economic Review Completed	1 Annual Economic Review	1 Annual Economic Review	1 Annual Economic Review	1 Annual Economic Review	1 Annual Economic Review	1 Annual Economic Review	1 Annual Economic Review

<sup>9</sup> According to Euromonitor International Top 100 City Destinations 2018

			ic Review	ic Review			
Number of Regional Economic Development Plans updated	N/A	N/A	N/A	2	2	2	2
Number of Sectors and or Sub-Sector Specific Economic Development Facilitation Plans Developed	N/A	N/A	N/A	N/A	N/A	2	2

**Table 68: Employees: DED**

Job Level	2017/18	2018/19	2019/20			
	Employees No.	Employees No.	Posts No.	Employee s No.	Vacancies (Full time equivalent)	Vacancies (as a % of total)
0-3	8	9	11	8	0	0%
4-6	48	44	86	50	29	58%
7-9	38	37	63	60	20	33.33%
10-12 etc.	3	3	3	2	0	0
<b>Total</b>	<b>97</b>	<b>93</b>	<b>163</b>	<b>120</b>	<b>49</b>	<b>40.83%</b>

### *Financial Performance*

Table 88 shows financial performance.

**Table 69: Financial Performance: DED**

Description	2017/18	2018/19	Current year 2019/20		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>0</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>	<b>R 000</b>
<b><u>Revenue By Source</u></b>					

Transfers and subsidies received	1 492	1 722	23 955	23 955	23 955
Other revenue					
<b>Revenue</b>	<b>1 492</b>	<b>1 722</b>	<b>23 955</b>	<b>23 955</b>	<b>23 955</b>
<b>Total Internal Transfers</b>					
<b>Total Revenue</b>	<b>1 492</b>	<b>1 722</b>	<b>23 955</b>	<b>23 955</b>	<b>23 955</b>
<b><u>Expenditure By Type</u></b>					
Employee related costs	73 002	70 873	92 337	89 322	89 322
Depreciation and asset impairment	1 740	2 240	15 233	15 233	15 233
Repairs and maintenance	(2 795)	2 592	5 511	10 516	10 516
Contracted services	1 963	5 009	6 304	2 901	2 901
Transfers and subsidies paid	1 184	5 297	10 961	1 900	1 900
Other expenditure	42 828	25 092	38 384	41 401	41 401
<b>Expenditure</b>	<b>117 922</b>	<b>111 104</b>	<b>168 730</b>	<b>161 273</b>	<b>161 273</b>
Internal charges (ME's)	3 890	(48)	21 530	25 477	25 477
Internal Charges (Core)	1 232	790	4 849	4 849	4 849
<b>Total Internal Transfers</b>	<b>5 122</b>	<b>742</b>	<b>26 379</b>	<b>30 326</b>	<b>30 326</b>
<b>Total Expenditure</b>	<b>123 044</b>	<b>111 846</b>	<b>195 109</b>	<b>191 599</b>	<b>191 599</b>

### *Capital Expenditure*

Table 89 shows capital expenditure.

**Table 89: Capital Expenditure**

<b>Project Name</b>	<b>Project Number</b>	<b>Asset Class</b>	<b>Asset Sub-Class</b>	<b>Total Estimated Project Cost R 000</b>	<b>Budget 2020/21 R 000</b>	<b>Budget 2021/22 R 000</b>	<b>Budget 2022/23 R 000</b>
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<b>Economic Development</b>							
Inner City Roadmap Economic Development Initiatives Renewal Inner City Intervention JOHANNESBURG F Regional	4004	Community Assets	Community Facilities	<b>6 000</b>	<b>3 000</b>	<b>3 000</b>	
Operational Capital	2486	Furniture and Office Equipment		<b>5 360</b>	<b>2 680</b>	<b>2 680</b>	



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### 3.7 Joburg Market

#### Introduction

The Joburg Market SOC Limited, is globally known as the Joburg Market (JM), and is being operated as a municipal entity wholly owned by the City of Johannesburg Metropolitan Municipality. It was established as an outcome of the Egoli 2000 restructuring process and introduced under the provisions for alternative delivery mechanisms as embodied in the Municipal Systems Act and finally converted into a state-owned company in line with the provisions of the Companies Act 71 of 2008.

JM has become an important supplier of fresh produce to numerous destinations in the SADC region and remains the biggest fresh produce market in Africa in terms of the volume of fresh produce traded and has a staff complement of 382 employees. From an international trading perspective JM receives produce inter alia from countries like Spain and China. JM serves as central trading facility receiving produce on a daily basis. Produce is sold according to the principles of supply and demand. To serve the various framers and buyers in their various categories JM is to provide adequate trading facilities and related services

JM finds itself in the operating space of the central marketing concept of fresh produce trading where buyer and seller literally meet at the market place where both parties can negotiate prices on the basis of the physically observable produce characteristics such as quality, quantities available, fitness for human consumption and many more. Actual negotiations occur between the buyer and the selling agent who conducts such sales on behalf of the farmer. To ensure a transparent, accountable trading environment JM performs a number of crucial functions, which are briefly listed below:

- The CEO as accounting officer also serves as independent referee in respect of disputes to ensure a fair marketplace;
- Cleansing and sanitisation of the facility towards food safety and suitable hygiene;
- Produce inspection services backed up by an on-site SANAS accredited laboratory;
- Security and safety services to ensure a safe market environment for all;

- Financial and payment accounting services to ensure accurate accounting of proceeds from sales to farmers and efficient revenue collection;
- Consignment control services to ensure that all produce are captured and sold according to market rules;
- Trading Hall regulation through the Sales Hall Management component to ensure smooth trading operations;
- Maintenance and extension of market facilities through a property management team and the infrastructure maintenance division;
- Marketing and transformation to enable the access to the previously disadvantaged and the promotion of JM as preferred business place;
- A dedicated IT department operating a real time computerised trading system;
- Human Resources to ensure the availability of a suitable and motivated staff component.

#### **Highlights and achievements:**

During the financial year under review JM recorded a number of highlights and achievements which are listed as follows:

##### *Improved financial performance*

A turnover achievement of R8.1 billion, which represents a positive growth of 2.1% compared to the budgeted turnover of R 7.9 billion

##### *New leadership for JM*

Appointment of a new Board and new Chairperson for the Board of Directors as well as the appointment of a new CEO

##### *Managing Covid 19 controls*

The JM was able to operate the JM effectively with a single lockdown as a result of Covid 19 risks at a facility where between 11000 and 14000 frequents the market on a daily basis.

### *Focussed maintenance of JM facilities*

In view of the challenges posed by ageing infrastructure the focus has also shifted to resolving maintenance and development issues. Resulting from the latter the entity was able to spend its entire R&M budget achieving a final spending level of 101.9%. We feel this is imperative in developing and maintaining our world class Market.

### **Performance against JM - Company Scorecard**

As part of its efforts to measure and where needed to adjust its strategies and practices JM conforms to the performance framework of its shareholder. The Scorecard is included under Section 8 below. Table 90 below presents a summary of JM's performance against the 2019/20 Annual Targets for the period under review.

**Table 70: Performance against JM Scorecard**

Item	Full year 2019/20
Total no. of KPIs on scorecard	7
No. of KPIs due	7
Number achieved	5
Number not achieved	2
% achievement	71.4%

### **Summary of achieved KPIs (see Table 91)**

**Table 71: Summary of Achieved KPIs**

KPI Achieved	Reason for achievement
% <i>Targeted market share held by JM in</i>	• During the Covid 19 lockdown period farmers relied more on JM as a trustworthy facilitator of additional sales which could not be conducted on other markets. This has led to JM improving its market share against peer markets.

<b>KPI Achieved</b>	<b>Reason for achievement</b>
<b><i>relation to other FPMs</i></b>	<ul style="list-style-type: none"> <li>• JM was able to conduct continuous trading during the pandemic in view of its effective Covid 19 controls and no trading time was lost like for instance, the Tshwane Market had to be closed down for a number of days for decontamination purposes.</li> </ul>
<b><i>Turnover achieved</i></b>	<ul style="list-style-type: none"> <li>• Despite the Covid 19 lockdown of the hospitality industry which affected vegetable sales substantially JM was able to maintain growth in turnover. This was mainly obtained from increased fruit sales as consumers became more health conscious to strengthen their immune systems.</li> </ul>
<b><i>% of repairs and maintenance budget spent</i></b>	<ul style="list-style-type: none"> <li>• During the 4<sup>th</sup> Quarter of the fiscal year JM focussed on the resolution of bottlenecks being experienced with service providers contracted by JPC for works at JM;</li> <li>• JM also initiated the creation of service panel providers to overcome challenges in the R&amp;M category</li> </ul>
<b><i>Number of jobs created</i></b>	<ul style="list-style-type: none"> <li>• JM conducted the in-contracting of 71 members of a cleaning function;</li> <li>• JM also continued with its EPWP and learnership programmes.</li> </ul>
<b><i>% resolution of Internal Audit findings</i></b>	<ul style="list-style-type: none"> <li>• During the course of the year JM focussed on internal audit assurance and was able to improve its processes relating to resolution of audit findings through nurturing better ownership at divisional level.</li> </ul>

### Recovery plan for non-achieved KPIs

A total number of KPIs not achieved for the period under review (Table 92):

**Table 72: Non-achieved KPIs**

<b>KPI not Achieved</b>	<b>Reason for non-achievement</b>	<b>Recovery Plan</b>
<b><i>% of Capital Budget Spent</i></b>	<ul style="list-style-type: none"> <li>• Continued project management implementation challenges with contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Reprioritisation of deliverables based budget adjustments</li> </ul>

KPI not Achieved	Reason for non-achievement	Recovery Plan
	<ul style="list-style-type: none"> <li>• Suspension of building and upgrading works as a result of the Covid 19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>• Revisit project management approaches</li> </ul>
<b>% resolution of Auditor General findings</b>	<ul style="list-style-type: none"> <li>• Capacity constraints mainly in terms of vacancies</li> <li>• The Covid 19 outbreak also hampered auditing activities</li> </ul>	<ul style="list-style-type: none"> <li>• Service provider panels to extend auditing capacity</li> <li>• The position of Senior Manager Internal Audit will be filled during the first quarter of the new financial year</li> </ul>

## Challenges





In pursuing its deliverables over the reporting period the entity had to contend with a number of challenges which are summarised in the table below:




- *Corona Virus pandemic:* The Covid-19 outbreak presented management with challenges in behavioural changes required for all Market users;
- *Infrastructure repairs:* Due to challenges with maintenance service providers, delays were experienced. In addition the entity needs to remedy substantial legacy maintenance items.
- *Inadequate trading space:* Sufficient trading space remains a major challenge, as market agents periodically had to store fresh produce on the platforms of some of the trading halls;
- *Specialised facilities:* Challenges experienced in the availability of banana ripening rooms and temperature fluctuations resulted in a number of these rooms not being functional. The SCM process is being followed to appoint service providers to repair the rooms and associated temperature fluctuation challenges;
- *Performance management system:* Performance contracts are only applicable to the top three management levels and need to be extended to the remainder of supervisory and other levels.

## JM- Organisational Scorecard

Table 93 below provides details on organisational performance against targets.

**Table 73: Organisational performance against target**

KEY PERFORMANCE INDICATOR	BASELINE	2019/2020 TARGET	QUARTER 4 TARGET	ACTUAL 2019/20	PERFORMANCE INDICATOR
<ul style="list-style-type: none"> <li>CoJ Strategic priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021</li> <li>Joburg Market Strategic Objective: Ensuring the financial sustainability and growth of the entity</li> </ul>					
(1.1) % Targeted market share held by JM in relation to other FPMs	44.02% Targeted market share held by JM in relation to other FPMs	44.6% Targeted market share held by JM in relation to other FPMs (*cumulative target number corrected)	44.6% Targeted market share held by JM in relation to other FPMs	45.2% Targeted market share held by JM in relation to other FPMs	Achieved. 
(1.2) Turnover achieved	R 7.9B achieved	*R 7.9B achieved *(Mid-year review and Covid 19 review)	R 7.9B achieved	R 8.1B achieved	Not Achieved 
(1.3) % of repairs and maintenance budget spent	70% of repairs & maintenance budget spent	85% of repairs & maintenance budget spent	85% of repairs and maintenance budget spent	101.9% of repairs and maintenance budget spent	Achieved 
(1.4) % of Capital Budget Spent	85% of capital budget spent	95% of capital budget spent	95% of capital budget spent	44.3 % of Capital Budget Spent	Not achieved 
<ul style="list-style-type: none"> <li>CoJ Strategic priority 2: Ensure pro-poor development that addresses inequality and provides meaningful redress</li> <li>Joburg Market Strategic Objective: Become an agent for socio-economic transformation</li> </ul>					

KEY PERFORMANCE INDICATOR	BASELINE	2019/2020 TARGET	QUARTER 4 TARGET	ACTUAL 2019/20	PERFORMANCE INDICATOR
(2.1) Number of jobs created	200 jobs created by JM	*120 jobs created by JM *(Mid-year review)	120 Jobs created by JM (Full year)	219 Jobs created by JM  ----- ----- Insourced = 71 Cleaners = 7 Learners = 13 EPWP = 128 Total = 219	Achieved 
<ul style="list-style-type: none"> <li>CoJ Strategic priority 3: Create a culture of enhanced service delivery with pride</li> <li>Become a high performance organisation</li> </ul>					
(3.1) % resolution of Auditor General findings	80% resolution of Auditor General findings for 2018/2019	85% - 95% resolution of Auditor General findings for 2018/2019	85-95% resolution of Auditor General Findings	66% resolution of Auditor General Findings	Not achieved 
(3.2) % resolution of Internal Audit findings	80% resolution of Internal Audit findings	85% - 95% resolution of Internal Audit findings	80% resolution of Internal Audit findings due	88% resolution of Internal Audit findings due	Achieved 

## Joburg Property Company

### *Introduction to Joburg Property Company*

JPC is mandated to manage and develop COJ's property portfolio for the purpose of maximising both social and commercial opportunities for the Council. JPC derives its mandate from a signed Service Delivery Agreement (SDA) with its sole Shareholder, the CoJ and it provides these core functions:

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

The entity has 1715 employees, based at the head office and various depots, who execute the strategy of the organisation.

### *JPC Strategy*

JPC's corporate strategy is aligned with the Integrated Development Plan (IDP), the Joburg 2040 Growth and Development Strategy (GDS) and the strategic priorities. JPC actively contributes to the following two GDS outcomes within the economic cluster outlined as follows:

- An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens
- A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region

JPC's mandate as a Property Company is to achieve positive developmental outcomes by creating an enabling environment that promotes economic growth and transformation while contributing to the long-term COJ's service delivery objectives. However this has evolved to focusing also on:





### **JPC's strategic pillars**

JPC pursues the creation of an innovation ecosystem that leverages on technology and extracting the maximum value from city assets; to improve the quality of lives of the COJ residents through these medium to long term smart city initiatives among others:

- Unleashing innovation in respect of its property development projects
- Identify opportunities for smart infrastructure:
- Strategic Partnerships with commercial funding partners to identify new innovations for private sector funding and support
- Promote green roof tops to lower temperatures in Inner City and provide food sustainability

JPC focuses also on the attainment of a clean audit, optimising resources, increasing productivity and improved service delivery as part of embedding good governance principles and financial stabilisation.

JPC will partner with City departments such as Housing, Economic Development and Community Development to identify sites/land or properties that could be used in the delivery

of public services in manner which citizens are involved in the creation and production of these services:

- Aesthetics management within precinct plans, Child care centres, early childhood development centres, Opportunity centres, Agricultural and farming, Community centres and recreations

### *Performance Highlights*

The JPC scorecard for the financial year ending 30 June 2020 reflects that the entity achieved 55% (11 of 20 targets due), and 45 % (9 of 20) of its targets not achieved. These targets could not be achieved due to the prolonged lockdown, which was not anticipated at the time.

Furthermore, the entity achieved eleven of twelve standards and has put mitigation plans in place to address the service standard that was not achieved, going into the new financial year

Achievements that contributed to the City's strategic priorities, were the following;

- (i) Rand Value of Investment Spend on projects within COJ Boundaries: The property development projects such as Huddle Park, Jabulani and Riverside View has led to rand value investment spent of R628 935 688.36.
- (ii) 4 894 Jobs opportunities created
- (iii) 2 226 SMMEs supported through property transactions
- (iv) Two hundred and seventy eight (278) Asset Management plans were formulated to ensure that Council properties are used optimally, addressing service delivery and maximising return on investment for the City;
- (v) A total of fifty- five (55) properties released on long term lease for Inner City Rejuvenation and redevelopment projects result in partnerships with private sector. Through these awards JPC is set to make R 6 397 874, 44 in Facilitation Fees charged and the City's Investment Attraction through these awards stands at approximately R443 637 332.
- (vi) Ten (10) properties to the value of R15 916 600.00 were acquired for housing developments purposes on behalf of the Housing Department
- (vii) A total of sixty two (62) properties to the value of R17 347 748.26 were acquired by means of being vested to CoJ in terms of town planning laws wherein properties were

transferred by private developers for service delivery purposes in terms of the Conditions of Township Establishment and properties that are unbundled from mother properties for housing purpose

- (viii) Fifteen (15) properties to the value of R220 878.00 were transferred to beneficiaries as part of the Land Regularisation Programme to advance the City's service delivery, housing provision and economic development objectives.
- (ix) Six hundred and thirty two (632) housing properties to the value of R31 393 398.82 were transferred to beneficiaries for the provision of housing as mandated by the Housing Act.
- (x) Reduction of intercompany debt from the R402 million to R325 million

#### *Property transactions being initiated*

Table 94 below reflects client enquiries on COJ properties or land for leasing and buying purposes, which prompted the initiation of property transactions;

**Table 94: Property Management Services: JPC**

Detail	Residential			Commercial			Social		
	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18
Property applications [1]received	8	49	178	65	183	451	20	94	277
Determination <sup>[2]</sup> made in year of receipt	4	48	115	55	167	290	4	79	215
Determination made in the following year	4	1	63	10	16	161	16	15	62

<sup>[1]</sup> Applications to buy, lease etc.

<sup>[2]</sup> 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.

Detail	Residential			Commercial			Social		
	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18
Applications withdrawn/rejected	3	27	97	3	23	215	1	37	179
Applications outstanding at year-end	1	4	63	7	24	161	15	15	62
Detail	Escalations			Responded			Withdrawn/Rejected		
	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18	2019/20	2018/19	2017/18
Total number	93	326	906	63	294	620	7	87	491

*Joburg Property Company IDP Deliverables*

**Table: JPC strategic objectives taken from the IDP**

Service Objectives Service Indicators	Service targets	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
Rand value of investment attracted on COJ Property	R1.3 billion	R1.3 billion	R1.4 billion	R1.4 billion	R 1.7 billion	R1.5 billion	R443 637 332
Number of Inner City Property redevelopment projects approved in Council for	N/A	10	0	25	27	20	55

Service Objectives Service Indicators	Service targets	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
release to the private sector							

Employees: JPC

**Table: Employees: JPC**

Job Level	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	4	4	6	5	1	17%
4-6	59	60	115	77	38	33%
7-9	299	220	593	316	277	47%
10-11 etc.	144	203	1436	1326	110	8%
<b>Total Permanent</b>	<b>506</b>	<b>487</b>	<b>2150</b>	<b>1724</b>	<b>426</b>	<b>20%</b>
Temps	N/A	13	N/A	N/A	N/A	N/A
<b>Total</b>	<b>506</b>	<b>500</b>	<b>2150</b>	<b>1724</b>	<b>426</b>	<b>20%</b>

## Financial Performance

Table 95 shows financial performance.

**Table 95: Financial Performance: JPC**

Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
<b>Total Operational Revenue</b>	473 709 225	629 617 929	846 215 985	902 806 001	792 575 754	(110 230 247)
<b>Expenditure:</b>						
Employee s	(259 300 742)	(278 131 608)	(449 428 049)	(381 708 258)	(377 827 911)	3 880 347
Repairs and maintenance	(41 397 892)	(41 330 364)	(91 995 004)	(87 855 000)	(62 521) 218	25 636 479
Other	(205 809 044)	(241 263 943)	(304 792 932)	(433 242 743)	(303 699) 523	129 719 044
<b>Total operational expenditure</b>	(506 507 678)	(560 725 915)	(846 215 985)	(902 806 001)	(743 131) 570	159 235 870
<b>Net operational expenditure</b>	(32 748 453)	68 892 014	-	-	49 005 623	49 005 623
<b>Net profit before tax</b>	(32 879 790)	68 892 014	-	-	49 005 623	49 005 623
<b>Taxation</b>	(1 231 522)	29 863 635	-	-	(20 978 545)	(20 978 545)
<b>Net profit after tax</b>	(34 111 492)	98 755 649	-	-	28 027 078	28 027 078

## Capital Expenditure

Table 96 shows capital expenditure.

**Table 96: Capital Expenditure: JPC**

R' 000									
Capital projects	2017/18		2018/19		2019/20				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total	R128 239	R127 840	R126 900	R126 496	R109 000	R159 000	R71 916	R	R159 000
Computer Equipment New Computer Upgrades Braamfontein Werf Ext.1 F	R1 700	R1 700	R2 000	R2 000	R1 000	R1 000	R980	R20	R1 000
Erf 43-46 Victoria Ext 3(Paterson Park Node) New Housing Development Victoria Ext.3 E	R3 000	R2 991	R5 000	R5 000	R11 000	R11 000	R10 467	R533	R11 000
Public Conveniences New Public toilets	R10 000	R10 000	R5 000	R 5000	R5 000	R5 000	R 5000	R0	R5 000

R' 000									
Capital projects	2017/18		2018/19		2019/20				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Johannesburg F Ward									
Upgrading of the Hillbrow Public Transport Facility linear market and taxi rank Johannesburg F Ward	R1 080	R1 080	-	-	-	-	R1 080	R1 080	R1 080
Kliptown Market & Taxi Rank (Improving Trading Facilities) Renewal Informal trading Stalls Pimville Zone 9 D Ward	-	-	-	-	-	-	-	-	-
Dobsonville Informal Trading Market Upgrading and construction of Informal Trading Facility	R1 459	R1 459	R5 000	R4 974	-	-	-	-	-



R' 000									
Capital projects	2017/18		2018/19		2019/20				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Dobsonville D Ward									
Jabulani CBD Precinct development Jabulani D Ward	R3 000	R3 000	R5 000	R5000	-	-	-	-	-
Land Regularisation Renewal Johannesburg F City Wide	-	-	-	-	-	-	-	-	
Office Space Optimisation Program New Precinct Redevelopment Johannesburg F City Wide	R2 000	R2 000	R9 600	R9 569	R25 000	R25 000	R25 000	R0	R25 000
Orlando Ekhaya Waterfront Development Renewal Park Orlando Ekhaya D Regional	R3 000	R3 000	-	-	-	-	-	-	

R' 000									
Capital projects	2017/18		2018/19		2019/20				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Randburg CBD Renewal Building Alteration Renewal Building Alterations Ferndale B Regional	R3 000	R2 972	-	-	-	-	-	-	
Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex Johannesburg F Ward	R15 000	R15 000	R20 000	R20 000	R10 000	R10 000	R6 025	R3 975	R10 000
Rissik Street Post Office Restoration Project New Heritage Johannesburg F Regional	R40 000	R40 000	-	-	-	-	-	-	-
Rosebank Linear Park Re-development	-	-	R10 000	R10 000	-	-	-	-	-

R' 000									
Capital projects	2017/18		2018/19		2019/20				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
New Precinct Redevelopment Rosebank B Regional									
Sandown Extension 49 Erf 575RE Renewal Building Alterations Sandown Ext. 49 E.	R35 000	R35 000	R27 300	R27 300	R30 000	R30 000	R0	R30 000	R30 000
Site Development Projects New Land Preparation Johannesburg F City Wide	R4 000	R4 000	R5 000	R5 000	-	-	-	-	-
Walter Sisulu Square of dedication (Refurbishment)	-	-	-	-	-	-	-	-	
Purchase & Development of land in Perth Empire, Louis	R2 000	R2 000	-	-	-	-	-	-	-

R' 000									
Capital projects	2017/18		2018/19		2019/20				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Botha and Turffontein Corridors New Corridors of Freedom Intervention Coronationville F City Wide									
Neighbourhood Development for Bertrams Priority Block New Building Alterations Betrams F Regional	R1 000	R987	R10 000	R9 999	-	-	-	-	-
Newtown Land Preparation and Packaging	-	-	R5 000	R4 874	-	-	-	-	-
Newtown Public Park Upgrade and service connections	-	-	R10 000	R9 782	-	-	-	-	-
Midrand Station Development public	-	-	R3 000	R2 999	-	-	-	-	-

R' 000									
Capital projects	2017/18		2018/19		2019/20				
	Adjusted Budget	Actual Expenditure	Adjusted Budget	Actual Expenditure	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
environment upgrade									
Soweto Empowerment Zone New Economic Infrastructure Diepkloof D Regional	-	-	R3 000	R3 000	-	-	-	-	-
Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	-	-	-	-	R25 000	R25 000	R21 875	R3 125	R25 000
Watt Street Inter-change New Housing Development WYNBERG E Regional	-	-	-	-	R2 000	R2 000	R2 000	R0	R2 000
Secure taxi and informal trading facilities in response to Covid-19	-	-	-	-	-	R50 000	R0	R50 000	R50 000

## **Metro Trading Company (MTC)**

Metropolitan Trading Company (Pty) Ltd (also referred to as “MTC”) is a municipal entity that is wholly owned by the City of Johannesburg (also referred to as “CoJ”). MTC aims to create better lives for the citizens of Johannesburg and realize the City’s vision of Johannesburg being “a world class provider of affordable and accessible ICT services”.

The entity was launched to ensure the delivery of the City’s Growth and Development Strategy 2040 (GDS 2040) Smart City drive. MTC is responsible for providing affordable, efficient, and inclusive connectivity and maintaining broadband distribution across the City.

### **Objectives**

- Lowering the cost of communication.
- Improving service delivery.
- Bridging the digital divide.
- Stimulating social and economic development in Johannesburg.

MTC is a maturing organization that has demonstrated value to the City and the Citizens of Johannesburg. The achievement of the implementation of critical projects that MTC has delivered on behalf of the City using the limited technology, process, and people resources. The role that MTC plays within the City is Smart City orientated and addresses the priorities of the City.

### **Highlights**

- The 2019-20 audit outcome audit outcome which detailed an unqualified audit opinion with material findings
- Financial sustainable organization
- The rollout of the Coj free hotspots with GICT
- Exceeding the revenue generation budget at the end of the 2019-20 which was R717 million against the target of R655 million.
- The entity has also supported the Transport and Public safety departments on ICT programmes.

### **Challenges**

- Budgetary constraints.
- Dilapidated infrastructure which operates below its capacity (The current broadband network).
- Staff shortages ( entity operating below expected target)

- Power outages causes service disruption
- Network vandalism

The current Service Delivery Agreement (SDA) expires this year and will be assessed for sign off at the end of the current financial year.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; childcare; aged care; social programmes, theatres.

### 3.8 Community Development

#### *Introduction to the Department of Community Development*

The Community Development Department envisages the emergence of a City where community development, personal growth and social inclusivity are enhanced, so that the challenges of inequality, poverty and social inclusion are fundamentally addressed. These goals are pursued within a mandate anchored by the Growth Development Strategy 2020 outcome 1 ***“Improved quality of life and development-driven resilience for all”***. The outcome is further unpacked into a number of outputs namely:

- a) Increased literacy, skills and lifelong learning amongst all our citizens.
- b) A safe and secure city.
- c) A city characterized by social inclusivity and enhanced social cohesion.

The work that flows from these outputs cuts across a number of areas including creating opportunities for social mobility through sports and recreation, promotion of culture of reading development, conservation and showcasing artistic expression and heritage as well as capital infrastructure development (social amenities).

Delivery of outputs is championed by service delivery directorates namely Sport and Recreation; Arts, Culture and 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. In addition, seeks to promote social cohesion, support nation building and deliver improved quality of life for residents in the City of Johannesburg.

The efforts coordinated by Community Development ensure that there is alignment of all social cohesion programmes and the achievement of national outcomes related to socio-economic inclusion and equality. Key interventions are designed to impact positively on the development of common values and creatively addressing inequalities and exclusions.

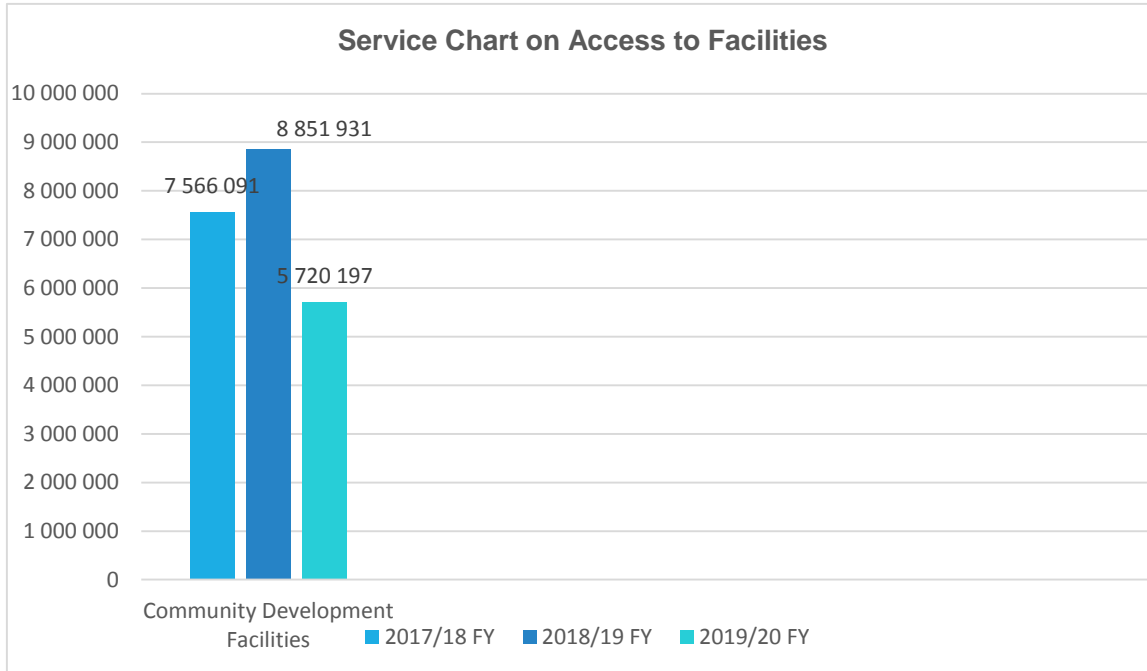
***Key focus areas:***

a) Access to facilities:

The department has made progress in enabling access to facilities, where residents can enjoy the programmes, services and projects delivered by Sports, Recreation, 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 City facilities as a launching pad. In 2019/20, a total number of 5,7 million people accessed the City's facilities. The numbers of people who accessed facilities were as at end March 2020, as the last quarter of the financial year was faced with an unprecedented challenge of COVID 19 pandemic and the announcement of level 5 lockdown. Figure 32 below depicts the number of people who have accessed Comm Dev facilities.





**Figure 32: Access to facilities**

i. Library and Information Services programmes:

Library and Information Services have been active across all 89 City's libraries in delivering a myriad of activities. The offerings of digital literacy skills to empower the CoJ community to effectively participate in the Smart City initiatives that included eLearning programme. A total of 56,289 individuals participated in the programme.

Extension of services to various establishments such as Old Age Homes, Correctional Services and places for People with Disabilities saw an increase in the number of books circulated to these places in 2019/20. A total number of books circulated at these establishments was 49,584.

Promotion of reading and literacy amongst children, youth and families was implemented through the Reading Development Programme. The programme consists of four sub programmes namely; Battle of the Books, Story Skirmish, Ready to Read and Indigenous Reading Development.

A total of 2,074 primary school learners participated in the Battle of the Books and Story Skirmish programmes in 2019/20. The Ready to Read and Indigenous Reading development programmes both benefited 11,845 individuals.

Other programmes and activities implemented by Libraries and Information Services included:

- Provision of information literacy, reference and research support, science and technology awareness (STEM), career guidance; and
- Create safe spaces for a range of educational programmes and afterschool support (Homework assistants/ Holiday programmes).

ii. Sports and Recreation programmes:

Sports and Recreation directorate have hosted and facilitated a broad spectrum of mass participation events. The most prominent being the aerobics activities contributing towards healthy lifestyle programmes throughout the 7 Regions.

Competitive sporting codes were implemented as part of Sports Development and included namely; Tennis, Rugby, Cricket, Volleyball, Netball, Swimming, Soccer, Boxing and had over 10,000 participants that took part in these sporting codes to advance Sports development.

Major sporting events were hosted in Johannesburg to promote the City of Johannesburg as a sport destination of choice. Arnold Africa Classic Games was one of the major events hosted by the City in partnership with Provincial Department of Sports, Culture, Arts and Recreation.

Furthermore, SONCHINI Games Gauteng were hosted in Germiston stadium and participation was predominately Youth. Team Joburg participated in u17 sporting tournament that consisted of the following sporting codes; Rugby, Soccer, Netball, Athletics and Swimming.

Support to school sport is implemented as an intervention to support learners in line with the school calendar year. The programme gave an opportunity for school learners to participate in athletic meetings and other sporting activities held at various sports field through the City. Support to school sport is implemented as an intervention to support learners in line with the school calendar year. The programme gave an opportunity for school learners to participate in athletic meetings and other sporting activities held at various sports field through the City.

### **Arts, Culture and Heritage programmes:**

Arts and Culture has a significant role to play in developing an integrated and inclusionary social fabric. The Joburg's cultural strategy sought to enhance the city's profile, identity and distinctiveness, while simultaneously created employment, developed human skills and generated social cohesion.

The programmes delivered at Museums and Galleries were aimed at showcasing exhibitions, maximizing 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 City museums are located.

The objective of the directorate is to implement activities in public spaces, conserving local, provincial and national heritage and museum assets, creating public art installations and promoting cultural life programmes across the City. The 2019/20 achievements included implementation of 10 Arts and culture programmes, 8 Museum programmes and 14 Heritage programmes.

**Capital Infrastructure Development:**

Development of infrastructure remained the focus to increase the life experience and well-being of communities by providing compact, integrated and liveable urban form that include social amenities where communities can benefit from the programmes and activities.

At the core of developing facilities, Facilities Enhancement Unit directorate ensured that development of capital infrastructure encompasses new facilities as well as maintain existing facilities. The implementation of programmes was done through Joburg Development Agency (JDA), Joburg Property Company (JPC), Johannesburg, Roads Agency (JRA) and Development Bank of Southern Africa (DBSA). Of the 19 capital projects planned in 2019/20, a total of 14 projects were implemented with implementing agents.

*Community Development IDP Deliverables*

Table 97 shows the community development objectives.

**Table 74: Community Development Objectives taken from the IDP Deliverables**

Service Objectives Service Indicators	Service Target (s)	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
Priority : Sustainable Service Delivery							
Number of participants in e-Learning programme at libraries	100,000	12,500	56,320	40,000	41,611	45,000	56,289
Number of people participating in the extended hours at libraries	50,000	10,000	26,953	13,000	14,602	14,000	30,607
Number of schools supported towards reading development programmes to improve literacy skills	450	650	658	620	644	620	650
Number of partnership agreements signed with stakeholders with Libraries	35	7	7	7	7	7	10
Number of Social Cohesion programmes through Libraries	22	4	6	4	5	4	6
Number of individuals accessing Libraries	4 million	2, million	3,9 million	3 million	3,9 million	4 million	2,2 million

Service Objectives Service Indicators	Service Target (s)	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
Number of partnership agreements signed with stakeholders with Museums and Galleries	20	4	6	4	6	4	7
Number of commemorations programmes held to animate public spaces and promote interaction by diverse communities	10	3	3	2	2	2 <sup>10</sup>	3

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

Table 98 shows employees.

**Table 75: Employees (Community Development)**

Job Level	2017/18	2018/19	2019/20		
	Employees No.	Employees No.	Employees No.	Vacancies No.	Vacancies (as a % of total) %
0-3	8	8	7	1	0%
4-6	17	23	90	15	0,9%
7-9	71	62	803	27	1,6%
10-12	392	389	472	28	1,7%
13-15	702	403	0	0	0%
16-18	481	452	31	206	12,3%
Total	1,671	1,338	1,403	277	16,5%

*\*A total positions in the structure is 1,680. A total 31 are temporary workers who are not permanent*

*Financial Performance: Community Development*

Table 99 shows financial performance

**Table 76: Financial Performance: Community Development**

Details	2017/18	2018/19	2019/20			
	Actual	Actual	Adjusted Budget	Target	Actual	% Achievement for Annum
<b>Total Operational Revenue</b>	(78,709)	(37,250)	(60,826)	(59,826)	(40,696)	(43%)
<b>Expenditure:</b>	1,046,845	966,034	1,114,552	1,170,398	939,099	20%
<b>Employees</b>	413,566	445,222	475,298	469,756	467,560	7%
<b>Repairs and maintenance</b>	63,570	(8,691)	165,626	174,326	92,561	58%
<b>Other</b>	-	-	-			
<b>Total Operational Expenditure</b>	1,076,668	1,084,604	1,230,048	1,277,894	1,053,052	19%
<b>Net Operational Expenditure</b>	997,959	1,047,354	1,169,222	1,218,068	1,012,356	18%



## Capital Expenditure

Table 100 shows capital expenditure.

**Table 100: Capital Expenditure - Libraries, Sports, Arts and Culture**

Project name	2019/20			
	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Operational Capital JOHANNESBURG, F	1,000,000	1,000,000	663,000	337,000
ACH – Joburg Art Gallery Upgrade, Johannesburg, F	4,000,000	4,000,000	1,717,000	2,283,000
ACH – Upgrading of Museum Africa and precinct (three houses Upgrade Heritage Area Upgrade, Newtown, F	1,000,000	1,000,000	721,000	279,000
Operational Capital Arts and Culture New information technology, Johannesburg F	1,000,000	1,000,000	390,000	610,000
ACH - Upgrading of the June 16 Acre Memorial Renewal Heritage Area Upgrade Jabavu Central Western D	1,000,000	1,000,000	0	0
Operational Capital Libraries New Information Technology JOHANNESBURG F	1,000,000	1,000,000	140,000	860,000
Lehae MPC New Construction	10,000,000	10,000,000	3,671,000	6,329,000
Library. Johannesburg (Centre of Excellence) Region F	3,000,000	3,000,000	775,000	2,225,000
RFID tagging for books New Library Braamfontein Werf F	4,000,000	4,000,000	0	0

Project name	2019/20			
	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Construction of new multipurpose centre (Library included) at Kaalfontein(Ebony Park)	20,000,000	16,000,000	13,418,000	2,582,000
Construction of the new multipurpose centre in Orange Farm (Drieziek) Region G	22,000,000	22,000,000	10,862,214,	11,137,786
Construction of the Ivory Park new swimming pool Ext. 2	18,000,000	18,000,000	10,4001,617	7,599,383
Construction of a new Cosmo City swimming pool Ext. 3	10,000,000	10,000,000	2,836,444.76	7,163,555.24
Upgrading of Meadowlands Stadium D	10,000,000	10,000,000	0	0
Operational Capital Sports and Recreation New Information Technology Johannesburg F	1,000,000	1,000,000	106,000	894,000
Construction of a new MPC in Matholesville C	17,000,000	17,000,000	15,493,213.80	1,506,787
Minor works at various recreational facilities: Citywide	8,000,000	8,000,000	5,767,000	2,223,000

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### 3.9 Johannesburg City Parks and Zoo

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, open spaces and cemeteries.***

The Entity is managed in terms of the Group Governance Framework and Service Delivery Agreement which manages the relationship between the entity and the shareholder.

- 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 309 species and 50 Subspecies. There are 2 720 specimens, 1 275 specimens currently housed at the Zoo and are currently on display whilst 32 specimens are out on loan to other Zoos within South Africa, and 1 413 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 they 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**

The 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 Goal 1: Service Delivery:** *To provide quality environmental services timeously to all citizens.* In terms of the Service Delivery strategic goal; JCPZ has achieved 78%. The KPIs that were not achieved are the percentage spent on Repairs and Maintenance Budget and the Percentage Implementation of approved stakeholder plan. See reasons for non-achievement of KPIs. In Section 5: Performance against Scorecard.

**Strategic Goal 2: Organisational Capacity and Capability:** *A high performing and optimally capacitated organisation.* In terms of the Organisational Capacity and Capability strategic goal; JCPZ has achieved 100%.

**Strategic Goal 3: Financial Sustainability:** *A financially viable and sustainable organisation.* The four KPIs linked to this strategic goal have been achieved.

**Strategic Goal 4: Sound Governance:** *An organisation with sound governance, supported by effective and efficient management.* The two KPIs linked to this Strategic Goal has been achieved, namely % implementation of Risk improvement actions and the Number of ICT processes improved.

### **Service Delivery Performance**

The organisation partially achieved maintenance activities specified in the Service Delivery Agreement due to the halting of operational activities in the 4<sup>th</sup> quarter 2019-20 financial year aligned to National Lockdown restrictions that were in place. Focused maintenance resumed under Level 4 in cemeteries, old age homes, clinics, hot spot areas and in some selected roads. Full comprehensive catch-up plans will be rolled-out in the new financial year aligned to the easing of lockdown limitations.

### **Cemeteries and Crematoriums**

The strategic direction of cemetery development focused on business principles within the ambit of the Johannesburg City Parks & Zoo (JCPZ) Business Plan to support the expansion of the geographic boundaries and population density to meet the needs of the community and CoJ within the realm of the 2030 vision. The horticultural maintenance for the Cemetery &

Crematoria is in accordance with the City's IDP turnaround times in terms of the category of the facility concerned. There are two (2) categories of cemeteries within Johannesburg i.e. flagship active (*new burials*) which are maintained on 14-day cycle amounting to 24 cycles per annum, and the passive cemeteries (*second burials or completely dormant*) are maintained on a 30-days cycle (monthly) amounting to 12 cycles per annum. Cemetery activities include horticulture & arboriculture maintenance, funeral ushering, grave digging, bookings and tracing of graves and cremations.

In order to maximize/ optimize burial space the City of Johannesburg the promotion of alternative means of burials, as opposed to the conventional method of in ground burials has been augmented. The alternative methods promoted are second burials, cremations, mausoleums (*Above Ground Burials*) and reduction burials (*Recycling of Family Graves by the same family*). The organisation is running campaigns to promote alternative burial methods. Figures reflect that our communities are adopting alternative burial methods especially with second burials and cremation alternatives. The City of Johannesburg has in total 1 034 000 (end-June 2020) available graves within 517 hectares of land in the south, central and northern cemeteries combined translating to four (4) active cemeteries for new burials *i.e. Olifantsvlei, Diepsloot, Westpark and Waterval*:

Service Statistics for cemeteries crematoriums

Table 101 shows the available Space and Graves Year to Date.

**Table 101: Available Space and Graves Year to Date**

CEMETERIES	FACILITY	SIZE OF SITE HECTARES (Ha)	NUMBER OF BURIAL GRAVES
Southern Cemeteries	Olifantsvlei Cemetery	380	760 000
Central Cemeteries	Westpark Cemetery	25	50 000
Northern Cemeteries	Waterfall Cemetery	60	120 000
	Diepsloot Cemetery	52	104 000
<b>TOTAL</b>		<b>517</b>	<b>1 034 000</b>

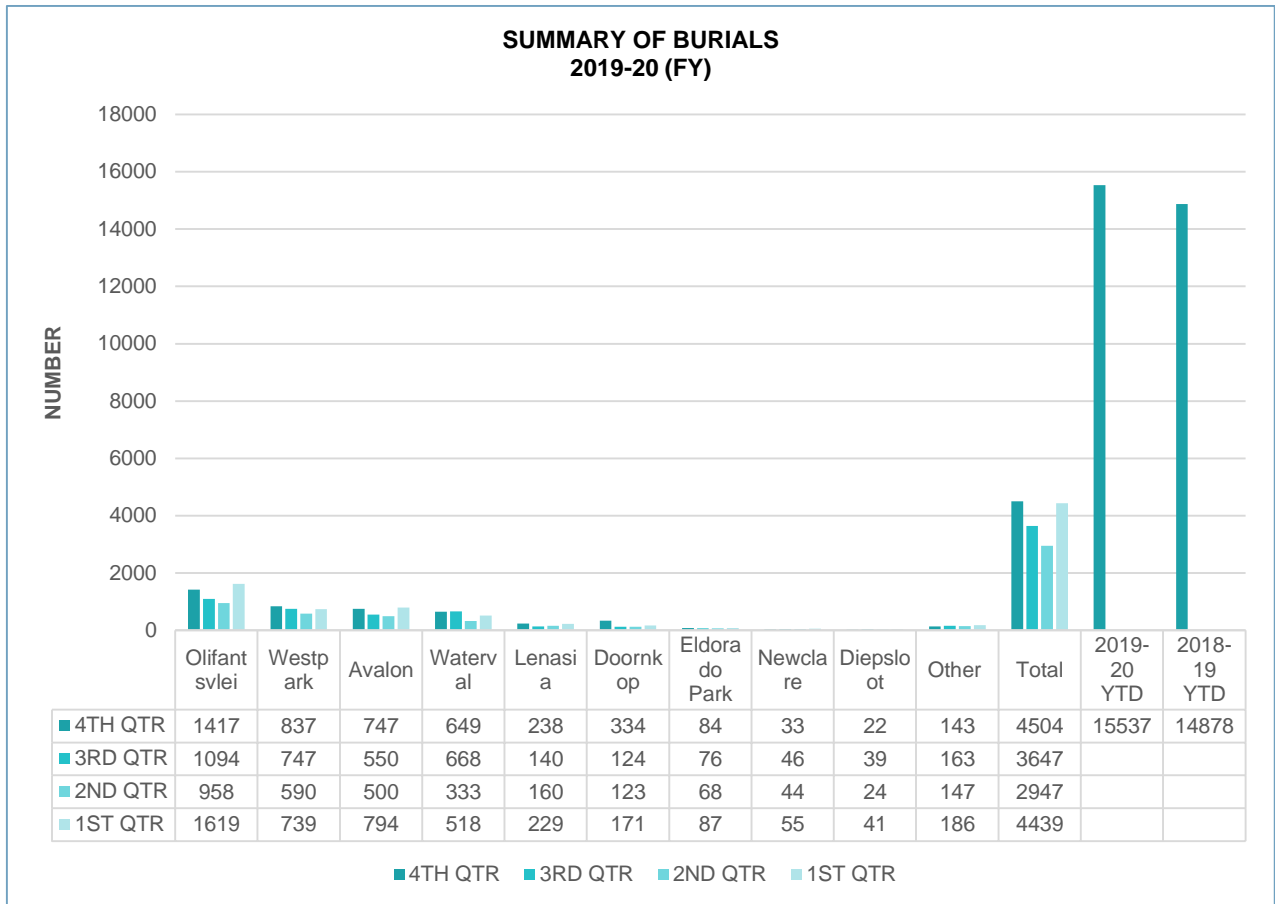
From the above listed available burial land and grave spaces (holes), a total of 5.41 hectares have been reserved for mass burials in Oliphantsvlei Eco-Cemetery (Region G) and Diepsloot Cemetery (Region A) should the need arise which translates to 10 820 graves listed in Table 102 below for COVID-19 burials. Additional burial space is available adjacent to the above listed sites if an expansion is required:

***Table 77: Reserved burial sites and sizes (COVID-19 graves)***

<b>CEMETERY</b>	<b>SIZE OF SITE HECTARES (Ha)</b>	<b>AVAILABLE BURIAL GRAVES</b>
Oliphantsvlei (Region G)	2.29	4 580
Diepsloot (Region A)	3.12	6 240
<b>TOTAL</b>	<b>5,41</b>	<b>10 820</b>

#### **2019-20 FY BURIALS & CREMATIONS SUMMARY**

Total burials undertaken in 2019-20 FY amounted to 15 540 when compared 14 878 for the same period of the previous financial year (Figure 33):

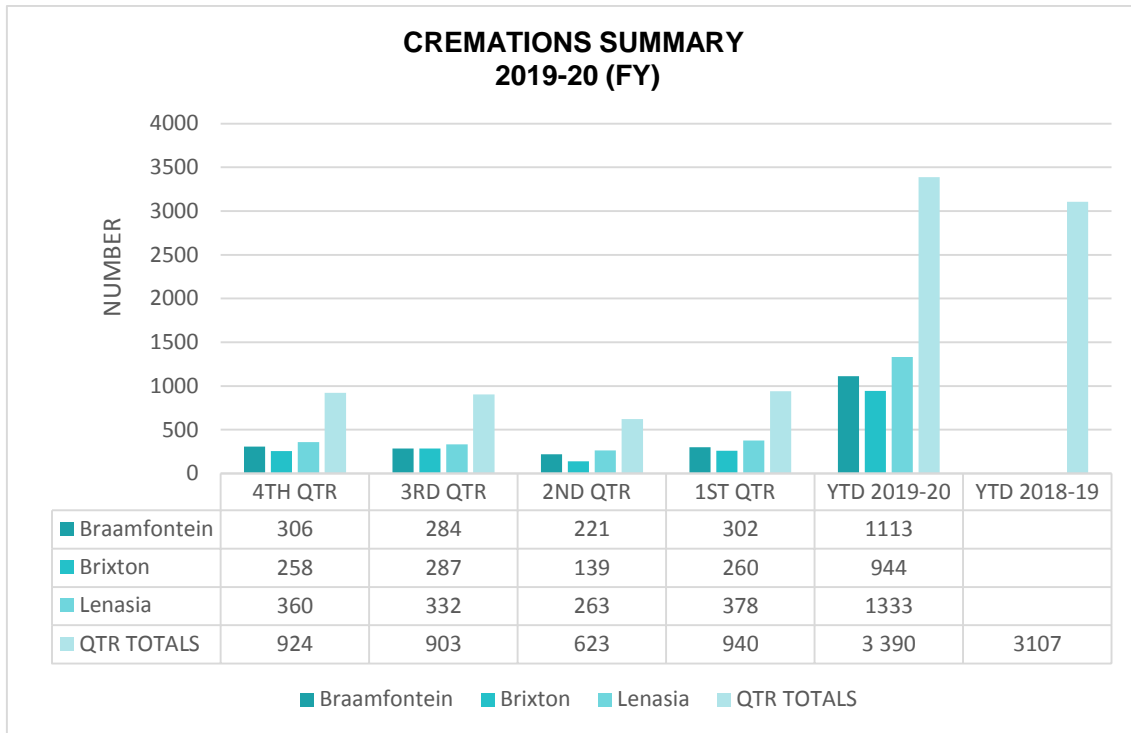


**Figure 18: 2019/20 FY Burials Summary**

### CREMATIONS SUMMARY

A total of 3 390 cremations were carried-out of which 1 113 were at Braamfontein, 944 at Brixton and 1 333 at Lenasia Crematoria compared to 3 107 for same comparative period of 2018-19 (FY) listed below (Figure 34):

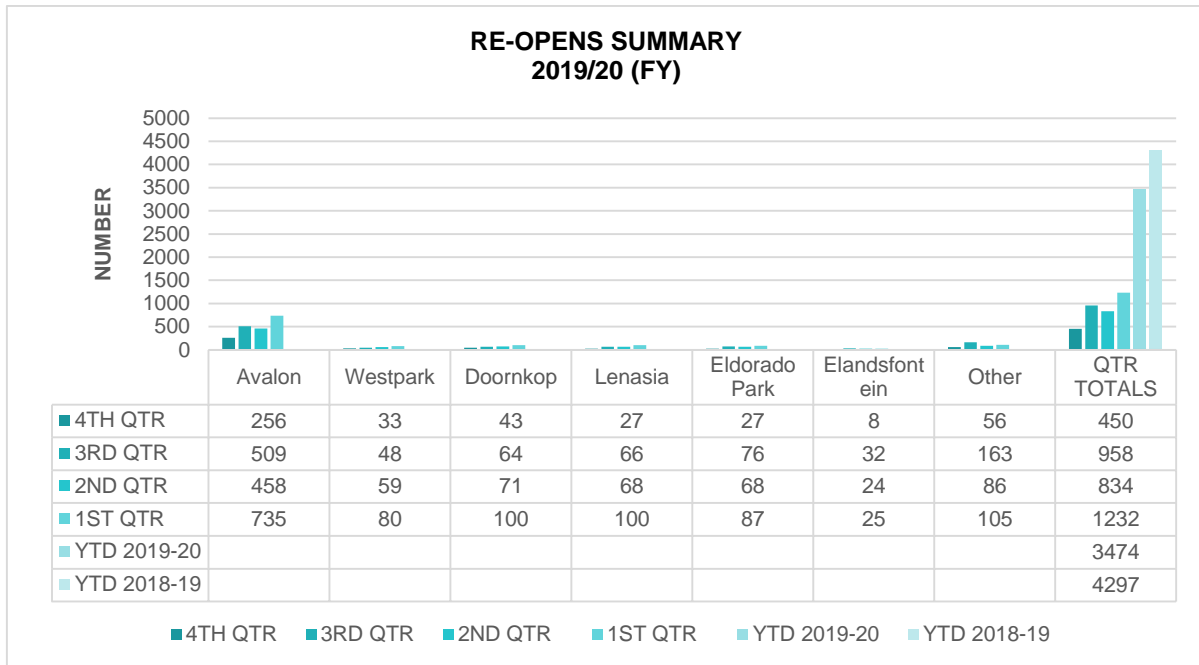




**Figure 19: Summary of cremations**

## RE-OPENS (2<sup>ND</sup> BURIALS) OVERVIEW

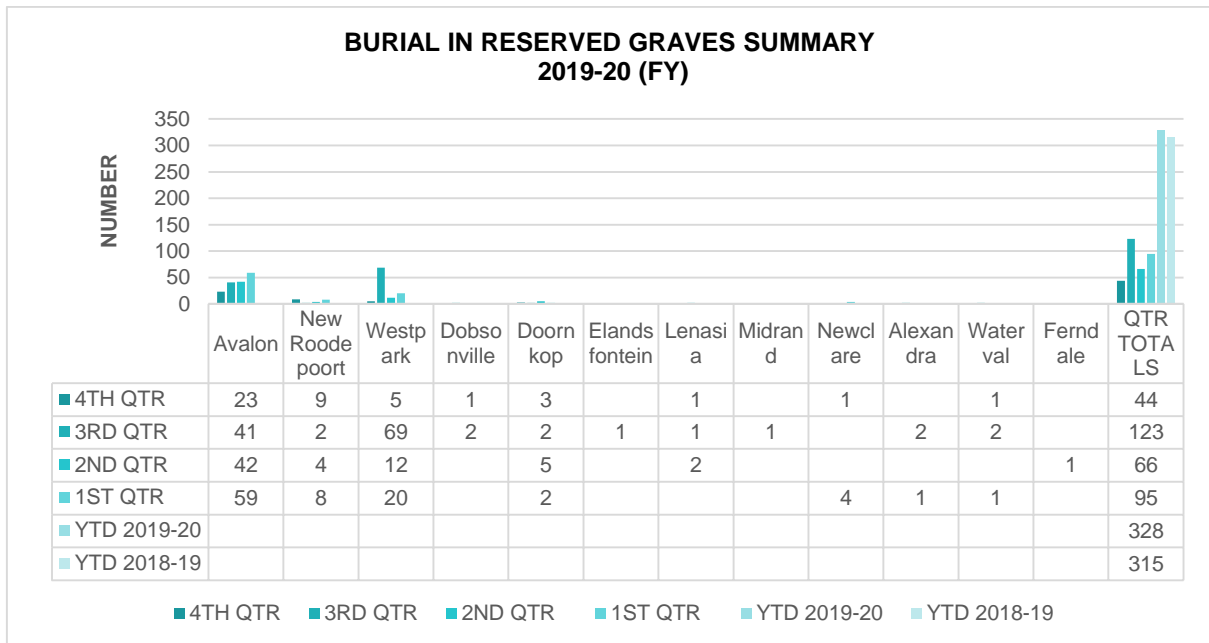
Reopens/2nd burials amounted to 3 474 in the current financial year versus 4 297 for the previous financial year (Figure 35):



**Figure 20: Summary of Re-open burials**

## BURIALS IN RESERVED GRAVES

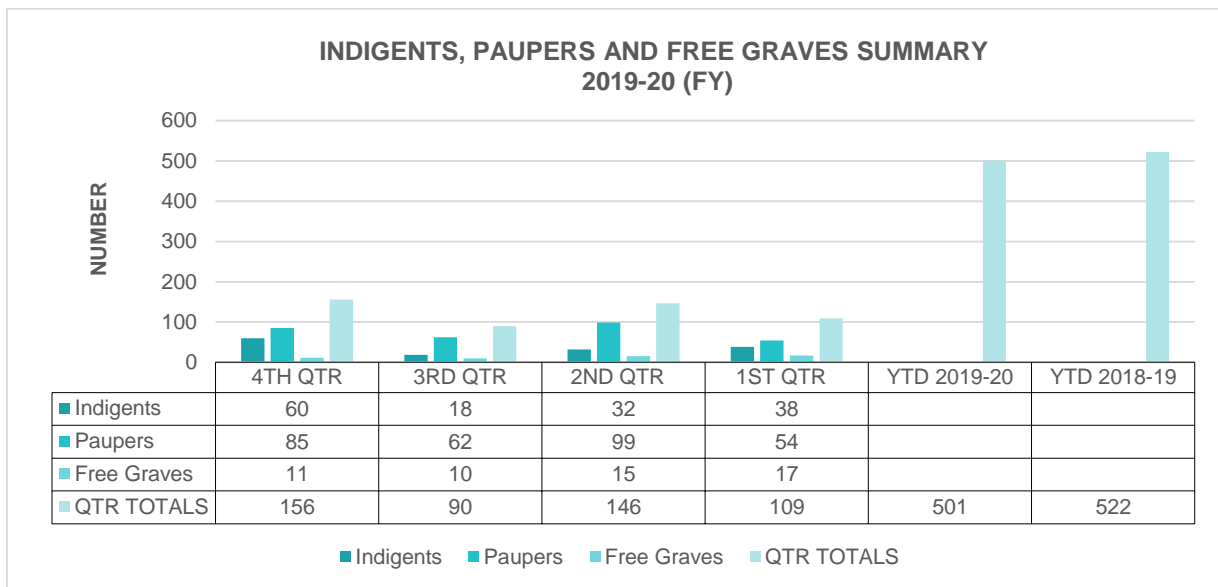
Reserved graves amounted to 328 in the current FY versus 315 for 2018-19 (Figure 36):



**Figure 21: Summary of burials in Reserved Graves**

## INDIGENT, PAUPER & FREE GRAVES

A total of 501 social burials were undertaken in the quarter of which 148 were indigent burials, 53 free graves and 300 were pauper burials compared to 522 for the same financial period of 2018-19 (FY) as outlined in Figure 37 below:



**Figure 22: Indigent, Pauper and Free Graves**

## PERFORMANCE AGAINST SERVICE STANDARDS (See Table 103)

**Table 78: JCPZ - Actual performance against the service standards**

Service Level Standard 2018/19			2019/20	
Core Service	Target	Actual	Target	Actual
1)Maintenance of Flagship Parks	12 cycles	14 cycles	48 cycles	58 cycles
2)Maintenance of Developed Parks	3 cycles	3 cycles	12 cycles	10 cycles
3)Maintenance of Undeveloped Parks	1 cycle	1 cycle	4 cycle	3 cycle
4)Maintenance of Main Arterials	3 cycles	4 cycles	9 cycles	8 cycles
5)Maintenance of Landscaped Islands and Town Entrances	6 cycles	6 cycles	24 cycles	18 cycles

Service Level Standard 2018/19			2019/20	
Core Service	Target	Actual	Target	Actual
6)Maintenance of Flagship/Active cemeteries	6 cycles	6 cycles	24 cycles	27 cycles
7)Maintenance of passive cemeteries	2 cycles	3 cycles	8 cycles	23 cycles
8)Response to calls logged for removal of fallen trees	80% of calls attended to	98% of calls attended to	80% of calls attended to	95% of calls attended to
9)Response to calls logged for damaged park infrastructure	80% of calls attended to	80% of calls attended to	80% of calls attended to	80% of calls attended to
10)Compliance to the PAAZA (Pan-African Association of Zoos and Aquaria) standards	100% compliance	100% compliance	100% compliance	100% compliance

The following items and activities were achieved during the period under financial year under review at the Zoo and Conservation Management Division:

- ✓ The regulations announced by the National Coronavirus Command Council (NCCC) gave directive for various facilities around the Republic of SA to remain closed to the public due to the Covid-19. The decision by the NCCC to close facilities for the public had effect to the JCPZ facilities as well. The affected facilities from the division include the JHB- Zoo, Botanical Gardens and The Wilds, Protected Areas, Koppies and Ridges. These facilities were closed for the public from 27 March 2020.
- ✓ Zoo and Conservation Management introduced two team shifts, for the period under review, Conservation Management and the Zoo embarked on many activities to maintain the highest standards of animal husbandry and welfare, conservation of special collections, biodiversity and conservation management.
- ✓ To demonstrate its commitment in aiding and also flattening the curve, all employees from the Division who are older than 60 years and also employees with co-morbidities / underlying health conditions, have been instructed to work or stay at home; and recently

mass screening and testing are being conducted at the appointed sites under the jurisdiction of the organization.

- ✓ JCPZ Management is continuously engaging with Regional and International Zoo Associations (PAAZA & WAZA) on latest developments regarding management of Zoos during Covid19 pandemic as well as preparations for management of Zoos post lockdown period.
- ✓ In the last financial year, the Zoo received 291474 visitors against the initial annual target of 500 000, however due to Covid 19 pandemic the target was revised to 270 000. More than 11 000 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.
- ✓ Makokou, the 35-year old, male, Western Lowland was experiencing constant running noise and severe diarrhea. He underwent extensive health checks that includes; CT scans, multiple blood tests, radiography, ultrasound, ophthalmic and dental examinations. That resulted in a surgery to remove polyps in his congested nasal passages that was successfully conducted in the Joburg Zoo on Saturday, 20 June 2020 and he has recuperated well.
- ✓ The birth of female Chimpanzee, Wild dog and surgery of male Gorilla attracted positive media coverage during period under review.
- ✓ The Zoo Farm agri-products to support the Joburg Zoo with additional animal feed such as vegetables, mealworm, termites and crickets is progressing very well. The vegetables are cultivated at the farm and harvested for the Zoo. The vegetables are weighed and sent to the Zoo. The 4 ha of teff was cultivated and waiting for to harvest the teff.
- ✓ The Zoo has successfully managed to hatch a Wattled Crane chick at Conservation and Research Farm in Parys. The chick is currently being monitored and reared by its parents. The chick is part of the Wattled Crane Recovery Project.
- ✓ The Amphibian research Project (ARP) is progressing well. Animal department took a week expedition to KZN to release 50 pickersgill specimens and 20 tapoles in the natural environment. All the specimens arrived well and were successfully climitised to the environment. However due to heavy rain, all the tadpoles drowned. Post- release monitoring proved that the frogs release survived and are doing well. Picker's Gill

Reedfrogs laid a clutch of 400 eggs with over 350 developed frogs already and still a lot to developed.

- ✓ The Pickersgill Reed Frog Team is in the final stage to complete husbandry manual for the management of the frog in captivity. The husbandry manual will be published before the end of the 2020/21 financial year.
- ✓ 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.
- ✓ Monitoring of Dwarf Burrowing Skink is on-going, and everything seems to be going well as planned. A total of 12 neonates were born to date in the Zoo from the specimen collected in September 2019.

*Employees – JCPZ.*

Table 104 shows employees.

**Table 79: Employees - JCPZ**

<b>Race Group</b>	<b>Top Manageme nt</b>	<b>Senior Manageme nt</b>	<b>Professiona ls</b>	<b>Skilled / Technic al</b>	<b>Semi- Skille d</b>	<b>Unskille d</b>	<b>Permane nt</b>	<b>Non- Permane nt</b>	<b>Gran d Total</b>
<b>Male African</b>	1	1	30	97	654	86	869	3	872
<b>Male Coloured</b>	0	0	3	8	22	1	34	0	34
<b>Male Indian</b>	0	0	3	5	1	1	10	0	10
<b>Male White</b>	0	0	3	15	5	1	24	0	24
<b>Female African</b>	0	1	18	94	242	51	406	10	416
<b>Female Coloured</b>	0	0	1	11	8	1	21	0	21
<b>Female Indian</b>	0	0	2	6	0	0	8	0	8
<b>Female White</b>	0	1	2	11	2	0	16	2	18
<b>Total</b>	1	3	62	247	934	141	1388	15	1403

*Financial Performance*

Table 105 shows financial performance.

**Table 80: Financial performance**

Year-to-date performance	2018/19 Actual	2019/20 Actual	2019/20 Budget	Variance %	Variance
	R'000	R'000	R'000	R'000	R'000
Revenue and other income	1 034 258	1 073 621	1 097 538	(23 917)	2.2%
Expenditure	(1 018 753)	(1 093 490)	(1 097 538)	4 048	0.4%
Surplus/(Deficit)	15 505	(19 869)		(19 869)	
Capital and project expenditure	46 762	33 383	66 700	33 317	50%



### Capital Projects and Expenditure

For the 2019-20 financial year the capital expenditure budget allocated was R66.7 million. The amount was a R12.42 million or 23% increase from the R54.3 million that was allocated in the previous financial year. The company spent R33.4 million (50%) of its capital expenditure budget of R66.7 million as at 30 June 2020 against a target of 52%. The target was revised downward during the Covid-19 Special Budget Adjustment due to the lockdown imposed in term of the National Disaster Management Act. In Comparison, for the 2018-19 financial year; 86% of the capital budget allocation afforded to the organisation through various city funding sources of R54.3 million was spent against an actual expenditure target of at-least 95%. The following tables shows details of the expenditure.

#### *JCPZ – Capital expenditure*

Table 106 (a) and (b) shows JCPZ capital expenditure

**Table 81 (a): JCPZ Capital Expenditure**

Description	2019/20		
	Actual spent R '000	Annual Budget R '000	% Actual R '000
Bird Sanctuary (CRR)	83	500	17%
Cemetery Upgrade (BSC)	584	1 500	39%
IT Equipment (CRR)	9 721	10 000	97%
Furniture (CRR)	661	2 000	33%
Florida Park (CRR)	1 012	3 000	34%
Golden Harvest Park (CRR)	459	3 000	15%
Innercity Parks (CRR)	691	1 000	69%
Innnercity Parks (BSC)	3 472	8 000	43%

Description	2019/20		
	Actual spent R '000	Annual Budget R '000	% Actual R '000
JHB Botanical Gardens (BSC)	1 344	4 000	34%
Kloofendal Nature Reserve (BSC)	597	1 000	60%
Louise Botha (Corridors) (COJ)	210	2 000	11%
Olifantsvlei Cemetery ( CRR)	6 226	7 190	87%
Olifantsvlei Cemetery (COJ)	-	2 000	0%
Olifantsvlei Cemetery ( BSC)	400	1 500	27%
Plant & Equipment (BSC)	781	4 000	95%
Rabie Ridge Park (CRR)	874	2 200	40%
Road Islands Beautification (CRR)	392	810	48%
Upgrade Parks to OHSA Standards (COJ)	219	1 000	22%
Riverlea Parks (BSC)	349	2 000	17%
Huddle Park Nursery (BSC)	400	1 000	40%
Zoo Animal Purchases (BSC)	666	2 000	33%
Zoo - Buildings (Infrastructure) (CRR)	-	2 000	0%
Zoo - Buildings (Infrastructure) (BSC)	1 242	5 000	25%
<b>Total</b>	<b>33 383</b>	<b>66 700</b>	<b>50%</b>

**Table 82: JCPZ Capital Expenditure**

Description	2018/19
	Actual spent R '000
Inner-city Parks	5 525
Louis Botha - Corridors of Freedom	2 739
Pieter Roos Park	1 896
Lenasia Wetlands	635
Furniture	1 040
Olifantsvlei Cemetery	9 005
IT Equipment	5 978
Plant & Equipment	615
Pioneer Park	4 482
JHB Botanical Gardens	2 998
Upgrade Parks to OHAS Standards	650
Stretford Park	173
Kliprivier Nature Reserve	
Rabie Ridge Park	796
Zoo - Buildings (Infrastructure)	4 775
Zoo - Animal Purchases	2 437
Zoo - Parking Area Development	1 255
Zoo Animal Hospital	927
Head Office Building	836
<b>Total</b>	<b>46 762</b>

## COMPONENT E: ENVIRONMENTAL AND INFRASTRUCTURE SERVICES DEVELOPMENT (EISD)

This component includes pollution control; biodiversity and landscape; and costal protection.

### 3.10 Environmental and Infrastructure Services Development (EISD)

#### ***Introduction***

The City of Johannesburg Metropolitan Municipality (the City) has an obligation to ensure ecological sustainable development and the responsible use of natural resources while furthering justifiable economic and social or human development for purposes of survival and prosperity. It has been reported that the population of Johannesburg (the city) will grow to approximately 5.5 million people by 2020. Taking current infrastructure capacity levels of the city into consideration, most of the infrastructure to support this growth must still be provided in years to come. It is now the opportune time to ensure that such infrastructure is sustainable, resilient and of a low carbon nature.

Johannesburg is a city founded on mineral resources found underground which has resulted in vast economic activities and consequent rapid urban growth, both in terms of physical development and the number of urban dwellers. The City is therefore faced with enormous challenges such as development pressures emanating from urbanisation, poverty, high levels of unemployment and access to basic services – associated with this influx of people in pursuit of urban opportunities. To deal with this challenge, the City needs to grow the economy and to also be effective in-service delivery. The City has acknowledged that its economic development should be underpinned by sustainability principles. The Environment and Infrastructure Services Department (EISD) is designed to position the city to develop sustainably based on the following key principles:

- Environmental Sustainability in Johannesburg has to advance development at a socio-economic level to alleviate poverty and at a macro-economic level to promote investment in the city. This philosophy is premised on the developmental role of local government as enshrined in the Municipal Systems Act;

- Environmental sustainability should be incorporated in the day to day running or operations of the city. All Council entities should conduct their activities to advance the developmental role of environmental management and limit the impact of their activities on the environment.
- The goal for environmental sustainability is to reduce the carbon footprint of the City through compact, integrated spatial development patterns supporting resource efficiency.

The Department's Strategic Agenda takes into cognisance that economic growth is strongly interrelated with the demand for these resources be it as - water, energy and ecological goods & services - with consequent generation of waste (solid, gas, liquid -pollution). Globally, human activities are depleting our natural "capital" and the long-term capacity of our ecosystems to sustain future generations. As non-renewable resources become scarcer, their supply will become less reliable and the associated price will increase. If the City is able to do more with fewer non-renewable resources, it will be better prepared for the future decline in resources – in contrast with cities that are resource-driven.

Johannesburg therefore like its counterparts elsewhere in the country, still has to overcome significant developmental challenges, with emphasis needing to be placed on improving equity and sustainability without necessarily increasing resource consumption. The concept of preserving our natural environment is concerned with advancing towards a sustainable, resilient and liveable city, with a focus on four key drivers.

The **key drivers** informing the state of the natural resources have been categorised as follows:

- **Impact on natural environment** – concerned with the "blue" & "green" natural resources for its ecological integrity (concern with water bodies, biodiversity areas & open spaces).
- **Environmental pollution** – Environmental pollution consists of five basic types of pollution, namely, air, water, soil, noise and light (concern with air, water & waste pollution)
- **Natural resource consumption** – consumption of goods and services that have an impact on the possible depletion of natural resources (water and energy in particular)
- **Carbon emissions** – emanating from activities relating to transportation; industrial processes (like wastewater works/ incineration); energy & waste generation

## ***Key Performance Areas***

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;

<b>KEY PERFORMANCE AREA OF DEPT.</b>	<b>DESIRED GDS2040 OUTCOME</b>
<b>Climate Change &amp; Energy</b>	<ul style="list-style-type: none"><li>• Reduce impacts of climate change</li><li>• Implementation of CC Strategic Framework</li><li>• Diversification of energy mix</li></ul>
<b>Water Resources &amp; Water Demand</b>	<ul style="list-style-type: none"><li>• Improved &amp; protected water courses</li><li>• Water conservation</li><li>• Demand reduction/ Alternative sources</li><li>• Building a water sensitive city</li></ul>
<b>Air Quality Management</b>	<ul style="list-style-type: none"><li>• Acceptable ambient air quality</li></ul>
<b>Biodiversity Conservation &amp; Open Spaces</b>	<ul style="list-style-type: none"><li>• Adequately Protected and Secured Biological Diversity</li><li>• Alien &amp; invasive species controlled</li><li>• Ecological functioning ecosystem</li><li>• Equitable provision of recreational open spaces</li><li>• Integrated Open Space Systems</li><li>• Sustainable management of urban drainage to reduce damage to receiving environment</li></ul>
<b>Waste Management</b>	<ul style="list-style-type: none"><li>• Reduce waste to landfill</li><li>• Increased recycling initiatives</li></ul>
<b>Environmental Awareness &amp; Education</b>	<ul style="list-style-type: none"><li>• Behavioural change</li></ul>

## ***Programmes***

In 2019/20, EISD focused 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***

The National legislative framework encourages waste avoidance, reduction and recycling in order to minimize waste going to landfill sites. One of the biggest challenges facing the City is

growing volumes of waste generated in the City and the diminishing landfill space for waste disposal. The City disposes over 1.4 million tons of waste annually and all the waste generated is disposed at the City's four (4) operational landfill sites of which three of them are almost reaching capacity and left with less than 10-year disposal air space. Illegal dumping of waste at the City's open spaces is one problem that calls for serious intervention to be put in place to address the problem of illegal dumping of waste. During the year under review the City through EISD implemented the following initiatives:

*a) Waste Diversion from landfill (see Table 107)*

**Table 83: EISD - Diversion of waste from landfill**

<b>Waste Streams</b>	<b>2019/20 Tonnages Diverted</b>	<b>Percentage per waste stream</b>
Commercial	107 967	8.5%
Dry Waste	26 891	2.1%
Green Waste	70 007	5.5%
Builders Rubble	13 232	1%
Office Recycling	36	0.0028%
<b>Waste diverted</b>	<b>218 133</b>	<b>17%</b>
<b>Waste disposed</b>	<b>1 054 382</b>	<b>83%</b>
<b>Waste Generated</b>	<b>1 272 515</b>	<b>100%</b>

The City during 2019/20, continued to encourage waste minimisation as well as improving the regulatory performance and reporting of Waste Management Activities (WMA). For the year under review, the overall total of waste diverted from landfill was **218 133** tonnages against **1 272 515** tonnages of waste generated resulting in **17%** 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.

*b) Alternative Waste Treatment Technologies (AWTTs)*

The City's operating landfill sites have been challenged by declining landfill airspace due to development, consumerism and population growth. 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*

The project entails treatment and disposal of waste in line with the Waste Management Strategy to avoid and minimise waste disposal by landfill and to generate electricity from waste through mass burn technologies. The City has appointed Development Bank of South Africa (DBSA) as implementing agent for the project. Additional land is being acquired adjacent to the Robinson Deep (RD) landfill site to provide space for the Waste-to-Energy plant, as well as expanding of the RD Landfill area.

- *Bio-digester Pilot Plant –*

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 has a total of four deliverables.

- Separation at Source (RCR/Dailies/Restaurants);
- Development of 50ton/day Biogas Plant;
- Feasibility Study for Citywide biodegradable stream & development of a PPP bankable project; and
- Review of the Biodegradable Waste Management Strategy.



The contract to procure Engineering Procurement Construction (EPC) was ceded from University of Johannesburg (UJ) to DBSA as the City's current implementing agent for the project. The Department of Environment Fisheries and Forestry (DEFF) has granted the City with a waste management license for the operation of the bio-digester plant.

- *Landfill Gas to Energy (LFG) Project*

The project aims to mitigate the harmful Greenhouse Gases (GHG) emitted from the City of Johannesburg landfill sites. The project is also in support of the City's GDS2040 outcome of shifting to low carbon economy. Construction was completed on three landfill sites i.e. Robinson Deep, Marie Louise and Goudkoppies. The three landfill sites are currently generating over 4 MW collectively. Robinson Deep is generating 3.1MW, Marie Louise generating 1.3MW and Goudkoppies generating just under 1MW.

### ***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. The recent IPCC Special Report on 1.5 degree Celsius indicates that human activities are estimated to have caused approximately 1.0°C of global warming above pre-industrial levels, with a likely range of 0.8°C to 1.2°C. 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 anticipated impacts can be summarized as follows:

- More episodes of heat waves with serious impacts on human health.
- More incidences of fire, putting property and human lives at risk.
- An increase in the demand for energy to cool buildings, residential dwellings and factories.
- Increased frequency and intensity of extreme weather events that could compromise infrastructure in the CoJ e.g. buildings, roads, power stations and distribution lines.
- Increased drought that will worsen water availability resulting in severe water scarcity.

In 2019/2020 EISD has implemented the following initiatives:

*a) Development of the Climate Action Plan*

The Climate Action Plan (CAP) process is underway and planned for completion and adoption by Council in December 2020. The CAP is projected to become the City's strategic climate 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 City has completed the Draft Climate Action Plan. The following outlines the scope of work undertaken specific to CAP: -

*b) The development of the GHG Inventory*

The City's first GHG emissions inventory was developed in 2007, followed by the second Global Protocol for Community Scale GHG Emission Inventory (also referred as GPC compliant inventory) in 2015. The 2015 inventory is however outdated in terms of the CAP requirements. It is for that reason that the department had to embark on the process of compiling the 2016 GHG Inventory.

The 2016 GHG emission inventory has finally been completed which will serve as the latest GHG inventory for the City. The City of Johannesburg has since officially received the Global Protocol for Community-Scale Greenhouse Gas Emission Inventory (GPC status) under Basic-level reporting standards. The inventory confirmed that a total estimated at 19 886 million metric tons of carbon dioxide equivalent (CO<sub>2</sub>eq) was emitted in the City of Johannesburg during 2016. The following were findings from this exercise:

- The largest contributor of these emissions is the stationary energy sector, from building, industry etc., which accounted for 11 392 million tons of CO<sub>2</sub>e (56%),
- Followed by the transport sector with 7 272 million tons CO<sub>2</sub>e (39%) and the
- Waste and Wastewater sector with 1 223 million tons CO<sub>2</sub>e (5%)

- No estimates of emissions for the Industrial Processes and Product Use (IPPU) or Agriculture Forestry and Other Land Use (AFOLU) were included in the inventory due to lack of data in these sectors.

*c) The development of the Climate Change Risk & Vulnerability Assessment*

The Climate Change Vulnerability Assessment has been completed with parts incorporated into the draft Climate Action Plan. In addition, the completed Vulnerability Assessment was further reviewed by the CSIR and the review findings will inform future Vulnerability Assessments.

*d) Undertaking of mitigation scenario modelling and target setting, and*

The mitigation scenario planning and target-setting work has been undertaken and work is still ongoing. The draft technical report has been drafted with worksheets that support the scenario development work currently underway. The two types of emission reduction scenarios modelled include:

- **Existing & planned action scenario** - This scenario includes existing or planned city, regional and national actions (e.g. policies, projects, etc.) that are expected to reduce community GHG emissions in future years. The scenario includes non-policy driven market trends when there is adequate evidence that such a trend is likely to occur.
- **Ambitious action scenario** - The ambitious action scenario is the most important scenario used to develop the climate action plan. The scenario includes strategies and actions that are ambitious yet achievable. The scenario expands on the implementation of existing and planned actions and also identify new strategies and actions that reduce additional sources of GHG emissions. If once finalized, the City believed that an ambitious action scenario based on realistic strategies and actions cannot achieve the Deadline 2020 targets, then an extended scenario will be modelled.

*e) Climate actions identification and prioritization*

The final list of programmes and projects were identified, and adaptation climate actions were prioritized. The prioritized adaptation actions will progress to the detailing phase. After the detailing phase, output and outcome indicators will be developed.

### ***Air Quality Management***

Air Quality in the City of Johannesburg is influenced by the emission of gaseous and particulate pollutants from anthropogenic activities and natural sources. Transportation, mining and domestic fuel burning are some of the key largest sources of air pollutants in the CoJ, with contributions from listed (mainly industrial/commercial activities) and non –listed activities, such as open burning of fires and dust from mine dumps, open areas, construction sites, paved and unpaved roads. Programmes undertaken in 2019/20 to manage the ambient air quality include;

#### ***a) 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 43 active Atmospheric Emission Licenses (AELs) which are valid for a period of five (5) years.

#### ***b) Ambient Air Quality Monitoring***

The City has a total of eight (8) air quality monitoring stations, which are strategically placed throughout the 7 regions. Each of these stations measures 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. During the year

under review only six (6) stations were operational. The six stations achieved data recovery of 75% for the financial year 2019/20. The required data recovery standard is 80%. Table 108 below shows data recovery performance per station and indicates an under recovery of data for four stations (Orange Farm, Diepsloot, Alexandra and Buccleuch), with above 80% data recovery archived for Jabavu and Ivory Park. Orange Farm and Diepsloot show a data recovery shortfall of less than 5% with stations.

**Table 84: EISD - Annual performance of Air quality monitoring stations**

Station Name	Validated Data (%)	Comments
Orange Farm	77.8	Poor efficiency, power failure
Diepsloot	78.43	Poor efficiency, SO <sub>2</sub> and Ozone faulty
Jabavu	80.06	Poor efficiency, power failure
Alexandra	60.3	Poor efficiency, PM faulty most part of the year
Ivory Park	87.93	Poor efficiency, Met faulty, Ozone and power failure
Buccleuch	69.97	Poor efficiency, power failure and break-in

Table 85 shows ambient monitoring stations located across the City for the monitoring of Air Quality pollution

**Table 86: 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°02'42.7"S & 28°05'56.6"E)	A	Between M1 South and N1 South/N3 interchange	Traffic emissions

Hotspot Zone	Monitoring Station to represent Hotspot Zone	Region	Address	Rationale
2	Alexandra (26°06'24.5"S & 28°06'36.8"E)	E	1562 Springbok Crescent, Alexandra	Domestic Fuel Burning
3	Delta Park (26°07'30.0"S & 28°00'31.0"E)	B	77 Craighall Road, Delta Park, Randburg	Urban Background
4	Orange Farm (26°28'48.0"S & 27°52'01.2"E)	G	Orange Farm (Home Affairs next to Police Station)	Domestic Fuel Burning
5	Jabavu (26°15'10.8"S & 27°52'19.2"E)	D	10282 Phamuli Street, Jabavu, Soweto	Domestic Fuel Burning
6	Diepsloot (25°55'19.2"S & 28°01'08.4"E)	A	382 Main Road, Diepsloot	Domestic Fuel Burning
7	Ivory park (25°59'34.8"S & 28°12'14.4"E)	A	8786 Moloantoa 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. The City is the biggest 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 2019/20 by EISD were;

#### ***a) Exploration and Development of Groundwater Resource***

The CoJ is currently implementing the Water Conservation and Demand Management Strategy to ensure that the water demand is optimized, however, the CoJ still needs to put measures in place to prevent a situation where the demand outstrips supply. Hence alternative water supply

sources needed to be investigated in order to create resilience, which comes with water supply source mix.

The City is embarking on exploration of alternative water sources which entails implementation of projects seeking to reduce the water demand from Municipal Infrastructure such as swimming pools and parks in order to ensure security of water supply in the long term. It is noted that the City's swimming pools and parks utilize a huge amount of Municipal water, hence an alternative source can be used to augment the water supply to the pools and parks. The 16 swimming pools, parks and sports fields were drilled in regions B, D and F of the City, and the criteria of the selection was based on the high-water demand from these facilities, security, accessibility and addressing of high-water table complaints from businesses. The current project entailed equipping and commissioning of 10 boreholes drilled across the City. The equipping and commission of the 10 boreholes will continue in the financial year 2020/21.

*b) Review of the Water Services By-Laws.*

This project was a continuation from the previous financial years. The process of public participation was initiated and completed, however the period prescribed by legislation for the validity of the process of By-laws review from the first day of advertising on the provincial gazette on the intention to source public comments to the day of publishing the Council approved by-laws lapsed, The city will undertake another public participation in the next financial year.

*c) Review of the Sanitation Policy*

The current sanitation policy (2002) is outdated and not aligned with the recent review of the National Sanitation Policy. Hence there is a need to review this policy. It is envisaged that the proposed sanitation policy be updated in a manner that is consistent with the national policy framework.

Phase 1 of the project which includes the review of Water and Sanitation policies and imperatives and phase 2 which includes the conceptual Framework of the proposed CoJ Sanitation Policy of the project were completed.

## ***Managing Water Resources***

The City's watercourses are experiencing negative impacts of urbanisation which have resulted in encroachment into floodplains, loss of wetlands and recharge areas, increased runoff of stormwater from hard surfaces, and pollution from a wide range of sources. The State of Rivers has highlighted the poor state of the City's rivers, characterised by extensive erosion and channel formation, sediment build up, loss of riparian vegetation and aquatic biodiversity, increased flood risk and loss of amenity of rivers for City's residents. River and wetland rehabilitation projects are aimed at addressing these problems by undertaking bank stabilisation and landscaping, restoration of aquatic habitat, the introduction of bio filters to improve water quality and park development alongside rivers to provide amenity for residents. The department initiated the following project during the year under review:

### *Assessment of River Health*

Assessment of river health provides a snapshot of aquatic health and the ecological status of rivers and assists with the identification of factors causing deterioration of the City's watercourses and the evaluation of the impact of policies and programmes to improve river health. The project was concluded, with sampling conducted for both the wet and dry seasons, and assessments conducted.

#### *a) Rehabilitation Projects*

The department continues with the approach of improving and managing the quality of watercourses through rehabilitation projects within the various Water Management Units (WMUs), in both the Jukskei and Klip Catchments. The State of Rivers report highlighted the poor state of the City's rivers, characterized by extensive erosion and channel formation, sediment build up, loss of riparian vegetation and aquatic biodiversity, increased flood risk and loss of amenity of rivers for City's residents. River and wetland rehabilitation projects are aimed at addressing these problems by undertaking bank stabilisation and prevention of ongoing erosion and sedimentation, restoration of vegetation and aquatic habitat and the introduction of biofilters to improve water quality, and the development of useable parkland alongside watercourses to improve the amenity of the City's rivers for residents. A total of four rehabilitation projects within the various WMUs were implemented during this Financial Year 2019/20 as outlined below:



- *Lombardy East WMU*

Rehabilitation and re-engineering of Lombardy East sub catchment was intended to stabilize banks and reduce flooding to downstream areas and to assist with improved water quality. This would also assist in mitigating risks to downstream infrastructure and property and prevent ongoing channelization and erosion. JRA was appointed as implementing agent. Specialist studies have been completed and preliminary and detailed designs have been completed.

- *Braamfontein West Catchment*

Rehabilitation and re-engineering of various dams (Alberts Farm and Johannesburg Botanic Gardens, Emmarentia) including reconstruction and modification of banks and spillways, to restore structural integrity, assist with water attenuation and retention, promote improved water quality and restoration of aquatic habitat. The detailed designs and environmental approvals and these have been completed.

- *Pampoenspruit Catchment*

Rehabilitation and re-engineering of Sundowner dam including reconstruction and modification of banks and spillway, to restore structural integrity, assist with water attenuation and retention, promote improved water quality and restoration of aquatic habitat. Work for current financial year comprised detailed designs and environmental approvals. The concept and detailed designs were completed and environmental authorisation has been obtained.

- *Jukskei Catchment*

Rehabilitation and re-engineering of Lonehill “Lappies” dam including reconstruction and modification of banks and spillway, to restore structural integrity, assist with water attenuation and retention, promote improved water quality and restoration of aquatic habitat and to prevent ongoing erosion and risks to properties and infrastructure downstream. Work for current financial year comprised detailed designs and environmental approvals. Preliminary and detailed designs were completed.

## ***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. The overall biodiversity objective of enhancing human development and wellbeing through sustainable use of biological resources and equitable sharing, in this regard the Department initiated the implementation projects as outlined below in the Financial Year 2019/20.

### *a) 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. During the year under review the Mayoral Committee approved that the City of Johannesburg to be declared as bioregion through a Letter of Intent to publish a Bioregional Plan, to be submitted to the Department of Economic Development, Agriculture and Environment. The Draft Bioregional together with the Stakeholder Engagement Report were to be submitted to the SANBI Review Panel. This panel would then submit it to Gauteng Department of Economic Development, Agriculture and Environment for the Public Participation process to be conducted for the publishing of the City of Johannesburg Bioregional Plan.

### *b) 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.

### *c) Implementation of Ecological Management Plans in Protected Areas*

Ecological Management Plans (EMPs) inform management of Protected Areas and other priority biodiversity areas. Adequate implementation of these plans is critical for the maintenance of ecological, economic and social viability of biodiversity priority areas. The interventions identified in the EMPs include several Action Plans as per the table below:

• Alien Plants Control (core)	• Trail Making and Rehabilitation
• Vegetation and Game Assessment(core)	• Fence Maintenance and Patrolling
• Bush Clearing	• Landscaped Area Maintenance
• Erosion Control	• Litter and Debris Control

The Ecological Management Plans (Action Plans) were implemented in the following ten (10) Nature Reserves:

- Klipriviersburg Nature Reserve
- Kloofendal Nature Reserve
- Rietfontein Nature Reserve
- Melville Koppie Nature Reserve
- Lonehill Koppies Nature Reserve
- Norscot Koppies Nature Reserve
- Ruimsig Entomology Nature Reserve
- Little Falls Ridge Nature Reserve
- Northcliff Ridge Nature Reserve
- Linksfield Ridge Nature Reserve

The project implementation has been concluded and a total of 95 Job Opportunities were created.

#### *d) Biodiversity Strategy and Action Plans Review*

The Local Biodiversity Strategy and Action Plan (LBSAP) for the City of Johannesburg (CoJ) articulates detailed action plans through which the LBSAP's vision and strategic objectives which will be implemented for the conservation, protection, use and development of nature and

biodiversity in and around the city, within the jurisdictional boundaries of the City. The strategy is a tool by which the CoJ, its departments, municipal owned entities, partners and the local community can work together, through a whole-of-society approach, to deliver sustained action towards a greener, healthier, and more sustainable city. During the year under review, the City completed the review the City's Local Biodiversity Strategy and Action Plan 2015 (produced in 2009).

### ***Open Space planning***

Open space provides environmental, social and economic benefits to society. On the one hand open space resources have intrinsic value and support ecological functions such as providing habitats for biodiversity, helping to improve the microclimate and air and water quality, recharging groundwater, managing urban drainage, preventing flooding and mitigating the impact of disasters, supporting food security, and climate change mitigation and adaptation. Open Space Planning aims to improve the protection and management of the whole landscape and to secure critical natural processes underpinning development, including important habitats and ecological linkages, protection of water catchments, and harnessing the benefits of 'Green Infrastructure' both natural and engineered. The Department initiated the implementation projects as outlined below in the Financial Year 2019/20:

#### *a) Development of Catchment Management Plans*

The project entailed the development of a catchment management plan for the Jukskei catchment, to guide the integrated management of water resources to ensure healthy rivers, improved management of the overall water balance, reduced flooding, and restored social benefits of watercourses. The data analysis and modelling were conducted, and a preliminary hydrological model has been developed.

#### *b) Hydropedology Studies*

The hydropedology study completed for the Constantia/ Wilgeheuwel/ Ruimsig corridor confirmed the presence of substantial groundwater decanting to the surface and causing extensive structural and environmental problems for surrounding developments. The findings could not definitively explain the source of the water and hence further geo-physical and geo

hydrological tests are required to supplement the hydrogeology findings, in order to inform sustainable mitigation measures

*c) Development of Stormwater Design Manual*

As provided for in the Stormwater By-Laws, the Department has developed a Storm Water Design Manual aimed at improving the management of storm water runoff in order to reduce negative impacts on the receiving environment, reduce flooding and damage to infrastructure, and to ensure improved river health. The Design Manual has been completed, and extensive public awareness and capacity building undertaken. The Manual will continue to be updated based on research and best practice approaches.

*Financial Performance*

Table 110 shows financial performance

**Table 87: Financial Performance: EISD**

Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
<b>Total Operational Revenue</b>	<b>(88,541)</b>	<b>(74,422)</b>	<b>(75,350)</b>	<b>(86,450)</b>	<b>(80,427)</b>	<b>(6,023)</b>
<b>Expenditure:</b>						
Employees	64,763	68,040	73,837	71,752	73,214	(1,462)
Repairs and maintenance	1, 245	839	2,274	1,050	496	554
Contracted Services	10,839	19,988	40,928	16,889	13,676	3,213
General Expenses	3,331	3,104	3,003	2,956	1,481	1,475

Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Provision for bad debts	31,192	45,300	32,300	32,300	28,980	3,320
Depreciation	3,608	11,101	9,719	13,237	11,803	1,434
<b>Total operational expenditure</b>	<b>114,978</b>	<b>148,372</b>	<b>162,061</b>	<b>138,184</b>	<b>129,650</b>	<b>8,534</b>
<b>Net operational expenditure</b>	<b>26,437</b>	<b>73,950</b>	<b>86,711</b>	<b>51,734</b>	<b>49, 223</b>	<b>2,511</b>

### *Employees*

Table 111 shows employees.

**Table 88: Employees: EISD**

Job Level	2017/18	2018/19	2019/20	Vacancies (as a % of total) %
	Employees No.	Employees No.	Employees No.	
Top management	0	0	1	<b>174</b>
Senior management	21	20	17	
Professionally qualified and experienced specialists and mid-management	39	34	37	
Skilled technical and academically qualified	32	38	31	

Job Level	2017/18	2018/19	2019/20	
	Employees No.	Employees No.	Employees No.	Vacancies (as a % of total) %
workers, junior management, supervisors, foremen, and superintendents				
Semi-skilled and discretionary decision making	4	2	4	
Unskilled and defined decision making	3	3	2	
<b>Total</b>	<b>99</b>	<b>97</b>	<b>92</b>	<b>53%</b>

### *Capital Expenditure*

Table 112 shows capital expenditure.

**Table 112: Capital expenditure**

	2017/18		2018/19		2019/20		
Capital projects	Adjusted Budget	Actual Exp.	Adjusted Budget	Actual Exp.	Budget	Adjusted Budget	Actual Expenditure
Waste Treatment technologies	9,305	-	18,500	18,500	20,000	20,000	20,000
Mshenguville wetland rehabilitation New	3,300	2,565	-	-	-	-	-
Rehabilitation of Ivory Park water management unit	-	-	1,500	1,121	-	-	-
Far Eastbank New Ecological Infrastructure	-	-	-	-	-	-	-
Rehabilitation of the Braamfontein spruit	-	-	4,000	1,633	11,000	11,000	419
Bosmontspruit Rehabilitation Renewal	15,000	9,883	-	-	-	-	-
Exploration of ground water by drilling boreholes	2,400	-	3,500	2,200	2,000	2,000	-
Lombardy East New Ecological Infrastructure	-	-	1,000	257	600	600	536
Kaalspruit Rehabilitation Programme New	2,000	2,000	-	-	-	-	-
Ambient air quality analysers for the air quality monitoring network	3,300	1,895	1,350	959	4,000	4,000	-
	2017/18		2018/19		2019/20		
Capital projects	Adjusted Budget	Actual Exp.	Adjusted Budget	Actual Exp.	Budget	Adjusted Budget	Actual Expenditure
Catchment Rehabilitation (Jukskei) New Ecological Infrastructure	-	-	2,000	-	950	950	367



Pampoenspruit Catchment Rehabilitation New Ecological Infrastructure	-	-	4,000	373	350	350	237
Jukskei Alexandra Water Management Unit New Ecological Infrastructure	5,800	5,245	2,250	2,110	100	100	86
Kelland/Fairlands river and Wetland rehabilitation	-	-	-	-	-	-	-
Green Energy Initiative New Green Infrastructure	-	-	-	-	-	-	-
Operational Capital (EISD) Renewal Operational Capex BRAAMFONTEIN WERF EXT.1 City Wide	1, 000	-	1,340	-	970	970	66
<b>Total</b>	<b>43,605</b>	<b>22,586</b>	<b>39,440</b>	<b>27,153</b>	<b>39,970</b>	<b>39,970</b>	<b>21,748</b>

#### *Comment on performance*

The capital projects implemented are addressing the City's priority of Sustainable Environmental Development. 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.

### 3.11 Department of Health

#### ***Introduction***

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, one satellite and 10 mobile clinics).

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;

- a) Water quality monitoring;
- b) Food control;

- c) Waste management;
- d) Health surveillance of premises;
- e) Surveillance and prevention of communicable diseases, excluding immunization;
- f) Vector control;
- g) Environmental pollution control;
- h) Disposal of the dead; and
- i) Chemical safety.

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

- a) Strengthening district health systems through increasing access to primary health care services;
- b) Improving health literacy levels;
- c) Improving access to antenatal care services;
- d) Improving the TB cure rates;
- e) Increasing the number of clinics providing ARV and HIV treatment services; and
- f) Consolidating the City's focus on Environmental Health Services (Municipal Health Services) through promotional, educational and enforcement programmes.

#### *Performance highlights*

Highlights for the 2019/20 financial year included the following;

- a) An additional 14 clinics now offer extended service hours.
- b) 102 (93 Nurses 9Doctors) were trained in the identification of early warning signs for substance abuse and possible medical interventions against the target of 81.
- c) The TB success rate for the period (Apr 2018 - Mar 2019 was 82.7%(10 320 of 12 484)
- d) This translates to a 4.7% increase from the baseline of 79% (2018/19).
- e) This translates to a 4.7% increase in the TB treatment success rate from the baseline of 79% (2018/19).
- f) 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);

- g) 100% of public sector clinics and 100% of public sector hospitals were inspected per quarter; and,
- h) All air quality and water quality management requests were attended to.

*Department of Health IDP Deliverables*

Table 89 shows department of Health IDP Deliverables.

**Table 90: Department of Health IDP Deliverables**

Service Objectives Service Indicators	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
<b>Department of Health Policy Objectives taken from the IDP.</b>						
Number of clinics with extended service hours	13	13	26	26	40	40
Number of doctors and nurses trained in the identification of early warning signs for substance abuse and possible medical interventions	81	116 nurses and 13 doctors	81	154 Nurses and 13 doctors	81	100 nurses and 2 doctors
% of public sector clinics inspected per quarter	100%	100%	100%	100%	100%	100%
% of public sector hospitals were inspected per quarter	100%	100%	100%	100%	100%	100%

Employees: Department of Health

Table 91 shows employees Department of Health

**Table 92: Employees Department of Health**

Job Level	2019/20		
	Employees No.	Vacancies No.	Vacancies (as a % of total) %
4-6	49	35	71.24
7-9	50	28	56%
10-12	1126	241	21.4%
13-15	835	241	28.8%
16-18	215	68	31.6%
Total	2275	613	26.9%

Financial Performance: Department of Health

Table 93 shows financial Performance: Department of Health.

**Table 94: Financial Performance: Department of Health**

Details	2017/18	2018/19	2019/20			
	Actual		Adjusted Budge	Target	Actual	% Achievement for Annum
<b>Total Operational Revenue</b>	<b>(193 484)</b>	<b>(187 197)</b>	<b>(199 103)</b>	<b>(199 103)</b>	<b>(184 217)</b>	<b>93%</b>
<b>Expenditure:</b>						
Employees	792 724	892 868	1 016 261	1 016 261	1 029 600	101%
Repairs and maintenance	15,172	12 283	14 329	14 329	5 076 **	35%
Other	128 580	162 016	171 920	171 920	164 131	95%
<b>Total Operational Expenditure</b>	<b>936 476</b>	<b>1 067 167</b>	<b>1 202 510</b>	<b>1 202 510</b>	<b>1 198 807</b>	<b>100%</b>

Details	2017/18	2018/19	2019/20			
	Actual		Adjusted Budge	Target	Actual	% Achievement for Annum
Net Operational Expenditure	742 992	897 970	1 003 407	1 003 407	1 014 591	101%

*\*\* Please note Repairs and maintenance accruals to the value of R8.4 million are not included in this figure. Projected total expenditure after accruals is R13.5 million or 94%.*

#### *Health Capital Expenditure*

Table 95 shows health capital expenditure.

**Table 96: Health Capital Expenditure**

Project details	2018/19	2019/20			
	Expenditure to date:	Original budget	Adjustment budget	Expenditure to date:	Expenditure to date:
	Amount			Amount	Percentage
Claremont Renewal C	9 999 998	0	0	0	0%
Ebony Park Renewal C	5 986 078	0	0	0	0%
Florida clinic New C	7 000 441	20 000 000	23 882 000	19 358 922	81%
Bophelong Clinic	7 846 960	30 000 000	32 441 000	32 434 379	100%
Mobile Clinics	29 683 019	0	0	0	0%
Zandspruit	264 098	0	0	0	0%
Naledi clinic New Bu	1 228 415	7 000 000	3 000 000	870 167	29%
Operational Capital	6 290 625	3 000 000	7 000 000	3 841 962	55%
Substance Abuse Treatment centre	6 493 002	0	0	0	0%
Orchards Clinic	0	3 600 000	3 600 000	0	0%
Procurement of Health	9 953 114	20 000 000	20 000 000	0	0%

Project details	2018/19	2019/20			
	Expenditure to date:	Original budget	Adjustment budget	Expenditure to date:	Expenditure to date:
	Amount			Amount	Percentage
Information System					
Minor Works at various clinics across	9 234 377	9 085 000	9 085 000	8 547 241	94%
<b>Totals</b>	<b>93 980 127</b>	<b>92 685 000</b>	<b>99 008 000</b>	<b>65 052 671</b>	<b>66%</b>

## COMPONENT G: PUBLIC SAFETY AND SECURITY

### 3.12 Public Safety

#### ***Introduction***

The Public Safety Department is mandated to champion by-law management, crime prevention and traffic management, disaster management, emergency and fire and rescue 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 of 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.

#### 3.12.1 Johannesburg Metropolitan Police Department

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 are 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*

- **Crime Prevention**



In terms of the constitutional and statutory responsibility for crime prevention and reduction, this rests with the South African Police Service (SAPS). However, in terms of the SA Police Service Act, the JMPD is required to carry out activities related to the prevention of crime. The approach undertaken by the JMPD in contributing to crime prevention and reduction is by ensuring that Johannesburg is orderly, and by-law and traffic enforcement is effective. The first point of the departure for the JMPD is to align its priorities, integrate its police tactics, and synchronise its policing plans and schedules with the SAPS. This is to ensure effective utilisation and deployment of resources.

The JMPD is required to carry out activities related to the prevention of crime. JMPD has played a crime prevention role in public education, visible policing. Implemented public awareness and education initiatives focused on preventative measure for the public to avoid becoming victims of crime, and education of the youth about the dangers of liquor and drugs, issues and factors influencing criminality amongst the community.

In terms of crime reduction, the department broadened its crime reduction scope. During this financial year 2019-2020 JMPD implemented a number of crime prevention initiatives to reduce crime in the city. These included crime prevention initiatives that is stop and search, recovery of drugs and stolen vehicles, illegal firearms and other activities for crime prevention. Patrols are conducted to prevent crime from happening and to deter and apprehend any criminal activity that is planned. For financial year 2019/20 these initiatives contributed to an increased number of arrests by 11.08% from 10825 in the financial year 2018/19 to 12024 in 2019/20.

The JMPD has further deployed undercover officers in the Inner City to do Proactive policing which prompted a number of arrests for different crimes such as Common robberies, theft, burglary and assault. The department is intensifying foot patrols, block patrols and zonal policing in the Inner City and proactive policing in the greater City of Johannesburg to ensure productive policing is enhanced.

- **Road Traffic Policing**

In terms of road traffic policing, the statutory responsibility for road traffic policing rests with metro police, local and provincial traffic departments. These responsibilities are drawn from the Administrative Adjudication of Road Traffic Offences Act 46 of 1998, which gives the metros/role-players status of an issuing authority in terms of road traffic policing allowing the enforcement of the National Road Traffic Act.

Given the shared responsibility for road traffic policing in the City, automatically necessitated, that the first point of the departure for the JMPD be to align its priorities, integrate its police tactics, and synchronise its policing plans and schedules with that of the Gauteng Department of Community Safety and the Road Traffic Management Corporation. (This was to ensure effective utilisation and deployment of resources).

During the financial year the department implemented a number of initiatives to deal with road accident fatalities. These included roadblocks, roadside checkpoints, awareness campaigns and patrols to deter and apprehend road users not complying with road traffic regulations. The key focus was on unlicensed drivers, driving unroadworthy vehicles, driving under the influence of alcohol, and reckless and negligent driving. These issues contribute to the severity and extent of accident and road fatalities occurring in the city. For the 2019/20 FY these initiatives contributed to a reduction in the number of road accidents fatalities by 15.11% from 503 in the 2018/19 to 427 in 2019/20.

- **By-law enforcement**

The key objective of the By-law enforcement programme is to increase the level of compliance to City by-laws with respect to Informal trading, waste management, electricity, and advertising. The geographical focus of by-law enforcement was primarily on the Inner City, parks and open spaces. However towards the later part of the 2019/20 financial year resources were redeployed to deal with Covid-19 regulations.

Key interventions to deal with informal trading included daily joint operations with Environmental Health in respect of selling prepared food on pavements, mobile and static patrols to deter informal trading at non-designated areas/locations/intersections. This type of enforcement resulted in 1 411 citations being issued. In addition, joint operations were implemented with the South African Police Service, South African Revenue Service and the Department of Trade and Industry to deal with illegally imported goods, counterfeit goods, and contrabands.

Implemented by-law awareness campaigns to empower communities with information as it pertains to compliance to the by-law, for example, the street trading by-law campaign in the Inner City, where new existing/new traders are provided with information regarding the various by-laws of the City in this way promoting opportunities for working together to ensure compliance to the by-law.

In terms of advertising by-laws, the key **interventions** included the implementation of mobile and static patrols to deter illegal **advertising**, which resulted in 341 citations issued.

In addition, the department implemented joint operations with Johannesburg Roads Agency and outdoor advertising on cleaning of the defaced road infrastructure (Graffiti and fly posters) and the removal of posters, mobile signs and banners.

In relation to **waste management** by-laws the **key interventions** implemented included mobile and static patrols to deter illegal dumping, daily joint operations with Waste Hub, Environmental Health, and ISD to address issues of sand mining, compliance inspections, impoundment of abandoned vehicle, issuing of citations, monitoring of hotspots, visible and undercover patrols and education and awareness campaigns. This type of enforcement resulted in 377 citations issued.

In addition, the department implemented joint operations with the South African Police Service to profile, trace and effect warrant of arrests of offenders and implemented multi-agency response/reaction services to resolve complaints received from customers on issues of illegal dumping, and to deal with issues (confiscation of 240L bin, building rubble, garden refuse, domestic refuse, and removal of objects creating an obstruction on pavement).

Another By-law priority included electricity and water by-law compliance. From an **electricity** by-law perspective, enforcement was directed at dealing with cable theft and illegal electricity connections. Joint operations were implemented with City Power and the South African Police Service to deal with cable theft and illegal connections and implemented multi-agency response/reaction services to respond to tipoffs from the public on issues of stolen cables and illegal connections, which resulted in 99 citations issued. In addition, the JMPD also provided protection services to City Power technicians during electrical installations, compliance inspections, electricity cut-offs, and removal of illegal connections at hotspot areas/locations

In terms of **water** By-laws, the key interventions implemented included joint operations with Joburg Water and the South African Police Service to deal with illegal connections and provided protection services to Joburg Water technicians during water meter installations, compliance inspections, water cut-offs/disconnections, and removal of illegal connections at hotspot areas/locations. The department also provided support the SAPS during undercover operations to apprehend offenders involved in illegal water connections and/or tankers drawing water from streams.

In terms of **land** by-laws, the key interventions included visible and undercover patrols of hotspots to deal with illegal land usage, illegal squatting/occupation, land invasions. Implemented 353 over roll joint operations with CoJ Legal, Environmental Health, Planning, Housing, Social Services, Emergency Management Services, and Municipal Owned Entities. (Targeted interventions), to counter land invasions and removal of illegal structures, sleeping material, vagrants, blind beggars, squatters, individuals at illegal gatherings, and street kids. Provide protection services to municipal owned entities enforcers during compliance inspections. Implemented land usage by-law awareness campaigns to promote greater understanding and compliance to land usage by-laws. Other Issues dealt with include compliance inspections of liquor outlets, taverns, scrap metal dealers, spray painters, and panel beaters. Refer to Table 117.

**Table 117: Metropolitan Police Service Data**

Details	2018/19		2019/20	
	Estimate No	Actual No	Estimate No	Actual No
No. of road traffic accidents during the year.	120 000	103 757	120 000	427
No. of by-law infringements attended.	6 123	4 965	6 123	353
No. of police officers in the field on an average day.	1 200	900	1 200	900
No. of police officers on duty on an average day.	1 300	1 000	1 300	1000

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

- Currently there is a human resource challenge based on the above-mentioned situation 4 days in and 4 days off, it has created a gap in terms of a number of officer available officer at a given shift considering the system.
- Service delivery protest is still high especial electricity issues around the city.
- Land invasion is on the raise as well.

Johannesburg Metropolitan Police Department IDP Deliverables

Table 118 shows JMPD - Strategic objectives taken form the IDP.

**Table 97: JMPD - Strategic objectives taken form the IDP**

Service Objectives Service Indicators	Services Target	2017/18		2018/19		2019/20	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	250	250	1 422	300	1082
Number of drug search and seizure operations	70 drug search and seizures operations	50	70	70	143	75	611

Number of traffic enforcement operations in the City to ensure an orderly road traffic control	5 000 enforcement operations	3 500	5 000	5 000	6 326	5 500	<b>5846</b>
Percentage of reported fraud and corruption cases investigated	100% of reported fraud and corruption cases investigated	100%	100%	100%	100%	100%	<b>100%</b>

## Employees

Table 119 shows employees.

**Table 98: Employees: Public Safety**

Job level	2017/18	2018/19	2019/20					
	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	20	18	28	22	3	3	50.00%	50%
4-6.	268	361	532	274	29	232	11.11%	89%
7-9.	5,166	5234	7595	4936	921	1738	34.64%	65%
10-11	8	2755	6307	5249	133	925	12.57%	87%
<b>Totals</b>	<b>5,462</b>	<b>8,368</b>	<b>14465</b>	<b>10481</b>	<b>1086</b>	<b>2898</b>	<b>27.26%</b>	<b>73%</b>

*Financial Performance*

Table 120 shows financial performance.

**Table 99: Public safety performance**

R' 000						
Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
<b>Total Operational Revenue</b>	R260 719 000	R924 754 000	R2,108,798,000	R2,040,719,000	R1,871,431,000	-R169,288,000
<b>Expenditure</b>						
Employees	R1 242 829 000	R2 396 634 000	R4,291,202,000	R4,208,965,000	R4,142,023,000	-R66,942,000
Repairs and maintenance	R41 492 000	R8 064 000	R96,107,000	R91,885,000	R23,191,000	-R68,694,000
Other	R145 970 000	R172 288 000	R1,166,303,000	R1,200,585,000	R872,057,000	-R204,330,000



R' 000						
Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
<b>Total operational expenditure</b>	R1 942 968 000	R2 963 132 000	R5,553,612,000	R5,501,435,000	R5,037,271,000	- R464,164,000
<b>Net operational expenditure</b>	R1 682 249 000	R2 038 378 000	- R3,444,814,000	- R3,460,716,000	- R3,165,840,000	-R66,942,000
<b>Net profit/(deficit)before tax</b>	(R1 682 249 000)	(R2 038 378 000)	- R3,444,814,000	- R3,460,716,000	- R3,165,840,000	-R66,942,000
<b>Taxation</b>						
<b>Net profit/(deficit) after tax</b>	(R1 682 249 000)	(R2 038 378 000)	- R3,444,814,000	- R3,460,716,000	- R3,165,840,000	-R66,942,000

#### *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.

#### **3.12.2 Licensing**

According to a letter from the MEC of Roads and Transport to municipalities' services rendered by the Transport Administration and Licensing Directorate to the public, its municipal agents and private vehicle testing stations were suspended during the lockdown period. According to the pronouncements made on the 25 March 2020 responding the of President Cyril Ramaphosa, the Executive Mayor of the City of Johannesburg also pronounced that all the City's Licensing Centres must be closed down until further notice in order to curb the spread of COVID 19.

The Minister of Transport Fikile Mbalula published transport regulation (Government Gazette number 43339 (vol.544) of 20 May 2020)

- All learner's licences, driving licences, temporary driver's licences, motor vehicle licence discs, temporary permits, roadworthy certificates and professional driving permits that expired during the period that commenced from 26 March 2020 up to and including 31 May 2020 are deemed to be valid and their validity period is further extended with 90 days from 01 June 2020. In terms of the gazette licences are valid until the 31st August 2020.
- The Minister of Transport published another transport related regulation (Government Gazette number 43539 (vol 661) of 27 July 2020).
- All learner's licences, driving licences, temporary driver's licences, motor vehicle licence discs, temporary permits, roadworthy certificates and professional driving permits that expired during the period that commenced from 26 March 2020 up to including 31st August 2020 are deemed to be valid and their validity period is further extended for a further grace period grace period ending on the 31st January 2020.

## ***Performance highlights***

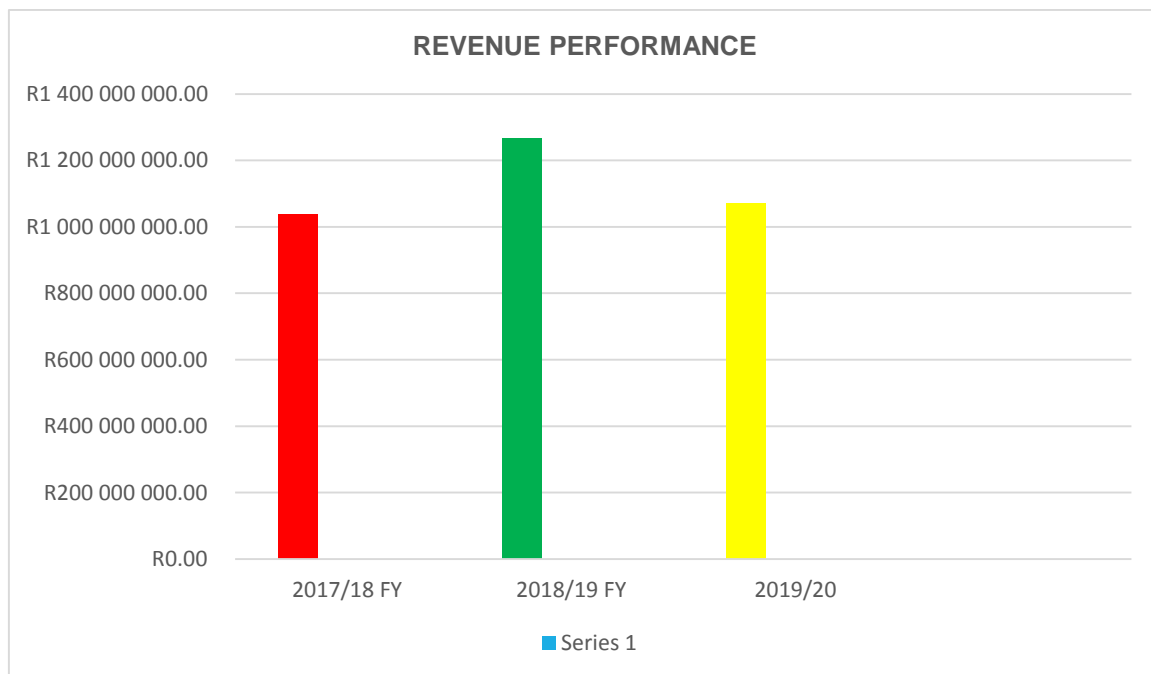
### **Resumption of licensing operations under Lockdown Level 3**

- Resumption Strategy developed
- Business Continuity Plan Developed
- All Licensing centres have complied with the COVID-19 regulation and have resumed operations
- Cashless system – All licensing centres are cashless.

### **Revenue Performance**

Figure 38 shows the revenue performance.

2017/2018 FY	2018/2019 FY	2019/2020 FY
R1 036 905 715.00	R1 265 570 051.49 Increased by 18%	R1 070 831 621.00 Decreased by 15%



***Figure 23: Revenue performance***

*Licensing Department IDP Deliverables*

Table 121 shows service objectives and service indicators.

**Table 121: Service objectives and service indicators.**

Service Objectives Service Indicators	2017/18		2018/19		2019/20	
	Target	Actual	Target	Actual	Target	Actual
<b>Priority 3: Create a culture of enhanced service delivery with pride</b> <b>Priority 5: Create an honest and transparent City that fights corruption</b> <b>Priority 6: Create a City that responds to the needs of citizens, customers, stakeholders and businesses</b> <b>Priority 7: Enhance our financial sustainability</b>						
Licensing service revenue Generated will be increased by R3 million	R989 303 816.40	R1 032 252 470.25	R1 036 905 715.00	R1 265 570 051.49	R1 328 848 554.04	R1 070 831 621.00
Number of outreach programme	120 Outreach Programmes	30 Outreach Programmes	40 Outreach Programmes	62 Outreach programmes	70 outreach Programmes	14 outreach programmes
Number of licensing transactions processed during the extended service hour (Saturdays)	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	866 844 Transactions processed
Establish a licensing satellite office in previously disadvantaged area	1 satellite established	Diepsloot	1 satellite established	9 satellite offices identified and approved by Department of Transport. However, the Dept still must provide system equipment and cabling	It is envisaged that 9 satellite offices will be signed off and opened	Awaiting installation of enatic system from department of transport

### 3.12.3 Emergency Management Services

At the beginning of the 2019/20 financial year EMS was running with +/- 8 Fire Engines that covered the whole of Johannesburg. TFM was given a new contract to supply fire engines. There was delivery of 4 specialised vehicles and 14 skid units used for grass fires. However, due to allegations of corruption in the issuing of the TFM contract no additional fire engines were received. Towards the 4<sup>th</sup> quarter of the financial year, the number of fire engines on the road decreased. The end of the repairs and maintenance contract of old fire engines also made the situation worse.

At the end of December 2019, the licence for running the ambulances was withdrawn by the Provincial Gauteng Department as a result the funding of R110mil was also withdrawn which meant that the department had to run the ambulance service with no funding and supply of medical consumables and medical equipment from the Gauteng Provincial Government. This impacted on service delivery as the number ambulances on the road was reduced due to a lack of medical equipment and medical consumables.

Since the beginning of lockdown in March 2020, Public Safety frontline staff have been working tirelessly. In order to curb the spread of Covid-19 in the workplace, four Clinics were established at Martindale, Florida Fire Station, Jabulani Fire Station and Brixton Fire Station for screening and testing of Public Safety employees. These Clinics operate Monday to Friday from 08:00 to 16:00.

At the entrances in all EMS facilities and fire stations, security guards were trained to take temperature and sanitize people that are entering the buildings. A Committee comprising HSD cluster departments was established to look at the role of the employee and employer in ensuring the prevention of the spread of the Covid-19 virus and conducting assessments to ensure employees are complying with the regulations. A total of over 6000 employees received awareness training from EMS in relation to Covid-19.

Table 122 below indicates the COVID-19 statistics of the entire Public Safety by end of 2019/20:

**Table 100: COVID-19 statistics of Public Safety by end of 2019/20**

Department	Number of Infections	Number of Recoveries	Number of Deaths
EMS	75	11	2
JMPD	209	53	3
Licensing	34	34	0
Disaster Management	1	1	0

EMS implemented a number of proactive programmes to capacitate communities on how to respond to emergencies in relation to fires and flooding incidents. This was done by implementing Community Emergency Response teams (CERT) and Schools Emergency Response Teams (SERT). A total of 3199 community members were trained on CERT against the target of 3500. Due to the challenges emanating from Covid-19, the awareness campaigns had to only focus curbing the spread of the virus during 3<sup>rd</sup> and 4<sup>th</sup> quarter. A total of 71 schools were trained in SERT against the target of 30.

The Fire Safety section is responsible for ensuring compliance in relation to EMS bylaws in buildings. A total of 68% compliance levels were achieved in City wide buildings against the target of 68%. A total of 69% compliance levels were achieved in relation to liquor outlets against the target of 69%. A total of 75% compliance levels were achieved in flammable liquid outlets against the target of 75%.

The department is measured on the following service standards:-

- Percentage of priority one and two medical calls despatched in three minutes
- Percentage of fire calls despatched in three minutes
- Percentage of priority one and two medical calls responded in fifteen minutes

- Percentage of fire calls responded in fifteen minutes

*Emergency Management Services' IDP Deliverables*

Table 123 below indicates the % response achieved over a period of four financial years

**Table 101: EMS Strategic objectives taken from the IDP**

Service Objectives Service Indicators	Service Target	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
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 dispatched in 3 minutes.	Emergency call dispatched in 3 minutes with target of 30%	N/A	N/A	30%	34%	30%	35%
Priority 2 medical response times in 3 minutes.	Emergency call dispatched in 3 minutes with target of 30%	N/A	N/A	30%	19%	30%	18%
Priority 1 Fire and rescue times in 3 minutes.	Fire and rescue calls dispatched in 3 minutes with target of 30%	N/A	N/A	30%	63%	32%	35%
% Priority 1 medical calls responded to within 15 minutes.	% Priority 1 medical calls responded to within 9 min	65%	84%	70%	88.6%	70%	80%



Service Objectives Service Indicators	Service Target	2017/18		2018/19		2019/20	
		Target	Actual	Target	Actual	Target	Actual
% fire calls responded to in 15 minutes as per SANS.	% response to Priority 1 fire calls responded to in 12 min	65% fire calls responded to in 12 min	77.6% Fire calls responded to within 15 min as reported	70%	58.6% achieved against target of 70%	70%	74.1% achieved against target of 70%

### *Ambulance and Fire Services Response time in Urban and Rural areas*

Table 102 shows ambulance service data.

**Table 103: Ambulance Service Data**

Details		2017/18		2018/19	2019/20	
		Estimate No.	Actual No.	Estimate No.	Estimate No.	Actual No.
1.	Average time from emergency call to arrival at the patient – in urban areas.	12 min	12min	15 min	15min	15min
2.	Average time from emergency call to arrival at the patient – in rural areas.	12 min	12min	15 min	15min	15min
3.	Average time from emergency call to the transportation of patient to a medical facility – in urban areas.	N/A	N/A	45min	45min	45 min
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	N/A
5.	No. ambulance.	N/A	N/A	110	110	
6.	No. of fire fighter / EMTs	1481	1472	1466	1500	1250
7.	No. paramedics (ALS)	N/A	N/A	19	24	22

### **3.18 Disaster management**

As a result of the magnitude of the state of national disaster, the City's Disaster Management Centre established a Joint Operations Command Centre to warrant structured multidisciplinary approach in collaboration with City departments, entities and non-government organizations. Part of the mandate ensured that the City's Health Department implements activities amongst others with focus on a combination of public health measures prioritizing on rapid identification, diagnosis and management of the cases, identification and follow up of the contacts, infection

prevention and control in health care settings, awareness-raising in the population and risk communication.

In terms of the approach, the Disaster Management Centre is still implementing the National Disaster Management Centre Covid 19 Seven Point Focus Plan to accelerate preparedness and rapid response on;

- **Hygiene, education, communication and awareness**

Roll out of outreach campaigns and awareness programmes on hygiene and protection from Covid 19 virus in all Regions (within emphasis on high risk areas: Taxi ranks, informal settlements, hostels and homes for the aged)

- **Waste management, cleansing and sanitization**

Identification, decanting, cleansing and sanitization of high risk/ high density areas (Informal settlements, hostels and homes for the aged)

- **Water and sanitation services**

Provision of additional water and sanitation resources for vulnerable communities and critical facilities

- **Shelters for the Homeless**

Provision of temporary emergency shelters for the displaced/ homeless persons

- **Precautionary measures to mitigate employee health and safety risks**

Supply of Personal Protection Equipment (PPE) for all departments/ entities including Disaster Management Volunteers

- **Monitoring of lockdown regulations**

Collaboration of JMPD, SAPS and SANDF for command monitoring and law enforcement of lockdown regulations

- Identification of hotspot areas for immediate intervention

## Highlights

### **Disaster preparedness and response (Coronavirus Disease)**

Since 31 December 2019 and as of 30 June 2020, 11,635,939 cases of COVID-19 (in accordance with the applied case definitions and testing strategies in the affected countries) have been reported, including 539,026 deaths. South Africa, taking the total in the country to 151 209 with 6 945 new cases (30 June 2020) with death toll increasing to 2,657. According to the Covid-19 provincial statistics, Gauteng is the second is the leading epicentre with 42,881 reported cases and third leading with 216 confirmed deaths. Within Gauteng the City of Johannesburg is still high with Covid-19 infections. It is still feared that vulnerable communities such as informal settlements, hostels and public transport hubs are still high-risk areas with high density population in these hotspot areas.

During the 4<sup>th</sup> quarter, National Treasury has thus far granted approval for the City to reprioritise funds from the unspent Urban Settlement Development Grant (USDG) in response to the above-mentioned programmes which already are enforced. The Executive Mayor has further revealed plans to unveil a temporary housing relocation programme which will be used to house relocated residents in congested Covid-19 hotspots especially areas like Wards 109 and 108 where people were unable to socially distance or isolate properly during the pandemic.

### *Disaster management IDP*

Table 104 shows disaster management data.

**Table 105: Disaster Management Data**

Details		2019/20	
		Target	Actual
1	% Development of efficient disaster continuum system with emphasis on rapid and effective response to incidents/disasters	Development of efficient disaster continuum system	Early warning systems implemented in 3

			critical communities: -Midrand -Braamfontein -Roodepoort
2	Number of disaster vulnerable communities provided with training on disaster risk reduction planning and resilience with focus on reducing fatalities	110	110

## COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### 3.15 The Office of the Ombudsman

The Office of the Ombudsman is established in terms of the Ombudsman by-law which provides for the appointment of the City Ombudsman in the City of Johannesburg; to provide for the powers, duties and functions of the Ombudsman; to provide for procedures and processes to be applicable to the Office of the Ombudsman; to provide for the staffing of the Office of the Ombudsman; and to provide for those matters reasonable necessary for, or incidental to, the effective performance and functioning of the Office of the Ombudsman.

Given the aforesaid, the Office of the Ombudsman is the Office of the last instance that contributes towards accelerating service delivery and promoting human rights by investigating complaints of maladministration to improve confidence and accountability in the City of Johannesburg. The Office is mandated by a By-Law to receive and investigate complaints of maladministration, unfair treatment and violation of human rights thereby promoting the respect for human rights through education and awareness campaigns.

The following are nature of the complaints received and investigated by the Office of the ombudsman:

- Incorrect billing for water;
- Incorrect billing of electricity;
- Incorrect property rates charges;
- Cases of maladministration; and
- Cases of human rights violations.

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### **3.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

#### **Establishment of the City's Cyber Security War Room**

The City of Johannesburg, like any other organisation in the world is open to cyber-attacks. To mitigate against the cyber-attacks and to protect the City, in the 17/18 financial year the department appointed CSIR to establish and implement the Cyber Security Centre for the City. The Centre will assist the City to identify, protect, detect, respond and recover from cyber-attacks. The City will have the capability to monitor actively any potential threats. The establishment of the City's Cyber Security War Room project is on track and the centre is now fully functional. The department has capacitated the Centre with 15 Internship Students. The technology skills transfer has begun, and it is expected to be concluded when the centre is fully capacitated with permanent resources.

The Covid-19 pandemic had negative impact in executing some of the Cyber Centre War Room deliverables. Furthermore, the expired CSIR contract had a negative impact on the project progress. The department has now finalised the extension of the CSIR contract for CSIR to manage the centre on behalf of the City.

#### **End User Hardware (desktops and laptops) Refresh**

The Department identified 1,000 machines that had reached the end of life in the 19/20 financial year. The desktops and laptops refresh project ensures that machines that have reached the end of life are removed from the environment. This will enable the City's Departments to have functional tools (computers) that are effective and efficient to deliver on the City's mandate. The department had a target to refresh 1000 workstations (desktops and laptops) in the 19/20 financial year and the target was achieved by the end of the financial year.

#### **WAN and LAN Refresh**

In the financial year previous financial year, the department embarked on refreshing the network infrastructure that has reached the end of life. In the 2019/20 financial year, the department continued with the refresh of the network infrastructure. This project will ensure that the City's network infrastructure is robust and responds with speed to the dynamic

technology requirements. The following 17 sites have been provisioned with LAN and WAN links installed in the financial year 2019/20:

- Westbury TDC – Social Development (WAN Link and LAN provisioning);
- JMPD BMU Fenell Road – LAN provisioning;
- Thoko Mngoma Clinic Alexandra – LAN Provisioning;
- Esselen Street Clinic – LAN Provisioning;
- Protea Glen Fire Station – LAN Provisioning;
- Marlboro JMPD Testing Station – LAN Provisioning;
- JD House LAN Provisioning – LAN Provisioning and WAN Link;
- Martindale JMPD (Radwin D Plus point-to-point and Radwin Subscriber Unit);
- Johannesburg Development Agency;
- Johannesburg Civic Theatre;
- Orlando West Admin;
- Old Mutual Building;
- Randburg Testing;
- Langlaagte Pharmacy;
- Ebony Park Clinic;
- Sandton Testing Station; and
- Langlaagte Testing Station.

### **ICT Services Systems Availability**

The systems availability average for the fourth quarter is 99.22%. 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 department such as Marketing).
- AIX Servers - provides LIS, Metro Cash Router and Library System Service.



- Hosting Availability- which services the JD House, Roodepoort and IS Data Centres. Martindale and Roodepoort data centres are undergoing refurbishment which will ensure that availability improves.

NB: The upgrade of the ICT infrastructure is an-ongoing process to enable 99.9% uptime.

### **Upgrade of the ICT Infrastructure (City's Data Centres)**

As part of the Disaster Recovery programme and ensuring the provision of modern Data Centre environment. The department committed to build one (1) data centre at JD House in Braamfontein, as a replacement of Metro Data Centre, which after the work of refurbishing the Data Centre had commenced, the building was declared unsafe. Roodepoort Civic is where the other data centre is located, which also was to be refurbished in the 19/20 financial year.

#### **JD House Data Centre**

The construction of the new Data Centre at JD House has been completed. All the equipment has been moved from Metro Centro to JD House. The CCTV installation and connecting system to be displayed on TV has been finalised. Installation of In Row and Outdoor Coolers for Modular Data centre completed. Installation of all servers for Power feed B and testing was done in January 2020. All the infrastructure and equipment required for this Data Centre was delivered. The JD House Data Centre is now operational with all ICT infrastructure which was at Metro Centre now hosted in the Data Centre.

#### **Roodepoort Data Centre**

Roodepoort Data Centre is 95% complete and the entire infrastructure required was delivered. The scoping of the equipment moves in preparation for the new power grid cut-over has been completed.

#### **Non-SAP Applications Modernization**

The purpose of this project is to provide modernised platform for all the legacy applications. The applications that are accommodated in this project are those that are not part of the SAP Business Transformation Program and they are referred to as Non-SAP Applications. The e-solution modernisation of legacy applications project entails delivery of the active and inactive applications.

The priorities for this project have been revised and the following applications were prioritised for the 19/20 financial year, that is, Electronic Document Management System (EDMS), Spatial Planning and Land Use Management Act (SPLUMA), Land Information System (LIS) Reporting Property Information Search, and Basic Accounting System (BAS). The project became stagnant due to the COVID19 pandemic. The LIS Exception Reporting, LIS Property Information Search and Inactive applications were successfully deployed.

The Electronic Document Management System (EDRMS): Meeting Decision Support System was implemented, however there was a request for security modification to be applied on the MDSS Meetings system. The security changes were successfully applied, and the solution was deployed on the 25th June 2020 and the records centre (file plan) successfully deployed on 26th June 2020. The Committees system is live, however there was a request for modifications on Indexing and Sub sites. The modifications were applied and deployed on 07th July 2020. The system went live on the 07th July 2020.

### **SAP Business Transformation Project**

The city has taken a strategic decision to leverage our investment in SAP solutions by implementing a consolidated and centralized Information, Communication and Technology (ICT) Strategy for the entire City of Johannesburg, which aims to create a more efficient organization.

This strategic approach focuses on the infusion of business and technology decisions in an environment that will drive the City to promote a mature Standard Homogeneous operating Model, based on municipal industry best practices, while simultaneously improving internal efficiencies as well as information and knowledge sharing. The City will realise a Business Transformation Vision that places strategic emphasis on:

- An Integrated City and Council;
- A Common Operating Platform (Common Business Processes and Key Value Chains);
- A Single View of The Citizen;
- Enterprise Wide Performance Management (Departments and Municipal Entities (ME's);and
- Maturity to a "Smart City".

The Group ICT vision enable the City to achieve an integrated Financial Management and Enterprise Resource Planning Business and Technology Solution across the City, which meets the National Treasury requirements and standards to enable the Municipal Standards Chart of Accounts (mSCOA). It is envisaged that the vision will enable the City to achieve the following Smart City and Information Communications Technology (ICT) outcomes:

- Enhanced institutionalised technological competency;
- Increased service delivery efficiency and productivity;
- Reinforced smart and effective service delivery;
- Augmented quality of the City of Johannesburg's ICT systems and services; and
- Support and enhance citizens' active involvement and engagement.

Release 1B Go-live with the following functionality Payroll payments, Employee Relations, Employee Self Service, Management Self Service and SCM was planned to be delivered end March 2020 but could not be delivered as resources had to be withdrawn because of the lockdown. The new date for the 1B Go-live on HCM was April 2020. Human Capital Management (HCM) went live with the April 2020 payroll with activation on the following units:

- CoJ Core Administration;
- Pikitup;
- Metro Trading Company;
- Johannesburg Social Housing Company;
- Johannesburg Property Company; and
- Metro Bus.

Following functionality is operational:

- Organizational Management;
- Personal Administration; and
- Payroll payments.

### **Implementation of Smart City Programs**

Bus digitization project is a smart city enablement initiative by GICT to consolidate, digitize and implement an intelligent transport system for both the Metropolitan Bus Company (Mbus) and the (Rea-Vaya). The vision is for the city to have an all integrated technology platform for real

time reporting, seamless integration to our core systems, integrated reconciliation processes, consolidated architecture and many other technology enabled capabilities.

The current focus of this initiative is to implement the first phase of Automatic Fare collection (AFC) system and that is currently in the procurement process. The tender closed in end of February 2020. The tender had to be cancelled after a legal concern was raised by one of the suppliers following a procurement process issue. The query relates to reasons why one of the suppliers was omitted on the responses shared with other suppliers. The department has successfully implemented two COVID-19 Smart city projects, namely:

- Track and Trace and; Business intelligent reporting.
- Track and Trace Solution

This solution allows the City to effectively monitor the spread of the virus and also the behaviour of citizens. This solution contains features like social distancing messages to residents if they are not observing social distancing as it will have the ability to read the location of a citizen and uses other means like Bluetooth. The features on this solution are boundless as it is also enable to effectively trace people who are infected and other citizens who are potentially infected, and their behaviour in terms of quarantining and the following of regulations in terms of the Levels being decided by National government.

The demo of the solution was completed on the 30th June 2020. MTC technical team through the office of the MTC CEO presented the solution to the GICT and GCTO in the week of 13th of July 2020 after which representatives of the COJ Covid-19 Commander Centre were also work shopped on the developed solution.

- **Incident Management Solution**

The Incident management system is designed for keeping track of cases. This clear visibility is essential to enable the City of Johannesburg to take the right actions in preventing further contagion and keeping essential businesses operating. The solution will ensure that data privacy requirements continue to be met and the bidder enforce privacy with the staff or partners working on the project.

This reporting tool enables the City to have precise data on the virus at any given time ensuring that the City's Disaster Command Centre has reliable information, and a Dashboard that can be used to make informed decisions. This tool is also used in other areas of the City by administration leadership and Executive Mayor including his executive team for informed decision making in relation to the future plans for the city.

### **Renewal of the Software Licenses**

This Project entails renewal and consolidation of the Software licenses for both the City and MOEs. This saves the City money, ensures proper management of software, curtail duplication of software, enable and promote ICT shared services between the City and its Entities. The project enables COJ and the Entities to have the latest Microsoft products to avoid the risk of having old versions that are not supported by Microsoft. Furthermore, it will also enable collaboration with other MEs with Microsoft platform.

MOEs licenses have been consolidated as and when their agreements expired. Joburg Water, City Power, City Theatre, JOSHCO, JRA, City Parks and Zoo, Joburg Market, JPC have been put under the City's Enterprise agreement. The pandemic impacted negatively on the completion Active Directorate (AD) sync for the JRA and City Parks, resulting in City Parks initiating with BCX to buy the office 365 license from Micro-Soft. The draft consolidated renewal agreement has been completed.

### **Integrated Call Centre (ICC) Additional Licenses**

The City of Johannesburg implemented the integrated call centre solution for the consolidation of all call centres. This will enable the city to have one contact solution across the whole city and the entities. The deployed solution also has the capability to consolidate and integrate all the telephony requirements for the city. This means that all City employees will use one telephony system at zero cost. The benefit of integrated telephony for all city employees are the following:

- Lower Costs
- Cost-Effective Hardware and Software
- Simplified Conferencing
- Mobility of Your Service

- Ease of Installation, Configuration, Maintenance
- Scalability
- Easy Integration with Other Business Systems

There has been a big uptake of the Avaya system across the city. With this uptake, there has been a depletion of licenses that were originally meant for the contact centre. This has now meant that the contact centre does not have enough licenses when they are operating at full capacity. This affects even the contact centre Back office users. In order to accommodate the users, we need the licenses to be increased from the current 650 (This was only scoped for the call centre users with a total concurrent usage of 250 agents). In order to achieve this, the city will require to provide the handsets and licenses to the employees over and above what has already been provisioned for the call centres. Additional licenses have been implemented and MTC is busy with VOIP solution.

#### **Rollout of Public Free Wi-Fi**

- **Braam MESH**

Braam MESH Wi-Fi which entails the deployment of Public Free Wi-Fi in Braamfontein Precinct has been completed. The Mesh Wi-Fi systems consists of a main network router that connects directly to the internet breakout, and a series of satellite modules, or nodes placed around specific areas for full Wi-Fi coverage. They are all part of a single wireless network and share the same SSID and password, unlike traditional Wi-Fi routers.

Braamfontein public Wi-Fi aims to transform Braamfontein neighbourhoods and strengthen the economy by expanding customer access to broadband internet services and by helping citizens, businesses, schools, community organisations and visitors make effective use of Information and Computing Technology to achieve their goals. By 30th June 2020, the Braam MESH was fully installed and ready for launch.

## Information and Communication Technology Objectives Taken from IDP

Table 106 shows ICT objectives.

Table 107: ICT objectives taken from IDP

Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
Number of Wi-Fi hotspots rolled out	1,000 Hotspots	The KPI was deviated, however the infrastructure for the Braamfontein Mesh was installed	500
Percentage Sap Software Upgrade/implementation to latest sap version	100%	<p><b>Not achieved</b></p> <p>Human Capital Management (HCM) went live with the April 2020 payroll with activation on following units:</p> <ul style="list-style-type: none"> <li>• CoJ Core Administration</li> <li>• Pikitup</li> <li>• Metro Trading Company</li> <li>• Johannesburg Social Housing Company</li> <li>• Johannesburg Property Company</li> <li>• Metro Bus</li> </ul> <p>Following functionality is operational: Organizational Management Personal Administration</p>	100%

Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
		Payroll payments	
Number of ICT Infrastructure end- user computer hardware refreshed	1000 Desktops and Laptops to be refreshed	<b>Achieved</b> 1000 machines (laptops and desktops) refreshed	1,100
Number of Microsoft Licenses deployed for existing and new users	All COJ Users including the 12 MoEs	<b>Achieved</b> The draft consolidated renewal agreement has been completed.	N/A
Percentage Uptime of ICT systems	99%	<b>Achieved</b> 99.22%	99%
Percentage Implementation of COJ cyber security war room	100%	<b>Achieved</b> 100% Project completion and handover	75%
Percentage Sap & Non-Sap Archiving of New Computer Software	100%	The KPI was deviated	100%



Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
Percentage ICT Infrastructure Upgrade & Renewal	2 Data Centre	<b>Achieved</b> JD House Data Centre is now operational with all ICT infrastructure which was at Metro Centre hosted in this data centre. Roodepoort Data centre the entire infrastructure required was delivered	85%
Number of sites to be renewed of the ICT Network Infrastructure	30 Sites	<b>Not achieved</b> 17 Sites were provisioned with LAN and WAN Links	100 sites
Percentage Non- SAP Application Modernization	100%	<b>Achieved</b> 100% LIS Property information search, LIS exception reporting, Balance of Inactive applications. On EDMS the following were implemented: Team Sites, Record Centre, Committees and Meetings.	85%
Number of Boardrooms upgraded to Smart Boardroom	5 Boardrooms	The KPI was deviated	6

Service Objectives Service Indicators	2019/20		2020/21
	Target	Actual	Target
Number of laptops installed with the tracking and monitoring tool	2000 Laptops	The KPI was deviated	NA

#### Employee: Information and Communication Technology

Tables 127 and 128 shows ICT employees.

Table 108: ICT Employees

Job Level	2019/20			
	Posts No.	Employees No.	Vacancies (Full time equivalent) No.	Vacancies (as a % of total %
0-3	7	3	-	43
4-6	140	41	-	29
7-9	52	22	-	42
10-12 etc.	25	5	-	20
<b>Total</b>	<b>224</b>	<b>94</b>	-	<b>42</b>

**Table 109: Employee numbers**

<b>Employee numbers</b>	<b>Actual</b>
Top Management is level 1 and 2	1
Senior Management is level 3 and 4	18
Professionally qualified and experienced specialists and mid-management level 5 and 6	28
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents' level 7&8	25
Semiskilled and discretionary decision-making level 9 &10	21
Unskilled and defined decision-making level 11	1
PWD = People living with Disabilities	0
<b>Total</b>	<b>94</b>

## Financial Performance: Information and Communication Technology

Table 110 shows financial performance

Table 111: Financial Performance Year 2019/20 ICT

Financial Performance Year 2019/20: Information and Communication Technology '000						
Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
<b>Total Operational Revenue (Internal)</b>	36 210	27 034	(36 448)	(36 448)	(36 000)	1%
<b>Expenditure:</b>						
Employees	36 079	58 113	68,947	68,947	68,000	1%
Repairs and maintenance	571	33	990	990	10	99%
Other:	576 351	527 923				
Depreciation	-	-	305,811	305,811	228,470	25%
Contracted Services	-	-	275,587	275,587	274,153	1%
General Expenses	-	-	55,380	55,380	53,488	3%
<b>Internal Charges Total</b>	-	-	81,937	8,116	80,048	-2%
<b>Total operational expenditure</b>	611 848	586 069	825,100	678,383	668,170	1%

Financial Performance Year 2019/20: Information and Communication Technology '000						
Details	2017/18	2018/19	2019/20			
	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Net operational expenditure	576 791	559 035				

## Capital Expenditure: Information and Communication Technology

Table 130 shows capital expenditure

Table 130: Capital Expenditure: Information and Communication Technology



Capital Expenditure: Information and Communication Technology R'000								
Capital project s	2017/18		2018/19		2019/20			
	Adjusted Budget	Actual Expenditur e	Adjusted Budget	Actual Expenditur e	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget
Total	427 000	413 415	780 200	756 388	406 639	486 639	445,350	41, 279






## COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

### Institutional Service Delivery Budget Implementation Plan 2019/20






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. Refer to Table 131.





**Table 11231: Institutional Service Delivery Budget Implementation Plan 2019/20**



KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
<b>OUTCOME 3: AN INCLUSIVE, JOB-INTENSIVE, RESILIENT, COMPETITIVE AND SMART ECONOMY THAT HARNESSSES THE POTENTIAL OF CITIZENS</b>						
1.	Economic development	Rand value of investment attracted through business facilitation	R8.676 billion	R17.29bil	R25 billion	R27 340 billion <b>Target achieved and exceeded</b> 
2.		Number of Inner City properties approved in Council for release to private sector	3	27	20	54 <b>Target achieved and exceeded</b> 
3.		Number of SMMEs supported by the City	8 966	16 818	11 000	16 546 <b>Target achieved and exceeded</b>




KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						
4.	Sustainable environmental development	Percentage waste diverted from landfill	14.4%	15.7%	15%	17.2% <b>Target achieved and exceeded</b> 
5.	Job opportunity and creation	Number of Expanded Public Works programmes (EPWP) work opportunities created City-wide	23 227	18 680	10 762	16 471 <b>Target achieved and exceeded</b> 
6.		Number of youth trained through artisan related skills development programmes	New Indicator	100	200	206 <b>Target achieved and exceeded</b> 
7.	Smart city	Number of participants in the e-learning programmes in the libraries	56 320	41,665	36 000	56 289 <b>Target achieved and exceeded</b> 
<b>OUTCOME 2: PROVIDE A RESILIENT, LIVEABLE, SUSTAINABLE URBAN ENVIRONMENT – UNDERPINNED BY SMART INFRASTRUCTURE SUPPORTIVE OF A LOW CARBON ECONOMY</b>						



KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
8.	Sustainable service delivery	Number of new households provided access to basic water at minimum LoS1 in informal settlements	0	8287	2 103	9 959 <b>Target achieved and exceeded</b> 
9.		Number of new households provided access to basic sanitation at minimum LoS1 in informal settlements	630	6528	1 660	2 735 <b>Target achieved and exceeded</b> 
10.		Percentage (%) of all City recognized informal settlements provided with integrated waste management services	New Indicator	69.34%	100%	100% <b>Target achieved</b> 
11.		Number of unit structures in informal settlements with access to electricity	2 167	3191	2 000	3 688 <b>Target achieved</b> 
12.		Number of indigent household benefitting from ESP (free basic services)	New indicator	New indicator	30 000	110 100 <b>Target achieved and exceeded</b> 



KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
13.		Number of people living and working on the street receiving social services	New indicator	New indicator	7500	9 014 <b>Target achieved and exceeded</b> 
14.		Number of lane kilometres of roads resurfaced	301.12 L/KM	225.05 L/km	135L/KM	193.44 <b>Target achieved and exceeded</b> 
15.		Number of kilometres of gravel roads upgraded to surfaced roads	31.34 KM	25.24 km.	17KM	21.48 <b>Target achieved and exceeded</b> 
16.		Number of kilometers of open storm water drains converted to underground systems	2.21 KM	1.264 km	1.5KM	2.058 <b>Target achieved and exceeded</b> 
17.	Integrated human settlements	Number of Informal settlement layout plans developed	3	0	4	<b>1</b> <b>Target not achieved</b> Due to delays in the procurement processes that could not proceed because of Covid-19 restrictions that prevented public consultations <b>Mitigation:</b>

KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						<p>Department to draft layouts/social facilitation, social compacts.  Upgrade plans for Region A and Region B.  Upgrade plans covering new informal settlements.  Definition of an informal settlement/prioritization model.  Inclusion of new informal settlements into the City's regulatory framework.  Appointment of the human capital.</p> 
18.		Number of subsidized housing units completed	3750	408	2008	<p>2 029</p> <p><b>Target achieved and exceeded</b></p> 
19.		Number of title deeds issued to beneficiaries	3597	1 610	3818	<p>2 025</p> <p><b>Target not achieved</b></p> <p>Due to Covid-19 restrictions.</p> <p><b>Mitigation:</b></p>





KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						<p>The Department has a total of additional 2068 title deeds to be issued in Riverside, Ivory park, Sol Plaatjie, south hills, Zandspruit, Pimville and Devland, to be issued in the next financial year.</p> 
20.		Number of social and affordable housing units developed for under privileged beneficiaries City-wide	1159 units	268	330	<p>330</p> <p><b>Target achieved</b></p> 
21.		Number of housing units repaired (hostels; flats; senior homes	New indicator	New indicator	457	<p>506</p> <p><b>Target achieved and exceeded</b></p> 
22.		Number of housing stock refurbished	New indicator	New indicator	10 <sup>11</sup>	<p>10</p> <p><b>Target achieved</b></p>

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<sup>11</sup> Flats=2; hostels=4 and old age homes= 4

KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						
23.		Average number of Rea Vaya passenger trips per working day	49 524	52 710	41 800	<p>41 645</p> <p><b>Target not achieved</b></p> <p>Due to covid-19 lockdown. The number of passengers on buses were reduced in line with the regulations.</p> <p><b>Mitigation:</b></p> <p>Once the lockdown is over, the department will go on a commuter outreach programme and service promotions towards increased passenger numbers.</p> 
24.		Average number of Metrobus passenger trips per working day	38 693	38 245	33 500	<p>20 665</p> <p><b>Target not achieved</b></p>




KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						<p>The effect of COVID-19 restrictions on mobility led to a drastic decrease in the demand for public transportation, in excess of what the entity had anticipated.</p> <p><b>Mitigation:</b></p> <p>During the 2020/21 FY Metrobus will implement a 24-hour shift system in the Technical department to ensure increased bus maintenance and repair capacity. In addition, the bus refurbishment project will be fast tracked to ensure that more buses are fit for purpose. The number of leased buses will be increased from 10 to 30 during the financial in line with the normal. All interventions will be in line with various COVID-19 risk levels.</p>




KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						
<b>OUTCOME 1: IMPROVED QUALITY OF LIFE AND DEVELOPMENT-DRIVEN RESILIENCE FOR ALL.</b>						
25.	Safer city	Number of by-law enforcement operations in the City to restore law and order <sup>12</sup>	245	1422	300	353 <b>Target achieved and exceeded</b> 
26.		Number of traffic enforcement operations in the City to ensure orderly road traffic control	5728	6326	5 500	5 846 <b>Target achieved and exceeded</b> 
27.		Number of public lights installed	1 374	2198	1 200	2 697 <b>Target achieved and exceeded</b> 
28.	Sustainable Service delivery	Number of additional city clinics that offer extended services hours	11	13	14	14 <b>Target achieved</b>

<sup>12</sup> COVID 19 regulations transgressions, Illegal Waste Management, Illegal Advertising, Illegal street trading, Illegal connections

KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						
29.		Percentage children under 1-year old immunization coverage	102.30%	4.4% increase from baseline	1% increase from baseline	<p>0.7%</p> <p><b>Target not achieved</b> – the Covid 19 pandemic and lockdown has discouraged communities to utilise preventive services. They are attending health services only when it is essential.</p> <p><b>Mitigation:</b></p> <p>The non-utilization of health services will be addressed when the risks of Covid 19 are getting less through outreach to communities, defaulter tracing and use of mass media – local radio stations, pamphlets and Posters.</p> 





KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
30.		Percentage of HIV positive patients initiated on treatment	New indicator	98% (July-October 2019 (LG Only)	90%	97.8% <b>Target achieved and exceeded</b> 
31.		Percentage of TB patients initiated on treatment	new indicator	93.3% (July-October 2019 (LG Only)	95%	97% <b>Target achieved and exceeded</b> 
32.		Number of Identified CoJ facilities providing care to substance abuse victims	7	New indicator	9	6 <b>Target not achieved</b> - Thuthukani and Poortjie In-patient could not be activated due to COVID restriction. <b>Mitigation:</b> Thuthukani and Poortjie to be activated in the next financial year in line with COVID-19 regulation. 




KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
33.		Number of nurses and doctors trained in the identification of early warning signs for substance abuse and possible medical interventions	new indicator	125 <sup>13</sup>	8114	102 <b>Target achieved and exceeded</b> 
34.		Number of visitors to the Zoo	503 696	518 433	270 000	299 029. <b>Target achieved exceeded</b> 
35.		Number of attendees to theatres	241 567	271 299	210 000	211 794 <b>Target achieved and exceeded</b> 
<b>OUTCOME 4: A HIGH PERFORMING METROPOLITAN GOVERNMENT THAT PROACTIVELY CONTRIBUTES TO AND BUILDS A SUSTAINABLE, SOCIALLY INCLUSIVE, LOCALLY INTEGRATED AND GLOBALLY COMPETITIVE GAUTENG CITY REGION</b>						
36.	Financial sustainability	Percentage of budget spent on City-wide infrastructure	93%	91%	95%	76% <b>Target not achieved.</b>

<sup>13</sup> (114 nurses and 11 doctors)

<sup>14</sup> (71 nurses & 10 doctors).



KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						<p>Due to projects that stalled during Covid-19 Lockdown period with restrictions on construction projects.</p> <p><b>Mitigation:</b></p> <p>Project allocation for 2020/21 Capital budget took cognizance of projects that needed to be completed from the 2019/20 budget. Monitoring and reporting performed by Office of the COO according to the mid-year Reviewed IDP &amp; SDBIP.</p> 
37.		Percentage of spend on repairs and maintenance to Property, Plant and Equipment	4%	4.46%	6.4%	<p>3%</p> <p><b>Target not achieved.</b></p> <p><b>Mitigation:</b></p> <p>Monitoring and reporting performed by Office of the COO according to</p>

KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						the mid-year Reviewed IDP & SDBIP. 
38.		Number of profitability and liquidity ratios achieved	6	6	7	Current ratio has not been achieved. The final calculation of this ratio will be completed with the Annual Financial Statements.
39.		Percentage collection of revenue on property rates and billing services	90.7%	89.2%	90%	86.3% <b>Target not achieved</b> The poor economic conditions, suspension of credit control activities and closure of Revenue Shared Services Centre as critical offices during COVID-19 lockdown resulted in the lower collection levels. <b>Mitigation:</b>




KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
						Implement credit control measures in the businesses, Government and residential platinum and gold categories. 
40.	Good governance	Percentage of investigated cases resolved <sup>15</sup>	28%	35%	33%	38% <b>Target achieved and exceeded</b> 
41.		Percentage of hijacked property cases resolved	12%	New	16%	42% <b>Target achieved and exceeded</b> 


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<sup>15</sup> fraud, corruption, theft and maladministration

KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
42.		Percentage of completion of skills audit of employees	86% - level 3-4	98.66%	25% <sup>16</sup>	26.45% <b>Target achieved and exceeded</b> 
43.		Audit Opinion	Unqualified	2018/19 opinion is awaiting for AGSA to finalise the audit.	Unqualified	<b>Awaiting finalisation of the Audit that is completed by the AG by December 2020.</b>
44.		Percentage internal audit findings resolved	New Indicator	New Indicator	95%	56% <b>Target not achieved</b> <b>Mitigation:</b> The City will revise all the Audit action plan, adopt a new action Audit plan and roll over all unresolved findings 

<sup>16</sup> completion of Skills audit of Professional and Mid-management employees on Level 7 and 8

KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
45.		Percentage achievement of the Citywide Service Standards Charter	50% (57 of the 113 service standards)	New Indicator	70%	54% <b>Target not achieved</b> <b>Mitigation:</b> In future, the department will be finding more capacity to ensure that this KPI is monitored and reported on promptly. 
46.	Active and engaged citizenry	Number of Organised public meetings	New Indicator	New Indicator	405	582 <b>Target achieved and exceeded</b> 
47.		Number of Monthly Citizen Engagements activities aimed at creating awareness and public participation	New Indicator	New Indicator	12	58 <b>Target achieved and exceeded</b> 

KPI NO.	STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	2017/18 BASELINE	2018/19 AUDITED PERFORMANCE	2019/20 TARGET	Annual Performance
48.		Number of Mayoral Izimbizo to communicate the City's messages and encourage community interaction and participation in the City's programmes and projects	New Indicator	New Indicator	1	1 <b>Target achieved</b> 



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Group Corporate & Shared Services Business Plan (SDBIP) flows from the IDP and informs the Group Human Capital Management (GHCM) People Centric Strategy (PCS).

The key drivers behind the City's business strategy is to create a culture with enhanced service delivery with pride. The role of GHCM is to enhance the business strategy by creating a platform for a high performance culture and an excellent employee value proposition. This then leads to the vision of GHCM for the City of Johannesburg to become an employer of choice by:

- a) Ensuring a professional GHCM service.
- b) Provision of skilled and competent human capital.
- c) Functioning within a common policy framework with enough flexibility catering for the uniqueness of the City Group.
- d) Entrenching the following customer centric values:
  - Employee value proposition culture by being an employer of choice.
  - Professionalism
  - Ethical conduct
  - Commitment
  - Competence
  - Innovation
  - Service excellence
  - People orientated attitude

## **Group Human Capital Management Strategic Priorities**

The GHCM priorities are as follows:

- a) Define and align organisational purpose.
- b) Create organisational alignment and building a successful and sustainable organisation.
- c) Effective workforce planning.
- d) Change management processes to help the City, teams and employees to drive individual transitions and organisational change to reach City objectives.
- e) Human capital capacitation and empowerment where employees can reach their highest potential with value add to the City.
- f) Recruitment and attraction of the best talent, correct skills and knowledge by creating, marketing and selling an employee value proposition.
- g) Fit for purpose employment.
- h) Providing an enabling platform for a learning environment.
- i) Transfer of critical skills and knowledge.
- j) Cultivate a high performance culture.
- k) Communicate the City's ethics and disciplinary codes.
- l) Elimination of corruption.

## **Regulatory Compliance, Policy and Planning**

The City Group consists of the Core Administration Departments and twelve (12) Municipal Entities (MEs). The City Group formulates and review Group 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.

GHCM ensures compliance with all legislative requirements e.g. Employment Equity Act, Skills Development Act, Labour Relations Act, Collective Agreements, etc. Specifically, for Employment Equity (EE) and Skills Development, the City reports on progress made to the applicable structures e.g. the Department of Employment and Labour (DoEL) and the Local Government Sector Education Training Authority (LG SETA).

The governing GHCM Group Policy Frameworks address inequality and poverty by:

- Incorporating EE elements and principles inclusive of gender and disability management in all policy frameworks
- Provide minimum standards for supporting the City with certain human capital matters
- Offering a Bursary Scheme to youth from the Johannesburg Community
- Internship opportunities to students busy studying and that need to complete a practical module to achieve a qualification, or students that have completed studies but need practical experience to become employable
- Learnership Programmes to assist individuals to learn a skill to become employable

Some Group Human Capital Policy Frameworks are due for review due to the “new normal” created by the COVID-19 pandemic and a need has also been identified for the development of some new Policy Frameworks. Specifically, Work from Home (WFH) principles and etiquette have been developed to ensure that the City could meet its strategic deliverables and outcomes during this period. Table 132 below reflect the status of GHCM Group Policy Framework that are new or under review.

**Table 113: Group Human Capital Management Policy Frameworks New and Under Review 2019/2020**

<b>Status GHCM Group Policy Frameworks</b>		
<b>Group Policy Framework</b>	<b>New / Reviewed</b>	<b>Status</b>
Talent Acquisition	To be reviewed	<ul style="list-style-type: none"> <li>• Identified for review.</li> <li>• Due to COVID-19 and the new normal review will start in 2020/2021.</li> </ul>
Training and Development	Under review	<ul style="list-style-type: none"> <li>• Review in process.</li> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> <li>• Externally focused programmes will be removed and reflected in a new group policy framework.</li> <li>• This will include Internships, Learnerships and External Bursaries.</li> <li>• Subsidised Education will be removed and reflected in a new group policy framework.</li> </ul>
Talent Management (Mentoring, Coaching, Career Development)	New	<ul style="list-style-type: none"> <li>• Emanated from Training and Development Policy Framework.</li> <li>• Under development and review.</li> </ul>
Subsidised Education	New and under review	<ul style="list-style-type: none"> <li>• Emanated from Training and Development Policy Framework.</li> <li>• Review in process.</li> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> </ul>

Status GHCM Group Policy Frameworks		
Group Policy Framework	New / Reviewed	Status
Internship, Learnership and Bursaries	New and Under Review	<ul style="list-style-type: none"> <li>• Emanated from Training and Development Policy.</li> <li>• Draft developed.</li> <li>• Review in process.</li> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> </ul>
Employment Equity	Under review	<ul style="list-style-type: none"> <li>• Review in process.</li> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> </ul>
Sexual Harassment	New	<ul style="list-style-type: none"> <li>• Emanated from EE Policy Framework.</li> <li>• Draft developed as a basis for consultation.</li> <li>• Review in process.</li> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> </ul>
Disability Management	New	<ul style="list-style-type: none"> <li>• Emanated from EE Policy Framework.</li> <li>• Draft as basis developed.</li> <li>• Review in process.</li> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> </ul>
Performance Management System	Under review	<ul style="list-style-type: none"> <li>• Review in process.</li> </ul>

Status GHCM Group Policy Frameworks		
Group Policy Framework	New / Reviewed	Status
		<ul style="list-style-type: none"> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> </ul>
Recognition and Reward	New	<ul style="list-style-type: none"> <li>• Review in process.</li> <li>• Draft as basis developed.</li> <li>• Stakeholder consultation underway.</li> <li>• Further review due to COVID-19 and the new normal.</li> </ul>
Work From Home	New	<ul style="list-style-type: none"> <li>• New Draft developed in line with COVID-19 and the new normal.</li> <li>• Draft based on the Work from Home principles and Etiquette developed and implemented for the COVID-19 period.</li> <li>• Stakeholder consultation underway.</li> </ul>
Remuneration	Under review	<ul style="list-style-type: none"> <li>• Review in process.</li> <li>• Stakeholder consultation underway.</li> <li>• Inclusive of Remuneration Philosophy.</li> </ul>
Professional Membership	New	<ul style="list-style-type: none"> <li>• Under development.</li> </ul>

## **Group Human Capital Management Functional Areas**

### *Organisational Development*

Organisational Development (OD) can be broadly defined as planned organisation-wide interventions that helps to build capacity and achieve greater effectiveness by developing, improving and reinforcing strategies, structures and processes.

The OD Directorate was established in 2013 to provide strategic, tactical, and operational OD interventions aimed at enabling the City Group i.e. Core Departments and Municipal Entities to become more effective and efficient in the delivery of their core mandate. The following core functions are critical in the fulfilment of the above-mentioned mandate:

### *Organisational Effectiveness*

The City must conduct an Institutional Review within one (1) year after every municipal election as prescribed in the Municipal Systems Act No. 32 of 2000, Chapter 2 section 4(3) (a) of the Municipal Systems Act Regulations, when dealing with alignment of structures and staff establishment states that:

*“4(3) The Municipal Manager must review the municipality’s staff establishment within 12 months in any of the following instances:*

- a) the election of a new municipal council.*
- b) the adoption of the integrated development plan of the municipality, as contemplated in section 25 of the Act.*
- c) material changes to the functions of the municipality. or*
- d) the determination of new municipal boundaries”*

The challenge in the City was that due to a legal process the previous Institutional Review was halted, resulting in structures that were not necessarily effective and in line with all strategic priorities. During 2019/2020 OD focused on minor structural amendments, assisting with job design, quality assurance of job descriptions to enable job evaluation and grading processes as well as the development of a job profile template that capture all elements that should be considered when an individual is compared and linked to specific job requirements. During 2020/2021 OD will start to prepare (organisational readiness assessment) for the Institutional Review to follow on the Municipal Elections.

#### *Organisational Culture: Employee Satisfaction Survey*

The City of Johannesburg Metropolitan Municipality embarked on the third Group Employee Satisfaction Survey during April/May 2017 to help the Municipality identify any trends in comparison to the first two group surveys and any new issues that may need attention if the Municipality is to achieve its goal of becoming a High Performance Organisation and “Employer of Choice”. The next employee culture and climate survey will be conducted in 2021/22 and its main objectives will be to:

- Measure employee satisfaction in relation to job satisfaction, compensation and benefits, City policies etc.
- Measure employee engagement in relation to role clarity, accountability, communication, recognition etc.
- Examine workplace climate and determine the understanding of and belief in the City's mission, vision, values, and objectives amongst others by employees.

#### *Workforce Planning and Research*

To respond to the City's Smart City objective, GHCM completed a study on “*How will the Fourth Industrial Revolution (4IR) affect the Human Resources Management Function in the City?*” This study concluded that the City is not ready for the disruption of the



4IR.

Subsequently during February 2019, the results of the Human Resources Management External Audit conducted by the Department of Cooperative Governance and Traditional Affairs (COGTA) through the South African Board for People Practices (SABPP) were released to GHCM. The audit revealed the following three (3) lowest scoring HR Standards were:

- Workforce Planning 10%.
- Performance Management 22%.
- Learning and Development 25%.

The SABPP recommended the following for the City to embark on the Workforce Planning exercise:

- Workforce plan to be rooted in a comprehensive Human Capital Management Strategy, which is derived from the organisational strategy, through a consultative process.
- Scare skills and workforce planning assessments should not stem from the number of vacancies or the time taken to fill the vacancies.
- A thorough labour market analysis should be conducted, and the results thereof should be incorporated into the workforce plan.
- Learning and development programmes should link into the skills assessment to close gaps that have been identified.
- Recruitment strategies and priorities should also be enabled through the workforce skills planning.
- The 2019 workforce planning should enable the employment equity gaps identified during 2018.
- The workforce plan should be compiled in consultation with key stakeholders and must support and enable the employment equity imperatives.

- All critical and scarce skills must be identified as a matter of priority and must be regularly reviewed and updated.

During 2019/20 the following was achieved:

- Approved multi-year Workforce Project Plan.
- Business Case which sought to:
  - State the challenges related to workforce planning e.g. budget cuts and skill gaps amongst others.
  - State how the challenges affect the City's ability to meet its service delivery mandate.
  - Identify specific workforce challenges the City is expected to face in the short and long-term.
  - Identify challenges that exist in the emerging market, economic and political environments.
  - Impact of legislative, policy or regulatory changes.
  - State how workforce planning would help the City overcome the identified challenges.
- Workforce Supply Analysis Report which sought to:
  - Understand the current workforce and how it is projected to change over time, due to attrition and other trends.
  - Analyse the City's workforce in terms of the right number of people with the relevant skills.

### *Change Management*

The 2019/20 Change Management KPI was “% *Implementation of an Organisational Change Management (OCM) strategy for CoJ Core*”.

To realise this KPI, the Organisational Change Management (OCM) Strategy and Framework had to be developed first. This strategy seeks to respond to some of the lowest scoring dimensions in the 2017 employee satisfaction survey and includes:

- A Change Management Framework for all change interventions other than implementation of approved organisational structures.
- A Change Management Framework for the implementation of approved organisational structures.
- Organisational and departmental change management structures.
- The 2020 and beyond change management agenda.

## **Employee Relations**

Employee Relations is responsible to manage the relationship between employer and employees in the City. The following operating principles are implemented:

- a) Customer Centric.
- b) Continual improvement in processes and products.
- c) Research and development are key to the future.
- d) Employee involvement is critical to improving operations.
- e) Continual improvement of the contractual, emotional, physical, and practical relationship between the employer and the employee.

## ***Core Business Activities***

- a) The promotion and maintenance of progressive and sound Labour Relations.
- b) Development implementation and maintenance of Labour Relations policies and procedures.
- c) Training in Labour Relations.

- d) Labour Relations Advocacy.
- e) Dispute management and conflict resolution.
- f) Discipline and grievance resolution.
- g) Advocate compliance with legislation, collective agreements, policies and procedures.
- h) Enhance and maintain a relationship with organised labour (unions) and employees.
- i) Enhance and maintain a relationship with other stakeholders.
- j) Communication around Labour Relations issues.
- k) Collective bargaining.
- l) Industrial action management.
- m) Change / transformation management.
- n) Labour litigation.

#### *Parties to Collective Bargaining*

The parties to the South African Local Government Bargaining Council (SALGBC) comprise of the South African Local Government Association (SALGA), Independent Municipal and Allied Trade Union (IMATU) and South African Municipal Workers Union (SAMWU). These parties engage under the auspices of the SALGBC to conclude collective agreements on amongst others, the 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.

#### *Disciplinary Board*

The City in terms of Government Gazette notice R430 must establish the Disciplinary Board for Financial Misconduct that will

investigate all matters related to allegations of financial misconduct. The report to establish the Disciplinary Board was tabled at the Mayoral Committee on 20 March 2020, where it was approved and will be tabled to Council in 2020/2021.

In the interim the City is utilizing the services of its internal Group Forensic Investigation Services (GFIS) to investigate all allegations of financial misconduct until the Disciplinary Board for Financial Misconduct is fully established.

### *Precautionary Suspensions*

In terms of the SALGBC Disciplinary Procedure Collective Agreement, the suspension of an employee shall be for a fixed and pre-determined period and shall not exceed a period of three (3) months. However, where circumstances prohibit the conclusion of the disciplinary proceedings within aforesaid timeframe, such suspension can be extended for a further three (3) months. In some cases and owing to the complex nature and highly technical questions of law raised by either an investigation or a disciplinary hearing, suspensions may get prolonged beyond the prescribed period.

### *Strikes and Lockouts*

There were no protected strikes or lockouts on a national or local scale in the financial year 2019/2020. There was a locally triggered unprotected and unlawful strike in July 2019 at Emergency Management Services (EMS). This work stoppage was unprotected, and the City has since applied the no-work-no-pay principle and disciplinary action which resulted in the dismissal of about two hundred (200) employees.

### *Disputes before SALGBC, CCMA and Labour Court*

There were several disputes lodged under the auspices of the SALGBC, Commission for Conciliation, Mediation and Arbitration

(CCMA) and Labour Court for the period under review. Due to the COVID-19 emergency period with effect from March 2020 to 30 June 2020, disputes were postponed which negatively influencing speedy resolution. The number of disputes that were dealt with before the SALGBC, CCMA and Labour Court in 2019 / 2020 is reflected in table 133 below.

**Table 114: Number of disputes that were dealt with before SALGBC, CCMA and Labour Court in 2019/2020**

Dispute Status	Number
Finalised	23
Abandoned	10
Withdrawn	13
Non Jurisdictional Ruling	13
Postponed with no appointed date for resumption	5
Referred to Labour Court	13
<b>Total</b>	<b>79</b>

### **Tables**

The following tables are at the end of this chapter due to the volume of information contained therein, and reflect information relating to disciplinary cases:

- *Number and period of suspension.*
- *Summary of Disciplinary Cases in Core Departments of the City.*
- *Disciplinary Action taken on cases of Financial Misconduct.*

### ***Employee Development***

The City continues with Management and Leadership Development Programmes to equip senior and middle management levels. Skills Audits and the subsequent identification of skills gaps lead to the specific development of employees as a priority for the City. These actions are aimed at ensuring that the required skills to deliver 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 performance 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 for them to become employable.

The advent of COVID–19 has affected the intended objectives in that the anticipated operations were brought to a halt because of the implementation of the Disaster Management Act and its subsequent varying regulations.

### ***Employee Focused Initiatives***

The following employee focused initiatives were implemented:

- a) Subsidised Education to enhance City specific skills and career development.
- b) Career path development for employees through Performance Management and Individual Learning Plan processes.
- c) Leadership and Management Development Training Programmes.
- d) Minimum Competency Training Programme to develop competencies in line with National Treasury Competency requirements.
- e) Adult Educational Training (AET) Programmes for the previously disadvantaged.
- f) Matric Programme for the previously-disadvantaged.

g) Skills Development Consulting Services to internal clients (business units).

### ***Subsidised Education***

The City offers a Subsidised Education Scheme for employees in line with the Collective Agreement Conditions of Service. The scheme assists the City in securing adequately qualified employees by providing financial assistance (Registration, Tuition and Examination Fees) to enable them to obtain formal qualifications.

In the 2019 academic year, one thousand four hundred and sixty three (1463) employees and in the 2020 academic year nine hundred and eighty two (982) were approved to study through the Subsidised Education Scheme. The total cost for the 2019-2020 financial year was twenty two million three hundred and twenty seven thousand rand (R22 327 000). Table 132 below on Programmes Implemented reflect the Subsidised Education Interventions for those levels that have undergone the skills audit.

### ***Competency Development Interventions and Programmes***

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 (WSP) compiled was used to identify the training required and both the WSP and the Annual Training Report were submitted to the Local Government SETA.

Table 134 reflects skills programmes, other short courses and subsidised education for those levels that have undergone the skills audit on levels 2 – 6 (Heads of Departments, Chief Executive Officers, Managing Directors, Group Heads, Directors, Deputy Directors, Assistant Directors & Managers).



**Table 115: Programme intervention**

<b>Programmes Implemented</b>	
<b>City Group Skills Programmes &amp; other short courses</b>	<b>No. of Employees Trained</b>
MFMA	85
Senior Leadership Programme	None
Coaching for Organisational Performance	300
<b>Subsidised Education Core Departments &amp; Municipal Entities</b>	<b>No. of Employees Trained</b>
City Power	39
JDA	1
Johannesburg City Parks and Zoo	4
Metrobus	2
Metro Trading Company	5
Pikitup	36
City Core	359
<b>Total</b>	<b>446</b>

### **Skills Audit**

#### *Skills Audit Roll-out Levels 7 and 8*

A 180 degree skills audit assessment for level 7 and 8 employees and line managers (within scope) were deployed on 16 March

2020 for completion in the following City Core departments:

- Community Development.
- Emergency Management Services.
- Group Corporate and Shared Services.
- Group Finance.
- Health.

The target for the 2019-2020 financial year was 25% of the eleven thousand (11 000) employees, which represented two thousand seven hundred and fifty (2750) employees, to participate in the skills audit. Two thousand nine hundred and nine (2909) employees completed the skills audit, as the skills audit project team deployed the skills audit assessments to more than 25% of the employees to reach all employees within a limited timeframe. Therefore the 2019-2020 target was achieved.

The following interventions were implemented to achieve on the set skills audit target:

- A vigorous Change Management process was followed.
- Skills audit awareness sessions were conducted.
- Daily status updates that were communicated to all Heads of Departments (HoDs).
- Onsite assistance was provided.
- SMS and e-mail correspondence were sent out daily to remind stakeholders to attend.

#### *Skills Audit Interventions 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. Table 133 Programme Interventions further above indicates the interventions that were implemented and the number of employees that have already gone through these interventions.

#### *Skills Audit Interventions for level 2 & 3A*

The Executive Coaching Programme started slowly with four (4) executives in April 2019, where after a further eight (8) started on 19 June 2019 and four (4) more joined later, resulting in a total of sixteen (16). Each executive was allocated a coach and agreed upon the development plan using the skills audit result of the executive as a base. The sixteen (16) executives finished the Executive Coaching Programme, and the awarding of Certificates by Wits Business School (WBS) is awaited.

#### *Coaching for Organisational Performance*

The coaching for organisational performance commenced on 27 May 2019. The programme started slowly with one hundred and four (104) employees attending the programme. Gradually the numbers increased to two hundred eight (208) in attendance. At a later stage extra boot camps were organised by UCT to cover the total of three hundred (300) employees that finished in October 2019 and the graduations were held in February 2020. The programme was aimed at equipping employees with people management skills such as mentoring and coaching. The programme aimed at equipping senior managers with mentorship and coaching skills. Problem-solving, decision-making, creative thinking and innovation are also covered in the programme.

### Skills Matrix

Table 135 reflects the actual number of employees skilled in 2019/2020 per occupational level, per gender group and per category of training.

**Table 116: Skills matrix for the City employees**

Skills Matrix														
Management level	Gender F/M	No. of Employees in post 30 June Year 0 (2019/20)	Number of skilled employees required and actual as 30 June Year 0 2019/20											
			Learnerships			Skills programmes & other short courses			Other forms of training (Sub Ed)			Total		
			Actual: End of Year -1 2018/19	Actual: End of Year 0 2019/20	Year 0 Target 2019/20	Actual: End of Year -1 2018/19	Actual: End of Year 0 2019/20	Year 0 Target 2019/20	Actual: End of Year -1 2018/19	Actual: End of Year 0 2019/20	Year 0 Target 2019/20	Actual: End of Year -1 2018/19	Actual: End of Year 0 2019/20	Year 0 Target 2019/20
✓ Municipal Manager	F	10	0	0	0	6	8	5	0	2	0	6	10	5
✓ S56	M	14	0	0	0	7	13	8	0	6	0	7	19	8
✓ Councilors	F	1,017	0	0	0	880	716	585	57	104	22	937	820	607
✓ Senior Officials	M	1,347	0	0	0	1,486	853	521	93	93	13	1,579	946	534
✓ Managers														
Professionals	F	1,716	0	0	0	1,422	1,494	1,285	344	156	48	1,766	1,650	1,333
	M	1,052	0	0	0	532	510	533	244	85	89	776	595	622
Sub total	F	2,743	0	0	0	2,308	2,218	1,875	401	262	70	2,709	2,480	1,945
	M	2,413	0	0	0	2,025	1,376	1,062	337	184	102	2,362	1,560	1,164
<b>Total</b>		<b>5,156</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,333</b>	<b>3,594</b>	<b>2,937</b>	<b>738</b>	<b>446</b>	<b>172</b>	<b>5,071</b>	<b>4,040</b>	<b>3,109</b>
*Registered with professional Associate Body e.g. CA (SA)													T 4.5.1	

### ***Workplace Skills Plan***

In terms of the Skills Development Act 97 of 1998 as amended, all designated employers are required to develop an annual Workplace Skills Plan (WSP) and submit to the relevant (Sector Education and Training Authority (SETA) servicing the industry into which the employer's organisation falls. The WSP records skills needs in an organisation and describe the range of skills development interventions that an organisation will use to address these needs. The WSP facilitates access to SETA mandatory grants for skills training. Organisations are required to report against their WSPs in an Annual Training Report (ATR) that shows how they have addressed the priority skills defined in the WSP.

The City submitted a fully compliant 2019-2020 WSP to the Local Government (LG) SETA. The City's WSP reflected various employee development activities that were planned and implemented. In the 2019-2020 financial year, five thousand seven hundred and seventy-six (5776) employees were trained on various training interventions, varying from short courses, skills programmes, and formal qualifications.

Training was conducted in the following areas:

- Leadership, Management and Supervisory.
- SAP (Human Resources. Customer Service Management, Billing, Finance, etc.).
- Microsoft (Word, Excel, PowerPoint, etc.).
- Customer Care.
- Performance Management.
- Labour Relations.
- Employment Equity.
- Finance.
- Health.
- Environmental.
- Community Services.
- Law Enforcement.
- Employment Equity.
- Labour Relations.

- Paralegal.
- Municipal Governance.
- Monitoring and Evaluation.
- Project Management.
- Induction.
- Generic Training e.g. Report and Letter Writing and Negotiation Skills

## Skills Development Expenditure

Table 136 below reflects the Skills Development Expenditure per occupational category and level as well as gender, as per the Workplace Skills Plan for skills development during 2019/2020.

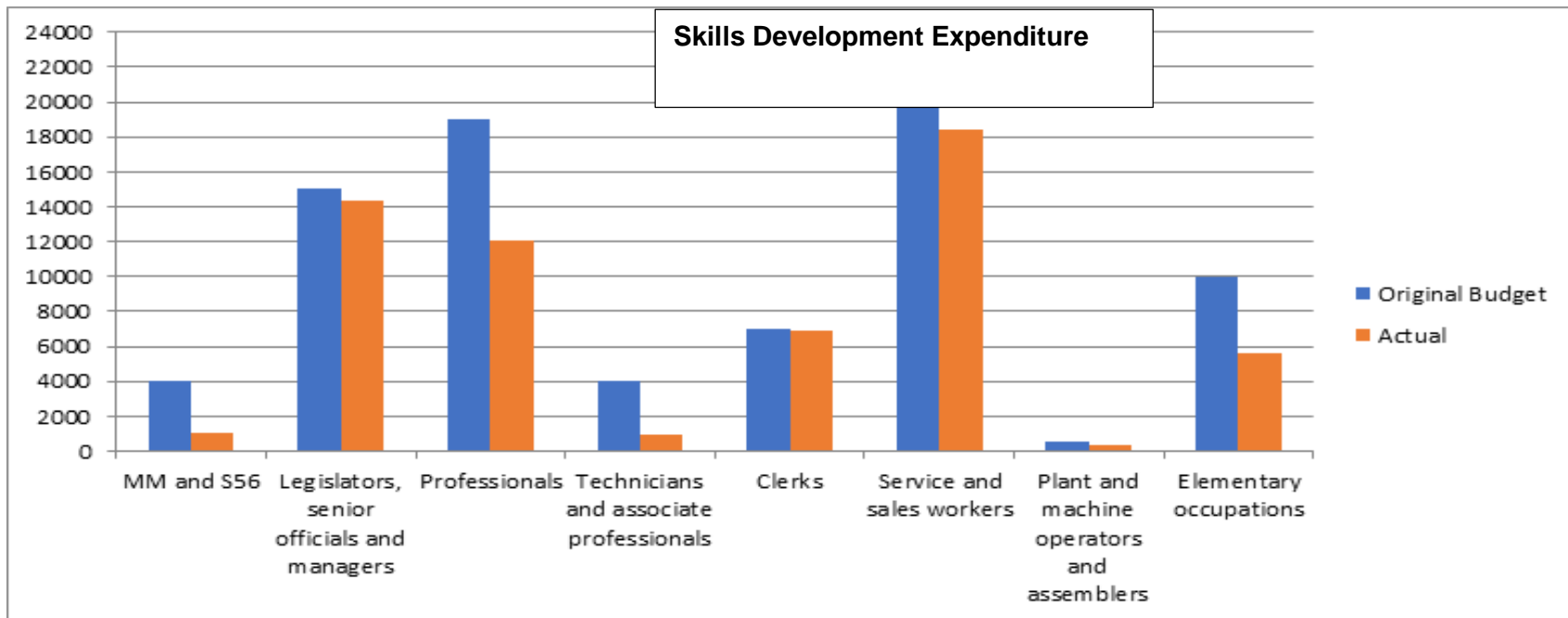
**Table 117: Skills Development Expenditure**

Skills Development Expenditure R'000										
Occupational Category and Level	Gender	Employee s at start 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 (Sub Ed City Core only)		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S56	Female	5			2,000,000	300,000	**		2,000,000	300,000
	Male	10			2,000,000	760,000			2,000,000	760,000
Legislators, senior officials, and managers	Female	698			8,000,000	7,616,550			8,000,000	7,616,550
	Male	802			7,000,000	6,690,000			7,000,000	6,690,000
Professionals	Female	1,469			10,000,000	6,530,000			10,000,000	6,530,000
	Male	812			9,000,000	5,500,000			9,000,000	5,500,000
Technicians and	Female	717			1,000,000	700,000			1,000,000	700,000

associate professionals	Male	550			3,000,000	200,000			3,000,000	200,000
Clerks	Female	977			5,000,000	4,990,000			5,000,000	4,990,000
	Male	891			2,000,000	1,880,000			2,000,000	1,880,000
Service and sales workers	Female	3,587			10,500,000	7,950,000			10,500,000	7,950,000
	Male	5,878			12,000,000	10,510,000			12,000,000	10,510,000
Plant and machine operators and assemblers	Female	8			0	0			0	0
	Male	40			500,000	300,000			500,000	300,000
Elementary occupations	Female	567			5,000,000	2,079,831			5,000,000	2,079,831
	Male	600			5,000,000	3,483,619			5,000,000	3,483,619
Subtotal	Female	8,028			41,500,000	30,166,381			41,500,000	30,166,381
	Male	9,582			40,500,000	29,323,619			40,500,000	29,323,619
<b>Total</b>		<b>17,611</b>			<b>82,000,000</b>	<b>59,490,000</b>			<b>82,000,000</b>	<b>59,490,000</b>
*% and *R-value of municipal salaries (original budget) allocated for workplace skills plan. Note: There is some training not included on the WSP									<b>0.65%*</b>	*R82,000,000
**The columns for "Other forms of training (Sub Ed City Core only)" are not populated due to this specific information not being available electronically.										
										T4.5.3



The graph below refers to the Skills Expenditure as per Table 134 above for 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 are not populated. See Figure 39.



**Figure 24: Skills Development Expenditure 2019/20 (Table 134)**

## MFMA Competency Training

Table 137 shows MFMA Training Matrix for the City's employees.

**Table 1187: MFMA Training Matrix for the City's employees**

City Group (Core Departments and Municipal Entities)						
Financial Competency Development: Progress Report*						
Description	A Core Departments	B Municipal Entities	Consolidated			
	Total no. of officials employed by municipality (Regulation 14(4)(a) and (c))	Total no. of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Total of A and B	Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Total no. of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total no. of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	13	14	10	10	10

Senior Managers	91	139	230	191	171	153
Any other financial officials	822	310	1132	612	584	688
<b>Supply Chain Management Officials</b>						
Heads: Supply Chain Management Units	1	0	1	1	1	1
Supply Chain Management Senior Managers	18	44	62	40	40	40
<b>TOTAL</b>	<b>934</b>	<b>506</b>	<b>1440</b>	<b>855</b>	<b>807</b>	<b>893</b>
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2						

## ***External Outreach Programmes***

The City is committed to provide skills development opportunities focusing not only on its employees, but also on the Johannesburg community members as a mechanism to address socio economic challenges experienced.

### ***Internship Programme***

The Internship Scheme is an intervention by the CoJ to seek to address the growing demand by Educational Institution Students to undergo on-the-job exposure, as a pre-requisite to acquire an academic qualification or as a requirement after the acquisition of an academic qualification. The City offers the following internship opportunities:

- Student Internship for a student at an Educational Institution that require practical experience to obtain their qualification.
- Graduate Internship to an individual who has completed a qualification and is unemployed but requires workplace experience to enhance future employment opportunities.
- In-service Training to employees studying at an Educational Institution and must undertake a period of work experience to fulfil the requirements of the qualification.
- Internship linked to professional development and requirement for professional registration with Professional Bodies or Councils.

Six hundred and nineteen (619) youth in the Johannesburg communities were offered an opportunity to participate in the City's Internship Programme 2019/2020.

### ***Learnership Programme***

A learnership is a structured learning programme that combines learning at a training institution with practical work based learning in an integrated programme. The institutional learning component, delivered by training providers, covers the theoretical aspects of the learning, while the work based learning involves practical learning experience in the workplace.

In 2019/2020 an Environmental Learnership Programme accommodated two hundred (200) learners as follows:

- One hundred (100) learners on NQF level 2. Ninety-four (94) learners were declared competent
- One hundred (100) learners on NQF level 4. Sixty-four (64) learners were declared competent

### *Bursaries*

The City offers hundred (100) bursaries per academic year, as a strategic intervention targeting community members from Johannesburg who intend pursuing academic studies at recognised tertiary institutions in South Africa.

The bursaries are aligned to the identified critical and scarce skills in the local government sector for undergraduate studies. In the 2019 academic year one hundred (100) bursaries at an amount of R2.5 million rand were awarded.

In the light of escalating tertiary education costs, the City approved for the bursary amount to be increased from R25 000 per bursar to R35 000 per bursar in 2020. Therefore, in the 2020 academic year one hundred (100) bursaries at an amount of R3.5 million were awarded.

### *Employee Assistance Programme*

The Employee Assistance Programme (EAP) 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 discussion below pertains to the period under review on key performance areas.

#### **a) Promotion of employee's psychosocial wellness**

The purpose of social and psychological intervention is to address employee's personal and/or

work related challenges that may hinder their productivity. EAP offers a myriad of interventions such as counselling, trauma debriefing and referral to external rehabilitation facilities to improve employee wellbeing.

The following was achieved during 2019/2020:

- Referrals of sixty seven (67) employees.
- Critical Incident Stress and Trauma debriefing reached seven hundred and one (701) employees.
- New cases were received for eight hundred and eighty nine (889) employees:
  - Formal referrals by line management at 81% (720 / 889).
  - Self-referrals at 12% (107 / 889).
  - Informal referrals at 7 % (62 / 889).

The major challenges that employees presented with were mental health issues (stress and depression) and this was exacerbated by the COVID 19 pandemic which posed unprecedented challenges to the mental wellbeing of employees. Being in quarantine/social isolation, feeling unsafe and witnessing COVID death hastened anxiety and panic disorder-like symptoms. The second and third reported challenges were family and financial problems, respectively.

#### **b) Prevention, awareness & educational activities**

The following initiatives were implemented:

- *Stress Management*

Stress management workshops aim to provide knowledge concerning potential stressful situations, to inform employees of both normal and abnormal reactions to stressful experiences and to give some general guidelines for successfully coping with various levels of stress. Six (6) Workshops with one hundred and seventy six (176) employees in attendance were held.

- *Financial Wellness*

The financial wellness programme provides education and guidance on financial planning, managing debt and the identification of financial difficulties to seek assistance at the earliest possible time. Eight (8) Financial Management Workshops in all the regions were held and four hundred and twenty one (421) employee were reached.

- *Managerial Consultancy*

The purpose of managerial consultancy sessions is to empower line management with the identification of impaired work performance and troubled employees. Seven (7) Managerial Consultancy Sessions were conducted with line management.

**c) Enhance work-life balance initiatives and support**

The work-life balance initiatives are aimed at creating an organisational climate and culture that is conducive to wellness and assist employees to achieve meaningful daily achievement and enjoyment in their social and work life. The following were achieved in 2019/2020:

- One (1) pre-retirement planning workshop for Legislature employees.
- Thirty seven (37) presentations were facilitated on the Incapacity Leave Management and Bereavement Policy Frameworks.
- The Incapacity Leave Management Committee received one hundred and one (101) applications as follows:
  - Seventy seven (77) approved.
  - Three (3) declined.
  - Four (4) withdrawn.
  - Seventeen (17) not finalised due to insufficient information provide.

**d) EAP Marketing**

The unit uses different platforms to disseminate information on EAP services. These include presentation during induction of recruits, roadshows in different regions and creating and

publishing information brochures for COJ messages. Many COVID 19 and related topics were communicated with employees during this period.

#### **e) COVID-19 Mental Health Interventions**

The advent of the COVID-19 pandemic has brought with it a wide range of challenges for the organisation including employees presenting with stress-related symptoms, anxiety and uncertainty about their health and wellbeing. During the 4<sup>th</sup> quarter in 2019/202, reported cases of burnout was 33% which increased by 8% compared to the same period last year, which was 25%. This could be attributed to unprecedented levels of workload and pressure for screening and testing COVID cases for health care officials as well as for other frontline and essential services employees. Emotional stress was also prevalent during the beginning of the outbreak due to social isolation, compulsory and / or self-quarantine.

To ensure a supportive and safe workplace, the EAP Unit appointed ten (10) short term contract EAP specialists to increase capacity and provide counselling to employees and Councillors. Specifically this was provided where employees tested positive, their families, their direct contacts (employees of the City) and co-workers. The EAP Unit also provided telephone counselling to reach as many employees as possible, especially those who were in quarantine and needed assistance.

### **Talent Acquisition, Remuneration, Performance and Transformation**

#### ***Rewards and Recognition***

A Group Recognition and Reward Policy Framework was developed to attract and retain a quality workforce and to recognise the efforts made by employees in terms of performance, attitude, and achievements. It aims to provide a fair framework within which such recognition or rewards may be given and once approved will apply to all employees within the City Group i.e. City Core and Municipal Entities (MEs).

The final draft policy framework will be submitted to the City's decision making structures for consideration during 2020/2021.



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 to individual or group objective and outcomes.
- 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 KPI objectives and targets as reflected in individual performance scorecards.
- Assist to create a positive environment where employees are motivated to achieve service excellence.
- Assist to create a culture of acknowledgement for "walking the extra mile".
- Improve staff retention, especially in terms of critical skills.

### ***Remuneration***

The City's Remuneration Policy Framework was reviewed during 2019/2020 and an updated draft Policy Framework developed, which will provide guiding principles that will drive high level decision making regarding remuneration and the consistent application thereof throughout the City Group. It will also guide and inform on the long-term financial impact for the City regarding

remuneration.

The current broad banding salary scales often reduces advancement opportunities for employees and market related salary offers for new appointments (internal or external) which has hindered the City to retain and attract suitable employees.

The “payment” for tenure is currently a burning point in the City and it underlines the fact that there are currently no progression possibilities for employees in the City. The original National Wage Curve Agreement was developed by the South African Local Government Bargaining Council in 2010. However, this Agreement became a matter of litigation and was nullified by the Labour Appeal Court.

This draft reviewed policy framework is therefore an effort to align the City’s salary progression to the principles of the anticipated National Wage Curve implementation. The more the City move forward in terms of salary progression, the less the financial impact in terms of salary alignment implementation would affect the City at a later stage. The draft policy framework intends to adopt a salary structure that is aligned to the TASK Job Evaluation System and to this objective developed the new TASK City Core Salary Scales.

The draft policy framework will be submitted to the City’s decision making structures in 2020/2021 for consideration.

### ***Job Evaluation***

The City uses the recognised TASK Job Evaluation System as approved by the National Executive Committee of the (SALGA).

The implementation of the TASK Job Evaluation System was to ensure a uniform set of norms and standards for positions and their gradings across all municipalities for comparative benchmarking. It also provides the necessary structure, institutional arrangements and procedures for job evaluation. These job evaluation results will form the core for the wage curve (progression pay) implementation.

The Job Evaluation Unit of the City presents grading results to the Provincial Audit Committee for validation and appeal purposes. A trained and selected official from the City also serve and represent the City on the Committee.

### ***Benefits and Allowances***

Benefits and Allowances are determined through collective bargaining and are contained in the Main Collective Agreement as agreed upon on national and divisional level. This Agreement is valid until the end of December 2020. A new Main Collective Agreement may therefore be determined by means of collective bargaining during 2021.

Some benefits that are not addressed through the above mentioned bargaining processes are regulated through various policy frameworks in the City Group.

### ***Talent Acquisition***

The focus for Talent Acquisition during 2019/2020 was to address the turnaround times of the recruitment processes for successful appointments into vacant positions. An electronic advertising system was implemented, which assisted to reduce the turnaround time by twenty two point twenty four (22.24) days i.e. from one hundred and twenty (120) days to ninety seven point seven six (97.76). It is intended to further reduce turnaround times in 2020/2021 through other electronics means. The onset of COVID-19 identified the need to develop virtual interview guidelines that will be embarked upon in July 2020.

### ***Employment Equity and Transformation***

The Employment Equity (EE) and Transformation office facilitate and guide EE, gender and disability implementation to ensure compliance with the EE legislation in the City. The City Manager supported this through the appointment of an EE senior management representative.

The EE, gender and disability implementation has been prioritised through the inclusion of EE KPIs in the scorecards of all senior managers with effect from 2019/20 and it will be retained in 2020/21. Although the factoring of EE (inclusive of gender and disability) is critical and a progressive move by the City to ensure compliance, each department must play an active role by ensuring that the following ten (10) golden steps of implementation are followed:

- Assignment of one (1) or more EE senior manager.
- Communicating and creating awareness on the application and implementation of the EE Act with the intent to eradicate stereotypes and eliminate tendencies of unfair discrimination against employees.
- Consultation with all employees, inclusive of all occupational levels, race, gender and disability.
- Conduct a workplace analysis to verify compliance with the City policies, practices and procedures to identify barriers in the workplace.
- Develop Affirmative Action (AA) measures by converting identified barriers into achievable and measurable remedial actions.
- Develop an EE Plan to guide the City's implementation path for the duration set.
- Allocation of resources for the smooth implementation of the EE Act.
- Communication of an approved EE Plan.
- Monitoring and evaluation of the EE implementation.
- Reporting to the Department of Employment and Labour (DoEL).

The following were achieved in 2019/2020, with the intent to achieve the City's transformation agenda:

#### *Employment Equity*

- The City Core EE Plan for the period 2019 - 2024 was successfully developed and approved after consultation with various stakeholders within the City.
- The City hosted its first historic EE Lekgotla on 14 - 15 November 2019 at the Joburg Zoo, which was aimed at reinforcing transformation within the City.
- The 2019 DoEL EE Annual Progress report was successfully submitted on the online reporting platform.
- The City Manager approved the integration of the Skills Development and the Employment Equity Forums on 09 January 2020. This is due to commonalities and dependencies of the two (2) structures.

### *Disability Management*

The disability staff complement within the City Core continues to decline, which poses a challenge to comply with the 2% disability quota. Measures such as preferential selection and/or intended consideration for PWDs should be dealt with as a matter of urgency. This requires a deliberate approach by departments (senior managers) to target and to consider Persons with Disabilities (PWDs) as and when the recruitment and selection process is underway.

Advocacy and the raising of awareness play a critical role to ensure the eradication of stereotypes and unfair discrimination that PWDs get subjected to daily. For this reason, the commemoration of Casual Day and the National Day of Disability have become annual events in the City. Through the selling of Casual Day stickers and merchandise to employees, the City raised over R92 000.00 to assist organisations for / and PWDs in the City.

To enhance the current disability targets and in partnership with Siyaya Skills Unit, the City initiated and placed seventeen (17) disability learners within Social Development. During the 3<sup>rd</sup> quarter in 2019/20, eight (8) KLM Empowered disability learnership placements were also approved by the City. Due to COVID-19 the placement of learners was delayed to 2020/21.

Engagement with key stakeholders for the development of a Disability Recruitment Strategy was initiated. The strategy seeks to target funded vacancies from level 7 and below, to give preference to PWDs. The strategy development shall be finalised in the 1st Quarter of 2020/21 Financial Year.

The City Core disability % standing is as follows as at 30 June 2020:

<b>Actual Number of Staff with Disabilities</b>	<b>128</b>
<b>Total Staff Compliment</b>	<b>19831</b>
<b>Disability Target</b>	<b>2%</b>
<b>Actual Disability %</b>	<b>0.6%</b>

Gap %	-1.4%
-------	-------

### *Gender Mainstreaming*

Workplace bullying, intimidation and sexual harassment remain as some of the serious Gender Based Violence (GBV) misconduct within the work place. Awareness is used as a prevention strategy to eradicate the scourge of GBV in the City. Both males and females are made aware about the seriousness of these acts and are encouraged to refrain from it.

Sexual harassment workshops are conducted in various City departments and in 2019/2020 sessions were held in Economic Development, Group Finance, Community Development and Transport. Departments must ensure that all employees are sensitised on these issues so to avoid claims of ignorance by the alleged perpetrators or vicarious liability by the City as the employer, for failure to put in place reasonable steps to avoid this misconduct.

The Women's Month Commemoration was held on 30 August 2019. This was followed with awareness raising during the 16 Days of Activism and sessions were scheduled in all the regions from 26 November to 29 December 2019. Dialogue on gender issues remain relevant, hence the City's commitment to have discussions on women related issues in the workplace, as they are mostly disadvantaged as compared to their male counterparts. To lay a foundation for gender discussion, two (2) gender structures in the City were established as follows:

- Gender Steering Committee - To champion the mainstreaming of gender in the City
- Sexual Harassment Task Team - To discuss and guide on issues of sexual harassment in the City.

### City Core Workforce Profile

The assessment of progress on the correction of current under and over-representation is based on the City wide EE Plan. Table 138 below depicts the City's workforce representation in terms of age, race, gender, and foreign national status as at 30 June 2020.

**Table 119: City Core Departments Workforce Profile 2019/20**

City Core Departments Workforce Profile: Year (2019.20)												
Occupational Level	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
Top Management (Level 1-2)	18-34	0	0	0	0	0	0	0	0	0	0	0
	>35	5	1	3	0	5	0	0	0	0	0	14
	<b>Total</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>
Senior Management (level 3-4)	18-34	22	1	1	2	12	1	3	2	0	0	44
	>35	227	17	20	33	146	11	11	29	2	2	498
	<b>Total</b>	<b>249</b>	<b>18</b>	<b>21</b>	<b>35</b>	<b>158</b>	<b>12</b>	<b>14</b>	<b>31</b>	<b>2</b>	<b>2</b>	<b>542</b>
Professional Qualified (Level 5-6)	18-34	84	0	0	3	72	2	1	3	2	0	167
	>35	432	25	25	85	326	23	18	71	2	2	1031
	<b>Total</b>	<b>516</b>	<b>25</b>	<b>25</b>	<b>88</b>	<b>398</b>	<b>25</b>	<b>19</b>	<b>74</b>	<b>4</b>	<b>2</b>	<b>1176</b>
Skilled Technical (Level 7-8)	18-34	1006	21	12	15	795	19	14	6	0	1	1889
	>35	2960	158	53	170	2937	138	46	184	2	4	6652
	<b>Total</b>	<b>3966</b>	<b>179</b>	<b>65</b>	<b>185</b>	<b>3732</b>	<b>157</b>	<b>60</b>	<b>190</b>	<b>2</b>	<b>5</b>	<b>8541</b>

Semi-Skilled (Level 9-10)	18-34	963	34	6	3	621	24	3	2	0	0	1656
	>35	1014	64	10	24	1272	72	21	71	0	0	2548
	<b>Total</b>	<b>1977</b>	<b>98</b>	<b>16</b>	<b>27</b>	<b>1893</b>	<b>96</b>	<b>24</b>	<b>73</b>	<b>0</b>	<b>0</b>	<b>4204</b>
Unskilled (Level 11)	18-34	907	2	2	0	348	11	1	0	0	0	1271
	>35	1960	14	0	2	1166	21	0	2	2	0	3167
	<b>Total</b>	<b>2867</b>	<b>16</b>	<b>2</b>	<b>2</b>	<b>1514</b>	<b>32</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>4438</b>
Temporary	18-34	164	9	1	0	232	11	3	0	0	0	420
	>35	102	4	3	3	353	11	5	13	2	0	496
	<b>Total</b>	<b>266</b>	<b>13</b>	<b>4</b>	<b>3</b>	<b>585</b>	<b>22</b>	<b>8</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>916</b>



## **Performance Management**

Performance management implementation remains challenging because of its manual nature, resulting in difficulties with monitoring, evaluation and reporting. These challenges will only be relieved once the City implements an automated electronic system. This will ensure efficient administration, effective monitoring and accurate reporting of performance management implementation. Once the SAP e-Performance module rollout takes place, the automation of the processes will ensure improved levels of implementation and monitoring. An effective performance management system is a critical enabler in achieving the City strategic priorities and objectives.

### *Performance Reward Systems*

The reward systems of the Core Administration, Section 54A/56 employees and Municipal Entities differ from each other. The City Core reward permanent employees with non-financial rewards i.e. leave days. In the City Core, Section 56 employees (Heads of Departments), fixed term contracts and political office fixed term contract employees, are the only categories that qualify for financial rewards. Municipal Entities provide for financial rewards.

The Performance Management of Section 54A/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 54A/56 Senior Managers and other municipal employees. To reward employees in a uniform manner, this is addressed in the new draft Group Reward and Recognition Policy Framework.

### **City Group Financial Rewards for Performance per Gender**

Table 139 below reflect the Financial Rewards for Performance for the City Group i.e. Core Departments and Municipal Entities per gender. It must be noted the financial rewards reflected is for 2018/2019, as rewards pay out only in the following financial year i.e. after the

end of a performance cycle on 30 June of each year.

**Table 120: Performance Rewards by Gender 2019/2020**

<b>City Group (Departments and Municipal Entities)</b> <b>Financial Performance Rewards by Gender: Year (2019.20)</b>					
Designations	Beneficiary profile				
	Gender	Total no. of employees in the City Group	No. of beneficiaries	Expenditure on rewards Year 20 (2019.20)	Proportion of beneficiaries within the City Group
				R' 000	%
F) Unskilled	Female	6677	340	2,020	5%
	Male	8354	715	3,582	9%
E) Semi-skilled	Female	3085	338	5,929	11%
	Male	4607	767	11,684	17%
D) Skilled & Jnr Management	Female	5084	434	13,650	9%
	Male	6198	1,104	37,158	18%
C) Professional & Mid Management	Female	992	340	20,722	34%
	Male	1274	502	32,218	39%
B) Snr Management	Female	300	41	5,886	14%
	Male	458	93	12,601	20%
A) Top Management	Female	10	4	763	40%
	Male	14	8	1,149	57%
Total		37,053	4,686	147,362	13%
Has the statutory municipal calculator been used as part of the evaluation process?					

*Note: MSA 2000 S51(d) requires that ... “performance plans, on which rewards are based should be aligned with the IDP”... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).*

*T 4.4.1*

## **Field and Transactional Shared Services**

### **a) Field Shared Services**

The current HCM delivery model, defines Field Services as a business partner to line management within the respective City Core departments. The service rendered by Field Services include the complete GHCM value proposition at an implementation level.

In 2019/2020 the following were executed / achieved amongst others:

- The electronic vacancy advertisements on various social media platforms has meant that more people are reached which increases the specialised target market for some positions that would normally be challenging to fill.
- Field Services teams have responded to all reporting, recruitment and selection, capturing and processing of input.
- Field Services teams as critical support function continued to work during the COVID-19 lockdown periods and are continuously looking for more innovative ways to support departments.
- Client queries and the processing of input have been done electronically as far as possible and this has impacted positively on turnaround times and the client experience.
- Improvements and achievements on the recruitment and selection of Section 56 Senior

Managers:

- Reduction of turnaround times regarding closing dates, shortlisting and interviews.
- Improved security vetting and competency assessment turnaround times.

## **b) Transactional Shared Services**

Transactional Services is responsible for HCM administration activities, capturing and input management for purposes of payroll and leave management.

In 2019/2020 the following were executed / achieved amongst others:

- Accurate capturing and processing of payroll input in line with relevant collective agreements, policies and procedures.
- Maintained authorised payroll input documentation as per monthly timeframes including:
  - Management of work attendance and all related queries.
  - Captured all new on-boarding's.
  - Maintained employee movement.
  - Managed termination of employment on the system.
- Monitored and observed strict statutory compliance.
- SAP System authorisations were strictly controlled in terms of the allocated roles to individual payroll employees.
- Rendered payroll services to Municipal Entities in accordance with set service standards.
- Monthly reconciliation between Payroll and Finance.
- Management responses to all audit queries that are payroll and SAP System related inclusive of interventions identified to mitigate against the relevant audit findings.
- Ensured monthly salary payment on dates as determined in the Group Payroll Management Policy Framework.
- Payroll System upgrade to SAP ECC6 – Participated in the preparation and blue print for the implementation of SAP ECC 6 and went live on the new system with effect from the March 2020 payroll.

## Employee Numbers and Vacancies

### a) Vacancy rate

The City Group totals across the various Departments and MEs as at 30 June 2020:

- Thirty eight thousand and twenty four (38024) employees inclusive of temporary workers (Short-term, Part-time & seasonal workers).
- Staff establishment of 40442 (including 2 418 funded vacancies).
- Overall vacancy rate was at 6%.

### b) City Group Vacancy Rate

Table 140 further below depicts the City Group staff establishment and vacancies as at 30 June 2020. The City Group vacancy rate as at the end of June 2020 was at 6% and the Department of Public Administration Services (DPSA) norm of less than 10% is used to compare against. In 2019/2020 the vacancy rate as reflected in Table 140 further below, remained below 10% with the highest percentage in quarter 1 at 7%.

Top Management i.e. Section 54A (City Manager) and 56 (Heads of Departments, CEOs and MDs) was at 29%, which is very high. The City has re-advertised these positions to ensure stability at Top Management level. The ten (10) vacancies at top management level are reflected below and it is envisaged that most of them will be filled in the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2020/2021.

**Table 121: City Group staff establishment and vacancies as at 30 June 2020**

Top Management Vacancies as at 30 June 2020	
1.	Group Executive Director: Group Corporate and Shared Services
2.	Group Head: Group Risk and Assurance Services
3.	Executive Director: Transport

4.	Executive Director: Social Development
5.	Executive Director: Housing
6.	Executive Director: Community Development
7.	Secretary to Council
8.	Head: Integrated Public Safety
9.	Managing Director: Metro Trading Company
10.	Managing Director: Joburg Roads Agency

The vacancy rate for Senior Management (Directors, Deputy Directors and Municipal Entity General Managers reporting to Section 56 employees) was at 10%.

Table 122 shows the City Group Departments and Municipal Entities Vacancy Rate.

***Table 123: City Group Departments and Municipal Entities Vacancy Rate 2019/2020***

<b>City Group (Departments and Municipal Entities)</b>					
<b>Vacancy Rate: Year (2019.20)</b>					
<b>Description</b>	<b>Year -1 (2018.19)</b>	<b>Year 0 (2019.20)</b>			
<b>Department / Municipal Entity</b>	<b>Employees No.</b>	<b>Approved Posts No.</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies %</b>
Office of the Executive Mayor	121	174	156	18	10%
Legislature	218	253	225	28	11%
Office of the City Manager	25	25	25	0	0%
Office of the Chief Operations Office	11	15	14	1	7%
Group Strategy, Policy Co-ordination & Relations	44	50	47	3	6%
Group Communication & Marketing	53	60	52	8	13%
Group Governance	44	57	52	5	9%
Group Legal & Contracts	89	92	84	8	9%
Group Risk And Assurance Services(GRAS)	86	95	86	9	9%
Group Information & Communication Technology	100	102	95	7	7%
Group Forensic & Investigation Services	57	74	69	5	7%
Citizen Relationship & Urban Management	412	465	437	28	6%
Community Development	1,337	1,679	1,402	277	16%
Development Planning	457	499	470	29	6%
Economic Development	89	130	120	10	8%



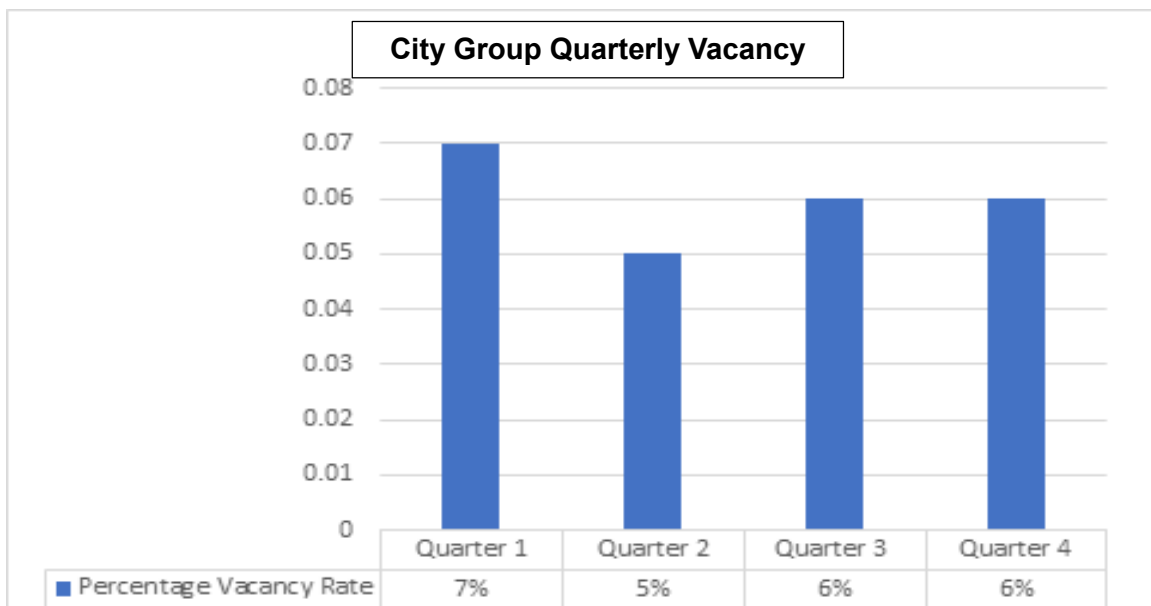
<b>City Group (Departments and Municipal Entities)</b>					
<b>Vacancy Rate: Year (2019.20)</b>					
<b>Description</b>	<b>Year -1 (2018.19)</b>	<b>Year 0 (2019.20)</b>			
<b>Department / Municipal Entity</b>	<b>Employees No.</b>	<b>Approved Posts No.</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies %</b>
Environment & Infrastructure Services	94	100	93	7	7%
Group Corporate & Shared Services	413	482	451	31	6%
Group Finance	1,730	1,878	1,770	108	6%
Health	2,102	3,067	2,947	120	4%
Housing	400	414	376	38	9%
Public Safety	9,081	10,553	10,005	548	5%
Social Development	300	570	361	209	37%
Transportation	501	528	494	34	6%
Sport and Recreation (City Parks and Zoo Municipal Entity)	1,376	2,081	1,931	150	7%
Electricity (City Power - Municipal Entity)	1,606	1,951	1,895	56	3%
Development Implementation (Johannesburg Development Agency - Municipal Entity)	0	99	99	0	0%
Housing (Johannesburg Social Housing Company (JOSHCO) - Municipal Entity)	108	505	495	10	2%

<b>City Group (Departments and Municipal Entities)</b>					
<b>Vacancy Rate: Year (2019.20)</b>					
<b>Description</b>	<b>Year -1 (2018.19)</b>	<b>Year 0 (2019.20)</b>			
<b>Department / Municipal Entity</b>	<b>Employees No.</b>	<b>Approved Posts No.</b>	<b>Employees No.</b>	<b>Vacancies No.</b>	<b>Vacancies %</b>
Johannesburg Property Company (Municipal Entity)	492	1,778	1,714	64	4%
Roads (Johannesburg Roads Agency - Municipal Entity)	1,662	1,960	1,907	53	3%
Water (Johannesburg Water - Municipal Entity - Water, Sanitation and Stormwater Drainage)	2,682	3,498	3,151	347	10%
Metro Trading Company(MTC)	53	84	44	40	48%
Johannesburg Market (Municipal Entity)	305	395	382	13	3%
Transport (Metrobus - Municipal Entity)	707	878	790	88	10%
Johannesburg Theatre (Municipal Entity)	158	243	237	6	2%
Waste Management (Pikitup - Municipal Entity)	5,403	5,608	5,548	60	1%
Totals	32,316	40,442	38,024 *includes 954 temps	2,418	6.0%
<i>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved</i>					<i>T 4.1.1</i>

City Group (Departments and Municipal Entities)					
Vacancy Rate: Year (2019.20)					
Description	Year -1 (2018.19)	Year 0 (2019.20)			
Department / Municipal Entity	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
<i>organogram.</i>					

### c) City Group Quarterly Vacancy Rate Graph

Graph 8 below is reflective of Table 8 above per quarter i.e. the City Group Departments and Municipal Entities quarterly vacancy rate 2019/2020. The highest vacancy rate was in quarter 1 at 7%. See Figure 40.



**Figure 40: City Group Departments and Municipal Entities Quarterly Vacancy Rate 2019/2020**

#### d) City Group Vacancy Rate per Reporting Level

Table 142 below reflect the vacancy rate per reporting level for the City Group Core Departments and Municipal Entities as at 30 June 2020. This clearly reflect the high vacancy rate on top management level at 29%. The City is in the process of filling vacant top management positions and this figure should be more positive in the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2020/2021.

**Table 124: Vacancy Rate: City Group Core Departments and Municipal Entities per Reporting Level 2019/2020**

City Group (Departments and Municipal Entities)												
Vacancy Rate per Reporting Level : Year (2019.20)												
Categories	Employee Numbers								Total Employee es	Vacan cies	Total Establi shmen t	Vaca ncy Rate 17
	Male				Female							
	A	C	I	W	A	C	I	W				
Top Management	10	1	3	0	8	2	0	0	24	10	34	29%
Snr Management	356	23	30	49	227	15	21	37	758	86	845	10%
Professional / Mid Management	976	48	53	197	811	40	36	105	2 266	193	2 459	8%
Skilled & Jnr Management	5 493	262	90	358	4 564	205	81	240	11 282	907	12 204	7%
Semi-skilled	4 350	180	22	55	2 820	133	26	106	7 692	572	8 264	7%
Unskilled	8 249	68	20	16	6 573	93	7	4	15 031	469	15 493	3%
Temps	279	13	4	3	599	23	8	15	954	166	1 110	15%

<sup>17</sup> Vacancy Rate = Total Vacancies / Total Staff Establishment \* 100

Unknown Occupational levels (JDA & JPC)17. Vacancies (Not graded MTC 15)	8				9				17	15	32	47%
<b>Grand Total</b>	<b>19 721</b>	<b>595</b>	<b>222</b>	<b>678</b>	<b>15 611</b>	<b>511</b>	<b>179</b>	<b>507</b>	<b>38 024</b>	<b>2418</b>	<b>40 441</b>	<b>6%</b>
Annotation												
<ul style="list-style-type: none"> <li>• Top Management is level 1 and 2</li> <li>• Senior Management is level 3 and 4</li> <li>• Professionally qualified and experienced specialists and mid-management level 5 and 6</li> <li>• Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents level 7 and 8</li> <li>• Semiskilled and discretionary decision-making level 9 and 10</li> <li>• Unskilled and defined decision-making level 11</li> </ul>									A = African C = Coloured I = Indian W = White			

**e) City Group Vacancy Rate Critical Skills**

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 143 below reflect the vacancy rate for critical skills for the City Group Core Departments and Municipal Entities as at 30 June 2020. The table extrapolates critical vacancies highlighted by National Treasury and reflect the average number of working days (250 days) in a year that the position remained vacant. This clearly reflect the high vacancy rate on top management level (Section 56) as a proportion of total posts, at 30.54%.

**Table 125: Vacancy Rate City Group Core Departments and Municipal Entities for Critical Skill**

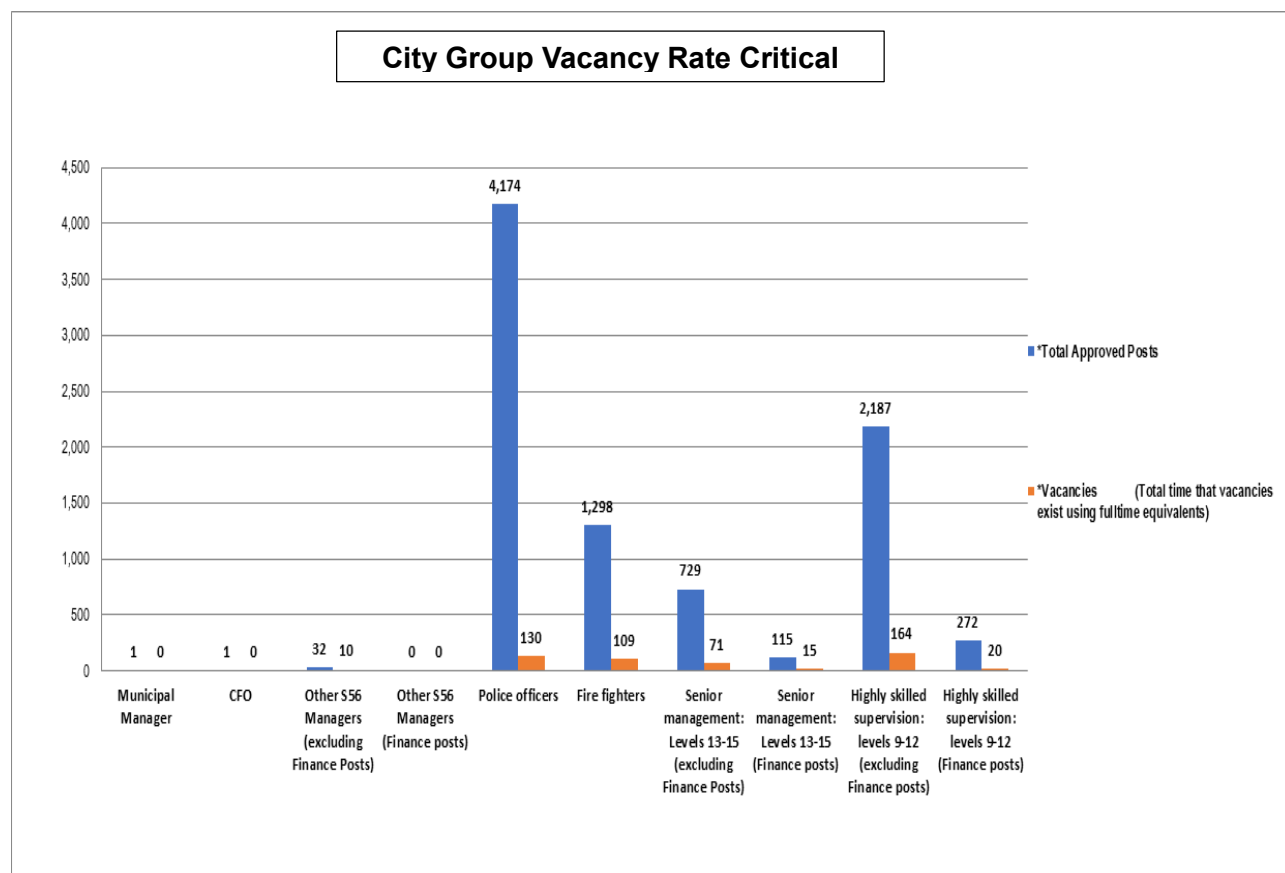
<b>City Group (Departments and Municipal Entities)</b>			
<b>Vacancy Rate Critical Skilled Employees: Year (2019.20)</b>			
<b>Designations</b>	<b>*Total Approved Posts</b>	<b>*Vacancies (Total time that vacancies exist using fulltime equivalents)</b>	<b>*Vacancies (as a proportion of total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S56 Managers (excluding Finance Posts)	32	10	30.54
Other S56 Managers (Finance posts)	0	0	0.00
Police officers	4,174	130	3.12

Fire fighters	1,298	109	8.43
Senior management: Levels 13-15 (excluding Finance Posts)	729	71	9.78
Senior management: Levels 13-15 (Finance posts)	115	15	12.69
Highly skilled supervision: levels 9-12 (excluding Finance posts)	2,187	164	7.49
Highly skilled supervision: levels 9-12 (Finance posts)	272	20	7.50
<b>Total</b>	<b>8,809</b>	<b>519</b>	<b>5.90</b>
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><i>T 4.1.2</i></p>			



## f) City Group Vacancy Rate Critical Skills

Figure 41 shows the City Group vacant rate critical skills.



**Figure 41: Vacancy Rate City Group Core Departments and Municipal Entities for Critical Skills for 2019/20**

## g) Turnover Rate (All Terminations)

The staff turnover for the City Group for 2019/2020 was 4.28% per annum and is reflected in Table 144 below. The turnover rate is the number of employees where services were terminated during the financial year e.g. resignation, retirement, death, dismissal etc. Industry norms indicate that 10% or lower is an acceptable norm. The City Group turnover rate over a three (3) year comparison is indicative of a stable labour environment.

**Table 126: Turnover rate comparison per year**

City Group (Departments and Municipal Entities)			
Turnover Rate Comparison			
Details	Total Appointments as of the beginning of Financial Year (Excluding Temporary Employees)	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year 2017.18	27,360	1,387	5.07
Year 2018.19	31,519	1,346	4.27
Year 2019.20	37,070	1,585	4.28
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year T 4.1.3			

## Municipal Employee Expenditure

### City Group Remuneration Ratio

The Remuneration Ratio is considered as an important indicator of municipal sustainability with the norm being below 30%. The City's Remuneration Ratio for 2019/2020 is 28%. Some decisions are not in the control of the City such as the Salary and Wage Collective Agreement, which determines the salary increase at a National Level and will affect the Remuneration Ratio. Table 145 below reflects an increase in the number of employees whose salaries have increased due to the upgrading of their positions.

**Table 127: Employees whose salaries were increased due to their positions being upgraded during 2019/20**

City Group (Departments and Municipal Entities)		
Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
F. Unskilled	Female	5
	Male	2
E. Semi-skilled	Female	12
	Male	4

D. Skilled & Jnr Management	Female	13
	Male	17
C. Profess & Mid Management	Female	3
	Male	1
B. Snr Management	Female	1
	Male	1
A. Top Management	Female	0
	Male	0
<b>Total</b>		<b>59</b>
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).</i>		<i>T 4.6.2</i>

### Sick Leave

All categories of leave are regulated through the Main Collective Agreement and Conditions of Service. Leave Applications, Attendance Registers, Activity Reports and submission of Leave Applications are still manual processes on hard copy. Only after completion of processes can information be captured on the payroll system. The manual nature of the leave administration processes results in several challenges such as:

- Delays from the time when the leave is applied for until it is captured.
- Inaccurate leave balances and subsequent inaccurate leave accrual figures being reflected due to delays.
- Extensive and time-consuming control and monitoring mechanisms to ensure accuracy and to prevent attendance fraud.
- Attendance controls through Attendance Registers are unreliable and prone to fraud and corruption.

All 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 electronic 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.

The automation of the Human Capital Management processes and systems are also key to ensure a standardised application of Human Capital Management processes within the City Group.

### ***Average Sick Leave per Individual Employee***

Table 146 below reflects the average sick leave per individual employee as 2.94 days for 2019/2020 which is seen as positive. This is a decrease from the previous year of 3.98 days. Once the SAP implementation project has been concluded and all the MEs run on the same automated electronic system, reporting for all types of absences can be more regular and the accuracy thereof will improve.

Employees had to remain within their residential premises due to the COVID-19 pandemic and the announced lockdown levels with effect from 27 March 2020. This may have influenced sick leave taken, as employees were less at risk for general ailments since they were confined to their residential premises.

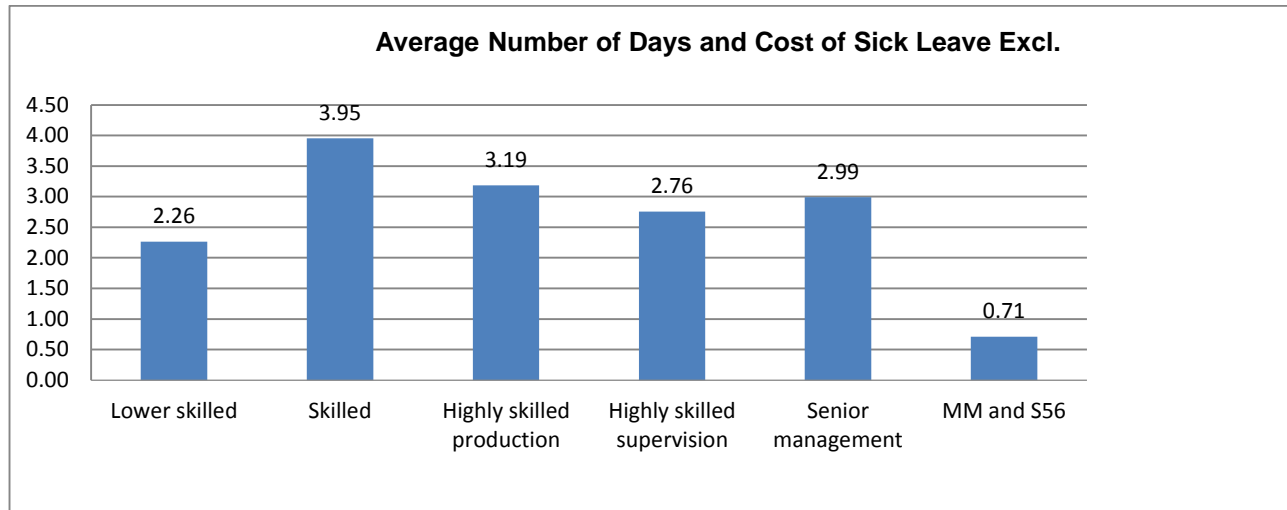
***Table 128: Employees Average Sick Leave per Individual Employee during 2019/20***

<b>City Group (Departments and Municipal Entities)</b>						
<b>Number of days and Cost of Sick Leave (excluding injuries on duty) 2019/20</b>						
<b>Salary band</b>	<b>Total sick leave</b>	<b>The proportion of sick leave without medical certification</b>	<b>Employees using sick leave</b>	<b>Total employees in post*</b>	<b>**Average sick leave per Employees</b>	<b>Estimated cost</b>
	<b>Days</b>	<b>%</b>	<b>No.</b>	<b>No.</b>	<b>Days</b>	<b>R' 000</b>
Lower skilled	33,991	12%	4,624	15,031	2.26	20,914
Skilled	30,415	19%	4,287	7,692	3.95	33,438
Highly skilled production	35,943	22%	5,753	11,282	3.19	65,590

Highly skilled supervision	6,250	22%	1,082	2,266	2.76	21,760
Senior management	2,268	18%	349	758	2.99	10,721
MM and S56	17	18%	2	24	0.71	158
<b>Total</b>	<b>108,884</b>	<b>18%</b>	<b>16,097</b>	<b>37,053</b>	<b>2.94</b>	<b>152,581</b>
* Number of employees in post at the beginning of the year						
**Average is calculated by taking sick leave in column 3 divided by total employees in column 6						T 4.3.2

### Average Number of days and Cost of Sick Leave (excluding injuries on duty)

Figure 42 below reflects the average number of days sick leave per salary band for individual employees.



**Figure 25: Number of days and Cost of Sick Leave (excluding injuries on duty)**

### City Group Number and Cost of Injuries on Duty

Table 147 below outlines the number and cost of Injuries on Duty for City Group employees for 2019/20.

**Table 129: Number and cost of injuries on duty**

City Group (Departments and Municipal Entities)					
Number and Cost of Injuries on Duty 2019/20					
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	*	182			4,864
Temporary total		384			125,103.00

disablement					
Permanent disablement		2			Compensation Commissioner Awards not yet issued
Fatal		6			Compensation Commissioner Awards not yet issued
<b>Total</b>	<b>0</b>	<b>574</b>		<b>0</b>	<b>129967</b>
<i>*The City leave systems does not allow for IOD leave to be captured per type of injury.</i>					
<i>T 4.3.1</i>					

The City's leave system currently does not allow capturing to indicate type of injury. However for the City Core the following total amount of IOD leave days were taken:

<b>Number of employees</b>	<b>IOD Leave days taken</b>	<b>Employees salary cost during IOD Leave</b>
42	486	R 767,527.39

With effect from 2020/2021, IOD leave days taken within Municipal Entities will be reflected as well.



### **Disciplinary Action Table (Linked to Employee Relations Tables)**

The purpose of discipline in the employment environment is to ensure that individual employees contribute both effectively and efficiently towards achieving the goals of the municipality in this context. Modern labour legislation permits employers to lay down rules and standards required for the efficient and orderly functioning of the business. However, these rules should be applied fairly and consistently.

The municipal undertaking is governed and/or regulated by collective bargaining mechanisms under the auspices of the South African Local Government Bargaining Council (SALGBC). In this regard, the Disciplinary Procedure Collective Agreement is applicable for all employees falling within the registered scope of the SALGBC. Disciplinary action against Senior Managers employed in terms of Section 54A and 56 of the Municipal Systems Act is conducted per Disciplinary Regulations for Senior Managers, 2010. It is important to note that disciplinary action is not a punitive measure, but a corrective one. Consequently, it is expected that disciplinary action is implemented fairly, consistently progressively and promptly.

The maintenance of discipline is the responsibility of management and falls within the control function of a supervisory position. In meting out discipline, the principles of natural justice and fair procedure should always be observed and must be adhered to notwithstanding any criminal and/or civil action having been instituted.

During the period under review the following disciplinary processes were dealt with as tabulated further below in 2019/2020:

- Three hundred and seventy nine (379) disciplinary cases held within various City Core departments. The vast number of these cases emanated from the Public Safety department as there were approximately two hundred (200) employees at Emergency Management Services who engaged in an unprotected industrial action which led to their dismissal.

- Sixty four per cent (64%) of all disciplinary cases held during the financial year were finalised despite the postponement of all disciplinary cases within the City during the period of lockdown due to COVID-19. Group Corporate and Shared Services capacitated GHCM: Employee Relations Unit through the appointment of one (1) Deputy Director: Presiding, Prosecuting and Research and four (4) Assistant Directors in prosecutor positions. They are primarily focusing on disciplinary cases to ensure expeditious resolutions of disciplinary cases. Group Legal and Contracts also employed two (2) employees at Director Level to serve as presiding officers in disciplinary cases. It should be noted there were no Section 54A and 56 employees who transgressed and were subjected to disciplinary processes during the period.
- The City placed two hundred and forty three (243) employees on precautionary suspension pending finalisation of disciplinary processes. This was to ensure that they do not jeopardise any investigation into the alleged misconduct, interfere with potential witnesses, or commit further acts of misconduct.

## City Group Number and Period of Suspension

Table 130 shows the number and period of suspension.

**Table 131: Number and period of suspension**

<b>City Group (Departments and Municipal Entities) Number and Period of Suspensions</b>					
	<b>Position</b>	<b>Nature of Alleged Misconduct</b>	<b>Date of Suspension</b>	<b>Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised</b>	<b>Date Finalised</b>
1	Senior Secretary	Dishonesty	2019/12/06	Under Investigation	
2	General Worker	Assault or threaten to assault another employee or member of public	2019/12/13	Under Investigation	
3	Operator Plumber	Sexual harassment	2020/04/21	Under Investigation	
4	General Worker	Misappropriation or abuse of Council or Municipal entity assets or properties	2020/03/16	Under Investigation	
5	Artisan	Misappropriation or abuse of Council or Municipal entity assets or properties	2020/03/16	Under Investigation	
6	Quantity surveyor	Dishonesty	2017/03/01	Disciplinary enquiry concluded. The employee was dismissed effective the 12 February 2020.	2020/02/11
7	Procurement Manager	Dishonesty	2019/03/13	The service provider has been appointed to conduct investigations. The investigation has been concluded and first draft discussed. We are still waiting for final draft of the report. Case pending due Covid-19	

City Group (Departments and Municipal Entities) Number and Period of Suspensions					
	Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
8	Procurement Officer	Dishonesty	2019/03/13	The service provider has been appointed to conduct investigations. The investigation has been concluded and first draft discussed. Final draft has been received recommending disciplinary enquiry against the employee. The employee has been served with the charge sheet. Disciplinary enquiry scheduled for 8 July 2020.	
9	Forklift Driver	Other	2019/04/17	Placed on suspension and the company is in the process of drawing up charges of misconduct. The disciplinary enquiry concluded, and employee dismissed on 1 August 2019	2019/08/01
10	Cashier	Dishonesty	2019/10/17	Suspended on the 17 October 2019 after reporting that she was sick whereas she was at a vacation in Durban with friends. She fraudulently obtained a document purporting to be a medical certificate and used it to claim for payment. Charge sheet issued and parties are to agree on the date of the disciplinary hearing. Case pending due Covid-19	

City Group (Departments and Municipal Entities) Number and Period of Suspensions					
	Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
11	Senior Strategic Planner	Dishonesty	2019/08/30	Service provider has been appointed to conduct investigation. Investigation finalised. The company appointed the prosecutor to finalise charges. The charges have been served on the employee. Disciplinary enquiry was scheduled for 5 March 2020. Case pending due Covid-19	
12	Chief Financial Officer	Other	2020/05/01	Placed on suspension pending finalisation of investigation	
13	Core: Operations Executive	Other	2020/05/01	Placed on suspension pending finalisation of investigation	
14	Manager CCTV Control	Other	2020/02/01	Placed on suspension pending finalisation of investigation	
15	Senior Manager: SCM	Other	2020/06/30	Placed on suspension pending finalisation of investigation for problems in the department	
16	Field Services Manager	Fraud & Corruption	2018/02/27	Arbitration Award Received, in favour of employee, Legal working on the review of the award	
17	Cleaner	Assault or threaten to assault another employee or member of public	2019/01/16	Provisionally withdrawn	2019/09/05
18	Financial Accountant	Fraud	2018/11/01	Finalised. Acquitted	2019/07/31
19	Supply Chain Manager	Fraud	2019/01/01	Finalised. Acquitted	2019/07/31
20	Snr. Business Planning & Risk	Fraud	2018/11/01	Finalised. Acquitted	2019/07/31
21	Housing Supervisor	Fraud	2017/08/17	Finalised. Acquitted	2019/10/01
22	Senior Manager: Communication & Marketing	Maladministration	2020/02/25	Misconduct. Employee suspended and investigation continuing	

<b>City Group (Departments and Municipal Entities) Number and Period of Suspensions</b>					
	<b>Position</b>	<b>Nature of Alleged Misconduct</b>	<b>Date of Suspension</b>	<b>Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised</b>	<b>Date Finalised</b>
23	Depot Manager	Fraud	2016/10/10	Investigation finalised. Allegations withdrawn	2019/08/02
24	Manager: Recruitment and Selection	Fraud & Failure to fulfil statutory obligations	2017/02/17	Fraud investigation in progress. Disclosure of information finalised. Acquitted	
25	Acting Supervisor: RSD	Theft	2017/03/22	Hearing in progress	
26	Bookkeeper	Allegations of Intimidation, Refusal to take lawful instructions given and Contravening the JRA Code of Ethics	2018/07/04	Hearing in progress	
27	Bookkeeper	Allegations of Intimidation, Refusal to take lawful instructions given and Contravening the JRA Code of Ethics.	2018/07/04	Hearing in progress	
28	Ops Manager: SCM	Irregular Expenditure	2018/08/02	Finalised. Dismissed	2020/01/31
29	Supervisor	Theft	2018/10/19	Finalised. Acquitted	2019/12/05
30	Foreman	Theft	2018/10/19	Hearing in progress	
31	General Worker	Theft	2018/10/19	Finalised. Resigned	2020/02/04
32	HCD Officer	Misappropriation or abuse of Council or Municipal entity assets or properties	2019/02/13	Finalised. Deceased	2019/10/13
33	Managing Director	Corruption	2019/04/15	Finalised. Dismissed	2020/03/12
34	General Worker	Incitement to strike	2019/04/09	Hearing in progress	
35	Personal Assistant	Incitement to strike	2019/04/09	Finalised. Resigned	2019/10/01
36	Inspector	Incitement to strike	2019/04/09	Finalised. Withdrawn	2020/03/26
37	General Worker	Incitement to strike	2019/04/09	Finalised. Withdrawn	2020/03/26
38	Area Supervisor	Incitement to strike	2019/04/09	Finalised. Withdrawn	2020/03/26
39	General Worker	Dishonesty	2019/08/22	Hearing in progress	
40	Depot Manager	Corruption	2019/08/23	Finalised. Awaiting sanction	2020/03/25
41	General Worker	Assault	2019/08/23	Hearing in progress	
42	Ops Manager: RO	Irregular Expenditure	2019/09/04	Finalised. Resigned	2019/12/06
43	Inspector	Destabilising the depot	2019/12/02	Hearing in progress	
44	Inspector	Destabilising the depot	2019/12/02	Finalised. Final written warning	2020/02/27

City Group (Departments and Municipal Entities) Number and Period of Suspensions					
	Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
45	Area Supervisor	Destabilising the depot	2019/12/02	Finalised. Final written warning	2020/02/27
46	General Worker	Destabilising the depot	2019/12/02	Finalised. Final written warning	2020/02/27
47	Ops Manager: RO	Alleged dereliction of duties	2020/02/12	Hearing in progress	
48	Regional Manager	Failure to fulfil statutory obligations	2019/05/20	Case concluded	2019/11/11
49	Driver	Dishonesty	2019/06/14	Case concluded	2019/10/24
50	Supervisor	Other	2019/10/17	Suspension Lifted	2020/02/01
51	Supervisor	Other	2019/10/17	Suspension Lifted	2020/02/01
52	Team Leader	Other	2019/10/17	Suspension Lifted	2020/02/01
53	Executive Manager HRM	Other	2020/03/19	Investigation is underway	
54 to 61	General Worker x 8	Other	2020/04/17	Case concluded. All 8 Dismissed	2020/06/25
62	Regional Manager	Other	2020/04/17	Investigation is underway	
63	Manager HR Shared Services	Other	2019/08/07	Disciplinary hearing held on 30 June 2020 & parties committed 29, 30 & 31 July 2020 for completion.	
64	Horticulture Operator	Sexual harassment	2019/05/02	Finalised. Final written warning	2019/10/21
65	Horticultural Operator	Assault or threaten to assault another employee or member of public & Failure to Comply with Council or Municipal Entities policies	2019/02/20	Dismissed	2019/09/23
66	General Manager	Corruption	2019/08/07	Charges/ Notice Serve- was scheduled for 25/03/20. Employee Resigned	2020/05/31
67	Supply Chain Co Ordinator	Corruption	2019/08/07	Charges/ Notice Serve- was scheduled for 25/04/02. Employee Resigned	2020/05/31
68	Accounts Administrator	Theft	2019/10/25	Was Scheduled for 12/03/20, postponed to a date to be confirmed. Matter awaiting set down date	

City Group (Departments and Municipal Entities) Number and Period of Suspensions					
	Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
				(Phased in approach) COVID-19 delays	
69	Horticulture Operator	Corruption	2019/04/09	Set on the On 10/03/20, rescheduled for 09/04/20. Matter awaiting set down date (Phased in approach) COVID-19 delays	
70	Horticulture Operator	Insubordination	2020/02/19	Scheduled for 2020/06/30. COVID-19 delays	
71	Foreman	Other	2018/08/28	Ongoing	
72	Superintendent	Other	2018/08/30	Ongoing	
73	Cashier	Insubordination	2018/10/12	Ongoing	
74	Bus Operator	Failure to fulfil statutory obligations	2018/11/30	Dismissed	2019/07/22
75	Bus Operator	Failure to fulfil statutory obligations	2019/04/01	Dismissed	2019/12/02
76	Procurement Officer	Insubordination	2019/03/20	Written Warning	2019/12/02
77	Supervisor: Quality Assurance	Theft	2019/07/30	Dismissed	2020/03/26
78	Quality Assuror	Insubordination	2019/07/17	Suspension lifted	2020/01/13
79	Bus Operator	Corruption	2019/04/23	Dismissed	2019/10/17
80	Data Processing Clerk	Corruption	2019/10/03	Dismissed	2020/05/26
81	Bus Operator	AWOL	2019/08/23	Ongoing	
82	Bus Operator	Failure to fulfil statutory obligations	2020/01/17	Ongoing	



## Summary of Disciplinary Cases within Core Departments of the City

Table 132 gives a summary of disciplinary cases within city core departments.

**Table 133: Summary of Disciplinary Cases within City Core Departments**

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
1.	Public Safety	EMS	2018/05/09	Fire Fighter	Other	Disciplinary process in progress	
2.	Public Safety	EMS	2019/08/27	Fire Fighter	Other	Disciplinary process in progress	
3.	Public Safety	EMS	2019/08/27	Fire Fighter	Other	Disciplinary process in progress	
4.	Health	Health	2018/11/13	Operational Manager	Insubordination	Disciplinary process in progress	2019/10/18
5.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 days suspension	2020/02/11
6.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 days suspension	2020/02/11
7.	Public Safety	EMS	2019/07/22	Fire Fighter	Other	The matter was dismissed by the chairperson	2019/10/03
8.	Public Safety	EMS	2019/08/27	Fire Fighter	Other	Disciplinary process in progress	
9.	Public Safety	EMS	2019/12/20	Fire Fighter	Dishonesty	Disciplinary process in progress	
10.	Public Safety	EMS	2019/12/20	Manager	Insubordination	Disciplinary process in progress	
11.	Public Safety	EMS	2019/12/20	Fire Fighter	Insubordination	Disciplinary process in progress	
12.	Public Safety	EMS	2019/12/20	Fire Fighter	Insubordination	Disciplinary process in progress	
13.	Public Safety	EMS	2019/12/13	Fire Fighter	Insubordination	Dismissal	
14.	Public Safety	EMS	2020/01/25	Fire Fighter	Failure to comply with policy	Disciplinary process in progress	
15.	Public Safety	EMS	2020/02/24	Fire Fighter	Other	Disciplinary process in progress	
16.	Health	Health		Operational Manager	Insubordination	Disciplinary process in progress	
17.	Health	Health		Operational Manager	Insubordination	Disciplinary process in progress	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
18.	Health	Health		Operational Manager	Insubordination	Disciplinary process in progress	
19.	Group Finance	RSSC		CRA	AWOL	Disciplinary process in progress	
20.	Public Safety	EMS	2018/05/09	Store Controller	Other	The matter has been postponed to 29 July 2020	
21.	Public Safety	EMS	2018/05/09	Training Officer	Other	Disciplinary process in progress	
22.	Public Safety	EMS	2018/05/09	Fire Fighter	Other	Disciplinary process in progress	
23.	Public Safety	EMS	2018/05/09	Fire Fighter	Other	Disciplinary process in progress	
24.	Public Safety	EMS	2018/05/09	Fire Fighter	Other	Disciplinary hearing scheduled to proceed on 30 July 2020	
25.	Public Safety	EMS	2019/11/08	Fire Fighter	Dishonesty	Hearing to continue July 2020	
26.	Public Safety	EMS	2018/09/09	Fire Fighter	Other	Disciplinary process in progress	
27.	Public Safety	EMS	2018/02/07	Fire Fighter	Other	The hearing proceeded and the employer representative is still busy with the examination in chief leading witnesses. The disciplinary hearing was then postponed to 08 and 09 July 2020 for the inspection in loco and finalisation of the case.	
28.	Public Safety	EMS	15/03/2019	Fire Fighter	Other	The Presiding Officer and the Prosecutor were appointed. The disciplinary hearing is scheduled for 10 August 2020	
29.	Public Safety	EMS	2019/10/04	Fire Fighter	Other	Disciplinary process in progress	
30.	Public Safety	EMS	2019/06/18	Fire Fighter	Other	The disciplinary hearing is scheduled to proceed on 13 August 2020	
31.	Public Safety	EMS	2018/11/21	Fire Fighters	Failure to comply with policy	The employees were served with the charges and the disciplinary hearing will proceed on 05	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
						August 2020	
32.	Public Safety	EMS	2019/08/27		Other	The matter is postponed to 23 July 2020	
33.	Public Safety	EMS	2019/10/01	Fire Fighter	Fraud	Disciplinary process in progress	
34.	Public Safety	EMS	2019/10/10	Fire Fighters	Insubordination	The hearing has been rescheduled for 28 July 2020	
35.	Public Safety	EMS	2019/10/10	Fire Fighter	Other	The hearing is scheduled for 03 August 2020	
36.	Public Safety	EMS	2019/11/08	Fire Fighter	Other	The presiding officer announced a verdict of guilty and parties submitted their closing arguments on 12 June 2020. Final Written Warning.	2020/06/24
37.	Public Safety	EMS	2019/11/15	Fire Fighter	Other	The matter has been postponed to 11 August 2020.	
38.	Public Safety	EMS	2019/11/20	Fire Fighter	Other	Hearing was held on 03 March 2020. Due to the non-availability of witnesses. Postponed.	
39.	Public Safety	EMS	2019/12/19	Fire Fighter	Other	The matter has been postponed to 18 August 2020	
40.	Public Safety	EMS	2019/12/20	Fire Fighter	Dishonesty	The matter has been postponed to 06 August 2020	
41.	Public Safety	EMS	2019/12/20	Manager	Insubordination	Awaiting ruling from the presiding officer on the point in limine raised by the employee the ruling would be issued on 14 July 2020.	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
42.	Public Safety	EMS	2019/12/20	Fire Fighter	Insubordination	The Employee was served with the charges in terms of clause 18 of the Disciplinary Procedure Collective Agreement. The employee was issued with a sanction of dismissal. Matter currently on appeal.	
43.	Public Safety	EMS	2019/12/20	Fire Fighter	Insubordination	Disciplinary hearing ongoing	
44.	Public Safety	EMS	2019/12/13	Fire Fighter	Insubordination	Dismissal	2020/02/18
45.	Public Safety	EMS	2020/01/25	Fire Fighter	Failure to comply with policy	Disciplinary process in progress	
46.	Public Safety	EMS	2020/02/24	Fire Fighter	Other	Disciplinary process in progress	
47.	Transportation	Rea Vaya	2016/08/12	Cashier	Fraud	Case withdrawn	2019/08/30
48.	Transportation	Rea Vaya	2017/12/11	Cashier	Fraud	Disciplinary process in progress	
49.	Transportation	Rea Vaya	2017/12/11	Cashier	Fraud	Disciplinary process in progress	
50.	Transportation	Rea Vaya	2017/12/11	Cashier	Fraud	Disciplinary process in progress	
51.	Transportation	Rea Vaya	2017/12/11	Cashier	Fraud	Disciplinary process in progress	
52.	Transportation	Rea Vaya	2017/12/11	Cashier	Fraud	Disciplinary process in progress	
53.	Transportation	Rea Vaya	2017/12/11	Station Ambassador	Fraud	Disciplinary process in progress	
54.	Transportation	Rea Vaya	2017/12/11	Station Ambassador	Fraud	Disciplinary process in progress	
55.	Transportation	Rea Vaya	2017/12/13	Station Ambassador	Fraud	Disciplinary process in progress	
56.	Transportation	Rea	2017/12/13	Station	Fraud	Disciplinary process in progress	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
		Vaya		Ambassador			
57.	Transportation	Rea Vaya	2017/12/11	Station Ambassador	Fraud	Disciplinary process in progress	
58.	Transportation	Rea Vaya	2017/12/11	Station Ambassador	Fraud	Disciplinary process in progress	
59.	Transportation	Rea Vaya	2017/12/11	Station Ambassador	Fraud	Disciplinary process in progress	
60.	Transportation	Rea Vaya	2017/12/11	Station Marshall	Fraud	Ongoing (Waiting for Verdict )	
61.	Transportation	Rea Vaya	2017/12/11	Station Marshall	Fraud	Disciplinary process in progress	
62.	Transportation	Rea Vaya	2017/12/11	Station Marshall	Fraud	Disciplinary process in progress	
63.	Transportation	Rea Vaya	2017/12/11	Station Marshall	Fraud	Disciplinary process in progress	
64.	Transportation	Rea Vaya	2017/12/11	Station Marshall	Fraud	Disciplinary process in progress	
65.	Transportation	Rea Vaya	2017/12/11	Station Marshall	Fraud	Disciplinary process in progress	
66.	Transportation	Rea Vaya	18/08/2016	Station Marshall	Fraud	Ongoing (Waiting for Verdict )	
67.	Group Finance	RSSC	2017/09/01	Assistant Credit Controller	Fraud	Disciplinary process in progress	
68.	Health	Health		Operational Manager	Insubordination	Disciplinary process in progress	
69.	Ombudsman	Call Centre	2019/03/26	Call Centre Agent	Other	Awaiting Sanction	
70.	Public Safety	EMS	2019/08/03	Fire Fighter	Other	Awaiting Sanction	
71.	Group Finance	RSSC	2019/11/22	Billing Assistant	Dishonesty	Disciplinary process in progress	
72.	Group Finance	RSSC	2019/11/22	Validation Assistant	Dishonesty	Disciplinary process in progress	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
73.	Group Finance	RSSC	2019/11/22	Ops Manager	Dishonesty	Disciplinary process in progress	
74.	Group Finance	RSSC	2019/11/22	Assistant Billing	Dishonesty	Disciplinary process in progress	
75.	Group Finance	RSSC	2019/11/22	Validation Specialist	Dishonesty	Disciplinary process in progress	
76.	Group Finance	RSSC	2019/11/22	Ops Manager	Dishonesty	Disciplinary process in progress	
77.	Group Finance	RSSC	2019/11/22	CRA	Dishonesty	Disciplinary process in progress	
78.	Group Finance	RSSC	2019/11/22	CRA	Dishonesty	Disciplinary process in progress	
79.	Group Finance	RSSC	2019/11/22	Assistant Billing	Dishonesty	Disciplinary process in progress	
80.	Group Finance	RSSC	2019/11/22	Ops Manager	Dishonesty	Disciplinary process in progress	
81.	Group Finance	RSSC	2019/11/22	Assistant Billing	Dishonesty	Disciplinary process in progress	
82.	Group SHELA	Core Administ ration	2019/09/23	Ops Manager	Insubordination	Dismissal	2020/01/23
83.	Transportation	Rea Vaya	2019/11/26	Operator Station Marshall	Fraud	10 Days suspension	2020/03/16
84.	Transportation	Rea Vaya	2019/11/26	Snr Operator station Ambassador	Fraud	10 Days suspension	2020/02/11
85.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
86.	Transportation	Rea Vaya	2019/11/26	Snr Operator station Ambassador	Fraud	10 Days suspension	2020/02/11
87.	Transportation	Rea Vaya	2019/11/26	Operator Station Marshall	Fraud	10 Days suspension	2020/02/11
88.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
89.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
90.	Transportation	Rea Vaya	2019/11/26	Snr Operator station	Fraud	10 Days suspension	2020/02/11

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
				Ambassador			
91.	Transportation	Rea Vaya	2019/11/26	Snr Operator station Ambassador	Fraud	10 Days suspension	2020/02/11
92.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
93.	Transportation	Rea Vaya	2019/11/26	Snr Operator station Ambassador	Fraud	10 Days suspension	2020/02/11
94.	Transportation	Rea Vaya	2019/11/26	Snr Operator station Ambassador	Fraud	10 Days suspension	2020/02/11
95.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
96.	Transportation	Rea Vaya	2019/11/26	Ambassador	Fraud	10 Days suspension	2020/02/11
97.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
98.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
99.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/03/16
100.	Transportation	Rea Vaya	2019/11/26	Station Ambassador	Fraud	10 Days suspension	2020/02/11
101.	Transportation	Rea Vaya	2019/11/26	Station Ambassador	Fraud	10 Days suspension	2020/02/11
102.	Transportation	Rea Vaya	2019/11/26	Cashier	Fraud	10 Days suspension	2020/02/11
103.	Group Finance	RSSC	2019/11/02	CRA	Dishonesty	Disciplinary process in progress	
104.	Group Finance	RSSC	2019/11/02	CRA	Dishonesty	Disciplinary process in progress	
105.	Com - Dev	Sport	2019/11/22	Driver	Dishonesty	Awaiting Sanction	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
		Rec					
106.	Group Finance	Property Branch	2019/12/12	Accounting Officer	Dishonesty	Disciplinary process in progress	
107.	GCSS	GHCM	2019/12/13	Assistant Director	Dishonesty	Disciplinary process in progress	
108.	GCSS	GHCM	2019/12/13	Manager	Dishonesty	Disciplinary process in progress	
109.	Group Finance		2019/11/26	Accounting Officer	Other	Disciplinary process in progress	
110.	Transportation	Management Support	2016/08/29	Deputy Director: Business Planning	AWOL	Disciplinary process in progress	
111.	Public Safety	JMPD	2018/05/02			Case Withdrawn	
112.	Public Safety	JMPD	2018/09/05	MPO	Other	6 days suspension without pay	
113.	Public Safety	JMPD	2018/06/22	MPO	Fraud	Written warning	
114.	Public Safety	JMPD	2018/05/15	MPO	Fraud	Disciplinary process in progress	
115.	Public Safety	JMPD	2018/08/06	MPO	Other	Disciplinary process in progress	
116.	Public Safety	JMPD	2019/04/18	MPO	Insubordination	Not guilty	
117.	Public Safety	JMPD	2019/02/08	MPO	Theft	Disciplinary process in progress	
118.	Public Safety	JMPD	2018/09/19	MPO	Other	Disciplinary process in progress	
119.	Public Safety	JMPD	2018/11/29	MPO	Other	Disciplinary process in progress	
120.	Public Safety	JMPD	2019/01/08	MPO	Theft	Not guilty	
121.	Public Safety	JMPD	2019/01/08	MPO	Fraud	Disciplinary process in progress	
122.	Public Safety	JMPD	2019/01/08	MPO	Fraud	Disciplinary process in progress	
123.	Public Safety	JMPD	2019/01/08	MPO	Fraud	Disciplinary process in progress	
124.	Public Safety	JMPD	2019/01/08	MPO	Fraud	Disciplinary process in progress	
125.	Public Safety	JMPD	2018/12/20	MPO	Other	Disciplinary process in progress	
126.	Public Safety	JMPD	2018/11/09	MPO	Other	Disciplinary process in progress	
127.	Public Safety	JMPD	2018/09/26	MPO	Other	Disciplinary process in progress	
128.	Public Safety	JMPD	2019/02/08	MPO	AWOL	Disciplinary process in progress	
129.	Public Safety	JMPD	2018/12/13	MPO	Other	Disciplinary process in progress	



City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
130.	Public Safety	JMPD	2019/01/18	MPO	Other	Members pleaded guilty, awaiting sanction from the presiding officer	
131.	Public Safety	JMPD	2018/11/29	MPO	Other	Disciplinary process in progress	
132.	Public Safety	JMPD	2019/01/18	MPO	Theft	Case Withdrawn	
133.	Public Safety	JMPD	2019/07/12	Cashier	Fraud	Disciplinary process in progress	
134.	Public Safety	JMPD	2019/07/12	Cashier	Fraud	Disciplinary process in progress	
135.	Public Safety	JMPD	2019/09/08	MPO	Corruption	Disciplinary process in progress	
136.	Public Safety	JMPD	2019/09/08	MPO	Corruption	Disciplinary process in progress	
137.	Public Safety	JMPD	2019/09/08	MPO	Corruption	Disciplinary process in progress	
138.	Public Safety	JMPD	2019/09/02	Deputy Director	Other	Disciplinary process in progress	
139.	Public Safety	JMPD	2018/12/13	MPO	Corruption	Disciplinary process in progress	
140.	Public Safety	JMPD	2019/01/25	MPO	Corruption	Disciplinary process in progress	
141.	Public Safety	JMPD	2019/01/18	MPO	AWOL	Disciplinary process in progress	
142.	Public Safety	JMPD	2019/01/25	MPO	Failure to comply policy	Disciplinary process in progress	
143.	Public Safety	JMPD	2019/10/22	MPO	Other	Awaiting Sanction	
144.	Public Safety	JMPD	2019/10/25	MPO	Other	Disciplinary process in progress	
145.	Public Safety	JMPD	2019/03/22	MPO	Fraud	Disciplinary process in progress	
146.	Public Safety	JMPD	2019/02/15	MPO	Corruption	Not guilty	
147.	Public Safety	JMPD	2019/02/05	MPO	Corruption	Resigned	
148.	Public Safety	JMPD	2019/02/11	MPO	Other	Written warning	
149.	Public Safety	JMPD	2019/10/04	MPO	Corruption	Disciplinary process in progress	
150.	Public Safety	JMPD	2019/10/04	MPO	Corruption	Disciplinary process in progress	
151.	Public Safety	JMPD	2019/10/18	MPO	Corruption	Disciplinary process in progress	
152.	Public Safety	JMPD	2019/11/01	MPO	Other	Disciplinary process in progress	
153.	Public Safety	JMPD	2019/10/04	MPO	AWOL	Disciplinary process in progress	
154.	Public Safety	JMPD	2019/11/25	MPO	Insubordination	Disciplinary process in progress	
155.	Public Safety	JMPD	2019/12/13	MPO	Theft	Disciplinary process in progress	
156.	Public Safety	JMPD	2019/09/07	MPO	Theft	Disciplinary process in progress	
157.	Public Safety	JMPD	2019/11/25	MPO	Other	Mpo Nkuna pleaded guilty	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
						awaiting sanction	
158.	Public Safety	JMPD	2019/10/07	MPO	Insubordination	Disciplinary process in progress	
159.	Public Safety	JMPD	2019/12/13	MPO	Other	Written warning	
160.	Public Safety	JMPD	Awaiting appointment date	MPO	Other	Disciplinary process in progress	
161.	Public Safety	JMPD	2019/12/13	MPO	Corruption	Disciplinary process in progress	
162.	Public Safety	JMPD	2019/11.07	MPO	Other	Disciplinary process in progress	
163.	Public Safety	JMPD	2019/11/14	MPO	Other	Disciplinary process in progress	
164.	Group Finance	RSSC	2018/07/01	Customer Relations Agent	AWOL	Disciplinary process in progress	
165.	Group Finance	RSSC	2018/05/30	Director	Fraud	Disciplinary process in progress	
166.	Public Safety	EMS	2019/10/31	Fire Fighter	Other	Disciplinary process in progress	
167.	Office of the Executive Mayor	Ombudsman	2020/02/05	Executive Secretary	Fraud	Disciplinary process in progress	
168.	Planning Development	Building Development Management	2020/01/30	Personal Assistant	AWOL	Suspension 8 days without pay spread over period of 3 months. The suspension will start in March 2020.	
169.	Planning Development	Building Development Management	2020/01/30	Plans Examiner	Other	Disciplinary process in progress	
170.	Planning Development	Building Development Management	2020/01/30	Ops Manager	Other	Disciplinary process in progress	

City Core Departments Summary of Disciplinary Cases							
No	Department	Division	Date reported	Position	Transgression	Progress	Date Finalised
171.	Com - Dev	Sports & Rec	2020/01/30	Cloak Attendant	AWOL	Dismissal	
172.	GCSS	GHCM	2020/06/08	Officer Transactions		Disciplinary hearing scheduled 2020/07/07	
173.	Public Safety	EMS	2020/03/18	Fire Fighter	Insubordination	Matter has been rescheduled for 13 July 2020	
174.	Public Safety	EMS	2020/03/18	Fire Fighter	Insubordination	Disciplinary process in progress	
175.	Public Safety	EMS	2020/03/11	Fire Fighter	Insubordination	Disciplinary process in progress	
176.	Public Safety	EMS	2020/06/19	Fire Fighter	Insubordination	Disciplinary process in progress	
177.	Public Safety	EMS	2020/03/19	Fire Fighter	Insubordination	Disciplinary hearing is scheduled for 09 July 2020	
178.	Public Safety	EMS	2020/03/19	Fire Fighter	Insubordination	Disciplinary hearing to proceed on 13 July 2020	
179 To 377	Public Safety *	EMS		Fire Fighter x 199	Unprotected strike	Dismissed x 199	2019/12/05
378.	Public Safety *	EMS		Fire Fighter	Unprotected strike	Not Guilty	2019/12/05

***\*200 Fire Fighters were dismissed for an unprotected strike of which 1 was found not guilty.***

## Disciplinary Action Financial Misconduct in the City

Table 134 shows the disciplinary action taken on cases of financial misconduct.

**Table 135: Disciplinary action taken on cases of financial misconduct**

<b>City Group (Core Departments and Municipal Entities)</b> <b>Disciplinary Action Financial Misconduct</b>							
<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the municipality</b>	<b>Disciplinary action steps taken</b>	<b>Su spe nde d Y/N</b>	<b>Date Finalised</b>	<b>First Names</b>	<b>Surname</b>	<b>Employee number</b>
Financial Accountant	Fraud	Finalised. Acquitted	Y	2019/07/31	Lebohang	Ntaka	30094904
Supply Chain Manager	Fraud	Finalised. Acquitted	Y	2019/07/31	Katleho	Mashego	30091285
Snr. Business Planning & Risk	Fraud	Finalised. Acquitted	Y	2019/07/31	Phumlani	Maseko	30092679
Housing Supervisor	Fraud	Finalised. Acquitted	Y	2019/10/01	Willie	Lekgoathi	30075505
Admin officer	Fraud	Matter in progress. Accused requested further consultation	N		Sonet	Fouche	100688
Depot Manager	Fraud	Investigation finalised. Allegations were withdrawn.	Y	2019/02/08	Christian	Bruyns	101237
Manager: Recruitment and Selection	Fraud & Failure to fulfil statutory obligations	Fraud investigation in progress.	Y	2019/07/31	Shirley	Mbiza	1244717

		Disclosure information finalised. Acquitted	of					
Acting Supervisor: RSD	Theft	Hearing progress	in	Y		Eamon	Ngwenya	101106
Supervisor	Fraud, Misappropriation or abuse of Council or Municipal entity assets or properties & unbecoming behaviour	Finalised. Retired		N	2019/10/31	Rackson	Randima	100653
Ops Manager: SCM	Irregular Expenditure	Finalised. Dismissed		Y	2020/01/31	Kganelwa	Tsatsi	1510055
Supervisor	Theft	Finalised. Acquitted		Y	2019/05/12	Folly Forget	Makhubela	727781
Foreman	Theft	Hearing progress	in	Y		Samson	Makhubela	100714
General Worker	Theft	Finalised. Resigned		Y	2020/04/02	Janeatte	Nzo	312549
Managing Director	Corruption	Finalised. Dismissed		Y	2020/12/03	Goodwill	Mbatha	565862
Depot Manager	Corruption	Finalised. Awaiting sanction		Y	2020/03/25	Tshepiso	Mokgeseng	161342
Ops Manager: RO	Irregular Expenditure	Finalised. Resigned		Y	2019/06/12	Bongani	Mhlotshane	1340947
Stock Controller	Fraud	Finalised. Dismissed		N	2020/01/31	Rosina	Khoadi	265154
Costing clerk	Fraud	Hearing progress	in	N		Charles	Mahlanga	1520465
Fire Fighter	Fraud	Disciplinary ongoing		N		F	Magadzi	30105195

Cashier	Fraud & Theft	Case withdrawn	N	2019/08/30	Hlengiwe Evidence	Mavuso	30080725
Cashier	Fraud & Theft	Ongoing Group	New	N		Mabatho	30080577
Cashier	Fraud & Theft	Ongoing Group	New	N		Simphiwe	30084790
Cashier	Fraud & Theft	Ongoing Group	New	N		Refiloe	30087487
Cashier	Fraud & Theft	Ongoing Group	New	N		Tefo	30081053
Cashier	Fraud & Theft	Ongoing Group	New	N		Enoch	30081064
Cashier	Fraud & Theft	Ongoing Group	New	N		Agnes	30080681
Station Ambassador	Fraud & Theft	Ongoing Group	New	N		Asanda	30080686
Station Ambassador	Fraud & Theft	Ongoing Group	New	N		Musa	30080887
Station Ambassador	Fraud & Theft	Ongoing Group	New	N		Precious	30080836
Station Ambassador	Fraud & Theft	Ongoing Group	New	N		Themba	30080634
Station Ambassador	Fraud & Theft	Ongoing Group	New	N		Petunia	30080896
Station Ambassador	Fraud & Theft	Ongoing Group	New	N		Elias	30080906
Station Ambassador	Fraud & Theft	Ongoing Group	New	N		Bonisile Snipes	30080830
Station Marshall	Fraud & Theft	Ongoing (Waiting for Verdict )	New	N		Portia Zethu	30080641
Station Marshall	Fraud & Theft	Ongoing Group	New	N		Betty	30080842
Station Marshall	Fraud & Theft	Ongoing Group	New	N		Dimpho	30081009

Station Marshall	Fraud & Theft	Ongoing Group	New	N		Promise	Mthembu	30082073
Station Marshall	Fraud & Theft	Ongoing Group	New	N		Nomusa	Ngubane	30080684
Station Marshall	Fraud & Theft	Ongoing Group	New	N		Patrick	Sonti	30080993
Assistant Credit Controller	Fraud & Theft	Disciplinary ongoing		N			Tshabalala	30063885
Operator Station Marshall	Fraud	10 suspension	Days	N	2020/03/16	N	Dube	30081006
Snr Operator Station Ambassador	Fraud	10 suspension	Days	N	2020/11/02	L.A	Buthelezi	30081015
Cashier	Fraud	10 suspension	Days	N	2020/11/02	S.H	Makhanya	30080820
Snr Operator Station Ambassador	Fraud	10 suspension	Days	N	2020/11/02	M	Bapela	30080630
Operator Station Marshall	Fraud	10 suspension	Days	N	2020/11/02	E	Mawela	30080758
Cashier	Fraud	10 suspension	Days	N	2020/11/02	L	Maphosa	30081074
Cashier	Fraud	10 suspension	Days	N	2020/11/02	M	Mndebele	30082070
Snr Operator Station Ambassador	Fraud	10 suspension	Days	N	2020/11/02	H.N	George	30081004
Snr Operator Station Ambassador	Fraud	10 suspension	Days	N	2020/11/02	P.P	Mokwena	30080896
Cashier	Fraud	10 suspension	Days	N	2020/03/16	T.C	Masukela	30067166

Snr Operator Station Ambassador	Fraud	10 Days suspension	N	2020/11/02	E.M	Ntjana	30080730
Snr Operator Station Ambassador	Fraud	10 Days suspension	N	2020/11/02	B.S	Botsane	30080637
Cashier	Fraud	10 Days suspension	N	2020/11/02	A	Mann	30061425
Ambassador	Fraud	10 Days suspension	N	2020/11/02	K	Jikwana	30084733
Cashier	Fraud	10 Days suspension	N	2020/11/02	A.M	Ntsasa	30080681
Cashier	Fraud	10 Days suspension	N	2020/11/02	B.B	Molete	30080617
Cashier	Fraud	10 Days suspension	N	2020/03/16	M.M	Nkosi	30080673
Station Ambassador	Fraud	10 Days suspension	N	2020/11/02	T.A	Muller	30084798
Station Ambassador	Fraud	10 Days suspension	N	2020/11/02	N	Mgolozeli	30081023
Cashier	Fraud	10 Days suspension	N	2020/11/02	M	Mochonyane	30080607
MPO	Fraud	Disciplinary hearing ongoing	N		S R	Moetjie	30053315
MPO	Theft	Constant delay from the prosecutor side	N		D	Mathibe	30069719
MPO	Theft	Not guilty	N	2020/04/02	R	Mawelewele	30026761
MPO	Fraud & Corruption	Delayed in obtaining Chinese interpreter- Next date to be set	N		P	Mnikathi	30061925
MPO	Fraud & Corruption	Delayed in obtaining Chinese	N		D C	Nkuna	30061635



		interpreter- Next date to be set					
MPO	Fraud & Corruption	Delayed in obtaining Chinese interpreter- Next date to be set	N		S N	Mpone	30053156
MPO	Fraud & Corruption	Delayed in obtaining Chinese interpreter- Next date to be set	N		R	Nembelelwe	30068592
MPO	Theft	Case Withdrawn	N	2020/01/20	S	Sithole	30053819
MPO	Theft	Case Withdrawn	N	2020/04/02	B G	Tshabalala	30053246
Cashier	Fraud	Disciplinary hearing ongoing	N		M	Modisetji	30090460
Cashier	Fraud	Disciplinary hearing ongoing	N		MD	Seotloe	30074522
MPO	Corruption	Disciplinary hearing ongoing	N		NE	Mahori	30069189
MPO	Corruption	Disciplinary hearing ongoing	N		BT	Moabi	30079249
MPO	Corruption	Disciplinary hearing ongoing	N		NF	Mashego	30086035
MPO	Corruption	Disciplinary hearing ongoing	N		L Y	Shithelane	30068741
MPO	Corruption	Disciplinary hearing ongoing	Y			Nemangani	30068580
MPO	Corruption	Disciplinary hearing ongoing	Y		G M	Ramopi	30068884
MPO	Fraud & Corruption	Disciplinary hearing ongoing	N		F A	Chauke	30062076
MPO	Corruption	Resigned	N	2019/11/18	A M	Rayners	30054339
MPO	Corruption	Disciplinary hearing ongoing	N		C S	Mofokeng	30039825

MPO	Corruption	Disciplinary hearing ongoing	N		T L	Mazibuko	30068908
MPO	Corruption	Disciplinary hearing ongoing	N		M T	Yende	30068739
MPO	Corruption	Disciplinary hearing ongoing	N		C A	Wentzel	30057476
MPO	Corruption	Disciplinary hearing ongoing	N		D S	Muliwa	30064135
MPO	Corruption	Disciplinary hearing ongoing	N		S S	Keswa	30062041
MPO	Theft	Disciplinary hearing ongoing	N		M	Peter	30038024
MPO	Theft	Disciplinary hearing ongoing	N		A	Tree	30096055
MPO	Corruption	Disciplinary hearing ongoing	N		E	Malema	30061948
MPO	Corruption	Disciplinary hearing ongoing	N		F B	Maluleke	30086044
MPO	Corruption	Disciplinary hearing ongoing	N		S	Mthethwa	30062029
MPO	Corruption	Disciplinary hearing ongoing	N		P X	Njova	30061777
MPO	Corruption	Disciplinary hearing ongoing	N		TT	Morake	30086915
Director	Fraud	Disciplinary hearing ongoing	Y		S	Modiba	30073762
CRA	Fraud	Disciplinary hearing ongoing	Y		M	Ngalani	30073286
Fire Fighter	Bribery & Assault / threaten to assault another employee or member of the public	Disciplinary hearing ongoing	Y		D	Dladla	30091954

Executive Secretary	Fraud	Disciplinary hearing ongoing	N		J	Sehume	30089557
General Manager	Corruption	Charges / Notice Served was scheduled for 2020/03/25. Resigned	Y	2020/05/31	Michael	Mthembu	80061190
Supply Chain Coordinator	Corruption	Charges / Notice Served was scheduled for 2020/04/25. Resigned	Y	2020/05/31	Calvin	Chiliza	80061201
Accounts Administrator	Theft	Was scheduled for 12/03/20, postponed to a date to be confirmed. Matter awaiting set down the date (Phased-in approach) COVID Delays	Y		Ebrahim	Gunkel	80060249
Horticulture Operator	Corruption	Set on 2020/03/10, rescheduled for 2020/04/09. Matter awaiting set down the date (Phased-in approach) COVID Delays	Y		Gugu	Sishonga	80060889
Supervisor: Quality Assurance	Theft	Dismissed	Y	2020/03/26	Wayne	Botha	30095286

Bus Operator	Corruption	Finalised. Dismissed	Y	2019/10/17	Reginald Thamsanqa	Dlamini	30095518
Data Processing Clerk	Corruption	Dismissed	Y	2020/05/26	Nomalungel o Blossom	Xabanisa	30095228
Cleaner	Theft & Dishonesty	Finalised. Dismissed	N	2020/02/24	David Lebogang	Molopi	30095864
Human Resources Officer	Theft	A sanction of dismissal was issued	Y	2020/01/07	Ntombifuthi	Matshelalane	30055403

## **CHAPTER 5: STATEMENT OF FINANCIAL PERFORMANCE**

### **1. INTRODUCTION**

This report 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 utilized towards service delivery in all the Departments (i.e. Core) and the Municipal Owned Entities (MOEs). It therefore gives me great pleasure to present the Consolidated Group Annual Financial Statements (ANNEXURE- A) for the year ended 30 June 2020.

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.

### **2. OVERVIEW**

The 2019/20 Financial year ushered new priorities for the City emanating from the Government of Local Unity (GLU), namely:

- Accelerated and visible service delivery and re-introduction of co-production in the delivery of basic services;
- Improve and strengthen financial position;
- Impact the housing market including the integration, development and maintenance of hostels and flats;
- A safer City by re-introducing ward-based policing (Joburg 10+) and effective by-law enforcement;
- Job opportunities and creation;
- Development and support of SMMEs;
- Community Based Planning and enhanced community engagement including Mayoral imbizos;
- Manage Displaced communities and homelessness;
- Combat drug and substance abuse;
- Combat corruption, fraud and maladministration;
- Combat illegal land invasion and promote regulated land use; and
- Formalization of informal settlements and accelerated rapid land release

The advent of Covid-19 in 2020, and the subsequent declaration of the State of Disaster and lockdown regulations, came at a crucial time for local government service delivery. The

restrictions imposed in the last quarter of 2019/20 financial year therefore impacted the City's revenue billing and collection ability, therefore negatively impacting the previously anticipated inflows and cash balances. With the contraction in the economy, job losses and declined household revenues, customers were struggling to honour their debts owed to the City resulting in a growing debtors book. Traditionally the City's capital expenditure peaks in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of the year, however, with the imposition of lockdown restrictions in the last quarter, many capital projects could not be completed as planned, as contractors were not considered to be essential services. Thus the pandemic had a huge impact on the City in terms of service delivery and finances. The City attempted to adapt to the reality of the pandemic through the COVID special adjustment budget that was passed by Council on the 17<sup>th</sup> of June 2020.

### **3. FINANCIAL OVERVIEW**

Despite the economically constrained environment the City has been operating under, exacerbated by the effects of Covid-19, the City has closed the year under review with a surplus of R3.7 billion compared to the R6.5 billion achieved in the 2019 financial year. The City has remained focused 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 R8.2 billion capital budget, 73% 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 GLU approach adopted in the City's Integrated Development Plan (IDP). Performance was however hampered by the "hard" lockdown in the last quarter that limited city operations to the essential services.
- The City's cash and cash equivalents at year-end amounted to R5.5 billion, a steady increase from the R5.3 billion held at the end of 2019 financial year. The City's 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 86.3% against a Covid-19 risk adjusted target of 88% for the financial year.

Council approved various relief measures to cushion customers negatively affected by Covid-19. Council approve relief on interest on overdue accounts and suspended credit control actions during the three months from April to June 2020. Council approved the rates disaster relief rebate for Covid-19 lockdown for a period of three months, April to June 2020. These relief measures were accounted for in the performance noted for the year ended 30 June 2020.

- Despite challenging conditions that prevailed in 2019/20, the City has again achieved an unqualified audit opinion, as was the case in the previous financial year. We continue to strive towards clean administration and the highest standards of corporate governance.
- Moody's has recently taken rating action on the City of Johannesburg following their downgrade of the Government of South Africa rating to Ba2 from Ba1 and the maintenance of the negative outlook.

## ANALYSIS OF THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2019/20

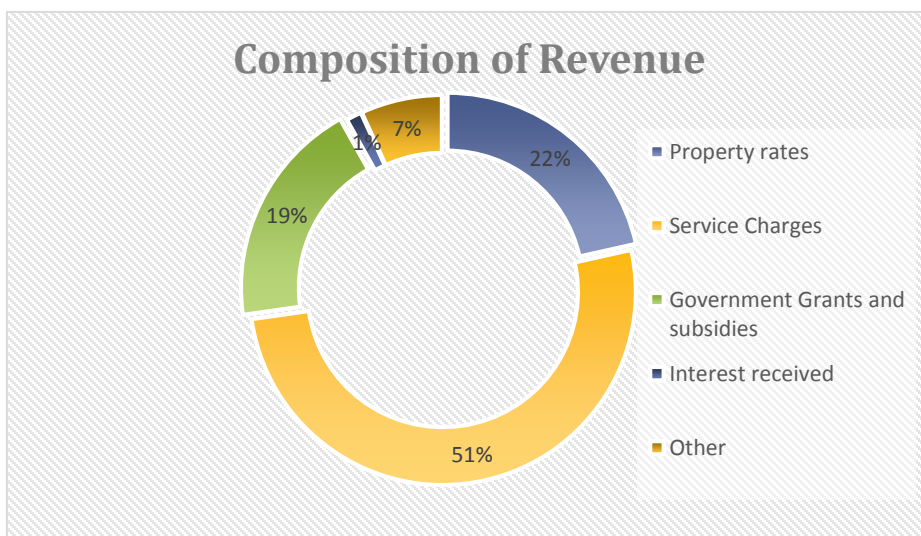
### 3.1. Statement of Financial Performance

	Jun-20			Jun-19	2019-2020
	Actual	Budget	Variance	Actual	Growth
	R'000	R'000	%	R'000	%
<b>REVENUE</b>					
Property rates	12,552,224	12,292,550	2%	12,372,032	1%
Service Charges	29,898,384	31,160,507	-4%	27,286,699	10%
Government Grants and subsidies	11,182,535	12,150,149	-8%	10,745,671	4%
Finance Income	750,798	689,884	9%	906,018	-17%
Other	3,973,971	3,892,100	2%	3,955,862	0%
	<b>58,357,912</b>	<b>60,185,190</b>	<b>-3%</b>	<b>55,266,282</b>	<b>6%</b>
<b>EXPENDITURE</b>					
Employee related costs	14,960,117	15,143,840	-1%	12,741,594	17%
Debt Impairments	6,880,118	5,005,759	37%	4,578,857	50%
Depreciation and amortisation	3,255,914	4,251,044	-23%	3,251,081	0%
Finance Costs	2,524,064	2,807,622	-10%	2,500,036	1%
Bulk Purchases	17,670,956	17,489,736	1%	16,535,145	7%
Other	9,405,927	11,865,144	-21%	9,189,172	2%
	<b>54,697,096</b>	<b>56,563,145</b>	<b>-3%</b>	<b>48,795,885</b>	<b>12%</b>

<b>Operating Surplus</b>	<b>3,660,816</b>	<b>3,622,045</b>	<b>1%</b>	<b>6,470,397</b>	<b>-43%</b>
Taxation	14,973	47,521	-68%	20,397	-27%
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>3,675,789</b>	<b>3,574,524</b>	<b>3%</b>	<b>6,490,794</b>	<b>-43%</b>

### 3.1.1 Revenue

Total revenue reflects under performance of 3% against budget and 6% increase when compared to 2019. The R58.4 billion revenue is mostly derived from service charges (water, electricity, refuse removal and sanitation), government grants and property rates respectively. The revenue composition slightly shifted when compared to the previous financial year with services charges and property rates accounting for 73% [2019: 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**

	2020		2019	
	Actual R'000	%	Actual R'000	%
<b>Property Rates Comprise</b>				
Residential	4,671,045	37%	4,588,623	37%
Commercial	7,601,295	61%	7,496,956	61%
State	279,884	2%	286,453	2%
	<b>12,552,224</b>	<b>100%</b>	<b>12,372,032</b>	<b>100%</b>

The composition of property rates revenue has remained the same, with Commercial customers being the main contributors at 61%. The 1% (See table 3.1) year on year increase in total property rates revenue is mainly attributable to changes in property market values.

### **Analysis of Service Charges**

Service charges revenue average growth of 10% (See Table 3.1) is below the budgeted increases due to:

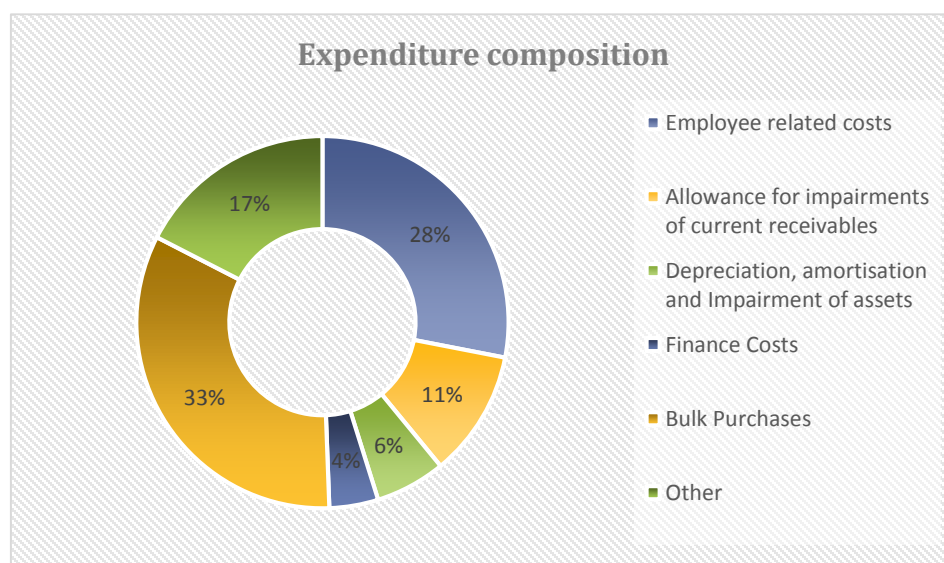
	2020		2019	
	Actual R'000	%	Actual R'000	%
<b>Service Charges comprise</b>				
Sale of electricity	15,522,371	52%	13,935,207	51%
Sale of water	7,197,513	24%	6,995,882	26%
Refuse removal	1,790,875	6%	1,653,458	6%
Sewerage and sanitation charges	4,961,895	17%	4,159,480	15%
Other services	425,730	1%	542,672	2%
	<b>29,898,384</b>	<b>100%</b>	<b>27,286,699</b>	<b>100%</b>

Service charges revenue is below budget due to the impact of the Covid-19 national lockdown on consumption patterns for metered services. Non-essential commercial businesses either

halted operations or close down, therefore reducing overall consumption of water and electricity. However, conversely, home consumption increased due to residents being confined to their homes during the hard lockdown (Level 5 and 4). Strategic interventions in the new financial year will focus on turning around the business of City power including management of non-technical losses.

### 3.1.2 Expenditure

Operational expenditure increased by 12% to R54.7 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 17% increase in employee related cost is attributable to;

Insourcing of cleaners and security officers

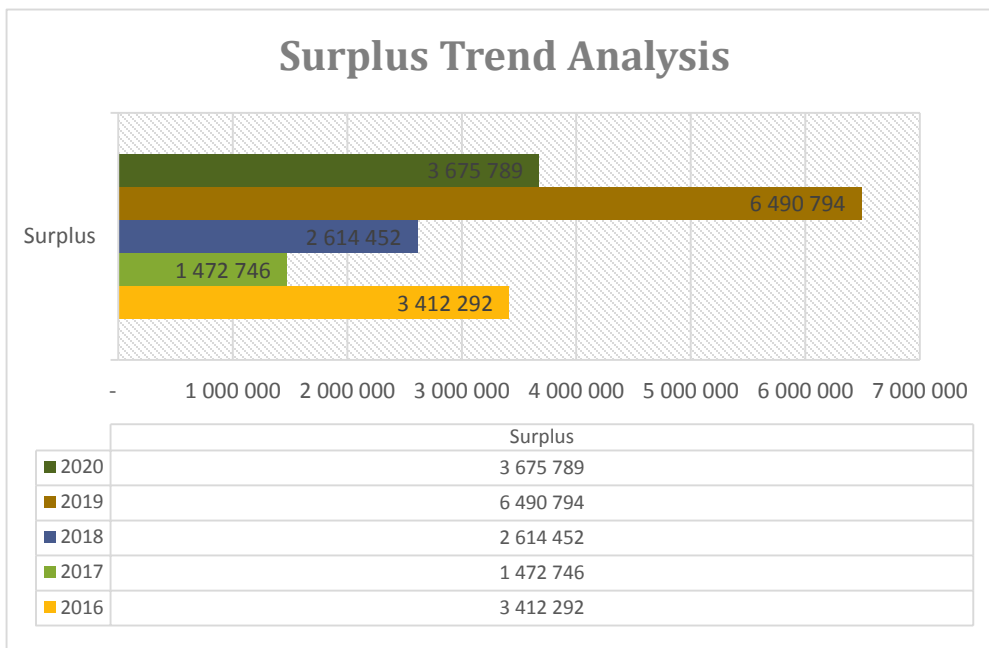
- Increase working hours of cleaners from 4 hours per

day to full day

- Overtime for Security Officers

The 28% increase in allowance of impairments of receivables is mainly due to the collection level of 86.3% compared to the 88% budgeted in the Covid adjustment budget.

### 3.1.3 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.

### 3.2 Statement of Financial Position

	Jun-20 Actual	Jun-19 Actual	2019- 2020 Growth	%Of Total 2020	2019
<b>Net Assets and Liabilities</b>					
Net Assets	55,770,313	52,094,541	7%	56%	55%
Non-current liabilities	26,950,102	27,852,405	-3%	27%	29%
Current liabilities	16,100,055	14,470,683	11%	16%	15%
	<b>98,820,470</b>	<b>94,417,629</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>
<b>Assets</b>					
Non-current assets	82,313,811	79,206,392	4%	83%	84%
Current assets	16,506,659	15,211,237	9%	17%	16%

**98,820,470      94,417,629      5%      100%      100%**

The Statement of Financial Position presented reflects a solid financial position of the City with total assets increasing by 5% to R99 billion driven largely by annual capital expenditure in excess of R6 billion.

The City's net assets position has improved by 9% to R57.2 billion. The increase in net assets is attributable to the surplus generated during the year under review of R4.8 billion.

#### 4. CAPITAL EXPENDITURE

The 2019/20 capital expenditure, as expressed by the additions capitalized in the current year amounted to R6 billion, which is 73% of approved capital budget of R8.2 billion.

#### 5. FINANCIAL RATIOS

Ratio summary	Target	Jun-20
Debt (Total Borrowings) / Revenue	45%	38%
Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	5%
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)-In Months	1-3 months	2
Current Ratio	1.5 - 2:1	1.03
Net Operating Surplus Margin	>0%	6%
Remuneration as % of Total Operating Expenditure	25%-40%	27%
Interest Expense to Total Operating Expenditure	8%	5%
Solvency	2.1: 1	2.3

The above ratios, which are closely monitored during the year, always ensure that the City remains focused on ensuring continued financial sustainability. All the ratios except two, namely, Repairs and maintenance as well as current ratio are within the set parameters. Despite both ratios being lower than the target as informed by National Treasury Benchmarks, there is improvement on both ratios from achievements in the previous financial year.

## **6. 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. The many challenges experienced in 2020/21, primarily due to the impact of Covid-19, have had a negative effect on the City's journey towards a clean audit. None of the entities or core received a clean audit.

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.

## **7. 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 2019/20 financial year.

The hard work, sacrifices and collective efforts throughout the year, have ensured that the financial statements were produced and finalized even though timelines and circumstances were difficult.

While there is 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 in the areas of financial management, governance and compliance with laws and regulations. We remain committed to strengthening the finances of the City, and 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 financial position and ability to self-fund whilst safeguarding ongoing financial sustainability.



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***Manenzhe Manenzhe***

***Group Chief Financial Officer***

***City of Johannesburg Metropolitan Municipality***

## **CHAPTER 6: AUDITOR GENERAL'S REPORTS**

### **ANNUAL REPORT OF THE AUDIT COMMITTEE OF THE CITY OF JOHANNESBURG MUNICIPALITY**

We are pleased to present the Annual Audit Committee Report for City of Johannesburg Municipality for the financial year ended 30 June 2020. The Audit Committee is an independent statutory body appointed by Council. Duties performed by the committee are in line with the approved Terms of References as outlined in section 166 of the Municipal Finance Management Act and King IV of Corporate Governance.

#### **Integrated Independent Oversight**

The City established three different group advisory committees because of its size and complexity i.e. Group Audit Committee (GAC), Group Risk Governance Committee (GRGC) and Group Performance Audit Committee (GPAC). To ensure continuity and feedback, dual membership system was adopted. One member from each committee serves as a cross member in another committee and have the responsibility to report back to the main GAC committee. None of these members are the Chairpersons of the respective Committees.

#### **Audit Committee Responsibility**

The Audit Committee reports complied with its responsibilities arising from section 166 of the Municipal Finance Management Act and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as it's the respective committee Charter, has regulated its affairs during the past financial year in accordance with these terms of references and has discharged all its responsibilities as contained therein.

#### **Management and other assurance provider responsibilities**

In terms of the combined assurance model, Management as level 1 assurer is responsible for designing and implementing effective control measures to provide a sound governance and risk management processes over set strategic objectives and account to its stakeholders while Oversight committees should assume responsibility for organizational performance by steering

and setting the direction for the realisation of the organization's core purpose and values through its strategy. Diagram 1 below refers



## Audit Committee Members and Attendance

### Group Audit Committee (GAC)

GAC commenced 2019/20 financial year with six (6) independent members and the one year term of the committee expired at end of 11 March 2020 resulting in the committee review and a new committee appointed by 11 March 2020, approximately three and a half months before the financial year-end. The new committee of five (5) members including the reappointment of one member from the old committee and additional one (1) cross member assisted in bolstering continuity during the 2019/20 financial year. The members collectively have sufficient qualifications and experience to fulfil their duties. In terms of its approved Terms of Reference, eleven (11) meetings were held during the period under review, i.e. four (4) meetings to consider the Quarterly Performance Reporting and further two (2) meetings to review and discuss the Core Annual Financial Statements and the Auditor-General of South Africa's



(AGSA) Audit and Management Reports as well as consolidated Annual Financial Statements and the Annual Integrated Report.

The management team, representatives from the internal auditors and external auditors attended the GAC meetings by invitation. The internal and external auditors have unrestricted access to the GAC.

The table below lists membership of the GAC as well as attendance of the meetings:

Member Name	Qualification	Appointment Date	End of Term	Meetings attended
Sasabona Manganye** (Chairperson)	<ul style="list-style-type: none"> <li>✓ MBA</li> <li>✓ B-Tech Information Technology</li> <li>✓ NDip Information Technology</li> <li>✓ Certificate In Business Management</li> </ul>	11 March 2020	10 February 2021	2/2
Nalini Maharaj*	<ul style="list-style-type: none"> <li>✓ B Proc</li> <li>✓ LLB</li> <li>✓ Financial Accounting Course</li> <li>✓ Corporate Governance Course</li> </ul>	17 April 2019	March 2023	11/11
Lungelwa Sonqishe	<ul style="list-style-type: none"> <li>✓ Bachelor of Accounting Science</li> <li>✓ MBA</li> <li>✓ Certificate in Corporate Governance</li> <li>✓ Certificate in Labour Relations and Leadership</li> </ul>	11 March 2020	March 2023	2/2
Mpho Mtsi	<ul style="list-style-type: none"> <li>✓ Msc in Global Finance</li> </ul>	11 March 2020	March 2023	2/2

Member Name	Qualification	Appointment Date	End of Term	Meetings attended
	✓ Bsc in Actuarial Science and Mathematical Statistics			
Tumi Ramonotsi	<ul style="list-style-type: none"> <li>✓ MBA</li> <li>✓ Management Advanced Programme</li> <li>✓ B-Tech Information Technology</li> <li>✓ N Dip Information Technology</li> </ul>	11 March 2020	March 2023	2/2
Sathiaseelan Gounden	<ul style="list-style-type: none"> <li>✓ Chartered Director (SA)</li> <li>✓ Chartered Accountant (S.A.)</li> <li>✓ Higher Diploma in Accounting (CTA)</li> <li>✓ B. Compt</li> <li>✓ CSSA</li> <li>✓ Certificate in Forensic Accounting &amp; Fraud</li> </ul>	17 April 2019	11 March 2020	9/9
Ms Karen Muthen (Cross member)	✓ CA(SA), MBA, LLM	01 Apr 2017	11 March 2020	7/9
Lazola Lufefe Mfenyana (Cross member)	<ul style="list-style-type: none"> <li>✓ CA (SA)</li> <li>✓ B Compt (Honours) Accounting</li> <li>✓ B Com (Accounting)</li> </ul>	17 April 2019	11 March 2020	9/9
Mr Richard Newby	CA(SA)	01 Apr 2017	11 March 2020	Zero (0)
Mr Norman Baloyi	<ul style="list-style-type: none"> <li>✓ CISA</li> <li>✓ CISSP</li> </ul>	01 Apr 2018	11 March 2020	Zero (0)

Member Name	Qualification	Appointment Date	End of Term	Meetings attended
Cross member	✓ CISM ✓ MBA ✓ MPhil Development Finance ✓ MSc Electronics ✓ MSc Electrical Engineering			

*\*Chairpersonship ended on 11 March 2020*

*\*\*Assumed GAC Chairperson Role on 11 March 2020*

### **Group Performance Audit Committee (GPAC) Members and Attendance**

The GPAC commenced 2019/20 financial year with six (6) independent members and the one year term of the committee expired at end of 11 March 2020 resulting in the committee review and a new committee appointed by 11 March 2020, approximately three and a half months before the financial year-end. The new committee of five (5) members including the reappointment of one member from the old committee and additional one (1) cross member assisted in bolstering continuity during the 2019/20 financial year. The members collectively have sufficient qualifications and experience to fulfil their duties. In terms of its approved Terms of Reference, six (6) meetings were held during the period under review, i.e. four (4) meetings to consider the Quarterly Performance Reporting and further two (2) meetings to review and discuss the Core Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports as well as consolidated Annual Financial Statements and the Annual Integrated Report.

The management team, representatives from the internal auditors and external auditors attended the GPAC meetings by invitation. The internal and external auditors have unrestricted access to the GPAC.

The table below lists membership of the GPAC as well as attendance of the meetings:

Member Name	Qualification	Appointment Date	End of Term	Meetings attended
Ayanda Wakaba *	<ul style="list-style-type: none"> <li>✓ MBA</li> <li>✓ B. Com. Hons [Accounting Sciences]</li> <li>✓ Bachelor of Commerce [Accounting]</li> <li>✓ Advanced Diploma in Accounting Science</li> <li>✓ AGA (SA)</li> <li>✓ Cert. Dir. (IoDSA)</li> </ul>	12 April 2019	March 2023	6/6
Shelmadene Petzer [Cross Member]	CA [SA]; CTA	12 April 2019	11 March 2020	6/6
Moganambal Kearen Muthen	CA [SA], MBA; LLM	12 April 2019	11 March 2020	4/6
Phathutshedzo Lukhwareni	<ul style="list-style-type: none"> <li>✓ Bcom [Hons]</li> <li>✓ Bcom [Economic, Bus Management]</li> <li>✓ Certified Fraud Examiner [CFE]</li> <li>✓ Certified Government Auditor [CGAP]</li> <li>✓ Certified Ethics Officer [CEO]</li> <li>✓ Approved ISO 31000 Risk Management</li> <li>✓ Approved ISO Lead Trainer</li> <li>✓ Certified Business Continuity Specialist</li> </ul>	12 April 2019	11 March 2020	4/6
Malusi William Shezi	<ul style="list-style-type: none"> <li>✓ MBA</li> <li>✓ CA [SA]</li> <li>✓ CTA</li> <li>✓ Postgraduate Diploma in Accountancy;</li> <li>✓ Advanced Certificate in Auditing</li> <li>✓ Bachelor of Accountancy</li> </ul>	12 April 2019	11 March 2020	5/6
Griffith Zabala ** (Chairperson)	<ul style="list-style-type: none"> <li>✓ Master of Management in Human Resources</li> <li>✓ BA Social Work</li> <li>✓ Diploma in Social Development</li> <li>✓ Certificate in SMME</li> </ul>	11 March 2020	March 2023	Zero (0)***
Roslyn Greeff		11 March 2020	10 February 2021	Zero (0)***
Edmund Wills	<ul style="list-style-type: none"> <li>✓ Diploma in Financial Management</li> <li>✓ Diploma in Business Management</li> </ul>	11 March 2020	March 2023	Zero (0)***
Nomusa Mufamadi		11 March 2020	10 February 2021	Zero (0)***
Tumelo Ramonotsi (Cross member)	<ul style="list-style-type: none"> <li>✓ B.Tech: Information Technology,</li> <li>✓ N. Dip: Information Technology</li> </ul>	17 April 2019	March 2023	Zero (0)***

Member Name	Qualification	Appointment Date	End of Term	Meetings attended
	✓ MAP (Management Advance Program)			

*\*Chairpersonship ended on 11 March 2020*

*\*\*Assumed GAC Chairperson Role on 11 March 2020*

*\*\*\*No meetings were scheduled after appointing new committee due to level 5 lockdown*

### **Group Risk Governance Committee (GRGC) Members and Attendance**

The GRGC commenced 2019/20 financial year with six (6) independent members and the one year term of the committee expired at end of 11 March 2020 resulting in the committee review and a new committee appointed by 11 March 2020, approximately three and a half months before the financial year-end. The new committee of five (5) members plus one cross member carried on with its mandate during the 2019/20 financial year. The members collectively have sufficient qualifications and experience to fulfil their duties. In terms of its approved Terms of Reference, three (3) ordinary meetings were held during the period under review.

The management team, representatives from the risk management, group compliance and internal auditors attended the GRGC meetings by invitation. The internal and external auditors have unrestricted access to the GRGC.

The table below lists membership of the RGCC as well as attendance of the meetings:

Member Name	Qualification	Appointment Date	End of Term	Meetings attended
Reginald Haman [Chairperson]*	<ul style="list-style-type: none"> <li>✓ MBA</li> <li>✓ PDBA</li> <li>✓ GDCCD</li> <li>✓ National Higher Diploma-School of Science</li> </ul>	12 April 2019	11 March 2020	3/3
Nare Thupana-Member	<ul style="list-style-type: none"> <li>✓ CIA</li> <li>✓ CSSA</li> <li>✓ GARP</li> </ul>	12 April 2019	11 March 2020	3/3

Member Name	Qualification	Appointment Date	End of Term	Meetings attended
	✓ OSACA			
Lazola Mfenyana-Member	<ul style="list-style-type: none"> <li>✓ CA [SA]</li> <li>✓ B. Compt. Hons. [Accounting]</li> <li>✓ B.Com. [Accounting]</li> </ul>	12 April 2019	11 March 2020	3/3
Shelmadene Petzer-Member	<ul style="list-style-type: none"> <li>✓ CA [SA]</li> <li>✓ CTA</li> </ul>	12 April 2019	11 March 2020	3/3
Tumi Ramonotsi-Member [Cross Member]	<ul style="list-style-type: none"> <li>✓ MBA</li> <li>✓ Management Advanced Program [MAP]</li> <li>✓ B. Tech</li> <li>✓ PBA, ITIL, COBIT, ARIS</li> </ul>	12 April 2019	11 March 2020	3/3
Shiva Makotoko Chairperson****	<ul style="list-style-type: none"> <li>✓ Executive Leadership Programme</li> <li>✓ Masters with Honours in Economics and Management</li> <li>✓ Higher national Certificate in Business Management</li> <li>✓ O Level</li> </ul>	11 March 2020	March 2023	Zero (0)***
Michael Sass	<ul style="list-style-type: none"> <li>✓ MCom</li> <li>✓ Certificate Internal Auditor</li> <li>✓ Chartered Accountant</li> <li>✓ B Compt Honours and CTA</li> <li>✓ B Com Honours</li> <li>✓ BCom Accounting</li> </ul>	11 March 2020	March 2023	Zero (0)***
Sinesipho Maninjwa	<ul style="list-style-type: none"> <li>✓ Bachelor of Commerce Honours in Accounting</li> <li>✓ Bachelor of Commerce Accounting</li> </ul>	11 March 2020	March 2023	Zero (0)***
Lerato Nage	<ul style="list-style-type: none"> <li>✓ Financial Modelling Valuation Analyst Certificate</li> <li>✓ Chartered Management Accountant</li> <li>✓ Masters in Finance and Investment</li> <li>✓ BCompt Accounting</li> </ul>	11 March 2020	March 2023	Zero (0)***
Josh Molomo	<ul style="list-style-type: none"> <li>✓ CA (SA)</li> <li>✓ Honours Bachelor of Accounting Sciences</li> <li>✓ Bachelor of Accounting Sciences</li> </ul>	11 March 2020	March 2023	Zero (0)***

\*Assumed GAC Chairperson Role on 17 April 2019

*\*\*No meetings were scheduled after appointing new committee*

*\*\*\*No meetings were scheduled after appointing new committee*

*\*\*\*\* Assumed GAC Chairperson Role on 11 March 2020*

## **The effectiveness of internal control and Information and Communication Technology (ICT) Governance**

The audit committee observed that the overall control environment of the City has slightly improved during the year under review as compared to the previous financial years. This is reflected by number of findings raised in comparisons to previous financial years.

The Committee has noted a huge number of findings on non-compliance with the Supply Chain Management processes which contributed to the non-achievement of the clean audit outcome. The consistently high level of Unauthorized, Irregular and Fruitless and Wasteful expenditure (UIFW) remains a matter of concern to the Committee. These deficiencies in Supply Chain Management processes were also noted in Phase 1 Special Audit Review on COVID-19 expenditure as at 31 March 2020

The committee noted value add on compliance screening conducted from all COVID-19 expenditure incurred from 01 April 2020 which assisted in prevention of irregular expenditure.

The Committee has noted the effective implementation of probity audit and probity compliance advisory on tender bid above R5 million, compliance screening of municipal SCM regulation 32 and 36, and MFMA section 110. These are part of the controls to deal with control deficiencies to address irregular expenditure.

### **Internal Audit**

- The audit committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

- The audit committee strongly encourages active communication between the Executive Management, the AGSA and the Internal Audit function, in order to strengthen the Corporate Governance within the City.
- Internal audit work conducted during the year included focused on financial control process reviews, SCM compliance reviews, an assessment of IT processes and security, and a review of performance management information. Weaknesses revealed have been raised with management. All findings raised by Internal Audit and AGSA in 2018/19 financial year are being followed up with Management as part of the 2019/20 approved audit coverage plan. Progress is being reported to the GAC on quarterly basis.
- The audit committee concern relating on the followings matters:
  - o Capacitation of Group Internal Audit Services to deal with, amongst others, probity audit and UIFW expenditure investigations
  - o Filing of Unit Head: Group Internal audit services position and other Head of Department vacant positions
  - o Inadequate control deficiencies leading to recurring of procurement and contract management audit findings
  - o Delay in finalising the establishment of Disciplinary Boards

### **Audit review of predetermined objectives**

The audit committee noted an improvement in the audit outcome (unqualified) of the City predetermined objectives. This serves as a correct path towards evidence based performance reporting.

The reliability and usefulness of performance information still remains a concern to the committee. The committee further expressed concerns over the credibility of reported performance information as similar findings raised every quarter were not being adequately addressed by management.

The AGSA 2019/20 year-end audit focus was on outcome 2, namely, “Provide a resilient, live able, sustainable urban environment-underpinned by smart infrastructure supportive of a low carbon economy”. Only KPIs from this outcome 2 were examined and further attention is needed to ensure that the City identifies and retains sufficient evidence across all its



performance programs. The AGSA's review of performance against predetermined objectives has highlighted similar findings raised by internal audit on reported performance not supported or inadequately supported by evidence.

In the previous financial year (2018/19), AGSA scope was focusing on only five (5) priorities where three (3) received unqualified audit opinion and the remaining two (2) priorities got qualified opinion.

### **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, summary departmental and municipal entities top 5 strategic risks, projects and contracts risks updates. The progress on risk management is reported to the Group Risk Governance Committee 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. This remains a high risk area for the City.

On compliance management, the committee expressed its concern on the huge number of departments that did not submit and are thus deemed to be non-compliant.

The audit committee is apprised on progress and matters of significance through cross membership.

### **Group Combined Assurance**

The Committee raised concerns over the slow implementation and embedding of the Combined Assurance Framework by the entities and encouraged the Group Risk and Assurance Services to promote this through its forums to ensure that entities implement the framework and proceed to the embedment stage.

### **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 real root causes of the identified control deficiencies.

The City Manager continues to hold Operation Clean Audit (OPCA) Steering Committee Meetings in his endeavor to hold departments accountable and speeding up the resolution thereof.

The committee noted and appreciates the establishment of Operation Clean Audit (OPCA) Committee chaired by City Manager Office, which convene monthly to monitor and hold management accountable on the resolution of both internal and external audit findings. The committee foresee this as a step in a right direction towards the enhancement of control environment which will contribute towards the city gradually achieving a clean administration

### **Implementation of Consequence Management in the City**

The Committee has noted with concern delays in establishing Disciplinary Board which is cornerstone of implementing punitive consequence management and an increase in the number of investigations conducted where cases of non-compliance with legislation, fraud and corruption were identified.

### **MSCOA Implementation**

The committee raised a concern that the implementation of MSCOA is still behind schedule, the Committee has requested the MSCOA implementation to be a standing agenda item in its meetings so that it is kept abreast with its implementation status.

Management has explained that the successful implementation of MSCOA is dependent on the rollout of SAP Business Transformation Programme.

### **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 for Chief Risk Officer was being filled but this did not materialize.

### **Evaluation of Financial Statements**

The Group Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General SA and the Accounting Officer;
- Reviewed the Audit Report of the Auditor-General SA;
- Reviewed the Auditor-General SA's Management Report and Management's response thereto;
- Noted and reviewed the Auditor-General's assessment of the usefulness and reliability of performance information.
- Reviewed the Municipality's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The audit committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and other legal and regulatory matters, and is of the view that the audited Consolidated Annual Financial Statements is fairly prepared and represent the City state of affairs read together with the AGSA report.

### **Auditor-General South Africa**

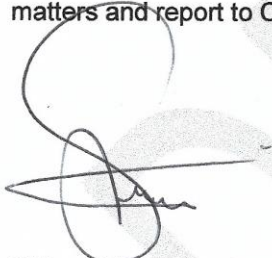
The Audit Committee confirms that it has met with the Auditor-General and that there are no unresolved issues.

## **Committee Recommendations**

While a number of matters have been raised in this report, the Committee wishes to highlight the below as matters that management and council are implored to pay additional attention given the potential of these matters in improving the financial health of the City and in strengthening good governance:

- Improving ICT infrastructure and systems
- Strengthening business continuity planning and management
- Curbing electricity losses
- Institutionalising control improvements in revenue collection
- Addressing systemic challenges in infrastructure projects implementation and capex
- Strengthening measures to prevent UIFW
- Prioritising filling of top management vacancies
- Implementing consequence management measures

During the 2020/21 financial year, the Committee shall continue to exercise oversight on these matters and report to Council accordingly.



Shiva Makotoko

**Chairperson of the Group Audit Committee**

**Date: 13 April 2021**

## 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

1. I audited the financial statements of the City of Johannesburg Metropolitan Municipality set out on pages 523 to 532, which comprise the appropriation statement, the statement of financial position as at 30 June 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. 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 2020, 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, 2020 (Act No. 4 of 2020) (Dora).

#### Basis for opinion

3. 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.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key audit matters

6. 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 for 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
<b>Difficulties encountered during the Audit relating to obtaining information for audit evidence</b>	
The engagement letter signed with the accounting officer agreed to provide requested information within three working days. The municipality was unable to provide in some cases the requested documents within the agreed time. These significant difficulties adversely impacted the allocated time for audit execution and the evaluation of audit evidence. Accordingly, the significant difficulties in providing requested information and the impact thereof, is considered a key audit matter.	<p>I have a tracking mechanism used during the audit to track all the requested information and the period the information is overdue by. When the information was not received in the agreed upon time the issue was escalated using the following platforms:</p> <ul style="list-style-type: none"><li>• Regular audit steering committee meetings were held weekly where the tracker was presented and outstanding</li><li>• The matter was communicated to the accounting officer via a letter stating all the information not yet received</li></ul> <p>After the escalation process I managed to obtain all the audit evidence need for me to be able to conclude on the audit.</p>

## Emphasis of matters

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

## Material Impairments

8. As disclosed in note 9 of the annual financial statements, the consumer debtors balance has been impaired. The allowance for impairment of consumer debtors amounts to R8 844 056 000 (2018-19: 7 315 381 000) which represents 91 ,5% (2018-19: 86,7%) of total consumer debtors.

### **Material uncertainties**

9. As disclosed in note 40 of the annual financial statements, the municipality has pending lawsuits and it's the defendant to the multiple lawsuits. The outcome of these lawsuits as at year end cannot be determined and/or reliably measured; therefore, no provision for any liabilities that may result has been made in the annual financial statements.

### **Restatement of corresponding figures**

10. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.

### **Additional disclosure – COVID-19**

11. I draw attention to note 62 in the financial statements, which deals with the impact of COVID-19 on the effects of the current and future implications of COVID-19 on the municipality's performance.

### **Other matters**

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

### **Unaudited disclosures**

13. 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 consolidated and separate 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**

14. 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, the requirements of the MFMA and DORA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. 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**

16. 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.
17. 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**

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected outcome presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do 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.
20. 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 outcome presented in the municipality's annual performance report for the year ended 30 June 2020:

Outcome	Pages in the annual performance report	Opinion	Movement
Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	413 – 430	Unqualified	

21. 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.

22. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following outcome:

- Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy

#### Other matters

23. I draw attention to the matters below.

#### Achievement of planned targets

24. Refer to the annual performance report on pages 413 to 430 for information on the achievement of planned targets for the year. This information should be considered in the context of the opinion expressed on the usefulness and reliability of the reported performance information in paragraph 21 of this report.

#### Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of

Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

#### **Implementation of new rationalised set of indicators as per MFMA Circular 88 of 2017**

26. 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 2019-20 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 2019-20 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**

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
28. The material findings on compliance with specific matters in key legislation are as follows:

##### **Annual financial statements**

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 on the MFMA. Material misstatements for receivables from exchange transactions and non-exchange transactions identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

##### **Procurement and contract management**

30. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of the Supply

Chain Management (SCM) regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

31. Sufficient appropriate audit evidence could not be obtained that quotations were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43
32. Some of the contracts were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act no. 5 of 2000 and its regulations.
33. 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.
34. 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.
35. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar non-compliance was also reported in the prior year.
36. Persons in 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. Similar non-compliance was also reported in the prior year.

### **Expenditure Management**

37. Monies owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
38. Reasonable steps were not taken to prevent irregular expenditure amounting to R3 105 187 000 as disclosed in note 51 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the non-compliance with SCM regulation 36.

39. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R106 248 000 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the fruitless and wasteful expenditure was caused by the employee tax not deducted and the related interest and penalties.
40. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R682 146 000 as disclosed in note 48 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

### Consequences management

41. Some of the irregular 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)(a) and (b) of the MFMA.

### Other information

42. 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 that selected outcome presented in the annual performance report that have been specifically reported in this auditor's report.
43. My opinion on the 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 on it.
44. 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 financial statements and the selected outcome presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

### Internal control deficiencies

45. I considered internal control relevant to my audit of the consolidated and 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 compliance with legislation included in this report.

46. The accounting officer did not adequately exercise oversight responsibility regarding financial and compliance with legislation. The accounting officer did not monitor the implementation of preventative controls to ensure compliance with laws and regulations.
47. Senior management did not exercise sufficient control discipline over financial reporting and compliance with key legislation. As a result, action plans designed to prevent recurring instances of non-compliance were not adequately implemented. Furthermore, inadequate consequence management was implemented for transgressions made by officials particularly relating to non-compliance with key legislation.

#### **Material irregularity**

48. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

#### **Material irregularity in progress**

49. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in the next year's auditor's report.

#### **Other reports**

50. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which 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 financial statements or my findings on the reported performance information or compliance with legislation.
51. A total of nine hundred and ninety-four (994) cases of alleged irregularities relating to financial misconduct, fraudulent acts, theft and non-compliance were investigated during the financial year. The majority of the cases were investigated internally by the municipality's forensic department. All these investigations relate to irregularities identified prior to 2019-20 financial year. Some of the irregularities incurred in the prior year have not been investigated.

*Auditor-General*  
Johannesburg

21 April 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence.*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected outcome and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the City of Johannesburg Metropolitan Municipality’s and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on

the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.
5. From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.



## Corrective Action Taken / To Be Taken to Resolve Auditor General Findings

Emphasis of Matters / Additional Matters	Finding	Action Taken / To be Taken	By When	Responsible Department and Official	2018/19 Findings (Repeated Findings)	2018/19 Remedial Plans
<b>Financial Viability</b>						
1. Expenditure Management	<p>1. Expenditure Management</p> <ul style="list-style-type: none"> <li>- The creditors period increased by 27%, this can reasonably be attributable to COVID-19 impact in so far as ensuring expenditure management controls are still implemented in the midst of the pandemic. Equally so the pandemic only impacts the 2019-20 for the last quarter and the significant increase still reflect a control weakness in expenditure management.</li> <li>- Monies owed by the municipality was not</li> </ul>	<p>Standard operating procedures clearly articulating requirements and responsibilities with the requisite controls are in place. The SOP is reviewed on a regular basis.</p> <p>On a monthly basis Group Finance analysis all payments made by Core Departments from date of receipt of invoice to the time it is paid. A list of all invoices paid after 30 days are sent to Departmental Finance Heads and Executive Directors requesting for reasons why invoices were paid after 30 days and action taken to correct this.</p> <p>Commitment Reports are available to all to Departmental Finance Heads/staff requiring them to follow up on all outstanding orders and where goods and services have been received to send the payment documents for payment.</p>	End of Financial year 2021	<p>Group CFO</p> <p>Group Head: Core Accounting</p> <p>Heads of Departments</p>	<ul style="list-style-type: none"> <li>- Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA</li> </ul> <p>Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA.</p>	<p>Monthly analysis of all payments made monthly. A report is sent to the departmental executive directors and finance heads of all payments made after 30 days requesting reason for late payments and measures put in place to rectify this.</p> <p>This process will be included in the Executive Directors score cards as part of the KPI's. The internal controls on procurement processes are a root cause to irregular expenditure e.g. lack of follow through in respect of compliance documents which cannot be produced as evidence during the audit. Corrective measures have been put in place through</p> <ul style="list-style-type: none"> <li>• The establishment</li> </ul>

	<p>always paid within 30 days, as required by section 65(2)(e) of the MFMA.</p> <ul style="list-style-type: none"> <li>- Reasonable steps were not taken to prevent irregular expenditure amounting to R965 558 000 as disclosed in note 44 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the non-compliance with SCM regulation 36.</li> <li>- Reasonable steps were not taken to prevent irregular and wasteful expenditure amounting to R25 172 000 as disclosed in note 3 to the annual financial statements.</li> </ul>					<p>of a Compliance Unit to address such gaps;</p> <ul style="list-style-type: none"> <li>• Communication to the end user departments in order to ensure compliance to laws and regulations;</li> <li>• HODs should take responsibility to ensure that practices that might result in irregular expenditure are identified and not allowed to occur. This will form part of the HODs scorecards;</li> </ul> <p>Quarterly reports on irregular expenditure to be compiled for assessment.</p>
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	<p>Annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the fruitless and wasteful expenditure was caused by the employee tax not deducted and the related interest and penalties.</p> <p>- Reasonable steps were not taken to prevent unauthorised expenditure amounting to R59 468 000 as disclosed in note 45 to the annual financial statements, as required by section 62(1)(d) of the MFMA.</p>				<p><b>Expenditure Management</b></p> <ul style="list-style-type: none"> <li>• Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.</li> <li>• Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.</li> </ul>	<p>Monthly analysis of all payments made monthly. A report is sent to the departmental executive directors and finance heads of all payments made after 30 days requesting reason for late payments and measures put in place to rectify this.</p> <p>This process will be included in the Executive Directors score cards as part of the KPI's.</p> <p>The internal controls on procurement processes are a root cause to irregular expenditure e.g. lack of follow through in respect of compliance documents which cannot be produced as evidence during the audit.</p>
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2. Revenue Management	<p>2. Revenue Management</p> <ul style="list-style-type: none"> <li>- An adequate management, accounting and information system which accounts for revenue was not in place, as required by section 97(h) of the MFMA.</li> </ul>	<p>On the matter of adequate management, accounting and information system, which accounts for revenue was not in place, as required by section 97(h) of the MFMA, the City disagrees with the AGSA.</p> <ul style="list-style-type: none"> <li>• The matter was first raised by the AGSA as a Key Audit Matter (KAM) in the draft audit report for the COJMM.</li> <li>• This matter was deliberated extensively during the Group Audit Committee meeting held on Tuesday 13 April 2021. Management raised concern about inclusion of this as a key audit matter which did not form part of any findings raised during the audit. Had this issue been raised by the AGSA as a finding during the Audit, management would have responded to demonstrate to the AGSA the following:</li> <li>• On the matter of adequate management, accounting</li> </ul>	<p><b>30 September 2021</b></p> <p><b>31 July 2021.</b></p> <p><b>On going to be reviewed monthly</b></p> <p><b>On going</b></p>	<p><b>Group CFO Group Head: Revenue</b></p> <p><b>Heads of Departments</b></p>	<p><b>Material impairments</b> The consumer debtor's balance has been impaired. The allowances for the impairment represent 87.7% of total consumer debtors.</p>	<p>The City together with the Municipal Entities have implemented credit control processes with a view of recovering outstanding debts.</p> <p>The debtor's book is reviewed on a regular basis in order to identify irrecoverable debt to be written off.</p> <p>Capacitate the Credit Control Management unit</p> <p>Implementation of Revenue enhancement strategy incorporating more aggressive revenue Collection initiatives.</p> <p>Debt Rehabilitation programme</p>
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		<p>and information system, which accounts for revenue was not in place, as required by section 97(h) of the MFMA, the City disagrees with the AGSA.</p> <ul style="list-style-type: none"> <li>• The matter was first raised by the AGSA as a Key Audit Matter (KAM) in the draft audit report for the COJMM.</li> <li>• This matter was deliberated extensively during the Group Audit Committee meeting held on Tuesday 13 April 2021. Management raised concern about inclusion of this as a key audit matter which did not form part of any findings raised during the audit. Had this issue been raised by the AGSA as a finding during the Audit, management would have responded to demonstrate to the AGSA the following:</li> <li>• It is common cause that had the AGSA not found a</li> </ul>	On going				
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		<p>system as envisaged in section 97(h) of the MFMA, reliance would not have been placed on the revenue numbers disclosed in the financial statement which in turn would have resulted in a financial qualified revenue audit outcome.</p> <ul style="list-style-type: none"> <li>Management will engage further with the AGSA in order to put this matter to rest. Management does not believe that any remedial action is necessary to address this finding as management disagrees with the finding.</li> </ul>				
3. Asset Management	3. An effective system of internal control for assets was not in place, as required by section 96(2Xb) of the MFMA.	In absolute terms, the City's current liabilities are indeed high. When viewed in context of current assets, the ratio is just over 1, when it should be 1.5-2:1. Whilst the current ratio has shown improvement over the previous years, its sticky nature is reflective of deeper structural issues within the revenue and expenditure value chain which must be managed closely.	Monthly	Group CFO Treasury or Group Accounting/Budget	<p>Material uncertainties</p> <p>The municipality is the defendant in various lawsuits. The outcome of these matters cannot presently be determined and/or reliably</p>	<p>Contingent Liabilities already included in the Annual Financial Statements, no management action is required as disclosure has been made in line with the standards.</p> <p>The City will continue to monitor developments around reported cases of</p>

		<p>Group Finance is currently drafting the financial recovery plan to address the deterioration of the City liquidity position due to COVID 19 negative effects on the economy. The recovery plan will include strategies on the following topics:</p> <ul style="list-style-type: none"> <li>▪ Expenditure and procurement management</li> <li>▪ Revenue and debtors management</li> <li>▪ Balance Sheet Optimisation</li> <li>▪ Supply Chain value chain optimisation</li> </ul> <p>To address fundamental issues on the City's weak current ratio, the revenue value chain needs to improve substantially. With an improved billing environment, if the collection rate remains constant or improves, the cash on hand will improve, which would improve the current ratio. In addition, improvements in revenue collection will result in lower levels of debtors' book impairment, which will in turn ensure minimal weakening in the current ratio.</p>			<p>measured; therefore no provision for any liabilities that may results has been made in the financial statements</p>	<p>litigation to ensure that financial risks are being mitigated.</p> <p>City will continue to defend itself against litigations that are brought against them in the court of law.</p>
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		<p>The City's liquidity risk is monitored on daily basis through the following implemented processes:</p> <ul style="list-style-type: none"> <li>▪ Daily cash flow projections to monitor that the City's cash inflows always don't exceed the cash outflows</li> <li>▪ Investing of unused funds to ensure maximum returns on cash balances</li> <li>▪ Monitoring of liquidity ratios to ensure compliance with contractual covenants in respect of long-term funding</li> </ul> <ul style="list-style-type: none"> <li>• Daily revenue collection monitoring compared to budget collection to identify and appropriately respond to cash flow risks</li> </ul>				
<b>Procurement and contract management</b>						
4. Procurement and contract management	<p>4. Procurement and contract management</p> <ul style="list-style-type: none"> <li>- Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in</li> </ul>	<ul style="list-style-type: none"> <li>• To proactively detect and prevent instances of Non-Compliance to Regulations which will result in Irregular expenditure, the City has established two (2) independent assurance (Probity) processes (The Internal Audit Unit and the Group Compliance Unit) at all</li> </ul>		<b>Group Head: Strategic Supply Chain Management</b>	<p>Procurement and Contract management</p> <p>Some of the good and services with a transaction of R200 000 were procured without obtaining the required price quotations, in contravention of by</p>	<p>A panel of service providers was appointed and used in the process three quotations are not required.</p> <p>.</p> <p>SAP automation through SAP Upgrade will provide a</p>



	<p>contravention of the Supply Chain Management (SCM) regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.</p> <ul style="list-style-type: none"> <li>- Sufficient appropriate audit evidence could not be obtained that quotations were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43</li> <li>- Some of the contracts were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act no. 5</li> </ul>	<p>Procurement stages, for procurement above R200 000, irrespective of the Procurement Process. These will continue and will be supported.</p> <ul style="list-style-type: none"> <li>• To enhance internal control systems the Procedure Manual is currently being reviewed (to be finalised by end of May) to enhance internal control environment, and all SCM Practitioners will be trained on the updated and approved Procedure Manual.</li> <li>• The tender document used to invite Bids have also been enhanced to strengthen the control environment and serve as an early detector for any areas of Non-Compliance.</li> <li>• Group SSCM is currently reviewing the structure including adding senior positions to reduce the vacancy rate.</li> <li>• UIFW Strategy in place</li> <li>• To establish a Disciplinary Board</li> </ul>	<p><b>June 2021(budget availability dependent)</b></p>	<p>SCM regulation 17(a) and c(c). Similar non-compliance was also reported in the prior year.</p> <p>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)</p>	<p>unique identifier for transactions out of Panels</p>
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	<p>of 2000 and its regulations.</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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 noncompliance was also reported in the prior year.</li> <li>- Awards were made to providers who were in the service of other state institutions or</li> </ul>	<p>The City like all other organs of state depend on the central supplier database to test if the supplier/s are state officials or not.</p> <ul style="list-style-type: none"> <li>• The CSD does not contain all the databases of State Employees. It also does not have the ability to identify close family relationships and Associations with other business partners.</li> </ul> <p>In order to close this gap, the SCM will source an external service provider to assist with the Proactive sourcing, profiling, and validation of Suppliers and Employee Declarations pulled from Various Sources. Municipalities do not have access to all the State Employees databases.</p> <p>All awards at the Bid Adjudication Stage will be subjected to the verification against the Database of employees Financial interest declarations in the custodian of the Group Compliance Unit.</p> <p>The introduction of eProcurement will enable SCM</p>				
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	<p>whose directors were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar non-compliance was also reported in the prior year.</p> <p>- Persons in 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. Similar non-compliance was also reported in the prior year.</p>	<p>to be linked with SARS Database to check (using id numbers) whether suppliers are in the employ of the State or not.</p> <ul style="list-style-type: none"> <li>• Quotation invitations are sent to more than three suppliers with the hope that at least three suppliers will respond, whereas quotations above R30 000 but below R200 000 are invited from the open market. The City does not have control on suppliers responding, however, in instances where responses are less than 3, the reasons are recorded and departments are to obtain signoff from GCFO/ nominee as required by the Regulations.</li> <li>• Incorrect finding all suppliers were tax compliant (This is verifiable from supplier history). The National Treasury Centralised Supplier Database (CSD) is an online platform linked to SARS. Suppliers Tax</li> </ul>				
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		<p>matters are verified through the CSD and all schedules will be downloaded/ printed to keep evidence on file.</p> <ul style="list-style-type: none"> <li>• The City will only allocate points to suppliers who have submitted the Original/Certified BBBEE certificate, or the sworn affidavit in the case of EMEs and QSEs. Evidence of the certificates shall be kept on file.</li> <li>• Circumstances surrounding deviations are a subjective matter with AG regarding other cases as not being practical. All deviations are now subjected to independent assessment by GRAS department. Procurement plans will be closely monitored to ensure that Competitive bidding is undertaken timeously.</li> <li>• GSCM to subject the date count to independent quality check (by more that</li> </ul>				
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		<p>1 person to avoid this error)</p> <ul style="list-style-type: none"> <li>• The BSC to set and confirm the dates for advertising, closing date and time. SCM to comply and implement set dates as per the BSC.</li> <li>• The automation of SCM processes (eProcurement) will ensure that submitted documents are readily available and presented to as evidence of declarations received.</li> <li>• Where a member is not available apologies are provided. Additional members are to be accredited to have replacements</li> <li>• The Bid Evaluation Committee and Central Adjudication Committee to carefully scrutinise presented matters so as to avoid approving non-compliant submissions.</li> </ul>				
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		<ul style="list-style-type: none"> <li>Submitted documents for bids to be thoroughly checked by scm Practitioners and disciplinary action will be taken against shear negligence that result in audit findings</li> </ul>				
5. Internal control deficiencies	<p>5. Internal Control Deficiencies</p> <ul style="list-style-type: none"> <li>The accounting officer did not adequately exercise oversight responsibility, by holding senior management accountable for the implementation of preventative controls relating to financial management and compliance with legislation.</li> <li>Senior management did not adequately implement action plans designed to prevent recurring non-compliance. Furthermore, consequence</li> </ul>	<ul style="list-style-type: none"> <li>Group SCM unit is currently reviewing its structure including adding senior positions.</li> <li>Vacant positions to be filled</li> <li>Procedure Manual to be adhered to by all SCM Practitioners in discharging their individual daily tasks</li> <li>Line Managers to implement consequence management where negligence and repeat mistakes are found to have happened.</li> </ul>	<p><b>June 2021 (Budget availability dependent)</b></p> <p><b>Quarterly</b></p>	<p><b>Group Head: Strategic Supply Chain Management</b></p>	<p>Consequence Management</p> <p>Some of the irregular expenditure and fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2) of the MFMA</p>	<p>Submission of the required reports to GFIS for investigations</p> <p>GFIS has been tasked with the investigations of all identified and reported incidences of irregular expenditure and fruitless and wasteful expenditure incurred by the municipality</p>

	management for deviating from policies and procedures relating to compliance with laws and regulations were not implemented adequately.					
<b>Consequence management</b>						
6. Consequence Management	6. Some of the irregular expenditure and fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.	<p>The establishment of the Disciplinary Board is at final stage of the process.</p> <p>The draft Terms of Reference of the Disciplinary Board have been reviewed by the Council Section 79 Oversight Committee on Governance. The next stage prior to submission to Council for approval is the joint sitting of the Governance Committee with three other Committees, i.e. MPAC; Section 79 on Finance; Section 79 on Group Corporate Shared Services.</p> <p>GFIS has developed a proper register that will record all pertinent information; and it is to be used going forward.</p> <ul style="list-style-type: none"> <li>Further, the Department is in the process of procuring an independently managed fraud hotline which will</li> </ul>	<p><b>April 2021</b></p> <p><b>Third Quarter 2021</b></p>	<b>City Manager /GFIS</b>	<p><b>Consequence Management</b></p> <p>Some of the irregular expenditure and fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2) of the MFMA</p>	<p>Submission of the required reports to GFIS for investigations</p> <p>GFIS has been tasked with the investigations of all identified and reported incidences of irregular expenditure and fruitless and wasteful expenditure incurred by the municipality</p>

		<p>improve the recording of reported incidents.</p> <ul style="list-style-type: none"> <li>GRAS also has in place a recording of all instances reported to Group Compliance by Departments and Entities</li> </ul> <p>With the pending establishment of the Disciplinary Board, procedures are also being put in place that will ensure there are proper records of all matters identified and investigated in the implementation of the UIFW reduction strategy.</p>				
<b>Implementation of new rationalised set of indicators as per MFMA Circular 88 of 2017</b>						
7. Implementation of new rationalised set of indicators as per MFMA Circular 88 of 2017	7. MFMA Circular 88 of 2017, issued 30 November 2017 on the rationalisation of planning and reporting requirements for the 2019-20 MTREF, aims to support the alignment of planning and reporting instruments for a prescribed set of performance indicators for metropolitan municipalities from the 2019-20 financial year onwards. The City of	<ul style="list-style-type: none"> <li>The City notes the finding on the implementation of Circular 88 Indicators. In 2019/20 the City managed to include 42 Tier 1 and 2 indicators into the Business Plans of departments and Municipal Entities and 16 included only IDP and the SDBIP. Please refer to pages 97- 102 on the IDP and pages 22-28 on the SDBIP for the incorporation of these Circular 88 indicators.</li> <li>Whilst Departments and Entities made various submissions stating their challenges with the</li> </ul>	<b>Annual</b>	<b>Group Head: GSPCR</b>	MFMA Circular 88 of 2017, issued 30 November on the rationalisation of planning and reporting requirements for 2018-19 MTREF, aims to support the alignment of planning and reporting instruments for a prescribed set of performance indicators for metropolitan municipalities	42 of 104 Circular 88 indicators will be incorporated into the business plans and SDBIP for 2019/20 financial year. Engagements and capacity building workshops will be held with National Treasury and the City officials in order to address all the issues that hinder the full implementation of Circular 88. There is a commitment by departments and entities to further increase the



	<p>Johannesburg did not include the common set of indicators in the IDP and “top-layer” SDBIP for the 2019-20 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.</p>	<p>implementation of the entire Circular and National Treasury was made aware, some departments did report on some of the indicators (please see attachments of reports). See the correspondence sent to National Treasury.</p> <p><u>Remedial Action:</u></p> <p>The City has improved this by incorporating 76 Indicators in the current IDP and SDBIP (2020/21). 36 Outcome and 40 output KPIs were included in the IDP, SDBIP and Business Plans. Departments and Entities are still putting systems in place and establishing baselines for the new KPIs that have not yet been included in the business plans, IDP and SDBIP.</p>			<p>from the 2018-19 financial year onwards. The City of Johannesburg did not include the common set of indicators in the IDP and “top-year” SDBIP for the 2018-19 planning and reporting cycle due to concerns raised with National Treasury on alignment of these indicators to the municipality’s environments and In order to entrench the indicators in the municipality’s standard monitoring tools.</p>	<p>uptake of the C88 indicators to 70% by 2020/21</p>
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## **Annexure A: Final Audited Group AFS 30 June 2020**